

JEA Board Policy Manual



JEA Board Policy Manual

Dated this 16 day of November 2021.

JEA Board Chair

JEA Board Secretary

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on November 16, 2021.

JEA Board Policy Manual

TABLE OF CONTENTS

Policy Category I: Governance Process

1.0	By-Laws of JEA	4
1.1	JEA Board Mission, Vision, Values, Goals & Objectives	8
1.2	Global Governance Process	9
1.3	Governing Style	10
1.4	Board Job Description	11
1.5	Agenda Planning	12
1.6	Board Officers	13
1.7	Rules of Order	14
1.8	Board Member's Code of Conduct	16
1.9	Board Member's Individual Responsibility	17
1.10	Board Committee Principles	18
1.11	Board Committee Structure	19
1.12	Cost of Governance	21

Policy Category II: Board-Management Delegation

2.0	Global Board-Management Delegation	22
2.1	Unity of Control	23
2.2	Accountability of the CEO	24
2.3	Delegation to the CEO	25
2.4	Monitoring CEO Performance	26
2.5	CEO Remuneration	27

Policy Category III: Executive Mandates

3.0	General Executive Oversight and Assurances	28
3.1	Treatment of Consumers	29
3.2	Treatment of Staff	30
3.3	Financial Planning/Budgeting	31
3.4	Financial Condition and Activities	32
3.5	Workforce Readiness and Succession Planning	33
3.6	Asset Protection	34
3.7	Compensation and Benefits	35
3.8	Communication and Support to the Board	36
3.9	Regulatory / Legislative Requirements	37
3.10	Enterprise Risk Management	38
3.11	Procurement Activities	39
3.12	Economic Development	40

Policy Category IV: Measures of Effectiveness (MOEs)

4.0	MOEs	41
4.1	Electric Service	42
4.2	Water Service	43
4.3	Sewer Service	44
4.4	Cost of Service	45
4.5	Environmentally Sound	46
4.6	Informative Communication	47

JEA Board Policy Manual

TABLE OF CONTENTS (Cont'd)

Appendix

A1	Executive Core Competencies	49
A2	JEA Board Evaluation Criteria	54

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.0

POLICY TITLE: *BY-LAWS OF JEA*

ARTICLE I - OFFICES

The principal office of JEA shall be located in Jacksonville, Florida. Branch offices of JEA may be established at such places as JEA may designate from time to time.

ARTICLE II - MEMBERS OF JEA GOVERNING BODY

Section 1. General Powers. The affairs of JEA shall be managed by the JEA governing body ("Board") as provided in Article 21, Charter of the City of Jacksonville, as amended, and other applicable laws.

Section 2. Appointment, Number, Tenure, and Expense Reimbursement. The membership of the JEA Board shall be constituted in number, qualifications, manner of appointment and tenure as provided in Article 21, Charter of the City of Jacksonville, as amended. Members of the JEA Board shall receive reimbursement for all expenses incurred which are reimbursable by law.

ARTICLE III - OFFICERS

Section 1. Elections. The Officers of the JEA Board shall be a Chair, Vice-Chair, and a Secretary who shall be elected by the members and who shall serve as such officers for one year or until a successor is chosen. The Chair may serve for two consecutive one-year terms, which shall not include any period served as replacement Chair during the unexpired portion of the predecessor's term. Elections of Officers shall be conducted at the first regular meeting in March which may be preceded by a meeting of the nominating committee composed of the JEA Board acting as a whole or such other membership as the Chair may designate.

Section 2. Vacancies. A vacancy in any office because of death, illness, removal or otherwise, may be filled by the remaining members for the unexpired term.

Section 3. Chair. The Chair shall preside at all meetings of the JEA Board unless the Chair delegates otherwise. The Chair shall designate from time to time such special committees as the Chair deems appropriate and shall designate the subject matter assigned to each committee for consideration. In the event of the Chair's prolonged absence or disability, the Vice-Chair shall exercise all functions of the Chair for a period of up to thirty (30) days, at the expiration of which a special election shall be conducted by the JEA Board and a permanent Chair elected.

Section 4. Vice-Chair. The Vice-Chair shall perform such duties as are assigned by the Chair in addition to the functions for which the Vice-Chair is responsible under Section 3 above.

Section 5. Secretary. The Secretary has oversight of the procedures used by the JEA Staff to accurately produce Minutes of all Board and Committee meetings and submission for public record. The Secretary shall perform such other duties as from time to time may be assigned by the Chair.

ARTICLE IV - COMMITTEES

Section 1. Ordinary Committees.

(a) **Standing Committees.** The Chair may appoint standing committees from time to time which shall be composed of as many members of the JEA Board as determined by the Chair. The Chair

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.0

POLICY TITLE: *BY-LAWS OF JEA*

shall name one of the committee members as committee chair and one as committee vice-chair. A standing committee shall continue until such time as it is terminated by the Chair.

(b) Special Committees. The Chair may appoint special committees from time to time, and the Chair may specify that one or more individuals who are not members of the JEA Board shall work with and assist the special committee. The Chair shall name one of the committee members as committee chair and one as committee vice-chair; both positions must be filled by current members of the JEA Board. When a special committee has fulfilled its function or when the best interests of JEA have been served, the committee shall be terminated without formal action.

Section 2. Term of Committee Members. Each member of a committee shall serve until the expiration of his/her term of office as a JEA Board member, until that member's successor is appointed and has accepted such appointment, or until the committee is terminated.

Section 3. Powers of the Committee and the Committee Chair. The committee chair, or vice-chair in the absence of the chair, shall have the power and authority to call meetings of the committee upon reasonable verbal or written notice to the members, and to set the date, time and place of such meetings. This function may also be performed by a majority of the remaining members of the committee upon inaction by the chair. A committee secretary may be designated by the committee chair. A committee may submit reports to the Chair and members of the JEA Board in writing as determined by the committee chair. Committee reports shall contain both majority and minority reports of committee members. A committee may by motion recommend to the JEA Board that action be taken on matters under consideration by the committee. Matters under consideration by the committee may include resolutions or other proposed actions presented to the committee by the JEA Managing Director.

Section 4. Committee Vacancies. The Chair shall fill vacancies in the membership of any committee. Should the Chair of the JEA Board fail to fill a vacancy within a reasonable length of time after such a vacancy occurs, then such vacancy may be filled by a majority of the members of the JEA Board acting in any regular or special meeting.

Section 5. Conduct of Committee Business. A majority of the entire membership of the committee shall constitute a quorum, and an act of the majority of the committee present at any meeting shall constitute the act of the committee. Should a quorum not be present at a scheduled meeting, the committee chair, or vice-chair in the absence of the chair, may appoint as many JEA Board members as necessary to constitute a quorum. Such appointment is for the purpose of that meeting only. All JEA Board members may attend and participate in any committee meeting, but only committee members have the right to make motions and to vote. Except as provided otherwise herein, Roberts Rules of Order shall govern the conduct of committee business, unless the majority of the committee present at such meeting shall elect to utilize other rules or procedures consistent with applicable law and these By-Laws.

ARTICLE V - CONDUCT OF AUTHORITY BUSINESS

Section 1. Regular Meetings. Regular meetings shall be held in accordance with the requirements set forth in Article 21 – JEA Charter at the principal offices of JEA in the City of Jacksonville, or at such other public place within the City of Jacksonville as may be determined by the Chair, and at such times as the Chair or a majority of the members may designate. More frequent regular meetings may be held at the pleasure of a majority of the members.

Section 2. Special Meetings. Special meetings of the members may be called by the Chair or by any three (3) members and shall be held at the principal offices of JEA in the City of Jacksonville, or at such other public place within the City of Jacksonville as may be determined by the Chair.

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JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.0

POLICY TITLE: *BY-LAWS OF JEA*

Section 3. Notice of Special Meetings and Purpose. Notice of each special meeting of the members shall be given by the Chair or by the three (3) members who may have called such special meeting. Such notice shall be in writing and shall be provided to every member not less than seven days before the meeting and shall state the purpose, time and place of the special meeting. Attendance by a member at a special meeting shall constitute waiver of notice. A member may, however, appear at a meeting for the sole purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called without losing the right to object to improper notice. No business shall be transacted at any special meeting other than the purpose specified in the notice unless a majority of the members in attendance at such special meeting agree to transact other business.

Section 4. Teleconference or Videoconference Meetings. The Chair may allow Board member(s) to attend a regular or special meeting by teleconference or videoconference, provided that all JEA Board members attending the meeting and all other persons participating in the meeting may hear each other. Whenever any Board member attends a meeting by teleconference or videoconference, the Chair shall conduct the meeting in a manner so as to allow, to the fullest extent possible, simultaneous communication. A Board member or other person wishing to speak must first identify himself/herself to the Chair and request recognition from the Chair before speaking. Visual presentations shall be described in detail for any Board member attending by teleconference who is unable to view the presentation. It is the Board's preference that meetings be held with a quorum physically present except, on occasion, when the Board needs to transact business for a special matter typically conducted at a special meeting.

Section 5. Quorum and Votes Required for Action. The majority of the Board members shall constitute a quorum for the purpose of meeting and transacting business. Four (4) affirmative votes shall be required to accomplish an act of business. Pursuant to Chapter 286, Florida Statutes, no member who is present at any Board meeting may abstain from voting except when there is, or appears to be, a possible conflict of interest. In such case, the abstaining Board member shall comply with the disclosure requirements of Chapter 112, Florida Statutes.

Section 6. Vacancies. Any vacancy occurring in the office of a member of the JEA Board shall be filled for the unexpired term in the manner provided in Article 21, Charter of the City of Jacksonville, as amended.

Section 7. Rules and Procedures. Except as provided otherwise herein, Robert's Rules of Order shall govern the conduct of the JEA Board business, unless the majority of members shall elect to utilize other rules or procedures consistent with applicable law and these By-Laws.

ARTICLE VI - AMENDMENTS TO BY-LAWS

These By-Laws may be amended, repealed or altered, in whole or in part, by the affirmative votes of four (4) members at any regular or special meeting, provided such subject has been included in an agenda item.

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.0

POLICY TITLE: *BY-LAWS OF JEA*

ARTICLE VII - EFFECT OF BY-LAWS

Noncompliance with these By-Laws shall not operate to invalidate any JEA Board action otherwise valid under applicable law.

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.1

POLICY TITLE: *JEA BOARD MISSION, VISION, VALUES, GOALS AND OBJECTIVES*

Mission

The JEA Board will exercise ownership, management and operate utilities systems for the City of Jacksonville and rate payers.

Vision

Make JEA the best in class for public utilities in the United States.

Values

- Leadership – Make the tough calls.
- Selfless Service – Do what is right for the community.
- Competency – Have a strategic understanding of the public utilities industry.
- Integrity – Adhere to a strict moral and ethical code and total transparency.

Goals & Objectives

- Be proactive in issuing important guidance and making timely decisions.
 - Objective: Maintain a planning horizon that is forward looking and anticipate key decisions to be made.
- Act in the best interest of the JEA workforce, rate payers and the citizens of Jacksonville.
 - Objective: Utilize the expertise of board members to enhance the ability of the board to act as a collective body.
- Exercise due diligence so well- informed decisions are made.
 - Objective: Use sound business judgement consistent with JEA's legislative charter.
- Secure the trust and confidence of the Jacksonville community and rate payers.
 - Objective: Strict adherence to Sunshine laws, JEA Charter, Florida & Jacksonville City Ethics Codes and JEA Code of Conduct.

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.2

POLICY TITLE: GLOBAL GOVERNANCE PROCESS

The mission of the JEA Board is to exercise ownership, management and operate utilities systems for the City of Jacksonville and rate payers and make JEA the best in class for public utilities in the United States.

- 1.2.1 **Governing Style:** The Board will govern in accordance with legal requirements, with an emphasis on (a) outward vision rather than internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of Board and chief executive roles, (e) collective rather than individual decisions, (f) future more so than past or present, and (g) proactivity rather than reactivity.
- 1.2.2 **Board Job Description:** Specific responsibilities of the Board are those that ensure appropriate organizational performance.
- 1.2.3 **Agenda Planning:** To accomplish its responsibilities with a governance style consistent with Board policies, the Board will follow an annual agenda that (a) reviews the MOEs (measures of effectiveness) and (b) continually improves Board performance through education and deliberation.
- 1.2.4 **Board Officers:** Board officers assure the integrity of the Board's process and record's. Board officers are: Chair, Vice-Chair and Secretary.
- 1.2.5 **Rules of Order:** Board meetings will be conducted in an orderly and fair process consistent with the requirements of Florida law, Ordinances of the City of Jacksonville, the JEA Charter and these governance policies. Meetings will be led by the Chair, or, in the absence of the Chair, the Vice-Chair, or, in the absence of both, by the Chair's designee.
- 1.2.6 **Board Member's Code of Conduct:** The Board commits itself to lawful, ethical and businesslike conduct, following all requirements of Florida Law, Ordinances of the City of Jacksonville, and the JEA Charter including proper use of its authority and appropriate decorum when acting as Board members.
- 1.2.7 **Board Member's Individual Responsibility:** The leadership success of the Board is a direct result of the individual and collegial participation of its members. Board members will commit to preparation for all JEA related meetings and activities.
- 1.2.8 **Board Committee Principles:** Board committees, when used, will be assigned so as to reinforce the wholeness of the Board's job and not to interfere with delegation from the Board to the CEO.
- 1.2.9 **Board Committee Structure:** A committee is a Board committee only if its existence and charge come from the Board, regardless of whether Board members sit on the committee. The only Board committees are those which are set forth in in this policy. Unless otherwise stated, a committee ceases to exist as soon as its task is complete. The CEO will attend meetings of each committee, but shall not have a vote.
- 1.2.10 **New Board Members On-Boarding Requirements:** Coordinate with the JEA Executive Staff Assistant for exact requirements. Generally new board members will a) execute a facilities orientation; b) receive a JEA email account; c) file financial disclosure Form 1; d) get a JEA photograph and JEA employee access pass; e) execute Technology Services agreement, General Security Awareness Training; and f) ethics brief by the City's Office of Ethics, Compliance, and Oversight.
- 1.2.11 **JEA Board Evaluation:** Done annually as per App A3.

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JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.3

POLICY TITLE: GOVERNING STYLE

The Board will govern in accordance with legal requirements, observing the principles of the Policy Governance model, with an emphasis on (a) outward vision rather than internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of Board and chief executive roles, (e) collective rather than individual decisions, (f) future more so than past or present, and (g) proactivity rather than reactivity.

Accordingly,

- 1.3.1 Unique Requirements of Florida Law for Public Boards: In conducting its duties as a Board in Florida, the Board is required to comply with the Florida Sunshine Law, which prohibits any two or more members of the Board from meeting unless the meeting has been properly noticed and conducted in accordance with the legal requirements. In addition, Florida Law contains requirements regarding Public Records, conflicts of interest and voting which must be followed in the conduct of the Board's business.
- 1.3.2 The Board will cultivate a sense of group responsibility and will be a proactive Board versus a reactive Board. The Board, not the staff, will be responsible for excellence in governing. The Board will be the initiator of policy, not merely a reactor to staff initiatives.
- 1.3.3 Although the Board can change its Governance Process policies at any time, it will diligently observe those currently in force.
- 1.3.4 Continual Board development will include orientation of new Board members in the Board's governance process and an annual Board discussion of governance process improvement.
- 1.3.5 The Board will allow no officer, individual, or committee of the Board to hinder or serve as an excuse for the Board not fulfilling its commitments.
- 1.3.6 Each member of the Board will respect the final determination of the Board concerning any particular matter, regardless of the member's personal position concerning such matter.

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.4

POLICY TITLE: *BOARD JOB DESCRIPTION*

Specific responsibilities of the Board are those that ensure appropriate organizational performance.

Accordingly,

- 1.4.1 The Board is the authoritative link between the organization and the ownership.
- 1.4.2 The Board will provide governing policies that realistically address the broadest levels of all organizational decisions and situations:
 - a. Governance Process: Specification of how the Board develops, carries out, and monitors its own responsibilities
 - b. Board-Management Delegation: Specification of how power is delegated and its proper use monitored; clarity on the CEO's role, authority, and accountability.
 - c. Executive Mandates: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
 - d. Measures of Effectiveness: The organizational outcomes to its recipients including the relative worth of such outcomes in cost or priority.
- 1.4.3 This CEO annual evaluation will be done formally in person with the CEO and full board. CEO evaluation criteria as per Appendix A1 (with CEO core competencies)
- 1.4.4 The Board will evaluate its own performance annually as per App A3.
- 1.4.5 Board members will respect their fiduciary responsibilities to protect and enhance the value of JEA as a citizen-owned enterprise with due diligence using sound business judgment consistent with JEA's legislative charter.

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.5

POLICY TITLE: AGENDA PLANNING

To accomplish its responsibilities with a governance style consistent with Board policies, the Board will follow an annual agenda that (a) completes a re-exploration of the Measures of Effectiveness (MOEs) policies at least annually and (b) continually improves Board performance through education and deliberation.

Accordingly,

- 1.5.1 The Board will establish its annual agenda during an annual retreat to be scheduled around March of each year.
 - a. The Board will review the MOEs as often as necessary, but minimally once a year.
 - b. Consultations with selected groups in the ownership, or other methods of gaining ownership input, will be scheduled as part of the annual agenda.
 - c. Governance education and education related to the MOEs (presentations by futurist, demographers, advocacy groups, staff, etc.) will be scheduled as part of the annual agenda.
- 1.5.2 The agenda for the Board's monthly meeting will be established through consultation with the Chair and the CEO.
 - a. The agenda along with supporting item documentation will be made available to Board members and the city auditor (as per Art 21.03(e) minimally seven days prior to monthly Board meetings and committee meetings.
 - b. A Board member may bring up new business at the appropriate time on the agenda during any meeting, however, if a formal response or presentation is necessary, a request should be made to the CEO no later than two weeks before the Board meeting to allow others on the Board to receive information 7 days in advance.

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.6

POLICY TITLE: *BOARD OFFICERS*

Board officers assure the integrity of the Board's process and record's. Board officers are: Chair, Vice-Chair, and Secretary.

Accordingly,

- 1.6.1 The Chair, a specially empowered member of the Board, ensures the integrity of the Board's process and, secondarily, occasionally represents the Board to outside parties.
 - a. The Chair's role is to see that the Board behaves consistently within its own rules and those rules and regulations imposed upon it from outside the organization.
 - (1) Meeting discussion content will consist of issues that clearly belong to the Board to decide or to monitor according to Board policy.
 - (2) Deliberation will be fair, open, and thorough but also timely, orderly, and kept to the point.
 - b. The authority of the Chair consists in making decisions that fall within topics covered by Board policies on Governance Process and Board-Management Delegation, with the exception of (a) employment or termination of the CEO and (b) areas where the Board specifically delegates portions of this authority to others. The Chairman is authorized to use any reasonable interpretation of provisions in these policies.
 - (1) The Chair is empowered to chair Board meetings with all the commonly accepted powers of that position, such as ruling and recognizing.
 - (2) The Chair may represent the Board to outside parties in announcing Board-stated positions and in stating the Chair's decisions and interpretations within the area delegated to that role.
 - (3) The Chair may delegate this authority but remains accountable for its use.
 - (4) The Chair may appoint members and a Chair for each Board Committee, unless otherwise stipulated by Board policies.
- 1.6.2 The Vice-Chair, or in the absence of the Vice-Chair, the immediate Past Chair will serve as Chair in the absence of the current Chair.
- 1.6.3 The Board Secretary is an officer of the Board whose purpose is to exercise oversight of the procedures used by the JEA Staff to accurately produce Minutes of all Board and Committee meetings and submission for public record within. Minutes from board and committee meetings will be posted on the JEA website within a reasonable period of times after the meeting concludes (which entails board/committee actioning approval of the minutes before posting). The Secretary shall perform such other duties as from time to time may be assigned by the Chair Note, refer to other reporting requirements contained in Article 21.04 section.
- 1.6.4 All Board officers are accountable to the Chair unless otherwise determined by Board policy.

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JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.7

POLICY TITLE: *RULES OF ORDER*

Board meetings will be conducted in an orderly and fair process consistent with the requirements of Florida Law, Ordinances of the City of Jacksonville, the JEA Charter, Bylaws and these governance policies. Meetings will be led by the Chair, or, in the absence of the Chair, the Vice-Chair, or, in the absence of both, by the Chair's designee.

Accordingly,

1.7.1 Board meetings will be conducted with punctuality and order.

- a. Board meetings shall be called to order at the time specified in the notice of meeting and upon satisfaction of a quorum.
- b. Meeting order shall be maintained and all members treated with dignity, respect, courtesy, and fairness during discussion and debate and in all other respects.
- c. Board members must keep their comments relevant to the issue under consideration.
- d. In order to conduct business, a quorum of four (4) board members must be present. Four affirmative votes are required to decide all motions before the Board regardless of number in attendance.

1.7.2 Board meetings will be conducted at a level of informality considered appropriate by the Chair, yet with predictable discipline.

- a. Discussion of a matter not on the previously distributed agenda may occur only after Board consent that the matter be heard.
- b. Proposals that the Board take action, or decide a particular matter, shall (unless otherwise agreed to by unanimous consent) be made by main motion of a Board member, discussed, and then voted on. Motions require a second to proceed to discussion and subsequent vote.
- c. The Chair may not make motions but can engage in debate and is required to vote.
- d. A motion to amend a main motion may be amended but third level amendments are not to be heard.
- e. A motion to refer to a committee, postpone, or table, may be made with respect to a pending main motion, shall take precedence over the pending motion and, if carried, shall set the main motion (the initial proposal) aside accordingly.
- f. Board members may speak to a pending motion on as many occasions, and at such length, as the Chair may reasonably allow.
- g. A vote on a motion shall be taken when discussion ends, but any Board member may, during the course of debate, move for an immediate vote (close debate or call the question) which, if carried, shall end discussion and the vote on the main motion shall then be taken. Votes

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JEA Board Policy Manual

may be made by voice vote or by roll call. All members of the Board are required to vote unless a conflict of interest is declared.

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.7

POLICY TITLE: *RULES OF ORDER*

- h. A motion to adjourn a Board meeting may be offered by any Board member or, on the conclusion of all business, adjournment of the meeting may be declared by the Chair.
- 1.7.3 When further rules of order are to be developed by the Board, the Board will consider the Standard Code of Parliamentary Procedure (Robert's Rules of Order) as a resource guide. The representative from the Office of General Council may serve the Board as a resource on Parliamentary Procedure.

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.8

POLICY TITLE: *BOARD MEMBER'S CODE OF CONDUCT*

The Board commits itself to lawful, ethical and businesslike conduct, following all requirements of Florida Law, Ordinances of the City of Jacksonville, and the JEA Charter including proper use of its authority and appropriate decorum when acting as Board members.

Accordingly,

- 1.8.1 Members are expected to represent the interests of the ownership. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. It also supersedes the personal interest of any Board member acting as a consumer of the organization's services.
- 1.8.2 Members must avoid conflict of interest with respect to their fiduciary responsibility. Such conflicts of interest include but are not limited to the following:
 - a. There will be no self-dealing or business by a board member with any entity that might be reasonably seen as representing a conflict of interest.
 - b. When the Board is to decide upon an issue about which a member has an unavoidable conflict of interest, that member shall announce and declare publicly any conflict of interest and withdraw without comment not only from the vote but also from the deliberation.
 - c. No board member will have an individual contractual relationship with JEA (directly or indirectly) during their board tenure and for 2 years following member's date of termination from board membership.
- 1.8.3 Members may not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.
 - a. Members' interaction with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly authorized by the Board.
 - b. Members' interaction with the public, the press, or other entities must recognize the same limitation and the inability of any Board member to speak for the Board except to repeat explicitly stated Board decisions.
 - c. Except for participation in Board deliberation about whether the CEO has achieved any reasonable interpretation of Board policy, members will not express individual judgments of negative performance of employees or the CEO.
- 1.8.4 Members are expected to support the legitimacy and authority of the final determination of the Board on any matter, without regard to the member's personal position on the issue.
- 1.8.5 Members who have any question about the appropriateness of their conduct should consult with the Office of General counsel or appropriate Ethics offices for information.

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JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.9

POLICY TITLE: *DIRECTORS' INDIVIDUAL RESPONSIBILITY*

The leadership success of the Board is a direct result of the individual and collegial participation of its members.

Accordingly, each Board member is expected to participate in the following ways:

- 1.9.1 Time Investment to Accomplish Board Responsibilities - As Board contemplation, deliberation and decision-making are processes which require wholeness, collaboration and participation, attendance at Board meetings is expected of Board members.
 - a. Expected Commitments:
 - (1) Monthly Board Meetings
 - (2) Annual Team Building (to include professional education)
 - (3) Annual CEO evaluation and Board Self-Assessment (4) Bond Rating Agency Trip, 3 days (Board Chair is expected to attend).
 - b. Optional Involvement:
 - (1) Internal educational meetings with staff upon request
 - (2) Industry related seminars and conferences
 - (3) Visit other utilities and related industries
- 1.9.2 Preparation and Participation - Board members will prepare for Board and committee meetings and will participate productively in discussions, always within the boundaries of discipline established by the Board. Each member will contribute his or her own knowledge, skills and expertise to the Board's efforts to fulfill its responsibilities.
- 1.9.3 Members as Individuals - The CEO is accountable only to the Board as an organization, and not to individual Board members. Accordingly, the relationship between the CEO and individual members of the Board, including the Chair, is collegial, not hierarchical.

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.10

POLICY TITLE: BOARD COMMITTEE PRINCIPLES

Board committees, when used, will be assigned so as to reinforce the wholeness of the Board's job and not to interfere with delegation from the Board to the CEO.

Accordingly,

- 1.10.1 Board committees are to help the Board accomplish its responsibilities and are not assigned to perform staff functions. Committees ordinarily will assist the Board by preparing policy alternatives and implications for Board deliberation. In keeping with the Board's broader focus, Board committees will normally not have direct dealings with current staff operations unless specifically outlined in committee objectives.
- 1.10.2 Board committees may not speak or act for the Board except when formally given such authority for specific purposes. Expectations and authority will be carefully stated in order to prevent conflict with authority delegated to the CEO.
- 1.10.3 Board committees cannot exercise authority over staff. The CEO works for the full Board, and will therefore not be required to obtain the approval of a Board committee before an executive action.
- 1.10.4 Committees will be formed for a specific purpose only. Its purpose and function will be documented in a written charge. All committees are accountable to the Board as a whole.
- 1.10.5 This policy applies to any group that is formed by Board action, whether or not it is called a committee and regardless of whether the group includes Board members, it does not apply to committees formed under the authority of the CEO.

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.11

POLICY TITLE: BOARD COMMITTEE STRUCTURE

A committee is a Board committee only if its existence and charge come from the Board, regardless of whether Board members sit on the committee. The only standing Board committees are those which are set forth in this policy. Unless otherwise stated, a committee ceases to exist as soon as its task is complete. The CEO will attend meetings of each committee, but shall not have a vote.

Accordingly,

1.11.1 Nominating Committee: The purpose of the Nominating committee is to recommend Board officers for election by the Board as a whole.

- a. The Nominating Committee will be comprised of three members. The current Chair (who shall serve as Chair of the committee) and the two most immediate past Chairs still remaining on the Board will constitute the Committee. If one or more past Chairs is no longer serving on the Board, the Chair shall select Board members to fill out a committee of three.
- b. The Nominating Committee shall be formed no later than January of each year and will make its recommendation to the Board for action at its March meeting.

1.11.2 Finance and Audit Committee: The purpose of the Finance and Audit Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing financial information, systems of internal controls, and audit process, including a high level review of the operating and capital budgets. The committee will provide an open avenue of communication between the Board, Management, Audit Services, and external auditors.

- a. The Finance and Audit Committee will be comprised of three members appointed annually by the Chair and confirmed by the Board. Two members will constitute a quorum.
- b. The Committee will meet at least four times per year. A schedule of regular meetings will be established by the committee annually. Special meetings may be called by any Committee member. Meeting dates, times and location will be announced to the entire Board.
- c. The Committee shall oversee:
 - (1) Internal controls and risk assessment
 - (2) Audit Services
 - (3) Compliance with laws, regulations and code of conduct
 - (4) Financial reporting
- d. The Committee will oversee the External Auditor.

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on November 16, 2021

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.11

POLICY TITLE: *BOARD COMMITTEE STRUCTURE*

1.11.3 Governance Committee: The purpose of Governance Committee is to assist the Board in updating the JEA Board documents, primarily the Board Policy Manual (which includes the JEA By-Laws).

- a. The Governance Committee will be comprised of at least three members appointed annually by the Chair. The Board Chair shall appoint one of the Committee members as Chairperson.
- b. The Committee will meet at least once per year. Special meetings may be called by any Committee member. Meeting dates, times and location will be announced to the entire Board.
- c. The Committee will work with JEA Staff Compliance Officer to oversee compliance of all applicable provisions in City Council Article 21.

1.11.4 Other Committees may be established as designated by the Chair.

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.12

POLICY TITLE: *COST OF GOVERNANCE*

The Board will invest in continuous improvement in its governance capacity.

Accordingly,

1.12.1 The Board will use appropriate methods to improve its governing skills.

- a. Training and retraining will be used liberally to orient new members as well as to maintain and increase existing members' skills and understandings.
- b. Outside monitoring assistance can be arranged so that the Board can exercise confident control over organizational performance. This includes but is not limited to a financial audit.
- c. Outreach mechanisms can be used as needed to ensure the Board's ability to listen to owner viewpoints and values.
- d. Knowledgeable industry experts can be made available to the Board in various ways to continuously improve the Board's awareness of emerging utility industry issues.

1.12.2 Costs for appropriate Board governance will be included during annual budget preparations. Any expenditure required will be in accordance with JEA procurement policies. Items may include but not be limited to the following as annually decided by the Board:

- a. Training
- b. Attendance at conferences, industry site visits and Rating Agency presentations
- c. Audit and other third-party monitoring of organizational performance
- d. Surveys, focus groups, opinion analysis, and meeting costs

JEA Board Policy Manual

POLICY TYPE: BOARD MANAGEMENT DELEGATION

POLICY 2.0

POLICY TITLE: *GLOBAL BOARD-MANAGEMENT DELEGATION*

The Board's sole official connection to the operational organization, its achievements, and conduct will be through a chief executive officer titled Managing Director / CEO, referred to within this document simply as CEO.

Accordingly,

- 2.0.1 **Unity of Control:** Only officially passed motions of the Board are binding on the CEO.
- 2.0.2 **Accountability of the CEO:** The CEO is the Board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the CEO.
- 2.0.3 **Delegation to the CEO:** The Board will instruct the CEO through written policies that prescribe the organizational MOEs (measures of effectiveness) to be achieved and describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.
- 2.0.4 **CEO Remuneration:** Salary and benefits and other terms of employment for the CEO will be determined by contract.
- 2.0.5 **Core Competencies:** Executive Core Competencies are included in the Appendix.

JEA Board Policy Manual

TYPE: BOARD MANAGEMENT DELEGATION

POLICY 2.1

POLICY TITLE: *UNITY OF CONTROL*

Only officially passed motions of the Board are binding on the CEO.

Accordingly,

- 2.1.1 Decisions or instructions of individual Board members, officers, or committees are not binding on the CEO.
- 2.1.2 In the case of Board members or committees requesting information or assistance without Board authorization, the CEO can refuse such requests that require, in the CEO's opinion, a material amount of staff time or funds, or are disruptive. The CEO shall promptly inform the Board if requests from Board members or committees are refused.

JEA Board Policy Manual

POLICY TYPE: BOARD MANAGEMENT DELEGATION

POLICY 2.2

POLICY TITLE: ACCOUNTABILITY OF CEO

The CEO is the Board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the CEO.

Accordingly,

- 2.2.1 The Board as a body and individual board members will never give instructions to persons who report directly or indirectly to the CEO.
- 2.2.2 The Board will not evaluate, either formally or informally, any staff other than the CEO. However, the CEO will discuss his evaluation with the Board of the executives identified as potential interim CEO successors (refer to Policy 3.5.1).

JEA Board Policy Manual

POLICY TYPE: BOARD MANAGEMENT DELEGATION

POLICY 2.3

POLICY TITLE: *DELEGATION TO THE CEO*

The Board will instruct the CEO through written policies that prescribe the organizational (Measures of Effectiveness) MOEs to be achieved and describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.

Accordingly,

- 2.3.1 The Board will develop policies instructing the CEO to achieve specified results, for specified recipients, at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels and will be captured in the MOEs.
- 2.3.2 Should the CEO violate a Board policy, he or she shall promptly inform the Board. Informing is simply to guarantee no violation may be intentionally kept from the Board, not to request approval. Board response, either approving or disapproving, does not exempt the CEO from subsequent Board judgment of the action nor does it curtail any executive decision.

JEA Board Policy Manual

POLICY TYPE: BOARD MANAGEMENT DELEGATION

POLICY 2.4

POLICY TITLE: *MONITORING CEO PERFORMANCE*

Board evaluation of the CEO will be done annually and based on App A1, Executive Core competencies and CEO evaluation criteria.

JEA Board Policy Manual

POLICY TYPE: BOARD MANAGEMENT DELEGATION

POLICY 2.5

POLICY TITLE: CEO REMUNERATION

Salary and benefits and others terms of employment for the CEO will be determined by contract.

- 2.5.1 The governing body of JEA shall employ and fix the compensation of the CEO, who shall serve at the pleasure of JEA.
- 2.5.2 The entire working time of the CEO shall be devoted to the performance of the duties and office and the CEO shall have no outside employment or business.
- 2.5.3 The CEO shall be a graduate of an accredited college or university, and have at least 5 years of executive experience within the utilities industry.
- 2.5.4 The CEO shall have a fiduciary duty of loyalty, fidelity, and allegiance to act at all times in the best interest of JEA and will act in a manner consistent with the responsibilities of City Council's Article 21 and other policies, rules, and regulations established by JEA regarding the conduct of JEA employees.
- 2.5.5 The CEO's contract term, including any renewal term, shall not exceed five (5) years.
- 2.5.6 The amount of severance pay, if any, shall not exceed the amounts allowed under Florida law and shall not be permitted if the CEO is terminated for cause.
- 2.5.7 The contract shall not contain a mandatory consulting, separation and transition, or similar agreement that is triggered due to the CEO's termination under the contract.
- 2.5.8 JEA shall not be required to release, indemnify or hold harmless the CEO against any claims except as otherwise required by law.
- 2.5.9 JEA shall not be required to pay for or provide legal counsel to the CEO beyond the legal counsel required of the Office of General Counsel pursuant to the City Charter of Florida law.
- 2.5.10 The contract shall contain a provision that the CEO serves at the pleasure of the JEA members and may be terminated with or without cause.
- 2.5.11 All compensation terms shall be reasonable and customary and similar to other public utilities comparable to JEA when taking into account the size of JEA's territory area, employee size, and utility systems.
- 2.5.12 The contract must be reviewed and approved as to form and substance by the Office of General Counsel.

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.0

POLICY TITLE: *GENERAL EXECUTIVE OVERSIGHT AND ASSURANCES*

The CEO shall oversee and ensure that organizational practices, activities, decisions, and circumstances are lawful, prudent, and not in violation of commonly accepted business and professional ethics and practices.

- 3.0.1 **Treatment of Consumers:** With respect to interactions with consumers or those applying to be consumers, the CEO shall oversee and ensure conditions, procedures, and decisions that are safe, timely, dignified, and not unnecessarily intrusive.
- 3.0.2 **Treatment of Staff:** With respect to the treatment of staff, the CEO shall oversee and ensure conditions that are fair, safe, dignified, organized, and clear.
- 3.0.3 **Financial Planning/Budgeting:** The CEO shall oversee and ensure financial planning for any fiscal year or the remaining part of any fiscal year will not deviate materially from the Board's MOEs priorities, risk financial jeopardy, and will be derived from a multiyear plan.
- 3.0.4 **Financial Condition and Activities:** With respect to the actual, ongoing financial conditions and activities, the CEO shall oversee and ensure actual expenditures that will not result in financial jeopardy or materially deviate from Board priorities established in MOEs policies.
- 3.0.5 **Workforce Readiness and Succession Planning:** The CEO shall oversee and ensure a workforce that is prepared to meet current or future business demands.
- 3.0.6 **Asset Protection:** The CEO shall oversee and ensure corporate assets are protected, adequately maintained and not unnecessarily risked.
- 3.0.7 **Compensation and Benefits:** With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the CEO shall oversee and ensure no impairments to financial integrity or to public image.
- 3.0.8 **Communication and Support to Board:** The CEO shall oversee and ensure that the Board is informed and supported in its work.
- 3.0.9 **Regulatory/Legislative Requirements:** The CEO shall oversee and ensure regulatory and legislative actions that are favorable to the organization.
- 3.0.10 **Enterprise Risk Management:** The CEO shall oversee and ensure conditions, procedures and decisions that will identify, measure, monitor and manage, within established risk tolerances, potential events that may affect achievement of the MOEs.
- 3.0.11 **Procurement Activities:** The CEO shall oversee and ensure the development of procurement policies and procedures that adhere to all applicable federal, state and local laws and ordinances and provide for increased public confidence in the procurement activities of JEA.

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.1

POLICY TITLE: *TREATMENT OF CONSUMERS*

With respect to interactions with consumers or those applying to be consumers, the CEO shall oversee and ensure conditions, procedures, or decisions that are safe, timely, dignified, and not unnecessarily intrusive.

Accordingly, the CEO will:

- 3.1.1 Elicit information for which there is a clear necessity.
- 3.1.2 Use methods of collecting, reviewing, transmitting, or storing client information that will protect against improper access.
- 3.1.3 Operate facilities with appropriate accessibility and privacy.
- 3.1.4 Articulate to consumers a clear understanding of what they can expect from services offered.
- 3.1.5 Operate with clearly established and updated Customer Service procedures and published rules and regulations for service.
- 3.1.6 Operate with mechanisms for collecting consumer complaints that provide for resolution at the lowest staff level and also include prompt response when warranted.

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.2

POLICY TITLE: *TREATMENT OF STAFF*

With respect to the treatment of paid and volunteer staff, the CEO shall oversee and ensure conditions that are fair, safe, dignified, organized, and clear.

Accordingly, the CEO will:

- 3.2.1 Operate with written personnel rules and regulations that:
 - a. clarify rules for staff
 - b. provide for effective handling of grievances
 - c. protect against wrongful conditions such as nepotism and grossly preferential treatment for personal reasons.
 - d. allow for volunteerism in the community
 - e. require high ethical standards
 - f. recognize the need for work/life balance
- 3.2.2 Operate with written job descriptions and performance requirements and reviews that
 - a. characterize the nature of work to be performed
 - b. identify technical, behavioral and physical skills required
 - c. identify clear standards of responsibilities, accountability and associated authorities.
- 3.2.3 Provide a safe work environment.
- 3.2.4 Identify and provide training necessary to accomplish the quality of work expected.
- 3.2.5 Not allow discrimination or retaliation against any staff member for non-disruptive expression of dissent.
- 3.2.6 Acquaint staff with the CEO's interpretation of their protections under this policy.
- 3.2.7 Allow staff to be prepared to deal with emergency situations.
- 3.2.8 Insure that the company's Core Values are routinely communicated and reinforced to all employees.

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.3

POLICY TITLE: *FINANCIAL PLANNING/BUDGETING*

The CEO shall oversee and ensure financial planning for any fiscal year or the remaining part of any fiscal year will not deviate materially from the Board's MOEs priorities, risk financial jeopardy, and will be derived from a multiyear plan.

Accordingly, the CEO will:

- 3.3.1 Prevent the risk of incurring those situations or conditions described as unacceptable in the Board policy "Financial Condition and Activities (refer to Policy 3.4)."
- 3.3.2 Include credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning and budgeting assumptions.
- 3.3.3 Identify the source for capital expenditures (e.g. internally generated cash, new debt, carry over funds from previous fiscal year).
- 3.3.4 Adhere to approved tariff rates and fees.
- 3.3.5 Set and follow an annual budgeting process that results in a final budget submittal to City Council by July 1 proceeding the budgeted fiscal year.
- 3.3.6 Not provide less for Board prerogatives during the year than is set forth in the "Cost of Governance" policy (refer to Policy 1.12).

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.4

POLICY TITLE: *FINANCIAL CONDITION AND ACTIVITIES*

With respect to the actual, ongoing financial conditions and activities, the CEO shall oversee and ensure actual expenditures that will not result in financial jeopardy or materially deviate from Board priorities established in MOEs policies.

Accordingly, the CEO will:

- 3.4.1 Operate within the budget established for the fiscal year.
- 3.4.2 Not make budget transfers in excess of \$5,000,000 without Board approval.
- 3.4.3 Inform the Board in monitoring reports when reserves are required to meet current expenditures.
- 3.4.4 Maintain financial and accounting separation between electric, water and wastewater, and District Energy funds as required by regulatory agencies and bond covenants.
- 3.4.5 Operate within established financial parameters and will engage the Board when established parameters are considered inadequate to affect a desired bond rating.

Current financial parameters:

- a. Debt Service Coverage
 - b. Fixed Charge coverage
 - c. Cash on Hand
 - d. Working Capital
 - e. Line of Credit
 - f. Fuel Rate Reserve
- 3.4.6 Not operate in violation of JEA's Debt Management Policies.
 - 3.4.7 Settle payroll and debts in a timely manner.
 - 3.4.8 Ensure tax payments or other government-ordered payments or filings are not overdue or inaccurately filed.
 - 3.4.9 Establish reasonable security measures to protect against loss of receivables.
 - 3.4.10 Aggressively pursue receivables after a reasonable grace period.

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.5

POLICY TITLE: *WORKFORCE READINESS AND SUCCESSION PLANNING*

The CEO shall oversee and ensure a workforce that is prepared to meet current or future business demands.

Accordingly, the CEO will:

- 3.5.1 Ensure that no fewer than two other executives are sufficiently familiar with Board and CEO issues and processes, which will enable either to take over with reasonable proficiency as an interim successor to protect the Board from sudden loss of CEO services.
- 3.5.2 Prepare for long-term CEO succession.
- 3.5.3 Prepare for Executive Team succession.
- 3.5.4 Operate with strategic and tactical plans to have and maintain the right people, in the right place, with the right talent, skills and knowledge.
- 3.5.5 Develop a workforce that recognizes the value of cultural diversity in internal operations and in serving customers.

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.6

POLICY TITLE: ASSET PROTECTION

The CEO shall oversee and ensure that corporate assets are protected, adequately maintained, and not unnecessarily risked.

Accordingly, the CEO will:

- 3.6.1 Insure adequately against theft and casualty and against liability and losses to Board members, staff, and the organization itself.
- 3.6.2 Not allow personnel who are not bonded to have access to material amounts of funds.
- 3.6.3 Not subject facilities and equipment to improper wear and tear or insufficient maintenance.
- 3.6.4 Not unnecessarily expose the organization, the Board, or its staff to claims of liability.
- 3.6.5 Operate with written claims policies that address fair treatment of claimants, legal liability, ratepayer costs and sound business practices.
- 3.6.6 Protect corporate assets including, but not limited to, property rights, corporate image, physical assets, intangible assets, intellectual property, information, and files from loss or significant damage.
- 3.6.7 Receive, process, or disburse funds with sufficient controls.
- 3.6.8 Invest funds that are not in violation of JEA's Investment Policies.
- 3.6.9 Ensure that all employees and outsourced contract service providers understand their responsibility to comply with all applicable laws and regulations and JEA's Code of Ethics.

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.7

POLICY TITLE: *COMPENSATION AND BENEFITS*

With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the CEO shall oversee and ensure no impairments to financial integrity or to public image.

Accordingly, the CEO will:

- 3.7.1 Not change the CEO's own compensation and benefits, except as those benefits are consistent with a package for other appointed employees.
- 3.7.2 Not promise or imply unconditional permanent or guaranteed employment.
- 3.7.3 Promote a compensation philosophy that is complementary to JEA's compensation philosophy of providing a total rewards package that encompasses salary/wages, retirement benefits, incentives, and health and welfare benefits. Salary/wages will meet the market (50th percentile), which is where the majority of companies in the geographic area reside. The 50th percentile pays competitively for behavior that meets expectations. Additional consideration will be given to behaviors that exceed expectations which are typically rewarded at the 75th percentile. Internal equity will be achieved by evaluating differences in skill, effort, responsibility, and working conditions among jobs.

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.8

POLICY TITLE: *COMMUNICATION AND SUPPORT TO BOARD*

The CEO shall oversee and ensure that the Board is informed and supported in its work.

Accordingly, the CEO will ensure:

- 3.8.1 Submission of monitoring data required by the Board in Board-Management Delegation policy “Monitoring CEO Performance” in a timely, accurate, and understandable fashion, directly addressing provisions of Board policies being monitored, and including CEO interpretations consistent with Board-Management Delegation policy “Delegation to the CEO,” as well as relevant data (refer to Policy 2.4).
- 3.8.2 The Board is aware of any actual or anticipated noncompliance with any MOEs or Executive Mandates policy of the Board regardless of the Board’s monitoring schedule.
- 3.8.3 The Board receives decision information required periodically by the Board and keeps the Board aware of relevant trends.
- 3.8.4 The Board is aware of any significant incidental information it requires, including anticipated media coverage, threatened or pending lawsuits, and material internal and external changes.
- 3.8.5 The Board is aware that, in the CEO’s opinion, the Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the CEO (refer to Policy 2.0).
- 3.8.6 Information is not in an unnecessarily complex or lengthy form, or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.
- 3.8.7 The Board is provided a workable mechanism for official Board, officer, or committee communications.
- 3.8.8 Dealings with the Board do not favor or privilege certain Board members over others, except when (a) fulfilling individual requests for information; or (b) responding to officers or committees duly charged by the Board.
- 3.8.9 Submission to the Board of a consent agenda containing items delegated to the CEO yet required by law, regulation, or contract to be Board-approved, along with applicable monitoring information.
- 3.8.10 Providing a process to retain relevant background information on previous Board policy decisions.

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.9

POLICY TITLE: *REGULATORY/LEGISLATIVE REQUIREMENTS*

The CEO shall oversee and ensure regulatory and legislative actions that are favorable to the organization.

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.10

POLICY TITLE: *ENTERPRISE RISK MANAGEMENT*

The CEO shall oversee and ensure conditions, procedures and decisions that will identify, measure, monitor and manage within established risk tolerances, potential events that may affect achievement of the MOEs.

Accordingly, the CEO will:

- 3.10.1 Establish and maintain a written Enterprise Risk Management (ERM) Plan and an ERM program that includes management-level policies, procedures and process controls to help ensure that the enterprise-wide business risk exposures are properly identified, managed and, when appropriate, reported to the Board.

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.11

POLICY TITLE: *PROCUREMENT ACTIVITIES*

The CEO shall oversee and ensure the development of procurement policies and procedures in accordance with applicable federal, state and local laws and ordinances, and that provide for increased public confidence in the procurement activities of JEA.

Accordingly, the CEO will:

- 3.11.1 Develop and disseminate simple, clear and up-to-date rules for all procurement.
- 3.11.2 Ensure the fair and equitable treatment of all persons who deal with the JEA procurement system.
- 3.11.3 Provide increased economy in all procurement activities and to maximize to the fullest extent practicable the purchasing value of JEA funds.
- 3.11.4 Foster effective, broad-based competition within the free enterprise system.
- 3.11.5 Provide safeguards for the maintenance of the procurement system, quality and integrity.
- 3.11.6 Provide a clear and timely administrative remedy process to all those aggrieved during any phase of the procurement process.
- 3.11.7 Provide effective access for Small and Emerging Local Businesses.

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.12

POLICY TITLE: ECONOMIC DEVELOPMENT

The CEO will develop and implement an Economic Development Policy intended to promote, encourage and facilitate the development of responsible and properly planned initiatives within our service area in order to help expand and strengthen the local economy.

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 4.0

POLICY TITLE: *MOEs*

JEA exists to provide clean, safe, reliable, and reasonably priced electric, water and sewer services to the citizens of Jacksonville and portions of surrounding counties while remaining environmentally sound and financially strong while providing revenue for the City of Jacksonville.

- 4.0.1 **Quality of Electric Service:** Provide clean, safe and reliable electric service to all prescribed consumers.
- 4.0.2 **Quality of Water Service:** Provide clean, safe and reliable water service to all prescribed consumers.
- 4.0.3 **Quality of Sewer Services:** Provide clean, safe and reliable sewer services to all prescribed consumers.
- 4.0.4 **Cost of Service:** Provide all utility services at a reasonable and accurate cost.
- 4.0.5 **Environmentally Sound:** Provide all utility services in a manner that is environmentally sound and sustainable.
- 4.0.6 **Informative Communication:** Effectively communicate with consumers and other stakeholders.
- 4.0.7 **Safety Standards:** Compliance is measured using OSHA's Recordable Incident Rate (RIR) calculation. JEA aspires to zero incidents, but also establishes an annual RIR target below average industry rates. Related preventive controls are validated by timely safety checks and closing of work orders.
- 4.0.8 **Financial Integrity:** Sections V and VI of the JEA Pricing Policy require ensuring the financial integrity of the Electric and Water/Sewer Systems respectively by establishing minimum annual total debt service coverage ratios and days of liquidity, maximum debt to asset ratios, and the maintenance of stabilization funds. Achieving these fiscal targets will help attain AA-level credit ratings.

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 4.1

POLICY TITLE: *QUALITY OF ELECTRIC SERVICE*

Provide clean, safe and reliable electric service to all prescribed consumers.

Accordingly,

- 4.1.1 Annually update an Electric Integrated Resource Supply Plan (IRP) to ensure consumers' future electricity supply needs are met at the lowest evaluated total lifecycle cost while maintaining fuel diversity.
- 4.1.2 Minimize the frequency of electric distribution system outages and report status through the System Average Interruption Frequency Index (SAIFI).
- 4.1.3 Minimize the frequency of electric distribution system voltage sags and report status through the System Average Root Mean Square Frequency Index (SARFI-80).
- 4.1.4 Minimize the duration of electric distribution system outages and report status through the System Average Interruption Duration Index (SAIDI).
- 4.1.5 Focus on reducing individual customer outages and report status through the customers experiencing more than five interruptions (CEMi-5).

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 4.2

POLICY TITLE: *QUALITY OF WATER SERVICE*

Provide clean, safe and reliable water service to all prescribed consumers.

Accordingly,

- 4.2.1 Annually update an Integrated Water Resource Plan (IWRP) to ensure consumers' future water supply needs are met at the lowest evaluated cost while also ensuring water resources are available for future generations. This includes a thorough evaluation of water supply alternatives.
- 4.2.2 Minimize the duration of water distribution system low pressure events and report status of the number of cumulative minutes water pressure drops below 30 pounds per square inch (psi) for all existing water distribution system pressure monitoring points.
- 4.2.3 Conduct water testing in accordance with the standards of the Florida Department of Environmental Protection (FDEP) and the Environmental Protection Agency (EPA) and report testing results to all water consumers and stakeholders.
- 4.2.4 Ensure compliance with JEA's Consumption Use Permit (CUP).

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 4.3

POLICY TITLE: *QUALITY OF SEWER SERVICE*

Provide clean, safe and reliable sewer service to all prescribed consumers.

Accordingly,

4.3.1 Minimize the frequency of sewer back-ups and overflows and report status by:

- a. the number of Sanitary Sewer Overflows (SSO's) per 100 miles of existing sewer pipe.
- b. the total number of sewer system cave-ins.

4.3.2 Limit the total amount of nutrients discharged into the St. John's River from all wastewater treatment facilities.

- a. Reduce the total nutrient discharge into the St. John's River to meet JEA's Florida Department of Environmental Protection (FDEP) Total Maximum Daily Load (TMDL) allocation.
- b. Increase the production and distribution of reclaimed water.

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 4.4

POLICY TITLE: *COST OF SERVICE*

Provide all utility services at a reasonable and accurate cost.

Accordingly,

4.4.1 All utility services are to be reasonably priced.

- a. Pricing for all utility services is to be frequently benchmarked against other state and regional utilities to demonstrate competitiveness.
- b. Pricing for each utility service for all classes of consumers is to be based on the cost to serve each consumer class. Cost of service studies are to be conducted in no more than five year intervals.

4.4.2 Minimize the number of consumer bills that are inaccurate, are estimated due to the lack of a current meter reading, or are untimely. The expectation is 99.9% accurate and timely.

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 4.5

POLICY TITLE: ENVIRONMENTALLY SOUND

Provide all utility services in a manner that is environmentally sound and sustainable.

Accordingly,

- 4.5.1 The CEO is expected to comply with all existing environmental regulations that apply.
- 4.5.2 Conservation: Pursue all options to communicate and incentivize customer conservation and efficiency while avoiding excessive customer cost.
 - a. Electric System: Maintain the electric conservation fund by collecting an additional one cent per kwh for every kwh over 2750 on monthly residential consumption and by allocating 50 cents per mwh of base rate revenues (a total of approximately 0.5% of electric gross revenues.) The funds are to be spent for customer conservation initiatives and incentives only.
- 4.5.3 Renewable Energy Supply: Explore all options for renewable electric energy supply while avoiding excessive customer cost since a state or federal Renewable Electricity Standard (RES) is yet to be established and the timing for setting a standard remains uncertain.
- 4.5.4 Incorporate in generation planning and other utility operations strategies and actions to reduce greenhouse gases.

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 4.6

POLICY TITLE: INFORMATIVE COMMUNICATION

Effectively communicate with consumers and other stakeholders.

Accordingly,

- 4.6.1 To enable and encourage public dialogue on electric, water, and sewer issues at the local, state and national levels.
- 4.6.2 To inform consumers of potential or pending charges being considered for utility services or charges.
- 4.6.3 To inform consumers of the potential financial and consumption impact of conservation incentives and other activities under consideration.
- 4.6.4 Maintain top quartile JD Power ratings for all customer and communication categories.

JEA Board Policy Manual

APPENDIX

- A1 Executive Core Competencies
- A2 JEA Board Evaluation Criteria

JEA Board Policy Manual

A1 - EXECUTIVE CORE COMPETENCIES

Models Integrity

- Demonstrates high ethical and moral standards and models important values for others to follow.
- Behaves and expresses oneself in an open and honest manner; is consistent in word and deed
- Represents information accurately and completely
- Assumes responsibility and accountability for own behavior; admits to mistakes

Makes Quality Decisions

- Prioritizes decisions and initiatives in ways that ensures the highest value for the organization
- Makes high-quality strategic decisions for the organization even when the consequences may be controversial
- Seeks the input of others to ensure that decisions made will be best for the organization and will minimize conflict with other initiatives
- Takes appropriate risks that weighs the positive and negative impact of each decision on the organization

Takes Initiative

- Reacts quickly to address problems that threaten organizational objectives
- Seeks out opportunities to extend or expand upon the organization's position in the market place
- Is passionate, highly engaged and highly energetic
- Forward looking; anticipates potential issues and mitigation measures.

Communicates Effectively

- Listens actively to ensure understanding of each person's point of view
- Clearly articulates (through speech or in writing) own knowledge and ideas so they are easily understood and applied to others
- Addresses difficult problems and perceptions that, if left untreated, could undermine the success of the organization
- Ensures regular, consistent, and meaningful communication throughout the organization

Drives Results

- Seeks to achieve improved or even unprecedented results and demonstrates personal accountability for outcomes
- Creates a positive environment in which results flow from a desire to achieve
- Sets strategic goals and measurable performance expectations for defining success
- Demonstrates ownership for performance of entire organization, and holds self and organization accountable for decisions and results
- Takes appropriate action when a mistake is made (analyze what went wrong and preventative measures to preclude repeated the same mistake.

JEA Board Policy Manual

A1- EXECUTIVE CORE COMPETENCIES

Focuses on the Customer

- Places high priority on identifying and meeting customer needs
- Ensures that customers understand and receive the fullest value possible from the products and services of the organization
- Utilizes follow-up procedures to ensure consistency and determine where improvements can be made to maintain high customer satisfaction

Fosters Teamwork

- Shares relevant expertise and knowledge to ensure team members have adequate information to make decisions and achieve objectives
- Contributes to inclusive culture by valuing others' viewpoints, encouraging others to share ideas, and treating others in an accepting, respectful manner
- Recognizes and capitalizes on the strengths of others to accomplish organizational objectives
- Directly confronts behaviors that undermine team effectiveness
- Exemplifies selfless service.
- Ensures the entire JEA team knows "why" JEA exists, and not just "what" JEA does and how it executes its mission.

Manages and Supports Change

- Effectively copes with changing environments, tasks and responsibilities
- Encourages others to embrace change and use it as an opportunity to be creative and improve performance
- Ensures that change initiatives are aligned with strategic initiatives, values, and mission of the organization
- Leverages resources to promote and sustain change efforts

Visionary Strategist

- Develops the strategies and actions needed to make JEA the best in class for public utilities in the U.S.
- Communicates the organization's vision in a way that is meaningful and actionable for employees
- Collaborates with Executive Team and Board of Directors to determine vision and strategy, and ensures support throughout the organization
- Reviews the planning, organization, and direction of initiatives to ensure support of the mission statement and values
- Accurately anticipates the implications of events or decisions for various stakeholders in the organization and plans strategy accordingly

Manages Performance

- Motivates others to achieve results by getting buy in on JEA's mission and establishing an environment where everyone can make a positive impact.
- Provides the team with constructive feedback, guidance, and coaching for improving performance

JEA Board Policy Manual

A1- EXECUTIVE CORE COMPETENCIES

- Sets clear performance expectations and standards, regularly monitors performance, and provides accurate and timely feedback

Delegates to Others

- Does not micromanage the staff; allows those with responsibilities to do their job. Provides others with the resources, authority, and support to complete delegated tasks successfully
- Develops employees for assuming additional responsibilities; anticipates talent gaps and accelerates development plans to fill gaps

Maintains Positive Public Relations

- Seeks and builds relationships with external constituencies (e.g., elected officials, government agencies, other utility leaders, trustees, investment bankers) to strengthen the organization's impact and reputation in the community
- Represents JEA with credibility and transparency to the media.
- Ensures all communications are honest and candid, and resolves discrepancies expeditiously.

Actively Supports Board of Directors

- Keeps Board of Directors informed on progress towards implementing strategic initiatives and other important information
- Updates the Board on large-scale progress of the organization towards its objectives
- Shows an appreciation for the unique role of a Board member and treats all Board members equally.
- Educates the Board on the strategies and priorities that balance the needs of customers with operational needs
- Keeps Board members informed on important issues – “no surprises”
- Provide Board members preparatory materials at least seven (7) days prior to meetings so members can properly digest.

Leads Others Effectively

- Is a servant-leader who puts the team's welfare above their own?
- Builds trusting, collaborative relationships across organizational boundaries to achieve goals
- Leads with integrity and values, and a focus at all times on the mission of the organization
- Challenges and motivates others in a way that is inclusive, tactful, empowering, and inspires superior performance
- Assumes full ownership and accountability for own performance
- Not afraid to make the tough calls.

Leverages Industry Acumen

- Monitors and analyzes financial data and key cost drivers) to evaluate options and make decisions
- Understands overall financial and operational performance of JEA in order to effectively position it in the marketplace

JEA Board Policy Manual

A1- EXECUTIVE CORE COMPETENCIES

- Follows appropriate legal and fiduciary requirements when reconciling and reporting financial transactions
- Grows continuously in business knowledge and experience
- Identifies metrics and other documentation to help board members responsibly monitor JEAs performance.

Plans for the Future

- Develops a proposed long term strategic plan based on the interests of all stakeholders and priorities of the board.
- Identifies and balances risks and benefits when developing plans
- Identifies need for and ensures contingency plans are developed
- Aligns and allocates resources and time according to strategic priorities and company interests
- Develops a CEO succession plan that results in qualified personnel to step up and successfully perform the duties of the CEO on short notice.

Embraces Diversity

- Promotes the active recruiting of diverse individuals
- Does not tolerate any form of discrimination (gender, ethnic, religious, sexual orientation, etc.).Demonstrates visible support for programs that remove barriers (e.g., stereotypes) between diverse individuals and affords all personnel consideration for upward mobility opportunities.
- Actively monitors organization to ensure equality and fairness for all members; objectively allocates compensation, rewards, and opportunities
- Promotes an inclusive culture where different viewpoints are valued and encouraged

Negotiates Collaboratively

- Strives to understand each party's position by asking in-depth questions and probing for specific needs and issues
- Discloses appropriate and important information to establish openness and trust
- Keeps arguments or disputes issue-oriented rather than personal
- Maintains flexibility in negotiating style, adapting style to the specific needs of a given situation

JEA Board Policy Manual

A1 - Executive Core Competencies

CEO Evaluation Criteria

1. CEO maintains safety as a top priority and executes an effective risk mitigation plan.
2. KPAs and associated KPIs as per Policy Category IV MOEs.
3. CEO ensures read-ahead materials are distributed to board members in a timely manner before all meetings to facilitate board meeting preparedness (7 days).
4. CEO complies with all applicable legal & fiduciary responsibilities.
5. CEO establishes a positive environment where diversity is embraced, and the workforce is proud to be a member of JEA, knows their mission, and trusts the CEO and his senior leadership team.
6. CEO maintains a candid dialogue with the board and is completely transparent on all issues associated with JEA.
7. CEO has a viable succession plan.
8. CEO keeps JEA on the right strategic path based on the most current strategic plan.
9. CEO maintains 100% compliance with respect to Article 21 applicable provisions.
10. Complies with executive core competencies (as per app 1).

JEA Board Policy Manual

A2 - JEA BOARD EVALUATION CRITERIA

The JEA Board self- assess annually as per the Self-Assessment Form below. JEA's Compliance Office will be the third party facilitator to assist board members in discussing survey results and deciding what is actionable.

Attachment 1			
No.	Statements (Please rate the following statements based on your perception of the Board's Performance)	Ratings	Comments
		1 (Strongly Disagree) 2 (Disagree) 3 (Undecided) 4 (Agree) 5 (Strongly Agree)	
	Board Members...		
1	Receive a comprehensive orientation to prepare them to perform their roles and responsibilities.		
2	Are prepared for and participate in monthly Board meetings.		
3	Understand and fulfill the Board's roles and responsibilities.		
4	Understand and support JEA's mission and strategic objectives.		
5	Understand and adhere to the JEA Charter, Bylaws, Board Policies, and applicable Florida Statutes and City Ordinances.		
6	Understand JEA's MOEs so accurate assessments can be made.		
7	Understand and discuss JEA's financial reports and annual budget.		
8	Work together to make good decisions.		
9	Have a strong working relationship with the CEO.		
10	Understand CEO evaluation criteria.		
11	Respect the confidentiality of Board matters in accordance with public records laws.		
12	Reflect behavior consistent with JEA's Code of Conduct and Code of Ethics.		
13	Are knowledgeable about JEA's programs and services.		
14	Follow industry trends and important developments related to JEA, and understand key corporate risks.		
15	Actively self-educate and stay current with industry trends.		
16	Work in coordination with the CEO on succession plan.		
17	Actively look to improve processes.		
18	Act as goodwill ambassadors for JEA in the community.		

JEA Board Policy Manual

	Board Meetings...		
19	Are generally well-run, make good use of members' time, and are of an optimal length.		
20	Board briefing packets are complete and issued at least 7 days in advance of meetings.		
	The Board...		
21	Is represented with the necessary skills, stakeholders, and diversity.		
22	Demonstrates the principle of transparency in its governance activities.		
23	Delegates sufficient authority to the CEO to lead the organization.		
24	Reviews CEO performance and compensation annually.		
	Total Score	0	
	Average Score	0.00	

General Comments (if any):