

**JEA BOARD MINUTES  
September 22, 2020**

**The JEA Board met in regular session on Tuesday, September 22, 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 9:00 am.
- B.** **Time of Reflection** was observed by all in attendance.
- C.** **Introductions** – All board members were in attendance for the meeting, and there were no introductions.
- D.** **Adoption of Agenda** – On *motion* by Marty Lanahan and seconded by Tom VanOsdol, 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), reaffirmed 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 board 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 two key City Council matters: 1) Upcoming City Council Meeting budget discussions; and 2) the JEA Special Investigation Committee’s progress and report to be written at the end of October. She thanked the board members for their continued support. There were no questions or comments.
- B.** **Comments from the Public** – N/A
- C.** **Managing Director/CEO Report** – Mr. McElroy presented a straightforward report to the Board which included a thorough overview of activities for the months of September and October. His presentation highlights included the upcoming virtual groundbreaking for the Headquarters location and a progress update on the Headquarters 2 site. Mr. McElroy also provided updates on the Greenland Energy Center maintenance project; third party sourcing, for the Company’s procurement policies and procedures review, to ensure best practices with the Charter revisions for Article 21 and the Board Policy Manual rewrite; the scheduled Plant Vogtle site visit with Chair John Baker and on-site meetings at the plant; a series of kick-off meetings with the senior leadership team to reinforce the Board’s commitments to public power, the workforce and the community; and an update on the Company’s maintenance expenses related to the RNC event. Lastly, Mr. McElroy informed the board members that a broad integrated water resource plan would be

presented at its October 27th Board Meeting. Board members offered positive feedback and comments.

### **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 Bobby Stein and seconded by Tom VanOsdol, Appendix A, Board Meeting Minutes of August 25, 2020, were 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

### **Appendix E - Authorization of Board Chair's Travel – Plant Vogtle Visit**

Appendix E was removed from the Consent Agenda for discussion purposes.

Mr. Baker provided the board members with an update on the upcoming planned Plant Vogtle site visit. Hearing no questions on this matter, Mr. Baker asked the Board to present a motion to approve the Board Chair's Travel for the Plant Vogtle site visit.

On *motion* by Bobby Stein and seconded by Dr. Zachary Faison, Appendix E, Authorization of Board Chair's Travel – Plant Vogtle Visit, was approved unanimously.

### **Agenda Item IV. For Board Consideration**

- A. Monthly Financial and Electric Operations Report** – Brian Roche, Interim Chief Financial Officer, citing materials provided in the Board Meeting package, opened the discussion with an overview of the company's monthly financial and operations report. In his review, Mr. Roche summarized JEA Safety and Recordable Incident Rates for all business sectors. Next, he reviewed sales and financial results for JEA Electric System and JEA Water/Wastewater System. Mr. Roche then reported on Key Financial Metrics, Combined Debt Outstanding and Florida Utilities Monthly Bill Comparisons for Electric and Water/Wastewater. Board members provided positive feedback and comments.

Next, Ricky Erixton, Interim General Manager Electric Systems, presented a FY2020 Electric System Update. Mr. Erixton reviewed metrics for electric service reliability, power quality, grid performance, generating fleet reliability, environmental compliance and generating plant performance. A question was asked and answered.

- B. FY2021 Pay For Performance Program – Amendment to Plan** – Ms. Brooks, citing materials provided to the Board prior to the meeting, gave a brief overview of the Company’s fiscal year 2021 Pay For Performance Program amendments which address certain provisions and goals as outlined in the Board meeting materials. Ms. Brooks stated the amendments went through the budget process with no recommended changes, and she asked the Board to consider Management’s recommendation to approve the revised fiscal year 2021 Pay For Performance Program amendments. Hearing no further discussion on this matter, Chair Baker asked the Board for a motion on Management’s recommendation for the program amendments as presented.

On *motion* by Bobby Stein and seconded by Tom VanOsdol, Management’s recommendation was approved unanimously.

- C. Electric System Generation Planning: 2021-2025** – Mr. Roche, citing materials in the Board meeting package presented on the Company’s five-year Financial Assumptions and Projections for the Electric System. Initial comments and feedback, from board members, were offered and addressed. Next, Mr. Roche reviewed a Generation Timeline and Generation Resource Adequacy Requirements to which there were questions asked and answered and a general discussion ensued. Mr. Roche then reviewed a five-year generation transition of costs and savings; System CO<sub>2</sub> Emissions; Future Generation Considerations; financial metrics for the Financial Assumptions and Projections; and Florida Utilities Monthly Bill Comparison for residential electric bills. The Board provided an additional question which was asked and addressed.

- D. St. John River Power Park (SJRPP) System Employees’ Retirement Plan Trust Service Continuity Agreement** – Angie Hiers, Interim Chief Human Resources Officer, referencing materials previously provided to the Board, presented on this topic. In the presentation, Ms. Hiers highlighted a change to the SJRPP Plan Trust Agreement to allow the current Trustee, Wells Fargo, to resign and the Principal Financial Group be appointed as Successor Trustee for the Plan under a Service Continuity Agreement (the “Agreement”). Ms. Hiers then informed the board members that Management reviewed the Agreement and asks that the Board consider Management’s recommendation to approve its Resolution No. 2020–09. Mr. Baker offered additional feedback on the matter which was received without discussion. Hearing no additional comments, Chair Baker asked the Board for a motion on Management’s recommendation to accept the Plan Service Continuity Agreement as presented.

On *motion* by Bobby Stein and seconded by Marty Lanahan, Management’s recommendation was approved unanimously.

- E. Surface Water Discharge Legislation** – Wayne Young, Interim Chief Environmental Officer, presented on this topic by opening with a brief overview of the proposed 2021 legislation to eliminate all surface water discharges from domestic wastewater treatment plants. Next, Mr. Young discussed the reuses and opportunities for the Company’s reclaim water system; potential legislation impacts and engagement and resolution strategies. Lastly, he informed the Board that an evaluation of the financial impacts of this potential legislation would be contained in the Company’s Integrated Water Resource Plan to be presented to the Board at a later

date. There were no questions or comments.

- F. Water/Wastewater Resiliency Update** – Hai Vu, Interim General Manager Water/Wastewater, citing materials provided prior to the meeting, presented a system resiliency program overview and update. Mr. Vu outlined the Resiliency Program Goal and Overview and discussed all completed steps and tasks of the System Resiliency Framework. A question was asked and addressed. Mr. Vu concluded his presentation with a brief overview of the program next steps. There were no additional questions or comments.

**G. Board Policy Review**

- 1. List of Board Policies and Ordinances** – Steve Tuten, Interim Chief Compliance Officer, referencing materials in the board meeting package, informed the Board that the next board policy and ordinance review would be at its November 2020 Board Meeting. There were no questions or comments.

**Agenda Item V – Board and Committee Reports**

- A. Finance & Audit Committee** – Committee Chair Marty Lanahan presented the report to the Board which included an action item carried forward from the Committee's August 14, 2020 meeting. Ms. Lanahan stated the required action was for the Board to approve the Committee's business conducted at the meeting. Hearing no discussion on this matter, Ms. Lanahan asks the Board for a motion to approve the Committee's business conducted at its August 14, 2020 meeting.

On *motion* by Bobby Stein and seconded by Tom VanOsdol, the motion was approved unanimously.

- B. Governance Committee** – Committee Chair DiSalvo, citing materials contained in the board meeting packet, presented the report which included highlights and actions from the Committee's September 15, 2020 meeting. Mr. DiSalvo's report outlined two significant actions requiring Board approval. Those actions include a review and approval of Policy 3.0 Executive Mandates and Appendix A1 CEO Core Competencies and CEO Evaluation Criteria of the Board Policy Manual. Hearing no comments or discussion on these items, Mr. DiSalvo asked the Board for a motion to approve both actions as presented.

On *motion* by Joe DiSalvo and seconded by Tom VanOsdol, the motion was approved unanimously.

Lastly, Mr. DiSalvo briefly reviewed other items discussed at the Committee's September 15, 2020 meeting and concluded his report with the Committee's next steps and action plan. Board members had no additional questions or comments.

- C. CEO Search Committee** – Angie Hiers presented the Committee's report with a brief outline on the CEO Search process. Ms. Hiers' update included the status of the interview process to commence on September 28 and run through the 1<sup>st</sup> of October. She noted the process is on schedule and the Committee should be able to present candidates to the Board the week of October 12 – 16 for final selection. There were no questions or comments.

**Agenda Item VI– Other Business**

- A. **Old Business** – None
- B. **Other New Business** – None
- C. **Open Discussion** – None
- D. **Chair’s Report** – None

**Agenda Item VII – Closing Considerations**

- A. **Announcements** – Next Board Meeting October 27, 2020
- B. **Adjournment**

**Agenda Item VIII – Upcoming Board Agenda Items**

- A. **Workforce Plan**
- B. **Board Policy Review**
  - 1. **Electric Compliance Policy**
  - 2. **Enterprise Risk and Compliance Policy**
  - 3. **Delegation of Authority**

*With no further business claiming the attention of the Board, Chair John Baker adjourned the meeting at 10:49 a.m.*

APPROVED BY:

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SECRETARY  
DATE: \_\_\_\_\_

Board Meeting recorded by:

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DeLisa A. Johnigarn, Executive Assistant