

JEA BOARD MEETING AGENDA

August 25, 2020 • 9:00 a.m.

JEA 21 West Church Street, Jacksonville, FL 32202



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

II. COMMENTS / PRESENTATIONS		
Item(s)		Speaker/Title
A.	Council Liaison's Comments	Council Member Randy DeFoor
B.	Comments from the Public	Public
C.	Recognition of Lineworker Appreciation	Paul McElroy, Interim Managing Director/CEO
D.	2020 Co-Op Class	Paul McElroy, Interim Managing Director/CEO
E.	Managing Director/CEO Report	Paul McElroy, Interim Managing Director/CEO

III. CONSENT AGENDA		
Definition: The Consent Agenda consists of agenda items that require Board approval but are routine in nature, or have been discussed in previous public meetings of the Board. The Consent Agenda items require no explanation, discussion or presentation, and are approved by one motion and vote.		
Item(s)		Discussion Action/Information
Appendix A:	Board Meeting Minutes July 28, 2020	Action
Appendix B:	Monthly FY20 Communications & Engagement Calendar and Plan Update	Information
Appendix C:	Corporate Headquarters and HQ2 Update	Information
Appendix D:	Monthly Financial Statements	Information

IV. FOR BOARD CONSIDERATION			
Item(s)		Speaker/Title	Discussion Action/Information
A.	Monthly Financial and Operations Report	Brian Roche, Interim Chief Financial Officer	Information
B.	Board Policy Review		
	1. Board Policies and Ordinances Index		
	2. Board Education and Development Policy	Steve Tuten, Interim Chief Compliance Officer	Information
	3. Travel Policy and Procedures	Steve Tuten, Interim Chief Compliance Officer	Information

C.	457(B) Deferred Compensation Plan - CARES Act - Related Amendment to the Plan's Loan Policy and Service Agreement Terms	Angelia Hiers, Interim Human Resources Officer	Action
D.	401(A) Defined Contribution Retirement Plan - CARES Act – Related Amendment to the Plan's Loan Terms and Service Agreement	Angelia Hiers, Interim Human Resources Officer	Action
E.	Electrification Program	Bruce Dugan, Interim Chief Customer Officer	Information
F.	Proposed FY2021 Board Meeting Schedule	Paul McElroy, Interim Managing Director/CEO	Action

V. BOARD AND COMMITTEE REPORTS			
Item(s)		Speaker/Title	Discussion/Action/Information
A.	CEO Search Committee	Bobby Stein, Chair	
B.	Finance & Audit Committee	Marty Lanahan, Chair	
1.	Call to Order		Information
2.	Adoption of Agenda		Action
3.	Approval of Minutes – May 18, 2020		Action
4.	Quarterly Audit Services Update		Information
5.	Annual Approval of Internal Audit Charter		Action
6.	Annual Approval of Internal Audit Plan		Action
7.	Ethics Officer Quarterly Report		Information
8.	Ernst & Young FY2019 Annual Financial Audit Plan		Action
9.	Electric System and Water and Sewer System Reserve Fund Quarterly Report		Information
10.	Water/Wastewater Cost of Service and Rates		Information
11.	Preliminary Five-Year Financial Projections		Information
12.	JEA Energy Market Risk Management Policy Report		Information
13.	Announcements - Next Meeting, December 11, 10:00 AM – 12:00 PM		Information
14.	Committee Discussions: a. Ernst & Young b. Director, Audit Services c. Council Auditor's Office		Information
15.	Adjournment		Information
C.	Governance Committee	Joseph DiSalvo, Chair	
1.	Call to Order		
2.	Adoption of the Agenda		Action
3.	Ordinance 2020-0419 – Legislation for JEA Charter Changes		Information
4.	JEA By Laws		Information
5.	Governance Committee Charter		Information

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

	6.	Governing For Excellence: Raising the Bar on Public Power Governance		Information
	7.	List of Board Approved Policies		Information
	8.	Board Governance Manual Assessment (March 2015)		Information
	9.	JEA Board Policy Manual		Information
	10.	Review the Draft of Board Mission, Vision, Values, and Goals		Action
	11.	Review Staff Edits - Board Policy Manual		Information
	12.	CEO Evaluation – Policy Category III Executive Limitations		Information
	13.	CEO Evaluation – CEO Core Competencies Appendix A1		Information
	14.	Announcements – Next Board Meeting August 25, 2020		Information
	15.	Upcoming Committee Agenda Items a. Review of JEA By Laws b. Review of Board Policy Manual Chapters c. JEA Board Evaluation Process		

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

VII.	CLOSING CONSIDERATIONS		
	Item(s)		
	A.	Announcements – Next Board Meeting September 22, 2020	
	B.	Adjournment	

VIII.	UPCOMING BOARD AGENDA ITEMS		
	Item(s)		
	A.	Workforce Plan	
	B.	Electric System Generation Planning: 2021-2025	
		1.	MEAG PPA – Plant Vogtle
		2.	Solar PPA
		3.	Plant Scherer – FPL PPA
		4.	Brandy Branch Upgrade
		5.	Northside 3

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

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

	C.	Board Policy Review
	1.	Board Management Delegation of Authority
	2.	Electric Compliance Policy
	3.	Enterprise Risk and Compliance Policy

Board Calendar

Board Meetings: 9:00 a.m. – Fourth Tuesday of Every Month (exception(s): November 17, 2020 and December 15, 2020
(Subject to Change Based on Board Action)

Committees: Finance & Audit Committee: December 11, 2020 (Subject to Change)

Other Committee Meetings TBD

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

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

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



INTER-OFFICE MEMORANDUM

August 11, 2020

SUBJECT: RECOGNITION OF LINeworker APPRECIATION

FROM: Paul McElroy, Interim Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

Florida House Resolution 9089: Lineworker Appreciation Day, was introduced by Representative Seth McKeel and adopted on March 3rd, 2012. This Resolution designated August 26th as Lineworker Appreciation Day in the State of Florida.

Florida Lineworker Appreciation Day was created to show gratitude to the men and women who risk their lives daily to ensure reliable delivery of electricity throughout Florida. It was designated by the Florida House of Representatives in 2012 in memory of Marc Moore, a lineworker for Lakeland Electric, who was tragically killed while serving his community in 2002.

DISCUSSION:

At JEA, our 190 Overhead and Underground lineworkers literally put their lives on the line each day in order to ensure the people and businesses in our community have access to affordable, reliable power. When there is an outage situation, they are the first ones on the scene working long hours under incredibly challenging circumstances to get power restored as quickly and safely as possible for our customers. We would like to take this time to recognize our lineworkers today, in honor of Florida Lineworker Appreciation Day, and every day for all that they do for our community.

FINANCIAL IMPACT:

None

RECOMMENDATION:

No action is required by the Board. This item is presented for information only.

Paul E. McElroy, Interim Managing Director/CEO

PEM/RDE/BNT

JEA 2020 Co-Ops

<u>Co-OP</u>	<u>MAJOR</u>	<u>SCHOOL</u>	<u>GRAD</u>	<u>MANAGER</u>
Cameron Riley	Mechanical Engineer	FAMU	5/2021	David Biruk
Julian Perez	Mechanical Engineer	UNF	12/2020	David Biruk
Brittany Harder*	GIS	Ohio	5/2021	Greg Turner
Whitney Lewis*	Environmental Science	FSU	5/2022	Jake Bianchi/ Lindsey Starner
Lena Caramagno*	Business Admin.	UF	5/2021	Heather Burnett Beard /Brian Pippin
Grace Hejmanowski	Environmental Engineer	UF	5/2023	Alan Tablada
Olivia Hasty	Chemistry	UNF	12/2020	Alan Tablada
Vinamra Berry	Electrical Engineer	UF	12/2020	Gerald Donskey
Travis Radloff	Electrical Engineer	UF	5/2021	Darrell Hamilton
Mahpara Bano	Electrical Engineer	UNF	5/2022	Matt Lundeen
Gabrielle Dunlap	Community Engagement	FSU	5/2021	Von Fuller
	Communications & Info. & Technology			
Madisen Stansberry	Business Admin.	FAMU	12/2021	Juli Crawford
Lucia Macchi	Economics	U. Penn	5/2023	Juli Crawford
Michael Cobb	Accounting	FAMU	5/2023	Akiesha Johnson
Kenadee Holzendorf	Accounting	FSU	5/2021	Akiesha Johnson

Jamia Walker	Accounts Payable/ JSEB	FAMU	5/2022	Naline McMillian/Rita Scott
Hailey DeNys	Customer & Utility Analytics	Embry- Riddle Aeronautical University	12/2021	Kent Mathis
	Computational Math & Computer Science Double Major			
Alessio Nigro**	Technology	UNF	5/2023	Bill Kearson
Thang Pham**	Technology	UNF	5/2023	Bill Kearson
Alexander Jen	Technology	FSU	5/2021	Jocelyn Granger
Camille Copeland	Technology	UNF	5/2021	Sandi Christiansen

****Returning Co-Ops***

*****Sandalwood/FSCJ Graduates JEA Interns***

A Message From Our Co-Ops

Written by Whitney Lewis on behalf of the 2020 Co-Ops

The first seven months of 2020 have been more than significant, ground-breaking and filled with unexpected events. Our world, our nation, our state, and our city have experienced these changes first-hand. JEA continued to exceed expectations of being a provider of improving the quality of life in Northeast Florida, through it all. One of the many impactful programs JEA offers is the Summer Co-op Internship. College students are given the opportunity to work at one of the top energy companies for twelve weeks. As 35% of internships for college students canceled throughout the months, JEA worked diligently to still provide us an unforgettable, stimulating work experience. This is what we did this summer.

Pat Gillum Sams, Manager Emerging Workforce Strategies, planned a fruitful schedule including Leadership and Development classes, Six Sigma Black Belt training, and Community Engagement events. Andrea Sharpe enlightened us on our Clifton Strengths, a personality assessment test JEA paid for all of us to take, self-branding, and how to deal with conflict in the workplace, just to name a few. We feel prepared to take all of the lessons we learned with us as we go into our careers. Robert “Bobbo” Lewis and Baskaran “Baski” Souppourattinam were amazing facilitators for our Six Sigma Black Belt Training. Developing our skills in Six Sigma Methodology, molded us to be the **first** Co-Op class to receive our Yellow Belts! We will also be presenting our own Six Sigma projects that we have worked on these eight weeks on our final day. Community Engagement was essential for our Co-op Internship because we were able to give back collectively and fulfill JEA’s promise of volunteerism within the Jacksonville community. Julie Lyons assisted us with virtual book readings for Community in Service CIS Jax and magazine clippings for Hope at Hand. Our final project was to present our own ideas of a virtual, non-profit project to a group of managers involved with Community Engagement.

In addition to accomplishing all of this, we were still able to work within our business units weekly. JEA offered opportunities for us to demonstrate our strengths, improve on our weaknesses, and develop our potential. Despite COVID-19, JEA went the extra mile by not only continuing our program, but also providing more. For instance, we had virtual tours at the different water treatment facilities and Main Street Lab. The Co-ops were able to bond and build connections with each other as highly motivated students from all over the country,



with eight different schools represented. The Class of 2020 has now experienced first-hand the resiliency and drive of JEA employees and the company as a whole. Thank you, JEA for our Summer Co-op Internship.

**JEA BOARD MINUTES
July 28, 2020**

The JEA Board met in regular session on Tuesday July 28, 2020, via WebEx. Pursuant to State of Florida Executive Order 20-69 (Emergency Management-COVID-19-Local Government Public Meetings), this meeting is permitted to be conducted by communications media technology. In attendance were John Baker, Joe DiSalvo, Dr. Zachary Faison, Jr., Dr. Leon Haley, Marty Lanahan, Bobby Stein, and Tom VanOsdol. Also in attendance was Paul McElroy and Jody Brooks, Office of General Counsel.

Agenda Item I – Welcome

- A.** Chair John Baker **called the meeting to order** at 9:00 am.
- B.** **Time of Reflection** was observed by all in attendance.
- C.** **Introductions** – All board members were in attendance for the meeting.
- D.** **Adoption of Agenda** – On *motion* by Marty Lanahan and seconded by Dr. Leon Haley, the agenda was approved unanimously.
- E.** The **Safety Briefing** – was given by Paul McElroy.
- F.** **Sunshine Law/Public Records Statement** – Jody Brooks, Office of General Counsel (OGC), stated this Board Meeting is being held in compliance with Florida's Government in the Sunshine Law §286.011. The complete statement can be found in Section I.F. of the board meeting package. Landon Todd, Manager IT Infrastructure, provided WebEx instructions for the meeting.

Agenda Item II – Comments / Presentations

- A.** **Council Liaison's Comments** – Jacksonville City Council Member Randy DeFoor provided a brief update to the Board on three key Council matters: 1) the Budget; 2) Council Leadership Update; and 3) the JEA Special Investigation Committee.
- B.** **Comments from the Public**
 - 1. David E. Bruderly – Address on File – Spoke to board members regarding energy and pollution technologies for greenhouse gases and water pollution.
 - 2. Ron Gerdik – Address on File – Spoke to board members regarding the Cedar Bay Road Community industrial complex construction issues. Noted for the record, Mr. Gerdik presented a four-page document, on this matter, to Dr. Leon Haley.
- C.** **Recognizing Lee Bradley's Retirement** – Paul McElroy, Interim Chief Executive Officer and Managing Director, gave a special presentation on behalf of Lee Bradley, JEA employee, who was retiring from the company. In his presentation, Mr. McElroy provided a brief biography and highlighted interesting facts about Lee Bradley and his career which spanned 50 years of outstanding service to JEA. There were appreciative words from Lee Bradley and a show of gratitude by all meeting attendees.

Agenda Item III. Consent Agenda

- A. Consent Agenda** – Consent Agenda items require no explanation, discussion or presentation, and are approved by one motion and vote. On ***motion*** by Joe DiSalvo and seconded by Dr. Leon Haley, appendices A and B were approved unanimously, and appendices C through F were received for information only.

Appendix A: Board Meeting Minutes June 23, 2020 – approved

Appendix B: Special Board Meeting Minutes June 26, 2020 – approved

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

Appendix D: Monthly Financial Statements – information only

Appendix E: Corporate Campus and HQ2 Update – information only

Appendix F: Sole Source & Emergency Procurement/Procurement Appeals Board Report – information only

Agenda Item IV. For Board Consideration

- A. Monthly Operating and Financial Summary** – Brian Roche, Interim Chief Financial Officer, presented on the company's monthly financial statements and year-to-date financial results. He highlighted key financial drivers and results for Safety; and Electric and Water/Wastewater Systems. He discussed revenues, expenses and debt ratios. Next, he also reviewed Key Financial Metrics and presented an Operations Scorecard for each business sector. Lastly, he discussed rate benchmarks for Florida utilities by highlighting monthly bill comparisons for Electric and Water/Wastewater. Questions were asked and answered.
- B. FY2021 Budget Adjustments to City Council** – Brian Roche, Interim Chief Financial Officer, presented on the company's FY2021 operating and capital budget adjustments previously transmitted to City Council. He highlighted the additional adjustments made to the Operating and Maintenance and Capital portions of the budget by \$22 million and \$103 million respectively. There were questions asked and answered and a brief discussion ensued. Hearing no additional discussion, and upon motion made by Marty Lanahan and seconded by Bobby Stein, the budget adjustments as presented to City Council were approved.
- C. Electric and Water/Wastewater System Bond Transactions** – Joe Orfano, Treasurer, presented on the company's bond offerings and results for Electric and Water and Sewer Systems. Mr. Orfano commented that the bond refunding offerings were extremely well received by investors and will result in significant annual debt service savings to the Company. There were no questions at this time.
- D. Board Policy Review**
- a. Debt Management Policy** – Joe Orfano, Treasurer, provided a brief historical overview of the Debt Management Policy. His review summarized key governing parameters of the policy; the policy's main goals; significant policy parameters with respect to fixed and variable rate debt, interest rate strategy including interest rate

hedging, credit ratings, debt service reserves, bond insurance, compliance and reporting requirements and debt refunding. Questions and comments were asked and addressed.

b. Investment Policy – Joe Orfano, Treasurer, provided a brief overview of the Investment Policy. In his review, he summarized the policy's governing parameters; the policy main objectives; and a timeline of substantive changes to the policy. Lastly, he reviewed the performance of the JEA debt and investment portfolio. There were no questions at this time.

- E. Utility Rate Making / APPA Webinar Series** – Brian Roche, Interim CFO, presented on the Board's importance of being the rate making authority for JEA. He reaffirmed the Board's decision making authority over establishing revenue requirements, cost of service allocations and pricing for proposed rate adjustments. Lastly, he updated the Board on three (3) American Public Power Association (APPA), to which JEA is a member, webinars available for their reference and to assist board members with utility ratemaking concepts. There were no questions at this time.
- F. Customer Relationship Update** – Bruce Dugan, Interim Chief Customer Officer, provided the customer relationship update. He reviewed JEA's Disconnection Suspension Timeline which included highlights of the City's Utility Assistance Funds and other financial assistance agencies and partnerships. Next, he covered customer payment extensions, to include late fees and certain deposits, through October 2020. Lastly, he reaffirmed JEA's commitment to helping its customers achieve one goal – staying connected to its electric, water and wastewater services. Board members offered appreciative comments.
- G. Jacksonville Small and Emerging Business (JSEB) Programs Report** – Alan McElroy, Interim Chief Supply Chain Officer, presented JEA's Third Quarter (Q3) FY20 results for the JSEB program. He highlighted the JSEB Scorecard including available project spend and a five year analysis of JSEB goals versus actual spend. Next, he gave an update on the JSEB Q3 Outreach Events. Lastly, he reviewed the JSEB Program Cost and What's Next for the program. There were no questions at this time.
- H. ITN Invoices – Report and Recommendation** – Steve Tuten, Interim Chief Compliance Officer, reported on outstanding invoices from twenty-three (23) vendors, related to the Invitation to Negotiate (ITN) strategic alternatives. He noted all vendor invoices had been reviewed by the company's Internal Audit team and subsequent discussions with the Office of General Counsel (OGC). Next, referring to materials contained in the board package and as amended through further discussions with OGC, he presented on management's two recommendations for: 1) the payment of thirty-three (33) vendor invoices totaling \$1,504,283.52; and 2) the engagement of outside counsel to review the remaining seven (7) vendors and invoices totaling \$11,212,736.85. Hearing no questions on this matter, Chair Baker asked board members to present motions on management's two recommendations. Upon motion made by Bobby Stein and seconded by Joe DiSalvo, the recommendation to pay the thirty-three vendor invoices totaling \$1,504,282.52 was approved unanimously.

Following this motion, there were a few comments presented and addressed. Lastly, the Board proceeded with management's second recommendation. Upon motion made by Marty Lanahan and seconded by Tom VanOsdol management's recommendation to refer the remaining seven vendors and invoices totaling \$11,212,736.85 to outside counsel was approved unanimously.

Agenda Item V – Board and Committee Reports

- A. CEO Search Committee** – Committee Chair Bobby Stein presented an update on the CEO search process. The Committee is in the process of reviewing candidates. It has been posted, and the Committee is working through candidates. Next steps are for the Committee to start reviewing and narrowing candidates and for the Special Committee's review. In addition, the Committee expects there to be movement on interviews in the next 30-60 days. Board members had no questions at this time.
- B. Governance Committee** – Committee Chair Joe DiSalvo presented highlights from the Governance Committee's first meeting. Those highlights included: 1) No issues with the Committee's Charter which was previously passed by the Board at its June 23rd meeting; 2) a draft of the JEA Board Mission, Vision, Values, Goals and Objectives Paper which the committee hopes to implement, with comments from the full board, at its September board meeting; 3) the Board Policy Manual rewrite with first emphasis given to the CEO Evaluation Criteria and the JEA Board Evaluation Criteria. Lastly, he noted the committee will reconvene in August to finalize its Mission, Vision, Values, Goals and Objectives Paper and both evaluation criteria priorities. Board members had no questions at this time.

Agenda Item VI– Other Business

- A. Old Business** – None
- B. Other New Business** – None
- C. Open Discussion** – None
- D. Managing Director/CEO's Report** – Paul McElroy, Interim Managing Director/CEO thanked the board for its support with the ITN Invoice and MEAG Litigation discussions. He then outlined a 60-day plan looking forward to include wrapping up operations for Electric System and Water/Wastewater supported by technology to include further refining the budget; and looking at cost structures and the ability to leverage technology solutions for future work as well as strategic pathways and opportunities for the next 6-12 months. In the area of Customer, the company will be doing some work on JD Power to assess survey results and utility-wide strategies and communication for our customer loyalty and satisfaction measurements. In the area of Finance, we will focus on the debt portfolio with emphasis on rate and pricing structures. In the area of Human Resources, we will continue Covid-19 operating strategies where we have had some success. In addition, we will also be picking up in the next 30-45 days our workforce planning efforts.

- E. Chair's Report** – Board Chair Baker summarized a list of accomplishments that have occurred since Paul McElroy came onboard. He also noted that the Board appreciates the quick progress made in a short amount of time.

Agenda Item VII – Attorney-Client Session

- A. MEAG Litigation Strategy and Cost** – Chair Baker, with the assistance of Jody Brooks, announced that pursuant to Section 286.011(8) of the Florida Statutes the Board would be going into a Litigation Shade Meeting to consider settlement negotiations related to MEAG Litigation Strategy and Cost. The meeting commenced at 11:00 am with the following fourteen (14) individuals in attendance: Board Members: John Baker (Chair), Bobby Stein (Co-Chair), Marty Lanahan (Secretary), Joseph DiSalvo, Dr. Zachary Faison, Jr., Dr. Leon Haley, Jr., Tom VanOsdol; JEA Representatives: Paul McElroy (Interim Managing Director/Chief Executive Officer and Jody Brooks (Chief Legal Counsel); Office of General Counsel Representatives: Jason Gabriel and Tiffany Pinkstaff; Burr & Forman LLP Representative: Rik Tozzi; Smith, Hulsey & Busey LLC Representative: Stephen Busey; and Stephanie Powers (Court Reporter). All other board meeting attendees were excused from the Litigation Shade Meeting and placed in a virtual meeting lobby until allowed reentry to the board meeting.

Chair Baker announced the reconvening of the general board meeting to move ahead with the next item on the board agenda.

Agenda Item VIII – For Board Consideration

- A. MEAG Purchase Power Agreement – Plant Vogtle Update** – Jody Brooks, Chief Legal Counsel, led this discussion with a brief overview of this agenda item. She noted the Board discussed the City of Jacksonville and JEA v. MEAG and MEAG v. JEA matter and proposed a settlement in its closed Litigation Shade Meeting. Next, she reviewed the staff's proposed recommendation that the Board provide guidance to pursue mutually beneficial business solutions to past legal disputes surrounding the MEAG Purchase Power Agreement. Paul McElroy expounded on the staff's second recommendation, to the Board, to thoroughly engage with MEAG to explore mutually beneficial ways to reduce costs as it relates to Plant Vogtle Units 3 and 4. Upon motion made by Bobby Stein and seconded by Marty Lanahan both staff recommendations were approved unanimously.

Agenda Item IX – Closing Considerations

- A. Announcements** – Paul McElroy announced that a storm was brewing and coming our way. We are watching and will be prepared and will keep the Board updated.

Next Board Meeting August 25, 2020

- B. Adjournment**

Agenda Item X – Upcoming Board Agenda Items

- A. Board Policy Review**

With no further business claiming the attention of the Board, Chair John Baker adjourned the meeting at 12:21 p.m.

APPROVED BY:

SECRETARY

DATE: _____

Board Meeting recorded by:

DeLisa A. Johnigarn, Executive Assistant

DRAFT

JEA Community Engagement Calendar June - August 2020

Date	Event/Activity	Location	Time	Type
DUE TO COVID-19 ALL JEA EMPLOYEE COMMUNITY PARTICIPATION ARE VIRTUAL ACTIVITIES; IN PERSON ACTIVITIES SUSPENDED UNTIL FURTHER NOTICE				
Jun-20				
Ongoing	Virtual Volunteer - Communities in Schools	Communities in Schools	Open	Volunteer Activity
Ongoing	Virtual Volunteer - Hope at Hand	Virtual Web	Open	Volunteer Activity
6/4/2020	DESC Customer Contact	DESC App	9am	Ambassador Instructor
6/5/2020	DESC Customer Contact	DESC App	9am	Ambassador Instructor
6/8/2020	Junior Achievement Virtual Teaching	Junior Achievement Virtual	9am	Ambassador Instructor
6/9/2020	DESC Customer Call	DESC App	10am	Ambassador Instructor
6/9/2020	DESC Customer Call	DESC App	2pm	Ambassador Instructor
6/16/2020	DESC Customer Contact	DESC App	9am	Ambassador Instructor
6/16/2020	DESC Customer Contact	DESC App	1pm	Ambassador Instructor
6/16/2020	Junior Achievement Virtual Teaching	Junior Achievement Virtual	11am	Ambassador Instructor
6/23/2020	DESC Customer Contact	DESC App	1pm	Ambassador Instructor
6/23/2020	DESC Customer Contact	DESC App	3pm	Ambassador Instructor
6/23/2020	DESC Customer Contact	DESC App	2pm	Ambassador Instructor
6/24/2020	DESC Customer Contact	DESC App	10am	Ambassador Instructor
6/25/2020	Center For Independent Living	Web Presentation	10am	Ambassador Speaker
6/26/2020	DESC Customer Contact	DESC App	11am	Ambassador Instructor
6/26/2020	DESC Customer Contact	DESC App	1pm	Ambassador Instructor
6/26/2020	Junior Achievement Virtual Teaching	Girls Inc. Virtual	1pm	Ambassador Instructor
6/30/2020	DESC Customer Contact	DESC App	1pm	Ambassador Instructor
Jul-20				
7/2/2020	DESC Customer Contact	DESC App	11am	Ambassador Instructor
7/2 2020	DESC Customer Call	DESC App	10am	Ambassador Instructor

JEA Community Engagement Calendar June - August 2020

Date	Event/Activity	Location	Time	Type
Ongoing	Virtual Volunteer - Communities in Schools	Communities in Schools	Open	Volunteer Activity
Ongoing	Virtual Volunteer - Hope at Hand	Virtual Web	Open	Volunteer Activity
Ongoing	Virtual Volunteer - The Arc Jacksonville	Virtual Web	Open	Volunteer Activity
7/2/2020	DESC Customer Call	DESC App	9am	Ambassador Instructor
7/8/2020	DESC Customer Contact	DESC App	4pm	Ambassador Instructor
7/7/2020	MLK STEM Presentation	Virtual Web	4pm	Ambassador Speaker
7/14/2020	DESC Customer Call	DESC App	10am	Ambassador Instructor
7/15/2020	DESC Customer Call	DESC App	11am	Ambassador Instructor
7/16/2020	DESC Customer Call	DESC App	9am	Ambassador Instructor
7/16/2020	DESC Customer Call	DESC App	3pm	Ambassador Instructor
7/16/2020	DESC Customer Calls	DESC App	2pm	Ambassador Instructor
7/17/2020	DESC Customer Calls	DESC App	1pm	Ambassador Instructor
7/20/2020	DESC Customer Calls	DESC App	1:30pm	Ambassador Instructor
7/20/2020	DESC Customer Calls	DESC App	12pm	Ambassador Instructor
7/21/2020	DESC Customer Calls	DESC App	9am	Ambassador Instructor
7/24/2020	Junior Achievement Virtual Teaching	Girls Inc.	11am	Ambassador Instructor
7/27/2020	DESC Customer Calls	DESC App	9am	Ambassador Instructor
7/30/2020	DESC Customer Calls	DESC App	10am	Ambassador Instructor
7/31/2020	DESC Customer Calls	DESC App	9am	Ambassador Instructor
Aug-20				
Ongoing	Virtual Volunteer - Communities in Schools	Virtual Web	Open	Volunteer Activity
Ongoing	Virtual Volunteer - Hope at Hand	Virtual Web	Open	Volunteer Activity
Ongoing	Virtual Volunteer - The Arc Jacksonville	Virtual Web	Open	Volunteer Activity
8/3/2020	DESC Customer Calls	DESC App	10am	Ambassador Instructor



Improving Lives. Building Community.

**AUGUST
2020**

CUSTOMER & COMMUNITY ENGAGEMENT DEPARTMENT OVERVIEW AND UPDATE

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

CUSTOMER MESSAGING

Restoration 1-2-3 Campaign

In August, we continued the campaign featuring our Restoration 1-2-3 process. The campaign took on an added level of relevance as JEA opened our Emergency Operations Center at Level 4 to monitor the track of Hurricane Isaias. Although the impact of the hurricane was minimal to our area, JEA's vigilance and monitoring remained high, as did the importance of this campaign. As the campaign showcases, JEA teams are on standby and ready to respond, no matter what impacts a storm may have on our area.

Along with a 30-second TV commercial, the campaign also features corresponding radio spots, social media, pre-roll video segments and posts, and digital out-of-home billboards promoting the process.



JD Power Scores

The communications team is working in conjunction with the Customer Experience team to rebuild customer trust, earn back loyalty and improve customer satisfaction as measured by JD Power. Our goal is to get back to scoring within the first quartile in fiscal year 2020-2021.

Strategies we plan to employ moving forward:

- Use JDP survey results analysis to determine gaps of opportunity.
- Increase awareness of products and services JEA provides, how easy it is to do business with us and focus on community impact.
- Create a multichannel advertising campaign to support messaging efforts.
- Utilize social media and jea.com to provide greater details and allow customers to drill down to learn more about savings, services, conservation, the environment and community impact.

- Creation of an employee engagement committee, with a goal of winning back our employees trust, improve morale and make employees proud to serve as ambassadors of JEA within the community with an emphasis on J.D. Power messaging.



Updates and Other Messaging

- We have continued to communicate operational changes, our commitment to safe practices, and COVID-19 savings tips through social media, email, and jea.com.
- We used our social media channels to continue to warn customers about scammers claiming to be from JEA who continue to target customers by phone, explaining that if a caller claims to be from JEA and threatens to disconnect utility services, they should hang up and report the scam.
- JEA acknowledged National Water Quality Month through our social media channels. We shared tips to encourage customers to do things such as fill up a reusable bottle with water from the tap. We explained that one small change helps save the environment and allows customers to get the same great-tasting water straight from their home.
- Through the August Bill Insert, we shared that being at home more due to COVID-19 presented a greater opportunity to manage water and energy consumption. We used this format to relay tips to maximize efficiency while saving money on utilities.



Community Engagement

- We continue to work to find ways to safely engage with our customers. In August, JEA Volunteers were afforded the opportunity to participate in a new “virtual partnership” with The ARC Jacksonville, an organization that serves and advocates for individuals with intellectual and developmental differences to achieve their full potential and to participate in community life.
- To date this fiscal year, 294 JEA Ambassadors have participated in 609 events. Volunteer hours total 3,459.



Employee Messaging

- Daily email updates sharing COVID-19 impacts and cases
- Biometric screening opportunities
- OSHA facts on medical masks and face coverings
- Virtual 5K Walk
- Virtual volunteer opportunities
- Immunization Awareness Month
- Employee verification process and other HR Updates
- Monitoring Hurricane Isaias
- Pay for Performance Plan update





INTER-OFFICE MEMORANDUM

August 13, 2020

SUBJECT: CORPORATE HEADQUARTERS AND HQ2 UPDATE

FROM: Paul McElroy, Interim Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

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

DISCUSSION:

Ryan Companies closed on its loan and the land purchase from the City of Jacksonville on June 29, 2020. Ryan has secured the construction site and installed fence wrap. JEA provided comments to the Ryan Companies' design drawings on July 10 and discussions on the comments and review is on-going. Planning and videography for a virtual groundbreaking for late September or early October continues. JEA is scheduled to receive responses to a Tenant Improvement design Request for Proposals on August 18.

Preliminary scoping and site reviews are underway for the complementary hardened facility with EOC (HQ2). More information on potential site selection and scope for HQ2 will be presented at a future board meeting.

FINANCIAL IMPACT:

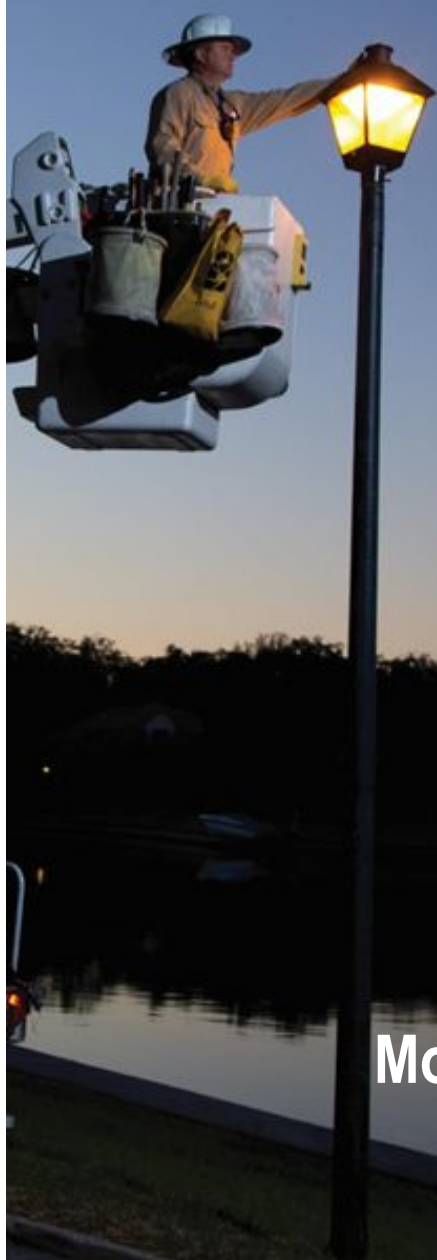
The change in scope for the main headquarters resulted in savings over the January 2020 program to allow for development of a separate hardened facility.

RECOMMENDATION:

This is provided as information only.

Paul E. McElroy, Interim Managing Director/CEO

PEM/NKV



Monthly Financial Statements

July 2020

Monthly Financial Statements

July 2020

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

Appendix

Schedules of Cash and Investments	19
Investment Portfolio - All Funds	20
Schedule of Outstanding Indebtedness	21
Interest Rate Swap Position Report	22
Production Statistics - Electric System	23
Electric Revenues and Expenses for the Month - Budget versus Actual	25
Electric Revenues and Expenses Year-to-Date - Budget versus Actual	26
Water and Sewer Revenues and Expenses - Budget versus Actual	27
District Energy System - Budget versus Actual	28

JEA
Statements of Net Position
(in thousands)

Page 2

	July 2020 (unaudited)	September 2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 344,109	\$ 414,438
Investments	3,108	2,399
Customer accounts receivable, net of allowance (\$2,493 and \$1,341, respectively)	228,771	227,331
Inventories:		
Materials and supplies	61,416	58,962
Fuel	34,875	30,898
Other current assets	18,268	19,109
Total current assets	690,547	753,137
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	154,775	265,784
Investments	364,392	380,250
Accounts and interest receivable	1,063	1,071
Total restricted assets	520,230	647,105
Costs to be recovered from future revenues	820,815	851,046
Other assets	25,535	19,016
Total noncurrent assets	1,366,580	1,517,167
Capital assets:		
Land and easements	196,666	195,461
Plant in service	11,953,077	11,563,873
Less accumulated depreciation	(7,108,629)	(6,836,311)
Plant in service, net	5,041,114	4,923,023
Construction work in progress	430,954	542,421
Net capital assets	5,472,068	5,465,444
Total assets	7,529,195	7,735,748
Deferred outflows of resources		
Unrealized pension contributions and losses	131,554	131,554
Unamortized deferred losses on refundings	103,780	108,875
Accumulated decrease in fair value of hedging derivatives	192,387	161,485
Unrealized asset retirement obligations	46,944	50,329
Unrealized OPEB contributions and losses	9,100	9,100
Total deferred outflows of resources	483,765	461,343
Total assets and deferred outflows of resources	\$ 8,012,960	\$ 8,197,091

Statements of Net Position
(in thousands)

	July 2020 (unaudited)	September 2019
Liabilities		
Current liabilities:		
Accounts and accrued expenses payable	\$ 42,464	\$ 53,813
Customer deposits and prepayments	70,607	73,974
Billings on behalf of state and local governments	27,236	26,292
Asset retirement obligations	15,937	18,884
Compensation and benefits payable	12,446	17,242
City of Jacksonville payable	10,688	10,269
Total current liabilities	179,378	200,474
Current liabilities payable from restricted assets:		
Debt due within one year	102,700	192,555
Interest payable	34,272	64,775
Renewal and replacement reserve	40,649	46,955
Construction contracts and accounts payable	17,242	66,775
Total current liabilities payable from restricted assets	194,863	371,060
Noncurrent liabilities:		
Net pension liability	566,372	566,372
Asset retirement obligations	31,007	31,445
Compensation and benefits payable	30,602	29,434
Net OPEB liability	18,621	18,256
Other liabilities	25,965	30,406
Total noncurrent liabilities	672,567	675,913
Long-term debt:		
Debt payable, less current portion	3,154,590	3,428,080
Unamortized premium, net	177,906	118,125
Fair value of debt management strategy instruments	185,015	149,887
Total long-term debt	3,517,511	3,696,092
Total liabilities	4,564,319	4,943,539
Deferred inflows of resources		
Revenues to be used for future costs	199,188	238,690
Unrealized pension gains	50,880	50,880
Unrealized OPEB gains	11,249	11,249
Accumulated increase in fair value of hedging derivatives	5,014	-
Total deferred inflows of resources	266,331	300,819
Net position		
Net investment in capital assets	2,576,545	2,248,863
Restricted for:		
Capital projects	193,084	165,186
Debt service	84,475	193,063
Other purposes	46,971	42,005
Unrestricted	281,235	303,616
Total net position	3,182,310	2,952,733
Total liabilities, deferred inflows of resources, and net position	\$ 8,012,960	\$ 8,197,091

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

	Month July		Year-to-Date July	
	2020	2019	2020	2019
Operating revenues				
Electric - base	\$ 87,046	\$ 81,928	\$ 709,693	\$ 675,093
Electric - fuel and purchased power	32,627	36,244	262,244	350,661
Water and sewer	39,635	39,578	393,464	370,131
District energy system	824	882	6,485	6,688
Other operating revenues	2,169	2,756	27,960	27,376
Total operating revenues	162,301	161,388	1,399,846	1,429,949
Operating expenses				
Operations and maintenance:				
Fuel	29,230	28,185	231,623	277,360
Purchased power	8,060	12,229	68,480	113,298
Maintenance and other operating expenses	32,304	32,515	336,499	323,369
Depreciation	30,770	30,032	303,539	302,329
State utility and franchise taxes	7,169	7,003	56,218	58,131
Recognition of deferred costs and revenues, net	1,980	1,509	24,026	18,107
Total operating expenses	109,513	111,473	1,020,385	1,092,594
Operating income	52,788	49,915	379,461	337,355
Nonoperating revenues (expenses)				
Interest on debt	(10,539)	(11,880)	(117,961)	(126,005)
Investment income	957	1,848	14,116	33,976
Allowance for funds used during construction	1,443	1,632	17,095	12,963
Other nonoperating income, net	584	1,211	6,070	7,306
Earnings from The Energy Authority	593	250	2,471	1,995
Other interest, net	(26)	(39)	690	(1,380)
Total nonoperating expenses, net	(6,988)	(6,978)	(77,519)	(71,145)
Income before contributions	45,800	42,937	301,942	266,210
Contributions (to) from				
General Fund, City of Jacksonville, Florida	(9,901)	(9,804)	(99,020)	(113,194)
Developers and other	9,932	9,878	88,855	78,190
Reduction of plant cost through contributions	(6,995)	(7,214)	(62,200)	(54,414)
Total contributions, net	(6,964)	(7,140)	(72,365)	(89,418)
Change in net position	38,836	35,797	229,577	176,792
Net position, beginning of period	3,143,474	2,896,304	2,952,733	2,755,309
Net position, end of period	\$ 3,182,310	\$ 2,932,101	\$ 3,182,310	\$ 2,932,101

Statement of Cash Flows
(in thousands - unaudited)

	Year-to-Date July	
	2020	2019
Operating activities		
Receipts from customers	\$ 1,337,091	\$ 1,369,881
Payments to suppliers	(501,935)	(611,399)
Payments for salaries and benefits	(222,559)	(197,334)
Other operating activities	31,112	28,453
Net cash provided by operating activities	643,709	589,601
Noncapital and related financing activities		
Contribution to General Fund, City of Jacksonville, Florida	(98,944)	(113,118)
Net cash used in noncapital and related financing activities	(98,944)	(113,118)
Capital and related financing activities		
Defeasance of debt	(523,050)	(195,045)
Proceeds received from debt	352,260	2,000
Acquisition and construction of capital assets	(340,586)	(368,000)
Repayment of debt principal	(192,555)	(185,790)
Interest paid on debt	(149,256)	(164,331)
Capital contributions	26,655	23,776
Other capital financing activities	69,779	(7,407)
Net cash used in capital and related financing activities	(756,753)	(894,797)
Investing activities		
Purchase of investments	(226,756)	(413,980)
Proceeds from sale and maturity of investments	245,112	631,020
Investment income	10,701	20,027
Distributions from The Energy Authority	1,593	1,816
Net cash provided by investing activities	30,650	238,883
Net change in cash and cash equivalents	(181,338)	(179,431)
Cash and cash equivalents at beginning of year	680,222	555,782
Cash and cash equivalents at end of period	\$ 498,884	\$ 376,351
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 379,461	\$ 337,355
Adjustments:		
Depreciation and amortization	304,513	303,349
Recognition of deferred costs and revenues, net	24,026	18,107
Other nonoperating income, net	352	1,430
Changes in noncash assets and noncash liabilities:		
Accounts receivable	215	640
Inventories	(6,431)	(11)
Other assets	(6,308)	1,737
Accounts and accrued expenses payable	(14,786)	(33,115)
Current liabilities payable from restricted assets	(5,246)	(4,036)
Other noncurrent liabilities and deferred inflows	(32,087)	(35,855)
Net cash provided by operating activities	\$ 643,709	\$ 589,601
Noncash activity		
Contribution of capital assets from developers	\$ 62,200	\$ 54,414
Unrealized investment fair market value changes, net	\$ 3,209	\$ 13,445

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

Page 6

	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
Assets							
Current assets:							
Cash and cash equivalents	\$ 233,133	\$ 54,776	\$ -	\$ 287,909	54,433	\$ 1,767	\$ 344,109
Investments	-	3,108	-	3,108	-	-	3,108
Customer accounts receivable, net of allowance (\$2,493)	173,200	-	-	173,200	55,487	84	228,771
Inventories:							
Materials and supplies	2,361	-	-	2,361	59,055	-	61,416
Fuel	34,875	-	-	34,875	-	-	34,875
Other current assets	17,551	5,310	(9,433)	13,428	4,840	-	18,268
Total current assets	461,120	63,194	(9,433)	514,881	173,815	1,851	690,547
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	7,046	86,536	-	93,582	58,037	3,156	154,775
Investments	241,181	10,234	-	251,415	112,977	-	364,392
Accounts and interest receivable	1,053	3	-	1,056	7	-	1,063
Total restricted assets	249,280	96,773	-	346,053	171,021	3,156	520,230
Costs to be recovered from future revenues	333,797	243,029	-	576,826	243,959	30	820,815
Other assets	23,623	4,500	(4,500)	23,623	1,906	6	25,535
Total noncurrent assets	606,700	344,302	(4,500)	946,502	416,886	3,192	1,366,580
Capital assets:							
Land and easements	124,457	6,660	-	131,117	62,498	3,051	196,666
Plant in service	5,736,299	1,316,043	-	7,052,342	4,843,585	57,150	11,953,077
Less accumulated depreciation	(3,409,946)	(1,313,310)	-	(4,723,256)	(2,355,589)	(29,784)	(7,108,629)
Plant in service, net	2,450,810	9,393	-	2,460,203	2,550,494	30,417	5,041,114
Construction work in progress	212,670	-	-	212,670	213,977	4,307	430,954
Net capital assets	2,663,480	9,393	-	2,672,873	2,764,471	34,724	5,472,068
Total assets	3,731,300	416,889	(13,933)	4,134,256	3,355,172	39,767	7,529,195
Deferred outflows of resources							
Unrealized pension contributions and losses	78,089	3,539	-	81,628	49,926	-	131,554
Unamortized deferred losses on refundings	58,892	3,334	-	62,226	41,383	171	103,780
Accumulated decrease in fair value of hedging derivatives	152,489	-	-	152,489	39,898	-	192,387
Unrealized asset retirement obligations	32,270	14,674	-	46,944	-	-	46,944
Unrealized OPEB contributions and losses	5,551	-	-	5,551	3,549	-	9,100
Total deferred outflows of resources	327,291	21,547	-	348,838	134,756	171	483,765
Total assets and deferred outflows of resources	\$ 4,058,591	\$ 438,436	\$ (13,933)	\$ 4,483,094	\$ 3,489,928	\$ 39,938	\$ 8,012,960

Combining Statement of Net Position
(in thousands - unaudited) July 2020

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	\$ 35,678	\$ 5,607	\$ (5,326)	\$ 35,959	\$ 6,494	\$ 11	\$ 42,464
Customer deposits and prepayments	52,479	-	-	52,479	18,128	-	70,607
Billings on behalf of state and local governments	23,109	-	-	23,109	4,127	-	27,236
Asset retirement obligations	1,263	14,674	-	15,937	-	-	15,937
Compensation and benefits payable	8,845	-	-	8,845	3,574	27	12,446
City of Jacksonville payable	8,606	-	-	8,606	2,082	-	10,688
Total current liabilities	129,980	20,281	(5,326)	144,935	34,405	38	179,378
Current liabilities payable from restricted assets:							
Debt due within one year	67,765	13,340	-	81,105	19,870	1,725	102,700
Interest payable	16,075	3,481	-	19,556	14,284	432	34,272
Renewal and replacement reserve	-	40,649	-	40,649	-	-	40,649
Construction contracts and accounts payable	7,116	4,918	(4,107)	7,927	9,312	3	17,242
Total current liabilities payable from restricted assets	90,956	62,388	(4,107)	149,237	43,466	2,160	194,863
Noncurrent liabilities:							
Net pension liability	343,046	4,001	-	347,047	219,325	-	566,372
Asset retirement obligations	31,007	-	-	31,007	-	-	31,007
Compensation and benefits payable	21,605	-	-	21,605	8,928	69	30,602
Net OPEB liability	11,348	-	-	11,348	7,273	-	18,621
Other liabilities	25,965	4,500	(4,500)	25,965	-	-	25,965
Total noncurrent liabilities	432,971	8,501	(4,500)	436,972	235,526	69	672,567
Long-term debt:							
Debt payable, less current portion	1,629,850	251,765	-	1,881,615	1,241,565	31,410	3,154,590
Unamortized premium (discount), net	97,635	891	-	98,526	79,405	(25)	177,906
Fair value of debt management strategy instruments	145,117	-	-	145,117	39,898	-	185,015
Total long-term debt	1,872,602	252,656	-	2,125,258	1,360,868	31,385	3,517,511
Total liabilities	2,526,509	343,826	(13,933)	2,856,402	1,674,265	33,652	4,564,319
Deferred inflows of resources							
Revenues to be used for future costs	176,758	-	-	176,758	22,430	-	199,188
Unrealized pension gains	27,276	6,166	-	33,442	17,438	-	50,880
Unrealized OPEB gains	6,862	-	-	6,862	4,387	-	11,249
Accumulated increase in fair value of hedging derivatives	5,014	-	-	5,014	-	-	5,014
Total deferred inflows of resources	215,910	6,166	-	222,076	44,255	-	266,331
Net position							
Net investment in (divestment of) capital assets	949,293	(11,240)	-	938,053	1,636,710	1,782	2,576,545
Restricted for:							
Capital projects	115,938	-	-	115,938	75,859	1,287	193,084
Debt service	55,204	11,483	-	66,687	16,351	1,437	84,475
Other purposes	6,219	30,613	4,107	40,939	6,032	-	46,971
Unrestricted	189,518	57,588	(4,107)	242,999	36,456	1,780	281,235
Total net position	1,316,172	88,444	-	1,404,616	1,771,408	6,286	3,182,310
Total liabilities, deferred inflows of resources, and net position	\$ 4,058,591	\$ 438,436	\$ (13,933)	\$ 4,483,094	\$ 3,489,928	\$ 39,938	\$ 8,012,960

Combining Statement of Net Position
(in thousands) September 2019

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Assets							
Current assets:							
Cash and cash equivalents	\$ 282,069	\$ 66,734	\$ -	\$ 348,803	\$ 64,146	\$ 1,489	\$ 414,438
Investments	-	2,399	-	2,399	-	-	2,399
Customer accounts receivable, net of allowance (\$1,341)	172,163	-	-	172,163	54,930	238	227,331
Inventories:							
Materials and supplies	2,219	106	-	2,325	56,637	-	58,962
Fuel	30,898	-	-	30,898	-	-	30,898
Other current assets	18,049	5,290	(8,638)	14,701	4,408	-	19,109
Total current assets	505,398	74,529	(8,638)	571,289	180,121	1,727	753,137
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	74,586	94,858	-	169,444	89,586	6,754	265,784
Investments	230,849	10,891	-	241,740	138,510	-	380,250
Accounts and interest receivable	1,053	11	-	1,064	7	-	1,071
Total restricted assets	306,488	105,760	-	412,248	228,103	6,754	647,105
Costs to be recovered from future revenues	343,247	253,706	-	596,953	254,059	34	851,046
Other assets	16,285	4,500	(4,500)	16,285	2,731	-	19,016
Total noncurrent assets	666,020	363,966	(4,500)	1,025,486	484,893	6,788	1,517,167
Capital assets:							
Land and easements	124,457	6,660	-	131,117	61,293	3,051	195,461
Plant in service	5,598,589	1,316,043	-	6,914,632	4,592,091	57,150	11,563,873
Less accumulated depreciation	(3,252,637)	(1,312,969)	-	(4,565,606)	(2,242,977)	(27,728)	(6,836,311)
Plant in service, net	2,470,409	9,734	-	2,480,143	2,410,407	32,473	4,923,023
Construction work in progress	203,901	-	-	203,901	337,716	804	542,421
Net capital assets	2,674,310	9,734	-	2,684,044	2,748,123	33,277	5,465,444
Total assets	3,845,728	448,229	(13,138)	4,280,819	3,413,137	41,792	7,735,748
Deferred outflows of resources							
Unrealized pension contributions and losses	78,089	3,539	-	81,628	49,926	-	131,554
Unamortized deferred losses on refundings	61,773	3,502	-	65,275	43,418	182	108,875
Accumulated decrease in fair value of hedging derivatives	130,219	-	-	130,219	31,266	-	161,485
Unrealized asset retirement obligations	32,282	18,047	-	50,329	-	-	50,329
Unrealized OPEB contributions and losses	5,551	-	-	5,551	3,549	-	9,100
Total deferred outflows of resources	307,914	25,088	-	333,002	128,159	182	461,343
Total assets and deferred outflows of resources	\$ 4,153,642	\$ 473,317	\$ (13,138)	\$ 4,613,821	\$ 3,541,296	\$ 41,974	\$ 8,197,091

Combining Statement of Net Position
(in thousands) September 2019

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	\$ 42,875	\$ 4,255	\$ (3,600)	\$ 43,530	\$ 10,156	\$ 127	\$ 53,813
Customer deposits and prepayments	56,714	-	-	56,714	17,260	-	73,974
Billings on behalf of state and local governments	22,406	(1)	-	22,405	3,887	-	26,292
Asset retirement obligations	837	18,047	-	18,884	-	-	18,884
Compensation and benefits payable	12,236	-	-	12,236	4,944	62	17,242
City of Jacksonville payable	8,186	-	-	8,186	2,083	-	10,269
Total current liabilities	143,254	22,301	(3,600)	161,955	38,330	189	200,474
Current liabilities payable from restricted assets:							
Debt due within one year	122,380	13,780	-	136,160	54,705	1,690	192,555
Interest payable	32,109	5,564	-	37,673	26,436	666	64,775
Renewal and replacement reserve	-	46,955	-	46,955	-	-	46,955
Construction contracts and accounts payable	24,589	3,859	(3,315)	25,133	41,481	161	66,775
Total current liabilities payable from restricted assets	179,078	70,158	(3,315)	245,921	122,622	2,517	371,060
Noncurrent liabilities:							
Net pension liability	343,046	4,001	-	347,047	219,325	-	566,372
Asset retirement obligations	31,445	-	-	31,445	-	-	31,445
Compensation and benefits payable	21,003	-	-	21,003	8,402	29	29,434
Net OPEB liability	11,136	-	-	11,136	7,120	-	18,256
Other liabilities	30,370	6,223	(6,223)	30,370	36	-	30,406
Total noncurrent liabilities	437,000	10,224	(6,223)	441,001	234,883	29	675,913
Long-term debt:							
Debt payable, less current portion	1,796,880	265,105	-	2,061,985	1,332,960	33,135	3,428,080
Unamortized premium (discount), net	56,775	1,433	-	58,208	59,946	(29)	118,125
Fair value of debt management strategy instruments	118,621	-	-	118,621	31,266	-	149,887
Total long-term debt	1,972,276	266,538	-	2,238,814	1,424,172	33,106	3,696,092
Total liabilities	2,731,608	369,221	(13,138)	3,087,691	1,820,007	35,841	4,943,539
Deferred inflows of resources							
Revenues to be used for future costs	208,794	-	-	208,794	29,896	-	238,690
Unrealized pension gains	27,276	6,166	-	33,442	17,438	-	50,880
Unrealized OPEB gains	6,862	-	-	6,862	4,387	-	11,249
Total deferred inflows of resources	242,932	6,166	-	249,098	51,721	-	300,819
Net position							
Net investment in (divestment of) capital assets	773,119	(12,879)	-	760,240	1,490,121	(1,498)	2,248,863
Restricted for:							
Capital projects	83,017	-	-	83,017	77,771	4,398	165,186
Debt service	121,541	14,071	-	135,612	55,761	1,690	193,063
Other purposes	4,388	28,186	3,315	35,889	6,116	-	42,005
Unrestricted	197,037	68,552	(3,315)	262,274	39,799	1,543	303,616
Total net position	1,179,102	97,930	-	1,277,032	1,669,568	6,133	2,952,733
Total liabilities, deferred inflows of resources, and net position	\$ 4,153,642	\$ 473,317	\$ (13,138)	\$ 4,613,821	\$ 3,541,296	\$ 41,974	\$ 8,197,091

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

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 87,371	\$ -	\$ -	\$ 87,371	\$ -	\$ -	\$ (325)	\$ 87,046
Electric - fuel and purchased power	33,850	2,187	(2,186)	33,851	-	-	(1,224)	32,627
Water and sewer	-	-	-	-	39,661	-	(26)	39,635
District energy system	-	-	-	-	-	858	(34)	824
Other operating revenues	1,543	-	-	1,543	815	-	(189)	2,169
Total operating revenues	122,764	2,187	(2,186)	122,765	40,476	858	(1,798)	162,301
Operating expenses								
Operations and maintenance:								
Fuel	29,230	-	-	29,230	-	-	-	29,230
Purchased power	10,246	-	(2,186)	8,060	-	-	-	8,060
Maintenance and other operating expenses	18,940	787	-	19,727	13,944	431	(1,798)	32,304
Depreciation	16,958	35	-	16,993	13,572	205	-	30,770
State utility and franchise taxes	6,187	-	-	6,187	982	-	-	7,169
Recognition of deferred costs and revenues, net	521	1,103	-	1,624	356	-	-	1,980
Total operating expenses	82,082	1,925	(2,186)	81,821	28,854	636	(1,798)	109,513
Operating income	40,682	262	-	40,944	11,622	222	-	52,788
Nonoperating revenues (expenses)								
Interest on debt	(5,791)	(845)	-	(6,636)	(3,794)	(109)	-	(10,539)
Investment income	706	27	-	733	223	1	-	957
Allowance for funds used during construction	599	-	-	599	832	12	-	1,443
Other nonoperating income, net	353	26	-	379	205	-	-	584
Earnings from The Energy Authority	593	-	-	593	-	-	-	593
Other interest, net	(25)	-	-	(25)	(1)	-	-	(26)
Total nonoperating expenses, net	(3,565)	(792)	-	(4,357)	(2,535)	(96)	-	(6,988)
Income before contributions	37,117	(530)	-	36,587	9,087	126	-	45,800
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,822)	-	-	(7,822)	(2,079)	-	-	(9,901)
Developers and other	-	-	-	-	9,932	-	-	9,932
Reduction of plant cost through contributions	-	-	-	-	(6,995)	-	-	(6,995)
Total contributions, net	(7,822)	-	-	(7,822)	858	-	-	(6,964)
Change in net position	29,295	(530)	-	28,765	9,945	126	-	38,836
Net position, beginning of period	1,286,877	88,974	-	1,375,851	1,761,463	6,160	-	3,143,474
Net position, end of period	\$ 1,316,172	\$ 88,444	\$ -	\$ 1,404,616	\$ 1,771,408	\$ 6,286	\$ -	\$ 3,182,310

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

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 82,243	\$ -	\$ -	\$ 82,243	\$ -	\$ -	\$ (315)	\$ 81,928
Electric - fuel and purchased power	37,285	1,789	(1,643)	37,431	-	-	(1,187)	36,244
Water and sewer	-	-	-	-	39,617	-	(39)	39,578
District energy system	-	-	-	-	-	922	(40)	882
Other operating revenues	1,889	-	-	1,889	1,154	-	(287)	2,756
Total operating revenues	121,417	1,789	(1,643)	121,563	40,771	922	(1,868)	161,388
Operating expenses								
Operations and maintenance:								
Fuel	28,178	7	-	28,185	-	-	-	28,185
Purchased power	13,872	-	(1,643)	12,229	-	-	-	12,229
Maintenance and other operating expenses	20,369	579	-	20,948	12,962	473	(1,868)	32,515
Depreciation	16,624	35	-	16,659	13,172	201	-	30,032
State utility and franchise taxes	6,032	-	-	6,032	971	-	-	7,003
Recognition of deferred costs and revenues, net	(133)	1,171	-	1,038	471	-	-	1,509
Total operating expenses	84,942	1,792	(1,643)	85,091	27,576	674	(1,868)	111,473
Operating income	36,475	(3)	-	36,472	13,195	248	-	49,915
Nonoperating revenues (expenses)								
Interest on debt	(6,541)	(870)	-	(7,411)	(4,356)	(113)	-	(11,880)
Investment income	743	616	-	1,359	475	14	-	1,848
Allowance for funds used during construction	706	-	-	706	924	2	-	1,632
Other nonoperating income, net	436	28	-	464	747	-	-	1,211
Earnings from The Energy Authority	250	-	-	250	-	-	-	250
Other interest, net	(37)	-	-	(37)	(2)	-	-	(39)
Total nonoperating expenses, net	(4,443)	(226)	-	(4,669)	(2,212)	(97)	-	(6,978)
Income before contributions	32,032	(229)	-	31,803	10,983	151	-	42,937
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,746)	-	-	(7,746)	(2,058)	-	-	(9,804)
Developers and other	118	-	-	118	9,760	-	-	9,878
Reduction of plant cost through contributions	(118)	-	-	(118)	(7,096)	-	-	(7,214)
Total contributions, net	(7,746)	-	-	(7,746)	606	-	-	(7,140)
Change in net position	24,286	(229)	-	24,057	11,589	151	-	35,797
Net position, beginning of period, as restated	1,144,344	98,160	-	1,242,504	1,648,062	5,738	-	2,896,304
Net position, end of period	\$ 1,168,630	\$ 97,931	\$ -	\$ 1,266,561	\$ 1,659,651	\$ 5,889	\$ -	\$ 2,932,101

Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the ten months ended July 2020

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 712,464	\$ -	\$ -	\$ 712,464	\$ -	\$ -	\$ (2,771)	\$ 709,693
Electric - fuel and purchased power	272,668	20,773	(20,773)	272,668	-	-	(10,424)	262,244
Water and sewer	-	-	-	-	393,657	-	(193)	393,464
District energy system	-	-	-	-	-	6,765	(280)	6,485
Other operating revenues	18,825	(282)	-	18,543	11,719	-	(2,302)	27,960
Total operating revenues	1,003,957	20,491	(20,773)	1,003,675	405,376	6,765	(15,970)	1,399,846
Operating expenses								
Operations and maintenance:								
Fuel	231,623	-	-	231,623	-	-	-	231,623
Purchased power	89,253	-	(20,773)	68,480	-	-	-	68,480
Maintenance and other operating expenses	199,959	12,664	-	212,623	136,273	3,573	(15,970)	336,499
Depreciation	168,644	342	-	168,986	132,497	2,056	-	303,539
State utility and franchise taxes	47,077	-	-	47,077	9,141	-	-	56,218
Recognition of deferred costs and revenues, net	7,933	10,562	-	18,495	5,531	-	-	24,026
Total operating expenses	744,489	23,568	(20,773)	747,284	283,442	5,629	(15,970)	1,020,385
Operating income	259,468	(3,077)	-	256,391	121,934	1,136	-	379,461
Nonoperating revenues (expenses)								
Interest on debt	(65,151)	(8,445)	-	(73,596)	(43,272)	(1,093)	-	(117,961)
Investment income	8,147	1,772	-	9,919	4,141	56	-	14,116
Allowance for funds used during construction	6,530	-	-	6,530	10,511	54	-	17,095
Other nonoperating income, net	3,497	264	-	3,761	2,309	-	-	6,070
Earnings from The Energy Authority	2,471	-	-	2,471	-	-	-	2,471
Other interest, net	334	-	-	334	356	-	-	690
Total nonoperating expenses, net	(44,172)	(6,409)	-	(50,581)	(25,955)	(983)	-	(77,519)
Income before contributions	215,296	(9,486)	-	205,810	95,979	153	-	301,942
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(78,226)	-	-	(78,226)	(20,794)	-	-	(99,020)
Developers and other	1,096	-	-	1,096	87,759	-	-	88,855
Reduction of plant cost through contributions	(1,096)	-	-	(1,096)	(61,104)	-	-	(62,200)
Total contributions, net	(78,226)	-	-	(78,226)	5,861	-	-	(72,365)
Change in net position	137,070	(9,486)	-	127,584	101,840	153	-	229,577
Net position, beginning of year	1,179,102	97,930	-	1,277,032	1,669,568	6,133	-	2,952,733
Net position, end of period	\$ 1,316,172	\$ 88,444	\$ -	\$ 1,404,616	\$ 1,771,408	\$ 6,286	\$ -	\$ 3,182,310

Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the ten months ended July 2019

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 677,950	\$ -	\$ -	\$ 677,950	\$ -	\$ -	\$ (2,857)	\$ 675,093
Electric - fuel and purchased power	359,767	23,990	(22,347)	361,410	-	-	(10,749)	350,661
Water and sewer	-	-	-	-	370,532	-	(401)	370,131
District energy system	-	-	-	-	-	6,998	(310)	6,688
Other operating revenues	18,979	459	-	19,438	10,726	3	(2,791)	27,376
Total operating revenues	1,056,696	24,449	(22,347)	1,058,798	381,258	7,001	(17,108)	1,429,949
Operating expenses								
Operations and maintenance:								
Fuel	272,691	4,669	-	277,360	-	-	-	277,360
Purchased power	135,645	-	(22,347)	113,298	-	-	-	113,298
Maintenance and other operating expenses	204,578	3,009	-	207,587	129,253	3,637	(17,108)	323,369
Depreciation	173,886	342	-	174,228	126,064	2,037	-	302,329
State utility and franchise taxes	49,153	-	-	49,153	8,978	-	-	58,131
Recognition of deferred costs and revenues, net	(1,433)	11,717	-	10,284	7,823	-	-	18,107
Total operating expenses	834,520	19,737	(22,347)	831,910	272,118	5,674	(17,108)	1,092,594
Operating income	222,176	4,712	-	226,888	109,140	1,327	-	337,355
Nonoperating revenues (expenses)								
Interest on debt	(70,364)	(8,698)	-	(79,062)	(45,820)	(1,123)	-	(126,005)
Investment income	18,269	3,998	-	22,267	11,582	127	-	33,976
Allowance for funds used during construction	4,861	-	-	4,861	8,077	25	-	12,963
Other nonoperating income, net	3,643	286	-	3,929	3,377	-	-	7,306
Earnings from The Energy Authority	1,995	-	-	1,995	-	-	-	1,995
Other interest, net	(1,307)	-	-	(1,307)	(73)	-	-	(1,380)
Total nonoperating expenses, net	(42,903)	(4,414)	-	(47,317)	(22,857)	(971)	-	(71,145)
Income before contributions	179,273	298	-	179,571	86,283	356	-	266,210
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(77,460)	-	-	(77,460)	(35,734)	-	-	(113,194)
Developers and other	4,767	-	-	4,767	73,423	-	-	78,190
Reduction of plant cost through contributions	(4,767)	-	-	(4,767)	(49,647)	-	-	(54,414)
Total contributions, net	(77,460)	-	-	(77,460)	(11,958)	-	-	(89,418)
Change in net position	101,813	298	-	102,111	74,325	356	-	176,792
Net position, beginning of year, as restated	1,066,817	97,633	-	1,164,450	1,585,326	5,533	-	2,755,309
Net position, end of period	\$ 1,168,630	\$ 97,931	\$ -	\$ 1,266,561	\$ 1,659,651	\$ 5,889	\$ -	\$ 2,932,101

Combining Statement of Cash Flows

(in thousands - unaudited) for the ten months ended July 2020

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating activities								
Receipts from customers	\$ 954,383	\$ 25,313	\$ (21,671)	\$ 958,025	\$ 385,815	\$ 6,919	\$ (13,668)	\$ 1,337,091
Payments to suppliers	(433,513)	(14,385)	21,671	(426,227)	(88,600)	(3,078)	15,970	(501,935)
Payments for salaries and benefits	(152,365)	(8,246)	-	(160,611)	(61,337)	(611)	-	(222,559)
Other operating activities	21,349	(282)	-	21,067	12,347	-	(2,302)	31,112
Net cash provided by operating activities	389,854	2,400	-	392,254	248,225	3,230	-	643,709
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(78,149)	-	-	(78,149)	(20,795)	-	-	(98,944)
Net cash used in noncapital and related financing activities	(78,149)	-	-	(78,149)	(20,795)	-	-	(98,944)
Capital and related financing activities								
Defeasance of debt	(320,935)	-	-	(320,935)	(202,115)	-	-	(523,050)
Proceeds received from debt	221,670	-	-	221,670	130,590	-	-	352,260
Acquisition and construction of capital assets	(170,974)	-	-	(170,974)	(166,009)	(3,603)	-	(340,586)
Repayment of debt principal	(122,380)	(13,780)	-	(136,160)	(54,705)	(1,690)	-	(192,555)
Interest paid on debt	(79,775)	(10,786)	-	(90,561)	(57,382)	(1,313)	-	(149,256)
Capital contributions	-	-	-	-	26,655	-	-	26,655
Other capital financing activities	44,867	159	-	45,026	24,753	-	-	69,779
Net cash used in capital and related financing activities	(427,527)	(24,407)	-	(451,934)	(298,213)	(6,606)	-	(756,753)
Investing activities								
Purchase of investments	(176,474)	(23,820)	-	(200,294)	(26,462)	-	-	(226,756)
Proceeds from sale and maturity of investments	167,973	23,767	-	191,740	53,372	-	-	245,112
Investment income	6,254	1,780	-	8,034	2,611	56	-	10,701
Distributions from The Energy Authority	1,593	-	-	1,593	-	-	-	1,593
Net cash provided by (used in) investing activities	(654)	1,727	-	1,073	29,521	56	-	30,650
Net change in cash and cash equivalents	(116,476)	(20,280)	-	(136,756)	(41,262)	(3,320)	-	(181,338)
Cash and cash equivalents at beginning of year	356,655	161,592	-	518,247	153,732	8,243	-	680,222
Cash and cash equivalents at end of period	\$ 240,179	\$ 141,312	\$ -	\$ 381,491	\$ 112,470	\$ 4,923	\$ -	\$ 498,884
Reconciliation of operating income to net cash provided by operating activities								
Operating income	\$ 259,468	\$ (3,077)	\$ -	\$ 256,391	\$ 121,934	\$ 1,136	\$ -	\$ 379,461
Adjustments:								
Depreciation and amortization	168,644	342	-	168,986	133,471	2,056	-	304,513
Recognition of deferred costs and revenues, net	7,933	10,562	-	18,495	5,531	-	-	24,026
Other nonoperating income, net	90	-	-	90	262	-	-	352
Changes in noncash assets and noncash liabilities:								
Accounts receivable	175	84	-	259	(198)	154	-	215
Inventories	(4,119)	106	-	(4,013)	(2,418)	-	-	(6,431)
Other assets	(6,336)	-	-	(6,336)	33	(5)	-	(6,308)
Accounts and accrued expenses payable	(12,419)	1,352	-	(11,067)	(3,568)	(151)	-	(14,786)
Current liabilities payable from restricted assets	-	(5,246)	-	(5,246)	-	-	-	(5,246)
Other noncurrent liabilities and deferred inflows	(23,582)	(1,723)	-	(25,305)	(6,822)	40	-	(32,087)
Net cash provided by operating activities	\$ 389,854	\$ 2,400	\$ -	\$ 392,254	\$ 248,225	\$ 3,230	\$ -	\$ 643,709
Noncash activity								
Contribution of capital assets from developers	\$ 1,096	\$ -	\$ -	\$ 1,096	\$ 61,104	\$ -	\$ -	\$ 62,200
Unrealized investment fair market value changes, net	\$ 1,831	\$ -	\$ -	\$ 1,831	\$ 1,378	\$ -	\$ -	\$ 3,209

Combining Statement of Cash Flows

(in thousands - unaudited) for the ten months ended July 2019

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating activities								
Receipts from customers	\$ 1,004,831	\$ 24,715	\$ (24,407)	\$ 1,005,139	\$ 372,083	\$ 6,976	\$ (14,317)	\$ 1,369,881
Payments to suppliers	(551,719)	(10,550)	24,407	(537,862)	(87,458)	(3,187)	17,108	(611,399)
Payments for salaries and benefits	(141,913)	41	-	(141,872)	(54,968)	(494)	-	(197,334)
Other operating activities	20,046	459	-	20,505	10,736	3	(2,791)	28,453
Net cash provided by operating activities	331,245	14,665	-	345,910	240,393	3,298	-	589,601
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(77,337)	-	-	(77,337)	(35,781)	-	-	(113,118)
Net cash used in noncapital and related financing activities	(77,337)	-	-	(77,337)	(35,781)	-	-	(113,118)
Capital and related financing activities								
Defeasance of debt	(100,090)	-	-	(100,090)	(94,955)	-	-	(195,045)
Proceeds received from debt	-	-	-	-	2,000	-	-	2,000
Acquisition and construction of capital assets	(213,321)	-	-	(213,321)	(154,000)	(679)	-	(368,000)
Repayment of debt principal	(130,690)	(1,720)	-	(132,410)	(51,720)	(1,660)	-	(185,790)
Interest paid on debt	(88,413)	(11,167)	-	(99,580)	(63,406)	(1,345)	-	(164,331)
Capital contributions	-	-	-	-	23,776	-	-	23,776
Other capital financing activities	(4,712)	172	-	(4,540)	(2,867)	-	-	(7,407)
Net cash used in capital and related financing activities	(537,226)	(12,715)	-	(549,941)	(341,172)	(3,684)	-	(894,797)
Investing activities								
Purchase of investments	(234,322)	(97,635)	-	(331,957)	(82,023)	-	-	(413,980)
Proceeds from sale and maturity of investments	349,285	109,769	-	459,054	171,966	-	-	631,020
Investment income	10,168	3,991	-	14,159	5,741	127	-	20,027
Distributions from The Energy Authority	1,816	-	-	1,816	-	-	-	1,816
Net cash provided by investing activities	126,947	16,125	-	143,072	95,684	127	-	238,883
Net change in cash and cash equivalents	(156,371)	18,075	-	(138,296)	(40,876)	(259)	-	(179,431)
Cash and cash equivalents at beginning of year	285,814	139,953	-	425,767	123,061	6,954	-	555,782
Cash and cash equivalents at end of period	\$ 129,443	\$ 158,028	\$ -	\$ 287,471	\$ 82,185	\$ 6,695	\$ -	\$ 376,351
Reconciliation of operating income to net cash provided by operating activities								
Operating income	\$ 222,176	\$ 4,712	\$ -	\$ 226,888	\$ 109,140	\$ 1,327	\$ -	\$ 337,355
Adjustments:								
Depreciation and amortization	173,886	342	-	174,228	127,084	2,037	-	303,349
Recognition of deferred costs and revenues, net	(1,433)	11,717	-	10,284	7,823	-	-	18,107
Other nonoperating income (loss), net	118	-	-	118	1,312	-	-	1,430
Changes in noncash assets and noncash liabilities:								
Accounts receivable	10,067	(6,025)	-	4,042	(3,380)	(22)	-	640
Inventories	855	1,491	-	2,346	(2,357)	-	-	(11)
Other assets	1,831	-	-	1,831	(91)	(3)	-	1,737
Accounts and accrued expenses payable	(32,958)	2,093	-	(30,865)	(2,220)	(30)	-	(33,115)
Current liabilities payable from restricted assets	-	(4,036)	-	(4,036)	-	-	-	(4,036)
Other noncurrent liabilities and deferred inflows	(43,297)	4,371	-	(38,926)	3,082	(11)	-	(35,855)
Net cash provided by operating activities	\$ 331,245	\$ 14,665	\$ -	\$ 345,910	\$ 240,393	\$ 3,298	\$ -	\$ 589,601
Noncash activity								
Contribution of capital assets from developers	\$ 4,767	\$ -	\$ -	\$ 4,767	\$ 49,647	\$ -	\$ -	\$ 54,414
Unrealized investment fair market value changes, net	\$ 7,887	\$ 61	\$ -	\$ 7,948	\$ 5,497	\$ -	\$ -	\$ 13,445

	Month July		Year-to-Date July	
	2020	2019	2020	2019
Electric System				
Senior debt service coverage, (annual minimum 1.20x)	14.93 x	8.31 x	10.29 x	6.10 x
Senior and subordinated debt service coverage, (annual minimum 1.15x)	6.53 x	3.58 x	4.64 x	2.63 x
Bulk Power Supply System				
Debt service coverage, (annual minimum 1.15x)	1.48 x	1.17 x	2.05 x	2.16 x
St. Johns River Power Park, Second Resolution				
Debt service coverage, (annual minimum 1.15x)	1.13 x	1.17 x	1.14 x	1.20 x
Water and Sewer System				
Senior debt service coverage, (annual minimum 1.25x)	5.87 x	4.05 x	5.79 x	3.55 x
Senior and subordinated debt service coverage excluding capacity fees ⁽¹⁾	4.73 x	3.11 x	4.67 x	2.73 x
Senior and subordinated debt service coverage including capacity fees ⁽¹⁾	5.27 x	3.40 x	5.14 x	2.98 x
District Energy System				
Debt service coverage, (annual minimum 1.15x)	1.70 x	1.84 x	1.29 x	2.47 x

⁽¹⁾ 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).

	Month July			Year-to-Date July		
	2020	2019	Variance	2020	2019	Variance
Electric revenues sales (000s omitted):						
Residential	\$ 71,514	\$ 65,737	8.79%	\$ 492,733	\$ 501,613	-1.77%
Commercial	35,908	37,062	-3.11%	299,613	320,235	-6.44%
Industrial	17,260	16,739	3.11%	153,625	160,798	-4.46%
Public street lighting	1,142	1,118	2.15%	11,136	10,955	1.65%
Electric revenues - territorial	125,824	120,656	4.28%	957,107	993,601	-3.67%
Sales for resale - off system	252	143	76.22%	1,657	3,431	-51.71%
Electric revenues	126,076	120,799	4.37%	958,764	997,032	-3.84%
Rate stabilization & recovery	(4,236)	(1,102)	284.39%	28,628	41,918	-31.70%
Allowance for doubtful accounts	(619)	(169)	266.27%	(2,260)	(1,233)	83.29%
Net electric revenues	121,221	119,528	1.42%	985,132	1,037,717	-5.07%
MWh sales						
Residential	635,980	582,360	9.21%	4,406,462	4,386,786	0.45%
Commercial	379,721	388,792	-2.33%	3,151,844	3,292,503	-4.27%
Industrial	245,855	242,193	1.51%	2,209,206	2,237,979	-1.29%
Public street lighting	4,816	4,996	-3.60%	46,660	48,075	-2.94%
Total MWh sales - territorial	1,266,372	1,218,341	3.94%	9,814,172	9,965,343	-1.52%
Sales for resale - off system	1,127	3,486	-67.67%	17,550	86,793	-79.78%
Total MWh sales	1,267,499	1,221,827	3.74%	9,831,722	10,052,136	-2.19%
Number of accounts (1)						
Residential	430,384	421,230	2.17%	426,602	418,034	2.05%
Commercial	53,774	53,243	1.00%	53,504	52,955	1.04%
Industrial	196	192	2.08%	196	195	0.51%
Public street lighting	3,946	3,886	1.54%	3,924	3,845	2.05%
Total average accounts	488,300	478,551	2.04%	484,226	475,029	1.94%
Residential averages						
Revenue per account - \$	166.16	156.06	6.47%	1,155.02	1,199.93	-3.74%
kWh per account	1,478	1,383	6.88%	10,329	10,494	-1.57%
Revenue per kWh - ¢	11.24	11.29	-0.38%	11.18	11.43	-2.21%
Degree days						
Heating degree days	-	-	-	822	972	(150)
Cooling degree days	541	550	(9)	2,230	2,259	(29)
Total degree days	541	550	(9)	3,052	3,231	(179)
Degree days - 30 year average	536			3,097		

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

	Month July			Year-to-Date July		
	2020	2019	Variance	2020	2019	Variance
Water						
<i>Revenues (000s omitted):</i>						
Residential	\$ 8,821	\$ 8,587	2.73%	\$ 83,576	\$ 80,425	3.92%
Commercial and industrial	3,994	4,117	-2.99%	38,912	39,284	-0.95%
Irrigation	3,408	3,610	-5.60%	29,540	28,824	2.48%
Total water revenues	16,223	16,314	-0.56%	152,028	148,533	2.35%
Rate stabilization	(511)	(349)	46.42%	2,932	(1,437)	-304.04%
Allowance for doubtful accounts	(76)	(20)	280.00%	(395)	(172)	129.65%
Net water revenues	\$ 15,636	\$ 15,945	-1.94%	\$ 154,565	\$ 146,924	5.20%
<i>Kgal sales (000s omitted)</i>						
Residential	1,792,677	1,628,511	10.08%	15,823,758	14,894,151	6.24%
Commercial and industrial	1,239,323	1,253,571	-1.14%	11,192,773	11,408,949	-1.89%
Irrigation	610,279	641,342	-4.84%	5,010,469	4,805,716	4.26%
Total kgal sales	3,642,279	3,523,424	3.37%	32,027,000	31,108,816	2.95%
<i>Number of accounts (1):</i>						
Residential	302,502	294,428	2.74%	299,177	291,842	2.51%
Commercial and industrial	26,287	26,044	0.93%	26,171	25,941	0.89%
Irrigation	37,769	37,360	1.09%	37,483	37,176	0.83%
Total average accounts	366,558	357,832	2.44%	362,831	354,959	2.22%
<i>Residential averages:</i>						
Revenue per account - \$	29.16	29.17	-0.03%	279.35	275.58	1.37%
Kgals per account	5.93	5.53	7.23%	52.89	51.03	3.64%
Revenue per kgals - \$	4.92	5.27	-6.64%	5.28	5.40	-2.22%
Sewer						
<i>Revenues (000s omitted):</i>						
Residential	\$ 13,340	\$ 12,617	5.73%	\$ 126,774	\$ 120,807	4.94%
Commercial and industrial	9,415	9,619	-2.12%	90,863	90,698	0.18%
Total sewer revenues	22,755	22,236	2.33%	217,637	211,505	2.90%
Rate stabilization	(795)	(527)	50.85%	4,534	(2,187)	-307.32%
Allowance for doubtful accounts	(112)	(30)	273.33%	(592)	(258)	129.46%
Net sewer revenues	21,848	21,679	0.78%	221,579	209,060	5.99%
<i>Kgal sales (000s omitted)</i>						
Residential	1,559,532	1,416,551	10.09%	13,771,591	12,924,366	6.56%
Commercial and industrial	1,048,021	1,058,552	-0.99%	9,752,352	9,775,534	-0.24%
Total kgal sales	2,607,553	2,475,103	5.35%	23,523,943	22,699,900	3.63%
<i>Number of accounts (1):</i>						
Residential	268,969	261,211	2.97%	265,780	258,707	2.73%
Commercial and industrial	18,705	18,555	0.81%	18,633	18,493	0.76%
Total average accounts	287,674	279,766	2.83%	284,413	277,200	2.60%
<i>Residential averages:</i>						
Revenue per account - \$	49.60	48.30	2.69%	476.99	466.96	2.15%
kgals per account	5.80	5.42	7.01%	51.82	49.96	3.72%
Revenue per kgals - \$	8.55	8.91	-4.04%	9.21	9.35	-1.50%
Reuse						
<i>Revenues (000s omitted):</i>						
Reuse revenues	\$ 2,177	\$ 1,993	9.23%	\$ 17,513	\$ 14,548	20.38%
<i>Kgal sales (000s omitted)</i>						
Reuse sales (kgals)	473,586	453,793	4.36%	3,678,266	3,125,331	17.69%
<i>Number of accounts (1):</i>						
Reuse accounts	17,828	15,077	18.25%	16,814	14,034	19.81%
Rainfall						
	Diff in inches			Diff in inches		
Normal	6.55	6.55		37.40	37.40	
Actual	5.86	5.29	0.57	41.30	33.73	7.57
Rain Days	15	15	-	87	98	(11)

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

Appendix

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

	Electric System and Bulk Power Supply	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Unrestricted cash and investments						
Operations	\$ 16,925	\$ 37,192	\$ 54,117	\$ 14,454	\$ 1,767	\$ 70,338
Rate stabilization:						
Fuel	67,108	-	67,108	-	-	67,108
Environmental	22,115	-	22,115	22,430	-	44,545
Purchased Power	40,661	-	40,661	-	-	40,661
DSM/Conservation	5,389	-	5,389	-	-	5,389
Total rate stabilization funds	135,273	-	135,273	22,430	-	157,703
Customer deposits	43,332	-	43,332	17,549	-	60,881
General reserve	-	20,692	20,692	-	-	20,692
Self insurance reserve funds:						
Self funded health plan	11,035	-	11,035	-	-	11,035
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	21,035	-	21,035	-	-	21,035
Environmental liability reserve	16,568	-	16,568	-	-	16,568
Total unrestricted cash and investments	\$ 233,133	\$ 57,884	\$ 291,017	\$ 54,433	\$ 1,767	\$ 347,217
Restricted assets						
Renewal and replacement funds	\$ 114,186	\$ 40,649	\$ 154,835	\$ 49,496	\$ 1,287	\$ 205,618
Debt service reserve account	55,844	10,544	66,388	58,591	-	124,979
Debt service funds	71,279	14,964	86,243	30,539	1,869	118,651
Construction funds	601	-	601	26,356	-	26,957
Environmental funds	98	-	98	429	-	527
Subtotal	242,008	66,157	308,165	165,411	3,156	476,732
Unrealized holding gain (loss) on investments	6,219	107	6,326	5,603	-	11,929
Other funds	-	30,506	30,506	-	-	30,506
Total restricted cash and investments	\$ 248,227	\$ 96,770	\$ 344,997	\$ 171,014	\$ 3,156	\$ 519,167

Schedule of Cash and Investments
(in thousands) September 2019

	Electric System and Bulk Power Supply	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Unrestricted cash and investments						
Operations	\$ 35,605	\$ 49,322	\$ 84,927	\$ 17,961	\$ 1,489	\$ 104,377
Rate stabilization:						
Fuel	47,152	-	47,152	-	-	47,152
Debt management	29,884	-	29,884	14,209	-	44,093
Environmental	25,632	-	25,632	15,687	-	41,319
Purchased Power	56,870	-	56,870	-	-	56,870
DSM/Conservation	4,363	-	4,363	-	-	4,363
Total rate stabilization funds	163,901	-	163,901	29,896	-	193,797
Customer deposits	44,785	-	44,785	16,289	-	61,074
General reserve	-	19,811	19,811	-	-	19,811
Self insurance reserve funds:						
Self funded health plan	11,210	-	11,210	-	-	11,210
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	21,210	-	21,210	-	-	21,210
Environmental liability reserve	16,568	-	16,568	-	-	16,568
Total unrestricted cash and investments	\$ 282,069	\$ 69,133	\$ 351,202	\$ 64,146	\$ 1,489	\$ 416,837
Restricted assets						
Renewal and replacement funds	\$ 81,964	\$ 46,955	\$ 128,919	\$ 48,796	\$ 4,398	\$ 182,113
Debt service reserve account	65,433	10,973	76,406	63,441	-	139,847
Debt service funds	153,650	19,635	173,285	80,775	2,356	256,416
Construction funds	-	-	-	28,968	-	28,968
Environmental funds	-	-	-	1,891	-	1,891
Subtotal	301,047	77,563	378,610	223,871	6,754	609,235
Unrealized holding gain (loss) on investments	4,388	107	4,495	4,225	-	8,720
Other funds	-	28,079	28,079	-	-	28,079
Total restricted cash and investments	\$ 305,435	\$ 105,749	\$ 411,184	\$ 228,096	\$ 6,754	\$ 646,034

JEA
INVESTMENT PORTFOLIO REPORT
July 2020
(unaudited)
All Funds

Page 20

INVESTMENT	BOOK VALUE	YIELD	% OF TOTAL
* Treasuries	\$ 9,988,281	1.56%	1.17%
Federal Home Loan Bank	110,880,466	2.28%	13.01%
Municipal Bonds	132,312,995	3.15%	15.52%
Commercial Paper	102,811,123	1.23%	12.06%
U.S. Treasury Money Market Funds (1)	187,573,072	0.11%	22.01%
Agency Money Market Funds (2)	72,575,000	0.11%	8.51%
PALM Money Market Fund	40,500,000	0.37%	4.75%
Florida Prime Fund	107,968,000	0.43%	12.67%
Wells Fargo Bank Accounts (3)			
Electric, Scherer	52,473,810	0.00%	6.16%
SJRPP	18,124,344	0.00%	2.13%
Water & Sewer, DES	17,147,718	0.00%	2.01%
Total Portfolio	\$ 852,354,809	1.07%	100.00%

* Backed by Full Faith and Credit of U. S. Government

Weighted Avg. Annual Yield for July 2020, Excluding Bank & Money Market Funds: 2.28%

Weighted Avg. Annual Yield for July 2020, Including Bank & Money Market Funds: 1.07%

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

(1) Treasury Funds: Federated, Fidelity, and Goldman Sachs

(2) State Street Government Fund

(3) Month-end bank balances

JEA
Schedule of Outstanding Indebtedness
July 2020

Page 21

	Interest Rates	Principal Payment Dates	Par Amount Principal Outstanding	Current Portion of Long-Term Debt
Electric Enterprise				
<i>Electric System</i>				
Fixed Rate Senior	3.375-6.056%	2020-2044	485,165,000	18,555,000
Fixed Rate Subordinated	3.000-6.406%	2020-2039	536,235,000	35,730,000
Variable Rate Senior	0.182-0.648%	2020-2040	454,935,000	6,505,000
Variable Rate Subordinated	0.181-0.350%	2021-2038	132,420,000	-
Total Electric System	<u>2.686% (wtd avg)</u>	<u>2020-2044</u>	<u>1,608,755,000</u>	<u>60,790,000</u>
<i>Bulk Power Supply System</i>				
Fixed Rate Senior	2.000-5.920%	2020-2038	88,860,000	6,975,000
<i>St. Johns River Power Park</i>				
Fixed Rate Senior	2.000-5.450%	2020-2039	265,105,000	13,340,000
Total Electric Enterprise	<u>2.895% (wtd avg)</u>	<u>2020-2044</u>	<u>1,962,720,000</u>	<u>81,105,000</u>
Water and Sewer System				
Fixed Rate Senior	2.000-6.310%	2020-2044	908,235,000	8,375,000
Fixed Rate Subordinated	2.750-5.000%	2023-2034	88,845,000	-
Variable Rate Senior	0.136-3.474%	2020-2042	156,220,000	9,195,000
Variable Rate Subordinated	0.117-0.193%	2020-2038	103,135,000	2,300,000
Other Obligations	1.328%	2021	5,000,000	-
Total Water and Sewer System	<u>3.212% (wtd avg)</u>	<u>2020-2044</u>	<u>1,261,435,000</u>	<u>19,870,000</u>
District Energy System				
Fixed Rate Senior	2.415 - 4.538%	2020-2034	33,135,000	1,725,000
Total JEA	<u>3.031% (wtd avg)</u>	<u>2020-2044</u>	<u>3,257,290,000</u>	<u>102,700,000</u>

JEA
Debt Ratio
July 2020

	Current YTD	Year End Target
Electric Enterprise	60.9%	62.1%
Water and Sewer System	41.7%	42.0%

JEA
Interest Rate Swap Position Report
July 2020
(unaudited)

Page 22

JEA Debt Management Swaps Variable to Fixed

ID	Dealer	Effective Date	Termination Date	Electric	Water/Sewer Allocation	Fixed Rate	Floating Rate (1)	Spread	Rate Cap	Index
				System Allocation						
1	Goldman Sachs	9/18/2003	9/16/2033	\$ 84,800,000	\$ -	3.717	0.116	3.601	n/a	68% 1 mth Libor
3	Morgan Stanley	1/27/2005	10/1/2039	82,575,000	-	4.351	0.148	4.203	n/a	SIFMA
4	JPMorgan	1/27/2005	10/1/2035	84,775,000	-	3.661	0.116	3.545	n/a	68% 1 mth Libor
6	JPMorgan	1/27/2005	10/1/2037	39,175,000	-	3.716	0.116	3.600	n/a	68% 1 mth Libor
7	Morgan Stanley	10/31/2006	10/1/2022	-	19,110,000	4.054	3.474	0.580	n/a	CPI
8	Morgan Stanley	1/31/2007	10/1/2031	62,980,000	-	3.907	0.148	3.759	n/a	SIFMA
9	Merrill Lynch	3/8/2007	10/1/2041	-	85,290,000	3.895	0.148	3.747	n/a	SIFMA
10	Goldman Sachs	1/31/2008	10/1/2036	51,680,000	-	3.836	0.148	3.688	n/a	SIFMA
Total				<u>\$ 405,985,000</u>	<u>\$ 104,400,000</u>	Wtd Avg Spread		<u>3.629</u>		

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

	Month			Year-to-Date						
	July			July						
	2020	2019	Variance	2020	2019	Variance				
Generated power:										
Steam:										
<i>Fuel oil</i>										
Fuel expense	\$	-	\$	-	\$	265,308	\$	375,462	-29.34%	
Barrels #6 oil consumed		-		-		2,447		3,513	-30.34%	
\$/ per barrel consumed	\$	-	\$	-	\$	108.42	\$	106.88	1.44%	
kWh oil generated (1)		(134)		-		1,201,444		1,220,989	-1.60%	
Cost per MWh - oil	\$	-	\$	-	\$	220.82	\$	307.51	-28.19%	
<i>Natural gas units #1-3</i>										
Gas expense - variable	\$	3,749,245	\$	4,665,308	-19.64%	\$	36,949,935	\$	51,893,927	-28.80%
MMBTU's consumed		2,202,216		1,921,551	14.61%		18,327,061		16,759,159	9.36%
\$/ per MMBTU consumed	\$	1.70	\$	2.43	-29.88%	\$	2.02	\$	3.10	-34.89%
kWh - gas generated (1)		200,054,989		176,915,246	13.08%		1,682,785,492		1,565,191,973	7.51%
Cost per MWh - gas	\$	18.74	\$	26.37	-28.93%	\$	21.96	\$	33.15	-33.77%
Cost per MWh - gas & oil - steam	\$	18.74	\$	26.37	-28.93%	\$	22.10	\$	33.37	-33.77%
<i>Coal</i>										
Coal expense	\$	2,834,350	\$	1,706,028	66.14%	\$	15,227,678	\$	21,791,849	-30.12%
kWh generated		116,499,243		61,923,557	88.13%		618,318,074		571,922,569	8.11%
Cost per MWh - coal	\$	24.33	\$	27.55	-11.69%	\$	24.63	\$	38.10	-35.37%
<i>Pet coke and limestone</i>										
Expense	\$	5,482,104	\$	2,868,215	91.13%	\$	31,219,051	\$	35,834,281	-12.88%
kWh generated		211,170,326		93,387,578	126.12%		1,262,536,150		1,018,585,566	23.95%
Cost per MWh - pet coke and limestone	\$	25.96	\$	30.71	-15.47%	\$	24.73	\$	35.18	-29.71%
Cost per MWh - coal & petcoke - steam	\$	25.38	\$	29.45	-13.82%	\$	24.69	\$	36.23	-31.84%
Combustion turbine:										
<i>Fuel oil</i>										
Fuel expense	\$	192,076	\$	95,257	101.64%	\$	1,567,068	\$	1,280,413	22.39%
Barrels #2 oil consumed		1,602		542	195.57%		12,693		8,812	44.04%
\$/ per barrel consumed	\$	119.90	\$	175.75	-31.78%	\$	123.46	\$	145.30	-15.03%
kWh - oil generated		573,241		116,869	390.50%		4,745,134		2,966,791	59.94%
Cost per MWh - oil	\$	335.07	\$	815.07	-58.89%	\$	330.25	\$	431.58	-23.48%
<i>Natural gas (includes landfill)</i>										
Gas expense Kennedy & landfill - variable	\$	399,712	\$	702,513	-43.10%	\$	2,058,268	\$	5,261,610	-60.88%
MMBTU's consumed		234,904		288,386	-18.55%		971,570		1,751,418	-44.53%
\$/ per MMBTU consumed	\$	1.70	\$	2.44	-30.15%	\$	2.12	\$	3.00	-29.48%
kWh - gas generated (1)		20,483,949		25,608,366	-20.01%		82,264,889		154,393,665	-46.72%
Cost per MWh - gas	\$	19.51	\$	27.43	-28.87%	\$	25.02	\$	34.08	-26.58%
Gas expense BB simple - variable	\$	601,876	\$	482,861	24.65%	\$	2,713,020	\$	4,992,524	-45.66%
MMBTU's consumed		385,028		199,003	93.48%		1,591,687		1,640,206	-2.96%
\$/ per MMBTU consumed	\$	1.56	\$	2.43	-35.58%	\$	1.70	\$	3.04	-44.00%
kWh - gas generated (1)		36,496,050		17,727,343	105.87%		157,743,141		146,828,946	7.43%
Cost per MWh - gas simple	\$	16.49	\$	27.24	-39.45%	\$	17.20	\$	34.00	-49.42%
Gas expense BB combined - variable	\$	4,993,355	\$	7,221,257	-30.85%	\$	55,662,755	\$	61,095,940	-8.89%
MMBTU's consumed		2,877,112		2,968,193	-3.07%		27,158,654		18,768,345	44.70%
\$/ per MMBTU consumed	\$	1.74	\$	2.43	-28.66%	\$	2.05	\$	3.26	-37.04%
kWh - gas generated (1)		425,717,569		430,607,598	-1.14%		4,048,301,193		2,726,010,308	48.51%
Cost per MWh - gas combined	\$	11.73	\$	16.77	-30.06%	\$	13.75	\$	22.41	-38.65%
Gas expense GEC simple - variable	\$	2,371,725	\$	1,631,250	45.39%	\$	9,590,859	\$	10,671,427	-10.13%
MMBTU's consumed		1,217,731		669,808	81.80%		4,421,612		3,826,731	15.55%
\$/ per MMBTU consumed	\$	1.95	\$	2.44	-20.03%	\$	2.17	\$	2.79	-22.22%
kWh - gas generated		109,125,022		61,412,303	77.69%		400,954,603		347,949,419	15.23%
Cost per MWh - gas simple	\$	21.73	\$	26.56	-18.18%	\$	23.92	\$	30.67	-22.01%
Cost per MWh - gas & oil ct	\$	14.45	\$	18.92	-23.65%	\$	15.25	\$	24.66	-38.15%
Natural gas expense - fixed	\$	3,519,073	\$	3,246,013	8.41%	\$	32,554,555	\$	33,170,622	-1.86%
Total generated power:										
Fuels expense	\$	24,143,516	\$	22,618,702	6.74%	\$	187,808,497	\$	226,368,055	-17.03%
kWh generated		1,120,120,255		867,698,860	29.09%		8,258,850,120		6,535,070,226	26.38%
Cost per MWh	\$	21.55	\$	26.07	-17.31%	\$	22.74	\$	34.64	-34.35%

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

	Month July			Year-to-Date July		
	2020	2019	Variance	2020	2019	Variance
Production Statistics (Continued)						
Cost of fuels						
Natural gas	\$ 15,634,986	\$ 17,949,202	-12.89%	\$ 139,529,392	\$ 167,086,050	-16.49%
Petcoke	5,482,104	2,868,215	91.13%	31,219,051	35,834,281	-12.88%
Coal	2,834,350	1,706,028	66.14%	15,227,678	21,791,849	-30.12%
Fuel oil #2	192,076	95,257	101.64%	1,567,068	1,280,413	22.39%
Fuel oil #6	-	-		265,308	375,462	-29.34%
Total	\$ 24,143,516	\$ 22,618,702	6.74%	\$ 187,808,497	\$ 226,368,055	-17.03%
Purchased power:						
<i>Plant Scherer</i>						
Purchases	\$ 3,799,054	\$ 4,608,376	-17.56%	\$ 37,024,079	\$ 53,594,227	-30.92%
kWh purchased	61,465,000	112,947,000	-45.58%	523,547,000	1,177,624,000	-55.54%
Cost per MWh	\$ 61.81	\$ 40.80	51.49%	\$ 70.72	\$ 45.51	55.39%
<i>TEA & other</i>						
Purchases	\$ 8,058,847	\$ 12,228,414	-34.10%	\$ 68,479,105	\$ 113,297,630	-39.56%
kWh purchased	129,135,206	297,837,327	-56.64%	1,392,248,170	2,738,839,726	-49.17%
Cost per MWh	\$ 62.41	\$ 41.06	52.00%	\$ 49.19	\$ 41.37	18.90%
<i>SJRPP</i>						
Purchases	\$ 2,186,333	\$ 1,643,252	33.05%	\$ 20,773,307	\$ 22,346,795	-7.04%
kWh purchased	-	-		-	-	
Cost per MWh	-	-		-	-	
Total purchased power:						
Purchases	\$ 14,044,234	\$ 18,480,042	-24.00%	\$ 126,276,491	\$ 189,238,652	-33.27%
kWh purchased	190,600,206	410,784,327	-53.60%	1,915,795,170	3,916,463,726	-51.08%
Cost per MWh	\$ 73.68	\$ 44.99	63.79%	\$ 65.91	\$ 48.32	36.41%
Subtotal - generated and purchased power:	\$ 38,187,750	\$ 41,098,744	-7.08%	\$ 314,084,988	\$ 415,606,707	-24.43%
Fuel interchange sales	882,324	(89,790)	-1082.65%	(417,081)	(2,916,965)	-85.70%
Earnings of The Energy Authority	(592,386)	(249,186)	137.73%	(2,470,791)	(1,997,017)	23.72%
EPA Allowance Purchases	-	-		(17,000)	-	
Realized and Unrealized (Gains) Losses	1,683,300	986,420	70.65%	14,396,610	(1,998,200)	-820.48%
Fuel procurement and handling	1,058,454	1,016,898	4.09%	10,992,150	11,195,530	-1.82%
By product reuse	292,679	286,234	2.25%	3,154,619	4,932,300	-36.04%
Total generated and net purchased power:						
Cost, net	41,512,121	43,049,320	-3.57%	339,723,495	424,822,355	-20.03%
kWh generated and purchased	1,310,720,461	1,278,483,187	2.52%	10,174,645,290	10,451,533,952	-2.65%
Cost per MWh	\$ 31.67	\$ 33.67	-5.94%	\$ 33.39	\$ 40.65	-17.86%
Reconciliation:						
Generated and purchased power per above	\$ 41,512,121	\$ 31.67		\$ 339,723,495	\$ 33.39	
<i>SJRPP operating expenses:</i>						
SJRPP O & M	-	-		520	0.00	
SJRPP debt service	(1,941,886)	(1.48)		(18,329,352)	(1.80)	
SJRPP R & R	(244,447)	(0.19)		(2,444,474)	(0.24)	
<i>Scherer operating expenses:</i>						
Scherer power production	(581,308)	(0.44)		(7,235,675)	(0.71)	
Scherer R & R	(390,376)	(0.30)		(8,624,695)	(0.85)	
Scherer transmission	(665,422)	(0.51)		(4,733,813)	(0.47)	
Scherer taxes	(110,140)	(0.08)		(1,142,044)	(0.11)	
Florida and other capacity	(678,352)	(0.52)		(8,752,886)	(0.86)	
MEAG	(2,175,011)	(1.66)		(16,209,084)	(1.59)	
Rounding	(2)	(0.00)		(1)	(0.00)	
Energy expense per budget page	\$ 34,725,177	\$ 26.49		\$ 272,251,991	\$ 26.76	

Electric System	Month				Prior Year Month	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
Budget vs. Actual	2019-20	2019-20	2019-20	%	2018-19	%
July 2020 and 2019 (unaudited)						
Fuel Related Revenues & Expenses						
Fuel Rate Revenues	\$ 410,912,768	\$ 42,134,752	\$ 40,846,816	-3.06%	\$ 39,285,048	3.98%
Fuel Expense and Purchased Power:						
Fuel Expense - Electric System	297,844,914	30,646,776	27,177,948		24,908,254	
Other Purchased Power	94,282,216	9,369,304	7,547,229		12,274,300	
Subtotal Energy Expense	392,127,130	40,016,080	34,725,177	13.22%	37,182,554	6.61%
Transfer to (from) Rate Stabilization, Net	18,169,269	2,067,308	5,910,191		2,033,312	
Fuel Related Uncollectibles	616,369	51,364	211,448		69,182	
Total	410,912,768	42,134,752	40,846,816	3.06%	39,285,048	-3.98%
Fuel Balance	-	-	-		-	
Nonfuel Related Revenues						
Base Rate Revenues	791,145,587	81,123,600	78,929,508		74,479,881	
Conservation Charge Revenue	768,600	78,812	215,035		169,763	
Environmental Charge Revenue	7,814,100	801,253	777,620		748,968	
Investment Income	11,378,365	948,197	706,026		742,780	
Natural Gas Revenue Pass Through	1,000,000	83,333	44,357		56,514	
Other Revenues	51,779,028	2,209,093	1,832,330		2,241,246	
Total	863,885,680	85,244,288	82,504,876	-3.21%	78,439,152	5.18%
Nonfuel Related Expenses						
Non-Fuel O&M	267,651,025	15,636,420	16,531,019		13,157,153	
DSM / Conservation O&M	8,072,869	703,878	417,727		863,066	
Environmental O&M	2,027,284	165,743	116,701		45,571	
Rate Stabilization - DSM	(899,269)	(74,375)	433,332		(67,152)	
Rate Stabilization - Environmental	5,786,816	482,364	67,131		703,397	
Natural Gas Expense Pass Through	960,991	78,841	49,578		56,128	
Debt Principal - Electric System	60,790,000	5,065,833	5,065,833		9,685,833	
Debt Interest - Electric System	77,259,892	6,438,324	5,687,870		6,471,887	
Bond Buy-Back Principal - Electric System	25,269,913	-	-		-	
R&R - Electric System	65,623,650	5,468,637	5,468,637		5,370,642	
Operating Capital Outlay	175,125,724	35,000,000	35,000,000		24,000,000	
Operating Capital Outlay - Environmental	-	-	593,788		-	
City Contribution Expense	93,870,968	7,822,581	7,822,581		7,746,012	
Taxes & Uncollectibles	1,399,517	116,626	407,054		135,909	
Emergency Reserve	5,000,000	-	-		-	
Nonfuel Purchased Power:						
* SJRPP D/S Principal	13,340,000	1,111,667	1,111,667		1,148,333	
* SJRPP D/S Interest	10,444,195	870,350	843,913		898,688	
** Other Non-Fuel Purchased Power	52,162,105	4,162,849	3,497,941		7,903,056	
Total Nonfuel Expenses	863,885,680	83,049,738	83,114,772	-0.08%	78,118,523	-6.40%
Non-Fuel Balance	-	2,194,550	(609,896)		320,629	
Total Balance	-	2,194,550	(609,896)		320,629	
Total Revenues	1,274,798,448	127,379,040	123,351,692	-3.16%	117,724,200	4.78%
Total Expenses	1,274,798,448	125,184,490	123,961,588	0.98%	117,403,571	-5.59%
KWH Sold - Territorial	12,810,000,000	1,313,530,000	1,266,372,377	-3.59%	1,218,340,990	3.94%
KWH Sold - Off System	-	-	1,127,000		3,486,000	
	12,810,000,000	1,313,530,000	1,267,499,377	-3.50%	1,221,826,990	3.74%

* Gross debt service

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

Electric System	Year-to-Date				Prior Year-to-Date	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
Budget vs. Actual	2019-20	2019-20	2019-20	%	2018-19	%
July 2020 and 2019 (unaudited)						
Fuel Related Revenues & Expenses						
Fuel Rate Revenues	\$ 410,912,768	\$ 332,547,030	\$ 292,953,397	-11.91%	\$ 321,105,224	-8.77%
Fuel Expense and Purchased Power:						
Fuel Expense - Electric System	297,844,914	242,061,457	216,334,876		240,497,685	
Other Purchased Power	94,282,216	76,815,493	55,917,115		116,307,733	
Subtotal Energy Expense	392,127,130	318,876,950	272,251,991	14.62%	356,805,418	23.70%
Transfer to (from) Rate Stabilization, Net	18,169,269	13,156,439	19,956,863		(36,152,002)	
Fuel Related Uncollectibles	616,369	513,641	744,543		451,808	
Total	410,912,768	332,547,030	292,953,397	11.91%	321,105,224	8.77%
Fuel Balance	-	-	-		-	
Nonfuel Related Revenues						
Base Rate Revenues	791,145,587	640,265,126	611,891,429		617,314,116	
Conservation Charge Revenue	768,600	622,019	565,764		599,764	
Environmental Charge Revenue	7,814,100	6,323,862	6,016,114		6,106,018	
Investment Income	11,378,365	9,481,971	6,316,537		10,379,115	
Natural Gas Revenue Pass Through	1,000,000	833,333	539,154		584,871	
Other Revenues	51,779,028	47,360,842	44,592,346		130,662,084	
Total	863,885,680	704,887,153	669,921,344	-4.96%	765,645,968	-12.50%
Nonfuel Related Expenses						
Non-Fuel O&M	267,651,025	207,261,568	167,040,248		171,464,797	
DSM / Conservation O&M	8,072,869	6,728,715	4,439,557		4,648,102	
Environmental O&M	2,027,284	1,684,098	872,416		1,775,257	
Rate Stabilization - DSM	(899,269)	(743,752)	1,025,482		960,910	
Rate Stabilization - Environmental	5,786,816	4,823,116	(3,517,416)		4,330,761	
Natural Gas Expense Pass Through	960,991	798,343	615,493		655,761	
Debt Principal - Electric System	60,790,000	50,658,333	50,658,334		96,858,334	
Debt Interest - Electric System	77,259,892	64,383,243	60,644,121		69,475,207	
Bond Buy-Back Principal - Electric System	25,269,913	25,269,913	55,154,065		108,694,829	
Rate Stabilization - Debt Management	-	-	(29,884,152)		-	
R&R - Electric System	65,623,650	54,686,375	54,686,375		53,706,417	
Operating Capital Outlay	175,125,724	157,000,000	157,000,000		104,000,000	
Operating Capital Outlay - Environmental	-	-	8,661,115		-	
City Contribution Expense	93,870,968	78,225,807	78,225,807		77,460,123	
Taxes & Uncollectibles	1,399,517	1,166,264	1,720,776		1,030,543	
Emergency Reserve	5,000,000	-	-		-	
* SJRPP D/S Principal	13,340,000	11,116,667	11,116,667		11,483,333	
* SJRPP D/S Interest	10,444,195	8,703,496	8,439,129		8,986,877	
** Other Non-Fuel Purchased Power	52,162,105	43,836,405	42,332,502		49,254,075	
Total Nonfuel Expenses	863,885,680	715,598,591	669,230,519	6.48%	764,785,326	12.49%
Non-Fuel Balance	-	(10,711,438)	690,825		860,642	
Total Balance	-	(10,711,438)	690,825		860,642	
Total Revenues	1,274,798,448	1,037,434,183	962,874,741	-7.19%	1,086,751,192	-11.40%
Total Expenses	1,274,798,448	1,048,145,621	962,183,916	8.20%	1,085,890,550	11.39%
KWH Sold - Territorial	12,810,000,000	10,366,988,000	9,814,172,144	-5.33%	9,965,342,095	-1.52%
KWH Sold - Off System	-	-	17,550,000	-5.16%	86,793,000	-2.19%
	12,810,000,000	10,366,988,000	9,831,722,144		10,052,135,095	

* Gross debt service

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

Water and Sewer System

Budget vs. Actual July 2020 and 2019 (unaudited)	Month				Prior Year Month	
	ANNUAL BUDGET 2019-20	BUDGET 2019-20	ACTUAL 2019-20	Variance %	ACTUAL 2018-19	Variance %
REVENUES						
Water & Sewer Revenues	\$ 450,736,934	\$ 40,911,494	\$ 40,173,221		\$ 39,570,026	
Capacity & Extension Fees	27,600,000	2,720,032	2,906,976		2,662,823	
Capital Contributions	-	-	30,000		-	
Investment Income	4,308,356	359,030	222,335		476,057	
Other Income	45,792,672	889,012	1,014,047		4,144,310	
Total	528,437,962	44,879,568	44,346,579	-1.19%	46,853,216	-5.35%
EXPENSES						
O & M Expenses	185,838,461	14,911,010	13,866,979		12,869,360	
Debt Principal - Water & Sewer	19,870,000	1,655,833	1,655,833		4,558,750	
Debt Interest - Water & Sewer	58,666,036	4,888,836	4,329,426		4,866,755	
Bond Buy-Back - Water & Sewer	33,986,631	-	-		-	
Rate Stabilization - Environmental	-	-	1,306,214		875,624	
R&R - Water & Sewer	25,138,950	2,094,913	2,094,913		1,962,696	
Operating Capital Outlay	136,914,124	14,712,602	14,712,602		15,969,326	
Operating Capital Outlay - Capacity/Extension	27,600,000	2,300,000	2,906,976		2,662,823	
Operating Capital Outlay - Contributions	-	-	30,000		-	
Operating Capital Outlay - Environmental	13,393,063	1,134,197	356,142		470,982	
City Contribution Expense	24,953,042	2,079,420	2,079,420		2,057,949	
Uncollectibles & Fees	540,884	45,074	187,091		48,899	
Interlocal Agreements	536,771	-	-		-	
Emergency Reserve	1,000,000	-	-		-	
Total Expenses	528,437,962	43,821,885	43,525,596	0.68%	46,343,164	6.08%
Total Balance	\$ -	\$ 1,057,683	\$ 820,983		\$ 510,052	
Sales kgals						
Water	39,900,000	3,760,888	3,642,279	-3.15%	3,523,424	3.37%
Sewer	33,180,000	3,069,383	3,081,139	0.38%	2,928,896	5.20%
Total	73,080,000	6,830,271	6,723,418	-1.56%	6,452,320	4.20%

Budget vs. Actual July 2020 and 2019 (unaudited)	Year-To-Date				Prior Year to Date	
	ANNUAL BUDGET 2019-20	BUDGET 2019-20	ACTUAL 2019-20	Variance %	ACTUAL 2018-19	Variance %
REVENUES						
Water & Sewer Revenues	\$ 450,736,934	\$ 373,687,930	\$ 378,036,633		\$ 365,606,741	
Capacity & Extension Fees	27,600,000	22,664,235	26,565,026		23,745,856	
Capital Contributions	-	-	90,000		29,759	
Investment Income	4,308,356	3,590,297	2,759,869		6,081,805	
Other Income	45,792,672	43,921,404	45,400,425		134,105,431	
Total	528,437,962	443,863,866	452,851,953	2.02%	529,569,592	-14.49%
EXPENSES						
O & M Expenses	185,838,461	152,338,936	132,356,570		126,680,103	
Debt Principal - Water & Sewer	19,870,000	16,558,334	16,558,334		45,587,500	
Debt Interest - Water & Sewer	58,666,036	48,888,363	45,229,303		51,352,687	
Bond Buy-Back - Water & Sewer	33,986,631	33,986,631	48,195,881		99,188,560	
Rate Stabilization - Debt Management	-	-	(14,209,250)		-	
Rate Stabilization - Environmental	-	-	6,743,192		3,623,538	
R&R - Water & Sewer	25,138,950	20,949,125	20,949,125		19,626,958	
Operating Capital Outlay	136,914,124	139,726,016	139,726,016		112,918,515	
Operating Capital Outlay - Capacity/Extension	27,600,000	23,000,000	26,565,026		23,745,856	
Operating Capital Outlay - Contributions	-	-	90,000		29,759	
Operating Capital Outlay - Environmental	13,393,063	11,124,667	5,530,806		7,823,025	
City Contribution Expense	24,953,042	20,794,202	20,794,202		20,579,490	
Uncollectibles & Fees	540,884	450,737	986,643		429,640	
Interlocal Agreements	536,771	536,771	536,771		15,521,392	
Emergency Reserve	1,000,000	-	-		-	
Total Expenses	528,437,962	468,353,782	450,052,619	3.91%	527,107,023	14.62%
Total Balance	\$ -	\$ (24,489,916)	\$ 2,799,334		\$ 2,462,569	
Sales kgals						
Water	39,900,000	33,025,371	32,027,000	-3.02%	31,108,816	2.95%
Sewer	33,180,000	27,517,100	27,202,209	-1.14%	25,825,231	5.33%
Total	73,080,000	60,542,471	59,229,209	-2.17%	56,934,047	4.03%

District Energy System

Budget vs. Actual July 2020 and 2019 (unaudited)	Month				Prior Year Month	
	ANNUAL BUDGET 2019-20	BUDGET 2019-20	ACTUAL 2019-20	Variance %	ACTUAL 2018-19	Variance %
REVENUES						
Revenues	\$ 9,044,699	\$ 901,273	\$ 857,621		\$ 921,793	
Investment Income	-	-	1,275		13,547	
Total	9,044,699	901,273	858,896	-4.70%	935,340	-8.17%
EXPENSES						
O & M Expenses	5,164,460	408,673	429,409		471,809	
Debt Principal - Water & Sewer	1,725,000	143,750	143,750		140,833	
Debt Interest - Water & Sewer	1,295,550	107,963	107,963		110,871	
Rate Stabilization - Debt Management	-	-	-		-	
R&R - Water & Sewer	589,200	49,100	49,100		36,913	
Operating Capital Outlay	270,489	-	-		-	
Total Expenses	9,044,699	709,486	730,222	-2.92%	760,426	3.97%
Total Balance	\$ -	\$ 191,787	\$ 128,674		\$ 174,914	

Budget vs. Actual July 2020 and 2019 (unaudited)	Year-To-Date				Prior-Year-to-Date	
	ANNUAL BUDGET 2019-20	BUDGET 2019-20	ACTUAL 2019-20	Variance %	ACTUAL 2018-19	Variance %
REVENUES						
Revenues	\$ 9,044,699	\$ 7,235,116	\$ 6,764,820		\$ 7,000,474	
Investment Income	-	-	56,289		126,827	
Total	9,044,699	7,235,116	6,821,109	-5.72%	7,127,301	-4.30%
EXPENSES						
O & M Expenses	5,164,460	4,227,852	3,552,622		3,629,009	
Debt Principal - Water & Sewer	1,725,000	1,437,500	1,437,500		1,408,333	
Debt Interest - Water & Sewer	1,295,550	1,079,625	1,079,625		1,108,707	
Rate Stabilization - Debt Management	-	-	-		(2,737,164)	
R&R - Water & Sewer	589,200	491,000	491,000		369,125	
Operating Capital Outlay	270,489	-	-		2,737,164	
Total Expenses	9,044,699	7,235,977	6,560,747	9.33%	6,515,174	-0.70%
Total Balance	\$ -	\$ (861)	\$ 260,362		\$ 612,127	



Monthly Financial and Operations Report

Board of Directors
August 25, 2020

FY2019

- RIR = 1.51
- # of Recordables = 32
- June Recordables = 3

FY2020

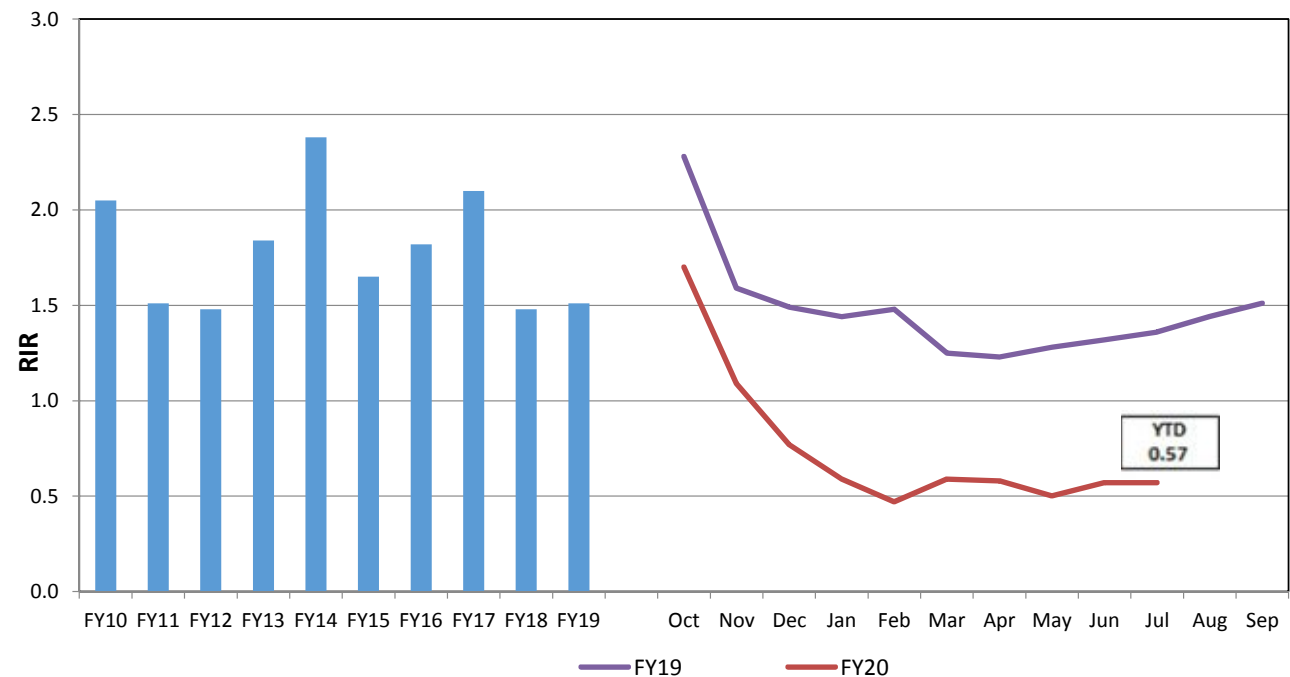
- RIR = 0.57 YTD
- FY20 YTD Recordables = 10
 - Electric Systems = 8
 - Water/Wastewater = 2
- Lost Time Incidents = 4
- July Recordables = 1
- COVID Prevention
- Safety Focused Leadership Training
- Driver Coaching

Other Industry Benchmarks*

APPA RIR 4.86 (Group H 2.48)
BLS Public 5.3; Private 1.9

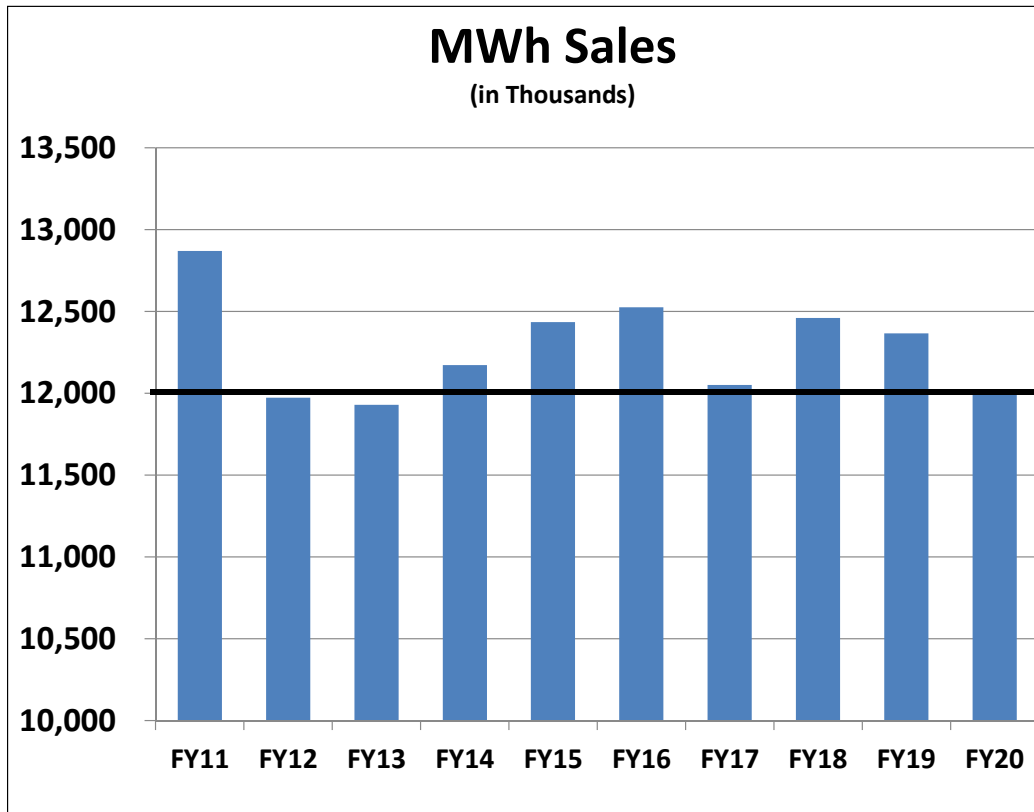
Units	FY2018	FY2019	FY2020 YTD	FY2020 Target
RIR	1.48	1.51	0.57	N/A

Safety
Recordable Incident Rate (RIR)



JEA Electric System

MWh Sales



Month	FY19	FY20	%
Oct	1,018,615	1,051,888	3%
Nov	898,455	825,249	(8%)
Dec	939,382	935,174	0%
Jan	992,410	947,721	(5%)
Feb	758,488	828,828	9%
Mar	910,894	954,440	5%
Apr	901,886	854,707	(5%)
May	1,158,217	1,032,730	(11%)
Jun	1,168,655	1,117,064	(4%)
Jul	1,218,341	1,266,372	4%
YTD	9,965,343	9,814,173	(1.5%)
Aug	1,269,178		
Sep	1,131,874		
Total/Forecast	12,366,395	12,000,000	

Unit Sales Driver: Commercial unit sales are down (4.3%) primarily driven by COVID impacted sales along with a reduction of YTD degree days

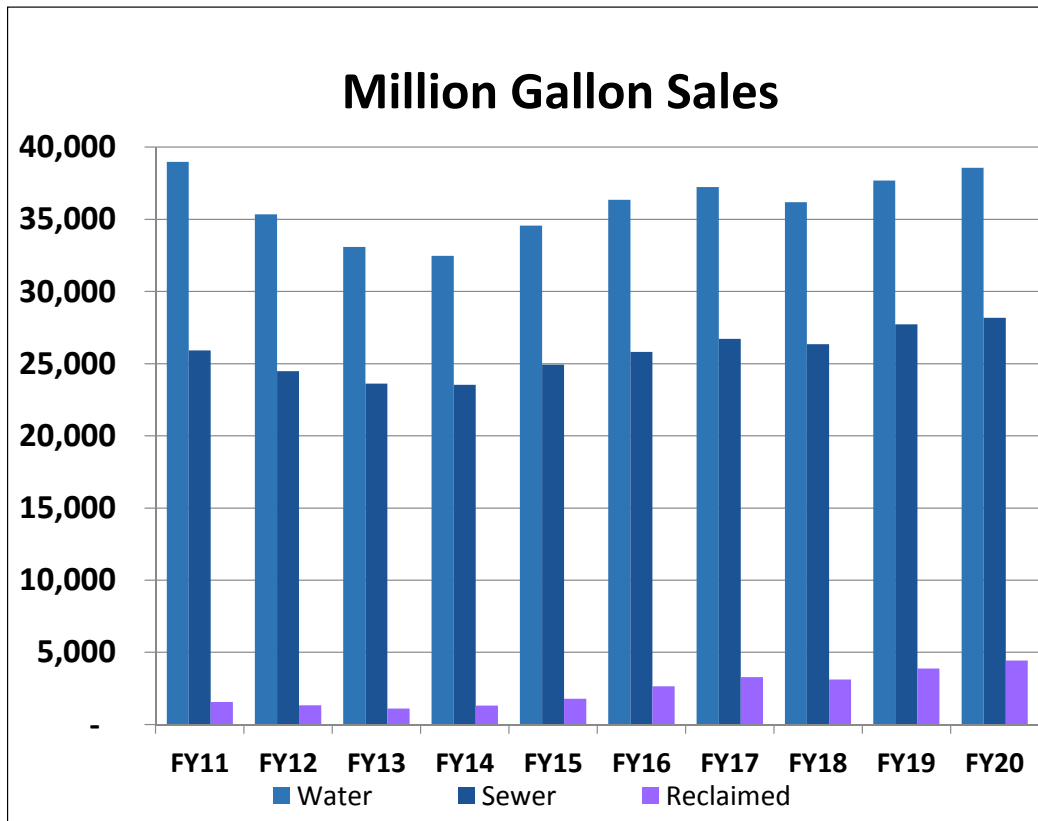
YTD Customer Accounts		
FY19	FY20	%
475,029	484,226	1.9%

YTD Degree Days			Δ
30-yr. Avg.	FY19	FY20	
3,097	3,231	3,052	(179)

Total System	(1.5%)
Residential	0.5%
Commercial	(4.3%)
Industrial	(1.3%)

JEA Water/Wastewater System

Million Gallon Sales



Month	FY19	FY20	%
Oct	3,212	3,294	3%
Nov	2,862	2,949	3%
Dec	2,793	2,934	5%
Jan	2,724	2,943	8%
Feb	2,436	2,642	8%
Mar	3,014	3,429	14%
Apr	3,046	3,068	0%
May	3,921	3,990	2%
Jun	3,577	3,135	(12%)
Jul	3,523	3,642	3%
YTD	31,109	32,026	2.9%
Aug	3,366		
Sep	3,221		
Total/Forecast	37,696	38,574	

Unit Sales Driver: 2.9% YTD increase aligned with 2.2% new accounts

YTD Customer Accounts		
FY19	FY20	%
354,959	362,831	2.2%

YTD Rain			
	30-yr. Avg.	FY19	FY20
Inches	37	34	41
Days	87	98	87

Total System	2.9%
Residential	6.2%
Commercial	(1.9%)
Industrial	4.3%

JEA Electric System

Financial Results

Revenues

Current year down \$63 million

- Fuel Credit (\$24M)
- Fuel - lower sales (\$12M)
- Base - lower sales (\$19M)
- Investment Income - (\$6M)
- Other - (\$2M)

Expenses

- Lower fuel expenses due to lower unit sales and fuel prices
- O&M expense higher by \$10M

Debt/Debt Service

- Debt service lower in FY20 due to early debt retirement extended through 2026
- Budget basis: Early debt retirement/Bond Buyback funded with prior years' capital funds and debt mgmt rate stabilization

FY20 CAPEX funded with current year revenues

\$ in millions	FY20 Forecast	FY19 Actual	Δ
Unit Sales - MWh	12,000,000	12,366,395	(398,395)
Current Year Revenues	\$1,151	\$1,214	(\$63)
Prior Period - Budget Basis	\$25	\$109	(\$84)
Total Revenues	\$1,176	\$1,323	(\$147)
Fuel Expense	\$333	\$426	(\$93)
O&M ¹	\$227	\$217	\$10
Non Fuel Purchased Power	\$75	\$101	(\$26)
Transfer to / (from) Fuel Reserve	\$30	(\$27)	\$57
Net Revenues	\$511	\$606	(\$95)
Total Debt Service	\$133	\$199	(\$66)
City Contribution	\$94	\$93	\$1
R&R and OCO	\$255	\$219	\$36
Early Debt Retirement	\$55	\$109	(\$54)
Debt Mgmt Rate Stabilization	(\$30)	\$0	(\$30)
Other Expenses ²	\$4	(\$14)	\$18
Balance	\$0	\$0	\$0
Capital Expenditures	\$210	\$286	(\$76)

¹Includes DSM and Environmental Expenses

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

JEA Water/Wastewater System

Financial Results

Revenues

- Current year up \$7 million
- Prior year revenues utilized for early debt retirement in both FY19 and FY20

Expenses

- O&M expenses increased nearly 8% due to elevated shared services costs in FY2

Debt/Debt Service

- Debt service lower in FY20 due to early debt retirement extended through 2022
- Budget basis: Early debt retirement/Bond Buyback funded with prior years' capital funds and debt mgmt rate stabilization

FY20 CAPEX funded with current year revenues

Unit sales in million gallons \$ in millions	FY20 Forecast	FY19 Actual	Δ
Unit Sales – Water	38,574	37,696	878
Unit Sales – Sewer	28,169	27,727	442
Unit Sales – Reclaim	4,426	3,884	542
System Sales Revenues	\$450	\$443	\$7
Other Revenues ¹	\$48	\$55	(\$7)
Prior Period – Surplus FY17	\$0	\$28	(\$28)
Prior Period - Budget Basis	\$34	\$99	(\$65)
Total Revenues	\$532	\$625	(\$93)
O&M	\$170	\$158	\$12
Net Revenues	\$362	\$467	(\$105)
Total Debt Service	\$72	\$121	(\$49)
City Contribution	\$25	\$40	(\$15)
R&R and OCO	\$216	\$211	\$5
Early Debt Retirement	\$48	\$99	(\$51)
Debt Mgmt Rate Stabilization	(\$14)	\$0	(\$14)
Other Expenses ²	\$11	(\$4)	\$15
Balance	\$4	\$0	\$4
Capital Expenditures	\$202	\$213	(\$11)

¹Includes Capacity Fees and Other Income

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

Key Financial Metrics

Electric System	FY20 YTD	FY20 Forecast	Target	Result	Moody's
Debt Service Coverage	4.6x	4.3x	≥ 2.2x	✓	2.2x ¹
Days Liquidity	333	353	150 to 250 days	✓	251 ¹
Days Cash on Hand	155	174	N/A	✓	223 ¹
Debt/Asset %	61%	62%	50%	✓	46% ¹
Moody's/S&P/Fitch Ratings	A2/A+/AA				A2

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

Water/Wastewater System	FY20 YTD	FY20 Forecast	Target	Result	Moody's
Debt Service Coverage	5.1x	4.7x	≥ 1.8x	✓	2.4x ²
Days Liquidity	360	359	150 to 250 days	✓	
Days Cash on Hand	184	181	N/A	✓	504 ²
Debt/Asset %	42%	42%	50%	✓	
Moody's/S&P/Fitch Ratings	A2/AA+/AA				A2

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

Combined Debt Outstanding

Electric System (ES, BPSS, SJRPP)

- Debt outstanding: \$1,963
 - \$136 decrease due to October 1st principal payments
 - \$48 decrease due to Oct 2019 defeasance
 - \$51 decrease due to Jul 2020 refunding

- Variable rate debt: \$587

Water/Sewer System

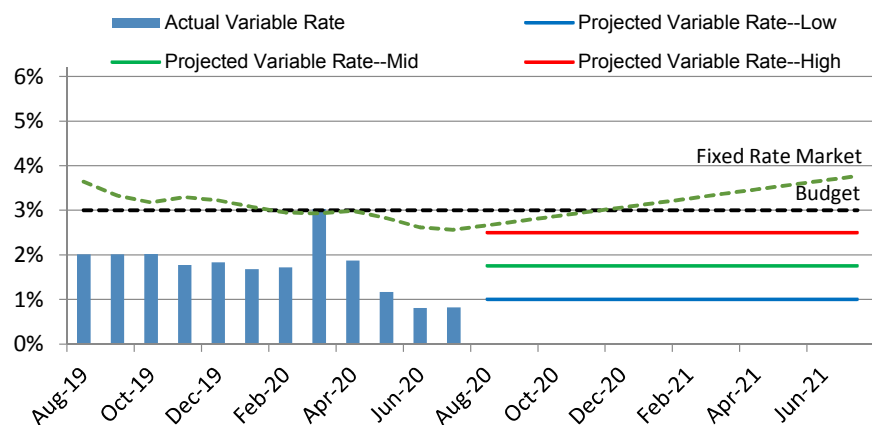
- Debt outstanding: \$1,261
 - \$56 decrease due to October 1st principal payments
 - \$45 decrease due to Oct 2019 defeasance
 - \$26 decrease due to Jul 2020 refunding
- Variable rate debt: \$264

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

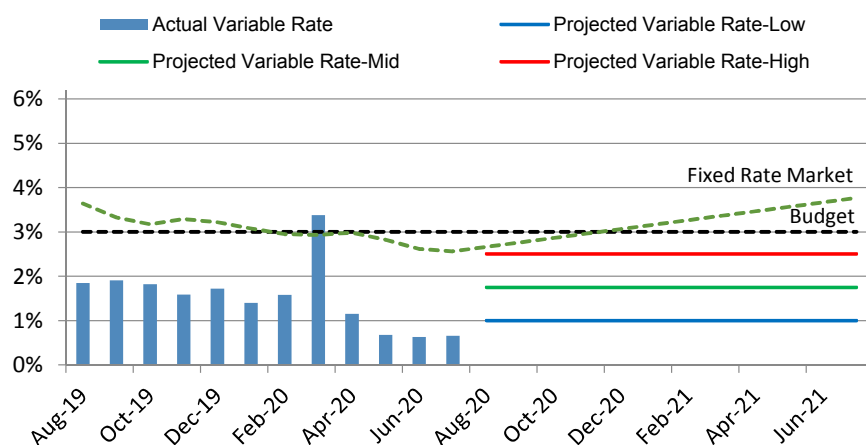
(\$ in millions)	Principal Sep 2019	Principal Jul 2020	Change	Jul 2020 Weighted Average Interest Rates
Electric System (ES)				
Fixed rate bonds	\$1,233	\$1,022	\$(211)	3.90%
Hedged variable rate bonds	406	406	--	4.51%
Unhedged variable rate bonds	185	181	(4)	0.82%
Revolving credit agreement	--	--	--	--
Total	\$1,824	\$1,609	\$(215)	3.72%
Bulk Power Supply System (BPSS)				
Fixed rate bonds	\$95	\$89	(6)	3.82%
Total	\$95	\$89	(6)	3.82%
SJRPP				
Fixed rate bonds	\$279	\$265	\$(14)	3.93%
Revolving credit agreement	--	--	--	--
Total	\$279	\$265	\$(14)	3.93%
Combined ES, BPSS and SJRPP	\$2,198	\$1,963	\$(235)	3.75%
Water and Sewer System				
Fixed rate bonds	\$1,116	\$997	\$(119)	3.89%
Hedged variable rate bonds	110	104	(6)	4.46%
Unhedged variable rate bonds	157	155	(2)	0.66%
Revolving credit agreement	5	5	--	1.33%
Total	\$1,388	\$1,261	\$(127)	3.55%
District Energy System				
Fixed rate bonds	\$35	\$33	\$(2)	4.23%
Total	\$35	\$33	\$(2)	4.23%
Total JEA Debt	\$3,621	\$3,257	\$(364)	3.67%

Variable Rate Debt Risk Analysis

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



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



Total variable rate debt of \$851 with \$510 swapped to fixed rate

Liquidity Facilities and Direct Purchase Bonds (DPBs)

Bank	Moody's/S&P/Fitch	\$ (in millions)	%
Wells Fargo Bank N.A. (100% DPBs)	Aa2/A+/AA-	\$211	26
JP Morgan Chase Bank N.A.	Aa2/A+/AA	199	24
Royal Bank of Canada	A2/AA-/AA	193	23
US Bank, N.A.	A1/AA-/AA-	142	17
Sumitomo	A1/A/A	52	6
State Street Bank	Aa3/AA-/AA	31	4
Total		\$828	

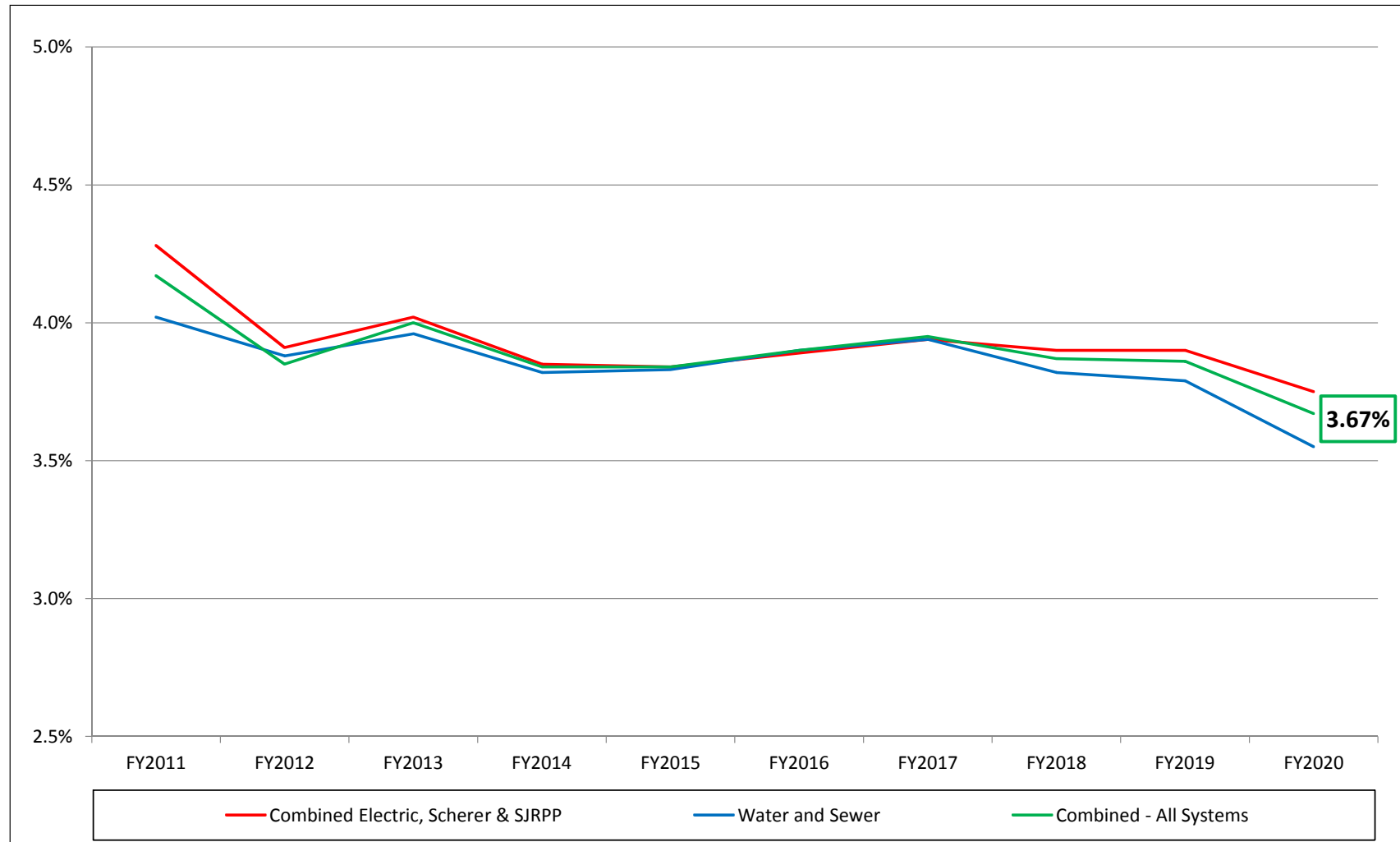
Swap Providers

Bank	Moody's/S&P/Fitch	\$ (in millions)	%
Morgan Stanley Capital Services	A3/BBB+/A	\$165	32
Goldman Sachs Mitsui Marine Derivative Products	Aa2/AA-/NR	136	27
JP Morgan Chase Bank N.A.	Aa2/A+/AA	124	24
Merrill Lynch	A2/A-/A+	85	17
Total		\$510	

Items of Interest

- Variable debt as a percentage of total debt:
 - Unhedged variable at 9% for Electric and 13% for Water and Sewer
 - Hedged variable at 21% for Electric and 8% for Water and Sewer
- Liquidity facilities / direct purchase bonds are with highly rated providers
- Next liquidity renewal in October 2020
- \$44M variable rate reserve utilized for Oct 2019 STAR Plan Phase 2

Combined Debt Outstanding Weighted Average Interest Rates*

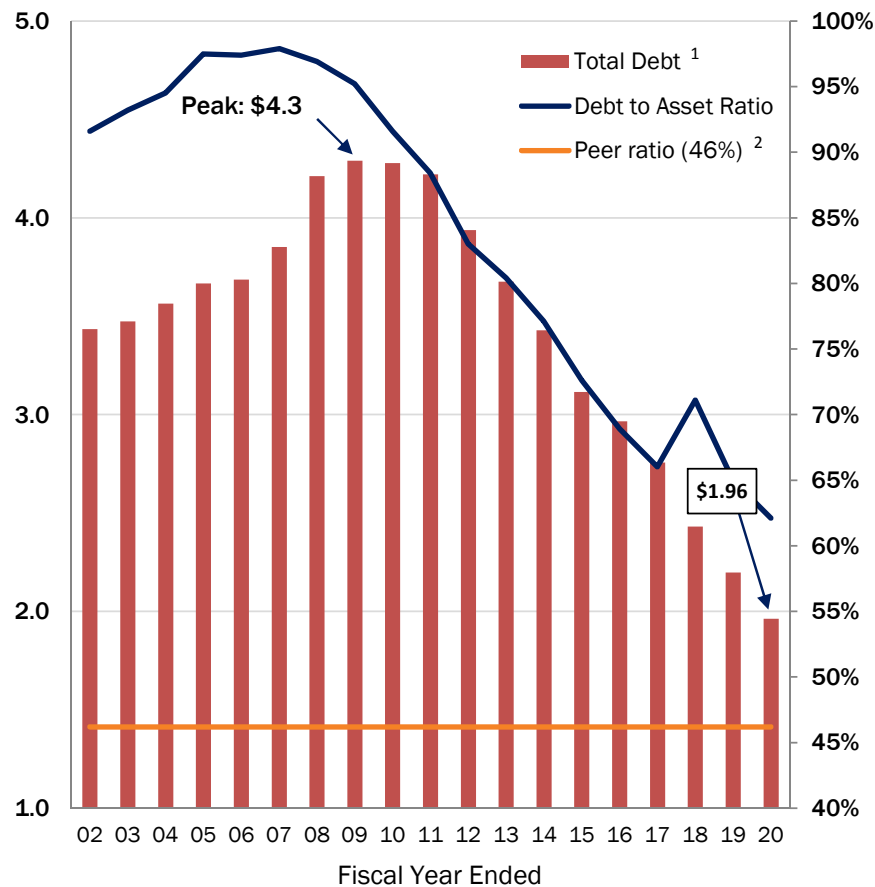


- Fiscal year end interest rates are net of BABs subsidy, original issue premiums / discounts and includes variable debt liquidity / remarketing fees and interest rate swap payments.

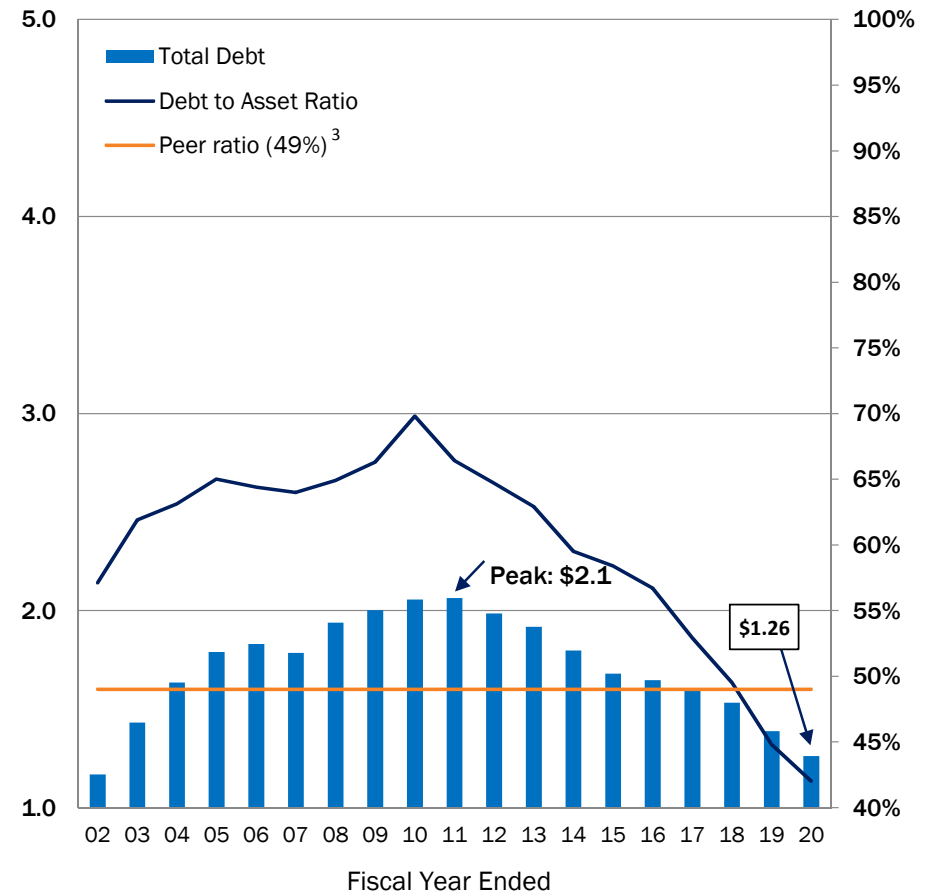
Debt and Debt to Asset Ratios

\$ in billions

Electric System



Water/Wastewater System



¹ Includes Electric System, Scherer, and SJRPP

² Per Exhibit 7 – Fiscal 2018 medians by public power utility subset and rating agency – Top 30 City Owned Generators (By Debt Outstanding – Aa-rated.)

Moody's Sector In-Depth – Public Power Utilities – US, 2019-09-11.









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

Electric System Update



Operations Scorecard

Electric System

Electric System	FY2019	FY2020 Goal	FY2020 YTD/Forecast	Status
JEA Safety RIR (total JEA)	1.51	N/A	0.57	
Sales Forecast (million MWh)	12.4	12.2	12.0	
T&D Grid Performance Customer Outage				
<i>SAIFI Frequency (outages/year per customer)</i>	1.3	1.4 - 1.6	1.1	
<i>SAIDI Duration (minutes/year per customer)</i>	65	75 - 80	75	
<i>SARFI-80 (low voltage events/year per meter)</i>	30	45	38	
<i>CEMI₅ (% of customers > 5 outages/year)</i>	0.08%	0.80%	0.11%	
Generating Plant Performance				
<i>Generation Fleet Reliability (forced outages rate)</i>	5%	2.25% – 2.5%	2.12%	
<i>Environmental Compliance (permit exceedances)</i>	0	<4	1	

Significant Occurrences or Concerns This Month

- **SAIDI:** All reliability metrics remained the same this month with the exception of SAIDI which improved.
- **CEMI₅:** High reliability at 0.11% with 553 of 510,201 customers served experienced more than 5 outages in the last 12 months
- **Environmental Permit Exceedances:** 1 YTD for sampling at Northside Generating Station
- **EFOR:** The Generation EFOR remains at target

FY2020 Electric System Update

Electric Service Reliability

- Outage frequency and duration have been reduced significantly over the last 10 years; running flat over last several years
- The typical JEA customer sees 1.1 outages per year and a total outage duration of about 75 minute

Power Quality

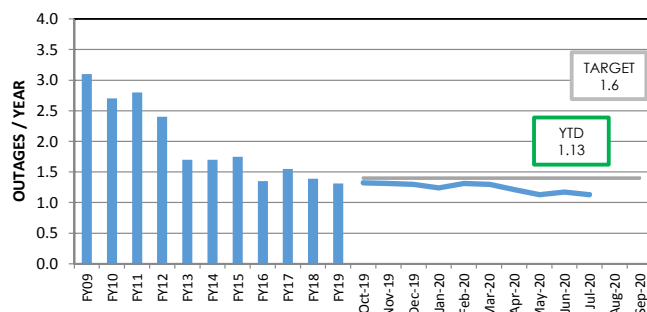
- FY20 (38.2) is better than target

CEMI-5

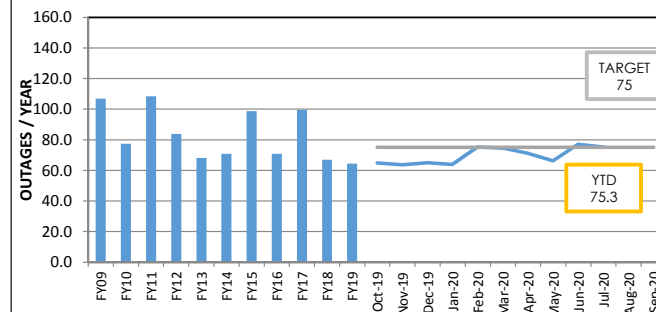
- Improvement trend over past three years for CEMI5. 553 (0.11%) of our customers have experienced more than 5 outages in the past 12 months

T&D Grid Performance	Metric	FY2018	FY2019	FY2020 Target	FY2020 YTD
Customer Outage Frequency	# of Outages per Year	1.39	1.3	1.4 - 1.6	1.13
Electric Outage Duration	# of Minutes out per Year	66.9	65	75 - 80	75.3
SARFI-80 Power Quality	low voltage events/year per meter	37.0	30.0	45	38.2
CEMI ₅	% Customers > 5 outages per yr	0.4%	0.08%	0.8%	0.11%

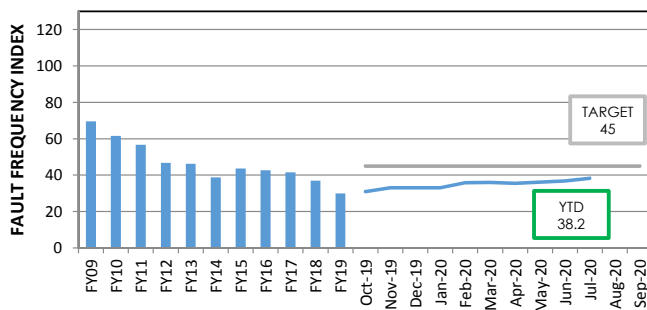
Electric Service Reliability: Outage Frequency



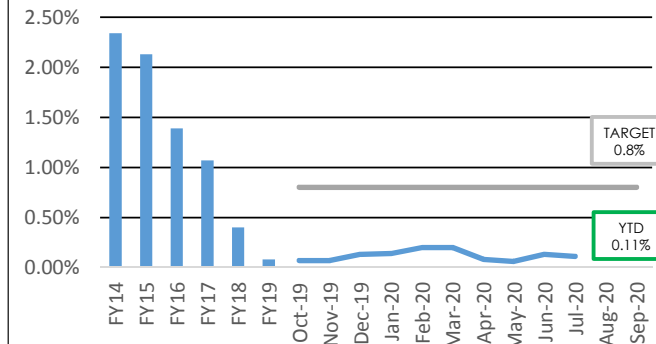
Electric Service Reliability: Outage Duration



SARFI-80 : Power Quality



CEMI-5



FY2020 Electric System Update

Environmental Compliance

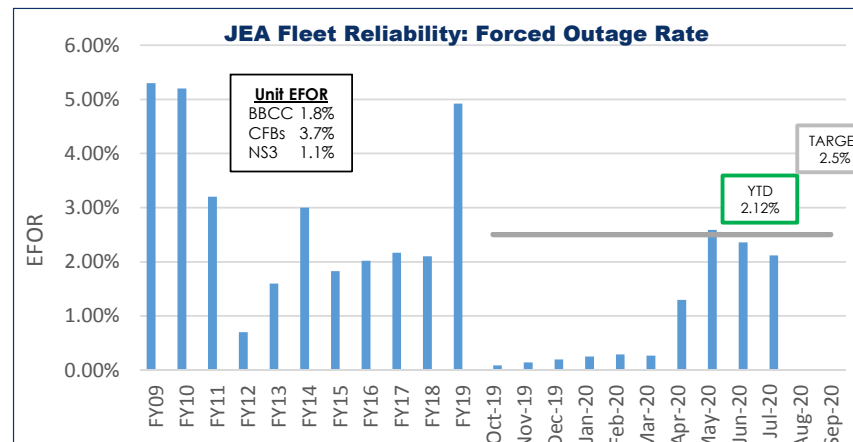
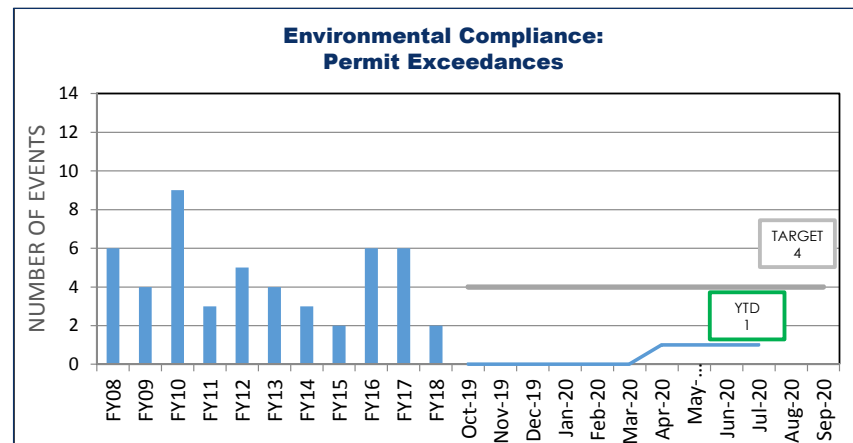
- One (1) reportable event thus far during FY2020 for sampling at Northside Generating Station
- JEA remains actively engaged in preparing for all new and emerging environmental regulations

Generating Fleet Reliability

- The JEA Fleet Forced Outage Rate remains at target for FY2020

JEA continues to show favorable trends over time across all other operational metrics

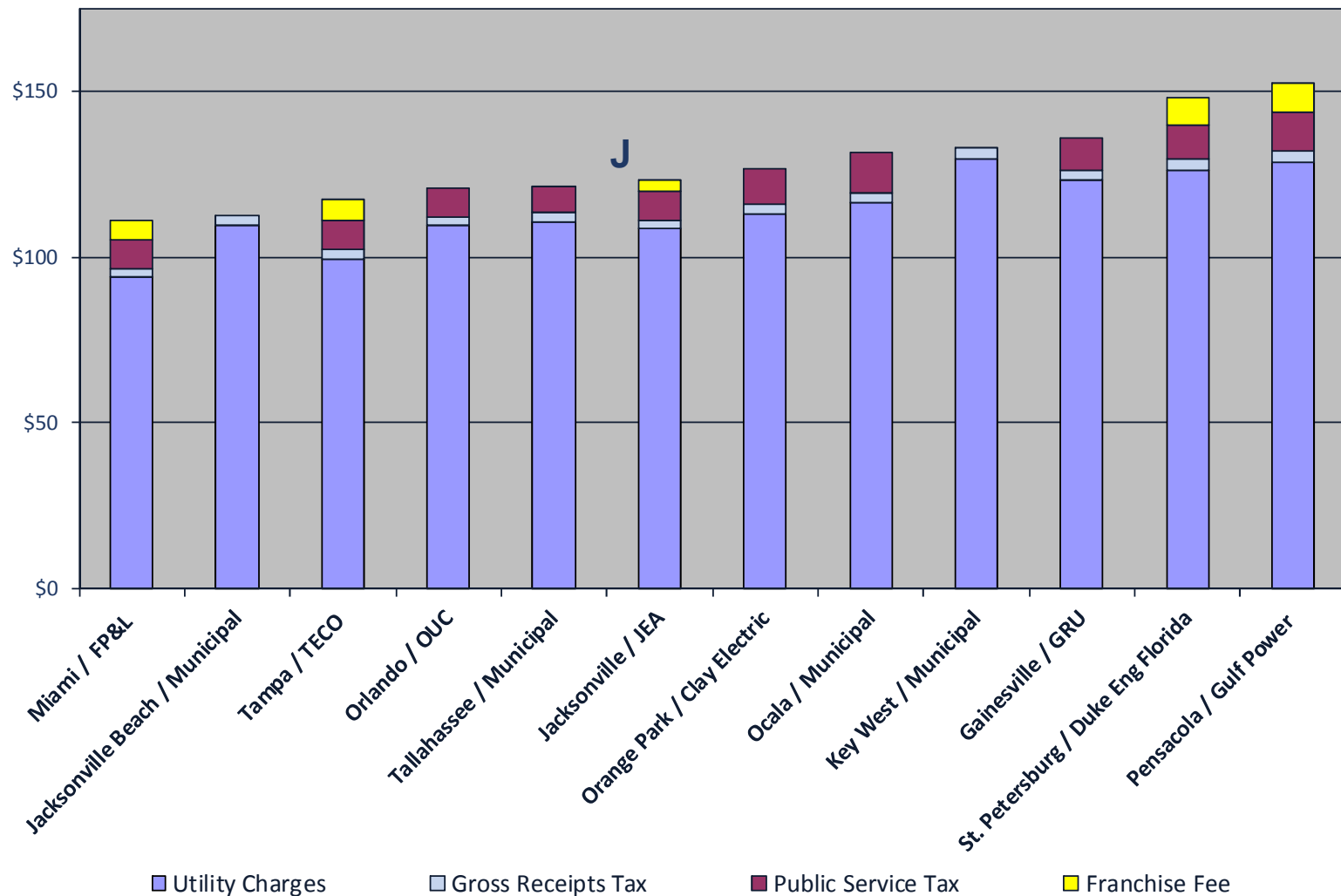
Generating Plant Performance	Metric	FY2018	FY2019	FY2020 Target	FY2020 YTD
Generation Fleet Reliability	Forced Outages Rate	2.1	4.9	2.25% - 2.50%	2.12%
Environmental Compliance	Permit Exceedances	2	0	4	1



Florida Utilities Monthly Bill Comparison - Electric

Monthly Residential Electric Bills

Consumption @ 1,000 kWh










Water/Wastewater Update



Operations Scorecard

Water/Wastewater System

Water & Wastewater	FY2019	FY2020 Goal	FY2020 YTD/Forecast	Status
JEA Safety RIR (total JEA)	1.51	N/A	0.57	
Sales Forecast (kGals in 1000's)	37,696	38,000	38,574	
Water Unplanned Outages (# cust.)	9,268	4,100	9,210	
CUP Compliance	Yes	Yes	Yes	
Nitrogen to the River (tons)	397	466	246 YTD	
Sanitary Sewer Overflows (# SSO's)	36	30	32	
Water Pressure (avg min < 30 psi)	8.8	2.0	3.6	

Significant Occurrences or Concerns This Month

- **Unplanned Water Main Outages:** 228 customers experienced unplanned outages from 11 small outages over the month of July, 45% of which were caused by 3rd party damage. We're over our target primarily due to a 24" pipe break on Race Track Road in the month of April caused by improper installation of a contractor, which impacted over 6,000 customers at one time.
- **CUP:** Average daily flow of 122 MGD is 13% below CY20 limit of 140 MGD; reclaimed usage at 20 MGD.
- **Nitrogen to River:** 246 YTD, FY20 Forecast is 324 tons. JEA has a limit of 683 tons per year and provides the COJ with 37 tons.
- **SSO's Impacting Waters of the US:** 32 YTD, with 22% caused by pipe-failures within the gravity sewer system and another 22% caused by 3rd party contractors. 0.61% YTD per 100 miles of pipe. Root cause analysis is performed on each SSO.
- **Water Pressure Average Minutes < 30 psi:** 3.6 YTD. We had a spike in the average minus water pressure <30psi to 7.2 in the month of July largely due to low pressure at 1 location in Nassau County. A suspected pipe or valve issue is being investigated by PSSC to be repaired.

FY2020 Water/Wastewater System Update System Reliability

Unplanned Water Outages

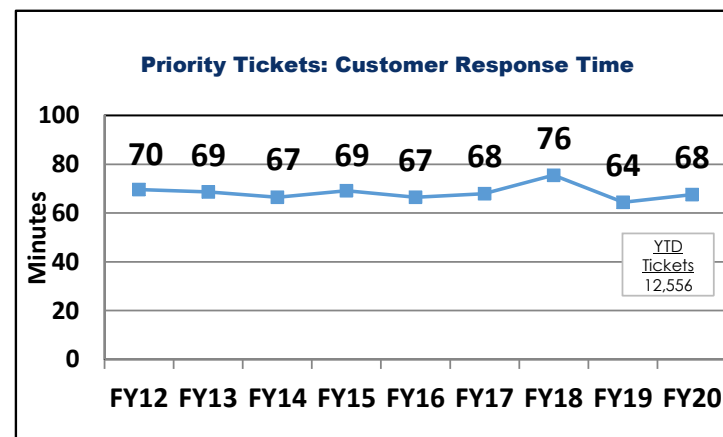
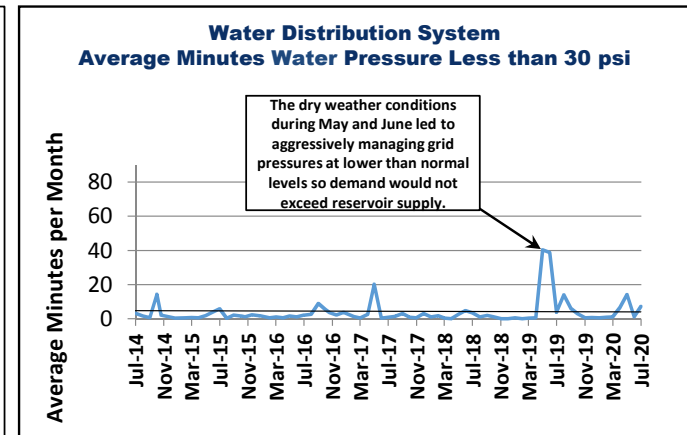
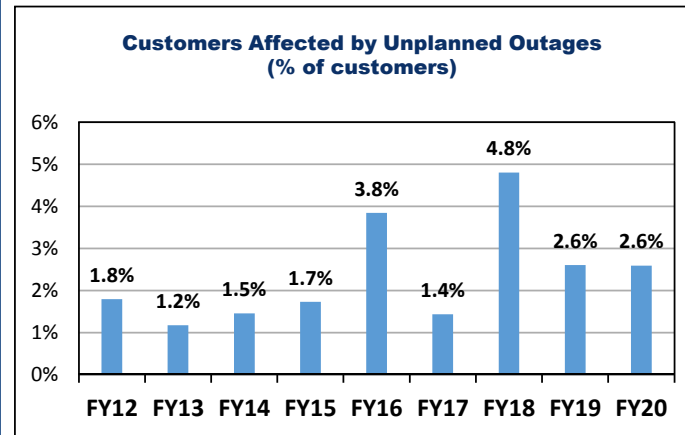
- Percentage of customers affected by unplanned outages

Water Pressure (minutes per month < 30 psi)

- Measured by 317 pressure monitoring stations in the distribution system. Pressure must be greater than 30 psi, and is expected to be greater than 50 psi. Regulatory requirement is minimum 20 psi.

Customer Response Time

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



Water System Consumption Use Permit

St. Johns River Water Management District CUP

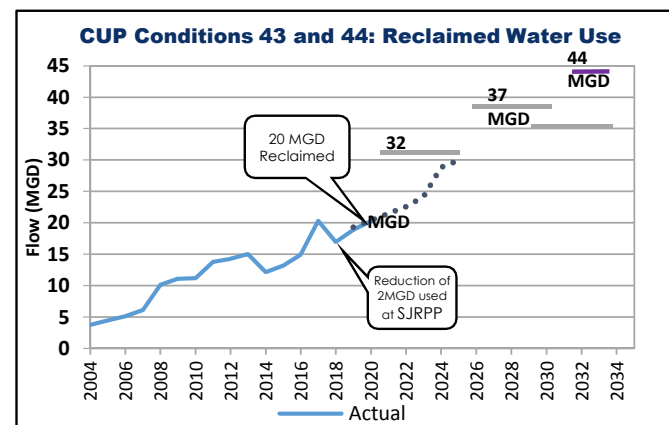
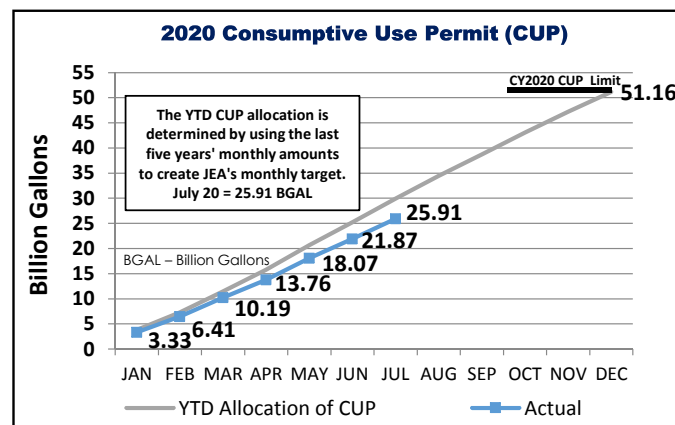
YTD CUP Allocation

- The YTD CUP allocation is determined by using the last five years' monthly amounts to create JEA's monthly target
- July 2020 = 25.91 BGAL

Condition 18

- YTD average daily flow is 13% below CY limit of 140 MGD

Compliance	Metric – CY Basis	2017	2018	2019	2020 Target	CY2020
Water	CUP Limits (MGD)	114 (133 limit)	112 (135 limit)	119 (138 limit)	140 limit	122
South Grid	Wellfield Allocation (MGD)	48.62 (<50.23 limit)	46.35 (<50.23 limit)	47.90 (<50.23 limit)	50.23 limit	50.44
Reclaim	Usage (MGD)	20	17	19	20	20



CUP Condition 44: South Grid Wellfield Allocation Limits

	Actuals						Post Sep-14 Permit Limit
	2015	2016	2017	2018	2019	YTD 2020	
Critical Wellfields							
Deerwood III	6.67	7.88	7.64	7.17	7.18	7.77	7.00
Ridenour	6.66	7.64	6.68	6.54	6.75	7.10	6.85
Oakridge	4.99	5.79	5.49	5.55	5.41	5.49	5.65
Greenland	4.27	4.16	3.99	4.18	4.31	4.43	4.53
Brierwood	2.84	3.36	2.98	2.43	2.74	2.85	3.02
Subtotal	25.43	28.83	26.78	25.87	26.39	27.64	27.05
Other Wellfields	22.07	24.12	21.85	20.48	21.51	22.80	23.18
Total South Grid	47.50	52.95	48.62	46.35	47.90	50.44	50.23
Total System ADF MGD	107	107	114	112	118	122	140

Wastewater System Environmental Compliance

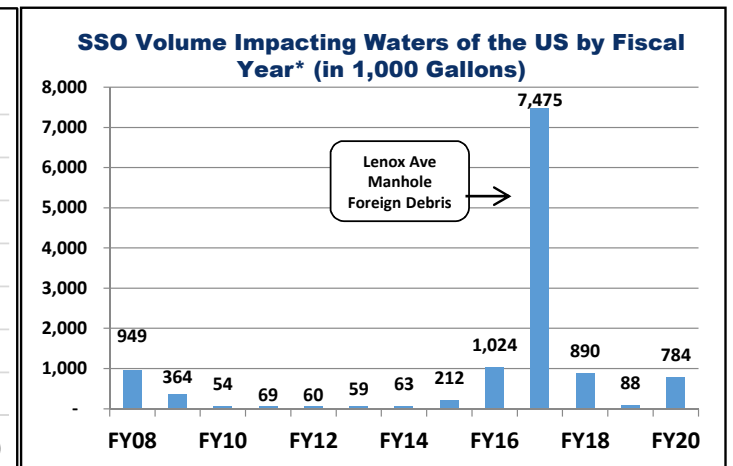
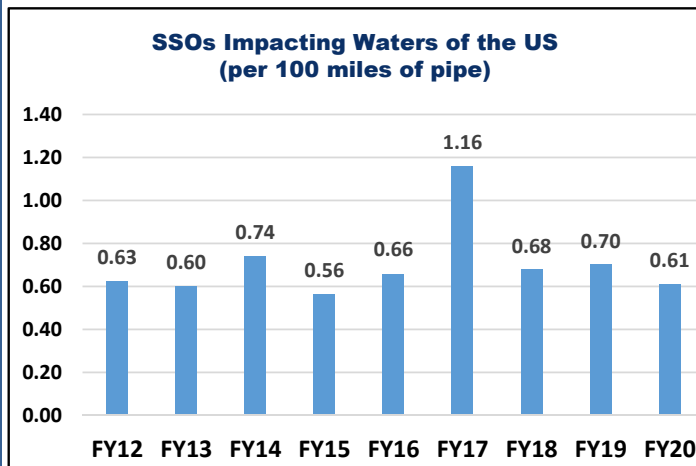
Sanitary Sewer Outflows (SSOs to US Waters)

- FY04 – FY07: 54 per year average
- FY08 – FY19: 33 per year average
- 32 SSO's impacting US Waters during FY20

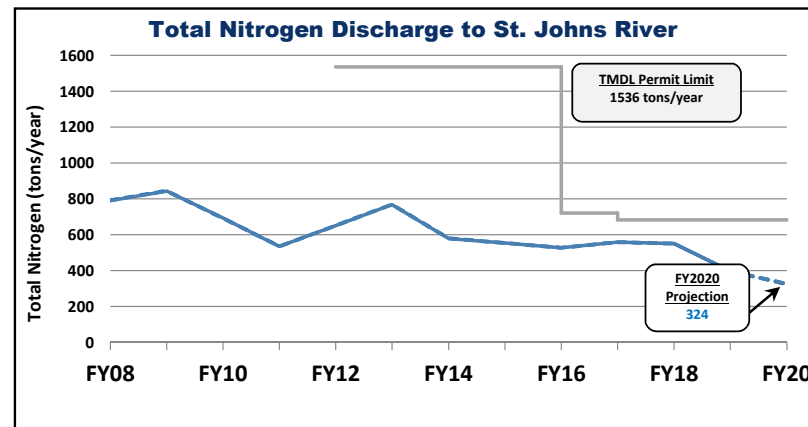
Nitrogen Discharge to St. Johns River

- Total Maximum Daily Load (TMDL) Permit Limit is 683 tons (rolling 12 month total)
- Current rolling 12 month total is 316 tons
- FY20 projection is 324 tons

Compliance	Metric – CY Basis	2018	2019	2020 Target	FY2020
Sewer	Nitrogen (N) Tons – FY basis	550 (TMDL of 683*)	397 (TMDL of 683*)	466	246
Sewer	SSOs – US Waters (per 100 miles of pipe)	0.68	0.70	0.58	0.61



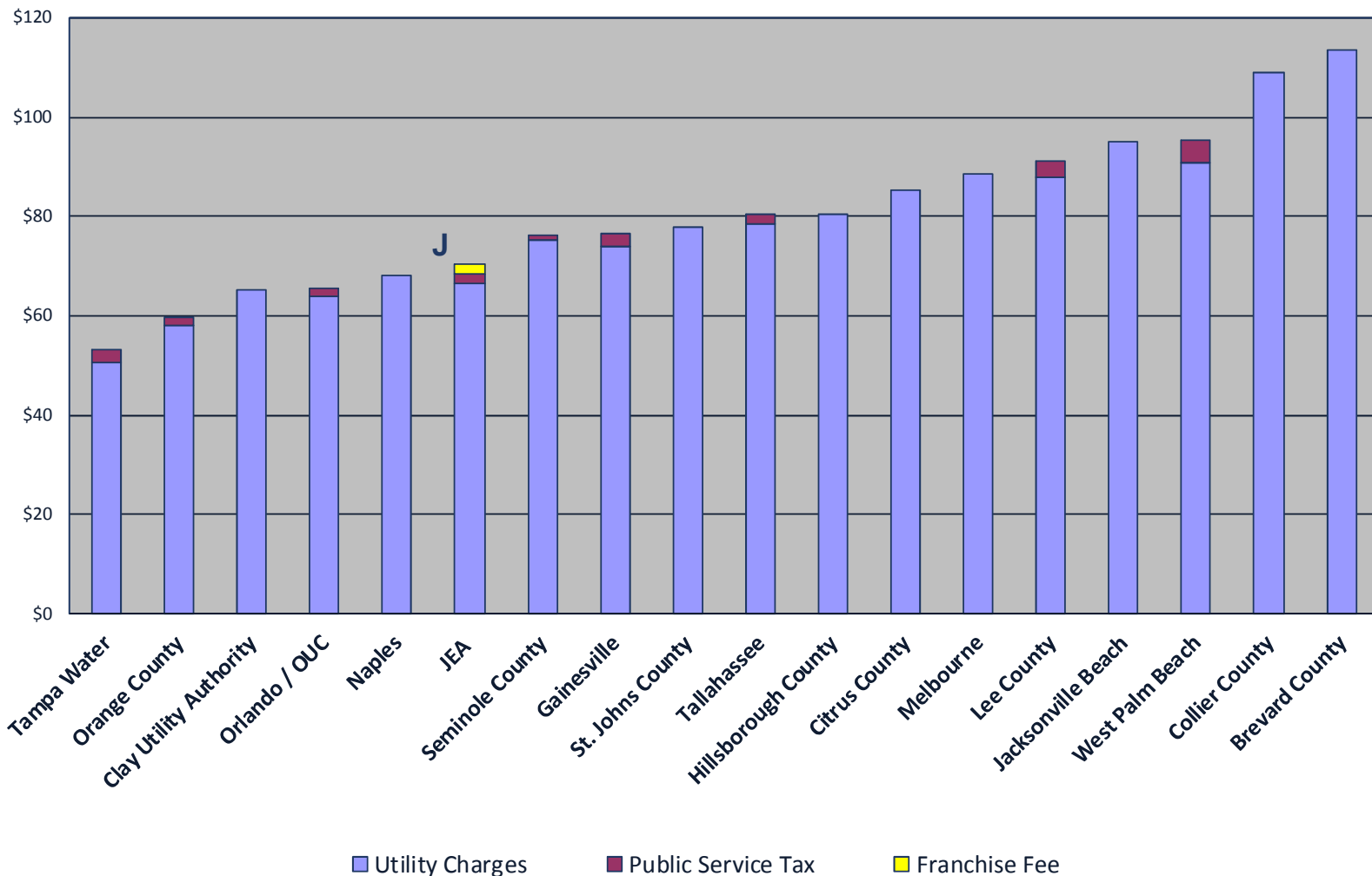
*Aligned with the PSC Rule for Electric Reliability Reporting, the Operational Metrics will exclude the impact of all service interruptions associated with a storm named by the National Hurricane Center.



Florida Utilities Monthly Bill Comparison – Water/Wastewater

Monthly Residential Water Bills

5/8" meter and 6 kgal of Consumption







Customer Experience Update



Operations Scorecard

Customer Experience

Customer Experience	FY2019	FY2020 Goal	FY2020 YTD	Status
JDP Customer Satisfaction Index - Residential	1 st Q	Top 1/2 of 2nd Quartile	3 rd Q	
JDP Customer Satisfaction Index - Business	2 nd Q	Top 1/2 of 2nd Quartile	2 nd Q	
Overall First Contact Resolution Index	79.3%	>=80%	78.6%	
Net Write-offs/Bad Debt Expense	0.12%	< % 0.15	0.12%	

Significant Occurrences or Concerns This Month

JD Power utility ratings criteria:

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

Residential/Commercial

- July 10th: disconnections resumed with customer programs including pay plans and arrangements
- JEA facilitated COJ Utility Relief Funding effort
- Multichannel customer communications and operational coordination helping call center metrics during resumption of normal operations



FY2020 Customer Satisfaction Goal

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

FY18		FY19		Per 1		Per 2		Per 3		Per 4		FY20 YTD	
2Q	737	1Q	756	3Q	730	2Q	759	758	3Q			3Q	749

Business (B)

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

Residential



Business



FY20 Residential # of companies ranked: 145
FY20 Business # of companies ranked: 84

1Q= 1st quartile 2Q= 2nd quartile 3Q = 3rd quartile 4Q = 4th quartile

Rank of Quartile refers to the where the score falls into that particular metric in the given study wave or fielding period

Be Easy to Do Business With Customer Care

	FY19		Per 1		Per 2		Per 3		Per 4		FY20 YTD	
R	1Q	827	1Q	833	2Q	819	802	3Q			2Q	815
B	1Q	838	1Q	846	2Q	855					1Q	851

Power Quality & Reliability

	FY19		Per 1		Per 2		Per 3		Per 4		FY20 YTD	
R	2Q	802	2Q	788	2Q	804	791	3Q			2Q	795
B	2Q	817	1Q	829	1Q	840					1Q	835

Empower Customers to Make Informed Decisions

Billing & Payment

	FY19		Per 1		Per 2		Per 3		Per 4		FY20 YTD	
R	2Q	807	3Q	782	2Q	821	799	3Q			3Q	801
B	2Q	822	2Q	825	1Q	845					2Q	835

Communication

	FY19		Per 1		Per 2		Per 3		Per 4		FY20 YTD	
R	1Q	709	3Q	676	3Q	700	739	2Q			3Q	705
B	2Q	763	1Q	789	3Q	774					2Q	781

Price

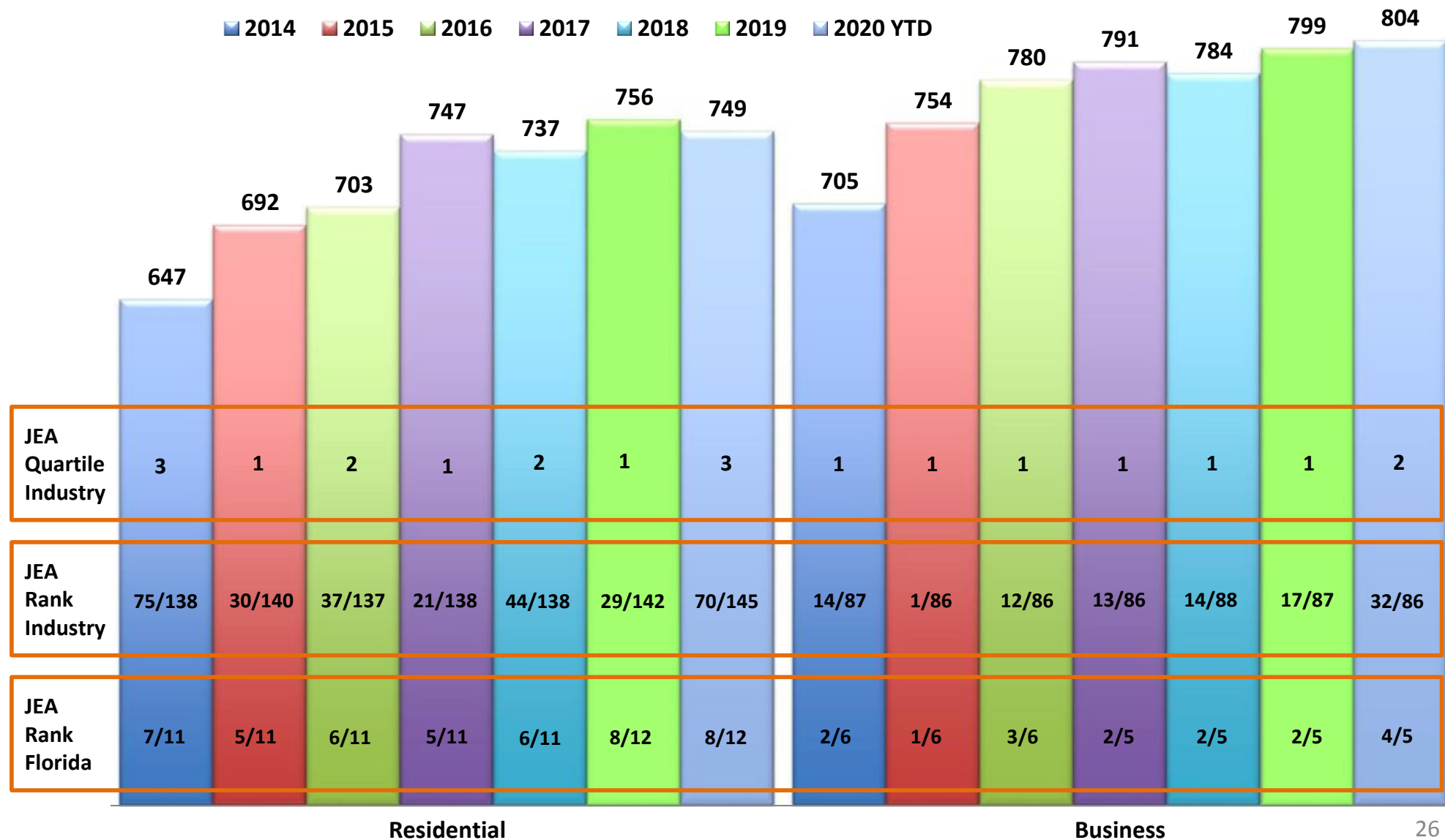
	FY19		Per 1		Per 2		Per 3		Per 4		FY20 YTD	
R	1Q	706	3Q	668	2Q	700	712	3Q			3Q	694
B	2Q	741	2Q	753	3Q	743					3Q	748

Demonstrate Community Responsibility

Corporate Citizenship

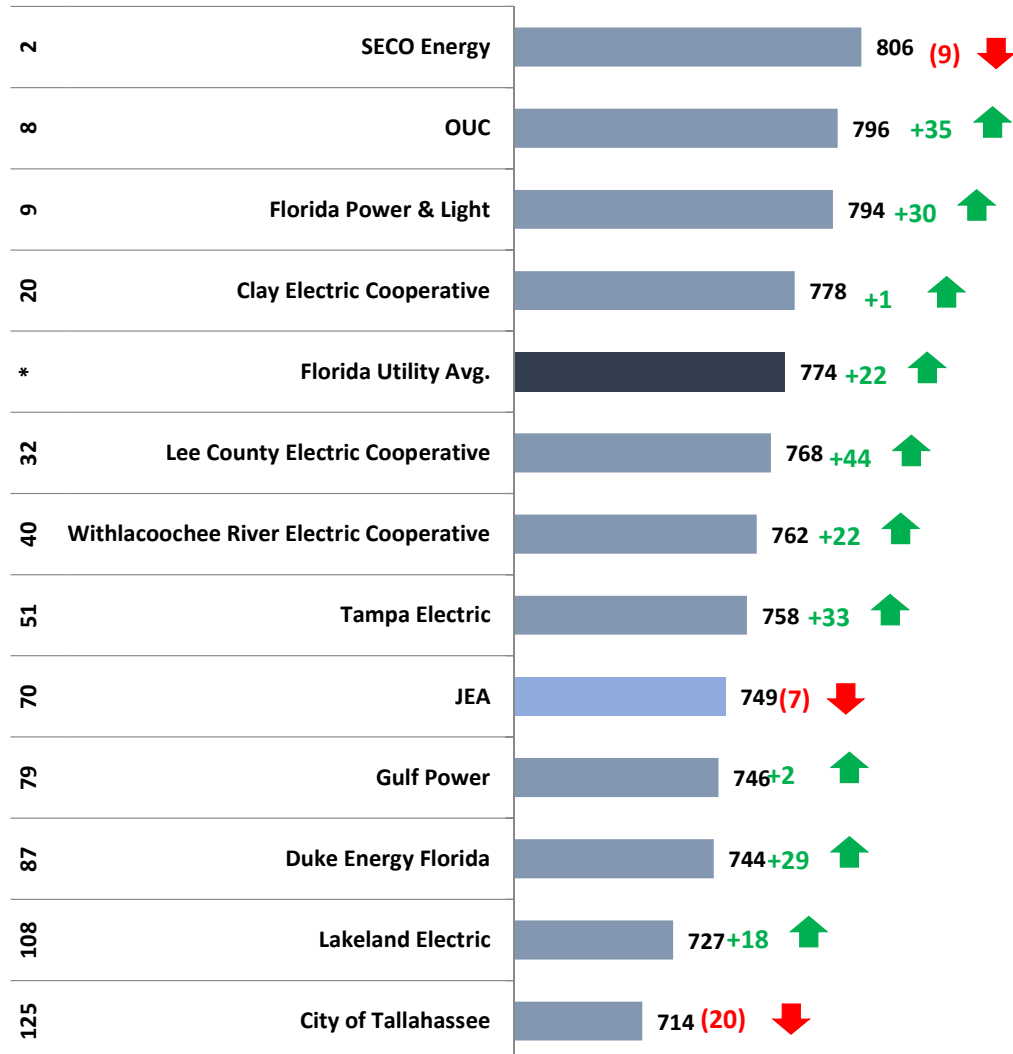
	FY19		Per 1		Per 2		Per 3		Per 4		FY20 YTD	
R	2Q	694	3Q	664	3Q	702	713	3Q			3Q	693
B	3Q	732	3Q	744	3Q	767					2Q	756

Customer Satisfaction Index Scores by Study Year

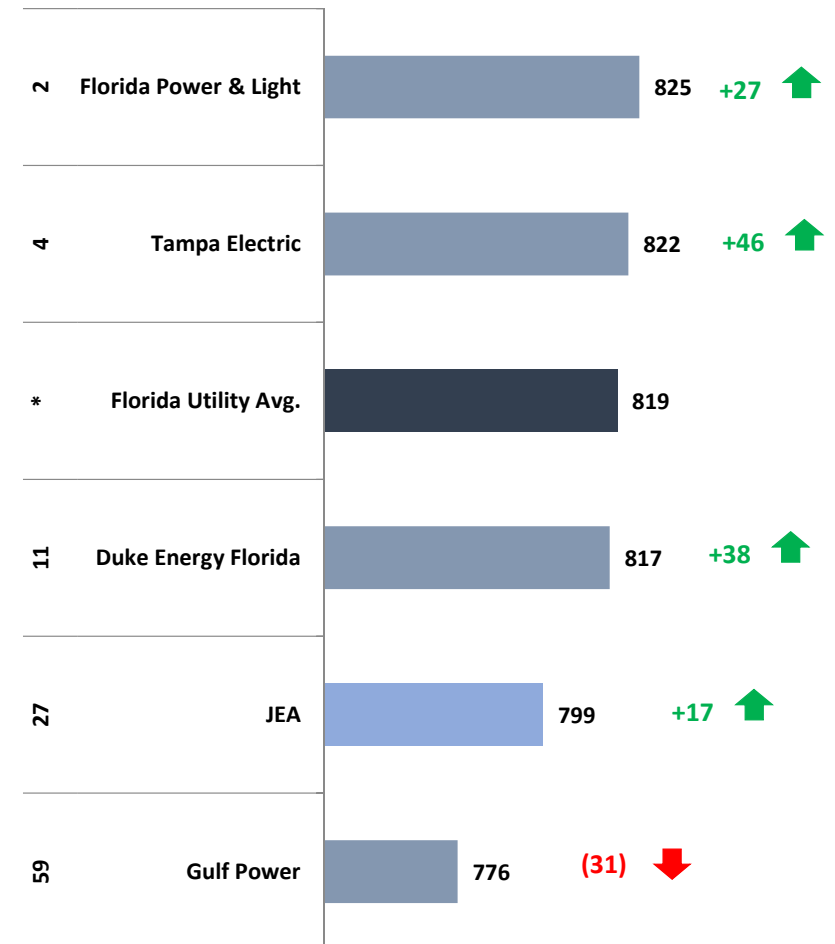


Customer Satisfaction Index Scores Florida Utilities

Residential FY 2020 YTD*



Business FY 2020 Final*



NB: Green and red numbers indicate point difference from 2019

* JEA reports final results on a fiscal year basis, while JDP reports final results on a calendar year



INTER-OFFICE MEMORANDUM

August 12, 2020

SUBJECT: BOARD POLICIES AND ORDINANCES INDEX

FROM: Paul McElroy, Interim Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

A key element of the Board's governance role is the review and/or approval of financial, investment and operating policies, as well as adherence to municipal and state government laws and regulations that are relevant to JEA.

DISCUSSION:

A summary of these policies and other governing documents is presented herein. The listed documents are submitted to the Board for review and/or approval on a cyclical basis, as key revisions are made, or as new local and state promulgations become official.

Earlier versions of this summary were presented at the June 23, 2020 Board of Directors meeting, and at the July 16, 2020 Governance Committee meeting.

FINANCIAL IMPACT:

There is no financial impact specific to this summary.

RECOMMENDATION:

No action required, as this update is for information only.

Paul McElroy, Interim Managing Director/CEO

PEM/SVT

JEA Board of Directors
Policies and Other Documents Requiring Board Approval / Review

DRAFT

	<u>Document Name</u>	<u>Doc Type</u>	<u>Board Review / Approval?</u>	<u>Board Compliance?</u>	<u>Last Review Date</u>	<u>Review Cycle</u>	<u>Next Review Date</u>
1	Board Education & Development Policy <i>(Approved November 2013)</i>	Policy	X	X	11/19/2013	Bi-Annual	8/25/2020
2	Travel Policy and Procedures	Policy		X		Bi-Annual	8/25/2020
3	JEA Board-Management Delegation of Authority Policy <i>(Originally presented to, but not approved by, Board on 6/11/18 & 12/11/18)</i>	Policy	X	X	12/11/2018 <i>(review on ly)</i>	Annual	9/22/2020 & 10/27/20
4	JEA Charter	Policy		X		Annual	10/27/2020
5	JEA By-Laws	Policy		X		Annual	10/27/2020
6	Electric Compliance Policy	Policy	X			Annual	11/17/2020
7	Enterprise Risk & Compliance Policy	Policy	X	X		Bi-Annual	11/17/2020
8	Identity Theft Protection Program (FACTA) Annual Risk Assessment <i>(presented annually to the Finance & Audit Committee)</i>	Policy	X <i>(Initial Approval Only)</i>		12/9/2019	Annual	1/26/2021
9	Energy Market Risk Management Policy <i>(Approved March 2014; report presented quarterly to the Finance & Audit Committee)</i>	Policy	X		2/11/2020	Annual, or As Revised	2/23/2021
10	Pricing Policy	Policy	X	X	6/23/2020	Annual	6/22/2021
11	Investment Policy	Policy	X	X	7/28/2020	Annual	7/27/2021
12	Debt Management Policy	Policy	X	X	7/28/2020	Annual	7/27/2021
13	Internal Audit Charter <i>(Approved by Finance & Audit Committee annually)</i>	Policy			8/14/2020	Annual	8/16/2021
14	JEA Code of Conduct / Code of Ethics (New) <i>(Reviewed by the Finance & Audit Committee)</i>	Policy		X	8/14/2020	Annual	8/16/2021
15	Board Policy Manual <i>(Updated and reviewed by the Board Governance Committee)</i>	Manual	X <i>(If Revisions)</i>	X	8/19/2020	Annual, or As Revised	As Revised
16	Form 1 - Statement of Financial Interests - Must be filed with the County Supervisor of Elections each July 1 for the previous calendar year.	Disclosure Form		X			

JEA Board of Directors
Policies and Other Documents Requiring Board Approval / Review

DRAFT

	<u>Document Name</u>	<u>Doc Type</u>	<u>Board Review / Approval?</u>	<u>Board Compliance?</u>	<u>Last Review Date</u>	<u>Review Cycle</u>	<u>Next Review Date</u>
17	Form 1F - Final Statement of Financial Interests - Must be filed with the County Supervisor of Elections for the final year / partial year on the Board.	Disclosure Form		X			
18	Sunshine Law - Florida Statute, Sec. 286.001	State Statute					
19	Public Records Law - Florida Statute Chapter 119	State Statute					
20	Jacksonville Ethics Code – Chapter 602	Municipal Ordinance		X			
	• Gifts – 602 Part 7;			X			
	• Conflicts of Interest – 602 Part 4			X			
	• Misuse of Public Position – 602.601			X			
21	Florida Ethics Policy – Chapter 112.311-326	State Policy		X			
	• Gifts – Sec 112.3148, 3139			X			
	• Conflicts of Interest – Sec. 112.313			X			
	• Nepotism – 112.3133			X			
	• Misuse of Public Position – 112.313			X			
22	Dual Office Holding - Florida Constitution, Article II, SA	State Law		X			



INTER-OFFICE MEMORANDUM

August 12, 2020

SUBJECT: BOARD EDUCATION AND DEVELOPMENT POLICY

FROM: Paul McElroy, Interim Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

As part of the execution of their duties, JEA Board Members shall have the opportunity to attend relevant educational and development courses and events.

DISCUSSION:

This policy was originally approved by the Board at its November 19, 2013 meeting, and details its compliance requirements.

FINANCIAL IMPACT:

None.

RECOMMENDATION:

None is required. This presentation is for information only.

Paul McElroy, Interim Managing Director/CEO

PEM/SVT



CORPORATE POLICY:	JEA Board of Directors Education and Development Policy		
VERSION EFFECTIVE DATE:	August 12, 2020	Version:	2

POLICY STATEMENT: Board Members shall have the opportunity to attend appropriate education and development training, conferences, and meetings as it relates to their work as a JEA Board Member.

REQUIREMENTS: As part of this policy, the following items are deemed as requirements.

ANNUAL BUDGET – Each Board Member shall have an annual budget for education and development expenses not to exceed \$5,000 per year. The budgeted funds shall expire at the end of each fiscal year and are not eligible for rollover.

REQUIREMENTS – A Board Member may attend education and development training, conferences, and meetings if deemed appropriate and voted on by the Board of Directors prior to travel. Approval is determined by the training, conference, or meeting agenda. Such reimbursements shall be in accordance with the Consolidated Government Travel Regulations and the Procurement Services Procedure OS A0500 PS 120B Contractor Travel. Each Board Member participating in an educational and development activity shall provide the Board a written and/or oral report to share the knowledge and experience gained.

ANNUAL EVENTS – The annual Rating Agency Presentation, for the purpose of maintaining and securing JEA's current ratings and outlooks, is approved only for the Board Chair. If the Board Chair is unable to attend, an alternate, specifically the Vice Chair and then the Chair, Finance and Audit, will instead attend.

The annual JAX Chamber Leadership trip, for the purpose of examining how other cities achieve success in economic development, is approved for the Board Chair plus one Board Member, generally one who has at least one year of seniority and has not attended in the past.

TRAVEL ARRANGEMENTS – JEA staff will coordinate all necessary arrangements and will process expense reimbursements.

REIMBURSEMENT OF EXPENSES – Upon prior Board approval and compliance with JEA procedures, a Board Member may be reimbursed for travel, lodging, conference registration, mileage, and meal expenses. Any Board Member desiring reimbursement for expenses incurred will present supporting receipts and invoices to JEA staff within one week for reconciliation and processing. JEA staff will provide a copy of the expense report to the Board Chair for approval at the following Board Meeting.

ASSIGNMENT OF RESPONSIBILITY: The Board of Directors Liaison will maintain the records of approved travel expense claims for all Board Members and the CEO/Managing Director.

APPROVED BY: JEA Board of Directors

ORIGINAL EFFECTIVE DATE: October 15, 2013

CORPORATE POLICY:	JEA Board of Directors Education and Development Policy	VERSION:	2
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Corresponding Procedures:

- Consolidated Government Travel Regulations
- Procurement Services Procedure OS A0500 PS 120B Contractor Travel.



INTER-OFFICE MEMORANDUM

August 12, 2020

SUBJECT: TRAVEL POLICY AND PROCEDURES

FROM: Paul McElroy, Interim Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

The Consolidated Government Travel Regulations issued to implement provisions of Chapter 106, Part 7 of the Ordinance Code of the City of Jacksonville shall be used as the authority to pay or reimburse expenses of persons traveling on official business of JEA. As part of the Board's execution of its duties, it may be occasionally necessary for its Members to travel on behalf of JEA activities.

The policy statement presented herein is *Management Directive (MD) #120, Travel Expense Reimbursement*, and was most recently updated on April 9, 2020. The accompanying Organizational Policy & Procedure (OPP) also presented herein is *Employee Travel*, and was most recently updated on February 19, 2020.

DISCUSSION:

While most of the content of these documents addresses the specific travel processes to be followed by all persons traveling on official business for JEA, the excerpts noted below are specific to travel by Board Members.

- Page 2 of MD #120 reads that, "A Quorum of the JEA Board shall be authorized to approve travel for any JEA Board member(s)".
- Page 10 of the OPP includes a section, "Travel by Board Member and City Officials" and is immediately followed by a section, "Travel Risk Mitigation for Key Leadership (Succession Planning)", under which item 1 reads, "No more than three (3) Board members may travel by air on the same flight at once."

FINANCIAL IMPACT:

None.

RECOMMENDATION:

None is required. This presentation is for information only.

Paul McElroy, Interim Managing Director/CEO

PEM/SVT



MANAGEMENT DIRECTIVE:

120

TITLE: Travel Expense Reimbursement

ORIGINATION DATE: May 26, 1988

REVISED: April 9, 2020

POLICY STATEMENT: The Consolidated Government Travel Regulations issued to implement provisions of Chapter 106, Part 7 of the Ordinance Code of the City of Jacksonville shall be used as the authority to pay or reimburse for expenses of persons traveling on official business of JEA. Waivers to or modifications of these regulations are not permitted unless authorized by law or by the City Director of Finance. No authority, authorization or permission may be assumed if it does not appear in the travel regulations.

TRAVEL AUTHORIZATION AND APPROVAL (JEA employees including JEA Temporary employees): Pursuant to Sec. 106.703 of the Ordinance Code of the City of Jacksonville, no traveler shall be reimbursed for travel expenses unless **written approval** has been obtained by an approving authority **prior** to the commencement of travel. All JEA travel expense statements must be substantiated with business receipts (where required) and submitted within a reasonable time following travel completion. All travel expense statements must be approved by an approving authority.

OFFICIAL TRAVEL (JEA employees including JEA Temporary employees): Only those incidents that require a traveler to leave the JEA Service Territory to conduct official business, are considered "Travel."

JEA establishes the following APPROVING AUTHORITY whereas:

- Managers shall not have authority to authorize travel or approve Travel Expense Statements for JEA employees.
- Directors shall have the authority to authorize travel and approve Travel Expense Statements for Appointed Staff from the Manager level and below and Civil Service personnel to a maximum of \$3,000.
- Senior Leadership Team members shall have the authority to authorize travel and approve Travel Expense Statements for Appointed Staff from the Director level and below and Civil Service personnel to a maximum of \$7,500.
- The Managing Director/CEO shall have the authority to authorize travel and approve Travel Expense Statements for any JEA employee exceeding \$7,500.
- The Chair or Vice Chair of the JEA Board shall be authorized to approve Travel Expense Statements for the Managing Director/CEO.

- A Quorum of the JEA Board shall be authorized to approve travel for any JEA Board member(s).

BUSINESS AREA / DEPARTMENT AUTHORITY: The leader of a business area or department reserves the right to impose additional limitations on this policy; however, no business area or department may apply policies more liberal than those listed in this policy.

APPROVAL FOR CONTRACTOR TRAVEL: Contract Managers responsible for administering the applicable contract shall be responsible to authorize and approve contractor travel-related expenses. The approving authority shall permit only lawful travel for a public purpose connected with the duties and responsibilities and travel provisions outlined in the contract. The Contractor must seek reimbursement for travel on JEA business in accordance with the applicable contract; therefore, Contractor reimbursement is payable only to the contracting entity and not the traveler directly (unless traveler is the contracting entity.) The Consolidated Government Travel Regulations shall be used as the guideline to pay or reimburse such travel expenses.

APPROVAL FOR TRAVEL (Officials and Stakeholders): Elected officials, regulators and stakeholders responding to JEA's invitation to visit facilities or attend important functions, may be reimbursed for travel expenses at the discretion of the Managing Director/CEO and the JEA Board subject to the provisions herein.


ASSIGNMENT OF RESPONSIBILITY: The Director of Supply Chain Management shall establish and maintain procedures for requesting approval and reimbursement of official travel in accordance with City Ordinance Chapter 106, Part 7, and in order for JEA to accomplish its mission in the most expeditious and economic manner and for accountability of expended funds.

SIGNED: Joseph E. Orfano

EFFECTIVE DATE: 4/9/2020

Revised: 6/06/2003
11/29/2000
10/1/2001
2/26/2006
7/21/2011

Links to Travel and Expense Reimbursement Procedures will be added as they become available

	ORGANIZATIONAL POLICY & PROCEDURE:	Employee Travel		
	Corporate Policy Ref:			
	Version Effective Date:	02/19/2020	Version:	9

POLICY STATEMENT: JEA recognizes the need for employees to conduct business on behalf of JEA outside of the JEA service territory. Travel on behalf of JEA requires a degree of sacrifice of personal time and convenience. JEA's travel requirements will be administered as a self-service application with an option for assistance through Procurement's **Travel Services**. Travelers will use **Oracle's Internet Expenses – Travel** to file their Travel Expense Report requesting reimbursement for their travel expenses.

OVERVIEW: This procedure provides guidelines to assist JEA Employee travelers to comply with all JEA and City of Jacksonville Municipal Code travel policies and provisions. This procedure is established to ensure cost effective and consistent travel reimbursement. This procedure shall apply to and authorize reimbursement for travel expenses incurred in connection with travel performed to and from destinations outside the JEA service area on official business of the agency.

ASSIGNMENT OF RESPONSIBILITY: The Director, Supply Chain Management is responsible for the administration of this procedure. All impacted employees are responsible for compliance herewith.

PROCEDURE:

1. The need for travel is determined by the traveler and the approving authority. (See MD120 for authorized approvers.) At that time, a determination is also made as to the availability of travel funds. The traveler must submit a request to the approving authority via email.
2. The travel process requires the approving authority to send the traveler an approved/denied e-mail with a copy to travelrequest@jea.com.
3. Traveler makes all necessary travel arrangements as a self service activity. The traveler may use published internet sources such as Orbitz, Expedia, Travelocity, etc. to locate the most economic travel accommodations. The traveler may also consider non-published airlines such as Southwest or Jet Blue. The traveler may also opt for assistance from JEA's Travel Services at travelrequest@jea.com. Once the travel accommodations are identified, the traveler may book with one of the internet sources or the travel provider directly.
4. In the event of international travel, it is the traveler's responsibility to obtain a passport prior to the travel date. The cost of the passport is reimbursable.
5. Upon travel completion, the traveler will create a Travel Expense Report (located in Oracle – Internet Expenses – Travel) in which all travel details are entered, including travel expenses.
6. The Travel Expense Report must be submitted to the approving authority (defaults to first-level supervisor) for review and approval. If the total amount exceeds the original estimate, this expense report will be routed to the appropriate approver within the traveler's hierarchy. Any required receipts for travel and the travel pre-approval email must be scanned and attached to the expense report immediately after the expense report is submitted. If the scanning option is unavailable, the traveler may send documentation

OPP:	Employee Travel	Version:	9
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to Travel Services, CC-6. All required receipts must be submitted prior to reimbursement of travel claims. Please note that credit card statements are not acceptable as proof of payment.

7. In the event of a lost receipt, a "Lost Receipt Affidavit" may be completed and submitted in lieu of any missing expenses less than \$75 with the exception of lodging. No expense greater than \$75 will be reimbursed without receipt due to IRS Accountable plan rules.
8. In the event that the incurrence of pre-travel expenses presents a hardship to the traveler and the expenses are incurred at least 2 weeks in advance of the actual travel, the traveler may request a pre-travel advance. Traveler must complete a Pre-Travel Advance form (see appendix) approved by the travel approver.

Pre-Travel Advances may be claimed for airfare, lodging, conference, and / or per diem (when travel duration is at least 5 full working days for per diem.) An traveler who is provided with a cash advance to cover anticipated costs of travel shall be personally liable for the amount thereof and shall account to the approving authority for the expenditure thereof within five (5) working days after completing the authorized travel; failure to account for the total amount of the cash advance within this time shall be prima facie evidence that the traveler owes the entire sum so advanced to JEA, which may be recovered by a civil action.

9. All expense reimbursement claims must be submitted within 60 days of travel completion. If greater than 60 days, the reimbursement may be reported as taxable income to the employee. Reimbursement claims submitted after 60 days do not fall under the IRS Accountable plan rules and are reportable as taxable income to the employee.
10. All JEA business travel documentation costs must be separated from personal travel. The cost for extending business travel into personal or leisure travel must not negatively impact JEA in any way. If a traveler intends to conduct personal business while at the destination of official travel, the personal business shall be considered to have been conducted at the beginning or at the end of the travel and not (co-mingled) during the official business travel. Any personal travel cost for travel continuation must be separated from JEA business travel (i.e., continuing on personal travel from a business destination requires a quote illustrating the cost to return from the business destination.)
11. The traveler should complete the JEA Procurement Direct Deposit Form and submit to Accounts Payable – CC6. All travel reimbursement payments will be made electronically through Direct Deposit.
12. **Constructive Point of Origin** - The application of the constructive point of origin regulation will ensure that the traveler travels the shortest reasonable distance on business. Travel shall be deemed to have begun at the usual place of business or residence, or the place where travel actually began, whichever is less.
13. **Constructive Travel Time** is the time the traveler actually departs for his/her destination, or at the latest time the traveler could reasonably have departed in order to arrive at his/her destination in time to accomplish the official business, whichever is later. The same applies to the return back to the point of origin.
 - a. Common Carrier by Air (excluding rental automobile) Travel Time begins two (2) hours prior to the time the traveler's conveyance is scheduled to depart (flight delays considered.)

OPP:	Employee Travel	Version:	9
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- b. Common Carrier by Air (excluding rental automobile) Travel Time concludes one (1) hour following the time the traveler's conveyance actually arrives.

PROCESS

- Step 1.** Prior to travel, the traveler employee should discuss travel plans with the Approving Authority to gain approval and determine the availability of travel funds.
- Step 2.** The traveler must send a travel approval request email to their Approving Authority with a copy to travelrequest@jea.com or – (see link below)

[Click Here To Open A Travel Approval Request Email \(Hold Down “Ctrl” And Click\)](#)

- a) The request should include the individual traveler's name, cost center, purpose for travel, **JEA business** travel dates, and estimated cost for budget review.
 - b) ***Where travel by air is necessary***, traveler must receive travel pre-approval **and** secure the air travel reservations by the 14th day prior to departure date.
 - c) Air travel booked less than (14) days of departure is considered unscheduled travel and must be pre-approved by the business area Chief or General Manager prior to booking. Travel reimbursement claims booked as unscheduled travel without prior pre-approval will be forwarded to the Chief or General Manager for expense reimbursement approval. See section titled “TRAVEL BY AIR” for information regarding booking travel by air.)
- Step 3.** The Approving Authority is responsible for determining and ensuring that the most economical mode is used. The Approving Authority must ensure that a cost comparison is performed and documented for the travel prior to approval. The traveler may use the search results from a published internet travel agency such as Expedia, Travelocity, Orbitz, or similar for the specific travel parameters to compare all modes of travel. The traveler may also solicit the use of JEA's Travel Services Department to procure the travel in lieu of self-service travel accommodations.
- a) The travel may be completed via:
 - 1) Private, Public or Chartered Motor Vehicle
 - or-**
 - 2) Common Carrier (Air or Land)

The designation of the most economical mode is based on the following criteria:

- 1) The nature of the official business to be accomplished during the travel
- 2) The time to be taken by the traveler away from his duties at JEA

OPP:	Employee Travel	Version:	9
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- 3) The cost of transportation and the meals, lodging and incidental expenses estimated.
- 4) The number of persons who are traveling and the equipment and material that will be transported during the travel.
- 5) The risk of delay due to weather or any other foreseen perils.

Step 4. The Approving Authority must reply to travelrequest@jea.com and the traveling employee with an approval or denial of the travel. The travel approval must indicate or imply the most economical mode that should be used.

Step 5. Upon completion of travel, traveler must complete and submit a Travel Expense Report (electronic process only) located in Oracle R12 under iExpenses. See the Oracle User Productivity Kit (UPK) computer-based training found here: [Oracle Computer Based Training \(hold down "Ctrl" and click\)](#)

- i. *Expand* “Required Training for all Employees”
- ii. *Expand* “Internet Expenses”
- iii. *Expand* “Travel”
- iv. *Select* “Travel Expense Report”

Step 6. Once Travel Expense Report is submitted (electronically), traveler sends receipts to Travel Services – CC-6 for scanning or may attach copies using the attachment tool within Oracle R12.

(All travel reimbursement claims must be supported by documentation where required.)

TRAVEL BY AIR

1. Travel by Common Carrier will be reimbursed at the coach fare rate purchased (except as provided in #2 below.) A copy of traveler’s air itinerary showing the cost of the coach fare must be submitted. When booking travel by air, traveler is encouraged to select the most economical published fare for the travel parameters; however, a coach fare must be selected for reimbursement.
 - a. A round-trip coach fare greater than \$1,000 must be pre-approved by the traveler’s Chief or General Manager.
2. In the rare occasion that no acceptable Coach Class air fare is available for the approved business travel parameters, a first class rate may be authorized when the traveler has a well-documented and prudent business reason. Pre-approval for the purchase of a First Class fare must be authorized by the Chief Executive Officer. Additionally, the Common Carrier must provide a written statement or certification stating that coach fare was not available at the time of booking. No First Class Fare will be authorized or reimbursed outside of these conditions.
3. Airline baggage fees will be reimbursed for the first checked bag for a trip lasting up to 5 business days. Baggage fee documentation must be submitted with reimbursement claim. Travel days in excess of five (5) business days shall be reimbursed at the rate of 1 bag for every five (5) business days.

OPP:	Employee Travel	Version:	9
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Additional baggage fees may be reimbursed when approved by the Approval Authority for travelers:

- Traveling with heavy or bulky materials or equipment necessary for conducting JEA business
 - Carrying JEA records or property with justification explaining the business need for extra luggage. Estimated fees in excess of \$100 must be used in the determination of the lowest cost airfare / mode.
 - No excess weight fees will be reimbursed unless travelling with JEA heavy or bulky material.
4. Seat location fees within coach class will be reimbursed if additional fees are incurred for seat selection or use of overhead bins. Reimbursement will be at the amount incurred. Selection of extra legroom seats will not be reimbursed by JEA.
 5. In the event that the airline requires the purchase of an additional seat at the time of aircraft check-in, (generally when a passenger's lap belt is not able to securely fasten and airline is not able to accommodate with a lap belt extender,) documentation certifying the airline's requirement must be included in order to justify the purchase of an additional seat. A second ticket in the traveler's name may be submitted for reimbursement claim in this rare circumstance.

TRAVEL BY PRIVATE MOTOR VEHICLE

1. If travel is by private automobile, reimbursement shall be based on the IRS authorized mileage rate in existence at the time of travel. All mileage shall be completed from the constructive point of origin to the point of destination. Vicinity mileage incurred while driving on official business may also be reimbursed. Business travel shall be deemed to have begun at the usual place of business or residence, or the place where travel actually began, whichever is less.
2. Every effort shall be made to coordinate travel so that travelers share a private motor vehicle and thereby eliminate multiple cars at the same location.
3. If the total mileage from point of origin to point of destination exceeds 400 miles one way, the mileage reimbursement shall be limited to the lesser of: *

- The IRS rate per mile

-Or -

- The airline common carrier coach fare to the nearest airport for all travelers using the private motor vehicle plus the IRS rate per mile from the airport to the point of destination or other means of transportation from airport to destination.

*An employee that receives a car allowance is not eligible for reimbursement for mileage reimbursement for in-service-area travel (i.e., airport travel.)

4. Reimbursement shall be made only for travel performed over direct routes to the destination unless circumstances prevent the use of the route. When travel is by indirect route for the traveler's own convenience, reimbursement for expenses shall be based only on such charges as would have been incurred over the direct route. No other reimbursement for expenses

OPP:	Employee Travel	Version:	9
-------------	-----------------	-----------------	---

related to the operation, maintenance and ownership of a vehicle shall be allowed when a private motor vehicle is used on public business.

5. Motor vehicle (including rental automobile) Travel Time begins at the time travelers actually begin driving to their destination. Mileage to pick up rental car is reimbursed.

TRAVEL BY RENTAL VEHICLE

1. Rental cars may be used only if Taxis or other means of transportation are less economical or otherwise impractical. Effective September 30, 2015, Enterprise Rent A Car (Enterprise) and National Rent A Car (National) are JEA's contracted rental car agency and must be used where available. Enterprise and National reservations may be at <https://partner.rentalcar.com/StateofFlorida/#/> or by calling 877-690-0064. When booking a reservation, traveler must provide the discount code: L430880.
2. Enterprise and National provide primary third party liability insurance coverage in the rental cost when the vehicle is rented by a traveler for business purposes. Traveler must not add Collision Damage Waiver (CDW) or Loss Damage Waiver (LDW) coverage to the rental car agreement as these charges are not reimbursable to the traveler. Charges for the rental of the vehicle and any mandated taxes are the only charges reimbursable to the traveler. Renters under the age of 25 should contact Travel Services directly for further guidance as special handling is required for this type of rental.
3. In the event that Enterprise or National are not available at the approved travel destination, JEA/SJRPP has Automobile Liability insurance to cover all JEA/SJRPP vehicles, including rental cars and privately owned vehicles when used for JEA business. This includes vehicles driven outside of Florida, the United States, its territories and Canada. As a result, personal accident / loss damage waiver insurance purchased by the traveler will not be reimbursed by JEA.
4. When selecting a rental vehicle other than Enterprise or National (due to unavailability,) the traveler must select the most economical rate. The traveler must utilize the process illustrated (in Step 3 of Process) above to select the most economical rate for the rental vehicle.
5. In the event of an automobile accident, traveler should notify JEA's Risk Management Department and JEA's Travel Services Department as soon as possible.
6. Travelers that extend business travel beyond or prior to their approved business travel dates must separate JEA business from personal travel. The traveler must close out the rental agreement for business and open a new one for personal travel. When renting from Enterprise or National for **personal use**, the discount code **L430881** must be used as the employee is prohibited from using JEA's tax exemption status for personal use and is not covered under the third party liability insurance. The traveler is responsible for purchasing or securing insurance for vehicles rented for personal or leisure use. The traveler must present a valid JEA badge to demonstrate eligibility.
7. Travelers must use the **intermediate** class for Enterprise or **midsize** class for National (or subordinate) of vehicles unless the number of passengers or the volume of equipment makes the intermediate/midsize impractical or if health or physical need requires a larger vehicle. A business justification for upgrades noting such must be included in the travel pre-approval.
8. Every effort shall be made to coordinate travel so that travelers share a rental car and thereby eliminate multiple cars at the same location.

OPP:	Employee Travel	Version:	9
-------------	-----------------	-----------------	---

9. A receipt of itemized rental car charges must be obtained and submitted with your travel reimbursement claim.

TRAVEL LODGING

1. Reimbursement will be made for the cost of reasonably required overnight lodging when a traveler is required to be away from his/her place of residence on behalf of JEA business. Travelers shall select lodging that is the most economical available, **consistent with the duties being performed**. Traveler must use the search results from a published internet travel agency such as Expedia, Travelocity, Orbitz, or similar for the specific travel parameters to compare available lodging rates for travel at the time of booking. Traveler may opt for assistance from JEA Travel Services at travelrequest@jea.com. When identifying the most economical lodging rates, the following conditions may be exempted from sourcing for lodging:
 - a. Lodging with less than a 3-AAA Diamond rating*
 - b. Lodging more than 5 miles away from travel destination*
 - c. Lodging that presents a safety concern to travelers*
 - d. Lodging that makes available the state / local government agency rate may be selected without sourcing analysis when the rate is selected. (Tax exemption cards are available from the travel desk.)
 - e. Travelers participating in a conference or registered event where the conference host is in partnership with a specific hotel may select the conference hotel for lodging without sourcing analysis.

*Exemptions must be noted as such on travel claim reimbursement submission.

2. Travelers will be reimbursed for a single room rate; double occupancy rates may be obtained if two travelers share a room.
3. An extended-stay facility may be obtained; however, the expense must be reasonable and every effort should be made to obtain government rates.
4. Travelers must document all lodging expenses with itemized statement and paid receipt from lodging facility. A receipt of itemized lodging expenses must be obtained and submitted with your travel reimbursement claim.
5. Personal expenses such as entertainment, in-room movies, in-room concessions (i.e., mini-bar charges,) and other personal charges will not be reimbursed.

TRAVEL MEALS

1. Reimbursement is authorized for meals for all travelers while in a business travel status at the following fixed subsistence / per diem rates, or, at the traveler's option, at the amount submitted, not to exceed the following fixed maximum subsistence rates, but in any case only when travel begins before and extends beyond the times specified:
 - a. **Breakfast** - When business travel time begins before 6:00 a.m. and extends beyond 8:00 a.m. The JEA breakfast per diem maximum is \$10.

OPP:	Employee Travel	Version:	9
-------------	-----------------	-----------------	---

- b. **Lunch** - When business travel time begins before 12:00 noon and extends beyond 2:00 p.m. The JEA lunch per diem maximum is \$14.
 - c. **Dinner** - When business travel time begins before 6:00 p.m. and extends beyond 8:00 p.m. The JEA dinner per diem maximum is \$26.
2. A per diem rate will be paid for an entire day when Travel Time for that day begins before 6:00 a.m. and extends beyond 8:00 p.m.
 3. The maximum per diem rate allowed for JEA business travel is the sum of all meal per diem maximums, \$50 per day.
 4. Meal subsistence may not be claimed for meals made available without specific charge at a conference or registered event.
 - a. A meal at a conference or registered event consists of two hot items made available to participant for consumption.
 - b. Travelers with specific dietary needs may be exempted from this provision and reimbursed for the meal per diem amount (not to exceed the per diem maximum) when traveler has notified the conference host of dietary needs in advance and conference host is unable to accommodate. Traveler need only indicate their notification attempt in the travel reimbursement claim.

TRAVEL FOR CONFERENCE OR REGISTERED EVENT

1. Registration for Conference or Training may be paid by the traveler directly or by submitting an approved payment request form to JEA Accounts Payable for payment by JEA directly.
 - a. A completed registration form and payment request form (see link below) must be submitted to JEA Accounts Payable.
 - b. A copy of the conference agenda must be submitted with travel reimbursement claim.

OTHER BUSINESS TRAVEL EXPENSES

1. Other business travel expenses may be incurred and reimbursed. The traveler is encouraged to use good business judgment and to determine whether the expense considered would be incurred if the traveler had to spend at their own personal expense. The following other reimbursable business expenses incidental to the traveler are listed below:
 - a. Taxi fare
 - b. Ferry fares, and bridge, road and tunnel tolls
 - c. Storage and parking fees
 - i. Valet parking may be selected when there is not a more economical means of parking or where less economical options present a safety concern. A business justification for the use of valet parking must be provided in the travel reimbursement claim.
 - ii. One of the long-term (non-valet) airport parking options (vs. hourly parking) must be utilized for approved travel greater than 24 hours.

OPP:	Employee Travel	Version:	9
-------------	-----------------	-----------------	---

- d. Communication expenses such as business telephone expenses and daily internet / wireless access to conduct JEA business or to inform family members or caretakers of travel delays.
- e. Laundry expenses for approved business travel lasting longer than five (5) consecutive days.
- f. Reasonable gratuities for services incurred at a cost (not to exceed 20% of the cost of the service or to exceed the total subsistence allowance in the case of meals)
- g. Reasonable gratuities for services incurred without a cost (limited to \$10 per day) (Receipts not required, but service justification must be indicated on travel reimbursement claim)

INTERNATIONAL TRAVEL

1. For travel to international destinations, the procedure topics listed herein apply except:
 - a. The daily meal per diem maximum is \$100
 - b. Breakfast - When business travel time begins before 6:00 a.m. and extends beyond 8:00 a.m. The JEA breakfast per diem maximum is \$20.
 - c. Lunch - When business travel time begins before 12:00 noon and extends beyond 2:00 p.m. The JEA lunch per diem maximum is \$28.
 - d. Dinner - When business travel time begins before 6:00 p.m. and extends beyond 8:00 p.m. The JEA dinner per diem maximum is \$52.
 - e. Traveler may be reimbursed for comfort seating in the coach class on any international flight.

TRAVEL TRIP CANCELLATION / TRIP INSURANCE

1. In the event that a travel itinerary must be cancelled, the traveler should do so prior to the incurrence of any financial obligation. When cancellation cannot be foreseen in a timely manner, resulting in financial obligation or loss, the traveler must provide a justification acceptable to the travel approver in order to be reimbursed on a travel reimbursement claim. The traveler is responsible to cancel travel reservations prior to departure date when required. Most air travel itineraries are non-refundable and will incur cancellation / rebooking fees if and when cancelled. After any cancellation fees / charges are imposed on the ticket by the airline, the credited ticket will remain the property of JEA for future travel after reimbursement to the traveler and should be forwarded to JEA Travel Services.
2. Trip insurance is not required and is purchased at the expense of the traveler. Travel itineraries should be booked only after the traveler has confirmed availability and gained all approvals.

TRAVEL BY THE CHIEF EXECUTIVE OFFICER

OPP:	Employee Travel	Version:	9
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1. The Executive Assistant will present all Chief Executive Officer (CEO) travel reimbursement claim statements to the Board Chair along with the approved travel authorization form for comparison and approval at the completion of CEO travel. The Chief Executive Assistant will retain all travel reimbursement claim statements, travel expense supporting documentation, travel authorization forms, and post-review approval.

TRAVEL BY BOARD MEMBER AND CITY OFFICIALS

1. Board member and City Officials travel will be exempted from the traveler standard travel process; instead, Board Member and City Officials travel will be handled by the office of the CEO. The JEA Travel Department will facilitate the reimbursement upon conclusion of the travel, receipt of the travel statements, and after completed audit of the documents. The Board Liaison will present all Board Member travel reimbursement claim statements along with the approved travel authorization form to the Board Chair for approval. The Board Chair's travel claim statement will be approved by the CEO. The Board liaison will retain all travel reimbursement claim statements, travel expense supporting documentation, travel authorization forms, and post-review approval. All City Officials travel reimbursement claim statements will be presented to the CEO for pre-approval and payment approval.

TRAVEL RISK MITIGATION FOR KEY LEADERSHIP (SUCCESSION PLANNING)

1. No more than three (3) Board members may travel by air on the same flight at once.
2. No more than two (2) of the senior most leaders of a business function may travel by air on the same flight at once.

CONTRACTOR TRAVEL

1. Contractors must request approval for JEA business travel from the JEA Contract Manager prior to the commencement of travel. This approval may be as part of a specification listed in the contract. Contractor employees should submit reimbursement for travel expenses through their employer directly. The Contractor should submit an invoice for contractor's approved travel expenses as part of the invoice submission process. Contractor travel is subject to all of the provisions listed in Part 7, Section 106 of the City of Jacksonville ordinance.

If any item written in this procedure conflicts with Part 7, Section 106 of the City of Jacksonville ordinance, the City of Jacksonville ordinance prevails.

SIGNED: _____ Joseph E Orfano

EFFECTIVE DATE: _____ 8/15/2018

APPROVED BY:	Naline S. McMillan – Manager, Accounts Payable,
ORIGINAL EFFECTIVE DATE:	05/26/1988
REVISED DATE(S):	04/17/1996; 11/29/2000; 06/18/2001; 03/14/2014; 09/17/2004; 09/01/2006; 04/06/2010; 02/27/2017; 08/15/2018
KEYWORD(S):	Travel, Expense, Receipt
LINKS/ATTACHMENTS:	Travel , Payment Request Form

Employee Direct Deposit Enrollment Authorization

(Please print legibly or type all information except signature)

Employee Name (As Shown On JEA's HR System)			
Date (Month/Day/Year)		Employee Number	
BANK INFORMATION			
<p style="text-align: center;">I would like my disbursements paid via direct deposit to the following bank account:</p> <p>Account Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings <input type="checkbox"/> Other > <i>Please describe:</i> _____</p> <p>Bank Name: _____</p> <p>Bank Routing Number: _____</p> <p>Bank Account Number: _____</p> <p>Name on Account: _____</p> <p>Bank Address: _____</p> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> _____ City _____ State _____ Zip Code _____ Country </div> <p>Email Address: _____</p> <p style="text-align: center; font-size: small;">(Email address – Oracle will send a notification of payment to this address.)</p> <p>I certify that the information contained herein is accurate and that JEA is requested to make all payments directly to this account.</p> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> _____ Signature of Employee _____ Date </div>			
THIS SECTION TO BE COMPLETED BY JEA PROCUREMENT SERVICES			
Date Received: _____		Date Entered: _____	
Entered by: _____		_____	
Approved by: _____		_____	

**Send this completed form to Procurement Services – Vendor Maintenance,
CC-6.**

OPP:	Employee Travel	Version:	9
-------------	-----------------	-----------------	---

TRAVEL SERVICES

PRE-TRAVEL REIMBURSEMENT

In the event travel expenses are incurred well in advance of the actual travel, a traveler may request a Pre-Travel Reimbursement from Travel Services. Send reimbursement information, receipts and a copy of your written pre-travel approval to Travel Services – CC6. Expenses incurred within two weeks of actual travel do not qualify for pre-travel reimbursement.

As required for all travel reimbursements, funds will be processed via direct deposit. Please ensure you have a completed Direct Deposit form on file with Travel Services. A Direct Deposit Form may be located on **Quest, Enabling Processes, Travel**.

PRE-TRAVEL REIMBURSEMENT REQUEST

TODAY'S DATE: _____

YOUR NAME: _____

YOUR TRAVEL APPROVER: _____

TRIP DATES: _____

TRIP DESTINATION: _____

PROJECT NUMBER: _____

AMOUNT OF PRE-TRAVEL REIMBURSEMENT: \$ _____

PAYMENT TO : _____

TRAVEL APPROVER SIGNATURE: _____

Please complete this form for your pre-travel reimbursement. Forward the completed form, along with the receipt, to Travel Services, CC-6.

OPP:	Employee Travel	Version:	9
-------------	-----------------	-----------------	---

DUVAL COUNTY }
STATE OF FLORIDA }

AFFIDAVIT FOR UNDOCUMENTED TRAVEL EXPENSES

Comes now _____ and makes this affidavit as follows:
(Traveler's Name)

1. By completing the Affidavit, the traveler is acknowledging that he/she did pay for the expense but the receipt was lost.
2. The travel expenses for which Affiant is making this Affidavit are as follows:

TRIP # IE_____

DESCRIPTION

- a) Airfare \$
- b) Hotel \$
- c) Taxi and Shuttle \$
- d) Phone Calls \$
- (e) Parking \$
- (f) Miscellaneous \$

Description:

Signature

Traveler

Date _____

<p>Traveler is stating this claim is true and correct in every material matter; the expenses were actually incurred while on official travel business.</p>



INTER-OFFICE MEMORANDUM

6/16/2020

SUBJECT: 457(B) DEFERRED COMPENSATION PLAN – CARES ACT-RELATED
AMENDMENT TO THE PLAN'S LOAN POLICY AND SERVICE
AGREEMENT TERMS

FROM: Paul E. McElroy, Interim Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

The JEA 457 Deferred Compensation Plan ("Plan") was originally established in 2002 for the purpose of providing employees of JEA and employees of St. Johns River Power Park System ("SJRP") 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 latest governing Plan document for the Plan is an amendment and restatement with an effective date of May 19, 2014, a Clarifying Amendment thereto with a retroactive effective date of June 26, 2013, and a Compliance Amendment thereto with retroactive effective dates of June 1, 2002 or February 25, 2013 (as applicable to each provision in the Compliance Amendment).

Massachusetts Mutual Life Insurance Company ("MassMutual") is the current custodian for the participants' Plan accounts and the administrative service provider for the Plan.

DISCUSSION:

The federal Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), signed into law on March 27, 2020, allows retirement plan participants affected by the coronavirus pandemic to have greater access to, and flexibility with respect to, their retirement funds. The CARES Act loosens the in-service retirement distribution and loan restrictions that apply to many retirement plans and significantly eases the tax burden on qualified individuals who take distributions or loans from qualified retirement plans.

Pursuant to the CARES Act, an employer that wished to offer the relief was required to do so as quickly as possible with immediate effect and then later take steps to amend technical provisions in governing Plan documents. Accordingly, JEA staff worked with the Plan's service provider (MassMutual) to immediately implement the CARES Act relief for the benefit of the Plan's participants, provided notice to applicable unions about implementation of the relief, and provided notice to the participants of the available relief.

In order to offer greater flexibility permitted by the CARES Act with respect to Plan loans, JEA directed MassMutual to allow participants to re-finance their existing Plan loans. MassMutual agreed to immediately implement Plan loan re-financing, provided that JEA adopted, as soon as reasonably feasible thereafter, (1) an amended and restated Plan Loan Policy providing for loan re-financing ("Proposed Loan Policy") and (2) related amendments to the Administrative Services Agreement with MassMutual ("Proposed Service Agreement Terms"). The Proposed Service Agreement Terms specify that MassMutual will provide the administrative support to calculate and monitor re-financed Plan loans and that the participant will pay MassMutual's processing fee for his/her Plan loan re-financing.

Note: Additional technical amendments to governing Plan documents related to the CARES Act are anticipated in the future, once the IRS releases additional guidance regarding the required content of those additional technical amendments.

JEA staff notified all applicable unions of the CARES Act relief provisions and the intent to implement the CARES Act relief to provide Plan participants with more flexible access to their Plan funds. No union requested bargaining or otherwise objected to the implementation.

Attached to this Memorandum are the following items:

- Exhibit "1" – Proposed Loan Policy
- Exhibit "2" – Proposed Service Agreement Terms

FISCAL IMPACT:

The terms of the Proposed Loan Policy and Proposed Service Agreement Terms will not result in any additional Plan benefit costs to JEA in comparison to pre-CARES Act Plan operations.

RECOMMENDATION:

It is recommended that the Board approve, and ratify the prior expedited operational implementation of the terms of, the Proposed Loan Policy and Proposed Service Agreement Terms, and authorize JEA's Interim Managing Director/CEO to execute all implementing documents.

Paul E. McElroy, Interim Managing Director/CEO

PEM/ARH/PLM

JEA Board Resolution No. 2020-07

**RESOLUTION APPROVING
AMENDED AND RESTATED LOAN PROGRAM POLICY
FOR THE JEA 457 DEFERRED COMPENSATION PLAN
AS AMENDED AND RESTATED EFFECTIVE MAY 19, 2014**

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, section 5.1 of the Plan states, in pertinent part, "If the Employer has elected to make loans available to Participants . . . , the Employer shall establish written guidelines governing the granting and administration of loans, which are hereby incorporated into and made part of the Plan . . . "; and

WHEREAS, the Employer previously elected to make loans available to participants under the Plan and last adopted a document titled "Participant Loan Program" for the Plan effective May 11, 2012 setting forth written guidelines governing the granting and administration of loans ("Loan Policy"); and

WHEREAS, the Loan Policy a part of the Plan in accordance with section 5.1 of the Plan; and

WHEREAS, section 10.1 of the Plan provides that the employer may amend the Plan; and

WHEREAS, in order to offer greater flexibility to participants with respect to Plan loans, as permitted by the federal Coronavirus Aid, Relief, and Economic Security Act (March 27, 2020), the employer's staff and the Plan's service provider immediately implemented Plan loan re-financing on an expedited basis during the coronavirus pandemic; and

WHEREAS, it has been proposed that the JEA Board of Directors, acting for and on behalf of JEA, ratify the prior operational implementation of Plan loan re-financing and amend the Loan Policy by approving and adopting in its place the document attached hereto titled "Loan Program Policy – JEA 457 Deferred Compensation Plan" ("Amended Loan Policy"), effective retroactive to June 1, 2020; and

WHEREAS, the JEA Board of Directors has reviewed the Amended Loan Policy and has been advised that all necessary prerequisites to adoption of the Amended Loan Policy have been completed.

NOW, THEREFORE, BE IT RESOLVED that the JEA Board of Directors hereby ratifies the prior operational implementation of Plan loan re-financing on an expedited basis during the coronavirus pandemic, to offer greater flexibility to participants; and

BE IT FURTHER RESOLVED that the JEA Board of Directors hereby approves and adopts the document titled "Loan Program Policy – JEA 457 Deferred Compensation Plan" attached hereto, for and on behalf of JEA, effective retroactive to June 1, 2020, which newly-adopted document replaces the prior document titled "Participant Loan Program" for the Plan which had an effective date of May 11, 2012; and

BE IT FURTHER RESOLVED that the JEA Board Chair is hereby authorized to execute the document titled "Loan Program Policy – JEA 457 Deferred Compensation Plan" attached hereto, for and on behalf of JEA; and

BE IT FURTHER RESOLVED that the JEA Board Chair is hereby authorized to take all actions and steps and to execute any and all other instruments, documents, and certificates necessary to effectuate this resolution; and

BE IT FURTHER RESOLVED that the JEA Interim Managing Director/CEO is also hereby authorized to execute all implementing documents necessary to effectuate this resolution.

IN WITNESS WHEREOF, the JEA Board of Directors has caused this Resolution to be duly executed by its duly authorized officer this ____ day of _____, 2020.

JEA

By: _____
John Baker, JEA Board Chair

ATTEST:

Marty Lanahan, JEA Board Secretary

Form Approved

Legal Counsel

LOAN PROGRAM POLICY
JEA 457 Deferred Compensation Plan

The JEA 457 Deferred Compensation Plan (the "Plan") provides that the Employer (the "Administrator") may, in the Administrator's sole discretion, make Plan loans to Participants. The Plan document requires that a written loan program be established which sets forth the rules and guidelines for making loans. The Administrator's decisions regarding the application or interpretations of this loan program are final and binding on Participants. The Administrator specifically reserves the right to amend these policies and procedures from time to time.

For purposes of this loan program, all terms not defined herein shall have the meanings ascribed to them in the Plan.

1. **Who is Responsible for the Participant Loan Program?** The Administrator is authorized to administer the Plan's loan program. All discretionary decisions concerning loans shall be made by the Administrator. The Administrator may make loans to Participants under the following circumstances: (a) loans shall be made available to all Participants on a reasonably equivalent basis; (b) loans shall bear a reasonable rate of interest; (c) loans shall be adequately secured; and (d) loans shall provide for periodic repayment over a reasonable period of time. No loan will be made from the Plan if it would constitute a prohibited transaction as defined in Internal Revenue Code §4975.
2. **How to Apply for a Loan.** All applications for loans shall be made by Participants to the Administrator in writing. A Participant's ability to make such application, either in writing or by electronic means, will be subject to the qualification guidelines adopted by the Administrator and as set forth in this loan program. All loan applications are subject to consideration by the Administrator in a timeframe commensurate with the form of application. In making application for a loan, a Participant may be required to provide such supporting information deemed necessary by the Administrator. This may include a financial statement, tax returns and such other financial information, which the Administrator may consider necessary and appropriate to determine whether a loan should be granted.
3. **Basis for Loan Approval.** The Administrator, in making a determination as to whether a Participant qualifies for a loan, may consider, in a uniform and nondiscriminatory manner, such criteria as a commercial lender of funds would apply in like circumstances with respect to the Participant and any other reasonable factors it deems relevant. Such criteria may include, but need not be limited to, the creditworthiness of the Participant and his or her general ability to repay the loan, the period of time the Participant has been employed by the Employer, whether adequate security has been provided for the loan, whether the Participant has defaulted on a previous loan or who has had a previous loan declared to be a deemed distribution on account of failure to timely repay a loan in accordance with its terms. The Administrator may, in its discretion, require as a condition to the granting of the loan, that the Participant provide to the Employer an election for direct, after-tax payroll withholding for the loan repayments. In addition, a loan request made during the time a decision concerning a domestic relations order is pending may be delayed until after such decision is final.

4. **Limitations on the types and amount of Loans.** With regard to any loan made pursuant to this program, the following rule(s) and limitation(s) shall apply, in addition to such other requirements set forth in the Plan:
- i. All loans made pursuant to this program shall be considered a directed investment from the Account Balance of the Participant maintained under the Plan. As such, all payments of principal and interest made by the Participant shall be credited only to the Account Balance of such Participant.
 - ii. The maximum amount of a loan shall be the lesser of (a) 50% of the Participant's vested account balance; or (b) \$50,000, reduced by the excess of the highest outstanding balance of loans from the Plan to the Participant during the one year period ending on the day before the date on which such loan was made, over the outstanding balance of loans from the Plan to the Participant on the date on which such loan was made, or, if less, one-half (1/2) the Participant's account balance under this Plan and all other plans of the Employer.
 - iii. The minimum loan term is 12 months.
 - iv. Loans are required to provide that the amount of such loan, plus interest, will be amortized over the repayment period with payments to be made not less frequently than quarterly over a period not to exceed five (5) years. However, if the loan proceeds are used to acquire a principal residence of the Participant, the loan repayment period may be for a period up to thirty (30) years. This means that payments will be level throughout the repayment period, and each payment will include both principal and interest. With the consent of the Administrator, the Participant may repay the outstanding principal amount with interest to the date of repayment at any time prior to the loan due date, but may not make a partial prepayment, provided the loan obligation has not been treated as a deemed distribution by the Administrator.
 - v. Reasonable and necessary fees and expenses incurred by the Plan in the origination and ongoing maintenance of the loan may be charged against the Participant's Account Balance.
 - vi. Only active Participants are entitled to maintain participant loans. This means that if a Participant is not currently employed by the Employer (or a Participating Employer that has adopted the Plan), then he or she is not entitled to initiate a new Participant loan or continue to maintain an existing Participant loan.
 - vii. No loan in an amount less than \$1,000 shall be granted to any Participant.
 - viii. A Participant may only have 1 loan(s) outstanding at any time.
5. **Interest.** Any loan granted under this program shall bear a reasonable rate of interest. In determining such rate of interest, the Plan shall require a rate of return commensurate with the prevailing interest rate charged on similar commercial loans under like circumstances by persons in the business of lending money. Such prevailing interest rate standard shall permit

the Administrator to consider factors pertaining to the opportunity for gain and risk of loss that a professional lender would consider on a similar arms' length transaction, such as the creditworthiness of the Participant and the security given for the loan. Therefore, in establishing the rate of interest, the Administrator shall conduct a reasonable and prudent inquiry with professional lenders in the same geographic locale where the Participant and Employer reside to determine such prevailing interest rate for loans under like circumstances.

6. **Collateral.** The Plan shall require that adequate security be provided by the Participant before a loan is granted. For this purpose, the Plan shall consider a Participant's interest under the Plan to be adequate security. However, in no event shall more than 50% of a Participant's interest in the Plan (determined immediately after the origination of the loan) be used as security for the loan.
7. **Default Procedures.** Generally, a default occurs upon the failure of a Participant to timely remit payments under the loan when due. The Administrator will consider a loan in default no later than the last business day of the calendar quarter following the calendar quarter in which the Participant failed to timely remit a scheduled payment (the cure period). The Administrator will also consider a loan in default if the Participant makes or furnishes any false representation or statement to the Plan.
8. **Consequences of Default.** At the time of such default, the Participant will have the opportunity to repay the loan, resume current status of the loan by paying any missed payment(s) plus accrued interest or, if a distribution is available under the terms of the Plan, request a distribution of the note. The Administrator will treat a loan that has been defaulted upon and not timely corrected during the cure period as a deemed distribution from the Plan. In such event, the outstanding balance of the loan plus accrued interest shall become taxable to the Participant as if it had been distributed and reported on a Form 1099-R issued to the Participant. Pending final disposition of the note, the Participant remains obligated for any unpaid principal and accrued interest. If repayment of a defaulted loan had been made by method other than payroll deduction, then method of loan repayment for any subsequent loans will be made by payroll deduction (pursuant to Treasury Regulation Section 1.72(p)-1 Q&A 19).

If the loan remains in default at the time the Participant's employment with the Employer terminates for any reason, the Administrator will offset the Participant's Account Balance by the outstanding balance of the loan to the extent permitted by law. The Administrator will treat the note as repaid to the extent of any permissible offset. With the consent of the Administrator, the Participant may elect to repay the outstanding principal with all accrued interest to the date of repayment as a lump sum.

In the event a loan is outstanding on the date of a Participant's death, his or her estate shall be his or her Beneficiary as to the portion of his or her interest in the Plan invested in such loan. At the time of such default, the Participant's estate will not have the opportunity to repay the loan. In such event, the outstanding balance of the loan note shall be foreclosed and distributed from the Plan, and become taxable to the Participant's estate and reported on a Form 1099-R issued to the Participant's estate.

9. Notwithstanding the foregoing, Participants will be allowed to suspend payments for a bona fide leave of absence and the loan will not default during such leave to the extent provided below:

The Plan may suspend the obligation to repay a loan made to a Participant for any part of a period during which the Participant is performing service in the uniformed services (as defined in 38 U.S.C. chapter 43), whether or not qualified military service, even if the suspension exceeds one year and even if the term of the loan is extended. However, to avoid a default, the loan repayments shall resume upon the completion of such period of military service and the loan shall be repaid thereafter by amortization in substantially level installments over a period that ends not later than the latest permissible term of the loan plus the period of military service. Suspended loan payments may also be allowed in certain other circumstances or for reasons provided for in applicable IRS guidance, as issued from time to time.

The Plan may suspend the obligation to repay a loan made to a Participant for a period during which the Participant is on a bona fide leave of absence (other than for military service) either without pay or at a rate of pay (after applicable employment withholdings) that is less than the amount of the installment payments required under the terms of the loan. Such period may not exceed one year. Loan interest accrued during such period must be paid no later than the latest permissible term of the loan. Installment payments due after the end of the leave period must not be less than the installment payments required under the terms of the original loan. Repayment of suspended payments may be made by either increasing the amount of installment payments upon the Participant's return to work or by making a lump sum payment for the suspended payments at any time prior to the latest permissible term of the loan.

10. **Loan Renegotiation.** A Participant may renegotiate a loan without violating the one outstanding loan requirement to the extent such renegotiated loan is a new loan (i.e., the renegotiated loan separately satisfies the reasonable interest rate requirement under Section 5.3(a) of the Plan, the adequate security requirement under Section 5.4 of the Plan, and the periodic repayment requirement under Section 5.5 of the Plan) and the renegotiated loan does not exceed the limitations under Section 5.2 of the Plan, treating both the replaced loan and the renegotiated loan as outstanding at the same time. However, if the term of the renegotiated loan does not end later than the original term of the replaced loan, the replaced loan may be ignored in applying the limitations under Section 5.2 of the Plan.
11. Upon satisfaction of the criteria established for granting a loan, the Administrator may grant the Plan loan request. The Administrator shall then require that the Participant execute all documents necessary to establish the Plan loan, including a promissory note and payroll deduction agreement, a truth-in-lending disclosure and such other documents, which will provide the Plan with adequate security.

Effective June 1, 2020

Adopted this _____ day of _____, 20_____.

Employer (signature) _____

Name: (please print) Paul E. McElroy

TITLE: Interim Managing Director/ CEO



INTER-OFFICE MEMORANDUM

6/16/20

SUBJECT: 401(A) DEFINED CONTRIBUTION RETIREMENT PLAN – CARES
ACT-RELATED AMENDMENT TO THE PLAN'S LOAN TERMS AND
SERVICE AGREEMENT TERMS

FROM: Paul E. McElroy, Interim 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.

The latest governing Plan document for the Plan is an amendment and restatement with an effective date of January 1, 2016.

Massachusetts Mutual Life Insurance Company ("MassMutual") is the current custodian for the participants' Plan accounts and the administrative service provider for the Plan.

DISCUSSION:

The federal Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), signed into law on March 27, 2020, allows retirement plan participants affected by the coronavirus pandemic to have greater access to, and flexibility with respect to, their retirement funds. The CARES Act loosens the in-service retirement distribution and loan restrictions that apply to many retirement plans and significantly eases the tax burden on qualified individuals who take distributions or loans from qualified retirement plans.

Pursuant to the CARES Act, an employer that wished to offer the relief was required to do so as quickly as possible with immediate effect and then later take steps to amend technical provisions in governing Plan documents. Accordingly, JEA staff worked with the Plan's service provider (MassMutual) to immediately implement the CARES Act relief for the benefit of the Plan's participants and provided notice to the participants of the available relief.

In order to offer greater flexibility permitted by the CARES Act with respect to Plan loans, JEA directed MassMutual to allow participants to re-finance their existing Plan loans. MassMutual agreed to immediately implement Plan loan re-financing, provided that JEA adopted, as soon as reasonably feasible thereafter, (1) an amendment to the governing Plan document providing for loan re-financing

("Proposed Plan Amendment") and (2) related amendments to the Administrative Services Agreement with MassMutual ("Proposed Service Agreement Terms"). The Proposed Service Agreement Terms specify that MassMutual will provide the administrative support to calculate and monitor re-financed Plan loans and that the participant will pay MassMutual's processing fee for his/her Plan loan re-financing.

Note: Additional technical amendments to governing Plan documents related to the CARES Act are anticipated in the future, once the IRS releases additional guidance regarding the required content of those additional technical amendments.

Attached to this Memorandum are the following items:

- Exhibit "1" – Proposed Plan Amendment
- Exhibit "2" – Proposed Service Agreement Terms

There is no collectively bargained unit of employees impacted by the Proposed Plan Amendment or Proposed Service Agreement terms.

FISCAL IMPACT:

The terms of the Proposed Plan Amendment and Proposed Service Agreement Terms will not result in any additional Plan benefit costs to JEA in comparison to pre-CARES Act Plan operations.

RECOMMENDATION:

It is recommended that the Board approve and ratify the prior expedited operational implementation of the terms of, the Proposed Plan Amendment and Proposed Service Agreement Terms, and authorize JEA's Interim Managing Director/CEO to execute all implementing documents.

Paul McElroy, Interim Managing Director/CEO

PEM/ARH/PLM

JEA Board Resolution No. 2020-08

**RESOLUTION APPROVING
AMENDMENT TO
JEA 401(A) DEFINED CONTRIBUTION RETIREMENT PLAN
AS AMENDED AND RESTATED EFFECTIVE JANUARY 1, 2016
(Amendment Number 1, Effective June 1, 2020)**

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 January 1, 2016, and is currently in effect; and

WHEREAS, section B-14 of the Plan's Adoption Agreement currently provides that a participant may not renegotiate the terms of a Plan loan; and

WHEREAS, section 14.01 of the Plan's Basic Plan Document provides that the employer may amend its plan design selections in the Adoption Agreement; and

WHEREAS, in order to offer greater flexibility to participants with respect to Plan loans, as permitted by the federal Coronavirus Aid, Relief, and Economic Security Act (March 27, 2020), the employer's staff and the Plan's service provider immediately implemented Plan loan re-financing on an expedited basis during the coronavirus pandemic; and

WHEREAS, it has been proposed that the JEA Board of Directors, acting for and on behalf of JEA, ratify the prior operational implementation of Plan loan re-financing and amend the Plan by approving the document attached hereto titled "Amendment to JEA 401(a) Defined Contribution Retirement Plan" ("Amendment Number 1"), effective retroactive to June 1, 2020; and

WHEREAS, the JEA Board of Directors has reviewed Amendment Number 1 and has been advised that all necessary prerequisites to adoption of Amendment Number 1 have been completed.

NOW, THEREFORE, BE IT RESOLVED that the JEA Board of Directors hereby ratifies the prior operational implementation of Plan loan re-financing on an expedited basis during the coronavirus pandemic, to offer greater flexibility to participants; and

BE IT FURTHER RESOLVED that the JEA Board of Directors hereby approves and adopts the document titled "Amendment to JEA 401(a) Defined Contribution Retirement Plan" attached hereto, for and on behalf of JEA, effective retroactive to June 1, 2020; and

BE IT FURTHER RESOLVED that the JEA Board Chair is hereby authorized to execute the document titled "Amendment to JEA 401(a) Defined Contribution Retirement Plan" attached hereto, for and on behalf of JEA; and

BE IT FURTHER RESOLVED that the JEA Board Chair is hereby authorized to take all actions and steps and to execute any and all other instruments, documents, and certificates necessary to effectuate this resolution; and

BE IT FURTHER RESOLVED that the JEA Interim Managing Director/CEO is also hereby authorized to execute all implementing documents necessary to effectuate this resolution.

IN WITNESS WHEREOF, the JEA Board of Directors has caused this Resolution to be duly executed by its duly authorized officer this ____ day of _____, 2020.

JEA

By: _____
John Baker, JEA Board Chair

ATTEST:

Marty Lanahan, JEA Board Secretary

Form Approved

Legal Counsel

AMENDMENT TO JEA 401(A) DEFINED CONTRIBUTION RETIREMENT PLAN ("the Plan")

WHEREAS, JEA (the "Employer") maintains the JEA 401(a) Defined Contribution Retirement Plan (the "Plan") for its employees;

WHEREAS, JEA has decided that it is in its best interest to amend the Plan;

WHEREAS, Section 14.01(b) of the Plan authorizes the Employer to amend the selections under the JEA 401(a) Defined Contribution Retirement Plan Adoption Agreement.

NOW THEREFORE BE IT RESOLVED, that the JEA 401(a) Defined Contribution Retirement Plan Adoption Agreement is amended as follows. The amendment of the Plan is effective as of 6-1-2020.

1. The Adoption Agreement is amended to read:

B-14 **LOAN RENEGOTIATION.** The default loan policy provides that a Participant may renegotiate a loan, provided the renegotiated loan separately satisfies the reasonable interest rate requirement, the adequate security requirement, the periodic repayment requirement and the loan limitations under the Plan. The Employer may restrict the availability of renegotiations to prescribed purposes provided the ability to renegotiate a Participant loan is available on a non-discriminatory basis. To override the default loan policy and restrict the ability of a Participant to renegotiate a loan, complete this AA §B-14.

☐ (a) A Participant may **not** renegotiate the terms of a loan.

☐ (b) The following special provisions apply with respect to renegotiated loans: _____

EMPLOYER SIGNATURE PAGE

PURPOSE OF EXECUTION. This Signature Page is being executed to effect:

- ☐ (a) The adoption of a **new plan**, effective *[insert Effective Date of Plan]*. [**Note:** Date can be no earlier than the first day of the Plan Year in which the Plan is adopted.]
- ☐ (b) The **restatement** of an existing plan, in order to comply with the requirements of PPA, pursuant to Rev. Proc. 2011-49.
- (1) Effective date of restatement: _____. [**Note:** Date can be no earlier than January 1, 2007. Section 14.01(d)(2) of Plan provides for retroactive effective dates for all PPA provisions. Thus, a current effective date may be used under this subsection (1) without jeopardizing reliance.]
- (2) Name of plan(s) being restated: _____
- (3) The original effective date of the plan(s) being restated: _____
- ☒ (c) An **amendment or restatement** of the Plan (other than to comply with PPA). If this Plan is being amended, a snap-on amendment may be used to designate the modifications to the Plan or the updated pages of the Adoption Agreement may be substituted for the original pages in the Adoption Agreement. All prior Employer Signature Pages should be retained as part of this Adoption Agreement.
- (1) Effective Date(s) of amendment/restatement: 6-1-2020
- (2) Name of plan being amended/restated: JEA 401(a) Defined Contribution Retirement Plan
- (3) The original effective date of the plan being amended/restated: 1-1-2002
- (4) If Plan is being amended, identify the Adoption Agreement section(s) being amended: Appendix B-14: Loan renegotiation is permitted.

VOLUME SUBMITTER SPONSOR INFORMATION. The Volume Submitter Sponsor (or authorized representative) will inform the Employer of any amendments made to the Plan and will notify the Employer if it discontinues or abandons the Plan. To be eligible to receive such notification, the Employer agrees to notify the Volume Submitter Sponsor (or authorized representative) of any change in address. The Employer may direct inquiries regarding the Plan or the effect of the Favorable IRS Letter to the Volume Submitter Sponsor (or authorized representative) at the following location:

Name of Volume Submitter Sponsor (or authorized representative): Massachusetts Mutual Life Insurance Company

Address: 1295 State Street Springfield, MA 01111-0001

Telephone number: (800) 309-3539

IMPORTANT INFORMATION ABOUT THIS VOLUME SUBMITTER PLAN. A failure to properly complete the elections in this Adoption Agreement or to operate the Plan in accordance with applicable law may result in disqualification of the Plan. The Employer may rely on the Favorable IRS Letter issued by the National Office of the Internal Revenue Service to the Volume Submitter Sponsor as evidence that the Plan is qualified under Code §401(a), to the extent provided in Rev. Proc. 2011-49. The Employer may not rely on the Favorable IRS Letter in certain circumstances or with respect to certain qualification requirements, which are specified in the Favorable IRS Letter issued with respect to the Plan and in Rev. Proc. 2011-49. In order to obtain reliance in such circumstances or with respect to such qualification requirements, the Employer must apply to the office of Employee Plans Determinations of the Internal Revenue Service for a determination letter. See Section 1.50 of the Plan.

By executing this Adoption Agreement, the Employer intends to adopt the provisions as set forth in this Adoption Agreement and the related Plan document. By signing this Adoption Agreement, the individual below represents that he/she has the authority to execute this Plan document on behalf of the Employer. This Adoption Agreement may only be used in conjunction with Basic Plan Document #05. The Employer understands that the Volume Submitter Sponsor has no responsibility or liability regarding the suitability of the Plan for the Employer's needs or the options elected under this Adoption Agreement. It is recommended that the Employer consult with legal counsel before executing this Adoption Agreement.

JEA

(Name of Employer)

Paul E. McElroy

(Name of authorized representative)

Interim Managing Director/ CEO

(Title)

(Signature)

(Date)

EXHIBIT A: ADMINISTRATIVE SERVICES

Effective June 1, 2020 the following constitutes an amendment to the Administrative Services Agreement ("Agreement") between the Plan Sponsor and MassMutual. The following services shall be available in addition to the current services described in the Agreement. All services in the Agreement shall continue to remain in full force and effect upon the addition of the services described herein.

Description of Amendment: Include Loan Refinancing - MassMutual will monitor:

Recordkeeping Services

- Ongoing Administration
 - Loan Processing and Modeling
 - ❖ Paperless loan modeling and processing
 - ❖ Loans are repaid through periodical ACH-Debit transactions
 - ❖ **Loan refinancing is permitted; MassMutual will monitor loan refinancing**
 - ❖ Delinquent, pending default, suspension, and default notices provided directly to participant homes

EXHIBIT D: FEES

Effective June 1, 2020 the following constitutes an amendment to the Administrative Services Agreement ("Agreement") between the Plan Sponsor and MassMutual. The following services shall be available in addition to the current services described in the Agreement. All services in the Agreement shall continue to remain in full force and effect upon the addition of the services described herein.

Description of Amendment: Include Loan Refinancing Charge:

Participant Activity Services:

Service	Fee	Fee Paid By
Refinanced Loan Charge, existing maintenance fee applies, if applicable	\$75 initiation fee; \$40 yearly maintenance fee	Participant

Expense Disclosure:

Except as otherwise provided in the Agreement, expenses will be determined and billed or deducted monthly, as applicable as of a date determined by MassMutual.

EXHIBIT H: APPROVAL SERVICES PLAN SPONSOR DIRECTION

Revision Date: June 1, 2020

The Plan Sponsor hereby directs MassMutual to process the transactions described below pursuant to the procedures outlined in the Plan Administrator's Guide or which are provided to the plan sponsor for review. MassMutual has no discretion with regard to processing these transactions, and there will be no deviation from these procedures without the Plan Sponsor's written direction. MassMutual may subcontract certain aspects of these approval services to other vendors.

Description of Amendment: Include Loan Refinancing - MassMutual will monitor:

Service	Fee	Fee Paid By
Loan Refinance: <ul style="list-style-type: none"> Review Loan Application Apply IRS Limits Prepare and Mail Check. ACH Option for Terminated Participants <p>The Plan will Allow for the following Loan Refinance Requests:</p> <p><input checked="" type="checkbox"/> all loan refinance options are allowed under the plan</p> <p><input type="checkbox"/> only the following loan refinance options are allowed under the plan:</p> <p>Personal Loans Only (Check all that apply.)</p> <p><input type="checkbox"/> Extend term of loan within a maximum 5 year limit from original loan initiation date</p> <p><input type="checkbox"/> Extend term of loan within a maximum 5 year limit (not to exceed 5 years from refinance date)</p> <p><input type="checkbox"/> Decrease term of loan</p> <p><input type="checkbox"/> Change interest rate</p> <p><input type="checkbox"/> Request additional funds</p> <p>Home Loans Only (Check all that apply.)</p> <p><input type="checkbox"/> Extend term of loan (not to exceed Plan's maximum term)</p> <p><input type="checkbox"/> Decrease term of loan</p>	Refer to Exhibit D for loan refinance fee	Refer to Exhibit D for loan refinance fee

SIGNATURE(S):

In Witness Whereof: MassMutual and the Plan Sponsor have caused this Agreement to be executed by their duly appointed officer or representative effective as of the date executed by both parties.

For Massachusetts Mutual Life Insurance Company:



Eric Wietsma
Head of Workplace Operations

May 28, 2020
Date

Legal Name of Plan Sponsor: JEA

Contract Number: 061373-0001-0000 and 061373-0002-0000

For the Plan Sponsor:

Signature
Paul E. McElroy

Printed Name and Title
Interim Managing Director/ CEO

Date



INTER-OFFICE MEMORANDUM

August 5, 2020

SUBJECT: ELECTRIFICATION PROGRAM

FROM: Paul McElroy, Interim Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

JEA has conducted an electrification program for five years. Over that time, the program has generated new sales of 489Gwh and \$30MM by incenting customers to adopt newer energy efficient electric technologies. The efficiency gains also produced an estimated reduction of 275,000 tons of CO₂. JEA customers involved in the program include the U.S. Navy, JAXPORT, Crowley, Amazon, JM Family Enterprises, BMW, GE, FedEx, Winn-Dixie and Publix.

DISCUSSION:

Based on the impacts of the program over the past five years, this year JEA plans to expand the program. Expanded Electrification Program offerings will provide additional revenue growth, apply downward pressure on rates, improve JEA system efficiencies, and reduce the community's environmental footprint. Staff will share some details on how the expansion will be accomplished and some program goals associated with the expansion.

FINANCIAL IMPACT:

To expand the program, the annual budget will increase from \$1MM in FY20 to \$2.3MM in FY21. Continued successful program growth over the next five years would require an average annual budget of \$3.2MM per year for five years.

RECOMMENDATION:

No action necessary. Informational item only.

Paul McElroy, Interim Managing Director/CEO

PEM/RBD/VDN



ELECTRIFICATION

Phase I and Phase II

August 2020



Bruce Dugan

Electrification describes the adoption of electric end-use technologies.

- *Electric Power Research Institute*

Electrification is the shift from any non-electric source of energy to electricity at the point of final consumption.

- *National Renewable Energy Lab*

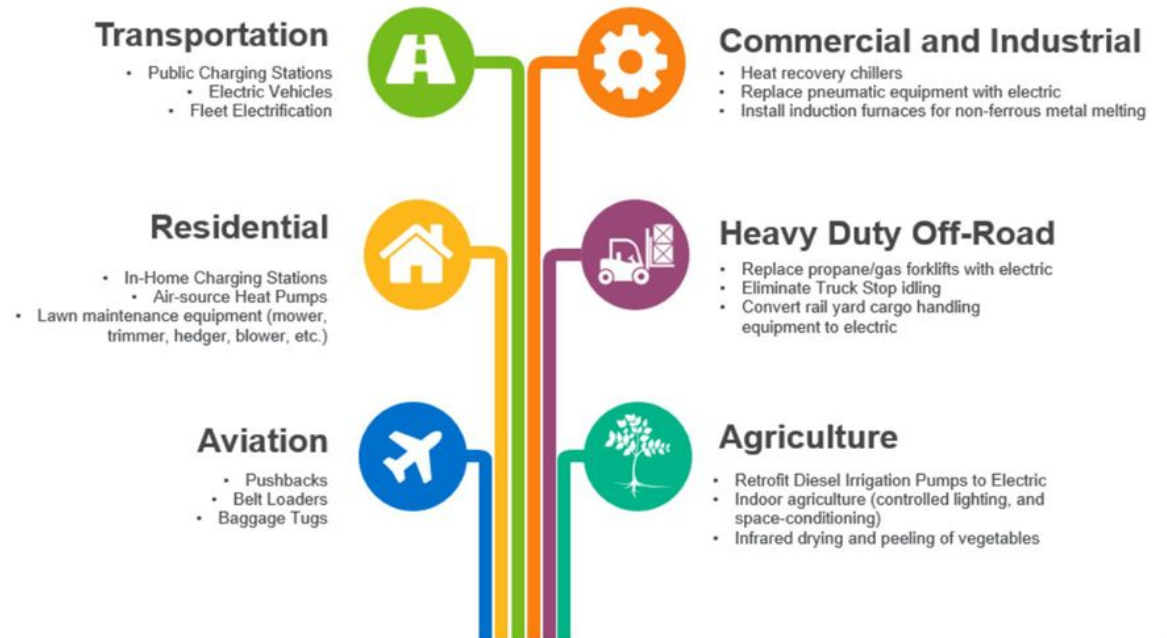
Electrification requires that it be cost-effective for JEA, good for all customers (whether they participate in the program or not), and good or neutral for the environment.

- *ICF*

August 2020



ELECTRIFICATION 101 **What is Electrification?**



Source: Nexant, *Electrification and the Utility of the Future*, <http://www.nexant.com/resources/electrification-and-utility-future>

ELECTRIFICATION PHASE I DESCRIPTION

STRATEGY

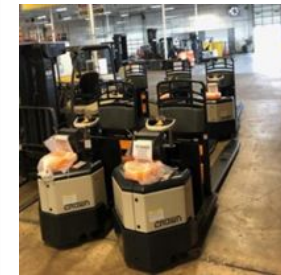
- In 2015, JEA launched a basic market entry Electrification program.
- Phase I focused on C&I customers replacing the most common fossil-fuel technologies with electric.
- Incentives were designed to address limited technologies.
- Phase I offered prescriptive and select custom incentives.

August 2020

**ELECTRIFICATION
Phase I**

INCENTIVES

Electrotechnology	JEA Incentive
Forklifts	\$300
Golf Carts	\$50
Scrubbers	\$100
Welders	\$500
Airport Ground Support Equipment	\$100-\$600
Truck Refrigeration Units	\$200
Truck Stop Electrification	\$200
Outdoor Cranes / Super Cranes	\$15,000-\$75,000
Custom Electrotechnologies	Varies



NOTABLE ELECTRIFICATION PROJECTS



Super Cranes:

- Company: JAXPORT
- 3 cranes in operation, 3 in progress
- 3 more to be built
- Generated approximately 1.75 MWh of sales.
- *“The cranes are critical to our growth and expansion where we anticipate over twenty percent growth year over year within the next couple of years.”*
Lynn Westbrook JaxPort

August 2020

**ELECTRIFICATION
PROGRAM**



Robots:

- Company: Hans-Mill
- Unique robotic application made possible by JEA's electrification program.
- Generated approximately 2.1 MWh of sales.
- Hans-Mill has been known to only hire local workers.
- Current plan for expansion to add 13 Robots, 11 Injection Molding Machines and 150-200 new jobs for local workers.



Welding Machines:

- Company: Welding Manufacturing Line
- JEA is first utility to offer incentive for welders.
- Generated approximately 1 MWh of sales.
- Business has added 7 new manufacturing lines
- Grown from 5 employees to now approaching 100.
- Current planning on expansion, which will result in more new jobs creation.



Electric Digger:

- Company: JEA
- JEA is piloting small electric digger. It has been met with very positive response due to easy maintenance, low noise, and no diesel fumes.

STRONG PARTICIPATION AND CUSTOMER SATISFACTION

Customers' Feedback

"The program is exactly as advertised and works very well, [the program] has been excellent to work with and always keeps us abreast of opportunities that we may not have thought of."

J. Peacock Southeastern Toyota/JM Family Enterprises

"We could not be happier with the program and with JEA. JEA treats us very well and we do appreciate that."

Jack McDuffie, Sysco Foods

"When we first entertained the idea of going to electric from diesel with our cranes we were skeptical. The program works very well for us, we have reduced our annual costs, electric versus diesel, and are looking forward soon to more conversions to electric."

Lynn Westbrook, Jacksonville Port Authority

"BMW is very happy with the program...We are very grateful to JEA."

Christopher McMurray, BMW Distribution Center

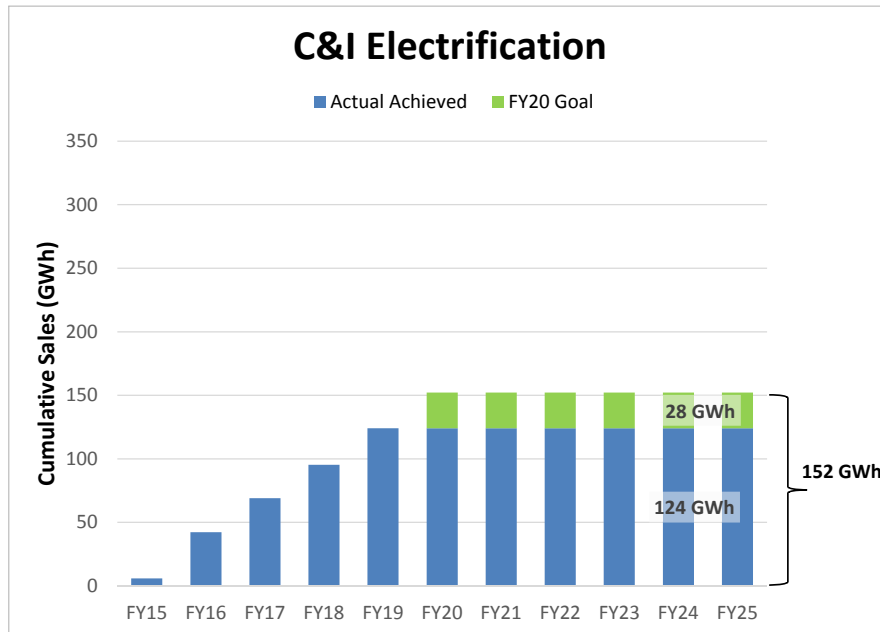
Notable Participants



August 2020

**ELECTRIFICATION
Phase I**

ELECTRIFICATION PHASE I RESULTS



FY'15 to FY20:

- ✓ 489 GWh sales generated
- ✓ \$30MM new sales
- ✓ 275,000 tons of CO₂ removed to date
- ✓ Higher Load Factor (LF) sales at 73% vs JEA System LF of 50%¹
- ✓ 8,359 units installed
- ✓ Positioned JEA as trusted energy advisor
- ✓ Improved customers' efficiency, expansion and job creation

(1) JEA 2018 EIA Form 861 data

ELECTRIFICATION PHASE II DESCRIPTION

STRATEGY

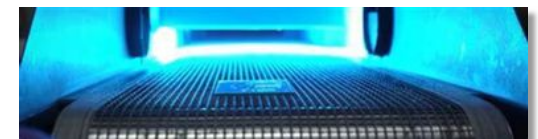
- Incorporates lessons learned from legacy program.
- Expands targeted electro-technologies, introduces new custom incentives, added prescriptive incentives, increased sales resources and provides intensive customer advisory services.
- Phase II significantly expands JEA's ability to achieve customers' outcomes through the delivery of new technical and business expertise.

August 2020

**ELECTRIFICATION
Phase II**

INCENTIVES

Electrotechnology	JEA Incentive
Forklifts	\$300-\$800
Golf Carts	\$50-\$200
Scrubbers	\$100-\$400
Welders	\$500
Airport Ground Support Equipment	\$400-\$35,000
Truck Refrigeration Units	\$400-\$1,000
Truck Stop Electrification	\$200-\$1,300
Outdoor Cranes / Super Cranes	\$15,000-\$75,000
Beverage Carts	\$600
Workplace / DC Fast Charging	\$5,200-\$30,000
School / Transit Bus	\$17,000-\$100,000
Custom Electrotechnologies	Varies



PHASE II TARGETED OPPORTUNITIES

- Jacksonville Port Authority Port - Gantry Cranes, Drayage-trucks/Yard-haulers
- JTA (Jacksonville Transportation Authority), Duval County Public Schools, and City of Jacksonville – Buses, Garbage trucks
- Toyota at Talleyrand Port – EV Curing - can help speed up their process with cars coming in that need repainting (nicks – damage, etc..)
- Boeing, Flightstar, local airports, Air National Guard, Naval Air Station Jacksonville, Mayport Naval Base – Hanger doors
- Amazon, FedEx, UPS - Local delivery trucks
- North Florida Sales - Small cars and light to medium trucks for company salesforce

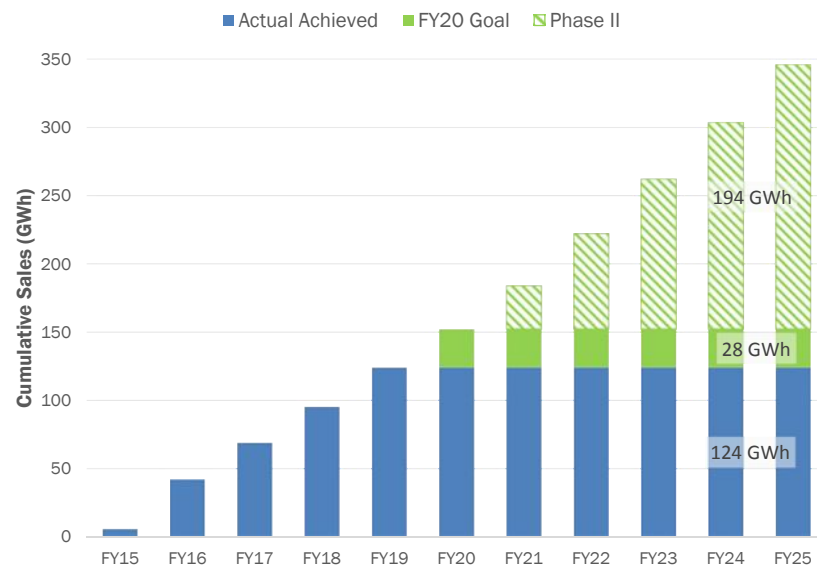


August 2020

ELECTRIFICATION
Phase I

ELECTRIFICATION PHASE II GOALS

C&I Electrification



Oct 1st through FY30:

- ✓ 1,937 GWh sales
- ✓ \$72MM NPV revenue¹
- ✓ 2M tons of CO₂ removed
- ✓ Higher Load Factor (LF) sales at 89% vs JEA System LF of 50%
- ✓ 7,000+ units installed
- ✓ Advances JEA's position, as trusted energy advisor
- ✓ Increases customers' business efficiency leading to increased profitability and job creation

(1) Discount rate at 4.5%.

ELECTRIFICATION PHASE II BUDGET

Costs for Electrification Expansion						
Fiscal Year	2021	2022	2023	2024	2025	TOTAL
Annual Total Cost	\$2.3 Mil	\$2.9 Mil	\$3.3 Mil	\$3.5Mil	\$3.9 Mil	\$15.8 Mil

\$3.2MM Average annual cost of growing the JEA Electrification Program for five years
 \$15.4MM NPV Projected total program spend
 \$72MM NPV lifetime revenue (over life of equipment, 4.5% discount rate)

SUMMARY



ELECTRIFICATION (FY15 – FY30) - *JEA'S PIVOT TO GROWTH*

- ✓ Increases JEA's kWh sales and revenue growth – 3,187 GWh's (~25% of 2018 sales)
- ✓ Delivers over \$87MM NPV
- ✓ Puts favorable pressure on rates and improves System Load Factor
- ✓ Introduces new, advanced, clean and efficient technologies to grow customers' businesses
- ✓ Significantly reduces the environmental footprint of our customers and community

August 2020

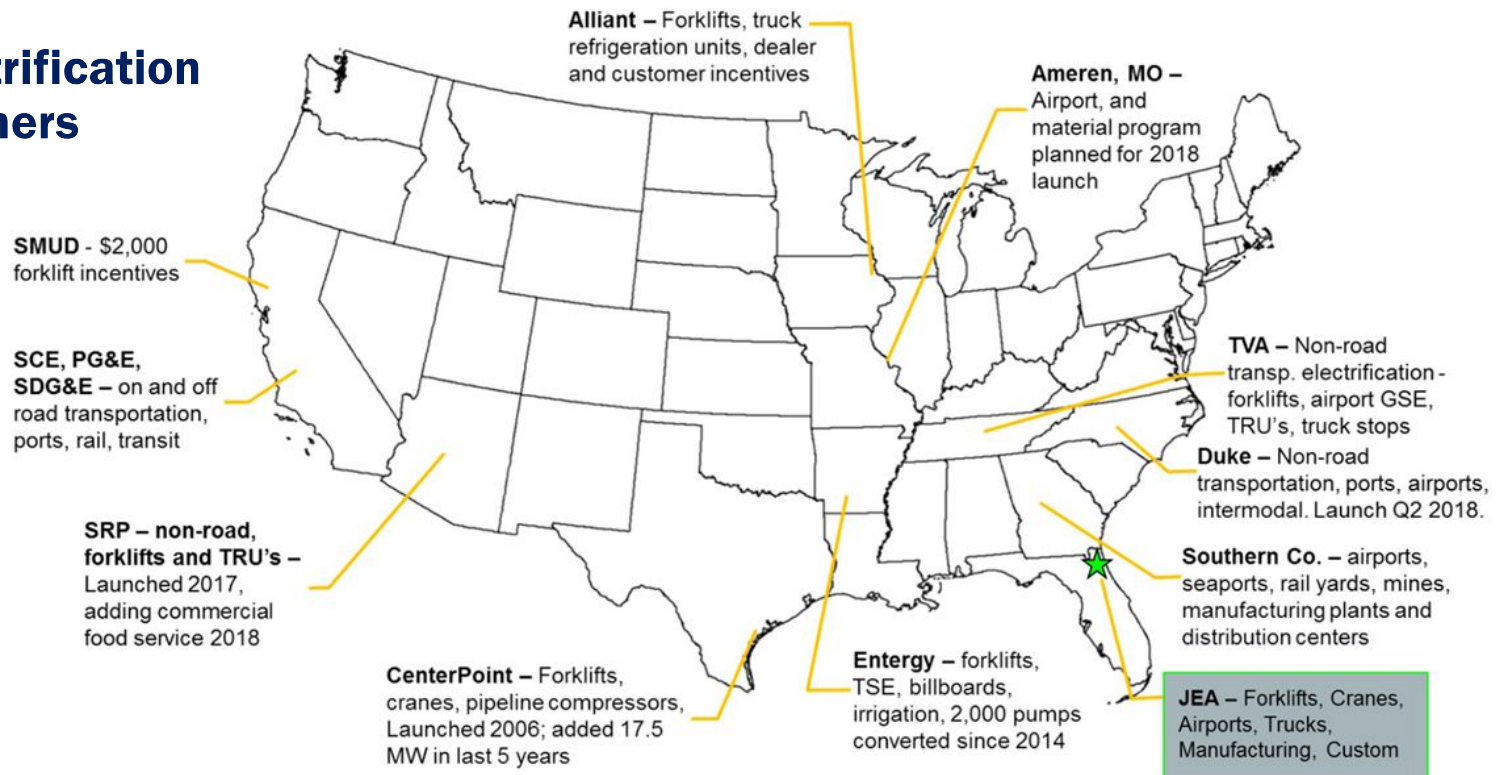
 **ELECTRIFICATION**
Phase I & II



Appendix

JEA LEADS THE PACK IN SCOPE AND RELATIVE IMPACT

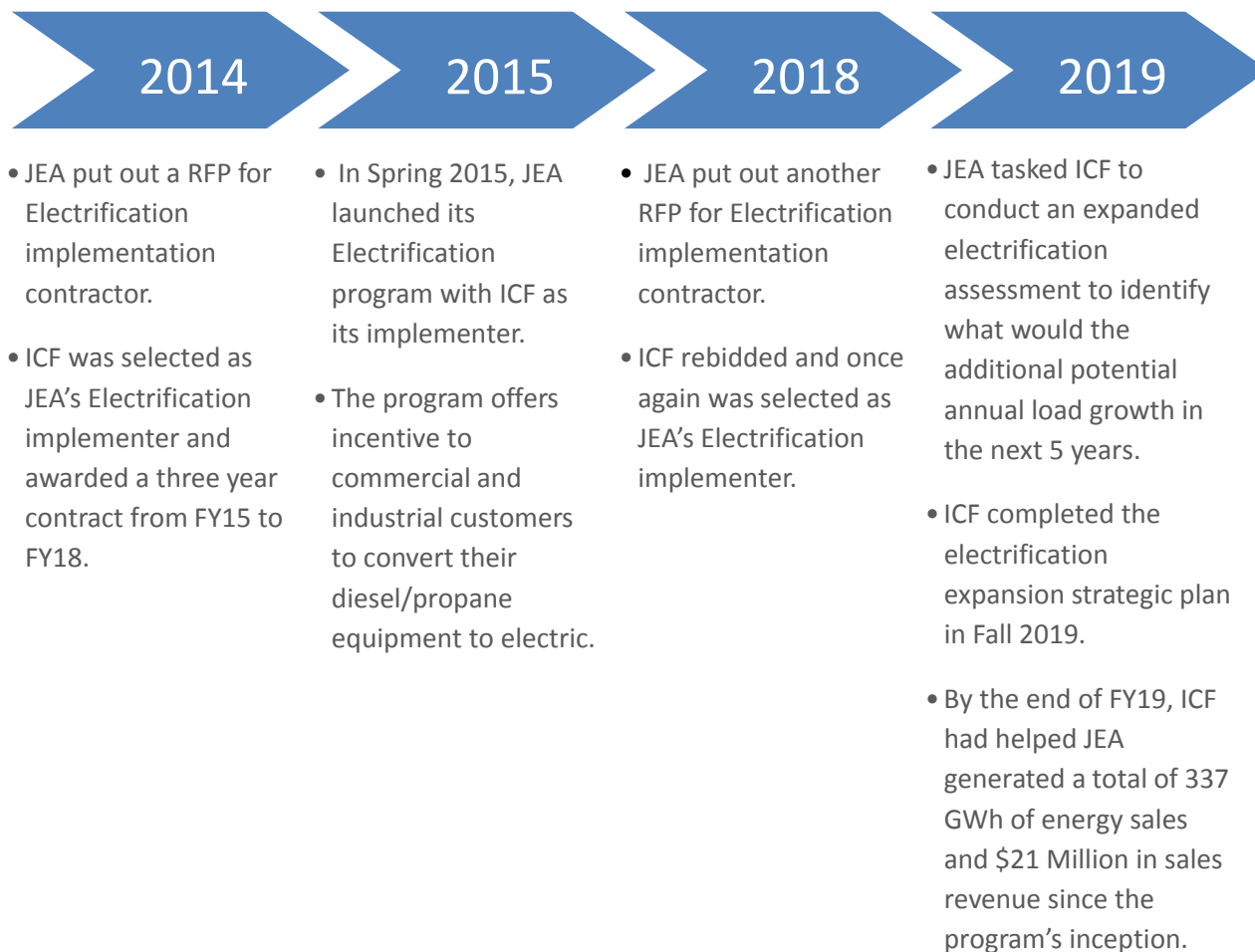
ICF's Electrification Partners



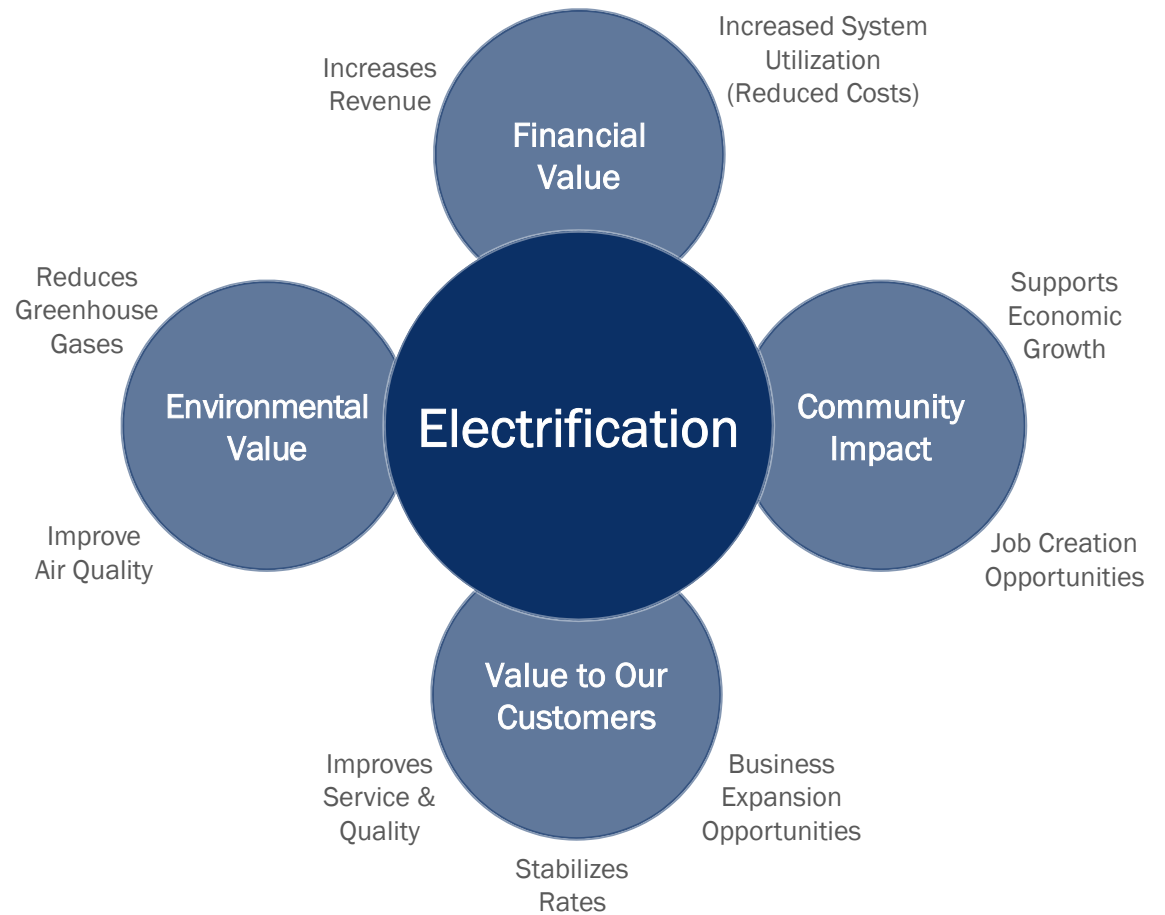
August 2020

ELECTRIFICATION
Partner

Since 2014, JEA has been pursuing a strategy addressing commercial and industrial opportunities.



Supports All JEA's Core Values



August 2020

ELECTRIFICATION
Why its important to JEA

ELECTRIFICATION EXPANSION PLAN COSTS

The Electrification Expansion Plan has a total 5 years implementation cost of \$15.8 Million with an incremental annual load growth of 194 GWh by end of FY25.

Costs for Electrification Expansion						
Fiscal Year	2021	2022	2023	2024	2025	TOTAL
Annual GWh	31.9	38.1	40.1	41.4	42.4	194 GWh
Administrative	\$362,924	\$371,361	\$465,112	\$484,754	\$509,725	\$2.2 Mil
Implementation	\$652,793	\$693,929	\$851,967	\$890,729	\$926,361	\$4.0 Mil
Marketing	\$99,653	\$91,697	\$109,249	\$116,281	\$119,263	\$0.5 Mil
Spark Labs Workshops	\$20,000	-	-	-	-	\$20,000
Incentives	\$1,191,608	\$1,624,336	\$1,831,954	\$2,038,292	\$2,366,540	\$9.1 Mil
Annual Total Cost	\$2.3 Mil	\$2.9 Mil	\$3.3 Mil	\$3.5Mil	\$3.9 Mil	\$15.8 Mil

August 2020

PHASE II LEVERAGES CURRENT PROGRAM TO DELIVER A BIGGER IMPACT

In FY21, JEA seeks to launch Phase II to target additional clean electric technologies under the custom incentives, as shown below:

Phase II New Technologies	
Transit Buses	Scissor/Boom Lifts
School Buses	Injection Molding
Commercial Fleets	Electric Arc Furnace
Drayage Trucks	Induction Heating
Workplace Charging	Induction Melting
Beverage Carts	Microwave Processing
Conveyor Systems	RF Processing
Drones	UV Curing



August 2020

**ELECTRIFICATION
Phase I**

JEA Electrification:

- Since 2014, JEA has been pursuing a strategy addressing commercial and industrial electrification opportunities.
- In Spring 2015, JEA launched its Electrification Phase I.
- ICF was selected as its implementer via RFP in 2014, and again in 2018.
- JEA began planning Electrification Phase II in FY19/20 for launch in FY21.

JEA Electrification Benefits:

Electrification Phase I provided benefits to JEA in the following areas.

- Financial
 - 152 GWh annual sales and \$9.3M annual revenue by end of FY20.
 - Improve utility system efficiency (load factor) by focusing on off-peak charging.
- Customers
 - Improved operation and working environment to 300+ participants.
 - Reduce costs through fuel savings, lower operational and maintenance cost
 - Increase profitability through higher productivity from highly efficient electric technologies
- Community
 - Business expansions and job creation opportunities as results of reduced costs and increased profitability.
- Environmental
 - Estimated 275,000 tons of CO₂ reduction achieved through fuel switching, from diesel to electricity, since the program's inception to date.

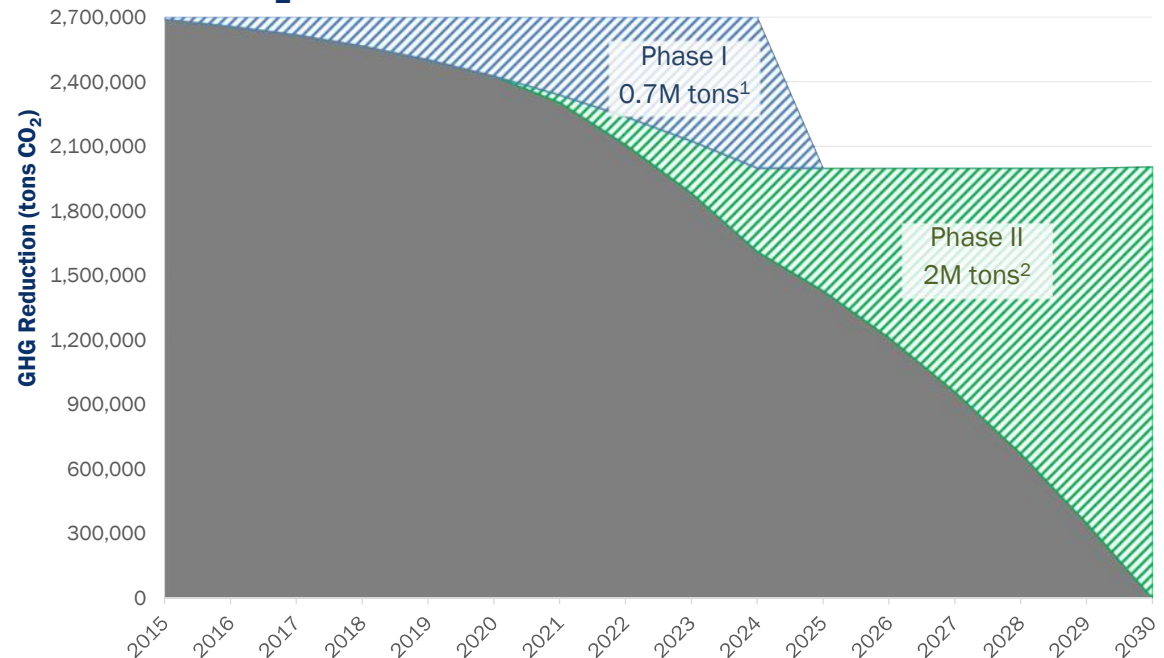
PHASE II WILL REDUCE ADDITIONAL 2 MILLION TONS OF GHG

Phase II Electrification

targets higher GHG emitting technologies and makes a greater than threefold GHG reduction.

2M Metric Tons of GHG is equivalent to removing **432,000** passenger vehicles from the road for one year or planting **33M** trees.

CO₂ Reduction due to JEA Electrification



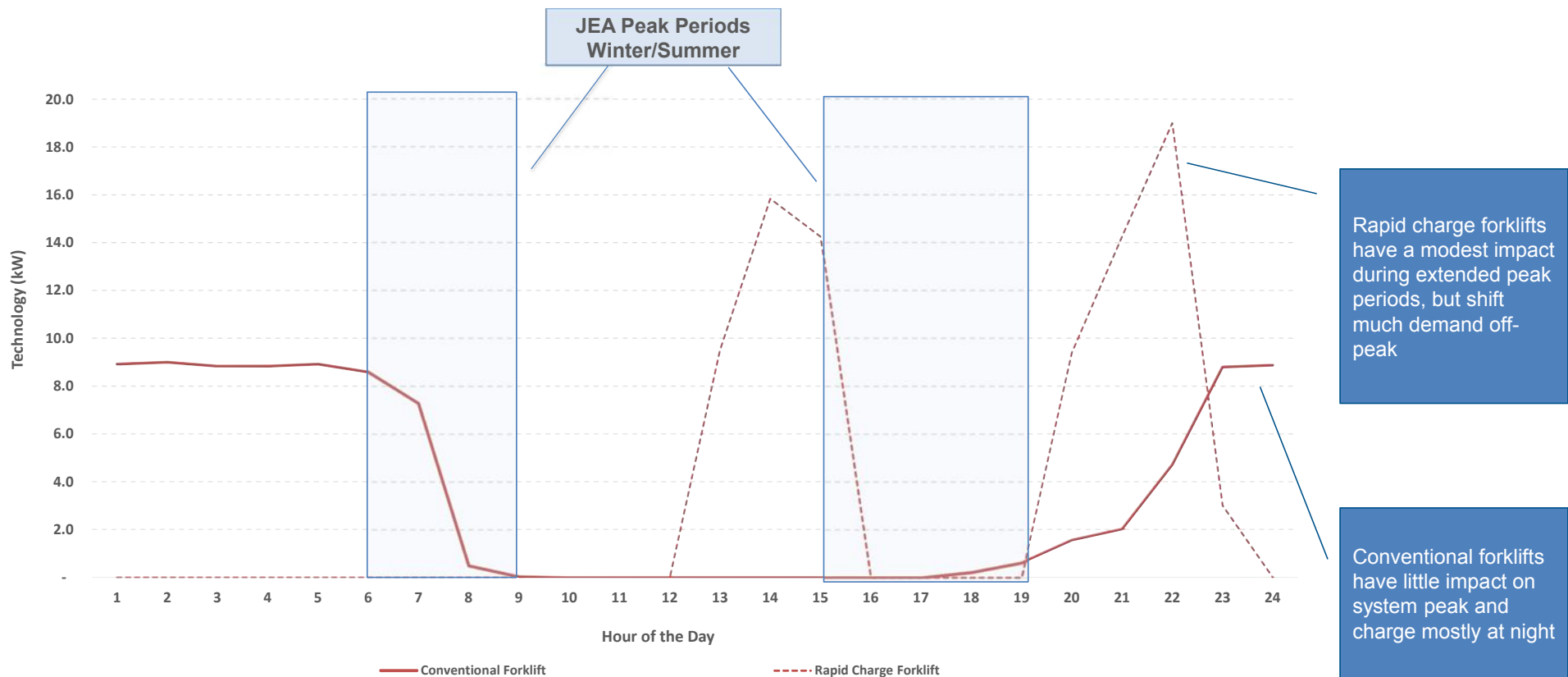
¹ Total GHG reduction over Phase I equipment life 2015-2025

² Total GHG reduction over Phase II equipment life 2021 - 2030

August 2020

ELECTRIFICATION
Phase II

JEA SYSTEM LOADSHAPE ON 2017 PEAK DAY VS. FORKLIFT LOADSHAPES



Beneficial Electrification Service Blueprint

Color Key

Custom

Prescriptive

Both

		JOURNEY PHASE													
		Pre-Program		Awareness		Engagement		Electrification Consultation (EC)		Project Execution		Project Close Out		Post-Participation	
FRONT STAGE	Customers			Direct Outreach	Trade Ally Outreach	Participating Dealers	Project Scoping	Site Walk	Equipment Demos	Connects to Dealers	Grant Applications	Rebate Payment		Customer Survey	Future Opportunities
				Direct Mail	Flyers	Contacts Program	EC Scheduling	Engineering Study/Reports	Equipment Estimates	Preapproval Application	Equipment Installation	QA/QC		Case Study/Spotlight	
				Website						Final Application and Documentation					
	Dealers	Direct Outreach	Program Co-Branding	Sales Team Training	Communicates Benefits	Confirms Eligibility	Connects to Program			Project Quotes	Project Contracts	Receives SPIF		Future Opportunities	
				Promotes Program			Project Scoping			Equipment Delivery	Dealer SPIF Application				
	Engineering Firms (Custom)	Direct Outreach						Engineering Study	Receives Payment			Engineering Study	Receives Payment	Case Study Data	
	Trade Associations	Direct Outreach		Promotes Program	Event Outreach Opportunities										
BACK STAGE	Program Management/ Operations	Operating Procedures	Program Goals	Support Implementation and Outreach		Project Scoping	Report to Utility		Engineering Firms Paid	Confirm Eligibility	Review Pre-Approval Apps.	Invoice/Pay Rebates	Invoice/Pay Dealer SPIFs	Survey Customers	Report to Utility
		Program Manual	Marketing Content							Review Final Applications	Approve Rebates	Invoice/Pay Engineers		Case Study Content	
			IT Requirements												
		Initial Target Development	Local Account Manager												
		Utility Stakeholder Training													
	Program Account Manager(s)	Training	Initial Target Development	Direct Outreach	Event Outreach	Project Scoping	Schedule EC	Site Walk	Engineering Coordination	Application Assistance	Confirm Eligibility	QA/QC Projects		Future Opportunities	Case Study Prospects
		Direct Outreach		Dealer Sales Trainings	Track outreach in CRM	Benefits and ROI	Track outreach in CRM		Track outreach in CRM	Refer Dealer Partners					
	Marketing	Marketing Plan	Collateral Development	Marketing Plan Implementation	Customer Communications									Marketing Metrics Report	Case Study Development
	Website Content	Campaign Development	Dealer Communications	Trade Ally Communications									Cross Promotions		
	IT	Website Configuration	System Configuration											Automated Emails	
		Requirements Gathering	Security Reviews							Systems Maintenance	Automated Emails				
		Back Stage Team Training								Security Maintenance					
	Utility	Reviews and Approvals	Contact Introductions	Coordinate Key Acct. Meetings	Cross-Promote Program	Connects Customer to Program				Review Pre-Approved Apps.	Review Final Applications	Review/Approve Invoices	QA/QC as Needed	Customer Survey Results	Program Reporting
		Key Account Manager Training		Communicate Benefits										Review/Approve Customer Spotlights/Case Studies	

August 2020



INTER-OFFICE MEMORANDUM

August 19, 2020

SUBJECT: PROPOSED FY2021 BOARD MEETING SCHEDULE

FROM: Paul McElroy, Interim Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

The Board of Directors currently meet every fourth Tuesday of the month in a regular session, with the exception of November and December due to the Thanksgiving and Christmas holidays. The Finance and Audit Committee meeting quarterly and all other committee meetings as scheduled on an as needed basis.

DISCUSSION:

For FY2021, the proposed schedules offer two different plans. In Plan A the Board would meet every third Tuesday of the month and in Plan B every fourth Tuesday of the month. The Finance and Audit Committee will still meet quarterly (as required).

FINANCIAL IMPACT:

N/A

RECOMMENDATION:

The Board of Directors review both proposed plans and approve Plan A or Plan B as the meeting schedule for FY2021.

Paul McElroy, Interim Managing Director/CEO

PEM/MLJ



2021 Proposed JEA Board Meeting Schedule

Plan A - Third Tuesday of Each Month

January 19, 2021	July 20, 2021
February 16, 2021	August 17, 2021
March 16, 2021	September 14, 2021
April 20, 2021	October 19, 2021
May 18, 2021	November 16, 2021
June 15, 2021	December 14, 2021 (3rd Tuesday of the month due to Christmas)

**All Board Meetings would be scheduled the 3rd Tuesday of the month, with the exception of December, which will be held on the 2nd Tuesday of the month.*

Plan B - Fourth Tuesday of Each Month

January 26, 2021	July 27, 2021
February 23, 2021	August 22, 2021
March 23, 2021	September 21, 2021
April 27, 2021	October 26, 2021
May 25, 2021	November 16, 2021 (3rd Tuesday of the month due to Thanksgiving)
June 15, 2021	December 14, 2021 (3rd Tuesday of the month due to Christmas)

**All Board Meetings would be scheduled the 4th Tuesday of the month, with the exception of November and December, which will be held on the 3rd Tuesday of the month.*

2021 JEA Board Committee Meeting Schedule

Finance & Audit Committee

Related to Plan A - Based on Board Meeting Scheduled the third week of the month

March 8, 2021

August 9, 2021

May 10, 2021

December 6, 2021

Related to Plan B - Based on Board Meeting Scheduled the fourth week of the month

March 15, 2021

August 16, 2021

May 17, 2021

December 6, 2021

CEO Search Committee

Schedule as necessary

Compensation Committee

Schedule as necessary

Governance Committee

Schedule as necessary

Nominating Committee

*TBD

**From the JEA By-Laws "Elections of Officers shall be conducted at the first regular meeting in March which may be preceded by a meeting of the nominating committee composed of the JEA Board acting as a whole or such other membership as the Chair may designate."*

JEA
FINANCE & AUDIT COMMITTEE AGENDA

DATE: August 14, 2020
TIME: 10:00 AM – 12:00 PM
PLACE: WebEx

			Responsible Person	Action (A) Info (I)	Total Time
I.	OPENING CONSIDERATIONS		Marty Lanahan		
	A.	Call to Order			
	B.	Adoption of Agenda		A	
	C.	Approval of Minutes – May 18, 2020	Madricka Jones	A	
II.	NEW BUSINESS				
	A.	Audit Services			
		1. Quarterly Audit Services Update	Steve Tuten	I	5 mins.
		2. Annual Approval of Internal Audit Charter	Steve Tuten	A	5 mins.
		3. Annual Approval of Internal Audit Plan	Lee Montanez	A	15 mins.
	B.	Ethics Officer Quarterly Report	Walette Stanford	I	10 mins.
	C.	Ernst & Young FY2020 Annual Financial Audit Plan	John DiSanto	A	20 mins.
	D.	Electric System and Water and Sewer System Reserve Fund Quarterly Report	Joe Orfano	I	5 mins.
	E.	Water/Wastewater Cost of Service and Rates	Brian Roche	I	10 mins.
	F.	Preliminary Five-Year Financial Projections	Brian Roche	I	10 mins.
	G.	JEA Energy Market Risk Management Policy Report	Ricky Erixton	I	5 mins.
	H.	Announcements			
		1. Next Meeting, December 11, 10:00 AM – 12:00 PM			
	.	Committee Discussions			
		1. Ernst & Young	John DiSanto	I	5 mins.
		2. Director, Audit Services	Steve Tuten	I	5 mins.
		3. Council Auditor's Office	Jeff Rodda	I	5 mins.
	I.	Adjournment			

JEA FINANCE & AUDIT COMMITTEE MINUTES
May 18, 2020

The Finance & Audit Committee of JEA met on Monday, May 18, 2020 via WebEx (no physical location was provided for this meeting. Pursuant to State of Florida Executive Order 20-69 (Emergency Management-COVID-19-Local Government Public Meetings), this meeting is permitted to be conducted by communications media technology.

Agenda Item I – Opening Considerations

- A. Call to Order – Committee Chair Marty Lanahan called the meeting to order at 8:00 am. Board Chair John Baker, Bobby Stein, and Joseph DiSalvo were in attendance. Others in attendance were Paul McElroy, Steve Tuten, Walette Stanford, Joe Orfano, Caren Anders, Juli Crawford, Russell Caffey. John DiSanto and Stephanie Reynolds of Ernst & Young, were also in attendance.
- B. Adoption of Agenda – The agenda was adopted unanimously on motion by John Baker and seconded by Bobby Stein.
- C. Approval of Minutes – On motion by John Baker and seconded by Bobby Stein minutes for the December 9, 2019 Finance and Audit Committee Meeting were unanimously approved.

Agenda Item II – New Business

Marty Lanahan, stated that she spoke to Paul McElroy, Interim Managing Director/CEO and Joe Orfano, Interim Chief Financial Officer and decided that it was too early to discuss any COVID-19 impacts. Ms. Lanahan also stated that there has never been a breakdown for the Pay for Performance and asked that Staff conduct a Pay for Performance workshop.

- A. FY2021 Budget Presentation – Juli Crawford, Director Financial Planning and Analysis, presented the full budget for discussion and feedback. Ms. Crawford provided an eight part presentation that discussed the following: budget process summary, budget summary and consolidated schedules, energy system budget assumptions, water/wastewater budget assumptions, district energy budget assumptions, rate stabilization funds, budget timeline and action items, and supplemental schedules.

Staff recommended that the Finance and Audit Committee provide feedback and direction regarding the key strategic issues and major budget assumptions used in preparing the FY2021 operating and capital budgets including revenue. Staff also recommended that the Finance and Audit Committee provide feedback and direction for final approval by the full Board at the June 23, 2020 meeting.

- B. Quarterly Audit Services Update – Steve Tuten, Director, Audit Services, introduced himself and his department. Mr. Tuten presented the Quarterly Audit Services Update which provides information on (1) Forensic & Audit Investigations, (2) Enterprise Risk Management, and (3) Internal Audit. Mr. Tuten began the presentation by highlighting Forensic and Audit Investigation, investigative case statistics, and summaries of closed cases. In the second part of the presentation, Enterprise Risk Management, Mr. Tuten highlighted the corporate risk heat map scoring, current top risks, and current top risks criteria. Mr. Tuten concluded his presentation with the Internal Audit highlights. In this portion of the presentation, Mr. Tuten addressed the FY20

Audit calendar, summary of completed audits and projects, proposed FY20 Audit Plan postponements, open report issues, and open audit report issues with major rating.

This presentation was provided for information only.

- C. Ethics Officer Quarterly Report – Walette Stanford, Ethics Officer, introduced herself and outlined her duties as JEA’s Ethic Officer. Ms. Stanford presented the Ethics cases by year, Ethics Officers inquiry categories, FY2020 reporting categories, training and education, and oversight and responsibility.

This presentation was provided for information only.

- D. Electric System and Water and Sewer Reserve Fund Quarterly Report – Joe Orfano, Interim Chief Financial Officer, stated this report is provided for full disclosure about all of JEA’s reserve funds. Mr. Orfano also stated each fund supports bond resolution requirements, credit ratings, or operational needs. Mr. Orfano also provided highlights from the Electric System and Water and Sewer Reserve Fund Quarterly Report.

This presentation was provided for information only.

- E. Municipal Capital Market Update – Joe Orfano, Interim Chief Financial Officer, stated the Coronavirus pandemic caused a significant market disruption in the municipal variable rate debt market. Mr. Orfano also stated JEA elected to pass on the U.S. Bank proposal as the Federal Stimulus facilities stabilized the VRDO market. Mr. Orfano then provided details on JEA’s variable rate debt portfolio, JEA’s senior versus subordinated debt, proposed bond refunding opportunities, and refunding delegation resolution key components.

This presentation was provided for information only.

- F. JEA Energy Market Risk Management Policy Report – this presentation was deferred, to be presented at a workshop that will provide a deeper dive into the subject matter.

G. Announcements

- 1. The next Finance and Audit Committee meeting is scheduled for August 17, 2020, at 8:00 AM. Committee Chair Lanahan stated that the committee will meet in August but the current date and time is subject to change. Chair Lanahan also reviewed all of the follow up items discussed during the meeting.

H. Committee Discussion Sessions

- 1. Ernst & Young – At 10:03 AM, John DiSanto, Ernst & Young, introduced himself and his colleague Stephanie Reynolds, and stated historically he meets with the Committee Chair prior to the meeting, and he noted August is normally the meeting when Ernst & Young presents their Annual Audit. Mr. DiSanto also stated he is looking forward to working with Committee and Staff
- 2. Director, Audit Services – At 10:08 AM, Steve Tuten, Director, Audit Services, stated they are beginning their FY21 Audit Plan and they are open to any feedback from the Committee.
- 3. Council Auditor’s Office – There was no discussion with the Council Auditor.

Closing Considerations

With no further business claiming the attention of this Committee, the meeting was declared adjourned at 10:11 AM.

APPROVED BY:

Marty Lanahan, Committee Chair

Date: _____

Submitted by:

Madricka Jones
Executive Staff Assistant



INTER-OFFICE MEMORANDUM

July 30, 2020

SUBJECT: QUARTERLY AUDIT SERVICES UPDATE

FROM: Paul McElroy, Interim Managing Director/CEO

TO: JEA Finance and Audit Committee

Marty Lanahan, Chair
John Baker
Robert Stein

BACKGROUND:

The Quarterly Audit Services Update provides the JEA Board of Directors with information on the current activities of the three groups within Audit Services: (1) Forensic Audit & Investigations; (2) Enterprise Risk Management; and (3) Internal Audit. The Forensic Audit & Investigations Group conducts internal investigations of confidential reports into JEA's Ethics Hotline (EHL) and from other sources. JEA's Enterprise Risk Management (ERM) Program identifies, assesses, measures, monitors and actively manages risk. The Internal Audit Group reviews internal control processes and ensures that departments maintain compliance with operating procedures and regulations.

DISCUSSION:

This update will provide an assessment of how JEA is managing risk and monitoring controls to reduce and/or prevent adverse impact to its business operations.

RECOMMENDATION:

No action required, as this update is for information only.

Paul McElroy, Interim Managing Director/CEO

PEM/SVT



Audit Services Quarterly Report

August 2020



Audit Services Groups

- Forensic Audit & Investigations – pp. 3-6
- Enterprise Risk Management (ERM) – pp. 7-9
- Internal Audit – pp. 10-16

August 2020

Table of Contents

Forensic Audit & Investigations (FAI)



August 2020

FAI

FAI Highlights



- ✓ During the first 5 months of 2020, Julie Moore, Manager, Forensic Audit & Investigations, and Terry Lund, Senior Forensic Auditor, assisted Corporate Records Compliance with the backlog of public records requests.
- ✓ FAI recently completed a recruitment for a Senior Forensic Auditor. This position has been open since Julie was promoted to Manager last fall. Three candidates were interviewed, but unfortunately none of them were hired.

August 2020

FAI

Investigation Case Statistics – Q3 FY20

Open Cases 3/31/2020	Cases Opened Q3 FY20	Cases Closed Q3 FY20	Open Cases 6/30/2020
10	5	0	15
Categories For Cases Opened During Q3 FY20			
Conflict of Interest / Ethics Matters			4
Fraud / Theft / Abuse			1
Total			5

August 2020



Summary of Closed Cases – Q3 FY20

Reporting Source	Allegation	Investigation Results

Note: No cases were closed during the 3rd quarter FY2020. The unit consists of three employees. During this period, one staff member assisted with Public Records requests, one was out on FMLA, and the third position is currently undergoing a recruitment.

August 2020



Enterprise Risk Management (ERM)



August 2020

ERM

Current ERM Initiatives

The following initiatives are currently underway to further enhance the Enterprise Risk Management process.

- Recruitment underway for a Senior ERM Analyst to expand the resources and oversight in managing JEA's risk management process. Primary responsibilities will include assisting in conducting business unit level risk assessments, and identify and better utilize Key Risk/Key Process Indicators (KRI/KPI).
- Re-establish a Bottom-Up approach to risk management through Director level risk assessments, as a means to identify key risks and barriers which may pose significant challenges to meeting their business objectives, as well as their impact on the Top Corporate Risks.
- Developing a process for the identification, implementation and utilization of KRIs, KPSs to evaluate the effectiveness of current mitigations and/or changes to external factors/variables.
- All Tier 1 Risks are being evaluated to assess adequacy of mitigation efforts and preparedness, if the risk event occurs.

August 2020

Current ERM Initiatives

The following initiatives are currently underway to further enhance the Enterprise Risk Management process.

- Reassessing non-storm related Business Continuity planning, at the department and enterprise wide levels, to ensure effectiveness in managing events that can impact reliability and operations. Focus is on pandemics, but include other events, such as loss of critical facilities, fuel, etc.
- Risk assessment underway on Supply Chain Risk to identify and mitigate vendors whose loss of services would pose significant obstacles in meeting JEA's Operational, Reliability and customer Service.
- Identification and reassessment of all pending/potential Environmental regulations, based on their impact to JEA if they are passed, required mitigation and planning to comply, and the likelihood of the regulations passing.

Internal Audit (IA)



August 2020

IA

Internal Audit Highlights



- ✓ The Internal Audit team successfully completed the annual risk assessment process for the FY21 Internal Audit plan by administering 94 risk surveys, and follow-up meetings with the SLT, Directors and Managers. The FY21 Internal Audit plan will be addressed separately in this meeting.
- ✓ A special engagement audit for the certification, through Green-e, of JEA renewable energy credits for 2019 was recently completed.
- ✓ From March through July, the Internal Audit team collaborated with Corporate Records Compliance to reduce the backlog of public records requests. Several special projects were also in progress during this time.
- ✓ Laurie Gaughan, the JEA lead Auditor for the TEA engagement, has begun planning for the FY2021 audit and engaging with other utilities for the identification of additional audit resources.

August 2020

FY20 Audit Calendar

	1Q (Oct – Dec)		2Q (Jan – Mar)		3Q (Apr – Jun)		4Q (Jul – Sept)										
Internal Audits	Leadership and Development	✓	Procurement	●	POP Process Follow-Up	●	Meter Operations Follow-Up	●									
	Business Development & Community Project Management	✓	Software Licensing	●	NGS Generation	●	Bulk Power and Customer Service Response	●									
	P-Cards	✓	Black Belts	✖	Cloud Computing	●	Fleet Services	●									
					Risk Management	●	Air & Lab Permitting and Compliance	●									
					W/WW Planning	●											
Special Projects	JEA Performance Pay Audit	✓			2021 Annual Risk Assessments	✓	Fleet Services Tire Contract Review	✓									
	TEA Audit	✓					Green-e Agreed-Upon Procedures Engagement	✓									
	Cyber Program Assessment	●															
Not Started		●	In Progress		●	Postponed Until FY2021		●	Cancelled		✖	Report in Draft		✓	Final Report Issued		✓

August 2020

IA

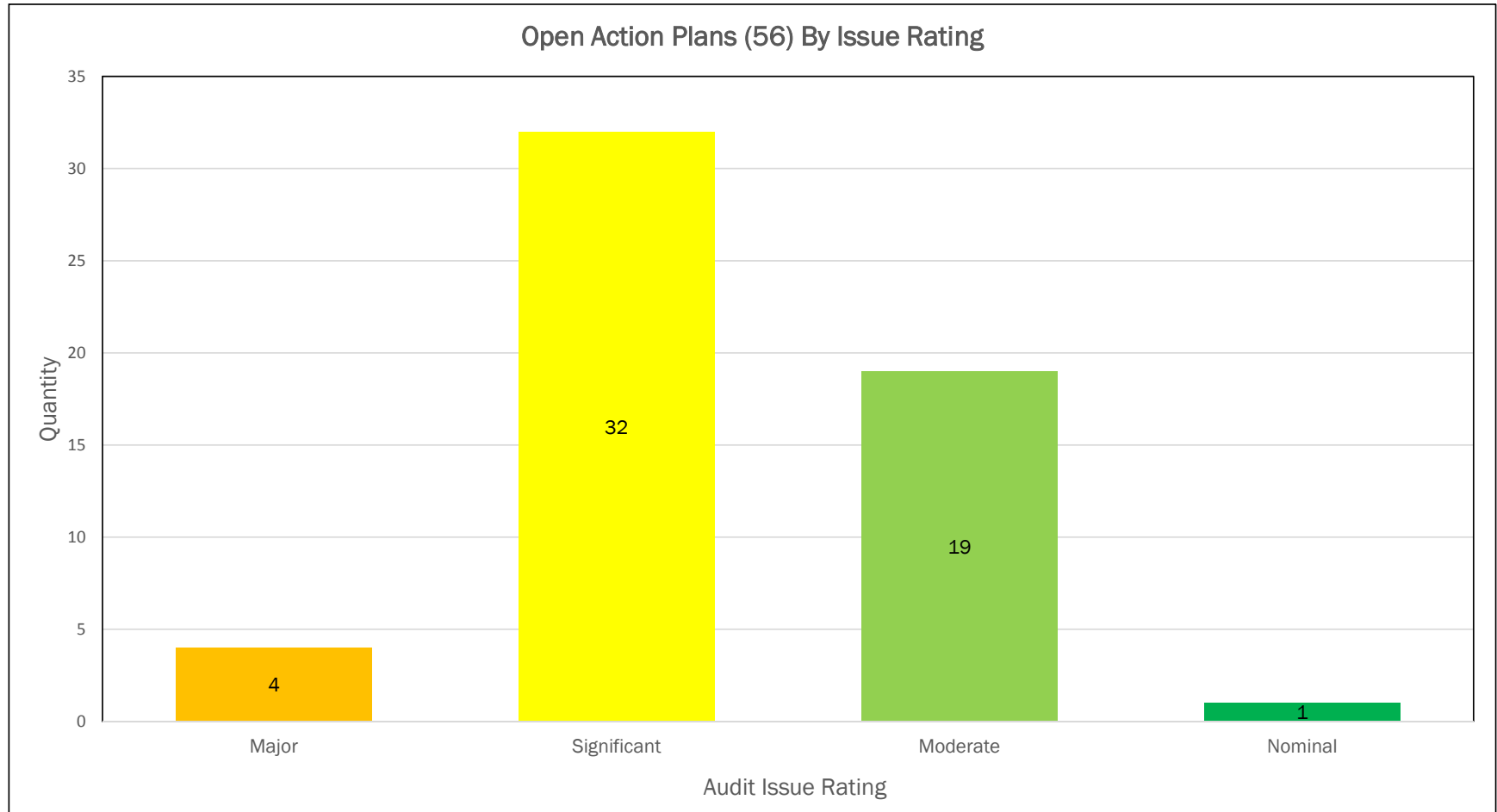
Summary of Completed Audits & Projects for Q3

	Audit Name	Report Rating	# of Issues	Description of Significant or Greater Issue(s)
Special Projects	Fleet Services Tire Contract Review	No Rating		<p>Opportunities for improvement include the following:</p> <ul style="list-style-type: none"> • Documenting monthly tire inspections. • Ensuring vendor provides alignment services. • Photo evidence of new tire installations. • Peer review to identify tire pricing errors. • Development of pricing criteria for recap tires.
	Green-e Agreed-Upon Procedures Engagement	No Rating	0	No issues identified.

August 2020

IA

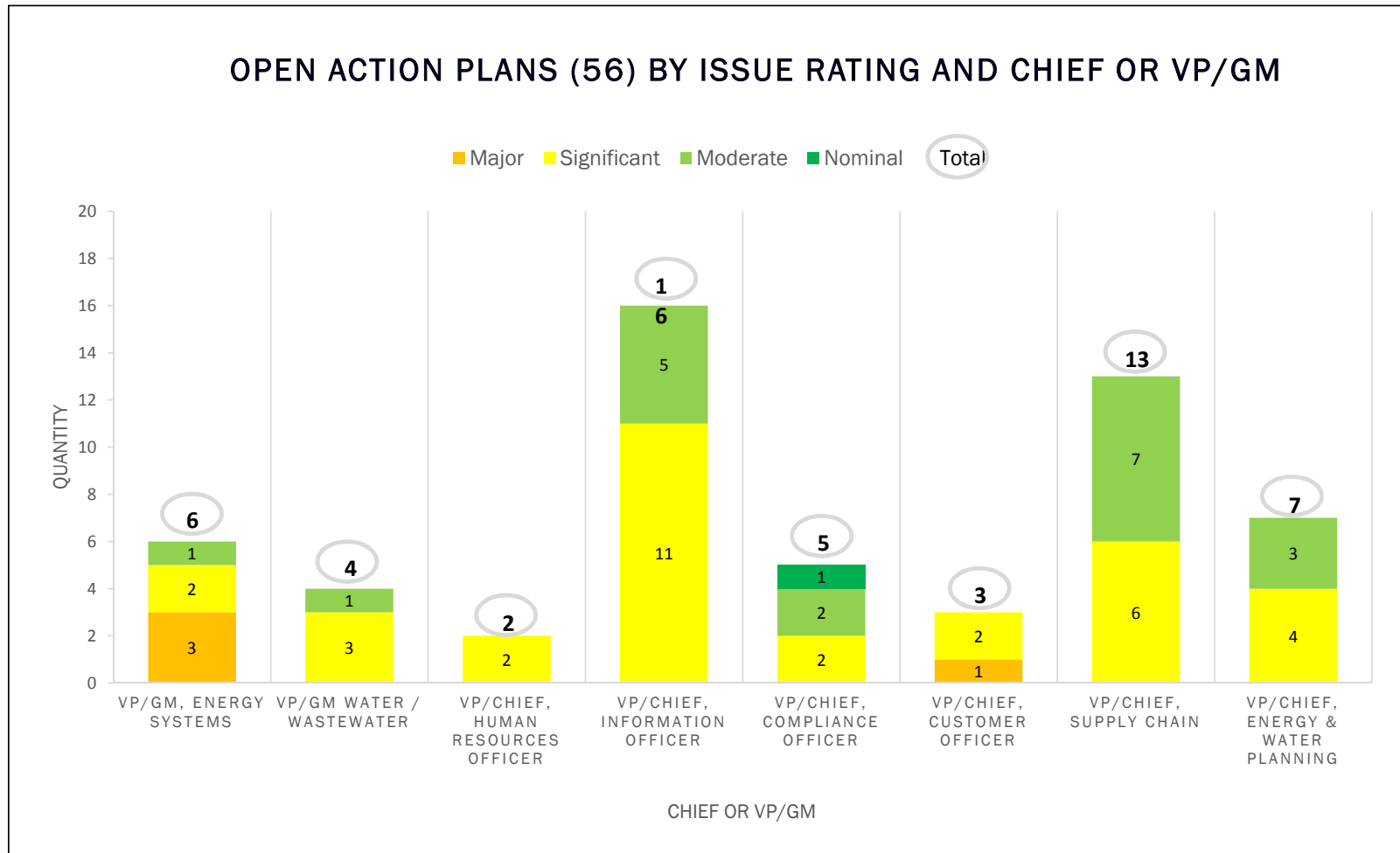
Open Audit and Investigations Report Issues



August 2020



Open Audit and Investigations Report Issues



August 2020

Open Audit and Investigations Report Issues – Major Rating

VP/Chief	Director / (Audit Name)	Issue Observation	Action Plan	Current Due Date	Action Plan Status Comments
VP/GM, Energy	Director, Electric Systems Asset Management	Audit noted a lack of asset data governance.	Asset Management will develop Governance program, utilize Asset 360 barcoding project as part of the solution, review asset data completeness, assist in developing automated As-Built and complete the Asset Creation project.	9/30/20	The Governance program will need input from the Technology Services and Water/Wastewater groups. Asset 360 and mobile app are in QA testing, still working on issues related to barcode reading.
VP/GM, Energy	Director, Electric Systems Asset Management	Audit noted no process for identifying assets under warranty, including replacement while under warranty.	Asset Creation project currently under development within the scope of the TS EIM project will require the vendor/ manufacturer provide warranty data. This data will publish to the TS EIM foundational data base and will be identified on crew work orders.	12/31/20	The eAM mobile application POC is completed. Assets have been identified and published in the JEA JIM model. We are receiving warranty data from GE Prolec electronically, which is automatically published to Oracle eAM in the QA environment.
VP/GM, Energy	Director, Electric Systems Asset Management	Audit noted that there is no process for evaluation of an asset to determine if it should be replaced or refurbished.	Asset Lifecycle data will be published using Tableau visualizations. TS EIM Asset 360 project will publish asset lifecycle data to asset records including asset health and risk scoring. This view of the asset will assist Asset Management and O&M personnel in determining repair or replace decisions.	12/31/20	The process map to describe the asset lifecycle has been developed but dashboards and reports will depend on the ongoing mobile and barcoding project.
VP/GM, Customer	Director, Customer Field & Meter Services	Audit noted a lack of sewer flow meter standards, accurate count of current sewer flow meters and controls over customer installed meters.	Four phased approach to creating standards, counting meters and monitoring/documenting customer installed meters.	2/1/21	All commercial and industrial customer-owned meters have been identified and a data collection plan has been developed. Due to safety concerns related to COVID-19, the business expects delays by at least 1-2 months, perhaps more.

August 2020

IA



INTER-OFFICE MEMORANDUM

July 30, 2020

SUBJECT: ANNUAL APPROVAL OF INTERNAL AUDIT CHARTER

FROM: Paul McElroy, Interim Managing Director/CEO

TO: JEA Finance and Audit Committee

Marty Lanahan, Chair
John Baker
Robert Stein

BACKGROUND:

The Internal Audit Group reviews internal control processes and ensures that the organization maintains compliance with all procedures and regulations. The Internal Audit Charter provides the JEA Board of Directors with information on the authority of the Internal Audit staff, its key roles and responsibilities, and the outline of Internal Audit's Quality Assurance Program. A separate presentation details the changes in the Charter since it was last presented for approval on August 19, 2019.

DISCUSSION:

The benefits to the organization are seen in risk avoidance and improved internal control processes, and the knowledge of the organization's degree of compliance with policy, procedures, rules and regulations.

RECOMMENDATION:

Management recommends that the Finance & Audit Committee and the Board of Directors approve the Internal Audit Charter.

Paul McElroy, Interim Managing Director/CEO

PEM/SVT



Internal Audit Charter

Internal Audit Charter

Steve Tuten – Interim Chief Compliance Officer
and Director, Audit Services

August 2020



Internal Audit Charter

Summary of Changes to Charter

- In the Roles and Responsibilities section (p. 2), the position of President/Chief Operating Officer (COO) has been removed from the reporting line for the Director of Audit Services.
- In the JEA's External Auditors section (p. 4), added that although Internal Audit will not audit JEA's financial statements, it may schedule operational audits of Finance areas.
- For this year's approval only, the Managing Director/Chief Executive Officer (CEO) signs the Charter (p. 4). It is usually signed by the Chief Compliance Officer (CCO), but the same individual currently holds both the CCO and Director of Audit Services positions.

August 2020



Internal Audit Charter

OPP:	COMP	Corporate Policy Ref:
		Internal Audit Charter

POLICY STATEMENT:

The purpose of JEA's internal audit function is to provide independent and objective assurance and consulting services designed to add value and improve JEA's operations. Internal Audit helps JEA to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of internal control, compliance, and governance processes.

The Institute of Internal Auditors' (IIA's) Mission of Internal Audit is "To enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight." The specific mission of JEA's Internal Audit is to perform comprehensive, objective audits (assurance services) and consulting reviews (consulting services) that fulfill the purpose outlined above, while conforming to the IIA's Standard Practices, Code of Ethics, Definition of Internal Auditing, and Mission of Internal Audit.

GENERAL DESCRIPTION of PROCEDURE:

This procedure is intended to:

1. Address the authority of the Director, Audit Services and the Internal Audit Staff.
2. Describe the key roles and responsibilities of Internal Audit.
3. Outline Internal Audit's Quality Assurance program.

ASSIGNMENT of RESPONSIBILITY:

The Director, Audit Services or designee shall establish, maintain, and disseminate this Charter and any related supporting documentation.

DEFINITIONS:

Internal Auditing – The Institute of Internal Auditors' (IIA) definition of internal auditing is "An independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Also enhances and protects organizational value by providing risk-based and objective assurance, advice, and insight."

Assurance Services – An objective examination of evidence for the purpose of providing an independent assessment of governance, risk management, and control processes for the organization. Examples may include financial, performance, compliance, system security, and due diligence engagements. A key part of Internal Audit's responsibilities.

Consulting Services – Advisory and related client service activities, the nature and scope of which are agreed with the client, are intended to add value and improve an organization's governance, risk management, and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation, and training. A key part of Internal Audit's responsibilities.

Quality Assurance – A program based on an IIA Standard, which is designed to enable an evaluation of Internal Audit's conformance with the IIA's Definition of Internal Auditing and the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of Internal Audit and identifies opportunities for improvement. Adequate supervision and quality assurance will be performed and documented for each auditor and each audit assignment as defined in Internal Audit's Quality Assurance Improvement Program (QAIP) Procedure ASC0500QA, which includes external peer reviews as required by the IIA, at least every five years (beginning in 2005).

OPP:	COMP	Corporate Policy Ref:
		Internal Audit Charter

PROCEDURE:

A. Roles & Responsibilities

Responsibility	Action
Director, Audit Services	Oversees the execution of a program of Internal Audit projects as necessary to fulfill the purpose and mission of the department, including an annual risk assessment and development of an annual audit plan. Is also the organization's Chief Audit Executive (CAE).
VP & Chief Compliance Officer (CCO)	To whom the Director, Audit Services and Internal Audit reports administratively.
Managing Director / Chief Executive Officer (CEO)	To whom the Director, Audit Services reports when Internal Audit conducts audits of Compliance Department functions. Meets quarterly with the Director, Audit Services.
JEA Management	<p>Although the role of Internal Audit is to assess internal controls, systems, procedures, risks, etc., JEA management retains full responsibility for ensuring that JEA maintains an appropriate framework of controls to reduce business risks to an acceptable level.</p> <p>Management also has the responsibility and accountability for addressing weaknesses and inefficiencies identified in both External and Internal Audit Reports and for taking the necessary corrective action. If JEA management decides to accept a level of risk that Internal Audit believes is imprudent and improper, and this difference of opinion cannot be resolved, the CAE has the option to refer the matter to the Enterprise Compliance & Risk Committee (ECRC) for discussion and resolution, as stated in the ECRC Charter.</p> <p>Management should immediately inform the CAE of any significant internal control problems, thefts, frauds, or unauthorized transactions.</p>
Internal Audit Staff	<p>Executes the program of Internal Audit projects, including the annual audit plan. Internal Audit's authority and key responsibilities are described as follows:</p> <p>Authority</p> <ul style="list-style-type: none"> To have access to all JEA records, assets, properties, plants, computers, personnel, etc., with strict and absolute accountability for safekeeping and confidentiality while conducting their internal audit duties. <p>Annual Risk Assessment and Audit Plan Activities</p> <ul style="list-style-type: none"> Perform annual risk assessment activities and develop an annual audit plan. The Director, Audit Services will present the annual audit plan to the Finance & Audit Committee for review and approval. <p>Insurance/Audit Activities</p> <ul style="list-style-type: none"> Evaluate the effectiveness of controls over the reliability and integrity of management information. Ascertain the level of compliance with policies, procedures, laws and regulations. Review operations to evaluate whether established objectives and goals are being achieved.

OPP:	COMP	Corporate Policy Ref:
		Internal Audit Charter

	<ul style="list-style-type: none"> • Assist management in identifying operational, financial, regulatory and reputational risks, and assess JEA's ability to adequately mitigate these risks. • Conduct objective reviews of company business activities, operations, internal controls and performance management systems, and report results to JEA management. • The audit scope will be based on Internal Audit's assessment of risk. Audit coverage will focus on high risk areas as defined in the annual risk assessment process. • Proactively consult with internal customers on recommendations and the implementation of action plans, and monitor results. • Perform engagement level audit planning and risk control assessment. • Perform action plan follow-up. <p>Consulting Activities</p> <ul style="list-style-type: none"> • Provide consulting services where the level of risk warrants our involvement. However, Internal Audit does not act in an operating capacity, and cannot be part of the approval process. <p>Reporting</p> <ul style="list-style-type: none"> • Detailed written reports will be prepared and issued to management following the completion of each audit. The contents will be discussed with auditee management before the reports are finalized, except in cases of fraud. • Reports will generally be distributed to the Chief/Vice President and Director/Manager of the area being audited, along with the Managing Director/Chief Executive Officer and/or the President/ Chief Operating Officer, as well as the Chief Risk and Compliance Officer. Final audit reports are also submitted to the City of Jacksonville's Council Auditor's office and the Office of the Inspector General. Quarterly summaries of audit results are presented to the Finance & Audit Committee of the Board of Directors. <p>Team Assignment Restrictions</p> <ul style="list-style-type: none"> • Auditors will not be assigned to audits or projects in areas where they previously worked within the past 24 months, or where their degree of independence could be questioned in any other way.
Finance and Audit Committee of JEA's Board of Directors	Meets quarterly with the Director, Audit Services. Annual review and approval of Charter.
JEA's External Auditors	Primary auditor of JEA's financial statements. To minimize duplication of efforts, Internal Audit will not audit JEA's financial statements, although operational audits of Finance areas may be scheduled

OPP:	COMP	Corporate Policy Ref:
		Internal Audit Charter

SIGNED:

Title: Managing Director / Chief Executive Officer (CEO)

Effective Date: August 14, 2020

Revised Dates: August 14, 2020

Origination Date: October 5, 2004, with twelve (12) subsequent annual subsequent revisions / presentations / approvals, most recently on August 14, 2020.

Keywords: internal audit, assurance, consulting, quality assurance



INTER-OFFICE MEMORANDUM

July 30, 2020

SUBJECT: APPROVAL OF ANNUAL INTERNAL AUDIT PLAN

FROM: Paul McElroy, Interim Managing Director/CEO

TO: JEA Finance and Audit Committee

Marty Lanahan, Chair
John Baker
Robert Stein

BACKGROUND:

The Internal Audit Group reviews internal control processes and ensures that departments maintain compliance with all procedures and regulations. Annually, Internal Audit develops a risk-based work plan for the upcoming fiscal year.

DISCUSSION:

The benefits to the organization are seen in risk avoidance and improved internal control processes, and the knowledge of the organization's degree of compliance with policy, procedures, rules and regulations.

RECOMMENDATION:

Staff recommends that the Finance & Audit Committee and the Board of Directors approve the Annual Internal Audit Plan for FY21.

Paul McElroy, Interim Managing Director/CEO

PEM/SVT



FY21 Internal Audit Plan

August 2020



The Role of Internal Audit

“The role of internal audit is to provide independent assurance that an organization’s risk management, governance, and internal control processes are operating effectively.”

Source: The Institute of Internal Auditors

The scope of work of Internal Audit encompasses many aspects of JEA’s operations and activities:

- Provide guidance in the development of JEA’s internal control framework;
- Monitor and test the effectiveness of the internal control framework;
- Monitor and test JEA’s operational process for compliance, efficiency, safety, etc.; and
- Follow-up on Management’s action plans for ensuring operational compliance and effectiveness.

compliance
Internal^{risk} Audit^{objective}
independent^{add value} effective improve
efficient assurance

August 2020



**FY21 Internal
Audit Plan**



Risk-Based Audit Plan Guidance

The Institute of Internal Auditors (IIA) provides the following Standards for the creation of a Risk-Based Audit Plan:

- Standard 2010: The chief audit executive must **establish a risk-based** plan to determine the priorities of the internal audit activity, consistent with the organization's goals.
- Standard 2010.A1: The internal audit activity's plan of engagements must be **based on a documented risk assessment**, undertaken at least annually. The **input of senior management and the board** must be considered in this process.
- Standard 2020: The chief audit executive must **communicate the internal audit activity's plans and resource requirements**, including significant interim changes, to **senior management and the board for review and approval**. The chief audit executive must also communicate the impact of resource limitations.

August 2020



**FY21 Internal
Audit Plan**



Risk-Based Audit Plan Steps

The following approach was used to develop the Audit Plan:



- The JEA auditable entities structure was updated to reflect any organizational changes by JEA's leadership.
- Interviews with the Senior Leadership Team, combined with risk survey follow-up meetings with department Directors and Managers, were used to identify perceived areas of risk and potential internal audits.
- This information was developed into an audit plan designed to address critical risks in achieving JEA's objectives, as well as operational and regulatory requirements.

August 2020





Risk Assessment Survey

Two risk assessment survey alternatives, sent to management based on date of the most recent audit of the entity, consisted primarily of yes/no questions that addressed the following:

- Operational risks including goals, metrics, staffing and emergency preparedness.
- Financial risks including revenues, expenses, inventory and capital projects.
- Compliance risks.
- Governance and Risk Management risks.
- Technology and Data risks.
- COVID-19 effect on all risks.
- Audit timing & additional concerns.

Internal Audit reviewed the survey results and followed up with management about these risks. We then combined the scores to determine the highest risk areas for JEA.

A copy of the surveys are shown on [Appendix pp. A4-A11](#).

August 2020





Description of Scheduled Audits

- The final plan includes twenty (20) scheduled audits and projects:
 - Fourteen (14) new audits based on the FY2021 risk assessment process.
 - One (1) special project.
 - One (1) recurring project related to Performance Pay.
 - One (1) JEA-led external audit of The Energy Authority (TEA).
 - One (1) Green-e Agreed-Upon Procedures Engagement.
 - Two (2) follow-up audits.
- The proposed audit plan calendar is shown on page 7.
- A detailed list of these audits/projects, which includes an entity description is shown on **Appendix pp. A1-A3**.

August 2020



FY21 Audit Plan Calendar







	1Q (Oct – Dec)		2Q (Jan – Mar)		3Q (Apr – Jun)		4Q (Jul – Sept)	
Internal Audits	W/WW Project Engineering & Construction	Troy England (TE)	Safety & Health	DA	W/WW Asset Management & Performance	DA	Fleet Services	DA
	Customer & Community Engagement	David Arnold (DA)	Identity & Access Management	AS	Vogtle Follow-Up	LG	eAM Asset Management Follow-Up	LG
	Investment Recovery Operations	Andrew Shelley (AS)	Fuel Services	LG	Cloud Computing	RB	Receivables & Collections	AS
			Treasury Cash & Investments	TE	Procurement & Contracts	TE	IT Staffing	RB
			JEA Culture	RB				
Special Projects	Cyber Program Assessment **	Rashid Brittain (RB)			FY 2022 Annual Risk Assessments	All		
	TEA Audit	Laurie Gaughan (LG) / RB			Green-e Agreed-Upon Procedures Engagement	AS		
	JEA Performance Pay Audit	TE						

** Special Project expected to be carried out during all of FY21.

August 2020

FY21 Internal Audit Plan

Internal Audit Team

	Name / Title	Education & Certification(s)	Audit Experience
	Lee Montanez Manager, Internal Audit	Master of Business Administration <ul style="list-style-type: none"> ▪ Certified Internal Auditor ▪ Certified Information Systems Auditor ▪ Certification in Risk Management Assurance 	15 years (9 yrs. at JEA)
	David Arnold Senior Auditor	Master of Business Administration	21 years (5 yrs. at JEA)
	Troy England Senior Auditor	BBA – Business Administration <ul style="list-style-type: none"> ▪ Certified Internal Controls Auditor 	19 years (6 yrs. at JEA)
	Laurie Gaughan Senior Auditor	BBA – Economics and Accounting <ul style="list-style-type: none"> ▪ Certified Public Accountant ▪ Certification in Risk Management Assurance 	11 years (6 yrs. at JEA)
	Andrew Shelley Senior Auditor	Master of Accountancy	7 years (3 yrs. at JEA)
	Rashid Brittain Senior Information Technology Auditor	Master of Accountancy <ul style="list-style-type: none"> ▪ Certified Public Accountant ▪ Certified Information Systems Auditor 	8 years (4 yrs. at JEA)

August 2020





Appendix

- The following supplemental documents were cross-referenced in the preceding presentation:
 - A1-A3 – Proposed FY21 Internal Audit Plan with Details Pp. 6-7.
 - A4-A11 – Risk Assessment Survey for FY21 Internal Audit Plan (P. 5).

August 2020



**JEA AUDIT SERVICES
PROPOSED FY21 INTERNAL AUDIT PLAN
WITH ENTITY DESCRIPTION
(SEE P. 7 IN PRESENTATION)**

<u>Title</u>	<u>Description</u>
<u>Electric Systems</u>	
Fuel Management Services (Audit)	Manages procurement of fuel supplies and transportation for power generation.
Vogtle Follow-Up (Audit)	Agreement between JEA and the Municipal Electric Authority of Georgia (MEAG), for the purchase of 206 Megawatts from Plant Vogtle Nuclear Power units 3 and 4.
eAM Asset Management Follow-Up (Audit)	Collaborates with all Electric System Departments to maintain a mature organizational level on PAS 55 and ISO 55001, by proper tracking of assets throughout the asset lifecycle matrix, which strengthens the overall EAM Strategy.
<u>Water/Wastewater Systems</u>	
W/WW Project Engineering & Construction (Audit)	Manages the planning, engineering, and construction processes associated with upgrades, repair or new construction of water utility infrastructure.
W/WW Asset Management & Performance (Audit)	Responsible for proper tracking of water/wastewater asset through its lifecycle.
<u>Human Resources</u>	
Safety & Health Services (Audit)	Provides support on compliance, risk identification and mitigation, and technical advice to business units on safety procedures, strategies and goals.
JEA Culture (Audit)	Represents the belief systems, values, norms and preferences of the individuals that form the organization, which are manifested through the actions, behaviors, and decisions of these individuals.

**JEA AUDIT SERVICES
PROPOSED FY21 INTERNAL AUDIT PLAN
WITH ENTITY DESCRIPTION
(SEE P. 7 IN PRESENTATION)**

<u>Title</u>	<u>Description</u>
<u>Finance</u>	
Treasury Cash & Investments (Audit)	Manages JEA's investment portfolio and works with cash and debt areas of the Department to invest cash that is in excess of short-term needs.
<u>Customer Relationships</u>	
Customer & Community Engagement (Audit)	Manages corporate and customer communications, advertising, JEA.com, community outreach and multimedia development to build JEA's brand, provide customer education and ensure leadership vision is supported through communication channels.
Receivables & Collections (Audit)	Responsible for the management of customer payments, collections and write-offs.
<u>Compliance</u>	
Identity and Access Management (Audit)	Manages the authorization and provisioning of JEA electronic resources and physical access.
<u>Information Technology</u>	
Cloud Computing (Audit)	Function of managing and controlling cloud applications, including secure transmission of data and user access.
IT Staffing (Audit)	Process for recruiting specialized technology resources to meet JEA's needs.
Cyber Program Assessment (Special Project)	Development, tracking and remediation of control deficiencies identified in the third-party assessment of JEA's cyber program.

**JEA AUDIT SERVICES
PROPOSED FY21 INTERNAL AUDIT PLAN
WITH ENTITY DESCRIPTION
(SEE P. 7 IN PRESENTATION)**

<u>Title</u>	<u>Description</u>
Supply Chain	
Investment Recovery Operations (Audit)	Manages the disposition and sale of surplus materials and vehicles, disposal of hazardous materials, small engine repairs and high voltage and transformer testing.
Procurement Services (Audit)	Responsible for the procurement of materials and services for JEA.
Fleet Services (Audit)	Provides safe, reliable and cost-effective services to employees by procuring and maintaining fleet assets that align with their operational requirements. Also responsible for tracking of fleet assets.
<u>Recurring Audits / Administration Projects</u>	
JEA Performance Pay (Audit)	Determine if achieved levels of performance were calculated in conformance with the incentive plan approved by JEA's Board of Directors.
The Energy Authority (TEA) (Audit)	Final year (<i>of three</i>) for JEA-led audit of TEA's Operations, and performed by a team of representatives from several member utilities.
Annual Risk Assessments (Administration Project)	Identifying and prioritizing risks to the business. The FY22 audit plan will be developed from these assessments.
Action Plan Follow-Up & Reporting (Administration Project)	Ensure that management's action plans are being implemented and are working effectively to mitigate internal control deficiencies reported in Internal Audit and Forensic Audit Investigation reports.
Green-e Renewable Energy Credits (REC) (Audit)	Greene-e request of an annual agreed-upon audit of the Jacksonville Solar facility for REC certification.

Audit Services – FY 2021 Risk Assessment Survey



Internal Audit Fiscal Year 2021 Risk Assessment Survey

Internal Audit uses this survey to assess the internal controls your area has in place to mitigate risks and help achieve its goals. The results will assist us in developing our annual risk-based audit plan, including the efficient allocation of staff resources for completing the selected audits/projects.

The following three steps will help guide you through this survey:

1

Let us know who you are and which area are you responsible for:

Enter your name

Enter your title

Enter your department

2

Please read the survey questions carefully, and mark the best answer. Each questions has a field for providing additional information. We would appreciate if you could please return the survey before **June 12, 2020**.

3

After we receive your completed survey, we will review your responses and follow up, if necessary. The Auditor assigned for review and follow-up is:

For any additional concerns, please contact Steve Tuten or Lee Montanez at extensions 5206 and 7738, respectively.

Your cooperation is greatly appreciated! Thank you.

Audit Services – FY 2021 Risk Assessment Survey

Section I – Operational Risk

Provide a brief description of your area including Strategic Initiatives, Goals and Complexity?	Enter your comments here
--	--------------------------

Has the department (within the past 12 months):	Yes	No	In-Process	Comments
Updated/Reviewed its written procedures?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Uploaded its procedures to Policy Tech?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Developed Key Metrics? (List top Key Metrics)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Completed and fully documented all asset audits (GPS) requested by Labor Relations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Outsourced any of its functions? (if yes, list outsourced functions)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Experienced a significant change in functions, funding, systems or responsibilities?	<input type="checkbox"/>	<input type="checkbox"/>		Enter your comments here
Determined if established controls or policies can be circumvented?	<input type="checkbox"/>	<input type="checkbox"/>		Enter your comments here

Related to the Department's workforce:	Yes	No	Comments
Has Succession Planning documentation been reviewed and/or updated over the past 12 months?	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Employees are required to maintain additional licenses or certifications?	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Training gap reports are reviewed by Management for timely completion of required courses?	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Has employee morale improved during the past three months?	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here

Audit Services – FY 2021 Risk Assessment Survey

	Minimal/ None	Moderate	High	Rank Reason for Turnover (select all that apply):				
				Retirement	JEA Uncertainty	Increased Salary/Benefits	Move to other City	Undervalued/ New Challenge
Workforce turnover:								
Management turnover for last 12 months	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Click to Select	Click to Select	Click to Select	Click to Select	Click to Select
Employees turnover for the last 12 months	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Click to Select	Click to Select	Click to Select	Click to Select	Click to Select
Possible Management/Employee turnover over next 12 months	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Click to Select	Click to Select	Click to Select	Click to Select	Click to Select

Related to Business Continuity. Has the department:	Yes	No	Comments
Confirmed with employees contact information and duties during an emergency?	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Created a plan for repair and restoration of essential services?	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Stress tested the plan to see how it can fail?	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Plan considers uncommon events (like a pandemic)?	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Documented in the BCP all essential systems needs for carrying out repair and restoration?	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Included a return to normal operations procedure?	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Explain any effects of the COVID-19 pandemic on operations, workforce, Business Continuity and future projects or initiatives. Please distinguish between short-term and long-term effects.	Enter your comments here		

Section II – Financial Risk

Revenues

Does this department participate directly or indirectly in a revenue-generating activity?	<input type="checkbox"/>	Yes. Direct Activities such as energy, water & sewer construction, maintenance, generation & delivery.
	<input type="checkbox"/>	Yes. Indirect activities such as real estate, timber, records requests, fiber, pole attachments & others.

Audit Services – FY 2021 Risk Assessment Survey

	<input type="checkbox"/>	No. Support activities such as customer care, shared services or compliance. <i>(Skip to the “Expense Management” section)</i>
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Effect of the COVID-19 pandemic on revenues, including any increase in receivables and collections? Please distinguish between short-term and long-term effects.	<input type="checkbox"/>	Major negative effect on current revenues. No negative long-term effect expected.
	<input type="checkbox"/>	Possible negative effect on long-term revenues. Low to moderate short-term effect.
	<input type="checkbox"/>	Minimal or none

Has the department:

	Yes	No	In-Process	Comments
Identified and ranked current and/or future internal or external conditions that may impact revenue activities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Quantified the impact to the department and organization of the revenue activities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Monitored mitigating activity effectiveness in reducing revenue activities at risk?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here

Expense Management

Effect of the COVID-19 pandemic on expenses? Please distinguish between short-term and long-term effects.	<input type="checkbox"/>	Major increase in expenses.
	<input type="checkbox"/>	Low to moderate increase in expenses.
	<input type="checkbox"/>	Minimal or none

Has the department:

	Yes	No	In-Process	Comments
Designed and/or implemented a plan for cost/expense control?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Identified and estimated costs for assets in need of replacement or refurbishment in the next year, three years and five years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Aligned expenditures to the most critical business objectives, evidenced by ROI calculations or cost benefit analysis?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Reduced spend on P-cards by transferring purchases to fixed price contracts/purchase orders?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Actively monitored for waste, fraud or loss?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here

Audit Services – FY 2021 Risk Assessment Survey

Budget and Revenue Data

<u>Cost Center(s)</u>	<u>Budget</u>	<u>FY20 (\$)</u>	<u>FY21 Estimate (compared to FY20)</u>			
Enter Cost Center	Operating	Enter Amount	<input type="checkbox"/>	Increase	<input type="checkbox"/>	Decrease
Enter Cost Center	Capital	Enter Amount	<input type="checkbox"/>	Increase	<input type="checkbox"/>	Decrease

<u>Additional Revenue Streams (list below)</u>	<u>FY20 (\$)</u>	<u>FY21 Estimate (compared to FY20)</u>			
Enter Revenue Stream	Enter Amount	<input type="checkbox"/>	Increase	<input type="checkbox"/>	Decrease
Enter Revenue Stream	Enter Amount	<input type="checkbox"/>	Increase	<input type="checkbox"/>	Decrease
Enter Revenue Stream	Enter Amount	<input type="checkbox"/>	Increase	<input type="checkbox"/>	Decrease

Has this department received federal funds and/or grants? (if yes, list below)	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
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Enter your comments here

Inventory / Materials

Does the department have inventory and/or materials?	<input type="checkbox"/>	Yes, including specialized items.	<input type="checkbox"/>	Yes, without specialized items.	<input type="checkbox"/>	No (<i>or minimal</i>)
--	--------------------------	-----------------------------------	--------------------------	---------------------------------	--------------------------	--------------------------

FY20 Estimated Value of Inventory and/or Materials	Enter Amount
--	--------------

Section III – Compliance Risk

Has the department:	Yes	No	Comments
Complied with applicable Federal, State or local regulations?	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Evaluated future compliance needs with proposed Federal, State or local regulations?	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Been levied fines or reprimands from Federal, State or local regulators?	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Identified Agencies/Organizations that review or monitor the department?	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Determined the impact of non-compliance on financial and reputational risk?	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here

Audit Services – FY 2021 Risk Assessment Survey

Regarding data:	Yes	No	Comments
Is any part of the data produced confidential?	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Are safeguards in place to protect confidential data from unauthorized access or dissemination?	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Does your department use information systems not supported by Corporate Applications?	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Has your department conferred with JEA's Corporate Records Retention to determine appropriate records retention for your area?	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Explain any increased negative effects of the COVID-19 pandemic on compliance and safeguarding of data? Please distinguish between short-term and long-term effects.	Enter your comments here		

Section IV – Governance / Risk Management

Does the department:	Yes	No	Comments
Document its needs and requirements in a strategic plan?	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Have adequate funding to meet the organization's needs?	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Complete, without exception, JEAs ethics training and acceptance of the Code of Conduct?	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Encourage employees and acted on suggestions to improve productivity and quality?	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Allow employees to raise issues and discuss dilemmas, without the fear of retribution?	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Does the department:	Yes	No	Comments
Know which Top Corporate Risks are applicable to the area?	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here

Audit Services – FY 2021 Risk Assessment Survey

Does the department:	Yes	No	Comments
Collaborate with Enterprise Risk Management in the identification, status and mitigation of Top Corporate Risks?	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Identified Key Performance Indicators (KPIs) that address Top Corporate Risks?	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here

Explain any increased negative effects of the COVID-19 pandemic on the management and mitigation of Top Corporate Risks. Please distinguish between short-term and long-term effects.	Enter your comments here
--	--------------------------

Section V – Technology

Has the Department:	Yes	No	Comments
Determined if Corporate IT systems fully support your business processes?	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Identified any hardware and/or software applications not supported by Corporate IT? (if Yes, please list)	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Identified any planned hardware or software project for FY2021? (if Yes, please list)	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Identified and quantified possible financial and customer impacts of disruptive technologies that may impact your area? (if Yes, please list)	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here
Developed a plan to minimize the impact of any applicable disruptive technology?	<input type="checkbox"/>	<input type="checkbox"/>	Enter your comments here

Explain any increased negative effects of the COVID-19 pandemic on the current IT systems or on any planned IT project for FY2021? Please distinguish between short-term and long-term effects.	Enter your comments here
--	--------------------------

Section VI – Audit Scheduling & Additional Concerns

Please let us know of any timing issues if your business area is selected for an audit during FY2021. Also, list any requests or concerns related to other areas within JEA.

Audit Services – FY 2021 Risk Assessment Survey

Enter your comments here



INTER-OFFICE MEMORANDUM

July 30, 2020

SUBJECT: ETHICS OFFICER QUARTERLY REPORT

FROM: Paul McElroy, Interim Managing Director/CEO

TO: JEA Finance and Audit Committee

Marty Lanahan, Chair
John Baker
Robert Stein

BACKGROUND:

Per Ordinance 2011-197-E, JEA is required to appoint an Ethics Officer to represent the agency on ethics matters and to participate in a citywide Ethics Coordination Council. The Finance and Audit Committee will receive a quarterly update from the Ethics Officer.

DISCUSSION:

JEA Ethics Officer ensures information is shared and advice given regarding issues and questions. This role manages ethical concerns for the organization and ensure compliance with business and governmental regulations.

RECOMMENDATION:

This item is for information only.

Paul McElroy, Interim Managing Director/CEO

PEM/SVT/WMS



ETHICS OFFICER QUARTERLY REPORT

Walette Stanford



AUGUST 2020

Ethics and Compliance Risk



What are JEA important Assets

#1- It's Reputation

#2 - Trust of stakeholders

Elevating our Ethical Culture

1. Set Clear Expectations for what is okay and not okay
2. Modeling desired behavior
3. Reinforce the behavior you want
4. Focus on skill building and problem solving
5. Provide the tools people need to act Provide corrective



JEA Code of Ethics

All employees have the ability to come forward with any issues that they perceive to be contrary to JEA policies.

3 key points in the Code to remember:

1. Employees can come forward with any issue without fear of retribution, retaliation or any other adverse actions.
2. Fostering and maintaining a culture that is ethical and free of retaliation for reporting ethical issues.
3. Reports of retaliation will be fully investigated and handled.

What we have done to reinforce Ethical behavior at JEA

Tone From the Top

Excerpt from JEA Board letter to all JEA employees on April 28th

*Our collective intent is to work closely with JEA Leadership to ensure a financially successful future as a municipally owned independent authority of the City of Jacksonville. JEA's long history of success is one we will build upon to become not only financially sound, but to become an economic development driver for our region. We will do so with a continued and heightened focus on employee safety, operational excellence and customer service. The first step in making this happen will be the selection of a CEO to lead the organization into the next era of JEA excellence. **This process begins today, with a commitment to transparency, collaboration and efficiency.** We will be searching for a CEO that has the values, experience and vision that align with the resounding expectations of our Board Members, Senior Leadership, employees, City leaders and the Community at large.*

*While safety, operational and customer service excellence will be the focus of the board and management team, we know that all three start and end with you, the employees of JEA. We are committed to doing everything within our power to make sure that you have **the tools you need to perform the duties** of your individual and collective jobs, and the most important tool we can give you today is peace of mind: JEA is not for sale.*

Reinforcement of Ethical behavior at JEA

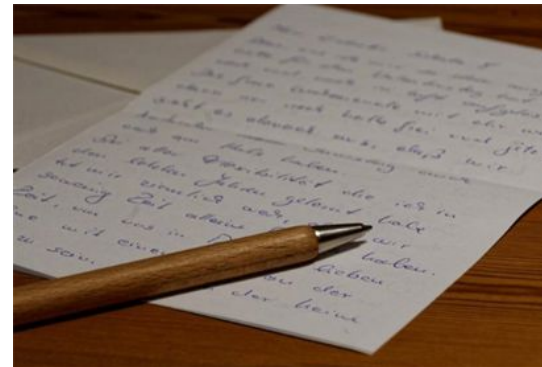
- Worked with CEO to develop a JEA Code of Ethics Policy for the organization. All Senior Team Leaders and Directors signed off on the Code by June 5th.
- Elevated the Code of Conduct and placed it on the JEA Business Ethics intranet site.
- CEO expanded our JEA core values to include dignity, respect and moral character.
- Reviewed the standard annual Ethics training and solicited input from the Ethics Representatives and management for future enhancements .
- Updated the Ethics Case Categories for the Ethics Hotline to include toxic leadership, abusive climate, integrity, dignity & respect.
- Completed the Leadership Professional in Ethics & Compliance course and obtained the LPEC certification on July 13th.
- Completed Third Quarter Exit Interview Report for HR Chief Human Resource Officer, HR Directors and Chief Compliance Officer.

CEO Communication to SLT and ELT on June 5th

The reputation of our company is formed by each experience that customers, business partners, colleagues, and the community have with us and each other. It is up to every employee to ensure that those experiences demonstrate our integrity. At our company, each interaction, and each decision we make, must reflect the fact that integrity and **ethical behavior is our highest priority**. Acting with uncompromised integrity and ethics is not an option at JEA. It is a must and is expected behavior of all employees.

What was included in the communication:

- ❖ Support From The Top
- ❖ What Is An Ethical Culture
- ❖ Tools for An Ethical Culture
- ❖ Everyone Is A Role Model



JEA CEO Corner Message

Amazing team of utility professionals here now delivering exceptional services with diverse backgrounds.

I will waste no time in working to rebuilding trust – yours and our community

I have no doubt, with your help, that in the next six months we can:

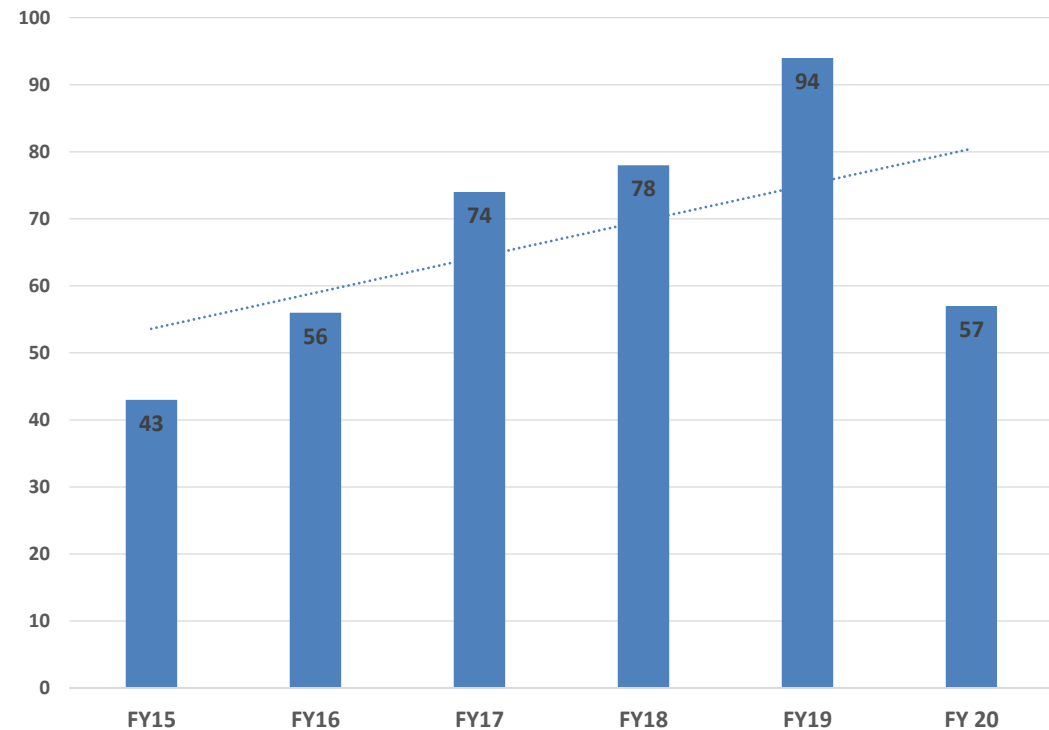
- Help the Board restore a culture of Ethics and Responsibility for Public Service.
- Help the Board restore trust and position JEA for the future.
- Help our Community by providing reassurance that their JEA is a reliable, financial healthy and safe public utility.
- Help JEA Employees by providing them with the dignity, respect and trust they deserve and earned.

Most reports of allegations of misconduct go to managers.

- *Hotline Reports make up only 9% of the reports of misconduct.*
- *64% of initial reports of misconduct go to direct supervisor or managers.*
- *27% of reports go to Ethics office.*

* Data from 2013 National Business Ethics survey of the U.S. Workforce.

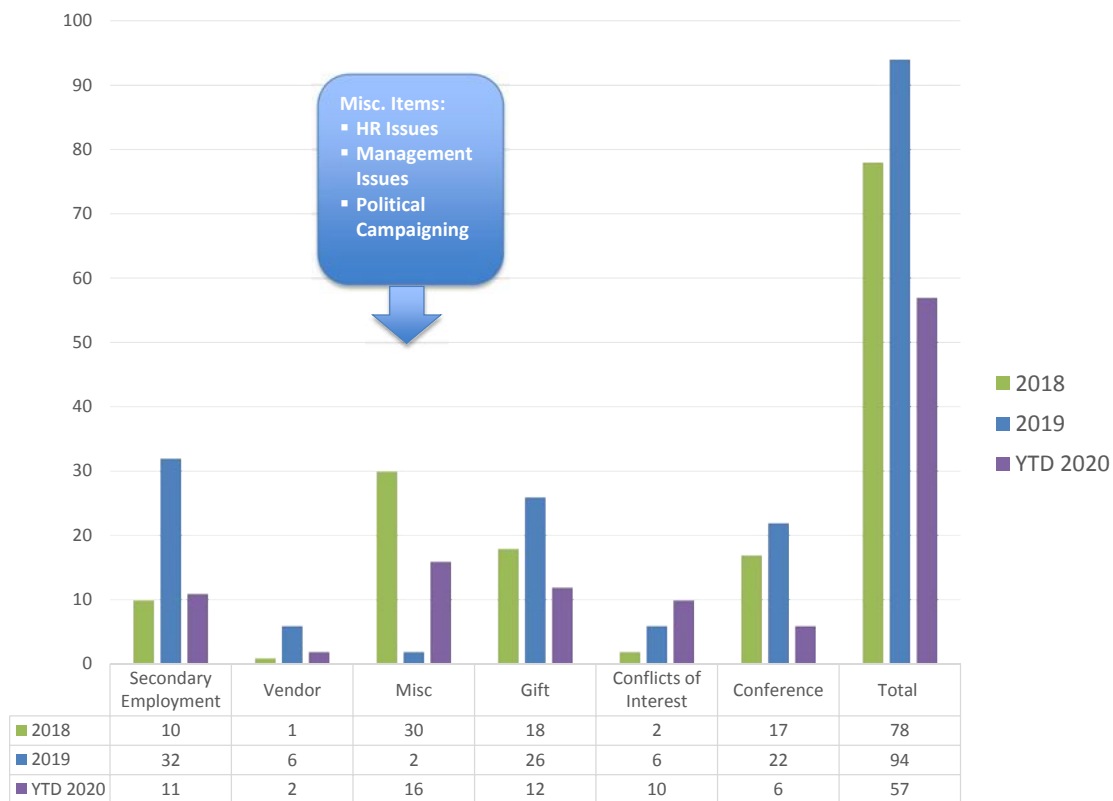
JEA Ethics Cases by Year



Creating an Ethical Culture

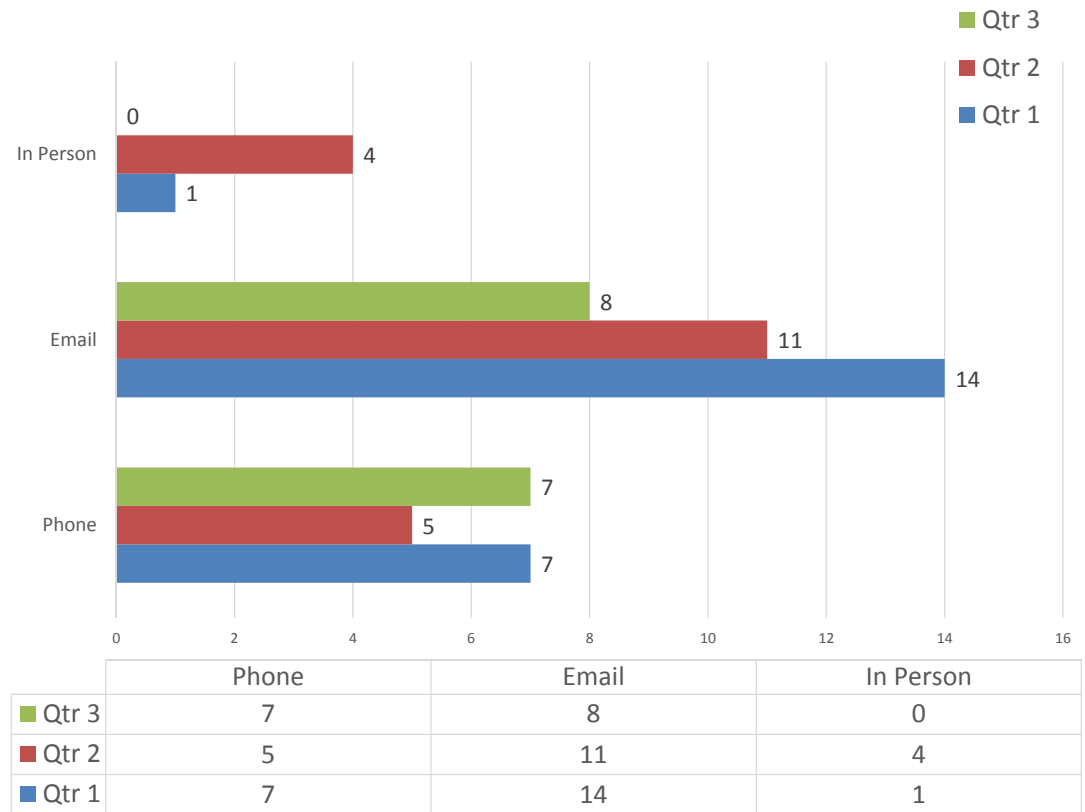
- * *Building and maintaining trust*
- * *Highest standards of ethical behavior*

Ethics Officer Inquiry Categories





FY20 Reporting Categories



Ethical Leadership Workshops

- ❖ All managers with subordinates
- ❖ Carla Miller, COJ Director of Ethics Compliance and Oversight & Walette Stanford, JEA Ethics Officer
- ❖ Completed by November, 1 2020.



4th Quarter
Topic

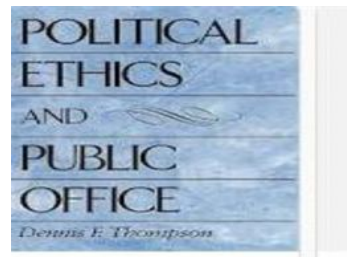
Business Ethics What's Next



- Remapping Ethics Hotline case flow chart with Forensic Audit & Investigations.
- Developing a Business Plan with Technology Services to assess upgrading the Ethics Hotline to a newer version called ***EthicsPoint*** to expand system functionality. By expanding our system we will be able to get concerns reported via app and email to the hotline.
- Continue to look for ways to strengthen Ethics Compliance controls by partnering with peers in the utility industry and vendors.
- Develop an Ethical culture strategy for FY21.

When ethics are in disorder, or when citizens reasonably believe they are, one should not be surprised that disputes about ethics drive out discussion about policies.”

Dennis F. Thompson





INTER-OFFICE MEMORANDUM

August 7, 2020

SUBJECT: ERNST & YOUNG FY2020 ANNUAL FINANCIAL AUDIT PLAN

FROM: Paul McElroy, Interim Managing Director/CEO

TO: JEA Finance and Audit Committee

Marty Lanahan, Chair
John Baker
Robert Stein

BACKGROUND:

Auditing standards require auditors to communicate certain matters to the governing board that may assist the Board in overseeing management's financial reporting process.

To keep in compliance with the Finance and Audit Committee Operating Policy, a formal approval of the annual financial audit plan is required. The formal approval demonstrates the Board has reviewed and is in agreement with the plan. Additionally, meeting with auditors to discuss the audit plan assists the Board in overseeing management's financial reporting process.

DISCUSSION:

Ernst & Young (E&Y) has prepared the FY2020 annual financial audit plan. The plan outlines the scope of their services, identifies the E&Y team that will perform the audit and presents key considerations that will affect the FY2020 audit. E&Y has been invited to attend the August 14, 2020 Finance and Audit Committee meeting to review and discuss the FY2020 annual financial audit scope and approach.

RECOMMENDATION:

Staff recommends that the Finance and Audit Committee and Board approve the FY2020 Annual Financial Audit Plan.

Paul McElroy, Interim Managing Director/CEO

PEM/BJR/RJC



JEA

2020 audit plan

August 14, 2020



Building a better
working world

Executive summary: 2020 audit plan

2020 audit plan*

Audit timeline

- ▶ We will perform our interim procedures during the months of August and September and our year-end procedures during the months of October through December.

Audit strategy, including significant risks identified

- ▶ Our audit strategy, including significant risks identified, for the 2020 audit is outlined in the [Areas of audit emphasis](#). Our approach is consistent with prior years

Involvement of internal audit and others

- ▶ We plan to use the work of the city council auditors in selected areas of our 2020 audit similar to previous years. Refer to the [Involvement of Council Auditors](#) section.

Important updates*

- ▶ See [New GASB Pronouncements](#) section. No new accounting or auditing standards affecting the 2020 audit.

Significant 2020 considerations

- ▶ Plant Vogtle
- ▶ Covid-19 Impacts
- ▶ 2019 Uniform Guidance Audit (FEMA) and Florida Single Audit results.
 - No findings
 - Unmodified opinions on compliance

Audit innovation*

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 and payroll expense audit programs which resulted in a reduction of traditional tests of details.
- ▶ **Trade Receivables Analyzer:** Identified key items that pose the greatest risk of material misstatement by analyzing aggregated accounts receivable transactions.

Inquiries*

- ▶ Inquiries of the audit committee are intended to assess the awareness of important matters pertaining to the audit.

* These matters are addressed on the following pages within our presentation.

Note: This report is intended solely for the information and use of the those charged with governance, Board of Directors and management. It is not intended to be, and should not be, used by anyone other than these specified parties.

COVID-19: power and utilities risk factors and audit considerations

01

Effects on the business

- ▶ **Demand.** There has been an overall fall in demand, as economies slow due to social distancing and lockdown policies. A 3% to 15% reduction of peak demand and energy use is anticipated. Load shapes are largely unchanged with the reduction in magnitude.
 - Fall in commercial and industrial demand has been mitigated to some extent by increased residential demand.
 - Impact has been less marked in gas, where residential is a higher proportion of overall demand.
- ▶ **Operations.** Utilities have maintained supply by sequestering control center staff, utilizing backup control centers and introducing working from home where possible.
 - Supply chains are under growing pressure, with utilities facing issues in accessing equipment and supplies.
- ▶ **Customers.** Many are in financial distress as a result of economic turmoil.
 - Utilities are responding by, e.g., suspending disconnections and waiving late payment and reconnection fees.
- ▶ **Regulation.** Regulatory recovery may vary, in nature and extent, by jurisdiction.

02

Overall risk factors

- ▶ **Changing pattern of operating costs:**
 - Employee costs: Increased cost base due to changing shift patterns, need for overtime, sequestration of staff, introduction of remote working
 - Welfare costs: Provision of personal protective equipment (PPE) and mental health initiatives
 - IT costs: Additional infrastructure required to support distributed workforce
 - Repairs and maintenance: R&M schedules flexed in order to maintain service; disruption to supply chains
- ▶ **Pressure on balance sheet.** Liquidity risks in the face of reduced cash flow from customers.
- ▶ **Implications of evolving government policies and regulatory decisions.** Issues include access to job protection measures (e.g., furloughing initiatives); evolving approaches to late payment and disconnections; and potential recovery mechanisms.
- ▶ **Capex plans shifting.** Nonessential projects are typically being deferred as resources are devoted to service continuity.

Four areas to consider for COVID-19

03

Account-specific risk factors

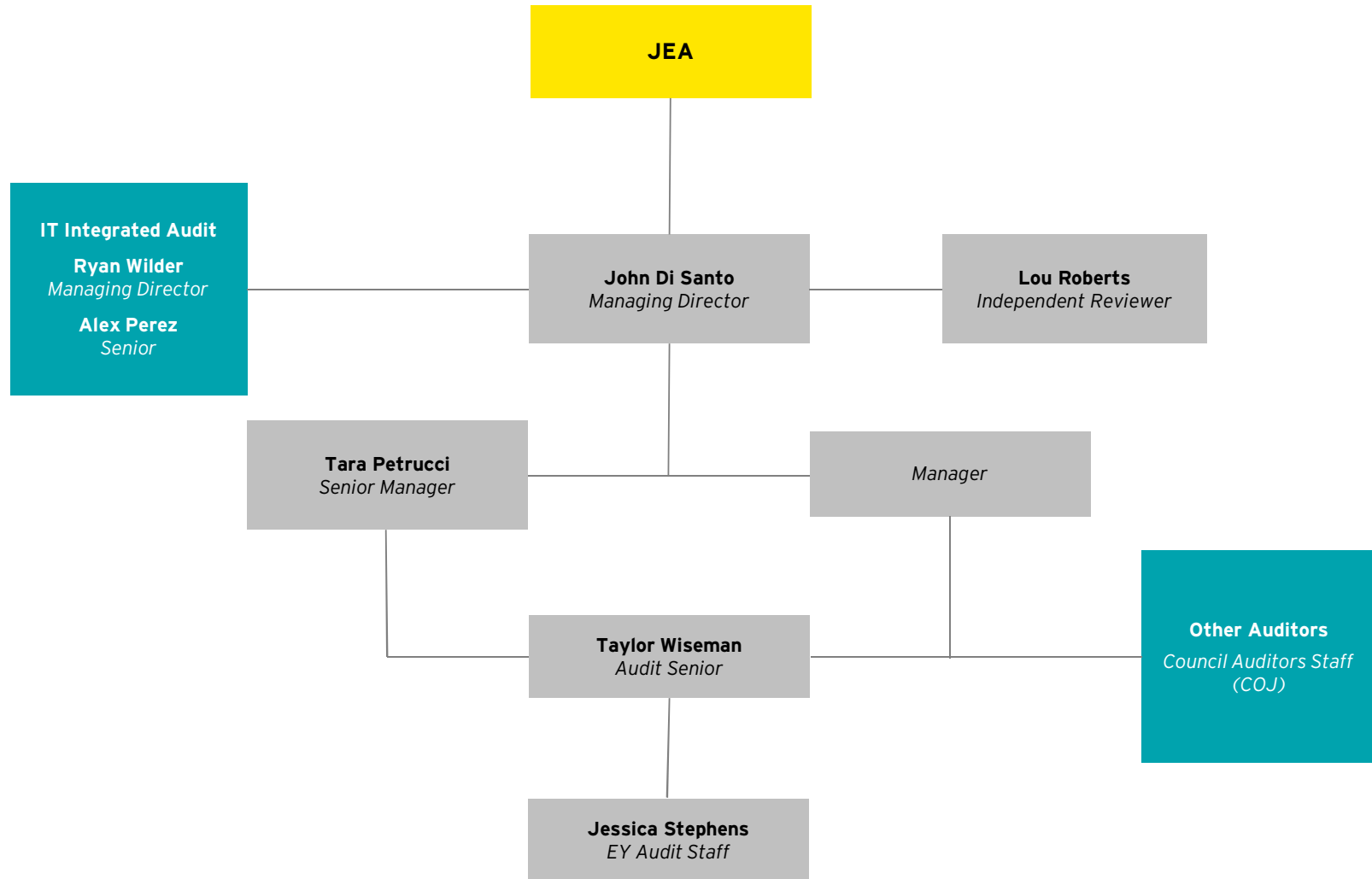
- ▶ **Fixed assets and impairments/carrying value of noncurrent assets.** Noncurrent assets (including intangibles) may not generate future value sufficient to support carrying values in the face of falling demand. In particular, the potential exists for stranded costs/assets, absent regulatory relief.
- ▶ **Revenue recognition.** Unmetered or unbilled revenue already typically requires significant estimation or manual intervention; inability to perform up-to-date meter reads is likely to increase the level of judgment involved. Rate relief for additional expenses may be required.
- ▶ **Debtors.** Financial stress on customers may increase levels of bad debt. Impacts of deferred payment policies (varying by geography) that have been introduced to protect vulnerable customers will have to be considered.
- ▶ **Cost of sales/commodity management.** Hedging approach and supporting framework and governance to manage net commodity positions may have had to change in response to the crisis.
- ▶ **Disclosures.** Additional explanatory disclosures are likely to be required to cover the unique circumstances related to the pandemic.

04

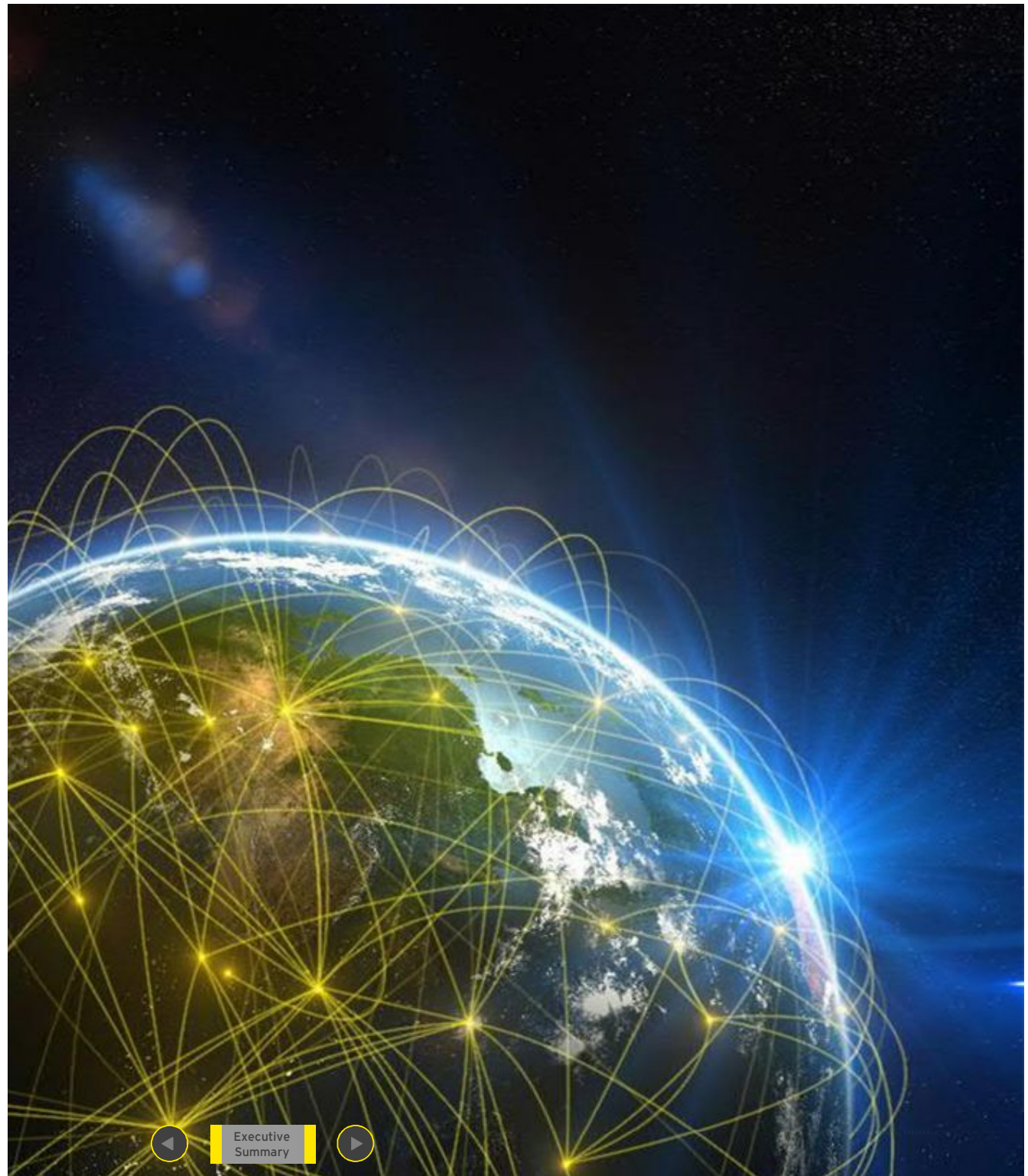
Considerations impacting our audit

- ▶ **Planned audit approach.** It is likely that risk assessment and proposed responses to identified risks will need to be revisited.
- ▶ **New disclosures.** Nonstandard amounts or disclosures may be added to the financial statements, in which case additional work, outside our normal scope, may be needed.
- ▶ **Audit evidence.** There may be a need to assess whether alternative evidence offered is appropriate and sufficient. Internal control may be affected by factors such as remote work locations, furloughs of staff, etc., so auditors must consider whether alternative work is necessary, and which alternative audit procedures they can carry out. Deferred costs may require proof of regulatory approval.
- ▶ **Going concern.** Given the current uncertainty and volatility, utilities and their auditors may need to consider reporting on material uncertainties. In particular, attention will need to be paid to whether the business has access to sufficient liquidity and can remain solvent through the period of public health restrictions and beyond.
- ▶ **Governance.** Sufficient contact with the audit committee will be needed to ensure complete and informed communication on modified audit reports.

Client service team



2020 audit plan



2020 audit plan: Areas of audit emphasis

Our audit procedures emphasize testing those processes, accounts, contracts or transactions where we believe there is the greatest risk of material misstatement to the financial statements, whether due to error or fraud. We consider the effects of current market risk factors on JEA, and also place emphasis on those areas requiring subjective determinations by management. We will reassess our risk assessment and other internal and external factors influencing JEA throughout our audit, and communicate to you any changes to our initial plan, as necessary. Our areas of audit emphasis, including areas with identified significant risks, are as follows. Our proposed audit plan to address specific areas of emphasis is detailed in Appendix A.

Areas of audit emphasis

- Revenue
- Asset retirement obligations (SJRPP Decommissioning) ^(A)
- Regulatory accounts
- Risk of management override of controls ^(B)
- Derivative instruments and hedging activities ^(A)
- Other post retirement benefits liabilities (OPEB) ^(A)
- Pension accounting, including valuation of pension assets ^(A)
- Investments ^(A)
- Capital assets

^(A) We will utilize the assistance of internal EY valuation subject-matter professionals in performing our procedures.

^(B) Professional standards require that we consider the risk of management override of controls to be a significant risk on all audits. Our audit procedures, including our journal entry testing, are designed to be responsive to this risk.

2020 audit plan: Involvement of Council Auditors

As required by AICPA standards, we have evaluated the competence and objectivity of the Jacksonville City Council auditors (“Council Auditors”) and its application of a systematic and disciplined approach, including its quality control processes. We have also considered whether, and to what extent, we can use the work of the Council Auditors in our 2020 audit. We have discussed with the Council Auditors their 2020 audit involvement. We expect the Council Auditors to provide assistance consistent with previous audits. The table below represents the areas where we plan to use the Council Auditors in the 2020 audit.

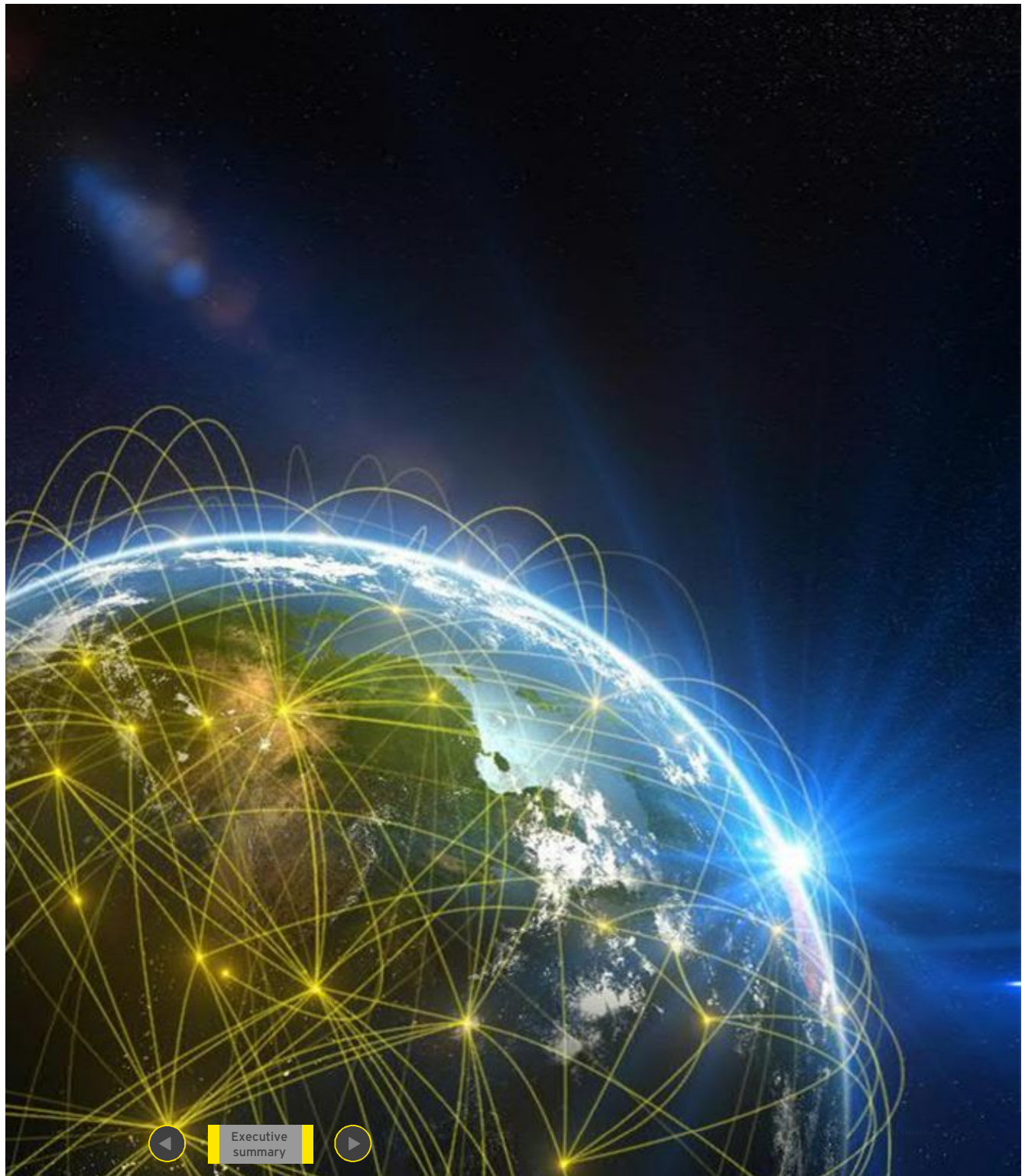
We will work with Council Auditors in a direct assistance model, which involves us performing:

- Direction and supervision
- Detailed review of working papers
- Reperforming their work on a test basis

Areas/significant class of transactions where EY is planning to use the work of the Council Auditors

- Test of transactions
- Substantive procedures for certain audit areas (including cash and investments, AR, capital assets, AP, taxes)

Important updates



Important Updates : New GASB Pronouncements

GASB Pronouncement	Effective for Fiscal Year Ending	Description
GASB Statement No. 84, Fiduciary Activities	September 30, 2021	Requires fiduciary activities to be presented in the financial statements (separate funds). Affects SJRPP pension plan and JEA OPEB plan.
GASB Statement No. 87, Leases	September 30, 2022	Requires all leases to be recorded as assets and liabilities on the balance sheet. (Note certain purchase power agreements are specifically excluded).
GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period	September 30, 2022	Requires that all interest cost incurred on long-term debt borrowing during the period of construction to be expensed, rather than capitalized. Requires retroactive application.

Important Updates : New GASB Pronouncements

GASB Pronouncement	Effective for Fiscal Year Ending	Description
GASB Statement No. 90, Majority Equity Interests	September 30, 2021	Requires that majority equity interests be reported as either an investment following the equity method or a component unit depending on the facts and circumstances. JEA will need to evaluate its investment in TEA and any other majority equity interests to determine if any accounting changes will be warranted.
GASB Statement No. 91, Conduit Debt Obligations	September 30, 2023	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.
GASB Statement No. 92, Omnibus 2020	September 30, 2022	This Statement establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this Statement apply to the financial statements of all state and local governments.

Important Updates : New GASB Pronouncements

GASB Pronouncement	Effective for Fiscal Year Ending	Description
GASB Statement No. 93, Replacement of Interbank Offered Rates	September 30, 2022	This Statement establishes accounting and financial reporting requirements related to the replacement of IBORs in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement apply to the financial statements of all state and local governments.
GASB Statement No. 94, Public – Private and Public – Public Partnerships and Availability Payment Arrangements	September 30, 2023	This Statement 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.
GASB Statement No. 95, Postponement of Effective Dates of Certain Authoritative Guidance	September 30, 2020	The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This Statement extends the effective dates of certain accounting and financial reporting provisions in Statements and Implementation Guides that were first effective for reporting periods beginning after June 15, 2018. The requirements of this Statement apply to the financial statements of all state and local governments.

Important Updates : New GASB Pronouncements

GASB Pronouncement	Effective for Fiscal Year Ending	Description
GASB Statement No. 96, Subscription – Based Information Technology Arrangements	September 30, 2023	Provides accounting guidance on subscription-based information technology arrangements (“SB ITAs”), such as cloud computing arrangements. Requires recognition of a right-to-use asset and a corresponding liability for SB ITAs, and requires expensing of certain costs associated with SB ITAs.

Appendices

- A Areas of audit emphasis
- B 2020 EY services
- C Inquiries
- D Peer review report
- E Required communications



Executive
summary



Appendix A



Areas of audit emphasis

Areas of audit emphasis

Area of emphasis	Summary of planned audit procedures
<p>Revenue</p> <p>JEA recognizes revenues for estimated services provided by its electric and water and sewer infrastructure. Unbilled revenue relates to services that have not yet been billed to the end customer at fiscal period-end. The calculation is based upon approved rates and historical consumption trends.</p> <p>JEA is a member of The Energy Authority (TEA), a municipal power marketing and risk management joint venture. In addition to providing its members with wholesale power marketing and resource management services, TEA also assists JEA with natural gas procurement and related gas hedging activities. JEA records energy marketing activity in the period when the energy is delivered.</p> <p>Intergovernmental revenues are recognized when the applicable eligibility requirements, including time requirements, are met. Resources remitted before the eligibility requirements are met should, under most circumstances, be reported as deferred revenue. JEA receives revenue from various federal and state-assisted grant programs.</p> <p>Programs are generally reimbursement-based, and JEA records revenue once expenditures for allowable purposes are made or upon compliance with the terms and conditions of grant agreements and applicable regulations.</p>	<ul style="list-style-type: none"> ▸ Review calculation of unbilled revenue ▸ Test contractual arrangements, including unique terms and conditions, to obtain reasonable assurance of compliance with the applicable accounting standards ▸ Test timing of revenue recognition based on the terms of the arrangement ▸ Confirm terms and conditions with both customers and management as considered necessary ▸ Test account reconciliations to determine timely completion and review ▸ Perform detailed analytical review procedures, by system, including predictive analytics based on verifiable consumption and production data ▸ Perform detailed tests over a sample of revenue transactions to assess the appropriateness and accuracy of recorded amounts ▸ 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

Areas of audit emphasis

Area of emphasis	Summary of planned audit procedures
Regulatory accounts	
Regulatory accounts are recorded when either future revenues are expected to recover incurred expenses or when amounts have been collected through rates in advance. JEA's regulatory accounts are associated with the Electric, Water & Sewer, SJRPP and Bulk Power systems pursuant to 3rd party agreements, and generally relate to the timing differences between recognition of capital asset and other costs (depreciation), amounts collected in rates to cover debt service requirements and pension and OPEB costs.	<ul style="list-style-type: none"> ▸ Test approval of any new regulatory assets/liabilities ▸ Verify that amortization and expense recognition are consistent with rate recovery ▸ Vouch significant activity ▸ Test account reconciliations ▸ Perform projection tests to determine that regulatory accounts will be recovered/amortized over the remaining maturities/useful lives of related debt and capital assets
Derivative instruments and hedging activities	
JEA uses derivative contracts to manage its exposure to changes in energy commodity prices and interest rates. Derivative contracts are accounted for in accordance with GASB 53. The gains and losses from the change in fair market value of JEA's derivative instruments are deferred if hedge effectiveness is maintained.	<ul style="list-style-type: none"> ▸ Test assessment of hedge effectiveness documentation, including re-performance where quantitative methods are used ▸ Confirm instruments with counterparties ▸ Test recorded market values using independently developed estimates ▸ Test fuel hedge contract settlements ▸ Evaluate disclosures ▸ Reconsider normal purchase/normal sales assumptions for commodity contracts

Areas of audit emphasis

Area of emphasis	Summary of planned audit procedures
<p>Asset retirement obligations (SJRP and Scherer Decommissioning)</p> <p>In accordance with GASB 83, JEA records an asset retirement obligation liability that represents their best estimate of the current value of outlays expected to be incurred and is offset by a deferred outflow.</p> <p>► Disclosure requirements include:</p> <ul style="list-style-type: none"> • General description of AROs and related assets • Methods/assumptions used • Any restricted assets set aside for ARO 	<p>► We will engage and work with EY internal specialists to assist the audit team with the review of assumptions and other inputs used in order to estimate JEA's ARO liability as of year end.</p> <p>► As part of our review of the financial statements we will assess any required disclosures in accordance with GASB 83.</p> <p>► We will obtain and inspect the annual asset retirement obligation roll forward and perform substantive procedures over material activity within the balance.</p>
<p>Other postretirement benefits liabilities</p> <p>JEA engages an actuary to calculate the liability related to the other post-employment benefit liability.</p> <p>JEA's benefit obligations recognizable under applicable GASB standards are significantly affected by certain assumptions, among which are the discount rate, long-term rate of return on plan assets, life expectancies and the assumed health care cost trend rate assumption.</p>	<p>► We will review the actuary's report and ensure that disclosures, Required Supplementary Information, and funding for the OPEB liability are in accordance with requirements of GASB 75.</p> <p>► We will review significant assumptions used by the actuary for reasonableness and test data provided by JEA used in the actuary's calculations.</p> <p>► We will engage and work with EY internal specialists to assist the audit team with the review of the actuarial assumptions used in order to estimate JEA's OPEB liability as of year end.</p> <p>► We will audit Plan assets held by the Florida Municipal Pension Trust Fund for JEA's OPEB trust.</p> <p>► We will review the note disclosure and Required Supplementary Information to ensure it is complete and accurate.</p>

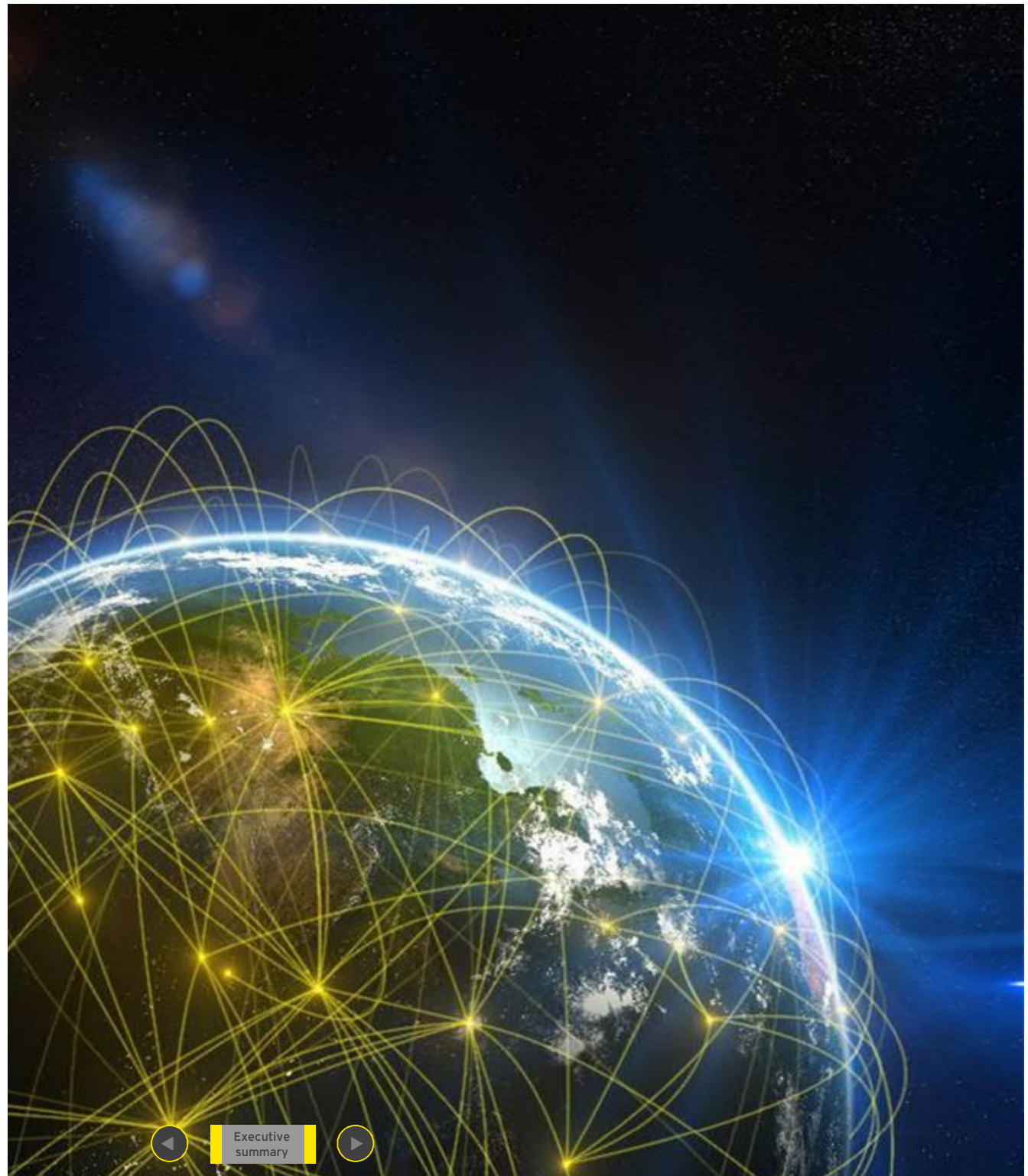
Areas of audit emphasis

Area of emphasis	Summary of planned audit procedures
Pension plan accounting and reporting – COJ Plan	
In accordance with GASB 68 JEA is required to record a liability for its share of unfunded pension obligations for the City of Jacksonville (COJ) cost-sharing multi-employer pension plan.	<ul style="list-style-type: none"> ▸ Review actuary reports for reasonableness of assumptions and methodology ▸ Obtain audited allocation schedule to determine the City's liabilities, expenses, deferred inflows and outflows ▸ In accordance with AU-C 805, obtain a report on elements from CRI, the Plan's auditors. ▸ Census data testing for JEA plan participants ▸ Assess reasonableness of required disclosures
Pension plan accounting and reporting – SJRPP Plan	
In accordance with GASB 68 JEA is required to record a liability for its unfunded pension obligations for the frozen SJRPP single employer pension plan.	<ul style="list-style-type: none"> ▸ Review actuary reports for reasonableness of assumptions and methodology ▸ Obtain actuary's reports and procedures performed by plan auditors ▸ Census data testing for JEA plan participants ▸ Assess reasonableness of required disclosures ▸ Substantively test plan assets
Investments	
All investments are stated at fair value based on quoted market prices or other observable market inputs (e.g., matrix pricing for fixed income securities).	<ul style="list-style-type: none"> ▸ Assess estimation uncertainty for significant classes of securities in JEA's portfolio ▸ Confirm investments with custodial institutions and managers ▸ Test valuation for selected securities using alternative pricing sources ▸ Test selected transactions ▸ Evaluate GASB 40 risk disclosures ▸ Evaluate GASB 72 fair market value disclosures

Areas of audit emphasis

Area of emphasis	Summary of planned audit procedures
Capital assets	
Property and equipment is carried at historical cost. Depreciation is determined using the straight-line method over the estimated useful lives of the related assets ranging from 5 to 50 years.	<ul style="list-style-type: none"> ▸ Review items capitalized to determine whether they should be capitalized versus expensed ▸ Test selection of assets added, retired, and disposed of during the fiscal year ▸ Review depreciation for reasonableness
Asset impairments	
JEA assesses recoverability of long-lived assets as indicators of impairment become known, as required by GASB Statement No. 42. If an indicator or change in circumstance affecting the value of the asset has occurred, JEA would evaluate the need for an impairment charge by determining whether the carrying value is recoverable based on expected future cash flows of the asset. The assets are reduced to reflect their fair value if they are determined to be unrecoverable.	<ul style="list-style-type: none"> ▸ Review and evaluate impairment indicators through inquiries and review of other records and meeting minutes ▸ Discuss and understand management's assessment if a change in circumstance potentially affects the value of an asset ▸ If applicable, test impairment computations and disclosures
Plant Vogtle	
Management will continue to monitor the developments of the nuclear power plant construction at Plant Vogtle to evaluate the possible impact on JEA's financial statements including any possible contingent liabilities and required disclosures.	<ul style="list-style-type: none"> ▸ 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

Appendix B: 2020 EY services



2020 EY services

Services and deliverables

Audit and audit-related services

- ▶ Express an opinion on, and report to the Finance and Audit Committee, the results of our audit of:
 - ▶ The financial statements of JEA - the audit will meet the requirements of Florida Statutes and Rules of the Auditor General of the State of Florida and will be conducted in accordance with auditing standards related to financial statement audits as set forth in the US Government Accountability Office's Government Auditing Standards.
- ▶ Provide negative assurance on JEA's Electric System, Water and Sewer System, Bulk Power Supply, and St. John's River Power Park System schedules of debt service coverage
- ▶ Other reports:
 - ▶ Issue a report on internal control over financial reporting and on compliance with certain provisions of laws, regulations, contracts, and grants and other matters in accordance with Government Audit Standards.
 - ▶ Issue a report on compliance with requirements applicable to each major federal awards program and internal control over compliance in accordance with the Uniform Guidance
 - ▶ Issue a report on compliance with each major state financial assistance project and report on internal control over compliance and report on schedule of expenditures of state financial assistance required by Chapter 10.550, Rules of the Auditor General
 - ▶ Issue a management letter including recommendations for improvements of internal controls and other opportunities based on observations made during the course of the audit
 - ▶ Report on other matters as required by Chapter 10.550, Rules of the Auditor General, which govern the conduct of local government entity audits in Florida

Other services

- ▶ Prepare a schedule of findings and questioned costs pursuant to the Uniform Guidance and Chapter 10.550 Rules of the Auditor General
- ▶ Issue a summary results report to the Audit Committee
- ▶ Provide comfort and consent letters for bond offerings, if applicable
- ▶ Provide agreed upon procedures reports related to FDEP and others, if applicable

Appendix C

Inquiries



Executive
summary



Inquiries

Inquiries of the audit committee are intended to assess the awareness of important matters pertaining to the audit, including:

- ▶ Your views about the risks of material misstatements due to fraud, including the risks of management override of controls.
- ▶ Your knowledge of any actual, alleged or suspected fraud.
- ▶ Your awareness of tips or complaints regarding JEA's financial reporting (including those received through the "whistleblower" program), other matters relevant to the audit (such as violations or possible violations of laws or regulations) or any significant unusual transactions.
- ▶ How you exercise oversight over JEA's assessment of fraud risks and the establishment of controls to address these risks.
- ▶ Your understanding of relationships and transactions with related parties that are significant to JEA and any concerns related to those relationships or transactions.

Appendix D

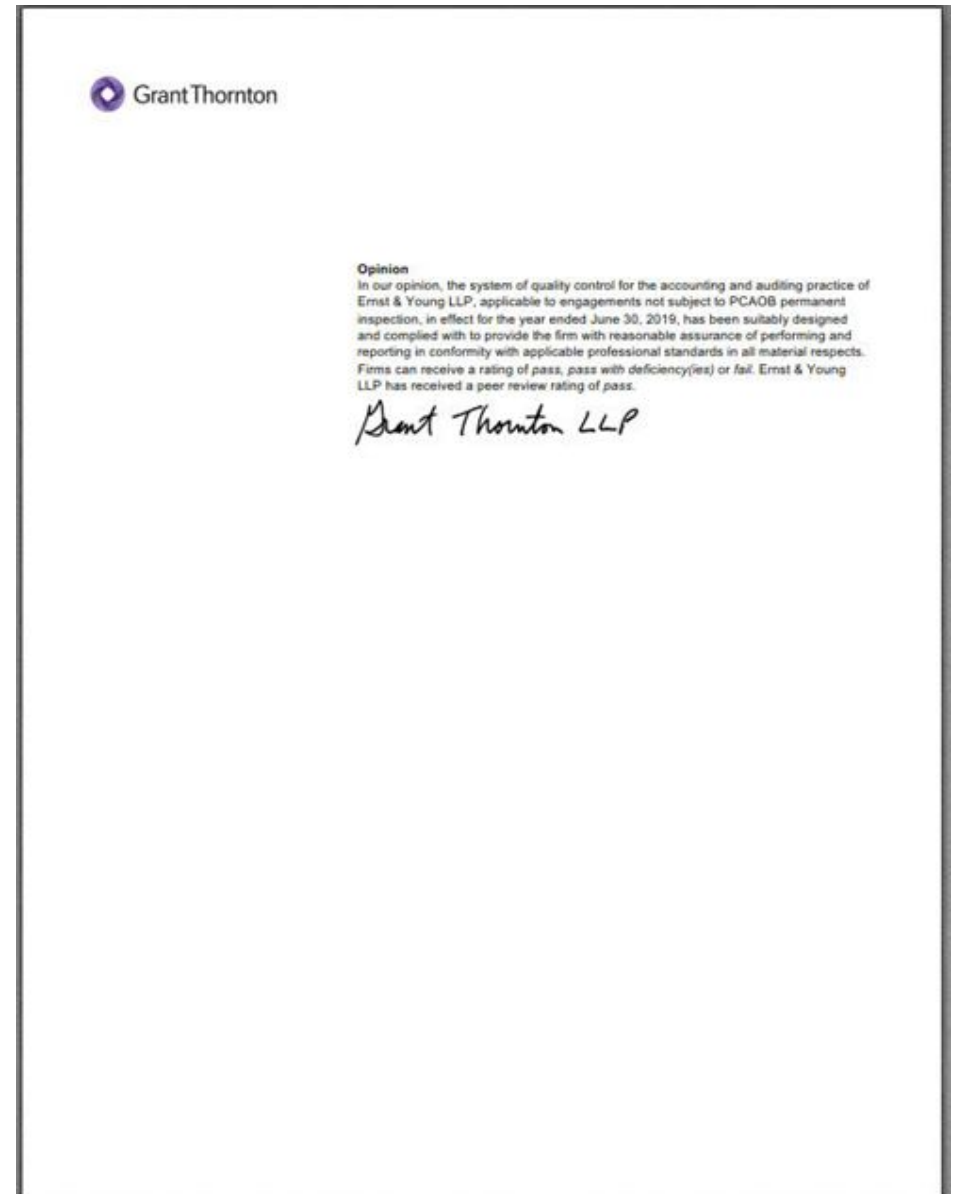
Peer review report



Executive
summary



Peer Review



Appendix E

Required communications



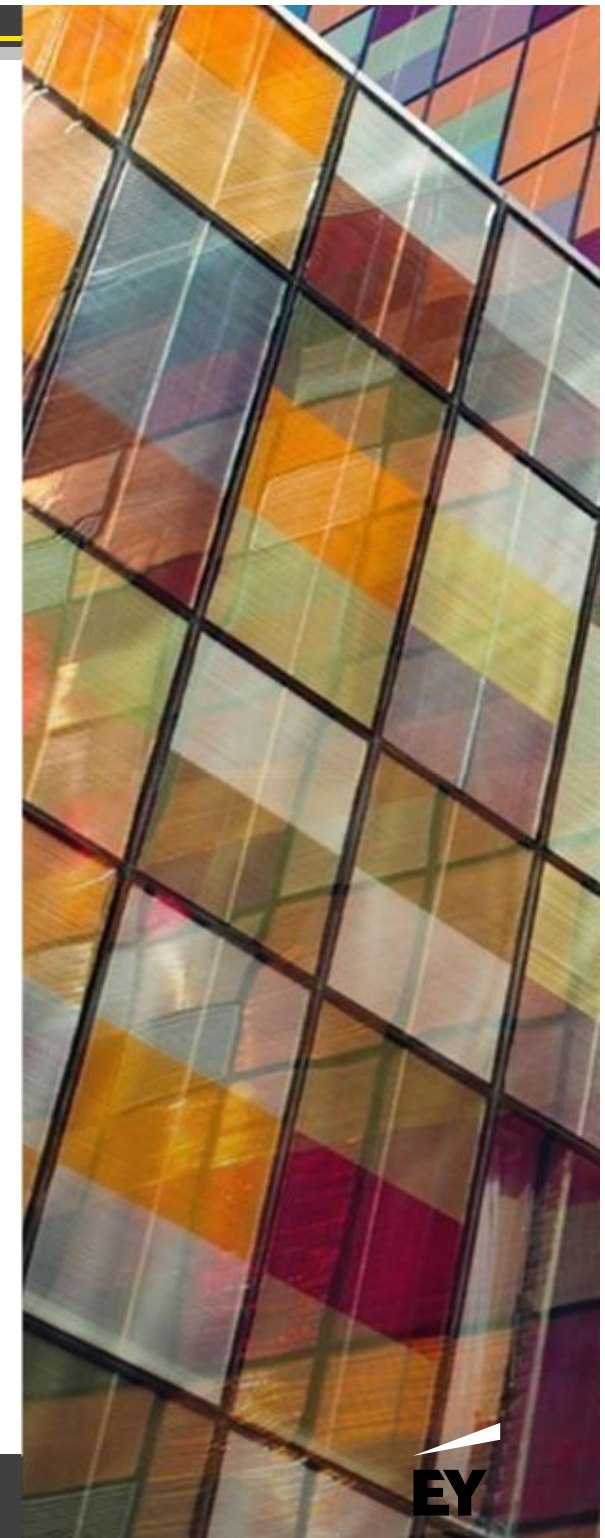
Executive
summary



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">– Risks of material misstatement– Fraud and noncompliance with laws and regulations (illegal acts)– Related-party relationships and transactions	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.



Business insights: rethinking strategy, enabling innovation

Today's products and services can become obsolete overnight. Conventional strategic planning processes are no longer robust enough, as companies must also strive to keep tabs on disrupters that present both threats and opportunities.

Three things organizations can do to help secure a future in the age of disruption

- 1 Disrupt before you are disrupted.** Use demographic, environmental, social and other megatrends as prompts for evaluating potential strategic opportunities and risks. Have ongoing discussions with management to constantly review the company's strategy and innovation initiatives.
- 2 Develop a road map for growth.** Consider the four drivers of long-term growth the Embankment Project for Inclusive Capitalism identified: talent, innovation and consumer trends, society and the environment, and corporate governance.
- 3 Bring the outside in.** Consult with customers, suppliers, investment analysts, regulators, academics and others to challenge internal biases and incorporate external perspectives into the strategic planning process.

Questions to consider

- ▶ How often and when do the board and JEA management discuss strategic issues, especially the interplay between short- and long-term objectives?
- ▶ What is the role of JEA management and the board in determining the mix, scope and risk level of your organization's innovation efforts?
- ▶ Are developing industry trends being considered and what-if exercises performed to scope out the near- and long-term implications?



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INTER-OFFICE MEMORANDUM

August 5, 2020

SUBJECT: **ELECTRIC SYSTEM AND WATER AND SEWER SYSTEM RESERVE
FUND QUARTERLY REPORT**

FROM: Paul E. McElroy, Interim Managing Director/CEO

TO: JEA Finance and Audit Committee

Marty Lanahan, Chair
John Baker
Robert Stein

BACKGROUND:

At the May 7, 2012 Finance and Audit Committee meeting, JEA staff presented schedules reflecting historical and projected activity in JEA's Electric System and Water and Sewer System unrestricted and restricted fund balances. Many of these reserves are required under the respective System's bond resolutions or under Board approved policies such as Pricing Policy or Debt Management Policy. JEA staff also stated that these schedules would be provided to the JEA Board on a quarterly basis beginning August 2012.

DISCUSSION:

Attached are the reserve fund schedules referenced above for the period ending June 30, 2020.

RECOMMENDATION:

No action required; provided for information only.

Paul E. McElroy, Interim Managing Director/CEO

PEM/BJR/JEO/THM



Quarterly Reserve Report

**For the Third Quarter Ending
June 2020**



Electric System and Water & Sewer System Reserve and Fund Balances (1)

For the Years Ending September 30
(In Thousands of Dollars)

Electric System

	<u>Actual</u> <u>Fiscal Year</u> <u>2017</u>	<u>Actual</u> <u>Fiscal Year</u> <u>2018</u>	<u>Actual</u> <u>Fiscal Year</u> <u>2019</u>	<u>Projected</u> <u>Fiscal Year</u> <u>2020</u>	<u>Detail</u> <u>Page #</u>
Unrestricted					
Operations/Revenue Fund	\$ 54,800	\$ 85,482	\$ 34,611	\$ 44,542	
Debt Management Strategy Reserve	-	-	-	-	
Self Insurance Reserve Fund					
• Property	10,000	10,000	10,000	10,000	3
• Employee health insurance	9,214	8,138	11,210	10,852	4
Rate Stabilization					
• Fuel	131,716	74,376	47,152	81,912	5
• DSM/conservation	3,695	3,470	4,363	4,924	6
• Environmental	36,417	42,163	25,632	18,558	7
• Debt Management	29,884	29,884	29,884	-	8
• Non-Fuel Purchased Power	25,189	53,493	56,870	37,434	9
Environmental	17,672	16,818	16,568	16,568	10
Customer Deposits	42,105	44,242	44,785	44,580	11
Total Unrestricted	<u>360,692</u>	<u>368,066</u>	<u>281,075</u>	<u>269,370</u>	
Days of Cash on Hand (2)	234	218	146	166	
Days of Liquidity (3)	337	316	308	345	
Restricted					
Debt Service Funds (Sinking Funds)	167,087	159,656	145,520	86,107	12
Debt Service Reserve Funds	60,582	60,582	60,582	50,994	13
Renewal and Replacement Funds/OCO	201,368	189,922	81,964	102,343	14
Environmental Fund [Capital Projects]	-	-	-	687	15
Construction Funds	-	203	-	-	16
Total Restricted	<u>429,037</u>	<u>410,363</u>	<u>288,066</u>	<u>240,131</u>	
Total Electric System	<u>\$ 789,729</u>	<u>\$ 778,429</u>	<u>\$ 569,141</u>	<u>\$ 509,501</u>	

Water and Wastewater System

Unrestricted					
Operations/Revenue Fund	\$ 69,232	\$ 43,461	\$ 44,479	\$ 28,045	
Rate Stabilization					
• Debt Management	14,209	14,209	14,209	-	17
• Environmental	5,214	12,914	15,687	21,822	18
Customer Deposit	15,086	15,616	16,289	17,079	19
Total Unrestricted	<u>103,741</u>	<u>86,200</u>	<u>90,664</u>	<u>66,946</u>	
Days of Cash on Hand (2)	496	434	186	171	
Days of Liquidity (3)	596	527	334	347	
Restricted					
Debt Service Funds (Sinking Funds)	82,208	81,241	80,775	43,772	20
Debt Service Reserve Funds	107,488	102,850	63,441	58,227	21
Renewal and Replacement Funds	150,319	141,415	48,796	29,693	22
Environmental Fund [Capital Projects]	1,839	1,159	1,891	1,346	23
Construction Funds	15	284	28,968	24,412	24
Total Restricted	<u>341,869</u>	<u>326,949</u>	<u>223,871</u>	<u>157,450</u>	
Total Water & Sewer System	<u>\$ 445,610</u>	<u>\$ 413,149</u>	<u>\$ 314,535</u>	<u>\$ 224,396</u>	

(1) This report does not include Scherer, SJRPP, DES or funds held on behalf of the City of Jacksonville.

(2) Days of Cash on Hand includes R&R Fund in the cash balances, and includes the Contribution to the City of Jacksonville General Fund with the Operating Expenses net of Depreciation.

(3) Days of Liquidity includes R&R Fund in the cash balances, and includes the Contribution to the City of Jacksonville General Fund with the Operating Expenses, net of Depreciation. Revolving credit facility is allocated between Electric and Water & Sewer Systems based on their portion of the Operating Expenses, net of Depreciation.

Funds Established Per the Bond Resolutions

Fund/Account Description	Electric System	Water and Sewer System
Revenue Fund	Net Revenues (i.e. Revenues minus Cost of Operation and Maintenance), pledged to bondholders, balance available for any lawful purpose after other required payments under the bond resolution have been made.	Pledged to bondholders; balance available for any lawful purpose after other required payments under the bond resolution have been made, however, revenues representing impact fees may only be used to finance costs of expanding the system or on the debt service on bonds issued for such expansion purposes.
Rate Stabilization Fund	Not pledged to bondholders; available for any lawful purpose.	Pledged to bondholders; able to transfer to any other fund or account established under the resolution or use to redeem Bonds.
Subordinated Rate Stabilization Fund	Pledged to bondholders; available for any lawful purpose.	Pledged to bondholders; available for any lawful purpose.
Debt Service Account	Pledged to bondholders; used to pay debt service on bonds.	Pledged to bondholders; used to pay debt service on bonds.
Debt Service Reserve Account	Pledged to bondholders; used to pay debt service on bonds in the event revenues were insufficient to make such payments.	Pledged to bondholders; used to pay debt service on bonds in the event revenues were insufficient to make such payments.
Renewal and Replacement Fund	Not pledged to bondholders but required amounts deposited into this Fund pursuant to the bond resolution are limited as to what they can be spent on (e.g. capital expenditures and, bond redemptions) .	Pledged to bondholders; but required amounts deposited into this Fund pursuant to the bond resolution are limited as to what they can be spent on (e.g. capital expenditures and, bond redemptions).
Construction Fund	Pledged to bondholders; applied to the payment of costs of the system.	Pledged to bondholders; applied to the payment of costs of the system.
Subordinated Construction Fund	Pledged to bondholders; applied to the payment of costs of the system	Pledged to bondholders; applied to the payment of costs of the system
Construction Fund - Construction Reserve Account	Pledged to bondholders; applied to fund downgraded reserve fund sureties.	Pledged to bondholders; applied to fund downgraded debt service reserve fund sureties.
General Reserve Fund	Not pledged to bondholders; available for any lawful purpose.	n/a

Regardless of whether the Funds/Accounts are designated as pledged, in the event that monies in the Debt Service Account are insufficient to pay debt service on the bonds, pursuant to the respective bond resolutions, amounts in the various Funds/Accounts are required to be transferred to the respective Debt Service Accounts and used to pay debt service.

Electric System Self Insurance - Property

For the Third Quarter Ending June 30, 2020

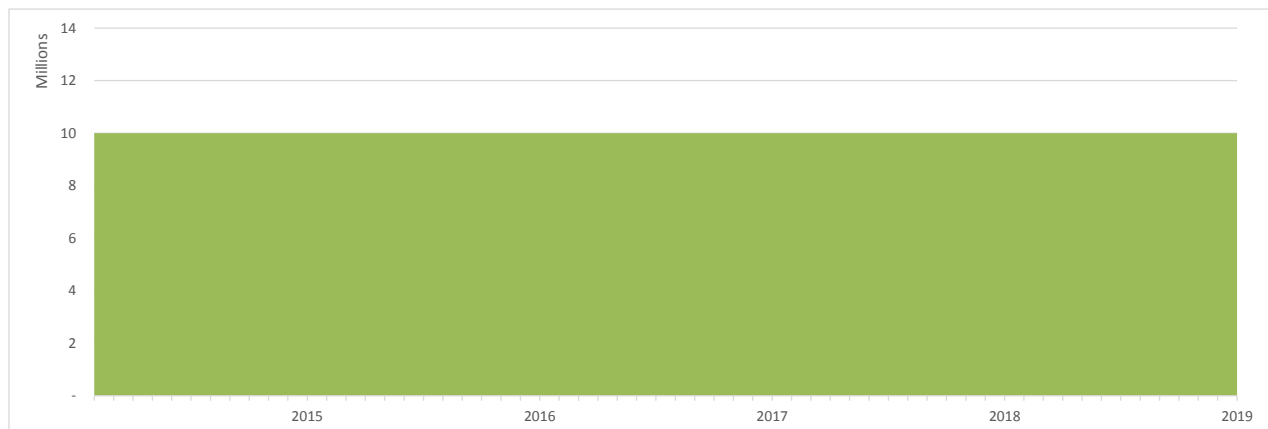
Definitions and Goals

JEA's self-insurance fund is for catastrophic damage to JEA's electric lines (transmission and distribution) caused by the perils of hurricanes, tornadoes, and ice storms. This fund was established in October, 1992, as an alternative to JEA's procurement of commercial property insurance.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2020	2021	2022
Opening Balance	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Additions:					
Contributions					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals					
Ending Balance	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Additions:					
Contributions	-	-	-	-	-
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Ending balance	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000



Observations

- Reserve/Fund Authorization: Budget Appropriation.

Electric System Self Insurance - Employee Health Insurance

For the Third Quarter Ending June 30, 2020

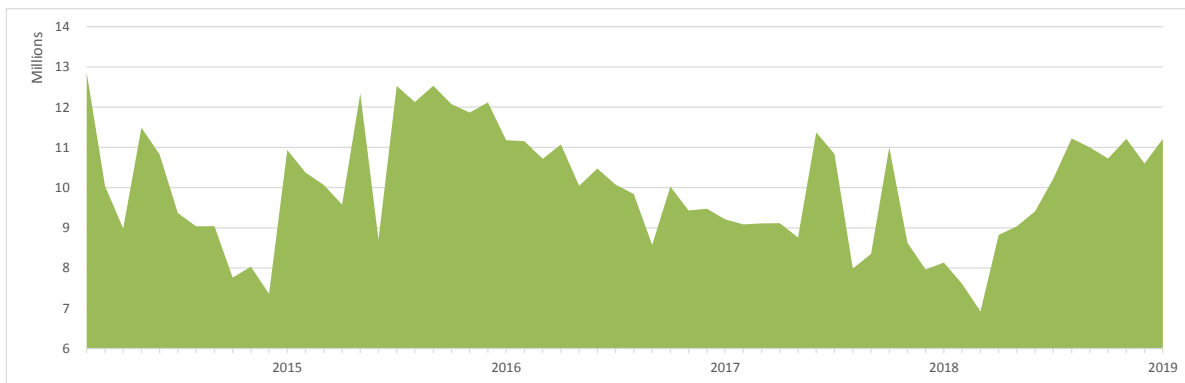
Definitions and Goals

This reserve fund is a requirement under Florida Statute 112.08 that requires self insured government plans to have enough money in a reserve fund to cover the Incurred But Not Reimbursed (IBNR) claims and a 60 day surplus of claims. The IBNR claims are claims that would still need to be paid if the company went back to a fully insured plan or dropped coverage all together. An actuary calculates this amount annually.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2020	2021	2022
Opening Balance	\$ 10,224	\$ 11,210	\$ 11,210	\$ 10,852	\$ 8,778
Additions:					
Employee Contributions	1,627	4,902	6,863	7,000	7,140
Retiree & Other Contributions	1,967	5,484	7,678	7,831	7,988
Employer Contributions	4,723	14,215	21,361	17,200	21,572
Sub-total	\$ 8,317	\$ 24,601	\$ 35,902	\$ 32,031	\$ 36,700
Withdrawals:					
Payments for Claims	6,703	22,692	33,908	31,683	34,205
Actuary & Other Payments	352	1,633	2,352	2,422	2,495
Sub-total	\$ 7,055	\$ 24,325	\$ 36,260	\$ 34,105	\$ 36,700
Ending Balance	\$ 11,486	\$ 11,486	\$ 10,852	\$ 8,778	\$ 8,778

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 10,749	\$ 10,937	\$ 11,179	\$ 9,214	\$ 8,138
Additions:					
Employee Contributions	5,447	5,460	5,862	6,158	6,423
Retiree & Other Contributions	5,141	5,694	6,443	7,273	8,270
Employer Contributions	22,220	24,231	19,004	18,378	20,662
Sub-total	\$ 32,808	\$ 35,385	\$ 31,309	\$ 31,809	\$ 35,355
Withdrawals:					
Payments for Claims	30,408	32,946	30,994	30,933	29,860
Actuary & Other Payments	2,212	2,197	2,280	1,952	2,423
Sub-total	\$ 32,620	\$ 35,143	\$ 33,274	\$ 32,885	\$ 32,283
Ending balance	\$ 10,937	\$ 11,179	\$ 9,214	\$ 8,138	\$ 11,210



Maximum Balance: 12,860
Minimum Balance: 6,922

Average Balance: 10,035

Observations

- Self Insurance for Employee Health Insurance began in July 2009.

Electric System Rate Stabilization - Fuel Management

For the Third Quarter Ending June 30, 2020

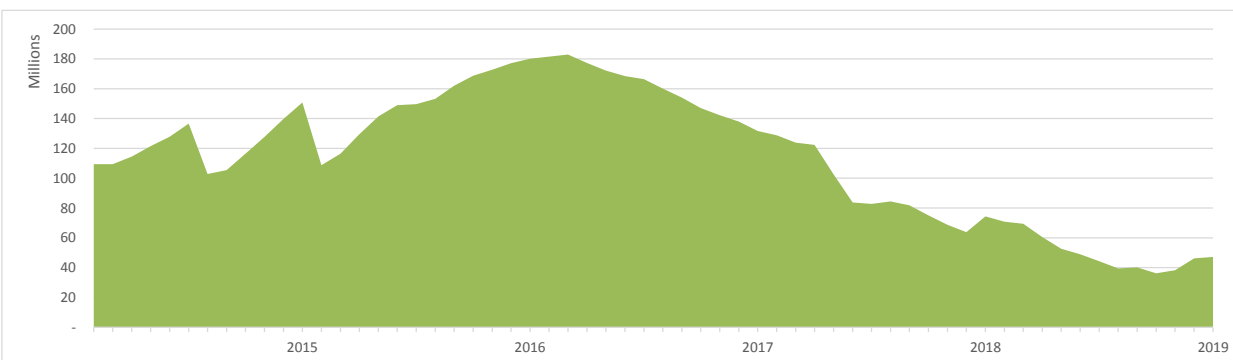
Definitions and Goals

The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which contributions or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Fund provides a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as fuel, debt management and regulatory requirements or initiatives. Established pursuant to the section VII and Section IX of the Pricing Policy, the Fuel Reserve target is 15% of the greater of (i) the maximum fiscal year fuel cost in the preceding five fiscal years or (ii) the projected fiscal year fuel cost. Withdrawals from the Rate Stabilization Fund for fuel stabilization are limited to the following purposes: (a) to reduce the variable fuel rate charge to the customers for a determined period of time; (b) to reduce the excess of the actual fuel and purchased power expense for the fiscal year over the variable fuel rate revenues; (c) to be rebated back to the customers as a credit against the electric bill; and/or (d) to reimburse the costs associated with any energy risk management activities.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year-to-Date	2020	2021	2022
Opening Balance	\$ 67,874	\$ 47,152	\$ 47,152	\$ 81,912	\$ 117,418
Additions:					
Contributions	6,884	27,713	48,427	35,506	11,800
Sub-total	\$ 6,884	\$ 27,713	\$ 48,427	\$ 35,506	\$ 11,800
Withdrawals:					
Withdrawals	13,560	13,667	13,667	0	0
Sub-total	\$ 13,560	\$ 13,667	\$ 13,667	\$ -	\$ -
Ending Balance	\$ 61,198	\$ 61,198	\$ 81,912	\$ 117,418	\$ 129,218

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 105,457	\$ 150,742	\$ 180,115	\$ 131,716	\$ 74,376
Additions:					
Contributions	95,224	85,979	2,845		11,597
Sub-total	\$ 95,224	\$ 85,979	\$ 2,845	\$ -	\$ 11,597
Withdrawals:					
Withdrawals			51,244	57,340	38,821
Fuel Rebate Credit	49,939	56,606			
Sub-total	\$ 49,939	\$ 56,606	\$ 51,244	\$ 57,340	\$ 38,821
Ending balance	\$ 150,742	\$ 180,115	\$ 131,716	\$ 74,376	\$ 47,152



Maximum Balance: 182,960
Minimum Balance: 36,191

Average Balance: 111,704

Observations

- Actual and historical numbers reflect fuel recovery contributions and withdrawals on a gross basis. Forecast and projected numbers reflected on a net basis. The fuel recovery charge ended 12/31/11.

Electric System Rate Stabilization - Demand Side Management (DSM)

For the Third Quarter Ending June 30, 2020

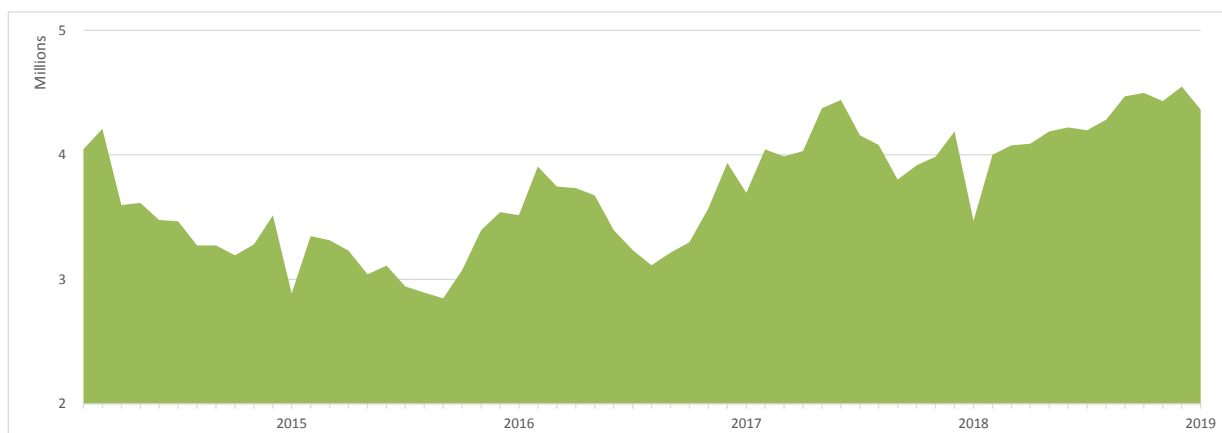
Definitions and Goals

The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which contributions or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Fund provides a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as fuel, debt management and regulatory requirements or initiatives. Pursuant to section VII of the Pricing Policy, \$0.50 per 1,000 kWh plus \$0.01 per kWh residential conservation charge for consumption greater than 2,750 kWh monthly. These revenue sources are to fund demand side management and conservation programs.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year-to-Date	2020	2021	2022
Opening Balance	\$ 4,616	\$ 4,363	\$ 4,363	\$ 4,924	\$ 5,675
Additions:					
Contributions	1,607	4,614	6,618	7,174	6,619
Sub-total	\$ 1,607	\$ 4,614	\$ 6,618	\$ 7,174	\$ 6,619
Withdrawals:					
Withdrawals	1,268	4,022	6,057	6,423	6,598
Sub-total	\$ 1,268	\$ 4,022	\$ 6,057	\$ 6,423	\$ 6,598
Ending Balance	\$ 4,955	\$ 4,955	\$ 4,924	\$ 5,675	\$ 5,696

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 3,570	\$ 2,886	\$ 3,515	\$ 3,695	\$ 3,470
Additions:					
Contributions	7,059	7,232	6,685	7,088	7,042
Sub-total	\$ 7,059	\$ 7,232	\$ 6,685	\$ 7,088	\$ 7,042
Withdrawals:					
Withdrawals	7,743	6,603	6,505	7,313	6,149
Sub-total	\$ 7,743	\$ 6,603	\$ 6,505	\$ 7,313	\$ 6,149
Ending balance	\$ 2,886	\$ 3,515	\$ 3,695	\$ 3,470	\$ 4,363



Maximum Balance: 4,793
Minimum Balance: 2,848

Average Balance: 3,757

Observations

- Rate Stabilization Fund for Demand Side Management began in April 2009.

Electric System Rate Stabilization - Environmental

For the Third Quarter Ending June 30, 2020

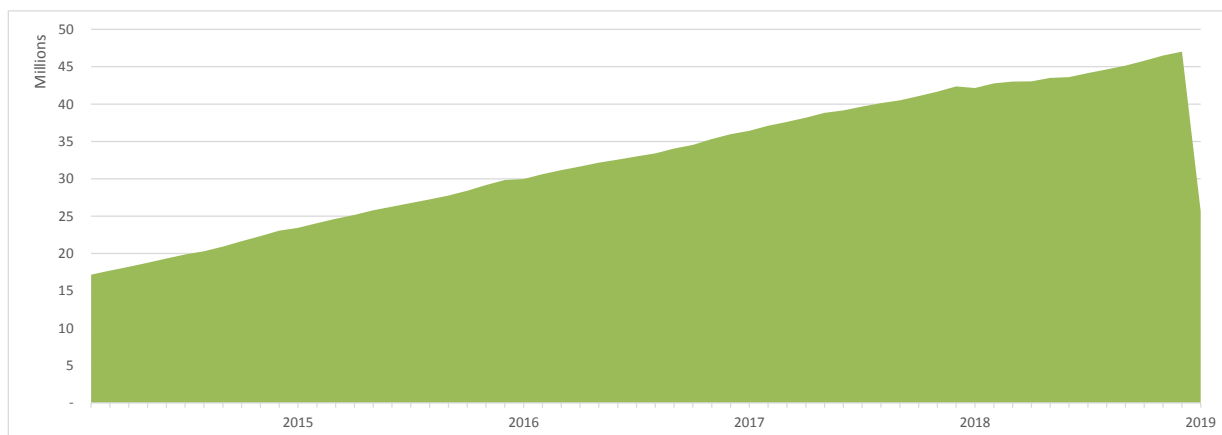
Definitions and Goals

The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which contributions or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Fund provides a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as fuel, debt management and regulatory requirements or initiatives. Deposits to this fund began in fiscal year 2010 for amounts representing the Electric System Environmental Charge (\$0.62 per 1000 kWh). Withdrawals from this reserve will represent payments for regulatory initiatives such as the premium cost of renewable energy generation which is considered available for JEA's capacity plans.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2020	2021	2022
Opening Balance	\$ 22,717	\$ 25,632	\$ 25,632	\$ 18,558	\$ 11,026
Additions:					
Contributions	1,843	5,238	7,421	7,814	7,320
Sub-total	\$ 1,843	\$ 5,238	\$ 7,421	\$ 7,814	\$ 7,320
Withdrawals:					
Withdrawals	2,512	8,822	14,495	15,346	7,597
Ending Balance	\$ 22,048	\$ 22,048	\$ 18,558	\$ 11,026	\$ 10,749

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 16,639	\$ 23,430	\$ 29,975	\$ 36,417	\$ 42,163
Additions:					
Contributions	7,586	7,700	7,384	7,572	7,578
Sub-total	\$ 7,586	\$ 7,700	\$ 7,384	\$ 7,572	\$ 7,578
Withdrawals:					
Withdrawals	795	1,155	942	1,827	24,109
Sub-total	\$ 795	\$ 1,155	\$ 942	\$ 1,827	\$ 24,109
Ending balance	\$ 23,430	\$ 29,975	\$ 36,417	\$ 42,163	\$ 25,632



Maximum Balance: 47,018
Minimum Balance: 17,155

Average Balance: 32,694

Observations

- Rate Stabilization Fund for Environmental began in June 2010.

Electric System Rate Stabilization - Debt Management

For the Third Quarter Ending June 30, 2020

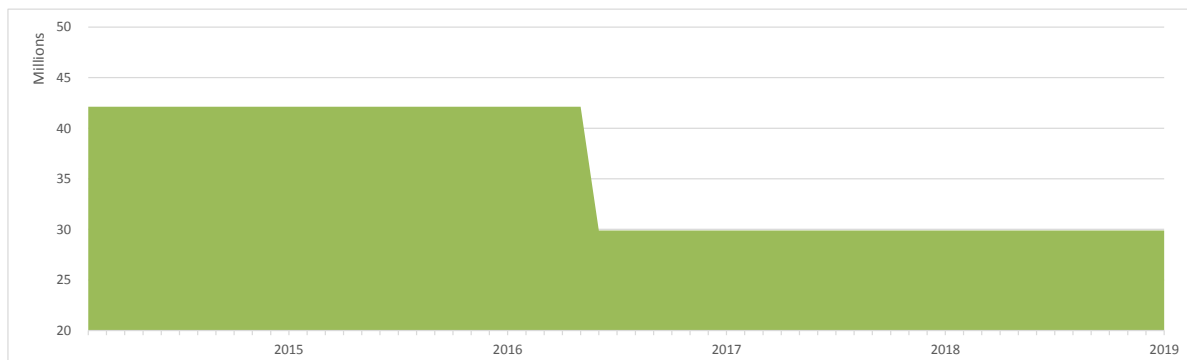
Definitions and Goals

The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which deposits or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. Deposits are made to this Rate Stabilization Fund for the purpose of managing JEA's debt portfolio. Deposits to this reserve reflect the difference in the actual interest rates for interest expense on the unhedged variable rate debt as compared to the budgeted assumptions for interest expense on the unhedged variable rate debt. Additionally, deposits can be made from excess debt service budget over the actual debt service expense for any fiscal year. However, the total amounts deposited (in addition to actual debt service costs for the fiscal year) cannot exceed the total amount of the budgeted debt service for any fiscal year. At a minimum, 50% of the calculated reserve contribution, if any, will be recorded and deposited each fiscal year. Debt and Investment Committee will review and record at their option an additional contribution amount, up to the full value of the calculated reserve contribution (the remaining 50%). The reserve contributions will be calculated on a system by system basis; however, based on the calculation, any mandatory deposit will exclude the District Energy System. The reserve contributions shall cease in the event the reserve balance exceeds the cap of five percent of the par amount of the total outstanding variable rate debt of all systems. Withdrawals from the Rate Stabilization Fund for Debt Management Strategy can be made for expenses related to market disruption in the capital markets, disruption in availability of credit or unanticipated credit expenses, or to fund variable interest costs in excess of budget. Funds used in October 2019 for defeasance of debt.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year-to-Date	2020	2021	2022
Opening Balance	\$ -	\$ 29,884	\$ 29,884	\$ -	\$ -
Additions:					
Contributions	-	-	-	-	-
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals	-	29,884	29,884	-	-
Sub-total	\$ -	\$ 29,884	\$ 29,884	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 42,126	\$ 42,126	\$ 42,126	\$ 29,884	\$ 29,884
Additions:					
Contributions	-	-	-	-	-
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals	-	-	12,242	-	-
Sub-total	\$ -	\$ -	\$ 12,242	\$ -	\$ -
Ending balance	\$ 42,126	\$ 42,126	\$ 29,884	\$ 29,884	\$ 29,884



Maximum Balance: 42,126
Minimum Balance: -

Average Balance: 33,902

Observations

- Rate Stabilization Fund for Debt Management began in May 2009. Funds used for defeasances in October 2019.

Electric System Rate Stabilization - Non-Fuel Purchased Power

For the Third Quarter Ending June 30, 2020

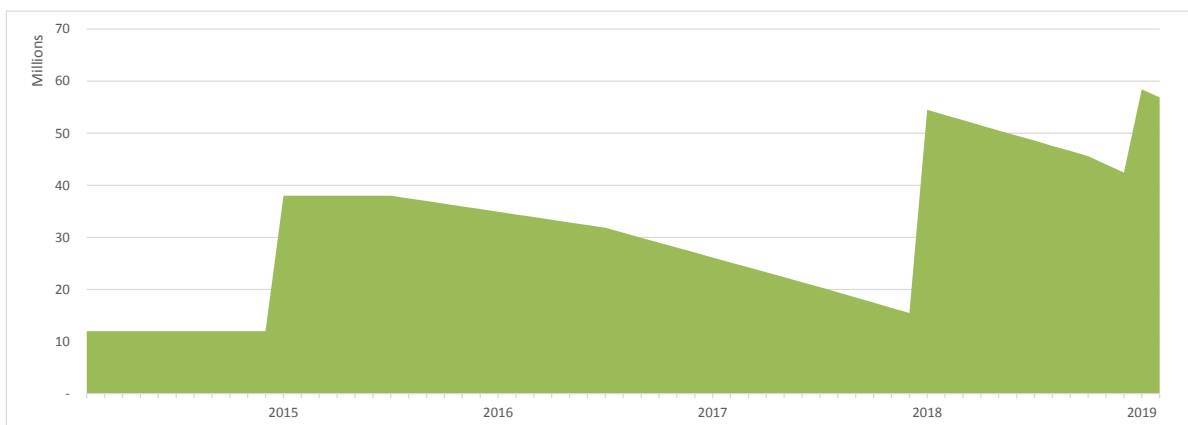
Definitions and Goals

The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which deposits or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Funds provide a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as fuel, debt management and regulatory requirements or initiatives. Deposits to the Rate Stabilization Fund for Non-Fuel Purchased Power Stabilization during the fiscal year are made with the approval of the CEO or CFO, provided such deposits are not in excess of JEA's total operating budget for the current fiscal year. Withdrawals from the Rate Stabilization Fund for Non-Fuel Purchased Power are to reimburse the costs associated with any non-fuel purchased power activities. Withdrawals can be made as necessary during the fiscal year and requires the approval of the CEO or the CFO.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2020	2021	2022
Opening Balance	\$ 47,515	\$ 56,870	\$ 56,870	\$ 37,434	\$ 933
Additions:					
Contributions	-	-			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals	4,679	14,034	19,436	36,501	933
Ending Balance	\$ 42,836	\$ 42,836	\$ 37,434	\$ 933	\$ -

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 12,000	\$ 38,000	\$ 34,400	\$ 25,189	\$ 53,493
Additions:					
Contributions	26,000			40,000	17,566
Sub-total	\$ 26,000	\$ -	\$ -	\$ 40,000	\$ 17,566
Withdrawals:					
Withdrawals		3,600	9,211	11,696	14,189
Sub-total	\$ -	\$ 3,600	\$ 9,211	\$ 11,696	\$ 14,189
Ending balance	\$ 38,000	\$ 34,400	\$ 25,189	\$ 53,493	\$ 56,870



Maximum Balance: 58,436
Minimum Balance: 12,000

Average Balance: 32,709

Observations

- The Non-Fuel Purchased Power Rate Stabilization Fund began in FY 2014.

Electric System Environmental Reserve

For the Third Quarter Ending June 30, 2020

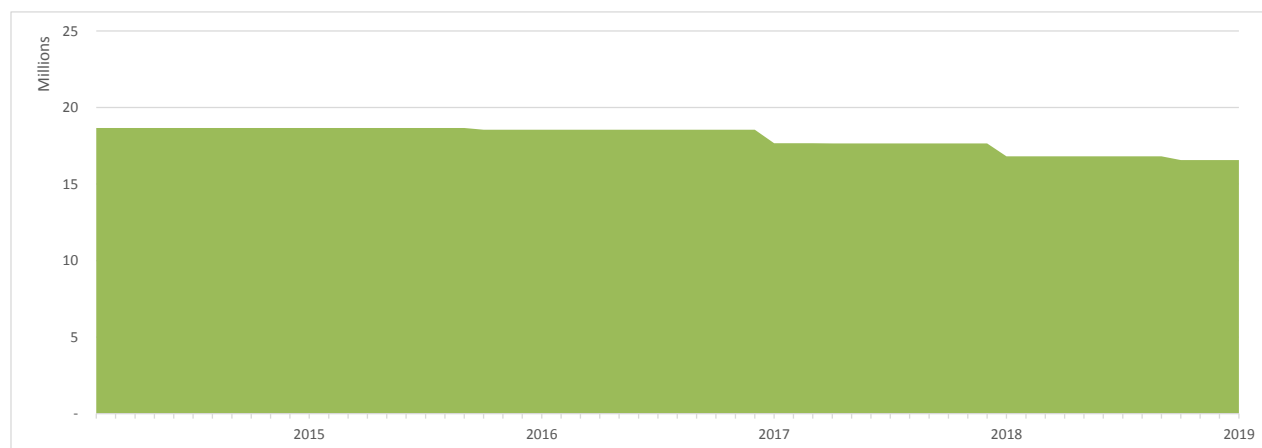
Definitions and Goals

This reserve represents the initial amounts collected from the Electric System Environmental Charge and will be deposited until the balance in this reserve equals the balance in the environmental liability account. Withdrawals from this account will represent payments for these liabilities.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2020	2021	2022
Opening Balance	\$ 16,568	\$ 16,568	\$ 16,568	\$ 16,568	\$ 16,068
Additions:					
Contributions	-	-			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals	-	-		500	5,000
Ending Balance	\$ 16,568	\$ 16,568	\$ 16,568	\$ 16,068	\$ 11,068

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 18,662	\$ 18,662	\$ 18,556	\$ 17,672	\$ 16,818
Additions:					
Contributions					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals		106	884	854	250
Sub-total	\$ -	\$ 106	\$ 884	\$ 854	\$ 250
Ending balance	\$ 18,662	\$ 18,556	\$ 17,672	\$ 16,818	\$ 16,568



Maximum Balance: 18,662
Minimum Balance: 16,568

Average Balance: 17,948

Observations

- The Environmental Reserve began in FY 2008.

Electric System Customer Deposits

For the Third Quarter Ending June 30, 2020

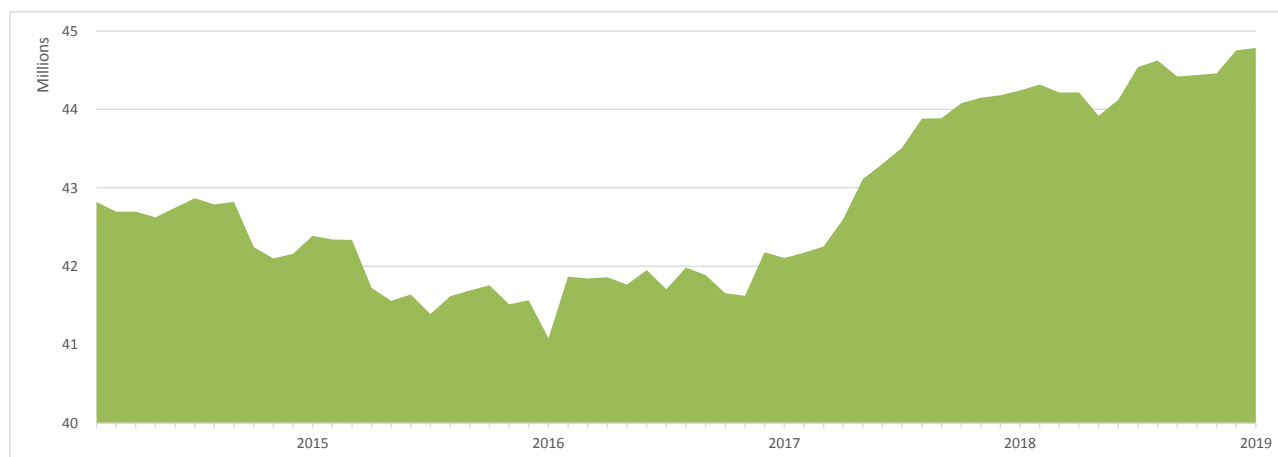
Definitions and Goals

Pursuant to internal procedure CR40400 MBC302 Credit and Collections, JEA accesses customers a deposit that may be used to offset any future unpaid amounts during the course of providing utility service to a customer.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2020	2021	2022
Opening Balance	\$ 44,338	\$ 44,785	\$ 44,785	\$ 44,580	\$ 45,814
Additions:					
Net Customer Activity	118	226	350	1,234	1,305
Sub-total	\$ 118	\$ 226	\$ 350	\$ 1,234	\$ 1,305
Withdrawals:					
Net Customer Activity	429	984	555		
Ending Balance	\$ 44,027	\$ 44,027	\$ 44,580	\$ 45,814	\$ 47,118

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 42,688	\$ 42,389	\$ 41,084	\$ 42,105	\$ 44,242
Additions:					
Net Customer Activity			1,021	2,137	543
Sub-total	\$ -	\$ -	\$ 1,021	\$ 2,137	\$ 543
Withdrawals:					
Net Customer Activity	299	1,305			
Sub-total	\$ 299	\$ 1,305	\$ -	\$ -	\$ -
Ending balance	\$ 42,389	\$ 41,084	\$ 42,105	\$ 44,242	\$ 44,785



Maximum Balance: 44,795
Minimum Balance: 41,084

Average Balance: 42,890

Observations

Electric System Debt Service Sinking Fund

For the Third Quarter Ending June 30, 2020

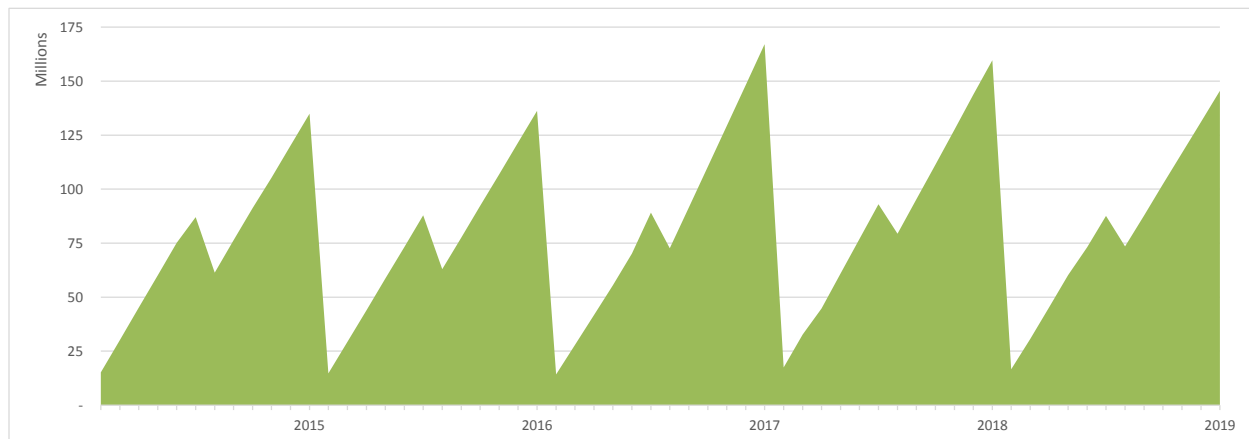
Definitions and Goals

JEA is required monthly to fund from revenues an amount equal to the aggregate of the Debt Service Requirement for senior and subordinated bonds for such month into this account. On or before such interest payment date, JEA shall pay out of this account to the paying agents the amount required for the interest and principal due on such date.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2020	2021	2022
Opening Balance	\$ 56,536	\$ 145,520	\$ 145,520	\$ 86,107	\$ 83,335
Additions:					
Revenue Fund Deposits	28,654	88,791	116,950	120,699	109,311
Sub-total	\$ 28,654	\$ 88,791	\$ 116,950	\$ 120,699	\$ 109,311
Withdrawals:					
Principal and Int Payments	27,007	176,128	176,363	123,471	124,471
Sub-total	\$ 27,007	\$ 176,128	\$ 176,363	\$ 123,471	\$ 124,471
Ending Balance	\$ 58,183	\$ 58,183	\$ 86,107	\$ 83,335	\$ 68,175

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 120,458	\$ 134,927	\$ 136,232	\$ 167,087	\$ 159,656
Additions:					
Revenue Fund Deposits	181,006	177,847	209,450	201,359	186,135
Sub-total	\$ 181,006	\$ 177,847	\$ 209,450	\$ 201,359	\$ 186,135
Withdrawals:					
Principal and Int Payments	166,537	176,542	178,595	208,790	200,271
Sub-total	\$ 166,537	\$ 176,542	\$ 178,595	\$ 208,790	\$ 200,271
Ending balance	\$ 134,927	\$ 136,232	\$ 167,087	\$ 159,656	\$ 145,520



Maximum Balance: 167,087
Minimum Balance: 9,945

Average Balance: 77,699

Observations

- September 30th ending balances are used to pay the October 1st interest and principal payments.
- This report does not include any Scherer debt service sinking funds.
- Timing differences occur due to the accrual of debt service during one fiscal year and the payment in the following fiscal year (primarily fixed rate principal and interest on October 1st of the following fiscal year).
- Projections are based on the debt outstanding as of June 30, 2020.

Electric System Debt Service Reserve Account

For the Third Quarter Ending June 30, 2020

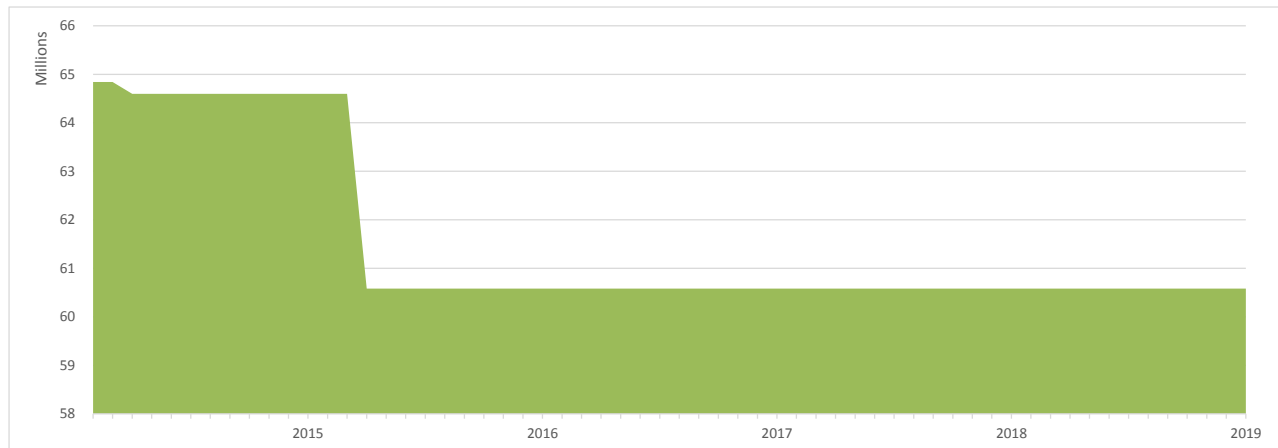
Definitions and Goals

This reserve will be funded, maintained and held for the benefit of bondholders as specified in the Supplemental Resolution authorizing the sale of the bonds to pay principal and/or interest on the bonds should revenues from operations not be sufficient for such purpose in accordance with the appropriate bond resolution. It is JEA's current practice to fund this reserve account with cash from the sale of bonds; however, revenues may be utilized to fund this reserve if necessary.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2020	2021	2022
Opening Balance	\$ 53,949	\$ 60,582	\$ 60,582	\$ 50,994	\$ 50,994
Additions:					
Proceeds from Bonds					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Release to Refunding Defeasance			2,955		
Release for STAR Plan Defeasance		6,633	6,633		
Ending Balance	\$ 53,949	\$ 53,949	\$ 50,994	\$ 50,994	\$ 50,994

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 64,841	\$ 64,595	\$ 60,582	\$ 60,582	\$ 60,582
Additions:					
Proceeds from Bonds					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Release to Revenue Fund	246	4,013			
Sub-total	\$ 246	\$ 4,013	\$ -	\$ -	\$ -
Ending balance	\$ 64,595	\$ 60,582	\$ 60,582	\$ 60,582	\$ 60,582



Maximum Balance: 64,841
Minimum Balance: 53,949

Average Balance: 61,166

Observations

- This report does not include any Scherer debt service reserves.

Electric System Renewal and Replacement (R&R) / Operating Capital Outlay (OCO)

For the Third Quarter Ending June 30, 2020

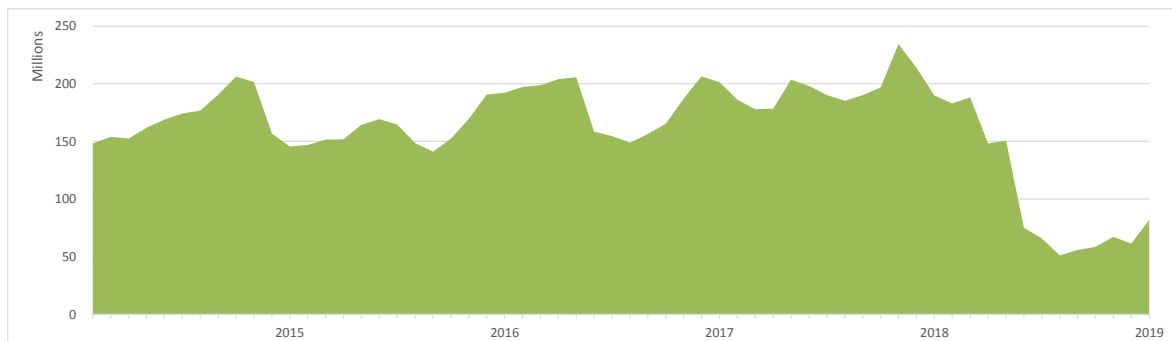
Definitions and Goals

Pursuant to the bond resolution and Article 21 of the City of Jacksonville Charter, JEA is required to deposit from the revenue fund annually an amount for Renewal and Replacement of system assets. According to the bond resolutions the amount is equal to the greater of 10% of the prior year defined annual net revenues or 5% of the prior year defined gross revenues. The funds shall be used for the purposes of paying the cost of extensions, enlargements or additions to, or the replacement of capital assets. In addition, as a portion of the base rate, JEA will recover from current revenue a formula driven amount for capital expenditures known as Operating Capital Outlay. This amount is calculated separately from the R&R deposit and may be allocated for use between capacity or non-capacity related expenditures based on the most beneficial economic and tax related financing structure incorporating the use of internal and bond funding.

	Current Activity		Projected Activity		
(In Thousands)	Quarter-End	Year -to-Date	2020	2021	2022
Opening Balance	\$ 57,492	\$ 81,964	\$ 81,964	\$ 102,343	\$ 110,943
Additions:					
R&R/OCO Contribution	71,833	172,643	247,955	235,053	193,999
Transfers betw Capital Fds					
Other	1,643	8,290	5,990	12,975	8,705
Sub-total	\$ 73,476	\$ 180,933	\$ 253,945	\$ 248,028	\$ 202,704
Withdrawals:					
Capital Expenditures	42,830	156,122	214,929	189,428	191,409
Transfers betw Capital Fds					
Debt Defeasance	-	18,637	18,637	50,000	
Other					
Sub-total	\$ 42,830	\$ 174,759	\$ 233,566	\$ 239,428	\$ 191,409
Ending Balance	\$ 88,138	\$ 88,138	\$ 102,343	\$ 110,943	\$ 122,238

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 146,910	\$ 145,711	\$ 192,179	\$ 201,368	\$ 189,922
Additions:					
R&R/OCO Contribution	110,351	200,692	196,589	148,105	197,623
Loans betw Capital Fds					
Other	970	3,744	5,074	35,675	39,521
Sub-total	\$ 111,321	\$ 204,436	\$ 201,663	\$ 183,780	\$ 237,144
Withdrawals:					
Capital Expenditures	112,483	157,201	113,987	181,263	275,042
Transfers/loans b/w Capital Fds	37	765	37,200		
Debt Defeasance					70,000
Other		2	41,287	13,963	60
Sub-total	\$ 112,520	\$ 157,968	\$ 192,474	\$ 195,226	\$ 345,102
Ending balance	\$ 145,711	\$ 192,179	\$ 201,368	\$ 189,922	\$ 81,964



Maximum Balance: 234,504
Minimum Balance: 43,840

Average Balance: 156,712

Observations

- Other includes Sale of Property and miscellaneous billings.

Electric System Environmental Fund - Capital Projects

For the Third Quarter Ending June 30, 2020

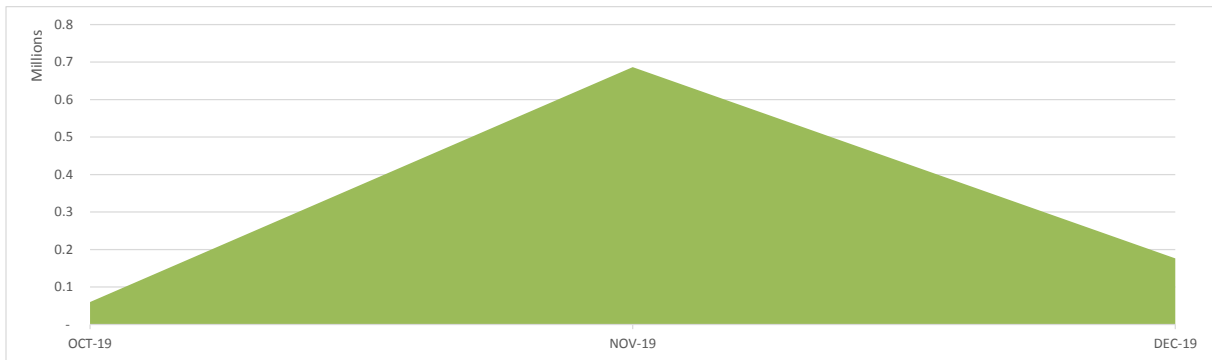
Definitions and Goals

The Environmental Charge will be applied to all kWh consumption and structured to provide funding for major specific environmental and regulatory program needs. The Environmental Charge is designed to recover from customers all costs of environmental remediation and compliance with new and existing environmental regulations, excluding the amount already collected in the Environmental Liability Reserve, as specified in the Pricing Policy for specific environmental and regulatory programs. This fund represents the amounts collected from the Electric System Environmental Charge and used on expenditures for capital projects.

	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2020	2021	2022
(In Thousands)					
Opening Balance	\$ 361	\$ -	\$ -	\$ 687	\$ 1,000
Additions:					
Environmental Contributions	772	3,032	7,525	8,885	
Transfers betw Capital Fds					
Other					
Sub-total	\$ 772	\$ 3,032	\$ 7,525	\$ 8,885	\$ -
Withdrawals:					
Capital Expenditures	982	2,881	6,838	8,572	
Transfers betw Capital Fds					
Other					
Sub-total	\$ 982	\$ 2,881	\$ 6,838	\$ 8,572	\$ -
Ending Balance	\$ 151	\$ 151	\$ 687	\$ 1,000	\$ 1,000

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Additions:					
Bond Proceeds					
Loans betw Capital Fds					
Other					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Capital Expenditures					
Transfers/loans b/w Capital Fds					
Other					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Ending balance	\$ -	\$ -	\$ -	\$ -	\$ -



Maximum Balance: 686
Minimum Balance: 60

Average Balance: 308

Observations

- The Environmental Construction Fund began in October 2019.

Electric System Construction / Bond Fund

For the Third Quarter Ending June 30, 2020

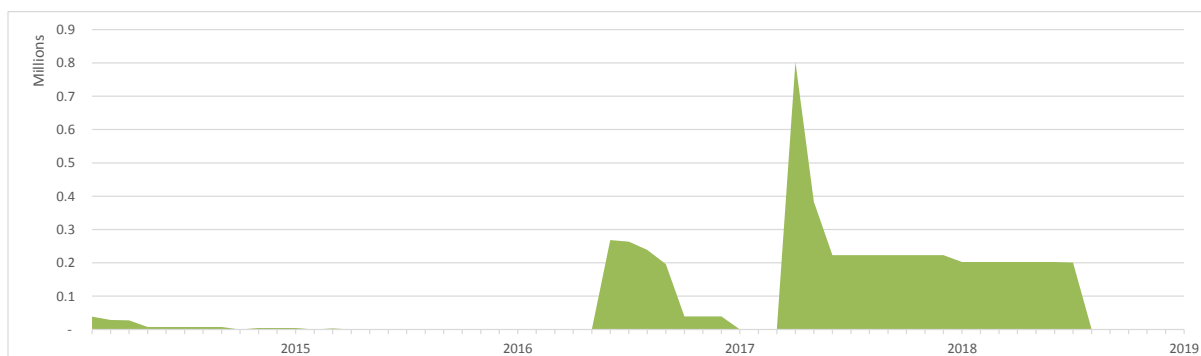
Definitions and Goals

JEA maintains a senior and subordinated construction fund of which bonds proceeds are deposited and used for the payment of the costs of additions, extensions and improvements to the Electric System. The senior construction fund is limited to the costs of additions, extension and improvements relating to non-generation capital expenditures. The subordinated construction fund is used for capital projects relating to all categories of capital expenditures but primarily targeted to fund generation capital expenditures.

	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2020	2021	2022
(In Thousands)					
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Additions:					
Bond Proceeds					
Loans betw Capital Fds					
Other					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Transfers betw Capital Fds					
Other					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 42	\$ 4	\$ -	\$ -	\$ 203
Additions:					
Bond Proceeds			429	805	
Loans betw Capital Fds					
Other	37	2			
Sub-total	\$ 37	\$ 2	\$ 429	\$ 805	\$ -
Withdrawals:					
Capital Expenditures	75	6			
Transfers/loans b/w Capital Fds					201
Other			429	602	2
Sub-total	\$ 75	\$ 6	\$ 429	\$ 602	\$ 203
Ending balance	\$ 4	\$ -	\$ -	\$ 203	\$ -



Maximum Balance: 803
Minimum Balance: -

Average Balance: 86

Observations

- JEA's philosophy has been to borrow bond funds on a "just-in-time" basis. Staff has used revolving credit facility borrowings and loans between capital funds to decrease borrowing costs.

Water and Sewer System Rate Stabilization - Debt Management

For the Third Quarter Ending June 30, 2020

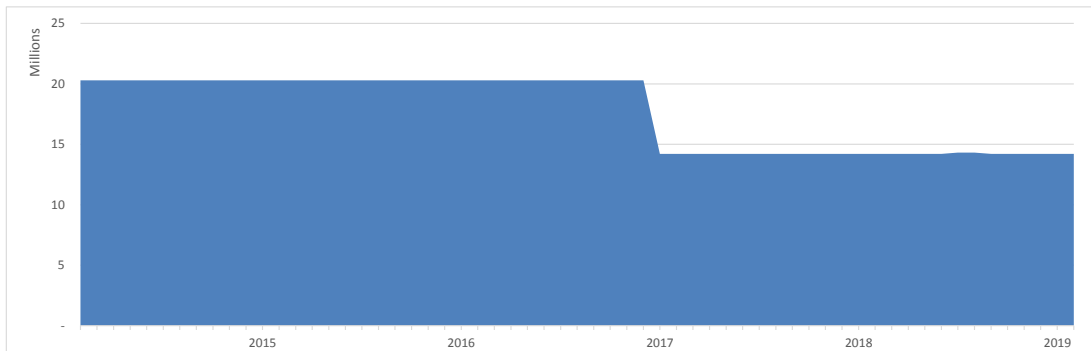
Definitions and Goals

The Water & Sewer System Bond Resolution authorizes the establishment of a Rate Stabilization Fund ("RSF") in which deposits or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Funds provide a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as fuel, debt management and regulatory requirements or initiatives. Deposits are made to this RSF for the purpose of managing JEA's debt portfolio. Deposits to this reserve reflect the difference in the actual interest rates for interest expense on the unhedged variable rate debt as compared to the budgeted assumptions for interest expense on the unhedged variable rate debt. Additionally, deposits can be made from excess debt service budget over the actual debt service expense for any fiscal year. However, the total amounts deposited (in addition to actual debt service costs for the fiscal year) cannot exceed the total amount of the budgeted debt service for any fiscal year. At a minimum, 50% of the calculated reserve contribution, if any, will be recorded and deposited each fiscal year. Debt and Investment Committee will review and record at their option an additional contribution amount, up to the full value of the calculated reserve contribution (the remaining 50%). The reserve contributions will be calculated on a system by system basis; however, based on the calculation, any mandatory deposit will exclude the District Energy System. The reserve contributions shall cease in the event the reserve balance exceeds the cap of five percent of the par amount of the total outstanding variable rate debt of all systems. Withdrawals from the Rate Stabilization Fund for Debt Management Strategy can be made for expenses related to market disruption in the capital markets, disruption in availability of credit or unanticipated credit expenses, or to fund variable interest costs in excess of budget.

	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2020	2021	2022
(In Thousands)					
Opening Balance	\$ 14,209	\$ 14,209	\$ 14,209	\$ -	\$ -
Additions:					
Contributions					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals	14,209	14,209	14,209		
Sub-total	\$ 14,209	\$ 14,209	\$ 14,209	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 20,290	\$ 20,290	\$ 20,290	\$ 14,209	\$ 14,209
Additions:					
Contributions					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals			6,081		
Sub-total	\$ -	\$ -	\$ 6,081	\$ -	\$ -
Ending balance	\$ 20,290	\$ 20,290	\$ 14,209	\$ 14,209	\$ 14,209



Maximum Balance: 20,290
Minimum Balance: -

Average Balance: 16,818

Observations

- Contributions began in June 2009. Funds used for defeasances in October 2019.

Water & Sewer System Rate Stabilization - Environmental

For the Third Quarter Ending June 30, 2020

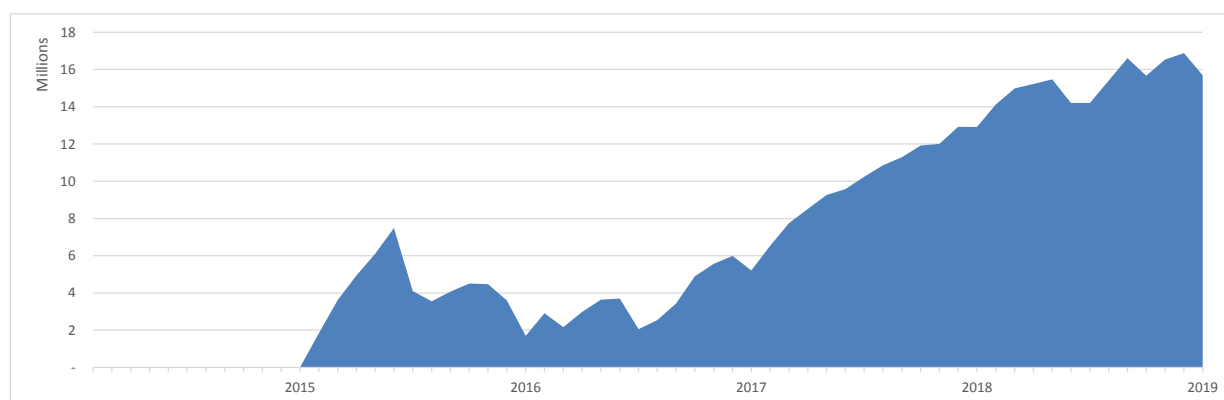
Definitions and Goals

The Water & Sewer System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which contributions or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Fund provides a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as debt management and regulatory requirements or initiatives.

	Current Activity		Projected Activity		
(In Thousands)	Quarter-End	Year -to-Date	2020	2021	2022
Opening Balance	\$ 19,617	\$ 15,687	\$ 15,687	\$ 21,822	\$ 13,381
Additions:					
Contributions	6,740	19,042	26,191	25,735	26,250
Sub-total	\$ 6,740	\$ 19,042	\$ 26,191	\$ 25,735	\$ 26,250
Withdrawals:					
Withdrawals	5,232	13,604	20,056	34,176	37,395
COJ Septic Tank Agreement			-		
Sub-total	\$ 5,232	\$ 13,604	\$ 20,056	\$ 34,176	\$ 37,395
Ending Balance	\$ 21,125	\$ 21,125	\$ 21,822	\$ 13,381	\$ 2,236

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ -	\$ -	\$ 1,699	\$ 5,214	\$ 12,914
Additions:					
Contributions		23,635	24,362	23,829	25,099
Sub-total	\$ -	\$ 23,635	\$ 24,362	\$ 23,829	\$ 25,099
Withdrawals:					
Withdrawals		21,936	20,847	16,129	22,326
Sub-total	\$ -	\$ 21,936	\$ 20,847	\$ 16,129	\$ 22,326
Ending balance	\$ -	\$ 1,699	\$ 5,214	\$ 12,914	\$ 15,687



Maximum Balance: 18,101
Minimum Balance: 1,699

Average Balance: 8,957

Observations

- Rate Stabilization Fund for Environmental began in June 2010.

Water and Sewer System Customer Deposits

For the Third Quarter Ending June 30, 2020

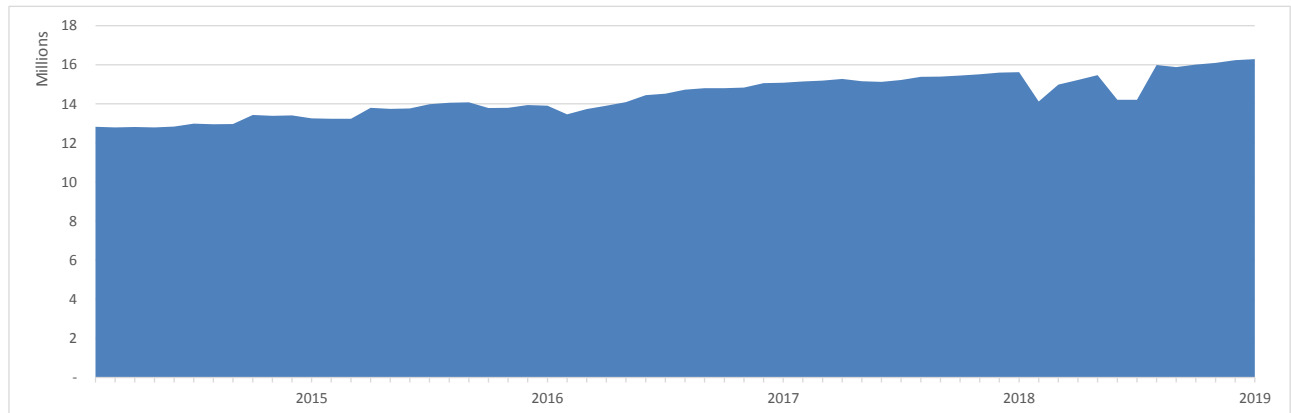
Definitions and Goals

Pursuant to internal procedure CR40400 MBC302 Credit and Collections, JEA accesses customers a deposit that may be used to offset any future unpaid amounts during the course of providing utility service to a customer.

	Current Activity		Projected Activity		
(In Thousands)	Quarter-End	Year -to-Date	2020	2021	2022
Opening Balance	\$ 16,555	\$ 16,289	\$ 16,289	\$ 17,079	\$ 17,315
Additions:					
Allocated from Electric	524	790	790	236	239
Sub-total	\$ 524	\$ 790	\$ 790	\$ 236	\$ 239
Withdrawals:					
Allocated from Electric			-		
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ 17,079	\$ 17,079	\$ 17,079	\$ 17,315	\$ 17,554

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 12,787	\$ 13,255	\$ 13,910	\$ 15,086	\$ 15,616
Additions:					
Allocated from Electric	468	655	1,176	530	673
Sub-total	\$ 468	\$ 655	\$ 1,176	\$ 530	\$ 673
Withdrawals:					
Allocated from Electric					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Ending balance	\$ 13,255	\$ 13,910	\$ 15,086	\$ 15,616	\$ 16,289



Maximum Balance: 16,554
Minimum Balance: 12,619

Average Balance: 14,253

Observations

Water and Sewer System Debt Service Sinking Fund

For the Third Quarter Ending June 30, 2020

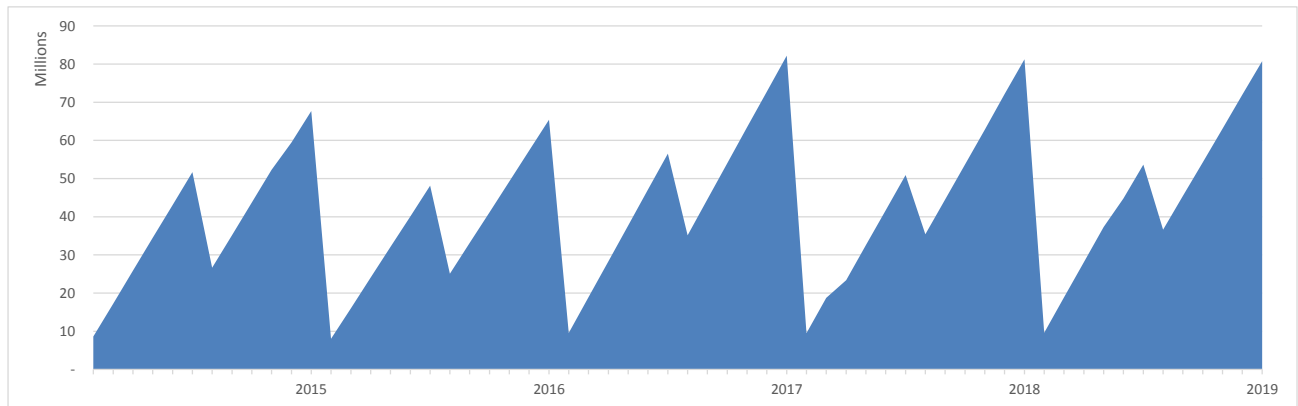
Definitions and Goals

JEA is required monthly to fund from revenues an amount equal to the aggregate of the Debt Service Requirement for senior and subordinated bonds for such month into this account. On or before such interest payment date, JEA shall pay out of this account to the paying agents the amount required for the interest and principal due on such date.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2020	2021	2022
Opening Balance	\$ 34,270	\$ 80,775	\$ 80,775	\$ 43,772	\$ 33,060
Additions:					
Revenue fund deposits	17,119	52,678	69,821	62,647	64,960
Sub-total	\$ 17,119	\$ 52,678	\$ 69,821	\$ 62,647	\$ 64,960
Withdrawals:					
Principal and interest payments	24,550	106,614	106,824	73,359	64,441
Sub-total	\$ 24,550	\$ 106,614	\$ 106,824	\$ 73,359	\$ 64,441
Ending Balance	\$ 26,839	\$ 26,839	\$ 43,772	\$ 33,060	\$ 33,579

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 75,019	\$ 67,720	\$ 65,410	\$ 82,208	\$ 81,241
Additions:					
Revenue fund deposits	102,789	97,077	114,873	113,636	112,251
Sub-total	\$ 102,789	\$ 97,077	\$ 114,873	\$ 113,636	\$ 112,251
Withdrawals:					
Principal and interest payments	110,088	99,387	98,075	114,603	112,717
Sub-total	\$ 110,088	\$ 99,387	\$ 98,075	\$ 114,603	\$ 112,717
Ending balance	\$ 67,720	\$ 65,410	\$ 82,208	\$ 81,241	\$ 80,775



Maximum Balance: 82,208
Minimum Balance: 8,019

Average Balance: 42,113

Observations

- September 30th ending balances are used to pay Oct 1st interest and principal payments.
- Timing differences occur due to the accrual of debt service during one fiscal year and the payment in the following fiscal year (primarily fixed rate principal and interest on Oct 1st of the following fiscal year).
- Projections are based on the debt outstanding as of June 30, 2020.

Water and Sewer System Debt Service Reserve Account

For the Third Quarter Ending June 30, 2020

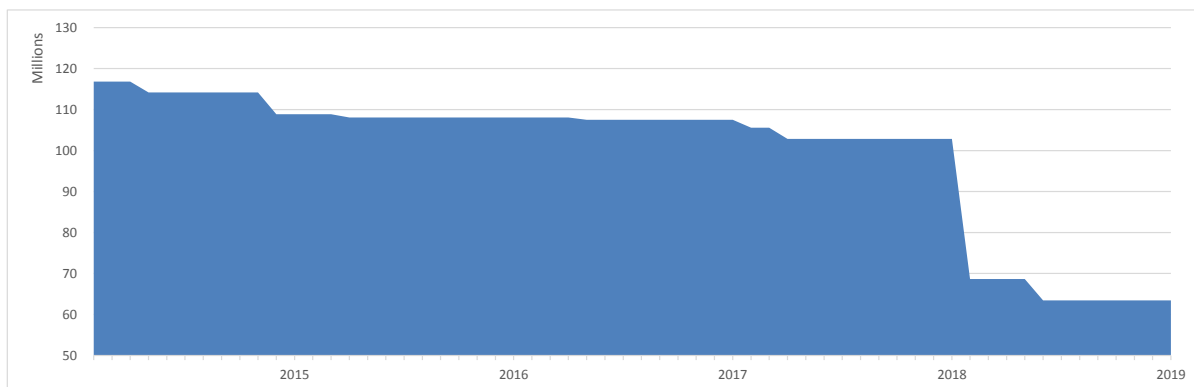
Definitions and Goals

This reserve will be funded, maintained and held for the benefit of bondholders as specified in the Supplemental Resolution authorizing the sale of the bonds to pay principal and/or interest on the bonds should revenues from operations not be sufficient for such purpose in accordance with the appropriate bond resolution. It is JEA's current practice to fund this reserve account with cash from the sale of bonds; however, revenues may be utilized to fund this reserve if necessary.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2020	2021	2022
Opening Balance	\$ 59,323	\$ 63,441	\$ 63,441	\$ 58,227	\$ 58,591
Additions:					
Bond Issue - Deposit			737		
Revenue Fund				364	941
Sub-total	\$ -	\$ -	\$ 737	\$ 364	\$ 941
Withdrawals:					
Revenue Fund		1,327	1,690		
Release for STAR Plan Defeasance		2,791	2,791		
Release to Refunding Defeasance			1,470		
Sub-total	\$ -	\$ 4,118	\$ 5,951	\$ -	\$ -
Ending Balance	\$ 59,323	\$ 59,323	\$ 58,227	\$ 58,591	\$ 59,532

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 116,829	\$ 108,849	\$ 108,086	\$ 107,488	\$ 102,850
Additions:					
Construction reserves/bond issues					
Revenue fund					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Revenue fund	7,980	763	598	4,638	5,525
Construction fund					33,884
Sub-total	\$ 7,980	\$ 763	\$ 598	\$ 4,638	\$ 39,409
Ending balance	\$ 108,849	\$ 108,086	\$ 107,488	\$ 102,850	\$ 63,441



Maximum Balance: 116,829
Minimum Balance: 59,324

Average Balance: 97,737

Observations

- In 2008, debt service reserve sureties downgraded and JEA began replacing those downgraded sureties with cash/investments as required by the bond resolutions. Sureties of \$149.8 million are still outstanding but are not eligible to be utilized as debt service reserve deposits per the Bond Resolutions.
- 2018 Bond Resolution amendment will allow the use of \$33 million AA+ rated Berkshire Hathaway Assurance surety policy to be included in Debt Service Reserve Fund funding calculation which allowed the release of \$33.8 million to the Construction Fund.

Water and Sewer System Renewal and Replacement (R&R) / Operating Capital Outlay (OCO)

For the Third Quarter Ending June 30, 2020

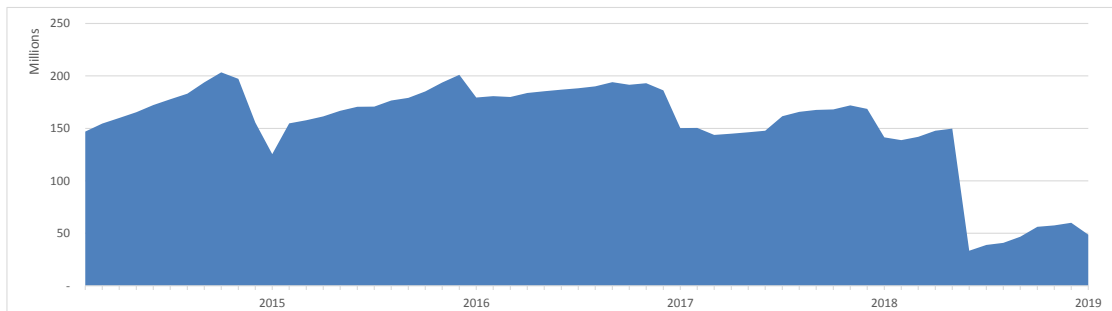
Definitions and Goals

Pursuant to the Water and Sewer System bond resolutions and Article 21 of the City of Jacksonville Charter, JEA is required to deposit from the revenue fund annually an amount for Renewal and Replacement of system assets. According to the bond resolutions the amount is equal to the greater of 10% of the prior year defined annual net revenues or 5% of the prior year defined gross revenues. The funds shall be used for the purposes of paying the cost of extensions, enlargements or additions to, or the replacement of capital assets of the Electric System. In addition, as a portion of the base rate, JEA will recover from current revenue a formula driven amount for capital expenditures which is referred to as Operating Capital Outlay. This amount is calculated separately from the R&R deposit. In accordance with the Pricing Policy, by 2013, the objective is to fund an amount equal to all non-capacity capital expenditures with current year internally generated funds. Capacity fees are charged to customers as a one-time fee for a new connection to the Water System and a one-time fee for a new connection to the Sewer System. Capacity charges may be used and applied for the purpose of paying costs of expansion of the Water and Sewer System or paying or providing for the payment of debt that was issued for the same purpose.

	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2020	2021	2022
(In Thousands)					
Opening Balance	\$ 39,370	\$ 48,796	\$ 48,796	\$ 29,693	\$ 19,029
Additions:					
R&R/OCO Contribution	47,361	138,531	169,694	164,905	187,105
Capacity Fees	7,494	23,657	31,903	31,265	33,175
Transfer from Capital Fds			-	-	-
Other		7,387	10,601	9,658	9,051
Sub-total	\$ 54,855	\$ 169,575	\$ 212,198	\$ 205,828	\$ 229,331
Withdrawals:					
Capital Expenditures	50,407	143,357	200,105	216,492	232,733
Debt Defeasance	-	31,196	31,196		
Other			-		-
Sub-total	\$ 50,407	\$ 174,553	\$ 231,301	\$ 216,492	\$ 232,733
Ending Balance	\$ 43,818	\$ 43,818	\$ 29,693	\$ 19,029	\$ 15,627

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 136,182	\$ 128,249	\$ 179,431	\$ 150,319	\$ 141,415
Additions:					
R&R/OCO Contribution	62,793	124,574	108,119	153,372	150,171
Capacity Fees	19,579	21,995	24,777	28,002	29,389
Loans betw Capital Fds	22		137		268
Other (incl septic tank)	904	31,041	8,050	6,383	16,390
Sub-total	\$ 83,298	\$ 177,610	\$ 141,083	\$ 187,757	\$ 196,218
Withdrawals:					
Capital Expenditures	91,231	126,322	165,242	196,637	189,626
Loan Repayment					99,189
Transfer to Constr. Fund		106			
Other (incl septic tank)	-	-	4,953	24	22
Sub-total	\$ 91,231	\$ 126,428	\$ 170,195	\$ 196,661	\$ 288,837
Ending balance	\$ 128,249	\$ 179,431	\$ 150,319	\$ 141,415	\$ 48,796



Maximum Balance: 203,406
Minimum Balance: 12,847

Average Balance: 146,531

Observations

- Other includes the Septic Tank Phase-out project, Sale of Property, and the transfer of RSF - Environmental in FY 2016 - 2025.

Water and Sewer System - Environmental Fund [Capital Projects]

For the Third Quarter Ending June 30, 2020

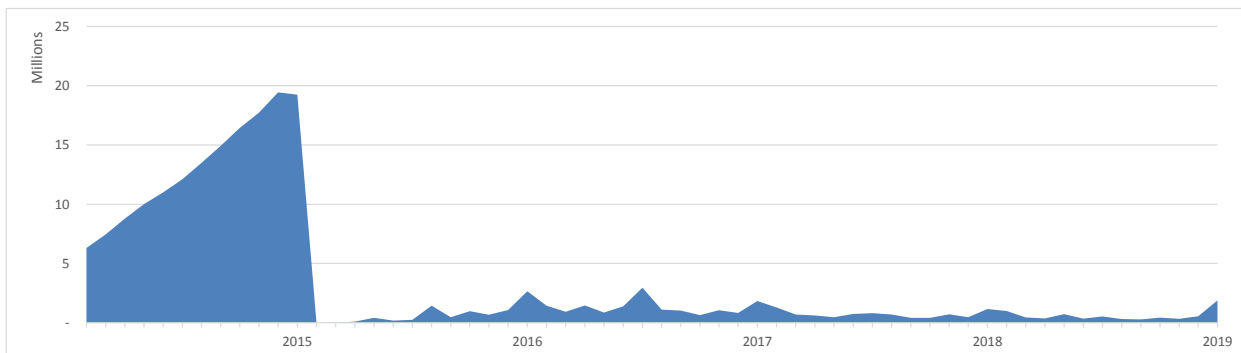
Definitions and Goals

The Environmental Charge will be applied to all water, sewer, irrigation and non bulk user reclaimed consumption. The environmental charge revenue will be collected from customers to partially offset current and future environmental and regulatory needs as specified in the Pricing Policy for specific environmental and regulatory programs.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2020	2021	2022
Opening Balance	\$ 575	\$ 1,891	\$ 1,891	\$ 1,346	\$ 1,000
Additions:					
Environmental Contributions	2,189	5,174	8,119	32,600	24,372
Loans betw Capital Fds					
Other					
Sub-total	\$ 2,189	\$ 5,174	\$ 8,119	\$ 32,600	\$ 24,372
Withdrawals:					
Capital Expenditures	2,204	6,505	8,664	32,946	24,372
Other					
Sub-total	\$ 2,204	\$ 6,505	\$ 8,664	\$ 32,946	\$ 24,372
Ending Balance	\$ 560	\$ 560	\$ 1,346	\$ 1,000	\$ 1,000

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 5,299	\$ -	\$ 2,659	\$ 1,839	\$ 1,159
Additions:					
Environmental Contributions	22,056	15,539	12,394	6,691	10,656
Loans betw Capital Fds					
Other					
Sub-total	\$ 22,056	\$ 15,539	\$ 12,394	\$ 6,691	\$ 10,656
Withdrawals:					
Capital Expenditures	7,318	12,880	13,214	7,370	9,924
Septic Tank Phase Out	203				
Other	19,834			1	
Sub-total	\$ 27,355	\$ 12,880	\$ 13,214	\$ 7,371	\$ 9,924
Ending balance	\$ -	\$ 2,659	\$ 1,839	\$ 1,159	\$ 1,891



Maximum Balance: 19,439
Minimum Balance: -

Average Balance: 3,137

Observations

Water and Sewer System - Construction / Bond Fund

For the Third Quarter Ending June 30, 2020

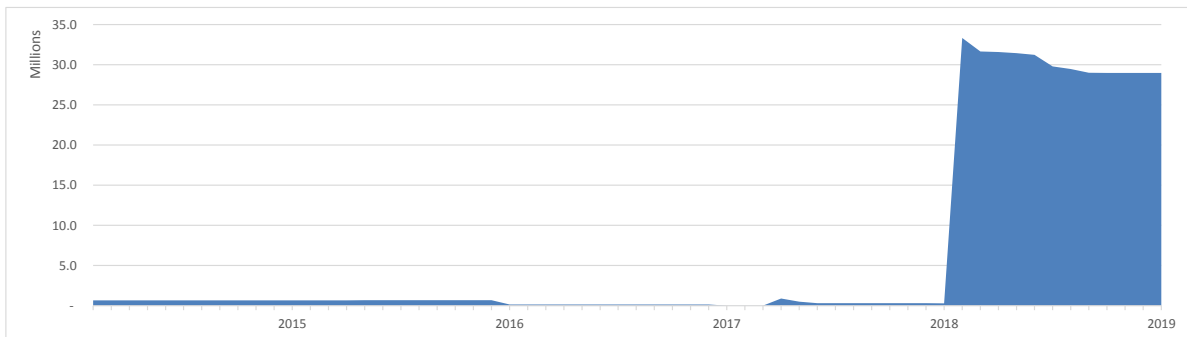
Definitions and Goals

JEA maintains a senior and subordinated construction fund of which bonds proceeds are deposited and used for the payment of the costs of additions, extensions and improvements to the Water and Sewer System.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2020	2021	2022
Opening Balance	\$ 28,331	\$ 28,968	\$ 28,968	\$ 24,412	\$ 27,920
Additions:					
Bond Proceeds			-	50,000	150,000
Revolving credit facility					
Other	81	374	375		
Sub-total	\$ 81	\$ 374	\$ 375	\$ 50,000	\$ 150,000
Withdrawals:					
Capital Expenditures / Bond Issue Costs	813	1,743	4,931	46,492	123,014
Other					
Sub-total	\$ 813	\$ 1,743	\$ 4,931	\$ 46,492	\$ 123,014
Ending Balance	\$ 27,599	\$ 27,599	\$ 24,412	\$ 27,920	\$ 54,906

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 326	\$ 664	\$ 152	\$ 15	\$ 284
Additions:					
Bond Proceeds				894	33,884
Revolving credit facility					
Loans/transfers b/w Capital Fds					
Other	344	17			
Sub-total	\$ 344	\$ 17	\$ -	\$ 894	\$ 33,884
Withdrawals:					
Capital Expenditures	6			623	4,930
Bond Proceeds					
Loans/trnsf btw CapFds					
Other		529	137	2	270
Sub-total	\$ 6	\$ 529	\$ 137	\$ 625	\$ 5,200
Ending balance	\$ 664	\$ 152	\$ 15	\$ 284	\$ 28,968



Maximum Balance: 33,333
Minimum Balance: 15

Average Balance: 7,474

Observations

- JEA's philosophy has been to borrow bond funds on a "just-in-time" basis. Staff has used revolving credit facility borrowings and loans between capital funds to decrease borrowing costs. Release of Debt Service Reserve Funds in Oct 2018.



INTER-OFFICE MEMORANDUM

August 4, 2020

SUBJECT: WATER/WASTEWATER COST OF SERVICE AND RATES

FROM: Paul McElroy, Interim Managing Director/CEO

TO: JEA Finance and Audit Committee

Marty Lanahan, Chair
John Baker
Robert Stein

BACKGROUND:

To align with one of the elements of the pricing policy, JEA conducts a cost of service study at a minimum of every five years to support that the rates charged by class are based on cost. The Water and Sewer Cost of Service Study was conducted by Stantec and was completed in fiscal year 2019 based upon the FY2018 budget and FY2016 billing data for allocation purposes.

DISCUSSION:

The results of the water and sewer system cost of service study show that JEA's revenues for the water and sewer systems, on a combined basis, are adequate to recover the System revenue requirements. There are several findings JEA is reviewing that may require board action in the future. The two elements of the Cost of Service that have a significant variance between costs and fees are Capacity Charges and Meter Tap and Set Fees.

Capacity Charges & Growth Line Extension Fees are paid by customers connecting to the system to recover the cost of constructing and expansion of the water and sewer system capacity based upon the maximum quantities of water and sewer permitted by the customers. Meter Tap and Set Fees are based upon the cost of the meter and tap materials and labor to install new metered services. The cost of service study included an evaluation of Capacity Fees compared to the cost to expand the system for new customers in order to ensure adequate cost recovery.

Annual Capacity Charges and Growth Line Extension Fees and Meter Tap and Set Fees have been averaging \$27 million and \$4 million per year respectively. Costs to build new capacity and install new connections are significantly greater than the current charges and fees.

RECOMMENDATION:

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

Paul McElroy, Interim Managing Director/CEO

PEM/BRJ/JEC

Water/Wastewater Cost of Service and Rates

JEA Finance and Audit Committee Meeting

August 14, 2020



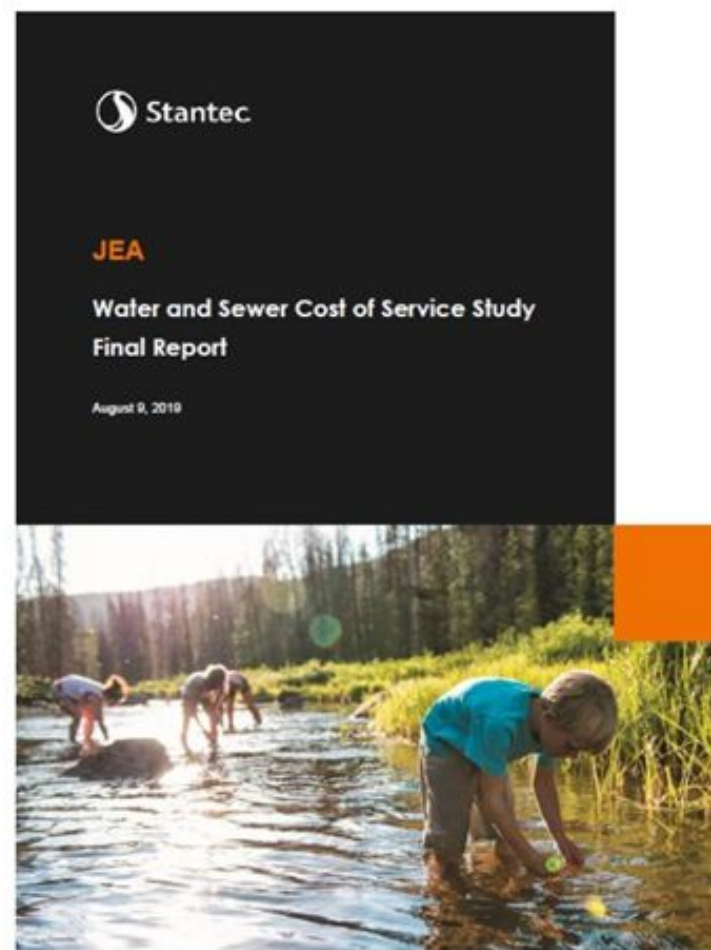
Water & Sewer Cost of Service

Water & Sewer Cost Of Service Study

To align with one of the elements of the pricing policy, JEA conducts a cost of service study at a minimum of every five years to support that the rates charged by class are based on cost. The most recent study was conducted by Stantec and completed in **Fiscal Year 2019** based on the FY2018 Budget and FY 2016 Billing Data.

The topics for today's discussion are:

1. **Revenue Requirements**
2. **Cost of Service and Class Allocations**
3. **Surplus/Deficit**
4. **Bill Comparisons**
5. **Rate Benchmarks**
6. **Capacity and Meter Set Fees**
7. **JEA Rate Making/Rate Hearing Process**

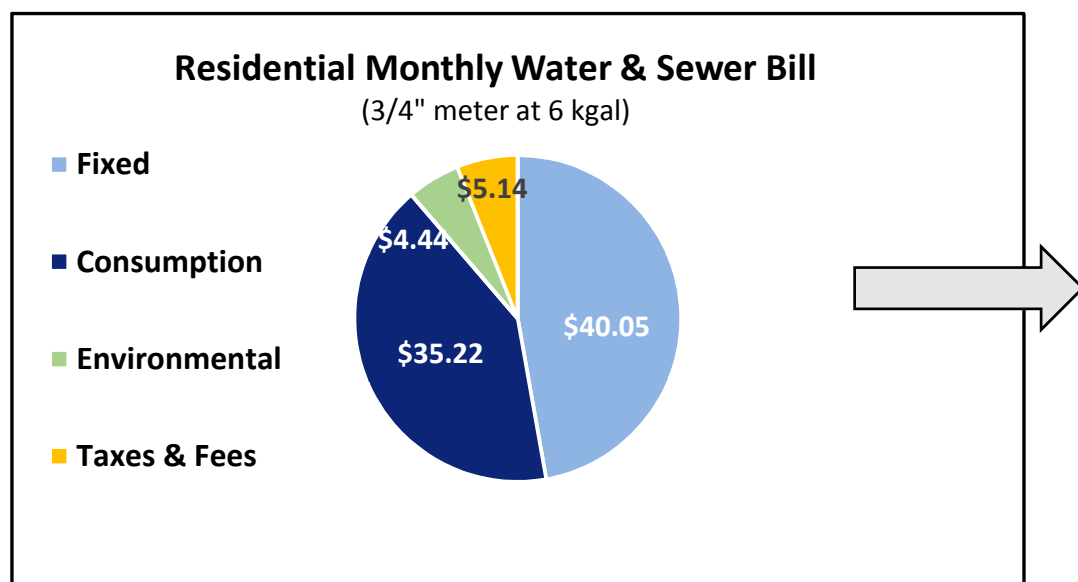


Revenue Requirements

Revenue Requirements <u>FY2018</u> (\$ in millions)	Water	Sewer ¹	Total
Operating and Maintenance	\$83.8	\$120.3	\$204.1
Debt Service	53.3	67.8	121.1
Cash Funded Capital Projects	82.1	109.4	191.5
(Less) Non-Rate Revenue and Reconciling Adjustment ²	(56.6)	(72.9)	(129.5)
Total Rate Revenue Requirement (from Monthly Bill)	\$162.6	\$224.6	\$387.2

1. Includes reclaimed cost directly identified and the portion of effluent disposal cost to achieve reclaimed water supply standards

2. Rate revenue requirement test year costs are based upon FY2018 Budget reconciled downward by deducting system growth, weather and contingencies based upon 2016 billing data allocations



Water	\$26.70
Sewer	53.01
Utility Charges	\$79.71
Taxes and Fees	5.14
Total	\$84.85

$\$79.71 \times 12 \text{ months/yr} = \sim \$950/\text{yr}$ for O&M, Renewal & Replacement (R&R), Debt Service (D/S), Environmental, City Contribution. Not for System Expansion or Growth in Capacity.

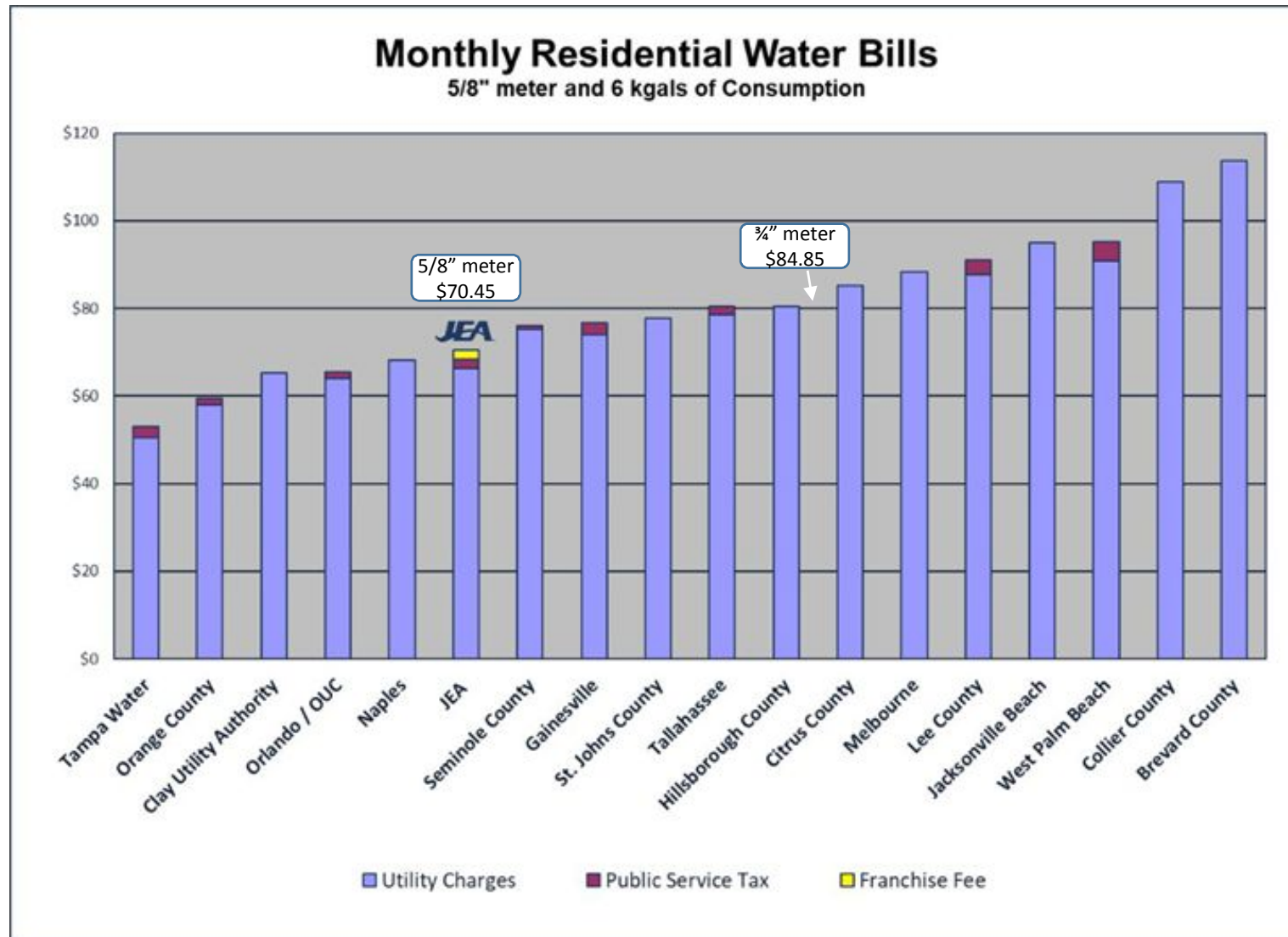
Class Cost Allocation

Water	Unit COS	FY2016 Revenues	FY2016 Net COS	(Surplus) / Deficit	
				Amount	Percent
Residential	\$ 4.64	\$ 82,161,382	\$ 79,299,409	(\$ 2,861,972)	-3.5%
Irrigation - Residential	6.04	24,898,705	26,020,844	(1,122,138)	4.5%
Multifamily	3.14	10,539,958	12,706,318	2,166,360	20.6%
Commercial	3.08	28,015,899	28,796,254	780,355	2.8%
Irrigation - Commercial	4.67	16,121,863	15,780,004	(341,858)	-2.1%
Total	\$ 21.57	\$ 161,737,807	\$ 162,602,829	\$ 865,022	0.5%

Sewer	Unit COS	FY2016 Revenues	FY2016 Net COS	(Surplus) / Deficit	
				Amount	Percent
Residential	\$ 9.13	\$ 127,383,920	\$ 127,724,626	\$ 340,706	0.3%
Multifamily	8.27	32,077,759	32,597,321	519,562	1.6%
Commercial	8.16	63,300,905	58,584,461	(4,716,444)	-7.5%
Sewer Surcharge	-	2,072,260	5,464,515	3,392,256	
Hauled Waste	70.03	131,816	205,602	73,786	
Total	\$ 95.60	\$ 224,966,660	\$ 224,576,526	\$ (390,134)	-0.2%

The **\$387 million** represents the FY16 revenues excluding environmental charges and capacity related fees. The cost of service indicates that Multifamily Water and Sewer Surcharge were under-collected in FY2016, and Commercial Sewer was over-collected in FY2016, with other customer classes adequately within a +/- 5% variance.

Rate Benchmarks



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

Capacity Fees

Water and Sewer Rate Structure to Recover Capital

How is Capital Outlay for growth collected for each system?

For Electric System:

The costs of electric system infrastructure are recovered through the basic monthly charges and the per kWh consumption charge.

For Water & Sewer System:

On-Site: by Developer

Off-Site direct extension: by Developer

Off-Site joint use: by JEA through Capacity Fees



Capacity Fees are one-time fees paid by new customers connecting to the system to recover the cost of water and sewer system capacity expansion. The charges are also assessed to existing customers requiring increased system capacity.

Capacity Fee

Equivalent Residential Connection (ERC)

Current JEA Capacity Fees \$/gal				
	\$0.97	\$3.64	\$0.97	
Residential Home	Water	Sewer	Reclaimed	Total
Without Reclaimed	\$340	\$1,274	-	\$1,614
With Reclaimed	\$340	\$1,274	\$340	\$1,953

Growth Line Extension Fee + \$1,695

JEA Plant Expansion Cost Estimated cost in FY2021 \$/gal				
	\$4	\$15	\$3	
Water	Sewer	Reclaimed	Total	
\$1,400	\$3,000	-	\$4,400	2.7x
\$800	\$3,000	\$1,260	\$5,060	2.6x

Growth Line Extension Fee + \$1,695
\$6,755

Qualifying expenditures for Capacity fees include:

- 1) Treatment plants and capacity expansion
- 2) Treatment plant configuration
- 3) Wastewater master pump stations and force mains directly upstream of the wastewater plant

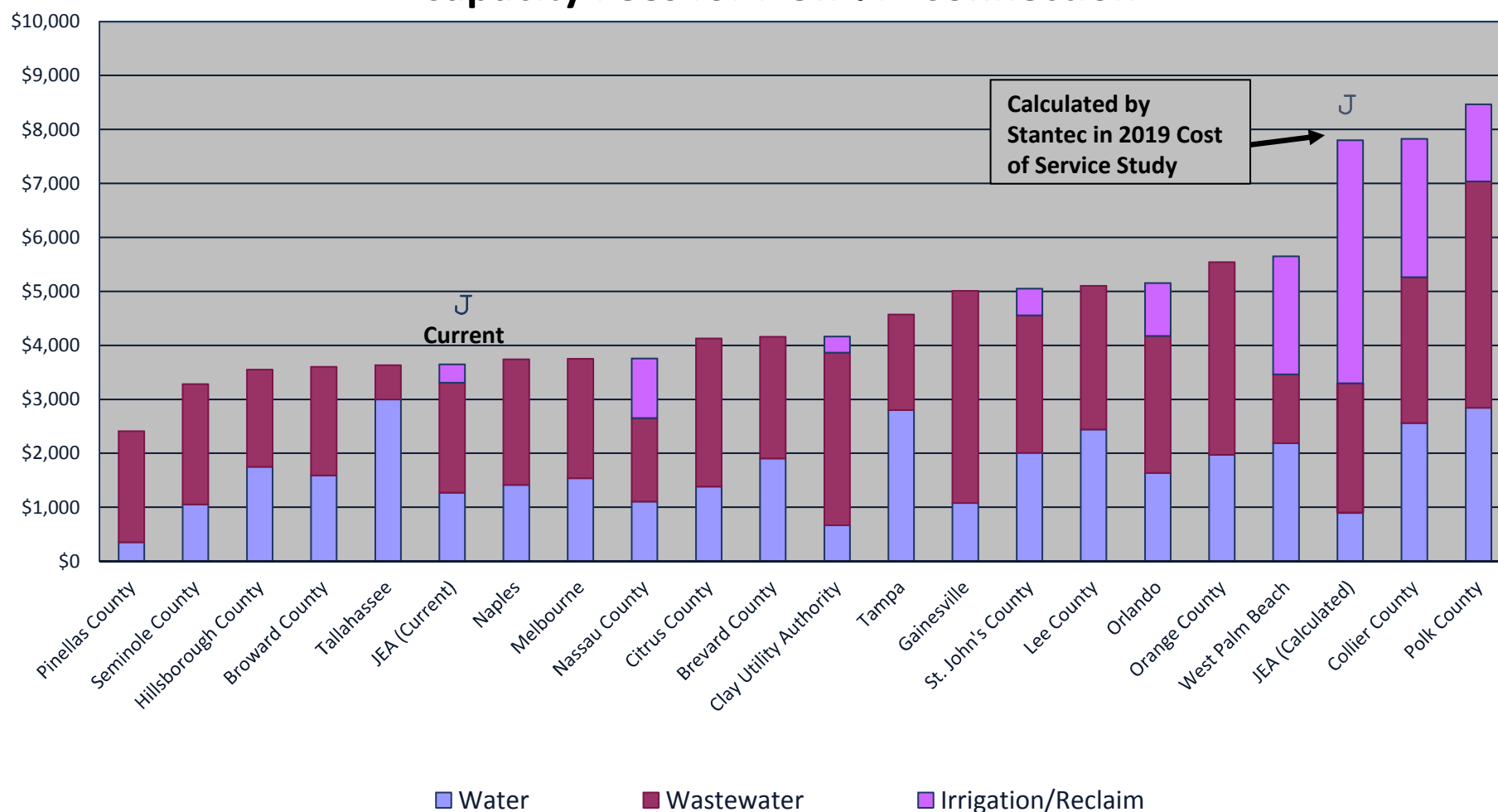
Expenditures for Growth Line Extension fees include:

- 1) Water mains greater than or equal to 10" in diameter
- 2) Water re-pump stations
- 3) Remote storage facilities
- 4) Force mains greater than or equal to 10" in diameter
- 5) Interceptor (trunk) gravity lines

- The 2019 Cost of Service calculated a **\$7,798** fee for a Residential ERC with Reclaimed Irrigation service.
- JEA will engage the rate consultant to update the Capacity Fee element of the cost of service analysis to reflect 2020 actual cost and FY21-25 CIP project cost estimates.

¾" Capacity Charge Comparison

Water / Wastewater and Irrigation/Reclaim Capacity Fees for New ¾" Connection



Current Meter Tap and Set Fees

Meter and Tap Fees are paid by customers connecting to the system to recover the cost of the meter and tap materials and labor to sufficiently serve the maximum quantities of water and sewer permitted by the customers.


The associate costs includes, but not limited to, meters, modules, cable, piping and outdoor casing.

For ¾ inch Meter & 1" Tap		
Components	Cost	Current Fee
Meter	\$105	
Module	\$130	
Cable	\$30	
Labor	\$40	
Set Estimate Total	\$305	\$202.33

Lid & Box	\$65	
Other Materials	\$135	
Site Rehabilitation	\$550	
Labor & Equipment	\$450	
Tap Estimate Total	\$1,200	\$610

- In the past year, approximately 10,000 “pre-pave” meter sets were installed by JEA where the developer previously installed the water service line and meter box. These 10,000 new meter installs were under-collected by approximately \$100 each.
- Additionally, approximately 800 taps were installed by JEA with an estimated \$600 under-collection of costs.
- JEA is under-collecting an approximately **\$1.5M annually on ¾” meter sets and taps alone.**

Next Steps Summary

- Cost of Service overview at Finance and Audit Committee meeting 
- Confirm Benchmark comparisons with other comparable utilities
- Capacity Fee Analysis updated for FY2021-FY2025 Capital Costs
- Met Set and Tap Fees Costs determined for FY2021
- Board discussion
- Outreach/communication
- Staff recommendations for Board consideration
- Public Rate Hearing at a Board meeting for BOD action



INTER-OFFICE MEMORANDUM

July 28, 2020

SUBJECT: PRELIMINARY FIVE-YEAR FINANCIAL PROJECTIONS

FROM: Paul McElroy, Interim Managing Director/CEO

TO: JEA Finance and Audit Committee

Marty Lanahan, Chair
John Baker
Robert Stein

BACKGROUND:

Each year, JEA presents the Five-Year Financial Projections to the Finance and Audit Committee and the Board of Directors to establish revenue and expense expectations and the resulting metrics used to evaluate financial health. Members of the Board and Executive Management then meet with Rating Agencies to provide an update of the current and projected financial state of JEA. The Five-Year Financial Projections are an essential component of the Rating Agency presentations that significantly influences the bond ratings, efficient access to capital markets, and customer rates.

DISCUSSION:

JEA's Five-Year Financial Projections are centered on the following:

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

Staff is actively monitoring JEA's unhedged variable rate debt portfolio of \$340 million.

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

RECOMMENDATION:

The Board receive the presentation for consideration and provide Staff feedback and direction regarding the FY2021 – FY2025 Financial Assumptions and Projections.

Paul McElroy, Interim Managing Director/CEO

PEM/BRJ/JEC



Five-Year Financial Assumptions and Projections

JEA Finance and Audit Committee Meeting

August 14, 2020

Assumptions/Projections

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



Unit Sales Growth

FY2021 – FY2025 Financial Assumptions and Projections

Electric System

- Trends: 3.6%, 2.0%, (0.6%)
- FY21-25: 0% annual growth

Unit Sales Driver

	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
Growth	(4.1%)	2.6%	0.0%
Deg Days	3,737	4,256	4,294
30-yr Avg			4,014

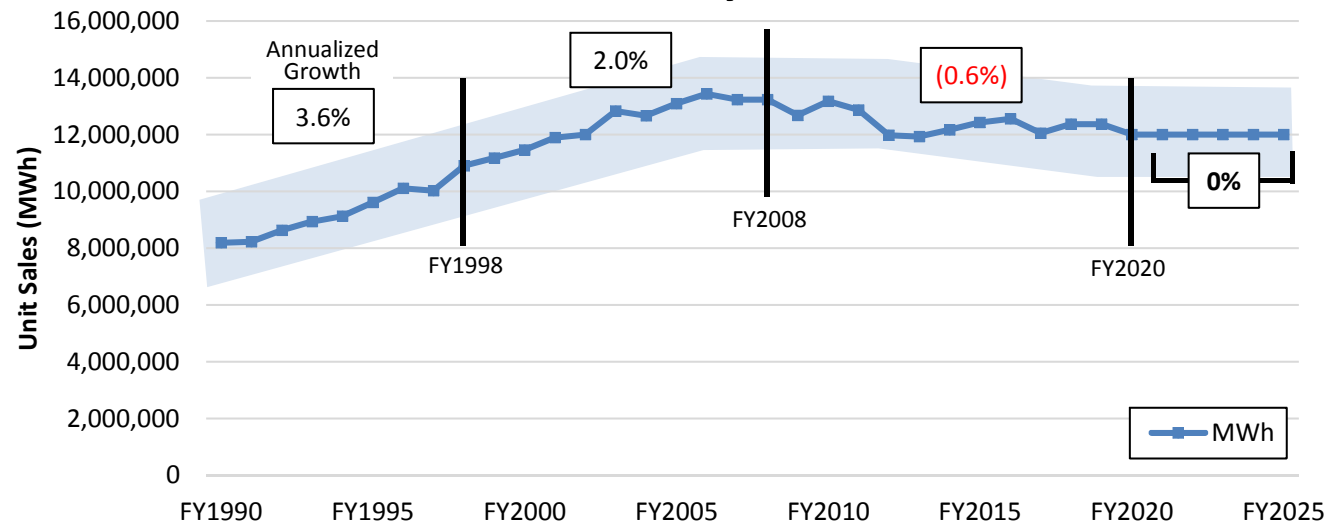
Water/Wastewater

- Trends: 3.4%, 4.4%, (0.4%)
- FY21-25: 1.5% annual growth

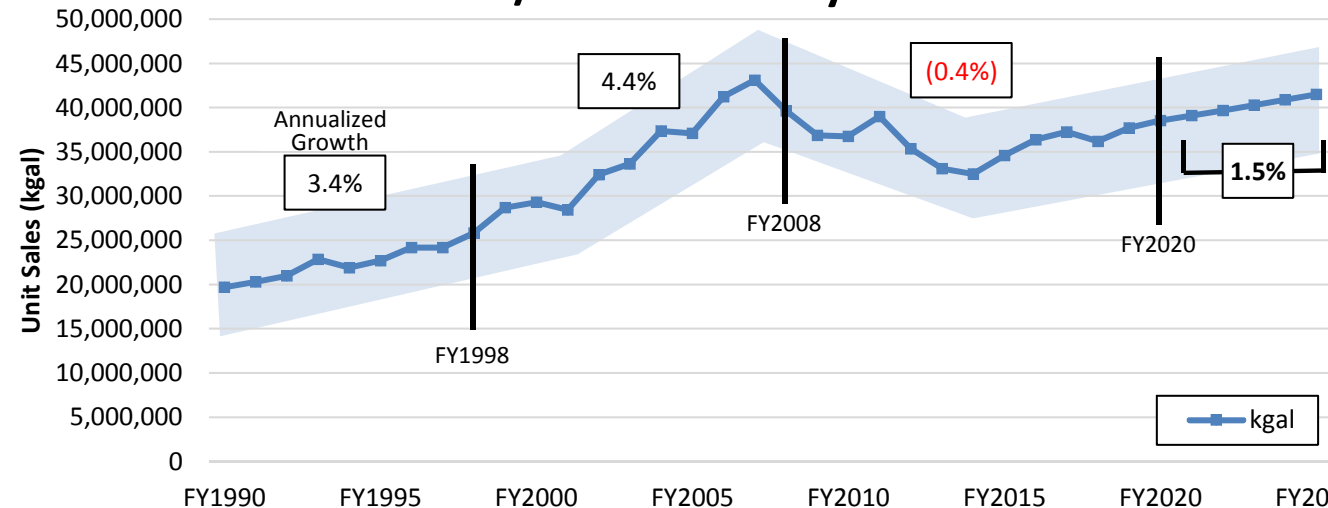
Unit Sales Driver

	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
Growth	2.4%	(2.8%)	4.2%
Rainfall"	98	120	123
30-yr Avg			114

Electric System



Water/Wastewater System



Residential Customer Rates

FY2021 – FY2025 Financial Assumptions and Projections

Electric System

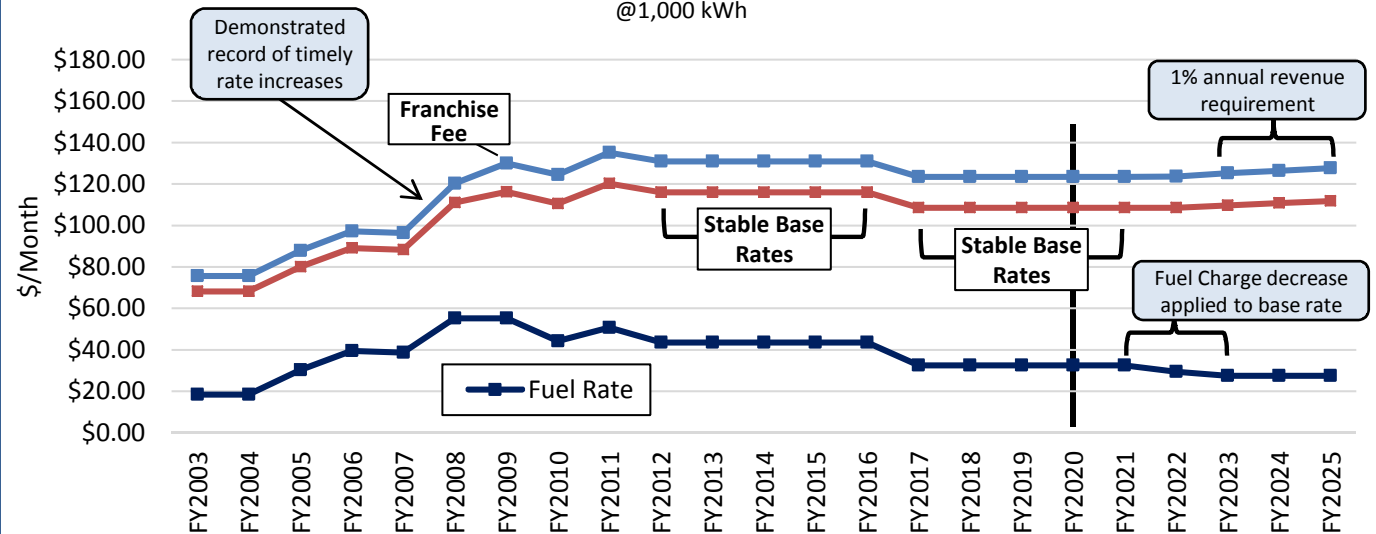
- Total rate has been stable or lower since Oct 1, 2010
- FY23 Fuel/Base Rate Adjustment incorporates Vogtle and 250 MWs solar favorable Fuel expenses and higher base charges
- Annual revenue requirement of approximately 1% in FY23 – FY25
- Environmental regulations, if material, will be recovered via Environmental Charge

Water/Wastewater System

- Rates have been stable since Oct 1, 2012
- Environmental regulations, if material, will be recovered via Environmental Charge

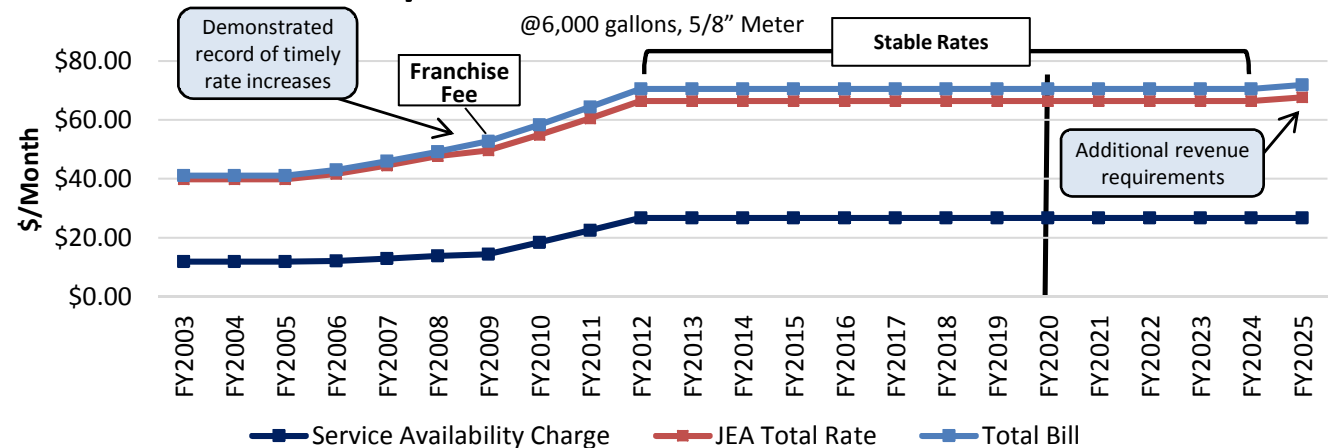
Electric Residential Rates

@1,000 kWh



Water/Wastewater Residential Rates

@6,000 gallons, 5/8" Meter



Capital Expenditures and Internal Funding

FY2021 – FY2025 Financial Assumptions and Projections

Pricing Policy

- Recurring capital projects funded from current year revenues

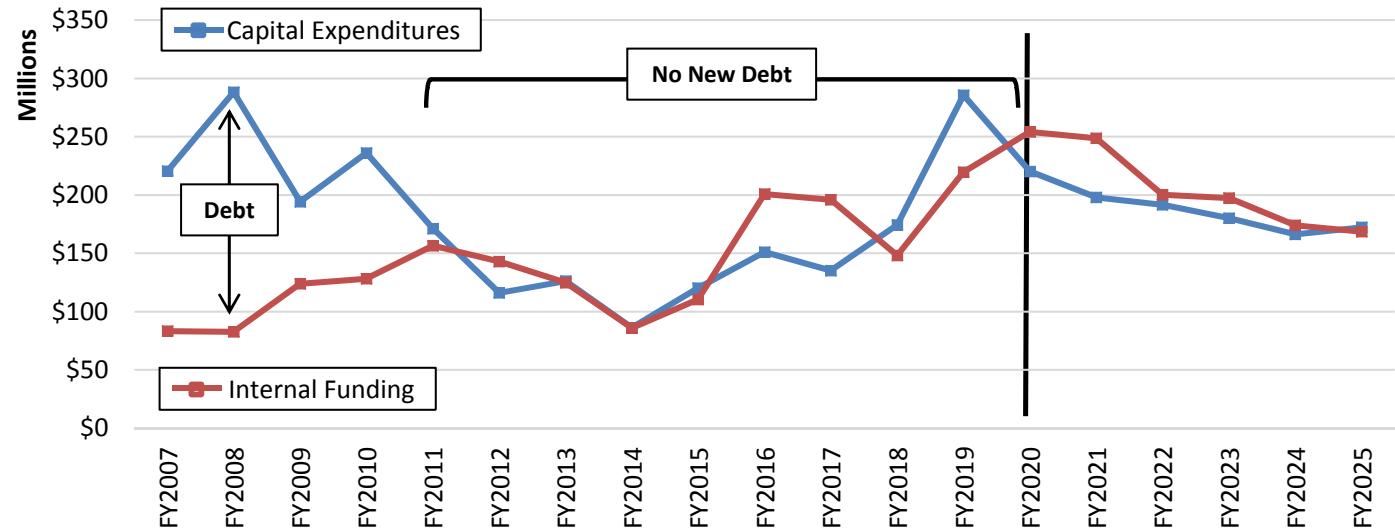
FY2015 – FY2019

- Major projects included Brandy Branch Combined Cycle Upgrade & Two-Way Electric Meter Conversion, Blacksford Water Reclamation Facility Expansion, NW Water Treatment Plant

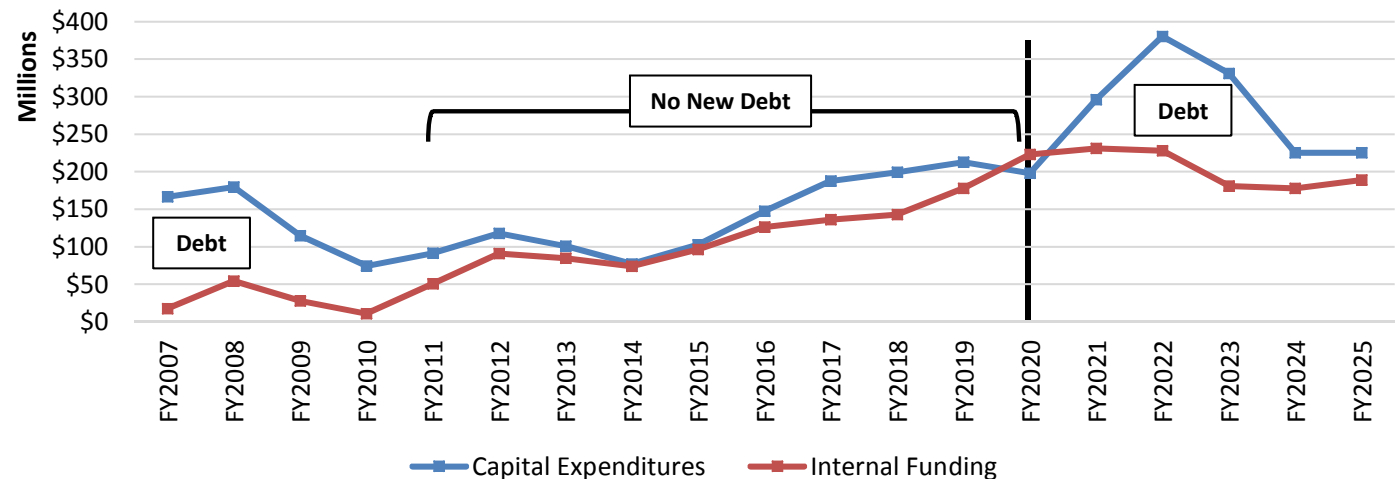
FY2020 – FY2025

- Debt issuance projected to be \$400M from FY21 – FY24 primarily for wastewater treatment plant and raw water transmission main expansion

Electric System



Water/Wastewater System



Total Debt and Variable Debt

FY2021 – FY2025 Financial Assumptions and Projections

Electric System

- \$100M new debt by FY25
- \$400M bond buyback FY21-FY25
- Variable Debt at \$587M
- Total Debt reduced to \$1.4B
- Debt/Asset: FY 2025 projected @ 46%, under 50% JEA target and equals 46% peer average

Water/Wastewater

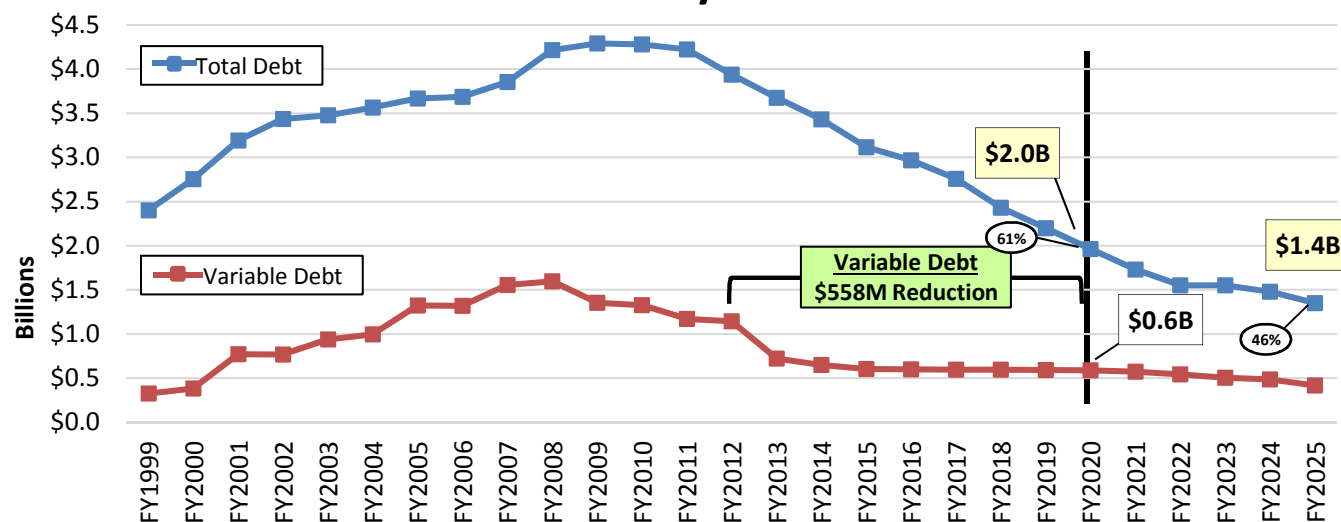
- \$400M new debt by FY25
- Variable debt at \$264M
- Total Debt increases to \$1.5B with \$1.45B five-year CAPEX
- Debt/Asset in low 40%

Variable Interest Rates²

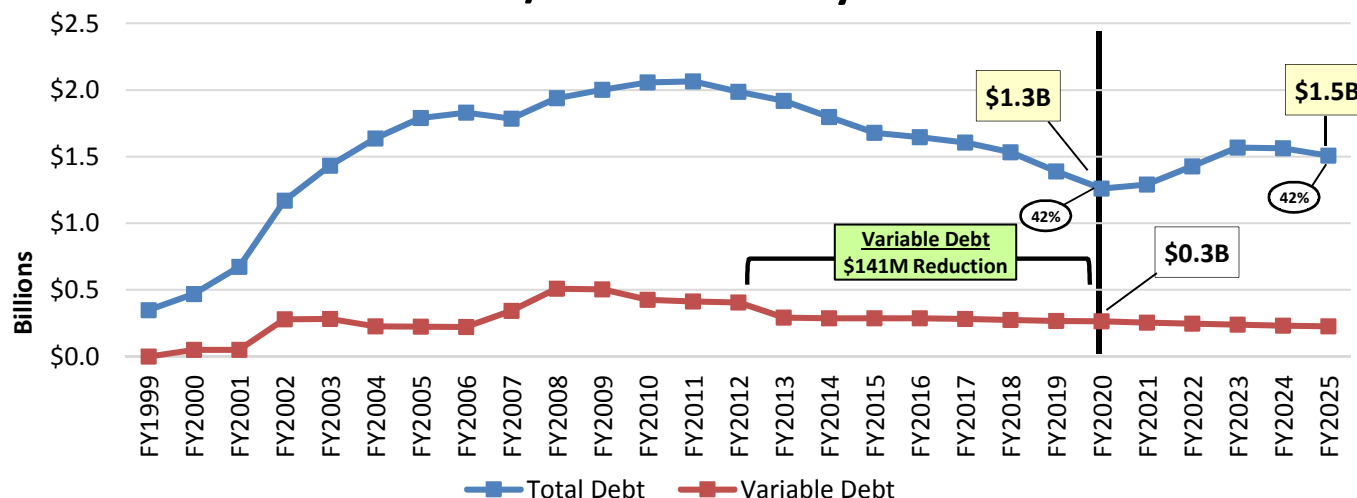
FY20	FY21	FY22	FY23
1.5%	2.0%	3.0%	3.0%

Current variable rates at 0.75%

Electric System¹



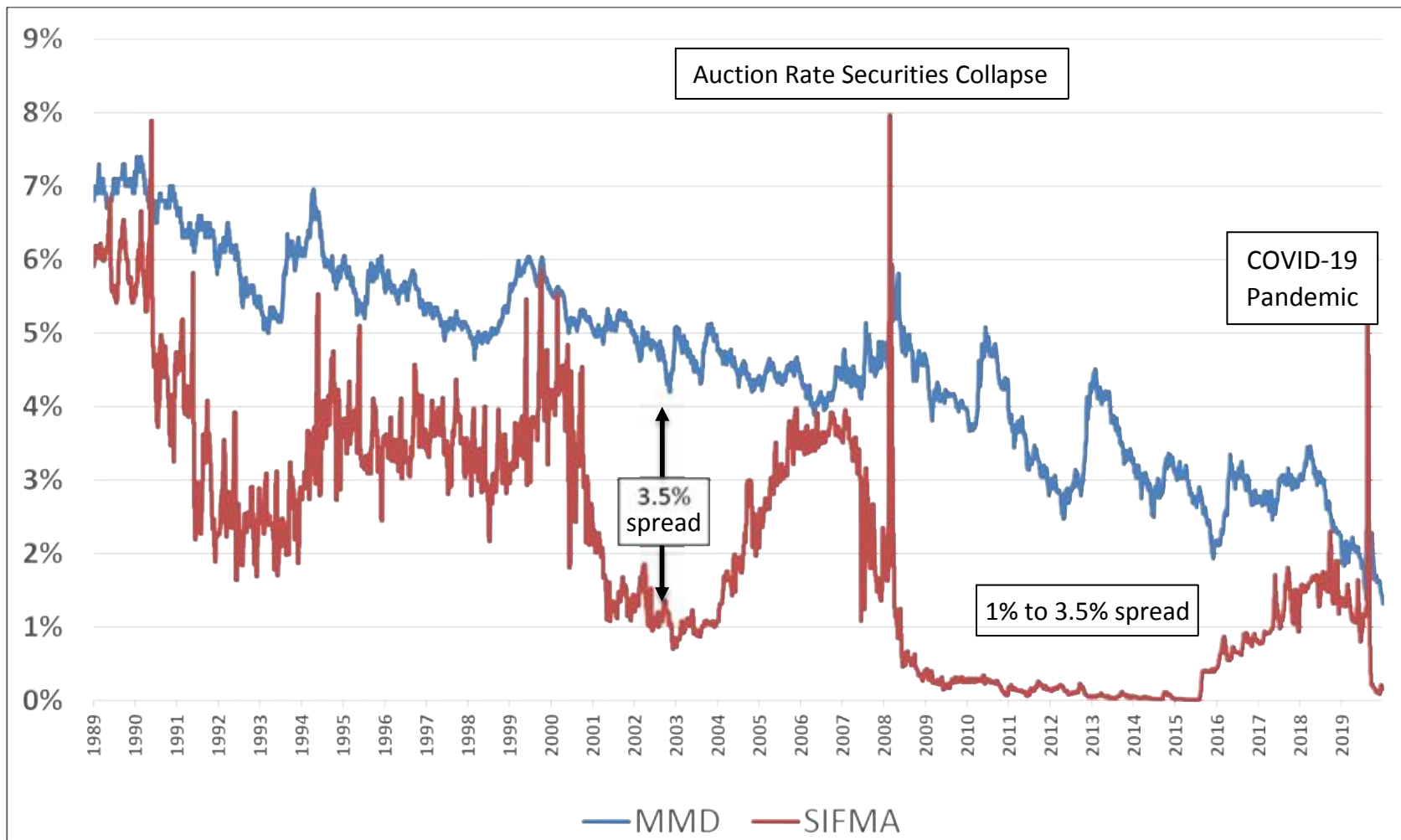
Water/Wastewater System



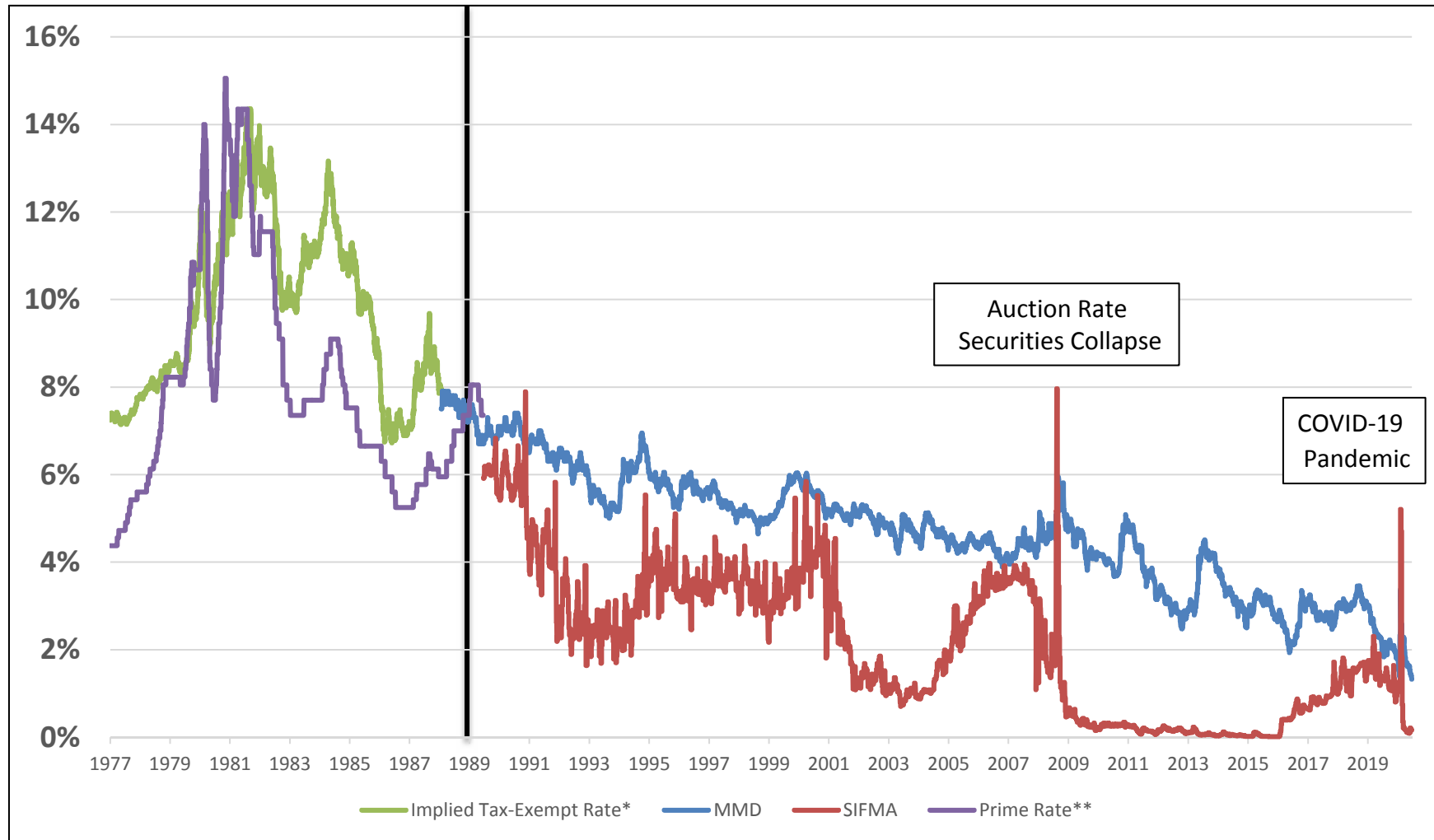
¹ Includes JEA's portion of SJRPP and Plant Scherer Debt.

² All-in interest cost

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



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



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

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

JEA Unhedged Variable Rate Debt Portfolio

June 30, 2020 (\$ amounts in millions)	Electric System	Water & Sewer System	Total
Total variable rate debt	\$587	\$264	\$851
Unhedged variable rate debt	\$181	\$160	\$341
Current all-in variable rate	0.75%	0.70%	
Current all-in fixed rate	2.00%	2.50%	
Weighted average life (years)	10	15	
Final maturity	2040	2042	

Treasury Staff will continue to monitor JEA's unhedged variable rate debt portfolio and the relationship between fixed and variable interest rates

- ❑ Analysis utilizes all-in fixed rates of 2.00% for the Electric System and 2.50% for the Water & Sewer System
- ❑ JEA's variable rate bonds are remarketed at rates approximating the SIFMA index; SIFMA has averaged 0.53% and 1.28% for the past 10 and 20 years, respectively
- ❑ Based on the current fixed rates, the breakeven all-in variable interest rate is 2.25%
- ❑ A 1% increase in this rate would result in an NPV cost of about \$29 million
- ❑ Cost to fix out unhedged variable rate debt would currently total about \$5 million annually

Key Financial Metrics

FY2021 – FY2025 Financial Assumptions and Projections

Electric System

- FY20-FY25 favorable coverage from prior targeted bond buyback
- Debt / Asset % makes significant reduction with projected ~400M bond buyback FY21-FY25, reaching median peer benchmark of 46% in FY25

Water/Wastewater

- FY20-FY25 favorable coverage
- Debt/Asset % maintained below 49% peer median benchmark, including \$400M new debt
- \$1.45B CAPEX is a major variable in the five-year projection

Electric System

	FY19	FY20	FY21	FY22	FY23	FY24	FY25	JEA Target
DS Coverage	2.8x	4.3x	4.0x	3.9x	5.0x	4.2x	4.0x	2.2x - 2.5x
Fixed Charge Coverage	2.0x	2.7x	2.4x	2.0x	1.9x	1.7x	1.7x	1.6x
Days Liquidity	308	344	314	302	317	306	276	150 to 250 days
Debt / Asset %	65%	61%	55%	50%	52%	50%	46%	50%
CAPEX (\$M)	\$286	\$220	\$198	\$191	\$180	\$166	\$172	
Depreciation (\$M)	\$207	\$206	\$206	\$213	\$220	\$224	\$224	

Water/Wastewater System

	FY19	FY20	FY21	FY22	FY23	FY24	FY25	JEA Target
DS Coverage	3.0x	4.6x	5.4x	4.8x	2.7x	2.7x	2.8x	1.8x to 2.0x
Fixed Charge Coverage	2.7x	4.2x	5.0x	4.4x	2.5x	2.4x	2.6x	N/A
Days Liquidity	334	347	320	336	334	337	281	100 days
Debt / Asset %	45%	42%	42%	44%	45%	44%	42%	50%
CAPEX (\$M)	\$213	\$198	\$296	\$380	\$331	\$225	\$225	
Depreciation (\$M)	\$152	\$159	\$160	\$166	\$172	\$180	\$186	

Electric System

FY2021 – FY2025 Preliminary Financial Assumptions and Projections

(\$ in millions)	Actual			Projected					
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Unit Sales - Territorial (1000 MWh)	12,050	12,364	12,366	12,000	12,000	12,000	12,000	12,000	12,000
Total System Rate Revenues % Change				0%	0%	0%	1%	1%	1%
Fuel Rate in Model \$/MWh	\$33.21	\$32.50	\$32.50	\$32.50	\$32.50	\$29.50	\$27.50	\$27.50	\$27.50
Fuel Rate Revenues	\$394	\$398	\$399	\$362	\$386	\$350	\$326	\$326	\$326
Fuel Rate Revenue Change \$				\$0	\$0	(\$36)	(\$24)	\$0	\$0
System Sales Base Rate Revenues	\$742	\$764	\$766	\$745	\$745	\$745	\$781	\$816	\$827
Additional Base Rev Requirements/Exp Reduction \$				\$0	\$0	\$36	\$35	\$11	\$12
Environmental Charge Revenues	\$7	\$8	\$8	\$7	\$7	\$7	\$7	\$7	\$7
Conservation Charge Revenues	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
Other Revenues ¹	\$103	\$37	\$150	\$59	\$185	\$133	\$68	\$68	\$107
Total Revenues	\$1,247	\$1,208	\$1,323	\$1,175	\$1,324	\$1,272	\$1,219	\$1,230	\$1,280
Fuel & Purchased Power Expense	\$443	\$456	\$426	\$328	\$349	\$338	\$327	\$324	\$325
Transfer to/(from) Fuel Stabilization Fund	(\$48)	(\$57)	(\$27)	\$34	\$37	\$12	(\$1)	\$2	\$2
O&M (Excludes DSM, Environmental)	\$191	\$198	\$209	\$221	\$236	\$243	\$252	\$257	\$263
Non-Fuel Purchased Power (NFPP) - Nuclear	\$0	\$40	\$18	\$0	\$0	\$103	\$156	\$166	\$169
Non-Fuel Purchased Power (NFPP) - Other	\$76	\$101	\$83	\$76	\$68	\$62	\$62	\$63	\$63
Net Revenues	\$585	\$471	\$615	\$515	\$634	\$514	\$422	\$418	\$460
Total Debt Service	\$225	\$215	\$199	\$135	\$131	\$111	\$83	\$95	\$99
Bond Buyback - Electric System ¹	\$69	\$0	\$109	\$54	\$50	\$22	\$34	\$35	\$77
Bond Buyback - SJRPP & Scherer ¹	\$0	\$0	\$0	\$0	\$102	\$75	\$0	\$0	\$0
R&R and Other Capital Outlay (OCO)	\$196	\$148	\$198	\$241	\$234	\$194	\$192	\$174	\$169
Environmental OCO	\$0	\$0	\$22	\$13	\$14	\$6	\$6	\$0	\$0
City Contribution	\$92	\$92	\$93	\$94	\$95	\$96	\$97	\$98	\$99
Other Expenses	\$3	\$16	(\$5)	(\$22)	\$7	\$11	\$11	\$17	\$17
Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Beginning Capital Balance	\$192	\$201	\$190	\$82	\$103	\$112	\$123	\$209	\$183
Pay Go Current Year Internal Funding	\$196	\$148	\$198	\$241	\$234	\$194	\$192	\$174	\$169
Environmental OCO	\$0	\$0	\$22	\$13	\$14	\$6	\$6	\$0	\$0
Debt Issuance Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$100	\$0	\$0
<Annual CAPEX>	(\$135)	(\$174)	(\$286)	(\$220)	(\$198)	(\$191)	(\$180)	(\$166)	(\$172)
Other	(\$52)	\$15	(\$42)	(\$13)	(\$42)	\$2	(\$31)	(\$34)	(\$77)
Ending Capital Balance	\$201	\$190	\$82	\$103	\$112	\$123	\$209	\$183	\$103

¹Note: Other Income on budget basis on this schedule includes prior year balances, stabilization funds utilized for bond buy back

Water/Wastewater System

FY2021 – FY2025 Preliminary Financial Assumptions and Projections

(\$ in millions)	Actual			Projected					
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Unit Sales – Water (mgals)	37,245	36,187	37,696	38,514	39,092	39,678	40,273	40,877	41,491
Unit Sales – Sewer (mgals)	26,713	29,460	27,727	28,067	28,243	28,667	29,097	29,533	29,976
Rate Revenue % Change	0%	0%	0%	0%	0%	0%	0%	0%	2%
System Sales Revenues	\$400	\$398	\$418	\$423	\$432	\$441	\$450	\$459	\$478
Revenue Requirements/Expense Reduction \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10
Environmental Charge Revenue	\$24	\$24	\$25	\$27	\$26	\$27	\$27	\$28	\$28
Capacity Charges	\$25	\$28	\$29	\$32	\$31	\$33	\$36	\$36	\$36
Other Income ¹	\$18	\$43	\$153	\$51	\$14	\$14	\$14	\$14	\$15
Total Revenues	\$468	\$493	\$625	\$532	\$503	\$514	\$527	\$537	\$557
O&M	\$139	\$147	\$158	\$170	\$177	\$183	\$188	\$194	\$200
Net Revenues	\$328	\$346	\$467	\$363	\$327	\$331	\$339	\$343	\$357
Total Debt Service	\$120	\$118	\$121	\$77	\$65	\$74	\$127	\$134	\$137
Bond Buyback ¹	\$6	\$0	\$99	\$48	\$0	\$0	\$0	\$0	\$0
R&R and OCO	\$141	\$188	\$198	\$208	\$216	\$214	\$166	\$163	\$173
Environmental OCO	\$15	\$14	\$13	\$15	\$15	\$15	\$15	\$16	\$16
City Contribution	\$24	\$25	\$40	\$27	\$27	\$28	\$28	\$29	\$30
Other Expenses	(\$6)	\$1	(\$4)	(\$12)	\$3	\$2	\$2	\$2	\$2
Balance	\$28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service Coverage (Target 1.8x - 2.0x)	2.99 x	2.79 x	3.02 x	4.60 x	5.39 x	4.80 x	2.74 x	2.65 x	2.79 x
Days Cash	496	434	186	161	162	184	186	193	140
Days Liquidity (Target > 100 days)	596	527	334	318	320	336	334	337	281
Debt to Asset Ratio (Target 50%)	52.9%	49.5%	44.8%	42.0%	41.9%	43.8%	44.5%	43.8%	41.8%
Total Debt (in billions)	\$1.61	\$1.53	\$1.39	\$1.29	\$1.32	\$1.46	\$1.59	\$1.58	\$1.52
Beginning Capital Fund Balance	\$181	\$155	\$154	\$64	\$63	\$63	\$79	\$83	\$91
Pay Go Current Year Internal Funding	\$156	\$202	\$211	\$223	\$231	\$228	\$181	\$178	\$189
<Annual CAPEX Combined>	(\$188)	(\$199)	(\$213)	(\$198)	(\$296)	(\$380)	(\$331)	(\$225)	(\$225)
<Bond Buyback> ¹	(\$6)	\$0	(\$95)	(\$45)	\$0	\$0	\$0	\$0	\$0
Debt Issuance Proceeds	\$0	\$0	\$0	\$0	\$50	\$150	\$150	\$50	\$0
Other	\$11	(\$3)	\$6	\$19	\$15	\$18	\$4	\$4	\$4
Ending Capital Fund Balance	\$155	\$154	\$64	\$63	\$63	\$79	\$83	\$91	\$59

¹Note: Other Income on budget basis on this schedule includes prior year balances, stabilization funds utilized for bond buy back

Summary

FY2021 – FY2025 Financial Assumptions and Projections

Assumptions and Projections

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

Projected Results

Stable electric sales, 1.5% water sales growth

Additional revenue required FY23-25

\$2.4B five year capital program

\$500M new debt to support capital program

Stable with Slight Variance

Stable metrics through FY2025

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



INTER-OFFICE MEMORANDUM

July 22, 2020

SUBJECT: JEA ENERGY MARKET RISK MANAGEMENT POLICY REPORT

FROM: Paul McElroy, Interim Managing Director/CEO

TO: JEA Finance and Audit Committee

Marty Lanahan
John Baker
Robert Stein

BACKGROUND:

The JEA Board approved the Energy Market Risk Management (EMRM) Policy in March 2014. The Policy was developed to codify the risk, governance, limits, and criteria associated with managing energy market exposure, and to comply with requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The reporting section of the Policy requires a quarterly report on JEA's financial and physical fuel and power transactions. This report includes physical transactions one year or greater and all financial transactions.

DISCUSSION:

The Policy governs JEA's wholesale energy market risk management and allows JEA to execute certain physical and financial transactions. The attached report is provided to the Board Finance and Audit Committee and satisfies the requirements of the reporting section of the EMRM Policy. The costs of financial transactions are reflected in comparison to market indices. The benefits include establishment of a stable fuel price for the future.

RECOMMENDATION:

None required. The report is required by the EMRM Policy and is provided as information.

Paul McElroy, Interim Managing Director/CEO

PEM/RDE/WGB

Energy Market Risk Management: Physical and Financial Positions

Summary as of 7/1/2020		
Projected FY20 Fuel Expense (Budget = \$373M)	\$332M	😊
Projected FY20 Fuel Fund Ending Balance (Target = \$68M)	\$82M	😊
Projected FY21 Fuel Expense (Budget = \$357M)	\$355M	😊
Proposed FY21 Fuel Fund Ending Balance (Target = \$68M)	\$118M	😊
EMRM Compliance	Yes	😊
Counterparty Credit Limit Exceptions	No	😊
Any Issues of Concern	No	😊

Table 1: Physical Counterparties (Contracts One Year or Greater) as of 7/1/2020

Generating Unit	Fuel Type	Supplier/Counterparty	Contract Type	Remaining Contract Value	Remaining Contract Term
Scherer 4	Coal	CY20 Blackjewel - Eagle Butte - 001	Fixed Price	\$2,217,288	16 months
Scherer 4	Coal	CY20 Peabody Caballo - 019	Fixed Price	\$572,782	16 months
Scherer 4	Coal	CY20 Buckskin - 006	Fixed Price	\$239,323	12 months
Scherer 4	Coal	CY20 Cloud Peak Cordero Rojo - 013	Fixed Price	\$275,073	6 months
Scherer 4	Coal	CY20 Peabody NARM North - 014	Fixed Price	\$234,472	12 months
Scherer 4	Coal	CY21 Blackjewel - Eagle Butte - 002	Fixed Price	\$691,264	12 months
Scherer 4	Coal	CY21 Peabody Caballo - 003	Fixed Price	\$616,200	12 months
Scherer 4	Coal	CY21 Peabody Caballo - 004	Fixed Price	\$367,785	12 months
Scherer 4	Coal	CY21 Blackjewel - Eagle Butte - 005	Fixed Price	\$276,500	12 months
Scherer 4	Coal	CY22 Blackjewel - Eagle Butte - 001	Fixed Price	\$426,657	12 months
Scherer 4	Coal	CY22 Peabody Caballo - 002	Fixed Price	\$315,968	12 months
Scherer 4	Coal	CY22 Peabody Caballo - 004	Fixed Price	\$471,630	12 months
Scherer 4	Coal	CY22 Blackjewel - Eagle Butte - 005	Fixed Price	\$568,800	12 months
Scherer 4	Coal	CY22 Peabody Caballo - 007	Fixed Price	\$314,420	12 months
NS CFB	Limestone	CY17-CY21 Vulcan	Fixed Price	\$14,599,210	1.5 years
NG Fleet	Natural Gas	Shell Energy	Index w/Fixed Price Option	\$575,701,937	10.92 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$111,180,604	28.75 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$103,428,350	28.91 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$65,544,000	18.75 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$100,634,893	29 years

Table 2: Financial Positions as of 7/1/2020

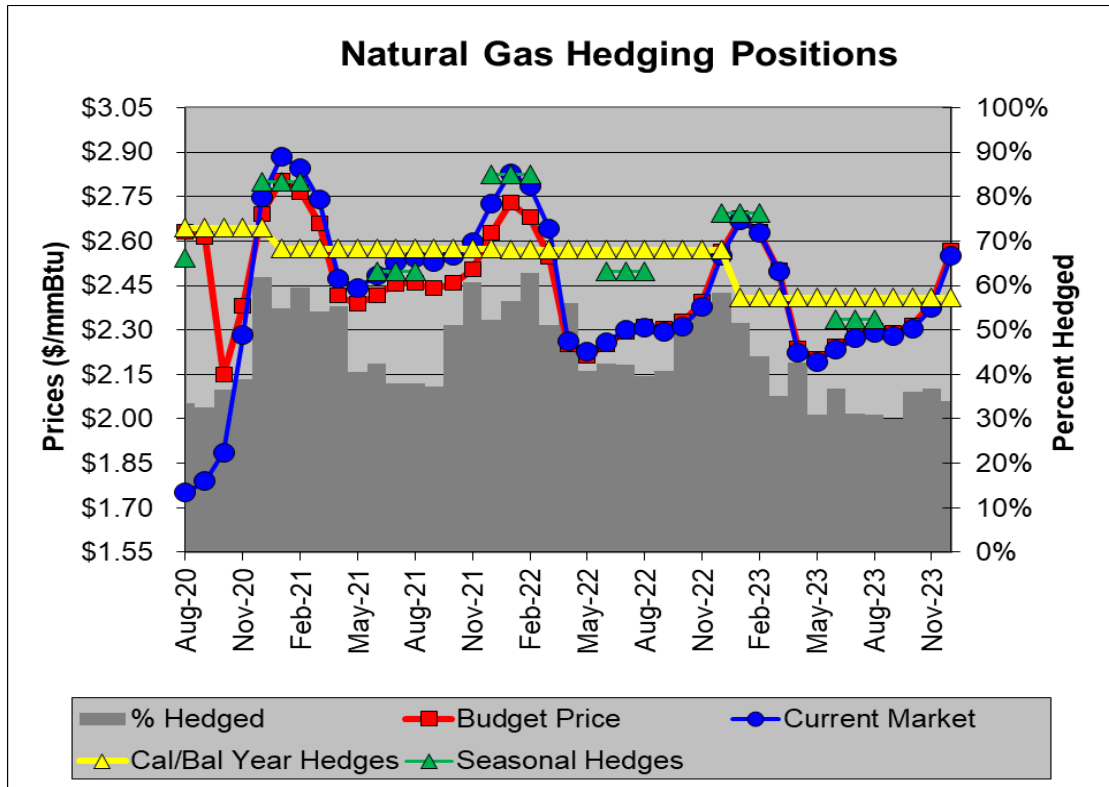
Year	Commodity	Physical Volume (mmBtu)	Hedged Volume (mmBtu)	Percent Hedged	Unhedged Cost	Hedge Type	Hedge Price	Mark-to-Market Value	Counter Party
FY20	Natural Gas	12,021,804	3,970,000	33.0%	\$ 1.77	Swap	\$ 2.64	\$ 3,445,810	Wells Fargo & RBC
FY21	Natural Gas	52,941,248	23,720,000	44.8%	\$ 2.53	Swap	\$ 2.60	\$ 1,305,700	Wells Fargo & RBC
FY22	Natural Gas	49,127,015	23,720,000	48.3%	\$ 2.48	Swap	\$ 2.58	\$ 2,232,210	Wells Fargo & RBC
FY23	Natural Gas	45,255,178	18,260,000	40.3%	\$ 2.38	Swap	\$ 2.47	\$ 1,487,700	Wells Fargo & RBC
FY24	Natural Gas	45,350,456	3,680,000	8.1%	\$ 2.41	Swap	\$ 2.41	\$ (7,560)	Wells Fargo & RBC

Table 3: Fuel & Purchase Power Procurement as of 7/1/2020

Fuel Type	Natural Gas	Coal	Petcoke	Limestone	Purchased Power		Oil/Diesel	Renewables	Vogtle
FY20 Remaining / Energy Mix	61%	13%	16%	N/A	9%		0%	1%	-
Expected Spend (\$)	38.3M	12.1M	11.9M	1.9M	8.0M		0.9M	4.0M	-
% Procured	38%	94%	98%	100%	0%		100%	100%	-
% Hedged	42%	94%	0%	100%	0%		100%	100%	-
FY21 Budget / Energy Mix	53%	18%	21%	N/A	7%		0%	1%	-
Expected Spend (\$)	138.1M	58.8M	49.8M	8.3M	27.4M		2.1M	14.5M	-
% Procured	53%	42%	0%	100%	0%		100%	100%	-
% Hedged	42%	42%	0%	100%	0%		100%	100%	-
	Natural Gas	Coal	Petcoke	Limestone	FPL PPA	PurchPwr	Oil/Diesel	Renewables	Vogtle
FY22 Projection / Energy Mix	50%	11%	18%	N/A	8%	5%	0%	2%	6%
Expected Spend (\$)	127.9M	36.6M	45.2M	7.4M	21.7M	18.1M	2.0M	16.6M	13.9M
% Procured	56%	15%	0%	25%	0%	0%	100%	100%	100%
% Hedged	48%	15%	0%	25%	0%	0%	100%	100%	100%

Supporting Notes:

- Renewable purchase power agreements are not included in Table 1
- Solid fuel procurement - annually at Scherer CY2019-2022 and quarterly at Northside
- Scherer 4 retires on 1/1/22; will work to sell previously committed coal purchases for Scherer 4 in CY22 to owners of Scherer Units 1 – 3
- Table 3: FY Energy Mix based on MWH; the procured percent relates to inventory on hand, or contracted and the percent hedged is inventory on hand or contracted with fixed pricing or financial hedges
- Renewables in Table 3 represent signed agreements and an estimated cost for pending contracts
- Table 3: FY22 Projections include assumed Scherer 4 retirement as of 1/1/2022 with an FPL PPA agreement as replacement
- Table 1: Natural Gas discount; Municipal Gas Authority of Georgia (MGAG) issues municipal bonds to prepay for gas, allowing them to offer discounts to JEA for qualified use



as of 7/1/2020

JEA GOVERNANCE COMMITTEE MEETING

August 19, 2020 • 10:00 a.m.

WebEx **No physical location will be provided for this meeting.**



I.	WELCOME				
	A.	Call to Order			
	B.	Adoption of the Agenda (Action)			
	C.	Approval of Minutes – July 16, 2020 (Action)			
II.	GOVERNANCE AND POLICY FOUNDATIONAL DOCUMENTS				
	Item(s)				
	A.	Ordinance 2020-0419 – Legislation for JEA Charter Changes			
	B.	JEA By Laws			
	C.	Governance Committee Charter			
	D.	Governing For Excellence: Raising the Bar on Public Power Governance			
	E.	Board Policies and Ordinances			
	F.	Board Governance Manual Assessment (March 2015)			
	G.	JEA Board Policy Manual			
III.	FOR COMMITTEE CONSIDERATION				
	Item(s)		Speaker/Title	Discussion Action/Information	
	A.	Review the Draft of Board Mission, Vision, Values, and Goals		Joseph DiSalvo, Committee Chair	Action
	B.	JEA Board Policy Manual			
		1.	Review Staff Edits	Steve Tuten, Chief Compliance Officer	Discussion
		2.	CEO Evaluation – Policy Category III Executive Limitations	Joseph DiSalvo, Committee Chair	Discussion
		3.	CEO Evaluation – CEO Core Competencies Appendix A1	Joseph DiSalvo, Committee Chair	Discussion
	IV.	CLOSING CONSIDERATIONS			
Item(s)					
A.		Announcements – Next Board Meeting August 25, 2020			
	B.	Adjournment			

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

V.	UPCOMING COMMITTEE AGENDA ITEMS	
	Item(s)	
	A.	Review of JEA By Laws
	B.	Review of Board Policy Manual Chapters
	C.	JEA Board Evaluation Process

Board Calendar

Board Meetings: 9:00 a.m. – Fourth Tuesday of Every Month (exception(s): November 17, 2020 and December 15, 2020
(Subject to Change Based on Board Action)

Committees: Finance & Audit Committee: December 11, 2020

Other Committee Meetings TBD

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

DRAFT - 6/22/2020 - FUTURE OF JEA WORKSHOP MEETING

Introduced by Council Member Boylan:

ORDINANCE 2020-

AN ORDINANCE RELATING TO JEA AND ARTICLE 21 (JEA), CHARTER OF THE CITY OF JACKSONVILLE; REPEALING SECTIONS 21.03 (COMPOSITION; COMPENSATION; OFFICERS; MEETINGS), 21.08 (EMPLOYEES), AND 21.09 (AWARDS OF CONTRACTS) OF ARTICLE 21 (JEA), CHARTER OF THE CITY OF JACKSONVILLE; AMENDING ARTICLE 21 (JEA), CHARTER OF THE CITY OF JACKSONVILLE; CREATING NEW SECTIONS 21.03 (COMPOSITION; COMPENSATION; OFFICERS; MEETINGS), 21.08 (EMPLOYEES; MANAGING DIRECTOR; MANAGING DIRECTOR EMPLOYMENT CONTRACT), 21.09 (PROCUREMENT; CONTRACTS GENERALLY), 21.11 (PRIVATIZATION, REORGANIZATION, SERVICE TERRITORY TRANSFERS PROHIBITED) AND 21.12 (PUBLIC ENGAGEMENT); RENUMBERING EXISTING SECTIONS 21.11 (LEGISLATIVE AUTHORITY OF COUNCIL) AND 21.12 (SEVERABILITY) TO 21.13 AND 21.14 RESPECTIVELY; PROVIDING FOR PROVISIO LANGUAGE REGARDING 2020-100-E; PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED by the Council of the City of Jacksonville:

Section 1. Repealing Sections 21.03 (Composition; compensation; officers; meetings), 21.08 (Employees), and 21.09 (Awards of contracts) of Article 21 (JEA), Charter of the City of Jacksonville. Sections 21.03 (Composition; compensation; officers;

meetings), 21.08 (Employees), and 21.09 (Awards of contracts) of Article 21 (JEA), Charter of the City of Jacksonville, a copy of which is attached hereto as **Exhibit 1**, are hereby repealed in their entirety.

Section 2. Amending Article 21 (JEA), Charter of the City of Jacksonville. Article 21 (JEA), Charter of the City of Jacksonville is hereby amended to read as follows:

CHARTER AND RELATED LAWS

PART A - CHARTER LAWS CHARTER OF THE CITY OF JACKSONVILLE, FLORIDA

*** * ***

ARTICLE 21. JEA

Sec. 21.01. - JEA created and continued; audits.

(a) Creation. There is hereby created and established a body politic and corporate to be known as JEA, which is authorized to own, manage and operate for the benefit of the City of Jacksonville a utilities system within and without the City of Jacksonville. JEA is created for the express purpose of acquiring, constructing, operating, financing and otherwise having plenary authority with respect to electric, water, sewer, natural gas and such other utility systems as may be under its control now or in the future. Such utilities may be owned, operated or managed by JEA for the benefit of the City of Jacksonville separately or in such combined or consolidated manner as JEA may determine and JEA may use such name or names in the conduct of its business in connection therewith as it may determine. It is the specific purpose of this ~~article~~ Article 21 to repose in JEA all powers with respect to electric, water, sewer, natural gas and such other utilities which are now, in the future could be, or could have been but for this article, exercised by the City of Jacksonville. JEA created and established by this article is the same

1 Jacksonville Electric Authority previously created and
2 established by chapter 67-1569, Laws of Florida, as amended,
3 (including as added to Chapter 67-1320, Laws of Florida by
4 Chapter 78-538, Laws of Florida and, as amended and readopted
5 by Chapters 80-515, and 92-341, Laws of Florida) and, except
6 as otherwise provided or authorized by this article, JEA shall
7 continue to function under this article the same as it
8 previously functioned under chapter 67-1569, Laws of Florida,
9 as amended (including as added to Chapter 67-1320, Laws of
10 Florida by Chapter 78-538, Laws of Florida and, as amended and
11 readopted by Chapters 80-515 and 92-341, Laws of Florida).

12 (b) Audits. JEA's records may be audited at any time by the
13 council auditor pursuant to the council auditor's duties set
14 forth in Article 5 of this Charter.

15 **Sec. 21.02. - Definitions.**

16 In the interpretation of this article, unless the context
17 otherwise requires:

18 (a) The term "utilities systems" means the electric utility system
19 and the water and sewer utility system now operated by JEA
20 which shall include, except where inconsistent with Chapter
21 80-513, Laws of Florida, as amended, or where the context
22 otherwise requires, any "system" or "project" authorized
23 pursuant to the provisions of Chapter 80-513, Laws of Florida,
24 as amended and any natural gas utility system to be operated
25 in the future by JEA together with any other additional
26 utility systems as may be hereafter designated as a part of
27 the utilities systems operated by JEA as provided in section
28 21.04(v) herein.

29 (b) The term "member" means a member of the governing body of JEA.

30 (c) The term "managing director" means the ~~managing director~~ chief
31 executive officer of JEA.

1 (d) The term "utility system" shall mean any of the separate
2 utility systems operated by JEA such as its electric utility
3 system, its water utility system, its wastewater utility
4 system, ~~or~~ its natural gas utility system or any other
5 additional utility systems as may be hereafter designated as a
6 part of the utilities systems operated by JEA.

7 (e) The terms "sewer utility system" and "wastewater utility
8 system" shall each have the same meaning as the other and
9 these terms shall be interpreted as meaning the same.

10 (f) The terms "governing body of JEA" shall mean the appointed and
11 council confirmed members of JEA.

12 **Sec. 21.03. - Composition; compensation; officers; meetings.**

13 (a) Composition; qualifications; removal. The governing body of
14 JEA shall consist of seven members, each of whom shall serve
15 for a term of four years or until such member's successor has
16 been appointed and has qualified. Four members shall be
17 nominated by the council president and confirmed by the
18 council and three members shall be appointed by the mayor, and
19 shall be confirmed by the council. With regard to one member
20 appointed by council through open application, the council
21 president shall nominate an applicant who has one of the
22 following qualifications: was a former JEA employee, or person
23 recommended by an employee, union or group of current or
24 former JEA employees. To the extent feasible and regarding JEA
25 member appointments generally, individuals who have
26 demonstrated corporate, executive or administrative experience
27 working in public or private organizations, including non-
28 profit and government organizations, are preferred, but not
29 required. Each member of JEA shall have been a resident and
30 elector of the city for at least six consecutive months prior
31 to such member's appointment. No member of JEA shall hold any

1 other public office or position. If at any time during a
2 member's tenure on JEA, such member shall cease to possess the
3 qualifications required for membership on JEA, such member
4 shall cease to be a member and a vacancy shall exist on JEA.
5 Any vacancy on JEA, however created, shall be filled for the
6 unexpired term in the same manner as the position was
7 originally filled, and the person filling the vacancy shall
8 have and retain all the qualifications prescribed for
9 membership on JEA. Any member appointed to JEA for two
10 consecutive full terms shall not be eligible for the
11 succeeding term. The members appointed by the mayor may be
12 removed by the mayor at any time with or without cause, but a
13 removal must be approved by a two-thirds vote of the council.
14 The members appointed by the council may be removed by the
15 council at any time with or without cause, but a removal must
16 be approved by a two-thirds vote of the council.

17 (b) Compensation; applicable laws. JEA members shall not be
18 entitled to pension or other retirement benefits on account of
19 service on JEA, but members shall be entitled to payment or
20 reimbursement for reasonable expenses incurred as provided by
21 the council. JEA members shall be subject to the provisions
22 of Section 286.012, Florida Statutes, relating to voting at
23 meetings of JEA, and the provisions of Sections 112.311
24 through 112.3175, Florida Statutes, relating to financial
25 disclosure and conflicts of interest. Additionally, JEA
26 members shall be subject to all other relevant and applicable
27 laws and ordinances, including but not limited to, Chapter 286
28 (Public Business: Miscellaneous Provisions), Chapter 112, Part
29 III (Code of Ethics for Public Officers and Employees),
30 Chapter 119 (Public Records), Florida Statutes, as amended,

1 and Chapter 602 (Jacksonville Code of Ethics), Ordinance Code
2 of the City of Jacksonville, as amended.

3 (c) Officers; meetings; quorum; governing documents. JEA shall
4 elect a chairperson, vice-chairperson and secretary and may
5 elect one or more assistant secretaries, each of whom shall
6 serve for one year or until such officer's successor is
7 chosen. JEA may meet at such times and places designated by
8 it and shall hold regular meetings as necessary. Generally,
9 JEA shall meet once a month, but in no event less than eight
10 (8) times a year. Special meetings may be held upon the call
11 of the chairperson or any three (3) members of JEA. JEA
12 meetings shall be subject to Section 286.011 (Florida Open
13 Meetings Laws), Florida Statutes, as amended. A majority of
14 the membership shall constitute a quorum for the purpose of
15 meeting and transacting business. Each member of JEA shall
16 have one vote. JEA shall adopt governing documents,
17 including, but not limited to, bylaws, a board policy
18 manual, and such other rules and regulations not
19 inconsistent with this article or general law. Unless
20 otherwise provided herein, JEA shall annually review and
21 update its governing documents. JEA's bylaws, board policy
22 manual, and other governing documents, including any
23 amendments thereto, shall be posted on JEA's website in a
24 conspicuous manner for the public to view.

25 (d) Office-holding; oath. JEA membership shall be considered an
26 office and limited by the office holding provisions as
27 provided for under the Florida Constitution. No JEA member
28 shall be eligible to serve as a member of JEA while holding
29 another office or being an employee of JEA. All JEA members
30 shall be required by council to take an oath of office

1 consistent with the oath of office taken by other public
2 officials serving on City boards and commissions.

3 (e) *Transparency in meetings.* JEA should hold its meetings in the
4 most open and transparent manner practicable for the benefit
5 of the general public and citizens of the City of
6 Jacksonville. JEA shall adopt procedural rules regarding the
7 publication of meeting agendas, meeting materials, meeting
8 minutes, and public participation during all meetings,
9 including board meetings and committee meetings, where board
10 or committee action is contemplated. To the greatest extent
11 feasible, JEA is encouraged to adhere to best practices and
12 recommendations regarding openness and transparency contained
13 in latest published edition of Florida's Government-In-the
14 Sunshine Law Manual and Public Records Law Manual prepared by
15 the Office of the Attorney General. At a minimum, such
16 procedural rules should require JEA to (i) publish an agenda
17 and any meeting materials for its board and committee meetings
18 in a conspicuous place on JEA's official website; (ii)
19 promptly post meeting minutes (generally within 72 hours)
20 after each meeting; and (iii) provide the timeframe for when
21 an agenda and any meeting materials must be made available to
22 the public in advance of such meetings. Such rules should also
23 require JEA to deliver copies of its board and committee
24 meeting agendas and any meeting materials thereto to the
25 council auditor in substantially the same timeframe and
26 content as provided to JEA members. Nothing in this subsection
27 shall prohibit JEA from amending previously published meeting
28 agendas and meeting materials in accordance with its bylaws,
29 board policy manual, or other governing documents as
30 applicable.

31 **Sec. 21.04. - Powers.**

1 JEA shall have the following powers, in addition to powers
2 otherwise conferred:

3 (a) To construct, own, acquire, establish, improve, extend,
4 enlarge, reconstruct, reequip, maintain, repair, finance,
5 manage, operate and promote the utilities system.

6 (b) To acquire for the use of the utilities system by grant,
7 purchase, gift, devise, condemnation by eminent domain
8 proceedings, exchange, lease or in any other manner, all
9 property, real or personal, or any estate or interest therein,
10 including without limitation, property used:

11 (1) In connection with the generation, transmission and
12 distribution of electric power and energy~~;~~;

13 (2) In connection with the collection, storage, treatment,
14 processing, disposal, transmission and distribution of
15 water and wastewater including, but not limited to, raw
16 water, potable water, non-potable water, chilled water and
17 reused water; however, JEA shall have no power or
18 authority for the function of stormwater runoff and
19 drainage management~~;~~;

20 (3) In connection with the production, procurement,
21 extraction, manufacture, transmission, transportation,
22 distribution, and storage of natural gas~~;~~; and

23 (4) In connection with the production of steam, the mining,
24 extraction, development, production, manufacture,
25 procurement, transportation, handling, storage, processing
26 or reprocessing of fuel of any kind, to likewise acquire
27 any facility or rights with respect to the supply of
28 water, any rights with respect to minerals, including but
29 not limited to coal, petroleum coke, natural gas and oil
30 and bio-mass facilities for the processing of by-products
31 derived from the operation of the utilities system, solid

1 waste disposal and environmental protection facilities,
2 communication and computer facilities, and any other
3 property, equipment, facilities or property rights
4 whatsoever determined by JEA to be necessary or convenient
5 in connection with the operation, promotion, financing,
6 construction, management, improvement, extension,
7 enlargement, reconstruction, re-equipment, maintenance,
8 repair, decommissioning or disposal of the utilities
9 system or any part thereof, and to sell, lease or
10 otherwise transfer, with or without consideration, any
11 such property when in JEA's discretion it is no longer
12 needed or useful, or such sale, lease or transfer
13 otherwise is in the best interest of JEA, all upon such
14 terms and conditions as JEA shall by resolution fix and
15 determine.

16 The right of eminent domain conferred herein shall be
17 exercised by JEA in the manner provided by law. If JEA leases
18 any real property to another agency, firm, corporation,
19 entity, or individual, it shall cause a memorandum of said
20 lease or leases to be recorded in the official records with
21 the clerk of the circuit court ~~as a matter of public record.~~
22 where the property is located. For any real property that
23 exceeds an assessed value of \$50,000 as determined by property
24 appraiser, JEA shall not sell such real property for less than
25 the appraised value as ~~recorded by the property appraiser for~~
26 ~~Duval County~~ certified by an MAI certified appraiser, unless
27 approved by the council. ~~If there is no recorded appraised~~
28 ~~value, then JEA shall request the property appraiser for Duval~~
29 ~~County to provide an appraisal prior to the sale of the real~~
30 ~~property.~~

1 Regarding any real property interests acquired or disposed of
2 by JEA pursuant to this subsection, the governing body of JEA
3 shall approve real estate rules and procedures and any
4 amendments thereto governing the reporting, acquisition, sale,
5 purchase, lease, license, transfer, and disposition of real
6 property. Such real estate rules and procedures shall not be
7 inconsistent with this article, including, but not limited to,
8 the express prohibitions set forth in Section 21.11 herein.
9 The governing body of JEA shall review its real estate rules
10 and procedures no less than biennially. The governing body of
11 JEa shall not delegate its approval authority of such real
12 estate rules and procedures, including any amendments thereto,
13 to the managing director or an officer, employee or agent of
14 JEa.

15 (c) To furnish electricity, water, sanitary sewer service, natural
16 gas and other utility services as authorized herein to any
17 person or entity, public or private, within or without the
18 city and for said purposes shall have the right to construct
19 and maintain electric lines, pipelines, water and sewer mains,
20 natural gas lines and related facilities in and along all
21 public highways and streets within or without the city.

22 (d) To sell power and energy, water, sanitary sewer service,
23 natural gas and other utility services as authorized herein at
24 wholesale and retail and/or to provide transmission or other
25 services of any kind to any person or entity, public or
26 private, within or without the State of Florida, directly by
27 JEA, indirectly through other entities and jointly through
28 associations with other utilities or entities engaged in these
29 activities.

30 (e) To enter into contracts with any person or entity, public or
31 private, deemed necessary or desirable by JEA in connection

1 with carrying out its powers and duties, except as otherwise
2 prohibited in this article.

3 * * *

4 (g) To sue and be sued, implead and be impleaded, complain and
5 defend in all courts, to adopt and use a corporate seal, to
6 apply for, hold and own patents and copyrights, to sell or
7 license patents, copyrights, patented or copyrighted materials
8 to other public or private entities. Prices or fees for such
9 sales or licensing may be based upon market considerations.
10 JEA may designate how proceeds from such sales or licensing
11 shall be used. Prices or fees for the sale of copyrighted data
12 processing software, as defined in section ~~119.083~~ 119.011,
13 Florida Statutes, shall be established pursuant to section
14 ~~119.083~~ 119.07, Florida Statutes.

15 * * *

16 (n) To enter into joint project agreements as provided by part II
17 of chapter 361, Florida Statutes, for the purpose of
18 implementing a project, as such term is defined in Part II of
19 Chapter 361, Florida Statutes. A copy of all such joint
20 project agreements shall be filed with the council, the
21 council auditor, and the mayor at least thirty days prior to
22 the effective date of the agreement. Anything in this
23 provision to the contrary notwithstanding, (i) any joint
24 project agreement that involves a transfer of any system,
25 function or operation that ~~comprises more than ten percent of~~
26 ~~the total of the utilities system by sale, lease or otherwise~~
27 ~~to any other utility, public or private,~~ shall be subject to
28 the requirements and limitations of Section 21.11 or (ii) any
29 joint project agreement that involves the issuance of debt not
30 previously authorized by ~~s-~~ Section 21.04(i)(2), shall require
31 prior approval of the council.

1 (o) To enter into agreements with one or more other electric
2 utilities, public or private, and related contracts with
3 respect to joint electric power projects as provided in
4 section 2 of chapter 80-513, Laws of Florida, as amended. The
5 provisions of said chapter 80-513, Laws of Florida, as
6 amended, shall govern and control JEA in all respects in the
7 carrying out of a joint electric power project authorized
8 thereunder notwithstanding any provision of the charter or of
9 the Ordinance Code of the City of Jacksonville which may be in
10 conflict therewith.

11 ~~(p) To transfer, sell, finance, lease or otherwise provide~~
12 ~~services or products, or by products, developed or used by JEA~~
13 ~~incident to the exercise of the powers conferred by this~~
14 ~~article, including but not limited to, energy performance~~
15 ~~contracting, water, sewer and natural gas (and any other~~
16 ~~utility service hereafter provided by JEA) contracting, power~~
17 ~~marketing services, the testing and maintenance of customer-~~
18 ~~owned facilities such as transformers, capacitors, lighting,~~
19 ~~HVAC systems, water cooling and heating systems, energy~~
20 ~~management systems, etc.; the temporary leasing of JEA~~
21 ~~facilities such as oil storage tanks; the supply of steam or~~
22 ~~other thermal energy; the provision of specially conditioned~~
23 ~~power on the premises of customers and the provision of~~
24 ~~services or products to build, transfer, lease, finance,~~
25 ~~operate or sell cogeneration facilities, small power~~
26 ~~production facilities, specially conditioned power, energy~~
27 ~~conservation, energy efficiency and dispersed generation to~~
28 ~~other electric utilities both within and without the state or~~
29 ~~to any wholesale or retail customers of JEA, upon such terms~~
30 ~~and conditions as JEA shall by resolution fix and determine,~~
31 ~~and to transfer, sell, finance, lease or otherwise provide~~

~~services, products or by products developed or used by JEA incident to the exercise of the powers conferred by this article, in the delivery of water, wastewater and natural gas services, including but not limited to the financing, testing, maintenance and operation of customer owned facilities used in water, wastewater and natural gas functions; provided, however, that JEA will not enter into any activity pursuant to this section in addition to those activities listed herein without first providing written notice of such activities to the council auditor no less than 30 days before the commencement of such activity. Nothing in this article shall authorize or be construed to authorize JEA to transfer any function or operation which comprises more than ten percent of the total of the utilities system by sale, lease or otherwise to any other utility, public or private without approval of the council; provided, however, that no approval by the council shall become effective without subsequent referendum approval of the terms and conditions of the sale. So long as there are outstanding any of the city's "Capital Project Revenue Bonds" as originally authorized pursuant to Ordinance 97-1054-E, the council may approve only such transfer which does not materially adversely affect future receipts of JEA contributions as defined therein.~~

To provide, supply, transfer, sell, finance, or lease services, products, by-products, or activities developed or used by JEA incident to the exercise of the powers conferred by this article in the delivery of the utilities systems in the following manner:

(1) JEA governing body approval. The governing body of JEA shall approve in advance all services, products, by-products or activities developed or used by JEA in

1 accordance with this subsection (p) at a duly noticed
2 meeting. The governing body of JEA shall not delegate its
3 approval authority under this subsection to the managing
4 director or an officer, employee or agent of JEA.

5 (2) Permitted services, products, by-products and activities.

6 The services, products, by-products and activities
7 expressly permitted to be developed or used by JEA
8 pursuant to this subsection (p) shall include, but not be
9 limited to, providing, supplying, transferring, selling,
10 financing or leasing the following: (i) energy performance
11 contracting; (ii) water, sewer and natural gas (and any
12 other utility service hereafter provided by JEA)
13 contracting; (iii) power marketing services; (iv) testing
14 and maintenance of customer-owned facilities such as
15 transformers, capacitors, lighting, HVAC systems, water
16 cooling and heating systems, energy management systems,
17 etc.; (v) temporary leasing of JEA facilities such as oil
18 storage tanks; (vi) steam or other thermal energy services
19 and contracting; (vii) services regarding specially
20 conditioned power on the premises of customers; (viii)
21 services or products to build, transfer, lease, finance,
22 operate or sell cogeneration facilities, small power
23 production facilities, specially conditioned power, energy
24 conservation, energy efficiency and dispersed generation
25 to other electric utilities both within and without the
26 state or to any wholesale or retail customers of JEA, upon
27 such terms and conditions as JEA shall by resolution fix
28 and determine; and (ix) financing, testing, maintenance
29 and operation of customer owned facilities used in water,
30 wastewater and natural gas functions.

31 (3) Required notice of additional services or products not

expressly listed in subsection (p)(2) above. JEA shall not provide, supply, transfer, sell, finance or lease any additional service, product, by-product or activity not expressly listed in subsection (p)(2)(i)-(ix) above ("additional service or product") to any person or entity under this subsection without first providing written notice as provided herein of such additional service or product to the council auditor no less than 60 days prior to such date that the governing body of JEA is scheduled to approve such additional service or product in accordance subsection (p)(1). JEA's required written notice to the council auditor shall include the following information regarding such additional service or product: (i) an express reference in the notice that the notice is being provided pursuant to this subsection (p); (ii) a detailed description of the additional service or product; (ii) a copy of any applicable business plans; (iii) a copy of any proposed contracts; (iv) a financial analysis, including projected revenues and expenses; and (v) any other information developed by JEA or third parties regarding the additional service or product. Any action by JEA to provide, supply, transfer, sell, finance or lease an additional service or product pursuant to this subsection shall be void without the required prior approval of the governing body of JEA and prior notice to the council auditor as provided herein. JEA shall provide the mayor and council with a general notice regarding such additional service or product concurrent with the required council auditor notice provided herein.

(4) Annual report. JEA shall provide a comprehensive annual written progress report to the mayor, council, and council

auditor regarding all services, products, or by-products developed or used by JEA pursuant to this subsection (p).

(5) *Prohibition.* JEA shall not exercise any powers pursuant to this subsection (p) that are expressly prohibited in this article, including, but not limited to, the express prohibitions set forth in Section 21.11 herein.

(q) (1) To collect from customers and ratepayers monthly or one-time voluntary contributions to be deposited into an elderly and/or handicapped or low income customer emergency trust fund administered by JEA. The proceeds of such trust fund may be expended periodically by JEA for the purpose of providing financial assistance to elderly and/or handicapped or otherwise needy low income residents living within the service area of JEA for the payment of their utilities needs. The method of administration of such trust fund, including the collection and distribution thereof, shall be as provided by ordinance of the council. The results of such giving program shall be reported annually each July 1st to the council.

(2) Upon the unanimous approval of the ~~Board~~ governing body of JEA, and a two-thirds vote of the ~~City Council~~ council, to collect monthly or one-time voluntary contributions from customers and ratepayers, for a charitable, scholastic, or public service community giving program. Contributions from any such program shall be passed through to an appropriate non-profit entity for administration and distribution and shall not be administered by JEA. The results of such giving program shall be reported annually each July 1st to the ~~Council~~ council.

(3) Upon approval of the ~~Board~~ governing body of JEA, to collect monthly or one-time voluntary contributions from

1 customers, ratepayers or other contributors for other
2 customer assistance programs directly related to services
3 or utilities provided by JEA. ~~The results of such giving~~
4 ~~program(s) shall be reported annually each July 1st to the~~
5 ~~Council.~~ Contributions from any such program shall be
6 passed through to an appropriate non-profit entity for
7 administration and distribution and shall not be
8 administered by JEA. The results of such giving program(s)
9 shall be reported annually each July 1st to the council.

10 * * *

- 11 (s) Except as otherwise prohibited herein, to ~~to~~ delegate any act
12 authorized pursuant to this article to any officer, employee
13 or agent of JEA as it may deem necessary or desirable for the
14 prudent management of JEA.

15 * * *

- 16 (x) To coordinate carefully with the Department of Public Works of
17 the City of Jacksonville, and the Jacksonville Transportation
18 Authority, and other independent agencies of the City of
19 Jacksonville, the planning and execution of engineering and
20 construction projects involving underground work and streets
21 and highways to seek to minimize the total cost of such
22 projects and to reduce disruption to the citizens of the city
23 to the maximum extent possible.

- 24 (y) To expend JEA funds up to ~~one and one-half (1.5)~~ one (1%)
25 percent of the prior year's gross revenues to promote the
26 efficient use of JEA's services through public education
27 including exhibits, conferences, displays, tours and other
28 events customary to the utilities industry and also to
29 publicize, advertise and promote the ~~objects~~ objectives of
30 this article and to promote the objectives of JEA all in the
31 manner set forth by resolution of JEA. Accordingly, JEA may

1 expend its funds to make known to the users, potential users
2 and public in general the advantages, facilities, resources,
3 products, attractions and attributes of the services provided
4 by JEA and to further create a favorable climate of opinion
5 concerning the activities and projects authorized and
6 indicated by this article. JEA may also, to the extent
7 permitted by the laws of the State of Florida, expend funds in
8 cooperative efforts to and with other agencies, both public
9 and private, in accomplishing the purposes enumerated and
10 indicated by this article; and in furtherance thereof. JEA may
11 also authorize reasonable expenditures for ~~any and all of the~~
12 ~~purposes herein enumerated, including but not limited to,~~
13 ~~meals, hospitality and entertainment of persons~~ snacks or
14 meals made generally available to the public in the interest
15 of promoting and engendering good will toward the activities
16 and projects herein authorized. Whenever an expenditure of
17 funds for any of the foregoing purposes is made by a member or
18 employee of JEA, JEA may reimburse such member or employee
19 therefor, but only after such expenditures have been duly
20 authorized by JEA or its managing director if so delegated to
21 do so. JEA will provide a list of proposed promotional
22 expenditures each year to the council auditors. The spending
23 limitation on promotional expenditures set forth in this
24 subsection (y) shall not apply to newly approved utility
25 systems under subsection (v) and "additional services or
26 products" under subsection (p). For purposes of this
27 subsection "newly approved" shall mean within seven years of
28 the approval date for such utility system or additional
29 service or product. All funds expended by JEA as reimbursement
30 for travel expenses shall be subject to Chapter 106, Part 7, of
31 the City of Jacksonville Ordinance Code. JEA shall not

1 exercise any powers pursuant to this subsection (y) to promote
2 the privatization, transfer or reorganization of JEA as
3 expressly prohibited in Section 21.11 herein or otherwise in
4 this article.

5 * * *

6 (dd) To the extent permitted by the laws of the State of Florida,
7 to have ownership and membership in separate organization
8 entities, including but not limited to corporations, to
9 conduct utility related activities and functions. A copy of
10 all such ownership agreements, and any amendments thereto,
11 shall be filed with the council and the mayor at least thirty
12 (30) days prior to the effective date of the agreement.

13 * * *

14 (ff) Subject to the prior approval of the governing body of JEA,
15 to:

16 (1) Explore, investigate or consummate a privatization or
17 transfer to an entity by sale, lease, assignment or
18 other disposition of up to, but not more than, ten
19 percent (10%) of the net capital assets (as defined in
20 Section 21.11) of an included system, or the management,
21 function, or operation of any portion of an included
22 system which comprises not more than ten percent (10%)
23 of the net capital assets of such included system
24 without council approval;

25 (2) Explore, investigate or consummate a reorganization of
26 JEA, or JEA's governance structure in a manner that
27 would affect JEA's ownership or management control of up
28 to, but not more than, ten percent (10%) of the net
29 capital assets of an included system without council
30 approval;

31 (3) Sale, lease, assign or otherwise transfer up to, but not

1 more than, one percent (1%) of the service territory of
2 a JEA included system to any entity without council
3 approval; and

- 4 (4) Sale, lease, assign or otherwise transfer up to, but not
5 more than, one percent (1%) of JEA's electric, water, or
6 wastewater, customer accounts based on the latest
7 available JEA monthly financial statements without
8 council approval.

9 For purposes of this subsection (ff) and as applicable, terms
10 and phrases used in this subsection shall have the meaning
11 ascribed to them in Section 21.11 herein. [Reporting
12 placeholder]

13 **Sec. 21.05. - Construction.**

14 ~~The powers of JEA shall be construed liberally in favor of JEA.~~
15 ~~No listing of powers included in this article is intended to be~~
16 ~~exclusive or restrictive and the specific mention of, or failure to~~
17 ~~mention, particular powers in this article shall not be construed~~
18 ~~as limiting in any way the general powers of JEA as stated in~~
19 ~~Section 21.04. It is the intent of this article to grant to JEA~~
20 ~~full power and right to exercise all authority necessary for the~~
21 ~~effective operation and conduct of JEA. It is further intended that~~
22 ~~JEA should~~ The express powers granted to JEA in this article shall
23 be strictly construed for purposes of determining JEA's authority
24 and powers pursuant to this article. In addition to the express
25 powers granted herein, JEA shall have all implied powers necessary
26 or incidental to carrying out the expressed powers and the
27 expressed purposes for which JEA is created. However, any such
28 implied power of JEA shall be strictly construed in relation to the
29 relevant and applicable express power or express purpose granted to
30 JEA in this article. The fact that this article specifically states
31 that JEA possesses a certain power does not mean that JEA must

1 exercise such power unless this article specifically so requires.
2 JEA's power to levy special assessments shall not be deemed to be
3 the power to levy taxes.

4 * * *

5 **Sec. 21.07. - Fiscal and budgetary functions.**

6 JEA shall have fiscal and budgetary functions, subject to the
7 limitations herein expressed:

8 ***

9 (j) ~~JEA shall employ and fix the compensation of the managing~~
10 ~~director, who shall manage the affairs of the utilities system~~
11 ~~under the supervision of JEA. The entire working time of such~~
12 ~~managing director shall be devoted to the performance of the~~
13 ~~duties of such office and the managing director shall have no~~
14 ~~outside employment or business. The managing director shall be~~
15 ~~a graduate of an accredited college or university, or have at~~
16 ~~least ten years' managerial experience in a consumer-oriented~~
17 ~~industry or comparable enterprise. JEA may appoint and fix the~~
18 ~~compensation of 48 staff assistants to the managing director,~~
19 ~~to serve at the pleasure of JEA. JEA shall employ and fix the~~
20 ~~compensation of the department heads, deputy directors of~~
21 ~~departments, division chiefs and assistant division chiefs of~~
22 ~~the utilities system. JEA may adopt position titles different~~
23 ~~from those recited herein, consistent with utility industry~~
24 ~~practice. The managing director, department heads, deputy~~
25 ~~directors of departments, staff assistants, division chiefs~~
26 ~~and assistant division chiefs shall not be included within the~~
27 ~~civil service system of the city. JEA may employ such~~
28 ~~certified public accountants, consultants and other employees~~
29 ~~for special purposes, not within the civil service system, as~~
30 ~~it may require, and fix and pay their compensation. Whenever~~
31 ~~used in this s. 21.07(i), "compensation" shall mean both~~

1 salary and benefits, exclusive of city pension benefits. All
2 personnel appointed by JEA pursuant to this s. 21.07(i) shall
3 participate in the City of Jacksonville pension plan in the
4 same manner as other employees of JEA who participate in such
5 plan. However JEA shall have the option to establish an
6 employee deferred compensation program separate from the
7 city's employee deferred compensation program Reserved.

8 ***

9 (m) When JEA is in receipt of a request for information from the
10 council auditor pursuant to the authority of the council
11 auditor under Section 5.10 of the charter, it shall, within
12 two business days of receipt of the request, 1) acknowledge
13 receipt of the request by electronic mail to the council
14 auditor, and 2) submit to the council auditor an estimated
15 timeframe for which the information requested will be
16 available to the council auditor for review. If the
17 information requested by the council auditor is not within the
18 purview of JEA or JEA is unsure of the request or unfamiliar
19 with the information that is requested, it should provide such
20 explanation in its response to the council auditor.

21 **Sec. 21.08. - Employees; managing director; managing director**
22 **employment contract.**

23 (a) Generally. All employees of the utilities system shall be
24 employees of JEA and shall be subject to Articles 16 and 17
25 unless otherwise provided by the council, which shall be and
26 continue to be the legislative body as provided in Section
27 447.203(10), Florida Statutes. JEA shall be fully responsible
28 for the administration and operation of all utility services
29 as set out in this article and in order to meet its
30 administrative and operational responsibilities, JEA shall
31 have full and independent authority to hire, transfer,

1 promote, discipline, terminate and evaluate employees engaged
2 to provide any and all of the utilities services for which it
3 is responsible and accordingly, consistent with the provisions
4 of Article 17, JEA may establish employment policies relating
5 to hiring, promotion, discipline and termination, and other
6 terms and conditions of employment, and enter into
7 negotiations with employee organizations with respect to
8 wages, hours and terms and conditions of employment and take
9 such other employment related action as needed to assure
10 effective and efficient administration and operation of the
11 utilities system. In order to effectively implement the
12 foregoing, JEA shall perform all functions with regard to its
13 own employees that are performed by the City department or
14 division which oversees city employees in regard to personnel
15 matters. JEA, at its expense, shall provide accidental death
16 benefits for all employees engaged in hazardous duty as
17 determined by JEA, in the amount of \$50,000 payable to the
18 beneficiary named by the employee, or as otherwise provided,
19 in the event said employee dies as a result of an accident
20 occurring to any employee in the course of his/her employment.
21 Nothing contained in this Section 21.08 shall be construed to
22 supersede or repeal any provision of Section 12 of Chapter 80-
23 513, Laws of Florida, as amended.

24 (b) *Managing Director.* The governing body of JEA shall employ and
25 fix the compensation of the managing director, who shall serve
26 at the pleasure of the governing body of JEA. The managing
27 director shall manage the affairs of the utilities system
28 under the supervision of JEA. The entire working time of such
29 managing director shall be devoted to the performance of the
30 duties of such office and the managing director shall have no
31 outside employment or business. The managing director shall be

1 a graduate of an accredited college or university, and have at
2 least five years executive experience within the utilities
3 industry. The managing director shall have a fiduciary duty of
4 loyalty, fidelity, and allegiance to act at all times in the
5 best interests of JEA and will act in a manner consistent with
6 the responsibilities of this Article 21 and other policies,
7 rules and regulations established by JEA's governing body
8 regarding the conduct of JEA employees. The managing
9 director's employment agreement, if any, shall be subject to
10 the provisions of subsection (d) below.

11 (c) *Other Employees.* The governing body of JEA may appoint and fix
12 the compensation of 48 staff assistants to the managing
13 director, to serve at the pleasure of JEA. JEA shall employ
14 and fix the compensation of the department heads, deputy
15 directors of departments, division chiefs and assistant
16 division chiefs of the utilities system. JEA may adopt
17 position titles different from those recited herein,
18 consistent with utility industry practice. The managing
19 director, department heads, deputy directors of departments,
20 staff assistants, division chiefs and assistant division
21 chiefs shall not be included within the civil service system
22 of the city. The managing director may employ such certified
23 public accountants, consultants and other employees for
24 special purposes, not within the civil service system, as it
25 may require, and fix and pay their compensation. Whenever used
26 in this s. 21.08, "compensation" shall mean both salary and
27 benefits, exclusive of city pension benefits.

28 (d) *Limitation on employment contracts.* JEA may have an employment
29 contract with the managing director only. The managing
30 director's employment contract shall be approved by the
31 governing body of JEA. At a minimum, the managing director's

1 employment contract shall satisfy the following requirements:

2 (1) The contract term, including any renewal term, shall not
3 exceed five (5) years;

4 (2) The amount of severance pay, if any, shall not exceed the
5 amounts allowed under Florida law and shall not be
6 permitted if the managing director is terminated for
7 cause;

8 (3) The contract shall not contain a mandatory consulting,
9 separation and transition, or similar agreement that is
10 triggered due to the managing director's termination
11 under the contract;

12 (4) JEA shall not be required to release, indemnify or hold
13 harmless the managing director against any claims except
14 as otherwise permitted by law;

15 (5) JEA shall not be required to pay for or provide legal
16 counsel to the managing director beyond the legal counsel
17 required of the Office of General Counsel pursuant to
18 this charter or Florida law;

19 (6) The contract shall contain a provision that the managing
20 director serves at the pleasure of the JEA members and
21 may be terminated with or without cause;

22 (7) If the contract includes a termination for cause
23 provision, such provision must provide a reasonable and
24 customary definition of cause consistent with Florida
25 case law; and

26 (8) All compensation terms shall be reasonable and customary
27 and similar to other public utilities comparable to JEA
28 when taking into account the size of JEA's territory
29 area, employee workforce, and utility systems.

1 Any managing director employment contract entered into by JEA
2 that does not satisfy the minimum requirements above shall be
3 null and void.

4 (e) *Pension and Deferred Compensation Plan.* All personnel
5 appointed by JEA pursuant to this Section 21.08 shall
6 participate in the City of Jacksonville pension plan in the
7 same manner as other employees of JEA who participate in such
8 plan. JEA is authorized to establish a single deferred
9 compensation program for its employees separate from the
10 city's employee deferred compensation program. Such program
11 shall be approved by the governing body of JEA and shall be
12 subject to and comply with all federal and state laws
13 applicable to deferred compensation programs for public or
14 government employees, including, but not limited to, the
15 Internal Revenue Code, as amended, and Section 112.215,
16 Florida Statutes, as amended. JEA shall provide the council
17 auditor with an end of fiscal year annual report regarding the
18 deferred compensation program.

19 (f) *Employee Bonus Program.* JEA may implement or adopt an employee
20 bonus plan or program ("bonus program") for JEA employees
21 pursuant to Section 215.425(3), Florida Statutes, as amended,
22 subject to the prior approval of the governing body of JEA.
23 The governing body of JEA shall approve such bonus program
24 annually, and if such bonus program is not approved by the
25 governing body of JEA, the program shall be void. The
26 governing body of JEA shall not delegate its approval
27 authority under this subsection to the managing director or an
28 officer, employee or agent of JEA. Such bonus program must
29 comply with Section 215.425(3), Florida Statutes, as amended,
30 this charter, and other applicable laws. The governing body
31 of the JEA shall establish rules, procedures, and standards

1 regarding such bonus program. Additionally, JEA shall include
2 a budget line item and specific detailed plan regarding such
3 bonus program in its annual budget submission to council. JEA
4 shall also provide the council auditor with an annual end of
5 fiscal year report regarding the progress of the bonus
6 program.

7 (g) [placeholder for 2020-185-E provisions]

8 **Sec. 21.09. - Procurement; contracts generally.**

9 (a) Procurement.

10 (1) Applicability. This subsection (a) shall only apply to
11 contracts awarded by the JEA procurement awards committee.

12 (2) Open and Fair Competition. To the greatest extent reasonably
13 practicable, JEA shall use open, fair, competitive, and
14 generally accepted government procurement methods that seek
15 to encourage the most competition and best price for the
16 purchase of supplies, construction, professional and other
17 contractual services. JEA should adhere to all applicable
18 state procurement laws, including, but not limited to, laws
19 governing the purchase of construction services and
20 professional design services.

21 (3) Procedures; board approval. JEA shall not be required to
22 follow the City's procurement procedures. JEA may establish
23 its own procurement procedures regarding the purchase of
24 goods, supplies, equipment, and services, subject to
25 applicable state law. JEA's procurement procedures,
26 including any amendments thereto, shall be reviewed and
27 approved by the governing body of JEA. The governing body of
28 JEA may not delegate its approval of the procurement
29 procedures, including any amendments thereto, to the
30 managing director or an officer, employee or agent of JEA.
31 In the absence of JEA established procurement procedures,

JEA shall follow the City's procurement procedures. JEA shall adhere to its procurement procedures in entering into procurement contracts, including but not limited to, contracts relating to the construction, reconstruction, repair, operation or maintenance of the utilities system or the purchase of supplies, equipment, machinery and materials for the utilities system or the contracting or otherwise purchasing for any advisory, professional or other services necessary or incidental to the operation of the utilities systems.

(4) *Jacksonville Small Emerging Business Program (JSEB); Minority Business Enterprises.* JEA shall adhere to the City of Jacksonville - Jacksonville Small Emerging Business Program (JSEB), or successor City program, in its procurement procedures. JEA is authorized to implement and to take all actions necessary to administer a purchasing and procurement program directed to Minority Business Enterprises including, but not limited to, prime contractors, subcontractors, consultants, subconsultants, and suppliers. Any such Minority Business Enterprise program shall be implemented by JEA to remedy discrimination or the present effects of past discrimination, if any, suffered by Minority Business Enterprises in the business community in the area served by JEA. For purposes of this chapter, the term "Minority Business Enterprise" shall be defined by JEA and shall include, at a minimum, those business entities that are legitimately owned, operated and controlled by persons who have been shown to have been discriminated against or who suffer from the present effects of past discriminations, if any, in the business community in the area served by JEA. Such program shall be used to redress

1 and remedy discrimination or the present effects of past
2 discrimination, if any, as may be determined by JEA, and
3 which are shown to have been suffered by Minority Business
4 Enterprises, in the business community in the area served by
5 JEA.

6 (5) Certain solicitation specifications and standards
7 prohibited; rejection of bids, proposals, and replies. JEA
8 should not develop solicitation specifications or standards
9 that are so narrowly tailored to an entity or entities that
10 other qualified entities (i.e., bidders, respondents and
11 vendors) are precluded from participating in such
12 solicitation. JEA shall have the right to reject any and all
13 bids, proposals, or replies, in whole or in part, in the
14 best interests of JEA.

15 (6) Annual survey. JEA shall annually conduct a survey of
16 actual, interested and prospective bidders, respondents, and
17 vendors to obtain feedback on JEA's procurement process.
18 Such survey shall be on a form approved by JEA and
19 participation in the survey shall be open to actual,
20 interested and prospective bidders, respondents, and
21 vendors. Survey topics may include, without limitation,
22 various aspects of JEA's procurement process such as
23 information transparency and accessibility, pre-conferences,
24 bid submittal packages, evaluations, and awards. JEA shall
25 consider such survey results during JEA's biennial review of
26 its procurement code.

27 (7) Transparency in procurement governing documents. The
28 procurement code and any procurement policies, operating
29 procedures, rules, directives, standards and other
30 procurement governing documents, including any amendments

1 thereto, shall be posted on JEA's website in a conspicuous
2 manner for the public to view.

3 (8) Biennial review; annual report. JEA shall biennially review
4 its procurement procedures. JEA shall also prepare and
5 deliver a report to the council and mayor on or before
6 December 31st of each fiscal year summarizing the
7 procurement contract awards for the immediately prior fiscal
8 year. Such report shall contain at a minimum the following
9 information:

10 (i) The number of contract awards for the reporting fiscal
11 year;

12 (ii) A detailed listing of all contract awards categorized by
13 service type (e.g., construction, professional,
14 supplies, professional design services), award type
15 (e.g., single source, emergency, request for proposal,
16 invitation to negotiate, piggyback, etc.) and a brief
17 description of each contract award containing the
18 contractor name, contract amount and procurement method
19 used;

20 (iii) The number of JSEB contract awards categorized by
21 service type (e.g., construction, engineering, supplies,
22 professional), award type (e.g., single source,
23 emergency, request for proposal, invitation to
24 negotiate, piggyback, etc.), and a brief description of
25 each contract award containing the JSEB contractor name,
26 contract amount and procurement method used;

27 (iv) The number of bid protests for the reporting fiscal year
28 and the outcome of each protest (i.e., whether JEA
29 prevailed);

30 (v) The annual survey results pursuant to the survey
31 requirement in subsection (a) (6) above; and

1 (vi) Such other information as may be determined by the
2 council.

3 (9) Prohibition. JEA shall not exercise any powers pursuant to
4 this Section 21.09 to explore, investigate or consummate a
5 privatization, transfer or reorganization of JEA as
6 expressly prohibited in Section 21.11 herein or otherwise in
7 this article.

8 (b) Contracts Generally.

9 (1) Applicability. This subsection (b) shall apply to all
10 contracts entered into by JEA pursuant to this article.

11 (2) Maximum indebtedness. All contracts of any kind entered into
12 by JEA pursuant to this article, including, but not limited
13 to, procurement contracts, joint project contracts, and
14 interlocal agreements shall contain a provision clearly
15 specifying a fixed, maximum monetary indebtedness of JEA
16 thereunder. Such contracts may, however, provide for a
17 lesser variable indebtedness of JEA upon a reasonable basis,
18 subject to such fixed, maximum monetary indebtedness.

19 (3) Public records; ethics training. All contracts and related
20 documents entered into by JEA shall contain a provision
21 clearly stating that such vendor or contractor shall comply
22 with the provisions of Chapter 119 (Public Records Law),
23 Florida Statutes, as amended. All senior-level employees,
24 including the managing director and senior-level officers,
25 directors and managers of JEA, shall be trained by the
26 Office of General Counsel, in consultation with the Ethics
27 Office, at least annually on Florida's open meetings laws,
28 public records and ethics laws in accordance with policies
29 and procedures established by JEA.

30 (4) Access to and examination of records. JEA shall require a
31 person or entity providing contractual services (e.g.,

1 construction services, professional design services, or
2 other contractual services) purchased by JEA to agree and be
3 deemed to have agreed by virtue of doing business under
4 contract with JEA to allow access and examination at all
5 reasonable times by the council auditor or any duly
6 authorized representative of the council auditor to business
7 records directly pertinent to the transaction pursuant to
8 the council auditor's duties set forth in Article 5 of this
9 charter. Additionally, JEA shall include a provision in any
10 contract entered into pursuant to this article that such
11 vendor or contractor shall comply with all applicable
12 federal, state and local laws, rules and regulations as the
13 same exist or as may be amended from time to time.

14 (5) Confidentiality agreements. The use of confidentiality,
15 nondisclosure or similar agreements by government agencies
16 are contrary to open and transparent government. Except
17 regarding information or records deemed by JEA to be
18 confidential or exempt information or records or information
19 by law, JEA should not enter into confidentiality or
20 nondisclosure agreements with third parties and should use
21 confidentiality, nondisclosure or similar agreements
22 sparingly in the conduct and operation of JEA. JEA may use
23 confidentiality agreements for [obtain listing from JEA].
24 Additionally, JEA should not require a member, officer or
25 employee of JEA to execute any type of confidentiality or
26 nondisclosure agreement that would require such member,
27 officer or employee to maintain the confidentiality of
28 information that is not confidential or exempt by law.

29 (6) No financial interest. Except for an employment contract or
30 agreement executed pursuant to Section 21.08, no member,
31 officer or employee of JEA shall either directly or

1 indirectly be a party to, or be in any manner interested in,
2 any contract or agreement with JEA for any matter, cause or
3 thing whatsoever in which such member shall have a financial
4 interest or by reason whereof any liability or indebtedness
5 shall in any way be created against JEA. If any contract or
6 agreement shall be made in violation of the provisions of
7 this section the same shall be null and void and no action
8 shall be maintained thereon against JEA.

9 (c) No limitation. Unless otherwise provided herein, nothing in this
10 section shall be construed to limit the power of JEA to
11 construct, repair, or improve the utilities system or any part
12 thereof, or any addition, betterment or extension thereto.

13 * * *

14 **Sec. 21.11 - Privatization, sale, reorganization, service**
15 **territory transfers prohibited.**

16 (a) Definitions. For purposes of this section, the following
17 definitions shall apply:

18 "entity" shall mean any person or entity, public or private.

19 "net capital assets" shall mean the net capital assets based
20 on the Combining Statement of Net Position in latest available
21 JEA annual financial statements for the appropriate Enterprise
22 Fund for each included system. For purposes of this section,
23 the net capital asset calculation for each Enterprise Fund
24 shall be cumulative and shall reset on October 1, 2020 and
25 every five years thereafter.

26 "service territory" shall mean the geographically defined
27 areas in which JEA is the utility provider.

28 "included system" shall mean the electric utility system, the
29 water utility system, the wastewater utility system, owned,
30 operated and managed by JEA.

1 "excluded system" shall mean JEA's district energy system, the
2 bulk power supply system and the St. Johns River Power Park
3 system.

4 (b) Prohibition on privatization, sale, reorganization and transfer
5 of management. JEA shall not directly, or indirectly through a
6 consultant or advisor, explore, investigate or consummate a
7 privatization or transfer to an entity by sale, lease,
8 assignment or other disposition of more than ten percent of the
9 net capital assets of an included system, or the management,
10 function, or operation of any portion of an included system
11 which comprises more than ten percent of the net capital assets
12 of such included system, without obtaining approval of the
13 council in advance; provided, however, that no final approval of
14 such disposition by the council shall become effective without
15 subsequent referendum approval of the terms and conditions of
16 the disposition, lease, or other assignment of the management,
17 function or operation of such portion of a included system.
18 Additionally, JEA shall not directly or indirectly through a
19 consultant or advisor, explore, investigate or consummate a
20 reorganization of JEA, or JEA's governance structure in a manner
21 that would affect JEA's ownership or management control of more
22 than ten percent of the net capital assets of an included system
23 without obtaining approval of the council in advance. Upon
24 approval by the council for JEA to explore or investigate a
25 privatization, transfer, or reorganization of JEA, council may
26 in its discretion prescribe by ordinance budget restrictions
27 related to professional consultants, legal engagements,
28 promotional expenses, and other expenses anticipated by JEA
29 during such exploration or investigation. The terms "explore"
30 and "investigate" as used in this subsection shall include, but
31 not be limited to, exploring or investigating in connection with

1 any strategic planning process undertaken by JEA or any of its
2 consultants or advisors.

3 (c) Prohibited service territory transfers. Any sale, lease,
4 assignment or other transfer of the service territory of a JEA
5 included system to any entity that totals 1% or more of the
6 service territory or any sale, lease, assignment, or transfer of
7 1% or more of JEA's electric, water, or wastewater, customer
8 accounts based on the latest available JEA monthly financial
9 statements shall require council approval in advance. JEA shall
10 not enter into any agreement, contract, memorandum of
11 understanding, letter of intent or other arrangement that would
12 exceed the 1% threshold without obtaining council approval in
13 advance. Nothing in this section shall prevent JEA from
14 complying with the terms and conditions of interlocal agreements
15 with St. Johns County and Nassau County which include, but are
16 not limited to, an option to purchase the assets and service
17 territory of JEA within the respective counties without Council
18 or referendum approval.

19 **Sec. 21.12. - Public engagement.**

20 JEA should seek to fully engage and inform its ratepayers, the
21 general public, interested stakeholders, and other interested
22 parties in any future planning discussions, including, but not
23 limited to short-term and long-term plans, objectives and goals,
24 regarding the future of JEA to enable its ratepayers, the general
25 public, interested stakeholders and other interested parties to
26 fully participate in such planning discussions to the greatest
27 extent reasonably practicable. Examples of ways for JEA to fully
28 engage and inform its ratepayers, the general public, interested
29 stakeholders, and other interested parties pursuant to this section
30 may include, but not be limited to, hosting town hall meetings and
31 JEA workshops and proactively making information regarding such

discussions available to its ratepayers, the general public, interested, and other interested parties.

Sec. ~~21.11~~ 21.13. - Legislative authority of council.

Sec. ~~21.12~~ 21.14. - Severability.

Section 3. Proviso language regarding 2020-100-E. Section 21.03(a) herein includes language which requires voter approval of Ordinance 2020-100-E. The referendum will be voted upon on November 3, 2020. Should the language not be approved by the voters, the language for 21.03(a) shall read as follows:

CHARTER AND RELATED LAWS

PART A - CHARTER LAWS CHARTER OF THE CITY OF JACKSONVILLE, FLORIDA

* * *

ARTICLE 21. JEA

* * *

Sec. 21.03. - Composition; compensation; officers; meetings.

(a) Composition; qualifications; removal. The governing body of JEA shall consist of seven members, each of whom shall serve for a term of four years or until such member's successor has been appointed and has qualified. To the extent feasible and regarding JEA member appointments generally, individuals considered for appointment may, but is not required to, have extensive corporate, executive or administrative experience working in public or private organizations, including non-profit and government organizations. Each member of JEA shall have been a resident and elector of the city for at least six consecutive months prior to such member's appointment. No member of JEA shall hold any other public office or position. If at any time during a member's tenure on JEA, such member shall cease to possess the qualifications required for

1 membership on JEA, such member shall cease to be a member and
2 a vacancy shall exist on JEA. Any vacancy on JEA, however
3 created, shall be filled for the unexpired term in the same
4 manner as the position was originally filled, and the person
5 filling the vacancy shall have and retain all the
6 qualifications prescribed for membership on JEA. Any member
7 appointed to JEA for two consecutive full terms shall not be
8 eligible for the succeeding term. The members appointed by the
9 mayor may be removed by the mayor at any time with or without
10 cause, but a removal must be approved by a two-thirds vote of
11 the council.

12 * * *

13 **Section 4. Effective Date.** This ordinance shall become
14 effective upon signature by the Mayor or upon becoming effective
15 without the Mayor's signature.

16 Form Approved:

17 _____
18
19 Office of General Counsel

20 Legislation Prepared By: Lawsikia J. Hodges

21 GC-#1370187-v4-CM_Boylan_DRAFT_-_Article_21_(JEA)_Omnibus_Refinement_Bill_6_22_2020_.docx
22
23
24

BY-LAWS OF JEA

ARTICLE 1 OFFICES

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

ARTICLE II MEMBERS OF JEA GOVERNING BODY

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

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

ARTICLE III OFFICERS

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

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

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

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

Section 5. Secretary. The Secretary shall cause the minutes to be kept of each meeting of the members in the Minute Book designated for that purpose. In the event of the Secretary's absence or disability, the Chair shall designate another member to be responsible for keeping of minutes during the Secretary's absence and for their inclusion in the Minute Book. When so directed by the Chair, the Secretary shall cause all notices to be given in accordance with these By-Laws and other applicable laws; the Secretary shall be responsible for the proper care and custody of all records pertaining to JEA affairs and for custody of the Seal of JEA. The Secretary shall be responsible for the Register of the address of each Board member and of such other persons as may be designated by the Chair or by the Executive Committee. The Secretary shall perform such other duties as from time to time may be assigned by the Chair or by the Executive Committee.

ARTICLE IV **COMMITTEES**

Section 1. Executive Committee. There shall be an Executive Committee comprised of as many members of the JEA Board as may be determined by the Chair. The Executive Committee shall function for and on behalf of the seven (7) members of the JEA Board to the extent that such action may be lawfully delegated; however, the designation of the Executive Committee and delegation thereto of authority to act in proper circumstances for the full membership of the JEA Board shall not operate to relieve the members of any responsibility imposed upon them individually or collectively by law. The Chair of the JEA Board shall preside at meetings of the Executive Committee, and it shall meet from time to time at such times and places as the Chair may designate.

Section 2. Ordinary Committees.

(a) **Standing Committees.** The Chair may appoint standing committees from time to time which shall be composed of as many members of the JEA Board as determined by the Chair. The Chair shall name one of the committee members as committee chair and one as committee vice-chair. A standing committee shall continue until such time as it is terminated by the Chair.

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

Section 3. Term of Committee Members. Each member of a committee shall serve until the expiration of his/her term of office as a JEA Board member, until that member's successor is appointed and has accepted such appointment, or until the committee is terminated.

Section 4. Powers of the Committee and the Committee Chair. The committee chair, or vice-chair in the absence of the chair, shall have the power and authority to call meetings of the committee upon reasonable verbal or written notice to the members, and to set the date, time and place of such meetings. This function may also be performed by a majority of the remaining members of the committee upon inaction by the chair. A committee secretary may be designated by the committee chair. A committee may submit reports to the Chair and members of the JEA Board in writing as determined by the committee chair. Committee reports shall contain both majority and minority reports of committee members. A committee may by motion recommend to the JEA Board that action be taken on matters under consideration by the committee. Matters under consideration by the committee may include resolutions or other proposed actions presented to the committee by the JEA Managing Director.

Section 5. Committee Vacancies. The Chair shall fill vacancies in the membership of any committee. Should the Chair of the JEA Board fail to fill a vacancy within a reasonable length of time after such a vacancy occurs, then such vacancy may be filled by a majority of the members of the JEA Board acting in any regular or special meeting.

Section 6. Conduct of Committee Business. A majority of the entire membership of the committee shall constitute a quorum, and an act of the majority of the committee present at any meeting shall constitute the act of the committee. Should a quorum not be present at a scheduled meeting, the committee chair, or vice-chair in the absence of the chair, may appoint as many JEA Board members as necessary to constitute a quorum. Such appointment is for the purpose of that meeting only. All JEA Board members may attend and participate in any committee meeting, but only committee members have the right to make motions and to vote. Except as provided otherwise herein, Roberts Rules of Order shall govern the conduct of committee business, unless the majority of the committee present at such meeting shall elect to utilize other rules or procedures consistent with applicable law and these By-Laws.

ARTICLE V

CONDUCT OF AUTHORITY BUSINESS

Section 1. Regular Meetings. Regular meetings shall be held at least monthly at the principal offices of JEA in the City of Jacksonville, or at such other public place within the City of Jacksonville as may be determined by the Chair, and at such times as the Chair or a majority of the members may designate. More frequent regular meetings may be held at the pleasure of a majority of the members.

Section 2. Special Meetings. Special meetings of the members may be called by the Chair or by any three (3) members and shall be held at the principal offices of JEA in the

City of Jacksonville, or at such other public place within the City of Jacksonville as may be determined by the Chair.

Section 3. Notice of Special Meetings and Purpose. Notice of each special meeting of the members shall be given by the Chair or by the three (3) members who may have called such special meeting. Such notice shall be in writing and shall be provided to every member not less than two (2) working days before the meeting and shall state the purpose, time and place of the special meeting. Attendance by a member at a special meeting shall constitute waiver of notice. A member may, however, appear at a meeting for the sole purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called without losing the right to object to improper notice. No business shall be transacted at any special meeting other than the purpose specified in the notice unless a majority of the members in attendance at such special meeting agree to transact other business.

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

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

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

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

ARTICLE VI
AMENDMENTS TO BY-LAWS

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

ARTICLE VII
EFFECT OF BY-LAWS

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

APPROVED BY THE BOARD

Date:_____

Form Approved :

Office of General Counsel

JEA Board Governance and Transparency Committee Charter

Role of the JEA Board Governance Committee

The JEA Board Governance Committee (the “Committee”) is appointed by the Board Chair, and is a special committee of the JEA Board of Directors. The Committee’s primary function is to assist the Board in updating the JEA Board governance documents, primarily the JEA Board Policy Manual and the JEA By-Laws. The Committee shall review and approve relevant agenda items, provide periodic reports and make recommendations to the JEA Board for final approval of the governance documents. The Committee will keep the full JEA Board apprised of its activities.

Membership

The Committee shall consist of at least three Board members, appointed by the Board Chair. The Board Chair shall appoint one of the Committee members as Chairperson.

Meetings

The Committee will meet on an as needed basis. The Committee may invite members of Management and/or others to attend meetings and provide pertinent information, as necessary. Meetings shall be subject to open meetings and public information laws.

Responsibilities

The Committee shall:

- Ensure that the Board Policy Manual and the JEA By-Laws are consistent with the JEA Charter, other provisions of the City of Jacksonville Charter, ordinances, policies and procedures, and current Florida statutes.
- Restructure the JEA Board Policy Manual to facilitate comprehension, cross referencing and transparency.
- Prepare an updated JEA Board Policy Manual to reflect the current JEA mission, values and goals.
- Prepare updated JEA By-Laws that reflect current JEA Board membership and governance procedures.
- Conduct Committee meetings to discuss suggested changes to the JEA governance documents on an as needed basis and in accordance with Sunshine Laws
- Report Committee summaries, actions and recommendations to the full Board



**“GOVERNING FOR EXCELLENCE: RAISING THE BAR ON PUBLIC POWER
GOVERNANCE”**

A hard copy of the APPA publication “Governing for Excellence: Raising the Bar on Public Power Governance” was distributed to all Board Members as part of their orientation material in April 2020. They also received a link from APPA in July 2020 to access the publication electronically.

JEA Board of Directors
Policies and Other Documents Requiring Board Approval / Review

DRAFT

	<u>Document Name</u>	<u>Doc Type</u>	<u>Board Review / Approval?</u>	<u>Board Compliance?</u>	<u>Last Review Date</u>	<u>Review Cycle</u>	<u>Next Review Date</u>
1	JEA Code of Conduct / Code of Ethics (New)	Policy		X		Annual	8/25/2020
2	Board Education & Development Policy (Approved November 2013)	Policy	X	X	11/19/2013	Bi-Annual	8/25/2020
3	Travel Policy and Procedures	Policy		X		Bi-Annual	8/25/2020
4	Internal Audit Charter (Approved by Finance & Audit Committee annually)	Policy			8/19/2019	Annual	8/25/2020
5	JEA Board-Management Delegation of Authority Policy (Originally presented to, but not approved by, Board on 6/11/18 & 12/11/18)	Policy	X	X	12/11/2018 (review on ly)	Annual	9/22/2020 & 10/27/20
6	JEA Charter	Policy		X		Annual	10/27/2020
7	JEA By-Laws	Policy		X		Annual	10/27/2020
8	Electric Compliance Policy	Policy	X			Annual	11/17/2020
9	Enterprise Risk & Compliance Policy	Policy	X	X		Bi-Annual	11/17/2020
10	Identity Theft Protection Program (FACTA) Annual Risk Assessment (presented annually to the Finance & Audit Committee)	Policy	X (Initial Approval Only)		12/9/2019	Annual	1/26/2021
11	Energy Market Risk Management Policy (Approved March 2014; report presented quarterly to the Finance & Audit Committee)	Policy	X		2/11/2020	Annual, or As Revised	2/23/2021
12	Pricing Policy	Policy	X	X	6/23/2020	Annual	6/22/2021
13	Investment Policy	Policy	X	X	7/28/2020	Annual	7/27/2021
14	Debt Management Policy	Policy	X	X	7/28/2020	Annual	7/27/2021
15	Board Policy Manual (Updated and reviewed by the Board Governance Committee)	Manual	X (If Revisions)	X		Annual, or As Revised	As Revised
16	Form 1 - Statement of Financial Interests - Must be filed with the County Supervisor of Elections each July 1 for the previous calendar year.	Disclosure Form		X			

JEA Board of Directors
Policies and Other Documents Requiring Board Approval / Review

DRAFT

	<u>Document Name</u>	<u>Doc Type</u>	<u>Board Review / Approval?</u>	<u>Board Compliance?</u>	<u>Last Review Date</u>	<u>Review Cycle</u>	<u>Next Review Date</u>
17	Form 1F - Final Statement of Financial Interests - Must be filed with the County Supervisor of Elections for the final year / partial year on the Board.	Disclosure Form		X			
18	Sunshine Law - Florida Statute, Sec. 286.001	State Statute					
19	Public Records Law - Florida Statute Chapter 119	State Statute					
20	Jacksonville Ethics Code – Chapter 602	Municipal Ordinance		X			
	• Gifts – 602 Part 7;			X			
	• Conflicts of Interest – 602 Part 4			X			
	• Misuse of Public Position – 602.601			X			
21	Florida Ethics Policy – Chapter 112.311-326	State Policy		X			
	• Gifts – Sec 112.3148, 3139			X			
	• Conflicts of Interest – Sec. 112.313			X			
	• Nepotism – 112.3133			X			
	• Misuse of Public Position – 112.313			X			
22	Dual Office Holding - Florida Constitution, Article II, SA	State Law		X			

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
POLICY 1.1.1 QUALITY OF ELECTRIC SERVICE	Update an Electric Integrated Resource Supply Plan (IRP) to ensure consumers' future electricity supply needs are met at the lowest evaluated total lifecycle cost while maintaining fuel diversity	Annual	<p>The CEO participates in the development of the Annual Resource Master Plans. The Electric System IRP examining multiple growth scenarios in order to develop the most robust generation plan with a thirty year look-ahead.</p> <p>This long term planning study used a scenario approach to address key issues of uncertainty faced by JEA, including carbon emissions, RES/CES, economy, load growth, fuel costs, and other potential environmental regulations. The IRP produced multiple generation resource plans over a 30 year planning horizon depending on the six scenarios evaluated. The IRP was completed in October 2012.</p>				
1.1.1a	Develop resources or agreements to ensure that JEA's electric energy supply is 10% nuclear by 2017.	Ongoing	<p>The CEO strongly supports the increased use of nuclear power. Nuclear Generation Business Manager to oversee MEAG PPA and Lee Option. Senior level Working Group is in place to assess the impact of JEA's potential expansion into nuclear power generation, and establishing criteria for exercising JEA's nuclear ownership option.</p> <p>Generation Capacity Analysis Continue to monitor and evaluate the drivers for JEA decision for additional nuclear generation capacity ranging from zero percent to some amount between 5%-20% (approx. 110MW-440MW) of the proposed Duke Lee nuclear station</p>	1.1.1a states that 10% of JEA's energy supply must be nuclear by 2017. Whether this is achievable or not, this statement should be removed as it is too specific to be included in a Board document.			

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
1.1.2	Minimize the frequency of electric distribution system outages and report status through the System Average Interruption Frequency Index (SAIFI-2).	Ongoing	The System Average Interruption Frequency Index (SAIFI-2) report is generated and monitored by senior management.	1.1.2 – 1.1.4. Naming specific reports in these sections is too detailed to be included in a Board document. These sections should state that JEA will monitor the frequency and duration of electric outages using industry related reports, with a goal of minimizing them.			
1.1.3	Minimize the frequency of electric distribution system voltage sags and report status through the System Average Root Mean Square Frequency Index (SARFI-80).	Ongoing	The System Average Root Mean Square Frequency Index (SARFI-80) report is generated and monitored by senior management.	See 1.1.2 Above			
1.1.4	Minimize the duration of electric distribution system outages and report status through the System Average Interruption Duration Index (SAIDI).	Ongoing	The System Average Interruption Duration Index (SAIDI) and CEMI 5 reports are generated and monitored by senior management.	See 1.1.2 Above			
1.2.1 : QUALITY OF WATER SERVICE	Annually update a Total Water Management Plan (TWMP) to ensure consumers' future water supply needs are met at the lowest evaluated cost while also ensuring water resources are available for future generations.	Annual	The Total Water Management Plan (TWMP) identifies long term water needs and assesses alternate water sources. The TWMP, developed in 2007, is reassessed on an annual basis. Key recommendations include increasing water conservation, an increase in the amount of reclaimed water used, and construction of a north to south pipeline for the transfer of potable water to the Southside.				

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
1.2.2	Minimize the duration of water distribution system low pressure events and report status of the number of cumulative minutes water pressure drops below 30 pounds per square inch (psi) for all existing water distribution system pressure monitoring points.	Ongoing	Low pressure status is reported to the Board every other month.				
1.2.3	Conduct water testing in accordance with the standards of the Florida Department of Environmental Protection (FDEP) and the Environmental Protection Agency (EPA) and report testing results to all water consumers and stakeholders.	Ongoing	JEA maintains a dedicated Laboratory to perform all required water testing in compliance with applicable regulatory obligations of federal, state, local government agencies. NELAC and other industry certifications of the laboratory and its personnel. NELAC certified personnel and the lab are audited by NELAC annually for competency functions, equipment availability and condition, and documentation. Quality Assurance process is in place ensuring all records, documentation, and support are complete, accurate, and timely for applicable government agencies and certification organizations.				
1.3.1 QUALITY OF SEWER SERVICE	Minimize the frequency of sewer back-ups and overflows and report status by a. the number of Sanitary Sewer Overflows (SSO's) per 100 miles of existing sewer pipe b. the total number of sewer system cave-ins	Ongoing	JEA maintains a robust SSO infrastructure maintenance prevention and incident management program, which incorporates established industry control elements. The program includes a response team to respond and mitigate SSOs and a root cause analyses conducted for every SSO event. The number of SSOs has steadily been reduced over the past 10 years and has been below industry standards.				
1.3.2	Limit the total amount of nutrients discharged into the St. John's River from all wastewater treatment facilities. a. Reduce the total nutrient discharge into the St. John's River to meet JEA's Florida	Ongoing	JEA has a comprehensive Total Maximum Daily Load (TMDL) program and ongoing initiatives meet current discharge requirements and are expected				

Board Governance Manual Compliance & Update Assessment

					Board Feedback		
Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Changes Approved	Changes Not Approved	Additional Suggested Changes
	<p>Department of Environmental Protection (FDEP) Total Maximum Daily Load (TMDL) allocation.</p> <p>b. Increase the amount of reclaimed water produced and distributed</p>		to be deemed sufficient to comply with the EPA's Numeric Nutrient Criteria (NNC). Strategy and resources are in place to assess, mitigate and minimizing the impact of proposed regulatory mandates. Programs are also in place to increase the use of reclaimed water.				
1.4.1 COST OF SERVICE	<p>All utility services are to be reasonably priced.</p> <p>a. Pricing for all utility services is to be frequently benchmarked against other state and regional utilities to demonstrate competitiveness.</p>	Frequent intervals	JEA performs periodic rate studies with consideration of the financial needs of the company versus maintaining a competitive rate structure that considers the financial burden to our ratepayers. Charts benchmarking JEA's rates to other Florida utilities are provided to the Board monthly. Processes consider the total costs of maintaining services and focuses on controlling costs while maintaining the reliability of our services infrastructure.				
	b. Pricing for each utility service for all classes of consumers is to be based on the cost to serve each consumer class. Cost of service studies are to be conducted in no more than five year intervals.	5 year intervals	Cost of Service studies are regularly conducted every 5 years. Pricing is based on the cost to serve each consumer class. In addition, costs are now also calculated based on the total cost of providing electricity and water/wastewater services				
1.4.2	Minimize the number of consumer bills mailed to customers that are inaccurate, are estimated due to the lack of a current meter reading, or are untimely. The expectation is 99.9% accurate and timely.	Ongoing	<p>A quality assurance process is in place to verify JEA meets our quality standards of accuracy and timeliness.</p> <p>The quality rate is periodically provided to the Board.</p>	This section should specify that the quality indicators refer to the bills that go out to the customers after they are fixed, not what is originally produced from the system. Proposed wording changes are in red.			
1.5.1 : ENVIRONMENTALLY SOUND	The CEO is expected to comply with all existing environmental regulations that apply	Ongoing	JEA has a coordinated environmental compliance infrastructure which includes operational processes for				

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
			compliance with all existing environmental requirements, and monitoring by an independent area to verify adherence to the requirements.				
1.5.2	<p>Conservation: Pursue all options to communicate and incentivize customer conservation and efficiency while avoiding excessive customer cost.</p> <p>a. Electric System: Establish an electric conservation fund by collecting an additional one cent per kwh for every kwh over 2750 on monthly residential consumption and by allocating 50 cents per mwh of base rate revenues (a total of approximately 0.5% of electric gross revenues.) The funds are to be spent for customer conservation initiatives and incentives only.</p>	Ongoing	<p>DSM Steering committee is in place and providing oversight by JEA's executives. This committee sets ongoing DSM policy and strategies. Policies regulating DSM objectives are approved by JEA's Board.</p> <p>Various conservation programs have been successfully implemented and are yielding the anticipated results, including but not limited to CFLs, Neighborhood Energy Efficiency Program and Green built Home Solar program, energy audits, etc.</p>				
1.5.3	<p>Renewable Energy Supply: Explore all options for renewable electric energy supply while avoiding excessive customer cost since a state or federal Renewable Electricity Standard (RES) is yet to be established and the timing for setting a standard remains uncertain.</p>	Ongoing	<p>JEA staff has reviewed the feasibility and potential use of a number of potential renewable energy sources, such as biomass, solar (solar PV and solar thermal), landfill gas, and wastewater treatment gas. A process is in place to monitor legislation and the marketplace in order to reevaluate feasibility as standards are changed, become mandatory, or other opportunities arise.</p>	<p>Suggested wording changes:</p> <p>Renewable Energy Supply: Explore options for a renewable energy supply while avoiding excessive customer cost. Comply with state or federal Renewable Energy Standards (RES) if and when they become effective.</p>			
1.6 INFORMATIVE COMMUNICA- TION	<p>1.6. Effectively communicate with consumers and other stakeholders.</p> <p>1.6.1 To influence consumer paradigms of utility expectations.</p> <p>1.6.2 To influence public dialogue on local, state and national energy and water and sewer issues.</p>	Ongoing	<p>JEA continues its Customer Satisfaction initiative, engaging employees from all levels in the organization on various concurrent initiatives to create an improved customer experience. For 2nd Qtr of FY 2013, JEA kicked off 18 improvement initiatives and</p>				

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
	<p>1.6.3 To inform consumers of as well as the reasons for significant potential or pending changes to utility services or charges.</p> <p>1.6.4 To inform consumers of conservation incentives and other activities that if implemented would reduce their consumption and, therefore result in lower utility cost than if the incentives or activities were not employed.</p>		<p>completed 15. For Qtr 3, 20 new initiatives are underway. JEA subscribes to the JD Power Customer Satisfaction Survey. Wave 3 data of the Survey has been reported and JEA continues to make positive movement upward in customer satisfaction. JEA anticipates ending 2013 in the 3rd quartile, improving from last year's 4th quartile</p> <p>JEA.com contains a wealth of information about conservation and how it can impact a customer's bill. JEA.com also describes levelized billing, and prepaid billing, and provides a mechanism for enrolling for them.</p>				
2.0 GENERAL EXECUTIVE CONSTRAINT	<p>The CEO shall not knowingly cause or allow any organizational practice, activity, decision, or circumstance that is either unlawful, imprudent, and/or in violation of commonly accepted business and professional ethics and practices.</p> <p>Accordingly, the CEO will not:</p>			<p>Add wording changes noted in red and add the following statement:</p> <p>It is understood that the CEO will be delegating most of the duties described below to staff, but the CEO will ultimately be responsible for the company's results.</p>			
2.1	<p>Treatment of Consumers: With respect to interactions with consumers or those applying to be consumers, the CEO shall not knowingly cause or allow conditions, procedures, or decisions that are unsafe, untimely, undignified, or unnecessarily intrusive.</p> <p>Accordingly, the CEO will not:</p>						
2.1.1	<ul style="list-style-type: none"> Elicit information for which there is no clear necessity 	Ongoing	Current processes only request information that is deemed necessary to fulfill the customer's				

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
			request for services and assess the customer's credit risk.				
2.1.2	<ul style="list-style-type: none"> Use methods of collecting, reviewing, transmitting, or storing client information that fail to reasonably protect against improper access. 	Ongoing	JEA maintains strong systems access and cyber security protocols and protects unauthorized access to both customer and corporate data. Further enhancements are underway including optimizing our customer system hardware footprint, enhancing our hardware infrastructure, and addressing the increasing cyber security threats to JEA's systems and network.	Suggested wording changes noted in red.			
2.1.3	<ul style="list-style-type: none"> Fail to operate facilities with appropriate accessibility and privacy. 	Ongoing	See 2.1.2 above. Also. All major JEA facilities require badge access. Badge readers are also being installed at substations that don't have them and a new more sophisticated badging system has been implemented.				
2.1.4	<ul style="list-style-type: none"> Fail to establish with consumers a clear understanding of what may be expected and what may not be expected from service offered. 	Ongoing	JEA has updated its mission/vision statement and it has been posted on JEA.com. It communicate what customers should expect from JEA.	<p>Proposed changes to focus on the expectations, not what we can't do:</p> <p>Fail to communicate with consumers of what may be expected from services offered.</p>			
2.1.5	<ul style="list-style-type: none"> Fail to operate without clearly established and updated Customer Service procedures and internally published rules and regulations for service. 	Ongoing	JEA maintains clearly established and up to date Customer Service policies and procedures, as well as regulatory requirements that impact customer services.	Suggested wording changes noted in red.			
2.1.6	<ul style="list-style-type: none"> Fail to operate without mechanisms for collecting consumer complaints that provide for resolution at the lowest staff level and also include prompt response when warranted 	Ongoing	JEA has an established Customer Services Call Center, to address and where applicable all customer complaints. A dedicated Key Customer Accounts function is in place to address the needs of our commercial accounts.				
2.2	Treatment of Staff: With respect to the treatment of staff, the CEO may not cause or	Ongoing					

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
	allow conditions that are unfair, unsafe, undignified, disorganized, or unclear. Accordingly, the CEO will not:						
2.2.1	Operate without written personnel rules and regulations that: a. clarify rules for staff b. provide for effective handling of grievances c. protect against wrongful conditions such as nepotism and grossly preferential treatment for personal reasons. d. allow for volunteerism in the community e. require high ethical standards f. recognize the need for work/life balance	Ongoing	JEA maintains clearly established and up to date personnel policies and procedures including: a. Bargaining union and appointed staff agreements. b. Documented and effective grievance process. c. Employment and corporate policies to ensure a fair and equitable working environment. d. Policies that encourage employee to volunteer in the community; including paid leave for volunteer opportunities; JEA sponsored volunteer opportunities; and charitable events, such as United Way fundraising. e. Formal Ethics policy/standards are in place, with required annual training, and an anonymous Ethics Hotline. f. Employees and management are encouraged to maintain a work/life balance. Employees are provided with a significant number of leave days to help balance work/life issues. JEA offers a free Employee Assistance Program to assist employees in various stress/life issues.				
2.2.2	Operate without written job descriptions and performance requirements and reviews that a. characterize the nature of work to be performed b. identify technical, behavioral and physical skills required	Ongoing	A job description is in place for each job position at JEA. The completion and quality of performance reviews are monitored by HR.				

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
	c. identify clear standards of accountability						
2.2.3	Fail to provide a safe work environment.	Ongoing	<p>JEA has a comprehensive and effective Employee and public safety program, mandatory training and incentives for maintaining a safe work environment. Specific programs include:</p> <ol style="list-style-type: none"> 1. Various JEA wide programs are in place that addresses safety issues (e.g., "Lock-out - Tag Out" program addresses controls over sources of hazardous energy). 2. Safety Specialist representatives monitor adherence to safety procedures. 3. Required training class for managers on compliance with safety protocols. (e.g., Real Safety for Leaders). 	<p>Suggested wording changes:</p> <p>Fail to authorize providing for a safe work environment.</p>			
2.2.4	Fail to identify and provide training necessary to accomplish the quality of work expected.	Ongoing	<p>JEA has a comprehensive training program which provides a number of mandatory internal and external training opportunities to achieve technical skills, soft skills and employee development. Job function processes and procedures are documented to ensure consistency of effective operations and knowledge retention.</p>	<p>Suggested wording changes:</p> <p>Fail to authorize identification and providing for training necessary to accomplish the quality of work expected.</p>			
2.2.5	Allow any known discrimination or retaliation against any staff member for non-disruptive expression of dissent.	Ongoing	<p>Personnel policies and procedures prohibit discrimination and retaliation against staff members who express non-disruptive expression of dissent. JEA encourages open communication and discussion of all activities. A Committee based structure is in place to solicit input from all employees in decision making processes. An anonymous Ethics</p>				

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
			Hotline is in place for employee to report actual or perceived discrimination and or retaliation.				
2.2.6	Fail to acquaint staff with the CEO's interpretation of their protections under this policy.	Ongoing	<p>Personnel policies and procedures Bargaining Union agreements and Appointed job plans clearly define employee's and management responsibilities. Grievance protocols are in place.</p> <p>The CEO's interpretation is imparted to staff via monthly management meetings and annual Town Hall meetings.</p>	<p>Suggested wording changes :</p> <p>Fail to communicate the CEO's interpretation of staff's protections under this policy.</p>			
2.2.7	Allow staff to be under prepared to deal with emergency situations.	Ongoing	<p>Process in place for ongoing evaluation of a Comprehensive Emergency Management Plan (CEMP) which includes clearly defined roles and responsibilities for all employees and job functions.</p> <p>A process is in place to continue testing and assessing storm related disaster recovery plans.</p> <p>Development of a more robust and comprehensive Business Continuity plan is in progress.</p> <p>The CEO recently created a separate Emergency Preparedness department to bring more focus on this function. A presentation to the Board recently occurred.</p>	<p>Suggested wording changes :</p> <p>Fail to authorize an effective process to prepare staff to deal with emergency situations.</p>			
2.2.8	Fail to insure that the company's Core Values are routinely communicated and reinforced to all employees.	Ongoing	<p>The Company's Core Values are included in the Ethics Guidelines and on-line Ethics Training. All employees are required to take this training annually.</p> <p>JEA's core values have recently been revised and re-communicated to all employees.</p>	<p>Suggest adding the following statement:</p> <p>The JEA's Ethics Officer monitors the completion of the annual ethics training by all employees.</p>			

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
2.3	Financial Planning/Budgeting: The CEO shall not cause or allow financial planning for any fiscal year or the remaining part of any fiscal year to deviate materially from the Board's Ends priorities, to risk financial jeopardy, or fail to be derived from a multiyear plan. Accordingly, the CEO will not:	Ongoing	Budgeting process is in place to establish both a capital and O&M budget. Continuous monitoring of expenses occurs to ensure adherence to established budget criteria. Capital Allocation process ensures that capital and funding is allocated in a risk based approach, to ensure regulatory compliance, operational excellence and reliable services to our customers. .				
2.3.1	Risk incurring those situations or conditions described as unacceptable in the Board policy "Financial Condition and Activities."	Ongoing	CEO significantly strengthened JEA's financial condition while he was CFO, and has hired a new CFO to continue that trend. The Board policy mentioned is not included in this document.	Board policies should be converted to digital documents and posted on the Corporate tab of Quest, or made an addendum to this document.			
2.3.2	Fail to include credible projection of revenues and expenses, separation of capital and operational items, cash (liquidity) flow, and disclosure of planning and budgeting assumptions.	Ongoing	The Board reviews and approves all proposed budgets, and receives financial projections throughout the fiscal year.	Suggested wording changes noted in red.			
2.3.3	Fail to identify the source for capital expenditures (e.g. internally generated cash, new debt, carry over funds from previous fiscal year).	Annually	Corporate policies define source of funding (internal revenue or debt) for all projects. Capital and O&M allocation and accounting processes ensures adherence to these standards.				
2.3.4	Fail to adhere to approved tariff rates and fees.	Ongoing	JEA adheres to approved tariffs and fees. Any proposed changes go before the Board for approval.				
2.3.5	Fail to set and follow an annual budgeting process that results in a final budget submittal to City Council by July 1 proceeding the budgeted fiscal year.	Annually	The Annual Budget process and close senior management oversight assures timely submittal to City Council by July 1.				
2.3.6	Provide less for Board prerogatives during the year than is set forth in the "Cost of Governance" policy.	Annually	When Board members want to attend a conference or travel on business, the requested expense is	Board policies should be posted on Quest or SharePoint, or included as			

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
			brought to the full Board for approval.	an addendum to this manual. Wording needs to define "Cost of Governance" policy. See also Section 4.10.			
2.4	Financial Condition and Activities: With respect to the actual, ongoing financial conditions and activities, the CEO shall not cause or allow the development of financial jeopardy or material deviation of actual expenditures from Board priorities established in Ends policies. Accordingly, the CEO will not:	Ongoing					
2.4.1	Fail to operate within the budget established for the fiscal year.	Annually	The budget process and management oversight are in place to assure JEA operates within the established budget				
2.4.2	Make budget transfers in excess of \$5,000,000 without Board approval.	Ongoing	The budget process and management oversight are in place to assure this condition is met.				
2.4.3	Fail to inform the Board in monitoring reports when reserves are required to meet current expenditures.	Ongoing	The budget process and management oversight are in place to assure this condition is met. Financial presentations are regularly made to the Board.				
2.4.4	Fail to maintain financial and accounting separation between electric, water and wastewater, and District Energy funds as required by regulatory agencies and bond covenants.	Ongoing	Financial Reporting, Accounting, and Treasury process and management oversight are in place to assure this condition is met.				
2.4.5	Fail to operate within established financial parameters nor fail to engage the board when established parameters are considered inadequate to affect a desired bond rating. Current financial parameters: a. Debt Service Coverage b. Fixed Charge coverage c. Cash on Hand d. Working Capital	Ongoing	Budget and Treasury processes and management oversight are in place to assure this condition is met. Financial presentations are regularly made to the Board.				

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
	e. Line of Credit f. Fuel Rate Reserve <i>The Board Book reports should be checked for these factors to make sure they are included.</i>						
2.4.6	Operate in violation of JEA's Debt Management Policies.	Ongoing	JEA has a formal Debt Management Policy. Treasury processes and management oversight are in place to assure this condition is met.				
2.4.7	Fail to settle payroll and debts in a timely manner.	Ongoing	Payroll and Treasury processes and management oversight are in place to assure this condition is met.				
2.4.8	Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.	Ongoing	JEA has a dedicated Tax Administration area. Control processes and management oversight are in place to assure this condition is met.				
2.4.9	Fail to establish reasonable security measures to protect against loss of receivables.	Ongoing	JEA has an established reserve for receivables write-offs in an amount recommended by the external auditors.				
2.4.10	Fail to aggressively pursue receivables after a reasonable grace period.	Ongoing	JEA has a dedicated Collections area. Control processes and management oversight are in place to assure this condition is met.				
2.5	Workforce Readiness and Succession Planning: The CEO shall not <i>knowingly</i> allow the workforce to be unprepared to meet current or future business demands. Accordingly, the CEO will not:	Ongoing		Suggested wording changes noted in red.			
2.5.1	Permit there to be fewer than two other executives sufficiently familiar with Board and CEO issues and processes to enable either to take over with reasonable proficiency as an interim successor to protect the Board from sudden loss of CEO services.	Ongoing		Suggest that the CEO discuss with the Board Chairperson at least 2 potential interim successors in the event of an emergency situation.			
2.5.2	Fail to prepare for long term CEO succession.	Ongoing	Formal CEO succession planning is in place which includes direct and full participation of JEA's Board of				

Board Governance Manual Compliance & Update Assessment

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			Directors. (This statement needs to be confirmed).				
2.5.3	Fail to prepare for Executive Team succession.	Ongoing	Formal succession planning and knowledge transfer processes are in place. Potential future leaders are identified and extensive formal and informal training is provided (e.g., Leadership Academy, Tuition reimbursement program).				
2.5.4	Operate without strategic and tactical plans to have and maintain the right people, in the right place, with the right talent, skills and knowledge.	Ongoing	See comments on 2.5.3 above. Also, one of JEA's strategic indicatives for FY 2014 pertains to hiring and retaining an unbeatable team.				
2.5.5	Fail to develop a workforce that recognizes the value of cultural diversity in internal operations and in serving customers.	Ongoing	JEA has a Cultural Diversity program, and participate in a number of cultural awareness initiatives and celebrations (e.g., black history month).				
2.6	Asset Protection: The CEO shall not knowingly cause or allow corporate assets to be unprotected, inadequately maintained, or unnecessarily risked. Accordingly, the CEO will not:	Ongoing					
2.6.1	Fail to insure adequately against theft and casualty and against liability and losses to Board members, staff, and the organization itself.	Ongoing	JEA employs a number of measures to assure these conditions are met including but not limited to: physical and systems security; manual and systematic fraud prevention controls, formal fraud/ethics training; robust Ethics program/hotline; a comprehensive self-insurance and liability coverage for JEA's facilities and personnel, and collaborating with JEA's insurance carrier to implement their recommendations for better securing our assets while				

Board Governance Manual Compliance & Update Assessment

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			saving money on insurance premiums.				
2.6.2	Allow unbonded personnel access to material amounts of funds.	Ongoing	All applicable employees are required to be bonded. Control processes and management oversight assures adherence to this standard. Need to validate this statement.				
2.6.3	Subject facilities and equipment to improper wear and tear or insufficient maintenance.	Ongoing	JEA's operations areas, for both our water/wastewater and electric facilities, have an extensive infrastructure maintenance program. Annual budget allocation processes assure funding is directed to the critical area of operations. A formal Enterprise Asset Management system is being developed to more effectively manage assets, maintenance and costs.	Suggested wording changes: Fail to authorize staff to adequately maintain facilities and equipment.			
2.6.4	Unnecessarily expose the organization, the Board, or its staff to claims of liability.	Ongoing	JEA maintains liability insurance for all its senior management team.				
2.6.5	Operate without written claims policies that address fair treatment of claimants, legal liability, ratepayer costs and sound business practices.	Ongoing	JEA has a dedicated Risk Management liability insurance area and an area that handles third party claims. Brand Management, claims, Security, Facilities, Information Security and Records Management all participate in protecting these assets. Control processes and management oversight are in place to assure this condition is met.				
2.6.6	Fail to protect corporate assets including, but not limited to, property rights, corporate image, physical assets, intangible assets, intellectual property, information, and files from loss or significant damage.	Ongoing	See 2.6.5 above.				
2.6.7	Receive, process, or disburse funds without sufficient controls.	Ongoing	Treasury functions, control processes and management oversight is in place to assure this condition is met.	Suggested wording changes:			

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
				Allow inadequate controls over the receiving, processing, or disbursement of funds.			
2.6.8	Invest funds in violation of JEA's Investment Policies.	Ongoing	JEA has a formal Investment policy. Treasury functions, control processes and management oversight is in place to assure this condition is met.				
2.6.9	Fail to ensure that all employees and outsourced contract service providers understand their responsibility to comply with all applicable laws and regulations and JEA's Code of Ethics.	Ongoing	All employees who receive a JEA check are required to take mandatory ethics and safety training and agree to abide by it. Procurement policies, bids and contracts also have provisions to assure external contractors adhere to the noted standards. Contractors are agreeing to JEA's Code of Ethics when they accept the contract/purchase order.	Suggested wording changes: Fail to ensure that the responsibility to comply with all applicable laws and regulations and JEA's Code of Ethics has been communicated and agreed to by all employees and outsourced contract service providers.			
2.7	Compensation and Benefits: With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the CEO shall not cause or allow jeopardy to financial integrity or to public image. Accordingly, the CEO will not:	Ongoing					
2.7.1	Change the CEO's own compensation and benefits, except as those benefits are consistent with a package for other appointed employees.	Ongoing	The CEO's compensation and benefits package is contractual and is approved by the Board. However, if for example, a company-wide change was made to JEA's health benefits carrier, the CEO would participate in that change.				
2.7.2	Promise or imply unconditional permanent or guaranteed employment.	Ongoing	JEA policies and practices assure adherence to this standard, within the provision of the Bargaining Agreements, the Appointed Pay Plan and employment contracts.				
2.7.3	Administer compensation and benefits that fail to address individual accountability,	Ongoing	JEA's compensation program is currently undergoing an				

Board Governance Manual Compliance & Update Assessment

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	motivate and reward for knowledge and skills that encourage organizational flexibility and responsiveness or are inconsistent with the geographic and professional market for the skills employed.		assessment, and changes will be made based on the results. One of the CEO's strategies for 2013 and beyond is to hire and retain "unbeatable talent".				
2.8	Communication and Support to Board: The CEO shall not cause or allow the Board to be uninformed or unsupported in its work. Accordingly, the CEO will not:	Ongoing					
2.8.1	Neglect to submit monitoring data required by the Board in Board-Management Delegation policy "Monitoring CEO Performance" (Section 3.4 of this manual) in a timely, accurate, and understandable fashion, directly addressing provisions of Board policies being monitored, and including CEO interpretations consistent with Board-Management Delegation policy "Delegation to the CEO," (Section 3.3 of this manual) as well as relevant data.	Ongoing	See Section 3.3 and 3.4 of this manual	Suggested wording changes are in red. In addition, the CEO may want to consider an annual report specifically addressing the Board ends. See also section 3.3, 3.4, and 3.4.5 below. The policies referenced here are not clearly defined or described.			
2.8.2	Allow the Board to be unaware of any actual or anticipated noncompliance with any Ends or Executive Limitations policy of the Board regardless of the Board's monitoring schedule.	Ongoing	See also section 3.3, 3.4, and 3.4.5 below.				
2.8.3	Allow the Board to be without decision information required periodically by the Board or let the Board be unaware of relevant trends.	Ongoing	The Board is kept aware of relevant risk trends via the Top Corporate Risks reports provided quarterly to the Finance & Audit Committee of the Board. Operations, financial and regulatory trends are included in the monthly Board Report.				
2.8.4	Let the Board be unaware of any significant incidental information it requires including anticipated media coverage, threatened or pending lawsuits, and material internal and external changes.	Ongoing	Anticipated media coverage would be identified by JEA's media department, who would pass it along to the CEO who in turn would notify the Board members. Also, reputation risk (External				

Board Governance Manual Compliance & Update Assessment

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			<p>Stakeholder Risk) is discussed at FAC meetings.</p> <p>At the CEO's direction, potential/pending lawsuit activity is discussed at least annually at an FAC meeting, by an OGC attorney. Also, the process to handle fraud risk is being revised centralize and improve communications in the event of a significant fraud.</p> <p>The CEO worked closely with the Board Chair regarding the change to embrace JD Power as the main company measure of customer satisfaction.</p>				
2.8.5	Allow the Board to be unaware that, in the CEO's opinion, the Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the CEO.	Ongoing	The new CEO requested this review of the Governance Manual by audit Services to determine if there was a gap in Board compliance and/or in CEO compliance. This item is being addressed by this document.				
2.8.6	Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.	Ongoing	<p>The CEO and senior staff consistently make an effort to present information in a concise yet complete and clear manner. Operations reports were recently reformatted to make them more succinct.</p> <p>All items on the board and F&AC agendas are identified as information only (I) or an Action (A). "Monitoring" and "Other" would be information only items. "Decision preparation" would be "Action" items.</p>				

Board Governance Manual Compliance & Update Assessment

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2.8.7	Allow the Board to be without a workable mechanism for official Board, officer, or committee communications.	Ongoing	The Board and FAC receive their books of information pertaining to the upcoming meeting a week in advance to allow time for them to look it over. The information is now also available electronically for download by Board members' laptops and tablets. The CEO meets with the Chair individually, and may meet with other Board members individually as needed. Board members can individually always contact the CEO.				
2.8.8	Deal with the Board in a way that favors or privileges certain Board members over others, except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the Board.	Ongoing	All Board members' requests for information are given equally high priority. The Chair of the Board and the Chair of the Finance & Audit Committee are consulted individually.				
2.8.9	Fail to submit to the Board a consent agenda containing items delegated to the CEO yet required by law, regulation, or contract to be Board-approved, along with applicable monitoring information.	Ongoing	Consent agendas are part of every Board agenda, and the necessary documents are always included. If the information was not complete or was not clear, a Board member could ask that the item in question be reviewed and voted on separately. That has not happened in recent memory.				
2.8.10	Fail to provide a process to retain relevant background information on previous Board policy decisions.	Ongoing	Approved minutes, agendas and supporting documents are kept for all Board meetings, executive sessions, and committee meetings, on the Board section of Quest.				
2.9	Regulatory/Legislative Requirements: The CEO will not fail to effect regulatory and legislative action favorable to the organization.	Ongoing	Legislative Affairs monitors all proposed/pending regulatory and legislative initiatives that may impact JEA. Processes are in place to evaluate the impact of each initiative and determine a course of action to minimize the impact and/or establish processes and infrastructure to ensure compliance, if required. Risk	Suggested wording changes: The CEO will not fail to work with industry and legislative groups to attempt to effect regulatory and legislative action favorable to the organization.			

Board Governance Manual Compliance & Update Assessment

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			Committees (e.g., CIP, EPA rules) are in place to coordinate efforts.				
2.10	Enterprise Risk Management: The CEO shall not cause or allow conditions, procedures or decisions which fail to identify, measure, monitor and manage, within established risk tolerances, potential events that may affect achievement of the Ends. Accordingly, the CEO will not:						
2.10.1	Fail to establish and maintain a written Enterprise Risk Management (ERM) Plan and an ERM program that includes management-level policies, procedures and process controls to help ensure that the enterprise-wide business risk exposures are properly identified, managed and, when appropriate, reported to the Board.	Ongoing	JEA has established the formal, Board approved Enterprise Compliance and Risk Policy and program. Dedicated resources have been assigned to facilitate the program which is managed through the Enterprise Compliance & Risk Committee (ECRC) made up of the SLT. Top corporate risks are reported to F&AC of the Board quarterly.				
2.11.	Procurement Activities: The CEO shall not fail to develop procurement policies and procedures that adhere to all applicable federal, state and local laws and ordinances and provide for increased public confidence in the procurement activities of JEA. Accordingly, the CEO will not:			Suggested wording changes: Procurement Activities: The CEO shall not fail to authorize development of procurement policies and procedures that adhere to all applicable federal, state and local laws and ordinances and encourage or facilitate increased public confidence in the procurement activities of JEA.			
2.11.1	Fail to authorize development and implementation and disseminate simple, clear and up-to-date rules for all procurement	Ongoing	The Procurement code, policies and procedures are in place to clearly define and establish rules for JEA's procurement process. JEA requirements are communicated to all JEA employees and potential vendors.	Suggested wording changes are noted in red.			

Board Governance Manual Compliance & Update Assessment

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2.11.2	Fail to ensure the fair and equitable treatment of all persons who deal with the JEA procurement system.	Ongoing	Procurement code and management review/oversight verifies the integrity and quality of the procurement process. Vendor's have the ability to bring complaints and/or bid protests.	Suggested wording changes: Fail to authorize a procurement process that provides fair and equitable treatment.			
2.11.3	Fail to provide increased economy in all procurement activities and to maximize to the fullest extent practicable the purchasing value of JEA funds.	Ongoing	Procurement Code and processes allows the bid evaluation process to include both quantitative (cost factor) and qualitative criteria in vendor selection. All awards are approved by the CEO after approval by the Awards Committee.	Suggested wording changes: Fail to direct that all procurement activities maximize to the fullest extent practicable the purchasing value of JEA funds.			
2.11.4	Fail to direct the procurement process to foster effective, broad-based competition within the free enterprise system	Ongoing	See comments on 2.11.4 above.	Suggested wording changes are noted in red.			
2.11.5	Fail to provide safeguards for the maintenance of the procurement system quality and integrity.	Ongoing	Procurement code and management review/oversight verifies the integrity and quality of the procurement process. Vendor's have to ability to bring grievances and/or bid protests. All awards are approved by the CEO after approval by the Awards Committee.				
2.11.6	Fail to direct the procurement process to provide a clear and timely administrative remedy process to all those aggrieved during any phase of the procurement process.	Ongoing	Procurement code and administrative processes are in place to address any vendor complaints and/or bid protests during the procurement process.	Suggested wording changes noted in red.			
2.11.7	Fail to provide effective access for Small and Emerging Local Businesses.	Ongoing	Formal Small Emerging Business Program is in place that allow local small businesses to participate in JEA's procurement .	Suggested wording changes: Fail to provide procurement opportunities for Small and Emerging Local Businesses			
3.0 GLOBAL BOARD-MANAGEMENT DELEGATION	The Board's sole official connection to the operational organization, its achievements, and conduct will be through a chief executive officer titled Managing Director / CEO,						

Board Governance Manual Compliance & Update Assessment

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	referred to within this document simply as CEO.						
3.1 UNITY OF CONTROL	Unity of Control: Only officially passed motions of the Board are binding on the CEO.						
3.1.1	Decisions or instructions of individual Board members, officers, or committees are not binding on the CEO.	Ongoing	Board Responsibility				
3.1.2	In the case of Board members or committees requesting information or assistance without Board authorization, the CEO can refuse such requests that require, in the CEO's opinion, a material amount of staff time or funds, or are disruptive. The CEO shall promptly inform the Board if requests from Board members or committees are refused.	Ongoing	Board/CEO Responsibility Past Board members have individually requested documents that have taken substantial amounts of staff time, but the former CEO felt it was a worthwhile effort. The current CEO also understands this is his call, and will do so if/when necessary.	Suggest the Board Chair remind Board members of provisions 3.1.1 and 3.1.2.			
3.2 ACCOUNTABILITY OF CEO	Accountability of the CEO: The CEO is the Board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the CEO.	Ongoing	Board Responsibility This provision is being complied with by both the Board and the CEO. Although operational, financial, and compliance/control/risk reports are presented by staff, and the Board may ask questions of staff while they are presenting, it is understood that the CEO is accountable to the Board for the results.				
3.2.1	The Board as a body and individual Board members will never give instructions to persons who report directly or indirectly to the CEO.	Ongoing	Board Responsibility The Board complies with this provision. However, the Finance & Audit Committee can give instructions to the Director, Audit Services as provided for by the FAC Policy.				

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
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3.2.2.	The Board will not evaluate, either formally or informally, any staff other than the CEO. However, the CEO will discuss his evaluation of the executives identified as potential interim CEO successors, with the Chair of the Board . (refer to 2.5.2)	Ongoing	Board Responsibility The Board does not evaluate any JEA employees other than the CEO.	Wording changes noted in red suggest the CEO discuss his evaluation of potential interim or emergency CEO successors with the Chair of the Board.			
3.2.3	The Board will view CEO performance as identical to organizational performance so that organizational accomplishment of Board-stated Ends and avoidance of Board-described means will be viewed as successful CEO performance.	Ongoing	Board Responsibility The Board has formally evaluated CEO performance. The Board determined that the process used for FY 2014 should be better defined.	Suggest the evaluation process be defined in a separate document, instead of in the Governance Manual, and just referred to here. The separate document should equate CEO performance with JEA's performance on its key strategic objectives, as stated in 3.2.3.			
3.3 DELEGATION TO THE CEO	Delegation to the CEO: The Board will instruct the CEO through written policies that prescribe the organizational Ends to be achieved and describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.	Ongoing	Board Responsibility Sections 1 and 2 of this manual describe the organizational ends to be achieved, and the situations to be avoided.				
3.3.1	The Board will develop policies instructing the CEO to achieve specified results, for specified recipients, at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels and will be called Ends policies. All issues that are not ends issues as defined here are means issues.	Ongoing	Board Responsibility Sections 1 and 2 of this manual describe the organizational ends to be achieved, and the situations to be avoided. Strategic objectives for the organization are set prior to the start of each fiscal year.	Suggest the ends and means terminology be eliminated, and just refer to Sections 1 and 2, or refer to current Board-approved strategic objectives. In general, the Board does not develop policies, management does, and submits them to the Board for approval. Also, policies are usually broad, not as specific as indicated in 3.3.1. However, policy statements are contained in this Manual.			

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
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3.3.2	The Board will develop policies that limit the latitude the CEO may exercise in choosing the organizational means. These limiting policies will describe those practices, activities, decisions and circumstances that would be unacceptable to the Board even if they were to be effective. Policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations policies. The Board will never prescribe organizational means delegated to the CEO.	Ongoing	Board Responsibility Sections 1 and 2 already contain policy statements that limit activities.	See suggestions for 3.3.1 above.			
3.3.3	As long as the CEO uses <i>any reasonable interpretation</i> of the Board's Ends and Executive Limitations policies, the CEO is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and pursue all activities. Such decisions of the CEO shall have full force and authority as if decided by the Board.	Ongoing	Board Responsibility The CEO does establish policies, and authorizes staff to develop policies on his behalf.				
3.3.4	The Board may change its Ends and Executive Limitations policies, thereby shifting the boundary between Board and CEO domains. By doing so, the Board changes the latitude of choice given to the CEO. However, as long as any particular delegation is in place, the Board will respect and support the CEO's choices.	Ongoing	Board Responsibility The Board has not changed its policies since this manual was created and approved, except for the delegation of authority for issuing bonds, which is periodically revised and renewed. The Finance & Audit Committee Policy has also been periodically revised.				
3.3.5	Should the CEO violate a Board policy, he or she shall promptly inform the Board. Informing is simply to guarantee no violation may be intentionally kept from the Board, not to request approval. Board response, either approving or disapproving, does not exempt the CEO from subsequent Board judgment of the action nor does it curtail any executive decision.	Ongoing	The CEO regularly consults with the Board Chair, and also with the FAC Chair as necessary and appropriate. Difficult information is not withheld from the Board, as demonstrated by communication about JEA's Top Corporate Risks.				

Board Governance Manual Compliance & Update Assessment

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3.4 MONITORING CEO PERFORMANCE	Monitoring CEO Performance: Systematic monitoring of CEO job performance will be solely against the only expected CEO job achievements: organizational accomplishment of Board policies on Ends and organizational operation within the boundaries established in Board policies on Executive Limitations.	Ongoing	Board Responsibility	Rather than “expected CEO job achievements” suggest using “CEO goals that correlate with JEA strategic goals and are mutually agreed to by the Board and the CEO”.			
3.4.1	Monitoring is simply to determine the degree to which Board policies are being met. Data or information that does not do this will not be considered to be monitoring information.	Ongoing	Board Responsibility				
3.4.2	The Board will acquire monitoring information by one or more of these methods: <ul style="list-style-type: none"> By internal report, in which the CEO discloses interpretations and compliance information to the Board. By external report, in which an external, disinterested and independent third party selected by the Board assesses compliance with Board policies (e.g. external financial audit). By direct Board inspection, in which a designated member or members of the Board assess compliance with the appropriate policy criteria. 	Ongoing	Board Responsibility The Board regularly receives various operational, financial, regulatory compliance, and other reports pertaining to JEA’s strategic objectives, but these reports do not necessarily correlate to the Ends in this manual.	Suggest that a document be prepared summarizing all the reports currently provided to the Board, and mapping them to their Ends (or policy statements), JEA’s strategic objectives, and other items in the 3.4.5 Schedule below. If any gaps are identified, consider developing additional reports as needed.			
3.4.3	In every case, the Board will judge (a) the reasonableness of the CEO’s interpretation and (b) whether data demonstrate accomplishment of the interpretation.	Ongoing	Board Responsibility At every Board meeting, Board members have the opportunity to ask questions and make requests for more information.	Sections 3.4.3 – 3.4.4 are somewhat repetitive. Suggest they be combined and condensed.			
3.4.4	The standard of compliance shall be any reasonable CEO interpretation of the Board policy being monitored. The Board is the final arbiter of reasonableness.	Ongoing	Board/CEO Responsibility	See 3.4.3 above.			
3.4.5	All policies that instruct the CEO will be monitored at a frequency and by a method chosen by the Board. The Board can monitor	Ongoing	Board/CEO Responsibility				

Board Governance Manual Compliance & Update Assessment

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	any policy at any time by any method, but will ordinarily depend on a routine schedule:						
3.4.5 Schedule 1 Policies	<ul style="list-style-type: none"> • Ends – Internal • Treatment of Customers – Internal • Treatment of Staff – Internal • Financial Planning/Budgeting – Internal • Financial Condition & Activities – Internal/External • Asset Protection – Internal • Emergency CEO Succession – Internal • Communication and Support to Board – Internal 	Annually Annually Annually End of Qtr. End of Qtr./Fiscal YE Annually Annually Annually	The Board receives numerous reports addressing these topics throughout the year. In the Manual, there is a footnote appearing just above the schedule at left that states the final schedule will be set after policies are developed. We are not aware of any subsequent Board policies being developed.	Suggest adopting this schedule as final. Also, see suggestion in 3.4.2 above. This schedule could replace 3.3.1 above.			
3.4.5 Schedule 2 Reports	In addition to the monitoring reports above, the Board must receive the following information each month. It is understood that this data is supplemental, not monitoring: <ul style="list-style-type: none"> • Financial Report– Internal • Operational Report– Monthly End of Month	End of Month	CEO Responsibility These reports are provided to the Board each month, and are presented at Board meetings every other month.				
3.5	CEO Remuneration: Salary and benefits and other terms of employment for the CEO will be determined by contract.	Ongoing	Board Responsibility A CEO contract is currently in force, and a Board committee has been formed to negotiate a new one in the coming months.				
4.1 GOVERNING STYLE	The Board will govern in accordance with legal requirements, observing the principles of the Policy Governance model, with an emphasis on (a) outward vision rather than internal preoccupation, (b) encouragement of	Ongoing	Board Responsibility The Board is regularly required to spend time on current activities such as budget, labor, and bond deal approvals. The Board	Suggest that the Board Chair remind Board members of this and all other governance requirements.			

Board Governance Manual Compliance & Update Assessment

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	diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of Board and chief executive roles, (e) collective rather than individual decisions, (f) future more so than past or present, and (g) proactivity rather than reactivity.		receives frequent status reports on JD Power results, an outward, customer facing initiative. The Board has also formed the EPA committee to monitor pending environmental regulations that will have a significant impact on JEA.				
4.1.1	Unique Requirements of Florida Law for Public Boards: In conducting its duties as a Board in Florida, the Board is required to comply with the Florida Sunshine Law, which prohibits any two or more members of the Board from meeting unless the meeting has been properly noticed and conducted in accordance with the legal requirements. In addition, Florida Law contains requirements regarding Public Records, conflicts of interest and voting which must be followed in the conduct of the Board's business.	Ongoing	Board Responsibility All public records, and conflict of interest requirements are adhered to by the Board, and periodic training/refreshers are provided on these topics by OGC. JEA observes all public meeting requirements.				
4.1.2	The Board will cultivate a sense of group responsibility and will be a proactive Board versus a reactive Board. The Board, not the staff, will be responsible for excellence in governing. As appropriate, the Board will suggest topics for policies to staff who will perform the research and flesh out the policy for Board approval. The Board will use the expertise of individual members to enhance the ability of the Board as a body rather than to substitute the individual judgments for the Board's values.	Ongoing	Board Responsibility The Board has not generally initiated policy. The Board reviews and approves policies brought by staff. In the last few years Board member turnover has been substantial, and Board members are not industry experts. It is especially difficult for newer Board members to initiate and formulate policies. One exception – in 2008, the Board did initiate the creation of an audit committee.	Consider revising this section as shown at left in red, or delete it.			
4.1.3	The Board will direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the Board's values and perspectives. The Board's major policy focus will be on the intended long-term impacts outside the staff organization, not on the administrative or	Ongoing	Board Responsibility The Board approved and implemented the establishment of this Governance Manual, which contains substantial policy type statements.				

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
	programmatic means of attaining those effects		The CEO arranges for staff to regularly present topics to the Board involving outside long term impacts. In addition, Board members receive quarterly ERM reports which focus on the company's biggest risks, many of which are external.				
4.1.4	The Board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuance of governance capability. Although the Board can change its Governance Process policies at any time, it will diligently observe those currently in force.	Ongoing	Board Responsibility	When there is a vacancy on the Board, suggest that existing Board members clearly communicate the expectations of the job to the Mayor's office, and encourage the Mayor to select candidates who will willingly meet those expectations.			
4.1.5	Continual Board development will include orientation of new Board members in the Board's governance process and periodic Board discussion of governance process improvement.	Ongoing	Board/CEO Responsibility Current practice is to assign new Board members to the Finance & Audit Committee, which has been effective in providing a crash course in certain JEA functions and processes. In addition, the CFO, Treasurer, Controller, and Chief Auditor provide an orientation session for new members of the Finance & Audit Committee.	Provide more structured training for new Board members at the start of their tenure, especially in public records, restraint in front of the media, conflict of interest and other ethics issues, and regulatory reporting requirements for Board members. Training should include appropriate documents that they can refer back to should the need arise.			
4.1.6	The Board will allow no officer, individual, or committee of the Board to hinder or serve as an excuse for the Board not fulfilling its commitments.	Ongoing	Board Responsibility The Board is in compliant with this provision.				
4.1.7	Each member of the Board will respect the final determination of the Board concerning any particular matter, regardless of the member's personal position concerning such matter.	Ongoing	Board Responsibility There has been some apparent discord among Board members on several occasions, even in the recent past, which created some controversy, and could have negatively impacted the ability of	Suggest that Board members be reminded by their Chair that they must show respect to fellow Board members, and also that during Board meetings, all comments are subject to			

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
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			Board members to perform their duties and reach decisions.	public scrutiny by the media.			
4.2 BOARD JOB DESCRIPTION	Specific responsibilities of the Board are those that ensure appropriate organizational performance.						
4.2.1	The Board is the authoritative link between the organization and the ownership.	Ongoing	Board Responsibility The Board is the official link between COJ and JEA, but the term “authoritative link” could be better defined. The CEO is the individual whom city officials would most likely contact when needing a decision or information.	Suggest revising 4.2.1 to more accurately define the roles and responsibilities, as noted below. The Board is the official link between JEA and COJ, and is the final authority on decisions within its purview. JEA’s CEO is the main contact for COJ on normal business matters.			
4.2.2	The Board will provide governing policies that realistically address the broadest levels of all organizational decisions and situations: a. Ends: The organizational outcomes to its recipients including the relative worth of such outcomes in cost or priority. (What good for which recipients at what cost) b Executive Limitations: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place. c. Board-Management Delegation: Specification of how power is delegated and its proper use monitored; clarity on the CEO’s role, authority, and accountability. d. Governance Process: Specification of how the Board develops, carries out, and monitors its own responsibilities.	Ongoing	Board Responsibility The Board Governance Manual fulfills the purpose outlined at left. However, the Manual contains policy statements, not actual policies in the normal sense.				
4.2.3	The Board will measure the CEO’s performance against its Ends and Executive Limitations Policies.	Ongoing	Board Responsibility The Board has handled this with respect to the past CEO and is expected to continue with the current CEO.	Since there continue to be new Board members, they may need some guidance on this process, including tools/forms to be used. Also, suggest that CEO			

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
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				<p>performance be measured against the CEO's goals and JEA's strategic objectives, as mutually agreed to by the CEO and the Board. See suggested wording changes below.</p> <p>The Board will measure the CEO's performance against the CEO's goals and JEA's strategic objectives, which would address the Board's Ends and Executive Limitations, and which would be mutually agreed to by the CEO and the Board.</p> <p>Also, this item seems duplicative with section 3.4 Monitoring CEO Performance. Suggest one of them be eliminated.</p>			
4.2.4	The Board will measure its own performance against its Governance Process and Board-Management Delegation Policies quarterly.	Ongoing	<p>Board Responsibility</p> <p>To our knowledge, the Board has not measured its own performance, either quarterly, or with any other frequency. There has been significant turnover on the Board for the past few years, with vacancies lasting for months before being filled by the Mayor and City Council.</p> <p>The Finance & Audit Committee performs its own self-assessment annually.</p>	<p>The FAC recommended that the full Board also perform a self-assessment process similar to what the Finance & Audit Committee uses.</p> <p>In addition, it is suggested that the Board review past Board turnover and evaluate the reasons to determine if there are trends that need to be addressed by changes to this Manual.</p>			
4.2.5	Board members will respect their fiduciary responsibilities to protect and enhance the value of JEA as a citizen-owned enterprise	Ongoing	Board Responsibility	The JEA Board may want to consider developing desirable skills profiles for			

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
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	with due diligence using sound business judgment consistent with JEA's legislative charter.		<p>Board members do fulfill their fiduciary responsibilities, some of which are delegated to the Finance & Audit Committee.</p> <p>The current Board has a good balance of the skillsets identified at right.</p>	Board members so that there is representation from the fields of finance, law, marketing/communications, community service/nonprofit, and internal/external auditing and accounting. These profiles could be provided to the Mayor's office to assist in identifying candidates.			
4.3 AGENDA PLANNING	To accomplish its responsibilities with a governance style consistent with Board policies, the Board will follow an annual agenda that (a) completes a re-exploration of Ends policies at least annually and (b) continually improves Board performance through education and deliberation.		The Board has not reassessed this Manual since it was approved in 2010.	The changes suggested in this document may assist with a reassessment process.			
4.3.1	<p>The Board will establish its annual agenda during an annual retreat to be scheduled around March of each year.</p> <p>a. The Board will review and re-establish its Ends policies as often as necessary with review always taking place at least during the annual retreat.</p> <p>b. Consultations with selected groups in the ownership, or other methods of gaining ownership input, will be scheduled as part of the annual agenda.</p> <p>c. Governance education and education related to Ends determination (presentations by futurist, demographers, advocacy groups, staff, etc.) will be scheduled as part of the annual agenda.</p>	Ongoing	<p>Board/CEO responsibility</p> <p>Board workshops are held at least annually to review and approve JEA's strategic objectives each fiscal year. Workshops are also held periodically to address a Board need for more detailed information on a particular subject that would be too time-consuming for a regular Board meeting.</p> <p>However, these workshops do not typically address reviewing the Ends policies in this manual.</p>	Suggest revising this section to more accurately reflect what actually takes place.			
4.3.2	<p>The agenda for the Board's monthly meeting will be established through consultation with the Chair and the CEO.</p> <p>a. The agenda along with supporting item documentation will be made available to</p>	Ongoing	<p>Board/CEO Responsibility</p> <p>Section 4.3.2 is being adhered to.</p>	For part c., two weeks (only one week for JEA staff) may not be long enough to develop a presentation on a complex subject.			

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
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	<p>Board members seven days prior to monthly Board meetings.</p> <p>b. The Board will attend to consent agenda items as expeditiously as possible.</p> <p>c. A Board member may bring up new business at the appropriate time on the agenda during any meeting; however, if a formal response or presentation is necessary, a request should be made to the CEO no later than two weeks before the Board meeting to allow others on the Board to receive information in advance.</p> <p>d. CEO monitoring will be on the agenda if reports have been received since the previous meeting, if plans must be made for direct inspection monitoring, or if arrangements for third-party monitoring must be prepared.</p>			Part d. Since CEO goals should be closely aligned with JEA strategic objectives, suggest part d. focus on monitoring strategic objectives via reports received from management.			
4.4 BOARD OFFICERS	Board officers assure the integrity of the Board's process and record's. Board officers are: Chairman, Vice-Chairman, Secretary & Assistant Secretary.	Ongoing	Board Responsibility				
4.4.1	<p>The Chairman, a specially empowered member of the Board, ensures the integrity of the Board's process and, secondarily, occasionally represents the Board to outside parties.</p> <p>a. The Chairman's role is to see that the Board behaves consistently within its own rules and those rules and regulations imposed upon it from outside the organization.</p> <p>(1) Meeting discussion content will consist of issues that clearly belong to the Board to decide Board/CEO responsibility or to monitor according to Board policy.</p> <p>(2) Information that is neither for monitoring performance nor for Board decisions will be avoided or minimized and always noted as such.</p> <p>(3) Deliberation will be fair, open, and thorough but also timely, orderly, and kept to the point.</p> <p>b. The authority of the Chairman consists in making decisions that fall within topics covered by Board policies on Governance</p>	Ongoing	<p>Board/CEO Responsibility</p> <p>Board Chairs have been complying with the provisions of this section.</p> <p>The CEO works closely with the Board Chair when developing meeting agendas.</p>	<p>Change the term Chairman at left to Chair, since the Chair has been female on multiple occasions.</p> <p>New or prospective Board Chairs and Vice Chairs, depending on their experience level, may need coaching on how to interact with the media, how to bring the discussion back to the subject at hand, and/or when to bring the discussion to a close if it has gone on long enough.</p>			

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
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	<p>Process and Board-Management Delegation, with the exception of (a) employment or termination of the CEO and (b) areas where the Board specifically delegates portions of this authority to others. The Chairman is authorized to use any reasonable interpretation of provisions in these policies.</p> <p>(1) The Chairman is empowered to chair Board meetings with all the commonly accepted powers of that position, such as ruling and recognizing.</p> <p>(2) The Chairman has no authority to make decisions about policies created by the Board within Ends and Executive Limitations policy areas.</p> <p>(3) The Chairman may represent the Board to outside parties in announcing Board-stated positions and in stating Chairman decisions and interpretations within the area delegated to that role.</p> <p>(4) The Chairman may delegate this authority but remains accountable for its use.</p> <p>(5) The Chairman may appoint members and a Chairman for each Board committee, unless otherwise stipulated by Board policies or the organization's Bylaws.</p> <p>c. Expected Traits for chairman: (Does the Board want to include some basic core traits for the chair?)</p>			4.4.1.c. Basic core traits for the Chair have never been defined. Suggest this item be deleted.			
4.4.2	The Vice-Chairman or, in the absence of the Vice-Chairman, the immediate Past-Chairman will serve as Chair in the absence of the Chairman.	Ongoing	<p>Board Responsibility</p> <p>This provision is being adhered to.</p>				
4.4.3	The Board Secretary is an officer of the Board whose purpose is to ensure the integrity of the Board's documents.	Ongoing	Board/CEO Responsibility	Board members, or at least the Secretary, may need training on the Charter, By-			

Board Governance Manual Compliance & Update Assessment

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	<p>a. The Secretary's role is to see to it that all Board documents and records are accurate and timely.</p> <p>(1) Policies will be current in their reflection of Board decisions. Decisions upon which no subsequent decisions are to be based, such as consent agenda decisions, motions to adjourn, and staff or Board member recognitions, need not be placed in policy.</p> <p>(2) Policy Governance principles will be followed in policy development.</p> <p>(3) Board policies and By-laws are to be consistent with the legal requirements of Florida Law, Ordinances of the City of Jacksonville and the JEA Charter and are to be known by the Board.</p> <p>(4) Board expectations for format, brevity, and accuracy of Board minutes will be known to the CEO.</p> <p>b. The authority of the secretary is access to and control over Board documents and records.</p>		There is not process in place to assure that 4.4.3.a.1-3 are being adhered to.	<p>laws, Ordinances, etc., and on the role of the Secretary.</p> <p>This is a critical position for the Board and should not be passed around from member to member. Someone from JEA may need to be appointed as an assistant to the Secretary (not Assistant Secretary as shown in 4.4.4 below) to help with compliance issues.</p> <p>Also, when a significant Board decision is to be made, it should be vetted against the policy statements in this manual, and other pertinent policies, to determine if changes are needed either to the decision or to existing policies. A component could be added to the Agenda Item Summary form to address this, or item 4.4.3 should be revised or deleted.</p>			
4.4.4	The Assistant Secretary will serve as Secretary in the absence of the Secretary.	Ongoing	<p>Board/CEO Responsibility</p> <p>Currently an Assistant Secretary has not been appointed.</p>	A Board member should be appointed as Assistant Secretary, or if this is no longer felt to be needed, this item should be deleted, and any other applicable Board documents should be updated accordingly.			
4.5. RULES OF ORDER	Board meetings will be conducted in an orderly and fair process consistent with the requirements of Florida Law, Ordinances of the City of Jacksonville, the JEA Charter, Bylaws and these governance policies. Meetings will be led by the Chairman, or, in	Ongoing	<p>Board Responsibility</p> <p>4.4.2 above states that in the absence of the Chair and Vice Chair, meetings will be chaired by the former Chair.</p>	4.5 should be revised to match 4.4.2 above.			

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
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	the absence of the Chairman, the Vice-Chairman, or, in the absence of both, by the Chairman's designee.						
4.5.1	<p>Board meetings will be conducted with punctuality and order.</p> <p>a. Board meetings shall be called to order at the time specified in the notice of meeting and upon satisfaction of a quorum.</p> <p>b. Meeting order shall be maintained and all members treated with dignity, respect, courtesy, and fairness during discussion and debate and in all other respects.</p> <p>c. Board members must keep their comments relevant to the issue under consideration.</p> <p>d. In order to conduct business, a quorum of four (4) board members must be present. Four affirmative votes are required to decide all motions before the Board regardless of number in attendance.</p>	Ongoing	Board Responsibility	The Board Chair should bring the discussion back to the subject at hand and/or curtail it if it strays to other subjects, becomes repetitive, or is no longer productive.			
4.5.2	<p>Board meetings will be conducted at a level of informality considered appropriate by the Chairman yet with predictable discipline.</p> <p>a. Discussion of a matter not on the previously distributed agenda may occur only after Board consent that the matter be heard.</p> <p>b. Proposals that the Board take action, or decide a particular matter, shall (unless otherwise agreed to by unanimous consent) be made by main motion of a Board member, discussed, and then voted on. Motions require a second to proceed to discussion and subsequent vote.</p> <p>c. The Chair may not make motions but can engage in debate and is required to vote.</p> <p>d. A motion to amend a main motion may be amended but third level amendments are not to be heard.</p> <p>e. A motion to refer to a committee, postpone, or table, may be made with respect to a pending main motion, shall take precedence over the pending motion and, if carried, shall set the main motion (the initial proposal) aside accordingly.</p>	Ongoing	<p>Board Responsibility</p> <p>In general, the Board is adhering to these provisions, with the possible exception of d. and e. which have not occurred in recent memory to our knowledge.</p>				

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
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	<p>f. Board members may speak to a pending motion on as many occasions, and at such length, as the Chair may reasonably allow.</p> <p>g. A vote on a motion shall be taken when discussion ends, but any Board member may, during the course of debate, move for an immediate vote (close debate or call the question) which, if carried, shall end discussion and the vote on the main motion shall then be taken. Votes may be made by voice vote or by roll call. All members of the Board are required to vote unless a conflict of interest is declared.</p> <p>h. A motion to adjourn a Board meeting may be offered by any Board member or, on the conclusion of all business, adjournment of the meeting may be declared by the Chair.</p>						
4.5.3	When further rules of order are to be developed by the Board, the Board will consider the Standard Code of Parliamentary Procedure (Robert's Rules of Order) as a resource guide. The representative from the Office of General Council may serve the Board as a resource on Parliamentary Procedure.	Ongoing	<p>Board Responsibility</p> <p>4.5.3. is being adhered to, and OGC does regularly assist as needed..</p>				
4.6 BOARD MEMBER'S CODE OF CONDUCT	The Board commits itself to lawful, ethical and businesslike conduct, following all requirements of Florida Law, Ordinances of the City of Jacksonville, and the JEA Charter including proper use of its authority and appropriate decorum when acting as Board members.	Ongoing	Board Responsibility	Suggest that Board members periodically receive a refresher from OGC on applicable state and local laws, and the JEA Charter.			
4.6.1	Members are expected to represent the interests of the ownership. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. It also supersedes the personal interest of any Board member acting as a consumer of the organization's services.	Ongoing	<p>Board Responsibility</p> <p>In general, this is being adhered to. Ownership is assumed to mean the citizens of Duval County, not necessarily the COJ administration or City Council. Board members seem to be acutely aware of this and are regularly reminded by JEA management.</p>	This section should be clarified to define ownership as the citizens of Jacksonville			
4.6.2	Members must avoid conflict of interest with respect to their fiduciary responsibility. Such	Ongoing	Board Responsibility	New Board members should be informed of these requirements, and all Board			

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
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	<p>conflicts of interest include but are not limited to the following:</p> <p>a. There will be no self-dealing or business by a member with the organization. Members will annually disclose their involvements with other organizations or with vendors and any associations that might be reasonably seen as representing a conflict of interest.</p> <p>b. When the Board is to decide upon an issue about which a member has an unavoidable conflict of interest, that member shall announce and declare publicly any conflict of interest and withdraw without comment not only from the vote but also from the deliberation.</p> <p>c. Board members will not use their Board position to obtain employment in the organization for themselves, family members, or close associates. Any such existing relationship is expected to be disclosed to the Board. A Board member who applies for employment must first resign from the Board.</p>		<p>4.6.2.a. Board members must submit Form 1, Statement of Financial Interests, to the Duval County Supervisor of Elections by July 1 every year. Former Board members must submit Form 1F, Final Statement of Financial Interests, also to the Supervisor of Elections. The Supervisor of Elections monitors whether the forms have been received, and if not, will notify the Board member and JEA. After a certain period, a fine will begin accruing if the form is not submitted.</p> <p>4.6.2.b. Board members do withdraw from voting when the vote involves a financial transaction pertaining to their company.</p> <p>4.6.2.c. A relative of a Board member currently works for JEA. We do not recall seeing this disclosed to the Board in an official fashion. We do not know if it was informally disclosed. The Board member involved will shortly be leaving the Board due to term limits.</p>	members should be reminded prior to July 1 to submit their completed forms.			
4.6.3	<p>Members may not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.</p> <p>a. Members' interaction with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly authorized by the Board.</p> <p>b. Members' interaction with the public, the press, or other entities must recognize the same limitation and the inability of any Board</p>	Ongoing	<p>Board/CEO Responsibility</p> <p>4.6.3.a. In recent years all Board contact has been with the CEO (or a designated backup). As an exception, the FAC Policy allows the FAC Chair to contact the Chief Audit Executive (Director, Audit Services) directly, if necessary.</p>				

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
	member to speak for the Board except to repeat explicitly stated Board decisions. c. Except for participation in Board deliberation about whether the CEO has achieved any reasonable interpretation of Board policy, members will not express individual judgments of negative performance of employees or the CEO.		4.6.3.c. There have been instances where this provision was not complied with.	Part c. Suggest that the Board Chair reiterate Part c to the Board members. Also suggest part c be reworded to say “deliberation regarding the CEO’s annual performance evaluation” instead of the existing “achieving any reasonable interpretation of Board policy”.			
4.6.4	Members will respect the confidentiality appropriate to issues of a sensitive nature.	Ongoing	Board Responsibility Confidential matters may be discussed individually with one member at a time, but other than Shade meetings for labor issues, all other meetings are in the sunshine.				
4.6.5	Members will be properly prepared for Board deliberation.	Ongoing	Board Responsibility	Suggest that the Board Chair reiterate this provision with all Board members, perhaps on an annual basis.			
4.6.6	Members are expected to support the legitimacy and authority of the final determination of the Board on any matter, without regard to the member’s personal position on the issue.	Ongoing	Board Responsibility At times in the past, it has been apparent that certain Board members have not fully supported Board decisions with which they did not agree.	Suggest that the Board Chair reiterate this provision with all Board members.			
4.6.7	Members who have any question about the appropriateness of their conduct should consult with the Office of General Counsel or appropriate Ethics offices for information.	Ongoing	Board Responsibility Board members properly consult with OGC as needed and appropriate.				
4.7 DIRECTORS' INDIVIDUAL RESPONSIBILITY	The leadership success of the Board is a direct result of the individual and collegial participation of its members. Therefore, each Board member is expected to participate in the following ways:	Ongoing					

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
4.7.1	Time Investment to Accomplish Board Responsibilities - As Board contemplation, deliberation and decision-making are processes which require wholeness, collaboration and participation, attendance at Board meetings is expected of Board members. a. Expected Commitments: (1) Monthly Board Meetings (2) Annual Team Building (3) Quarterly Review (4) Bond Rating Agency Trip, 3 days (Board Chair is expected to attend. However, full participation is highly encouraged.) b. Optional Involvement: (1) Internal educational meetings with staff upon request (2) Industry related seminars and conferences (3) Visit other utilities and related industries	Ongoing	Board Responsibility	Suggest that the Board Chair reiterate time investment responsibilities to the current members, and to the Mayor's office if/when they are selecting a new Board member. Add membership in committees such as FAC and EPA. Delete Annual Team Building and Quarterly Review?			
4.7.2	Preparation and Participation - Board members will prepare for Board and committee meetings and will participate productively in discussions, always within the boundaries of discipline established by the Board. Each member will contribute his or her own knowledge, skills and expertise to the Board's efforts to fulfill its responsibilities.	Ongoing	Board Responsibility	Duplicative with 4.6.5. Suggest removing 4.6.5.			
4.7.3	Members as Individuals - The CEO is accountable only to the Board as an organization, and not to individual Board members. Accordingly, the relationship between the CEO and individual members of the Board, including the Chairman, is collegial, not hierarchical.	Ongoing	Board/CEO Responsibility	The Board Chair should reiterate this policy to Board members.			
4.8 BOARD COMMITTEE PRINCIPLES	Board committees, when used, will be assigned so as to reinforce the wholeness of the Board's job and not to interfere with delegation from the Board to the CEO.	Ongoing					
4.8.1	Board committees are to help the Board accomplish its responsibilities and are not assigned to perform staff functions. Committees ordinarily will assist the Board by preparing policy alternatives and implications for Board deliberation. In keeping with the	Ongoing	Board Responsibility				

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
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	Board's broader focus, Board committees will normally not have direct dealings with current staff operations unless specifically outlined in committee objectives.						
4.8.2	Board committees may not speak or act for the Board except when formally given such authority for specific purposes. Expectations and authority will be carefully stated in order to prevent conflict with authority delegated to the CEO.	Ongoing	Board Responsibility				
4.8.3	Board committees cannot exercise authority over staff. The CEO works for the full Board, and will therefore not be required to obtain the approval of a Board committee before an executive action.	Ongoing	Board/CEO Responsibility The Finance & Audit Committee does exercise some authority over the Audit Director.	Consider updating this provision accordingly.			
4.8.4	Committees will be formed for a specific purpose only. Its purpose and function will be documented in a written charge. All committees are accountable to the Board as a whole.	Ongoing	Board Responsibility				
4.8.5	This policy applies to any group that is formed by Board action, whether or not it is called a committee and regardless of whether the group includes Board members, it does not apply to committees formed under the authority of the CEO.	Ongoing	Board Responsibility				
4.9 BOARD COMMITTEE STRUCTURE	A committee is a Board committee only if its existence and charge come from the Board, regardless of whether Board members sit on the committee. The only standing Board committees are those which are set forth in the Bylaws or in this policy. Unless otherwise stated, a committee ceases to exist as soon as its task is complete. The CEO will attend meetings of each committee, but shall not have a vote.	Ongoing	Board/CEO Responsibility The CEO is in compliance with this provision. Neither the EPA Committee nor the Workforce Management Committee are mentioned here.	If these two committees are going to be long term standing committees, they should be included in this section.			
4.9.1	Nominating Committee: The purpose of the Nominating committee is to recommend Board officers for election by the Board as a whole. a. The Nominating Committee will be comprised of three members. The current Chairman (which shall serve as chair of the committee) and the two most immediate past	Ongoing	Board Responsibility Nominating Committee members have nominated themselves for a Board office. 4.9.1 does not address this one way or the other.	Suggest clarifying wording in 4.9.1 to address whether Nominating Committee members can nominate themselves.			

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
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	Chairman still remaining on the Board will constitute the committee. If one or more past chairman is no longer serving on the Board, the Chairman shall select Board members to fill out a committee of three. b. The Nominating Committee shall be formed no later than January of each year and will make its recommendation to the Board for action at its March meeting.			4.9.1.b should be adjusted to say at the February meeting (when most Board member terms usually end), or say “by the March meeting”, which could then mean Feb. or March. Most recent nominations were announced and voted on at the Feb. meeting.			
4.9.2	Finance and Audit Committee: The purpose of the Finance and Audit committee is to assist the Board in fulfilling its oversight responsibilities by reviewing financial information, systems of internal controls, and audit process, including a high level review of the operating and capital budgets. The committee will provide an open avenue of communication between the Board, Management, Audit Services, and external auditors. a. The Finance and Audit committee will be comprised of three members appointed annually by the chair and confirmed by the Board. Two members will constitute a quorum. b. The committee will meet at least four times per year. A schedule of regular meetings will be established by the committee annually. Special meetings may be called by any committee member. Meeting dates, times and location will be announced to the entire Board. c. The committee shall oversee: (1) Internal controls and risk assessment (2) Internal Audit Services (3) Compliance with laws, regulations and code of conduct (4) Financial Reporting d. The committee will oversee the External Auditor	Ongoing	Board Responsibility The FAC is in compliance with this provision.	A slight wording change is needed. Highlighted words should say “at least three” to agree with the current FAC Policy. Also add Treasury transactions to the list in 4.9.2.c.			
4.9.3	Other Committees may be established as designated by the Chair.	Ongoing	Board Responsibility				

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
4.10 COST OF GOVERNANCE	The Board will invest in continuous improvement in its governance capacity.	Ongoing					
4.10.1	<p>The Board will use appropriate methods to improve its governing skills.</p> <p>a. Training and retraining will be used liberally to orient new members as well as to maintain and increase existing members' skills and understandings.</p> <p>b. Outside monitoring assistance will be arranged so that the Board can exercise confident control over organizational performance. This includes but is not limited to a financial audit.</p> <p>c. Outreach mechanisms will be used as needed to ensure the Board's ability to listen to owner viewpoints and values.</p> <p>d. Knowledgeable industry experts will be made available to the Board in various ways to continuously improve the Board's awareness of emerging utility industry issues.</p>	Ongoing	<p>Board/CEO Responsibility</p> <p>4.10.1.a. New Board members may need additional training.</p> <p>4.10.1.b. Also, outside monitoring assistance includes the external financial audit, and an outside consultant to help with the strategic initiative planning process. With staff assistance, the consultant developed an in depth assessment of JEA's strengths and developmental areas. The strategy development process was discussed with the Board.</p> <p>4.10.1.c. JD Power survey results are now being brought before the Board on a regular basis.</p> <p>4.10.1.d. Knowledgeable industry experts within JEA provide periodic presentations to the Board during regular meetings, at post-meeting workshops, and to the EPA Committee.</p>	As stated above, suggest considering additional training for Board members.			
4.10.2	<p>Costs for appropriate Board governance will be included during annual budget preparations. Any expenditure required will be in accordance with JEA procurement policies. Items may include but not be limited to the following as annually decided by the Board:</p> <p>a. training</p> <p>b. attendance at conferences, industry site visits and Rating Agency presentations</p> <p>c. audit and other third-party monitoring of organizational performance</p>	Ongoing	<p>Board/CEO Responsibility</p> <p>Board governance costs are not included in the annual budget as a separate line item, but the money is set aside within the appropriate business group cost center. When requests for funds for trips or training come up, they are brought before the full Board for approval. Any cost request involving a Purchase Order or contract would</p>				

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
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	d. surveys, focus groups, opinion analysis, and meeting costs.		follow the JEA procurement process.				
CEO COMPETENCIES 3.6 Appendix	Models Integrity <ul style="list-style-type: none"> • Demonstrates high ethical standards and models important values for others to follow. • Behaves and expresses oneself in an open and honest manner; is consistent in word and deed • Is a fair person who does not manipulate or take advantage of others • Tells the truth even when it is difficult • Utilizes values and principles to guide his/her decisions • Builds respect and trust from others by following through on commitments • Represents information accurately and completely • Assumes responsibility for own behavior; admits to mistakes 	Ongoing	<p>CEO has made the difficult staffing decisions when necessary, and gives management and staff the truth about tough issues.</p> <p>CEO does not make exceptions for himself regarding following the rules, even though it may sometimes be inconvenient.</p>	Suggest that this entire section be revised and pared down to the essentials. It is not reasonable for any CEO to have to demonstrate every competency listed in this section, nor can any Board be in a position to accurately assess all these competencies or spend the time necessary to do so.			
	Makes Quality Decisions <ul style="list-style-type: none"> • Examines and integrates data from a variety of sources to make quality decisions • Prioritizes decisions and initiatives in ways that ensures the highest value for the organization • Makes educated and effective decisions in a timely manner, even when data is limited • Makes high-quality strategic decisions for the organization even when the consequences may be controversial • Seeks the input of others to ensure that decisions made will be best for the organization and will minimize conflict with other initiatives • Takes appropriate risks that weighs the positive and negative impact of each decision on the organization 	Ongoing	<p>CEO makes data-driven decisions and is very knowledgeable about the utility industry.</p> <p>Decisions pertaining to the reorganization and customer initiatives were timely and announced as planned.</p> <p>Regarding long term strategic initiatives, the CEO sought input from various levels of management prior to making decisions, and engaged a consultant to assist with the process.</p>				
	Takes Initiative <ul style="list-style-type: none"> • Assumes full ownership and accountability for own performance 	Ongoing	CEO took on the stretch challenge of significantly improving JEA's score on the JD Power surveys within a very tight timeframe,				

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
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	<ul style="list-style-type: none"> • Takes on challenging work, even in the face of obstacles • Initiates action on projects without being pressured from others to do so • Reacts quickly to address problems that threaten organizational objectives • Seeks out opportunities to extend or expand upon the organization's position in the market place • Is passionate, highly engaged and highly energetic 		<p>while maintaining operational and financial excellence. This effort has been very successful.</p> <p>CEO is passionate about improving customer satisfaction and JEA's reputation in the community. This is communicated to employees in written announcements, video presentations, management meetings and town hall meetings. He also speaks to groups all over the city to help them get a better understanding of the utility business.</p>				
	<p>Communicates Effectively</p> <ul style="list-style-type: none"> • Listens actively to ensure understanding of each person's point of view • Clearly articulates (through speech or in writing) own knowledge and ideas so they are easily understood and applied to others • Communicates through appropriate channels • Identifies sources of motivation and appeals directly to co-workers in a language meaningful to them • Is engaging with others and demonstrates professionalism through body language, including eye-contact, confidence, and focus • Addresses difficult problems and perceptions that, if left untreated, could undermine the success of the organization • Ensures regular, consistent, and meaningful communication throughout the organization 	Ongoing	<p>Through the customer satisfaction initiative, SJRPP pension reform, and more recently, City pension issues, the CEO has demonstrated his willingness to tackle difficult problems and perceptions.</p> <p>Due to the CEO's effective communication skills, monthly management meetings are virtually standing room only.</p>				
	<p>Drives Results</p> <ul style="list-style-type: none"> • Seeks to achieve improved or even unprecedented results and demonstrates personal accountability for outcomes • Creates a positive environment in which results flow from a desire to achieve 	Ongoing	<p>Through the goal setting process, the strategy initiative process and CTAs, the CEO is demonstrating driving for results.</p>				

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
	<ul style="list-style-type: none"> Sets strategic goals and measurable performance expectations for defining success Drives execution with speed and discipline, and delivers on personal and organizational commitments Demonstrates ownership for performance of entire organization, and holds self and organization accountable for decisions and results Assesses financial implications of initiatives; allocates resources to improve results while maintaining financial discipline Actively monitors performance of self and others relative to performance objectives 		Then CEO fulfills personal commitments, and inspires that same level of accountability in his subordinates.				
	Focuses on the Customer <ul style="list-style-type: none"> Places high priority on identifying and meeting internal and external customer needs Provides high quality, valuable and consistent service to customers Ensures that customers understand and receive the fullest value possible from the products and services of the organization Assures that products and services meet customer needs and expectations Adapts and personalizes services to meet individual customer needs Anticipates changing customer needs and develops ways to meet or exceed those needs Utilizes follow-up procedures to ensure consistency and determine where improvements can be made to maintain high customer satisfaction 	Ongoing	The CEO initiated the most comprehensive customer satisfaction initiative in the JEA's history, and hired JD Power to measure our progress. He also hired a Chief Customer Officer from another utility that was tier 1 in customer satisfaction.				
	Fosters Teamwork <ul style="list-style-type: none"> Shares relevant expertise and knowledge to ensure team members have adequate information to make decisions and achieve objectives Identifies and removes barriers that interfere with the team's success and 	Ongoing	<p>The CEO has hired executives from outside JEA who excel at teamwork to fill vacant SLT positions.</p> <p>CEO embraces JEA's multi-cultural events and has pledged to continue supporting these events.</p>				

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
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	<p>provides suggestions to enhance team effectiveness</p> <ul style="list-style-type: none"> Contributes to inclusive culture by valuing others' viewpoints, encouraging others to share ideas, and treating others in an accepting, respectful manner Recognizes and capitalizes on the strengths of others to accomplish organizational objectives Exhibits willingness to listen to others' views even if not same as own Does not take conflicts personally; handles conflict in a positive manner and seeks mutual understanding Directly confronts behaviors that undermine team effectiveness 		<p>He has also emphasized diversity in hiring practices.</p> <p>Works effectively and positively with board members, including those who may not always agree.</p>				
	<p>Manages and Supports Change</p> <ul style="list-style-type: none"> Effectively copes with changing environments, tasks and responsibilities Facilitates the acceptance and implementation of change to enhance the organization Encourages others to embrace change and use it as an opportunity to be creative and improve performance Identifies the changes necessary to move the organization forward Embraces and promotes change initiatives with a positive and enthusiastic attitude Ensures that change initiatives are aligned with strategic initiatives, values, and mission of the organization Leads change initiatives with frequent and consistent two-way communication Leverages resources to promote and sustain change efforts 	Ongoing	<p>The CEO has been generating change, not just managing and supporting it. He is leading the change initiatives by promoting them and communicating at monthly management meetings. Also, new SLT members brought in a fresh perspective from other companies, as well as enthusiasm, and the willingness to promote further changes. Consultant helped to identify the changes necessary to move the organization forward. That process has now transitioned to JEA personnel.</p>				
	<p>Visionary Strategist</p> <ul style="list-style-type: none"> Develops the strategies and actions needed to accomplish desired organizational objectives Communicates the organization's vision in a way that is meaningful and actionable for employees 	Ongoing	<p>To develop strategies for JEA's future, and make sure they were inclusive and had buy-in from the entire management team, CEO hired a consultant to work with the SLT, ELT, and appointed staff, rolling the process out to every employee in the company. The</p>				

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
	<ul style="list-style-type: none"> Researches and analyzes marketplace, political, economic, and other external influences to formulate vision and strategy, and position the organization in the marketplace Collaborates with Executive Team and Board of Directors to determine vision and strategy, and ensures support throughout the organization Reviews the planning, organization, and direction of initiatives to ensure support of the mission statement and values Considers both short and long-term implications of a strategy Accurately anticipates the implications of events or decisions for various stakeholders in the organization and plans strategy accordingly 		process resulting in strategic initiatives and specific Commitments To Action (CTAs). While the consultant is gone, the process is still going strong and has been imbedded into the culture. In addition, since the process was so successful in improving our JD Power customer satisfaction results, at the CEO's direction, the methodology is now being expanded to tackle employee satisfaction.				
	Manages Performance <ul style="list-style-type: none"> Motivates others to achieve results through both respect and holding them accountable Provides others with constructive feedback, guidance, and coaching for improving performance Sets clear performance expectations and strategic goals, regularly monitors performance, and provides accurate evaluations Encourages the use of development activities (e.g., workshops, mentoring), to improve performance and achieve desired results for the organization Identifies and provides important assignments to facilitate the development of key personnel Balances levels of support, direction, and autonomy based on employee needs and level of experience 	Ongoing	CEO sets clear performance goals and expectations for the senior leadership team, which cascades down to the Directors and Managers. Accountability is provided by individual scorecards, company metrics, business reviews, and specific CTA measures.				
	Delegates to Others <ul style="list-style-type: none"> Plans delegated assignments to ensure an optimal match between value of task and value of the resource attached to it 	Ongoing	CEO restructured JEA's organization to provide better delegation of responsibilities, and				

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
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	<ul style="list-style-type: none"> Determines when to assign responsibilities to others and clarifies expectations to ensure effectiveness Provides others with the resources, authority, and support to complete delegated tasks successfully Develops employees for assuming additional responsibilities; anticipates talent gaps and accelerates development plans to fill gaps Recognizes individuals who are successful in completing delegated assignments 		accountability for results. As part of the reorganization, certain employees were promoted into senior leadership roles, demonstrating employee development and recognition of successful individuals.				
	Maintains Positive Public Relations <ul style="list-style-type: none"> Seeks and builds relationships with external constituencies (e.g., elected officials, government agencies, other utility leaders, trustees, investment bankers) to strengthen the organization's impact and reputation in the community Treats others outside the organization in an accepting, respectful manner Understands the needs of the cities, board members and the community, and leverages this information to shape policies and initiatives Represents the organization with credibility to print and media sources (includes providing information, clarifying facts, etc.) Researches constituencies to determine the best way to communicate to them Ensures that customers experience and understand the full value they derive from the organization 	Ongoing	<p>CEO spends substantial time in the community talking with civic groups, City Council representatives, City Hall, and customers to strengthen JEA's reputation.</p> <p>CEO is also proactive in doing interviews with local media, and has participated on JEA's weekly radio show answering questions from customers.</p> <p>CEO meets regularly with other utility leaders via LPPC and APPA meetings and conferences. CEO has also represented the utility industry by testifying before Congress.</p>				
	Actively Supports Board of Directors <ul style="list-style-type: none"> Keeps Board of Directors informed on progress towards implementing strategic initiatives and other important information Updates the board on large-scale progress of the organization towards its objectives Shows an appreciation for the unique role of a board member 	Ongoing	CEO performs all of the duties at left through ongoing interactions with the Board during pre-Board meetings, board meetings, workshops, Finance and Audit Committee meetings, and one-on-				

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
	<ul style="list-style-type: none"> • Maintains a cordial, productive relationship with each board member • Educates the Board on the strategies and priorities that balance the needs of customers with operational needs • Keeps board members informed on important issues – “no surprises” 		one meetings/ conversations with board members.				
	Leads Others Effectively <ul style="list-style-type: none"> • Develops and communicates compelling rationales that build commitment and support for one’s perspectives, strategies, and initiatives • Builds diverse, high-performing teams that accomplish organizational changes, goals, and priorities • Listens to the diverse ideas, perspectives, and contributions of others across the organization • Builds trusting, collaborative relationships across organizational boundaries to achieve goals • Leads with integrity and values, and a focus at all times on the mission of the organization • Challenges and motivates others in a way that is inclusive, tactful, empowering, and maximizes performance • Leads with a vision that inspires others to adopt the goals of the organization as their own • Ability to interact and get along with employees at all levels 	Ongoing	<p>CEO discusses perspectives, strategies and initiatives at Town Hall and monthly Management meetings.</p> <p>One of JEA’s strategic initiatives for 2015 is to assign multiple teams of employees from every segment of the company to work on ways to significantly improve employee satisfaction.</p> <p>CEO meets with various union leaders and groups to obtain their perspective, address their questions and concerns, and let them know his perspective and plans for JEA.</p>				
	<ul style="list-style-type: none"> • Leverages Industry Acumen • Monitors and analyzes financial data and key cost drivers (e.g., personnel) to evaluate options and make decisions • Understands overall financial and operational performance of an organization in order to effectively position it in the marketplace • Establishes and maintains realistic budgets in accordance with the organizations policies 	Ongoing	<p>The CEO receives budget versus actual reports as well as other financial reports.</p> <p>The CEO was formerly the CFO and has extensive financial knowledge and expertise. In addition, he was very instrumental in the presentation of previous budgets to the City Council, all of which were approved without substantive changes.</p>				

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
	<ul style="list-style-type: none"> Follows appropriate legal and fiduciary requirements when reconciling and reporting financial transactions Considers multiple options for reducing costs and keeping the organization as efficient as possible Seeks to develop financial acumen and understand key financial related issues Grows continuously in business knowledge and experience 		<p>The CEO formed a Compliance Department as part of the reorganization in late 2012.</p> <p>The CEO also initiated an expense containment initiative at the company.</p>				
	<ul style="list-style-type: none"> Plans for the Future Identifies and balances risks and benefits when developing plans Assesses financial implications of projects and initiatives; allocates resources to improve results while maintaining financial discipline Provides the information, resources, implementation time, and talent needed to make plans and their implementation successful Identifies need for and ensures contingency plans are developed Assigns or directly monitors and evaluates the external environment when developing plans Aligns and allocates resources and time according to strategic priorities and company interests 	Ongoing	<p>CEO strongly supports JEA's ERM program, and participates in the monthly ECRC meetings as well as certain risk subcommittees such as the TPC, where risks and cost/benefit are considered.</p> <p>CEO initiated company-wide strategic planning process which includes a talent/competency component, i. e. IDPs and Talent Assessments.</p> <p>The CEO appointed a new Director of Emergency Preparedness to focus more attention on addressing business continuity risk, preparation, and remediation.</p>				
	<ul style="list-style-type: none"> Embraces Diversity Promotes the active recruiting of diverse individuals Communicates and clarifies the link between diversity and achieving the organization's strategic goals Demonstrates visible support for programs that remove barriers (e.g., stereotypes) between diverse individuals Actively monitors organization to ensure equality and fairness for all members; objectively allocates compensation, rewards, and opportunities 	Ongoing	<p>SLT hires in 2012 and 2013 included both women and minorities.</p> <p>CEO established diversity as an overall company goal.</p> <p>CEO reviews all appointed promotions, new hires, and transfers.</p>				

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
	<ul style="list-style-type: none"> Promotes an inclusive culture where different viewpoints are valued and encouraged 						
	<ul style="list-style-type: none"> Negotiates Collaboratively Strives to understand each party's position by asking in-depth questions and probing for specific needs and issues Defines and evaluates specific points of agreement and disagreement Seeks win-win solutions that meet the underlying interests of all parties Discloses appropriate and important information to establish openness and trust Keeps arguments or disputes issue-oriented rather than personal Maintains flexibility in negotiating style, adapting style to the specific needs of a given situation 	Ongoing	<p>This section is mostly subjective and perception.</p> <p>In negotiations with the unions, and customer/employee complaint resolution, the CEO seeks win/win solutions.</p> <p>CEO demonstrates disclosing appropriate information and building trust at both Town Hall and monthly Management meetings where he shares the information employees need and want.</p>				
	<ul style="list-style-type: none"> Manages Politics Accurately discerns unspoken feelings and motivations, and leverages to determine what to say or how to proceed Adapts dress and demeanor as appropriate to a situation Appropriately manages impressions of oneself, one's department and the organization Keenly aware of and adheres to the norms and practices of the organization's culture Leverages appropriate channels of influence to more efficiently gain resources and accomplish goals Creates and maintains both formal and informal networks within the organization that facilitate the achievement of goals Chooses battles wisely and matches urgency to the importance of the concerns under discussion 	Ongoing	<p>No measurable criteria. Assessment would be totally subjective and a matter of perception.</p> <p>CEO conducts annual Town Hall meetings which help create and maintain informal networks.</p> <p>Inter-local agreement with the City administration in response to the very sensitive Police and Fire pension issue, demonstrates CEO's innovative ability to negotiate a win/win for the City and JEA.</p>				

Board Governance Manual Compliance & Update Assessment

					Board Feedback		
Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Changes Approved	Changes Not Approved	Additional Suggested Changes



JEAB Board Policy Manual

Adopted in its entirety by the JEA Board on February 16, 2010: _____
Board Secretary

JEA Board Policy Manual

TABLE OF CONTENTS

Policy Category I: Ends

- 1.0 Global Ends
- 1.1 Electric Service
- 1.2 Water Service
- 1.3 Sewer Service
- 1.4 Cost of Service
- 1.5 Environmentally Sound
- 1.6 Informative Communication

Policy Category II: Executive Limitations

- 2.0 General Executive Constraint
- 2.1 Treatment of Consumers
- 2.2 Treatment of Staff
- 2.3 Financial Planning/Budgeting
- 2.4 Financial Condition and Activities
- 2.5 Workforce Readiness and Succession Planning
- 2.6 Asset Protection
- 2.7 Compensation and Benefits
- 2.8 Communication and Support to the Board
- 2.9 Regulatory / Legislative Requirements
- 2.10 Enterprise Risk Management
- 2.11 Procurement Activities

Policy Category III: Board-Management Delegation

- 3.0 Global Board-Management Delegation
- 3.1 Unity of Control
- 3.2 Accountability of the CEO
- 3.3 Delegation to the CEO
- 3.4 Monitoring CEO Performance
- 3.5 CEO Remuneration

Policy Category IV: Governance Process

- 4.0 Global Governance Process
- 4.1 Governing Style
- 4.2 Board Job Description
- 4.3 Agenda Planning
- 4.4 Board Officers
- 4.5 Rules of Order
- 4.6 Board Member's Code of Conduct
- 4.7 Board Member's Individual Responsibility
- 4.8 Board Committee Principles
- 4.9 Board Committee Structure
- 4.10 Cost of Governance

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

TABLE OF CONTENTS (Cont'd)

Appendix

- A1 Executive Core Competencies
- A2 JEA Charter (Article 21 of City of Jacksonville Ordinance Code)
- A3 By-Laws of JEA

Adopted in its entirety by the JEA Board on February 16, 2010.

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5

JEA Board Policy Manual

POLICY TYPE: ENDS

POLICY 1.0

POLICY TITLE: GLOBAL ENDS

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

- 1.1 **Quality of Electric Service:** Provide clean, safe and reliable electric service to all prescribed consumers.
- 1.2 **Quality of Water Service:** Provide clean, safe and reliable water service to all prescribed consumers.
- 1.3 **Quality of Sewer Services:** Provide clean, safe and reliable sewer services to all prescribed consumers.
- 1.4 **Cost of Service:** Provide all utility services at a reasonable and accurate cost.
- 1.5 **Environmentally Sound:** Provide all utility services in a manner that is environmentally sound and sustainable.
- 1.6 **Informative Communication:** Effectively communicate with consumers and other stakeholders.

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: ENDS

POLICY 1.1

POLICY TITLE: *QUALITY OF ELECTRIC SERVICE*

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

- 1.1.1 Annually update an Electric Integrated Resource Supply Plan (IRP) to ensure consumers' future electricity supply needs are met at the lowest evaluated total lifecycle cost while maintaining fuel diversity.
 - a. Develop resources or agreements to ensure that JEA's electric energy supply is 10% nuclear by 2017.
- 1.1.2 Minimize the frequency of electric distribution system outages and report status through the System Average Interruption Frequency Index (SAIFI-2).
- 1.1.3 Minimize the frequency of electric distribution system voltage sags and report status through the System Average Root Mean Square Frequency Index (SARFI-80).
- 1.1.4 Minimize the duration of electric distribution system outages and report status through the System Average Interruption Duration Index (SAIDI).

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: ENDS

POLICY 1.2

POLICY TITLE: *QUALITY OF WATER SERVICE*

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

- 1.2.1 Annually update a Total Water Management Plan (TWMP) to ensure consumers' future water supply needs are met at the lowest evaluated cost while also ensuring water resources are available for future generations.
 - a. The TWMP is to include evaluation of water supply alternatives.
- 1.2.2 Minimize the duration of water distribution system low pressure events and report status of the number of cumulative minutes water pressure drops below 30 pounds per square inch (psi) for all existing water distribution system pressure monitoring points.
- 1.2.3 Conduct water testing in accordance with the standards of the Florida Department of Environmental Protection (FDEP) and the Environmental Protection Agency (EPA) and report testing results to all water consumers and stakeholders.

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: ENDS

POLICY 1.3

POLICY TITLE: *QUALITY OF SEWER SERVICE*

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

- 1.3.1 Minimize the frequency of sewer back-ups and overflows and report status by
 - a. the number of Sanitary Sewer Overflows (SSO's) per 100 miles of existing sewer pipe
 - b. the total number of sewer system cave-ins
- 1.3.2 Limit the total amount of nutrients discharged into the St. John's River from all wastewater treatment facilities.
 - a. Reduce the total nutrient discharge into the St. John's River to meet JEA's Florida Department of Environmental Protection (FDEP) Total Maximum Daily Load (TMDL) allocation.
 - b. Increase the amount of reclaimed water produced and distributed.

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: ENDS

POLICY 1.4

POLICY TITLE: *COST OF SERVICE*

Provide all utility services at a reasonable and accurate cost.

- 1.4.1 All utility services are to be reasonably priced.
 - a. Pricing for all utility services is to be frequently benchmarked against other state and regional utilities to demonstrate competitiveness.
 - b. Pricing for each utility service for all classes of consumers is to be based on the cost to serve each consumer class. Cost of service studies are to be conducted in no more than five year intervals.
- 1.4.2 Minimize the number of consumer bills that are inaccurate, are estimated due to the lack of a current meter reading, or are untimely. The expectation is 99.9% accurate and timely.

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: ENDS

POLICY 1.5

POLICY TITLE: ENVIRONMENTALLY SOUND

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

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

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JEA Board Policy Manual

POLICY TYPE: ENDS

POLICY 1.6

POLICY TITLE: INFORMATIVE COMMUNICATION

Effectively communicate with consumers and other stakeholders.

- 1.6.1 To influence consumer paradigms of utility expectations.
- 1.6.2 To influence public dialogue on local, state and national energy and water and sewer issues.
- 1.6.3 To inform consumers of as well as the reasons for significant potential or pending changes to utility services or charges.
- 1.6.4 To inform consumers of conservation incentives and other activities that if implemented would reduce their consumption and, therefore, result in higher or lower utility cost than if the incentives or activities were not employed.

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY 2.0

POLICY TITLE: *GENERAL EXECUTIVE CONSTRAINT*

The CEO shall not cause or allow any organizational practice, activity, decision, or circumstance that is either unlawful, imprudent, or in violation of commonly accepted business and professional ethics and practices.

- 2.1 **Treatment of Consumers:** With respect to interactions with consumers or those applying to be consumers, the CEO shall not cause or allow conditions, procedures, or decisions that are unsafe, untimely, undignified, or unnecessarily intrusive.
- 2.2 **Treatment of Staff:** With respect to the treatment of staff, the CEO may not cause or allow conditions that are unfair, unsafe, undignified, disorganized, or unclear.
- 2.3 **Financial Planning/Budgeting:** The CEO shall not cause or allow financial planning for any fiscal year or the remaining part of any fiscal year to deviate materially from the Board's Ends priorities, risk financial jeopardy, or fail to be derived from a multiyear plan.
- 2.4 **Financial Condition and Activities:** With respect to the actual, ongoing financial conditions and activities, the CEO shall not cause or allow the development of financial jeopardy or material deviation of actual expenditures from Board priorities established in Ends policies.
- 2.5 **Workforce Readiness and Succession Planning:** The CEO shall not allow the workforce to be unprepared to meet current or future business demands.
- 2.6 **Asset Protection:** The CEO shall not cause or allow corporate assets to be unprotected, inadequately maintained, or unnecessarily risked.
- 2.7 **Compensation and Benefits:** With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the CEO shall not cause or allow jeopardy to financial integrity or to public image.
- 2.8 **Communication and Support to Board:** The CEO shall not cause or allow the Board to be uninformed or unsupported in its work.
- 2.9 **Regulatory/Legislative Requirements:** The CEO will not fail to effect regulatory and legislative action favorable to the organization.
- 2.10 **Enterprise Risk Management:** The CEO shall not cause or allow conditions, procedures or decisions which fail to identify, measure, monitor and manage, within established risk tolerances, potential events that may affect achievement of the Ends.
- 2.11 **Procurement Activities:** The CEO shall not fail to develop procurement policies and procedures that adhere to all applicable federal, state and local laws and ordinances and provide for increased public confidence in the procurement activities of JEA.

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY 2.1

POLICY TITLE: *TREATMENT OF CONSUMERS*

With respect to interactions with consumers or those applying to be consumers, the CEO shall not cause or allow conditions, procedures, or decisions that are unsafe, untimely, undignified, or unnecessarily intrusive.

Accordingly, the CEO will not:

- 2.1.1 Elicit information for which there is no clear necessity.
- 2.1.2 Use methods of collecting, reviewing, transmitting, or storing client information that fail to protect against improper access.
- 2.1.3 Fail to operate facilities with appropriate accessibility and privacy.
- 2.1.4 Fail to establish with consumers a clear understanding of what may be expected and what may not be expected from service offered.
- 2.1.5 Fail to operate without clearly established and updated Customer Service procedures and published rules and regulations for service.
- 2.1.6 Fail to operate without mechanisms for collecting consumer complaints that provide for resolution at the lowest staff level and also include prompt response when warranted.

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY 2.2

POLICY TITLE: *TREATMENT OF STAFF*

With respect to the treatment of paid and volunteer staff, the CEO may not cause or allow conditions that are unfair, unsafe, undignified, disorganized, or unclear.

Accordingly, the CEO will not:

- 2.2.1 Operate without written personnel rules and regulations that
 - a. clarify rules for staff
 - b. provide for effective handling of grievances
 - c. protect against wrongful conditions such as nepotism and grossly preferential treatment for personal reasons.
 - d. allow for volunteerism in the community
 - e. require high ethical standards
 - f. recognize the need for work/life balance
- 2.2.2 Operate without written job descriptions and performance requirements and reviews that
 - a. characterize the nature of work to be performed
 - b. identify technical, behavioral and physical skills required
 - c. identify clear standards of accountability
- 2.2.3 Fail to provide a safe work environment.
- 2.2.4 Fail to identify and provide training necessary to accomplish the quality of work expected.
- 2.2.5 Allow discrimination or retaliation against any staff member for non-disruptive expression of dissent.
- 2.2.6 Fail to acquaint staff with the CEO's interpretation of their protections under this policy.
- 2.2.7 Allow staff to be under prepared to deal with emergency situations.
- 2.2.8 Fail to insure that the company's Core Values are routinely communicated and reinforced to all employees.

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY 2.3

POLICY TITLE: *FINANCIAL PLANNING/BUDGETING*

The CEO shall not cause or allow financial planning for any fiscal year or the remaining part of any fiscal year to deviate materially from the Board's Ends priorities, risk financial jeopardy, or fail to be derived from a multiyear plan.

Accordingly, the CEO will not:

- 2.3.1 Risk incurring those situations or conditions described as unacceptable in the Board policy "Financial Condition and Activities."
- 2.3.2 Fail to include credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning and budgeting assumptions.
- 2.3.3 Fail to identify the source for capital expenditures (e.g. internally generated cash, new debt, carry over funds from previous fiscal year).
- 2.3.4 Fail to adhere to approved tariff rates and fees.
- 2.3.5 Fail to set and follow an annual budgeting process that results in a final budget submittal to City Council by July 1 proceeding the budgeted fiscal year.
- 2.3.6 Provide less for Board prerogatives during the year than is set forth in the "Cost of Governance" policy.

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY 2.4

POLICY TITLE: *FINANCIAL CONDITION AND ACTIVITIES*

With respect to the actual, ongoing financial conditions and activities, the CEO shall not cause or allow the development of financial jeopardy or material deviation of actual expenditures from Board priorities established in Ends policies.

Accordingly, the CEO will not:

- 2.4.1 Fail to operate within the budget established for the fiscal year.
- 2.4.2 Make budget transfers in excess of \$5,000,000 without Board approval.
- 2.4.3 Fail to inform the Board in monitoring reports when reserves are required to meet current expenditures.
- 2.4.4 Fail to maintain financial and accounting separation between electric, water and wastewater, and District Energy funds as required by regulatory agencies and bond covenants.
- 2.4.5 Fail to operate within established financial parameters nor fail to engage the board when established parameters are considered inadequate to affect a desired bond rating.
 - Current financial parameters:
 - a. Debt Service Coverage
 - b. Fixed Charge coverage
 - c. Cash on Hand
 - d. Working Capital
 - e. Line of Credit
 - f. Fuel Rate Reserve
- 2.4.6 Operate in violation of JEA's Debt Management Policies.
- 2.4.7 Fail to settle payroll and debts in a timely manner.
- 2.4.8 Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
- 2.4.9 Fail to establish reasonable security measures to protect against loss of receivables.
- 2.4.10 Fail to aggressively pursue receivables after a reasonable grace period.

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY 2.5 POLICY TITLE: *WORKFORCE READINESS AND SUCCESSION PLANNING*

The CEO shall not allow the workforce to be unprepared to meet current or future business demands.

Accordingly, the CEO will not

- 2.5.1 Permit there to be fewer than two other executives sufficiently familiar with Board and CEO issues and processes to enable either to take over with reasonable proficiency as an interim successor to protect the Board from sudden loss of CEO services.
- 2.5.2 Fail to prepare for long term CEO succession.
- 2.5.3 Fail to prepare for Executive Team succession.
- 2.5.4 Operate without strategic and tactical plans to have and maintain the right people, in the right place, with the right talent, skills and knowledge.
- 2.5.5 Fail to develop a workforce that recognizes the value of cultural diversity in internal operations and in serving customers.

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY 2.6

POLICY TITLE: *ASSET PROTECTION*

The CEO shall not cause or allow corporate assets to be unprotected, inadequately maintained, or unnecessarily risked.

Accordingly, the CEO will not:

- 2.6.1 Fail to insure adequately against theft and casualty and against liability and losses to Board members, staff, and the organization itself.
- 2.6.2 Allow unbonded personnel access to material amounts of funds.
- 2.6.3 Subject facilities and equipment to improper wear and tear or insufficient maintenance.
- 2.6.4 Unnecessarily expose the organization, the Board, or its staff to claims of liability.
- 2.6.5 Operate without written claims policies that address fair treatment of claimants, legal liability, ratepayer costs and sound business practices.
- 2.6.6 Fail to protect corporate assets including, but not limited to, property rights, corporate image, physical assets, intangible assets, intellectual property, information, and files from loss or significant damage.
- 2.6.7 Receive, process, or disburse funds without sufficient controls.
- 2.6.8 Invest funds in violation of JEA's Investment Policies.
- 2.6.9 Fail to ensure that all employees and outsourced contract service providers understand their responsibility to comply with all applicable laws and regulations and JEA's Code of Ethics.

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY 2.7

POLICY TITLE: *COMPENSATION AND BENEFITS*

With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the CEO shall not cause or allow jeopardy to financial integrity or to public image.

Accordingly, the CEO will not:

- 2.7.1 Change the CEO's own compensation and benefits, except as those benefits are consistent with a package for other appointed employees.
- 2.7.2 Promise or imply unconditional permanent or guaranteed employment.
- 2.7.3 ~~Administer compensation and benefits that fail to address individual accountability, motivate and reward for knowledge and skills, encourage organizational flexibility and responsiveness or are inconsistent with the geographic and professional market for the skills employed.~~

Promote a compensation philosophy that is contradictory to JEA's compensation philosophy of providing a total rewards package that encompasses salary/wages, retirement benefits, incentives, and health and welfare benefits. Salary/wages will meet the market (50% percentile), which is where the majority of companies in the geographic area reside. The 50th percentile pays competitively for behavior that meets expectations. Additional consideration will be given to behaviors that exceed expectations which are typically rewarded at the 75th percentile. Internal equity will be achieved by evaluating differences in skill, effort, responsibility, and working conditions among jobs

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY 2.8

POLICY TITLE: *COMMUNICATION AND SUPPORT TO BOARD*

The CEO shall not cause or allow the Board to be uninformed or unsupported in its work.

Accordingly, the CEO will not:

- 2.8.1 Neglect to submit monitoring data required by the Board in Board-Management Delegation policy "Monitoring CEO Performance" in a timely, accurate, and understandable fashion, directly addressing provisions of Board policies being monitored, and including CEO interpretations consistent with Board-Management Delegation policy "Delegation to the CEO," as well as relevant data.
- 2.8.2 Allow the Board to be unaware of any actual or anticipated noncompliance with any Ends or Executive Limitations policy of the Board regardless of the Board's monitoring schedule.
- 2.8.3 Allow the Board to be without decision information required periodically by the Board or let the Board be unaware of relevant trends.
- 2.8.4 Let the Board be unaware of any significant incidental information it requires including anticipated media coverage, threatened or pending lawsuits, and material internal and external changes.
- 2.8.5 Allow the Board to be unaware that, in the CEO's opinion, the Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the CEO.
- 2.8.6 Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.
- 2.8.7 Allow the Board to be without a workable mechanism for official Board, officer, or committee communications.
- 2.8.8 Deal with the Board in a way that favors or privileges certain Board members over others, except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the Board.
- 2.8.9 Fail to submit to the Board a consent agenda containing items delegated to the CEO yet required by law, regulation, or contract to be Board-approved, along with applicable monitoring information.
- 2.8.10 Fail to provide a process to retain relevant background information on previous Board policy decisions.

Adopted in its entirety by the JEA Board on February 16, 2010.

JEА Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY 2.9

POLICY TITLE: *REGULATORY/LEGISLATIVE REQUIREMENTS*

The CEO will not fail to effect regulatory and legislative action favorable to the organization.

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY 2.10

POLICY TITLE: *ENTERPRISE RISK MANAGEMENT*

The CEO shall not cause or allow conditions, procedures or decisions which fail to identify, measure, monitor and manage, within established risk tolerances, potential events that may affect achievement of the Ends.

Accordingly, the CEO will not

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

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY 2.11

POLICY TITLE: *PROCUREMENT ACTIVITIES*

The CEO shall not fail to develop procurement policies and procedures that adhere to all applicable federal, state and local laws and ordinances and provide for increased public confidence in the procurement activities of JEA.

Accordingly, the CEO will not

- 2.11.1 Fail to develop and disseminate simple, clear and up-to-date rules for all procurement.
- 2.11.2 Fail to ensure the fair and equitable treatment of all persons who deal with the JEA procurement system.
- 2.11.3 Fail to provide increased economy in all procurement activities and to maximize to the fullest extent practicable the purchasing value of JEA funds.
- 2.11.4 Fail to foster effective, broad-based competition within the free enterprise system
- 2.11.5 Fail to provide safeguards for the maintenance of the procurement system quality and integrity.
- 2.11.6 Fail to provide a clear and timely administrative remedy process to all those aggrieved during any phase of the procurement process.
- 2.11.7 Fail to provide effective access for Small and Emerging Local Businesses

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: BOARD MANAGEMENT DELEGATION

POLICY 3.0

POLICY TITLE: GLOBAL BOARD-MANAGEMENT DELEGATION

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

- 3.1 **Unity of Control:** Only officially passed motions of the Board are binding on the CEO.
- 3.2 **Accountability of the CEO:** The CEO is the Board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the CEO.
- 3.3 **Delegation to the CEO:** The Board will instruct the CEO through written policies that prescribe the organizational Ends to be achieved and describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.
- 3.4 **Monitoring CEO Performance:** Systematic monitoring of CEO job performance will be solely against the only expected CEO job achievements: organizational accomplishment of Board policies on Ends and organizational operation within the boundaries established in Board policies on Executive Limitations.
- 3.5 **CEO Remuneration:** Salary and benefits and other terms of employment for the CEO will be determined by contract.
- 3.6 **Core Competencies:** Executive Core Competencies are included in the Appendix.

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: BOARD MANAGEMENT DELEGATION

POLICY 3.1

POLICY TITLE: *UNITY OF CONTROL*

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

Accordingly,

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

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: BOARD MANAGEMENT DELEGATION

POLICY 3.2

POLICY TITLE: ACCOUNTABILITY OF CEO

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

Accordingly,

- 3.2.1 The Board as a body and individual board members will never give instructions to persons who report directly or indirectly to the CEO.
- 3.2.2 The Board will not evaluate, either formally or informally, any staff other than the CEO. However, the CEO will discuss his evaluation with the Board of the executives identified as potential interim CEO successors (refer to 2.5.1)
- 3.2.3 The Board will view CEO performance as identical to organizational performance so that organizational accomplishment of Board-stated Ends and avoidance of Board-described means will be viewed as successful CEO performance.

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: BOARD MANAGEMENT DELEGATION

POLICY 3.3

POLICY TITLE: *DELEGATION TO THE CEO*

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

Accordingly,

- 3.3.1 The Board will develop policies instructing the CEO to achieve specified results, for specified recipients, at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels and will be called Ends policies. All issues that are not ends issues as defined here are means issues.
- 3.3.2 The Board will develop policies that limit the latitude the CEO may exercise in choosing the organizational means. These limiting policies will describe those practices, activities, decisions and circumstances that would be unacceptable to the Board even if they were to be effective. Policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations policies. The Board will never prescribe organizational means delegated to the CEO.
- 3.3.3 As long as the CEO uses *any reasonable interpretation* of the Board's Ends and Executive Limitations policies, the CEO is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and pursue all activities. Such decisions of the CEO shall have full force and authority as if decided by the Board.
- 3.3.4 The Board may change its Ends and Executive Limitations policies, thereby shifting the boundary between Board and CEO domains. By doing so, the Board changes the latitude of choice given to the CEO. However, as long as any particular delegation is in place, the Board will respect and support the CEO's choices.
- 3.3.5 Should the CEO violate a Board policy, he or she shall promptly inform the Board. Informing is simply to guarantee no violation may be intentionally kept from the Board, not to request approval. Board response, either approving or disapproving, does not exempt the CEO from subsequent Board judgment of the action nor does it curtail any executive decision.

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: BOARD MANAGEMENT DELEGATION

POLICY 3.4

POLICY TITLE: *MONITORING CEO PERFORMANCE*

Systematic monitoring of CEO performance will be solely against the only expected CEO job achievements: organizational accomplishment of Board policies on Ends and organizational operation within the boundaries established in Board policies on Executive Limitations.

Accordingly,

- 3.4.1 Monitoring is simply to determine the degree to which Board policies are being met. Data or information that does not do this will not be considered to be monitoring information.
- 3.4.2 The Board will acquire monitoring information by one or more of these methods:
 - a. By internal report, in which the CEO discloses interpretations and compliance information to the Board.
 - b. By external report, in which an external, disinterested and independent third party selected by the Board assesses compliance with Board policies (e.g. external financial audit).
 - c. By direct Board inspection, in which a designated member or members of the Board assess compliance with the appropriate policy criteria.
- 3.4.3 In every case, the Board will judge (a) the reasonableness of the CEO's interpretation and (b) whether data demonstrate accomplishment of the interpretation.
- 3.4.4 The standard of compliance shall be any reasonable CEO interpretation of the Board policy being monitored. The Board is the final arbiter of reasonableness.
- 3.4.5 All policies that instruct the CEO will be monitored at a frequency and by a method chosen by the Board. The Board can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule:

[Example of monitoring schedule] – (final schedule will be set after policies are developed)

<u>Policy</u>	<u>Method</u>	<u>Frequency</u>	<u>Schedule</u>
Ends	Internal	Annually	
Treatment of Customers	Internal	Annually	
Treatment of Staff	Internal	Annually	
Financial Planning/Budgeting	Internal	Quarterly	End of Qtr.
Financial Condition & Activities	Internal External	Quarterly Annually	End of Qtr. Close of Yr.
Asset Protection	Internal	Annually	
Emergency CEO Succession	Internal	Annually	
Communication and Support to Board	Internal	Annually	

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

Compensation and Benefits	Internal	Annually
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In addition to the monitoring reports above, the Board must receive the following information each month. It is understood that this data is supplemental, not monitoring:

Financial Report	Internal	Monthly	End of Month
Operating Report	Internal	Monthly	End of Month

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: BOARD MANAGEMENT DELEGATION

POLICY 3.5

POLICY TITLE: *CEO REMUNERATION*

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

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.0

POLICY TITLE: GLOBAL GOVERNANCE PROCESS

The purpose of the Board, on behalf of the owners of JEA, the citizens of Duval County, is to see to it that JEA (a) achieves appropriate results for appropriate persons for an appropriate cost (as specified in Board Ends policies) and (b) avoids unacceptable actions and situations (as prohibited in Board Executive Limitations policies).

- 4.1 **Governing Style:** The Board will govern in accordance with legal requirements, observing the principles of the Policy Governance model, with an emphasis on (a) outward vision rather than internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of Board and chief executive roles, (e) collective rather than individual decisions, (f) future more so than past or present, and (g) proactivity rather than reactivity.
- 4.2 **Board Job Description:** Specific responsibilities of the Board as an informed agent of the ownership are those that ensure appropriate organizational performance.
- 4.3 **Agenda Planning:** To accomplish its responsibilities with a governance style consistent with Board policies, the Board will follow an annual agenda that (a) completes a re-exploration of Ends policies at least annually and (b) continually improves Board performance through education and deliberation.
- 4.4 **Board Officers:** Board officers assure the integrity of the Board's process and record's. Board officers are: Chairman, Vice-Chairman, Secretary & Assistant Secretary.
- 4.5 **Rules of Order:** Board meetings will be conducted in an orderly and fair process consistent with the requirements of Florida law, Ordinances of the City of Jacksonville, the JEA Charter, Bylaws and these governance policies. Meetings will be led by the Chairman, or, in the absence of the Chairman, the Vice-Chairman, or, in the absence of both, by the Chairman's designee.
- 4.6 **Board Member's Code of Conduct:** The Board commits itself to lawful, ethical and businesslike conduct, following all requirements of Florida Law, Ordinances of the City of Jacksonville, and the JEA Charter including proper use of its authority and appropriate decorum when acting as Board members.
- 4.7 **Board Member's Individual Responsibility:** The leadership success of the Board is a direct result of the individual and collegial participation of its members.
- 4.8 **Board Committee Principles:** Board committees, when used, will be assigned so as to reinforce the wholeness of the Board's job and not to interfere with delegation from the Board to the CEO.
- 4.9 **Board Committee Structure:** A committee is a Board committee only if its existence and charge come from the Board, regardless of whether Board members sit on the committee. The only Board committees are those which are set forth in the Bylaws or in this policy. Unless otherwise stated, a committee ceases to exist as soon as its task is complete. The CEO will attend meetings of each committee, but shall not have a vote.
- 4.10 **Cost of Governance:** The Board will invest in continuous improvement of its governance capacity.

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.1

POLICY TITLE: GOVERNING STYLE

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

Accordingly,

- 4.1.1 Unique Requirements of Florida Law for Public Boards: In conducting its duties as a Board in Florida, the Board is required to comply with the Florida Sunshine Law, which prohibits any two or more members of the Board from meeting unless the meeting has been properly noticed and conducted in accordance with the legal requirements. In addition, Florida Law contains requirements regarding Public Records, conflicts of interest and voting which must be followed in the conduct of the Board's business.
- 4.1.2 The Board will cultivate a sense of group responsibility and will be a proactive Board versus a reactive Board. The Board, not the staff, will be responsible for excellence in governing. The Board will be the initiator of policy, not merely a reactor to staff initiatives. The Board will use the expertise of individual members to enhance the ability of the Board as a body rather than to substitute the individual judgments for the Board's values.
- 4.1.3 The Board will direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the Board's values and perspectives. The Board's major policy focus will be on the intended long-term impacts outside the staff organization, not on the administrative or programmatic means of attaining those effects.
- 4.1.4 The Board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuance of governance capability. Although the Board can change its Governance Process policies at any time, it will diligently observe those currently in force.
- 4.1.5 Continual Board development will include orientation of new Board members in the Board's governance process and periodic Board discussion of governance process improvement.
- 4.1.6 The Board will allow no officer, individual, or committee of the Board to hinder or serve as an excuse for the Board not fulfilling its commitments.
- 4.1.7 Each member of the Board will respect the final determination of the Board concerning any particular matter, regardless of the member's personal position concerning such matter.

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.2

POLICY TITLE: BOARD JOB DESCRIPTION

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

Accordingly,

- 4.2.1 The Board is the authoritative link between the organization and the ownership.
- 4.2.2 The Board will provide governing policies that realistically address the broadest levels of all organizational decisions and situations:
 - a. Ends: The organizational outcomes to its recipients including the relative worth of such outcomes in cost or priority. (What good for which recipients at what cost)
 - b. Executive Limitations: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
 - c. Board-Management Delegation: Specification of how power is delegated and its proper use monitored; clarity on the CEO's role, authority, and accountability.
 - d. Governance Process: Specification of how the Board develops, carries out, and monitors its own responsibilities.
- 4.2.3 The Board will measure the CEO's performance against its Ends and Executive Limitations Policies.
- 4.2.4 The Board will measure its own performance against its Governance Process and Board-Management Delegation Policies quarterly.
- 4.2.5 Board members will respect their fiduciary responsibilities to protect and enhance the value of JEA as a citizen-owned enterprise with due diligence using sound business judgment consistent with JEA's legislative charter.

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.3

POLICY TITLE: AGENDA PLANNING

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

Accordingly,

- 4.3.1 The Board will establish its annual agenda during an annual retreat to be scheduled around March of each year.
- a. The Board will review and re-establish its Ends policies as often as necessary with review always taking place at least during the annual retreat.
 - b. Consultations with selected groups in the ownership, or other methods of gaining ownership input, will be scheduled as part of the annual agenda.
 - c. Governance education and education related to Ends determination (presentations by futurist, demographers, advocacy groups, staff, etc.) will be scheduled as part of the annual agenda.
- 4.3.2 The agenda for the Board's monthly meeting will be established through consultation with the Chair and the CEO.
- a. The agenda along with supporting item documentation will be made available to Board members seven days prior to monthly Board meetings.
 - b. The Board will attend to consent agenda items as expeditiously as possible.
 - c. A Board member may bring up new business at the appropriate time on the agenda during any meeting, however, if a formal response or presentation is necessary, a request should be made to the CEO no later than two weeks before the Board meeting to allow others on the Board to receive information in advance.
 - d. CEO monitoring will be on the agenda if reports have been received since the previous meeting, if plans must be made for direct inspection monitoring, or if arrangements for third-party monitoring must be prepared.

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.4

POLICY TITLE: BOARD OFFICERS

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

Accordingly,

- 4.4.1 The Chairman, a specially empowered member of the Board, ensures the integrity of the Board's process and, secondarily, occasionally represents the Board to outside parties.
- a. The Chairman's role is to see that the Board behaves consistently within its own rules and those rules and regulations imposed upon it from outside the organization.
 - (1) Meeting discussion content will consist of issues that clearly belong to the Board to decide or to monitor according to Board policy.
 - (2) Information that is neither for monitoring performance nor for Board decisions will be avoided or minimized and always noted as such.
 - (3) Deliberation will be fair, open, and thorough but also timely, orderly, and kept to the point.
 - b. The authority of the Chairman consists in making decisions that fall within topics covered by Board policies on Governance Process and Board-Management Delegation, with the exception of (a) employment or termination of the CEO and (b) areas where the Board specifically delegates portions of this authority to others. The Chairman is authorized to use any reasonable interpretation of provisions in these policies.
 - (1) The Chairman is empowered to chair Board meetings with all the commonly accepted powers of that position, such as ruling and recognizing.
 - (2) The Chairman has no authority to make decisions about policies created by the Board within Ends and Executive Limitations policy areas.
 - (3) The Chairman may represent the Board to outside parties in announcing Board-stated positions and in stating Chairman decisions and interpretations within the area delegated to that role.
 - (4) The Chairman may delegate this authority but remains accountable for its use.
 - (5) The Chairman may appoint members and a Chairman for each Board committee, unless otherwise stipulated by Board policies or the organization's Bylaws.
 - c. Expected Traits for chairman: *(Does the Board want to include some basic core traits for the chair?)*
- 4.4.2 The Vice-Chairman or, in the absence of the Vice-Chairman, the immediate Past-Chairman will serve as Chair in the absence of the Chairman.
- 4.4.3 The Board Secretary is an officer of the Board whose purpose is to ensure the integrity of the Board's documents.

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

- a. The Secretary's role is to see to it that all Board documents and records are accurate and timely.
 - (1) Policies will be current in their reflection of Board decisions. Decisions upon which no subsequent decisions are to be based, such as consent agenda decisions, motions to adjourn, and staff or Board member recognitions, need not be placed in policy.
 - (2) Policy Governance principles will be followed in policy development.
 - (3) Board policies and By-laws are to be consistent with the legal requirements of Florida Law, Ordinances of the City of Jacksonville and the JEA Charter and are to be known by the Board.
 - (4) Board expectations for format, brevity, and accuracy of Board minutes will be known to the CEO.
 - b. The authority of the secretary is access to and control over Board documents and records.
- 4.4.4 The Assistant Secretary will serve as Secretary in the absence of the Secretary.
- 4.4.5 All Board officers are accountable to the Chairman unless otherwise determined by Board policy.

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.5

POLICY TITLE: RULES OF ORDER

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

Accordingly,

4.5.1 Board meetings will be conducted with punctuality and order.

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

4.5.2 Board meetings will be conducted at a level of informality considered appropriate by the Chairman yet with predictable discipline.

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

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

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

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.6

POLICY TITLE: BOARD MEMBER'S CODE OF CONDUCT

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

Accordingly,

- 4.6.1 Members are expected to represent the interests of the ownership. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. It also supersedes the personal interest of any Board member acting as a consumer of the organization's services.
- 4.6.2 Members must avoid conflict of interest with respect to their fiduciary responsibility. Such conflicts of interest include but are not limited to the following:
 - a. There will be no self-dealing or business by a member with the organization. Members will annually disclose their involvements with other organizations or with vendors and any associations that might be reasonably seen as representing a conflict of interest.
 - b. When the Board is to decide upon an issue about which a member has an unavoidable conflict of interest, that member shall announce and declare publicly any conflict of interest and withdraw without comment not only from the vote but also from the deliberation.
 - c. Board members will not use their Board position to obtain employment in the organization for themselves, family members, or close associates. Any such existing relationship is expected to be disclosed to the Board. A Board member who applies for employment must first resign from the Board.
- 4.6.3 Members may not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.
 - a. Members' interaction with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly authorized by the Board.
 - b. Members' interaction with the public, the press, or other entities must recognize the same limitation and the inability of any Board member to speak for the Board except to repeat explicitly stated Board decisions.
 - c. Except for participation in Board deliberation about whether the CEO has achieved any reasonable interpretation of Board policy, members will not express individual judgments of negative performance of employees or the CEO.
- 4.6.4 Members will respect the confidentiality appropriate to issues of a sensitive nature.
- 4.6.5 Members will be properly prepared for Board deliberation.
- 4.6.6 Members are expected to support the legitimacy and authority of the final determination of the Board on any matter, without regard to the member's personal position on the issue.
- 4.6.7 Members who have any question about the appropriateness of their conduct should consult with the Office of General counsel or appropriate Ethics offices for information.

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.7

POLICY TITLE: *DIRECTORS' INDIVIDUAL RESPONSIBILITY*

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

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

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

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.8

POLICY TITLE: *BOARD COMMITTEE PRINCIPLES*

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

Accordingly,

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

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.9

POLICY TITLE: BOARD COMMITTEE STRUCTURE

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

Accordingly,

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

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

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

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

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

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JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.10

POLICY TITLE: *COST OF GOVERNANCE*

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

Accordingly,

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

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

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

- a. training
- b. attendance at conferences, industry site visits and Rating Agency presentations
- c. audit and other third-party monitoring of organizational performance
- d. surveys, focus groups, opinion analysis, and meeting costs.

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JEA Board Policy Manual

APPENDIX

- A1 Executive Core Competencies
- A2 JEA Charter (Article 21 of City of Jacksonville Ordinance Code)
- A3 By-Laws of JEA

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JEA Board Policy Manual

Executive Core Competencies

Models Integrity

- Demonstrates high ethical standards and models important values for others to follow.
- Behaves and expresses oneself in an open and honest manner; is consistent in word and deed
- Is a fair person who does not manipulate or take advantage of others
- Tells the truth even when it is difficult
- Utilizes values and principles to guide his/her decisions
- Builds respect and trust from others by following through on commitments
- Represents information accurately and completely
- Assumes responsibility for own behavior; admits to mistakes

Makes Quality Decisions

- Examines and integrates data from a variety of sources to make quality decisions
- Prioritizes decisions and initiatives in ways that ensures the highest value for the organization
- Makes educated and effective decisions in a timely manner, even when data is limited
- Makes high-quality strategic decisions for the organization even when the consequences may be controversial
- Seeks the input of others to ensure that decisions made will be best for the organization and will minimize conflict with other initiatives
- Takes appropriate risks that weighs the positive and negative impact of each decision on the organization

Takes Initiative

- Assumes full ownership and accountability for own performance
- Takes on challenging work, even in the face of obstacles
- Initiates action on projects without being pressured from others to do so
- Reacts quickly to address problems that threaten organizational objectives
- Seeks out opportunities to extend or expand upon the organization's position in the market place
- Is passionate, highly engaged and highly energetic

Communicates Effectively

- Listens actively to ensure understanding of each person's point of view
- Clearly articulates (through speech or in writing) own knowledge and ideas so they are easily understood and applied to others
- Communicates through appropriate channels

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JEA Board Policy Manual

- Identifies sources of motivation and appeals directly to co-workers in a language meaningful to them
- Is engaging with others and demonstrates professionalism through body language, including eye-contact, confidence, and focus
- Addresses difficult problems and perceptions that, if left untreated, could undermine the success of the organization
- Ensures regular, consistent, and meaningful communication throughout the organization

Drives Results

- Seeks to achieve improved or even unprecedented results and demonstrates personal accountability for outcomes
- Creates a positive environment in which results flow from a desire to achieve
- Sets strategic goals and measurable performance expectations for defining success
- Drives execution with speed and discipline, and delivers on personal and organizational commitments
- Demonstrates ownership for performance of entire organization, and holds self and organization accountable for decisions and results
- Assesses financial implications of initiatives; allocates resources to improve results while maintaining financial discipline
- Actively monitors performance of self and others relative to performance objectives

Focuses on the Customer

- Places high priority on identifying and meeting internal and external customer needs
- Provides high quality, valuable and consistent service to customers
- Ensures that customers understand and receive the fullest value possible from the products and services of the organization
- Assures that products and services meet customer needs and expectations
- Adapts and personalizes services to meet individual customer needs
- Anticipates changing customer needs and develops ways to meet or exceed those needs
- Utilizes follow-up procedures to ensure consistency and determine where improvements can be made to maintain high customer satisfaction

Fosters Teamwork

- Shares relevant expertise and knowledge to ensure team members have adequate information to make decisions and achieve objectives
- Identifies and removes barriers that interfere with the team's success and provides suggestions to enhance team effectiveness
- Contributes to inclusive culture by valuing others' viewpoints, encouraging others to share ideas, and treating others in an accepting, respectful manner

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JEA Board Policy Manual

- Recognizes and capitalizes on the strengths of others to accomplish organizational objectives
- Exhibits willingness to listen to others' views even if not same as own
- Does not take conflicts personally; handles conflict in a positive manner and seeks mutual understanding
- Directly confronts behaviors that undermine team effectiveness

Manages and Supports Change

- Effectively copes with changing environments, tasks and responsibilities
- Facilitates the acceptance and implementation of change to enhance the organization
- Encourages others to embrace change and use it as an opportunity to be creative and improve performance
- Identifies the changes necessary to move the organization forward
- Embraces and promotes change initiatives with a positive and enthusiastic attitude
- Ensures that change initiatives are aligned with strategic initiatives, values, and mission of the organization
- Leads change initiatives with frequent and consistent two-way communication
- Leverages resources to promote and sustain change efforts

Visionary Strategist

- Develops the strategies and actions needed to accomplish desired organizational objectives
- Communicates the organization's vision in a way that is meaningful and actionable for employees
- Researches and analyzes marketplace, political, economic, and other external influences to formulate vision and strategy, and position the organization in the marketplace
- Collaborates with Executive Team and Board of Directors to determine vision and strategy, and ensures support throughout the organization
- Reviews the planning, organization, and direction of initiatives to ensure support of the mission statement and values
- Considers both short and long-term implications of a strategy
- Accurately anticipates the implications of events or decisions for various stakeholders in the organization and plans strategy accordingly

Manages Performance

- Motivates others to achieve results through both respect and holding them accountable
- Provides others with constructive feedback, guidance, and coaching for improving performance
- Sets clear performance expectations and strategic goals, regularly monitors performance, and provides accurate evaluations

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JEA Board Policy Manual

- Encourages the use of development activities (e.g., workshops, mentoring), to improve performance and achieve desired results for the organization
- Identifies and provides important assignments to facilitate the development of key personnel
- Balances levels of support, direction, and autonomy based on employee needs and level of experience

Delegates to Others

- Plans delegated assignments to ensure an optimal match between value of task and value of the resource attached to it
- Determines when to assign responsibilities to others and clarifies expectations to ensure effectiveness
- Provides others with the resources, authority, and support to complete delegated tasks successfully
- Develops employees for assuming additional responsibilities; anticipates talent gaps and accelerates development plans to fill gaps
- Recognizes individuals who are successful in completing delegated assignments

Maintains Positive Public Relations

- Seeks and builds relationships with external constituencies (e.g., elected officials, government agencies, other utility leaders, trustees, investment bankers) to strengthen the organization's impact and reputation in the community
- Treats others outside the organization in an accepting, respectful manner
- Understands the needs of the cities, board members and the community, and leverages this information to shape policies and initiatives
- Represents the organization with credibility to print and media sources (includes providing information, clarifying facts, etc.)
- Researches constituencies to determine the best way to communicate to them
- Ensures that customers experience and understand the full value they derive from the organization

Actively Supports Board of Directors

- Keeps Board of Directors informed on progress towards implementing strategic initiatives and other important information
- Updates the board on large-scale progress of the organization towards its objectives
- Shows an appreciation for the unique role of a board member
- Maintains a cordial, productive relationship with each board member
- Educates the Board on the strategies and priorities that balance the needs of customers with operational needs
- Keeps board members informed on important issues – “no surprises”

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JEA Board Policy Manual

Leads Others Effectively

- Develops and communicates compelling rationales that build commitment and support for one's perspectives, strategies, and initiatives
- Builds diverse, high-performing teams that accomplish organizational changes, goals, and priorities
- Listens to the diverse ideas, perspectives, and contributions of others across the organization
- Builds trusting, collaborative relationships across organizational boundaries to achieve goals
- Leads with integrity and values, and a focus at all times on the mission of the organization
- Challenges and motivates others in a way that is inclusive, tactful, empowering, and maximizes performance
- Leads with a vision that inspires others to adopt the goals of the organization as their own
- Ability to interact and get along with employees at all levels

Leverages Industry Acumen

- Monitors and analyzes financial data and key cost drivers (e.g., personnel) to evaluate options and make decisions
- Understands overall financial and operational performance of an organization in order to effectively position it in the marketplace
- Establishes and maintains realistic budgets in accordance with the organizations policies
- Follows appropriate legal and fiduciary requirements when reconciling and reporting financial transactions
- Considers multiple options for reducing costs and keeping the organization as efficient as possible
- Seeks to develop financial acumen and understand key financial related issues
- Grows continuously in business knowledge and experience

Plans for the Future

- Identifies and balances risks and benefits when developing plans
- Assesses financial implications of projects and initiatives; allocates resources to improve results while maintaining financial discipline
- Provides the information, resources, implementation time, and talent needed to make plans and their implementation successful
- Identifies need for and ensures contingency plans are developed
- Assigns or directly monitors and evaluates the external environment when developing plans
- Aligns and allocates resources and time according to strategic priorities and company interests

Embraces Diversity

- Promotes the active recruiting of diverse individuals

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JEA Board Policy Manual

- Communicates and clarifies the link between diversity and achieving the organization's strategic goals
- Demonstrates visible support for programs that remove barriers (e.g., stereotypes) between diverse individuals
- Actively monitors organization to ensure equality and fairness for all members; objectively allocates compensation, rewards, and opportunities
- Promotes an inclusive culture where different viewpoints are valued and encouraged

Negotiates Collaboratively

- Strives to understand each party's position by asking in-depth questions and probing for specific needs and issues
- Defines and evaluates specific points of agreement and disagreement
- Seeks win-win solutions that meet the underlying interests of all parties
- Discloses appropriate and important information to establish openness and trust
- Keeps arguments or disputes issue-oriented rather than personal
- Maintains flexibility in negotiating style, adapting style to the specific needs of a given situation

Manages Politics

- Accurately discerns unspoken feelings and motivations, and leverages to determine what to say or how to proceed
- Adapts dress and demeanor as appropriate to a situation
- Appropriately manages impressions of oneself, one's department and the organization
- Keenly aware of and adheres to the norms and practices of the organization's culture
- Leverages appropriate channels of influence to more efficiently gain resources and accomplish goals
- Creates and maintains both formal and informal networks within the organization that facilitate the achievement of goals
- Chooses battles wisely and matches urgency to the importance of the concerns under discussion

Adopted in its entirety by the JEA Board on February 16, 2010.

JEA BOARD OF DIRECTORS MISSION, VISION, VALUES, GOALS AND OBJECTIVES

Mission

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

Vision

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

Values

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

Goals & Objectives

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



INTER-OFFICE MEMORANDUM

August 12, 2020

SUBJECT: BOARD POLICY MANUAL – REVIEW STAFF EDITS

FROM: Paul McElroy, Interim, Managing Director/CEO

TO: JEA Governance Committee

Joseph DiSalvo
Leon Haley
Marty Lanahan
Thomas VanOsdol

BACKGROUND:

JEA's Charter, its By-Laws and the Board Policy Manual comprise the primary governing documents for the Board of Directors. The Manual helps define the Board's intent, its goals and aspirations, promotes consistency of Board actions, and clarifies the Board members' roles, responsibilities, and commitments.

DISCUSSION:

At its inaugural July 16, 2020 meeting, the Governance Committee initiated its review for updating the Board Policy Manual. Given that the Manual was last updated in 2014, the Committee instructed management to execute certain desired formatting changes, as well as to conduct a review of the Manual's content to make it more reflective of current operations. This presentation summarizes management's edits to date.

FINANCIAL IMPACT:

There is no financial impact specific to this summary.

RECOMMENDATION:

No action required, as this update is for discussion only.

Paul E. McElroy, Interim Managing Director/CEO

PEM/SVT

**Governance Committee Meeting
Board Policy Manual (BPM)
Review of Staff Edits**

Policy Number	Policy Title	Page	Contributor	Brief Description
	Table of Contents (TOC)	2	Steve Tuten	Rearranged to appropriately align with revised board manual structure. Added Appendix page reference to the Table of Contents. Footer updated to reflect next board policy manual adoption date.
1.0	GLOBAL GOVERNANCE PROCESS	4	Steve Tuten	Introductory paragraph language revised to change “the citizens of Duval County” to read “current ratepayers”
1.0.7.	GLOBAL GOVERNANCE PROCESS	4	Dr. Leon Haley	Additional language added to read: “Board members will commit to preparation for all JEA related meetings and activities.”
1.3.2 (a)	AGENDA PLANNING	7	Dr. Leon Haley	Additional language added to read: “no later than”
1.7.1 (a) 4	DIRECTORS’ INDIVIDUAL RESPONSIBILITY	14	Joe Orfano	Language revised to read: “Credit Rating Agency Trip, 2 days (Board Chair is expected to attend).”
2.2.2	ACCOUNTABILITY OF CEO	20	Steve Tuten	Added a cross-reference to Policy Number 3.5.1 (WORKFORCE READINESS AND SUCCESSION PLANNING/Page 30) to end of paragraph.
3.3.1	FINANCIAL PLANNING/BUDGETING	28	Steve Tuten	Added a cross-reference to Policy Number 3.4 (FINANCIAL CONDITION AND ACTIVITIES/Page 29) to end of paragraph.
3.3.6	FINANCIAL PLANNING/BUDGETING	28	Steve Tuten	Added a cross-reference to Policy Number 1.10 (COST OF GOVERNANCE/Page 27) to end of paragraph.
3.8.1	COMMUNICATION AND SUPPORT TO BOARD	33	Steve Tuten	Added a cross-reference to Policy Number 2.4 (MONITORING CEO PERFORMANCE/Page 22) to end of paragraph.
3.8.5	COMMUNICATION AND SUPPORT TO BOARD	33	Steve Tuten	Added a cross-reference to Policy Number 2.0 (GLOBAL BOARD-MANAGEMENT DELEGATION/Page 18) to end of paragraph.
4.1.1 (a)	QUALITY OF ELECTRIC SERVICE	38	Ricky Erixton	New policy addendum language added to read: “Develop resources or agreements to ensure that JEA’s electric energy supply is 10% nuclear by 2017.”
4.1.2	QUALITY OF ELECTRIC SERVICE	38	Ricky Erixton	Revised System Average Interruption Frequency Index (SAIFI-2) to (SAIFI).
4.1.5	QUALITY OF ELECTRIC SERVICE	38	Ricky Erixton	New policy addendum language added to read: “Focus on reducing individual customer outages and report status through the customers experiencing more than five interruptions (CEMi-5).”

Policy Number	Policy Title	Page	Contributor	Brief Description
4.2.1	QUALITY OF WATER SERVICE	39	Hai Vu	Language revised to read: "Annually update an Integrated Water Resource Plan (IWRP) to ensure consumers' future water supply needs are met at the lowest evaluated cost while also ensuring water resources are available for future generations."
4.3.2 (b)	QUALITY OF SEWER SERVICE	40	Hai Vu	Language revised to read: "Increase the production and distribution of reclaimed water."
	EXECUTIVE CORE COMPETENCIES	45	Steve Tuten	Appendix A1 added to header.
	RECORD OF AMENDMENTS	50	Steve Tuten	Moved to last page of the policy manual.

Note: All pages in the policy manual have been updated to appropriately align with the new BPM format.

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JEA Board Policy Manual

JEA Board Policy Manual

TABLE OF CONTENTS

Policy Category IV: Governance Process

41.0	Global Governance Process	4
41.1	Governing Style	5
41.2	Board Job Description	6
41.3	Agenda Planning	7
41.4	Board Officers	8
41.5	Rules of Order	10
41.6	Board Member's Code of Conduct	12
41.7	Board Member's Individual Responsibility	14
41.8	Board Committee Principles	15
41.9	Board Committee Structure	16
41.10	Cost of Governance	17

Policy Category III: Board-Management Delegation

32.0	Global Board-Management Delegation	18
32.1	Unity of Control	19
32.2	Accountability of the CEO	20
32.3	Delegation to the CEO	21
32.4	Monitoring CEO Performance	22
32.5	CEO Remuneration	24

Policy Category III: Executive Limitations

23.0	General Executive Constraint	25
23.1	Treatment of Consumers	26
23.2	Treatment of Staff	27
23.3	Financial Planning/Budgeting	28
23.4	Financial Condition and Activities	29
23.5	Workforce Readiness and Succession Planning	30
23.6	Asset Protection	31
23.7	Compensation and Benefits	32
23.8	Communication and Support to the Board	33
23.9	Regulatory / Legislative Requirements	34
23.10	Enterprise Risk Management	35
23.11	Procurement Activities	36

Policy Category IV: Ends

14.0	Global Ends	37
14.1	Electric Service	38
14.2	Water Service	39
14.3	Sewer Service	40
14.4	Cost of Service	41
14.5	Environmentally Sound	42
14.6	Informative Communication	43

Appendix

~~44~~

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

JEA Board Policy Manual

TABLE OF CONTENTS (Cont'd)

Appendix

- A1 Executive Core Competencies
- A2 JEA Charter (Article 21 of City of Jacksonville Ordinance Code)
- A3 By-Laws of JEA

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY ~~41.0~~

POLICY TITLE: GLOBAL GOVERNANCE PROCESS

The purpose of the Board, on behalf of the owners of JEA, ~~the citizens of Duval County current ratepayers~~, is to see to it that JEA (a) achieves appropriate results for appropriate persons for an appropriate cost (as specified in Board Ends policies) and (b) avoids unacceptable actions and situations (as prohibited in Board Executive Limitations policies).

- 41.1 Governing Style:** The Board will govern in accordance with legal requirements, observing the principles of the Policy Governance model, with an emphasis on (a) outward vision rather than internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of Board and chief executive roles, (e) collective rather than individual decisions, (f) future more so than past or present, and (g) proactivity rather than reactivity.
- 41.2 Board Job Description:** Specific responsibilities of the Board as an informed agent of the ownership are those that ensure appropriate organizational performance.
- 41.3 Agenda Planning:** To accomplish its responsibilities with a governance style consistent with Board policies, the Board will follow an annual agenda that (a) completes a re-exploration of Ends policies at least annually and (b) continually improves Board performance through education and deliberation.
- 41.4 Board Officers:** Board officers assure the integrity of the Board's process and record's. Board officers are: Chairman, Vice-Chairman, Secretary & Assistant Secretary.
- 41.5 Rules of Order:** Board meetings will be conducted in an orderly and fair process consistent with the requirements of Florida law, Ordinances of the City of Jacksonville, the JEA Charter, Bylaws and these governance policies. Meetings will be led by the Chairman, or, in the absence of the Chairman, the Vice-Chairman, or, in the absence of both, by the Chairman's designee.
- 41.6 Board Member's Code of Conduct:** The Board commits itself to lawful, ethical and businesslike conduct, following all requirements of Florida Law, Ordinances of the City of Jacksonville, and the JEA Charter including proper use of its authority and appropriate decorum when acting as Board members.
- 41.7 Board Member's Individual Responsibility:** The leadership success of the Board is a direct result of the individual and collegial participation of its members. Board members will commit to preparation for all JEA related meetings and activities.
- 41.8 Board Committee Principles:** Board committees, when used, will be assigned so as to reinforce the wholeness of the Board's job and not to interfere with delegation from the Board to the CEO.
- 41.9 Board Committee Structure:** A committee is a Board committee only if its existence and charge come from the Board, regardless of whether Board members sit on the committee. The only Board committees are those which are set forth in the Bylaws or in this policy. Unless otherwise stated, a committee ceases to exist as soon as its task is complete. The CEO will attend meetings of each committee, but shall not have a vote.
- 41.10 Cost of Governance:** The Board will invest in continuous improvement of its governance capacity.

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

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY ~~41~~.1

POLICY TITLE: GOVERNING STYLE

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

Accordingly,

- ~~41~~.1.1 Unique Requirements of Florida Law for Public Boards: In conducting its duties as a Board in Florida, the Board is required to comply with the Florida Sunshine Law, which prohibits any two or more members of the Board from meeting unless the meeting has been properly noticed and conducted in accordance with the legal requirements. In addition, Florida Law contains requirements regarding Public Records, conflicts of interest and voting which must be followed in the conduct of the Board's business.
- ~~41~~.1.2 The Board will cultivate a sense of group responsibility and will be a proactive Board versus a reactive Board. The Board, not the staff, will be responsible for excellence in governing. The Board will be the initiator of policy, not merely a reactor to staff initiatives. The Board will use the expertise of individual members to enhance the ability of the Board as a body rather than to substitute the individual judgments for the Board's values.
- ~~41~~.1.3 The Board will direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the Board's values and perspectives. The Board's major policy focus will be on the intended long-term impacts outside the staff organization, not on the administrative or programmatic means of attaining those effects.
- ~~41~~.1.4 The Board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuance of governance capability. Although the Board can change its Governance Process policies at any time, it will diligently observe those currently in force.
- ~~41~~.1.5 Continual Board development will include orientation of new Board members in the Board's governance process and periodic Board discussion of governance process improvement.
- ~~41~~.1.6 The Board will allow no officer, individual, or committee of the Board to hinder or serve as an excuse for the Board not fulfilling its commitments.
- ~~41~~.1.7 Each member of the Board will respect the final determination of the Board concerning any particular matter, regardless of the member's personal position concerning such matter.

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

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 41.2

POLICY TITLE: *BOARD JOB DESCRIPTION*

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

Accordingly,

- 41.2.1** The Board is the authoritative link between the organization and the ownership.
- 41.2.2** The Board will provide governing policies that realistically address the broadest levels of all organizational decisions and situations:
 - a. Ends: The organizational outcomes to its recipients including the relative worth of such outcomes in cost or priority. (What good for which recipients at what cost)
 - b. Executive Limitations: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
 - c. Board-Management Delegation: Specification of how power is delegated and its proper use monitored; clarity on the CEO's role, authority, and accountability.
 - d. Governance Process: Specification of how the Board develops, carries out, and monitors its own responsibilities.
- 41.2.3** The Board will measure the CEO's performance against its Ends and Executive Limitations Policies.
- 41.2.4** The Board will measure its own performance against its Governance Process and Board-Management Delegation Policies quarterly.
- 41.2.5** Board members will respect their fiduciary responsibilities to protect and enhance the value of JEA as a citizen-owned enterprise with due diligence using sound business judgment consistent with JEA's legislative charter.

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

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 41.3

POLICY TITLE: *AGENDA PLANNING*

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

Accordingly,

41.3.1 The Board will establish its annual agenda during an annual retreat to be scheduled around March of each year.

- a. The Board will review and re-establish its Ends policies as often as necessary with review always taking place at least during the annual retreat.
- b. Consultations with selected groups in the ownership, or other methods of gaining ownership input, will be scheduled as part of the annual agenda.
- c. Governance education and education related to Ends determination (presentations by futurist, demographers, advocacy groups, staff, etc.) will be scheduled as part of the annual agenda.

41.3.2 The agenda for the Board's monthly meeting will be established through consultation with the Chair and the CEO.

- a. The agenda along with supporting item documentation will be made available to Board members no later than seven days prior to monthly Board meetings.
- b. The Board will attend to consent agenda items as expeditiously as possible.
- c. A Board member may bring up new business at the appropriate time on the agenda during any meeting, however, if a formal response or presentation is necessary, a request should be made to the CEO no later than two weeks before the Board meeting to allow others on the Board to receive information in advance.
- d. CEO monitoring will be on the agenda if reports have been received since the previous meeting, if plans must be made for direct inspection monitoring, or if arrangements for third-party monitoring must be prepared.

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

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY ~~41.4~~

POLICY TITLE: BOARD OFFICERS

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

Accordingly,

41.4.1 The Chairman, a specially empowered member of the Board, ensures the integrity of the Board's process and, secondarily, occasionally represents the Board to outside parties.

- a. The Chairman's role is to see that the Board behaves consistently within its own rules and those rules and regulations imposed upon it from outside the organization.
 - (1) Meeting discussion content will consist of issues that clearly belong to the Board to decide or to monitor according to Board policy.
 - (2) Information that is neither for monitoring performance nor for Board decisions will be avoided or minimized and always noted as such.
 - (3) Deliberation will be fair, open, and thorough but also timely, orderly, and kept to the point.
- b. The authority of the Chairman consists in making decisions that fall within topics covered by Board policies on Governance Process and Board-Management Delegation, with the exception of (a) employment or termination of the CEO and (b) areas where the Board specifically delegates portions of this authority to others. The Chairman is authorized to use any reasonable interpretation of provisions in these policies.
 - (1) The Chairman is empowered to chair Board meetings with all the commonly accepted powers of that position, such as ruling and recognizing.
 - (2) The Chairman has no authority to make decisions about policies created by the Board within Ends and Executive Limitations policy areas.
 - (3) The Chairman may represent the Board to outside parties in announcing Board-stated positions and in stating Chairman decisions and interpretations within the area delegated to that role.
 - (4) The Chairman may delegate this authority but remains accountable for its use.
 - (5) The Chairman may appoint members and a Chairman for each Board committee, unless otherwise stipulated by Board policies or the organization's Bylaws.
- c. Expected Traits for chairman: *(Does the Board want to include some basic core traits for the chair?)*

41.4.2 The Vice-Chairman or, in the absence of the Vice-Chairman, the immediate Past-Chairman will serve as Chair in the absence of the Chairman.

41.4.3 The Board Secretary is an officer of the Board whose purpose is to ensure the integrity of the Board's documents.

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

JEA Board Policy Manual

- a. The Secretary's role is to see to it that all Board documents and records are accurate and timely.
 - (1) Policies will be current in their reflection of Board decisions. Decisions upon which no subsequent decisions are to be based, such as consent agenda decisions, motions to adjourn, and staff or Board member recognitions, need not be placed in policy.
 - (2) Policy Governance principles will be followed in policy development.
 - (3) Board policies and By-laws are to be consistent with the legal requirements of Florida Law, Ordinances of the City of Jacksonville and the JEA Charter and are to be known by the Board.
 - (4) Board expectations for format, brevity, and accuracy of Board minutes will be known to the CEO.
- b. The authority of the secretary is access to and control over Board documents and records.

41.4.4 The Assistant Secretary will serve as Secretary in the absence of the Secretary.

41.4.5 All Board officers are accountable to the Chairman unless otherwise determined by Board policy.

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY ~~41.5~~

POLICY TITLE: RULES OF ORDER

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

Accordingly,

~~41.5.1~~ Board meetings will be conducted with punctuality and order.

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

~~41.5.2~~ Board meetings will be conducted at a level of informality considered appropriate by the Chairman yet with predictable discipline.

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

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

JEA Board Policy Manual

- g. A motion to adjourn a Board meeting may be offered by any Board member or, on the conclusion of all business, adjournment of the meeting may be declared by the Chair.

41.5.3 When further rules of order are to be developed by the Board, the Board will consider the Standard Code of Parliamentary Procedure (Robert's Rules of Order) as a resource guide. The representative from the Office of General Council may serve the Board as a resource on Parliamentary Procedure.

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 41.6

POLICY TITLE: BOARD MEMBER'S CODE OF CONDUCT

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

Accordingly,

- 41.6.1** Members are expected to represent the interests of the ownership. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. It also supersedes the personal interest of any Board member acting as a consumer of the organization's services.
- 41.6.2** Members must avoid conflict of interest with respect to their fiduciary responsibility. Such conflicts of interest include but are not limited to the following:
 - a. There will be no self-dealing or business by a member with the organization. Members will annually disclose their involvements with other organizations or with vendors and any associations that might be reasonably seen as representing a conflict of interest.
 - b. When the Board is to decide upon an issue about which a member has an unavoidable conflict of interest, that member shall announce and declare publicly any conflict of interest and withdraw without comment not only from the vote but also from the deliberation.
 - c. Board members will not use their Board position to obtain employment in the organization for themselves, family members, or close associates. Any such existing relationship is expected to be disclosed to the Board. A Board member who applies for employment must first resign from the Board.
- 41.6.3** Members may not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.
 - a. Members' interaction with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly authorized by the Board.
 - b. Members' interaction with the public, the press, or other entities must recognize the same limitation and the inability of any Board member to speak for the Board except to repeat explicitly stated Board decisions.
 - c. Except for participation in Board deliberation about whether the CEO has achieved any reasonable interpretation of Board policy, members will not express individual judgments of negative performance of employees or the CEO.
- 41.6.4** Members will respect the confidentiality appropriate to issues of a sensitive nature.
- 41.6.5** Members will be properly prepared for Board deliberation.
- 41.6.6** Members are expected to support the legitimacy and authority of the final determination of the Board on any matter, without regard to the member's personal position on the issue.

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

JEA Board Policy Manual

41.6.7 Members who have any question about the appropriateness of their conduct should consult with the Office of General counsel or appropriate Ethics offices for information.

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

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY ~~41.7~~

POLICY TITLE: DIRECTORS' INDIVIDUAL RESPONSIBILITY

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

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

41.7.1 Time Investment to Accomplish Board Responsibilities - As Board contemplation, deliberation and decision-making are processes which require wholeness, collaboration and participation, attendance at Board meetings is expected of Board members.

a. Expected Commitments:

- (1) Monthly Board Meetings
- (2) Annual Team Building
- (3) Quarterly Review

- (4) ~~Board Credit Rating Agency Trip, 3-2 days (Board Chair is expected to attend. However, full participation is highly encouraged.)~~

Commented [a1]: Dr. Leon Haley: If more than one board member attends does the trip have to be noticed?

b. Optional Involvement:

- (1) Internal educational meetings with staff upon request
- (2) Industry related seminars and conferences
- (3) Visit other utilities and related industries

41.7.2 Preparation and Participation - Board members will prepare for Board and committee meetings and will participate productively in discussions, always within the boundaries of discipline established by the Board. Each member will contribute his or her own knowledge, skills and expertise to the Board's efforts to fulfill its responsibilities.

41.7.3 Members as Individuals - The CEO is accountable only to the Board as an organization, and not to individual Board members. Accordingly, the relationship between the CEO and individual members of the Board, including the Chairman, is collegial, not hierarchical.

(Joe Orfano Page Reference)(JOrofano revisions as requested 7/23/20)

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

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY ~~41.8~~

POLICY TITLE: *BOARD COMMITTEE PRINCIPLES*

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

Accordingly,

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

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

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY ~~41.9~~

POLICY TITLE: BOARD COMMITTEE STRUCTURE

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

Accordingly,

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

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

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

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

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

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

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 41.10

POLICY TITLE: *COST OF GOVERNANCE*

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

Accordingly,

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

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

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

- a. training
- b. attendance at conferences, industry site visits and Rating Agency presentations
- c. audit and other third-party monitoring of organizational performance
- d. surveys, focus groups, opinion analysis, and meeting costs.

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

JEA Board Policy Manual

POLICY TYPE: BOARD MANAGEMENT DELEGATION

POLICY ~~32~~.0

POLICY TITLE: GLOBAL BOARD-MANAGEMENT DELEGATION

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

- ~~32~~.1 Unity of Control:** Only officially passed motions of the Board are binding on the CEO.
- ~~32~~.2 Accountability of the CEO:** The CEO is the Board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the CEO.
- ~~32~~.3 Delegation to the CEO:** The Board will instruct the CEO through written policies that prescribe the organizational Ends to be achieved and describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.
- ~~32~~.4 Monitoring CEO Performance:** Systematic monitoring of CEO job performance will be solely against the only expected CEO job achievements: organizational accomplishment of Board policies on Ends and organizational operation within the boundaries established in Board policies on Executive Limitations.
- ~~32~~.5 CEO Remuneration:** Salary and benefits and other terms of employment for the CEO will be determined by contract.
- ~~32~~.6 Core Competencies:** Executive Core Competencies are included in the Appendix.

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

JEA Board Policy Manual

POLICY TYPE: BOARD MANAGEMENT DELEGATION

POLICY ~~32~~.1

POLICY TITLE: *UNITY OF CONTROL*

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

Accordingly,

- ~~32~~.1.1** Decisions or instructions of individual Board members, officers, or committees are not binding on the CEO.
- ~~32~~.1.2** In the case of Board members or committees requesting information or assistance without Board authorization, the CEO can refuse such requests that require, in the CEO's opinion, a material amount of staff time or funds, or are disruptive. The CEO shall promptly inform the Board if requests from Board members or committees are refused.

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

JEA Board Policy Manual

POLICY TYPE: BOARD MANAGEMENT DELEGATION

POLICY ~~32~~.2

POLICY TITLE: ACCOUNTABILITY OF CEO

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

Accordingly,

- ~~32~~.2.1 The Board as a body and individual board members will never give instructions to persons who report directly or indirectly to the CEO.
- ~~32~~.2.2 The Board will not evaluate, either formally or informally, any staff other than the CEO. However, the CEO will discuss his evaluation with the Board of the executives identified as potential interim CEO successors (refer to ~~Policy-23.5.1~~).
- ~~32~~.2.3 The Board will view CEO performance as identical to organizational performance so that organizational accomplishment of Board-stated Ends and avoidance of Board-described means will be viewed as successful CEO performance.

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

JEA Board Policy Manual

POLICY TYPE: BOARD MANAGEMENT DELEGATION

POLICY ~~32~~.3

POLICY TITLE: *DELEGATION TO THE CEO*

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

Accordingly,

- ~~32~~.3.1 The Board will develop policies instructing the CEO to achieve specified results, for specified recipients, at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels and will be called Ends policies. All issues that are not ends issues as defined here are means issues.
- ~~32~~.3.2 The Board will develop policies that limit the latitude the CEO may exercise in choosing the organizational means. These limiting policies will describe those practices, activities, decisions and circumstances that would be unacceptable to the Board even if they were to be effective. Policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations policies. The Board will never prescribe organizational means delegated to the CEO.
- ~~32~~.3.3 As long as the CEO uses *any reasonable interpretation* of the Board's Ends and Executive Limitations policies, the CEO is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and pursue all activities. Such decisions of the CEO shall have full force and authority as if decided by the Board.
- ~~32~~.3.4 The Board may change its Ends and Executive Limitations policies, thereby shifting the boundary between Board and CEO domains. By doing so, the Board changes the latitude of choice given to the CEO. However, as long as any particular delegation is in place, the Board will respect and support the CEO's choices.
- ~~32~~.3.5 Should the CEO violate a Board policy, he or she shall promptly inform the Board. Informing is simply to guarantee no violation may be intentionally kept from the Board, not to request approval. Board response, either approving or disapproving, does not exempt the CEO from subsequent Board judgment of the action nor does it curtail any executive decision.

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

JEA Board Policy Manual

POLICY TYPE: BOARD MANAGEMENT DELEGATION

POLICY ~~32.4~~

POLICY TITLE: MONITORING CEO PERFORMANCE

Systematic monitoring of CEO performance will be solely against the only expected CEO job achievements: organizational accomplishment of Board policies on Ends and organizational operation within the boundaries established in Board policies on Executive Limitations.

Accordingly,

- ~~32.4.1~~ Monitoring is simply to determine the degree to which Board policies are being met. Data or information that does not do this will not be considered to be monitoring information.
- ~~32.4.2~~ The Board will acquire monitoring information by one or more of these methods:
- By internal report, in which the CEO discloses interpretations and compliance information to the Board.
 - By external report, in which an external, disinterested and independent third party selected by the Board assesses compliance with Board policies (e.g. external financial audit).
 - By direct Board inspection, in which a designated member or members of the Board assess compliance with the appropriate policy criteria.
- ~~32.4.3~~ In every case, the Board will judge (a) the reasonableness of the CEO's interpretation and (b) whether data demonstrate accomplishment of the interpretation.
- ~~32.4.4~~ The standard of compliance shall be any reasonable CEO interpretation of the Board policy being monitored. The Board is the final arbiter of reasonableness.
- ~~32.4.5~~ All policies that instruct the CEO will be monitored at a frequency and by a method chosen by the Board. The Board can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule:

[Example of monitoring schedule] – (final schedule will be set after policies are developed)

Policy	Method	Frequency	Schedule
Ends	Internal	Annually	
Treatment of Customers	Internal	Annually	
Treatment of Staff	Internal	Annually	
Financial Planning/Budgeting	Internal	Quarterly	End of Qtr.
Financial Condition & Activities	Internal External	Quarterly Annually	End of Qtr. Close of Yr.
Asset Protection	Internal	Annually	
Emergency CEO Succession	Internal	Annually	

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

JEA Board Policy Manual

Communication and Support to Board	Internal	Annually
Compensation and Benefits	Internal	Annually

In addition to the monitoring reports above, the Board must receive the following information each month. It is understood that this data is supplemental, not monitoring:

Financial Report	Internal	Monthly	End of Month
Operating Report	Internal	Monthly	End of Month

JEA Board Policy Manual

POLICY TYPE: BOARD MANAGEMENT DELEGATION

POLICY ~~32~~.5

POLICY TITLE: CEO REMUNERATION

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

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

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY **23.0**

POLICY TITLE: **GENERAL EXECUTIVE CONSTRAINT**

The CEO shall not cause or allow any organizational practice, activity, decision, or circumstance that is either unlawful, imprudent, or in violation of commonly accepted business and professional ethics and practices.

- 23.1 Treatment of Consumers:** With respect to interactions with consumers or those applying to be consumers, the CEO shall not cause or allow conditions, procedures, or decisions that are unsafe, untimely, undignified, or unnecessarily intrusive.
- 23.2 Treatment of Staff:** With respect to the treatment of staff, the CEO may not cause or allow conditions that are unfair, unsafe, undignified, disorganized, or unclear.
- 23.3 Financial Planning/Budgeting:** The CEO shall not cause or allow financial planning for any fiscal year or the remaining part of any fiscal year to deviate materially from the Board's Ends priorities, risk financial jeopardy, or fail to be derived from a multiyear plan.
- 23.4 Financial Condition and Activities:** With respect to the actual, ongoing financial conditions and activities, the CEO shall not cause or allow the development of financial jeopardy or material deviation of actual expenditures from Board priorities established in Ends policies.
- 23.5 Workforce Readiness and Succession Planning:** The CEO shall not allow the workforce to be unprepared to meet current or future business demands.
- 23.6 Asset Protection:** The CEO shall not cause or allow corporate assets to be unprotected, inadequately maintained, or unnecessarily risked.
- 23.7 Compensation and Benefits:** With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the CEO shall not cause or allow jeopardy to financial integrity or to public image.
- 23.8 Communication and Support to Board:** The CEO shall not cause or allow the Board to be uninformed or unsupported in its work.
- 23.9 Regulatory/Legislative Requirements:** The CEO will not fail to effect regulatory and legislative action favorable to the organization.
- 23.10 Enterprise Risk Management:** The CEO shall not cause or allow conditions, procedures or decisions which fail to identify, measure, monitor and manage, within established risk tolerances, potential events that may affect achievement of the Ends.
- 23.11 Procurement Activities:** The CEO shall not fail to develop procurement policies and procedures that adhere to all applicable federal, state and local laws and ordinances and provide for increased public confidence in the procurement activities of JEA.

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

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY ~~23~~.1

POLICY TITLE: *TREATMENT OF CONSUMERS*

With respect to interactions with consumers or those applying to be consumers, the CEO shall not cause or allow conditions, procedures, or decisions that are unsafe, untimely, undignified, or unnecessarily intrusive.

Accordingly, the CEO will not:

- ~~23~~.1.1 Elicit information for which there is no clear necessity.
- ~~23~~.1.2 Use methods of collecting, reviewing, transmitting, or storing client information that fail to protect against improper access.
- ~~23~~.1.3 Fail to operate facilities with appropriate accessibility and privacy.
- ~~23~~.1.4 Fail to establish with consumers a clear understanding of what may be expected and what may not be expected from service offered.
- ~~23~~.1.5 Fail to operate without clearly established and updated Customer Service procedures and published rules and regulations for service.
- ~~23~~.1.6 Fail to operate without mechanisms for collecting consumer complaints that provide for resolution at the lowest staff level and also include prompt response when warranted.

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

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY ~~23~~.2

POLICY TITLE: *TREATMENT OF STAFF*

With respect to the treatment of paid and volunteer staff, the CEO may not cause or allow conditions that are unfair, unsafe, undignified, disorganized, or unclear.

Accordingly, the CEO will not:

- ~~23~~.2.1 Operate without written personnel rules and regulations that
 - a. clarify rules for staff
 - b. provide for effective handling of grievances
 - c. protect against wrongful conditions such as nepotism and grossly preferential treatment for personal reasons.
 - d. allow for volunteerism in the community
 - e. require high ethical standards
 - f. recognize the need for work/life balance
- ~~23~~.2.2 Operate without written job descriptions and performance requirements and reviews that
 - a. characterize the nature of work to be performed
 - b. identify technical, behavioral and physical skills required
 - c. identify clear standards of accountability
- ~~23~~.2.3 Fail to provide a safe work environment.
- ~~23~~.2.4 Fail to identify and provide training necessary to accomplish the quality of work expected.
- ~~23~~.2.5 Allow discrimination or retaliation against any staff member for non-disruptive expression of dissent.
- ~~23~~.2.6 Fail to acquaint staff with the CEO's interpretation of their protections under this policy.
- ~~23~~.2.7 Allow staff to be under prepared to deal with emergency situations.
- ~~23~~.2.8 Fail to insure that the company's Core Values are routinely communicated and reinforced to all employees.

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

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY ~~23~~.3

POLICY TITLE: *FINANCIAL PLANNING/BUDGETING*

The CEO shall not cause or allow financial planning for any fiscal year or the remaining part of any fiscal year to deviate materially from the Board's Ends priorities, risk financial jeopardy, or fail to be derived from a multiyear plan.

Accordingly, the CEO will not:

- 3.3.1 Risk incurring those situations or conditions described as unacceptable in the Board policy "Financial Condition and Activities [\(refer to Policy 3.4\)](#)."
- 3.3.2 Fail to include credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning and budgeting assumptions.
- 3.3.3 Fail to identify the source for capital expenditures (e.g. internally generated cash, new debt, carry over funds from previous fiscal year).
- 3.3.4 Fail to adhere to approved tariff rates and fees.
- 3.3.5 Fail to set and follow an annual budgeting process that results in a final budget submittal to City Council by July 1 proceeding the budgeted fiscal year.
- 3.3.6 Provide less for Board prerogatives during the year than is set forth in the "Cost of Governance" policy [\(refer to Policy 1.10\)](#).

[Adopted in its entirety by the JEA Board on February 16, 2010](#)
[and as Amended and Adopted by the JEA Board on _____](#)

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY ~~23~~.4

POLICY TITLE: *FINANCIAL CONDITION AND ACTIVITIES*

With respect to the actual, ongoing financial conditions and activities, the CEO shall not cause or allow the development of financial jeopardy or material deviation of actual expenditures from Board priorities established in Ends policies.

Accordingly, the CEO will not:

- 3.4.1 Fail to operate within the budget established for the fiscal year.
- 3.4.2 Make budget transfers in excess of \$5,000,000 without Board approval.
- 3.4.3 Fail to inform the Board in monitoring reports when reserves are required to meet current expenditures.
- 3.4.4 Fail to maintain financial and accounting separation between electric, water and wastewater, and District Energy funds as required by regulatory agencies and bond covenants.
- 3.4.5 Fail to operate within established financial parameters nor fail to engage the board when established parameters are considered inadequate to affect a desired bond rating.

Current financial parameters:

- a. Debt Service Coverage
 - b. Fixed Charge coverage
 - c. Cash on Hand
 - d. Working Capital
 - e. Line of Credit
 - f. Fuel Rate Reserve
- 3.4.6 Operate in violation of JEA's Debt Management Policies.
 - 3.4.7 Fail to settle payroll and debts in a timely manner.
 - 3.4.8 Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
 - 3.4.9 Fail to establish reasonable security measures to protect against loss of receivables.
 - 3.4.10 Fail to aggressively pursue receivables after a reasonable grace period.

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JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY ~~23~~.5 POLICY TITLE: *WORKFORCE READINESS AND SUCCESSION PLANNING*

The CEO shall not allow the workforce to be unprepared to meet current or future business demands.

Accordingly, the CEO will not

- ~~23~~.5.1 Permit there to be fewer than two other executives sufficiently familiar with Board and CEO issues and processes to enable either to take over with reasonable proficiency as an interim successor to protect the Board from sudden loss of CEO services.
- ~~23~~.5.2 Fail to prepare for long term CEO succession.
- ~~23~~.5.3 Fail to prepare for Executive Team succession.
- ~~23~~.5.4 Operate without strategic and tactical plans to have and maintain the right people, in the right place, with the right talent, skills and knowledge.
- ~~23~~.5.5 Fail to develop a workforce that recognizes the value of cultural diversity in internal operations and in serving customers.

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

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY ~~23~~ 6

POLICY TITLE: ASSET PROTECTION

The CEO shall not cause or allow corporate assets to be unprotected, inadequately maintained, or unnecessarily risked.

Accordingly, the CEO will not:

- 3.6.1 Fail to insure adequately against theft and casualty and against liability and losses to Board members, staff, and the organization itself.
- 3.6.2 Allow unbonded personnel access to material amounts of funds.
- 3.6.3 Subject facilities and equipment to improper wear and tear or insufficient maintenance.
- 3.6.4 Unnecessarily expose the organization, the Board, or its staff to claims of liability.
- 3.6.5 Operate without written claims policies that address fair treatment of claimants, legal liability, ratepayer costs and sound business practices.
- 3.6.6 Fail to protect corporate assets including, but not limited to, property rights, corporate image, physical assets, intangible assets, intellectual property, information, and files from loss or significant damage.
- 3.6.7 Receive, process, or disburse funds without sufficient controls.
- 3.6.8 Invest funds in violation of JEA's Investment Policies.
- 3.6.9 Fail to ensure that all employees and outsourced contract service providers understand their responsibility to comply with all applicable laws and regulations and JEA's Code of Ethics.

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and as Amended and Adopted by the JEA Board on _____.

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY ~~23~~.7

POLICY TITLE: *COMPENSATION AND BENEFITS*

With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the CEO shall not cause or allow jeopardy to financial integrity or to public image.

Accordingly, the CEO will not:

- 3.7.1 Change the CEO's own compensation and benefits, except as those benefits are consistent with a package for other appointed employees.
- 3.7.2 Promise or imply unconditional permanent or guaranteed employment.
- 3.7.3 ~~Administer compensation and benefits that fail to address individual accountability, motivate and reward for knowledge and skills, encourage organizational flexibility and responsiveness or are inconsistent with the geographic and professional market for the skills employed.~~

Promote a compensation philosophy that is contradictory to JEA's compensation philosophy of providing a total rewards package that encompasses salary/wages, retirement benefits, incentives, and health and welfare benefits. Salary/wages will meet the market (50% percentile), which is where the majority of companies in the geographic area reside. The 50th percentile pays competitively for behavior that meets expectations. Additional consideration will be given to behaviors that exceed expectations which are typically rewarded at the 75th percentile. Internal equity will be achieved by evaluating differences in skill, effort, responsibility, and working conditions among jobs.

Revisions Approved by the
Board of Directors on June 17, 2014

(Angie Hiers Page Reference) *(AHiers confirmed – no edits needed 7/28/20)*

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and as Amended and Adopted by the JEA Board on _____.

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY ~~23~~.8

POLICY TITLE: *COMMUNICATION AND SUPPORT TO BOARD*

The CEO shall not cause or allow the Board to be uninformed or unsupported in its work.

Accordingly, the CEO will not:

- 3.8.1 Neglect to submit monitoring data required by the Board in Board-Management Delegation policy "Monitoring CEO Performance" in a timely, accurate, and understandable fashion, directly addressing provisions of Board policies being monitored, and including CEO interpretations consistent with Board-Management Delegation policy "Delegation to the CEO," as well as relevant data [\(refer to Policy 2.4\)](#).
- 3.8.2 Allow the Board to be unaware of any actual or anticipated noncompliance with any Ends or Executive Limitations policy of the Board regardless of the Board's monitoring schedule.
- 3.8.3 Allow the Board to be without decision information required periodically by the Board or let the Board be unaware of relevant trends.
- 3.8.4 Let the Board be unaware of any significant incidental information it requires including anticipated media coverage, threatened or pending lawsuits, and material internal and external changes.
- 3.8.5 Allow the Board to be unaware that, in the CEO's opinion, the Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the CEO [\(refer to Policy 2.0\)](#).
- 3.8.6 Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.
- 3.8.7 Allow the Board to be without a workable mechanism for official Board, officer, or committee communications.
- 3.8.8 Deal with the Board in a way that favors or privileges certain Board members over others, except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the Board.
- 3.8.9 Fail to submit to the Board a consent agenda containing items delegated to the CEO yet required by law, regulation, or contract to be Board-approved, along with applicable monitoring information.
- 3.8.10 Fail to provide a process to retain relevant background information on previous Board policy decisions.

[Adopted in its entirety by the JEA Board on February 16, 2010](#)
[and as Amended and Adopted by the JEA Board on _____](#)

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY ~~23~~.9

POLICY TITLE: REGULATORY/LEGISLATIVE REQUIREMENTS

The CEO will not fail to effect regulatory and legislative action favorable to the organization.

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

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY ~~23~~.10

POLICY TITLE: *ENTERPRISE RISK MANAGEMENT*

The CEO shall not cause or allow conditions, procedures or decisions which fail to identify, measure, monitor and manage, within established risk tolerances, potential events that may affect achievement of the Ends.

Accordingly, the CEO will not

~~23~~.10.1 Fail to establish and maintain a written Enterprise Risk Management (ERM) Plan and an ERM program that includes management-level policies, procedures and process controls to help ensure that the enterprise-wide business risk exposures are properly identified, managed and, when appropriate, reported to the Board.

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

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY ~~23~~.11

POLICY TITLE: *PROCUREMENT ACTIVITIES*

The CEO shall not fail to develop procurement policies and procedures that adhere to all applicable federal, state and local laws and ordinances and provide for increased public confidence in the procurement activities of JEA.

Accordingly, the CEO will not

~~23~~.11.1 Fail to develop and disseminate simple, clear and up-to-date rules for all procurement.

~~23~~.11.2 Fail to ensure the fair and equitable treatment of all persons who deal with the JEA procurement system.

~~23~~.11.3 Fail to provide increased economy in all procurement activities and to maximize to the fullest extent practicable the purchasing value of JEA funds.

~~23~~.11.4 Fail to foster effective, broad-based competition within the free enterprise system

~~23~~.11.5 Fail to provide safeguards for the maintenance of the procurement system quality and integrity.

~~23~~.11.6 Fail to provide a clear and timely administrative remedy process to all those aggrieved during any phase of the procurement process.

~~23~~.11.7 Fail to provide effective access for Small and Emerging Local Businesses

(Alan McElroy Page Reference) *(AMcElroy & STuten confirmed – no edits needed 7/28/20)*

POLICY TYPE: ENDS

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

JEA Board Policy Manual

POLICY ~~14~~.0

POLICY TITLE: GLOBAL ENDS

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

- ~~14~~.1 Quality of Electric Service:** Provide clean, safe and reliable electric service to all prescribed consumers.
- ~~14~~.2 Quality of Water Service:** Provide clean, safe and reliable water service to all prescribed consumers.
- ~~14~~.3 Quality of Sewer Services:** Provide clean, safe and reliable sewer services to all prescribed consumers.
- ~~14~~.4 Cost of Service:** Provide all utility services at a reasonable and accurate cost.
- ~~14~~.5 Environmentally Sound:** Provide all utility services in a manner that is environmentally sound and sustainable.
- ~~14~~.6 Informative Communication:** Effectively communicate with consumers and other stakeholders.

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

JEA Board Policy Manual

POLICY TYPE: ENDS

POLICY ~~4.1~~ 1

POLICY TITLE: *QUALITY OF ELECTRIC SERVICE*

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

- 4.1.1 Annually update an Electric Integrated Resource Supply Plan (IRP) to ensure consumers' future electricity supply needs are met at the lowest evaluated total lifecycle cost while maintaining fuel diversity.
 - a. Develop resources or agreements to ensure that JEA's electric energy supply is 10% nuclear by 2017. [RErixton 7-17-20: This needs to be updated. Will discuss with Paul and Brian.]
- 4.1.2 Minimize the frequency of electric distribution system outages and report status through the System Average Interruption Frequency Index (SAIFI-2). [RErixton 7-17-20: Recommend changing to SAIFI.]
- 4.1.3 Minimize the frequency of electric distribution system voltage sags and report status through the System Average Root Mean Square Frequency Index (SARFI-80).
- 4.1.4 Minimize the duration of electric distribution system outages and report status through the System Average Interruption Duration Index (SAIDI).
- 4.1.5 Focus on reducing individual customer outages and report status through the customers experiencing more than five interruptions (CEMI-5). [RErixton 7-17-20: Recommended adding Section 4.1.5]

(Ricky Erixton Page Reference)*(RErixton revisions as requested 7/17/20)*

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

JEA Board Policy Manual

POLICY TYPE: ENDS

POLICY ~~14.2~~

POLICY TITLE: *QUALITY OF WATER SERVICE*

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

~~14.2.1~~ Annually update an Integrated Water Resource Plan (IWRP) ~~Total Water Management Plan (TWMP)~~ to ensure consumers' future water supply needs are met at the lowest evaluated cost while also ensuring water resources are available for future generations.

a. The IWRP~~TWMP~~ is to include evaluation of water supply alternatives.

~~14.2.2~~ Minimize the duration of water distribution system low pressure events and report status of the number of cumulative minutes water pressure drops below 30 pounds per square inch (psi) for all existing water distribution system pressure monitoring points.

~~14.2.3~~ Conduct water testing in accordance with the standards of the Florida Department of Environmental Protection (FDEP) and the Environmental Protection Agency (EPA) and report testing results to all water consumers and stakeholders.

(Hai Vu Page Reference)*(HVu revisions as requested 7/22/20)*

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

JEA Board Policy Manual

POLICY TYPE: ENDS

POLICY ~~14~~.3

POLICY TITLE: QUALITY OF SEWER SERVICE

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

- ~~14~~.3.1 Minimize the frequency of sewer back-ups and overflows and report status by
 - a. the number of Sanitary Sewer Overflows (SSO's) per 100 miles of existing sewer pipe
 - b. the total number of sewer system cave-ins
- ~~14~~.3.2 Limit the total amount of nutrients discharged into the St. John's River from all wastewater treatment facilities.
 - a. Reduce the total nutrient discharge into the St. John's River to meet JEA's Florida Department of Environmental Protection (FDEP) Total Maximum Daily Load (TMDL) allocation.
 - b. Increase the production and distribution amount of reclaimed water ~~produced and distributed~~.

(Hal Vu Page Reference)(HVu revisions as requested 7/22/20)

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and as Amended and Adopted by the JEA Board on _____.

JEA Board Policy Manual

POLICY TYPE: ENDS

POLICY ~~14~~.4

POLICY TITLE: *COST OF SERVICE*

Provide all utility services at a reasonable and accurate cost.

~~14~~.4.1 All utility services are to be reasonably priced.

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

~~14~~.4.2 Minimize the number of consumer bills that are inaccurate, are estimated due to the lack of a current meter reading, or are untimely. The expectation is 99.9% accurate and timely.

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

JEA Board Policy Manual

POLICY TYPE: ENDS

POLICY ~~14~~.5

POLICY TITLE: ENVIRONMENTALLY SOUND

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

- ~~14~~.5.1 The CEO is expected to comply with all existing environmental regulations that apply.
- ~~14~~.5.2 Conservation: Pursue all options to communicate and incentivize customer conservation and efficiency while avoiding excessive customer cost.
 - a. Electric System: Establish an electric conservation fund by collecting an additional one cent per kwh for every kwh over 2750 on monthly residential consumption and by allocating 50 cents per mwh of base rate revenues (a total of approximately 0.5% of electric gross revenues.) The funds are to be spent for customer conservation initiatives and incentives only.
- ~~14~~.5.3 Renewable Energy Supply: Explore all options for renewable electric energy supply while avoiding excessive customer cost since a state or federal Renewable Electricity Standard (RES) is yet to be established and the timing for setting a standard remains uncertain.

(Wayne Young Page Reference) (WYoung confirmed - no edits needed 7/20/20)

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

JEA Board Policy Manual

POLICY TYPE: ENDS

POLICY ~~14.~~6

POLICY TITLE: INFORMATIVE COMMUNICATION

Effectively communicate with consumers and other stakeholders.

- ~~14.~~6.1 To influence consumer paradigms of utility expectations.
- ~~14.~~6.2 To influence public dialogue on local, state and national energy and water and sewer issues.
- ~~14.~~6.3 To inform consumers of as well as the reasons for significant potential or pending changes to utility services or charges.
- ~~14.~~6.4 To inform consumers of conservation incentives and other activities that if implemented would reduce their consumption and, therefore, result in higher or lower utility cost than if the incentives or activities were not employed.

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

JEA Board Policy Manual

APPENDIX

- A1 Executive Core Competencies
- A2 JEA Charter (Article 21 of City of Jacksonville Ordinance Code)
- A3 By-Laws of JEA

JEA Board Policy Manual

A1

Executive Core Competencies

Models Integrity

- Demonstrates high ethical standards and models important values for others to follow.
- Behaves and expresses oneself in an open and honest manner; is consistent in word and deed
- Is a fair person who does not manipulate or take advantage of others
- Tells the truth even when it is difficult
- Utilizes values and principles to guide his/her decisions
- Builds respect and trust from others by following through on commitments
- Represents information accurately and completely
- Assumes responsibility for own behavior; admits to mistakes

Makes Quality Decisions

- Examines and integrates data from a variety of sources to make quality decisions
- Prioritizes decisions and initiatives in ways that ensures the highest value for the organization
- Makes educated and effective decisions in a timely manner, even when data is limited
- Makes high-quality strategic decisions for the organization even when the consequences may be controversial
- Seeks the input of others to ensure that decisions made will be best for the organization and will minimize conflict with other initiatives
- Takes appropriate risks that weighs the positive and negative impact of each decision on the organization

Takes Initiative

- Assumes full ownership and accountability for own performance
- Takes on challenging work, even in the face of obstacles
- Initiates action on projects without being pressured from others to do so
- Reacts quickly to address problems that threaten organizational objectives
- Seeks out opportunities to extend or expand upon the organization's position in the market place
- Is passionate, highly engaged and highly energetic

Communicates Effectively

- Listens actively to ensure understanding of each person's point of view
- Clearly articulates (through speech or in writing) own knowledge and ideas so they are easily understood and applied to others
- Communicates through appropriate channels
- Identifies sources of motivation and appeals directly to co-workers in a language meaningful to them
- Is engaging with others and demonstrates professionalism through body language, including eye-contact, confidence, and focus
- Addresses difficult problems and perceptions that, if left untreated, could undermine the success of the organization
- Ensures regular, consistent, and meaningful communication throughout the organization

Adopted in its entirety by the JEA Board on February 16, 2010
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JEA Board Policy Manual

Drives Results

- Seeks to achieve improved or even unprecedented results and demonstrates personal accountability for outcomes
- Creates a positive environment in which results flow from a desire to achieve
- Sets strategic goals and measurable performance expectations for defining success
- Drives execution with speed and discipline, and delivers on personal and organizational commitments
- Demonstrates ownership for performance of entire organization, and holds self and organization accountable for decisions and results
- Assesses financial implications of initiatives; allocates resources to improve results while maintaining financial discipline
- Actively monitors performance of self and others relative to performance objectives

Focuses on the Customer

- Places high priority on identifying and meeting internal and external customer needs
- Provides high quality, valuable and consistent service to customers
- Ensures that customers understand and receive the fullest value possible from the products and services of the organization
- Assures that products and services meet customer needs and expectations
- Adapts and personalizes services to meet individual customer needs
- Anticipates changing customer needs and develops ways to meet or exceed those needs
- Utilizes follow-up procedures to ensure consistency and determine where improvements can be made to maintain high customer satisfaction

Fosters Teamwork

- Shares relevant expertise and knowledge to ensure team members have adequate information to make decisions and achieve objectives
- Identifies and removes barriers that interfere with the team's success and provides suggestions to enhance team effectiveness
- Contributes to inclusive culture by valuing others' viewpoints, encouraging others to share ideas, and treating others in an accepting, respectful manner
- Recognizes and capitalizes on the strengths of others to accomplish organizational objectives
- Exhibits willingness to listen to others' views even if not same as own
- Does not take conflicts personally; handles conflict in a positive manner and seeks mutual understanding
- Directly confronts behaviors that undermine team effectiveness

Manages and Supports Change

- Effectively copes with changing environments, tasks and responsibilities
- Facilitates the acceptance and implementation of change to enhance the organization
- Encourages others to embrace change and use it as an opportunity to be creative and improve performance
- Identifies the changes necessary to move the organization forward
- Embraces and promotes change initiatives with a positive and enthusiastic attitude
- Ensures that change initiatives are aligned with strategic initiatives, values, and mission of the organization
- Leads change initiatives with frequent and consistent two-way communication
- Leverages resources to promote and sustain change efforts

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- Develops the strategies and actions needed to accomplish desired organizational objectives
- Communicates the organization's vision in a way that is meaningful and actionable for employees
- Researches and analyzes marketplace, political, economic, and other external influences to formulate vision and strategy, and position the organization in the marketplace
- Collaborates with Executive Team and Board of Directors to determine vision and strategy, and ensures support throughout the organization
- Reviews the planning, organization, and direction of initiatives to ensure support of the mission statement and values
- Considers both short and long-term implications of a strategy
- Accurately anticipates the implications of events or decisions for various stakeholders in the organization and plans strategy accordingly

Manages Performance

- Motivates others to achieve results through both respect and holding them accountable
- Provides others with constructive feedback, guidance, and coaching for improving performance
- Sets clear performance expectations and strategic goals, regularly monitors performance, and provides accurate evaluations
- Encourages the use of development activities (e.g., workshops, mentoring), to improve performance and achieve desired results for the organization
- Identifies and provides important assignments to facilitate the development of key personnel
- Balances levels of support, direction, and autonomy based on employee needs and level of experience

Delegates to Others

- Plans delegated assignments to ensure an optimal match between value of task and value of the resource attached to it
- Determines when to assign responsibilities to others and clarifies expectations to ensure effectiveness
- Provides others with the resources, authority, and support to complete delegated tasks successfully
- Develops employees for assuming additional responsibilities; anticipates talent gaps and accelerates development plans to fill gaps
- Recognizes individuals who are successful in completing delegated assignments

Maintains Positive Public Relations

- Seeks and builds relationships with external constituencies (e.g., elected officials, government agencies, other utility leaders, trustees, investment bankers) to strengthen the organization's impact and reputation in the community
- Treats others outside the organization in an accepting, respectful manner
- Understands the needs of the cities, board members and the community, and leverages this information to shape policies and initiatives
- Represents the organization with credibility to print and media sources (includes providing information, clarifying facts, etc.)
- Researches constituencies to determine the best way to communicate to them
- Ensures that customers experience and understand the full value they derive from the organization

JEA Board Policy Manual

Actively Supports Board of Directors

- Keeps Board of Directors informed on progress towards implementing strategic initiatives and other important information
- Updates the board on large-scale progress of the organization towards its objectives
- Shows an appreciation for the unique role of a board member
- Maintains a cordial, productive relationship with each board member
- Educates the Board on the strategies and priorities that balance the needs of customers with operational needs
- Keeps board members informed on important issues – “no surprises”

Leads Others Effectively

- Develops and communicates compelling rationales that build commitment and support for one's perspectives, strategies, and initiatives
- Builds diverse, high-performing teams that accomplish organizational changes, goals, and priorities
- Listens to the diverse ideas, perspectives, and contributions of others across the organization
- Builds trusting, collaborative relationships across organizational boundaries to achieve goals
- Leads with integrity and values, and a focus at all times on the mission of the organization
- Challenges and motivates others in a way that is inclusive, tactful, empowering, and maximizes performance
- Leads with a vision that inspires others to adopt the goals of the organization as their own
- Ability to interact and get along with employees at all levels

Leverages Industry Acumen

- Monitors and analyzes financial data and key cost drivers (e.g., personnel) to evaluate options and make decisions
- Understands overall financial and operational performance of an organization in order to effectively position it in the marketplace
- Establishes and maintains realistic budgets in accordance with the organizations policies
- Follows appropriate legal and fiduciary requirements when reconciling and reporting financial transactions
- Considers multiple options for reducing costs and keeping the organization as efficient as possible
- Seeks to develop financial acumen and understand key financial related issues
- Grows continuously in business knowledge and experience

Plans for the Future

- Identifies and balances risks and benefits when developing plans
- Assesses financial implications of projects and initiatives; allocates resources to improve results while maintaining financial discipline
- Provides the information, resources, implementation time, and talent needed to make plans and their implementation successful
- Identifies need for and ensures contingency plans are developed
- Assigns or directly monitors and evaluates the external environment when developing plans
- Aligns and allocates resources and time according to strategic priorities and company interests

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JEA Board Policy Manual

Embraces Diversity

- Promotes the active recruiting of diverse individuals
- Communicates and clarifies the link between diversity and achieving the organization's strategic goals
- Demonstrates visible support for programs that remove barriers (e.g., stereotypes) between diverse individuals
- Actively monitors organization to ensure equality and fairness for all members; objectively allocates compensation, rewards, and opportunities
- Promotes an inclusive culture where different viewpoints are valued and encouraged

Negotiates Collaboratively

- Strives to understand each party's position by asking in-depth questions and probing for specific needs and issues
- Defines and evaluates specific points of agreement and disagreement
- Seeks win-win solutions that meet the underlying interests of all parties
- Discloses appropriate and important information to establish openness and trust
- Keeps arguments or disputes issue-oriented rather than personal
- Maintains flexibility in negotiating style, adapting style to the specific needs of a given situation

Manages Politics

- Accurately discerns unspoken feelings and motivations, and leverages to determine what to say or how to proceed
- Adapts dress and demeanor as appropriate to a situation
- Appropriately manages impressions of oneself, one's department and the organization
- Keenly aware of and adheres to the norms and practices of the organization's culture
- Leverages appropriate channels of influence to more efficiently gain resources and accomplish goals
- Creates and maintains both formal and informal networks within the organization that facilitate the achievement of goals
- Chooses battles wisely and matches urgency to the importance of the concerns under discussion

JEA Board Policy Manual

Record of Amendments:

[illegible]

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY 3.0

POLICY TITLE: GENERAL EXECUTIVE CONSTRAINT

The CEO shall not cause or allow any organizational practice, activity, decision, or circumstance that is either unlawful, imprudent, or in violation of commonly accepted business and professional ethics and practices.

- 3.1 **Treatment of Consumers:** With respect to interactions with consumers or those applying to be consumers, the CEO shall not cause or allow conditions, procedures, or decisions that are unsafe, untimely, undignified, or unnecessarily intrusive.
- 3.2 **Treatment of Staff:** With respect to the treatment of staff, the CEO may not cause or allow conditions that are unfair, unsafe, undignified, disorganized, or unclear.
- 3.3 **Financial Planning/Budgeting:** The CEO shall not cause or allow financial planning for any fiscal year or the remaining part of any fiscal year to deviate materially from the Board's Ends priorities, risk financial jeopardy, or fail to be derived from a multiyear plan.
- 3.4 **Financial Condition and Activities:** With respect to the actual, ongoing financial conditions and activities, the CEO shall not cause or allow the development of financial jeopardy or material deviation of actual expenditures from Board priorities established in Ends policies.
- 3.5 **Workforce Readiness and Succession Planning:** The CEO shall not allow the workforce to be unprepared to meet current or future business demands.
- 3.6 **Asset Protection:** The CEO shall not cause or allow corporate assets to be unprotected, inadequately maintained, or unnecessarily risked.
- 3.7 **Compensation and Benefits:** With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the CEO shall not cause or allow jeopardy to financial integrity or to public image.
- 3.8 **Communication and Support to Board:** The CEO shall not cause or allow the Board to be uninformed or unsupported in its work.
- 3.9 **Regulatory/Legislative Requirements:** The CEO will not fail to effect regulatory and legislative action favorable to the organization.
- 3.10 **Enterprise Risk Management:** The CEO shall not cause or allow conditions, procedures or decisions which fail to identify, measure, monitor and manage, within established risk tolerances, potential events that may affect achievement of the Ends.
- 3.11 **Procurement Activities:** The CEO shall not fail to develop procurement policies and procedures that adhere to all applicable federal, state and local laws and ordinances and provide for increased public confidence in the procurement activities of JEA.

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JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY 3.1

POLICY TITLE: *TREATMENT OF CONSUMERS*

With respect to interactions with consumers or those applying to be consumers, the CEO shall not cause or allow conditions, procedures, or decisions that are unsafe, untimely, undignified, or unnecessarily intrusive.

Accordingly, the CEO will not:

- 3.1.1 Elicit information for which there is no clear necessity.
- 3.1.2 Use methods of collecting, reviewing, transmitting, or storing client information that fail to protect against improper access.
- 3.1.3 Fail to operate facilities with appropriate accessibility and privacy.
- 3.1.4 Fail to establish with consumers a clear understanding of what may be expected and what may not be expected from service offered.
- 3.1.5 Fail to operate without clearly established and updated Customer Service procedures and published rules and regulations for service.
- 3.1.6 Fail to operate without mechanisms for collecting consumer complaints that provide for resolution at the lowest staff level and also include prompt response when warranted.

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JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY 3.2

POLICY TITLE: *TREATMENT OF STAFF*

With respect to the treatment of paid and volunteer staff, the CEO may not cause or allow conditions that are unfair, unsafe, undignified, disorganized, or unclear.

Accordingly, the CEO will not:

- 3.2.1 Operate without written personnel rules and regulations that
 - a. clarify rules for staff
 - b. provide for effective handling of grievances
 - c. protect against wrongful conditions such as nepotism and grossly preferential treatment for personal reasons.
 - d. allow for volunteerism in the community
 - e. require high ethical standards
 - f. recognize the need for work/life balance
- 3.2.2 Operate without written job descriptions and performance requirements and reviews that
 - a. characterize the nature of work to be performed
 - b. identify technical, behavioral and physical skills required
 - c. identify clear standards of accountability
- 3.2.3 Fail to provide a safe work environment.
- 3.2.4 Fail to identify and provide training necessary to accomplish the quality of work expected.
- 3.2.5 Allow discrimination or retaliation against any staff member for non-disruptive expression of dissent.
- 3.2.6 Fail to acquaint staff with the CEO's interpretation of their protections under this policy.
- 3.2.7 Allow staff to be under prepared to deal with emergency situations.
- 3.2.8 Fail to insure that the company's Core Values are routinely communicated and reinforced to all employees.

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JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY 3.3

POLICY TITLE: *FINANCIAL PLANNING/BUDGETING*

The CEO shall not cause or allow financial planning for any fiscal year or the remaining part of any fiscal year to deviate materially from the Board's Ends priorities, risk financial jeopardy, or fail to be derived from a multiyear plan.

Accordingly, the CEO will not:

- 3.3.1 Risk incurring those situations or conditions described as unacceptable in the Board policy "Financial Condition and Activities (refer to Policy 3.4)."
- 3.3.2 Fail to include credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning and budgeting assumptions.
- 3.3.3 Fail to identify the source for capital expenditures (e.g. internally generated cash, new debt, carry over funds from previous fiscal year).
- 3.3.4 Fail to adhere to approved tariff rates and fees.
- 3.3.5 Fail to set and follow an annual budgeting process that results in a final budget submittal to City Council by July 1 proceeding the budgeted fiscal year.
- 3.3.6 Provide less for Board prerogatives during the year than is set forth in the "Cost of Governance" policy (refer to Policy 4.10).

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JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY 3.4

POLICY TITLE: FINANCIAL CONDITION AND ACTIVITIES

With respect to the actual, ongoing financial conditions and activities, the CEO shall not cause or allow the development of financial jeopardy or material deviation of actual expenditures from Board priorities established in Ends policies.

Accordingly, the CEO will not:

- 3.4.1 Fail to operate within the budget established for the fiscal year.
- 3.4.2 Make budget transfers in excess of \$5,000,000 without Board approval.
- 3.4.3 Fail to inform the Board in monitoring reports when reserves are required to meet current expenditures.
- 3.4.4 Fail to maintain financial and accounting separation between electric, water and wastewater, and District Energy funds as required by regulatory agencies and bond covenants.
- 3.4.5 Fail to operate within established financial parameters nor fail to engage the board when established parameters are considered inadequate to affect a desired bond rating.

Current financial parameters:

- a. Debt Service Coverage
 - b. Fixed Charge coverage
 - c. Cash on Hand
 - d. Working Capital
 - e. Line of Credit
 - f. Fuel Rate Reserve
- 3.4.6 Operate in violation of JEA's Debt Management Policies.
 - 3.4.7 Fail to settle payroll and debts in a timely manner.
 - 3.4.8 Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
 - 3.4.9 Fail to establish reasonable security measures to protect against loss of receivables.
 - 3.4.10 Fail to aggressively pursue receivables after a reasonable grace period.

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JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY 3.5 POLICY TITLE: *WORKFORCE READINESS AND SUCCESSION PLANNING*

The CEO shall not allow the workforce to be unprepared to meet current or future business demands.

Accordingly, the CEO will not

- 3.5.1 Permit there to be fewer than two other executives sufficiently familiar with Board and CEO issues and processes to enable either to take over with reasonable proficiency as an interim successor to protect the Board from sudden loss of CEO services.
- 3.5.2 Fail to prepare for long term CEO succession.
- 3.5.3 Fail to prepare for Executive Team succession.
- 3.5.4 Operate without strategic and tactical plans to have and maintain the right people, in the right place, with the right talent, skills and knowledge.
- 3.5.5 Fail to develop a workforce that recognizes the value of cultural diversity in internal operations and in serving customers.

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JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY 3.6

POLICY TITLE: ASSET PROTECTION

The CEO shall not cause or allow corporate assets to be unprotected, inadequately maintained, or unnecessarily risked.

Accordingly, the CEO will not:

- 3.6.1 Fail to insure adequately against theft and casualty and against liability and losses to Board members, staff, and the organization itself.
- 3.6.2 Allow unbonded personnel access to material amounts of funds.
- 3.6.3 Subject facilities and equipment to improper wear and tear or insufficient maintenance.
- 3.6.4 Unnecessarily expose the organization, the Board, or its staff to claims of liability.
- 3.6.5 Operate without written claims policies that address fair treatment of claimants, legal liability, ratepayer costs and sound business practices.
- 3.6.6 Fail to protect corporate assets including, but not limited to, property rights, corporate image, physical assets, intangible assets, intellectual property, information, and files from loss or significant damage.
- 3.6.7 Receive, process, or disburse funds without sufficient controls.
- 3.6.8 Invest funds in violation of JEA's Investment Policies.
- 3.6.9 Fail to ensure that all employees and outsourced contract service providers understand their responsibility to comply with all applicable laws and regulations and JEA's Code of Ethics.

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JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY 3.7

POLICY TITLE: *COMPENSATION AND BENEFITS*

With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the CEO shall not cause or allow jeopardy to financial integrity or to public image.

Accordingly, the CEO will not:

- 3.7.1 Change the CEO's own compensation and benefits, except as those benefits are consistent with a package for other appointed employees.
- 3.7.2 Promise or imply unconditional permanent or guaranteed employment.
- 3.7.3 ~~Administer compensation and benefits that fail to address individual accountability, motivate and reward for knowledge and skills, encourage organizational flexibility and responsiveness or are inconsistent with the geographic and professional market for the skills employed.~~

Promote a compensation philosophy that is contradictory to JEA's compensation philosophy of providing a total rewards package that encompasses salary/wages, retirement benefits, incentives, and health and welfare benefits. Salary/wages will meet the market (50% percentile), which is where the majority of companies in the geographic area reside. The 50th percentile pays competitively for behavior that meets expectations. Additional consideration will be given to behaviors that exceed expectations which are typically rewarded at the 75th percentile. Internal equity will be achieved by evaluating differences in skill, effort, responsibility, and working conditions among jobs.

Revisions Approved by the
Board of Directors on June 17, 2014

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY 3.8

POLICY TITLE: COMMUNICATION AND SUPPORT TO BOARD

The CEO shall not cause or allow the Board to be uninformed or unsupported in its work.

Accordingly, the CEO will not:

- 3.8.1 Neglect to submit monitoring data required by the Board in Board-Management Delegation policy "Monitoring CEO Performance" in a timely, accurate, and understandable fashion, directly addressing provisions of Board policies being monitored, and including CEO interpretations consistent with Board-Management Delegation policy "Delegation to the CEO," as well as relevant data (refer to Policy 2.4).
- 3.8.2 Allow the Board to be unaware of any actual or anticipated noncompliance with any Ends or Executive Limitations policy of the Board regardless of the Board's monitoring schedule.
- 3.8.3 Allow the Board to be without decision information required periodically by the Board or let the Board be unaware of relevant trends.
- 3.8.4 Let the Board be unaware of any significant incidental information it requires including anticipated media coverage, threatened or pending lawsuits, and material internal and external changes.
- 3.8.5 Allow the Board to be unaware that, in the CEO's opinion, the Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the CEO (refer to Policy 2.0).
- 3.8.6 Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.
- 3.8.7 Allow the Board to be without a workable mechanism for official Board, officer, or committee communications.
- 3.8.8 Deal with the Board in a way that favors or privileges certain Board members over others, except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the Board.
- 3.8.9 Fail to submit to the Board a consent agenda containing items delegated to the CEO yet required by law, regulation, or contract to be Board-approved, along with applicable monitoring information.
- 3.8.10 Fail to provide a process to retain relevant background information on previous Board policy decisions.

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JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY 3.9

POLICY TITLE: *REGULATORY/LEGISLATIVE REQUIREMENTS*

The CEO will not fail to effect regulatory and legislative action favorable to the organization.

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JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY 3.10

POLICY TITLE: *ENTERPRISE RISK MANAGEMENT*

The CEO shall not cause or allow conditions, procedures or decisions which fail to identify, measure, monitor and manage, within established risk tolerances, potential events that may affect achievement of the Ends.

Accordingly, the CEO will not

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

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JEA Board Policy Manual

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY 3.11

POLICY TITLE: *PROCUREMENT ACTIVITIES*

The CEO shall not fail to develop procurement policies and procedures that adhere to all applicable federal, state and local laws and ordinances and provide for increased public confidence in the procurement activities of JEA.

Accordingly, the CEO will not

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

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JEA Board Policy Manual

A1

Executive Core Competencies

Models Integrity

- Demonstrates high ethical standards and models important values for others to follow.
- Behaves and expresses oneself in an open and honest manner; is consistent in word and deed
- Is a fair person who does not manipulate or take advantage of others
- Tells the truth even when it is difficult
- Utilizes values and principles to guide his/her decisions
- Builds respect and trust from others by following through on commitments
- Represents information accurately and completely
- Assumes responsibility for own behavior; admits to mistakes

Makes Quality Decisions

- Examines and integrates data from a variety of sources to make quality decisions
- Prioritizes decisions and initiatives in ways that ensures the highest value for the organization
- Makes educated and effective decisions in a timely manner, even when data is limited
- Makes high-quality strategic decisions for the organization even when the consequences may be controversial
- Seeks the input of others to ensure that decisions made will be best for the organization and will minimize conflict with other initiatives
- Takes appropriate risks that weighs the positive and negative impact of each decision on the organization

Takes Initiative

- Assumes full ownership and accountability for own performance
- Takes on challenging work, even in the face of obstacles
- Initiates action on projects without being pressured from others to do so
- Reacts quickly to address problems that threaten organizational objectives
- Seeks out opportunities to extend or expand upon the organization's position in the market place
- Is passionate, highly engaged and highly energetic

Communicates Effectively

- Listens actively to ensure understanding of each person's point of view
- Clearly articulates (through speech or in writing) own knowledge and ideas so they are easily understood and applied to others
- Communicates through appropriate channels
- Identifies sources of motivation and appeals directly to co-workers in a language meaningful to them
- Is engaging with others and demonstrates professionalism through body language, including eye-contact, confidence, and focus
- Addresses difficult problems and perceptions that, if left untreated, could undermine the success of the organization
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Focuses on the Customer

- Places high priority on identifying and meeting internal and external customer needs
- Provides high quality, valuable and consistent service to customers
- Ensures that customers understand and receive the fullest value possible from the products and services of the organization
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- Adapts and personalizes services to meet individual customer needs
- Anticipates changing customer needs and develops ways to meet or exceed those needs
- Utilizes follow-up procedures to ensure consistency and determine where improvements can be made to maintain high customer satisfaction

Fosters Teamwork

- Shares relevant expertise and knowledge to ensure team members have adequate information to make decisions and achieve objectives
- Identifies and removes barriers that interfere with the team's success and provides suggestions to enhance team effectiveness
- Contributes to inclusive culture by valuing others' viewpoints, encouraging others to share ideas, and treating others in an accepting, respectful manner
- Recognizes and capitalizes on the strengths of others to accomplish organizational objectives
- Exhibits willingness to listen to others' views even if not same as own
- Does not take conflicts personally; handles conflict in a positive manner and seeks mutual understanding
- Directly confronts behaviors that undermine team effectiveness

Manages and Supports Change

- Effectively copes with changing environments, tasks and responsibilities
- Facilitates the acceptance and implementation of change to enhance the organization
- Encourages others to embrace change and use it as an opportunity to be creative and improve performance
- Identifies the changes necessary to move the organization forward
- Embraces and promotes change initiatives with a positive and enthusiastic attitude
- Ensures that change initiatives are aligned with strategic initiatives, values, and mission of the organization
- Leads change initiatives with frequent and consistent two-way communication
- Leverages resources to promote and sustain change efforts

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- Collaborates with Executive Team and Board of Directors to determine vision and strategy, and ensures support throughout the organization
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- Considers both short and long-term implications of a strategy
- Accurately anticipates the implications of events or decisions for various stakeholders in the organization and plans strategy accordingly

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- Sets clear performance expectations and strategic goals, regularly monitors performance, and provides accurate evaluations
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- Identifies and provides important assignments to facilitate the development of key personnel
- Balances levels of support, direction, and autonomy based on employee needs and level of experience

Delegates to Others

- Plans delegated assignments to ensure an optimal match between value of task and value of the resource attached to it
- Determines when to assign responsibilities to others and clarifies expectations to ensure effectiveness
- Provides others with the resources, authority, and support to complete delegated tasks successfully
- Develops employees for assuming additional responsibilities; anticipates talent gaps and accelerates development plans to fill gaps
- Recognizes individuals who are successful in completing delegated assignments

Maintains Positive Public Relations

- Seeks and builds relationships with external constituencies (e.g., elected officials, government agencies, other utility leaders, trustees, investment bankers) to strengthen the organization's impact and reputation in the community
- Treats others outside the organization in an accepting, respectful manner
- Understands the needs of the cities, board members and the community, and leverages this information to shape policies and initiatives
- Represents the organization with credibility to print and media sources (includes providing information, clarifying facts, etc.)
- Researches constituencies to determine the best way to communicate to them
- Ensures that customers experience and understand the full value they derive from the organization

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JEA Board Policy Manual

Actively Supports Board of Directors

- Keeps Board of Directors informed on progress towards implementing strategic initiatives and other important information
- Updates the board on large-scale progress of the organization towards its objectives
- Shows an appreciation for the unique role of a board member
- Maintains a cordial, productive relationship with each board member
- Educates the Board on the strategies and priorities that balance the needs of customers with operational needs
- Keeps board members informed on important issues – “no surprises”

Leads Others Effectively

- Develops and communicates compelling rationales that build commitment and support for one's perspectives, strategies, and initiatives
- Builds diverse, high-performing teams that accomplish organizational changes, goals, and priorities
- Listens to the diverse ideas, perspectives, and contributions of others across the organization
- Builds trusting, collaborative relationships across organizational boundaries to achieve goals
- Leads with integrity and values, and a focus at all times on the mission of the organization
- Challenges and motivates others in a way that is inclusive, tactful, empowering, and maximizes performance
- Leads with a vision that inspires others to adopt the goals of the organization as their own
- Ability to interact and get along with employees at all levels

Leverages Industry Acumen

- Monitors and analyzes financial data and key cost drivers (e.g., personnel) to evaluate options and make decisions
- Understands overall financial and operational performance of an organization in order to effectively position it in the marketplace
- Establishes and maintains realistic budgets in accordance with the organizations policies
- Follows appropriate legal and fiduciary requirements when reconciling and reporting financial transactions
- Considers multiple options for reducing costs and keeping the organization as efficient as possible
- Seeks to develop financial acumen and understand key financial related issues
- Grows continuously in business knowledge and experience

Plans for the Future

- Identifies and balances risks and benefits when developing plans
- Assesses financial implications of projects and initiatives; allocates resources to improve results while maintaining financial discipline
- Provides the information, resources, implementation time, and talent needed to make plans and their implementation successful
- Identifies need for and ensures contingency plans are developed
- Assigns or directly monitors and evaluates the external environment when developing plans
- Aligns and allocates resources and time according to strategic priorities and company interests

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Embraces Diversity

- Promotes the active recruiting of diverse individuals
- Communicates and clarifies the link between diversity and achieving the organization's strategic goals
- Demonstrates visible support for programs that remove barriers (e.g., stereotypes) between diverse individuals
- Actively monitors organization to ensure equality and fairness for all members; objectively allocates compensation, rewards, and opportunities
- Promotes an inclusive culture where different viewpoints are valued and encouraged

Negotiates Collaboratively

- Strives to understand each party's position by asking in-depth questions and probing for specific needs and issues
- Defines and evaluates specific points of agreement and disagreement
- Seeks win-win solutions that meet the underlying interests of all parties
- Discloses appropriate and important information to establish openness and trust
- Keeps arguments or disputes issue-oriented rather than personal
- Maintains flexibility in negotiating style, adapting style to the specific needs of a given situation

Manages Politics

- Accurately discerns unspoken feelings and motivations, and leverages to determine what to say or how to proceed
- Adapts dress and demeanor as appropriate to a situation
- Appropriately manages impressions of oneself, one's department and the organization
- Keenly aware of and adheres to the norms and practices of the organization's culture
- Leverages appropriate channels of influence to more efficiently gain resources and accomplish goals
- Creates and maintains both formal and informal networks within the organization that facilitate the achievement of goals
- Chooses battles wisely and matches urgency to the importance of the concerns under discussion

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