

**JEA BOARD MINUTES
February 26, 2019**

The JEA Board met in regular session on Tuesday, February 26, 2019, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Alan Howard, Frederick Newbill, April Green and Camille Johnson. Kelly Flanagan appeared telephonically. John Campion was absent and excused.

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 Secretary Newbill and second by Ms. Green.
- E.** The **Safety Briefing** was given by Aaron Zahn, 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. Comments from the Public

- 1. Aaron Simmons – address on file – spoke to the Board regarding the Bartram Springs project
- 2. Jay King – address on file – spoke to the Board regarding the Bartram Springs project
- 3. Shawn O’Neill – address of file – spoke to the Board regarding the Bartram Springs project
- 4. Jim Pons – address on file – spoke to the Board regarding the Bartram Springs project
- 5. Tina August – address on file – spoke to the Board regarding the Bartram Springs project
- 6. Cathy Messina – address on file – spoke to the Board regarding the Bartram Springs project
- 7. Larry Parker – address on file – spoke to the Board regarding concerns related to a service issue

Greg Corcoran, Mgr Community Involvement & Project Impact provided the Board and public with information related to previous outreach attempts and future

communication plans regarding the Bartram Springs project.

- B. Council Liaison's Comments** – Council Member Schellenberg thanked Mr. Zahn for his willingness to address the issue of a new business customer and brought to the attention of the Board a Wall Street article regarding nuclear power.

Agenda Item III – Operations (Discussion / Action)

- A. Consent Agenda** – used for items that require no explanation, discussion or presentation and are approved by one motion and vote. On **motion** by Ms. Johnson and second by Secretary Newbill, Appendix A was unanimously approved and Appendix B, C, and D were received for information.

Appendix A: Board Meeting Minutes January 22, 2019 – approved

Appendix B: Monthly Financial Statements – received for information

Appendix C: Monthly Financial and Operations Detail – received for information

Appendix D: Monthly FY19 Communications & Engagement Calendar and Plan Update – received for information

- B. Monthly Financial and Operations Dashboard** – Melissa Dykes, President & Chief Operating Officer updated the Board on key metrics from JEA's four values:

Customer Value: Response time in Water/Wastewater currently in the red, however, it is an improving metric and could be met. CEMI-5 number is unusual due to being a rolling average, but we continue to see good performance from the grid.

Financial Value – Generational fleet reliability is down due to continued issues with one of the Northside units, metric will not be met. O&M goal will be a challenge due to a number of one time issues that have occurred.

Community Impact Value – our volunteer hours and JSEB spend are on track.

Environmental – nitrogen to the river way below goal due to process changes and SSOs are continuing to be a challenge due to the number, however the volume is down.

Agenda Item IV – Strategy (Discussion Only)

- A. Septic Tank Phase Out (STPO) Thought Leader** – Melissa Dykes, President & Chief Operating Officer advised the Board that she and Sam Mousa from the City of Jacksonville co-chair the steering committee for the septic tank phase out program. Ms. Dykes advised of the importance of the program for the city, the history of water and wastewater infrastructure and past steps to try to resolve issues, as well as JEA's support role in the process. Ms. Dykes discussed the current program and plans for the future and advised the Board that customer billing does not have expansion costs built into rate, the funds must come from other sources. Ms. Dykes provided a program overview and discussed the goals of the STPO program and the scoring/considerations that provide prioritization for the neighborhoods targeted for the program. Ms. Dykes discussed the three projects currently funded, Biltmore, Beverly Hills and Christobel and advised that at least 70% of the customers in the neighborhood had to sign an easement agreement in order for the neighborhood to be eligible for the funding for STPO. She further advised of the JSEB involvement in the program and the outreach program being utilized to sign up more vendors for the program to be sheltered for JSEB. Ms. Dykes introduced key players in the program and applauded their efforts to make this campaign successful. The Board discussed the project, hopes for innovation in technology to decrease cost and the use of local contractors.

- B. OHI Survey** – Angie Hiers, VP & Chief Human Resources Officer and Aaron Bielenberg from the McKinsey group discussed the Organizational Health Index (OHI) survey, which was conducted to obtain more in-depth information regarding the health of the organization, versus the employee engagement surveys, which looks at a totally different aspect of the organization. Ms. Hiers advised of the process of collecting data, which consisted of a JEA team of HR and Technology personnel, who deployed iPads in the field in order to ensure data was collected from as many employees as possible. Ms. Hiers further advised of the engagement of Senior Leadership Team in getting the message of the importance of the survey. Ms. Hiers provided an overview of the results, which indicate that JEA has great opportunity for improvement. Mr. Bielenberg then presented a framework and the tools used for assessment. Mr. Bielenberg discussed the importance of organizational health and its benefits to the bottom line of an organization. Mr. Bielenberg provided a brief overview of the survey, JEA’s results, needs for focus, highlights, themes from the results and requirements for JEA’ success in changing the culture.
- Aaron Zahn, Managing Director/CEO advised the Board of the reason for the survey and the path ahead. The Board further discussed the survey and Ms. Hiers discussed steps forward including the new 5-to-5 conversations and listening tours to pinpoint issues and build improvement plans.

Agenda Item V – Subject Matter Exploration (Opportunities & Risks – Presentation)

- A. WaterRevolution** – Jane Madden, CDM Smith, Deryle Calhoun Jr., VP Water Wastewater and Paul Steinbrecher, VP & Chief Environmental Services Officer delivered a presentation to the Board which covered the One Water concept. Mr. Calhoun provided an overview of JEA’s efforts to protect the river by reducing nitrogen discharge and efforts to recover organics and energy in biosolids. Mr. Steinbrecher discussed the Governor’s Executive Order, which focuses on surface water quality and the drinking water supply, as well as the regional supply issue and JEA’s efforts on these issues. Mr. Steinbrecher introduced a new program, the Integrated Water Resource Plan. Ms. Madden provided additional information related to JEA’s past initiatives and discussed potable reuse and how the integrated resource recovery of water drive corporate values. The team discussed new innovation related to organic recycling and water purification, which involves processing reclaimed water to drinking water. Mr. Steinbrecher advised of a demonstration testing facility, which would allow further research on potable water, as well as a conversation with the public. Mr. Steinbrecher further advised of the past, present and future investment in water revolution. Aaron Zahn, Managing Director/CEO, introduced Greg Strong, Director of the Florida Department of Environmental Protection’s Northeast District, who provided the regulator’s position of JEA’s efforts and applauded JEA’s efforts on septic tank phaseouts, reduced nitrogen discharge into the river and conservation, efficiency and innovation efforts.

Agenda Item VI – Committee Reports

- A.** N/A

Agenda Item VII – Other Business**A. Old Business – N/A****B. Other New Business – N/A**

C. Open Discussion – The Board discussed internal communications to employees to share important information and success news. Mr. Zahn shared different ideas currently being reviewed by JEA’s leadership team to provide employees news and information.

D. Managing Director/CEO’s Report – Aaron Zahn, Managing Director/CEO

Mr. Zahn advised the Board of the following:

- 1) He signed contracts for gas prepays, which is part of the fuel strategy program, which will save customers over \$6 million over the next 5 years.
- 2) Over the last month, JEA signed contracts for 250 MW of solar for our community, which makes us one of the most installed cities relative to solar. It will save us over \$4 million a year in fuel and roughly \$60 million in net present value.
- 3) Significant ballot initiative of deregulation is being discussed in Tallahassee. This initiative is sometimes framed as customer choice. JEA is playing a leadership role and Mr. Zahn will be available to discuss what staff is doing to educate the public and others on this topic.
- 4) In an effort to provide a positive story for the media and the Board, Mr. Zahn read a letter from a customer who wrote about JEA employee, Joe Crockett and his efforts to assist the customer with a water meter issue. Joe went above and beyond to assist with broken pipes and in engaging with the customer.
- 5) February 6, 2019, please write this date down or commit it to memory, as a date on which one of our customers committed to going completely off the grid. This is a wake-up call to our energy business that requires us to commit to changing the culture, as the future is now.

E. Chair’s Report – Chair Howard covered the following items:

- 1) JEA has a great culture and an opportunity to build on it
- 2) Introduction of the new Chief Innovation and Transformation Officer, Julio Romero Aguero
- 3) Commendations to the Brand team for the Fatberg campaign
- 4) Advised JEA will not be moving to the Landing spot
- 5) Appreciation for the monthly business video featuring Ryan Wannemacher’s son
- 6) Thanked the staff and City Council for their work on the now approved city agreement
- 7) Acknowledged Jody Brooks on her last day with JEA and introduced Lawsikia Nelson as the interim legal representative for the Board

Agenda Item VIII – Closing Considerations

A. Announcements – Next Board Meeting – March 26, 2019

B. Adjournment

With no further business claiming the attention of the Board, Chair Howard adjourned the meeting at 11:06 AM.

APPROVED BY:

SECRETARY

DATE: _____

Board Meeting recorded by:

Cheryl W. Mock, Executive Assistant