

**JEA BOARD MINUTES
November 17, 2020**

The JEA Board met in regular session on Tuesday, November 17, 2020, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. Pursuant to City of Jacksonville Emergency Proclamation, attendees were required to wear masks, CDC guidelines and social distancing were required at the physical location, and the meeting was also accessible via WebEx. In attendance physically were John Baker, Joe DiSalvo, Dr. Leon Haley, Marty Lanahan, Bobby Stein, and Tom VanOsdol. Dr. Zachary Faison participated in the meeting via WebEx. Also in attendance was Paul McElroy, Jody Brooks, Office of General Counsel and Jay Stowe participated in the meeting at the invitation of Management.

Agenda Item I – Welcome

- A. Chair John Baker called the meeting to order at 9:01 am.
- B. **Time of Reflection** was observed by all.
- C. **Introductions** – Chair Baker recognizing there were no introductions to be made proceeded with the business of the meeting.
- D. **Adoption of Agenda** – On *motion* by Marty Lanahan and seconded by Tom VanOsdol, the agenda was approved unanimously.
- E. **Safety Briefing** – Paul McElroy, Interim Managing Director/CEO, gave the Safety Briefing.
- F. **Sunshine Law/Public Records Statement** – Jody Brooks, Office of General Counsel (OGC), reaffirmed this Board Meeting is being held in compliance JEA’s By-Laws and with Florida’s Government in the Sunshine Law §286.011 which complete statement can be found in Section 1F. She confirmed the meeting was duly noticed, and there was a quorum of Board members present in the room, and minutes would be taken and published.

Agenda Item II – Comments / Presentations

- A. **Council Liaison’s Comments** – Jacksonville City Council Member, Randy DeFoor, updated the Board on two JEA matters before the Council: 1) State level water run-off and reuse; and 2) Union Contracts discussions centering on early retirement. Board members had no comments at this time.
- B. **Comments from the Public** – Landon Todd, Manager IT Infrastructure, provided instructions for public comments to which none were received.
- C. **Employee Recognition** – Mr. McElroy presented a Resolution honoring tenured employees Gerri Boyce McKenzie, Vickie Cavey, Bruce Dugan and Angie Hiers. Each received an award of distinction for their service to JEA. Board members offered appreciative comments to all honorees. Lastly, Ms. Lanahan extended the Board’s appreciation to Paul McElroy for his excellent service to JEA.

On *motion* by Bobby Stein and seconded by Marty Lanahan, Management's Resolution was approved unanimously.

- D. Interim Managing Director/CEO Report** – Mr. McElroy introduced Sheila Pressley as the Interim Chief Customer Officer to replace Mr. Dugan. He provided a brief bio of Ms. Pressley's tenure with JEA and then asked her to share the news of on the Company's outstanding community award. Next, Ms. Pressley presented an overview of JEA's outstanding community service activities which earned the Company the FMEA Building Strong Communities Award. Board members paused to express their gratitude and appreciation.

Next, Mr. McElroy presented a straightforward report to the Board which included highlights on the Company's financial outlook; a summary of the letter received from the Florida League of Cities on its policy statement; development of the St. John River Park; and third party review requests for the Company's governance policies, procurement practices and Plant Vogtle. Lastly, Mr. McElroy offered appreciative comments to the Board for their service during his tenure as Interim CEO.

- E. Managing Director/CEO** – Jay Stowe opened his discussion with appreciative comments to the Board, Senior Leadership, Paul McElroy and employees. He spoke on a time to look forward and how we can position the Company and City to be the best in the country. Chair Baker, on behalf of the Board, offered appreciative comments.

Agenda Item III. Consent Agenda

- A. Consent Agenda** – The Consent Agenda consists of agenda items require Board approval but are routine in nature, or have been discussed in previous public meetings of the Board. The Consent Agenda items require no explanation, discussion or presentation, and are approved by one motion and vote.

On *motion* by Bobby Stein and seconded by Tom VanOsdol, Appendices A and B were approved unanimously and Appendices C through E were received for information only.

Appendix A: Board Meeting Minutes of October 27, 2020 – approved

Appendix B: Special Board Meeting Minutes of November 2, 2020 – approved

Appendix C: Monthly FY20 Communications & Engagement Calendar and Plan Update – information only

Appendix D: Corporate Headquarters and HQ2 Update – information only

Appendix E: Monthly Financial Statements – information only

Agenda Item IV. For Board Consideration

- A. Financial Report** – Brian Roche, Interim Chief Financial Officer, citing materials provided in the Board Meeting package, opened the discussion with an overview of

the company's monthly financial and operations report. In his review, Mr. Roche summarized JEA Safety and Recordable Incident Rates. Next, he reviewed sales and financial forecasts for JEA Electric System and JEA Water/Wastewater System. Mr. Roche then reported on Key Financial Metrics, Combined Debt Outstanding and Florida Utilities Monthly Bill Comparisons for Electric and Water/Wastewater. Board members provided feedback and comments.

Next, Bruce Dugan, Interim Customer Officer, presented the Customer Experience Update. He reviewed the Operations Scorecard with an overview of Customer Satisfaction Indices for residential and business and significant occurrences or concerns for the month. There were no comments at this time.

- B. JD Power Customer Satisfaction Report** – Mr. Dugan provided a JD Power Scorecard with an overview of important metrics including customer satisfaction index scores for residential and business and Florida utilities. Next, he discussed the JD Power Communications Campaign and FY2020 customer satisfaction goal. Lastly, he reviewed customer satisfaction index scores by study year. Board members offered feedback and appreciative comments.
- C. Five-Year Financial Assumptions and Plan** – Mr. Roche led the discussion on the Company's Five-Year Financial Assumptions and Plan for FY2021 – FY 2025. He reviewed Unit Sales Growth, Residential Customer Rates, Residential Customer Rates, Capital Expenditures and Internal Funding, Total Debt and Variable Debt Considerations, Early Debt Retirement Reduction of Variable Rate Debt and Key Financial Metrics. Feedback was received.
- D. Integrated Water Resource Plan (IWRP)** – Mr. Roche, citing materials in the Board meeting package presented on the Company's IWRP planning which included an overview of the IWRP process, JEA's water system and supply, sustainability milestones, water demands, expansion of the reclaimed water system, potential water conservation program and management's 10-year draft recommendations. Board members offered feedback and comments.

There was a meeting break from 10:12 am to 10:18 am

- E. Potential Prohibition of Wastewater Effluent Disposal via Surface Water Discharge** – Wayne Young, Interim Chief Environmental Officer, citing materials contained in the meeting packet, led the discussion on this topic by opening with a brief overview of the proposed Senate Bill 1656 2021 legislation to eliminate all surface water discharges from domestic wastewater treatment plants. Next, Mr. Young discussed potential program ramifications and financial impacts. He then outlined management's recommendations to proceed with discussion and present to the City Council at its next regularly scheduled meeting. Hearing no additional comments, Chair Baker asked the Board for a motion on Management's recommendation to accept the resolution City Council's resolution as presented.

On *motion* by Bobby Stein and seconded by Dr. Leon Haley, Management's recommendation was approved unanimously.

F. JEA/St. Johns County Agreement – Racetrack Road Water Main and Reclaimed Water Main at Durbin Creek – Hai Vu, Interim General Manager

Water/Wastewater, citing the Board meeting materials, led the discussion on the Company's Racetrack Road Water Project. He provided a thorough overview of the project construction design and costs and recommendations received from St. John's County. Feedback was received to which Ms. Brooks provided additional comments on the easement language. Hearing no additional comments, Chair Baker asked the Board for a motion on Management's recommendation to enter into the agreement with St. John's County to proceed with the project.

On *motion* by Bobby Stein and seconded by Marty Lanahan, Management's recommendation was approved unanimously.

G. HQ2 Hardened Facility Real Estate Acquisition – Alan McElroy, Interim Chief Supply Chair Officer, opened the discussion with a brief overview of the Company's potential hardened facility real estate acquisition. Next, Jordan Pope, Director of Real Estate, provided details of the real estate property including location and financial impacts. He then discussed management's recommendation for the real estate purchase as outlined in its Board Resolution 2020-11. Board members offered positive feedback and comments. Hearing no additional discussion, Chair Baker asked the Board for a motion on Management's recommendation for the purchase of real property as outlined in Resolution 2020-11.

On *motion* by Bobby Stein and seconded by Marty Lanahan, Management's recommendation was approved unanimously.

H. Jacksonville Small and Emerging Business Quarterly Report – Mr. McElroy presented JEA's Fourth Quarter (Q4) FY20 results for the JSEB program noting overall the Company exceeded its goal. His highlights included FY20 New JSEB Vendors, prime contracts awarded to JSEB vendors and the Virtual JSEB Procurement Summit. Appreciative comments were received.

I. Workforce Planning – Rob Mack, Director Organizational Effectiveness and Payroll, led the discussion on JEA Workforce Strategy. Mr. Mack reviewed Workforce Metrics, Retirement Eligibility, Diversity, Succession and Attrition Mitigation, JEA Hiring Practices and Programs, Developing and Retaining the JEA Team and Future State Planning. Feedback and comments were addressed. Next, Mr. McElroy introduced David Emanuel as the Interim, Chief Human Resources Officer to replace Angie Hiers.

J. Board Policy Review – Steve Tuten, Interim Chief Compliance Officer, provided a brief update on the JEA By-Laws and Board Policy Manual. Mr. Tuten noted detailed information on these two items would be highlighted in the Governance Committee report.

Agenda Item V – Board and Committee Reports

A. Governance Committee – Committee Chair DiSalvo, citing materials contained in the board meeting packet, presented the Governance Committee report which included highlights and actions from the Committee's November 10, 2020 meeting. Mr. DiSalvo's report outlined four key Board Policy Manual items requiring action from the Board.

Hearing no comments from board members, Mr. DiSalvo asked the Board for a motion to approve the Committee’s action items as presented at its November 10, 2020 meeting.

On *motion* by Bobby Stein and seconded by Dr. Leon Haley, the motion was approved unanimously.

Agenda Item VI– Other Business

- A. **Old Business** – None
- B. **Other New Business** – None
- C. **Open Discussion** – Bobby Stein presented a recommendation to the Board to move its meetings out to other JEA facilities to allow board members the opportunity to meet employees. Lastly, Mr. Tuten and Chair DiSalvo updated the Board on its Self-Assessment process and recommendation to delay the assessment for six months.
- D. **Chair’s Report** – None

Agenda Item III – Closing Considerations

- A. **Announcements** – Next Board Meeting December 15, 2020
- B. **Adjournment**

With no further business claiming the attention of the Board, Chair John Baker adjourned the meeting at 11:35 a.m.

APPROVED BY:

SECRETARY

DATE: _____

Board Meeting recorded by:

DeLisa A. Johnigarn, Executive Assistant