

**JEA**  
**BOARD MINUTES**  
April 18, 2017

The JEA Board met in regular session on Tuesday, April 18, 2017, on the 19<sup>th</sup> Floor, 21 W. Church Street, Jacksonville, Florida. Present were Tom Petway, Alan Howard, Delores Kesler, Husein Cumber, Kelly Flanagan, and Frederick Newbill.

At 12:03 PM, Immediate Past Chair Tom Petway informed the Board that Chair Ed Burr submitted his resignation effective April 18, 2017. Mr. Petway distributed and read a statement released by JEA on April 18, 2017 regarding Mr. Burr's resignation. A copy of the statement is located in the Board file. Mr. Petway extended his gratitude for Mr. Burr's service as a Board Member and as Board Chair.

**Agenda Item I – Welcome**

- A. The meeting was **called to order** at 12:07 PM by Vice Chair Howard.  
*Vice Chair Howard noted former Chair Tom Petway announced the resignation of Board Chair Burr. Vice Chair Howard called on Secretary Kesler for a motion to select a Board Chair Pro Tem.*

*Upon **motion** by Secretary Kesler and second by Mr. Newbill, the Board unanimously voted Tom Petway as Board Chair Pro Tem until a new slate of officers can be nominated and voted upon. Vice Chair Howard turned the meeting over to Chair Pro Tem Petway, at which time, Chair Pro Tem Petway called the meeting to order at 12:09 PM.*

- B. A **Moment of Reflection** was observed by all.
- C. The **Pledge of Allegiance** was led by Chair Pro Tem Petway.
- D. **Adoption of Agenda** – The agenda was approved on **motion** by Mr. Cumber and second by Secretary Kesler.

*Chair Pro Tem Petway provided a revision to the March 21, 2017 Board Meeting minutes during II. C. Open Discussion; however, the minutes reflect the original order of the agenda. A redlined version of the March 21, 2017 minutes are attached to the original Board Meeting minutes.*

- 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** –

1. Kathryn A. Schlofman, address is on file, addressed the Board regarding a claim with the City of Jacksonville.
2. Michael J. Rotes, address is on file, addressed the Board regarding the closure of the St. Johns River Power Park.

- B. Council Liaison's Comments** – Council Member Greg Anderson expressed appreciation to Chair Pro Tem Petway and all Board Members for their service to the Jacksonville community. Council Member Anderson stated City of Jacksonville ordinance 2016-764 regarding the frequency of the JEA Board of Directors meetings passed at the April 11, 2017 City Council Meeting. Council Member Anderson informed the Board that Mike Brost, Vice President/General Manager, Electric Systems, briefed the Transportation, Energy & Utility Committee on April 17, 2017 on the closure of the St. Johns River Power Park. Additionally, with the resignation of Chair Burr, legislation 2017-0171 will need to be withdrawn. Lastly, Council Member Anderson stated the City Council is working through a series of meetings related to Mayor Curry's pension proposal. The next City Council Meeting will be held on April 19, 2017.
- C. Office of the Mayor Liaison's Comments** – Dr. Gaffney welcomed Mr. Petway back as Chair Pro Tem. On behalf of the Mayor, Dr. Gaffney extended gratitude for Mr. Burr and all of the Board Members for their service to the community.
- D. Nassau County's Ex-Officio Representative's Comments** – Mr. Mullin was not in attendance.

**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 Vice Chair Howard, item 1 on the Consent Agenda was unanimously approved and items 2 through 6 were received for information.
1. Approval of Board Meeting Minutes March 21, 2017 – approved as amended
  2. Real Estate Acquisition Status Report – information
  3. Monthly JEA Financial Statements – received for information
  4. Monthly Operational and Financial Presentation – received for information
  5. Monthly JEA Operations Report – received for information
  6. Monthly FY17 Communications & Engagement Calendar and Plan Update – received for information
- B. Strategic Discussions/Action**
1. JEA FY2016 Annual Disclosure Reports – Jody Brooks, Chief Legal Officer, presented JEA staff is requesting authorization and approval of the filing and use of the Annual Disclosure Reports (ADR) for each of the (i) Electric Utility System and (ii) Water and Sewer System and District Energy System for the fiscal year ended September 30, 2016. Drafts of the ADR were delivered to Board Members for review on March 21, 2017. The redlined versions included in the Board Meeting package include revisions related to Collective Bargaining Agreements, St. Johns River Power Park, and Plant Vogtle. Vice Chair Howard requested an update to his law firm's name to Milam Howard Nicandri Gillam & Renner P.A. On **motion** by Mr. Newbill and second by Secretary Kesler, the Board unanimously approved and authorized the filing and use of the Annual Disclosure Reports.
  2. Annual Report on JEA's Jacksonville Small & Emerging Business (JSEB) Program – John McCarthy, Director, Supply Chain Management, provided information on the Jacksonville Small & Emerging Business Program (JSEB) including, FY16

highlights, JEA's partnership with other agencies and events that have been held to assist vendors in learning about the program. Mr. McCarthy provided the Board with a video highlighting how the JSEB program assists the local business community. This presentation was received for information.

3. Sole Source and Emergency Procurement/Procurement Appeals Board Report – John McCarthy, Director Supply Chain Management, presented the quarterly report ending March 31, 2017. The report included aggregated data for all formal/informal sole source and emergency awards with detailed information for each formal award over the past year. Mr. McCarthy reported a combined Sole Source/Emergency Procurement award percentage of .6% for the second quarter of FY2017. Mr. McCarthy noted there were no Procurement Appeals Board actions taken during the most recent quarter. This presentation was received for information
4. Quarterly Financial Report – Melissa Dykes, Chief Financial Officer, provided a presentation highlighting key financial metrics and results of JEA's Electric and Water and Sewer systems for the second quarter of fiscal year 2017. This presentation was received for information.
5. JEA Sewer System: Framework to Resiliency Update – Brian Roche, Vice President/General Manager, Water/Wastewater Services, provided an update to the November 15, 2016 Board presentation on the multi-step plan JEA is formalizing to prepare in the event of a major storm. Mr. Roche reviewed significant mitigation activities that are being placed in service prior to the potential impact hurricanes may have on Northeast Florida during 2017. Mr. Roche stated there are four main areas of improvement including: fortifying power supply systems to pump stations, improving functional response procedures, fortifying communication systems, and identifying other actions to be implemented. This item was received for information.
6. Electric System – Ten Year Site Plan – Steve McInall, Director, Electric Production Resource Planning, presented the Electric System Ten Year Site Plan as required by the Florida Public Service Commission (PSC). The Ten Year Site Plan addresses existing and committed facilities, forecasts and planning assumptions, and future resource needs. Mr. McInall stated this year's resource plan includes the St. Johns River Power Park (SJRPP) sales suspension and decommissioning beginning January 1, 2018 and the nuclear power purchase agreement with the Municipal Electric Authority of Georgia (MEAG) for JEA's portion of the new Plant Vogtle Units 3 and 4 currently under discussion. Mr. McInall stated the Plan does not include the Clean Power Plan. This presentation was received for information.

**C. Open Discussion –**

1. Jody Brooks, Chief Legal Officer, provided the process to select a new slate of officers.

**D. Other New Business – none**

**E. Old Business – none**

**Agenda Item IV – Reports**

**A. Managing Director/CEO's Report**

1. Mr. McElroy reiterated Council Member Anderson's note that the legislation for the frequency of JEA Board Meetings recently passed. Mr. McElroy expressed appreciation to the Public Affairs team including Mike Hightower, Chief Public

Affairs Officer; Nancy Kilgo, Director, Government Affairs; and Jordan Pope, Manager, Government Relations.

2. Mr. McElroy advised he has met individually with most Council Members regarding JEA's Collective Bargaining Agreements and pension. He stated the meetings have been positive and constructive. City Council conducted a workshop on pension on April 12, 2017.
  3. JEA and FPL are currently negotiating definitive agreements for the St. Johns River Power Park (SJRPP) transaction. Negotiations are expected to conclude in May or June 2017 and are in-line with the term sheets.
  4. JEA has received numerous inquiries regarding the SJRPP land. Mr. McElroy stated that JEA currently does not have full ownership of the land and anticipates the process to obtain full ownership could take a couple of years. Mr. McElroy provided a high level review of the timeline, with the final step of JEA receiving full control of the site.
  5. Mr. McElroy provided a review of the Plant Vogtle status, which continues to be a challenge for JEA and all its owners.
  6. Frontier Group recently published "Shining Cities 2017: How Smart Local Policies are Expanding Solar Power in America". Jacksonville was listed number 16 due to the amount of solar within the Jacksonville city limits. Board Members will be provided an electronic copy at the conclusion of the meeting.
  7. Mr. McElroy attended a roundtable discussion today at the Jacksonville Health Department with Governor Rick Scott on the Zika Virus. Mr. McElroy stated JEA will continue to provide support through communication and outreach in the community.
  8. At the request of Mr. Howard, Mr. McElroy provided information related to Plant Vogtle including: intellectual property, generating capacity, and the impact of JEA's credit rating.
- B. Chair's Report** – Chair Pro Tem Petway reminded Board Members of the City Council vote on the Mayor's pension proposal on Monday, April 24, 2017. Chair Pro Tem appointed the Nominating Committee including himself, Delores Kesler, and Alan Howard. Staff will schedule the next committee meeting prior to the next Board Meeting to propose a new slate of Officers at the May 16, 2017 JEA Board Meeting.

#### **Agenda Item V – Closing Considerations**

- A. Announcements** – Next Board Meeting – May 16, 2017
- B. Adjournment**

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

APPROVED BY:

\_\_\_\_\_  
SECRETARY

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

Board Meeting recorded by:

\_\_\_\_\_  
Melissa M. Charleroy  
Executive Assistant