

JEA BOARD OF DIRECTORS MEETING MINUTES

August 24, 2021

The JEA Board met in regular session at 9:00 am on Tuesday, August 24, 2021, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. The public was invited to attend this meeting in-person at the physical location and virtually via WebEx. Attendees were required to wear masks and CDC guidelines and social distancing were required at the meeting location.

WELCOME

Meeting Called to Order – Board Chair John Baker called the meeting to order at 9:01 am. Board members in attendance were Joseph DiSalvo and Thomas VanOsdol. Dr. Zachary Faison, Marty Lanahan and Bobby Stein participated in the meeting virtually. A quorum of the Board was not physically present for the meeting.

Others in attendance in-person were Jay Stowe, Managing Director/CEO; Jody Brooks, Chief Administrative Officer; Laura Dutton, Chief Strategy Officer; David Emanuel, Chief Human Resources Officer; Sheila Pressley, Chief Customer Officer; Regina Ross, Chief Legal Officer, Office of General Counsel; Juli Crawford, Director, Financial Planning & Analysis; Madricka Jones, Executive Assistant and Melissa Charleroy, Manager, Board Services.

Time of Reflection – A moment of reflection was observed by all.

Introductions – Chair Baker recognizing there were no introductions to be made proceeded with the business of the meeting.

Adoption of the Agenda – Jody Brooks, Chief Administrative Officer, noted that a quorum of the Board of Directors was not physically present. Based on guidance received by the Attorney General's Office and the Office of General Counsel, physical presence is required for quorum purposes to take action upon agenda items. The Board may receive the agenda items for information only. Due to time sensitive items, staff will request a special Board meeting in September for Board Members to take action when a physical quorum is reached.

The agenda is provided for information only.

Safety Briefing and Moment – Kym Traylor, Director, Network & Telecommunications Services, presented the Safety Briefing and a Safety Moment on vehicle safety and back to school reminders.

COMMENTS / PRESENTATIONS

Ms. Johnson referenced a letter written to the JEA Board of Directors and a response received by Sheila Pressley, Chief Customer Officer.

Online Public Comment:

Curtis Hart, representing Northeast Florida Builders Association, addressed the Board referencing a letter dated August 20, 2021, related to the proposed capacity fee increase and cited concerns regarding the ability to deliver affordable housing in the JEA service area. In lieu of providing public comment during the rate hearing, Chair Baker allowed Mr. Hart to provide his comments.

Email Public Comment: N/A

Managing Director / CEO Report – Jay Stowe, Managing Director/CEO, opened his report with an expression of thanks to the Board and the JEA team members that help make Northeast Florida better every day. Mr. Stowe provided an update on the Leadership Team noting Ted Phillips, Chief Financial Officer and Raynetta Marshall, Chief Operations Officer begin next week and the announcement of Laura Schepis, Chief External Affairs Officer, who will begin in late September. Additional highlights included a vaccination event honoring Dr. Leon Haley; August 26, 2021 is Florida Lineworker Appreciation Day; recognition of Vickie Cavey, Special Assistant to the CEO; and a review of presentations that will be provided at today's meeting.

Board Members expressed their appreciation of Ms. Cavey for her service, as well as congratulating Mr. Stowe for recruiting an unbeatable Leadership Team and for hosting the vaccination event in honor of Dr. Haley.

CONSENT AGENDA

The Consent Agenda consists of agenda items that require Board approval but are routine in nature or have been discussed in previous public meetings of the Board. A quorum of the JEA Board of Directors was not physically present. Consent Agenda items will be brought before the Board at the September Special Board meeting.

Board Meeting Minutes – July 27, 2021 – Received for information
FY2022 JEA Board Calendar – Received for information

RATE HEARING

The JEA Board held a public hearing on Tuesday, August 24, 2021, as duly noticed in the Florida Times-Union to consider as advertised:

Rates Overview – Ms. Crawford presented a summary of the proposed FY2022 rate fee adjustments as presented at the June 22, 2021 Board meeting. Presentation materials are on file.

1. Water & Sewer Rate Adjustment Plans including:
 - a. Plant Capacity Fees
 - b. Tap & Meter Fees
 - c. Large Commercial Water Rate
 - d. Other Tariff Administrative Items – backflow prevention devices, use of funds – line extension growth capacity charges, fire protection language and tariff reformat
2. Electric Rate Adjustment Plans including:
 - a. Energy Rate
 - b. Fuel Rate
 - c. Other Administrative Items – economic development programs, remove Residential Flex Rate Pilot and other format edits

Ms. Crawford also provided a historical timeline for the proposed rates and fees dating back to FY20, benchmarks for combined capacity fees in relation to other Florida utilities, review of proposed energy rate adjustments and noted the average residential bill will see no impact. Board members offered positive comments and questions. This agenda item was received for information and will be presented at the September Special Board meeting for action.

Comments from the Public

In-Person Public Comments: N/A

Online Public Comment:

Ms. Brooks stated the Board recognizes public comments regarding rates previously made by Mr. Curtis Hart.

Email Public Comment: N/A

With no further business claiming the attention of the Board, the Public Hearing was adjourned at 9:40 am and the regular Board Meeting was reconvened.

FOR BOARD CONSIDERATION

Monthly Performance Update – Kevin Holbrooks, Director, Air & Lab Permitting & Compliance provided a JEA Performance Scorecard overview of data through July 31, 2021. Focusing on the three strategic focus areas, Mr. Holbrooks highlighted results for safety, customer satisfaction, environmental compliance, electric and water/wastewater costs, reliability and noted pay per performance is currently

With no further business claiming the attention of the Board, the Public Hearing was adjourned at 9:49 am and the regular Board Meeting was reconvened.

UNBEATABLE TEAM

Strategic Direction – David Emanuel, Human Resources Officer, opened the presentation reviewing the seven pillars of JEA’s culture highlighting diversity, equity and inclusion.

Mr. Stowe reviewed the various avenues leadership has been discussing strategic direction since March 2021 and stated the purpose of today’s presentation is to walk through JEA’s strategic direction and confirm staff is on the correct path. Mr. Stowe highlighted JEA’s core values of safety, respect and integrity.

Mr. Emanuel introduced Valerie Gutierrez, Business Manager, International Brotherhood of Electrical Workers (IBEW) Local 2358. Ms. Gutierrez thanked Mr. Emanuel and the Human Resources team for allowing employees to return to remote work with the increase in COVID-19 numbers. Ms. Gutierrez also expressed appreciation to the COVID-19 Response Team including Tony Long, Maryann Evans, Maria Salgueiro and Jennifer Bacmeister for finding new ways to keep employees safe. Ms. Gutierrez recognized the Women in Trades organization for their support of women in craft positions. Ms. Gutierrez highlighted various community projects IBEW has recently supported including HabiJax and Children’s Home Society.

At the request of Chair Baker, Mr. Emanuel reviewed long-term workforce planning including proactive planning and early hiring, retention, knowledge transfer and continuous employee development, as well as current hiring challenges. Board members held discussions and provided feedback regarding talent management and metrics. This presentation was received for information.

FY2022 Pay for Performance Program – Pat Maillis, Director, Employee Services, along with Tony Long, Director, Safety & Health Services, Tim Hunt, Director, Customer & Utility Analytics and Juli Crawford, Director, Financial Planning & Analysis, opened the presentation with the history and the purpose of the program which is to reward and recognize exceptional performance as measured against pre-established goals. Ms. Maillis noted the program is required to comply with Florida Statute 215.425(3) and provided an overview of the provisions which ensure appropriate financial controls and oversight, which remain unchanged from the FY21 program. Ms. Maillis reviewed the FY22 measures which align with JEA’s capital plan and continue to focus on JEA’s strategic initiatives and areas of focus. Ms. Maillis noted the estimated program payout is \$5,546,915 with an estimated cost not to exceed \$8,896,748. Mr. Long provided a review of the safety and performance metrics, recommending revising the recordable incident rate to a lost time incident rate along with the FY22 recommended performance thresholds. Mr. Hunt reviewed the FY22 recommended metrics for residential and commercial customer satisfaction scores. Ms. Crawford provided the FY22 financial performance metrics recommendations replacing current cost metrics with operations and maintenance spend within 5% of the approved budget. Board members held discussions and provided feedback. This

including corporate citizenship, power quality and reliability, billing and payment attributes, and customer views on economic development and promotion of key messages to the public. Mr. Stowe provided comments on employee engagement. Council Member Boylan shared a personal story regarding power restoration and posed questions regarding the impact of a rate increase on customer satisfaction scores. Board members held discussion and provided feedback. This presentation was received for information.

BUSINESS EXCELLENCE

Fuel Rate Adjustments – Juli Crawford, Director, Financial Planning & Analysis, provided the fuel charge history, the ways it has changed and the strategy for recovering fuel costs going forward. Ms. Crawford noted effective October 1, 2021, the fuel charge by \$2/MWh to \$30.50/MWh. Since the initial recommendation, fuel rates have increased, which will result in the Fuel Stabilization Fund falling below the Pricing Policy target before the beginning of FY22 and drawing down to \$0 mid-year FY22. Staff is recommending to adjust fuel costs more frequently resulting in the elimination of the fuel stabilization fund. Staff will continue to explore and present an official recommendation for fuel cost adjustments and proposed modifications to the Pricing Policy at the October Finance and Audit Committee, which will require Board approval. Board members held discussions. Joe Orfano, Vice President, Financial Services, provided information regarding rating agency views on fuel rate adjustments and revolving credit for liquidity. Ms. Pressley provided information regarding customer perception regarding fuel rate adjustments. This presentation was received for information.

Board Member VanOsdol departed the meeting at 11:00 am and returned at 11:04 am.

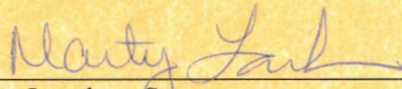
Vogle Update – Joe Orfano, Vice President, Financial Services, provided an update on Plant Vogtle Units 3 and 4 highlighting recent developments including a \$1.1 billion increase in the total project cost and delays in the in-service dates. Mr. Orfano reminded the Board that this remains a considerable risk to both the cost and the schedule to complete both units. Mr. Orfano highlighted Georgia Power and MEAG next steps and noted JEA will conduct a construction site tour in September and provide a deep dive presentation at the October Board meeting, as well as a verbal or written update each month going forward. Board members held discussions and provided feedback. This presentation was received for information.

Real Property Purchase – Jordan Pope, Director, Real Estate, referencing Resolution 2021-18, provided a review of JEA's proposed acquisition of a purified water site in support of JEA's purified water initiative, which is part of JEA's Integrated Water Resource Plan. JEA and the seller have agreed to a purchase price of \$3,276,000. Board members requested additional information. This presentation was received for information and will be presented at the September JEA Special Board meeting for action.

OTHER BUSINESS AND CLOSING CONSIDERATION

Adjournment – With no further business coming before the Board, Chair Baker declared the meeting adjourned at 11:26 am.

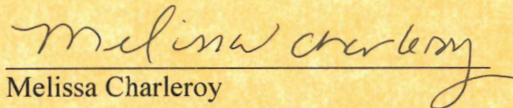
APPROVED BY:



Marty Lanahan, Secretary

Date: Sept 17, 2021

Board Meeting Recorded by:



Melissa Charleroy
Manager, Board Services