

JEA FINANCE & AUDIT COMMITTEE MINUTES
May 14, 2021

The Finance & Audit Committee of JEA met at 9:00 am on Friday, May 14, 2021 on the 8th Floor, 21 W. Church Street, Jacksonville, Florida. The public was invited to attend this meeting in-person at the physical location and virtually via WebEx. Attendees were required to wear masks and CDC guidelines and social distancing were required at the meeting location.

WELCOME

Meeting Called to Order – Committee Chair Marty Lanahan called the meeting to order at 9:00 am. Committee members Bobby Stein and John Baker attended the meeting on site and via WebEx respectively. A quorum of the committee was physically present for the meeting.

Others in attendance in-person were board member Dr. Leon Haley; Jay Stowe Managing Director/CEO and Jody Brooks Chief Administrative Officer. Board member Joseph DiSalvo and Laura Dutton, Chief Strategy Officer, participated in the meeting via WebEx.

Adoption of the Agenda – On *motion* by Bobby Stein and seconded by John Baker, the agenda was approved.

Approval of Minutes – March 12, 2021 – On *motion* by John Baker and seconded by Bobby Stein, the March 12, 2021 meeting minutes were approved.

Safety Briefing and Moment – David Goldberg, Director, Customer & Community Engagement, provided a Safety Briefing and Moment on Office Ergonomics for participants of the meeting. Tony Long, Director, Safety and Health Services presented a Safety Performance Update.

FOR COMMITTEE CONSIDERATION

FY2022 Budget Presentation – Juli Crawford, Director, Financial Planning & Analysis, referencing materials provided to the Committee in advance of the meeting, presented on the FY2022 Budget Agenda which included a discussion of the budget process summary and consolidated schedules; electric system and water/wastewater budget assumptions; district energy budget assumptions; rate stabilization funds and a budget timeline and action items. During her presentation, Ms. Crawford outlined operating budget components for electric system and water and sewer. She provided highlights on the electric system operating budget which a discussion on fuel related revenues and expenses followed. Chair Lanahan then asked the Committee to consider including fuel charges as a future meeting agenda item. Next, Ms. Crawford gave an overview of the electric system and water/wastewater capital budgets and operating metrics. Concluding her presentation, Ms. Crawford reviewed the district energy system operating and capital budgets, rate stabilization funds, and she provided the committee a FY2022 board review and approval timeline.

FY2022 Proposed Rate and Fee Adjustments – Ms. Crawford, referencing materials provided to the Committee in advance of the meeting, discussed the FY2022 proposed rate and fee adjustments for water, sewer and electric. In her discussion she outlined four key components which included rate adjustments, a timeline and next steps. Next, Ms. Crawford discussed a rates and fees overview for water and sewer and electric rate adjustment recommendations. She outlined capacity fees for water and sewer cost recovery structure including capacity project costs and rate adjustments; benchmarks for local peers' combined capacity fees; tap and meter fees for water and sewer rate adjustments; and large

commercial water rate adjustments for water and sewer reviewing Staff’s recommendations for each. Next, Ms. Crawford reviewed electric rate adjustments and expenditures including energy rate and rate class impacts. Lastly, she provided a timeline, next steps and Staff’s recommendation for the proposed rate and fee adjustments. There were comments to which a general discussion ensued. Chair Lanahan then recommended, to committee members, this discussion be presented to the Board at its next meeting.

Audit Services Update – Steve Tuten, Director, Audit Services, referencing materials provided to the Committee in advance of the meeting, presented an Audit Services update. Mr. Tuten reviewed enterprise risk management initiatives; top enterprise-wide risk (TERs) tier levels and financial elements of TERs. Committee members offered comments and there was a general discussion about cybersecurity risks and tier-level realignment. Next, Mr. Tuten presented an Internal Audit update for Q2 noting that Staff is on track to complete the FY2021 Audit Plan. During his presentation, Mr. Tuten reviewed completed, postponed or canceled audits and engagements. Ms. Brooks then provided additional commentary on the MEAG Audit Plan. Lastly, Mr. Tuten reviewed open audit and investigation report issues; forensic audit and investigation case statistics, open action plans and a summary of closed cases for Q2 FY21. There were no comments at this time.

ADDITIONAL INFORMATION

Ethics Officer’s Report – Provided for information only

Electric System and Water & Sewer System Reserve Fund Report – Provided for information only

JEA Energy Risk Management Policy Report – Provided for information only

CLOSING CONSIDERATIONS

Announcements – Next Meeting July 16, 2021

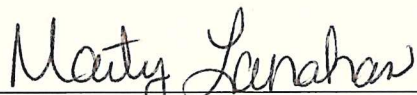
Committee Discussion

- Ernst & Young
- Director, Audit Services


At 10:20 am, Staff exited the meeting and the Committee, including John DiSanto of Ernst & Young, went into Executive Session. At 10:27 am, the Committee concluded its Executive Session.

Adjournment – With no further business coming before the Committee, Ms. Lanahan declared the meeting adjourned at 10:27 AM.

APPROVED BY:



 Marty Lanahan, Committee Chair
 Date: 10/15/21

Submitted by: 

 DeLisa A. Johnigarn
 Executive Assistant