

# JEA BOARD MEETING AGENDA

November 17, 2020 • 9:00 a.m.

JEA 21 West Church Street, Jacksonville, FL 32202



I.	WELCOME		
	A.	Call to Order	
	B.	Time of Reflection	
	C.	Introductions	
	D.	Adoption of the Agenda – Action	
	E.	Safety Briefing – Paul McElroy, Interim Managing Director/CEO	
	F.	Sunshine Law/Public Records Statement – Jody Brooks, Office of General Counsel	

II.	COMMENTS / PRESENTATIONS		
	Item(s)		Speaker/Title
	A.	Council Liaison’s Comments	Council Member Randy DeFoor
	B.	Comments from the Public	Public
	C.	Employee Recognition	Paul McElroy, Interim Managing Director/CEO
	D.	Interim Managing Director/CEO Report	Paul McElroy, Interim Managing Director/CEO
	E.	Managing Director/CEO	Jay Stowe, Managing Director/CEO

III.	CONSENT AGENDA		
	Definition: The Consent Agenda consists of agenda items that require Board approval but are routine in nature, or have been discussed in previous public meetings of the Board. The Consent Agenda items require no explanation, discussion or presentation, and are approved by one motion and vote.		
	Item(s)		Discussion Action/Information
	Appendix A:	Board Meeting Minutes October 27, 2020	Action
	Appendix B:	Special Board Meeting Minutes November 2, 2020	Action
	Appendix C:	Monthly FY20 Communications & Engagement Calendar and Plan Update	Information
	Appendix D:	Corporate Headquarters and HQ2 Update	Information
	Appendix E:	Monthly Financial Statements	Information

IV.	FOR BOARD CONSIDERATION			
	Item(s)		Speaker/Title	Discussion Action/Information
	A.	- Financial Report - Operations Report: Customer Relations	Brian Roche, Interim Chief Financial Officer Bruce Dugan, Interim Chief Customer Officer	Information
	B.	JD Power Customer Satisfaction Report	Bruce Dugan, Interim Chief Customer Officer	Information
	C.	Five-Year Financial Assumptions and Plan	Brian Roche, Interim Chief Financial Officer	Information

D.	<a href="#">Integrated Water Resource Plan (IWRP)</a>	Brian Roche, Interim Chief Financial Officer	Information
E.	<a href="#">Potential Prohibition of Wastewater Effluent Disposal via Surface Water Discharge</a>	Wayne Young, Interim Chief Environmental Officer	Action
F.	<a href="#">JEA/St. Johns County Agreement - Racetrack Road Water Main and Reclaimed Water Main at Durbin Creek</a>	Hai Vu, Interim General Manager Water/Wastewater	Action
G.	<a href="#">HQ2 Hardened Facility Real Estate Acquisition</a>	Alan McElroy, Interim Supply Chain Officer	Action
H.	<a href="#">Jacksonville Small and Emerging Business Quarterly Report</a>	Alan McElroy, Interim Supply Chain Officer	Information
I.	<a href="#">Workforce Strategy</a>	Robert Mack, Director Organizational Effectiveness and Payroll	Information
J.	<a href="#">Board Policy Review</a>	Steve Tuten, Interim Compliance Officer	Information

V. BOARD AND COMMITTEE REPORTS				
Item(s)			Speaker/Title	Discussion/Action/Information
A.	Governance Committee		Joseph DiSalvo, Chair	
	1.	Call to Order		Information
	2.	Adoption of Agenda		Action
	a.	<a href="#">October 15, 2020</a>		
	b.	<a href="#">November 10, 2020</a>		
	3.	Approval of Minutes		Action
	a.	<a href="#">September 15, 2020 Committee Meetings</a>		
	b.	<a href="#">October 15, 2020 Committee Meetings</a>		
	4.	<a href="#">Draft Article 21 JEA Charter (City Council)</a>		Information
	5.	<a href="#">JEA By-Laws</a>		Action
	6.	<a href="#">Governance Committee Charter</a>		Information
	7.	<a href="#">Governing For Excellence: Raising the Bar on Public Power Governance</a>		Information
	8.	<a href="#">Board Policies and Ordinances</a>		Information
	9.	<a href="#">Board Governance Manual Assessment (March 2015)</a>		Information
	10.	<a href="#">JEA Board Policy Manual (Feb 2010)</a>		Information
	11.	<a href="#">JEA Board Policy Manual – Clean</a>		Information
	12.	<a href="#">JEA Board Policy Manual – Redlined</a>		Information
	13.	<a href="#">JEA Board Policy Manual – Summary of Committee and Staff Edits</a>		Information
	14.	<a href="#">JEA Board Policy Manual</a>		Information
	a.	<a href="#">Go Final on Policy Category I: Governance Process</a>		Action
	b.	<a href="#">Go Final on Policy Category IV: MOEs</a>		Action

If a person decides to appeal any decision made by the JEA Board with respect to any matter considered at this meeting, that person will need a record of the proceedings, and, for such purpose, needs to ensure that verbatim record of the proceedings is made, which record includes the evidence and testimony upon which the appeal is to be based.

	15.	Discussion: Board Policy Manual Action Items for November Board Meeting		Information
	a.	<a href="#">JEA Board Evaluation Criteria</a>		Action
	b.	<a href="#">Board Policy Manual: Policy Category II</a>		Action

VI.	OTHER BUSINESS			
	Item(s)		Speaker/Title	
	A.	Old Business		
	B.	Other New Business		
	C.	Open Discussion		
	D.	Chair's Report		John Baker, Chair

VII.	CLOSING CONSIDERATIONS			
	Item(s)			
	A.	Announcements – Next Board Meeting December 15, 2020		
	B.	Adjournment		

VIII.	UPCOMING BOARD AGENDA ITEMS		
	Item(s)		
	A.	Board Policy Review	
		1.	Electric Compliance Policy
		2.	JEA Charter
		3.	JEA Code of Conduct/Code of Ethics
		4.	Enterprise Risk & Compliance Policy
	B.	JEA Board-Management Delegation of Authority Policy (Deferred to Governance Committee)	

## Board Calendar

**Board Meetings:** 9:00 a.m. – Fourth Tuesday of Every Month (exception(s): December 15, 2020 (Subject to Change Based on Board Action))

**Committees:** Finance & Audit Committee: December 11, 2020

Nominating Committee Meeting: February 2021 (Exact Date TBD)

Governance Workshop: March 2021 (Exact Date TBD)

Other Committee Meetings: TBD

A. If you have a disability that requires reasonable accommodations to participate in the above meeting, please call **665-7550** by **8:30 AM** the day before the meeting and we will provide reasonable assistance for you.

B. If a person decides to appeal any decision made by the JEA Board with respect to any matter considered at this meeting, that person will need a record of the proceedings, and, for such purpose, needs to ensure that verbatim record of the proceedings is made, which record includes the evidence and testimony upon which the appeal is to be based.

Florida's Government in the Sunshine Law  
Office of General Counsel

This meeting is subject to Florida's Government in the Sunshine Law, §286.011, Florida Statutes, and shall be open to the public at all times.



## **JEA BOARD MINUTES October 27, 2020**

**The JEA Board met in regular session on Tuesday, October 27, 2020, at the Main Library, 303 North Laura Street, Jacksonville, Florida, and via WebEx. Pursuant to City of Jacksonville Emergency Proclamation, attendees were required to wear masks, CDC guidelines and social distancing was required at the physical location, and the meeting was also accessible via WebEx. In attendance physically were John Baker, Dr. Leon Haley, Marty Lanahan, Bobby Stein, and Tom VanOsdol. Also in attendance was Paul McElroy and Jody Brooks, Office of General Counsel. Dr. Zachary Faison participated in the meeting via WebEx.**

### **Agenda Item I – Welcome**

- A. Chair John Baker called the meeting to order at 8:30 am.**
- B. Time of Reflection** was observed by all in attendance.
- C. Introductions** – All board members were in attendance for the meeting, and there were no introductions.
- D. Adoption of Agenda** – On *motion* by Marty Lanahan and seconded by Tom VanOsdol, the agenda was approved unanimously.
- E. Safety Briefing** – Paul McElroy, Interim Managing Director/CEO, adhering to the meeting location, gave the Safety Briefing.
- F. Sunshine Law/Public Records Statement** – Jody Brooks, Office of General Counsel (OGC), reaffirmed this Board Meeting is being held in compliance with Florida's Government in the Sunshine Law §286.011 which complete statement can be found in Section I.F. of the board meeting packet. Ms. Brooks confirmed that a quorum of the board members were present on-site for the meeting.

### **Agenda Item II – Comments / Presentations**

- A. Council Liaison's Comments** – Jacksonville City Council Member, Randy DeFoor, informed the Board that the City Council, at its meeting, would be discussing the development of Lot J and would ensure that JEA is involved in future discussions. There were no questions or comments.
- B. Comments from the Public** – Ms. Brooks confirmed no public comment cards. Next, Landon Todd, Manager IT Infrastructure, provided instructions for WebEx electronic public comments to which there were none.
- C. Managing Director/CEO Report** – Mr. McElroy confirmed no report for this meeting.

### **Agenda Item III. Consent Agenda**

- A. Consent Agenda** – Consent Agenda items require no explanation, discussion or presentation, and are approved by one motion and vote.

On *motion* by Marty Lanahan and seconded by Dr. Leon Haley, Appendices A, G and H were approved unanimously and Appendices B through F and Appendix I were

JEA Board Minutes  
received for information only.

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**Appendix A: Board Meeting Minutes September 22, 2020** – approved

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

**Appendix C: Corporate Headquarters and HQ2 Update** – information only

**Appendix D: Sole Source and Emergency Procurement Report** – information only

**Appendix E: Monthly Financial and Operations Report** – information only

**Appendix F: Monthly Financial Statements** – information only

**Appendix G: FY2020 Operating and Capital Budget Line Item Transfers** – approved

**Appendix H: Approval of Resolution: FY2021 Budgetary Transfers** – approved

**Appendix I: Directors' and Officers' Liability Insurance** – information only

**Agenda Item IV. For Board Consideration**

A. No items for consideration came before the Board for today's meeting.

**Agenda Item V – Board and Committee Reports**

**A. CEO Search Committee – CEO Interviews – Presentation Followed by Board Question and Answer Session**

- 1. CEO Selection Process** – Ms. Brooks, citing materials previously given to the Board, led the discussion with a thorough overview of the CEO candidate selection and scoring process. Ms. Brooks informed the Board members that each candidate would be asked a standard set of interview questions with corresponding ratings and scoring would be tallied by her office. Ms. Brooks then outlined the Board's remaining steps to conclude the CEO search process. Next, Bobby Stein offered thoughtful and appreciative comments to JEA's employees, the Board, Committee members and Angie Hiers for their outstanding work throughout the search process. Lastly, Carl Mycoff, CEO Search Consultant, thanked the Committee and gave brief remarks on the three outstanding candidates.
- 2. John Hairston** – Chief Operating Officer, Bonneville Power Administration, Portland, Oregon (October 2019 – Present)

Chair Baker, having welcomed Mr. Hairston, gave a brief overview of the process and opened the interview. Mr. Hairston responded to the initial question with a very thorough overview of his professional career while outlining in great detail his leadership skills and experience within the utility industry. Next, each Board member asked a series of questions to which Mr. Hairston provided responses. Additional questions and comments were asked and answered. Next, Chair

Baker, on behalf of the Board, rendered appreciative remarks to Mr. Hairston thanking him for his participation in the interview process. Lastly, Mr. Hairston thanked the Board for allowing him this opportunity.

*There was a meeting break from 9:48 am to 9:57am.*

**3. Morgan O'Brien** – Former CEO and President, People's Gas, Pittsburgh, Pennsylvania (February 2010 – March 2020)

Chair Baker, having welcomed Mr. O'Brien, gave a brief overview of the process and opened the interview. Mr. O'Brien responded to the initial question with a five minute synopsis of his professional career and detailed summary of his leadership experience. Next, each Board member asked a series of questions to which Mr. O'Brien provided responses. Additional questions and comments were asked and answered. Next, Chair Baker, on behalf of the Board, rendered appreciative remarks to Mr. O'Brien thanking him for his participation in the interview process. Lastly, Mr. O'Brien thanked the Board for allowing him this opportunity.

*There was a meeting break from 11:00 am to 11:08 am.*

**4. Jay Stowe** – CEO and Founder, Stowe Utility Group LLC, Chattanooga, Tennessee (August 2019 – Present)

Chair Baker, having welcomed Mr. Stowe, gave a brief overview of the process and opened the interview. Mr. Stowe responded to the initial question with a detailed five minute overview of his background and professional career. Next, each Board member asked a series of questions to which Mr. Stowe provided responses. Additional questions and comments were asked and answered. Next, Chair Baker, on behalf of the Board, concluded the interview with appreciative remarks to Mr. Stowe thanking him for his participation in the interview process. Lastly, Mr. Stowe thanked the Board for allowing him this opportunity.

*There was a meeting break from 12:04 pm to 12:09 pm*

**5. Board Discussion** – Chair Baker led the discussion by asking each Board member to provide a brief summary of their interview findings and to reconvene later to give a more detailed discussion of rankings. Each Board member then gave their assessment of the candidate's strengths. Chair Baker then asked the Board to provide Ms. Brooks with their score cards within 48 hours to which Ms. Brooks asked Carl Mycoff to provide references on each candidate. Mr. Mycoff confirmed he would provide those references to the Board. Next, Chair Baker asked the Board for a motion to allow the Board Chair, John Baker, along with Ms. Brooks and Mr. Mycoff to discuss compensation and contractual terms with the top candidate as outlined in the sample contract provided in the Board meeting package. Ms. Lanahan then outlined a motion to have Ms. Brooks and Mr. Mycoff, upon receipt of the candidates' rankings, discuss contractual terms with the top candidate and allow Chair Baker to negotiate those terms, with Ms. Brooks, separate from the Board.

On ***motion*** made by Marty Lanahan and seconded by Dr. Leon Haley, the motion put forth before the Board was approved unanimously.

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**Agenda Item VI– Other Business**

- A. Old Business – None**
- B. Other New Business – None**
- C. Open Discussion – None**
- D. Chair’s Report – None**

**Agenda Item VII – Closing Considerations**

- A. Announcements – Next Board Meeting November 17, 2020**
- B. Adjournment**

**Agenda Item VIII – Upcoming Board Agenda Items**

- A. Board Policy Review**
  - 1. Electric Compliance Policy**
  - 2. JEA Board-Management Delegation of Authority Policy**
- B. Workforce Plan**
- C. Integrated Water Resource Plan (IWRP)**

*With no further business claiming the attention of the Board, Chair John Baker adjourned the meeting at 12:43 p.m.*

APPROVED BY:

\_\_\_\_\_  
SECRETARY

DATE: \_\_\_\_\_

Board Meeting recorded by:

\_\_\_\_\_  
DeLisa A. Johnigarn, Executive Assistant

## **JEA BOARD MINUTES November 2, 2020**

**The JEA Board met in special session on Monday, November 2, 2020, on the 19<sup>th</sup> Floor, 21 W. Church Street, Jacksonville, Florida. Pursuant to City of Jacksonville Emergency Proclamation, attendees will be required to wear masks, CDC guidelines and social distancing will be required at the physical location, and the meeting was also accessible via WebEx. In attendance physically were John Baker, Joe DiSalvo, Dr. Leon Haley, Marty Lanahan, Bobby Stein, and Tom VanOsdol. Also in attendance was Paul McElroy, Jody Brooks, Office of General Counsel and Angie Hiers. Dr. Zachary Faison participated in the meeting via WebEx.**

### **Agenda Item I – Welcome**

- A. Chair John Baker called the meeting to order** at 6:00 pm.
- B. Adoption of Agenda** – On ***motion*** by Marty Lanahan and seconded by Tom VanOsdol, the agenda was approved unanimously.
- C. Safety Briefing** – Paul McElroy, Interim Managing Director/CEO, gave the Safety Briefing.
- D. Sunshine Law/Public Records Statement** – Jody Brooks, Office of General Counsel (OGC), reaffirmed this Special Board Meeting is being held in compliance JEA's By-Laws and with Florida's Government in the Sunshine Law §286.011. Ms. Brooks asked the Board for a motion to waive the two-day Notice of Meeting By-Law provision and the meeting be allowed to go forth. She confirmed the meeting was duly noticed, and there was a quorum of Board members present in the room. Hearing no comments, Chair Baker asked the Board to put forth a motion to waive the two-day Notice of Meeting requirement.

Upon ***motion*** by Dr. Leon Haley and seconded by Bobby Stein, the motion put forth before the Board was approved unanimously.

### **Agenda Item II. For Board Consideration**

- A. CEO Selection Process** – Ms. Brooks led the discussion with a through overview of the prior steps taken in the CEO selection process and the steps to be taken at this meeting. There were no questions or comments at this time.
- B. Results from October 27, 2020 Meeting** – Ms. Brooks led the discussion of each Board member's results by reading their overall assessment rankings and total average scores for the three CEO candidates: 1) John Hairston COO of Bonneville Power Administration in Portland, Oregon; 2) Morgan O'Brien Former CEO and President of People's Gas in Pittsburgh, Pennsylvania; and 3) Jay Stowe CEO and Founder of Stowe Utility Group LLC in Chattanooga, Tennessee. Chair Baker then provided remarks on the scoring and asked each Board member to provide their first choice of candidate and how they made that choice. Board members responded with their feedback and comments.
- C. Board Discussion on Rankings of the three CEO Candidates** – Chair Baker opened the discussion by highlighting how the Board would rank their final candidate choices. Next, each Board member provided feedback on their 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> rank. There were questions asked and answered.

- D. Vote on Selection of CEO / Managing Director** – Chair Baker, noting the ranking results which were overwhelmingly in favor of Jay Stowe, opened the discussion for final comments. There were additional questions and feedback to which a fulsome discussion ensued. Hearing no further comments, Chair Baker asked the Board for a motion to nominate Jay Stowe for the CEO position.

Upon ***motion*** made and carried forward in a Vote of 6:1, Jay Stowe was approved as the CEO Nominee.

Chair Baker then asked the Board for a motion to nominate Morgan O'Brien as the second choice for the CEO position.

Upon ***motion*** by Bobby Stein and seconded by Tom VanOsdol, the motion put forth before the Board was approved unanimously.

- E. Compensation Discussion** – Jody Brooks, referencing materials provided in the Board meeting package, led the discussion with an outline of the JEA Charter provisions which are to be included in the CEO Employment Agreement. She reaffirmed that all Charter changes would be included in the compensation offer of employment. Chair Baker then reviewed the current CEO salary and bonus compensation structure. Next, Angie Hiers, Interim Human Resources Officer, provided additional information on CEO compensation and salary ranges which had been gathered from outside sources and verified by our internal compensation department. There were no questions at this time. Chair Baker then asked the Board to consider a salary range for the CEO to which Carl Mycoff, CEO Search Consultant, provided feedback on CEO compensation trends in the marketplace. Questions were asked and answered and a general discussion ensued. Hearing no additional comments, Chair Baker asked the Board for a motion to put forth a salary range and total compensation package for Mr. Stowe.

Upon ***motion*** by Bobby Stein and seconded by Dr. Leon Haley, the motion put forth before the Board was approved unanimously.

Lastly, Mr. Mycoff offered comments on how to negotiate the CEO compensation package to which a brief discussion ensued.

- F. Employment Agreement** – Chair Baker, citing the Agreement included in the Board meeting package, asked the Board for their comments. Hearing no comments, Chair Baker asked the Board for a motion to approve the general form of the Contract.

Upon ***motion*** by Bobby Stein and seconded by Marty Lanahan, the motion put forth before the Board was approved unanimously.

Lastly, Chair Baker offered appreciative remarks to the Board and Carl Mycoff for their efforts and support throughout the CEO search process.

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**Agenda Item III – Closing Considerations**

**A. Announcements** – Next Board Meeting November 17, 2020

**B. Adjournment**

*With no further business claiming the attention of the Board, Chair John Baker adjourned the meeting at 7:02 p.m.*

APPROVED BY:

\_\_\_\_\_  
SECRETARY

DATE: \_\_\_\_\_

Board Meeting recorded by:

\_\_\_\_\_  
DeLisa A. Johnigarn, Executive Assistant

## JEA Community Engagement Calendar September - November 2020

11/5/2020	Event/Activity	Location	Time	Type
<b>DUE TO COVID-19 ALL JEA EMPLOYEE COMMUNITY PARTICIPATION ARE VIRTUAL ACTIVITIES; IN PERSON ACTIVITIES SUSPENDED UNTIL FURTHER NOTICE</b>				
<b>Sep-20</b>				
9/1/2020	FUFC Council	FUFC.org	8am	Ambassador Speaker
9/2/2020	DESC Customer Calls	DESC App	9am	Ambassador Instructor
9/3/2020	JEA Power Pals Video	T-12	1pm	Ambassador Instructor
9/3/2020	DESC Customer Calls	DESC App	10am	Ambassador Instructor
9/3/2020	JEA Power Pals Video	T-12	1pm	Ambassador Instructor
9/4/2020	Above & Beyond Training	Virtual Training	9am	Ambassador Speaker
9/4/2020	DESC Customer Calls	DESC App	2pm	Ambassador Instructor
9/4/2020	DESC Customer Calls	DESC App	12pm	Ambassador Instructor
9/4/2020	DESC Customer Calls	DESC App	10am	Ambassador Instructor
9/8/2020	Eagle View Academy	Zoom Virtual	9:30am	Ambassador Speaker
Ongoing	Virtual Volunteer - Communities in Schools	Virtual Web	Open	Volunteer Activity
Ongoing	Virtual Volunteer - Hope at Hand	Virtual Web	Open	Volunteer Activity
Ongoing	Virtual Volunteer - The Arc Jacksonville	Virtual Web	Open	Volunteer Activity
9/11/2020	DESC Customer Calls	DESC App	9am	Ambassador Instructor
9/11/2020	DESC Customer Calls	DESC App	1pm	Ambassador Instructor
9/11/2020	DESC Customer Calls	DESC App	3pm	Ambassador Instructor
9/14/2020	DESC Customer Calls	DESC App	2pm	Ambassador Instructor
9/14/2020	DESC Customer Calls	DESC App	10am	Ambassador Instructor
9/14/2020	JEA Power Pals Video	T-12	2pm	Ambassador Instructor
9/14/2020	JEA Power Pals Video	T-12	2pm	Ambassador Instructor
9/16/2020	NGS Power Generation Video	NGS	10am	Ambassador Instructor
9/16/2020	NGS Power Generation Video	NGS	10am	Ambassador Instructor
9/16/2020	Tree Commision	COJ	10am	Ambassador Speaker
9/17/2020	Greenscape Meeting	Virtual	9am	Ambassador Speaker
9/18/2020	DESC Calls	DESC App	2pm	Ambassador Instructor



## JEA Community Engagement Calendar September - November 2020

Date	Event/Activity	Location	Time	Type
9/18/2020	DESC Calls	DESC App	1pm	Ambassador Instructor
9/21/2020	DESC Calls	DESC App	12pm	Ambassador Instructor
9/24/2020	DESC Calls	DESC App	9am	Ambassador Instructor
9/25/2020	DESC Calls	DESC App	11am	Ambassador Instructor
9/29/2020	DESC Calls	DESC App	10am	Ambassador Instructor



Improving Lives. Building Community.

**NOVEMBER  
2020**

## **CUSTOMER & COMMUNITY ENGAGEMENT DEPARTMENT OVERVIEW AND UPDATE**

The Customer & Community Engagement Team is responsible for developing employee communications, paid advertising campaigns, customer communications, digital/web communications, social media campaigns, videography, and community outreach and sponsorship opportunities.

### **CUSTOMER MESSAGING**

#### **Holiday Safety Tips**

In November, JEA launched a campaign highlighting holiday tips for keeping families safe. The 15-second commercial spots emphasized the importance of looking out for unsafe electrical cords and not overloading outlets. Another spot in the same series of promotions, featured the importance of fire safety during the holidays. This segment encouraged customers to blow out candles, unplug lights and use a timer to ensure families can sleep safe and sound.

#### **JEA's Commitment to the Environment**

In a dynamic video produced by JEA's multimedia productions team, we showcased our commitment to strong environmental stewardship choosing cleaner energy supplies for the future. The video explained that JEA is adding more solar farms and using sheep to mow the grass as ways to embrace environmental preservation. It further highlighted how JEA offers rebates to customers who buy batteries to store energy produced from their solar panels as well as rebates for customers who replace gas-powered equipment with electric equipment.

In addition, the video shared the news of JEA's new partnership with the Florida Alliance for Accelerating Solar Technology Readiness, or FAASSTeR.



Through FAASSTeR, with the support of the U.S. Department of Energy, JEA is expanding the delivery of reliable, clean and renewable energy to our customers. This new partnership gives us access to the latest information and technology concerning solar and solar storage, and is further evidence of JEA's commitment to the environment, now and in the future.



## Updates and Other Messaging

- **JEA Receives the Building Strong Communities Award from FEMA**

The Florida Municipal Electric Association Building Strong Communities Awards Program recognized JEA during the first session of FMEA's Energy Connections Virtual Conference on Nov. 2, 2020. The award is presented to entities offering extra services to their local community, other than those services normally supplied. JEA was selected for this recognition for our wide scope of projects, ranging from the Annual St. Johns River Clean-up volunteer project to the summer Youth Academy to our Power Pals program. The award was a confirmation of JEA's genuine commitment to making our community a better place as we aspire to advancing the goals of public power.



- **Money-Saving Holiday Tips**

While our commercial campaign for November focused on safety tips, the bill insert highlighted ways customers can save money. By sharing ways to conserve energy and water, customers were educated on opportunities to modify their consumption habits and spend their money on the things that matter most to them over the holidays.

- **Social Media Messaging**

JEA's social media channels covered a variety of topics during the month of November, geared at educating customers and sharing information. Topics included such things as warnings against scammers posing as JEA employees, how to report streetlight outages, what not to flush to protect JEA's wastewater treatment system, and much more.

## Community Engagement

- We continue to seek ways to safely engage with our customers through virtual volunteer opportunities.
- During the month of November, we put the JEA Power Pals program in video format so JEA Ambassadors can instruct kids about electric safety — virtually.

Volunteer Services also began the promotion of the JEA Annual Food Drive benefiting the Clara White Mission, and reaffirming our commitment to serving the community in a tangible way.



### Holiday Season Tips to Help Save You Money

November 2020

## Employee Messaging

- Daily email updates sharing COVID-19 impacts and cases
- Benefits Open Enrollment
- Internal Communications Survey
- Instructions for Biometric Screenings
- Food Drive Benefiting Clara White Mission
- The Annual SharePoint Disaster Recovery Exercise
- Introduction of JEA's Communication Council
- Notice of top CEO candidates and announcement of final selection, Jay Stowe





**INTER-OFFICE MEMORANDUM**

November 5, 2020

**SUBJECT: CORPORATE HEADQUARTERS AND HQ2 UPDATE**

**FROM:** Paul McElroy, Interim Managing Director/CEO

**TO:** JEA Board of Directors

**BACKGROUND:**

JEA has been planning for a new corporate headquarters (HQ) for several years to address business continuity risks while meeting our headquarter needs in a cost-effective manner. The Board approved a lease with Ryan Companies US, Inc. (Ryan) at its June 25, 2019 meeting and the lease was executed on July 9, 2019 after approval of the site purchase and sale agreement between Ryan and the City of Jacksonville. Reviews by the JEA Board and its Corporate Headquarters Committee in May 2020 resulted in approved changes to the scope of the HQ project including reducing two floors from the main building and the parking garage. A lease amendment reflecting the scope changes was executed on June 23, 2020.

**DISCUSSION:**

Ryan has been performing site work which included excavation of old foundations and materials. The first vertical pile was installed on November 3 and additional pilings and deep foundation work will continue. Additional work on construction drawings and development of the guaranteed maximum price (GMP) is in progress. Once the GMP is acceptable to JEA, several related items will be updated via a lease amendment as specified in the original lease. JEA teams are working collaboratively with the Ryan team and JEA's CBRE Owner's Representative on design clarifications and utilities coordination for the project. The virtual groundbreaking video was released on October 21 at 2 p.m. and received positive feedback. JEA's Awards Committee approved the Tenant Improvement (interior) design services award to RS&H following a competitive Request for Proposals. The interior design work will commence once the contract review is complete.

A potential site selection will be presented to the Board at this November meeting for the complementary hardened facility (HQ2) to include an Emergency Operations Center (EOC).

**FINANCIAL IMPACT:**

The change in scope for the main headquarters resulted in savings over the January 2020 program to allow for development of a separate hardened facility.

**RECOMMENDATION:**

This is provided as information only.

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Paul E. McElroy, Interim Managing Director/CEO

PEM/NKV





**Monthly Financial Statements**

**October 2020**

## Monthly Financial Statements

October 2020

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**JEA**

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**Statements of Net Position  
(in thousands)**

	<b>October 2020 (unaudited)</b>	<b>September 2020 (unaudited)</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 385,993	\$ 387,148
Investments	5,578	3,107
Customer accounts receivable, net of allowance (\$3,837 and \$3,864, respectively)	206,551	219,814
Inventories:		
Materials and supplies	62,634	61,663
Fuel	32,487	37,822
Other current assets	17,156	16,364
Total current assets	<u>710,399</u>	<u>725,918</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	120,966	253,984
Investments	318,639	311,130
Accounts and interest receivable	1,074	1,071
Total restricted assets	<u>440,679</u>	<u>566,185</u>
Costs to be recovered from future revenues	849,671	852,314
Other assets	47,083	32,221
Total noncurrent assets	<u>1,337,433</u>	<u>1,450,720</u>
Capital assets:		
Land and easements	216,918	216,918
Plant in service	12,312,718	12,124,453
Less accumulated depreciation	<u>(7,192,821)</u>	<u>(7,161,707)</u>
Plant in service, net	5,336,815	5,179,664
Construction work in progress	163,101	331,511
Net capital assets	<u>5,499,916</u>	<u>5,511,175</u>
Total assets	<u>7,547,748</u>	<u>7,687,813</u>
<b>Deferred outflows of resources</b>		
Accumulated decrease in fair value of hedging derivatives	177,417	179,286
Unrealized pension contributions and losses	143,881	143,881
Unamortized deferred losses on refundings	99,713	100,314
Unrealized asset retirement obligations	36,489	35,241
Unrealized OPEB contributions and losses	9,406	9,406
Total deferred outflows of resources	<u>466,906</u>	<u>468,128</u>
Total assets and deferred outflows of resources	<u>\$ 8,014,654</u>	<u>\$ 8,155,941</u>

**JEA**  
**Statements of Net Position**  
**(in thousands)**

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	October 2020 (unaudited)	September 2020 (unaudited)
<b>Liabilities</b>		
Current liabilities:		
Customer deposits and prepayments	\$ 70,637	\$ 71,304
Accounts and accrued expenses payable	56,876	67,279
Billings on behalf of state and local governments	24,037	25,959
Compensation and benefits payable	8,420	14,599
City of Jacksonville payable	10,539	10,255
Asset retirement obligations	4,530	4,136
Total current liabilities	175,039	193,532
Current liabilities payable from restricted assets:		
Debt due within one year	91,535	102,700
Interest payable	10,672	52,856
Construction contracts and accounts payable	24,182	46,366
Renewal and replacement reserve	39,385	37,910
Total current liabilities payable from restricted assets	165,774	239,832
Noncurrent liabilities:		
Net pension liability	641,086	641,086
Asset retirement obligations	31,959	31,105
Compensation and benefits payable	33,112	31,342
Net OPEB liability	10,336	10,091
Other liabilities	18,668	20,556
Total noncurrent liabilities	735,161	734,180
Long-term debt:		
Debt payable, less current portion	3,063,055	3,154,590
Unamortized premium, net	172,486	174,205
Fair value of debt management strategy instruments	177,288	177,288
Total long-term debt	3,412,829	3,506,083
Total liabilities	4,488,803	4,673,627
<b>Deferred inflows of resources</b>		
Revenues to be used for future costs	209,983	206,782
Unrealized pension gains	24,304	24,304
Unrealized OPEB gains	15,294	15,294
Accumulated increase in fair value of hedging derivatives	23,546	11,944
Total deferred inflows of resources	273,127	258,324
<b>Net position</b>		
Net investment in capital assets	2,697,696	2,584,074
Restricted for:		
Capital projects	217,014	204,855
Debt service	6,614	101,558
Other purposes	46,246	48,617
Unrestricted	285,154	284,886
Total net position	3,252,724	3,223,990
Total liabilities, deferred inflows of resources, and net position	\$ 8,014,654	\$ 8,155,941



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**Statements of Revenues, Expenses, and Changes in Net Position  
(in thousands - unaudited)**

	Month October	
	2020	2019
<b>Operating revenues</b>		
Electric - base	\$ 72,224	\$ 102,591
Electric - fuel and purchased power	28,508	28,596
Water and sewer	37,295	54,829
District energy system	787	861
Other operating revenues	4,014	2,881
Total operating revenues	142,828	189,758
<b>Operating expenses</b>		
Operations and maintenance:		
Maintenance and other operating expenses	26,887	27,716
Fuel	25,608	24,578
Purchased power	7,754	8,379
Depreciation	32,361	29,748
State utility and franchise taxes	6,334	6,705
Recognition of deferred costs and revenues, net	1,640	2,105
Total operating expenses	100,584	99,231
Operating income	42,244	90,527
<b>Nonoperating revenues (expenses)</b>		
Interest on debt	(9,729)	(17,700)
Investment income	608	1,659
Allowance for funds used during construction	820	1,808
Other nonoperating income, net	571	732
Earnings from The Energy Authority	483	305
Other interest, net	59	(147)
Total nonoperating expenses, net	(7,188)	(13,343)
Income before contributions	35,056	77,184
<b>Contributions (to) from</b>		
General Fund, City of Jacksonville, Florida	(10,001)	(9,902)
Developers and other	5,580	8,999
Reduction of plant cost through contributions	(1,901)	(6,552)
Total contributions, net	(6,322)	(7,455)
Change in net position	28,734	69,729
Net position, beginning of period	3,223,990	2,952,733
Net position, end of period	\$ 3,252,724	\$ 3,022,462

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**Statement of Cash Flows**  
**(in thousands - unaudited)**

	<b>Month</b>	
	<b>October</b>	
	<b>2020</b>	<b>2019</b>
<b>Operating activities</b>		
Receipts from customers	\$ 153,884	\$ 166,147
Payments to suppliers	(54,127)	(72,432)
Payments for salaries and benefits	(25,602)	(17,866)
Other operating activities	4,642	7,058
Net cash provided by operating activities	<u>78,797</u>	<u>82,907</u>
<b>Noncapital and related financing activities</b>		
Contribution to General Fund, City of Jacksonville, Florida	(9,899)	(9,820)
Net cash used in noncapital and related financing activities	<u>(9,899)</u>	<u>(9,820)</u>
<b>Capital and related financing activities</b>		
Defeasance of debt	-	(93,495)
Acquisition and construction of capital assets	(42,070)	(58,381)
Repayment of debt principal	(102,700)	(192,555)
Interest paid on debt	(53,000)	(65,084)
Capital contributions	3,680	2,447
Other capital financing activities	409	(9,665)
Net cash used in capital and related financing activities	<u>(193,681)</u>	<u>(416,733)</u>
<b>Investing activities</b>		
Purchase of investments	(12,919)	(32,878)
Proceeds from sale and maturity of investments	2,941	49,750
Investment income	542	1,519
Distributions from The Energy Authority	46	15
Net cash provided by (used in) investing activities	<u>(9,390)</u>	<u>18,406</u>
Net change in cash and cash equivalents	(134,173)	(325,240)
Cash and cash equivalents at beginning of year	641,132	680,222
Cash and cash equivalents at end of period	<u>\$ 506,959</u>	<u>\$ 354,982</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>		
Operating income	\$ 42,244	\$ 90,527
Adjustments:		
Depreciation and amortization	32,457	29,849
Recognition of deferred costs and revenues, net	1,640	2,105
Other nonoperating income, net	6	166
Changes in noncash assets and noncash liabilities:		
Accounts receivable	12,580	23,362
Inventories	4,364	(3,814)
Other assets	(14,488)	(2,572)
Accounts and accrued expenses payable	(17,932)	(15,412)
Current liabilities payable from restricted assets	1,326	(941)
Other noncurrent liabilities and deferred inflows	16,600	(40,363)
Net cash provided by operating activities	<u>\$ 78,797</u>	<u>\$ 82,907</u>
<b>Noncash activity</b>		
Contribution of capital assets from developers	\$ 1,901	\$ 6,552

**JEA**  
**Combining Statement of Net Position**  
**(in thousands - unaudited) October 2020**

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	<b>Electric System and Bulk Power Supply System</b>	<b>SJRPP System</b>	<b>Elimination of Intercompany transactions</b>	<b>Total Electric Enterprise Fund</b>	<b>Water and Sewer Enterprise Fund</b>	<b>District Energy System Fund</b>	<b>Total JEA</b>
<b>Assets</b>							
Current assets:							
Cash and cash equivalents	\$ 269,320	\$ 49,349	\$ -	\$ 318,669	66,392	\$ 932	\$ 385,993
Investments	-	5,578	-	5,578	-	-	5,578
Customer accounts receivable, net of allowance (\$3,837)	151,389	-	-	151,389	54,375	787	206,551
Inventories:							
Materials and supplies	2,379	-	-	2,379	60,255	-	62,634
Fuel	32,487	-	-	32,487	-	-	32,487
Other current assets	15,411	5,384	(9,549)	11,246	5,910	-	17,156
Total current assets	470,986	60,311	(9,549)	521,748	186,932	1,719	710,399
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	10,566	72,618	-	83,184	35,670	2,112	120,966
Investments	210,064	9,707	-	219,771	98,868	-	318,639
Accounts and interest receivable	1,053	14	-	1,067	7	-	1,074
Total restricted assets	221,683	82,339	-	304,022	134,545	2,112	440,679
Costs to be recovered from future revenues	347,989	233,002	-	580,991	268,650	30	849,671
Other assets	44,696	4,500	(4,500)	44,696	2,348	39	47,083
Total noncurrent assets	614,368	319,841	(4,500)	929,709	405,543	2,181	1,337,433
Capital assets:							
Land and easements	123,748	6,660	-	130,408	83,459	3,051	216,918
Plant in service	5,941,943	1,316,043	-	7,257,986	4,994,312	60,420	12,312,718
Less accumulated depreciation	(3,456,526)	(1,313,413)	-	(4,769,939)	(2,393,417)	(29,465)	(7,192,821)
Plant in service, net	2,609,165	9,290	-	2,618,455	2,684,354	34,006	5,336,815
Construction work in progress	62,239	-	-	62,239	100,727	135	163,101
Net capital assets	2,671,404	9,290	-	2,680,694	2,785,081	34,141	5,499,916
Total assets	3,756,758	389,442	(14,049)	4,132,151	3,377,556	38,041	7,547,748
<b>Deferred outflows of resources</b>							
Accumulated decrease in fair value of hedging derivatives	139,736	-	-	139,736	37,681	-	177,417
Unrealized pension contributions and losses	74,505	17,601	-	92,106	51,775	-	143,881
Unamortized deferred losses on refundings	56,299	3,283	-	59,582	39,963	168	99,713
Unrealized asset retirement obligations	33,743	2,746	-	36,489	-	-	36,489
Unrealized OPEB contributions and losses	5,549	-	-	5,549	3,857	-	9,406
Total deferred outflows of resources	309,832	23,630	-	333,462	133,276	168	466,906
Total assets and deferred outflows of resources	\$ 4,066,590	\$ 413,072	\$ (14,049)	\$ 4,465,613	\$ 3,510,832	\$ 38,209	\$ 8,014,654

**JEA**  
**Combining Statement of Net Position**  
**(in thousands - unaudited) October 2020**

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	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
<b>Liabilities</b>							
Current liabilities:							
Customer deposits and prepayments	\$ 53,131	\$ -	\$ -	\$ 53,131	\$ 17,506	\$ -	\$ 70,637
Accounts and accrued expenses payable	45,868	5,685	(5,398)	46,155	10,657	64	56,876
Billings on behalf of state and local governments	20,182	-	-	20,182	3,855	-	24,037
Compensation and benefits payable	6,027	-	-	6,027	2,371	22	8,420
City of Jacksonville payable	8,318	-	-	8,318	2,221	-	10,539
Asset retirement obligations	1,784	2,746	-	4,530	-	-	4,530
Total current liabilities	135,310	8,431	(5,398)	138,343	36,610	86	175,039
Current liabilities payable from restricted assets:							
Debt due within one year	66,220	14,175	-	80,395	9,370	1,770	91,535
Interest payable	5,581	824	-	6,405	4,163	104	10,672
Construction contracts and accounts payable	9,397	4,815	(4,151)	10,061	14,120	1	24,182
Renewal and replacement reserve	-	39,385	-	39,385	-	-	39,385
Total current liabilities payable from restricted assets	81,198	59,199	(4,151)	136,246	27,653	1,875	165,774
Noncurrent liabilities:							
Net pension liability	373,642	7,794	-	381,436	259,650	-	641,086
Asset retirement obligations	31,959	-	-	31,959	-	-	31,959
Compensation and benefits payable	23,634	-	-	23,634	9,412	66	33,112
Net OPEB liability	6,096	-	-	6,096	4,240	-	10,336
Other liabilities	18,668	4,500	(4,500)	18,668	-	-	18,668
Total noncurrent liabilities	453,999	12,294	(4,500)	461,793	273,302	66	735,161
Long-term debt:							
Debt payable, less current portion	1,563,630	237,590	-	1,801,220	1,232,195	29,640	3,063,055
Unamortized premium (discount), net	94,815	745	-	95,560	76,950	(24)	172,486
Fair value of debt management strategy instruments	139,607	-	-	139,607	37,681	-	177,288
Total long-term debt	1,798,052	238,335	-	2,036,387	1,346,826	29,616	3,412,829
Total liabilities	2,468,559	318,259	(14,049)	2,772,769	1,684,391	31,643	4,488,803
<b>Deferred inflows of resources</b>							
Revenues to be used for future costs	178,768	5,821	-	184,589	25,394	-	209,983
Unrealized pension gains	11,988	3,986	-	15,974	8,330	-	24,304
Unrealized OPEB gains	9,023	-	-	9,023	6,271	-	15,294
Accumulated increase in fair value of hedging derivatives	23,546	-	-	23,546	-	-	23,546
Total deferred inflows of resources	223,325	9,807	-	233,132	39,995	-	273,127
<b>Net position</b>							
Net investment in (divestment of) capital assets	1,023,397	(1,191)	-	1,022,206	1,672,568	2,922	2,697,696
Restricted for:							
Capital projects	150,232	-	-	150,232	64,922	1,860	217,014
Debt service	4,254	1,548	-	5,802	664	148	6,614
Other purposes	5,772	30,023	4,151	39,946	6,300	-	46,246
Unrestricted	191,051	54,626	(4,151)	241,526	41,992	1,636	285,154
Total net position	1,374,706	85,006	-	1,459,712	1,786,446	6,566	3,252,724
Total liabilities, deferred inflows of resources, and net position	\$ 4,066,590	\$ 413,072	\$ (14,049)	\$ 4,465,613	\$ 3,510,832	\$ 38,209	\$ 8,014,654

**JEA**  
**Combining Statement of Net Position**  
**(in thousands) September 2020**

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	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
<b>Assets</b>							
Current assets:							
Cash and cash equivalents	\$ 266,683	\$ 51,814	\$ -	\$ 318,497	\$ 67,036	\$ 1,615	\$ 387,148
Investments	-	3,107	-	3,107	-	-	3,107
Customer accounts receivable, net of allowance (\$3,864)	165,515	-	-	165,515	54,176	123	219,814
Inventories:							
Materials and supplies	2,378	-	-	2,378	59,285	-	61,663
Fuel	37,822	-	-	37,822	-	-	37,822
Other current assets	14,981	5,361	(9,519)	10,823	5,541	-	16,364
Total current assets	487,379	60,282	(9,519)	538,142	186,038	1,738	725,918
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	89,193	89,318	-	178,511	71,232	4,241	253,984
Investments	202,036	10,227	-	212,263	98,867	-	311,130
Accounts and interest receivable	1,053	11	-	1,064	7	-	1,071
Total restricted assets	292,282	99,556	-	391,838	170,106	4,241	566,185
Costs to be recovered from future revenues	348,740	234,170	-	582,910	269,374	30	852,314
Other assets	30,649	4,500	(4,500)	30,649	1,569	3	32,221
Total noncurrent assets	671,671	338,226	(4,500)	1,005,397	441,049	4,274	1,450,720
Capital assets:							
Land and easements	123,748	6,660	-	130,408	83,459	3,051	216,918
Plant in service	5,835,887	1,316,043	-	7,151,930	4,912,993	59,530	12,124,453
Less accumulated depreciation	(3,439,442)	(1,313,379)	-	(4,752,821)	(2,379,631)	(29,255)	(7,161,707)
Plant in service, net	2,520,193	9,324	-	2,529,517	2,616,821	33,326	5,179,664
Construction work in progress	154,702	-	-	154,702	175,783	1,026	331,511
Net capital assets	2,674,895	9,324	-	2,684,219	2,792,604	34,352	5,511,175
Total assets	3,833,945	407,832	(14,019)	4,227,758	3,419,691	40,364	7,687,813
<b>Deferred outflows of resources</b>							
Accumulated decrease in fair value of hedging derivatives	141,605	-	-	141,605	37,681	-	179,286
Unrealized pension contributions and losses	74,505	17,601	-	92,106	51,775	-	143,881
Unamortized deferred losses on refundings	56,693	3,300	-	59,993	40,152	169	100,314
Unrealized asset retirement obligations	32,368	2,873	-	35,241	-	-	35,241
Unrealized OPEB contributions and losses	5,549	-	-	5,549	3,857	-	9,406
Total deferred outflows of resources	310,720	23,774	-	334,494	133,465	169	468,128
Total assets and deferred outflows of resources	\$ 4,144,665	\$ 431,606	\$ (14,019)	\$ 4,562,252	\$ 3,553,156	\$ 40,533	\$ 8,155,941

**JEA**  
**Combining Statement of Net Position**  
**(in thousands) September 2020**

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	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
<b>Liabilities</b>							
Current liabilities:							
Customer deposits and prepayments	\$ 53,779	\$ -	\$ -	\$ 53,779	\$ 17,525	\$ -	\$ 71,304
Accounts and accrued expenses payable	57,387	6,269	(5,376)	58,280	8,855	144	67,279
Billings on behalf of state and local governments	22,125	-	-	22,125	3,834	-	25,959
Compensation and benefits payable	10,301	-	-	10,301	4,262	36	14,599
City of Jacksonville payable	8,159	-	-	8,159	2,096	-	10,255
Asset retirement obligations	1,263	2,873	-	4,136	-	-	4,136
Total current liabilities	153,014	9,142	(5,376)	156,780	36,572	180	193,532
Current liabilities payable from restricted assets:							
Debt due within one year	67,765	13,340	-	81,105	19,870	1,725	102,700
Interest payable	24,871	5,222	-	30,093	22,115	648	52,856
Construction contracts and accounts payable	15,109	4,964	(4,143)	15,930	30,389	47	46,366
Renewal and replacement reserve	-	37,910	-	37,910	-	-	37,910
Total current liabilities payable from restricted assets	107,745	61,436	(4,143)	165,038	72,374	2,420	239,832
Noncurrent liabilities:							
Net pension liability	373,642	7,794	-	381,436	259,650	-	641,086
Asset retirement obligations	31,105	-	-	31,105	-	-	31,105
Compensation and benefits payable	22,271	-	-	22,271	9,002	69	31,342
Net OPEB liability	5,954	-	-	5,954	4,137	-	10,091
Other liabilities	20,556	4,500	(4,500)	20,556	-	-	20,556
Total noncurrent liabilities	453,528	12,294	(4,500)	461,322	272,789	69	734,180
Long-term debt:							
Debt payable, less current portion	1,629,850	251,765	-	1,881,615	1,241,565	31,410	3,154,590
Unamortized premium (discount), net	95,677	783	-	96,460	77,769	(24)	174,205
Fair value of debt management strategy instruments	139,607	-	-	139,607	37,681	-	177,288
Total long-term debt	1,865,134	252,548	-	2,117,682	1,357,015	31,386	3,506,083
Total liabilities	2,579,421	335,420	(14,019)	2,900,822	1,738,750	34,055	4,673,627
<b>Deferred inflows of resources</b>							
Revenues to be used for future costs	177,589	5,821	-	183,410	23,372	-	206,782
Unrealized pension gains	11,988	3,986	-	15,974	8,330	-	24,304
Unrealized OPEB gains	9,023	-	-	9,023	6,271	-	15,294
Accumulated increase in fair value of hedging derivatives	11,944	-	-	11,944	-	-	11,944
Total deferred inflows of resources	210,544	9,807	-	220,351	37,973	-	258,324
<b>Net position</b>							
Net investment in (divestment of) capital assets	952,894	(13,503)	-	939,391	1,643,320	1,363	2,584,074
Restricted for:							
Capital projects	139,308	-	-	139,308	63,679	1,868	204,855
Debt service	66,487	13,706	-	80,193	19,640	1,725	101,558
Other purposes	5,772	32,163	4,143	42,078	6,539	-	48,617
Unrestricted	190,239	54,013	(4,143)	240,109	43,255	1,522	284,886
Total net position	1,354,700	86,379	-	1,441,079	1,776,433	6,478	3,223,990
Total liabilities, deferred inflows of resources, and net position	\$ 4,144,665	\$ 431,606	\$ (14,019)	\$ 4,562,252	\$ 3,553,156	\$ 40,533	\$ 8,155,941

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**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**(in thousands - unaudited) for the month ended October 2020**

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
<b>Operating revenues</b>								
Electric - base	\$ 72,518	\$ -	\$ -	\$ 72,518	\$ -	\$ -	\$ (294)	\$ 72,224
Electric - fuel and purchased power	29,617	2,220	(2,221)	29,616	-	-	(1,108)	28,508
Water and sewer	-	-	-	-	37,327	-	(32)	37,295
District energy system	-	-	-	-	-	817	(30)	787
Other operating revenues	3,208	-	-	3,208	991	-	(185)	4,014
Total operating revenues	105,343	2,220	(2,221)	105,342	38,318	817	(1,649)	142,828
<b>Operating expenses</b>								
Operations and maintenance:								
Maintenance and other operating expenses	14,763	1,627	-	16,390	11,731	415	(1,649)	26,887
Fuel	25,608	-	-	25,608	-	-	-	25,608
Purchased power	9,975	-	(2,221)	7,754	-	-	-	7,754
Depreciation	17,618	34	-	17,652	14,499	210	-	32,361
State utility and franchise taxes	5,427	-	-	5,427	907	-	-	6,334
Recognition of deferred costs and revenues, net	524	1,156	-	1,680	(40)	-	-	1,640
Total operating expenses	73,915	2,817	(2,221)	74,511	27,097	625	(1,649)	100,584
Operating income	31,428	(597)	-	30,831	11,221	192	-	42,244
<b>Nonoperating revenues (expenses)</b>								
Interest on debt	(5,216)	(815)	-	(6,031)	(3,592)	(106)	-	(9,729)
Investment income	368	15	-	383	225	-	-	608
Allowance for funds used during construction	362	-	-	362	456	2	-	820
Other nonoperating income, net	343	24	-	367	204	-	-	571
Earnings from The Energy Authority	483	-	-	483	-	-	-	483
Other interest, net	39	-	-	39	20	-	-	59
Total nonoperating expenses, net	(3,621)	(776)	-	(4,397)	(2,687)	(104)	-	(7,188)
Income before contributions	27,807	(1,373)	-	26,434	8,534	88	-	35,056
<b>Contributions (to) from</b>								
General Fund, City of Jacksonville, Florida	(7,801)	-	-	(7,801)	(2,200)	-	-	(10,001)
Developers and other	9	-	-	9	5,571	-	-	5,580
Reduction of plant cost through contributions	(9)	-	-	(9)	(1,892)	-	-	(1,901)
Total contributions, net	(7,801)	-	-	(7,801)	1,479	-	-	(6,322)
Change in net position	20,006	(1,373)	-	18,633	10,013	88	-	28,734
Net position, beginning of period	1,354,700	86,379	-	1,441,079	1,776,433	6,478	-	3,223,990
Net position, end of period	\$ 1,374,706	\$ 85,006	\$ -	\$ 1,459,712	\$ 1,786,446	\$ 6,566	\$ -	\$ 3,252,724

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**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**(in thousands - unaudited) for the month ended October 2019**

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
<b>Operating revenues</b>								
Electric - base	\$ 102,902	\$ -	\$ -	\$ 102,902	\$ -	\$ -	\$ (311)	\$ 102,591
Electric - fuel and purchased power	29,767	1,953	(1,953)	29,767	-	-	(1,171)	28,596
Water and sewer	-	-	-	-	54,872	-	(43)	54,829
District energy system	-	-	-	-	-	895	(34)	861
Other operating revenues	1,969	2	-	1,971	1,201	-	(291)	2,881
Total operating revenues	134,638	1,955	(1,953)	134,640	56,073	895	(1,850)	189,758
<b>Operating expenses</b>								
Operations and maintenance:								
Maintenance and other operating expenses	17,839	(52)	-	17,787	11,349	430	(1,850)	27,716
Fuel	24,578	-	-	24,578	-	-	-	24,578
Purchased power	10,332	-	(1,953)	8,379	-	-	-	8,379
Depreciation	16,381	34	-	16,415	13,127	206	-	29,748
State utility and franchise taxes	5,733	-	-	5,733	972	-	-	6,705
Recognition of deferred costs and revenues, net	947	1,103	-	2,050	55	-	-	2,105
Total operating expenses	75,810	1,085	(1,953)	74,942	25,503	636	(1,850)	99,231
Operating income	58,828	870	-	59,698	30,570	259	-	90,527
<b>Nonoperating revenues (expenses)</b>								
Interest on debt	(10,052)	(845)	-	(10,897)	(6,693)	(110)	-	(17,700)
Investment income	899	341	-	1,240	405	14	-	1,659
Allowance for funds used during construction	706	-	-	706	1,099	3	-	1,808
Other nonoperating income, net	348	26	-	374	358	-	-	732
Earnings from The Energy Authority	305	-	-	305	-	-	-	305
Other interest, net	(145)	-	-	(145)	(2)	-	-	(147)
Total nonoperating expenses, net	(7,939)	(478)	-	(8,417)	(4,833)	(93)	-	(13,343)
Income before contributions	50,889	392	-	51,281	25,737	166	-	77,184
<b>Contributions (to) from</b>								
General Fund, City of Jacksonville, Florida	(7,823)	-	-	(7,823)	(2,079)	-	-	(9,902)
Developers and other	35	-	-	35	8,964	-	-	8,999
Reduction of plant cost through contributions	(35)	-	-	(35)	(6,517)	-	-	(6,552)
Total contributions, net	(7,823)	-	-	(7,823)	368	-	-	(7,455)
Change in net position	43,066	392	-	43,458	26,105	166	-	69,729
Net position, beginning of period	1,179,102	97,930	-	1,277,032	1,669,568	6,133	-	2,952,733
Net position, end of period	\$ 1,222,168	\$ 98,322	\$ -	\$ 1,320,490	\$ 1,695,673	\$ 6,299	\$ -	\$ 3,022,462



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**Combining Statement of Cash Flows****(in thousands - unaudited) for the month ended October 2020**

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
<b>Operating activities</b>								
Receipts from customers	\$ 116,056	\$ 2,221	\$ (2,253)	\$ 116,024	\$ 39,171	\$ 153	\$ (1,464)	\$ 153,884
Payments to suppliers	(50,254)	(884)	2,253	(48,885)	(6,417)	(474)	1,649	(54,127)
Payments for salaries and benefits	(18,005)	-	-	(18,005)	(7,523)	(74)	-	(25,602)
Other operating activities	3,862	-	-	3,862	965	-	(185)	4,642
Net cash provided by (used in) operating activities	51,659	1,337	-	52,996	26,196	(395)	-	78,797
<b>Noncapital and related financing activities</b>								
Contribution to General Fund, City of Jacksonville, Florida	(7,823)	-	-	(7,823)	(2,076)	-	-	(9,899)
Net cash used in noncapital and related financing activities	(7,823)	-	-	(7,823)	(2,076)	-	-	(9,899)
<b>Capital and related financing activities</b>								
Acquisition and construction of capital assets	(19,990)	-	-	(19,990)	(22,036)	(44)	-	(42,070)
Repayment of debt principal	(67,765)	(13,340)	-	(81,105)	(19,870)	(1,725)	-	(102,700)
Interest paid on debt	(24,967)	(5,222)	-	(30,189)	(22,163)	(648)	-	(53,000)
Capital contributions	-	-	-	-	3,680	-	-	3,680
Other capital financing activities	409	-	-	409	-	-	-	409
Net cash used in capital and related financing activities	(112,313)	(18,562)	-	(130,875)	(60,389)	(2,417)	-	(193,681)
<b>Investing activities</b>								
Purchase of investments	(9,984)	(2,499)	-	(12,483)	(436)	-	-	(12,919)
Proceeds from sale and maturity of investments	1,957	548	-	2,505	436	-	-	2,941
Investment income	468	11	-	479	63	-	-	542
Distributions from The Energy Authority	46	-	-	46	-	-	-	46
Net cash provided by (used in) investing activities	(7,513)	(1,940)	-	(9,453)	63	-	-	(9,390)
Net change in cash and cash equivalents	(75,990)	(19,165)	-	(95,155)	(36,206)	(2,812)	-	(134,173)
Cash and cash equivalents at beginning of year	355,876	141,132	-	497,008	138,268	5,856	-	641,132
Cash and cash equivalents at end of period	\$ 279,886	\$ 121,967	\$ -	\$ 401,853	\$ 102,062	\$ 3,044	\$ -	\$ 506,959
<b>Reconciliation of operating income to net cash provided by operating activities</b>								
Operating income	\$ 31,428	\$ (597)	\$ -	\$ 30,831	\$ 11,221	\$ 192	\$ -	\$ 42,244
Adjustments:								
Depreciation and amortization	17,618	34	-	17,652	14,595	210	-	32,457
Recognition of deferred costs and revenues, net	524	1,156	-	1,680	(40)	-	-	1,640
Other nonoperating income, net	6	-	-	6	-	-	-	6
Changes in noncash assets and noncash liabilities:								
Accounts receivable	13,468	2	-	13,470	(226)	(664)	-	12,580
Inventories	5,334	-	-	5,334	(970)	-	-	4,364
Other assets	(13,600)	-	-	(13,600)	(852)	(36)	-	(14,488)
Accounts and accrued expenses payable	(17,190)	(584)	-	(17,774)	(65)	(93)	-	(17,932)
Current liabilities payable from restricted assets	-	1,326	-	1,326	-	-	-	1,326
Other noncurrent liabilities and deferred inflows	14,071	-	-	14,071	2,533	(4)	-	16,600
Net cash provided by operating activities	\$ 51,659	\$ 1,337	\$ -	\$ 52,996	\$ 26,196	\$ (395)	\$ -	\$ 78,797
<b>Noncash activity</b>								
Contribution of capital assets from developers	\$ 9	\$ -	\$ -	\$ 9	\$ 1,892	\$ -	\$ -	\$ 1,901

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**Combining Statement of Cash Flows****(in thousands - unaudited) for the month ended October 2019**

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
<b>Operating activities</b>								
Receipts from customers	\$ 125,346	\$ 1,953	\$ (2,143)	\$ 125,156	\$ 41,778	\$ 772	\$ (1,559)	\$ 166,147
Payments to suppliers	(64,118)	(653)	2,143	(62,628)	(11,152)	(502)	1,850	(72,432)
Payments for salaries and benefits	(12,448)	(373)	-	(12,821)	(5,000)	(45)	-	(17,866)
Other operating activities	5,018	2	-	5,020	2,329	-	(291)	7,058
Net cash provided by operating activities	53,798	929	-	54,727	27,955	225	-	82,907
<b>Noncapital and related financing activities</b>								
Contribution to General Fund, City of Jacksonville, Florida	(7,746)	-	-	(7,746)	(2,074)	-	-	(9,820)
Net cash used in noncapital and related financing activities	(7,746)	-	-	(7,746)	(2,074)	-	-	(9,820)
<b>Capital and related financing activities</b>								
Defeasance of debt	(48,070)	-	-	(48,070)	(45,425)	-	-	(93,495)
Acquisition and construction of capital assets	(27,529)	-	-	(27,529)	(30,676)	(176)	-	(58,381)
Repayment of debt principal	(122,380)	(13,780)	-	(136,160)	(54,705)	(1,690)	-	(192,555)
Interest paid on debt	(32,309)	(5,564)	-	(37,873)	(26,546)	(665)	-	(65,084)
Capital contributions	-	-	-	-	2,447	-	-	2,447
Other capital financing activities	(6,894)	-	-	(6,894)	(2,771)	-	-	(9,665)
Net cash used in capital and related financing activities	(237,182)	(19,344)	-	(256,526)	(157,676)	(2,531)	-	(416,733)
<b>Investing activities</b>								
Purchase of investments	(18,307)	(11,846)	-	(30,153)	(2,725)	-	-	(32,878)
Proceeds from sale and maturity of investments	28,003	11,922	-	39,925	9,825	-	-	49,750
Investment income	974	337	-	1,311	194	14	-	1,519
Distributions from The Energy Authority	15	-	-	15	-	-	-	15
Net cash provided by investing activities	10,685	413	-	11,098	7,294	14	-	18,406
Net change in cash and cash equivalents	(180,445)	(18,002)	-	(198,447)	(124,501)	(2,292)	-	(325,240)
Cash and cash equivalents at beginning of year	356,655	161,592	-	518,247	153,732	8,243	-	680,222
Cash and cash equivalents at end of period	\$ 176,210	\$ 143,590	\$ -	\$ 319,800	\$ 29,231	\$ 5,951	\$ -	\$ 354,982
<b>Reconciliation of operating income to net cash provided by operating activities</b>								
Operating income	\$ 58,828	\$ 870	\$ -	\$ 59,698	\$ 30,570	\$ 259	\$ -	\$ 90,527
Adjustments:								
Depreciation and amortization	16,381	34	-	16,415	13,228	206	-	29,849
Recognition of deferred costs and revenues, net	947	1,103	-	2,050	55	-	-	2,105
Other nonoperating income (loss), net	13	-	-	13	153	-	-	166
Changes in noncash assets and noncash liabilities:								
Accounts receivable	22,813	-	-	22,813	672	(123)	-	23,362
Inventories	(1,815)	-	-	(1,815)	(1,999)	-	-	(3,814)
Other assets	(1,843)	-	-	(1,843)	(699)	(30)	-	(2,572)
Accounts and accrued expenses payable	(14,017)	437	-	(13,580)	(1,719)	(113)	-	(15,412)
Current liabilities payable from restricted assets	-	(941)	-	(941)	-	-	-	(941)
Other noncurrent liabilities and deferred inflows	(27,509)	(574)	-	(28,083)	(12,306)	26	-	(40,363)
Net cash provided by operating activities	\$ 53,798	\$ 929	\$ -	\$ 54,727	\$ 27,955	\$ 225	\$ -	\$ 82,907
<b>Noncash activity</b>								
Contribution of capital assets from developers	\$ 35	\$ -	\$ -	\$ 35	\$ 6,517	\$ -	\$ -	\$ 6,552

**JEA****Page 14****Debt Service Coverage****October 2020****(unaudited)**

	<b>Month October</b>	
	<b>2020</b>	<b>2019</b>
<b>Electric System</b>		
Senior debt service coverage, (annual minimum 1.20x)	13.32 x	17.58 x
Senior and subordinated debt service coverage, (annual minimum 1.15x)	5.81 x	7.96 x
<b>Bulk Power Supply System</b>		
Debt service coverage, (annual minimum 1.15x)	1.35 x	2.23 x
<b>St. Johns River Power Park, Second Resolution</b>		
Debt service coverage, (annual minimum 1.15x)	1.13 x	1.17 x
<b>Water and Sewer System</b>		
Senior debt service coverage, (annual minimum 1.25x)	7.57 x	9.22 x
Senior and subordinated debt service coverage excluding capacity fees <sup>(1)</sup>	5.79 x	7.70 x
Senior and subordinated debt service coverage including capacity fees <sup>(1)</sup>	6.62 x	8.12 x
<b>District Energy System</b>		
Debt service coverage, (annual minimum 1.15x)	1.60 x	1.90 x

<sup>(1)</sup> Annual minimum coverage is either 1.00x aggregate debt service and aggregate subordinated debt service (excluding capacity charges) or the sum of 1.00x aggregate debt service and 1.20x aggregate subordinated debt service (including capacity charges).

**JEA**  
**Electric System**  
**Operating Statistics**  
**(unaudited)**

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	Month October		
	2020	2019	Variance
<b>Electric revenues sales (000s omitted):</b>			
Residential	\$ 52,631	\$ 54,150	-2.81%
Commercial	32,439	34,420	-5.76%
Industrial	16,785	15,649	7.26%
Public street lighting	1,137	1,121	1.43%
Electric revenues - territorial	102,992	105,340	-2.23%
Sales for resale - off system	234	226	3.54%
Electric revenues	103,226	105,566	-2.22%
Rate stabilization & recovery	(1,091)	27,103	-104.03%
<b>Net electric revenues</b>	<b>102,135</b>	<b>132,669</b>	<b>-23.02%</b>
<b>MWh sales</b>			
Residential	457,609	471,323	-2.91%
Commercial	332,366	350,395	-5.15%
Industrial	229,053	225,682	1.49%
Public street lighting	4,493	4,488	0.11%
Total MWh sales - territorial	1,023,521	1,051,888	-2.70%
Sales for resale - off system	150	6,395	-97.65%
Total MWh sales	1,023,671	1,058,283	-3.27%
<b>Number of accounts (1)</b>			
Residential	432,114	423,065	2.14%
Commercial	53,857	53,260	1.12%
Industrial	197	194	1.55%
Public street lighting	3,954	3,904	1.28%
<b>Total average accounts</b>	<b>490,122</b>	<b>480,423</b>	<b>2.02%</b>
<b>Residential averages</b>			
Revenue per account - \$	121.80	127.99	-4.84%
kWh per account	1,059	1,114	-4.94%
Revenue per kWh - ¢	11.50	11.49	0.11%
<b>Degree days</b>			
Heating degree days	1	1	-
Cooling degree days	307	332	(25)
<b>Total degree days</b>	<b>308</b>	<b>333</b>	<b>(25)</b>
Degree days - 30 year average	225		

(1) The year-to-date column represents a fiscal year-to-date average.

**JEA**  
**Water and Sewer System**  
**Operating Statistics**  
**(unaudited)**

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	Month October		
	2020	2019	Variance
<b>Water</b>			
<i>Revenues (000s omitted):</i>			
Residential	\$ 8,528	\$ 9,414	-9.41%
Commercial and industrial	4,097	4,246	-3.51%
Irrigation	2,603	3,440	-24.33%
Total water revenues	15,228	17,100	-10.95%
Rate stabilization	(782)	5,208	-115.02%
Allowance for doubtful accounts	-	(21)	-100.00%
Net water revenues	\$ 14,446	\$ 22,287	-35.18%
<i>Kgal sales (000s omitted)</i>			
Residential	1,481,415	1,573,729	-5.87%
Commercial and industrial	1,159,216	1,131,990	2.41%
Irrigation	400,088	588,576	-32.02%
Total kgal sales	3,040,719	3,294,295	-7.70%
<i>Number of accounts (1):</i>			
Residential	304,454	296,354	2.73%
Commercial and industrial	26,347	26,089	0.99%
Irrigation	37,801	37,353	1.20%
Total average accounts	368,602	359,796	2.45%
<i>Residential averages:</i>			
Revenue per account - \$	28.01	31.77	-11.84%
Kgals per account	4.87	5.31	-8.29%
Revenue per kgals - \$	5.76	5.98	-3.68%
<b>Sewer</b>			
<i>Revenues (000s omitted):</i>			
Residential	\$ 12,912	\$ 13,488	-4.27%
Commercial and industrial	9,575	9,594	-0.20%
Total sewer revenues	22,487	23,082	-2.58%
Rate stabilization	(1,239)	7,615	-116.27%
Allowance for doubtful accounts	-	(32)	-100.00%
Net sewer revenues	21,248	30,665	-30.71%
<i>Kgal sales (000s omitted)</i>			
Residential	1,296,384	1,334,250	-2.84%
Commercial and industrial	1,022,650	987,693	3.54%
Total kgal sales	2,319,034	2,321,943	-0.13%
<i>Number of accounts (1):</i>			
Residential	270,933	263,080	2.99%
Commercial and industrial	18,739	18,600	0.75%
Total average accounts	289,672	281,680	2.84%
<i>Residential averages:</i>			
Revenue per account - \$	47.66	51.27	-7.04%
kgals per account	4.78	5.07	-5.72%
Revenue per kgals - \$	9.96	10.11	-1.48%
<b>Reuse</b>			
<i>Revenues (000s omitted):</i>			
Reuse revenues	\$ 1,633	\$ 1,920	-14.95%
<i>Kgal sales (000s omitted)</i>			
Reuse sales (kgals)	364,856	414,268	-11.93%
<i>Number of accounts (1):</i>			
Reuse accounts	18,459	15,810	16.76%
<b>Rainfall</b>			
	Diff in inches		
Normal	3.93	3.93	
Actual	3.49	3.30	0.19
Rain Days	12	11	1

(1) The year-to-date column represents a fiscal year-to-date average.

# Appendix

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Schedule of Cash and Investments  
(in thousands - unaudited) October 2020

	Electric System and Bulk Power Supply	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
<b>Unrestricted cash and investments</b>						
Operations	\$ 49,795	\$ 34,218	\$ 84,013	\$ 24,092	\$ 932	\$ 109,037
Rate stabilization:						
Fuel	76,719	-	76,719	-	-	76,719
Environmental	21,804	-	21,804	25,394	-	47,198
Purchased Power	33,749	-	33,749	-	-	33,749
DSM/Conservation	5,734	-	5,734	-	-	5,734
Total rate stabilization funds	138,006	-	138,006	25,394	-	163,400
Customer deposits	43,649	-	43,649	16,906	-	60,555
General reserve	-	20,709	20,709	-	-	20,709
Self insurance reserve funds:						
Self funded health plan	11,302	-	11,302	-	-	11,302
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	21,302	-	21,302	-	-	21,302
Environmental liability reserve	16,568	-	16,568	-	-	16,568
Total unrestricted cash and investments	\$ 269,320	\$ 54,927	\$ 324,247	\$ 66,392	\$ 932	\$ 391,571
<b>Restricted assets</b>						
Renewal and replacement funds	\$ 148,798	\$ 39,385	\$ 188,183	\$ 39,907	\$ 1,860	\$ 229,950
Debt service reserve account	55,844	10,545	66,389	58,664	-	125,053
Debt service funds	9,835	2,372	12,207	4,659	252	17,118
Construction funds	311	-	311	25,008	-	25,319
Environmental funds	70	-	70	410	-	480
Subtotal	214,858	52,302	267,160	128,648	2,112	397,920
Unrealized holding gain (loss) on investments	5,772	101	5,873	5,890	-	11,763
Other funds	-	29,922	29,922	-	-	29,922
Total restricted cash and investments	\$ 220,630	\$ 82,325	\$ 302,955	\$ 134,538	\$ 2,112	\$ 439,605
Total cash and investments	\$ 489,950	\$ 137,252	\$ 627,202	\$ 200,930	\$ 3,044	\$ 831,176

## JEA

Schedule of Cash and Investments  
(in thousands) September 2020

	Electric System and Bulk Power Supply	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
<b>Unrestricted cash and investments</b>						
Operations	\$ 48,670	\$ 34,212	\$ 82,882	\$ 26,738	\$ 1,615	\$ 111,235
Rate stabilization:						
Fuel	73,347	-	73,347	-	-	73,347
Environmental	21,818	-	21,818	23,372	-	45,190
Purchased Power	36,326	-	36,326	-	-	36,326
DSM/Conservation	5,423	-	5,423	-	-	5,423
Total rate stabilization funds	136,914	-	136,914	23,372	-	160,286
Customer deposits	43,641	-	43,641	16,926	-	60,567
General reserve	-	20,709	20,709	-	-	20,709
Self insurance reserve funds:						
Self funded health plan	10,890	-	10,890	-	-	10,890
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	20,890	-	20,890	-	-	20,890
Environmental liability reserve	16,568	-	16,568	-	-	16,568
Total unrestricted cash and investments	\$ 266,683	\$ 54,921	\$ 321,604	\$ 67,036	\$ 1,615	\$ 390,255
<b>Restricted assets</b>						
Renewal and replacement funds	\$ 137,643	\$ 37,910	\$ 175,553	\$ 38,131	\$ 1,868	\$ 215,552
Debt service reserve account	55,844	10,544	66,388	58,228	-	124,616
Debt service funds	91,358	18,928	110,286	41,660	2,373	154,319
Construction funds	311	-	311	25,541	-	25,852
Environmental funds	301	-	301	649	-	950
Subtotal	285,457	67,382	352,839	164,209	4,241	521,289
Unrealized holding gain (loss) on investments	5,772	101	5,873	5,890	-	11,763
Other funds	-	32,062	32,062	-	-	32,062
Total restricted cash and investments	\$ 291,229	\$ 99,545	\$ 390,774	\$ 170,099	\$ 4,241	\$ 565,114
Total cash and investments	\$ 557,912	\$ 154,466	\$ 712,378	\$ 237,135	\$ 5,856	\$ 955,369

**JEA**  
**INVESTMENT PORTFOLIO REPORT**  
**October 2020**  
**(unaudited)**  
**All Funds**

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<b>INVESTMENT</b>	<b>BOOK VALUE</b>	<b>YIELD</b>	<b>% OF TOTAL</b>
Federal Home Loan Bank	\$ 108,380,466	2.28%	13.32%
Municipal Bonds	128,356,261	3.17%	15.78%
Commercial Paper	75,699,230	0.24%	9.31%
U.S. Treasury Money Market Funds (1)	140,893,072	0.03%	17.32%
Agency Money Market Funds (2)	44,575,000	0.03%	5.48%
PALM Money Market Fund	40,500,000	0.20%	4.98%
Florida Prime Fund	128,828,000	0.29%	15.84%
Wells Fargo Bank Accounts (3)			
Electric, Scherer	109,399,736	0.16%	13.45%
SJRPP	10,310,962	0.16%	1.27%
Water & Sewer, DES	26,510,811	0.16%	3.26%
Total Portfolio	\$ 813,453,538	0.95%	100.00%

Weighted Avg. Annual Yield for October 2020, Excluding Bank & Money Market Funds: 2.15%

Weighted Avg. Annual Yield for October 2020, Including Bank & Money Market Funds: 0.95%

Some investments listed above may be classified as Cash Equivalents on the Statements of Net Position in accordance with generally accepted accounting principles.

- (1) Treasury Funds: Federated, Fidelity
- (2) State Street Government Fund
- (3) Month-end bank balances



**JEA**

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**Schedule of Outstanding Indebtedness  
October 2020**

	<b>Interest Rates</b>	<b>Principal Payment Dates</b>	<b>Par Amount Principal Outstanding</b>	<b>Current Portion of Long-Term Debt</b>
<b>Electric Enterprise</b>				
<i>Electric System</i>				
Fixed Rate Senior	3.000-6.056%	2021-2044	466,610,000	15,705,000
Fixed Rate Subordinated	3.375-6.406%	2021-2039	500,505,000	31,870,000
Variable Rate Senior	0.138-0.618%	2021-2040	448,430,000	8,595,000
Variable Rate Subordinated	0.116-0.287%	2021-2038	132,420,000	2,970,000
Total Electric System	<u>2.670% (wtd avg)</u>	<u>2021-2044</u>	<u>1,547,965,000</u>	<u>59,140,000</u>
<i>Bulk Power Supply System</i>				
Fixed Rate Senior	2.250-5.920%	2021-2038	81,885,000	7,080,000
<i>St. Johns River Power Park</i>				
Fixed Rate Senior	2.250-5.450%	2021-2039	251,765,000	14,175,000
<b>Total Electric Enterprise</b>	<u>2.883% (wtd avg)</u>	<u>2021-2044</u>	<u>1,881,615,000</u>	<u>80,395,000</u>
<b>Water and Sewer System</b>				
Fixed Rate Senior	3.000-6.310%	2021-2044	899,860,000	2,060,000
Fixed Rate Subordinated	2.750-5.000%	2023-2040	88,845,000	-
Variable Rate Senior	0.124-1.981%	2021-2042	147,025,000	4,860,000
Variable Rate Subordinated	0.093-0.140%	2021-2038	100,835,000	2,450,000
Other Obligations	1.297%	2021	5,000,000	-
Total Water and Sewer System	<u>3.229% (wtd avg)</u>	<u>2021-2044</u>	<u>1,241,565,000</u>	<u>9,370,000</u>
<b>District Energy System</b>				
Fixed Rate Senior	2.694 - 4.538%	2021-2034	31,410,000	1,770,000
<b>Total JEA</b>	<u>3.033% (wtd avg)</u>	<u>2021-2044</u>	<u>3,154,590,000</u>	<u>91,535,000</u>

**JEA****Debt Ratio  
October 2020**

	<b>Current YTD</b>
Electric Enterprise	60.0%
Water and Sewer System	41.1%

**JEA**  
**Interest Rate Swap Position Report**  
**October 2020**  
**(unaudited)**

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**JEA Debt Management Swaps Variable to Fixed**

ID	Dealer	Effective Date	Termination Date	Allocation	Fixed Rate	Floating Rate (1)	Spread	Rate Cap	Index
<i>Electric System</i>									
1	Goldman Sachs	9/18/2003	9/16/2033	\$ 84,800,000	3.717	0.101	3.616	n/a	68% 1 mth Libor
3	Morgan Stanley	1/27/2005	10/1/2039	82,575,000	4.351	0.118	4.233	n/a	SIFMA
4	JPMorgan	1/27/2005	10/1/2035	81,575,000	3.661	0.101	3.560	n/a	68% 1 mth Libor
6	JPMorgan	1/27/2005	10/1/2037	39,175,000	3.716	0.101	3.615	n/a	68% 1 mth Libor
8	Morgan Stanley	1/31/2007	10/1/2031	62,980,000	3.907	0.118	3.789	n/a	SIFMA
10	Goldman Sachs	1/31/2008	10/1/2036	51,680,000	3.836	0.118	3.718	n/a	SIFMA
Total				<u>402,785,000</u>					
<i>Water/Sewer System</i>									
7	Morgan Stanley	10/31/2006	10/1/2022	9,915,000	4.075	1.981	2.094	n/a	CPI
9	Merrill Lynch	3/8/2007	10/1/2041	85,290,000	3.895	0.118	3.777	n/a	SIFMA
Total				<u>95,205,000</u>					
Grand Total				<u>\$ 497,990,000</u>	Wtd Avg Spread		<u>3.739</u>		

Note: (1) The "Floating Rate" column is the average of the floating rate for each instrument for this month.

**JEA**  
**Electric System**  
**Production Statistics**  
**(unaudited)**

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	Month October		
	2020	2019	Variance
<b>Generated power:</b>			
<b>Steam:</b>			
<i>Fuel oil</i>			
Fuel expense	\$ -	\$ (37,630)	-100.00%
Barrels #6 oil consumed	-	(347)	-100.00%
\$/ per barrel consumed	\$ -	\$ 108.44	-100.00%
kWh oil generated (1)	-	140,432	-100.00%
Cost per MWh - oil	\$ -	\$ (267.96)	-100.00%
<i>Natural gas units #1-3</i>			
Gas expense - variable	\$ 5,351,934	\$ 6,013,805	-11.01%
MMBTU's consumed	2,221,635	2,428,704	-8.53%
\$/ per MMBTU consumed	\$ 2.41	\$ 2.48	-2.71%
kWh - gas generated (1)	201,618,104	233,851,544	-13.78%
Cost per MWh - gas	\$ 26.54	\$ 25.72	3.22%
Cost per MWh - gas & oil - steam	\$ 26.54	\$ 25.54	3.93%
<i>Coal</i>			
Coal expense	\$ 1,419,802	\$ 388,997	264.99%
kWh generated	51,660,053	13,246,441	289.99%
Cost per MWh - coal	\$ 27.48	\$ 29.37	-6.41%
<i>Pet coke and limestone</i>			
Expense	\$ 3,281,888	\$ 871,217	276.70%
kWh generated	94,447,233	26,863,228	251.59%
Cost per MWh - pet coke and limestone	\$ 34.75	\$ 32.43	7.14%
Cost per MWh - coal & petcoke - steam	\$ 32.18	\$ 31.42	2.42%
<b>Combustion turbine:</b>			
<i>Fuel oil</i>			
Fuel expense	\$ 189,315	\$ 198,453	-4.60%
Barrels #2 oil consumed	1,399	1,697	-17.56%
\$/ per barrel consumed	\$ 135.32	\$ 116.94	15.72%
kWh - oil generated	508,124	680,816	-25.37%
Cost per MWh - oil	\$ 372.58	\$ 291.49	27.82%
<i>Natural gas (includes landfill)</i>			
Gas expense Kennedy & landfill - variable	\$ 795,483	\$ 354,488	124.40%
MMBTU's consumed	330,604	143,069	131.08%
\$/ per MMBTU consumed	\$ 2.41	\$ 2.48	-2.89%
kWh - gas generated (1)	30,074,048	12,720,147	136.43%
Cost per MWh - gas	\$ 26.45	\$ 27.87	-5.09%
Gas expense BB simple - variable	\$ 622,366	\$ 244,416	154.63%
MMBTU's consumed	\$ 294,741	\$ 100,508	193.25%
\$/ per MMBTU consumed	\$ 2.11	\$ 2.43	-13.17%
kWh - gas generated (1)	27,733,299	17,807,882	55.74%
Cost per MWh - gas simple	\$ 22.44	\$ 13.73	63.50%
Gas expense BB combined - variable	\$ 6,430,689	\$ 7,656,722	-16.01%
MMBTU's consumed	2,874,688	3,089,598	-6.96%
\$/ per MMBTU consumed	\$ 2.24	\$ 2.48	-9.73%
kWh - gas generated (1)	417,878,779	437,006,510	-4.38%
Cost per MWh - gas combined	\$ 15.39	\$ 17.52	-12.17%
Gas expense GEC simple - variable	\$ 643,369	\$ 1,473,644	-56.34%
MMBTU's consumed	239,378	594,973	-59.77%
\$/ per MMBTU consumed	\$ 2.69	\$ 2.48	8.51%
kWh - gas generated	21,721,704	55,138,622	-60.61%
Cost per MWh - gas simple	\$ 29.62	\$ 26.73	10.82%
Cost per MWh - gas & oil ct	\$ 17.44	\$ 18.97	-8.09%
Natural gas expense - fixed	\$ 3,049,666	\$ 3,115,615	-2.12%
<b>Total generated power:</b>			
Fuels expense	\$ 21,784,512	\$ 20,279,727	7.42%
kWh generated	845,641,344	797,455,622	6.04%
Cost per MWh	\$ 25.76	\$ 25.43	1.30%

(1) Allocation of kWh generated is based upon a ratio of gas MBTU's (adjusted to oil equivalent - 95.5%) and oil MBTU's.

**JEA**  
**Electric System**  
**Production Statistics (Continued)**  
**(unaudited)**

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	Month October		
	2020	2019	Variance
<b>Production Statistics (Continued)</b>			
<b>Cost of fuels</b>			
Natural gas	\$ 16,893,507	\$ 18,858,690	-10.42%
Petcoke	3,281,888	871,217	276.70%
Coal	1,419,802	388,997	264.99%
Fuel oil #2	189,315	198,453	-4.60%
Fuel oil #6	-	(37,630)	-100.00%
Total	<u>\$ 21,784,512</u>	<u>\$ 20,279,727</u>	<u>7.42%</u>
<b>Purchased power:</b>			
<i>Plant Scherer</i>			
Purchases	\$ 4,452,811	\$ 5,080,074	-12.35%
kWh purchased	83,242,000	110,686,000	-24.79%
Cost per MWh	\$ 53.49	\$ 45.90	16.55%
<i>TEA &amp; other</i>			
Purchases	\$ 7,753,485	\$ 8,378,594	-7.46%
kWh purchased	133,859,767	191,258,389	-30.01%
Cost per MWh	\$ 57.92	\$ 43.81	32.22%
<i>SJRPP</i>			
Purchases	\$ 2,220,667	\$ 1,953,329	13.69%
kWh purchased	-	-	
Cost per MWh			
<b>Total purchased power:</b>			
Purchases	<u>\$ 14,426,963</u>	<u>\$ 15,411,997</u>	<u>-6.39%</u>
kWh purchased	<u>217,101,767</u>	<u>301,944,389</u>	<u>-28.10%</u>
Cost per MWh	<u>\$ 66.45</u>	<u>\$ 51.04</u>	<u>30.19%</u>
Subtotal - generated and purchased power:	\$ 36,211,475	\$ 35,691,724	1.46%
Fuel interchange sales	(4,114)	(173,471)	-97.63%
Earnings of The Energy Authority	(482,308)	(303,617)	58.85%
Realized and Unrealized (Gains) Losses	(633,600)	133,800	-573.54%
Fuel procurement and handling	1,263,714	975,061	29.60%
By product reuse	582,294	236,643	146.06%
Total generated and net purchased power:			
Cost, net	<u>36,937,461</u>	<u>36,560,140</u>	<u>1.03%</u>
kWh generated and purchased	<u>1,062,743,111</u>	<u>1,099,400,011</u>	<u>-3.33%</u>
Cost per MWh	<u>\$ 34.76</u>	<u>\$ 33.25</u>	<u>4.52%</u>
<b>Reconciliation:</b>			
Generated and purchased power per above	\$ 36,937,461	\$ 34.76	
<b>SJRPP operating expenses:</b>			
SJRPP O & M	-	-	
SJRPP debt service	(1,972,955)	(1.86)	
SJRPP R & R	(247,712)	(0.23)	
<b>Scherer operating expenses:</b>			
Scherer power production	(903,130)	(0.85)	
Scherer R & R	(287,256)	(0.27)	
Scherer transmission	(541,256)	(0.51)	
Scherer taxes	(110,140)	(0.10)	
Florida and other capacity	(685,235)	(0.64)	
MEAG	(2,576,681)	(2.42)	
Rounding	1	0.00	
Energy expense per budget page	<u>\$ 29,613,097</u>	<u>\$ 27.86</u>	

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Electric System	Month				Prior Year Month	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
Budget vs. Actual	2020-21	2020-21	2020-21	%	2019-20	%
October 2020 and 2019 (unaudited)						
<b>Fuel Related Revenues &amp; Expenses</b>						
Fuel Rate Revenues	\$ 410,912,775	\$ 32,340,657	\$ 32,984,791	1.99%	\$ 33,897,279	-2.69%
Fuel Expense and Purchased Power:						
Fuel Expense - Electric System	307,626,283	23,238,834	22,996,921		21,625,232	
Other Purchased Power	66,547,723	4,667,699	6,616,176		7,966,148	
Subtotal Energy Expense	374,174,006	27,906,533	29,613,097	-6.12%	29,591,380	-0.07%
Transfer to (from) Rate Stabilization, Net	35,506,030	4,331,396	3,371,694		4,303,669	
Fuel Related Uncollectibles	1,232,739	102,728	-		2,230	
Total	410,912,775	32,340,657	32,984,791	-1.99%	33,897,279	2.69%
Fuel Balance	-	-	-		-	
<b>Nonfuel Related Revenues</b>						
Base Rate Revenues	793,579,500	62,458,226	64,142,465		65,078,427	
Conservation Charge Revenue	768,600	60,492	54,014		57,693	
Environmental Charge Revenue	7,814,100	615,004	628,982		642,860	
Investment Income	7,962,574	663,548	367,648		898,587	
Natural Gas Revenue Pass Through	967,784	80,649	59,007		58,912	
Other Revenues	25,141,212	2,095,101	2,527,127		27,523,926	
Total	836,233,770	65,973,020	67,779,243	2.74%	94,260,405	-28.09%
<b>Nonfuel Related Expenses</b>						
Non-Fuel O&M	239,699,869	27,141,130	10,986,101		15,092,748	
DSM / Conservation O&M	6,422,909	568,402	274,859		189,638	
Environmental O&M	1,891,598	165,565	55,297		10,511	
Rate Stabilization - DSM	750,691	62,558	310,411		428,154	
Rate Stabilization - Environmental	(9,423,646)	(785,304)	(14,575)		(387,601)	
Natural Gas Expense Pass Through	915,183	80,797	66,631		68,446	
Debt Principal - Electric System	59,140,000	4,928,333	4,928,333		5,065,833	
Debt Interest - Electric System	72,033,417	6,002,785	5,385,788		5,917,110	
Early Debt Retirement	-	-	-		55,154,065	
Rate Stabilization - Debt Management	-	-	-		(29,884,152)	
R&R - Electric System	64,012,472	5,334,373	5,211,688		5,468,638	
Operating Capital Outlay	217,292,441	26,000,000	26,000,000		22,000,000	
Operating Capital Outlay - Environmental	9,640,680	-	588,260		1,019,950	
City Contribution Expense	93,609,555	7,800,796	7,800,796		7,822,581	
Taxes & Uncollectibles	2,606,030	217,169	15,200		20,182	
Emergency Reserve	5,000,000	-	-		-	
<i>Nonfuel Purchased Power:</i>						
* SJRPP D/S Principal	14,175,000	1,181,250	1,181,250		1,111,667	
* SJRPP D/S Interest	9,893,940	824,495	800,443		843,913	
** Other Non-Fuel Purchased Power	48,573,631	4,047,803	3,601,708		4,291,780	
Total Nonfuel Expenses	836,233,770	83,570,152	67,192,190	19.60%	94,233,463	28.70%
Non-Fuel Balance	-	(17,597,132)	587,053		26,942	
<b>Total Balance</b>	-	(17,597,132)	587,053		26,942	
<b>Total Revenues</b>	<b>1,247,146,545</b>	<b>98,313,677</b>	<b>100,764,034</b>	2.49%	<b>128,157,684</b>	-21.37%
<b>Total Expenses</b>	<b>1,247,146,545</b>	<b>115,910,809</b>	<b>100,176,981</b>	13.57%	<b>128,130,742</b>	21.82%
<b>KWH Sold - Territorial</b>	<b>12,810,000,000</b>	<b>1,008,204,000</b>	<b>1,023,521,148</b>	1.52%	<b>1,051,887,347</b>	-2.70%
<b>KWH Sold - Off System</b>	-	-	<b>150,000</b>		<b>6,395,000</b>	
	<b>12,810,000,000</b>	<b>1,008,204,000</b>	<b>1,023,671,148</b>	1.53%	<b>1,058,282,347</b>	-3.27%

\* Gross debt service

\*\* Includes transmission capacity, SJRPP and Scherer R &amp; R, O &amp; M and Investment Income.

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## Water and Sewer System

Budget vs. Actual October 2020 and 2019 (unaudited)	Month				Prior Year Month	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
	2020-21	2020-21	2020-21	%	2019-20	%
<b>REVENUES</b>						
Water & Sewer Revenues	\$ 465,323,338	\$ 40,374,479	\$ 38,440,952		\$ 41,131,135	
Capacity & Extension Fees	29,388,151	2,022,439	3,679,721		2,446,913	
Capital Contributions	-	-	-		-	
Investment Income	2,975,171	247,931	224,063		404,947	
Other Income	14,600,000	405,493	1,189,598		35,447,263	
<b>Total</b>	<b>512,286,660</b>	<b>43,050,342</b>	<b>43,534,334</b>	<b>1.12%</b>	<b>79,430,258</b>	<b>-45.19%</b>
<b>EXPENSES</b>						
O & M Expenses	177,824,583	17,348,063	11,253,321		11,177,025	
Debt Principal - Water & Sewer	9,370,000	780,833	780,834		1,655,834	
Debt Interest - Water & Sewer	56,066,531	4,672,211	4,210,574		4,543,303	
Early Debt Retirement	-	-	-		48,195,881	
Rate Stabilization - Debt Management	-	-	-		(14,209,250)	
Rate Stabilization - Environmental	-	-	2,021,054		1,385,905	
R&R - Water & Sewer	26,606,100	2,217,175	2,217,175		2,094,913	
Operating Capital Outlay	167,449,118	16,712,602	16,712,602		19,212,602	
Operating Capital Outlay - Capacity/Extension	29,388,151	2,449,013	3,679,721		2,446,913	
Operating Capital Outlay - Contributions	-	-	-		-	
Operating Capital Outlay - Environmental	16,783,512	1,398,626	(40,412)		54,216	
City Contribution Expense	26,402,695	2,200,225	2,200,225		2,079,420	
Uncollectibles & Fees	1,395,970	116,331	(120)		53,730	
Interlocal Agreements	-	-	-		-	
Emergency Reserve	1,000,000	-	-		-	
<b>Total Expenses</b>	<b>512,286,660</b>	<b>47,895,079</b>	<b>43,034,974</b>	<b>10.15%</b>	<b>78,690,492</b>	<b>45.31%</b>
<b>Total Balance</b>	<b>\$ -</b>	<b>\$ (4,844,737)</b>	<b>\$ 499,360</b>		<b>\$ 739,766</b>	
<b>Sales kgsals</b>						
Water	40,425,000	3,395,201	3,040,719	-10.44%	3,294,295	-7.70%
Sewer	34,650,000	2,882,257	2,683,890	-6.88%	2,736,211	-1.91%
<b>Total</b>	<b>75,075,000</b>	<b>6,277,458</b>	<b>5,724,609</b>	<b>-8.81%</b>	<b>6,030,506</b>	<b>-5.07%</b>

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## District Energy System

Budget vs. Actual October 2020 and 2019 (unaudited)	Month				Prior Year Month	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
	2020-21	2020-21	2020-21	%	2019-20	%
<b>REVENUES</b>						
Revenues	\$ 9,328,327	\$ 905,595	\$ 817,211		\$ 894,981	
Investment Income	-	-	411		13,530	
<b>Total</b>	<b>9,328,327</b>	<b>905,595</b>	<b>817,622</b>	<b>-9.71%</b>	<b>908,511</b>	<b>-10.00%</b>
<b>EXPENSES</b>						
O & M Expenses	5,193,927	486,013	412,329		428,200	
Debt Principal - Water & Sewer	1,770,000	147,500	147,500		143,750	
Debt Interest - Water & Sewer	1,253,891	104,491	104,491		107,963	
Rate Stabilization - Debt Management	-	-	-		-	
R&R - Water & Sewer	437,313	36,443	36,079		49,100	
Operating Capital Outlay	673,196	-	-		-	
<b>Total Expenses</b>	<b>9,328,327</b>	<b>774,447</b>	<b>700,399</b>	<b>9.56%</b>	<b>729,013</b>	<b>3.93%</b>
<b>Total Balance</b>	<b>\$ -</b>	<b>\$ 131,148</b>	<b>\$ 117,223</b>		<b>\$ 179,498</b>	



# Monthly Financial and Operations Report

Board of Directors  
November 17, 2020



# JEA Safety

## FY2020

- RIR = 0.81
- FY20 Recordables = 17
  - Electric Systems = 13
  - Water/Wastewater = 2
  - Customer = 2
- Lost Time Incidents = 8

## FY2021

- RIR = 0.57
- FY21 Recordables = 1
  - Electric Systems = 1
- Lost Time Incidents = 0
- October Recordables = 1

## FOCUS

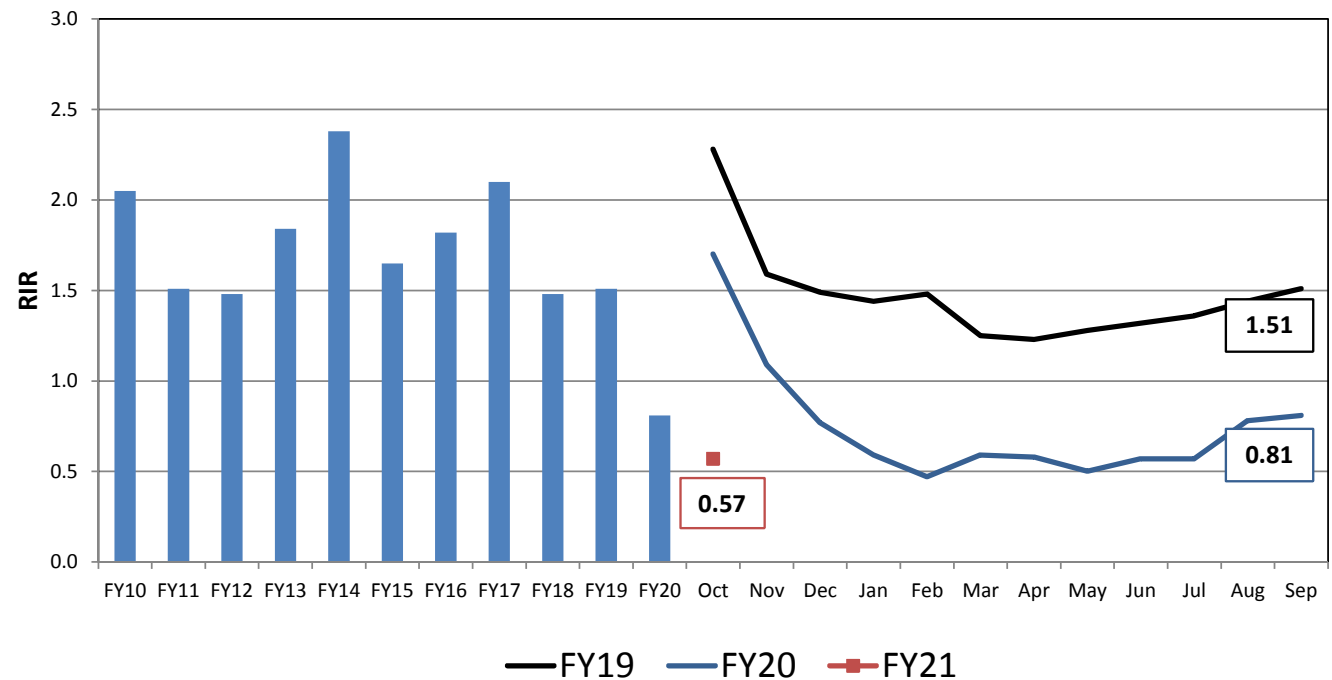
- COVID Prevention
- Safety Focused Training
- Driver Coaching
- Safety Checks

## Other Industry Benchmarks

APPA 2019 RIR 4.5 (Group H 1.5)  
BLS 2018 Public 5.3; Private 1.9

Units	FY2019	FY2020	FY2021	FY2021 PFP Target
RIR	1.51	0.81	0.57	1.2

## Safety Recordable Incident Rate (RIR)

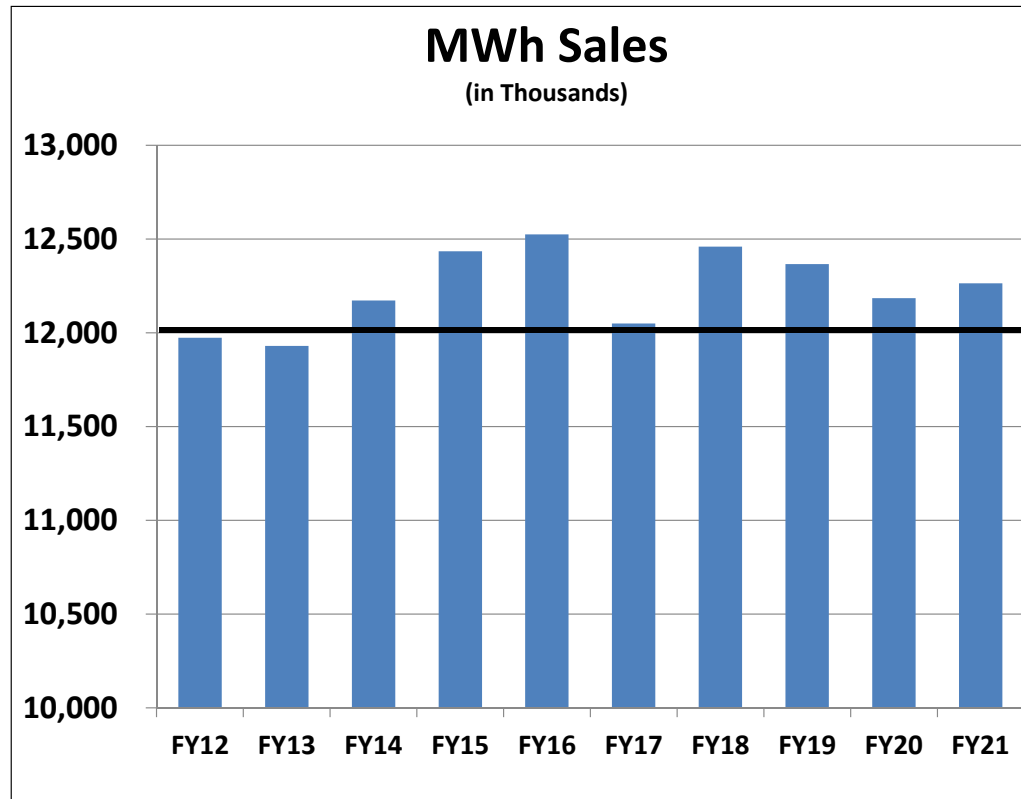






# JEA Electric System

## MWh Sales



Month	FY20	FY21	%
Oct	1,051,888	1,023,521	(2.7%)
<b>YTD</b>	<b>1,051,888</b>	<b>1,023,521</b>	<b>(2.7%)</b>
Nov	825,249		
Dec	935,174		
Jan	947,721		
Feb	828,828		
Mar	954,440		
Apr	854,707		
May	1,032,730		
Jun	1,117,064		
Jul	1,266,372		
Aug	1,248,005		
Sep	1,122,383		
<b>Total/Forecast</b>	<b>12,184,561</b>	<b>12,263,544</b>	

Forecast = YTD actual plus budget sales for future months

**Unit Sales Driver:** Commercial unit sales are down **(5.1%)** primarily driven by COVID impacted sales along with a reduction of YTD degree days

YTD Customer Accounts		
FY20	FY21	%
480,423	490,122	<b>2.0%</b>

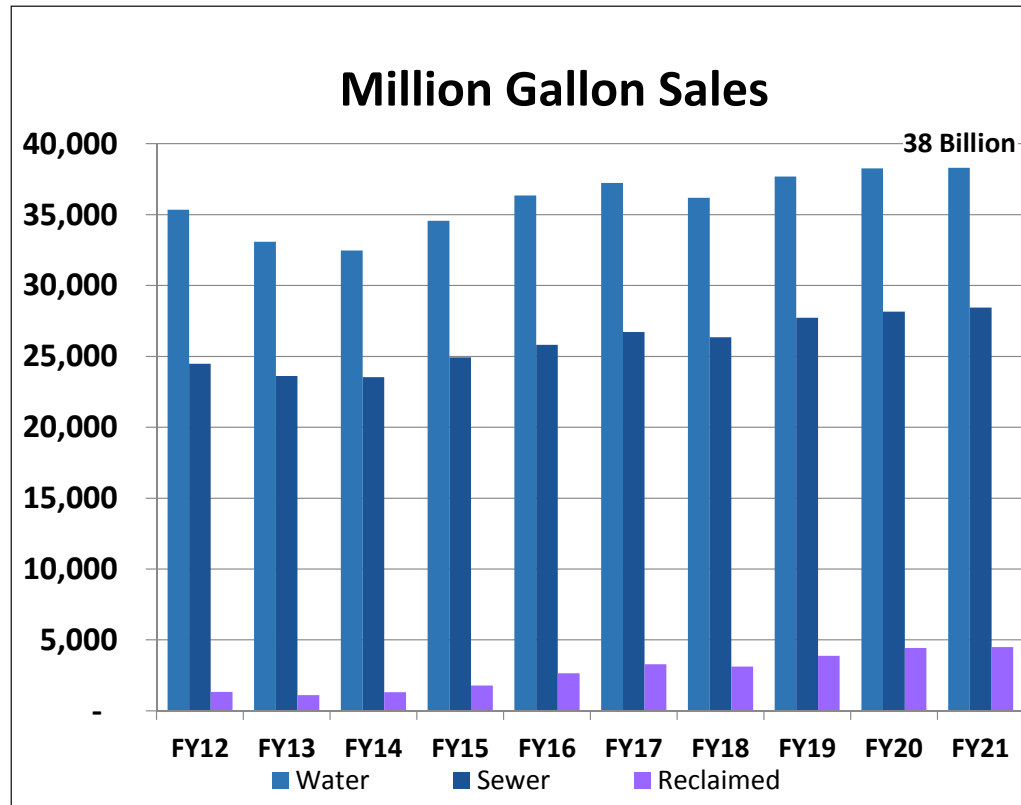
YTD Degree Days				
30-yr. Avg.	FY20	FY21	Δ	
225	333	308	(25)	

<b>Total System</b>	<b>(2.7%)</b>
Residential	(2.9%)
<b>Commercial</b>	<b>(5.1%)</b>
Industrial	1.5%



# JEA Water/Wastewater System

## Million Gallon Sales



Month	FY20	FY21	%
Oct	3,294	3,041	(7.7%)
<b>YTD</b>	<b>3,294</b>	<b>3,041</b>	<b>(7.7%)</b>
Nov	2,949		
Dec	2,934		
Jan	2,943		
Feb	2,642		
Mar	3,429		
Apr	3,068		
May	3,990		
Jun	3,135		
Jul	3,642		
Aug	3,235		
Sep	3,010		
<b>Total/Forecast</b>	<b>38,272</b>	<b>38,307</b>	

Forecast = YTD actual plus budget sales for future months

**Unit Sales Driver:** Residential and irrigation unit sales are down **(5.9%)** and **(32.0%)** respectively driven by above average rain days

YTD Customer Accounts		
FY20	FY21	%
359,796	368,602	<b>2.4%</b>

YTD Rain			
	30-yr. Avg.	FY20	FY21
Inches	4	3	3
Days	8	11	12

<b>Total System</b>	<b>(7.7%)</b>
Residential	<b>(5.9%)</b>
Commercial	2.4%
Irrigation	<b>(32.0%)</b>



# JEA Electric System

## Financial Forecast

### Current Year Forecast

#### Revenues

- Higher unit sales and the May 2020 \$24 million customer fuel credit results in a \$27 million variance

#### Expenses

- Increased fuel expenses due to higher projected fuel prices
- O&M expense higher by \$22M

#### Debt/Debt Service

- Debt service lower in FY21 due to early debt retirement extended through FY26
- Budget basis: FY20 early debt retirement funded with prior years' funds and debt management rate stabilization

**FY21 100% CAPEX funded  
with current year revenues**

\$ in millions	FY20 Actual	FY21 Forecast	Δ
Unit Sales - MWh	12,184,561	12,263,544	78,983
Current Year Revenues	\$1,169	\$1,196	\$27
Prior Period - Budget Basis	\$25	\$0	(\$25)
<b>Total Revenues</b>	<b>\$1,194</b>	<b>\$1,196</b>	<b>\$2</b>
Fuel Expense	\$343	\$387	\$44
O&M <sup>1</sup>	\$218	\$240	\$22
Non Fuel Purchased Power	\$72	\$72	\$0
Transfer to / (from) Fuel Reserve	\$26	\$6	(\$20)
<b>Net Revenues</b>	<b>\$535</b>	<b>\$491</b>	<b>(\$44)</b>
Total Debt Service	\$133	\$127	(\$6)
City Contribution	\$94	\$94	\$0
R&R and OCO	\$283	\$273	\$10
Early Debt Retirement	\$55	\$0	(\$55)
Debt Mgmt Rate Stabilization	(\$30)	\$0	(\$30)
Other Expenses <sup>2</sup>	\$0	(\$3)	(\$3)
<b>Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Capital Expenditures	\$194	\$197	\$3

<sup>1</sup>Includes DSM and Environmental Expenses

<sup>2</sup>Includes DSM and Environmental stabilization transfers, emergency reserve, uncollectibles, PSC fees and other debt financing costs



# JEA Water/Wastewater System

## Financial Forecast

### Current Year Forecast

#### Revenues

- \$9 million higher due to unit sales
- Prior period revenues utilized for early debt retirement in FY20

#### Expenses

- O&M expenses are stable

#### Debt/Debt Service

- Debt service lower in FY21 due to early debt retirement extended through FY22
- Budget basis: FY20 early debt retirement funded with prior years' funds and debt management rate stabilization

**FY21 CAPEX funded  
with current year  
revenues and new debt**

Unit sales in million gallons \$ in millions	<b>FY20 Actual</b>	<b>FY21 Forecast</b>	<b>Δ</b>
Unit Sales – Water	38,272	38,307	35
Unit Sales – Sewer	28,160	28,443	283
Unit Sales – Reclaim	4,427	4,496	69
System Sales Revenues	\$454	\$463	<b>\$9</b>
Other Revenues <sup>1</sup>	\$50	\$49	(\$1)
Prior Period – Budget Basis Capital	<b>\$34</b>	\$0	(\$34)
<b>Total Revenues</b>	<b>\$538</b>	<b>\$512</b>	<b>(\$26)</b>
O&M	\$171	\$172	\$1
<b>Net Revenues</b>	<b>\$367</b>	<b>\$340</b>	<b>(\$27)</b>
Total Debt Service	\$72	\$59	(\$13)
City Contribution	\$28	\$26	\$42
R&R and OCO	\$213	<b>\$255</b>	(\$2)
Early Debt Retirement	<b>\$48</b>	\$0	(\$48)
Debt Mgmt Rate Stabilization	<b>(\$14)</b>	\$0	\$14
Other Expenses <sup>2</sup>	\$11	\$0	(\$11)
<b>Balance</b>	<b>\$9</b>	<b>\$0</b>	<b>(\$9)</b>
Capital Expenditures	\$189	<b>\$298</b>	\$109

<sup>1</sup>Includes Capacity Fees and Other Income

<sup>2</sup>Includes uncollectibles, Environmental stabilization transfers, emergency reserve, other debt financing costs and interlocal agreements



## Key Financial Metrics

Electric System	FY21 YTD	FY21 Forecast	Target	Result	Moody's
Debt Service Coverage	5.8x	4.8x	≥ 2.2x	✓	2.2x <sup>1</sup>
Days Liquidity	356	309	150 to 250 days	✓	251 <sup>1</sup>
Days Cash on Hand	181	146	N/A	✓	223 <sup>1</sup>
Debt/Asset %	60%	52%	50%	✓	46% <sup>1</sup>
Moody's/S&P/Fitch Ratings	A2/A+/AA				A2

<sup>1</sup> Fiscal 2018 medians by public power utility – Top 30 City Owned Generators (By Debt Outstanding – Aa-rated). Moody's Sector In-Depth – Public Power Utilities – US, 2019-09-11.

Water/Wastewater System	FY21 YTD	FY21 Forecast	Target	Result	Moody's
Debt Service Coverage	6.6x	5.4x	≥ 1.8x	✓	2.4x <sup>2</sup>
Days Liquidity	351	300	150 to 250 days	✓	-
Days Cash on Hand	176	144	N/A	✓	504 <sup>2</sup>
Debt/Asset %	41%	41%	50%	✓	-
Moody's/S&P/Fitch Ratings	Aa3/AA+/AA				Aa3

<sup>2</sup> Moody's Water and Sewer Utilities - 2018 medians US combined water and sewer utilities by rating category, Aa (A)-rated.



# Combined Debt Outstanding

## Electric System (ES, BPSS, SJRPP)

- Debt outstanding: \$1,882
  - \$81 decrease due to October 1st principal payments
- Variable rate debt: \$581
- Unhedged Variable Rate Debt Exposure is planned to be reduced in FY21 by \$69 million from \$181 to \$112

## Water/Sewer System

- Debt outstanding: \$1,241
  - \$20 decrease due to October 1st principal payments
- Variable rate debt: \$253

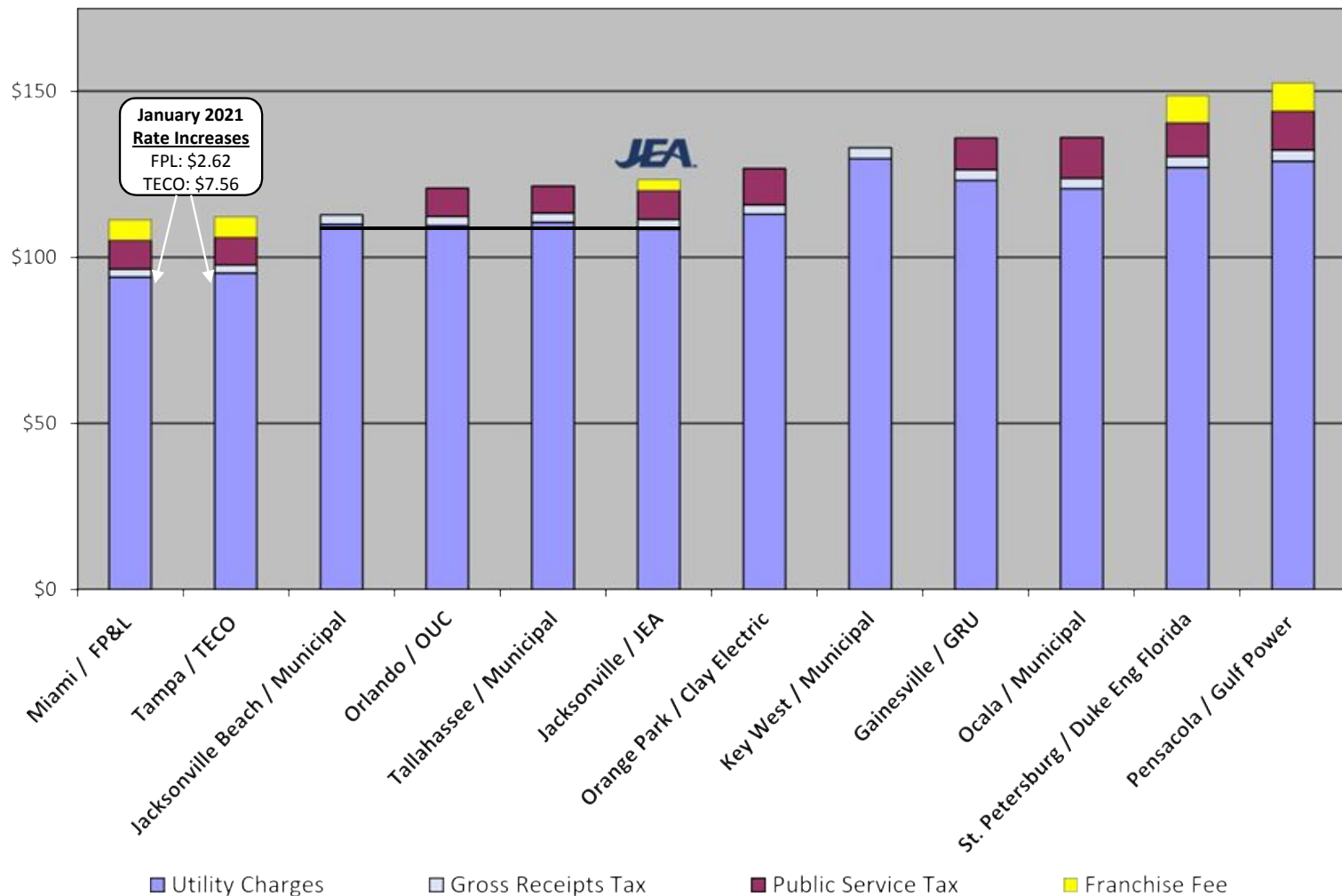
Interest rates are net of BABs subsidy, original issue premiums / discounts and includes variable debt liquidity / remarketing fees and interest rate swap payments.

(\$ in millions)	Principal Sep 2020	Principal Oct 2020	Change	Oct 2020 Weighted Average Interest Rates
<b>Electric System (ES)</b>				
Fixed rate bonds	\$1,022	\$967	(\$55)	3.95%
Hedged variable rate bonds	406	403	(3)	4.50%
Unhedged variable rate bonds	181	178	(3)	0.79%
Revolving credit agreement	--	--	--	--
<b>Total</b>	<b>\$1,609</b>	<b>\$1,548</b>	<b>(\$61)</b>	<b>3.74%</b>
<b>Bulk Power Supply System (BPSS)</b>				
Fixed rate bonds	\$89	\$82	(7)	3.89%
<b>Total</b>	<b>\$89</b>	<b>\$82</b>	<b>(7)</b>	<b>3.89%</b>
<b>SJRPP</b>				
Fixed rate bonds	\$265	\$252	(\$13)	3.95%
Revolving credit agreement	--	--	--	--
<b>Total</b>	<b>\$265</b>	<b>\$252</b>	<b>(\$13)</b>	<b>3.95%</b>
<b>Combined ES, BPSS and SJRPP</b>	<b>\$1,963</b>	<b>\$1,882</b>	<b>(\$81)</b>	<b>3.77%</b>
<b>Water and Sewer System</b>				
Fixed rate bonds	\$997	\$988	(\$9)	3.92%
Hedged variable rate bonds	104	95	(9)	4.50%
Unhedged variable rate bonds	155	153	(2)	0.67%
Revolving credit agreement	5	5	--	1.30%
<b>Total</b>	<b>\$1,261</b>	<b>\$1,241</b>	<b>(\$20)</b>	<b>3.58%</b>
<b>District Energy System</b>				
Fixed rate bonds	\$33	\$31	(\$2)	4.27%
<b>Total</b>	<b>\$33</b>	<b>\$31</b>	<b>(\$2)</b>	<b>4.27%</b>
<b>Total JEA Debt</b>	<b>\$3,257</b>	<b>\$3,154</b>	<b>(\$103)</b>	<b>3.70%</b>



# Florida Utilities Monthly Bill Comparison - Electric

**Monthly Residential Electric Bills**  
Consumption @ 1,000 kWh

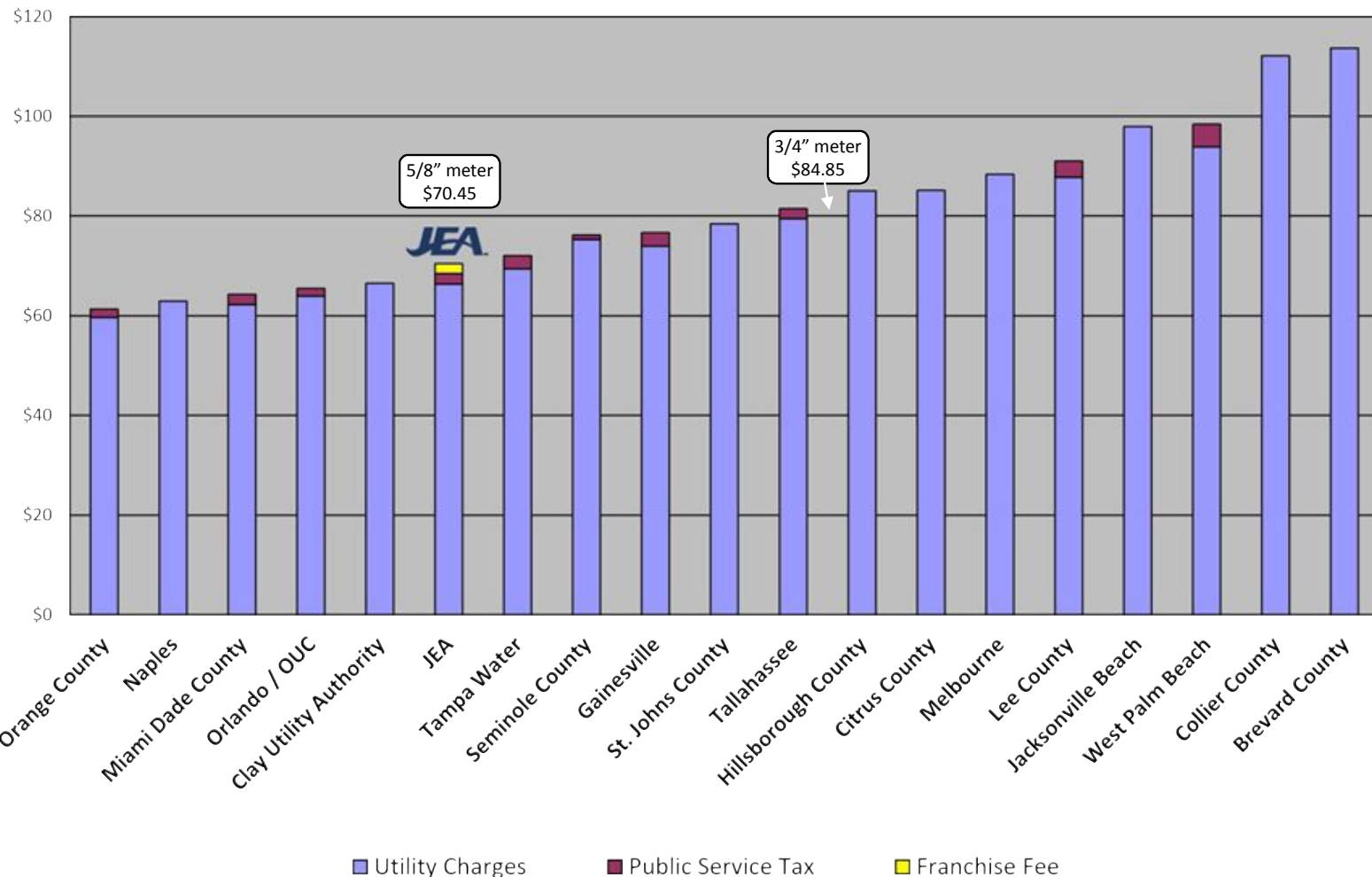




# Florida Utilities Monthly Bill Comparison – Water/Wastewater

## Monthly Residential Water Bills

5/8" meter and 6 kgals of Consumption



JEA currently has approximately 120,000 5/8" meters and 160,000 3/4" meters





# Customer Experience Update





# Operations Scorecard

## Customer Experience

Customer Experience	FY2020	FY2021 Goal	FY2021	Status
JDP Customer Satisfaction Index - Residential	3 <sup>rd</sup> Q	1 <sup>st</sup> Quartile	-	
JDP Customer Satisfaction Index - Business	2 <sup>nd</sup> Q	Top Decile	-	
Overall First Contact Resolution Index	78.1%	>=80%	<b>79.4%</b>	
Net Write-offs/Bad Debt Expense	0.11%	< % 0.15	<b>-0.01%</b>	

### Significant Occurrences or Concerns This Month

#### JD Power utility ratings criteria:

- Customer Service
- Power Quality and Reliability (PQR)
- Billing and Payment
- Communication
- Price
- Corporate Citizenship

#### Residential/Commercial

- Launching multiple initiatives to improve JDP scores
- Targeting Corporate Citizenship, Communication, PQR
- Continuing to manage COVID impacts on Customers
- Expanding successful Electrification Program



# FY2020 Customer Satisfaction Goal

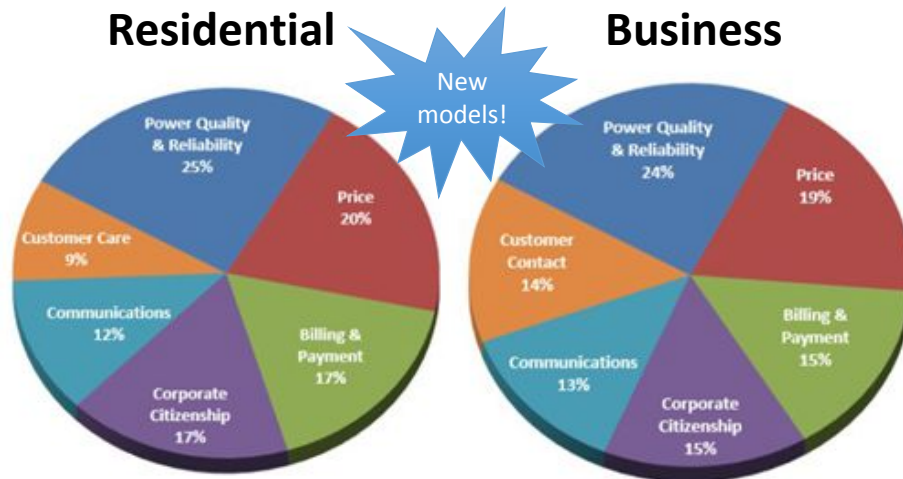
## Achieve 1st Quartile Ranking for JD Power Customer Satisfaction Index for both Residential and Business Studies

### Residential (R)

FY18	FY19	Per 1	Per 2	Per 3	Per 4	FY20 YTD
2Q 737	1Q 756	3Q 730	2Q 759	3Q 758	3Q 745	3Q 748

### Business (B)

FY18	FY19	Per 1	Per 2	FY20 YTD
1Q 802	2Q 782	1Q 794	2Q 804	2Q 799



FY20 Residential # of companies ranked: 143  
 FY20 Business # of companies ranked: 84

1Q= 1st quartile    2Q= 2<sup>nd</sup> quartile    3Q = 3<sup>rd</sup> quartile    4Q = 4<sup>th</sup> quartile

## Be Easy to Do Business With

### Customer Care

	FY19	Per 1	Per 2	Per 3	Per 4	FY20 YTD
R	1Q 827	1Q 833	2Q 819	3Q 802	4Q 786	3Q 807
B	1Q 838	1Q 846	2Q 855			1Q 851

### Power Quality & Reliability

	FY19	Per 1	Per 2	Per 3	Per 4	FY20 YTD
R	2Q 802	2Q 788	2Q 804	3Q 791	3Q 789	2Q 793
B	2Q 817	1Q 829	1Q 840			1Q 835

## Empower Customers to Make Informed Decisions

### Billing & Payment

	FY19	Per 1	Per 2	Per 3	Per 4	FY20 YTD
R	2Q 807	3Q 782	2Q 821	3Q 799	4Q 793	3Q 799
B	2Q 822	2Q 825	1Q 845			2Q 835

### Communication

	FY19	Per 1	Per 2	Per 3	Per 4	FY20 YTD
R	1Q 709	3Q 676	3Q 700	2Q 739	3Q 717	3Q 708
B	2Q 763	1Q 789	3Q 774			2Q 781

### Price

	FY19	Per 1	Per 2	Per 3	Per 4	FY20 YTD
R	1Q 706	3Q 668	2Q 700	3Q 712	3Q 690	3Q 693
B	2Q 741	2Q 753	3Q 743			3Q 748

## Demonstrate Community Responsibility

### Corporate Citizenship

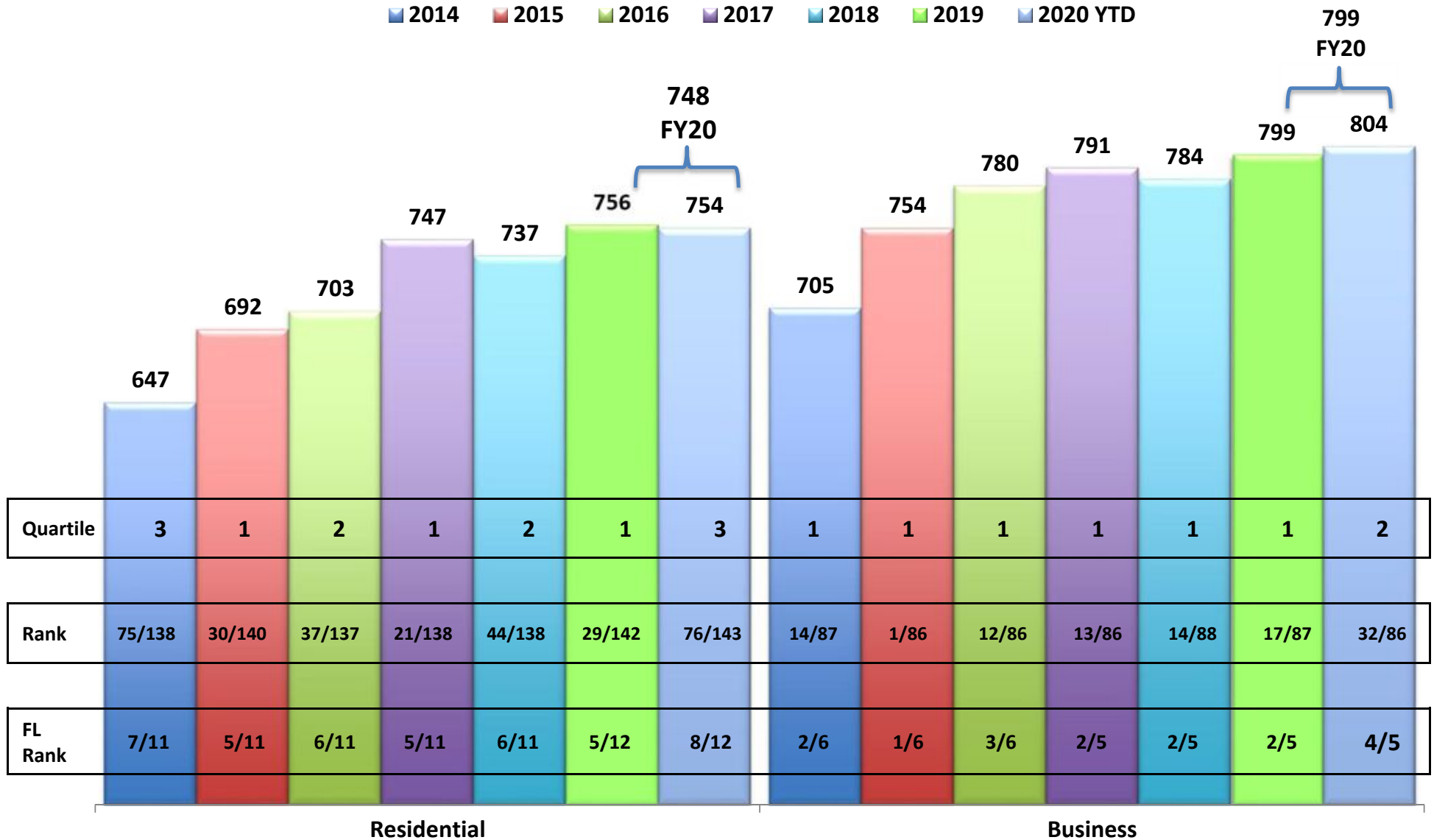
	FY19	Per 1	Per 2	Per 3	Per 4	FY20 YTD
R	2Q 694	3Q 664	3Q 702	3Q 713	3Q 689	3Q 692
B	3Q 732	3Q 744	3Q 767			2Q 756





# Customer Satisfaction Index Scores by Study Year

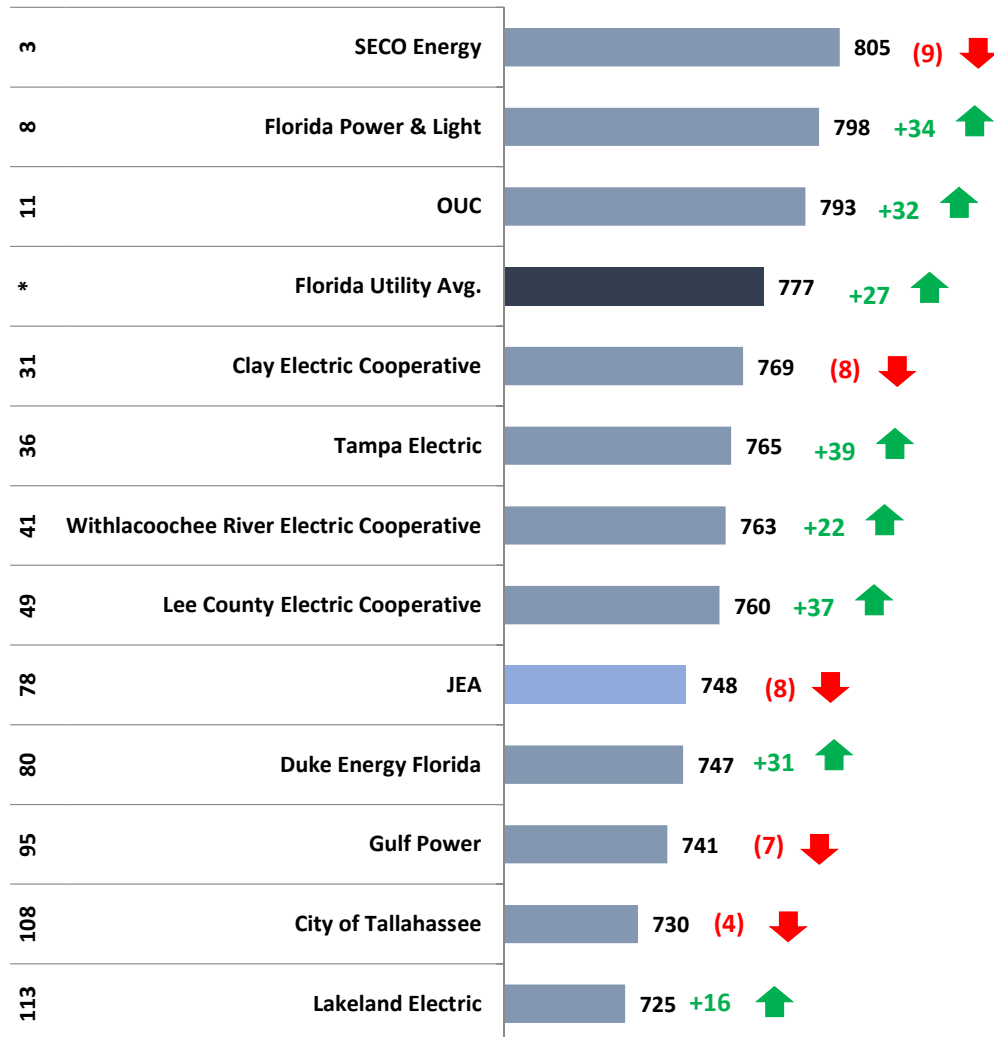
2014 2015 2016 2017 2018 2019 2020 YTD





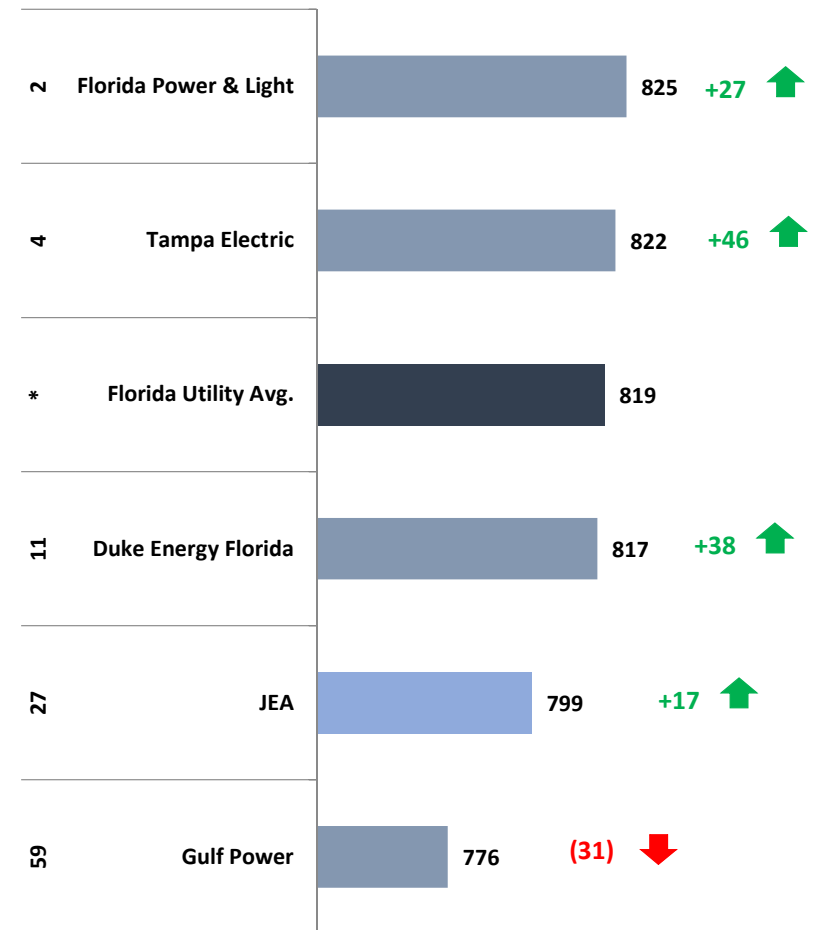
# Customer Satisfaction Index Scores Florida Utilities

## Residential FY 2020 Final



## Business FY 2020 Final

(2019 WV2 + 2020 WV1)



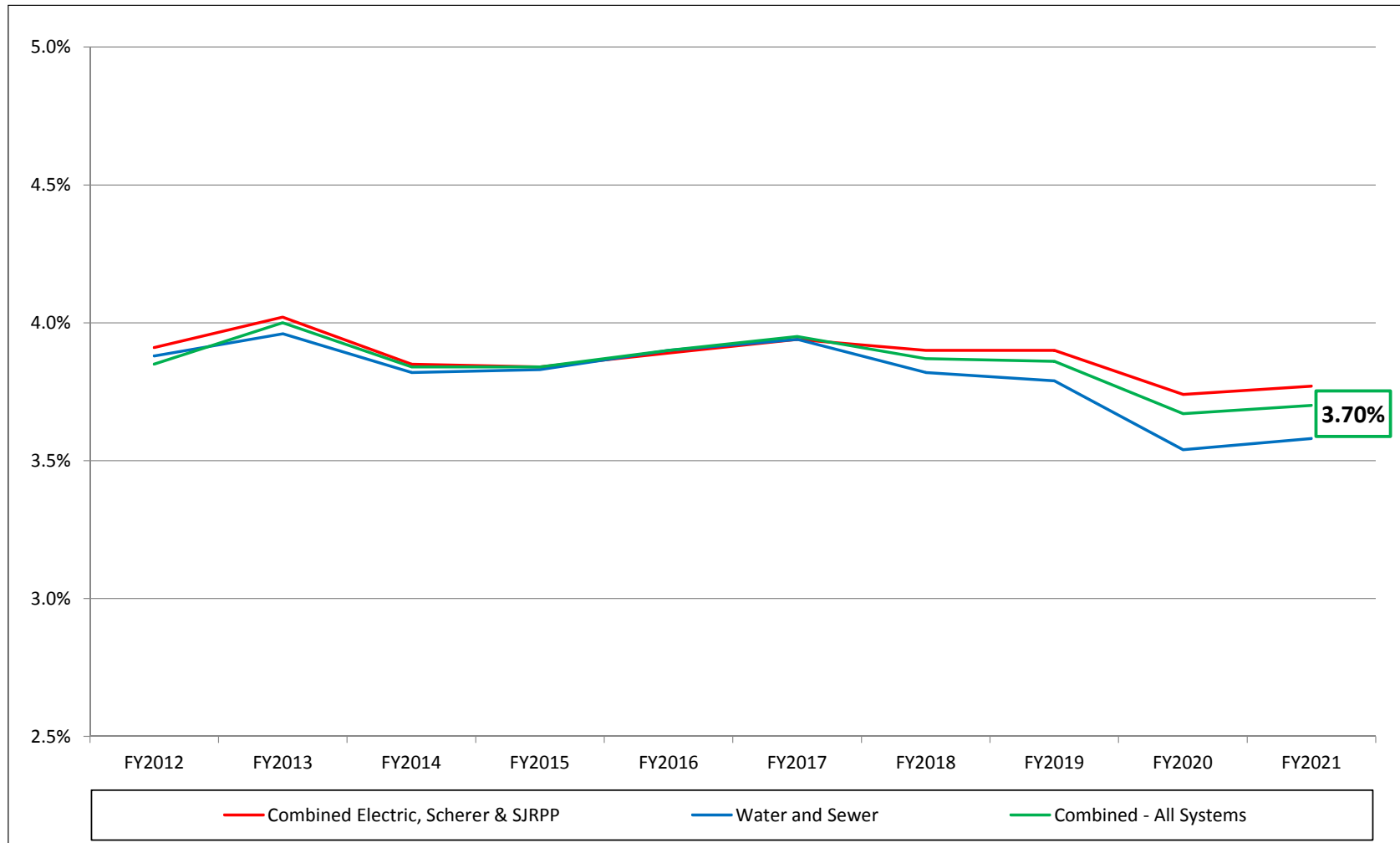
NB: Green and red numbers indicate point difference from 2019



# Supplemental Schedules



# Combined Debt Outstanding Weighted Average Interest Rates\*

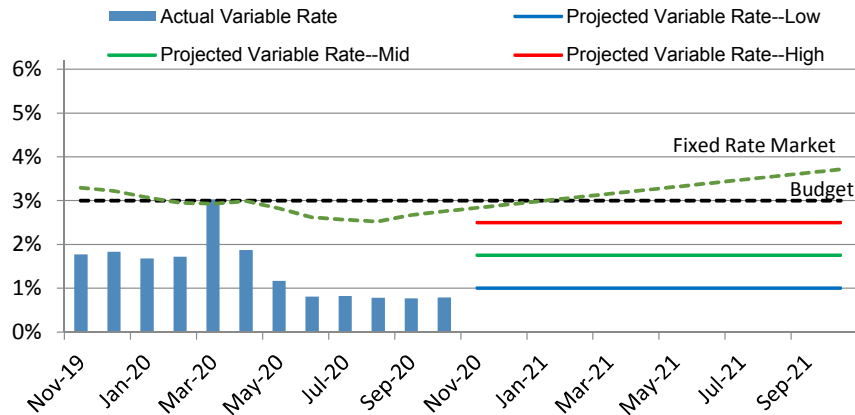


- Fiscal year end interest rates are net of BABs subsidy, original issue premiums / discounts and includes variable debt liquidity / remarketing fees and interest rate swap payments.

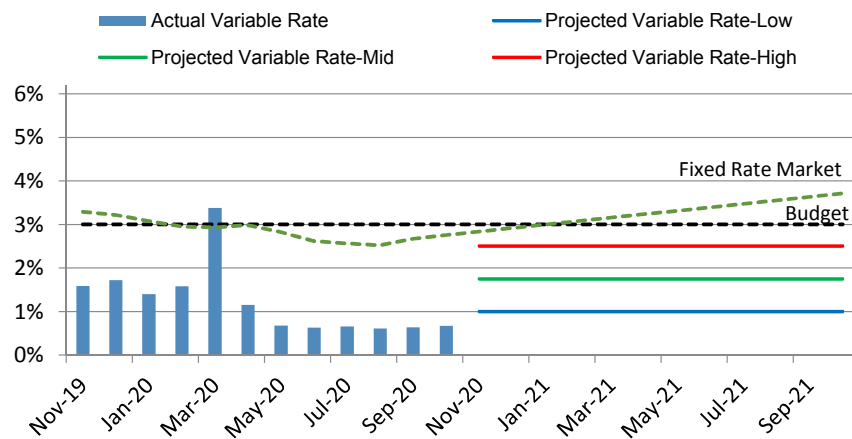


# Variable Rate Debt Risk Analysis

**Electric System  
Variable Interest Rates (including fees)**



**Water and Sewer  
Variable Interest Rates (including fees)**



Total variable rate debt of \$834 with \$498 swapped to fixed rate

**Liquidity Facilities and Direct Purchase Bonds (DPBs)**

Bank	Moody's/S&P/Fitch	\$ (in millions)	%
Wells Fargo Bank N.A. (100% DPBs)	Aa2/A+/AA-	\$205	25
JP Morgan Chase Bank N.A.	Aa2/A+/AA	199	24
Royal Bank of Canada	A2/AA-/AA	193	24
US Bank, N.A.	A1/AA-/AA-	139	17
Sumitomo	A1/A/A	52	6
State Street Bank	Aa3/AA-/AA	31	4
<b>Total</b>		<b>\$819</b>	

**Swap Providers**

Bank	Moody's/S&P/Fitch	\$ (in millions)	%
Morgan Stanley Capital Services	A2/BBB+/A	\$155	31
Goldman Sachs Mitsui Marine Derivative Products	Aa2/AA-/NR	137	28
JP Morgan Chase Bank N.A.	Aa2/A+/AA	121	24
Merrill Lynch	A2/A-/A+	85	17
<b>Total</b>		<b>\$498</b>	

## Items of Interest

- Variable debt as a percentage of total debt:
  - Unhedged variable at 10% for Electric and 13% for Water and Sewer
  - Hedged variable at 21% for Electric and 8% for Water and Sewer
- Liquidity facilities / direct purchase bonds are with highly rated providers
- Next liquidity renewal in March 2021
- \$44M debt management strategy stabilization reserve utilized for Oct 2019 STAR Plan Phase 2

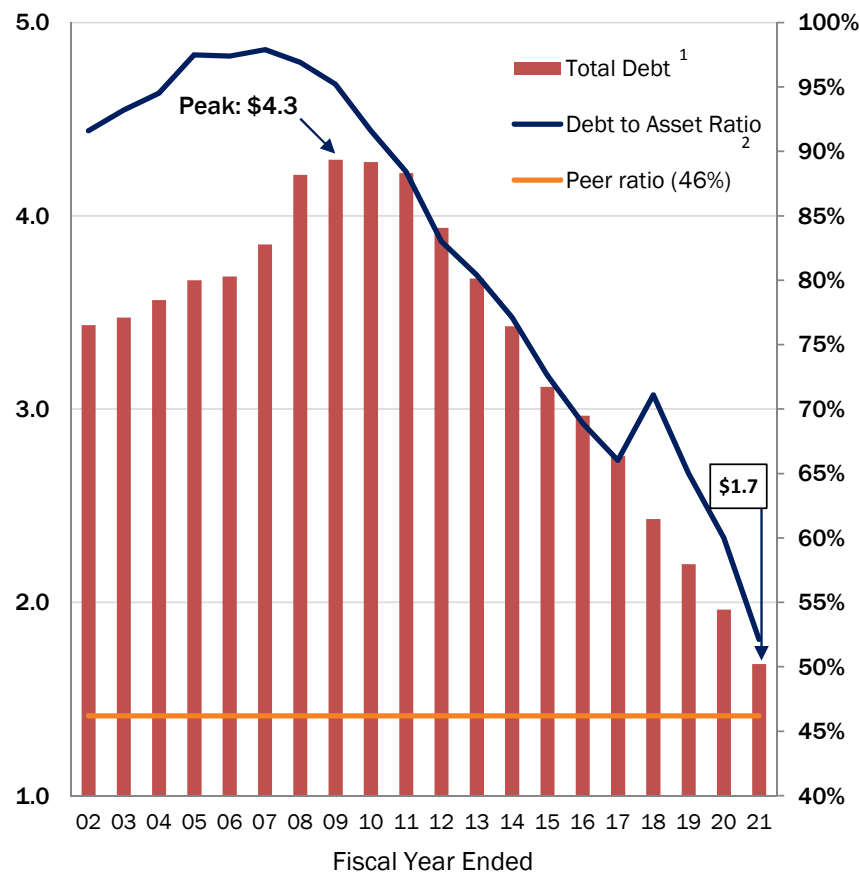




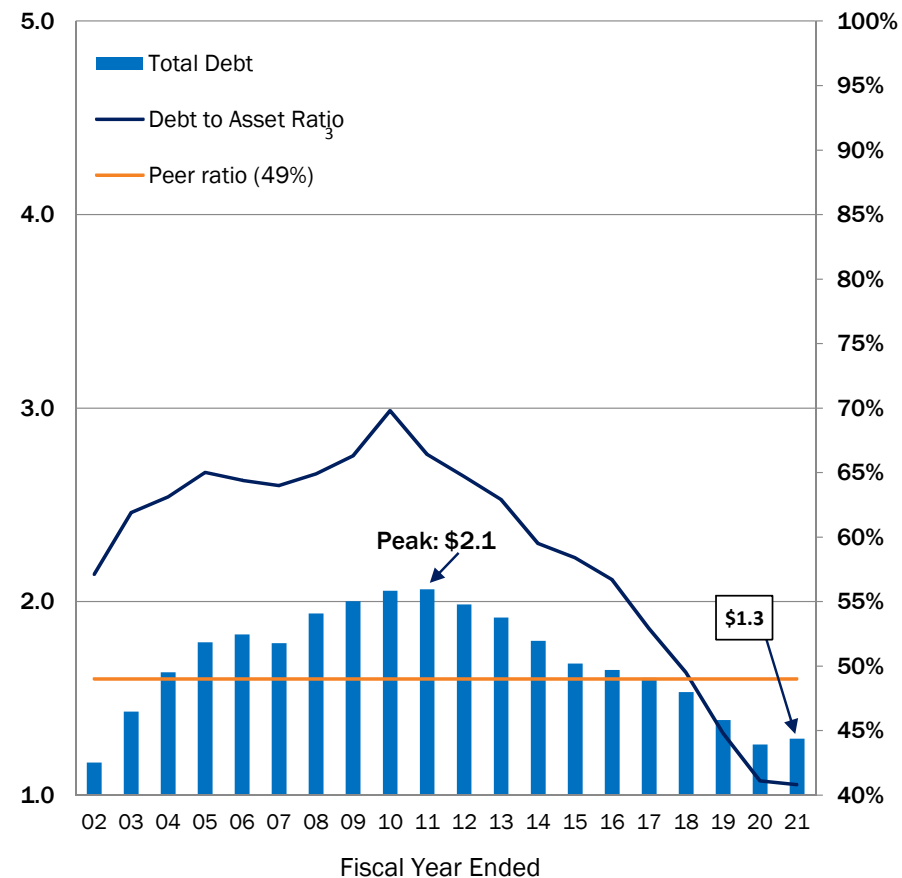
# Debt and Debt to Asset Ratios

\$ in billions

## Electric System



## Water/Wastewater System



<sup>1</sup> Includes Electric System, Scherer, and SJRPP

<sup>2</sup> Per Exhibit 7 - Fiscal 2018 medians by public power utility subset and rating agency - Top 30 City Owned Generators (By Debt Outstanding - Aa-rated.)  
Moody's Sector In-Depth - Public Power Utilities - US, 2019-09-11.

<sup>3</sup> Calculated from Moody's Municipal Financial Ratio Analysis database of 209 Aa rated public water-sewer utilities, Jan. 10, 2017



# Electric System Update





# Operations Scorecard

## Electric System

Electric System	FY2020	FY2021 Goal	FY2021	Status
<b>JEA Safety RIR (total JEA)</b>	0.81	1.2 - 1.4	<b>0.57</b>	
<b>Sales Forecast (million MWh)</b>	12.2	12.2	<b>12.26</b>	
<b>T&amp;D Grid Performance Customer Outage</b>				
<i>SAIFI Frequency (outages/year per customer)</i>	1.4	1.4 - 1.6	<b>1.4</b>	
<i>SAIDI Duration (minutes/year per customer)</i>	89	75 - 80	<b>87</b>	
<i>SARFI-80 (low voltage events/year per meter)</i>	41	45	<b>42</b>	
<i>CEMI<sub>5</sub> (% of customers &gt; 5 outages/year)</i>	0.25%	0.80%	<b>0.20%</b>	
<b>Generating Plant Performance</b>				
<i>Generation Fleet Reliability (forced outages rate)</i>	2.31%	2.25% – 2.5%	<b>0.25%</b>	
<i>Environmental Compliance (permit exceedances)</i>	1	<4	<b>0</b>	

### Significant Occurrences or Concerns This Month

- **SAIDI:** Pursuing SAIDI reduction projects during FY21 to improve customer reliability.
- **CEMI<sub>5</sub>:** Current reliability at 0.20% with 951 of 486,842 customers served experienced more than 5 outages in the last 12 months
- **Environmental Permit Exceedances:** Electric Systems has not experienced any environmental permit exceedances in FY21
- **EFOR:** The JEA Fleet Forced Outage Rate is currently at 0.25%



# FY2021 Electric System Update

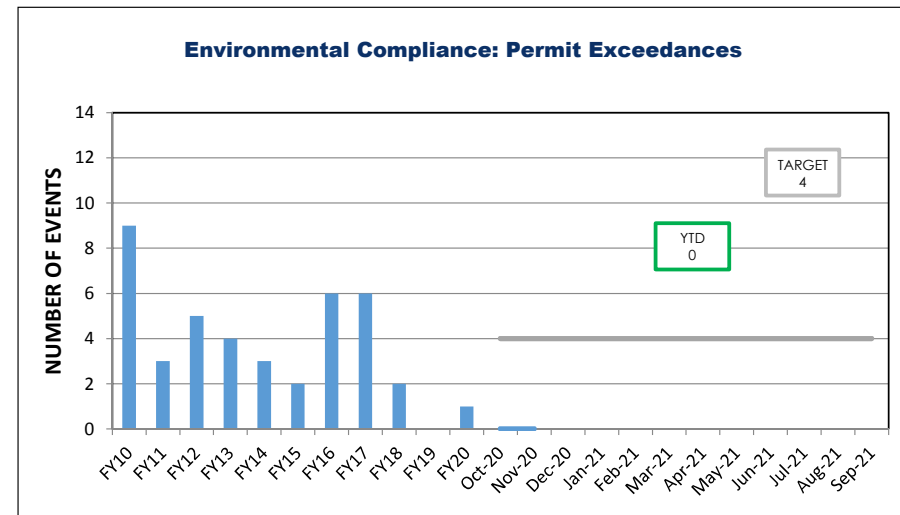
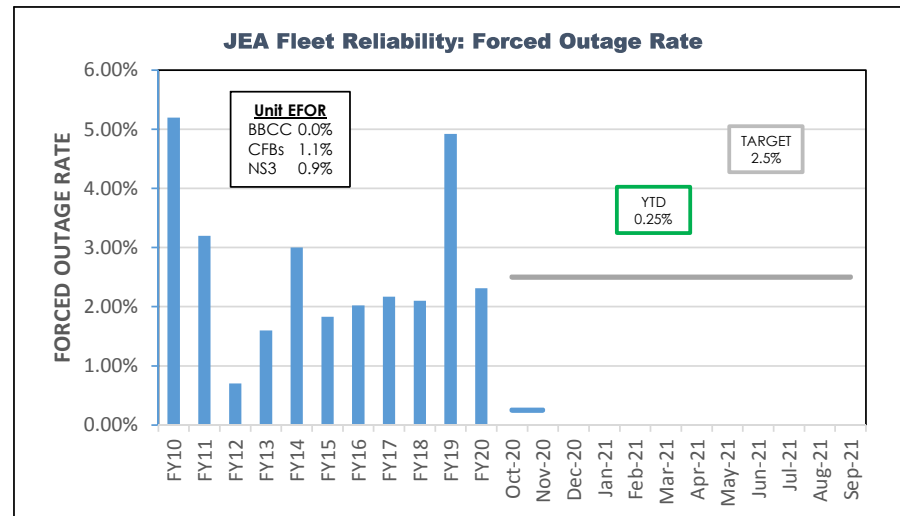
## Generating Fleet Reliability

- The JEA Fleet Forced Outage Rate is currently at 0.25%

## Environmental Compliance

- Electric Systems has not experienced any environmental permit exceedances in FY21
- JEA remains actively engaged in preparing for all new and emerging environmental regulations

Generating Plant Performance	Metric	FY2019	FY2020	FY2021 Target	FY2021
Generation Fleet Reliability	Forced Outages Rate	4.9%	2.31%	2.25% - 2.50%	0.25%
Environmental Compliance	Permit Exceedances	0	1	4	0







# FY2021 Electric System Update

## Electric Service Reliability

- Outage frequency and duration have been reduced significantly over the last 10 years; running flat over last several years
- The typical JEA customer sees 1.4 outages per year and a total outage duration of about 87 minutes

## Power Quality

- FY21 (42.0) is better than target

## CEMI-5

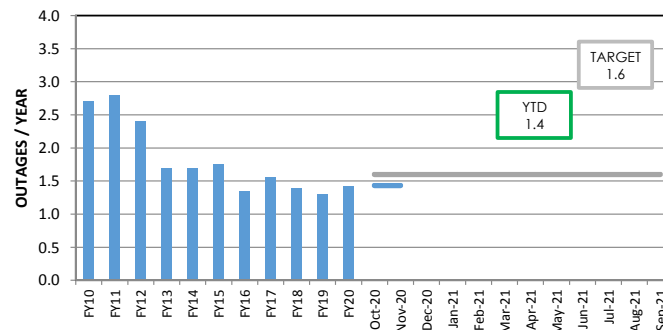
- Improvement trend over past three years for CEMI5. 951 (0.20%) of our customers have experienced more than 5 outages in the past 12 months

## Other Operational Metrics

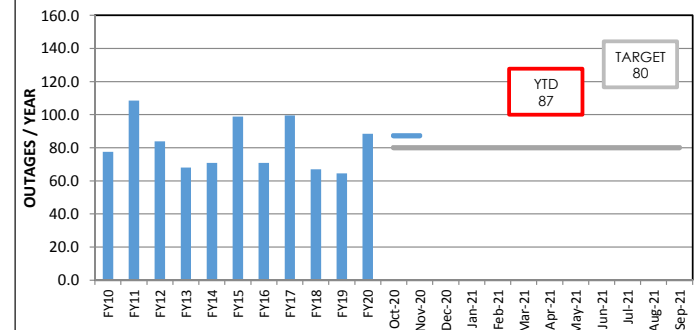
- Continue showing favorable trends over time

T&D Grid Performance	Metric	FY2019	FY2020	FY2021 Target	FY2021
Customer Outage Frequency	# of Outages per Year	1.3	1.4	1.4 - 1.6	1.4
Electric Outage Duration	# of Minutes out per Year	65	89	75 - 80	87
SARFI-80 Power Quality	low voltage events/year per meter	30.0	40.9	45.0	42.0
CEMI <sub>5</sub>	% Customers > 5 outages per yr	0.08%	0.25%	0.8%	0.20%

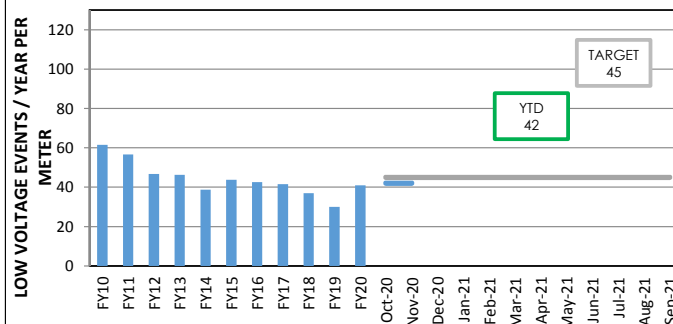
**Electric Service Reliability: Outage Frequency**



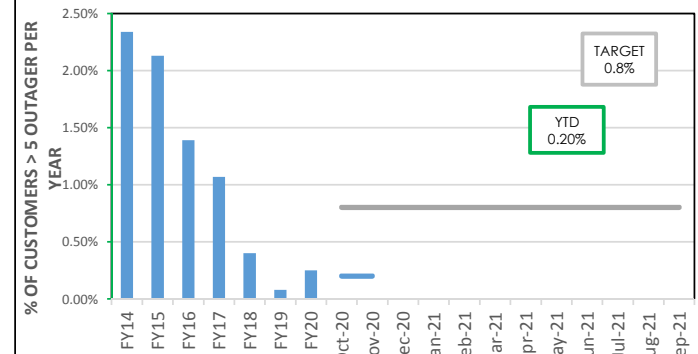
**Electric Service Reliability: Outage Duration**



**SARFI-80 : Power Quality**



**CEMI-5**





# Water/Wastewater Update





# Operations Scorecard

## Water/Wastewater System

Water & Wastewater	FY2020	FY2021 Goal	FY2021	Status
JEA Safety RIR (total JEA)	0.81	1.2	<b>0.57</b>	
Sales Forecast (kGals in 1000's)	38,272	38,000	<b>38,307</b>	
Water Unplanned Outages (# cust.)	15,342	6,750	<b>140</b>	
CUP Compliance	Yes	Yes	<b>Yes</b>	
Nitrogen to the River (tons)	299	450	<b>27 YTD</b>	
Sanitary Sewer Overflows (# SSO's)	48	30	<b>2</b>	
Water Pressure (avg min < 30 psi)	4.0	3.0	<b>2.8</b>	

### Significant Occurrences or Concerns This Month

- **Unplanned Water Main Outages:** We experienced 140 customers with an unplanned water outage due to seven water main breaks with minimum impact to the customer (less than 45 customers each event) during the month of October.
- **CUP:** Average daily flow of 120 MGD is 14% below CY20 limit of 140 MGD; reclaimed usage at 20 MGD.
- **Nitrogen to River:** FY21 Forecast is 441 tons. JEA has a limit of 683 tons per year and provides the COJ with 37 tons.
- **SSO's Impacting Waters of the US:** 2 YTD, 0.04% YTD per 100 miles of pipe. Root cause analysis is performed on each SSO.
- **Water Pressure Average Minutes < 30 psi:** 2.8 YTD, three low pressure events this month that contributed to this metric being slightly high.



# FY2021 Water/Wastewater System Update System Reliability

## Unplanned Water Outages

- Percentage of customers affected by unplanned outages

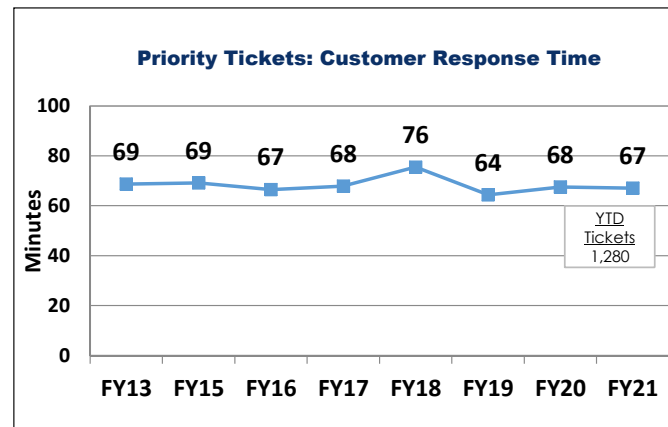
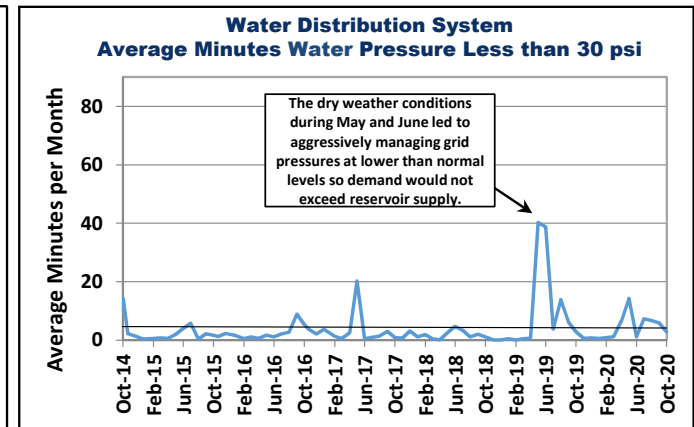
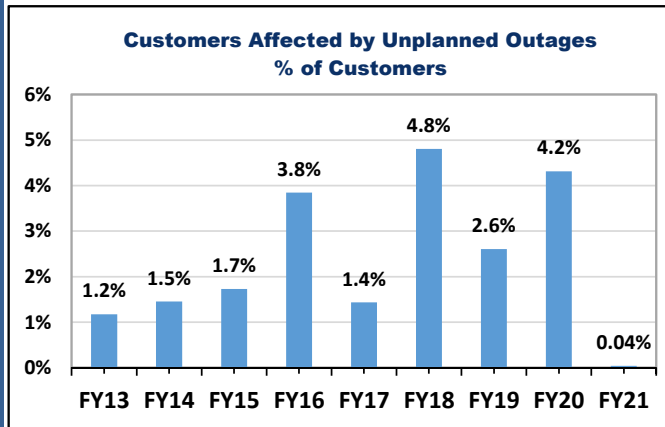
## Water Pressure (minutes per month < 30 psi)

- Measured by 351 pressure monitoring stations in the distribution system. Pressure must be greater than 30 psi, and is expected to be greater than 50 psi. Regulatory requirement is minimum 20 psi.

## Customer Response Time

- Average time from a customer call to the ticket completion or transfer to a field crew for a more extensive repair

Compliance	Metric	2019	2020	2021 Target	FY2021
Water Main Outages	# of Customers per Year	9,268	15,342	6,750	140







# FY2021 Water/Wastewater System Update

## Water System Consumption Use Permit

St. Johns River Water Management District CUP

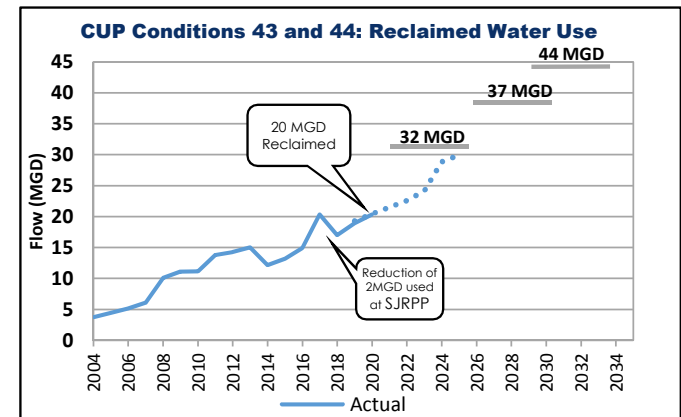
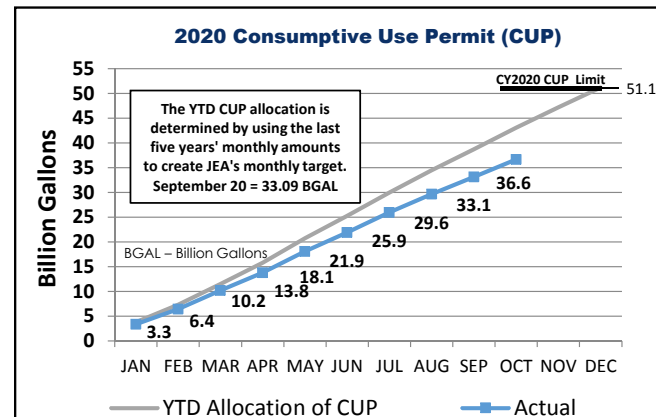
### YTD CUP Allocation

- The YTD CUP allocation is determined by using the last five years' monthly amounts to create JEA's monthly target
- October 2020 = 36.61 BGAL

### Condition 18

- YTD average daily flow is 14% below CY limit of 140 MGD

Compliance	Metric – CY Basis	2017	2018	2019	2020 Target	CY2020
Water	CUP Limits (MGD)	114 (133 limit)	112 (135 limit)	119 (138 limit)	140 limit	120
South Grid	Wellfield Allocation (MGD)	48.62 (<50.23 limit)	46.35 (<50.23 limit)	47.90 (<50.23 limit)	50.23 limit	49.00
Reclaim	Usage (MGD)	20	17	19	20	20



### CUP Condition 50 : South Grid Wellfield Allocation Limits

Critical Wellfields	Actuals						Post Sep-14 Permit Limit
	2015	2016	2017	2018	2019	YTD 2020	
Deerwood III	6.67	7.88	7.64	7.17	7.18	7.49	7.00
Ridenour	6.66	7.64	6.68	6.54	6.75	6.84	6.85
Oakridge	4.99	5.79	5.49	5.55	5.41	5.58	5.65
Greenland	4.27	4.16	3.99	4.18	4.31	4.46	4.53
Brierwood	2.84	3.36	2.98	2.43	2.74	2.79	3.02
<b>Subtotal</b>	<b>25.43</b>	<b>28.83</b>	<b>26.78</b>	<b>25.87</b>	<b>26.39</b>	<b>27.15</b>	<b>27.05</b>
Other Wellfields	22.07	24.12	21.85	20.48	21.51	21.85	23.18
<b>Total South Grid</b>	<b>47.50</b>	<b>52.95</b>	<b>48.62</b>	<b>46.35</b>	<b>47.90</b>	<b>49.00</b>	<b>50.23</b>
<b>Total System ADF MGD</b>	<b>107</b>	<b>107</b>	<b>114</b>	<b>112</b>	<b>118</b>	<b>120</b>	<b>140</b>



# FY2021 Water/Wastewater System Update

## Wastewater System Environmental Compliance

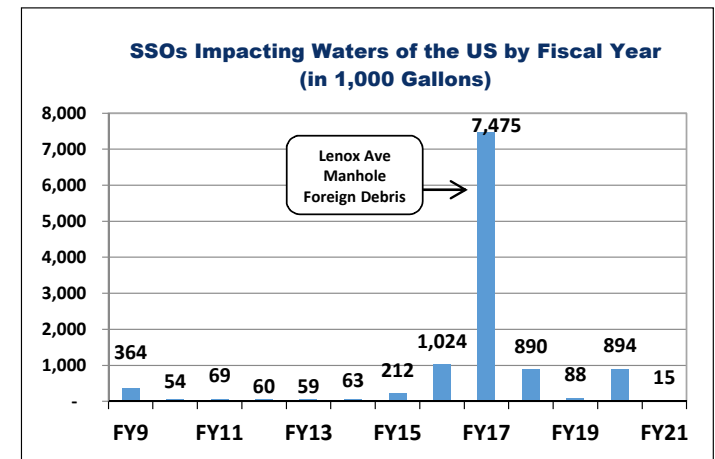
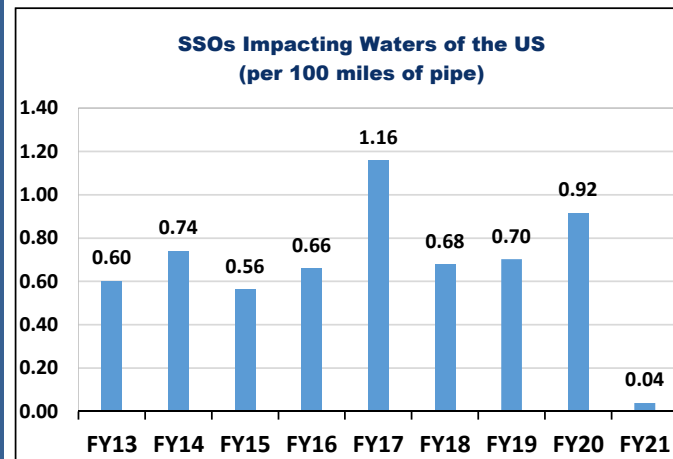
### Sanitary Sewer Outflows (SSOs to US Waters)

- FY04 – FY07: 54/yr average
- FY08 – FY20: 34/yr average
- 2 SSO's impacting US Waters during FY21

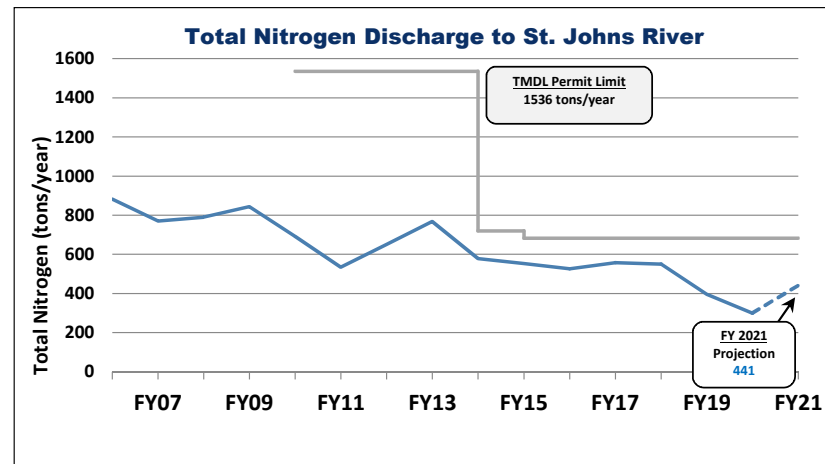
### Nitrogen Discharge to St. Johns River

- Total Maximum Daily Load (TMDL) Permit Limit is 683 tons (rolling 12 month total)
- FY21 projection is 441 tons

Compliance	Metric	2019	2020	2021 Target	FY2021
Sewer	Nitrogen (N) Tons – FY basis	397 (TMDL of 683*)	299 (TMDL of 683*)	450	27
Sewer	SSOs – US Waters (per 100 miles of pipe)	0.70	0.92	0.58 - 0.67	0.04



\*Aligned with the PSC Rule for Electric Reliability Reporting, the Operational Metrics will exclude the impact of all service interruptions associated with a storm named by the National Hurricane Center.





**INTER-OFFICE MEMORANDUM**

November 6, 2020

**SUBJECT: JD POWER CUSTOMER SATISFACTION REPORT**

**FROM:** Paul McElroy, Interim Managing Director/CEO

**TO:** JEA Board of Directors

**BACKGROUND:**

Since 2014, JEA has utilized JD Power's Electric Utility Customer Satisfaction Studies to measure customer satisfaction. JEA has made significant improvements since that time in both the Residential and Business studies results. The JD Power models have been built on extensive research and statistical modeling resulting in highly regarded results among electric utilities.

**DISCUSSION:**

JEA's recent scores from JD Power surveys have shown mixed results. This presentation will provide a more in-depth look at JEA's JD Power scores and what steps staff is taking to improve customer satisfaction in alignment with our strategic area of focus for fostering Customer Loyalty.

**FINANCIAL IMPACT:**

No additional financial impact as all initiatives discussed are being implemented within JEA's approved FY21 budget.

**RECOMMENDATION:**

No action necessary. Informational item only.

\_\_\_\_\_  
Paul McElroy, Interim Managing Director/CEO

PEM/RBD

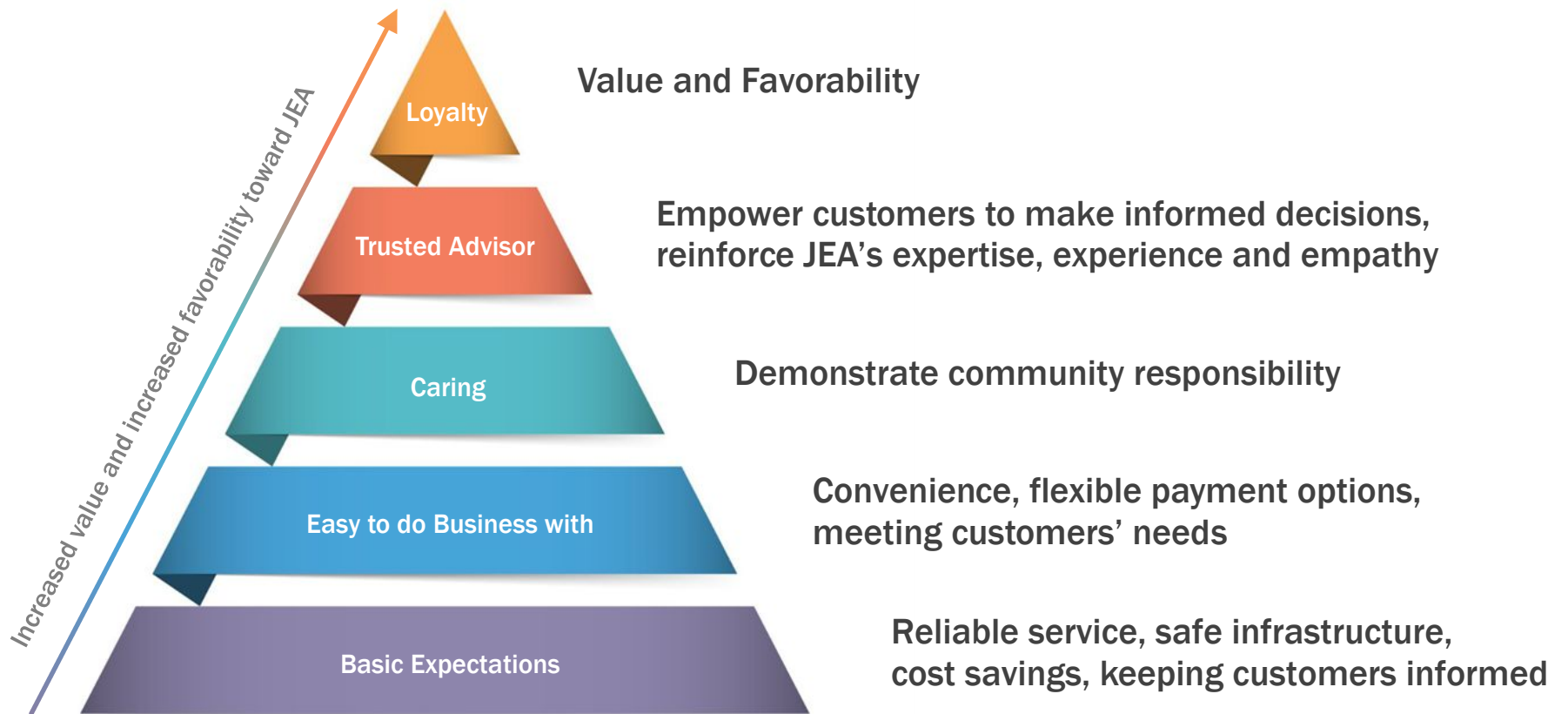


# Working to Exceed Our Customers' Expectations

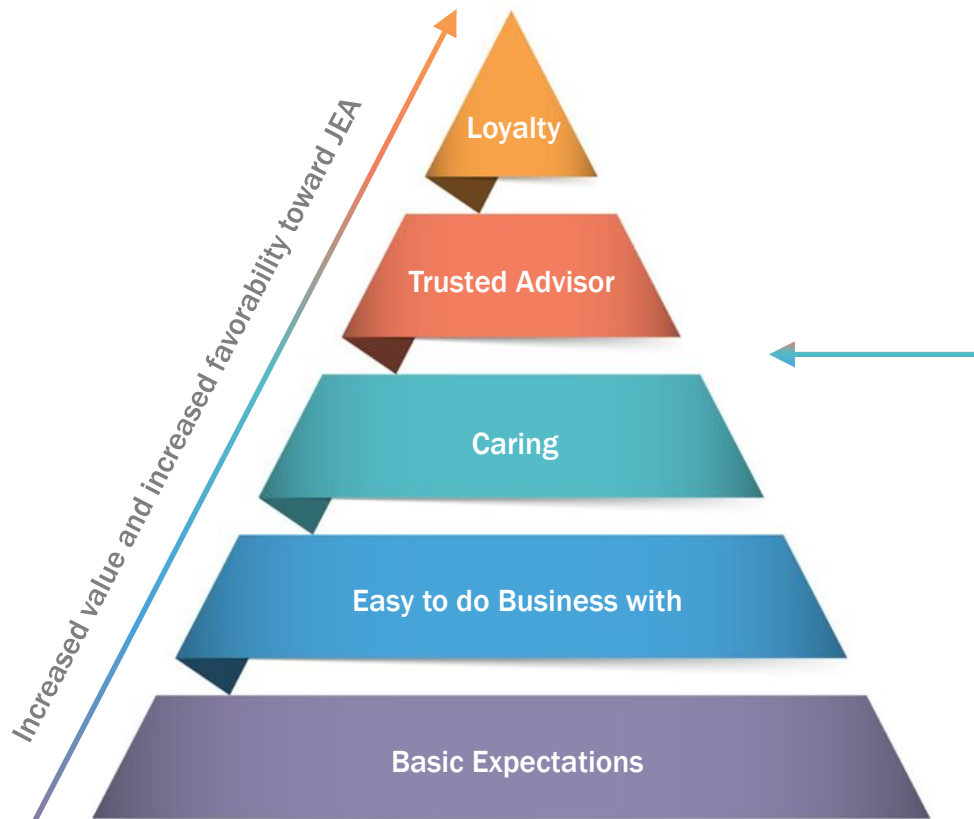
*Earning Customer Loyalty • 2021*

**JEA**<sup>®</sup>  
*November 2020*

# The Value Proposition



## Where is JEA on This Spectrum?

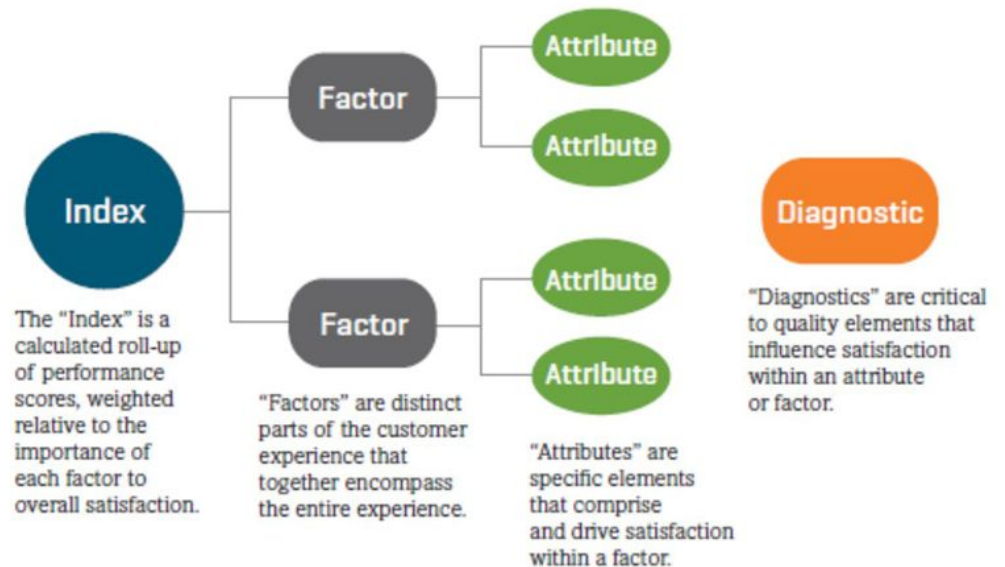


JEA has worked over the past six years on increasing value and favorability with customers. Now, JEA is also working toward moving from a level of “Caring” to becoming our customers’ “Trusted Advisor.”

## Utilizing Customer Satisfaction Tools to Drive Performance

*JEA partners with J.D. Power & Associates (JDP) to gain consumer insights, identify areas of focus and receive valuable data, which JEA leverages to achieve higher levels of customer satisfaction and improved brand reputation.*

- JD Power creates a pool of questions (*attributes*) designed to capture the entire customer satisfaction experience, based on input from subject matter experts as well as customers
- Factor Analysis is used to determine which attributes are related and to select the best subsets
- Linear regression is then applied to determine the relative importance of each factor in the overall Customer Satisfaction Index





## J.D. Power & Associates (JDP) Residential Index Drivers

The JEA Customer Analytics team analyzes survey results to identify areas with the greatest opportunities for improvement and potential root causes for underperforming areas

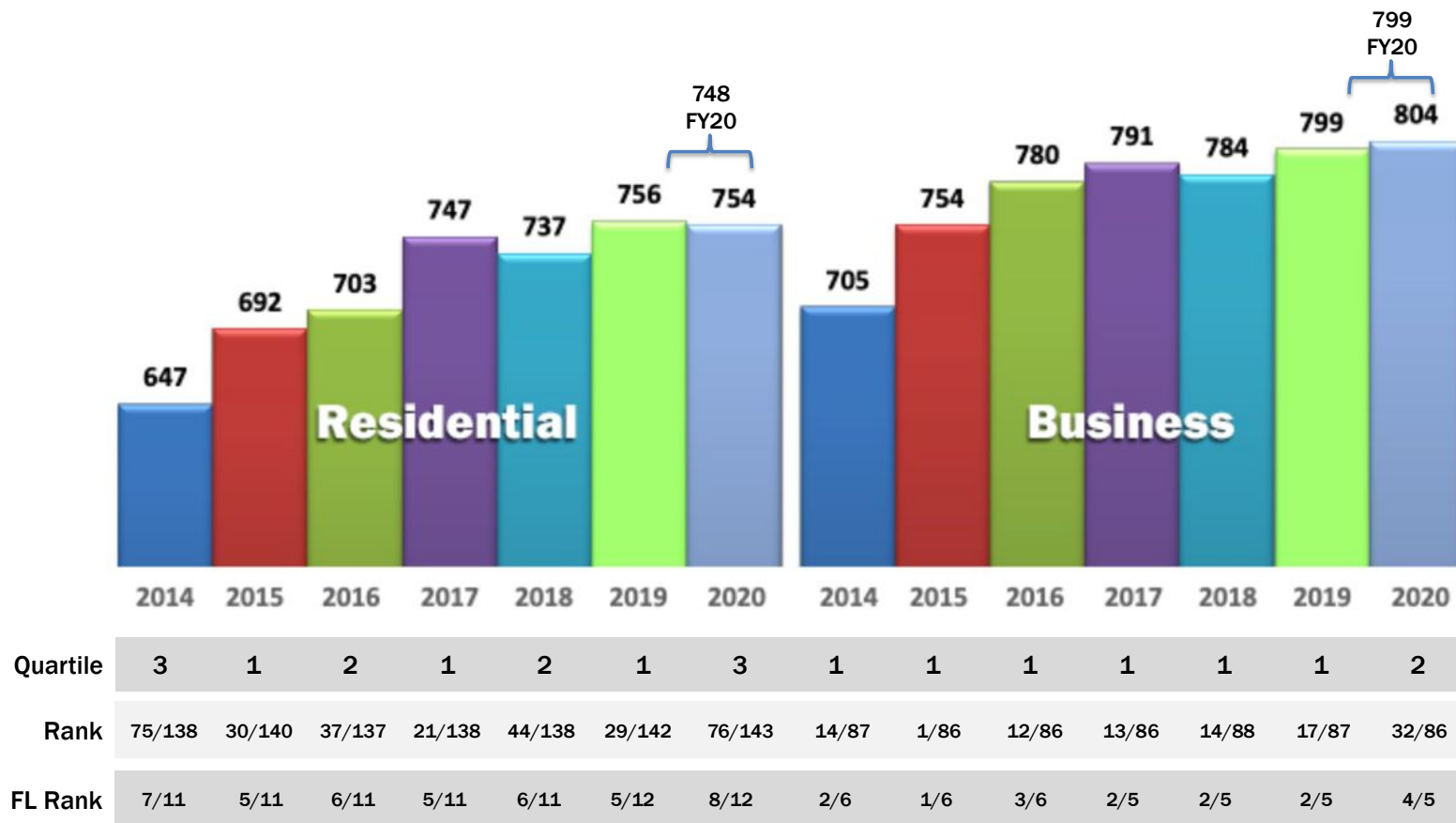
The six major categories (called *drivers*) are broken down by percentage, based on importance to utility customers

Within those six drivers are topics that questions on the JDP survey incorporate, also with weighted percentages based on the importance to utility customers

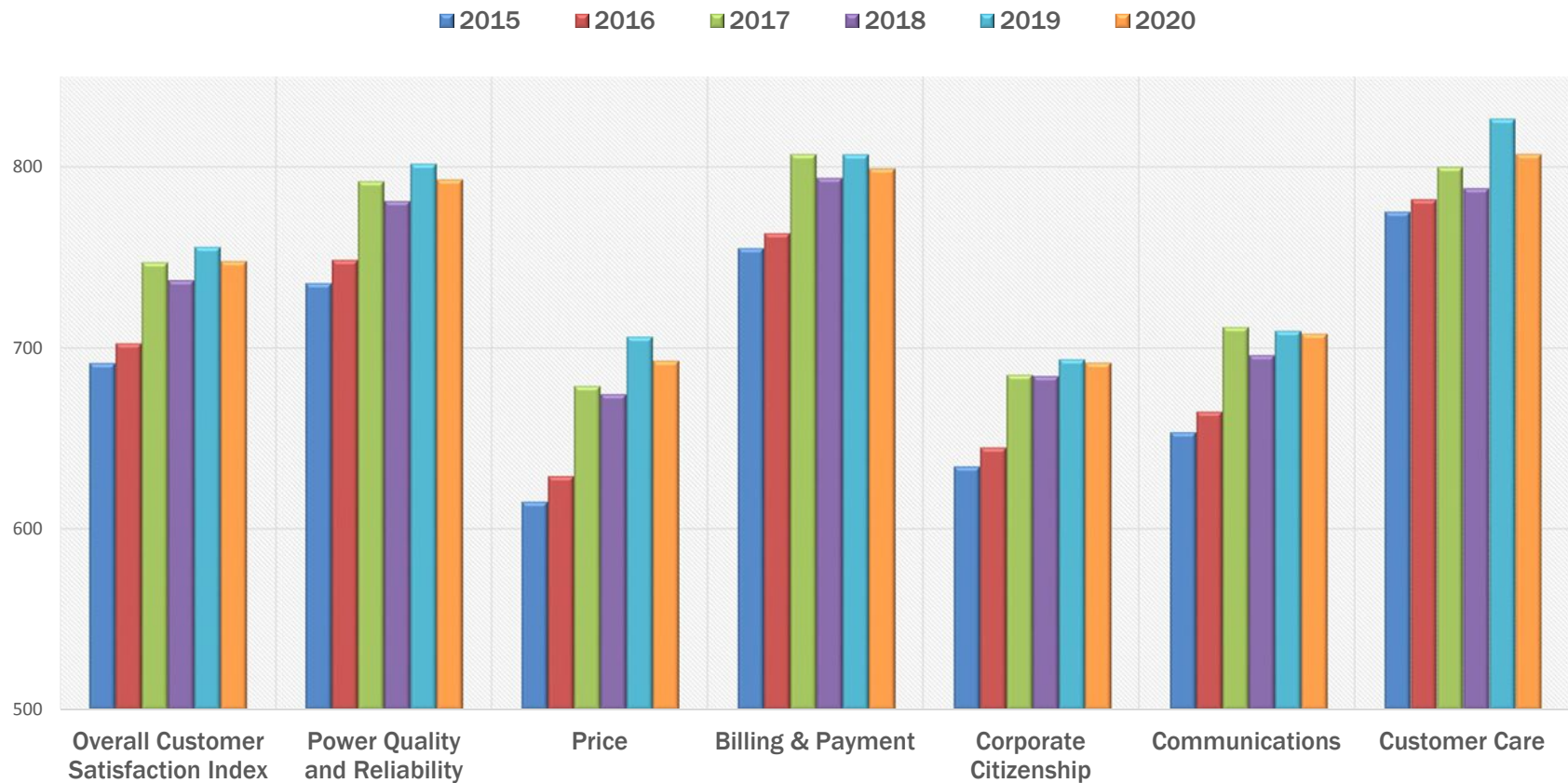




## JDP Customer Satisfaction Index Scores

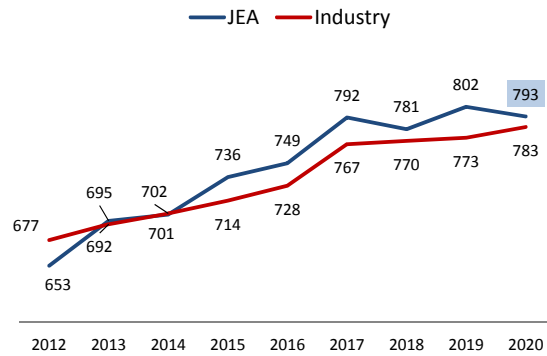


## JDP Residential Index Driver Breakdown

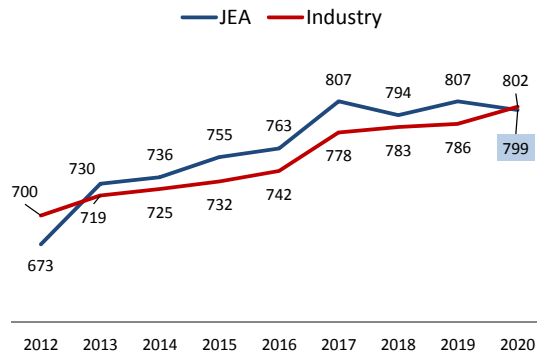


## Residential Index Driver Trends – JEA Versus the Industry

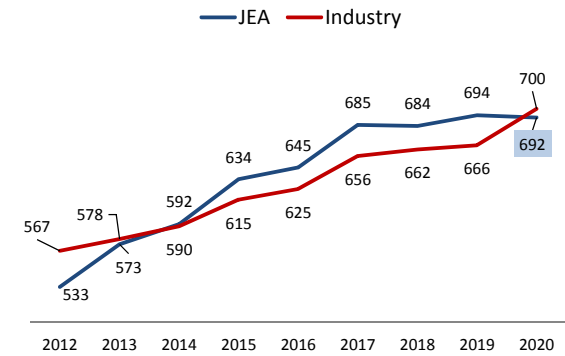
**Power Quality & Reliability**



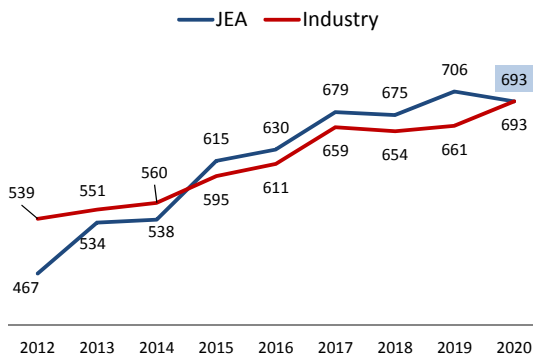
**Billing & Payment**



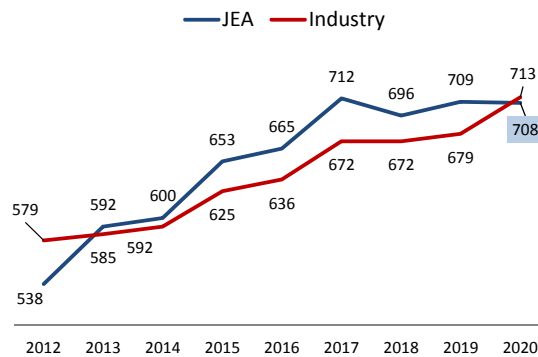
**Corporate Citizenship**



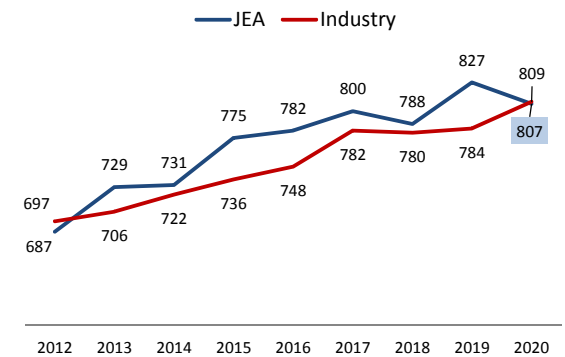
**Price**



**Communications**



**Customer Service**



## FY 2020 Residential JDP Score Comparison

Top Quartile	Mean	Rank	2nd Quartile	Mean	Rank	Third Quartile	Mean	Rank	Bottom Quartile	Mean	Rank
Sawnee EMC	821	1	PSE&G	765	36	Dominion Energy	750	71	City of Tallahassee	730	108
GreyStone Power	810	2	Santee Cooper	765	36	Madison Gas & Electric	750	71	El Paso Electric	729	109
SECO Energy	805	3	Portland General Electric	765	36	PECO	750	71	Toledo Edison	728	110
SRP	803	4	Tampa Electric	765	36	Southwestern Electric Power	750	71	We Energies	727	111
Magic Valley Electric Cooperative	803	4	Pedernales Electric	764	40	Pepco	750	71	Eversource	727	111
Clark Public Utilities	802	6	Entergy Texas	763	41	Omaha Public Power District	749	76	Lakeland Electric	725	113
Cobb EMC	799	7	Xcel Energy-Midwest	763	41	Dayton Power & Light	749	76	Duquesne Light	724	114
Florida Power & Light	798	8	Xcel Energy-South	763	41	West Penn Power	748	78	PSEG Long Island	724	114
CoServ	797	9	Withlacoochee River Electric Cooperative	763	41	JEA	748	78	National Grid	723	116
NOVEC	795	10	Wisconsin Public Service	762	45	Duke Energy Florida	747	80	NES	722	117
OUC	793	11	NV Energy	761	46	Ohio Edison	746	81	NorthWestern Energy	722	117
EPB	792	12	Duke Energy Progress	761	46	Indianapolis Power & Light	746	81	City Utilities	721	119
Georgia Power	786	13	Puget Sound Energy	761	46	Intermountain Rural Electric Assoc.	745	83	L. A. Dept. of Water & Power	721	119
Walton EMC	785	14	DTE Energy	760	49	Delmarva Power	745	83	NYSEG	719	121
Idaho Power	784	15	Lee County Electric Cooperative	760	49	Penn Power	745	83	Penelec	719	121
Entergy Mississippi	783	16	Con Edison	759	51	Indiana Michigan Power	744	86	Jersey Central Power & Light	718	123
Southern Maryland Electric Cooperative	783	16	Entergy Arkansas	759	51	Avista	744	86	APS	718	123
Jackson EMC	782	18	Louisville Gas & Electric	759	51	NIPSCO	744	86	Eversource	718	123
SLEMCO	782	18	Colorado Springs Utilities	759	51	Tucson Electric Power	744	86	Knoxville Utilities Board	716	126
SMUD	779	20	BGE	758	55	Rochester Gas & Electric	743	90	Mon Power	713	127
Rappahannock Electric Cooperative	779	20	Ameren Missouri	758	55	Imperial Irrigation District	743	90	Alliant Energy	713	127
Mississippi Power	777	22	Duke Energy Carolinas	757	57	DEMCO	743	90	Kentucky Power	710	129
EnergyUnited	776	23	AEP Ohio	756	58	Tacoma Power	742	93	Appalachian Power	709	130
Kentucky Utilities	775	24	South Central Power	756	58	The Illuminating Company	742	93	Hawaiian Electric	706	131
MidAmerican Energy	773	25	Connexus Energy	756	58	Cleco Power	741	95	Entergy New Orleans	706	131
Anaheim Public Utilities	773	25	Lincoln Electric System	755	61	Gulf Power	741	95	Central Hudson Gas & Electric	704	133
Middle Tennessee EMC	772	27	Ameren Illinois	755	61	Minnesota Power	741	95	Orange & Rockland	697	134
CPS Energy	771	28	Consumers Energy	754	63	Austin Energy	739	98	Black Hills Energy	695	135
PPL Electric Utilities	770	29	Pacific Power	754	63	PNM	737	99	Empire District Electric	693	136
Entergy Louisiana	770	29	Xcel Energy-West	753	65	Seattle City Light	737	99	Otter Tail Power Company	691	137
Clay Electric Cooperative	769	31	Snohomish County PUD	753	65	Atlantic City Electric	736	101	United Illuminating	687	138
Great Lakes Energy	768	32	Southern California Edison	753	65	Huntsville Utilities	736	101	MLGW	684	139
Public Service Co. of Oklahoma	768	32	Duke Energy-Midwest	752	68	Montana-Dakota Utilities	735	103	Vectren	682	140
Alabama Power	767	34	ComEd	752	68	Green Mountain Power	735	103	Pacific Gas and Electric	679	141
Rocky Mountain Power	767	34	OG&E	751	70	Potomac Edison	734	105	Versant Power (formerly Emera Maine)	666	142
						San Diego Gas & Electric	732	106	Central Maine Power	632	143
						Met-Ed	731	107			

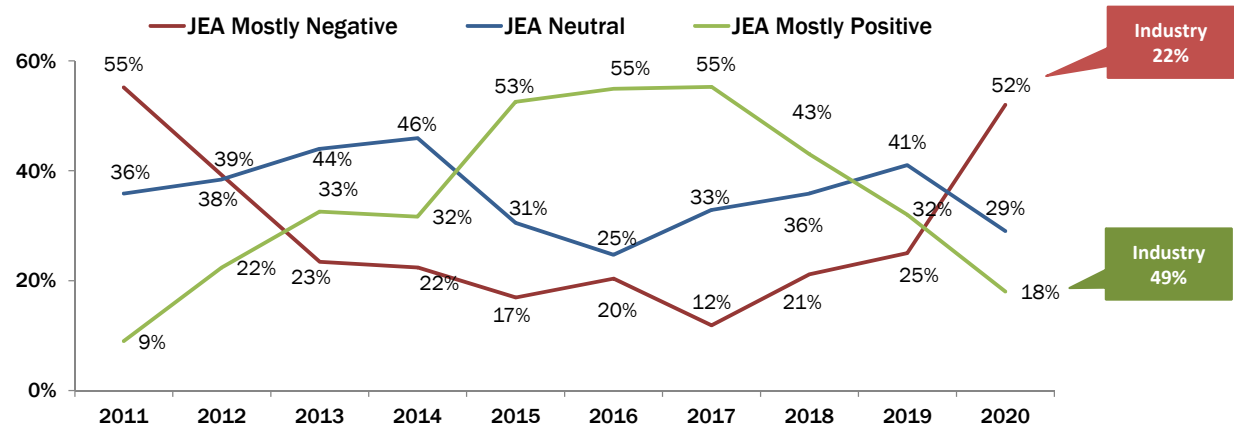
## FY 2020 Business JDP Score Comparison

Top Quartile	Mean	Rank	Second Quartile	Mean	Rank	Third Quartile	Mean	Rank	Bottom Quartile (Fourth)	Mean	Rank
SMUD	828	1	PPL Electric Utilities	804	22	WPS	788	43	APS	771	64
Florida Power & Light	825	2	AEP Ohio	804	23	Pacific Power	787	44	L.A. Dept. of Water & Power	771	65
Entergy Texas	825	3	ComEd	803	24	Entergy Louisiana	787	45	We Energies	771	66
Tampa Electric	822	4	Duke Energy Progress	801	25	OG&E	786	46	The Illuminating Company	769	67
Kentucky Utilities	821	5	Con Edison	800	26	Ameren Missouri	786	47	MLGW	768	68
Alabama Power	821	6	JEA	799	27	PECO	786	48	DP&L	767	69
Xcel Energy-South	820	7	Austin Energy	797	28	NES	784	49	Potomac Edison	765	70
Idaho Power	820	8	NV Energy	796	29	Puget Sound Energy	783	50	Met-Ed	764	71
Georgia Power	819	9	Ameren Illinois	796	30	Consumers Energy	782	51	Mon Power	763	72
Entergy Mississippi	817	10	Xcel Energy-West	795	31	Entergy Arkansas	782	52	PNM	760	73
Duke Energy Florida	817	11	Dominion Energy	795	32	PSE&G	781	53	San Diego Gas & Electric	758	74
Delmarva Power	815	12	Indianapolis Power & Light	794	33	Pepco	780	54	Indiana Michigan Power	756	75
CPS Energy	811	13	Xcel Energy-Midwest	794	34	Penelec	779	55	Appalachian Power	750	76
El Paso Electric	809	14	Atlantic City Electric	793	35	Jersey Central Power & Light	779	56	Eversource	747	77
Southwestern Electric Power	809	15	Portland General Electric	791	36	Rocky Mountain Power	778	57	NYSEG	747	78
BGE	808	16	Duke Energy-Midwest	790	37	Evergy	778	58	National Grid	744	79
Public Service Co. of Oklahoma	807	17	Louisville Gas & Electric	790	38	Gulf Power	776	59	Alliant Energy	743	80
Ohio Edison	806	18	Southern California Edison	790	39	Omaha Public Power District	776	60	NIPSCO	741	81
MidAmerican Energy	805	19	West Penn Power	789	40	Duquesne Light	776	61	Central Hudson Gas & Electric	725	82
Seattle City Light	805	20	Duke Energy Carolinas	789	41	PSEG Long Island	774	62	Pacific Gas and Electric	710	83
SRP	804	21	DTE Energy	789	42	NorthWestern Energy	772	63	Central Maine Power	650	84

## Media Recall and Tone

- Negative media recall has continually risen since 2017, peaking in 2020 due to the ITN fallout
- Utility communications can overcome negative impact of media to some degree, which is why we are in process of creating a major JDP messaging campaign
- Exposure to media AND utility *no longer* yields highest satisfaction among JEA customers

Tone of Media Recall

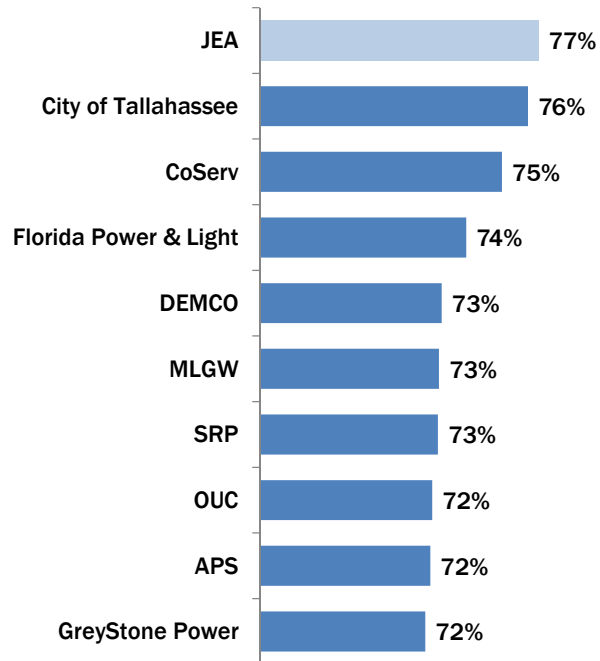


Impact of Recall on JEA Customer CSI: 2020

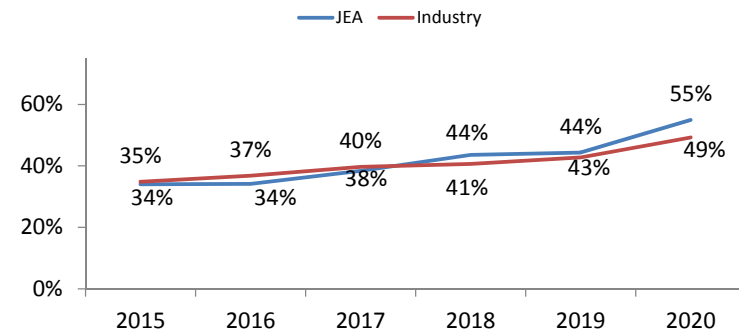
Media Recall	Utility Recall	
	Yes	No
Yes	778 (40%)	717 (23%)
No	796 (14%)	717 (23%)

## Fundamental Service Levels Remain Strong

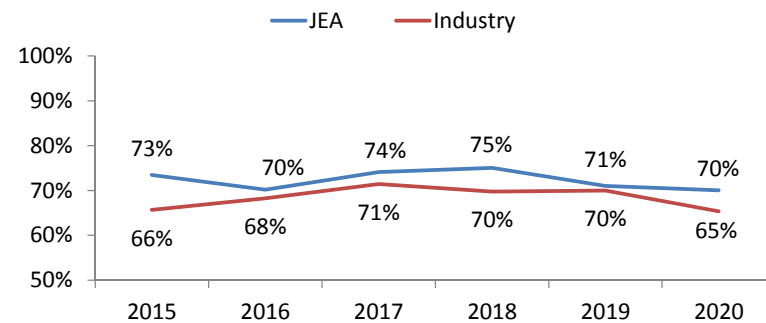
### Online Account Penetration Top Performers in Group



### % Customers Receiving E-Bills



### % Customers Using E-Payment





# Planned Strategic Initiatives

*To Improve Customer Satisfaction*





## THE CUSTOMER EXPERIENCE GROUP



**Customer Contact Centers**

- Residential Customers
- Business Customers



**Communications, Branding & Outreach**

- External & Internal Messaging
- Community Engagement



**Customer & Utility Analytics**

- Data Management
- Analysis & Reporting



**Billing, Payments & Collections**

- Business Office & Back Office
- Customer Assistance Programs



**Metering & Field Services**

- Electric Services
- Water Services



**Customer Solutions & Market Development**

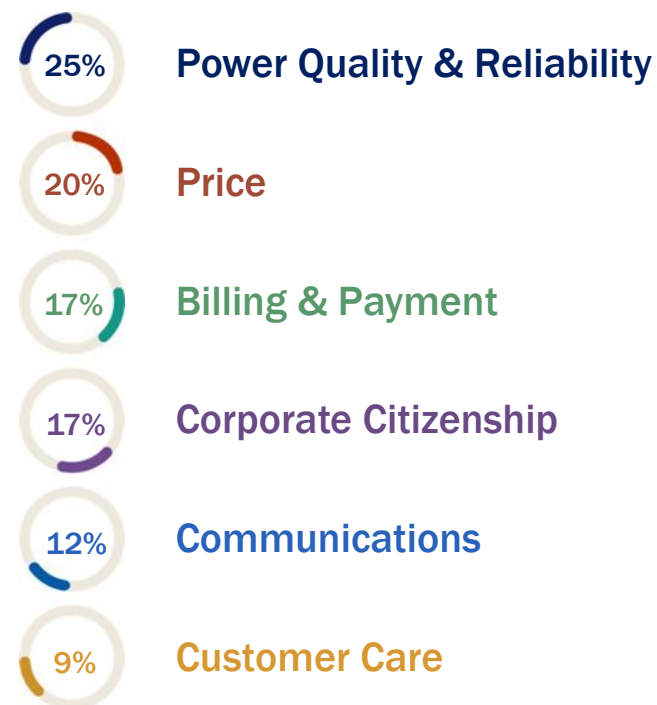
- Emerging Markets
- Products and Services

## Identifying Areas that Present the Greatest Opportunity for Improvement

- The Opportunity Index (OI) identifies areas that will provide the greatest increase in customer satisfaction
- The OI is based on the gap between JEA's average scores within the index drivers and the best scores in the Industry

**Opportunity Index = (Best in Industry – JEA) x Relative Weight**

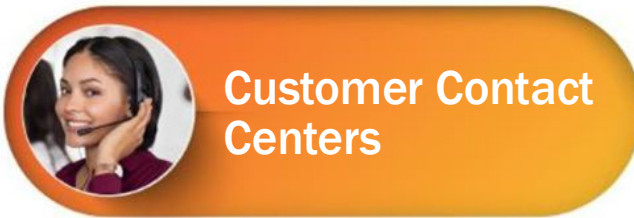
- Index drivers are highly interdependent and exert influence over each other. This means that improvements in one driver can result in improvements in other drivers
- Our customer satisfaction gap between us and the best in industry for key drivers\* is currently 62 points for Residential and 51 for Business



## CX Initiatives Identified Resulting from the Opportunity Index Analysis

Initiative Description	JD Power Index Driver Linkage		Opportunity Index Score
	Primary Impact	Correlated Impact	
Align Corporate Messaging Campaigns to JDP	Communications	Price, Corp Citizenship	-32
Community Outreach and Volunteering Communications Enhancement	Corporate Citizenship	Communications, Price	-35
Rebuild Customer Welcome Messaging	Communications	Price, Corp Citizenship	-38
Employee Engagement Improvement	Communications	Price, Corp Citizenship, PQR	-22
Expand Electrification (C&I)	Price	Corp Citizenship, Communications, PQR	0
Enhance Customer Choice linked to Cost to Serve	Billing & Payments	Price	-21
Commercial Customer Care Improvement	Communications	Price, Corp Citizenship, PQR	-20
Digital and Self-Service Utilization Increase	Price	Billing, PQR	-17
Customer Alerts Technical Performance Improvement	Power Quality & Reliability	Communications, Price, Corp Citizenship	-8
Customer Alerts Outage Restoration Estimate Accuracy Improvement	Power Quality & Reliability	Communications	-8
Customer Alerts Utility Usage Improvement	Price	Communications, Corp Citizenship	-4
News Media Relationship Improvement	Communications	Corp Citizenship, Price, PQR	-13
Development of Customer Marketplace	Price	Communications, Corp Citizenship	-12
Customer Services "Opt-out" Migration	Communications	Price, Corp Citizenship, PQR	-2

## Additional Department-Specific Initiatives



- Creating new training in a computer based interactive format to enhance learning
- Enhancing the call center skills through recruitments focusing on up-coaching staff
- Empowering agents to be trusted advisor by advising customers through all available options
- Roll out of eGain application, an omnichannel customer engagement platform that offers customer preferences for contacting JEA



- Proactively alert customers to abnormal electric and water usage. The notifications will be made in the form of text, push notification, phone call or email and based on customer preference.
- Alert customers when their bill-to-date amount reaches their predetermined threshold.
- Improve the predictability of monthly payments with budget billing enhancements and customer education

## Additional Department-Specific Initiatives



### Customer & Utility Analytics

- Using primary and secondary research, conduct statistical analyses and develop reports related to customer satisfaction
- Manage JEA's transaction survey program – conduct ad hoc surveys for Customer Experience Team
- Segmenting customers by load profiles, understanding the cost to serve our customers, and assist with developing customer solutions
- Develop and deploy machine learning models to detect anomalies in complex processes



### Communications, Branding & Outreach

- Guiding customers towards our digital platforms
- Educational messaging and advertising focused on customer satisfaction initiatives
- Greater focus on customer alerts and mobile messaging
- Employee communication/engagement initiatives
- Resuming in-person volunteer and ambassador community events

## Additional Department-Specific Initiatives



- Advance a Customer Contribution Margin Analysis, a key to developing effective marginal company growth strategies and meaningful customer offerings enterprise wide
- Introduce a new digital Customer Marketplace offering through JEA's online portal, a focused offering of energy related products, rebates, consumer tools customers can use from selection to fulfillment, enhancing valued customer engagement and further positioning JEA as a trusted advisor

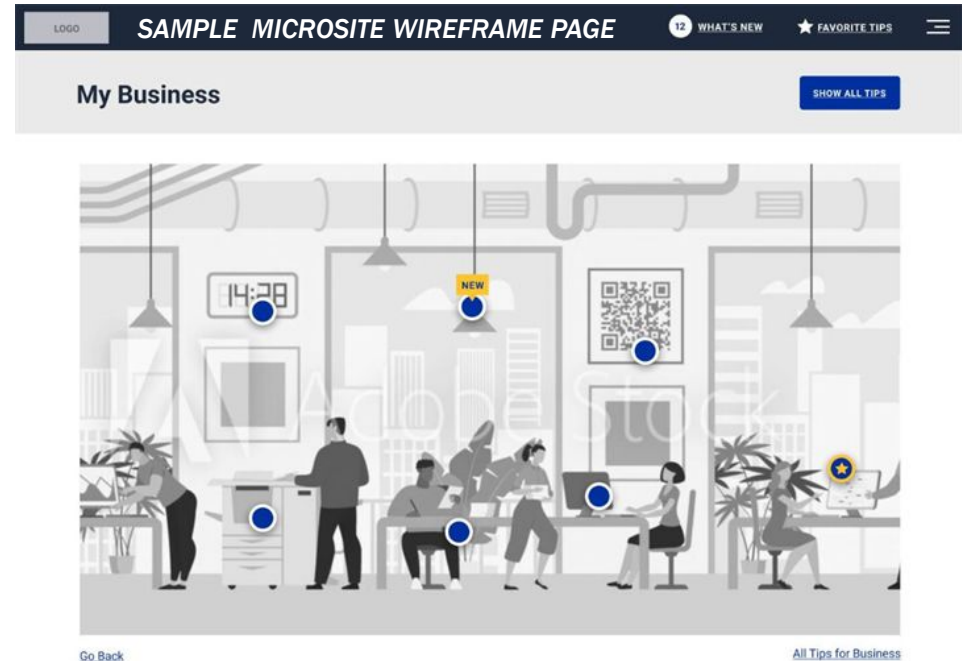


- Utilization of C2M to upload customer pics of service problems that will reduce the time it takes to restore power to a customer
- Provide meter data for grid analytics to our System Analytics team to reduce unplanned outages and grid hardening
- Cross-training amongst crews to provide an avenue of employee growth and opportunity

## JDP Communications Campaign

*JDP messaging occurs year-round, however, on January 4, 2021, we will be launching a major JDP multimedia campaign*

- Messaging will focus on each of the six JDP drivers
- Educate customers on various services, benefits and community initiatives to create better understanding and positive perception
- Campaign will include 15/30-second television and radio spots, digital outdoor boards and digital and social media advertising
- Call to action will drive both residential and business customers to a new microsite being developed as part of the campaign that will take customers through an interactive journey to learn about how to save, conserve and make the most of their JEA services







# Addendum

## *JDP Gap Analysis & Demographic Information*



November 2020





## 2020 Residential Gap Analysis TOP FIVE

RESIDENTIAL ALL	Areas	Attributes	Weight	JEA	Best in Class	Gap	Sig.	Impact	Top 5 BOTH Surveys
		Total monthly cost of electric service	5.9%	6.86	7.65	-0.79	Yes	-4.7	*
		Fairness of pricing	4.1%	6.84	7.78	-0.94	Yes	-3.8	*
		Efforts to develop energy supply plans for the future	3.9%	7.07	7.97	-0.90	Yes	-3.5	*
		Variety of energy efficiency programs offered	4.2%	7.01	7.84	-0.83	Yes	-3.5	
		Involvement in community	4.9%	6.97	7.66	-0.69	Yes	-3.4	

NB: Impact expressed in terms of CSI points on 1,000-pt. scale.

\* Top Five areas of Opportunity

# 2020 Residential Gap Analysis

PQ&R	Attributes	Weight	JEA	Best in Class	Gap	Sig.	Impact	Top 5
	Avoid brief interruptions	3.5%	7.95	8.69	-0.75	Yes	-2.6	
	Avoid lengthy outages	3.3%	8.00	8.64	-0.64	Yes	-2.1	
	Keep informed about an outage	3.9%	7.37	8.16	-0.79	Yes	-3.1	
	Provide quality electric power	4.5%	8.03	8.71	-0.68	Yes	-3.1	
	Promptly restore power after outage	4.4%	7.96	8.57	-0.61	Yes	-2.7	
	Supply electricity during extreme temperatures	5.6%	8.24	8.77	-0.53	Yes	-3.0	

NB: Impact expressed in terms of CSI points on 1,000-pt. scale.

\* Top Five areas of Opportunity

# 2020 Residential Gap Analysis

Price	Attributes	Weight	JEA	Best in Class	Gap	Sig.	Impact	Top 5
	Availability of pricing options that meet needs	3.0%	6.98	7.74	-0.77	Yes	-2.3	
	Ease of understanding pricing	3.4%	7.42	8.06	-0.64	Yes	-2.2	
	Efforts of utility to help manage monthly usage	3.3%	7.07	7.69	-0.62	Yes	-2.1	
	Fairness of pricing	4.1%	6.84	7.78	-0.94	Yes	-3.8	*
	Total monthly cost of electric service	5.9%	6.86	7.65	-0.79	Yes	-4.7	*

NB: Impact expressed in terms of CSI points on 1,000-pt. scale.

\* Top Five areas of Opportunity

# 2020 Residential Gap Analysis

Billing & Payment	Attributes	Weight	JEA	Best in Class	Gap	Sig.	Impact	Top 5
	Reasonableness of billing cycle	4.0%	7.91	8.57	-0.66	Yes	-2.6	
	Clarity of information on bill	4.5%	7.96	8.55	-0.60	Yes	-2.7	
	Ease of paying bill	4.3%	8.25	8.75	-0.50	Yes	-2.1	
	Variety of methods to pay	3.9%	8.04	8.50	-0.45	Yes	-1.8	

NB: Impact expressed in terms of CSI points on 1,000-pt. scale.

\* Top Five areas of Opportunity

# 2020 Residential Gap Analysis

Corporate Cit.	Attributes	Weight	JEA	Best in Class	Gap	Sig.	Impact	Top 5
	Actions to take care of the environment	3.9%	7.01	7.73	-0.72	Yes	-2.8	
	Efforts to develop energy supply plans for the future	3.9%	7.07	7.97	-0.90	Yes	-3.5	*
	Involvement in community	4.9%	6.97	7.66	-0.69	Yes	-3.4	*
	Variety of energy efficiency programs offered	4.2%	7.01	7.84	-0.83	Yes	-3.5	*

NB: Impact expressed in terms of CSI points on 1,000-pt. scale.

\* Top Five areas of Opportunity

# 2020 Residential Gap Analysis

Communicatio							
	Attributes	Weight	JEA	Best in Class	Gap	Sig.	Impact
	Communicating how to be safe around electricity	3.0%	7.33	7.80	-0.46	Yes	-1.4
	Creating messages that get attention	2.7%	6.91	7.58	-0.67	Yes	-1.8
	Efforts to communicate changes	3.3%	7.20	7.85	-0.65	Yes	-2.1
	Variety of communications used	2.9%	7.28	7.75	-0.47	Yes	-1.4

NB: Impact expressed in terms of CSI points on 1,000-pt. scale.

\* Top Five areas of Opportunity



## 2020 Business Gap Analysis TOP FIVE

BUSINESS: All	Areas	Attributes	Weight	JEA	Best in Class	Gap	Sig.	Impact	Top 5 BOTH Surveys
		Total monthly cost of electric service	4.70%	7.16	8.25	-1.09	Yes	-5	*
		Fairness of pricing	4.19%	7.14	8.20	-1.06	Yes	-4	*
		Efforts to develop energy supply plans for the future	3.16%	7.50	8.44	-0.94	Yes	-3	*
		Efforts to get feedback from business customers	3.36%	7.47	8.34	-0.87	Yes	-3	
		Availability of pricing options that meets needs	3.41%	7.48	8.30	-0.83	Yes	-3	

NB: Impact expressed in terms of CSI points on 1,000-pt. scale.

\* Top Five areas of Opportunity



## 2020 Business Gap Analysis

PQ&R

Attributes	Weight	JEA	Best in Class	Gap	Sig.	Impact	Top 5
Supply electricity during extreme temperatures	4.77%	8.62	8.98	-0.36	No	-2	
Provide quality electric power	4.03%	8.54	8.71	-0.17	No	-1	
Provide accurate information about an outage	4.31%	8.33	8.69	-0.36	No	-2	
Promptly restore power after an outage	3.57%	8.46	8.88	-0.42	No	-2	
Avoid brief interruptions	3.71%	8.31	8.62	-0.30	No	-1	
Avoid lengthy outages	3.61%	8.07	8.60	-0.53	No	-2	

NB: Impact expressed in terms of CSI points on 1,000-pt. scale.

\* Top Five areas of Opportunity





## 2020 Business Gap Analysis

Price	Attributes	Weight	JEA	Best in Class	Gap	Sig.	Impact	Top 5
	Total monthly cost of electric service	4.70%	7.16	8.25	-1.09	Yes	-5	*
	Fairness of pricing	4.19%	7.14	8.20	-1.06	Yes	-4	*
	Efforts of utility to help manage monthly usage	3.35%	7.66	8.19	-0.53	No	-2	
	Ease of understanding pricing	3.36%	7.87	8.41	-0.54	Yes	-2	
	Availability of pricing options that meets needs	3.41%	7.48	8.30	-0.83	Yes	-3	*

NB: Impact expressed in terms of CSI points on 1,000-pt. scale.

\* Top Five areas of Opportunity



## 2020 Business Gap Analysis

Billing & Payment	Attributes	Weight	JEA	Best in Class	Gap	Sig.	Impact	Top 5
	Ease of paying bill	3.55%	8.64	9.14	-0.49	Yes	-2	
	Variety of methods to pay bill	3.27%	8.39	8.76	-0.36	No	-1	
	Reasonableness of billing cycle	3.78%	8.38	8.99	-0.62	Yes	-2	
	Clarity of information on bill	4.40%	8.38	8.81	-0.43	No	-2	

NB: Impact expressed in terms of CSI points on 1,000-pt. scale.

\* Top Five areas of Opportunity



## 2020 Business Gap Analysis

Corporate Cit.	Attributes	Weight	JEA	Best in Class	Gap	Sig.	Impact	Top 5
	Involvement in community	3.10%	7.79	8.33	-0.53	No	-2	
	Actions to take care of the environment	3.02%	7.69	8.27	-0.59	Yes	-2	
	Variety of energy efficiency programs offered	2.93%	7.73	8.31	-0.59	Yes	-2	
	Efforts to develop energy supply plans for the future	3.16%	7.50	8.44	-0.94	Yes	-3	*
	Business leadership in local communities	2.78%	7.65	8.17	-0.51	No	-1	

NB: Impact expressed in terms of CSI points on 1,000-pt. scale.

\* Top Five areas of Opportunity



## 2020 Business Gap Analysis

Communication	Attributes		Weight	JEA	Best in Class	Gap	Sig.	Impact	Top 5
	ns	Efforts to get feedback from business customers	3.36%	7.47	8.34	-0.87	Yes	-3	*
		Variety of communications used	3.42%	8.00	8.40	-0.40	No	-1	
		Communication of topics or issues that are important to business	3.09%	7.67	8.31	-0.63	Yes	-2	
		Frequency of updates and notices of new developments	3.13%	7.80	8.41	-0.60	Yes	-2	

NB: Impact expressed in terms of CSI points on 1,000-pt. scale.

\* Top Five areas of Opportunity



## 2020 Residential Gap Analysis TOP FIVE – Correlation Matrix

		Fairness of pricing	Total monthly cost of electric service	Variety of energy efficiency programs offered	Involvement in community	Efforts to develop energy supply plans for the future
Price	Availability of pricing options that meet needs	.854**	.841**	.710**	.677**	.698**
	Ease of understanding pricing	.807**	.786**	.676**	.644**	.673**
	Fairness of pricing		.895**	.692**	.672**	.693**
	Efforts of utility to help manage monthly usage	.825**	.813**	.728**	.691**	.716**
	Total monthly cost of electric service	.895**		.677**	.657**	.673**
PQR	Provide quality electric power	.612**	.597**	.630**	.587**	.633**
	Avoid brief interruptions	.586**	.573**	.606**	.568**	.610**
	Avoid lengthy outages	.585**	.571**	.602**	.569**	.608**
	Promptly restore power after outage	.620**	.605**	.641**	.601**	.648**
	Keep informed about an outage	.616**	.600**	.646**	.626**	.647**
B&P	Supply electricity during extreme temperatures	.570**	.554**	.593**	.545**	.600**
	Clarity of information on bill	.650**	.638**	.650**	.599**	.645**
	Reasonableness of billing cycle	.626**	.615**	.631**	.577**	.626**
	Variety of methods to pay	.596**	.583**	.625**	.576**	.617**
Corp Cit	Ease of paying bill	.573**	.567**	.597**	.542**	.592**
	Actions to take care of the environment	.686**	.668**	.844**	.842**	.875**
	Variety of energy efficiency programs offered	.692**	.677**		.814**	.858**
	Involvement in community	.672**	.657**	.814**		.826**
Comms	Efforts to develop energy supply plans for the future	.693**	.673**	.858**	.826**	
	Creating messages that get attention	.659**	.643**	.713**	.705**	.708**
	Communicating how to be safe around electricity	.630**	.616**	.704**	.679**	.704**
	Efforts to communicate changes	.674**	.661**	.725**	.694**	.714**
	Variety of communications used	.653**	.637**	.714**	.693**	.706**



## 2020 Business Gap Analysis TOP FIVE – Correlation Matrix

		Availability of pricing options that meets needs	Fairness of pricing	Total monthly cost of electric service	Efforts to develop energy supply plans for the future	Efforts to get feedback from business customers
B&P	Clarity of information on bill	.681	.678	.675	.681	.666
	Reasonableness of billing cycle	.667	.656	.654	.671	.646
	Variety of methods to pay bill	.657	.636	.640	.657	.643
	Ease of paying bill	.624	.613	.612	.635	.605
Price	Availability of pricing options that meets needs		.848	.836	.706	.741
	Ease of understanding pricing	.801	.790	.785	.686	.697
	Fairness of pricing	.848		.879	.708	.726
	Efforts of utility to help manage monthly usage	.840	.831	.823	.728	.755
	Total monthly cost of electric service	.836	.879		.710	.725
PQR	Provide quality electric power	.619	.615	.611	.646	.612
	Avoid brief interruptions	.587	.587	.584	.614	.587
	Avoid lengthy outages	.586	.594	.588	.612	.600
	Promptly restore power after an outage	.639	.633	.634	.662	.649
	Provide accurate information about an outage	.651	.643	.640	.668	.680
	Supply electricity during extreme temperatures	.582	.573	.564	.619	.578
Corp Cit	Actions to take care of the environment	.711	.716	.711	.832	.725
	Variety of energy efficiency programs offered	.729	.719	.720	.828	.724
	Involvement in community	.708	.710	.704	.792	.727
	Efforts to develop energy supply plans for the future	.706	.708	.710		.727
	Business leadership in local communities	.722	.729	.720	.816	.748
Com	Frequency of updates and notices of new developments	.738	.719	.717	.726	.855
	Variety of communications used	.720	.703	.704	.726	.844
	Communication of topics or issues that are important to business	.737	.723	.718	.731	.860
	Efforts to get feedback from business customers	.741	.726	.725	.727	



## Education and Income Comparisons JEA Territory, Florida, and USA

Education of Householder	JEA Territory	Florida	USA
Less than high school graduate	9%	10%	11%
High school graduate (including equivalency)	24%	26%	25%
Some college or associate's degree	33%	32%	31%
Bachelor's degree or higher	34%	32%	34%

Note: JEA Territory, Florida, and USA are based on 2018 Census Estimates.

Income of Household	JEA Territory	Florida	USA
Under \$25,000	21%	23%	21%
\$25,000 to \$34,999	10%	11%	10%
\$35,000 to \$49,999	15%	15%	13%
\$50,000 to \$74,999	20%	18%	18%
\$75,000 to \$99,999	13%	12%	12%
\$100,000 to \$149,999	13%	12%	14%
\$150,000 to \$199,999	4%	4%	4%
\$200,000 or more	4%	5%	5%

Note: JEA Territory, Florida, and USA are based on 2018 Census Estimates.



## Race and Age Comparisons JEA Territory, Florida, and USA

<b>Race and Ethnicity</b>	<b>JEA Territory</b>	<b>Florida</b>	<b>USA</b>
<b>White alone, not Hispanic or Latino</b>	<b>64%</b>	<b>76%</b>	<b>73%</b>
<b>Black or African American alone</b>	<b>27%</b>	<b>16%</b>	<b>13%</b>
<b>American Indian and Alaska Native alone</b>	<b>1%</b>	<b>3%</b>	<b>1%</b>
<b>Asian alone</b>	<b>4%</b>	<b>3%</b>	<b>3%</b>
<b>Native Hawaiian and Other Pacific Islander alone</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Two or More Races</b>	<b>4%</b>	<b>2%</b>	<b>3%</b>
<b>Hispanic or Latino</b>	<b>8%</b>	<b>24%</b>	<b>17%</b>
<b>Total</b>	<b>108%</b>	<b>124%</b>	<b>117%</b>

Note: Based on 2018 Total Population Census Estimates and some double counting for Hispanic ethnicity that are non-White race.

<b>Age of Householder</b>	<b>JEA Territory</b>	<b>Florida</b>	<b>USA</b>
<b>Householder 15 to 24 years</b>	<b>4%</b>	<b>2%</b>	<b>4%</b>
<b>Householder 25 to 34 years</b>	<b>17%</b>	<b>13%</b>	<b>15%</b>
<b>Householder 35 to 44 years</b>	<b>17%</b>	<b>19%</b>	<b>17%</b>
<b>Householder 45 to 54 years</b>	<b>19%</b>	<b>22%</b>	<b>19%</b>
<b>Householder 55 to 64 years</b>	<b>20%</b>	<b>19%</b>	<b>20%</b>
<b>Householder 65 years and over</b>	<b>23%</b>	<b>25%</b>	<b>25%</b>

Note: JEA Territory, Florida, and USA are based on 2018 Census Estimates.





**INTER-OFFICE MEMORANDUM**

November 5, 2020

**SUBJECT: FIVE-YEAR FINANCIAL ASSUMPTIONS AND PLAN**

**FROM:** Paul McElroy, Interim Managing Director/CEO

**TO:** JEA Board of Directors

**BACKGROUND:**

Each year, JEA presents the Five-Year Financial Assumptions and Plan to the Board of Directors to establish revenue and expense expectations and the resulting metrics used to evaluate financial health. Members of the Board and Executive Management then meet with Rating Agencies to review newly released audited financial statements, and JEA's operating and financial future.

**DISCUSSION:**

JEA's Five-Year Financial Assumptions and Plan are centered on the following:

- Stable electric unit sales and growth in the water/wastewater system
- Lower fuel costs associated with adding Vogtle and planned 250 MWs of solar in the generating fleet, additional operating efficiencies with the 200 MW Purchase Power Agreement in conjunction with Plant Scherer Unit 4 closure, as well as favorable commodity markets
- Additional net revenue requirements in FY2023 – FY2025
- Early debt retirement in the Electric System centered on reducing variable rate debt scheduled to mature in the last half of this decade
- New debt in the Water/Wastewater system to support a robust capital program
- Stable with slight variances in O&M, Debt Service and City Contribution expenditures
- Stable financial metrics to support JEA's current Credit Ratings.

The Five-Year Financial Assumptions and Plan with moderate additional revenue requirements illustrates a strong financial outlook with favorable debt service coverage metrics, debt to asset ratios that achieve peer median, and liquidity metrics that surpass targets and support strong credit ratings. The plan upholds the objectives to maintain long-term Competitive Rates, Operational Excellence, and Environmental Stewardship, while improving overall Customer Experience.

**FINANCIAL IMPACT:**

The Five-Year Financial Assumptions and Plan is an essential component of the Rating Agency presentations that influences the bond ratings, efficient access to capital markets, and customer rates.

**RECOMMENDATION:**

The Board receive the presentation for consideration and provide Staff feedback and direction regarding the Five-Year Financial Assumptions and Plan.

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Paul McElroy, Interim Managing Director/CEO

PEM/BJR/JEC



Building Community<sub>sm</sub>

## Five-Year Financial Assumptions and Plan

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JEA Board Meeting  
November 17, 2020

1. Assumptions / Results
2. Unit Sales Growth
3. Residential Rates
4. Capital Expenditures and Internal Funding
5. Total Debt and Variable Debt
6. Key Financial Metrics
7. Financial Schedules
8. Summary



# Five-Year Financial Assumptions and Plan FY2021 - FY2025

## Assumptions

1. Unit Sales Growth
2. Rates
3. Capital Expenditures
4. Total Debt
5. Variable Debt
6. O&M, Debt Service, and City Contribution
7. Coverage, Liquidity and Debt

## Results

Stable electric sales, 1.5% water sales growth  
 Additional revenue requirements in FY23-FY25  
 \$2.5B five-year capital program  
 \$425M new debt to support capital program  
 \$341M unhedged at 0.15% + 55 basis points  
 Stable with slight variances  
 Financial Metrics within target range

### **Principles of Public Utility Rates**

1. **Effectiveness & Revenue Stability:** Rates should be designed to yield revenues sufficient to recover utility costs
2. **Fairness & Avoidance:** Rates should be designed so that cost are fairly allocated amongst different customer classes and cross-subsidies are avoided
3. **Efficiency:** Rates should provide efficient price signals and discourage inefficient usage
4. **Rate Attributes:** Rates should be relatively stable, predictable, simple, and easy to understand

*\*Source: Principles of Public Utility Rates by Professor James BonBright*



# Unit Sales Growth

## FY2021 – FY2025 Financial Assumptions and Plan

### Electric System

- Trends: 3.6%, 2.0%, (0.7%)
- FY21-25: 0% annual growth

#### Unit Sales Drivers:

Years	FY18	FY19	FY20
Growth	2.6%	0.0%	(1.5%)
Deg Days	4,256	4,294	4,015
30-yr Avg			4,014

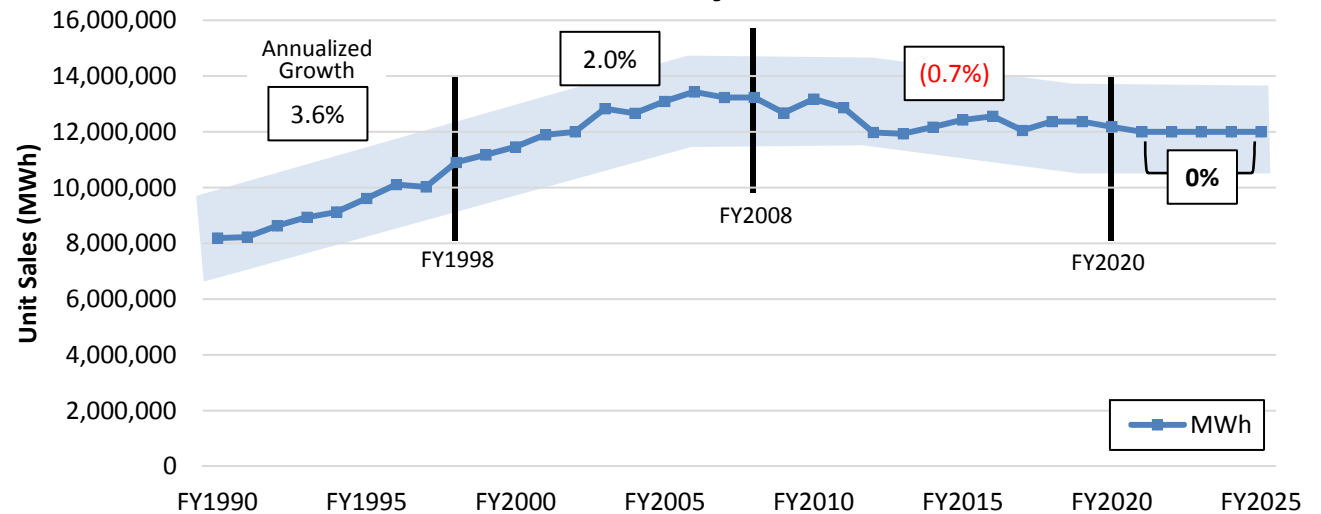
### Water/Sewer System

- Trends: 3.4%, 4.4%, (0.3%)
- FY21-25: 1.5% annual growth

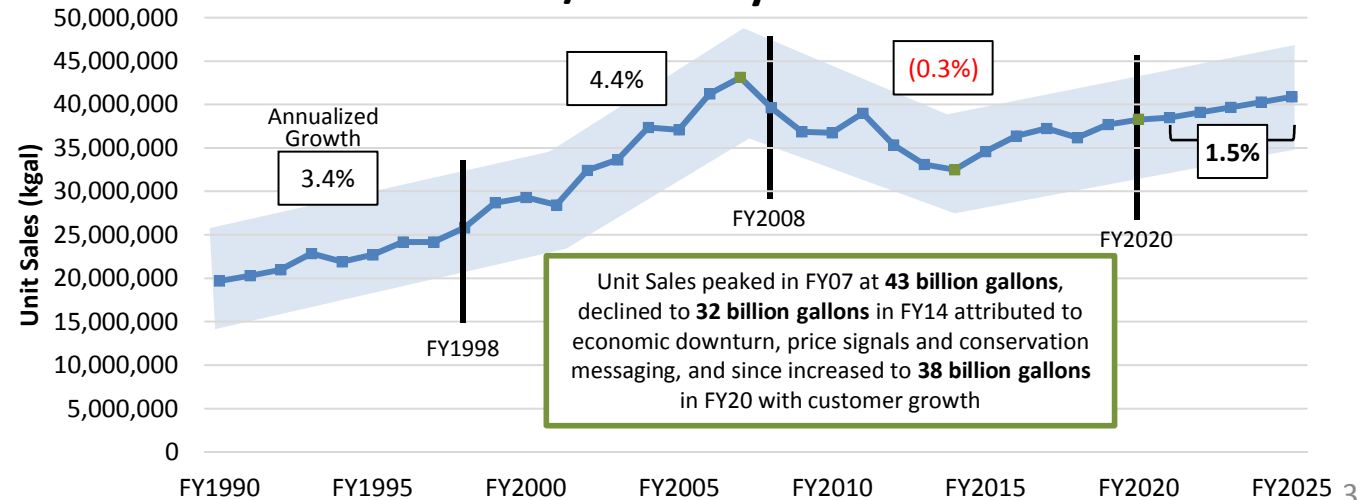
#### Unit Sales Drivers:

Years	FY18	FY19	FY20
Growth	(2.8%)	4.2%	1.5%
Rainfall Days	120	123	122
30-yr Avg			114

### Electric System



### Water/Sewer System



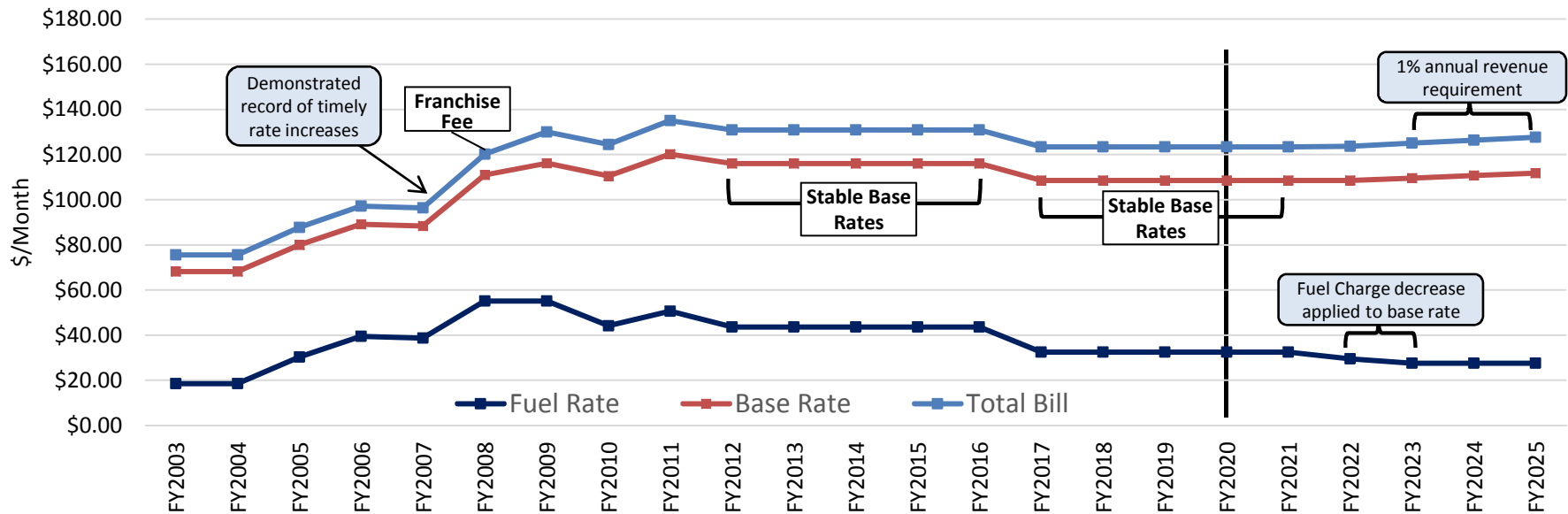


# Residential Customer Rates

## FY2021 – FY2025 Financial Assumptions and Plan

### Electric Residential Rates

@1,000 kWh



### Electric System

- Total JEA rate has been stable or lower since Oct 1, 2010
- FY22 - FY23 offsetting Fuel/Base adjustments supported by projected fuel expenses lower than the current \$32.50/MWh rate due to lower commodity costs and incorporating nuclear and planned 250 MW solar Power Purchase Agreements (PPA)
- Annual revenue requirement of approximately 1% in FY23 – FY25

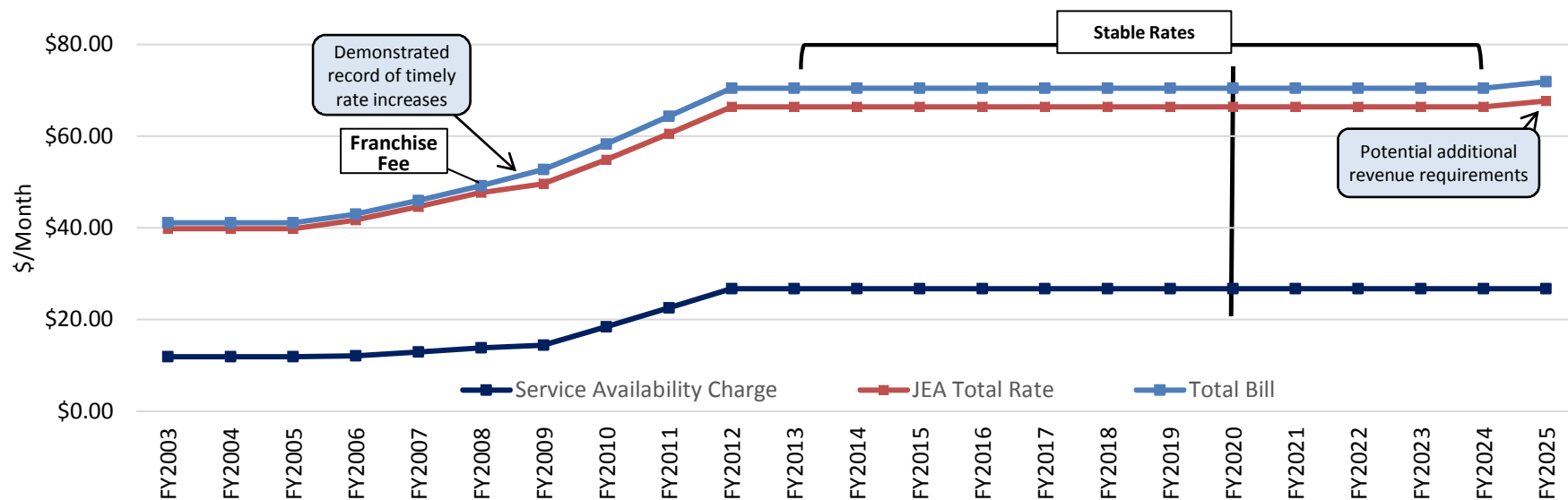


# Residential Customer Rates

## FY2021 – FY2025 Financial Assumptions and Plan

### Water/Sewer Residential Rates

@6,000 gallons, 5/8" Meter



### Water/Sewer System

- Total JEA Rates have been stable since Oct 1, 2012
- Revenue Requirements can be met by higher growth of customers or consumption, lower expenditures or customer rate increases
- Revenue Requirements are subject to measurable increases if capital program continues in FY21 - FY23 at elevated projected levels, zero discharge wastewater effluent regulations are enacted, alternative water supply costs are accelerated, or other large environmental programs are undertaken along with ongoing renewal and replacement required in the \$2.7 Billion capital asset system.



# Capital Expenditures and Internal Funding

## FY2021 – FY2025 Financial Assumptions and Plan

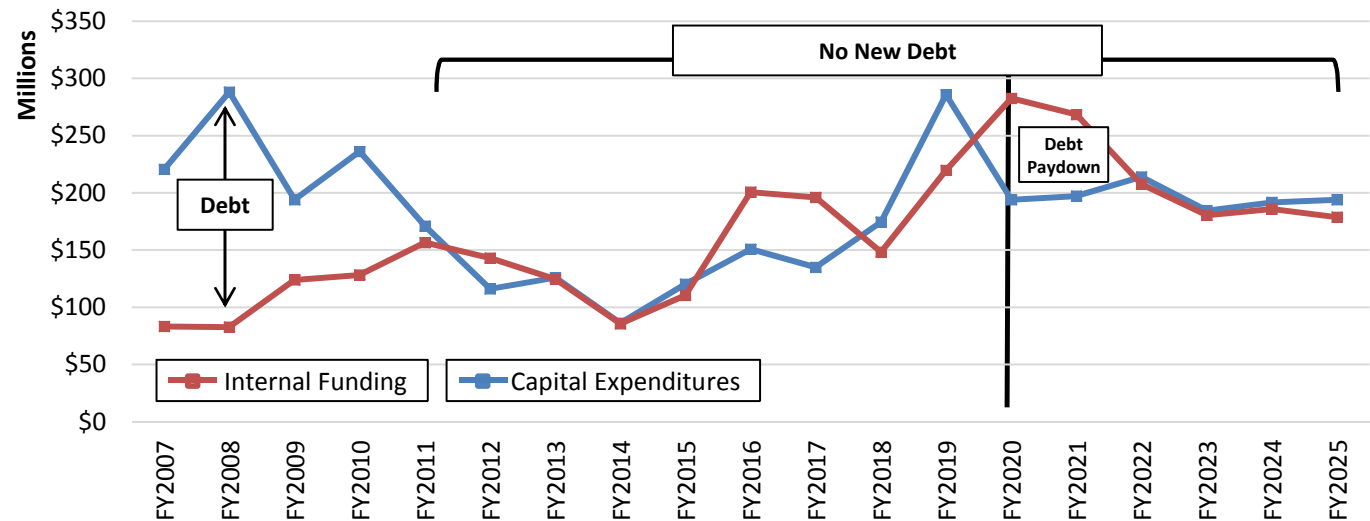
### Pricing Policy

- Recurring capital projects funded from current year revenues with debt funding qualified projects centered on expansion of plant, transmission, substation, regional pump stations, and environmental projects

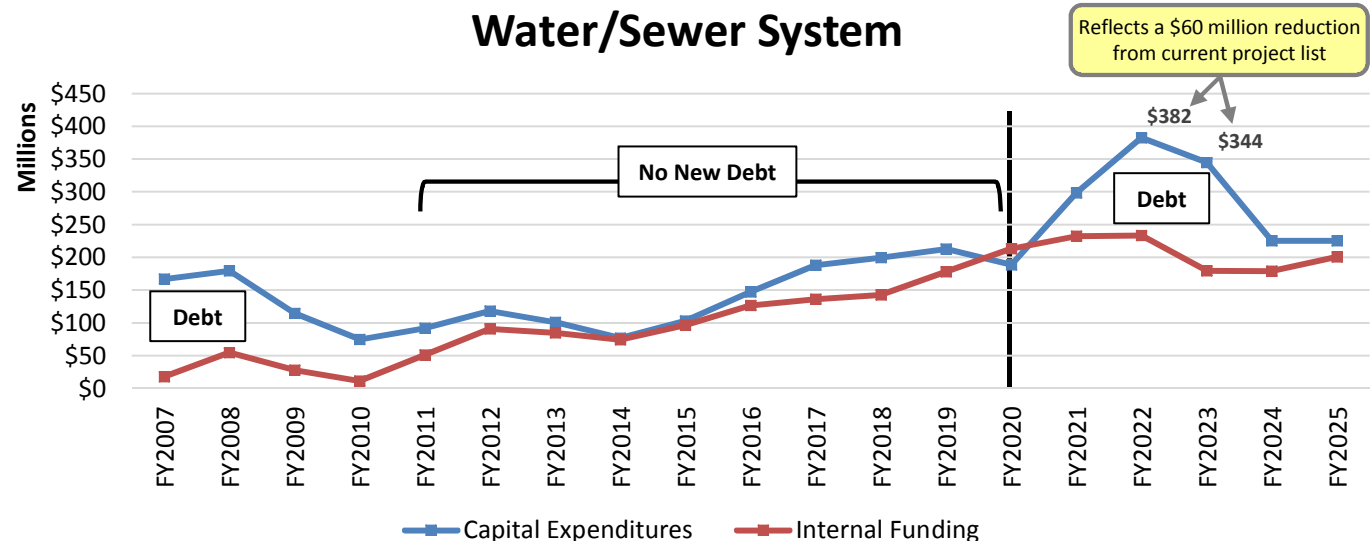
### FY2021 – FY2025

- Electric System**  
\$1 billion: Renewal & Replacement (R&R) with \$100 million of transmission and substation expansion
- Water/Sewer System**  
\$1.5 billion: \$375 million of wastewater treatment expansion, \$250 million of water/sewer transmission expansion, \$50 million of water supply

### Electric System



### Water/Sewer System





# Total Debt and Variable Debt

## FY2021 – FY2025 Financial Assumptions and Plan

### Electric System

- No new debt through FY25
- \$340M early debt pay down FY21-FY25
- Variable Debt at \$587M
- Total Debt reduced to \$1.3B
- Debt/Asset: FY 2025 projected @ 41%, under 50% JEA target and 46% peer average

### Water/Wastewater

- \$425M new debt by FY25
- Variable debt at \$264M
- Total Debt increases to \$1.5B with \$1.5B five-year CAPEX
- Debt/Asset in low 40%

#### Variable Interest Rates

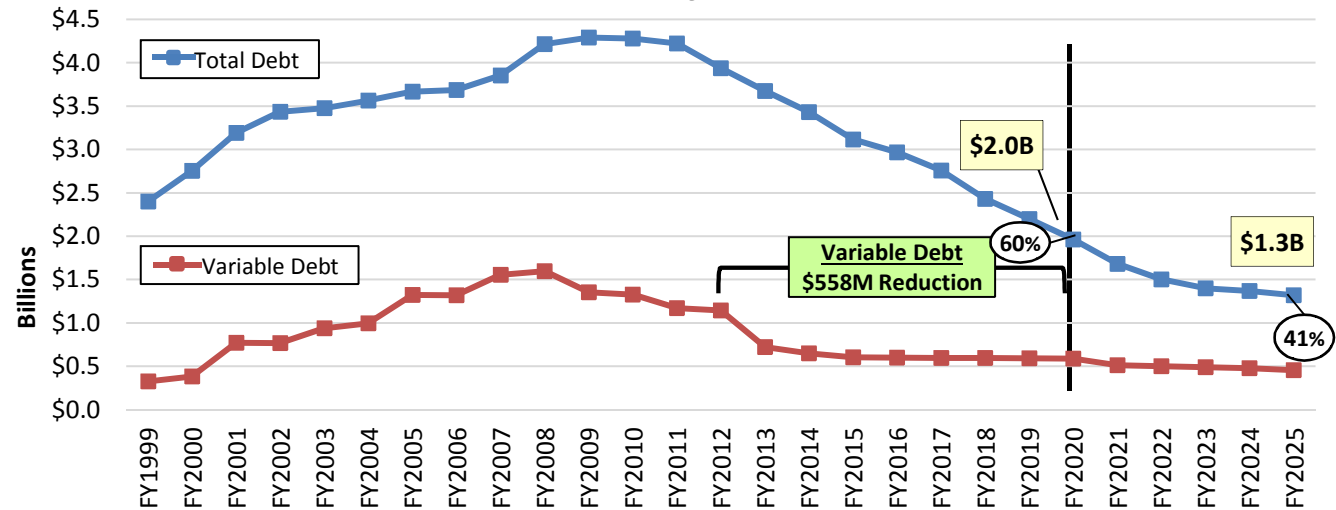
All-in interest cost  
utilized in Financial Model

FY20	FY21	FY22	FY23
1.5%	2.0%	3.0%	3.0%

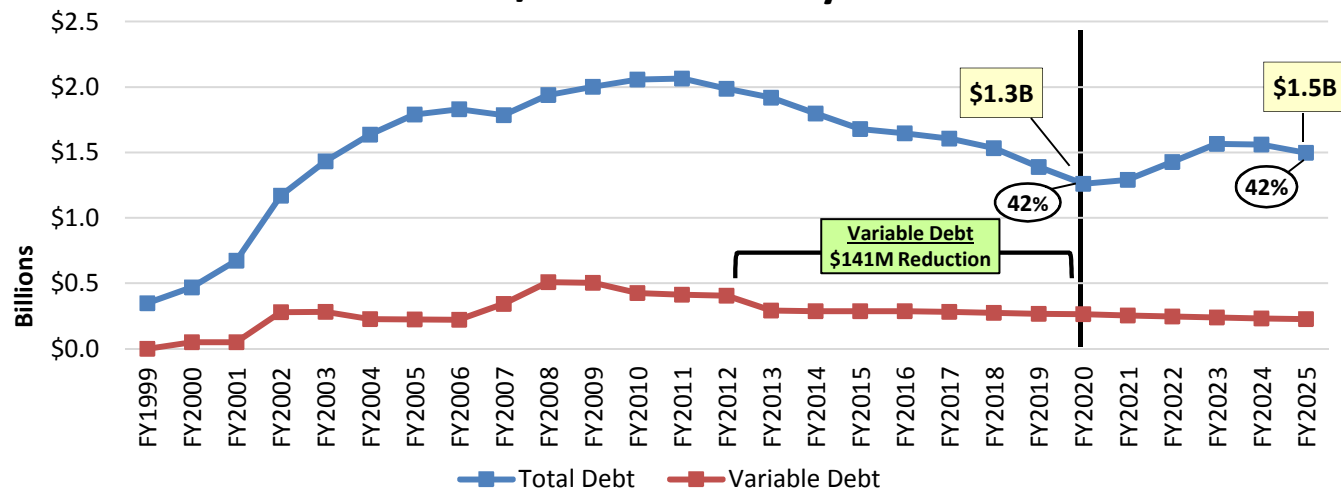
Current variable rates at 0.70%

<sup>1</sup> Includes JEA's portion of SJRPP and Plant Scherer Debt.

### Electric System<sup>1</sup>



### Water/Wastewater System

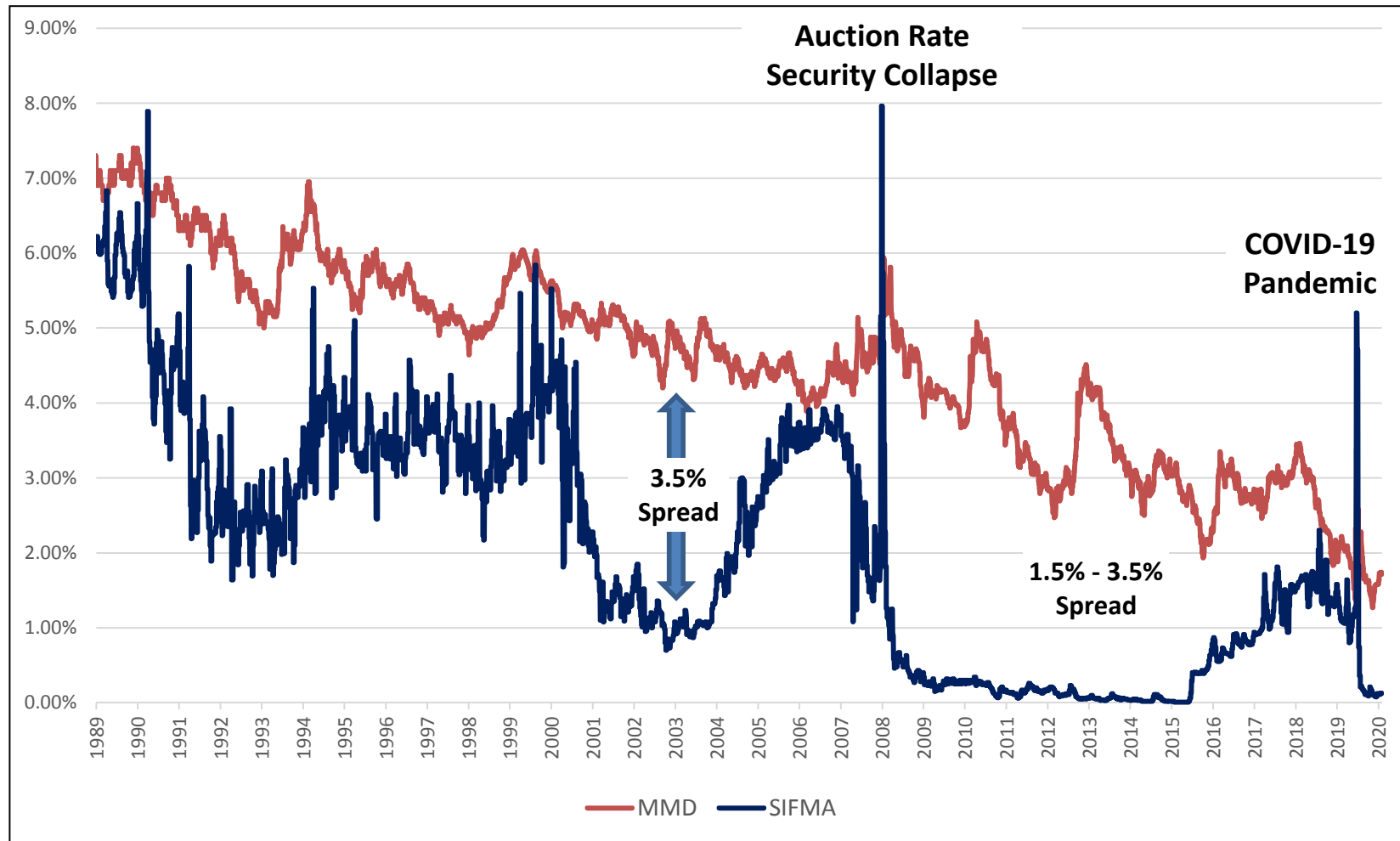






# Variable Rate Debt Considerations

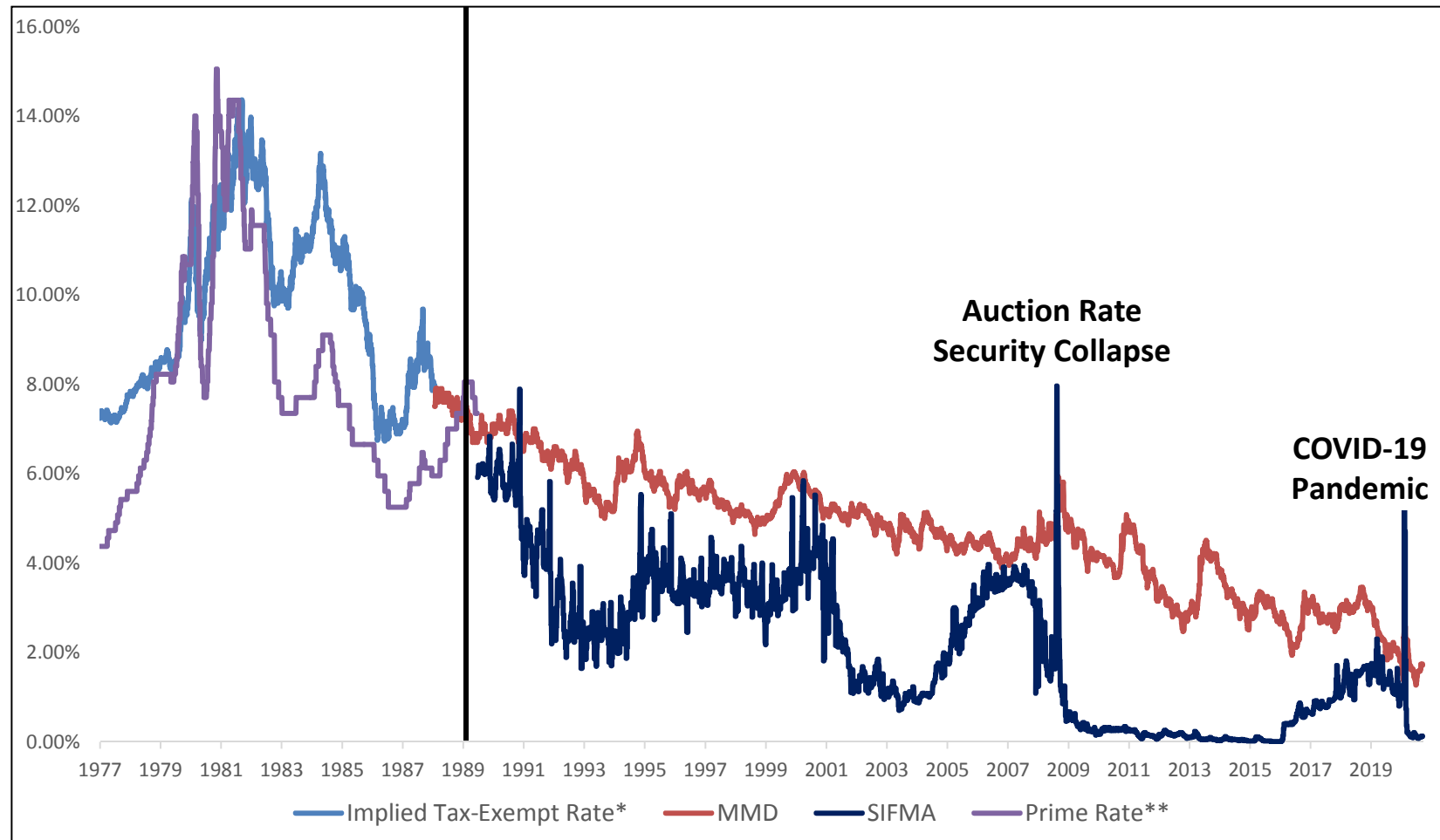
## 30 Year MMD and SIFMA Rate History (October 1989 – October 2020)





# Variable Rate Debt Considerations

## 30 Year MMD and SIFMA Rate History (February 1977 – October 2020)



\*The Implied Tax-Exempt Rate takes the historical 30 Year MMD/Treasury ratio from 1988 to 2020 (0.944004) and multiplies it by the respective time period's 30 Year Treasury Rate

\*\*The Prime Rate shown reflects 70% of the original Prime Rate.



# Early Debt Retirement Reduction of Variable Rate Debt

## JEA Unhedged Variable Rate Debt Portfolio

(\$ in millions) September 30, 2020	Electric System	Water System	Total
Total variable rate debt	\$587	\$264	\$851
<b>Unhedged amount</b>	<b>\$181</b>	<b>\$160</b>	<b>\$341</b>
Weighted average life (years)	10	15	
Final maturity	2040	2042	
<b>Current all-in interest rate</b>	<b>0.75%</b>	<b>0.70%</b>	
<b>Current fixed rates</b>	<b>2.00%</b>	<b>2.50%</b>	
<b>Earnings credit rate</b>	<b>0.10%</b>	<b>0.10%</b>	

- ❑ JEA's variable rate bonds are remarketed at rates approximating the SIFMA index; SIFMA has averaged 0.52% and 1.23% for the past 10 and 20 years, respectively
- ❑ Based on the current fixed rates, the breakeven all-in variable interest rate is 2.25%
- ❑ Cost to fix unhedged variable rate debt with fixed rate debt would be \$5 million per year
- ❑ **Savings** to early retire \$69 million of unhedged variable rate debt is **\$450K per year**

## Impact of a \$100 Million Electric System Debt Retirement in FY2021

- Annual Debt Service reduced primarily in FY26 – FY30
- Unhedged Variable Rate Debt Exposure will be reduced by \$69 million from \$181 to \$112 million
- Fixed Rate Debt will be reduced by approximately \$30 million
- Fixed Charge Coverage Metric in FY2026 – FY2033 will be impacted favorably

Consider reducing additional unhedged Variable Rate Debt in the Electric System and in the Water System through the issuance of additional fixed rate debt above the \$425 million planned new debt issuance in FY21-FY24



# Key Financial Metrics

## FY2021 – FY2025 Financial Assumptions and Plan

### Electric System

- FY21-FY25 favorable coverage from prior targeted bond buyback
- Debt / Asset % makes significant reduction with projected ~\$340M early debt pay down FY21-FY25, exceeding median peer benchmark of 46% in FY23- FY25

### Water/Wastewater

- FY21-FY25 favorable coverage
- Debt/Asset % maintained below 49% peer median benchmark, including \$425M new debt
- \$1.5B CAPEX is a major variable in the plan

(\$ in millions)

	FY19	FY20	FY21	FY22	FY23	FY24	FY25	JEA Target
DS Coverage	2.8x	4.8x	4.5x	4.4x	5.6x	5.0x	4.6x	2.2x - 2.5x
Fixed Charge Coverage	2.0x	3.0x	2.7x	2.1x	1.9x	1.9x	1.8x	1.6x min
Days Liquidity	308	359	309	290	264	258	250	150 to 250 days
Debt / Asset %	65%	60%	52%	46%	44%	43%	41%	60% max
CAPEX	\$286	\$194	\$197	\$214	\$185	\$192	\$194	
Depreciation <sup>1</sup>	\$199	\$194	\$196	\$197	\$201	\$202	\$204	

### Electric System

### Water/Wastewater System

	FY19	FY20	FY21	FY22	FY23	FY24	FY25	JEA Target
DS Coverage	3.0x	5.0 x	5.4 x	4.9 x	2.7 x	2.6 x	2.7 x	1.8x to 2.0x
Fixed Charge Coverage	2.7x	4.6 x	5.0 x	4.4 x	2.5 x	2.4 x	2.5 x	N/A
Days Liquidity	334	327	300	331	312	341	268	100 days
Debt / Asset %	45%	41%	41%	43%	44%	44%	42%	50% max
CAPEX	\$213	\$189	\$298	\$382	\$344	\$225	\$225	
Depreciation	\$152	\$160	\$165	\$170	\$176	\$185	\$193	

<sup>1</sup> Excludes Scherer



# Electric System

## FY2021 – FY2025 Financial Assumptions and Plan

(\$ in millions)	Actual			Projected				
	2018	2019	2020	2021	2022	2023	2024	2025
Unit Sales - Territorial (1,000 MWh)	12,364	12,366	12,185	12,000	12,000	12,000	12,000	12,000
<b>Total System Rate Revenues % Change</b>				<b>0%</b>	<b>0%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>
Fuel Rate in Model \$/MWh	\$32.50	\$32.50	\$32.50	\$32.50	\$29.50	\$27.50	\$27.50	\$27.50
Fuel Rate Revenues	\$398	\$399	\$369	\$387	\$351	\$327	\$327	\$327
<b>Fuel Rate Revenue Change</b>				<b>\$0</b>	<b>(\$36)</b>	<b>(\$24)</b>	<b>\$0</b>	<b>\$0</b>
System Sales Base Rate and Other Revenues	\$809	\$816	\$799	\$790	\$788	\$823	\$858	\$867
Additional Base Revenue Requirements/Expense Reduction				\$0	\$36	\$35	\$11	\$12
<b>Total Revenues</b>	<b>\$1,208</b>	<b>\$1,214</b>	<b>\$1,169</b>	<b>\$1,177</b>	<b>\$1,175</b>	<b>\$1,186</b>	<b>\$1,197</b>	<b>\$1,206</b>
Fuel & Purchased Power Expense	\$456	\$426	\$343	\$372	\$351	\$337	\$333	\$332
Transfer to/<from> Fuel Stabilization Fund	(\$57)	(\$27)	\$26	\$15	\$0	(\$10)	(\$6)	(\$5)
O&M (Includes DSM, Environmental)	\$208	\$218	\$218	\$231	\$238	\$249	\$256	\$264
Transfer to/<from> Debt Management Rate Stabilization	\$0	\$0	(\$30)	\$0	\$0	\$27	\$0	\$0
Transfer to/<from> Environmental and DSM Rate Stabilization	\$6	(\$16)	(\$3)	(\$8)	\$1	\$1	\$6	\$6
Non-Fuel Purchased Power (NFPP) – Other	\$101	\$83	\$72	\$68	\$62	\$62	\$63	\$63
Non-Fuel Purchased Power (NFPP) - Nuclear	\$40	\$18	\$0	\$1	\$106	\$161	\$169	\$171
<b>Net Revenues</b>	<b>\$456</b>	<b>\$513</b>	<b>\$542</b>	<b>\$498</b>	<b>\$417</b>	<b>\$358</b>	<b>\$376</b>	<b>\$375</b>
Total Debt Service	\$215	\$199	\$133	\$129	\$107	\$75	\$86	\$91
R&R and Other Capital Outlay (5-yr average depreciation is \$200M)	\$148	\$219	\$282	\$268	\$207	\$180	\$186	\$179
City Contribution	\$92	\$93	\$94	\$94	\$96	\$97	\$98	\$99
Early Debt Retirement paid from Stabilization Funds	\$0	\$0	\$30	\$0	\$0	\$0	\$0	\$0
Other Expenses (Emergency Reserves and Uncollectible)	\$1	\$1	\$3	\$7	\$7	\$7	\$7	\$7
<b>Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Financial Metrics</b>								
Total Debt Service Coverage (Target 2.2x-2.5x)	2.3x	2.8x	4.8x	4.5x	4.4x	5.6x	5.0x	4.6x
Fixed Charge Coverage (Target > 1.6x)	1.7x	2.0x	3.0x	2.7x	2.1x	1.9x	1.9x	1.8x
Liquidity - Days Liquidity (Target 150-250 days)	319	308	359	309	290	264	258	250
Debt to Asset Ratio <sup>1</sup> (Target 50%)	71%	65%	60%	52%	46%	44%	43%	41%
Total Debt <sup>1</sup> (in billions)	\$2.43	\$2.20	\$1.96	\$1.68	\$1.50	\$1.40	\$1.37	\$1.32
<b>Beginning Capital Balance</b>	<b>\$201</b>	<b>\$190</b>	<b>\$82</b>	<b>\$138</b>	<b>\$112</b>	<b>\$107</b>	<b>\$62</b>	<b>\$57</b>
Pay Go Current Year Internal Funding	\$148	\$219	\$282	\$268	\$207	\$180	\$186	\$179
Debt Issuance Proceeds / <Early Debt Retirement>	\$0	(\$70)	(\$19)	(\$100)	\$0	(\$41)	\$0	\$0
<Annual CAPEX>	(\$171)	(\$286)	(\$194)	(\$197)	(\$214)	(\$185)	(\$192)	(\$194)
Other (Capital A/P accruals, sale of property, FEMA reimbursements)	\$12	\$28	(\$14)	\$3	\$1	\$1	\$1	\$1
<b>Ending Capital Balance</b>	<b>\$190</b>	<b>\$82</b>	<b>\$138</b>	<b>\$112</b>	<b>\$107</b>	<b>\$62</b>	<b>\$57</b>	<b>\$42</b>

<sup>1</sup> \$202M additional are funds available and planned to be utilized to retire SJRPP and Plant Scherer debt in FY21/FY 22



# Water/Wastewater System

## FY2021 – FY2025 Financial Assumptions and Plan

(\$ in millions)	Actual			Projected				
	2018	2019	2020	2021	2022	2023	2024	2025
Unit Sales – Water (mgals)	36,187	37,696	38,272	38,500	39,078	39,664	40,259	40,862
Unit Sales – Sewer (mgals)	26,341	27,727	28,160	28,500	28,928	29,361	29,802	30,249
<b>System Rate Revenue % Change</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>2%</b>
System Sales Revenues	\$398	\$418	\$428	\$426	\$443	\$452	\$461	\$480
Environmental Charge Revenue	\$24	\$25	\$26	\$26	\$26	\$27	\$27	\$28
Plant and Line Extension Growth Capacity Charges	\$28	\$29	\$33	\$29	\$30	\$30	\$30	\$30
Other Income <sup>1</sup>	\$43	\$153	\$51	\$18	\$15	\$15	\$15	\$16
<b>Additional Revenue Requirements/Expense Reduction \$</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10</b>
<b>Total Revenues</b>	<b>\$493</b>	<b>\$625</b>	<b>\$538</b>	<b>\$499</b>	<b>\$515</b>	<b>\$524</b>	<b>\$534</b>	<b>\$553</b>
O&M (Includes DSM, Environmental)	\$147	\$158	\$171	\$178	\$186	\$193	\$201	\$206
Transfer to/<from> Debt Management Rate Stabilization	\$0	\$0	(\$14)	\$0	\$0	\$0	\$0	\$0
Transfer to/<from> Environmental and DSM Rate Stabilization	\$8	\$3	\$8	(\$5)	(\$14)	(\$6)	(\$7)	(\$18)
<b>Net Revenues</b>	<b>\$338</b>	<b>\$465</b>	<b>\$374</b>	<b>\$325</b>	<b>\$342</b>	<b>\$337</b>	<b>\$340</b>	<b>\$365</b>
Total Debt Service	\$118	\$116	\$74	\$64	\$72	\$124	\$131	\$135
R&R and Other Capital Outlay (OCO) [5-yr avg. depreciation \$178M]	\$188	\$198	\$207	\$212	\$204	\$158	\$153	\$162
Environmental OCO	\$6	\$11	\$7	\$20	\$29	\$22	\$23	\$35
City Contribution	\$25	\$25	\$25	\$26	\$28	\$29	\$29	\$30
Early Debt Retirement	\$0	\$99	\$48	\$0	\$0	\$0	\$0	\$0
Interlocal Agreements	\$0	\$16	\$3	\$1	\$9	\$5	\$3	\$3
Other Expenses	\$0	\$1	\$1	\$2	\$2	\$1	\$1	\$1
<b>Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Financial Metrics</b>								
Total Debt Service Coverage (Target 1.8x - 2.0x)	2.8 x	3.0 x	5.0 x	5.4 x	4.9 x	2.7 x	2.6 x	2.7 x
Fixed Charge Coverage (Target > 1.55x)	2.6 x	2.7 x	4.6 x	5.0 x	4.4 x	2.5 x	2.4 x	2.5 x
Liquidity - Days Liquidity (Target > 100 days)	527	334	327	300	331	312	341	268
Debt to Asset Ratio (Target 50%)	49%	45%	41%	41%	43%	44%	44%	42%
Total Debt (in billions)	\$1.53	\$1.39	\$1.26	\$1.29	\$1.43	\$1.57	\$1.58	\$1.52
<b>Beginning Capital Fund Balance</b>	<b>\$156</b>	<b>\$154</b>	<b>\$64</b>	<b>\$62</b>	<b>\$50</b>	<b>\$66</b>	<b>\$57</b>	<b>\$82</b>
Pay Go Current Year Internal Funding	\$202	\$211	\$221	\$229	\$242	\$173	\$169	\$179
Debt Issuance Proceeds / <Early Debt Retirement>	\$0	(\$99)	(\$34)	\$50	\$150	\$150	\$75	\$0
<Annual CAPEX>	(\$199)	(\$213)	(\$189)	<b>(\$298)</b>	<b>(\$382)</b>	<b>(\$344)</b>	<b>(\$225)</b>	<b>(\$225)</b>
Other	(\$4)	\$11	(\$1)	\$7	\$7	\$12	\$5	\$3
<b>Ending Capital Fund Balance</b>	<b>\$154</b>	<b>\$64</b>	<b>\$62</b>	<b>\$50</b>	<b>\$66</b>	<b>\$57</b>	<b>\$82</b>	<b>\$38</b>

<sup>1</sup>Other Income on budget basis on this schedule includes prior year balances, stabilization funds utilized for early debt retirement



# Summary

## FY2021 – FY2025 Financial Assumptions and Plan

### Assumptions

1. Unit Sales Growth
2. Residential Rates
3. Capital Expenditures and Internal Funding
4. Total Debt and Variable Debt
5. O&M, Debt Service, and City Contribution
6. Financial Metrics – Coverage, Liquidity and Debt

### Results

- Stable electric sales, 1.5% water sales growth
- Additional revenue required FY23-25
- \$2.5B five year capital program
- \$425M new debt to support capital program
- Stable with Slight Variance
- Stable metrics through FY2025

- JEA's Five-Year Financial Plan is centered on stable electric unit sales and growth in the water/wastewater system, lower fuel costs associated with commodity markets and efficient generation, additional net revenue requirements in FY2023 – FY2025, new debt to support a robust capital program, stable with slight variances in O&M, Debt Service and City Contribution expenditures, and stable financial metrics to support JEA's current Credit Ratings
- The Five-Year Financial Plan upholds the objectives to maintain long-term Competitive Rates, Operational Excellence, and Environmental Stewardship, while improving the overall Customer Experience



**INTER-OFFICE MEMORANDUM**

November 5, 2020

**SUBJECT: INTEGRATED WATER RESOURCE PLAN (IWRP)**

**FROM:** Paul McElroy, Interim Managing Director/CEO

**TO:** JEA Board of Directors

**BACKGROUND:**

JEA engaged CDM Smith engineers in April 2019 to perform an Integrated Water Resource Plan (IWRP) that provides for mid and long-term planning of water supply sources. The objectives of the IWRP are to evaluate water supply alternatives that meet the future needs of the community based on the requirements of: water supply certainty, reliability, sustainability and cost efficiency. CDM Smith was previously engaged by JEA and completed JEA's first IWRP in 2013, where it is expected that an IWRP will be updated every five years or sooner as regulatory and environmental factors change. JEA System Planning team prepares an Annual Water Resource Plan that provides for short and mid-term capacity planning considering potable water and reclaimed water demands, and wastewater usage to determine future facility expansion needs.

The IWRP study encompassed the entire JEA water service area. JEA's water distribution system is divided into six distinct service grids serving most of Duval County and parts of St. Johns, Clay and Nassau Counties. These service grids are identified as North, South, Nassau, Ponte Vedra, Ponce de Leon and Mayport consisting of 38 water treatment facilities with 137 wells. The North and South grids are considered the Major Grids in the system and are currently interconnected via 30" and 36" transmission mains that cross the St. Johns River in downtown Jacksonville, commonly referred to as the Total Water Management Plan (TWMP) mains.

JEA is operating under a Twenty-year consolidated Consumptive Use Permit (CUP) issued by the St. Johns River Water Management District (SJRWMD) in May in 2011. Through 50 regulatory conditions in the CUP, JEA has permitted total allocation in 2021 equating to an annual average daily flow (AADF) of 142 million gallons per day (MGD) from the Floridan aquifer. Each water treatment facility has an annual volume withdrawal allocation, however through Condition 19 each of the individual facilities has Operational Flexibility ranging from 20% to 28% above the facility's individual allocation as long as the overall total JEA withdrawal does not exceed 142 MGD.

To offset groundwater withdrawal JEA began investing in the reclaimed water system in year 2000. Reclaimed water usage has grown to 20 MGD since, with approximately 14 MGD delivered to retail customers including residential homes, commercial customers, and bulk users such as golf courses and common areas in large developments, and the other 6 MGD utilized at JEA facilities.



**DISCUSSION:**

JEA recognizes that the current water supply, groundwater from the Floridan Aquifer, is a finite resource and alternative water supply must be implemented. Management, utilization and future planning of this resource directly impacts the community, environment and economy of Northeast Florida.

JEA is committed to planning and managing the available resources by identifying projects and programs to develop traditional and alternative water supplies. Selecting projects which balance the water needed by the community, long-term sustainability of existing water sources, a robust reliable delivery system, reduced environmental impact, management of effluent, all at the lowest cost practical will be a challenge. JEA's Integrated Water Resource Planning activity is an integral part of JEA's commitment in meeting the challenge.

Recommendations from the IWRP center on alternative water supply sources such as continual expansion of the reclaimed system, embarking on Water Purification facilities to treat wastewater effluent to drinking level water quality standards for aquifer recharge, brackish groundwater treatment, and expanded customer conservation programs. Consideration of feasible alternatives should include a diverse portfolio of water supply sources, where no single project or program alone will meet the communities' needs. The IWRP includes a proposed a capital improvement plan of several strategic water supply programs and projects for JEA's consideration spanning a 20-year planning horizon.

**FINANCIAL IMPACT:**

Water production costs will increase as alternative water supply source will be required to supply the increasing JEA Water and Wastewater customer base. Current water production cost are approximately \$65 million per year of the overall \$500 million per year Water/Wastewater System revenue requirements. Alternative water resources for future customer demands is expected to have 30-year levelized unit cost at three to five times greater than JEA's traditional groundwater from the Floridan Aquifer, where approximately 15% of the JEA water supply portfolio by 2040 could be from alternative water sources.

**RECOMMENDATION:**

That the Board receive the presentation for information and consideration, and provide feedback where Staff will provide additional information and recommendations in the future. No action by the Board is required at this time.

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Paul McElroy, Interim Managing Director/CEO

PEM/BJR/RJZ



# Integrated Water Resource Plan (IWRP)

November 24, 2020

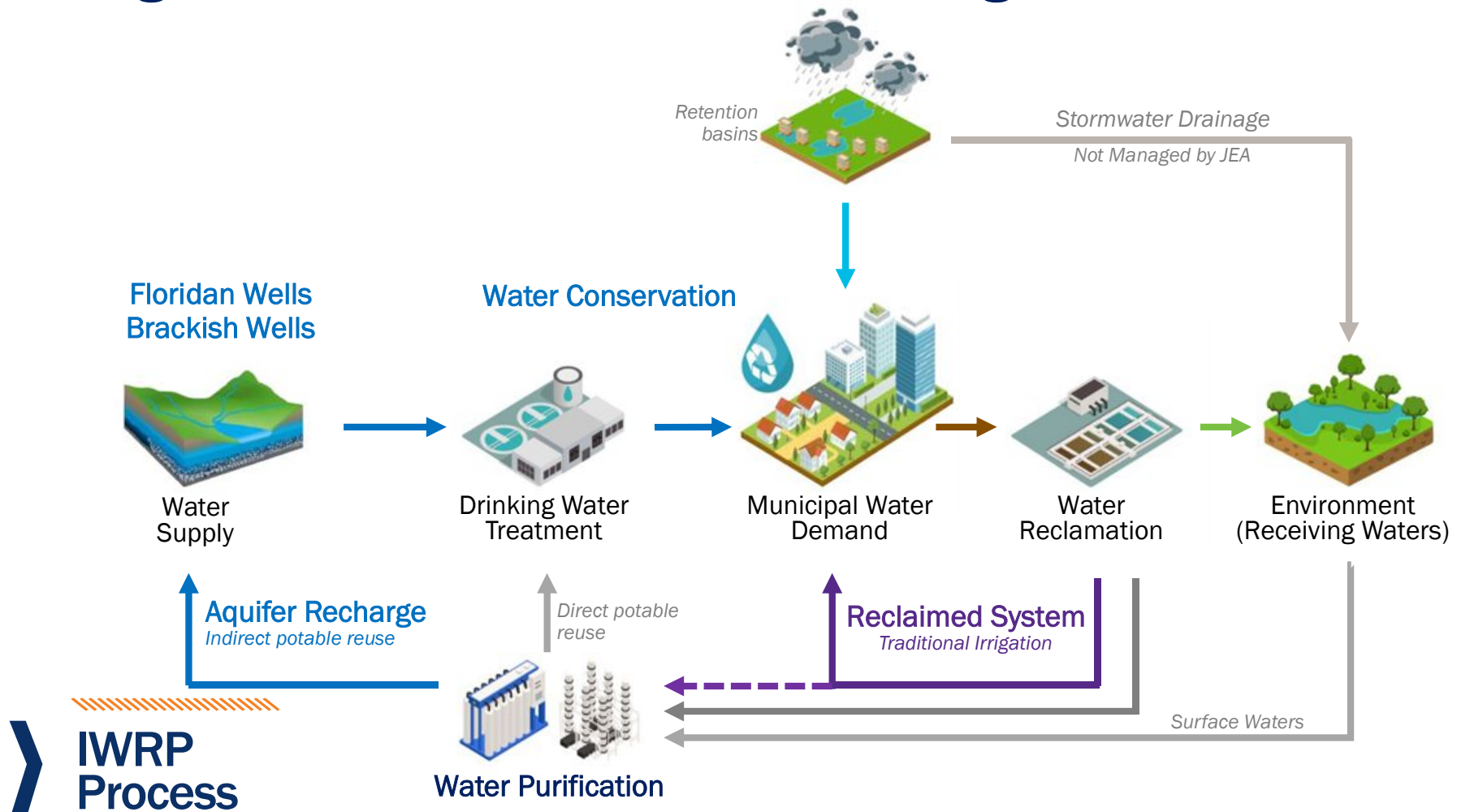
# Integrated Water Resource Planning (IWRP)

- IWRP Process
- JEA Water System
- Water Supply
  - Potable Water Demands
  - Supply Options
  - Project Ranking Criteria
- IWRP Recommendations



## Introduction

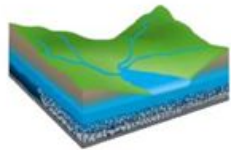
# Integrated Water Resources Planning



# Traditional Water Resources Planning

## Current JEA System

Floridan Wells



Water Supply



Drinking Water Treatment



Municipal Water Demand



Water Reclamation

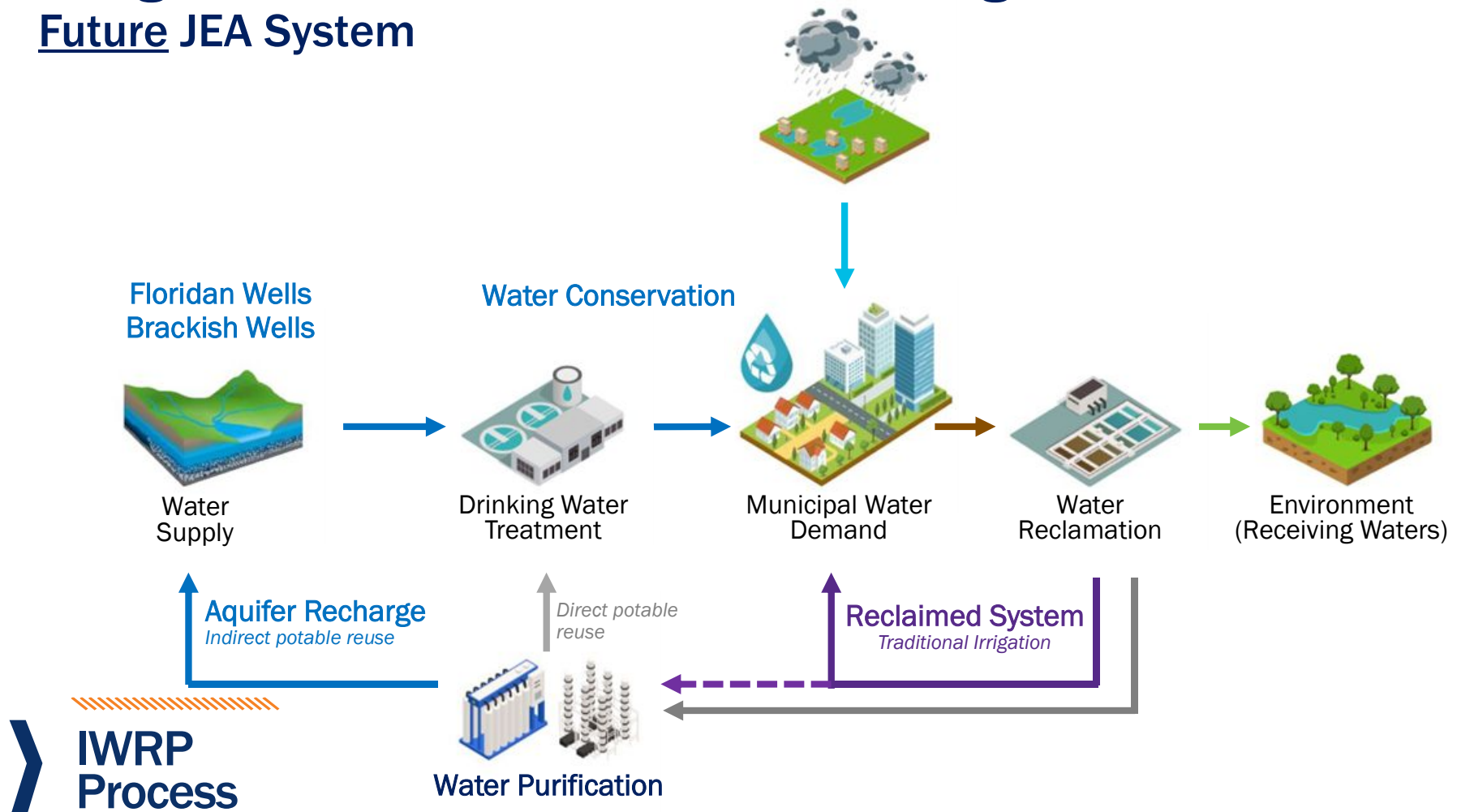


Environment  
(Receiving Waters)



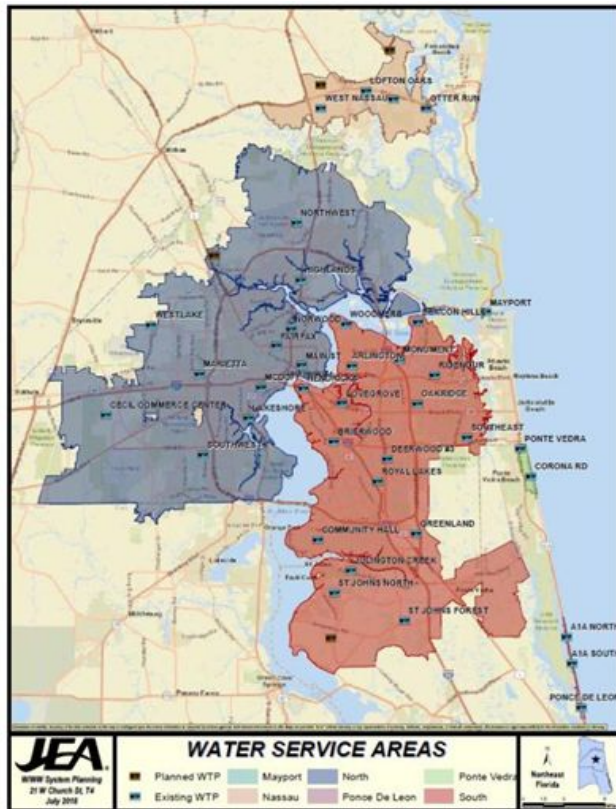
# Integrated Water Resources Planning

## Future JEA System





# JEA Water System 2020

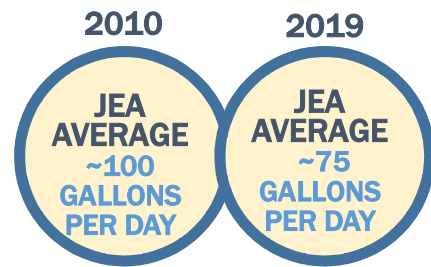


- Floridan Aquifer groundwater is the source of JEA's potable supply
- JEA provides average of 119 MGD of water to 330,000 customers in four counties
- System consists of three major grids
  - North Grid 46 MGD AADF
  - South Grid 65 MGD AADF
  - Nassau Grid 4 MGD AADF
  - Other Grids 4 MGD AADF
- 38 Water Treatment Facilities with 137 supply wells

Millions gallons per day (MGD), Annual average daily flow (AADF)

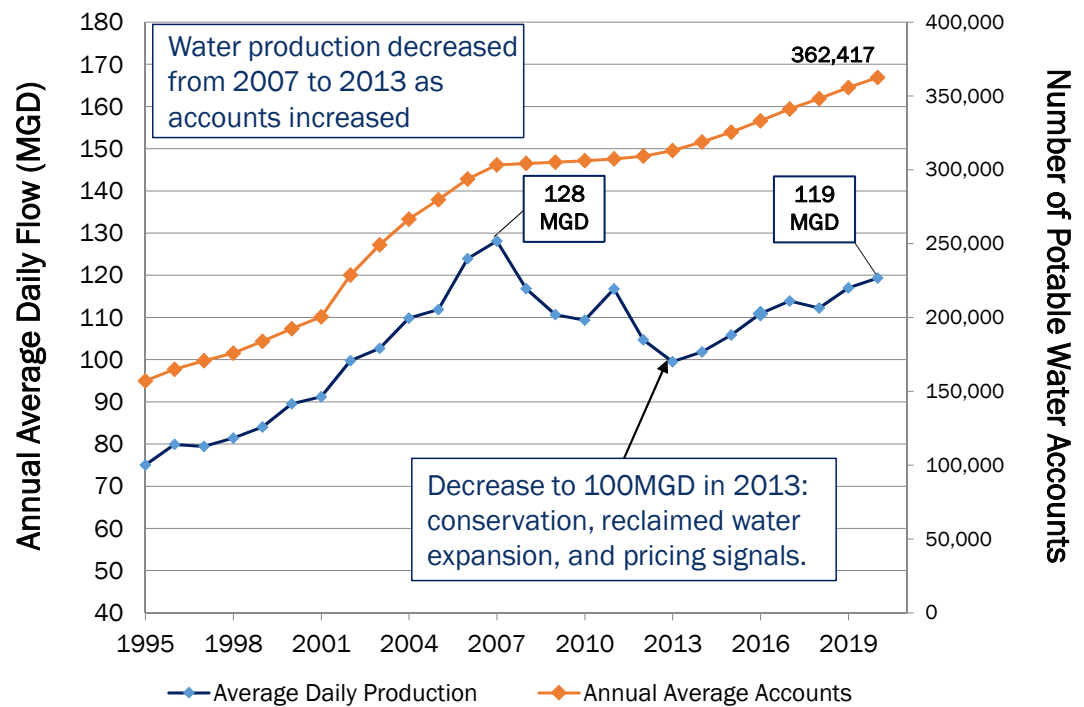
# JEA Water System Historical Demand

## Residential Demand Per Capita



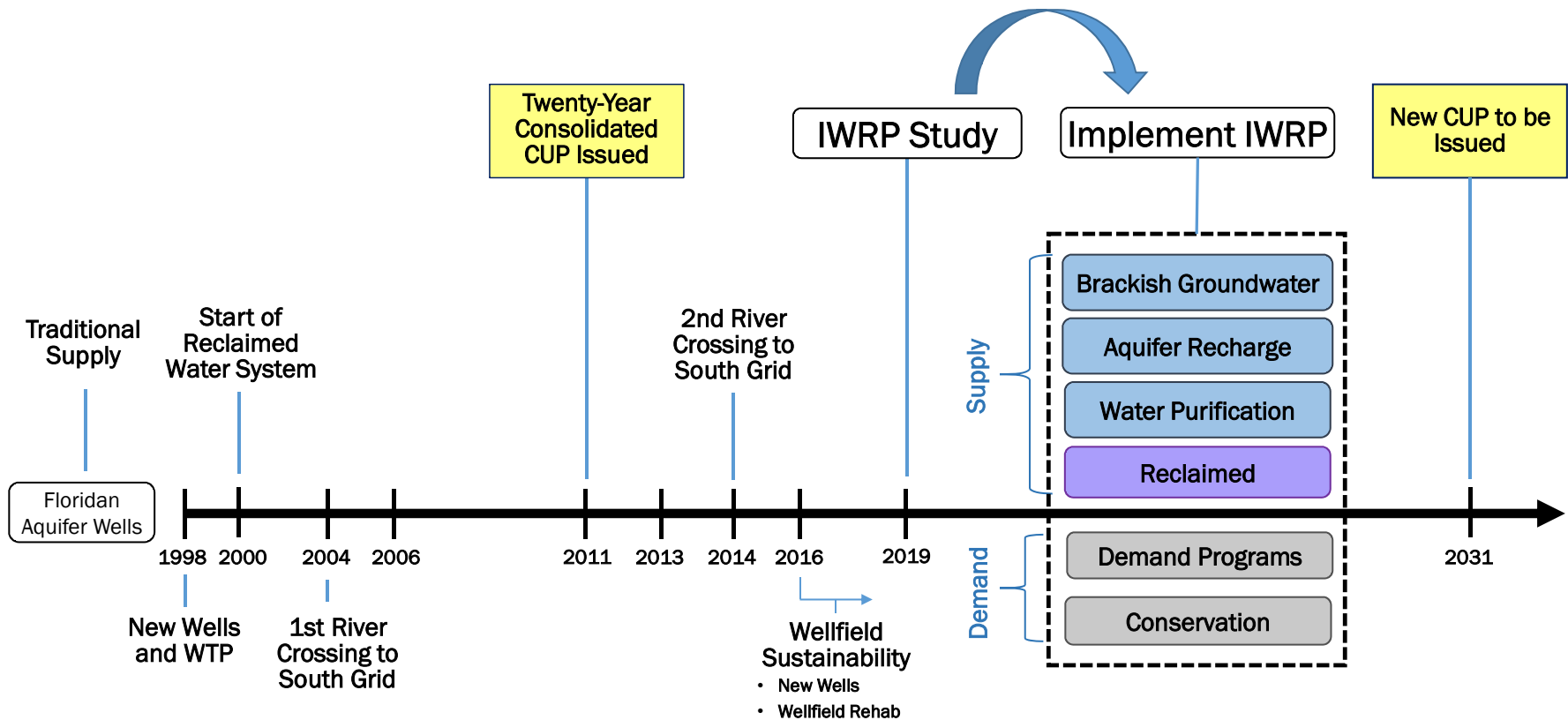
25 gpd of Conservation  
x 1 million people  
= 9.1 Billion Gallons/year

## Potable Water Accounts vs. Water Production Through June 2020



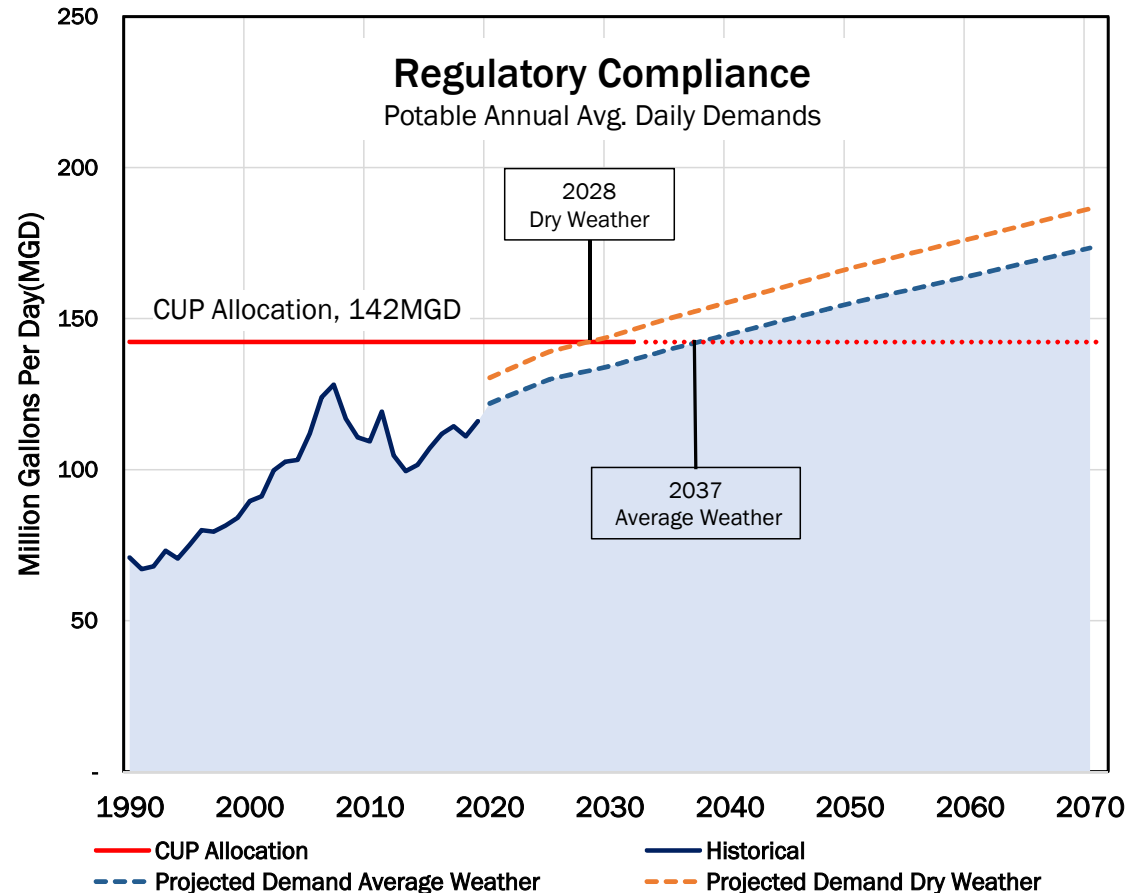


# Water Sustainability Milestones



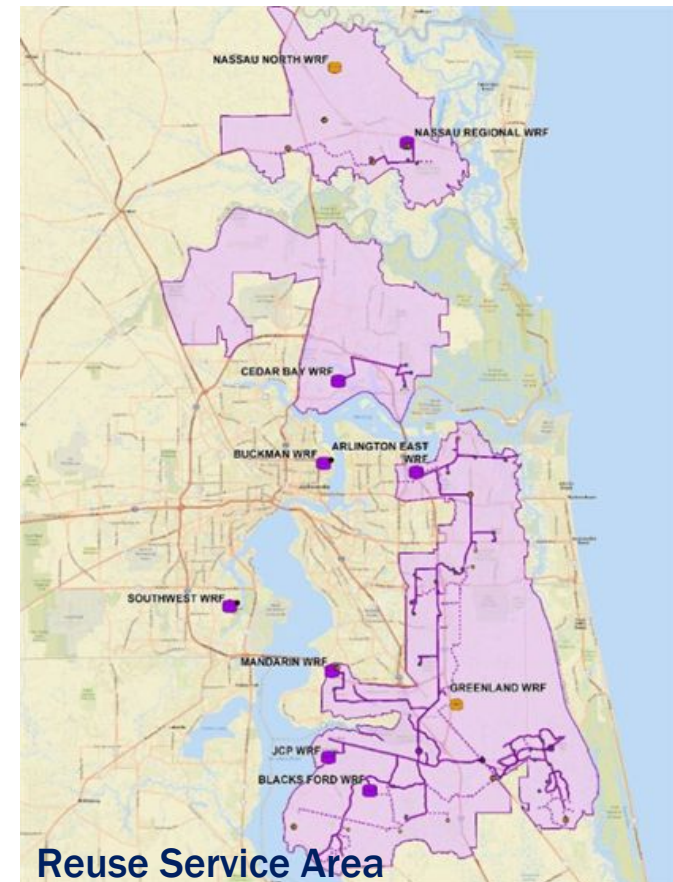
## Potable Water Demands (Regulatory Compliance)

- JEA received a 20-year consolidated CUP permit in 2011 with a groundwater allocation of 142 MGD
- Under normal weather conditions the demand is expected to exceed the CUP allocation by 2037
- Demand projections under dry weather conditions could exceed the CUP by 2028
- The CUP allows 20% - 28% operational flexibility at individual treatment facilities



## Reclaimed Water System – Continue Expansion

- Started in year 2000 with bulk users such as golf courses, power plants and UNF
- Use has grown to 20 MGD in 2020 and over 18,000 customers, increasing 23% annually over the past 5 years
- Retrofit of existing neighborhoods is not economically feasible
- Additional Reclaimed Water Service Areas include Nassau County and North Duval County



# Water Supply Transfer (TWMP & SIPS Program)

- River Crossings completed in 2004 and 2014 to convey water from North Grid
- The SIPS program extends the TWMP raw water piping in the South Grid.
- Utilizes cost effective, existing water source capacities to the fullest extent



Total Water Management Plan (TWMP)  
South grid Integrated Piping System (SIPS)

# Potential Water Conservation Program

- Water conservation is an alternative to providing additional water supply
- JEA's DSM Strategy Report identified a range of water conservation measures that could be implemented
- JEA will be selecting a sub-set of these measures to reach a 2040 water savings goal of about 6 MGD

Conservation Measures	Benefit- Cost Ratio	2040 Water Savings (MGD)
Cooling Tower Efficiency	3.02	0.46
SF Toilet Rebate	2.31	0.16
SF Toilet Direct Replacement	1.73	0.47
Irrigation Control Rebate	1.65	1.25
Green Restaurant Program	1.44	0.33
SF Clothes Washer Rebate	1.42	2.34
MF Toilet Direct Replacement	0.87	0.42
MF Toilet Rebate	0.87	0.14
Ice Machine Rebate	0.82	0.04
MF Water Audit and Repair	0.37	0.32
Landscape Transformation	0.30	0.98
SF Dishwasher Rebate	0.26	0.17
SF Water Audit and Repair	0.14	0.22
Single Family (SF), Multi-Family (MF)		
Total of All Measures		7.30

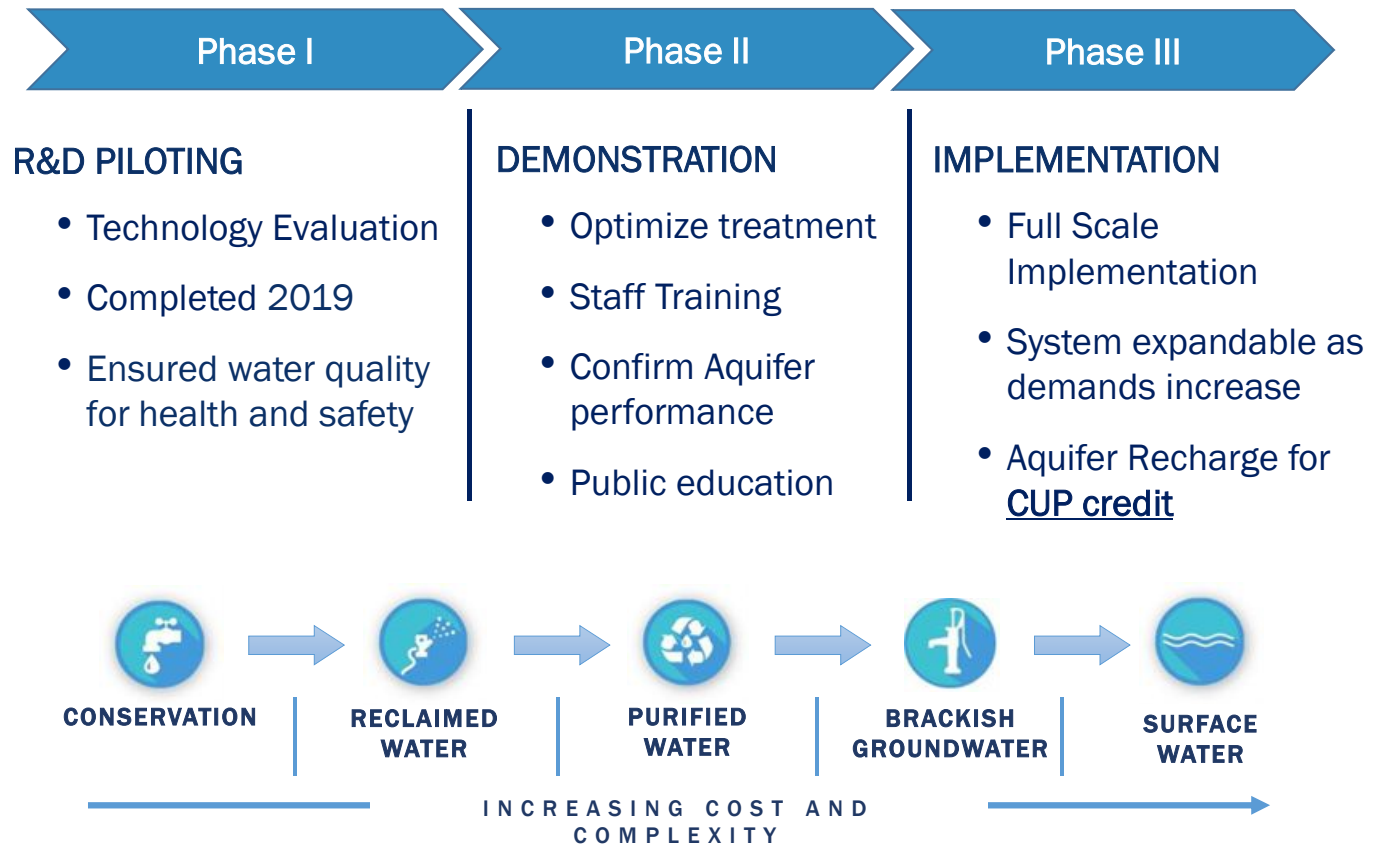
Water Savings: 3.4 MGD by 2030 and 6.0 MGD by 2040

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# Purified Water Program

- Protect water resources of the region
- Purification is one cost competitive option to meet future demands
- Directly decreases the effluent to the river

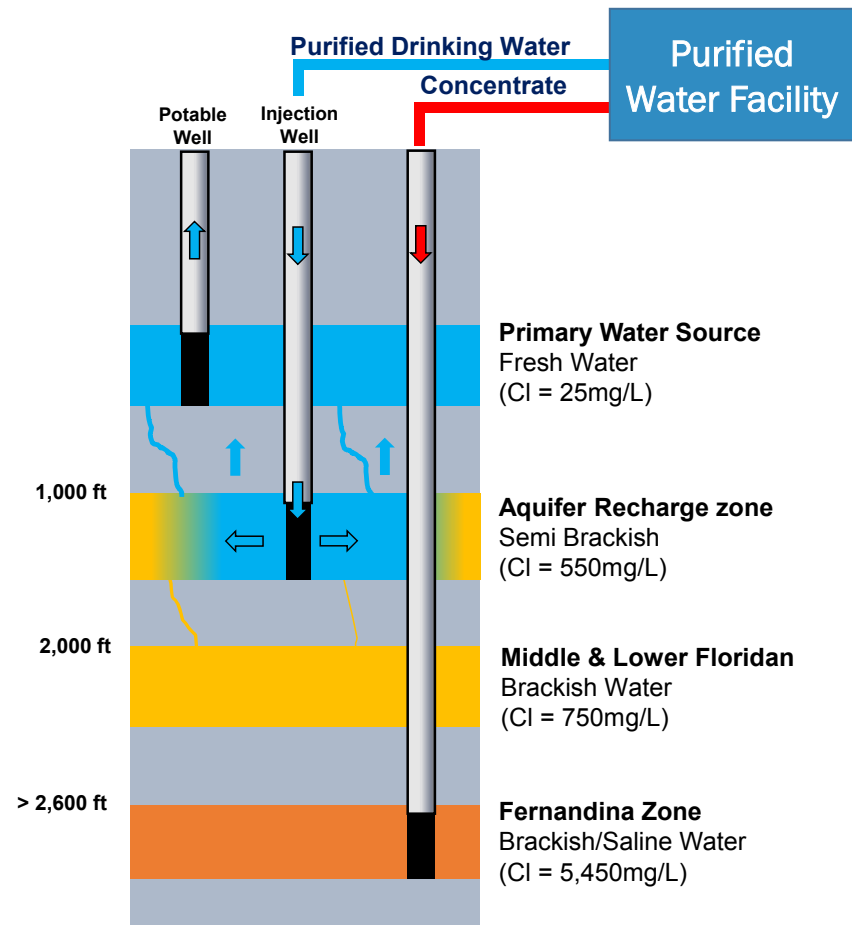


# Aquifer Recharge Concept

Protects the primary water source from brackish water intrusion:

- Creates a fresh water barrier between the primary water and deeper poor water quality zones
- Reduces migration of brackish water from the deep zones

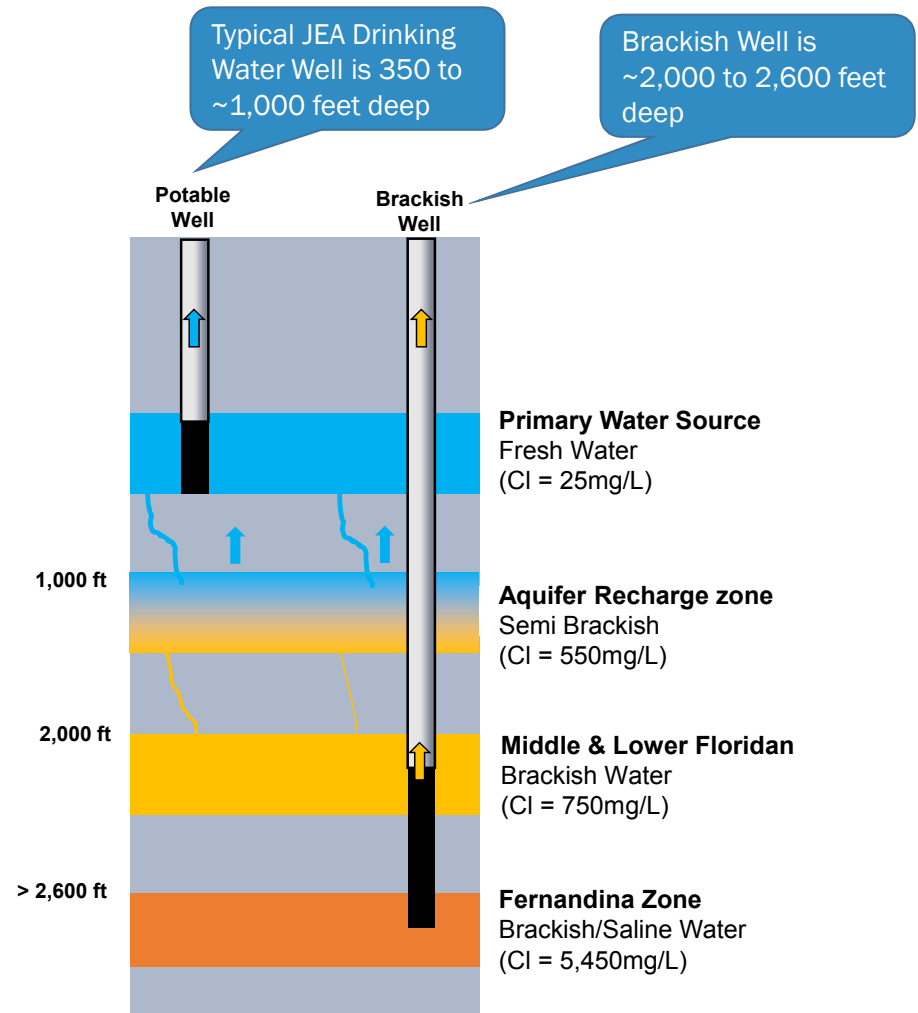
Provides long term sustainability of primary water source





# Brackish Groundwater

- Brackish Groundwater utilizes a layer of the aquifer not currently being used.
- Salinity ranges from 1,000 to 6,000mg/L, (Ocean 35,000 mg/L) which will require reverse osmosis for treatment.
- This option would not reduce discharge to the St. Johns River.





## IWRP Project Ranking Criteria

### Water Supply Certainty

Ability to meet peak water demands in average and dry weather conditions

### Cost-Effectiveness

Net change in cost from 2020 to 2040 (short-term) and average unit cost in 2070 (long-term)

### Environmental Stewardship

Reduced reliance on groundwater from Floridan Aquifer and reduced effluent discharge






### Community Acceptance/ Implementation Ease

Potential community concerns and ease of implementation of projects

### Operational Flexibility

Ability to move water from one grid to another

## IWRP Water Resource Cost Comparison

Water Supply Source		Levelized Cost (\$/Kgal)	Capital Cost (\$/gal)
	 <b>Traditional Floridan Aquifer</b>	\$0.65	\$4
x 3	 <b>Water Conservation</b>	\$1.90 to \$2.30	\$8 - \$10
x 5	 <b>Traditional Reclaimed</b>	\$3.00 to \$5.50	\$13 - \$21
x 5	 <b>Potable Reuse</b>	\$3.00 to \$6.00	\$15 - \$25
x 5	 <b>Brackish GW Desalination</b>	\$2.50 to \$5.50	\$15 - \$25



Levelized costs were developed by engineering consultant for comparative purposes, and not reconciled by JEA  
 Water Conservation initial deployment and ongoing administrative cost will be classified as O&M  
 Stormwater and Surface water supply were evaluated and determined not feasible in the JEA service area  
 A third river crossing was not feasible due to cost and CUP limitations

## IWRP Draft Recommendations (10 year )



- ☐ Continue water transfer between grids when feasible (TWMP & SIPS program)
- ☐ Continue expansion of JEA's reclaimed water system
- ☐ Implement Comprehensive Multi-Year Demand Side Management (DSM)/Conservation Program
- ☐ Bring Alternative Water Supplies (AWS) online:
  - Aquifer Recharge with Purified Water– South Grid and Cedar Bay
  - Brackish groundwater desalination where effluent is not readily available – Nassau and Airport area

## Need Analysis

**Demand** – The IWRP identified an additional Total Water Supply Need above and beyond current groundwater supplies:

Additional Total Water Demand		
Water Grid	2030	2040
South Grid	8 MGD	11 MGD
North Grid	2 MGD	8 MGD
Nassau	4 MGD	5 MGD
<b>Total</b>	<b>14 MGD</b>	<b>24 MGD</b>

**Supply** – Programs which are available to help meet the future needs of the Community

Additional Total Water Supply Source		
Water Grid	2030	2040
<b>Total</b>	<b>14 MGD</b>	<b>24 MGD</b>
Expanded Conservation	3.4 MGD	6 MGD
Expanded Reclaimed	5.0 MGD	5 MGD
Alternative Water Source	5.6 MGD	14 MGD

The IWRP determines facility capacity on a max month demand basis under dry weather conditions. This differs from CUP compliance which is on AADF basis

The IWRP considers multiple Alternative Water Sources dependent on the localize service grid characteristics

# Proposed Capital Improvement Plan

5.6 MGD of Alternative Supply by 2030

CIP Phase	Project	Grid	Capacity <sup>1</sup> Size (MGD)	Water <sup>2</sup> Supply (MGD)	2020 to 2024	2025 to 2029	2030 to 2034	2035 to 2039
10 Year	Purified Water South Grid (1.0 MGD Demo)	S Arlington	0.0	--	■ ■ ■ ■	■ ■ ■ ■ ■		
	Aquifer Recharge South Grid	S Arlington	2.0	1.8		■ ■ ■ ■ ■	■	
	Brackish GW Desalination – Nassau	Nassau East	2.0	2.0		■ ■ ■ ■ ■	■	
	Aquifer Recharge at Cedar Bay WRF	N North	2.0	1.8		■ ■ ■ ■ ■	■	
	New Conveyance – Nassau West <sup>3</sup>	Nassau West	3.0	1.0		■ ■ ■ ■ ■	■	
20 Year	Aquifer Recharge South Grid – Expansion	S Arlington	1.0	0.9			■ ■ ■ ■ ■	■
	Aquifer Recharge at Cedar Bay WRF – Expansion	N North	2.0	1.8			■ ■ ■ ■ ■	■
	Aquifer Recharge at Southwest WRF	N West	3.0	2.7			■ ■ ■ ■ ■	■
	Brackish GW Desalination – Nassau – Expansion	Nassau West	1.0	1.0				■ ■ ■ ■ ■
	Brackish GW Desalination – North	N North	2.0	2.0				■ ■ ■ ■ ■

WRF – Water Reclamation Facility

■ Design & Permit ■ Construction ■ Demonstration & Training ■ Operational



1. Capacity is in reference to the volume of permeate of the facility, IWRP assumes 80% recovery on membrane treatment.
2. Water Supply is the water being utilized to offset groundwater use, IWRP assumes 90% recovery of Aquifer Recharge for CUP Credit
3. Project dependent on local development timing in the Crawford Diamond area.

## Discussion?

- ✓ SAFE
- ✓ RELIABLE
- ✓ SUSTAINABLE
- ✓ COST EFFECTIVE
- ✓ ENVIRONMENTALLY RESPONSIBLE
- ✓ BEST VALUE





**INTER-OFFICE MEMORANDUM**

November 5, 2020

**SUBJECT:** POTENTIAL PROHIBITION OF WASTEWATER EFFLUENT  
DISPOSAL VIA SURFACE WATER DISCHARGE

**FROM:** Paul McElroy, Interim Managing Director/CEO

**TO:** JEA Board of Directors

**BACKGROUND:**

During the 2020 Florida legislative session, House Bill (HB) 715 and Senate Bill (SB) 1656 (attached), both titled Reclaimed Water, were filed containing a requirement to eliminate nearly all surface water discharges from domestic wastewater treatment plants after January 1, 2026. The House passed HB 715; however, SB 1656 died in the Senate Appropriations Committee. It is expected that a senate bill addressing the surface discharge elimination concept will be considered again in 2021.

**DISCUSSION:**

JEA has made significant investments to increase water supply capacity by implementing best practices in water management for the purpose of sustaining the long-term health of the Floridan Aquifer. This includes reuse alternatives for surface water discharge from our domestic wastewater treatment plants.

JEA supports the intent of HB 715 and SB 1656 and continues to implement the reuse of reclaimed water to the maximum extent technologically, economically, and environmentally feasible. However, the elimination of surface water discharge in full accordance with HB 715 (especially in the timeframe proposed) will present significant challenges due to the complexity and financial impacts of the requirements.

JEA has drafted a proposed city council resolution seeking council support to have any proposed legislation establish an implementation timeline to begin no sooner than 2030 with allowable extensions based on measurable impacts to customers and the environment, to include establishing elimination criteria to minimize capital cost investment so as to not increase customer rates by more than 10%.

**FINANCIAL IMPACT:**

There is financial impact associated with the outcome of the proposed legislative bill. Complete evaluation of the complexity and financial impacts of this potential requirement will have to be made based on legislative results. Preliminary impacts are being considered in conjunction with the development and reassessment of JEA's Integrated Water Resource Plan. The potential impact exceeds \$1.0 billion.

**RECOMMENDATION:**

It is recommended that the Board take action to approve the presentation of the attached resolution to the Jacksonville City Council at its next regularly scheduled meeting.

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Paul McElroy, Interim Managing Director/CEO

PEM/OWY

Introduced by Council Member XXX:

**RESOLUTION 2020-**

**RESOLUTION REQUESTING CHANGES TO PROSPECTIVE STATE  
LEGISLATION TO ELIMINATE THE DISPOSAL OF EFFLUENT,  
RECLAIMED WATER, OR REUSE WATER FROM WASTEWATER  
TREATMENT FACILITIES (WWTF) VIA SURFACE WATER  
DISCHARGE**

**WHEREAS**, JEA recognizes water is a precious commodity which should not be wasted; and

**WHEREAS**, JEA supports water reuse and reduction of surface water discharge through thoughtful planning and execution; and

**WHEREAS**, the proper treatment and disposal or reuse of domestic wastewater is an important part of JEA's work in protecting the environment and Florida's water resources; and

**WHEREAS**, JEA actively invests in technology to result in effluent below the Florida Department of Environmental Protection's (FDEP) total maximum discharge limitations (TMDLs) and subsequent Basin Management Action Plan (BMAP); and

**WHEREAS**, JEA has recognized potable reuse to be an alternative water supply and included use of potable reuse water in the development of its Integrated Water Resource Plan; and

**WHEREAS**, JEA treats approximately 80 million gallons of wastewater per day, of which 20 million gallons a day (MGD) is beneficially reused, to include irrigation and wetland regeneration; and

**WHEREAS**, JEA has developed a capital strategy to build or upgrade 7 WWTFs within the next 5 years to continue to process wastewater to meet reclaim/irrigation/ecological standards; and



**WHEREAS**, the potential changes proposed by 2020 Legislation, SB 1656 and HB 715, to eliminate surface water discharge of effluent and do so within the proposed timeline would have been financially and technically untenable and place a major burden on rate payers; and

**WHEREAS**, the proposed timeline would have presented a diminutive time period between the date of revisions to current regulations and the established date of implementation that would directly impact JEA's ability to begin facility design and permitting processes; and

**WHEREAS**, JEA engaged an international engineering firm to perform a conceptual level estimate, JEA would have been negatively impacted through expenses greater than \$1 billion to meet the timeline proposed by legislation requiring significant discharge reduction to surface waters; and

**WHEREAS**, highly valuable capital improvements for the Water/Wastewater System would have been reduced in scope or held in abeyance including, but not limited to, planned renovation or replacement of aged piping systems, program support for septic tank phase-out; and

**WHEREAS**, to eliminate surface water discharge of effluent and do so within the proposed timeline would have made it extremely difficult to effectively plan, fund, design, permit and construct a comprehensive "zero-discharge" of the current 60 MGD average discharge, to include, but not limited to, effectively clarifying requirements and establishing rules for direct/indirect potable reuse and meeting construction challenges as utilities throughout the state compete for limited contractors and resources; and

**WHEREAS**, the hydrogeology, long term established infrastructure, density and geography of JEA service territory is not supportive of cost effective alternative effluent disposal methods such as rapid infiltration basins and will require JEA to use expensive alternatives such as aquifer

recharge and deep well injection; and

**WHEREAS**, JEA is subjected to and has consistently outperformed Florida Department of Environmental Protection's (FDEP) National Pollutant Discharge Elimination Standards and eliminating permitted surface water discharges associated with JEA's WWTFs will not make a significant impact on meeting FDEP's total maximum discharge limitations (TMDLs) and subsequent Basin Management Action Plan (BMAP) goals based on the very low nutrient loads associated with these facilities; and

**WHEREAS**, any approach to reasonable and beneficial employment of an alternative effluent management practice to a WWTF, that has local hydrogeological or spatial constraints, would be expected to have significantly higher cost of alternative effluent management practices such as rapid infiltration basins or injection wells, if not prohibit their use altogether; and

**WHEREAS**, many of the surface water discharges facilities are located in developed areas that are far from areas which tend to have higher demands for irrigation resulting in exorbitant costs for installation of reclaimed infrastructure; and

**WHEREAS**, extension of public access reclaimed water systems into existing densely urbanized areas provides little benefit at dramatically increased cost of constructing a reuse distribution system and creates significant disruption; and

**WHEREAS**, JEA continues to expand its reclaimed water transmission, distribution and storage systems and increase its production of reclaimed water each year; and

**WHEREAS**, JEA delivers unprecedented results in meeting and surpassing state regulations and rules to produce effluent that is well below the Florida Department of Environmental Protection's (FDEP) total maximum discharge limitations (TMDLs) and subsequent Basin Management Action Plan (BMAP) which establish nutrient limits that ensure surface water discharges

account for environmental impacts and are protective of the environment and public health now therefore;

**BE IT RESOLVED** by the Council of the City of Jacksonville:

**Section 1.** The City of Jacksonville hereby requests that if the surface water discharge elimination legislation is reintroduced for the 2021 Legislative Session, consideration be given to the following:

- Establish surface water discharge elimination criteria to minimize impact to customers and capital cost investment so as to not increase rates by more than 10%.
- Establish the implementation timeline to eliminate the disposal of effluent from wastewater treatment facilities via surface water discharge to begin no sooner than 2030 with allowable extensions based on measurable impacts to customers and the environment.
- Implementation shall result in environmental and economic benefits, thus the implementation timeline should be driven by standards such as:
  - o Plants currently producing higher quality effluent, thus having a lesser impact on the environment, should be allowed more time to comply. [An example of an implementation schedule would be plants producing greater than 5 mg/L of TN (average of last 12 months) shall comply within 10 years, plants producing between 3 and 5 mg/L of TN shall comply within 20 years, and plants producing less than 3 mg/L of TN shall comply within 30 years].
  - o Availability of alternative discharge methods and related costs for additional treatment, conveyance, and/or disposal should be taken into consideration. Plants which do not have nearby reuse water distribution system, reuse customers, or acceptable disposal means such as rapid infiltration basins, should be allowed more time to comply.

- o Surface water discharge facilities located in developed areas which are more costly to upgrade should be allowed more time to comply.

**Section 2. Effective Date.** This Resolution shall become effective upon signature by the Mayor or upon becoming effective without the Mayor's signature.

Form Approved:

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Office of General Counsel

Legislation Prepared By: Jeff Clements, City Council Research



## Memorandum

**To:** George Porter, PE, JEA

**From:** CDM Smith

**Date:** August 17, 2020  
Revised September 1, October 13, and October 15, 2020  
Final Revision October 19, 2020

**Subject:** JEA Integrated Water Resource Plan, Task 15.2 - Engineering Evaluation and Feasibility Level of Design for the "Eliminate Surface Water Discharge" Alternative

## Executive Summary

JEA is the eighth largest community-owned utility in the United States and Florida's largest community-owned utility, providing water, sewer, and power services to more than 400,000 customers in the Jacksonville area. Currently, JEA operates 11 water reclamation facilities (WRFs) that handle more than 95 million gallons per day (mgd) of wastewater from the extensive collection system across four counties (Duval, Nassau, Clay, and St. Johns). JEA beneficially reuses nearly 20 mgd of reclaimed water through on-site reuse and by supplying one of the largest interconnected reclaimed water irrigation systems in the state. The remaining volume of highly treated wastewater that is not utilized for reclaimed water is typically discharged to nearby surface waters, including the St. Johns River.

Recently, the Florida Legislature considered proposed legislation (House Bill 715, Senate Bill 1656) that would have imposed strict discharge elimination requirements for treated effluent from domestic water reclamation facilities. While this legislation did not pass in 2020, if similar legislation is passed in the next legislative session, JEA and other Florida utilities could be forced to invest in costly infrastructure under aggressive timelines to reduce or eliminate discharges of treated wastewater to the St. Johns River. JEA requested that CDM Smith conduct a study to evaluate the required new infrastructure and develop planning-level cost estimates associated with eliminating surface water discharges from their WRFs under the proposed legislation. Backup (intermittent) discharges to surface water under the APRICOT Act are also considered as appropriate. By utilizing backup discharges, the required treatment capacity of the selected alternative(s) could be reduced substantially since peak flows could be handled by backup (intermittent) discharges under the APRICOT Act. In order to be eligible for backup discharges, a WRF must provide advanced wastewater treatment (AWT) for enhanced removal of solids, organics, and nutrients, as well as and high-level disinfection for enhanced inactivation of pathogens.

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This Technical Memorandum (TM) evaluated JEA's WRFs considering different approaches to reduce or eliminate surface water discharges. If a facility provides AWT or is upgraded to provide AWT, backup surface water discharges are allowable under the APRICOT Act. Otherwise, it is assumed that discharges would need to be eliminated. Based upon a feasibility-level analysis of JEA's existing and planned WRFs, compliance with a stringent discharge elimination requirement would impose significant costs and challenges.

If legislation of this kind is passed, the following alternatives would be technically feasible, but only at great expense to JEA's ratepayers.

- **Deep Well Injection:** If this alternative is implemented, equalization storage tanks are needed to account for variations in flow at each WRF, resulting in construction of 90 million gallons (MG) in equalization storage tanks. A total of 75 Class I deep injection wells would be required, each extending to depths of more than 2,000 ft. Construction of so many deep wells over many months would cause serious disruption to neighborhoods in the form of noise from drilling rigs and disruptions to roadway crossings from excavation to lay numerous miles of connecting pipelines. Moreover, because of the large quantity of wells needed in such a short period and limited number of capable well drillers in Florida, JEA would be forced to compete with other Florida utilities in turning to out of state resources at a premium cost. Nevertheless, even with the recruitment of numerous out of state drillers, given the inexperience of the drillers with NE Florida hydrogeology and the sheer number of deep wells required, it is doubtful that all 75 wells could be drilled and finished within an allotted 5-year compliance period.
- **Direct Potable Reuse:** This scenario requires extensive upgrades to nearly 114 mgd of installed WRF capacity, to bring JEA's existing WRFs to AWT standards. Upgrades to AWT for the full plant capacity are assumed in order to allow APRICOT backup discharges, reducing the required capacity of direct potable reuse (DPR) facilities. Moreover, 6 new water purification facilities are required with combined production capacity of approximately 45 mgd. The concentrate would be managed through 15 new concentrate disposal wells, similar in construction to the deep injection (Class I) wells described earlier, and their construction would cause similar disruption to neighborhoods. Purified water would be transferred to nearby existing JEA water treatment plants for blending with finished water. The 6 required pipelines conveying a combined 45 mgd of purified water would have total estimated length of nearly 19 miles.

By undertaking such a large investment in DPR as an alternative water supply, JEA could inadvertently risk losing some of its consumptive use permit (CUP) allocation if the St. Johns River Water Management District (SJRWMD) responded by slashing JEA's withdrawals of fresh groundwater from the Floridan aquifer. In accordance with the recommendations of Florida's Potable Reuse Commission, SJRWMD should not penalize utilities for implementing potable reuse, but rather incentivize such investments and create certainty for utilities by granting extended term (50-year) permits and offering financial incentives.

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- **Indirect Potable Reuse:** Like the DPR scenario, this requires extensive upgrades to bring JEA's existing WRFs to AWT standards. Upgrades to AWT are assumed in order to allow APRICOT backup discharges, reducing the required capacity of indirect potable reuse (IPR) facilities. Six new water purification facilities with a combined production capacity of 45 mgd and 15 concentrate disposal wells (Class I deep injection wells) are required. Purified water would be conveyed to 31 new recharge wells for injection to the Floridan aquifer.

The following alternatives were studied and found to be incapable of eliminating surface water discharge.

- **Expanded Reclaimed (Insufficient to Eliminate Discharge):** This scenario evaluated existing irrigation demands not already on JEA's reclaimed system, for potential transfer to reclaimed supply. Extensive upgrades to more than 114 mgd in AWT retrofits are required at JEA WRFs not currently supplying public access reuse. Upgrades to AWT are assumed in order to allow APRICOT backup discharges, reducing the required quantity of expanded reclaimed demand to divert flows from surface water discharge. Even after AWT improvements, there is insufficient reclaimed water demand to meet the systemwide discharge elimination goal.
- **Water Transfer (Insufficient to Eliminate Discharge):** This scenario assumes transfer of reclaimed water to a neighboring utility service area for beneficial reuse. The only potential application identified for this scenario is at Southwest WRF, with a potential water transfer of up to 10 mgd to Clay County Utility Authority (CCUA) for use as reclaimed water. The 10 mgd of demand from CCUA is insufficient to meet discharge elimination criteria since the Southwest WRF peak capacity is up to 48 mgd. Therefore, water transfers would not result in compliance with discharge elimination criteria.

As noted in this assessment, compliance with the provisions of potential legislation to eliminate surface water discharges would require an immense investment from JEA and impose a heavy burden on JEA rate payers. Given the scope of treatment plant upgrades, deep injection wells, land acquisition, pumping, and transmission infrastructure needed in such a short period of time, full compliance by 2027 is a doubtful prospect. Even if JEA competed with other Florida utilities and tried to vigorously mobilize out of state resources at premium cost, it is not reasonable to expect that the necessary work would be completed in time to fulfill requirements by the anticipated 2027 compliance date.

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## 1.0 Introduction

This Technical Memorandum (TM) describes the feasibility-level design of a plan, including alternative scenarios attempting to eliminate surface water discharges of wastewater effluent from JEA's water reclamation facilities (WRFs). CDM Smith Inc. (CDM Smith) will use these design details to develop capital and operation and maintenance cost estimates for JEA's use to estimate rate impacts from implementing a regulation requiring "no surface water discharge," applicable to JEA's water reclamation facilities.

This TM develops this alternative for JEA's Integrated Water Resource Plan assuming the following timetable of future events:

- May 2021: Florida Legislature passes a surface water discharge elimination requirement that is then signed by the Governor
- May 2022: JEA finishes development of a detailed implementation plan (1 year)
- October 2022: Florida Department of Environmental Protection (FDEP) reviews and approves the plan (6 months)
- October 2027: Plan implementation is complete (5 years)

Section 2 estimates the required design flows for discharge elimination improvements associated with each WRF. Section 3 provides an engineering analysis and feasibility-level design of five scenarios for each WRF. These scenarios are 1) deep well injection, 2) expansion of traditional reclaimed water, 3) transfer to other service areas, 4) DPR, and 5) IPR using aquifer recharge. Section 4 provides a summary of the improvements needed to meet discharge elimination requirements under the different scenarios.

## 2.0 Data Evaluation to Estimate Design Flows of Discharge Elimination Improvements

The purpose of this section is to describe the procedure for estimating the required design flows for discharge elimination improvements associated with each WRF.

### 2.1 Water Reclamation Facilities and Flows

This section estimates design flows for discharge elimination scenarios, as applicable in 2027, at each of JEA's 11 existing WRFs and 2 future WRFs, listed in **Table 1** and mapped on **Figure 1**. JEA indicated that three existing WRFs and two future WRFs would meet the no surface water discharge requirement via traditional reclaimed water implementation via existing or already planned infrastructure. No improvements are proposed for these five WRFs. These five **non-highlighted** WRFs in Table 1 are not considered further in this TM. JEA anticipates the remaining eight existing WRFs (highlighted in green) would require improvements to eliminate surface water discharge. Based on feedback from JEA, it was assumed the planned discharges from Nassau and Ponte Vedra WRFs would be considered for the deep well injection scenario only.



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Table 1 presents current flows based on approximately 3 years of recent data (June 2017 through May 2020) from each WRF and future flows based upon projected 2027 annual average daily flow (AADF) data and reuse demand provided by JEA. Flow data were not provided by JEA for Ponte Vedra and Nassau WRFs, and water quality data were not provided for Ponte Vedra WRF. Therefore, available data for these facilities were obtained from EPA's Enforcement and Compliance History Online (ECHO) database.

Among the eight WRFs requiring improvements under discharge elimination, six have sufficient flow capacity to handle future 2027 AADF. However, Southwest's 2027 AADF of 13.6 mgd is projected to be at 97 percent (%) of permitted AADF, 14 mgd. Currently, the Southwest WRF is undergoing an expansion to 16 mgd, and the estimated project completion date is in fiscal year 2025. Similarly, Nassau is currently undergoing an expansion to 4.0-mgd permitted ADF.

The existing average effluent quality from each WRF over the approximate 3-year period is summarized in **Table 2**. None of these facilities currently provide high level disinfection or meet advanced wastewater treatment (AWT) standards, which include 5-5-3-1 AADF limits for total suspended solids (TSS), Carbonaceous Biochemical Oxygen Demand (CBOD), total nitrogen (TN), and total phosphorus (TP). While several of the facilities listed in Table 2 have partial reuse treatment systems, the effluent quality data shown are representative of the quality currently discharged to surface water. Therefore, if JEA wishes to be eligible for APRICOT backup discharges at any of these WRFs, AWT upgrades would be required for the full permitted flow. The preliminary improvements required for AWT are summarized in **Section 2.3.2**.

Key permit limits were reviewed and compared with historical operating data and EPA's Enforcement and Compliance History Online (ECHO) database. Upon preliminary review of the data, JEA's existing WRFs are generally operating in compliance with current permitted limits. Currently, the existing ultraviolet (UV) disinfection systems at Buckman WRF and Southwest WRF are being upgraded to meet new surface water discharge requirements for enterococci in addition to fecal coliform.

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**Table 1. Recent and Forecast WRF Flows: Baseline Before Improvements**

Location (Grid)	WRF	Permit AADF	Provides AWT?	Recent Flows (7/2017-5/2020)			Forecast Flows (2027)					
				Inflow		MDF/ AADF	Inflow		Outflow			
									Water Reuse (AADF)		Surface Water Discharges (AADF)	
				AADF	MDF	AADF	MDF	Onsite Demand	Offsite Demand (Capacity)	Baseline APRICOT Allowance	Other Discharge to Be Managed	
South	Arlington East	25	-	16.8	36.3	2.2	21.1	45.6	1.4	1.2 (8.0)	N/A	19.9
	Blacks Ford <sup>1</sup>	6	AWT	4.6	5.5	1.2	4.5	5.4	0.1	3.1 (6.0)	1.8	0
	Julington Creek Plantation (JCP)	1	-	N/A	N/A	N/A	0.80	N/A	0.02	0.8 (1.0)	N/A	0
	Mandarin <sup>1</sup>	8.75	-	6.7	8.0	1.2	6.3	7.6	0.62	5.9 (8.75)	N/A	0.4
	Monterey	3.6	-	1.6	4.5	2.8	1.7	4.8	0	0	N/A	1.7
North	Cedar Bay	10	-	5.6	8.9 <sup>2</sup>	1.6	6.8	10.8	0.48	1.3 (5.0)	N/A	5.5
	Buckman	52.5	-	25.9	62.7 <sup>2</sup>	2.4	29.3	70.9	3.54	0	N/A	29.3
	Southwest	14	-	11.6	27.9	2.4	13.6	32.7	0.33	0	N/A	13.6
Small Grids	Nassau <sup>3</sup>	2.0	AWT	0.5	1.2	2.5	2.06	5.2	0.39	1.8 (4.0)	0.54	1.94 <sup>4</sup>
	Ponce de Leon	N/A	-	N/A	N/A	N/A	0.10	N/A	0.06	N/A	N/A	0
	Ponte Vedra <sup>3</sup>	0.8	-	0.28	0.8	2.5	0.70	1.75	0	0.7 (0.8)	N/A	0.1 <sup>4</sup>
Planned WRFs												
South	Greenland	N/A	AWT	N/A	N/A	N/A	2.60	N/A	0.30	2.6 (4.0)	1.2	0
North	Airport	N/A	AWT	N/A	N/A	N/A	1.00	N/A	0	0.0 (1.0)	N/A	0
Total							90.6		7.24	16.3	3.9	71.6

AADF – annual average daily flow

MDF – maximum daily flow

mgd – million gallons per day

AWT – advanced wastewater treatment

All flows in mgd

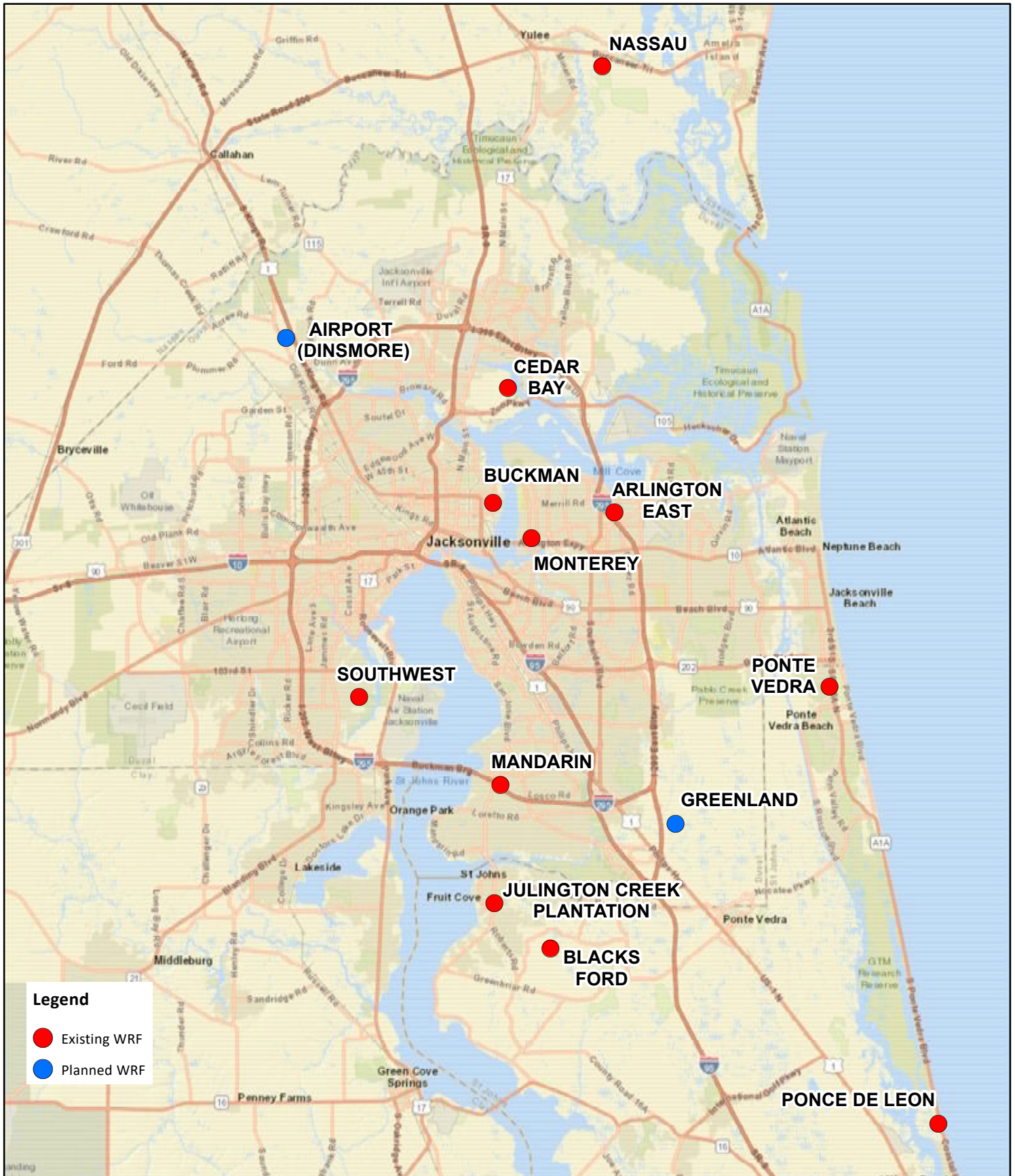
Baseline APRICOT Allowance Estimated Based on 30% of Actual Offsite Reuse Demand

<sup>1</sup> Based on projected flows from 11/2018 to 05/2020, when flow was diverted from Mandarin WRF to Blacks Ford WRF. Mandarin's AADF was projected to decrease between 2020 and 2027 due to a portion of the influent flow being directed to the planned Greenland WRF; however, the larger 2020 values were retained for this analysis, assuming no future decline in flow.

<sup>2</sup> Single day extreme flow events occurred at Cedar Bay and Buckman in September 2017. These were removed from the analysis for approaches A1 and A2 due to their extreme nature.

<sup>3</sup> Data based on best available information from EPA ECHO database, not data provided by JEA. Discharge from these facilities is considered only for the deep well injection scenario.

<sup>4</sup> Calculated as future permitted ADF minus forecast AADF.



**Figure 1.**  
JEA WRFs Evaluated for Surface Water  
Discharge Elimination Alternatives  
(Existing and Planned)

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**Table 2. Typical Effluent Water Quality of Existing JEA WRFs with Anticipated Impact from Future Discharge Elimination (June 2017-May 2020)\***

Location	WRF	Permitted Flow (mgd AADF)	TSS	CBOD	TN	TP	Existing Treatment Processes	Existing AWT?
<b>AWT Requirements (mg/L)</b>			<b>≤5</b>	<b>≤5</b>	<b>≤3</b>	<b>≤1</b>		
South Grid	Arlington East	25	<b><u>7.8</u></b>	<b><u>8.4</u></b>	<b><u>5.2</u></b>	0.9	MLE, cloth filter	<b>No</b>
	Mandarin	8.75	1.8	2.6	<b><u>3.8</u></b>	<b><u>1.5</u></b>	MLE, sand filter	<b>No</b>
	Monterey	3.6	<b><u>6.7</u></b>	2.3	2.7	<b><u>3.9</u></b>	SBR	<b>No</b>
North Grid	Cedar Bay	10	1.9	2.1	<b><u>6.0</u></b>	<b><u>2.1</u></b>	MLE	<b>No</b>
	Buckman	52.5	<b><u>7.1</u></b>	2.9	<b><u>4.1</u></b>	<b><u>5.8</u></b>	MLE	<b>No</b>
	Southwest	14	<b><u>8.2</u></b>	<b><u>5.4</u></b>	<b><u>3.3</u></b>	0.9	Modified Bardenpho	<b>No</b>
Small Grid	Ponte Vedra	0.8	0.5**	1.5	<b><u>4.1</u></b>	<b><u>1.6</u></b>	SBR, bridge filter	<b>No</b>
	Nassau	2	0.6	2.1	1.9	0.4	MBR	Yes

TSS-Total Suspended Solids, CBOD-Carbonaceous Biochemical Oxygen Demand, TN-Total Nitrogen, TP-Total Phosphorus, SBR – sequencing batch reactor, MLE Ludzack-Ettinger Process (MLE), MBR – membrane bioreactor

**Bolded and underlined** values do not meet AWT requirements.

\* Facilities listed provide basic-level disinfection. Exact range of dates included varies with facility by about one month.

\*\* Based on median of maximum monthly filtered turbidities. Median used in order to exclude impact of one high value.

Historical daily inflows over the approximate 3-year period were analyzed for each of the 6 WRFs through preparation of normal probability plots to identify potential daily flow outliers (**Figure 2**). The AADF for each facility was calculated as the arithmetic mean of daily inflows for the facility and is provided in Table 1. The maximum day flow (MDF) was calculated from the maximum daily inflow, except for Cedar Bay and Buckman, which experienced extremely high single day flows in September 2017 near the time when Hurricane Irma and Hurricane Maria increased precipitation in Jacksonville. For Cedar Bay, the original maximum day flow of 37.7 mgd from 9/19/17 was replaced with the second highest daily flow, 8.9 mgd. For Buckman, the original maximum day flow of 105.73 mgd from 9/11/17 was replaced with the second highest daily flow of 62.7 mgd. The analysis period for Blacks Ford and Mandarin begins in November 2018, to reflect the flow transfer from Mandarin to Blacks Ford after the Blacks Ford plant expansion was completed. The MDF/ADF ratio was calculated for each facility and ranged from 1.2 to 2.8. Looking ahead to future flows, a 2027 MDF was estimated for each facility by multiplying the 2027 AADF by the MDF/ADF ratio, Table 1. In this TM, the 2027 MDF is considered in the sizing of certain improvement scenarios, prior to consideration of equalization storage tanks.

Forecast water reuse demand in 2027 for both on-site reuse at each WRF and off-site reuse was also provided by JEA and is shown in Table 1. Onsite reuse was considered a closed loop because on-site reuse is continuously returned to the treatment process, thus not contributing to the facility inflow or deducting from the facility effluent flow. Offsite reuse flows were assumed to be constant year round without variations in demand. This is consistent with the findings of an irrigation demand analysis later in this TM (Section 3), which found little seasonal impact on irrigation demands.



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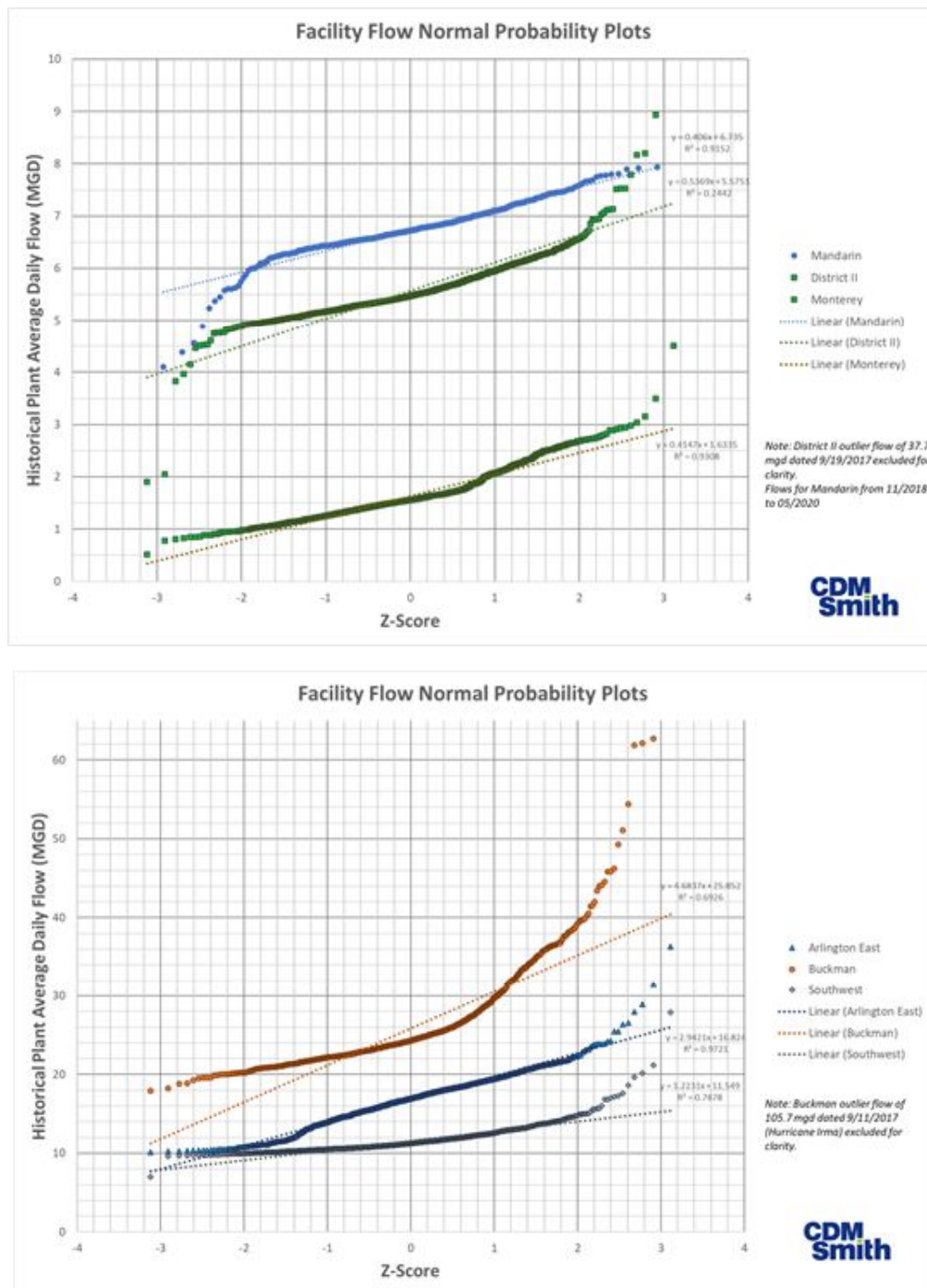


Figure 2. Facility Flow Normal Probability Plots

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Surface water discharges for each WRF were estimated as AADFs by taking the inflow and subtracting off-site reuse demand. Among the six WRFs evaluated, only Nassau provides AWT and therefore is eligible for backup discharges through the APRICOT Act. The APRICOT Act (Florida Statute Section 403.086) allows for permitting of backup discharges for public access reuse systems to surface water when the WRF provides AWT and high-level disinfection. Identifying the unmanaged surface water discharges as AADFs is informative, but not sufficient for planning the design of improvements under discharge elimination scenarios, since the elimination of all discharges would require facilities able to handle not only the average flow, but also variations in daily flow as discussed in Sections 2.2 and 2.3.

## 2.2 Assumed Surface Water Discharge Elimination Criteria

This section describes the assumptions used to size the required capacity of discharge elimination improvements. This TM assumes that the following approaches for handling WRF effluent would comply with a potential surface water discharge elimination law.

- Elimination of surface water discharges for non-AWT facilities.
- Deep well injection is the only surface water discharge elimination alternative considered for Ponte Vedra and Nassau. In the case of Nassau, a backup APRICOT discharge is allowed.
- Partial elimination of surface water discharges with the following allowable backup discharge from AWT facilities:
  - Backup “APRICOT” discharge<sup>1</sup> of reclaimed water to surface water limited to 30% of the permitted reuse capacity on an annual basis, provided the reclaimed water meets AWT, which requires high-level disinfection<sup>2</sup> and 5-5-3-1 mg/L annual average requirements for TSS, CBOD, TN, and TP concentrations, respectively. Note within this TM, backup discharges are limited to 25% of permitted reuse capacity, to reflect the uncertainty associated with wastewater daily inflows.
  - None of the discharge elimination scenarios will be applied to Blacks Ford because JEA is in the process of converting the existing backup wetland discharge to an APRICOT Act discharge, which is assumed to be allowed under the proposed legislation. Thus, Blacks Ford will meet the surface water discharge elimination requirement.

Among the scenarios considered, it is assumed that different improvements would have the following impacts on permitted reuse capacity (and by implication the allowable backup “APRICOT” discharge):

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<sup>1</sup> [Section 403.086\(7\), F.S.](#)

<sup>2</sup> [Rule 62-600.440 \(5\).](#)

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- Scenarios neither expanding the permitted reuse capacity nor increasing the allowable backup discharge
  - Deep well injection (Section 3.1)
  - Transfer to other service areas (Section 3.2)
- Scenarios expanding the permitted reuse capacity and increasing allowable backup discharge
  - Expansion of traditional reclaimed water<sup>3</sup> (Section 3.3)
  - Direct potable reuse (Section 3.4)
  - Indirect potable reuse using aquifer recharge (Section 3.4)

### 2.3 Estimation of Required Design Flows for Discharge Elimination Improvements

Three years of daily WRF influent flows were evaluated at each WRF to estimate the required design flow of discharge elimination improvements, using one of the following three approaches:

- Approach A: No AWT Upgrades with Discharge Elimination
  - A1. Without Use of Equalization Storage
  - A2. With Use of Equalization Storage
- Approach B: AWT Upgrades and Allowance for APRICOT Backup Discharges

The results of these simulations are shown in **Table 3** for 2017-2020 data. An equalization sizing model (not shown) was developed, simulating the use of an equalization tank against historical daily flows for each WRF to determine the beneficial reduction in flows attainable with various sizes of equalization storage. In general, increasing equalization storage provided beneficial, but diminishing reductions in the required receiving facility capacities. Therefore, a standard equalization storage volume of 50% of the maximum daily flow was provided for each facility, and the required capacity for discharge elimination was varied until surface water discharges across the entire simulation period totaled zero. Flows and equalization storage volumes from the baseline simulation are scaled up to 2027 in **Table 4** by multiplying each value by  $\frac{AADF_{2027}}{AADF_{2017-2020}}$  at each respective WRF. Site-specific approaches were used to analyze flows at Nassau and Ponte Vedra WRFs, because the flow data were not provided, and these facilities were considered for the deep well injection alternative only. For Nassau and Ponte Vedra, the current ADF was multiplied by an assumed peaking factor of 2.5 to estimate the current MDF. JEA provided the projected ADF for 2027, and the same peaking factor of 2.5 was used to estimate the 2027 MDF. The flow capacity with equalization (under A2) was based upon the facility's future permitted ADF.

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<sup>3</sup> Note, it is assumed for this analysis that APRICOT credit for reclaimed water is based on actual demand and not on reclaimed system capacity which often greatly exceeds actual demand.

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Note, Mandarin's AADF was projected to decrease between 2020 and 2027 due to a portion of the influent flow being directed to the planned Greenland WRF; however, the larger 2020 values were retained for this analysis, assuming no future decline in flow. The approach used to develop these capacities is described in the following paragraphs.

**Table 3. Simulated Treatment and Storage Requirements for Baseline Flows (2017-2020)**

Location (Grid)	WRF	Permitted Flow (mgd AADF)	Approach A No AWT Upgrades			Approach B AWT Upgrades	
			A1. No EQ Storage (Treat MDF)	A2. Build EQ Storage (Store 50% of MDF)		Permitted Reuse System Combined Capacity (mgd)	Backup Discharge AADF (@25%) (mgd)
			Flow Capacity (mgd)	Storage Volume (MG)	Flow Capacity (mgd)		
South	Arlington East	25	<b>36.3</b>	18.2	<b>27.2</b>	<b>13.7</b>	3.4
	Mandarin	8.75	<b>8.0</b>	4.0	<b>7.2</b>	<b>6.0</b>	1.5
	Monterey	3.6	<b>4.5</b>	2.25	<b>3.4</b>	<b>1.4</b>	0.34
North	Cedar Bay	10	<b>8.9</b>	4.5	<b>7.3</b>	<b>4.5</b>	1.1
	Buckman	52.5	<b>62.7</b>	31.4	<b>47.0</b>	<b>20.7</b>	5.2
	Southwest	14	<b>27.9</b>	14.0	<b>20.9</b>	<b>9.2</b>	2.8
Small	Nassau	2.0	<b>1.2</b>	0.6	<b>2.0</b>	-	-
	Ponte Vedra	0.8	<b>0.8</b>	0.4	<b>0.8</b>	-	-

**Table 4. Simulated Treatment and Storage Requirements for Forecast Flows (2027)**

Location (Grid)	WRF	Permitted Flow (mgd AADF)	Approach A No AWT Upgrades			Approach B AWT Upgrades	
			A1. No EQ Storage (Treat MDF)	A2. Build EQ Storage (Store 50% of MDF)		Permitted Reuse System Combined Capacity (mgd)	Backup Discharge AADF (@25%) (mgd)
			Flow Capacity (mgd)	Storage Volume (MG)	Flow Capacity (mgd)		
South	Arlington East	25	<b>45.6</b>	22.9	<b>34.2</b>	<b>17.2</b>	4.3
	Mandarin	8.75	<b>8.0</b>	4.0	<b>7.2</b>	<b>6.0</b>	1.5
	Monterey	3.6	<b>4.8</b>	2.4	<b>3.6</b>	<b>1.5</b>	0.4
North	Cedar Bay	10	<b>10.8</b>	5.5	<b>8.9</b>	<b>5.5</b>	1.3
	Buckman	52.5	<b>70.9</b>	35.5	<b>53.2</b>	<b>23.4</b>	5.9
	Southwest	14	<b>32.7</b>	16.4	<b>24.5</b>	<b>10.8</b>	3.3
Small	Nassau	4.0	<b>5.2</b>	2.6	<b>4.0</b>	-	-
	Ponte Vedra	0.8	<b>1.75</b>	0.9	<b>0.8</b>	-	-



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### *2.3.1 Approach A: No AWT Upgrades with Discharge Elimination*

Approach A eliminates surface water discharges by designing the discharge management alternative to capture the WRF maximum daily flow, thus avoiding surface water discharges to the St. Johns River. This is the approach used herein for identifying required capacity for deep well injection facilities and transfers to other service areas.

Approach A1 entails a design of improvements based on the 2027 forecast MDF, without any inter-day equalization storage. To simplify analysis for planning purposes, this TM limits the flow analysis to exclude peak hourly flows and associated intraday equalization. Note, for this simplified conceptual design analysis, detailed design of conveyance piping and pumpage associated with the equalization tanks was not included. As discussed in Section 2.2, the maximum single daily flows at Buckman and Cedar Bay were judged outliers from a normal probability plot, and removed from the analysis for Approach A, and replaced by the second largest daily flow.

For Approach A2, the outlier days were excluded from analysis and equalization storage was provided for treated WRF effluent, sized to 50% of the MDF in circular, prestressed ground storage tanks. For example, at Arlington East the MDF was 36.3 mgd, therefore 18.2 million gallons (MG) of equalization storage was provided. This equalization (EQ) tank capacity was subsequently used in a spreadsheet analysis model to identify the minimum required treatment capacity to eliminate surface water discharges over the approximate 3-year period of data, accounting for storage of flows in the equalization tank. The deep well injection and water transfer scenarios rely on Approach A2, assuming the use of equalization storage.

Providing equalization storage for plant effluent equal to 50% of the MDF reduced the required treatment inflow capacity by 10 to 25% relative to the MDF. Four of the 6 WRFs showed a 25% reduction in required capacity (Arlington East, Monterey, Buckman, and Southwest). The other 2 of the 6 WRFs showed a 10% reduction in capacity (Mandarin) and 18% reduction in required capacity (Cedar Bay) with provision of equalization storage.

### *2.3.2 Approach B: AWT Upgrades and Allowance for Backup Discharges*

This approach upgrades all the facilities in Table 3 to provide AWT for the permitted WRF capacity, thus enabling each facility to take advantage of the APRICOT backup discharge provision. This approach slashes the required capacity of discharge elimination improvements by about 50 to 69% relative to MDF, depending on the WRF. This is the approach used herein for identifying capacity required for expansion of reclaimed water, direct potable reuse, and indirect potable reuse by aquifer recharge.

This TM does not include a detailed evaluation of requirements to upgrade to AWT at each facility; however, a high-level assessment was performed for each WRF to evaluate the potential land area

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requirements associated with AWT upgrades. Multiple factors<sup>4</sup> can impact the feasibility of retrofitting an existing plant, including aeration basin size and configuration, clarifier capacity, type of aeration system, sludge processing units, and operator skills. This assessment concluded the upgrades associated with AWT improvements could be achieved within the existing plant footprint/JEA-owned parcel, without the need for additional land acquisition. For the purpose of this TM, it was assumed the additional nitrogen removal required for AWT could be achieved by adding a carbon source to the secondary anoxic zone or through the addition of deep-bed denitrifying filters. Phosphorous removal could be achieved through the addition of a metal coagulant salt such as alum or ferric chloride, prior to secondary clarification. Filters would be required for TSS removal. Of the seven JEA WRFs listed in Table 2 without AWT, three facilities (Southwest, Monterey, and Ponte Vedra) could be retrofitted to operate as 4-stage Bardenpho (i.e., secondary anoxic zone after aerobic zone). New filters would be required at Southwest and Monterey for TSS removal. Substantial new tankage would be required at the Arlington East, Buckman, and Cedar Bay WRFs for the addition of deep-bed denitrifying filters and chemical systems for enhanced phosphorous removal. It was assumed the existing sand filters at Mandarin could be retrofitted to operate as deep-bed denitrifying filters. Conceptual land area estimates associated with these upgrades are provided in Section 3.5. Note, additional evaluations of JEA's water reclamation facilities would be needed in order to more accurately estimate the improvements associated with AWT upgrades.

The required capacity of the reuse system with AWT improvements and allowed backup discharges was sized using a daily inflow spreadsheet analysis similar to that used in Approach A, except that the equalization storage was set to zero and cumulative discharge to surface water was calculated by adding up the daily discharges over the approximate 3-year period. Reuse system capacity was adjusted until surface water discharges equaled 25% of permitted reuse system capacity. Offsite reclaimed water capacity was based on demands only. Potable reuse facilities' capacity was based on inflow.

Permitted reuse system capacity was set to allow discharges at 25% of system capacity instead of the full 30% of discharges allowed under APRICOT to reflect the uncertainty inherent in the utilization of backup discharge volumes. Equalization storage volumes were set to 0 MG because the use of backup discharges greatly attenuated peak flows, thereby requiring impractically large equalization storage to attain additional benefit.

### 3.0 Feasibility Level Design of Discharge Elimination Scenarios

This section includes description of feasibility level design criteria for the following five discharge elimination scenarios as applicable to each of the six WRFs under consideration for discharge elimination.

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<sup>4</sup> USEPA 2007, "Biological Nutrient Removal Processes and Costs." Fact Sheet. June 2007.  
<https://nepis.epa.gov/Exe/ZyPURL.cgi?Dockey=60000G2U.TXT>

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- Deep Well Injection (Section 3.1)
- Expansion of Traditional Reclaimed (Section 3.2)
- Transfer to Other Service Areas (Section 3.3)
- Direct and Indirect Potable Reuse (Section 3.4)
- Land Area Required for Each Alternative (Section 3.5)

### 3.1 Deep Well Injection

The intent of deep well injection is for the injected fluid to remain confined in an aquifer's storage zone indefinitely, with no upward vertical migration into drinking water aquifers. For the purposes of this TM, deep well injection is considered a viable alternative for each WRF to eliminate surface water discharges, although this approach has not yet been utilized in the Jacksonville area. A stand-alone report was prepared to focus on this portion of the TM, and is included as **Appendix A**. In Florida, FDEP permits six types of injection wells. Class I wells are typically used to inject secondary-treated effluent into an aquifer with good confinement above the injection zone beneath the lowermost underground source of drinking water (USDW). The USDW is defined as groundwater with a TDS concentration of less than or equal to 10,000 mg/L. No Class I deep-injection wells exist in northern Florida – the closest Class I well is located approximately 140 miles south of Jacksonville at the Sykes Creek WRF in Brevard County. Little is known about the deep subsurface geological conditions below the USDW, but construction of a deep well could still be a viable option in the Jacksonville area. Extensive hydrogeologic exploration (drilling) and testing of potential test well locations can assist with site selection.

The evaluation of deep well injection for JEA's WRFs involved characterization of groundwater quality present in deep zones of the aquifer beneath the WRFs. More specifically, groundwater quality characterization was performed to determine the lowest limit of the USDW below which injection of treated effluent may be feasible. This was evaluated on a case by case basis for each WRF.

Six of JEA's 8 WRFs with excess reclaimed water capacity, as identified in Table 1, are located in Duval County. Ponte Vedra WRF is located in St. Johns County and Nassau WRF is in Nassau County. St. Johns County is listed as a county with carbonate aquifer chemistry requiring high-level disinfection prior to deep well injection in accordance with the federal rule 40 CFR 176. Duval County and Nassau County are not included on that list. Since Ponte Vedra is located in St. Johns County, high-level disinfection (which it already provides) would be required for deep well injection. For the purpose of this evaluation, it was assumed that no additional treatment process upgrades would be required for the deep well injection scenario.

Based on the groundwater quality characterization presented in Appendix A, two zones of the aquifer were identified for potential reclaimed water disposal associated with JEA's WRFs – the Fernandina Permeable Zone (FPZ) and Lawson Limestone. Several factors such as insufficient

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water quality data and unknown drilling depths add to uncertainty in the development of deep wells in north Florida. The injection zones and rates presented in Table 5 were assumed to be most feasible. Arlington East was assumed to be able to access the FPZ with a capacity of 2 mgd per well. All other WRFs were assumed to go to the Lawson Limestone with a capacity of 2 mgd per well. Actual capacities would need to be better defined after review of data from exploratory well drilling. Table 5 also presents the total number of wells estimated to be required to allow for disposal of the flow required to eliminate discharge as calculated in Approach A and deducting the off-site reclaimed water demand.

While each injection well only occupies a limited footprint, the need to space out and connect all injection wells via pipelines would be particularly challenging for some WRFs. Ideally, injection wells should be located at least 1,000 feet apart to avoid interference within the injection zone and avoid inefficiency associated with higher pumping pressures. Construction of deep injection wells can take several months, generating significant noise in residential neighborhoods, and creating additional disruption during trenching and excavation and laying of connecting pipelines. This may be most difficult near Buckman, where an estimated 28 injection wells along a 5.1-mile pipeline corridor would be required. Moreover, there are not enough drilling rigs in the state of Florida to complete this number of injection wells in 5 years. Due to the large quantity of wells needed in such a short period and limited number of capable well drillers in the state, JEA would be forced to turn to out of state resources at a premium cost. Nevertheless, even with the recruitment of numerous out of state drillers, given the inexperience of the drillers with NE Florida hydrogeology and the sheer number of deep wells required, it is doubtful that all 65 wells could be drilled and finished within the assumed 5-year period allotted for compliance.

**Table 5. Application of Deep Well Injection for Discharge Elimination in 2027 at Each WRF**

Location (Grid)	WRF	Injection Zone <sup>1</sup>	Equalization Tank Storage Volume (MG)	Flow Receiving Capacity Needed (mgd)	Offsite Reuse Demand (mgd)	Deep Well Capacity Required (mgd)	Injection Wells Required (ea)	Injection Well Corridor Distance (Miles) <sup>2</sup>
South	Arlington East	FPZ	<u>22.9</u>	34.2	1.2	33.0	<u>18</u>	3.4
	Mandarin	Lawson	<u>4.0</u>	7.2	5.9	1.3	<u>2</u>	0.4
	Monterey	Lawson	<u>2.4</u>	3.6	0	3.6	<u>3</u>	0.4
North	Cedar Bay	Lawson	<u>5.5</u>	8.9	1.3	7.6	<u>5</u>	0.8
	Buckman	Lawson	<u>35.5</u>	53.2	0	53.2	<u>28</u>	5.1
	Southwest	Lawson	<u>16.4</u>	24.5	0	24.5	<u>14</u>	2.5
Small	Nassau	Lawson	<u>2.6</u>	4.0	1.8	4.0	<u>3</u>	0.4
	Ponte Vedra	Lawson	<u>0.9</u>	0.8	0.7	1.0	<u>2</u>	0.2

<sup>1</sup> The estimated drilling depth to reach the high TDS aquifer ranges from 1,990 feet below land surface (BLS) to 2,126 feet BLS at each WRF. Source: Williams, L.J., and Kuniandy, E.L. 2016. Revised hydrogeologic framework of the Floridan aquifer system in Florida and parts of Georgia, Alabama, and South Carolina (ver 1.1, March 2016): U.S. Geological Survey Professional Paper 1807, 140 p., 23 pls, <http://dx.doi.org/10.3133/pp1807>.)

<sup>2</sup> Length required for injection well pipeline corridor was based on 1,000-ft spacing between each deep injection well

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### 3.2 Expansion of Traditional Reclaimed

Over the past 20 years, JEA has made significant investments in expanding their reclaimed water system, which currently provides more than 5 mgd of on-site reuse and provides an additional 15 mgd of reclaimed water to customers across the service territory. Public access reuse standards in Florida are outlined in 62-610 F.A.C., entitled “Reuse of Reclaimed Water and Land Application.” At a minimum, these requirements include secondary treatment, filtration for TSS removal, and meeting the high-level disinfection criterion for fecal coliform as specified in 62-660.440 F.A.C (“Disinfection.”)

Of the JEA WRFs evaluated for this project, eight produce public access reclaimed water and three existing WRFs produce non-public access reclaimed water used strictly at the WRF and/or within a restricted area, as shown in Table 1. Only one facility, Monterey WRF, does not currently produce reclaimed water. Cedar Bay (District II) provides reclaimed water to St. Johns Power Park (industrial reuse). Upgrades including addition of tertiary filtration and high-level disinfection would be required to meet public access reuse standards at Southwest, Buckman, Arlington East, Monterey, and Cedar Bay.

JEA continues to focus on projects to expand reclaimed water use in areas of future growth to offset aquifer demands to the extent economically, environmentally, and technologically feasible. To support an analysis of reclaimed system expansion, JEA provided customer billing data for each year from 2016 to 2019. The billing data included all types of customer billing. For analysis purposes, sewer only and deduct meters were removed.

The total irrigation demand based on specific irrigation meters was tabulated for each year and found to range from 18.4 to 23.5 mgd during the time frame analyzed, 2016 to 2019. The 2018 year was selected for further study since it represented the minimum irrigation to reclaimed volume that might be achieved. The primary focus was on irrigation meters because these are already separate meters that may be more easily retrofitted than a single meter used for both indoor and outdoor water.

#### 3.2.1 Data Sources

CDM Smith utilized the following data to evaluate the “expansion of traditional reclaimed water” alternative:

- JEA 2018 monthly billing data as a service point shapefile. The 2018 water billing data shapefile included the service point location for existing water meters, the water use type for each meter (e.g., residential water, residential irrigation, commercial irrigation, etc.), and the 2018 monthly water consumption (measured in gallons).
- JEA water system GIS coverages, primarily “WaterMain.shp” that included the existing water main pipe diameter and length.
- Duval County neighborhood boundary polygon shapefile.

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- Reclaimed water transmission main shapefile that included existing, planned, and potential reclaimed water transmission pipes.

### 3.2.2 Analysis

The general procedure described below was used to analyze the 2018 billing data along with the existing water main, neighborhood, and reclaimed water main shapefiles to identify and prioritize potential reclaimed water retrofit areas. The purpose of the process was to identify specific neighborhoods/properties that currently have irrigation water meters and to quantify the irrigation meter density and 2018 irrigation water use for each neighborhood. In addition, the approximate distance to existing reclaimed water transmission mains and the total length of existing water mains within each neighborhood were calculated. This exercise was performed so that neighborhoods could be prioritized to reap incremental benefits earlier as part of an overall conversion approach.

1. An annual average value (gallons per day) was calculated for each service point based on the monthly consumption data.
2. The 2018 service point shapefile was intersected with the neighborhood shapefile in GIS to generate a new point shapefile which includes the consumption data, meter type (i.e., residential irrigation), and neighborhood. Attribute data for the intersected shapefile was processed in a spreadsheet to calculate the total irrigation water use and the number of irrigation meters within each neighborhood. Neighborhoods with no existing irrigation meters were not considered for the remainder of the evaluation.
3. The neighborhood polygons with existing irrigation were grouped based on the neighborhood code (NBHD\_COD) attribute field. Most of the neighborhoods have a neighborhood code that includes an integer and two-digit decimal value (e.g., 117200.01, 117200.02, etc.) These neighborhoods were grouped together based on the integer value and assigned a new neighborhood group code (NBHD\_Group, i.e., 117100). This step helped to create more contiguous neighborhood areas within a single neighborhood or merge adjacent neighborhoods together, and reduced the universe of neighborhoods to evaluate from over 2,000 to about 500, with about 300 of those containing irrigation meters.
4. For each neighborhood group, the total area, total average daily irrigation water use, and total number of irrigation meters were recalculated. In addition, the meter density (i.e., meters per area) was also calculated.
5. The straight-line distance from each neighborhood to the nearest reclaimed water transmission main was determined in a GIS spatial analysis. The existing water main shapefile was intersected with the neighborhood shapefile in GIS to identify the water mains associated with each neighborhood. The attribute data for the intersected shapefile were processed in a spreadsheet to calculate the total length for each diameter water main located within a given neighborhood. Then, the total length for each 12-inch diameter pipe

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and smaller pipe was calculated for each neighborhood group. These data were used as an estimate of the length and size of reclaimed water mains required to retrofit a neighborhood.

6. The data generated from the above procedures were compiled in a spreadsheet to summarize the following information for each neighborhood group: total area, approximate distance to existing reclaimed water main, total average irrigation (gallons per day), total count of irrigation meters, irrigation meter density, total inch-diameter miles of existing water main, and total existing length of 0.75- to 12-inch water mains.

**Figure 3** shows a map of all neighborhood groups with irrigation meters, color-coded by the 2018 total irrigation demand. Since there is also outdoor water use that is not specifically tied to irrigation meters, it is prudent to estimate what the additional potential might be for conversion to reclaimed water. The total billed demand to water uses that is not captured in reclaimed or irrigation meters was estimated to be about 76 mgd for 2018, based on the billing data provided. There was not a strong seasonal component to this data, suggesting that much of the outdoor water use is occurring year round. Based on summary information provided from JEA, the total estimated outdoor use that might be converted to reclaimed water is an additional 18 mgd for the 2018 year, or about the same amount as the irrigation water. This water use occurs both within the 305 neighborhood groups that contain irrigation meters and in 193 additional neighborhood groups that do not.

Demands from each neighborhood were then allocated to the nearest of the seven WRFs having a discharge elimination requirement within each neighborhood's grid. Demands in 2027 are assumed to be the same as they were in 2018. **Table 6** compares the combined reuse attainable for each WRF assuming maximum expansion of the reclaimed system to serve residential and commercial irrigation demands from the closest WRF.

Based on this analysis, among the seven WRFs, expanded reclaimed water is not a feasible method of meeting the discharge elimination requirement for five of the seven WRFs, even with APRICOT backup discharges. Monterey WRF falls short of the reuse demand needed (1.5 mgd) by a mere 0.2 mgd; however, this could be remedied by diverting some demand to Monterey from the Arlington East service area. The first iteration of this analysis found insufficient demand near Arlington East to take what would need to be taken to eliminate surface water discharges. Conversely, there is excess demand near the Mandarin, without enough WRF capacity. Therefore, the analysis was repeated and excess demand from Mandarin was shifted to being served by Arlington East. Even with the flow transfer, the reclaimed water demand shortfall at Arlington East (6.0-mgd) is too great to be mitigated. Mandarin may have sufficient potential irrigation demand to make expanded reclaimed a technically feasible discharge elimination option; however, the cost to construct the necessary conveyance infrastructure to serve this demand, especially in crowded built-out neighborhoods, may be substantial.

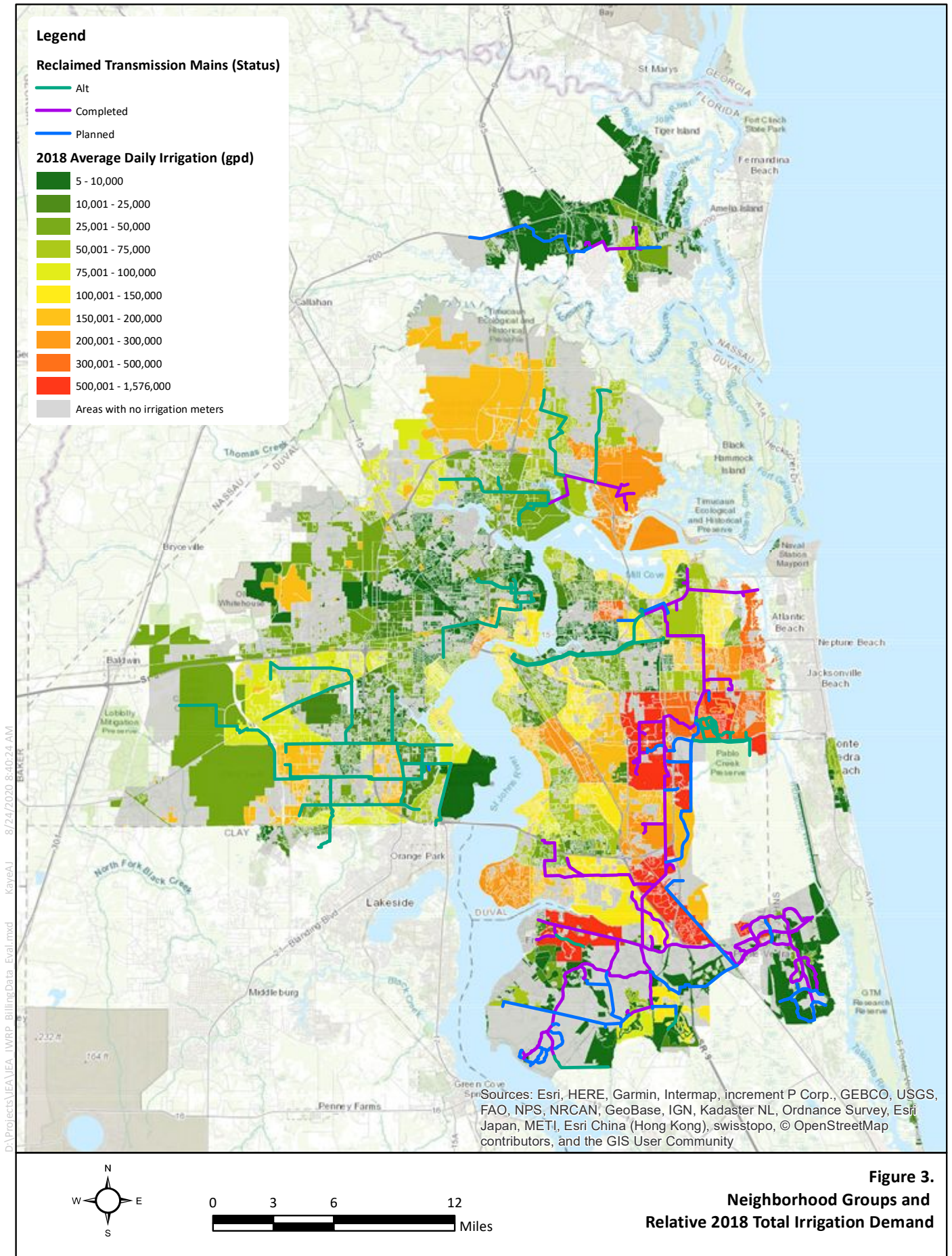
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**Table 6. Application of Expanded Reclaimed for Discharge Elimination in 2027 at Each WRF**

Location (Grid)	WRF	JEA Projected 2027 Reclaimed Demand (mgd)	Irrigation Demand Not Connected to Reclaimed (mgd)		Combined Reuse Demand After Max Expansion (mgd)	Demand Needed to Reduce Discharge to Goal (mgd)	Could Expanded Reclaimed Meet DE Goal?	<u>Shortfall (mgd)</u>
			Residential	Commercial				
South	Arlington East	1.2	2.33	3.39	11.2	17.2	Goal missed	<b><u>6.0</u></b>
	Mandarin	5.9	1.85	3.73	6.0 <sup>1</sup>	6.0	Meets goal	-
	Monterey	0	0.42	0.88	1.30	1.5	Goal missed	<b><u>0.2</u></b>
North	Cedar Bay	1.3	0.55	0.67	2.52	5.5	Goal missed	<b><u>2.98</u></b>
	Buckman	0	0.13	0.97	1.1	23.4	Goal missed	<b><u>22.3</u></b>
	Southwest	0	0.85	0.93	1.78	10.8	Goal missed	<b><u>9.02</u></b>

<sup>1</sup> The combined reuse demand closest to Mandarin was 11.48-mgd. The analysis was repeated, with the excess 5.48 mgd demand near Mandarin shifted to being served by Arlington East





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### 3.3 Transfer to Other Service Areas

This alternative consists of conveying reclaimed water from an existing JEA WRF to a different utility's service area to use for public access irrigation. This alternative was considered for locations outside of JEA's service territory that are experiencing high residential growth, that are not currently supplied with reclaimed water or do not have enough reclaimed water capacity to meet projected demand. Currently, JEA does not transfer excess reclaimed water to any other service areas.

For this evaluation, JEA provided initial direction on existing WRFs and background on related discussions with nearby local utilities. For this to be a viable surface water discharge elimination alternative, an agreement between JEA and the receiving utility would need to be in place. The receiving utility would need to accept a minimum volume of water on a daily basis.

Based upon discussions with JEA, this alternative for eliminating surface water discharges is only being considered for one existing JEA WRF. Within the Southwest WRF service area, preliminary discussions are underway for JEA to provide CCUA with reclaimed water to help supplement their reclaimed water system to meet residential demand. This project could provide 5 to 10 mgd of reclaimed water to CCUA, serve as an additional revenue source to JEA, and offset the volume of water currently discharged by Southwest WRF to the St. Johns River. However, extensive treatment upgrades for Southwest WRF would be required to meet public access reuse standards, an approximately ten-mile booster pumping and pipeline network would need to be constructed, and additional measures still would be needed to dispose of the remaining average 6- to 11-mgd balance of the discharge volume that is ordinarily conveyed to the St. Johns River.

Assuming that JEA does not upgrade Southwest's 14-mgd facility to AWT, the same flow requirements applicable to deep well injection would apply to this water transfer, requiring 16.4 MG of equalization storage and 24.5 mgd of baseline flows to the other service area.

Conversely, assuming a 10-mgd baseline water transfer to CCUA, a minimum required equalization volume could be estimated for discharge elimination. Over the 3-year simulation period 3.4 billion gallons of storage would be required to eliminate discharges when water transfers are 10 mgd. However, even this large volume is not tenable since water levels were increasing steadily over the 3-year simulation, indicating that a 10-mgd diversion flow is too low for any size of storage to function effectively as equalization.

### 3.4 Potable Reuse (Direct and Indirect)

Potable reuse involves conveyance of reclaimed water to a newly constructed water purification facilities (WPF) that produces water of potable quality to either 1) be blended with finished water at an existing JEA water treatment plant (an approach known as DPR), or 2) be recharged directly into the Floridan aquifer, resulting in beneficial reuse credits for the JEA CUP (an approach known as IPR by aquifer recharge). For these two scenarios (DPR and IPR), it is assumed that the full AADF capacity of each WRF would be upgraded to AWT in order to allow JEA to be eligible for backup discharges, while also limiting the required WPF intake capacity and associated costs. Without

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AWT, the IPR/DPR facility would need to be sized for MDF or larger to achieve “discharge elimination” without backup discharges. For example, without AWT upgrades at Arlington, the IPR/DPR facility needs to have an intake capacity of at least 45.6 mgd. AWT allows cutting the IPR/DPR facility intake capacity by 63%, which is a more cost-effective approach. Moreover, while AWT is not required for IPR or DPR, it would have an additional benefit of providing better removal of trace organic compounds and pathogens. For example, the FDEP protozoa database shows that Crypto and Giardia levels were about 30% lower in nitrifying facilities that effectively removed chemical biological oxygen demand (CBOD)<sup>6</sup>.

**Table 7** and **Table 8** summarize the DPR and IPR options by WRF.

A combined water recovery of 80% is assumed for both DPR and IPR via aquifer recharge, assuming that 20% of the inflow becomes concentrate to be disposed via deep well injection to the same aquifers for each WRF, and with the same injection capacities, as identified in the deep well injection discussion, with one standby well and associated monitoring wells included. The treatment train for either DPR or IPR includes ultrafiltration (UF), reverse osmosis (RO), and advanced oxidation with UV (UV-AOP), to provide multiple treatment barriers and pathogen removal, along with limited addition of post-treatment chemicals to stabilize the finished water pH, calcium, and alkalinity.

Both DPR and IPR would have unique treatment components. For DPR only, the final purified water would undergo a final polishing step using granular activated carbon (GAC) in conjunction with additional advanced online water quality analyzers, prior to conveyance to a nearby JEA drinking water facility. The DPR option may adversely affect JEA’s current CUP by decreasing the permitted volume of water JEA can withdraw. Special permit negotiations will likely be required to ensure JEA maintains enough flexibility in their well withdrawal capacity under the DPR scenario. For IPR, the final purified water would be injected into a region of the Floridan aquifer used for water supply. JEA would likely be able to receive beneficial reuse credits for their CUP if aquifer recharge is implemented. The number of recharge wells required per site is based on previous JEA drinking water well projects and assumes a 2.0-mgd capacity per recharge well. This scenario would also include four adjacent monitoring wells installed at each site.

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<sup>6</sup> MacNevin, D., & Zornes, G. 2020. “Health Risks from Protozoa in Potable Reuse: Implications of Florida’s Dataset.” *AWWA Wat. Sci.* 2020; e1199. <https://doi.org/10.1002/aws2.1199>. In Press as of 10/12/2020

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**Table 7. Application of Direct Potable Reuse for Discharge Elimination in 2027 at Each WRF**

Location	WRF	AWT Upgrade	Target Permitted Reuse Capacity (mgd)	Existing Offsite Reuse Demand (mgd)	DPR Feed Capacity Required (mgd)	Concentrate Disposal Flow (mgd)	Concentrate Injection Wells Required (ea) <sup>2</sup>	Purified Water Production (mgd)	Potential WTP for Blending	Approx. Transfer Pipeline Distance (miles)
South	Arlington East	Add AWT	17.2	1.2	16.0	3.2	Three (3)	12.8	Arlington East	4.1
	Mandarin <sup>1</sup>	Add AWT	6.0	5.9	0.1	0.02	Two (2)	0.08*	Comm. Hall	2.8
	Monterey	Add AWT	1.5	0	1.5	0.3	Two (2)	1.2	Arlington	0.7
North	Cedar Bay	Add AWT	5.5	1.3	4.2	0.8	Two (2)	3.4	Highlands	3.2
	Buckman	Add AWT	23.4	0	23.4	4.7	Three (3)	18.7	Main Street	3.0
	Southwest	Add AWT	10.8	0	10.8	2.2	Three (3)	8.6	Southwest	4.8

<sup>1</sup> While DPR can allow for compliance with discharge elimination scenarios at these facilities, the amount of purified water produced is low compared to the investments required for implementation.

<sup>2</sup> Based on 2.0-mgd capacity per well, with one backup well at each location

**Table 8. Application of Indirect Potable Reuse by Aquifer Recharge for Discharge Elimination in 2027 at Each WRF**

Location	WRF	AWT Upgrade	Target Permitted Reuse Capacity (mgd)	Existing Offsite Reuse Demand (mgd)	IPR Feed Capacity Required (mgd)	Concentrate Disposal Flow (mgd)	Concentrate Injection Wells Required (ea) <sup>2</sup>	Purified Water for Recharge (mgd)	Recharge Wells Required (ea) <sup>2</sup>
South	Arlington East	Add AWT	17.2	1.2	16.0	3.2	Three (3)	12.8	Eight (8)
	Mandarin <sup>1</sup>	Add AWT	6.0	5.9	0.1	0.02	Two (2)	0.08*	Two (2)
	Monterey	Add AWT	1.5	0	1.5	0.3	Two (2)	1.2	Two (2)
North	Cedar Bay	Add AWT	5.5	1.3	4.2	0.8	Two (2)	3.4	Three (3)
	Buckman	Add AWT	23.4	0	23.4	4.7	Three (3)	18.7	Ten (10)
	Southwest	Add AWT	10.8	0	10.8	2.2	Three (3)	8.6	Six (6)

<sup>1</sup> While IPR can allow for compliance with discharge elimination scenarios at these facilities, the amount of purified water produced is low compared to the investments required for implementation.

<sup>2</sup> Based on 2.0-mgd capacity per well, with one backup well at each location

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There are currently no regulations for DPR in Florida. However, in June 2020 Florida Governor Ron DeSantis signed Senate Bill 712, which deems reclaimed water as a water source for public water systems. The bill also requires FDEP to initiate rule revisions by the end of 2020 for potable reuse based on the recommendations of the Potable Reuse Commission's Framework Report. This is an important step forward towards the safe, regulated availability of DPR as a water supply option in Florida. However, FDEP has not yet permitted a DPR facility and the regulatory planning horizon is still uncertain. For the purpose of this evaluation, it was assumed DPR regulations would be in place by 2027 and appropriate permits for both the purified water and the concentrate could be obtained for each WRF where this alternative is utilized.

### 3.5 Land Area Required for Each Alternative

A conceptual-level assessment was performed for each WRF to evaluate the potential land area requirements associated with each discharge elimination alternative and results are presented in **Table 9**. For the injection wells (deep-wells and recharge wells), it was assumed each well occupies a 0.5-acre parcel and each monitoring well requires a 0.25-acre parcel. The pipeline corridor connecting each well would be located in existing easements or rights-of-way near roads; therefore, no additional land is required for the pipeline portion. Area requirements for the water purification facilities were estimated based on 1.5 acres required per 10 mgd of capacity. Using the estimates, a review of the available land area at each WRF was conducted, along with surrounding parcels. For the DPR, IPR, and deep well injection alternatives, additional land acquisition would be required for the Mandarin, Monterey, Buckman, and Ponte Vedra WRFs. This assessment concluded that the upgrades associated with AWT improvements could be achieved within the existing plant footprint/JEA-owned parcel, without the need for additional land acquisition.

**Table 9. Approximate Land Area Requirements Associated with Each Discharge Elimination Alternative**

Location Grid	WRF	Permitted Flow (mgd AADF)	Land Area Required (Acres)				Nearby JEA-owned Parcel Area (Acres)	Additional Land Purchase Required? (Yes/No)
			AWT Upgrades <sup>1</sup>	DWI	IPR	DPR		
South	Arlington East	25	0.4	24.2	9.8	4.8	69	No
	Mandarin	8.75	0.25 <sup>2</sup>	4.3	NA	NA	0	<u>Yes</u>
	Monterey	3.6	0.1	4.6	4.3	2.3	0	<u>Yes</u>
North	Cedar Bay	10	0.2	6.4	5.2	2.7	19.5	No
	Buckman	52.5	0.8	29.9	12.1	6.1	0	<u>Yes</u>
	Southwest	14	0.2	22.7	7.5	3.5	100	No
Small	Ponte Vedra	0.8	0.1	3.4	NA	NA	0	<u>Yes</u>

WRF – Water Reclamation Facility, AADF – Annual Average Daily Flow, DWI – Deep Well Injection; IPR – Indirect Potable Reuse, DPR – Direct Potable Reuse, NA – Not Applicable

<sup>1</sup> Assumes 0.015 acre/mgd upgrade required for addition of deep-bed/denitrifying filters and tankage associated with enhanced nitrogen and phosphorous removal

<sup>2</sup> Estimated area for new tankage associated with enhanced nitrogen and phosphorous removal (assumes existing sand filters can be retrofitted)



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#### 4.0 Summary of Improvements Required for Discharge Elimination Under Different Scenarios

Passage of a wastewater discharge elimination requirement in Florida would require substantial investment in new infrastructure to comply. **Table 10** summarizes the feasibility level design criteria associated with the implementation of five potential alternative discharge elimination scenarios. A combination/hybrid scenario will be developed.

A review of available property information was performed for each WRF to evaluate the potential land area requirements associated with each discharge elimination alternative. For the DPR, IPR, and deep well injection alternatives, additional land acquisition would be required for the Mandarin, Monterey, Buckman, and Ponte Vedra WRFs. In addition to requiring additional property, the construction of deep injection wells and recharge wells would proceed slowly, causing significant impacts to the surrounding community. The upgrades associated with AWT improvements could be achieved within the existing plant footprint/JEA-owned parcel, without the need for additional land acquisition.

Advanced wastewater treatment status of an WRF allows a facility to utilize APRICOT backup discharge credits. When AWT was active, backup discharges were limited to 25% of the total permitted reuse capacity, instead of the full 30% to provide some conservatism for uncertainty in inflows. Permitted reuse capacity for calculation of backup discharges was based on off-site reclaimed water demand (not capacity) plus the intake capacity of any potable reuse facilities (assuming full utilization).

Since neither of the following options would result in an increased APRICOT backup discharge, no AWT upgrades are assumed for the following scenarios: 1) Deep Well Injection, or 2) Water Transfer. Since all the following scenarios result in an increased APRICOT backup discharge reducing the required reclaimed water demand and required water purification facility capacities, AWT upgrades are assumed for the following scenarios: 1) Expanded Reclaimed, 2) Direct Potable Reuse, and 3) Indirect Potable Reuse Scenarios. Note, when AWT retrofits are assumed, the full flow (AADF) of each WRF is upgraded. A detailed assessment of AWT upgrade requirements was not performed at each WRF. It is assumed that the upgrade could be accomplished largely through retrofits of existing infrastructure with some expanded construction potentially being required.

Following is a summary of each discharge elimination scenario's potential applicability to meet a potential discharge elimination requirement:

- **Deep Well Injection:** This scenario assumed discharge elimination, with no backup discharges. Equalization storage tanks were constructed to reduce the number of wells required, with tankage sized to capture 50% of the maximum daily flow at each WRF, result in construction of 90 MG in equalization storage tanks. A total of 75 deep injection wells are required constructed, each extending to depths of more than 2,000 ft BLS, assuming Class I disposal wells are feasible to the Fernandina Permeable Zone (FPZ) (2 mgd each, Arlington

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East only) or the Lawson Limestone (2 mgd each, all other WRFs). This total assumes one backup disposal well for each WRF and associated monitoring wells. While the individual deep wells require a negligible amount of land, the construction of so many deep wells over many months could cause serious disruption to neighborhoods in the form of noise from drilling rigs and disruptions to roadway crossings from excavation to lay numerous miles of connecting pipelines.

- **Expanded Reclaimed (Insufficient to Eliminate Discharge):** This scenario evaluated existing irrigation demands not already on JEA's reclaimed system for potential transfer to reclaimed supply. Irrigation demands were evaluated by neighborhood and then grouped by closest WRF in the same Grid in need of expanded reclaimed to mitigate surface water discharges. A total of 113.85 mgd in AWT retrofits at 6 facilities are included to maximize backup discharges and minimize the required expanded reclaimed volume. Even after AWT improvements, expanded reclaimed cannot meet the systemwide discharge elimination goal, only provided a maximum demand of 23.9 mgd, which falls short of the 64.4 mgd target demand needed, even with backup discharge credits from AWT upgrades.

Not considering the cost and feasibility of adding the full irrigation demands to the reclaimed service area, there appears to be sufficient irrigation demand near Mandarin to meet the associated discharge elimination requirements at those facilities. Monterey did not comply with the discharge requirement, facing a 0.2-mgd demand shortfall; however, shifting demand from Arlington East could alleviate this shortfall. Nevertheless, there is insufficient irrigation demand for expanded reclaimed to result in discharge elimination compliance at Arlington East, Cedar Bay, Buckman, and Southwest.

- **Water Transfer (Insufficient to Eliminate Discharge):** This scenario assumes transfer of reclaimed water to a neighboring utility service area for beneficial reuse. The only potential application identified for this scenario is at Southwest WRF, with a potential water transfer of up to 10 mgd to CCUA for use as reclaimed water. Southwest does not currently provide tertiary filtration and high-level disinfection to produce reclaimed water for Public Access Reuse. No additional treatment is assumed by JEA prior to transfer to CCUA. Since no AWT upgrades are assumed, the discharge elimination criteria are the same as with deep well injection, namely 24.5 mgd of demand when 16.5 MG of equalization storage is provided. The 10 mgd of demand from CCUA is insufficient to meet discharge elimination criteria since 24.5 mgd of demand is needed from Southwest when 16.4 MG of equalization storage is provided. Therefore, water transfers would not result in compliance with discharge elimination criteria.
- **Direct Potable Reuse:** This scenario assumes construction of 113.85 mgd (AADF) in AWT improvements among the 6 WRFs in Table 10 currently without AWT. Six water purification facilities are constructed with combined production capacity of 44.7 mgd. These facilities are operated as base-loaded facilities at 100% utilization. Water recovery is 80%, resulting in a combined 11.2 mgd of concentrate handled by 15 concentrate disposal wells. Concentrate

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disposal wells are similar in construction to the deep injection wells described earlier and their construction would cause similar disruption to neighborhoods.

Purified water would be transferred to nearby existing JEA WTPs for blending with finished water. The DPR option has the potential to adversely affect JEA's CUP by decreasing the permitted volume of water JEA can withdraw. Special permit negotiations will likely be required to ensure JEA maintains enough flexibility in their well withdrawal capacity under the DPR scenario. The 6 required pipelines conveying a combined 44.7 mgd of purified water would have total estimated length of nearly 19 miles. The WPF at Mandarin had a trivial production capacity—0.08 mgd—required to meet the associated discharge elimination requirement. While such an option could meet the discharge requirement at Mandarin, it would be too small of a facility to be practical. One potential option could be to divert excess reclaimed water flows from the Mandarin region of the collection system to the Arlington WRF.

By undertaking such a large investment in DPR as an alternative water supply, JEA could inadvertently risk losing some of its CUP allocation if the St Johns River Water Management District were to respond by slashing JEA's withdrawals fresh groundwater from the Floridan aquifer. In accordance with the recommendations of Florida's Potable Reuse Commission, SJRWMD should not penalize utilities for implementing potable reuse but rather incentivize such investments and create certainty for utilities by granting extended term (50-year) permits and offering financial incentives.

- **Indirect Potable Reuse:** This scenario assumes construction of 113.85 mgd (AADF) in AWT improvements among the 6 WRFs in Table 10 currently without AWT. Upgrades to AWT are assumed in order to allow APRICOT backup discharges, reducing the required capacity of indirect potable reuse facilities. Six water purification facilities are constructed with combined production capacity of 44.7 mgd. These facilities are operated as base-loaded facilities at 100% utilization. Water recovery is 80%, resulting in a combined 11.2 mgd of concentrate handled by 15 concentrate disposal wells. Concentrate disposal wells are similar in construction to the deep injection wells described earlier and their construction would cause similar disruption to neighborhoods.

Purified water would be transferred to 31 recharge wells for injection to the Floridan aquifer. One water supply benefit of aquifer recharge is JEA may receive CUP credits for the water used for aquifer recharge. Construction of these recharge wells would proceed more rapidly than deep wells but would still cause disruption to surrounding neighborhoods. The WPF at Mandarin had a trivial production capacity, 0.08 mgd, required to meet the associated discharge elimination requirement. While such an option could meet the discharge requirement at Mandarin, it would be too small of a facility to be practical. One potential option could be to divert excess reclaimed water flows from the Mandarin region of the collection system to the Arlington WRF.



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**Table 10. Feasibility Level Design Criteria for Six Scenarios to Eliminate Surface Water Discharges at Select JEA WRFs in 2027**

Location	WRF	Upgrade to AWT? (Capacity in AADF)	Scenarios for Discharge Elimination in 2027					Combo/ Hybrid
			Deep Well Injection (Table 5)	Expanded Reclaimed (Table 6)	Water Transfers	Direct Potable Reuse (Table 7)	Indirect Potable Reuse (Table 8)	
South	Arlington East	No AWT	EQ Tanks (22.9 MG) 18 Wells (33.0 mgd)	..1	No Customer	..2	..2	TBD
		Retrofit for AWT (25 mgd)	..3	Insufficient Demand 11.2 mgd Max 17.2 mgd Target		Water Purification Facility (12.8 mgd) 3 Conc. Disposal Wells (3.2 mgd) 4.1 Mile Pipeline to Arlington East WTP	Water Purification Facility (12.8 mgd) 3 Conc. Disposal Wells (3.2 mgd) 8 Recharge Wells (12.8 mgd)	
	Mandarin	No AWT	EQ Tanks (4.0 MG) 2 Wells (1.3 mgd)	..1	No Customer	..2	..2	TBD
		Retrofit for AWT (8.75 mgd)	..3	Enough Demand 6.0 mgd Max 6.0 mgd Target		<b>SMALL CAPACITY FACILITY</b> Water Purification Facility (0.08 mgd) 2 Conc. Disposal Wells (0.02 mgd) 2.8 Mile Pipeline to Community Hall WTP	<b>SMALL CAPACITY FACILITY</b> Water Purification Facility (0.08 mgd) 2 Conc. Disposal Wells (0.02 mgd) 2 Recharge Wells (0.8 mgd)	
	Monterey	No AWT	EQ Tanks (2.4 MG) 3 Wells (3.6 mgd)	..1	No Customer	..2	..2	TBD
		Retrofit for AWT (3.6 mgd)	..3	Nearly Enough Demand 1.3 mgd Max 1.5 mgd Target		Water Purification Facility (1.2 mgd) 2 Conc. Disposal Wells (0.3 mgd) 0.7 Mile Pipeline to Arlington WTP	Water Purification Facility (1.2 mgd) 2 Conc. Disposal Wells (0.3 mgd) 2 Recharge Wells (1.2 mgd)	
North	Cedar Bay	No AWT	EQ Tanks (5.5 MG) 5 Wells (7.6 mgd)	..1	No Customer	..2	..2	TBD
		Retrofit for AWT (10 mgd)	..3	Insufficient Demand 2.52 mgd Max 5.5 mgd Target		Water Purification Facility (3.4 mgd) 2 Conc. Disposal Wells (0.8 mgd) 3.2 Mile Pipeline to Highlands WTP	Water Purification Facility (3.4 mgd) 2 Conc. Disposal Wells (0.8 mgd) 3 Recharge Wells (3.4 mgd)	
	Buckman	No AWT	EQ Tanks (35.5 MG) 28 Wells (53.2 mgd)	..1	No Customer	..2	..2	TBD
		Retrofit for AWT (52.5 mgd)	..3	Insufficient Demand 1.1 mgd Max 23.4 mgd Target		Water Purification Facility (18.7 mgd) 3 Conc. Disposal Wells (4.7 mgd) 3.0 Mile Pipeline to Main Street WTP	Water Purification Facility (18.7 mgd) 3 Conc. Disposal Wells (4.7 mgd) 10 Recharge Wells (18.7 mgd)	
	Southwest	No AWT	EQ Tanks (16.4 MG) 14 Wells (24.5 mgd)	..1	Insufficient Demand to Comply 10 mgd Max to CCUA 24.5 mgd Target	..2	..2	TBD
		Retrofit for AWT (14 mgd)	..3	Insufficient Demand 1.78 mgd Max 10.8 mgd Target	..3	Water Purification Facility (8.6 mgd) 3 Conc. Disposal Wells (2.2 mgd) 4.8 Mile Pipeline to Southwest WTP	Water Purification Facility (8.6 mgd) 3 Conc. Disposal Wells (2.2 mgd) 6 Recharge Wells (8.6 mgd)	
Small	Nassau	AWT	EQ Tanks (2.6 MG) 3 Wells (4.0 mgd)	..5	..5	..5	..5	..5
	Ponte Vedra	No AWT	EQ Tanks (0.9 MG) 2 Wells (1.0 mgd)	..5	..5	..5	..5	..5
<b>Combined Improvements for Scenario</b>			<b>No AWT Retrofits EQ Tanks (90 MG) 75 Wells (128.2 mgd)</b>	<b>113.85 mgd AWT Retrofits 23.9 mgd Max Demand 64.4 mgd Target</b>	<b>No AWT Retrofits CCUA Reports 10 mgd Max Demand 24.5 mgd Target</b>	<b>113.85 mgd AWT Retrofits 6 DPR WPFs (44.7 mgd) 15 Conc. Disposal Wells (11.2 mgd) 6 Pipelines to WTPs (18.6 miles)</b>	<b>113.85 mgd AWT Retrofits 6 IPR WPFs (44.7 mgd) 15 Conc. Disposal Wells (11.2 mgd) 31 Recharge Wells (43.8 mgd)</b>	<b>TBD</b>
Key		Not Compliant or Practical	Notes: 1-Expanded Reclaimed not considered without AWT since AWT enables APRICOT backup discharges, reducing required reclaimed demand.					
		Marginal Compliance	2-Potable reuse not considered without AWT since AWT enables APRICOT backup discharges, reducing required facility capacity, infrastructure, and capital costs					
		Compliant with Discharge Requirement <sup>4</sup>	3-AWT upgrades not considered with deep well injection or water transfers since APRICOT does not give provide any backup discharge credit for these scenarios.					
		Not Considered	4-While this initial screening may suggest some options are technically feasible for meeting the discharge elimination related goals, this does not consider project costs and other implementation factors that may complicate implementation of the scenario. 5- Deep well injection was the only surface water discharge elimination alternative considered for this WRF					

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CS for CS for SB 1656

By the Committees on Governmental Oversight and Accountability;  
and Innovation, Industry, and Technology; and Senator Albritton

585-03765-20

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1                               A bill to be entitled  
2       An act relating to reclaimed water; amending s.  
3       403.064, F.S.; prohibiting domestic wastewater  
4       treatment facilities from disposing of effluent,  
5       reclaimed water, or reuse water by surface water  
6       discharge beginning on a specified date; providing  
7       exceptions; creating s. 403.8531, F.S.; providing  
8       legislative intent; defining terms; providing that  
9       reclaimed water is a water source for public water  
10      supply systems; providing specified groundwater and  
11      surface water quality protections for potable reuse  
12      projects; providing that potable reuse is an  
13      alternative water supply and that projects relating to  
14      such reuse are eligible for alternative water supply  
15      funding; requiring the Department of Environmental  
16      Protection to adopt specified rules; requiring the  
17      department to review reclaimed water and potable reuse  
18      rules and revise them as necessary; requiring the  
19      department to review aquifer recharge rules and revise  
20      them as necessary; requiring the department to  
21      initiate rulemaking and to submit such rules to the  
22      Legislature for approval by a specified date;  
23      prohibiting such rules from being published as  
24      administrative rules; requiring the department and the  
25      water management districts to develop and execute, by  
26      a specified date, a memorandum of agreement for the  
27      coordinated review of specified permits; providing  
28      that potable reuse projects are eligible for certain  
29      expedited permitting and tax credits; providing

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30 construction; creating s. 403.892, F.S.; defining  
31 terms; requiring counties, municipalities, and special  
32 districts to authorize graywater technologies under  
33 certain circumstances and to provide incentives for  
34 the implementation of such technologies; providing  
35 requirements for the use of graywater technologies;  
36 requiring the department to convene at least one  
37 technical advisory groups for a specified purpose;  
38 providing for the composition of the technical  
39 advisory group; providing for the applicability of  
40 specified reclaimed water aquifer storage and recovery  
41 well requirements; providing a directive to the  
42 Division of Law Revision; providing a declaration of  
43 important state interest; providing an effective date.  
44

45 WHEREAS, sustainable water supplies are important to this  
46 state's economy, environment, and quality of life, and

47 WHEREAS, in 2019, Floridians used nearly 6.5 billion  
48 gallons of water per day and are projected to need an additional  
49 1.1 billion gallons of water per day by 2035, and

50 WHEREAS, more than 75 percent of this state's water supply  
51 comes from groundwater, and the availability of additional fresh  
52 groundwater has become limited in many areas of this state, and

53 WHEREAS, this state's continued growth and economic success  
54 depend on the implementation of safe and sustainable alternative  
55 water supplies, and

56 WHEREAS, the use of reclaimed water is an important  
57 component of both wastewater management and water resource  
58 management in this state, and

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59 WHEREAS, in 2018, approximately 48 percent of the total  
60 domestic wastewater flow in this state, 797 million gallons per  
61 day, was reused for beneficial purposes, and

62 WHEREAS, the reuse of water is a critical component of  
63 meeting this state's existing and future water supply needs, and

64 WHEREAS, potable reuse is the augmentation of a drinking  
65 water supply with reclaimed water from a municipal wastewater  
66 source and is an alternative water supply source that can be  
67 harnessed to help meet the additional water needs of this state  
68 while protecting both the public health and the environment, and

69 WHEREAS, the Legislature finds that through the use of  
70 advanced treatment technology, potable reuse is a safe and  
71 sustainable alternative water supply source that can be used to  
72 support a diverse, resilient, and sustainable water supply  
73 portfolio, and is considered to be in the public interest, and

74 WHEREAS, potable reuse projects, when implemented in a  
75 properly planned way using current environmental and engineered  
76 treatment processes, have reduced, and will continue to reduce,  
77 this state's dependence on increased withdrawals from  
78 groundwater and surface water sources, pollutant loadings to  
79 waters of the state, and the nonbeneficial use of reclaimed  
80 water, thus improving water quality and benefitting the  
81 environment and local economies that depend on this state's  
82 natural resources, NOW, THEREFORE,

83  
84 Be It Enacted by the Legislature of the State of Florida:

85  
86 Section 1. Subsection (17) is added to section 403.064,  
87 Florida Statutes, to read:

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88 403.064 Reuse of reclaimed water.—

89 (17) Notwithstanding any other provisions in this section  
90 to the contrary, beginning January 1, 2026, domestic wastewater  
91 treatment facilities may not dispose of effluent, reclaimed  
92 water, or reuse water by surface water discharge, except that  
93 this prohibition does not apply to indirect potable reuse  
94 projects; domestic wastewater treatment facility discharges  
95 during wet weather which occur in accordance with the applicable  
96 department permit; discharges into a stormwater management  
97 system which are subsequently withdrawn by a user for irrigation  
98 purposes; domestic wastewater treatment facilities located in  
99 fiscally constrained counties as defined in s. 218.67(1);  
100 projects where reclaimed water is recovered from an aquifer  
101 recharge system and subsequently discharged into a surface water  
102 for potable reuse; wetlands creation, restoration, and  
103 enhancement projects; minimum flows and levels recovery or  
104 prevention strategy plan projects; domestic wastewater treatment  
105 facilities with reuse systems that provide a minimum of 90  
106 percent of a facility's annual average flow, as determined by  
107 the department using monitoring data for the prior 5 consecutive  
108 years, for reuse purposes authorized by the department; domestic  
109 wastewater treatment facilities located in municipalities that  
110 have less than \$10 million in total revenue, as determined by  
111 the most recent annual financial report submitted to the  
112 Department of Financial Services in accordance with s. 218.32;  
113 or domestic wastewater treatment facilities located in  
114 municipalities that are entirely within a rural area of  
115 opportunity designated under s. 288.0656.

116 Section 2. Section 403.8531, Florida Statutes, is created

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to read:

403.8531 Potable reuse.-

(1) Recognizing that sufficient water supply is imperative to the future of this state and that potable reuse is one source of water which may assist in meeting future demands, the Legislature intends for the department to adopt rules for potable reuse which:

(a) Protect the public health and environment by ensuring that the potable reuse rules meet federal and state drinking water and water quality standards, including, but not limited to, the Clean Water Act, the Safe Drinking Water Act, and water quality standards pursuant to chapter 403, and, when possible, implement such rules through existing regulatory programs.

(b) Support reclaimed water being used for potable reuse purposes.

(c) Implement the recommendations set forth in the Potable Reuse Commission's 2020 report "Advancing Potable Reuse in Florida: Framework for the Implementation of Potable Reuse in Florida."

(d) Require that the point of compliance with drinking water standards for potable reuse projects is the final discharge point for finished water from the water treatment facility.

(e) Protect the aquifer and Florida's springs and surface waters by ensuring that potable reuse projects do not cause or contribute to violations of water quality standards in surface waters, including groundwater discharges that flow by interflow and affect water quality in surface waters, and that potable reuse projects shall be designed and operated to ensure

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146 compliance with groundwater quality standards.

147 (2) As used in this section, the term:

148 (a) "Advanced treated reclaimed water" means the water  
149 produced from an advanced water treatment process for potable  
150 reuse applications.

151 (b) "Advanced treatment technology" means the treatment  
152 technology selected by a utility to address emerging  
153 constituents and pathogens in reclaimed water as part of a  
154 potable reuse project.

155 (c) "Direct potable reuse" means the introduction of  
156 advanced treated reclaimed water into a raw water supply  
157 immediately upstream from a drinking water treatment facility or  
158 directly into a potable water supply distribution system.

159 (d) "Emerging constituents" means pharmaceuticals, personal  
160 care products, and other chemicals not regulated as part of  
161 drinking water quality standards.

162 (e) "Indirect potable reuse" means the planned delivery or  
163 discharge of reclaimed water to groundwater or surface waters  
164 for the development of, or to supplement, the potable water  
165 supply.

166 (f) "Off-spec reclaimed water" means reclaimed water that  
167 does not meet the standards for potable reuse.

168 (g) "Potable reuse" means the augmentation of a drinking  
169 water supply with advanced treated reclaimed water from a  
170 domestic wastewater treatment facility, and consists of direct  
171 potable reuse and indirect potable reuse.

172 (h) "Reclaimed water" has the same meaning as in s.  
173 373.019.

174 (3) To comply with drinking water quality standards,

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175 reclaimed water is deemed a water source for public water supply  
176 systems.

177 (4) Existing water quality protections that prohibit  
178 discharges from causing or contributing to violations of water  
179 quality standards in groundwater and surface water apply to  
180 potable reuse projects. In addition, when reclaimed water is  
181 released or discharged into groundwater or surface water for  
182 potable reuse purposes, there shall be a consideration of  
183 emerging constituents and impacts to other users of such  
184 groundwater or surface water.

185 (5) Potable reuse is an alternative water supply as defined  
186 in s. 373.019, and potable reuse projects are eligible for  
187 alternative water supply funding. The use of potable reuse water  
188 may not be excluded from regional water supply planning under s.  
189 373.709.

190 (6) The department shall:

191 (a) Adopt rules that authorize potable reuse projects that  
192 are consistent with this section.

193 (b) Review existing rules governing reclaimed water and  
194 potable reuse to identify obsolete and inconsistent requirements  
195 and adopt rules that revise existing potable reuse rules to  
196 eliminate such inconsistencies, while maintaining existing  
197 public health and environmental protections.

198 (c) Review aquifer recharge rules and, if revisions are  
199 necessary to ensure continued compliance with existing public  
200 health and environmental protection rules when reclaimed water  
201 is used for aquifer recharge, adopt such rules.

202 (d) Initiate rulemaking by December 31, 2020, and submit  
203 the adopted rules to the President of the Senate and the Speaker



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204 of the House of Representatives by December 12, 2021, for  
205 approval and incorporation into chapter 403 by the Legislature.  
206 Such rules may not be published as administrative rules by the  
207 department.

208 (7) The department and the water management districts shall  
209 develop and execute a memorandum of agreement providing for the  
210 procedural requirements of a coordinated review of all permits  
211 associated with the construction and operation of an indirect  
212 potable reuse project. The memorandum of agreement must provide  
213 that the coordinated review will occur only if requested by a  
214 permittee. The purpose of the coordinated review is to share  
215 information, avoid the redundancy of information requested from  
216 the permittee, and ensure consistency in the permit for the  
217 protection of the public health and the environment. The  
218 department and the water management districts shall develop and  
219 execute the memorandum of agreement by December 31, 2022.

220 (8) To encourage investment in the development of potable  
221 reuse projects by private entities, a potable reuse project  
222 developed as a qualifying project pursuant to s. 255.065 is:

223 (a) Beginning January 1, 2025, eligible for expedited  
224 permitting under s. 403.973.

225 (b) Granted an annual credit against the tax imposed by  
226 chapter 220 in an amount equal to 5 percent of the eligible  
227 capital costs generated by a qualifying project for a period not  
228 to exceed 20 years after the date that project operations begin.  
229 The tax credit applies only to the corporate income tax  
230 liability or the premium tax liability generated by or arising  
231 out of the qualifying project, and the sum of all tax credits  
232 provided pursuant to this section may not exceed 100 percent of

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the eligible capital costs as defined in s. 220.191(1)(c). Any credit granted pursuant to this paragraph may not be carried forward or backward.

(c) Granted a 3-year extension of any deadlines imposed under s. 403.064(17).

(d) Consistent with s. 373.707, eligible for priority funding in the same manner as other alternative water supply projects from the Drinking Water State Revolving Fund, under the Water Protection and Sustainability Program, and for water management district cooperative funding.

(9) This section is not intended and may not be construed to supersede s. 373.250(3).

Section 3. Section 403.892, Florida Statutes, is created to read:

403.892 Incentives for the use of graywater technologies.—

(1) As used in this section, the term:

(a) "Developer" has the same meaning as in s. 380.031.

(b) "Graywater" has the same meaning as in s. 381.0065(2)(e).

(2) To promote the beneficial reuse of water in this state, a county, municipality, or special district shall:

(a) Authorize the use of residential graywater technologies in its jurisdiction which meet the applicable requirements of subsections (3) through (7), the Florida Building Code, and the Department of Health and which have received all applicable regulatory permits or authorizations; and

(b) Provide incentives to developers to fully offset the capital costs of the technology, including the costs of installation if the developer submits a proof of purchase within

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262 6 months after incurring such costs, to fully realize the  
263 beneficial reuse of water contribution where the developer or  
264 homebuilder installs graywater technology and meets the  
265 requirements of subsections (3) through (7) in at least 25  
266 residential units of a proposed development. Incentives may  
267 include, but need not be limited to, density or intensity bonus  
268 incentives or more air-conditioned and living space.

269 (3) The residential graywater technologies must be wholly  
270 located on an individual residential lot or structure and used  
271 solely to reuse graywater for use in toilets located within the  
272 residential lot or structure. The quality of the water  
273 discharged by the system for reuse must meet the NSF 350  
274 standard for toilet flushing.

275 (4) The developer shall provide to the applicable  
276 governmental entity, as part of its application for development  
277 approval for the proposed residential properties, a  
278 manufacturer's warranty or data providing reasonable assurance  
279 that the proposed residential graywater system will function as  
280 designed, including an estimate of anticipated potable water  
281 savings for each system. A submittal of the manufacturer's  
282 warranty or data from a building code official or governmental  
283 entity that has monitored or measured the residential graywater  
284 system is acceptable as reasonable assurance.

285 (5) The developer shall provide to the applicable  
286 governmental entity, as part of the developer's application for  
287 development approval for the proposed residential units,  
288 documentation that the individual graywater system will be  
289 maintained for the life of the system in accordance with the  
290 manufacturer's or installer's recommendations.

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291 (6) The residential property owner, homeowners'  
 292 association, or manufacturer is responsible for the maintenance  
 293 of the system.

294 (7) The developer shall provide an operation and  
 295 maintenance manual for the system to the initial residential  
 296 property owner. The manual must provide a method of contacting  
 297 the installer or manufacturer and must include directions to the  
 298 owner or occupant that the manual must remain with the residence  
 299 throughout the life cycle of the system.

300 (8) The installation of residential graywater systems in a  
 301 county or municipality in accordance with this section shall  
 302 qualify as a water conservation measure in a public water  
 303 utility's water conservation plan pursuant to s. 373.227. The  
 304 efficiency of the conservation measure must be commensurate with  
 305 the amount of potable water savings estimated for each system  
 306 provided by the developer pursuant to subsection (4).

307 Section 4. (1) In implementing s. 403.8531, Florida  
 308 Statutes, as created by this act, the Department of  
 309 Environmental Protection, in coordination with one or more  
 310 technical advisory groups pursuant to subsection (2), shall  
 311 adopt rules for the implementation of potable reuse projects.  
 312 The department shall:

313 (a) Revise the appropriate chapters in the Florida  
 314 Administrative Code, including chapter 62-610, Florida  
 315 Administrative Code, to ensure that all rules implementing  
 316 potable reuse are in the Florida Administrative Code division 62  
 317 governing drinking water regulation.

318 (b) Revise existing drinking water rules to include  
 319 reclaimed water as a source water for the public water supply

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320 and require such treatment of the water as is necessary to meet  
321 existing drinking water rules, including rules for pathogens.  
322 The potable reuse rules must include the implementation of a log  
323 reduction credit system using advanced treatment technology to  
324 meet pathogen treatment requirements, and must require a public  
325 water supplier to provide an approach to meet the pathogen  
326 treatment requirements in an engineering report as part of its  
327 public water supply permit application for authorization of  
328 potable reuse. To ensure protection of the public health, as  
329 part of the public water supply permit application to authorize  
330 potable reuse, a public water supplier shall provide a  
331 department-specified level of treatment or propose an approach  
332 to achieving the log reduction targets based on source water  
333 characterization that is sufficient for a pathogen risk of  
334 infection which meets the national drinking water criteria of  
335 less than 1 x 10<sup>-4</sup> annually.

336 (c) Prescribe the means for using appropriate treatment  
337 technology to address emerging constituents in potable reuse  
338 projects. The advanced treatment technology must be technically  
339 and economically feasible and must provide for flexibility in  
340 the specific treatment processes employed to recognize different  
341 project scenarios, emerging constituent concentrations, desired  
342 finished water quality, and the treatment capability of the  
343 facility. The advanced treatment technology may also be used for  
344 pathogen removal or reduction.

345 1. The rules must require appropriate monitoring to  
346 evaluate the performance of the advanced treatment technology,  
347 including the monitoring of surrogate parameters and controls,  
348 which monitoring must occur either before or after the advanced

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349 treatment technology process, or both, as appropriate.

350 2. For direct potable reuse projects, the rules must  
 351 require reclaimed water to be included in the source water  
 352 characterization for a drinking water treatment facility and, if  
 353 that source water characterization indicates the presence of  
 354 emerging constituents at levels of public health interest, must  
 355 specify how appropriate treatment technology will be used to  
 356 address those emerging constituents.

357 3. For indirect potable reuse projects, the department  
 358 shall amend the existing monitoring requirements contained  
 359 within part V of chapter 62-610, Florida Administrative Code, to  
 360 require monitoring for one or more representative emerging  
 361 constituents. The utility responsible for the indirect potable  
 362 reuse project shall develop an emerging constituent monitoring  
 363 protocol consisting of the selection of one or more  
 364 representative emerging constituents for monitoring and the  
 365 identification of action levels associated with such emerging  
 366 constituents. The monitoring protocol must provide that, if  
 367 elevated levels of the representative emerging constituent are  
 368 detected, the utility must report the elevated detection to the  
 369 department and investigate the source and cause of such elevated  
 370 emerging constituent. The utility shall submit the monitoring  
 371 protocol to the department for review and approval and shall  
 372 implement the monitoring protocol as approved by the department.  
 373 If the monitoring protocol detects an elevated emerging  
 374 constituent, and if the utility's investigation indicates that  
 375 the use of the reclaimed water is the cause of such elevated  
 376 emerging constituent, the utility must develop a plan to address  
 377 or remedy that cause. The utility's monitoring results,

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378 investigation of any detected elevated emerging constituent  
379 levels, determination of cause, and any plan developed to  
380 address or remedy the cause must be submitted to the department  
381 for review and approval.

382 (d) Specify industrial pretreatment requirements for  
383 potable reuse projects. These industrial pretreatment  
384 requirements must match the industrial pretreatment requirements  
385 contained in chapter 62-625, Florida Administrative Code, as of  
386 the effective date of this act. If necessary, the department  
387 also must require the utility operating a potable reuse project  
388 to implement a source control program, and the utility shall  
389 identify the sources that need to be addressed.

390 (e) Provide off-spec reclaimed water requirements for  
391 potable reuse projects which include the immediate disposal,  
392 temporary storage, alternative nonpotable reuse, or retreatment  
393 or disposal of off-spec reclaimed water based on operating  
394 protocols established by the public water supplier and approved  
395 by the department.

396 (f) Revise existing rules to specify the point of  
397 compliance with drinking water standards for potable reuse  
398 projects as the point where the finished water is finally  
399 discharged from the drinking water treatment facility to the  
400 water distribution system.

401 (g) Ensure that, as rules for potable reuse projects are  
402 implemented, chapter 62-610.850, Florida Administrative Code, is  
403 applicable.

404 (h) Revise the definition of the term "indirect potable  
405 reuse" provided in chapter 62-610, Florida Administrative Code,  
406 to match the definition provided in s. 403.8531, Florida

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407 Statutes.

408 (2) The department shall convene and lead one or more  
409 technical advisory groups to coordinate the rulemaking and  
410 review of rules required by s. 403.8531, Florida Statutes. The  
411 technical advisory group, which shall assist in the development  
412 of such rules, must be composed of knowledgeable representatives  
413 of a broad group of interested stakeholders, including, but not  
414 limited to, representatives from the water management districts,  
415 the wastewater utility industry, the water utility industry, the  
416 environmental community, the business community, the public  
417 health community, and the agricultural community, and consumers.

418 Section 5. To further promote the reuse of reclaimed water  
419 for irrigation purposes, the rules that apply when reclaimed  
420 water is injected into a receiving groundwater that has 1,000 to  
421 3,000 mg/L total dissolved solids are applicable to reclaimed  
422 water aquifer storage and recovery wells injecting into a  
423 receiving groundwater of less than 1,000 mg/L total dissolved  
424 solids if the applicant demonstrates that it is injecting into a  
425 confined aquifer, that there are no public supply wells within  
426 3,500 feet of the aquifer storage and recovery wells, and that  
427 it has implemented institutional controls to prevent the future  
428 construction of public supply wells within 3,500 feet of the  
429 aquifer storage and recovery wells. This section may not be  
430 construed to exempt the reclaimed water aquifer storage and  
431 recovery wells from requirements that prohibit the causing or  
432 contribution to violations of water quality standards in surface  
433 water, including groundwater discharges that flow by interflow  
434 and affect water quality in surface water.

435 Section 6. The Division of Law Revision is directed to



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436 replace the phrase "the effective date of this act" wherever it  
437 occurs in this act with the date the act becomes a law.

438 Section 7. The Legislature determines and declares that  
439 this act fulfills an important state interest.

440 Section 8. This act shall take effect upon becoming a law.



## INTER-OFFICE MEMORANDUM

October 30, 2020

**SUBJECT:** JEA/ST. JOHNS COUNTY AGREEMENT – RACETRACK RD. WATER MAIN AND RECLAIMED WATER MAIN AT DURBIN CREEK

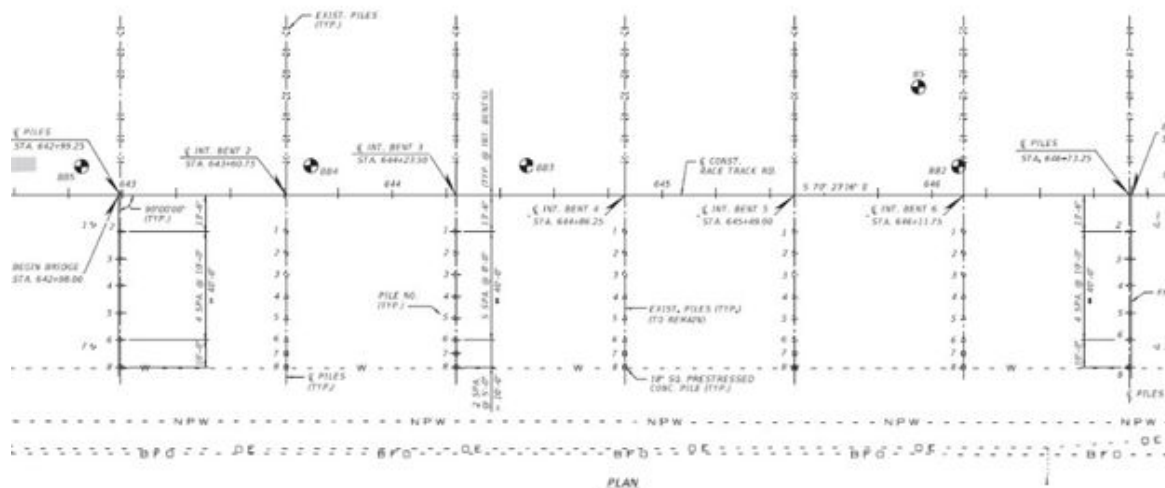
**FROM:** Paul McElroy, Interim Managing Director/CEO

**TO:** JEA Board of Directors

### **BACKGROUND:**

In 2018, St. Johns County (SJC) began a design-build project to widen the Durbin Creek Bridge on Race Track Rd. between SR9B and St. Johns Parkway. The existing bridge was a two-lane bridge with 4ft. shoulders on either side. The design-build team decided to build a 6-lane bridge with sidewalk and bike lanes. A new bridge would be built for the westbound lanes, and the existing bridge would be widened for the eastbound lanes. The new bridge would be constructed first.

After the new bridge was constructed for the westbound lanes and when it came time to modify the existing bridge by adding an additional travel lane, bike lane and pedestrian sidewalk, it was determined that JEA's existing water main on the south side of Race Track Rd. could potentially be in conflict with the new bridge's concrete piles.



### **DISCUSSION:**

The existing 30" water main was installed in 2006 via horizontal directional drilling approximately 42 ft. below the water surface and is approx. 1,500 feet long. The new bridge's concrete piles would be approximately 100ft. long. Also, temporary steel piles would need to be driven to form a template for securing and aligning the permanent piles. This meant more than one pile would be driven around the water main at each bridge bent. The pile driving around the water main was deemed to be a high-risk for a water main strike and the consequence of a water main break would mean that there would be an insufficient amount of water to serve our SJC customers. Any repair to the main could take days, if not weeks, and the entire main would need to be replaced since it was installed via directional drilling.

Ver 2.2 02/01/2014

One of the other complicating factors of installing a new water main via directional drilling is that the existing water main would need to stay in-service during construction and there is approximately only 10 ft. between the existing water main and existing reclaimed water main. Also, the Florida Department of Environmental Protection's separation distance rule of 6 feet between water main and non-potable main would need to be achieved. The location of the reclaimed water main was also questionable because it was installed via directional drilling and it is the same depth as the water main. This provided a very narrow corridor horizontally to install the new water main within the existing ROW. The new water main would also have to be deeper than the existing mains to avoid impacting them and their borehole. Because the new main would need to be deeper, it would also have to be several hundred feet longer. The existing water main would also need to be abandoned by grout filling and would still be in the way of the bridge piles. It was uncertain how the bridge piles would react during installation if it hit the HDPE water main filled with concrete grout.

SJC indicated that the bridge widening on the eastbound lanes could be delayed to accommodate JEA, but that the bridge would still need to be widened and that cost would need to be borne by JEA. An engineering consultant was hired to complete an engineering study to estimate the construction cost of a new pedestrian bridge that was separate from the roadway and would not require the relocation of either the water main or reclaimed water main.

SJC agreed they would complete construction of the bridge, applying their remaining appropriated funds, and JEA would need to pay for the remaining, estimated to be \$1,525,038.00. In exchange, SJC would grant a utility easement to JEA so the water main and reclaimed water main could remain in their existing location in perpetuity. This was deemed to be the best alternative with the least amount of risk and consequence of impacting our customers and allowing SJC to complete their project.

This agreement between SJC and JEA will allow the existing 30" water main and existing 24" reclaimed water main to remain in place and be protected from future construction impacts.

**FINANCIAL IMPACT:**

Per the agreement, JEA would pay SJC \$1,525,038.00.

A recent JEA opinion of cost estimated the design and construction of a new water main and abandonment of the existing main at approximately \$3.6M. By entering into the agreement, JEA is predicted to save approximately \$2.1M.

**RECOMMENDATION:**

That the Board of Directors enter into the agreement with St. Johns County for the Race Track Rd. Water Main and Reclaimed Main and transfer funds to the county in the amount of \$1,525,038.00.

---

Paul McElroy, Interim Managing Director/CEO

PEM/HXV/MSS

### AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into on this \_\_\_\_ day of \_\_\_\_\_, 2020, by and between ST. JOHNS COUNTY, FLORIDA, a political subdivision of the state of Florida, whose address is 500 San Sebastian View, St. Augustine, Florida 32084, ("County") and JEA, a body politic and corporate of the State of Florida, whose address is 21 W. Church Street, Jacksonville, Florida 32202-3155 ("JEA").

### RECITALS

WHEREAS, the County has undertaken to perform certain roadway improvements to Racetrack Road in St. Johns County, Florida, including the widening of the bridge deck of Durbin Creek Bridge; and

WHEREAS, the original design plans for the widening of Durbin Creek Bridge included accommodation for pedestrian traffic and for future additional lanes of vehicular traffic upon the same bridge deck; and

WHEREAS, in order to accommodate pedestrian traffic and future additional lanes of vehicular traffic upon the same bridge deck, the original design plans required the placement of pile supports for the larger bridge deck; and

WHEREAS, JEA owns, operates, and maintains a thirty inch (30") potable water main and a twenty four inch (24") reclaimed water main (collectively, "Utilities") within the County right-of-way for the Durbin Creek Bridge, as depicted in the JEA South Grid Potable Water – Reclaim Water Pipelines, WCS-016-05, South Grid Interconnect – 30" HDPE, dated July 11, 2005, attached hereto as Exhibit A and incorporated herein by reference, and in the JEA South Grid Potable Water – Reclaim Water Pipelines, WCS-016-05, South Grid Interconnect – 24" HDPE, dated July 11, 2005, attached hereto as Exhibit B and incorporated herein by reference; and

WHEREAS, under the original design plans for the widening of Durbin Creek Bridge, the Utilities would be impacted by the placement of pile supports for the bridge deck widening such that the Utilities would need to be abandoned and relocated by JEA; and

WHEREAS, the County has determined that the cost to construct the pedestrian traffic accommodation according to the original design plans for the widening of the bridge deck of Durbin Creek Bridge, including materials already purchased and work already performed, totals \$592,962.00 ("Contract Cost Savings"); and

WHEREAS, the County and JEA have discussed the feasibility of an alternative bridge deck construction whereby pedestrian traffic would be accommodated on a 6-span prestressed concrete beam bridge on prestressed concrete pile bents that would be located within County right-of-way and separate from vehicular traffic such that the Utilities would not be impacted and not need to be relocated ("Pedestrian Bridge"); and

WHEREAS, the County has estimated the total cost to design and construct the Pedestrian Bridge to be \$2,118,000.00 ("Cost Estimate"), as reflected in the cost estimate attached hereto as Exhibit C and incorporated herein by reference; and

WHEREAS, JEA has determined that the cost and expenses that JEA would incur to abandon and relocate the Utilities would exceed the difference of the Cost Estimate and the Contract Cost Savings, or \$1,525,038.00; and

WHEREAS, the County and JEA have agreed to an arrangement whereby JEA would make a payment to the County in the amount of the \$1,525,038.00, and the County would execute a utility easement in favor of JEA for the existing Utilities;

WHEREAS, the County and JEA wish to enter into this Agreement in order to formally memorialize the above arrangement; and

WHEREAS, the parties recognize the benefits that may be afforded to the public by this Agreement and that this Agreement will not create an undue burden on the County or JEA.

NOW, THEREFORE, in consideration of the terms provided below and other good and valuable consideration, the receipt and sufficiency of which is mutually acknowledged, the County and JEA do hereby agree as follows:

1. Recitals. The above recitals are true and correct and incorporated into this Agreement as findings of fact.

2. JEA Obligations. No later than twenty-eight (28) days after the effective date of this Agreement, JEA shall pay the County the sum of \$1,525,038.00.

3. County Obligations.

a. No later than fourteen (14) days after receipt of the payment set forth in Section 2, above, the County shall execute, and deliver to JEA for recording in the public records, a grant of utility easement in favor of JEA for the exclusive use of the existing Utilities. Such grant of utility easement shall be in substantially the form and format attached hereto as Exhibit D and incorporated herein by reference. JEA shall pay all recording costs and taxes necessary to record the grant of utility easement in the public records and will hold the County harmless for any such costs and taxes.

b. The use, appropriation, and expenditure of the payment funds set forth in Section 2, above, shall be at the sole discretion of the County for any legal purpose. Nothing in this this Agreement, including but not limited to the receipt of such funds, shall be construed to in any way obligate, or create a duty on the part of, the County to (i) use, appropriate, or expend such funds for any particular purpose, including but not limited to the design or construction of the Pedestrian Bridge or other pedestrian traffic accommodation across Durbin Creek at Racetrack Road, or (ii) ever design or construct the Pedestrian Bridge or other pedestrian traffic accommodation across Durbin Creek at Racetrack Road at any time.

4. Availability of Funds. The County's performance under this Agreement is contingent upon the appropriation of sufficient funds for that purpose by the Board of County Commissioners. Pursuant to the requirements of section 129.07, Florida Statutes, funds expended by the County under this Agreement shall not exceed the amount appropriated in the County's

budget for that purpose. Nothing in this Agreement shall create any obligation on the part of the Board to appropriate funds for the County's performance under this Agreement in any given fiscal year.

5. Notice. All notices to the County shall be delivered either by hand (receipt of delivery required), or by certified mail, return receipt required, to:

St. Johns County  
Engineering Division  
2740 Industry Center Road  
St. Augustine, FL 32084

With copy to: St. Johns County Attorney  
500 San Sebastian View  
St. Augustine, FL 32084

All notices to JEA shall be delivered either by hand (receipt of delivery required), or by certified mail, return receipt required, to:

JEA  
21 West Church St.  
Jacksonville, FL 32022

With copy to: Jody L. Brooks  
JEA  
Chief Legal Counsel  
21 West Church St. (T-16)  
Jacksonville, FL 32022

All other correspondence not classified as notices may be delivered, disseminated, and/or submitted by any means acceptable to both parties, specifically including faxing, e-mailing, or text messaging.

6. Assignment. No party shall assign, pledge or transfer any of the rights, duties, or obligations provided in this Agreement without the prior written consent of the other party.

7. Third Party Beneficiaries. This Agreement does not confer or infer third party beneficiary status or interest to any other person or entity.

8. Relationship of the Parties. This Agreement shall not be construed to create any agency, partnership, association, joint venture, or other fiduciary or other confidential relationship between the County and JEA.

9. Non-Waiver. The failure of either party to insist upon the strict performance or compliance with any provision of this Agreement shall not constitute a waiver or relinquishment of such provision, and all such provisions shall remain in effect unless waived or relinquished in writing. Any such written waiver or relinquishment shall be applicable only to the specific instance to which it relates and shall not be deemed to be a continuing waiver or relinquishment or the waiver or relinquishment of any future matter.

10. Severability. If any part of this Agreement, or the application thereof, is declared void, unconstitutional, invalid, or otherwise unenforceable for any reason, such part shall be severable, and the remaining portions of the Agreement shall remain in effect.

11. Entire Agreement. This Agreement constitutes the entire agreement among the parties and supersedes any prior understanding or agreement among them respecting the subject matter hereof. There are no representations, arrangements, understandings, or agreements, either oral or written, among the parties hereto relating to the subject matter of this Agreement except those fully expressed herein, and each party agrees that, in entering into this Agreement, it has not relied on and is not entitled to rely on any statements, promises, or representations other than those set forth herein. This Agreement may not be modified or amended except by the mutual written agreement of the parties.

12. Negotiated Agreement. This Agreement was negotiated and prepared by both parties with each party having had the opportunity to consult with counsel and advisers of their own choosing. The parties have agreed to the text of this Agreement, and none of the provisions hereof shall be construed against either party on the ground that such party is the author of this Agreement or any part thereof.

13. Section Headings. Section headings in this Agreement are intended for convenience only and shall not be taken into consideration in any construction or interpretation of this Agreement or any of its provisions.

14. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which shall constitute one and the same instrument.

15. Governing Law and Venue. This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of Florida, without regard to choice of law provisions. Venue for any administrative and/or legal action arising under this Agreement shall lie exclusively in St. Johns County, Florida.

16. Access to Records. The access to, disclosure, non-disclosure, or exemption of records, data, documents, and/or materials, associated with this Agreement shall be subject to the applicable provisions of the Florida Public Records Law (Chapter 119, Florida Statutes) and other applicable State or Federal law. Access to such public records may not be blocked, thwarted, and/or hindered by placing the public records in the possession of a third party, or an unaffiliated party.

17. Authority to Execute. Each party covenants that it has the lawful authority to enter into this Agreement and has authorized the execution of this Agreement by the party's authorized representative.

18. Effective Date. This Agreement shall be effective on the date of the last signature of the parties hereto.

*[SIGNATURES ON FOLLOWING PAGE.]*

IN WITNESS WHEREOF, the County and JEA have caused these presents to be executed on the day and year set forth below.

Signed, sealed and delivered  
in our presence as Witnesses:

ST. JOHNS COUNTY, a political  
subdivision of the State of Florida

(sign) \_\_\_\_\_  
(print) \_\_\_\_\_

By: \_\_\_\_\_  
Hunter S. Conrad  
County Administrator

(sign) \_\_\_\_\_  
(print) \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF ST. JOHNS

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, this \_\_\_\_ day of \_\_\_\_\_, 2020, by HUNTER S. CONRAD, as County Administrator of St. Johns County, Florida, a political subdivision of the State of Florida, on behalf of the County, who is personally known to me.

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

Signed and Sealed in Our  
Presence as Witnesses:

JEA, a body politic and corporate

Sign \_\_\_\_\_  
Print \_\_\_\_\_

By: \_\_\_\_\_  
Print: \_\_\_\_\_  
Title: \_\_\_\_\_

Sign \_\_\_\_\_  
Print \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, this \_\_\_\_ day of \_\_\_\_\_, 2020, by \_\_\_\_\_ as \_\_\_\_\_ of JEA, a body politic and corporate, on behalf of JEA, and who is personally known to me or has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public  
My Commission expires: \_\_\_\_\_



Exhibit A

JEA South Grid Potable Water – Reclaim Water Pipelines, WCS-016-05, South Grid  
Interconnect – 30” HDPE, dated July 11, 2005

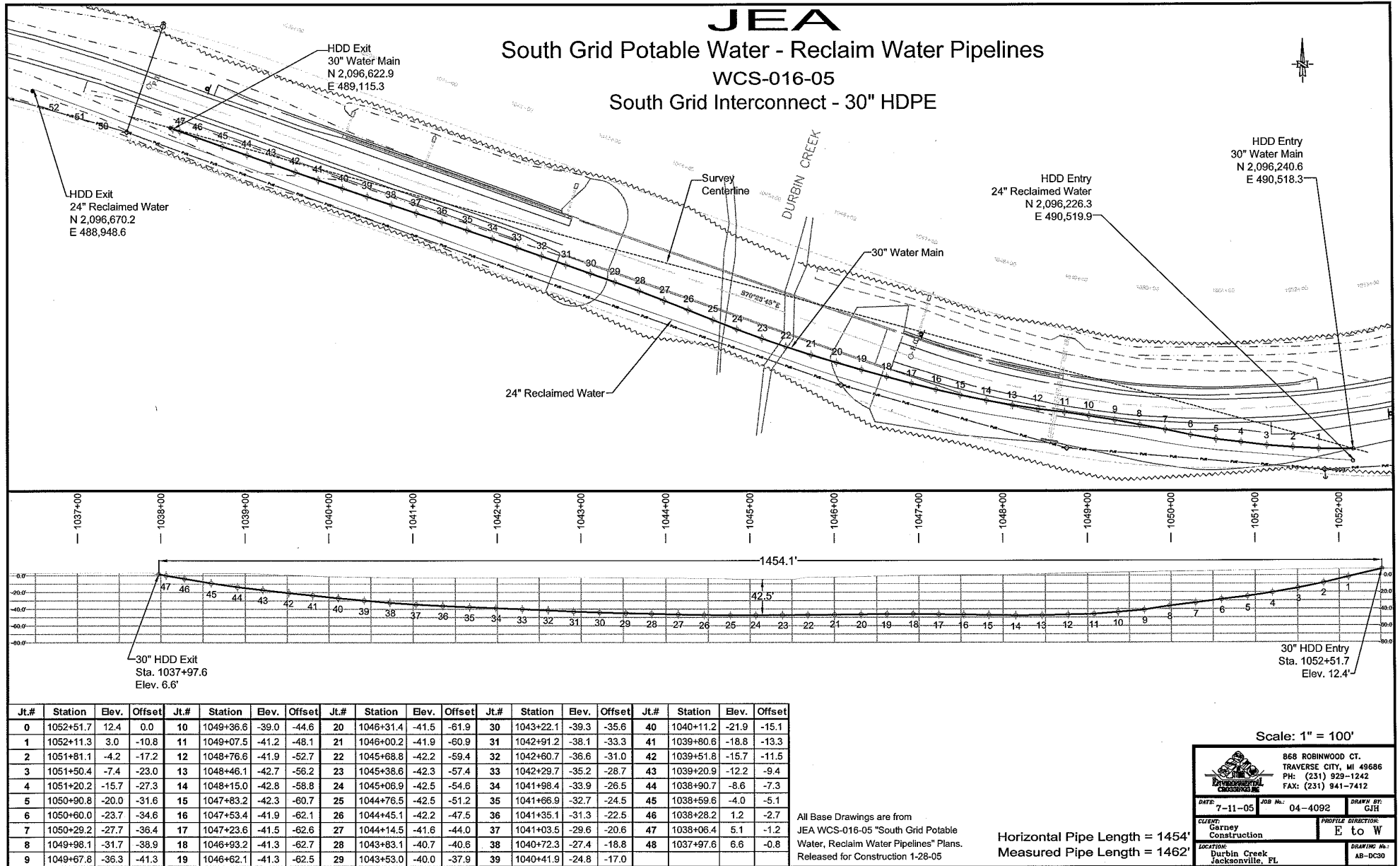


Exhibit B

JEA South Grid Potable Water – Reclaim Water Pipelines, WCS-016-05, South Grid  
Interconnect – 24” HDPE, dated July 11, 2005

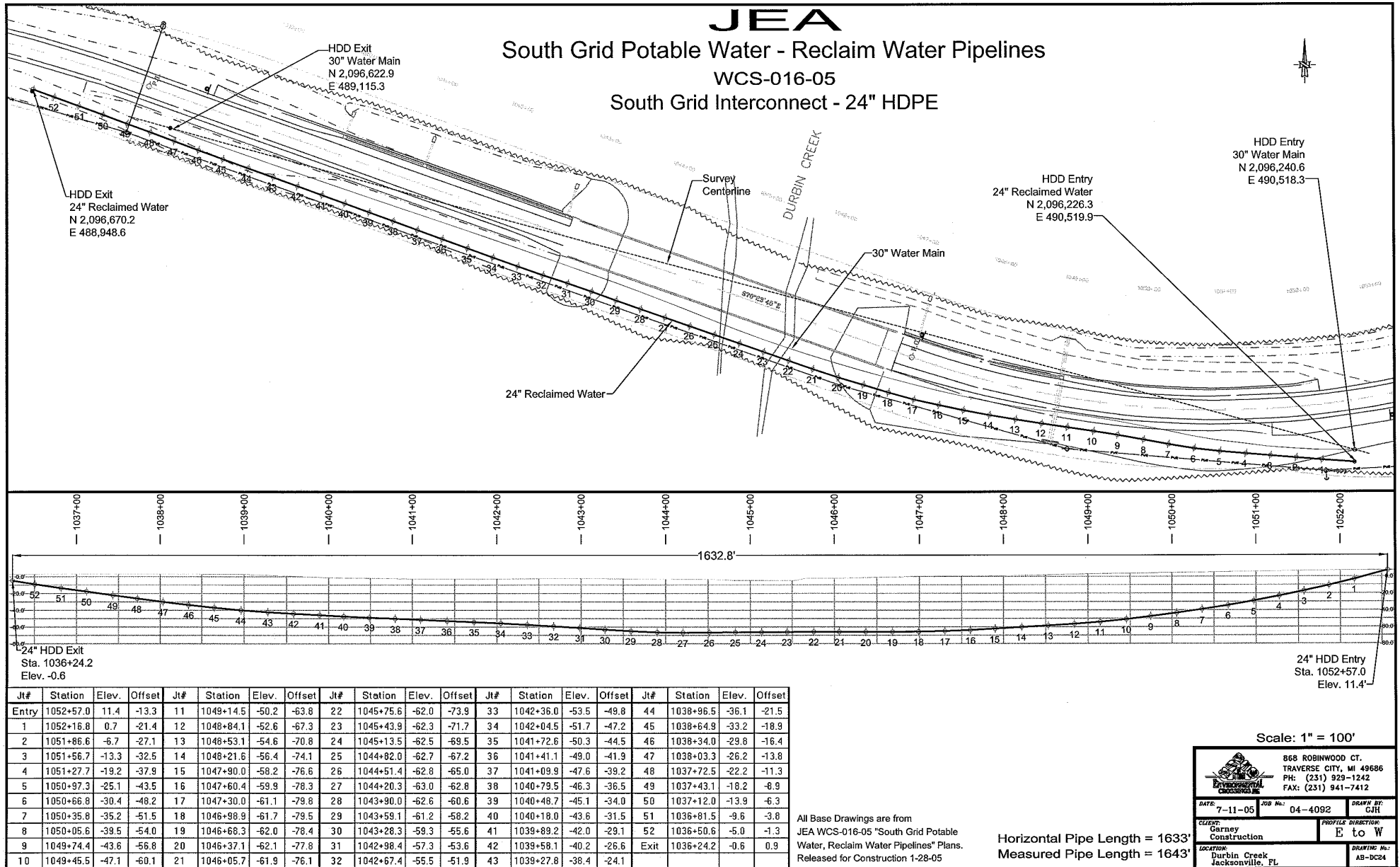


Exhibit C

Cost Estimate



## Summary of Assumptions

### Concept Layout for Pedestrian Bridge over Durbin Creek

We have evaluated the feasibility of constructing a pedestrian bridge over Durbin Creek adjacent to the existing vehicular bridge carrying Race Track Road. We have evaluated and prepared construction cost estimates for three alternatives:

- 6-span PSC beam bridge on PSC pile bents
- 3-span prefabricated truss bridge on concrete bents
- 6-span prefabricated truss bridge on PSC pile bents

The three alternates are in the same location, relative to the existing bridge. There are several factors limiting the possible location of the proposed bridge:

- Existing underground water line
- Existing underground non-potable water line
- Existing underground fiber optic line
- Existing overhead power line
- Location of existing right-of-way

We have developed the concept layout and cost estimates using the following assumptions and parameters:

- Due to uncertainty regarding the horizontal and vertical position of underground utilities, we have located the bridge so no pile driving is proposed closer than 10 feet from the nearest underground utility.
- The bridge structure is completely within the existing right-of-way.
- Permanent easements can be obtained from the adjacent property for the construction and maintenance of the end slopes.
- If the overhead power lines are relocated prior to construction, the bridge can be constructed within the existing right-of-way, except for the end slopes, as noted above.
- If the overhead power lines are present during construction, additional temporary easement will be needed from the adjacent property for construction access.
- The bridge will provide 8' clearance between railings.
- The bridge configuration in all alternates mimics the layout of the adjacent highway bridge. We have assumed that an update may be needed to the bridge hydraulics model and report for all options, due to the distance from the existing bridge to the proposed bridge.
- A haul road and work platform will be needed to construct the bridge

### Summary of Estimated Costs

Alternative	Total Cost Estimate
6-span PSC beam bridge on PSC pile bents	\$2,118,000
3-span prefabricated truss bridge on concrete bents	\$2,754,000
6-span prefabricated truss bridge on PSC pile bents	\$2,454,000

**Construction Cost for 6-span Concrete Beam Bridge**

Item	Quantity	Unit Price	Total Cost
MISC. PROJECT			
Mobilization	1 LS	10%	\$ 88,867.67
Maintenance of Traffic	1 LS	10%	\$ 88,867.67
Clearing & Crubbing	1 LS	7%	\$ 62,207.37
Erosion Control	1 LS	5%	\$ 44,433.84
Work Platform - Construction Access	1 LS	20%	\$ 177,735.35
ROADWAY			
Embankment	8,044 cy	\$ 11.00 /cy	\$ 88,479.93
Regular Excavation	1,065 cy	\$ 9.00 /cy	\$ 9,585.00
4" Conc. Sidewalk (8' wide)	892 sy	\$ 45.00 /sy	\$ 40,150.00
Guardrail - TL-3	92 lf	\$ 16.50 /lf	\$ 1,518.00
Handrail - 42"	1,005 lf	\$ 77.00 /lf	\$ 77,385.00
Performance Turf, Sod	1,958 sy	\$ 2.75 /sy	\$ 5,385.68
STRUCTURES			
18" PSC piles	1,400 ft	\$ 90.00 /ft	\$ 126,000.00
Substructure Concrete	23 cy	\$ 950.00 /cy	\$ 22,113.89
Substructure Reinforcing	3,492 lb	\$ 1.00 /lb	\$ 3,491.67
Type II PSC Beams	753 ft	\$ 160.00 /ft	\$ 120,480.00
Superstructure Concrete	116 cy	\$ 1,200.00 /cy	\$ 139,305.00
Superstructure Reinforcing	34,826 lb	\$ 1.05 /lb	\$ 36,567.56
Railing	753 lf	\$ 95.00 /lf	\$ 71,535.00
Rip-Rap (Slope Protection)	1,544 tn	\$ 95.00 /tn	\$ 146,680.00
Total			\$ 1,350,788.63
Contingency 15%			\$ 202,618.29
Construction Cost			\$ 1,553,406.93
Permanent Right of Way Take	26,000 sf	\$ 1.50 /sf	\$ 39,000.00
Temporary Construction Easement	94,000 sf	\$ 1.50 /sf	\$ 141,000.00
Wetland Offsite Mitigation - Impacts (0.8 – 1.0 Ac.)	1 ac	\$ 110,000.00 /ac	\$ 110,000.00
PE Cost Breakdown			PE Estimate
Design	\$ 190,000.00		\$ 275,000.00
Hydraulics	\$ 30,000.00		
			\$ 2,118,406.93

**Construction Cost for 3-span Prefab Bridge**

Item	Quantity	Unit Price	Total Cost
MISC. PROJECT			
Mobilization	1 LS	10%	\$ 128,946.91
Maintenance of Traffic	1 LS	10%	\$ 128,946.91
Clearing & Crubbing	1 LS	7%	\$ 90,262.84
Erosion Control	1 LS	5%	\$ 64,473.46
Work Platform - Construction Access	1 LS	20%	\$ 257,893.83
ROADWAY			
Embankment	8,044 cy	\$ 11.00 /cy	\$ 88,479.93
Regular Excavation	1,065 cy	\$ 9.00 /cy	\$ 9,585.00
4" Conc. Sidewalk (8' wide)	892 sy	\$ 45.00 /sy	\$ 40,150.00
Guardrail - TL-3	92 lf	\$ 16.50 /lf	\$ 1,518.00
Handrail - 42"	1,005 lf	\$ 77.00 /lf	\$ 77,385.00
Performance Turf, Sod	1,958 sy	\$ 2.75 /sy	\$ 5,385.68
STRUCTURES			
18" PSC piles	1,200 ft	\$ 90.00 /ft	\$ 108,000.00
Substructure Concrete	56 cy	\$ 950.00 /cy	\$ 53,358.33
Substructure Reinforcing	8,425 lb	\$ 1.00 /lb	\$ 8,425.00
3 Truss Spans	1 LS	\$ 535,500.00 LS	\$ 535,500.00
Erection	1 LS	\$ 80,325.00 LS	\$ 80,325.00
Superstructure Concrete	89 cy	\$ 1,200.00 /cy	\$ 106,675.00
Superstructure Reinforcing	26,669 lb	\$ 1.05 /lb	\$ 28,002.19
Rip-Rap (Slope Protection)	1,544 tn	\$ 95.00 /tn	\$ 146,680.00
			\$ 1,959,993.08
Contingency 15%			\$ 293,998.96
Construction Cost			\$ 2,253,992.05
Permanent Right of Way Take Right of Way Take	26,000 sf	\$ 1.50 /sf	\$ 39,000.00
Temporary Construction Easement	94,000 sf	\$ 1.50 /sf	\$ 141,000.00
Wetland Offsite Mitigation - Impacts (0.8 – 1.0 Ac.)	1 ac	\$ 110,000.00 /ac	\$ 110,000.00
PE Cost Breakdown			PE Estimate \$ 210,000.00
Design	\$ 125,000.00		\$ 2,753,992.05
Hydraulics	\$ 30,000.00		
Geotechnical	\$ 40,000.00		
Survey	\$ 15,000.00		
Total	\$ 210,000.00		



**Construction Cost for 6-span Prefab Bridge**

Item	Quantity	Unit Price	Total Cost
MISC. PROJECT			
Mobilization	1 LS	10%	\$ 111,776.64
Maintenance of Traffic	1 LS	10%	\$ 111,776.64
Clearing & Crubbing	1 LS	7%	\$ 78,243.64
Erosion Control	1 LS	5%	\$ 55,888.32
Work Platform - Construction Access	1 LS	20%	\$ 223,553.27
ROADWAY			
Embankment	8,044 cy	\$ 11.00 /cy	\$ 88,479.93
Regular Excavation	1,065 cy	\$ 9.00 /cy	\$ 9,585.00
4" Conc. Sidewalk (8' wide)	892 sy	\$ 45.00 /sy	\$ 40,150.00
Guardrail - TL-3	92 lf	\$ 16.50 /lf	\$ 1,518.00
Handrail - 42"	1,005 lf	\$ 77.00 /lf	\$ 77,385.00
Performance Turf, Sod	1,958 sy	\$ 2.75 /sy	\$ 5,385.68
STRUCTURES			
18" PSC piles	1,400 ft	\$ 90.00 /ft	\$ 126,000.00
Substructure Concrete	23 cy	\$ 950.00 /cy	\$ 22,113.89
Substructure Reinforcing	3,492 lb	\$ 1.00 /lb	\$ 3,491.67
6 Truss Spans	1 LS	\$ 402,000.00 LS	\$ 402,000.00
Erection	1 LS	\$ 60,300.00 LS	\$ 60,300.00
Superstructure Concrete	89 cy	\$ 1,200.00 /cy	\$ 106,675.00
Superstructure Reinforcing	26,669 lb	\$ 1.05 /lb	\$ 28,002.19
Rip-Rap (Slope Protection)	1,544 tn	\$ 95.00 /tn	\$ 146,680.00
			\$ 1,699,004.86
Contingency 15%			\$ 254,850.73
Construction Cost			\$ 1,953,855.59
Permanent Right of Way Take Right of Way Take	26,000 sf	\$ 1.50 /sf	\$ 39,000.00
Temporary Construction Easement	94,000 sf	\$ 1.50 /sf	\$ 141,000.00
Wetland Offsite Mitigation - Impacts (0.8 – 1.0 Ac.)	1 ac	\$ 110,000.00 /ac	\$ 110,000.00
PE Cost Breakdown			
PE Estimate			\$ 210,000.00
Design	\$ 125,000.00		
Hydraulics	\$ 30,000.00		
			\$ 2,453,855.59

Exhibit D

Utility Easement

Prepared by and return to:  
St. Johns County  
500 San Sebastian View  
St. Augustine, Florida 32084

### **NON-EXCLUSIVE EASEMENT FOR UTILITIES**

**THIS NON-EXCLUSIVE GRANT OF EASEMENT**, made this \_\_\_\_ day of \_\_\_\_\_, 2020, by and between **ST. JOHNS COUNTY**, a political subdivision of the State of Florida,, whose address is 500 San Sebastian View, St. Augustine, Florida 32084 (“Grantor”), and **JE A**, a body politic and corporate, whose address is 21 West Church Street, Jacksonville, Florida, 32202 (“Grantee”).

### **WITNESSETH:**

That for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantor agrees as follows:

1. Grantor does hereby grant, bargain, sell, alien, remise, release, convey and confirm unto Grantee a non-exclusive permanent easement and right-of-way to operate, maintain, and remove pipes, mains, and other equipment and appurtenances constituting the underground water distribution system in place as of the date of this instrument (hereinafter referred to as “Utility Lines and Associated Equipment”) over and upon the real property described on Exhibit A attached hereto (the “Easement Area”); together with rights of ingress and egress to access the Easement Area, and for doing anything necessary or useful or convenient, or removing at any time any and all of the Utility Lines and Associated Equipment under or in said Easement Area, together also with the right and easements, privileges and appurtenances in and to said land which may be required for the enjoyment of the rights herein granted. This easement is for water utility services only and does not convey any right to install other utilities, including, without limitation, sewer, reclaimed water, electric, cable television, or telecommunication, wired or wireless, services or service lines.

**TO HAVE AND TO HOLD**, unto Grantee, its successors and assigns for the purposes aforesaid.

The easement herein granted is subject to covenants, restrictions, easements, liens and encumbrances of record.

(a) Grantor reserves the right and privilege to use and occupy and to grant to others the right to use and occupy (i) the surface and air space over the Easement Area for any purpose which is consistent with the rights herein granted to Grantee; and (ii) subsurface of the Easement Area for other utility services or other purposes which do not interfere with the rights herein granted to Grantee, including, without limitation, the right

to install, construct, operate, maintain, repair, replace and remove telecommunications, telephone, telegraph, electric, gas and drainage facilities and foundations, footing and/or anchors for surface improvements.

(b) All Utility Lines and Associated Equipment will be installed, operated and maintained at all times beneath the surface of the Easement Area provided that the same may be temporarily exposed or removed to the surface when necessary or desirable for the purpose of removing the same.

(c) The Utility Lines and Associated Equipment may be relocated and/or abandoned at any time upon the request of either Grantor or Grantee, provided that the requester shall bear the cost of relocation and/or abandonment. Upon relocation and/or abandonment of the Utility Lines and Associated Equipment, the easement granted by this instrument shall automatically be deemed canceled, abandoned and released, provided Grantor may execute and record an instrument attesting to the same.

2. The Grantee shall maintain the Utility Lines and Associated Equipment, including all water mains and other elements of the water distribution system. The easement granted by this instrument does not grant or convey any right to Grantee to expand, modify, or replace the Utility Lines and Associated Equipment.

3. After any removal of any of the Utility Lines and Associated Equipment as to which easement rights are granted, Grantee shall refill any holes or trenches in a proper and workmanlike manner to the condition that is reflective of, or comparable to, the condition existing prior to such removal. Use of the Easement Area shall in no way impeded the access to property along this right-of-way. With respect to roads, walls, drives, parking areas, sidewalks, trench repair, restoration of grass areas, curbs and gutters, storm drains, culverts and drainage structures, Grantee shall only be required to make replacements in the same manner as specified in and in accordance with the then current St. Johns County standards, as if within a public right-of-way.

4. Grantor represents that it is the true owner of record of the Easement Area and that it has full power and authority to grant to Grantee the rights granted hereunder.

**IN WITNESS WHEREOF**, Grantor and Grantee have caused these presents to be executed the day and year first above written.

**Signed and Sealed in Our  
Presence as Witnesses:**

Sign \_\_\_\_\_  
Print \_\_\_\_\_

Sign \_\_\_\_\_  
Print \_\_\_\_\_

**GRANTOR:**  
**ST. JOHNS COUNTY**, a political  
subdivision of the State of Florida

By: \_\_\_\_\_  
Jeb S. Smith, Chair of the Board of  
County Commissioners of St. Johns  
County, Florida

**STATE OF FLORIDA  
COUNTY OF ST. JOHNS**

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, this \_\_\_\_ day of \_\_\_\_\_, 2020, by Jeb S. Smith, as Chair of the Board of County Commissioners of St. Johns County, Florida, on behalf of the County. He is personally known to me.

\_\_\_\_\_  
Notary Public  
My Commission expires: \_\_\_\_\_

**Signed and Sealed in Our  
Presence as Witnesses:**

Sign \_\_\_\_\_  
Print \_\_\_\_\_

Sign \_\_\_\_\_  
Print \_\_\_\_\_

**GRANTEE:  
JEA, a body politic and corporate**

By: \_\_\_\_\_  
Print: \_\_\_\_\_  
Title: \_\_\_\_\_

**STATE OF FLORIDA  
COUNTY OF DUVAL**

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, this \_\_\_\_ day of \_\_\_\_\_, 2020, by \_\_\_\_\_ as \_\_\_\_\_ of JEA, a body politic and corporate, on behalf of JEA, and who is personally known to me or has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public  
My Commission expires: \_\_\_\_\_

EXHIBIT "A"  
EASEMENT AREA

A PORTION OF RACETRACK ROAD RIGHT OF WAY LYING IN SECTION 6, TOWNSHIP 5 SOUTH, RANGE 28 EAST, ST. JOHNS COUNTY, FLORIDA. SAID PORTION BEING BOUNDED ON THE EAST BY A NORTH-SOUTH LINE RUNNING THROUGH FLORIDA STATE PLANE COORDINATE US FEET(83/90 ADJUSTMENT) N 2096240, E 490518; BOUNDED ON THE SOUTH BY THE SOUTH RIGHT OF WAY LINE OF SAID RACETRACK ROAD; BOUNDED ON THE WEST BY A NORTH-SOUTH LINE RUNNING THROUGH FLORIDA STATE PLANE COORDINATE (83/90) N 2096670, E 488948; BOUNDED ON THE NORTH BY THE CENTERLINE OF THE EASTBOUND LANES/BRIDGE OF SAID RACETRACK ROAD.



**INTER-OFFICE MEMORANDUM**

November 9, 2020

**SUBJECT: HQ2 HARDENED FACILITY REAL ESTATE ACQUISITION**

**FROM:** Paul McElroy, Interim Managing Director/CEO

**TO:** JEA Board of Directors

**BACKGROUND:**

In May 2020, the JEA Board approved a modification to the JEA headquarters program that reduced the size of the headquarters facility. The reduction allowed for certain functions to be located in a future hardened facility to accommodate JEA's needs in extreme weather and critical response events. JEA has identified two parcels in the downtown area for the location of the proposed hardened facility. The parcels total 2.27± acres and are owned by LaVilla Partners III, LLLP.

**DISCUSSION:**

JEA's services are critical to the function and well-being of residents and businesses in its service area. JEA customers rely on these essential services in both blue-sky and gray-sky conditions. The proposed hardened facility will provide JEA with the ability to perform mission-critical functions during gray-sky events and functional workspace for blue-sky conditions.

The proposed location is in the LaVilla area of downtown Jacksonville, less than one mile from the new JEA headquarters building, City Hall and the City of Jacksonville's emergency operations center. The location provides convenient interstate access, is outside of an evacuation zone, and outside the 100-year flood plain elevation per current FEMA flood maps. The site is also adjacent to JEA's Church Street substation and would be connected to the downtown electric grid, JEA's most reliable distribution system.

Further, the seller owns a surface parking lot in close proximity to the proposed location and has expressed their willingness to allow JEA personnel to utilize the parking facilities during extreme weather and other critical response events.

If the acquisition is approved by the Board, JEA staff will issue, through a competitive procurement, a design-build Request for Proposals for the proposed hardened facility.

**FINANCIAL IMPACT:**

The proposed acquisition consists of two parcels: the east parcel at 1.4± acres and the west parcel at 0.87± acres for a total of 2.27± acres. (Location maps attached)

JEA received an appraisal on the west parcel in the amount of \$800,000. The seller received an appraisal on the west parcel in the amount of \$1,160,000. JEA has negotiated a purchase price for the west parcel in the amount of \$800,000.

JEA received an appraisal on the east parcel in the amount of \$1,375,000. The seller received an appraisal on the east parcel in the amount of \$2,000,000. JEA has negotiated a purchase price for the east parcel in the amount of \$1,646,568.



**Page 2**

In total, JEA's appraisal for the two parcels is \$2,175,000 and the seller's appraisal is \$3,160,000. The total negotiated purchase price for the two parcels is \$2,446,568.

In addition, the parcels were previously included as part of the LaVilla Master Permit where compensating storm water treatment has already been provided. JEA estimates that this condition may result in an estimated \$79,000 in avoided costs as part of site development, subject to further evaluation in the course of site design.

**RECOMMENDATION:**

That the Board of Directors approve the purchase of real property as outlined in Resolution 2020-11.

---

Paul McElroy, Interim Managing Director/CEO

PEM/ADM/JAP

Attachments:  
Resolution 2020-11  
Purchase and Sale Agreement  
Location Maps

**RESOLUTION 2020-11**

**A RESOLUTION TO DELEGATE AUTHORITY TO NEGOTIATE AND EXECUTE A PURCHASE AGREEMENT TO THE CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR IN ACCORDANCE WITH JEA CHARTER SECTION 21.10.**

**WHEREAS**, the JEA Board and JEA staff believe the construction of a hardened facility is in the best interests of JEA and its customers;

**WHEREAS**, the JEA Charter, Section 21.10, provides that the JEA Board may delegate the authority to an officer, agent or employee of JEA by resolution to execute purchase and sale agreements;

**WHEREAS**, the Real Estate Services Procurement Directive dated May 26, 2016 requires Board Approval for all real estate purchases of more than \$500,000.00;

**WHEREAS**, JEA Staff has negotiated, and OGC has approved, acceptable terms and conditions for the purchase of a 1.4± acre parcel and a 0.87± acre parcel of real property in the LaVilla area of downtown Jacksonville and more particularly described in the purchase agreement and property description attached hereto as **Exhibit A** (the “Subject Property”);

**WHEREAS**, JEA’s independent appraisal of the Subject Property (assembled) has estimated the property value to be \$2,175,000.00; and

**WHEREAS**, JEA Real Estate Services has requested and the Seller has agreed to a purchase price of \$2,446,568.00.

**BE IT RESOLVED** by the JEA Board of Directors that:

1. The Board hereby approves the Purchase Agreement between LaVilla Partners III, LLLP, a Florida limited liability limited partnership, and JEA in substantially the form attached hereto as **Exhibit A**;
2. The Board hereby delegates to the Chief Executive Officer and Managing Director or his designee to execute the Purchase Agreement in its substantial form and any and all documents in connection with the Purchase Agreement and all other documentation as may be reasonably required to consummate the real estate transaction.
3. The purchase price for the Subject Property shall not exceed \$2,446,568.00 without additional approval by the JEA Board of Directors.

Dated this \_\_\_\_ day of November 2020.

**JEA**

By: \_\_\_\_\_  
\_\_\_\_\_, Chair

\_\_\_\_\_  
Secretary

Form Approved:

By: \_\_\_\_\_  
Office of General Counsel

VOTE: In Favor: \_\_\_\_ Opposed: \_\_\_\_ Abstained: \_\_\_\_

EXHIBIT A

Project: HQ2  
Project Number: 8006428  
RE Parcel #s: 075262-0000  
075263-0000  
075264-0000  
075265-0000  
075266-0000  
075267-0000  
075268-0000  
075270-0000  
075271-0000  
075275-0000  
075276-0000  
075277-0000  
075278-0000  
075279-0000  
075281-0000  
075283-0000  
075284-0000  
075285-0000

**PURCHASE AGREEMENT**  
(Fee Simple)

THIS PURCHASE AGREEMENT ("Agreement") is made and entered as of the date on which the latter of the parties hereto executes this Agreement (the "Effective Date") by and between **JEA**, a body politic and corporate ("Buyer"), and **LaVilla Partners III, LLP**, a Florida limited liability limited partnership ("Seller").

**W I T N E S S E T H:**

In consideration of the mutual undertakings of the parties set forth in this Agreement and for other valuable considerations, the receipt and sufficiency of which the parties hereby acknowledge the parties hereby agree as follows:

1. General Outline of Transaction. Seller is the owner in fee simple of that certain tract of land located in Duval County, Florida with the legal description more fully set forth on Exhibit A attached hereto and made a part hereof (the "Property"), together with all improvements located thereon and to the extent assignable, all appurtenances, hereditaments and tenements thereto, together with all of Seller's development rights, permits, approvals, and other rights or privileges pertaining to the Property, upon the terms and conditions hereafter set forth.

2. Purchase Price and Earnest Money.

a. Purchase Price. Under the terms of this Agreement, Seller hereby agrees to sell, assign and convey the Property to Buyer and Buyer agrees to pay for and purchase the Property from Seller. In consideration of the conveyance of the Property from Seller to Buyer, Buyer shall pay to Seller at Closing, as hereinafter defined, an amount equal to \$2,446,568.00 (the "Purchase Price"), subject to the adjustments and prorations permitted or required pursuant to this Agreement.

b. Earnest Money. Within ten (10) business days after the latter of the Buyer and Seller have executed this Agreement, Buyer shall deliver to Edwards Cohen, as escrow agent ("Escrow Agent"), by cashier's check or wired funds, a deposit in an amount equal to \$100,000.00 (the "Earnest Money"), to be deposited by the Escrow Agent in an IOTA trust account. The

EXHIBIT A

Earnest Money shall be held in escrow on terms and conditions acceptable to Buyer and Seller until: (i) the Earnest Money is returned to Buyer pursuant to the provisions of this Agreement; (ii) the Earnest Money is delivered to Seller pursuant to the provisions of this Agreement; or (iii) Closing, in which case the Earnest Money shall be paid to Seller and applied to the payment of the Purchase Price.

3. Survey, Title, Buyer's Review, Environmental Reports and Inspection.

a. Survey. Buyer shall within thirty (30) days after the Effective Date, at Buyer's cost and expense, obtain a boundary survey of the Property (the "Survey"), prepared and certified by a licensed Florida land surveyor. The Survey shall provide a metes and bounds legal description for the Property and be certified to all necessary parties required by the Title Insurer.

b. Title. Buyer shall within thirty (30) days after the Effective Date, at Buyer's cost and expense, obtain an owner's title insurance commitment issued by a licensed title insurance company ("Title Insurer"), committing to insure Buyer's fee simple title to the Property in the total amount of the Purchase Price ("Commitment"). The Commitment shall show Seller to have good and insurable title to the Property, in fee simple, and free and clear of all liens and encumbrances except for Permitted Exceptions. For purposes hereof, "Permitted Exceptions" shall mean (i) encumbrances consisting of covenants, restrictions, public utility easements of records, existing zoning or planning restrictions, easements, permits or other restrictions or limitations on the use of real property, irregularities in title which do not materially detract from the value of, or impair the use of, such real property and (ii) encumbrances for taxes, assessments or governmental charges or levies on the Property not yet due and payable for the year of conveyance and subsequent years or which are being contested in good faith and for which appropriate reserves are maintained. The policy, when issued, shall insure in Buyer good and insurable title to the Property, in fee simple, free and clear of all liens and encumbrances except for Permitted Encumbrances, subject to such other matters appearing in the Commitment which Buyer has approved or accepted as title exceptions under Section 3(c).

c. Buyer's Review. Buyer shall have thirty (30) days after receipt of the Commitment and Survey, whichever is received last, in which to examine the Survey and Commitment and to determine the nature of any defects in title to the Property and in those matters or facts disclosed by the Survey. If either the Commitment or Survey reveals any encroachments, overlaps, easements, restrictions, covenants, conditions, liens, encumbrances, other title defects, or other matters other than the Permitted Exceptions that are unacceptable to Buyer, Buyer shall give written notice to Seller of such defects prior to the expiration of the said thirty (30) day period, and Seller shall have the right, but no obligation to remedy or remove any such objectionable matters prior to the Closing Date. If Seller does not, prior to the Closing Date, cure such defects of which it has been notified, Buyer may, at its option, either (i) terminate this Agreement upon written notice to Seller and the parties shall thereafter be relieved of all further obligations under this Agreement which do not specifically survive its termination, and the Earnest Money shall be returned to Buyer; or (ii) accept the uncured defects and take title as it then exists without reduction in the Purchase Price.

d. Environmental Reports. Buyer may within thirty (30) days after the Effective Date, at Buyer's cost and expense, obtain a Phase I environmental site assessment with respect to the Property, which meets the standard of practice of the American Society of Testing Materials. Buyer shall use the services of a competent, professional consultant with expertise in the environmental site assessing process. If the Findings and Conclusions section of the Phase I environmental site assessment reports evidence of recognized environmental conditions, then, at Buyer's option, a Phase II environmental site assessment shall be performed within thirty (30) days after receipt of the Phase I environmental site assessment reports, at Buyer's cost and expense, to address any suspicions raised in the Phase I environmental site assessment and to confirm the presence of contaminants on the Property. If, after review of the environmental site assessment(s), Buyer, in its sole discretion, determines the Property is not acceptable, Buyer shall have the right to terminate this Agreement by written notice to Seller within thirty (30) days after receipt by

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Buyer of the last environmental site assessment performed, whereupon the parties shall be relieved of all further obligations under this Agreement which do not specifically survive its termination, and the Earnest Money shall be returned to Buyer.

e. Inspection. Buyer will, at Buyer's expense and within ninety (90) days from the Effective Date (the "Inspection Period"), evaluate the feasibility of Buyer's purchase and ultimate development of the Property. Seller grants to Buyer and its agents the right, at their own risk and expense, to enter upon any portion of the Property to inspect, examine, survey and otherwise perform or conduct such tests, inspections, studies, audits, or other evaluations as Buyer may deem reasonably necessary in conjunction with Buyer's acquisition of the Property, including, but not limited to, final determination of wetlands, environmental testing, and an engineering feasibility study which may include topographic surveys, core borings, soil test pits and load bearing tests, as may be required by Buyer to determine the physical characteristics of the substrata of the Property. Following Buyer's inspection of the Property, Buyer will (i) repair all damages to the Property resulting from the inspections and restore the Property to the original condition it was in prior to the conduct of the inspections and (ii) Buyer will, at Buyer's expense release to Seller all reports and other work generated as a result of the inspections; provided however that Seller hereby expressly acknowledges and agrees any and all such materials are provided without representation or warranty of any kind by Buyer, including but not limited to the accuracy or any other aspect contained in such released materials, and are provided as an accommodation only. Seller hereby acknowledges, covenants and agrees that Seller is without any recourse against Buyer with respect to the accuracy of any information or statements contained in such released materials. Seller further acknowledges that it will not rely upon any such documents and will make its own independent investigation or inquiry as to the accuracy of the information or statements contained in the documents. Seller hereby absolutely, unconditionally, expressly and knowingly waives any and all claims, rights and causes of action Seller may have against Buyer and hereby releases Buyer from any and all liability relating to, or arising in connection with, directly or indirectly, the provision of any released materials and the information or statements contained therein.

Subject to the provisions and limitations of Section 768.28, Florida Statutes, which are neither waived, expanded, or altered hereby, Buyer will indemnify and hold Seller harmless from and against any and all losses, claims, costs, expenses and damages of any nature, including attorneys' and paralegals' fees at all levels, and from liability to any person, arising from the conduct of any and all inspections or any work authorized by Buyer, to persons and/or property incurred by, through, or out of the Buyer's entry and inspections on the Property. Buyer will not engage in any activity that could result in a mechanic's lien being filed against the Property without Seller's prior written consent, and further shall promptly pay or cause to be removed any liens filed against the Property as a result of any actions taken by or on behalf of Buyer. Seller shall deliver to Buyer, within thirty (30) days of the Effective Date, copies of all engineering studies that are currently in the possession of Seller, zoning information that is currently in the possession of Seller, soil investigations and reports that are currently in the possession of Seller, water and sewer studies that are currently in the possession of Seller, topographic maps that are currently in the possession of Seller, platting materials that are currently in the possession of Seller, site plans that are currently in the possession of Seller, permits that are currently in the possession of Seller, approvals, if any, and applications for permits and approvals that are currently in the possession of Seller, and any other materials presently in existence that are currently in the possession of Seller concerning the Property which materials will be returned by Buyer if this Agreement does not close. Seller acknowledges that Buyer may conduct its own investigation regarding the Property. Seller authorizes Buyer, at Buyer's expense, to consult those governmental agencies having jurisdiction over approvals or permits relating to the Property.

If any inspections disclose matters unsatisfactory to Buyer in Buyer's sole and absolute discretion, Buyer may cancel this Agreement and, if such cancellation occurs on or before the end of the Inspection Period, receive a refund of the Earnest Money. In the event that Buyer does not terminate this Agreement prior to the end of the Inspection Period, then \$50,000.00 of the Earnest Money shall be deemed non-refundable to Buyer (but fully applicable against the Purchase Price)

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except only instances of Seller default. Further, in the event Buyer elects to extend the Approval Deadline (hereinafter defined) in accordance with Section 3.f below, the entire Earnest Money shall thereafter be deemed to be non-refundable to Buyer (but fully applicable against the Purchase Price), except only instances of Seller default.

a. Governmental Approvals. This Agreement is expressly conditioned on all approvals and permits deemed necessary by Buyer for its use of the Property and for the construction of Buyer's planned facilities, subject only to conditions and stipulations acceptable to Buyer (the "Governmental Approvals"). Buyer shall use commercially reasonable efforts to obtain the Governmental Approvals. Seller shall cooperate with Buyer in the pursuit of the Governmental Approvals including, without limitation, executing applications and other instruments necessary to obtain each and every Governmental Approval. "Final Approval" of the Governmental Approvals shall be the date when: (i) all of the Governmental Approvals have been reviewed and finally approved by the appropriate governmental agencies, (ii) any ordinances with respect thereto have taken effect, (iii) the time has passed for appeal of all Governmental Approvals, (iv) no notice of referendum or initiative with respect to any Governmental Approval has been published or publicized and (v) any appeals or litigation with respect to (iii) or (iv) above have been prosecuted and resolved in a manner which is satisfactory to Buyer and is not subject to remand to lower courts or governmental agencies.

If the Final Approval has not occurred on or before two hundred seventy (270) days from the Effective Date, (the "Approval Deadline"), Buyer may, at its option, either (a) terminate this Agreement, in which case this Agreement shall be of no further force and effect, and Escrow Agent shall deliver to Seller \$50,000.00 of the Earnest Money and shall deliver to Buyer the remaining \$50,000.00 of the Earnest Money, or (b) Buyer may waive some or all parts of this contingency, at Buyer's sole and absolute discretion, and proceed to Closing, or (c) Buyer may extend the Approval Deadline for an additional ninety (90) days upon written notice to Seller, in which case the entire Earnest Money shall thereafter be deemed to be non-refundable to Buyer (but fully applicable against the Purchase Price), except only instances of Seller default.

If Buyer has elected to extend the Approval Deadline as set forth above but the Final Approval has not occurred on or before the extended Approval Deadline, Buyer may, at its option, either (a) terminate this Agreement, in which case this Agreement shall be of no further force and effect, and Escrow Agent shall deliver to Seller the Earnest Money, or (b) Buyer may waive some or all parts of this contingency, at Buyer's sole and absolute discretion, and proceed to Closing.

4. Deed of Conveyance. Seller shall convey to Buyer good and insurable title to the Property in fee simple by transferable and recordable fee simple special warranty deed, free and clear of all liens and encumbrances, except for Permitted Exceptions and such other matters appearing in the Commitment which Buyer has approved or accepted as title exceptions.

5. Casualty and Eminent Domain. Risk of any casualty to or loss of the Property occurring prior to Closing shall be borne by Seller. Notwithstanding the foregoing, if all or any portion of the Property or access thereto shall be damaged by fire or other casualty or taken by public authority, or notice of such proposed taking be obtained prior to the Closing Date, then Seller shall provide immediate written notice thereof to Buyer and, at Buyer's option, (i) this Agreement shall terminate and the parties shall be relieved of all further obligations under this Agreement which do not specifically survive its termination and the Earnest Money shall be returned to Buyer, or (ii) Buyer may consummate the sale, pay the full Purchase Price and have assigned to it all claims and right of recovery for such casualty or taking. Buyer shall make election in writing within ten (10) days after Seller shall have notified Buyer in writing of such taking or proposed taking or casualty damage and the Closing shall be extended if necessary to accommodate this notice period.

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6. Default and Remedies.

a. Notice of Default. In the event either party is in default of any provision hereof, the non-defaulting party, as a condition precedent to the exercise of its remedies, shall be required to give the defaulting party written notice of the same. The defaulting party shall have ten (10) business days from the receipt of such notice to cure the default. If the defaulting party timely cures the default, the default shall be deemed waived and this Agreement shall continue in full force and effect. If the defaulting party does not timely cure such default, the non-defaulting party shall be entitled to pursue its remedies as set forth in this Section 6 below, as applicable.

b. Remedies of Seller. If Buyer shall default in the performance of any of the terms and conditions of this Agreement, or if the Closing shall not occur through the fault of Buyer, Seller shall as its sole remedy, retain the Earnest Money as liquidated damages and this Agreement shall be canceled.

c. Remedies of Buyer. If Seller shall default in the performance of any of the terms and conditions of this Agreement, or if the Closing shall not occur through the fault of Seller, Buyer may terminate this Agreement in which case the Escrow Agent is irrevocably instructed to return the Earnest Money to Buyer, and Buyer may also recover from the Seller any and all reasonable expenses paid or incurred by Buyer in connection with this Agreement, and this Agreement shall be canceled. In the alternative, Buyer may pursue any other legal or equitable remedies available to Buyer including, but not limited to, specific performance. The foregoing remedies shall be Buyer's sole remedies for Seller's default hereunder.

7. Real Estate Commission. Both parties represent and warrant to the other that it has not entered into any agreement or taken any other action which would result in a real estate brokerage commission, finder's fee or other similar charge being payable on account of this Agreement or the Closing of the Property. Each party hereby agrees to indemnify, defend and hold harmless the other party from any and all claims, demands or the cost and expense of, including reasonable attorneys' fees, arising out of any brokerage commission or fee or other compensation due or alleged to be due in connection with the transaction contemplated by this Agreement based upon any agreement alleged to have been made or other action alleged to have been taken by the indemnifying party. This indemnification shall survive the Closing of the Property or the termination of this Agreement.

8. Limited Representations or Warranties by Seller.

a. Seller hereby represents and warrants that as of the date hereof to the best of Seller's knowledge:

i. Seller has no knowledge of any violations of city, county, state, federal, building, land use, fire, health, safety, environmental, hazardous materials or other governmental or public agency codes, ordinances, regulations, or orders with respect to the Property, or any lands adjacent to the Property.

ii. To the Seller's actual knowledge, no litigation is pending, threatened or likely with respect to the Property, Seller's interest therein, or which would inhibit Buyer obtaining clear title to the Property.

iii. To Seller's actual knowledge, there are no unrecorded leases, arrangements, agreements, understandings, options, contracts, or rights of first refusal affecting or relating to the Property in any way.

iv. The individual signing this Agreement on behalf of Seller has the authority to bind the Seller to the agreements set forth herein.

b. BUYER ACKNOWLEDGES AND AGREES THAT EXCEPT AS



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EXPRESSLY SET FORTH HEREIN, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (A) THE VALUE, NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY, (B) ANY INCOME TO BE DERIVED FROM THE PROPERTY, (C) THE SUITABILITY OF THE PROPERTY AND PROPERTY FOR ANY AND ALL ACTIVITIES AND USES THAT BUYER MAY CONDUCT THEREON, (D) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY, (E) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, (F) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS, IF ANY, INCORPORATED INTO THE PROPERTY, (G) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY, OR (H) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY, AND SPECIFICALLY, THAT SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS REGARDING COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE, ZONING OR DEVELOPMENT OF REGIONAL IMPACT LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS, INCLUDING THE EXISTENCE IN OR ON THE PROPERTY OF HAZARDOUS MATERIALS (AS DEFINED BELOW). BUYER FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY, BUYER IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER AND AT THE CLOSING AGREES TO ACCEPT THE PROPERTY. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY, OR THE OPERATION THEREOF, FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE IN AN "AS IS" CONDITION AND BASIS WITH ALL FAULTS. IT IS UNDERSTOOD AND AGREED THAT THE PURCHASE PRICE HAS BEEN ADJUSTED BY PRIOR NEGOTIATION TO REFLECT THAT ALL OF THE PROPERTY IS SOLD BY SELLER AND PURCHASED BY BUYER SUBJECT TO THE FOREGOING. THE PROVISIONS OF THIS SECTION 8 SHALL SURVIVE THE CLOSING.

"Hazardous Materials" shall mean any substance that is regulated by Environmental Law. "Environmental Law" shall mean all federal, state and local laws, including statutes, regulations, ordinances, codes, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements and other governmental restrictions relating to the protection of the environment or human health, welfare, safety, or to the emission, discharge, seepage, release or threatened release of any contaminant, solid waste, hazardous waste, pollutant, irritant, petroleum product, waste product, radioactive material, flammable or corrosive substance, carcinogen, explosive, polychlorinated biphenyl, asbestos, hazardous or toxic substance, material or waste of any kind into the environment, including, without limitation, ambient air, surface water, ground water or land including, but not limited to, the Federal Solid Waste Disposal Act, the Federal Clean Air Act, the Federal Clean Water Act, the Federal Resource and Conservation and Recovery Act of 1976, the Hazardous and Solid Waste Amendments of 1984, the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Federal Superfund Amendments and Reauthorization Act of 1986, Chapters 161, 253, 373, 376 and 403, Florida

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Statutes, Rules of the U.S. Environmental Protections Agency, Rules of the Florida Department of Environmental Protection, and the rules of the Florida water management district(s) having jurisdiction, now or at any time hereafter in effect,

9. Property Condition. Seller will deliver the Property to Buyer at the time agreed in its present “as is” condition, ordinary wear and tear excepted. If Buyer determines to proceed with the transaction after the Inspection Period, Buyer acknowledges that Seller shall undertake no cures of any matters deemed by Buyer to be defects, and that the Property shall be conveyed to Buyer “as is, where is and with all faults.”

10. Closing. The consummation of the transaction contemplated hereby for the purchase of the Property (the “Closing”) shall take place on or before thirty (30) days after the Approval Deadline, as the same may have been extended in accordance with Section 3.f. The Closing shall take place at the offices of Escrow Agent, or at such other place as may be mutually selected by Buyer and Seller.

11. Documents to be Delivered at Closing. On or before Closing, Seller shall deliver to Buyer the following documents:

a. Special Warranty Deed conveying to Buyer fee simple title to the Property in form and content specified in Section 4 hereof;

b. Affidavit of Seller in form reasonably satisfactory to Buyer and the Title Insurer, evidencing that there have been no improvements or repairs made to the Property within ninety (90) days preceding the Closing, and sufficient in form and content to cause the Title Insurer to eliminate any exception for mechanics liens from the title policy. Such affidavit shall also evidence that Seller is in sole possession of the Property, and shall contain a certification that Seller is not a foreign person for purposes of Section 1445, Internal Revenue Code and such other certifications as may be sufficient for the Title Insurer to insure the “gap” at Closing;

c. A properly completed and executed beneficial interest affidavit and disclosure statement as required by Section 286.23, Florida Statutes, if applicable;

d. Any and all other documentation as may be reasonably required to consummate the transactions contemplated in this Agreement.

12. Possession. Possession of the Property shall be delivered to Buyer on the Closing Date.

13. Closing Costs.

a. At Closing, Buyer shall pay for (i) recording fees of the deed; (ii) all engineering and environmental studies obtained by Buyer, pursuant to Section 3(e), if any; (iii) Buyer’s attorneys’ fees and costs; (iv) the cost of the Survey and all other costs of Buyer’s investigation; (v) environmental site assessments described in Section 3(d).; and (vi) the premium and any other costs and expenses associated with the owner’s title policy issued pursuant to the Commitment described in Section 3(b).

b. At Closing, Seller shall pay for (i) Seller’s attorneys’ fees; and (ii) documentary stamp taxes on the deed..

14. Taxes and Assessments. All real estate taxes and assessments which are or which may become a lien against the Property shall be satisfied of record by Seller at Closing. In the event the Buyer acquires fee title to the Property between January 1 and November 1, Seller shall, in accordance with Section 196.295, Florida Statutes, place in escrow with the tax collector an amount equal to the current taxes prorated to the Closing Date, based upon the current assessment and millage rates on the Property. In the event the Buyer acquires fee title to the Property on or

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after November 1, Seller shall pay to the tax collector an amount equal to the taxes that are determined to be legally due and payable by the tax collector.

15. Notices. Any notice, demand, consent, authorization, request, approval or other communication (collectively, "Notice") that any party is required, or may desire, to give to or make upon the other party pursuant to this Agreement shall be effective and valid only if in writing, signed by the party giving such notice, and delivered personally to the other party or sent by express 24-hour guaranteed courier or delivery service, by facsimile transmission with telephone confirmation or certified mail of the United States Postal Service, postage prepaid and return receipt requested, addressed to the other party as follows (or such other place as any party may by Notice to the other specify):

To Buyer: JEA, Real Estate  
21 W. Church Street (CC-6)  
Jacksonville, Florida 32202  
Attention: Director, Real Estate Services

With copy to: Edwards Cohen  
Attention: Brian Dawes  
200 W. Forsyth St., Suite 1300  
Jacksonville, FL 32202

To Seller: LaVilla Partners III, LLLP  
425 North Lee Street, Suite 102A  
Jacksonville, Florida 32204  
Attention: Ted P. Pappas

With copy to: Milam Howard Nicandri & Gillam, P.A.  
14 East Bay Street  
Jacksonville, Florida 32202  
Attention: Robert G. Shaffer II, Esq.

To Escrow Agent: Edwards Cohen  
Attention: Brian Dawes  
200 W. Forsyth St., Suite 1300  
Jacksonville, FL 32202

Notice shall be deemed given when received, except that if delivery is not accepted, Notice shall be deemed given on the date of such non-acceptance.

16. State Required Disclosure. The following disclosure is required to be made by the laws of the State of Florida if the Property is located within the State of Florida:

"RADON GAS" Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit."

17. Governing Law. The parties hereto expressly agree that the terms and conditions hereof, and the subsequent performance hereunder, shall be construed and controlled in accordance with the laws of the State of Florida without regard to conflicts of law principles.

18. Entire Agreement. This Agreement contains the entire Agreement between the parties hereto and no statement or representation of the respective parties hereto, their agents or employees, made outside this Agreement, and not contained herein, shall form any part hereof or

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be binding upon the other party hereto. This Agreement shall not be changed or modified except by written instrument signed by the parties hereto.

19. Captions. Captions used in this Agreement are for convenience of reference only and shall not affect the construction of any provision of this Agreement. Whenever used, the singular shall include the plural, the plural shall include the singular, and the neuter gender shall include all genders.

20. Assignment. This Agreement shall inure to the benefit of and be binding upon and is intended solely for the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns; and no third party will have any rights, privileges or other beneficial interest herein or hereunder.

21. Time is of the Essence. Time is of the essence of this Agreement. If any date referenced herein falls on a Saturday, Sunday or legal holiday, then such date automatically is extended to the next business day.

22. Interpretation. Should any of the provisions of this Agreement require interpretation, the party or parties interpreting or construing the same shall not apply a presumption that the terms herein shall be more strictly construed against on party by reason of the rule of construction that a document is to be construed more strictly against the party who itself or through its agents prepared the same, it being agreed that the agents of all parties participated in the preparation hereof.

23. Waiver. The waiver by one party of the performance of any covenant or condition herein shall not invalidate this Agreement, nor shall it be considered to be a waiver by such party of any other covenant or condition herein. The waiver by either or both parties of the time for performing any act shall not constitute a waiver at the time for performing any other act or any identical act required to be performed at a later time. No waiver hereunder shall be effective unless it is in writing.

24. Recording This Agreement. Buyer shall not record this Agreement or any memorandum thereof. In the event that Buyer shall breach this paragraph, Seller shall have the right to terminate this Agreement.

25. Waiver of Jury Trial. THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ALL OF THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY IN ANY PROCEEDING BROUGHT TO ENFORCE OR DEFEND ANY TERMS OR PROVISIONS OF THIS AGREEMENT. NO PARTY SHALL SEEK TO CONSOLIDATE ANY PROCEEDING IN WHICH THE RIGHT TO A TRIAL BY JURY HAS BEEN WAIVED WITH ANY OTHER PROCEEDING IN WHICH THE RIGHT TO A TRIAL BY JURY CANNOT BE, OR HAS NOT BEEN, WAIVED. THE TERMS AND PROVISIONS OF THIS SECTION HAVE BEEN FULLY DISCUSSED BY THE PARTIES HERETO, AND THE TERMS AND PROVISIONS HEREOF SHALL NOT BE SUBJECT TO ANY EXCEPTIONS. NO PARTY HAS IN ANY WAY AGREED WITH, OR REPRESENTED TO, ANY OTHER PARTY THAT THE TERMS AND PROVISIONS OF THIS SECTION WILL NOT BE ENFORCED FULLY IN ALL INSTANCES.

26. Board of Directors Contingency. This Agreement and purchase is wholly contingent upon Buyer being able to obtain approval from Buyer's Board of Directors for the purchase of the Property. It is understood that Buyer shall notify Seller within thirty (30) days after the Effective Date of this Agreement of the decision of the Board of Directors. If the decision is "yes" this Agreement shall continue in full force and effect. If the decision is "no" Escrow Agent is irrevocably instructed to return the Earnest Money and any interest earned thereon to Buyer and this Agreement shall terminate and neither party shall have any further obligations under the terms thereof.

## EXHIBIT A

27. Escrow Provisions. Escrow Agent signs this Agreement for the sole purpose of accepting its engagement as escrow agent pursuant to the terms of this Agreement and agreeing to be bound by the applicable terms hereof. It is agreed that the duties of Escrow Agent with respect to the Earnest Money are only as herein specifically provided and purely ministerial in nature, and Escrow Agent shall incur no liability whatever except for willful misconduct or gross negligence, as long as Escrow Agent has acted in good faith. Buyer and Seller each release Escrow Agent from any act done or omitted to be done by Escrow Agent in good faith in the performance of its duties hereunder, except the parties shall not release Escrow Agent from willful misconduct or gross negligence. Escrow Agent is acting as stakeholder only with respect to the Earnest Money and any other monies or documents to the extent delivered to Escrow Agent pursuant to this Agreement. Escrow Agent agrees that at such time as either party alleges that there is a default entitling the other party to the Earnest Money or a document, then Escrow Agent shall send notice to Seller and Buyer advising that the other party has made demand on Escrow Agent for such Earnest Money or document. If the party alleged to be in default does not dispute Escrow Agent disbursing the Earnest Money or document within ten (10) business days of receipt of notice that Escrow Agent intends to disburse the Earnest Money or document or Escrow Agent notifies the parties that it intends to disburse a portion of the Earnest Money or a document and neither of the parties disputes such disbursement within five (5) business days after written notice that Escrow Agent intends to disburse all or a portion of such Earnest Money or the document, then Escrow Agent is authorized to disburse the Earnest Money or document as set forth in Escrow Agent's notice. If there is any valid dispute as to whether Escrow Agent is obligated to deliver the Earnest Money or the cash or documents to close or as to whom the Earnest Money, or cash or documents to close is to be delivered, Escrow Agent shall not make any delivery, but in such event, Escrow Agent shall hold same until receipt by it of an authorization in writing, directing the disposition of same executed by Buyer and Seller or in the absence of such authorization, Escrow Agent shall hold the Earnest Money and/or the cash or documents to close until final determination of the rights of the parties in the appropriate proceedings. If such written authorization is not given or proceedings for such determination are not begun within thirty (30) days of written demand by Escrow Agent to Seller and Buyer and diligently continued, Escrow Agent may bring an appropriate action or proceeding to interplead such deposits or documents. Any such interpleader action must be brought in the County in which the Property is located. Escrow Agent shall be reimbursed for all costs and expenses of such action or proceeding, including, without limitation, reasonable attorneys' fees and disbursements, by the party determined to have wrongfully disputed Escrow Agent's authority to disburse. Upon making delivery of the Earnest Money and/or the cash or documents to close, Escrow Agent shall have no further liability unless such delivery constituted willful misconduct or gross negligence.

Buyer may at any time remove the Escrow Agent and appoint a successor. The Escrow Agent may resign at any time from its obligations hereunder by providing written notice to the Seller and Buyer. Such resignation shall be effective on the date set forth in such written notice, which shall be no earlier than ten (10) business days after such written notice has been furnished. In such event, the Buyer shall promptly appoint a mutually acceptable successor escrow agent. In the event no successor escrow agent has been appointed on or prior to the date such resignation is to become effective, the Escrow Agent shall be entitled to tender into the custody of any court of competent jurisdiction all funds and other property then held by the Escrow Agent hereunder and the Escrow Agent shall thereupon be relieved of all further duties and obligations hereunder. The Escrow Agent shall have no responsibility for the appointment of a successor escrow agent hereunder.

The provisions of this Section shall survive Closing or any earlier termination of this Agreement.

EXHIBIT A

SIGNATURES ON FOLLOWING PAGES

EXHIBIT A

**IN WITNESS WHEREOF**, Buyer and Seller have caused these presents to be signed in their names on the day and year set forth below.

**BUYER:**

**JEA**, a body politic and corporate

By: \_\_\_\_\_  
Jordan Pope  
Director, Real Estate Services

Date: \_\_\_\_\_

**SELLER:**

**LaVilla Partners III, LLP**, a Florida  
limited liability limited partnership

By: \_\_\_\_\_  
Print: \_\_\_\_\_  
Title: General Partner

Date: \_\_\_\_\_

EXHIBIT A

Escrow Agent has executed this Agreement in order to confirm that the Escrow Agent has received and shall hold the Earnest Money in escrow, and shall disburse the Earnest Money pursuant to the provisions of Section 27.

Edwards, Cohen, Dawson, Noble & Dawes, P.A.

By: \_\_\_\_\_  
Print: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_



EXHIBIT A

**EXHIBIT A**

**DESCRIPTION OF PROPERTY**

Block 17; and

All of Lots 4 and 8, and the easterly 47' of Lots 5 and 7, together with all of Lot 3, less and except the easterly 2/3 thereof, and all of Lot 9, less and except the easterly 1/2 thereof, all within Block 18;

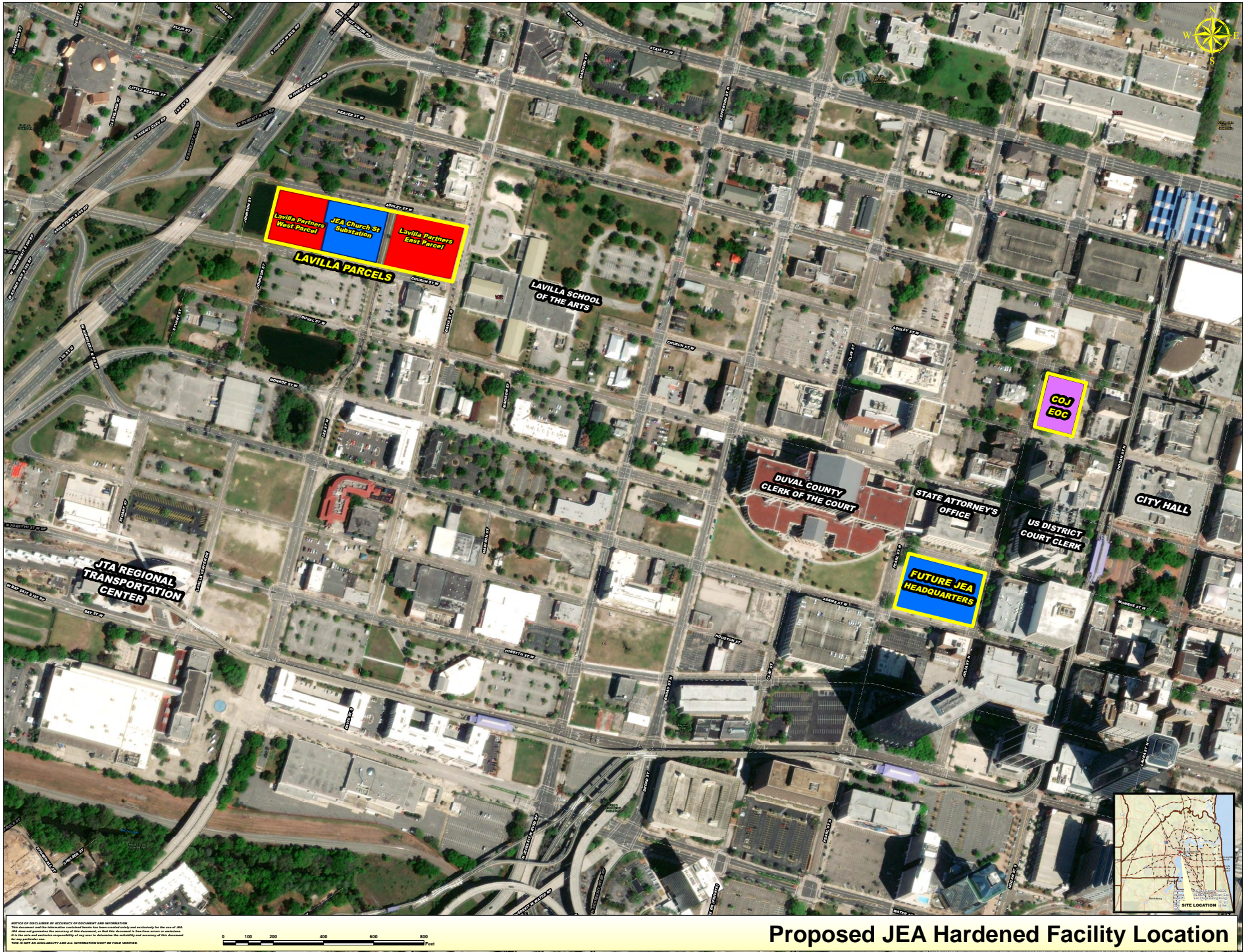
All within McIntosh & Reeds Addition to LaVilla, as recorded in Deed Book AG, Pages 768 and 769 of the Former Public Records of Duval County, Florida,

together with all timber, transferable development rights, improvements, easements, appurtenances and hereditaments thereto.









**Proposed JEA Hardened Facility Location**

RES:\Pope\JEA\LavillaPartners-COJ\JEA-Parcels\KSalahGarchvaMay20\MKD





**INTER-OFFICE MEMORANDUM**

October 7, 2020

**SUBJECT:** JEA'S JACKSONVILLE SMALL AND EMERGING BUSINESS (JSEB)  
PROGRAM REPORT

**FROM:** Paul McElroy, Interim Managing Director/CEO

**TO:** JEA Board of Directors

**BACKGROUND:**

A report on JEA's FY20 Q4 JSEB performance is provided to the JEA Board of Directors for review.

**DISCUSSION:**

JEA's JSEB performance as of the fourth quarter of FY20 our annual goal was achieved. Details are provided in the attachment and summary information is provided below.

- FY20 JSEB annual spend goal is \$17,000,000
  - The FY20 JSEB annual spend goal is 25% of the available spend.
  - As of the fourth quarter of FY20, JEA has achieved a JSEB spend of \$18.9M, or 111% of the annual goal.
- JEA's goal is to contract with 10 new JSEB companies during FY20
  - JEA has identified potential areas for JSEB opportunities and is working with key stakeholders on targeted outreach efforts to further grow capacity.
  - As of fourth quarter for FY20, JEA has contracted with 10 new JSEB companies that did not provide services to JEA in FY19.

**FINANCIAL IMPACT:**

N/A

**RECOMMENDATION:**

No action is required by the Board. This items presented for information only.

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Paul McElroy, Interim Managing Director/CEO

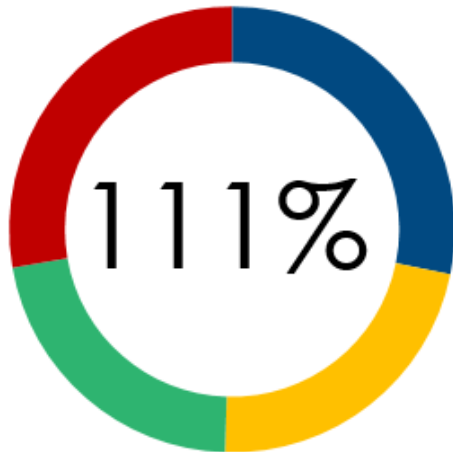
PEM/ADM/JGM/RLS



## Available Project Spend

AVAILABLE SPEND

\$67,000,000



SPEND GOAL = 25%

\$17,000,000

JSEB ACTUAL SPEND

\$18,900,029

QTR1 JSEB SPEND

\$5,333,417

QTR2 JSEB SPEND

\$4,213,124

QTR3 JSEB SPEND

\$4,110,955

QTR4 JSEB SPEND

\$5,242,533

## Past 5 Years - JSEB Goal vs. Actual Spend




  
**FY20 JSEB  
SCORECARD Q4**



## FY20 NEW JSEB VENDORS

# FY20 New JSEB Vendors

New JSEB	YTD Spend	Date Added
KBT Contracting Corporation	\$292,112	Jul 2020
A.R.E.C. Safety Consulting	\$194,1420	Oct 2020
Davis Tire Center, Inc.	\$101,862	Jul 2020
L&L Supply, Inc.	\$32,172	Nov 2019
John Searcy and Associates, Inc.	\$18,900	Jun 2020
Michael Lloyd Hauling, Inc.	\$9,650	Sep 2020
Main Street Site & Utility, LLC	\$7,154	Nov 2019
The NDN Companies	\$2,835	Jan 2020
Crossbow Cattle, Inc.	\$ -	Apr 2020
Bullard Fence, Inc.	\$ -	Feb 2020



# Prime Contracts Awarded to JSEB Vendors

**\$18.8M**  
Contracts Awarded to  
JSEB Vendors

Contract awards range from 1 to 5 Years

**JSEB SCORECARD  
FY20 HIGHLIGHTS**

JSEB Vendor	Contract Award
Freedom Landscape and Lawn Maintenance, Inc.	\$2,962,709
Four Waters Engineering	\$2,236,543
Construction & Engineering Services	\$1,970,623
Almond Engineering	\$1,959,049
Eversafe Building Maintenance Corporation	\$658,979
Complete Services Well Drilling, Inc.	\$449,405



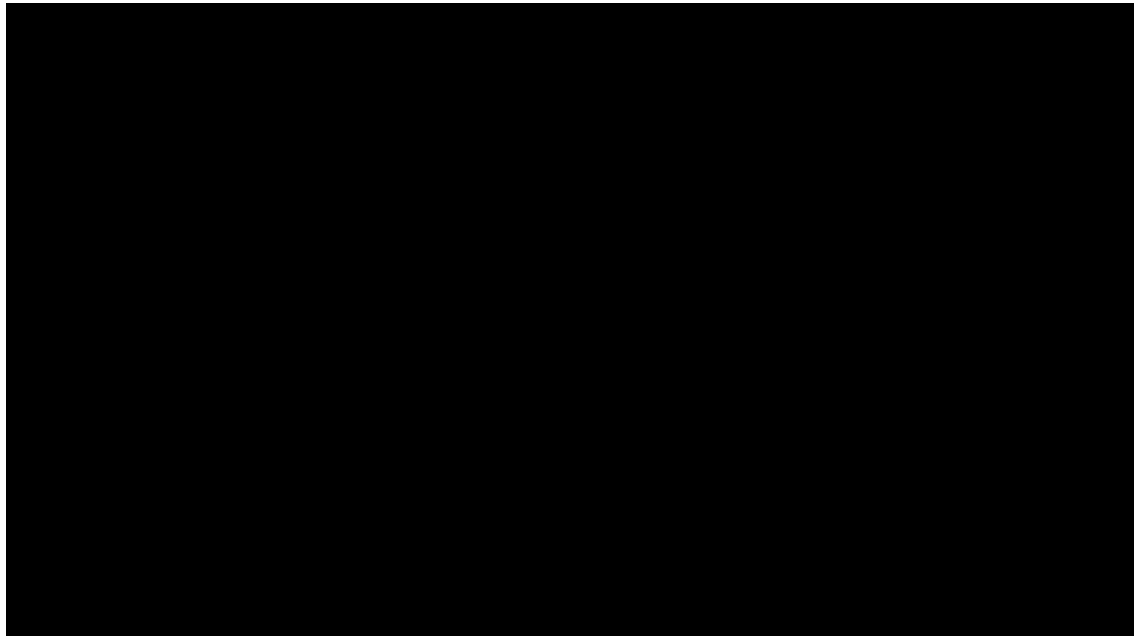


### Featured Prime Vendors:

- Freedom Landscaping (JSEB)
- Jacobs
- Petticoat Schmitt



# Virtual JSEB Procurement Summit





**INTER-OFFICE MEMORANDUM**

November 9, 2020

**SUBJECT: JEA WORKFORCE STRATEGY**

**FROM:** Paul McElroy, Interim Managing Director/CEO

**TO:** JEA Board of Directors

**BACKGROUND:**

The JEA workforce is the most valuable asset to the organization and it is a top priority to sustain it. The workforce is highly skilled and made up of a majority of roles that require long lead times to attract, recruit and develop. JEA understands that if severe shortages occurred in certain critical skills, JEA could face immediate and potentially catastrophic loss in the essential utility systems. To ensure this does not occur, JEA carefully and continually monitors employee attrition and retirement eligibility as part of its Strategic Workforce Planning process. As a core value, JEA works diligently to insure Diversity in the workforce and that it is reflective of the community it serves. JEA invests heavily in continuous employee learning and development to both enhance employee engagement and satisfaction, as well as to develop a deep well of internal talent allowing the organization to effectively backfill critical roles through progressive internal promotions which complements external talent infusion and recruitment.

**DISCUSSION:**

**Workforce Strategy Overview**

JEA has been successful at maintaining a relatively flat headcount over the past decade by effectively reallocating existing employee resources to meet new growth demands in various areas of the business. Current retirement eligibility remains near the lowest point it has been in the last decade due to successful mitigation and succession strategies.

JEA understands the value of diversity in the workforce. JEA is currently in alignment with diversity profiles within the utility industry but still falls short in matching the local community profile. JEA is currently leveraging community outreach and partnerships with various organizations to develop effective in-roads to assist all applicants with the needed skills necessary to compete for JEA jobs.

Because of the technical and dangerous nature of work required to operate a multi-service utility, JEA's workforce requires a high degree of training and certification. JEA has currently identified 120 high risk and vital Leadership and Professional positions as well as another 237 highly skilled Specialty positions that require action in the coming year including both succession planning efforts and preparatory investments into the apprenticeship and training programs.

**FINANCIAL IMPACT:**

There is no direct financial impact specific to this summary.

**RECOMMENDATION:**

No action required, as this update is for information only.

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Paul McElroy, Interim Managing Director/CEO

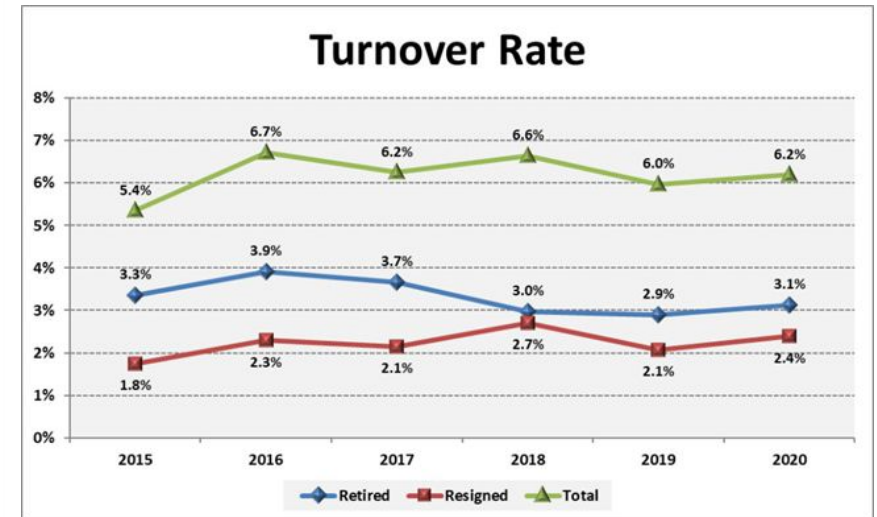
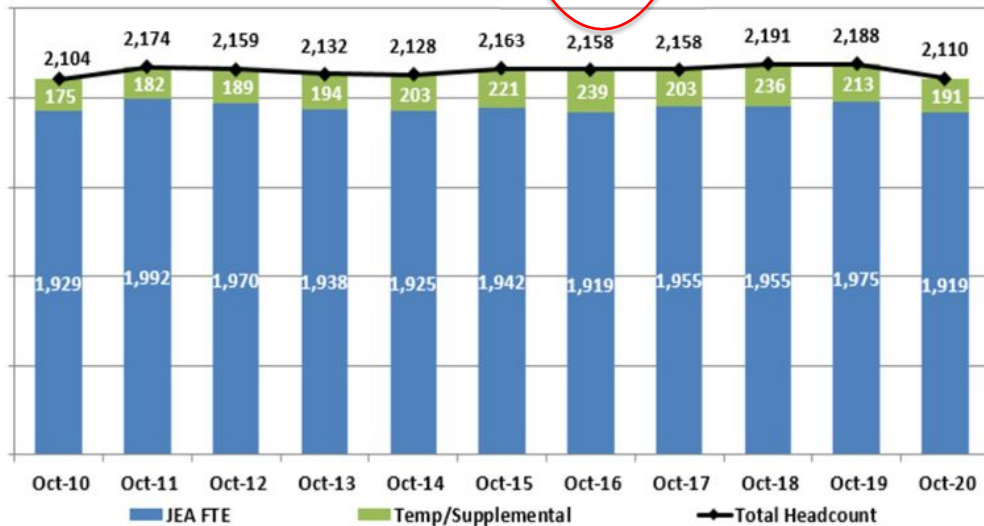






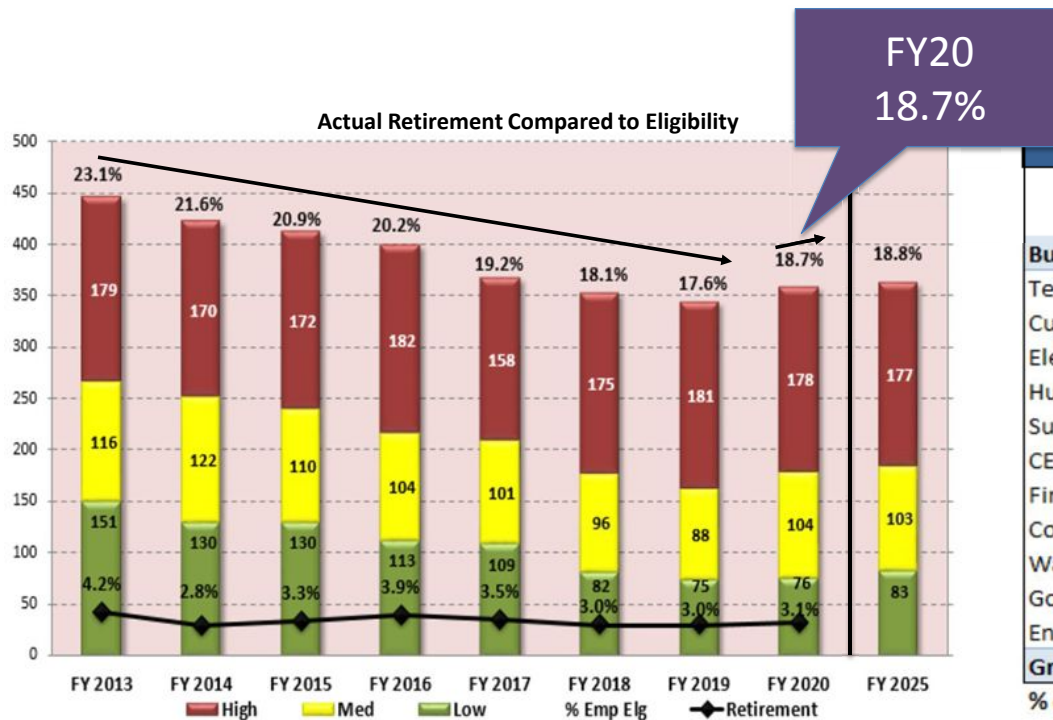
## Workforce Metrics

JEA Workforce Metrics	FY20	FY19	FY18	FY17	FY16	FY15
JEA Regular Employees	1,919	1,975	1,955	1,955	1,919	1,942
Supplemental Contractors	191	213	236	203	239	221
Turnover %	6.2%	6.0%	6.6%	6.2%	6.7%	5.4%
Retirement Eligible %	18.7%	17.6%	18.1%	19.2%	20.2%	20.9%
Actual Retirement %	3.1%	2.9%	3.0%	3.7%	3.9%	3.3%





## Retirement Eligibility

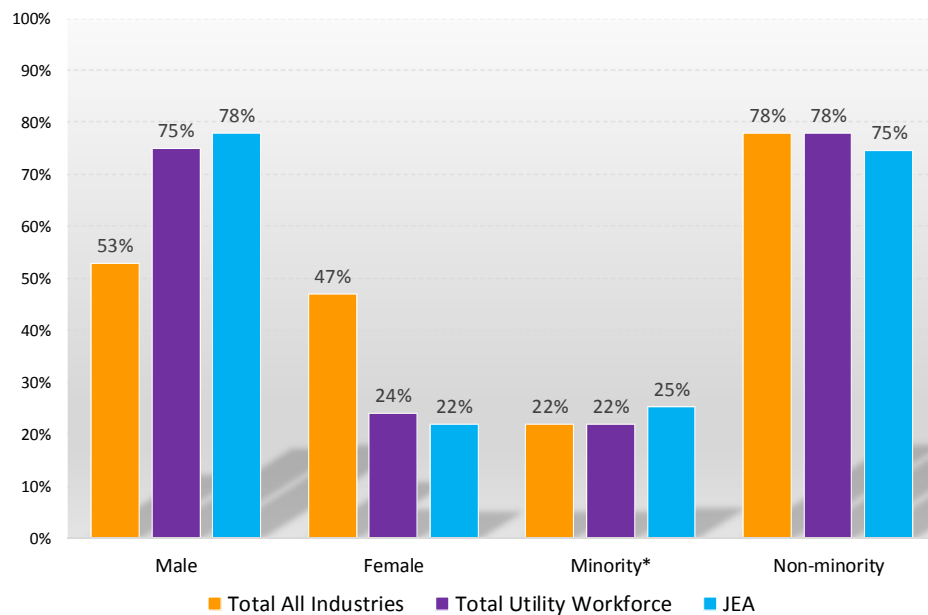


Retirement Risk with Proposed Legislation			
FY2020			
Business Unit	Current Legislation	Proposed Legislation	Change
Technology Services	20	42	22
Customer Experience	63	110	47
Electric Systems	122	204	82
Human Resources	11	24	13
Supply Chain Services	26	43	17
CEO	1	1	0
Financial Services	17	28	11
Compliance	2	5	3
Water/Wastewater Systems	85	147	62
Government Affairs	1	1	0
Environmental Services	10	21	11
<b>Grand Total</b>	<b>358</b>	<b>626</b>	<b>268</b>
<b>% of total workforce</b>	<b>18.7%</b>	<b>32.6%</b>	<b>14.0%</b>



## Diversity

**JEA Diversity Benchmarking - Based on Industry**

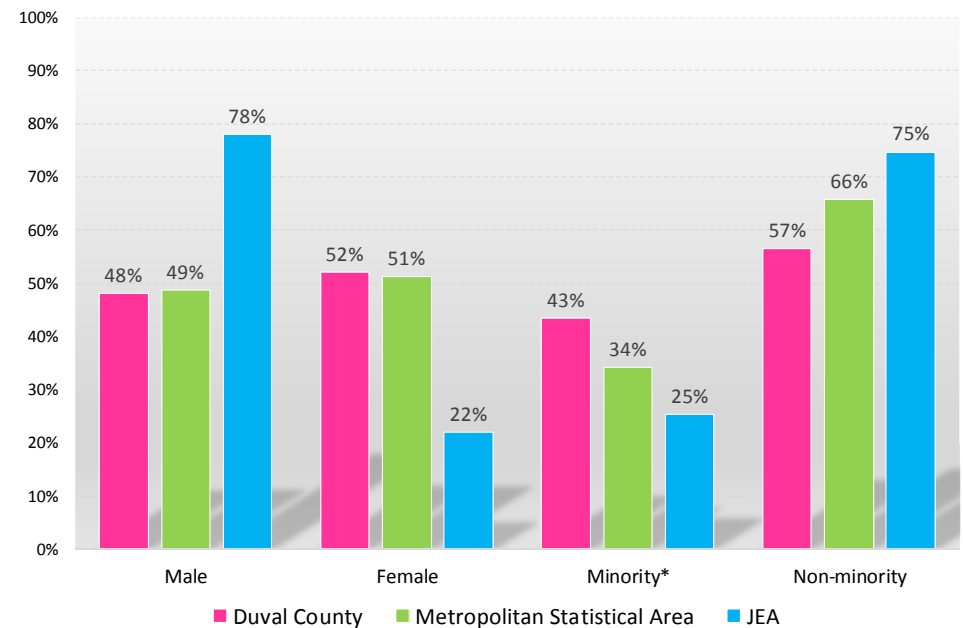


\* American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Other Pacific Islander, and Two or More Races.

- Data from Center For Energy Workforce Development (CEWD)  
2019 Gaps Energy Workforce Report

JEA Data June 30, 2020

**JEA Diversity Benchmarking - Based on Community**

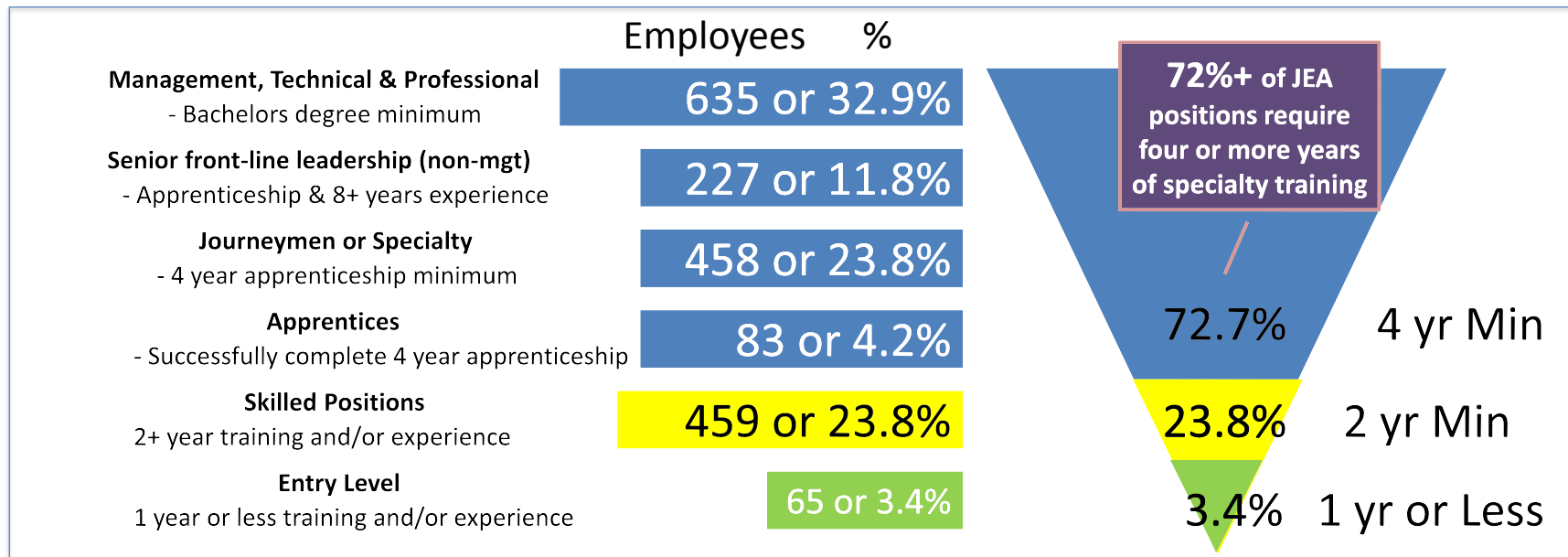


\* American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Other Pacific Islander, and Two or More Races.

- Metropolitan Statistical Area (includes Duval, St. Johns, Clay, Nassau and Baker counties) 2010 U.S. Census

# JEA Highly Technical Workforce

Did you know?

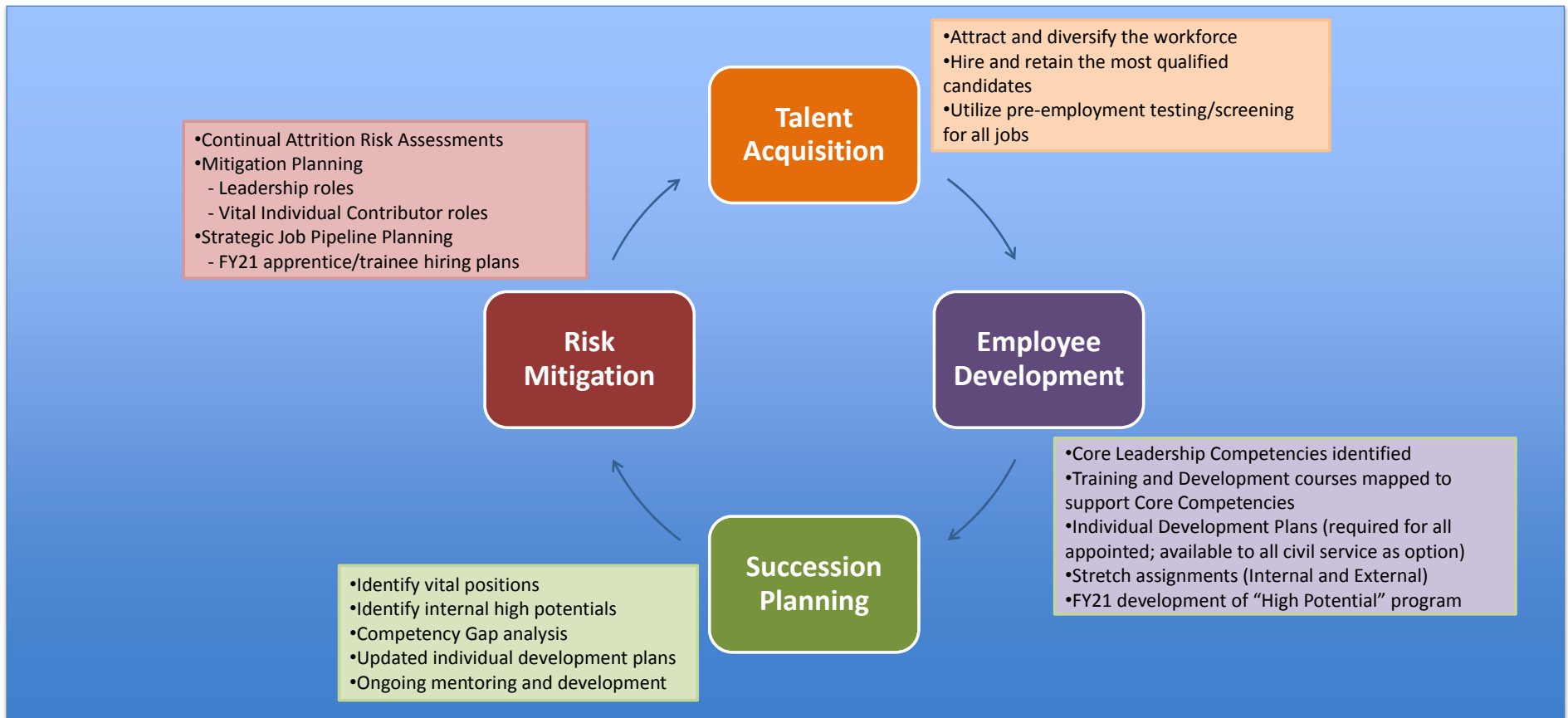


OCTOBER 2020



Succession & Attrition Mitigation

# Sustaining the Unbeatable Team



OCTOBER 2020



Succession & Attrition Mitigation



# JEA Hiring Practices and Programs

## JEA Talent Acquisition Guiding Principles

Reflect the diversity of the communities JEA serves	Hire & Retain the most qualified candidates	Provide diverse slate of candidates for every recruitment
<ul style="list-style-type: none"> <li>• Availability of qualified applicants</li> <li>• Abilities of applicants</li> <li>• Interested in JEA employment</li> </ul>	<ul style="list-style-type: none"> <li>• Continued use of job related &amp; validated assessment tools</li> <li>• Provide state of the art training</li> <li>• Succession Planning and Workforce Risk Analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Align business needs with diversity opportunities</li> <li>• Targeted recruitment efforts</li> <li>• Community outreach &amp; partnerships</li> </ul>

## JEA Community Partnerships

- American Association of Blacks in Energy (AABE)
- Annie Ruth Foundation Summer Internship
- Boys & Girls Club Jobs Skills Internship Program
- CareerSource
- Duval County Public Schools Early College Program (Sandalwood)
- Duval County Public Schools Engineering Program (Atlantic Coast)
- Edward Waters College
- First Coast Diversity Council
- Florida Agricultural & Mechanical University
- Florida State College at Jacksonville
- Florida Youth Challenge Academy
- Jacksonville Area Sexual Minority Youth Network (JASMYN)
- Jacksonville Business Network Coalition
- Jacksonville University
- Job Corps
- Mayor's Youth at Work Partnership Internship
- National Association of Black Accountants (NABA)
- National Society of Black Engineers (NSBE)
- Northeast Florida Women Veterans Network
- Society of Women Engineers (SWE)
- University of North Florida
- Wounded Warrior Project
- Year Up

OCTOBER 2020

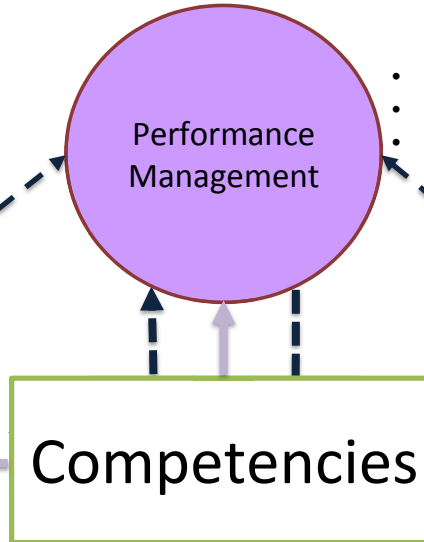


Succession & Attrition Mitigation

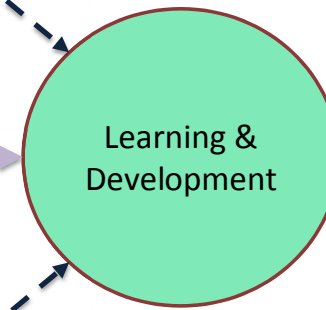
## Developing and Retaining the JEA Team

Competencies are the building blocks for talent acquisition, performance management, learning & development, and succession planning

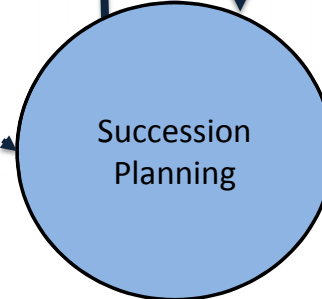
- Core competencies
- Organizational level competencies
- Specific position competencies
- Specific experiences
- Specific education



- Job Performance Expectations
- Core Competencies
- Goals



- Core Competencies
- Organizational level competencies
- Industry specific knowledge & skills
- Functional specific knowledge & skills



- Organizational level competencies
- Industry specific knowledge & skills
- Functional specific knowledge & skills
- Specific experience
- Specific education

OCTOBER 2020



Succession & Attrition Mitigation

## JEA Succession Planning & Talent Preparation

### Succession Planning

JEA Directed  
(Leaders)

- Prioritize most urgent and critical roles/individuals
- Identify successors and high potentials
- Assess (informally) their strengths and possible development
- Identify their readiness level

### Succession Readiness

JEA Directed and Employee  
Participation  
(*Human Resources*)

- Identify various development activities for potential successors (with focus on critical positions initially)
- Work with employee to complete development activities
- Employees:
  - Identify career aspirations
  - Create Individual Development Plan
  - Participate in development activities

### My Professional Development

Employee Directed  
(Employees)

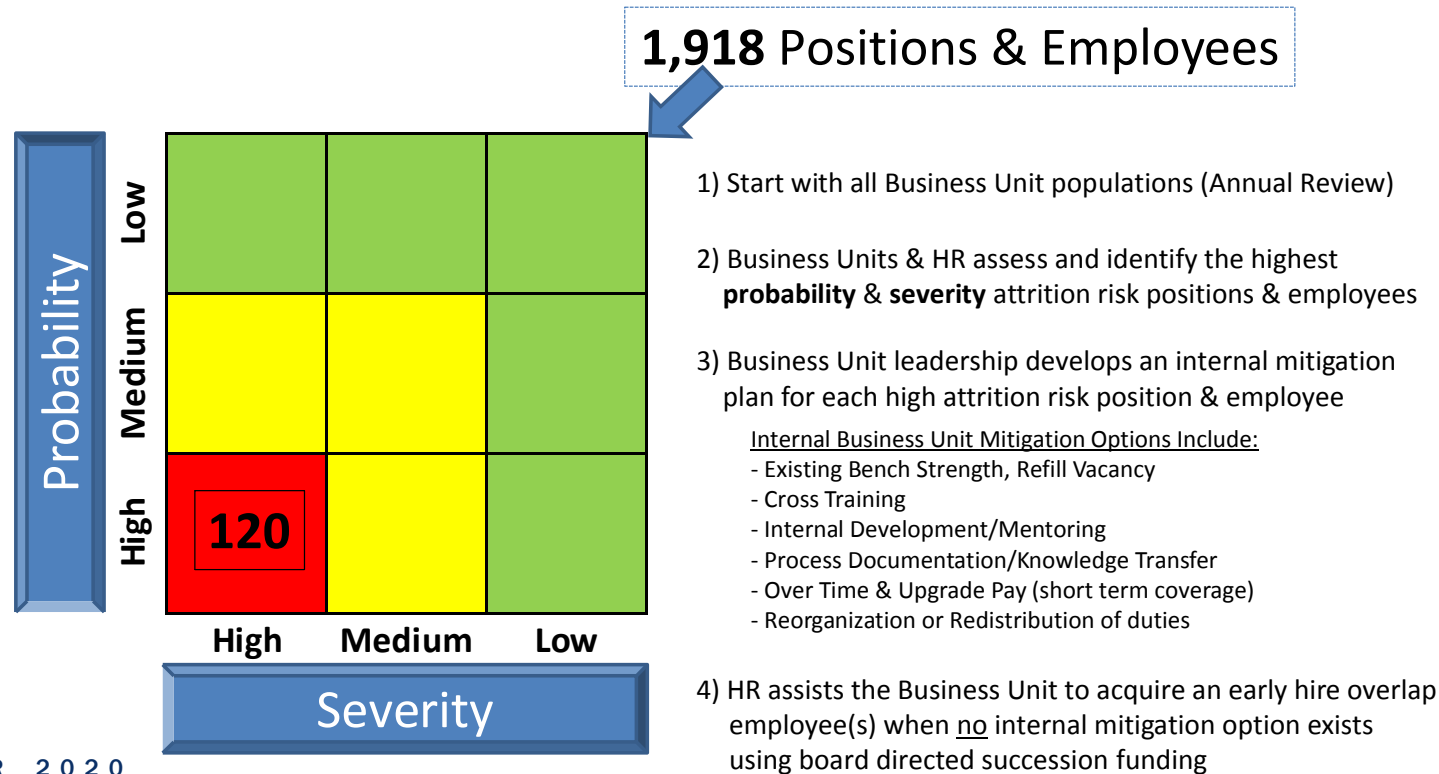
- Create Individual Development Plan
- Participate in learning & development opportunities as desired and approved
  - JEA Academy training
  - EDP program
  - Percipio courses
  - Certification training
  - Tuition Reimbursement
  - Conferences / seminars etc.

OCTOBER 2020



Succession & Attrition Mitigation

# JEA Attrition Risk Mitigation Approach



OCTOBER 2020



Succession & Attrition Mitigation

# Targeted Succession Strategy – Leadership & Professionals

FY2021 Highest Risk employees with mitigation plans

	Leadership	Professionals
Critical Risk - Immediate Action Required	7	
High Severity & High Probability - Planning	20	23
High Severity & Med Probability - Monitoring	53	17
<b>Total</b>	<b>80</b>	<b>40</b>
Representative % of Total	29.4%	9.2%

Note: FY2021 Plan excludes Senior Leadership positions

## Attrition Risk Mitigation FY2020

FY2020 Successful Attrition Risk Mitigation	Employees	Percent
Total Population Assessed	1975	100.0%
Identified High Severity and Probability	119	6.0%
Business Unit Mitigation Plan	108	
Funded Early Hire Overlap Mitigation Plan	11	
Number of Successfully Mitigated Positions	18 of 18	100.0%

Annual Effectiveness Rate	
FY2012	96.3%
FY2013	86.2%
FY2014	96.0%
FY2015	100.0%
FY2016	90.9%
FY2017	92.1%
FY2018	97.3%
FY2019	84.4%
<b>FY2020</b>	<b>100.0%</b>

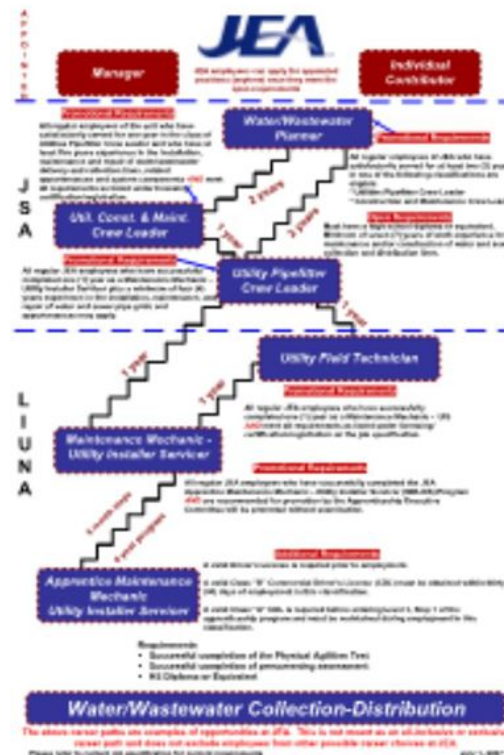
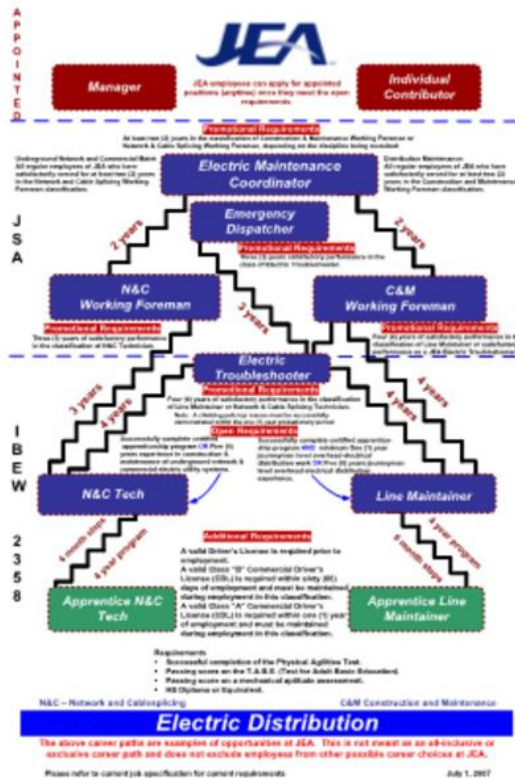
% of high severity and probability employees who actually left that had mitigation plans in place

OCTOBER 2020



Future State Planning

# Job Progression Pathways



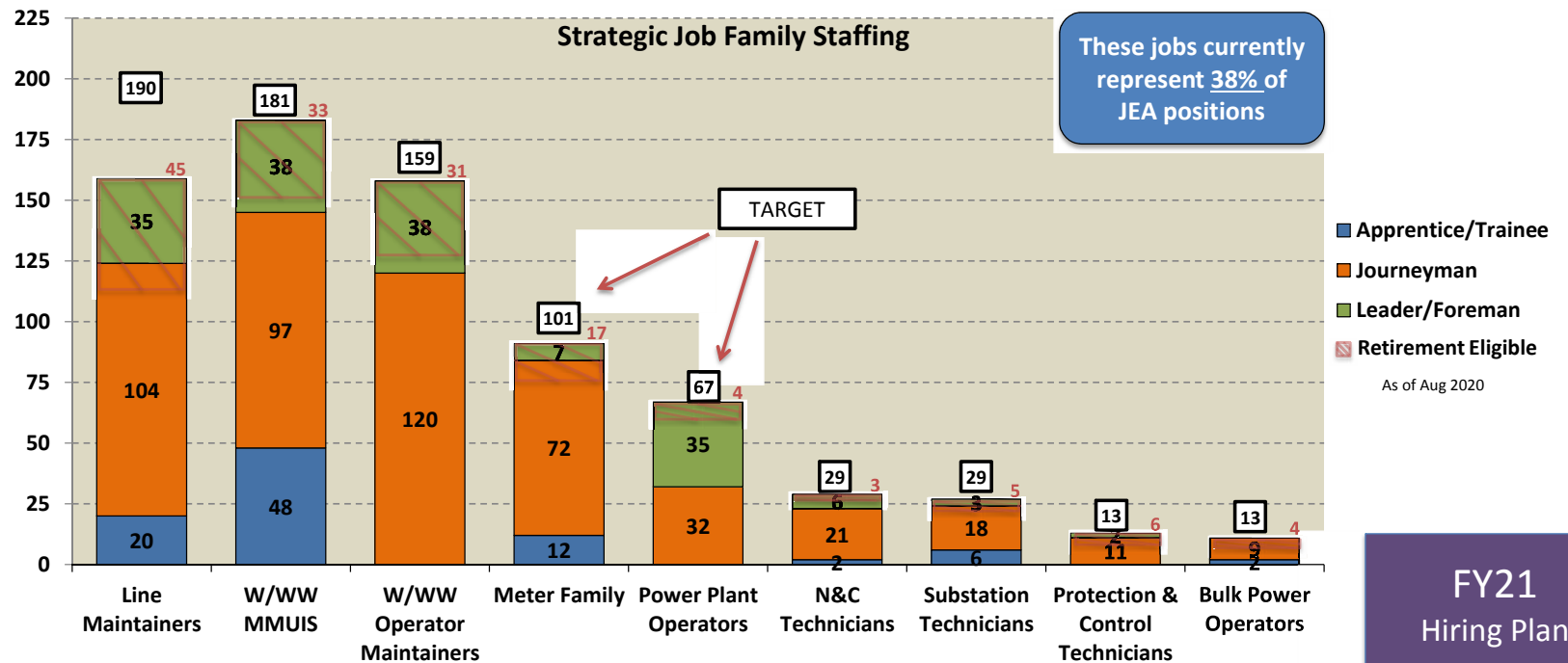
These are examples of normal job progression pathways employees can follow over the course of their career. Typically as the more senior employees retire the positions are refilled by the employees following behind them. This ultimately results in a vacancy at the apprentice or trainee level.

OCTOBER 2020



Future State Planning

# Strategic Job Pipeline Planning



Projected 5 Yr Turnover	40	55	50	25	25	10	10	15	6
Estimated 5 Yr Hiring Plan	58	84	10	29	21	12	6	13	4

Strategic jobs are those requiring long lead times for replacement due to extensive training requirements (multi-year)



Future State Planning

**JEA Board of Directors**  
**Policies and Other Documents Requiring Board Approval / Review**

**DRAFT**

	<u>Document Name</u>	<u>Doc Type</u>	<u>Board Review / Approval?</u>	<u>Board Compliance?</u>	<u>Last Review Date</u>	<u>Review Cycle</u>	<u>Next Review Date</u>
1	<b>JEA By-Laws</b> (incorporated into Board Policy Manual in September 2020; approved by Governance Committee 10/15/2020 )	Policy		X	10/15/2020	As Revised	11/17/2020
2	<b>JEA Board-Management Delegation of Authority Policy</b> (Originally presented to, but not approved by, Board on 6/11/18 & 12/11/18)	Policy	X	X	12/11/2018 (review on ly)	Annual	12/15/2020
3	<b>Electric Compliance Policy</b> (scheduled for approval by the Finance & Audit Committee on 12/11/2020 )	Policy	X			Annual, or As Revised	12/15/2020 or 1/26/2021
4	<b>JEA Charter</b> (Article 21 scheduled for final City Council Action & Adoption on 12/8/20 )	Policy		X		Annual	12/15/2020 or 1/26/2021
5	<b>JEA Code of Conduct / Code of Ethics (New )</b> (Scheduled for approval by the Finance & Audit Committee on 12/11/20 )	Policy		X		Annual	12/15/2020 or 1/26/2021
6	<b>Enterprise Risk &amp; Compliance Policy</b> (Tentatively scheduled for Finance & Audit Committee approval on 12/11/20 ).	Policy	X	X		Bi-Annual	12/15/2020 or 1/26/2021
7	<b>Identity Theft Protection Program (FACTA ) Annual Risk Assessment</b> (presented annually to the Finance & Audit Committee; next on 12/11/20 )	Policy	X (Initial Approval Only )		12/9/2019	Annual	1/26/2021
8	<b>Energy Market Risk Management Policy</b> (Approved March 2014; report presented quarterly to the Finance & Audit Committee )	Policy	X		2/11/2020	Annual, or As Revised	2/23/2021
9	<b>Pricing Policy</b>	Policy	X	X	6/23/2020	Annual	6/22/2021
10	<b>Investment Policy</b>	Policy	X	X	7/28/2020	Annual	7/27/2021
11	<b>Debt Management Policy</b>	Policy	X	X	7/28/2020	Annual	7/27/2021
12	<b>Internal Audit Charter</b> (Approved by Finance & Audit Committee annually )	Policy			8/25/2020	Annual	8/16/2021
13	<b>Board Education &amp; Development Policy</b> (Approved November 2013 )	Policy	X	X	8/25/2020	Bi-Annual	8/25/2022
14	<b>Travel Policy and Procedures</b>	Policy		X	8/25/2020	Bi-Annual	8/25/2022



**JEA Board of Directors**  
**Policies and Other Documents Requiring Board Approval / Review**

**DRAFT**

	<u>Document Name</u>	<u>Doc Type</u>	<u>Board Review / Approval?</u>	<u>Board Compliance?</u>	<u>Last Review Date</u>	<u>Review Cycle</u>	<u>Next Review Date</u>
15	<b>Board Policy Manual</b> (Updated and reviewed by the Governance Committee; monthly reviews scheduled through November 2020 )	Manual	X (If Revisions )	X	11/10/2020	Annual, or As Revised	As Revised
16	<b>Form 1 - Statement of Financial Interests - Must be filed with the County Supervisor of Elections each July 1 for the previous calendar year.</b>	Disclosure Form		X			
17	<b>Form 1F - Final Statement of Financial Interests - Must be filed with the County Supervisor of Elections for the final year / partial year on the Board.</b>	Disclosure Form		X			
18	<b>Sunshine Law - Florida Statute, Sec. 286.001</b>	State Statute					
19	<b>Public Records Law - Florida Statute Chapter 119</b>	State Statute					
20	<b>Jacksonville Ethics Code – Chapter 602</b>	Municipal Ordinance		X			
21	• Gifts – 602 Part 7;			X			
22	• Conflicts of Interest – 602 Part 4			X			
23	• Misuse of Public Position – 602.601			X			
24	<b>Florida Ethics Policy – Chapter 112.311-326</b>	State Policy		X			
25	• Gifts – Sec 112.3148, 3139			X			
26	• Conflicts of Interest – Sec. 112.313			X			
27	• Nepotism – 112.3133			X			
28	• Misuse of Public Position – 112.313			X			
29	<b>Dual Office Holding - Florida Constitution, Article II, SA</b>	State Law		X			

**JEA GOVERNANCE COMMITTEE MEETING****October 15, 2020 • 10:00 a.m.****WebEx \*\*No physical location will be provided for this meeting.\*\***

I.	WELCOME			
	A.	Call to Order		
	B.	Adoption of the Agenda (Action)		
	C.	Approval of Minutes – September 15, 2020 (Action)		
II.	GOVERNANCE AND POLICY FOUNDATIONAL DOCUMENTS			
	Item(s)			
	A.	Draft Article 21 JEA Charter (City Council)		
	B.	JEA By-Laws		
	C.	Governance Committee Charter		
	D.	Governing For Excellence: Raising the Bar on Public Power Governance		
	E.	Board Policies and Ordinances		
	F.	Board Governance Manual Assessment (March 2015)		
	G.	JEA Board Policy Manual (Feb 2010)		
	H.	JEA Board Policy Manual (Clean)		
	I.	JEA Board Policy Manual (Redlined)		
	J.	JEA Board Policy Manual (Summary of Committee and Staff Edits)		
III.	FOR COMMITTEE CONSIDERATION			
	Item(s)		Speaker/Title	Discussion Action/Information
	A.	JEA Board Policy Manual		
		1.	Go Final on Policy Category 2.0: Board Management Delegation	Joseph DiSalvo, Committee Chair Action
		2.	Go Final on JEA By-Laws	Joseph DiSalvo, Committee Chair Action
		3.	Go Final on JEA Board Evaluation Criteria Survey	Joseph DiSalvo, Committee Chair Action
		4.	Review Initial Edits/Comments on Policy Category 1.0: Governance Process (Minus JEA By-Laws)	Joseph DiSalvo, Committee Chair Discussion
		5.	Review Initial Edits/Comments on Policy Category 4.0: Measures of Effectiveness (MOEs)	Joseph DiSalvo, Committee Chair and Steve Tuten, Interim Chief Compliance Officer Discussion

If a person decides to appeal any decision made by the JEA Board with respect to any matter considered at this meeting, that person will need a record of the proceedings, and, for such purpose, needs to ensure that verbatim record of the proceedings is made, which record includes the evidence and testimony upon which the appeal is to be based.

IV.	<b>CLOSING CONSIDERATIONS</b>	
	Item(s)	
	A.	Announcements – Next Board Meeting: October 27, 2020
	B.	Adjournment
V.	<b>UPCOMING COMMITTEE AGENDA ITEMS</b>	
	Item(s)	
	A.	Go Final on Edits/Comments on Policy Category 1.0: Governance Process
	B.	Go Final on Policy Category 4.0: Measures of Effectiveness (MOEs)
	C.	Prep for Final Board Approval of Entire Board Policy Manual and Completing Governance Committee Charter

## Board Calendar

Board Meetings: 9:00 a.m. – Fourth Tuesday of Every Month (exception(s): November 17, 2020 and December 15, 2020 (Subject to Change Based on Board Action))

Committees: Finance & Audit Committee: December 11, 2020

Other Committee Meetings TBD

If a person decides to appeal any decision made by the JEA Board with respect to any matter considered at this meeting, that person will need a record of the proceedings, and, for such purpose, needs to ensure that verbatim record of the proceedings is made, which record includes the evidence and testimony upon which the appeal is to be based.

**JEA GOVERNANCE COMMITTEE MEETING****November 10, 2020 • 11:00 a.m.****JEA****21 West Church Street, 8<sup>th</sup> Floor, Jacksonville, FL 32202**

I.	WELCOME	
	A.	Call to Order
	B.	Adoption of the Agenda (Action)
	C.	Approval of Minutes – October 15, 2020 (Action)

II.	GOVERNANCE AND POLICY FOUNDATIONAL DOCUMENTS	
	Item(s)	
	A.	Draft Article 21 JEA Charter (City Council)
	B.	JEA By-Laws
	C.	Governance Committee Charter
	D.	Governing For Excellence: Raising the Bar on Public Power Governance
	E.	Board Policies and Ordinances
	F.	Board Governance Manual Assessment (March 2015)
	G.	JEA Board Policy Manual (Feb 2010)
	H.	JEA Board Policy Manual – Clean
	I.	JEA Board Policy Manual – Redlined
	J.	JEA Board Policy Manual – Summary of Committee and Staff Edits

III.	FOR COMMITTEE CONSIDERATION			
	Item(s)		Speaker/Title	Discussion Action/Information
	A.	JEA Board Policy Manual		
		1.	Go Final on Policy Category I: Governance Process	Joseph DiSalvo, Committee Chair Action
		2.	Go Final on Policy Category IV: MOEs	Joseph DiSalvo, Committee Chair Steve Tuten, Interim Chief Compliance Officer Action
	B.	Discussion: Board Policy Manual Action Items for November Board Meeting		Joseph DiSalvo, Committee Chair Information

IV.	<b>CLOSING CONSIDERATIONS</b>	
	Item(s)	
	A.	Announcements – Next Board Meeting: November 17, 2020
	B.	Adjournment

V.	<b>UPCOMING COMMITTEE AGENDA ITEMS</b>	
	Item(s)	
	A.	Possible Meeting to Reference Article 21 Draft Status (If Necessary)

Board Calendar	
<p><u>Board Meetings:</u> 9:00 a.m. – Fourth Tuesday of Every Month (exceptions: November 17, 2020 and December 15, 2020) (Subject to Change Based on Board Action)</p> <p><u>Committees:</u> Finance &amp; Audit Committee: December 11, 2020</p> <p>Other Committee Meetings TBD</p>	

If a person decides to appeal any decision made by the JEA Board with respect to any matter considered at this meeting, that person will need a record of the proceedings, and, for such purpose, needs to ensure that verbatim record of the proceedings is made, which record includes the evidence and testimony upon which the appeal is to be based.

JEA GOVERNANCE COMMITTEE MINUTES  
September 15, 2020

The Governance Committee of JEA met on Tuesday, September 15, 2020 via WebEx (no physical location was provided for this meeting). Pursuant to State of Florida Executive Order 20-69 (Emergency Management-COVID-19-Local Government Public Meetings), this meeting is permitted to be conducted by communications media technology.

**Agenda Item I – Welcome**

- A. Call to Order – Committee Chair Joseph DiSalvo called the meeting to order at 10:00 am. Committee members Dr. Leon Haley, Marty Lanahan and Thomas VanOsdol were in attendance. Board Chair John Baker was also in attendance for the meeting. Others in attendance were: Paul McElroy, Interim Managing Director/CEO; Jody Brooks, Chief Legal Counsel; and Steve Tuten, Interim Chief Compliance Officer.
- B. Adoption of Agenda – On *motion* by Marty Lanahan and seconded by Thomas VanOsdol, the agenda was approved.
- C. Approval of Minutes – On *motion* by Thomas VanOsdol and seconded by Marty Lanahan, the Committee's Minutes of its August 19, 2020 meeting were approved.

**Agenda Item II – Governance and Policy Foundational Documents**

- A. Draft Article 21 JEA Charter – A copy of the draft Article 21 JEA Charter was provided, for informational purposes only, to the Committee as part of the meeting package. There was no discussion at this time.
- B. Proposed 2020-419 – Article 21 (JEA) Charter Omnibus Refinement Bill Strategy and Timeline for Rules, TEU Committee Discussions – A copy of the draft Article 21 JEA Charter Timeline was provided, for informational purposes only, to the Committee as part of the meeting package. There was no discussion at this time.
- C. JEA By-Laws – A copy of the JEA By-Laws document was provided, for informational purposes only, to the Committee as part of the meeting package. There was no discussion at this time.
- D. Governance Committee Charter – A copy of the Governance Committee Charter was provided, for informational purposes only, to the Committee as part of the meeting package. There was no discussion at this time.
- E. Governing for Excellence: Raising the Bar on Public Power Governance – A reference to this American Public Power Association (APPA) publication was provided, for informational purposes only, to the Committee as part of the meeting package. There was no discussion at this time.
- F. Board Policies and Ordinances – An updated draft table of information on each board-approved policy and policy review date was provided, for informational purposes only, to the Committee as part of the meeting package. There was no discussion at this time.
- G. Board Governance Manual Assessment (March 2015) – A copy of the board policy manual compliance and update assessment, which was approved by the JEA Board on March 3, 2015,

was provided, for informational purposes only, to the Committee as part of the meeting package. There was no discussion at this time.

- H. JEA Board Policy Manual – A copy of the board policy manual, which was last approved by the JEA Board on February 16, 2010, was provided, for informational purposes only, to the Committee as part of the meeting package. A full discussion of the manual and edited comments was reserved for later in the meeting.

### **Agenda Item III – For Committee Consideration**

#### **A. JEA Board Policy Manual**

1. Go Final on Policy Category III Executive Mandates – Citing materials provided in the Committee meeting package, Chair DiSalvo outlined comments and edits to the Board Policy Manual – Policy Category 3.0; Policy Type Executive Mandates. There were a few questions and additional comments to which a brief discussion ensued. Hearing no further discussion on this matter, Mr. DiSalvo asked the Committee for a motion to present Policy Category 3.0; Policy Type Executive Mandates to the Board for full review and approval.

On ***motion*** made by Marty Lanahan and seconded by Thomas VanOsdol, the motion put forth before the Committee was unanimously approved.

2. Go Final on Appendix 1 CEO Core Competencies and CEO Evaluation Criteria – Chair DiSalvo, highlighting materials provided in the Committee meeting package, reviewed comments and edits to Appendix A1 to the Board Policy Manual. Mr. DiSalvo's overview included edits to the Executive Core Competencies and CEO Evaluation Criteria. Committee members asked a few questions and offered additional feedback to which a brief discussion ensued. Hearing no further discussion on this matter, Mr. DiSalvo asked the Committee for a motion to present Appendix A1, as amended, to the Board for full review and approval.

On ***motion*** made by Marty Lanahan and seconded by Thomas VanOsdol, the motion put forth before the Committee was unanimously approved.

3. Review Initial Edits/Comments on Policy Category II Board-Management Delegation – Chair DiSalvo, referencing materials included in the Committee meeting package, highlighted revisions to the Board Policy Manual – Policy Category 2.0; Policy Type Board Management Delegation. Mr. DiSalvo gave a thorough overview of all edits to this policy category and committee members offered additional feedback to which a fulsome discussion ensued. Hearing no additional comments, Mr. DiSalvo confirmed the comments discussed would be incorporated into the updated policy draft to be presented at the next Committee meeting.

#### **B. JEA By-Laws (Section 1.0 Board Policy Manual)**

Chair DiSalvo led the discussion on the JEA By-Laws with an overview of the incorporation of the By-Laws document, as Section 1.0, in the Board Policy Manual. Mr. DiSalvo's review included highlights and edits as outlined in the Committee meeting materials. Committee members provided feedback and questions, which were asked and answered and a general discussion ensued. Ms. Brooks joined the discussion and provided additional feedback to the Committee. Hearing no additional comments, Mr. DiSalvo confirmed that all comments and edits would be incorporated into the updated By-Laws document to be presented at the next Committee meeting.

## C. Discuss JEA Board Evaluation Criteria – Review Sample Survey

Chair DiSalvo led the discussion on the Board's Self-Evaluation Criteria and Assessment Survey which materials were included in the Committee meeting package. Mr. DiSalvo's review included suggested revisions to the Board's evaluation criteria and modifications to the Assessment Survey. There was a general discussion with additional feedback and comments from the Committee. Next, Mr. McElroy provided feedback on how the Survey results would be summarized for the entire Board. Committee members provided final comments to which Mr. DiSalvo confirmed that all feedback and comments would be incorporated into the final document to be presented at the next Committee meeting.

## D. Proposed 2020-419 – Article 21 (JEA) Charter Omnibus Refinement Bill Strategy and Timeline for Rules, TEU Committee Discussions

Chair DiSalvo provided the Committee an update and target timeline, as received from City Council Member Michael Boylan, for the Omnibus Refinement Bill which includes the Article 21 JEA Charter. Mr. DiSalvo stated the matter is expected to come before the City Council for final action and adoption on December 8, 2020. Mr. DiSalvo concluded that the Committee will wait to go final on the Board Policy Manual until the Article 21 JEA Charter is approved with the expectation that the manual is ready to be finalized in December 2020.

**Agenda Item IV – Closing Considerations**

## A. Announcements – Next Board Meeting: September 22, 2020

Next, Chair DiSalvo asked the Committee for final comments and recommendations on the Board Policy Manual. Mr. Tuten confirmed his team would work to incorporate all comments and edits discussed during the meeting into the Committee's next draft document. There were a few additional comments from the Committee which Mr. DiSalvo addressed. Lastly, Mr. DiSalvo outlined discussion items for the Committee's next meeting to be held in mid-October 2020.

With no further business coming before the Committee, the Chair declared the meeting adjourned at 11:09 AM.

APPROVED BY:

\_\_\_\_\_  
Joseph DiSalvo, Committee Chair  
Date: \_\_\_\_\_

Submitted by:

\_\_\_\_\_  
DeLisa A. Johnigarn  
Executive Assistant



JEA GOVERNANCE COMMITTEE MINUTES  
October 15, 2020

The Governance Committee of JEA met on Thursday, October 15, 2020 via WebEx (no physical location was provided for this meeting). Pursuant to State of Florida Executive Order 20-69 (Emergency Management-COVID-19-Local Government Public Meetings), this meeting is permitted to be conducted by communications media technology.

**Agenda Item I – Welcome**

- A. Call to Order – Committee Chair Joseph DiSalvo called the meeting to order at 10:00 am. Committee members Dr. Zachary Faison, Dr. Leon Haley and Thomas VanOsdol were in attendance. Board Chair John Baker was also in attendance for the meeting. Others in attendance were: Paul McElroy, Interim Managing Director/CEO; Jody Brooks, Chief Legal Counsel; and Steve Tuten, Interim Chief Compliance Officer.
- B. Adoption of Agenda – On ***motion*** by Thomas VanOsdol and seconded by Dr. Leon Haley, the agenda was approved.
- C. Approval of Minutes – On ***motion*** by Thomas VanOsdol and seconded by Dr. Leon Haley, the Committee's Minutes of its September 15, 2020 meeting were approved.

**Agenda Item II – Governance and Policy Foundational Documents**

- A. Draft Article 21 JEA Charter – A copy of the most recent draft Article 21 JEA Charter was included in the Committee meeting package for information purposes only. There was no discussion at this time.
- B. JEA By-Laws – A copy of the JEA By-Laws document was included in the Committee meeting package for informational purposes only. There was no discussion at this time.
- C. Governance Committee Charter – A copy of the Governance Committee Charter was included in the Committee meeting package for informational purposes only. There was no discussion at this time.
- D. Governing for Excellence: Raising the Bar on Public Power Governance – A reference to this American Public Power Association (APPA) publication was included in the Committee meeting package for informational purposes only. There was no discussion at this time.
- E. Board Policies and Ordinances – An updated draft table of information for each Board-approved policy and policy review date was included in the Committee meeting package for informational purposes only. There was no discussion at this time.
- F. Board Governance Manual Assessment (March 2015) – A copy of the Board Policy Manual compliance and update assessment, approved by the JEA Board on March 3, 2015, was included in the Committee meeting package for informational purposes only. There was no discussion at this time.
- G. JEA Board Policy Manual (Feb 2010) – A copy of the Board Policy Manual, approved by the JEA Board on February 16, 2010, was included in the Committee meeting package for informational purposes only. There was no discussion at this time.

- H. JEA Board Policy Manual (Clean) – An updated clean draft of the Board Policy Manual was provided in the Committee meeting package for information purposes only. A full discussion of the manual policies was reserved for later in the meeting.
- I. JEA Board Policy Manual (Redlined) – An updated redlined draft of the Board Policy Manual was provided in the Committee meeting package for information purposes only. A full discussion of the manual policies was reserved for later in the meeting.
- J. JEA Board Policy Manual (Summary of Committee and Staff Edits) – An updated copy of the Committee and Staff Edits Table was included in the Committee meeting package for information purposes only. There was no discussion at this time.

### **Agenda Item III – For Committee Consideration**

#### **A. JEA Board Policy Manual**

- 1. Go Final on Policy Category 2.0: Board Management Delegation – Chair DiSalvo, citing Committee meeting materials, provided brief comments and edits to the Board Policy Manual – Policy Category 2.0: Board-Management Delegation. Hearing no questions or feedback on this matter, Mr. DiSalvo asked the Committee for a motion to present, to the full Board, Policy Category II: Board-Management Delegation for review and approval.

On ***motion*** made by Dr. Leon Haley and seconded by Dr. Zachary Faison, the motion put forth before the Committee was approved unanimously.

- 2. Go Final on JEA By-Laws – Chair DiSalvo, referencing Committee meeting materials, reviewed final edits to the Board Policy Manual – Policy 1.0 By-Laws of JEA. Hearing no questions or comments on this matter, Mr. DiSalvo asked the Committee for a motion to present, to the full Board, Policy 1.0 By-Laws of JEA for review and approval.

On ***motion*** made by Thomas VanOsdol seconded by Dr. Leon Haley, the motion put forth before the Committee was approved unanimously.

- 3. Go Final on JEA Board Evaluation Criteria Survey – Chair DiSalvo, referencing Committee meeting materials, reviewed the seven additional items incorporated into the JEA Board Evaluation Criteria Survey, and which items were discussed by the Committee at its September 15th meeting. Hearing no questions or feedback on this matter, Mr. DiSalvo asked the Committee for a motion to approve the JEA Board Evaluation Criteria Survey as presented.

On ***motion*** made by Dr. Zachary Faison seconded by Dr. Leon Haley, the motion put forth before the Committee was approved unanimously.

- 4. Review Initial Edits/Comments on Policy Category 1.0: Governance Process (Minus JEA By-Laws) – Referencing materials in the Committee meeting package, Chair DiSalvo led a discussion of the Board Policy Manual – Policy Category 1.0: Governance Process. Mr. DiSalvo provided a thorough overview of initial edits and comments for each policy section. There were additional comments and feedback, from Committee members, Ms. Brooks, Mr. McElroy

and Mr. Baker, after which a fulsome discussion ensued. Hearing no additional comments, Mr. DiSalvo informed the Committee that all suggested revisions would be incorporated into the final version.

5. Review Initial Edits/Comments on Policy Category 4.0: Measures of Effectiveness (MOEs) – Referencing materials in the Committee meeting package, Chair DiSalvo led the discussion on the Board Policy Manual – Policy Category 4.0: MOEs. Mr. DiSalvo reviewed edits and comments to each section, to which board members and management provided feedback. Next, Mr. Tuten informed the Committee that additional MOEs would be ready for review at the November Governance Committee meeting. Lastly, Mr. Baker commented on adding an Economic Development Policy to the Board Policy Manual, and a brief discussion ensued.

#### **Agenda Item IV – Closing Considerations**

A. Announcements – Next Board Meeting: October 27, 2020

With no further business coming before the Committee, the Chair declared the meeting adjourned at 10:40 AM.

APPROVED BY:

\_\_\_\_\_  
Joseph DiSalvo, Committee Chair

Date: \_\_\_\_\_

Submitted by:

\_\_\_\_\_  
DeLisa A. Johnigarn  
Executive Assistant

## Summary Table – Bill No. 2020-419 (Article 21 (JEA) Omnibus Charter Refinement Bill)

### CITY COUNCIL SPECIAL COMMITTEE ON THE FUTURE OF JEA

Council Member Michael Boylan, Chair

*Prepared by Office of General Counsel*

(\*\*Note: This Summary Table is a summary only; please review the proposed legislation for complete and exact proposed language\*\*)

(1) ARTICLE 21 CHARTER SECTION NUMBER AND TITLE	(2) CURRENT CHARTER LANGUAGE	(3) Bill No. 2020-419 - PROPOSED AMENDED CHARTER LANGUAGE; REQUIRED CITY COUNCIL ACTION
<b>21.01 - JEA CREATED AND CONTINUED</b>	<ul style="list-style-type: none"> <li>Establishes JEA as a body politic and corporate</li> <li>Authorizes JEA to own, manage and operate electric, water, sewer, natural gas utility systems within and without the City of Jacksonville</li> </ul>	<p>Adds the following:</p> <ul style="list-style-type: none"> <li><b>New</b> subsection 21.01 (a) entitled “<i>Creation</i>”, which maintains existing language but references in several places that JEA is to own, manage and operate “for the benefit of the City of Jacksonville” the utilities systems</li> <li><b>New</b> subsection 21.01(b) entitled “<i>Audits</i>”, which provides that JEA shall be subject to the council auditor’s authority set forth in section 5.10 of charter</li> </ul> <p><b>REQUIRED ACTION:</b> Two-thirds vote of the membership of City Council pursuant to current Section 21.11 (Legislative authority of council)</p>
<b>21.02 - DEFINITIONS</b>	<p>Current defined terms:</p> <ul style="list-style-type: none"> <li>21.02(a) - “utilities system”</li> <li>21.02(b) - “member”</li> <li>21.02(c) - “managing director”</li> <li>21.02(d) - “utility system”</li> <li>21.02(e) - “sewer utility system” and “wastewater utility system”</li> </ul>	<p>Amends existing definitions as follows:</p> <ul style="list-style-type: none"> <li>21.02(b): “member”- clarified that member refers to a member of the governing body of JEA (i.e., board)</li> <li>21.02(c): “managing director” – clarified that managing director means chief executive officer</li> <li>21.02(d): “utility system”- clarified that utility system includes any other additional utility systems as may be designated as part of the utilities systems operated by JEA</li> </ul> <p>Adds the following <b>new</b> defined terms:</p> <ul style="list-style-type: none"> <li>21.02(f): “district energy system” or “DES” means a system of centrally located chillers designed to provide chilled or heated water via pipes</li> <li>21.02(g): “governing body of JEA” means the governing body of JEA consisting of seven members</li> </ul> <p><b>REQUIRED ACTION:</b> Two-thirds vote of the membership of City Council pursuant to current Section 21.11 (Legislative authority of council)</p>

(1) ARTICLE 21 CHARTER SECTION NUMBER AND TITLE	(2) CURRENT CHARTER LANGUAGE	(3) Bill No. 2020-419 - PROPOSED AMENDED CHARTER LANGUAGE; REQUIRED CITY COUNCIL ACTION
21.03 - COMPOSITION; COMPENSATION; OFFICERS; MEETINGS	<p>Current subsections:</p> <ul style="list-style-type: none"> <li>• 21.03(a) - 7 members appointed by the mayor and confirmed by council; must be a resident and elector of the City for at least 6 months prior to member's appointment; no JEA member shall hold another public office; prohibited from serving more than two consecutive full-terms</li> <li>• 21.03(b) – Members shall not be entitled to compensation, pension or other retirement benefits, but members shall be entitled to payment of reasonable expenses; members subject to Sections 286.012 and 112.311 through 112.3175, Florida Statutes, relating to financial disclosure and conflicts of interest</li> <li>• 21.03(c) – JEA shall elect a chairperson, vice chairperson and secretary; shall meet generally once a month; a majority of the membership shall constitute a quorum</li> </ul>	<p>Adds the following:</p> <ul style="list-style-type: none"> <li>• <b>New</b> subsection 21.03(a) heading – “<i>Composition; qualifications; removal</i>” <ul style="list-style-type: none"> <li>○ Changes appointment powers to allow council president to nominate 4 members for appointment; mayor appoints 3 members; all members confirmed by council (REQUIRES REFERENDUM)</li> <li>○ New qualification requirement that one member be appointed by the council president through an open application and either be a former JEA employee or a person recommend by an employee, union or group of current or former JEA employees</li> <li>○ Provides that generally JEA member appointments who have demonstrated corporate or executive or administrative experience are preferred, but not required, to serve on the governing body of JEA</li> <li>○ Members appointed by the mayor may be removed by the mayor at any time with or without cause with two-thirds council vote and members nominated by the council may be removed by the council at any time with or without cause with two-thirds council vote (REQUIRES REFERENDUM)</li> </ul> </li> </ul> <p>Adds <b>new</b> subsections:</p> <ul style="list-style-type: none"> <li>• 21.03(b) - <i>Compensation; applicable laws</i>: removes reference to compensation; references general laws applicable to JEA (ethics, public records, sunshine law)</li> <li>• 21.03(c) - <i>Officers; meetings; quorum; governing documents</i>: requires no less than 8 regular meetings; requires JEA to adopt bylaws, board policy manual, etc.</li> <li>• 21.03(d) - <i>Office-holding; oath</i>: references dual office holding; requires JEA members to take an oath of office</li> <li>• 21.03(e) - <i>Transparency in meetings</i>: among other things requires JEA to adopt procedural rules regarding meeting agendas and materials, minutes and provide meeting materials to council auditors in substantially the same timeframe and content as provided to JEA members</li> </ul> <p><b>REQUIRED ACTION FOR ALL CHANGES EXCEPT BOARD APPOINTMENT AND REMOVAL RESTRUCTURE:</b> Two-thirds vote of the membership of City Council pursuant to current Section 21.11 (Legislative authority of council)</p> <p><b>REQUIRED ACTION FOR BOARD APPOINTMENT AND REMOVAL RESTRUCTURE:</b> Voter referendum (see Ordinance 2020-100-E (CM Dennis))</p>

(1) ARTICLE 21 CHARTER SECTION NUMBER AND TITLE	(2) CURRENT CHARTER LANGUAGE	(3) Bill No. 2020-419 - PROPOSED AMENDED CHARTER LANGUAGE; REQUIRED CITY COUNCIL ACTION
<b>21.04 - POWERS</b>	<p>As to only the proposed amended JEA powers, JEA's existing powers are as follows:</p> <ul style="list-style-type: none"> <li>• 21.04(b): Requires actual lease agreement to be recorded in the public records; requires JEA to not sale any property that is less than the appraised value determined by Duval property appraiser</li> <li>• 21.04(g): To sue and be sued</li> <li>• 21.04(n): To enter into joint projects under Chapter 361, FS</li> <li>• 21.04(p): To provide, sell, finance or lease services or products or by-products developed or used by JEA incident to the exercise of the powers conferred in Article 21; must provide the council auditor with not less than 30 days notice of new activity entered into by JEA under this subsection;</li> <li>• 21.04(q): To collect donations from customers and ratepayers regarding various programs</li> <li>• 21.04(s): To delegate any act authorized in this article to any officer, employee or agent of JEA</li> <li>• 21.04(v): To file resolution with the council identifying such additional utility systems or functions necessary or appropriate for JEA to operate</li> <li>• 21.04(x): To coordinate with the Department of Public Works and JTA in the planning of projects</li> <li>• 21.04(y): To expend up to one and one half (1.5%) of the prior year's gross revenues to promote efficient use of JEA's services through public education; permits use of funds for meals, hospitality and entertainment</li> <li>• 21.04(dd): To have ownership and membership in separate organization entities to conduct utility related activities and functions</li> </ul>	<p>Amends the following:</p> <ul style="list-style-type: none"> <li>• 21.04(b): Requires memorandum of lease to be recorded in the public records; requires JEA to get a MAI certified appraisal for property either assessed value or just market value over \$50,000</li> <li>• 21.04(g): Corrects a typo in the legislative reference to Florida Statutes</li> <li>• 21.04(n): Requires that notice be given council auditor and council secretary; cross-references new privatization section 21.11 regarding prohibited transfers</li> <li>• <b>New</b> subsection 21.04(p) (which replaces existing subsection (p) language) includes among other things the following: <ul style="list-style-type: none"> <li>○ Adds the descriptive "activity" to the phrase "services, products, by-products" throughout the subsection</li> <li>○ Expressly provides that the JEA governing body must approve all services, products, by-products and activities performed by JEA pursuant to this subsection at a duly noticed JEA board meeting</li> <li>○ Provides that the JEA governing body's approval over services, products, by-products, and activities may not be delegated to the CEO or any other officer, agent or employee</li> <li>○ Provides that JEA must provide the council auditor notice of the "additional service or product" that JEA desires to provide, transfer, sell, finance or lease no less than 60 days prior to such date that the JEA governing body is scheduled to approve such additional service or product at a duly noticed JEA board meeting</li> <li>○ Provides that the required notice to council auditor include certain information items (i.e., business plans, financial analysis, etc.)</li> <li>○ Provides that no additional service or product may be provided, transferred, sold, financed, or lease prior to the required council auditor's notice being given and that such JEA action shall be void unless the governing body has approved such additional service or product and the required council auditor notice has been provided</li> <li>○ Adds a cross-reference to the new Section 21.11 (prohibited transfers) providing that none of the prohibited transfers under Section 21.11 shall be permitted under this subsection (p)</li> <li>○ Provides for a notice to the council and mayor regarding additional services or products</li> <li>○ Requires an annual comprehensive report to council, mayor and council auditor regarding the services, products, by-products and activities performed by JEA pursuant to subsection (p)</li> </ul> </li> <li>• 21.04(q): Requires that a report of donation amounts are given to council annually on July 1<sup>st</sup> like other two giving programs; removes unanimous voting requirement by the governing body of JEA for one of the giving programs and only requires majority vote</li> </ul>

(1) ARTICLE 21 CHARTER SECTION NUMBER AND TITLE	(2) CURRENT CHARTER LANGUAGE	(3) Bill No. 2020-419 - PROPOSED AMENDED CHARTER LANGUAGE; REQUIRED CITY COUNCIL ACTION
		<ul style="list-style-type: none"> <li>• 21.04(s): Adds “except as otherwise prohibited herein”</li> <li>• 21.04(v): Adds a council auditor notice requirement similar to the notice required in the new subsection 21.04(p)</li> <li>• 21.04(x): Adds other “independent agencies” to JEA project coordination with Department of Public Works and JTA</li> <li>• 21.04(y): Reduces spend to one percent (1%) of the prior year’s gross revenues to promote efficient use of JEA’s services through public education; requires funding for reasonable food and beverages and deletes allowance for “hospitality and entertainment”</li> <li>• 21.04(dd): Amends to include “any amendments thereto” regarding permitted agreements in this subsection</li> <li>• New 21.04 (ff) – Authorizes JEA to privatize, sale or transfer in a manner not expressly prohibited in the new Section 21.11 “Privatization, sale, reorganization, and service territory transfers prohibited” (e.g., JEA may privatize, sale, transfer to an entity not more than 10% of net capital assets of an included system, etc.)</li> </ul> <p><b>REQUIRED ACTION:</b> Two-thirds vote of the membership of City Council pursuant to current Section 21.11 (Legislative authority of council)</p>
<b>21.05 - CONSTRUCTION</b>	<ul style="list-style-type: none"> <li>• Liberal construction is used to interpret the powers and authorities of JEA in Article 21</li> </ul> <p>“The powers of JEA shall be construed liberally in favor of JEA.”</p>	<p>Amends as follows:</p> <ul style="list-style-type: none"> <li>• Changes from liberal construction to strict construction when interpreting the powers and authority of JEA in Article 21</li> </ul> <p><b>REQUIRED ACTION:</b> Two-thirds vote of the membership of City Council pursuant to current Section 21.11 (Legislative authority of council)</p>
<b>21.07 - FISCAL AND BUDGETARY FUNCTIONS.</b>	<p>This section includes subsection 21.07(j) which provides the following:</p> <ul style="list-style-type: none"> <li>• Power to employ and fix compensation of a managing director</li> <li>• Duties, qualifications, and compensation of the managing director</li> <li>• Power to appoint 48 staff assistants to the managing director who serve at the pleasure of JEA</li> <li>• Excludes from civil service certain employees (i.e., managing director, department heads, deputy directors, staff assistants, division chiefs and assistant division chiefs)</li> <li>• Requires employee participation in City pension plan</li> <li>• Requires that the managing director be devoted to the performance of the duties of such office and that the managing director shall have no outside employment or business</li> <li>• Requires the managing director to be a graduate of an accredited college or university or have at least 10 years managerial experience in a</li> </ul>	<p>Amends as follows:</p> <ul style="list-style-type: none"> <li>• Strikes Section 21.07(j) and places current provisions in existing Section 21.08 entitled “Employees”</li> <li>• Adds <u>new</u> Section 21.07(m) – CM Diamond Bill 2020-040-E which requires acknowledgment and prompt response from JEA regarding council auditor request for information</li> </ul>

(1) ARTICLE 21 CHARTER SECTION NUMBER AND TITLE	(2) CURRENT CHARTER LANGUAGE	(3) Bill No. 2020-419 - PROPOSED AMENDED CHARTER LANGUAGE; REQUIRED CITY COUNCIL ACTION
21.08 - EMPLOYEES	<p>consumer-oriented industry or comparable enterprise</p> <ul style="list-style-type: none"> <li>• Authorizes JEA to establish an employee deferred compensation program separate from the city's employee deferred compensation employees</li> </ul> <p>Provides the following regarding JEA employees:</p> <ul style="list-style-type: none"> <li>• All JEA employees are subject to Articles 16 and 17</li> <li>• JEA has full and independent authority to hire, transfer, promote, discipline, terminate and evaluate employees</li> <li>• JEA may establish employment practices related to hiring, promotion, etc.</li> </ul>	<p><b>REQUIRED ACTION:</b> Two-thirds vote of the membership of City Council pursuant to current Section 21.11 (Legislative authority of council)</p> <p>Adds existing language from Section 21.07(j) in the fiscal and budgetary section to the employees' section and creates the following <u>new</u> subsections:</p> <ul style="list-style-type: none"> <li>• 21.08(a) "<i>Generally</i>" – applies to all employees (see existing language regarding Article 16 and 17; JEA has full and independent authority to hire, etc.)</li> <li>• 21.08(b) "<i>Managing director</i>" – clarifies that managing director serves at the pleasure of JEA board; managing director may have an outside business, but no outside employment, as long as the business does not interfere with managing director's responsibilities; managing director must have at least 5 years executive experience within the utilities industry</li> <li>• 21.08(c) "<i>Other Employees</i>" - (see existing language)</li> <li>• 21.08(d) "<i>Employment contract restrictions</i>": JEA may only have a contract with the CEO, subject to certain requirements</li> <li>• 21.08(e) "<i>Pension and deferred compensation plan</i>" – clarifies that JEA may have only one single deferred employee compensation plan separate from the City; requires plan to comply with federal, state and local laws; requires reporting on the deferred compensation plan to the council auditor</li> <li>• 21.08(f) "<i>Employee Bonus Program</i>" which includes the following terms: <ul style="list-style-type: none"> <li>○ Requires that no employee bonus program may be adopted or implemented without first obtaining JEA governing body approval over such plan or program</li> <li>○ Requires the JEA governing body to approve any such bonus program annually, and if not approved by the JEA governing body, shall be void; also prohibits the JEA governing body from delegating its approval authority over the program to the CEO or any other agent or employee</li> <li>○ Requires that any such bonus program must comply with Section 215.425(3), Florida Statutes, the City Charter, and other applicable laws</li> <li>○ Requires the JEA governing body to establish rules and standards regarding such bonus program</li> <li>○ Requires the JEA to include a line item and specific plan regarding any bonus program in its annual budget submission to City Council</li> <li>○ Requires JEA to provide an annual report or audit regarding the bonus programs to the council auditor for information and review</li> </ul> </li> </ul> <p>(Note: CM Salem filed bill 2020-245 regarding JEA employee bonus programs, but this bill is slated to be withdrawn 7/28/2020 City Council meeting)</p>



(1) ARTICLE 21 CHARTER SECTION NUMBER AND TITLE	(2) CURRENT CHARTER LANGUAGE	(3) Bill No. 2020-419 - PROPOSED AMENDED CHARTER LANGUAGE; REQUIRED CITY COUNCIL ACTION
<p><b>21.09 - AWARDS OF CONTRACT</b></p>	<ul style="list-style-type: none"> <li>Provides that JEA is not subject to the requirements of Chapter 126 (City Procurement Code)</li> <li>Authorizes JEA to establish rules, regulations and procedures JEA contracts for construction, supplies, equipment, professional services, etc.</li> <li>Authorizes JEA to implement a minority business enterprise program to remedy discrimination or the present effects of discrimination suffered by minority business enterprises</li> <li>Provides that JEA can reject all bids in the best interest of JEA</li> <li>Prohibits JEA members, officers, employees from having financial interest in any contract or agreement with JEA for any matter</li> </ul>	<p><b>REQUIRED ACTION:</b> Two-thirds vote of the membership of City Council pursuant to current Section 21.11 (Legislative authority of council)</p> <p>Retitles the section to “<i>Procurement generally; contracts generally</i>” and adds the following <b>new</b> subsections:</p> <ul style="list-style-type: none"> <li>21.09(a) “<i>Applicability</i>” – unless otherwise provided in the article, this section 21.09 applies to all JEA contracts</li> <li>21.09(b) “<i>Procurement generally</i>” <ul style="list-style-type: none"> <li>(1) Open and fair competition – provides that to the greatest extent reasonably practicable, JEA should engage in open and fair procurement methods; provides that JEA should adhere to all applicable state procurement laws</li> <li>(2) Procedures; board approval – requires JEA board to approve procurement procedures and any amendments thereto</li> <li>(3) Jacksonville Small Emerging Business - revises existing minority business enterprise provision; adds a provision that requires JEA to use the City’s JSEB program</li> <li>(4) Certain solicitation specifications and standards prohibited; rejection of bids, proposals and replies- Adds provisions that JEA should not narrowly develop solicitation or standards that prevent qualified bidders/vendors/respondents from participating; adds that JEA can reject “proposals and replies”</li> <li>(5) Annual bidders/respondents/vendors survey – Requires JEA to obtain a survey from bidders/respondents and vendors regarding JEA procurement process to get feedback</li> <li>(6) Biennial review; annual report – Requires the JEA board to review its procurement code every two years and provide a report to the council, mayor every year regarding its procurement contract.</li> </ul> </li> <li>21.09(c) “<i>Contracts generally</i>” <ul style="list-style-type: none"> <li>(1) Maximum indebtedness – unless otherwise provided by law, requires a maximum indebtedness in all contracts entered into by JEA pursuant to Article 21</li> <li>(2) Public records; ethics training – requires public records provisions in all contracts and ethics training of senior management</li> <li>(3) Audits - requires contracts to include a provision pertaining to council auditor’s office ability to audit contractors’ records</li> <li>(4) Confidentiality agreements – discourages use confidentiality agreements</li> <li>(5) No financial interest- except for employment agreement, prohibits JEA, officer or employee from having a financial interest in contracts (existing language)</li> </ul> </li> <li>21.09(d) “<i>No limitation</i>” – nothing in this section shall limit JEA’s power to construct, repair, or improve the utilities system (existing language)</li> </ul>

(1) ARTICLE 21 CHARTER SECTION NUMBER AND TITLE	(2) CURRENT CHARTER LANGUAGE	(3) Bill No. 2020-419 - PROPOSED AMENDED CHARTER LANGUAGE; REQUIRED CITY COUNCIL ACTION
<b>21.11 (NEW) - PRIVATIZATION, SALE, REORGANIZATION, SERVICE TERRITORY TRANSFERS PROHIBITED</b>	<p>NONE except for the prior reference in 21.04(p):</p> <p>“Nothing in this article shall authorize or be construed to authorize JEA to transfer any function or operation which comprises more than ten percent of the total of the utilities system by sale, lease or otherwise to any other utility, public or private without approval of the council; provided, however, that no approval by the council shall become effective without subsequent referendum approval of the terms and conditions of the sale.”</p>	<p><b>REQUIRED ACTION:</b> Two-thirds vote of the membership of City Council pursuant to current Section 21.11 (Legislative authority of council)</p> <p>Adds <u>new</u> Section 21.11 entitled “<i>Privatization, sale, reorganization, service territory transfers prohibited</i>”:</p> <ul style="list-style-type: none"> <li>• 21.11(a) “<i>Definitions</i>” <ul style="list-style-type: none"> <li>○ “entity”</li> <li>○ “net capital assets”</li> <li>○ “calculation period”</li> <li>○ “service territory”</li> <li>○ “included system”</li> <li>○ “excluded system”</li> </ul> </li> <li>• 21.11(b) “<i>Prohibition on privatization, sale, reorganization and transfer of management</i>” <ul style="list-style-type: none"> <li>○ JEA shall not explore, investigate or consummate a privatization or transfer to an entity by sale, lease, or assignment of the management, function, or operation of any portion of an included system, or the management function, or operation of any portion of an included system which comprises more than ten percent of the net capital assets of such system without obtaining Council approval in advance</li> <li>○ Additionally, JEA shall not explore, investigate or consummate a reorganization of JEA’s governance structure in a manner that would affect JEA’s ownership or management control of more than ten percent of the net capital assets of an included system without obtaining Council approval in advance</li> <li>○ Upon approval by the Council for JEA to explore or investigate a privatization, transfer, or reorganization of JEA, Council may in its discretion prescribe by ordinance budget restrictions related to professional consultants, legal engagements, promotional expenses, and other expenses anticipated by JEA during such exploration or investigation.</li> </ul> </li> <li>• 21.11(c) “<i>Reports</i>” – Requires JEA to report regarding its annual audited financial statements</li> <li>• 21.11(d) “<i>Prohibited service territory transfers</i>” <ul style="list-style-type: none"> <li>○ Any sale, lease, assignment or other transfer of the service territory of a JEA included system to any entity that results in a total net loss of .01 or 1% or more of the service territory or any sale, lease, assignment, or transfer that results in a total net loss of .01 or 1% or more of JEA’s electric, water, or wastewater customer accounts based on the latest available JEA monthly financial statements shall require council approval in advance</li> </ul> </li> </ul>

(1) ARTICLE 21 CHARTER SECTION NUMBER AND TITLE	(2) CURRENT CHARTER LANGUAGE	(3) Bill No. 2020-419 - PROPOSED AMENDED CHARTER LANGUAGE; REQUIRED CITY COUNCIL ACTION
		<b>REQUIRED ACTION:</b> Two-thirds vote of the membership of City Council pursuant to current Section 21.11 (Legislative authority of council)
21.12 (NEW)  PUBLIC ENGAGEMENT	N/A	Adds <u>new</u> Section entitled “ <i>Public Engagement</i> ” <ul style="list-style-type: none"> <li>Encourages JEA to seek to fully engage and inform its ratepayers, the public, interested stakeholders and other interested parties in any planning discussions regarding the future of JEA. See Resolution 2020-42-A (CM Becton)</li> </ul> <b>REQUIRED ACTION:</b> Two-thirds vote of the membership of City Council pursuant to current Section 21.11 (Legislative authority of council)

**DRAFT - 6/22/2020 - FUTURE OF JEA WORKSHOP MEETING**

Introduced by Council Member Boylan:

**ORDINANCE 2020-**

AN ORDINANCE RELATING TO JEA AND ARTICLE 21 (JEA), CHARTER OF THE CITY OF JACKSONVILLE; REPEALING SECTIONS 21.03 (COMPOSITION; COMPENSATION; OFFICERS; MEETINGS), 21.08 (EMPLOYEES), AND 21.09 (AWARDS OF CONTRACTS) OF ARTICLE 21 (JEA), CHARTER OF THE CITY OF JACKSONVILLE; AMENDING ARTICLE 21 (JEA), CHARTER OF THE CITY OF JACKSONVILLE; CREATING NEW SECTIONS 21.03 (COMPOSITION; COMPENSATION; OFFICERS; MEETINGS), 21.08 (EMPLOYEES; MANAGING DIRECTOR; MANAGING DIRECTOR EMPLOYMENT CONTRACT), 21.09 (PROCUREMENT; CONTRACTS GENERALLY), 21.11 (PRIVATIZATION, REORGANIZATION, SERVICE TERRITORY TRANSFERS PROHIBITED) AND 21.12 (PUBLIC ENGAGEMENT); RENUMBERING EXISTING SECTIONS 21.11 (LEGISLATIVE AUTHORITY OF COUNCIL) AND 21.12 (SEVERABILITY) TO 21.13 AND 21.14 RESPECTIVELY; PROVIDING FOR PROVISIO LANGUAGE REGARDING 2020-100-E; PROVIDING AN EFFECTIVE DATE.

**BE IT ORDAINED** by the Council of the City of Jacksonville:

**Section 1. Repealing Sections 21.03 (Composition; compensation; officers; meetings), 21.08 (Employees), and 21.09 (Awards of contracts) of Article 21 (JEA), Charter of the City of Jacksonville. Sections 21.03 (Composition; compensation; officers;**

meetings), 21.08 (Employees), and 21.09 (Awards of contracts) of Article 21 (JEA), Charter of the City of Jacksonville, a copy of which is attached hereto as **Exhibit 1**, are hereby repealed in their entirety.

**Section 2. Amending Article 21 (JEA), Charter of the City of Jacksonville.** Article 21 (JEA), Charter of the City of Jacksonville is hereby amended to read as follows:

**CHARTER AND RELATED LAWS**

**PART A - CHARTER LAWS CHARTER OF THE CITY OF JACKSONVILLE, FLORIDA**

**\* \* \***

**ARTICLE 21. JEA**

**Sec. 21.01. - JEA created and continued; audits.**

(a) Creation. There is hereby created and established a body politic and corporate to be known as JEA, which is authorized to own, manage and operate for the benefit of the City of Jacksonville a utilities system within and without the City of Jacksonville. JEA is created for the express purpose of acquiring, constructing, operating, financing and otherwise having plenary authority with respect to electric, water, sewer, natural gas and such other utility systems as may be under its control now or in the future. Such utilities may be owned, operated or managed by JEA for the benefit of the City of Jacksonville separately or in such combined or consolidated manner as JEA may determine and JEA may use such name or names in the conduct of its business in connection therewith as it may determine. It is the specific purpose of this ~~article~~ Article 21 to repose in JEA all powers with respect to electric, water, sewer, natural gas and such other utilities which are now, in the future could be, or could have been but for this article, exercised by the City of Jacksonville. JEA created and established by this article is the same

Jacksonville Electric Authority previously created and established by chapter 67-1569, Laws of Florida, as amended, (including as added to Chapter 67-1320, Laws of Florida by Chapter 78-538, Laws of Florida and, as amended and readopted by Chapters 80-515, and 92-341, Laws of Florida) and, except as otherwise provided or authorized by this article, JEA shall continue to function under this article the same as it previously functioned under chapter 67-1569, Laws of Florida, as amended (including as added to Chapter 67-1320, Laws of Florida by Chapter 78-538, Laws of Florida and, as amended and readopted by Chapters 80-515 and 92-341, Laws of Florida).

(b) Audits. JEA's records may be audited at any time by the council auditor pursuant to the council auditor's duties set forth in Article 5 of this Charter.

**Sec. 21.02. - Definitions.**

In the interpretation of this article, unless the context otherwise requires:

(a) The term "utilities systems" means the electric utility system and the water and sewer utility system now operated by JEA which shall include, except where inconsistent with Chapter 80-513, Laws of Florida, as amended, or where the context otherwise requires, any "system" or "project" authorized pursuant to the provisions of Chapter 80-513, Laws of Florida, as amended and any natural gas utility system to be operated in the future by JEA together with any other additional utility systems as may be hereafter designated as a part of the utilities systems operated by JEA as provided in section 21.04(v) herein.

(b) The term "member" means a member of the governing body of JEA.

(c) The term "managing director" means the ~~managing director~~ chief executive officer of JEA.

(d) The term "utility system" shall mean any of the separate utility systems operated by JEA such as its electric utility system, its water utility system, its wastewater utility system, ~~or~~ its natural gas utility system or any other additional utility systems as may be hereafter designated as a part of the utilities systems operated by JEA.

(e) The terms "sewer utility system" and "wastewater utility system" shall each have the same meaning as the other and these terms shall be interpreted as meaning the same.

(f) The terms "governing body of JEA" shall mean the appointed and council confirmed members of JEA.

**Sec. 21.03. - Composition; compensation; officers; meetings.**

(a) Composition; qualifications; removal. The governing body of JEA shall consist of seven members, each of whom shall serve for a term of four years or until such member's successor has been appointed and has qualified. Four members shall be nominated by the council president and confirmed by the council and three members shall be appointed by the mayor, and shall be confirmed by the council. With regard to one member appointed by council through open application, the council president shall nominate an applicant who has one of the following qualifications: was a former JEA employee, or person recommended by an employee, union or group of current or former JEA employees. To the extent feasible and regarding JEA member appointments generally, individuals who have demonstrated corporate, executive or administrative experience working in public or private organizations, including non-profit and government organizations, are preferred, but not required. Each member of JEA shall have been a resident and elector of the city for at least six consecutive months prior to such member's appointment. No member of JEA shall hold any

1     other public office or position. If at any time during a  
2     member's tenure on JEA, such member shall cease to possess the  
3     qualifications required for membership on JEA, such member  
4     shall cease to be a member and a vacancy shall exist on JEA.  
5     Any vacancy on JEA, however created, shall be filled for the  
6     unexpired term in the same manner as the position was  
7     originally filled, and the person filling the vacancy shall  
8     have and retain all the qualifications prescribed for  
9     membership on JEA. Any member appointed to JEA for two  
10    consecutive full terms shall not be eligible for the  
11    succeeding term. The members appointed by the mayor may be  
12    removed by the mayor at any time with or without cause, but a  
13    removal must be approved by a two-thirds vote of the council.  
14    The members appointed by the council may be removed by the  
15    council at any time with or without cause, but a removal must  
16    be approved by a two-thirds vote of the council.

17    (b) Compensation; applicable laws. JEA members shall not be  
18    entitled to pension or other retirement benefits on account of  
19    service on JEA, but members shall be entitled to payment or  
20    reimbursement for reasonable expenses incurred as provided by  
21    the council. JEA members shall be subject to the provisions  
22    of Section 286.012, Florida Statutes, relating to voting at  
23    meetings of JEA, and the provisions of Sections 112.311  
24    through 112.3175, Florida Statutes, relating to financial  
25    disclosure and conflicts of interest. Additionally, JEA  
26    members shall be subject to all other relevant and applicable  
27    laws and ordinances, including but not limited to, Chapter 286  
28    (Public Business: Miscellaneous Provisions), Chapter 112, Part  
29    III (Code of Ethics for Public Officers and Employees),  
30    Chapter 119 (Public Records), Florida Statutes, as amended,



1 and Chapter 602 (Jacksonville Code of Ethics), Ordinance Code  
2 of the City of Jacksonville, as amended.

3 (c) Officers; meetings; quorum; governing documents. JEA shall  
4 elect a chairperson, vice-chairperson and secretary and may  
5 elect one or more assistant secretaries, each of whom shall  
6 serve for one year or until such officer's successor is  
7 chosen. JEA may meet at such times and places designated by  
8 it and shall hold regular meetings as necessary. Generally,  
9 JEA shall meet once a month, but in no event less than eight  
10 (8) times a year. Special meetings may be held upon the call  
11 of the chairperson or any three (3) members of JEA. JEA  
12 meetings shall be subject to Section 286.011 (Florida Open  
13 Meetings Laws), Florida Statutes, as amended. A majority of  
14 the membership shall constitute a quorum for the purpose of  
15 meeting and transacting business. Each member of JEA shall  
16 have one vote. JEA shall adopt governing documents,  
17 including, but not limited to, bylaws, a board policy  
18 manual, and such other rules and regulations not  
19 inconsistent with this article or general law. Unless  
20 otherwise provided herein, JEA shall annually review and  
21 update its governing documents. JEA's bylaws, board policy  
22 manual, and other governing documents, including any  
23 amendments thereto, shall be posted on JEA's website in a  
24 conspicuous manner for the public to view.

25 (d) Office-holding; oath. JEA membership shall be considered an  
26 office and limited by the office holding provisions as  
27 provided for under the Florida Constitution. No JEA member  
28 shall be eligible to serve as a member of JEA while holding  
29 another office or being an employee of JEA. All JEA members  
30 shall be required by council to take an oath of office

1 consistent with the oath of office taken by other public  
2 officials serving on City boards and commissions.

3 (e) *Transparency in meetings.* JEA should hold its meetings in the  
4 most open and transparent manner practicable for the benefit  
5 of the general public and citizens of the City of  
6 Jacksonville. JEA shall adopt procedural rules regarding the  
7 publication of meeting agendas, meeting materials, meeting  
8 minutes, and public participation during all meetings,  
9 including board meetings and committee meetings, where board  
10 or committee action is contemplated. To the greatest extent  
11 feasible, JEA is encouraged to adhere to best practices and  
12 recommendations regarding openness and transparency contained  
13 in latest published edition of Florida's Government-In-the  
14 Sunshine Law Manual and Public Records Law Manual prepared by  
15 the Office of the Attorney General. At a minimum, such  
16 procedural rules should require JEA to (i) publish an agenda  
17 and any meeting materials for its board and committee meetings  
18 in a conspicuous place on JEA's official website; (ii)  
19 promptly post meeting minutes (generally within 72 hours)  
20 after each meeting; and (iii) provide the timeframe for when  
21 an agenda and any meeting materials must be made available to  
22 the public in advance of such meetings. Such rules should also  
23 require JEA to deliver copies of its board and committee  
24 meeting agendas and any meeting materials thereto to the  
25 council auditor in substantially the same timeframe and  
26 content as provided to JEA members. Nothing in this subsection  
27 shall prohibit JEA from amending previously published meeting  
28 agendas and meeting materials in accordance with its bylaws,  
29 board policy manual, or other governing documents as  
30 applicable.

31 **Sec. 21.04. - Powers.**

JEA shall have the following powers, in addition to powers otherwise conferred:

(a) To construct, own, acquire, establish, improve, extend, enlarge, reconstruct, reequip, maintain, repair, finance, manage, operate and promote the utilities system.

(b) To acquire for the use of the utilities system by grant, purchase, gift, devise, condemnation by eminent domain proceedings, exchange, lease or in any other manner, all property, real or personal, or any estate or interest therein, including without limitation, property used:

(1) In connection with the generation, transmission and distribution of electric power and energy~~;~~;

(2) In connection with the collection, storage, treatment, processing, disposal, transmission and distribution of water and wastewater including, but not limited to, raw water, potable water, non-potable water, chilled water and reused water; however, JEA shall have no power or authority for the function of stormwater runoff and drainage management~~;~~;

(3) In connection with the production, procurement, extraction, manufacture, transmission, transportation, distribution, and storage of natural gas~~;~~; and

(4) In connection with the production of steam, the mining, extraction, development, production, manufacture, procurement, transportation, handling, storage, processing or reprocessing of fuel of any kind, to likewise acquire any facility or rights with respect to the supply of water, any rights with respect to minerals, including but not limited to coal, petroleum coke, natural gas and oil and bio-mass facilities for the processing of by-products derived from the operation of the utilities system, solid

1 waste disposal and environmental protection facilities,  
2 communication and computer facilities, and any other  
3 property, equipment, facilities or property rights  
4 whatsoever determined by JEA to be necessary or convenient  
5 in connection with the operation, promotion, financing,  
6 construction, management, improvement, extension,  
7 enlargement, reconstruction, re-equipment, maintenance,  
8 repair, decommissioning or disposal of the utilities  
9 system or any part thereof, and to sell, lease or  
10 otherwise transfer, with or without consideration, any  
11 such property when in JEA's discretion it is no longer  
12 needed or useful, or such sale, lease or transfer  
13 otherwise is in the best interest of JEA, all upon such  
14 terms and conditions as JEA shall by resolution fix and  
15 determine.

16 The right of eminent domain conferred herein shall be  
17 exercised by JEA in the manner provided by law. If JEA leases  
18 any real property to another agency, firm, corporation,  
19 entity, or individual, it shall cause a memorandum of said  
20 lease or leases to be recorded in the official records with  
21 the clerk of the circuit court ~~as a matter of public record.~~  
22 where the property is located. For any real property that  
23 exceeds an assessed value of \$50,000 as determined by property  
24 appraiser, JEA shall not sell such real property for less than  
25 the appraised value as ~~recorded by the property appraiser for~~  
26 ~~Duval County~~ certified by an MAI certified appraiser, unless  
27 approved by the council. ~~If there is no recorded appraised~~  
28 ~~value, then JEA shall request the property appraiser for Duval~~  
29 ~~County to provide an appraisal prior to the sale of the real~~  
30 ~~property.~~

Regarding any real property interests acquired or disposed of by JEA pursuant to this subsection, the governing body of JEA shall approve real estate rules and procedures and any amendments thereto governing the reporting, acquisition, sale, purchase, lease, license, transfer, and disposition of real property. Such real estate rules and procedures shall not be inconsistent with this article, including, but not limited to, the express prohibitions set forth in Section 21.11 herein. The governing body of JEA shall review its real estate rules and procedures no less than biennially. The governing body of JEA shall not delegate its approval authority of such real estate rules and procedures, including any amendments thereto, to the managing director or an officer, employee or agent of JEA.

(c) To furnish electricity, water, sanitary sewer service, natural gas and other utility services as authorized herein to any person or entity, public or private, within or without the city and for said purposes shall have the right to construct and maintain electric lines, pipelines, water and sewer mains, natural gas lines and related facilities in and along all public highways and streets within or without the city.

(d) To sell power and energy, water, sanitary sewer service, natural gas and other utility services as authorized herein at wholesale and retail and/or to provide transmission or other services of any kind to any person or entity, public or private, within or without the State of Florida, directly by JEA, indirectly through other entities and jointly through associations with other utilities or entities engaged in these activities.

(e) To enter into contracts with any person or entity, public or private, deemed necessary or desirable by JEA in connection

with carrying out its powers and duties, except as otherwise prohibited in this article.

\* \* \*

(g) To sue and be sued, implead and be impleaded, complain and defend in all courts, to adopt and use a corporate seal, to apply for, hold and own patents and copyrights, to sell or license patents, copyrights, patented or copyrighted materials to other public or private entities. Prices or fees for such sales or licensing may be based upon market considerations. JEA may designate how proceeds from such sales or licensing shall be used. Prices or fees for the sale of copyrighted data processing software, as defined in section ~~119.083~~ 119.011, Florida Statutes, shall be established pursuant to section ~~119.083~~ 119.07, Florida Statutes.

\* \* \*

(n) To enter into joint project agreements as provided by part II of chapter 361, Florida Statutes, for the purpose of implementing a project, as such term is defined in Part II of Chapter 361, Florida Statutes. A copy of all such joint project agreements shall be filed with the council, the council auditor, and the mayor at least thirty days prior to the effective date of the agreement. Anything in this provision to the contrary notwithstanding, (i) any joint project agreement that involves a transfer of any system, function or operation that ~~comprises more than ten percent of the total of the utilities system by sale, lease or otherwise to any other utility, public or private,~~ shall be subject to the requirements and limitations of Section 21.11 or (ii) any joint project agreement that involves the issuance of debt not previously authorized by ~~s-~~ Section 21.04(i)(2), shall require prior approval of the council.

1 (o) To enter into agreements with one or more other electric  
2 utilities, public or private, and related contracts with  
3 respect to joint electric power projects as provided in  
4 section 2 of chapter 80-513, Laws of Florida, as amended. The  
5 provisions of said chapter 80-513, Laws of Florida, as  
6 amended, shall govern and control JEA in all respects in the  
7 carrying out of a joint electric power project authorized  
8 thereunder notwithstanding any provision of the charter or of  
9 the Ordinance Code of the City of Jacksonville which may be in  
10 conflict therewith.

11 ~~(p) To transfer, sell, finance, lease or otherwise provide~~  
12 ~~services or products, or by products, developed or used by JEA~~  
13 ~~incident to the exercise of the powers conferred by this~~  
14 ~~article, including but not limited to, energy performance~~  
15 ~~contracting, water, sewer and natural gas (and any other~~  
16 ~~utility service hereafter provided by JEA) contracting, power~~  
17 ~~marketing services, the testing and maintenance of customer-~~  
18 ~~owned facilities such as transformers, capacitors, lighting,~~  
19 ~~HVAC systems, water cooling and heating systems, energy~~  
20 ~~management systems, etc.; the temporary leasing of JEA~~  
21 ~~facilities such as oil storage tanks; the supply of steam or~~  
22 ~~other thermal energy; the provision of specially conditioned~~  
23 ~~power on the premises of customers and the provision of~~  
24 ~~services or products to build, transfer, lease, finance,~~  
25 ~~operate or sell cogeneration facilities, small power~~  
26 ~~production facilities, specially conditioned power, energy~~  
27 ~~conservation, energy efficiency and dispersed generation to~~  
28 ~~other electric utilities both within and without the state or~~  
29 ~~to any wholesale or retail customers of JEA, upon such terms~~  
30 ~~and conditions as JEA shall by resolution fix and determine;~~  
31 ~~and to transfer, sell, finance, lease or otherwise provide~~

~~services, products or by products developed or used by JEA incident to the exercise of the powers conferred by this article, in the delivery of water, wastewater and natural gas services, including but not limited to the financing, testing, maintenance and operation of customer owned facilities used in water, wastewater and natural gas functions; provided, however, that JEA will not enter into any activity pursuant to this section in addition to those activities listed herein without first providing written notice of such activities to the council auditor no less than 30 days before the commencement of such activity. Nothing in this article shall authorize or be construed to authorize JEA to transfer any function or operation which comprises more than ten percent of the total of the utilities system by sale, lease or otherwise to any other utility, public or private without approval of the council; provided, however, that no approval by the council shall become effective without subsequent referendum approval of the terms and conditions of the sale. So long as there are outstanding any of the city's "Capital Project Revenue Bonds" as originally authorized pursuant to Ordinance 97-1054-E, the council may approve only such transfer which does not materially adversely affect future receipts of JEA contributions as defined therein.~~

To provide, supply, transfer, sell, finance, or lease services, products, by-products, or activities developed or used by JEA incident to the exercise of the powers conferred by this article in the delivery of the utilities systems in the following manner:

(1) JEA governing body approval. The governing body of JEA shall approve in advance all services, products, by-products or activities developed or used by JEA in



1 accordance with this subsection (p) at a duly noticed  
2 meeting. The governing body of JEA shall not delegate its  
3 approval authority under this subsection to the managing  
4 director or an officer, employee or agent of JEA.

5 (2) Permitted services, products, by-products and activities.

6 The services, products, by-products and activities  
7 expressly permitted to be developed or used by JEA  
8 pursuant to this subsection (p) shall include, but not be  
9 limited to, providing, supplying, transferring, selling,  
10 financing or leasing the following: (i) energy performance  
11 contracting; (ii) water, sewer and natural gas (and any  
12 other utility service hereafter provided by JEA)  
13 contracting; (iii) power marketing services; (iv) testing  
14 and maintenance of customer-owned facilities such as  
15 transformers, capacitors, lighting, HVAC systems, water  
16 cooling and heating systems, energy management systems,  
17 etc.; (v) temporary leasing of JEA facilities such as oil  
18 storage tanks; (vi) steam or other thermal energy services  
19 and contracting; (vii) services regarding specially  
20 conditioned power on the premises of customers; (viii)  
21 services or products to build, transfer, lease, finance,  
22 operate or sell cogeneration facilities, small power  
23 production facilities, specially conditioned power, energy  
24 conservation, energy efficiency and dispersed generation  
25 to other electric utilities both within and without the  
26 state or to any wholesale or retail customers of JEA, upon  
27 such terms and conditions as JEA shall by resolution fix  
28 and determine; and (ix) financing, testing, maintenance  
29 and operation of customer owned facilities used in water,  
30 wastewater and natural gas functions.

31 (3) Required notice of additional services or products not

expressly listed in subsection (p)(2) above. JEA shall not provide, supply, transfer, sell, finance or lease any additional service, product, by-product or activity not expressly listed in subsection (p)(2)(i)-(ix) above ("additional service or product") to any person or entity under this subsection without first providing written notice as provided herein of such additional service or product to the council auditor no less than 60 days prior to such date that the governing body of JEA is scheduled to approve such additional service or product in accordance subsection (p)(1). JEA's required written notice to the council auditor shall include the following information regarding such additional service or product: (i) an express reference in the notice that the notice is being provided pursuant to this subsection (p); (ii) a detailed description of the additional service or product; (ii) a copy of any applicable business plans; (iii) a copy of any proposed contracts; (iv) a financial analysis, including projected revenues and expenses; and (v) any other information developed by JEA or third parties regarding the additional service or product. Any action by JEA to provide, supply, transfer, sell, finance or lease an additional service or product pursuant to this subsection shall be void without the required prior approval of the governing body of JEA and prior notice to the council auditor as provided herein. JEA shall provide the mayor and council with a general notice regarding such additional service or product concurrent with the required council auditor notice provided herein.

(4) Annual report. JEA shall provide a comprehensive annual written progress report to the mayor, council, and council

auditor regarding all services, products, or by-products developed or used by JEA pursuant to this subsection (p).

(5) Prohibition. JEA shall not exercise any powers pursuant to this subsection (p) that are expressly prohibited in this article, including, but not limited to, the express prohibitions set forth in Section 21.11 herein.

(q) (1) To collect from customers and ratepayers monthly or one-time voluntary contributions to be deposited into an elderly and/or handicapped or low income customer emergency trust fund administered by JEA. The proceeds of such trust fund may be expended periodically by JEA for the purpose of providing financial assistance to elderly and/or handicapped or otherwise needy low income residents living within the service area of JEA for the payment of their utilities needs. The method of administration of such trust fund, including the collection and distribution thereof, shall be as provided by ordinance of the council. The results of such giving program shall be reported annually each July 1st to the council.

(2) Upon the unanimous approval of the ~~Board~~ governing body of JEA, and a two-thirds vote of the ~~City Council~~ council, to collect monthly or one-time voluntary contributions from customers and ratepayers, for a charitable, scholastic, or public service community giving program. Contributions from any such program shall be passed through to an appropriate non-profit entity for administration and distribution and shall not be administered by JEA. The results of such giving program shall be reported annually each July 1st to the ~~Council~~ council.

(3) Upon approval of the ~~Board~~ governing body of JEA, to collect monthly or one-time voluntary contributions from

customers, ratepayers or other contributors for other customer assistance programs directly related to services or utilities provided by JEA. ~~The results of such giving program(s) shall be reported annually each July 1st to the Council.~~ Contributions from any such program shall be passed through to an appropriate non-profit entity for administration and distribution and shall not be administered by JEA. The results of such giving program(s) shall be reported annually each July 1st to the council.

\* \* \*

- (s) Except as otherwise prohibited herein, to ~~to~~ delegate any act authorized pursuant to this article to any officer, employee or agent of JEA as it may deem necessary or desirable for the prudent management of JEA.

\* \* \*

- (x) To coordinate carefully with the Department of Public Works of the City of Jacksonville, and the Jacksonville Transportation Authority, and other independent agencies of the City of Jacksonville, the planning and execution of engineering and construction projects involving underground work and streets and highways to seek to minimize the total cost of such projects and to reduce disruption to the citizens of the city to the maximum extent possible.

- (y) To expend JEA funds up to ~~one and one-half (1.5)~~ one (1%) percent of the prior year's gross revenues to promote the efficient use of JEA's services through public education including exhibits, conferences, displays, tours and other events customary to the utilities industry and also to publicize, advertise and promote the ~~objects~~ objectives of this article and to promote the objectives of JEA all in the manner set forth by resolution of JEA. Accordingly, JEA may

1 expend its funds to make known to the users, potential users  
2 and public in general the advantages, facilities, resources,  
3 products, attractions and attributes of the services provided  
4 by JEA and to further create a favorable climate of opinion  
5 concerning the activities and projects authorized and  
6 indicated by this article. JEA may also, to the extent  
7 permitted by the laws of the State of Florida, expend funds in  
8 cooperative efforts to and with other agencies, both public  
9 and private, in accomplishing the purposes enumerated and  
10 indicated by this article; and in furtherance thereof. JEA may  
11 also authorize reasonable expenditures for ~~any and all of the~~  
12 ~~purposes herein enumerated, including but not limited to,~~  
13 ~~meals, hospitality and entertainment of persons~~ snacks or  
14 meals made generally available to the public in the interest  
15 of promoting and engendering good will toward the activities  
16 and projects herein authorized. Whenever an expenditure of  
17 funds for any of the foregoing purposes is made by a member or  
18 employee of JEA, JEA may reimburse such member or employee  
19 therefor, but only after such expenditures have been duly  
20 authorized by JEA or its managing director if so delegated to  
21 do so. JEA will provide a list of proposed promotional  
22 expenditures each year to the council auditors. The spending  
23 limitation on promotional expenditures set forth in this  
24 subsection (y) shall not apply to newly approved utility  
25 systems under subsection (v) and "additional services or  
26 products" under subsection (p). For purposes of this  
27 subsection "newly approved" shall mean within seven years of  
28 the approval date for such utility system or additional  
29 service or product. All funds expended by JEA as reimbursement  
30 for travel expenses shall be subject to Chapter 106, Part 7, of  
31 the City of Jacksonville Ordinance Code. JEA shall not

exercise any powers pursuant to this subsection (y) to promote the privatization, transfer or reorganization of JEA as expressly prohibited in Section 21.11 herein or otherwise in this article.

\* \* \*

(dd) To the extent permitted by the laws of the State of Florida, to have ownership and membership in separate organization entities, including but not limited to corporations, to conduct utility related activities and functions. A copy of all such ownership agreements, and any amendments thereto, shall be filed with the council and the mayor at least thirty (30) days prior to the effective date of the agreement.

\* \* \*

(ff) Subject to the prior approval of the governing body of JEA,  
to:

- (1) Explore, investigate or consummate a privatization or transfer to an entity by sale, lease, assignment or other disposition of up to, but not more than, ten percent (10%) of the net capital assets (as defined in Section 21.11) of an included system, or the management, function, or operation of any portion of an included system which comprises not more than ten percent (10%) of the net capital assets of such included system without council approval;
- (2) Explore, investigate or consummate a reorganization of JEA, or JEA's governance structure in a manner that would affect JEA's ownership or management control of up to, but not more than, ten percent (10%) of the net capital assets of an included system without council approval;
- (3) Sale, lease, assign or otherwise transfer up to, but not

more than, one percent (1%) of the service territory of  
a JEA included system to any entity without council  
approval; and

- (4) Sale, lease, assign or otherwise transfer up to, but not  
more than, one percent (1%) of JEA's electric, water, or  
wastewater, customer accounts based on the latest  
available JEA monthly financial statements without  
council approval.

For purposes of this subsection (ff) and as applicable, terms  
and phrases used in this subsection shall have the meaning  
ascribed to them in Section 21.11 herein. [Reporting  
placeholder]

**Sec. 21.05. - Construction.**

~~The powers of JEA shall be construed liberally in favor of JEA.~~  
~~No listing of powers included in this article is intended to be~~  
~~exclusive or restrictive and the specific mention of, or failure to~~  
~~mention, particular powers in this article shall not be construed~~  
~~as limiting in any way the general powers of JEA as stated in~~  
~~Section 21.04. It is the intent of this article to grant to JEA~~  
~~full power and right to exercise all authority necessary for the~~  
~~effective operation and conduct of JEA. It is further intended that~~  
~~JEA should~~ The express powers granted to JEA in this article shall  
be strictly construed for purposes of determining JEA's authority  
and powers pursuant to this article. In addition to the express  
powers granted herein, JEA shall have all implied powers necessary  
or incidental to carrying out the expressed powers and the  
expressed purposes for which JEA is created. However, any such  
implied power of JEA shall be strictly construed in relation to the  
relevant and applicable express power or express purpose granted to  
JEA in this article. The fact that this article specifically states  
that JEA possesses a certain power does not mean that JEA must

1 exercise such power unless this article specifically so requires.  
2 JEA's power to levy special assessments shall not be deemed to be  
3 the power to levy taxes.

4 \* \* \*

5 **Sec. 21.07. - Fiscal and budgetary functions.**

6 JEA shall have fiscal and budgetary functions, subject to the  
7 limitations herein expressed:

8 \*\*\*

9 (j) ~~JEA shall employ and fix the compensation of the managing~~  
10 ~~director, who shall manage the affairs of the utilities system~~  
11 ~~under the supervision of JEA. The entire working time of such~~  
12 ~~managing director shall be devoted to the performance of the~~  
13 ~~duties of such office and the managing director shall have no~~  
14 ~~outside employment or business. The managing director shall be~~  
15 ~~a graduate of an accredited college or university, or have at~~  
16 ~~least ten years' managerial experience in a consumer-oriented~~  
17 ~~industry or comparable enterprise. JEA may appoint and fix the~~  
18 ~~compensation of 48 staff assistants to the managing director,~~  
19 ~~to serve at the pleasure of JEA. JEA shall employ and fix the~~  
20 ~~compensation of the department heads, deputy directors of~~  
21 ~~departments, division chiefs and assistant division chiefs of~~  
22 ~~the utilities system. JEA may adopt position titles different~~  
23 ~~from those recited herein, consistent with utility industry~~  
24 ~~practice. The managing director, department heads, deputy~~  
25 ~~directors of departments, staff assistants, division chiefs~~  
26 ~~and assistant division chiefs shall not be included within the~~  
27 ~~civil service system of the city. JEA may employ such~~  
28 ~~certified public accountants, consultants and other employees~~  
29 ~~for special purposes, not within the civil service system, as~~  
30 ~~it may require, and fix and pay their compensation. Whenever~~  
31 ~~used in this s. 21.07(i), "compensation" shall mean both~~



~~salary and benefits, exclusive of city pension benefits. All personnel appointed by JEA pursuant to this s. 21.07(i) shall participate in the City of Jacksonville pension plan in the same manner as other employees of JEA who participate in such plan. However JEA shall have the option to establish an employee deferred compensation program separate from the city's employee deferred compensation program~~ Reserved.

\*\*\*

(m) When JEA is in receipt of a request for information from the council auditor pursuant to the authority of the council auditor under Section 5.10 of the charter, it shall, within two business days of receipt of the request, 1) acknowledge receipt of the request by electronic mail to the council auditor, and 2) submit to the council auditor an estimated timeframe for which the information requested will be available to the council auditor for review. If the information requested by the council auditor is not within the purview of JEA or JEA is unsure of the request or unfamiliar with the information that is requested, it should provide such explanation in its response to the council auditor.

**Sec. 21.08. - Employees; managing director; managing director employment contract.**

(a) Generally. All employees of the utilities system shall be employees of JEA and shall be subject to Articles 16 and 17 unless otherwise provided by the council, which shall be and continue to be the legislative body as provided in Section 447.203(10), Florida Statutes. JEA shall be fully responsible for the administration and operation of all utility services as set out in this article and in order to meet its administrative and operational responsibilities, JEA shall have full and independent authority to hire, transfer,

1 promote, discipline, terminate and evaluate employees engaged  
2 to provide any and all of the utilities services for which it  
3 is responsible and accordingly, consistent with the provisions  
4 of Article 17, JEA may establish employment policies relating  
5 to hiring, promotion, discipline and termination, and other  
6 terms and conditions of employment, and enter into  
7 negotiations with employee organizations with respect to  
8 wages, hours and terms and conditions of employment and take  
9 such other employment related action as needed to assure  
10 effective and efficient administration and operation of the  
11 utilities system. In order to effectively implement the  
12 foregoing, JEA shall perform all functions with regard to its  
13 own employees that are performed by the City department or  
14 division which oversees city employees in regard to personnel  
15 matters. JEA, at its expense, shall provide accidental death  
16 benefits for all employees engaged in hazardous duty as  
17 determined by JEA, in the amount of \$50,000 payable to the  
18 beneficiary named by the employee, or as otherwise provided,  
19 in the event said employee dies as a result of an accident  
20 occurring to any employee in the course of his/her employment.  
21 Nothing contained in this Section 21.08 shall be construed to  
22 supersede or repeal any provision of Section 12 of Chapter 80-  
23 513, Laws of Florida, as amended.

24 (b) *Managing Director.* The governing body of JEA shall employ and  
25 fix the compensation of the managing director, who shall serve  
26 at the pleasure of the governing body of JEA. The managing  
27 director shall manage the affairs of the utilities system  
28 under the supervision of JEA. The entire working time of such  
29 managing director shall be devoted to the performance of the  
30 duties of such office and the managing director shall have no  
31 outside employment or business. The managing director shall be

1 a graduate of an accredited college or university, and have at  
2 least five years executive experience within the utilities  
3 industry. The managing director shall have a fiduciary duty of  
4 loyalty, fidelity, and allegiance to act at all times in the  
5 best interests of JEA and will act in a manner consistent with  
6 the responsibilities of this Article 21 and other policies,  
7 rules and regulations established by JEA's governing body  
8 regarding the conduct of JEA employees. The managing  
9 director's employment agreement, if any, shall be subject to  
10 the provisions of subsection (d) below.

11 (c) Other Employees. The governing body of JEA may appoint and fix  
12 the compensation of 48 staff assistants to the managing  
13 director, to serve at the pleasure of JEA. JEA shall employ  
14 and fix the compensation of the department heads, deputy  
15 directors of departments, division chiefs and assistant  
16 division chiefs of the utilities system. JEA may adopt  
17 position titles different from those recited herein,  
18 consistent with utility industry practice. The managing  
19 director, department heads, deputy directors of departments,  
20 staff assistants, division chiefs and assistant division  
21 chiefs shall not be included within the civil service system  
22 of the city. The managing director may employ such certified  
23 public accountants, consultants and other employees for  
24 special purposes, not within the civil service system, as it  
25 may require, and fix and pay their compensation. Whenever used  
26 in this s. 21.08, "compensation" shall mean both salary and  
27 benefits, exclusive of city pension benefits.

28 (d) Limitation on employment contracts. JEA may have an employment  
29 contract with the managing director only. The managing  
30 director's employment contract shall be approved by the  
31 governing body of JEA. At a minimum, the managing director's

1 employment contract shall satisfy the following requirements:

2 (1) The contract term, including any renewal term, shall not  
3 exceed five (5) years;

4 (2) The amount of severance pay, if any, shall not exceed the  
5 amounts allowed under Florida law and shall not be  
6 permitted if the managing director is terminated for  
7 cause;

8 (3) The contract shall not contain a mandatory consulting,  
9 separation and transition, or similar agreement that is  
10 triggered due to the managing director's termination  
11 under the contract;

12 (4) JEA shall not be required to release, indemnify or hold  
13 harmless the managing director against any claims except  
14 as otherwise permitted by law;

15 (5) JEA shall not be required to pay for or provide legal  
16 counsel to the managing director beyond the legal counsel  
17 required of the Office of General Counsel pursuant to  
18 this charter or Florida law;

19 (6) The contract shall contain a provision that the managing  
20 director serves at the pleasure of the JEA members and  
21 may be terminated with or without cause;

22 (7) If the contract includes a termination for cause  
23 provision, such provision must provide a reasonable and  
24 customary definition of cause consistent with Florida  
25 case law; and

26 (8) All compensation terms shall be reasonable and customary  
27 and similar to other public utilities comparable to JEA  
28 when taking into account the size of JEA's territory  
29 area, employee workforce, and utility systems.

1 Any managing director employment contract entered into by JEA  
2 that does not satisfy the minimum requirements above shall be  
3 null and void.

4 (e) Pension and Deferred Compensation Plan. All personnel  
5 appointed by JEA pursuant to this Section 21.08 shall  
6 participate in the City of Jacksonville pension plan in the  
7 same manner as other employees of JEA who participate in such  
8 plan. JEA is authorized to establish a single deferred  
9 compensation program for its employees separate from the  
10 city's employee deferred compensation program. Such program  
11 shall be approved by the governing body of JEA and shall be  
12 subject to and comply with all federal and state laws  
13 applicable to deferred compensation programs for public or  
14 government employees, including, but not limited to, the  
15 Internal Revenue Code, as amended, and Section 112.215,  
16 Florida Statutes, as amended. JEA shall provide the council  
17 auditor with an end of fiscal year annual report regarding the  
18 deferred compensation program.

19 (f) Employee Bonus Program. JEA may implement or adopt an employee  
20 bonus plan or program ("bonus program") for JEA employees  
21 pursuant to Section 215.425(3), Florida Statutes, as amended,  
22 subject to the prior approval of the governing body of JEA.  
23 The governing body of JEA shall approve such bonus program  
24 annually, and if such bonus program is not approved by the  
25 governing body of JEA, the program shall be void. The  
26 governing body of JEA shall not delegate its approval  
27 authority under this subsection to the managing director or an  
28 officer, employee or agent of JEA. Such bonus program must  
29 comply with Section 215.425(3), Florida Statutes, as amended,  
30 this charter, and other applicable laws. The governing body  
31 of the JEA shall establish rules, procedures, and standards

1 regarding such bonus program. Additionally, JEA shall include  
2 a budget line item and specific detailed plan regarding such  
3 bonus program in its annual budget submission to council. JEA  
4 shall also provide the council auditor with an annual end of  
5 fiscal year report regarding the progress of the bonus  
6 program.

7 (g) [placeholder for 2020-185-E provisions]

8 **Sec. 21.09. - Procurement; contracts generally.**

9 (a) Procurement.

10 (1) Applicability. This subsection (a) shall only apply to  
11 contracts awarded by the JEA procurement awards committee.

12 (2) Open and Fair Competition. To the greatest extent reasonably  
13 practicable, JEA shall use open, fair, competitive, and  
14 generally accepted government procurement methods that seek  
15 to encourage the most competition and best price for the  
16 purchase of supplies, construction, professional and other  
17 contractual services. JEA should adhere to all applicable  
18 state procurement laws, including, but not limited to, laws  
19 governing the purchase of construction services and  
20 professional design services.

21 (3) Procedures; board approval. JEA shall not be required to  
22 follow the City's procurement procedures. JEA may establish  
23 its own procurement procedures regarding the purchase of  
24 goods, supplies, equipment, and services, subject to  
25 applicable state law. JEA's procurement procedures,  
26 including any amendments thereto, shall be reviewed and  
27 approved by the governing body of JEA. The governing body of  
28 JEA may not delegate its approval of the procurement  
29 procedures, including any amendments thereto, to the  
30 managing director or an officer, employee or agent of JEA.  
31 In the absence of JEA established procurement procedures,

JEA shall follow the City's procurement procedures. JEA shall adhere to its procurement procedures in entering into procurement contracts, including but not limited to, contracts relating to the construction, reconstruction, repair, operation or maintenance of the utilities system or the purchase of supplies, equipment, machinery and materials for the utilities system or the contracting or otherwise purchasing for any advisory, professional or other services necessary or incidental to the operation of the utilities systems.

(4) *Jacksonville Small Emerging Business Program (JSEB); Minority Business Enterprises.* JEA shall adhere to the City of Jacksonville - Jacksonville Small Emerging Business Program (JSEB), or successor City program, in its procurement procedures. JEA is authorized to implement and to take all actions necessary to administer a purchasing and procurement program directed to Minority Business Enterprises including, but not limited to, prime contractors, subcontractors, consultants, subconsultants, and suppliers. Any such Minority Business Enterprise program shall be implemented by JEA to remedy discrimination or the present effects of past discrimination, if any, suffered by Minority Business Enterprises in the business community in the area served by JEA. For purposes of this chapter, the term "Minority Business Enterprise" shall be defined by JEA and shall include, at a minimum, those business entities that are legitimately owned, operated and controlled by persons who have been shown to have been discriminated against or who suffer from the present effects of past discriminations, if any, in the business community in the area served by JEA. Such program shall be used to redress

1 and remedy discrimination or the present effects of past  
2 discrimination, if any, as may be determined by JEA, and  
3 which are shown to have been suffered by Minority Business  
4 Enterprises, in the business community in the area served by  
5 JEA.

6 (5) Certain solicitation specifications and standards  
7 prohibited; rejection of bids, proposals, and replies. JEA  
8 should not develop solicitation specifications or standards  
9 that are so narrowly tailored to an entity or entities that  
10 other qualified entities (i.e., bidders, respondents and  
11 vendors) are precluded from participating in such  
12 solicitation. JEA shall have the right to reject any and all  
13 bids, proposals, or replies, in whole or in part, in the  
14 best interests of JEA.

15 (6) Annual survey. JEA shall annually conduct a survey of  
16 actual, interested and prospective bidders, respondents, and  
17 vendors to obtain feedback on JEA's procurement process.  
18 Such survey shall be on a form approved by JEA and  
19 participation in the survey shall be open to actual,  
20 interested and prospective bidders, respondents, and  
21 vendors. Survey topics may include, without limitation,  
22 various aspects of JEA's procurement process such as  
23 information transparency and accessibility, pre-conferences,  
24 bid submittal packages, evaluations, and awards. JEA shall  
25 consider such survey results during JEA's biennial review of  
26 its procurement code.

27 (7) Transparency in procurement governing documents. The  
28 procurement code and any procurement policies, operating  
29 procedures, rules, directives, standards and other  
30 procurement governing documents, including any amendments



thereto, shall be posted on JEA's website in a conspicuous manner for the public to view.

(8) Biennial review; annual report. JEA shall biennially review its procurement procedures. JEA shall also prepare and deliver a report to the council and mayor on or before December 31st of each fiscal year summarizing the procurement contract awards for the immediately prior fiscal year. Such report shall contain at a minimum the following information:

(i) The number of contract awards for the reporting fiscal year;

(ii) A detailed listing of all contract awards categorized by service type (e.g., construction, professional, supplies, professional design services), award type (e.g., single source, emergency, request for proposal, invitation to negotiate, piggyback, etc.) and a brief description of each contract award containing the contractor name, contract amount and procurement method used;

(iii) The number of JSEB contract awards categorized by service type (e.g., construction, engineering, supplies, professional), award type (e.g., single source, emergency, request for proposal, invitation to negotiate, piggyback, etc.), and a brief description of each contract award containing the JSEB contractor name, contract amount and procurement method used;

(iv) The number of bid protests for the reporting fiscal year and the outcome of each protest (i.e., whether JEA prevailed);

(v) The annual survey results pursuant to the survey requirement in subsection (a) (6) above; and

(vi) Such other information as may be determined by the council.

(9) Prohibition. JEA shall not exercise any powers pursuant to this Section 21.09 to explore, investigate or consummate a privatization, transfer or reorganization of JEA as expressly prohibited in Section 21.11 herein or otherwise in this article.

(b) Contracts Generally.

(1) Applicability. This subsection (b) shall apply to all contracts entered into by JEA pursuant to this article.

(2) Maximum indebtedness. All contracts of any kind entered into by JEA pursuant to this article, including, but not limited to, procurement contracts, joint project contracts, and interlocal agreements shall contain a provision clearly specifying a fixed, maximum monetary indebtedness of JEA thereunder. Such contracts may, however, provide for a lesser variable indebtedness of JEA upon a reasonable basis, subject to such fixed, maximum monetary indebtedness.

(3) Public records; ethics training. All contracts and related documents entered into by JEA shall contain a provision clearly stating that such vendor or contractor shall comply with the provisions of Chapter 119 (Public Records Law), Florida Statutes, as amended. All senior-level employees, including the managing director and senior-level officers, directors and managers of JEA, shall be trained by the Office of General Counsel, in consultation with the Ethics Office, at least annually on Florida's open meetings laws, public records and ethics laws in accordance with policies and procedures established by JEA.

(4) Access to and examination of records. JEA shall require a person or entity providing contractual services (e.g.,

1 construction services, professional design services, or  
2 other contractual services) purchased by JEA to agree and be  
3 deemed to have agreed by virtue of doing business under  
4 contract with JEA to allow access and examination at all  
5 reasonable times by the council auditor or any duly  
6 authorized representative of the council auditor to business  
7 records directly pertinent to the transaction pursuant to  
8 the council auditor's duties set forth in Article 5 of this  
9 charter. Additionally, JEA shall include a provision in any  
10 contract entered into pursuant to this article that such  
11 vendor or contractor shall comply with all applicable  
12 federal, state and local laws, rules and regulations as the  
13 same exist or as may be amended from time to time.

14 (5) Confidentiality agreements. The use of confidentiality,  
15 nondisclosure or similar agreements by government agencies  
16 are contrary to open and transparent government. Except  
17 regarding information or records deemed by JEA to be  
18 confidential or exempt information or records or information  
19 by law, JEA should not enter into confidentiality or  
20 nondisclosure agreements with third parties and should use  
21 confidentiality, nondisclosure or similar agreements  
22 sparingly in the conduct and operation of JEA. JEA may use  
23 confidentiality agreements for [obtain listing from JEA].  
24 Additionally, JEA should not require a member, officer or  
25 employee of JEA to execute any type of confidentiality or  
26 nondisclosure agreement that would require such member,  
27 officer or employee to maintain the confidentiality of  
28 information that is not confidential or exempt by law.

29 (6) No financial interest. Except for an employment contract or  
30 agreement executed pursuant to Section 21.08, no member,  
31 officer or employee of JEA shall either directly or

indirectly be a party to, or be in any manner interested in, any contract or agreement with JEA for any matter, cause or thing whatsoever in which such member shall have a financial interest or by reason whereof any liability or indebtedness shall in any way be created against JEA. If any contract or agreement shall be made in violation of the provisions of this section the same shall be null and void and no action shall be maintained thereon against JEA.

(c) No limitation. Unless otherwise provided herein, nothing in this section shall be construed to limit the power of JEA to construct, repair, or improve the utilities system or any part thereof, or any addition, betterment or extension thereto.

\* \* \*

**Sec. 21.11 - Privatization, sale, reorganization, service territory transfers prohibited.**

(a) Definitions. For purposes of this section, the following definitions shall apply:

"entity" shall mean any person or entity, public or private.

"net capital assets" shall mean the net capital assets based on the Combining Statement of Net Position in latest available JEA annual financial statements for the appropriate Enterprise Fund for each included system. For purposes of this section, the net capital asset calculation for each Enterprise Fund shall be cumulative and shall reset on October 1, 2020 and every five years thereafter.

"service territory" shall mean the geographically defined areas in which JEA is the utility provider.

"included system" shall mean the electric utility system, the water utility system, the wastewater utility system, owned, operated and managed by JEA.

1       "excluded system" shall mean JEA's district energy system, the  
2       bulk power supply system and the St. Johns River Power Park  
3       system.

4       (b) Prohibition on privatization, sale, reorganization and transfer  
5       of management. JEA shall not directly, or indirectly through a  
6       consultant or advisor, explore, investigate or consummate a  
7       privatization or transfer to an entity by sale, lease,  
8       assignment or other disposition of more than ten percent of the  
9       net capital assets of an included system, or the management,  
10       function, or operation of any portion of an included system  
11       which comprises more than ten percent of the net capital assets  
12       of such included system, without obtaining approval of the  
13       council in advance; provided, however, that no final approval of  
14       such disposition by the council shall become effective without  
15       subsequent referendum approval of the terms and conditions of  
16       the disposition, lease, or other assignment of the management,  
17       function or operation of such portion of a included system.  
18       Additionally, JEA shall not directly or indirectly through a  
19       consultant or advisor, explore, investigate or consummate a  
20       reorganization of JEA, or JEA's governance structure in a manner  
21       that would affect JEA's ownership or management control of more  
22       than ten percent of the net capital assets of an included system  
23       without obtaining approval of the council in advance. Upon  
24       approval by the council for JEA to explore or investigate a  
25       privatization, transfer, or reorganization of JEA, council may  
26       in its discretion prescribe by ordinance budget restrictions  
27       related to professional consultants, legal engagements,  
28       promotional expenses, and other expenses anticipated by JEA  
29       during such exploration or investigation. The terms "explore"  
30       and "investigate" as used in this subsection shall include, but  
31       not be limited to, exploring or investigating in connection with

1 any strategic planning process undertaken by JEA or any of its  
2 consultants or advisors.

3 (c) Prohibited service territory transfers. Any sale, lease,  
4 assignment or other transfer of the service territory of a JEA  
5 included system to any entity that totals 1% or more of the  
6 service territory or any sale, lease, assignment, or transfer of  
7 1% or more of JEA's electric, water, or wastewater, customer  
8 accounts based on the latest available JEA monthly financial  
9 statements shall require council approval in advance. JEA shall  
10 not enter into any agreement, contract, memorandum of  
11 understanding, letter of intent or other arrangement that would  
12 exceed the 1% threshold without obtaining council approval in  
13 advance. Nothing in this section shall prevent JEA from  
14 complying with the terms and conditions of interlocal agreements  
15 with St. Johns County and Nassau County which include, but are  
16 not limited to, an option to purchase the assets and service  
17 territory of JEA within the respective counties without Council  
18 or referendum approval.

19 **Sec. 21.12. - Public engagement.**

20 JEA should seek to fully engage and inform its ratepayers, the  
21 general public, interested stakeholders, and other interested  
22 parties in any future planning discussions, including, but not  
23 limited to short-term and long-term plans, objectives and goals,  
24 regarding the future of JEA to enable its ratepayers, the general  
25 public, interested stakeholders and other interested parties to  
26 fully participate in such planning discussions to the greatest  
27 extent reasonably practicable. Examples of ways for JEA to fully  
28 engage and inform its ratepayers, the general public, interested  
29 stakeholders, and other interested parties pursuant to this section  
30 may include, but not be limited to, hosting town hall meetings and  
31 JEA workshops and proactively making information regarding such

discussions available to its ratepayers, the general public, interested, and other interested parties.

**Sec. ~~21.11~~ 21.13. - Legislative authority of council.**

\*\*\*

**Sec. ~~21.12~~ 21.14. - Severability.**

\*\*\*

**Section 3. Proviso language regarding 2020-100-E.** Section 21.03(a) herein includes language which requires voter approval of Ordinance 2020-100-E. The referendum will be voted upon on November 3, 2020. Should the language not be approved by the voters, the language for 21.03(a) shall read as follows:

# **CHARTER AND RELATED LAWS**

## **PART A - CHARTER LAWS CHARTER OF THE CITY OF JACKSONVILLE, FLORIDA**

\* \* \*

### **ARTICLE 21. JEA**

\* \* \*

**Sec. 21.03. - Composition; compensation; officers; meetings.**

(a) Composition; qualifications; removal. The governing body of JEA shall consist of seven members, each of whom shall serve for a term of four years or until such member's successor has been appointed and has qualified. To the extent feasible and regarding JEA member appointments generally, individuals considered for appointment may, but is not required to, have extensive corporate, executive or administrative experience working in public or private organizations, including non-profit and government organizations. Each member of JEA shall have been a resident and elector of the city for at least six consecutive months prior to such member's appointment. No member of JEA shall hold any other public office or position. If at any time during a member's tenure on JEA, such member shall cease to possess the qualifications required for

membership on JEA, such member shall cease to be a member and a vacancy shall exist on JEA. Any vacancy on JEA, however created, shall be filled for the unexpired term in the same manner as the position was originally filled, and the person filling the vacancy shall have and retain all the qualifications prescribed for membership on JEA. Any member appointed to JEA for two consecutive full terms shall not be eligible for the succeeding term. The members appointed by the mayor may be removed by the mayor at any time with or without cause, but a removal must be approved by a two-thirds vote of the council.

\* \* \*

**Section 4. Effective Date.** This ordinance shall become effective upon signature by the Mayor or upon becoming effective without the Mayor's signature.

Form Approved:

\_\_\_\_\_

Office of General Counsel

Legislation Prepared By: Lawsikia J. Hodges

GC-#1370187-v4-CM\_Boylan\_DRAFT\_-\_Article\_21\_(JEA)\_Omnibus\_Refinement\_Bill\_6\_22\_2020\_.docx



## **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 shall cause the minutes to be kept of each meeting of the members in the Minute Book designated for that purpose. In the event of the Secretary's absence or disability, the Chair shall designate another member to be responsible for keeping of minutes during the Secretary's absence and for their inclusion in the Minute Book. When so directed by the Chair, the Secretary shall cause all notices to be given in accordance with these By-Laws and other applicable laws; the Secretary shall be responsible for the proper care and custody of all records pertaining to JEA affairs and for custody of the Seal of JEA. The Secretary shall be responsible for the Register of the address of each Board member and of such other persons as may be designated by the Chair or by the Executive Committee. The Secretary shall perform such other duties as from time to time may be assigned by the Chair or by the Executive Committee.

#### **ARTICLE IV** **COMMITTEES**

**Section 1. Executive Committee.** There shall be an Executive Committee comprised of as many members of the JEA Board as may be determined by the Chair. The Executive Committee shall function for and on behalf of the seven (7) members of the JEA Board to the extent that such action may be lawfully delegated; however, the designation of the Executive Committee and delegation thereto of authority to act in proper circumstances for the full membership of the JEA Board shall not operate to relieve the members of any responsibility imposed upon them individually or collectively by law. The Chair of the JEA Board shall preside at meetings of the Executive Committee, and it shall meet from time to time at such times and places as the Chair may designate.

**Section 2. 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 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 3. 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 4. 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 5. 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 6. 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 at least monthly 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.

**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 two (2) working 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 (or if by videoconference, see and hear) each other at the same time. 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.

**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.

APPROVED BY THE BOARD

  
Date: 7-16-02

Form Approved :

  
Office of General Counsel

## **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 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 at least monthly 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.

**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.

**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.

**APPROVED BY THE BOARD**

\_\_\_\_\_  
**Date:**\_\_\_\_\_

Form Approved:

\_\_\_\_\_  
Office of General Counsel

## **JEA Board Governance Committee Charter**

### **Role of the JEA Board Governance Committee**

The JEA Board Governance Committee (the “Committee”) is appointed by the Board Chair, and is a special committee of the JEA Board of Directors. The Committee’s primary function is to assist the Board in updating the JEA Board governance documents, primarily the JEA Board Policy Manual and the JEA By-Laws. The Committee shall review and approve relevant agenda items, provide periodic reports and make recommendations to the JEA Board for final approval of the governance documents. The Committee will keep the full JEA Board apprised of its activities.

### **Membership**

The Committee shall consist of at least three Board members, appointed by the Board Chair. The Board Chair shall appoint one of the Committee members as Chairperson.

### **Meetings**

The Committee will meet on an as needed basis. The Committee may invite members of Management and/or others to attend meetings and provide pertinent information, as necessary. Meetings shall be subject to open meetings and public information laws.

### **Responsibilities**

The Committee shall:

- Ensure that the Board Policy Manual and the JEA By-Laws are consistent with the JEA Charter, other provisions of the City of Jacksonville Charter, ordinances, policies and procedures, and current Florida statutes.
- Restructure the JEA Board Policy Manual to facilitate comprehension, cross referencing and transparency.
- Prepare an updated JEA Board Policy Manual to reflect the current JEA mission, values and goals.
- Prepare updated JEA By-Laws that reflect current JEA Board membership and governance procedures.
- Conduct Committee meetings to discuss suggested changes to the JEA governance documents on an as needed basis and in accordance with Sunshine Laws
- Report Committee summaries, actions and recommendations to the full Board



**“GOVERNING FOR EXCELLENCE: RAISING THE BAR ON PUBLIC POWER  
GOVERNANCE”**

A hard copy of the APPA publication “Governing for Excellence: Raising the Bar on Public Power Governance” was distributed to all Board Members as part of their orientation material in April 2020. They also received a link from APPA in July 2020 to access the publication electronically.

**JEA Board of Directors**  
**Policies and Other Documents Requiring Board Approval / Review**

**DRAFT**

	<u>Document Name</u>	<u>Doc Type</u>	<u>Board Review / Approval?</u>	<u>Board Compliance?</u>	<u>Last Review Date</u>	<u>Review Cycle</u>	<u>Next Review Date</u>
1	<b>JEA By-Laws</b> (incorporated into Board Policy Manual in September 2020; approved by Governance Committee 10/15/2020 )	Policy		X	10/15/2020	As Revised	11/17/2020
2	<b>JEA Board-Management Delegation of Authority Policy</b> (Originally presented to, but not approved by, Board on 6/11/18 & 12/11/18)	Policy	X	X	12/11/2018 (review on ly)	Annual	12/15/2020
3	<b>Electric Compliance Policy</b> (scheduled for approval by the Finance & Audit Committee on 12/11/2020 )	Policy	X			Annual, or As Revised	12/15/2020 or 1/26/2021
4	<b>JEA Charter</b> (Article 21 scheduled for final City Council Action & Adoption on 12/8/20 )	Policy		X		Annual	12/15/2020 or 1/26/2021
5	<b>JEA Code of Conduct / Code of Ethics (New )</b> (Scheduled for approval by the Finance & Audit Committee on 12/11/20 )	Policy		X		Annual	12/15/2020 or 1/26/2021
6	<b>Enterprise Risk &amp; Compliance Policy</b> (Tentatively scheduled for Finance & Audit Committee approval on 12/11/20 ).	Policy	X	X		Bi-Annual	12/15/2020 or 1/26/2021
7	<b>Identity Theft Protection Program (FACTA ) Annual Risk Assessment</b> (presented annually to the Finance & Audit Committee; next on 12/11/20 )	Policy	X (Initial Approval Only )		12/9/2019	Annual	1/26/2021
8	<b>Energy Market Risk Management Policy</b> (Approved March 2014; report presented quarterly to the Finance & Audit Committee )	Policy	X		2/11/2020	Annual, or As Revised	2/23/2021
9	<b>Pricing Policy</b>	Policy	X	X	6/23/2020	Annual	6/22/2021
10	<b>Investment Policy</b>	Policy	X	X	7/28/2020	Annual	7/27/2021
11	<b>Debt Management Policy</b>	Policy	X	X	7/28/2020	Annual	7/27/2021
12	<b>Internal Audit Charter</b> (Approved by Finance & Audit Committee annually )	Policy			8/25/2020	Annual	8/16/2021
13	<b>Board Education &amp; Development Policy</b> (Approved November 2013 )	Policy	X	X	8/25/2020	Bi-Annual	8/25/2022
14	<b>Travel Policy and Procedures</b>	Policy		X	8/25/2020	Bi-Annual	8/25/2022

**JEA Board of Directors**  
**Policies and Other Documents Requiring Board Approval / Review**

**DRAFT**

	<u>Document Name</u>	<u>Doc Type</u>	<u>Board Review / Approval?</u>	<u>Board Compliance?</u>	<u>Last Review Date</u>	<u>Review Cycle</u>	<u>Next Review Date</u>
15	<b>Board Policy Manual</b> (Updated and reviewed by the Governance Committee; monthly reviews scheduled through November 2020 )	Manual	X (If Revisions )	X	11/10/2020	Annual, or As Revised	As Revised
16	<b>Form 1 - Statement of Financial Interests - Must be filed with the County Supervisor of Elections each July 1 for the previous calendar year.</b>	Disclosure Form		X			
17	<b>Form 1F - Final Statement of Financial Interests - Must be filed with the County Supervisor of Elections for the final year / partial year on the Board.</b>	Disclosure Form		X			
18	<b>Sunshine Law - Florida Statute, Sec. 286.001</b>	State Statute					
19	<b>Public Records Law - Florida Statute Chapter 119</b>	State Statute					
20	<b>Jacksonville Ethics Code – Chapter 602</b>	Municipal Ordinance		X			
21	• Gifts – 602 Part 7;			X			
22	• Conflicts of Interest – 602 Part 4			X			
23	• Misuse of Public Position – 602.601			X			
24	<b>Florida Ethics Policy – Chapter 112.311-326</b>	State Policy		X			
25	• Gifts – Sec 112.3148, 3139			X			
26	• Conflicts of Interest – Sec. 112.313			X			
27	• Nepotism – 112.3133			X			
28	• Misuse of Public Position – 112.313			X			
29	<b>Dual Office Holding - Florida Constitution, Article II, SA</b>	State Law		X			

## Board Governance Manual Compliance &amp; Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
<b>POLICY 1.1.1 QUALITY OF ELECTRIC SERVICE</b>	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	Annual	<p>The CEO participates in the development of the Annual Resource Master Plans. The Electric System IRP examining multiple growth scenarios in order to develop the most robust generation plan with a thirty year look-ahead.</p> <p>This long term planning study used a scenario approach to address key issues of uncertainty faced by JEA, including carbon emissions, RES/CES, economy, load growth, fuel costs, and other potential environmental regulations. The IRP produced multiple generation resource plans over a 30 year planning horizon depending on the six scenarios evaluated. The IRP was completed in October 2012.</p>				
1.1.1a	Develop resources or agreements to ensure that JEA's electric energy supply is 10% nuclear by 2017.	Ongoing	<p>The CEO strongly supports the increased use of nuclear power. Nuclear Generation Business Manager to oversee MEAG PPA and Lee Option. Senior level Working Group is in place to assess the impact of JEA's potential expansion into nuclear power generation, and establishing criteria for exercising JEA's nuclear ownership option.</p> <p>Generation Capacity Analysis Continue to monitor and evaluate the drivers for JEA decision for additional nuclear generation capacity ranging from zero percent to some amount between 5%-20% (approx. 110MW-440MW) of the proposed Duke Lee nuclear station</p>	1.1.1a states that 10% of JEA's energy supply must be nuclear by 2017. Whether this is achievable or not, this statement should be removed as it is too specific to be included in a Board document.			

## Board Governance Manual Compliance &amp; Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
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1.1.2	Minimize the frequency of electric distribution system outages and report status through the System Average Interruption Frequency Index (SAIFI-2).	Ongoing	The System Average Interruption Frequency Index (SAIFI-2) report is generated and monitored by senior management.	1.1.2 – 1.1.4. Naming specific reports in these sections is too detailed to be included in a Board document. These sections should state that JEA will monitor the frequency and duration of electric outages using industry related reports, with a goal of minimizing them.			
1.1.3	Minimize the frequency of electric distribution system voltage sags and report status through the System Average Root Mean Square Frequency Index (SARFI-80).	Ongoing	The System Average Root Mean Square Frequency Index (SARFI-80) report is generated and monitored by senior management.	See 1.1.2 Above			
1.1.4	Minimize the duration of electric distribution system outages and report status through the System Average Interruption Duration Index (SAIDI).	Ongoing	The System Average Interruption Duration Index (SAIDI) and CEMI 5 reports are generated and monitored by senior management.	See 1.1.2 Above			
1.2.1 : <b>QUALITY OF WATER SERVICE</b>	Annually update a Total Water Management Plan (TWMP) to ensure consumers' future water supply needs are met at the lowest evaluated cost while also ensuring water resources are available for future generations.	Annual	The Total Water Management Plan (TWMP) identifies long term water needs and assesses alternate water sources. The TWMP, developed in 2007, is reassessed on an annual basis. Key recommendations include increasing water conservation, an increase in the amount of reclaimed water used, and construction of a north to south pipeline for the transfer of potable water to the Southside.				



## Board Governance Manual Compliance &amp; Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
1.2.2	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.	Ongoing	Low pressure status is reported to the Board every other month.				
1.2.3	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.	Ongoing	JEA maintains a dedicated Laboratory to perform all required water testing in compliance with applicable regulatory obligations of federal, state, local government agencies. NELAC and other industry certifications of the laboratory and its personnel. NELAC certified personnel and the lab are audited by NELAC annually for competency functions, equipment availability and condition, and documentation. Quality Assurance process is in place ensuring all records, documentation, and support are complete, accurate, and timely for applicable government agencies and certification organizations.				
1.3.1 <b>QUALITY OF SEWER SERVICE</b>	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	Ongoing	JEA maintains a robust SSO infrastructure maintenance prevention and incident management program, which incorporates established industry control elements. The program includes a response team to respond and mitigate SSOs and a root cause analyses conducted for every SSO event. The number of SSOs has steadily been reduced over the past 10 years and has been below industry standards.				
1.3.2	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	Ongoing	JEA has a comprehensive Total Maximum Daily Load (TMDL) program and ongoing initiatives meet current discharge requirements and are expected				

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## Board Governance Manual Compliance &amp; Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
	Department of Environmental Protection (FDEP) Total Maximum Daily Load (TMDL) allocation. b. Increase the amount of reclaimed water produced and distributed		to be deemed sufficient to comply with the EPA's Numeric Nutrient Criteria (NNC). Strategy and resources are in place to assess, mitigate and minimizing the impact of proposed regulatory mandates. Programs are also in place to increase the use of reclaimed water.				
1.4.1 <b>COST OF SERVICE</b>	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.	Frequent intervals	JEA performs periodic rate studies with consideration of the financial needs of the company versus maintaining a competitive rate structure that considers the financial burden to our ratepayers. Charts benchmarking JEA's rates to other Florida utilities are provided to the Board monthly. Processes consider the total costs of maintaining services and focuses on controlling costs while maintaining the reliability of our services infrastructure.				
	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.	5 year intervals	Cost of Service studies are regularly conducted every 5 years. Pricing is based on the cost to serve each consumer class. In addition, costs are now also calculated based on the total cost of providing electricity and water/wastewater services				
1.4.2	Minimize the number of consumer bills mailed to customers 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.	Ongoing	A quality assurance process is in place to verify JEA meets our quality standards of accuracy and timeliness.  The quality rate is periodically provided to the Board.	This section should specify that the quality indicators refer to the bills that go out to the customers after they are fixed, not what is originally produced from the system. Proposed wording changes are in red.			
1.5.1 : <b>ENVIRONMENTALLY SOUND</b>	The CEO is expected to comply with all existing environmental regulations that apply	Ongoing	JEA has a coordinated environmental compliance infrastructure which includes operational processes for				

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## Board Governance Manual Compliance &amp; Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
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			compliance with all existing environmental requirements, and monitoring by an independent area to verify adherence to the requirements.				
1.5.2	<p>Conservation: Pursue all options to communicate and incentivize customer conservation and efficiency while avoiding excessive customer cost.</p> <p>a. Electric System: Establish an 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.</p>	Ongoing	<p>DSM Steering committee is in place and providing oversight by JEA's executives. This committee sets ongoing DSM policy and strategies. Policies regulating DSM objectives are approved by JEA's Board.</p> <p>Various conservation programs have been successfully implemented and are yielding the anticipated results, including but not limited to CFLs, Neighborhood Energy Efficiency Program and Green built Home Solar program, energy audits, etc.</p>				
1.5.3	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.	Ongoing	JEA staff has reviewed the feasibility and potential use of a number of potential renewable energy sources, such as biomass, solar (solar PV and solar thermal), landfill gas, and wastewater treatment gas. A process is in place to monitor legislation and the marketplace in order to reevaluate feasibility as standards are changed, become mandatory, or other opportunities arise.	<p>Suggested wording changes:</p> <p>Renewable Energy Supply: Explore options for a renewable energy supply while avoiding excessive customer cost. Comply with state or federal Renewable Energy Standards (RES) if and when they become effective.</p>			
<b>1.6 INFORMATIVE COMMUNICA- TION</b>	<p>1.6. Effectively communicate with consumers and other stakeholders.</p> <p>1.6.1 To influence consumer paradigms of utility expectations.</p> <p>1.6.2 To influence public dialogue on local, state and national energy and water and sewer issues.</p>	Ongoing	JEA continues its Customer Satisfaction initiative, engaging employees from all levels in the organization on various concurrent initiatives to create an improved customer experience. For 2 <sup>nd</sup> Qtr of FY 2013, JEA kicked off 18 improvement initiatives and				

## Board Governance Manual Compliance &amp; Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
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	<p>1.6.3 To inform consumers of as well as the reasons for significant potential or pending changes to utility services or charges.</p> <p>1.6.4 To inform consumers of conservation incentives and other activities that if implemented would reduce their consumption and, therefore result in lower utility cost than if the incentives or activities were not employed.</p>		<p>completed 15. For Qtr 3, 20 new initiatives are underway. JEA subscribes to the JD Power Customer Satisfaction Survey. Wave 3 data of the Survey has been reported and JEA continues to make positive movement upward in customer satisfaction. JEA anticipates ending 2013 in the 3<sup>rd</sup> quartile, improving from last year's 4<sup>th</sup> quartile</p> <p>JEA.com contains a wealth of information about conservation and how it can impact a customer's bill. JEA.com also describes levelized billing, and prepaid billing, and provides a mechanism for enrolling for them.</p>				
<b>2.0 GENERAL EXECUTIVE CONSTRAINT</b>	<p>The CEO shall not <b>knowingly</b> cause or allow any organizational practice, activity, decision, or circumstance that is either unlawful, imprudent, <b>and/or</b> in violation of commonly accepted business and professional ethics and practices.</p> <p>Accordingly, the CEO will not:</p>			<p>Add wording changes noted in red and add the following statement:</p> <p><b>It is understood that the CEO will be delegating most of the duties described below to staff, but the CEO will ultimately be responsible for the company's results.</b></p>			
2.1	<p><b>Treatment of Consumers:</b> With respect to interactions with consumers or those applying to be consumers, the CEO shall not <b>knowingly</b> cause or allow conditions, procedures, or decisions that are unsafe, untimely, undignified, or unnecessarily intrusive.</p> <p>Accordingly, the CEO will not:</p>						
2.1.1	<ul style="list-style-type: none"> <li>Elicit information for which there is no clear necessity</li> </ul>	Ongoing	Current processes only request information that is deemed necessary to fulfill the customer's				

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## Board Governance Manual Compliance &amp; Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
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			request for services and assess the customer's credit risk.				
2.1.2	<ul style="list-style-type: none"> <li>Use methods of collecting, reviewing, transmitting, or storing client information that fail to <b>reasonably</b> protect against improper access.</li> </ul>	Ongoing	JEA maintains strong systems access and cyber security protocols and protects unauthorized access to both customer and corporate data. Further enhancements are underway including optimizing our customer system hardware footprint, enhancing our hardware infrastructure, and addressing the increasing cyber security threats to JEA's systems and network.	Suggested wording changes noted in red.			
2.1.3	<ul style="list-style-type: none"> <li>Fail to operate facilities with appropriate accessibility and privacy.</li> </ul>	Ongoing	See 2.1.2 above. Also. All major JEA facilities require badge access. Badge readers are also being installed at substations that don't have them and a new more sophisticated badging system has been implemented.				
2.1.4	<ul style="list-style-type: none"> <li>Fail to establish with consumers a clear understanding of what may be expected and what may not be expected from service offered.</li> </ul>	Ongoing	JEA has updated its mission/vision statement and it has been posted on JEA.com. It communicate what customers should expect from JEA.	Proposed changes to focus on the expectations, not what we can't do:  Fail to communicate with consumers of what may be expected from services offered.			
2.1.5	<ul style="list-style-type: none"> <li>Fail to operate without clearly established and updated Customer Service procedures and <b>internally</b> published rules and regulations for service.</li> </ul>	Ongoing	JEA maintains clearly established and up to date Customer Service policies and procedures, as well as regulatory requirements that impact customer services.	Suggested wording changes noted in red.			
2.1.6	<ul style="list-style-type: none"> <li>Fail to operate without mechanisms for collecting consumer complaints that provide for resolution at the lowest staff level and also include prompt response when warranted</li> </ul>	Ongoing	JEA has an established Customer Services Call Center, to address and where applicable all customer complaints. A dedicated Key Customer Accounts function is in place to address the needs of our commercial accounts.				
2.2	<b>Treatment of Staff:</b> With respect to the treatment of staff, the CEO may not cause or	Ongoing					

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## Board Governance Manual Compliance &amp; Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
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	allow conditions that are unfair, unsafe, undignified, disorganized, or unclear.  Accordingly, the CEO will not:						
2.2.1	Operate without 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	Ongoing	JEA maintains clearly established and up to date personnel policies and procedures including: a. Bargaining union and appointed staff agreements. b. Documented and effective grievance process. c. Employment and corporate policies to ensure a fair and equitable working environment. d. Policies that encourage employee to volunteer in the community; including paid leave for volunteer opportunities; JEA sponsored volunteer opportunities; and charitable events, such as United Way fundraising. e. Formal Ethics policy/standards are in place, with required annual training, and an anonymous Ethics Hotline. f. Employees and management are encouraged to maintain a work/life balance. Employees are provided with a significant number of leave days to help balance work/life issues. JEA offers a free Employee Assistance Program to assist employees in various stress/life issues.				
2.2.2	Operate without 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	Ongoing	A job description is in place for each job position at JEA. The completion and quality of performance reviews are monitored by HR.				

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## Board Governance Manual Compliance &amp; Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
	c. identify clear standards of accountability						
2.2.3	Fail to provide a safe work environment.	Ongoing	JEA has a comprehensive and effective Employee and public safety program, mandatory training and incentives for maintaining a safe work environment. Specific programs include: 1. Various JEA wide programs are in place that addresses safety issues (e.g., "Lock-out - Tag Out" program addresses controls over sources of hazardous energy). 2. Safety Specialist representatives monitor adherence to safety procedures. 3. Required training class for managers on compliance with safety protocols. (e.g., Real Safety for Leaders).	Suggested wording changes:  Fail to authorize providing for a safe work environment.			
2.2.4	Fail to identify and provide training necessary to accomplish the quality of work expected.	Ongoing	JEA has a comprehensive training program which provides a number of mandatory internal and external training opportunities to achieve technical skills, soft skills and employee development. Job function processes and procedures are documented to ensure consistency of effective operations and knowledge retention.	Suggested wording changes:  Fail to authorize identification and providing for training necessary to accomplish the quality of work expected.			
2.2.5	Allow <b>any known</b> discrimination or retaliation against any staff member for non-disruptive expression of dissent.	Ongoing	Personnel policies and procedures prohibit discrimination and retaliation against staff members who express non-disruptive expression of dissent. JEA encourages open communication and discussion of all activities. A Committee based structure is in place to solicit input from all employees in decision making processes. An anonymous Ethics				

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## Board Governance Manual Compliance &amp; Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
			Hotline is in place for employee to report actual or perceived discrimination and or retaliation.				
2.2.6	Fail to acquaint staff with the CEO's interpretation of their protections under this policy.	Ongoing	Personnel policies and procedures Bargaining Union agreements and Appointed job plans clearly define employee's and management responsibilities. Grievance protocols are in place.  The CEO's interpretation is imparted to staff via monthly management meetings and annual Town Hall meetings.	Suggested wording changes :  Fail to communicate the CEO's interpretation of staff's protections under this policy.			
2.2.7	Allow staff to be under prepared to deal with emergency situations.	Ongoing	Process in place for ongoing evaluation of a Comprehensive Emergency Management Plan (CEMP) which includes clearly defined roles and responsibilities for all employees and job functions.  A process is in place to continue testing and assessing storm related disaster recovery plans.  Development of a more robust and comprehensive Business Continuity plan is in progress.  The CEO recently created a separate Emergency Preparedness department to bring more focus on this function. A presentation to the Board recently occurred.	Suggested wording changes :  Fail to authorize an effective process to prepare staff to deal with emergency situations.			
2.2.8	Fail to insure that the company's Core Values are routinely communicated and reinforced to all employees.	Ongoing	The Company's Core Values are included in the Ethics Guidelines and on-line Ethics Training. All employees are required to take this training annually.  JEA's core values have recently been revised and re-communicated to all employees.	Suggest adding the following statement:  The JEA's Ethics Officer monitors the completion of the annual ethics training by all employees.			



## Board Governance Manual Compliance &amp; Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
2.3	<b>Financial Planning/Budgeting:</b> The CEO shall not cause or allow financial planning for any fiscal year or the remaining part of any fiscal year to deviate materially from the Board's Ends priorities, to risk financial jeopardy, or fail to be derived from a multiyear plan. Accordingly, the CEO will not:	Ongoing	Budgeting process is in place to establish both a capital and O&M budget. Continuous monitoring of expenses occurs to ensure adherence to established budget criteria. Capital Allocation process ensures that capital and funding is allocated in a risk based approach, to ensure regulatory compliance, operational excellence and reliable services to our customers. .				
2.3.1	Risk incurring those situations or conditions described as unacceptable in the Board policy "Financial Condition and Activities."	Ongoing	CEO significantly strengthened JEA's financial condition while he was CFO, and has hired a new CFO to continue that trend. The Board policy mentioned is not included in this document.	Board policies should be converted to digital documents and posted on the Corporate tab of Quest, or made an addendum to this document.			
2.3.2	Fail to include credible projection of revenues and expenses, separation of capital and operational items, cash ( <b>liquidity</b> ) flow, and disclosure of planning and budgeting assumptions.	Ongoing	The Board reviews and approves all proposed budgets, and receives financial projections throughout the fiscal year.	Suggested wording changes noted in red.			
2.3.3	Fail to identify the source for capital expenditures (e.g. internally generated cash, new debt, carry over funds from previous fiscal year).	Annually	Corporate policies define source of funding (internal revenue or debt) for all projects. Capital and O&M allocation and accounting processes ensures adherence to these standards.				
2.3.4	Fail to adhere to approved tariff rates and fees.	Ongoing	JEA adheres to approved tariffs and fees. Any proposed changes go before the Board for approval.				
2.3.5	Fail to 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.	Annually	The Annual Budget process and close senior management oversight assures timely submittal to City Council by July 1.				
2.3.6	Provide less for Board prerogatives during the year than is set forth in the "Cost of Governance" policy.	Annually	When Board members want to attend a conference or travel on business, the requested expense is	Board policies should be posted on Quest or SharePoint, or included as			

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## Board Governance Manual Compliance &amp; Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
			brought to the full Board for approval.	an addendum to this manual.  Wording needs to define "Cost of Governance" policy. See also Section 4.10.			
2.4	<b>Financial Condition and Activities:</b> With respect to the actual, ongoing financial conditions and activities, the CEO shall not cause or allow the development of financial jeopardy or material deviation of actual expenditures from Board priorities established in Ends policies. Accordingly, the CEO will not:	Ongoing					
2.4.1	Fail to operate within the budget established for the fiscal year.	Annually	The budget process and management oversight are in place to assure JEA operates within the established budget				
2.4.2	Make budget transfers in excess of \$5,000,000 without Board approval.	Ongoing	The budget process and management oversight are in place to assure this condition is met.				
2.4.3	Fail to inform the Board in monitoring reports when reserves are required to meet current expenditures.	Ongoing	The budget process and management oversight are in place to assure this condition is met. Financial presentations are regularly made to the Board.				
2.4.4	Fail to maintain financial and accounting separation between electric, water and wastewater, and District Energy funds as required by regulatory agencies and bond covenants.	Ongoing	Financial Reporting, Accounting, and Treasury process and management oversight are in place to assure this condition is met.				
2.4.5	Fail to operate within established financial parameters nor fail to 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	Ongoing	Budget and Treasury processes and management oversight are in place to assure this condition is met. Financial presentations are regularly made to the Board.				

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## Board Governance Manual Compliance &amp; Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
	e. Line of Credit f. Fuel Rate Reserve  The Board Book reports should be checked for these factors to make sure they are included.						
2.4.6	Operate in violation of JEA's Debt Management Policies.	Ongoing	JEA has a formal Debt Management Policy. Treasury processes and management oversight are in place to assure this condition is met.				
2.4.7	Fail to settle payroll and debts in a timely manner.	Ongoing	Payroll and Treasury processes and management oversight are in place to assure this condition is met.				
2.4.8	Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.	Ongoing	JEA has a dedicated Tax Administration area. Control processes and management oversight are in place to assure this condition is met.				
2.4.9	Fail to establish reasonable security measures to protect against loss of receivables.	Ongoing	JEA has an established reserve for receivables write-offs in an amount recommended by the external auditors.				
2.4.10	Fail to aggressively pursue receivables after a reasonable grace period.	Ongoing	JEA has a dedicated Collections area. Control processes and management oversight are in place to assure this condition is met.				
2.5	<b>Workforce Readiness and Succession Planning:</b> The CEO shall not knowingly allow the workforce to be unprepared to meet current or future business demands. Accordingly, the CEO will not:	Ongoing		Suggested wording changes noted in red.			
2.5.1	Permit there to be fewer than two other executives sufficiently familiar with Board and CEO issues and processes to enable either to take over with reasonable proficiency as an interim successor to protect the Board from sudden loss of CEO services.	Ongoing		Suggest that the CEO discuss with the Board Chairperson at least 2 potential interim successors in the event of an emergency situation.			
2.5.2	Fail to prepare for long term CEO succession.	Ongoing	Formal CEO succession planning is in place which includes direct and full participation of JEA's Board of				

## Board Governance Manual Compliance &amp; Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
			Directors. (This statement needs to be confirmed).				
2.5.3	Fail to prepare for Executive Team succession.	Ongoing	Formal succession planning and knowledge transfer processes are in place. Potential future leaders are identified and extensive formal and informal training is provided (e.g., Leadership Academy, Tuition reimbursement program).				
2.5.4	Operate without strategic and tactical plans to have and maintain the right people, in the right place, with the right talent, skills and knowledge.	Ongoing	See comments on 2.5.3 above. Also, one of JEA's strategic indicatives for FY 2014 pertains to hiring and retaining an unbeatable team.				
2.5.5	Fail to develop a workforce that recognizes the value of cultural diversity in internal operations and in serving customers.	Ongoing	JEA has a Cultural Diversity program, and participate in a number of cultural awareness initiatives and celebrations (e.g., black history month).				
2.6	<b>Asset Protection: The CEO shall not knowingly cause or allow corporate assets to be unprotected, inadequately maintained, or unnecessarily risked.</b>  <b>Accordingly, the CEO will not:</b>	Ongoing					
2.6.1	Fail to insure adequately against theft and casualty and against liability and losses to Board members, staff, and the organization itself.	Ongoing	JEA employs a number of measures to assure these conditions are met including but not limited to: physical and systems security; manual and systematic fraud prevention controls, formal fraud/ethics training; robust Ethics program/hotline; a comprehensive self-insurance and liability coverage for JEA's facilities and personnel, and collaborating with JEA's insurance carrier to implement their recommendations for better securing our assets while				

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## Board Governance Manual Compliance &amp; Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
			saving money on insurance premiums.				
2.6.2	Allow unbonded personnel access to material amounts of funds.	Ongoing	All applicable employees are required to be bonded. Control processes and management oversight assures adherence to this standard. <b>Need to validate this statement.</b>				
2.6.3	Subject facilities and equipment to improper wear and tear or insufficient maintenance.	Ongoing	JEA's operations areas, for both our water/wastewater and electric facilities, have an extensive infrastructure maintenance program. Annual budget allocation processes assure funding is directed to the critical area of operations. A formal Enterprise Asset Management system is being developed to more effectively manage assets, maintenance and costs.	Suggested wording changes:  Fail to authorize staff to adequately maintain facilities and equipment.			
2.6.4	Unnecessarily expose the organization, the Board, or its staff to claims of liability.	Ongoing	JEA maintains liability insurance for all its senior management team.				
2.6.5	Operate without written claims policies that address fair treatment of claimants, legal liability, ratepayer costs and sound business practices.	Ongoing	JEA has a dedicated Risk Management liability insurance area and an area that handles third party claims. Brand Management, claims, Security, Facilities, Information Security and Records Management all participate in protecting these assets. Control processes and management oversight are in place to assure this condition is met.				
2.6.6	Fail to 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.	Ongoing	See 2.6.5 above.				
2.6.7	Receive, process, or disburse funds without sufficient controls.	Ongoing	Treasury functions, control processes and management oversight is in place to assure this condition is met.	Suggested wording changes:			

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## Board Governance Manual Compliance &amp; Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
				Allow inadequate controls over the receiving, processing, or disbursement of funds.			
2.6.8	Invest funds in violation of JEA's Investment Policies.	Ongoing	JEA has a formal Investment policy. Treasury functions, control processes and management oversight is in place to assure this condition is met.				
2.6.9	Fail to 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.	Ongoing	All employees who receive a JEA check are required to take mandatory ethics and safety training and agree to abide by it. Procurement policies, bids and contracts also have provisions to assure external contractors adhere to the noted standards.  Contractors are agreeing to JEA's Code of Ethics when they accept the contract/purchase order.	Suggested wording changes:  Fail to ensure that the responsibility to comply with all applicable laws and regulations and JEA's Code of Ethics has been communicated and agreed to by all employees and outsourced contract service providers.			
2.7	<b>Compensation and Benefits:</b> With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the CEO shall not cause or allow jeopardy to financial integrity or to public image. Accordingly, the CEO will not:	Ongoing					
2.7.1	Change the CEO's own compensation and benefits, except as those benefits are consistent with a package for other appointed employees.	Ongoing	The CEO's compensation and benefits package is contractual and is approved by the Board. However, if for example, a company-wide change was made to JEA's health benefits carrier, the CEO would participate in that change.				
2.7.2	Promise or imply unconditional permanent or guaranteed employment.	Ongoing	JEA policies and practices assure adherence to this standard, within the provision of the Bargaining Agreements, the Appointed Pay Plan and employment contracts.				
2.7.3	Administer compensation and benefits that fail to address individual accountability,	Ongoing	JEA's compensation program is currently undergoing an				

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## Board Governance Manual Compliance &amp; Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
	motivate and reward for knowledge and skills <b>that</b> encourage organizational flexibility and responsiveness or are inconsistent with the geographic and professional market for the skills employed.		assessment, and changes will be made based on the results. One of the CEO's strategies for 2013 and beyond is to hire and retain "unbeatable talent".				
2.8	<b>Communication and Support to Board:</b> The CEO shall not cause or allow the Board to be uninformed or unsupported in its work. Accordingly, the CEO will not:	Ongoing					
2.8.1	Neglect to submit monitoring data required by the Board in Board-Management Delegation policy "Monitoring CEO Performance" ( <b>Section 3.4 of this manual</b> ) 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," ( <b>Section 3.3 of this manual</b> ) as well as relevant data.	Ongoing	See Section 3.3 and 3.4 of this manual	Suggested wording changes are in red.  In addition, the CEO may want to consider an annual report specifically addressing the Board ends. See also section 3.3, 3.4, and 3.4.5 below.  The policies referenced here are not clearly defined or described.			
2.8.2	Allow the Board to be unaware of any actual or anticipated noncompliance with any Ends or Executive Limitations policy of the Board regardless of the Board's monitoring schedule.	Ongoing	See also section 3.3, 3.4, and 3.4.5 below.				
2.8.3	Allow the Board to be without decision information required periodically by the Board or let the Board be unaware of relevant trends.	Ongoing	The Board is kept aware of relevant risk trends via the Top Corporate Risks reports provided quarterly to the Finance & Audit Committee of the Board. Operations, financial and regulatory trends are included in the monthly Board Report.				
2.8.4	Let the Board be unaware of any significant incidental information it requires including anticipated media coverage, threatened or pending lawsuits, and material internal and external changes.	Ongoing	Anticipated media coverage would be identified by JEA's media department, who would pass it along to the CEO who in turn would notify the Board members. Also, reputation risk (External				

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## Board Governance Manual Compliance &amp; Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
			<p>Stakeholder Risk) is discussed at FAC meetings.</p> <p>At the CEO's direction, potential/pending lawsuit activity is discussed at least annually at an FAC meeting, by an OGC attorney. Also, the process to handle fraud risk is being revised centralize and improve communications in the event of a significant fraud.</p> <p>The CEO worked closely with the Board Chair regarding the change to embrace JD Power as the main company measure of customer satisfaction.</p>				
2.8.5	Allow the Board to be unaware 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.	Ongoing	The new CEO requested this review of the Governance Manual by audit Services to determine if there was a gap in Board compliance and/or in CEO compliance. This item is being addressed by this document.				
2.8.6	Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.	Ongoing	<p>The CEO and senior staff consistently make an effort to present information in a concise yet complete and clear manner. Operations reports were recently reformatted to make them more succinct.</p> <p>All items on the board and F&amp;AC agendas are identified as information only (I) or an Action (A). "Monitoring" and "Other" would be information only items. "Decision preparation" would be "Action" items.</p>				



## Board Governance Manual Compliance &amp; Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
2.8.7	Allow the Board to be without a workable mechanism for official Board, officer, or committee communications.	Ongoing	The Board and FAC receive their books of information pertaining to the upcoming meeting a week in advance to allow time for them to look it over. The information is now also available electronically for download by Board members' laptops and tablets. The CEO meets with the Chair individually, and may meet with other Board members individually as needed. Board members can individually always contact the CEO.				
2.8.8	Deal with the Board in a way that favors or privileges 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.	Ongoing	All Board members' requests for information are given equally high priority. The Chair of the Board and the Chair of the Finance & Audit Committee are consulted individually.				
2.8.9	Fail to submit to the Board 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.	Ongoing	Consent agendas are part of every Board agenda, and the necessary documents are always included. If the information was not complete or was not clear, a Board member could ask that the item in question be reviewed and voted on separately. That has not happened in recent memory.				
2.8.10	Fail to provide a process to retain relevant background information on previous Board policy decisions.	Ongoing	Approved minutes, agendas and supporting documents are kept for all Board meetings, executive sessions, and committee meetings, on the Board section of Quest.				
2.9	<b>Regulatory/Legislative Requirements:</b> The CEO will not fail to effect regulatory and legislative action favorable to the organization.	Ongoing	Legislative Affairs monitors all proposed/pending regulatory and legislative initiatives that may impact JEA. Processes are in place to evaluate the impact of each initiative and determine a course of action to minimize the impact and/or establish processes and infrastructure to ensure compliance, if required. Risk	Suggested wording changes:  The CEO will not fail to work with industry and legislative groups to attempt to effect regulatory and legislative action favorable to the organization.			

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Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
			Committees (e.g., CIP, EPA rules ) are in place to coordinate efforts.				
2.10	<b>Enterprise Risk Management:</b> The CEO shall not cause or allow conditions, procedures or decisions which fail to identify, measure, monitor and manage, within established risk tolerances, potential events that may affect achievement of the Ends. Accordingly, the CEO will not:						
2.10.1	Fail to 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.	Ongoing	JEA has established the formal, Board approved Enterprise Compliance and Risk Policy and program. Dedicated resources have been assigned to facilitate the program which is managed through the Enterprise Compliance & Risk Committee (ECRC) made up of the SLT. Top corporate risks are reported to F&AC of the Board quarterly.				
2.11.	Procurement Activities: The CEO shall not fail to develop 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.  Accordingly, the CEO will not:			Suggested wording changes:  Procurement Activities: The CEO shall not fail to authorize development of procurement policies and procedures that adhere to all applicable federal, state and local laws and ordinances and encourage or facilitate increased public confidence in the procurement activities of JEA.			
2.11.1	Fail to <b>authorize development and implementation</b> and disseminate simple, clear and up-to-date rules for all procurement	Ongoing	The Procurement code, policies and procedures are in place to clearly define and establish rules for JEA's procurement process. JEA requirements are communicated to all JEA employees and potential vendors.	Suggested wording changes are noted in red.			

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Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
2.11.2	Fail to ensure the fair and equitable treatment of all persons who deal with the JEA procurement system.	Ongoing	Procurement code and management review/oversight verifies the integrity and quality of the procurement process. Vendor's have the ability to bring complaints and/or bid protests.	Suggested wording changes:  Fail to authorize a procurement process that provides fair and equitable treatment.			
2.11.3	Fail to provide increased economy in all procurement activities and to maximize to the fullest extent practicable the purchasing value of JEA funds.	Ongoing	Procurement Code and processes allows the bid evaluation process to include both quantitative (cost factor) and qualitative criteria in vendor selection. All awards are approved by the CEO after approval by the Awards Committee.	Suggested wording changes:  Fail to direct that all procurement activities maximize to the fullest extent practicable the purchasing value of JEA funds.			
2.11.4	Fail to <b>direct the procurement process</b> to foster effective, broad-based competition within the free enterprise system	Ongoing	See comments on 2.11.4 above.	Suggested wording changes are noted in red.			
2.11.5	Fail to provide safeguards for the maintenance of the procurement system quality and integrity.	Ongoing	Procurement code and management review/oversight verifies the integrity and quality of the procurement process. Vendor's have to ability to bring grievances and/or bid protests. All awards are approved by the CEO after approval by the Awards Committee.				
2.11.6	Fail to <b>direct the procurement process</b> to provide a clear and timely administrative remedy process to all those aggrieved during any phase of the procurement process.	Ongoing	Procurement code and administrative processes are in place to address any vendor complaints and/or bid protests during the procurement process.	Suggested wording changes noted in red.			
2.11.7	Fail to provide effective access for Small and Emerging Local Businesses.	Ongoing	Formal Small Emerging Business Program is in place that allow local small businesses to participate in JEA's procurement .	Suggested wording changes:  Fail to provide procurement opportunities for Small and Emerging Local Businesses			
<b>3.0 GLOBAL BOARD-MANAGEMENT DELEGATION</b>	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,						

## Board Governance Manual Compliance &amp; Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
	referred to within this document simply as CEO.						
<b>3.1 UNITY OF CONTROL</b>	<b>Unity of Control:</b> Only officially passed motions of the Board are binding on the CEO.						
3.1.1	Decisions or instructions of individual Board members, officers, or committees are not binding on the CEO.	Ongoing	Board Responsibility				
3.1.2	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.	Ongoing	Board/CEO Responsibility  Past Board members have individually requested documents that have taken substantial amounts of staff time, but the former CEO felt it was a worthwhile effort. The current CEO also understands this is his call, and will do so if/when necessary.	Suggest the Board Chair remind Board members of provisions 3.1.1 and 3.1.2.			
<b>3.2 ACCOUNTABILITY OF CEO</b>	<b>Accountability of the CEO:</b> 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.	Ongoing	Board Responsibility  This provision is being complied with by both the Board and the CEO. Although operational, financial, and compliance/control/risk reports are presented by staff, and the Board may ask questions of staff while they are presenting, it is understood that the CEO is accountable to the Board for the results.				
3.2.1	The Board as a body and individual Board members will never give instructions to persons who report directly or indirectly to the CEO.	Ongoing	Board Responsibility  The Board complies with this provision. However, the Finance & Audit Committee can give instructions to the Director, Audit Services as provided for by the FAC Policy.				

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Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
3.2.2.	The Board will not evaluate, either formally or informally, any staff other than the CEO. However, the CEO will discuss his evaluation of the executives identified as potential interim CEO successors, with the <b>Chair of the Board</b> . (refer to 2.5.2)	Ongoing	Board Responsibility  The Board does not evaluate any JEA employees other than the CEO.	Wording changes noted in red suggest the CEO discuss his evaluation of potential interim or emergency CEO successors with the Chair of the Board.			
3.2.3	The Board will view CEO performance as identical to organizational performance so that organizational accomplishment of Board-stated Ends and avoidance of Board-described means will be viewed as successful CEO performance.	Ongoing	Board Responsibility  The Board has formally evaluated CEO performance. The Board determined that the process used for FY 2014 should be better defined.	Suggest the evaluation process be defined in a separate document, instead of in the Governance Manual, and just referred to here. The separate document should equate CEO performance with JEA's performance on its key strategic objectives, as stated in 3.2.3.			
3.3 <b>DELEGATION TO THE CEO</b>	<b>Delegation to the CEO:</b> The Board will instruct the CEO through written policies that prescribe the organizational Ends to be achieved and describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.	Ongoing	Board Responsibility  Sections 1 and 2 of this manual describe the organizational ends to be achieved, and the situations to be avoided.				
3.3.1	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 called Ends policies. All issues that are not ends issues as defined here are means issues.	Ongoing	Board Responsibility  Sections 1 and 2 of this manual describe the organizational ends to be achieved, and the situations to be avoided.  Strategic objectives for the organization are set prior to the start of each fiscal year.	Suggest the ends and means terminology be eliminated, and just refer to Sections 1 and 2, or refer to current Board-approved strategic objectives.  In general, the Board does not develop policies, management does, and submits them to the Board for approval. Also, policies are usually broad, not as specific as indicated in 3.3.1. However, policy statements are contained in this Manual.			

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Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
3.3.2	The Board will develop policies that limit the latitude the CEO may exercise in choosing the organizational means. These limiting policies will describe those practices, activities, decisions and circumstances that would be unacceptable to the Board even if they were to be effective. Policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations policies. The Board will never prescribe organizational means delegated to the CEO.	Ongoing	Board Responsibility  Sections 1 and 2 already contain policy statements that limit activities.	See suggestions for 3.3.1 above.			
3.3.3	As long as the CEO uses <i>any reasonable interpretation</i> of the Board's Ends and Executive Limitations policies, the CEO is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and pursue all activities. Such decisions of the CEO shall have full force and authority as if decided by the Board.	Ongoing	Board Responsibility  The CEO does establish policies, and authorizes staff to develop policies on his behalf.				
3.3.4	The Board may change its Ends and Executive Limitations policies, thereby shifting the boundary between Board and CEO domains. By doing so, the Board changes the latitude of choice given to the CEO. However, as long as any particular delegation is in place, the Board will respect and support the CEO's choices.	Ongoing	Board Responsibility  The Board has not changed its policies since this manual was created and approved, except for the delegation of authority for issuing bonds, which is periodically revised and renewed. The Finance & Audit Committee Policy has also been periodically revised.				
3.3.5	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.	Ongoing	The CEO regularly consults with the Board Chair, and also with the FAC Chair as necessary and appropriate. Difficult information is not withheld from the Board, as demonstrated by communication about JEA's Top Corporate Risks.				

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Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
3.4 <b>MONITORING CEO PERFORMANCE</b>	<b>Monitoring CEO Performance:</b> Systematic monitoring of CEO job performance will be solely against the only expected CEO job achievements: organizational accomplishment of Board policies on Ends and organizational operation within the boundaries established in Board policies on Executive Limitations.	Ongoing	Board Responsibility	Rather than “expected CEO job achievements” suggest using “CEO goals that correlate with JEA strategic goals and are mutually agreed to by the Board and the CEO”.			
3.4.1	Monitoring is simply to determine the degree to which Board policies are being met. Data or information that does not do this will not be considered to be monitoring information.	Ongoing	Board Responsibility				
3.4.2	The Board will acquire monitoring information by one or more of these methods: <ul style="list-style-type: none"> <li>By internal report, in which the CEO discloses interpretations and compliance information to the Board.</li> <li>By external report, in which an external, disinterested and independent third party selected by the Board assesses compliance with Board policies (e.g. external financial audit).</li> <li>By direct Board inspection, in which a designated member or members of the Board assess compliance with the appropriate policy criteria.</li> </ul>	Ongoing	Board Responsibility  The Board regularly receives various operational, financial, regulatory compliance, and other reports pertaining to JEA’s strategic objectives, but these reports do not necessarily correlate to the Ends in this manual.	Suggest that a document be prepared summarizing all the reports currently provided to the Board, and mapping them to their Ends (or policy statements), JEA’s strategic objectives, and other items in the 3.4.5 Schedule below. If any gaps are identified, consider developing additional reports as needed.			
3.4.3	In every case, the Board will judge (a) the reasonableness of the CEO’s interpretation and (b) whether data demonstrate accomplishment of the interpretation.	Ongoing	Board Responsibility  At every Board meeting, Board members have the opportunity to ask questions and make requests for more information.	Sections 3.4.3 – 3.4.4 are somewhat repetitive. Suggest they be combined and condensed.			
3.4.4	The standard of compliance shall be any reasonable CEO interpretation of the Board policy being monitored. The Board is the final arbiter of reasonableness.	Ongoing	Board/CEO Responsibility	See 3.4.3 above.			
3.4.5	All policies that instruct the CEO will be monitored at a frequency and by a method chosen by the Board. The Board can monitor	Ongoing	Board/CEO Responsibility				

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Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
	any policy at any time by any method, but will ordinarily depend on a routine schedule:						
3.4.5 Schedule 1 Policies	<ul style="list-style-type: none"> <li>• <b>Ends</b> – Internal</li> <li>• <b>Treatment of Customers</b> – Internal</li> <li>• <b>Treatment of Staff</b> – Internal</li> <li>• <b>Financial Planning/Budgeting</b> – Internal</li> <li>• <b>Financial Condition &amp; Activities</b> – Internal/External</li> <li>• <b>Asset Protection</b> – Internal</li> <li>• <b>Emergency CEO Succession</b> – Internal</li> <li>• <b>Communication and Support to Board</b> – Internal</li> </ul>	Annually Annually Annually End of Qtr. End of Qtr./ Fiscal YE  Annually Annually Annually	The Board receives numerous reports addressing these topics throughout the year.  In the Manual, there is a footnote appearing just above the schedule at left that states the final schedule will be set after policies are developed. We are not aware of any subsequent Board policies being developed.	Suggest adopting this schedule as final. Also, see suggestion in 3.4.2 above.  This schedule could replace 3.3.1 above.			
3.4.5 Schedule 2 Reports	In addition to the monitoring reports above, the Board must receive the following information each month. It is understood that this data is supplemental, not monitoring: <ul style="list-style-type: none"> <li>• Financial Report– Internal</li> <li>• Operational Report–</li> </ul> Monthly  End of Month	End of Month	CEO Responsibility  These reports are provided to the Board each month, and are presented at Board meetings every other month.				
3.5	<b>CEO Remuneration:</b> Salary and benefits and other terms of employment for the CEO will be determined by contract.	Ongoing	Board Responsibility  A CEO contract is currently in force, and a Board committee has been formed to negotiate a new one in the coming months.				
4.1 <b>GOVERNING STYLE</b>	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	Ongoing	Board Responsibility  The Board is regularly required to spend time on current activities such as budget, labor, and bond deal approvals. The Board	Suggest that the Board Chair remind Board members of this and all other governance requirements.			

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Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
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	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.		receives frequent status reports on JD Power results, an outward, customer facing initiative.  The Board has also formed the EPA committee to monitor pending environmental regulations that will have a significant impact on JEA.				
4.1.1	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.	Ongoing	Board Responsibility All public records, and conflict of interest requirements are adhered to by the Board, and periodic training/refreshers are provided on these topics by OGC. JEA observes all public meeting requirements.				
4.1.2	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. <b>As appropriate, the Board will suggest topics for policies to staff who will perform the research and flesh out the policy for Board approval.</b> The Board will use the expertise of individual members to enhance the ability of the Board as a body rather than to substitute the individual judgments for the Board's values.	Ongoing	Board Responsibility  The Board has not generally initiated policy. The Board reviews and approves policies brought by staff. In the last few years Board member turnover has been substantial, and Board members are not industry experts. It is especially difficult for newer Board members to initiate and formulate policies.  One exception – in 2008, the Board did initiate the creation of an audit committee.	Consider revising this section as shown at left in red, or delete it.			
4.1.3	The Board will direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the Board's values and perspectives. The Board's major policy focus will be on the intended long-term impacts outside the staff organization, not on the administrative or	Ongoing	Board Responsibility  The Board approved and implemented the establishment of this Governance Manual, which contains substantial policy type statements.				

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	programmatic means of attaining those effects		The CEO arranges for staff to regularly present topics to the Board involving outside long term impacts. In addition, Board members receive quarterly ERM reports which focus on the company's biggest risks, many of which are external.				
4.1.4	The Board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuance of governance capability. Although the Board can change its Governance Process policies at any time, it will diligently observe those currently in force.	Ongoing	Board Responsibility	When there is a vacancy on the Board, suggest that existing Board members clearly communicate the expectations of the job to the Mayor's office, and encourage the Mayor to select candidates who will willingly meet those expectations.			
4.1.5	Continual Board development will include orientation of new Board members in the Board's governance process and periodic Board discussion of governance process improvement.	Ongoing	Board/CEO Responsibility  Current practice is to assign new Board members to the Finance & Audit Committee, which has been effective in providing a crash course in certain JEA functions and processes. In addition, the CFO, Treasurer, Controller, and Chief Auditor provide an orientation session for new members of the Finance & Audit Committee.	Provide more structured training for new Board members at the start of their tenure, especially in public records, restraint in front of the media, conflict of interest and other ethics issues, and regulatory reporting requirements for Board members. Training should include appropriate documents that they can refer back to should the need arise.			
4.1.6	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.	Ongoing	Board Responsibility  The Board is in compliant with this provision.				
4.1.7	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.	Ongoing	Board Responsibility  There has been some apparent discord among Board members on several occasions, even in the recent past, which created some controversy, and could have negatively impacted the ability of	Suggest that Board members be reminded by their Chair that they must show respect to fellow Board members, and also that during Board meetings, all comments are subject to			

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			Board members to perform their duties and reach decisions.	public scrutiny by the media.			
4.2 <b>BOARD JOB DESCRIPTION</b>	Specific responsibilities of the Board are those that ensure appropriate organizational performance.						
4.2.1	The Board is the authoritative link between the organization and the ownership.	Ongoing	Board Responsibility  The Board is the official link between COJ and JEA, but the term "authoritative link" could be better defined. The CEO is the individual whom city officials would most likely contact when needing a decision or information.	Suggest revising 4.2.1 to more accurately define the roles and responsibilities, as noted below.  The Board is the official link between JEA and COJ, and is the final authority on decisions within its purview. JEA's CEO is the main contact for COJ on normal business matters.			
4.2.2	The Board will provide governing policies that realistically address the broadest levels of all organizational decisions and situations: <b>a.</b> Ends: The organizational outcomes to its recipients including the relative worth of such outcomes in cost or priority. (What good for which recipients at what cost) <b>b</b> Executive Limitations: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place. <b>c.</b> Board-Management Delegation: Specification of how power is delegated and its proper use monitored; clarity on the CEO's role, authority, and accountability. <b>d.</b> Governance Process: Specification of how the Board develops, carries out, and monitors its own responsibilities.	Ongoing	Board Responsibility  The Board Governance Manual fulfills the purpose outlined at left. However, the Manual contains policy statements, not actual policies in the normal sense.				
4.2.3	The Board will measure the CEO's performance against its Ends and Executive Limitations Policies.	Ongoing	Board Responsibility  The Board has handled this with respect to the past CEO and is expected to continue with the current CEO.	Since there continue to be new Board members, they may need some guidance on this process, including tools/forms to be used. Also, suggest that CEO			

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				<p>performance be measured against the CEO's goals and JEA's strategic objectives, as mutually agreed to by the CEO and the Board. See suggested wording changes below.</p> <p>The Board will measure the CEO's performance against the CEO's goals and JEA's strategic objectives, which would address the Board's Ends and Executive Limitations, and which would be mutually agreed to by the CEO and the Board.</p> <p>Also, this item seems duplicative with section 3.4 Monitoring CEO Performance. Suggest one of them be eliminated.</p>			
4.2.4	The Board will measure its own performance against its Governance Process and Board-Management Delegation Policies quarterly.	Ongoing	<p>Board Responsibility</p> <p>To our knowledge, the Board has not measured its own performance, either quarterly, or with any other frequency. There has been significant turnover on the Board for the past few years, with vacancies lasting for months before being filled by the Mayor and City Council.</p> <p>The Finance &amp; Audit Committee performs its own self-assessment annually.</p>	<p>The FAC recommended that the full Board also perform a self-assessment process similar to what the Finance &amp; Audit Committee uses.</p> <p>In addition, it is suggested that the Board review past Board turnover and evaluate the reasons to determine if there are trends that need to be addressed by changes to this Manual.</p>			
4.2.5	Board members will respect their fiduciary responsibilities to protect and enhance the value of JEA as a citizen-owned enterprise	Ongoing	Board Responsibility	The JEA Board may want to consider developing desirable skills profiles for			

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	with due diligence using sound business judgment consistent with JEA's legislative charter.		Board members do fulfill their fiduciary responsibilities, some of which are delegated to the Finance & Audit Committee.  The current Board has a good balance of the skillsets identified at right.	Board members so that there is representation from the fields of finance, law, marketing/communications, community service/nonprofit, and internal/external auditing and accounting. These profiles could be provided to the Mayor's office to assist in identifying candidates.			
4.3 <b>AGENDA PLANNING</b>	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 Ends policies at least annually and (b) continually improves Board performance through education and deliberation.		The Board has not reassessed this Manual since it was approved in 2010.	The changes suggested in this document may assist with a reassessment process.			
4.3.1	The Board will establish its annual agenda during an annual retreat to be scheduled around March of each year. <b>a.</b> The Board will review and re-establish its Ends policies as often as necessary with review always taking place at least during the annual retreat. <b>b.</b> Consultations with selected groups in the ownership, or other methods of gaining ownership input, will be scheduled as part of the annual agenda. <b>c.</b> Governance education and education related to Ends determination (presentations by futurist, demographers, advocacy groups, staff, etc.) will be scheduled as part of the annual agenda.	Ongoing	Board/CEO responsibility  Board workshops are held at least annually to review and approve JEA's strategic objectives each fiscal year. Workshops are also held periodically to address a Board need for more detailed information on a particular subject that would be too time-consuming for a regular Board meeting.  However, these workshops do not typically address reviewing the Ends policies in this manual.	Suggest revising this section to more accurately reflect what actually takes place.			
4.3.2	The agenda for the Board's monthly meeting will be established through consultation with the Chair and the CEO. <b>a.</b> The agenda along with supporting item documentation will be made available to	Ongoing	Board/CEO Responsibility  Section 4.3.2 is being adhered to.	For part c., two weeks (only one week for JEA staff) may not be long enough to develop a presentation on a complex subject.			

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	<p>Board members seven days prior to monthly Board meetings.</p> <p><b>b.</b> The Board will attend to consent agenda items as expeditiously as possible.</p> <p><b>c.</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, <b>a request should be made to the CEO no later than two weeks before the Board meeting</b> to allow others on the Board to receive information in advance.</p> <p><b>d.</b> CEO monitoring will be on the agenda if reports have been received since the previous meeting, if plans must be made for direct inspection monitoring, or if arrangements for third-party monitoring must be prepared.</p>			Part d. Since CEO goals should be closely aligned with JEA strategic objectives, suggest part d. focus on monitoring strategic objectives via reports received from management.			
4.4 <b>BOARD OFFICERS</b>	Board officers assure the integrity of the Board's process and record's. Board officers are: Chairman, Vice-Chairman, Secretary & Assistant Secretary.	Ongoing	Board Responsibility				
4.4.1	<p>The Chairman, a specially empowered member of the Board, ensures the integrity of the Board's process and, secondarily, occasionally represents the Board to outside parties.</p> <p><b>a.</b> The Chairman'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.</p> <p>(1) Meeting discussion content will consist of issues that clearly belong to the Board to decide Board/CEO responsibility or to monitor according to Board policy.</p> <p>(2) Information that is neither for monitoring performance nor for Board decisions will be avoided or minimized and always noted as such.</p> <p>(3) Deliberation will be fair, open, and thorough but also timely, orderly, and kept to the point.</p> <p><b>b.</b> The authority of the Chairman consists in making decisions that fall within topics covered by Board policies on Governance</p>	Ongoing	<p>Board/CEO Responsibility</p> <p>Board Chairs have been complying with the provisions of this section.</p> <p>The CEO works closely with the Board Chair when developing meeting agendas.</p>	<p>Change the term Chairman at left to Chair, since the Chair has been female on multiple occasions.</p> <p>New or prospective Board Chairs and Vice Chairs, depending on their experience level, may need coaching on how to interact with the media, how to bring the discussion back to the subject at hand, and/or when to bring the discussion to a close if it has gone on long enough.</p>			

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	<p>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.</p> <p>(1) The Chairman is empowered to chair Board meetings with all the commonly accepted powers of that position, such as ruling and recognizing.</p> <p>(2) The Chairman has no authority to make decisions about policies created by the Board within Ends and Executive Limitations policy areas.</p> <p>(3) The Chairman may represent the Board to outside parties in announcing Board-stated positions and in stating Chairman decisions and interpretations within the area delegated to that role.</p> <p>(4) The Chairman may delegate this authority but remains accountable for its use.</p> <p>(5) The Chairman may appoint members and a Chairman for each Board committee, unless otherwise stipulated by Board policies or the organization's Bylaws.</p> <p>c. Expected Traits for chairman: (Does the Board want to include some basic core traits for the chair?)</p>			4.4.1.c. Basic core traits for the Chair have never been defined. Suggest this item be deleted.			
4.4.2	The Vice-Chairman or, in the absence of the Vice-Chairman, the immediate Past-Chairman will serve as Chair in the absence of the Chairman.	Ongoing	<p>Board Responsibility</p> <p>This provision is being adhered to.</p>				
4.4.3	The Board Secretary is an officer of the Board whose purpose is to ensure the integrity of the Board's documents.	Ongoing	Board/CEO Responsibility	Board members, or at least the Secretary, may need training on the Charter, By-			

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	<p>a. The Secretary's role is to see to it that all Board documents and records are accurate and timely.</p> <p>(1) Policies will be current in their reflection of Board decisions. Decisions upon which no subsequent decisions are to be based, such as consent agenda decisions, motions to adjourn, and staff or Board member recognitions, need not be placed in policy.</p> <p>(2) Policy Governance principles will be followed in policy development.</p> <p>(3) Board policies and By-laws are to be consistent with the legal requirements of Florida Law, Ordinances of the City of Jacksonville and the JEA Charter and are to be known by the Board.</p> <p>(4) Board expectations for format, brevity, and accuracy of Board minutes will be known to the CEO.</p> <p>b. The authority of the secretary is access to and control over Board documents and records.</p>		There is not process in place to assure that 4.4.3.a.1-3 are being adhered to.	<p>laws, Ordinances, etc., and on the role of the Secretary.</p> <p>This is a critical position for the Board and should not be passed around from member to member. Someone from JEA may need to be appointed as an assistant to the Secretary (not Assistant Secretary as shown in 4.4.4 below) to help with compliance issues.</p> <p>Also, when a significant Board decision is to be made, it should be vetted against the policy statements in this manual, and other pertinent policies, to determine if changes are needed either to the decision or to existing policies. A component could be added to the Agenda Item Summary form to address this, or item 4.4.3 should be revised or deleted.</p>			
4.4.4	The Assistant Secretary will serve as Secretary in the absence of the Secretary.	Ongoing	<p>Board/CEO Responsibility</p> <p>Currently an Assistant Secretary has not been appointed.</p>	A Board member should be appointed as Assistant Secretary, or if this is no longer felt to be needed, this item should be deleted, and any other applicable Board documents should be updated accordingly.			
4.5. <b>RULES OF ORDER</b>	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 Chairman, or, in	Ongoing	<p>Board Responsibility</p> <p>4.4.2 above states that in the absence of the Chair and Vice Chair, meetings will be chaired by the former Chair.</p>	4.5 should be revised to match 4.4.2 above.			

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	the absence of the Chairman, the Vice-Chairman, or, in the absence of both, by the Chairman's designee.						
4.5.1	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.	Ongoing	Board Responsibility	The Board Chair should bring the discussion back to the subject at hand and/or curtail it if it strays to other subjects, becomes repetitive, or is no longer productive.			
4.5.2	Board meetings will be conducted at a level of informality considered appropriate by the Chairman 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.	Ongoing	Board Responsibility  In general, the Board is adhering to these provisions, with the possible exception of d. and e. which have not occurred in recent memory to our knowledge.				

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	<p>f. Board members may speak to a pending motion on as many occasions, and at such length, as the Chair may reasonably allow.</p> <p>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 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.</p> <p>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.</p>						
4.5.3	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.	Ongoing	Board Responsibility  4.5.3. is being adhered to, and OGC does regularly assist as needed..				
4.6 <b>BOARD MEMBER'S CODE OF CONDUCT</b>	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.	Ongoing	Board Responsibility	Suggest that Board members periodically receive a refresher from OGC on applicable state and local laws, and the JEA Charter.			
4.6.1	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.	Ongoing	Board Responsibility  In general, this is being adhered to. Ownership is assumed to mean the citizens of Duval County, not necessarily the COJ administration or City Council. Board members seem to be acutely aware of this and are regularly reminded by JEA management.	This section should be clarified to define ownership as the citizens of Jacksonville			
4.6.2	Members must avoid conflict of interest with respect to their fiduciary responsibility. Such	Ongoing	Board Responsibility	New Board members should be informed of these requirements, and all Board			

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	<p>conflicts of interest include but are not limited to the following:</p> <p><b>a.</b> There will be no self-dealing or business by a member with the organization. Members will annually disclose their involvements with other organizations or with vendors and any associations that might be reasonably seen as representing a conflict of interest.</p> <p><b>b.</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.</p> <p><b>c.</b> Board members will not use their Board position to obtain employment in the organization for themselves, family members, or close associates. Any such existing relationship is expected to be disclosed to the Board. A Board member who applies for employment must first resign from the Board.</p>		<p>4.6.2.a. Board members must submit Form 1, Statement of Financial Interests, to the Duval County Supervisor of Elections by July 1 every year. Former Board members must submit Form 1F, Final Statement of Financial Interests, also to the Supervisor of Elections. The Supervisor of Elections monitors whether the forms have been received, and if not, will notify the Board member and JEA. After a certain period, a fine will begin accruing if the form is not submitted.</p> <p>4.6.2.b. Board members do withdraw from voting when the vote involves a financial transaction pertaining to their company.</p> <p>4.6.2.c. A relative of a Board member currently works for JEA. We do not recall seeing this disclosed to the Board in an official fashion. We do not know if it was informally disclosed. The Board member involved will shortly be leaving the Board due to term limits.</p>	members should be reminded prior to July 1 to submit their completed forms.			
4.6.3	<p>Members may not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.</p> <p><b>a.</b> Members' interaction with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly authorized by the Board.</p> <p><b>b.</b> Members' interaction with the public, the press, or other entities must recognize the same limitation and the inability of any Board</p>	Ongoing	<p>Board/CEO Responsibility</p> <p>4.6.3.a. In recent years all Board contact has been with the CEO (or a designated backup). As an exception, the FAC Policy allows the FAC Chair to contact the Chief Audit Executive (Director, Audit Services) directly, if necessary.</p>				

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	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.		4.6.3.c. There have been instances where this provision was not complied with.	Part c. Suggest that the Board Chair reiterate Part c to the Board members. Also suggest part c be reworded to say "deliberation regarding the CEO's annual performance evaluation" instead of the existing "achieving any reasonable interpretation of Board policy".			
4.6.4	Members will respect the confidentiality appropriate to issues of a sensitive nature.	Ongoing	Board Responsibility  Confidential matters may be discussed individually with one member at a time, but other than Shade meetings for labor issues, all other meetings are in the sunshine.				
4.6.5	Members will be properly prepared for Board deliberation.	Ongoing	Board Responsibility	Suggest that the Board Chair reiterate this provision with all Board members, perhaps on an annual basis.			
4.6.6	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.	Ongoing	Board Responsibility  At times in the past, it has been apparent that certain Board members have not fully supported Board decisions with which they did not agree.	Suggest that the Board Chair reiterate this provision with all Board members.			
4.6.7	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.	Ongoing	Board Responsibility  Board members properly consult with OGC as needed and appropriate.				
4.7 <b>DIRECTORS' INDIVIDUAL RESPONSIBILITY</b>	The leadership success of the Board is a direct result of the individual and collegial participation of its members. Therefore, each Board member is expected to participate in the following ways:	Ongoing					

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4.7.1	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. <b>a. Expected Commitments:</b> (1) Monthly Board Meetings (2) Annual Team Building (3) Quarterly Review (4) Bond Rating Agency Trip, 3 days (Board Chair is expected to attend. However, full participation is highly encouraged.) <b>b. Optional Involvement:</b> (1) Internal educational meetings with staff upon request (2) Industry related seminars and conferences (3) Visit other utilities and related industries	Ongoing	Board Responsibility	Suggest that the Board Chair reiterate time investment responsibilities to the current members, and to the Mayor's office if/when they are selecting a new Board member.  Add membership in committees such as FAC and EPA.  Delete Annual Team Building and Quarterly Review?			
4.7.2	<b>Preparation and Participation</b> - 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.	Ongoing	Board Responsibility	Duplicative with 4.6.5. Suggest removing 4.6.5.			
4.7.3	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 Chairman, is collegial, not hierarchical.	Ongoing	Board/CEO Responsibility	The Board Chair should reiterate this policy to Board members.			
4.8 <b>BOARD COMMITTEE PRINCIPLES</b>	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.	Ongoing					
4.8.1	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	Ongoing	Board Responsibility				

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	Board's broader focus, Board committees will normally not have direct dealings with current staff operations unless specifically outlined in committee objectives.						
4.8.2	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.	Ongoing	Board Responsibility				
4.8.3	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.	Ongoing	Board/CEO Responsibility  The Finance & Audit Committee does exercise some authority over the Audit Director.	Consider updating this provision accordingly.			
4.8.4	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.	Ongoing	Board Responsibility				
4.8.5	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.	Ongoing	Board Responsibility				
4.9 <b>BOARD COMMITTEE STRUCTURE</b>	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 the Bylaws or 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.	Ongoing	Board/CEO Responsibility  The CEO is in compliance with this provision.  Neither the EPA Committee nor the Workforce Management Committee are mentioned here.	If these two committees are going to be long term standing committees, they should be included in this section.			
4.9.1	<b>Nominating Committee:</b> The purpose of the Nominating committee is to recommend Board officers for election by the Board as a whole. <b>a.</b> The Nominating Committee will be comprised of three members. The current Chairman (which shall serve as chair of the committee) and the two most immediate past	Ongoing	Board Responsibility  Nominating Committee members have nominated themselves for a Board office. 4.9.1 does not address this one way or the other.	Suggest clarifying wording in 4.9.1 to address whether Nominating Committee members can nominate themselves.			

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	Chairman still remaining on the Board will constitute the committee. If one or more past chairman is no longer serving on the Board, the Chairman shall select Board members to fill out a committee of three. <b>b.</b> The Nominating Committee shall be formed no later than January of each year and will make its recommendation to the Board for action <b>at its March meeting.</b>			4.9.1.b should be adjusted to say at the February meeting (when most Board member terms usually end), or say “by the March meeting”, which could then mean Feb. or March. Most recent nominations were announced and voted on at the Feb. meeting.				
4.9.2	<b>Finance and Audit Committee:</b> 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. <b>a.</b> The Finance and Audit committee will be <b>comprised of three members</b> appointed annually by the chair and confirmed by the Board. Two members will constitute a quorum. <b>b.</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. <b>c.</b> The committee shall oversee: (1) Internal controls and risk assessment (2) Internal Audit Services (3) Compliance with laws, regulations and code of conduct (4) Financial Reporting <b>d.</b> The committee will oversee the External Auditor	Ongoing	Board Responsibility  The FAC is in compliance with this provision.	A slight wording change is needed. Highlighted words should say “at least three” to agree with the current FAC Policy.  Also add Treasury transactions to the list in 4.9.2.c.				
4.9.3	Other Committees may be established as designated by the Chair.	Ongoing	Board Responsibility					

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4.10 <b>COST OF GOVERNANCE</b>	The Board will invest in continuous improvement in its governance capacity.	Ongoing					
4.10.1	<p>The Board will use appropriate methods to improve its governing skills.</p> <p><b>a.</b> Training and retraining will be used liberally to orient new members as well as to maintain and increase existing members' skills and understandings.</p> <p><b>b.</b> Outside monitoring assistance will be arranged so that the Board can exercise confident control over organizational performance. This includes but is not limited to a financial audit.</p> <p><b>c.</b> Outreach mechanisms will be used as needed to ensure the Board's ability to listen to owner viewpoints and values.</p> <p><b>d.</b> Knowledgeable industry experts will be made available to the Board in various ways to continuously improve the Board's awareness of emerging utility industry issues.</p>	Ongoing	<p>Board/CEO Responsibility</p> <p>4.10.1.a. New Board members may need additional training.</p> <p>4.10.1.b. Also, outside monitoring assistance includes the external financial audit, and an outside consultant to help with the strategic initiative planning process. With staff assistance, the consultant developed an in depth assessment of JEA's strengths and developmental areas. The strategy development process was discussed with the Board.</p> <p>4.10.1.c. JD Power survey results are now being brought before the Board on a regular basis.</p> <p>4.10.1.d. Knowledgeable industry experts within JEA provide periodic presentations to the Board during regular meetings, at post-meeting workshops, and to the EPA Committee.</p>	As stated above, suggest considering additional training for Board members.			
4.10.2	<p>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:</p> <p><b>a.</b> training</p> <p><b>b.</b> attendance at conferences, industry site visits and Rating Agency presentations</p> <p><b>c.</b> audit and other third-party monitoring of organizational performance</p>	Ongoing	<p>Board/CEO Responsibility</p> <p>Board governance costs are not included in the annual budget as a separate line item, but the money is set aside within the appropriate business group cost center. When requests for funds for trips or training come up, they are brought before the full Board for approval. Any cost request involving a Purchase Order or contract would</p>				



## Board Governance Manual Compliance &amp; Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
	d. surveys, focus groups, opinion analysis, and meeting costs.		follow the JEA procurement process.				
<b>CEO COMPETENCIES</b> <b>3.6 Appendix</b>	<b>Models Integrity</b> <ul style="list-style-type: none"> <li>Demonstrates high ethical standards and models important values for others to follow.</li> <li>Behaves and expresses oneself in an open and honest manner; is consistent in word and deed</li> <li>Is a fair person who does not manipulate or take advantage of others</li> <li>Tells the truth even when it is difficult</li> <li>Utilizes values and principles to guide his/her decisions</li> <li>Builds respect and trust from others by following through on commitments</li> <li>Represents information accurately and completely</li> <li>Assumes responsibility for own behavior; admits to mistakes</li> </ul>	Ongoing	<p>CEO has made the difficult staffing decisions when necessary, and gives management and staff the truth about tough issues.</p> <p>CEO does not make exceptions for himself regarding following the rules, even though it may sometimes be inconvenient.</p>	Suggest that this entire section be revised and pared down to the essentials. It is not reasonable for any CEO to have to demonstrate every competency listed in this section, nor can any Board be in a position to accurately assess all these competencies or spend the time necessary to do so.			
	<b>Makes Quality Decisions</b> <ul style="list-style-type: none"> <li>Examines and integrates data from a variety of sources to make quality decisions</li> <li>Prioritizes decisions and initiatives in ways that ensures the highest value for the organization</li> <li>Makes educated and effective decisions in a timely manner, even when data is limited</li> <li>Makes high-quality strategic decisions for the organization even when the consequences may be controversial</li> <li>Seeks the input of others to ensure that decisions made will be best for the organization and will minimize conflict with other initiatives</li> <li>Takes appropriate risks that weighs the positive and negative impact of each decision on the organization</li> </ul>	Ongoing	<p>CEO makes data-driven decisions and is very knowledgeable about the utility industry.</p> <p>Decisions pertaining to the reorganization and customer initiatives were timely and announced as planned.</p> <p>Regarding long term strategic initiatives, the CEO sought input from various levels of management prior to making decisions, and engaged a consultant to assist with the process.</p>				
	<b>Takes Initiative</b> <ul style="list-style-type: none"> <li>Assumes full ownership and accountability for own performance</li> </ul>	Ongoing	CEO took on the stretch challenge of significantly improving JEA's score on the JD Power surveys within a very tight timeframe,				

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## Board Governance Manual Compliance &amp; Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
	<ul style="list-style-type: none"> <li>Takes on challenging work, even in the face of obstacles</li> <li>Initiates action on projects without being pressured from others to do so</li> <li>Reacts quickly to address problems that threaten organizational objectives</li> <li>Seeks out opportunities to extend or expand upon the organization's position in the market place</li> <li>Is passionate, highly engaged and highly energetic</li> </ul>		<p>while maintaining operational and financial excellence. This effort has been very successful.</p> <p>CEO is passionate about improving customer satisfaction and JEA's reputation in the community. This is communicated to employees in written announcements, video presentations, management meetings and town hall meetings. He also speaks to groups all over the city to help them get a better understanding of the utility business.</p>				
	<p><b>Communicates Effectively</b></p> <ul style="list-style-type: none"> <li>Listens actively to ensure understanding of each person's point of view</li> <li>Clearly articulates (through speech or in writing) own knowledge and ideas so they are easily understood and applied to others</li> <li>Communicates through appropriate channels</li> <li>Identifies sources of motivation and appeals directly to co-workers in a language meaningful to them</li> <li>Is engaging with others and demonstrates professionalism through body language, including eye-contact, confidence, and focus</li> <li>Addresses difficult problems and perceptions that, if left untreated, could undermine the success of the organization</li> <li>Ensures regular, consistent, and meaningful communication throughout the organization</li> </ul>	Ongoing	<p>Through the customer satisfaction initiative, SJRPP pension reform, and more recently, City pension issues, the CEO has demonstrated his willingness to tackle difficult problems and perceptions.</p> <p>Due to the CEO's effective communication skills, monthly management meetings are virtually standing room only.</p>				
	<p><b>Drives Results</b></p> <ul style="list-style-type: none"> <li>Seeks to achieve improved or even unprecedented results and demonstrates personal accountability for outcomes</li> <li>Creates a positive environment in which results flow from a desire to achieve</li> </ul>	Ongoing	Through the goal setting process, the strategy initiative process and CTAs, the CEO is demonstrating driving for results.				

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## Board Governance Manual Compliance &amp; Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
	<ul style="list-style-type: none"> <li>Sets strategic goals and measurable performance expectations for defining success</li> <li>Drives execution with speed and discipline, and delivers on personal and organizational commitments</li> <li>Demonstrates ownership for performance of entire organization, and holds self and organization accountable for decisions and results</li> <li>Assesses financial implications of initiatives; allocates resources to improve results while maintaining financial discipline</li> <li>Actively monitors performance of self and others relative to performance objectives</li> </ul>		Then CEO fulfills personal commitments, and inspires that same level of accountability in his subordinates.				
	<b>Focuses on the Customer</b> <ul style="list-style-type: none"> <li>Places high priority on identifying and meeting internal and external customer needs</li> <li>Provides high quality, valuable and consistent service to customers</li> <li>Ensures that customers understand and receive the fullest value possible from the products and services of the organization</li> <li>Assures that products and services meet customer needs and expectations</li> <li>Adapts and personalizes services to meet individual customer needs</li> <li>Anticipates changing customer needs and develops ways to meet or exceed those needs</li> <li>Utilizes follow-up procedures to ensure consistency and determine where improvements can be made to maintain high customer satisfaction</li> </ul>	Ongoing	The CEO initiated the most comprehensive customer satisfaction initiative in the JEA's history, and hired JD Power to measure our progress. He also hired a Chief Customer Officer from another utility that was tier 1 in customer satisfaction.				
	<b>Fosters Teamwork</b> <ul style="list-style-type: none"> <li>Shares relevant expertise and knowledge to ensure team members have adequate information to make decisions and achieve objectives</li> <li>Identifies and removes barriers that interfere with the team's success and</li> </ul>	Ongoing	<p>The CEO has hired executives from outside JEA who excel at teamwork to fill vacant SLT positions.</p> <p>CEO embraces JEA's multi-cultural events and has pledged to continue supporting these events.</p>				

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## Board Governance Manual Compliance &amp; Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
	provides suggestions to enhance team effectiveness <ul style="list-style-type: none"> <li>Contributes to inclusive culture by valuing others' viewpoints, encouraging others to share ideas, and treating others in an accepting, respectful manner</li> <li>Recognizes and capitalizes on the strengths of others to accomplish organizational objectives</li> <li>Exhibits willingness to listen to others' views even if not same as own</li> <li>Does not take conflicts personally; handles conflict in a positive manner and seeks mutual understanding</li> <li>Directly confronts behaviors that undermine team effectiveness</li> </ul>		He has also emphasized diversity in hiring practices.  Works effectively and positively with board members, including those who may not always agree.				
	<b>Manages and Supports Change</b> <ul style="list-style-type: none"> <li>Effectively copes with changing environments, tasks and responsibilities</li> <li>Facilitates the acceptance and implementation of change to enhance the organization</li> <li>Encourages others to embrace change and use it as an opportunity to be creative and improve performance</li> <li>Identifies the changes necessary to move the organization forward</li> <li>Embraces and promotes change initiatives with a positive and enthusiastic attitude</li> <li>Ensures that change initiatives are aligned with strategic initiatives, values, and mission of the organization</li> <li>Leads change initiatives with frequent and consistent two-way communication</li> <li>Leverages resources to promote and sustain change efforts</li> </ul>	Ongoing	The CEO has been generating change, not just managing and supporting it. He is leading the change initiatives by promoting them and communicating at monthly management meetings. Also, new SLT members brought in a fresh perspective from other companies, as well as enthusiasm, and the willingness to promote further changes. Consultant helped to identify the changes necessary to move the organization forward. That process has now transitioned to JEA personnel.				
	<b>Visionary Strategist</b> <ul style="list-style-type: none"> <li>Develops the strategies and actions needed to accomplish desired organizational objectives</li> <li>Communicates the organization's vision in a way that is meaningful and actionable for employees</li> </ul>	Ongoing	To develop strategies for JEA's future, and make sure they were inclusive and had buy-in from the entire management team, CEO hired a consultant to work with the SLT, ELT, and appointed staff, rolling the process out to every employee in the company. The				

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## Board Governance Manual Compliance &amp; Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
	<ul style="list-style-type: none"> <li>Researches and analyzes marketplace, political, economic, and other external influences to formulate vision and strategy, and position the organization in the marketplace</li> <li>Collaborates with Executive Team and Board of Directors to determine vision and strategy, and ensures support throughout the organization</li> <li>Reviews the planning, organization, and direction of initiatives to ensure support of the mission statement and values</li> <li>Considers both short and long-term implications of a strategy</li> <li>Accurately anticipates the implications of events or decisions for various stakeholders in the organization and plans strategy accordingly</li> </ul>		process resulting in strategic initiatives and specific Commitments To Action (CTAs). While the consultant is gone, the process is still going strong and has been imbedded into the culture. In addition, since the process was so successful in improving our JD Power customer satisfaction results, at the CEO's direction, the methodology is now being expanded to tackle employee satisfaction.				
	<b>Manages Performance</b> <ul style="list-style-type: none"> <li>Motivates others to achieve results through both respect and holding them accountable</li> <li>Provides others with constructive feedback, guidance, and coaching for improving performance</li> <li>Sets clear performance expectations and strategic goals, regularly monitors performance, and provides accurate evaluations</li> <li>Encourages the use of development activities (e.g., workshops, mentoring), to improve performance and achieve desired results for the organization</li> <li>Identifies and provides important assignments to facilitate the development of key personnel</li> <li>Balances levels of support, direction, and autonomy based on employee needs and level of experience</li> </ul>	Ongoing	CEO sets clear performance goals and expectations for the senior leadership team, which cascades down to the Directors and Managers. Accountability is provided by individual scorecards, company metrics, business reviews, and specific CTA measures.				
	<b>Delegates to Others</b> <ul style="list-style-type: none"> <li>Plans delegated assignments to ensure an optimal match between value of task and value of the resource attached to it</li> </ul>	Ongoing	CEO restructured JEA's organization to provide better delegation of responsibilities, and				

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## Board Governance Manual Compliance &amp; Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
	<ul style="list-style-type: none"> <li>Determines when to assign responsibilities to others and clarifies expectations to ensure effectiveness</li> <li>Provides others with the resources, authority, and support to complete delegated tasks successfully</li> <li>Develops employees for assuming additional responsibilities; anticipates talent gaps and accelerates development plans to fill gaps</li> <li>Recognizes individuals who are successful in completing delegated assignments</li> </ul>		accountability for results. As part of the reorganization, certain employees were promoted into senior leadership roles, demonstrating employee development and recognition of successful individuals.				
	<b>Maintains Positive Public Relations</b> <ul style="list-style-type: none"> <li>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</li> <li>Treats others outside the organization in an accepting, respectful manner</li> <li>Understands the needs of the cities, board members and the community, and leverages this information to shape policies and initiatives</li> <li>Represents the organization with credibility to print and media sources (includes providing information, clarifying facts, etc.)</li> <li>Researches constituencies to determine the best way to communicate to them</li> <li>Ensures that customers experience and understand the full value they derive from the organization</li> </ul>	Ongoing	<p>CEO spends substantial time in the community talking with civic groups, City Council representatives, City Hall, and customers to strengthen JEA's reputation.</p> <p>CEO is also proactive in doing interviews with local media, and has participated on JEA's weekly radio show answering questions from customers.</p> <p>CEO meets regularly with other utility leaders via LPPC and APPA meetings and conferences. CEO has also represented the utility industry by testifying before Congress.</p>				
	<b>Actively Supports Board of Directors</b> <ul style="list-style-type: none"> <li>Keeps Board of Directors informed on progress towards implementing strategic initiatives and other important information</li> <li>Updates the board on large-scale progress of the organization towards its objectives</li> <li>Shows an appreciation for the unique role of a board member</li> </ul>	Ongoing	CEO performs all of the duties at left through ongoing interactions with the Board during pre-Board meetings, board meetings, workshops, Finance and Audit Committee meetings, and one-on-				

## Board Governance Manual Compliance &amp; Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
	<ul style="list-style-type: none"> <li>• Maintains a cordial, productive relationship with each board member</li> <li>• Educates the Board on the strategies and priorities that balance the needs of customers with operational needs</li> <li>• Keeps board members informed on important issues – “no surprises”</li> </ul>		one meetings/ conversations with board members.				
	<b>Leads Others Effectively</b> <ul style="list-style-type: none"> <li>• Develops and communicates compelling rationales that build commitment and support for one’s perspectives, strategies, and initiatives</li> <li>• Builds diverse, high-performing teams that accomplish organizational changes, goals, and priorities</li> <li>• Listens to the diverse ideas, perspectives, and contributions of others across the organization</li> <li>• Builds trusting, collaborative relationships across organizational boundaries to achieve goals</li> <li>• Leads with integrity and values, and a focus at all times on the mission of the organization</li> <li>• Challenges and motivates others in a way that is inclusive, tactful, empowering, and maximizes performance</li> <li>• Leads with a vision that inspires others to adopt the goals of the organization as their own</li> <li>• Ability to interact and get along with employees at all levels</li> </ul>	Ongoing	<p>CEO discusses perspectives, strategies and initiatives at Town Hall and monthly Management meetings.</p> <p>One of JEA’s strategic initiatives for 2015 is to assign multiple teams of employees from every segment of the company to work on ways to significantly improve employee satisfaction.</p> <p>CEO meets with various union leaders and groups to obtain their perspective, address their questions and concerns, and let them know his perspective and plans for JEA.</p>				
	<ul style="list-style-type: none"> <li>• <b>Leverages Industry Acumen</b></li> <li>• Monitors and analyzes financial data and key cost drivers (e.g., personnel) to evaluate options and make decisions</li> <li>• Understands overall financial and operational performance of an organization in order to effectively position it in the marketplace</li> <li>• Establishes and maintains realistic budgets in accordance with the organizations policies</li> </ul>	Ongoing	<p>The CEO receives budget versus actual reports as well as other financial reports.</p> <p>The CEO was formerly the CFO and has extensive financial knowledge and expertise. In addition, he was very instrumental in the presentation of previous budgets to the City Council, all of which were approved without substantive changes.</p>				

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## Board Governance Manual Compliance &amp; Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
	<ul style="list-style-type: none"> <li>Follows appropriate legal and fiduciary requirements when reconciling and reporting financial transactions</li> <li>Considers multiple options for reducing costs and keeping the organization as efficient as possible</li> <li>Seeks to develop financial acumen and understand key financial related issues</li> <li>Grows continuously in business knowledge and experience</li> </ul>		<p>The CEO formed a Compliance Department as part of the reorganization in late 2012.</p> <p>The CEO also initiated an expense containment initiative at the company.</p>				
	<ul style="list-style-type: none"> <li><b>Plans for the Future</b></li> <li>Identifies and balances risks and benefits when developing plans</li> <li>Assesses financial implications of projects and initiatives; allocates resources to improve results while maintaining financial discipline</li> <li>Provides the information, resources, implementation time, and talent needed to make plans and their implementation successful</li> <li>Identifies need for and ensures contingency plans are developed</li> <li>Assigns or directly monitors and evaluates the external environment when developing plans</li> <li>Aligns and allocates resources and time according to strategic priorities and company interests</li> </ul>	Ongoing	<p>CEO strongly supports JEA's ERM program, and participates in the monthly ECRC meetings as well as certain risk subcommittees such as the TPC, where risks and cost/benefit are considered.</p> <p>CEO initiated company-wide strategic planning process which includes a talent/competency component, i. e. IDPs and Talent Assessments.</p> <p>The CEO appointed a new Director of Emergency Preparedness to focus more attention on addressing business continuity risk, preparation, and remediation.</p>				
	<ul style="list-style-type: none"> <li><b>Embraces Diversity</b></li> <li>Promotes the active recruiting of diverse individuals</li> <li>Communicates and clarifies the link between diversity and achieving the organization's strategic goals</li> <li>Demonstrates visible support for programs that remove barriers (e.g., stereotypes) between diverse individuals</li> <li>Actively monitors organization to ensure equality and fairness for all members; objectively allocates compensation, rewards, and opportunities</li> </ul>	Ongoing	<p>SLT hires in 2012 and 2013 included both women and minorities.</p> <p>CEO established diversity as an overall company goal.</p> <p>CEO reviews all appointed promotions, new hires, and transfers.</p>				



## Board Governance Manual Compliance &amp; Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
	<ul style="list-style-type: none"> <li>Promotes an inclusive culture where different viewpoints are valued and encouraged</li> </ul>						
	<ul style="list-style-type: none"> <li><b>Negotiates Collaboratively</b></li> <li>Strives to understand each party's position by asking in-depth questions and probing for specific needs and issues</li> <li>Defines and evaluates specific points of agreement and disagreement</li> <li>Seeks win-win solutions that meet the underlying interests of all parties</li> <li>Discloses appropriate and important information to establish openness and trust</li> <li>Keeps arguments or disputes issue-oriented rather than personal</li> <li>Maintains flexibility in negotiating style, adapting style to the specific needs of a given situation</li> </ul>	Ongoing	<p>This section is mostly subjective and perception.</p> <p>In negotiations with the unions, and customer/employee complaint resolution, the CEO seeks win/win solutions.</p> <p>CEO demonstrates disclosing appropriate information and building trust at both Town Hall and monthly Management meetings where he shares the information employees need and want.</p>				
	<ul style="list-style-type: none"> <li><b>Manages Politics</b></li> <li>Accurately discerns unspoken feelings and motivations, and leverages to determine what to say or how to proceed</li> <li>Adapts dress and demeanor as appropriate to a situation</li> <li>Appropriately manages impressions of oneself, one's department and the organization</li> <li>Keenly aware of and adheres to the norms and practices of the organization's culture</li> <li>Leverages appropriate channels of influence to more efficiently gain resources and accomplish goals</li> <li>Creates and maintains both formal and informal networks within the organization that facilitate the achievement of goals</li> <li>Chooses battles wisely and matches urgency to the importance of the concerns under discussion</li> </ul>	Ongoing	<p>No measurable criteria. Assessment would be totally subjective and a matter of perception.</p> <p>CEO conducts annual Town Hall meetings which help create and maintain informal networks.</p> <p>Inter-local agreement with the City administration in response to the very sensitive Police and Fire pension issue, demonstrates CEO's innovative ability to negotiate a win/win for the City and JEA.</p>				

# JEA Board Policy Manual

Adopted in its entirety by the JEA Board on February 16, 2010: \_\_\_\_\_  
Board Secretary

**Column A - JEA Board Policy Manual - Adopted on February 16, 2010**

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Adopted in its entirety by the JEA Board on February 16, 2010.



**Column A - JEA Board Policy Manual - Adopted on February 16, 2010**

## ***JEA Board Policy Manual***

### **POLICY TYPE: ENDS**

#### **POLICY 1.0**

#### **POLICY TITLE: GLOBAL ENDS**

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*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.*

- 1.1 **Quality of Electric Service:** Provide clean, safe and reliable electric service to all prescribed consumers.
- 1.2 **Quality of Water Service:** Provide clean, safe and reliable water service to all prescribed consumers.
- 1.3 **Quality of Sewer Services:** Provide clean, safe and reliable sewer services to all prescribed consumers.
- 1.4 **Cost of Service:** Provide all utility services at a reasonable and accurate cost.
- 1.5 **Environmentally Sound:** Provide all utility services in a manner that is environmentally sound and sustainable.
- 1.6 **Informative Communication:** Effectively communicate with consumers and other stakeholders.

Adopted in its entirety by the JEA Board on February 16, 2010.



## ***JEA Board Policy Manual***

**POLICY TYPE: ENDS**

**POLICY 1.1**

**POLICY TITLE: *QUALITY OF ELECTRIC SERVICE***

---

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

- 1.1.1 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.
  - a. Develop resources or agreements to ensure that JEA's electric energy supply is 10% nuclear by 2017.
- 1.1.2 Minimize the frequency of electric distribution system outages and report status through the System Average Interruption Frequency Index (SAIFI-2).
- 1.1.3 Minimize the frequency of electric distribution system voltage sags and report status through the System Average Root Mean Square Frequency Index (SARFI-80).
- 1.1.4 Minimize the duration of electric distribution system outages and report status through the System Average Interruption Duration Index (SAIDI).

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: ENDS**

#### **POLICY 1.2**

#### **POLICY TITLE: *QUALITY OF WATER SERVICE***

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

- 1.2.1 Annually update a Total Water Management Plan (TWMP) to ensure consumers' future water supply needs are met at the lowest evaluated cost while also ensuring water resources are available for future generations.
  - a. The TWMP is to include evaluation of water supply alternatives.
- 1.2.2 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.
- 1.2.3 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.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

**POLICY TYPE: ENDS**

**POLICY 1.3**

**POLICY TITLE: *QUALITY OF SEWER SERVICE***

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

- 1.3.1 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
- 1.3.2 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 amount of reclaimed water produced and distributed.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

**POLICY TYPE: ENDS**

**POLICY 1.4**

**POLICY TITLE: *COST OF SERVICE***

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*Provide all utility services at a reasonable and accurate cost.*

- 1.4.1 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.
- 1.4.2 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.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: ENDS**

#### **POLICY 1.5**

#### **POLICY TITLE: ENVIRONMENTALLY SOUND**

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

- 1.5.1 The CEO is expected to comply with all existing environmental regulations that apply.
- 1.5.2 Conservation: Pursue all options to communicate and incentivize customer conservation and efficiency while avoiding excessive customer cost.
  - a. Electric System: Establish an 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.
- 1.5.3 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.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

**POLICY TYPE: ENDS**

**POLICY 1.6**

**POLICY TITLE: INFORMATIVE COMMUNICATION**

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*Effectively communicate with consumers and other stakeholders.*

- 1.6.1 To influence consumer paradigms of utility expectations.
- 1.6.2 To influence public dialogue on local, state and national energy and water and sewer issues.
- 1.6.3 To inform consumers of as well as the reasons for significant potential or pending changes to utility services or charges.
- 1.6.4 To inform consumers of conservation incentives and other activities that if implemented would reduce their consumption and, therefore, result in higher or lower utility cost than if the incentives or activities were not employed.

Adopted in its entirety by the JEA Board on February 16, 2010.

**Column A - JEA Board Policy Manual - Adopted on February 16, 2010**

## ***JEA Board Policy Manual***

### **POLICY TYPE: EXECUTIVE LIMITATIONS**

#### **POLICY 2.0**

#### **POLICY TITLE: *GENERAL EXECUTIVE CONSTRAINT***

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*The CEO shall not cause or allow any organizational practice, activity, decision, or circumstance that is either unlawful, imprudent, or in violation of commonly accepted business and professional ethics and practices.*

- 2.1 **Treatment of Consumers:** With respect to interactions with consumers or those applying to be consumers, the CEO shall not cause or allow conditions, procedures, or decisions that are unsafe, untimely, undignified, or unnecessarily intrusive.
- 2.2 **Treatment of Staff:** With respect to the treatment of staff, the CEO may not cause or allow conditions that are unfair, unsafe, undignified, disorganized, or unclear.
- 2.3 **Financial Planning/Budgeting:** The CEO shall not cause or allow financial planning for any fiscal year or the remaining part of any fiscal year to deviate materially from the Board's Ends priorities, risk financial jeopardy, or fail to be derived from a multiyear plan.
- 2.4 **Financial Condition and Activities:** With respect to the actual, ongoing financial conditions and activities, the CEO shall not cause or allow the development of financial jeopardy or material deviation of actual expenditures from Board priorities established in Ends policies.
- 2.5 **Workforce Readiness and Succession Planning:** The CEO shall not allow the workforce to be unprepared to meet current or future business demands.
- 2.6 **Asset Protection:** The CEO shall not cause or allow corporate assets to be unprotected, inadequately maintained, or unnecessarily risked.
- 2.7 **Compensation and Benefits:** With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the CEO shall not cause or allow jeopardy to financial integrity or to public image.
- 2.8 **Communication and Support to Board:** The CEO shall not cause or allow the Board to be uninformed or unsupported in its work.
- 2.9 **Regulatory/Legislative Requirements:** The CEO will not fail to effect regulatory and legislative action favorable to the organization.
- 2.10 **Enterprise Risk Management:** The CEO shall not cause or allow conditions, procedures or decisions which fail to identify, measure, monitor and manage, within established risk tolerances, potential events that may affect achievement of the Ends.
- 2.11 **Procurement Activities:** The CEO shall not fail to develop 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.

Adopted in its entirety by the JEA Board on February 16, 2010.



## ***JEA Board Policy Manual***

### **POLICY TYPE: EXECUTIVE LIMITATIONS**

#### **POLICY 2.1**

#### **POLICY TITLE: *TREATMENT OF CONSUMERS***

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*With respect to interactions with consumers or those applying to be consumers, the CEO shall not cause or allow conditions, procedures, or decisions that are unsafe, untimely, undignified, or unnecessarily intrusive.*

Accordingly, the CEO will not:

- 2.1.1 Elicit information for which there is no clear necessity.
- 2.1.2 Use methods of collecting, reviewing, transmitting, or storing client information that fail to protect against improper access.
- 2.1.3 Fail to operate facilities with appropriate accessibility and privacy.
- 2.1.4 Fail to establish with consumers a clear understanding of what may be expected and what may not be expected from service offered.
- 2.1.5 Fail to operate without clearly established and updated Customer Service procedures and published rules and regulations for service.
- 2.1.6 Fail to operate without mechanisms for collecting consumer complaints that provide for resolution at the lowest staff level and also include prompt response when warranted.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: EXECUTIVE LIMITATIONS**

#### **POLICY 2.2**

#### **POLICY TITLE: *TREATMENT OF STAFF***

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*With respect to the treatment of paid and volunteer staff, the CEO may not cause or allow conditions that are unfair, unsafe, undignified, disorganized, or unclear.*

Accordingly, the CEO will not:

- 2.2.1 Operate without 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
- 2.2.2 Operate without 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 accountability
- 2.2.3 Fail to provide a safe work environment.
- 2.2.4 Fail to identify and provide training necessary to accomplish the quality of work expected.
- 2.2.5 Allow discrimination or retaliation against any staff member for non-disruptive expression of dissent.
- 2.2.6 Fail to acquaint staff with the CEO's interpretation of their protections under this policy.
- 2.2.7 Allow staff to be under prepared to deal with emergency situations.
- 2.2.8 Fail to insure that the company's Core Values are routinely communicated and reinforced to all employees.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: EXECUTIVE LIMITATIONS**

#### **POLICY 2.3**

#### **POLICY TITLE: *FINANCIAL PLANNING/BUDGETING***

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*The CEO shall not cause or allow financial planning for any fiscal year or the remaining part of any fiscal year to deviate materially from the Board's Ends priorities, risk financial jeopardy, or fail to be derived from a multiyear plan.*

Accordingly, the CEO will not:

- 2.3.1 Risk incurring those situations or conditions described as unacceptable in the Board policy "Financial Condition and Activities."
- 2.3.2 Fail to include credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning and budgeting assumptions.
- 2.3.3 Fail to identify the source for capital expenditures (e.g. internally generated cash, new debt, carry over funds from previous fiscal year).
- 2.3.4 Fail to adhere to approved tariff rates and fees.
- 2.3.5 Fail to 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.
- 2.3.6 Provide less for Board prerogatives during the year than is set forth in the "Cost of Governance" policy.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: EXECUTIVE LIMITATIONS**

#### **POLICY 2.4**

#### **POLICY TITLE: *FINANCIAL CONDITION AND ACTIVITIES***

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*With respect to the actual, ongoing financial conditions and activities, the CEO shall not cause or allow the development of financial jeopardy or material deviation of actual expenditures from Board priorities established in Ends policies.*

Accordingly, the CEO will not:

- 2.4.1 Fail to operate within the budget established for the fiscal year.
- 2.4.2 Make budget transfers in excess of \$5,000,000 without Board approval.
- 2.4.3 Fail to inform the Board in monitoring reports when reserves are required to meet current expenditures.
- 2.4.4 Fail to maintain financial and accounting separation between electric, water and wastewater, and District Energy funds as required by regulatory agencies and bond covenants.
- 2.4.5 Fail to operate within established financial parameters nor fail to 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
- 2.4.6 Operate in violation of JEA's Debt Management Policies.
- 2.4.7 Fail to settle payroll and debts in a timely manner.
- 2.4.8 Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
- 2.4.9 Fail to establish reasonable security measures to protect against loss of receivables.
- 2.4.10 Fail to aggressively pursue receivables after a reasonable grace period.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: EXECUTIVE LIMITATIONS**

#### **POLICY 2.5                      POLICY TITLE: *WORKFORCE READINESS AND SUCCESSION PLANNING***

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*The CEO shall not allow the workforce to be unprepared to meet current or future business demands.*

Accordingly, the CEO will not

- 2.5.1 Permit there to be fewer than two other executives sufficiently familiar with Board and CEO issues and processes to enable either to take over with reasonable proficiency as an interim successor to protect the Board from sudden loss of CEO services.
- 2.5.2 Fail to prepare for long term CEO succession.
- 2.5.3 Fail to prepare for Executive Team succession.
- 2.5.4 Operate without strategic and tactical plans to have and maintain the right people, in the right place, with the right talent, skills and knowledge.
- 2.5.5 Fail to develop a workforce that recognizes the value of cultural diversity in internal operations and in serving customers.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: EXECUTIVE LIMITATIONS**

#### **POLICY 2.6**

#### **POLICY TITLE: ASSET PROTECTION**

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*The CEO shall not cause or allow corporate assets to be unprotected, inadequately maintained, or unnecessarily risked.*

Accordingly, the CEO will not:

- 2.6.1 Fail to insure adequately against theft and casualty and against liability and losses to Board members, staff, and the organization itself.
- 2.6.2 Allow unbonded personnel access to material amounts of funds.
- 2.6.3 Subject facilities and equipment to improper wear and tear or insufficient maintenance.
- 2.6.4 Unnecessarily expose the organization, the Board, or its staff to claims of liability.
- 2.6.5 Operate without written claims policies that address fair treatment of claimants, legal liability, ratepayer costs and sound business practices.
- 2.6.6 Fail to 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.
- 2.6.7 Receive, process, or disburse funds without sufficient controls.
- 2.6.8 Invest funds in violation of JEA's Investment Policies.
- 2.6.9 Fail to 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.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: EXECUTIVE LIMITATIONS**

#### **POLICY 2.7**

#### **POLICY TITLE: *COMPENSATION AND BENEFITS***

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*With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the CEO shall not cause or allow jeopardy to financial integrity or to public image.*

Accordingly, the CEO will not:

- 2.7.1 Change the CEO's own compensation and benefits, except as those benefits are consistent with a package for other appointed employees.
- 2.7.2 Promise or imply unconditional permanent or guaranteed employment.
- 2.7.3 ~~Administer compensation and benefits that fail to address individual accountability, motivate and reward for knowledge and skills, encourage organizational flexibility and responsiveness or are inconsistent with the geographic and professional market for the skills employed.~~

Promote a compensation philosophy that is contradictory 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

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: EXECUTIVE LIMITATIONS**

#### **POLICY 2.8**

#### **POLICY TITLE: *COMMUNICATION AND SUPPORT TO BOARD***

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*The CEO shall not cause or allow the Board to be uninformed or unsupported in its work.*

Accordingly, the CEO will not:

- 2.8.1 Neglect to submit 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.
- 2.8.2 Allow the Board to be unaware of any actual or anticipated noncompliance with any Ends or Executive Limitations policy of the Board regardless of the Board's monitoring schedule.
- 2.8.3 Allow the Board to be without decision information required periodically by the Board or let the Board be unaware of relevant trends.
- 2.8.4 Let the Board be unaware of any significant incidental information it requires including anticipated media coverage, threatened or pending lawsuits, and material internal and external changes.
- 2.8.5 Allow the Board to be unaware 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.
- 2.8.6 Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.
- 2.8.7 Allow the Board to be without a workable mechanism for official Board, officer, or committee communications.
- 2.8.8 Deal with the Board in a way that favors or privileges 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.
- 2.8.9 Fail to submit to the Board 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.
- 2.8.10 Fail to provide a process to retain relevant background information on previous Board policy decisions.

Adopted in its entirety by the JEA Board on February 16, 2010.



## ***JEA Board Policy Manual***

**POLICY TYPE: EXECUTIVE LIMITATIONS**

**POLICY 2.9**

**POLICY TITLE: *REGULATORY/LEGISLATIVE REQUIREMENTS***

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*The CEO will not fail to effect regulatory and legislative action favorable to the organization.*

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

**POLICY TYPE: EXECUTIVE LIMITATIONS**

**POLICY 2.10**

**POLICY TITLE: *ENTERPRISE RISK MANAGEMENT***

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*The CEO shall not cause or allow conditions, procedures or decisions which fail to identify, measure, monitor and manage, within established risk tolerances, potential events that may affect achievement of the Ends.*

Accordingly, the CEO will not

- 2.10.1 Fail to 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.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: EXECUTIVE LIMITATIONS**

#### **POLICY 2.11**

#### **POLICY TITLE: *PROCUREMENT ACTIVITIES***

---

*The CEO shall not fail to develop 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.*

Accordingly, the CEO will not

- 2.11.1 Fail to develop and disseminate simple, clear and up-to-date rules for all procurement.
- 2.11.2 Fail to ensure the fair and equitable treatment of all persons who deal with the JEA procurement system.
- 2.11.3 Fail to provide increased economy in all procurement activities and to maximize to the fullest extent practicable the purchasing value of JEA funds.
- 2.11.4 Fail to foster effective, broad-based competition within the free enterprise system
- 2.11.5 Fail to provide safeguards for the maintenance of the procurement system quality and integrity.
- 2.11.6 Fail to provide a clear and timely administrative remedy process to all those aggrieved during any phase of the procurement process.
- 2.11.7 Fail to provide effective access for Small and Emerging Local Businesses

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: BOARD MANAGEMENT DELEGATION**

#### **POLICY 3.0**

#### **POLICY TITLE: GLOBAL BOARD-MANAGEMENT DELEGATION**

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*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.*

- 3.1 **Unity of Control:** Only officially passed motions of the Board are binding on the CEO.
- 3.2 **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.
- 3.3 **Delegation to the CEO:** The Board will instruct the CEO through written policies that prescribe the organizational Ends to be achieved and describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.
- 3.4 **Monitoring CEO Performance:** Systematic monitoring of CEO job performance will be solely against the only expected CEO job achievements: organizational accomplishment of Board policies on Ends and organizational operation within the boundaries established in Board policies on Executive Limitations.
- 3.5 **CEO Remuneration:** Salary and benefits and other terms of employment for the CEO will be determined by contract.
- 3.6 **Core Competencies:** Executive Core Competencies are included in the Appendix.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: BOARD MANAGEMENT DELEGATION**

#### **POLICY 3.1**

#### **POLICY TITLE: *UNITY OF CONTROL***

---

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

Accordingly,

- 3.1.1 Decisions or instructions of individual Board members, officers, or committees are not binding on the CEO.
- 3.1.2 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.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: BOARD MANAGEMENT DELEGATION**

#### **POLICY 3.2**

#### **POLICY TITLE: ACCOUNTABILITY OF CEO**

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*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,

- 3.2.1 The Board as a body and individual board members will never give instructions to persons who report directly or indirectly to the CEO.
- 3.2.2 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 2.5.1)
- 3.2.3 The Board will view CEO performance as identical to organizational performance so that organizational accomplishment of Board-stated Ends and avoidance of Board-described means will be viewed as successful CEO performance.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: BOARD MANAGEMENT DELEGATION**

#### **POLICY 3.3**

#### **POLICY TITLE: *DELEGATION TO THE CEO***

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

Accordingly,

- 3.3.1 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 called Ends policies. All issues that are not ends issues as defined here are means issues.
- 3.3.2 The Board will develop policies that limit the latitude the CEO may exercise in choosing the organizational means. These limiting policies will describe those practices, activities, decisions and circumstances that would be unacceptable to the Board even if they were to be effective. Policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations policies. The Board will never prescribe organizational means delegated to the CEO.
- 3.3.3 As long as the CEO uses *any reasonable interpretation* of the Board's Ends and Executive Limitations policies, the CEO is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and pursue all activities. Such decisions of the CEO shall have full force and authority as if decided by the Board.
- 3.3.4 The Board may change its Ends and Executive Limitations policies, thereby shifting the boundary between Board and CEO domains. By doing so, the Board changes the latitude of choice given to the CEO. However, as long as any particular delegation is in place, the Board will respect and support the CEO's choices.
- 3.3.5 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.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: BOARD MANAGEMENT DELEGATION**

#### **POLICY 3.4**

#### **POLICY TITLE: *MONITORING CEO PERFORMANCE***

*Systematic monitoring of CEO performance will be solely against the only expected CEO job achievements: organizational accomplishment of Board policies on Ends and organizational operation within the boundaries established in Board policies on Executive Limitations.*

Accordingly,

- 3.4.1 Monitoring is simply to determine the degree to which Board policies are being met. Data or information that does not do this will not be considered to be monitoring information.
- 3.4.2 The Board will acquire monitoring information by one or more of these methods:
  - a. By internal report, in which the CEO discloses interpretations and compliance information to the Board.
  - b. By external report, in which an external, disinterested and independent third party selected by the Board assesses compliance with Board policies (e.g. external financial audit).
  - c. By direct Board inspection, in which a designated member or members of the Board assess compliance with the appropriate policy criteria.
- 3.4.3 In every case, the Board will judge (a) the reasonableness of the CEO's interpretation and (b) whether data demonstrate accomplishment of the interpretation.
- 3.4.4 The standard of compliance shall be any reasonable CEO interpretation of the Board policy being monitored. The Board is the final arbiter of reasonableness.
- 3.4.5 All policies that instruct the CEO will be monitored at a frequency and by a method chosen by the Board. The Board can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule:

**[Example of monitoring schedule] – (final schedule will be set after policies are developed)**

<u>Policy</u>	<u>Method</u>	<u>Frequency</u>	<u>Schedule</u>
Ends	Internal	Annually	
Treatment of Customers	Internal	Annually	
Treatment of Staff	Internal	Annually	
Financial Planning/Budgeting	Internal	Quarterly	End of Qtr.
Financial Condition & Activities	Internal External	Quarterly Annually	End of Qtr. Close of Yr.
Asset Protection	Internal	Annually	
Emergency CEO Succession	Internal	Annually	
Communication and Support to Board	Internal	Annually	

Adopted in its entirety by the JEA Board on February 16, 2010.



**Column A - JEA Board Policy Manual - Adopted on February 16, 2010**

***JEA Board Policy Manual***

Compensation and Benefits	Internal	Annually
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In addition to the monitoring reports above, the Board must receive the following information each month. It is understood that this data is supplemental, not monitoring:

Financial Report	Internal	Monthly	End of Month
Operating Report	Internal	Monthly	End of Month

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

**POLICY TYPE: BOARD MANAGEMENT DELEGATION**

**POLICY 3.5**

**POLICY TITLE: *CEO REMUNERATION***

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

Adopted in its entirety by the JEA Board on February 16, 2010.

**Column A - JEA Board Policy Manual - Adopted on February 16, 2010**

## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 4.0**

#### **POLICY TITLE: GLOBAL GOVERNANCE PROCESS**

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*The purpose of the Board, on behalf of the owners of JEA, the citizens of Duval County, is to see to it that JEA (a) achieves appropriate results for appropriate persons for an appropriate cost (as specified in Board Ends policies) and (b) avoids unacceptable actions and situations (as prohibited in Board Executive Limitations policies).*

- 4.1 **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.
- 4.2 **Board Job Description:** Specific responsibilities of the Board as an informed agent of the ownership are those that ensure appropriate organizational performance.
- 4.3 **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 Ends policies at least annually and (b) continually improves Board performance through education and deliberation.
- 4.4 **Board Officers:** Board officers assure the integrity of the Board's process and record's. Board officers are: Chairman, Vice-Chairman, Secretary & Assistant Secretary.
- 4.5 **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, Bylaws and these governance policies. Meetings will be led by the Chairman, or, in the absence of the Chairman, the Vice-Chairman, or, in the absence of both, by the Chairman's designee.
- 4.6 **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.
- 4.7 **Board Member's Individual Responsibility:** The leadership success of the Board is a direct result of the individual and collegial participation of its members.
- 4.8 **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.
- 4.9 **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 the Bylaws or 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.
- 4.10 **Cost of Governance:** The Board will invest in continuous improvement of its governance capacity.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 4.1**

#### **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,

- 4.1.1 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.
- 4.1.2 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. The Board will use the expertise of individual members to enhance the ability of the Board as a body rather than to substitute the individual judgments for the Board's values.
- 4.1.3 The Board will direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the Board's values and perspectives. The Board's major policy focus will be on the intended long-term impacts outside the staff organization, not on the administrative or programmatic means of attaining those effects.
- 4.1.4 The Board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuance of governance capability. Although the Board can change its Governance Process policies at any time, it will diligently observe those currently in force.
- 4.1.5 Continual Board development will include orientation of new Board members in the Board's governance process and periodic Board discussion of governance process improvement.
- 4.1.6 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.
- 4.1.7 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.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 4.2**

#### **POLICY TITLE: BOARD JOB DESCRIPTION**

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

Accordingly,

- 4.2.1 The Board is the authoritative link between the organization and the ownership.
- 4.2.2 The Board will provide governing policies that realistically address the broadest levels of all organizational decisions and situations:
  - a. Ends: The organizational outcomes to its recipients including the relative worth of such outcomes in cost or priority. (What good for which recipients at what cost)
  - b. Executive Limitations: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
  - c. Board-Management Delegation: Specification of how power is delegated and its proper use monitored; clarity on the CEO's role, authority, and accountability.
  - d. Governance Process: Specification of how the Board develops, carries out, and monitors its own responsibilities.
- 4.2.3 The Board will measure the CEO's performance against its Ends and Executive Limitations Policies.
- 4.2.4 The Board will measure its own performance against its Governance Process and Board-Management Delegation Policies quarterly.
- 4.2.5 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.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 4.3**

#### **POLICY TITLE: AGENDA PLANNING**

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*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 Ends policies at least annually and (b) continually improves Board performance through education and deliberation.*

Accordingly,

4.3.1 The Board will establish its annual agenda during an annual retreat to be scheduled around March of each year.

- a. The Board will review and re-establish its Ends policies as often as necessary with review always taking place at least during the annual retreat.
- 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 Ends determination (presentations by futurist, demographers, advocacy groups, staff, etc.) will be scheduled as part of the annual agenda.

4.3.2 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 seven days prior to monthly Board meetings.
- b. The Board will attend to consent agenda items as expeditiously as possible.
- c. 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 in advance.
- d. CEO monitoring will be on the agenda if reports have been received since the previous meeting, if plans must be made for direct inspection monitoring, or if arrangements for third-party monitoring must be prepared.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 4.4**

#### **POLICY TITLE: BOARD OFFICERS**

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*Board officers assure the integrity of the Board's process and record's. Board officers are: Chairman, Vice-Chairman, Secretary & Assistant Secretary.*

Accordingly,

- 4.4.1 The Chairman, 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 Chairman'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) Information that is neither for monitoring performance nor for Board decisions will be avoided or minimized and always noted as such.
    - (3) Deliberation will be fair, open, and thorough but also timely, orderly, and kept to the point.
  - b. The authority of the Chairman 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 Chairman is empowered to chair Board meetings with all the commonly accepted powers of that position, such as ruling and recognizing.
    - (2) The Chairman has no authority to make decisions about policies created by the Board within Ends and Executive Limitations policy areas.
    - (3) The Chairman may represent the Board to outside parties in announcing Board-stated positions and in stating Chairman decisions and interpretations within the area delegated to that role.
    - (4) The Chairman may delegate this authority but remains accountable for its use.
    - (5) The Chairman may appoint members and a Chairman for each Board committee, unless otherwise stipulated by Board policies or the organization's Bylaws.
  - c. Expected Traits for chairman: *(Does the Board want to include some basic core traits for the chair?)*
- 4.4.2 The Vice-Chairman or, in the absence of the Vice-Chairman, the immediate Past-Chairman will serve as Chair in the absence of the Chairman.
- 4.4.3 The Board Secretary is an officer of the Board whose purpose is to ensure the integrity of the Board's documents.

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- a. The Secretary's role is to see to it that all Board documents and records are accurate and timely.
    - (1) Policies will be current in their reflection of Board decisions. Decisions upon which no subsequent decisions are to be based, such as consent agenda decisions, motions to adjourn, and staff or Board member recognitions, need not be placed in policy.
    - (2) Policy Governance principles will be followed in policy development.
    - (3) Board policies and By-laws are to be consistent with the legal requirements of Florida Law, Ordinances of the City of Jacksonville and the JEA Charter and are to be known by the Board.
    - (4) Board expectations for format, brevity, and accuracy of Board minutes will be known to the CEO.
  - b. The authority of the secretary is access to and control over Board documents and records.
- 4.4.4 The Assistant Secretary will serve as Secretary in the absence of the Secretary.
- 4.4.5 All Board officers are accountable to the Chairman unless otherwise determined by Board policy.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 4.5**

#### **POLICY TITLE: RULES OF ORDER**

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*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 Chairman, or, in the absence of the Chairman, the Vice-Chairman, or, in the absence of both, by the Chairman's designee.*

Accordingly,

**4.5.1 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.

**4.5.2 Board meetings will be conducted at a level of informality considered appropriate by the Chairman 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 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.

Adopted in its entirety by the JEA Board on February 16, 2010.

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- g. 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.
- 4.5.3 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.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 4.6**

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

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*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,

- 4.6.1 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.
- 4.6.2 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 member with the organization. Members will annually disclose their involvements with other organizations or with vendors and any associations 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. Board members will not use their Board position to obtain employment in the organization for themselves, family members, or close associates. Any such existing relationship is expected to be disclosed to the Board. A Board member who applies for employment must first resign from the Board.
- 4.6.3 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.
- 4.6.4 Members will respect the confidentiality appropriate to issues of a sensitive nature.
- 4.6.5 Members will be properly prepared for Board deliberation.
- 4.6.6 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.
- 4.6.7 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.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 4.7**

#### **POLICY TITLE: *DIRECTORS' INDIVIDUAL RESPONSIBILITY***

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

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

- 4.7.1 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
    - (3) Quarterly Review
    - (4) Bond Rating Agency Trip, 3 days (Board Chair is expected to attend. However, full participation is highly encouraged.)
  - b. Optional Involvement:
    - (1) Internal educational meetings with staff upon request
    - (2) Industry related seminars and conferences
    - (3) Visit other utilities and related industries
- 4.7.2 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.
- 4.7.3 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 Chairman, is collegial, not hierarchical.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 4.8**

#### **POLICY TITLE: *BOARD COMMITTEE PRINCIPLES***

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*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,

- 4.8.1 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.
- 4.8.2 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.
- 4.8.3 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.
- 4.8.4 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.
- 4.8.5 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.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 4.9**

#### **POLICY TITLE: BOARD COMMITTEE STRUCTURE**

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*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 the Bylaws or 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,

- 4.9.1 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 Chairman (which shall serve as chair of the committee) and the two most immediate past Chairman still remaining on the Board will constitute the committee. If one or more past chairman is no longer serving on the Board, the Chairman 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.
- 4.9.2 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) Internal Audit Services
    - (3) Compliance with laws, regulations and code of conduct
    - (4) Financial Reporting
  - d. The committee will oversee the External Auditor
- 4.9.3 Other Committees may be established as designated by the Chair.

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### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 4.10**

#### **POLICY TITLE: *COST OF GOVERNANCE***

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

Accordingly,

4.10.1 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 will 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 will be used as needed to ensure the Board's ability to listen to owner viewpoints and values.
- d. Knowledgeable industry experts will be made available to the Board in various ways to continuously improve the Board's awareness of emerging utility industry issues.

4.10.2 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.

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### **APPENDIX**

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- A1 Executive Core Competencies
- A2 JEA Charter (Article 21 of City of Jacksonville Ordinance Code)
- A3 By-Laws of JEA

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# **Executive Core Competencies**

### **Models Integrity**

- Demonstrates high ethical 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
- Is a fair person who does not manipulate or take advantage of others
- Tells the truth even when it is difficult
- Utilizes values and principles to guide his/her decisions
- Builds respect and trust from others by following through on commitments
- Represents information accurately and completely
- Assumes responsibility for own behavior; admits to mistakes

### **Makes Quality Decisions**

- Examines and integrates data from a variety of sources to make quality decisions
- Prioritizes decisions and initiatives in ways that ensures the highest value for the organization
- Makes educated and effective decisions in a timely manner, even when data is limited
- 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**

- Assumes full ownership and accountability for own performance
- Takes on challenging work, even in the face of obstacles
- Initiates action on projects without being pressured from others to do so
- 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

### **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
- Communicates through appropriate channels

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- Identifies sources of motivation and appeals directly to co-workers in a language meaningful to them
- Is engaging with others and demonstrates professionalism through body language, including eye-contact, confidence, and focus
- 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
- Drives execution with speed and discipline, and delivers on personal and organizational commitments
- Demonstrates ownership for performance of entire organization, and holds self and organization accountable for decisions and results
- Assesses financial implications of initiatives; allocates resources to improve results while maintaining financial discipline
- Actively monitors performance of self and others relative to performance objectives

### **Focuses on the Customer**

- Places high priority on identifying and meeting internal and external customer needs
- Provides high quality, valuable and consistent service to customers
- Ensures that customers understand and receive the fullest value possible from the products and services of the organization
- Assures that products and services meet customer needs and expectations
- Adapts and personalizes services to meet individual customer needs
- Anticipates changing customer needs and develops ways to meet or exceed those needs
- 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
- Identifies and removes barriers that interfere with the team's success and provides suggestions to enhance team effectiveness
- Contributes to inclusive culture by valuing others' viewpoints, encouraging others to share ideas, and treating others in an accepting, respectful manner

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- Recognizes and capitalizes on the strengths of others to accomplish organizational objectives
- Exhibits willingness to listen to others' views even if not same as own
- Does not take conflicts personally; handles conflict in a positive manner and seeks mutual understanding
- Directly confronts behaviors that undermine team effectiveness

### **Manages and Supports Change**

- Effectively copes with changing environments, tasks and responsibilities
- Facilitates the acceptance and implementation of change to enhance the organization
- Encourages others to embrace change and use it as an opportunity to be creative and improve performance
- Identifies the changes necessary to move the organization forward
- Embraces and promotes change initiatives with a positive and enthusiastic attitude
- Ensures that change initiatives are aligned with strategic initiatives, values, and mission of the organization
- Leads change initiatives with frequent and consistent two-way communication
- Leverages resources to promote and sustain change efforts

### **Visionary Strategist**

- Develops the strategies and actions needed to accomplish desired organizational objectives
- Communicates the organization's vision in a way that is meaningful and actionable for employees
- Researches and analyzes marketplace, political, economic, and other external influences to formulate vision and strategy, and position the organization in the marketplace
- 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
- Considers both short and long-term implications of a strategy
- 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 through both respect and holding them accountable
- Provides others with constructive feedback, guidance, and coaching for improving performance
- Sets clear performance expectations and strategic goals, regularly monitors performance, and provides accurate evaluations

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- Encourages the use of development activities (e.g., workshops, mentoring), to improve performance and achieve desired results for the organization
- Identifies and provides important assignments to facilitate the development of key personnel
- Balances levels of support, direction, and autonomy based on employee needs and level of experience

### **Delegates to Others**

- Plans delegated assignments to ensure an optimal match between value of task and value of the resource attached to it
- Determines when to assign responsibilities to others and clarifies expectations to ensure effectiveness
- 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
- Recognizes individuals who are successful in completing delegated assignments

### **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
- Treats others outside the organization in an accepting, respectful manner
- Understands the needs of the cities, board members and the community, and leverages this information to shape policies and initiatives
- Represents the organization with credibility to print and media sources (includes providing information, clarifying facts, etc.)
- Researches constituencies to determine the best way to communicate to them
- Ensures that customers experience and understand the full value they derive from the organization

### **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
- Maintains a cordial, productive relationship with each board member
- 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”

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### **Leads Others Effectively**

- Develops and communicates compelling rationales that build commitment and support for one's perspectives, strategies, and initiatives
- Builds diverse, high-performing teams that accomplish organizational changes, goals, and priorities
- Listens to the diverse ideas, perspectives, and contributions of others across the organization
- 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 maximizes performance
- Leads with a vision that inspires others to adopt the goals of the organization as their own
- Ability to interact and get along with employees at all levels

### **Leverages Industry Acumen**

- Monitors and analyzes financial data and key cost drivers (e.g., personnel) to evaluate options and make decisions
- Understands overall financial and operational performance of an organization in order to effectively position it in the marketplace
- Establishes and maintains realistic budgets in accordance with the organizations policies
- Follows appropriate legal and fiduciary requirements when reconciling and reporting financial transactions
- Considers multiple options for reducing costs and keeping the organization as efficient as possible
- Seeks to develop financial acumen and understand key financial related issues
- Grows continuously in business knowledge and experience

### **Plans for the Future**

- Identifies and balances risks and benefits when developing plans
- Assesses financial implications of projects and initiatives; allocates resources to improve results while maintaining financial discipline
- Provides the information, resources, implementation time, and talent needed to make plans and their implementation successful
- Identifies need for and ensures contingency plans are developed
- Assigns or directly monitors and evaluates the external environment when developing plans
- Aligns and allocates resources and time according to strategic priorities and company interests

### **Embraces Diversity**

- Promotes the active recruiting of diverse individuals

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- Communicates and clarifies the link between diversity and achieving the organization's strategic goals
- Demonstrates visible support for programs that remove barriers (e.g., stereotypes) between diverse individuals
- 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
- Defines and evaluates specific points of agreement and disagreement
- Seeks win-win solutions that meet the underlying interests of all parties
- 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

### **Manages Politics**

- Accurately discerns unspoken feelings and motivations, and leverages to determine what to say or how to proceed
- Adapts dress and demeanor as appropriate to a situation
- Appropriately manages impressions of oneself, one's department and the organization
- Keenly aware of and adheres to the norms and practices of the organization's culture
- Leverages appropriate channels of influence to more efficiently gain resources and accomplish goals
- Creates and maintains both formal and informal networks within the organization that facilitate the achievement of goals
- Chooses battles wisely and matches urgency to the importance of the concerns under discussion

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

**Committee and Staff Edits (Clean)**  
**11-10-20**



# JEA Board Policy Manual

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

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## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 1.0**

#### **POLICY TITLE: *BY-LAWS OF JEA***

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### **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

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## ***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 at least monthly 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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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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***

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### **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.

**APPROVED BY THE BOARD**

**Date:** \_\_\_\_\_

**Form Approved:**

\_\_\_\_\_  
**Office of General Counsel**

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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.

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

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## ***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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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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 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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***JEA Board Policy Manual***

### **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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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.

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

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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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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.

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

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## ***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  
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## ***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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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).

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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.*

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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. **NEED JODY'S HELP WITH WHAT DEFINES 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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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.

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

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## ***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.

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

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## ***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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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).

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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.*

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

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## ***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.

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

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## ***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.

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

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## ***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.*

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

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## ***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.

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

## ***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).

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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).

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## ***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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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.

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## ***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.

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## ***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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***JEA Board Policy Manual***

### **APPENDIX**

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- A1 Executive Core Competencies
- A2 JEA Charter (Article 21 of City of Jacksonville Ordinance Code)
- A3 JEA Board Evaluation Criteria

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

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## ***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.

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## ***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

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## ***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

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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).

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***JEA Board Policy Manual***

**A2 – JEA CHARTER  
(Article 21 of City of Jacksonville Ordinance Code)**

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

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## ***JEA Board Policy Manual***

### **A3 - 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.

No.	Statements (Please rate the following statements based on your perception of the Board's Performance)	<b>Ratings</b> 1 (Strongly Disagree) 2 (Disagree) 3 (Undecided) 4 (Agree) 5 (Strongly Agree)	Comments
	<b>Board Members...</b>		
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.		

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## ***JEA Board Policy Manual***

	<b>Board Meetings...</b>		
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.		
	<b>The Board...</b>		
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.		
	<b>Total Score</b>	<b>0</b>	
	<b>Average Score</b>	<b>0.00</b>	

**General Comments (if any):**

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**Committee and Staff Edits (Redlined)**  
**11-10-20**

JEA  
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## ***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.

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### **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

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## ***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 at least monthly 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.

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

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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.

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

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## ***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.

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### **APPROVED BY THE BOARD**

Date: \_\_\_\_\_

Form Approved:

\_\_\_\_\_  
Office of General Counsel

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

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## ***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.

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

## JEA Board Policy Manual

### POLICY TYPE: GOVERNANCE PROCESS

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#### 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.

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

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## ***JEA Board Policy Manual***

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.2

POLICY TITLE: GLOBAL GOVERNANCE PROCESS

1.2.11 JEA Board Evaluation: Done annually as per App A3.

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Adopted in its entirety by the JEA Board on February 16, 2010  
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## **JEA Board Policy Manual**

### **POLICY TYPE: GOVERNANCE PROCESS**

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#### **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.

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

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## ***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.

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Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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.

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

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## ***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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**Commented [a1]:** Chair DiSalvo edited in language that does not bind us to posting minutes 72 hours after meetings before the board can properly action.

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

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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 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.

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

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## ***JEA Board Policy Manual***

### **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.

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- 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.

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

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## **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.

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

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## ***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.

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

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## ***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 \_\_\_\_\_.

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## **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.

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Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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.

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Adopted in its entirety by the JEA Board on February 16, 2010  
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## **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.

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

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## ***JEA Board Policy Manual***

**TYPE: BOARD MANAGEMENT DELEGATION**

**POLICY 2.1**

**POLICY TITLE: UNITY OF CONTROL**

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*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.

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

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## ***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](#)).

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

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## ***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.

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Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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.*

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Adopted in its entirety by the JEA Board on February 16, 2010  
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## 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 managing director 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. NEED JODY'S HELP WITH WHAT DEFINES 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.

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

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## ***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.

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

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## ***JEA Board Policy Manual***

### **POLICY TYPE: EXECUTIVE MANDATES**

#### **POLICY 3.1**

#### **POLICY TITLE: *TREATMENT OF CONSUMERS***

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*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.

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

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## ***JEA Board Policy Manual***

**POLICY TYPE: EXECUTIVE MANDATES**

**POLICY 3.2**

**POLICY TITLE: *TREATMENT OF STAFF***

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*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.

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

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## ***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).

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

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## ***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.

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

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## ***JEA Board Policy Manual***

### **POLICY TYPE: EXECUTIVE MANDATES**

#### **POLICY 3.5                      POLICY TITLE: *WORKFORCE READINESS AND SUCCESSION PLANNING***

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*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.

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

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## ***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.

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

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## ***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.

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

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## ***JEA Board Policy Manual***

### **POLICY TYPE: EXECUTIVE MANDATES**

#### **POLICY 3.8 POLICY TITLE: COMMUNICATION AND SUPPORT TO BOARD**

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*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.

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

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## ***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.*

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***JEA Board Policy Manual***

**POLICY TYPE: EXECUTIVE MANDATES**

**POLICY 3.10**

**POLICY TITLE: *ENTERPRISE RISK MANAGEMENT***

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*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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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.

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

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## ***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.*

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Adopted in its entirety by the JEA Board on February 16, 2010  
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## JEA Board Policy Manual

**POLICY TYPE:** MEASURES OF EFFECTIVENESS (MOEs)

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**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.

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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.

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

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## ***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).

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

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## ***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).

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

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## ***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.

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

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## ***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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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.

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## ***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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***JEA Board Policy Manual***

### **APPENDIX**

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- A1 Executive Core Competencies
- A2 JEA Charter (Article 21 of City of Jacksonville Ordinance Code)
- A3 JEA Board Evaluation Criteria

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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

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#### **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

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#### **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

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#### **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.

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#### **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

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## ***JEA Board Policy Manual***

### **A1 - EXECUTIVE CORE COMPETENCIES**

- Utilizes follow-up procedures to ensure consistency and determine where improvements can be made to maintain high customer satisfaction

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#### **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.

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#### **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

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#### **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

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

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## ***JEA Board Policy Manual***

### **A1 - EXECUTIVE CORE COMPETENCIES**

#### **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
- Follows appropriate legal and fiduciary requirements when reconciling and reporting financial transactions
- Grows continuously in business knowledge and experience

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## ***JEA Board Policy Manual***

### **A1 - EXECUTIVE CORE COMPETENCIES**

- 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

#### **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

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## ***JEA Board Policy Manual***

### **A1 - EXECUTIVE CORE COMPETENCIES**

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).

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***JEA Board Policy Manual***

**A2 - JEA CHARTER  
(Article 21 of City of Jacksonville Ordinance Code)**

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**JEA Board Policy Manual****A3 - JEA BOARD EVALUATION CRITERIA**

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

Statements (Please rate the following statements based on your perception of the Board's Performance)		Ratings 1 (Strongly Disagree) 2 (Disagree) 3 (Undecided) 4 (Agree) 5 (Strongly Agree)	Comments
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.		

Adopted in its entirety by the JEA Board on February 16, 2010

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***JEA Board Policy Manual***

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

General Comments (if any):

Adopted in its entirety by the JEA Board on February 16, 2010  
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## Board Policy Manual (BPM) Summary of Staff and Committee Edits

Policy #	Policy Title	Page	Contributor	Brief Description	BPM Version (V)(CV) # and Date
				Initial Staff Edits - July 2020	
				Initial Committee Edits - July-August 2020	
				Board and Committee Edits - Late August 2020 (After 8/19/20 Committee Meeting)	
				Staff Edits - Early September 2020 (Follow-Up to Committee's Late August 2020 Edits)	
				Committee and Staff Edits - Early October 2020 (After 9/15/20 Committee Meeting)	
				Committee and Staff Edits - After 10/15/20 Committee Meeting	
1.2	GLOBAL GOVERNANCE PROCESS	9	Joseph DiSalvo	Section 1.2.11 - Changed Appendix A2 to A3	CV5 - November 3, 2020
1.4	BOARD JOB DESCRIPTION	11	Joseph DiSalvo	Section 1.4.4 Revised language to read: "The Board will evaluate its own performance annually as per App A3."	CV5 - November 3, 2020
1.6	BOARD OFFICERS	13	Joseph DiSalvo	Section 1.6.3 Edited in language that does not bind the Board to posting minutes 72 hours after meetings before the Board can properly action.	CV5 - November 3, 2020
1.8	BOARD MEMBER'S CODE OF CONDUCT	16	Joseph DiSalvo	Section 1.8.2 ( c) Revised language to read: "No board member will have an individual contractual relationship with JEA....."	CV5 - November 3, 2020
1.11	BOARD COMMITTEE STRUCTURE	19	Joseph DiSalvo	Section 1.11.3 (a-c) Revised entire section to add additional language re: Governance Committee	CV5 - November 3, 2020
1.11	BOARD COMMITTEE STRUCTURE	19	Joseph DiSalvo	Section 1.11.4 Minor update 1.11.3 now 1.11.4	CV5 - November 3, 2020
2.5	CEO REMUNERATION	27	Joseph DiSalvo	Section 2.5.3 Inserted the number of years of executive experience within the utilities industry.	CV5 - November 3, 2020
3.12	ECONOMIC DEVELOPMENT	40	Joseph DiSalvo	Added New Section 3.12 - Economic Development	CV5 - November 3, 2020
3.12	ECONOMIC DEVELOPMENT	40	Steve Tuten	Added additional language to section to read: ".....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."	CV5 - November 3, 2020
4.0	MEASURES OF EFFECTIVENESS	41	Steve Tuten	Section 4.0.7 Language added to address Safety Standards	CV5 - November 3, 2020

## Board Policy Manual (BPM) Summary of Staff and Committee Edits

Policy #	Policy Title	Page	Contributor	Brief Description	BPM Version (V)(CV) # and Date
4.0	MEASURES OF EFFECTIVENESS	41	Steve Tuten	Section 4.0.8 Language added to address Financial Integrity	CV5 - November 3, 2020
4.5	ENVIRONMENTALLY SOUND	46	Joseph DiSalvo	Section 4.5.2 - Conservation Comment to be addressed: "Need to relook to see if this legacy threshold is still relevant."	CV5 - November 3, 2020
				<b>Committee and Staff Edits - After 11/10/20 Committee Meeting</b>	
1.8	BOARD MEMBER'S CODE OF CONDUCT	16	Joseph DiSalvo	Section 1.8.2 ( c) Revised language to read: "No board member will have a professional or business contractual relationship with JEA....."	CV6 - November 10, 2020

## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 1.0**

#### **POLICY TITLE: *BY-LAWS OF JEA***

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### **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

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## ***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 at least monthly 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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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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***

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### **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.

**APPROVED BY THE BOARD**

**Date:** \_\_\_\_\_

**Form Approved:**

\_\_\_\_\_  
**Office of General Counsel**

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

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## ***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.

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

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## ***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.

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

## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 1.3**

#### **POLICY TITLE: GOVERNING STYLE**

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*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.

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

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## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 1.4**

#### **POLICY TITLE: *BOARD JOB DESCRIPTION***

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*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.

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

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## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 1.5**

#### **POLICY TITLE: AGENDA PLANNING**

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*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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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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 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.

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

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## ***JEA Board Policy Manual***

### **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.

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

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## ***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.

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

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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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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.

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

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## ***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  
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## ***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.

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

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## ***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

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***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.

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

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## ***JEA Board Policy Manual***

### **POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)**

#### **POLICY 4.1**

#### **POLICY TITLE: *QUALITY OF ELECTRIC SERVICE***

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*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).

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

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## ***JEA Board Policy Manual***

### **POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)**

#### **POLICY 4.2**

#### **POLICY TITLE: *QUALITY OF WATER SERVICE***

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*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).

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***JEA Board Policy Manual***

### **POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)**

#### **POLICY 4.3**

#### **POLICY TITLE: *QUALITY OF SEWER SERVICE***

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*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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***JEA Board Policy Manual***

### **POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)**

#### **POLICY 4.4**

#### **POLICY TITLE: *COST OF SERVICE***

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*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.

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## ***JEA Board Policy Manual***

### **POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)**

#### **POLICY 4.5**

#### **POLICY TITLE: ENVIRONMENTALLY SOUND**

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*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.

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## ***JEA Board Policy Manual***

### **POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)**

#### **POLICY 4.6**

#### **POLICY TITLE: INFORMATIVE COMMUNICATION**

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*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.

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**JEA Board of Directors Self-Assessment Form**

No.	Statements (Please rate the following statements based on your perception of the Board's Performance)	Ratings 1 (Strongly Disagree) 2 (Disagree) 3 (Undecided) 4 (Agree) 5 (Strongly Agree)	Comments
<b>Board Members...</b>			
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	<b>Understand JEA's MOEs so accurate assessments can be made.</b>		
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	<b>Understand CEO evaluation criteria.</b>		
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	<b>Actively self-educate and stay current with industry trends.</b>		
16	<b>Work in coordination with the CEO on succession plan.</b>		
17	<b>Actively look to improve processes.</b>		
18	Act as goodwill ambassadors for JEA in the community.		
<b>Board Meetings...</b>			
19	Are generally well-run, make good use of members' time, and are of an optimal length.		
20	<b>Board briefing packets are complete and issued at least 7 days in advance of meetings.</b>		
<b>The Board...</b>			
21	Is represented with the necessary skills, stakeholders, and diversity.		
22	<b>Demonstrates the principle of transparency in its governance activities.</b>		
23	Delegates sufficient authority to the CEO to lead the organization.		
24	Reviews CEO performance and compensation annually.		
<b>Total Score</b>		0	
<b>Average Score</b>		0.00	

**JEA Board of Directors Self-Assessment Form**

General Comments (if any):

## ***JEA Board Policy Manual***

### **POLICY TYPE: BOARD MANAGEMENT DELEGATION**

#### **POLICY 2.0**

#### **POLICY TITLE: *GLOBAL BOARD-MANAGEMENT DELEGATION***

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*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.

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

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## ***JEA Board Policy Manual***

**TYPE: BOARD MANAGEMENT DELEGATION**

**POLICY 2.1**

**POLICY TITLE: *UNITY OF CONTROL***

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*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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***JEA Board Policy Manual***

### **POLICY TYPE: BOARD MANAGEMENT DELEGATION**

#### **POLICY 2.2**

#### **POLICY TITLE: ACCOUNTABILITY OF CEO**

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*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).

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## ***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.

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## ***JEA Board Policy Manual***

**POLICY TYPE: BOARD MANAGEMENT DELEGATION**

**POLICY 2.4**

**POLICY TITLE: *MONITORING CEO PERFORMANCE***

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

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## ***JEA Board Policy Manual***

### **POLICY TYPE: BOARD MANAGEMENT DELEGATION**

#### **POLICY 2.5**

#### **POLICY TITLE: CEO REMUNERATION**

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*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. **NEED JODY'S HELP WITH WHAT DEFINES 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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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