



**IMPROVING LIVES. BUILDING COMMUNITY.** to be the best utility in the country

## JEA BOARD OF DIRECTORS MEETING

JEA Headquarters | 1<sup>st</sup> Floor | Room 120-A&B | 225 North Pearl Street, Jacksonville, FL 32202

August 29, 2023 | 9:00 am – 12:00 pm

### WELCOME

Meeting Called to Order

Time of Reflection

Introductions

Adoption of Agenda ([Action](#))

Marty Lanahan, Vice Chair

### [Values Moment](#)

Justin Sencer, Manager, Water/Wastewater Reuse Delivery  
& Collection Engineering

### COMMENTS / PRESENTATIONS

Council Liaison's Comments

Council Member Michael Boylan

Comments from the Public

Public

Managing Director / CEO Report

Jay Stowe, Managing Director / CEO

### [JEA Performance Update](#)

Deanna Davis, Director, Business Development

### BOARD AND COMMITTEE REPORTS AND ITEMS FOR CONSIDERATION

Governance, Audit & Compliance Committee Report – August 4, 2023

Marty Lanahan, Committee Chair

Consent Agenda ([Action](#))

Board Meeting Minutes – June 27, 2023

Finance Directive

Real Estate Directive

Marty Lanahan, Vice Chair

### DEEPEN CUSTOMER & COMMUNITY ENGAGEMENT

#### [Economic Development Program Rider \(Action\)](#)

Paul Mitchell, Vice President, Economic Development

### PLAN FOR THE FUTURE

#### [Electric Integrated Resource Plan Update \(Action\)](#)

Jay Stowe, Managing Director/CEO

Supply Chain Update

Raynetta Curry Marshall, Chief Operating Officer

#### [Plant Vogtle Update](#)

Ricky Erixton, Vice President, Electric Systems

### [FOSTER AN EXCEPTIONAL WORK CULTURE \(Action\)](#)

401(a) – Defined Contribution Retirement Plan - Amendment to

Empower Master Service Agreement to Implement Zero

Revenue Share Fee Model

Pat Maillis, Senior Director, Employee Services

457(b) – Deferred Compensation Retirement Plan – Amendment

to Empower Master Service Agreement to Implement Zero

Revenue Share Fee Model



**IMPROVING LIVES. BUILDING COMMUNITY.** to be the best utility in the country

**FOSTER AN EXCEPTIONAL WORK CULTURE (cont.)**

- JEA 401(a) Defined Contribution Retirement Plan – Amendments to Comply with SECURE Act and CARES Act
- JEA 457(b) Defined Contribution Retirement Plan – Amendments to Comply with SECURE Act and CARES Act

**OTHER BUSINESS AND CLOSING CONSIDERATION**

- Old and Other New Business/Open Discussion
- Vice Chair’s Report
- Announcements – Next Board Meeting September 26, 2023
- Adjournment

**INFORMATIONAL MATERIAL**

- [Appendix A: Board Meeting Minutes June 27, 2023](#)
- [Appendix B: Economic Development Program Rider](#)
- [Appendix C: Finance Directive](#)
- [Appendix D: Real Estate Directive](#)
- [Appendix E: Electric Integrated Resource Plan](#)
- [Appendix F: 401\(a\) – Defined Contribution Retirement Plan - Zero Revenue Share Fee Model](#)
- [Appendix G: 457\(b\) – Deferred Compensation Retirement Plan – Zero Revenue Share Fee Model](#)
- [Appendix H: 401\(a\) Defined Contribution Retirement Plan – Amendments to Comply with SECURE Act and CARES Act](#)
- [Appendix I: 457\(b\) Defined Contribution Retirement Plan – Amendments to Comply with SECURE Act and CARES Act](#)
- [Appendix J: Financial Statements](#)
- [Appendix K: Governance, Audit and Compliance Committee Materials – August 4, 2023](#)

**BOARD CALENDAR**

- 2023 Board Meetings  
9:00 am – September 26, November 7
- 2023 Committee Meetings  
Finance & Operations Committee –September 15
- 2024 Board Meeting Dates  
9:00 am – January 30, February 27, March 26, May 21, June 25, August 27, September 24



# BOARD OF DIRECTORS MEETING

August 29, 2023





# VALUES MOMENT

Justin Sencer, Manager, Water/Wastewater  
Reuse Delivery & Collection Engineering

# Safety Briefing - Headquarters

In the event of an emergency, JEA Security will call 911 and coordinate any required evacuation

Emergency Evacuation Route: Exit building via Pearl Street main entrance/exit or Monroe Street exit to the left of the American flag

Assembly Point: Front of Duval County Clerk of Courts (NW corner of Adams St. & Clay St.)

Evacuation or Medical Assist: Notify JEA Security Officer

Hazard & Situational Awareness

Cell Phone & Computer Etiquette

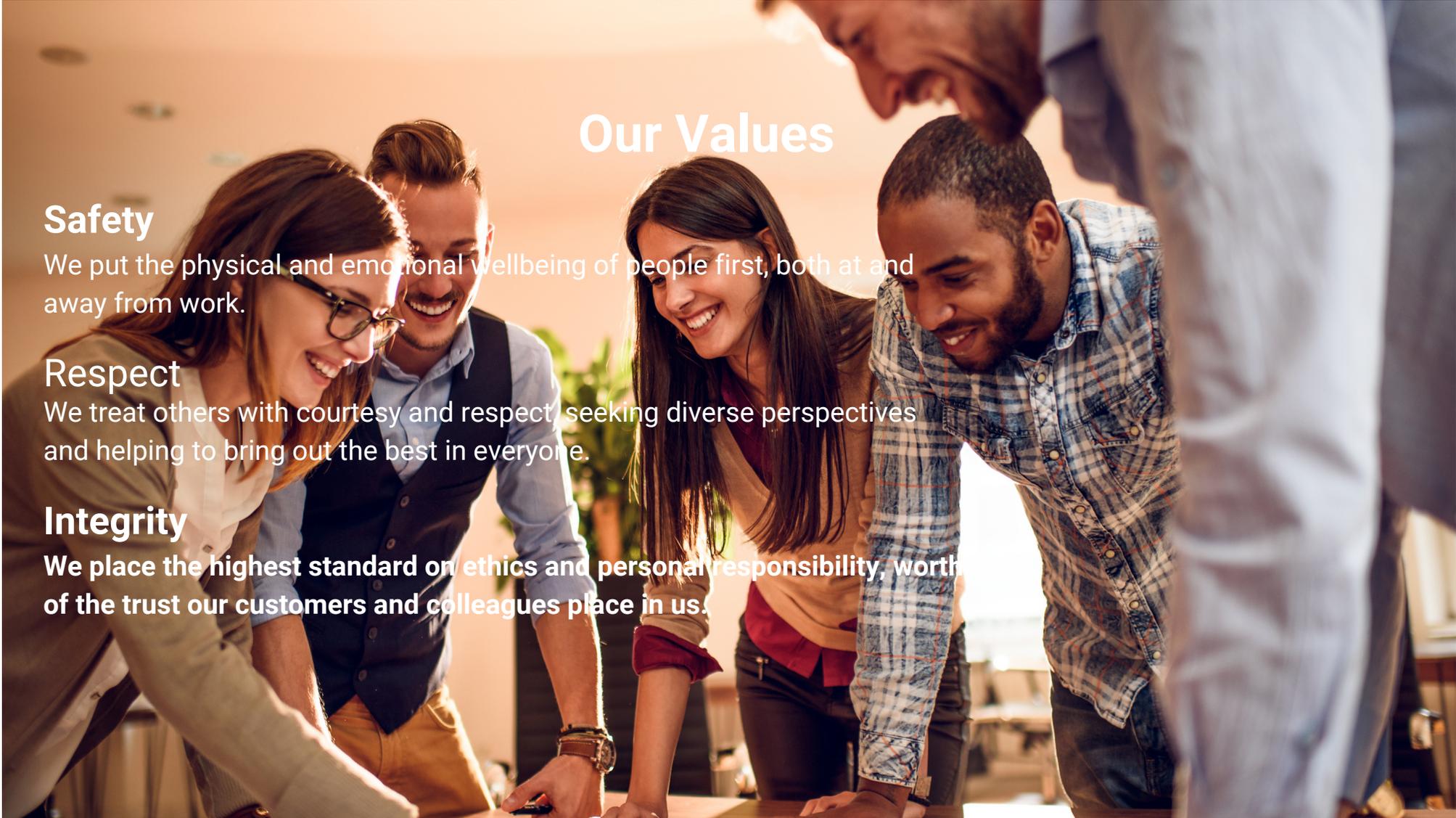


**Pearl Street Exit**



**Monroe Street Exit  
Left of the American Flag**





## Our Values

### **Safety**

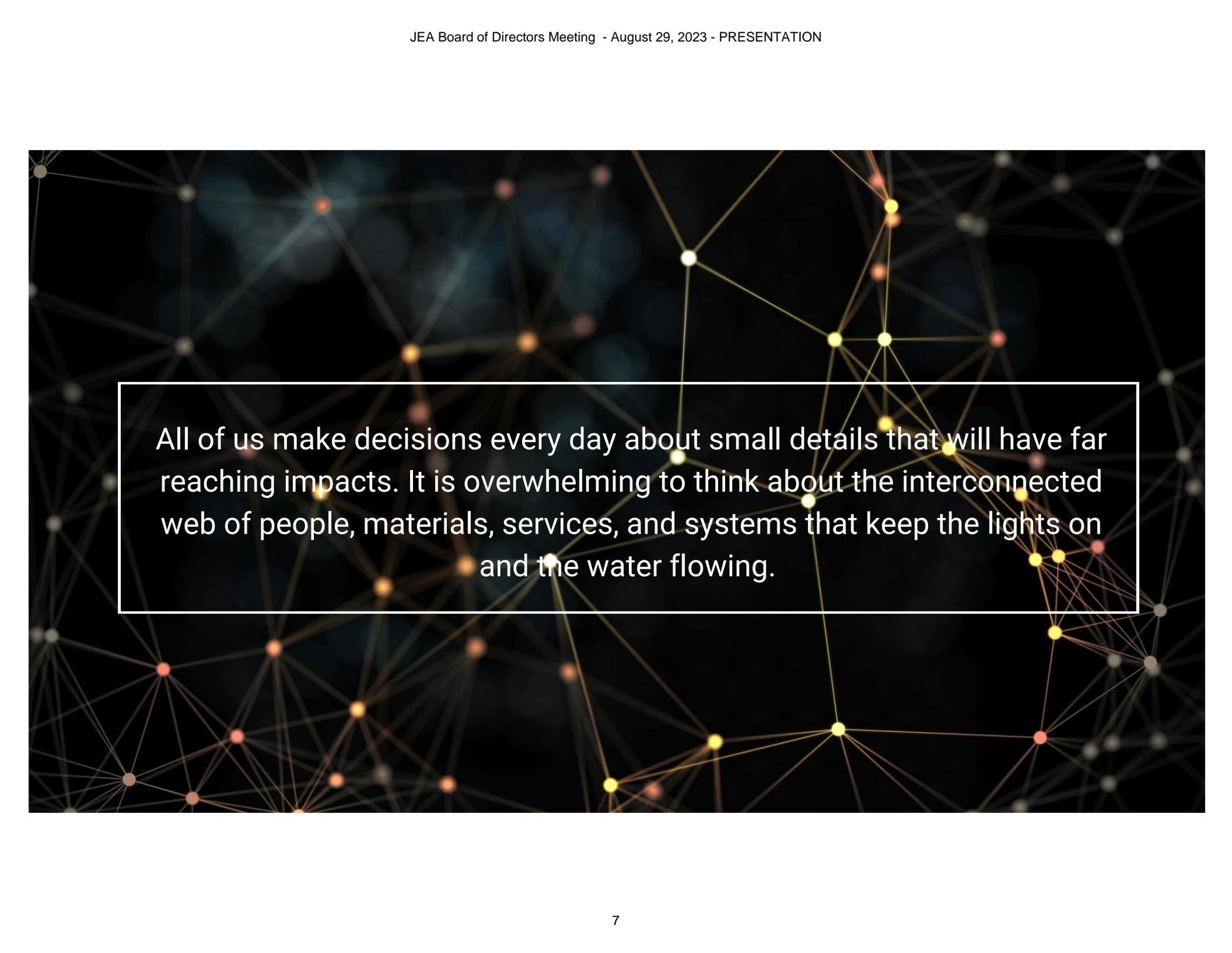
We put the physical and emotional wellbeing of people first, both at and away from work.

### **Respect**

We treat others with courtesy and respect, seeking diverse perspectives and helping to bring out the best in everyone.

### **Integrity**

We place the highest standard on ethics and personal responsibility, worth of the trust our customers and colleagues place in us.

The background of the slide is a complex network diagram. It consists of numerous small, glowing nodes in various colors (yellow, orange, red, white) connected by thin, light-colored lines. The nodes are scattered across the dark background, creating a web-like structure that suggests interconnectedness and complexity.

All of us make decisions every day about small details that will have far reaching impacts. It is overwhelming to think about the interconnected web of people, materials, services, and systems that keep the lights on and the water flowing.

# COUNCIL LIAISON'S COMMENTS

Council Member Michael Boylan



# COMMENTS FROM THE PUBLIC





# MANAGING DIRECTOR/CEO REPORT

Jay Stowe  
Managing Director/CEO

# JEA PERFORMANCE UPDATE

Deanna Davis  
Director, Business Development

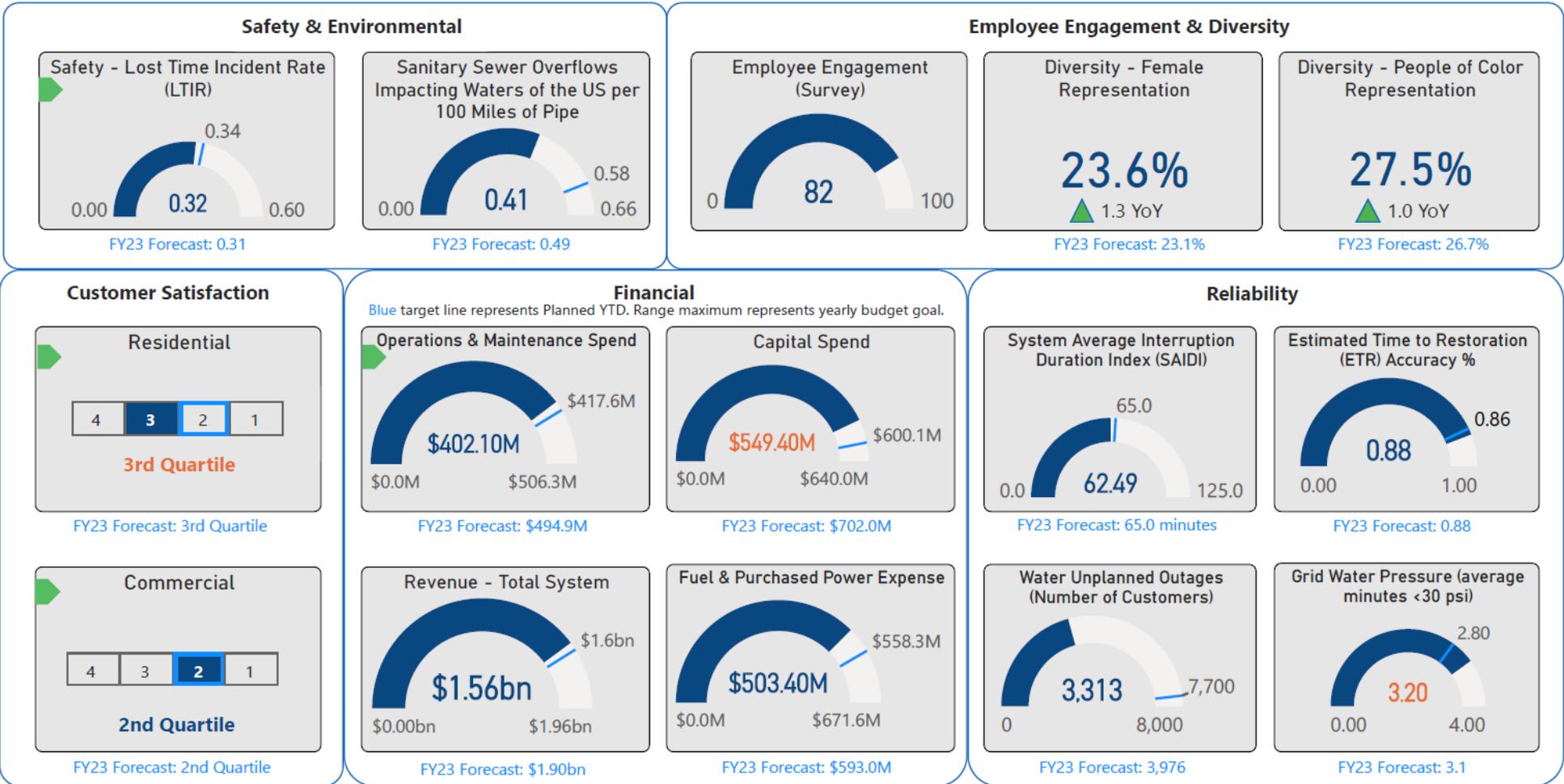




**FY23 PERFORMANCE SCORECARD**

Data through July 31, 2023

- FYTD Result
- FY23 Goal
- At Risk
- ▶ Pay-for-performance

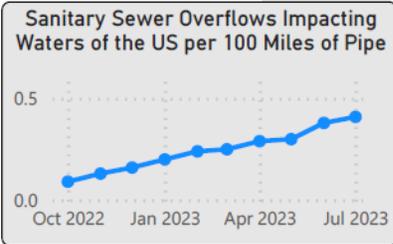




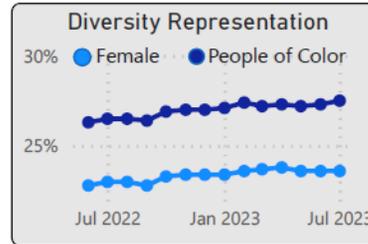
**FY23 PERFORMANCE SCORECARD**

Data through July 31, 2023

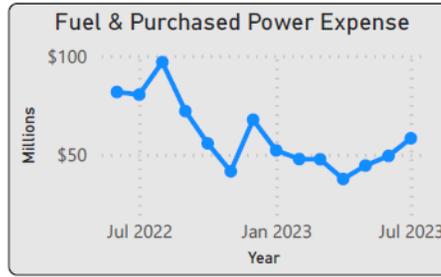
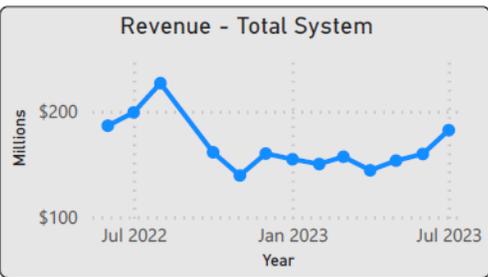
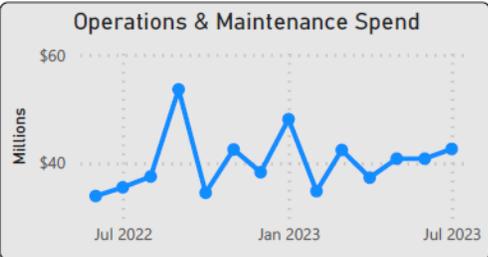
**Safety & Environmental**



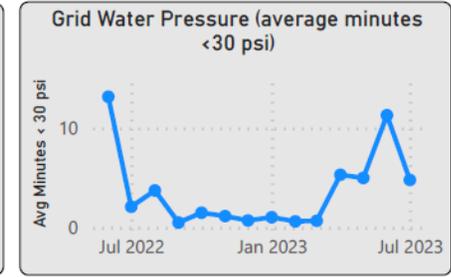
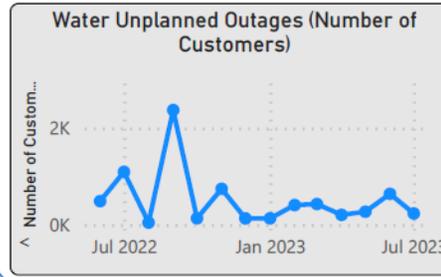
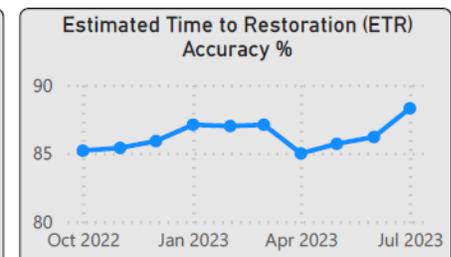
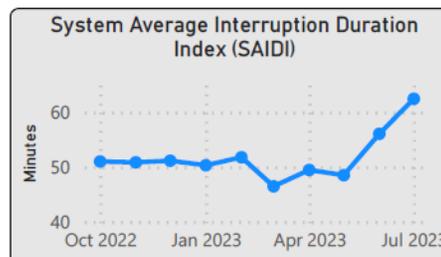
**Employee Engagement, Diversity, Customer Satisfaction**



**Financial**



**Reliability**



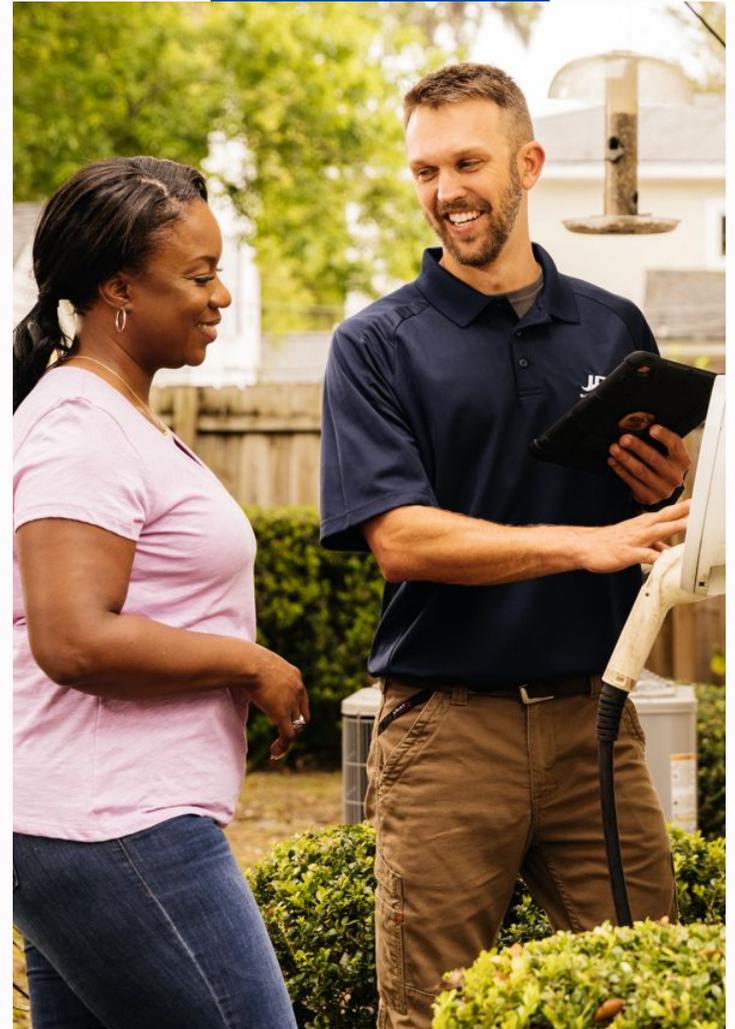
# GOVERNANCE, AUDIT, & COMPLIANCE COMMITTEE REPORT

Marty Lanahan, Committee Chair



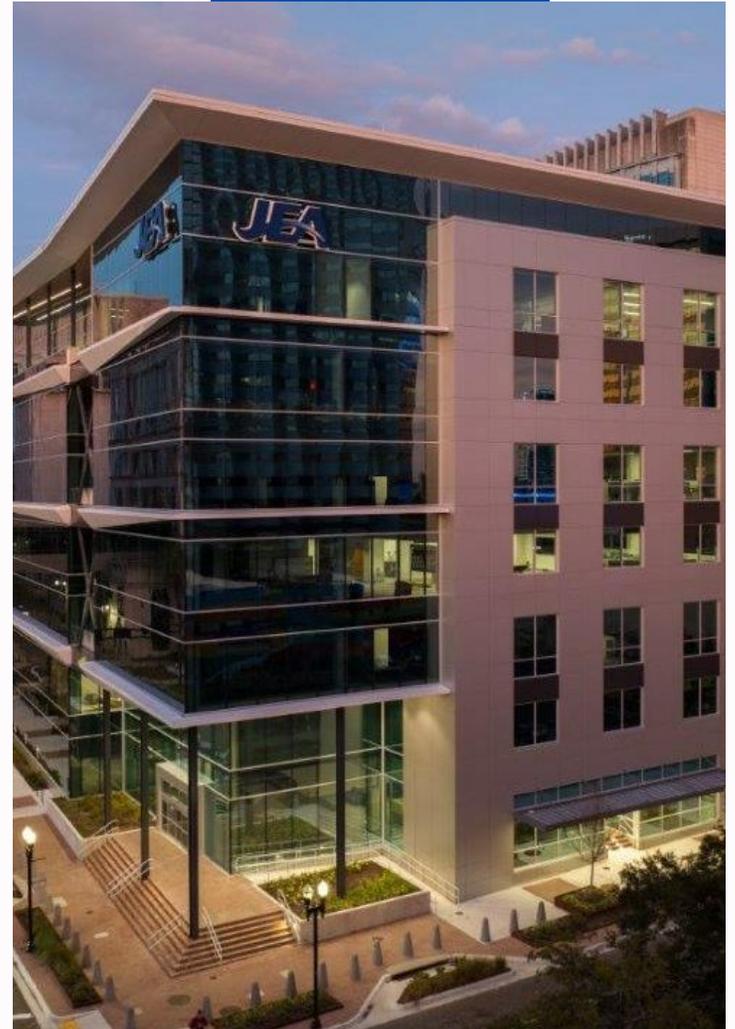
# CONSENT AGENDA

Marty Lanahan, Vice Chair  
Action



# ECONOMIC DEVELOPMENT PROGRAM RIDER

Paul Mitchell, Vice President, Economic Development  
Action



# Economic Development Programs

## Current

Proposing to extend  
Currently 18 customers in the program

## Enhanced

Proposing an additional tier to the existing program

Six-year declining discount starting at 30%

Nine-year declining discount starting at 45%

Additional 5% discount for projects locating in Targeted Areas -  
City designated distressed areas and industrial zone properties\*

Additional 5% discount for projects locating in Targeted  
Areas - City designated distressed areas and industrial  
zone properties

For new or expanding electric load of 300kW or more

For new or expanding electric load of 500kW or more  
and creation of at least 50 full-time jobs

Project commits to add at least 15 full-time employees

Or, new or expanding electric load of 3000kW or more of  
and creation of at least 15 full-time jobs

No restriction on customer type

Customer must qualify as a target industry

\*This is a new addition to the existing program

**Staff seeks Board approval of the enhancements for the Economic Development Program tariff**

# ELECTRIC INTEGRATED RESOURCE PLAN UPDATE

Jay Stowe, Managing Director/CEO  
Action





# **JEA'S COMMITMENT TO**

**Environmental Stewardship, Customer Solutions, and Integrated Resource Planning for Long-Term Lower Carbon Emissions**

**JEA completed an Electric Integrated Resource Plan (IRP) in April 2023**

**JEA is committed to asset decisions based on integrated operational and financial goals**

**JEA will continue to work with stakeholders**

**JEA will:**

- Develop resource plans considering environmental and financial plans
- Develop additional customer offerings to support environmental stewardship
- Update policies and programs to better assist customers with customer-owned assets
- Work with other organizations for research and development and funding opportunities

**JEA staff will report on progress to the Board regularly**

**JEA will complete another Electric IRP in 2026**

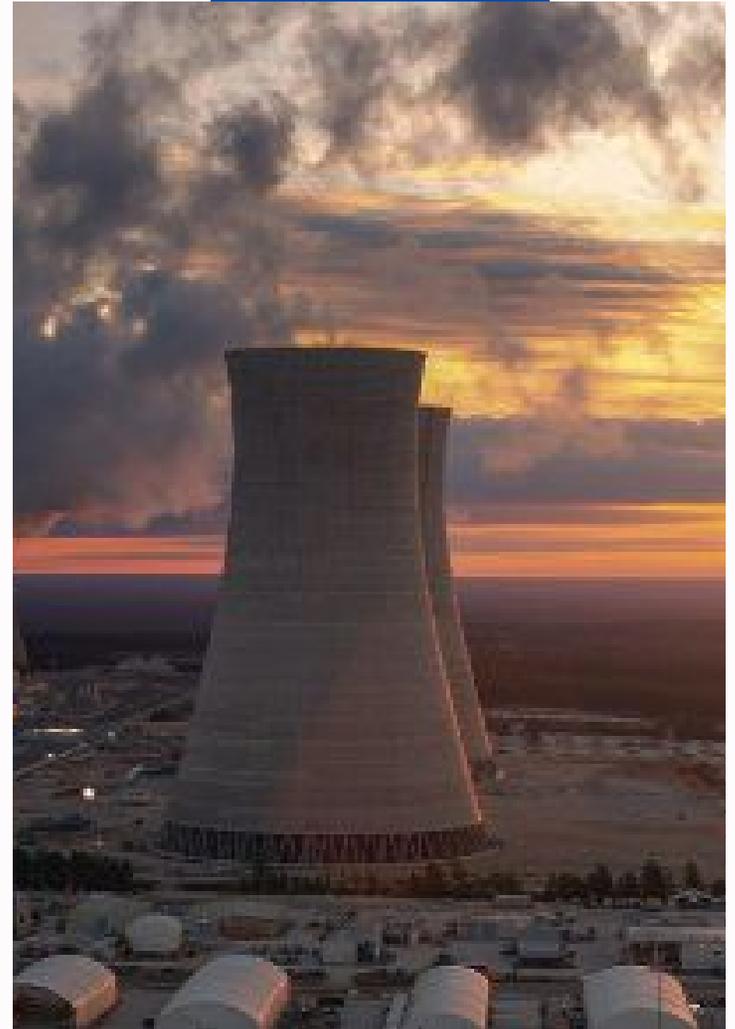
# SUPPLY CHAIN UPDATE

Raynetta Curry Marshall, Chief Operating Officer

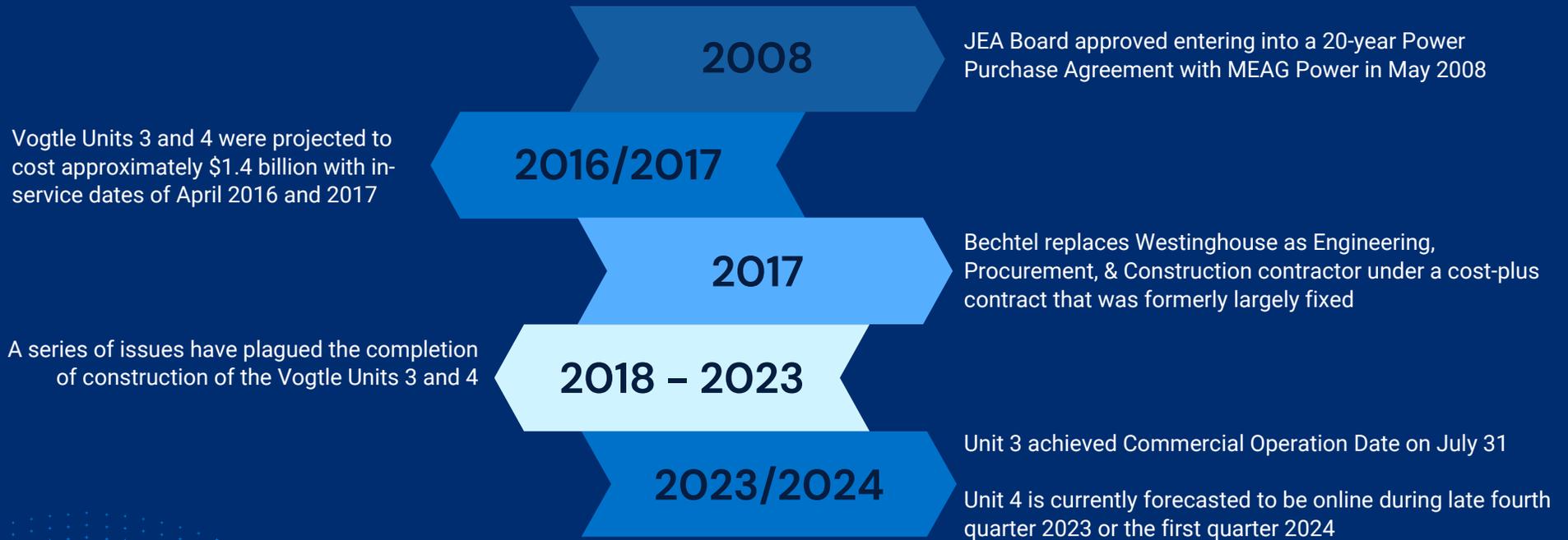


# PLANT VOGTLE UPDATE

Ricky Erixton, Vice President, Electric Systems



# Roadmap to Completion



# OPERATIONS

## UNIT 3

Began commercial operations on July 31, 2023 at 10:00 AM  
This added 103 MW of generation capacity and energy to JEA's generation resource portfolio

## UNIT 4

Expected to begin commercial operations during late fourth quarter 2023 or first quarter 2024 and will add another 103 MW of generation capacity and energy for a total of 206 MW



# SUMMARY OF COST

**\$3.45B**

JEA's share of the total project cost as estimated by MEAG Power, with capitalized interest accounting for about \$1.1 billion of the total due to the numerous construction delays

**\$4.7B**

JEA's net revenue requirements over the 20-year life of the power purchase agreement at an average cost of approximately \$140/MWh

**\$245M**

Currently funding a non-fuel purchased power rate stabilization fund to partially offset rate increases that will be required to absorb these costs





# **BENEFITS/CHALLENGES**

**Additional Capacity**

---

**Improves Fuel Diversity of Generation Resources**

---

**Improves JEA's Ability to Manage Natural Gas Curtailments**

---

**Clean Energy**

---

**Transmission Curtailments**

# RETIREMENT SAVINGS PLAN AMENDMENTS

Pat Maillis, Senior Director, Employee Services  
Action





## Proposed Zero Revenue Share Fee Model

### JEA 401(a) Defined Contribution Retirement Plan JEA 457(b) Deferred Compensation Plan

#### Benefits

Revenue sharing amounts received from mutual funds are allocated to the participants who invested in those mutual funds

Amounts are allocated proportionally based on the amount of each participant's investment in each respective mutual fund

Improved transparency regarding Plan administration costs

More equitable distribution of administrative fees

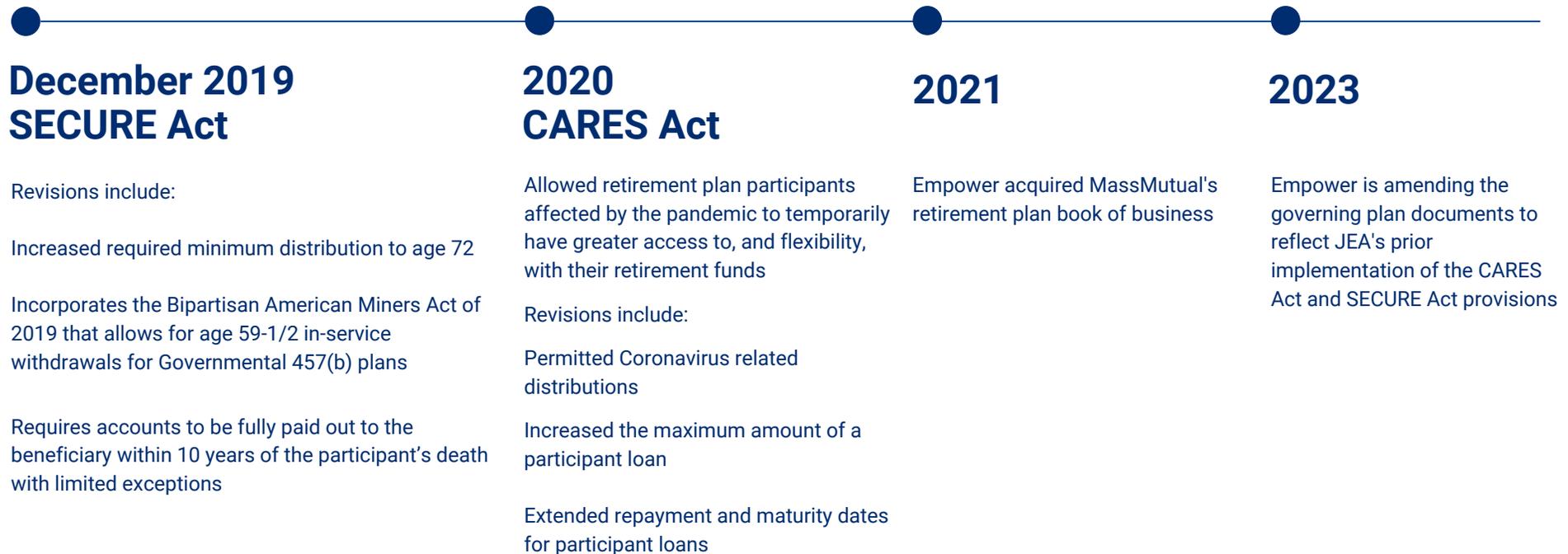
Consistency with current trends and best practices in the retirement plan industry

Staff seeks Board approval of the amendments to implement the zero revenue share fee model effective January 1, 2024 for the 401(a) and 457(b) plans

# CARES & SECURE Acts

Coronavirus Aid, Relief, and Economic Security (CARES) Act  
Setting Every Community Up for Retirement Enhancement (SECURE) Act

## JEA 401(a) Defined Contribution Retirement Plan JEA 457(b) Deferred Compensation Plan



Staff seeks Board approval of the technical amendments to conform to the CARES and SECURE Act for the 401(a) and 457(b) plans

## JEA BOARD OF DIRECTORS MEETING MINUTES

June 27, 2023

The JEA Board met in regular session at 9:00 am on Tuesday, June 27, 2023, on the 1<sup>st</sup> Floor, 225 N. Pearl Street, Jacksonville, Florida. The public was invited to attend this meeting in-person at the physical location and virtually via WebEx.

### WELCOME

**Meeting Called to Order** – Board Chair Bobby Stein virtually called the meeting to order at 9:00 am. Board members in attendance were Marty Lanahan, John Baker, General Joseph DiSalvo, Dr. Zachary Faison, and Rick Morales.

Others in attendance in-person were Jay Stowe, Managing Director/CEO; Laura Dutton, Chief Strategy Officer; Raynetta Curry Marshall, Chief Operating Officer; David Emanuel, Chief Human Resources Officer; Sheila Pressley, Chief Customer Officer; Ted Phillips, Chief Financial Officer; Laura Schepis, Chief External Affairs Officer; Regina Ross, Chief Legal Officer, Office of General Counsel; Jordan Pope, Vice President, Corporate Strategy; Madricka Jones, Executive Assistant to the CEO, and Melissa Charleroy, Manager, Board Services.

**Time of Reflection** – A moment of reflection was observed by all.

**Adoption of the Agenda** – On *motion* by Vice Chair Marty Lanahan and seconded by General DiSalvo, the agenda was approved.

**Values Moment** – Raven Simmons, Talent Acquisition Senior Specialist, presented a values moment on respect.

### COMMENTS / PRESENTATIONS

**Council Liaison's Comments** – Council Member Michael Boylan updated the Board on the 12 new council members coming on board in July. Council Member Boylan encouraged JEA management and the Board to reach out to the new members to communicate the message of JEA.

**Comments from the Public:**

**In-Person Public Comments:**

Josh Melko, Associate Professor, University of Florida, spoke to the Board regarding the budget and the material being presented at today's meeting.

**Email Public Comments:** Located in the Informational Materials section

**WebEx Public Comments:** There were no online public comments.

**Managing Director / CEO Report** – Jay Stowe, Managing Director/CEO, introduced Mr. Art Graham, Commissioner, Florida Public Service Commission, provided an overview on long-term workforce planning, summer co-op program, new law enacted that impacts trade unions, JEA's hurricane exercises, mutual aid support in Tallahassee, and Fitch Ratings on the Electric, Water, Wastewater & District Energy System. Mr. Stowe provided a highlight on economic development to include Cosentino Group, JEA's

Tower and Customer Center efforts, Plant Vogtle, and extended condolences to the family and community for the passing of Mr. Ben Frazier, Northside Coalition founder.

## **RATE HEARING**

**Called to Order** – Board Chair Stein recessed the Board meeting at 9:23 am and called the Public Hearing to order.

**Economic Development Program Rider Update** – Paul Mitchell, Vice President, Economic Development, provided highlights on the Economic Development Strategy to include Site Readiness, Downtown Revitalization, and Incentive Programs with an outline of the Current and Enhanced Economic Development Programs. This presentation was received for information.

**Comments from the Public on Economic Development Program Rider** – There were no public comments.

*Chair Stein adjourned the Public Hearing and reconvened the regular JEA Board meeting at 9:29 am.*

**JEA Performance Update** – Jay Magee, Director, Digital Communications, provided an update of the JEA Performance Scorecard data through May 31, 2023. Mr. Magee reported that JEA is seeing both stability and positive trending in the scorecard metrics and updated the Board on the grid water pressure, fuel forecast, and the Pay for Performance metrics. This presentation was received for information.

**Finance and Operations Committee Report** – Finance & Operations Committee Chair General Joseph DiSalvo provided an update on the June 23, 2023 meeting. General DiSalvo highlighted the Solar Energy Project with Florida Municipal Power Agency, Wildlight Agreement, District Energy System FY23 Budget Amendment, and the FY24 Budget. This report was received for information.

## **FOR BOARD CONSIDERATION**

### **CONSENT AGENDA**

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.

On *motion* by John Baker and seconded by Dr. Faison, all Consent Agenda items were approved.

Board Meeting Minutes – April 25, 2023  
Finance & Operations Committee Minutes – April 14, 2023  
Solar Energy Project with Florida Municipal Power Agency  
Wildlight Agreement  
District Energy System FY23 Budget Amendment

### **DEEPEN CUSTOMER & COMMUNITY ENGAGEMENT / PLAN FOR THE FUTURE**

**FY24 Budget** – Laure Whitmer, Director, Budgets presented to the Board the FY24 financial objectives, Fiscal Year 24 Budget overview, Consolidated Systems Operating Budget components, and Electric and Water System Operating Budget components.

On *motion* by Mr. Morales and seconded by Dr. Faison, the FY24 budget was approved.

**OTHER BUSINESS AND CLOSING CONSIDERATION**

**Old and Other New Business / Open Discussion** – None

**Chair’s Report** – Chair Stein thanked previous Board member Thomas VanOsdol for his service. Dr. Faison commended Mr. Stowe and David Emanuel for their talent inventory work.

**Announcements** – Chair Stein announced the next meeting will be held on August 29, 2023.

**Adjournment** – With no further business coming before the Board, Chair Stein declared the meeting adjourned at 9:56 am.

APPROVED BY:

\_\_\_\_\_  
Joseph DiSalvo, Secretary

Date: \_\_\_\_\_

Board Meeting Recorded by:

Allison S Hickok  
Allison S Hickok  
Executive Staff Assistant



**BOARD RESOLUTION: 2023-33**  
August 29, 2023

**A RESOLUTION OF THE JEA BOARD OF DIRECTORS ADOPTING MODIFICATIONS TO JEA’S ELECTRIC TARIFF DOCUMENTATION, INCLUDING REVISION OF JEA’S ECONOMIC DEVELOPMENT PROGRAM RIDER; PROVIDING FOR THE IMPLEMENTATION OF THESE MODIFICATIONS; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the JEA Board of Directors (the Board), pursuant to duly published notice, a copy of which is attached hereto as Exhibit I, held a public hearing on June 27, 2023 to consider changes to the Electric Tariff Documentation to amend the terms of the Economic Development Rider; and

**WHEREAS**, statements and documentation were presented at the public hearing, which demonstrated the requested modifications of the Electric Tariff Documentation; and

**WHEREAS**, rate matters addressed at the public hearing included creation of a second tier under the Economic Development (the Enhanced Economic Development Program Rider), extension of the Economic Development Program availability date, and other administrative items; and

**WHEREAS**, the Board has heard all presentations, reviewed all documentation, considered all public testimony presented at the public hearing, and is fully advised of the premises; and

**WHEREAS**, the Board finds that the proposed modification to the Electric Tariff Documentation to be reasonable and in the best interests of JEA,

**NOW THEREFORE, BE IT RESOLVED** by the JEA Board of Directors:

1. The above recitals are hereby incorporated into this resolution and adopted by the Board as legislative findings of fact.
2. The Board hereby adopts the modifications to the Electric Tariff Documentation attached hereto as Exhibit II substantially in the same form as attached. The effective date of the modifications shall be August 29, 2023.
3. The Board directs the Managing Director or his designee to take any necessary administrative actions to implement the approved Electric Tariff Documentation modifications.
4. If there are any typographical, administrative, or scrivener’s errors contained herein that do not change the tone, tenor, or purpose of this Resolution, such errors may be corrected with no further action by the Board.
5. This Resolution shall be effective upon approval by the Board.

Dated this 29<sup>th</sup> day of August 2023.

\_\_\_\_\_  
JEA Board Vice Chair on behalf  
of JEA Board Chair

\_\_\_\_\_  
JEA Board Secretary

Form Approved by

\_\_\_\_\_  
Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	



# JEA Tariff filing to the Florida PSC

## E-Filing Submittal Date: July 22, 2023

Tariff Effective: August 29, 2023  
Public Hearing: August 29, 2023

Contents Cover Page  
Cover Letter  
Tariffs Sections (Redline)  
Tariffs Sections (Conformed)



July 22, 2023

Ms. Elizabeth Draper  
Chief of Economic Impact & Rate Design  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Dear Ms. Draper:

JEA is revising its current Economic Development Program rider to account for the fact that the utility has moved away from providing additional discounts for economic development projects locating in designating areas of excess electric capacity or Low Density Improvement Areas. The LDI areas will replace by Targeted Areas within the service territory. Targeted Areas are designated as areas within the City Distressed Area map and industrial zoned properties as defined by property appraisers' websites in the service territory.

JEA has also created an Enhanced Economic Development Program rider to attract more competitive projects that create a greater number of jobs, capital investment, and larger electric demand to the service territory.

JEA's Board postponed the approval of the previously submitted revised tariff filing effective August 1, 2023. The enclosed tariff filing is resubmitted with an effective date of August 29, 2023. It includes changes that are expected to be approved by JEA's Board at a public hearing scheduled August 29, 2023.

Tariff revision includes:

1. Revisions to the Economic Development Rider
2. Introduction of the Enhanced Economic Development Rider
3. Extending the Economic Stimulus Rider

Following this cover letter are the revised and conformed copies of all tariff sheets. These changes are currently estimated to become effective, August 29, 2023.

If you have questions or need additional information, please call me at (904) 665-4279.

Sincerely,

***Victor Blackshear***

Victor Blackshear  
Director, Financial Planning and Rates



**REVISED TARIFF SHEETS**

Sheet No. 1.0	Sheet No. 3.0	Sheet No. 15.0	Sheet No. 15.01	Sheet No. 15.02
Sheet No. 15.1	Sheet No. 15.11	Sheet No. 15.12	Sheet No. 16.0	Sheet No. 16.01



First Revised Sheet No. 1.0  
Cancelling Original Sheet 1.0

## **ELECTRIC TARIFF DOCUMENTATION**

### **VOLUME 2**

JEA  
21 West Church St.  
Jacksonville, Florida 32202-3139  
(904) 665-6000

---

#### **DESCRIPTION OF TERRITORY SERVED**

JEA furnishes retail electric service to the major portion of Duval County, including the City of Atlantic Beach and the Town of Baldwin. In addition, JEA provides retail electric service to the Town of Orange Park, to parts of St. Johns and Clay Counties.

Submitted to the Public Service Commission

**Approved by the JEA Board**  
**August 29, 2023**

VICTOR BLACKSHEAR, DIRECTOR  
FINANCIAL PLANNING AND ANALYSIS

Effective August 29, 2023



## INDEX OF ELECTRIC SERVICE RATE SCHEDULES

Rate Schedule Designations	Sheet Number
----------------------------------	-----------------

### RATE SCHEDULES

RS	<a href="#">Residential Service</a>	4.0
GS	<a href="#">General Service</a>	5.0
GST	<a href="#">General Service Time-of-Day</a> (Optional)	5.1
GSD	<a href="#">General Service Demand</a>	6.0
GSDT	<a href="#">General Service Demand Time-of-Day</a> (Optional)	6.2
GSLD	<a href="#">General Service Large Demand</a>	7.0
GSLDT	<a href="#">General Service Large Demand Time-of-Day</a> (Optional)	7.2
GSLDHLF	<a href="#">General Service Large Demand High Load Factor</a>	7.5
ISXLD	<a href="#">Interruptible Service Extra Large Demand</a> (Optional)	8.0
SS-1	<a href="#">Standby and Supplemental Service</a>	9.0
SL	<a href="#">Street Lighting</a>	10.0
OS	<a href="#">Unmetered Miscellaneous</a> Service for Traffic Signals and Other Uses	11.0

### RIDERS

GSXLD	<a href="#">General Service Extra Large Demand Rider</a>	12.0
LDI	<a href="#">Load Density Improvement Rider</a> (Closed to new customers)	13.0
MA	<a href="#">Multiple Account Load Factor Improvement Rider</a>	14.0
EDP	<a href="#">Economic Development Rider</a>	15.0
EEDP	Enhanced Economic Development Rider	15.1
ES	<a href="#">Economic Stimulus Rider</a>	16.0

(Continued to Sheet No. 3.1)



EDP  
 RIDER EDP

**Economic Development Program Rider**

---

**Available**

To new and existing customers receiving service in all territory served by JEA. Application for service under this Rider will not be accepted after September 30, 2025.

**Applicable**

To new or existing Customers who have executed an Economic Development Program Electric Service Agreement contract with JEA on or after October 1, 2013, and whose new or modified account qualifies for electric service under Rate Schedule GSD, GSDT, GSLD, GSLDT, or GSLDHLF. New or incremental existing metered demand under this rider must be a minimum of 300 kW at a single site of delivery and the Customer must employ an additional work force of at least 15 full-time employees in JEA’s service territory. This rider applies to new or incremental metered demand and additional employees on or after October 1, 2013. JEA reserves the right to accept or not accept any application for the Economic Development Program Rider (EDP).

**Character of Service**

JEA’s standard voltage levels.

**Rate per Month**

Customers executing an Economic Development Program Electric Service Agreement contract on or after October 1, 2013 shall receive a discount for new or incremental metered demand based on the percentages listed below. The discounts below will be applied to the electric charges including demand and energy. The adjustment will not apply to other charges, including basic monthly charges, fuel charge, excess KVAR charge, penalties, service charges, Gross Receipts Tax or other applicable taxes including franchise fees. For existing Customers, the adjustment will only be applied to the charges above the base metered demand and energy as defined in “Definition of Baseline.”

Year	Less than 5 MW Discount	For 5MW or greater Discount*	Less than 5MW Discount in Targeted Areas	For 5MW or greater Discount in Targeted Areas*
Year 1*	30%	30%	35%	35%
Year 2	25%	30%	30%	35%
Year 3	20%	30%	25%	35%
Year 4	15%	25%	20%	30%
Year 5	10%	20%	15%	25%
Year 6	5%	15%	10%	20%
Year 7	0%	10%	0%	15%
Year 8	0%	5%	0%	10%
Year 9	0%	0%	0%	0%

\*Year 1 can be extended as outlined in General Provisions (g) below  
 (Continued on Sheet No. 15.01)



(Continued from Sheet No. 15.0)

**Definition of Incremental Metered Demand**

The portion of the customer's metered demand which has increased by a minimum of 300 kW as a result of expansion or new construction at a single site of delivery.

**Definition of Baseline**

JEA will establish a baseline usage for each qualifying existing customer. Such base usage will reflect the billed peak kW and highest kWh consumption for the 12-month period immediately preceding the Customer's application for service.

**Definition of Target Area**

Areas in City Distressed Area map and industrial zone properties as defined by the property appraiser's websites in all territory served by JEA.

**General Provisions**

- (a) Customers must submit to JEA an application for service under this Rider. JEA must approve such application before the Customer may execute a Service Agreement contract and start service hereunder.
- (b) At the time of application for this Rider, the application must include the estimated amount of increased metered demand, nature of the increase and estimated timing of when the new metered demand will start and also specify the total number of full time employees that will be employed in JEA's service territory by the Customer
- (c) The Customer must notify JEA in writing when either the planned increase in metered demand has been met or, at the option of the Customer, when the minimum 300 kW increase has been met. JEA may monitor the Customers metered demand for up to the next three months following the receipt of the Customer notification to confirm the baseline usage is exceeded by at least 300 kW.
- (d) Additionally, the Customer must provide evidence annually that the number of full-time employees in JEA's service territory reported at the time of application has increased by the minimum required as stated under the EDP Application and continues at such level.
- (e) When both the new metered demand and the additional employee requirements have been met, the Customer must execute an Economic Development Program Rider Service Agreement contract within 12 months from the commencement of the incremental metered demand.
- (f) Year 1 discount will apply to the next twelve full billing cycles following execution of the Economic Development Program Rider Service Agreement contract.
- (g) With acceptable documentation, customers adding more than 5,000 kW of new metered demand may elect to extend Year 1 discount up to an additional 24 months to accommodate site construction to achieve the metered demand stated on their EEDP application.
- (h) Customer adding service in Target Areas (as may be changed from time to time) will receive the discounts according to the schedule shown above.

(Continued on Sheet No. 15.02)



(Continued from Sheet No. 15.01)

**Term of Service**

- (a) Service under this rider shall be for at least six (6) years but not more than eight (8) years for projects greater than 5,000 kW, from the commencement of service and will terminate at the end of the final year.
- (b) JEA may terminate service under this Rider if the Customer fails to maintain the full-time employees and/or the Customer fails to take the required amount of metered demand specified in the Economic Development Program Rider Service Agreement contract. If JEA elects to terminate the Economic Development Program Rider Service Agreement contract for noncompliance with Rider EDP, the Customer is no longer entitled to discounts provided by Rider EDP.
- (c) Customers desiring to terminate service under this rider will be required to give JEA thirty (30) days written notice. If the Customer elects to terminate the Economic Development Program Rider Service Agreement, the Customer is no longer entitled to discounts provided by Rider EDP.

**Terms and Conditions**

- (a) Service hereunder shall be subject to the Rules and Regulations of JEA.
- (b) Service under this Rider shall not be available where the service is provided solely or predominately for:
  - 1. Multi-tenant residential or commercial properties
  - 2. Any service deemed "Temporary"
- (c) A name change or other superficial change at an existing location, where the ownership and/or control over the premise is not changed, will not be considered as a new Customer.
- (d) If a change of ownership of the same business occurs after the Customer has initiated an Economic Development Program Rider Service Agreement contract, the successor Customer may be allowed to continue the balance of the agreement provided there are no reductions in employment or metered demand.
- (e) This Rider is not available for load shifted between service delivery points within JEA's service territory.
- (f) This Rider is not available for renewal or extension beyond the date listed in the Economic Development Program Rider Service Agreement contract.
- (g) Election of this Rider will preclude the election of any other JEA Rider, with the exception of JEA SolarSmart or SolarMax Riders.
- (h) Customer must maintain their JEA account in a current status. JEA retains the right to terminate this Rider at any time if Customer is classified as a "Collection Accounts Subject to Disconnection" as defined in JEA Standard Operating Procedure Commercial Credit and Collections.



EEDP  
RIDER EEDP

**Enhanced Economic Development Program Rider**

---

**Available**

To new and existing customers receiving service in all territory served by JEA. Application for service under this Rider will not be accepted after September 30, 2025

**Applicable**

To new or existing Customers whose industry is on the Florida Target Industry list and who have executed an Enhanced Economic Development Program Electric Service Agreement contract with JEA on or after June 27, 2023, and whose new or modified account qualifies for electric service under Rate Schedule GSD, GSDT, GSLD, GSLDT, or GSLDLF. New or incremental existing metered demand under this rider must be a minimum of 500 kW and an additional work force of at least 50 full-time employees, or greater than 3,000 kW and an additional work force of at least 15 full-time employees, at a single site of delivery in JEA's service territory. This rider applies to new or incremental metered demand and additional employees on or after June 27, 2023. JEA reserves the right to accept or not accept any application for the Enhanced Economic Development Program Rider (EEDP).

**Character of Service**

JEA's standard voltage levels.

**Rate per Month**

Customers executing an Enhanced Economic Development Program Electric Service Agreement contract on or after June 27, 2023 shall receive a discount for new or incremental metered demand based on the percentages listed below. The discounts below will be applied to the electric charges including demand and energy. The adjustment will not apply to other charges, including basic monthly charges, fuel charge, excess KVAR charge, penalties, service charges, Gross Receipts Tax or other applicable taxes including franchise fees. For existing Customers, the adjustment will only be applied to the charges above the base metered demand and energy as defined in "Definition of Baseline."

Year	Less than 5MW Discount	For 5MW or greater Discount*	Less than 5MW Discount for Florida's Target Industry	For 5MW or greater Discount Florida's Target Industry*
Year 1	45%	45%	50%	50%
Year 2	40%	45%	45%	50%
Year 3	35%	45%	40%	50%
Year 4	30%	40%	35%	45%
Year 5	25%	35%	30%	40%
Year 6	20%	30%	25%	35%
Year 7	15%	25%	20%	30%
Year 8	10%	20%	15%	25%
Year 9	5%	15%	10%	20%
Year 10	0%	10%	0%	15%
Year 11	0%	5%	0%	10%
Year 12	0%	0%	0%	0%

\*Year 1 can be extended as outlined in General Provisions (g) below

(Continued on Sheet No. 15.11)



(Continued from Sheet No. 15.10)

**Definition of Incremental Metered Demand**

The portion of the customer's metered demand which has increased by a minimum of 500 kW as a result of expansion or new construction at a single site of delivery.

**Definition of Baseline**

JEA will establish a baseline usage for each qualifying existing customer. Such base usage will reflect the billed peak kW and highest kWh consumption for the 12-month period immediately preceding the Customer's application for service.

**Definition of Florida's Target Industry**

Identified by Enterprise Florida, Inc., JaxUSA and the City of Jacksonville's Office of Economic Development as Manufacturing, Defense/Aerospace, Life Sciences, Logistics/Distribution, IT, Financial/Business Services and HQ. Retail activities, utilities, mining and other extraction or processing businesses, and activities regulated by the Division of Hotels and Restaurants of the Department of Business and Professional Regulation, are statutorily excluded from consideration.

**General Provisions**

- (a) Customers must submit to JEA an application for service under this Rider. JEA must approve such application before the Customer may execute a Service Agreement contract and start service hereunder.
- (b) At the time of application for this Rider, the application must include the estimated amount of increased metered demand, nature of the increase and estimated timing of when the new metered demand will start, and also specify the total number of full-time employees that will be employed in JEA's service territory by the Customer.
- (c) The Customer must notify JEA in writing when either the planned increase in metered demand has been met or, at the option of the Customer, when the minimum 500 kW increase has been met. JEA may monitor the Customer's metered demand for up to the next three months following the receipt of the Customer notification to confirm the baseline usage is exceeded by at least 500 kW.
- (d) Additionally, the Customer must provide evidence annually that the number of full-time employees in JEA's service territory reported at the time of application has increased by the minimum required as stated under the Applicable Agreement and continues at such level.
- (e) When both the new metered demand and the additional employee requirements have been met, the Customer must execute an Enhanced Economic Development Program Rider Service Agreement contract within 12 months from the commencement of the incremental metered demand.
- (f) Year 1 discount will apply to the next twelve full billing cycles following execution of the Enhanced Economic Development Program Rider Service Agreement contract.
- (g) With acceptable documentation, Customers adding more than 5,000 kW of new metered demand may elect to extend Year 1 discount up to an additional 24 months to accommodate site construction to achieve the metered demand stated on their EEDP application.
- (h) Customer adding service in Florida's Target Industry (as may be changed from time to time) will receive the discounts according to the schedule shown above.

(Continued on Sheet No. 15.12)



(Continued from Sheet No. 15.11)

**Term of Service**

- (a) Service under this rider shall be for at least nine (9) years but not more than eleven (11) years for projects greater than 5,000 kW, from the commencement of service and will terminate at the end of the final year.
- (b) JEA may terminate service under this Rider if the Customer fails to maintain the full-time employees and/or the Customer fails to take the required amount of metered demand specified in the Economic Development Program Rider Service Agreement contract. If JEA elects to terminate the Economic Development Program Rider Service Agreement contract for noncompliance with Rider EDP, the Customer is no longer entitled to discounts provided by Rider EDP.
- (c) Customers desiring to terminate service under this rider will be required to give JEA thirty (30) days written notice. If the Customer elects to terminate the Economic Development Program Rider Service Agreement, the Customer is no longer entitled to discounts provided by Rider EDP.

**Terms and Conditions**

- (a) Service hereunder shall be subject to the Rules and Regulations of JEA.
- (b) Service under this Rider shall not be available where the service is provided solely or predominately for:
  - Multi-tenant residential or commercial properties
  - Any service deemed "Temporary"
- (c) A name change or other superficial change at an existing location, where the ownership and/or control over the premise is not changed, will not be considered as a new Customer.
- (d) If a change of ownership of the same business occurs after the Customer has initiated an Economic Development Program Rider Service Agreement contract, the successor Customer may be allowed to continue the balance of the agreement provided there are no reductions in employment or metered demand.
- (e) This Rider is not available for load shifted between service delivery points within JEA's service territory.
- (f) This Rider is not available for renewal or extension beyond the date listed in the Economic Development Program Rider Service Agreement contract.
- (g) Election of this Rider will preclude the election of any other JEA Rider, with the exception of JEA SolarSmart or SolarMax Riders.
- (h) Customer must maintain their JEA account in a current status. JEA retains the right to terminate this Rider at any time if Customer is classified as a "Collection Accounts Subject to Disconnection" as defined in JEA Standard Operating Procedure Commercial Credit and Collections.



ES  
Revenue Codes ES

RIDER ES

## Economic Stimulus Rider (Experimental)

### **Available**

Service is available throughout the service territory served by JEA until such time as JEA may terminate this Economic Stimulus program. This Rider is available to qualifying commercial or industrial customers for service under the applicable JEA Rate Schedule GSLD. Customers desiring to take electric service under this Rider must make a written application for service. Customers requesting service under this Rider must execute a Service Agreement before September 30, 2025.

### **Applicable**

Electric service provided under this optional Rider shall be applicable to projected electric service requirements which JEA has determined that:

1. Customer would not be served by JEA but for this Rider; and
2. Customer qualifies for such service under the terms and conditions set forth within this Rider.
3. Customer would seek service in jurisdiction outside of the State of Florida

Applicable Load shall be recognized:

New Load not previously served by JEA. Applicable Load must be served at a single site and must exceed a minimum level of demand as determined from the following provisions:

New Load: 1,000 kW or more of new Metered Demand.

Any customer receiving service under this Rider must provide the following documentation, the sufficiency of which shall be determined by JEA:

- 1) Legal attestation by the customer (through an affidavit signed by an authorized representative of the customer) attesting to the requirement of this Rider that without the use of this Economic Stimulus Rider the New Load would not be served by JEA; and
- 2) Documentation demonstrating to JEA's satisfaction that there is a viable lower cost alternative to serve the customer electric service needs.

Each customer shall enter into a Service Agreement contract with JEA to purchase the customer's entire requirements for electric service at the service location set forth in the Service Agreement contract.

### **Character of Service**

This experimental Rider is offered in conjunction with the rates, terms and conditions of the JEA Rate Schedule GSLD.

### **Limitation of Service**

Standby and sale for resale are not permitted under this Rider.

(Continued on Sheet No. 16.01)



(Continued from Sheet No. 16.0)

**Rate per Month**

Unless specifically noted in this Rider or within the Service Agreement contract, the charges assessed for electric service shall be those found within the otherwise applicable JEA Rate Schedule GSLD.

**Additional Basic Monthly Charge**

\$250.00 per month

**Demand and Energy Charges**

The charges under this Rider may include the Demand and/or Energy Charges as set forth in the otherwise applicable Rate Schedule GSLD. The specific charges or procedure for calculating the charges under this Rider shall be set forth in a negotiated Service Agreement contract and shall at a minimum recover all incremental costs JEA incurs in serving the customer and contribute to JEA's fixed costs.

**Terms and Conditions**

- 1) Negotiated charges are to be determined by the consistent application of the following factors: (1) customers' load characteristics; (2) alternative power supply; (3) customer credit quality; (4) economic impact; (5) length of term of the Service Agreement; and (6) JEA's excess electric system capacity.
- 2) Negotiated terms and conditions associated with the Monthly Charges shall be set forth in the Service Agreement contract and may be applied during all or a portion of the term of the Service Agreement contract.
- 3) Service hereunder shall be subject to the Rules and Regulations of JEA.



First Revised Sheet No. 1.0  
Cancelling Original Sheet 1.0

Deleted: Original

## ELECTRIC TARIFF DOCUMENTATION VOLUME 2

JEA  
21 West Church St.  
Jacksonville, Florida 32202-3139  
(904) 665-6000

### DESCRIPTION OF TERRITORY SERVED

JEA furnishes retail electric service to the major portion of Duval County, including the City of Atlantic Beach and the Town of Baldwin. In addition, JEA provides retail electric service to the Town of Orange Park, to parts of St. Johns and Clay Counties.

Submitted to the Public Service Commission

Approved by the JEA Board  
~~August 29, 2023~~

Deleted: February 28

Deleted: April 1

VICTOR BLACKSHEAR, DIRECTOR  
FINANCIAL PLANNING AND ANALYSIS

Effective August 29, 2023



First Revised Sheet No. 3.0  
 Canceling Original Sheet No. 3.0

Deleted: Original

**INDEX OF ELECTRIC SERVICE RATE SCHEDULES**

Rate Schedule Designations		Sheet Number
<b><u>RATE SCHEDULES</u></b>		
RS	<a href="#">Residential Service</a>	4.0
GS	<a href="#">General Service</a>	5.0
GST	<a href="#">General Service Time-of-Day</a> (Optional)	5.1
GSD	<a href="#">General Service Demand</a>	6.0
GSDT	<a href="#">General Service Demand Time-of-Day</a> (Optional)	6.2
GSLD	<a href="#">General Service Large Demand</a>	7.0
GSLDT	<a href="#">General Service Large Demand Time-of-Day</a> (Optional)	7.2
GSLDHLF	<a href="#">General Service Large Demand High Load Factor</a>	7.5
ISXLD	<a href="#">Interruptible Service Extra Large Demand</a> (Optional)	8.0
SS-1	<a href="#">Standby and Supplemental Service</a>	9.0
SL	<a href="#">Street Lighting</a>	10.0
OS	<a href="#">Unmetered Miscellaneous</a> Service for Traffic Signals and Other Uses	11.0
<b><u>RIDERS</u></b>		
GSXLD	<a href="#">General Service Extra Large Demand Rider</a>	12.0
LDI	<a href="#">Load Density Improvement Rider</a> (Closed to new customers)	13.0
MA	<a href="#">Multiple Account Load Factor Improvement Rider</a>	14.0
EDP	<a href="#">Economic Development Rider</a>	15.0
<del>EEDP</del>	<del><a href="#">Enhanced Economic Development Rider</a></del>	<del>15.1</del>
ES	<a href="#">Economic Stimulus Rider</a>	16.0

(Continued to Sheet No. 3.1)

Deleted: April 1

VICTOR BLACKSHEAR, DIRECTOR  
 FINANCIAL PLANNING AND ANALYSIS

Effective August 29, 2023



First Revised Sheet No. 15.0  
 Canceling Original Sheet No. 15.0

Deleted: Original

EDP  
 RIDER EDP

**Economic Development Program Rider**

Deleted: (Experimental)

**Available**

To new and existing customers receiving service in all territory served by JEA. Application for service under this Rider will not be accepted after September 30, 2025.

Deleted: 2023

**Applicable**

To new or existing Customers who have executed an Economic Development Program Electric Service Agreement contract with JEA on or after October 1, 2013, and whose new or modified account qualifies for electric service under Rate Schedule GSD, GSDT, GSLD, GSLDT, or GSLDHLF. New or incremental existing metered demand under this rider must be a minimum of 300 kW at a single site of delivery and the Customer must employ an additional work force of at least 15 full-time employees in JEA's service territory. This rider applies to new or incremental metered demand and additional employees on or after October 1, 2013. JEA reserves the right to accept or not accept any application for the Economic Development Program Rider (EDP).

**Character of Service**

JEA's standard voltage levels.

**Rate per Month**

Customers executing an Economic Development Program Electric Service Agreement contract on or after October 1, 2013 shall receive a discount for new or incremental metered demand based on the percentages listed below. The discounts below will be applied to the electric charges including demand and energy. The adjustment will not apply to other charges, including basic monthly charges, fuel charge, excess KVAR charge, penalties, service charges, Gross Receipts Tax or other applicable taxes including franchise fees. For existing Customers, the adjustment will only be applied to the charges above the base metered demand and energy as defined in "Definition of Baseline."

Deleted: .

Year	<u>Less than 5 MW Discount</u>	<u>For 5MW or greater Discount*</u>	<u>Less than 5MW Discount in Targeted Areas</u>	<u>For 5MW or greater Discount in Targeted Areas*</u>
Year 1*	30%	<u>30%</u>	35%	<u>35%</u>
Year 2	25%	<u>30%</u>	30%	<u>35%</u>
Year 3	20%	<u>30%</u>	25%	<u>35%</u>
Year 4	15%	<u>25%</u>	20%	<u>30%</u>
Year 5	10%	<u>20%</u>	15%	<u>25%</u>
Year 6	5%	<u>15%</u>	10%	<u>20%</u>
Year 7	0%	<u>10%</u>	0%	<u>15%</u>
<u>Year 8</u>	<u>0%</u>	<u>5%</u>	<u>0%</u>	<u>10%</u>
<u>Year 9</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>

Deleted: Load Density Improvement

\*Year 1 can be extended as outlined in General Provisions (g) below  
 (Continued on Sheet No. 15.01)

Formatted: Left

VICTOR BLACKSHEAR, DIRECTOR  
 FINANCIAL PLANNING AND ANALYSIS

Effective August 29, 2023

Deleted: April 1



First Revised Sheet No. 15.01  
 Canceling Original Sheet No. 15.01

(Continued from Sheet No. 15.0)

**Definition of Incremental Metered Demand**

The portion of the customer's metered demand which has increased by a minimum of 300 kW as a result of expansion or new construction at a single site of delivery.

**Definition of Baseline**

JEA will establish a baseline usage for each qualifying existing customer. Such base usage will reflect the billed peak kW and highest kWh consumption for the 12-month period immediately preceding the Customer's application for service.

**Definition of Target Area**

Areas in City Distressed Area map and industrial zone properties as defined by the property appraiser's websites in all territory served by JEA.

**General Provisions**

- (a) Customers must submit to JEA an application for service under this Rider. JEA must approve such application before the Customer may execute a Service Agreement contract and start service hereunder.
- (b) At the time of application for this Rider, the application must include the estimated amount of increased metered demand, nature of the increase and estimated timing of when the new metered demand will start and, also specify the total number of full time employees that will be employed in JEA's service territory by the Customer.
- (c) The Customer must notify JEA in writing when either the planned increase in metered demand has been met or, at the option of the Customer, when the minimum 300 kW increase has been met. JEA may monitor the Customers metered demand for up to the next three months following the receipt of the Customer notification to confirm the baseline usage is exceeded by at least 300 kW.
- (d) Additionally, the Customer must provide evidence annually that the number of full-time employees in JEA's service territory reported at the time of application has increased by the minimum required as stated under the EDP Application and continues at such level.
- (e) When both the new metered demand and the additional employee requirements have been met, the Customer must execute an Economic Development Program Rider Service Agreement contract within 12 months from the commencement of the incremental metered demand.
- (f) Year 1 discount will apply to the next twelve full billing cycles following execution of the Economic Development Program Rider Service Agreement contract.
- (g) With acceptable documentation, customers adding more than 5,000 kW of new metered demand may elect to extend Year 1 discount up to an additional 24 months to accommodate site construction to achieve the metered demand stated on their EEDP application.
- (h) Customer adding service in Target Areas, (as may be changed from time to time) will receive the discounts according to the schedule shown above.

(Continued on Sheet No. 15.02)

VICTOR BLACKSHEAR, DIRECTOR  
 FINANCIAL PLANNING AND ANALYSIS

Effective August 29, 2023

Deleted: Original

Deleted: Florida's

Deleted: Industry

Deleted: Identified by Enterprise Florida, Inc., JaxUSA and the City of Jacksonville's Office of Economic Development as Manufacturing, Defense/Aerospace, Life Sciences, Logistics/Distribution, IT, Financial/Business Services and HQ. Retail activities, utilities, mining and other extraction or processing businesses, and activities regulated by the Division of Hotels and Restaurants of the Department of Business and Professional Regulation, are statutorily excluded from consideration.

Deleted: ¶

Deleted: T

Deleted: .

Deleted: The application must

Deleted: at the time of the application for this Rider.

Deleted: Applicable

Deleted: at least 15

Deleted: C

Deleted: for

Deleted: Florida's T

Deleted: Industry

Deleted: areas designated for Load Density Improvement

Deleted: April

Deleted: 1



First Revised Sheet No. 15.02  
Canceling Original Sheet No. 15.02

Deleted: Original

(Continued from Sheet No. 15.01)

**Term of Service**

- (a) Service under this rider shall be for at least six (6) years but not more than eight (8) years for projects greater than 5,000 kW, from the commencement of service and will terminate at the end of the final year.
- (b) JEA may terminate service under this Rider if the Customer fails to maintain the full-time employees and/or the Customer fails to take the required amount of metered demand specified in the Economic Development Program Rider Service Agreement contract. If JEA elects to terminate the Economic Development Program Rider Service Agreement contract for noncompliance with Rider EDP, the Customer is no longer entitled to discounts provided by Rider EDP.
- (c) Customers desiring to terminate service under this rider will be required to give JEA thirty (30) days written notice. If the Customer elects to terminate the Economic Development Program Rider Service Agreement, the Customer is no longer entitled to discounts provided by Rider EDP.

**Terms and Conditions**

- (a) Service hereunder shall be subject to the Rules and Regulations of JEA.
- (b) Service under this Rider shall not be available where the service is provided solely or predominately for:
  - 1. Multi-tenant residential or commercial properties
  - 2. Any service deemed "Temporary"
- (c) A name change or other superficial change at an existing location, where the ownership and/or control over the premise is not changed, will not be considered as a new Customer.
- (d) If a change of ownership of the same business occurs after the Customer has initiated an Economic Development Program Rider Service Agreement contract, the successor Customer may be allowed to continue the balance of the agreement provided there are no reductions in employment or metered demand.
- (e) This Rider is not available for load shifted between service delivery points within JEA's service territory.
- (f) This Rider is not available for renewal or extension beyond the date listed in the Economic Development Program Rider Service Agreement contract.
- (g) Election of this Rider will preclude the election of any other JEA Rider, with the exception of JEA SolarSmart or SolarMax Riders.
- (h) Customer must maintain their JEA account in a current status. JEA retains the right to terminate this Rider at any time if Customer is classified as a "Collection Accounts Subject to Disconnection" as defined in JEA Standard Operating Procedure Commercial Credit and Collections.

VICTOR BLACKSHEAR, DIRECTOR  
FINANCIAL PLANNING AND ANALYSIS

Effective August 29, 2023

Deleted: April 1



Original Sheet No. 15.10

Deleted: <object>  
Deleted: Original Sheet No. 15.11

EEDP  
RIDER EEDP

**Enhanced Economic Development Program Rider**

**Available**

To new and existing customers receiving service in all territory served by JEA. Application for service under this Rider will not be accepted after September 30, 2025

**Applicable**

To new or existing Customers whose industry is on the Florida Target Industry list and who have executed an Enhanced Economic Development Program Electric Service Agreement contract with JEA on or after June 27, 2023, and whose new or modified account qualifies for electric service under Rate Schedule GSD, GSDD, GSLE, GSLEDT, or GSLEHLF. New or incremental existing metered demand under this rider must be a minimum of 500 kW and an additional work force of at least 50 full-time employees, or greater than 3,000 kW and an additional work force of at least 15 full-time employees, at a single site of delivery in JEA's service territory. This rider applies to new or incremental metered demand and additional employees on or after June 27, 2023. JEA reserves the right to accept or not accept any application for the Enhanced Economic Development Program Rider (EEDP).

**Character of Service**

JEA's standard voltage levels.

**Rate per Month**

Customers executing an Enhanced Economic Development Program Electric Service Agreement contract on or after June 27, 2023 shall receive a discount for new or incremental metered demand based on the percentages listed below. The discounts below will be applied to the electric charges including demand and energy. The adjustment will not apply to other charges, including basic monthly charges, fuel charge, excess KVAR charge, penalties, service charges, Gross Receipts Tax or other applicable taxes including franchise fees. For existing Customers, the adjustment will only be applied to the charges above the base metered demand and energy as defined in "Definition of Baseline."

Year	Less than 5MW Discount	For 5MW or greater Discount*	Less than 5MW Discount for Florida's Target Industry	For 5MW or greater Discount Florida's Target Industry*
Year 1	45%	45%	50%	50%
Year 2	40%	45%	45%	50%
Year 3	35%	45%	40%	50%
Year 4	30%	40%	35%	45%
Year 5	25%	35%	30%	40%
Year 6	20%	30%	25%	35%
Year 7	15%	25%	20%	30%
Year 8	10%	20%	15%	25%
Year 9	5%	15%	10%	20%
Year 10	0%	10%	0%	15%
Year 11	0%	5%	0%	10%
Year 12	0%	0%	0%	0%

\*Year 1 can be extended as outlined in General Provisions (g) below

(Continued on Sheet No. 15.11)

Deleted: April 1

VICTOR BLACKSHEAR, DIRECTOR  
FINANCIAL PLANNING AND ANALYSIS

Effective August 29, 2023



Original Sheet No. 15.11

(Continued from Sheet No. 15.10)

**Definition of Incremental Metered Demand**

The portion of the customer's metered demand which has increased by a minimum of 500 kW as a result of expansion or new construction at a single site of delivery.

**Definition of Baseline**

JEA will establish a baseline usage for each qualifying existing customer. Such base usage will reflect the billed peak kW and highest kWh consumption for the 12-month period immediately preceding the Customer's application for service.

**Definition of Florida's Target Industry**

Identified by Enterprise Florida, Inc., JaxUSA and the City of Jacksonville's Office of Economic Development as Manufacturing, Defense/Aerospace, Life Sciences, Logistics/Distribution, IT, Financial/Business Services and HO, Retail activities, utilities, mining and other extraction or processing businesses, and activities regulated by the Division of Hotels and Restaurants of the Department of Business and Professional Regulation, are statutorily excluded from consideration.

**General Provisions**

- (a) Customers must submit to JEA an application for service under this Rider. JEA must approve such application before the Customer may execute a Service Agreement contract and start service hereunder.
- (b) At the time of application for this Rider, the application must include the estimated amount of increased metered demand, nature of the increase and estimated timing of when the new metered demand will start, and also specify the total number of full-time employees that will be employed in JEA's service territory by the Customer.
- (c) The Customer must notify JEA in writing when either the planned increase in metered demand has been met or, at the option of the Customer, when the minimum 500 kW increase has been met. JEA may monitor the Customers metered demand for up to the next three months following the receipt of the Customer notification to confirm the baseline usage is exceeded by at least 500 kW.
- (d) Additionally, the Customer must provide evidence annually that the number of full-time employees in JEA's service territory reported at the time of application has increased by the minimum required as stated under the Applicable Agreement and continues at such level.
- (e) When both the new metered demand and the additional employee requirements have been met, the Customer must execute an Enhanced Economic Development Program Rider Service Agreement contract within 12 months from the commencement of the incremental metered demand.
- (f) Year 1 discount will apply to the next twelve full billing cycles following execution of the Enhanced Economic Development Program Rider Service Agreement contract.
- (g) With acceptable documentation, Customers adding more than 5,000 kW of new metered demand may elect to extend Year 1 discount up to an additional 24 months to accommodate site construction to achieve the metered demand stated on their EEDP application.
- (h) Customer adding service in Florida's Target Industry (as may be changed from time to time) will receive the discounts according to the schedule shown above.

(Continued on Sheet No. 15.12)

VICTOR BLACKSHEAR, DIRECTOR  
FINANCIAL PLANNING AND ANALYSIS

Effective August 29, 2023

Deleted: <object>

Deleted: Original Sheet No. 15.11¶

Deleted: ¶

Deleted: Applicable and

Deleted: April 1



Original Sheet No. 15.12

(Continued from Sheet No. 15.11)

Deleted: Section Break (Next Page)

**Term of Service**

- (a) Service under this rider shall be for at least nine (9) years but not more than eleven (11) years for projects greater than 5,000 kW, from the commencement of service and will terminate at the end of the final year.
- (b) JEA may terminate service under this Rider if the Customer fails to maintain the full-time employees and/or the Customer fails to take the required amount of metered demand specified in the Economic Development Program Rider Service Agreement contract. If JEA elects to terminate the Economic Development Program Rider Service Agreement contract for noncompliance with Rider EDP, the Customer is no longer entitled to discounts provided by Rider EDP.
- (c) Customers desiring to terminate service under this rider will be required to give JEA thirty (30) days written notice. If the Customer elects to terminate the Economic Development Program Rider Service Agreement, the Customer is no longer entitled to discounts provided by Rider EDP.

**Terms and Conditions**

- (a) Service hereunder shall be subject to the Rules and Regulations of JEA.
- (b) Service under this Rider shall not be available where the service is provided solely or predominately for:
  - Multi-tenant residential or commercial properties
  - Any service deemed "Temporary"
- (c) A name change or other superficial change at an existing location, where the ownership and/or control over the premise is not changed, will not be considered as a new Customer.
- (d) If a change of ownership of the same business occurs after the Customer has initiated an Economic Development Program Rider Service Agreement contract, the successor Customer may be allowed to continue the balance of the agreement provided there are no reductions in employment or metered demand.
- (e) This Rider is not available for load shifted between service delivery points within JEA's service territory.
- (f) This Rider is not available for renewal or extension beyond the date listed in the Economic Development Program Rider Service Agreement contract.
- (g) Election of this Rider will preclude the election of any other JEA Rider, with the exception of JEA SolarSmart or SolarMax Riders.
- (h) Customer must maintain their JEA account in a current status. JEA retains the right to terminate this Rider at any time if Customer is classified as a "Collection Accounts Subject to Disconnection" as defined in JEA Standard Operating Procedure Commercial Credit and Collections.

Deleted: April 1

VICTOR BLACKSHEAR, DIRECTOR  
FINANCIAL PLANNING AND ANALYSIS

Effective August 29, 2023



First Revised Sheet No. 16.0  
Canceling Original Sheet No. 16.0

Deleted: Original

Deleted: .....Section Break (Next Page).....

ES  
Revenue Codes ES

RIDER ES

**Economic Stimulus Rider (Experimental)**

**Available**

Service is available throughout the service territory served by JEA until such time as JEA may terminate this Economic Stimulus program. This Rider is available to qualifying commercial or industrial customers for service under the applicable JEA Rate Schedule GSLD. Customers desiring to take electric service under this Rider must make a written application for service. Customers requesting service under this Rider must execute a Service Agreement before September 30, 2025.

Deleted: 2023

**Applicable**

Electric service provided under this optional Rider shall be applicable to projected electric service requirements which JEA has determined that:

1. Customer would not be served by JEA but for this Rider; and
2. Customer qualifies for such service under the terms and conditions set forth within this Rider.
3. Customer would seek service in jurisdiction outside of the State of Florida

Applicable Load shall be recognized:

New Load not previously served by JEA. Applicable Load must be served at a single site and must exceed a minimum level of demand as determined from the following provisions:

New Load: 1,000 kW or more of new Metered Demand.

Any customer receiving service under this Rider must provide the following documentation, the sufficiency of which shall be determined by JEA:

- 1) Legal attestation by the customer (through an affidavit signed by an authorized representative of the customer) attesting to the requirement of this Rider that without the use of this Economic Stimulus Rider the New Load would not be served by JEA; and
- 2) Documentation demonstrating to JEA's satisfaction that there is a viable lower cost alternative to serve the customer electric service needs.

Each customer shall enter into a Service Agreement contract with JEA to purchase the customer's entire requirements for electric service at the service location set forth in the Service Agreement contract.

**Character of Service**

This experimental Rider is offered in conjunction with the rates, terms and conditions of the JEA Rate Schedule GSLD.

**Limitation of Service**

Standby and sale for resale are not permitted under this Rider.

Deleted: ¶

Formatted: List Paragraph, Centered

Deleted: April

Deleted: 1

(Continued on Sheet No. 16.01)

VICTOR BLACKSHEAR, DIRECTOR  
FINANCIAL PLANNING AND ANALYSIS

Effective August 29, 2023



First Revised Sheet No. 16.01  
Canceling Original Sheet No. 16.01

(Continued from Sheet No. 16.0)

Deleted: Original

**Rate per Month**

Unless specifically noted in this Rider or within the Service Agreement contract, the charges assessed for electric service shall be those found within the otherwise applicable JEA Rate Schedule GSLD.

**Additional Basic Monthly Charge**

\$250.00 per month

**Demand and Energy Charges**

The charges under this Rider may include the Demand and/or Energy Charges as set forth in the otherwise applicable Rate Schedule GSLD. The specific charges or procedure for calculating the charges under this Rider shall be set forth in a negotiated Service Agreement contract and shall at a minimum recover all incremental costs JEA incurs in serving the customer and contribute to JEA's fixed costs.

**Terms and Conditions**

- 1) Negotiated charges are to be determined by the consistent application of the following factors: (1) customers' load characteristics; (2) alternative power supply; (3) customer credit quality; (4) economic impact; (5) length of term of the Service Agreement; and (6) JEA's excess electric system capacity.
- 2) Negotiated terms and conditions associated with the Monthly Charges shall be set forth in the Service Agreement contract and may be applied during all or a portion of the term of the Service Agreement contract.

3) Service hereunder shall be subject to the Rules and Regulations of JEA.

Formatted: List Paragraph, Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0" + Indent at: 0.25"

Deleted: ¶

Formatted: Font: +Body (Calibri)

Formatted: Normal

Formatted: Normal, Right

Deleted: April

Deleted: 1

VICTOR BLACKSHEAR, DIRECTOR  
FINANCIAL PLANNING AND ANALYSIS

Effective August 29, 2023



**BOARD RESOLUTION: 2023-28**

August 29, 2023

**A RESOLUTION OF THE JEA BOARD OF DIRECTORS APPROVING THE GOVERNANCE, AUDIT, AND COMPLIANCE COMMITTEE'S RECOMMENDATION TO ADOPT THE PROCUREMENT CODE EXEMPTION FOR FINANCIAL INSTRUMENTS AND SERVICES SUBSTANTIALLY IN THE SAME FORM AS ATTACHED HERETO; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE**

**WHEREAS**, in accordance with Article 21, Section 21.09, City of Jacksonville Charter, referred to within this resolution as "JEA Charter", JEA's governing body is required to review and approve JEA's procurement procedures, including any amendments thereto; and

**WHEREAS**, in accordance with the JEA Charter, on April 25, 2023, the Board of Directors adopted a revised JEA Procurement Code; and

**WHEREAS**, in the revised Procurement Code, the article that previously addressed the procurement of financial instruments and services was deleted with the intent to submit a Procurement Code Exemption addressing such procurements for consideration by the Board of Directors; and

**WHEREAS**, it is advisable to address the procurement of financial instruments and services through a Procurement Code exemption due to the fact that such services often exist in a limited market and must be completed in a limited timeframe in order to accommodate the needs of financing or investment transactions; and

**WHEREAS**, at its August 4, 2023 meeting, the JEA Governance, Audit & Compliance Committee recommended that the Procurement Code Exemption for Financial Instruments and Services be adopted in accordance with the document attached hereto as Exhibit A and incorporated herein; and

**WHEREAS**, it is in the best interests of JEA to adopt the Procurement Code Exemption for Financial Instruments and Services as recommended by the Governance, Audit & Compliance Committee.

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

1. The above recitals are incorporated into the body of this Resolution and are adopted as findings of fact.
2. The Board adopts the amended Procurement Code Exemption for Financial Instruments and Services substantially in the same form as attached hereto.
3. The Managing Director/Chief Executive Officer (or designee) shall take all steps necessary to implement and administer the Procurement Code Exemption for Financial Instruments and Services.
4. To the extent that there are any typographical, administrative, and/or scrivener's errors contained here in that do not change the tone, tenor, or purpose of this Resolution, then such errors may be corrected with no further action required by the Board.
5. This Resolution shall be effective upon approval by the Board.

Dated this 29<sup>th</sup> day of August 2023.

\_\_\_\_\_  
JEA Board Vice Chair on behalf of  
JEA Board Chair

\_\_\_\_\_  
Board Secretary

Form Approved by:

\_\_\_\_\_  
Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	

**Procurement Code Exemption  
Financial Instruments and Services**

**Scope of Procurement Exemption:** This Procurement Code Exemption relates to certain financial instruments and services that are offered in a well-defined limited market, may involve complex negotiations among sophisticated counterparties, and often require a limited timeframe in which to complete a transaction. At all times, financial instruments and services procured under this exemption shall include as much fair and open competition as administratively possible. The following financial instruments and services may be procured under this exemption:

**Bond Underwriting Services** - Including services to underwrite variable or fixed rate bonds, notes, commercial paper or other debt-related financial instruments issued under any bond resolution approved by the JEA Board, subject to a negotiated sale or competitive bid.

**Fiduciary Services** - Including trustee, registrar, paying agent, escrow agent, custody, and other similar fiduciary services in conjunction with the issuance and management of debt and/or investment of assets.

**Credit Rating Agency Services** - Including the procurement of debt ratings and related informational services from nationally recognized credit rating agencies.

**Dealer and Remarketing Services** - Including dealers or remarketing agents that market commercial paper, variable rate demand obligations, or other variable rate debt issued under any bond resolution approved by the JEA Board.

**Investment Purchase and Management Services** - Including the purchase or sale of allowed securities or entering into securities lending arrangements under JEA's Investment Management Policy, or entering into agreements with professional investment managers to manage JEA's assets.

**Financial Transaction Support Services** - Including services directly related to a financial transaction including, but not limited to escrow verification services, accounting services, and financial printing services.

**Financial Instruments and Arrangements** - Including financial instruments and arrangements primarily used as risk management strategies (including but not limited to swaps, caps, floors, collars, options, forward supply agreements, float contracts, and Guaranteed Investment Contracts), credit support (including but not limited to bond insurance, surety policies, letters of credit, and other credit enhancement facilities), and liquidity support (including but not limited to continuing covenant agreements, standby bond purchase agreements, and lines of credit).

**Agency Services for the Sale of Financial Assets** - Including, but not limited to, procuring the services of an agent to sell tax credits or other financial assets.

**Investor Relations Services** - Including services related to the research of or direct communication with the investors, either electronically or in person.

**Financial Compliance Services** - Including services necessary to meet compliance requirements of bond covenants and regulators.

	Agreement Amount	Contract Signatory Authority
Contracts for the Procurement of Financial Instruments and Services	> \$25,000,000	JEA Board
	\$10,000,000 to \$25,000,000	Chief Executive Officer
	\$1,000,000 to \$10,000,000	Chief Financial Officer
	\$100,000 to \$1,000,000	VP Financial Services
	< \$100,000	Treasurer

All enabling agreements should be reviewed and approved by the Office of General Counsel prior to signature.

Documentation			
	Amount	Term	Responsible Party
Responsible for Retaining Procurement and Contract	Any	Any	Treasurer

Procurement Methodology			
Type of Procurement	Amount	Approving Entity	Procurement Guidelines
Accelerated Bids	Any Amount	Treasurer	If a short procurement timeframe is required, the JEA business unit may use an accelerated bid process to sell or procure supplies or services covered by this procurement exemption by issuing a solicitation via email through JEA's Financial Advisor or directly to prospective bidders. Under this procurement method, JEA's Financial Advisor or staff of the VP Financial Services or will receive bids directly from the bidders for quick evaluation by JEA staff and award of a contract.
Unsolicited Offers	Any Amount	Treasurer	JEA may enter into contracts based on unsolicited offers for supplies or services covered by this procurement exemption without using a competitive bidding process. JEA staff or JEA's Financial Advisor may engage in negotiations with the party that provided the unsolicited offer to improve the terms, conditions and/or pricing. JEA will be allowed to take advantage of unsolicited offers when such procurements are determined to provide operational and/or economical advantage to JEA and acceptance of such offer is in JEA's best interest.

I hereby delegate contract signature authority to the JEA personnel as provided herein.

**Approved:** \_\_\_\_\_  
Jay Stowe  
Managing  
Date:

**Accepted:** \_\_\_\_\_  
Ted Phillips  
Chief Financial Officer  
Date:

# Amended and Restated JEA Procurement Code

Effective April 27, 2021

## Table of Contents

<b>DEFINITIONS .....</b>	<b><u>1</u></b>
<b>ARTICLE 1— GENERAL PROVISIONS .....</b>	<b><u>5</u></b>
1-101 Purposes, Rules of Construction .....	<u>5</u>
1-102 Application of this Code .....	<u>6</u>
1-103 Determinations .....	<u>7</u>
1-104 Policy of Continuous Improvement .....	<u>7</u>
1-105 Jacksonville Small Emerging Business (JSEB) Program; Minority Business Enterprises .....	<u>7</u>
1-106 General Counsel of the City of Jacksonville .....	<u>7</u>
1-107 Ex Parte Communication Prohibited .....	<u>8</u>
1-108 Retention of Procurement Records .....	<u>9</u>
1-109 Collection of Data Concerning JEA Procurement; Annual Vendor Survey .....	<u>9</u>
1-110 Record of Procurement Actions .....	<u>10</u>
<b>ARTICLE 2— PROCUREMENT AUTHORITY, DESIGNATIONS, AND COMMITTEES .....</b>	<b><u>11</u></b>
2-101 Procurement Authority and Duties of the JEA Board .....	<u>11</u>
2-102 Procurement Code Exemptions .....	<u>11</u>
2-103 Appointment and Authority of the Chief Procurement Officer .....	<u>12</u>
2-104 Delegation of Authority by the Chief Procurement Officer .....	<u>12</u>
2-105 Procurement Document Review .....	<u>12</u>
2-106 Awards Committee .....	<u>13</u>
2-107 Awards Committee Procedures .....	<u>13</u>
2-108 Duties of the Awards Committee .....	<u>14</u>
<b>ARTICLE 3— SOURCE SELECTION AND CONTRACT FORMATION .....</b>	<b><u>15</u></b>
3-101 Formal Purchases .....	<u>15</u>
3-102 Informal Purchases .....	<u>16</u>
3-103 Methods of Pre-Source Selection .....	<u>16</u>
3-104 Methods of Source Selection .....	<u>17</u>
3-105 Invitation For Bids (IFB) .....	<u>18</u>
3-106 Request for Proposal (RFP) .....	<u>18</u>
3-107 ——— Consultants’ Competitive Negotiation Act (CCNA) (Architectural, Engineering, Landscape Architectural, or Surveying & Mapping Services) .....	<u>18</u>
3-108 Design-Build Contracts .....	<u>18</u>
3-109 Construction Management and Program Management .....	<u>19</u>

Formatted: Header

Style Definition: Normal

Style Definition: Heading 1

Style Definition: Heading 2

Style Definition: TOC 1

Style Definition: TOC 2

3-110 Multi-Step Competitive Bidding .....1918

3-111 Invitation to Negotiate (ITN) .....19

3-112 Single Source .....2019

3-113 Emergency Procurements .....20

3-114 Public-Private Partnerships .....2120

3-115 Collaborative Procurements .....2120

3-116 Joint Projects .....21

3-117 Use of Publicly Procured Contracts .....21

3-118 Pilot Projects .....2221

3-119 Use of Reverse Auctions .....22

3-120 Form of Contract Documents .....2322

3-121 Execution of Contract Documents .....23

3-122 JEA Project Manager .....23

3-123 Continuing Services Contracts .....2423

3-124 Contract Pricing Terms .....2423

**ARTICLE 4 – PROCUREMENT OF FINANCIAL INSTRUMENTS AND SERVICES .....24**

4-101 [Deleted] .....24

4-201 Types of Procured Financial Instruments and Services .....24

4-301 Authorized Investments .....25

4-302 Financial Instruments and Arrangements .....2625

4-303 Purchases in the Secondary Market of Debt .....27

4-304 Debt Underwriting Services to Underwrite Bonds, Notes or Other Financial Instruments Issued Under Bond Resolutions, Subject to a Negotiated Sale .....2827

4-305 Debt Underwriting Services to Underwrite Bonds, Notes or Other Financial Instruments Issued Under Bond Resolutions, Subject to a Competitive Bid .....28

4-306 Bond Counsel and Related Legal Services .....28

4-307 Financial Advisory Services .....2928

4-308 Trustee, Registrar, Paying Agent, Escrow Agent, Custody Services relating to fixed-rate debt or variable rate and similar fiduciary Services .....2928

4-309 Credit Rating Agencies Services .....29

4-310 Dealers or Remarketing Agents that Market Commercial Paper, Variable Rate Demand Obligations (VRDO), or other Variable Rate Debt .....29

4-311 Securities Lending Arrangements .....3029

4-312 Financial Printing Services, Including but not Limited to Official Statement Printing .....30

4-313 Banking Services .....3130

4-314 Escrow Verification Services and Accounting Services Related to a Debt Issue or Escrow Restructuring .....31

4-315 Letters of Credit or Revolving Credit Facilities .....31

4-316 Sale of Voluntary Florida Cleanup Tax Credits .....32

4-401 [Deleted] .....32

4-402 Reimbursement of Certain Expenditures from Long-term Permanent Financing .....32

**ARTICLE 5 – ADMINISTRATIVE REMEDIES .....3332**

Formatted: Header

5-101 Protests ..... 3332

5-102 Suspensions and Debarments ..... 35

5-103 Creation of the Procurement Appeals Board ..... 3736

5-104 Procurement Appeals Board Procedures ..... 37

5-105 Authority of Procurement Appeals Board ..... 37

5-106 Appeals ..... 3837

5-107 Review of Appeals ..... 38

**DEFINITIONS ..... 1**

**ARTICLE 1- GENERAL PROVISIONS ..... 5**

1-101 Purposes, Rules of Construction ..... 5

1-102 Application of this Code ..... 6

1-103 Determinations ..... 7

1-104 Policy of Continuous Improvement ..... 7

1-105 Jacksonville Small Emerging Business (JSEB) Program; Minority Business Enterprises ..... 7

1-106 General Counsel of the City of Jacksonville ..... 7

1-107 Ex Parte Communication Prohibited ..... 8

1-108 Retention of Procurement Records ..... 9

1-109 Collection of Data Concerning JEA Procurement; Annual Vendor Survey ..... 9

1-110 Record of Procurement Actions ..... 10

**ARTICLE 2 - PROCUREMENT AUTHORITY, DESIGNATIONS, AND COMMITTEES ..... 11**

2-101 Procurement Authority and Duties of the JEA Board ..... 11

2-102 Procurement Code Exemptions ..... 11

2-103 Appointment and Authority of the Chief Procurement Officer ..... 12

2-104 Delegation of Authority by the Chief Procurement Officer ..... 12

2-105 Procurement Document Review and Transparency ..... 12

2-106 Awards ..... 13

**ARTICLE 3 – SOURCE SELECTION AND CONTRACT FORMATION ..... 1514**

3-101 Formal Purchases ..... 1514

3-102 Informal Purchases ..... 1614

3-103 Methods of Pre-Source Selection ..... 1615

3-104 Methods of Source Selection ..... 1715

3-105 Invitation For Bids (IFB) ..... 1816

3-106 Request for Proposal (RFP) ..... 1816

3-107 Consultants’ Competitive Negotiation Act (CCNA) (Architectural, Engineering, Landscape Architectural, or Surveying & Mapping Services) ..... 1817

3-108 Design-Build Contracts ..... 1817

3-109 Construction Management and Program Management ..... 1917

3-110 Multi-Step Competitive Bidding ..... 1917

3-111 Invitation to Negotiate (ITN) ..... 1917

3-112 Single Source ..... 2018

3-113 Emergency Procurements ..... 2018

3-114 Public-Private Partnerships ..... 2149

Formatted: Header

<a href="#">3-115 Collaborative Procurements.....</a>	<a href="#">2119</a>
<a href="#">3-116 Joint Projects.....</a>	<a href="#">2119</a>
<a href="#">3-117 Use of Publicly Procured Contracts.....</a>	<a href="#">2120</a>
<a href="#">3-118 Pilot Projects.....</a>	<a href="#">2220</a>
<a href="#">3-119 Use of Reverse Auctions.....</a>	<a href="#">2221</a>
<a href="#">3-120 Form of Contract Documents.....</a>	<a href="#">2321</a>
<a href="#">3-121 Execution of Contract Documents.....</a>	<a href="#">2322</a>
<a href="#">3-122 JEA Project Manager.....</a>	<a href="#">2322</a>
<a href="#">3-123 Continuing Services Contracts.....</a>	<a href="#">2422</a>
<a href="#">3-124 Contract Pricing Terms.....</a>	<a href="#">2422</a>
<b><a href="#">ARTICLE 4 - ADMINISTRATIVE REMEDIES.....</a></b>	<b><a href="#">2422</a></b>
<a href="#">4-101 Protests.....</a>	<a href="#">3322</a>
<a href="#">4-102 Suspensions and Debarments.....</a>	<a href="#">3525</a>
<a href="#">4-103 Creation of the Procurement Appeals Board.....</a>	<a href="#">3726</a>
<a href="#">5-104 Procurement Appeals Board Procedures.....</a>	<a href="#">3726</a>
<a href="#">4-105 Authority of Procurement Appeals Board.....</a>	<a href="#">3727</a>
<a href="#">4-106 Appeals.....</a>	<a href="#">3827</a>
<a href="#">4-107 Review of Appeals.....</a>	<a href="#">3828</a>

Formatted: Header

Formatted: Header

## DEFINITIONS

*Addendum* means a document issued by JEA which modifies a Solicitation.

*Appeal* shall have the meaning set forth in Section 54-106 of this Code.

*Award* means the written approval of the ~~JEA Awards Committee~~ Chief of Procurement with the written concurrence of the Chief Executive Officer that a Formal Purchase will be in accordance with this Code and the best interest of JEA.

~~*Awards Committee* means the body appointed by the Chief Executive Officer in accordance with Section 2-106 of this Code.~~

*Best and Final Offer* or *BAFO* means a Vendor's final offer following the conclusion of contract negotiations in connection with an Invitation to Negotiate.

*Bid* means a Vendor's offer to provide Services or Supplies in response to an Invitation for Bid.

*Bidder* means a Vendor submitting a Bid in response to an Invitation to Bid.

~~*Bond Insurance* means an agreement supplied by an insurance company in conjunction with a debt issue that provides for the guarantee of payment of principal and interest to the debt holder.~~

*Business Day* is any day except any Saturday, any Sunday or any holiday observed by JEA's Procurement office.

~~*Cap* means an agreement obligating the seller of the Cap to make payments to the buyer of the Cap, each payment under which is based on the amount, if any, by which a reference price or level or the performance or value of one or more underlying interests exceeds a predetermined number, sometimes called the strike/Cap rate or price.~~

*Chief Procurement Officer* or *CPO* means the person holding the position appointed in accordance with Section 2-103 of this Code.

*Code* means this Amended and Restated JEA Procurement Code.

~~*Collar* means an agreement to receive payments as the buyer of an Option, Cap, or Floor, and to make payments as the seller of the Collar of a different Option, Cap, or Floor.~~

*Construction* means the process of building, altering, repairing, improving, or demolishing any structure or building, or other improvements of any kind to any real property. It does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.

*Construction Management Entity* means a licensed general contractor or a licensed building contractor, as defined in Section 489.105, Florida Statutes, as amended, who coordinates and supervises a Construction project from the conceptual development stage through final Construction, including the scheduling, selection, contracting with, and directing of specialty trade contractors, and the value engineering of a project.

*Construction Manager at Risk* or *CMAR* shall have the meaning set forth in Section 3-109 of this Code.

*Consultants' Competitive Negotiation Act* or *CCNA* means Section 287.055, Florida Statutes, as amended, relating to the Procurement of certain architectural, engineering, landscape architectural, and mapping and surveying Services.

Formatted: Indent: Left: 0.51", First line: 0", Space After: 3.5 pt, Line spacing: Multiple 1.08 li

Formatted: Header

*Contract* means all types of agreements for the Procurement of Supplies or Services, regardless of what these agreements may be called, and shall include, but not be limited to, a Purchase Order issued by JEA and accepted by a Vendor.

*Contract Amendment* means a written amendment executed after the execution of the Contract formalizing any revisions to the Contract.

*Collaborative Procurement* means a Procurement undertaken by JEA in accordance with Section 3115 of this Code.

*Data* means recorded information, regardless of form or characteristic.

*Design-Build Contract* means a single Contract with a Design-Build Firm for the design and Construction of a Construction project as defined in CCNA.

*Designee* has the meaning set forth in Section 4-302 of this Code.

*Determination* means a finding or decision by JEA made in the course of the process of procuring Supplies or Services under this Code.

*Emergency* shall have the meaning set forth in Section 3-113 of this Code.

*Ex Parte Communication* has the meaning set forth in Section 1-107 of this Code.

~~*Floor* means an agreement obligating the seller of the Floor to make payments to the buyer of the Floor, each payment under which is based on the amount, if any, that a predetermined number, sometimes called the strike/Floor rate or price, exceeds a reference price, level, performance or value of one or more underlying interests.~~

*Forward Supply Agreement* means a supplier has agreed to supply or cause to be supplied appropriate investments in appropriate amounts and for appropriate periods and to pay consideration to an entity either over time or up-front in an amount determined by bid or negotiation for the right to supply such investments to the escrow holder or other recipient identified by the entity.

*Governmental Entity* means any state or territory of the United States, or any county, city, town or other subdivision of any state or territory of the United States, or any public agency, public authority, educational, health, or other institution of such subdivision.

~~*Hedge* means any transaction which is entered into and maintained to reduce the risk of a change in the value, yield, price, cash flow, or quantity of, or the degree of exposure with respect to, assets or liabilities which the buyer has acquired or incurred or anticipates acquiring or incurring.~~

*Intent to Award* means JEA's announcement via an email, posting of the Awards Committee agenda, or issuance of an Addendum stating its intent to award a Formal or Informal Contract.

*Invitation for Bid* or *IFB* means a type of Solicitation requesting price offers and qualification information for defined Supplies or Services.

*Invitation to Negotiate* or *ITN* means a type of Solicitation requesting competitive sealed replies with the intent to select one or more Vendors with which to commence negotiations for the procurement of Supplies or Services, and usually concluding with a Best and Final Offer from Respondents.

*JEA* means that body politic and corporate created and established in Article 21 of the Charter of the City of Jacksonville.

*JEA Board* means the members of the JEA appointed to serve as provided by Section 21.03 of the JEA Charter.

*JEA Charter* means Article 21 of the Charter of the City of Jacksonville, as amended from time to time.

~~*Letter of Credit* means a commitment, usually made by a commercial bank, to honor demands for payment of an obligation upon compliance with conditions and/or the occurrence of certain events specified under the terms of the commitment.~~

*Operational Procedures* means the written process and procedures applicable to JEA Procurements and Procurement activities that have been promulgated in accordance with this Code.

~~*Option* means an agreement giving the buyer the right to buy or receive, sell or deliver, enter into, extend or terminate, or effect a cash settlement based on the actual or expected price, level, performance, or value of, one or more underlying interests.~~

*Organizational Element Manager* means the person designated by the Chief Executive Officer to have responsibility for Procurement policies and procedures for certain categories of Supplies and Services under Section 2-102 of this Code.

*Pre-Source Selection Methods* means the pre-source selection methods described in Section 3-103 of this Code.

*Pilot Project* shall have the meaning set forth in Section 3-118 of this Code.

*Post, Posting or Posted* means placing documents or information on JEA's centralized internet website in the manner and location in which similar documents or information are typically posted.

*Procurement* means purchasing, renting, leasing, or otherwise acquiring; or selling, renting, leasing or otherwise disposing of any Supplies or Services, including, but not limited to, all functions that pertain to such activities – e.g., description of requirements, selection and solicitation of sources, and preparation and Award.

*Procurement Appeals Board* means the body comprised of at least three members of the Awards Committee as designated in this Code to hear Appeals regarding Procurement actions in accordance with Article 54 of this Code.

*Professional Services* shall have the meaning set forth in the CCNA.

*JEA Project Manager* shall have the meaning set forth in Section 3-122.

*Proposer* means a Vendor submitting a Proposal in response to a Request for Proposals.

*Proposal* means a Vendor's submittal of its offer in response to a Request for Proposals.

*Protest* shall have the meaning set forth in Section 54-101 of this Code.

*Protestant* means a Vendor who files a timely and proper Protest in accordance with Article 54 of this Code.

*Purchase Order* means a document issued by JEA requesting that a Vendor provide specified Supplies and Services to JEA and may contain additional terms and conditions related to the provision of such Supplies and Services.

*Real Estate* means land, including buildings and improvements, its natural assets, easements or a permanent interest therein.

Formatted: Header

~~Request for Proposals means a type of competitive Solicitation requesting offers that includes qualifications, methods or other information, and may or may not include price, in the form of a Proposal.~~

*Request for Proposals* means a type of competitive Solicitation requesting offers that includes qualifications, methods or other information, and may or may not include price, in the form of a Proposal.

*Request for Qualifications or RFQ* has the meaning set forth in Section 3-103 of this Code.

*Response* means a Vendor's submittal of its qualifications and price to in response to an ITN or other Solicitation.

*Respondent* means a Vendor submitting a Response to an ITN or other Solicitation.

*Responsible Bidder (or Responsible Proposer or Responsible Respondent)* means a Vendor that, in the Chief Procurement Officer's Determination, has the business judgment, experience, facilities and capability in all respects to perform fully the Solicitation requirements, and the integrity and reliability that will assure good faith performance.

*Responsive Bidder (or Proposer or Respondent)* means a Vendor that, in the Chief Procurement Officer's Determination, has submitted a Bid, Response or Proposal that conforms in all material respects to a Solicitation.

~~*Reverse Auction* means a type of auction in which sellers bid for the prices at which they are willing to sell their Supplies or Services.~~

*Single Source* has the meaning set forth in Section 3-112 of this Code.

*Solicitation* means a document (which may be electronic) issued by JEA for the Formal Purchase of Supplies, Services, or Real Estate.

*Source Selection* means the type of Solicitation advertised or Procurement method JEA utilizes to obtain responses from Vendors to provide Services or Supplies (e.g., Invitation for Bids, Request for Proposals, Invitation to Negotiate)

*Specifications* means any description of the physical or functional characteristics, or of the nature of an item of Supply or Service. It may include a description of any requirement for inspecting or testing an item of Supply or Service or preparing such item for delivery. Also commonly referred to as Technical Specifications.

*Supplies* means all property, including but not limited to, equipment, materials, repair parts, consumables, tools, printing, and leases of real property.

~~*Swap (Interest Rate or Commodity)* means an agreement to exchange, or net, payments at one or more times based on the actual or expected price, level, performance, or value of one or more underlying interests.~~

*Vendor* means any person or legal entity that provides, agrees to provide, or is interested in providing, Supplies or Services to JEA.

## ARTICLE 1- GENERAL PROVISIONS

### 1-101 Purposes, Rules of Construction

(1) *Interpretation.* This Code shall be construed to be consistent with the guiding principles and to promote its underlying purposes and policies set forth in this Section 1-101.

(2) *Guiding Principles.* This Code shall at all times be subject to the provisions of the JEA Charter found in Article 21 (JEA), Charter of the City of Jacksonville and the following guiding principles:

(a) *Open and Fair Competition.* To the greatest extent reasonably possible, JEA shall use fair, competitive, and generally accepted government Procurement methods that seek to encourage the most competition and best price for the purchase of supplies, construction, professional and other contractual services. JEA should adhere to all applicable state procurement laws, including but not limited to laws governing the purchase of construction services and professional design services.

(b) *Transparency in Procurement processes.* This Code and all Procurement policies, Operational Procedures, rules, directives, standards, and other procurement governing documents, including any amendments thereto, shall be posted on JEA's website in a conspicuous manner for the public to view. All records of JEA Procurement activities shall be subject to disclosure under Florida's public records laws, including, but not limited to those laws codified in Section 119, Florida Statutes, as amended.

(c) *Use of certain agreements.* The use of confidentiality, nondisclosure or similar agreements by government agencies are contrary to open and transparent government. Except regarding information or records deemed by JEA to be confidential or exempt information or records by law, JEA should not enter into confidentiality or nondisclosure agreements with third parties and should use confidentiality, nondisclosure or similar agreements sparingly in the conduct and operation of its Procurement activities. Additionally, JEA shall not require a member, officer or employee to maintain the confidentiality of information or records that is not confidential or exempt by law.

(3) *Purposes and Policies.* The underlying purposes and policies of this Code are:

(a) to provide for increased public confidence and consistency in the procedures followed in JEA Procurement;

(b) to ensure the fair and equitable treatment of all persons who deal with the JEA Procurement system;

(c) to maximize, to the fullest extent practicable, the purchasing value of JEA funds;

(d) to foster effective, broad-based competition among vendors purchasing good and services from JEA;

(e) to simplify and expedite the procurement of goods and services in a way that best serves customers;

~~(e)~~(f) to provide safeguards for the maintenance of the quality and integrity of the JEA Procurement system, and

~~(f)~~(g) to ensure JEA's Procurement activities comply with all applicable Florida Statutes.

(4) *Singular-Plural and Gender Rules.* In this Code, unless the context requires otherwise, words in the singular include the plural, and those in the plural include the singular.

Formatted: Header

(5) *Use of Capitals in Text.* Capitalized terms used in this Code shall have the meanings given to them in the Definitions section of this Code.

(6) *Job Titles.* If a JEA job title used in this Code is changed in the future due to JEA organizational changes, this Code shall be construed by substituting the appropriate successor job title.

(7) *Interpretation:* Where the word “shall” is used, it connotes a mandatory requirement. Where the word “may” is used, it connotes a permissive requirement.

#### **1-102 Application of this Code**

(1) *General Application.* This Code, and any amendments to this Code, apply only to Procurement activities, Contracts and Contract Amendments solicited or entered into after the effective date of this Code or an Amendment, as the case may be.

(2) *Application to JEA Procurement.* This Code shall apply to expenditures of public funds under Contract by JEA, irrespective of their source. It shall also apply to the sale or other disposal of JEA property and Supplies.

#### **1-103 Determinations**

Written Determinations required by this Code shall be retained in the appropriate official Procurement or Contract file maintained in accordance with promulgated by the Chief Procurement Officer.

#### **1-104 Policy of Continuous Improvement**

*Suggestions for Improvements.* The JEA Board intends for this Code to be a dynamic document comprising the best available public sector Procurement practices. To this end, the Chief Executive Officer encourages employees of JEA and others who deal with the JEA Procurement system to submit to the Chief Procurement Officer any ideas or suggestions for improvements to this Code.

#### **1-105 Jacksonville Small Emerging Business (JSEB) Program; Minority Business Enterprises**

JEA shall adhere to the City of Jacksonville’s Small Emerging Business (JSEB) Program, or successor city program, in its Procurement procedures. Subject to applicable federal, state and local laws, with the JEA Board’s approval, JEA is authorized to implement and to take all actions necessary to administer a race-conscious purchasing and Procurement program to remedy the present effects of past discrimination by JEA, if any, in the awarding of Contracts. Any such race-conscious program implemented by JEA to remedy the present effects of past discrimination by JEA, if any, in the awarding of Contracts must be

Formatted: Header

supported by evidence and based on the required criteria and standards as set forth in applicable federal and state laws.

### **1-106 General Counsel of the City of Jacksonville**

The General Counsel of the City of Jacksonville has the responsibility for providing all legal Services to JEA, including, but not limited to, legal Services relating to Procurement matters. The General Counsel may employ, supervise and terminate assistant counsels to assist with the efficient provision of legal Services for JEA. The General Counsel may authorize JEA to engage outside counsel upon certification by the General Counsel of compliance with the City of Jacksonville's Charter and JEA's authority, and a written finding of necessity by the General Counsel. The General Counsel shall consult with JEA before the General Counsel selects outside counsel. The provision of all outside legal Services to JEA shall be in accordance with the terms of an engagement letter authorized and approved by the General Counsel, including, but not limited to, the scope of the services provided and the maximum indebtedness of JEA's obligations in connection with the engagement.

The provision of legal Services as contemplated by this Section 1-106 shall include all legal related services, e.g., court reporters, expert consultants or witnesses, and Real Estate property appraisers. Legal counsel engaged by JEA shall have the authority to engage such related legal Services only to the extent that the vendor of such related legal Services and the maximum indebtedness of JEA's obligations in connection with such services is approved ~~in~~ by the General Counsel and described in the engagement letter for such legal counsel. The engagement of related legal Services by outside counsel shall not be used as a means to circumvent the competitive bidding requirements or any other provisions of this Code.

### **1-107 Ex Parte Communication Prohibited**

Adherence to procedures that ensure a fair open and impartial Procurement process is essential to the maintenance of public confidence in the value and soundness of the important process of public Procurement. Therefore, except as provided in subsection (3) of this Section 1-107, employees, agents and all other representatives of a Vendor shall be strictly prohibited from communicating, directly or indirectly, with any of the JEA representatives described in subsection (1) below during a period described in subsection (2) below.

- (1) *Persons covered.* The prohibitions of this Section 1-107 shall apply to all JEA Board members, employees, agents, and other representatives if such persons are involved in JEA's Procurement process, or have any decision-making authority with respect to an Award.
- (2) *Periods.* Ex Parte Communications are prohibited during the following periods:
  - (a) from the advertisement of a Solicitation through the Award of a Contract or cancellation of the Solicitation prior to Award; and
  - (b) from the initiation of a Protest through final resolution of such Protest under this Code.
- (3) *Exclusions.* This Section 1-107 shall not prohibit:

Formatted: Header

(a) communications concerning process and questions regarding a Solicitation addressed to the JEA Procurement staff member designated in a Solicitation to answer questions about the Solicitation, including, but not limited to, communications initiated by such staff member in order to clarify aspects of a Bid, Proposal or Response;

(b) communications during public meetings held in accordance with Florida's Open Meetings Laws, for the purpose of discussing a Solicitation or an evaluation or selection process including, but not limited to, substantive aspects of the Solicitation document (Such public meetings may include, but are not limited to, pre-Bid, pre-Proposal or pre-Response meetings, site visits to JEA's or a Vendor's facilities, interviews or negotiation sessions as part of the selection process, and other presentations by Bidders, Proposers, or Respondents. Exempted communications at such public meetings shall be limited to those consistent with the advertised purpose of the meeting and shall be communicated in a manner which can be heard by all those present at the meeting.);

(c) communications during negotiation sessions with Vendors to the extent exempt under Section 286.0113(2), Florida Statutes, as amended;

(d) Awards Committee and the Procurement Appeals Board at meetings advertised and conducted pursuant to Florida's Open Meetings Laws;

(e) contact by a Vendor currently under Contract with JEA, but only regarding work under that Contract and unrelated to the Solicitation or Protest currently in process; or

(f) communications between a Vendor and the Chief Procurement Officer, or JEA's legal counsel in accordance with the requirements of Article 5 of this Code.

(4) Violation of this Section 1-107 by a Vendor or any of its employees, agents or other representatives may be grounds for any one or more of the following: (i) disqualification of the Vendor from eligibility for an Award; (ii) rescission of any Award to the Vendor; (iii) termination of any Contract with the Vendor; or a decision to suspend or debar the Vendor.

### **1-108 Retention of Procurement Records**

All Procurement records shall be retained, made available and disposed of in accordance with the requirements of all applicable laws, including but not limited to Chapter 119, Florida Statutes (Florida's Public Records Laws), as amended, and the rules and regulations promulgated by the Division of Library and Information Services of the Florida Department of State.

### **1-109 Collection of Data Concerning JEA Procurement; Annual Vendor Survey**

The Chief Procurement Officer shall prepare and maintain statistical Data concerning the Procurement, usage, and disposition of all Supplies and Services, except for Procurements exempt under Section 2-102 of this Code and not procured under a process overseen by the Chief Procurement Officer. Organizational Element Managers overseeing Procurements exempt under Section 2-102 shall furnish such

Formatted: Header

reports as the Chief Procurement Officer may require concerning usage and needs, and the Chief Procurement Officer shall have authority to prescribe forms to be used by such Organizational Element Managers in requisitioning, ordering, and reporting of Supplies and Services.

The Chief Procurement Officer shall annually conduct a survey of actual, interested and prospective Bidders, Proposers, Respondents, and Vendors to obtain feedback on JEA's Procurement process. Such survey shall be on a form approved by the JEA Board and participation in the survey shall be open to actual, interested and prospective Bidders, Respondents, and Vendors. survey topics may include, without limitation, various aspects of JEA's Procurement process such as information transparency and accessibility, preconferences, bid submittal packages, evaluations, and Awards. The Chief Procurement Officer shall report the results of such survey to the JEA Board and the JEA Board shall consider such survey results during the JEA Board's biennial review of this Code.

#### **1-110 Record of Procurement Actions**

The Chief Procurement Officer shall prepare and deliver a written report to the JEA Board on or before the JEA Board's last regularly scheduled meeting held in each calendar year summarizing all Awards made during the immediately preceding fiscal year. Such written report shall contain at a minimum the following information:

- (a) The number of Awards for the reporting fiscal year;
- (b) A detailed listing of all Awards categorized by service type (e.g., Construction, Professional Services, Supplies, etc.), Award type (e.g., Single Source, Emergency, Request for Proposals, Invitation to Negotiate, piggyback, etc.) and a brief description of each Award containing the Vendor name, Contract amount and Contract term;
- (c) The number of JSEB Awards categorized by service type (e.g., Construction, Professional Services, Supplies, etc.), Award type (e.g., Single Source, Emergency, Request for Proposals, Invitation to Negotiate, piggyback, etc.), and a brief description of each Award containing the JSEB contractor name, Contract amount and Contract term;
- (d) The number of Protests for the reporting fiscal year and the outcome of each Protest (i.e., whether JEA prevailed); and
- (e) The annual survey results pursuant to the survey requirement in Section 1-109 of this Code.

After providing such written report to the JEA Board, the Chief Procurement Officer shall deliver the report to the Jacksonville City Council and the Mayor and post the report on JEA's website in a conspicuous manner for the public to view.

## ARTICLE 2 - PROCUREMENT AUTHORITY, DESIGNATIONS, AND COMMITTEES

### 2-101 Procurement Authority and Duties of the JEA Board

Pursuant to Article 21 of the Charter of the City of Jacksonville, the JEA Board shall review and approve this Code and all amendments to this Code. The JEA Board may not delegate its approval of this Code, including any amendments thereto, to the Chief Executive Officer or any other officer, employee or agent of JEA.

The Chief Procurement Officer shall biennially review this Code and JEA's other Procurement procedures and shall report to the JEA Board on the results of such review including any recommendations for changes the Chief Procurement Officer deems appropriate.

### 2-102 Procurement Code Exemptions

(1) Due to the nature of the following Supplies and Services, such Supplies and Services need not be procured through the Chief Procurement Officer and are not subject to approval by the Awards Committee, but may be procured using Procurement policies and procedures established by an Organizational Element Manager designated by the Chief Executive Officer for that category of Supplies and Services:

- (a) Generation Fuels, Emission Allowances, and Associated Transport;
- (b) Byproducts;
- (c) Purchase or Sale of Electric Energy, Electric Generation Capacity, Electric Transmission Capacity and Transmission Services – Short- and Long-Term Transactions;
- (d) Sale of JEA Owned Transmission and Ancillary Services, including applicable Enabling Agreements;
- ~~(e)~~ Environmental Allowances; ~~(f)~~
- ~~(f)~~ Real Estate, including easements; and ~~(g)~~
- ~~(e)(g)~~ Community Outreach Procurements.
- ~~(h)~~ Procurement of Financial Instruments and Services

The Operational Procedures shall provide more detail concerning the types of Supplies and Services included within the exempt categories of Procurements listed above.

(2) Prior to the Procurement of Supplies or Services by an Organizational Element Manager, the Organizational Element Manager shall establish Procurement policies and procedures for the exempt category of Supplies and Services and obtain all appropriate approvals required by the Operational Procedures.

Formatted: Header

(3) In the absence of an Organizational Element Manager for a category of Supplies and Services exempt under subsection (1) of this Section 2-102, the Supplies and Services shall be procured through the Chief Procurement Officer in accordance with this Code and Operational Procedures.

(4) Property and casualty insurance, and Human Resource Benefits may be awarded through the broker or consultant for those services with ultimate approval by the Awards Committee.

### **2-103 Appointment and Authority of the Chief Procurement Officer**

(1) *Central Procurement Officer of JEA.* The Chief Executive Officer shall appoint a Chief Procurement Officer. The Chief Procurement Officer shall be a full-time, appointed employee of JEA with demonstrated executive and organizational ability. The Chief Procurement Officer shall serve as the central point of contact for JEA Procurement matters.

(2) *Operational Procedures.* The Chief Procurement Officer shall promulgate Operational Procedures governing JEA Procurement activities that are consistent with the provisions of this Code. Whenever practicable, the Operational Procedures shall be updated to incorporate the use of new technologies, best practices, and streamlined procedures for continuous improvement of JEA's Procurement activities. Material revisions to the Operational Procedures shall be approved by the Office of General Counsel prior to the revisions becoming effective.

(3) *Duties.* Except as otherwise specifically provided in this Code, the Chief Procurement Officer duties shall include, but are not limited to:

- (a) supervise and coordinate the Procurement of all Supplies and Services by JEA;
- (b) make Determinations as to what constitutes a minor irregularity in Bids, Proposals and Responses and when Bids, Proposals and Responses should be rejected as unresponsive;
- (c) conduct or coordinate training on JEA's Procurement policies and processes and related matters;

(d) develop and maintain the standard contract language for Solicitations, Contracts and other documents used in the JEA's Procurement process in consultation with the Office of General Counsel;

and

(e) advertise and make Awards in a manner that is in compliance with this Code; and

(f) \_\_\_\_\_ exercise the duties given to the Chief Procurement Officer in Article 54 of this Code.

### **2-104 Delegation of Authority by the Chief Procurement Officer**

The Chief Procurement Officer may delegate any duty or authority given to the Chief Procurement Officer under this Code in writing to one or more designees.

### **2-105 Procurement Document Review and Transparency**

Formatted: Header

The Chief Procurement Officer shall create ~~a process~~processes and procedures to ensure all Solicitations and

(2) Any documents used in JEA's Procurement process, including Solicitation Determinations or Awards, shall be made available to the public on JEA's website for at least three (3) business days prior to a going into effect.

**2-106 Awards ~~Committee~~**

~~(1) Awards Committee Membership. The JEA Awards Committee shall consist of three to five Vice Presidents or other senior Officers of JEA appointed by the Chief Executive Officer. Members of the Awards Committee shall serve until their successors have been appointed. Members of the Awards Committee may be removed at any time with or without cause by the Chief Executive Officer. If an Awards Committee member shall cease to be qualified to serve, then the member's term shall be vacant until the Chief Executive Officer appoints a replacement.~~

~~(1)(2) Required Approvals. The following Procurements of Supplies and Services by JEA shall require approval of, or ratification by, the Awards Committee the Chief of Procurement:~~

~~— Formal Purchases of Supplies and Services by JEA unless exempt under Section 2-102~~

~~(b) rescissions of Formal Solicitations and rejection all Bids, Proposals and Responses after Bids, Proposals after Bids, Proposals or Responses have been received;~~

~~Proposals after Bids, Proposals or Responses have been received;~~

~~(e)(d) termination of Contracts previously executed in connection with Awards approved by the Awards Committee;~~

~~(f)(e) changes to, and renewals of, any Contracts executed in connection with an Award approved by the Awards Committee if:~~

~~(-) the financial impact of the change or renewal exceeds 10% of the amount of the most recent Award approved by the Awards Committee;~~

~~(m)(g) Procurements exempt under Section 2-102 (Procurement Code Exemptions) of this Code if required by the Procurement processes and procedures established by the applicable Organizational Manager; and~~

~~(n)(h) ratification of all Formal Purchases procured under Section 3-113 (Emergency Procurements) of this Code.~~

~~(3) Concurrence of Chief Executive Officer. All approvals and ratifications of the Awards Committee shall be subject to the written concurrence of the Chief Executive Officer or designee.~~

~~(4) Availability of Funding for Procurement Items. The Awards Committee/Chief of Procurement shall approve Awards/Award items only after receiving confirmation as provided in this Section 2-108(4) that sufficient funds are available for the Award. Prior to presentation to the Awards Committee approval, each Award item shall be reviewed and approved by the Budget~~

Formatted: Header

Organizational Element to determine whether sufficient funding is available for the Award. If the Budget Organizational Element is unable to confirm that sufficient funds are available, the senior executive Officer for the Organizational Element requesting the Award may confirm by signature on the Award document or email that sufficient funding is or is expected to be available in that Organizational Element's Budget.

(5) *Effect of Approval.* Once an Award item is reviewed and approved by the Awards Committee Chief of Procurement and the Chief Executive Officer or designee, JEA is authorized to proceed with actions to finalize the Procurement of the Supplies or Services consistent with the Award, including but not limited to, execution of a Contract, issuance of a Purchase Order and notice to proceed, and acceptance of delivery of Supplies and Services, subject to lawfully appropriated funds.

## ARTICLE 3 – SOURCE SELECTION AND CONTRACT FORMATION

### 3-101 Formal Purchases

~~(1)~~(2) Unless exempt under Section 2-102 of this Code, the following Procurements shall be considered Formal Purchases under this Code:

- (a) the Procurement of Supplies or Services where the estimated aggregate costs and fees for the Procurement exceed \$300,000;
- (b) "Public construction works" required to be competitively awarded under Section 255.20, Florida Statutes, as amended;
- (c) "Electrical work" required to be competitively awarded under Section 255.20, Florida Statutes, as amended; and
- (d) "Professional Services" required to be publicly announced under Section 287.055, Florida Statutes, as amended.

~~(2)~~(3) Formal Purchases shall be procured using the process and procedures for Formal Purchases detailed in the Operational Procedures.

### 3-102 Informal Purchases

(1) Unless exempt under Section 2-102 of this Code, all Procurements not considered to be Formal Purchases under Section 3-101 of this Code shall be considered Informal Purchases.

(2) Informal Purchases may be made in accordance with Operational Procedures.

Formatted: Header

(3) Procurements shall not be artificially divided to constitute an Informal Purchase under this Section 3-102.

(4) Unless the Procurement is otherwise exempt under this Code, the Operational Procedures for Informal Purchases shall require, at a minimum, the following kind and number of quotations from prospective Vendors:

- (a) one properly documented quotation for Informal Purchases of \$~~10~~50,000 or less; or
- (b) three properly documented quotations for Informal Purchases exceeding \$~~10~~50,000; provided, however that if JEA fails to receive 3 quotations despite using all reasonable efforts to obtain 3 quotations, the Chief Procurement Officer may waive this requirement.

(5) Informal Purchases exceeding \$50100,000 shall be Posted for 7 to 10 calendar days.

(6) Architectural, engineering, landscape architectural, or registered surveying and mapping services considered "Professional Services" under the CCNA in the amount of \$35100,000 or less shall be exempt from competitive bidding under this Code. JEA may procure such services directly without competition.

### 3-103 Methods of Pre-Source Selection

The Chief Procurement Officer may authorize any one or more of the following Pre-Source Selection Methods:

(1) A Request for Information ("RFI") is a Pre-Source Selection Method that requests written information about the capabilities of Bidders, Proposers or Respondents and may prepare interested Vendors for participation in future Solicitations. The publication of an RFI does not obligate JEA to make the purchases referred to in the RFI. JEA may use information obtained from RFIs to develop scopes of work for future Solicitations.

(2) A Request for Qualifications ("RFQ") is a Pre-Source Selection Method used to qualify a pool of two or more Vendors which will be eligible to respond to future Solicitations.  
~~of two or more Vendors which will be eligible to respond to future Solicitations.~~

(3) An Intent to Bid is a Pre-Source Selection Method intended to provide notice and information to potential Vendors of JEA's intent to issue a Solicitation for Supplies or Services. The Intent to Bid may request a response from Bidders confirming their intent to submit a Bid, Proposal or Response to a future JEA Solicitation. The publication of an Intent to Bid does not obligate JEA to make the purchases referred to in the Intent to Bid.

### 3-104 Methods of Source Selection

Unless exempt under Section 2-102 of this Code, all Formal Purchases shall be procured using one of the following Methods of Source Selection:

- (a) Section 3-105 (Invitation for Bids (IFB));
- (b) Section 3-106 (Request for Proposals (RFP));
- (c) Section 3-107 (Consultants' Competitive Negotiation Act (CCNA) (Architectural, Engineering, Landscape Architectural, or Surveying & Mapping Services));
- (d) Section 3-108 (Design-Build Contracts);
- (e) Section 3-109 (Construction Management and Program Management);
- ~~(f)~~ Section 3-110 (Multi-Step Competitive Bidding); ~~(g)~~
- ~~(g)~~ Section 3-111 (Invitation to Negotiate (ITN))
- ~~(g)~~(h) Section 3-112 (Single Source);
- ~~(h)~~(i) Section 3-113 (Emergency Procurements);
- ~~(i)~~(j) Section 3-114 (Public Private Ventures);
- ~~(j)~~(k) Section 3-115 (Collaborative Procurements);
- ~~(k)~~(l) Section 3-116 (Joint Projects);
- ~~(l)~~(m) Section 3-117 (Use of Publicly Procured Contracts);
- ~~(m)~~(n) Section 3-118 (Pilot Projects);
- ~~(n)~~(o) Section 3-119 (Use of Reverse Auctions);

~~Article 4 (Procurement of Financial Instruments and Services).~~

The Chief Procurement Officer may elect to use any one of the Methods of Source Selection listed in this Section 3-104 if the Method of Source Selection is deemed by the Chief Procurement Officer to be in the best interest of JEA consistent with the purposes and guiding principles set forth in Section 1-101 of this Code. Notwithstanding the foregoing, the Method of Source Selection shall comply with the requirements of this Code, the provisions of any grant or other funding or cooperative agreements to which JEA is a party, and all applicable laws and regulations, including but not limited to, statutory requirements for the Procurement of Professional Services subject to the CCNA and Construction services meeting certain statutory thresholds. The Operational Procedures shall establish a process and procedures for each Method of Source Selection.

**3-105 Invitation For Bids (IFB)**

An IFB may be used when JEA is capable of defining the Specifications for a Supply or Service. An Award generally will be made to the Responsive and Responsible Bidder who submits the lowest Bid in a sealed competitive bidding process. Notwithstanding the foregoing, the Chief Procurement may waive minor irregularities in a Bid and may reject all Bids if the Chief Procurement Officer deems such actions to be in the best interest of JEA.

Formatted: Header

### **3-106 Request for Proposal (RFP)**

An RFP may be used when the Chief Procurement Officer determines that a Solicitation should include selection criteria in addition to price. Various combinations or versions of Supplies or Services may be proposed by a Vendor to meet the Specifications in the RFP.

An RFP may be used to procure Construction Services to the extent permitted by Section 255.20(1)(d)(2), Florida Statutes.

### **3-107 Consultants' Competitive Negotiation Act (CCNA) (Architectural, Engineering, Landscape Architectural, or Surveying & Mapping Services)**

Architectural, engineering, landscape architectural, or registered surveying and mapping services considered "Professional Services" under the CCNA shall be procured in accordance with the requirements of the CCNA.

### **3-108 Design-Build Contracts**

A Design-Build Contract may be used when the general design and construction requirements are known, but the detailed design and engineering has not been completed. Design-build contracts as defined in Section 287.055(2)(i), Florida Statutes, shall be procured in accordance with the CCNA and the Operational Procedures.

### **3-109 Construction Management and Program Management**

Services may be procured from Construction Management Entities and program management entities in accordance with the provisions of Section 255.103, Florida Statutes. After selection and competitive negotiations, a Construction Management Entity may be required to offer a guaranteed maximum price and a guaranteed completion date or a lump-sum price and a guaranteed completion date as a construction manager "at risk" in accordance with the provisions of Section 255.103, Florida Statutes (a "Construction Manager at Risk" or a "CMAR").

### **3-110 Multi-Step Competitive Bidding**

The Multi-Step Bidding Method of Source Selection involves a two-phase process in which Bidders first submit proposed revisions to both the commercial and technical terms of the Solicitation. During the second phase of the process, Bidders submit a bid price based on a revised Solicitation issued by JEA. An Award is based solely on the price of the Bid and does not include additional discussions or negotiations of material terms and conditions with Bidders after Bids are received. Multi-Step Competitive Bidding allows

Formatted: Header

JEA to obtain Vendor feedback before finalizing commercial and technical terms to be used in an Invitation for Bids.

### **3-111 Invitation to Negotiate (ITN)**

The Invitation to Negotiate is a Method of Source Selection that allows JEA to directly negotiate with Vendors to obtain best overall value for JEA. Under the ITN, JEA first evaluates initial Proposals with the intent to identify one or more Responsive and Responsible Respondent with which JEA may enter into one or more rounds of negotiations. Negotiations may result in modifications to the scope of work and terms and conditions of the ITN, submission of revised Bids or Responses, and may conclude with the submission of Best and Final Offers from one or more Vendors. The procedures for conducting an Invitation to Negotiate shall be described in the ITN Solicitation and the Operational Procedures.

ITNs may provide best value for JEA when establishing master contracts or definite delivery contracts for complex Supplies or Services, or when determining or refining scope, methods, or other nonprice aspects of a Solicitation.

For each use of the ITN Method of Source Selection, prior to issuance of the ITN, the Chief Procurement Officer shall document the reasons an ITN will produce the best value for JEA compared to an IFB or RFP. In addition to negotiating price, additional reasons must be stated as to why negotiations are needed to realize best value for JEA. Examples of such reasons are “the ITN method allows refining approaches, methods, tools, requirements, deliverables, and systems;” or, “identifying and incorporating value added services offered by Vendors into final requirements.”

### **3-112 Single Source**

A Contract may be awarded for Supplies or Services as a Single Source when, pursuant to the Operational Procedures, the Chief Procurement Officer determines that:

- (a) there is only one justifiable source for the required Supplies or Services;
- (b) the Supplies or Services must be a certain type, brand, make or manufacturer due to the criticality of the item or compatibility within a JEA utility system, and such Supplies or Services may not be obtained from multiple sources such as distributors;
- (c) the Services are a follow-up of Services that may only be done efficiently and effectively by the Vendor that rendered the initial Services to JEA, provided the Procurement of the initial Services was competitive;
- (d) at the conclusion of a Pilot Project under Section 3-118 of this Code, the Procurement of Supplies or Services tested during the Pilot Project, provided the Vendor was competitively selected for the Pilot Project

Formatted: Header

### 3-113 Emergency Procurements

In the event of an Emergency, the Chief Procurement Officer may make or authorize an Emergency Procurement, provided that Emergency Procurements shall be made with as much competition as practicable under the circumstances. A written Determination of the basis for the Emergency and for the selection of the particular Vendor shall be included in the Procurement file.

For purposes of this Section 3-113, an "Emergency" means any one of the following:

- (a) a reasonably unforeseen breakdown in machinery;
- (b) an interruption in the delivery of an essential governmental service or the development of a circumstance causing a threatened curtailment, diminution, or termination of an essential service;
- (c) the development of a dangerous condition causing an immediate danger to the public health, safety, or welfare or other substantial loss to JEA;
- (d) an immediate danger of loss of public or private property;
- (e) the opportunity to secure significant financial gain, to avoid delays to any Governmental Entity or avoid significant financial loss through immediate or timely action; or ~~(f) a valid public emergency certified by the Chief Executive Officer.~~  
a valid public emergency certified by the Chief Executive Officer.

### 3-114 Public-Private Partnerships

JEA may receive unsolicited proposals or may solicit proposals for a qualifying project and may thereafter enter into a comprehensive agreement with a private entity, or a consortium of private entities, for the building, upgrading, operating, ownership, or financing of JEA's facilities in accordance with the provisions of Section 255.065, Florida Statutes, as may be amended from time to time. The Operational Procedures shall set forth a process and procedures for the receipt and solicitation of such proposals that meet the requirements of Section 255.065, Florida Statutes, as amended from time to time.

### 3-115 Collaborative Procurements

JEA may participate in, sponsor, conduct, or administer a Collaborative Procurement for the Procurement of any Supplies or Services or Real Estate with one or more Governmental Entities, utility industry partners, nonprofit organizations or purchasing alliances in accordance with the terms of an agreement entered into between the participants. Such Procurements shall be in accordance with this Code and the Operational Procedures.

Formatted: Header

JEA shall not participate in, sponsor, conduct, or administer a Collaborative Procurement agreement for the purpose of circumventing this Code.

### 3-116 Joint Projects

Except where doing so is to circumvent the purpose of this Code, JEA may enter into joint projects with public or utility industry partners, the City of Jacksonville and its other independent agencies, political subdivisions or other Governmental Entities (e.g., the United States Navy, the Florida Department of Transportation, etc.). Joint projects may include, but shall not be limited to, combined water, sewer, drainage and road projects with the City of Jacksonville and Florida Department of Transportation.

Notwithstanding the foregoing, the Procurement of Supplies and Services by JEA in a Joint Procurement shall be consistent with the guiding principles and purposes of this Code set forth in Section ~~401-101~~.

### 3-117 Use of Publicly Procured Contracts

JEA may procure Supplies or Services by using or “piggybacking” on contracts of the City of Jacksonville or its independent agencies, political subdivisions, other city and state or governmental agencies, school board districts, community colleges, federal agencies, Governmental Entities, or public colleges or universities, provided that the contracts of such other entities were competitively procured and the terms and conditions of JEA’s Contract are at least as favorable as the terms and conditions of the contract on which JEA is piggybacking. Formal Purchases using this Method of Source Selection shall be awarded ~~throughby~~ the ~~Awards Committee~~ Chief Procurement Officer.

### 3-118 Pilot Projects

A Pilot Project allows JEA to procure Supplies or Services on a trial basis in limited amounts and for a limited period of time in order to determine whether to proceed with a Formal Solicitation for the Procurement of such Supplies or Services.

If the estimated aggregate cost of Supplies and Services to be procured during a Pilot Project do not exceed \$100,000, and the term of the Contract for the Pilot Project does not exceed two years, the selection of a Vendor to participate in the Pilot Project is not required to be selected using a competitive solicitation process unless required by applicable law. However, after the conclusion of the Pilot Project, the Supplies or Services evaluated during the Pilot Project shall be procured using one of the other Methods of Source Selection provided in Section 3-104 of this Code.

Where the cost to JEA of the Supplies and Services during the Pilot Project is \$100,000 or more, JEA shall publicly advertise the Pilot Project so that Vendors may submit their qualifications to provide such

Supplies or Services. Based on the qualifications submitted by Vendors in response to such public advertisement, JEA will select one or more Vendors to participate in the Pilot Project. Once the Pilot Project is complete, the Chief Procurement Officer will determine whether JEA will initiate a competitive bidding process to obtain the Supplies or Services.

### **3-119 Use of Reverse Auctions**

When the Chief Procurement Officer determines that procurement by a Reverse Auction is in the best interest of JEA, the Chief Procurement Officer may procure Supplies or Services by Reverse Auction. Reverse Auctions may be used with the following Solicitation types:

- (a) Invitation for Bids (IFB) – With Reverse Auction
- (b) Request for Proposals (RFP) – With Reverse Auction
- (c) Invitation to Negotiate (ITN) – With Reverse Auction

Reverse Auctions are to be used solely for obtaining lowest pricing. Prior to conducting a Reverse Auction, the following must be established for each Bidder, Proposer or Respondent:

- (a) Invitation for Bids – Bidders must provide documentation that they meet the minimum qualifications and any other requirements set forth in the IFB.
- (b) Request for Proposals – The Proposers must provide fully responsive Proposals. JEA shall evaluate Proposals and select at the top three, or more, ranked Proposers to participate in a Reverse Auction to establish pricing.
- (c) Invitation to Negotiate – At the conclusion of the negotiation process for an ITN, where all terms other than price have been agreed, JEA may choose to use a Reverse Auction to establish pricing.

### **3-120 Form of Contract Documents**

The Office of General Counsel shall approve as to form all Contract documents for Formal Purchases. Contract Amendments do not require OGC form approval, unless otherwise provided in the Operational Procedures.

Purchase Orders may be used to form a Contract for Informal Purchases and Formal Purchases when the Chief Procurement Officer determines that a Formal Contract is not necessary. Purchase Orders shall be on a form that incorporates general terms and conditions reviewed and approved by the Office of General Counsel. If a Contract other than a Purchase Order is executed for an Informal Purchase, the Contract does not require form approval by the Office of General Counsel, unless specifically requested by JEA, or unless

Formatted: Header

such Contract contains terms materially different than JEA's standard terms and conditions, and can be executed as set forth in the Operational Procedures.

In accordance with the JEA Charter, unless otherwise provided in the JEA Charter or by law, all Contracts of any kind, and in any form entered into by JEA, including, but not limited to, Procurement Contracts, Joint Project Contracts, interlocal agreements, and Purchase Orders for Informal Purchases 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.

### **3-121 Execution of Contract Documents**

The Chief Executive Officer shall execute all Contracts. The Chief Executive Officer may delegate to the Chief Procurement Officer the authority to execute Contracts. Contracts and Purchase Orders may be executed by electronic means or by facsimile signatures.

### **3-122 JEA Project Manager**

All Contracts shall provide for a JEA Project Manager who will have the responsibility for overseeing all Work under the Contract and all payments made by JEA under the Contract. The Operational Procedures shall contain additional details concerning the responsibilities of JEA's Project and Contract Managers.

### **3-123 Continuing Services Contracts**

Continuing services contracts, and continuation contracts based on unit prices, may be utilized for recurring Procurements of Supplies and Services that are projected to be made over a period of time. The total amount of all Procurements issued under a continuing services contract shall not exceed JEA's maximum indebtedness set forth in the Contract or the amount as authorized by Florida Statutes for the specific category of work, if any, and shall comply with all other applicable laws.

### **3-124 Contract Pricing Terms**

Contract pricing terms are required in all Contracts and are the basis for payment approvals. The appropriate type of pricing terms will depend on the type of Contract and work being performed. The Operational Procedures may contain additional guidance concerning the type of pricing terms what are appropriate for certain types of Contracts.

## ~~ARTICLE 4 PROCUREMENT OF FINANCIAL INSTRUMENTS AND SERVICES~~

### ~~54-101~~ Protests

(1) *Guiding Principles.* It is important that actual or prospective Bidders, Proposers and Respondents have confidence in JEA's Procurement process and procedures. One method of maintaining this confidence is to provide Vendors with an opportunity to file Protests relating to Solicitations and Awards as provided in this Section ~~54-101~~.

(2) *Right to Protest.* Any Vendor who is adversely affected by (i) the requirements of a Solicitation or a Determination made in connection with a Solicitation prior to ~~the issuance of an Intent to Award, or (ii) an Award or an Intent to finalization of an~~ Award may submit a written Protest meeting all of the requirements of subsections (3) and (4) of this Section ~~54-101~~. Protests in connection with the requirements of a Solicitation or a Determination made in connection with a Solicitation shall include, but not be limited to, Protests concerning any event or aspect of the Procurement process that followed the issuance of the Solicitation and led to the Award ~~or Intent to Award~~, Protests relating to the rejection of a Bid, Proposal or Response, including, but not limited to, whether a Bidder, Proposer or Respondent is Responsible or Responsive, and Protests relating to any ranking, scoring, or short-listing of Proposers or Respondents.

(3) *Protest Requirements.* Protests shall:

- (i) be submitted in writing in a letter or email addressed to the Chief Procurement Officer;
- (ii) identify the Solicitation, Award, ~~or Intent to Award~~, by number and title or other language sufficient to enable the Chief Procurement Officer to identify the Solicitation, ~~Award~~, or ~~Intent to Award~~;
- (iii) demonstrate the timeliness of the Protest;
- (iv) state the Protester's complete legal name and legal standing to protest; and
- (v) clearly state with particularity the issues and material facts supporting the Protest, and any legal authority upon which the Protest is based.

Contact information for the Chief Procurement Officer can be found at [jea.com](http://jea.com) under the Procurement section of the website.

~~(4)~~ ~~(4)~~ *Timeliness.*

- (i) Protests concerning the requirements of a Solicitation, including, but not limited to, the choice of Procurement method, process or procedure, any minimum qualifications or any Specifications, must be received by the Chief Procurement Officer at least five Business Days prior to the date on which Bids, Proposals, or Responses are due to be submitted under the Solicitation.

Formatted: Header

(ii) All Protests concerning an Award or ~~an Intent to Award, or any~~ Determination made in connection with a Solicitation, must be received by the Chief Procurement Officer within ~~two~~ three Business Days after the Posting of the written notification of JEA's decision ~~in the decision, which is made. Within 10 days of the Posting of the Award Committee's Award~~ or JEA's issuance of an Addendum or email to all Bidders, Proposers or Respondents stating its Intent to Award or establishing the short list of Respondents or Proposers, shall constitute ~~notification of an Award, Intent to Award, or other Determination. The period for filing a Protest under this subsection (ii) shall begin at the time of the Posting or other such notification.~~

(5) Protests failing to meet the requirements of subsections (3) and (4) shall be rejected and shall constitute a waiver of all rights of the Protester to file a Protest with respect to that subject matter. A Determination of whether a Protest meets the requirements of subsections (3) and (4) shall be made by the Chief Procurement Officer and is not subject to Protest or Appeal to the Procurement Appeals Board.

(6) JEA shall have the right to cancel, or rescind and re-issue, all Solicitations of any type, at any time until the time JEA executes a Contract under the Solicitation. Such right shall include the right to rescind an Award or an Intent to Award. After a Contract is executed, the terms of the Contract shall govern the parties to the Contract. Such cancellations and rescissions are not subject to Protest.

(7) *Notice of Protest to Affected Third Parties.* Upon receipt of a timely and proper Protest, JEA will notify Vendors known to JEA to be directly affected by the outcome of the Protest. All information, documents, materials and legal authority relating to the Protest that any such Vendor will provide to the Chief Procurement Officer must be received by the deadline established by the Chief Procurement Officer in such notice.

(8) *Protest Hearings.* Protestants shall not be entitled to a hearing of any kind prior to a decision of the Chief Procurement Officer concerning a Protest. The Chief Procurement Officer may conduct a hearing before making a decision. The Chief Procurement Officer shall be entitled to establish procedures for the conduct of any hearing and may set forth some or all of such procedures in the Operational Procedures or in the notice of the hearing. The Chief Procurement Officer shall provide Vendors known to JEA to be directly affected by the outcome of the Protest with a notice of the hearing providing the time, date, location and manner of the hearing.

(9) *Decision by Chief Procurement Officer.* After receipt of a Protest, and following a hearing, if any, and any period of time the Chief Procurement Officer may allow for other interested parties to respond to the Protest, the Chief Procurement Officer shall issue a written decision on the Protest. The written decision shall identify the Protester, recite relevant facts material to the decision, and state the decision and briefly summarize the Chief Procurement Officer's reasoning leading to the decision. In the event the decision is subject to review by the Procurement Appeals Board under this Article 54, the written decision of the Chief

Formatted: Header

Procurement Officer shall inform the Protestant of this right with a reference to the Sections of this Code and Operational Procedures outlining the procedures for Appeals.

(10) *Appeal Rights.* Protest decisions made by the Chief Procurement Officer may be appealed to the JEA Procurement Appeals Board pursuant to Section 54-106 below. Notwithstanding the foregoing, a Protestant shall not have the right to appeal a Determination by the Chief Procurement Officer about whether a Protest met the requirements of subsections (3) and (4) of this Section.

(11) *Stay of Procurement During Protests and Appeals.* During the pendency of a Protest meeting the requirements of subsections (3) and (4) or an Appeal properly filed under Subsection (10) above, JEA shall not proceed further with the Solicitation or with the Award unless the Chief Procurement Officer, after consultation with the Organizational Element Manager, makes a Determination that proceeding with the Solicitation or Award without delay is necessary to protect substantial interests of JEA.

(12) Nothing in this Article 54 shall affect the ability of the Office of General Counsel to settle Protests pending the outcome of decisions by the Chief Procurement Officer, the Procurement Appeals Board, or the courts.

#### **54-102 Suspensions and Debarments**

(1) *Authority.* The Chief Procurement Officer, after consultation with the Organizational Element Manager, shall have authority to suspend or debar a Vendor from consideration for participation in any Procurement undertaken by JEA. A suspension will be for a period of no more than 12 months, unless otherwise stated in the Operational Procedures. A debarment shall be for a period of no less than 13 months and no more than 36 months. Prior to a decision to suspend or debar a Vendor, the Chief Procurement Officer shall provide notice to the Vendor and an opportunity to be heard using a process determined by the Chief Procurement Officer to be fair and reasonable and consistent with this Code and the Operational Procedures.

(2) *Causes for Suspension or Debarment.* In making a decision of whether to suspend or debar a Vendor, and the length of any suspension or debarment, the Chief Procurement Officer shall consider the seriousness of the facts leading to the suspension or debarment. The causes for suspension or debarment may include, but not be limited to, the following:

- (a) conviction of a Public Entity Crime and inclusion on the State of Florida Convicted Vendor List pursuant to Section 287.133, Florida Statutes, as amended;
- (b) violation of the terms or requirements of a Contract in a manner that is regarded by the Chief Procurement Officer to be so serious as to justify a suspension or debarment decision, including, but not limited to, the following:

Formatted: Header

- (i) a failure, without good cause, to perform in accordance with a Contract, Specifications, performance levels, warranty provisions, bonding and insurance requirements, or to comply within the time limits provided in the Contract, or
- (ii) failure to timely pay subcontractors or materialmen; or
- (iii) continued failure to perform or of unsatisfactory performance in accordance with the terms of one or more Contracts, provided that the failure to perform or unsatisfactory performance was not caused by acts beyond the control of the Vendor; or
- (c) suspension or debarment by another Governmental Entity including, but not limited to, the City of Jacksonville;
- (d) actions by the Vendor that are determined by the Chief Procurement Officer to be fraudulent or in bad faith;
- (e) violation of JEA's or the City of Jacksonville's Ethics Code;
- (f) violation of provisions of this Code relating to Ex Parte Communications;
- (g) existence of delinquent obligations of the Vendor to JEA, including claims by JEA for liquidated damages under any Contract; and
- (h) any other cause the Chief Procurement Officer determines to be so serious and compelling as to justify a Vendor's suspension or debarment.

(3) *Effect of Suspension or Debarment.* A Vendor that is suspended or debarred under this Section 54-102 shall be ineligible to participate in any manner in any Procurement undertaken by JEA. The suspension or debarment shall extend to all entities with common ownership or common management as the Vendor that has been suspended or debarred and shall include work undertaken by the debarred Vendor (or such related entity) as a subcontractor or materialman.

(4) *Decision.* The Chief Procurement Officer shall issue a written letter to the Vendor informing it of the decision to suspend or debar that Vendor. The decision shall:

- (a) recite relevant facts material to the Chief Procurement Officer's decision; (b) state the reasons for the decision;
- (c) state whether the Vendor is a suspension or debarment;
- (d) state the timeframe for suspension or debarment; and
- (e) inform the suspended or debarred Vendor involved of any rights to administrative review as provided in this Article 54.

(5) *Finality of Decision.* A suspension or debarment decision by the Chief Procurement Officer shall be final and conclusive, unless appealed.

#### **54-103 Creation of the Procurement Appeals Board**

Formatted: Header

~~The Chief Counsel for Procurement Appeals Board shall have the authority to establish the scope of the Chief Counsel's~~  
representative from the Office of General Counsel shall serve as counsel to the Procurement Appeals Board. The chair and two other members of the Procurement Appeals Board must be present to constitute a quorum of the Procurement Appeals Board.

#### **5-104 Procurement Appeals Board Procedures**

(1) Meetings of the Procurement Appeals Board shall be held in accordance with Florida's Open Meetings Laws. Accordingly, meetings will be publicly noticed, minutes will be taken, and a member of the Procurement Appeals Board shall not discuss with another member any matter which foreseeably may come before the Procurement Appeals Board unless the discussion occurs in a meeting held in accordance with Florida's Open Meeting Laws.

(2) Each member of the Procurement Appeals Board shall have one vote. A decision by the Procurement Appeals Board shall require a majority vote of the members of the Procurement Appeals Board.

(3) The chair of the Procurement Appeals Board shall have the authority to establish procedures for the Procurement Appeals Board and its meetings, provided that such process and procedures are consistent with this Code and the Operational Procedures.

#### **54-105 Authority of Procurement Appeals Board**

The Procurement Appeals Board is authorized to review and make a final decision on any Appeal of a written decision issued by the Chief Procurement Officer under:

- (a) Section 54-101 (Protests) of this Code; or
- (b) Section 54-102 (Suspensions and Debarments) of this Code.

The Procurement Appeals Board is not authorized to intercede in, or hear Appeals relating to, Determinations made in connection with Vendor disputes regarding performance under a Contract, other than the authority granted to review and make decisions regarding Appeals of Suspensions or Debarments as provided in this Code.

#### **54-106 Appeals**

(1) *Appeal Submittal.* A Vendor seeking to appeal a decision of the Chief Procurement Officer under Section 54-101 or 54-102 of this Code shall submit its appeal in writing by letter or email to the Chief Procurement Officer in accordance with the timeliness and other requirements set forth in this Section 54-106 (an "Appeal"). The Appeal shall clearly state the following:

Formatted: Header

(a) the grounds, relevant facts and legal authority supporting the Appeal; and (b) acts supporting the Vendor's standing to Appeal.

(2) *Timeliness and Standing.* An Appeal relating to a decision of the Chief Procurement Officer under Section ~~54~~-101 of this Code must be received by the Chief Procurement Officer no later than three Business Days after issuance of a written decision by the Chief Procurement Officer. An Appeal relating to a decision of the Chief Procurement Officer under Section ~~54~~-102 of this Code must be received by the Chief Procurement Officer no later than 30 days after issuance of a decision by the Chief Procurement Officer under Section ~~54~~-102. To have standing to Appeal, a Vendor must have been adversely affected by such decision.

(3) Failure to submit a timely Appeal or to have standing to Appeal under subsections (1) and (2) of this Section ~~54~~-106 shall result in dismissal of the Appeal and constitute a waiver of all rights to appeal a decision of the Chief Procurement Officer. A Determination of whether an Appeal meets the requirements of subsections (1) and (2) shall be made by the chair of the Procurement Appeals Board and is not subject to appeal to the Procurement Appeals Board.

(4) All written information, documents, materials and legal authority the Vendor making an Appeal desires to provide to the Procurement Appeals Board must be sent to the Chief Procurement Officer and received by the deadline established by the chair of the Procurement Appeals Board in the notice of hearing provided to the Vendor making the Appeal.

(5) Upon receipt of a timely and proper Appeal, the Chief Procurement Officer will notify Vendors known to JEA to be directly affected by the outcome of the Appeal. Any information, materials and legal authority relating to the Appeal that any such Vendor desires to provide to the Procurement Appeals Board must be received by the deadline established by the Chief Procurement Officer in such notice.

#### ~~54~~-107 Review of Appeals

(1) Upon receipt of an Appeal, the Chief Procurement Officer shall forward the Appeal to the Procurement Appeals Board and, if the Appeal is determined by the chair of the Procurement Appeals Board to be proper and timely, a meeting of the Procurement Appeals Board to consider the Appeal shall be scheduled.

(2) Representatives of the Vendor appealing the decision, will be afforded an opportunity to present the merits of the Appeal based solely upon the grounds, facts and legal authority contained in its written Appeal submitted to the Chief Procurement Officer. Representatives of any other Vendors adversely affected by the resolution of the Appeal will also be given an opportunity to be heard and to present information before the Procurement Appeals Board. The Chief Procurement Officer and the Chief Procurement Officer's legal counsel shall also be given an opportunity to respond to the Appeal and the

Formatted: Header

presentations to the Procurement Appeals Board. Formal rules of evidence, including, but not limited to, those found in the Florida Evidence Code, do not apply to presentations made at meetings of the Procurement Appeals Board. The Chair of the Procurement Appeals Board may impose reasonable limitations on the amount of time each Vendor has to present, allow members of the Procurement Appeals Board to ask questions of any party at any time, and may impose other reasonable requirements relating to all presentations and the conduct of the meeting. The chair of the Procurement Appeals Board shall have the authority to make all Determinations and resolve any disputes concerning the process and procedures for Appeals and the conduct of the meeting.

(3) The standard of review used by the Procurement Appeals Board in making its decision shall be whether the Chief Procurement Officer's decision is:

- (i) in conflict with this Code and the Operational Procedures;
- (ii) arbitrary;
- (iii) capricious;
- (iv) dishonest;
- (v) fraudulent;
- (vi) clearly erroneous; (vii) illegal; or
- (viii) without any basis in fact or otherwise must be reversed based on applicable law.

(4) The burden shall be on the Vendor appealing the Chief Procurement Officer's decision to demonstrate that the standard of review is met.

(5) A majority vote of the members of the Procurement Appeals Board shall be required to render a decision.

(6) The Procurement Appeals Board shall deliberate at the meeting held to consider the Appeal and announce its decision prior to adjourning the meeting. The decision of the Procurement Appeals Board shall be final and binding. Following the adjournment of the meeting, the Procurement Appeals Board will issue a written decision.



**BOARD RESOLUTION: 2021-09**  
April 27, 2021

**REVISIONS TO PROCUREMENT CODE**

WHEREAS, the JEA Procurement Code (P-Code) was adopted via a JEA Board resolution in 1996 as a comprehensive purchasing code for use in governing all JEA purchases and related administrative activities. The P-Code provides a solid foundation for JEA's procurement activities and has been amended over the years to remain current with industry best practices;

WHEREAS, the JEA Chief Procurement Officer is responsible for updating JEA's P-Code and ensuring it is in compliance with all applicable laws and regulations. The last significant Procurement Code revision was made in 2015. Since that time, the JEA Charter has been updated and a Procurement Best Practice Study was completed in 2020. JEA has reviewed the requirement changes in the JEA Charter and recommendations from the study, and incorporated those into our processes and procedures in the P-Code and Operational Procedures;

BE IT RESOLVED by the JEA Board of Directors that:

The Board grants JEA approval for the revisions to the JEA Procurement Code.

Dated this 4-1-21 day of April 2021.

EA Board Chair

JEA Board Secretary

Form Approved by

Chief of General Counsel

VOTE	
In Favor	7
Opposed	0
Abstained	0

Header



**BOARD RESOLUTION: 2023-27**

August 29, 2023

**A RESOLUTION BY THE BOARD APPROVING REAL PROPERTY RULES AND PROCEDURES; REVISING THE JEA REAL ESTATE SERVICES PROCUREMENT DIRECTIVE; AND PROVIDING FOR AN EFFECTIVE DATE**

WHEREAS, Article 21 of the Jacksonville City Charter authorizes JEA to acquire real property (or any estate or interest therein), for the use or expansion of the utilities systems; and

WHEREAS, JEA is further authorized to sell, lease, or otherwise transfer, with or without consideration, any real property (or interest therein) that is no longer needed or useful for operation of the utilities systems; and

WHEREAS, in accordance with Article 21.04(b)(4), the Board is required to approve real estate rules and procedures and amendments thereto governing the reporting, acquisition, sale, purchase, lease, license, transfer, and disposition of real property; and

WHEREAS, the Board, is further required to review such real estate rules and procedures no less than biennially; and

WHEREAS, the proposed Real Estate Services Procurement Directive (Directive), attached hereto as Exhibit "A" and incorporated herein, contains revised rules governing the acquisition, use, and disposition of JEA real property; and

WHEREAS, the proposed Directive is hereby presented for the Board's biennial review and approval.

BE IT RESOLVED by the JEA Board of Directors that:

1. In accordance Article 21.04(b)(4) of the City Charter, the Board has reviewed the rules and procedures contained in the Directive.
2. Based upon its review, the Board hereby approves the Directive. All previous directives related to the procurement of real property are hereby repealed and replaced by the Directive.
3. The Managing Director/Chief Executive Officer (or designee) shall take all steps necessary to implement and administer the Directive.
4. The Directive shall supplement the Amended and Restated JEA Procurement Code (Code). To the extent that there is any conflict between the Code and the Directive related to any real property transaction, the Directive shall govern.
5. To the extent that there are any typographical, administrative, and/or scrivener's errors contained herein that do not change the tone, tenor, or purpose of this Resolution, then such errors may be corrected with no further action required by the Board.
6. This Resolution shall be effective upon approval by the Board.

Dated this 29<sup>th</sup> day of August 2023.

---

JEA Board Vice Chair on behalf of  
JEA Board Chair

---

JEA Board Secretary

Form Approved by:

\_\_\_\_\_  
Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	

**Real Estate Services Procurement Directive****Revision Date:** *{insert date}***ARTICLE 1 GENERAL PROVISIONS**

Document provided to Board Members on 8/4/23 at the meeting.

**1.01 Authority.**

Pursuant to Article 21 of the Charter of the City of Jacksonville (Charter), JEA is authorized to acquire Real Property for the use or expansion of the utilities systems by grant, purchase, gift, devise, condemnation by eminent domain proceedings, exchange, lease or in any other manner authorized by applicable law. JEA is further authorized to dispose of Real Property that is no longer needed or useful for operation of the utilities systems by sale, lease, or transfer.

**1.02 Application, Rules of Construction**

(a) *Interpretation.* This Real Estate Services Procurement Directive (Directive) shall be subject to and construed to be consistent with the provisions of Article 21 of the Charter and all applicable local, state and federal laws, regulations, rules, and policies.

(b) *Application of this Directive.* This Directive supplements the Amended and Restated JEA Procurement Code (Code) and applies to transactions for the acquisition or disposition of Real Property. To the extent that there is any conflict between the Code and this Directive related to the acquisition or disposition of Real Property, this Directive shall govern.

(c) *Rules and Policies.* In accordance with Section 21.04 of the Charter, this Directive shall serve to detail the rules and procedures governing JEA's reporting, acquisition, sale, purchase, lease, license, transfer, and disposition of real property.

(d) *Transparency.* This Directive shall be posted on JEA's website in a conspicuous manner for the public to view.

(e) *Periodic Review.* In accordance with Section 21.04 of the Charter, at least every two years during the time of its self-assessment, the JEA Board (Board) shall review this Directive to make any changes or amendments as deemed necessary to comply with applicable provisions of the Charter or that best serves the interest of JEA. To that end, the CEO, designees, or others that use this Directive may submit to Real Estate Services or the Board any ideas or suggestions that improve the efficient implementation of the rules and procedures contained herein.

(f) *Severability.* If any provision of this Directive is found void, invalid, or inoperative by a court of competent jurisdiction or other binding legal source, then such provision shall be severed and will not render invalid the remaining portions of this Directive.

(g) *Singular-Plural.* In this Directive, unless the context requires otherwise, words in the singular include the plural, and those in the plural include the singular.

(h) *Job Titles.* If a JEA job title used in this Directive is changed in the future due to JEA organizational changes, this Directive shall be construed by substituting the appropriate successor job title.

(i) *Use of Capitalized Terms.* Unless otherwise specified, capitalized terms used in this Directive shall have the meanings given to them in the Definitions section of the Code.

**1.03 Definitions.** The following terms shall have the meanings provided below.

(a) *Easement* means a nonpossessory interest in land created by a grant or agreement that confers upon the grantee the limited right, liberty, and privilege to use the land for a specific purpose, term, and consideration.

(b) *Fee Simple Interest* means a permanent tenure and absolute estate in land and any improvements on or thereto, with freedom to dispose of in whole or in part.

(c) *Lease* means an interest in land, buildings, structures, and/or improvements designated by a contract creating a lessor-lessee relationship in which the lessee is granted use, possession, and control for a specified term for a predetermined cost with conditions attached.

(d) *Long Term Strategic Site* means any Surplus Property that JEA intends to master-plan, develop, or otherwise transfer or dispose of in phases over a period of time exceeding one year.

(e) *Purchase and Sale Agreement* means a legally binding agreement that obligates the buyer to buy and the seller to sell real property. Such agreements provide the terms of the transaction, including but not limited to price, respective obligations, contingencies, and limitations.

(f) *Real Property* means all lands, buildings, structures, improvements, and fixtures thereon; any property of any nature appurtenant thereto or used in connection therewith; and every estate, interest and right, legal or equitable, therein, including any such interest for a term of years. As used in this Directive, Real Property also includes Real property as defined in the Code.

(g) *Surplus Property* means Real Property that is no longer needed or useful for operation of the utilities systems, or disposal of which best serves JEA's interests.

## **ARTICLE 2 DELEGATION OF AUTHORITY, DESIGNATIONS**

**2.01 Delegation of Authority.** By its approval of this Directive, the JEA Board delegates authority to the Chief Executive Officer/Managing Director (CEO) to negotiate, enter, and execute agreements (including all supplemental documentation necessary for closing) on behalf of JEA to acquire, use and dispose of Real Property subject to the provisions contained herein.

**2.02 Real Estate Services.** The CEO is authorized to delegate to the Director of Real Estate (and Real Estate Services) authority to maintain, administer, and implement this Directive as it

relates to the acquisition, sale, lease, use, or transfer of Real Property. This delegation includes the Director of Real Estate's authority to negotiate, enter, and execute agreements (including all supplemental documentation necessary for closing) on behalf of JEA to acquire, use and dispose of Real Property subject to the provisions contained herein.

Real Estate Services shall administer the use, acquisition, and disposition of Real Property on behalf of JEA; establish priorities and operating standards as necessary; determine and pursue the types of property rights and interests that best serve JEA; and assess risk associated with and provide guidance related to completing Real Property transactions. Subject to applicable rules, policies, and procedures governing the procurement of services, Real Estate Services may retain, on an as-needed basis, all services necessary to implement this Directive, including but not limited to appraisal firms, survey firms, land use firms, and/or environmental firms to assist with the acquisition or disposition of Real Property.

**2.03 Office of General Counsel.** The Office of General Counsel (OGC) shall review substantial written instruments related to Real Property transactions to ensure legal sufficiency. OGC shall be responsible for engaging outside legal services necessary to aid in the initiation, assessment and completion of Real Property transactions.<sup>1</sup>

### **ARTICLE 3 REAL PROPERTY ACQUISITIONS**

**3.01 General Guidance.** JEA shall acquire Real Property on terms most favorable to JEA, with due consideration to maintenance and operational efficiency, and at costs consistent with prevailing market rates for comparable Real Property situated within JEA's service area. As applicable, in instances where timing may impact terms favorable to JEA, the CEO or Real Estate Services may negotiate transactions and enter into agreements to acquire Real Property, conditioned upon final approval by the Board.

(a) *Negotiations for Acquisition of Real Property.* At the direction of the CEO, Real Estate Services will assess the need for and negotiate acquisition of Real Property for the use or expansion of the utilities systems. Real Estate Services shall coordinate preparation and execution of all written instruments necessary to acquire Real Property.

(b) *Documentation.* Every appraisal, offer, or counteroffer must be in writing. Complete and accurate records of every appraisal, offer, and counteroffer shall be maintained by Real Estate Services.

(c) *No Joint Acquisitions.* JEA shall make no acquisitions jointly with another entity without prior approval by the Board. No property shall be jointly owned by JEA and any private party except as authorized under Florida law.

(d) *Costs of Acquisitions.* Real Property shall be acquired in an economically feasible manner that best serves the interest of JEA ratepayers. Prior to the acquisition of Real Property,

---

<sup>1</sup> As used in this Directive, references to the Office of General Counsel shall include the use of outside counsel engaged to provide specialized legal services.

Real Estate Services shall confirm the availability of adequately appropriated funds to pay all costs, including but not limited to any option payments and due diligence expenses.

(d) *Title Examinations and Surveys; Recordable Instruments.* All title examinations, surveys, and other title records obtained in the course of acquiring title shall be reviewed by the OGC for marketability and encumbrances. All documents to be recorded in favor of JEA or placing an interest in Real Property in JEA, including easements, shall be reviewed by the OGC for form and legal sufficiency before delivery of the document is accepted and recorded.

(e) *Form of Deeds.* All fee conveyances to JEA shall be by no less than special warranty deed unless the conveyance is from the federal government, a state agency or another local government, or an instrumentality of any of them, from which a quitclaim deed is acceptable. A donation may be made by quitclaim deed if Real Estate Services determines that acceptance of a quitclaim deed is in JEA's best interests. A quitclaim deed may also be accepted to aid in clearing title or boundary questions. Real Estate Services shall coordinate review and confirmation of all legal descriptions on instruments conveying property to JEA.

(f) *Appraisals.* For parcels assessed at \$50,000 or less Real Estate Services may use the assessed value. All appraisals used for the acquisition of Real Property shall be prepared by a state-certified appraiser and be prepared according to generally accepted appraisal standards. As applicable, each appraisal report shall state any extraordinary assumption or hypothetical condition made by the appraiser in determining market value and shall document and adequately support the appraiser's estimate or conclusion of value.

(g) *Disclosure of Beneficial Interests.* Conveyances to JEA by any person or entity holding Real Property in the form of a partnership, limited partnership, corporation, trust, or any form of representative capacity whatsoever for others shall comply with applicable provisions of section 286.23, Florida Statutes, regarding notice and disclosure requirements.

(h) *Limited Authority to Modify Board Approved Purchase Instruments.* Real Estate Services may modify a purchase instrument approved by the Board to extend the time for option exercise, closing date, submittal deadlines, or any other time limit in the agreement if the total extension of time for closing does not exceed 180 days after the closing date in the purchase instrument approved by the Board. The Real Property Procurement Officer is authorized to modify the legal description in a purchase instrument approved by the Board to conform the description to the description on the certified survey.

(i) *Disclaimer.* In instances where the Real Property Procurement Officer becomes aware of an instrument purporting to convey Real Property to JEA recorded in the public records of Duval County, which instrument has not been accepted by JEA, Real Estate Services may, on behalf of JEA, execute an instrument disclaiming any right, title or interest JEA may have in and to the Real Property and record such instrument in the public records of Duval County after having determined that JEA has no need for such Real Property. Such disclaimer shall be reviewed and approved for legal sufficiency by the Office of General Counsel.

**3.02 Leases to JEA.** JEA may lease Real Property when there is a need for the use or expansion of the utilities systems that cannot be met satisfactorily in JEA controlled space and leasing is more advantageous to JEA than constructing new facilities or altering existing JEA facilities.

**3.03 Donations, Gifts to JEA.** JEA may acquire Real Property by donation or gift when such acquisition best serves the interest of JEA.

(a) In such instance, prior to acceptance, Real Estate Services will investigate the quality of title, boundaries, and any environmental issues to the extent necessary to assess whether the property is marketable, whether the donor has authority to convey the property, and whether there are any apparent adverse impacts to JEA because of the acquisition.

(b) Based upon such investigation, the CEO or designated Real Property Procurement Officer on behalf of JEA, may accept a donation or gift conveying Real Property without prior approval by the Board if: (1) no consideration is paid by the JEA for the conveyance; and (2) JEA assumes no obligations with respect to the property except the normal responsibility incidental to ownership of the property interest being acquired.

(c) No acceptance of a donation or gift is effective until indicated by a written, executed acceptance of the conveyance. The instrument of conveyance and, if applicable, the instrument of acceptance, shall be recorded in the Public Records of Duval County.

**3.04 Real Property Condemnation Actions by JEA.** Pursuant to Chapter 361 of the Florida Statutes (as amended) and Article 21 of the Charter, JEA is vested with eminent domain powers to acquire Real Property for the use or expansion of the utilities systems. Such powers shall be executed in accordance Chapters 73 and 74 of the Florida Statutes (as amended).

#### **ARTICLE 4 DISPOSITIONS OF REAL PROPERTY**

**4.01 General Guidance.** JEA may dispose of Real Property that is determined to be no longer needed or useful, or if such disposition best serves the interest of JEA. When such determination has been made, Real Property may be disposed of through exchange, negotiations, sealed competitive bids, public auctions, lease or any other means JEA deems in its best interest in accordance with this Directive and subject to applicable provisions of local and state law. All conveyances of fee interest in JEA-owned Real Property by the Real Property Procurement Officer shall be "as is, where is, and with all faults."

#### **4.02 Real Property Transactions Subject to Prior City Council Approval.**

(a) In accordance with Section 21.04 of the Charter, any Real Property that exceeds either an assessed value or just market value of \$50,000, as determined by the property appraiser of the county where the Real Property is located, shall not be sold for less than the appraised value as certified by an MAI certified appraiser, without prior approval by the Council.

(b) In accordance with Section 21.11 of the Charter, any sale, lease, assignment, or other transfer of Real Property that will result in a total net loss of 1 percent or more of JEA's

service territory or a total loss of 1 percent of the electric, water, or wastewater, customer accounts (based on the latest available JEA monthly financial statements) shall require prior approval by the Council.

**4.03 Board Declaration of Surplus Property.** In accordance with Section 21.04 of the Charter, the Board shall, by resolution, fix and determine when JEA-owned Real Estate is no longer needed or useful, and authorize the disposition thereof. The Board may also, in its discretion, adopt a resolution delegating authority to the CEO to surplus and dispose of Real Property when doing so best serves the interest of JEA. [Real Estate Services may circulate a sufficiently detailed description of Surplus Property to the City and the independent agencies thereof to determine whether the property is needed for a public purpose.](#)

**4.04 Disposition of Real Property by Bid, Competitive Solicitation, or Public Auction.**

(a) *Bid/Competitive Solicitation.* Real Estate Services may choose to submit Surplus Property to the Procurement Department for sale through a sealed bid or competitive solicitation process. Real Estate Services may request that the Procurement Department advertise Surplus Property for sale in a local newspaper of general circulation for a minimum bid equal to the appraised value, if an appraisal was obtained, but no less than 25 percent of the assessed value. The bidding period shall remain open for at least ten days after publication of the notice.

(b) *Public Auction.* If Real Estate Services determines that Surplus Property may be more advantageously disposed of by public auction, then it may be sold at public auction to the highest and best bidder for cash, after publication of a notice of the auction in a newspaper of general circulation in the City published at least ten days before the date of the auction, setting forth the date, time, and place of the auction and a legal description and street address (if available) of the surplus Real Property.

**4.05 Disposition by Direct Sale to Adjoining Owners.** At the direction of the Board (or authorized designee), Real Estate Services may negotiate directly for the sale of Surplus Property with adjacent property owners. In such instances, Real Estate Services shall send notice by mail to the adjacent property owners that the property is available for purchase. The property may be conveyed at private sale to an adjoining owner without receiving bids or publishing notice. If after receipt of the notice by the adjoining owners, two or more qualifying adjacent property owners notify Real Estate Services of a desire to purchase the Surplus Property, the Real Estate Services may negotiate directly with the competing property owners and may convey the parcel to the owner who agrees to the highest price or may reject all offers. Real Estate Services may execute all documents required to convey the property to the successful owner including execution of the deed. The deed shall cite this section of the Directive as authority for execution.

**4.06. Donations or Sales for Nominal Value to Other Public Agencies.** The Board (or authorized designee) may authorize [the sale,](#) donation, or exchange of Surplus Property to another governmental agency for public use regardless of the actual value of the property.

## **ARTICLE 5 TEMPORARY/SHORT-TERM USE OF REAL PROPERTY.**

**5.01 Temporary Use, Licensing and Other Transfers of JEA-Owned Real Property.** Real Estate Services may negotiate, enter, and execute agreements for non-exclusive, use of JEA-owned Real Property for residential, recreational, commercial, industrial, educational, retail, or other uses to the extent that such uses do not interfere with use or operation of the utilities systems.

**5.02 Lease of Real Property.** At the direction of the CEO (or designee), Real Estate Services may pursue, negotiate, and execute leases of Real Property for residential, recreational, commercial, industrial, educational, retail, or other uses. Any lease or renewal thereof lasting for a term of more than five years shall be subject to approval by the CEO (or designee). In accordance with Section 21.04 of the Charter, if JEA leases any Real Property to another agency, firm, corporation, entity, or individual, it shall cause a memorandum of said lease to be recorded in the official records with the clerk of the circuit court where the property is located.

## **ARTICLE 6 DISPOSITION OF LONG-TERM STRATEGIC SITES.**

The Board, by resolution, may identify a Long-Term Strategic Site and authorize the disposition of such site by the CEO (or authorized designee). Such resolution shall:

- (1) Set forth sufficient findings of fact demonstrating that disposition of the Long-Term Strategic Site best serves JEA's interests;
- (2) Detail the CEO's authority with respect to transfer or disposition of the Long-Term Strategic Site; and
- (3) Authorize the CEO (or authorized designee) to execute any and all documents necessary to effectuate such transfer(s) or disposition(s) subject to review by the Office of General Counsel for legal sufficiency and in accordance with this Directive and all applicable local, state, and federal law.

## **ARTICLE 7 REPORTING; RECORDKEEPING**

No less than quarterly, the CEO (or designee) shall prepare and circulate to the Board a report summarizing all Real Property transactions. Complete and accurate records of Real Property transactions shall be maintained by Real Estate Services.

## **ARTICLE 8 LEVELS OF APPROVAL FOR REAL ESTATE TRANSACTIONS**

**8.01 Approvals by the Board.** Board approval shall be required for all Real Property transactions exceeding \$2,000,000.

**8.02** *Approval by the CEO.* The CEO shall be authorized to approve and execute Real Property transactions in an amount not to exceed \$2,000,000. The CEO may delegate such authority to Real Estate Services.

**ARTICLE 9 WAIVER BY THE BOARD**

In the best interests of JEA, the Board may waive any provision contained herein to the extent that such waiver is not prohibited by local, state, or federal law.

DRAFT

TITLE: REAL ESTATE SERVICES PROCUREMENT DIRECTIVE

REVISION DATE: May 26, 2016

**POLICY STATEMENT:**

Pursuant to JEA Charter, JEA may sell, lease or otherwise transfer, with or without consideration, any property, real or personal, when in JEA's discretion it is no longer needed or useful, or such sale, lease or transfer is in the best interest of JEA. It is the policy of JEA to acquire, manage, and dispose of interests in real or personal property for utilities system use and expansion or for other uses in an expeditious and economical manner, with a minimum of risk.

JEA recognizes the procurement and sale or lease of Real Property, Tangible Personal Property, and related easements is sufficiently different from the procurement of other supplies and services required by JEA. This Procurement Directive supplements JEA's Procurement Code to provide JEA staff with the authority to make timely procurement commitments and to effectively participate in these markets. The directive applies to all property rights, real or personal, or any estate or interest therein, to be acquired or for the use of the utilities system by purchase, condemnation by eminent domain proceedings, exchange or lease.

**ASSIGNMENT OF RESPONSIBILITY:**

The CEO designated Real Property Procurement Officer for JEA real property, easements, exchanges and leases is responsible for the implementation and maintenance of this Procurement Directive as it relates to the sale, lease or transfer of JEA real property interests.

The CEO designated Tangible Personal Property Procurement Officer for JEA tangible personal property is responsible for the implementation and maintenance of this Procurement Directive as it relates to the lease of JEA tangible personal property.

The two named Procurement Officers will conduct business in compliance with the JEA Procurement Code as supplemented by this Real Estate Services Procurement Directive.

**DEFINITIONS:**

Unless otherwise specified herein, all terms used herein will have the same definition specified in the JEA Procurement Code:

Fee Simple -a permanent and absolute tenure of an estate in land with freedom to dispose of it at will, especially in full.

Option to Purchase Agreement -is an arrangement in which, for a fee, a tenant or investor acquires the right to purchase real property sometime in the future.

Real Property -is land and immovable property on land such as buildings.

Sale and Purchase Agreement (SPA) -is a legal contract that obligates a buyer to buy and a seller to sell a product or service. SPAs are found in all types of businesses but are most often associated with real estate deals as a way of finalizing the interests of both parties before the closing of the property.

**Commented [SLA1]:** Removed this narrative paragraph. New Section 1 connects the 2023 Directive to the Charter and outlines the scope of the Directive.

**Commented [SLA2]:** 2023 Directive Section 2 clearly spells out the Board's delegation to CEO and CEO's delegation to Real Estate Services/Real Estate Director.

**Commented [SLA3]:** 2023 Directive language aligns with current JEA org structure and job titles to refer to Real Estate Services and the Real Estate Director, rather than Real Property Procurement Officer.

**Commented [SLA4]:** 2023 Directive combines Rules of Construction and Definitions and includes Board review every two years, tied to Board self-assessment.

Tangible Personal Property -are physical assets of JEA, excluding real property and buildings, that includes, but is not limited to, poles, towers, telecommunication equipment, fiber optic cables, or other such physical assets of JEA used in the operation of the utilities system.

**I. FEE SIMPLE REAL PROPERTY ACQUISITIONS**

**A. Background and Additional Guidance.**

It is the policy of JEA to acquire interests in real property for system expansion or for other uses in an expeditious and economical manner, with a minimum of risk.

JEA Real Estate Services will diligently determine and pursue the types of property rights most advantageous to JEA. These rights may include fee simple acquisitions, easement acquisitions, licenses or permits. Levels of approval for each of these property rights acquisitions are outlined in this Procurement Directive.

**B. Levels of Approval and Respective Approving Entities (Board, Awards Committee, Procurement Officer) for Fee Simple Acquisitions.**

1. Board Approval is Required for Purchases of More than \$500,000: If the negotiated purchase price is more than \$500,000, the Option to Purchase or Purchase and Sale Agreement will be presented to the Board for its consideration. Prior to presentation to the Board, the Option to Purchase or Purchase and Sale Agreement will be approved by the Procurement Officer and reviewed by Office of General Counsel (OGC). The request for Board consideration may summarize relevant purchase information and may include the following: a comparison of the negotiated price, the appraised value of the property, the assessed value of the property, and/or statements of any conflicts of interest of Board members or JEA employees.
2. Awards Committee Approval is Required for Purchases of \$500,000 or Less but More than \$50,000: If the negotiated purchase price is \$500,000 or less but more than \$50,000, it will be presented to the Awards Committee for its consideration. Prior to presentation to the Awards Committee, the Option to Purchase or Purchase and Sale Agreement will be approved by the Procurement Officer and reviewed by OGC. The request for Awards Committee consideration may summarize relevant purchase information and may include the following: a comparison of the negotiated price, the appraised value of the property, and the assessed value of the property, and/or statements of any conflicts of interest of Board members or JEA employees.
3. The Procurement Officer may Approve Purchases of \$50,000 or Less: If the negotiated purchase price is \$50,000 or less, the acquisition may be approved by the Procurement Officer. The Procurement Officer may request review by OGC or the Vice-President to whom Real Estate Services reports. Records of property transactions may include the following: a comparison of the negotiated price, the appraised value of the property, the assessed value of the property, Real Estate Services estimate of value, and/or statements of any conflicts of interest of Board members or JEA employees.
4. The Procurement Officer may Approve Donations of Property to JEA: If a property owner donates a parcel to JEA, the Procurement Officer may approve the acquisition. Real Estate Services will coordinate all legal and transfer requirements of the acquisition.

**Commented [SLA5]:** 2023 Directive Section 8.01 sets this amount at \$2M.

**SUMMARY OF FEE SIMPLE ACQUISITIONS:**

Purchase Price	Approving Entity
> \$500,000	Board
> \$50,000 to \$500,000	Awards Committee
\$50,000 or less	Procurement Officer

**Commented [SLA7]:** 2023 Directive refers to P-Code and relevant JEA procedures but does not provide as much detail on allocating responsibilities between Real Estate Services and the Awards Committee.

**II. REAL PROPERTY CONDEMNATION ACTIONS.**

**A. Background and Additional Guidance.**

JEA will use condemnation procedures under the power of eminent domain for acquisition of real property rights only as a last resort. JEA is vested with the power of eminent domain under authority of Article 21, Charter of the City of Jacksonville, Chapter 92-341, Laws of Florida, as amended, and Chapter 36i, Florida Statutes. Statutory provisions for eminent domain procedures and supplemental proceedings are found in Chapters 73 and 74, Florida Statutes.

**Commented [SLA6]:** Dollar amount-based sub-delegations are covered in the summary page signed by CEO, rather than being placed in the formal directive.

**B. Board Approval is Required for All Condemnations.**

After determining that the property cannot be purchased by negotiation and upon direction by the Procurement Officer, Real Estate Services will submit legal descriptions of the required property to OGC. OGC will prepare a Resolution authorizing condemnation to be presented to the Board. Real Estate Services will prepare the endorsement memo for the CEO's signature requesting the approval of the Resolution. Real Estate Services will present the endorsement memo and Resolution to the Board for consideration. If the Resolution is approved by the Board, Real Estate Services, on behalf of JEA, will initiate condemnation proceedings by sending the following to OGC: a certified copy of the Resolution, the survey, the appraisal, title commitment, a copy of the Board approval, and statements of any conflicts of interest of Board members or JEA employees. Condemnation preparation and proceedings are managed and implemented by OGC and Real Estate Services. If a settlement is negotiated, the settlement amount will be presented for approval to the appropriate approving entity consistent with levels of approval stated for fee simple acquisitions in Section I.

**Commented [SLA8]:** 2016 Directive refers to OGC throughout. 2023 Directive affirms OGC's integral role in Sec. 2.03 and incorporates (in a footnote) external counsel which can also provide reviews

**III. DISPOSITION OF REAL PROPERTY.**

**A. Background and Additional Guidance.**

JEA will dispose of interests in real property that are no longer needed or useful to JEA.

**Commented [SLA9]:** 2023 Directive ties Eminent Domain/condemnation to the Charter and Florida Statutes.

**B. Preparation to Declare Real Property Surplus.**

In declaring property surplus, the Procurement Officer must certify that such real property is no longer needed by JEA. The Procurement Officer makes this determination by notifying JEA departments that may have an interest in the real property that it is being considered for surplus disposition. If no JEA departments have a present or future use for the real property, Real Estate Services will notify other municipal agencies of the availability of the property. If another municipal agency has a need for the real property, Real Estate Services will arrange for transfer of ownership consistent with the approval levels outlined in this Procurement Directive. If no municipal agencies have present or future use of the real property, Real Estate Services may notify

**Commented [SLA10]:** 2023 Directive requires Board resolution to classify property as surplus. Board may delegate to CEO ability to determine property is surplus and arrange for disposal.

adjoining property owners and may sell the property according to the procedures in Section III D below.

**C. Levels or Approval and Respective Approving Entities (Board, Awards Committee, Procurement Officer) for Dispositions.**

1. Board Approval is Required to Sell Surplus Real Property when the Assessed Value OR the Negotiated Sale Price is More Than \$500,000: When either of these situations occurs, Real Estate Services will submit a resolution to the Board for its review and approval. The Resolution for Board consideration may summarize relevant purchase information and may include the following: a comparison of the negotiated price, the appraised value of the real property, the assessed value of the real property, JEA's investment in the property, minimum sale price, and/or statements of any conflicts of interest of Board members or JEA employees. The Resolution will request that the Board declare the real property surplus to the needs of JEA and the real property may be sold at the price stated in the resolution.

**Commented [SLA11]:** 2023 Directive Sec. 8.01 sets this threshold at \$2M.

2. Awards Committee Approval is Required to Sell Surplus Real Property when the Assessed Value OR the Negotiated Sale Price is \$500,000 or Less but More than \$50,000: When either of these situations occurs, Real Estate Services will submit an Award to the Awards Committee for review and approval. The Awards Committee may, at its discretion, forward such a request for Award to the Board for its review and approval. The Award submitted to the Awards Committee for consideration may summarize relevant purchase information and may include the following: a comparison of the negotiated price, the appraised value of the property, and the assessed value of the property, JEA's investment in the property, minimum sale price, and/or statements of any conflicts of interest of Board members or JEA employees. The Award will request that the Awards Committee declare the property surplus to the needs of JEA and the property may be sold at the price stated in the approved Award.

3. The Procurement Officer May Sell Surplus Real Property when the Assessed Value AND the Negotiated Sale Price is \$50,000 or less: When both of these situations occur, the Procurement Officer may declare the real property surplus and authorize the sale of the surplus property upon terms and conditions acceptable to the Procurement Officer. The Procurement Officer may request review by OGC or the Vice-President to whom Real Estate Services reports. The Procurement Officer's determination may include, but not be limited to, a review of the following: a comparison of the negotiated price, the appraised value of the real property, the assessed value of the property, JEA's investment in the property, minimum sale price, Real Estate Services estimate of value, and/or statements of any conflicts of interest of Board members or JEA employees.

**Commented [SLA12]:** 2023 Directive refers to P-Code and relevant JEA procedures but does not provide as much detail on allocating responsibilities between Real Estate Services and the Awards Committee.

**D. Sale of Real Property.**

1. Sealed Bidding for the Sale of Real Property Assessed for More Than \$50,000.

a. When the Procurement Officer determines that sale of real property assessed for more than \$50,000 by sealed bidding is in the best interests of JEA, the Procurement Officer shall certify that the real property is surplus to the needs of JEA, and Real Estate Services will solicit sealed competitive bids for the public sale of the real property.

- b. The bids will be evaluated by the Procurement Officer who will determine which bid is the most advantageous to JEA.
  - c. In no event shall real property be sold for less than the assessed value as recorded by the Property Appraiser without approval by the Board and City Council.
  - d. The public advertisement for bids will disclose the amount of the minimum acceptable bid and any additional bid requirements as may be prescribed by Real Estate Services.
  - e. Sale of real property will be made to the highest and best bidder after approval by the Board or the Awards Committee, as appropriate.
  - f. Upon receipt of the purchase price in cash or by cashier's check, or upon receipt of the mortgage or other instrument evidencing the terms of sale if other than for cash, the JEA shall execute and deliver to the purchaser an appropriate instrument of transfer of title to the real property.
  - g. If an offer at or above the minimum sale price is not received in the solicited bids or if the sale is not concluded successfully, Real Estate Services may, subject to the proper levels of approval, rebid the property, dispose of the property by public auction, enlist the services of real estate brokers to sell the property, or sell the property by direct sale after negotiation with any prospective purchaser. In no event shall property be sold for less than the assessed value as recorded by the Property Appraiser without approval by the Board and City Council.
2. Public Auction for the sale of Real Property Assessed for More Than \$50,000.
- a. When the Procurement Officer determines that sale of real property assessed for more than \$50,000 by public auction is in the best interests of JEA, the Procurement Officer shall certify that the property is surplus to the needs of JEA, and Real Estate Services shall present a resolution to the Board or Awards Committee, as appropriate, to have the Board or Awards Committee declare the property surplus and authorize the sale of the property for a price not less than the price stated in the resolution.
  - b. Real Estate Services may engage the services of a qualified real estate auctioneer to hold a public auction to sell real property to the highest and best bidder.
  - c. In no event shall property be sold for less than the assessed value as recorded by the Property Appraiser without approval by the Board and City Council.
  - d. The public advertisement will set forth the date, time and place of the auction, the amount of the minimum acceptable bid and any additional bid requirements as may be prescribed by Real Estate Services.
  - e. As soon as is practicable after the auction, and upon receipt of the purchase price in cash or by cashier's check, JEA shall execute and deliver to the successful bidder an appropriate instrument of transfer of title to the property.
  - f. If the property is not sold at the public auction, Real Estate Services may, subject to the proper levels of approval, solicit sealed bids for the property, auction the property, enlist the services of real estate brokers to sell the property, or sell the property by direct sale after negotiation with

any prospective purchaser. In no event shall property be sold for less than the assessed value as recorded by the Property Appraiser without approval by the Board and City Council.

3. **The Sale Price for Real Property Assessed for \$50,000 or Less.**

- a. If the assessed value of the real property is \$50,000 or less, the Procurement Officer may negotiate with any and all prospective purchasers for the sale of the real property without bid upon such terms and conditions as the Procurement Officer may deem advisable.
- b. The Procurement Officer may enlist the services of real estate brokers to sell the property. All sales shall be paid by certified check, and the sale price will not be less than the assessed value of the property.
- c. The Procurement Officer may direct that the sale of real property valued at \$50,000 or less be conducted by competitive procedures, including sealed bids or public auction. If the sale price is more than \$50,000 the sale will be approved by the appropriate approval entity.
- d. In no event shall property be sold for less than the assessed value as recorded by the Property Appraiser without approval of the Board and the City Council.

**DISPOSITION SUMMARY CHART:**

Assessed Value of Property OR Negotiated Sale Price	Approving Entity
> \$500,000	Board
> \$50,000 to \$500,000	Awards Committee
\$50,000 or less	Procurement Officer

**Commented [SLA13]:** 2023 Directive allows a variety of sale processes in order to maximize value to JEA and the community.

**IV. EASEMENTS AND AGREEMENTS RELATING TO REAL PROPERTY.**

**A. Background and Additional Guidance.**

The levels of approval and the respective approving entities delineated below will be used when JEA is granting certain rights or acquiring certain rights in connection with real property. Consistent with the needs of each transaction, JEA will clearly define the scope of JEA’s rights and the rights of other parties.

**B. Levels of Approval and Respective Approving Entities (Board, Awards Committee, Procurement Officer).**

When the rights under consideration have a Fair Market Value in excess of \$50,000, Real Estate Services will confirm OGC support of the action and will prepare a resolution for presentation to the appropriate entity for its consideration of the requested right.

- 1. **Board Approval is Required for Rights Valued at More Than \$500,000.** If the negotiated purchase price is more than \$500,000, a resolution will be presented to the Board for its consideration after a review by OGC. The request for Board consideration may summarize relevant purchase information and may include the following: a comparison of the negotiated price, the appraised

value of the property, and the assessed value of the property, and/or statements of any conflicts of interest of Board members or JEA employees.

2. The Awards Committee Approval is Required for Rights Valued at \$500,000 or Less but More Than \$50,000. If the negotiated purchase price is \$500,000 or less but more than \$50,000, a resolution will be presented to the Awards Committee for its consideration after review by OGC. The request for Awards Committee consideration may summarize relevant purchase information and may include the following: a comparison of the negotiated price, the appraised value of the property, and the assessed value of the property, and/or statements of any conflicts of interest of Board members or JEA employees.
3. The Procurement Officer May Approve the Purchase or Sale of Rights Valued at \$50,000 or Less. If the negotiated purchase price is \$50,000 or less, the Procurement Officer may authorize the purchase or sale. The Procurement Officer may request review by OGC or the Vice-President, Organizational Services. Records of property transactions may include the following: a comparison of the negotiated price, the appraised value of the property, Real Estate Services estimate of value, the assessed value of the property, and/or statements of any conflicts of interest of Board members or JEA employees.
4. The Procurement Officer may Approve Donation of Property Rights to JEA: If a property owner donates property rights to JEA, the Procurement Officer may approve the acquisition. Real Estate Services will coordinate all legal and transfer requirements of the acquisition.

**SUMMARY CHART:**

Value of Rights	Approving Entity
> \$500,000	Board
> \$50,000 to \$500,000	Awards Committee
\$50,000 or less	Procurement Officer

**V. LEASES- REAL OR PERSONAL PROPERTY**

**A. Background and Additional Guidance.**

This Directive shall apply to leases of Real Property or Tangible Personal Property, whether JEA is lessee or lessor. The Real Property Procurement Officer will negotiate terms including rental rates with the prospective lessee or for JEA as lessor of real property interests. The rental rates are generally at current market value, established at the time of initial lease by an appraisal prepared by an outside real estate appraiser or by a survey of real estate values and market rates conducted internally. The Tangible Personal Property Procurement Officer will negotiate terms of use and lease agreements with prospective user or lessee of JEA tangible personal property.

**B. Levels of Approval and Respective Approving Entities for Leases.**

1. Leases of \$1,000,000 or More in Total Value. If the negotiated lease price is \$1,000,000 or more in total value, the responsible Procurement Officer will confirm OGC support of the action. The responsible Procurement Officer will also obtain approval from the Chief Financial Officer for Real

Property leases, and approval from the Chief Financial Officer and the Chief Information Officer for Tangible Personal Property leases. The supporting documentation for approval will summarize relevant lease information and may include the following: overview of lease agreement terms, price comparisons of comparable properties or physical assets, and/or statements of any conflicts of interest of Board members or JEA employees.

2. Leases of Less than \$1,000,000 in Total Value. If the negotiated lease price is less than \$1,000,000 in total value, the responsible Procurement Officer will approve the lease. The supporting documentation for approval will summarize relevant lease information and may include the following: overview of lease agreement terms, price comparisons of comparable properties or physical assets, and/or statements of any conflicts of interest of Board members or JEA employees.

**LEASE SUMMARY CHART:**

Value of Lease	Approving Entity
\$1,000,000 or more	Responsible Procurement Officer, CFO, CIO
Less than \$1,000,000	Responsible Procurement Officer

**VI. EXECUTION OF DOCUMENTS**

All documents to be executed on behalf of JEA pursuant to this Procurement Directive may be executed by the Managing Director/Chief Executive Officer; his designee, or the responsible Procurement Officer.

**VII. RIGHT TO PROTEST**

Any actual or prospective seller, buyer, lessee or lessor who is aggrieved in connection with a solicitation or an Award of a Contract may submit a protest in accordance with JEA Procurement Code.

**VIII. EFFECTIVE DATE**

This Procurement Directive is effective upon its approval by Managing Director/CEO.



**BOARD RESOLUTION: 2023-34**

August 29, 2023

**Commitment to Environmental Stewardship, Customer Solutions, and Integrated Resource Planning for Long-Term Lower Carbon Emissions**

**WHEREAS**, the JEA Board of Directors (the Board), remains focused on the mission and vision to improve lives, build community, and to be the best utility in the nation; and

**WHEREAS**, the Board adopted an Electric Integrated Resource Plan (IRP) on April 25, 2023, setting aggressive goals to reach 35% clean energy by 2030, retire less efficient generation, reduce carbon dioxide emissions by 80% (from 2005 levels), serve all JEA facilities with 100% clean energy, and offset electrification demand with energy efficiency programs; and

**WHEREAS**, the Board acknowledges the importance of addressing climate change and reducing carbon emissions to safeguard the environment and public health and recognizes the evolving energy landscape and the need to transition towards cleaner and more sustainable energy sources; and

**WHEREAS**, the Board is committed to providing reliable, resilient, and affordable utilities to its customers while minimizing its environmental impact; and

**WHEREAS**, a growing number of JEA stakeholders, both customers and the community, are calling for stronger actions to mitigate climate change and promote sustainable practices,

**NOW THEREFORE, BE IT RESOLVED** by the JEA Board of Directors its commitment to:

1. **Plan For the Future:** JEA will develop recommendations for asset decisions based on integrated operational and financial plans that align to JEA's strategic direction that will not revert from its 2030 IRP goals.
2. **Deepen Customer & Community Engagement:** JEA will continue engaging with customers, community groups, and other stakeholders to gather input and promote transparency in its efforts to:
  - a. Develop resource plans that balance reasonable rates, sound business decisions, and environmental stewardship to ensure resource plans incorporate clean energy targets and all resource options that set JEA on a trajectory of incremental improvement of environmental stewardship and continuing to reduce our carbon footprint.
  - b. Develop additional customer offerings including chilled water, energy efficiency, and electrification solutions and distributed, customer-owned resources that support environmental stewardship.
  - c. Update policies, programs, and rates to better assist customers that want to install renewable generation or batteries at their own facilities.
  - d. Seek additional opportunities to collaborate with industry peers, governmental agencies, and non-profit organizations to accelerate the adoption of low-carbon technologies, including working with appropriate groups for research and development and funding opportunities.
  - e. Encourage the community to express their views by submitting for public comment at JEA Board meetings and participating in stakeholder meetings in future IRP processes.

3. **Regular Reporting:** JEA staff will provide regular updates to the JEA Board and the community on its environmental stewardship progress.
4. **Continuous Evaluation:** JEA will develop an integrated planning process to assess and adjust its long-term operational and financial trajectory, accelerating its environmental stewardship goals as new technologies and external factors evolve. JEA will continue to update IRPs on a regular basis. The next Electric IRP is targeted for completion in 2026.

Dated this 29<sup>th</sup> day of August 2023.

\_\_\_\_\_  
 JEA Board Vice Chair on behalf  
 of JEA Board Chair

\_\_\_\_\_  
 JEA Board Secretary

Form Approved by

\_\_\_\_\_  
 Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	



**BOARD RESOLUTION: 2023-29**

August 29, 2023

**A RESOLUTION APPROVING AN AMENDMENT TO THE RESTATED MASTER SERVICES AGREEMENT WITH EMPOWER RETIREMENT FOR THE JEA 401(a) DEFINED CONTRIBUTION RETIREMENT PLAN, EFFECTIVE JANUARY 1, 2024**

**WHEREAS**, JEA, as the sponsoring employer, previously adopted the JEA 401(a) Defined Contribution Retirement Plan ("Plan"), which Plan has subsequently been amended and restated effective May 1, 2022, and is currently in effect; and

**WHEREAS**, the Plan's current recordkeeper and third-party administrator is Empower Retirement, LLC ("Empower Retirement"); and

**WHEREAS**, JEA and Empower Retirement entered into a Restated Master Services Agreement with respect to the recordkeeping and administrative services provided by Empower Retirement to the Plan, which was approved by the Board on October 25, 2022, effective as of October 28, 2022; and

**WHEREAS**, Empower Retirement's fees for services rendered to the Plan as the recordkeeper and third-party administrator are currently derived, in part, from variable revenue credits produced by the investment funds in which the Plan's assets are invested; and

**WHEREAS**, the Plan's Investment Advisory Committee, in consultation with the Plan's investment advisor, has recommended that, consistent with current trends and best practices in the retirement plan industry, the Plan move to a zero revenue share model in which Empower Retirement is compensated a set fee amount based upon a percentage of Plan assets and any revenue credits produced by the investment funds in which the Plan's assets are invested be allocated to participant accounts; and

**WHEREAS**, it has been proposed that JEA approve and enter into the Amendment to the Restated Master Services Agreement with Empower Retirement and to Schedule A (Recordkeeping Services) Thereto, a copy of which is attached hereto as **Exhibit 1** and which sets forth the amended terms with respect to Empower Retirement's fees for its services as the Plan's recordkeeper and third party administrator and the terms for the zero revenue share arrangement; and

**WHEREAS**, JEA has reviewed all documentation and is fully advised of the premises; now therefore:

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

1. The Amendment to the Restated Master Services Agreement with Empower Retirement and to Schedule A (Recordkeeping Services) Thereto, which is attached hereto as **Exhibit 1**, is hereby approved, effective January 1, 2024.
2. Authority is delegated to the Chief Executive Officer and Managing Director to execute the Amendment to the Restated Master Services Agreement with Empower Retirement and to Schedule A (Recordkeeping Services) Thereto, attached hereto as **Exhibit 1**.
3. Authority is delegated to the Chief Executive Officer and Managing Director to take such other action as is reasonably necessary to accomplish the purpose of this resolution.
4. To the extent that there are any typographical, administrative, and/or scrivener's errors contained herein that do not change the tone, tenor, or purpose of this Resolution, then such errors may be corrected with no further action required by the JEA Board.

Dated this 29<sup>th</sup> day of August 2023.

\_\_\_\_\_  
JEA Board Vice Chair on behalf  
of JEA Board Chair

\_\_\_\_\_  
JEA Board Secretary

Form Approved by

\_\_\_\_\_  
Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	



**INTER-OFFICE MEMORANDUM**

August 29, 2023

**SUBJECT: JEA 401(a) DEFINED CONTRIBUTION RETIREMENT PLAN –  
AMENDMENT TO EMPOWER MASTER SERVICES AGREEMENT TO  
IMPLEMENT ZERO REVENUE SHARE FEE MODEL**

---

**FROM:** Jay Stowe, Managing Director/CEO

---

**TO:** JEA Board of Directors

---

**BACKGROUND:**

JEA, as plan sponsor, originally established the JEA 401(a) Defined Contribution Retirement Plan ("Plan") in 2002. The employees who are eligible to participate in the Plan are JEA employees in appointed status positions. Generally, appointed status employees can be described as JEA management staff employees who are exempt from the Civil Service System and serve under the JEA Board of Directors or the JEA Managing Director/CEO.

The Plan is a voluntary, defined contribution plan that permits – but does not require – eligible employees to defer a percentage of their compensation and annual incentive pay (if any) into the Plan to allow saving on a tax-deferred basis. The Plan also permits – but does not require – JEA to make discretionary contributions to the Plan to provide discretionary incentive pay to eligible employees on a tax-deferred basis.

Empower Retirement, LLC ("Empower Retirement" or "Empower") is the current Plan recordkeeper, third-party administrator, and custodian for the participants' Plan accounts. JEA and Empower Retirement entered into a Restated Master Services Agreement with respect to the recordkeeping and administrative services provided by Empower Retirement to the Plan, which was approved by the Board on October 25, 2022 and effective as of October 28, 2022.

Empower Retirement's fees for services rendered to the Plan as the recordkeeper and third-party administrator are currently derived, in part, from variable revenue credits produced by the investment funds in which the Plan's assets are invested.

Participating employees may invest their Plan funds in a menu of approximately thirty (30) investment options from which they may choose<sup>1</sup>; if an employee does not elect to direct their own investments, their funds are automatically invested in the Plan's default investment fund. The investment options are selected by the Plan's Investment Advisory Committee in consultation with the Plan's investment advisor.

Some mutual funds add non-investment-related fees to the expense ratio of a mutual fund and then pay those additional fees to various intermediaries, including brokers, financial advisors, and retirement plans. This practice is called "revenue sharing."

---

<sup>1</sup> Participants may also elect a self-directed brokerage account option with Charles Schwab & Co.

Different mutual funds use different percentages for the additional fee amounts, and some mutual funds do not engage in revenue sharing at all.

**DISCUSSION:**

Currently Empower's fees for its services to the Plan are generally derived from revenue sharing. Of the revenue sharing received, 0.03% is placed in a Plan expense account to pay reasonable and necessary administration expenses, and Empower retains the balance (estimated to be approximately 0.08% of Plan assets over the course of a year).

Under a "zero revenue share" fee model (which is also called fee equalization):

- Revenue sharing amounts received from mutual funds are allocated to the participants who invested in those mutual funds. Amounts are allocated proportionally based on the amount of each participant's investment in each respective mutual fund.
- Empower's fee would be 0.11% of Plan assets, of which 0.03% is placed in a Plan expense account to pay reasonable and necessary administration expenses.
- Empower's fee is payable on a quarterly basis and would be deducted from participants' Plan accounts with the same percentage fee amount (0.11%) charged to each participant.

The benefits of a zero revenue share fee model include:

- Improved transparency regarding Plan administration costs:
  - Empower's fee will be a set percentage of Plan assets; it will no longer be variable based upon the amount of revenue sharing generated by investment funds.
  - Each participant will see the administrative fee amount deducted from their Plan accounts on a quarterly basis, rather than having the administrative amount included, without delineation, in mutual fund expense ratios.
- More equitable distribution of administrative fees:
  - Under a revenue sharing model, the participants who invested in funds that pay a high rate of revenue sharing pay a disproportionate share of administration costs.
  - Under a zero revenue share model, administration expenses are allocated based on participant account balances, and any revenue sharing is allocated to the participants who invested in the mutual funds that generate the revenue sharing.
- Consistency with current trends and best practices in the retirement plan industry:
  - The overall trend away from using revenue sharing for payment of retirement plan administration expenses is happening for a number of reasons, including the U.S. Department of Labor's fee-disclosure regulation and ongoing lawsuits against retirement plans, plan sponsors, and plan administrators concerning purportedly "excessive" fee amounts and imprudent investment options.

The Plan's Investment Advisory Committee, in consultation with the Plan's investment advisor, has recommended that – consistent with current trends and best practices in the retirement plan industry – the Plan move to a zero revenue share model in which Empower Retirement is compensated a set fee amount based upon a percentage of Plan assets and any revenue credits produced by the investment funds in which the Plan's assets are invested be allocated to participant accounts.

JEA Human Resources staff, in consultation with outside counsel and the Plan's investment advisor, has reviewed the terms of the proposed amendment to the Plan's Restated Master Services Agreement with Empower Retirement and confirmed that the terms of the amendment reflect the proposed zero revenue share fee model.

Attached to this Memorandum are the following:

- Proposed Board Resolution 2023-29, titled " A RESOLUTION APPROVING AN AMENDMENT TO THE RESTATED MASTER SERVICES AGREEMENT WITH EMPOWER RETIREMENT FOR THE JEA 401(a) DEFINED CONTRIBUTION RETIREMENT PLAN, EFFECTIVE JANUARY 1, 2024"
- Exhibit 1 – Amendment to the Restated Master Services Agreement with Empower Retirement and to Schedule A (Recordkeeping Services) Thereto

There is no collectively bargained unit of employees impacted by the proposed change to the zero revenue share fee model.

**FISCAL IMPACT:**

The proposed amendment to the Restated Master Services Agreement with Empower Retirement to implement a zero revenue share fee model will not result in any additional Plan administration expenses or benefit costs to JEA.

**RECOMMENDATION:**

That the Board approve the proposed amendment to the Restated Master Services Agreement with Empower Retirement to implement the zero revenue share fee model, effective January 1, 2024, and authorize JEA's Managing Director and Chief Executive Officer to execute all implementing documents.

---

Jay Stowe, Managing Director/CEO

JCS/PLM

# **Exhibit 1**

**AMENDMENT**  
**to the**  
**RESTATED MASTER SERVICES AGREEMENT**  
**and to**  
**SCHEDULE A (RECORDKEEPING SERVICES) THERETO**  
  
**for**  
**JEA**  
  
**Group Nos 780725-03**  
**Effective Date: January 1, 2024**

---

THIS AMENDMENT is entered into by and between Empower Retirement, LLC, and/or any successor, assign or affiliate (“Empower”) and JEA (“Plan Sponsor”);

Empower and Plan Sponsor are parties to the Restated Master Services Agreement dated October 28, 2022 (as such agreement has or may be amended from time to time, the "Agreement"), and are parties to the Schedule A (Recordkeeping Services) attached thereto (as such schedule has or may be amended from time to time, the "Schedule"), under which Empower provides certain administrative services to Plan Sponsor;

Section 16.5 of the Agreement states, in pertinent part, "Each Schedule, including any Exhibits, notices and attachments (including an incorporation by reference of the terms and conditions of this Agreement), constitutes the entire agreement of the parties thereto with respect to the subject matter thereof and supersedes all prior drafts, agreements, negotiations and proposals, written or verbal, relating to the Services contained in the applicable Schedule. This Agreement or any Schedule may be amended by written agreement of the parties;"

The parties have agreed to amend the Agreement and Schedule as follows:

1. The Agreement is hereby amended as follows:
  - a. Section 3.1, Fees / Charges, to the Agreement is hereby deleted and replaced in its entirety with the following new Section 3.1:

“**3.1 Fees / Charges.** Plan Sponsor agrees to pay Empower for the Services. Unless otherwise Directed by the Plan Sponsor, the Plan Sponsor hereby Directs Empower to deduct applicable Plan expenses from the Plan and/or Participant accounts, as applicable and as set forth in Section 7.2 of Schedule A, Exhibit A-3, and Schedule B herein; provided, however, that Plan Sponsor further hereby Directs Empower to allocate Revenue Credits to Participant accounts as applicable and as defined and set forth in Exhibit A-4 herein.”
  - b. Section 3.2, Maximum Indebtedness, to the Agreement is hereby deleted and replaced in its entirety with the following new Section 3.2:

“**3.2 Maximum Indebtedness.** The Plan’s and Plan Sponsor’s maximum indebtedness for all fees, costs, expenses, and all other amounts payable to Empower under this Agreement

shall not exceed an annual amount of .11% of the total assets of the Plan (comprised of a fixed .03% Plan Expense Account Credit to the Plan Expense Account as defined and as set forth in Exhibit A-3 herein and the remainder payable to Empower as the net Basic Plan Administration Fee, as described in section 7.2 of the Schedule), unless otherwise agreed to in writing by Plan Sponsor. Empower shall also not be required to provide Services in excess of said amount, except as otherwise provided in the Agreement. All amounts payable under this Agreement are contingent upon the existence of lawfully appropriated funds therefor.”

2. The Schedule is hereby amended as follows:

- a. Section 4.4, Investment Options, of the Schedule is hereby deleted and replaced in its entirety with the following new Section 4.4:

**"4.4 Investment Options.** Plan Sponsor is responsible for the selection of all Investment Options based on Plan Sponsor’s independent evaluation, or that of its registered investment advisor, consultant, broker or other agent, as applicable. Plan Sponsor must notify Empower in writing of the Investment Options intended to be serviced by Empower and such Investment Option services are only provided as agreed upon by Empower and may be subject to certain limitations or conditions. Plan Sponsor acknowledges that Empower or its Affiliates may receive fees from mutual fund families or other Investment Option Sponsors or their Affiliates for providing certain administrative or other services thereto (“Fund Service Fees”) in connection with the Plan. Plan Sponsor may request additional information regarding such fees at any time. Plan Sponsor has notified Empower that it is Plan Sponsor's present intent to implement, to the maximum extent feasible and appropriate under circumstances then in effect, what is commonly referred to as a "zero revenue share" approach in its selection of Investment Options; provided, however, that if any selected Investment Option generates Revenue Credits (as defined in Exhibit A-4 herein), such Revenue Credits shall be allocated to Participant accounts as set forth in Exhibit A-4. For the avoidance of doubt, Revenue Credits (which Empower may not retain) and Fund Service Fees (which Empower may retain) are different. If the provider of an Investment Option causes an Investment Option to become unavailable to the Plan, Empower will notify Plan Sponsor as soon as practicable after the Investment Option Sponsor notifies Empower."

- b. Section 7.2, Basic Plan Administration Fee, of the Schedule is hereby deleted and replaced in its entirety with the following new Section 7.2:

**"7.2 Basic Plan Administration Fee.** Commencing on January 1, 2024, the following annual administration fee (“Basic Plan Administration Fee”) will apply. This fee is used, in whole or in part, for administrative services provided by Empower as described in this Schedule and the Agreement. In addition, some or all of the fee (or any other compensation, revenue, asset or source of funding available to Empower (other than Revenue Credits as defined in Exhibit A-4), in Empower’s sole discretion) will be used by Empower to make payments to the Plan under the Plan expense account arrangement set forth in Exhibit A-3 herein. All Services set forth in this Schedule are included in the Basic Plan Administration Fee unless an additional fee is otherwise noted herein. In the event that the Plan Sponsor requests different or additional Services, the parties shall meet to discuss relevant Empower capabilities and any additional fees that may apply.

The gross Basic Plan Administration Fee is 0.11% (11 basis points) per year, comprised of a fixed .03% Plan Expense Account Credit to be allocated to the Plan Expense Account as defined and as set forth in Exhibit A-3 herein and the remainder to be retained by Empower as the net Basic Plan Administration Fee.

The gross Basic Plan Administration Fee will be payable on a quarterly basis, based on the average daily balance of Plan assets during the assessment period. Participants taking a full withdrawal of their Plan accounts prior to the ordinary processing date for quarterly fee assessment will be charged the gross fee at the time of withdrawal based on the average daily balance of the account during the partial period.

In addition, Empower and/or one or more of its Affiliates may receive Fund Service Fees in connection with the Plan as described in section 4.4 of this Schedule."

- c. Exhibit A-2, Cost and Revenue Disclosure, to the Schedule is hereby deleted and replaced as follows:

**EXHIBIT A-2:**

**Reserved**

- d. Exhibit A-3, Plan Expense Account Arrangement, to the Schedule is hereby deleted and replaced with Exhibit A-3 attached to this Amendment.
  - e. A new Exhibit A-4, Revenue Credit Arrangement, in the form attached to this Amendment, shall be added to the end of the Schedule.
3. All references to Group Number #061373 and/or #061373-02 in the Agreement and in the Schedule are hereby deleted and replaced with Group Number #780725-03 for the JEA 401(a) Defined Contribution Plan.
  4. In all other respects, the Agreement and the Schedule shall remain in full force and effect.
  5. This Amendment shall take effect on the Effective Date written above.
  6. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. The parties' execution and delivery of this Agreement by facsimile, email, or electronic copies shall have the same force and effect as execution and delivery of an original.

By signing this Amendment, the parties certify that they agree to be bound by its terms and that they have the authority to sign it.

**For: JEA**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**For: Empower**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A-3:**

**PLAN EXPENSE ACCOUNT ARRANGEMENT**

**LIST OF PLANS**

**1. JEA 401(a) DEFINED CONTRIBUTION PLAN**

**Empower Group Account Numbers: #780725-03**

An unallocated Plan Expense Account has been established under the Plan to hold Plan Expense Account credits transferred to the Plan by the Plan's service provider in accordance with the Plan Expense Account arrangement. The Plan Expense Account arrangement has been in place since January 1, 2016. This Exhibit A-3 documents the Plan Expense Account arrangement and procedures that will go into effect on January 1, 2024 in connection with this Amendment to the Restated Master Services Agreement and Schedule A thereto.

Plan Expense Account Credit: Plan Sponsor directs Empower Retirement, LLC ("Empower") to deduct from Participant accounts an annual plan administration fee of 0.03% of Participant's average daily account balance (excluding loan balances) for the period ("Plan Expense Account Credit"). The Plan Expense Account Credit shall be deducted on a quarterly basis as follows: each calendar quarter Empower will calculate the Plan Expense Account Credit for such period by multiplying the value of average daily balance of Plan assets by  $\frac{1}{4}$  of the annual Plan Expense Account Credit percentage listed above. The maximum annual Plan Expense Account Credit will equal the sum of the quarterly credits. This fee will be deducted from Participant accounts with balances as of the processing date. Participants taking a full withdrawal prior to the processing date will be charged the fee at the time of the withdrawal. Empower agrees to transfer such amounts to an unallocated account maintained by the Plan (the "Plan Expense Account").

The Plan Sponsor hereby directs that the Plan Expense Account Credits be invested in the same investment option selected by the Plan Sponsor for investment of the unallocated account.

Empower will process payment of plan administrative expenses from the Plan Expense Account and/or allocate Plan Expense Account credits to participant accounts in accordance with the procedures set forth below.

1. Permissible Uses of Plan Expense Account Credits. For each year during which a Plan Expense Account Agreement is in effect, the Plan Administrator may, in its discretion, direct Empower to either pay reasonable Plan administrative expenses with the Plan Expense Account credits or allocate the Plan Expense Account credits among the accounts of Participants with a balance in the Plan on the date as of which the Plan Expense Account credits are allocated (the "Allocation Recipients"), in accordance with paragraph two (2). In the event that Plan Expense Account Credits credited during a Plan Year are not used to pay reasonable Plan administrative expenses by the 15th day of the last month of the Plan Year, the remaining Plan Expense Account credits will be allocated to Allocation Recipients, in accordance with the Allocation Methodology procedure described in paragraph two (2) below.

2. Allocation Methodology. In the event that Plan Expense Account credits are allocated to Allocation Recipients, Empower is Directed to allocate shares of the Plan Expense Account credits to the Allocation Recipients on a business day (the "Allocation Date") which shall occur not later than the last day of the Plan Year. Each Allocation Recipient will receive a pro-rata share of the total Plan Expense Account credits in the same proportion that each Allocation Recipient's account balance as of the Allocation Date bears to the total balance of all Allocation Recipients' accounts as of the Allocation Date. The Plan Expense

Account credits will be allocated among contribution sources pro-rata based on the sources in which the Allocation Recipient has a balance on the Allocation Date and among investment options based on the investment selection percentages in effect as of the Allocation Date for each such contribution source.

**EXHIBIT A-4:**

**REVENUE CREDIT ARRANGEMENT**

**JEA 401(a) DEFINED CONTRIBUTION PLAN**

**Empower Group Account Number: 780725-03**

A Revenue Credit Arrangement has been established so the Plan's service provider will pay Revenue Credits (as defined below) to the Plan and allocate the same to the Plan account balances of Participants as more fully provided below. This Exhibit A-4 documents the Revenue Credit Arrangement procedures that will go into effect on January 1, 2024 in connection with this Amendment to the Restated Master Services Agreement and Schedule A thereto.

Empower and Plan Sponsor agree that Empower will pay to the Plan, on a quarterly basis, the Revenue Credits amount as described below. Revenue Credits shall be determined by multiplying the Plan's average daily balance in each of the Plan's Investment Options for the quarter by the annual rate (prorated for the quarter) of service fees paid to Empower by the Investment Option or its affiliates as reflected in the Plan's Plan Fee Disclosure Report (a copy of the Plan's most recent Fee Disclosure Report is available on the Plan Sponsor Website) ("**Revenue Credits**"). Plan Sponsor Directs Empower to allocate any Revenue Credits to Participant accounts proportionately based on the average daily balance of such accounts in the Investment Option during the quarter and to invest such amounts based on the Participant's investment elections with respect to future contributions or, if none, the applicable Plan Default Investment Fund. Revenue Credits shall be determined and allocated to the Participant accounts within 45 days after the end of the quarter. Participants taking a full withdrawal of their Plan accounts prior to the end of a quarter will be allocated any Revenue Credits at the time of withdrawal based on the average daily balance of such accounts in the Investment Option during the partial period. In the event that the Agreement is terminated, Empower will determine and allocate Revenue Credits to the Plan in advance of the Plan's scheduled termination date based on an estimate of the Plan's average daily balance in each of the Plan's Investment Options.

The Revenue Credit under this arrangement is funded from Empower's general assets and is being made available as a reduction in the compensation that Empower would otherwise earn in connection with the services it provides to the Plan. No specific funds will be set aside in an account or fund for the Plan's benefit or otherwise segregated for purposes of funding this arrangement, and the Plan has no right, title or interest in any Revenue Credits prior to the time that the Revenue Credit is paid to the Plan. No interest will be earned by the Plan or paid on Revenue Credits that are accrued. The Plan Sponsor understands that the Investment Options are held in omnibus accounts and that the amount of service fees received by Empower in relation to Plan assets from the Investment Options may differ from the amount of Revenue Credits due to differences in calculation methods between the Investment Options and Empower. Plan Sponsor represents that it has reviewed this arrangement and the allocation method with its legal and tax advisors and has determined that the arrangement is consistent with the terms of the Plan and with its fiduciary obligations and will not result in a violation of the Code or any other applicable law. Plan Sponsor acknowledges and agrees that Empower shall not be considered a fiduciary and shall not have or exercise any discretion, with respect to its offering or administration of this arrangement. Plan Sponsor acknowledges that the amount of the Revenue Credit may vary with changes in the Plan's Investment Options or if the amounts paid to Empower by the Plan's Investment Options change.



**BOARD RESOLUTION: 2023-30**

August 29, 2023

**A RESOLUTION APPROVING AN AMENDMENT TO THE RESTATED MASTER SERVICES AGREEMENT WITH EMPOWER RETIREMENT FOR THE JEA 457 DEFERRED COMPENSATION PLAN, EFFECTIVE JANUARY 1, 2024**

**WHEREAS**, JEA, as the sponsoring employer, previously adopted the JEA 457 Deferred Compensation Plan ("Plan"), which Plan has subsequently been amended and restated effective May 19, 2014, was thereafter amended via a Clarifying Amendment effective retroactive to June 26, 2013, was thereafter again amended via a Compliance Amendment effective retroactive to June 1, 2002 or February 25, 2013 (as applicable to each provision in the Compliance Amendment), and is currently in effect; and

**WHEREAS**, the Plan's current recordkeeper and third party administrator is Empower Retirement, LLC ("Empower Retirement"); and

**WHEREAS**, JEA and Empower Retirement entered into a Restated Master Services Agreement with respect to the recordkeeping and administrative services provided by Empower Retirement to the Plan, which was approved by the Board on October 25, 2022, effective as of October 28, 2022; and

**WHEREAS**, Empower Retirement's fees for services rendered to the Plan as the recordkeeper and third party administrator are currently derived, in part, from variable revenue credits produced by the investment funds in which the Plan's assets are invested; and

**WHEREAS**, the Plan's Investment Advisory Committee, in consultation with the Plan's investment advisor, has recommended that, consistent with current trends and best practices in the retirement plan industry, the Plan move to a zero revenue share model in which Empower Retirement is compensated a set fee amount based upon a percentage of Plan assets and any revenue credits produced by the investment funds in which the Plan's assets are invested be allocated to participant accounts; and

**WHEREAS**, it has been proposed that JEA approve and enter into the Amendment to the Restated Master Services Agreement with Empower Retirement and to Schedule A (Recordkeeping Services) Thereto, a copy of which is attached hereto as **Exhibit 1** and which sets forth the amended terms with respect to Empower Retirement's fees for its services as the Plan's recordkeeper and third party administrator and the terms for the zero revenue share arrangement; and

**WHEREAS**, JEA has reviewed all documentation and is fully advised of the premises; now therefore:

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

1. The Amendment to the Restated Master Services Agreement with Empower Retirement and to Schedule A (Recordkeeping Services) Thereto, which is attached hereto as **Exhibit 1**, is hereby approved, effective January 1, 2024.
2. Authority is delegated to the Chief Executive Officer and Managing Director to execute the Amendment to the Restated Master Services Agreement with Empower Retirement and to Schedule A (Recordkeeping Services) Thereto, attached hereto as **Exhibit 1**.
3. Authority is delegated to the Chief Executive Officer and Managing Director to take such other action as is reasonably necessary to accomplish the purpose of this resolution.

4. To the extent that there are any typographical, administrative, and/or scrivener's errors contained herein that do not change the tone, tenor, or purpose of this Resolution, then such errors may be corrected with no further action required by the JEA Board.

Dated this 29<sup>th</sup> day of August 2023.

\_\_\_\_\_  
JEA Board Vice Chair on behalf  
of JEA Board Chair

\_\_\_\_\_  
JEA Board Secretary

Form Approved by

\_\_\_\_\_  
Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	



**INTER-OFFICE MEMORANDUM**

August 29, 2023

**SUBJECT: JEA 457 DEFERRED COMPENSATION PLAN – AMENDMENT TO  
EMPOWER MASTER SERVICES AGREEMENT TO IMPLEMENT  
ZERO REVENUE SHARE FEE MODEL**

---

**FROM:** Jay Stowe, Managing Director/CEO

---

**TO:** JEA Board of Directors

---

**BACKGROUND:**

JEA, as plan sponsor, originally established the JEA 457 Deferred Compensation Plan (“Plan”) in 2002 for the purpose of providing employees of JEA and employees of St. Johns River Power Park System (“SJRPP”) with a voluntary method of deferring taxation on compensation until death, retirement, or certain other events. Both bargaining unit and non-bargaining unit employees participate in the Plan.

The Plan also provides for JEA to make employer contributions to the Plan for a few employees who previously worked for SJRPP but now work for JEA.

Empower Retirement, LLC (“Empower Retirement” or “Empower”) is the current Plan recordkeeper, third-party administrator, and custodian for the participants’ Plan accounts. JEA and Empower Retirement entered into a Restated Master Services Agreement with respect to the recordkeeping and administrative services provided by Empower Retirement to the Plan, which was approved by the Board on October 25, 2022 and effective as of October 28, 2022.

Empower Retirement’s fees for services rendered to the Plan as the recordkeeper and third-party administrator are currently derived, in part, from variable revenue credits produced by the investment funds in which the Plan’s assets are invested.

Participating employees may invest their Plan funds in a menu of approximately thirty (30) investment options from which they may choose<sup>1</sup>; if an employee does not elect to direct their own investments, their funds are automatically invested in the Plan’s default investment fund. The investment options are selected by the Plan’s Investment Advisory Committee in consultation with the Plan’s investment advisor.

Some mutual funds add non-investment-related fees to the expense ratio of a mutual fund and then pay those additional fees to various intermediaries, including brokers, financial advisors, and retirement plans. This practice is called “revenue sharing.”

Different mutual funds use different percentages for the additional fee amounts, and some mutual funds do not engage in revenue sharing at all.

---

<sup>1</sup> Participants may also elect a self-directed brokerage account option with Charles Schwab & Co.

**DISCUSSION:**

Currently Empower's fees for its services are generally derived from revenue sharing. Of the revenue sharing received, 0.03% is placed in a Plan expense account to pay reasonable and necessary administration expenses, and Empower retains the balance (estimated to be approximately 0.08% of Plan assets over the course of a year).

Under a "zero revenue share" fee model (which is also called fee equalization):

- Revenue sharing amounts received from mutual funds are allocated to the participants who invested in those mutual funds. Amounts are allocated proportionally based on the amount of each participant's investment in each respective mutual fund.
- Empower's fee would be 0.11% of Plan assets, of which 0.03% is placed in a Plan expense account to pay reasonable and necessary administration expenses.
- Empower's fee is payable on a quarterly basis and would be deducted from participants' Plan accounts with the same percentage fee amount (0.11%) charged to each participant.

The benefits of a zero revenue share fee model include:

- Improved transparency regarding Plan administration costs:
  - Empower's fee will be a set percentage of Plan assets; it will no longer be variable based upon the amount of revenue sharing generated by investment funds.
  - Each participant will see the administrative fee amount deducted from their Plan accounts on a quarterly basis, rather than having the administrative amount included, without delineation, in mutual fund expense ratios.
- More equitable distribution of administrative fees:
  - Under a revenue sharing model, the participants who invested in funds that pay a high rate of revenue sharing pay a disproportionate share of administration costs.
  - Under a zero revenue share model, administration expenses are allocated based on participant account balances, and any revenue sharing is allocated to the participants who invested in the mutual funds that generate the revenue sharing.
- Consistency with current trends and best practices in the retirement plan industry:
  - The overall trend away from using revenue sharing for payment of retirement plan administration expenses is happening for a number of reasons, including the U.S. Department of Labor's fee-disclosure regulation and ongoing lawsuits against retirement plans, plan sponsors, and plan administrators concerning purportedly "excessive" fee amounts and imprudent investment options.

The Plan's Investment Advisory Committee, in consultation with the Plan's investment advisor, has recommended that – consistent with current trends and best practices in the retirement plan industry – the Plan move to a zero revenue share model in which Empower Retirement is compensated a set fee amount based upon a percentage of Plan assets and any revenue credits produced by the investment funds in which the Plan's assets are invested be allocated to participant accounts.

JEA Human Resources staff, in consultation with outside counsel and the Plan's investment advisor, has reviewed the terms of the proposed amendment to the Plan's Restated Master Services Agreement with

Empower Retirement and confirmed that the terms of the amendment reflect the proposed zero revenue share fee model.

Attached to this Memorandum are the following:

- Proposed Board Resolution 2023-30, titled " A RESOLUTION APPROVING AN AMENDMENT TO THE RESTATED MASTER SERVICES AGREEMENT WITH EMPOWER RETIREMENT FOR THE JEA 457 DEFERRED COMPENSATION PLAN, EFFECTIVE JANUARY 1, 2024"
- Exhibit 1 – Amendment to the Restated Master Services Agreement with Empower Retirement and to Schedule A (Recordkeeping Services) Thereto

JEA staff notified all applicable unions of the intended implementation of the zero revenue share model to (a) improve transparency regarding Plan administration fees, (b) provide more equitable distribution of administrative fees, and (c) achieve consistency with current trends and best practices in the retirement plan industry. No union objected to the implementation. The implementation of the zero revenue share model is not a mandatory subject of collective bargaining.

**FISCAL IMPACT:**

The proposed amendment to the Restated Master Services Agreement with Empower to implement a zero revenue share fee model will not result in any additional Plan administration expenses or benefit costs to JEA.

**RECOMMENDATION:**

That the Board approve the proposed amendment to the Restated Master Services Agreement with Empower Retirement to implement the zero revenue share fee model, effective January 1, 2024, and authorize JEA's Managing Director and Chief Executive Officer to execute all implementing documents.

---

Jay Stowe, Managing Director/CEO

JCS/PLM

# **Exhibit 1**

**AMENDMENT**  
**to the**  
**RESTATED MASTER SERVICES AGREEMENT**  
**and to**  
**SCHEDULE A (RECORDKEEPING SERVICES) THERETO**  
  
**for**  
**JEA**  
  
**Group Nos. 780725-01 and 780725-02**  
**Effective Date: January 1, 2024**

---

THIS AMENDMENT is entered into by and between Empower Retirement, LLC, and/or any successor, assign or affiliate (“Empower”) and JEA (“Plan Sponsor”);

Empower and Plan Sponsor are parties to the Restated Master Services Agreement dated October 28, 2022 (as such agreement has or may be amended from time to time, the "Agreement"), and are parties to the Schedule A (Recordkeeping Services) attached thereto (as such schedule has or may be amended from time to time, the "Schedule"), under which Empower provides certain administrative services to Plan Sponsor;

Section 16.5 of the Agreement states, in pertinent part, "Each Schedule, including any Exhibits, notices and attachments (including an incorporation by reference of the terms and conditions of this Agreement), constitutes the entire agreement of the parties thereto with respect to the subject matter thereof and supersedes all prior drafts, agreements, negotiations and proposals, written or verbal, relating to the Services contained in the applicable Schedule. This Agreement or any Schedule may be amended by written agreement of the parties;"

The parties have agreed to amend the Agreement and Schedule as follows:

1. The Agreement is hereby amended as follows:
  - a. Section 3.1, Fees / Charges, to the Agreement is hereby deleted and replaced in its entirety with the following new Section 3.1:

“**3.1 Fees / Charges.** Plan Sponsor agrees to pay Empower for the Services. Unless otherwise Directed by the Plan Sponsor, the Plan Sponsor hereby Directs Empower to deduct applicable Plan expenses from the Plan and/or Participant accounts, as applicable and as set forth in Section 7.3 of Schedule A, Exhibit A-3, and Schedule B herein; provided, however, that Plan Sponsor further hereby Directs Empower to allocate Revenue Credits to Participant accounts as applicable and as defined and set forth in Exhibit A-4 herein.”
  - b. Section 3.2, Maximum Indebtedness, to the Agreement is hereby deleted and replaced in its entirety with the following new Section 3.2:

“**3.2 Maximum Indebtedness.** The Plan’s and Plan Sponsor’s maximum indebtedness for all fees, costs, expenses, and all other amounts payable to Empower under this Agreement

shall not exceed an annual amount of .11% of the total assets of the Plan (comprised of a fixed .03% Plan Expense Account Credit to the Plan Expense Account as defined and as set forth in Exhibit A-3 herein and the remainder payable to Empower as the net Basic Plan Administration Fee, as described in section 7.3 of the Schedule), unless otherwise agreed to in writing by Plan Sponsor. Empower shall also not be required to provide Services in excess of said amount, except as otherwise provided in the Agreement. All amounts payable under this Agreement are contingent upon the existence of lawfully appropriated funds therefor.”

2. The Schedule is hereby amended as follows:

- a. Section 4.4, Investment Options, of the Schedule is hereby deleted and replaced in its entirety with the following new Section 4.4:

**"4.4 Investment Options.** Plan Sponsor is responsible for the selection of all Investment Options based on Plan Sponsor’s independent evaluation, or that of its registered investment advisor, consultant, broker or other agent, as applicable. Plan Sponsor must notify Empower in writing of the Investment Options intended to be serviced by Empower and such Investment Option services are only provided as agreed upon by Empower and may be subject to certain limitations or conditions. Plan Sponsor acknowledges that Empower or its Affiliates may receive fees from mutual fund families or other Investment Option Sponsors or their Affiliates for providing certain administrative or other services thereto (“Fund Service Fees”) in connection with the Plan. Plan Sponsor may request additional information regarding such fees at any time. Plan Sponsor has notified Empower that it is Plan Sponsor's present intent to implement, to the maximum extent feasible and appropriate under circumstances then in effect, what is commonly referred to as a "zero revenue share" approach in its selection of Investment Options; provided, however, that if any selected Investment Option generates Revenue Credits (as defined in Exhibit A-4 herein), such Revenue Credits shall be allocated to Participant accounts as set forth in Exhibit A-4. For the avoidance of doubt, Revenue Credits (which Empower may not retain) and Fund Service Fees (which Empower may retain) are different. If the provider of an Investment Option causes an Investment Option to become unavailable to the Plan, Empower will notify Plan Sponsor as soon as practicable after the Investment Option Sponsor notifies Empower."

- b. Section 7.3, Basic Plan Administration Fee, of the Schedule is hereby deleted and replaced in its entirety with the following new Section 7.3:

**"7.3 Basic Plan Administration Fee.** Commencing on January 1, 2024, the following annual administration fee (“Basic Plan Administration Fee”) will apply. This fee is used, in whole or in part, for administrative services provided by Empower as described in this Schedule and the Agreement. In addition, some or all of the fee (or any other compensation, revenue, asset or source of funding available to Empower (other than Revenue Credits as defined in Exhibit A-4), in Empower’s sole discretion) will be used by Empower to make payments to the Plan under the Plan expense account arrangement set forth in Exhibit A-3 herein. All Services set forth in this Schedule are included in the Basic Plan Administration Fee unless an additional fee is otherwise noted herein. In the event that the Plan Sponsor requests different or additional Services, the parties shall meet to discuss relevant Empower capabilities and any additional fees that may apply.

The gross Basic Plan Administration Fee is 0.11% (11 basis points) per year, comprised of a fixed .03% Plan Expense Account Credit to be allocated to the Plan Expense Account as defined and as set forth in Exhibit A-3 herein and the remainder to be retained by Empower as the net Basic Plan Administration Fee.

The gross Basic Plan Administration Fee will be payable on a quarterly basis, based on the average daily balance of Plan assets during the assessment period. Participants taking a full withdrawal of their Plan accounts prior to the ordinary processing date for quarterly fee assessment will be charged the gross fee at the time of withdrawal based on the average daily balance of the account during the partial period.

In addition, Empower and/or one or more of its Affiliates may receive Fund Service Fees in connection with the Plan as described in section 4.4 of this Schedule."

- c. Exhibit A-2, Cost and Revenue Disclosure, to the Schedule is hereby deleted and replaced as follows:

**EXHIBIT A-2:**

**Reserved**

- d. Exhibit A-3, Plan Expense Account Arrangement, to the Schedule is hereby deleted and replaced with Exhibit A-3 attached to this Amendment.
  - e. A new Exhibit A-4, Revenue Credit Arrangement, in the form attached to this Amendment, shall be added to the end of the Schedule.
- 3. All references to Group Number #061373 and/or #061373-01 in the Agreement and in the Schedule are hereby deleted and replaced with Group Numbers #780725-01 and #780725-02 for the JEA 457 Deferred Compensation Plan.
  - 4. In all other respects, the Agreement and the Schedule shall remain in full force and effect.
  - 5. This Amendment shall take effect on the Effective Date written above.
  - 6. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. The parties' execution and delivery of this Agreement by facsimile, email, or electronic copies shall have the same force and effect as execution and delivery of an original.

By signing this Amendment, the parties certify that they agree to be bound by its terms and that they have the authority to sign it.

**For: JEA**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**For: Empower**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A-3:**

**PLAN EXPENSE ACCOUNT ARRANGEMENT**

**LIST OF PLANS**

**1. JEA 457 DEFERRED COMPENSATION PLAN**

**Empower Group Account Numbers: #780725-01 and #780725-02**

An unallocated Plan Expense Account has been established under the Plan to hold Plan Expense Account credits transferred to the Plan by the Plan's service provider in accordance with the Plan Expense Account arrangement. The Plan Expense Account arrangement has been in place since January 1, 2016. This Exhibit A-3 documents the Plan Expense Account arrangement and procedures that will go into effect on January 1, 2024 in connection with this Amendment to the Restated Master Services Agreement and Schedule A thereto.

Plan Expense Account Credit: Plan Sponsor directs Empower Retirement, LLC ("Empower") to deduct from Participant accounts an annual plan administration fee of 0.03% of Participant's average daily account balance (excluding loan balances) for the period ("Plan Expense Account Credit"). The Plan Expense Account Credit shall be deducted on a quarterly basis as follows: each calendar quarter Empower will calculate the Plan Expense Account Credit for such period by multiplying the value of average daily balance of Plan assets by  $\frac{1}{4}$  of the annual Plan Expense Account Credit percentage listed above. The maximum annual Plan Expense Account Credit will equal the sum of the quarterly credits. This fee will be deducted from Participant accounts with balances as of the processing date. Participants taking a full withdrawal prior to the processing date will be charged the fee at the time of the withdrawal. Empower agrees to transfer such amounts to an unallocated account maintained by the Plan (the "Plan Expense Account").

The Plan Sponsor hereby directs that the Plan Expense Account Credits be invested in the same investment option selected by the Plan Sponsor for investment of the unallocated account.

Empower will process payment of plan administrative expenses from the Plan Expense Account and/or allocate Plan Expense Account credits to participant accounts in accordance with the procedures set forth below.

1. Permissible Uses of Plan Expense Account Credits. For each year during which a Plan Expense Account Agreement is in effect, the Plan Administrator may, in its discretion, direct Empower to either pay reasonable Plan administrative expenses with the Plan Expense Account credits or allocate the Plan Expense Account credits among the accounts of Participants with a balance in the Plan on the date as of which the Plan Expense Account credits are allocated (the "Allocation Recipients"), in accordance with paragraph two (2). In the event that Plan Expense Account Credits credited during a Plan Year are not used to pay reasonable Plan administrative expenses by the 15th day of the last month of the Plan Year, the remaining Plan Expense Account credits will be allocated to Allocation Recipients, in accordance with the Allocation Methodology procedure described in paragraph two (2) below.

2. Allocation Methodology. In the event that Plan Expense Account credits are allocated to Allocation Recipients, Empower is Directed to allocate shares of the Plan Expense Account credits to the Allocation Recipients on a business day (the "Allocation Date") which shall occur not later than the last day of the Plan Year. Each Allocation Recipient will receive a pro-rata share of the total Plan Expense Account credits in the same proportion that each Allocation Recipient's account balance as of the Allocation Date bears to the total balance of all Allocation Recipients' accounts as of the Allocation Date. The Plan Expense

Account credits will be allocated among contribution sources pro-rata based on the sources in which the Allocation Recipient has a balance on the Allocation Date and among investment options based on the investment selection percentages in effect as of the Allocation Date for each such contribution source.

**EXHIBIT A-4:**

**REVENUE CREDIT ARRANGEMENT**

**JEA 457 DEFERRED COMPENSATION PLAN**

**Empower Group Account Numbers: 780725-01 and 780725-02**

A Revenue Credit Arrangement has been established so the Plan's service provider will pay Revenue Credits (as defined below) to the Plan and allocate the same to the Plan account balances of Participants as more fully provided below. This Exhibit A-4 documents the Revenue Credit Arrangement procedures that will go into effect on January 1, 2024 in connection with this Amendment to the Restated Master Services Agreement and Schedule A thereto.

Empower and Plan Sponsor agree that Empower will pay to the Plan, on a quarterly basis, the Revenue Credits amount as described below. Revenue Credits shall be determined by multiplying the Plan's average daily balance in each of the Plan's Investment Options for the quarter by the annual rate (prorated for the quarter) of service fees paid to Empower by the Investment Option or its affiliates as reflected in the Plan's Plan Fee Disclosure Report (a copy of the Plan's most recent Fee Disclosure Report is available on the Plan Sponsor Website) ("**Revenue Credits**"). Plan Sponsor Directs Empower to allocate any Revenue Credits to Participant accounts proportionately based on the average daily balance of such accounts in the Investment Option during the quarter and to invest such amounts based on the Participant's investment elections with respect to future contributions or, if none, the applicable Plan Default Investment Fund. Revenue Credits shall be determined and allocated to the Participant accounts within 45 days after the end of the quarter. Participants taking a full withdrawal of their Plan accounts prior to the end of a quarter will be allocated any Revenue Credits at the time of withdrawal based on the average daily balance of such accounts in the Investment Option during the partial period. In the event that the Agreement is terminated, Empower will determine and allocate Revenue Credits to the Plan in advance of the Plan's scheduled termination date based on an estimate of the Plan's average daily balance in each of the Plan's Investment Options.

The Revenue Credit under this arrangement is funded from Empower's general assets and is being made available as a reduction in the compensation that Empower would otherwise earn in connection with the services it provides to the Plan. No specific funds will be set aside in an account or fund for the Plan's benefit or otherwise segregated for purposes of funding this arrangement, and the Plan has no right, title or interest in any Revenue Credits prior to the time that the Revenue Credit is paid to the Plan. No interest will be earned by the Plan or paid on Revenue Credits that are accrued. The Plan Sponsor understands that the Investment Options are held in omnibus accounts and that the amount of service fees received by Empower in relation to Plan assets from the Investment Options may differ from the amount of Revenue Credits due to differences in calculation methods between the Investment Options and Empower. Plan Sponsor represents that it has reviewed this arrangement and the allocation method with its legal and tax advisors and has determined that the arrangement is consistent with the terms of the Plan and with its fiduciary obligations and will not result in a violation of the Code or any other applicable law. Plan Sponsor acknowledges and agrees that Empower shall not be considered a fiduciary and shall not have or exercise any discretion, with respect to its offering or administration of this arrangement. Plan Sponsor acknowledges that the amount of the Revenue Credit may vary with changes in the Plan's Investment Options or if the amounts paid to Empower by the Plan's Investment Options change.



**BOARD RESOLUTION: 2023-31**

August 29, 2023

**A RESOLUTION APPROVING AND ADOPTING PLAN AMENDMENTS TO THE JEA 401(a) DEFINED CONTRIBUTION RETIREMENT PLAN TO COMPLY WITH THE SECURE ACT AND THE CARES ACT**

**WHEREAS**, JEA, as the sponsoring employer, previously adopted the JEA 401(a) Defined Contribution Retirement Plan (“Plan”), which Plan has subsequently been amended and restated effective May 1, 2022, and is currently in effect; and

**WHEREAS**, the Setting Every Community Up for Retirement Enhancement Act of 2019 Act, also known as the SECURE Act, was enacted on December 20, 2019; and

**WHEREAS**, the SECURE Act mandated certain changes to be made to retirement plans and allowed the changes to later be documented in written amendments to the governing plan documents; and

**WHEREAS**, Empower Retirement, LLC (the Plan’s current recordkeeper and third-party administrator) prepared a written amendment to the Plan to amend the technical provisions as necessary to comply with the SECURE Act and other related laws (“SECURE Act Amendment”); and

**WHEREAS**, it has been proposed that JEA approve and adopt the SECURE Act Amendment to the Plan, a copy of which is attached hereto as **Exhibit 1** and which sets forth the amended terms with respect to the changes required by the SECURE Act and other related laws; and

**WHEREAS**, the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, was enacted on March 27, 2020; and

**WHEREAS**, the CARES Act allowed retirement plans to temporarily provide plan participants with greater access to, and flexibility with respect to, their retirement plan funds, and to later amend the governing plan documents to incorporate the necessary provisions; and

**WHEREAS**, in accordance with the requirements of the CARES Act, Empower Retirement, LLC prepared a written amendment to the Plan to amend the technical provisions to reflect JEA’s prior implementation of the CARES Act provisions (“CARES Act Amendment”); and

**WHEREAS**, it has been proposed that JEA approve and adopt the CARES Act Amendment to the Plan, a copy of which is attached hereto as **Exhibit 2** and which sets forth the amended terms with respect to the CARES Act relief; and

**WHEREAS**, JEA has reviewed all documentation and is fully advised of the premises; now therefore:

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

1. The SECURE Act Amendment to the Plan, which is attached hereto as **Exhibit 1**, is hereby approved and adopted.
2. Authority is delegated to the Chief Executive Officer and Managing Director to execute the SECURE Act Amendment to the Plan, attached hereto as **Exhibit 1**.
3. The CARES Act Amendment to the Plan, which is attached hereto as **Exhibit 2**, is hereby approved and adopted.

4. Authority is delegated to the Chief Executive Officer and Managing Director to execute the CARES Act Amendment to the Plan, attached hereto as **Exhibit 2**.
5. Authority is delegated to the Chief Executive Officer and Managing Director to take such other action as is reasonably necessary to accomplish the purpose of this resolution.
6. To the extent that there are any typographical, administrative, and/or scrivener's errors contained herein that do not change the tone, tenor, or purpose of this Resolution, then such errors may be corrected with no further action required by the JEA Board.

Dated this 29<sup>th</sup> day of August 2023.

\_\_\_\_\_  
JEA Board Vice Chair on behalf  
of JEA Board Chair

\_\_\_\_\_  
JEA Board Secretary

Form Approved by

\_\_\_\_\_  
Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	



**INTER-OFFICE MEMORANDUM**

August 29, 2023

**SUBJECT: JEA 401(a) DEFINED CONTRIBUTION RETIREMENT PLAN – AMENDMENTS TO PLAN DOCUMENT TO COMPLY WITH SECURE ACT AND CARES ACT**

---

**FROM:** Jay Stowe, Managing Director/CEO

---

**TO:** JEA Board of Directors

---

**BACKGROUND:**

JEA, as plan sponsor, originally established the JEA 401(a) Defined Contribution Retirement Plan ("Plan") in 2002. The employees who are eligible to participate in the Plan are JEA employees in appointed status positions. Generally, appointed status employees can be described as JEA management staff employees who are exempt from the Civil Service System and serve under the JEA Board of Directors or the JEA Managing Director/CEO.

The Plan is a voluntary, defined contribution plan that permits – but does not require – eligible employees to defer a percentage of their compensation and annual incentive pay (if any) into the Plan to allow saving on a tax-deferred basis. The Plan also permits – but does not require – JEA to make discretionary contributions to the Plan to provide discretionary incentive pay to eligible employees on a tax-deferred basis.

Empower Retirement, LLC ("Empower Retirement") is the current Plan recordkeeper, third-party administrator, and custodian for the participants' Plan accounts, and provides plan document services for the Plan.

**DISCUSSION:**

The Setting Every Community Up for Retirement Enhancement Act of 2019 Act ("SECURE Act") was enacted on December 20, 2019. The SECURE Act mandated certain changes to be made to retirement plans and allowed the changes to later be documented in written amendments to the governing plan documents. The SECURE Act also permitted certain optional changes to retirement plans; however, JEA did not implement any of the optional changes. Empower Retirement prepared a written amendment to the Plan to amend the technical provisions as necessary to comply with the SECURE Act ("SECURE Act Amendment").

The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was enacted on March 27, 2020 to provide various types of relief and aid in response to the COVID-19 pandemic. The CARES Act allowed retirement plans to temporarily provide plan participants with greater access to, and flexibility with respect to, their retirement plan funds, and to later amend the governing plan documents to incorporate the necessary provisions. In accordance with the requirements of the CARES Act, Empower Retirement prepared a written amendment to the Plan to amend the technical provisions to reflect JEA's prior implementation of the CARES Act relief.

JEA Human Resources staff, in consultation with outside counsel, has reviewed the terms of the proposed amendments to the governing Plan document, and Empower Retirement has confirmed that the terms of the proposed amendments reflect how Empower Retirement and its predecessor (Massachusetts Mutual Life Insurance Company), implemented the provisions of the SECURE Act and the CARES Act.

Attached to this Memorandum are the following:

- Proposed Board Resolution 2023-31, titled " A RESOLUTION APPROVING AND ADOPTING PLAN AMENDMENTS FOR THE JEA 401(a) DEFINED CONTRIBUTION RETIREMENT PLAN TO COMPLY WITH THE SECURE ACT AND THE CARES ACT"
- Exhibit 1 – SECURE Act Amendment
- Exhibit 2 – CARES Act Amendment

There is no collectively bargained unit of employees impacted by the proposed Plan amendments.

**FISCAL IMPACT:**

The proposed Plan amendments will not result in any additional Plan benefit costs to JEA.

**RECOMMENDATION:**

That the Board approve the proposed amendments to the Plan's governing document, and authorize JEA's Managing Director and Chief Executive Officer to execute all implementing documents.

---

Jay Stowe, Managing Director/CEO

JCS/PLM

# **Exhibit 1**

**AMENDMENT TO IMPLEMENT SECURE ACT AND OTHER LAW CHANGES**

**ARTICLE 1  
PREAMBLE**

- 1.1 **Adoption and effective date of Amendment.** The Document Provider, on behalf of the Employer, hereby adopts this Amendment to the Employer's Plan. Each Article specifies the effective date of its provisions. Also see Section 1.5.
- 1.2 **Superseding of inconsistent provisions.** This Amendment supersedes the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Amendment. Except as otherwise provided in this Amendment, terms defined in the Plan will have the same meaning in this Amendment. Most Articles include definitions which are specific to that Article. Also see Section 1.6
- 1.3 **Numbering.** Except as otherwise provided in this Amendment, any "Section" reference in this Amendment refers only to this Amendment and is not a reference to the Plan. The Article and Section numbering in this Amendment is solely for purposes of this Amendment, and does not relate to the Plan article, section, or other numbering designations.
- 1.4 **Intention; Construction.** The purpose of this amendment is to amend the Plan in accordance with pension-related provisions of the Further Consolidated Appropriations Act of 2019 ("FCAA") in general, and Division O of that Act, the Setting Every Community Up for Retirement Enhancement Act of 2019 ("SECURE"), in specific. It also addresses a provision of the Bipartisan American Miners Act ("BAMA"), which is also part of FCAA, as well as a section of the Coronavirus Aid, Relief, and Economic Security Act ("CARES"). The provisions of this Amendment shall be interpreted and applied to be consistent with FCAA and CARES and IRS guidance issued in connection therewith, whether such guidance is issued before or after the date of this amendment.
- 1.5 **Effect of subsequent restatement or amendment of Plan.** If the Employer restates the Plan, then this Amendment shall remain in effect after such restatement unless the provisions in this Amendment are restated or otherwise become obsolete (e.g., if the Plan is restated onto a plan document which incorporates these provisions). Some Articles in this amendment may not apply to a particular plan at the time the Amendment is executed but they will apply in the future based on subsequent amendments. For example, Article 8 is limited to 401(k) plans; its provisions do not apply to a profit-sharing plan that does not have a 401(k) feature. But if that plan is subsequently amended to add a 401(k) feature, then the provisions of Article 8 (and corresponding Section 2.8) will automatically become effective at that time.
- 1.6 **Preservation of prior amendments.** If the Employer previously amended the Plan after December 20, 2019 to implement a provision contained in one or more Articles of this Amendment, that prior amendment shall remain in effect and will not be superseded by this Amendment, unless Section 1.6(a) is selected. For example, if the Employer previously adopted an amendment to implement the BAMA provisions of Article 10, that amendment remains in effect, notwithstanding the provisions of this Amendment, unless Section 1.6(a) is selected.
- (a) [ ] This amendment supersedes all prior inconsistent amendments of the Plan.
- 1.7 **Adoption by Document Provider.** The Document Provider hereby adopts this Amendment on behalf of all of the Document Provider's Plans adopted by its adopting employers. The "Document Provider" means the Sponsor of a Prototype Plan or Volume Submitter Practitioner of a Volume Submitter Plan as defined in Rev. Proc. 2013-22 or 2015-36, or the Provider of a Pre-approved Plan, as defined in Rev. Proc. 2017-41. References to the "Document Provider's Plans" or to "pre-approved plans" refer to the Prototype Plans, Volume Submitter Plans, and/or Pre-approved Plans sponsored by the Document Provider for use by adopting employers, as the case may be, except as limited in Section 1.7(a).
- (a) [ ] This Amendment will apply to all of the Document Provider's Plans except the following:  
*(Optional. List plan types, such as Defined Benefit Plans or 403(b) Plans, which the Document*

*Provider does not wish to amend):*

---

## ARTICLE 2 IDENTIFICATION; ELECTIONS

**Instructions: The Document Provider should complete any applicable elections it wishes at Sections 1.6 and 1.7 and 2.3 through 2.10.** If the Employer is satisfied with those choices, the Employer does not need to execute this Amendment. Otherwise, the Employer must complete the information at Section 2.1 and may complete one or more additional elections to indicate the Employer's preferences.

### 2.1 Identifying information.

A. Name of Employer: JEA

B. Name of Plan: JEA 401(A) DEFINED CONTRIBUTION RETIREMENT PLAN

C. Type of Plan (*select one; optional*)

- (1)  401(k) Plan
- (2)  Profit-Sharing Plan (other than a 401(k) plan)
- (3)  Money Purchase Pension Plan
- (4)  Defined Benefit Plan (including a cash balance plan)
- (5)  403(b) Plan

2.2 **Plan Type Definitions.** "Qualified Plan" means a 401(k) Plan, Profit-Sharing Plan, Money Purchase Pension Plan or Defined Benefit Plan. "Defined Contribution Plan" means a Qualified Plan other than a Defined Benefit Plan.

2.3 **Operating Elections.** Many subsequent Articles of this Amendment refer to elections appearing in this Article 2. Each of Sections 2.4 through 2.10 refers to a corresponding Article. For example, Section 2.4 has the elections related to Article 4. The definitions in those Articles apply to the elections in the corresponding Section of this Article 2, and those elections have the same effective date as the corresponding Article. Each Section of this Article lists the default provisions which will apply if no election is made. If you accept the default(s), there is no need to complete the Section. There are no elective provisions which apply to Article 3 or Articles 11 through 16. The following are the defaults and a summary of the Articles for which there are no elections.

- Article 3. Permits retroactive safe harbor 401(k) amendments (to appear in separate document). Eliminates requirement of safe harbor notice for safe harbor nonelective.
- Article 4. QBADs are not permitted.
- Article 5. Distributions of RMDs will not begin before a Participant turns 72.
- Article 6. The Plan will apply its RMD provisions with respect to the 5-year rule in administering the 10-year rule.
- Article 7. RMDs subject to 5-Year Rule for participants who died from 2015 through 2019 are extended one year unless the beneficiary objects.
- Article 8. None of the optional elections with regard to LTPT Employees apply.
- Article 9. The QACA maximum automatic deferral is 10% of compensation.
- Article 10. The amendment does not modify the minimum age for in-service distributions.
- Article 11. Administrative policy can permit distributions of Discontinued Lifetime Income Investments.
- Article 12. Updated RMD tables and 2022 transition.
- Article 13. Permits retroactive plan adoption.
- Article 14. Difficulty of care payments are compensation for purposes of Code §415 only.
- Article 15. 403(b) plans can distribute custodial accounts on termination.
- Article 16. Deemed IRA accounts are not subject to maximum age.

**Check (a) or (b).**

- (a)  All defaults apply. *Skip the rest of Article 2 and sign the amendment.*
- (b)  One or more defaults do not apply. *Complete those sections in Article 2 for which you do not accept the default; then sign the amendment.*

2.4 **Article 4 – Birth/Adoption Distributions.** In the absence of an election below, Article 4 does NOT apply. To permit QBADs (Qualified Birth and Adoption Distributions), check (a). If QBADs are available, they apply to all accounts except as provided in Article 4 or in elections (b), (c), (d), or (e). *(Select all that apply.)*

- (a)  Article 4 applies effective January 1, 2020, unless a different date is selected in (1) below.
  - (1)  \_\_\_\_\_ *(Enter date after December 31, 2019.)*
- (b)  QBADs may only be made from accounts in which the Participant is fully vested.
- (c)  QBADs are only available from the following Accounts *(select one or more)*:
  - (1)  Pre-Tax Elective Deferrals
  - (2)  Roth Elective Deferrals
  - (3)  Employer matching contributions (including safe harbor contributions and QMACs)
  - (4)  Employer nonelective contributions (including safe harbor contributions and QNECs)
  - (5)  Rollover contributions
  - (6)  After-tax employee contributions
  - (7)  Transferred accounts
  - (8)  Describe: \_\_\_\_\_ *(must be definitely determinable and not subject to discretion)*
- (d)  QBADs are not available if the Participant has severed employment.
- (e)  Describe additional limitations: \_\_\_\_\_ *(must be definitely determinable and not subject to discretion)*

2.5 **Article 5 – RMD Timing.** Unless Section 2.5(a) is selected, distribution of RMDs will begin for Affected Participants no sooner than April 1 of the calendar year following the year the Participant attains age 72.

- (a)  Distribution of RMDs to Affected Participants will NOT be delayed on account of this Amendment (i.e., distributions will generally commence no later than April 1 of the calendar year following the year the Affected Participant attains age 70½), in accordance with Section 5.5. This election is effective for distributions after December 31, 2019, except as specified below *(Optional: select either or both of (1) or (2))*:
  - (1)  Section 5.5 is effective for distributions after \_\_\_\_\_ and prior to the earlier of January 1, 2022 or the date entered in 2.5(a)(2). *(Enter date on or after December 31, 2019.)*
  - (2)  Section 5.5 is repealed for distributions after \_\_\_\_\_ *(enter date on or after the date entered in 2.5(a)(1) and before January 1, 2022)*, subject to the anti-cutback rule of Code §411(d)(6) to the extent applicable.

2.6 **Article 6 – 10-Year Rule for Beneficiary RMDs.** RMDs to an Eligible Designated Beneficiary of a Participant who dies prior to the Participant’s RBD will be made as elected below. In the absence of an election in Section 2.6, the Plan’s provisions about Beneficiary elections with regard to the 5-Year Rule will apply, substituting the 10-Year Rule for the 5-Year Rule.

- (a)  **Beneficiary election.** The Eligible Designated Beneficiary may elect application of the 10-Year Rule or the Life Expectancy rule. If the Beneficiary does not make a timely election *(Select one of (1) or (2))*:
  - (1)  **10-year rule.** The 10-year rule applies to the Eligible Designated Beneficiary.
  - (2)  **Life Expectancy Rule.** The Life Expectancy rule applies to the Eligible Designated Beneficiary.
- (b)  **10-year rule.** The 10-year rule applies to the Eligible Designated Beneficiary.
- (c)  **Life Expectancy rule.** The Life Expectancy rule applies to the Eligible Designated Beneficiary.

- (d)  **Shorter Period.** The entire interest of the Eligible Designated Beneficiary will be distributed no later than December 31 of the \_\_\_\_\_ (enter a number of years, not exceeding "tenth") year following the year of the Participant's death.
- (e)  **Other:** (Describe, e.g., the 10-Year Rule applies to all Beneficiaries other than a surviving spouse Beneficiary.) Although this plan is a governmental plan, the Effective Date of Article 6 is January 1, 2020. The Life Expectancy rule applies to the Eligible Designated Beneficiary effective as of January 1, 2020.

2.7 **Article 7 - CARES RMD Waivers; 5-Year Rule.** Unless the Employer elects otherwise below, beneficiaries of Applicable Participant Accounts will have the option to extend distribution under the 5-Year Rule by one year, and in the absence of a beneficiary election the extension will apply.

- (a)  **No extension without request.** The provisions of Section 7.2 apply but in the absence of a beneficiary election the extension will NOT apply.
- (b)  **Not Apply.** Article 7 will NOT apply to this Plan.

2.8 **Article 8 – LTPT Employees.** The Employer makes the following optional elections with regard to LTPT Employees. (Select all that apply.)

- (a)  An LTPT Employee, in addition to being eligible to defer will also be treated as a Regular Participant for purposes of (check any or all that apply):
  - (1)  Receiving an allocation of the safe harbor contributions (including QACA).
  - (2)  Receiving an allocation of Employer matching contributions
  - (3)  Receiving an allocation of Employer nonelective contributions.
  - (4)  Making after-tax Employee voluntary contributions.
  - (5)  Making rollover contributions.
  - (6)  Making deemed IRA contributions described in Code §408(q).
- (b)  The following provisions which apply to Regular Participants do not apply to LTPT Employees (check any or all that do not apply to LTPT Employees):
  - (1)  The ability to make Roth elective deferrals.
  - (2)  Automatic deferral provisions.
  - (3)  Automatic escalation provisions.
- (c)  Instead of being the first day of the first month and the seventh month of the Plan Year, the LTPT Entry Date is (select one):
  - (1)  The same as the entry date which applies to Elective Deferrals of Regular Participants.
  - (2)  Describe: \_\_\_\_\_
- (d)  In addition to Union Employees and Nonresident Aliens, the following Employees are LTPT Excluded Employees (check all that apply; see the instructions):
  - (1)  Employees described in a category of employees that would be excluded from the Plan even if they satisfied the minimum age and service requirements which apply to Employees generally.
  - (2)  Describe: \_\_\_\_\_.
- (e)  Instead of age 21, the LTPT Minimum Age is (select one):
  - (1)  Waived.
  - (2)  The same minimum age that applies to Regular Participants.
  - (3)  Age \_\_\_\_\_ (Cannot exceed age 21).

2.9 **Article 9 – QACA Maximum Automatic Deferrals.** In the absence of an election below, Article 9 does NOT apply and automatic deferrals under a QACA shall not exceed 10% of a Participant's Compensation. To permit automatic deferrals of up to 15% of compensation, complete (a) below and (b) if applicable..

- (a)  Article 9 applies effective on or after the first day of the first plan year beginning after December 31, 2019, unless a different date is selected in (1) below.
  - (1)  \_\_\_\_\_. (Enter date on or after the first day of the first plan year beginning after December 31, 2019.)

(b) [ ] The following modified QACA statutory schedule will apply (the limitations in the parentheses below only applies to QACAs): *(Select and complete one of (1), (2), or (3) below. The resulting schedule must satisfy Code §401(k)(13)(C)(iii))*:

(1) [ ] **Detailed Schedule.** The following modified QACA statutory schedule will apply. **NOTE:** *Plan Years 1 & 2 must be between 3% and 10%. 3-14 may not exceed 15%*

<u>Plan Year of application to a Participant</u>	<u>Automatic Deferral Percentage</u>
1	_% (not less than 3 and not more than 10)
2	_% (not less than 3 and not more than 10)
3	_% (not less than 4 and not more than 15)
4	_% (not less than 5 and not more than 15)
5	_% (not less than 6 and not more than 15)
6	_% (not less than 6 and not more than 15)
7	_% (not less than 6 and not more than 15)
8	_% (not less than 6 and not more than 15)
9	_% (not less than 6 and not more than 15)
10	_% (not less than 6 and not more than 15)
11	_% (not less than 6 and not more than 15)
12	_% (not less than 6 and not more than 15)
13	_% (not less than 6 and not more than 15)
14 and thereafter	_% (not less than 6 and not more than 15)

(2) [ ] **Fixed Increase.**

- a. First plan year of application to a participant: \_\_\_\_ *(not less than 3 and not more than 10)*
- b. Second plan year of application to a participant: \_\_\_\_ *(not less than 3 and not more than 10)*
- c. In subsequent plan years the automatic deferral percentage will increase by \_\_\_\_% per year up to a maximum of \_\_\_\_% *(not more than 15)* of Compensation

(3) [ ] **Describe:** \_\_\_\_\_

2.10 **Article 10 – In-Service Distributions.** In the absence of an election below, Article 10 does NOT apply. To permit in-service distributions at age 59½ for pension plans, *check (a) Check (b) to specify an age greater than 59 ½. If Article 10 applies, it applies to all Accounts except as limited in Article 10.*

(a) [ ] Article 10 applies effective on or after the first day of the first plan year beginning after December 31, 2019, unless a different date is selected in (1) below.

(1) [ ] \_\_\_\_\_. *(Enter date on or after the first day of the first plan year beginning after December 31, 2019.)*

(b) [ ] Age at which in-service distributions are permitted \_\_\_\_\_ *(Enter age greater than 59½.)*

**ARTICLE 3  
ADP SAFE HARBOR NONELECTIVE PLANS – SECURE §103**

3.1 **Application.** This Article 3 will apply only if the Plan is a 401(k) or a 403(b) Plan. It is effective for Plan Years beginning after December 31, 2019.

3.2 **No need for safe harbor notice.** If the Employer makes a Safe Harbor Nonelective Contribution, then the Plan can use the ADP Safe Harbor, whether or not Participants receive a Safe Harbor Notice, and the Plan Administrator is not required to provide a Safe Harbor Notice. However, the Plan is required to provide a Safe Harbor Notice if the plan utilizes the ACP safe harbor described in Code §401(m)(11) or (12), unless the plan is a QACA.

3.3 **Retroactive adoption.** Unless the Plan at any time during the Plan Year is a Safe Harbor Match Plan, then the Employer may amend the Plan at any time within twelve months after the end of the Plan Year to provide (A) that the Employer will make a Safe Harbor Nonelective Contribution for the entire Plan Year, (B) that the

Plan qualifies for the ADP Safe Harbor for the Plan Year, and (C) that the Plan will not be required to perform the ADP Test for the Plan Year. However, if the Employer adopts the amendment on or after the 30<sup>th</sup> day before the close of the Plan Year, the Safe Harbor Nonelective Contribution must be at least 4% of the Participant's Compensation.

3.4 **Definitions.** The following terms have the meaning set forth in this paragraph as more fully provided in the plan terms pertaining to the related subject matter.

(a) A “**Safe Harbor Nonelective Contribution**” means a contribution described in Code §401(k)(12)(C) or Code §401(k)(13)(D)(i)(II) of at least 3% of Compensation.

(b) The “**ADP Test**” means the test provided in Code §401(k)(3)(ii).

(c) The “**ADP Safe Harbor**” means the safe harbor provided by Code §401(k)(12)(A) or Code §401(k)(13).

(d) A “**Safe Harbor Match Plan**” is a Plan which provided during the Plan Year that Participants would receive a matching contribution described in Treas. Reg. §1.401(k)-3(c) or Treas. Reg. §1.401(k)-3(k)(2).

(e) A “**Safe Harbor Notice**” is a notice described in Code §401(k)(12)(D) or Code §401(k)(13)(E).

(f) A “**QACA**” is a Qualified Automatic Contribution Arrangement described in Code §401(k)(13).

#### **ARTICLE 4 BIRTH/ADOPTION DISTRIBUTIONS – SECURE Act §113**

4.1 **Application.** This Article 4 will apply only if (1) the Plan is a Defined Contribution Plan, or a 403(b) Plan, and (2) the Employer elects in Section 2.4(a) for this Article 4 to apply, effective on the date specified in Section 2.4(a).

4.2 **Distribution Authorized.** Except as limited by Section 2.4 (b), (c), (e), a Participant may request a distribution of up to \$5,000 (per child or Eligible Adoptee) as a QBAD. The Participant may request the distribution whether or not the Participant has severed employment unless Section 2.4(d) is selected. This \$5,000 limit shall be reduced by QBADs to the Participant made with respect to the same child or Eligible Adoptee by other plans maintained by the Employer or a related employer described in Code §414(b), (c), (m), or (o). However, if the Plan is a Money Purchase Pension Plan (or the account from which the distribution is withdrawn was transferred from a Money Purchase Pension Plan), and the Participant has not separated from service, the Participant may not take a QBAD prior to attaining the earlier of Normal Retirement Age or age 59½. The Plan Administrator may adopt a policy imposing frequency limitations or other reasonable administrative conditions for QBADs.

4.3 **Definitions.** The following definitions apply for this Article 4 and Section 2.4:

(a) A “**QBAD**” is a Qualified Birth or Adoption Distribution described in Code §72(t)(2)(H)(iii). A QBAD must be made during the 1-year period beginning on the date on which a child of the Participant is born or on which the legal adoption of an Eligible Adoptee by the Participant is finalized.

(b) An “**Eligible Adoptee**” is an individual, other than a child of the Participant's spouse, who has not attained age 18 or is physically or mentally incapable of self-support. An individual is considered physically or mentally incapable of self-support if that individual is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or to be of long-continued and indefinite duration. This provision shall be applied in a manner consistent with Part D of IRS Notice 2020-68.

4.4 **Rollover.** A Participant who received one or more QBADs from this Plan may, if the Plan then permits the Participant to make rollover contributions, make one or more contributions in an aggregate amount not to

exceed the amount of such QBADs. The Plan will treat such a contribution as a rollover contribution made by direct trustee-to-trustee transfer within 60 days of distribution.

- 4.5 **Reliance.** The Plan Administrator may rely on an individual's reasonable representation that the individual is eligible to receive a QBAD unless the Plan Administrator has actual knowledge to the contrary.
- 4.6 **Status.** A QBAD is not an eligible rollover distribution for purpose of the obligation to permit a direct rollover under Code §401(a)(31), the notice requirement of Code §402(f), or the mandatory withholding rules of Code §3405(c)(1).

## **ARTICLE 5 REQUIRED BEGINNING DATE – SECURE Act §114**

- 5.1 **Application.** This Article 5 will apply to all plans, regardless of type. It is effective with regard to RMDs required to be made after December 31, 2019.
- 5.2 **Delay of Required Beginning Date.** An Affected Participant's RBD shall not be earlier than April 1 of the calendar year following the year the Affected Participant attains age 72. For purposes of determining an Affected Participant's RBD, an Affected Participant will be treated as a more than 5% owner if the Participant was a 5-percent owner (as defined in Code §416(i)(1)(B)) as to the Plan Year ending in the calendar year the Participant attains age 72.
- 5.3 **Spousal Distributions.** If an Affected Participant dies prior to the Participant's RBD, and the Participant's sole Designated Beneficiary is the Participant's surviving spouse, then the RMDs to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 72, if later. However, this Section will apply only if the Plan, prior to this Amendment, permitted a surviving spouse to delay RMD distributions to December 31 of the calendar year in which the Participant would have attained age 70½.
- 5.4 **Definitions.** The following definitions apply for this Article 5 and Section 2.5:
- (a) A Participant is an "**Affected Participant**" if the Participant was born after June 30, 1949.
  - (b) An "**RMD**" is a Required Minimum Distribution as described in Code §401(a)(9).
  - (c) A Participant's "**RBD**" is the Participant's Required Beginning Date as described in Code §401(a)(9)(C), as amplified by Section 5.2.
- 5.5 **Optional Distribution Timing.** If the Employer elects in Section 2.5(a) for this Section 5.5 to apply, the timing and form of distributions to an Affected Participant will be determined as though this Article 5 had not been adopted. Distributions pursuant to this paragraph, which are not RMDs, will be treated as eligible rollover distributions for purposes of the direct rollover provisions of Code §401(a)(31). This Section 5.5 will no longer be effective for distributions after December 31, 2021, or, if earlier, the date specified in Section 2.5(a)(2).

## **ARTICLE 6 BENEFICIARY RMDS – SECURE Act §401**

- 6.1 **Application.** This Article 6 will apply to all plans other than Defined Benefit Plans. This Article will not apply to qualified annuities described in SECURE Act §401(b)(4)(B).
- 6.2 **Effective Date.** Except as provided in Section 6.4, Article 6 will apply to Participants who die on or after the Effective Date of this Article. Generally, the Effective Date of this Article is January 1, 2020. In the case of a governmental plan (as defined in Code §414(d)), the Effective Date of this Article is January 1, 2022. The Effective Date of this Article 6 in the case of a collectively-bargained plan will be the date determined in

SECURE Act §401(b)(2). See Section 6.5 regarding the limited application of this Article to certain accounts of Participants who died before the Effective Date of this Article.

- 6.3 **Death before RBD.** If the Participant dies before the Participant's RBD, the Plan will distribute or commence distribution of the Participant's Vested Accrued Benefit not later than as follows:
- (a) **No Designated Beneficiary** If there is no Designated Beneficiary as of September 30 of the year following the calendar year of the Participant's death, the Beneficiary's entire interest will be distributed under the 5-Year Rule.
- (b) **Eligible Designated Beneficiary.** If the distributee of a Participant's account is an Eligible Designated Beneficiary, the Beneficiary's entire interest will be distributed under the Life Expectancy Rule unless the 10-Year Rule applies. The Employer may elect application of the Life Expectancy rule or the 10-Year Rule in Section 2.6. In the absence of an election in Section 2.6, the Plan's provisions with regard to election of the 5-Year Rule will apply, substituting the 10-Year Rule for the 5-Year Rule. A permitted Beneficiary election must be made no later than the earlier of December 31 of the calendar year in which distribution would be required to begin under the Life Expectancy Rule, or by December 31 of the calendar year which contains the tenth anniversary of the Participant's (or, if applicable, surviving spouse's) death.
- (c) **Other Designated Beneficiaries.** If the distributee of the Participant's account is a Designated Beneficiary who is not an Eligible Designated Beneficiary, then the Beneficiary's entire interest will be distributed under the 10-Year Rule.
- (d) **10-Year Rule.** If distribution of a deceased Participant's account thereof is subject to the "10-Year Rule," then the Plan will distribute the account in full no later than December 31 of the tenth year following the year of the Participant's death. No RMDs are required to be distributed from the account prior to that date.
- 6.4 **Death after RBD.** If the Participant dies on or after the Participant's RBD, the Participant's remaining interest will be distributed at least as rapidly as under the method of distribution being used as of the date of the participant's death, using the Life Expectancy Rule, as, and to the extent, provided by applicable guidance. If the Beneficiary is a Designated Beneficiary that is not an Eligible Designated Beneficiary, the Plan will distribute the remaining account in full no later than December 31 of the tenth year following the year of the Participant's death.
- 6.5 **Beneficiary Death.** If an Eligible Designated Beneficiary receiving distributions under the Life Expectancy Rule dies before receiving distribution of the Beneficiary's entire interest in the Participant's account, the Plan will distribute that interest in full no later than December 31 of the 10<sup>th</sup> year following the year of the Eligible Designated Beneficiary's death. Similarly, if a Participant died before the Effective Date of this Article 6, and the beneficiary died after such Effective Date, but prior to receiving full distribution of the beneficiary's interest, the Plan will distribute that interest in full no later than December 31 of the tenth year following the year of the beneficiary's death.
- 6.6 **Age of Majority.** If a child of the Participant was receiving distributions under the Life Expectancy rule, when the child reaches the age of Majority, the Plan will distribute the child's account in full no later than 10 years after that date, provided the child is not otherwise an Eligible Designated Beneficiary, such as a disabled or chronically ill individual.
- 6.7 **Definitions; operating rules.** The following definitions and operating rules apply for this Article 6 and Section 2.6:
- (a) An "**RMD**" is a Required Minimum Distribution as described in Code §401(a)(9).
- (b) A Participant's "**RBD**" is the Participant's Required Beginning Date as described in Code §401(a)(9)(C) and the Plan. Also see Section 5.2.

(c) A distributee of a Participant's account is a "**Designated Beneficiary**" if the distributee is an individual or trust who is a beneficiary of the account (whether pursuant to a designation by the Participant or application of the Plan terms) and who is a designated beneficiary under Code §401(a)(9) and Treas. Reg. §1.401(a)(9)-4, Q&As-4 and -5.

(d) An individual is an "**Eligible Designated Beneficiary**" of a Participant if the individual qualifies as a Designated Beneficiary and is (1) the Participant's spouse, (2) the Participant's child who has not reached the age of Majority, (3) an individual not more than 10 years younger than the Participant, (4) a disabled individual, as defined in Code §72(m)(7), or (5) an individual who has been certified to be chronically ill (as defined in Code §7702B(c)(2)) for a reasonably lengthy period, or indefinitely. Certain trusts may be treated as Eligible Designated Beneficiaries pursuant to Code §401(a)(9)(H)(iv) and (v).

(e) Whether a child has reached the age of "**Majority**" is determined under Code §401(a)(9)(F) and applicable regulations and guidance issued thereunder.

(f) The "**Life Expectancy Rule**" for distributing RMDs is described in Code §401(a)(9)(B)(iii) and is further described in the Plan.

(g) The "**5-Year Rule**" for distributing RMDs is described in Code §401(a)(9)(B)(ii) and is further described in the Plan.

(h) The "**10-Year Rule**" is described in Section 6.3(d).

(i) **Shorter period.** Section 2.6 may specify a shorter period to be used in place of the tenth year after the death of a Participant or Beneficiary.

(j) **Separate share rule.** All references in this Article to a Participant's Account and a Beneficiary's interest in that account will be applied separately to each separate account determined under Treas. Reg. §1.401(a)(9)-8, Q&A 2 and 3, and Code §401(a)(9)(H)(iv).

## **ARTICLE 7 EXTENSION OF 5-YEAR RULE FOR RMDs – CARES §2203**

- 7.1 **Application.** This Article 7 will apply only to Defined Contribution plans, including 401(k) Plans, Profit-Sharing Plans, Money Purchase Pension Plans, and 403(b) Plans. It does not apply to Defined Benefit Plans. It does not apply if the Employer has selected Section 2.7(b); otherwise, it is effective January 1, 2020.
- 7.2 **Waiver; default provision.** The beneficiary of an Applicable Participant Account will have the option to extend the deadline to distribute the account for one year. The default in the absence of a beneficiary election will be to extend the distribution, unless the Employer elects in Section 2.7(a) for the default to be not to extend unless the beneficiary requests it.
- 7.3 **Definitions.** The following definitions apply for this Article 7 and Section 2.7:
- (a) "**RMDs**" means required minimum distributions described in Code §401(a)(9).
- (b) The "**5-Year Rule**" for distributing RMDs is described in Code §401(a)(9)(B)(ii) and is further described in the Plan.
- (c) "**Applicable Participant Account**" means the remaining account of a Participant who died during the years 2015-2019, to the extent the account is subject to the 5-Year Rule.

**ARTICLE 8**  
**LONG-TERM PART-TIME EMPLOYEES – SECURE §112**

- 8.1 **Application.** This Article 8 will apply only if the Plan is a 401(k) Plan that permits elective deferrals. It is effective for Plan Years beginning after December 31, 2020.
- 8.2 **LTPT Employee Deferrals.** An LTPT Employee will be eligible to make Elective Deferrals to the Plan. An LTPT Employee enters the Elective Deferral portion of the Plan on the Employee's LTPT Entry Date if the Employee is still an LTPT Employee on that Entry Date. The provisions of the Plan relating to rehired employees, breaks in service, and change in status will apply to LTPT Employees.
- 8.3 **Limited Participation.** An LTPT Employee who is eligible to make Elective Deferrals under Section 8.2 will be a Participant solely with regard to Elective Deferrals and related Account Balances. Except as otherwise provided in Section 2.8(a), an LTPT Employee will not be eligible (1) to receive any employer contributions, including top-heavy minimum allocations and safe harbor contributions, (2) to make after-tax Employee voluntary contributions, (3) to make rollover contributions (unless otherwise permitted under the Plan's administrative policies related to rollover contributions), or (4) to make deemed IRA contributions described in Code §408(q).
- 8.4 **Satisfaction of Eligibility Conditions.** If and when an LTPT Employee becomes a Regular Participant, the individual will no longer be an LTPT Employee, but will instead participate in the Plan in the same manner as other Regular Participants, except as provided in Section 8.5.
- 8.5 **Vesting.** For purposes of applying any vesting schedule in the Plan applicable to Employer contributions other than elective deferrals, an LTPT Employee or a Regular Participant who was previously an LTPT Employee (1) will be credited with a Year of Service for each vesting computation period during which the Employee was credited with more than 500 Hours of Service (or such lower requirement as may apply to Regular Participants) in such period, and (2) will not be credited with a break in service for any vesting computation period unless the Employee has no more than 500 Hours of Service in such period. The Plan Administrator may optionally apply any simplified method of determining years of service under this Section announced by the IRS.
- 8.6 **Testing.** Pursuant to Code §401(k)(15)(i)(II), the Plan Administrator may elect to exclude LTPT Employees from coverage testing under Code §410(b), the ADP test of Code §401(k)(3), the ACP test of Code §401(m)(2), and other nondiscrimination testing under Code §401(a)(4).
- 8.7 **Application of Elective Deferral Provisions.** Except as otherwise provided in Section 2.8(b), all provisions of the Plan related to Elective Deferrals which apply to Regular Participants also apply to LTPT Employees who are eligible to defer, including as applicable (1) eligibility to make Roth deferrals, (2) automatic enrollment provisions, (3) automatic escalation provisions.
- 8.8 **Definitions.** The following definitions apply for this Article 8 and Section 2.8:
- (a) An “**LTPT Employee**” means a long-term part-time employee described in Code §§401(k)(2)(D) and 401(k)(15). Specifically, an LTPT Employee is an Employee, other than an LTPT Excluded Employee, who has not entered the Plan as a Regular Participant, but who is credited with at least three (3) consecutive Eligibility Computation Periods beginning after December 31, 2020 with at least 500 Hours of Service in each and who has attained the LTPT Minimum Age.
- (b) With regard to an LTPT Employee, the “**LTPT Entry Date**,” unless otherwise specified in Section 2.8(c), is the earlier of the first day of the first month or the seventh month of the Plan Year immediately following or coincident with the date an Employee becomes an LTPT Employee. In no event will the LTPT Entry Date exceed the maximum delay in participation specified in Code §410(a)(4).
- (c) An “**LTPT Excluded Employee**” refers to a Union Employee or a Nonresident Alien and those individuals described in Section 2.8(d). However, in no event will an Employee be an LTPT Excluded

Employee merely because the Employee failed to satisfy a service condition, or is a part-time, seasonal, or temporary employee. In no event will an Employee be an LTPT Excluded Employee to the extent such an exclusion is not permitted under applicable IRS guidance.

(d) The “**LTPT Minimum Age**” is 21 unless Section 2.8(e) specifies a different age (or waives the LTPT Minimum Age). The LTPT Minimum Age shall not exceed 21.

(e) An Employee is a “**Regular Participant**” if the Employee has satisfied all conditions to enter the Plan (or any portion thereof) determined without regard to this Article 8, including those relating to the Employee’s entry date. An LTPT Employee becomes a Regular Participant on such entry date.

(f) A “**Union Employee**” is an employee described in Code §410(b)(3)(A).

(g) A “**Nonresident Alien**” is an employee described in Code §410(b)(3)(C).

#### **ARTICLE 9 QACA MAXIMUM AUTOMATIC DEFERRAL – SECURE §102**

- 9.1 **Application.** This Article 9 will apply only if (1) the Plan is a 401(k) Plan or a 403(b) Plan, and (2) the Employer elects in Section 2.9 for this Article 9 to apply, effective on the date specified in Section 2.9(a).
- 9.2 **Higher Maximum Contribution.** If the Plan includes a QACA, then the automatic deferral percentage which applies to a Participant (referred to as the “qualified percentage” in Treas. Reg. §1.401(k)-12(j)(2)) shall not exceed 10% of the Participant’s Compensation during the Initial Period and shall not exceed 15% of the Participant’s Compensation after the Initial Period.
- 9.3 **Validation; Policy.** If the Employer amends or has amended the plan (effective for a Plan Year beginning on or after the effective date specified in Section 2.9) to provide for an automatic deferral percentage which does not exceed the limitations of Section 9.2, the amendment is valid notwithstanding any limitations contained in any provision of the Plan which would limit the automatic deferral percentage to 10%. The Plan Administrator may adopt a reasonable, uniform policy in applying the increased limit provided by this Article 9 to QACA automatic escalation provisions in effect prior to the effective date of the Article.
- 9.4 **Definitions.** The following definitions apply for this Article 9 and Section 2.9:
- (a) “**QACA**” means a Qualified Automatic Contribution Arrangement described in Code §401(k)(13).
- (b) The “**Initial Period**” for a Participant begins when the Participant first has contributions made pursuant to a default election under the QACA for a Plan Year and ends on the last day of the following Plan Year.

#### **ARTICLE 10 IN-SERVICE PENSION DISTRIBUTIONS – BAMA §104**

- 10.1 **Application.** This Article 10 will apply only if (1) the Plan is a Money Purchase Pension Plan, a Defined Benefit Plan, or, as described in Section 10.3, a 401(k) or Profit-Sharing Plan, and (2) the Employer elects in Section 2.10 for this Article 10 to apply, effective on the date specified in Section 2.10(a).
- 10.2 **Distribution at 59½.** A Participant can take an in-service distribution at age 59½, or, if later, the age (if any) specified in Section 2.10(b). Such a distribution will be limited to the vested portion of the Participant’s accrued benefit or account and will be subject to all Plan provisions related to in-service distributions.
- 10.3 **Limited application to Profit-Sharing Plans.** If the Employer elects in Section 2.10 for this Article 10 to apply, this Article 10 will apply to an account in a 401(k) Plan or a Profit-Sharing Plan which holds assets transferred from a Money Purchase Pension Plan or a Defined Benefit Plan.

#### **ARTICLE 11**

### **DISTRIBUTIONS OF DISCONTINUED LIFETIME INCOME INVESTMENTS – SECURE §109**

- 11.1 **Application.** This Article 11 will apply only if (1) the Plan is a Defined Contribution Plan, or a 403(b) Plan. It is effective for Plan Years beginning after December 31, 2019.
- 11.2 **Distributions authorized.** The Plan Administrator may authorize Participants to request, and as soon as practical after a Participant makes the request, the Plan will make a distribution of a Discontinued Lifetime Income Investment. Distribution under this Article is limited to the 90-day period prior to the date on which the Lifetime Income Investment is no longer authorized to be held as an investment option under the Plan. Such distribution will be in the form of a Qualified Distribution, or in the form of a Qualified Plan Distribution Annuity Contract, as determined by the Plan Administrator. The Plan Administrator will administer this section in a reasonable, nondiscriminatory manner, and may authorize distributions of some Discontinued Lifetime Income Investments and not others.
- 11.3 **Definitions.** The terms “Lifetime Income Investment,” “Qualified Distribution” and “Qualified Plan Distribution Annuity Contract” have the meanings set forth in Code §401(a)(38)(B). A “Discontinued Lifetime Income Investment” is a Lifetime Income Investment which will no longer be authorized to be held as an investment option under the Plan.

### **ARTICLE 12 UPDATED LIFE EXPECTANCY TABLES – TREAS. REG. §1.401(a)(9)-9**

- 12.1 **Application.** This Article 12 will apply to all plans and is effective for distribution calendar years beginning on or after January 1, 2022.
- 12.2 **New RMD Tables.** Any Plan reference to the life expectancy tables detailed in Treas. Reg. §1.401(a)(9), such as the Uniform Life Table, the Single Life Table, or the Joint and Last Survivor Table, refers to these tables as published in Treas. Reg. §1.401(a)(9)-9 from time to time, and is subject to adjustment as described in Treas. Reg. §1.401(a)(9)-9(f).

### **ARTICLE 13 ADOPTION OF PLAN AFTER YEAR END – SECURE §201**

- 13.1 **Application.** This Article 13 will apply only if the Plan is a Qualified Plan. It is effective for Plan Years beginning after December 31, 2019.
- 13.2 **Retroactive Plan Adoption.** If the Employer adopted the underlying Plan to which this Amendment relates after the close of a taxable year, but prior to the due date (including extensions) of the Employer’s federal income tax return for that taxable year, the Plan is treated as having been adopted as of the last day of the taxable year if the Plan’s initial effective date is any date within that taxable year. However, no Participant may make elective deferrals to the Plan prior to the date it was adopted.

### **ARTICLE 14 DIFFICULTY OF CARE PAYMENTS – SECURE §116**

- 14.1 **Application.** This Article 14 will apply only if the Plan is a Defined Contribution Plan or a 403(b) Plan. It is effective for Plan Years beginning after December 31, 2015.
- 14.2 **Inclusion in 415 Compensation.** The amount of a Participant’s Compensation for purposes of determining the annual addition limit under Code §415(c)(1)(B) is increased by the amount of Difficulty of Care Payments the Employer makes to the Participant.
- 14.3 **Definition.** A “Difficulty of Care Payment” is a payment described in Code §131(c)(1) made in connection with qualified foster individuals.

**ARTICLE 15**  
**403(b) TERMINATION DISTRIBUTIONS – SECURE §110**

- 15.1 **Application.** This Article 15 will apply only if the Plan is a 403(b) Plan. It is effective January 1, 2009.
- 15.2 **Custodial Accounts.** In connection with distributions upon termination of the Plan, the Plan may treat the delivery of a custodial account as a distribution, pursuant to Rev. Rul. 2020-83.

**ARTICLE 16**  
**REPEAL OF DEEMED IRA MAXIMUM AGE – SECURE §107**

- 16.1 **Application.** This Article 16 will apply only if the Plan permits deemed IRA contributions (sometimes called “designated IRA” contributions) described in Code §408(q). It is effective January 1, 2020.
- 16.2 **No Maximum Age.** To the extent the Plan otherwise permits a Participant to make deemed IRA contributions, the Participant may make such contributions regardless of whether the Participant has attained age 70½ or any other age.

Document Provider Name: Empower Retirement, LLC

By: Document Provider’s signature and adoption date are on file.  
*(Authorized signer for Document Provider)*

The Document Provider executed this Amendment this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Complete the information below if the Employer is signing the Amendment.

By: \_\_\_\_\_  
*(Authorized signer for Employer)*

The Employer executed this Amendment this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_.

# **Exhibit 2**

## AMENDMENT FOR CARES ACT

### ARTICLE 1 PREAMBLE; DEFINITIONS

- 1.1 **Adoption of Amendment.** The Document Provider, on behalf of the Employer, hereby adopts this Amendment to the Employer's Plan to implement provisions of the Act which affect the Plan. All references to the Plan include the Plan's loan program, policy, or procedure to the extent applicable.
- 1.2 **Superseding of inconsistent provisions.** This Amendment supersedes the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Amendment.
- 1.3 **Construction.** Except as otherwise provided in this Amendment, any Article or Section reference in this Amendment refers only to this Amendment and is not a reference to the Plan. The Article and Section numbering in this Amendment is solely for purposes of this Amendment and does not relate to the Plan article, section, or other numbering designations.
- 1.4 **Effect of restatement of Plan.** If the Employer restates the Plan then this Amendment shall remain in effect after such restatement unless the provisions in this Amendment are restated or otherwise become obsolete (e.g., if the Plan is restated onto a plan document which incorporates these provisions).
- 1.5 **Definitions.** Except as otherwise provided in this Amendment, terms defined in the Plan will have the same meaning in this Amendment. The following definitions apply specifically to this Amendment:
- A. The “**Act**” is the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act. This Amendment shall be interpreted and applied to comply with the Act.
- B. A “**Qualified Individual**” means any individual who meets one or more of the criteria described in paragraphs (1), (2), (3), or (4). Participants, alternate payees and beneficiaries of deceased participants can be treated as Qualified Individuals. The Plan Administrator may rely on an individual's certification that the individual satisfies a condition to be a Qualified Individual unless the Plan Administrator has actual knowledge to the contrary. In applying the criteria, “COVID-19” means either the virus SARS-CoV-2 or coronavirus disease 2019; “an approved test” means a test approved by the Centers for Disease Control and Prevention (including a test authorized under the Federal Food, Drug, and Cosmetic Act); and a “member of the individual's household” means someone who shares the individual's principal residence. The criteria are as follows:
- (1) The individual was diagnosed with COVID-19 by an approved test;
  - (2) The individual's spouse or dependent (as defined in Code §152) was diagnosed with COVID-19 by an approved test;
  - (3) The individual has experienced adverse financial consequences because: (a) the individual or the individual's spouse, or a member of the individual's household was quarantined, furloughed or laid off, or had work hours reduced due to COVID-19; (b) the individual, the individual's spouse, or a member of the individual's household was unable to work due to lack of childcare due to COVID-19; (c) A business owned or operated by the individual, the individual's spouse, or a member of the individual's household closed or reduced hours due to COVID-19; or (d) the individual, the individual's spouse, or a member of the individual's household had a reduction in pay (or self-employment income) due to COVID-19 or had a job offer rescinded or start date for a job delayed due to COVID-19; or
  - (4) The individual satisfies any other criteria determined by the Treasury or the IRS.

- 1.6 **Adoption by Document Provider.** The Document Provider hereby adopts this Amendment on behalf of all of the Document Provider's plans adopted by its adopting employers. The adoption by the Document Provider becomes applicable with respect to an Employer's Plan on March 27, 2020 (or, if later, the Effective Date of the Plan), unless the Employer individually adopts this Amendment, or an alternative amendment, prior to the expiration of the remedial amendment period relating to this Amendment. The Document Provider means the Sponsor of a Prototype Plan or Volume Submitter Practitioner of a Volume Submitter Plan as defined in Rev. Proc. 2013-22 or 2015-36, or the Provider of a Pre-approved Plan, as defined in Rev. Proc. 2017-41. References to the Document Provider's plans or to pre-approved plans refer to the Prototype Plans, Volume Submitter Plans, and/or Pre-approved Plans sponsored by the Document Provider for use by adopting employers, as the case may be, except as limited in Section 2.1.

**ARTICLE 2  
IDENTIFYING INFORMATION; EMPLOYER ELECTIONS**

**Instructions: The Document Provider should complete the elections at Sections 2.1 (if applicable), 2.3, and 2.4.** If the Employer is satisfied with those choices, the Employer does not need to execute this Amendment. Otherwise, the Employer must complete the information at Section 2.2 and may complete one or more of Sections 2.3 through 2.5 to indicate the Employer's preferences.

- 2.1 **Application to Document Provider plans:** This Amendment will apply to all preapproved plans (including Prototype and Volume Submitter plans) of the Document Provider except the following: *(Optional. List plan types, such as Defined Benefit Plans or 403(b) Plans, which the Document Provider does not wish to amend):*
- 

- 2.2 **Employer identifying information.** *(Complete only if Employer is separately adopting this Amendment.)*

A. Name of Employer: JEA

B. Name of Plan: JEA 401(A) DEFINED CONTRIBUTION RETIREMENT PLAN

C. Type of Plan *(check one; optional)*

- (1)  401(k) Plan
- (2)  Profit-Sharing Plan (other than a 401(k) plan)
- (3)  Money Purchase Pension Plan
- (4)  Defined Benefit Plan (including a cash balance plan)
- (5)  403(b) Plan

- 2.3 **Relief for Qualified Individuals.** Will the Plan provide any or all of the following relief for Qualified Individuals: (1) Coronavirus-Related Distributions described in Article 3, (2) increased loan limits described in Section 4.2, (3) the loan repayment extension described in Section 4.3. *(Select one of (a), (b), or (c). If (c) is selected, then select one or more of (d), (e), and/or (f))*

- (a)  **No.** The Plan will not provide any of these relief provisions.
- (b)  **Yes.** The Plan will provide all of these relief provisions. The limitations on distributions described in Sections 2.3(d)(1) – (4) and the limitations on loans in Section 2.3(e)(1) – (3) and Section 2.3(f)(1) – (3) do not apply.
- (c)  **Some.** The Plan will provide those relief provisions selected in (d), (e), or (f) below.

(d)  **The Coronavirus-Related Distribution provisions described in Article 3** *(If (d) is selected, the Employer or Document Provider may optionally select one or more of (1), (2), (3), or (4).)*

- (1)  Coronavirus-Related Distributions are not available from an account in which the Participant is not 100% vested.
  - (2)  Coronavirus-Related Distributions may be made only from the following accounts:
- 

(3)  The maximum amount of Coronavirus-Related Distributions from the Plan to a Qualified Individual will not exceed: \$\_\_\_\_\_. *(Enter amount less than \$100,000.)*

(4) [ ] The following additional provisions apply to Coronavirus-Related Distributions: \_\_\_\_\_  
(Enter limitations or restrictions which are nondiscriminatory and not subject to Employer discretion.)

(e) [ ] **The increased loan limit described in Section 4.2** (If (e) is selected, the Employer or Document Provider may optionally select one or both of (1), (2), or (3).)

- (1) [ ] The maximum dollar amount of loans pursuant to Section 4.2 will not exceed: \$\_\_\_\_\_. (Enter amount less than \$100,000.)
- (2) [ ] The maximum percentage of the present value of the nonforfeitable accrued benefit that may be loaned pursuant to Section 4.2 will not exceed: \_\_\_\_\_%. (Enter percentage less than 100%.)
- (3) [ ] The following additional provisions apply to the increased loan limit:

\_\_\_\_\_  
(Enter limitations or restrictions which are nondiscriminatory.)

(f) [ ] **The loan repayment extension described in Section 4.3** (If (f) is selected, the Employer or Document Provider may optionally select one or more of (1), (2), or (3).)

- (1) [ ] The Suspension Period will begin \_\_\_\_\_ (Enter date not before March 27, 2020) and end \_\_\_\_\_. (Enter date not later than December 31, 2020.)
- (2) [ ] The Extension Period will be \_\_\_\_\_. (Enter period, up to one year, the due date of the loan will be extended, such as "six months.")
- (3) [ ] The following additional provisions apply to the loan repayment extension:

\_\_\_\_\_  
(Enter limitations or restrictions which are nondiscriminatory.)

2.4 **RMD waivers for 2020.** Unless otherwise elected below, the provisions of Section 5.2 apply and a Participant or Beneficiary who would have been required to receive a 2020 RMD or Extended 2020 RMD will receive the distribution unless the Participant or Beneficiary chooses not to receive the distribution.

(a) [ ] **No RMDs without request.** The provisions of Section 5.2 apply and a Participant or Beneficiary who would have been required to receive a 2020 RMD or Extended 2020 RMD will not receive the distribution unless the Participant or Beneficiary chooses to receive the distribution.

(b) [ ] **Split.** The provisions of Section 5.2 apply. A Participant or Beneficiary who would have been required to receive a **2020 RMD will not** receive the distribution unless the Participant or Beneficiary chooses to receive the distribution. A Participant or Beneficiary who would have been required to receive an **Extended 2020 RMD will receive** the distribution unless the Participant or Beneficiary chooses not to receive the distribution.

(c) [ ] **No change to RMDs.** Payment of RMDs or Extended 2020 RMDs will be governed by the terms of the Plan without regard to this Amendment (i.e., no election is available to Participants or Beneficiaries).

(d) [X] **Describe:** The provisions of Section 5.2 apply. A Participant or Beneficiary who would have been required to receive a 2020 RMD or an Extended 2020 RMD that is scheduled to be paid in annual installments will not receive the distribution unless the Participant or Beneficiary chooses to receive the distribution. A Participant or Beneficiary who would have been required to receive an Extended 2020 RMD that is scheduled to be paid in installments more frequently than annually will receive the distribution unless the Participant or Beneficiary chooses not to receive the distribution.

For purposes of Section 5.3, the Plan will also treat the following as eligible rollover distributions in 2020: (Choose one or none of (e), (f), (g), or (h): If no election is made, then a direct rollover will be offered only for distributions that would be eligible rollover distributions without regard to Code §401(a)(9)(I):

- (e) [ ] 2020 RMDs.
- (f) [ ] 2020 RMDs and Extended 2020 RMDs.
- (g) [ ] 2020 RMDs but only if paid with an additional amount that is an eligible rollover distribution without regard to Code §401(a)(9)(I).
- (h) [ ] Describe: \_\_\_\_\_.

The provisions of Article 5, and the elections in this Section 2.4, will be effective on the date specified in Section 2.5. unless a different date is entered here: \_\_\_\_\_ (Optional. Enter a date

*between March 27, 2020 and December 31, 2020. RMD distributions before the selected effective date should have followed plan terms in effect before this Amendment.)*

- 2.5 **Effective Date.** This Amendment is effective March 27, 2020 (or as soon as practical thereafter), or, if later, the following date: \_\_\_\_\_. (Optional. Enter a date not later than December 31, 2020.)

### ARTICLE 3 CORONAVIRUS-RELATED DISTRIBUTIONS

- 3.1 **Application.** This Article 3 will apply if Section 2.3(b) or Section 2.3(d) is selected.
- 3.2 **Coronavirus-Related Distribution(s).** Subject to the provisions described in Section 2.3(d)(4), if any, a Qualified Individual may take one or more Coronavirus-Related Distributions. The accounts from which the amount may be distributed shall be limited if selected in Sections 2.3(d)(1) and (2). However, if the Plan is a Defined Benefit Plan, and the Qualified Individual has not separated from service, the Qualified Individual may not take a Coronavirus-Related Distribution prior to attaining the earlier of Normal Retirement Age or age 59½. The provisions of this Section will apply notwithstanding any limitation in the Plan on partial distributions or any otherwise applicable plan or administrative limits on the number of allowable distributions.
- 3.3 **Repayment of distribution.** If the Plan permits a Participant to make rollover contributions, then a such a Participant who received a Coronavirus-Related Distribution (from this Plan and/or another eligible retirement plan as defined in Code §402(c)(8)(B)), at any time during the 3-year period beginning on the day after receipt of the distribution, may make one or more contributions to the Plan, as rollover contributions, in an aggregate amount not to exceed the amount of such distribution.
- 3.4 **Definition of Coronavirus-Related Distribution.** A “Coronavirus-Related Distribution” means a distribution to a Qualified Individual during the period beginning January 1, 2020 and ending December 30, 2020. The total amount of Coronavirus-Related Distributions to a Qualified Individual pursuant to this Amendment from all plans maintained by the Employer, or any related employer described in Code §414(b), (c), (m), or (o), shall not exceed \$100,000, (or such lesser amount specified in Section 2.3(d)(3)). The Coronavirus-Related Distributions from the Plan to a Qualified Individual will not exceed the amount of the individual’s vested account balance or the present value of the individual’s vested accrued benefit.

### ARTICLE 4 PARTICIPANT LOAN RELIEF

- 4.1 **Application.** This Article 4 will apply only if the Plan permits participant loans. Section 4.2 will apply if Section 2.3(b) or Section 2.3(e) is selected. Section 4.3 will apply if Section 2.3(b) or Section 2.3(f) is selected.
- 4.2 **Increased loan limit.** Notwithstanding the loan limitation that otherwise would apply, the Plan will determine the loan limit under Code §72(p)(2)(A) for a loan to a Qualified Individual, made during the period beginning March 27, 2020 and ending September 22, 2020, by substituting “\$100,000” (or such lesser amount specified in Section 2.3(e)(1)) for “\$50,000,” and by substituting “100% (or such lesser percentage specified in Section 2.3(e)(2)) of the present value of the nonforfeitable accrued benefit of the employee under the Plan” for “one-half of the present value of the nonforfeitable accrued benefit of the employee under the Plan” (or its equivalent). The provisions described in Section 2.3(e)(3), if any, will apply in connection with loans to Qualified Individuals.
- 4.3 **Extension of certain repayments.** If a Qualified Individual has an outstanding loan from the Plan on or after March 27, 2020, then: (1) if the date for any repayment of such loan occurs during the Suspension Period, the due date is extended for the Extension Period; (2) the due date of the loan will be extended by

the Extension Period; (3) the Plan will adjust any subsequent repayments to reflect the extension of the due date and any interest accrued during the Suspension Period; and (4) the Plan will disregard the Extension Period in determining the 5-year period and the loan term under Code §72(p)(2)(B) or (C). The provisions described in Section 2.3(f)(3), if any, will apply in connection with the suspension and extension described in this Section. The Suspension Period, unless otherwise specified in Section 2.3(f)(1), will begin March 27, 2020 and end December 31, 2020. The Extension Period, unless otherwise specified in Section 2.3(f)(2) will be one year. The provisions of this Section 4.3 will be applied in accordance with Section 5.B. of Notice 2020-50, or any subsequent applicable guidance, and the adjustment described in (3) may reflect the “safe harbor” described therein.

**ARTICLE 5  
WAIVER OF 2020 REQUIRED MINIMUM DISTRIBUTIONS (RMDs)**

- 5.1 **Application.** This Article 5 will apply only to defined contribution plans, including 401(k) Plans, Profit-Sharing Plans, Money Purchase Pension Plans, and 403(b) Plans. The definitions in Section 5.4 will apply in interpreting Section 2.4.
- 5.2 **Waiver; default provision.** This Section 5.2 will apply unless Section 2.4(c) is selected or to the extent 2.4(d) overrides it. Notwithstanding the provisions of the Plan relating to RMDs, whether a Participant or Beneficiary who would have been required to receive 2020 RMDs, and who would have satisfied that requirement by receiving distributions that are (1) equal to the 2020 RMDs, or (2) Extended 2020 RMDs will receive those distributions is determined in accordance with the option chosen in Section 2.4. Notwithstanding the option chosen in Section 2.4, a Participant or Beneficiary will be given an opportunity to make an election as to whether or not to receive those distributions. If the Plan permits a Beneficiary of a deceased Participant to make the election to use the 5-year rule or the life expectancy rule, the deadline to make the election may be extended to reflect the adoption of Code §401(a)(9)(I).
- 5.3 **Direct rollovers.** Notwithstanding the provisions of the Plan relating to required minimum distributions under Code §401(a)(9), and solely for purposes of applying the direct rollover provisions of the Plan, certain additional distributions in 2020, as elected by the Employer in Section 2.4, will be treated as eligible rollover distributions. If no election is made by the Employer in Section 2.4, then a direct rollover will be offered only for distributions that would be eligible rollover distributions without regard to Code §401(a)(9)(I).
- 5.4 **Definitions. “RMDs”** means required minimum distributions described in Code §401(a)(9). **“2020 RMDs”** means required minimum distributions the Plan would have been required to distribute in 2020 (or permitted to pay in 2021 for the 2020 calendar year for a Participant with a required beginning date of April 1, 2021) but for the enactment of Code §401(a)(9)(I). **“Extended 2020 RMDs”** means one or more payments in a series of substantially equal distributions (that include the 2020 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant’s designated Beneficiary, or for a period of at least 10 years.
- 5.5 **Installment payments.** A Participant or Beneficiary receiving payment of 2020 RMDs or 2020 Extended RMDs pursuant to this Article 5 may receive them in any method (including installments or partial distributions) which would have been permitted under the terms of the Plan if the amounts would have been RMDs but for the enactment of Code §401(a)(9)(I).

\* \* \* \* \*

Document Provider Name: Empower Retirement, LLC

By: Document Provider's signature and date of adoption are on file.  
*(Authorized signer for Document Provider)*

The Document Provider executed this Amendment this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_.

Complete the information below if the Employer is signing the Amendment.

By: \_\_\_\_\_  
*(Authorized signer for Employer)*

The Employer executed this Amendment this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_.



**BOARD RESOLUTION: 2023-32**

August 29, 2023

**A RESOLUTION APPROVING AND ADOPTING PLAN AMENDMENTS TO THE JEA 457 DEFERRED COMPENSATION PLAN TO COMPLY WITH THE SECURE ACT AND THE CARES ACT**

**WHEREAS**, JEA, as the sponsoring employer, previously adopted the JEA 457 Deferred Compensation Plan (“Plan”), which Plan has subsequently been amended and restated effective May 19, 2014, was thereafter amended via a Clarifying Amendment effective retroactive to June 26, 2013, was thereafter again amended via a Compliance Amendment effective retroactive to June 1, 2002 or February 25, 2013 (as applicable to each provision in the Compliance Amendment), and is currently in effect; and

**WHEREAS**, the Setting Every Community Up for Retirement Enhancement Act of 2019 Act, also known as the SECURE Act, was enacted on December 20, 2019; and

**WHEREAS**, the SECURE Act mandated certain changes to be made to retirement plans and allowed the changes to later be documented in written amendments to the governing plan documents; and

**WHEREAS**, Empower Retirement, LLC (the Plan’s current recordkeeper and third-party administrator) prepared a written amendment to the Plan to amend the technical provisions as necessary to comply with the SECURE Act and other related laws (“SECURE Act Amendment”); and

**WHEREAS**, it has been proposed that JEA approve and adopt the SECURE Act Amendment to the Plan, a copy of which is attached hereto as **Exhibit 1** and which sets forth the amended terms with respect to the changes required by the SECURE Act and other related laws; and

**WHEREAS**, the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, was enacted on March 27, 2020; and

**WHEREAS**, the CARES Act allowed retirement plans to temporarily provide plan participants with greater access to, and flexibility with respect to, their retirement plan funds, and to later amend the governing plan documents to incorporate the necessary provisions; and

**WHEREAS**, in accordance with the requirements of the CARES Act, Empower Retirement, LLC prepared a written amendment to the Plan to amend the technical provisions to reflect JEA’s prior implementation of the CARES Act provisions (“CARES Act Amendment”); and

**WHEREAS**, it has been proposed that JEA approve and adopt the CARES Act Amendment to the Plan, a copy of which is attached hereto as **Exhibit 2** and which sets forth the amended terms with respect to the CARES Act relief; and

**WHEREAS**, JEA has reviewed all documentation and is fully advised of the premises; now therefore:

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

1. The SECURE Act Amendment to the Plan, which is attached hereto as **Exhibit 1**, is hereby approved and adopted.
2. Authority is delegated to the Chief Executive Officer and Managing Director to execute the SECURE Act Amendment to the Plan, attached hereto as **Exhibit 1**.

3. The CARES Act Amendment to the Plan, which is attached hereto as **Exhibit 2**, is hereby approved and adopted.
4. Authority is delegated to the Chief Executive Officer and Managing Director to execute the CARES Act Amendment to the Plan, attached hereto as **Exhibit 2**.
5. Authority is delegated to the Chief Executive Officer and Managing Director to take such other action as is reasonably necessary to accomplish the purpose of this resolution.
6. To the extent that there are any typographical, administrative, and/or scrivener’s errors contained herein that do not change the tone, tenor, or purpose of this Resolution, then such errors may be corrected with no further action required by the JEA Board.

Dated this 29<sup>th</sup> day of August 2023.

\_\_\_\_\_  
 JEA Board Vice Chair on behalf  
 of JEA Board Chair

\_\_\_\_\_  
 JEA Board Secretary

Form Approved by

\_\_\_\_\_  
 Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	



**INTER-OFFICE MEMORANDUM**

August 29, 2023

**SUBJECT: JEA 457 DEFERRED COMPENSATION PLAN – AMENDMENTS TO PLAN DOCUMENT TO COMPLY WITH SECURE ACT AND CARES ACT**

---

**FROM:** Jay Stowe, Managing Director/CEO

---

**TO:** JEA Board of Directors

---

**BACKGROUND:**

JEA, as plan sponsor, originally established the JEA 457 Deferred Compensation Plan (“Plan”) in 2002 for the purpose of providing employees of JEA and employees of St. Johns River Power Park System (“SJRPP”) with a voluntary method of deferring taxation on compensation until death, retirement, or certain other events. Both bargaining unit and non-bargaining unit employees participate in the Plan.

The Plan also provides for JEA to make employer contributions to the Plan for a few employees who previously worked for SJRPP but now work for JEA.

Empower Retirement, LLC (“Empower Retirement”) is the current Plan recordkeeper, third-party administrator, and custodian for the participants’ Plan accounts, and provides plan document services for the Plan.

**DISCUSSION:**

The Setting Every Community Up for Retirement Enhancement Act of 2019 Act (“SECURE Act”) was enacted on December 20, 2019. The SECURE Act mandated certain changes to be made to retirement plans and allowed the changes to later be documented in written amendments to the governing plan documents. The SECURE Act also permitted certain optional changes to retirement plans; however, JEA did not implement any of the optional changes. Empower Retirement prepared a written amendment to the Plan to amend the technical provisions as necessary to comply with the SECURE Act (“SECURE Act Amendment”).

The Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) was enacted on March 27, 2020 to provide various types of relief and aid in response to the COVID-19 pandemic. The CARES Act allowed retirement plans to temporarily provide plan participants with greater access to, and flexibility with respect to, their retirement plan funds, and to later amend the governing plan documents to incorporate the necessary provisions. In accordance with the requirements of the CARES Act, Empower Retirement prepared a written amendment to the Plan to amend the technical provisions to reflect JEA’s prior implementation of the CARES Act relief.

JEA Human Resources staff, in consultation with outside counsel, has reviewed the terms of the proposed amendments to the governing Plan document, and Empower Retirement has confirmed that the terms of the proposed amendments reflect how Empower Retirement and its predecessor

(Massachusetts Mutual Life Insurance Company), implemented the provisions of the SECURE Act and the CARES Act.

Attached to this Memorandum are the following:

- Proposed Board Resolution 2023-32, titled " A RESOLUTION APPROVING AND ADOPTING PLAN AMENDMENTS FOR THE JEA 457 DEFERRED COMPENSATION PLAN TO COMPLY WITH THE SECURE ACT AND THE CARES ACT"
- Exhibit 1 – SECURE Act Amendment
- Exhibit 2 – CARES Act Amendment

Because the proposed amendments are legally-required technical amendments to conform the Plan to applicable law, which was already administratively implemented, the amendments are not subject to mandatory collective bargaining. All affected participants in the Plan, including those represented by unions, were previously notified of the Plan updates at the time of implementation.

**FISCAL IMPACT:**

The proposed Plan amendments will not result in any additional Plan benefit costs to JEA.

**RECOMMENDATION:**

That the Board approve the proposed amendments to the Plan's governing document, and authorize JEA's Managing Director and Chief Executive Officer to execute all implementing documents.

---

Jay Stowe, Managing Director/CEO

JCS/PLM

# **Exhibit 1**

INTERIM AMENDMENT for FCAA, SECURE, and BAMA

ARTICLE I  
PREAMBLE

1.1 Adoption of Amendment. The Employer identified on the execution page adopts this Amendment to implement provisions of the pension-related provisions of the Further Consolidated Appropriations Act of 2019 (“FCAA”) in general, and Division O of that Act, the Setting Every Community Up for Retirement Enhancement Act of 2019 (“SECURE”), in specific. It also addresses a provision of the Bipartisan American Miners Act (“BAMA”), which is also part of FCAA. The provisions of this Amendment shall be interpreted and applied to be consistent with FCAA and IRS guidance issued in connection therewith, whether such guidance is issued before or after the date of this amendment. Each Article specifies the effective date of its provisions.

1.2 Plan. This Amendment applies to the Plan identified on the execution page of the Amendment.

1.3 General. This Amendment supersedes the provisions of the Plan identified below to the extent those provisions are inconsistent with the provisions of this Amendment. Except as otherwise provided in this Amendment, any Article or Section reference in this Amendment refers only to this Amendment and is not a reference to the Plan. The Article and Section numbering in this Amendment is solely for purposes of this Amendment and does not relate to the Plan article, section, or other numbering designations. If the Employer restates the Plan, then this Amendment shall remain in effect after such restatement unless the provisions in this Amendment are restated or otherwise become obsolete (e.g., if the Plan is restated onto a plan document which incorporates these provisions). If the Employer previously amended the Plan after December 20, 2019 to implement a provision contained in one or more Articles of this Amendment, that prior amendment shall remain in effect and will not be superseded by this Amendment.

ARTICLE II  
ELECTIONS

2.1 Operating Elections. Articles III, V, and VI of this Amendment refer to elections appearing in this Article II. Each of Sections 2.2 through 2.4 refers to a corresponding Article. For example, Section 2.2 has the elections related to Article III. The definitions in those Articles apply to the elections in the corresponding Section of this Article II, and those elections have the same effective date as the corresponding Article. Each Section of this Article II lists the default provisions which will apply if no election is made. If you accept the default(s), there is no need to complete the Section. There are no elective provisions which apply to Articles IV and VII through IX.

2.2 Article III – Birth/Adoption Distributions. In the absence of an election below, Article III does NOT apply. To permit QBADs (Qualified Birth and Adoption Distributions), check (a). If QBADs are available, they apply to all accounts except as provided in Article III or in elections (b), (c), (d), or (e). *(Select all that apply.)*

- (a)  Article III is effective January 1, 2020 unless a later effective date is entered here: \_\_\_\_\_ . *(Enter date after December 31, 2019.)*
- (b)  QBADs may only be made from accounts in which the Participant is fully vested.
- (c)  QBADs are only available from the following accounts *(select one or more)*:
  - (1)  Pre-Tax Elective Deferrals

- (2)  Roth Elective Deferrals
- (3)  Employer contributions
- (4)  Rollover contributions
- (5)  Transferred accounts
- (6)  Describe: \_\_\_\_\_ (must be definitely determinable and not subject to discretion)
- (d)  QBADs are not available if the Participant has severed employment.
- (e)  Describe additional limitations: \_\_\_\_\_ (must be definitely determinable and not subject to discretion)

2.3 Article V – 10-Year Rule for Beneficiary RMDs. RMDs to an Eligible Designated Beneficiary of a Participant who dies prior to the Participant’s RBD will be made as elected below. In the absence of an election in Section 2.3, the Plan’s provisions about Beneficiary elections with regard to the 5-Year Rule will apply, substituting the 10-Year Rule for the 5-Year Rule.

- (a)  Beneficiary election. The Eligible Designated Beneficiary may elect application of the 10-Year Rule or the Life Expectancy rule. If the Beneficiary does not make a timely election (*Select one of (1) or (2)*):
  - (1)  10-year rule. The 10-year rule applies to the Eligible Designated Beneficiary.
  - (2)  Life Expectancy Rule. The Life Expectancy rule applies to the Eligible Designated Beneficiary.
- (b)  10-year rule. The 10-year rule applies to the Eligible Designated Beneficiary.
- (c)  Life Expectancy rule. The Life Expectancy rule applies to the Eligible Designated Beneficiary.
- (d)  Shorter Period. The entire interest of the Eligible Designated Beneficiary will be distributed no later than December 31 of the \_\_\_\_\_ (*enter a number of years, not exceeding “tenth”*) year following the year of the Participant’s death.
- (e)  Other: Although this plan is a governmental plan, the Effective Date of Article V is January 1, 2020. The Life Expectancy rule applies to the Eligible Designated Beneficiary effective as of January 1, 2020.  
(Describe, e.g., the 10-Year Rule applies to all Beneficiaries other than a surviving spouse Beneficiary.)

2.4 Article VI – In-Service Distributions. In the absence of an election below, Article VI does NOT apply. To permit in-service distributions at age 59½, check (a). Check (b) to specify an age greater than 59 ½.

- (a)  Article VI applies effective on or after the first day of the first plan year beginning after December 31, 2019, unless a different date is entered here: \_\_\_\_\_  
(Enter date on or after the first day of the first plan year beginning after December 31, 2019.)
- (b)  Age at which in-service distributions are permitted \_\_\_\_\_.

ARTICLE III  
BIRTH/ADOPTION DISTRIBUTIONS

3.1 Effective Date. This Article III is effective as the date specified in Section 2.2(a).

3.2 Distribution Authorized. Except as limited by Section 2.2(b), (c), (e), a Participant may request a distribution of up to \$5,000 (per child or Eligible Adoptee) as a QBAD. The Participant may request the distribution whether or not the Participant has severed employment unless Section 2.2(d) is selected. This \$5,000 limit shall be reduced by QBADs to the Participant made with respect to the same child or Eligible Adoptee by other plans maintained by the Employer or a related employer described in Code §414(b), (c), (m), or (o). The Administrator may adopt a policy imposing frequency limitations or other reasonable administrative conditions for QBADs.

3.3 Definitions. The following definitions apply for this Article III and Section 2.2:

(a) A “QBAD” is a Qualified Birth or Adoption Distribution described in Code §72(t)(2)(H)(iii). A QBAD must be made during the 1-year period beginning on the date on which a child of the Participant is born or on which the legal adoption of an Eligible Adoptee by the Participant is finalized.

(b) An “Eligible Adoptee” is an individual, other than a child of the Participant’s spouse, who has not attained age 18 or is physically or mentally incapable of self-support. An individual is considered physically or mentally incapable of self-support if that individual is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or to be of long-continued and indefinite duration. This provision shall be applied in a manner consistent with Part D of IRS Notice 2020-68.

3.4 Rollover. A Participant who received one or more QBADs from this Plan may, if the Plan then permits the Participant to make rollover contributions, make one or more contributions in an aggregate amount not to exceed the amount of such QBADs. The Plan will treat such a contribution as a rollover contribution made by direct trustee-to-trustee transfer within 60 days of distribution.

3.5 Reliance. The Administrator may rely on an individual’s reasonable representation that the individual is eligible to receive a QBAD unless the Administrator has actual knowledge to the contrary.

3.6 Status. A QBAD is not an eligible rollover distribution for purpose of the obligation to permit a direct rollover under Code §401(a)(31), the notice requirement of Code §402(f), or the mandatory withholding rules of Code §3405(c)(1).

#### ARTICLE IV REQUIRED BEGINNING DATE

4.1 Effective Date. This Article IV is effective with regard to RMDs required to be made after December 31, 2019, with respect to Participants who attain age 70½ after such date. For purposes of determining required minimum distributions for calendar years beginning on or after January 1, 2022 (or such later date as specified in applicable final regulations or guidance), the Administrator must apply the provisions of this Article IV consistent with proposed Treas. Reg §§1.401(a)(9)-1 through 1.401(a)(9)-9 issued on February 24, 2022 (or subsequent applicable final regulations).

4.2 Delay of Required Beginning Date. An Affected Participant’s RBD shall not be earlier than April 1 of the calendar year following the year the Affected Participant attains age 72. For purposes of determining an Affected Participant’s RBD, an Affected Participant will be treated as a more than 5%

owner if the Participant was a 5-percent owner (as defined in Code §416(i)(1)(B)) as to the Plan Year ending in the calendar year the Participant attains age 72.

4.3 Spousal Distributions. If an Affected Participant dies prior to the Participant's RBD, and the Participant's sole designated Beneficiary is the Participant's surviving spouse, then the RMDs to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 72, if later. However, this Section will apply only if the Plan, prior to this Amendment, permitted a surviving spouse to delay RMD distributions to December 31 of the calendar year in which the Participant would have attained age 70½.

4.4 Definitions. The following definitions apply for this Article IV:

- (a) A Participant is an "Affected Participant" if the Participant was born after June 30, 1949.
- (b) An "RMD" is a Required Minimum Distribution as described in Code §401(a)(9).
- (c) A Participant's "RBD" is the Participant's required beginning date as described in Code §401(a)(9)(C), as amplified by Section 4.2.

#### ARTICLE V BENEFICIARY RMDS

5.1 Effective Date. The Effective Date of this Article V is January 1, 2022. Article V applies to Participants who die on or after the Effective Date of this Article. See Section 5.4 regarding the limited application of this Article V to certain accounts of Participants who died before the Effective Date of this Article V.

5.2 Death before RBD. If the Participant dies before the Participant's RBD, the Plan will distribute or commence distribution of the Participant's Vested Account Balance not later than as follows:

- (a) No Designated Beneficiary. If there is no designated Beneficiary as of September 30 of the year following the calendar year of the Participant's death, the Beneficiary's entire interest will be distributed under the 5-Year Rule.
- (b) Eligible Designated Beneficiary. If the distributee of a Participant's account is an Eligible Designated Beneficiary, the Beneficiary's entire interest will be distributed under the Life Expectancy Rule unless the 10-Year Rule applies. The Employer may elect application of the Life Expectancy rule or the 10-Year Rule in Section 2.3. In the absence of an election in Section 2.3, the Plan's provisions with regard to election of the 5-Year Rule will apply, substituting the 10-Year Rule for the 5-Year Rule. A permitted Beneficiary election must be made no later than the earlier of December 31 of the calendar year in which distribution would be required to begin under the Life Expectancy Rule, or by December 31 of the calendar year which contains the tenth anniversary of the Participant's (or, if applicable, surviving spouse's) death.
- (c) Other Designated Beneficiaries. If the distributee of the Participant's account is a designated Beneficiary who is not an Eligible Designated Beneficiary, then the Beneficiary's entire interest will be distributed under the 10-Year Rule.

(d) 10-Year Rule. If distribution of a deceased Participant's account thereof is subject to the "10-Year Rule," then the Plan will distribute the account in full no later than December 31 of the tenth year following the year of the Participant's death. No RMDs are required to be distributed from the account prior to that date.

5.3 Death after RBD. If the Participant dies on or after the Participant's RBD, the Participant's remaining interest will be distributed at least as rapidly as under the method of distribution being used as of the date of the participant's death to the extent provided by applicable guidance. If the Beneficiary is a designated Beneficiary that is not an Eligible Designated Beneficiary, the Plan will distribute the remaining account in full no later than December 31 of the tenth year following the year of the Participant's death.

5.4 Beneficiary Death. If an Eligible Designated Beneficiary receiving distributions under the Life Expectancy Rule dies before receiving distribution of the Beneficiary's entire interest in the Participant's account, the Plan will distribute that interest in full no later than December 31 of the 10<sup>th</sup> year following the year of the Eligible Designated Beneficiary's death. Similarly, if a Participant died before the Effective Date of this Article V, and the beneficiary died after such Effective Date, but prior to receiving full distribution of the beneficiary's interest, the Plan will distribute that interest in full no later than December 31 of the tenth year following the year of the beneficiary's death.

5.5 Age of Majority. If a child of the Participant was receiving distributions under the Life Expectancy rule, when the child reaches the age of Majority, the Plan will distribute the child's account in full no later than 10 years after that date, provided the child is not otherwise an Eligible Designated Beneficiary, such as a disabled or chronically ill individual.

5.6 Definitions; operating rules. The following definitions and operating rules apply for this Article V and Section 2.3:

(a) An "RMD" is a Required Minimum Distribution as described in Code §401(a)(9).

(b) A Participant's "RBD" is the Participant's required beginning date as described in Code §401(a)(9)(C) and the Plan. Also see Section 4.2.

(c) A distributee of a Participant's account is a "designated Beneficiary" if the distributee is an individual or trust who is a beneficiary of the account (whether pursuant to a designation by the Participant or application of the Plan terms) and who is a designated beneficiary under Code §401(a)(9) and applicable regulations.

(d) An individual is an "Eligible Designated Beneficiary" of a Participant if the individual qualifies as a designated Beneficiary and is (1) the Participant's spouse, (2) the Participant's child who has not reached the age of Majority, (3) an individual not more than 10 years younger than the Participant, (4) a disabled individual, as defined in Code §72(m)(7), or (5) an individual who has been certified to be chronically ill (as defined in Code §7702B(c)(2)) for a reasonably lengthy period, or indefinitely. Certain trusts may be treated as Eligible Designated Beneficiaries pursuant to Code §401(a)(9)(H)(iv) and (v).

(e) Whether a child has reached the age of "Majority" is determined under Code §401(a)(9)(F) and applicable regulations and guidance issued thereunder.

- (f) The “Life Expectancy Rule” for distributing RMDs is described in Code §401(a)(9)(B)(iii) and is further described in the Plan.
- (g) The “5-Year Rule” for distributing RMDs is described in Code §401(a)(9)(B)(ii) and is further described in the Plan.
- (h) The “10-Year Rule” is described in Section 5.2(d).
- (i) Shorter period. Section 2.3(d) may specify a shorter period to be used in place of the tenth year after the death of a Participant or Beneficiary.
- (j) Separate share rule. All references in this Article to a Participant’s Account Balance and a Beneficiary’s interest in that account will be applied separately to each separate account determined under applicable regulations and Code §401(a)(9)(H)(iv).

#### ARTICLE VI IN-SERVICE DISTRIBUTIONS

6.1 Application. This Article VI will apply only if the Employer elects in Section 2.4 for this Article VI to apply, effective on the date specified in Section 2.4(a).

6.2 Distribution at 59½. A Participant can take an in-service distribution at age 59½, or, if later, the age (if any) specified in Section 2.4(b). Such a distribution will be limited to the vested portion of the Participant’s Account Balance and will be subject to all Plan provisions related to in-service distributions. The Plan can operationally permit distributions as early as January 1 of the calendar year the Participant attains 59½ (or such later age).

#### ARTICLE VII DISTRIBUTIONS OF DISCONTINUED LIFETIME INCOME INVESTMENTS

7.1 Application. This Article VII is effective for Plan Years beginning after December 31, 2019.

7.2 Distributions authorized. The Administrator may authorize Participants to request, and as soon as practical after a Participant makes the request, the Plan will make, a distribution of a Discontinued Lifetime Income Investment. Distribution under this Article is limited to the 90-day period prior to the date on which the Lifetime Income Investment is no longer authorized to be held as an investment option under the Plan. Such distribution will be in the form of a Qualified Distribution, or in the form of a Qualified Plan Distribution Annuity Contract, as determined by the Administrator. The Administrator will administer this section in a reasonable, nondiscriminatory manner, and may authorize distributions of some Discontinued Lifetime Income Investments and not others.

7.3 Definitions. The terms “Lifetime Income Investment,” “Qualified Distribution” and “Qualified Plan Distribution Annuity Contract” have the meanings set forth in Code §401(a)(38)(B). A “Discontinued Lifetime Income Investment” is a Lifetime Income Investment which will no longer be authorized to be held as an investment option under the Plan.

ARTICLE VIII  
UPDATED LIFE EXPECTANCY TABLES

- 8.1 Application. This Article VIII is effective for distribution calendar years beginning on or after January 1, 2022.
- 8.2 New RMD Tables. Any Plan reference to the life expectancy tables detailed in Treas. Reg. §1.401(a)(9), such as the Uniform Life Table, the Single Life Table, or the Joint and Last Survivor Table, refers to these tables as published in Treas. Reg. §1.401(a)(9)-9 from time to time, and is subject to adjustment as described in Treas. Reg. §1.401(a)(9)-9(f).

ARTICLE IX  
DIFFICULTY OF CARE PAYMENTS

- 9.1 Application. This Article IX is effective for Plan Years beginning after December 31, 2015.
- 9.2 Inclusion in 415 Compensation. The amount of a Participant's Compensation for purposes of determining the annual addition limit under Code §415(c)(1)(B) is increased by the amount of Difficulty of Care Payments the Employer makes to the Participant.
- 9.3 Definition. A "Difficulty of Care Payment" is a payment described in Code §131(c)(1) made in connection with qualified foster individuals.

JEA 457 DEFERRED COMPENSATION PLAN

*Name of Plan*

JEA

*Name of Employer*

---

*Name of Authorized Representative*

*Title*

---

*Signature*

*Date*

# **Exhibit 2**

## CARES INTERIM AMENDMENT

### ARTICLE I - PREAMBLE

- 1.1 Adoption of Amendment. The Employer identified on the execution page adopts this Amendment to implement provisions of the CARES Act as they apply to governmental Code section 457(b) plans.
- 1.2 Plan. This Amendment applies to the Plan identified on the execution page of the Amendment.
- 1.3 General. This Amendment supersedes the provisions of the Plan identified below to the extent those provisions are inconsistent with the provisions of this Amendment. Except as otherwise provided in this Amendment, any Article or Section reference in this Amendment refers only to this Amendment and is not a reference to the Plan. The Article and Section numbering in this Amendment is solely for purposes of this Amendment and does not relate to the Plan article, section, or other numbering designations. If the Employer restates the Plan, then this Amendment shall remain in effect after such restatement unless the provisions in this Amendment are restated or otherwise become obsolete (e.g., if the Plan is restated onto a plan document which incorporates these provisions). This Amendment is effective March 27, 2020 (or as soon as administratively practical thereafter).

### ARTICLE II - DEFINITIONS

- 2.1 Definitions. Except as otherwise provided in this Amendment, terms defined in the Plan will have the same meaning in this Amendment. The following definitions apply specifically to this Amendment:
- 2.2 CARES Act. The “CARES Act” is the Coronavirus Aid, Relief, and Economic Security Act. This Amendment shall be interpreted and applied to comply with the CARES Act.
- 2.3 Qualified Individual. A “Qualified Individual” means any individual who meets one or more of the criteria described in paragraphs (a), (b), (c), or (d). Participants, Alternate Payees and Beneficiaries of deceased Participants can be treated as Qualified Individuals. The Administrator may rely on an individual’s certification that the individual satisfies a condition to be a Qualified Individual unless the Administrator has actual knowledge to the contrary. In applying the criteria, “COVID-19” means either the virus SARS-CoV-2 or coronavirus disease 2019; “an approved test” means a test approved by the Centers for Disease Control and Prevention (including a test authorized under the Federal Food, Drug, and Cosmetic Act); and a “member of the individual’s household” means someone who shares the individual’s principal residence. The criteria are as follows:
- (a) The individual was diagnosed with COVID-19 by an approved test;
  - (b) The individual’s spouse or dependent (as defined in Code Section 152) was diagnosed with COVID-19 by an approved test;
  - (c) The individual has experienced adverse financial consequences because: (i) the individual or the individual’s spouse, or a member of the individual’s household was quarantined, furloughed or laid off, or had work hours reduced due to COVID-19; (ii) the individual, the individual’s spouse, or a member of the individual’s household was unable to work due to lack of childcare due to COVID-19; (iii) A business owned or operated by the individual, the individual’s spouse, or a member of the individual’s household closed or reduced hours due to COVID-19; or (iv) the individual, the individual’s spouse, or a member of the individual’s household had a

reduction in pay (or self-employment income) due to COVID-19 or had a job offer rescinded or start date for a job delayed due to COVID-19; or

- (d) The individual satisfies any other criteria determined by the Treasury or the IRS.

### ARTICLE III – CORONAVIRUS-RELATED DISTRIBUTIONS AND LOANS

3.1 Plan Accounts of Qualified Individuals. The provisions of this Article III apply with respect to all Plan sub-accounts of a Qualified Individual under the CARES Act, including but not limited to Plan sub-accounts consisting of employer match, rollover, salary deferral, Roth salary deferral, and rollover amounts, to the maximum extent permitted by applicable law.

3.2 Coronavirus-Related Distribution(s). A Qualified Individual may take one or more Coronavirus-Related Distributions. A “Coronavirus-Related Distribution” means a distribution to a Qualified Individual during the period beginning January 1, 2020 and ending December 30, 2020. The total amount of Coronavirus-Related Distributions to a Qualified Individual pursuant to this Amendment from all plans maintained by the Employer, or any related employer described in Code Section 414(b), (c), (m), or (o), shall not exceed \$100,000. The Coronavirus-Related Distributions from the Plan to a Qualified Individual will not exceed the amount of the individual’s vested account balance or the present value of the individual’s vested accrued benefit. The provisions of this Section 3.2 will apply notwithstanding any limitation in the Plan on partial distributions or any otherwise applicable Plan or administrative limits on the number of allowable distributions.

3.3 Repayment of Coronavirus-Related Distribution(s). If the Plan permits a Participant to make rollover contributions, then a Participant who received a Coronavirus-Related Distribution (from this Plan and/or another eligible retirement plan as defined in Code Section 402(c)(8)(B)) may make one or more contributions to the Plan, as rollover contributions, in an aggregate amount not to exceed the amount of such distribution at any time during the 3-year period beginning on the day after receipt of the Coronavirus-Related Distribution.

3.4 Loan Relief.

(a) Increased Loan Limit. Notwithstanding the loan limitation that otherwise would apply, the Plan will determine the loan limit under Code Section 72(p)(2)(A) for a loan to a Qualified Individual, made during the period beginning March 27, 2020 and ending September 22, 2020, by substituting “\$100,000” for “\$50,000,” and by substituting “100% of the present value of the nonforfeitable accrued benefit of the employee under the Plan” for “one-half of the present value of the nonforfeitable accrued benefit of the employee under the Plan” (or its equivalent).

(b) Extension of Loan Repayments. If a Qualified Individual has an outstanding loan from the Plan on or after March 27, 2020, then: (1) if the date for any repayment of such loan occurs during the Suspension Period, the due date is extended for the Extension Period; (2) the due date of the loan will be extended by the Extension Period; (3) the Plan will adjust any subsequent repayments to reflect the extension of the due date and any interest accrued during the Suspension Period; and (4) the Plan will disregard the Extension Period in determining the 5-year period and the loan term under Code Section 72(p)(2)(B) or (C). The Suspension Period will begin March 27, 2020 and end December 31, 2020. The Extension Period will be one year. The provisions of this Section 3.4(b) will be applied in accordance with Section 5.B. of Notice 2020-50, or any subsequent applicable guidance, and the adjustment described in (3) may reflect the “safe harbor” described therein.

ARTICLE IV – RMD WAIVERS FOR 2020

4.1 Waiver of RMDs. A Participant or Beneficiary who would have been required to receive a 2020 RMD or an Extended 2020 RMD that is scheduled to be paid in annual installments will not receive the distribution unless the Participant or Beneficiary chooses to receive the distribution. A Participant or Beneficiary who would have been required to receive an Extended 2020 RMD that is scheduled to be paid in installments more frequently than annually will receive the distribution unless the Participant or Beneficiary chooses not to receive the distribution. The deadline for a Participant or Beneficiary of a deceased Participant to make the election to use the 5-year rule or the life expectancy rule may be extended to reflect the adoption of Code Section 401(a)(9)(I). If Code Section 401(a)(9)(B)(ii) applies, the five-year period described in such provision shall be determined without regard to the 2020 calendar year.

4.2 Direct Rollovers. Notwithstanding the provisions of the Plan relating to required minimum distributions under Code Section 401(a)(9), and solely for purposes of applying the direct rollover provisions of the Plan, a direct rollover will be offered only for distributions that would be eligible rollover distributions without regard to Code Section 401(a)(9)(I).

4.3 Definitions. “RMDs” means required minimum distributions described in Code Section 401(a)(9). “2020 RMDs” means required minimum distributions the Plan would have been required to distribute in 2020 (or permitted to pay in 2021 for the 2020 calendar year for a Participant with a required beginning date of April 1, 2021) but for the enactment of Code Section 401(a)(9)(I). “Extended 2020 RMDs” means one or more payments in a series of substantially equal distributions (that include the 2020 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant’s designated Beneficiary, or for a period of at least 10 years.

4.4 Installment Payments. A Participant or Beneficiary receiving payment of 2020 RMDs or 2020 Extended RMDs pursuant to this Article IV may receive them in any method (including installments or partial distributions) which would have been permitted under the terms of the Plan if the amounts would have been RMDs but for the enactment of Code Section 401(a)(9)(I).

JEA 457 DEFERRED COMPENSATION PLAN

*Name of Plan*

JEA

*Name of Employer*

\_\_\_\_\_  
*Name of Authorized Representative*

\_\_\_\_\_  
*Title*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date*



# Monthly Financial Statements

## July 2023

Monthly Financial Statements

July 2023

Index

	Page
Statements of Net Position - Assets and Deferred Outflows of Resources	2
Statements of Net Position - Liabilities, Deferred Inflows of Resources, and Net Position	3
Statements of Revenues, Expenses and Changes in Net Position	4
Statement of Cash Flow	5
Combining Statement of Net Position - Assets and Deferred Outflows of Resources Current Year	6
Combining Statement of Net Position - Liabilities, Deferred Inflows of Resources, and Net Position Current Year	7
Combining Statement of Net Position - Assets and Deferred Outflows of Resources Prior Year	8
Combining Statement of Net Position - Liabilities, Deferred Inflows of Resources, and Net Position Prior Year	9
Combining Statements of Revenues, Expenses, and Changes in Net Position - Current Month	10
Combining Statements of Revenues, Expenses, and Changes in Net Position - Prior Month	11
Combining Statements of Revenues, Expenses, and Changes in Net Position - Current Year-to-Date	12
Combining Statements of Revenues, Expenses, and Changes in Net Position - Prior Year-to-Date	13
Combining Statements of Cash Flow - Current Year	14
Combining Statements of Cash Flow - Prior Year	15
Debt Service Coverage	16
Operating Statistics - Electric System	17
Operating Statistics - Water and Sewer	18
<hr/>	
<u>Appendix</u>	19
Schedules of Cash and Investments	20
Investment Portfolio - All Funds	21
Schedule of Outstanding Indebtedness	22
Interest Rate Swap Position Report	23
Production Statistics - Electric System	24
Electric Revenues and Expenses for the Month - Budget versus Actual	26
Electric Revenues and Expenses Year-to-Date - Budget versus Actual	27
Water and Sewer Revenues and Expenses for the Month - Budget versus Actual	28
District Energy System for the Month - Budget versus Actual	29

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

Page 2

	<b>July 2023</b>		<b>September 2022</b>
	<b>(unaudited)</b>		
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 264,298	\$	245,337
Investments	96,989		278
Customer accounts receivable, net of allowance (\$1,566 and \$679, respectively)	259,954		314,362
Inventories:			
Materials and supplies	102,409		67,064
Fuel	47,860		52,483
Prepaid assets	10,232		31,774
Other current assets	18,432		22,987
Total current assets	<u>800,174</u>		<u>734,285</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	46,937		275,353
Investments	345,645		306,650
Other restricted assets	993		215
Total restricted assets	<u>393,575</u>		<u>582,218</u>
Costs to be recovered from future revenues	790,443		814,161
Hedging derivative instruments	98,393		267,807
Other assets	60,415		60,137
Total noncurrent assets	<u>1,342,826</u>		<u>1,724,323</u>
Capital assets:			
Land and easements	224,008		218,244
Plant in service	13,066,503		12,670,690
Less accumulated depreciation	(8,324,577)		(7,995,820)
Plant in service, net	<u>4,965,934</u>		<u>4,893,114</u>
Construction work in progress	709,767		571,383
Net capital assets	<u>5,675,701</u>		<u>5,464,497</u>
Total assets	<u>7,818,701</u>		<u>7,923,105</u>
<b>Deferred outflows of resources</b>			
Unrealized pension contributions and losses	131,651		131,651
Accumulated decrease in fair value of hedging derivatives	55,215		39,582
Unamortized deferred losses on refundings	74,589		80,372
Unrealized asset retirement obligations	36,525		42,931
Unrealized OPEB contributions and losses	11,029		11,029
Total deferred outflows of resources	<u>309,009</u>		<u>305,565</u>
Total assets and deferred outflows of resources	<u>\$ 8,127,710</u>	\$	<u>8,228,670</u>

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

Page 3

	<b>July 2023</b>	
	<b>(unaudited)</b>	<b>September 2022</b>
<b>Liabilities</b>		
Current liabilities:		
Accounts and accrued expenses payable	\$ 79,077	\$ 117,105
Customer deposits and prepayments	87,458	89,690
Billings on behalf of state and local governments	28,574	33,764
Compensation and benefits payable	16,731	14,306
City of Jacksonville payable	10,363	10,245
Asset retirement obligations	2,412	2,254
Total current liabilities	<u>224,615</u>	<u>267,364</u>
Current liabilities payable from restricted assets:		
Debt due within one year	89,375	74,070
Interest payable	32,727	48,950
Construction contracts and accounts payable	61,710	90,627
Renewal and replacement reserve	4,195	4,252
Total current liabilities payable from restricted assets	<u>188,007</u>	<u>217,899</u>
Noncurrent liabilities:		
Long-term debt:		
Debt payable, less current portion	2,658,510	2,659,885
Unamortized premium, net	153,212	171,753
Fair value of debt management strategy instruments	35,649	38,231
Total long-term debt	<u>2,847,371</u>	<u>2,869,869</u>
Net pension liability	646,112	646,112
Asset retirement obligations	34,113	40,677
Compensation and benefits payable	39,012	34,726
Net OPEB liability	1,722	1,642
Other liabilities	37,106	18,701
Total noncurrent liabilities	<u>3,605,436</u>	<u>3,611,727</u>
Total liabilities	<u>4,018,058</u>	<u>4,096,990</u>
<b>Deferred inflows of resources</b>		
Revenues to be used for future costs	249,086	141,722
Accumulated increase in fair value of hedging derivatives	98,393	267,807
Unrealized OPEB gains	18,599	18,599
Unrealized pension gains	118,660	118,660
Total deferred inflows of resources	<u>484,738</u>	<u>546,788</u>
<b>Net position</b>		
Net investment in capital assets	3,046,347	2,830,411
Restricted for:		
Capital projects	174,740	347,929
Debt service	75,745	73,635
Other purposes	(6,245)	2,473
Unrestricted	334,327	330,444
Total net position	<u>3,624,914</u>	<u>3,584,892</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 8,127,710</u>	<u>\$ 8,228,670</u>

JEA

Page 4

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

	Month July		Year-to-Date July	
	2023	2022	2023	2022
<b>Operating revenues</b>				
Electric - base	\$ 91,387	\$ 89,811	\$ 572,218	\$ 712,477
Electric - fuel and purchased power	53,446	77,685	494,392	484,855
Water and sewer	40,793	40,123	429,772	403,534
District energy system	1,216	867	9,513	6,602
Other operating revenues	2,601	3,409	30,417	34,987
Total operating revenues	189,443	211,895	1,536,312	1,642,455
<b>Operating expenses</b>				
Operations and maintenance:				
Maintenance and other operating expenses	42,093	35,017	389,352	365,393
Fuel	40,731	51,280	369,276	369,363
Purchased power	35,980	37,545	215,273	218,079
Depreciation	37,212	32,187	354,885	435,470
State utility and franchise taxes	7,465	8,449	67,923	64,163
Recognition of deferred costs and revenues, net	(4,383)	2,580	34,071	(21,439)
Total operating expenses	159,098	167,058	1,430,780	1,431,029
Operating income	30,345	44,837	105,532	211,426
<b>Nonoperating revenues (expenses)</b>				
Interest on debt	(8,979)	(8,755)	(89,938)	(93,523)
Earnings from The Energy Authority	3,371	3,247	17,826	24,935
Allowance for funds used during construction	2,527	1,438	20,090	10,483
Other nonoperating income, net	541	557	5,438	5,487
Investment income	1,520	903	23,476	(6,574)
Other interest, net	(840)	(89)	(3,772)	(1,183)
Total nonoperating expenses, net	(1,860)	(2,699)	(26,880)	(60,375)
Income before contributions	28,485	42,138	78,652	151,051
<b>Contributions (to) from</b>				
General Fund, City of Jacksonville, Florida	(10,202)	(10,101)	(102,020)	(101,010)
Developers and other	12,330	6,473	134,972	89,428
Reduction of plant cost through contributions	(7,862)	(3,125)	(82,717)	(51,571)
Total contributions, net	(5,734)	(6,753)	(49,765)	(63,153)
<b>Special item</b>				
	-	-	11,135	100,000
Change in net position	22,751	35,385	40,022	187,898
Net position, beginning of period	3,602,163	3,619,967	3,584,892	3,467,454
Net position, end of period	\$3,624,914	\$3,655,352	\$3,624,914	\$3,655,352

JEA

Page 5

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

	Year-to-Date	
	July	
	2023	2022
<b>Operating activities</b>		
Receipts from customers	\$ 1,657,150	\$ 1,499,136
Payments to suppliers	(830,084)	(749,708)
Payments for salaries and benefits	(241,494)	(222,988)
Other operating activities	37,829	125,104
Net cash provided by operating activities	<u>623,401</u>	<u>651,544</u>
<b>Noncapital and related financing activities</b>		
Contribution to General Fund, City of Jacksonville, Florida	(101,918)	(100,910)
Net cash used in noncapital and related financing activities	<u>(101,918)</u>	<u>(100,910)</u>
<b>Capital and related financing activities</b>		
Acquisition and construction of capital assets	(586,423)	(347,739)
Defeasance of debt	-	(74,885)
Interest paid on debt	(118,341)	(121,035)
Repayment of debt principal	(74,070)	(91,535)
Capital contributions	52,256	37,857
Revolving credit agreement withdrawals	88,000	3,000
Other capital financing activities	4,365	5,597
Net cash used in capital and related financing activities	<u>(634,213)</u>	<u>(588,740)</u>
<b>Investing activities</b>		
Proceeds from sale and maturity of investments	354,738	262,531
Purchase of investments	(486,032)	(443,503)
Distributions from The Energy Authority	16,955	11,621
Investment income	17,614	4,116
Net cash used in investing activities	<u>(96,725)</u>	<u>(165,235)</u>
Net change in cash and cash equivalents	(209,455)	(203,341)
Cash and cash equivalents at beginning of year	520,690	713,113
Cash and cash equivalents at end of period	<u>\$ 311,235</u>	<u>\$ 509,772</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>		
Operating income	\$ 105,532	\$ 211,426
Adjustments:		
Depreciation and amortization	354,885	435,745
Recognition of deferred costs and revenues, net	34,071	(21,439)
Other nonoperating income, net	7,348	98,849
Changes in noncash assets and noncash liabilities:		
Accounts receivable	54,407	(77,310)
Inventories	(30,722)	(13,298)
Other assets	30,833	(32,350)
Accounts and accrued expenses payable	(42,846)	107,146
Current liabilities payable from restricted assets	(1,075)	(6,503)
Other noncurrent liabilities and deferred inflows	110,968	(50,722)
Net cash provided by operating activities	<u>\$ 623,401</u>	<u>\$ 651,544</u>
<b>Noncash activity</b>		
Contribution of capital assets from developers	\$ 82,717	\$ 51,571
Unrealized investment fair market value changes, net	\$ 4,411	\$ (11,174)

**JEA**  
**Combining Statement of Net Position**  
**(in thousands - unaudited) July 2023**

	<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	\$ 232,115	\$ 2,960	\$ -	\$ 235,075	27,808	\$ 1,415	\$ 264,298
Investments	96,096	893	-	96,989	-	-	96,989
Customer accounts receivable, net of allowance (\$1,566)	201,984	-	-	201,984	57,269	701	259,954
Inventories:							
Materials and supplies	2,306	-	-	2,306	100,103	-	102,409
Fuel	47,860	-	-	47,860	-	-	47,860
Prepaid assets	9,874	14	-	9,888	340	4	10,232
Other current assets	8,957	160	(692)	8,425	10,007	-	18,432
<b>Total current assets</b>	<b>599,192</b>	<b>4,027</b>	<b>(692)</b>	<b>602,527</b>	<b>195,527</b>	<b>2,120</b>	<b>800,174</b>
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	-	19,362	-	19,362	24,746	2,829	46,937
Investments	244,482	3,312	-	247,794	97,851	-	345,645
Other restricted assets	978	15	-	993	-	-	993
<b>Total restricted assets</b>	<b>245,460</b>	<b>22,689</b>	<b>-</b>	<b>268,149</b>	<b>122,597</b>	<b>2,829</b>	<b>393,575</b>
Costs to be recovered from future revenues	423,109	73,144	-	496,253	293,869	321	790,443
Hedging derivative instruments	98,393	-	-	98,393	-	-	98,393
Other assets	33,975	30,225	(3,812)	60,388	27	-	60,415
<b>Total noncurrent assets</b>	<b>800,937</b>	<b>126,058</b>	<b>(3,812)</b>	<b>923,183</b>	<b>416,493</b>	<b>3,150</b>	<b>1,342,826</b>
Capital assets:							
Land and easements	132,817	6,660	-	139,477	81,480	3,051	224,008
Plant in service	6,347,483	1,316,043	-	7,663,526	5,327,192	75,785	13,066,503
Less accumulated depreciation	(4,139,771)	(1,314,540)	-	(5,454,311)	(2,833,483)	(36,783)	(8,324,577)
Plant in service, net	2,340,529	8,163	-	2,348,692	2,575,189	42,053	4,965,934
Construction work in progress	147,460	-	-	147,460	561,495	812	709,767
Net capital assets	2,487,989	8,163	-	2,496,152	3,136,684	42,865	5,675,701
<b>Total assets</b>	<b>3,888,118</b>	<b>138,248</b>	<b>(4,504)</b>	<b>4,021,862</b>	<b>3,748,704</b>	<b>48,135</b>	<b>7,818,701</b>
<b>Deferred outflows of resources</b>							
Unrealized pension contributions and losses	71,715	10,100	-	81,815	49,836	-	131,651
Accumulated decrease in fair value of hedging derivatives	48,419	-	-	48,419	6,796	-	55,215
Unamortized deferred losses on refundings	41,897	1,035	-	42,932	31,522	135	74,589
Unrealized asset retirement obligations	36,497	28	-	36,525	-	-	36,525
Unrealized OPEB contributions and losses	6,507	-	-	6,507	4,522	-	11,029
<b>Total deferred outflows of resources</b>	<b>205,035</b>	<b>11,163</b>	<b>-</b>	<b>216,198</b>	<b>92,676</b>	<b>135</b>	<b>309,009</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 4,093,153</b>	<b>\$ 149,411</b>	<b>\$ (4,504)</b>	<b>\$ 4,238,060</b>	<b>\$ 3,841,380</b>	<b>\$ 48,270</b>	<b>\$ 8,127,710</b>

JEA

Page 7

**Combining Statement of Net Position  
(in thousands - unaudited) July 2023**

	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:							
Accounts and accrued expenses payable	\$ 67,731	\$ 76	\$ (76)	\$ 67,731	\$ 11,278	\$ 68	\$ 79,077
Customer deposits and prepayments	60,304	-	-	60,304	27,154	-	87,458
Billings on behalf of state and local governments	24,552	-	-	24,552	4,022	-	28,574
Compensation and benefits payable	12,008	-	-	12,008	4,685	38	16,731
City of Jacksonville payable	8,100	-	-	8,100	2,263	-	10,363
Asset retirement obligations	2,384	28	-	2,412	-	-	2,412
<b>Total current liabilities</b>	<b>175,079</b>	<b>104</b>	<b>(76)</b>	<b>175,107</b>	<b>49,402</b>	<b>106</b>	<b>224,615</b>
Current liabilities payable from restricted assets:							
Debt due within one year	19,275	15,865	-	35,140	52,365	1,870	89,375
Interest payable	15,579	1,147	-	16,726	15,561	440	32,727
Construction contracts and accounts payable	8,446	653	(616)	8,483	52,917	310	61,710
Renewal and replacement reserve	-	4,195	-	4,195	-	-	4,195
<b>Total current liabilities payable from restricted assets</b>	<b>43,300</b>	<b>21,860</b>	<b>(616)</b>	<b>64,544</b>	<b>120,843</b>	<b>2,620</b>	<b>188,007</b>
Noncurrent liabilities:							
Long-term debt:							
Debt payable, less current portion	1,330,015	76,850	-	1,406,865	1,214,690	36,955	2,658,510
Unamortized premium (discount), net	81,558	(14)	-	81,544	71,678	(10)	153,212
Fair value of debt management strategy instruments	28,853	-	-	28,853	6,796	-	35,649
<b>Total long-term debt</b>	<b>1,440,426</b>	<b>76,836</b>	<b>-</b>	<b>1,517,262</b>	<b>1,293,164</b>	<b>36,945</b>	<b>2,847,371</b>
Net pension liability	381,206	-	-	381,206	264,906	-	646,112
Asset retirement obligations	34,113	-	-	34,113	-	-	34,113
Compensation and benefits payable	27,883	-	-	27,883	11,062	67	39,012
Net OPEB liability	1,014	-	-	1,014	708	-	1,722
Other liabilities	37,106	3,812	(3,812)	37,106	-	-	37,106
<b>Total noncurrent liabilities</b>	<b>1,921,748</b>	<b>80,648</b>	<b>(3,812)</b>	<b>1,998,584</b>	<b>1,569,840</b>	<b>37,012</b>	<b>3,605,436</b>
<b>Total liabilities</b>	<b>2,140,127</b>	<b>102,612</b>	<b>(4,504)</b>	<b>2,238,235</b>	<b>1,740,085</b>	<b>39,738</b>	<b>4,018,058</b>
<b>Deferred inflows of resources</b>							
Revenues to be used for future costs	228,036	16,931	-	244,967	4,119	-	249,086
Accumulated increase in fair value of hedging derivatives	98,393	-	-	98,393	-	-	98,393
Unrealized OPEB gains	10,973	-	-	10,973	7,626	-	18,599
Unrealized pension gains	58,457	19,581	-	78,038	40,622	-	118,660
<b>Total deferred inflows of resources</b>	<b>395,859</b>	<b>36,512</b>	<b>-</b>	<b>432,371</b>	<b>52,367</b>	<b>-</b>	<b>484,738</b>
<b>Net position</b>							
Net investment in (divestment of) capital assets	1,182,530	(7,627)	-	1,174,903	1,867,247	4,197	3,046,347
Restricted for:							
Capital projects	165,681	-	-	165,681	8,228	831	174,740
Debt service	15,918	13,384	-	29,302	44,885	1,558	75,745
Other purposes	(5,070)	578	616	(3,876)	(2,369)	-	(6,245)
Unrestricted	198,108	3,952	(616)	201,444	130,937	1,946	334,327
<b>Total net position</b>	<b>1,557,167</b>	<b>10,287</b>	<b>-</b>	<b>1,567,454</b>	<b>2,048,928</b>	<b>8,532</b>	<b>3,624,914</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 4,093,153</b>	<b>\$ 149,411</b>	<b>\$ (4,504)</b>	<b>\$ 4,238,060</b>	<b>\$ 3,841,380</b>	<b>\$ 48,270</b>	<b>\$ 8,127,710</b>

JEA

Page 8

**Combining Statement of Net Position  
(in thousands) September 2022**

	<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	\$ 173,076	\$ 3,031	\$ -	\$ 176,107	\$ 67,889	\$ 1,341	\$ 245,337
Investments	-	278	-	278	-	-	278
Customer accounts receivable, net of allowance (\$679)	257,894	-	-	257,894	56,145	323	314,362
Inventories:							
Materials and supplies	2,342	-	-	2,342	64,722	-	67,064
Fuel	52,483	-	-	52,483	-	-	52,483
Prepaid assets	31,385	1	-	31,386	382	6	31,774
Other current assets	18,418	3	(372)	18,049	4,938	-	22,987
<b>Total current assets</b>	<b>535,598</b>	<b>3,313</b>	<b>(372)</b>	<b>538,539</b>	<b>194,076</b>	<b>1,670</b>	<b>734,285</b>
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	154,657	21,833	-	176,490	95,393	3,470	275,353
Investments	193,653	3,811	-	197,464	109,186	-	306,650
Other restricted assets	-	40	-	40	175	-	215
<b>Total restricted assets</b>	<b>348,310</b>	<b>25,684</b>	<b>-</b>	<b>373,994</b>	<b>204,754</b>	<b>3,470</b>	<b>582,218</b>
Costs to be recovered from future revenues	428,479	85,968	-	514,447	299,544	170	814,161
Hedging derivative instruments	267,807	-	-	267,807	-	-	267,807
Other assets	33,689	31,178	(4,765)	60,102	35	-	60,137
<b>Total noncurrent assets</b>	<b>1,078,285</b>	<b>142,830</b>	<b>(4,765)</b>	<b>1,216,350</b>	<b>504,333</b>	<b>3,640</b>	<b>1,724,323</b>
Capital assets:							
Land and easements	127,100	6,660	-	133,760	81,433	3,051	218,244
Plant in service	6,135,345	1,316,043	-	7,451,388	5,154,090	65,212	12,670,690
Less accumulated depreciation	(3,960,409)	(1,314,198)	-	(5,274,607)	(2,686,812)	(34,401)	(7,995,820)
Plant in service, net	2,302,036	8,505	-	2,310,541	2,548,711	33,862	4,893,114
Construction work in progress	169,195	-	-	169,195	398,824	3,364	571,383
Net capital assets	2,471,231	8,505	-	2,479,736	2,947,535	37,226	5,464,497
<b>Total assets</b>	<b>4,085,114</b>	<b>154,648</b>	<b>(5,137)</b>	<b>4,234,625</b>	<b>3,645,944</b>	<b>42,536</b>	<b>7,923,105</b>
<b>Deferred outflows of resources</b>							
Unrealized pension contributions and losses	71,715	10,100	-	81,815	49,836	-	131,651
Accumulated decrease in fair value of hedging derivative	32,855	-	-	32,855	6,727	-	39,582
Unamortized deferred losses on refundings	45,710	1,227	-	46,937	33,290	145	80,372
Unrealized asset retirement obligations	42,879	52	-	42,931	-	-	42,931
Unrealized OPEB contributions and losses	6,507	-	-	6,507	4,522	-	11,029
Total deferred outflows of resources	199,666	11,379	-	211,045	94,375	145	305,565
<b>Total assets and deferred outflows of resources</b>	<b>\$ 4,284,780</b>	<b>\$ 166,027</b>	<b>\$ (5,137)</b>	<b>\$ 4,445,670</b>	<b>\$ 3,740,319</b>	<b>\$ 42,681</b>	<b>\$ 8,228,670</b>

JEA

Page 9

**Combining Statement of Net Position  
(in thousands) September 2022**

	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:							
Accounts and accrued expenses payable	\$ 105,033	\$ 281	\$ -	\$ 105,314	\$ 11,717	\$ 74	\$ 117,105
Customer deposits and prepayments	57,113	-	-	57,113	32,577	-	89,690
Billings on behalf of state and local governments	29,873	2	-	29,875	3,889	-	33,764
Compensation and benefits payable	10,573	-	-	10,573	3,706	27	14,306
City of Jacksonville payable	8,008	-	-	8,008	2,237	-	10,245
Asset retirement obligations	2,202	52	-	2,254	-	-	2,254
<b>Total current liabilities</b>	<b>212,802</b>	<b>335</b>	<b>-</b>	<b>213,137</b>	<b>54,126</b>	<b>101</b>	<b>267,364</b>
Current liabilities payable from restricted assets:							
Debt due within one year	47,120	15,285	-	62,405	9,850	1,815	74,070
Interest payable	23,504	2,029	-	25,533	22,811	606	48,950
Construction contracts and accounts payable	15,783	1,670	(372)	17,081	70,563	2,983	90,627
Renewal and replacement reserve	-	4,252	-	4,252	-	-	4,252
<b>Total current liabilities payable from restricted assets</b>	<b>86,407</b>	<b>23,236</b>	<b>(372)</b>	<b>109,271</b>	<b>103,224</b>	<b>5,404</b>	<b>217,899</b>
Noncurrent liabilities:							
Long-term debt:							
Debt payable, less current portion	1,349,290	92,715	-	1,442,005	1,187,055	30,825	2,659,885
Unamortized premium (discount), net	89,763	123	-	89,886	81,882	(15)	171,753
Fair value of debt management strategy instruments	31,504	-	-	31,504	6,727	-	38,231
<b>Total long-term debt</b>	<b>1,470,557</b>	<b>92,838</b>	<b>-</b>	<b>1,563,395</b>	<b>1,275,664</b>	<b>30,810</b>	<b>2,869,869</b>
Net pension liability	381,206	-	-	381,206	264,906	-	646,112
Asset retirement obligations	40,677	-	-	40,677	-	-	40,677
Compensation and benefits payable	24,725	-	-	24,725	9,907	94	34,726
Net OPEB liability	969	-	-	969	673	-	1,642
Other liabilities	18,701	4,765	(4,765)	18,701	-	-	18,701
<b>Total noncurrent liabilities</b>	<b>1,936,835</b>	<b>97,603</b>	<b>(4,765)</b>	<b>2,029,673</b>	<b>1,551,150</b>	<b>30,904</b>	<b>3,611,727</b>
<b>Total liabilities</b>	<b>2,236,044</b>	<b>121,174</b>	<b>(5,137)</b>	<b>2,352,081</b>	<b>1,708,500</b>	<b>36,409</b>	<b>4,096,990</b>
<b>Deferred inflows of resources</b>							
Revenues to be used for future costs	98,697	16,931	-	115,628	26,094	-	141,722
Accumulated increase in fair value of hedging derivatives	267,807	-	-	267,807	-	-	267,807
Unrealized OPEB gains	10,973	-	-	10,973	7,626	-	18,599
Unrealized pension gains	58,457	19,581	-	78,038	40,622	-	118,660
<b>Total deferred inflows of resources</b>	<b>435,934</b>	<b>36,512</b>	<b>-</b>	<b>472,446</b>	<b>74,342</b>	<b>-</b>	<b>546,788</b>
<b>Net position</b>							
Net investment in (divestment of) capital assets	1,110,851	(10,215)	-	1,100,636	1,727,842	1,933	2,830,411
Restricted for:							
Capital projects	233,129	-	-	233,129	113,751	1,049	347,929
Debt service	46,386	15,321	-	61,707	10,113	1,815	73,635
Other purposes	-	203	372	575	1,898	-	2,473
Unrestricted	222,436	3,032	(372)	225,096	103,873	1,475	330,444
<b>Total net position</b>	<b>1,612,802</b>	<b>8,341</b>	<b>-</b>	<b>1,621,143</b>	<b>1,957,477</b>	<b>6,272</b>	<b>3,584,892</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 4,284,780</b>	<b>\$ 166,027</b>	<b>\$ (5,137)</b>	<b>\$ 4,445,670</b>	<b>\$ 3,740,319</b>	<b>\$ 42,681</b>	<b>\$ 8,228,670</b>

JEA

Page 10

**Combining Statement of Revenues, Expenses, and Changes in Net Position  
(in thousands - unaudited) for the month ended July 2023**

	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	\$ 92,563	\$ -	\$ -	\$ 92,563	\$ -	\$ -	\$ (1,176)	\$ 91,387
Electric - fuel and purchased power	54,302	1,730	(1,730)	54,302	-	-	(856)	53,446
Water and sewer	-	-	-	-	40,864	-	(71)	40,793
District energy system	-	-	-	-	-	1,297	(81)	1,216
Other operating revenues	1,599	-	-	1,599	1,584	7	(589)	2,601
Total operating revenues	148,464	1,730	(1,730)	148,464	42,448	1,304	(2,773)	189,443
<b>Operating expenses</b>								
Operations and maintenance:								
Maintenance and other operating expenses	25,390	153	-	25,543	18,769	554	(2,773)	42,093
Fuel	40,731	-	-	40,731	-	-	-	40,731
Purchased power	37,710	-	(1,730)	35,980	-	-	-	35,980
Depreciation	19,456	35	-	19,491	17,463	258	-	37,212
State utility and franchise taxes	6,498	-	-	6,498	967	-	-	7,465
Recognition of deferred costs and revenues, net	(2,823)	1,271	-	(1,552)	(2,831)	-	-	(4,383)
Total operating expenses	126,962	1,459	(1,730)	126,691	34,368	812	(2,773)	159,098
Operating income	21,502	271	-	21,773	8,080	492	-	30,345
<b>Nonoperating revenues (expenses)</b>								
Interest on debt	(4,709)	(303)	-	(5,012)	(3,810)	(157)	-	(8,979)
Earnings from The Energy Authority	3,371	-	-	3,371	-	-	-	3,371
Allowance for funds used during construction	511	-	-	511	2,014	2	-	2,527
Other nonoperating income, net	319	19	-	338	203	-	-	541
Investment income	1,049	70	-	1,119	384	17	-	1,520
Other interest, net	(705)	-	-	(705)	(135)	-	-	(840)
Total nonoperating expenses, net	(164)	(214)	-	(378)	(1,344)	(138)	-	(1,860)
Income before contributions	21,338	57	-	21,395	6,736	354	-	28,485
<b>Contributions (to) from</b>								
General Fund, City of Jacksonville, Florida	(7,958)	-	-	(7,958)	(2,244)	-	-	(10,202)
Developers and other	361	-	-	361	11,969	-	-	12,330
Reduction of plant cost through contributions	(361)	-	-	(361)	(7,501)	-	-	(7,862)
Total contributions, net	(7,958)	-	-	(7,958)	2,224	-	-	(5,734)
Change in net position	13,380	57	-	13,437	8,960	354	-	22,751
Net position, beginning of period	1,543,787	10,230	-	1,554,017	2,039,968	8,178	-	3,602,163
Net position, end of period	\$ 1,557,167	\$ 10,287	\$ -	\$ 1,567,454	\$ 2,048,928	\$ 8,532	\$ -	\$ 3,624,914

JEA

Page 11

**Combining Statement of Revenues, Expenses, and Changes in Net Position  
(in thousands - unaudited) for the month ended July 2022**

	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	\$ 90,608	\$ -	\$ -	\$ 90,608	\$ -	\$ -	\$ (797)	\$ 89,811
Electric - fuel and purchased power	78,893	2,123	(2,123)	78,893	-	-	(1,208)	77,685
Water and sewer	-	-	-	-	40,168	-	(45)	40,123
District energy system	-	-	-	-	-	929	(62)	867
Other operating revenues	2,250	-	-	2,250	1,425	1	(267)	3,409
Total operating revenues	171,751	2,123	(2,123)	171,751	41,593	930	(2,379)	211,895
<b>Operating expenses</b>								
Operations and maintenance:								
Maintenance and other operating expenses	19,937	991	-	20,928	15,899	569	(2,379)	35,017
Fuel	51,280	-	-	51,280	-	-	-	51,280
Purchased power	39,668	-	(2,123)	37,545	-	-	-	37,545
Depreciation	17,749	35	-	17,784	14,187	216	-	32,187
State utility and franchise taxes	7,495	-	-	7,495	954	-	-	8,449
Recognition of deferred costs and revenues, net	(875)	1,239	-	364	2,216	-	-	2,580
Total operating expenses	135,254	2,265	(2,123)	135,396	33,256	785	(2,379)	167,058
Operating income	36,497	(142)	-	36,355	8,337	145	-	44,837
<b>Nonoperating revenues (expenses)</b>								
Interest on debt	(4,648)	(695)	-	(5,343)	(3,303)	(109)	-	(8,755)
Earnings from The Energy Authority	3,247	-	-	3,247	-	-	-	3,247
Allowance for funds used during construction	420	-	-	420	1,004	14	-	1,438
Other nonoperating income, net	332	22	-	354	203	-	-	557
Investment income	397	101	-	498	401	4	-	903
Other interest, net	(105)	-	-	(105)	16	-	-	(89)
Total nonoperating expenses, net	(357)	(572)	-	(929)	(1,679)	(91)	-	(2,699)
Income before contributions	36,140	(714)	-	35,426	6,658	54	-	42,138
<b>Contributions (to) from</b>								
General Fund, City of Jacksonville, Florida	(7,879)	-	-	(7,879)	(2,222)	-	-	(10,101)
Developers and other	943	-	-	943	5,530	-	-	6,473
Reduction of plant cost through contributions	(943)	-	-	(943)	(2,182)	-	-	(3,125)
Total contributions, net	(7,879)	-	-	(7,879)	1,126	-	-	(6,753)
Change in net position	28,261	(714)	-	27,547	7,784	54	-	35,385
Net position, beginning of period	1,609,347	54,662	-	1,664,009	1,949,796	6,162	-	3,619,967
Net position, end of period	\$ 1,637,608	\$ 53,948	\$ -	\$ 1,691,556	\$ 1,957,580	\$ 6,216	\$ -	\$ 3,655,352

JEA

Page 12

**Combining Statement of Revenues, Expenses, and Changes in Net Position  
(in thousands - unaudited) for the ten months ended July 2023**

	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	\$ 580,233	\$ -	\$ -	\$ 580,233	\$ -	\$ -	\$ (8,015)	\$ 572,218
Electric - fuel and purchased power	504,968	17,616	(17,616)	504,968	-	-	(10,576)	494,392
Water and sewer	-	-	-	-	430,175	-	(403)	429,772
District energy system	-	-	-	-	-	10,174	(661)	9,513
Other operating revenues	20,226	-	-	20,226	14,975	7	(4,791)	30,417
Total operating revenues	1,105,427	17,616	(17,616)	1,105,427	445,150	10,181	(24,446)	1,536,312
<b>Operating expenses</b>								
Operations and maintenance:								
Maintenance and other operating expenses	228,063	168	-	228,231	181,167	4,400	(24,446)	389,352
Fuel	369,276	-	-	369,276	-	-	-	369,276
Purchased power	232,889	-	(17,616)	215,273	-	-	-	215,273
Depreciation	183,497	342	-	183,839	168,664	2,382	-	354,885
State utility and franchise taxes	58,565	-	-	58,565	9,358	-	-	67,923
Recognition of deferred costs and revenues, net	9,761	12,715	-	22,476	11,595	-	-	34,071
Total operating expenses	1,082,051	13,225	(17,616)	1,077,660	370,784	6,782	(24,446)	1,430,780
Operating income	23,376	4,391	-	27,767	74,366	3,399	-	105,532
<b>Nonoperating revenues (expenses)</b>								
Interest on debt	(48,872)	(3,031)	-	(51,903)	(36,685)	(1,350)	-	(89,938)
Earnings from The Energy Authority	17,826	-	-	17,826	-	-	-	17,826
Allowance for funds used during construction	4,334	-	-	4,334	15,605	151	-	20,090
Other nonoperating income, net	3,218	190	-	3,408	2,030	-	-	5,438
Investment income	16,230	396	-	16,626	6,790	60	-	23,476
Other interest, net	(3,306)	-	-	(3,306)	(466)	-	-	(3,772)
Total nonoperating expenses, net	(10,570)	(2,445)	-	(13,015)	(12,726)	(1,139)	-	(26,880)
Income before contributions	12,806	1,946	-	14,752	61,640	2,260	-	78,652
<b>Contributions (to) from</b>								
General Fund, City of Jacksonville, Florida	(79,576)	-	-	(79,576)	(22,444)	-	-	(102,020)
Developers and other	5,787	-	-	5,787	129,185	-	-	134,972
Reduction of plant cost through contributions	(5,787)	-	-	(5,787)	(76,930)	-	-	(82,717)
Total contributions, net	(79,576)	-	-	(79,576)	29,811	-	-	(49,765)
<b>Special item</b>								
	11,135	-	-	11,135	-	-	-	11,135
Change in net position	(55,635)	1,946	-	(53,689)	91,451	2,260	-	40,022
Net position, beginning of year	1,612,802	8,341	-	1,621,143	1,957,477	6,272	-	3,584,892
Net position, end of period	\$ 1,557,167	\$ 10,287	\$ -	\$ 1,567,454	\$ 2,048,928	\$ 8,532	\$ -	\$ 3,624,914

JEA

Page 13

**Combining Statement of Revenues, Expenses, and Changes in Net Position  
(in thousands - unaudited) for the ten months ended July 2022**

	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	\$ 719,764	\$ -	\$ -	\$ 719,764	\$ -	\$ -	\$ (7,287)	\$ 712,477
Electric - fuel and purchased power	493,163	49,406	(49,406)	493,163	-	-	(8,308)	484,855
Water and sewer	-	-	-	-	403,754	-	(220)	403,534
District energy system	-	-	-	-	-	6,944	(342)	6,602
Other operating revenues	19,601	228	-	19,829	17,364	8	(2,214)	34,987
Total operating revenues	1,232,528	49,634	(49,406)	1,232,756	421,118	6,952	(18,371)	1,642,455
<b>Operating expenses</b>								
Operations and maintenance:								
Maintenance and other operating expenses	191,117	33,000	-	224,117	155,798	3,849	(18,371)	365,393
Fuel	369,363	-	-	369,363	-	-	-	369,363
Purchased power	267,485	-	(49,406)	218,079	-	-	-	218,079
Depreciation	287,985	342	-	288,327	144,958	2,185	-	435,470
State utility and franchise taxes	54,833	-	-	54,833	9,330	-	-	64,163
Recognition of deferred costs and revenues, net	(70,940)	38,959	-	(31,981)	10,542	-	-	(21,439)
Total operating expenses	1,099,843	72,301	(49,406)	1,122,738	320,628	6,034	(18,371)	1,431,029
Operating income	132,685	(22,667)	-	110,018	100,490	918	-	211,426
<b>Nonoperating revenues (expenses)</b>								
Interest on debt	(51,079)	(8,035)	-	(59,114)	(33,369)	(1,040)	-	(93,523)
Earnings from The Energy Authority	24,935	-	-	24,935	-	-	-	24,935
Allowance for funds used during construction	2,691	-	-	2,691	7,682	110	-	10,483
Other nonoperating income, net	3,236	216	-	3,452	2,035	-	-	5,487
Investment income	(4,788)	205	-	(4,583)	(1,996)	5	-	(6,574)
Other interest, net	(961)	-	-	(961)	(222)	-	-	(1,183)
Total nonoperating expenses, net	(25,966)	(7,614)	-	(33,580)	(25,870)	(925)	-	(60,375)
Income before contributions	106,719	(30,281)	-	76,438	74,620	(7)	-	151,051
<b>Contributions (to) from</b>								
General Fund, City of Jacksonville, Florida	(78,788)	-	-	(78,788)	(22,222)	-	-	(101,010)
Developers and other	4,590	-	-	4,590	84,838	-	-	89,428
Reduction of plant cost through contributions	(4,590)	-	-	(4,590)	(46,981)	-	-	(51,571)
Total contributions, net	(78,788)	-	-	(78,788)	15,635	-	-	(63,153)
<b>Special item</b>	100,000	-	-	100,000	-	-	-	100,000
Change in net position	127,931	(30,281)	-	97,650	90,255	(7)	-	187,898
Net position, beginning of year	1,509,677	84,229	-	1,593,906	1,867,325	6,223	-	3,467,454
Net position, end of period	\$ 1,637,608	\$ 53,948	\$ -	\$ 1,691,556	\$ 1,957,580	\$ 6,216	\$ -	\$ 3,655,352

JEA

Page 14

**Combining Statement of Cash Flows  
(in thousands - unaudited) for the ten months ended July 2023**

	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	\$ 1,266,143	\$ 17,616	\$ (17,935)	\$ 1,265,824	\$ 401,186	\$ 9,795	\$ (19,655)	\$ 1,657,150
Payments to suppliers	(712,590)	(1,538)	17,935	(696,193)	(154,560)	(3,777)	24,446	(830,084)
Payments for salaries and benefits	(171,416)	-	-	(171,416)	(69,437)	(641)	-	(241,494)
Other operating activities	31,570	(4)	-	31,566	11,047	7	(4,791)	37,829
Net cash provided by operating activities	413,707	16,074	-	429,781	188,236	5,384	-	623,401
<b>Noncapital and related financing activities</b>								
Contribution to General Fund, City of Jacksonville, Florida	(79,496)	-	-	(79,496)	(22,422)	-	-	(101,918)
Net cash used in noncapital and related financing activities	(79,496)	-	-	(79,496)	(22,422)	-	-	(101,918)
<b>Capital and related financing activities</b>								
Acquisition and construction of capital assets	(209,784)	-	-	(209,784)	(365,945)	(10,694)	-	(586,423)
Interest paid on debt	(60,992)	(3,749)	-	(64,741)	(52,098)	(1,502)	-	(118,341)
Repayment of debt principal	(47,120)	(15,285)	-	(62,405)	(9,850)	(1,815)	-	(74,070)
Capital contributions	-	-	-	-	52,256	-	-	52,256
Revolving credit agreement withdrawals	-	-	-	-	80,000	8,000	-	88,000
Other capital financing activities	2,848	114	-	2,962	1,403	-	-	4,365
Net cash used in capital and related financing activities	(315,048)	(18,920)	-	(333,968)	(294,234)	(6,011)	-	(634,213)
<b>Investing activities</b>								
Proceeds from sale and maturity of investments	267,656	586	-	268,242	86,496	-	-	354,738
Purchase of investments	(411,936)	(586)	-	(412,522)	(73,510)	-	-	(486,032)
Distributions from The Energy Authority	16,955	-	-	16,955	-	-	-	16,955
Investment income	12,544	304	-	12,848	4,706	60	-	17,614
Net cash provided by (used in) investing activities	(114,781)	304	-	(114,477)	17,692	60	-	(96,725)
Net change in cash and cash equivalents	(95,618)	(2,542)	-	(98,160)	(110,728)	(567)	-	(209,455)
Cash and cash equivalents at beginning of year	327,733	24,864	-	352,597	163,282	4,811	-	520,690
Cash and cash equivalents at end of period	\$ 232,115	\$ 22,322	\$ -	\$ 254,437	\$ 52,554	\$ 4,244	\$ -	\$ 311,235
<b>Reconciliation of operating income to net cash provided by operating activities</b>								
Operating income	\$ 23,376	\$ 4,391	\$ -	\$ 27,767	\$ 74,366	\$ 3,399	\$ -	\$ 105,532
Adjustments:								
Depreciation and amortization	183,497	342	-	183,839	168,664	2,382	-	354,885
Recognition of deferred costs and revenues, net	9,761	12,715	-	22,476	11,595	-	-	34,071
Other nonoperating income, net	7,814	-	-	7,814	(466)	-	-	7,348
Changes in noncash assets and noncash liabilities:								
Accounts receivable	55,910	-	-	55,910	(1,124)	(379)	-	54,407
Inventories	4,659	-	-	4,659	(35,381)	-	-	(30,722)
Other assets	33,857	860	-	34,717	(3,886)	2	-	30,833
Accounts and accrued expenses payable	(37,900)	(206)	-	(38,106)	(4,746)	6	-	(42,846)
Current liabilities payable from restricted assets	-	(1,075)	-	(1,075)	-	-	-	(1,075)
Other noncurrent liabilities and deferred inflows	132,733	(953)	-	131,780	(20,786)	(26)	-	110,968
Net cash provided by operating activities	\$ 413,707	\$ 16,074	\$ -	\$ 429,781	\$ 188,236	\$ 5,384	\$ -	\$ 623,401
<b>Noncash activity</b>								
Contribution of capital assets from developers	\$ 5,787	\$ -	\$ -	\$ 5,787	\$ 76,930	\$ -	\$ -	\$ 82,717
Unrealized investment fair market value changes, net	\$ 2,644	\$ 115	\$ -	\$ 2,759	\$ 1,652	\$ -	\$ -	\$ 4,411

JEA

Page 15

**Combining Statement of Cash Flows**  
(in thousands - unaudited) for the ten months ended July 2022

	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	\$ 1,086,309	\$ 49,629	\$ (45,376)	\$ 1,090,562	\$ 417,348	\$ 7,383	\$ (16,157)	\$ 1,499,136
Payments to suppliers	(694,472)	(9,292)	45,376	(658,388)	(106,403)	(3,288)	18,371	(749,708)
Payments for salaries and benefits	(156,675)	(3,000)	-	(159,675)	(62,692)	(621)	-	(222,988)
Other operating activities	106,232	314	-	106,546	20,764	8	(2,214)	125,104
Net cash provided by operating activities	341,394	37,651	-	379,045	269,017	3,482	-	651,544
<b>Noncapital and related financing activities</b>								
Contribution to General Fund, City of Jacksonville, Florida	(78,710)	-	-	(78,710)	(22,200)	-	-	(100,910)
Net cash used in noncapital and related financing activities	(78,710)	-	-	(78,710)	(22,200)	-	-	(100,910)
<b>Capital and related financing activities</b>								
Acquisition and construction of capital assets	(142,587)	-	-	(142,587)	(202,225)	(2,927)	-	(347,739)
Defeasance of debt	(47,630)	(27,255)	-	(74,885)	-	-	-	(74,885)
Interest paid on debt	(62,917)	(9,439)	-	(72,356)	(47,431)	(1,248)	-	(121,035)
Repayment of debt principal	(66,220)	(14,175)	-	(80,395)	(9,370)	(1,770)	-	(91,535)
Capital contributions	-	-	-	-	37,857	-	-	37,857
Revolving credit agreement withdrawals	-	-	-	-	-	3,000	-	3,000
Other capital financing activities	3,958	56	-	4,014	1,583	-	-	5,597
Net cash used in capital and related financing activities	(315,396)	(50,813)	-	(366,209)	(219,586)	(2,945)	-	(588,740)
<b>Investing activities</b>								
Proceeds from sale and maturity of investments	173,334	26,094	-	199,428	63,103	-	-	262,531
Purchase of investments	(313,555)	(13,605)	-	(327,160)	(116,343)	-	-	(443,503)
Distributions from The Energy Authority	11,621	-	-	11,621	-	-	-	11,621
Investment income	1,932	274	-	2,206	1,905	5	-	4,116
Net cash provided by (used in) investing activities	(126,668)	12,763	-	(113,905)	(51,335)	5	-	(165,235)
Net change in cash and cash equivalents	(179,380)	(399)	-	(179,779)	(24,104)	542	-	(203,341)
Cash and cash equivalents at beginning of year	386,774	133,953	-	520,727	188,136	4,250	-	713,113
Cash and cash equivalents at end of period	\$ 207,394	\$ 133,554	\$ -	\$ 340,948	\$ 164,032	\$ 4,792	\$ -	\$ 509,772
<b>Reconciliation of operating income to net cash provided by operating activities</b>								
Operating income	\$ 132,685	\$ (22,667)	\$ -	\$ 110,018	\$ 100,490	\$ 918	\$ -	\$ 211,426
Adjustments:								
Depreciation and amortization	287,985	342	-	288,327	145,233	2,185	-	435,745
Recognition of deferred costs and revenues, net	(70,940)	38,959	-	(31,981)	10,542	-	-	(21,439)
Other nonoperating income (loss), net	99,071	-	-	99,071	(222)	-	-	98,849
Changes in noncash assets and noncash liabilities:								
Accounts receivable	(75,526)	223	-	(75,303)	(2,445)	438	-	(77,310)
Inventories	(9,308)	-	-	(9,308)	(3,990)	-	-	(13,298)
Other assets	(35,394)	102	-	(35,292)	2,949	(7)	-	(32,350)
Accounts and accrued expenses payable	62,978	27,195	-	90,173	17,041	(68)	-	107,146
Current liabilities payable from restricted assets	-	(6,503)	-	(6,503)	-	-	-	(6,503)
Other noncurrent liabilities and deferred inflows	(50,157)	-	-	(50,157)	(581)	16	-	(50,722)
Net cash provided by operating activities	\$ 341,394	\$ 37,651	\$ -	\$ 379,045	\$ 269,017	\$ 3,482	\$ -	\$ 651,544
<b>Noncash activity</b>								
Contribution of capital assets from developers	\$ 4,590	\$ -	\$ -	\$ 4,590	\$ 46,981	\$ -	\$ -	\$ 51,571
Unrealized investment fair market value changes, net	\$ (6,927)	\$ (61)	\$ -	\$ (6,988)	\$ (4,186)	\$ -	\$ -	\$ (11,174)

**JEA**  
**Debt Service Coverage**  
**July 2023**  
**(unaudited)**

Page 16

	Month		Year-to-Date	
	July	July	July	July
	2023	2022	2023	2022
<b>Electric System</b>				
Senior debt service coverage, (annual minimum 1.20x)	12.56 x	13.84 x	7.92 x	10.93 x
Senior and subordinated debt service coverage, (annual minimum 1.15x)	7.24 x	7.73 x	4.51 x	6.00 x
<b>Bulk Power Supply System</b>				
Debt service coverage, (annual minimum 1.15x)	6.17 x	2.61 x	2.20 x	10.30 x
<b>St. Johns River Power Park, Second Resolution</b>				
Debt service coverage, (annual minimum 1.15x)	1.13 x	1.14 x	1.15 x	2.52 x
<b>Water and Sewer System</b>				
Senior debt service coverage, (annual minimum 1.25x)	3.91 x	7.38 x	4.45 x	7.79 x
Senior and subordinated debt service coverage excluding capacity fees <sup>(1)</sup>	2.73 x	5.60 x	3.09 x	5.88 x
Senior and subordinated debt service coverage including capacity fees <sup>(1)</sup>	3.25 x	6.35 x	3.71 x	6.74 x
<b>District Energy System</b>				
Debt service coverage	3.04 x	1.44 x	2.32 x	1.23 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**  
**July 2023 and 2022 (unaudited)**

Page 17

	Month			Year-to-Date		
	2023	2022	Variance	2023	2022	Variance
<b>Electric revenues sales (000s omitted):</b>						
Residential	\$ 81,453	\$ 90,784	-10.28%	\$ 608,748	\$ 597,306	1.92%
Commercial	42,904	50,980	-15.84%	382,883	363,330	5.38%
Industrial	20,533	24,752	-17.05%	206,508	189,803	8.80%
Public street lighting	1,239	1,302	-4.84%	12,918	12,245	5.50%
Electric revenues - territorial	146,129	167,818	-12.92%	1,211,057	1,162,684	4.16%
Sales for resale - off system	143	72	98.61%	1,722	708	143.22%
Electric revenues	146,272	167,890	-12.88%	1,212,779	1,163,392	4.25%
Regulatory	1,345	1,611	-16.51%	(123,656)	49,535	-349.63%
Allowance for doubtful accounts	(752)	-		(3,922)	-	
<b>Net electric revenues</b>	<b>146,865</b>	<b>169,501</b>	<b>-13.35%</b>	<b>1,085,201</b>	<b>1,212,927</b>	<b>-10.53%</b>
<b>MWh sales</b>						
Residential	656,739	616,538	6.52%	4,433,872	4,588,169	-3.36%
Commercial	397,935	396,298	0.41%	3,203,217	3,244,108	-1.26%
Industrial	241,644	238,295	1.41%	2,201,533	2,217,132	-0.70%
Public street lighting	4,644	4,699	-1.17%	45,670	45,799	-0.28%
Total MWh sales - territorial	1,300,962	1,255,830	3.59%	9,884,292	10,095,208	-2.09%
Sales for resale - off system	3,578	530	575.09%	44,348	9,849	350.28%
Total MWh sales	1,304,540	1,256,360	3.83%	9,928,640	10,105,057	-1.75%
<b>Average number of accounts</b>						
Residential	458,949	447,755	2.50%	454,740	443,977	2.42%
Commercial	55,993	55,090	1.64%	55,622	54,844	1.42%
Industrial	196	198	-1.01%	199	198	0.51%
Public street lighting	4,019	3,984	0.88%	4,006	3,989	0.43%
<b>Total average accounts</b>	<b>519,157</b>	<b>507,027</b>	<b>2.39%</b>	<b>514,567</b>	<b>503,008</b>	<b>2.30%</b>
<b>Residential averages</b>						
Revenue per account - \$	177.48	202.75	-12.47%	1,338.67	1,345.35	-0.50%
kWh per account	1,431	1,377	3.92%	9,750	10,334	-5.65%
Revenue per kWh - ¢	12.40	14.72	-15.77%	13.73	13.02	5.46%
<b>Degree days</b>						
Heating degree days	-	-	-	856	1,069	(213)
Cooling degree days	618	553	65	2,128	1,947	181
<b>Total degree days</b>	<b>618</b>	<b>553</b>	<b>65</b>	<b>2,984</b>	<b>3,016</b>	<b>(32)</b>
Degree days - 30 year average		544		3,085		

JEA

Page 18

**Water and Sewer System  
Operating Statistics  
July 2023 and 2022 (unaudited)**

	Month								
	Water			Sewer			Reuse		
	2023	2022	Variance	2023	2022	Variance	2023	2022	Variance
<b>Revenues (000s omitted):</b>									
Residential	\$ 9,153	\$ 8,228	11.24%	\$ 13,686	\$ 11,786	16.12%	\$ 1,555	\$ 1,706	-8.85%
Commercial and industrial	4,291	4,166	3.00%	9,931	9,383	5.84%	760	774	-1.81%
Irrigation	3,017	3,210	-6.01%	N/A	N/A	N/A	17	17	0.00%
Gross revenues	16,461	15,604	5.49%	23,617	21,169	11.56%	2,332	2,497	-6.61%
Rate stabilization	(510)	369	-238.21%	(733)	500	-246.60%	(72)	59	-222.03%
Allowance for doubtful accounts	(90)	(12)	650.00%	(128)	(16)	700.00%	(13)	(2)	550.00%
Net revenues	\$ 15,861	\$ 15,961	-0.63%	\$ 22,756	\$ 21,653	5.09%	\$ 2,247	\$ 2,554	-12.02%
<b>Kgal sales (000s omitted)</b>									
Residential	1,641,728	1,537,619	6.77%	1,449,805	1,287,862	12.57%	275,270	289,634	-4.96%
Commercial and industrial	1,219,847	1,296,099	-5.88%	1,082,003	1,031,876	4.86%	164,866	167,513	-1.58%
Irrigation	503,143	567,564	-11.35%	N/A	N/A	N/A	42,730	68,888	-37.97%
Total kgal sales	3,364,718	3,401,282	-1.08%	2,531,808	2,319,738	9.14%	482,866	526,035	-8.21%
<b>Average number of accounts:</b>									
Residential	328,187	321,397	2.11%	294,624	287,443	2.50%	25,548	22,698	12.56%
Commercial and industrial	27,351	27,087	0.97%	19,435	19,246	0.98%	915	850	7.65%
Irrigation	38,582	38,401	0.47%	N/A	N/A	N/A	43	43	0.00%
Total average accounts	394,120	386,885	1.87%	314,059	306,689	2.40%	26,506	23,591	12.36%
<b>Residential averages:</b>									
Revenue per account - \$	27.89	25.60	8.95%	46.45	41.00	13.29%	60.87	75.16	-19.01%
Kgals per account	5.00	4.78	4.60%	4.92	4.48	9.82%	10.77	12.76	-15.60%
Revenue per kgals - \$	5.58	5.35	4.30%	9.44	9.15	3.17%	5.65	5.89	-4.07%

	Year-to-Date								
	Water			Sewer			Reuse		
	2023	2022	Variance	2023	2022	Variance	2023	2022	Variance
<b>Revenues (000s omitted):</b>									
Residential	\$ 89,420	\$ 87,092	2.67%	\$ 135,005	\$ 130,961	3.09%	\$ 14,779	\$ 14,604	1.20%
Commercial and industrial	41,346	40,810	1.31%	95,183	94,564	0.65%	5,983	5,911	1.22%
Irrigation	27,694	28,827	-3.93%	N/A	N/A	N/A	185	203	-8.87%
Gross revenues	158,460	156,729	1.10%	230,188	225,525	2.07%	20,947	20,718	1.11%
Rate stabilization	8,494	309	2648.87%	12,368	445	2679.33%	1,114	66	1587.88%
Allowance for doubtful accounts	(539)	(15)	3493.33%	(784)	(21)	3633.33%	(73)	(2)	3550.00%
Net revenues	\$ 166,415	\$ 157,023	5.98%	\$ 241,772	\$ 225,949	7.00%	\$ 21,988	\$ 20,782	5.80%
<b>Kgal sales (000s omitted)</b>									
Residential	16,199,235	15,957,311	1.52%	14,296,197	13,971,027	2.33%	2,483,035	2,376,860	4.47%
Commercial and industrial	11,851,782	11,764,351	0.74%	10,323,890	10,220,083	1.02%	1,271,688	1,253,147	1.48%
Irrigation	4,523,457	4,794,403	-5.65%	N/A	N/A	N/A	451,031	627,165	-28.08%
Total kgal sales	32,574,474	32,516,065	0.18%	24,620,087	24,191,110	1.77%	4,205,754	4,257,172	-1.21%
<b>Average number of accounts:</b>									
Residential	325,528	317,478	2.54%	291,886	283,594	2.92%	24,622	21,511	14.46%
Commercial and industrial	27,238	26,901	1.25%	19,366	19,122	1.28%	888	809	9.77%
Irrigation	38,451	38,224	0.59%	N/A	N/A	N/A	43	43	0.00%
Total average accounts	391,217	382,603	2.25%	311,252	302,716	2.82%	25,553	22,363	14.26%
<b>Residential averages:</b>									
Revenue per account - \$	274.69	274.32	0.13%	462.53	461.79	0.16%	600.24	678.91	-11.59%
Kgals per account	49.76	50.26	-0.99%	48.98	49.26	-0.57%	100.85	110.50	-8.73%
Revenue per kgals - \$	5.52	5.46	1.10%	9.44	9.37	0.75%	5.95	6.14	-3.09%

	Month				Year-to-Date			
	2023	2022	Variance	30 Year Avg	2023	2022	Variance	30 Year Avg
<b>Rain statistics</b>								
Rainfall	7.93	9.95	(2.02)	6.77	36.09	43.39	(7.30)	38.96
Rain Days	15	17	(2)	14	83	81	2	86

# Appendix

JEA

Page 20

**Schedule of Cash and Investments  
(in thousands - unaudited) July 2023**

	Electric System and Bulk Power Supply System	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
<b>Unrestricted cash and investments</b>						
Operations	\$ 28,627	\$ 2,878	\$ 31,505	\$ 9,257	\$ 1,415	\$ 42,177
Rate stabilization:						
Environmental	17,125	-	17,125	4,119	-	21,244
Purchased Power	183,957	-	183,957	-	-	183,957
DSM/Conservation	7,126	-	7,126	-	-	7,126
Total rate stabilization funds	208,208	-	208,208	4,119	-	212,327
Customer deposits	46,445	-	46,445	14,432	-	60,877
General reserve	-	975	975	-	-	975
Self insurance reserve funds:						
Self funded health plan	19,829	-	19,829	-	-	19,829
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	29,829	-	29,829	-	-	29,829
Environmental liability reserve	15,102	-	15,102	-	-	15,102
Total unrestricted cash and investments	\$ 328,211	\$ 3,853	\$ 332,064	\$ 27,808	\$ 1,415	\$ 361,287
<b>Restricted assets</b>						
Renewal and replacement funds	\$ 164,703	\$ 4,195	\$ 168,898	\$ 298	\$ 831	\$ 170,027
Debt service reserve account	53,352	3,370	56,722	57,587	-	114,309
Debt service funds	31,497	14,531	46,028	59,151	1,998	107,177
Construction funds	-	-	-	7,930	-	7,930
Environmental funds	346	-	346	(1,518)	-	(1,172)
Subtotal	249,898	22,096	271,994	123,448	2,829	398,271
Unrealized holding gain (loss) on investment	(5,416)	100	(5,316)	(851)	-	(6,167)
Other funds	-	478	478	-	-	478
Total restricted cash and investments	\$ 244,482	\$ 22,674	\$ 267,156	\$ 122,597	\$ 2,829	\$ 392,582
Total cash and investments	\$ 572,693	\$ 26,527	\$ 599,220	\$ 150,405	\$ 4,244	\$ 753,869

JEA

**Schedule of Cash and Investments  
(in thousands) September 2022**

	System and Bulk Power	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
<b>Unrestricted cash and investments</b>						
Operations	\$ 3,539	\$ 2,971	\$ 6,510	\$ 27,084	\$ 1,341	\$ 34,935
Rate stabilization:						
Environmental	20,728	-	20,728	26,094	-	46,822
Purchased Power	55,000	-	55,000	-	-	55,000
DSM/Conservation	8,824	-	8,824	-	-	8,824
Total rate stabilization funds	84,552	-	84,552	26,094	-	110,646
Customer deposits	45,043	-	45,043	14,711	-	59,754
General reserve	-	338	338	-	-	338
Self insurance reserve funds:						
Self funded health plan	14,145	-	14,145	-	-	14,145
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	24,145	-	24,145	-	-	24,145
Environmental liability reserve	15,797	-	15,797	-	-	15,797
Total unrestricted cash and investments	\$ 173,076	\$ 3,309	\$ 176,385	\$ 67,889	\$ 1,341	\$ 245,615
<b>Restricted assets</b>						
Renewal and replacement funds	\$ 233,018	\$ 4,252	\$ 237,270	\$ 112,930	\$ 1,049	\$ 351,249
Debt service reserve account	53,352	3,839	57,191	56,606	-	113,797
Debt service funds	69,890	17,350	87,240	32,499	2,421	122,160
Construction funds	111	-	111	646	-	757
Environmental funds	-	-	-	4,400	-	4,400
Subtotal	356,371	25,441	381,812	207,081	3,470	592,363
Unrealized holding gain (loss) on investment	(8,061)	13	(8,048)	(2,502)	-	(10,550)
Other funds	-	190	190	-	-	190
Total restricted cash and investments	\$ 348,310	\$ 25,644	\$ 373,954	\$ 204,579	\$ 3,470	\$ 582,003
Total cash and investments	\$ 521,386	\$ 28,953	\$ 550,339	\$ 272,468	\$ 4,811	\$ 827,618

**JEA**  
**INVESTMENT PORTFOLIO REPORT**  
**JULY 2023**  
**(unaudited)**

Page 21

<u>INVESTMENT</u>	<u>BOOK VALUE</u>	<u>YIELD</u>	<u>% OF TOTAL</u>
* Treasuries	\$ 43,790,039	3.76%	5.83%
<u>Agencies</u>			
Federal Farm Credit Bank	69,621,515	4.79%	9.27%
Federal Home Loan Bank	190,325,669	3.48%	25.33%
Total	<u>259,947,183</u>	<u>3.83%</u>	<u>34.60%</u>
Municipal Bonds	<u>84,736,113</u>	<u>3.53%</u>	<u>11.28%</u>
Commercial Paper	<u>60,297,500</u>	<u>5.38%</u>	<u>8.02%</u>
U.S. Treasury Money Market Funds (1)	<u>68,133,006</u>	<u>5.06%</u>	<u>9.07%</u>
Agency Money Market Funds (2)	<u>67,880,000</u>	<u>5.08%</u>	<u>9.03%</u>
PALM Money Market Fund	<u>30,500,000</u>	<u>5.30%</u>	<u>4.06%</u>
Florida Prime Fund	<u>100,500,000</u>	<u>5.40%</u>	<u>13.38%</u>
Wells Fargo Bank Accounts (3)			
Electric, Scherer	<u>18,507,021</u>	<u>2.57%</u>	<u>2.46%</u>
SJRPP	<u>3,790,507</u>	<u>2.57%</u>	<u>0.50%</u>
Water & Sewer, DES	<u>13,314,349</u>	<u>2.57%</u>	<u>1.77%</u>
Total Portfolio	<u>\$ 751,395,719</u>	<u>4.35%</u>	<u>100.00%</u>

Backed by Full Faith and Credit of U. S. Government

Weighted Avg. Annual Yield Excluding Bank & Money Market Funds: 3.40%

Weighted Avg. Annual Yield Including Bank & Money Market Funds: 4.35%

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: Fidelity, Goldman Sachs, State Street

(2) Government Funds: State Street, Wells Fargo Allspring

(3) Month-end bank balances

**JEA**

Page 22

**Schedule of Outstanding Indebtedness****July 2023****(unaudited)**

	<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%	2026-2044	423,430,000	-
Fixed Rate Subordinated	3.375-6.406%	2023-2039	418,700,000	4,685,000
Variable Rate Senior	3.300-3.940%	2023-2040	430,910,000	7,950,000
Variable Rate Subordinated	3.470-3.520%	2023-2038	51,485,000	4,145,000
Total Electric System	<u>3.870% (wtd avg)</u>	<u>2023-2044</u>	<u>1,324,525,000</u>	<u>16,780,000</u>
<i>Bulk Power Supply System</i>				
Fixed Rate Senior	5.300-5.920%	2023-2030	24,765,000	2,495,000
<i>St. Johns River Power Park</i>				
Fixed Rate Senior	2.750-5.450%	2023-2028	92,715,000	15,865,000
<b>Total Electric Enterprise</b>	<u>3.840% (wtd avg)</u>	<u>2023-2044</u>	<u>1,442,005,000</u>	<u>35,140,000</u>
<b>Water and Sewer System</b>				
Fixed Rate Senior	3.000-6.310%	2023-2044	865,290,000	38,485,000
Fixed Rate Subordinated	2.750-5.000%	2023-2040	88,845,000	8,170,000
Variable Rate Senior	3.510-3.573%	2023-2042	137,110,000	4,035,000
Variable Rate Subordinated	3.436-3.631%	2023-2038	95,810,000	1,675,000
Other Obligations	5.083%	2024	80,000,000	-
Total Water and Sewer System	<u>3.841% (wtd avg)</u>	<u>2023-2044</u>	<u>1,267,055,000</u>	<u>52,365,000</u>
<b>District Energy System</b>				
Fixed Rate Senior	3.244-4.538%	2023-2034	27,825,000	1,870,000
Other Obligations	6.305%	2024	11,000,000	-
Total District Energy System	<u>4.901% (wtd avg)</u>	<u>2023-2034</u>	<u>38,825,000</u>	<u>1,870,000</u>
<b>Total JEA</b>	<u>3.855% (wtd avg)</u>	<u>2023-2044</u>	<u>2,747,885,000</u>	<u>89,375,000</u>

**JEA****Debt Ratio****(unaudited)**

	<b>Current YTD</b>
Electric Enterprise	47.4%
Water and Sewer System	36.6%

**JEA**  
**Interest Rate Swap Position Report**  
**July 2023**  
**(unaudited)**

Page 23

**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	3.539	0.178	n/a	68% 1 mth Libor
3	Morgan Stanley	1/27/2005	10/1/2039	82,575,000	4.351	3.172	1.179	n/a	SIFMA
4	JPMorgan	1/27/2005	10/1/2035	74,925,000	3.661	3.539	0.122	n/a	68% 1 mth Libor
6	JPMorgan	1/27/2005	10/1/2037	39,175,000	3.716	3.539	0.177	n/a	68% 1 mth Libor
8	Morgan Stanley	1/31/2007	10/1/2031	62,980,000	3.907	3.172	0.735	n/a	SIFMA
10	Goldman Sachs	1/31/2008	10/1/2036	51,680,000	3.836	3.172	0.664	n/a	SIFMA
			Total	<u>396,135,000</u>					
<i>Water/Sewer System</i>									
9	Merrill Lynch	3/8/2007	10/1/2041	85,290,000	3.895	3.172	0.723	n/a	SIFMA
			Total	<u>85,290,000</u>					
			Grand Total	<u>\$ 481,425,000</u>		Wtd Avg Spread	<u>0.562</u>		

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

JEA

Page 24

**Electric System  
Production Statistics  
July 2023 and 2022 (unaudited)**

	Month			Year-to-Date		
	2023	2022	Variance	2023	2022	Variance
<b>Generated power:</b>						
<b>Steam:</b>						
<i>Fuel oil #6</i>						
Fuel expense	\$ -	\$ 1,031,496	-100.00%	\$ 5,076,960	\$ 3,532,477	43.72%
Barrels consumed	-	9,718	-100.00%	43,203	33,294	29.76%
\$/ per barrel consumed	\$ -	\$ 106.14	-100.00%	\$ 117.51	\$ 106.10	10.76%
kWh generated (1)	(1,085)	5,520,473	-100.02%	24,085,306	18,367,516	31.13%
Cost per MWh	\$ -	\$ 186.85	-100.00%	\$ 210.79	\$ 192.32	9.60%
<i>Natural gas units #1-3</i>						
Fuel expense - variable	\$ 8,414,537	\$ 16,775,827	-49.84%	\$ 70,516,822	\$ 102,143,147	-30.96%
MMBTUs consumed	2,393,129	2,388,228	0.21%	17,892,656	16,220,361	10.31%
\$/ per MMBTU consumed	\$ 3.52	\$ 7.02	-49.94%	\$ 3.94	\$ 6.30	-37.42%
kWh generated (1)	212,981,004	213,796,773	-0.38%	1,583,422,560	1,421,284,920	11.41%
Cost per MWh	\$ 39.51	\$ 78.47	-49.65%	\$ 44.53	\$ 71.87	-38.03%
<i>Biomass units #1-2</i>						
Fuel expense	\$ 153,595.00	\$ 131,815.00	16.52%	\$ 916,675.00	\$ 1,044,976.00	-12.28%
kWh generated	5,307,622	4,935,517	7.54%	32,939,399	23,690,176	39.04%
Cost per MWh	\$ 28.94	\$ 26.71	8.35%	\$ 27.83	\$ 44.11	-36.91%
<i>Coal</i>						
Fuel expense	\$ 1,495,578	\$ 3,330,715	-55.10%	\$ 27,645,493	\$ 30,818,685	-10.30%
kWh generated	13,445,702	43,655,622	-69.20%	309,630,706	412,034,908	-24.85%
Cost per MWh	\$ 111.23	\$ 76.30	45.79%	\$ 89.29	\$ 74.80	19.37%
<i>Pet coke and limestone</i>						
Fuel expense	\$ 9,294,187	\$ 7,414,611	25.35%	\$ 68,972,017	\$ 49,752,386	38.63%
kWh generated	147,285,649	84,726,469	73.84%	895,104,699	626,713,630	42.83%
Cost per MWh	\$ 63.10	\$ 87.51	-27.89%	\$ 77.05	\$ 79.39	-2.94%
<b>Combustion turbine:</b>						
<i>Fuel oil #2</i>						
Fuel expense	\$ 74,883	\$ 182,513	-58.97%	\$ 1,714,394	\$ 1,078,237	59.00%
Barrels consumed	275	1,514	-81.84%	12,547	7,475	67.85%
\$/ per barrel consumed	\$ 272.30	\$ 120.55	125.88%	\$ 136.64	\$ 144.25	-5.27%
kWh generated	86,839	338,133	-74.32%	4,645,309	1,904,607	143.90%
Cost per MWh	\$ 862.32	\$ 539.77	59.76%	\$ 369.06	\$ 566.12	-34.81%
<i>Natural gas (includes landfill)</i>						
Fuel expense Kennedy & landfill - variable	\$ 477,758	\$ 3,477,157	-86.26%	\$ 6,473,205	\$ 16,386,971	-60.50%
MMBTUs consumed	137,030	494,200	-72.27%	1,698,687	2,579,488	-34.15%
\$/ per MMBTU consumed	\$ 3.49	\$ 7.04	-50.45%	\$ 3.81	\$ 6.35	-40.02%
kWh generated (1)	11,890,393	44,290,856	-73.15%	150,288,611	228,212,748	-34.15%
Cost per MWh	\$ 40.18	\$ 78.51	-48.82%	\$ 43.07	\$ 71.81	-40.02%
Fuel expense BB simple - variable	\$ 1,899,801	\$ 250,678	657.87%	\$ 17,162,156	\$ 5,342,777	221.22%
MMBTUs consumed	\$ 610,534	29,467	1971.92%	4,575,040	900,772	407.90%
\$/ per MMBTU consumed	\$ 3.11	\$ 8.51	-63.42%	\$ 3.75	\$ 5.93	-36.76%
kWh generated (1)	57,194,400	2,456,800	2228.00%	435,581,920	83,757,593	420.05%
Cost per MWh	\$ 33.22	\$ 102.03	-67.45%	\$ 39.40	\$ 63.79	-38.23%
Fuel expense BB combined - variable	\$ 11,198,936	\$ 24,270,971	-53.86%	\$ 117,667,411	\$ 165,047,034	-28.71%
MMBTUs consumed	2,933,887	3,025,677	-3.03%	23,076,836	26,979,007	-14.46%
\$/ per MMBTU consumed	\$ 3.82	\$ 8.02	-52.42%	\$ 5.10	\$ 6.12	-16.65%
kWh generated (1)	423,140,115	434,755,333	-2.67%	3,338,201,515	3,922,205,951	-14.89%
Cost per MWh	\$ 26.47	\$ 55.83	-52.59%	\$ 35.25	\$ 42.08	-16.23%
Fuel expense GEC simple - variable	\$ 2,883,787	\$ 6,896,913	-58.19%	\$ 24,747,667	\$ 34,106,408	-27.44%
MMBTUs consumed	755,886	980,065	-22.87%	5,653,648	5,053,110	11.88%
\$/ per MMBTU consumed	\$ 3.82	\$ 7.04	-45.79%	\$ 4.38	\$ 6.75	-35.15%
kWh generated	68,702,939	89,770,858	-23.47%	515,142,131	459,261,609	12.17%
Cost per MWh	\$ 41.97	\$ 76.83	-45.37%	\$ 48.04	\$ 74.26	-35.31%
Natural gas expense - fixed	\$ 3,447,857	\$ 4,254,622	-18.96%	\$ 32,327,485	\$ 33,469,567	-3.41%
<b>Total generated power:</b>						
Fuel expense	\$ 39,340,919	\$ 68,017,318	-42.16%	\$ 373,220,285	\$ 442,722,665	-15.70%
kWh generated	940,033,578	924,246,834	1.71%	7,289,042,156	7,197,433,658	1.27%
Cost per MWh	\$ 41.85	\$ 73.59	-43.13%	\$ 51.20	\$ 61.51	-16.76%

(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)  
July 2023 and 2022 (unaudited)

	Month			Year-to-Date		
	2023	2022	Variance	2023	2022	Variance
<b>Cost of fuels</b>						
Natural gas	\$ 28,322,676	\$ 55,926,168	-49.36%	\$ 268,894,746	\$ 356,495,904	-24.57%
Petcoke	9,294,187	7,414,611	25.35%	68,972,017	49,752,386	38.63%
Coal	1,495,578	3,330,715	-55.10%	27,645,493	30,818,685	-10.30%
Fuel oil #2	74,883	182,513	-58.97%	1,714,394	1,078,237	59.00%
Fuel oil #6	-	1,031,496	-100.00%	5,076,960	3,532,477	43.72%
Biomass	153,595	131,815	16.52%	916,675	1,044,976	-12.28%
Total	<u>\$ 39,340,919</u>	<u>\$ 68,017,318</u>	<u>-42.16%</u>	<u>\$ 373,220,285</u>	<u>\$ 442,722,665</u>	<u>-15.70%</u>
<b>Purchased power:</b>						
<i>TEA &amp; other</i>						
Purchases	\$ 30,479,888	\$ 23,923,795	27.40%	\$ 160,453,644	\$ 154,046,802	4.16%
kWh purchased	271,337,128	250,852,435	8.17%	1,696,067,712	1,963,873,596	-13.64%
Cost per MWh	\$ 120.96	\$ 95.37	26.84%	\$ 98.41	\$ 78.44	25.46%
<i>FPL</i>						
Purchases	\$ 5,480,183	\$ 13,620,757	-59.77%	\$ 54,799,020	\$ 64,032,058	-14.42%
kWh purchased	140,920,000	146,604,000	-3.88%	1,278,991,000	989,003,000	29.32%
Cost per MWh	\$ 38.89	\$ 92.91	-58.14%	\$ 42.85	\$ 64.74	-33.82%
<i>Plant Scherer</i>						
Purchases	\$ 1,021,997	\$ 984,809	3.78%	\$ 8,167,167	\$ 20,503,967	-60.17%
kWh purchased	-	-	-	-	284,609,000	-100.00%
Cost per MWh					\$ 72.04	
<i>SJRPP</i>						
Purchases	\$ 1,729,657	\$ 2,123,173	-18.53%	\$ 17,616,126	\$ 49,405,993	-64.34%
<i>Plant Vogtle</i>						
Purchases	\$ 20,778	\$ -		\$ 20,778	\$ -	
kWh purchased	1,432,000	-		1,432,000	-	
Cost per MWh	\$ 14.51			\$ 14.51		
<b>Total purchased power:</b>						
Purchases	<u>\$ 38,732,503</u>	<u>\$ 40,652,534</u>	<u>-4.72%</u>	<u>\$ 241,056,735</u>	<u>\$ 287,988,820</u>	<u>-16.30%</u>
kWh purchased	<u>413,689,128</u>	<u>397,456,435</u>	<u>4.08%</u>	<u>2,976,490,712</u>	<u>3,237,485,596</u>	<u>-8.06%</u>
Cost per MWh	<u>\$ 93.63</u>	<u>\$ 102.28</u>	<u>-8.46%</u>	<u>\$ 80.99</u>	<u>\$ 88.95</u>	<u>-8.96%</u>
Subtotal - generated and purchased power:	\$ 78,073,422	\$ 108,669,852	-28.16%	\$ 614,277,020	\$ 730,711,485	-15.93%
Fuel interchange sales	(142,648)	(71,215)	100.31%	(1,721,650)	(626,294)	174.89%
Earnings of The Energy Authority	(3,363,622)	(3,229,199)	4.16%	(17,460,649)	(24,800,610)	-29.60%
Realized and Unrealized (Gains) Losses	(169,260)	(17,768,069)	-99.05%	(22,191,520)	(94,406,238)	-76.49%
Fuel procurement and handling	1,099,325	757,128	45.20%	11,948,056	8,768,399	36.26%
Byproduct reuse	459,895	273,105	68.39%	6,293,416	3,244,450	93.97%
<b>Total generated and net purchased power:</b>						
Cost, net	<u>75,957,112</u>	<u>88,631,602</u>	<u>-14.30%</u>	<u>591,144,673</u>	<u>622,891,192</u>	<u>-5.10%</u>
kWh generated and purchased	<u>1,353,722,706</u>	<u>1,321,703,269</u>	<u>2.42%</u>	<u>10,265,532,868</u>	<u>10,434,919,254</u>	<u>-1.62%</u>
Cost per MWh	<u>\$ 56.11</u>	<u>\$ 67.06</u>	<u>-16.33%</u>	<u>\$ 57.59</u>	<u>\$ 59.69</u>	<u>-3.53%</u>
<b>Reconciliation:</b>						
Generated and purchased power per above	\$ 75,957,112	56.11		591,144,673	57.59	
SJRPP debt service	\$ (1,530,937)	(1.13)		(15,628,928)	(1.52)	
SJRPP R & R	\$ (198,720)	(0.15)		(1,987,199)	(0.19)	
Scherer power production	\$ 460,787	0.34		(4,466,688)	(0.44)	
Scherer R & R	\$ (1,482,785)	(1.10)		(3,373,824)	(0.33)	
Scherer taxes	\$ -	-		(321,205)	(0.03)	
MEAG Debt Service	\$ (12,657,705)	(9.35)		(35,143,036)	(3.42)	
FPL Capacity	\$ (1,400,000)	(1.03)		(14,095,760)	(1.37)	
TEA Solar Capacity	\$ (357,970)	(0.26)		(1,465,467)	(0.14)	
TEA and Other Capacity	\$ (785,344)	(0.58)		(12,856,946)	(1.25)	
Rounding	\$ 2			2	0.00	
Energy expense per budget page	<u>\$ 58,004,440</u>	<u>\$ 42.85</u>		<u>\$ 501,805,622</u>	<u>\$ 48.88</u>	

JEA

Page 26

Electric System	Month				Prior Year Month	
	ANNUAL BUDGET 2022-23	BUDGET 2022-23	ACTUAL 2022-23	Variance %	ACTUAL 2021-22	Variance %
<b>Budget vs. Actual July 2023 and 2022 (unaudited)</b>						
<b>Fuel Related Revenues &amp; Expenses</b>						
Fuel Rate Revenues	\$ 671,607,062	\$ 59,578,986	\$ 54,452,419	-8.60%	\$ 78,821,427	-30.92%
Fuel Expense and Purchased Power:						
Fuel Expense - Electric System	517,390,725	46,624,929	40,730,879		51,279,482	
Other Purchased Power	153,143,481	12,858,883	17,273,561		29,091,810	
Subtotal Energy Expense	670,534,206	59,483,812	58,004,440	2.49%	80,371,292	27.83%
Transfer to (from) Other Regulatory Funds,	-	-	(3,845,322)		(1,549,865)	
Fuel Related Uncollectibles	1,072,856	95,174	293,301		-	
Total	671,607,062	59,578,986	54,452,419	8.60%	78,821,427	30.92%
Fuel Balance	-	-	-		-	
<b>Nonfuel Related Revenues</b>						
Base Rate Revenues	791,048,000	78,780,354	85,158,760		80,587,386	
Conservation Charge Revenue	732,000	72,900	-		173,268	
Environmental Charge Revenue	7,442,000	741,148	(3)		765,087	
Investment Income	5,793,688	500,820	1,049,548		395,355	
Natural Gas Revenue Pass Through	1,498,857	124,905	41,300		118,519	
Other Revenues	37,660,665	3,138,389	2,034,412		2,552,583	
Total	844,175,210	83,358,516	88,284,017	5.91%	84,592,198	4.36%
<b>Nonfuel Related Expenses</b>						
Non-Fuel O&M	268,982,868	21,164,062	22,552,518		18,645,068	
DSM / Conservation O&M	7,295,667	767,585	493,575		170,755	
Environmental O&M	16,998,000	1,416,500	181,057		110,561	
Rate Stabilization - DSM	(279,667)	(23,306)	(493,575)		630,429	
Rate Stabilization - Environmental	(1,933,468)	(161,122)	(852,289)		189,570	
Natural Gas Expense Pass Through	1,595,137	131,993	55,502		129,215	
Debt Principal - Electric System	16,780,000	1,398,333	1,398,333		3,725,833	
Debt Interest - Electric System	60,018,079	5,001,507	5,010,231		4,993,536	
R&R - Electric System	83,341,200	6,945,100	6,945,100		5,527,433	
Operating Capital Outlay	43,621,075	-	-		8,000,000	
Operating Capital Outlay - Environmental	472,000	39,333	825,612		485,876	
City Contribution Expense	95,491,107	7,957,592	7,957,592		7,878,804	
Taxes & Uncollectibles	1,515,596	126,300	447,093		23,401	
Emergency Reserve	5,000,000	-	-		-	
<i>Nonfuel Purchased Power:</i>						
* SJRPP D/S Principal	15,865,000	1,322,083	1,322,083		1,273,750	
* SJRPP D/S Interest	3,212,107	267,676	267,676		672,694	
** Other Non-Fuel Purchased Power	226,200,509	8,516,709	16,650,253		4,169,995	
Total Nonfuel Expenses	844,175,210	54,870,345	62,760,761	-14.38%	56,626,920	-10.83%
Non-Fuel Balance	-	28,488,171	25,523,256		27,965,278	
<b>Total Balance</b>	-	28,488,171	25,523,256		27,965,278	
<b>Total Revenues</b>	<b>1,515,782,272</b>	<b>142,937,502</b>	<b>142,736,436</b>	-0.14%	<b>163,413,625</b>	-12.65%
<b>Total Expenses</b>	<b>1,515,782,272</b>	<b>114,449,331</b>	<b>117,213,180</b>	-2.41%	<b>135,448,347</b>	13.46%
<b>KWH Sold - Territorial</b>	<b>12,200,000,000</b>	<b>1,214,996,213</b>	<b>1,300,961,972</b>	7.08%	<b>1,255,829,874</b>	3.59%
<b>KWH Sold - Off System</b>	-	-	<b>3,578,000</b>		<b>530,000</b>	
	<b>12,200,000,000</b>	<b>1,214,996,213</b>	<b>1,304,539,972</b>	7.37%	<b>1,256,359,874</b>	3.83%

\* Gross debt service

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

JEA

Page 27

Electric System	Year-to-Date			Prior Year-to-Date		
	ANNUAL BUDGET 2022-23	BUDGET 2022-23	ACTUAL 2022-23	Variance %	ACTUAL 2021-22	Variance %
<b>Budget vs. Actual</b>						
<b>July 2023 and 2022 (unaudited)</b>						
<b>Fuel Related Revenues &amp; Expenses</b>						
Fuel Rate Revenues	\$ 671,607,062	\$ 558,250,105	\$ 504,859,708	-9.56%	\$ 450,769,519	12.00%
Fuel Expense and Purchased Power:						
Fuel Expense - Electric System	517,390,725	429,873,164	369,270,237		360,329,277	
Other Purchased Power	153,143,481	127,485,167	132,535,385		157,501,070	
Subtotal Energy Expense	670,534,206	557,358,331	501,805,622	9.97%	517,830,347	3.09%
Transfer to (from) Rate Stabilization, Net	-	-	-		(41,766,996)	
Transfer to (from) Other Regulatory Funds, Net	-	-	1,440,992		(25,293,832)	
Fuel Related Uncollectibles	1,072,856	891,774	1,613,094		-	
Total	671,607,062	558,250,105	504,859,708	9.56%	450,769,519	-12.00%
Fuel Balance	-	-	-		-	
<b>Nonfuel Related Revenues</b>						
Base Rate Revenues	791,048,000	638,325,402	644,510,081		650,537,870	
Conservation Charge Revenue	732,000	590,677	211,812		638,509	
Environmental Charge Revenue	7,442,000	6,005,220	3,111,641		6,176,969	
Investment Income	5,793,688	4,783,935	13,583,730		2,137,818	
Natural Gas Revenue Pass Through	1,498,857	1,249,048	743,249		1,046,922	
Other Revenues	37,660,665	31,383,888	94,747,419		122,996,524	
Total	844,175,210	682,338,170	756,907,932	10.93%	783,534,612	-3.40%
<b>Nonfuel Related Expenses</b>						
Non-Fuel O&M	268,982,868	222,258,760	215,192,699		175,059,483	
DSM / Conservation O&M	7,295,667	6,074,172	4,656,952		3,617,263	
Environmental O&M	16,998,000	14,165,000	1,054,773		793,443	
Rate Stabilization - DSM	(279,667)	(233,056)	(1,697,607)		2,068,849	
Rate Stabilization - Environmental	(1,933,468)	(1,611,223)	(3,603,217)		676,297	
Natural Gas Expense Pass Through	1,595,137	1,325,542	856,231		1,232,305	
Debt Principal - Electric System	16,780,000	13,983,333	13,983,333		37,258,333	
Debt Interest - Electric System	60,018,079	50,015,066	51,881,152		52,239,999	
R&R - Electric System	83,341,200	69,451,000	69,451,000		55,274,333	
Operating Capital Outlay	43,621,075	43,621,075	60,116,772		158,000,000	
Operating Capital Outlay - Environmental	472,000	393,333	6,354,781		5,219,253	
City Contribution Expense	95,491,107	79,575,923	79,575,923		78,788,042	
Taxes & Uncollectibles	1,515,596	1,262,997	(1,696,098)		321,287	
Emergency Reserve	5,000,000	-	-		-	
<i>Nonfuel Purchased Power:</i>						
* SJRPP D/S Principal	15,865,000	13,220,833	13,220,833		12,737,500	
* SJRPP D/S Interest	3,212,107	2,676,756	2,676,756		7,053,281	
** Other Non-Fuel Purchased Power	226,200,509	118,546,016	205,271,301		123,472,414	
Total Nonfuel Expenses	844,175,210	634,725,527	717,295,584	-13.01%	713,812,082	-0.49%
Non-Fuel Balance	-	47,612,643	39,612,348		69,722,530	
<b>Total Balance</b>	-	47,612,643	39,612,348		69,722,530	
<b>Total Revenues</b>	<b>1,515,782,272</b>	<b>1,240,588,275</b>	<b>1,261,767,640</b>	1.71%	<b>1,234,304,131</b>	2.23%
<b>Total Expenses</b>	<b>1,515,782,272</b>	<b>1,192,975,632</b>	<b>1,222,155,292</b>	-2.45%	<b>1,164,581,601</b>	-4.94%
<b>KWH Sold - Territorial</b>	<b>12,200,000,000</b>	<b>9,844,623,721</b>	<b>9,884,291,946</b>	0.40%	<b>10,095,207,676</b>	-2.09%
<b>KWH Sold - Off System</b>	-	-	<b>44,348,000</b>		<b>9,849,000</b>	
	<b>12,200,000,000</b>	<b>9,844,623,721</b>	<b>9,928,639,946</b>	0.85%	<b>10,105,056,676</b>	-1.75%

\* Gross debt service

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

JEA

Page 28

**Water and Sewer System**

Budget vs. Actual July 2023 and 2022 (unaudited)	Month				Prior Year Month	
	ANNUAL BUDGET 2022-23	BUDGET 2022-23	ACTUAL 2022-23	Variance %	ACTUAL 2021-22	Variance %
<b>REVENUES</b>						
Water & Sewer Revenues	\$ 477,665,241	\$ 42,464,252	\$ 41,443,424		\$ 38,315,479	
Capacity & Extension Fees	102,742,334	9,873,750	4,468,954		3,347,875	
Investment Income	3,242,935	276,866	383,606		400,684	
Other Income	19,887,497	1,657,291	1,787,334		2,803,167	
<b>Total</b>	<b>603,538,007</b>	<b>54,272,159</b>	<b>48,083,318</b>	<b>-11.40%</b>	<b>44,867,205</b>	<b>7.17%</b>
<b>EXPENSES</b>						
O & M Expenses	204,939,349	16,697,886	18,759,217		15,836,798	
Debt Principal - Water & Sewer	52,365,000	4,363,750	4,363,750		820,833	
Debt Interest - Water & Sewer	50,773,134	4,231,095	4,637,176		4,129,175	
Rate Stabilization - Environmental	-	-	1,297,716		(1,060,564)	
R&R - Water & Sewer	30,059,700	2,504,975	2,504,975		2,363,167	
Operating Capital Outlay	115,627,627	12,267,369	12,267,369		14,886,918	
Operating Capital Outlay - Capacity/Extension	102,742,334	9,873,750	4,468,954		3,347,875	
Operating Capital Outlay - Environmental	12,121,243	1,010,104	(2,813,330)		2,348,288	
City Contribution Expense	26,933,389	2,244,449	2,244,449		2,222,227	
Uncollectibles & Fees	573,198	47,767	234,835		28,980	
Interlocal Agreements	6,403,033	-	-		-	
Emergency Reserve	1,000,000	-	-		-	
<b>Total Expenses</b>	<b>603,538,007</b>	<b>53,241,145</b>	<b>47,965,111</b>	<b>9.91%</b>	<b>44,923,697</b>	<b>-6.77%</b>
<b>Total Balance</b>	<b>\$ -</b>	<b>\$ 1,031,014</b>	<b>\$ 118,207</b>		<b>\$ (56,492)</b>	
<b>Sales kgals</b>						
<b>Water</b>	39,504,198	3,679,054	3,364,718	-8.54%	3,401,282	-1.08%
<b>Sewer</b>	35,052,670	3,297,799	3,014,674	-8.59%	2,845,773	5.94%
<b>Total</b>	<b>74,556,868</b>	<b>6,976,853</b>	<b>6,379,392</b>	<b>-8.56%</b>	<b>6,247,055</b>	<b>2.12%</b>

Budget vs. Actual July 2023 and 2022 (unaudited)	Year-To-Date				Prior Year to Date	
	ANNUAL BUDGET 2022-23	BUDGET 2022-23	ACTUAL 2022-23	Variance %	ACTUAL 2021-22	Variance %
<b>REVENUES</b>						
Water & Sewer Revenues	\$ 477,665,241	\$ 396,375,711	\$ 400,236,691		\$ 393,642,010	
Capacity & Extension Fees	102,742,334	82,479,144	52,255,808		37,856,948	
Investment Income	3,242,935	2,687,460	5,136,172		2,194,403	
Other Income	19,887,497	16,572,914	17,002,533		25,177,796	
<b>Total</b>	<b>603,538,007</b>	<b>498,115,229</b>	<b>474,631,204</b>	<b>-4.71%</b>	<b>458,871,157</b>	<b>3.43%</b>
<b>EXPENSES</b>						
O & M Expenses	204,939,349	168,575,064	175,758,500		145,471,581	
Debt Principal - Water & Sewer	52,365,000	43,637,500	43,637,497		8,208,330	
Debt Interest - Water & Sewer	50,773,134	42,310,945	44,959,032		41,634,796	
Rate Stabilization - Environmental	-	-	(22,507,679)		(1,266,273)	
R&R - Water & Sewer	30,059,700	25,049,750	25,049,750		23,631,667	
Operating Capital Outlay	115,627,627	89,118,920	89,118,920		164,171,914	
Operating Capital Outlay - Capacity/Extension	102,742,334	82,479,144	52,255,808		37,856,948	
Operating Capital Outlay - Environmental	12,121,243	10,101,036	12,126,811		10,987,928	
City Contribution Expense	26,933,389	22,444,491	22,444,491		22,222,268	
Uncollectibles & Fees	573,198	477,665	1,524,812		127,423	
Interlocal Agreements	6,403,033	3,686,654	3,338,268		4,722,619	
Emergency Reserve	1,000,000	-	-		-	
<b>Total Expenses</b>	<b>603,538,007</b>	<b>487,881,169</b>	<b>447,706,210</b>	<b>8.23%</b>	<b>457,769,201</b>	<b>2.20%</b>
<b>Total Balance</b>	<b>\$ -</b>	<b>\$ 10,234,060</b>	<b>\$ 26,924,994</b>		<b>\$ 1,101,956</b>	
<b>Sales kgals</b>						
<b>Water</b>	39,504,198	32,807,444	32,574,474	-0.71%	32,516,065	0.18%
<b>Sewer</b>	35,052,670	29,005,539	28,825,841	-0.62%	28,448,282	1.33%
<b>Total</b>	<b>74,556,868</b>	<b>61,812,983</b>	<b>61,400,315</b>	<b>-0.67%</b>	<b>60,964,347</b>	<b>0.72%</b>

JEA		Page 29					
District Energy System		Month				Prior Year Month	
Budget vs. Actual	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance	
July 2023 and 2022 (unaudited)	2022-23	2022-23	2022-23	%	2021-22	%	
<b>REVENUES</b>							
Revenues	\$ 12,851,763	\$ 1,282,833	\$ 1,304,159		\$ 929,350		
Investment Income	\$ -	\$ -	\$ 16,471		\$ 3,833		
Total	12,851,763	1,282,833	1,320,630	2.95%	933,183	41.52%	
<b>EXPENSES</b>							
O & M Expenses	6,449,156	656,273	549,143		573,097		
Debt Principal - District Energy System	1,870,000	155,833	155,833		151,250		
Debt Interest - District Energy System	1,371,758	114,313	155,702		107,999		
R&R - District Energy System	450,600	37,550	37,550		33,517		
Operating Capital Outlay	2,710,249	-	-		-		
Total Expenses	12,851,763	963,969	898,228	6.82%	865,863	-3.74%	
<b>Total Balance</b>	<b>\$ -</b>	<b>\$ 318,864</b>	<b>\$ 422,402</b>		<b>\$ 67,320</b>		

		Year-To-Date				Prior-Year-to-Date	
Budget vs. Actual	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance	
July 2023 and 2022 (unaudited)	2022-23	2022-23	2022-23	%	2021-22	%	
<b>REVENUES</b>							
Revenues	\$ 12,851,763	\$ 10,212,838	\$ 10,181,357		\$ 6,952,080		
Investment Income	\$ -	\$ -	\$ 59,693		\$ 5,313		
Total	12,851,763	10,212,838	10,241,050	0.28%	6,957,393	47.20%	
<b>EXPENSES</b>							
O & M Expenses	6,449,156	5,164,174	4,420,056		3,842,950		
Debt Principal - District Energy System	1,870,000	1,558,333	1,558,333		1,512,500		
Debt Interest - District Energy System	1,371,758	1,143,132	1,335,947		1,025,995		
R&R - District Energy System	450,600	375,500	375,500		335,167		
Operating Capital Outlay	2,710,249	2,100,000	2,100,000		-		
Total Expenses	12,851,763	10,341,139	9,789,836	5.33%	6,716,612	-45.76%	
<b>Total Balance</b>	<b>\$ -</b>	<b>\$ (128,301)</b>	<b>\$ 451,214</b>		<b>\$ 240,781</b>		



**IMPROVING LIVES. BUILDING COMMUNITY.** to be the best utility in the country

## GOVERNANCE, AUDIT, & COMPLIANCE COMMITTEE

JEA Headquarters | 1<sup>st</sup> Floor | Room 120-A&B | 225 North Pearl Street, Jacksonville, FL 32202

August 4, 2023 | 9:00 am – 11:00 am

Committee Members: Marty Lanahan, General Joseph DiSalvo, Dr. Zachary Faison. All Board members are welcome.

### WELCOME

Meeting Called to Order

Adoption of Agenda (Action)

Approval of Minutes – January 13, 2023 (Action)

Marty Lanahan, Chair

Values Moment

John Babik, Director,  
Electric Compliance

### COMMENTS / PRESENTATIONS

Comments from the Public

Public

### FOR COMMITTEE CONSIDERATION

#### DEEPEN CUSTOMER AND COMMUNITY ENGAGEMENT

[FY23 External Audit Plan](#)

John DiSanto, Managing Director, EY  
Natalia DiFerdinand, Senior Manager, Assurance Services

[Audit Services & Ethics Update](#)

Lee Montanez, Director, Audit Services  
Walette Stanford, Director, Ethics

[Procurement Directives Updates \(Action\)](#)

Jay Stowe, Managing Director/CEO  
Randall Barnes, Treasurer  
Michael Corbitt, Director, Real Estate

#### MAKE DOING BUSINESS WITH JEA EASY

[Cyber Security](#)

Brad Krol, Chief Information Officer

#### FOSTER AN EXCEPTIONAL WORK CULTURE

[Board Member Attendance \(Discussion/Action\)](#)

Marty Lanahan, Chair

### OTHER BUSINESS AND CLOSING CONSIDERATION

Old and Other New Business / Open Discussion

Announcements – Next Committee Meeting TBD

Adjournment

### SUPPLEMENTAL INFORMATION

[Appendix A: FY2023 External Audit Plan](#)

[Appendix B: Audit Services](#)

[Appendix C: Procurement Directives](#)



# GOVERNANCE, AUDIT, & COMPLIANCE COMMITTEE

Marty Lanahan, Committee Chair

August 4, 2023





# Safety Briefing - Headquarters

In the event of an emergency, JEA Security will call 911 and coordinate any required evacuation

Emergency Evacuation Route: Exit building via Pearl Street main entrance/exit or Monroe Street exit to the left of the American flag

Assembly Point: Front of Duval County Clerk of Courts (NW corner of Adams St. & Clay St.)

Evacuation or Medical Assist: Notify JEA Security Officer

Hazard & Situational Awareness

Cell Phone & Computer Etiquette

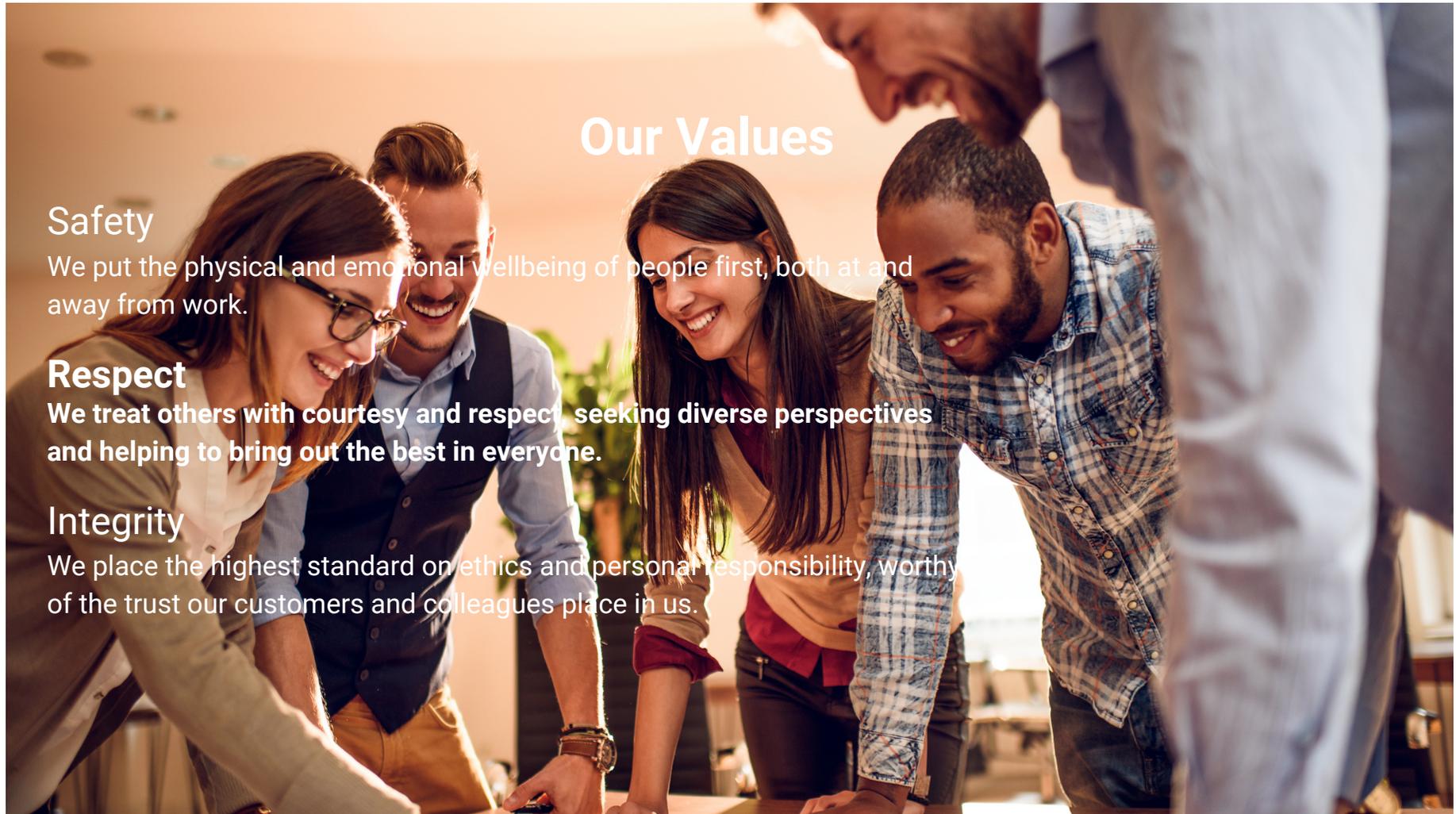


**Pearl Street Exit**



**Monroe Street Exit  
Left of the American Flag**





## Our Values

### Safety

We put the physical and emotional wellbeing of people first, both at and away from work.

### Respect

We treat others with courtesy and respect, seeking diverse perspectives and helping to bring out the best in everyone.

### Integrity

We place the highest standard on ethics and personal responsibility, worthy of the trust our customers and colleagues place in us.

# COMMENTS FROM THE PUBLIC

Marty Lanahan, Committee Chair





## Executive summary



### What's new and next

**New:** The following GASB pronouncements come into effect for fiscal year 2023:

- GASB Statement No. 91, Conduit Debt Obligations
- GASB Statement No. 94, Public – Private and Public – Public Partnerships and Availability Payment Arrangements
- GASB Statement No. 96, Subscription – Based Information Technology Arrangements

**Next:** Actions the team is taking in next 90 days:

- On-site tour of the facility and meeting with management
- Perform risk assessment and planning procedures
- Perform walkthroughs of all processes

### Key business priorities

- Uniform Guidance Audit (FEMA) for 2022
  - No findings
  - Unmodified opinions on compliance
- Plant Vogtle
- GASB 87, Leases, adoption – Though implemented in FY22, was determined that no material leases were held that triggered the implementation. However, the new building lease will be material in the current period and will need to be recorded and addressed.

### 2023 audit plan

#### Audit timeline

- Planning: July to August
- Interim: August to September
- Year-end: October to December

#### Audit strategy, including significant risks identified

- Areas of emphasis (pages 2-3)
- Important Updates: New GASB Pronouncements (page 4)
- How data is driving this year's audit (page 5)
- Involvement of internal audit and others (page 6)
- Appendices, including required communications (pages 7-11)

#### Involvement of internal audit and others

- We plan to use the work of the internal auditors in selected areas of our 2023 audit similar to previous years. Refer to the Involvement of Internal Auditors section.

### Digital commitment

We continue to benefit from and improve upon the digital audit technology implemented during our previous audits, including:

- Canvas client portal: Shared audit team access to documentation to ensure status of requests is shared; segregated access of sensitive data to appropriate users.
- EY Helix: Executed the revenue audit program which resulted in a reduction of traditional tests of details.

## Areas of emphasis

Topic	Significance	Subjectivity	Considerations
<b>Revenue recognition</b>	 Moderate	 Low	<ul style="list-style-type: none"> <li>Review calculation of unbilled revenue</li> <li>Test contractual arrangements, including unique terms and conditions, to obtain reasonable assurance of compliance with the applicable accounting standards</li> <li>Test timing of revenue recognition based on the terms of the arrangement</li> <li>Confirm terms and conditions with both customers and management as considered necessary</li> <li>Test account reconciliations to determine timely completion and review</li> <li>Perform detailed analytical review procedures, by system, including predictive analytics based on verifiable consumption and production data</li> <li>Perform detailed tests over a sample of revenue transactions to assess the appropriateness and accuracy of recorded amounts</li> <li>Through the use of data analytics, we will analyze 100% of the revenue data within the general ledger and perform a correlation analysis between revenue, AR and cash</li> </ul>
<b>Regulatory accounts</b>	 Moderate	 Moderate	<ul style="list-style-type: none"> <li>Test approval of any new regulatory assets/liabilities</li> <li>Verify that amortization and expense recognition are consistent with rate recovery</li> <li>Vouch significant activity</li> <li>Test account reconciliations</li> <li>Perform projection tests to determine that regulatory accounts will be recovered/amortized over the remaining maturities/useful lives of related debt and capital assets</li> </ul>
<b>Investments</b>	 Moderate	 Moderate	<ul style="list-style-type: none"> <li>Assess estimation uncertainty for significant classes of securities in JEA's portfolio</li> <li>Confirm investments with custodial institutions and managers and test selected transactions</li> <li>Test valuation for selected securities using alternative pricing sources</li> <li>Evaluate GASB 40 risk disclosures and GASB 72 fair market value disclosures</li> </ul>
<b>Capital assets</b>	 Moderate	 Low	<ul style="list-style-type: none"> <li>Review items capitalized to determine whether they should be capitalized versus expensed</li> <li>Test selection of assets added, retired, and disposed of during the fiscal year</li> <li>Review depreciation for reasonableness</li> </ul>

## Areas of emphasis

Topic	Significance	Subjectivity	Considerations
<b>Derivative instruments and hedging activities</b>	 Low	 Moderate	<ul style="list-style-type: none"> <li>• Test assessment of hedge effectiveness documentation, including re-performance where quantitative methods are used</li> <li>• Confirm instruments with counterparties</li> <li>• Test recorded market values using independently developed estimates</li> <li>• Test fuel hedge contract settlements</li> <li>• Evaluate disclosures</li> <li>• Reconsider normal purchase/normal sales assumptions for commodity contracts</li> </ul>
<b>Pension plan accounting and reporting — SJRPP Plan</b>	 Low	 Low	<ul style="list-style-type: none"> <li>• Review actuary reports for reasonableness of assumptions and methodology</li> <li>• For single employer plan, obtain actuary’s reports and procedures performed by plan auditors</li> <li>• Census data testing for JEA plan participants</li> <li>• Assess reasonableness of required disclosures</li> <li>• Substantively test plan assets</li> </ul>
<b>Pension plan accounting and reporting — COJ Plan</b>	 Low	 Low	<ul style="list-style-type: none"> <li>• Review actuary reports for reasonableness of assumptions and methodology</li> <li>• For cost sharing plan (City Plan) obtain audited allocation schedule to determine the City’s liabilities, expenses, deferred inflows and outflows</li> <li>• In accordance with AU-C 805, obtain a report on elements from CRI, the Plan’s auditors.</li> <li>• Census data testing for JEA plan participants</li> <li>• Assess reasonableness of required disclosures</li> </ul>
<b>Commitments and contingencies</b>	 Moderate	 Moderate	<ul style="list-style-type: none"> <li>• As part of our procedures, we will continue to inquire of management and legal counsel and evaluate the possible impact on JEA’s financial statements, including possible contingent liabilities and required disclosures related to Plant Vogtle and other matters</li> </ul>

## Important Updates: New GASB Pronouncements

<b>GASB Statement</b>	<b>Title</b>	<b>Description</b>	<b>2023</b>	<b>2024</b>
GASB Statement No. 91	Conduit Debt Obligations	Clarifies definition of conduit debt, establishes that conduit debt is not an obligation of the issuer, requires the third-party obligor to record the liability for the debt and requires additional footnote disclosures	x	
GASB Statement No. 94	Public-Private and Public-Public Partnerships and Availability Payment Arrangements	Establishes standards of accounting and financial reporting for PPPs and APAs for governments. The requirements of this Statement apply to financial statements of all state and local governments.	x	
GASB Statement No. 96	Subscription-Based Information Technology Arrangements	Provides accounting guidance on subscription-based information technology arrangements ("SB ITAs"), such as cloud computing arrangements and requires recognition of a right-to-use asset and a corresponding liability for SB ITAs, as well as expensing of certain costs associated with SB ITAs.	x	
GASB Statement No. 99	Omnibus 2022	To enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by clarifying provision in GASB Statement N. 53, 87, 94 and 96.	x	x
GASB Statement No. 100	Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62	To enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.		x
GASB Statement No. 101	Compensated Absences	To better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.		x

## How data is driving this year's audit

We continue to broaden and deepen our use of data analytics as we continue on our data-driven audit journey. We plan to focus on expanding our use of data in these key areas.

1

### Use data to focus on change in the business and new risks

In the prior year, we developed an understanding of risks using data. This year, we will focus on new or changing risks by analyzing changes in the data compared with the prior year. Doing so allows us to focus our procedures on new or emerging **risks**.

2

### Use data to enhance our response to identified fraud risks

We aim to **refine** our audit procedures over revenue and the risk of management override through the use of data. Doing so allows us to identify **unusual transactions** outside the normal course of business that have a higher risk of fraud.

3

### Deepen our understanding of the trade payables processes

We will expand our use of data to **deepen** our understanding of processes. Doing so will allow us to **streamline** the walkthrough process, corroborating what has been recorded, focusing on what has changed and providing **insights**.

### How can we team successfully?

- Provide subledger data and journal entry data timely
- Continued use of EY Canvas Client Portal

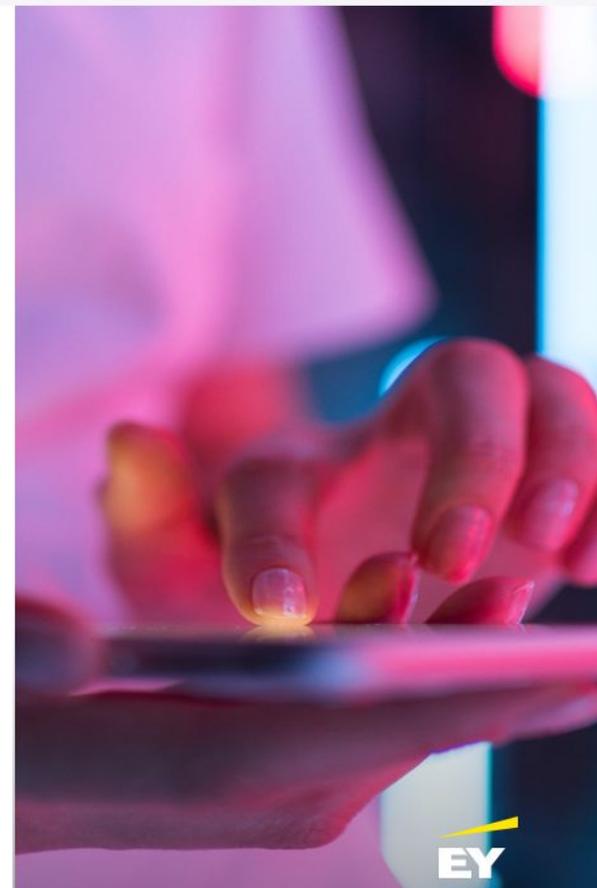


## Involvement of internal audit and others

Areas/significant classes of transactions where EY is planning to use the work of internal audit	Walkthroughs <sup>1, 2</sup>	Substantive procedures <sup>1, 2</sup>	Estimated hours
<b>Internal audit</b>			
Derivative swaps		X	35
Costs to be recovered		X	35
Expense test of transactions		X	35
Fixed assets		X	30
Accruals		X	25
Officer expense testing		X	20
Regulatory assets	X		10
Purchasing, accounts payable and cash disbursements	X		10

<sup>1</sup> Direct assistance model — When we use the direct assistance model, we treat internal audit or others as our own staff by providing audit programs, supervising their work, and performing a detail and second-level review of the workpapers.

<sup>2</sup> Reliance model — When we use the reliance model, we perform certain procedures to evaluate the quality and effectiveness of internal audits or others' work. Procedures will include reviewing audit programs, understanding supervision of procedures performed, reviewing workpapers and results, and performing tests of their work.



# AUDIT SERVICES & ETHICS UPDATE

Lee Montanez, Director, Audit Services  
Walette Stanford, Director, Ethics

## Strategic Objective

Deepen Customer and Community Engagement



# In-Process Audit/Projects

## Project Management - Operations

### Reporting Phase

To evaluate the governance, processes, and controls for recently completed water and wastewater infrastructure projects

## Fiber Network Resiliency

### Reporting Phase

To assess JEA's fiber infrastructure strategy, operations and redundancy

## Senate Bill 64 (Water/Wastewater Discharge) Special Project

### Reporting Phase

Special project to validate JEA's preparedness and monitoring of a recently passed environmental bill

## FY22 Identity and Access Management

### Fieldwork

To evaluate information security controls for JEA's non-corporate applications and networks

## Data Center

### Fieldwork

Assess JEA's data center strategy, design, and business continuity process and controls

## Project Management - Technology Services

### Fieldwork

Evaluate the governance, processes, and controls for recently completed IT implementation projects

## Learning and Development

### Fieldwork

Assess the strategy, applicability, delivery and effectiveness of JEA's training programs

## Refurbishment Process

### Planning

Evaluate the process and controls of the refurbishment process for inventory items with long lead times (i.e., transformers, bucket trucks, etc.)

## FY24 Risk Assessments

### Ongoing

Annual process to gather enterprise-wide information to use as input for the formation of the FY24 Internal Audit Plan



# Completed Audit/Projects

## Green-e Agreed Upon Procedures

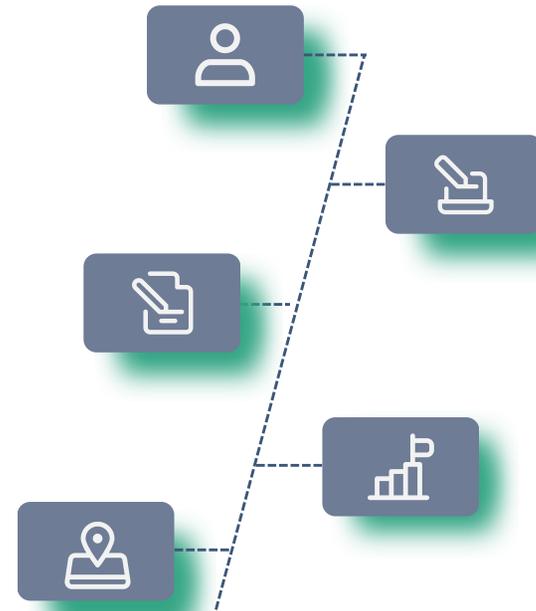
Special project for certifying JEA's renewable energy credit sales to third parties

## Construction Management at Risk (CMAR)

Special project to validate project costs and to provide process improvement recommendations

## National Institute of Standards and Technology (NIST) Internal Readiness Assessment

Special project for validating National Institute of Standards & Technology (NIST) readiness by management in anticipation of an external review



# INTERNAL AUDIT

---

## Action Plans

### 9 Open Action Plans

4 Significant (on track)

4 Moderate (on track)

1 Nominal (on track)

### 30 Closed Action Plans YTD

3 Major

15 Significant

11 Moderate

1 Nominal



# Internal Audit (IA) Strategy

## Strategic Goals and Deliverables

To continue to make meaningful contributions to JEA's overall governance, risk management, and internal controls

<p><b>PROFESSIONAL DEVELOPMENT</b> September 2023</p> <p>Non-certified Internal Auditors to complete 40 Continuing Professional Education (CPE) hours and encourage to become certified</p> <p>Audit staff with certification(s) to complete CPEs as required</p>	<p><b>OBTAIN RELEVANT AND USEFUL INFORMATION FOR ASSESSING RISK</b> December 2023</p> <p>Staff will obtain information from all areas within JEA and share during IA's operational meetings</p>	<p><b>RISK ASSURANCE MAPPING (RAM)</b> March 2024</p> <p>Update the RAM for the organization</p>
<p><b>DEVELOP FOCUSED BASED AUDITS TO MEET ORGANIZATIONAL CHALLENGES AND RESOURCE CONSTRAINTS</b> October 2023</p> <p>Develop, plan, and complete audit and advisory audits/projects that have a focused scope covering specific areas to better enhance expectations</p>	<p><b>INTERNAL AUDIT / ENTERPRISE RISK MANAGEMENT (ERM) / STRATEGY COORDINATION</b> March 2024</p>	<p><b>FRAUD RISK ASSESSMENT</b> July 2024</p> <p>Develop and review with the Leadership Team a fraud risk register consisting of the top 10 significant schemes possible at JEA</p> <p>Update the procedure titled "Managing the Risk of Fraud in JEA"</p> <p>Select, plan, and complete audits relevant to fraud risk</p>
<p><b>OPEN ACTION PLAN PROCESS</b> October 2023</p> <p>Review and update open action plans to improve communication and increase timeliness of actions taken by management</p>	<p>Collaborate with the ERM and Strategy teams to improve the risk and controls assessment process</p>	<p><b>COMPLETE AN EXTERNAL QUALITY ASSESSMENT REVIEW (QAR)</b> July 2024</p> <p>Prior to engaging a consultant to perform the QAR, staff will complete an internal readiness assessment to determine gaps</p> <p>Review action plans and potential mitigating activities from QAR with the Governance, Audit &amp; Compliance Committee</p>

## Employee Inquiries Q2 & Q3

Category	Cause	Outcome	Method of Submission	Financial Impact
(3) Timecard	Employee misconduct that went unnoticed during a period where the employee reported under multiple Supervisors (1) The employee gave the appearance of working but covered actions in a discrete manner (2)	Separation	Labor Relations	\$40,144
Discrimination	Manager discriminating against a direct report	Unfounded	Ethics Hotline	
Fraud	Attempted scam impersonating JEA personnel	Unfounded	Ethics Hotline	
General Concern	External vendor working near JEA equipment. Are they working for JEA?	Unfounded	Ethics Hotline	
General Concern	Employees being videoed doing work without their consent	Unfounded	Ethics Hotline	
General Concern	JEA vendor accused of not following contract	Unfounded	Ethics Hotline	
General Concern	Employee accused of running over a dog in their JEA vehicle	Unfounded	Ethics Hotline	

# Employee Engagement Survey Data

	June 2022	February 2023
Respondents	1434	1459
Engagement	79	82 ↑ 3
Ethics	71	75 ↑ 4
Values	64	68 ↑ 4

### STRENGTHS

- Work Life Balance** I am able to successfully balance my work and personal life
- Purpose** The work that I do at JEA is meaningful to me
- Resources** I have the resources I need to do my job well

### OPPORTUNITIES

- Action Taking** I believe meaningful action will be taken as a result of this survey
- Values** People at JEA live the company values
- Ethics** People at JEA behave ethically

## Post-Survey Approach



### Is the compliance program working in practice?

Are policies and procedures easily accessible and understandable?

Are resources viewed as effective?

Are the modes to report widely known?



### Is there an open and trusting environment for speaking up?

Are systems and programs designed to encourage employees to speak up without fear of retaliation?

What is prohibiting those who see something from saying something?

Where or whom to employees view as the most trustworthy resources available for submitting questions and reports?



### Is there a commitment to ethics at all levels?

Are managers viewed as trusted resources for employees for questions?

Do employees take personal ownership for establishing their immediate environment as one where integrity is valued?

Are senior leaders demonstrating the company's commitment to integrity in both words and deeds?

# PROCUREMENT DIRECTIVES UPDATE

Jay Stowe, Managing Director/CEO

Randall Barnes, Treasurer

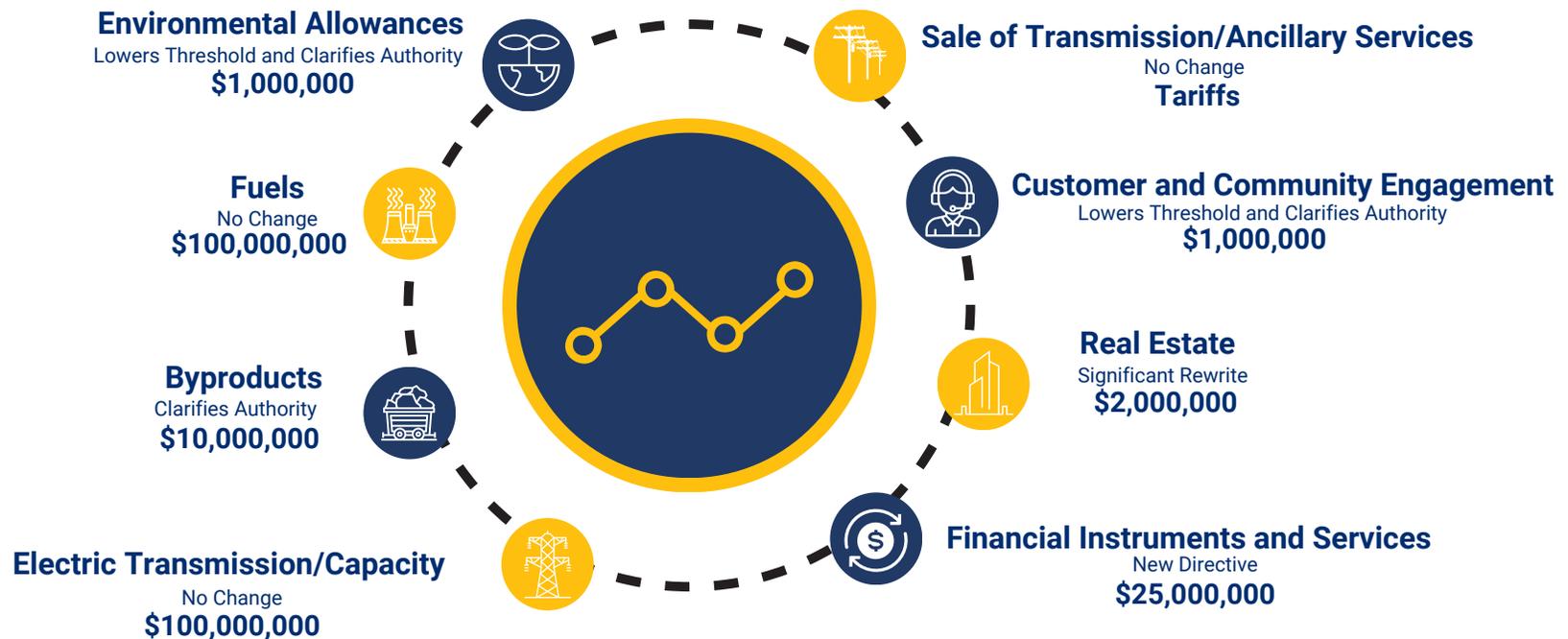
Michael Corbitt, Director, Real Estate  
Action

## Strategic Objective

Deepen Customer & Community Engagement



# Procurement Directives Board Approval Limits



- Supplemental information has full set of directives
- Limits and signature authority below Board approval are detailed in supplemental information and are set by delegation from the Board to the Managing Director/CEO

## Services Covered under the Finance Directive

**Dollar Thresholds Remain Unchanged From the Original Procurement Code**

**Treasury Will Be Responsible for Maintaining All Documentation for the Procurements**

**Any Procurement Not Within the Scope of this Directive Will Follow the Normal Procurement Code**



**Financial Transaction Support Services**

**Financial Instruments and Arrangements**

**Agency Services for the Sale of Financial Assets  
Investor Relations Services**

**Financial Compliance Services**

**Bond Underwriting Services**

**Fiduciary Services**

**Credit Rating Agency Services**

**Dealer and Remarketing Services**

**Investment Purchase and Management Services**

**Staff seeks a recommendation for Board approval of the Finance Directive**

**BOARD RESOLUTION: 2023-28**

**A RESOLUTION OF THE JEA BOARD OF DIRECTORS APPROVING THE GOVERNANCE, AUDIT, AND COMPLIANCE COMMITTEE'S RECOMMENDATION TO ADOPT THE PROCUREMENT CODE EXEMPTION FOR FINANCIAL INSTRUMENTS AND SERVICES SUBSTANTIALLY IN THE SAME FORM AS ATTACHED HERETO; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE**

WHEREAS, in accordance with Article 21, Section 21.09, City of Jacksonville Charter, referred to within this resolution as "JEA Charter", JEA's governing body is required to review and approve JEA's procurement procedures, including any amendments thereto; and

WHEREAS, in accordance with the JEA Charter, on April 25, 2023, the Board of Directors adopted a revised JEA Procurement Code; and

WHEREAS, in the revised Procurement Code, the article that previously addressed the procurement of financial instruments and services was deleted with the intent to submit a Procurement Code Exemption addressing such procurements for consideration by the Board of Directors; and

WHEREAS, it is advisable to address the procurement of financial instruments and services through a Procurement Code exemption due to the fact that such services often exist in a limited market and must be completed in a limited timeframe in order to accommodate the needs of financing or investment transactions; and

WHEREAS, at its August 4, 2023 meeting, the JEA Governance, Audit & Compliance Committee recommended that the Procurement Code Exemption for Financial Instruments and Services be adopted in accordance with the document attached hereto as Exhibit A and incorporated herein; and

WHEREAS, it is in the best interests of JEA to adopt the Procurement Code Exemption for Financial Instruments and Services as recommended by the Governance, Audit & Compliance Committee.

NOW THEREFORE, BE IT RESOLVED by the JEA Board of Directors that:

1. The above recitals are incorporated into the body of this Resolution and are adopted as findings of fact.
2. The Board adopts the amended Procurement Code Exemption for Financial Instruments and Services substantially in the same form as attached hereto.
3. To the extent that there are any typographical, administrative, and/or scrivener's errors contained here in that do not change the tone, tenor, or purpose of this Resolution, then such errors may be corrected with no further action required by the Board.
4. This Resolution shall be effective upon approval by the Board.

Dated this 29th day of August 2023.

# REAL ESTATE DIRECTIVE

Previously approved in 2016  
Proposed directive provides compliance and improves functionality

## PROPOSED REVISIONS

New requirements pertaining to real estate from the 2020 Charter amendments

Functional updates to reflect how the Real Estate department operates

### **Current directive addresses:**

Delegation of authority to the Managing Director/CEO and Director of Real Estate to enter into real estate transactions on behalf of JEA

General guidance for buying, selling and leasing property; and

Approval process for transactions

## 2020 CHARTER AMENDMENTS

Board will approve rules and procedures regarding the reporting, buying, selling, or other transfer of real estate

The rules and procedures are defined in this directive:

Board will review the Directive no less than every two years

Directive will be made available to the public

There were some other minor administrative updates including, requirements for appraisals and recording documents with the Clerk of Court

## REQUESTED ACTION

Staff seeks a recommendation for Board approval of the Real Estate Directive

**BOARD RESOLUTION: 2023-27**

**A RESOLUTION BY THE BOARD APPROVING REAL PROPERTY RULES AND PROCEDURES; REVISING THE JEA REAL ESTATE SERVICES PROCUREMENT DIRECTIVE; AND PROVIDING FOR AN EFFECTIVE DATE**

WHEREAS, Article 21 of the Jacksonville City Charter authorizes JEA to acquire real property (or any estate or interest therein), for the use or expansion of the utilities systems; and

WHEREAS, JEA is further authorized to sell, lease, or otherwise transfer, with or without consideration, any real property (or interest therein) that is no longer needed or useful for operation of the utilities systems; and

WHEREAS, in accordance with Article 21.04(b)(4), the Board is required to approve real estate rules and procedures and amendments thereto governing the reporting, acquisition, sale, purchase, lease, license, transfer, and disposition of real property; and

WHEREAS, the Board, is further required to review such real estate rules and procedures no less than biennially; and

WHEREAS, the proposed Real Estate Services Procurement Directive (Directive), attached hereto as Exhibit "A" and incorporated herein, contains revised rules governing the acquisition, use, and disposition of JEA real property; and

WHEREAS, the proposed Directive is hereby presented for the Board's biennial review and approval.

BE IT RESOLVED by the JEA Board of Directors that:

1. In accordance Article 21.04(b)(4) of the City Charter, the Board has reviewed the rules and procedures contained in the Directive.
2. Based upon its review, the Board hereby approves the Directive. All previous directives related to the procurement of real property are hereby repealed and replaced by the Directive.
3. The Managing Director/Chief Executive Officer (or designee) shall take all steps necessary to implement and administer the Directive.
4. The Directive shall supplement the Amended and Restated JEA Procurement Code (Code). To the extent that there is any conflict between the Code and the Directive related to any real property transaction, the Directive shall govern.
5. To the extent that there are any typographical, administrative, and/or scrivener's errors contained herein that do not change the tone, tenor, or purpose of this Resolution, then such errors may be corrected with no further action required by the Board.
6. This Resolution shall be effective upon approval by the Board.

Dated this 29th day of August 2023.

A person wearing a blue button-down shirt is shown from the chest down, typing on a laptop. The scene is overlaid with digital graphics: a glowing shield with a keyhole in the center, surrounded by hexadecimal characters (A-F, 0-9). To the left of the shield is a glowing world map. Below the laptop, several glowing rectangular data boxes are connected by thin lines, suggesting data flow or system components. The overall color scheme is dark blue and black with bright white and light blue digital elements.

**CYBER  
SECURITY**

Brad Krol, Chief Information Officer

**Strategic Objective**  
Make Doing Business With JEA Easy

# National Institute of Standards and Technology (NIST) Cyber Security Framework

## Identify

Asset Management, Business Environment, Governance, Risk Assessment, and Risk Management Strategy

## Protect

Access Control, Awareness and Training, Data Security, Information Protection Processes and Procedures, Maintenance, and Protective Technology

## Detect

Anomalies and Events, Security Continuous Monitoring, and Detection Processes

## Respond

Response Planning, Communications, Analysis, Mitigation, and Improvements

## Recover

Recovery Planning, Improvements, and Communications





**Overall Alignment: 3.78/5.00**

- Areas of Opportunity**
- Increased Client Visibility
  - Increased Correlation
  - Threat Hunting
  - Incident Response
  - Forensics

**Rated Level 3/3**

Fully implemented for 5 of the 10 domains

**Assessment Score: 82**

Industry Average: 67

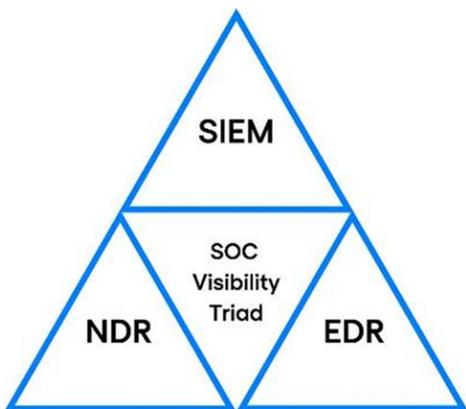
Assessment of an assumed breach. JEA Team was able to detect many of Trend's attacks with various monitoring tools and the overall maturity of the environment and the skill of the team

External Assessment: CISA was not able to penetrate JEA's perimeter defenses

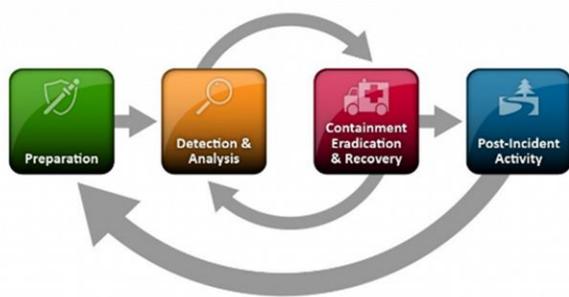
Still waiting on the final report

Internal Assessment: JEA is aware of key findings and has plans to address

# Detect and Respond



**Network and Endpoint**  
Monitor network traffic and endpoint activity to detect



**Incident Response**  
Responding to malicious cyber activities



**Forensics**  
Investigation and analysis techniques to gather and preserve evidence

SIEM – Security Information and Event Management  
NDR – Network Detection & Response  
SOC Visibility Triad – Security Operations  
EDR – Endpoint Detection and Response

---

## Program Highlights

Information Security Team offers services to perform several different assessments

- 01** External Data Protection (Cloud) Questionnaires
- 02** Risk assessments performed for new software (products/services) and Technology Services (TS) Capital projects managed by TS Project Management Office
- 03** Vulnerability & Penetration Assessments
- 04** Partner with virtual Chief Information Security Officer (vCISO)



# Continual Investment

Perimeter Security

Security Operations Center

Operational Technology Security

**JEA CURRENTS TECHNOLOGY**

### USB Drives –Friend and Foe

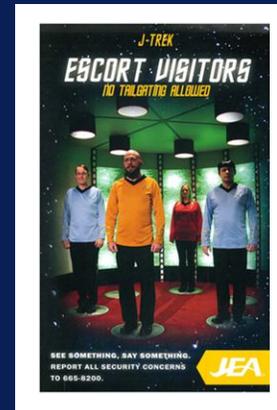
USB drives, or thumb drives, are popular for storing and transporting data, but these same characteristics that make them convenient also introduce security risks.

A BadUSB attack occurs when a USB device has an built in firmware vulnerability that allows itself to be disguised as a human interface device. Once connected to its target computer, a BadUSB could then discreetly execute harmful commands or inject malicious payloads.

A common type of a BadUSB is Wi-Fi keylogger. Wi-Fi keyloggers are modern hacker hardware that particularly target desktop computers. They work as a bridge between the keyboard's USB terminal and the computer itself. This BadUSB intercepts input signals from the keyboard and relays them to the hacker's compute keyloggers capture anything that the user types including sensitive information and password without raising any suspicion. In the case of desktop computers, these devices can be compl hidden from plain sight and do not affect the performance of the keyboard while in use.

For more Cybersecurity [Awareness](#) information, visit [IS Education, Awareness, & Training](#). If you to report suspicious activities, contact the Help Desk (665-HELP) or [Information Security](#).

Endpoint Security



Education & Training of Users

# BOARD MEMBER ATTENDANCE

**Marty Lanahan, Committee Chair**  
Discussion / Action

**Strategic Objective**  
Foster an Exceptional Work Culture



## Board Member Self-Assessment - Attendance



### Board Member Comments

Not all Board members attend the meetings in person, which is a requirement to have a quorum. We do have good attendance counting virtual attendance.

I would like to see us commit to being at meetings face to face and not on WebEx. I understand that is an option, but I do believe that our conversations could be more robust if everyone was there.

Attendance of all Board members is difficult at times. We are all executives in our organizations, but I think we can improve this item.

I know I am prepared and engaged with strategy and staff. We are missing some Board members on a pretty regular basis from being with us face to face...that has hampered the ability for me to say that we are all engaged in discussion. It is hard to chime in on WebEx in a meaningful manner.

# By-Laws of JEA

Approved at August 10, 2022 JEA Board Retreat

## Teleconference or Videoconference Meetings

All Board and Committee meetings will be conducted in accordance with the Charter and Florida Statutes. 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.

## Quorum and Votes Required for Action

A majority of the Board's membership physically present shall constitute a quorum for the purposes of meeting and transacting business. Each member shall have one vote. A majority vote of the members physically present at a meeting shall be required to accomplish an act of business. A Board member may attend a meeting virtually when extraordinary circumstances would not permit the Board member to be physically present at the meeting. Whether extraordinary circumstances exist shall be a determination of the Board members physically present at the meeting. Providing a quorum physically present has been met, and the Board members who are physically present have determined that extraordinary circumstances exist to justify the Board member's virtual attendance, a Board member attending virtually may vote. By adoption of these By-Laws, the following are presumed to constitute extraordinary circumstances with no need for further action on the part of the Board:

- Military duty
- Health-related issues
- Board member being out of town due to circumstances beyond Board member's control
- State of emergency declared by federal, state, or local authority
- Other reasons as deemed appropriate by the Board



**GOVERNANCE, AUDIT,  
& COMPLIANCE  
COMMITTEE**

---

**Supplemental Information**

JEA GOVERNANCE, AUDIT, AND COMPLIANCE COMMITTEE MINUTES

January 13, 2023

The Governance, Audit, and Compliance Committee of the JEA Board met at 10:00am on Friday, January 13, 2023 on the 8<sup>th</sup> Floor, 21 W. Church Street, Jacksonville, Florida. The public was invited to attend this meeting in-person at the physical location and virtually via WebEx.

**WELCOME**

**Meeting Called to Order** – Committee Chair Marty Lanahan called the meeting to order at 10:00 a.m. Attending the meeting was Committee Vice Chair General Joseph DiSalvo. Board Member John Baker attended the meeting virtually. Dr. Zachary Faison was not in attendance for the meeting. A quorum of the committee was physically present for the meeting.

Others in attendance in-person were Jay Stowe, Managing Director/CEO; Jody Brooks, Chief Administrative Officer; Ted Phillips, Chief Financial Officer; Jordan Pope, Vice President, Corporate Strategy; and Regina Ross, Chief Legal Officer, Office of General Counsel. Others in attendance virtually were Raynetta Curry Marshall, Chief Operating Officer; Laura Schepis, Chief External Affairs Officer; Sheila Pressley, Chief Customer Officer; Kurtis Wilson, Vice President, Government Relations; Hai Vu, Vice President, Water/Wastewater Systems; Pedro Melendez, Vice President, Planning, Engineering & Construction; Stephen Datz, Vice President, IT Infrastructure and Operations; and Wayne Young, Vice President, Environmental Services.

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

**Approval of Minutes** – On *motion* by Rick Morales and seconded by General DiSalvo, the October 13, 2022 Governance, Audit, and Compliance Committee meeting minutes were approved.

**Safety Briefing and Values Moment** – Julie Moore, Manager, Internal Audit, noted the safety protocol is outlined in the materials and provided a Values Moment on integrity.

**Comments from the Public** – There were no in-person, virtual, or emailed public comments

**FOR COMMITTEE CONSIDERATION**

**Ernst & Young FY22 Audit Results** – John DiSanto, Managing Director, Ernst & Young, provided the committee with the 2022 JEA Financial Statement Audit Results and the 2022 St. John’s Retirement Power Plan Audit Results to include executive summaries and required communications for both result books. This presentation was received for information.

**Internal Audit Update & Charter** – Lee Montanez, Director, Audit Services, provided an update on open audits and projects and those that were closed in FY23. Mr. Montanez provided the committee with an overview of the recommended proposed revisions to the Internal Audit Charter to include updated definitions and required language from the Institute of Internal Auditors, Committee name change, position title change, and language revisions.

On *motion* by General DiSalvo and seconded by Rick Morales, the Governance, Audit and Compliance Committee unanimously approved to recommend the Board approve the Internal Audit Charter.

**Ethics Officer’s Report** – Walette Stanford, Director, Ethics, provided an overview on integrity and JEA’s commitment to fostering a strong ethical culture. Ms. Stanford presented to the committee an

action plan to include more awareness on tools to report unethical behavior, provide value moments at townhalls, continue 1:1 ethical training, communicate more about issues and concerns to the organization, and implement a streamlined process for hotline intake. This presentation was received for information.

**Slate of Officers** – Committee Chair Lanahan provided a recommendations to continue with the current slate of officers to maintain continuity in leadership. Committee Chair Lanahan verified with legal before a motion was made.

On *motion* by Rick Morales and seconded by General DiSalvo, the Governance, Audit and Compliance Committee unanimously approved recommending the current slate of officers to the Board for approval.

**FY22 Board Self-Assessment Summary** – Laura Dutton, Chief Strategy Officer, provided an overview, timeline, and results of the annual Board of Directors Self-Assessment. This presentation was received for information.

**FY22 CEO Evaluation Summary** – Laura Dutton, Chief Strategy Officer, provided an overview and timeline of the annual CEO Evaluation criteria and informed the committee the results have been provided to the Board of Directors. This presentation was received for information.

**CLOSING CONSIDERATIONS**

**Old and Other New Business/Open Discussion –**

**Announcements** – Next Governance, Audit, and Compliance Committee Meeting is August 25, 2023.

**Adjournment** – With no further business coming before the Committee, Chair Lanahan declared the meeting adjourned at 2:33 p.m.

APPROVED BY:

\_\_\_\_\_  
Marty Lanahan, Committee Chair

Date: \_\_\_\_\_

Submitted by:

Allison S Hickok  
Allison S Hickok  
Executive Staff Assistant

## Appendices

Page

7



A

Required communications

B

Peer review report

# Appendix A

## Required communications

## Required communications

Area	Comments
Terms of the audit engagement, including the objective of the audit, the auditor’s responsibilities under generally accepted auditing standards and management’s responsibilities	Refer to the engagement letter.
Overall planned scope and timing of the audit, and significant risks identified and any changes thereto	Refer to the executive summary and areas of emphasis for additional information.
Significant issues discussed with management in connection with the auditor’s initial appointment or recurring retention	There are no matters to communicate.
Independence matters	None
Inquiries regarding: <ul style="list-style-type: none"> <li>• Risks of material misstatement</li> <li>• Fraud and noncompliance with laws and regulations (illegal acts)</li> <li>• Related-party relationships and transactions</li> </ul>	Inquiries regarding these matters are to be performed at this meeting.

As required, provided above is a summary of required communications between the audit team and those charged with governance, as required by AICPA Clarified US Auditing Standard (AU-C) 260, *The Auditor’s Communication With Those Charged With Governance*, and other applicable auditing standards. This communication is intended solely for the information and use of those charged with governance and, if appropriate, management, and is not intended to be, and should not be, used by anyone other than these specified parties.



# Appendix B

---

## Peer review report



# Peer review report



**GRANT THORNTON LLP**  
1102 Peachtree St. NE, Suite 1200  
Atlanta, GA 30309  
T +1 404 330 2000  
F +1 404 330 2047

## Report on the Firm's System of Quality Control

May 1, 2023

To the Partners of Ernst & Young LLP and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Ernst & Young LLP (the firm), applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended June 30, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans; audits performed under

FDICIA; and examinations of service organizations (SOC 1<sup>®</sup> and SOC 2<sup>®</sup> engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Ernst & Young LLP, applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended June 30, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Ernst & Young LLP has received a peer review rating of *pass*.

*Grant Thornton LLP*



Governance, Audit, and Compliance Committee - Supplemental Informaion

EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal [data](#) and a description of the rights individuals have under data protection legislation are available via [ey.com/privacy](#). EY member firms do not practice law [where](#) prohibited by local laws. For more information about our organization, please visit [ey.com](#).

Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

**About EY's Assurance Services**

Our assurance services help our clients meet their reporting requirements by providing an objective and independent examination of the financial statements that are provided to investors and other stakeholders. Throughout the audit process, our teams provide a timely and constructive challenge to management on accounting and reporting matters and a robust and clear perspective to audit committees charged with oversight.

The quality of our audits starts with our 90,000 assurance professionals, who have the breadth of experience and ongoing professional development that come from auditing many of the world's leading companies.

For every client, we assemble the right multidisciplinary team with the sector knowledge and subject matter knowledge to address your specific issues. All teams use our Global Audit Methodology and latest audit tools to deliver consistent audits worldwide.

© 2023 Ernst & Young LLP.  
All Rights Reserved.

[ey.com](#)

# Internal Audit Open Action Plans Report

Audit Name	Observation Title	Severity	Management Action Plan	Current Due Date
IA FY20 Personnel Out Process (POP) Follow-up	Ineffective Contractor Termination Process	Significant	Phase I: The three responsible area directors will chair a task force with the purpose of defining the best potential solution including: Technology solution (how) Human solution (who) Control solution (sustain) Develop estimated cost, resources and timing to implement. Phase II: Task force present recommended solution to SLT seeking funding and resources to complete the project	1/1/2024
IA FY21 MEAG/Vogtle Special Project	Budget Spreadsheets from MEAG are not currently Itemized	N/A - Special Project	The Vice President, Financial Services will request from MEAG specific monthly GL line item detail for Project J.	9/30/2023
IA FY21 MEAG/Vogtle Special Project	Process Improvement	N/A - Special Project	The Vice President, Financial Services will work with the Controller, Financial Planning & Analysis and Fuels to develop reconciliation processes and procedures for MEAG Power Project J monthly invoices against its annual budget and long-term financial model.	9/30/2023
IA FY21 Project Engineering & Construction (PEC)	Inconsistent Project File Maintenance and Tracking	Significant	The solution will be completed in the following stages: Identify technical needs and begin Technical Services (TS) approval process. (4/1/2022) Gain TS approval and issue Request for Proposal (RFP). (TBD) Implementation of approved solution and update new procedures accordingly. (TBD)	4/30/2024
IA FY22 Fleet Services Audit	Preventive Maintenance Timeliness	Significant	All outstanding PMs will be brought current in the next 6 months. Fleet is currently beta testing 20 units for a PM scheduling application through our telematics provider. The schedule should alert operators, coordinators, and managers when PMs are triggered by the following criteria: hours, mileage, and date. This beta test will be complete by the end of Q2 before expanding to the rest of the fleet no later than June 30, 2023.	9/30/2023
IA FY22 Project Accounting Audit	Business Continuity Plan	Moderate	Management will update the Business Continuity Plan annually.	6/30/2023
IA FY22 Project Accounting Audit	Procedures	Moderate	Management will create a process to ensure that procedures are reviewed on an annual basis and are on PolicyTech.	6/30/2023
IA FY22 Project Accounting Audit	Training	Nominal	Management will develop a process to ensure tracking of additional training.	6/30/2023
IA FY22 System Protection and Controls	Relay Numbers not updated in EAM.	Significant	Relay assets will be field verified and updated in EAM.	12/29/2023



**BOARD RESOLUTION: 2023-28**

August 29, 2023

**A RESOLUTION OF THE JEA BOARD OF DIRECTORS APPROVING THE GOVERNANCE, AUDIT, AND COMPLIANCE COMMITTEE'S RECOMMENDATION TO ADOPT THE PROCUREMENT CODE EXEMPTION FOR FINANCIAL INSTRUMENTS AND SERVICES SUBSTANTIALLY IN THE SAME FORM AS ATTACHED HERETO; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE**

**WHEREAS**, in accordance with Article 21, Section 21.09, City of Jacksonville Charter, referred to within this resolution as "JEA Charter", JEA's governing body is required to review and approve JEA's procurement procedures, including any amendments thereto; and

**WHEREAS**, in accordance with the JEA Charter, on April 25, 2023, the Board of Directors adopted a revised JEA Procurement Code; and

**WHEREAS**, in the revised Procurement Code, the article that previously addressed the procurement of financial instruments and services was deleted with the intent to submit a Procurement Code Exemption addressing such procurements for consideration by the Board of Directors; and

**WHEREAS**, it is advisable to address the procurement of financial instruments and services through a Procurement Code exemption due to the fact that such services often exist in a limited market and must be completed in a limited timeframe in order to accommodate the needs of financing or investment transactions; and

**WHEREAS**, at its August 4, 2023 meeting, the JEA Governance, Audit & Compliance Committee recommended that the Procurement Code Exemption for Financial Instruments and Services be adopted in accordance with the document attached hereto as Exhibit A and incorporated herein; and

**WHEREAS**, it is in the best interests of JEA to adopt the Procurement Code Exemption for Financial Instruments and Services as recommended by the Governance, Audit & Compliance Committee.

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

1. The above recitals are incorporated into the body of this Resolution and are adopted as findings of fact.
2. The Board adopts the amended Procurement Code Exemption for Financial Instruments and Services substantially in the same form as attached hereto.
3. The Managing Director/Chief Executive Officer (or designee) shall take all steps necessary to implement and administer the Procurement Code Exemption for Financial Instruments and Services.
4. To the extent that there are any typographical, administrative, and/or scrivener's errors contained here in that do not change the tone, tenor, or purpose of this Resolution, then such errors may be corrected with no further action required by the Board.
5. This Resolution shall be effective upon approval by the Board.

Governance, Audit, and Compliance Committee - Supplemental Informaion

Dated this 29<sup>th</sup> day of August 2023.

\_\_\_\_\_  
JEA Board Vice Chair on behalf of  
JEA Board Chair

\_\_\_\_\_  
Board Secretary

Form Approved by:

\_\_\_\_\_  
Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	

Governance, Audit, and Compliance Committee - Supplemental Informaion

<b>Procurement Code Exemption Financial Instruments and Services</b>			
<p><b>Scope of Procurement Exemption:</b> This Procurement Code Exemption relates to certain financial instruments and services that are offered in a well-defined limited market, may involve complex negotiations among sophisticated counterparties, and often require a limited timeframe in which to complete a transaction. At all times, financial instruments and services procured under this exemption shall include as much fair and open competition as administratively possible. The following financial instruments and services may be procured under this exemption:</p> <p><b>Bond Underwriting Services</b> - Including services to underwrite variable or fixed rate bonds, notes, commercial paper or other debt-related financial instruments issued under any bond resolution approved by the JEA Board, subject to a negotiated sale or competitive bid.</p> <p><b>Fiduciary Services</b> - Including trustee, registrar, paying agent, escrow agent, custody, and other similar fiduciary services in conjunction with the issuance and management of debt and/or investment of assets.</p> <p><b>Credit Rating Agency Services</b> - Including the procurement of debt ratings and related informational services from nationally recognized credit rating agencies.</p> <p><b>Dealer and Remarketing Services</b> - Including dealers or remarketing agents that market commercial paper, variable rate demand obligations, or other variable rate debt issued under any bond resolution approved by the JEA Board.</p> <p><b>Investment Purchase and Management Services</b> - Including the purchase or sale of allowed securities or entering into securities lending arrangements under JEA's Investment Management Policy, or enting into agreements with professional investment managers to manage JEA's assets.</p> <p><b>Financial Transaction Support Services</b> - Including services directly related to a financial transaction including, but not limited to escrow verification services, accounting services, and financial printing services.</p> <p><b>Financial Instruments and Arrangements</b> - Including financial instruments and arrangements primarily used as risk management strategies (including but not limited to swaps, caps, floors, collars, options, forward supply agreements, float contracts, and Guaranteed Investment Contracts), credit support (including but not limited to bond insurance, surety policies, letters of credit, and other credit enhancement facilities), and liquidity support (including but not limited to continuing covenant agreements, standby bond purchase agreements, and lines of credit).</p> <p><b>Agency Services for the Sale of Financial Assets</b> - Including, but not limited to, procuring the services of an agent to sell tax credits or other financial assets.</p> <p><b>Investor Relations Services</b> - Including services related to the research of or direct communication with the investors, either electronically or in person.</p> <p><b>Financial Compliance Services</b> - Including services necessary to meet compliance requirements of bond covenants and regulators.</p>			
	<b>Agreement Amount</b>	<b>Contract Signatory Authority</b>	
<b>Contracts for the Procurement of Financial Instruments and Services</b>	> \$25,000,000	JEA Board	
	\$10,000,000 to \$25,000,000	Chief Executive Officer	
	\$1,000,000 to \$10,000,000	Chief Financial Officer	
	\$100,000 to \$1,000,000	VP Financial Services	
	< \$100,000	Treasurer	
<p>All enabling agreements should be reviewed and approved by the Office of General Counsel prior to signature.</p>			
<b>Documentation</b>			
	<b>Amount</b>	<b>Term</b>	<b>Responsible Party</b>
<b>Responsible for Retaining Procurement and Contract</b>	Any	Any	Treasurer
<b>Procurement Methodology</b>			
<b>Type of Procurement</b>	<b>Amount</b>	<b>Approving Entity</b>	<b>Procurement Guidelines</b>
<b>Accelerated Bids</b>	Any Amount	Treasurer	If a short procurement timeframe is required, the JEA business unit may use an accelerated bid process to sell or procure supplies or services covered by this procurement exemption by issuing a solicitation via email through JEA's Financial Advisor or directly to prospective bidders. Under this procurement method, JEA's Financial Advisor or staff of the VP Financial Services or will receive bids directly from the bidders for quick evaluation by JEA staff and award of a contract.
<b>Unsolicited Offers</b>	Any Amount	Treasurer	JEA may enter into contracts based on unsolicited offers for supplies or services covered by this procurement exemption without using a competitive bidding process. JEA staff or JEA's Financial Advisor may engage in negotiations with the party that provided the unsolicited offer to improve the terms, conditions and/or pricing. JEA will be allowed to take advantage of unsolicited offers when such procurements are determined to provide operational and/or economical advantage to JEA and acceptance of such offer is in JEA's best interest.

I hereby delegate contract signature authority to the JEA personnel as provided herein.

Approved:  
 Jay Stowe  
 Managing  
 Date:

Accepted:  
 Ted Phillips  
 Chief Financial Officer  
 Date:

# Amended and Restated JEA Procurement Code

Effective April 27, 2021

Table of Contents

<b>DEFINITIONS</b> .....	<b>1</b>
<b>ARTICLE 1 – GENERAL PROVISIONS</b> .....	<b>5</b>
1-101 Purposes, Rules of Construction .....	5
1-102 Application of this Code .....	6
1-103 Determinations .....	7
1-104 Policy of Continuous Improvement .....	7
1-105 Jacksonville Small Emerging Business (JSEB) Program; Minority Business Enterprises .....	7
1-106 General Counsel of the City of Jacksonville .....	7
1-107 Ex Parte Communication Prohibited .....	8
1-108 Retention of Procurement Records .....	9
1-109 Collection of Data Concerning JEA Procurement; Annual Vendor Survey .....	9
1-110 Record of Procurement Actions .....	10
<b>ARTICLE 2 – PROCUREMENT AUTHORITY, DESIGNATIONS, AND COMMITTEES</b> .....	<b>11</b>
2-101 Procurement Authority and Duties of the JEA Board .....	11
2-102 Procurement Code Exemptions .....	11
2-103 Appointment and Authority of the Chief Procurement Officer .....	12
2-104 Delegation of Authority by the Chief Procurement Officer .....	12
2-105 Procurement Document Review .....	12
2-106 Awards Committee .....	13
2-107 Awards Committee Procedures .....	13
2-108 Duties of the Awards Committee .....	14+3
<b>ARTICLE 3 – SOURCE SELECTION AND CONTRACT FORMATION</b> .....	<b>15</b>
3-101 Formal Purchases .....	15
3-102 Informal Purchases .....	16+5
3-103 Methods of Pre-Source Selection .....	16
3-104 Methods of Source Selection .....	17
3-105 Invitation For Bids (IFB) .....	18+7
3-106 Request for Proposal (RFP) .....	18
3-107 Consultants’ Competitive Negotiation Act (CCNA) (Architectural, Engineering, Landscape Architectural, or Surveying & Mapping Services) .....	18
3-108 Design-Build Contracts .....	18
3-109 Construction Management and Program Management .....	19+8

Formatted: Header
Style Definition: Normal
Style Definition: Heading 1
Style Definition: Heading 2
Style Definition: TOC 1
Style Definition: TOC 2

Governance, Audit, and Compliance Committee - Supplemental Informaion

3-110 Multi-Step Competitive Bidding .....1918

3-111 Invitation to Negotiate (ITN) .....19

3-112 Single Source .....2019

3-113 Emergency Procurements .....20

3-114 Public-Private Partnerships .....2120

3-115 Collaborative Procurements .....2120

3-116 Joint Projects .....21

3-117 Use of Publicly Procured Contracts .....21

3-118 Pilot Projects .....2221

3-119 Use of Reverse Auctions .....22

3-120 Form of Contract Documents .....2322

3-121 Execution of Contract Documents .....23

3-122 JEA Project Manager .....23

3-123 Continuing Services Contracts .....2423

3-124 Contract Pricing Terms .....2423

**ARTICLE 4 – PROCUREMENT OF FINANCIAL INSTRUMENTS AND SERVICES .....24**

4-101 [Deleted] .....24

4-201 Types of Procured Financial Instruments and Services .....24

4-301 Authorized Investments .....25

4-302 Financial Instruments and Arrangements .....2625

4-303 Purchases in the Secondary Market of Debt .....27

4-304 Debt Underwriting Services to Underwrite Bonds, Notes or Other Financial Instruments Issued Under Bond Resolutions, Subject to a Negotiated Sale .....2827

4-305 Debt Underwriting Services to Underwrite Bonds, Notes or Other Financial Instruments Issued Under Bond Resolutions, Subject to a Competitive Bid .....28

4-306 Bond Counsel and Related Legal Services .....28

4-307 Financial Advisory Services .....2928

4-308 Trustee, Registrar, Paying Agent, Escrow Agent, Custody Services relating to fixed rate debt or variable rate and similar fiduciary Services .....2928

4-309 Credit Rating Agencies Services .....29

4-310 Dealers or Remarketing Agents that Market Commercial Paper, Variable Rate Demand Obligations (VRDO), or other Variable Rate Debt .....29

4-311 Securities Lending Arrangements .....3029

4-312 Financial Printing Services, Including but not Limited to Official Statement Printing .....30

4-313 Banking Services .....3130

4-314 Escrow Verification Services and Accounting Services Related to a Debt Issue or Escrow Restructuring .....31

4-315 Letters of Credit or Revolving Credit Facilities .....31

4-316 Sale of Voluntary Florida Cleanup Tax Credits .....32

4-401 [Deleted] .....32

4-402 Reimbursement of Certain Expenditures from Long-term Permanent Financing .....32

**ARTICLE 5 – ADMINISTRATIVE REMEDIES .....3332**

Formatted: Header

Governance, Audit, and Compliance Committee - Supplemental Informaion

5-101 Protests.....3332

5-102 Suspensions and Debarments.....35

5-103 Creation of the Procurement Appeals Board.....3736

5-104 Procurement Appeals Board Procedures.....37

5-105 Authority of Procurement Appeals Board.....37

5-106 Appeals.....3837

5-107 Review of Appeals.....38

**DEFINITIONS..... 1**

**ARTICLE 1- GENERAL PROVISIONS..... 5**

1-101 Purposes, Rules of Construction ..... 5

1-102 Application of this Code ..... 6

1-103 Determinations..... 7

1-104 Policy of Continuous Improvement ..... 7

1-105 Jacksonville Small Emerging Business (JSEB) Program; Minority Business Enterprises ..... 7

1-106 General Counsel of the City of Jacksonville..... 7

1-107 Ex Parte Communication Prohibited..... 8

1-108 Retention of Procurement Records ..... 9

1-109 Collection of Data Concerning JEA Procurement; Annual Vendor Survey ..... 9

1-110 Record of Procurement Actions..... 10

**ARTICLE 2 - PROCUREMENT AUTHORITY, DESIGNATIONS, AND COMMITTEES ..... 11**

2-101 Procurement Authority and Duties of the JEA Board ..... 11

2-102 Procurement Code Exemptions..... 11

2-103 Appointment and Authority of the Chief Procurement Officer..... 12

2-104 Delegation of Authority by the Chief Procurement Officer ..... 12

2-105 Procurement Document Review and Transparency ..... 12

2-106 Awards..... 13

**ARTICLE 3 – SOURCE SELECTION AND CONTRACT FORMATION ..... 1514**

3-101 Formal Purchases..... 1514

3-102 Informal Purchases..... 1614

3-103 Methods of Pre-Source Selection..... 1615

3-104 Methods of Source Selection ..... 1715

3-105 Invitation For Bids (IFB)..... 1816

3-106 Request for Proposal (RFP)..... 1816

3-107 Consultants’ Competitive Negotiation Act (CCNA) (Architectural, Engineering, Landscape Architectural, or Surveying & Mapping Services)..... 1817

3-108 Design-Build Contracts..... 1817

3-109 Construction Management and Program Management ..... 1917

3-110 Multi-Step Competitive Bidding..... 1917

3-111 Invitation to Negotiate (ITN)..... 1917

3-112 Single Source..... 2018

3-113 Emergency Procurements ..... 2018

3-114 Public-Private Partnerships..... 2119

Formatted: Header

Governance, Audit, and Compliance Committee - Supplemental Information

<a href="#">3-115 Collaborative Procurements.....</a>	<a href="#">2119</a>
<a href="#">3-116 Joint Projects.....</a>	<a href="#">2119</a>
<a href="#">3-117 Use of Publicly Procured Contracts.....</a>	<a href="#">2120</a>
<a href="#">3-118 Pilot Projects.....</a>	<a href="#">2220</a>
<a href="#">3-119 Use of Reverse Auctions.....</a>	<a href="#">2221</a>
<a href="#">3-120 Form of Contract Documents.....</a>	<a href="#">2321</a>
<a href="#">3-121 Execution of Contract Documents.....</a>	<a href="#">2322</a>
<a href="#">3-122 JEA Project Manager.....</a>	<a href="#">2322</a>
<a href="#">3-123 Continuing Services Contracts.....</a>	<a href="#">2422</a>
<a href="#">3-124 Contract Pricing Terms.....</a>	<a href="#">2422</a>
<b><a href="#">ARTICLE 4 - ADMINISTRATIVE REMEDIES.....</a></b>	<b><a href="#">2422</a></b>
<a href="#">4-101 Protests.....</a>	<a href="#">3322</a>
<a href="#">4-102 Suspensions and Debarments.....</a>	<a href="#">3525</a>
<a href="#">4-103 Creation of the Procurement Appeals Board.....</a>	<a href="#">3726</a>
<a href="#">5-104 Procurement Appeals Board Procedures.....</a>	<a href="#">3726</a>
<a href="#">4-105 Authority of Procurement Appeals Board.....</a>	<a href="#">3727</a>
<a href="#">4-106 Appeals.....</a>	<a href="#">3827</a>
<a href="#">4-107 Review of Appeals.....</a>	<a href="#">3828</a>

Formatted: Header

Formatted: Header

## DEFINITIONS

*Addendum* means a document issued by JEA which modifies a Solicitation.

*Appeal* shall have the meaning set forth in Section ~~54~~-106 of this Code.

*Award* means the written approval of the ~~JEA Awards Committee~~*Chief of Procurement* with the written concurrence of the Chief Executive Officer that a Formal Purchase will be in accordance with this Code and the best interest of JEA.

~~*Awards Committee* means the body appointed by the Chief Executive Officer in accordance with Section 2-106 of this Code.~~

*Best and Final Offer* or *BAFO* means a Vendor's final offer following the conclusion of contract negotiations in connection with an Invitation to Negotiate.

*Bid* means a Vendor's offer to provide Services or Supplies in response to an Invitation for Bid.

*Bidder* means a Vendor submitting a Bid in response to an Invitation to Bid.

~~*Bond Insurance* means an agreement supplied by an insurance company in conjunction with a debt issue that provides for the guarantee of payment of principal and interest to the debt holder.~~

*Business Day* is any day except any Saturday, any Sunday or any holiday observed by JEA's Procurement office.

~~*Cap* means an agreement obligating the seller of the Cap to make payments to the buyer of the Cap, each payment under which is based on the amount, if any, by which a reference price or level or the performance or value of one or more underlying interests exceeds a predetermined number, sometimes called the strike/Cap rate or price.~~

*Chief Procurement Officer* or *CPO* means the person holding the position appointed in accordance with Section 2-103 of this Code.

*Code* means this Amended and Restated JEA Procurement Code.

~~*Collar* means an agreement to receive payments as the buyer of an Option, Cap, or Floor, and to make payments as the seller of the Collar of a different Option, Cap, or Floor.~~

*Construction* means the process of building, altering, repairing, improving, or demolishing any structure or building, or other improvements of any kind to any real property. It does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.

*Construction Management Entity* means a licensed general contractor or a licensed building contractor, as defined in Section 489.105, Florida Statutes, as amended, who coordinates and supervises a Construction project from the conceptual development stage through final Construction, including the scheduling, selection, contracting with, and directing of specialty trade contractors, and the value engineering of a project.

*Construction Manager at Risk* or *CMAR* shall have the meaning set forth in Section 3-109 of this Code.

*Consultants' Competitive Negotiation Act* or *CCNA* means Section 287.055, Florida Statutes, as amended, relating to the Procurement of certain architectural, engineering, landscape architectural, and mapping and surveying Services.

Formatted: Indent: Left: 0.51", First line: 0", Space After: 3.5 pt, Line spacing: Multiple 1.08 li

Governance, Audit, and Compliance Committee - Supplemental Informaion

Formatted: Header

*Contract* means all types of agreements for the Procurement of Supplies or Services, regardless of what these agreements may be called, and shall include, but not be limited to, a Purchase Order issued by JEA and accepted by a Vendor.

*Contract Amendment* means a written amendment executed after the execution of the Contract formalizing any revisions to the Contract.

*Collaborative Procurement* means a Procurement undertaken by JEA in accordance with Section 3115 of this Code.

*Data* means recorded information, regardless of form or characteristic.

*Design-Build Contract* means a single Contract with a Design-Build Firm for the design and Construction of a Construction project as defined in CCNA.

*Designee* has the meaning set forth in Section 4-302 of this Code.

*Determination* means a finding or decision by JEA made in the course of the process of procuring Supplies or Services under this Code.

*Emergency* shall have the meaning set forth in Section 3-113 of this Code.

*Ex Parte Communication* has the meaning set forth in Section 1-107 of this Code.

~~*Floor* means an agreement obligating the seller of the Floor to make payments to the buyer of the Floor, each payment under which is based on the amount, if any, that a predetermined number, sometimes called the strike/Floor rate or price, exceeds a reference price, level, performance or value of one or more underlying interests.~~

*Forward Supply Agreement* means a supplier has agreed to supply or cause to be supplied appropriate investments in appropriate amounts and for appropriate periods and to pay consideration to an entity either over time or up-front in an amount determined by bid or negotiation for the right to supply such investments to the escrow holder or other recipient identified by the entity.

*Governmental Entity* means any state or territory of the United States, or any county, city, town or other subdivision of any state or territory of the United States, or any public agency, public authority, educational, health, or other institution of such subdivision.

~~*Hedge* means any transaction which is entered into and maintained to reduce the risk of a change in the value, yield, price, cash flow, or quantity of, or the degree of exposure with respect to, assets or liabilities which the buyer has acquired or incurred or anticipates acquiring or incurring.~~

*Intent to Award* means JEA's announcement via an email, posting of the Awards Committee agenda, or issuance of an Addendum stating its intent to award a Formal or Informal Contract.

*Invitation for Bid or IFB* means a type of Solicitation requesting price offers and qualification information for defined Supplies or Services.

*Invitation to Negotiate or ITN* means a type of Solicitation requesting competitive sealed replies with the intent to select one or more Vendors with which to commence negotiations for the procurement of Supplies or Services, and usually concluding with a Best and Final Offer from Respondents.

*JEA* means that body politic and corporate created and established in Article 21 of the Charter of the City of Jacksonville.

Governance, Audit, and Compliance Committee - Supplemental Information

Formatted: Header

*JEA Board* means the members of the JEA appointed to serve as provided by Section 21.03 of the JEA Charter.

*JEA Charter* means Article 21 of the Charter of the City of Jacksonville, as amended from time to time.

~~*Letter of Credit* means a commitment, usually made by a commercial bank, to honor demands for payment of an obligation upon compliance with conditions and/or the occurrence of certain events specified under the terms of the commitment.~~

*Operational Procedures* means the written process and procedures applicable to JEA Procurements and Procurement activities that have been promulgated in accordance with this Code.

~~*Option* means an agreement giving the buyer the right to buy or receive, sell or deliver, enter into, extend or terminate, or effect a cash settlement based on the actual or expected price, level, performance, or value of, one or more underlying interests.~~

*Organizational Element Manager* means the person designated by the Chief Executive Officer to have responsibility for Procurement policies and procedures for certain categories of Supplies and Services under Section 2-102 of this Code.

*Pre-Source Selection Methods* means the pre-source selection methods described in Section 3-103 of this Code.

*Pilot Project* shall have the meaning set forth in Section 3-118 of this Code.

*Post, Posting or Posted* means placing documents or information on JEA's centralized internet website in the manner and location in which similar documents or information are typically posted.

*Procurement* means purchasing, renting, leasing, or otherwise acquiring; or selling, renting, leasing or otherwise disposing of any Supplies or Services, including, but not limited to, all functions that pertain to such activities – e.g., description of requirements, selection and solicitation of sources, and preparation and Award.

*Procurement Appeals Board* means the body comprised of at least three members of the Awards Committee as designated in this Code to hear Appeals regarding Procurement actions in accordance with Article 54 of this Code.

*Professional Services* shall have the meaning set forth in the CCNA.

*JEA Project Manager* shall have the meaning set forth in Section 3-122.

*Proposer* means a Vendor submitting a Proposal in response to a Request for Proposals.

*Proposal* means a Vendor's submittal of its offer in response to a Request for Proposals.

*Protest* shall have the meaning set forth in Section 54-101 of this Code.

*Protestant* means a Vendor who files a timely and proper Protest in accordance with Article 54 of this Code.

*Purchase Order* means a document issued by JEA requesting that a Vendor provide specified Supplies and Services to JEA and may contain additional terms and conditions related to the provision of such Supplies and Services.

*Real Estate* means land, including buildings and improvements, its natural assets, easements or a permanent interest therein.

Governance, Audit, and Compliance Committee - Supplemental Information

Formatted: Header

~~Public procurement is the process by which the government purchases goods and services from private suppliers.~~  
*Request for Proposals* means a type of competitive Solicitation requesting offers that includes qualifications, methods or other information, and may or may not include price, in the form of a Proposal.

*Request for Qualifications or RFQ* has the meaning set forth in Section 3-103 of this Code.

*Response* means a Vendor's submittal of its qualifications and price to in response to an ITN or other Solicitation.

*Respondent* means a Vendor submitting a Response to an ITN or other Solicitation.

*Responsible Bidder (or Responsible Proposer or Responsible Respondent)* means a Vendor that, in the Chief Procurement Officer's Determination, has the business judgment, experience, facilities and capability in all respects to perform fully the Solicitation requirements, and the integrity and reliability that will assure good faith performance.

*Responsive Bidder (or Proposer or Respondent)* means a Vendor that, in the Chief Procurement Officer's Determination, has submitted a Bid, Response or Proposal that conforms in all material respects to a Solicitation.

~~*Reverse Auction* means a type of auction in which sellers bid for the prices at which they are willing to sell their Supplies or Services.~~

*Single Source* has the meaning set forth in Section 3-112 of this Code.

*Solicitation* means a document (which may be electronic) issued by JEA for the Formal Purchase of Supplies, Services, or Real Estate.

*Source Selection* means the type of Solicitation advertised or Procurement method JEA utilizes to obtain responses from Vendors to provide Services or Supplies (e.g., Invitation for Bids, Request for Proposals, Invitation to Negotiate)

*Specifications* means any description of the physical or functional characteristics, or of the nature of an item of Supply or Service. It may include a description of any requirement for inspecting or testing an item of Supply or Service or preparing such item for delivery. Also commonly referred to as Technical Specifications.

*Supplies* means all property, including but not limited to, equipment, materials, repair parts, consumables, tools, printing, and leases of real property.

~~*Swap (Interest Rate or Commodity)* means an agreement to exchange, or net, payments at one or more times based on the actual or expected price, level, performance, or value of one or more underlying interests.~~

*Vendor* means any person or legal entity that provides, agrees to provide, or is interested in providing, Supplies or Services to JEA.

## ARTICLE 1- GENERAL PROVISIONS

### 1-101 Purposes, Rules of Construction

(1) *Interpretation.* This Code shall be construed to be consistent with the guiding principles and to promote its underlying purposes and policies set forth in this Section 1-101.

Governance, Audit, and Compliance Committee - Supplemental Informaion

Formatted: Header

(2) *Guiding Principles.* This Code shall at all times be subject to the provisions of the JEA Charter found in Article 21 (JEA), Charter of the City of Jacksonville and the following guiding principles:

(a) *Open and Fair Competition.* To the greatest extent reasonably possible, JEA shall use fair, competitive, and generally accepted government Procurement methods that seek to encourage the most competition and best price for the purchase of supplies, construction, professional and other contractual services. JEA should adhere to all applicable state procurement laws, including but not limited to laws governing the purchase of construction services and professional design services.

(b) *Transparency in Procurement processes.* This Code and all Procurement policies, Operational Procedures, rules, directives, standards, and other procurement governing documents, including any amendments thereto, shall be posted on JEA's website in a conspicuous manner for the public to view. All records of JEA Procurement activities shall be subject to disclosure under Florida's public records laws, including, but not limited to those laws codified in Section 119, Florida Statutes, as amended.

(c) *Use of certain agreements.* The use of confidentiality, nondisclosure or similar agreements by government agencies are contrary to open and transparent government. Except regarding information or records deemed by JEA to be confidential or exempt information or records by law, JEA should not enter into confidentiality or nondisclosure agreements with third parties and should use confidentiality, nondisclosure or similar agreements sparingly in the conduct and operation of its Procurement activities. Additionally, JEA shall not require a member, officer or employee to maintain the confidentiality of information or records that is not confidential or exempt by law.

(3) *Purposes and Policies.* The underlying purposes and policies of this Code are:

(a) to provide for increased public confidence and consistency in the procedures followed in JEA Procurement;

(b) to ensure the fair and equitable treatment of all persons who deal with the JEA Procurement system;

(c) to maximize, to the fullest extent practicable, the purchasing value of JEA funds;

(d) to foster effective, broad-based competition among vendors purchasing good and services from JEA;

~~(e)~~ (e) to simplify and expedite the procurement of goods and services in a way that best serves customers;

~~(e)~~~~(f)~~ (f) to provide safeguards for the maintenance of the quality and integrity of the JEA Procurement system, and

~~(f)~~~~(g)~~ (g) to ensure JEA's Procurement activities comply with all applicable Florida Statutes.

(4) *Singular-Plural and Gender Rules.* In this Code, unless the context requires otherwise, words in the singular include the plural, and those in the plural include the singular.

Governance, Audit, and Compliance Committee - Supplemental Information

Formatted: Header

(5) *Use of Capitals in Text.* Capitalized terms used in this Code shall have the meanings given to them in the Definitions section of this Code.

(6) *Job Titles.* If a JEA job title used in this Code is changed in the future due to JEA organizational changes, this Code shall be construed by substituting the appropriate successor job title.

(7) *Interpretation:* Where the word “shall” is used, it connotes a mandatory requirement. Where the word “may” is used, it connotes a permissive requirement.

#### **1-102 Application of this Code**

(1) *General Application.* This Code, and any amendments to this Code, apply only to Procurement activities, Contracts and Contract Amendments solicited or entered into after the effective date of this Code or an Amendment, as the case may be.

(2) *Application to JEA Procurement.* This Code shall apply to expenditures of public funds under Contract by JEA, irrespective of their source. It shall also apply to the sale or other disposal of JEA property and Supplies.

#### **1-103 Determinations**

Written Determinations required by this Code shall be retained in the appropriate official Procurement or Contract file maintained in accordance with promulgated by the Chief Procurement Officer.

#### **1-104 Policy of Continuous Improvement**

*Suggestions for Improvements.* The JEA Board intends for this Code to be a dynamic document comprising the best available public sector Procurement practices. To this end, the Chief Executive Officer encourages employees of JEA and others who deal with the JEA Procurement system to submit to the Chief Procurement Officer any ideas or suggestions for improvements to this Code.

#### **1-105 Jacksonville Small Emerging Business (JSEB) Program; Minority Business Enterprises**

JEA shall adhere to the City of Jacksonville’s Small Emerging Business (JSEB) Program, or successor city program, in its Procurement procedures. Subject to applicable federal, state and local laws, with the JEA Board’s approval, JEA is authorized to implement and to take all actions necessary to administer a race-conscious purchasing and Procurement program to remedy the present effects of past discrimination by JEA, if any, in the awarding of Contracts. Any such race-conscious program implemented by JEA to remedy the present effects of past discrimination by JEA, if any, in the awarding of Contracts must be

Governance, Audit, and Compliance Committee - Supplemental Information

Formatted: Header

supported by evidence and based on the required criteria and standards as set forth in applicable federal and state laws.

**1-106 General Counsel of the City of Jacksonville**

The General Counsel of the City of Jacksonville has the responsibility for providing all legal Services to JEA, including, but not limited to, legal Services relating to Procurement matters. The General Counsel may employ, supervise and terminate assistant counsels to assist with the efficient provision of legal Services for JEA. The General Counsel may authorize JEA to engage outside counsel upon certification by the General Counsel of compliance with the City of Jacksonville's Charter and JEA's authority, and a written finding of necessity by the General Counsel. The General Counsel shall consult with JEA before the General Counsel selects outside counsel. The provision of all outside legal Services to JEA shall be in accordance with the terms of an engagement letter authorized and approved by the General Counsel, including, but not limited to, the scope of the services provided and the maximum indebtedness of JEA's obligations in connection with the engagement.

The provision of legal Services as contemplated by this Section 1-106 shall include all legal related services, e.g., court reporters, expert consultants or witnesses, and Real Estate property appraisers. Legal counsel engaged by JEA shall have the authority to engage such related legal Services only to the extent that the vendor of such related legal Services and the maximum indebtedness of JEA's obligations in connection with such services is approved ~~in~~ by the General Counsel and described in the engagement letter for such legal counsel. The engagement of related legal Services by outside counsel shall not be used as a means to circumvent the competitive bidding requirements or any other provisions of this Code.

**1-107 Ex Parte Communication Prohibited**

Adherence to procedures that ensure a fair open and impartial Procurement process is essential to the maintenance of public confidence in the value and soundness of the important process of public Procurement. Therefore, except as provided in subsection (3) of this Section 1-107, employees, agents and all other representatives of a Vendor shall be strictly prohibited from communicating, directly or indirectly, with any of the JEA representatives described in subsection (1) below during a period described in subsection (2) below.

- (1) *Persons covered.* The prohibitions of this Section 1-107 shall apply to all JEA Board members, employees, agents, and other representatives if such persons are involved in JEA's Procurement process, or have any decision-making authority with respect to an Award.
- (2) *Periods.* Ex Parte Communications are prohibited during the following periods:
  - (a) from the advertisement of a Solicitation through the Award of a Contract or cancellation of the Solicitation prior to Award; and
  - (b) from the initiation of a Protest through final resolution of such Protest under this Code.
- (3) *Exclusions.* This Section 1-107 shall not prohibit:

Governance, Audit, and Compliance Committee - Supplemental Information

Formatted: Header

(a) communications concerning process and questions regarding a Solicitation addressed to the JEA Procurement staff member designated in a Solicitation to answer questions about the Solicitation, including, but not limited to, communications initiated by such staff member in order to clarify aspects of a Bid, Proposal or Response;

(b) communications during public meetings held in accordance with Florida's Open Meetings Laws, for the purpose of discussing a Solicitation or an evaluation or selection process including, but not limited to, substantive aspects of the Solicitation document (Such public meetings may include, but are not limited to, pre-Bid, pre-Proposal or pre-Response meetings, site visits to JEA's or a Vendor's facilities, interviews or negotiation sessions as part of the selection process, and other presentations by Bidders, Proposers, or Respondents. Exempted communications at such public meetings shall be limited to those consistent with the advertised purpose of the meeting and shall be communicated in a manner which can be heard by all those present at the meeting.);

(c) communications during negotiation sessions with Vendors to the extent exempt under Section 286.0113(2), Florida Statutes, as amended;

(d) Awards Committee and the Procurement Appeals Board at meetings advertised and conducted pursuant to Florida's Open Meetings Laws;

(e) contact by a Vendor currently under Contract with JEA, but only regarding work under that Contract and unrelated to the Solicitation or Protest currently in process; or

(f) communications between a Vendor and the Chief Procurement Officer, or JEA's legal counsel in accordance with the requirements of Article 5 of this Code.

(4) Violation of this Section 1-107 by a Vendor or any of its employees, agents or other representatives may be grounds for any one or more of the following: (i) disqualification of the Vendor from eligibility for an Award; (ii) rescission of any Award to the Vendor; (iii) termination of any Contract with the Vendor; or a decision to suspend or debar the Vendor.

**1-108 Retention of Procurement Records**

All Procurement records shall be retained, made available and disposed of in accordance with the requirements of all applicable laws, including but not limited to Chapter 119, Florida Statutes (Florida's Public Records Laws), as amended, and the rules and regulations promulgated by the Division of Library and Information Services of the Florida Department of State.

**1-109 Collection of Data Concerning JEA Procurement; Annual Vendor Survey**

The Chief Procurement Officer shall prepare and maintain statistical Data concerning the Procurement, usage, and disposition of all Supplies and Services, except for Procurements exempt under Section 2-102 of this Code and not procured under a process overseen by the Chief Procurement Officer. Organizational Element Managers overseeing Procurements exempt under Section 2-102 shall furnish such

Governance, Audit, and Compliance Committee - Supplemental Information

Formatted: Header

reports as the Chief Procurement Officer may require concerning usage and needs, and the Chief Procurement Officer shall have authority to prescribe forms to be used by such Organizational Element Managers in requisitioning, ordering, and reporting of Supplies and Services.

The Chief Procurement Officer shall annually conduct a survey of actual, interested and prospective Bidders, Proposers, Respondents, and Vendors to obtain feedback on JEA's Procurement process. Such survey shall be on a form approved by the JEA Board and participation in the survey shall be open to actual, interested and prospective Bidders, Respondents, and Vendors. survey topics may include, without limitation, various aspects of JEA's Procurement process such as information transparency and accessibility, preferences, bid submittal packages, evaluations, and Awards. The Chief Procurement Officer shall report the results of such survey to the JEA Board and the JEA Board shall consider such survey results during the JEA Board's biennial review of this Code.

**1-110 Record of Procurement Actions**

The Chief Procurement Officer shall prepare and deliver a written report to the JEA Board on or before the JEA Board's last regularly scheduled meeting held in each calendar year summarizing all Awards made during the immediately preceding fiscal year. Such written report shall contain at a minimum the following information:

- (a) The number of Awards for the reporting fiscal year;
- (b) A detailed listing of all Awards categorized by service type (e.g., Construction, Professional Services, Supplies, etc.), Award type (e.g., Single Source, Emergency, Request for Proposals, Invitation to Negotiate, piggyback, etc.) and a brief description of each Award containing the Vendor name, Contract amount and Contract term;
- (c) The number of JSEB Awards categorized by service type (e.g., Construction, Professional Services, Supplies, etc.), Award type (e.g., Single Source, Emergency, Request for Proposals, Invitation to Negotiate, piggyback, etc.), and a brief description of each Award containing the JSEB contractor name, Contract amount and Contract term;
- (d) The number of Protests for the reporting fiscal year and the outcome of each Protest (i.e., whether JEA prevailed); and
- (e) The annual survey results pursuant to the survey requirement in Section 1-109 of this Code.

After providing such written report to the JEA Board, the Chief Procurement Officer shall deliver the report to the Jacksonville City Council and the Mayor and post the report on JEA's website in a conspicuous manner for the public to view.

Formatted: Header

## ARTICLE 2 - PROCUREMENT AUTHORITY, DESIGNATIONS, AND COMMITTEES

### 2-101 Procurement Authority and Duties of the JEA Board

Pursuant to Article 21 of the Charter of the City of Jacksonville, the JEA Board shall review and approve this Code and all amendments to this Code. The JEA Board may not delegate its approval of this Code, including any amendments thereto, to the Chief Executive Officer or any other officer, employee or agent of JEA.

The Chief Procurement Officer shall biennially review this Code and JEA's other Procurement procedures and shall report to the JEA Board on the results of such review including any recommendations for changes the Chief Procurement Officer deems appropriate.

### 2-102 Procurement Code Exemptions

(1) Due to the nature of the following Supplies and Services, such Supplies and Services need not be procured through the Chief Procurement Officer and are not subject to approval by the Awards Committee, but may be procured using Procurement policies and procedures established by an Organizational Element Manager designated by the Chief Executive Officer for that category of Supplies and Services:

- (a) Generation Fuels, Emission Allowances, and Associated Transport;
- (b) Byproducts;
- (c) Purchase or Sale of Electric Energy, Electric Generation Capacity, Electric Transmission Capacity and Transmission Services – Short- and Long-Term Transactions;
- (d) Sale of JEA Owned Transmission and Ancillary Services, including applicable Enabling Agreements;
- ~~(e)~~ Environmental Allowances; ~~(f)~~
- ~~(f)~~ Real Estate, including easements; and ~~(g)~~
- ~~(e)(g)~~ Community Outreach Procurements.
- (h) Procurement of Financial Instruments and Services

The Operational Procedures shall provide more detail concerning the types of Supplies and Services included within the exempt categories of Procurements listed above.

(2) Prior to the Procurement of Supplies or Services by an Organizational Element Manager, the Organizational Element Manager shall establish Procurement policies and procedures for the exempt category of Supplies and Services and obtain all appropriate approvals required by the Operational Procedures.

Governance, Audit, and Compliance Committee - Supplemental Information

Formatted: Header

(3) In the absence of an Organizational Element Manager for a category of Supplies and Services exempt under subsection (1) of this Section 2-102, the Supplies and Services shall be procured through the Chief Procurement Officer in accordance with this Code and Operational Procedures.

(4) Property and casualty insurance, and Human Resource Benefits may be awarded through the broker or consultant for those services with ultimate approval by the Awards Committee.

**2-103 Appointment and Authority of the Chief Procurement Officer**

(1) *Central Procurement Officer of JEA.* The Chief Executive Officer shall appoint a Chief Procurement Officer. The Chief Procurement Officer shall be a full-time, appointed employee of JEA with demonstrated executive and organizational ability. The Chief Procurement Officer shall serve as the central point of contact for JEA Procurement matters.

(2) *Operational Procedures.* The Chief Procurement Officer shall promulgate Operational Procedures governing JEA Procurement activities that are consistent with the provisions of this Code. Whenever practicable, the Operational Procedures shall be updated to incorporate the use of new technologies, best practices, and streamlined procedures for continuous improvement of JEA's Procurement activities. Material revisions to the Operational Procedures shall be approved by the Office of General Counsel prior to the revisions becoming effective.

(3) *Duties.* Except as otherwise specifically provided in this Code, the Chief Procurement Officer duties shall include, but are not limited to:

- (a) supervise and coordinate the Procurement of all Supplies and Services by JEA;
- (b) make Determinations as to what constitutes a minor irregularity in Bids, Proposals and Responses and when Bids, Proposals and Responses should be rejected as unresponsive;
- (c) conduct or coordinate training on JEA's Procurement policies and processes and related matters;
- (d) develop and maintain the standard contract language for Solicitations, Contracts and other documents used in the JEA's Procurement process in consultation with the Office of General Counsel;

and

(e) advertise and make Awards in a manner that is in compliance with this Code; and

~~(e)~~(f) exercise the duties given to the Chief Procurement Officer in Article 54 of this Code.

**2-104 Delegation of Authority by the Chief Procurement Officer**

The Chief Procurement Officer may delegate any duty or authority given to the Chief Procurement Officer under this Code in writing to one or more designees.

**2-105 Procurement Document Review and Transparency**

Governance, Audit, and Compliance Committee - Supplemental Information

Formatted: Header

The Chief Procurement Officer shall create ~~a process~~processes and procedures to ensure all Solicitations and

~~(2) Any documents used in JEA's Procurement process, including Solicitation Determinations or Awards, shall be made available to the public on JEA's website for at least three (3) business days prior to a going into effect.~~

**2-106 Awards ~~Committee~~**

~~(1) Awards Committee Membership. The JEA Awards Committee shall consist of three to five Vice-Presidents or other senior Officers of JEA appointed by the Chief Executive Officer. Members of the Awards Committee Scope of Review. Award items shall serve until their successors have been appointed. Members of the Awards Committee may be removed at any time with or without cause by the Chief Executive Officer. If an Awards Committee member shall cease to be qualified to serve, then the member's term shall be vacant until the Chief Executive Officer appoints a replacement.~~

~~(4)(2) Required Approvals. The following Procurements of Supplies and Services by JEA shall require approval of, or ratification by, the Awards Committee the Chief of Procurement:~~

~~— Formal Purchases of Supplies and Services by JEA unless exempt under Section 2-102~~

~~(b) rescissions of Formal Solicitations and rejection all Bids, Proposals and Responses after Bids, Proposals after Bids, Proposals or Responses have been received;~~

~~Proposals after Bids, Proposals or Responses have been received;~~

~~(e)(d) terminations of Contracts previously executed in connection with Awards approved by the Awards Committee Award~~

~~(f)(e) changes to, and renewals of, any Contracts executed in connection with an Award approved by the Awards Committee if:~~

~~(-) the financial impact of the change or renewal exceeds 10% of the amount of the most recent Award approved by the Awards Committee;~~

~~(m)(g) Procurements exempt under Section 2-102 (Procurement Code Exemptions) of this Code if required by the Procurement processes and procedures established by the applicable Organizational Manager; and~~

~~(n)(h) ratification of all Formal Purchases procured under Section 3-113 (Emergency Procurements) of this Code.~~

~~(3) Concurrence of Chief Executive Officer. All approvals and ratifications of the Awards Committee shall be subject to the written concurrence of the Chief Executive Officer or designee.~~

~~(4) Availability of Funding for Procurement Items. The Awards Committee Chief of Procurement shall approve Awards Award items only after receiving confirmation as provided in this Section 2-108(4) that sufficient funds are available for the Award. Prior to presentation to the Awards Committee approval, each Award item shall be reviewed and approved by the Budget~~

Governance, Audit, and Compliance Committee - Supplemental Informaion

Formatted: Header

Organizational Element to determine whether sufficient funding is available for the Award. If the Budget Organizational Element is unable to confirm that sufficient funds are available, the senior executive Officer for the Organizational Element requesting the Award may confirm by signature on the Award document or email that sufficient funding is or is expected to be available in that Organizational Element's Budget.

(5) *Effect of Approval.* Once an Award item is reviewed and approved by the ~~Awards Committee~~ Chief of Procurement and the Chief Executive Officer or designee, JEA is authorized to proceed with actions to finalize the Procurement of the Supplies or Services consistent with the Award, including but not limited to, execution of a Contract, issuance of a Purchase Order and notice to proceed, and acceptance of delivery of Supplies and Services, subject to lawfully appropriated funds.

### ARTICLE 3 – SOURCE SELECTION AND CONTRACT FORMATION

#### 3-101 Formal Purchases

~~(1)~~(2) Unless exempt under Section 2-102 of this Code, the following Procurements shall be considered Formal Purchases under this Code:

- (a) the Procurement of Supplies or Services where the estimated aggregate costs and fees for the Procurement exceed \$300,000;
- (b) "Public construction works" required to be competitively awarded under Section 255.20, Florida Statutes, as amended;
- (c) "Electrical work" required to be competitively awarded under Section 255.20, Florida Statutes, as amended; and
- (d) "Professional Services" required to be publicly announced under Section 287.055, Florida Statutes, as amended.

~~(2)~~(3) Formal Purchases shall be procured using the process and procedures for Formal Purchases detailed in the Operational Procedures.

#### 3-102 Informal Purchases

(1) Unless exempt under Section 2-102 of this Code, all Procurements not considered to be Formal Purchases under Section 3-101 of this Code shall be considered Informal Purchases.

(2) Informal Purchases may be made in accordance with Operational Procedures.

Governance, Audit, and Compliance Committee - Supplemental Information

Formatted: Header

(3) Procurements shall not be artificially divided to constitute an Informal Purchase under this Section 3-102.

(4) Unless the Procurement is otherwise exempt under this Code, the Operational Procedures for Informal Purchases shall require, at a minimum, the following kind and number of quotations from prospective Vendors:

- (a) one properly documented quotation for Informal Purchases of \$4950,000 or less; or
- (b) three properly documented quotations for Informal Purchases exceeding \$4950,000; provided, however that if JEA fails to receive 3 quotations despite using all reasonable efforts to obtain 3 quotations, the Chief Procurement Officer may waive this requirement.

(5) Informal Purchases exceeding \$9100,000 shall be Posted for 7 to 10 calendar days.

(6) Architectural, engineering, landscape architectural, or registered surveying and mapping services considered "Professional Services" under the CCNA in the amount of \$35100,000 or less shall be exempt from competitive bidding under this Code. JEA may procure such services directly without competition.

### 3-103 Methods of Pre-Source Selection

The Chief Procurement Officer may authorize any one or more of the following Pre-Source Selection Methods:

(1) A Request for Information ("RFI") is a Pre-Source Selection Method that requests written information about the capabilities of Bidders, Proposers or Respondents and may prepare interested Vendors for participation in future Solicitations. The publication of an RFI does not obligate JEA to make the purchases referred to in the RFI. JEA may use information obtained from RFIs to develop scopes of work for future Solicitations.

(2) A Request for Qualifications ("RFQ") is a Pre-Source Selection Method used to qualify a pool of two or more Vendors which will be eligible to respond to future Solicitations.  
~~of two or more Vendors which will be eligible to respond to future Solicitations.~~

(3) An Intent to Bid is a Pre-Source Selection Method intended to provide notice and information to potential Vendors of JEA's intent to issue a Solicitation for Supplies or Services. The Intent to Bid may request a response from Bidders confirming their intent to submit a Bid, Proposal or Response to a future JEA Solicitation. The publication of an Intent to Bid does not obligate JEA to make the purchases referred to in the Intent to Bid.

### 3-104 Methods of Source Selection

Governance, Audit, and Compliance Committee - Supplemental Informaion

Formatted: Header

Unless exempt under Section 2-102 of this Code, all Formal Purchases shall be procured using one of the following Methods of Source Selection:

- (a) Section 3-105 (Invitation for Bids (IFB));
- (b) Section 3-106 (Request for Proposals (RFP));
- (c) Section 3-107 (Consultants' Competitive Negotiation Act (CCNA) (Architectural, Engineering, Landscape Architectural, or Surveying & Mapping Services));
- (d) Section 3-108 (Design-Build Contracts);
- (e) Section 3-109 (Construction Management and Program Management);
- ~~(f)~~ Section 3-110 (Multi-Step Competitive Bidding); ~~(g)~~
- ~~(g)~~ Section 3-111 (Invitation to Negotiate (ITN))
- ~~(g)~~~~(h)~~ Section 3-112 (Single Source);
- ~~(h)~~~~(i)~~ Section 3-113 (Emergency Procurements);
- ~~(i)~~~~(j)~~ Section 3-114 (Public Private Ventures);
- ~~(j)~~~~(k)~~ Section 3-115 (Collaborative Procurements);
- ~~(k)~~~~(l)~~ Section 3-116 (Joint Projects);
- ~~(l)~~~~(m)~~ Section 3-117 (Use of Publicly Procured Contracts);
- ~~(m)~~~~(n)~~ Section 3-118 (Pilot Projects);
- ~~(n)~~~~(o)~~ Section 3-119 (Use of Reverse Auctions);

~~Article 4 (Procurement of Financial Instruments and Services).~~

The Chief Procurement Officer may elect to use any one of the Methods of Source Selection listed in this Section 3-104 if the Method of Source Selection is deemed by the Chief Procurement Officer to be in the best interest of JEA consistent with the purposes and guiding principles set forth in Section 1-101 of this Code. Notwithstanding the foregoing, the Method of Source Selection shall comply with the requirements of this Code, the provisions of any grant or other funding or cooperative agreements to which JEA is a party, and all applicable laws and regulations, including but not limited to, statutory requirements for the Procurement of Professional Services subject to the CCNA and Construction services meeting certain statutory thresholds. The Operational Procedures shall establish a process and procedures for each Method of Source Selection.

**3-105 Invitation For Bids (IFB)**

An IFB may be used when JEA is capable of defining the Specifications for a Supply or Service. An Award generally will be made to the Responsive and Responsible Bidder who submits the lowest Bid in a sealed competitive bidding process. Notwithstanding the foregoing, the Chief Procurement may waive minor irregularities in a Bid and may reject all Bids if the Chief Procurement Officer deems such actions to be in the best interest of JEA.

Governance, Audit, and Compliance Committee - Supplemental Information

Formatted: Header

**3-106 Request for Proposal (RFP)**

An RFP may be used when the Chief Procurement Officer determines that a Solicitation should include selection criteria in addition to price. Various combinations or versions of Supplies or Services may be proposed by a Vendor to meet the Specifications in the RFP.

An RFP may be used to procure Construction Services to the extent permitted by Section 255.20(1)(d)(2), Florida Statutes.

**3-107 Consultants' Competitive Negotiation Act (CCNA) (Architectural, Engineering, Landscape Architectural, or Surveying & Mapping Services)**

Architectural, engineering, landscape architectural, or registered surveying and mapping services considered "Professional Services" under the CCNA shall be procured in accordance with the requirements of the CCNA.

**3-108 Design-Build Contracts**

A Design-Build Contract may be used when the general design and construction requirements are known, but the detailed design and engineering has not been completed. Design-build contracts as defined in Section 287.055(2)(i), Florida Statutes, shall be procured in accordance with the CCNA and the Operational Procedures.

**3-109 Construction Management and Program Management**

Services may be procured from Construction Management Entities and program management entities in accordance with the provisions of Section 255.103, Florida Statutes. After selection and competitive negotiations, a Construction Management Entity may be required to offer a guaranteed maximum price and a guaranteed completion date or a lump-sum price and a guaranteed completion date as a construction manager "at risk" in accordance with the provisions of Section 255.103, Florida Statutes (a "Construction Manager at Risk" or a "CMAR").

**3-110 Multi-Step Competitive Bidding**

The Multi-Step Bidding Method of Source Selection involves a two-phase process in which Bidders first submit proposed revisions to both the commercial and technical terms of the Solicitation. During the second phase of the process, Bidders submit a bid price based on a revised Solicitation issued by JEA. An Award is based solely on the price of the Bid and does not include additional discussions or negotiations of material terms and conditions with Bidders after Bids are received. Multi-Step Competitive Bidding allows

Governance, Audit, and Compliance Committee - Supplemental Information

Formatted: Header

JEA to obtain Vendor feedback before finalizing commercial and technical terms to be used in an Invitation for Bids.

**3-111 Invitation to Negotiate (ITN)**

The Invitation to Negotiate is a Method of Source Selection that allows JEA to directly negotiate with Vendors to obtain best overall value for JEA. Under the ITN, JEA first evaluates initial Proposals with the intent to identify one or more Responsive and Responsible Respondent with which JEA may enter into one or more rounds of negotiations. Negotiations may result in modifications to the scope of work and terms and conditions of the ITN, submission of revised Bids or Responses, and may conclude with the submission of Best and Final Offers from one or more Vendors. The procedures for conducting an Invitation to Negotiate shall be described in the ITN Solicitation and the Operational Procedures.

ITNs may provide best value for JEA when establishing master contracts or definite delivery contracts for complex Supplies or Services, or when determining or refining scope, methods, or other nonprice aspects of a Solicitation.

For each use of the ITN Method of Source Selection, prior to issuance of the ITN, the Chief Procurement Officer shall document the reasons an ITN will produce the best value for JEA compared to an IFB or RFP. In addition to negotiating price, additional reasons must be stated as to why negotiations are needed to realize best value for JEA. Examples of such reasons are “the ITN method allows refining approaches, methods, tools, requirements, deliverables, and systems;” or, “identifying and incorporating value added services offered by Vendors into final requirements.”

**3-112 Single Source**

A Contract may be awarded for Supplies or Services as a Single Source when, pursuant to the Operational Procedures, the Chief Procurement Officer determines that:

- (a) there is only one justifiable source for the required Supplies or Services;
- (b) the Supplies or Services must be a certain type, brand, make or manufacturer due to the criticality of the item or compatibility within a JEA utility system, and such Supplies or Services may not be obtained from multiple sources such as distributors;
- (c) the Services are a follow-up of Services that may only be done efficiently and effectively by the Vendor that rendered the initial Services to JEA, provided the Procurement of the initial Services was competitive;
- (d) at the conclusion of a Pilot Project under Section 3-118 of this Code, the Procurement of Supplies or Services tested during the Pilot Project, provided the Vendor was competitively selected for the Pilot Project

Governance, Audit, and Compliance Committee - Supplemental Information

Formatted: Header

### 3-113 Emergency Procurements

In the event of an Emergency, the Chief Procurement Officer may make or authorize an Emergency Procurement, provided that Emergency Procurements shall be made with as much competition as practicable under the circumstances. A written Determination of the basis for the Emergency and for the selection of the particular Vendor shall be included in the Procurement file.

For purposes of this Section 3-113, an "Emergency" means any one of the following:

- (a) a reasonably unforeseen breakdown in machinery;
- (b) an interruption in the delivery of an essential governmental service or the development of a circumstance causing a threatened curtailment, diminution, or termination of an essential service;
- (c) the development of a dangerous condition causing an immediate danger to the public health, safety, or welfare or other substantial loss to JEA;
- (d) an immediate danger of loss of public or private property;
- (e) the opportunity to secure significant financial gain, to avoid delays to any Governmental Entity or avoid significant financial loss through immediate or timely action; or ~~(f) a valid public emergency certified by the Chief Executive Officer.~~  
a valid public emergency certified by the Chief Executive Officer.

### 3-114 Public-Private Partnerships

JEA may receive unsolicited proposals or may solicit proposals for a qualifying project and may thereafter enter into a comprehensive agreement with a private entity, or a consortium of private entities, for the building, upgrading, operating, ownership, or financing of JEA's facilities in accordance with the provisions of Section 255.065, Florida Statutes, as may be amended from time to time. The Operational Procedures shall set forth a process and procedures for the receipt and solicitation of such proposals that meet the requirements of Section 255.065, Florida Statutes, as amended from time to time.

### 3-115 Collaborative Procurements

JEA may participate in, sponsor, conduct, or administer a Collaborative Procurement for the Procurement of any Supplies or Services or Real Estate with one or more Governmental Entities, utility industry partners, nonprofit organizations or purchasing alliances in accordance with the terms of an agreement entered into between the participants. Such Procurements shall be in accordance with this Code and the Operational Procedures.

Governance, Audit, and Compliance Committee - Supplemental Informaion

Formatted: Header

JEA shall not participate in, sponsor, conduct, or administer a Collaborative Procurement agreement for the purpose of circumventing this Code.

### 3-116 Joint Projects

Except where doing so is to circumvent the purpose of this Code, JEA may enter into joint projects with public or utility industry partners, the City of Jacksonville and its other independent agencies, political subdivisions or other Governmental Entities (e.g., the United States Navy, the Florida Department of Transportation, etc.). Joint projects may include, but shall not be limited to, combined water, sewer, drainage and road projects with the City of Jacksonville and Florida Department of Transportation.

Notwithstanding the foregoing, the Procurement of Supplies and Services by JEA in a Joint Procurement shall be consistent with the guiding principles and purposes of this Code set forth in Section ~~14011-101~~.

### 3-117 Use of Publicly Procured Contracts

JEA may procure Supplies or Services by using or "piggybacking" on contracts of the City of Jacksonville or its independent agencies, political subdivisions, other city and state or governmental agencies, school board districts, community colleges, federal agencies, Governmental Entities, or public colleges or universities, provided that the contracts of such other entities were competitively procured and the terms and conditions of JEA's Contract are at least as favorable as the terms and conditions of the contract on which JEA is piggybacking. Formal Purchases using this Method of Source Selection shall be awarded ~~throughby~~ the ~~Awards Committee~~ Chief Procurement Officer.

### 3-118 Pilot Projects

A Pilot Project allows JEA to procure Supplies or Services on a trial basis in limited amounts and for a limited period of time in order to determine whether to proceed with a Formal Solicitation for the Procurement of such Supplies or Services.

If the estimated aggregate cost of Supplies and Services to be procured during a Pilot Project do not exceed \$100,000, and the term of the Contract for the Pilot Project does not exceed two years, the selection of a Vendor to participate in the Pilot Project is not required to be selected using a competitive solicitation process unless required by applicable law. However, after the conclusion of the Pilot Project, the Supplies or Services evaluated during the Pilot Project shall be procured using one of the other Methods of Source Selection provided in Section 3-104 of this Code.

Where the cost to JEA of the Supplies and Services during the Pilot Project is \$100,000 or more, JEA shall publicly advertise the Pilot Project so that Vendors may submit their qualifications to provide such

Governance, Audit, and Compliance Committee - Supplemental Information

Formatted: Header

Supplies or Services. Based on the qualifications submitted by Vendors in response to such public advertisement, JEA will select one or more Vendors to participate in the Pilot Project. Once the Pilot Project is complete, the Chief Procurement Officer will determine whether JEA will initiate a competitive bidding process to obtain the Supplies or Services.

**3-119 Use of Reverse Auctions**

When the Chief Procurement Officer determines that procurement by a Reverse Auction is in the best interest of JEA, the Chief Procurement Officer may procure Supplies or Services by Reverse Auction. Reverse Auctions may be used with the following Solicitation types:

- (a) Invitation for Bids (IFB) – With Reverse Auction
- (b) Request for Proposals (RFP) – With Reverse Auction
- (c) Invitation to Negotiate (ITN) – With Reverse Auction

Reverse Auctions are to be used solely for obtaining lowest pricing. Prior to conducting a Reverse Auction, the following must be established for each Bidder, Proposer or Respondent:

- (a) Invitation for Bids – Bidders must provide documentation that they meet the minimum qualifications and any other requirements set forth in the IFB.
- (b) Request for Proposals – The Proposers must provide fully responsive Proposals. JEA shall evaluate Proposals and select at the top three, or more, ranked Proposers to participate in a Reverse Auction to establish pricing.
- (c) Invitation to Negotiate – At the conclusion of the negotiation process for an ITN, where all terms other than price have been agreed, JEA may choose to use a Reverse Auction to establish pricing.

**3-120 Form of Contract Documents**

The Office of General Counsel shall approve as to form all Contract documents for Formal Purchases. Contract Amendments do not require OGC form approval, unless otherwise provided in the Operational Procedures.

Purchase Orders may be used to form a Contract for Informal Purchases and Formal Purchases when the Chief Procurement Officer determines that a Formal Contract is not necessary. Purchase Orders shall be on a form that incorporates general terms and conditions reviewed and approved by the Office of General Counsel. If a Contract other than a Purchase Order is executed for an Informal Purchase, the Contract does not require form approval by the Office of General Counsel, unless specifically requested by JEA, or unless

Governance, Audit, and Compliance Committee - Supplemental Information

|

Formatted: Header

such Contract contains terms materially different than JEA's standard terms and conditions, and can be executed as set forth in the Operational Procedures.

In accordance with the JEA Charter, unless otherwise provided in the JEA Charter or by law, all Contracts of any kind, and in any form entered into by JEA, including, but not limited to, Procurement Contracts, Joint Project Contracts, interlocal agreements, and Purchase Orders for Informal Purchases 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.

**3-121 Execution of Contract Documents**

The Chief Executive Officer shall execute all Contracts. The Chief Executive Officer may delegate to the Chief Procurement Officer the authority to execute Contracts. Contracts and Purchase Orders may be executed by electronic means or by facsimile signatures.

**3-122 JEA Project Manager**

All Contracts shall provide for a JEA Project Manager who will have the responsibility for overseeing all Work under the Contract and all payments made by JEA under the Contract. The Operational Procedures shall contain additional details concerning the responsibilities of JEA's Project and Contract Managers.

**3-123 Continuing Services Contracts**

Continuing services contracts, and continuation contracts based on unit prices, may be utilized for recurring Procurements of Supplies and Services that are projected to be made over a period of time. The total amount of all Procurements issued under a continuing services contract shall not exceed JEA's maximum indebtedness set forth in the Contract or the amount as authorized by Florida Statutes for the specific category of work, if any, and shall comply with all other applicable laws.

**3-124 Contract Pricing Terms**

Contract pricing terms are required in all Contracts and are the basis for payment approvals. The appropriate type of pricing terms will depend on the type of Contract and work being performed. The Operational Procedures may contain additional guidance concerning the type of pricing terms what are appropriate for certain types of Contracts.

|

\_\_\_\_\_

Formatted: Header

## ~~ARTICLE 4 PROCUREMENT OF FINANCIAL INSTRUMENTS AND SERVICES~~

### ~~54-101~~ Protests

(1) *Guiding Principles.* It is important that actual or prospective Bidders, Proposers and Respondents have confidence in JEA's Procurement process and procedures. One method of maintaining this confidence is to provide Vendors with an opportunity to file Protests relating to Solicitations and Awards as provided in this Section ~~54-101~~.

(2) *Right to Protest.* Any Vendor who is adversely affected by (i) the requirements of a Solicitation or a Determination made in connection with a Solicitation prior to ~~the issuance of an Intent to Award, or (ii) an Award or an Intent to finalization of an~~ Award may submit a written Protest meeting all of the requirements of subsections (3) and (4) of this Section ~~54-101~~. Protests in connection with the requirements of a Solicitation or a Determination made in connection with a Solicitation shall include, but not be limited to, Protests concerning any event or aspect of the Procurement process that followed the issuance of the Solicitation and led to the Award ~~or Intent to Award~~. Protests relating to the rejection of a Bid, Proposal or Response, including, but not limited to, whether a Bidder, Proposer or Respondent is Responsible or Responsive, and Protests relating to any ranking, scoring, or short-listing of Proposers or Respondents.

(3) *Protest Requirements.* Protests shall:

- (i) be submitted in writing in a letter or email addressed to the Chief Procurement Officer;
- (ii) identify the Solicitation, Award, ~~or Intent to Award~~, by number and title or other language sufficient to enable the Chief Procurement Officer to identify the Solicitation, ~~Award, or Intent to Award~~;
- (iii) demonstrate the timeliness of the Protest;
- (iv) state the Protester's complete legal name and legal standing to protest; and
- (v) clearly state with particularity the issues and material facts supporting the Protest, and any legal authority upon which the Protest is based.

Contact information for the Chief Procurement Officer can be found at jea.com under the Procurement section of the website.

~~(4)~~ ~~(4)~~ *Timeliness.*

- (i) Protests concerning the requirements of a Solicitation, including, but not limited to, the choice of Procurement method, process or procedure, any minimum qualifications or any Specifications, must be received by the Chief Procurement Officer at least five Business Days prior to the date on which Bids, Proposals, or Responses are due to be submitted under the Solicitation.

Governance, Audit, and Compliance Committee - Supplemental Information

Formatted: Header

(ii) All Protests concerning an Award or ~~an Intent to Award, or any~~ Determination made in connection with a Solicitation, must be received by the Chief Procurement Officer within ~~two~~ three Business Days after the Posting or other notification of JEA's decision ~~in accordance with the scales. Within 10 days of Posting of the Award Committee's Award~~ or JEA's issuance of an Addendum or email to all Bidders, Proposers or Respondents stating its Intent to Award or establishing the short list of Respondents or Proposers, shall constitute notification ~~of an Award, Intent to Award, or other Determination. The period for filing a Protest under this subsection (ii) shall begin at the time of the Posting or other such notification.~~

(5) Protests failing to meet the requirements of subsections (3) and (4) shall be rejected and shall constitute a waiver of all rights of the Protester to file a Protest with respect to that subject matter. A Determination of whether a Protest meets the requirements of subsections (3) and (4) shall be made by the Chief Procurement Officer and is not subject to Protest or Appeal to the Procurement Appeals Board.

(6) JEA shall have the right to cancel, or rescind and re-issue, all Solicitations of any type, at any time until the time JEA executes a Contract under the Solicitation. Such right shall include the right to rescind an Award or an Intent to Award. After a Contract is executed, the terms of the Contract shall govern the parties to the Contract. Such cancellations and rescissions are not subject to Protest.

(7) *Notice of Protest to Affected Third Parties.* Upon receipt of a timely and proper Protest, JEA will notify Vendors known to JEA to be directly affected by the outcome of the Protest. All information, documents, materials and legal authority relating to the Protest that any such Vendor will provide to the Chief Procurement Officer must be received by the deadline established by the Chief Procurement Officer in such notice.

(8) *Protest Hearings.* Protestants shall not be entitled to a hearing of any kind prior to a decision of the Chief Procurement Officer concerning a Protest. The Chief Procurement Officer may conduct a hearing before making a decision. The Chief Procurement Officer shall be entitled to establish procedures for the conduct of any hearing and may set forth some or all of such procedures in the Operational Procedures or in the notice of the hearing. The Chief Procurement Officer shall provide Vendors known to JEA to be directly affected by the outcome of the Protest with a notice of the hearing providing the time, date, location and manner of the hearing.

(9) *Decision by Chief Procurement Officer.* After receipt of a Protest, and following a hearing, if any, and any period of time the Chief Procurement Officer may allow for other interested parties to respond to the Protest, the Chief Procurement Officer shall issue a written decision on the Protest. The written decision shall identify the Protester, recite relevant facts material to the decision, and state the decision and briefly summarize the Chief Procurement Officer's reasoning leading to the decision. In the event the decision is subject to review by the Procurement Appeals Board under this Article 54, the written decision of the Chief

Governance, Audit, and Compliance Committee - Supplemental Information

Formatted: Header

Procurement Officer shall inform the Protester of this right with a reference to the Sections of this Code and Operational Procedures outlining the procedures for Appeals.

(10) *Appeal Rights.* Protest decisions made by the Chief Procurement Officer may be appealed to the JEA Procurement Appeals Board pursuant to Section ~~54~~-106 below. Notwithstanding the foregoing, a Protester shall not have the right to appeal a Determination by the Chief Procurement Officer about whether a Protest met the requirements of subsections (3) and (4) of this Section.

(11) *Stay of Procurement During Protests and Appeals.* During the pendency of a Protest meeting the requirements of subsections (3) and (4) or an Appeal properly filed under Subsection (10) above, JEA shall not proceed further with the Solicitation or with the Award unless the Chief Procurement Officer, after consultation with the Organizational Element Manager, makes a Determination that proceeding with the Solicitation or Award without delay is necessary to protect substantial interests of JEA.

(12) Nothing in this Article ~~54~~ shall affect the ability of the Office of General Counsel to settle Protests pending the outcome of decisions by the Chief Procurement Officer, the Procurement Appeals Board, or the courts.

**~~54~~-102 Suspensions and Debarments**

(1) *Authority.* The Chief Procurement Officer, after consultation with the Organizational Element Manager, shall have authority to suspend or debar a Vendor from consideration for participation in any Procurement undertaken by JEA. A suspension will be for a period of no more than 12 months, unless otherwise stated in the Operational Procedures. A debarment shall be for a period of no less than 13 months and no more than 36 months. Prior to a decision to suspend or debar a Vendor, the Chief Procurement Officer shall provide notice to the Vendor and an opportunity to be heard using a process determined by the Chief Procurement Officer to be fair and reasonable and consistent with this Code and the Operational Procedures.

(2) *Causes for Suspension or Debarment.* In making a decision of whether to suspend or debar a Vendor, and the length of any suspension or debarment, the Chief Procurement Officer shall consider the seriousness of the facts leading to the suspension or debarment. The causes for suspension or debarment may include, but not be limited to, the following:

- (a) conviction of a Public Entity Crime and inclusion on the State of Florida Convicted Vendor List pursuant to Section 287.133, Florida Statutes, as amended;
- (b) violation of the terms or requirements of a Contract in a manner that is regarded by the Chief Procurement Officer to be so serious as to justify a suspension or debarment decision, including, but not limited to, the following:

Governance, Audit, and Compliance Committee - Supplemental Informaion

Formatted: Header

- (i) a failure, without good cause, to perform in accordance with a Contract, Specifications, performance levels, warranty provisions, bonding and insurance requirements, or to comply within the time limits provided in the Contract, or
- (ii) failure to timely pay subcontractors or materialmen; or
- (iii) continued failure to perform or of unsatisfactory performance in accordance with the terms of one or more Contracts, provided that the failure to perform or unsatisfactory performance was not caused by acts beyond the control of the Vendor; or
- (c) suspension or debarment by another Governmental Entity including, but not limited to, the City of Jacksonville;
- (d) actions by the Vendor that are determined by the Chief Procurement Officer to be fraudulent or in bad faith;
- (e) violation of JEA's or the City of Jacksonville's Ethics Code;
- (f) violation of provisions of this Code relating to Ex Parte Communications;
- (g) existence of delinquent obligations of the Vendor to JEA, including claims by JEA for liquidated damages under any Contract; and
- (h) any other cause the Chief Procurement Officer determines to be so serious and compelling as to justify a Vendor's suspension or debarment.

(3) *Effect of Suspension or Debarment.* A Vendor that is suspended or debarred under this Section ~~54~~-102 shall be ineligible to participate in any manner in any Procurement undertaken by JEA. The suspension or debarment shall extend to all entities with common ownership or common management as the Vendor that has been suspended or debarred and shall include work undertaken by the debarred Vendor (or such related entity) as a subcontractor or materialman.

(4) *Decision.* The Chief Procurement Officer shall issue a written letter to the Vendor informing it of the decision to suspend or debar that Vendor. The decision shall:

- (a) recite relevant facts material to the Chief Procurement Officer's decision; (b) state the reasons for the decision;
- (c) state whether the Vendor is a suspension or debarment;
- (d) state the timeframe for suspension or debarment; and
- (e) inform the suspended or debarred Vendor involved of any rights to administrative review as provided in this Article ~~54~~.

(5) *Finality of Decision.* A suspension or debarment decision by the Chief Procurement Officer shall be final and conclusive, unless appealed.

~~54~~-103 **Creation of the Procurement Appeals Board**

Governance, Audit, and Compliance Committee - Supplemental Information

Formatted: Header

~~The Chair of the Procurement Appeals Board shall have one vote. The Chair shall be appointed by the Chief Procurement Officer.~~  
The Chair of the Procurement Appeals Board shall have one vote. The Chair shall be appointed by the Chief Procurement Officer. A representative from the Office of General Counsel shall serve as counsel to the Procurement Appeals Board. The chair and two other members of the Procurement Appeals Board must be present to constitute a quorum of the Procurement Appeals Board.

#### 5-104 Procurement Appeals Board Procedures

(1) Meetings of the Procurement Appeals Board shall be held in accordance with Florida's Open Meetings Laws. Accordingly, meetings will be publicly noticed, minutes will be taken, and a member of the Procurement Appeals Board shall not discuss with another member any matter which foreseeably may come before the Procurement Appeals Board unless the discussion occurs in a meeting held in accordance with Florida's Open Meeting Laws.

(2) Each member of the Procurement Appeals Board shall have one vote. A decision by the Procurement Appeals Board shall require a majority vote of the members of the Procurement Appeals Board.

(3) The chair of the Procurement Appeals Board shall have the authority to establish procedures for the Procurement Appeals Board and its meetings, provided that such process and procedures are consistent with this Code and the Operational Procedures.

#### ~~54-105~~ Authority of Procurement Appeals Board

The Procurement Appeals Board is authorized to review and make a final decision on any Appeal of a written decision issued by the Chief Procurement Officer under:

- (a) Section ~~54-101~~ (Protests) of this Code; or
- (b) Section ~~54-102~~ (Suspensions and Debarments) of this Code.

The Procurement Appeals Board is not authorized to intercede in, or hear Appeals relating to, Determinations made in connection with Vendor disputes regarding performance under a Contract, other than the authority granted to review and make decisions regarding Appeals of Suspensions or Debarments as provided in this Code.

#### ~~54-106~~ Appeals

(1) *Appeal Submittal.* A Vendor seeking to appeal a decision of the Chief Procurement Officer under Section ~~54-101~~ or ~~54-102~~ of this Code shall submit its appeal in writing by letter or email to the Chief Procurement Officer in accordance with the timeliness and other requirements set forth in this Section ~~54-106~~ (an "Appeal"). The Appeal shall clearly state the following:

Governance, Audit, and Compliance Committee - Supplemental Informaion

Formatted: Header

(a) the grounds, relevant facts and legal authority supporting the Appeal; and (b) acts supporting the Vendor's standing to Appeal.

(2) *Timeliness and Standing.* An Appeal relating to a decision of the Chief Procurement Officer under Section ~~54~~-101 of this Code must be received by the Chief Procurement Officer no later than three Business Days after issuance of a written decision by the Chief Procurement Officer. An Appeal relating to a decision of the Chief Procurement Officer under Section ~~54~~-102 of this Code must be received by the Chief Procurement Officer no later than 30 days after issuance of a decision by the Chief Procurement Officer under Section ~~54~~-102. To have standing to Appeal, a Vendor must have been adversely affected by such decision.

(3) Failure to submit a timely Appeal or to have standing to Appeal under subsections (1) and (2) of this Section ~~54~~-106 shall result in dismissal of the Appeal and constitute a waiver of all rights to appeal a decision of the Chief Procurement Officer. A Determination of whether an Appeal meets the requirements of subsections (1) and (2) shall be made by the chair of the Procurement Appeals Board and is not subject to appeal to the Procurement Appeals Board.

(4) All written information, documents, materials and legal authority the Vendor making an Appeal desires to provide to the Procurement Appeals Board must be sent to the Chief Procurement Officer and received by the deadline established by the chair of the Procurement Appeals Board in the notice of hearing provided to the Vendor making the Appeal.

(5) Upon receipt of a timely and proper Appeal, the Chief Procurement Officer will notify Vendors known to JEA to be directly affected by the outcome of the Appeal. Any information, materials and legal authority relating to the Appeal that any such Vendor desires to provide to the Procurement Appeals Board must be received by the deadline established by the Chief Procurement Officer in such notice.

**~~54~~-107 Review of Appeals**

(1) Upon receipt of an Appeal, the Chief Procurement Officer shall forward the Appeal to the Procurement Appeals Board and, if the Appeal is determined by the chair of the Procurement Appeals Board to be proper and timely, a meeting of the Procurement Appeals Board to consider the Appeal shall be scheduled.

(2) Representatives of the Vendor appealing the decision, will be afforded an opportunity to present the merits of the Appeal based solely upon the grounds, facts and legal authority contained in its written Appeal submitted to the Chief Procurement Officer. Representatives of any other Vendors adversely affected by the resolution of the Appeal will also be given an opportunity to be heard and to present information before the Procurement Appeals Board. The Chief Procurement Officer and the Chief Procurement Officer's legal counsel shall also be given an opportunity to respond to the Appeal and the

Governance, Audit, and Compliance Committee - Supplemental Information

Formatted: Header

presentations to the Procurement Appeals Board. Formal rules of evidence, including, but not limited to, those found in the Florida Evidence Code, do not apply to presentations made at meetings of the Procurement Appeals Board. The Chair of the Procurement Appeals Board may impose reasonable limitations on the amount of time each Vendor has to present, allow members of the Procurement Appeals Board to ask questions of any party at any time, and may impose other reasonable requirements relating to all presentations and the conduct of the meeting. The chair of the Procurement Appeals Board shall have the authority to make all Determinations and resolve any disputes concerning the process and procedures for Appeals and the conduct of the meeting.

(3) The standard of review used by the Procurement Appeals Board in making its decision shall be whether the Chief Procurement Officer's decision is:

- (i) in conflict with this Code and the Operational Procedures;
- (ii) arbitrary;
- (iii) capricious;
- (iv) dishonest;
- (v) fraudulent;
- (vi) clearly erroneous; (vii) illegal; or
- (viii) without any basis in fact or otherwise must be reversed based on applicable law.

(4) The burden shall be on the Vendor appealing the Chief Procurement Officer's decision to demonstrate that the standard of review is met.

(5) A majority vote of the members of the Procurement Appeals Board shall be required to render a decision.

(6) The Procurement Appeals Board shall deliberate at the meeting held to consider the Appeal and announce its decision prior to adjourning the meeting. The decision of the Procurement Appeals Board shall be final and binding. Following the adjournment of the meeting, the Procurement Appeals Board will issue a written decision.

Governance, Audit, and Compliance Committee - Supplemental Information



**BOARD RESOLUTION: 2021-09**  
April 27, 2021

**REVISIONS TO PROCUREMENT CODE**

WHEREAS, the JEA Procurement Code (P-Code) was adopted via a JEA Board resolution in 1996 as a comprehensive purchasing code for use in governing all JEA purchases and related administrative activities. The P-Code provides a solid foundation for JEA's procurement activities and has been amended over the years to remain current with industry best practices;

WHEREAS, the JEA Chief Procurement Officer is responsible for updating JEA's P-Code and ensuring it is in compliance with all applicable laws and regulations. The last significant Procurement Code revision was made in 2015. Since that time, the JEA Charter has been updated and a Procurement Best Practice Study was completed in 2020. JEA has reviewed the requirement changes in the JEA Charter and recommendations from the study, and incorporated those into our processes and procedures in the P-Code and Operational Procedures;

BE IT RESOLVED by the JEA Board of Directors that:

The Board grants JEA approval for the revisions to the JEA Procurement Code.

Dated this 4-1-21 day of April 2021.

EA Board Chair

JEA Board Secretary

Form Approved by

Chief of General Counsel

VOTE	
In Favor	7
Opposed	0
Abstained	0

Header



**BOARD RESOLUTION: 2023-27**  
August 29, 2023

**A RESOLUTION BY THE BOARD APPROVING REAL PROPERTY RULES AND PROCEDURES; REVISING THE JEA REAL ESTATE SERVICES PROCUREMENT DIRECTIVE; AND PROVIDING FOR AN EFFECTIVE DATE**

WHEREAS, Article 21 of the Jacksonville City Charter authorizes JEA to acquire real property (or any estate or interest therein), for the use or expansion of the utilities systems; and

WHEREAS, JEA is further authorized to sell, lease, or otherwise transfer, with or without consideration, any real property (or interest therein) that is no longer needed or useful for operation of the utilities systems; and

WHEREAS, in accordance with Article 21.04(b)(4), the Board is required to approve real estate rules and procedures and amendments thereto governing the reporting, acquisition, sale, purchase, lease, license, transfer, and disposition of real property; and

WHEREAS, the Board, is further required to review such real estate rules and procedures no less than biennially; and

WHEREAS, the proposed Real Estate Services Procurement Directive (Directive), attached hereto as Exhibit "A" and incorporated herein, contains revised rules governing the acquisition, use, and disposition of JEA real property; and

WHEREAS, the proposed Directive is hereby presented for the Board's biennial review and approval.

BE IT RESOLVED by the JEA Board of Directors that:

1. In accordance Article 21.04(b)(4) of the City Charter, the Board has reviewed the rules and procedures contained in the Directive.
2. Based upon its review, the Board hereby approves the Directive. All previous directives related to the procurement of real property are hereby repealed and replaced by the Directive.
3. The Managing Director/Chief Executive Officer (or designee) shall take all steps necessary to implement and administer the Directive.
4. The Directive shall supplement the Amended and Restated JEA Procurement Code (Code). To the extent that there is any conflict between the Code and the Directive related to any real property transaction, the Directive shall govern.
5. To the extent that there are any typographical, administrative, and/or scrivener's errors contained herein that do not change the tone, tenor, or purpose of this Resolution, then such errors may be corrected with no further action required by the Board.
6. This Resolution shall be effective upon approval by the Board.

Dated this 29<sup>th</sup> day of August 2023.

\_\_\_\_\_  
JEA Board Vice Chair on behalf of  
JEA Board Chair

\_\_\_\_\_  
JEA Board Secretary

Form Approved by:

\_\_\_\_\_  
Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	

---

**Real Estate Services Procurement Directive**                      **Revision Date:**     *{insert date}*

---

**ARTICLE 1 GENERAL PROVISIONS**

**1.01 Authority.**

Pursuant to Article 21 of the Charter of the City of Jacksonville (Charter), JEA is authorized to acquire Real Property for the use or expansion of the utilities systems by grant, purchase, gift, devise, condemnation by eminent domain proceedings, exchange, lease or in any other manner authorized by applicable law. JEA is further authorized to dispose of Real Property that is no longer needed or useful for operation of the utilities systems by sale, lease, or transfer.

**1.02 Application, Rules of Construction**

(a) *Interpretation.* This Real Estate Services Procurement Directive (Directive) shall be subject to and construed to be consistent with the provisions of Article 21 of the Charter and all applicable local, state and federal laws, regulations, rules, and policies.

(b) *Application of this Directive.* This Directive supplements the Amended and Restated JEA Procurement Code (Code) and applies to transactions for the acquisition or disposition of Real Property. To the extent that there is any conflict between the Code and this Directive related to the acquisition or disposition of Real Property, this Directive shall govern.

(c) *Rules and Policies.* In accordance with Section 21.04 of the Charter, this Directive shall serve to detail the rules and procedures governing JEA’s reporting, acquisition, sale, purchase, lease, license, transfer, and disposition of real property.

(d) *Transparency.* This Directive shall be posted on JEA’s website in a conspicuous manner for the public to view.

(e) *Periodic Review.* In accordance with Section 21.04 of the Charter, at least every two years during the time of its self-assessment, the JEA Board (Board) shall review this Directive to make any changes or amendments as deemed necessary to comply with applicable provisions of the Charter or that best serves the interest of JEA. To that end, the CEO, designees, or others that use this Directive may submit to Real Estate Services or the Board any ideas or suggestions that improve the efficient implementation of the rules and procedures contained herein.

(f) *Severability.* If any provision of this Directive is found void, invalid, or inoperative by a court of competent jurisdiction or other binding legal source, then such provision shall be severed and will not render invalid the remaining portions of this Directive.

(g) *Singular-Plural.* In this Directive, unless the context requires otherwise, words in the singular include the plural, and those in the plural include the singular.

(h) *Job Titles.* If a JEA job title used in this Directive is changed in the future due to JEA organizational changes, this Directive shall be construed by substituting the appropriate successor job title.

(i) *Use of Capitalized Terms.* Unless otherwise specified, capitalized terms used in this Directive shall have the meanings given to them in the Definitions section of the Code.

**1.03 Definitions.** The following terms shall have the meanings provided below.

(a) *Easement* means a nonpossessory interest in land created by a grant or agreement that confers upon the grantee the limited right, liberty, and privilege to use the land for a specific purpose, term, and consideration.

(b) *Fee Simple Interest* means a permanent tenure and absolute estate in land and any improvements on or thereto, with freedom to dispose of in whole or in part.

(c) *Lease* means an interest in land, buildings, structures, and/or improvements designated by a contract creating a lessor-lessee relationship in which the lessee is granted use, possession, and control for a specified term for a predetermined cost with conditions attached.

(d) *Long Term Strategic Site* means any Surplus Property that JEA intends to master-plan, develop, or otherwise transfer or dispose of in phases over a period of time exceeding one year.

(e) *Purchase and Sale Agreement* means a legally binding agreement that obligates the buyer to buy and the seller to sell real property. Such agreements provide the terms of the transaction, including but not limited to price, respective obligations, contingencies, and limitations.

(f) *Real Property means* all lands, buildings, structures, improvements, and fixtures thereon; any property of any nature appurtenant thereto or used in connection therewith; and every estate, interest and right, legal or equitable, therein, including any such interest for a term of years. As used in this Directive, Real Property also includes Real property as defined in the Code.

(g) *Surplus Property* means Real Property that is no longer needed or useful for operation of the utilities systems, or disposal of which best serves JEA's interests.

## **ARTICLE 2 DELEGATION OF AUTHORITY, DESIGNATIONS**

**2.01 Delegation of Authority.** By its approval of this Directive, the JEA Board delegates authority to the Chief Executive Officer/Managing Director (CEO) to negotiate, enter, and execute agreements (including all supplemental documentation necessary for closing) on behalf of JEA to acquire, use and dispose of Real Property subject to the provisions contained herein.

**2.02 Real Estate Services.** The CEO is authorized to delegate to the Director of Real Estate (and Real Estate Services) authority to maintain, administer, and implement this Directive as it

relates to the acquisition, sale, lease, use, or transfer of Real Property. This delegation includes the Director of Real Estate's authority to negotiate, enter, and execute agreements (including all supplemental documentation necessary for closing) on behalf of JEA to acquire, use and dispose of Real Property subject to the provisions contained herein.

Real Estate Services shall administer the use, acquisition, and disposition of Real Property on behalf of JEA; establish priorities and operating standards as necessary; determine and pursue the types of property rights and interests that best serve JEA; and assess risk associated with and provide guidance related to completing Real Property transactions. Subject to applicable rules, policies, and procedures governing the procurement of services, Real Estate Services may retain, on an as-needed basis, all services necessary to implement this Directive, including but not limited to appraisal firms, survey firms, land use firms, and/or environmental firms to assist with the acquisition or disposition of Real Property.

**2.03 Office of General Counsel.** The Office of General Counsel (OGC) shall review substantial written instruments related to Real Property transactions to ensure legal sufficiency. OGC shall be responsible for engaging outside legal services necessary to aid in the initiation, assessment and completion of Real Property transactions.<sup>1</sup>

### ARTICLE 3 REAL PROPERTY ACQUISITIONS

**3.01 General Guidance.** JEA shall acquire Real Property on terms most favorable to JEA, with due consideration to maintenance and operational efficiency, and at costs consistent with prevailing market rates for comparable Real Property situated within JEA's service area. As applicable, in instances where timing may impact terms favorable to JEA, the CEO or Real Estate Services may negotiate transactions and enter into agreements to acquire Real Property, conditioned upon final approval by the Board.

(a) *Negotiations for Acquisition of Real Property.* At the direction of the CEO, Real Estate Services will assess the need for and negotiate acquisition of Real Property for the use or expansion of the utilities systems. Real Estate Services shall coordinate preparation and execution of all written instruments necessary to acquire Real Property.

(b) *Documentation.* Every appraisal, offer, or counteroffer must be in writing. Complete and accurate records of every appraisal, offer, and counteroffer shall be maintained by Real Estate Services.

(c) *No Joint Acquisitions.* JEA shall make no acquisitions jointly with another entity without prior approval by the Board. No property shall be jointly owned by JEA and any private party except as authorized under Florida law.

(d) *Costs of Acquisitions.* Real Property shall be acquired in an economically feasible manner that best serves the interest of JEA ratepayers. Prior to the acquisition of Real Property,

---

<sup>1</sup> As used in this Directive, references to the Office of General Counsel shall include the use of outside counsel engaged to provide specialized legal services.

Real Estate Services shall confirm the availability of adequately appropriated funds to pay all costs, including but not limited to any option payments and due diligence expenses.

(d) *Title Examinations and Surveys; Recordable Instruments.* All title examinations, surveys, and other title records obtained in the course of acquiring title shall be reviewed by the OGC for marketability and encumbrances. All documents to be recorded in favor of JEA or placing an interest in Real Property in JEA, including easements, shall be reviewed by the OGC for form and legal sufficiency before delivery of the document is accepted and recorded.

(e) *Form of Deeds.* All fee conveyances to JEA shall be by no less than special warranty deed unless the conveyance is from the federal government, a state agency or another local government, or an instrumentality of any of them, from which a quitclaim deed is acceptable. A donation may be made by quitclaim deed if Real Estate Services determines that acceptance of a quitclaim deed is in JEA's best interests. A quitclaim deed may also be accepted to aid in clearing title or boundary questions. Real Estate Services shall coordinate review and confirmation of all legal descriptions on instruments conveying property to JEA.

(f) *Appraisals.* For parcels assessed at \$50,000 or less Real Estate Services may use the assessed value. All appraisals used for the acquisition of Real Property shall be prepared by a state-certified appraiser and be prepared according to generally accepted appraisal standards. As applicable, each appraisal report shall state any extraordinary assumption or hypothetical condition made by the appraiser in determining market value and shall document and adequately support the appraiser's estimate or conclusion of value.

(g) *Disclosure of Beneficial Interests.* Conveyances to JEA by any person or entity holding Real Property in the form of a partnership, limited partnership, corporation, trust, or any form of representative capacity whatsoever for others shall comply with applicable provisions of section 286.23, Florida Statutes, regarding notice and disclosure requirements.

(h) *Limited Authority to Modify Board Approved Purchase Instruments.* Real Estate Services may modify a purchase instrument approved by the Board to extend the time for option exercise, closing date, submittal deadlines, or any other time limit in the agreement if the total extension of time for closing does not exceed 180 days after the closing date in the purchase instrument approved by the Board. The Real Property Procurement Officer is authorized to modify the legal description in a purchase instrument approved by the Board to conform the description to the description on the certified survey.

(i) *Disclaimer.* In instances where the Real Property Procurement Officer becomes aware of an instrument purporting to convey Real Property to JEA recorded in the public records of Duval County, which instrument has not been accepted by JEA, Real Estate Services may, on behalf of JEA, execute an instrument disclaiming any right, title or interest JEA may have in and to the Real Property and record such instrument in the public records of Duval County after having determined that JEA has no need for such Real Property. Such disclaimer shall be reviewed and approved for legal sufficiency by the Office of General Counsel.

**3.02 Leases to JEA.** JEA may lease Real Property when there is a need for the use or expansion of the utilities systems that cannot be met satisfactorily in JEA controlled space and leasing is more advantageous to JEA than constructing new facilities or altering existing JEA facilities.

**3.03 Donations, Gifts to JEA.** JEA may acquire Real Property by donation or gift when such acquisition best serves the interest of JEA.

(a) In such instance, prior to acceptance, Real Estate Services will investigate the quality of title, boundaries, and any environmental issues to the extent necessary to assess whether the property is marketable, whether the donor has authority to convey the property, and whether there are any apparent adverse impacts to JEA because of the acquisition.

(b) Based upon such investigation, the CEO or designated Real Property Procurement Officer on behalf of JEA, may accept a donation or gift conveying Real Property without prior approval by the Board if: (1) no consideration is paid by the JEA for the conveyance; and (2) JEA assumes no obligations with respect to the property except the normal responsibility incidental to ownership of the property interest being acquired.

(c) No acceptance of a donation or gift is effective until indicated by a written, executed acceptance of the conveyance. The instrument of conveyance and, if applicable, the instrument of acceptance, shall be recorded in the Public Records of Duval County.

**3.04 Real Property Condemnation Actions by JEA.** Pursuant to Chapter 361 of the Florida Statutes (as amended) and Article 21 of the Charter, JEA is vested with eminent domain powers to acquire Real Property for the use or expansion of the utilities systems. Such powers shall be executed in accordance Chapters 73 and 74 of the Florida Statutes (as amended).

#### **ARTICLE 4 DISPOSITIONS OF REAL PROPERTY**

**4.01 General Guidance.** JEA may dispose of Real Property that is determined to be no longer needed or useful, or if such disposition best serves the interest of JEA. When such determination has been made, Real Property may be disposed of through exchange, negotiations, sealed competitive bids, public auctions, lease or any other means JEA deems in its best interest in accordance with this Directive and subject to applicable provisions of local and state law. All conveyances of fee interest in JEA-owned Real Property by the Real Property Procurement Officer shall be "as is, where is, and with all faults."

#### **4.02 Real Property Transactions Subject to Prior City Council Approval.**

(a) In accordance with Section 21.04 of the Charter, any Real Property that exceeds either an assessed value or just market value of \$50,000, as determined by the property appraiser of the county where the Real Property is located, shall not be sold for less than the appraised value as certified by an MAI certified appraiser, without prior approval by the Council.

(b) In accordance with Section 21.11 of the Charter, any sale, lease, assignment, or other transfer of Real Property that will result in a total net loss of 1 percent or more of JEA's

service territory or a total loss of 1 percent of the electric, water, or wastewater, customer accounts (based on the latest available JEA monthly financial statements) shall require prior approval by the Council.

**4.03 Board Declaration of Surplus Property.** In accordance with Section 21.04 of the Charter, the Board shall, by resolution, fix and determine when JEA-owned Real Estate is no longer needed or useful, and authorize the disposition thereof. The Board may also, in its discretion, adopt a resolution delegating authority to the CEO to surplus and dispose of Real Property when doing so best serves the interest of JEA.

**4.04 Disposition of Real Property by Bid, Competitive Solicitation, or Public Auction.**

(a) *Bid/Competitive Solicitation.* Real Estate Services may choose to submit Surplus Property to the Procurement Department for sale through a sealed bid or competitive solicitation process. Real Estate Services may request that the Procurement Department advertise Surplus Property for sale in a local newspaper of general circulation for a minimum bid equal to the appraised value, if an appraisal was obtained, but no less than 25 percent of the assessed value. The bidding period shall remain open for at least ten days after publication of the notice.

(b) *Public Auction.* If Real Estate Services determines that Surplus Property may be more advantageously disposed of by public auction, then it may be sold at public auction to the highest and best bidder for cash, after publication of a notice of the auction in a newspaper of general circulation in the City published at least ten days before the date of the auction, setting forth the date, time, and place of the auction and a legal description and street address (if available) of the surplus Real Property.

**4.05 Disposition by Direct Sale to Adjoining Owners.** At the direction of the Board (or authorized designee), Real Estate Services may negotiate directly for the sale of Surplus Property with adjacent property owners. In such instances, Real Estate Services shall send notice by mail to the adjacent property owners that the property is available for purchase. The property may be conveyed at private sale to an adjoining owner without receiving bids or publishing notice. If after receipt of the notice by the adjoining owners, two or more qualifying adjacent property owners notify Real Estate Services of a desire to purchase the Surplus Property, the Real Estate Services may negotiate directly with the competing property owners and may convey the parcel to the owner who agrees to the terms most favorable to JEA or may reject all offers. Real Estate Services may execute all documents required to convey the property to the successful owner including execution of the deed. The deed shall cite this section of the Directive as authority for execution.

**4.06. Donations or Sales for Nominal Value to Other Public Agencies.** The Board (or authorized designee) may authorize donation or exchange of Surplus Property to another governmental agency for public use regardless of the actual value of the property.

## **ARTICLE 5 TEMPORARY/SHORT-TERM USE OF REAL PROPERTY.**

**5.01 Temporary Use, Licensing and Other Transfers of JEA-Owned Real Property.** Real Estate Services may negotiate, enter, and execute agreements for non-exclusive, use of JEA-owned Real Property for residential, recreational, commercial, industrial, educational, retail, or other uses to the extent that such uses do not interfere with use or operation of the utilities systems.

**5.02 Lease of Real Property.** At the direction of the CEO (or designee), Real Estate Services may pursue, negotiate, and execute leases of Real Property for residential, recreational, commercial, industrial, educational, retail, or other uses. Any lease or renewal thereof lasting for a term of more than five years shall be subject to approval by the CEO (or designee). In accordance with Section 21.04 of the Charter, if JEA leases any Real Property to another agency, firm, corporation, entity, or individual, it shall cause a memorandum of said lease to be recorded in the official records with the clerk of the circuit court where the property is located.

## **ARTICLE 6 DISPOSITION OF LONG-TERM STRATEGIC SITES.**

The Board, by resolution, may identify a Long-Term Strategic Site and authorize the disposition of such site by the CEO (or authorized designee). Such resolution shall:

- (1) Set forth sufficient findings of fact demonstrating that disposition of the Long-Term Strategic Site best serves JEA's interests;
- (2) Detail the CEO's authority with respect to transfer or disposition of the Long-Term Strategic Site; and
- (3) Authorize the CEO (or authorized designee) to execute any and all documents necessary to effectuate such transfer(s) or disposition(s) subject to review by the Office of General Counsel for legal sufficiency and in accordance with this Directive and all applicable local, state, and federal law.

## **ARTICLE 7 REPORTING; RECORDKEEPING**

No less than quarterly, the CEO (or designee) shall prepare and circulate to the Board a report summarizing all Real Property transactions. Complete and accurate records of Real Property transactions shall be maintained by Real Estate Services.

## **ARTICLE 8 LEVELS OF APPROVAL FOR REAL ESTATE TRANSACTIONS**

**8.01 Approvals by the Board.** Board approval shall be required for all Real Property transactions exceeding \$2,000,000.

**8.02 Approval by the CEO.** The CEO shall be authorized to approve and execute Real Property transactions in an amount not to exceed \$2,000,000. The CEO may delegate such authority to Real Estate Services.

**ARTICLE 9 WAIVER BY THE BOARD**

In the best interests of JEA, the Board may waive any provision contained herein to the extent that such waiver is not prohibited by local, state, or federal law.

DRAFT

---

**Real Estate Services Procurement Directive**                      **Revision Date:**    *{insert date}*

---

**ARTICLE 1 GENERAL PROVISIONS**

Document provided to Board Members on 8/4/23 at the meeting.

**1.01 Authority.**

Pursuant to Article 21 of the Charter of the City of Jacksonville (Charter), JEA is authorized to acquire Real Property for the use or expansion of the utilities systems by grant, purchase, gift, devise, condemnation by eminent domain proceedings, exchange, lease or in any other manner authorized by applicable law. JEA is further authorized to dispose of Real Property that is no longer needed or useful for operation of the utilities systems by sale, lease, or transfer.

**1.02 Application, Rules of Construction**

(a) *Interpretation.* This Real Estate Services Procurement Directive (Directive) shall be subject to and construed to be consistent with the provisions of Article 21 of the Charter and all applicable local, state and federal laws, regulations, rules, and policies.

(b) *Application of this Directive.* This Directive supplements the Amended and Restated JEA Procurement Code (Code) and applies to transactions for the acquisition or disposition of Real Property. To the extent that there is any conflict between the Code and this Directive related to the acquisition or disposition of Real Property, this Directive shall govern.

(c) *Rules and Policies.* In accordance with Section 21.04 of the Charter, this Directive shall serve to detail the rules and procedures governing JEA’s reporting, acquisition, sale, purchase, lease, license, transfer, and disposition of real property.

(d) *Transparency.* This Directive shall be posted on JEA’s website in a conspicuous manner for the public to view.

(e) *Periodic Review.* In accordance with Section 21.04 of the Charter, at least every two years during the time of its self-assessment, the JEA Board (Board) shall review this Directive to make any changes or amendments as deemed necessary to comply with applicable provisions of the Charter or that best serves the interest of JEA. To that end, the CEO, designees, or others that use this Directive may submit to Real Estate Services or the Board any ideas or suggestions that improve the efficient implementation of the rules and procedures contained herein.

(f) *Severability.* If any provision of this Directive is found void, invalid, or inoperative by a court of competent jurisdiction or other binding legal source, then such provision shall be severed and will not render invalid the remaining portions of this Directive.

(g) *Singular-Plural.* In this Directive, unless the context requires otherwise, words in the singular include the plural, and those in the plural include the singular.

(h) *Job Titles.* If a JEA job title used in this Directive is changed in the future due to JEA organizational changes, this Directive shall be construed by substituting the appropriate successor job title.

(i) *Use of Capitalized Terms.* Unless otherwise specified, capitalized terms used in this Directive shall have the meanings given to them in the Definitions section of the Code.

**1.03 Definitions.** The following terms shall have the meanings provided below.

(a) *Easement* means a nonpossessory interest in land created by a grant or agreement that confers upon the grantee the limited right, liberty, and privilege to use the land for a specific purpose, term, and consideration.

(b) *Fee Simple Interest* means a permanent tenure and absolute estate in land and any improvements on or thereto, with freedom to dispose of in whole or in part.

(c) *Lease* means an interest in land, buildings, structures, and/or improvements designated by a contract creating a lessor-lessee relationship in which the lessee is granted use, possession, and control for a specified term for a predetermined cost with conditions attached.

(d) *Long Term Strategic Site* means any Surplus Property that JEA intends to master-plan, develop, or otherwise transfer or dispose of in phases over a period of time exceeding one year.

(e) *Purchase and Sale Agreement* means a legally binding agreement that obligates the buyer to buy and the seller to sell real property. Such agreements provide the terms of the transaction, including but not limited to price, respective obligations, contingencies, and limitations.

(f) *Real Property means* all lands, buildings, structures, improvements, and fixtures thereon; any property of any nature appurtenant thereto or used in connection therewith; and every estate, interest and right, legal or equitable, therein, including any such interest for a term of years. As used in this Directive, Real Property also includes Real property as defined in the Code.

(g) *Surplus Property* means Real Property that is no longer needed or useful for operation of the utilities systems, or disposal of which best serves JEA's interests.

## **ARTICLE 2 DELEGATION OF AUTHORITY, DESIGNATIONS**

**2.01 Delegation of Authority.** By its approval of this Directive, the JEA Board delegates authority to the Chief Executive Officer/Managing Director (CEO) to negotiate, enter, and execute agreements (including all supplemental documentation necessary for closing) on behalf of JEA to acquire, use and dispose of Real Property subject to the provisions contained herein.

**2.02 Real Estate Services.** The CEO is authorized to delegate to the Director of Real Estate (and Real Estate Services) authority to maintain, administer, and implement this Directive as it

relates to the acquisition, sale, lease, use, or transfer of Real Property. This delegation includes the Director of Real Estate's authority to negotiate, enter, and execute agreements (including all supplemental documentation necessary for closing) on behalf of JEA to acquire, use and dispose of Real Property subject to the provisions contained herein.

Real Estate Services shall administer the use, acquisition, and disposition of Real Property on behalf of JEA; establish priorities and operating standards as necessary; determine and pursue the types of property rights and interests that best serve JEA; and assess risk associated with and provide guidance related to completing Real Property transactions. Subject to applicable rules, policies, and procedures governing the procurement of services, Real Estate Services may retain, on an as-needed basis, all services necessary to implement this Directive, including but not limited to appraisal firms, survey firms, land use firms, and/or environmental firms to assist with the acquisition or disposition of Real Property.

**2.03 Office of General Counsel.** The Office of General Counsel (OGC) shall review substantial written instruments related to Real Property transactions to ensure legal sufficiency. OGC shall be responsible for engaging outside legal services necessary to aid in the initiation, assessment and completion of Real Property transactions.<sup>1</sup>

### ARTICLE 3 REAL PROPERTY ACQUISITIONS

**3.01 General Guidance.** JEA shall acquire Real Property on terms most favorable to JEA, with due consideration to maintenance and operational efficiency, and at costs consistent with prevailing market rates for comparable Real Property situated within JEA's service area. As applicable, in instances where timing may impact terms favorable to JEA, the CEO or Real Estate Services may negotiate transactions and enter into agreements to acquire Real Property, conditioned upon final approval by the Board.

(a) *Negotiations for Acquisition of Real Property.* At the direction of the CEO, Real Estate Services will assess the need for and negotiate acquisition of Real Property for the use or expansion of the utilities systems. Real Estate Services shall coordinate preparation and execution of all written instruments necessary to acquire Real Property.

(b) *Documentation.* Every appraisal, offer, or counteroffer must be in writing. Complete and accurate records of every appraisal, offer, and counteroffer shall be maintained by Real Estate Services.

(c) *No Joint Acquisitions.* JEA shall make no acquisitions jointly with another entity without prior approval by the Board. No property shall be jointly owned by JEA and any private party except as authorized under Florida law.

(d) *Costs of Acquisitions.* Real Property shall be acquired in an economically feasible manner that best serves the interest of JEA ratepayers. Prior to the acquisition of Real Property,

---

<sup>1</sup> As used in this Directive, references to the Office of General Counsel shall include the use of outside counsel engaged to provide specialized legal services.

Real Estate Services shall confirm the availability of adequately appropriated funds to pay all costs, including but not limited to any option payments and due diligence expenses.

(d) *Title Examinations and Surveys; Recordable Instruments.* All title examinations, surveys, and other title records obtained in the course of acquiring title shall be reviewed by the OGC for marketability and encumbrances. All documents to be recorded in favor of JEA or placing an interest in Real Property in JEA, including easements, shall be reviewed by the OGC for form and legal sufficiency before delivery of the document is accepted and recorded.

(e) *Form of Deeds.* All fee conveyances to JEA shall be by no less than special warranty deed unless the conveyance is from the federal government, a state agency or another local government, or an instrumentality of any of them, from which a quitclaim deed is acceptable. A donation may be made by quitclaim deed if Real Estate Services determines that acceptance of a quitclaim deed is in JEA's best interests. A quitclaim deed may also be accepted to aid in clearing title or boundary questions. Real Estate Services shall coordinate review and confirmation of all legal descriptions on instruments conveying property to JEA.

(f) *Appraisals.* For parcels assessed at \$50,000 or less Real Estate Services may use the assessed value. All appraisals used for the acquisition of Real Property shall be prepared by a state-certified appraiser and be prepared according to generally accepted appraisal standards. As applicable, each appraisal report shall state any extraordinary assumption or hypothetical condition made by the appraiser in determining market value and shall document and adequately support the appraiser's estimate or conclusion of value.

(g) *Disclosure of Beneficial Interests.* Conveyances to JEA by any person or entity holding Real Property in the form of a partnership, limited partnership, corporation, trust, or any form of representative capacity whatsoever for others shall comply with applicable provisions of section 286.23, Florida Statutes, regarding notice and disclosure requirements.

(h) *Limited Authority to Modify Board Approved Purchase Instruments.* Real Estate Services may modify a purchase instrument approved by the Board to extend the time for option exercise, closing date, submittal deadlines, or any other time limit in the agreement if the total extension of time for closing does not exceed 180 days after the closing date in the purchase instrument approved by the Board. The Real Property Procurement Officer is authorized to modify the legal description in a purchase instrument approved by the Board to conform the description to the description on the certified survey.

(i) *Disclaimer.* In instances where the Real Property Procurement Officer becomes aware of an instrument purporting to convey Real Property to JEA recorded in the public records of Duval County, which instrument has not been accepted by JEA, Real Estate Services may, on behalf of JEA, execute an instrument disclaiming any right, title or interest JEA may have in and to the Real Property and record such instrument in the public records of Duval County after having determined that JEA has no need for such Real Property. Such disclaimer shall be reviewed and approved for legal sufficiency by the Office of General Counsel.

**3.02 Leases to JEA.** JEA may lease Real Property when there is a need for the use or expansion of the utilities systems that cannot be met satisfactorily in JEA controlled space and leasing is more advantageous to JEA than constructing new facilities or altering existing JEA facilities.

**3.03 Donations, Gifts to JEA.** JEA may acquire Real Property by donation or gift when such acquisition best serves the interest of JEA.

(a) In such instance, prior to acceptance, Real Estate Services will investigate the quality of title, boundaries, and any environmental issues to the extent necessary to assess whether the property is marketable, whether the donor has authority to convey the property, and whether there are any apparent adverse impacts to JEA because of the acquisition.

(b) Based upon such investigation, the CEO or designated Real Property Procurement Officer on behalf of JEA, may accept a donation or gift conveying Real Property without prior approval by the Board if: (1) no consideration is paid by the JEA for the conveyance; and (2) JEA assumes no obligations with respect to the property except the normal responsibility incidental to ownership of the property interest being acquired.

(c) No acceptance of a donation or gift is effective until indicated by a written, executed acceptance of the conveyance. The instrument of conveyance and, if applicable, the instrument of acceptance, shall be recorded in the Public Records of Duval County.

**3.04 Real Property Condemnation Actions by JEA.** Pursuant to Chapter 361 of the Florida Statutes (as amended) and Article 21 of the Charter, JEA is vested with eminent domain powers to acquire Real Property for the use or expansion of the utilities systems. Such powers shall be executed in accordance Chapters 73 and 74 of the Florida Statutes (as amended).

#### **ARTICLE 4 DISPOSITIONS OF REAL PROPERTY**

**4.01 General Guidance.** JEA may dispose of Real Property that is determined to be no longer needed or useful, or if such disposition best serves the interest of JEA. When such determination has been made, Real Property may be disposed of through exchange, negotiations, sealed competitive bids, public auctions, lease or any other means JEA deems in its best interest in accordance with this Directive and subject to applicable provisions of local and state law. All conveyances of fee interest in JEA-owned Real Property by the Real Property Procurement Officer shall be "as is, where is, and with all faults."

#### **4.02 Real Property Transactions Subject to Prior City Council Approval.**

(a) In accordance with Section 21.04 of the Charter, any Real Property that exceeds either an assessed value or just market value of \$50,000, as determined by the property appraiser of the county where the Real Property is located, shall not be sold for less than the appraised value as certified by an MAI certified appraiser, without prior approval by the Council.

(b) In accordance with Section 21.11 of the Charter, any sale, lease, assignment, or other transfer of Real Property that will result in a total net loss of 1 percent or more of JEA's

service territory or a total loss of 1 percent of the electric, water, or wastewater, customer accounts (based on the latest available JEA monthly financial statements) shall require prior approval by the Council.

**4.03 Board Declaration of Surplus Property.** In accordance with Section 21.04 of the Charter, the Board shall, by resolution, fix and determine when JEA-owned Real Estate is no longer needed or useful, and authorize the disposition thereof. The Board may also, in its discretion, adopt a resolution delegating authority to the CEO to surplus and dispose of Real Property when doing so best serves the interest of JEA. [Real Estate Services may circulate a sufficiently detailed description of Surplus Property to the City and the independent agencies thereof to determine whether the property is needed for a public purpose.](#)

**4.04 Disposition of Real Property by Bid, Competitive Solicitation, or Public Auction.**

(a) *Bid/Competitive Solicitation.* Real Estate Services may choose to submit Surplus Property to the Procurement Department for sale through a sealed bid or competitive solicitation process. Real Estate Services may request that the Procurement Department advertise Surplus Property for sale in a local newspaper of general circulation for a minimum bid equal to the appraised value, if an appraisal was obtained, but no less than 25 percent of the assessed value. The bidding period shall remain open for at least ten days after publication of the notice.

(b) *Public Auction.* If Real Estate Services determines that Surplus Property may be more advantageously disposed of by public auction, then it may be sold at public auction to the highest and best bidder for cash, after publication of a notice of the auction in a newspaper of general circulation in the City published at least ten days before the date of the auction, setting forth the date, time, and place of the auction and a legal description and street address (if available) of the surplus Real Property.

**4.05 Disposition by Direct Sale to Adjoining Owners.** At the direction of the Board (or authorized designee), Real Estate Services may negotiate directly for the sale of Surplus Property with adjacent property owners. In such instances, Real Estate Services shall send notice by mail to the adjacent property owners that the property is available for purchase. The property may be conveyed at private sale to an adjoining owner without receiving bids or publishing notice. If after receipt of the notice by the adjoining owners, two or more qualifying adjacent property owners notify Real Estate Services of a desire to purchase the Surplus Property, the Real Estate Services may negotiate directly with the competing property owners and may convey the parcel to the owner who agrees to the highest price or may reject all offers. Real Estate Services may execute all documents required to convey the property to the successful owner including execution of the deed. The deed shall cite this section of the Directive as authority for execution.

**4.06. Donations or Sales for Nominal Value to Other Public Agencies.** The Board (or authorized designee) may authorize [the sale, donation,](#) or exchange of Surplus Property to another governmental agency for public use regardless of the actual value of the property.

## **ARTICLE 5 TEMPORARY/SHORT-TERM USE OF REAL PROPERTY.**

**5.01 Temporary Use, Licensing and Other Transfers of JEA-Owned Real Property.** Real Estate Services may negotiate, enter, and execute agreements for non-exclusive, use of JEA-owned Real Property for residential, recreational, commercial, industrial, educational, retail, or other uses to the extent that such uses do not interfere with use or operation of the utilities systems.

**5.02 Lease of Real Property.** At the direction of the CEO (or designee), Real Estate Services may pursue, negotiate, and execute leases of Real Property for residential, recreational, commercial, industrial, educational, retail, or other uses. Any lease or renewal thereof lasting for a term of more than five years shall be subject to approval by the CEO (or designee). In accordance with Section 21.04 of the Charter, if JEA leases any Real Property to another agency, firm, corporation, entity, or individual, it shall cause a memorandum of said lease to be recorded in the official records with the clerk of the circuit court where the property is located.

## **ARTICLE 6 DISPOSITION OF LONG-TERM STRATEGIC SITES.**

The Board, by resolution, may identify a Long-Term Strategic Site and authorize the disposition of such site by the CEO (or authorized designee). Such resolution shall:

- (1) Set forth sufficient findings of fact demonstrating that disposition of the Long-Term Strategic Site best serves JEA's interests;
- (2) Detail the CEO's authority with respect to transfer or disposition of the Long-Term Strategic Site; and
- (3) Authorize the CEO (or authorized designee) to execute any and all documents necessary to effectuate such transfer(s) or disposition(s) subject to review by the Office of General Counsel for legal sufficiency and in accordance with this Directive and all applicable local, state, and federal law.

## **ARTICLE 7 REPORTING; RECORDKEEPING**

No less than quarterly, the CEO (or designee) shall prepare and circulate to the Board a report summarizing all Real Property transactions. Complete and accurate records of Real Property transactions shall be maintained by Real Estate Services.

## **ARTICLE 8 LEVELS OF APPROVAL FOR REAL ESTATE TRANSACTIONS**

**8.01 Approvals by the Board.** Board approval shall be required for all Real Property transactions exceeding \$2,000,000.

**8.02** *Approval by the CEO.* The CEO shall be authorized to approve and execute Real Property transactions in an amount not to exceed \$2,000,000. The CEO may delegate such authority to Real Estate Services.

**ARTICLE 9 WAIVER BY THE BOARD**

In the best interests of JEA, the Board may waive any provision contained herein to the extent that such waiver is not prohibited by local, state, or federal law.

DRAFT

Governance, Audit, and Compliance Committee - Supplemental Informaion

TITLE: REAL ESTATE SERVICES PROCUREMENT DIRECTIVE

REVISION DATE: May 26, 2016

**POLICY STATEMENT:**

Pursuant to JEA Charter, JEA may sell, lease or otherwise transfer, with or without consideration, any property, real or personal, when in JEA's discretion it is no longer needed or useful, or such sale, lease or transfer is in the best interest of JEA. It is the policy of JEA to acquire, manage, and dispose of interests in real or personal property for utilities system use and expansion or for other uses in an expeditious and economical manner, with a minimum of risk.

JEA recognizes the procurement and sale or lease of Real Property, Tangible Personal Property, and related easements is sufficiently different from the procurement of other supplies and services required by JEA. This Procurement Directive supplements JEA's Procurement Code to provide JEA staff with the authority to make timely procurement commitments and to effectively participate in these markets. The directive applies to all property rights, real or personal, or any estate or interest therein, to be acquired or for the use of the utilities system by purchase, condemnation by eminent domain proceedings, exchange or lease.

**ASSIGNMENT OF RESPONSIBILITY:**

The CEO designated Real Property Procurement Officer for JEA real property, easements, exchanges and leases is responsible for the implementation and maintenance of this Procurement Directive as it relates to the sale, lease or transfer of JEA real property interests.

The CEO designated Tangible Personal Property Procurement Officer for JEA tangible personal property is responsible for the implementation and maintenance of this Procurement Directive as it relates to the lease of JEA tangible personal property.

The two named Procurement Officers will conduct business in compliance with the JEA Procurement Code as supplemented by this Real Estate Services Procurement Directive.

**DEFINITIONS:**

Unless otherwise specified herein, all terms used herein will have the same definition specified in the JEA Procurement Code:

Fee Simple -a permanent and absolute tenure of an estate in land with freedom to dispose of it at will, especially in full.

Option to Purchase Agreement -is an arrangement in which, for a fee, a tenant or investor acquires the right to purchase real property sometime in the future.

Real Property -is land and immovable property on land such as buildings.

Sale and Purchase Agreement (SPA) -is a legal contract that obligates a buyer to buy and a seller to sell a product or service. SPAs are found in all types of businesses but are most often associated with real estate deals as a way of finalizing the interests of both parties before the closing of the property.

**Commented [SLA1]:** Removed this narrative paragraph. New Section 1 connects the 2023 Directive to the Charter and outlines the scope of the Directive.

**Commented [SLA2]:** 2023 Directive Section 2 clearly spells out the Board's delegation to CEO and CEO's delegation to Real Estate Services/Real Estate Director.

**Commented [SLA3]:** 2023 Directive language aligns with current JEA org structure and job titles to refer to Real Estate Services and the Real Estate Director, rather than Real Property Procurement Officer.

**Commented [SLA4]:** 2023 Directive combines Rules of Construction and Definitions and includes Board review every two years, tied to Board self-assessment.

Governance, Audit, and Compliance Committee - Supplemental Informaion

Tangible Personal Property -are physical assets of JEA, excluding real property and buildings, that includes, but is not limited to, poles, towers, telecommunication equipment, fiber optic cables, or other such physical assets of JEA used in the operation of the utilities system.

**I. FEE SIMPLE REAL PROPERTY ACQUISITIONS**

**A. Background and Additional Guidance.**

It is the policy of JEA to acquire interests in real property for system expansion or for other uses in an expeditious and economical manner, with a minimum of risk.

JEA Real Estate Services will diligently determine and pursue the types of property rights most advantageous to JEA. These rights may include fee simple acquisitions, easement acquisitions, licenses or permits. Levels of approval for each of these property rights acquisitions are outlined in this Procurement Directive.

**B. Levels of Approval and Respective Approving Entities (Board, Awards Committee, Procurement Officer) for Fee Simple Acquisitions.**

1. Board Approval is Required for Purchases of More than \$500,000: If the negotiated purchase price is more than \$500,000, the Option to Purchase or Purchase and Sale Agreement will be presented to the Board for its consideration. Prior to presentation to the Board, the Option to Purchase or Purchase and Sale Agreement will be approved by the Procurement Officer and reviewed by Office of General Counsel (OGC). The request for Board consideration may summarize relevant purchase information and may include the following: a comparison of the negotiated price, the appraised value of the property, the assessed value of the property, and/or statements of any conflicts of interest of Board members or JEA employees.
2. Awards Committee Approval is Required for Purchases of \$500,000 or Less but More than \$50,000: If the negotiated purchase price is \$500,000 or less but more than \$50,000, it will be presented to the Awards Committee for its consideration. Prior to presentation to the Awards Committee, the Option to Purchase or Purchase and Sale Agreement will be approved by the Procurement Officer and reviewed by OGC. The request for Awards Committee consideration may summarize relevant purchase information and may include the following: a comparison of the negotiated price, the appraised value of the property, and the assessed value of the property, and/or statements of any conflicts of interest of Board members or JEA employees.
3. The Procurement Officer may Approve Purchases of \$50,000 or Less: If the negotiated purchase price is \$50,000 or less, the acquisition may be approved by the Procurement Officer. The Procurement Officer may request review by OGC or the Vice-President to whom Real Estate Services reports. Records of property transactions may include the following: a comparison of the negotiated price, the appraised value of the property, the assessed value of the property, Real Estate Services estimate of value, and/or statements of any conflicts of interest of Board members or JEA employees.
4. The Procurement Officer may Approve Donations of Property to JEA: If a property owner donates a parcel to JEA, the Procurement Officer may approve the acquisition. Real Estate Services will coordinate all legal and transfer requirements of the acquisition.

**Commented [SLA5]:** 2023 Directive Section 8.01 sets this amount at \$2M.

Governance, Audit, and Compliance Committee - Supplemental Information

**SUMMARY OF FEE SIMPLE ACQUISITIONS:**

Purchase Price	Approving Entity
> \$500,000	Board
> \$50,000 to \$500,000	Awards Committee
\$50,000 or less	Procurement Officer

**Commented [SLA7]:** 2023 Directive refers to P-Code and relevant JEA procedures but does not provide as much detail on allocating responsibilities between Real Estate Services and the Awards Committee.

**Commented [SLA6]:** Dollar amount-based sub-delegations are covered in the summary page signed by CEO, rather than being placed in the formal directive.

**II. REAL PROPERTY CONDEMNATION ACTIONS.**

**A. Background and Additional Guidance.**

JEA will use condemnation procedures under the power of eminent domain for acquisition of real property rights only as a last resort. JEA is vested with the power of eminent domain under authority of Article 21, Charter of the City of Jacksonville, Chapter 92-341, Laws of Florida, as amended, and Chapter 36i, Florida Statutes. Statutory provisions for eminent domain procedures and supplemental proceedings are found in Chapters 73 and 74, Florida Statutes.

**B. Board Approval is Required for All Condemnations.**

After determining that the property cannot be purchased by negotiation and upon direction by the Procurement Officer, Real Estate Services will submit legal descriptions of the required property to OGC. OGC will prepare a Resolution authorizing condemnation to be presented to the Board. Real Estate Services will prepare the endorsement memo for the CEO's signature requesting the approval of the Resolution. Real Estate Services will present the endorsement memo and Resolution to the Board for consideration. If the Resolution is approved by the Board, Real Estate Services, on behalf of JEA, will initiate condemnation proceedings by sending the following to OGC: a certified copy of the Resolution, the survey, the appraisal, title commitment, a copy of the Board approval, and statements of any conflicts of interest of Board members or JEA employees. Condemnation preparation and proceedings are managed and implemented by OGC and Real Estate Services. If a settlement is negotiated, the settlement amount will be presented for approval to the appropriate approving entity consistent with levels of approval stated for fee simple acquisitions in Section I.

**Commented [SLA8]:** 2016 Directive refers to OGC throughout. 2023 Directive affirms OGC's integral role in Sec. 2.03 and incorporates (in a footnote) external counsel which can also provide reviews

**Commented [SLA9]:** 2023 Directive ties Eminent Domain/condemnation to the Charter and Florida Statutes.

**III. DISPOSITION OF REAL PROPERTY.**

**A. Background and Additional Guidance.**

JEA will dispose of interests in real property that are no longer needed or useful to JEA.

**B. Preparation to Declare Real Property Surplus.**

In declaring property surplus, the Procurement Officer must certify that such real property is no longer needed by JEA. The Procurement Officer makes this determination by notifying JEA departments that may have an interest in the real property that it is being considered for surplus disposition. If no JEA departments have a present or future use for the real property, Real Estate Services will notify other municipal agencies of the availability of the property. If another municipal agency has a need for the real property, Real Estate Services will arrange for transfer of ownership consistent with the approval levels outlined in this Procurement Directive. If no municipal agencies have present or future use of the real property, Real Estate Services may notify

**Commented [SLA10]:** 2023 Directive requires Board resolution to classify property as surplus. Board may delegate to CEO ability to determine property is surplus and arrange for disposal.

Governance, Audit, and Compliance Committee - Supplemental Informaion

adjoining property owners and may sell the property according to the procedures in Section III D below.

**C. Levels or Approval and Respective Approving Entities (Board, Awards Committee, Procurement Officer) for Dispositions.**

1. **Board Approval is Required to Sell Surplus Real Property when the Assessed Value OR the Negotiated Sale Price is More Than \$500,000:** When either of these situations occurs, Real Estate Services will submit a resolution to the Board for its review and approval. The Resolution for Board consideration may summarize relevant purchase information and may include the following: a comparison of the negotiated price, the appraised value of the real property, the assessed value of the real property, JEA's investment in the property, minimum sale price, and/or statements of any conflicts of interest of Board members or JEA employees. The Resolution will request that the Board declare the real property surplus to the needs of JEA and the real property may be sold at the price stated in the resolution.

**Commented [SLA11]:** 2023 Directive Sec. 8.01 sets this threshold at \$2M.

2. **Awards Committee Approval is Required to Sell Surplus Real Property when the Assessed Value OR the Negotiated Sale Price is \$500,000 or Less but More than \$50,000:** When either of these situations occurs, Real Estate Services will submit an Award to the Awards Committee for review and approval. The Awards Committee may, at its discretion, forward such a request for Award to the Board for its review and approval. The Award submitted to the Awards Committee for consideration may summarize relevant purchase information and may include the following: a comparison of the negotiated price, the appraised value of the property, and the assessed value of the property, JEA's investment in the property, minimum sale price, and/or statements of any conflicts of interest of Board members or JEA employees. The Award will request that the Awards Committee declare the property surplus to the needs of JEA and the property may be sold at the price stated in the approved Award.

3. **The Procurement Officer May Sell Surplus Real Property when the Assessed Value AND the Negotiated Sale Price is \$50,000 or less:** When both of these situations occur, the Procurement Officer may declare the real property surplus and authorize the sale of the surplus property upon terms and conditions acceptable to the Procurement Officer. The Procurement Officer may request review by OGC or the Vice-President to whom Real Estate Services reports. The Procurement Officer's determination may include, but not be limited to, a review of the following: a comparison of the negotiated price, the appraised value of the real property, the assessed value of the property, JEA's investment in the property, minimum sale price, Real Estate Services estimate of value, and/or statements of any conflicts of interest of Board members or JEA employees.

**Commented [SLA12]:** 2023 Directive refers to P-Code and relevant JEA procedures but does not provide as much detail on allocating responsibilities between Real Estate Services and the Awards Committee.

**D. Sale of Real Property.**

1. **Sealed Bidding for the Sale of Real Property Assessed for More Than \$50,000.**

a. When the Procurement Officer determines that sale of real property assessed for more than \$50,000 by sealed bidding is in the best interests of JEA, the Procurement Officer shall certify that the real property is surplus to the needs of JEA, and Real Estate Services will solicit sealed competitive bids for the public sale of the real property.

Governance, Audit, and Compliance Committee - Supplemental Informaion

- b. The bids will be evaluated by the Procurement Officer who will determine which bid is the most advantageous to JEA.
  - c. In no event shall real property be sold for less than the assessed value as recorded by the Property Appraiser without approval by the Board and City Council.
  - d. The public advertisement for bids will disclose the amount of the minimum acceptable bid and any additional bid requirements as may be prescribed by Real Estate Services.
  - e. Sale of real property will be made to the highest and best bidder after approval by the Board or the Awards Committee, as appropriate.
  - f. Upon receipt of the purchase price in cash or by cashier's check, or upon receipt of the mortgage or other instrument evidencing the terms of sale if other than for cash, the JEA shall execute and deliver to the purchaser an appropriate instrument of transfer of title to the real property.
  - g. If an offer at or above the minimum sale price is not received in the solicited bids or if the sale is not concluded successfully, Real Estate Services may, subject to the proper levels of approval, rebid the property, dispose of the property by public auction, enlist the services of real estate brokers to sell the property, or sell the property by direct sale after negotiation with any prospective purchaser. In no event shall property be sold for less than the assessed value as recorded by the Property Appraiser without approval by the Board and City Council.
2. Public Auction for the sale of Real Property Assessed for More Than \$50,000.
- a. When the Procurement Officer determines that sale of real property assessed for more than \$50,000 by public auction is in the best interests of JEA, the Procurement Officer shall certify that the property is surplus to the needs of JEA, and Real Estate Services shall present a resolution to the Board or Awards Committee, as appropriate, to have the Board or Awards Committee declare the property surplus and authorize the sale of the property for a price not less than the price stated in the resolution.
  - b. Real Estate Services may engage the services of a qualified real estate auctioneer to hold a public auction to sell real property to the highest and best bidder.
  - c. In no event shall property be sold for less than the assessed value as recorded by the Property Appraiser without approval by the Board and City Council.
  - d. The public advertisement will set forth the date, time and place of the auction, the amount of the minimum acceptable bid and any additional bid requirements as may be prescribed by Real Estate Services.
  - e. As soon as is practicable after the auction, and upon receipt of the purchase price in cash or by cashier's check, JEA shall execute and deliver to the successful bidder an appropriate instrument of transfer of title to the property.
  - f. If the property is not sold at the public auction, Real Estate Services may, subject to the proper levels of approval, solicit sealed bids for the property, auction the property, enlist the services of real estate brokers to sell the property, or sell the property by direct sale after negotiation with

Governance, Audit, and Compliance Committee - Supplemental Informaion

any prospective purchaser. In no event shall property be sold for less than the assessed value as recorded by the Property Appraiser without approval by the Board and City Council.

**3. The Sale Price for Real Property Assessed for \$50,000 or Less.**

- a. If the assessed value of the real property is \$50,000 or less, the Procurement Officer may negotiate with any and all prospective purchasers for the sale of the real property without bid upon such terms and conditions as the Procurement Officer may deem advisable.
- b. The Procurement Officer may enlist the services of real estate brokers to sell the property. All sales shall be paid by certified check, and the sale price will not be less than the assessed value of the property.
- c. The Procurement Officer may direct that the sale of real property valued at \$50,000 or less be conducted by competitive procedures, including sealed bids or public auction. If the sale price is more than \$50,000 the sale will be approved by the appropriate approval entity.
- d. In no event shall property be sold for less than the assessed value as recorded by the Property Appraiser without approval of the Board and the City Council.

**DISPOSITION SUMMARY CHART:**

Assessed Value of Property OR Negotiated Sale Price	Approving Entity
> \$500,000	Board
> \$50,000 to \$500,000	Awards Committee
\$50,000 or less	Procurement Officer

**Commented [SLA13]:** 2023 Directive allows a variety of sale processes in order to maximize value to JEA and the community.

**IV. EASEMENTS AND AGREEMENTS RELATING TO REAL PROPERTY.**

**A. Background and Additional Guidance.**

The levels of approval and the respective approving entities delineated below will be used when JEA is granting certain rights or acquiring certain rights in connection with real property. Consistent with the needs of each transaction, JEA will clearly define the scope of JEA's rights and the rights of other parties.

**B. Levels of Approval and Respective Approving Entities (Board, Awards Committee, Procurement Officer).**

When the rights under consideration have a Fair Market Value in excess of \$50,000, Real Estate Services will confirm OGC support of the action and will prepare a resolution for presentation to the appropriate entity for its consideration of the requested right.

- 1. Board Approval is Required for Rights Valued at More Than \$500,000. If the negotiated purchase price is more than \$500,000, a resolution will be presented to the Board for its consideration after a review by OGC. The request for Board consideration may summarize relevant purchase information and may include the following: a comparison of the negotiated price, the appraised

Governance, Audit, and Compliance Committee - Supplemental Informaion

value of the property, and the assessed value of the property, and/or statements of any conflicts of interest of Board members or JEA employees.

2. The Awards Committee Approval is Required for Rights Valued at \$500,000 or Less but More Than \$50,000. If the negotiated purchase price is \$500,000 or less but more than \$50,000, a resolution will be presented to the Awards Committee for its consideration after review by OGC. The request for Awards Committee consideration may summarize relevant purchase information and may include the following: a comparison of the negotiated price, the appraised value of the property, and the assessed value of the property, and/or statements of any conflicts of interest of Board members or JEA employees.
3. The Procurement Officer May Approve the Purchase or Sale of Rights Valued at \$50,000 or Less. If the negotiated purchase price is \$50,000 or less, the Procurement Officer may authorize the purchase or sale. The Procurement Officer may request review by OGC or the Vice-President, Organizational Services. Records of property transactions may include the following: a comparison of the negotiated price, the appraised value of the property, Real Estate Services estimate of value, the assessed value of the property, and/or statements of any conflicts of interest of Board members or JEA employees.
4. The Procurement Officer may Approve Donation of Property Rights to JEA: If a property owner donates property rights to JEA, the Procurement Officer may approve the acquisition. Real Estate Services will coordinate all legal and transfer requirements of the acquisition.

**SUMMARY CHART:**

Value of Rights	Approving Entity
> \$500,000	Board
> \$50,000 to \$500,000	Awards Committee
\$50,000 or less	Procurement Officer

**V. LEASES- REAL OR PERSONAL PROPERTY**

**A. Background and Additional Guidance.**

This Directive shall apply to leases of Real Property or Tangible Personal Property, whether JEA is lessee or lessor. The Real Property Procurement Officer will negotiate terms including rental rates with the prospective lessee or for JEA as lessor of real property interests. The rental rates are generally at current market value, established at the time of initial lease by an appraisal prepared by an outside real estate appraiser or by a survey of real estate values and market rates conducted internally. The Tangible Personal Property Procurement Officer will negotiate terms of use and lease agreements with prospective user or lessee of JEA tangible personal property.

**B. Levels of Approval and Respective Approving Entities for Leases.**

1. Leases of \$1,000,000 or More in Total Value. If the negotiated lease price is \$1,000,000 or more in total value, the responsible Procurement Officer will confirm OGC support of the action. The responsible Procurement Officer will also obtain approval from the Chief Financial Officer for Real

Governance, Audit, and Compliance Committee - Supplemental Informaion

Property leases, and approval from the Chief Financial Officer and the Chief Information Officer for Tangible Personal Property leases. The supporting documentation for approval will summarize relevant lease information and may include the following: overview of lease agreement terms, price comparisons of comparable properties or physical assets, and/or statements of any conflicts of interest of Board members or JEA employees.

2. Leases of Less than \$1,000,000 in Total Value. If the negotiated lease price is less than \$1,000,000 in total value, the responsible Procurement Officer will approve the lease. The supporting documentation for approval will summarize relevant lease information and may include the following: overview of lease agreement terms, price comparisons of comparable properties or physical assets, and/or statements of any conflicts of interest of Board members or JEA employees.

**LEASE SUMMARY CHART:**

Value of Lease	Approving Entity
\$1,000,000 or more	Responsible Procurement Officer, CFO, CIO
Less than \$1,000,000	Responsible Procurement Officer

**VI. EXECUTION OF DOCUMENTS**

All documents to be executed on behalf of JEA pursuant to this Procurement Directive may be executed by the Managing Director/Chief Executive Officer; his designee, or the responsible Procurement Officer.

**VII. RIGHT TO PROTEST**

Any actual or prospective seller, buyer, lessee or lessor who is aggrieved in connection with a solicitation or an Award of a Contract may submit a protest in accordance with JEA Procurement Code.

**VIII. EFFECTIVE DATE**

This Procurement Directive is effective upon its approval by Managing Director/CEO.

**PROCUREMENT CODE EXEMPTIONS**  
*WITH SUMMARY OF SEPARATE DIRECTIVES*  
August 2023

Exemptions to the JEA Procurement Code are created to accommodate business needs and provide flexibility while still meeting statutory guidelines and the requirements in JEA's Charter, Article 21 of the City of Jacksonville Charter.

In August 2022 the JEA Board approved modifications to delegate certain purchases to the Chief Executive Officer during a period when fuel costs were rising and JEA was attempting to manage current and future fuel costs. The interpretation of the earlier modifications was over broad, and staff has reduced several areas to much lower thresholds. The summary chart attached indicates the lower thresholds made by staff.

The Fuels Management and Energy Purchases directives remain at \$100M. In addition, two other areas are presented to the Board for its consideration. The first area is the Real Estate Procurement Directive that has not been modified since 2016. The JEA Charter requires Board review of the real estate directive every two years. Staff is recommending changes to the levels and dollar amounts of approvals including delegating purchases less than \$2M with a range of approval limits from Director level to CEO. Staff is asking the Board to consider an additional exception to the Procurement Code in the form of a Financial Instruments and Services section. Portions of this delegation were already in place.

The following chart outlines the exceptions and the modified limits for each exemption area. Each directive is summarized in a template format. The modified Real Estate Directive and the new Financial Instruments and Services directive are shown at the end of the chart.

Order of Exhibits:

- Summary chart
- Environmental Allowances Directive
- Fuels Management Directive
- Byproducts Services Directive
- Electric System Energy, Capacity and Transmission Directive
- Electric System – JEA Owned Transmission and Ancillary Services Directive
- Customer and Community Engagement Directive
- Real Estate Directive - Rewrite
- Financial Instruments and Services Directive – New

Governance, Audit, and Compliance Committee - Supplemental Informaion

**Summary of Procurement Exemption Directives**

Procurement Directive	Description	Limits	Signatory Authority	Procurement Officer	Notes
Environmental Allowances	Environmental Allowances refers to environmental trading credits associated with JEA's activities in procurement, generating, using, constructing or providing energy, water, or wastewater to other related services. This Procurement exemption does not include Air Emissions Allowances. This is covered under the Fuels exemption.	>\$1,000,000	JEA Board	Wayne Young - VP of Environmental Services	The proposed changes will lower the signatory threshold to the following per contract: Directors to approve < \$100,000 VPs to approve \$100,000 to \$250,000 Chiefs to approve >\$250,000 to \$500,000 CEO to approve >\$500,000 to \$1,000,000 Board to approve >\$1,000,000
		>\$500,000 to \$1,000,000	Chief Executive Officer		
		>\$250,000 to \$500,000	Chief Financial Officer <b>and</b> Chief Operating Officer		
		\$100,000 to \$250,000	VP of Environmental Services		
		< \$100,000	Director Environmental Services		
Fuels Directive	JEA recognizes that the procurement of fuel, emission allowances and associated transportation is sufficiently different from the procurement of other supplies and services required by JEA. This procurement exemption supplements JEA's Procurement Code to provide JEA staff with the authority to make timely procurement commitments and to effectively participate in fuel, emission allowance, and transportation (including customs fees) markets. It governs the procurement of fuel, emission allowances and associated transportation notwithstanding any provision in JEA's Procurement Code or current Florida State Statute to the contrary.	> \$100,000,000	JEA Board	Ricky Erixton - VP of Electric Systems	No change
		\$35,000,000 to \$100,000,000	Chief Executive Officer		
		\$20,000,000 to \$35,000,000	Chief Financial Officer <b>and</b> Chief Operating Officer		
		\$10,000,000 to \$20,000,000	VP of Electric Systems		
		< \$10,000,000	Senior Director, Energy Operations		
Byproducts - Electric and Water/Wastewater	This procurement exemption provides JEA staff with the authority to make timely procurement commitments and to effectively participate in opportunities to market, transport, beneficially reuse, install and dispose of byproducts. This includes the procurement, sale, marketing and management of Byproducts for Electric, Water and Wastewater (materials resulting from the process of generating electricity, producing potable water, and treating wastewater including but not limited to, bottom ash, bed ash, flyash, gypsum, activated carbon, resin, sludge and biosolids residuals).	> \$10,000,000	JEA Board	Ricky Erixton - VP of Electric Systems or Hai Vu - VP of Water Wastewater Systems	The proposed changes will lower the signatory threshold to the following per contract: Directors to approve < \$100,000 VPs to approve \$100,000 to \$1,000,000 Chiefs to approve >\$1,000,000 to \$5,000,000 CEO to approve >\$5,000,000 to \$10,000,000 Board to approve >\$10,000,000
		>\$5,000,000 to \$10,000,000	Chief Executive Officer		
		>\$1,000,000 to \$5,000,000	Chief Financial Officer <b>and</b> Chief Operating Officer		
		\$100,000 to \$1,000,000	VP of Electric Systems <b>or</b> VP of Water & Wastewater Systems		
		< \$100,000	Senior Director, Energy Operations <b>or</b> Director WW & Reuse Treatment <b>or</b> Director Water Operations & Treatment Support Services		
Electric System - Transmission Capacity and Services - Short-Term and Long-Term Transactions	Purchase or Sale of electric energy, electric generating capacity, electric transmission service capacity and their associated ancillary services, or resale of transmission capacity retained from transmission service providers in the open transmission or open transmission markets or third-party transmission providers, or the purchase or sale of renewable energy credits (also known as Greentags).	> \$100,000,000	JEA Board	Ricky Erixton - VP Electric Systems	No change
		\$35,000,000 to \$100,000,000	Chief Executive Officer		
		\$20,000,000 to \$35,000,000	Chief Financial Officer <b>and</b> Chief Operating Officer		
		\$10,000,000 to \$20,000,000	VP of Electric Services		
		< \$10,000,000 Indemnity Agreements	Senior Director, Energy Operations		
Electric Systems - Sale JEA Owned Transmission and Ancillary Services	It is JEA's policy to sell transmission and ancillary services, in accordance with JEA's Transmission Tariff and FERC orders, on the JEA Open Access Same-time Information System (OASIS).	Tariffs	JEA Board	Ricky Erixton - VP of Electric Systems	No change
		Long Term Firm Short Term Firm & Non-Firm	VP of Electric Systems Senior Director, Energy Operations		

Governance, Audit, and Compliance Committee - Supplemental Informaion

Procurement Directive	Description	Limits	Signatory Authority	Procurement Officer	Notes
Customer and Community Engagement	This JEA Procurement Code Exemption relates to all goods and services needed to support and manage JEA's Customer and Community Engagement initiatives and activities. For purposes of this procurement directive, Community Engagement means any activities authorized in Section 21.04(y) of Article 21 (JEA), City of Jacksonville Charter and other activities regarding JEA or JEA's community brand that inform, engage, and educate JEA customers and the communities that JEA serves. These services should 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 objectives of JEA. This directive also covers utility industry association memberships authorized in Section 21.04(u) of Article 21 (JEA).	> \$1,000,000	JEA Board	Sheila Pressley - Chief Customer Officer or Laura Dutton - Chief Strategy Officer or Laura Schepis - Chief External Affairs Officer Or David Emanuel – Chief Human Resources Officer	The proposed changes will lower the signatory threshold to the following per contract:  Directors to approve < \$100,000 VPs to approve \$100,000 to \$250,000 Chiefs to approve >\$250,000 to \$500,000 CEO to approve >\$500,000 to \$1,000,000 Board to approve >\$1,000,000
		>\$500,000 to \$1,000,000	Chief Executive Officer		
		>\$250,000 to \$500,000	Chief Customer Officer or Chief Strategy Officer or Chief External Affairs Officer or Chief Human Resources Officer and Chief Financial Officer		
		\$100,000 to \$250,000	VP Customer Experience Insights & Digitization or VP Corporate Strategy or VP Communications		
		< \$100,000	Director, Customer & Community Engagement or Director Customer Experience Insights & Strategy or Director Learning & Development or Sr. Director of Employee Services		
Real Estate	Purchase, sale, or transfer of real or intangible property, easements, and leases.	> \$2,000,000	JEA Board	Michael Corbitt - Director Real Estate Services	Majority of changes are clean up to the current Directive, including: 1. Remove duplicative language 2. Add language for new 2020 Charter amendment language specific to real property a. Record memo of lease with clerk of courts b. MAI appraisal required for properties valued over \$50,000 c. Rules and Procedures must be reviewed biennial d. Rules and Procedures must be made available for publicview 3. Removal of Awards Committee per Procurement Code 4. Update approval amounts to reflect historical Transaction values to support operational needs for growth and resiliency: Directors to approve < \$100,000 VPs to approve \$100,000 to \$500,000 Chiefs to approve >\$500,000 to \$1,000,000 CEO to approve >\$1,000,000 to \$2,000,000 Board to approve > \$2,000,000
		>\$1,000,000 to \$2,000,000	Chief Executive Officer		
		>\$500,000 to \$1,000,000	Chief Financial Officer		
		\$100,000 to \$500,000	VP of Economic Development		
		< \$100,000	Director Real Estate Services		
Financial Instruments and Services	This Procurement Code Exemption relates to certain financial instruments and services that are offered in a well-defined limited market, may involve complex negotiations among sophisticated counterparties, and often require a limited timeframe in which to complete a transaction. At all times, financial instruments and services procured under this exemption shall include as much fair and open competition as administratively possible.	> \$25,000,000	JEA Board	Randall Barnes - Treasurer	Deleted Section 4 of the Procurement Code and created a Financial Instruments and Services Directive.
		>\$10,000,000 to \$25,000,000	Chief Executive Officer		
		>\$1,000,000 to \$10,000,000	Chief Financial Officer		
		\$100,000 to \$1,000,000	VP Financial Services		
		< \$100,000	Treasurer		

Governance, Audit, and Compliance Committee - Supplemental Informaion

**Summary of Procurement Exemption Directives**

Procurement Directive	Description	Limits	Signatory Authority	Procurement Officer	Notes
Environmental Allowances	Environmental Allowances refers to environmental trading credits associated with JEA's activities in procurement, generating, using, constructing or providing energy, water, or wastewater to other related services. This Procurement exemption does not include Air Emissions Allowances. This is covered under the Fuels exemption.	<del>&gt;\$1,000,000</del> <del>\$100,000,000</del>	JEA Board	Wayne Young - VP of Environmental Services	The proposed changes will lower the signatory threshold to the following per contract:  Directors to approve < \$100,000 VPs to approve \$100,000 to \$250,000 Chiefs to approve >\$250,000 to \$500,000 CEO to approve >\$500,000 to \$1,000,000 Board to approve >\$1,000,000
		<del>&gt;\$500,000 to \$1,000,000</del> <del>\$10,000,000 to \$100,000,000</del>	Chief Executive Officer		
		<del>&gt;\$250,000 to \$500,000</del> <del>\$1,000,000 to \$10,000,000</del>	Chief Financial Officer <b>and</b> Chief Operating Officer		
		<del>\$100,000 to \$250,000</del> <del>\$1,000,000 or less</del>	VP of Environmental Services		
		<del>&lt; \$100,000</del> <del>\$500,000</del>	Director Environmental Services		
Fuels Directive	JEA recognizes that the procurement of fuel, emission allowances and associated transportation is sufficiently different from the procurement of other supplies and services required by JEA. This procurement exemption supplements JEA's Procurement Code to provide JEA staff with the authority to make timely procurement commitments and to effectively participate in fuel, emission allowance, and transportation (including customs fees) markets.  It governs the procurement of fuel, emission allowances and associated transportation notwithstanding any provision in JEA's Procurement Code or current Florida State Statute to the contrary.	> \$100,000,000	JEA Board	Ricky Erixton - VP of Electric Systems	No change
		\$35,000,000 to \$100,000,000	Chief Executive Officer		
		\$20,000,000 to \$35,000,000	Chief Financial Officer <b>and</b> Chief Operating Officer		
		\$10,000,000 to \$20,000,000	VP of Electric Systems		
		< \$10,000,000	Senior Director, Energy Operations		
Byproducts - Electric and Water/Wastewater	This procurement exemption provides JEA staff with the authority to make timely procurement commitments and to effectively participate in opportunities to market, transport, beneficially reuse, install and dispose of byproducts. This includes the procurement, sale, marketing and management of Byproducts for Electric, Water and Wastewater (materials resulting from the process of generating electricity, producing potable water, and treating wastewater including but not limited to, bottom ash, bed ash, fly ash, gypsum, activated carbon, resin, sludge and biosolids residuals).	<del>&gt; \$10,000,000</del> <del>\$100,000,000</del>	JEA Board	Ricky Erixton - VP of Electric Systems or Hai Vu - VP of Water Wastewater Systems	The proposed changes will lower the signatory threshold to the following per contract:  Directors to approve < \$100,000 VPs to approve \$100,000 to \$1,000,000 Chiefs to approve >\$1,000,000 to \$5,000,000 CEO to approve >\$5,000,000 to \$10,000,000 Board to approve >\$10,000,000
		<del>&gt;\$5,000,000 to \$10,000,000</del> <del>\$10,000,000 to \$100,000,000</del>	Chief Executive Officer		
		<del>&gt;\$1,000,000 to \$5,000,000</del> <del>\$5,000,000 to \$10,000,000</del>	Chief Financial Officer <b>and</b> Chief Operating Officer		
		<del>\$100,000 to \$1,000,000</del> <del>\$1,000,000 to \$5,000,000</del>	VP of Electric Systems <b>or</b> VP of Water & Wastewater Systems		
		<del>&lt; \$100,000</del> <del>\$1,000,000</del>	Senior Director, Energy Operations <b>or</b> Director WW & Reuse Treatment <b>or</b> Director Water Operations & Treatment Support Services		
Electric System - Transmission Capacity and Services - Short-Term and Long-Term Transactions	Purchase or Sale of electric energy, electric generating capacity, electric transmission service capacity and their associated ancillary services, or resale of transmission capacity retained from transmission service providers in the open transmission or open transmission markets or third-party transmission providers, or the purchase or sale of renewable energy credits (also known as Greentags).	> \$100,000,000	JEA Board	Ricky Erixton - VP Electric Systems	No change
		\$35,000,000 to \$100,000,000	Chief Executive Officer		
		\$20,000,000 to \$35,000,000	Chief Financial Officer <b>and</b> Chief Operating Officer		
		\$10,000,000 to \$20,000,000	VP of Electric Services		
		< \$10,000,000 Indemnity Agreements	Senior Director, Energy Operations		
Electric Systems - Sale JEA Owned Transmission and Ancillary Services	It is JEA's policy to sell transmission and ancillary services, in accordance with JEA's Transmission Tariff and FERC orders, on the JEA Open Access Same-time Information System (OASIS).	Tariffs	JEA Board	Ricky Erixton - VP of Electric Systems	No change
		Long Term Firm Short Term Firm & Non-Firm	VP of Electric Systems Senior Director, Energy Operations		

Governance, Audit, and Compliance Committee - Supplemental Informaion

Procurement Directive	Description	Limits	Signatory Authority	Procurement Officer	Notes
Customer and Community Engagement	This JEA Procurement Code Exemption relates to all goods and services needed to support and manage JEA's Customer and Community Engagement initiatives and activities. For purposes of this procurement directive, Community Engagement means any activities authorized in Section 21.04(y) of Article 21 (JEA), City of Jacksonville Charter and other activities regarding JEA or JEA's community brand that inform, engage, and educate JEA customers and the communities that JEA serves. These services should 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 objectives of JEA. This directive also covers utility industry association memberships authorized in Section 21.04(u) of Article 21 (JEA).	>\$1,000,000 <del>\$100,000,000</del>	JEA Board	Sheila Pressley - Chief Customer Officer or Laura Dutton - Chief Strategy Officer or Laura Schepis - Chief External Affairs Officer Or David Emanuel – Chief Human Resources Officer	The proposed changes will lower the signatory threshold to the following per contract:  Directors to approve < \$100,000 VPs to approve \$100,000 to \$250,000 Chiefs to approve >\$250,000 to \$500,000 CEO to approve >\$500,000 to \$1,000,000 Board to approve >\$1,000,000
		>\$500,000 to \$1,000,000 <del>\$10,000,000 to \$100,000,000</del>	Chief Executive Officer		
		>\$250,000 to \$500,000 <del>\$1,000,000 to \$10,000,000</del>	Chief Customer Officer or Chief Strategy Officer or Chief External Affairs Officer or Chief Human Resources Officer and Chief Financial Officer		
		\$100,000 to \$250,000 <del>\$1,000,000 or less</del>	VP Customer Experience Insights & Digitization or VP Corporate Strategy or VP Communications		
		< \$100,000 <del>\$500,000</del>	Director, Customer & Community Engagement or Director Customer Experience Insights & Strategy or Director Learning & Development or Sr. Director of Employee Services		
Real Estate	Purchase, sale, or transfer of real or intangible property, easements, and leases.	> \$2,000,000 > <del>\$500,000</del>	JEA Board	Michael Corbitt - Director Real Estate Services	Majority of changes are clean up to the current Directive, including: 1. Remove duplicative language 2. Add language for new 2020 Charter amendment language specific to real property a. Record memo of lease with clerk of courts b. MAI appraisal required for properties valued over \$50,000 c. Rules and Procedures must be reviewed biennial d. Rules and Procedures must be made available for publicview 3. Removal of Awards Committee per Procurement bde 4. Update approval amounts to reflect historical transaction values to support operational needs for growth and resiliency: Directors to approve < \$100,000 VPs to approve \$100,000 to \$500,000 Chiefs to approve >\$500,000 to \$1,000,000 CEO to approve >\$1,000,000 to \$2,000,000 Board to approve > \$2,000,000
		>\$1,000,000 to \$2,000,000	Chief Executive Officer		
		>\$500,000 to \$1,000,000	Chief Financial Officer		
		\$100,000 to \$500,000 <del>&gt;\$50,000 to \$500,000</del>	VP of Economic Development Awards Committee		
		< \$100,000 <del>\$50,000 or less</del>	Director Real Estate Services Procurement Officer for Real Estate		
Financial Instruments and Services	This Procurement Code Exemption relates to certain financial instruments and services that are offered in a well-defined limited market, may involve complex negotiations among sophisticated counterparties, and often require a limited timeframe in which to complete a transaction. At all times, financial instruments and services procured under this exemption shall include as much fair and open competition as administratively possible.	> 25,000,000	JEA Board	Randall Barnes - Treasurer	Deleted Section 4 of the Procurement Code and created a Financial Instruments and Services Directive.
		>\$10,000,000 to \$25,000,000	Chief Executive Officer		
		>\$1,000,000 to \$10,000,000	Chief Financial Officer		
		\$100,000 to \$1,000,000	VP Financial Services		
		< \$100,000	Treasurer		

## **ENVIRONMENTAL ALLOWANCES DIRECTIVE**

Governance, Audit, and Compliance Committee - Supplemental Informaion

Procurement Code Exemption			
Procurement and Sale of Environmental Allowances excluding Air Emissions Allowances which are procured under the Fuels Management Services			
Scope of Procurement Exemption: Environmental Allowances refers to environmental trading credits associated with JEA's activities in procurement, generating, using, constructing or providing energy, water, or wastewater to other related services. This Procurement exemption does not include Air Emissions Allowances and is covered under the Fuels exemption. Examples of Environmental Allowance markets include, but are not limited to, wetland mitigation banking credits, wildlife credits, water quality credits, and consumptive use permitting offsets and substitution credits. The VP shall determine whether to procure supplies and services under this procurement exemption, as time constraints allow, or procure them through the JEA Procurement Code.			
Contracts for the Procurement or Sale of Environmental Allowances	Agreement Amount	Contract Signatory Authority	
	> \$1,000,000	JEA Board (Per Delegation of Authority)	
	>\$500,000 to \$1,000,000	Chief Executive Officer	
	>\$250,000 to \$500,000	Chief Financial Officer <u>and</u> Chief Operating Officer	
	\$100,000 to \$250,000	VP of Environmental Services	
< \$100,000	Director Environmental Services		
All enabling agreements should be reviewed and approved by the Office of General Counsel prior to signature.			
Documentation			
Responsible for Retaining Procurement and Contract Documentation	Agreement Amount	Term	Responsible Party
	Any Amount	Any Term	Director Environmental Services
Procurement Methodology			
Type of Procurement	Agreement Amount	Approving Entity	Procurement Guidelines
Accelerated Bids	Any Amount	Director Environmental Services	If a short procurement timeframe is required, the JEA business unit may use an accelerated bid process to sell or procure supplies or services covered by this procurement exemption by issuing a solicitation via email to prospective bidders. Under this procurement method, staff of the VP & Chief Environmental Services Officer will receive bids directly from the bidders for quick evaluation and award of a contract.
Unsolicited Offers	Any Amount	VP Environmental Services	JEA may enter into contracts based on unsolicited offers for supplies or services covered by this procurement exemption without using a competitive bidding process. JEA may engage in negotiations with the party that provided the unsolicited offer to improve the terms, conditions and/or pricing. JEA will be allowed to take advantage of unsolicited offers when such procurements are determined to provide operational and/or economical advantage to JEA and acceptance of such offer is in JEA's best interest.
Collaborative Procurement Agreements	Any Amount	Director Environmental Services	JEA may participate in, sponsor, conduct, or administer a collaborative procurement agreement for the procurement or sale of supplies or services covered by this procurement exemption, with one or more public or utility industry partners in accordance with an agreement entered into between the participants, when such action is deemed to be in the JEA's best interest.
Loan or Sale	Any Amount	Director Environmental Services	JEA may loan or sell Environmental Allowances when it is in the best interest of JEA to do so. JEA will be reimbursed for expenses incurred and compensated at fair market value for services or product loaned or sold.

I hereby delegate contract signature authority to the JEA personnel as provided herein.

Approved:

\_\_\_\_\_  
 Jay Stowe  
 Managing Director, CEO  
 Date:

Accepted:

\_\_\_\_\_  
 Wayne Young  
 VP of Environmental Services  
 Date:

Governance, Audit, and Compliance Committee - Supplemental Informaion

<b>Procurement Code Exemption</b>			
<b>Procurement and Sale of Environmental Allowances excluding Air Emissions Allowances which are procured under the Fuels Management Services</b>			
<p>Scope of Procurement Exemption: Environmental Allowances refers to environmental trading credits associated with JEA's activities in procurement generating, using, constructing or providing energy, water, or wastewater to other related services. This Procurement exemption does not include Air Emissions Allowances and is covered under the Fuels exemption. Examples of Environmental Allowance markets include, but are not limited to, wetland mitigation banking credits, wildlife credits, water quality credits, and consumptive use permitting offsets and substitution credits. The VP shall determine whether to procure supplies and services under this procurement exemption, as time constraints allow, or procure them through the JEA Procurement Code.</p>			
	Agreement Amount	Contract Signatory Authority	
Contracts for the Procurement or Sale of Environmental Allowances	> \$1,000,000 <del>\$100,000,000</del>	JEA Board (Per Delegation of Authority)	
	\$500,000 to \$1,000,000 <del>\$40,000,000 to \$100,000,000</del>	Chief Executive Officer	
	\$250,000 to \$500,000 <del>\$1,000,000 to \$10,000,000</del>	Chief Financial Officer <u>and</u> Chief Operating Officer	
	\$100,000 to \$250,000 <del>\$1,000,000 or less</del>	VP of Environmental Services	
	< \$100,000 <del>\$500,000</del>	Director Environmental Services	
All enabling agreements should be reviewed and approved by the Office of General Counsel prior to signature.			
Documentation			
	Agreement Amount	Term	Responsible Party
Responsible for Retaining Procurement and Contract Documentation	Any Amount	Any Term	Director Environmental Services
Procurement Methodology			
Type of Procurement	Agreement Amount	Approving Entity	Procurement Guidelines
Accelerated Bids	Any Amount	Director Environmental Services	If a short procurement timeframe is required, the JEA business unit may use an accelerated bid process to sell or procure supplies or services covered by this procurement exemption by issuing a solicitation via email to prospective bidders. Under this procurement method, staff of the VP & Chief Environmental Services Officer will receive bids directly from the bidders for quick evaluation and award of a contract.
Unsolicited Offers	Any Amount	VP Environmental Services	JEA may enter into contracts based on unsolicited offers for supplies or services covered by this procurement exemption without using a competitive bidding process. JEA may engage in negotiations with the party that provided the unsolicited offer to improve the terms, conditions and/or pricing. JEA will be allowed to take advantage of unsolicited offers when such procurements are determined to provide operational and/or economical advantage to JEA and acceptance of such offer is in JEA's best interest.
Collaborative Procurement Agreements	Any Amount	Director Environmental Services	JEA may participate in, sponsor, conduct, or administer a collaborative procurement agreement for the procurement or sale of supplies or services covered by this procurement exemption, with one or more public or utility industry partners in accordance with an agreement entered into between the participants, when such action is deemed to be in the JEA's best interest.
Loan or Sale	Any Amount	Director Environmental Services	JEA may loan or sell Environmental Allowances when it is in the best interest of JEA to do so. JEA will be reimbursed for expenses incurred and compensated at fair market value for services or product loaned or sold.

I hereby delegate contract signature authority to the JEA personnel as provided herein.

Approved:

\_\_\_\_\_  
 Jay Stowe  
 Managing Director, CEO  
 Date:

Accepted:

\_\_\_\_\_  
 Wayne Young  
 VP of Environmental Services  
 Date:

## **FUELS MANAGEMENT DIRECTIVE**

Governance, Audit, and Compliance Committee - Supplemental Informaion

Procurement Code Exemption			
Fuels Management Services Procurements - Procurement of Fuels, Emission Allowances, and Associated Transportation			
Scope of Procurement Code Exemption: Fuel Management Services (FMS) Department develops and administers cost-effective strategies for the procurement of fuel (see note 1), emission allowances, and associated transportation. JEA recognizes that the procurement of fuel, emission allowances and associated transportation is sufficiently different from the procurement of other supplies and services required by JEA. This procurement exemption supplements JEA's Procurement Code to provide JEA staff with the authority to make timely procurement commitments and to effectively participate in fuel, emission allowance, and transportation (including customs fees) markets. It governs the procurement of fuel, emission allowances and associated transportation notwithstanding any provision in JEA's Procurement Code or current Florida State Statute to the contrary.			
Agreement Amount		Contract Signatory Authority	
> \$100,000,000		JEA Board (Per Delegation of Authority)	
\$35,000,000 to \$100,000,000		Chief Executive Officer	
\$20,000,000 to \$35,000,000		Chief Financial Officer <u>and</u> Chief Operating Officer	
\$10,000,000 to \$20,000,000		VP Electric Systems	
< \$10,000,000		Senior Director, Energy Operations	
All enabling agreements should be reviewed and approved by the Office of General Counsel prior to signature.			
Documentation			
Agreement Amount	Term	Responsible Party	
Any Amount	Any	Senior Director, Energy Operations or designee	
Procurement Methodology			
Type of Procurement	Agreement Amount	Approving Entity	Procurement Guidelines
Accelerated Bids	Any Amount	Senior Director, Energy Operations	If a short procurement timeframe is required, the JEA business unit may use an accelerated bid process to procure generating fuel by issuing a solicitation via email to all those on the appropriate JEA's bidders list. All those on the Bidder's List shall receive the solicitation. Under this procurement method, JEA Fuels staff will receive bids directly from the bidders for quick evaluation and award of a contract.
Unsolicited Offers	Any Amount	Senior Director, Energy Operations	JEA may enter into contracts based on unsolicited offer for fuel, emissions allowances, and/or associated transportation of fuels without using a competitive bidding process. JEA may engage in negotiations with the party that provided the unsolicited offer to improve the terms, conditions and/or pricing. JEA will be allowed to take advantage of unsolicited offers when such procurements are determined to provide operational and/or economical advantage to JEA and acceptance of such offer is in JEA's best interest.
Collaborative Procurement Agreements	Any Amount	Senior Director, Energy Operations	JEA may participate in, sponsor, conduct, or administer a collaborative procurement agreement for the procurement of generating fuel, emission allowances, and/or associated transportation of generating fuels with one or more public or utility industry partners in accordance with an agreement entered into between the participants, when such action is deemed to be in the JEA's best interest. Note -JEA's natural gas supply and hedging instruments are procured under a Cooperative Agreement with TEA, and the Cooperative Agreement dictates JEA's day to day purchases of natural gas.
Loan or Sale	Any Amount	Senior Director, Energy Operations	JEA may loan or sell Generating Fuels, Air Emission Allowances and/or transportation of Generating Fuels when it is in the best interest of JEA to do so. JEA will be reimbursed for expenses incurred and compensated at fair market value for services or product loaned or sold.
Note 1- Fuel is defined as fuel or fuel related products used in the generation of electricity including, but not limited to, petroleum coke, coal, limestone, natural gas, #6 residual fuel oil, #2 diesel fuel oil, biomass and kaolin.			

I hereby delegate contract signature authority to the JEA personnel as provided herein.

Approved:   
 Jay Stowe  
 Managing Director, CEO  
 Date: 10/12/2022

Accepted:   
 Ricky Erixton  
 VP of Electric Systems  
 Date: 10/13/2022

## **BYPRODUCTS SERVICES DIRECTIVE**

Governance, Audit, and Compliance Committee - Supplemental Informaion

Procurement Code Exemption			
Byproduct Services - Electric and Water/Wastewater			
<p>Scope of Procurement Code Exemption:                      JEA produces byproducts through its normal operations. In efforts to support JEA's environmental sustainability initiative, and to obtain the best use of rate payer dollars, JEA may either beneficially reuse or landfill byproducts. This includes the procurement, sale, marketing and management of Byproducts for Electric and Water/Wastewater (materials resulting from the process of generating electricity, producing potable water and treating wastewater including but not limited to, bottom ash, bed ash, fly ash, gypsum, activated carbon, resin, sludge and biosolids residuals). In an effort to beneficially reuse byproducts, JEA may apply for certification from appropriate state agencies in Florida and other States, may certify contractors to handle the byproducts in accordance with the certification received, may sell the byproducts for use within the certifications, and may procure existing landfill space or lands for landfill purposes to best serve JEA. JEA may operate a landfill for byproducts through use of JEA forces, or may contract for services relating to operation of a landfill for byproducts using methods which will produce the best results for JEA, including requiring that contractors operate landfills be certified and experienced in the use of both byproduct materials and landfill operations.                      This procurement exemption provides JEA staff with the authority to make timely procurement commitments and to effectively participate in opportunities to market, transport, explore innovative technologies, beneficially reuse, install, sanitation and dewatering to mitigate negative environmental impacts and dispose of byproducts. It governs the marketing, transportation (including the lease/purchase of rail assets), exploration of innovative technologies, beneficial reuse, installation, sanitation and dewatering in mitigation of negative environmental impacts and disposal of byproducts.</p>			
	Agreement Price	Contract Signatory Authority	
Contracts for the Procurement of Byproduct Services	> \$10,000,000	JEA Board (Per Delegation of Authority)	
	\$5,000,000 to \$10,000,000	Chief Executive Officer	
	\$1,000,000 to \$5,000,000	Chief Financial Officer <u>and</u> Chief Operating Officer	
	\$100,000 to \$1,000,000	VP of Electric Systems <u>or</u> VP of Water & Wastewater Systems	
	< \$100,000	Senior Director, Energy Operations <u>or</u> Director WW & Reuse Treatment <u>or</u> Director Water Operations & Treatment Support Services	
All enabling agreements should be reviewed and approved by the Office of General Counsel prior to signature.			
Documentation			
	Agreement Price	Term	Responsible Party
Responsible for Retaining Procurement and Contract Documentation	Any Amount	Any	Senior Director, Energy Operations <u>or</u> Director WW & Reuse Treatment <u>or</u> Director Water Operations & Treatment Support Services
Procurement Methodology			
Type of Procurement	Price	Approving Entity	Procurement Guidelines
Accelerated Bids	Any Amount	Senior Director, Energy Operations <u>or</u> Director WW & Reuse Treatment <u>or</u> Director Water Operations & Treatment Support Services	If a short procurement timeframe is required, the JEA business unit may use an accelerated bid process to sell or procure byproducts by issuing a solicitation via email to prospective bidders. Under this procurement method, JEA Byproducts staff will receive bids directly from the bidders for quick evaluation and award of a contract.
Unsolicited Offers	Any Amount	Senior Director, Energy Operations <u>or</u> Director WW & Reuse Treatment <u>or</u> Director Water Operations & Treatment Support Services	JEA may enter into contracts based on unsolicited offers for the marketing, transportation, beneficial reuse, installation and disposal of byproducts without using a competitive bidding process. JEA may engage in negotiations with the party that provided the unsolicited offer to improve the terms, conditions and/or pricing. JEA will be allowed to take advantage of unsolicited offers when such procurements are determined to provide operational and/or economical advantage to JEA and acceptance of such offer is in JEA's best interest.
Collaborative Procurement Agreements	Any Amount	Senior Director, Energy Operations <u>or</u> Director WW & Reuse Treatment <u>or</u> Director Water Operations & Treatment Support Services	JEA may participate in, sponsor, conduct, or administer a collaborative procurement agreement for the procurement or sale of byproducts, with one or more public or utility industry partners in accordance with an agreement entered into between the participants, when such action is deemed to be in the JEA's best interest.
Loan or Sale	Any Amount	Senior Director, Energy Operations <u>or</u> Director WW & Reuse Treatment <u>or</u> Director Water Operations & Treatment Support Services	JEA may loan or sell byproducts, when it is in the best interest of JEA to do so. JEA will be reimbursed for expenses incurred and compensated at fair market value for services or product loaned or sold.

I hereby delegate contract signature authority to the JEA personnel as provided herein.

Approved:

\_\_\_\_\_  
 Jay Stowe  
 Managing Director, CEO  
 Date:

Accepted:

\_\_\_\_\_  
 Ricky Erixton  
 VP of Electric Systems  
 Date:  
 Accepted:  
 \_\_\_\_\_  
 Hai Vu  
 VP of Water/Wastewater Systems Date:

Governance, Audit, and Compliance Committee - Supplemental Informaion

Procurement Code Exemption			
Byproduct Services - Electric and Water/Wastewater			
<p>Scope of Procurement Code Exemption:                      JEA produces byproducts through its normal operations. In efforts to support JEA's environmental sustainability initiative, and to obtain the best use of rate payer dollars, JEA may either beneficially reuse or landfill byproducts. This includes the procurement, sale, marketing and management of Byproducts for Electric and Water/Wastewater (materials resulting from the process of generating electricity, producing potable water and treating wastewater including but not limited to, bottom ash, bed ash, fly ash, gypsum, activated carbon, resin, sludge and biosolids residuals). In an effort to beneficially reuse byproducts, JEA may apply for certification from appropriate state agencies in Florida and other States, may certify contractors to handle the byproducts in accordance with the certification received, may sell the byproducts for use within the certifications, and may procure existing landfill space or lands for landfill purposes to best serve JEA. JEA may operate a landfill for byproducts through use of JEA forces, or may contract for services relating to operation of a landfill for byproducts using methods which will produce the best results for JEA, including requiring that contractors operate landfills be certified and experienced in the use of both byproduct materials and landfill operations. This procurement exemption provides JEA staff with the authority to make timely procurement commitments and to effectively participate in opportunities to market, transport, explore innovative technologies, beneficially reuse, install, sanitation and dewatering to mitigate negative environmental impacts and dispose of byproducts. It governs the marketing, transportation (including the lease/purchase of rail assets), exploration of innovative technologies, beneficial reuse, installation, sanitation and dewatering in mitigation of negative environmental impacts and disposal of byproducts.</p>			
<p>Contracts for the Procurement of Byproduct Services</p>	<p>Agreement Price</p> <p>&gt; \$10,000,000 &gt; \$100,000,000</p>	<p>Contract Signatory Authority</p> <p>JEA Board (Per Delegation of Authority)</p>	
	<p>\$5,000,000 to \$10,000,000 \$10,000,000 to \$100,000,000</p>	<p>Chief Executive Officer</p>	
	<p>\$1,000,000 to \$5,000,000 \$5,000,000 to \$10,000,000</p>	<p>Chief Financial Officer <u>and</u> Chief Operating Officer</p>	
	<p>\$100,000 to \$1,000,000 \$1,000,000 to \$5,000,000</p>	<p>VP of Electric Systems <u>or</u> VP of Water &amp; Wastewater Systems</p>	
	<p>&lt; \$100,000 &lt; \$1,000,000</p>	<p>Senior Director, Energy Operations <u>or</u> Director WW &amp; Reuse Treatment <u>or</u> Director Water Operations &amp; Treatment Support Services</p>	
<p>All enabling agreements should be reviewed and approved by the Office of General Counsel prior to signature.</p>			
<p>Documentation</p>			
	<p>Agreement Price</p> <p>Any Amount</p>	<p>Term</p> <p>Any</p>	<p>Responsible Party</p> <p>Senior Director, Energy Operations <u>or</u> Director WW &amp; Reuse Treatment <u>or</u> Director Water Operations &amp; Treatment Support Services</p>
<p>Procurement Methodology</p>			
<p>Type of Procurement</p> <p>Accelerated Bids</p>	<p>Price</p> <p>Any Amount</p>	<p>Approving Entity</p> <p>Senior Director, Energy Operations <u>or</u> Director WW &amp; Reuse Treatment <u>or</u> Director Water Operations &amp; Treatment Support Services</p>	<p>Procurement Guidelines</p> <p>If a short procurement timeframe is required, the JEA business unit may use an accelerated bid process to sell or procure byproducts by issuing a solicitation via email to prospective bidders. Under this procurement method, JEA Byproducts staff will receive bids directly from the bidders for quick evaluation and award of a contract.</p>
<p>Unsolicited Offers</p>	<p>Any Amount</p>	<p>Senior Director, Energy Operations <u>or</u> Director WW &amp; Reuse Treatment <u>or</u> Director Water Operations &amp; Treatment Support Services</p>	<p>JEA may enter into contracts based on unsolicited offers for the marketing, transportation, beneficial reuse, installation and disposal of byproducts without using a competitive bidding process. JEA may engage in negotiations with the party that provided the unsolicited offer to improve the terms, conditions and/or pricing. JEA will be allowed to take advantage of unsolicited offers when such procurements are determined to provide operational and/or economical advantage to JEA and acceptance of such offer is in JEA's best interest.</p>
<p>Collaborative Procurement Agreements</p>	<p>Any Amount</p>	<p>Senior Director, Energy Operations <u>or</u> Director WW &amp; Reuse Treatment <u>or</u> Director Water Operations &amp; Treatment Support Services</p>	<p>JEA may participate in, sponsor, conduct, or administer a collaborative procurement agreement for the procurement or sale of byproducts, with one or more public or utility industry partners in accordance with an agreement entered into between the participants, when such action is deemed to be in the JEA's best interest.</p>
<p>Loan or Sale</p>	<p>Any Amount</p>	<p>Senior Director, Energy Operations <u>or</u> Director WW &amp; Reuse Treatment <u>or</u> Director Water Operations &amp; Treatment Support Services</p>	<p>JEA may loan or sell byproducts, when it is in the best interest of JEA to do so. JEA will be reimbursed for expenses incurred and compensated at fair market value for services or product loaned or sold.</p>

I hereby delegate contract signature authority to the JEA personnel as provided herein.

Approved:

Jay Stowe

Managing Director, CEO

Date:

Accepted:

Ricky Erixton

VP of Electric Systems

Date:

Accepted:

Hai Vu

VP of Water/Wastewater Systems

Date:

# **ELECTRIC SYSTEM ENERGY CAPACITY AND TRANSMISSION DIRECTIVE**

Governance, Audit, and Compliance Committee - Supplemental Informaion

Procurement Code Exemption			
Electric System Procurement Exemption - Purchase or Sale of Electric Energy, Electric Generation Capacity, Electric Transmission Capacity and Transmission Services - Short Term and Long-Term Transactions			
Scope of Procurement Exemption: Purchase or Sale of electric energy, electric generating capacity, electric transmission service capacity and their associated ancillary services, or resale of transmission capacity retained from transmission service providers in the open transmission or open transmission markets or third-party transmission providers, or the purchase or sale renewable energy credits (also known as Greentags).			
Enabling Agreements			
Enabling Agreements set out the framework for how capacity, energy, third party transmission and renewable energy credits are purchased and sold between JEA and other companies. Enabling Agreements are executed prior to any business being conducted with TEA, other utilities, marketers or any third-party transmission provider. JEA has established Enabling Agreements with The Energy Authority (TEA) for the purchase and sale of capacity, energy, 3rd party transmission service and renewable energy credits; with other Florida utilities for emergency purchase and sales; with third party transmission service providers. A signature is not required for TEA standard transactions less than \$10,000,000, however, a signature is required for an Indemnity Agreement for TEA transactions > \$10,000,000.			
Transactions			
Transactions are defined as the financial arrangement of the transfer of capacity and/or energy and/or renewable energy credit from one party to another including any applicable third-party transmission services. This may also include the physical flow of electricity from one party to another. A renewable energy credits, or Greentag, is a market-based instrument that represents the property rights to the environmental, social and other non- power attributes of renewable electricity generation. Greentags are issued when one megawatt-hour (MWh) of electricity is generated and delivered to the electricity grid from a renewable energy resource.			
Type of Agreement	Contract Amount	Contract Signatory Authority	Maintains Documentation
Enabling and Indemnification Agreements	> \$100,000,000	JEA Board (Per Delegation of Authority)	Senior Director, Energy Operations or designee
	\$35,000,000 to \$100,000,000	Chief Executive Officer	Senior Director, Energy Operations or designee
	\$20,000,000 to \$35,000,000	Chief Financial Officer <b>and</b> Chief Operating Officer	Senior Director, Energy Operations or designee
	\$10,000,000 to \$20,000,000	VP Electric Systems	Senior Director, Energy Operations or designee
	< \$10,000,000	Senior Director, Energy Operations	Senior Director, Energy Operations or designee
Type of Transaction	Transaction Amount	Transaction Approval	Maintains Documentation
Long Term Transactions and required Indemnification Agreements	> \$100,000,000	JEA Board (Per Delegation of Authority)	Senior Director, Energy Operations or designee
	\$35,000,000 to \$100,000,000	Chief Executive Officer	Senior Director, Energy Operations or designee
	\$20,000,000 to \$35,000,000	Chief Financial Officer <b>and</b> Chief Operating Officer	Senior Director, Energy Operations or designee
	\$10,000,000 to \$20,000,000	VP Electric Systems	Senior Director, Energy Operations or designee
	< \$10,000,000	Senior Director, Energy Operations	Senior Director, Energy Operations or designee
TEA Expanded Transactions and any required Indemnification Agreements (> 1 business day)	> \$100,000,000	JEA Board (Per Delegation of Authority)	Senior Director, Energy Operations or designee
	\$35,000,000 to \$100,000,000	Chief Executive Officer	Senior Director, Energy Operations or designee
	\$20,000,000 to \$35,000,000	Chief Financial Officer <b>and</b> Chief Operating Officer	Senior Director, Energy Operations or designee
	\$10,000,000 to \$20,000,000	VP Electric Systems	Senior Director, Energy Operations or designee
< \$10,000,000	Senior Director, Energy Operations	Senior Director, Energy Operations or designee	
TEA Authorized Transactions (< 2business days)	Any	TEA Pre-approved	Senior Director, Energy Operations or designee
Emergency Transactions	Any	Operator on Duty or higher	Senior Director, Energy Operations or designee
All enabling agreements and indemnification agreements should be reviewed and approved by the Office of General Counsel prior to signature.			

I hereby delegate contract signature authority to the JEA personnel as provided herein.

Approved:

  
 Jay Stowe  
 Managing Director, CEO  
 Date: 10/12/2022

Accepted:

  
 Ricky Erixton  
 VP of Electric Systems  
 Date: 10/13/2022

**ELECTRIC SYSTEM – JEA OWNED  
TRANSMISSION AND ANCILLARY SERVICES  
DIRECTIVE**

Governance, Audit, and Compliance Committee - Supplemental Informaion

Procurement Code Exemption			
Electric System Procurement Directive - Sale of JEA-Owned Transmission and Ancillary Services			
Scope of Procurement Exemption: It is JEA's policy to sell transmission and ancillary services, in accordance with JEA's Transmission Tariff and FERC orders, on the JEA Open Access Same-time Information System (OASIS). JEA is an owner of the Florida OASIS with other Florida utilities, which is a system that facilitates the marketing of transmission capacity to eligible transmission customers in a non-discriminative manner.			
Tariff			
The JEA Board has approved a tariff for the sale of transmission and ancillary services.			
Enabling Agreements & Blanket Agreements			
Included in the tariff are Enabling Agreements which are negotiated by JEA and includes Blanket Use Agreements which are templates for sales agreement with other utilities. The Enabling Agreements are executed prior to any business conducted on JEA's OASIS. Enabling Agreements set out the framework for how business is conducted including, but not limited to, transmission service studies, facility studies including any facility upgrades, and the payment of transmission and ancillary services.			
Transmission and Ancillary Services			
In accordance with FERC Orders, JEA will study and post its available transmission capacity on OASIS to facilitate transfers in, out or through the JEA electric system. JEA will sell its available transmission capacity to any transmission customer that has an Enabling Agreement with JEA. Transmission and ancillary services are sold per the tariff, the Enabling Agreement and online negotiations on OASIS. In the cases where there is no available transmission capacity and a request is made on OASIS, JEA will perform studies to determine what facility upgrades would be necessary to satisfy the request to any customer that executes the appropriate Enabling Agreements. Additional agreements may be needed to actually expand the system to satisfy the request.			
Approval Requirements			
Type of Agreement	Contract Type	Contract Signatory Authority	Maintains Documentation
Tariffs	Any	JEA Board	Senior Director, Energy Operations or designee
Enabling Agreements	Short-term Non-Firm	Blanket - Senior Director, Energy Operations (Note 1)	Senior Director, Energy Operations or designee
	Short-term Firm	Senior Director, Energy Operations	Senior Director, Energy Operations or designee
	Long-term Firm	VP Electric Systems	Senior Director, Energy Operations or designee
All enabling agreements should be reviewed and approved by the Office of General Counsel prior to signature.			
Note 1: Use of short-term transmission may be authorized on OASIS by the Operator on duty or higher.			

I hereby delegate contract signature authority to the JEA personnel as provided herein.

Approved:



Jay Stowe  
 Managing Director, CEO  
 Date: 10/12/2022

Accepted:



Ricky Erixton  
 VP of Electric Systems  
 Date: 10/13/2022

# **CUSTOMER AND COMMUNITY ENGAGEMENT DIRECTIVE**

Governance, Audit, and Compliance Committee - Supplemental Informaion

Procurement Code Exemption			
Customer and Community Engagement			
<p>This JEA Procurement Code Exemption relates to all goods and services needed to support and manage JEA's Customer and Community Engagement initiatives and activities. For purposes of this procurement directive, Community Engagement means any activities authorized in Section 21.04(y) of Article 21 (JEA), City of Jacksonville Charter and other activities regarding JEA or JEA's community brand that inform, engage, and educate JEA customers and the communities that JEA serves. These services should 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 objectives of JEA. Examples of Customer and Community events include, without limitation, Corporate and Agency Engagement (including memberships), JEA Speakers Bureau, JEA Facility Tours, and JEA Community Event Participation. JEA's Customer &amp; Community Engagement staff approves cooperative programs between JEA and other public and private entities and JEA customer groups. JEA's involvement with Community Engagement is authorized by the JEA Charter, as is cooperative programs that enhance JEA's brand reputation and serve to educate our customers and community on JEA's services, programs and making doing business with JEA easier and more affordable. JEA recognizes that the procurement of these types of goods and services is sufficiently different from the procurement of other supplies and services required by JEA. This directive also covers utility industry association memberships authorized in Section 21.04(u) of Article 21 (JEA).</p>			
Agreement Amount		Contract Signatory Authority	
<b>Contracts for the Procurement of Community Engagement Supplies and Services</b>		> \$1,000,000	
		JEA Board (Per Delegation of Authority)	
		\$500,000 to \$1,000,000	
		Chief Executive Officer	
		\$250,000 to \$500,000	
		Chief Financial Officer <b>and</b> Chief Customer Officer <b>or</b> Chief Strategy Officer <b>or</b> Chief External Affairs Officer <b>or</b> Chief Human Resources Officer	
\$100,000 to \$250,000		VP Customer Experience Insights & Digitization <b>or</b> VP Corporate Strategy <b>or</b> VP Communications	
< \$100,000		Director, Customer & Community Engagement <b>or</b> Director Customer Experience Insights & Strategy <b>or</b> Director Learning & Development <b>or</b> Sr. Director of Employee Services	
All enabling agreements should be reviewed and approved by the Office of General Counsel prior to signature.			
Documentation			
Agreement Amount		Term	Responsible Party
Responsible for Retaining Procurement and Contract Documentation		Any Amount	Any
		Director, Customer & Community Engagement <b>or</b> Director Customer Experience Insights & Strategy <b>or</b> Director Learning & Development	
Procurement Methodology			
Type of Procurement	Agreement Amount	Approving Entity	Procurement Guidelines
Accelerated Bids	Any Amount	Director, Customer & Community Engagement	If a short procurement timeframe is required, the JEA business unit may use an accelerated bid process to sell or procure supplies or services covered by this procurement exemption by issuing a solicitation via email to prospective bidders. Under this procurement method, staff of the VP & Chief Customer Officer will receive bids directly from the bidders for quick evaluation and award of a contract.
Unsolicited Offers	Any Amount	Director, Customer & Community Engagement	JEA may enter into contracts based on unsolicited offers for supplies or services covered by this procurement exemption without using a competitive bidding process. JEA may engage in negotiations with the party that provided the unsolicited offer to improve the terms, conditions and/or pricing. JEA will be allowed to take advantage of unsolicited offers when such procurements are determined to provide operational and/or economical advantage to JEA and acceptance of such offer is in JEA's best interest.
Collaborative Procurement Agreements	Any Amount	Director, Customer & Community Engagement	JEA may participate in, sponsor, conduct, or administer a collaborative procurement agreement for the procurement or sale of supplies or services covered by this procurement exemption, with one or more public or utility industry partners in accordance with an agreement entered into between the participants, when such action is deemed to be in the JEA's best interest.

I hereby delegate contract signature authority to the JEA personnel as provided herein.

Approved: \_\_\_\_\_

Jay Stowe  
 Managing Director, CEO

Date:

Accepted: \_\_\_\_\_

Sheila Pressley  
 Chief Customer Officer

Date:

Accepted: \_\_\_\_\_

David Emanuel  
 Chief Human Resources Officer

Date:

Accepted: \_\_\_\_\_

Laura Dutton  
 Chief Strategy Officer

Date:

Accepted: \_\_\_\_\_

Laura Schepis  
 Chief External Affairs Officer

Date:

Governance, Audit, and Compliance Committee - Supplemental Informaion

Procurement Code Exemption Customer and Community Engagement			
<p>This JEA Procurement Code Exemption relates to all goods and services needed to support and manage JEA's Customer and Community Engagement initiatives and activities. For purposes of this procurement directive, Community Engagement means any activities authorized in Section 21.04(y) of Article 21 (JEA), City of Jacksonville Charter and other activities regarding JEA or JEA's community brand that inform, engage, and educate JEA customers and the communities that JEA serves. These services should 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 objectives of JEA. Examples of Customer and Community events include, without limitation, Corporate and Agency Engagement (including memberships), JEA Speakers Bureau, JEA Facility Tours, and JEA Community Event Participation. JEA's Customer &amp; Community Engagement staff approves cooperative programs between JEA and other public and private entities and JEA customer groups. JEA's involvement with Community Engagement is authorized by the JEA Charter, as is cooperative programs that enhance JEA's brand reputation and serve to educate our customers and community on JEA's services, programs and making doing business with JEA easier and more affordable. JEA recognizes that the procurement of these types of goods and services is sufficiently different from the procurement of other supplies and services required by JEA.</p>			
	Agreement Amount	Contract Signatory Authority	
Contracts for the Procurement of Community Engagement Supplies and Services	> \$1,000,000 to \$100,000,000	JEA Board (Per Delegation of Authority)	
	\$500,000 to \$1,000,000 \$10,000,000 to \$100,000,000	Chief Executive Officer	
	\$250,000 to \$500,000 \$1,000,000 to \$10,000,000	Chief Financial Officer <b>and</b> Chief Customer Officer <b>or</b> Chief Strategy Officer <b>or</b> Chief External Affairs Officer <b>or</b> Chief Human Resources Officer	
	\$100,000 to \$250,000 \$1,000,000 or less	VP Customer Experience Insights & Digitization <b>or</b> VP Corporate Strategy <b>or</b> VP Communications	
	< \$100,000 to \$500,000	Director, Customer & Community Engagement <b>or</b> Director Customer Experience Insights & Strategy <b>or</b> Director Learning & Development <b>or</b> Sr. Director of Employee Services	
All enabling agreements should be reviewed and approved by the Office of General Counsel prior to signature.			
Documentation			
	Agreement Amount	Term	Responsible Party
Responsible for Retaining Procurement and Contract Documentation	Any Amount	Any	Director, Customer & Community Engagement <b>or</b> Director Customer Experience Insights & Strategy <b>or</b> Director Learning & Development
Procurement Methodology			
Type of Procurement	Agreement Amount	Approving Entity	Procurement Guidelines
Accelerated Bids	Any Amount	Director, Customer & Community Engagement	If a short procurement timeframe is required, the JEA business unit may use an accelerated bid process to sell or procure supplies or services covered by this procurement exemption by issuing a solicitation via email to prospective bidders. Under this procurement method, staff of the VP & Chief Customer Officer will receive bids directly from the bidders for quick evaluation and award of a contract.
Unsolicited Offers	Any Amount	Director, Customer & Community Engagement	JEA may enter into contracts based on unsolicited offers for supplies or services covered by this procurement exemption without using a competitive bidding process. JEA may engage in negotiations with the party that provided the unsolicited offer to improve the terms, conditions and/or pricing. JEA will be allowed to take advantage of unsolicited offers when such procurements are determined to provide operational and/or economical advantage to JEA and acceptance of such offer is in JEA's best interest.
Collaborative Procurement Agreements	Any Amount	Director, Customer & Community Engagement	JEA may participate in, sponsor, conduct, or administer a collaborative procurement agreement for the procurement or sale of supplies or services covered by this procurement exemption, with one or more public or utility industry partners in accordance with an agreement entered into between the participants, when such action is deemed to be in the JEA's best interest.

I hereby delegate contract signature authority to the JEA personnel as provided herein.

Approved:

\_\_\_\_\_  
Jay Stowe  
Managing Director, CEO  
Date:

Accepted:

\_\_\_\_\_  
Sheila Pressley  
Chief Customer  
Officer Date:

Accepted:

\_\_\_\_\_  
Laura Dutton  
Chief Strategy Officer  
Date:

Accepted:

\_\_\_\_\_  
Laura Schepis  
Chief External Affairs  
Officer Date:

Accepted:

\_\_\_\_\_  
David Emanuel  
Chief Human Resources Officer  
Date:

## **REAL ESTATE DIRECTIVE**

Governance, Audit, and Compliance Committee - Supplemental Informaion

<b>Procurement Code Exemption Real Estate Services Procurements</b>			
<b>Scope of Procurement Exemption:</b>			
Pursuant to the JEA Charter, JEA is authorized to acquire real property (or any estate or interest therein), for the use of the utilities system. Such acquisitions may be made by grant, purchase, gift, devise, condemnation by eminent domain proceedings, exchange, lease, or in any other manner provided by applicable law. JEA is further authorized to sell, lease, or otherwise transfer, with or without consideration, any real property (or interest therein) determined by the Board to be no longer needed or useful in connection with use of the utilities system.			
The procurement and sale or transfer of real property (or interests therein) is sufficiently different from the procurement and sale or transfer of tangible personal property and services required by JEA. Accordingly, this Real Estate Services Directive ("Directive") supplements JEA's Procurement Code to delegate authority to the CEO and the CEO's designee(s) to acquire, sell, lease or otherwise transfer certain real property (or interests therein).			
JEA will have the need to acquire, sell, purchase, lease, license or otherwise transfer interest, access or use to property, real or personal for the expansion of utilities or for other uses in an expeditious and economical manner.			
The full requirements for Real Estate activities are contained in the Real Estate Procurement Directive approved by the JEA Board. The JEA Charter requires Board review of the Directive every two years.			
<b>All agreements should be reviewed and approved by the Office of General Counsel prior to signature.</b>			
<b>Acquisitions, Easements and Other Conveyances of Real Property</b>			
JEA Real Estate Services will diligently determine and pursue the types of property rights most advantageous to JEA. These rights may include fee simple acquisitions, easements or various other interests as needed.			
<b>Surplus, Dispositions, Easements and Other Conveyances of Real Property</b>			
JEA may market and negotiate transactions for surplus properties in a variety of methods including, but not limited to, direct negotiations, third party consultants/brokers, Request for Proposals, Invitation to Negotiate, Sealed Bids, Public Auction or any other method as determined to be in the best interest and as necessary in real estate matters for utilities system use and expansion or for other uses in an expeditious and economical manner. For any real property that exceeds either an assessed value or just market value of \$50,000 as determined by the property appraiser of the county where the real property is located, JEA shall not sell such real property for less than the appraised value as certified by an MAI certified appraiser, unless approved by the City Council.			
<b>Surplus and Sale of Real Property:</b>			
In declaring property surplus, the Procurement Officer must certify that such real property is no longer needed by JEA. Other charter provisions further govern disposition of assets.			
<b>Leases, Licenses and Other Transfers of Real Property</b>			
This Directive shall apply to leases of Real Property, whether JEA is lessee or lessor. The Real Property Procurement Officer will negotiate terms including rental rates with the prospective lessee or for JEA as lessor of real property interests. If JEA leases any real property to another agency, firm, corporation, entity, or individual, it shall cause a memorandum of said lease to be recorded in the official records with the clerk of the circuit court where the property is located.			
<b>Levels of Approval</b>			
Transaction Type	Assessed Value of Property or Negotiated Sales or Lease Price	Required Approval	Contract Signatory Authority
<b>Acquisitions, Dispositions and Leases of Real Property &amp; Easements</b>	> \$2,000,000	JEA Board	Director Real Estate Services
	>\$1,000,000 to \$2,000,000	Managing Director/Chief Executive Officer	Director Real Estate Services
	>\$500,000 to \$1,000,000	Chief Financial Officer	Director Real Estate Services
	\$100,000 to \$500,000	VP Economic Development	Director Real Estate Services
	< \$100,000	Director Real Estate Services	Director Real Estate Services
<b>Eminent Domain Actions</b>			
JEA will use condemnation procedures under the power of eminent domain for acquisition of real property rights as deemed necessary. JEA is vested with the power of eminent domain under authority of Article 21, Charter of the City of Jacksonville, Chapter 92-341, Laws of Florida, as amended, and Chapter 361, Florida Statutes. Statutory provisions for eminent domain procedures and supplemental proceedings are found in Chapters 73 and 74, Florida Statutes.			
After determining that the property cannot be purchased by negotiation and upon direction by the Real Estate Procurement Officer, Real Estate Services will submit a Resolution authorizing condemnation to be presented to the Board. If the Resolution is approved by the Board, Real Estate Services, on behalf of JEA, will initiate condemnation proceedings with assistance from OGC. If a settlement is negotiated, the settlement amount will be presented for approval to the appropriate approving entity consistent with levels of approval stated in this Directive.			
<b>Documentation</b>			
The Director Real Estate is responsible for retaining procurement and contract documents for all transactions covered in this directive.			

**The CEO is authorized to designate the Real Property Procurement Officer(s), who shall maintain and implement this Directive as it relates to the sale, lease, or transfer of real property (or interests therein) for the use of the utilities system. The CEO and designated Real Property Procurement Officer(s) will acquire, sell, lease, or otherwise transfer real property (or interests therein) for the use of JEA in accordance with provisions of the JEA Charter, this Directive as well as applicable laws, rules, regulations, policies and procedures.**

Approved:

Accepted:

\_\_\_\_\_  
Jay Stowe  
Managing Director, CEO  
Date:

\_\_\_\_\_  
Michael Corbitt  
Director of Real Estate  
Date:

---

**Real Estate Services Procurement Directive**                      **Revision Date:**     *{insert date}*

---

**ARTICLE 1 GENERAL PROVISIONS**

**1.01 Authority.**

Pursuant to Article 21 of the Charter of the City of Jacksonville (Charter), JEA is authorized to acquire Real Property for the use or expansion of the utilities systems by grant, purchase, gift, devise, condemnation by eminent domain proceedings, exchange, lease or in any other manner authorized by applicable law. JEA is further authorized to dispose of Real Property that is no longer needed or useful for operation of the utilities systems by sale, lease, or transfer.

**1.02 Application, Rules of Construction**

(a) *Interpretation.* This Real Estate Services Procurement Directive (Directive) shall be subject to and construed to be consistent with the provisions of Article 21 of the Charter and all applicable local, state and federal laws, regulations, rules, and policies.

(b) *Application of this Directive.* This Directive supplements the Amended and Restated JEA Procurement Code (Code) and applies to transactions for the acquisition or disposition of Real Property. To the extent that there is any conflict between the Code and this Directive related to the acquisition or disposition of Real Property, this Directive shall govern.

(c) *Rules and Policies.* In accordance with Section 21.04 of the Charter, this Directive shall serve to detail the rules and procedures governing JEA’s reporting, acquisition, sale, purchase, lease, license, transfer, and disposition of real property.

(d) *Transparency.* This Directive shall be posted on JEA’s website in a conspicuous manner for the public to view.

(e) *Periodic Review.* In accordance with Section 21.04 of the Charter, at least every two years during the time of its self-assessment, the JEA Board (Board) shall review this Directive to make any changes or amendments as deemed necessary to comply with applicable provisions of the Charter or that best serves the interest of JEA. To that end, the CEO, designees, or others that use this Directive may submit to Real Estate Services or the Board any ideas or suggestions that improve the efficient implementation of the rules and procedures contained herein.

(f) *Severability.* If any provision of this Directive is found void, invalid, or inoperative by a court of competent jurisdiction or other binding legal source, then such provision shall be severed and will not render invalid the remaining portions of this Directive.

(g) *Singular-Plural.* In this Directive, unless the context requires otherwise, words in the singular include the plural, and those in the plural include the singular.

(h) *Job Titles.* If a JEA job title used in this Directive is changed in the future due to JEA organizational changes, this Directive shall be construed by substituting the appropriate successor job title.

(i) *Use of Capitalized Terms.* Unless otherwise specified, capitalized terms used in this Directive shall have the meanings given to them in the Definitions section of the Code.

**1.03 Definitions.** The following terms shall have the meanings provided below.

(a) *Easement* means a nonpossessory interest in land created by a grant or agreement that confers upon the grantee the limited right, liberty, and privilege to use the land for a specific purpose, term, and consideration.

(b) *Fee Simple Interest* means a permanent tenure and absolute estate in land and any improvements on or thereto, with freedom to dispose of in whole or in part.

(c) *Lease* means an interest in land, buildings, structures, and/or improvements designated by a contract creating a lessor-lessee relationship in which the lessee is granted use, possession, and control for a specified term for a predetermined cost with conditions attached.

(d) *Long Term Strategic Site* means any Surplus Property that JEA intends to master-plan, develop, or otherwise transfer or dispose of in phases over a period of time exceeding one year.

(e) *Purchase and Sale Agreement* means a legally binding agreement that obligates the buyer to buy and the seller to sell real property. Such agreements provide the terms of the transaction, including but not limited to price, respective obligations, contingencies, and limitations.

(f) *Real Property means* all lands, buildings, structures, improvements, and fixtures thereon; any property of any nature appurtenant thereto or used in connection therewith; and every estate, interest and right, legal or equitable, therein, including any such interest for a term of years. As used in this Directive, Real Property also includes Real property as defined in the Code.

(g) *Surplus Property* means Real Property that is no longer needed or useful for operation of the utilities systems, or disposal of which best serves JEA's interests.

## **ARTICLE 2 DELEGATION OF AUTHORITY, DESIGNATIONS**

**2.01 Delegation of Authority.** By its approval of this Directive, the JEA Board delegates authority to the Chief Executive Officer/Managing Director (CEO) to negotiate, enter, and execute agreements (including all supplemental documentation necessary for closing) on behalf of JEA to acquire, use and dispose of Real Property subject to the provisions contained herein.

**2.02 Real Estate Services.** The CEO is authorized to delegate to the Director of Real Estate (and Real Estate Services) authority to maintain, administer, and implement this Directive as it

relates to the acquisition, sale, lease, use, or transfer of Real Property. This delegation includes the Director of Real Estate's authority to negotiate, enter, and execute agreements (including all supplemental documentation necessary for closing) on behalf of JEA to acquire, use and dispose of Real Property subject to the provisions contained herein.

Real Estate Services shall administer the use, acquisition, and disposition of Real Property on behalf of JEA; establish priorities and operating standards as necessary; determine and pursue the types of property rights and interests that best serve JEA; and assess risk associated with and provide guidance related to completing Real Property transactions. Subject to applicable rules, policies, and procedures governing the procurement of services, Real Estate Services may retain, on an as-needed basis, all services necessary to implement this Directive, including but not limited to appraisal firms, survey firms, land use firms, and/or environmental firms to assist with the acquisition or disposition of Real Property.

**2.03 Office of General Counsel.** The Office of General Counsel (OGC) shall review substantial written instruments related to Real Property transactions to ensure legal sufficiency. OGC shall be responsible for engaging outside legal services necessary to aid in the initiation, assessment and completion of Real Property transactions.<sup>1</sup>

### **ARTICLE 3 REAL PROPERTY ACQUISITIONS**

**3.01 General Guidance.** JEA shall acquire Real Property on terms most favorable to JEA, with due consideration to maintenance and operational efficiency, and at costs consistent with prevailing market rates for comparable Real Property situated within JEA's service area. As applicable, in instances where timing may impact terms favorable to JEA, the CEO or Real Estate Services may negotiate transactions and enter into agreements to acquire Real Property, conditioned upon final approval by the Board.

(a) *Negotiations for Acquisition of Real Property.* At the direction of the CEO, Real Estate Services will assess the need for and negotiate acquisition of Real Property for the use or expansion of the utilities systems. Real Estate Services shall coordinate preparation and execution of all written instruments necessary to acquire Real Property.

(b) *Documentation.* Every appraisal, offer, or counteroffer must be in writing. Complete and accurate records of every appraisal, offer, and counteroffer shall be maintained by Real Estate Services.

(c) *No Joint Acquisitions.* JEA shall make no acquisitions jointly with another entity without prior approval by the Board. No property shall be jointly owned by JEA and any private party except as authorized under Florida law.

(d) *Costs of Acquisitions.* Real Property shall be acquired in an economically feasible manner that best serves the interest of JEA ratepayers. Prior to the acquisition of Real Property,

---

<sup>1</sup> As used in this Directive, references to the Office of General Counsel shall include the use of outside counsel engaged to provide specialized legal services.

Real Estate Services shall confirm the availability of adequately appropriated funds to pay all costs, including but not limited to any option payments and due diligence expenses.

(d) *Title Examinations and Surveys; Recordable Instruments.* All title examinations, surveys, and other title records obtained in the course of acquiring title shall be reviewed by the OGC for marketability and encumbrances. All documents to be recorded in favor of JEA or placing an interest in Real Property in JEA, including easements, shall be reviewed by the OGC for form and legal sufficiency before delivery of the document is accepted and recorded.

(e) *Form of Deeds.* All fee conveyances to JEA shall be by no less than special warranty deed unless the conveyance is from the federal government, a state agency or another local government, or an instrumentality of any of them, from which a quitclaim deed is acceptable. A donation may be made by quitclaim deed if Real Estate Services determines that acceptance of a quitclaim deed is in JEA's best interests. A quitclaim deed may also be accepted to aid in clearing title or boundary questions. Real Estate Services shall coordinate review and confirmation of all legal descriptions on instruments conveying property to JEA.

(f) *Appraisals.* For parcels assessed at \$50,000 or less Real Estate Services may use the assessed value. All appraisals used for the acquisition of Real Property shall be prepared by a state-certified appraiser and be prepared according to generally accepted appraisal standards. As applicable, each appraisal report shall state any extraordinary assumption or hypothetical condition made by the appraiser in determining market value and shall document and adequately support the appraiser's estimate or conclusion of value.

(g) *Disclosure of Beneficial Interests.* Conveyances to JEA by any person or entity holding Real Property in the form of a partnership, limited partnership, corporation, trust, or any form of representative capacity whatsoever for others shall comply with applicable provisions of section 286.23, Florida Statutes, regarding notice and disclosure requirements.

(h) *Limited Authority to Modify Board Approved Purchase Instruments.* Real Estate Services may modify a purchase instrument approved by the Board to extend the time for option exercise, closing date, submittal deadlines, or any other time limit in the agreement if the total extension of time for closing does not exceed 180 days after the closing date in the purchase instrument approved by the Board. The Real Property Procurement Officer is authorized to modify the legal description in a purchase instrument approved by the Board to conform the description to the description on the certified survey.

(i) *Disclaimer.* In instances where the Real Property Procurement Officer becomes aware of an instrument purporting to convey Real Property to JEA recorded in the public records of Duval County, which instrument has not been accepted by JEA, Real Estate Services may, on behalf of JEA, execute an instrument disclaiming any right, title or interest JEA may have in and to the Real Property and record such instrument in the public records of Duval County after having determined that JEA has no need for such Real Property. Such disclaimer shall be reviewed and approved for legal sufficiency by the Office of General Counsel.

**3.02 Leases to JEA.** JEA may lease Real Property when there is a need for the use or expansion of the utilities systems that cannot be met satisfactorily in JEA controlled space and leasing is more advantageous to JEA than constructing new facilities or altering existing JEA facilities.

**3.03 Donations, Gifts to JEA.** JEA may acquire Real Property by donation or gift when such acquisition best serves the interest of JEA.

(a) In such instance, prior to acceptance, Real Estate Services will investigate the quality of title, boundaries, and any environmental issues to the extent necessary to assess whether the property is marketable, whether the donor has authority to convey the property, and whether there are any apparent adverse impacts to JEA because of the acquisition.

(b) Based upon such investigation, the CEO or designated Real Property Procurement Officer on behalf of JEA, may accept a donation or gift conveying Real Property without prior approval by the Board if: (1) no consideration is paid by the JEA for the conveyance; and (2) JEA assumes no obligations with respect to the property except the normal responsibility incidental to ownership of the property interest being acquired.

(c) No acceptance of a donation or gift is effective until indicated by a written, executed acceptance of the conveyance. The instrument of conveyance and, if applicable, the instrument of acceptance, shall be recorded in the Public Records of Duval County.

**3.04 Real Property Condemnation Actions by JEA.** Pursuant to Chapter 361 of the Florida Statutes (as amended) and Article 21 of the Charter, JEA is vested with eminent domain powers to acquire Real Property for the use or expansion of the utilities systems. Such powers shall be executed in accordance Chapters 73 and 74 of the Florida Statutes (as amended).

#### **ARTICLE 4 DISPOSITIONS OF REAL PROPERTY**

**4.01 General Guidance.** JEA may dispose of Real Property that is determined to be no longer needed or useful, or if such disposition best serves the interest of JEA. When such determination has been made, Real Property may be disposed of through exchange, negotiations, sealed competitive bids, public auctions, lease or any other means JEA deems in its best interest in accordance with this Directive and subject to applicable provisions of local and state law. All conveyances of fee interest in JEA-owned Real Property by the Real Property Procurement Officer shall be "as is, where is, and with all faults."

#### **4.02 Real Property Transactions Subject to Prior City Council Approval.**

(a) In accordance with Section 21.04 of the Charter, any Real Property that exceeds either an assessed value or just market value of \$50,000, as determined by the property appraiser of the county where the Real Property is located, shall not be sold for less than the appraised value as certified by an MAI certified appraiser, without prior approval by the Council.

(b) In accordance with Section 21.11 of the Charter, any sale, lease, assignment, or other transfer of Real Property that will result in a total net loss of 1 percent or more of JEA's

service territory or a total loss of 1 percent of the electric, water, or wastewater, customer accounts (based on the latest available JEA monthly financial statements) shall require prior approval by the Council.

**4.03 Board Declaration of Surplus Property.** In accordance with Section 21.04 of the Charter, the Board shall, by resolution, fix and determine when JEA-owned Real Estate is no longer needed or useful, and authorize the disposition thereof. The Board may also, in its discretion, adopt a resolution delegating authority to the CEO to surplus and dispose of Real Property when doing so best serves the interest of JEA.

**4.04 Disposition of Real Property by Bid, Competitive Solicitation, or Public Auction.**

(a) *Bid/Competitive Solicitation.* Real Estate Services may choose to submit Surplus Property to the Procurement Department for sale through a sealed bid or competitive solicitation process. Real Estate Services may request that the Procurement Department advertise Surplus Property for sale in a local newspaper of general circulation for a minimum bid equal to the appraised value, if an appraisal was obtained, but no less than 25 percent of the assessed value. The bidding period shall remain open for at least ten days after publication of the notice.

(b) *Public Auction.* If Real Estate Services determines that Surplus Property may be more advantageously disposed of by public auction, then it may be sold at public auction to the highest and best bidder for cash, after publication of a notice of the auction in a newspaper of general circulation in the City published at least ten days before the date of the auction, setting forth the date, time, and place of the auction and a legal description and street address (if available) of the surplus Real Property.

**4.05 Disposition by Direct Sale to Adjoining Owners.** At the direction of the Board (or authorized designee), Real Estate Services may negotiate directly for the sale of Surplus Property with adjacent property owners. In such instances, Real Estate Services shall send notice by mail to the adjacent property owners that the property is available for purchase. The property may be conveyed at private sale to an adjoining owner without receiving bids or publishing notice. If after receipt of the notice by the adjoining owners, two or more qualifying adjacent property owners notify Real Estate Services of a desire to purchase the Surplus Property, the Real Estate Services may negotiate directly with the competing property owners and may convey the parcel to the owner who agrees to the terms most favorable to JEA or may reject all offers. Real Estate Services may execute all documents required to convey the property to the successful owner including execution of the deed. The deed shall cite this section of the Directive as authority for execution.

**4.06. Donations or Sales for Nominal Value to Other Public Agencies.** The Board (or authorized designee) may authorize donation or exchange of Surplus Property to another governmental agency for public use regardless of the actual value of the property.

## **ARTICLE 5 TEMPORARY/SHORT-TERM USE OF REAL PROPERTY.**

**5.01 Temporary Use, Licensing and Other Transfers of JEA-Owned Real Property.** Real Estate Services may negotiate, enter, and execute agreements for non-exclusive, use of JEA-owned Real Property for residential, recreational, commercial, industrial, educational, retail, or other uses to the extent that such uses do not interfere with use or operation of the utilities systems.

**5.02 Lease of Real Property.** At the direction of the CEO (or designee), Real Estate Services may pursue, negotiate, and execute leases of Real Property for residential, recreational, commercial, industrial, educational, retail, or other uses. Any lease or renewal thereof lasting for a term of more than five years shall be subject to approval by the CEO (or designee). In accordance with Section 21.04 of the Charter, if JEA leases any Real Property to another agency, firm, corporation, entity, or individual, it shall cause a memorandum of said lease to be recorded in the official records with the clerk of the circuit court where the property is located.

## **ARTICLE 6 DISPOSITION OF LONG-TERM STRATEGIC SITES.**

The Board, by resolution, may identify a Long-Term Strategic Site and authorize the disposition of such site by the CEO (or authorized designee). Such resolution shall:

- (1) Set forth sufficient findings of fact demonstrating that disposition of the Long-Term Strategic Site best serves JEA's interests;
- (2) Detail the CEO's authority with respect to transfer or disposition of the Long-Term Strategic Site; and
- (3) Authorize the CEO (or authorized designee) to execute any and all documents necessary to effectuate such transfer(s) or disposition(s) subject to review by the Office of General Counsel for legal sufficiency and in accordance with this Directive and all applicable local, state, and federal law.

## **ARTICLE 7 REPORTING; RECORDKEEPING**

No less than quarterly, the CEO (or designee) shall prepare and circulate to the Board a report summarizing all Real Property transactions. Complete and accurate records of Real Property transactions shall be maintained by Real Estate Services.

## **ARTICLE 8 LEVELS OF APPROVAL FOR REAL ESTATE TRANSACTIONS**

**8.01 Approvals by the Board.** Board approval shall be required for all Real Property transactions exceeding \$2,000,000.

**8.02 Approval by the CEO.** The CEO shall be authorized to approve and execute Real Property transactions in an amount not to exceed \$2,000,000. The CEO may delegate such authority to Real Estate Services.

**ARTICLE 9 WAIVER BY THE BOARD**

In the best interests of JEA, the Board may waive any provision contained herein to the extent that such waiver is not prohibited by local, state, or federal law.

DRAFT

Governance, Audit, and Compliance Committee - Supplemental Informaion

TITLE: REAL ESTATE SERVICES PROCUREMENT DIRECTIVE

REVISION DATE: May 26, 2016

**POLICY STATEMENT:**

Pursuant to JEA Charter, JEA may sell, lease or otherwise transfer, with or without consideration, any property, real or personal, when in JEA's discretion it is no longer needed or useful, or such sale, lease or transfer is in the best interest of JEA. It is the policy of JEA to acquire, manage, and dispose of interests in real or personal property for utilities system use and expansion or for other uses in an expeditious and economical manner, with a minimum of risk.

JEA recognizes the procurement and sale or lease of Real Property, Tangible Personal Property, and related easements is sufficiently different from the procurement of other supplies and services required by JEA. This Procurement Directive supplements JEA's Procurement Code to provide JEA staff with the authority to make timely procurement commitments and to effectively participate in these markets. The directive applies to all property rights, real or personal, or any estate or interest therein, to be acquired or for the use of the utilities system by purchase, condemnation by eminent domain proceedings, exchange or lease.

**ASSIGNMENT OF RESPONSIBILITY:**

The CEO designated Real Property Procurement Officer for JEA real property, easements, exchanges and leases is responsible for the implementation and maintenance of this Procurement Directive as it relates to the sale, lease or transfer of JEA real property interests.

The CEO designated Tangible Personal Property Procurement Officer for JEA tangible personal property is responsible for the implementation and maintenance of this Procurement Directive as it relates to the lease of JEA tangible personal property.

The two named Procurement Officers will conduct business in compliance with the JEA Procurement Code as supplemented by this Real Estate Services Procurement Directive.

**DEFINITIONS:**

Unless otherwise specified herein, all terms used herein will have the same definition specified in the JEA Procurement Code:

Fee Simple -a permanent and absolute tenure of an estate in land with freedom to dispose of it at will, especially in full.

Option to Purchase Agreement -is an arrangement in which, for a fee, a tenant or investor acquires the right to purchase real property sometime in the future.

Real Property -is land and immovable property on land such as buildings.

Sale and Purchase Agreement (SPA) -is a legal contract that obligates a buyer to buy and a seller to sell a product or service. SPAs are found in all types of businesses but are most often associated with real estate deals as a way of finalizing the interests of both parties before the closing of the property.

**Commented [SLA1]:** Removed this narrative paragraph. New Section 1 connects the 2023 Directive to the Charter and outlines the scope of the Directive.

**Commented [SLA2]:** 2023 Directive Section 2 clearly spells out the Board's delegation to CEO and CEO's delegation to Real Estate Services/Real Estate Director.

**Commented [SLA3]:** 2023 Directive language aligns with current JEA org structure and job titles to refer to Real Estate Services and the Real Estate Director, rather than Real Property Procurement Officer.

**Commented [SLA4]:** 2023 Directive combines Rules of Construction and Definitions and includes Board review every two years, tied to Board self-assessment.

Governance, Audit, and Compliance Committee - Supplemental Informaion

Tangible Personal Property -are physical assets of JEA, excluding real property and buildings, that includes, but is not limited to, poles, towers, telecommunication equipment, fiber optic cables, or other such physical assets of JEA used in the operation of the utilities system.

**I. FEE SIMPLE REAL PROPERTY ACQUISITIONS**

**A. Background and Additional Guidance.**

It is the policy of JEA to acquire interests in real property for system expansion or for other uses in an expeditious and economical manner, with a minimum of risk.

JEA Real Estate Services will diligently determine and pursue the types of property rights most advantageous to JEA. These rights may include fee simple acquisitions, easement acquisitions, licenses or permits. Levels of approval for each of these property rights acquisitions are outlined in this Procurement Directive.

**B. Levels of Approval and Respective Approving Entities (Board, Awards Committee, Procurement Officer) for Fee Simple Acquisitions.**

1. Board Approval is Required for Purchases of More than \$500,000: If the negotiated purchase price is more than \$500,000, the Option to Purchase or Purchase and Sale Agreement will be presented to the Board for its consideration. Prior to presentation to the Board, the Option to Purchase or Purchase and Sale Agreement will be approved by the Procurement Officer and reviewed by Office of General Counsel (OGC). The request for Board consideration may summarize relevant purchase information and may include the following: a comparison of the negotiated price, the appraised value of the property, the assessed value of the property, and/or statements of any conflicts of interest of Board members or JEA employees.
2. Awards Committee Approval is Required for Purchases of \$500,000 or Less but More than \$50,000: If the negotiated purchase price is \$500,000 or less but more than \$50,000, it will be presented to the Awards Committee for its consideration. Prior to presentation to the Awards Committee, the Option to Purchase or Purchase and Sale Agreement will be approved by the Procurement Officer and reviewed by OGC. The request for Awards Committee consideration may summarize relevant purchase information and may include the following: a comparison of the negotiated price, the appraised value of the property, and the assessed value of the property, and/or statements of any conflicts of interest of Board members or JEA employees.
3. The Procurement Officer may Approve Purchases of \$50,000 or Less: If the negotiated purchase price is \$50,000 or less, the acquisition may be approved by the Procurement Officer. The Procurement Officer may request review by OGC or the Vice-President to whom Real Estate Services reports. Records of property transactions may include the following: a comparison of the negotiated price, the appraised value of the property, the assessed value of the property, Real Estate Services estimate of value, and/or statements of any conflicts of interest of Board members or JEA employees.
4. The Procurement Officer may Approve Donations of Property to JEA: If a property owner donates a parcel to JEA, the Procurement Officer may approve the acquisition. Real Estate Services will coordinate all legal and transfer requirements of the acquisition.

Commented [SLA5]: 2023 Directive Section 8.01 sets this amount at \$2M.

Governance, Audit, and Compliance Committee - Supplemental Informaion

**SUMMARY OF FEE SIMPLE ACQUISITIONS:**

Purchase Price	Approving Entity
> \$500,000	Board
> \$50,000 to \$500,000	Awards Committee
\$50,000 or less	Procurement Officer

**Commented [SLA7]:** 2023 Directive refers to P-Code and relevant JEA procedures but does not provide as much detail on allocating responsibilities between Real Estate Services and the Awards Committee.

**II. REAL PROPERTY CONDEMNATION ACTIONS.**

**A. Background and Additional Guidance.**

JEA will use condemnation procedures under the power of eminent domain for acquisition of real property rights only as a last resort. JEA is vested with the power of eminent domain under authority of Article 21, Charter of the City of Jacksonville, Chapter 92-341, Laws of Florida, as amended, and Chapter 36i, Florida Statutes. Statutory provisions for eminent domain procedures and supplemental proceedings are found in Chapters 73 and 74, Florida Statutes.

**Commented [SLA6]:** Dollar amount-based sub-delegations are covered in the summary page signed by CEO, rather than being placed in the formal directive.

**B. Board Approval is Required for All Condemnations.**

After determining that the property cannot be purchased by negotiation and upon direction by the Procurement Officer, Real Estate Services will submit legal descriptions of the required property to OGC. OGC will prepare a Resolution authorizing condemnation to be presented to the Board. Real Estate Services will prepare the endorsement memo for the CEO's signature requesting the approval of the Resolution. Real Estate Services will present the endorsement memo and Resolution to the Board for consideration. If the Resolution is approved by the Board, Real Estate Services, on behalf of JEA, will initiate condemnation proceedings by sending the following to OGC: a certified copy of the Resolution, the survey, the appraisal, title commitment, a copy of the Board approval, and statements of any conflicts of interest of Board members or JEA employees. Condemnation preparation and proceedings are managed and implemented by OGC and Real Estate Services. If a settlement is negotiated, the settlement amount will be presented for approval to the appropriate approving entity consistent with levels of approval stated for fee simple acquisitions in Section I.

**Commented [SLA8]:** 2016 Directive refers to OGC throughout. 2023 Directive affirms OGC's integral role in Sec. 2.03 and incorporates (in a footnote) external counsel which can also provide reviews

**III. DISPOSITION OF REAL PROPERTY.**

**A. Background and Additional Guidance.**

JEA will dispose of interests in real property that are no longer needed or useful to JEA.

**Commented [SLA9]:** 2023 Directive ties Eminent Domain/condemnation to the Charter and Florida Statutes.

**B. Preparation to Declare Real Property Surplus.**

In declaring property surplus, the Procurement Officer must certify that such real property is no longer needed by JEA. The Procurement Officer makes this determination by notifying JEA departments that may have an interest in the real property that it is being considered for surplus disposition. If no JEA departments have a present or future use for the real property, Real Estate Services will notify other municipal agencies of the availability of the property. If another municipal agency has a need for the real property, Real Estate Services will arrange for transfer of ownership consistent with the approval levels outlined in this Procurement Directive. If no municipal agencies have present or future use of the real property, Real Estate Services may notify

**Commented [SLA10]:** 2023 Directive requires Board resolution to classify property as surplus. Board may delegate to CEO ability to determine property is surplus and arrange for disposal.

Governance, Audit, and Compliance Committee - Supplemental Informaion

adjoining property owners and may sell the property according to the procedures in Section III D below.

**C. Levels or Approval and Respective Approving Entities (Board, Awards Committee, Procurement Officer) for Dispositions.**

1. Board Approval is Required to Sell Surplus Real Property when the Assessed Value OR the Negotiated Sale Price is More Than \$500,000: When either of these situations occurs, Real Estate Services will submit a resolution to the Board for its review and approval. The Resolution for Board consideration may summarize relevant purchase information and may include the following: a comparison of the negotiated price, the appraised value of the real property, the assessed value of the real property, JEA's investment in the property, minimum sale price, and/or statements of any conflicts of interest of Board members or JEA employees. The Resolution will request that the Board declare the real property surplus to the needs of JEA and the real property may be sold at the price stated in the resolution.

**Commented [SLA11]:** 2023 Directive Sec. 8.01 sets this threshold at \$2M.

2. Awards Committee Approval is Required to Sell Surplus Real Property when the Assessed Value OR the Negotiated Sale Price is \$500,000 or Less but More than \$50,000: When either of these situations occurs, Real Estate Services will submit an Award to the Awards Committee for review and approval. The Awards Committee may, at its discretion, forward such a request for Award to the Board for its review and approval. The Award submitted to the Awards Committee for consideration may summarize relevant purchase information and may include the following: a comparison of the negotiated price, the appraised value of the property, and the assessed value of the property, JEA's investment in the property, minimum sale price, and/or statements of any conflicts of interest of Board members or JEA employees. The Award will request that the Awards Committee declare the property surplus to the needs of JEA and the property may be sold at the price stated in the approved Award.

3. The Procurement Officer May Sell Surplus Real Property when the Assessed Value AND the Negotiated Sale Price is \$50,000 or less: When both of these situations occur, the Procurement Officer may declare the real property surplus and authorize the sale of the surplus property upon terms and conditions acceptable to the Procurement Officer. The Procurement Officer may request review by OGC or the Vice-President to whom Real Estate Services reports. The Procurement Officer's determination may include, but not be limited to, a review of the following: a comparison of the negotiated price, the appraised value of the real property, the assessed value of the property, JEA's investment in the property, minimum sale price, Real Estate Services estimate of value, and/or statements of any conflicts of interest of Board members or JEA employees.

**Commented [SLA12]:** 2023 Directive refers to P-Code and relevant JEA procedures but does not provide as much detail on allocating responsibilities between Real Estate Services and the Awards Committee.

**D. Sale of Real Property.**

1. Sealed Bidding for the Sale of Real Property Assessed for More Than \$50,000.

a. When the Procurement Officer determines that sale of real property assessed for more than \$50,000 by sealed bidding is in the best interests of JEA, the Procurement Officer shall certify that the real property is surplus to the needs of JEA, and Real Estate Services will solicit sealed competitive bids for the public sale of the real property.

Governance, Audit, and Compliance Committee - Supplemental Information

- b. The bids will be evaluated by the Procurement Officer who will determine which bid is the most advantageous to JEA.
  - c. In no event shall real property be sold for less than the assessed value as recorded by the Property Appraiser without approval by the Board and City Council.
  - d. The public advertisement for bids will disclose the amount of the minimum acceptable bid and any additional bid requirements as may be prescribed by Real Estate Services.
  - e. Sale of real property will be made to the highest and best bidder after approval by the Board or the Awards Committee, as appropriate.
  - f. Upon receipt of the purchase price in cash or by cashier's check, or upon receipt of the mortgage or other instrument evidencing the terms of sale if other than for cash, the JEA shall execute and deliver to the purchaser an appropriate instrument of transfer of title to the real property.
  - g. If an offer at or above the minimum sale price is not received in the solicited bids or if the sale is not concluded successfully, Real Estate Services may, subject to the proper levels of approval, rebid the property, dispose of the property by public auction, enlist the services of real estate brokers to sell the property, or sell the property by direct sale after negotiation with any prospective purchaser. In no event shall property be sold for less than the assessed value as recorded by the Property Appraiser without approval by the Board and City Council.
2. Public Auction for the sale of Real Property Assessed for More Than \$50,000.
- a. When the Procurement Officer determines that sale of real property assessed for more than \$50,000 by public auction is in the best interests of JEA, the Procurement Officer shall certify that the property is surplus to the needs of JEA, and Real Estate Services shall present a resolution to the Board or Awards Committee, as appropriate, to have the Board or Awards Committee declare the property surplus and authorize the sale of the property for a price not less than the price stated in the resolution.
  - b. Real Estate Services may engage the services of a qualified real estate auctioneer to hold a public auction to sell real property to the highest and best bidder.
  - c. In no event shall property be sold for less than the assessed value as recorded by the Property Appraiser without approval by the Board and City Council.
  - d. The public advertisement will set forth the date, time and place of the auction, the amount of the minimum acceptable bid and any additional bid requirements as may be prescribed by Real Estate Services.
  - e. As soon as is practicable after the auction, and upon receipt of the purchase price in cash or by cashier's check, JEA shall execute and deliver to the successful bidder an appropriate instrument of transfer of title to the property.
  - f. If the property is not sold at the public auction, Real Estate Services may, subject to the proper levels of approval, solicit sealed bids for the property, auction the property, enlist the services of real estate brokers to sell the property, or sell the property by direct sale after negotiation with

Governance, Audit, and Compliance Committee - Supplemental Informaion

any prospective purchaser. In no event shall property be sold for less than the assessed value as recorded by the Property Appraiser without approval by the Board and City Council.

3. The Sale Price for Real Property Assessed for \$50,000 or Less.

- a. If the assessed value of the real property is \$50,000 or less, the Procurement Officer may negotiate with any and all prospective purchasers for the sale of the real property without bid upon such terms and conditions as the Procurement Officer may deem advisable.
- b. The Procurement Officer may enlist the services of real estate brokers to sell the property. All sales shall be paid by certified check, and the sale price will not be less than the assessed value of the property.
- c. The Procurement Officer may direct that the sale of real property valued at \$50,000 or less be conducted by competitive procedures, including sealed bids or public auction. If the sale price is more than \$50,000 the sale will be approved by the appropriate approval entity.
- d. In no event shall property be sold for less than the assessed value as recorded by the Property Appraiser without approval of the Board and the City Council.

**DISPOSITION SUMMARY CHART:**

Assessed Value of Property OR Negotiated Sale Price	Approving Entity
> \$500,000	Board
> \$50,000 to \$500,000	Awards Committee
\$50,000 or less	Procurement Officer

**Commented [SLA13]:** 2023 Directive allows a variety of sale processes in order to maximize value to JEA and the community.

**IV. EASEMENTS AND AGREEMENTS RELATING TO REAL PROPERTY.**

**A. Background and Additional Guidance.**

The levels of approval and the respective approving entities delineated below will be used when JEA is granting certain rights or acquiring certain rights in connection with real property. Consistent with the needs of each transaction, JEA will clearly define the scope of JEA's rights and the rights of other parties.

**B. Levels of Approval and Respective Approving Entities (Board, Awards Committee, Procurement Officer).**

When the rights under consideration have a Fair Market Value in excess of \$50,000, Real Estate Services will confirm OGC support of the action and will prepare a resolution for presentation to the appropriate entity for its consideration of the requested right.

- 1. Board Approval is Required for Rights Valued at More Than \$500,000. If the negotiated purchase price is more than \$500,000, a resolution will be presented to the Board for its consideration after a review by OGC. The request for Board consideration may summarize relevant purchase information and may include the following: a comparison of the negotiated price, the appraised

Governance, Audit, and Compliance Committee - Supplemental Informaion

value of the property, and the assessed value of the property, and/or statements of any conflicts of interest of Board members or JEA employees.

2. The Awards Committee Approval is Required for Rights Valued at \$500,000 or Less but More Than \$50,000. If the negotiated purchase price is \$500,000 or less but more than \$50,000, a resolution will be presented to the Awards Committee for its consideration after review by OGC. The request for Awards Committee consideration may summarize relevant purchase information and may include the following: a comparison of the negotiated price, the appraised value of the property, and the assessed value of the property, and/or statements of any conflicts of interest of Board members or JEA employees.
3. The Procurement Officer May Approve the Purchase or Sale of Rights Valued at \$50,000 or Less. If the negotiated purchase price is \$50,000 or less, the Procurement Officer may authorize the purchase or sale. The Procurement Officer may request review by OGC or the Vice-President, Organizational Services. Records of property transactions may include the following: a comparison of the negotiated price, the appraised value of the property, Real Estate Services estimate of value, the assessed value of the property, and/or statements of any conflicts of interest of Board members or JEA employees.
4. The Procurement Officer may Approve Donation of Property Rights to JEA: If a property owner donates property rights to JEA, the Procurement Officer may approve the acquisition. Real Estate Services will coordinate all legal and transfer requirements of the acquisition.

**SUMMARY CHART:**

Value of Rights	Approving Entity
> \$500,000	Board
> \$50,000 to \$500,000	Awards Committee
\$50,000 or less	Procurement Officer

**V. LEASES- REAL OR PERSONAL PROPERTY**

**A. Background and Additional Guidance.**

This Directive shall apply to leases of Real Property or Tangible Personal Property, whether JEA is lessee or lessor. The Real Property Procurement Officer will negotiate terms including rental rates with the prospective lessee or for JEA as lessor of real property interests. The rental rates are generally at current market value, established at the time of initial lease by an appraisal prepared by an outside real estate appraiser or by a survey of real estate values and market rates conducted internally. The Tangible Personal Property Procurement Officer will negotiate terms of use and lease agreements with prospective user or lessee of JEA tangible personal property.

**B. Levels of Approval and Respective Approving Entities for Leases.**

1. Leases of \$1,000,000 or More in Total Value. If the negotiated lease price is \$1,000,000 or more in total value, the responsible Procurement Officer will confirm OGC support of the action. The responsible Procurement Officer will also obtain approval from the Chief Financial Officer for Real

Governance, Audit, and Compliance Committee - Supplemental Informaion

Property leases, and approval from the Chief Financial Officer and the Chief Information Officer for Tangible Personal Property leases. The supporting documentation for approval will summarize relevant lease information and may include the following: overview of lease agreement terms, price comparisons of comparable properties or physical assets, and/or statements of any conflicts of interest of Board members or JEA employees.

2. Leases of Less than \$1,000,000 in Total Value. If the negotiated lease price is less than \$1,000,000 in total value, the responsible Procurement Officer will approve the lease. The supporting documentation for approval will summarize relevant lease information and may include the following: overview of lease agreement terms, price comparisons of comparable properties or physical assets, and/or statements of any conflicts of interest of Board members or JEA employees.

**LEASE SUMMARY CHART:**

Value of Lease	Approving Entity
\$1,000,000 or more	Responsible Procurement Officer, CFO, CIO
Less than \$1,000,000	Responsible Procurement Officer

**VI. EXECUTION OF DOCUMENTS**

All documents to be executed on behalf of JEA pursuant to this Procurement Directive may be executed by the Managing Director/Chief Executive Officer; his designee, or the responsible Procurement Officer.

**VII. RIGHT TO PROTEST**

Any actual or prospective seller, buyer, lessee or lessor who is aggrieved in connection with a solicitation or an Award of a Contract may submit a protest in accordance with JEA Procurement Code.

**VIII. EFFECTIVE DATE**

This Procurement Directive is effective upon its approval by Managing Director/CEO.

# **FINANCIAL INSTRUMENTS AND SERVICES DIRECTIVE**

Governance, Audit, and Compliance Committee - Supplemental Informaion

<b>Procurement Code Exemption Financial Instruments and Services</b>			
<p><b>Scope of Procurement Exemption:</b> This Procurement Code Exemption relates to certain financial instruments and services that are offered in a well-defined limited market, may involve complex negotiations among sophisticated counterparties, and often require a limited timeframe in which to complete a transaction. At all times, financial instruments and services procured under this exemption shall include as much fair and open competition as administratively possible. The following financial instruments and services may be procured under this exemption:</p> <p><b>Bond Underwriting Services</b> - Including services to underwrite variable or fixed rate bonds, notes, commercial paper or other debt-related financial instruments issued under any bond resolution approved by the JEA Board, subject to a negotiated sale or competitive bid.</p> <p><b>Fiduciary Services</b> - Including trustee, registrar, paying agent, escrow agent, custody, and other similar fiduciary services in conjunction with the issuance and management of debt and/or investment of assets.</p> <p><b>Credit Rating Agency Services</b> - Including the procurement of debt ratings and related informational services from nationally recognized credit rating agencies.</p> <p><b>Dealer and Remarketing Services</b> - Including dealers or remarketing agents that market commercial paper, variable rate demand obligations, or other variable rate debt issued under any bond resolution approved by the JEA Board.</p> <p><b>Investment Purchase and Management Services</b> - Including the purchase or sale of allowed securities or entering into securities lending arrangements under JEA's Investment Management Policy, or entering into agreements with professional investment managers to manage JEA's assets.</p> <p><b>Financial Transaction Support Services</b> - Including services directly related to a financial transaction including, but not limited to escrow verification services, accounting services, and financial printing services.</p> <p><b>Financial Instruments and Arrangements</b> - Including financial instruments and arrangements primarily used as risk management strategies (including but not limited to swaps, caps, floors, collars, options, forward supply agreements, float contracts, and Guaranteed Investment Contracts), credit support (including but not limited to bond insurance, surety policies, letters of credit, and other credit enhancement facilities), and liquidity support (including but not limited to continuing covenant agreements, standby bond purchase agreements, and lines of credit).</p> <p><b>Agency Services for the Sale of Financial Assets</b> - Including, but not limited to, procuring the services of an agent to sell tax credits or other financial assets.</p> <p><b>Investor Relations Services</b> - Including services related to the research of or direct communication with the investors, either electronically or in person.</p> <p><b>Financial Compliance Services</b> - Including services necessary to meet compliance requirements of bond covenants and regulators.</p>			
	Agreement Amount	Contract Signatory Authority	
Contracts for the Procurement of Financial Instruments and Services	> \$25,000,000	JEA Board	
	\$10,000,000 to \$25,000,000	Chief Executive Officer	
	\$1,000,000 to \$10,000,000	Chief Financial Officer	
	\$100,000 to \$1,000,000	VP Financial Services	
	< \$100,000	Treasurer	
All enabling agreements should be reviewed and approved by the Office of General Counsel prior to signature.			
Documentation			
	Amount	Term	Responsible Party
Responsible for Retaining Procurement and Contract	Any	Any	Treasurer
Procurement Methodology			
Type of Procurement	Amount	Approving Entity	Procurement Guidelines
Accelerated Bids	Any Amount	Treasurer	If a short procurement timeframe is required, the JEA business unit may use an accelerated bid process to sell or procure supplies or services covered by this procurement exemption by issuing a solicitation via email through JEA's Financial Advisor or directly to prospective bidders. Under this procurement method, JEA's Financial Advisor or staff of the VP Financial Services or will receive bids directly from the bidders for quick evaluation by JEA staff and award of a contract.
Unsolicited Offers	Any Amount	Treasurer	JEA may enter into contracts based on unsolicited offers for supplies or services covered by this procurement exemption without using a competitive bidding process. JEA staff or JEA's Financial Advisor may engage in negotiations with the party that provided the unsolicited offer to improve the terms, conditions and/or pricing. JEA will be allowed to take advantage of unsolicited offers when such procurements are determined to provide operational and/or economical advantage to JEA and acceptance of such offer is in JEA's best interest.

I hereby delegate contract signature authority to the JEA personnel as provided herein.

Approved:

Accepted:

\_\_\_\_\_  
Jay Stowe  
Managing Director, CEO  
Date:

\_\_\_\_\_  
Ted Phillips  
Chief Financial Officer  
Date: