

JEA BOARD OF DIRECTORS WORKSHOP
April 14, 2026

The JEA Board met for the Water, Sewer, and Electric Rates Recommendations & Capacity Fee Workshop at 1:00 pm on Tuesday, April 14, 2026, on the 1st 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.

WELCOME

Meeting Called to Order - Board Chair MG Orender called the meeting to order at 1:00 pm. Board members in attendance were Board Secretary Worth McArthur, John Baker, General Joseph DiSalvo, Rick Morales, and Kawanza Suarez. Board Vice Chair Arthur Adams attended the meeting virtually.

Others in attendance were Vickie Cavey, Managing Director/CEO; Jody Brooks, Chief Administrative Officer; Ted Phillips, Chief Financial Officer; Diane Moser, Chief Human Resources Officer; Joe Orfano, Deputy Chief Financial Officer; Juli Crawford, Senior Vice President, Finance; Jordan Pope, Senior Vice President, Administrative Services; Garry Baker, Senior Vice President, Electric Delivery; Hai Vu, Senior Vice President, Water Systems; Kristy Gavin, Chief Legal Officer, Office of General Counsel; Melissa Dalton, Director, Board & Administrative Services; and Sheree Brown, Manager, Board Services. Ricky Erixton, Chief Electric Systems Officer, attended the meeting virtually.

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

Adoption of the Agenda - On *motion* by Mr. Baker, and seconded by General DiSalvo, the agenda was amended to move agenda item **Waiver of Attorney/Client Privilege Request** to the first order of business.

Waiver of Attorney/Client Privilege Request – Jason Teal, Legislative Council, Jacksonville City Council, presented the Special Investigatory Committee’s (SIC) request to allow former Chief Legal Officer Regina Ross to assist the SIC by providing non-privileged information regarding her observations and conclusions during her tenure at JEA. Mr. Teal noted SIC’s Chair Ron Salem’s absence, outlined the purpose of the request, and discussed General Counsel Michael Fackler’s perspective on the effect of open communication between a client and an attorney. Mr. Teal also discussed Ms. Ross’ role as a representative of the Office of General Counsel and as an attorney for the City Council, and the need for Ms. Ross to advise the City Council on the terms and meaning behind her memorandum on the capacity fees. Mr. Teal requested the Board’s approval for access to non-privileged attorney/client information.

Board members held discussions regarding Mr. Teal’s request. Mr. Baker addressed the scope of the request, potential costs and risks, and expressed opposition. Mr. Adams agreed with Mr. Baker and questioned other options for gathering facts. General DiSalvo spoke to the impact of waiving attorney-client privilege on future Board members, and his non-support of the request. Secretary McArthur spoke about his lack of support for a waiver but is committed to understanding the best path forward. Mr. Morales agreed not to waive attorney-client information, but supports releasing non-privileged conversations. Ms. Suarez requested the opportunity to consult with counsel for clarification. Michael Fackler, General Counsel, Office of General Counsel, recommended that the Board not waive attorney/client privilege, pending receipt of the City Auditor’s report. Mr. Adams requested that Mr. Fackler’s comments be codified, and Mr. Baker suggested that a list of questions to be asked of Ms. Ross be provided to the Board.

Chair Orender noted that the Waiver of Attorney/Client Privilege Request item is for discussion only, with no voting, and recommended that the Board follow Mr. Fackler's advice to revisit the topic after the City Auditor's report. The item will not be placed on the May Board of Directors agenda.

Safety Briefing – Brandon Edwards, Director, Security and Emergency Preparedness, provided the safety briefing.

ITEMS FOR BOARD CONSIDERATION

DELIVERING BUSINESS EXCELLENCE

Water and Sewer System – Juli Crawford, Senior Vice President, Finance, provided an overview of the agenda and workshop cadence. Ms. Crawford presented rate proposals for the Water & Sewer (W&S) System, detailing the revenue requirements for the financial forecast, including operation & maintenance expenses, depreciation expenses, contributions to the city, other non-operating expenses, and return on reinvestments. Ms. Crawford detailed the gross revenue requirements, which included capacity/extension revenue and other revenue sources. Ms. Crawford presented the proposed revenue rate adjustments by class for FY27 revenue requirements.

Victor Blackshear, Director, Rates, presented the W&S rate structure, including details on the Basic Monthly Charge (BMC) and Volume Charge. Mr. Blackshear provided an overview of the residential, multi-family, and commercial rate classes, including sales volume and revenue, and recommendations for monthly rate adjustments and bill impact. Mr. Blackshear presented rate adjustment proposals for each class and the value of residential water volume charges in comparison to various customer activities. Mr. Blackshear also discussed rate recommendations for sewer surcharge, hauled waste, fire protection, and bulk reclaim.

Responses were provided to Board members' inquiries on suggested increases related to volume and their impact on the majority of customers, higher cost for residential rates compared to reclaimed water and commercial rates, context on revenue sources and larger strategic impacts for the utility, and what the rates will cover, impact on the utility and community if rates are not increased, and whether twice the amount of capacity payments received would reduce the need for rate increases.

Electric System – Juli Crawford, Senior Vice President, Finance, provided an overview of Electric System rate proposals, including projected gross and net revenue requirements based on revenue adjustments by class to meet FY27 requirements.

Mr. Adams departed the meeting at 1:46 pm.

Victor Blackshear, Director, Rates, presented the electric base rate structure, which included BMC, Demand Charge, and Energy Charge. Mr. Blackshear provided an overview of residential rate recommendations, bill impacts, energy tier structures, and the value of residential energy charges relative to customers' activities. Mr. Blackshear provided an overview of commercial and industrial customers' usage and revenue, as well as rate recommendations.

Mr. Blackshear introduced Craig Brown, Project Manager, Financial Analysis & Rate Design, 1898 & Co., who presented the Time of Use (TOU) Rate Study Summary, TOU structure, goals, definitions, study background, and TOU modification recommendations to align with the summer and winter peaking periods. Mr. Brown also presented the Standby & Supplemental Service Rate Study Summary, including the Standby and Supplemental Service (SS-1) structure, definition, and study background. Mr. Blackshear discussed the customer types for the SS-1 structure and the recommended rate adjustment.

Responses were provided to Board members' questions about possible next steps if most entities adopt the recommended adjustments, the comparison of commercial and industrial rates with those of competitive cities, and the true impact of the changes.

Ms. Crawford presented the residential combined bill benchmark for electric, water, and sewer as of March 2026, and the rate hearing path. Joe Orfano, Deputy Chief Financial Officer, provided an update on expected fuel price trends for next year. Ms. Cavey spoke about the age of Jacksonville's infrastructure and the goal of delivering services at the lowest possible price.

Capacity Fees – Ted Phillips, Chief Financial Officer, and Jody Brooks, Chief Administrative Officer, presented on Capacity Fees. Mr. Phillips began by providing a background on capacity fees, including what they are and are not, the two components used to calculate them, and their historical collection. Mr. Phillips also covered the JEA rate tariff, current JEA tariff challenges, estimated usage, and next steps.

Ms. Brooks presented an update on current capacity fee discussions, including collection, additional charges, current and past challenges, back billing, usage, average daily flows, expanded and revised operations, and next steps. Ms. Brooks noted staff's cooperation with the City Council Auditor's Office and the Office of Inspector General. Ms. Brooks discussed plans to present recommendations to the Board once a path forward is established. Ms. Cavey provided comments on the consistency and confidence of a resolution.

Responses were provided to Board members' inquiries on how often capacity fee studies should take place from an industry standard perspective and whether JEA is in compliance, reasons that capacity fee studies aren't a natural finding from the Integrated Resources Plan, change of ownership capacity fee responsibilities, checks and balances for the restaurant industry capacity fee, comparative subject matters to assist with studies, capacity fee in relation to meter size, an explanation of the line extension fee, whether next steps would include plans to manage the complexities of capacity fees and procedures, with clearer and outlined in one deliverable, and a request for an estimated range of past capacity fees to be collected.

OTHER BUSINESS AND CLOSING CONSIDERATION

Old and Other New Business / Open Discussion – None

Chair's Comments – Chair Orender expressed appreciation to JEA's staff for their efforts in making the workshop a success, including a full pre-meeting briefing on the presentation for all Board members.

Announcements

- JaxReady Fest April 17–18, 2026
- National Lineman Appreciation Day – April 18, 2026
- Capital Projects Committee Meeting – May 6, 2026
- Board of Directors Meeting – May 19, 2026

Chair Orender presented the new Board committee structure:

Finance, Governance, and Audit Committee – Worth McArthur, Committee Chair, Rick Morales, and Kawanza Suarez

Capital Projects Committee – General Joseph DiSalvo, Committee Chair, Arthur Adams, and John Baker

Compensation Committee – MG Orender, Committee Chair, Arthur Adams, and Worth McArthur

Executive Committee – MG Orender, Committee Chair, Arthur Adams, Worth McArthur, and General Joseph DiSalvo

Adjournment – With no further business coming before the Board, Chair Orender declared the workshop adjourned at 3:09 pm.

APPROVED BY:



JEA Board Secretary

Date: 5/19/26

Board Meeting Recorded by:

Sheree Brown

Sheree Brown
Manager Board Services