

FINANCE & OPERATIONS COMMITTEE MEETING MINUTES
June 23, 2023

The Finance & Operations Committee of JEA met at 9:00 am on Friday, April 14, 2023 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 and virtually via WebEx.

WELCOME

Meeting Called to Order – Committee Chair General Joseph DiSalvo called the meeting to order at 9:00 am. Finance & Operations Committee member Marty Lanahan and Rick Morales being present for the meeting constituted a quorum. Board member John Baker attended virtually.

Others in attendance were Jay Stowe, Managing Director/CEO; Ted Phillips, Chief Financial Officer; Raynetta Curry Marshall, Chief Operating Officer; Rebecca Lavie, Attorney, Office of General Counsel; Ricky Erixton, Vice President, Electric Systems; Pedro Melendez, Vice President, Planning, Engineering & Construction; Jordan Pope, Vice President, Corporate Strategy; and Joe Orfano, Vice President, Financial Services. Attending online were Laura Dutton, Chief Strategy Officer; Laura Schepis, Chief External Affairs Officer; Sheila Pressley, Chief Customer Officer; Kurtis Wilson, Vice President, Government Relations; Mark Stultz, Vice President, Communications; Alan McElroy, Vice President, Supply Chain and Operations Support; Hai Vu, Vice President, Water/Wastewater Systems; Brad Krol, Chief Information Officer; Wayne Young, Vice President, Environmental Services; Stephen Datz, Vice President, IT Infrastructure and Operations; and Regina Ross, Chief Legal Officer, Office of General Counsel;

Adoption of the Agenda – On *motion* by Marty Lanahan and seconded by Rick Morales, the agenda was approved.

Approval of Finance & Operations Committee Minutes – On *motion* by Marty Lanahan and seconded by Rick Morales, the April 14, 2023 Finance & Operations Committee meeting minutes were approved.

Values Moment – Jerry Creel, Senior Manager, Distribution Construction & Maintenance, noted the safety protocol is outlined in the materials and provided a Values Moment on integrity.

Comments from the Public

In-Person Public Comments:

Mr. Logan Cross, representing the Sierra Club of Northeast Florida and member of the Electric Integrated Resource Plan (IRP) Stakeholder Advisory Committee, spoke to the Committee on renewable energy.

Mr. John Nooney spoke to the Committee regarding the mayor's recent resiliency agenda item.

Ms. Lisa Rinaman spoke to the Committee on renewable energy.

There were no online or emailed comments.

FOR COMMITTEE CONSIDERATION

Solar Energy Project with Florida Municipal Power Agency – Ricky Erixton, Vice President, Electric Systems, provided the Committee with background information, benefits, terms including cost, and expected completion date of the Florida Municipal Power Agency (FMPA) Solar Energy Project.

On *motion* by Rick Morales and seconded by Marty Lanahan the Finance and Operations Committee unanimously approved to recommend the FMPA Solar Energy Project at an estimated value of \$400.8M to the Board for approval.

Interlocal Agreements – Juli Crawford, Senior Advisor, provided the committee with an overview of the current Interlocal Agreements for water services with Nassau County, St. Johns County, and Clay County. Ms. Crawford noted that due to growth, Nassau County and JEA wishes to extend the term of the agreement along with updating and clarifying terms. Ms. Crawford highlighted JEA was approached by the City of Atlantic Beach to conduct a water system analysis. Additional information will be presented to the Board in the future. This presentation was received for information.

Wildlight Agreement – Robert Zammataro, P.E. Director, Water/Wastewater Planning & Development, presented background information about the Wildlight East Nassau Community, the estimated transmission main lengths, and highlighted the agreement is in alignment with the current interlocal agreement. Mr. Zammataro noted JEA will be cost participating in the construction of the transmission mains with a max indebtedness of \$160M.

On *motion* by Marty Lanahan and seconded by Rick Morales, the Finance and Operations Committee members held discussions, and unanimously approved to recommend the terms and conditions of the Developer and Utility Service Agreement between JEA and Wildlight, LLC to the Board for approval.

Quarterly Financial Review – Russell Caffey, Controller, provided the committee with the quarterly financial review to include Financial Recap Q2 Electric FY2022-23, Current Month versus Prior Month Fuel Rate Projection, and Financial Recap Q2 Water FY2022-23. This presentation was received for information.

District Energy System FY2023 Amendment – Laure Whitmer, Director, Budgets, highlighted the additional projects that are included in the proposed budget increases to include Metropolitan Loft Chiller Water Extension, Hogan's Creek Tower Upgrade and Plant Expansion, Shipyards Segment A Chilled Water Extension, Future Expansion, Jaguars Performance Facility, Capital Administrative Overhead and New Headquarters & Ed Ball Building. Jordan Pope, Vice President, Corporate Strategy, provided a review of a few of the growth projects.

On *motion* by Marty Lanahan and seconded by Rick Morales, the Finance and Operations Committee unanimously approved to recommend increasing the FY23 District Energy System capital budget to \$9,868,000 to the Board for approval.

FY2024 Budget – Laure Whitmer, Director, Budgets, presented the FY2024 budget to include JEA cost savings initiatives, financial objectives, annual budget process, Fiscal Year 2024 Budget Overview, Consolidated Systems Operating Budget Components, Government Transfers via the JEA Bill, Fiscal Year 2024 Labor Costs, Electric & Water System Operating Revenue, Electric & Water System Operating Budget Components, Fuel History, Electric & Water System O&M Budget, Non-Fuel Purchased Power Rate Stabilization Fund Activity, Electric & Water System Financial Projections, Electric & Water Capital Budget, District Energy System Operating Revenue, District Energy System Operating Budget Components, District Energy System O&M, and District Energy System Capital Budget.

On *motion* by Rick Morales and seconded by Marty Lanahan, Committee members held discussions and unanimously approved to recommend the FY2024 Budget to the Board for approval.

SUPPLEMENTAL INFORMATION (Received for Information)

Appendix A: Solar Energy Project with Florida Municipal Power Agency

Appendix B: Wildlight Agreement

Appendix C: District Energy System FY23 Budget Amendment

Appendix D: FY24 Budget

Appendix E: Electric System and Water & Sewer System Fund Report

Appendix F: JEA Energy Market Risk Management Policy Report

Appendix G: Emergency Preparedness

Appendix H: Jacksonville Small & Emerging Business Update

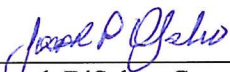
OTHER BUSINESS & CLOSING CONSIDERATIONS

Old & Other New Business / Open Discussion – Marty Lanahan and Rick Morales requested a tour of Cologix.

Announcements – Next Finance & Operations Committee Meeting September 15, 2023.

Adjournment – With no further business coming before the Committee, General DiSalvo declared the meeting adjourned at 10:12 am.

APPROVED BY:



Joseph DiSalvo, Committee Chair

Date: 26 Sept 2023

Submitted by:



Allison S Hickok
Executive Staff Assistant