

JEA BOARD OF DIRECTORS MEETING MINUTES
October 26, 2021

The JEA Board met in regular session at 9:00 am on Tuesday, October 26, 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 9:00 am. Board members in attendance were Marty Lanahan, Rick Morales, and General Joseph DiSalvo. Also in attendance virtually was Tom VanOsdol. Board members Bobby Stein and Dr. Zachary Faison were not in attendance for the meeting. A quorum of the Board was physically present for the meeting.

Others in attendance in-person were Jay Stowe, Managing Director/CEO; Laura Dutton, Chief Strategy Officer; Laura Schepis, Chief External Affairs Officer; Sheila Pressley, Chief Customer Officer; Jody Brooks, Chief Administrative Officer; Raynetta Marshall, Chief Operating Officer, Ted Phillips, Chief Financial 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 – Chair Baker recognized new Board member Rick Morales.

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

Safety Briefing and Moment – Todd Skinner, Director, Substation Protection & Controls, presented the Safety Briefing and a Safety Moment on Halloween safety.

COMMENTS / PRESENTATIONS

Council Liaison's Comments – Council Member Michael Boylan did not have any comments.

Comments from the Public

Nate Day, Northeast Florida Builders Association Board Chair, expressed appreciation to Jay Stowe, Managing Director/CEO; Kurt Wilson, Vice President, Government Relations; and Juli Crawford, Director, Financial Planning & Analysis, and the Board of Directors for hearing their concerns and taking steps to work with the building community regarding the capacity fee implementation.

Managing Director / CEO Report – Jay Stowe, Managing Director/CEO, opened the report by extending appreciation to the Board and welcomed new Board Member Rick Morales. Mr. Stowe recognized new Leadership and Extended Leadership Team members including Laura Schepis, Chief External Affairs Officer; Brad Krol, Chief Information Officer; extended appreciation to Stephen Datz who served as the Interim Chief Information Officer and has been promoted to Vice President, Technical Services; congratulated Jordan Pope for being named Vice President, Corporate Strategy and incoming Extended Leadership Team member Paul Mitchell, Vice President, Economic Development

who will begin on November 8, 2021. Additionally, Mr. Stowe recognized Raynetta Marshall, Chief Operating Officer for being honored as a Water Environment Federation Fellow; Ricky Erixton, Vice President, Electric Systems for being named to the Southeastern Reliability Council Board of Directors and Wayne Young, Vice President, Environmental Services was appointed to the WateRuse Association Board of Directors. Mr. Stowe added JEA was recently honored with the American Public Power Association, Excellence in Public Power Communications award for an in-house video production. Mr. Stowe congratulated Sheila Pressley, Chief Customer Officer, David Goldberg, Director, Customer & Community Engagement, and team for their work. The video highlighting JEA's Network & Commercial Underground Lineworker team was presented to the Board. Additional highlights included the October 2, 2021 Ride and Drive Electric event, United Way Employee Campaign Kick-Off, November 10, 2021 Salute to JEA Veterans event where Board member General DiSalvo will be a guest speaker. Mr. Stowe provided a review of today's presentations. There were no questions.

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 Marty Lanahan and seconded by Rick Morales, all Consent Agenda items were approved.

Board Meeting Minutes – September 17, 2021 – Approved

FY21 Budget Transfers (Resolution 2021-24) – Approved

FY22 Delegated Authority for Transfers (Resolution 2021-21) – Approved

BOARD AND COMMITTEE REPORTS

Finance and Audit Committee – Committee Chair Marty Lanahan provided Board members an overview of the Committee's October 15, 2021 meeting including updates on Plant Capacity Fee Implementation, Fuel Charge, Ernst & Young FY21 Audit Plan, and FY22 Internal Audit Plan.

On *motion* by General Joseph DiSalvo and seconded by Mr. Rick Morales, the Committee's report and actions taken during the October 15, 2021 meeting were approved.

FOR BOARD CONSIDERATION

Monthly Performance Update – Berdell Knowles, Government Relations Specialist, provided an overview of the JEA Performance Scorecard data through September 30, 2021. Focusing on the three strategic focus areas, Mr. Knowles highlighted the results for safety, customer satisfaction, sales and expenses in both the electric and water/wastewater systems, fuel expenses, reliability and concluded the presentation with an update on the Pay for Performance metric. Marty Lanahan extended appreciation to the team for setting aggressive goals.

UNBEATABLE TEAM

FY2021 Pay for Performance Results – Pat Maillis, Director, Employee Services, presented the FY2021 Pay for Performance results highlighting the performance factors includes safety, customer satisfaction, electric, water, and wastewater cost metrics. Based on the results, the payout is 3.32% of base salaries, with a total payout of \$5.50 million. Mr. Stowe reminded the Board that in accordance

with the Charter, the Pay for Performance Program is budgeted and is part of the employee's total compensation. Marty Lanahan reminded the Board that employees did not receive Pay for Performance pay last year.

On *motion* by General Joseph DiSalvo and seconded by Marty Lanahan, Resolution 2021-23 was approved.

Elimination of Nonbeneficial Surface Water Discharges – Raynetta Marshall, Chief Operating Officer opened the presentation introducing Robert Zammataro, Director, Water/Wastewater Planning & Development. Ms. Marshall provided a timeline overview, review of JEA's eleven Water Reclamation Facilities, management options that will be included in the Preliminary Plan that will be submitted to the Florida Department of Environmental Protection on November 1, 2021. Mr. Zammataro provided an overview of the Preliminary Plan including the addition of the purified water program, uncertainties and next steps. Board members held discussions. This item was received for information.

Pricing Policy Revision – Juli Crawford, Director, Financial Planning & Analysis, presented the monthly fuel charge adjustment was introduced at the August 24, 2021 Board meeting and was discussed at the October 15, 2021 Finance & Audit Committee meeting. Ms. Crawford provided a review of the current pricing policy noting the fuel charge is set annually and is managed through JEA's Fuel Stabilization Fund. Ms. Crawford outlined the proposed Pricing Policy to adjust the fuel charge monthly to better pass along fuel expenses, eliminating the need for the Fuel Stabilization Fund, providing more transparency for the customer and flexibility for JEA. The proposed Pricing Policy includes safeguards to mitigate impact of extreme circumstances.

On *motion* by Marty Lanahan and seconded by General Joseph DiSalvo, the proposed Pricing Policy was approved.

Plant Vogtle Deep Dive – Jody Brooks, Chief Administrative Officer and Joe Orfano, Vice President, Financial Services, presented a historical overview of Plant Vogtle including the decision in 2008 to enter into the Power Purchase Agreement with MEAG Power, timing and cost implications for the completion of Unit 3 by September 2022 and Unit 4 by June 2023, as well as steps taken to mitigate costs. A report will be provided to the Board each month. General Joseph DiSalvo provided comments regarding previous visits and the upcoming visit on October 27, 2021. Marty Lanahan extended appreciation to General DiSalvo for his work on Plant Vogtle. Mr. Stowe thanked Board members for their interest in Plant Vogtle. This item was received for information.

OTHER BUSINESS AND CLOSING CONSIDERATION

Old and Other New Business / Open Discussion – N/A

Chair's Report – Chair Baker read a resolution of appreciation and memoriam of Dr. Leon Haley, Jr.

On *motion* by Marty Lanahan and seconded by General Joseph DiSalvo, Resolution 2021-22 honoring Dr. Haley, Jr. was approved.

Announcements – Next Board Meeting November 16, 2021

Adjournment – With no further business coming before the Board, Chair Baker declared the meeting adjourned at 10:25 AM.

APPROVED BY:

Marty Lanahan
Marty Lanahan, Secretary

Date: Nov. 16, 2021

Board Meeting Recorded by:

Melissa Charleroy
Melissa Charleroy
Board Services Manager