

JEA BOARD OF DIRECTORS WORKSHOP  
Electric, Water, and Sewer Rate Recommendations  
October 29, 2024

The JEA Board met in regular session at 9:00 am on Tuesday, October 29, 2024, on the 1<sup>st</sup> 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.

**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, MG Orender, and Bobby Stein. Secretary Kawanza Humphrey and Board member 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; Raynetta Curry Marshall, Chief Operating Officer; Joe Orfano, Deputy Chief Financial Officer and Treasurer; Ricky Erixton, Deputy Chief Operating Officer; Kurt Wilson, Chief of Staff; Brad Krol, Chief Information Officer; 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 Mr. Baker and seconded by Mr. Orender, the agenda was approved.

**Safety Briefing** – Ted Phillips, Chief Financial Officer, provided a safety briefing.

**COMMENTS / PRESENTATIONS**

**Comments from the Public:**

**In-Person Public Comments:**

Mark Zimmerman spoke to the Board about cost causation and rate design.

Davis MacDonald spoke to the Board about the impending rate increases.

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

Jeff Van Leau spoke to the Board concerning issues regarding electric connection and JEA customer service.

**ITEMS FOR BOARD CONSIDERATION**

**Revenue Requirements & Targets** - Ted Phillips, Chief Financial Officer, provided an overview of the meeting to include timing of the proposed rate structure adjustments for next year and to obtain Board input.

**Water & Sewer Rate Recommendations** - Victor Blackshear, Director, Financial Planning & Rates, extended his appreciation to the rates team for their hard work. Mr. Blackshear discussed the water and

sewer system revenue requirements; strategic initiatives to benefit customers including water resource supply, environmental impact, water purification technological advancement, resiliency, and reliability; FY25 target revenue requirements to projected revenues with total rate revenue adjustments of 6% in April 2025; and rate design and restructure recommendations including historical rate adjustments. Discussions ensued on including periodic rate reviews in JEA’s procedures, to which Mr. Blackshear stated the Pricing Policy states cost of service/rates are to be reviewed every three to five years. Mr. Blackshear continued providing in detail each rate design and restructure recommendations which includes providing FY25/26 proposed water and sewer basic monthly charges, residential and commercial volume charges, residential and commercial irrigation volume charges, multi-family class restructure, bulk reclaim charges, an update to sewer surcharge and hauled scavenger waste rates, and fire protection charges.

*Chair DiSalvo recessed the workshop at 10:09 am and returned at 10:23 am.*

**Electric Rate Recommendations** - Mr. Blackshear discussed the electric system revenue requirements; strategic initiatives to benefit customers including water resource supply, environmental impact, water purification technological advancement, resiliency, and reliability; and FY25/26 target revenue requirements to projected revenues with total rate revenue adjustments of 6% in April 2025 and 4.5% in October 2025. Mr. Blackshear went on to discuss the residential customer overview noting residential is comprised of 88% of customers, 51% of revenue, and 46% total unit sales; basic monthly charge recommendations for FY25/26; residential energy consumption; energy tier structure; residential rates and bill impacts; and JEA’s residential electric bill and inflation. Mr. Blackshear discussed the electric, water, and sewer combined bill for FY25/26, noting with the proposed increases JEA remains low in comparison to other major Florida cities. Mr. Blackshear further discussed commercial and industrial customer overview; FY25/26 basic monthly charge recommendations; small and large commercial, industrial, and interruptible service extra-large demand base rates and bill impacts with FY25/26 comparisons; FY25/26 rate restructuring recommendations for water, sewer, and electric rates. Mr. Blackshear provided a timeline noting staff will request a call for rate hearing in January 2025, rate hearing in February 2025, and with the new rate structure implementations in April and October 2025.

Mr. Phillips thanked Mr. Blackshear and his staff for their hard work and noted staff is recommending returning to the Board for another rate adjustment at the beginning of FY27. General DiSalvo expressed appreciation to Mr. Blackshear and Mr. Phillips stating the rate recommendations need to be kept current and Mr. Stein discussed K3 Strategies involvement and their thought process in regard to capital and a possible workshop.

**Adjournment** - With no further business coming before the Board, Chair General Joseph DiSalvo declared the meeting adjourned at 10:48 am.

APPROVED BY:



JEA Acting Board Secretary

Date: 12/4/24

Board Meeting Recorded by:



Allison S Hickok  
Executive Staff Assistant