

JEA
BOARD MINUTES
June 20, 2017

The JEA Board met in regular session on Tuesday, June 20, 2017, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Alan Howard, Frederick Newbill, Tom Petway, Kelly Flanagan and Husein Cumber. Delores Kesler attended telephonically.

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. Petway 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, 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.
- G.** **2017 J. D. Power Water Utility Residential Customer Satisfaction Results** – Paul McElroy, Managing Director/CEO introduced Kerri Stewart, Chief Customer Officer. Ms. Stewart stated this is the second year J. D. Power has measured residential water customer satisfaction. Over 10,000 respondents were polled in four waves from June 2016 through March 2017. JEA scored within the first quartile in three out of six customer satisfaction drivers. Ms. Stewart stated strategies are being put into place to achieve first quartile ranking in all six drivers. Ms. Stewart provided details and strategies for the “delivery” driver in an attempt to affect the current 3rd quartile ranking. Ms. Stewart stated the focus on water drivers of satisfaction has resulted in an upward movement of overall satisfaction. JEA ranks 9 out of 31 in the South Region. JEA has also improved its rankings within the South region over 2016, placing JEA at 16th place out of 87 utilities. This presentation was received for information.

Agenda Item II – Presentations and Comments

- A. Comments from the Public –**
 - 1. Kevin O’Halloran, address on file, addressed the Board regarding sustainable building ordinance.
 - 2. Diane Royal, address on file, addressed the Board regarding smart meters.
- B. Council Liaison’s Comments** – Council Member Greg Anderson thanked the Board for their service. Council Member Anderson stated there is currently no significant JEA related legislation before City Council at this time. He reminded the Board that City Council elections were completed and take effect on July 1, 2017. Council Member Anna Lopez Brosche will take the seat as the new City Council President. Additionally,

Council Member Matt Schellenberg has been named as the new Council Liaison for JEA. Council Member Anderson expressed that he has enjoyed working with the JEA Board of Directors.

- C. **Office of the Mayor Liaison's Comments** – Dr. Gaffney offered thanks from Mayor Curry for the continued service of the Board.
- D. **Nassau County's Ex-Officio Representative's Comments** – Mr. Mullin was not in attendance.

Agenda Item V – 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 Newbill and second by Ms. Flanagan, item 1 on the Consent Agenda was unanimously approved and items 2 through 4 were received for information.

1. Approval of Board Meeting Minutes May 16, 2017 – approved
2. Monthly JEA Financial Review & Statements – received for information
3. Monthly JEA Operations Report – received for information
4. Monthly FY17 Communications & Engagement Calendar and Plan Update – received for information

B. Strategic Discussions/Action

1. Proposed FY2018 Operating and Capital Budgets – Melissa Dykes, Chief Financial Officer, stated the FY2018 Operating and Capital Budgets were reviewed at the May 16, 2017 Board meeting. Ms. Dykes reviewed key highlights of the budget focusing on strategic issues, and how those issues are addressed within the budget. Ms. Dykes advised that under the proposed budget, JEA would accumulate no new debt and have no planned rate changes for FY2018. Mr. McElroy addressed the Board regarding storm hardening and stated over the past five years, JEA has spent over \$20 million a year hardening the distribution system. Mr. McElroy stated JEA has an ongoing, systemic storm hardening program under the direction of Mike Brost, Vice President/General Manager, Electric Systems. Upon **motion** by Ms. Flanagan and second by Mr. Petway, this item was unanimously approved.
2. Downtown Campus Land Swap Agreement Between JEA and City of Jacksonville – Melissa Dykes, Chief Financial Officer, provided an update on the JEA campus study. The study has helped JEA determine that, from a cost and risk perspective, the best solution is to construct a new JEA campus in the downtown core. Consistent with the Board's policy to remain in the downtown core, JEA and the City of Jacksonville have executed a term sheet for a land swap agreement for JEA's current and future downtown campuses. Ms. Dykes provided the board with a map of the COJ/Proposed JEA Campus parcel and reviewed the term sheet provided. Ms. Dykes highlighted additional information provided in the Board materials including: a proposed resolution which delegates authority to the Managing Director/CEO to execute the final land swap agreement, draft campus timeline, and two presentations previously provided to the Board. Jody Brooks, Chief Legal Officer, stated JEA has been working with Edwards Cohen on a definitive agreement. Chair Howard extended appreciation to Melissa Dykes and JEA staff, Fairlead Commercial Real Estate, LLC, Haskell, England-Thims and Miller, Inc., and Edwards Cohen. Mr.

Petway reminded the Board that the Government, Legal and Real Estate Affairs Committee has been involved in this process since 2016. Upon **motion** by Mr. Petway and second by Secretary Newbill, the Board unanimously approved to delegate authority to execute a land swap agreement, under the terms and conditions set forth in the term sheet, to the Managing Director/CEO.

3. JEA Hurricane Readiness – Ed Dendor, Director, Emergency Preparedness & Business Continuity, provided a review of JEA’s annual system hardening strategies, standards of preparedness, joint efforts with county partners, response and recovery structure, and lessons learned from the 2016 hurricane season. Mr. Dendor provided a video highlighting JEA’s annual hurricane exercises, which took place May 1 – 5, 2017. This item was received for information.
 4. Monthly Operational and Financial Review – Paul McElroy, Managing Director/CEO, 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 customer communications and solar.
- D. Other New Business** – none
- E. Old Business** – none

Agenda Item IV – Reports

A. Managing Director/CEO’s Report –

1. Mr. McElroy stated staff will provide Board Members with a storm package within the next week.
2. Mr. McElroy provided an update on Plant Vogtle.

Mr. Petway extended appreciation to JEA staff, Mayor Curry and the City of Jacksonville staff, on their work for the proposed JEA Downtown Campus.

B. Chair’s Report –

1. Chair Howard provided an update on the JEA Board Committee Members:
Finance and Audit Committee: Kelly Flanagan (Chair), Husein Cumber, Vacancy
Government, Legal and Real Estate Affairs Committee: Tom Petway (Chair), Frederick Newbill and Husein Cumber
Compensation Committee: Delores Kesler (Chair), Tom Petway and Kelly Flanagan
Nominating Committee: Alan Howard (Chair), Delores Kesler and Frederick Newbill
2. Chair Howard thanked Paul McElroy, Melissa Dykes and staff for their work on the Proposed FY2018 Operating and Capital Budgets.

Agenda Item V – Closing Considerations

- A. Announcements** – Next Board Meeting – July 18, 2017
- B. Adjournment**

With no further business claiming the attention of the Board, Chair Howard adjourned the meeting at 1:08 PM.

APPROVED BY:

SECRETARY

DATE: _____

Board Meeting recorded by:

Melissa M. Charleroy
Executive Assistant