

JEA BOARD MINUTES
August 25, 2020

The JEA Board met in regular session on Tuesday, August 25, 2020, via WebEx. Pursuant to State of Florida Executive Order 20-69 (Emergency Management-COVID-19-Local Government Public Meetings), this meeting is permitted to be conducted by communications media technology. In attendance were John Baker, Joe DiSalvo, Dr. Zachary Faison, Jr., Dr. Leon Haley, Marty Lanahan, Bobby Stein, and Tom VanOsdol. Also in attendance was Paul McElroy and Jody Brooks, Office of General Counsel.

Agenda Item I – Welcome

- A. Chair John Baker called the meeting to order at 9:02 am.
- B. **Time of Reflection** was observed by all in attendance.
- C. **Introductions** – All board members were in attendance for the meeting.
- D. **Adoption of Agenda** – On *motion* by Marty Lanahan and seconded by Dr. Zachary Faison, the agenda was approved unanimously.
- E. The **Safety Briefing** – Paul McElroy, Interim Managing Director/CEO, gave the Safety Briefing.
- 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 meeting packet. Landon Todd, Manager IT Infrastructure, provided WebEx instructions for the meeting.

Agenda Item II – Comments / Presentations

- A. **Council Liaison's Comments** – Jacksonville City Council Member Randy DeFoor provided a brief update to the Board on three key City Council matters: 1) Budget Hearings; 2) Plant Vogtle Settlement; and 3) the JEA Special Investigation Committee's progress. She then thanked the board members for their efforts and continued support.
- B. **Comments from the Public**
 - 1. David E. Bruderly – Address on File – Spoke to board members regarding greenhouse gases and the value of stewardship throughout the JEA community.
- C. **Recognizing of Lineworker Appreciation** – In support of Florida House Resolution 9089, Lineworker Appreciation Day, Paul McElroy, led a recognition of JEA's 190 overhead and underground lineworkers and their great service to JEA. Mr. McElroy was joined by several members of the lineworkers' team who presented highlights of their service to JEA and expressed their gratitude for the recognition. There were appreciative comments from all board members.
- D. **2020 Co-Op Class** – Paul McElroy recognized this year's 2020 Summer Co-Op participants who represented a number of colleges and universities. He highlighted their various areas of JEA service and project work during the program, and he noted this was the first Co-Op Class to graduate with their Six Sigma Yellow Belts. Mr. McElroy then shared with board members an Employee Communication message, of

thanks, from the Co-Op class summarizing their program accomplishments and expressing their appreciation of the Summer Co-Op Internship Program.

- E. Managing Director/CEO Report – This report was presented later in the meeting.

Agenda Item III. Consent Agenda

- A. **Consent Agenda** – Consent Agenda items require no explanation, discussion or presentation, and are approved by one motion and vote. On *motion* by Marty Lanahan and seconded by Bobby Stein, Appendix A was approved unanimously and Appendices B through D were received for information only.

Appendix A: Board Meeting Minutes July 28, 2020 – approved

Appendix B: Monthly FY20 Communications & Engagement Calendar and Plan Update – information only

Appendix C: Corporate Headquarters and HQ2 Update – information only

Appendix D: Monthly Financial Statements – information only

Agenda Item IV. For Board Consideration

- A. **Monthly Financial and Operations Report** – Brian Roche, Interim Chief Financial Officer, opened the discussion with an overview of the company’s monthly financial and operations report. In his report, Mr. Roche summarized Recordable Incident Rates for JEA Safety and sales and financial results for JEA Electric System and JEA Water/Wastewater System. Mr. Roche then reported on Key Financial Metrics, Combined Debt Outstanding, Variable Rate Debt Risk Analysis, Debt and Debt to Asset Ratios. A few questions were asked and answered.

Next, Ricky Erixton, Interim General Manager Electric Systems, presented an FY2020 Operations Scorecard for JEA Electric System. Mr. Erixton reported on Recordable Incident Rates, Sales Forecast, T&B Grid Performance Customer Outage, and Environmental Compliance. Mr. Erixton then reviewed rate benchmarks for Florida Utilities with an overview of monthly bill comparisons for Electric.

Next, Hai Vu, Interim General Manager Water/Wastewater, presented an FY2020 Operations Scorecard for Water/Wastewater System. Mr. Vu reported on Recordable Incident Rates, Sales Forecast and significant occurrences and system reliability in the areas of Unplanned Water Main Outages, Water System Consumption Use Permit Compliance and Environmental Compliance. Lastly, Mr. Vu discussed rate benchmarks for Florida Utilities with an overview of monthly bill comparisons for Water/Wastewater.

Lastly, Bruce Dugan, Interim Chief Customer Officer, provided an FY2020 Operations Scorecard for Customer Experience. Mr. Dugan discussed significant occurrences for JD Power Utility Ratings Criteria and Residential and Commercial. In his report, he highlighted customer disconnects, customer satisfaction goal and customer satisfaction index scores by study year and for various Florida utilities. A few questions were asked and answered.

B. Board Policy Review –

1. Board Policies and Ordinances Index – Steve Tuten, Interim Chief Compliance Officer, led the discussion with a brief overview of the current policies and governing documents to be reviewed by the Board at today’s meeting.
2. Board Education and Development Policy – Next, Mr. Tuten briefed the Board on an operational update to the Board Education and Development Policy to conform to updates addressed in the Board Policy Manual. Board members had no questions.
3. Travel Policy and Procedures – Lastly, Mr. Tuten, referencing materials provided in the board package, gave a brief overview of specific travel processes to be followed by the JEA Board of Directors. There were a few comments by the Board which were addressed.

C. 457(B) Deferred Compensation Plan – Cares Act – Related Amendment to the Plan’s Loan Policy and Service Agreement Terms**D. 401(A) Defined Contribution Retirement Plan – Cares Act – Related Amendment to the Plan’s Loan Terms and Service Agreement**

Angie Hiers, Interim Chief Human Resource Officer, referencing materials provided in the board meeting packet, presented an overview of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”) relief provisions established to allow plan participants greater flexibility with respect to the Company’s 457(B) Deferred Compensation Plan and 401(A) Defined Contribution Retirement Plan funds. Ms. Hiers gave a brief summary of each Plan amendment and Management’s recommendation to approve and ratify those amendments. Hearing no questions on this matter, Chair Baker asked the Board to present a singular motion on Management’s recommendation for each Plan.

On *motion* made by Bobby Stein and seconded by Marty Lanahan, both Plan recommendations were approved unanimously.

E. Electrification Program – Bruce Dugan, Interim Chief Customer Officer, led the discussion on JEA’s Five-Year Electrification Program. In his presentation, Mr. Dugan outlined Phase I strategies and incentives, notable electrification projects and program participants. Next, Mr. Dugan reported on the Company’s five-year Phase I sales results and outlined strategies and incentives for Phase II of the program. Lastly, Mr. Dugan then reported on Phase II target opportunities, goals and cost projections. A few questions were asked answered.**F. Proposed FY2021 Board Meeting Schedule –** Paul McElroy opened the discussion with a brief outline of the two proposed Board Meeting Schedules referred to as Plan A and Plan B which materials were previously provided to the Board. Mr. McElroy then asked the Board to review both Plans and offer feedback on a meeting schedule for FY2021. Comments and questions were asked and answered and a brief discussion ensued. Hearing no additional comments, Chair Baker asked the Board to present a motion to set the meetings to the fourth Tuesday of every month.

Upon *motion* made by Marty Lanahan and seconded by Dr. Leon Haley, the motion was approved unanimously.

Agenda Item V – Board and Committee Reports

- A. CEO Search Committee** – Committee Chair Bobby Stein presented an update on the CEO search process. In his update, he thanked Angie Hiers for her continued efforts on behalf of the Committee and JEA. Mr. Stein noted in his report the Committee continues making good progress and expects to have some impressive candidates and more to report next month. Lastly, Ms. Hiers provided the Board a proposed Committee schedule and timeline for the candidate process. Board members had no questions at this time.
- B. Finance & Audit Committee** – Committee Chair Marty Lanahan presented highlights from the Committee’s August 14, 2020 meeting. Ms. Lanahan summarized significant Committee accomplishments achieved during the meeting. Those highlights included the adoption of the Company’s Internal Audit Charter and Internal Audit Plan and discussions with the Company’s Auditors E&Y. Lastly, Ms. Lanahan outlined the Committee’s future goals and plans. Board members had no questions at this time.
- C. Governance Committee** – Jody Brooks opened the Committee report by asking the Board for a motion to approve the Governance Committee Agenda of its August 19, 2020 meeting.

Upon *motion* made by Tom VanOsdol and seconded by Dr. Zachary Faison, the Governance Committee August 19, 2020 Agenda was approved.

Next, Committee Chair DiSalvo, referencing materials contained in the board meeting packet, presented highlights from the Committee’s August 19, 2020 meeting. Mr. DiSalvo’s Committee report included an overview of key Committee foundational documents and the steps being taken to rewrite the Board Policy Manual. Next, Mr. DiSalvo outlined and summarized the JEA Board’s current Mission, Vision, Values, Goals and Objectives and asked board members to review and approve the mission statement. Hearing no comments, Chair Baker asked the Board for a motion to approve the Mission Statement. Upon motion made by Joe DiSalvo and seconded by Marty Lanahan, the Mission Statement was approved unanimously. Lastly, Mr. DiSalvo summarized the Committee’s next steps and action plan. Board members had no additional questions or comments.

Agenda Item II. E. Managing Director/CEO Report

Paul McElroy, Interim Managing Director/CEO, presented the Board a framework path of success to include a plan of strategic pathways looking forward. In his presentation, Mr. McElroy outlined key strategic areas of focus accentuated with JEA’s Core Values. Next, Mr. McElroy provided an update on JEA’s key business development opportunities and emerging challenges in Jacksonville and the surrounding counties. Lastly, Mr. McElroy shared with the Board the employees’ appreciation of its letter which was very well received. There were no questions or comments.

Agenda Item VI– Other Business

- A. **Old Business** – Chair Baker asked Jody Brooks to provide an update on the outstanding ITN invoices brought before the Board at its July 28, 2020 meeting.
- B. **Other New Business** – None
- C. **Open Discussion** – None
- D. **Chair’s Report** – Board Chair Baker rendered closing comments and thanked Mr. McElroy and everyone for their participation.

Agenda Item VII – Closing Considerations

- A. **Announcements** – Next Board Meeting September 22, 2020
- B. **Adjournment**

Agenda Item VIII – Upcoming Board Agenda Items

- A. **Workforce Plan**
- B. **Electric System Generation Planning: 2021-2025**
 - 1. MEAG PPA – Plant Vogtle
 - 2. Solar PPA
 - 3. Plant Scherer – FPL PPA
 - 4. Brandy Branch Upgrade
 - 5. Northside 3

With no further business claiming the attention of the Board, Chair John Baker adjourned the meeting at 11:24 a.m.

APPROVED BY:

SECRETARY

DATE: _____

Board Meeting recorded by:

DeLisa A. Johnigarn, Executive Assistant