

JEA BOARD OF DIRECTORS AND
CLOSED MEETING MINUTES
August 27, 2024

The JEA Board met in regular session at 9:00 am on Tuesday, August 27, 2024, on the 1st Floor, 225 North Pearl Street, Jacksonville, Florida. The meeting was properly noticed, and the public was invited to attend this meeting in-person at the physical location and virtually via live stream on jea.com.

WELCOME

Meeting Called to Order – Board Chair General Joseph DiSalvo called the meeting to order at 9:00 am. Board members in attendance were Vice Chair Rick Morales, John Baker, and MG Orender. Board member Bobby Stein attended the meeting virtually. Board Secretary Kawanza Humphrey and Dr. Zachary Faison, Jr. were not in attendance.

Others in attendance were Vickie Cavey, Interim Managing Director/CEO; Sheila Pressley, Chief Customer Experience Officer; Ted Phillips, Chief Financial Officer; Jody Brooks, Chief Administrative Officer; David Emanuel, Chief Human Resources Officer; Raynetta Curry Marshall, Chief Operating Officer; Joe Orfano, Deputy Chief Financial Officer; Kurt Wilson, Chief of Staff; Brad Krol, Chief Information Officer; Michael Boylan, Council Member; Regina Ross, Chief Legal Officer, Office of General Counsel; Sheree Brown, Executive Assistant to the CEO; and Melissa Dalton, Manager, Board Services.

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

Adoption of the Agenda – On *motion* by Vice Chair Morales and seconded by Mr. Baker, the agenda was approved.

Values Moment – Sara Goodwin, Manager, Operating Budgets, provided a values moment on safety.

COMMENTS / PRESENTATIONS

Comments from the Public:

In-Person Public Comments:

Logan Cross, representing the Sierra Club Northeast Florida Group, spoke to the Board advocating for JEA to modernize its energy generating processes.

Jennifer Bacmeister – Project Administrator for JEA, shared the retirement of Randy Hilton and thanked him for his service and leadership.

Josh Melko spoke to the Board regarding renewable energy and new greenhouse gas regulations.

John Nooney spoke to the Board regarding public access to the waterways.

Council Liaison's Comments – Council Member Michael Boylan shared with the Board the JEA FY25 budget is currently going through the approval process within City Council.

Managing Director / CEO Report – Vickie Cavey, Interim Managing Director/CEO, provided an update on Florida Line Worker Appreciation Day and extended appreciation to each of them for all they do for

JEA and the community; acknowledged the Northside Generating Station Byproduct Storage Team for achieving five years without a recordable incident and the Northside Generating Station Process Chemistry Team for achieving 10 years without a recordable incident; and Procurement Services hosted the annual Jacksonville Small and Emerging Business and Supplier Diversity Summit. Ms. Cavey also noted the company reorganization was put in to place on July 15, 2024; return to Headquarters began last week, and final approval for a remote work policy is in process.

JEA Performance Update

Corporate Scorecard – Juli Crawford, Vice President, Enterprise Strategy & Planning, presented the JEA performance update through July 31, 2024, to include electric reliability; total spend; fuel spending; capital spending; customer bill; and clean energy. This report was received for information.

Financial Review – Ted Phillips, Chief Financial Officer, provided an overview on the electric and water system operating budgets; capital budget; Operation & Maintenance (O&M) budget; base revenues; operating expenses; and the water system O&M budget forecast. Mr. Phillips presented the FY2024 Q3 electric and water financial metrics. This report was received for information.

General DiSalvo requested that Vice Chair Morales serve as acting secretary for today's Board meeting.

BOARD AND COMMITTEE REPORTS AND ITEMS FOR CONSIDERATION

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.

On *motion* by Vice Chair Morales and seconded by Mr. Baker, all Consent Agenda items were approved.

Board Meeting Minutes – June 25, 2024

Board Workshop Meeting Minutes – June 14, 2024

Surplus Property – Former Headquarters

Surplus Property – Baldwin Point

Florida Municipal Power Agency Solar Resource Purchase

Amendment No. 2 to the 2022 Southwest Power Pool Inc., Guaranty

FY24 Budgetary Amendment

DELIVERING BUSINESS EXCELLENCE

Capital Projects Committee Report – John Baker, Committee Chair, provided highlights of the August 12, 2024 Capital Projects Committee meeting including an overview of the Southside Integrated Piping System.

On *motion* by Mr. Orender and seconded by Vice Chair Morales, the Board unanimously approved Interim Managing Directing / CEO or her designee to execute an amendment to the original contract, as amended, increasing the total maximum indebtedness thereunder to an amount not to exceed sixty-three million five hundred seventy-one thousand one hundred sixty-seven dollars and ninety-seven cents (\$63,571,167.97) and adopted Resolution 2024-41.

Committee Chair Baker provided an overview of the H2.0 Program Overview and Purification Center.

On ***motion*** by Committee Chair Baker and seconded by Board Vice Chair Morales, the Board unanimously approved the Interim Managing Director/CEO or her designee to execute an amendment to the original contract, as amended, increasing the total maximum indebtedness thereunder to an amount not to exceed eighty-three million five-hundred six thousand seven hundred seventy-two dollars and thirty-seven cents. (\$83,506,772.37) and adopted Resolution 2024-42.

Committee Chair Baker provided an overview on Arlington East Water Reclamation Facility expansion; Northwest Water Reclamation Facility; Combined Cycle Update; Transmission Study; and major capital projects list. These items were provided for information.

Finance, Governance, and Audit Committee Report – Bobby Stein, Committee Chair, provided an overview of the Finance, Governance, and Audit Committee meeting on August 12, 2024 to include the FY24 External Audit Plan; Internal Audit update; Ethics update; quarterly financial review; electric system debt portfolio de-risking opportunity; and continuing services contracts including Wesco Distribution Inc. and Managed Services Provider for action.

On ***motion*** by Mr. Orender and seconded by Board Vice Chair Morales, the Board unanimously approved to increase the dollar amount of the existing contract for Managed Services Provider and Vendor Management Solutions for contingent workforce and authorizing the Interim Managing Director/CEO to execute an amendment to increase JEA maximum indebtedness under the contract to an amount not to exceed ninety-seven million two hundred six thousand two hundred sixteen and 75/100 dollars (\$97,206,216.75) and adopted Resolution 2024-44.

The Board also unanimously approved to increase the dollar amount of the existing contract for three-phase, single phase pad mounted, pole mounted and miscellaneous transformers for inventory stock and authorizing the interim Managing Director/CEO to execute an amendment to increase JEA maximum indebtedness under the contract to an amount not to exceed one hundred twenty-three million seven hundred eighty-one thousand two hundred seven and 30/100 dollars (\$123,781,207.30) and adopted Resolution 2024-43.

401(a) Defined Contribution Retirement Plan to Remove Employee Pre-Tax Deferrals for New Participants – Pat Maillis, Director, Employee Services, provided an overview of proposed removal of pick-up contributions for new participants and the position the Internal Revenue Service has taken in regard to when the contribution must be made.

On ***motion*** by Mr. Orender and seconded by Mr. Baker, the Board unanimously approved to amend the plan to remove the pick-up contribution feature for participants effective October 1, 2024 and adopted Resolution 2024-40.

Business Excellence Consultant Selection Process – Regina Ross, Chief Legal Officer, Office of General Counsel, explained the rules of engagement for the business excellence consultant selection process.

General DiSalvo recessed the regular Board meeting at 10:02 am and the Board members transitioned to the 7th Floor Pearl Conference Room for the Closed Meeting.

Meeting Called to Order – General DiSalvo called the closed meeting to order at 10:02 am.

Introductions – JEA Board members and staff introduced themselves to the Deloitte Consulting group.

Safety Briefing – Jenny McCollum, Chief Procurement Officer, provided a safety briefing.

Deloitte Consulting – Presentation began at 10:10 am with introductions of Sandy Jones, Kelly Skinner, Christina Grant and Tom Kinrade; spoke to history with JEA and past results; discussed current approach which would be tailored to JEA needs; and provided a breakdown of the team structure needed. Discussions were had on O&M; capital; regulations; staffing; and lessons learned from past work with JEA. The Deloitte Consulting presentation ended at 11:20 am.

Board Chair DiSalvo called for a brief recess at 11:20 am and reconvened the closed meeting at 11:35 am.

Introductions – JEA Board members and staff introduced themselves to the K3 Strategies group.

K3 Strategies, LLC – Following introductions of Bill Kemp, Wally Buran, Rob Patrylak, Christine Kozlosky, and Chuck Hadden, presentations began at 11:39 am. K3 Strategies, LLC provided personal and professional background on each of the team members; defined the scope of work; presented the firms qualifications; provided a program roadmap; and presented their proposed approach and deliverables, including benefits for JEA. Discussions were had on O&M; capital; timeline; staffing; and lessons learned from past work with JEA. Presentation ended at 12:52 pm.

Board Discussion – Jenny McCollum, Chief Procurement Officer, discussed the scoring matrices with the Board members. Regina Ross, Chief Legal Officer, Office of General Counsel, provided direction on adjourning the closed meeting.

Adjournment – General DiSalvo adjourned the closed meeting at 1:02 pm.

Board members and staff transitioned to the first floor and General DiSalvo reconvened the regular meeting at 1:05 pm.

General DiSalvo thanked Deloitte Consulting and K3 Strategies for their preparation and presentations. Board members held discussions on O&M; scheduling and Board touchpoints. Procurement conducted a roll call and tally of scores for both Deloitte Consulting and K3 Strategies.

On **motion** by Mr. Orender and seconded by Mr. Baker, the Board unanimously approved awarding JEA solicitation number 1411645246, Invitation to Negotiate for Business Excellence Consulting Services to K3 Strategies, LLC and adopted Resolution 2024-52.

Council Member Michael Boylan departed the meeting at 1:14 pm.

OTHER BUSINESS AND CLOSING CONSIDERATION

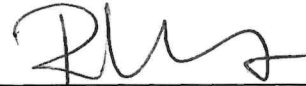
Old and Other New Business / Open Discussion – General DiSalvo requested Board members to review the Board By-Laws and Policy Manual and submit comments, concerns, or changes to Jody Brooks, Chief Administrative Officer, by the next Board meeting on September 24, 2024.

Chair's Report – General DiSalvo thanked staff for their response to Hurricane Debbie; General DiSalvo also extended his appreciation to Mr. Baker and Mr. Stein for chairing the Capital Projects and Finance, Governance, and Audit Committees noting the results stemming from these meetings.

Announcements – The next Board meeting will be held September 24, 2024.

Adjournment – With no further business coming before the Board, Chair General Joseph DiSalvo declared the meeting adjourned at 1:28 pm.

APPROVED BY:




Rick Morales, Acting Board Secretary

Date:

9/24/24

Board Meeting Recorded by:



Allison S Hickok

Executive Staff Assistant