

FINANCE & OPERATIONS COMMITTEE MEETING MINUTES
March 10, 2023

The Finance & Operations met at 9:00 am on Friday, March 10, 2023 on the 8th Floor, 21 W. Church 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 WebEx.

WELCOME

Meeting Called to Order – Committee Chair General Joseph DiSalvo called the meeting to order at 9:00 am. Finance & Operations Committee members Marty Lanahan and Rick Morales, being present for the meeting constituted a quorum. Board member John Baker also attended virtually.

Others in attendance in-person were Jay Stowe, Managing Director/CEO; Jody Brooks, Chief Administrative Officer; Ted Phillips, Chief Financial Officer; Raynetta Curry Marshall, Chief Operating Officer; Laura Schepis, Chief External Affairs Officer; Joe Orfano, Vice President, Financial Services; Paul Mitchell, Vice President, Economic Development; Brad Krol, Chief Information Officer; Mark Stultz, Vice President, Communications; Kurtis Wilson, Vice President, Government Relations; Alan McElroy, Vice President, Supply Chain and Operations Support; and Regina Ross, Chief Legal Officer, Office of General Counsel.

Laura Dutton, Chief Strategy Officer; Jordan Pope, Vice President, Corporate Strategy; Ricky Erixton, Vice President, Electric Systems; and Hai Vu, Vice President, Water/Wastewater Systems attended virtually.

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

Approval of Finance & Operations Committee Minutes – On *motion* by Rick Morales and seconded by Marty Lanahan, the Finance & Operations Committee portion of the minutes for the Joint Meeting of the Finance & Operations and External Affairs Committees on December 16, 2022 were approved.

Safety Briefing and Moment – Akiesha Johnson, Manager, Project Accounting, noted the safety protocol is outlined in the materials and provided a Values Moment on integrity.

Comments from the Public – Logan Cross, representing the Sierra Club of Northeast Florida and member of the Electric Integrated Resource Plan (IRP) Stakeholder Advisory Committee, spoke on renewable energy sources.

Virtual Comments – Dr. Josh Melko, Associate Professor, University of North Florida, spoke on renewable energy sources and his views on JEA joining the Southeast Energy Exchange Market.

There were no emailed public comments.

FOR COMMITTEE CONSIDERATION

Interlocal Agreement with Jacksonville Port Authority (JAXPORT) – Raising the Transmission Lines Over Fulton Cut Crossing – Raynetta Curry Marshall, Chief Operating Officer, provided the committee with highlights of the project including, 2021 study to replace the existing infrastructure, Memorandum of Agreement, binding Interlocal Agreement, current project estimate and current funding identified, and responsibility of each party.

On *motion* by Marty Lanahan and seconded by Rick Morales, Committee members held discussions regarding potential challenges. A vote was held, and the Finance and Operations Committee unanimously approved the recommendation of the proposed Interlocal Agreement with JAXPORT to the Board for approval.

Southeast Energy Exchange Market (SEEM) and JEA's Open Access Transmission Tariff – Garry Baker, Senior Director, Energy Operations, provided the committee with an overview of SEEM to include the purpose and function, benefits, eligibility, and tariff edits.

On *motion* by Rick Morales and seconded by Marty Lanahan, Committee members held discussions regarding other states involved and renewal terms. A vote was held, and the Finance and Operations Committee unanimously approved to recommend the proposed tariff modifications to the Board for approval.

Appointment and Delegation of Authority to Execute Florida Department of Transportation (FDOT) Documents – Regina Ross, Chief Legal Officer, Office of General Counsel, presented to the committee the administrative item that provides delegation of authority to JEA representatives to approve and execute certain FDOT documents.

On *motion* by Rick Morales and seconded by Marty Lanahan, the Finance and Operations Committee unanimously approved the proposed delegation of authority and Special Power of Attorney to the Board for approval.

Electric Integrated Resource Plan (IRP) Update – Pedro Melendez, Vice President, Engineering & Construction, provided the committee with an update to the IRP Plan to include the refined and expanded analysis, most common and frequent near-term resource additions, longer term resources, current and potential net energy mix, implementation plan, and potential goals and plans. This presentation was received for information.

Biannual Review of Procurement Code – Heather Beard, Manager, Procurement Contract Administration, provided the committee an update on the Procurement Code to include Article 21-JEA Charter requirements; Article 2-Procurement Authority, Designations, and Committees; Article 4-Financial Services & Instruments Procurement Directive; and Article 5-Administrative Remedies.

On *motion* by Marty Lanahan and seconded by Rick Morales, committee members held discussions around Article 3. A vote was held and the committee unanimously approved the proposed Procurement Code to the Board for approval.

Annual Disclosure Reports (ADR) Overview – Randall Barnes, Treasurer, provided an update on the Annual Disclosure Reports including JEA's requirements, Board member requirements, steps Board members can take, draft ADRs, timeline, and accuracy of the disclosure. This presentation was received for information.

Quarterly Financial Review – Russell Caffey, Controller, provided the committee with the quarterly financial review covering data as of December 31, 2022, to include Electric Performance Metrics; Fuel & Purchased Power; Electric Sales; Electric O&M Forecast; and Capital Forecast – Electric System through December 2023; Water Performance Metrics; Water Systems Sales; Water System O&M; and Capital Forecast – Water through December 2023. This presentation was received for information.

Rating Agency Presentation – Joe Orfano, Vice President, Financial Services, provided the committee with an overview with the FY22 results and FY23-FY27 projections to include Consolidation Historical Financial Metrics; Electric System Debt Management; Electric System Financial Results; Electric

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System Unit Sales; Electric System Residential Customer Rates; Electric System Capital Funding Sources & Uses; Electric System Financial Metrics; Water System Debt Management; Water System Financial Results; Water System Unit Sales; Water System Capital Funding Sources & Uses; and Water System Financial Metrics. This presentation was received for information.

ADDITIONAL INFORMATION (Provided for Information Only)


- Appendix A: Interlocal Agreement with Jacksonville Port Authority – Raising the Transmission Lines over Fulton Cut Crossing
- Appendix B: Southeast Energy Exchange Market and Open Access Transmission Tariff
- Appendix C: Appointment and Delegation of Authority to Execute Florida Department of Transportation Documents
- Appendix D: Biannual Review of Procurement Code
- Appendix E: Jacksonville Small & Emerging Business Quarterly Report
- Appendix F: Electric System and Water & Sewer System Fund Report
- Appendix G: JEA Energy Markey Risk Management Policy Report
- Appendix H: Rating Agency Presentation
- Appendix I: Annual Disclosure Reports

CLOSING CONSIDERATIONS

Announcements – Next Finance & Operations Committee Meeting March 10, 2023, External Affairs Committee Meeting April 18, 2023.

Adjournment – With no further business coming before the Committee, General DiSalvo declared the meeting adjourned at 10:55 am.

APPROVED BY:



Joseph DiSalvo, Committee Chair
Date: 4/25/2023

Submitted by:



Allison S Hickok
Executive Staff Assistant