

JEA BOARD OF DIRECTORS WORKSHOP
FY2026 Budget/ FY2027-28 Budget Forecast
June 04, 2025

The JEA Board met for a workshop at 1:00 pm on Wednesday, June 4, 2024, 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 General Joseph DiSalvo called the meeting to order at 1:00 pm. Board members in attendance were Board Vice Chair Rick Morales, Board Secretary MG Orender, John Baker, Worth McArthur, and Kawanza Humphrey. Board Member Arthur Adams attended the meeting virtually.

Others in attendance were Michael Boylan, City Council Liaison, City of Jacksonville; Vickie Cavey, Managing Director/CEO; Ted Phillips, Chief Financial Officer; Jody Brooks, Chief Administrative Officer; Diane Moser, Chief Human Resources Officer; Rob Zammataro, Chief Water Systems Officer; Ricky Erixton, Chief Electric Systems Officer; Brad Krol, Chief Information Officer; Joe Orfano, Deputy Chief Financial Officer; Kurt Wilson, Chief of Staff; Regina Ross, Chief Legal Officer, Office of General Counsel; Melissa Dalton, Director, Board & Administrative Services; and Sheree Brown, Manager, Board Services.

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

Adoption of the Agenda - On *motion* by Secretary Orender, and seconded by Mr. Baker, the agenda was approved.

Safety Briefing - Ted Phillips, Chief Financial Officer, provided the safety briefing.

COMMENTS / PRESENTATIONS

Comments from the Public

John Nooney spoke to the Board regarding the Jacksonville Waterways Commission, River Accord Task Force, and public access to the waterways.

DELIVERING BUSINESS EXCELLENCE

Enterprise Planning Overview - Ted Phillips, Chief Financial Officer, thanked Ms. Cavey and the JEA leadership team for support and extended appreciation to the Board participating in today's workshop. Mr. Phillips provided an overview of the agenda and cadence for the meeting.

Juli Crawford, Senior Vice President, Finance, provided an overview of the enterprise planning process; JEA's trajectory for the next ten years; FY26 revenue requirement drivers and rate needs for electric and water systems. Ms. Crawford informed the Board that JEA's combined bills are one of the lowest against Florida benchmarks and it is anticipated that other utilities will raise their rates.

Board Vice Chair Rick Morales arrived at 1:10 pm.

Consolidated System Overview - Laure Whitmer, Director, Budgets, provided details on the Consolidated System Overview to include the consolidated systems operating budget at \$2.37B for FY2026; illustration of every dollar on a combined FY2026 electric and water bill; government transfers via the JEA bill; and labor costs to include total headcount, payroll expense, benefits, and pension.

Mr. Phillips and Mr. Orfano answered questions from the Board regarding fuel costs and fixed purchase power pricing options.

Mr. Baker inquired regarding a press release to inform ratepayers about JEA's city contribution.

Diane Moser, Chief Human Resources Officer, provided an overview of salaries, union contracts negotiations, benefits focusing on pension plans and group self-funded medical plans. This presentation was received for information.

Electric System Deep Dive - Ricky Erixton, Chief Water Systems Officer, provided details on the FY2026 electric system operating revenue; electric system operating budget components to include city contribution, debt service, current year capital funds, non-fuel purchased power, O&M, and fuel and purchased power; illustration of every dollar on an electric bill; fuels including variable fuel rates and pass-through expenses; non-fuel purchased power rate stabilization fund activity; and electric system financial metrics. Further discussions occurred regarding tariffs, supply chain, aging infrastructure, growth exceeding capacity. A.J. Souto, Treasurer, provided an overview of FY2025-FY2028 electric system debt and debt service profile forecasts. Ms. Whitmer provided details of the electric operating and capital budgets. Ricky Erixton, Chief Electric Systems Officer, provided a summary on electric capital demand. This presentation was received for information.

Water System Deep Dive - Ted Phillips, Chief Financial Officer provided a review of the water budget issues and challenges. Laure Whitmer, Director, Budgets, provided details on the FY2026 water system operating revenue, operating budget components, illustration of every dollar on a water bill, and water system financial metrics. Board members held discussions regarding underfunded programs, projected operating revenue decline in FY2027, guidance from rating agencies, and projected spend due to Senate Bill 64. A.J. Souto, Treasurer spoke to the Board on FY2026 water system debt, FY2026-2028 water system debt service profile, issuance of new bonds and/or utilization of revolving credit facility advances for the Water System; and explained how JEA's ratings are determined. Ms. Whitmer reviewed the water system O&M budget and intercompany charges – shared support services. Rob Zammataro, Chief Water Systems Officer, provided a summary on water capital demand. Board members held additional discussions regarding plant expansions and assumptions for Senate Bill 64. This presentation was received for information.

District Energy System Deep Dive - Laure Whitmer, Director, Budgets, provided details on the District Energy System operating revenue and budget components to include debt service, current year capital funds, and O&M.

Mr. Baker sought clarification on Hogan's Creek expansion options; Mr. Orender inquired about the possibility of rate adjustments during and after expansion.

A.J. Souto, Treasurer, discussed new debt projected for FY2026 for the District Energy System is \$19M. Juli Crawford, Senior Vice President, Finance, reviewed the O&M and capital budgets

Laure Whitmer, Director of Budgets, extended gratitude to the Budget team and all JEA team members that assisted for their hard work in preparing and presenting information. This presentation was received for information.

Vickie Cavey, Managing Director/CEO, summarized the meeting's key takeaways and action items, including: city contribution statement, debt service related to Plant Vogtle, integration of K3Strategies, LLC's recommended improvements, DES expansion, and staffing.

OTHER BUSINESS AND CLOSING CONSIDERATION

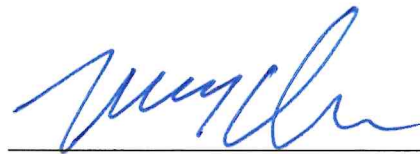
Old and Other New Business / Open Discussion – None

Chair's Report - Board Chair DiSalvo and Board Secretary MG Orender thanked JEA staff for their work on the budget presentation. Chair DiSalvo highlighted the impact of the JEA-City of Jacksonville Annual Hurricane exercises at Cologix; congratulated Board member Kwanza Humphrey on her upcoming nuptials; and extended his appreciation to Melissa Dalton, Director, Board & Administrative Services, and wished her a happy birthday.

Announcements - The next Board meeting will be held on June 24, 2025.

Adjournment - With no further business coming before the Board, Board Chair DiSalvo declared the meeting adjourned at 2:43 pm.

APPROVED BY:



JEA Board Secretary

Date: June 24, 2025

Board Meeting Recorded by:



Tori Taylor
Board Services Specialist