

JEA BOARD OF DIRECTORS SPECIAL MEETING MINUTES
September 17, 2021

The JEA Board met in special session at 11:00 am on Friday, September 17, 2021, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida 32202. 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 11:01 am. Board members in attendance were General Joseph DiSalvo, Marty Lanahan, Bobby Stein, Dr. Zachary Faison and Tom VanOsdol. A quorum of the Board was physically present for the meeting.

Others in attendance in-person were Jay Stowe Managing Director/CEO; Jody Brooks Chief Administrative Officer; Sheila Pressley, Chief Customer Officer; Ted Phillips, Chief Financial Officer; Raynetta Marshall, Chief Operating Officer; David Emanuel, Chief Human Resources Officer; Regina Ross, Chief Legal Officer, Office of General Counsel; Council Member Michael Boylan, Council Liaison; Madricka Jones, Executive Assistant to CEO and Melissa Charleroy, Board Services Manager.

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

Introductions – Mr. Stowe introduced and welcomed Melissa Charleroy, Board Services Manager; Regina Ross, Chief Legal Officer, Office of General Counsel; Raynetta Marshall, Chief Operating Officer and Ted Phillips, Chief Financial Officer. Chair Baker extended a welcome to all.

Adoption of the Agenda – On *motion* by Marty Lanahan and seconded by Tom VanOsdol, the agenda was approved.

Safety Briefing – Margaret Limbaugh, Director, Energy Project Management, presented the Safety Briefing.

COMMENTS / PRESENTATIONS

Comments from the Public

Email Public Comments:

Keith Rouss, representing Harbert Realty Services, addressed the Board regarding the proposed capacity fee increase. Mr. Rouss cited concerns regarding a project under construction for the Park Place at San Marco, JEA No. 2019-3394, and requested the Board to maintain the capacity fees that were in place at the time of construction commencement for this project.

Matthew Marshall, representing RISE: A Real Estate Company, addressed the Board regarding the proposed capacity fee increase. Mr. Marshall cited concerns regarding the Linden House Apartments on Race Track Road and 9B, and requested the Board to reevaluate the increase on developments and grandfather in projects that will start construction no later than November 1, 2021.

In-Person Public Comment:

Cyndy Trimmer, representing Trevato Development Group, addressed the Board regarding the proposed rate adjustments, and requested the Board to evaluate the possibility for a prepayment of the capacity fees at the current rate.

Online Pubic Comments:

Daniel Blanchard, representing Southern Impression Development, addressed the Board regarding the proposed capacity fee increase. Mr. Blanchard cited concerns regarding providing an affordable product, and requested the Board to reconsider the proposed fees and utilize a broad-based funding framework for payment of the increased fees.

Dr. Faison entered the meeting at 11:12 am.

Doug Skiles, civil engineer, addressed the Board regarding the proposed capacity fee increase. Mr. Skiles cited concerns regarding current construction projects, and requested the Board to consider grandfathering projects that are currently permitted under the current rates.

Nate Day, single family residential developer and Northeast Florida Builders Association Board Chair, addressed the Board regarding the proposed capacity fee increase. Mr. Day cited a letter previously sent, and requested the Board to consider grandfathering current projects, prepayment of current capacity fees and a 3-year phase-in, as well as mirroring the line extension fees to other cities.

Curtis Hart addressed the Board regarding the proposed capacity fee increase. Mr. Hart requested the Board to consider prepayment and cost sharing options, as well as decreasing the current threshold.

Beth Breeding, residential and commercial developer, addressed the Board regarding the proposed capacity fee increase. Ms. Breeding cited concerns for new commercial developments and the challenge for new businesses to open and grow. Ms. Breeding requested the Board to reevaluate the increase of the capacity fees, as well as an extension of the phase-in.

Joshua Garrison addressed the Board regarding the proposed capacity fee increase. Mr. Garrison cited concerns regarding affordable housing and retail shopping centers. Mr. Garrison requested the Board to defer this matter to give additional thought, as well as cost sharing options.

Mike Herzberg addressed the Board regarding the proposed capacity fee increase. Mr. Herzberg requested the Board to defer the increase to allow for additional research and cited concerns of customers leaving the JEA service territory.

Special Meeting Format

Mr. Stowe highlighted that today's meeting is a follow-up to the August 24, 2021 JEA Board of Directors meeting and Public Rate Hearing. Mr. Stowe noted staff will provide a summary of each presentation as Board members previously heard the presentations in full detail. Ms. Lanahan noted some of the presentations the Board will hear today, have been provided a number of times since 2020.

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 Tom VanOsdol and seconded by Dr. Faison, all Consent Agenda items were approved.

Board Meeting Minutes – July 27, 2021 – Approved

Board Meeting Minutes – August 24, 2021 – Approved

FY2022 JEA Board Calendar (Resolution 2021-17) – Approved

FOR BOARD CONSIDERATION

RECOMMENDED RATE ADJUSTMENTS

FY2022 Rates Overview and Review of Public Hearing Held on August 24, 2021 – Juli Crawford, Director, Financial Planning & Analysis, presented a summary of the FY2022 rate fee adjustments as presented at the August 24, 2021 Board meeting and Public Rate Hearing including:

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 formal edits

Board Discussion and Action on Recommended Rate Adjustments – Board members held discussions regarding the implementation of the capacity fee increase. Mr. Stowe provided a review of the process and revisions made based on feedback received from the development community. Mr. Stowe reiterated staff is requesting approval of the rate adjustments; however, JEA is committed to reviewing the implementation plan. Ms. Lanahan added the Finance & Audit Committee will review the grandfathering provision at the October 15, 2021 Finance & Audit Committee meeting. Ms. Crawford provided information regarding the current grandfathering provision. Ms. Brooks offered guidance to Board members regarding the process of amending the proposed resolution.

On *motion* by Bobby Stein and seconded by Marty Lanahan, Resolution 2021-20 was approved as drafted with an amendment that between now and October 15, 2021, the Finance & Audit Committee will address and study the implementation of the capacity fee increase and will provide a report at the October 26, 2021 Board of Directors meeting. Ms. Brooks clarified the motion approved by the Board stating the Finance and Audit Committee will study and review the implementation of the capacity fees that were passed today and will be brought back before the Board within 90 days.

UNBEATABLE TEAM

FY2022 Pay for Performance Program – Pat Maillis, Director, Employee Services, presented the proposed FY2022 Pay for Performance metrics that were previously provided at the August 24, 2021 Board of Directors meeting. Ms. Maillis reiterated the proposed FY2022 metrics will continue to focus on JEA's strategic initiatives and areas of focus and better align the employees' ability to influence the

metrics and the execution of the company's capital plan. The FY2022 payout is expected to not exceed \$8,896,748.

On *motion* by Bobby Stein and seconded by General DiSalvo, Resolution 2021-19 was approved.

BUSINESS EXCELLENCE

Real Property Purchase – Purified Water Site – Jordan Pope, Director, Real Estate, provided a review of JEA's proposed acquisition of a purified water site in support of JEA's purified water initiative. Mr. Pope provided a review of the Integrated Water Resource Plan (IWRP), the purpose of utilizing purified water, phases of the purified water program and the advantages of the south grid location. Mr. Pope noted the purchase price of the proposed land is \$3,276,000, with an overall estimated project cost of \$40M, which includes piloting for research and optimization, a well for aquifer performance testing, staff training facilities and a visitor education center. Mr. Pope introduced Rob Zammataro, Director, Water/Wastewater Planning & Development and Ryan Popko, Project Manager, Purified Water initiative, to answer questions.

On *motion* by Bobby Stein and seconded by General DiSalvo, Resolution 2021-18 was approved.

OTHER BUSINESS AND CLOSING CONSIDERATION

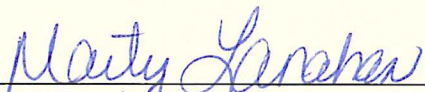
Mr. Stowe recognized the passing of Council Member Tommy Hazouri and offered words of reflection.

Announcements – Next Board Meeting October 26, 2021

Mr. Stein extended appreciation to Chair Baker, Mr. Stowe and others for continuing to provide the Board with information related to Plant Vogtle. Mr. Stowe and Board Members expressed their appreciation of General DiSalvo for his work. Mr. Stowe noted the Board will receive a deep dive presentation at the October 26, 2021 Board meeting.

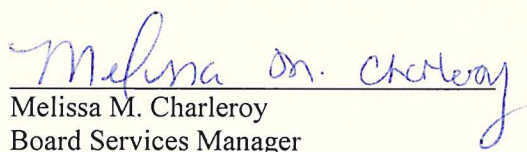
Adjournment – With no further business coming before the Board, Chair Baker declared the meeting adjourned at 11:54 AM.

APPROVED BY:


Marty Lanahan, Secretary

Date: 10/26/21

Board Meeting Recorded by:


Melissa M. Charleroy
Board Services Manager