

JEA
BOARD MINUTES
October 17, 2017

The JEA Board met in regular session on Tuesday, October 17, 2017, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Chair Alan Howard, Secretary Frederick Newbill, Kelly Flanagan and Tom Petway. Delores Kesler attended telephonically. Husein Cumber was absent and excused.

Agenda Item I – Welcome

- A.** The meeting was **called to order** at 1:02 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 Secretary Newbill and second by Tom Petway.
- 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 – Public Hearing

Public Hearing to Modify the Electric Tariff Documentation and the Water and Sewer Rate Document

Chair Howard suspended the JEA regular Board Meeting at 1:15 PM.

The JEA Board held a public hearing on October 17, 2017, as duly noticed in the Florida Times-Union to consider, as advertised:

- 1. Modifications to the JEA Electric Tariff Documentation creating the SolarMax Rider and;
 - 2. Modifications to the Water and Sewer Rate Document creating a new rate for leachate waste.
- A.** **Call to Order and Comments from the Chair – The Public Hearing was called to order** at 1:18 PM by Chair Howard.
 - B.** **Staff Presentation and Board Discussion** – Melissa Dykes, Chief Financial Officer, presented a summary of the JEA SolarMax Rider, a program that allows JEA customers using 7 million kW hours of electricity each year to receive solar energy from a specific project location, including the ability to co-brand with JEA for that project site. Ms. Dykes provided a letter from Amazon in support of the program.

Ms. Dykes also re-introduced the leachate tariff proposed changes, previously presented at the August Board meeting. Ms. Dykes advised that JEA currently treats leachate from the city and JEA needs to increase the charge in order to meet JEA's cost. The proposed rate changes correct a portion of the undercorrection in the tariff. JEA staff will be working at the Buckman Wastewater Treatment Facility to determine capital needs for treatment options in the future and will correct the remainder of the undercollection with a proposed change to the tariff.

C. Comments from the Public –

1. Dave Brudderly, addressed the Board regarding SolarMax.

Chair Howard adjourned the Public Hearing at 1:30 PM.

Agenda Item III – Action on Public Hearing

- A. Public Hearing to Modify the Electric Tariff Documentation and the Water and Sewer Rate Document –** On motion by Mr. Petway and second by Vice Chair Kesler, the Board unanimously adopted Resolution 2017–33 and its attachments to modify the JEA Electric Tariff Documentation to create the SolarMax Rider, modify the water and sewer service charges to create a new rate for leachate waste and authorize staff to take any necessary administrative actions to implement the approved modifications.

RESOLUTION 2017-33

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

Agenda Item IV – Presentations and Comments

A. Comments from the Public –

1. Todd Irion, addressed the Board regarding the battery incentive program.
2. Scott Carr, addressed the Board regarding solar.
3. Kevin Doyle, addressed the Board regarding solar.
4. Alan Mosley, addressed the Board regarding solar.
5. David Brudderly, addressed the Board regarding solar.
6. Sarah Boren, addressed the Board regarding a brighter energy future.
7. David Schacter, addressed the Board regarding solar.
8. Pete Wilking, addressed the Board regarding solar.

9. George Cavros, addressed the Board regarding solar.
 10. Greg Haynes, addressed the Board regarding solar.
 11. Tom Larson, addressed the Board regarding solar.
- B. Council Liaison’s Comments** – Council Member Schellenberg had no comments.
- C. Office of the Mayor Liaison’s Comments** – Dr. Gaffney was present, but due to a prior commitment, departed prior to the comment period. Chair Howard stated on behalf of Dr. Gaffney, that the Mayor is available to the Board if assistance is needed.
- D. Nassau County’s Ex-Officio Representative’s Comments** – Mr. Mullin was not in attendance.
- E. Customer Experience – Lessons Learned from Hurricane Irma** – Kerri Stewart, Chief Customer Officer, introduced the Customer Experience Outage Vision, providing the Board an overview of a typical outage process. Ms. Stewart advised the Board of the top three communication concerns during Hurricane Irma, the details related to each of these and the resolutions being put into place.
- F. MOSH Power Play Exhibit** – At the Chair’s discretion, this item was deferred to the November Board meeting.

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, items 1 and 2 on the Consent Agenda was unanimously approved and items 3 through 10 were received for information.
1. Approval of Board Meeting Minutes August 15, 2017 – approved
 2. Approval of Board Meeting Minutes September 19, 2017 – approved
 3. JEA Early Debt Retirement Update – received for information
 4. Sole Source and Emergency Procurement/Procurement Appeals Board Report – received for information
 5. Directors’ & Officers’ Liability Insurance – received for information
 6. JEA Economic Impact Analysis – received for information
 7. Monthly JEA Financial Review & Statements – received for information
 8. Monthly JEA Operations Report – received for information
 9. J. D. Power Wave 1 Business Customer Satisfaction Results – received for information
 10. Monthly FY17 Communications & Engagement Calendar and Plan Update – received for information
- B. Strategic Discussions/Action**
1. JEA Energy Mix Policy – Mike Brost, Vice President/General Manager, Electric Systems, advised the Energy Mix Policy was discussed in the workshop prior to the Board Meeting. On **motion** by Mr. Petway and second by Vice Chair Kesler, the Board unanimously approved a modification to the 2010 Resolution allowing for up to 30 percent of JEA’s energy to be provided by carbon–neutral projects by 2030.

Projects powered by nuclear, solar, biomass, landfill gas, wind or other clean source would qualify under this policy.

2. Universal Solar Expansion and Land Acquisition – Mike Brost, Vice President/General Manager, Electric Systems, advised the item was discussed in the workshop earlier today. On **motion** by Mr. Petway and second by Secretary Newbill, the Board approved Resolution 2017–36 delegating authorization to the Managing Director/Chief Executive Officer to execute the land purchases needed for JEA’s solar developments.
3. Distributed Generation Policy and Proposed Battery Incentive Program – Steve McInall, Director, Electric Production Resource Planning, stated that the policy and proposed program changes were covered in the workshop addressed some of the concerns presented during the public comment period. Upon **motion** by Mr. Petway and second by Ms. Flanagan, the Board discussed the recommendation of staff to approve the changes to the Distributed Generation Policy. Upon **motion** by Vice Chair Kesler and second by Secretary Newbill, the Board unanimously approved the grandfathered status to extend to all customers currently enrolled in net metering, as well as all customers who have a contract for an integrated system in new construction as of December 31, 2017, and extended to June 30, 2018. Upon **motion** by Ms. Flanagan and second by Mr. Petway, the Board amended the recommendation to make the effective date of the new Distributed Generation Policy effective April 1, 2018. The Board unanimously approved the Distributed Generation Policy as amended.
4. Approval of Resolution: FY2018 Budgetary Transfers – Melissa Dykes, Chief Financial Officer, provided a review of past practices and Board delegation of authority allowing the Managing Director to approve FY2018 budget transfers up to \$5.0 million. On **motion** by Mr. Petway and second by Ms. Flanagan, the Board approved Resolution 2017–35, allowing the Managing Director to process budget transfers within JEA budget for FY2018. This authorization is limited to \$5.0 million per transfer, except in the event of emergency or year-end adjustments, where transfers over \$5.0 million will be brought to the Board for ratification.
5. JEA Sewer System: Framework to Resiliency Update – Brian Roche, Vice President/General Manager, Water/Wastewater Systems, Paul Steinbrecher, Director Permitting & Regulatory Conformance and Jim Peters, Professional Engineer, JAKAP Consulting, LLC, provided the Board an update on the multi-step JEA Sewer System: Framework to Resiliency plan, focusing on the Capacity, Management, Operation and Maintenance (CMOM) Assessment Report. Mr. Roche advised that JEA fully concurs with all of the recommendations from the CMOM assessment and that discussion of additional steps for the overall plan are scheduled for future Board Meetings during calendar year 2018. Mr. Roche further advised that the next milestone will be in three phases: immediate opportunities such as the CMOM assessment, mid-range defensive actions and longer–term building to new resiliency standards. This item was received for information.
6. JEA Five–Year Financial Assumptions and Projections FY2018–FY2022 – Melissa Dykes, Chief Financial Officer, provided an overview of JEA’s financial assumptions for the next five–year period. Ms. Dykes advised the Board that staff recommends the Board consider the presentation and provide staff with any feedback or direction regarding the assumptions and projections. This item was received for information.

- 7. Monthly Operational and Financial Review – Melissa Dykes, Chief Financial Officer, reviewed the operational and financial results for the period ending September 30, 2017. This item was received for information.

Due to technical difficulties, Vice Chair Kesler dropped off the phone at 2:55 PM.

- C. Open Discussion** – none
- D. Other New Business** – Chair Howard thanked Mr. McElroy and team for assisting in the restoration efforts in Puerto Rico and for ensuring the protection of JEA workers and ensuring sound financial decisions were made in setting up the agreement.
- E. Old Business** – none

Agenda Item IV – Reports

- A. Managing Director/CEO’s Report** – Paul McElroy, Managing Director/CEO provided an update on the following items:
 - 1. Recognition of renewable energy work from T&D World.
 - 2. Cybersecurity Leadership & Innovation Awards – JEA was recognized by the Center for Digital Government with the 2017 Cybersecurity Leadership & Innovation Award. Mr. McElroy recognized Garry Baker, Andy Meyer, and Dan Mishra for their work.
 - 3. Northside 1 is in an outage and it is a good time to tour and see a turbine fully opened up.
 - 4. Puerto Rico video footage was shown and Mr. McElroy provided an update on JEA crews.
- B. Chair’s Report** – Chair Howard requested information on JEA’s prior research on undergrounding.

Agenda Item V – Closing Considerations

- A. Announcements** – Next Board Meeting – November 28, 2017
- B. Adjournment**

With no further business claiming the attention of the Board, Chair Howard adjourned the meeting at 3:20 PM.

APPROVED BY:

SECRETARY

DATE: _____

Board Meeting recorded by:

Cheryl W. Mock
Executive Assistant