

# JEA BOARD MEETING AGENDA

SEPTEMBER 22, 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.	<a href="#">Sunshine Law/Public Records Statement – Jody Brooks, Office of General Counsel</a>

II. COMMENTS / PRESENTATIONS		
Item(s)	Speaker/Title	
A.	Council Liaison’s Comments	Council Member Randy DeFoor
B.	Comments from the Public	Public
C.	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:	<a href="#">Board Meeting Minutes August 25, 2020</a>	Action
Appendix B:	<a href="#">Monthly FY20 Communications &amp; Engagement Calendar and Plan Update</a>	Information
Appendix C:	<a href="#">Corporate Headquarters and HQ2 Update</a>	Information
Appendix D:	<a href="#">Monthly Financial Statements</a>	Information
Appendix E:	<a href="#">Authorization of Board Chair’s Travel – Plant Vogtle Visit</a>	Action

IV. FOR BOARD CONSIDERATION			
Item(s)	Speaker/Title		Discussion Action/Information
A.	<a href="#">Monthly Financial and Electric Operations Report</a>	Brian Roche, Interim Chief Financial Officer Ricky Erixton, Interim General Electric Systems	Information
B.	<a href="#">FY2021 Pay for Performance Program – Amendment to Plan</a>	Jody Brooks, Chief Legal Officer Angie Hiers, Interim Chief Human Resource Officer	Action
C.	<a href="#">Electric System Generation Planning: 2021-2025</a>	Brian Roche, Interim Chief Financial Officer	Information

	D.	<a href="#">St John River Power Park (SJRPP) System Employees' Retirement Plan Trust Service Continuity Agreement</a>	Angie Hiers, Interim Human Resources Officer	Action
	E.	<a href="#">Surface Water Discharge Legislation</a>	Wayne Young, Interim Environmental Officer	Information
	F.	<a href="#">Water/Wastewater Resiliency Update</a>	Hai Vu, Interim General Manger Water/Wastewater	Information
	G.	Board Policy Review		
	1.	<a href="#">List of Board Policies and Ordinances</a>	Steve Tuten, Interim Chief Compliance Officer	Information

V. BOARD AND COMMITTEE REPORTS				
Item(s)		Speaker/Title	Discussion/Action/Information	
A.	Finance and Audit Committee		Marty Lanahan, Chair	Action
B.	Governance Committee		Joseph DiSalvo, Chair	Information
	1.	Call to Order		Information
	2.	<a href="#">Adoption of the Agenda (Action)</a>		Information
	3.	<a href="#">Approval of Minutes – August 19, 2020 (Action)</a>		Information
	4.	<a href="#">Draft Article 21 JEA Charter (City Council)</a>		Information
	5.	<a href="#">Proposed 2020-419 – Article 21 (JEA) Charter Omnibus Refinement Bill Strategy and Timeline for Rules, TEU Committee Discussions</a>		Information
	6.	<a href="#">JEA By-Laws</a>		Information
	7.	<a href="#">Governance Committee Charter</a>		Information
	8.	<a href="#">Governing For Excellence: Raising the Bar on Public Power Governance</a>		Information
	9.	<a href="#">Board Policies and Ordinances</a>		Information
	10.	<a href="#">Board Governance Manual Assessment (March 2015)</a>		Information
	11.	<a href="#">JEA Board Policy Manual</a>		Information
	12.	<a href="#">JEA Board Policy Manual - Clean</a> <a href="#">JEA Board Policy Manual – Summary of Staff and Committee Edits</a>		Information
	a.	<a href="#">Go Final on Policy Category III Executive Mandates</a>		Action
	b.	<a href="#">Go Final on Appendix A1 CEO Core Competencies and CEO Evaluation Criteria</a>		Action
	c.	<a href="#">Review Initial Edits/Comments on Policy Category II Board-Management Delegation</a>		Information
	13.	<a href="#">JEA By-Laws (Section 1.0 Board Policy Manual)</a>		Information
	14.	<a href="#">Discuss JEA Board Evaluation Criteria – Review Sample Survey</a>		Information

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.

	15.	Proposed 2020-419 – Article 21 (JEA) Charter Omnibus Refinement Bill Strategy and Timeline for Rules, TEU Committee Discussions			Information
	16.	Upcoming Agenda Items			Information
	a.	Go Final on Edits/Comments on Policy Category II Board-Management Delegation			Information
	b.	Go Final on JEA By-Laws			Information
	c.	Review Initial Edits/Comments on Policy Category I Governance Process			Information
	d.	Review Initial Edits/Comments on Policy Category IV Measures of Effectiveness			Information
	e.	Review Initial Edits/Comments on JEA Board Evaluation Criteria			Information
C.	CEO Search Committee			Bobby Stein, Committee Chair	Information

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

<b>VII.</b>	<b>CLOSING CONSIDERATIONS</b>				
	Item(s)				
	A.	Announcements – Next Board Meeting October 27, 2020			
	B.	Adjournment			

<b>VIII.</b>	<b>UPCOMING BOARD AGENDA ITEMS</b>				
	Item(s)				
	A.	Workforce Plan			
	B.	Board Policy Review			
		1.	Electric Compliance Policy		
		2.	Enterprise Risk and Compliance Policy		
	3.	Delegation of Authority			

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## 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

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

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

**JEA BOARD MINUTES  
August 25, 2020**

**The JEA Board met in regular session on Tuesday, August 25, 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 9:02 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. Zachary Faison, the agenda was approved unanimously.
- E. The **Safety Briefing** – Paul McElroy, Interim Managing Director/CEO, gave the Safety Briefing.
- 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 packet. 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 City Council matters: 1) Budget Hearings; 2) Plant Vogtle Settlement; and 3) the JEA Special Investigation Committee’s progress. She then thanked the board members for their efforts and continued support.
- B. **Comments from the Public**
  - 1. David E. Bruderly – Address on File – Spoke to board members regarding greenhouse gases and the value of stewardship throughout the JEA community.
- C. **Recognizing of Lineworker Appreciation** – In support of Florida House Resolution 9089, Lineworker Appreciation Day, Paul McElroy, led a recognition of JEA’s 190 overhead and underground lineworkers and their great service to JEA. Mr. McElroy was joined by several members of the lineworkers’ team who presented highlights of their service to JEA and expressed their gratitude for the recognition. There were appreciative comments from all board members.
- D. **2020 Co-Op Class** – Paul McElroy recognized this year’s 2020 Summer Co-Op participants who represented a number of colleges and universities. He highlighted their various areas of JEA service and project work during the program, and he noted this was the first Co-Op Class to graduate with their Six Sigma Yellow Belts. Mr. McElroy then shared with board members an Employee Communication message, of

thanks, from the Co-Op class summarizing their program accomplishments and expressing their appreciation of the Summer Co-Op Internship Program.

- E. Managing Director/CEO Report – This report was presented later in the meeting.

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

- A. **Consent Agenda** – Consent Agenda items require no explanation, discussion or presentation, and are approved by one motion and vote. On *motion* by Marty Lanahan and seconded by Bobby Stein, Appendix A was approved unanimously and Appendices B through D were received for information only.

**Appendix A: Board Meeting Minutes July 28, 2020** – approved

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

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

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

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

- A. **Monthly Financial and Operations Report** – Brian Roche, Interim Chief Financial Officer, opened the discussion with an overview of the company’s monthly financial and operations report. In his report, Mr. Roche summarized Recordable Incident Rates for JEA Safety and sales and financial results for JEA Electric System and JEA Water/Wastewater System. Mr. Roche then reported on Key Financial Metrics, Combined Debt Outstanding, Variable Rate Debt Risk Analysis, Debt and Debt to Asset Ratios. A few questions were asked and answered.

Next, Ricky Erixton, Interim General Manager Electric Systems, presented an FY2020 Operations Scorecard for JEA Electric System. Mr. Erixton reported on Recordable Incident Rates, Sales Forecast, T&B Grid Performance Customer Outage, and Environmental Compliance. Mr. Erixton then reviewed rate benchmarks for Florida Utilities with an overview of monthly bill comparisons for Electric.

Next, Hai Vu, Interim General Manager Water/Wastewater, presented an FY2020 Operations Scorecard for Water/Wastewater System. Mr. Vu reported on Recordable Incident Rates, Sales Forecast and significant occurrences and system reliability in the areas of Unplanned Water Main Outages, Water System Consumption Use Permit Compliance and Environmental Compliance. Lastly, Mr. Vu discussed rate benchmarks for Florida Utilities with an overview of monthly bill comparisons for Water/Wastewater.

Lastly, Bruce Dugan, Interim Chief Customer Officer, provided an FY2020 Operations Scorecard for Customer Experience. Mr. Dugan discussed significant occurrences for JD Power Utility Ratings Criteria and Residential and Commercial. In his report, he highlighted customer disconnects, customer satisfaction goal and customer satisfaction index scores by study year and for various Florida utilities. A few questions were asked and answered.

**B. Board Policy Review –**

1. Board Policies and Ordinances Index – Steve Tuten, Interim Chief Compliance Officer, led the discussion with a brief overview of the current policies and governing documents to be reviewed by the Board at today’s meeting.
2. Board Education and Development Policy – Next, Mr. Tuten briefed the Board on an operational update to the Board Education and Development Policy to conform to updates addressed in the Board Policy Manual. Board members had no questions.
3. Travel Policy and Procedures – Lastly, Mr. Tuten, referencing materials provided in the board package, gave a brief overview of specific travel processes to be followed by the JEA Board of Directors. There were a few comments by the Board which were addressed.

**C. 457(B) Deferred Compensation Plan – Cares Act – Related Amendment to the Plan’s Loan Policy and Service Agreement Terms****D. 401(A) Defined Contribution Retirement Plan – Cares Act – Related Amendment to the Plan’s Loan Terms and Service Agreement**

Angie Hiers, Interim Chief Human Resource Officer, referencing materials provided in the board meeting packet, presented an overview of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”) relief provisions established to allow plan participants greater flexibility with respect to the Company’s 457(B) Deferred Compensation Plan and 401(A) Defined Contribution Retirement Plan funds. Ms. Hiers gave a brief summary of each Plan amendment and Management’s recommendation to approve and ratify those amendments. Hearing no questions on this matter, Chair Baker asked the Board to present a singular motion on Management’s recommendation for each Plan.

On *motion* made by Bobby Stein and seconded by Marty Lanahan, both Plan recommendations were approved unanimously.

- E. Electrification Program** – Bruce Dugan, Interim Chief Customer Officer, led the discussion on JEA’s Five-Year Electrification Program. In his presentation, Mr. Dugan outlined Phase I strategies and incentives, notable electrification projects and program participants. Next, Mr. Dugan reported on the Company’s five-year Phase I sales results and outlined strategies and incentives for Phase II of the program. Lastly, Mr. Dugan then reported on Phase II target opportunities, goals and cost projections. A few questions were asked answered.
- F. Proposed FY2021 Board Meeting Schedule** – Paul McElroy opened the discussion with a brief outline of the two proposed Board Meeting Schedules referred to as Plan A and Plan B which materials were previously provided to the Board. Mr. McElroy then asked the Board to review both Plans and offer feedback on a meeting schedule for FY2021. Comments and questions were asked and answered and a brief discussion ensued. Hearing no additional comments, Chair Baker asked the Board to present a motion to set the meetings to the fourth Tuesday of every month.



Upon *motion* made by Marty Lanahan and seconded by Dr. Leon Haley, the motion 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. In his update, he thanked Angie Hiers for her continued efforts on behalf of the Committee and JEA. Mr. Stein noted in his report the Committee continues making good progress and expects to have some impressive candidates and more to report next month. Lastly, Ms. Hiers provided the Board a proposed Committee schedule and timeline for the candidate process. Board members had no questions at this time.
- B. Finance & Audit Committee** – Committee Chair Marty Lanahan presented highlights from the Committee’s August 14, 2020 meeting. Ms. Lanahan summarized significant Committee accomplishments achieved during the meeting. Those highlights included the adoption of the Company’s Internal Audit Charter and Internal Audit Plan and discussions with the Company’s Auditors E&Y. Lastly, Ms. Lanahan outlined the Committee’s future goals and plans. Board members had no questions at this time.
- C. Governance Committee** – Jody Brooks opened the Committee report by asking the Board for a motion to approve the Governance Committee Agenda of its August 19, 2020 meeting.

Upon *motion* made by Tom VanOsdol and seconded by Dr. Zachary Faison, the Governance Committee August 19, 2020 Agenda was approved.

Next, Committee Chair DiSalvo, referencing materials contained in the board meeting packet, presented highlights from the Committee’s August 19, 2020 meeting. Mr. DiSalvo’s Committee report included an overview of key Committee foundational documents and the steps being taken to rewrite the Board Policy Manual. Next, Mr. DiSalvo outlined and summarized the JEA Board’s current Mission, Vision, Values, Goals and Objectives and asked board members to review and approve the mission statement. Hearing no comments, Chair Baker asked the Board for a motion to approve the Mission Statement. Upon motion made by Joe DiSalvo and seconded by Marty Lanahan, the Mission Statement was approved unanimously. Lastly, Mr. DiSalvo summarized the Committee’s next steps and action plan. Board members had no additional questions or comments.

### **Agenda Item II. E. Managing Director/CEO Report**

Paul McElroy, Interim Managing Director/CEO, presented the Board a framework path of success to include a plan of strategic pathways looking forward. In his presentation, Mr. McElroy outlined key strategic areas of focus accentuated with JEA’s Core Values. Next, Mr. McElroy provided an update on JEA’s key business development opportunities and emerging challenges in Jacksonville and the surrounding counties. Lastly, Mr. McElroy shared with the Board the employees’ appreciation of its letter which was very well received. There were no questions or comments.

**Agenda Item VI– Other Business**

- A. Old Business** – Chair Baker asked Jody Brooks to provide an update on the outstanding ITN invoices brought before the Board at its July 28, 2020 meeting.
- B. Other New Business** – None
- C. Open Discussion** – None
- D. Chair’s Report** – Board Chair Baker rendered closing comments and thanked Mr. McElroy and everyone for their participation.

**Agenda Item VII – Closing Considerations**

- A. Announcements** – Next Board Meeting September 22, 2020
- B. Adjournment**

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

- 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**

*With no further business claiming the attention of the Board, Chair John Baker adjourned the meeting at 11:24 a.m.*

APPROVED BY:

\_\_\_\_\_

SECRETARY

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

Board Meeting recorded by:

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

## JEA Community Engagement Calendar June - August 2020

Date	Event/Activity	Location	Time	Type
<b>DUE TO COVID-19 ALL JEA EMPLOYEE COMMUNITY PARTICIPATION ARE VIRTUAL ACTIVITIES; IN PERSON ACTIVITIES SUSPENDED UNTIL FURTHER NOTICE</b>				
<b>Jul-20</b>				
7/2/2020	DESC Customer Contact	DESC App	11am	Ambassador Instructor
7/2/2020	DESC Customer Call	DESC App	10am	Ambassador Instructor
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
<b>Aug-20</b>				
Ongoing	Virtual Volunteer - Communities in Schools	Virtual Web	Open	Volunteer Activity

## JEA Community Engagement Calendar June - August 2020

Date	Event/Activity	Location	Time	Type
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
8/3/2020	DESC Customer Calls	DESC App	10am	Ambassador Instructor
8/3/2020	DESC Customer Calls	DESC App	11am	Ambassador Instructor
8/7/2020	MLK STEM Presentation	ZOOM Presentation	6pm	Ambassador Speaker
8/11/2020	ARC Jax	ZOOM Presentation	11am	Ambassador Speaker
8/12/2020	DESC Customer Calls	DESC App	9am	Ambassador Instructor
8/12/2020	FL Urban Council	Virtual Web	9am	Ambassador Event
8/12/2020	NGS Video Creation	Virtual Web	10am	Ambassador Photographer
8/12/2020	NGS Video Creation	Virtual Web	2pm	Ambassador Photographer
8/13/2020	NGS Video Creation	Virtual Web	8am	Ambassador Photographer
8/14/2020	DESC Customer Calls	DESC App	2pm	Ambassador Instructor
8/14/2020	DESC Customer Calls	DESC App	3pm	Ambassador Instructor
8/17/2020	DESC Customer Calls	DESC App	9am	Ambassador Instructor
8/18/2020	NGS Video Creation	Virtual Web	8am	Ambassador Photographer
8/19/2020	NGS Video Creation	Virtual Web	10am	Ambassador Photographer
8/25/2020	DESC Customer Calls	DESC App	10am	Ambassador Instructor
8/25/2020	NGS Video Creation	Virtual Web	8am	Ambassador Photographer
8/26/2020	NGS Video Creation	Virtual Web	8am	Ambassador Photographer
8/26/2020	NGS Video Creation	Virtual Web	2pm	Ambassador Photographer
8/31/2020	DESC Customer Calls	DESC App	10am	Ambassador Instructor
8/31/2020	DESC Customer Calls	DESC App	3pm	Ambassador Instructor
<b>Sep-20</b>				
9/2/2020	DESC Customer Calls	DESC App	9am	Ambassador Instructor
9//4/2020	Above & Beyond Training	Virtual Training	9am	Ambassador Speaker
9/4/2020	DESC Customer Calls	DESC App	2pm	Ambassador Instructor
9/8/2020	Eagle View Academy	Zoom Virtual	9:30am	Ambassador Speaker

### JEA Community Engagement Calendar June - August 2020

Date	Event/Activity	Location	Time	Type
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



Improving Lives. Building Community.

SEPTEMBER  
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

#### Flex Pricing Pilot Conclusion

We continued the communication rollout notifying members of the Flex Pricing Pilot group of its upcoming conclusion. Both emails and mailed letters thanked members for their participation, reiterating that their involvement served to help JEA study a new way of providing energy services to our customers. We also explained that through the Pilot, JEA has been able to collect extremely useful data to help prepare us for our energy future by considering an alternative rate.

The Flex Pricing Pilot, which began in June 2019, will conclude on September 30. Participants will resume their pre-pilot residential rate, measured by their total consumption (kWh), effective October 1. The communication also explained that the October billing cycle will be billed based on the amount of energy customers consume during that cycle, as they experienced prior to the Pilot.

#### Restoration 1-2-3 Campaign

We continued promoting JEA’s Restoration 1-2-3 process throughout September. As the campaign showcases, JEA teams are continually on standby and ready to respond, no matter what impacts the storm season may have on our area.

A 30-second TV commercial, corresponding radio spots, social media and digital out-of-home billboards continue to promote the process.

#### J.D. Power Customer Satisfaction

The Communications team continues to work in conjunction with the Customer Experience team to rebuild customer trust, earn back loyalty and improve customer satisfaction as measured by J.D. Power. As mentioned in August, our ongoing efforts to return to the first quartile in fiscal year 2020-2021, will include:

- Studying JDP survey results to determine gaps of opportunity.
- Increasing awareness of JEA products and services and focus on customer satisfaction.
- Creating a multichannel advertising campaign to emphasize key JDP satisfaction drivers.



- Using social media and jea.com to educate customers about savings, services, conservation, the environment and community impact.
- Creating an employee engagement committee focused on building employee trust, morale and pride with an emphasis on JDP messaging.

**J.D. POWER**

### 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 on jea.com.
- Through social media outreach, we reminded customers of the importance of updating contact information at jea.com. By updating contact information and signing up for alerts, customers can stay up-to-date on power restoration efforts and other important information during storm season.
- We offered energy saving tips through social media, such as encouraging customers to replace air filters to keep cooling systems running more efficiently.
- Scammers continue to target utility customers by threatening to disconnect utility services. To combat the effects of these scams, we continued to share tips about how customers can identify their tactics and report them to JEA.
- Failing manholes can cause major sewer backups and roadway issues and negatively impact our environment. Through social media, we showed how JEA is now using new resources to identify issues before they occur.
- The September 2020 bill insert focused on the benefits customers receive from subscribing to JEA Alerts. These include free voice, text and email alerts focused on account management, billing and payment, utility usage, outage and public safety notices.



SEPTEMBER 2020  
**Don't Miss a Thing with Free JEA Alerts**



### Community Engagement

- We continue to seek ways to safely engage with our customers through virtual volunteer opportunities.
- To date this fiscal year, 299 JEA Ambassadors have participated in 423 events. Volunteer hours total 3,491.

### Employee Messaging

- Daily email updates sharing COVID-19 impacts and cases
- Technology updates
- Security updates
- Employee communications
- Virtual Volunteer activities
- United Way campaign kickoff
- Exercise of the Month
- HSA changes





**INTER-OFFICE MEMORANDUM**

September 11, 2020

**SUBJECT: CORPORATE HEADQUARTERS AND HQ2 UPDATE**

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

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**TO:** JEA Board of Directors

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**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 has secured the construction site and installed fence wrap and is performing excavation work on the site. JEA teams have provided comments to the Ryan design drawings and continue to work on design clarifications and utilities coordination for the project. Production of a video by Ryan for a virtual groundbreaking for mid-October continues. JEA is evaluating responses received to a Tenant Improvement (interior) design Request for Proposals. Ryan will submit the guaranteed maximum price (GMP) information to JEA for review and analysis. Once the GMP is acceptable to JEA, several related items will be updated via a lease amendment as specified in the original lease.

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.

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Paul E. McElroy, Interim Managing Director/CEO

PEM/NKV





# Monthly Financial Statements

## August 2020

Monthly Financial Statements

August 2020

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

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	<b>August 2020</b>		<b>September 2019</b>
	<b>(unaudited)</b>		
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 356,773	\$	414,438
Investments	3,108		2,399
Customer accounts receivable, net of allowance (\$3,168 and \$1,341, respectively)	227,611		227,331
Inventories:			
Materials and supplies	61,941		58,962
Fuel	33,337		30,898
Other current assets	17,385		19,109
Total current assets	<u>700,155</u>		<u>753,137</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	220,075		265,784
Investments	344,747		380,250
Accounts and interest receivable	1,067		1,071
Total restricted assets	<u>565,889</u>		<u>647,105</u>
Costs to be recovered from future revenues	817,470		851,046
Other assets	33,433		19,016
Total noncurrent assets	<u>1,416,792</u>		<u>1,517,167</u>
Capital assets:			
Land and easements	218,270		195,461
Plant in service	11,931,322		11,563,873
Less accumulated depreciation	(7,135,649)		(6,836,311)
Plant in service, net	<u>5,013,943</u>		<u>4,923,023</u>
Construction work in progress	461,312		542,421
Net capital assets	<u>5,475,255</u>		<u>5,465,444</u>
Total assets	<u>7,592,202</u>		<u>7,735,748</u>
<b>Deferred outflows of resources</b>			
Unrealized pension contributions and losses	131,554		131,554
Unamortized deferred losses on refundings	103,054		108,875
Accumulated decrease in fair value of hedging derivatives	185,836		161,485
Unrealized asset retirement obligations	41,270		50,329
Unrealized OPEB contributions and losses	9,100		9,100
Total deferred outflows of resources	<u>470,814</u>		<u>461,343</u>
Total assets and deferred outflows of resources	<u>\$ 8,063,016</u>	\$	<u>8,197,091</u>

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

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	<b>August 2020</b>		<b>September 2019</b>
	<b>(unaudited)</b>		
<b>Liabilities</b>			
Current liabilities:			
Accounts and accrued expenses payable	\$ 44,717	\$	53,813
Customer deposits and prepayments	70,035		73,974
Billings on behalf of state and local governments	27,031		26,292
Asset retirement obligations	10,265		18,884
Compensation and benefits payable	13,251		17,242
City of Jacksonville payable	11,400		10,269
<b>Total current liabilities</b>	<b>176,699</b>		<b>200,474</b>
Current liabilities payable from restricted assets:			
Debt due within one year	102,700		192,555
Interest payable	43,540		64,775
Renewal and replacement reserve	39,224		46,955
Construction contracts and accounts payable	17,618		66,775
<b>Total current liabilities payable from restricted assets</b>	<b>203,082</b>		<b>371,060</b>
Noncurrent liabilities:			
Net pension liability	566,372		566,372
Asset retirement obligations	31,005		31,445
Compensation and benefits payable	30,843		29,434
Net OPEB liability	18,987		18,256
Other liabilities	19,396		30,406
<b>Total noncurrent liabilities</b>	<b>666,603</b>		<b>675,913</b>
Long-term debt:			
Debt payable, less current portion	3,154,590		3,428,080
Unamortized premium, net	176,056		118,125
Fair value of debt management strategy instruments	185,015		149,887
<b>Total long-term debt</b>	<b>3,515,661</b>		<b>3,696,092</b>
<b>Total liabilities</b>	<b>4,562,045</b>		<b>4,943,539</b>
<b>Deferred inflows of resources</b>			
Revenues to be used for future costs	202,807		238,690
Unrealized pension gains	50,880		50,880
Unrealized OPEB gains	11,249		11,249
Accumulated increase in fair value of hedging derivatives	13,790		-
<b>Total deferred inflows of resources</b>	<b>278,726</b>		<b>300,819</b>
<b>Net position</b>			
Net investment in capital assets	2,579,214		2,248,863
Restricted for:			
Capital projects	221,385		165,186
Debt service	93,014		193,063
Other purposes	48,314		42,005
Unrestricted	280,318		303,616
<b>Total net position</b>	<b>3,222,245</b>		<b>2,952,733</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 8,063,016</b>	<b>\$</b>	<b>8,197,091</b>

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

	Month August		Year-to-Date August	
	2020	2019	2020	2019
<b>Operating revenues</b>				
Electric - base	\$ 85,600	\$ 68,367	\$ 795,293	\$ 743,460
Electric - fuel and purchased power	34,207	31,783	296,451	382,444
Water and sewer	38,943	39,783	432,407	409,914
District energy system	879	923	7,364	7,611
Other operating revenues	2,405	3,222	30,365	30,598
Total operating revenues	162,034	144,078	1,561,880	1,574,027
<b>Operating expenses</b>				
Operations and maintenance:				
Fuel	29,995	25,766	261,618	303,126
Purchased power	8,106	10,379	76,586	123,677
Maintenance and other operating expenses	30,416	26,080	366,915	349,449
Depreciation	30,354	30,097	333,893	332,426
State utility and franchise taxes	6,856	6,624	63,074	64,755
Recognition of deferred costs and revenues, net	1,927	1,609	25,953	19,716
Total operating expenses	107,654	100,555	1,128,039	1,193,149
Operating income	54,380	43,523	433,841	380,878
<b>Nonoperating revenues (expenses)</b>				
Interest on debt	(9,954)	(12,171)	(127,915)	(138,176)
Investment income	700	2,018	14,816	35,994
Allowance for funds used during construction	1,376	1,715	18,471	14,678
Other nonoperating income, net	576	1,007	6,646	8,313
Earnings from The Energy Authority	172	341	2,643	2,336
Other interest, net	(19)	(209)	671	(1,589)
Total nonoperating revenues, net	(7,149)	(7,299)	(84,668)	(78,444)
Income before contributions	47,231	36,224	349,173	302,434
<b>Contributions (to) from</b>				
General Fund, City of Jacksonville, Florida	(9,902)	(9,804)	(108,922)	(122,998)
Developers and other	6,445	9,578	95,300	87,768
Reduction of plant cost through contributions	(3,839)	(6,763)	(66,039)	(61,177)
Total contributions, net	(7,296)	(6,989)	(79,661)	(96,407)
Change in net position	39,935	29,235	269,512	206,027
Net position, beginning of period	3,182,310	2,932,101	2,952,733	2,755,309
Net position, end of period	\$ 3,222,245	\$ 2,961,336	\$ 3,222,245	\$ 2,961,336

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

	Year-to-Date	
	August	
	2020	2019
<b>Operating activities</b>		
Receipts from customers	\$ 1,502,280	\$ 1,533,639
Payments to suppliers	(555,408)	(668,656)
Payments for salaries and benefits	(240,258)	(214,497)
Other operating activities	34,442	34,482
Net cash provided by operating activities	<u>741,056</u>	<u>684,968</u>
<b>Noncapital and related financing activities</b>		
Contribution to General Fund, City of Jacksonville, Florida	(108,839)	(122,907)
Net cash used in noncapital and related financing activities	<u>(108,839)</u>	<u>(122,907)</u>
<b>Capital and related financing activities</b>		
Defeasance of debt	(523,050)	(195,045)
Proceeds received from debt	352,260	2,000
Acquisition and construction of capital assets	(371,092)	(420,271)
Repayment of debt principal	(192,555)	(185,790)
Interest paid on debt	(151,032)	(166,448)
Capital contributions	29,261	26,591
Other capital financing activities	69,381	(7,615)
Net cash used in capital and related financing activities	<u>(786,827)</u>	<u>(946,578)</u>
<b>Investing activities</b>		
Purchase of investments	(239,242)	(414,362)
Proceeds from sale and maturity of investments	277,244	681,374
Investment income	11,603	22,238
Distributions from The Energy Authority	1,631	2,044
Net cash provided by investing activities	<u>51,236</u>	<u>291,294</u>
Net change in cash and cash equivalents	(103,374)	(93,223)
Cash and cash equivalents at beginning of year	680,222	555,782
Cash and cash equivalents at end of period	<u>\$ 576,848</u>	<u>\$ 462,559</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>		
Operating income	\$ 433,841	\$ 380,878
Adjustments:		
Depreciation and amortization	334,963	333,547
Recognition of deferred costs and revenues, net	25,953	19,716
Other nonoperating income, net	367	1,859
Changes in noncash assets and noncash liabilities:		
Accounts receivable	2,511	976
Inventories	(5,419)	907
Other assets	(14,158)	1,778
Accounts and accrued expenses payable	(11,740)	(39,097)
Current liabilities payable from restricted assets	(6,482)	(4,719)
Other noncurrent liabilities and deferred inflows	(18,780)	(10,877)
Net cash provided by operating activities	<u>\$ 741,056</u>	<u>\$ 684,968</u>
<b>Noncash activity</b>		
Contribution of capital assets from developers	\$ 66,039	\$ 61,177
Unrealized investment fair market value changes, net	\$ 3,209	\$ 13,445

**JEA**  
**Combining Statement of Net Position**  
**(in thousands - unaudited) August 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
<b>Assets</b>							
Current assets:							
Cash and cash equivalents	\$ 243,926	\$ 54,786	\$ -	\$ 298,712	56,440	\$ 1,621	\$ 356,773
Investments	-	3,108	-	3,108	-	-	3,108
Customer accounts receivable, net of allowance (\$3,168)	173,074	-	-	173,074	54,115	422	227,611
Inventories:							
Materials and supplies	2,393	-	-	2,393	59,548	-	61,941
Fuel	33,337	-	-	33,337	-	-	33,337
Other current assets	15,947	5,334	(9,466)	11,815	5,570	-	17,385
<b>Total current assets</b>	<b>468,677</b>	<b>63,228</b>	<b>(9,466)</b>	<b>522,439</b>	<b>175,673</b>	<b>2,043</b>	<b>700,155</b>
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	46,830	88,400	-	135,230	81,456	3,389	220,075
Investments	233,948	10,234	-	244,182	100,565	-	344,747
Accounts and interest receivable	1,053	7	-	1,060	7	-	1,067
<b>Total restricted assets</b>	<b>281,831</b>	<b>98,641</b>	<b>-</b>	<b>380,472</b>	<b>182,028</b>	<b>3,389</b>	<b>565,889</b>
Costs to be recovered from future revenues	333,344	241,914	-	575,258	242,182	30	817,470
Other assets	31,701	4,500	(4,500)	31,701	1,729	3	33,433
<b>Total noncurrent assets</b>	<b>646,876</b>	<b>345,055</b>	<b>(4,500)</b>	<b>987,431</b>	<b>425,939</b>	<b>3,422</b>	<b>1,416,792</b>
Capital assets:							
Land and easements	124,471	6,660	-	131,131	84,088	3,051	218,270
Plant in service	5,737,591	1,316,043	-	7,053,634	4,820,538	57,150	11,931,322
Less accumulated depreciation	(3,425,809)	(1,313,344)	-	(4,739,153)	(2,366,507)	(29,989)	(7,135,649)
Plant in service, net	2,436,253	9,359	-	2,445,612	2,538,119	30,212	5,013,943
Construction work in progress	227,914	-	-	227,914	228,960	4,438	461,312
<b>Net capital assets</b>	<b>2,664,167</b>	<b>9,359</b>	<b>-</b>	<b>2,673,526</b>	<b>2,767,079</b>	<b>34,650</b>	<b>5,475,255</b>
<b>Total assets</b>	<b>3,779,720</b>	<b>417,642</b>	<b>(13,966)</b>	<b>4,183,396</b>	<b>3,368,691</b>	<b>40,115</b>	<b>7,592,202</b>
<b>Deferred outflows of resources</b>							
Unrealized pension contributions and losses	78,089	3,539	-	81,628	49,926	-	131,554
Unamortized deferred losses on refundings	58,360	3,317	-	61,677	41,207	170	103,054
Accumulated decrease in fair value of hedging derivatives	145,938	-	-	145,938	39,898	-	185,836
Unrealized asset retirement obligations	32,268	9,002	-	41,270	-	-	41,270
Unrealized OPEB contributions and losses	5,551	-	-	5,551	3,549	-	9,100
<b>Total deferred outflows of resources</b>	<b>320,206</b>	<b>15,858</b>	<b>-</b>	<b>336,064</b>	<b>134,580</b>	<b>170</b>	<b>470,814</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 4,099,926</b>	<b>\$ 433,500</b>	<b>\$ (13,966)</b>	<b>\$ 4,519,460</b>	<b>\$ 3,503,271</b>	<b>\$ 40,285</b>	<b>\$ 8,063,016</b>

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**Combining Statement of Net Position  
(in thousands - unaudited) August 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
<b>Liabilities</b>							
Current liabilities:							
Accounts and accrued expenses payable	\$ 37,298	\$ 5,632	\$ (5,350)	\$ 37,580	\$ 7,120	\$ 17	\$ 44,717
Customer deposits and prepayments	51,934	-	-	51,934	18,101	-	70,035
Billings on behalf of state and local governments	23,027	(1)	-	23,026	4,005	-	27,031
Asset retirement obligations	1,263	9,002	-	10,265	-	-	10,265
Compensation and benefits payable	9,433	-	-	9,433	3,788	30	13,251
City of Jacksonville payable	9,310	-	-	9,310	2,090	-	11,400
Total current liabilities	132,265	14,633	(5,350)	141,548	35,104	47	176,699
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	20,455	4,351	-	24,806	18,194	540	43,540
Renewal and replacement reserve	-	39,224	-	39,224	-	-	39,224
Construction contracts and accounts payable	7,087	5,107	(4,116)	8,078	9,487	53	17,618
Total current liabilities payable from restricted assets	95,307	62,022	(4,116)	153,213	47,551	2,318	203,082
Noncurrent liabilities:							
Net pension liability	343,046	4,001	-	347,047	219,325	-	566,372
Asset retirement obligations	31,005	-	-	31,005	-	-	31,005
Compensation and benefits payable	21,825	-	-	21,825	8,950	68	30,843
Net OPEB liability	11,560	-	-	11,560	7,427	-	18,987
Other liabilities	19,396	4,500	(4,500)	19,396	-	-	19,396
Total noncurrent liabilities	426,832	8,501	(4,500)	430,833	235,702	68	666,603
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	96,656	837	-	97,493	78,587	(24)	176,056
Fair value of debt management strategy instruments	145,117	-	-	145,117	39,898	-	185,015
Total long-term debt	1,871,623	252,602	-	2,124,225	1,360,050	31,386	3,515,661
Total liabilities	2,526,027	337,758	(13,966)	2,849,819	1,678,407	33,819	4,562,045
<b>Deferred inflows of resources</b>							
Revenues to be used for future costs	179,346	-	-	179,346	23,461	-	202,807
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	13,790	-	-	13,790	-	-	13,790
Total deferred inflows of resources	227,274	6,166	-	233,440	45,286	-	278,726
<b>Net position</b>							
Net investment in (divestment of) capital assets	950,800	(12,537)	-	938,263	1,639,294	1,657	2,579,214
Restricted for:							
Capital projects	138,470	-	-	138,470	81,647	1,268	221,385
Debt service	60,843	12,595	-	73,438	17,995	1,581	93,014
Other purposes	6,219	31,920	4,116	42,255	6,059	-	48,314
Unrestricted	190,293	57,598	(4,116)	243,775	34,583	1,960	280,318
Total net position	1,346,625	89,576	-	1,436,201	1,779,578	6,466	3,222,245
Total liabilities, deferred inflows of resources, and net position	\$ 4,099,926	\$ 433,500	\$ (13,966)	\$ 4,519,460	\$ 3,503,271	\$ 40,285	\$ 8,063,016



**JEA**  
**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
<b>Assets</b>							
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
<b>Deferred outflows of resources</b>							
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

**JEA**  
**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
<b>Liabilities</b>							
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
<b>Total current liabilities</b>	<b>143,254</b>	<b>22,301</b>	<b>(3,600)</b>	<b>161,955</b>	<b>38,330</b>	<b>189</b>	<b>200,474</b>
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
<b>Total current liabilities payable from restricted assets</b>	<b>179,078</b>	<b>70,158</b>	<b>(3,315)</b>	<b>245,921</b>	<b>122,622</b>	<b>2,517</b>	<b>371,060</b>
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
<b>Total noncurrent liabilities</b>	<b>437,000</b>	<b>10,224</b>	<b>(6,223)</b>	<b>441,001</b>	<b>234,883</b>	<b>29</b>	<b>675,913</b>
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
<b>Total long-term debt</b>	<b>1,972,276</b>	<b>266,538</b>	<b>-</b>	<b>2,238,814</b>	<b>1,424,172</b>	<b>33,106</b>	<b>3,696,092</b>
<b>Total liabilities</b>	<b>2,731,608</b>	<b>369,221</b>	<b>(13,138)</b>	<b>3,087,691</b>	<b>1,820,007</b>	<b>35,841</b>	<b>4,943,539</b>
<b>Deferred inflows of resources</b>							
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
<b>Total deferred inflows of resources</b>	<b>242,932</b>	<b>6,166</b>	<b>-</b>	<b>249,098</b>	<b>51,721</b>	<b>-</b>	<b>300,819</b>
<b>Net position</b>							
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
<b>Total net position</b>	<b>1,179,102</b>	<b>97,930</b>	<b>-</b>	<b>1,277,032</b>	<b>1,669,568</b>	<b>6,133</b>	<b>2,952,733</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 4,153,642</b>	<b>\$ 473,317</b>	<b>\$ (13,138)</b>	<b>\$ 4,613,821</b>	<b>\$ 3,541,296</b>	<b>\$ 41,974</b>	<b>\$ 8,197,091</b>

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**Combining Statement of Revenues, Expenses, and Changes in Net Position**

(in thousands - unaudited) for the month ended August 2020

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
<b>Operating revenues</b>								
Electric - base	\$ 85,918	\$ -	\$ -	\$ 85,918	\$ -	\$ -	\$ (318)	\$ 85,600
Electric - fuel and purchased power	35,405	2,186	(2,187)	35,404	-	-	(1,197)	34,207
Water and sewer	-	-	-	-	38,985	-	(42)	38,943
District energy system	-	-	-	-	-	915	(36)	879
Other operating revenues	1,552	-	-	1,552	1,042	-	(189)	2,405
Total operating revenues	122,875	2,186	(2,187)	122,874	40,027	915	(1,782)	162,034
<b>Operating expenses</b>								
Operations and maintenance:								
Fuel	29,995	-	-	29,995	-	-	-	29,995
Purchased power	10,293	-	(2,187)	8,106	-	-	-	8,106
Maintenance and other operating expenses	17,338	(879)	-	16,459	15,305	434	(1,782)	30,416
Depreciation	16,966	34	-	17,000	13,148	206	-	30,354
State utility and franchise taxes	5,934	-	-	5,934	922	-	-	6,856
Recognition of deferred costs and revenues, net	556	1,104	-	1,660	267	-	-	1,927
Total operating expenses	81,082	259	(2,187)	79,154	29,642	640	(1,782)	107,654
Operating income	41,793	1,927	-	43,720	10,385	275	-	54,380
<b>Nonoperating revenues (expenses)</b>								
Interest on debt	(5,411)	(844)	-	(6,255)	(3,589)	(110)	-	(9,954)
Investment income	755	22	-	777	(78)	1	-	700
Allowance for funds used during construction	640	-	-	640	722	14	-	1,376
Other nonoperating income, net	345	27	-	372	204	-	-	576
Earnings from The Energy Authority	172	-	-	172	-	-	-	172
Other interest, net	(19)	-	-	(19)	-	-	-	(19)
Total nonoperating expenses, net	(3,518)	(795)	-	(4,313)	(2,741)	(95)	-	(7,149)
Income before contributions	38,275	1,132	-	39,407	7,644	180	-	47,231
<b>Contributions (to) from</b>								
General Fund, City of Jacksonville, Florida	(7,822)	-	-	(7,822)	(2,080)	-	-	(9,902)
Developers and other	601	-	-	601	5,844	-	-	6,445
Reduction of plant cost through contributions	(601)	-	-	(601)	(3,238)	-	-	(3,839)
Total contributions, net	(7,822)	-	-	(7,822)	526	-	-	(7,296)
Change in net position	30,453	1,132	-	31,585	8,170	180	-	39,935
Net position, beginning of period	1,316,172	88,444	-	1,404,616	1,771,408	6,286	-	3,182,310
Net position, end of period	\$ 1,346,625	\$ 89,576	\$ -	\$ 1,436,201	\$ 1,779,578	\$ 6,466	\$ -	\$ 3,222,245

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**Combining Statement of Revenues, Expenses, and Changes in Net Position**

(in thousands - unaudited) for the month ended August 2019

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
<b>Operating revenues</b>								
Electric - base	\$ 68,687	\$ -	\$ -	\$ 68,687	\$ -	\$ -	\$ (320)	\$ 68,367
Electric - fuel and purchased power	32,989	2,203	(2,203)	32,989	-	-	(1,206)	31,783
Water and sewer	-	-	-	-	39,857	-	(74)	39,783
District energy system	-	-	-	-	-	960	(37)	923
Other operating revenues	2,294	-	-	2,294	1,210	-	(282)	3,222
Total operating revenues	103,970	2,203	(2,203)	103,970	41,067	960	(1,919)	144,078
<b>Operating expenses</b>								
Operations and maintenance:								
Fuel	25,766	-	-	25,766	-	-	-	25,766
Purchased power	12,582	-	(2,203)	10,379	-	-	-	10,379
Maintenance and other operating expenses	14,312	137	-	14,449	13,082	468	(1,919)	26,080
Depreciation	16,687	34	-	16,721	13,181	195	-	30,097
State utility and franchise taxes	5,720	-	-	5,720	904	-	-	6,624
Recognition of deferred costs and revenues, net	(133)	1,172	-	1,039	570	-	-	1,609
Total operating expenses	74,934	1,343	(2,203)	74,074	27,737	663	(1,919)	100,555
Operating income	29,036	860	-	29,896	13,330	297	-	43,523
<b>Nonoperating revenues (expenses)</b>								
Interest on debt	(6,479)	(1,272)	-	(7,751)	(4,308)	(112)	-	(12,171)
Investment income	1,277	211	-	1,488	513	17	-	2,018
Allowance for funds used during construction	747	-	-	747	967	1	-	1,715
Other nonoperating income, net	357	29	-	386	621	-	-	1,007
Earnings from The Energy Authority	341	-	-	341	-	-	-	341
Other interest, net	(205)	-	-	(205)	(4)	-	-	(209)
Total nonoperating expenses, net	(3,962)	(1,032)	-	(4,994)	(2,211)	(94)	-	(7,299)
Income before contributions	25,074	(172)	-	24,902	11,119	203	-	36,224
<b>Contributions (to) from</b>								
General Fund, City of Jacksonville, Florida	(7,746)	-	-	(7,746)	(2,058)	-	-	(9,804)
Developers and other	195	-	-	195	9,383	-	-	9,578
Reduction of plant cost through contributions	(195)	-	-	(195)	(6,568)	-	-	(6,763)
Total contributions, net	(7,746)	-	-	(7,746)	757	-	-	(6,989)
Change in net position	17,328	(172)	-	17,156	11,876	203	-	29,235
Net position, beginning of period, as restated	1,168,630	97,931	-	1,266,561	1,659,651	5,889	-	2,932,101
Net position, end of period	\$ 1,185,958	\$ 97,759	\$ -	\$ 1,283,717	\$ 1,671,527	\$ 6,092	\$ -	\$ 2,961,336

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**Combining Statement of Revenues, Expenses, and Changes in Net Position**

(in thousands - unaudited) for the eleven months ended August 2020

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
<b>Operating revenues</b>								
Electric - base	\$ 798,382	\$ -	\$ -	\$ 798,382	\$ -	\$ -	\$ (3,089)	\$ 795,293
Electric - fuel and purchased power	308,073	22,959	(22,960)	308,072	-	-	(11,621)	296,451
Water and sewer	-	-	-	-	432,642	-	(235)	432,407
District energy system	-	-	-	-	-	7,680	(316)	7,364
Other operating revenues	20,377	(282)	-	20,095	12,761	-	(2,491)	30,365
Total operating revenues	1,126,832	22,677	(22,960)	1,126,549	445,403	7,680	(17,752)	1,561,880
<b>Operating expenses</b>								
Operations and maintenance:								
Fuel	261,618	-	-	261,618	-	-	-	261,618
Purchased power	99,546	-	(22,960)	76,586	-	-	-	76,586
Maintenance and other operating expenses	217,297	11,785	-	229,082	151,578	4,007	(17,752)	366,915
Depreciation	185,610	376	-	185,986	145,645	2,262	-	333,893
State utility and franchise taxes	53,011	-	-	53,011	10,063	-	-	63,074
Recognition of deferred costs and revenues, net	8,489	11,666	-	20,155	5,798	-	-	25,953
Total operating expenses	825,571	23,827	(22,960)	826,438	313,084	6,269	(17,752)	1,128,039
Operating income	301,261	(1,150)	-	300,111	132,319	1,411	-	433,841
<b>Nonoperating revenues (expenses)</b>								
Interest on debt	(70,562)	(9,289)	-	(79,851)	(46,861)	(1,203)	-	(127,915)
Investment income	8,902	1,794	-	10,696	4,063	57	-	14,816
Allowance for funds used during construction	7,170	-	-	7,170	11,233	68	-	18,471
Other nonoperating income, net	3,842	291	-	4,133	2,513	-	-	6,646
Earnings from The Energy Authority	2,643	-	-	2,643	-	-	-	2,643
Other interest, net	315	-	-	315	356	-	-	671
Total nonoperating expenses, net	(47,690)	(7,204)	-	(54,894)	(28,696)	(1,078)	-	(84,668)
Income before contributions	253,571	(8,354)	-	245,217	103,623	333	-	349,173
<b>Contributions (to) from</b>								
General Fund, City of Jacksonville, Florida	(86,048)	-	-	(86,048)	(22,874)	-	-	(108,922)
Developers and other	1,697	-	-	1,697	93,603	-	-	95,300
Reduction of plant cost through contributions	(1,697)	-	-	(1,697)	(64,342)	-	-	(66,039)
Total contributions, net	(86,048)	-	-	(86,048)	6,387	-	-	(79,661)
Change in net position	167,523	(8,354)	-	159,169	110,010	333	-	269,512
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	\$ 1,346,625	\$ 89,576	\$ -	\$ 1,436,201	\$ 1,779,578	\$ 6,466	\$ -	\$ 3,222,245

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

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
<b>Operating revenues</b>								
Electric - base	\$ 746,637	\$ -	\$ -	\$ 746,637	\$ -	\$ -	\$ (3,177)	\$ 743,460
Electric - fuel and purchased power	392,756	26,193	(24,550)	394,399	-	-	(11,955)	382,444
Water and sewer	-	-	-	-	410,389	-	(475)	409,914
District energy system	-	-	-	-	-	7,958	(347)	7,611
Other operating revenues	21,273	459	-	21,732	11,936	3	(3,073)	30,598
Total operating revenues	1,160,666	26,652	(24,550)	1,162,768	422,325	7,961	(19,027)	1,574,027
<b>Operating expenses</b>								
Operations and maintenance:								
Fuel	298,457	4,669	-	303,126	-	-	-	303,126
Purchased power	148,227	-	(24,550)	123,677	-	-	-	123,677
Maintenance and other operating expenses	218,890	3,146	-	222,036	142,335	4,105	(19,027)	349,449
Depreciation	190,573	376	-	190,949	139,245	2,232	-	332,426
State utility and franchise taxes	54,873	-	-	54,873	9,882	-	-	64,755
Recognition of deferred costs and revenues, net	(1,566)	12,889	-	11,323	8,393	-	-	19,716
Total operating expenses	909,454	21,080	(24,550)	905,984	299,855	6,337	(19,027)	1,193,149
Operating income	251,212	5,572	-	256,784	122,470	1,624	-	380,878
<b>Nonoperating revenues (expenses)</b>								
Interest on debt	(76,843)	(9,970)	-	(86,813)	(50,128)	(1,235)	-	(138,176)
Investment income	19,546	4,209	-	23,755	12,095	144	-	35,994
Allowance for funds used during construction	5,608	-	-	5,608	9,044	26	-	14,678
Other nonoperating income, net	4,000	315	-	4,315	3,998	-	-	8,313
Earnings from The Energy Authority	2,336	-	-	2,336	-	-	-	2,336
Other interest, net	(1,512)	-	-	(1,512)	(77)	-	-	(1,589)
Total nonoperating expenses, net	(46,865)	(5,446)	-	(52,311)	(25,068)	(1,065)	-	(78,444)
Income before contributions	204,347	126	-	204,473	97,402	559	-	302,434
<b>Contributions (to) from</b>								
General Fund, City of Jacksonville, Florida	(85,206)	-	-	(85,206)	(37,792)	-	-	(122,998)
Developers and other	4,962	-	-	4,962	82,806	-	-	87,768
Reduction of plant cost through contributions	(4,962)	-	-	(4,962)	(56,215)	-	-	(61,177)
Total contributions, net	(85,206)	-	-	(85,206)	(11,201)	-	-	(96,407)
Change in net position	119,141	126	-	119,267	86,201	559	-	206,027
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	\$ 1,185,958	\$ 97,759	\$ -	\$ 1,283,717	\$ 1,671,527	\$ 6,092	\$ -	\$ 2,961,336

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**Combining Statement of Cash Flows**  
(in thousands - unaudited) for the eleven months ended August 2020

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
<b>Operating activities</b>								
Receipts from customers	\$ 1,079,246	\$ 27,500	\$ (23,894)	\$ 1,082,852	\$ 427,193	\$ 7,496	\$ (15,261)	\$ 1,502,280
Payments to suppliers	(479,781)	(14,716)	23,894	(470,603)	(99,106)	(3,451)	17,752	(555,408)
Payments for salaries and benefits	(164,841)	(8,246)	-	(173,087)	(66,509)	(662)	-	(240,258)
Other operating activities	24,359	(282)	-	24,077	12,856	-	(2,491)	34,442
Net cash provided by operating activities	458,983	4,256	-	463,239	274,434	3,383	-	741,056
<b>Noncapital and related financing activities</b>								
Contribution to General Fund, City of Jacksonville, Florida	(85,972)	-	-	(85,972)	(22,867)	-	-	(108,839)
Net cash used in noncapital and related financing activities	(85,972)	-	-	(85,972)	(22,867)	-	-	(108,839)
<b>Capital and related financing activities</b>								
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	(188,278)	-	-	(188,278)	(179,144)	(3,670)	-	(371,092)
Repayment of debt principal	(122,380)	(13,780)	-	(136,160)	(54,705)	(1,690)	-	(192,555)
Interest paid on debt	(81,243)	(10,786)	-	(92,029)	(57,690)	(1,313)	-	(151,032)
Capital contributions	-	-	-	-	29,261	-	-	29,261
Other capital financing activities	44,696	159	-	44,855	24,526	-	-	69,381
Net cash used in capital and related financing activities	(446,470)	(24,407)	-	(470,877)	(309,277)	(6,673)	-	(786,827)
<b>Investing activities</b>								
Purchase of investments	(188,275)	(23,820)	-	(212,095)	(27,147)	-	-	(239,242)
Proceeds from sale and maturity of investments	187,007	23,767	-	210,774	66,470	-	-	277,244
Investment income	7,197	1,798	-	8,995	2,551	57	-	11,603
Distributions from The Energy Authority	1,631	-	-	1,631	-	-	-	1,631
Net cash provided by investing activities	7,560	1,745	-	9,305	41,874	57	-	51,236
Net change in cash and cash equivalents	(65,899)	(18,406)	-	(84,305)	(15,836)	(3,233)	-	(103,374)
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	\$ 290,756	\$ 143,186	\$ -	\$ 433,942	\$ 137,896	\$ 5,010	\$ -	\$ 576,848
<b>Reconciliation of operating income to net cash provided by operating activities</b>								
Operating income	\$ 301,261	\$ (1,150)	\$ -	\$ 300,111	\$ 132,319	\$ 1,411	\$ -	\$ 433,841
Adjustments:								
Depreciation and amortization	185,610	376	-	185,986	146,715	2,262	-	334,963
Recognition of deferred costs and revenues, net	8,489	11,666	-	20,155	5,798	-	-	25,953
Other nonoperating income, net	105	-	-	105	262	-	-	367
Changes in noncash assets and noncash liabilities:								
Accounts receivable	1,967	87	-	2,054	641	(184)	-	2,511
Inventories	(2,614)	106	-	(2,508)	(2,911)	-	-	(5,419)
Other assets	(14,257)	-	-	(14,257)	103	(4)	-	(14,158)
Accounts and accrued expenses payable	(10,097)	1,376	-	(8,721)	(2,877)	(142)	-	(11,740)
Current liabilities payable from restricted assets	-	(6,482)	-	(6,482)	-	-	-	(6,482)
Other noncurrent liabilities and deferred inflows	(11,481)	(1,723)	-	(13,204)	(5,616)	40	-	(18,780)
Net cash provided by operating activities	\$ 458,983	\$ 4,256	\$ -	\$ 463,239	\$ 274,434	\$ 3,383	\$ -	\$ 741,056
<b>Noncash activity</b>								
Contribution of capital assets from developers	\$ 1,697	\$ -	\$ -	\$ 1,697	\$ 64,342	\$ -	\$ -	\$ 66,039
Unrealized investment fair market value changes, net	\$ 1,831	\$ -	\$ -	\$ 1,831	\$ 1,378	\$ -	\$ -	\$ 3,209

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**Combining Statement of Cash Flows**  
(in thousands - unaudited) for the eleven months ended August 2019

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
<b>Operating activities</b>								
Receipts from customers	\$ 1,128,013	\$ 26,932	\$ (26,644)	\$ 1,128,301	\$ 413,397	\$ 7,895	\$ (15,954)	\$ 1,533,639
Payments to suppliers	(604,005)	(11,194)	26,644	(588,555)	(95,529)	(3,599)	19,027	(668,656)
Payments for salaries and benefits	(154,113)	41	-	(154,072)	(59,884)	(541)	-	(214,497)
Other operating activities	24,818	459	-	25,277	12,275	3	(3,073)	34,482
Net cash provided by operating activities	394,713	16,238	-	410,951	270,259	3,758	-	684,968
<b>Noncapital and related financing activities</b>								
Contribution to General Fund, City of Jacksonville, Florida	(85,083)	-	-	(85,083)	(37,824)	-	-	(122,907)
Net cash used in noncapital and related financing activities	(85,083)	-	-	(85,083)	(37,824)	-	-	(122,907)
<b>Capital and related financing activities</b>								
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	(243,139)	-	-	(243,139)	(176,424)	(708)	-	(420,271)
Repayment of debt principal	(130,690)	(1,720)	-	(132,410)	(51,720)	(1,660)	-	(185,790)
Interest paid on debt	(90,055)	(11,167)	-	(101,222)	(63,881)	(1,345)	-	(166,448)
Capital contributions	-	-	-	-	26,591	-	-	26,591
Other capital financing activities	(4,834)	(231)	-	(5,065)	(2,550)	-	-	(7,615)
Net cash used in capital and related financing activities	(568,808)	(13,118)	-	(581,926)	(360,939)	(3,713)	-	(946,578)
<b>Investing activities</b>								
Purchase of investments	(234,704)	(97,635)	-	(332,339)	(82,023)	-	-	(414,362)
Proceeds from sale and maturity of investments	399,640	109,768	-	509,408	171,966	-	-	681,374
Investment income	11,551	4,198	-	15,749	6,345	144	-	22,238
Distributions from The Energy Authority	2,044	-	-	2,044	-	-	-	2,044
Net cash provided by investing activities	178,531	16,331	-	194,862	96,288	144	-	291,294
Net change in cash and cash equivalents	(80,647)	19,451	-	(61,196)	(32,216)	189	-	(93,223)
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	\$ 205,167	\$ 159,404	\$ -	\$ 364,571	\$ 90,845	\$ 7,143	\$ -	\$ 462,559
<b>Reconciliation of operating income to net cash provided by operating activities</b>								
Operating income	\$ 251,212	\$ 5,572	\$ -	\$ 256,784	\$ 122,470	\$ 1,624	\$ -	\$ 380,878
Adjustments:								
Depreciation and amortization	190,573	376	-	190,949	140,366	2,232	-	333,547
Recognition of deferred costs and revenues, net	(1,566)	12,889	-	11,323	8,393	-	-	19,716
Other nonoperating income (loss), net	132	-	-	132	1,727	-	-	1,859
Changes in noncash assets and noncash liabilities:								
Accounts receivable	9,400	(6,009)	-	3,391	(2,352)	(63)	-	976
Inventories	(602)	1,491	-	889	18	-	-	907
Other assets	1,952	-	-	1,952	(172)	(2)	-	1,778
Accounts and accrued expenses payable	(37,512)	2,267	-	(35,245)	(3,829)	(23)	-	(39,097)
Current liabilities payable from restricted assets	-	(4,719)	-	(4,719)	-	-	-	(4,719)
Other noncurrent liabilities and deferred inflows	(18,876)	4,371	-	(14,505)	3,638	(10)	-	(10,877)
Net cash provided by operating activities	\$ 394,713	\$ 16,238	\$ -	\$ 410,951	\$ 270,259	\$ 3,758	\$ -	\$ 684,968
<b>Noncash activity</b>								
Contribution of capital assets from developers	\$ 4,962	\$ -	\$ -	\$ 4,962	\$ 56,215	\$ -	\$ -	\$ 61,177
Unrealized investment fair market value changes, net	\$ 7,887	\$ 61	\$ -	\$ 7,948	\$ 5,497	\$ -	\$ -	\$ 13,445



**JEA**

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**Debt Service Coverage****August 2020****(unaudited)**

	Month August		Year-to-Date August	
	2020	2019	2020	2019
<b>Electric System</b>				
Senior debt service coverage, (annual minimum 1.20x)	15.30 x	7.22 x	10.71 x	6.20 x
Senior and subordinated debt service coverage, (annual minimum 1.15x)	6.66 x	3.12 x	4.82 x	2.68 x
<b>Bulk Power Supply System</b>				
Debt service coverage, (annual minimum 1.15x)	1.64 x	2.35 x	2.01 x	2.17 x
<b>St. Johns River Power Park, Second Resolution</b>				
Debt service coverage, (annual minimum 1.15x)	1.13 x	1.18 x	1.14 x	1.19 x
<b>Water and Sewer System</b>				
Senior debt service coverage, (annual minimum 1.25x)	5.44 x	4.09 x	5.76 x	3.60 x
Senior and subordinated debt service coverage excluding capacity fees <sup>(1)</sup>	4.40 x	3.12 x	4.64 x	2.76 x
Senior and subordinated debt service coverage including capacity fees <sup>(1)</sup>	4.88 x	3.43 x	5.12 x	3.02 x
<b>District Energy System</b>				
Debt service coverage, (annual minimum 1.15x)	1.91 x	2.02 x	1.35 x	2.43 x

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

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**Electric System  
Operating Statistics  
(unaudited)**

	Month August			Year-to-Date August		
	2020	2019	Variance	2020	2019	Variance
<b>Electric revenues sales (000s omitted):</b>						
Residential	\$ 69,704	\$ 66,746	4.43%	\$ 562,437	\$ 568,359	-1.04%
Commercial	36,525	39,934	-8.54%	336,138	360,169	-6.67%
Industrial	17,483	18,547	-5.74%	171,108	179,345	-4.59%
Public street lighting	1,137	1,104	2.99%	12,273	12,059	1.77%
Electric revenues - territorial	124,849	126,331	-1.17%	1,081,956	1,119,932	-3.39%
Sales for resale - off system	237	141	68.09%	1,894	3,572	-46.98%
Electric revenues	125,086	126,472	-1.10%	1,083,850	1,123,504	-3.53%
Rate stabilization & recovery	(3,168)	(24,635)	-87.14%	25,460	17,283	47.31%
Allowance for doubtful accounts	(595)	(161)	269.57%	(2,855)	(1,394)	104.81%
<b>Net electric revenues</b>	<b>121,323</b>	<b>101,676</b>	<b>19.32%</b>	<b>1,106,455</b>	<b>1,139,393</b>	<b>-2.89%</b>
<b>MWh sales</b>						
Residential	616,672	589,884	4.54%	5,023,134	4,976,670	0.93%
Commercial	378,819	415,737	-8.88%	3,530,663	3,708,240	-4.79%
Industrial	247,823	259,065	-4.34%	2,457,030	2,497,043	-1.60%
Public street lighting	4,691	4,492	4.43%	51,351	52,567	-2.31%
Total MWh sales - territorial	1,248,005	1,269,178	-1.67%	11,062,178	11,234,520	-1.53%
Sales for resale - off system	352	3,353	-89.50%	17,902	90,146	-80.14%
Total MWh sales	1,248,357	1,272,531	-1.90%	11,080,080	11,324,666	-2.16%
<b>Number of accounts (1)</b>						
Residential	430,789	422,024	2.08%	426,982	418,396	2.05%
Commercial	53,780	53,281	0.94%	53,529	52,985	1.03%
Industrial	196	192	2.08%	196	194	1.03%
Public street lighting	3,955	3,899	1.44%	3,926	3,850	1.97%
<b>Total average accounts</b>	<b>488,720</b>	<b>479,396</b>	<b>1.94%</b>	<b>484,633</b>	<b>475,425</b>	<b>1.94%</b>
<b>Residential averages</b>						
Revenue per account - \$	161.81	158.16	2.31%	1,317.24	1,358.42	-3.03%
kWh per account	1,431	1,398	2.41%	11,764	11,895	-1.10%
Revenue per kWh - ¢	11.30	11.32	-0.10%	11.20	11.42	-1.96%
<b>Degree days</b>						
Heating degree days	-	-	-	822	972	(150)
Cooling degree days	541	566	(25)	2,771	2,825	(54)
<b>Total degree days</b>	<b>541</b>	<b>566</b>	<b>(25)</b>	<b>3,593</b>	<b>3,797</b>	<b>(204)</b>
Degree days - 30 year average	521			3,618		

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

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

	Month			Year-to-Date		
	August			August		
	2020	2019	Variance	2020	2019	Variance
<b>Water</b>						
<i>Revenues (000s omitted):</i>						
Residential	\$ 8,741	\$ 8,472	3.18%	\$ 92,317	\$ 88,897	3.85%
Commercial and industrial	4,165	4,392	-5.17%	43,077	43,676	-1.37%
Irrigation	2,967	3,132	-5.27%	32,507	31,956	1.72%
Total water revenues	15,873	15,996	-0.77%	167,901	164,529	2.05%
Rate stabilization	(404)	(136)	197.06%	2,528	(1,573)	-260.71%
Allowance for doubtful accounts	(88)	(19)	363.16%	(483)	(191)	152.88%
Net water revenues	\$ 15,381	\$ 15,841	-2.90%	\$ 169,946	\$ 162,765	4.41%
<i>Kgal sales (000s omitted)</i>						
Residential	1,561,645	1,518,945	2.81%	17,385,403	16,413,096	5.92%
Commercial and industrial	1,187,620	1,324,259	-10.32%	12,380,393	12,733,208	-2.77%
Irrigation	485,305	523,219	-7.25%	5,495,774	5,328,935	3.13%
Total kgal sales	3,234,570	3,366,423	-3.92%	35,261,570	34,475,239	2.28%
<i>Number of accounts (1):</i>						
Residential	303,085	295,328	2.63%	299,532	292,159	2.52%
Commercial and industrial	26,276	26,065	0.81%	26,180	25,952	0.88%
Irrigation	37,784	37,409	1.00%	37,511	37,197	0.84%
Total average accounts	367,145	358,802	2.33%	363,223	355,308	2.23%
<i>Residential averages:</i>						
Revenue per account - \$	28.84	28.69	0.52%	308.20	304.28	1.29%
Kgals per account	5.15	5.14	0.19%	58.04	56.18	3.31%
Revenue per kgals - \$	5.60	5.58	0.36%	5.31	5.42	-2.03%
<b>Sewer</b>						
<i>Revenues (000s omitted):</i>						
Residential	\$ 13,023	\$ 12,661	2.86%	\$ 139,797	\$ 133,468	4.74%
Commercial and industrial	9,535	9,977	-4.43%	100,398	100,675	-0.28%
Total sewer revenues	22,558	22,638	-0.35%	240,195	234,143	2.58%
Rate stabilization	(627)	(206)	204.37%	3,907	(2,393)	-263.27%
Allowance for doubtful accounts	(132)	(27)	388.89%	(724)	(285)	154.04%
Net sewer revenues	21,799	22,405	-2.70%	243,378	231,465	5.15%
<i>Kgal sales (000s omitted)</i>						
Residential	1,358,804	1,331,747	2.03%	15,130,395	14,256,113	6.13%
Commercial and industrial	998,033	1,083,084	-7.85%	10,750,385	10,858,618	-1.00%
Total kgal sales	2,356,837	2,414,831	-2.40%	25,880,780	25,114,731	3.05%
<i>Number of accounts (1):</i>						
Residential	269,575	262,090	2.86%	266,125	259,014	2.75%
Commercial and industrial	18,700	18,574	0.68%	18,639	18,501	0.75%
Total average accounts	288,275	280,664	2.71%	284,764	277,515	2.61%
<i>Residential averages:</i>						
Revenue per account - \$	48.31	48.31	0.00%	525.31	515.29	1.94%
kgals per account	5.04	5.08	-0.79%	56.85	55.04	3.29%
Revenue per kgals - \$	9.58	9.51	0.74%	9.24	9.36	-1.28%
<b>Reuse</b>						
<i>Revenues (000s omitted):</i>						
Reuse revenues	\$ 1,805	\$ 1,611	12.04%	\$ 19,318	\$ 16,159	19.55%
<i>Kgal sales (000s omitted)</i>						
Reuse sales (kgals)	397,513	360,569	10.25%	4,075,779	3,485,900	16.92%
<i>Number of accounts (1):</i>						
Reuse accounts	18,015	15,350	17.36%	16,923	14,153	19.57%
<b>Rainfall</b>						
	Diff in inches			Diff in inches		
Normal	6.80	6.80		44.20	44.20	
Actual	10.42	9.87	0.55	51.72	43.60	8.12
Rain Days	19	14	5	106	112	(6)

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

# Appendix

**JEA**  
**Schedule of Cash and Investments**  
**(in thousands - unaudited) August 2020**

	Electric System and Bulk Power Supply	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
<b>Unrestricted cash and investments</b>						
Operations	\$ 24,868	\$ 37,202	\$ 62,070	\$ 15,471	\$ 1,621	\$ 79,162
Rate stabilization:						
Fuel	71,789	-	71,789	-	-	71,789
Environmental	22,170	-	22,170	23,461	-	45,631
Purchased Power	38,805	-	38,805	-	-	38,805
DSM/Conservation	5,679	-	5,679	-	-	5,679
Total rate stabilization funds	138,443	-	138,443	23,461	-	161,904
Customer deposits	43,271	-	43,271	17,508	-	60,779
General reserve	-	20,692	20,692	-	-	20,692
Self insurance reserve funds:						
Self funded health plan	10,776	-	10,776	-	-	10,776
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	20,776	-	20,776	-	-	20,776
Environmental liability reserve	16,568	-	16,568	-	-	16,568
Total unrestricted cash and investments	\$ 243,926	\$ 57,894	\$ 301,820	\$ 56,440	\$ 1,621	\$ 359,881
<b>Restricted assets</b>						
Renewal and replacement funds	\$ 137,041	\$ 39,224	\$ 176,265	\$ 55,808	\$ 1,268	\$ 233,341
Debt service reserve account	55,844	10,544	66,388	58,228	-	124,616
Debt service funds	81,298	16,946	98,244	36,094	2,121	136,459
Construction funds	318	-	318	25,832	-	26,150
Environmental funds	58	-	58	456	-	514
Subtotal	274,559	66,714	341,273	176,418	3,389	521,080
Unrealized holding gain (loss) on investments	6,219	107	6,326	5,603	-	11,929
Other funds	-	31,813	31,813	-	-	31,813
Total restricted cash and investments	\$ 280,778	\$ 98,634	\$ 379,412	\$ 182,021	\$ 3,389	\$ 564,822
Total cash and investments	\$ 524,704	\$ 156,528	\$ 681,232	\$ 238,461	\$ 5,010	\$ 924,703

**JEA**  
**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
<b>Unrestricted cash and investments</b>						
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
<b>Restricted assets</b>						
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
Total cash and investments	\$ 587,504	\$ 174,882	\$ 762,386	\$ 292,242	\$ 8,243	\$ 1,062,871

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

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<u>INVESTMENT</u>	<u>BOOK VALUE</u>	<u>YIELD</u>	<u>% OF TOTAL</u>
* Treasuries	\$ 9,988,281	1.58%	1.10%
Federal Home Loan Bank	108,380,466	2.28%	11.94%
Municipal Bonds	132,312,995	3.15%	14.58%
Commercial Paper	85,882,427	0.99%	9.46%
U.S. Treasury Money Market Funds (1)	202,553,072	0.06%	22.32%
Agency Money Market Funds (2)	47,575,000	0.06%	5.24%
PALM Money Market Fund	40,500,000	0.30%	4.46%
Florida Prime Fund	109,348,000	0.39%	12.05%
Wells Fargo Bank Accounts (3)			
Electric, Scherer	94,484,945	0.16%	10.41%
SJRPP	19,038,843	0.16%	2.10%
Water & Sewer, DES	57,608,234	0.16%	6.35%
Total Portfolio	\$ 907,672,263	0.96%	100.00%

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

Weighted Avg. Annual Yield for August 2020, Excluding Bank & Money Market Funds: 2.27%

Weighted Avg. Annual Yield for August 2020, Including Bank & Money Market Funds: 0.96%

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**  
**August 2020**

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	<u>Interest Rates</u>	<u>Principal Payment Dates</u>	<u>Par Amount Principal Outstanding</u>	<u>Current Portion of Long-Term Debt</u>
<b>Electric Enterprise</b>				
<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	0.122-0.609%	2020-2040	454,935,000	6,505,000
Variable Rate Subordinated	0.096-0.319%	2021-2038	132,420,000	-
<b>Total Electric System</b>	<u>2.671% (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
<b>Total Electric Enterprise</b>	<u>2.883% (wtd avg)</u>	<u>2020-2044</u>	<u>1,962,720,000</u>	<u>81,105,000</u>
<b>Water and Sewer System</b>				
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	0.089-3.474%	2020-2042	156,220,000	9,195,000
Variable Rate Subordinated	0.057-0.146%	2020-2038	103,135,000	2,300,000
Other Obligations	1.311%	2021	5,000,000	-
<b>Total Water and Sewer System</b>	<u>3.205% (wtd avg)</u>	<u>2020-2044</u>	<u>1,261,435,000</u>	<u>19,870,000</u>
<b>District Energy System</b>				
Fixed Rate Senior	2.415 - 4.538%	2020-2034	33,135,000	1,725,000
<b>Total JEA</b>	<u>3.021% (wtd avg)</u>	<u>2020-2044</u>	<u>3,257,290,000</u>	<u>102,700,000</u>

**JEA**  
**Debt Ratio**  
**August 2020**

	<u>Current YTD</u>	<u>Year End Target</u>
Electric Enterprise	60.4%	62.1%
Water and Sewer System	41.6%	42.0%

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

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**JEA Debt Management Swaps Variable to Fixed**

ID	Dealer	Effective Date	Termination Date	Allocation	Fixed Rate	Floating Rate (1)	Spread	Rate Cap	Index
<i>Electric System</i>									
1	Goldman Sachs	9/18/2003	9/16/2033	\$ 84,800,000	3.717	0.106	3.611	n/a	68% 1 mth Libor
3	Morgan Stanley	1/27/2005	10/1/2039	82,575,000	4.351	0.113	4.238	n/a	SIFMA
4	JPMorgan	1/27/2005	10/1/2035	84,775,000	3.661	0.106	3.555	n/a	68% 1 mth Libor
6	JPMorgan	1/27/2005	10/1/2037	39,175,000	3.716	0.106	3.610	n/a	68% 1 mth Libor
8	Morgan Stanley	1/31/2007	10/1/2031	62,980,000	3.907	0.113	3.794	n/a	SIFMA
10	Goldman Sachs	1/31/2008	10/1/2036	51,680,000	3.836	0.113	3.723	n/a	SIFMA
			Total	<u>405,985,000</u>					
<i>Water/Sewer System</i>									
7	Morgan Stanley	10/31/2006	10/1/2022	19,110,000	4.054	3.474	0.580	n/a	CPI
9	Merrill Lynch	3/8/2007	10/1/2041	85,290,000	3.895	0.113	3.782	n/a	SIFMA
			Total	<u>104,400,000</u>					
			Grand Total	<u>\$ 510,385,000</u>		Wtd Avg Spread	<u>3.652</u>		

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



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

	Month August			Year-to-Date August		
	2020	2019	Variance	2020	2019	Variance
<b>Generated power:</b>						
<b>Steam:</b>						
<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)	-	-		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	\$ 5,337,104	\$ 4,870,453	9.58%	\$ 42,287,039	\$ 56,764,380	-25.50%
MMBTU's consumed	2,470,076	2,200,117	12.27%	20,797,138	18,959,276	9.69%
\$/ per MMBTU consumed	\$ 2.16	\$ 2.21	-2.40%	\$ 2.03	\$ 2.99	-32.09%
kWh - gas generated (1)	227,374,468	208,073,445	9.28%	1,910,159,960	1,773,265,418	7.72%
Cost per MWh - gas	\$ 23.47	\$ 23.41	0.28%	\$ 22.14	\$ 32.01	-30.84%
Cost per MWh - gas & oil - steam	\$ 23.47	\$ 23.41	0.28%	\$ 22.26	\$ 32.20	-30.86%
<i>Coal</i>						
Coal expense	\$ 2,337,581	\$ 1,570,432	48.85%	\$ 17,565,259	\$ 23,362,281	-24.81%
kWh generated	103,950,006	64,960,326	60.02%	722,268,081	636,882,895	13.41%
Cost per MWh - coal	\$ 22.49	\$ 24.18	-6.98%	\$ 24.32	\$ 36.68	-33.70%
<i>Pet coke and limestone</i>						
Expense	\$ 5,629,680	\$ 2,609,351	115.75%	\$ 36,848,731	\$ 38,443,632	-4.15%
kWh generated	187,780,632	93,438,773	100.97%	1,450,316,782	1,112,024,339	30.42%
Cost per MWh - pet coke and limestone	\$ 29.98	\$ 27.93	7.36%	\$ 25.41	\$ 34.57	-26.51%
Cost per MWh - coal & petcoke - steam	\$ 27.31	\$ 26.39	3.50%	\$ 25.05	\$ 35.34	-29.13%
<b>Combustion turbine:</b>						
<i>Fuel oil</i>						
Fuel expense	\$ 107,217	\$ 81,949	30.83%	\$ 1,674,285	\$ 1,362,362	22.90%
Barrels #2 oil consumed	793	459	72.77%	13,487	9,271	45.48%
\$/ per barrel consumed	\$ 135.20	\$ 178.54	-24.27%	\$ 124.14	\$ 146.95	-15.52%
kWh - oil generated	127,104	164,085	-22.54%	4,872,238	3,130,876	55.62%
Cost per MWh - oil	\$ 843.54	\$ 499.43	68.90%	\$ 343.64	\$ 435.14	-21.03%
<i>Natural gas (includes landfill)</i>						
Gas expense Kennedy & landfill - variable	\$ 396,134	\$ 656,080	-39.62%	\$ 2,454,402	\$ 5,917,690	-58.52%
MMBTU's consumed	183,461	296,904	-38.21%	1,155,032	2,048,322	-43.61%
\$/ per MMBTU consumed	\$ 2.16	\$ 2.21	-2.29%	\$ 2.12	\$ 2.89	-26.45%
kWh - gas generated (1)	16,400,130	27,252,566	-39.82%	98,665,019	181,646,231	-45.68%
Cost per MWh - gas	\$ 24.15	\$ 24.07	0.33%	\$ 24.88	\$ 32.58	-23.64%
Gas expense BB simple - variable	\$ 549,109	\$ 444,552	23.52%	\$ 3,262,129	\$ 5,437,076	-40.00%
MMBTU's consumed	\$ 265,672	201,212	32.04%	1,857,358	1,841,418	0.87%
\$/ per MMBTU consumed	\$ 2.07	\$ 2.21	-6.45%	\$ 1.76	\$ 2.95	-40.52%
kWh - gas generated (1)	25,568,400	14,608,600	75.02%	183,311,541	161,437,546	13.55%
Cost per MWh - gas simple	\$ 21.48	\$ 30.43	-29.43%	\$ 17.80	\$ 33.68	-47.16%
Gas expense BB combined - variable	\$ 6,270,220	\$ 6,458,053	-2.91%	\$ 61,932,975	\$ 67,553,993	-8.32%
MMBTU's consumed	2,911,363	2,924,930	-0.46%	30,070,018	21,693,275	38.61%
\$/ per MMBTU consumed	\$ 2.15	\$ 2.21	-2.46%	\$ 2.06	\$ 3.11	-33.86%
kWh - gas generated (1)	419,648,751	428,651,962	-2.10%	4,467,949,944	3,154,662,270	41.63%
Cost per MWh - gas combined	\$ 14.94	\$ 15.07	-0.83%	\$ 13.86	\$ 21.41	-35.27%
Gas expense GEC simple - variable	\$ 2,451,468	\$ 1,383,346	77.21%	\$ 12,042,327	\$ 12,054,773	-0.10%
MMBTU's consumed	1,025,752	627,143	63.56%	5,447,364	4,453,874	22.31%
\$/ per MMBTU consumed	\$ 2.39	\$ 2.21	8.35%	\$ 2.21	\$ 2.71	-18.32%
kWh - gas generated	98,447,207	57,841,940	70.20%	499,401,810	405,791,359	23.07%
Cost per MWh - gas simple	\$ 24.90	\$ 23.92	4.12%	\$ 24.11	\$ 29.71	-18.83%
Cost per MWh - gas & oil ct	\$ 17.45	\$ 17.07	2.19%	\$ 15.49	\$ 23.63	-34.47%
Natural gas expense - fixed	\$ 3,392,195	\$ 3,651,988	-7.11%	\$ 35,946,750	\$ 36,822,610	-2.38%
<b>Total generated power:</b>						
Fuels expense	\$ 26,470,708	\$ 21,726,204	21.84%	\$ 214,279,205	\$ 248,094,259	-13.63%
kWh generated	1,079,296,698	894,991,697	20.59%	9,338,146,819	7,430,061,923	25.68%
Cost per MWh	\$ 24.53	\$ 24.28	1.03%	\$ 22.95	\$ 33.39	-31.28%

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

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

	Month August			Year-to-Date August		
	2020	2019	Variance	2020	2019	Variance
<b>Production Statistics (Continued)</b>						
<b>Cost of fuels</b>						
Natural gas	\$ 18,396,230	\$ 17,464,472	5.34%	\$ 157,925,622	\$ 184,550,522	-14.43%
Petcoke	5,629,680	2,609,351	115.75%	36,848,731	38,443,632	-4.15%
Coal	2,337,581	1,570,432	48.85%	17,565,259	23,362,281	-24.81%
Fuel oil #2	107,217	81,949	30.83%	1,674,285	1,362,362	22.90%
Fuel oil #6	-	-	-	265,308	375,462	-29.34%
Total	<u>\$ 26,470,708</u>	<u>\$ 21,726,204</u>	<u>21.84%</u>	<u>\$ 214,279,205</u>	<u>\$ 248,094,259</u>	<u>-13.63%</u>
<b>Purchased power:</b>						
<i>Plant Scherer</i>						
Purchases	\$ 3,073,313	\$ 5,210,516	-41.02%	\$ 40,097,392	\$ 58,804,743	-31.81%
kWh purchased	65,388,000	108,034,000	-39.47%	588,935,000	1,285,658,000	-54.19%
Cost per MWh	\$ 47.00	\$ 48.23	-2.55%	\$ 68.08	\$ 45.74	48.85%
<i>TEA &amp; other</i>						
Purchases	\$ 8,106,811	\$ 10,379,793	-21.90%	\$ 76,585,916	\$ 123,677,422	-38.08%
kWh purchased	144,074,690	302,685,408	-52.40%	1,536,322,860	3,041,525,134	-49.49%
Cost per MWh	\$ 56.27	\$ 34.29	64.08%	\$ 49.85	\$ 40.66	22.59%
<i>SJRPP</i>						
Purchases	\$ 2,186,701	\$ 2,203,132	-0.75%	\$ 22,960,008	\$ 24,549,927	-6.48%
kWh purchased	-	-	-	-	-	-
Cost per MWh	-	-	-	-	-	-
<b>Total purchased power:</b>						
Purchases	<u>\$ 13,366,825</u>	<u>\$ 17,793,441</u>	<u>-24.88%</u>	<u>\$ 139,643,316</u>	<u>\$ 207,032,092</u>	<u>-32.55%</u>
kWh purchased	<u>209,462,690</u>	<u>410,719,408</u>	<u>-49.00%</u>	<u>2,125,257,860</u>	<u>4,327,183,134</u>	<u>-50.89%</u>
Cost per MWh	<u>\$ 63.81</u>	<u>\$ 43.32</u>	<u>47.30%</u>	<u>\$ 65.71</u>	<u>\$ 47.84</u>	<u>37.33%</u>
Subtotal - generated and purchased power:	\$ 39,837,533	\$ 39,519,645	0.80%	\$ 353,922,521	\$ 455,126,351	-22.24%
Fuel interchange sales	(7,607)	(87,927)	-91.35%	(424,688)	(3,004,892)	-85.87%
Earnings of The Energy Authority	(171,733)	(341,944)	-49.78%	(2,642,523)	(2,338,961)	12.98%
EPA Allowance Purchases	-	-	-	(17,000)	-	-
Realized and Unrealized (Gains) Losses	117,000	756,600	-84.54%	14,513,610	(1,241,600)	-1268.94%
Fuel procurement and handling	975,769	424,117	130.07%	11,967,919	11,619,647	3.00%
By product reuse	319,220	220,152	45.00%	3,473,838	5,152,452	-32.58%
Total generated and net purchased power:						
Cost, net	<u>41,070,182</u>	<u>40,490,643</u>	<u>1.43%</u>	<u>380,793,677</u>	<u>465,312,997</u>	<u>-18.16%</u>
kWh generated and purchased	<u>1,288,759,388</u>	<u>1,305,711,105</u>	<u>-1.30%</u>	<u>11,463,404,679</u>	<u>11,757,245,057</u>	<u>-2.50%</u>
Cost per MWh	<u>\$ 31.87</u>	<u>\$ 31.01</u>	<u>2.77%</u>	<u>\$ 33.22</u>	<u>\$ 39.58</u>	<u>-16.07%</u>
<b>Reconciliation:</b>						
Generated and purchased power per above	\$ 41,070,182	\$ 31.87		\$ 380,793,677	\$ 33.22	
<b>SJRPP operating expenses:</b>						
SJRPP O & M	-	-		520	0.00	
SJRPP debt service	(1,942,254)	(1.51)		(20,271,606)	(1.77)	
SJRPP R & R	(244,447)	(0.19)		(2,688,922)	(0.23)	
<b>Scherer operating expenses:</b>						
Scherer power production	(598,764)	(0.46)		(7,834,439)	(0.68)	
Scherer R & R	(251,782)	(0.20)		(8,876,477)	(0.77)	
Scherer transmission	-	-		(4,733,813)	(0.41)	
Scherer taxes	(110,140)	(0.09)		(1,252,184)	(0.11)	
Florida and other capacity	(683,305)	(0.53)		(9,436,191)	(0.82)	
MEAG	(1,856,151)	(1.44)		(18,065,235)	(1.58)	
Rounding	(2)	(0.00)		(2)	(0.00)	
Energy expense per budget page	<u>\$ 35,383,337</u>	<u>\$ 27.46</u>		<u>\$ 307,635,328</u>	<u>\$ 26.84</u>	

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Electric System	Month				Prior Year Month	
	ANNUAL BUDGET 2019-20	BUDGET 2019-20	ACTUAL 2019-20	Variance %	ACTUAL 2018-19	Variance %
<b>Budget vs. Actual</b>						
<b>August 2020 and 2019 (unaudited)</b>						
<b>Fuel Related Revenues &amp; Expenses</b>						
Fuel Rate Revenues	\$ 410,912,768	\$ 41,728,375	\$ 40,273,875	-3.49%	\$ 40,945,870	-1.64%
Fuel Expense and Purchased Power:						
Fuel Expense - Electric System	297,844,914	30,095,406	27,882,696		23,127,072	
Other Purchased Power	94,282,216	9,064,501	7,500,641		9,721,870	
Subtotal Energy Expense	392,127,130	39,159,907	35,383,337	9.64%	32,848,942	-7.72%
Transfer to (from) Rate Stabilization, Net	18,169,269	2,517,104	4,680,379		7,992,214	
Fuel Related Uncollectibles	616,369	51,364	210,159		104,714	
<b>Total</b>	<b>410,912,768</b>	<b>41,728,375</b>	<b>40,273,875</b>	<b>3.49%</b>	<b>40,945,870</b>	<b>1.64%</b>
Fuel Balance	-	-	-		-	
<b>Nonfuel Related Revenues</b>						
Base Rate Revenues	791,145,587	80,341,188	77,962,487		78,842,392	
Conservation Charge Revenue	768,600	78,052	157,319		112,722	
Environmental Charge Revenue	7,814,100	793,525	766,582		778,568	
Investment Income	11,378,365	948,197	756,139		1,277,309	
Natural Gas Revenue Pass Through	1,000,000	83,333	46,418		54,469	
Other Revenues	51,779,028	2,209,093	1,822,944		2,485,003	
<b>Total</b>	<b>863,885,680</b>	<b>84,453,388</b>	<b>81,511,889</b>	<b>-3.48%</b>	<b>83,550,463</b>	<b>-2.44%</b>
<b>Nonfuel Related Expenses</b>						
Non-Fuel O&M	267,651,025	15,266,100	15,265,881		10,467,765	
DSM / Conservation O&M	8,072,869	636,986	478,168		590,156	
Environmental O&M	2,027,284	165,743	82,935		254,033	
Rate Stabilization - DSM	(899,269)	(74,375)	289,761		118,005	
Rate Stabilization - Environmental	5,786,816	482,364	55,382		524,535	
Natural Gas Expense Pass Through	960,991	78,841	58,624		61,044	
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	5,539,006		6,411,192	
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	34,000,000	34,000,000		18,434,000	
Operating Capital Outlay - Environmental	-	-	628,265		-	
City Contribution Expense	93,870,968	7,822,581	7,822,581		7,746,012	
Taxes & Uncollectibles	1,399,517	116,626	422,027		217,529	
Emergency Reserve	5,000,000	-	-		-	
<i>Nonfuel Purchased Power:</i>						
* 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	2,716,702		22,385,606	
<b>Total Nonfuel Expenses</b>	<b>863,885,680</b>	<b>81,612,526</b>	<b>79,849,382</b>	<b>2.16%</b>	<b>84,313,373</b>	<b>5.29%</b>
Non-Fuel Balance	-	2,840,862	1,662,507		(762,910)	
<b>Total Balance</b>	<b>-</b>	<b>2,840,862</b>	<b>1,662,507</b>		<b>(762,910)</b>	
<b>Total Revenues</b>	<b>1,274,798,448</b>	<b>126,181,763</b>	<b>121,785,764</b>	<b>-3.48%</b>	<b>124,496,333</b>	<b>-2.18%</b>
<b>Total Expenses</b>	<b>1,274,798,448</b>	<b>123,340,901</b>	<b>120,123,257</b>	<b>2.61%</b>	<b>125,259,243</b>	<b>4.10%</b>
<b>KWH Sold - Territorial</b>	<b>12,810,000,000</b>	<b>1,300,861,000</b>	<b>1,248,005,039</b>	<b>-4.06%</b>	<b>1,269,178,435</b>	<b>-1.67%</b>
<b>KWH Sold - Off System</b>	<b>-</b>	<b>-</b>	<b>352,000</b>		<b>3,353,000</b>	
	<b>12,810,000,000</b>	<b>1,300,861,000</b>	<b>1,248,357,039</b>	<b>-4.04%</b>	<b>1,272,531,435</b>	<b>-1.90%</b>

\* Gross debt service

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

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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	%
<b>Fuel Related Revenues &amp; Expenses</b>						
Fuel Rate Revenues	\$ 410,912,768	\$ 374,275,405	\$ 333,227,272	-10.97%	\$ 362,051,095	-7.96%
Fuel Expense and Purchased Power:						
Fuel Expense - Electric System	297,844,914	272,156,863	244,217,572		263,624,757	
Other Purchased Power	94,282,216	85,879,994	63,417,756		126,029,603	
Subtotal Energy Expense	392,127,130	358,036,857	307,635,328	14.08%	389,654,360	21.05%
Transfer to (from) Rate Stabilization, Net	18,169,269	15,673,543	24,637,242		(28,159,787)	
Fuel Related Uncollectibles	616,369	565,005	954,702		556,522	
<b>Total</b>	<b>410,912,768</b>	<b>374,275,405</b>	<b>333,227,272</b>	<b>10.97%</b>	<b>362,051,095</b>	<b>7.96%</b>
Fuel Balance	-	-	-		-	
<b>Nonfuel Related Revenues</b>						
Base Rate Revenues	791,145,587	720,606,314	689,853,916		696,156,508	
Conservation Charge Revenue	768,600	700,071	723,083		712,485	
Environmental Charge Revenue	7,814,100	7,117,388	6,782,696		6,884,586	
Investment Income	11,378,365	10,430,168	7,072,676		11,656,424	
Natural Gas Revenue Pass Through	1,000,000	916,667	585,573		639,340	
Other Revenues	51,779,028	49,569,935	46,415,290		133,147,087	
<b>Total</b>	<b>863,885,680</b>	<b>789,340,543</b>	<b>751,433,234</b>	<b>-4.80%</b>	<b>849,196,430</b>	<b>-11.51%</b>
<b>Nonfuel Related Expenses</b>						
Non-Fuel O&M	267,651,025	222,527,667	182,306,130		181,932,562	
DSM / Conservation O&M	8,072,869	7,365,701	4,917,725		5,238,258	
Environmental O&M	2,027,284	1,849,841	955,350		2,029,290	
Rate Stabilization - DSM	(899,269)	(818,128)	1,315,243		1,078,915	
Rate Stabilization - Environmental	5,786,816	5,305,480	(3,462,035)		4,855,296	
Natural Gas Expense Pass Through	960,991	877,185	674,117		716,805	
Debt Principal - Electric System	60,790,000	55,724,167	55,724,167		106,544,167	
Debt Interest - Electric System	77,259,892	70,821,567	66,183,127		75,886,399	
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	60,155,012	60,155,013		59,077,058	
Operating Capital Outlay	175,125,724	191,000,000	191,000,000		122,434,000	
Operating Capital Outlay - Environmental	-	-	9,289,380		-	
City Contribution Expense	93,870,968	86,048,387	86,048,387		85,206,135	
Taxes & Uncollectibles	1,399,517	1,282,891	2,142,803		1,248,071	
Emergency Reserve	5,000,000	-	-		-	
* SJRPP D/S Principal	13,340,000	12,228,333	12,228,333		12,631,667	
* SJRPP D/S Interest	10,444,195	9,573,845	9,283,042		9,885,565	
** Other Non-Fuel Purchased Power	52,162,105	47,999,256	45,049,205		71,639,680	
<b>Total Nonfuel Expenses</b>	<b>863,885,680</b>	<b>797,211,117</b>	<b>749,079,900</b>	<b>6.04%</b>	<b>849,098,697</b>	<b>11.78%</b>
Non-Fuel Balance	-	(7,870,574)	2,353,334		97,733	
<b>Total Balance</b>	<b>-</b>	<b>(7,870,574)</b>	<b>2,353,334</b>		<b>97,733</b>	
<b>Total Revenues</b>	<b>1,274,798,448</b>	<b>1,163,615,948</b>	<b>1,084,660,506</b>	<b>-6.79%</b>	<b>1,211,247,525</b>	<b>-10.45%</b>
<b>Total Expenses</b>	<b>1,274,798,448</b>	<b>1,171,486,522</b>	<b>1,082,307,172</b>	<b>7.61%</b>	<b>1,211,149,792</b>	<b>10.64%</b>
<b>KWH Sold - Territorial</b>	<b>12,810,000,000</b>	<b>11,667,849,000</b>	<b>11,062,177,183</b>	<b>-5.19%</b>	<b>11,234,520,530</b>	<b>-1.53%</b>
<b>KWH Sold - Off System</b>	<b>-</b>	<b>-</b>	<b>17,902,000</b>		<b>90,146,000</b>	
	<b>12,810,000,000</b>	<b>11,667,849,000</b>	<b>11,080,079,183</b>	<b>-5.04%</b>	<b>11,324,666,530</b>	<b>-2.16%</b>

\* Gross debt service

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

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Water and Sewer System

Budget vs. Actual August 2020 and 2019 (unaudited)	Month				Prior Year Month	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
	2019-20	2019-20	2019-20	%	2018-19	%
<b>REVENUES</b>						
Water & Sewer Revenues	\$ 450,736,934	\$ 39,099,895	\$ 39,313,528		\$ 39,341,153	
Capacity & Extension Fees	27,600,000	2,469,194	2,606,066		2,815,252	
Capital Contributions	-	-	-		-	
Investment Income	4,308,356	359,030	(78,827)		512,442	
Other Income	45,792,672	980,409	1,242,031		7,395,415	
<b>Total</b>	<b>528,437,962</b>	<b>42,908,528</b>	<b>43,082,798</b>	<b>0.41%</b>	<b>50,064,262</b>	<b>-13.95%</b>
<b>EXPENSES</b>						
O & M Expenses	185,838,461	14,648,514	12,956,034		12,852,531	
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	4,219,034		4,817,670	
Bond Buy-Back - Water & Sewer	33,986,631	-	-		-	
Rate Stabilization - Environmental	-	-	1,030,618		342,854	
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		19,590,173	
Operating Capital Outlay - Capacity/Extension	27,600,000	2,300,000	2,606,066		2,815,252	
Operating Capital Outlay - Contributions	-	-	-		-	
Operating Capital Outlay - Environmental	13,393,063	1,134,197	267,097		570,205	
City Contribution Expense	24,953,042	2,079,420	2,079,420		2,057,949	
Uncollectibles & Fees	540,884	45,074	220,011		45,253	
Interlocal Agreements	536,771	-	2,225,347		-	
Emergency Reserve	1,000,000	-	-		-	
<b>Total Expenses</b>	<b>528,437,962</b>	<b>43,559,389</b>	<b>44,066,975</b>	<b>-1.17%</b>	<b>49,613,333</b>	<b>11.18%</b>
<b>Total Balance</b>	<b>\$ -</b>	<b>\$ (650,861)</b>	<b>\$ (984,177)</b>		<b>\$ 450,929</b>	
<b>Sales kgals</b>						
<b>Water</b>	39,900,000	3,507,299	3,234,570	-7.78%	3,366,423	-3.92%
<b>Sewer</b>	33,180,000	2,870,144	2,754,350	-4.03%	2,775,400	-0.76%
<b>Total</b>	<b>73,080,000</b>	<b>6,377,443</b>	<b>5,988,920</b>	<b>-6.09%</b>	<b>6,141,823</b>	<b>-2.49%</b>

Budget vs. Actual August 2020 and 2019 (unaudited)	Year-To-Date				Prior Year to Date	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
	2019-20	2019-20	2019-20	%	2018-19	%
<b>REVENUES</b>						
Water & Sewer Revenues	\$ 450,736,934	\$ 412,787,825	\$ 417,350,161		\$ 404,947,895	
Capacity & Extension Fees	27,600,000	25,133,429	29,171,092		26,561,108	
Capital Contributions	-	-	90,000		29,759	
Investment Income	4,308,356	3,949,327	2,681,042		6,594,248	
Other Income	45,792,672	44,901,813	46,642,456		141,500,847	
<b>Total</b>	<b>528,437,962</b>	<b>486,772,394</b>	<b>495,934,751</b>	<b>1.88%</b>	<b>579,633,857</b>	<b>-14.44%</b>
<b>EXPENSES</b>						
O & M Expenses	185,838,461	166,987,450	145,312,602		139,532,634	
Debt Principal - Water & Sewer	19,870,000	18,214,168	18,214,168		50,146,246	
Debt Interest - Water & Sewer	58,666,036	53,777,199	49,448,337		56,170,357	
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	-	-	7,773,810		3,966,391	
R&R - Water & Sewer	25,138,950	23,044,038	23,044,038		21,589,654	
Operating Capital Outlay	136,914,124	154,438,618	154,438,618		132,508,687	
Operating Capital Outlay - Capacity/Extension	27,600,000	25,300,000	29,171,092		26,561,108	
Operating Capital Outlay - Contributions	-	-	90,000		29,759	
Operating Capital Outlay - Environmental	13,393,063	12,258,865	5,797,903		8,393,231	
City Contribution Expense	24,953,042	22,873,622	22,873,622		22,637,439	
Uncollectibles & Fees	540,884	495,811	1,206,654		474,893	
Interlocal Agreements	536,771	536,771	2,762,118		15,521,392	
Emergency Reserve	1,000,000	-	-		-	
<b>Total Expenses</b>	<b>528,437,962</b>	<b>511,913,173</b>	<b>494,119,593</b>	<b>3.48%</b>	<b>576,720,351</b>	<b>14.32%</b>
<b>Total Balance</b>	<b>\$ -</b>	<b>\$ (25,140,779)</b>	<b>\$ 1,815,158</b>		<b>\$ 2,913,506</b>	
<b>Sales kgals</b>						
<b>Water</b>	39,900,000	36,532,670	35,261,570	-3.48%	34,475,239	2.28%
<b>Sewer</b>	33,180,000	30,387,244	29,956,559	-1.42%	28,600,631	4.74%
<b>Total</b>	<b>73,080,000</b>	<b>66,919,914</b>	<b>65,218,129</b>	<b>-2.54%</b>	<b>63,075,870</b>	<b>3.40%</b>

JEA

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District Energy System

Budget vs. Actual August 2020 and 2019 (unaudited)	Month				Prior Year Month	
	ANNUAL BUDGET 2019-20	BUDGET 2019-20	ACTUAL 2019-20	Variance %	ACTUAL 2018-19	Variance %
<b>REVENUES</b>						
Revenues	\$ 9,044,699	\$ 900,222	\$ 915,377		\$ 960,494	
Investment Income	-	-	1,036		16,803	
<b>Total</b>	<b>9,044,699</b>	<b>900,222</b>	<b>916,413</b>	<b>1.80%</b>	<b>977,297</b>	<b>-6.23%</b>
<b>EXPENSES</b>						
O & M Expenses	5,164,460	403,699	435,384		466,792	
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	-	-		-	
<b>Total Expenses</b>	<b>9,044,699</b>	<b>704,512</b>	<b>736,197</b>	<b>-4.50%</b>	<b>755,409</b>	<b>2.54%</b>
<b>Total Balance</b>	<b>\$ -</b>	<b>\$ 195,710</b>	<b>\$ 180,216</b>		<b>\$ 221,888</b>	

Budget vs. Actual August 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 %
<b>REVENUES</b>						
Revenues	\$ 9,044,699	\$ 8,135,338	\$ 7,680,197		\$ 7,960,968	
Investment Income	-	-	57,326		143,630	
<b>Total</b>	<b>9,044,699</b>	<b>8,135,338</b>	<b>7,737,523</b>	<b>-4.89%</b>	<b>8,104,598</b>	<b>-4.53%</b>
<b>EXPENSES</b>						
O & M Expenses	5,164,460	4,631,551	3,988,006		4,095,801	
Debt Principal - Water & Sewer	1,725,000	1,581,250	1,581,250		1,549,167	
Debt Interest - Water & Sewer	1,295,550	1,187,588	1,187,588		1,219,578	
Rate Stabilization - Debt Management	-	-	-		(2,737,164)	
R&R - Water & Sewer	589,200	540,100	540,100		406,038	
Operating Capital Outlay	270,489	-	-		2,737,164	
<b>Total Expenses</b>	<b>9,044,699</b>	<b>7,940,489</b>	<b>7,296,944</b>	<b>8.10%</b>	<b>7,270,584</b>	<b>-0.36%</b>
<b>Total Balance</b>	<b>\$ -</b>	<b>\$ 194,849</b>	<b>\$ 440,579</b>		<b>\$ 834,014</b>	



**INTER-OFFICE MEMORANDUM**

September 10, 2020

**SUBJECT:** AUTHORIZATION OF BOARD CHAIR'S TRAVEL – PLANT VOGTLE VISIT

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

**TO:** JEA Board of Directors

**BACKGROUND:**

On September 23, 2020, Board Chair John Baker and Paul McElroy will travel to the Alan W. Vogtle Electric Generating Plant in Waynesboro, Georgia. The purpose of this trip is to tour Plant Vogtle Units 3 & 4.

**DISCUSSION:**

Nuclear power capacity to be delivered from the Plant Vogtle Units 3 & 4 will be an important part of JEA's energy supply mix. The purpose of the tour is to see what advancements are being made to complete the construction of the Units and to assist with relationship building with the owners/co-owners of the facility.

**FINANCIAL IMPACT:**

Market pricing for commercial flights, ground transportation, parking, and per diem for the Board Chair.

**RECOMMENDATION:**

Staff recommends the Board approve payment of travel-related expenses for the Board Chair to travel to Waynesboro, Georgia on September 23, 2020 to participate in the tour.

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

PEM/JLB



# Monthly Financial and Operations Report

## Board of Directors September 22, 2020





# JEA Safety

## FY2019

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

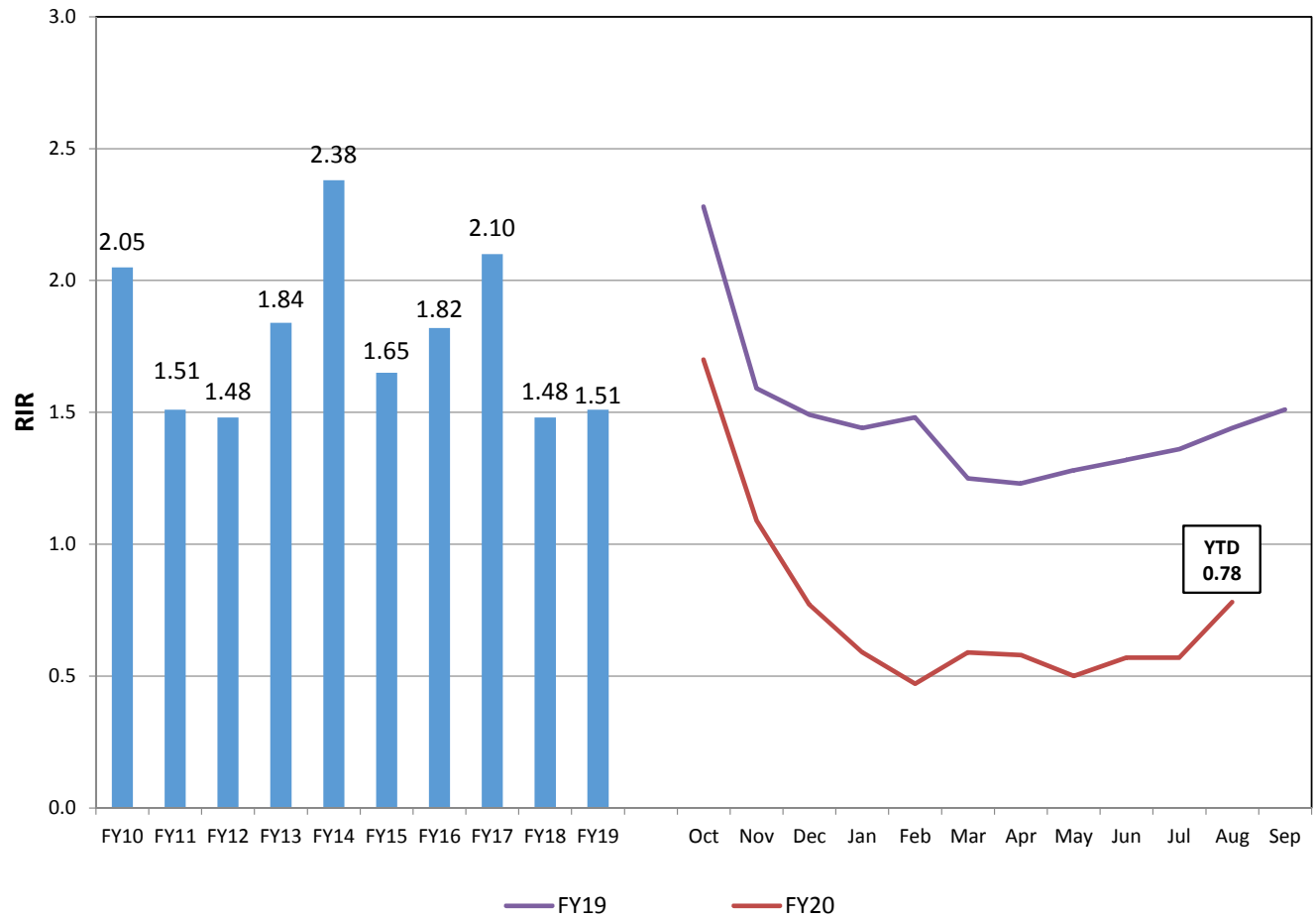
## FY2020

- RIR = **0.78 YTD**
- FY20 YTD Recordables = **15**
  - Electric Systems = 12
  - Water/Wastewater = 2
  - Customer = 1
- Lost Time Incidents = 7
- August Recordables = 5
- COVID Prevention
- Safety Focused Training
- Driver Coaching

### Other Industry Benchmarks\*

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

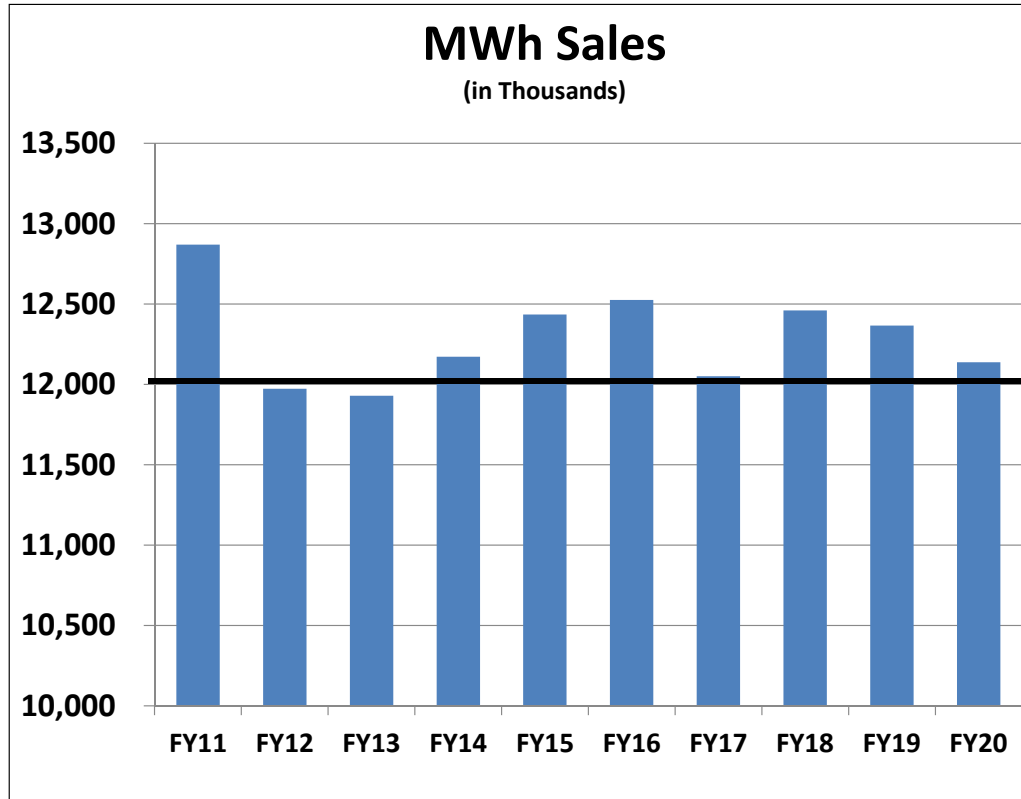
Units	FY2018	FY2019	FY2020 YTD	FY2020 Target
RIR	1.48	1.51	<b>0.78</b>	N/A





# 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%
Aug	1,269,178	1,248,005	(2%)
<b>YTD</b>	<b>11,234,521</b>	<b>11,062,177</b>	<b>(1.5%)</b>
Sep	1,131,874		
<b>Total/Forecast</b>	<b>12,366,395</b>	<b>12,137,457</b>	

Forecast = YTD actual plus budget sales for future months

**Unit Sales Driver:** Commercial unit sales are down **(4.8%)** primarily driven by COVID impacted sales along with a reduction of YTD degree days

YTD Customer Accounts		
FY19	FY20	%
475,425	484,633	<b>1.9%</b>

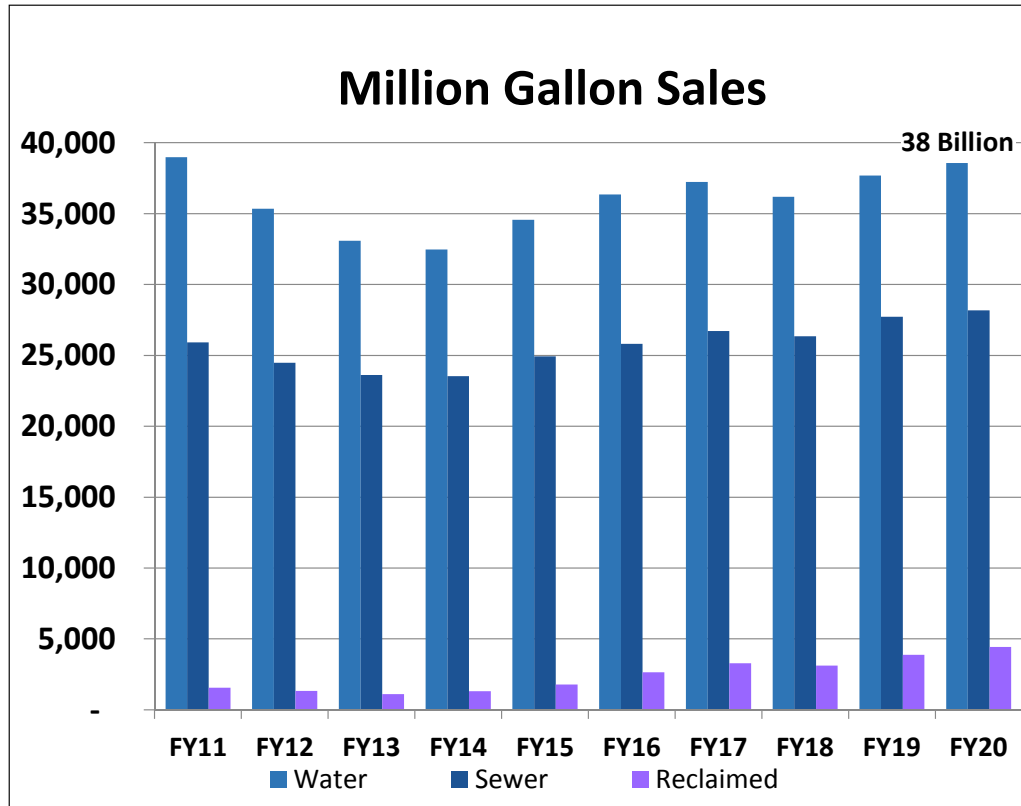
YTD Degree Days				
30-yr. Avg.	FY19	FY20	Δ	
3,618	3,797	3,593	(204)	

<b>Total System</b>	<b>(1.5%)</b>
Residential	0.9%
<b>Commercial</b>	<b>(4.8%)</b>
Industrial	(1.6%)



# 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%
Aug	3,366	3,235	(4%)
<b>YTD</b>	<b>34,475</b>	<b>35,262</b>	<b>2.3%</b>
Sep	3,221		
<b>Total/Forecast</b>	<b>37,696</b>	<b>38,469</b>	

Forecast = YTD actual plus budget sales for future months

**Unit Sales Driver:** 2.3% YTD increase aligned with 2.2% new accounts

YTD Customer Accounts		
FY19	FY20	%
355,308	363,223	2.2%

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

<b>Total System</b>	<b>2.3%</b>
Residential	5.9%
Commercial	(2.8%)
Irrigation	3.1%



# JEA Electric System

## Financial Results

### Revenues

#### Current year down \$49 million

- Fuel Credit (\$24M)
- Fuel - lower sales (\$6M)
- Base - lower sales (\$10M)
- Investment Income - (\$6M)
- Other - (\$3M)

### Expenses

- Lower fuel expenses due to lower unit sales and fuel prices
- O&M expense higher by \$9M

### Debt/Debt Service

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

**FY20 100% CAPEX funded with current year revenues**

	FY19 Actual	FY20 Forecast	Δ
\$ in millions			
Unit Sales - MWh	12,366,395	12,137,457	(228,938)
Current Year Revenues	\$1,214	\$1,165	(\$49)
Prior Period - Budget Basis	\$109	\$25	(\$84)
<b>Total Revenues</b>	<b>\$1,323</b>	<b>\$1,190</b>	<b>(\$133)</b>
Fuel Expense	\$426	\$341	(\$85)
O&M <sup>1</sup>	\$217	\$226	\$9
Non Fuel Purchased Power	\$101	\$74	(\$27)
Transfer to / (from) Fuel Reserve	(\$27)	\$27	\$54
<b>Net Revenues</b>	<b>\$606</b>	<b>\$522</b>	<b>(\$84)</b>
Total Debt Service	\$199	\$133	(\$66)
City Contribution	\$93	\$94	\$1
R&R and OCO	\$219	\$266	\$47
Early Debt Retirement	\$109	\$55	(\$54)
Debt Mgmt Rate Stabilization	\$0	(\$30)	(\$30)
Other Expenses <sup>2</sup>	(\$14)	\$4	\$18
<b>Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Capital Expenditures	\$286	\$200	(\$86)

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

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



# JEA Water/Wastewater System

## Financial 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 9% due to elevated shared services costs in FY20

### Debt/Debt Service

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

**FY20 100% CAPEX funded with current year revenues**

Unit sales in million gallons \$ in millions	FY19 Actual	FY20 Forecast	Δ
Unit Sales – Water	37,696	38,469	773
Unit Sales – Sewer	27,727	28,169	441
Unit Sales – Reclaim	3,884	4,448	564
System Sales Revenues	\$443	\$450	\$7
Other Revenues <sup>1</sup>	\$55	\$49	(\$6)
Prior Period – Budget Basis Operating	\$28	\$0	(\$28)
Prior Period – Budget Basis Capital	\$99	\$34	(\$65)
<b>Total Revenues</b>	<b>\$625</b>	<b>\$533</b>	<b>(\$92)</b>
O&M	\$158	\$172	\$14
<b>Net Revenues</b>	<b>\$467</b>	<b>\$361</b>	<b>(\$106)</b>
Total Debt Service	\$121	\$72	(\$49)
City Contribution	\$40	\$28	(\$12)
R&R and OCO	\$211	\$212	\$1
Early Debt Retirement	\$99	\$48	(\$51)
Debt Mgmt Rate Stabilization	\$0	(\$14)	(\$14)
Other Expenses <sup>2</sup>	(\$4)	\$11	\$15
<b>Balance</b>	<b>\$0</b>	<b>\$4</b>	<b>\$4</b>
Capital Expenditures	\$213	\$198	(\$15)

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

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



## Key Financial Metrics

Electric System	FY20 YTD	FY20 Forecast	Target	Result	Moody's
Debt Service Coverage	4.8x	4.7x	≥ 2.2x	✓	2.2x <sup>1</sup>
Days Liquidity	353	360	150 to 250 days	✓	251 <sup>1</sup>
Days Cash on Hand	174	182	N/A	✓	223 <sup>1</sup>
Debt/Asset %	61%	61%	50%	✓	46% <sup>1</sup>
Moody's/S&P/Fitch Ratings	A2/A+/AA				A2

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

Water/Wastewater System	FY20 YTD	FY20 Forecast	Target	Result	Moody's
Debt Service Coverage	5.1x	4.6x	≥ 1.8x	✓	2.4x <sup>2</sup>
Days Liquidity	376	378	150 to 250 days	✓	-
Days Cash on Hand	197	201	N/A	✓	504 <sup>2</sup>
Debt/Asset %	42%	42%	50%	✓	-
Moody's/S&P/Fitch Ratings	A2/AA+/AA				A2

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



# Combined Debt Outstanding

## Electric System (ES, BPSS, SJRPP)

- Debt outstanding: \$1,963
  - \$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

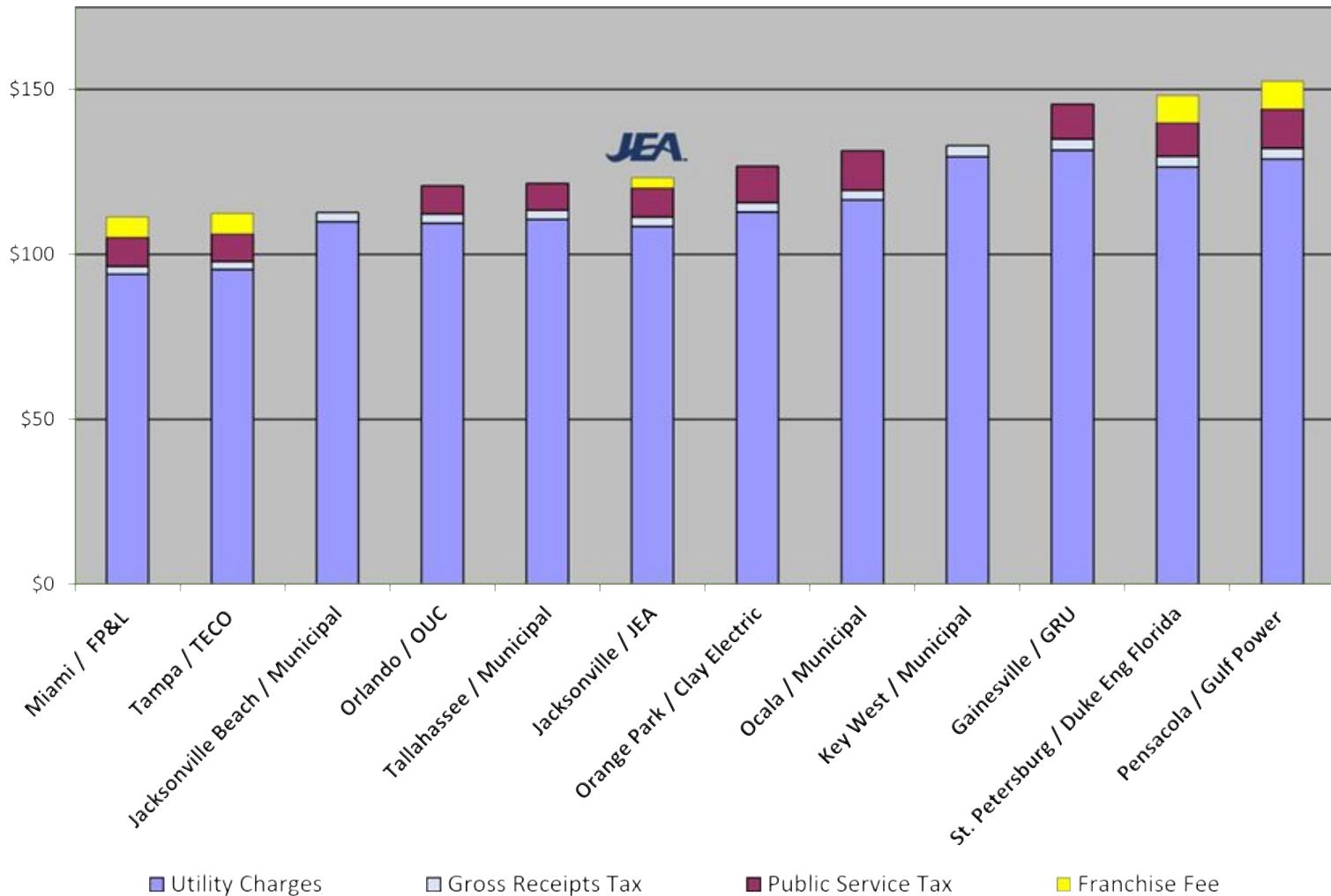
Interest rates are net of BABs subsidy, original issue premiums / discounts and includes variable debt liquidity / remarketing fees and interest rate swap payments.

(\$ in millions)	Principal Sep 2019	Principal Aug 2020	Change	Aug 2020 Weighted Average Interest Rates
<b>Electric System (ES)</b>				
Fixed rate bonds	\$1,233	\$1,022	(\$211)	3.90%
Hedged variable rate bonds	406	406	--	4.48%
Unhedged variable rate bonds	185	181	(4)	0.78%
Revolving credit agreement	--	--	--	--
<b>Total</b>	<b>\$1,824</b>	<b>\$1,609</b>	<b>(\$215)</b>	<b>3.71%</b>
<b>Bulk Power Supply System (BPSS)</b>				
Fixed rate bonds	\$95	\$89	(6)	3.82%
<b>Total</b>	<b>\$95</b>	<b>\$89</b>	<b>(6)</b>	<b>3.82%</b>
<b>SJRPP</b>				
Fixed rate bonds	\$279	\$265	(\$14)	3.93%
Revolving credit agreement	--	--	--	--
<b>Total</b>	<b>\$279</b>	<b>\$265</b>	<b>(\$14)</b>	<b>3.93%</b>
<b>Combined ES, BPSS and SJRPP</b>	<b>\$2,198</b>	<b>\$1,963</b>	<b>(\$235)</b>	<b>3.74%</b>
<b>Water and Sewer System</b>				
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)	0.61%
Revolving credit agreement	5	5	--	1.31%
<b>Total</b>	<b>\$1,388</b>	<b>\$1,261</b>	<b>(\$127)</b>	<b>3.54%</b>
<b>District Energy System</b>				
Fixed rate bonds	\$35	\$33	(\$2)	4.23%
<b>Total</b>	<b>\$35</b>	<b>\$33</b>	<b>(\$2)</b>	<b>4.23%</b>
<b>Total JEA Debt</b>	<b>\$3,621</b>	<b>\$3,257</b>	<b>(\$364)</b>	<b>3.67%</b>



# Florida Utilities Monthly Bill Comparison - Electric

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

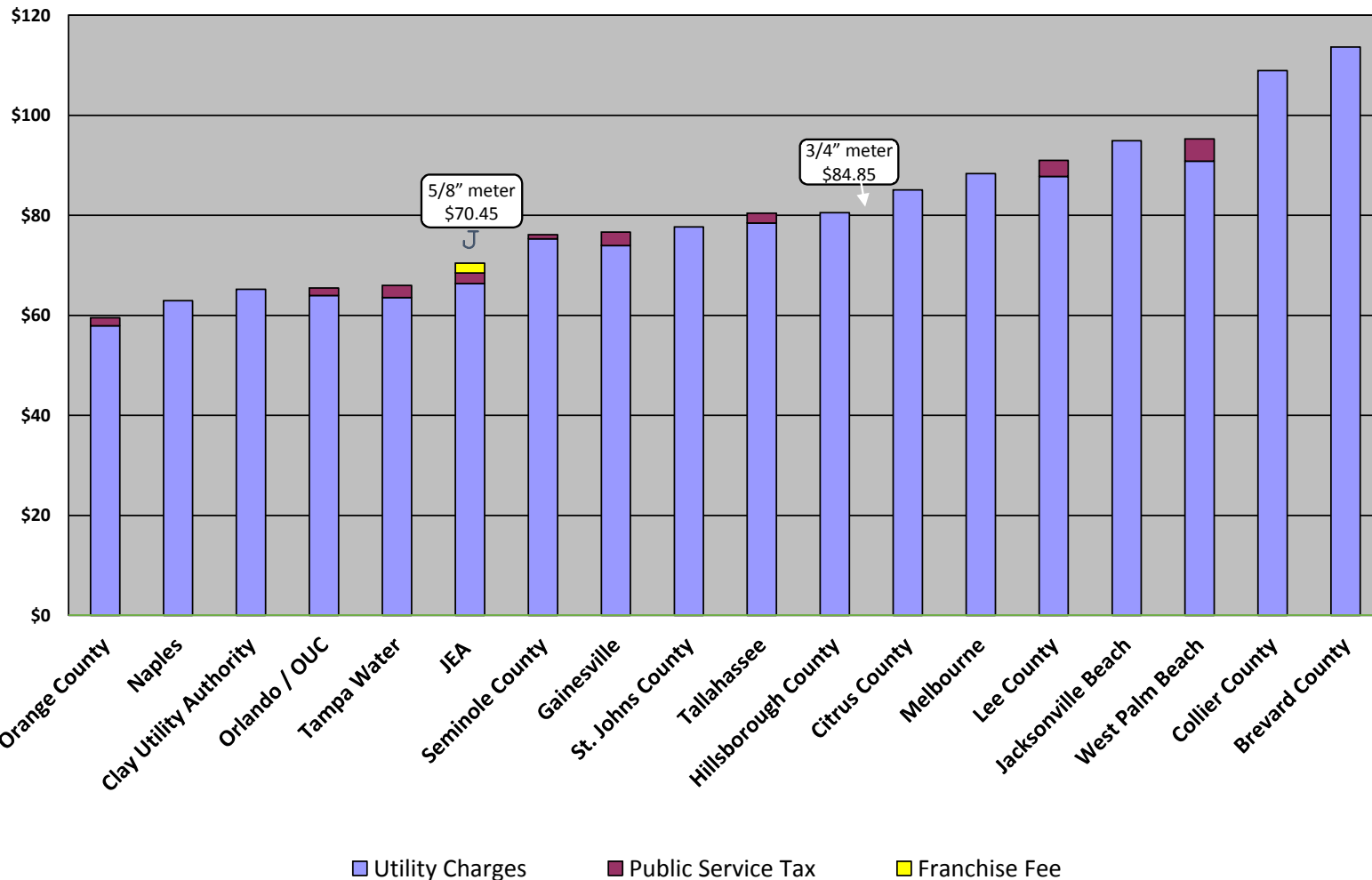






# Florida Utilities Monthly Bill Comparison – Water/Wastewater

**Monthly Residential Water Bills**  
5/8" meter and 6 kgals of Consumption



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



# Electric System Update





# Operations Scorecard Electric System

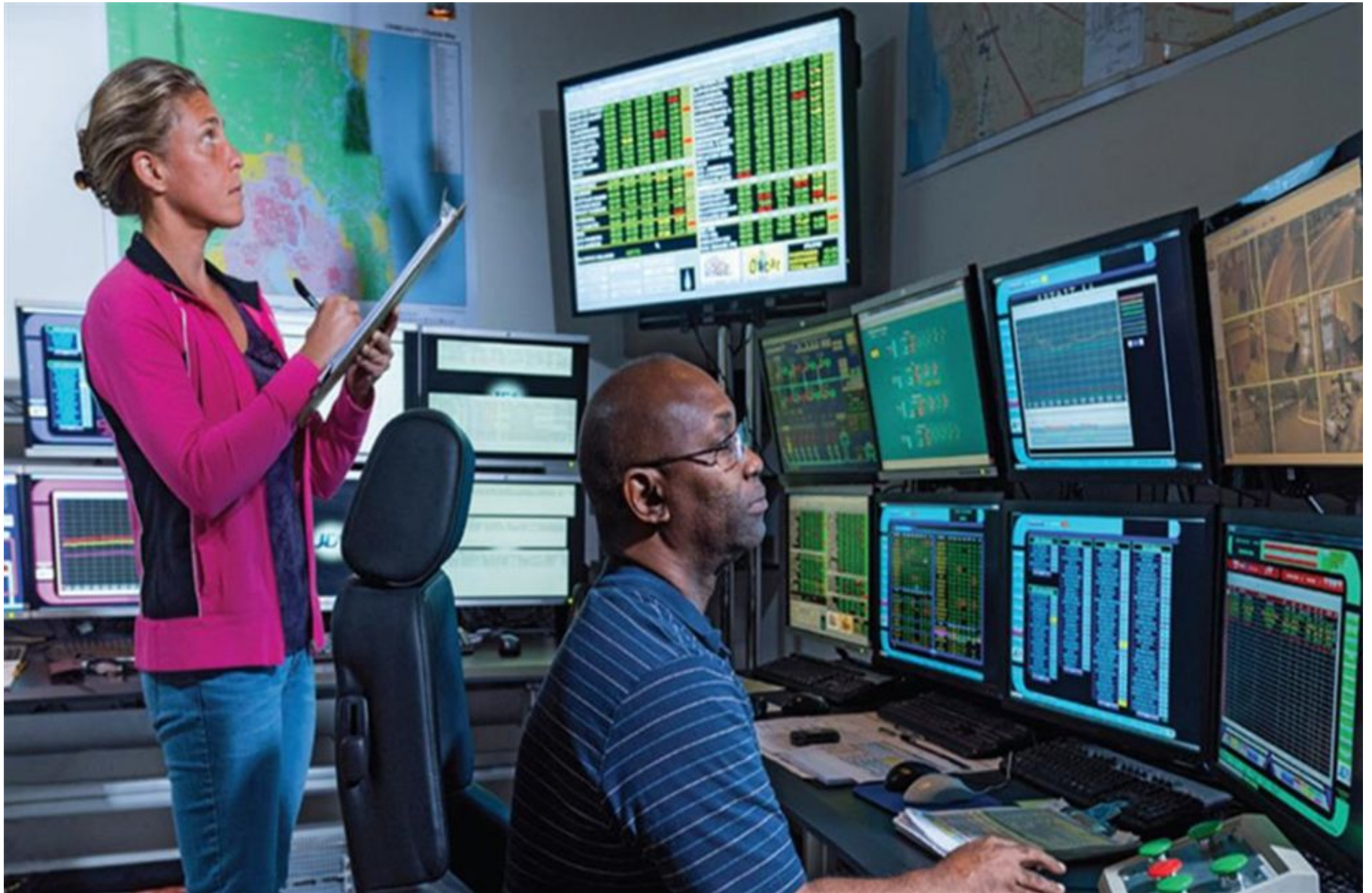
Electric System	FY2019	FY2020 Goal	FY2020 YTD/Forecast	Status
<b>JEA Safety RIR (total JEA)</b>	1.51	N/A	<b>0.78</b>	
<b>Sales Forecast (million MWh)</b>	12.4	12.2	<b>12.1</b>	
<b>T&amp;D Grid Performance Customer Outage</b>				
<i>SAIFI Frequency (outages/year per customer)</i>	1.3	1.4 - 1.6	<b>1.3</b>	
<i>SAIDI Duration (minutes/year per customer)</i>	65	75 - 80	<b>87</b>	
<i>SARFI-80 (low voltage events/year per meter)</i>	30	45	<b>39</b>	
<i>CEMI<sub>5</sub> (% of customers &gt; 5 outages/year)</i>	0.08%	0.80%	<b>0.72%</b>	
<b>Generating Plant Performance</b>				
<i>Generation Fleet Reliability (forced outages rate)</i>	5%	2.25% – 2.5%	<b>2.53%</b>	
<i>Environmental Compliance (permit exceedances)</i>	0	<4	<b>1</b>	

## Significant Occurrences or Concerns This Month

- **SAIDI:** Multiple, very intense storms during the month of August impacted and increased SAIDI above target.
- **CEMI<sub>5</sub>:** Current reliability at 0.72% with 3,494 of 487,010 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 JEA Fleet Forced Outage Rate is currently exceeding target due to two main events. The first was due to a lightning arrester failure on Northside Unit 2 that occurred on July 31 and extended into August. The second event was associated with incomplete fuel combustion on Northside Unit 1, forcing the unit off-line for cleaning.



# 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	<b>0.78</b>	
Sales Forecast (kGals in 1000's)	37,696	38,000	<b>38,469</b>	
Water Unplanned Outages (# cust.)	9,268	4,100	<b>15,082</b>	
CUP Compliance	Yes	Yes	<b>Yes</b>	
Nitrogen to the River (tons)	397	466	<b>272 YTD</b>	
Sanitary Sewer Overflows (# SSO's)	36	30	<b>36</b>	
Water Pressure (avg min < 30 psi)	8.8	2.0	<b>3.8</b>	

## Significant Occurrences or Concerns This Month

- **Unplanned Water Main Outages:** 5,941 customers experienced an unplanned outage in one event during August due to a 24" PVC water main break on 103rd St. The root cause was improper installation, placing the pipe in a bind. There has been other similar occurrences, so a project to replace the existing main is underway and has been expedited. The PVC pipe will be replaced with 24" ductile iron piping to prevent future damages.
- **CUP:** Average daily flow of 121 MGD is 14% below CY20 limit of 140 MGD; reclaimed usage at 20 MGD.
- **Nitrogen to River:** 272 YTD, FY20 Forecast is 312 tons. JEA has a limit of 683 tons per year and provides the COJ with 37 tons.
- **SSO's Impacting Waters of the US:** 36 YTD, with 4 in August. 2 SSOs due to an extremely heavy rainfall event with severe street flooding on Aug. 11th. 0.69% YTD per 100 miles of pipe. Root cause analysis is performed on each SSO.
- **Water Pressure Average Minutes < 30 psi:** 3.8 YTD. We had a spike in the average mins water pressure <30psi to 6.6 in the month of August largely due to low pressures in the Chaffee Rd area. There are also short duration low pressure events due to regular maintenance activities.



# Customer Experience Update





# Operations Scorecard Customer Experience

Customer Experience	FY2019	FY2020 Goal	FY2020 YTD	Status
JDP Customer Satisfaction Index - Residential	1 <sup>st</sup> Q	Top 1/2 of 2nd Quartile	3 <sup>rd</sup> Q	
JDP Customer Satisfaction Index - Business	2 <sup>nd</sup> Q	Top 1/2 of 2nd Quartile	2 <sup>nd</sup> Q	
Overall First Contact Resolution Index	79.3%	>=80%	<b>78.1%</b>	
Net Write-offs/Bad Debt Expense	0.12%	< % 0.15	<b>0.12%</b>	

## 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

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

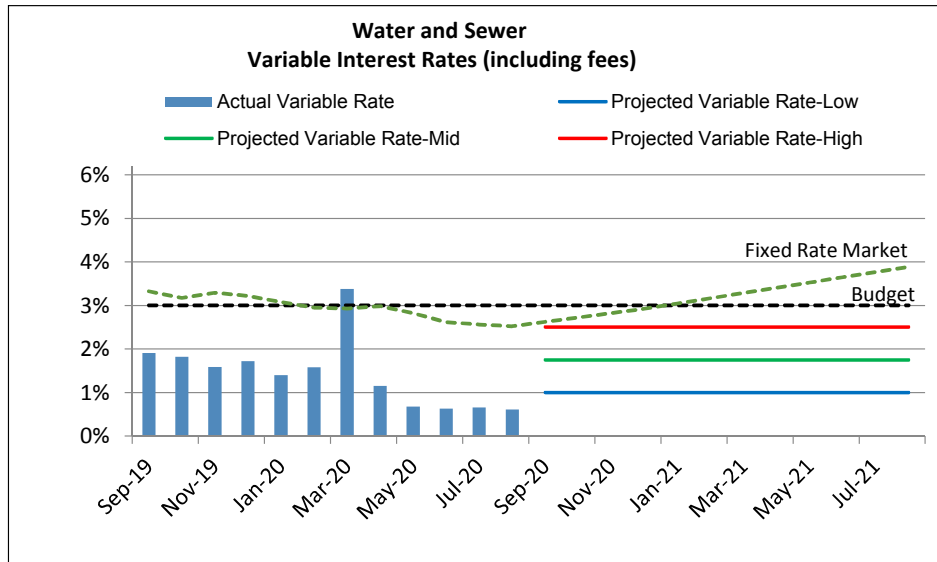
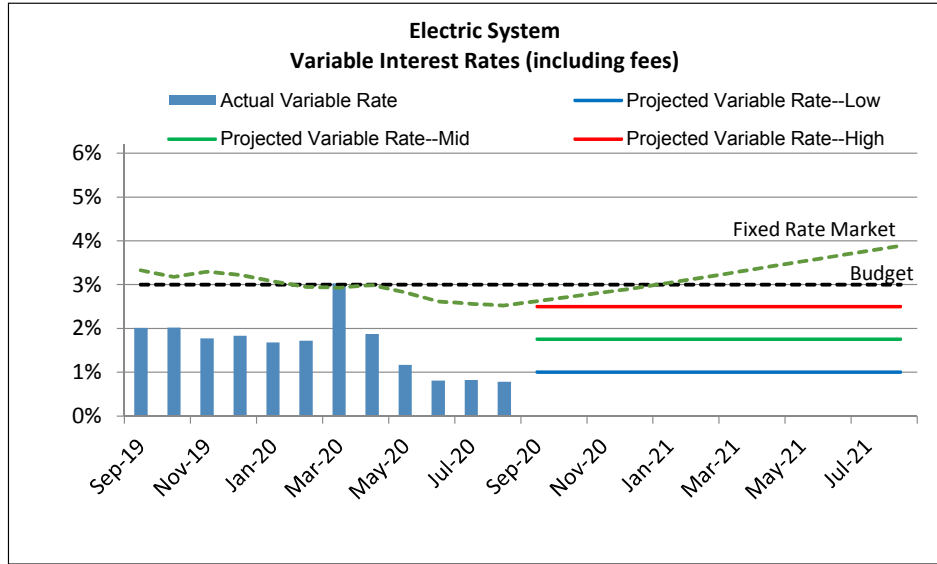


# Supplemental Schedules





# Variable Rate Debt Risk Analysis



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
<b>Total</b>		<b>\$828</b>	

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
<b>Total</b>		<b>\$510</b>	

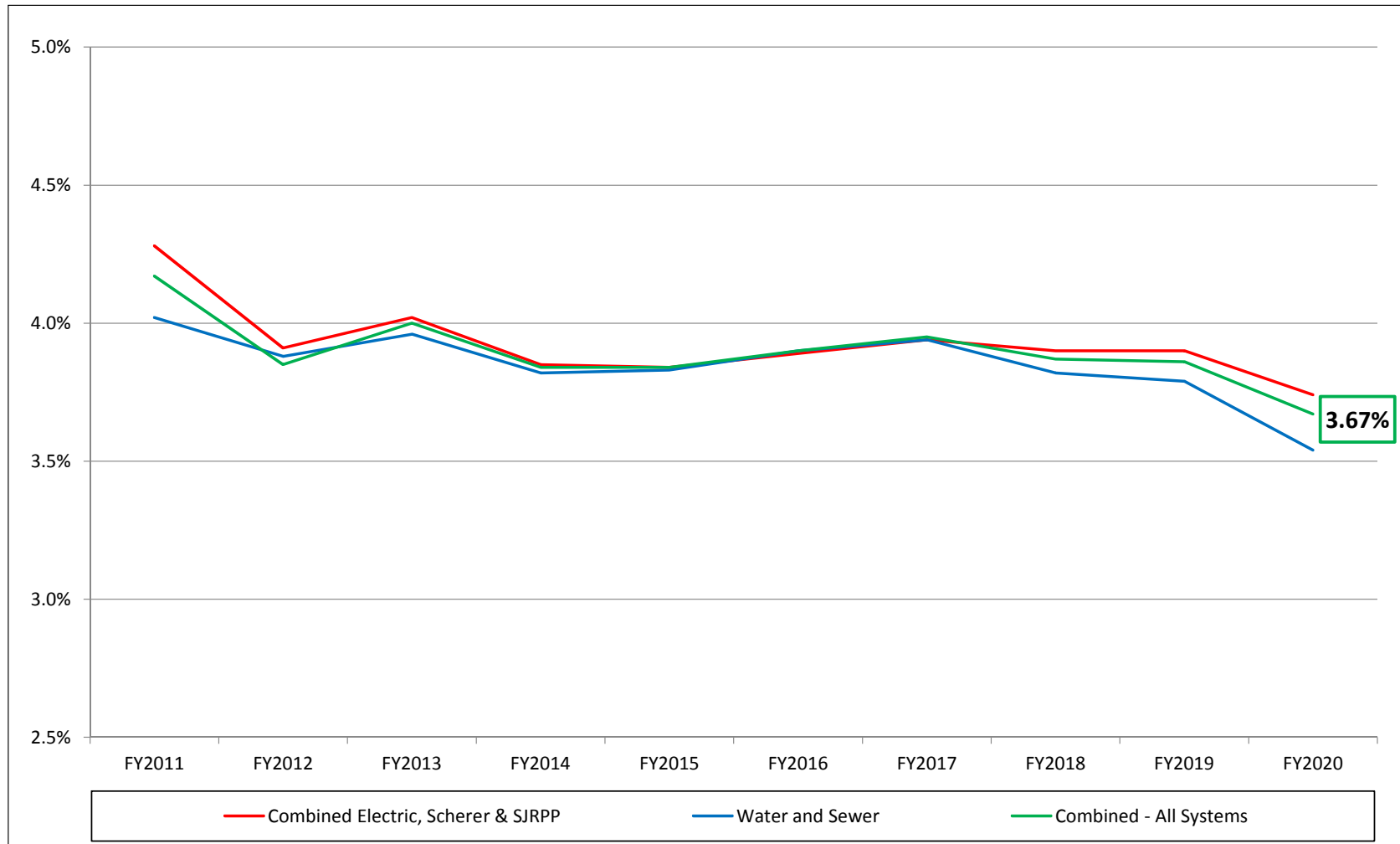
**Items of Interest**

- 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 debt management strategy stabilization reserve utilized for Oct 2019 STAR Plan Phase 2

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



# Combined Debt Outstanding Weighted Average Interest Rates\*



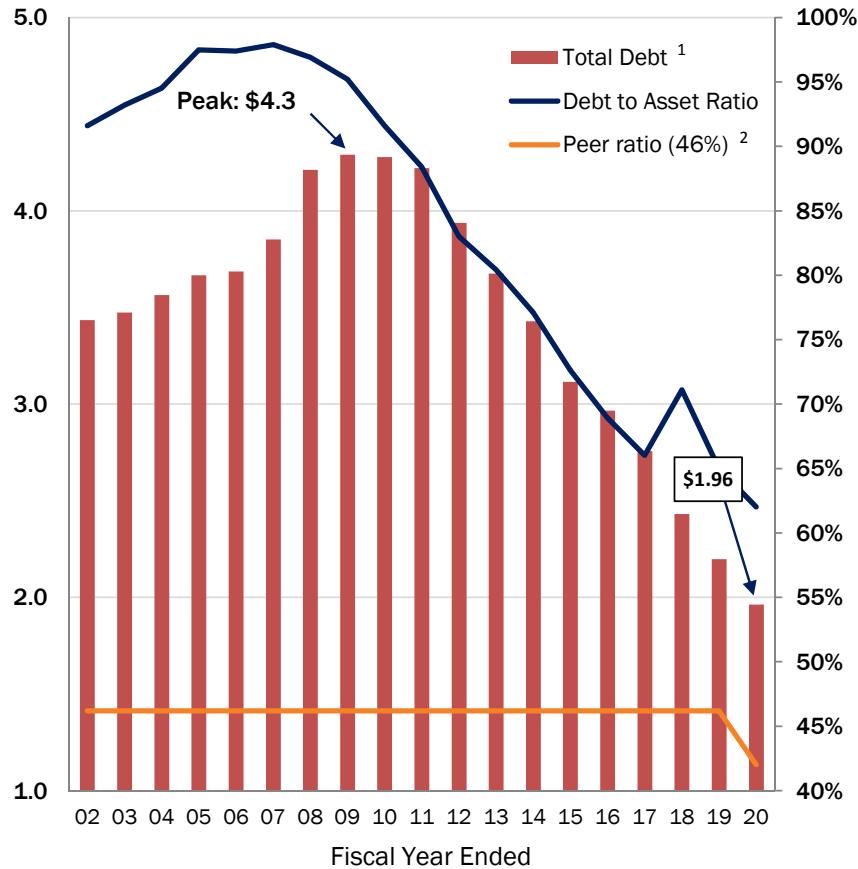
- Fiscal year end interest rates are net of BABs subsidy, original issue premiums / discounts and includes variable debt liquidity / remarketing fees and interest rate swap payments.



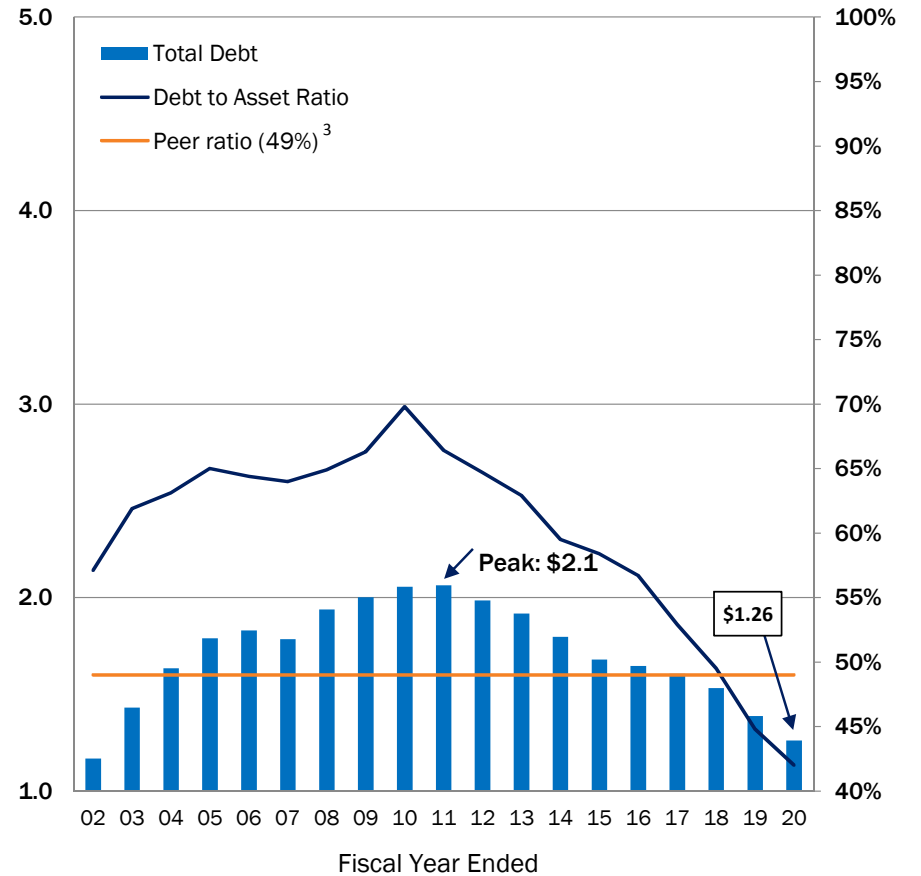
# Debt and Debt to Asset Ratios

\$ in billions

## Electric System



## Water/Wastewater System



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

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

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



# 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 1.3 outages per year and a total outage duration of about 87 minutes

## Power Quality

- FY20 (39.0) is better than target

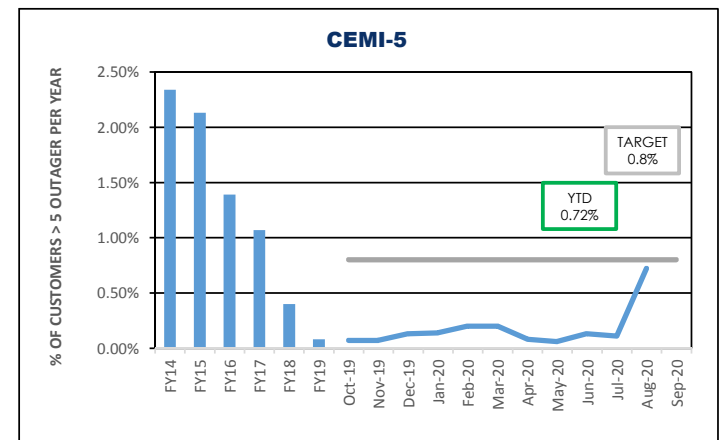
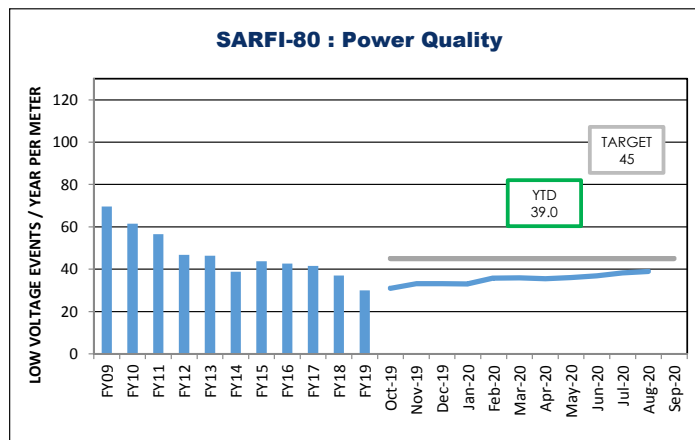
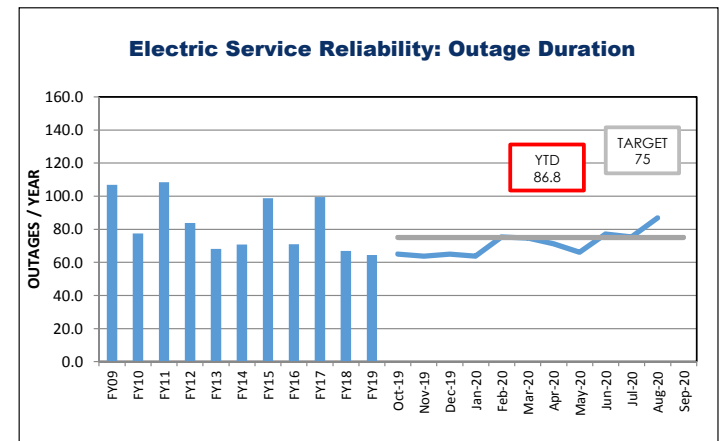
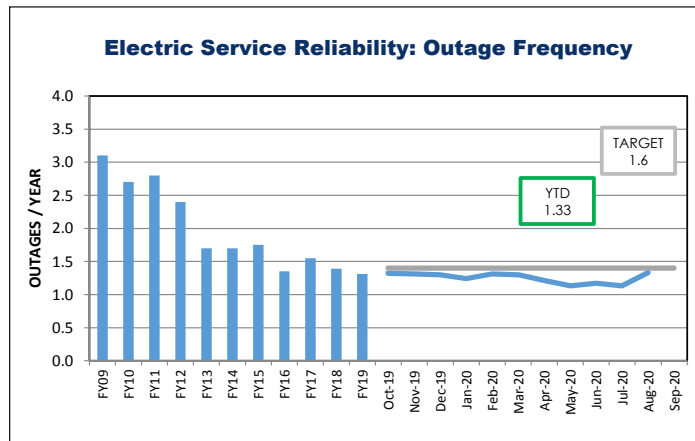
## CEMI-5

- Improvement trend over past three years for CEMI5. 3,494 (0.72%) of our customers have experienced more than 5 outages in the past 12 months

## Other Operational Metrics

- Continue showing favorable trends over time

T&D Grid Performance	Metric	FY2018	FY2019	FY2020 Target	FY2020 YTD
Customer Outage Frequency	# of Outages per Year	1.39	1.3	1.4 - 1.6	<b>1.33</b>
Electric Outage Duration	# of Minutes out per Year	66.9	65	75 - 80	<b>86.8</b>
SARFI-80 Power Quality	low voltage events/year per meter	37.0	30.0	45	<b>39.0</b>
CEMI <sub>5</sub>	% Customers > 5 outages per yr	0.4%	0.08%	0.8%	<b>0.72%</b>





# FY2020 Electric System Update

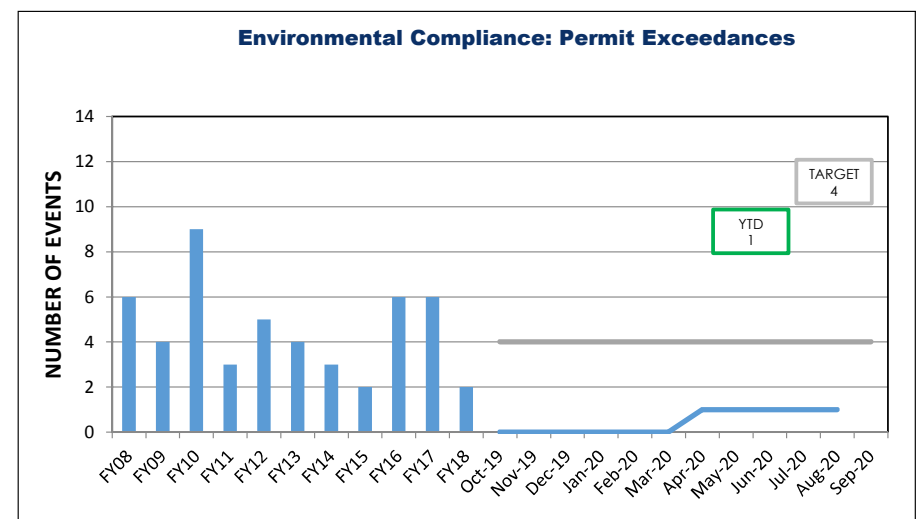
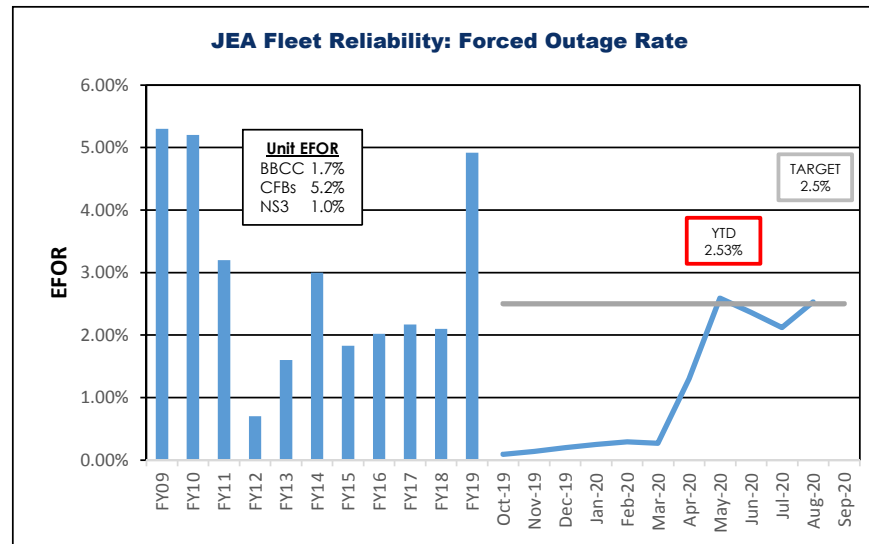
## Generating Fleet Reliability

- The JEA Fleet Forced Outage Rate is currently exceeding target due to two main events. The first was due to a lightning arrester failure on Northside Unit 2 that occurred on July 31 and extended into August. The second event was associated with incomplete fuel combustion on Northside Unit 1, forcing the unit off-line for cleaning.

## Environmental Compliance

- We have experienced 1 reportable events thus far during FY2020 for sampling at Northside Generating Station.
- JEA remains actively engaged in preparing for all new and emerging environmental regulations

Generating Plant Performance	Metric	FY2018	FY2019	FY2020 Target	FY2020 YTD
Generation Fleet Reliability	Forced Outages Rate	2.1	4.9	2.25% - 2.50%	<b>2.53%</b>
Environmental Compliance	Permit Exceedances	2	0	4	<b>1</b>





# FY2020 Water/Wastewater System Update System Reliability

## Unplanned Water Outages

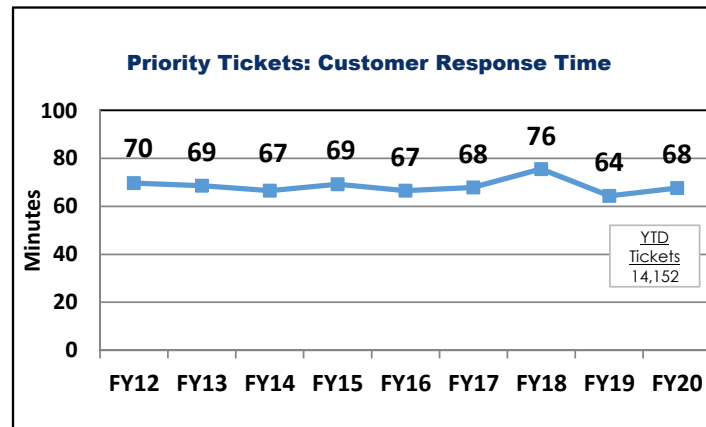
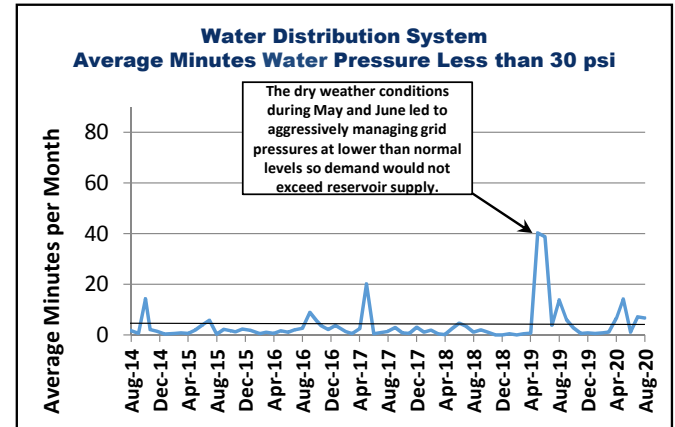
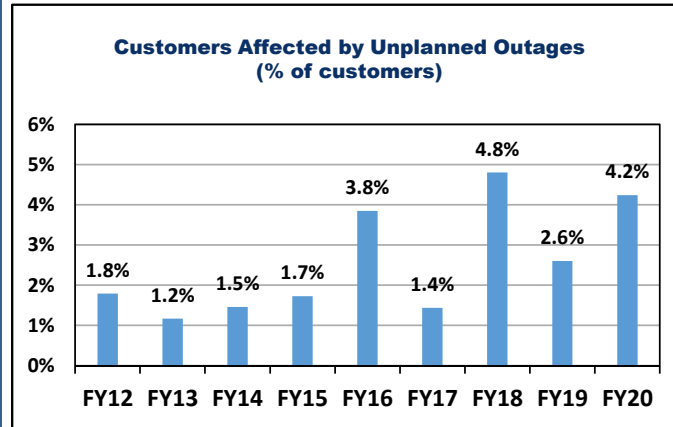
- Percentage of customers affected by unplanned outages

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

- Measured by 320 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





# FY2020 Water/Wastewater System Update

## Water System Consumption Use Permit

St. Johns River Water Management District CUP

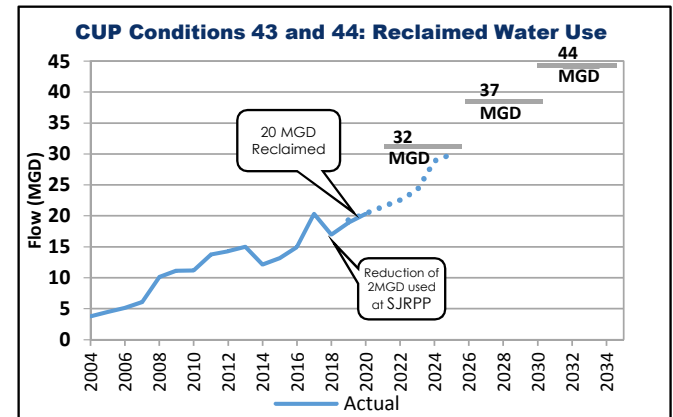
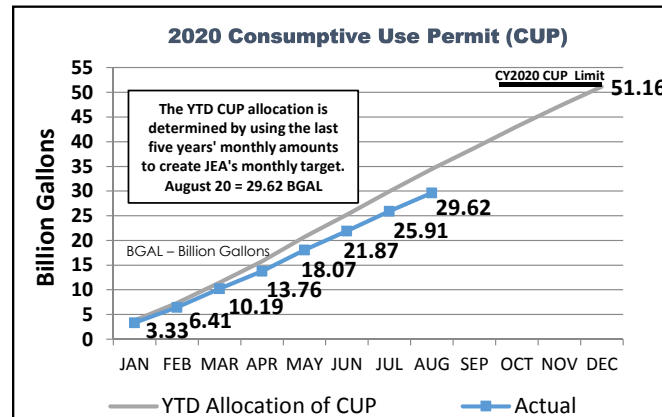
### YTD CUP Allocation

- The YTD CUP allocation is determined by using the last five years' monthly amounts to create JEA's monthly target
- August 2020 = 29.62 BGAL

### Condition 18

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

Compliance	Metric – CY Basis	2017	2018	2019	2020 Target	CY2020
Water	CUP Limits (MGD)	114 (133 limit)	112 (135 limit)	119 (138 limit)	140 limit	121
South Grid	Wellfield Allocation (MGD)	48.62 (<50.23 limit)	46.35 (<50.23 limit)	47.90 (<50.23 limit)	50.23 limit	50.06
Reclaim	Usage (MGD)	20	17	19	20	20



### CUP Condition 44: South Grid Wellfield Allocation Limits

Critical Wellfields	Actuals						YTD	Post Sep-14 Permit Limit
	2015	2016	2017	2018	2019	2020		
Deerwood III	6.67	7.88	7.64	7.17	7.18	7.83	7.00	
Ridenour	6.66	7.64	6.68	6.54	6.75	7.00	6.85	
Oakridge	4.99	5.79	5.49	5.55	5.41	5.54	5.65	
Greenland	4.27	4.16	3.99	4.18	4.31	4.44	4.53	
Brierwood	2.84	3.36	2.98	2.43	2.74	2.67	3.02	
<b>Subtotal</b>	<b>25.43</b>	<b>28.83</b>	<b>26.78</b>	<b>25.87</b>	<b>26.39</b>	<b>27.48</b>	<b>27.05</b>	
Other Wellfields	22.07	24.12	21.85	20.48	21.51	22.58	23.18	
<b>Total South Grid</b>	<b>47.50</b>	<b>52.95</b>	<b>48.62</b>	<b>46.35</b>	<b>47.90</b>	<b>50.06</b>	<b>50.23</b>	
<b>Total System ADF MGD</b>	<b>107</b>	<b>107</b>	<b>114</b>	<b>112</b>	<b>118</b>	<b>121</b>	<b>140</b>	



# FY2020 Water/Wastewater System Update

## Wastewater System Environmental Compliance

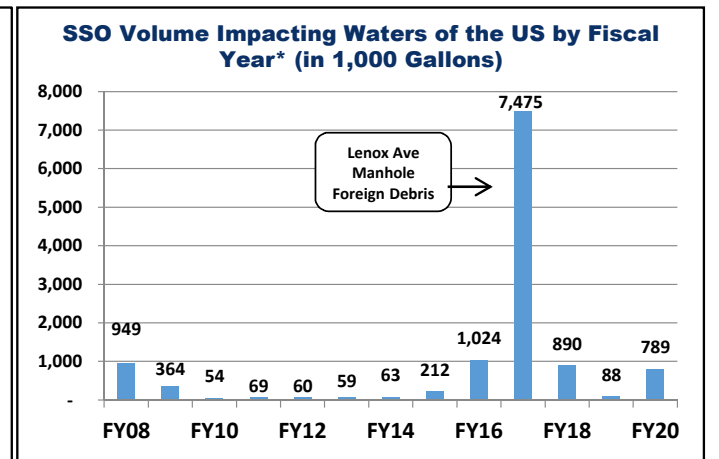
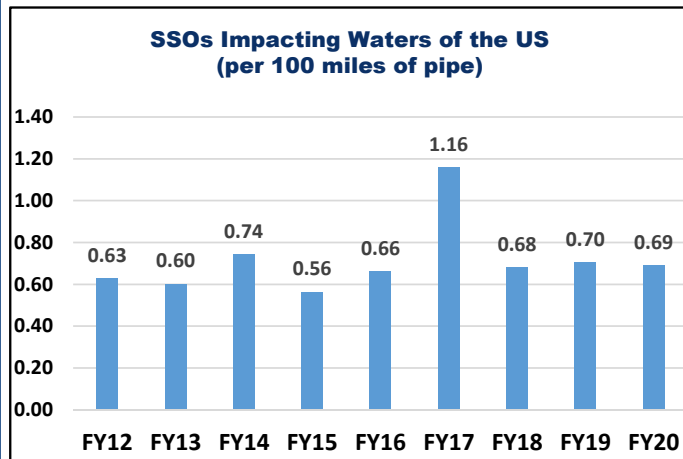
### Sanitary Sewer Outflows (SSOs to US Waters)

- FY04 – FY07: 54/yr average
- FY08 – FY19: 33/yr average
- 36 SSO's impacting US Waters during FY20

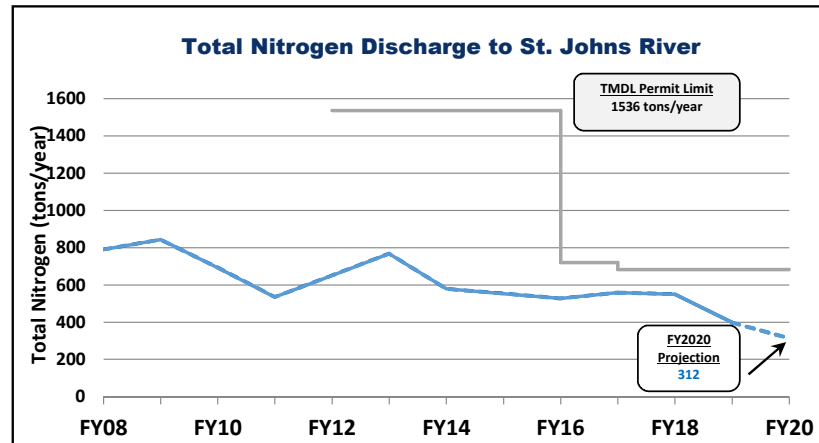
### Nitrogen Discharge to St. Johns River

- Total Maximum Daily Load (TMDL) Permit Limit is 683 tons (rolling 12 month total)
- Current rolling 12 month total is 308 tons
- FY20 projection is 312 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	272
Sewer	SSOs – US Waters (per 100 miles of pipe)	0.68	0.70	0.58	0.69



\*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.







# FY2020 Customer Satisfaction Goal

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

### Residential (R)

FY18		FY19		Per 1		Per 2		Per 3		Per 4		FY20 YTD	
2Q	737	1Q	756	3Q	730	2Q	759	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= 2<sup>nd</sup> quartile 3Q = 3<sup>rd</sup> quartile 4Q = 4<sup>th</sup> 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

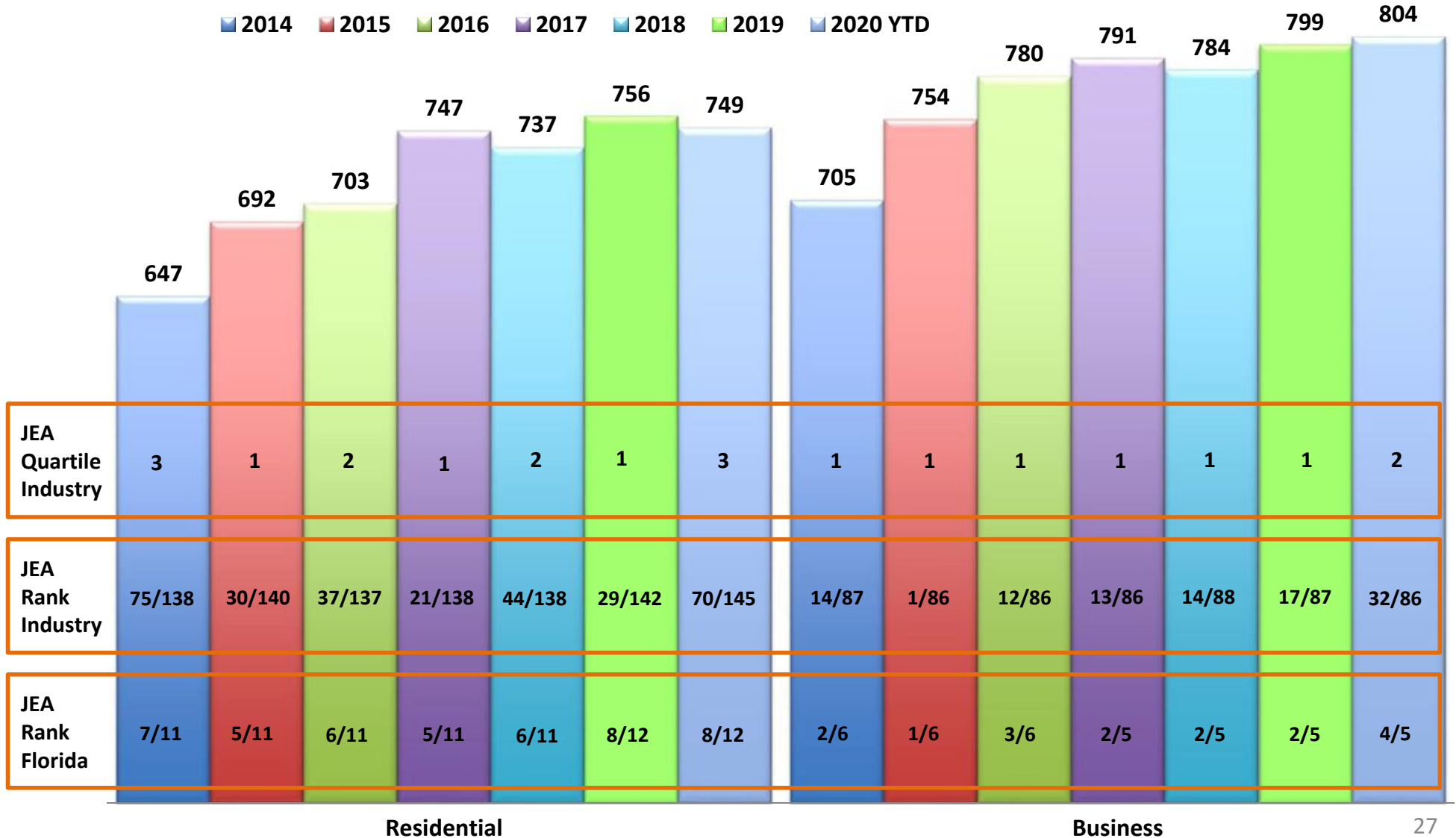
## Demonstrate Community Responsibility

### 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



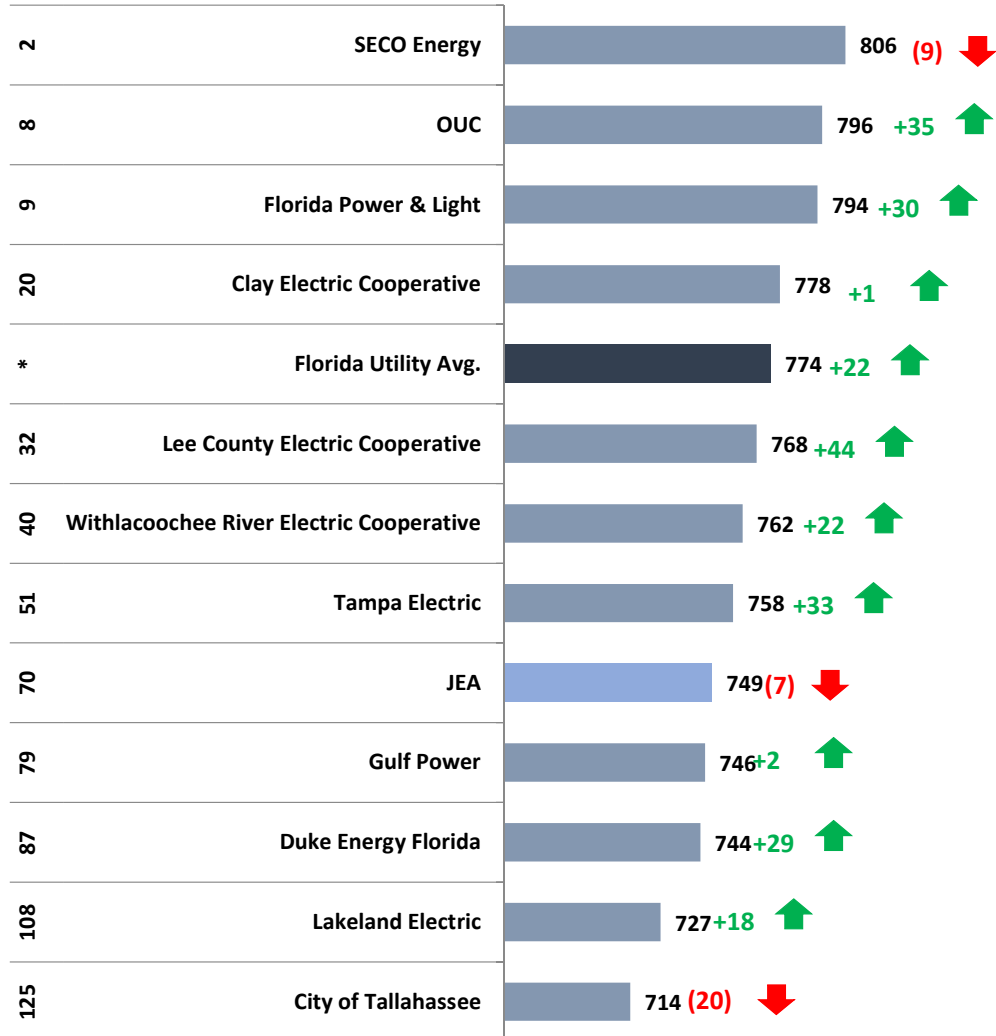
# Customer Satisfaction Index Scores by Study Year



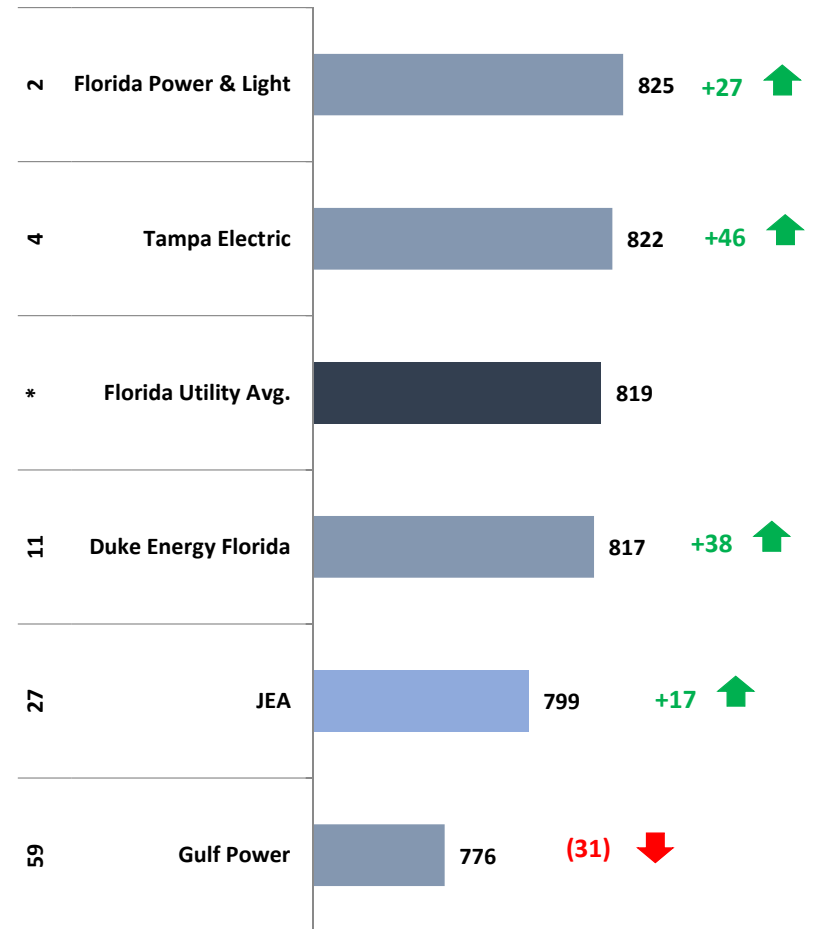


# Customer Satisfaction Index Scores Florida Utilities

## 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**

9/22/2020

**SUBJECT:** FY2021 PAY FOR PERFORMANCE PROGRAM – AMENDMENT TO PLAN

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

**TO:** JEA Board of Directors

**BACKGROUND:**

Pay for Performance Programs were introduced at JEA in 1990. The original program and successor programs have successfully served to focus employees and managers on key corporate measures and objectives, as well as to push the organization toward a continuous improvement culture with resulting operational excellence.

**DISCUSSION:**

On June 22, 2020, the JEA Board of Directors approved the FY2021 Pay for Performance Program (the Plan) and new administrative provisions related to budgeting and alignment with FL Statute 215.425(3). Following the Board’s approval, the cost of the Plan was included in the FY2021 budget and the City of Jacksonville Council Auditor conducted a review of the Plan metrics, cost and administrative provisions.

**FL Statute 215.425(3) Compliance**

The Council Auditor has reviewed the Plan and identified an inconsistency with the Plan eligibility criteria and the provisions set forth in FL Statute 215.425(3)(d), the program shall consider all employees for the Plan. The provisions set forth by the Board in June, excludes the Senior Leadership Team (SLT) and Managing Director/CEO for the Pay for Performance Program. Historically, the Pay for Performance Program has included all employees, including the SLT, and excluded the Managing Director/CEO.

To comply with FL Statute 215.425(3)(d), the current Plan should be amended as follows:

- All full- and part-time JEA employees shall be eligible to participate in the program subject to the provisions of procedure Human Resources Pay for Performance Program, with the exception of the Managing Director/Chief Executive Officer who shall be excluded from this incentive compensation program or plan.
- All participants in the plan shall be eligible for the same percentage of payout based on the achievement of the metrics, not to exceed 5% of base salary. No individual annual award may exceed \$20,000.

**Cost Control**

The FY21 Pay for Performance Program targets for the Electric, Water and Wastewater metrics as communicated in the June 2020 Plan proposal have been further refined to align with the FY21 budgeted cost and unit sales.

Cost per unit of Electricity delivered (Mwh):	Target of Cost ≤ \$53.51 meets, ≤ \$52.75 exceeds
Cost per unit of Water delivered (Kgal):	Target of Cost ≤ \$5.31 meets, ≤ \$5.20 exceeds
Cost per unit of Wastewater (Kgal):	Target of Cost ≤ \$10.24 meets, ≤ \$9.95 exceeds

Attached is the updated FY21 Pay for Performance Summary of targets and commensurate percentage of payout levels.

**FINANCIAL IMPACT:**

The estimated cost of adding the SLT to the FY21 Pay for Performance Program is \$117,500. Total Plan estimated cost may not exceed \$8,462,351.20.

**RECOMMENDATION:**

That the Board take action to approve the revised FY2021 Pay for Performance Program amended provisions and goals.

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Paul E. McElroy, Interim Managing Director/CEO

PEM/ARH/PLM



**FY 2021 Performance Program Summary**

**Summary of Corporate Performance Factors**

**Safety**

OSHA Recordable Incident Rate (RIR)  
 FY12 Results: 1.48 RIR  
 FY13 Results: 1.78 RIR  
 FY14 Results: 2.4 RIR  
 FY15 Results: 1.56 RIR  
 FY16 Results: 1.82 RIR  
 FY17 Results: 2.01 RIR  
 FY18 Results: 1.48 RIR  
 FY19 Results: 1.51 RIR

	Does Not Meet	Meets	Exceeds
<b>Goal</b>	RIR > 1.4	RIR ≤ 1.4 - 1.2	RIR < 1.2
<b>Achievement Value</b>	0.00%	0.50%	0.83%

**Customer Satisfaction**

JD Power Residential and Commercial/ Business Electric Industry Customer Satisfaction Surveys: National

**Customer Satisfaction - Residential Electric**

FY12 Results: No Metric for Customer Satisfaction  
 FY13 Results: Top of the 3rd Quartile  
 FY14 Results: Top 25% of the 3rd Quartile  
 FY15 Results: 1st Quartile; Score of 692; Position 30  
 FY16 Results: Top 25% of 2nd Quartile; Score of 703; Position 37  
 FY17 Results: 1st Quartile Nationally; Position 21  
 FY18 Results: 2nd Quartile Nationally; Score 737; Position 44

	Does Not Meet	Meets	Exceeds
<b>Goal</b>	≤ 2nd Quartile	>2nd Quartile < 50th %tile 1st Quartile	≥ 50th %tile 1st Quartile
<b>Achievement Value</b>	0.00%	0.50%	0.83%

**Customer Satisfaction - Commercial Electric**

FY17 Results: #12  
 FY18 Results: #4 Nationally; #1 South Midsize  
 FY19 Results: 1st Quartile Nationally; Position 4

	Does Not Meet	Meets	Exceeds
<b>Goal</b>	< Top 10 Nationally	Top 10 Nationally	#1 Nationally
<b>Achievement Value</b>	0.00%	0.50%	0.83%

**Cost Control: Electric Mwh**

Cost per Mwh  
 FY12 Baseline: \$54.73  
 FY13 Results: \$53.92  
 FY14 Results: \$49.81  
 FY15 Results: \$49.44  
 FY16 Results: \$48.35  
 FY17 Results: \$52.50  
 FY18 Results: \$55.34  
 FY19 Results: Was not a metric

	Does Not Meet	Meets	Exceeds
<b>Goal</b>	Cost > \$53.51	Cost ≤ 53.51 - 52.74	Cost ≤ 52.75
<b>Achievement Value</b>	0.00%	0.50%	0.83%

**Cost Control: Water Kgal**

Cost per Kgal  
 FY12 Baseline: \$4.47  
 FY13 Results: \$4.49  
 FY14 Results: \$4.07  
 FY15 Results: \$3.98  
 FY16 Results: \$4.08  
 FY17 Results: \$4.57  
 FY18 Results: \$4.65  
 FY19 Results: Was not a metric

	Does Not Meet	Meets	Exceeds
<b>Goal</b>	Cost > \$5.31	Cost ≤ \$5.31 - \$5.19	Cost ≤ \$5.20
<b>Achievement Value</b>	0.00%	0.50%	0.83%

**Cost Control: Wastewater Kgal**

Cost per Kgal  
 FY12 Baseline: \$7.96  
 FY13 Results: \$7.53  
 FY14 Results: \$7.34  
 FY15 Results: \$7.26  
 FY16 Results: \$7.12  
 FY17 Results: \$9.20  
 FY18 Results: \$10.07  
 FY19 Results: Was not a metric

	Does Not Meet	Meets	Exceeds
<b>Goal</b>	Cost > \$9.85	Cost ≤ \$10.24 - \$9.94	Cost ≤ \$9.95
<b>Achievement Value</b>	0.00%	0.50%	0.83%

**Total Estimated Cost for FY 2021 Pay for Performance Program**

Corporate Results	No. Emp.	Total Amount at Meets	Total Amount at Exceeds
SLT	9	\$70,650.00	\$117,750.00
Appointed	397	\$1,312,668.86	\$2,187,781.44
Non-Appointed	1557	\$3,694,091.86	\$6,156,819.76
<b>TOTAL</b>	<b>1963</b>	<b>\$5,077,410.72</b>	<b>\$8,462,351.20</b>

NOTE: All performance payouts are subject to JEA's ability to pay as determined by JEA's Board of Directors with input from JEA's Finance group, and minimum individual employee performance criteria



**INTER-OFFICE MEMORANDUM**

September 10, 2020

**SUBJECT: ELECTRIC SYSTEM GENERATION PLANNING: 2021-2025**

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

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**TO:** JEA Board of Directors

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**BACKGROUND:**

JEA Electric System consists of sixteen generating units located on five plant sites with a total net Winter capacity of 3,145 MW (2,854 MW Summer). Primary fuel sources include natural gas, coal, and petroleum coke, with oil fired and diesel fuel capability available on several units for emergency and peaking purposes, with several landfill gas and solar renewable energy sources.

JEA’s generation fleet continues to undergo major transitions with aligning capacity with demand, retiring aged fleet, maintaining diversified fuel sources, leveraging the most efficient JEA units and available Power Purchases, and lowering carbon emissions. Significant changes in the past several years include the retirement of St. Johns River Power Park (SJRPP) coal-fired Units 1 and 2, and adding 90 MWs of net capacity to the existing 500 MW natural gas Brandy Branch Combined Cycle (BBCC) unit. Power Purchase Agreements (PPA) have been utilized to bridge peak capacity needs and seek generation efficiency with the reduction of JEA generating capacity to the firm peak forecast load plus the regulatory required 15% reserve margin. In June 2020, JEA’s Board of Directors approved a Cooperation Agreement between JEA and FPL for the closure of the jointly owned Robert W. Scherer Unit 4 coal-fired electric generating station, located in Macon, Georgia, and replacing the capacity and energy with a 20-year Natural Gas Combined Cycle (“slice of system”) PPA. JEA previously entered into a PPA for 206 MW of nuclear power from Plant Vogtle Units 3 and 4, where Southern Nuclear Company has the units scheduled to come online in November 2021 and November 2022, respectively. Additionally through another PPA, 250 MW of solar power will be constructed at five sites within the City of Jacksonville contractually scheduled to go into commercial operation by the end of calendar year 2022.

**DISCUSSION:**

JEA prepares five-year Financial Assumptions and Projections in October of each year after the September 30<sup>th</sup> fiscal year close and in preparation of the annual Credit Rating Agency presentations. The Financial Projections are aligned with JEA’s Pricing Policy with the objective to meet key financial metric targets, support competitive customer rates, and are impacted significantly by current and future capital investment requirements, fuel and other major expenses such as operation and maintenance, non-fuel purchased power, debt service, and city contribution.

Generation capacity is typically the largest capital investment component of electric utilities where JEA has right-sized the generation fleet, and continues to transition towards more cost efficient operating units or lower carbon emission units. With the retirement of SJRPP and the cost efficient 90 MW upgrade to BBCC, JEA has lowered its annual generation cost by an estimated \$66 million annually which will partially offset future net increases in the generation cost. In FY2022 and FY2023, JEA’s generation costs are expected to increase a total of \$174 million annually accounting for the scheduled commercial operation of Plant Vogtle Units #3 & #4, capacity and energy savings from the JEA and FPL Cooperation Agreement to close Plant Scherer Unit #4, and replacing Scherer Unit 4 capacity with the

200 MW PPA, along with additional carbon free energy savings that are expected to be derived from the 5 x 50 MW Solar PPA.

JEA's CO<sub>2</sub> emissions by FY2023 are projected to be approximately 6000 kTons per year for generating units owned and attributed to JEA, which is approximately 40% of the 15,000 kTon level averaged by JEA owned generating units during FY2005 – FY2010. Additional opportunities to improve generation operating efficiencies, lower fuel expenses, and reduce CO<sub>2</sub> emission will be present within the next several fiscal years when the 525 MW NS Unit #3, with a 1977 commercial operation date, will either need significant capital investment for a lifecycle extension, or will be retired and replaced with greater capital investment.

The cost for replacement generating capacity to accommodate the Northside Unit 3 retirement could be as high as \$600M, depending on the solution selected. A solution for replacement generating capacity is an advanced class one-on-one Natural Gas Combined Cycle, owned by JEA, with 40% less carbon emissions as compared to NS3. Alternative solutions include a Natural Gas Combined Cycle PPA, Battery Storage on JEA's existing and future solar sites or near a generating station, and Demand Side Management/Energy Efficiency. An Integrated Resource Plan (IRP) will be updated and completed in FY2021 or FY2022 to evaluate power supply and demand alternatives, where it is expected that JEA will need to spend approximately \$5 million over the next several years studying alternatives, permitting a selected path prior to making a final major investment decision.

**FINANCIAL IMPACT:**

Generation operating expenses will increase with non-fuel purchased power nuclear costs, partially offset by coal-fired generating unit retirements, lower fuel costs, increased utilization of more efficient natural gas combined cycle units and power purchase agreements, along with early debt retirement resulting in projected 1% annual revenue requirement increases in FY23-FY25. JEA customer rates are projected to remain near the median of Florida benchmarked utilities during the five-year projection period, where the projected revenue requirements can be met fully or in combination of increased unit sales, expense reductions or rate increases.

**RECOMMENDATION:**

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

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Paul McElroy, Interim Managing Director/CEO

PEM/BJR/JC/JEC





# Electric System Generation Planning

September 2020

# Agenda

- JEA Preliminary 5-Year Financial Assumptions and Projections
- JEA Generation Additions/Retirements Timeline
- Generation Resource Adequacy Requirement
- Generation Planning: FY2018 – FY2023 Transition
- JEA System CO<sub>2</sub> Emissions
- Future Generation Considerations
- Florida Utilities Monthly Bill Comparison

# Electric System

## FY2020 – FY2025 Preliminary Financial Assumptions and Projections

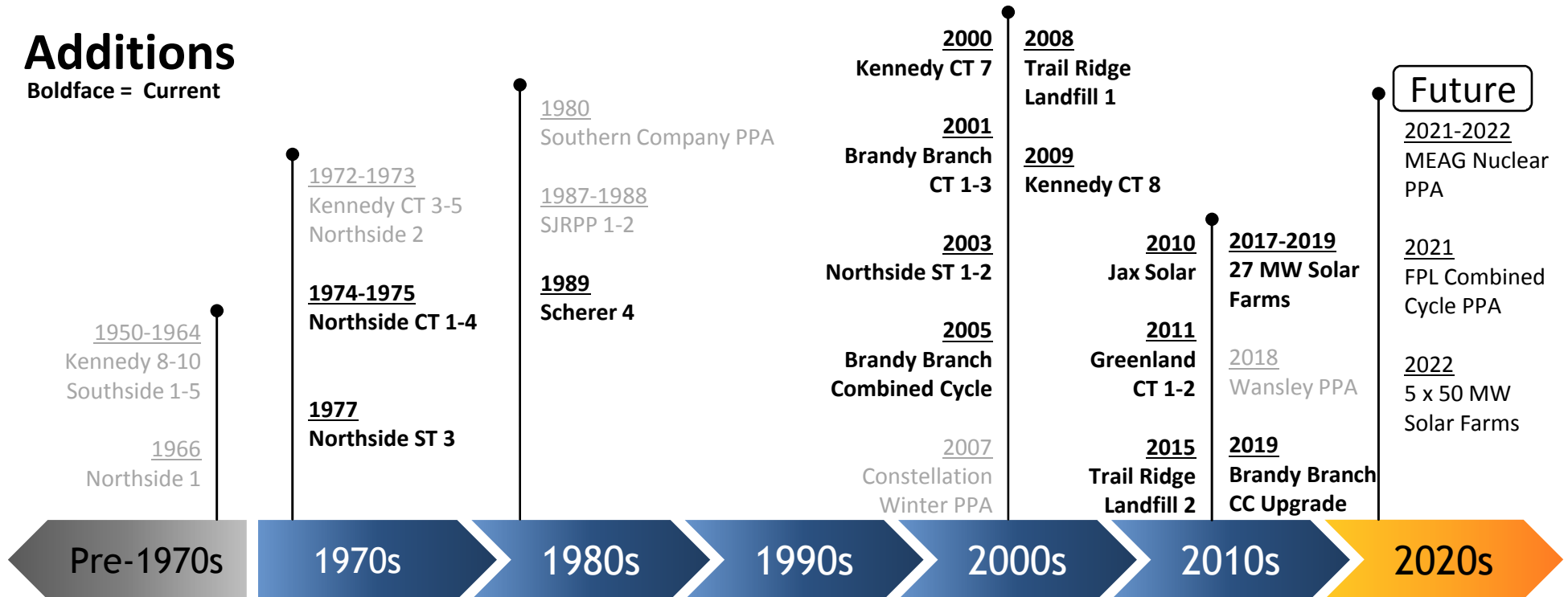
(\$ in millions)	Accounts:		Actual			Projected					
	462,000	2017	2018	2019	489,000	2020	2021	2022	2023	2024	2025
Unit Sales - Territorial (1000 MWh)	12,050	12,364	12,366	12,366	12,000	12,000	12,000	12,000	12,000	12,000	12,000
<b>Total System Rate Revenues % Change</b>					0%	0%	0%	1%	1%	1%	1%
Fuel Rate Revenues	\$394	\$398	\$399	\$399	\$362	\$386	\$350	\$326	\$326	\$326	\$326
System Sales Base Rate and Other Revenues	\$784	\$809	\$816	\$816	\$789	\$786	\$790	\$821	\$856	\$865	\$865
Additional Base Rev Requirements/Expense Reduction					\$0	\$0	\$36	\$35	\$11	\$12	\$12
<b>Total Revenues</b>	<b>\$1,178</b>	<b>\$1,208</b>	<b>\$1,214</b>	<b>\$1,214</b>	<b>\$1,151</b>	<b>\$1,172</b>	<b>\$1,175</b>	<b>\$1,183</b>	<b>\$1,194</b>	<b>\$1,203</b>	<b>\$1,203</b>
<b>Operating Expenses</b>											
Fuel & Purchased Power Expense	\$443	\$456	\$426	\$426	\$328	\$349	\$338	\$327	\$324	\$324	\$325
Transfer to/<from> Fuel Stabilization Fund	(\$48)	(\$57)	(\$27)	(\$27)	\$34	\$37	\$12	(\$1)	\$2	\$2	\$2
O&M (Includes DSM, Environmental)	\$199	\$208	\$218	\$218	\$230	\$246	\$252	\$262	\$267	\$272	\$272
Transfer to/<from> Debt Mgmt Rate Stabilization	(\$12)	\$0	\$0	\$0	(\$30)	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to/<from> Env and DSM Rate Stabilization	\$7	\$6	(\$16)	(\$16)	(\$7)	(\$9)	(\$0)	(\$0)	\$5	\$5	\$5
Non-Fuel Purchased Power (NFPP) – Other	\$76	\$101	\$83	\$83	\$76	\$68	\$62	\$62	\$63	\$63	\$63
Non-Fuel Purchased Power (NFPP) - Nuclear	\$0	\$40	\$18	\$18	\$0	\$0	\$103	\$156	\$166	\$169	\$169
<b>Net Revenues</b>	<b>\$514</b>	<b>\$456</b>	<b>\$513</b>	<b>\$513</b>	<b>\$519</b>	<b>\$481</b>	<b>\$409</b>	<b>\$377</b>	<b>\$367</b>	<b>\$367</b>	<b>\$367</b>
Electric System Debt Service	\$225	\$215	\$199	\$199	\$135	\$131	\$111	\$80	\$91	\$94	\$94
R&R and Other Capital Outlay	\$196	\$148	\$219	\$219	\$254	\$249	\$200	\$199	\$176	\$173	\$173
City Contribution	\$92	\$92	\$93	\$93	\$94	\$95	\$96	\$97	\$98	\$99	\$99
Early Debt Retirement paid from Stabilization Funds	\$0	\$0	\$0	\$0	\$30	\$0	\$0	\$0	\$0	\$0	\$0
Other (Emergency Reserves, Working Capital)	\$1	\$1	\$1	\$1	\$6	\$7	\$2	\$2	\$2	\$2	\$2
<b>Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

*Generation Operating Expenses increase with Non-fuel purchased power (NFPP) nuclear costs, partially offset by coal-fired generating unit retirements, lower fuel costs with more efficient natural gas units and power purchase agreements, and early debt retirement, resulting in projected 1% annual revenue requirement increases in FY23-FY25*

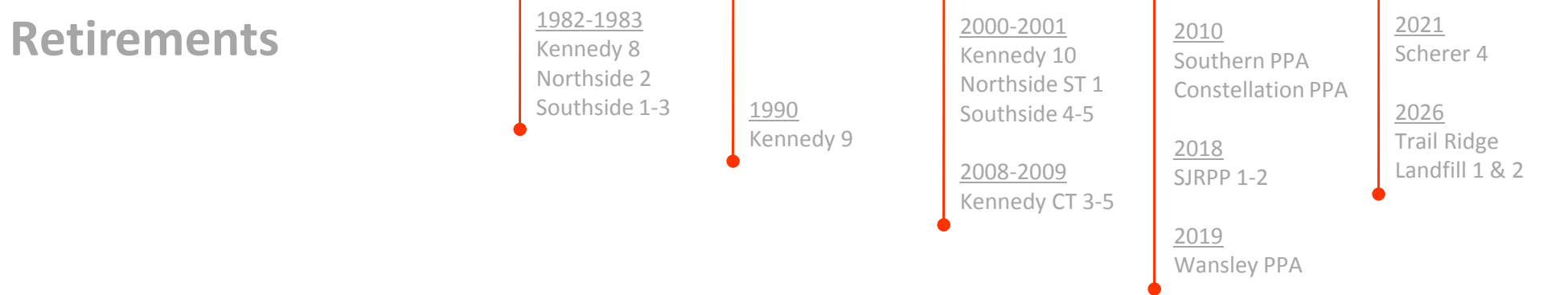
# JEA Generation Timeline

## Additions

Boldface = Current



## Retirements



ST – Steam Turbine

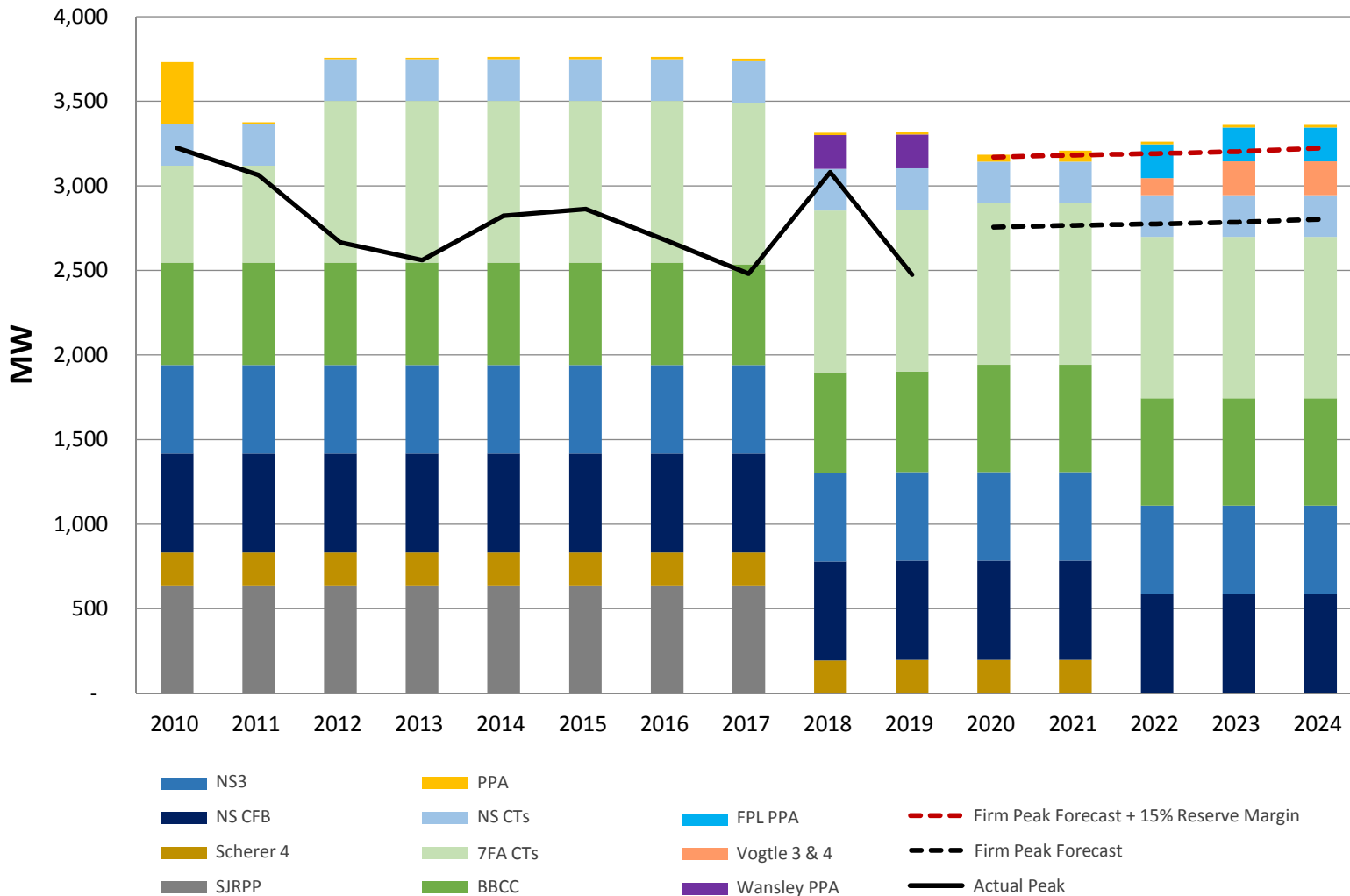
CT – Combustion Turbine

CC – Combined Cycle

PPA – Power Purchase Agreement

# Generation Resource Adequacy Requirement

JEA has to meet customers' electricity demand, as well as the required 15% reserve margin



# FY2018 - FY2023 Generation Transition

\$ in millions

**SJRPP**  
(626 MW)<sup>1</sup>  
Capacity: (\$39)  
Fuel: (\$102)  
**Total: (\$141)**

**Brandy Branch**  
90 MW  
Capacity: \$3  
Fuel: 8  
**Total: \$11**

**Scherer**  
(200 MW)  
Capacity: (\$25)  
Fuel: (\$26)  
**Total: (\$51)**

**FPL PPA\***  
200 MW  
Capacity: \$24  
Fuel: \$19  
**Total: \$43**

**JEA Fleet**  
870,000 MWh  
Capacity: \$0  
Fuel: \$32  
**Total: \$32**

**JEA Fleet**  
1,100,000 MWh  
Capacity: \$0  
Fuel: \$32  
**Total: \$32**

**Vogtle 3\***  
100 MW  
Capacity: \$123  
Fuel: \$13  
**Total: \$136**

**Vogtle 4\***  
100 MW  
Capacity: \$43  
Fuel: \$8  
**Total: \$51**

+

**Total \$187**

**Wansley\***  
200 MW  
Capacity: \$11  
Fuel: \$40  
**Total: \$51**

-

**Wansley\***  
(200 MW)  
Capacity: (\$11)  
Fuel: (\$40)  
**Total: (\$51)**

**Total \$0**

**Solar\***  
Energy: \$5  
Fuel: (\$7)  
**Net: (\$2)**

**Solar\***  
Energy: \$10  
Fuel: (\$13)  
**Net: (\$3)**

## Post Five-Year Projection Period

**NS 3**  
(525 MW)

**Total: \$202**  
**Vogtle 3/4**  
PTC  
Expire \$14

**Future**  
+ 500 MW

**(\$58)**

**(\$8)**

Net Annual Costs (Savings)

**\$126**

**\$48**

**\$20-\$50**

**\$14**

2018

2019

2020

2021

2022

2023

2026-2030

2031-2040

\*PPA = Power Purchase Agreement  
PTC = Production Tax Credits

## Carbon Reduction in kTons/yr

4,800

1,300

1,000

1,000



<sup>1</sup> SJRPP at 80% JEA Ownership would have provided 1000 MW Capacity, where the JOA had 50%/50% sellback arrangement for 626 MW for JEA

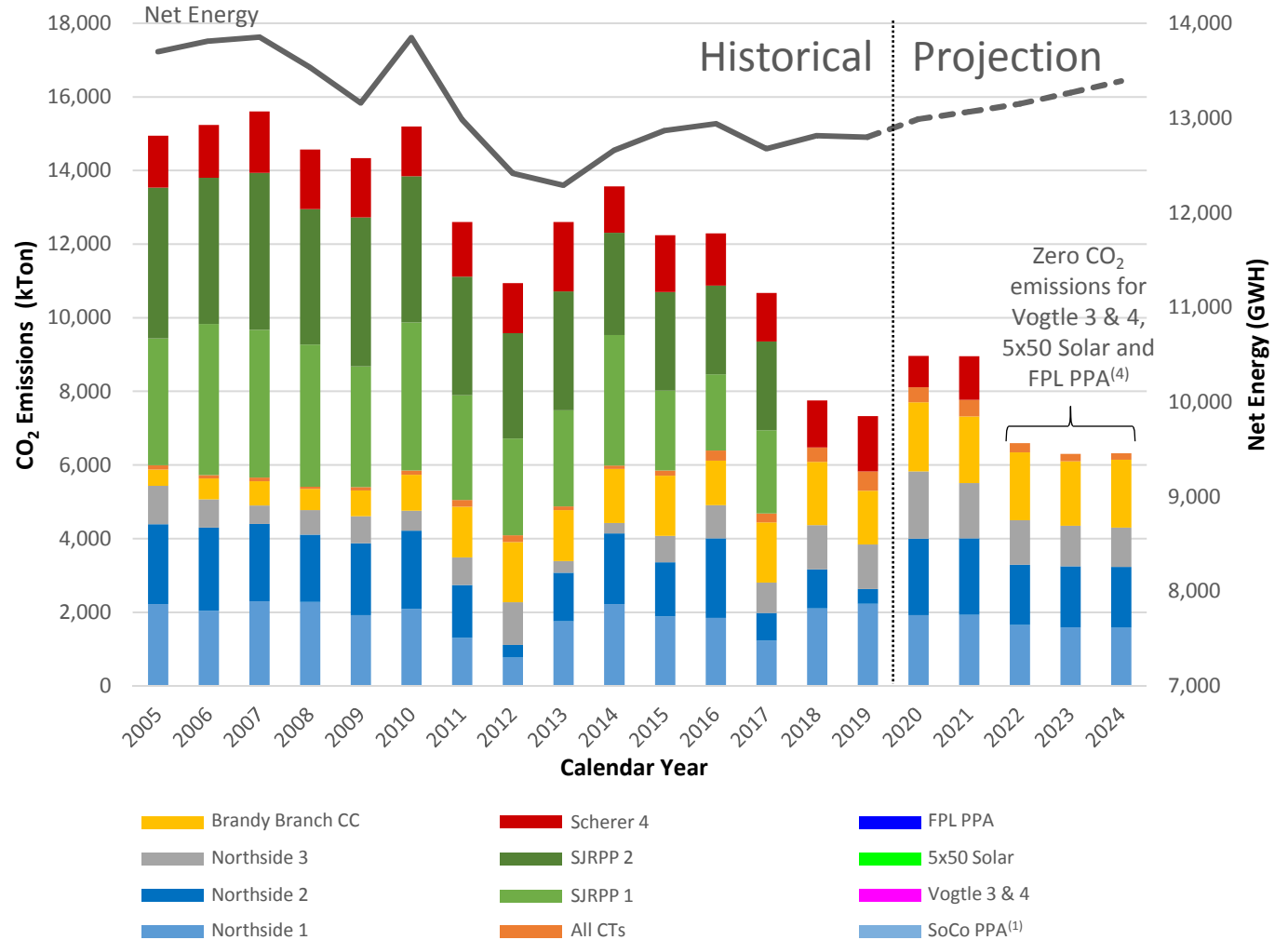
# JEA System CO<sub>2</sub> Emissions

## SJRPP 1 and 2

Retirement in December 2017 resulted in an average reduction of 4,800 kTons of CO<sub>2</sub> emissions per year

## Scherer 4

Retirement in December 2022 will result in an additional reduction of 1,300 kTons of CO<sub>2</sub> emissions per year - approximately 17% of total CO<sub>2</sub> emissions attributed to JEA<sup>4</sup> as compared to the Base Case.



(1) CO<sub>2</sub> emissions from 200 MW Power Purchase Agreement (PPA) in 2005 - 2010 are not included as emissions are attributed to the owner of the power supply  
 (2) SJRPP 1 and 2 CO<sub>2</sub> emissions based on JEA's 80% Ownership, where the joint ownership agreement shared the output MWh at a 50%/50% arrangement.  
 (3) Scherer 4 CO<sub>2</sub> emissions based on JEA's 23.6% Ownership.  
 (4) Approximately 600 kTon of CO<sub>2</sub> emissions per year from 200 MW of PPA starting 2022 are attributed to the owner of the Power Supply entity of the PPA.



# Future Generation Considerations

[FY2026 – FY2028 Capital Expenditures]

## NS3: 525MW Gas/Oil-Fired, 1977 Commercial Operation Date

- Section 316(b) of the Clean Water Act - Upgrades range from modification of water intake structure to constructing cooling tower, with a potential cost up to \$150 Million
- Additional upgrades will be required to extend the life of the 43 year old generating unit

## Future Generation Capacity Considerations for 500 MW

- A. Self-Operated Generation – New 500 MW Natural Gas Combined Cycle to replace NS3
- B. Jointly-Operated Generation – Natural Gas Combined Cycle with New Transmission or Existing Transmission upgrades
- C. Power Purchase Agreement – Natural Gas Combined Cycle with New Transmission or Existing Transmission upgrades
- D. Combined approach based on technical and economic feasibility
  - Battery Storage on Existing Solar Farms
  - New Solar Farms plus Battery Storage
  - Demand Side Management / Energy Efficiency
  - Power Purchase Agreements

Integrated Resource Plan (IRP) will be updated and completed in FY21/FY22 to provide viable options. Approximately \$5 million of study and permitting cost during FY21-FY25 prior to a major decision point ~FY2025



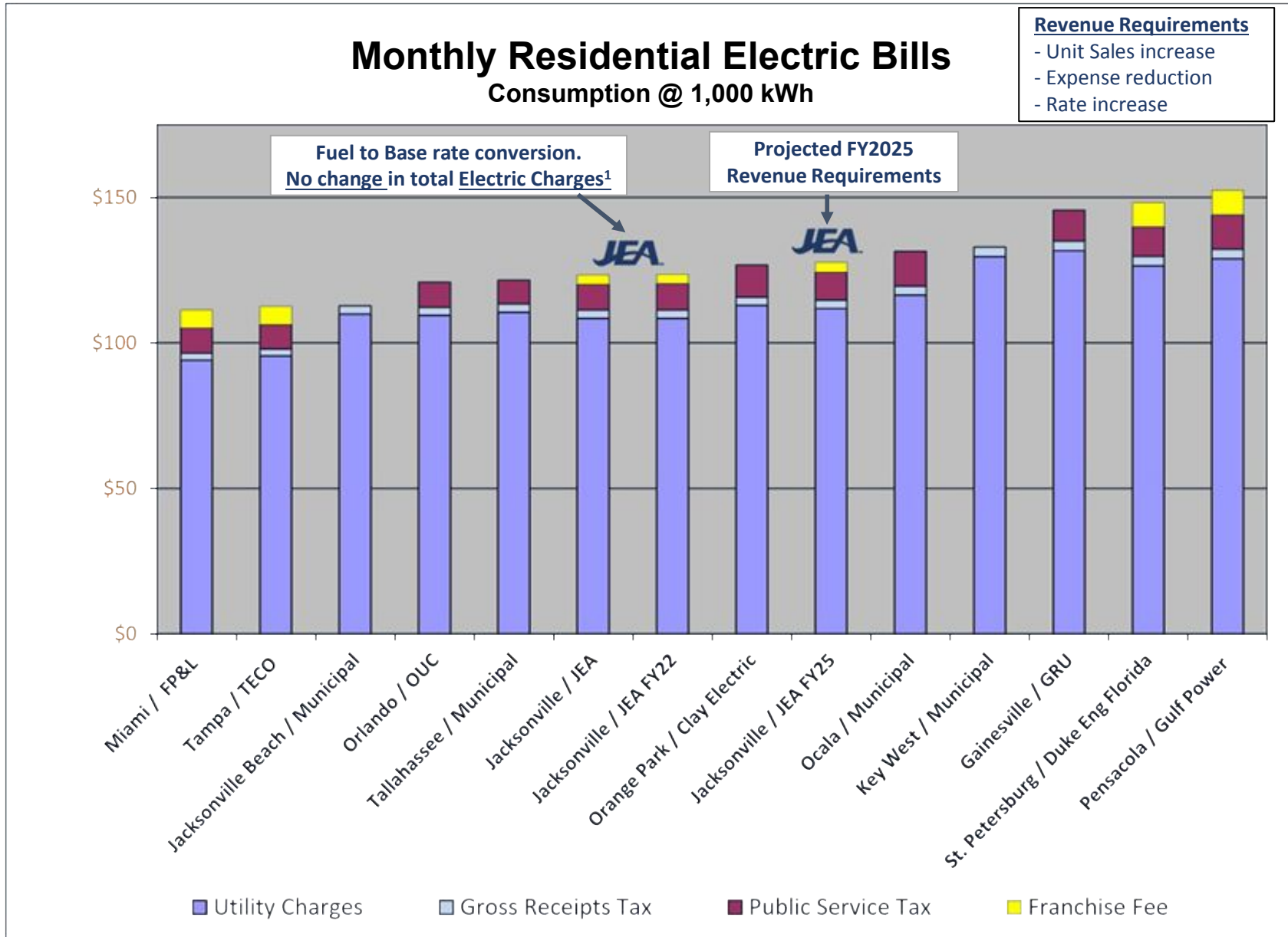
# Electric System

## FY2020 – FY2025 Preliminary Financial Assumptions and Projections

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<b>Total System Rate Revenues % Change</b>					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
<b>Fuel Rate Revenue Change</b>					\$0	\$0	(\$36)	(\$24)	\$0	\$0
System Sales Base Rate and Other Revenues		\$784	\$809	\$816	\$789	\$786	\$790	\$821	\$856	\$865
Additional Base Revenue Requirements/Expense Reduction					\$0	\$0	\$36	\$35	\$11	\$12
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R&R and Other Capital Outlay (5-yr average depreciation is \$215M)		\$196	\$148	\$219	\$254	\$249	\$200	\$199	\$176	\$173
City Contribution		\$92	\$92	\$93	\$94	\$95	\$96	\$97	\$98	\$99
Early Debt Retirement paid from Stabilization Funds		\$0	\$0	\$0	\$30	\$0	\$0	\$0	\$0	\$0
Other Expenses (Emergency Reserves and Uncollectibles)		\$1	\$1	\$1	\$6	\$7	\$2	\$2	\$2	\$2
<b>Balance</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Financial Metrics</b>										
Total Debt Coverage (Target 2.2x-2.5x)		2.5x	2.3x	2.8x	4.3x	4.0x	3.9x	5.1x	4.3x	4.2x
Fixed Charge Coverage (Target > 1.55x)		1.8x	1.7x	2.0x	2.7x	2.4x	2.0x	1.9x	1.7x	1.7x
Liquidity - Days Liquidity (Target 150-250 days)		337	319	308	334	311	299	277	258	258
Debt to Asset Ratio <sup>1</sup> (Target 50%)		66%	71%	65%	61%	55%	50%	48%	46%	44%
Total Debt <sup>1</sup> (in billions)		\$2.8	\$2.3	\$2.0	\$2.1	\$1.8	\$1.6	\$1.5	\$1.4	\$1.4
<b>Beginning Capital Balance</b>		<b>\$192</b>	<b>\$201</b>	<b>\$190</b>	<b>\$82</b>	<b>\$103</b>	<b>\$106</b>	<b>\$117</b>	<b>\$104</b>	<b>\$55</b>
Pay Go Current Year Internal Funding		\$196	\$148	\$219	\$247	\$240	\$200	\$199	\$176	\$173
Debt Issuance Proceeds / (Early Debt Retirement)		(\$37)	\$0	(\$70)	(\$19)	(\$56)	\$0	(\$34)	(\$61)	\$0
<Annual CAPEX - Less Environmental>		(\$138)	(\$171)	(\$286)	(\$213)	(\$189)	(\$191)	(\$180)	(\$166)	(\$172)
Other (Capital A/P accruals, sale of property, FEMA reimbursements)		(\$12)	\$12	\$28	\$6	\$8	\$2	\$3	\$1	\$0
<b>Ending Capital Balance</b>		<b>\$201</b>	<b>\$190</b>	<b>\$82</b>	<b>\$103</b>	<b>\$106</b>	<b>\$117</b>	<b>\$104</b>	<b>\$55</b>	<b>\$55</b>

<sup>1</sup> Additional \$51M reduction from the July bond refunding is not yet included; \$202M additional are funds available and planned to be utilized to retire SJRPP and Plant Scherer debt in FY21

# Florida Utilities Monthly Bill Comparison



<sup>1</sup> Projected \$5/1000 kWh Fuel to Base Rate conversion across FY2022 – FY2023, increases Public Service Tax by \$0.50/1000 kWh (\$6 million/yr to COJ)



**INTER-OFFICE MEMORANDUM**

September 11, 2020

**SUBJECT:** ST JOHNS RIVER POWER PARK (SJRPP) SYSTEM EMPLOYEES' RETIREMENT PLAN TRUST SERVICE CONTINUITY AGREEMENT

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

**TO:** JEA Board of Directors

**BACKGROUND:**

The St. Johns River Power Park System Employees' Retirement Plan ("Plan") was originally established in 1984 for the purpose of providing retirement benefits – on a tax-qualified basis – to eligible St. Johns River Power Park System ("SJRPP") employees (and/or their surviving beneficiaries) after they retire. Following the shutdown of the SJRPP Plant, Plan benefits are provided to a few active employees of JEA who transferred employment from SJRPP to JEA and exercised their statutory right to elect to continue to participate in the Plan. However, the majority of Plan participants are former SJRPP employees who are receiving Plan benefit payments or are vested and will begin receiving benefit payments upon reaching retirement age under the Plan.

The named fiduciary of the Plan is an Administrative Committee.

Plan assets are held in a Trust that is tax-qualified under the Internal Revenue Code. The latest governing Trust document is an amendment and restatement with an effective date of October 1, 2015 ("Trust Document").

The current Trustee is Wells Fargo Bank N.A. ("Wells Fargo"). The Trust Document and the Plan's governing legal document provide that SJRPP appoints the Trustee or any Successor Trustee of the Plan. SJRPP's powers are exercisable by action of the JEA Board of Directors.

**DISCUSSION:**

The Administrative Committee was notified that Principal Financial Group, affiliated with Delaware Charter Guarantee & Trust Company d/b/a Principal Trust Company (collectively, "Principal"), recently purchased the retirement plan business of Wells Fargo.

Wells Fargo and Principal have proposed that Wells Fargo resign as Trustee and that Principal be appointed as Successor Trustee for the Plan, under the terms of a collection of documents referred to herein as a "Service Continuity Agreement." The effective date of the transition of the trusteeship and the corresponding obligation to provide services under the Trust Document, will be a date later in 2020 once Wells Fargo and Principal have completed their internal transition system work, and customers will be notified of that completion date. The terms of the Service Continuity Agreement include:

- Wells Fargo and Principal will propose no changes to the fee schedule for current Trustee services for a least one (1) year; and
- The individuals who execute the Service Continuity Agreement must be duly authorized and empowered to do so by a resolution.

**Page 2**

The Plan's Administrative Committee has reviewed the terms of the Service Continuity Agreement and believes it is in the best interests of the Plan and Trust to enter into the Service Continuity Agreement. The Administrative Committee will continue to monitor the Trust administration following the transition of the trusteeship to, and provision of services by, Principal.

Attached to this Memorandum is the following:

- Exhibit "1" – Service Continuity Agreement

There is no collectively bargained unit of employees impacted by the Service Continuity Agreement.

**FINANCIAL IMPACT:**

The terms of the Service Continuity Agreement will not result in any additional Plan benefit costs to JEA.

**RECOMMENDATION:**

That the Board approve the Service Continuity Agreement and authorize JEA's Treasurer and Controller to execute all implementing documents.

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Paul McElroy, Interim Managing Director/CEO

PEM/ARH/PLM

**JEA Board Resolution No. 2020 – 09**

**RESOLUTION APPOINTING SUCCESSOR TRUSTEE  
AND APPROVING SERVICE CONTINUITY AGREEMENT  
FOR THE ST. JOHNS RIVER POWER PARK SYSTEM  
EMPLOYEES' RETIREMENT PLAN TRUST AGREEMENT  
AS AMENDED AND RESTATED EFFECTIVE OCTOBER 1, 2015**

**WHEREAS**, St. Johns River Power Park System ("SJRPP"), as Sponsor, previously adopted the St. Johns River Power Park System Employees' Retirement Plan ("Plan"), which Plan has subsequently been amended and restated effective October 1, 2015, was thereafter amended via Amendment #1 effective retroactive to October 1, 2015 and Amendment #2 effective as of the close of business on January 5, 2018, and is currently in effect; and

**WHEREAS**, SJRPP, as Sponsor, previously adopted the St. Johns River Power Park System Employees' Retirement Plan Trust Agreement for the Plan ("Trust"), which Trust has subsequently been amended and restated effective October 1, 2015, pursuant to which Wells Fargo Bank, N.A. ("Wells Fargo") is currently serving as Trustee; and

**WHEREAS**, section 6.3 of the Trust provides that the Sponsor shall promptly appoint a Successor Trustee in the event of a resignation of the currently serving Trustee; and

**WHEREAS**, JEA is the sole active Employer under the Plan and is operationally fulfilling the duties of the Sponsor role; and

**WHEREAS**, Wells Fargo has notified JEA that Wells Fargo recently sold its retirement plan business to Principal Financial Group, affiliated with Delaware Charter Guarantee & Trust Company conducting business as Principal Trust Company (collectively, "Principal"); and

**WHEREAS**, Wells Fargo and Principal have proposed that Wells Fargo resign as Trustee and that SJRPP appoint Delaware Charter Guarantee & Trust Company, conducting business as Principal Trust Company, as Successor Trustee to provide services to the Trust in accordance with a collection of documents attached hereto as composite Exhibit "1" ("Service Continuity Agreement"); and

**WHEREAS**, the Administrative Committee for the Plan believes it is in the best interest of the Plan and Trust for the JEA Board of Directors, acting for and on behalf of SJRPP, to accept such resignation of the current Trustee, make such Successor Trustee appointment, and approve the Service Continuity Agreement; and

**WHEREAS**, the JEA Board of Directors has reviewed the Service Continuity Agreement and has been advised that all necessary prerequisites to acceptance of the resignation of the current Trustee, appointment of a Successor Trustee, and approval of the Service Continuity Agreement have been completed; and

**WHEREAS**, SJRPP's powers are exercisable by action of JEA.

**NOW, THEREFORE, BE IT RESOLVED** that the JEA Board of Directors hereby approves the documents attached hereto as composite Exhibit "1" and referred to herein as the "Service Continuity Agreement"; and

**BE IT FURTHER RESOLVED** that the JEA Board of Directors hereby accepts the resignation of Wells Fargo as Trustee of the Trust, in accordance with the terms of the Trust and the Service Continuity Agreement; and

**BE IT FURTHER RESOLVED** that the JEA Board of Directors hereby appoints Delaware Charter Guarantee & Trust Company, conducting business as Principal Trust Company, as Successor Trustee to provide services to the Trust in accordance with the terms of the Trust and the Service Continuity Agreement; and

**BE IT FURTHER RESOLVED** that the JEA Board of Directors hereby authorizes the JEA Treasurer and JEA Controller, jointly, to execute the Service Continuity Agreement; and

**BE IT FURTHER RESOLVED** that the JEA Board of Directors hereby authorizes the JEA Treasurer and JEA Controller, individually or jointly, to take all actions and steps and to execute any and all other instruments, documents, and certificates 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

*Exhibit "1"*



August 11, 2020  
Joseph Orfano  
Russell J. Caffey  
St. Johns River Power Park System

RE: St. Johns River Power Park System Employees' Retirement Plan

Dear Joseph and Russell:

In July 2019, we shared with you that the Principal Financial Group® ("Principal®") acquisition of Wells Fargo Bank, N.A. ("Wells Fargo") Institutional Retirement & Trust had closed. Now we're ready to embark on the next step: continuing your service at Principal. Soon to follow will be enhancements that bring you the best-of-the-best from both organizations.

**Seamless transition of services**

Moving your business to Principal will be a simple two-step process. The first step is to sign the necessary consent and authorization documents, enclosed here (collectively, the "Consent"). Signing these documents will allow us to continue providing the service you value throughout and beyond the transition. The second step is the actual transfer of assets and services. This step will occur on a future date as we are currently assessing system capabilities and performing the necessary analysis to ensure best in class service continuity. We'll notify you in writing prior to that transfer date. Your Consent will be effective as of the transfer date (the "Effective Date"). We'll keep you updated throughout the process and communicate specific dates later this year.

**What's this all mean?**

It simply means that until the Effective Date, Wells Fargo will continue providing services to you under your current agreements. On and after the Effective Date, Principal will provide those services. Through it all, we're committed to a seamless transition process.

As of the Effective Date, Delaware Charter Guarantee & Trust Company, conducting business as Principal Trust Company<sup>SM</sup> ("Principal Trust"), will be providing your trust or custodial services.

One thing you should know: If your organization has more than one account that will be transitioned to Principal, you'll receive a separate Consent package for each account. This is because each account may require different forms, services, and other approvals.

In addition, Principal will need some initial authorizations from you. Each authorization will note whether it is effective as of the Effective Date or an earlier date.

**Consent to assign agreements and services**

According to our records, you have entered into a Trust Agreement with Wells Fargo (the "Trust Agreement.") As part of the transfer process, you'll need to consent to the assignment of the Trust Agreement.

Also, you'll be asked to confirm that Principal may rely on all account-related agreements, disclosures and account setup documentation you've previously provided to Wells Fargo, including but not limited to designation of authorized signors and agents, fee agreement, selection of a sweep investment for cash balances, investment directions, Shareholder Communications Act Disclosure direction and other directions, and that this information can be used for future transactions. Including this confirmation here alleviates the burden of additional documents for you to sign.

**Additional authorizations and disclosures**

In addition to consenting to assign the Trust Agreement, we've also included certain disclosures we need to provide to you and initial authorizations we need from you.

***Except as specifically stated otherwise in the Consent, all terms and conditions of the Trust Agreement, including amounts charged for any services, will remain the same at the time of the transfer to Principal.***

Custom\_2552\_92\_08112020\_ServiceContinuityv5tct2

**Exhibit "1"**

Please review each section below and sign where indicated:

- Consent, Resignation & Appointment
- Acceptance of additional Authorizations and Disclosures

If you prefer to print these documents, sign them and send them to us electronically, please return your signed documents to donna.balaguer@wellsfargo.com.

**Consent timing**

We want to give you plenty of time to review these consent materials. The Consent documentation needs to be signed (and if you decide to sign hard copies, returned to us) no later than July 24, 2020.

PLEASE NOTE: If we haven't received your signed consents by July 24, 2020, Wells Fargo may notify you of its intention to terminate the Trust Agreement and resign its role, as applicable, pursuant to the terms of the Trust Agreement.

Our top priority is to ensure you receive uninterrupted service. We're here to help make this transition as seamless as possible and are happy to answer any questions you may have relating to these documents. If you do have questions, please contact Donna Balaguer at 813-225-4443.

Thank you for your assistance and cooperation. Welcome to our client community! We look forward to servicing your account.

Sincerely,



Joe Ready  
Executive Vice President  
Wells Fargo Bank, N.A.



Sri Reddy  
SVP-Retirement & Income Solutions  
Retirement and Income Solutions – RIS Annuity Staff

Bank products and services are provided through Principal Bank®, member FDIC. Principal Bank is a member of Principal Financial Group, Des Moines, IA 50392.

Principal Trust Company<sup>SM</sup> is a trade name of Delaware Charter Guarantee & Trust Company, a member company of the Principal Financial Group.

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**CONSENT, RESIGNATION & APPOINTMENT****Customer Name: St. Johns River Power Park System Employees' Retirement Plan**

**St. Johns River Power Park System Employees' Retirement Plan** ("Customer") acknowledges receipt of a letter from Wells Fargo Bank, N.A. ("Wells Fargo") and Principal Financial Group® ("Principal®") describing the transfer of Wells Fargo's Institutional Retirement and Trust business to Principal and the need for Customer's consent to the assignment of Wells Fargo's contractual arrangements concerning Customer's trust account (the "Account") to Principal. Customer has reviewed the materials provided by Wells Fargo and Principal and has contacted Wells Fargo with any questions about the transfer and the consent process it may have.

Customer acknowledges and agrees that, upon signature by the undersigned individual, a duly authorized representative of Customer, this Consent will become effective on the date Customer's business actually transfers to Principal (the "Effective Date"), and that Principal will provide prior written notice of the Effective Date to Customer.

Customer further acknowledges the fiduciary nature of various actions contemplated by this Consent and that he or she has been duly authorized and empowered by corporate resolution (or similar action) to sign this Consent on behalf of the Customer with respect to the Account.

As of the Effective Date, Wells Fargo hereby resigns as Trustee under the Trust Agreement between Wells Fargo and Customer (the "Trust Agreement"), and Customer accepts such resignation as of such date. Customer and Wells Fargo agree, however, that all provisions under the Trust Agreement with respect to the transition of trust services and trust records to a successor trustee will continue to apply. As of the Effective Date, Customer hereby appoints Delaware Charter Guarantee & Trust Company, conducting business as Principal Trust Company<sup>SM</sup> ("Principal Trust") as successor Trustee under the Trust Agreement and Principal Trust hereby accepts such appointment under the terms and conditions of the Trust Agreement as of the Effective Date. Principal agrees that Principal will not increase the amounts charged for services, for the current services provided, for a period of at least one (1) year after the Effective Date. In the event the Trust Agreement or Customer's policies and procedures impose threshold eligibility requirements on successor trustees, Customer hereby waives such requirements for the sole purpose of the appointment of Principal Trust as the successor Trustee.

Additionally, as of the Effective Date, the Customer hereby consents to and authorizes the following:

- The reliance by Principal Trust on Account-related agreements, disclosures account setup documentation, as well as any information, forms and directions that Customer previously provided to Wells Fargo or were approved by Customer for servicing the Account, including but not limited to designation of authorized signors and agents, fee agreement, direction regarding the selection of a sweep investment for cash balances, investment directions, and Shareholders Communication Act Disclosure direction.

As of the date of this Consent, Customer acknowledges and agrees that Wells Fargo may begin sharing with Principal any and all Account information, including but not limited to individual contracts, deemed necessary to effectuate the transfer of assets and services from Wells Fargo to Principal. Furthermore, Principal shall also be authorized to begin providing additional resources as they become available prior to migration. Also, Principal shall be permitted to share this information or data with affiliates and subcontractors if such information or data is necessary to provide Account-related services.

The Customer also agrees to timely sign such other forms as are reasonably requested by Principal pertinent to the assumption of trust duties by Principal Trust on the Effective Date. In the event it is determined that minor operational differences will arise upon the transition to Principal as a result of the different manner in which Principal Trust provides certain services under the Trust Agreement, Principal will notify Customer of the same, and Customer hereby consents to any such minor change of which it is notified. For this purpose, a "minor" operational difference or change means an operational difference or change, either individually or in the aggregate, that (i) does not have any adverse effect on the Trust assets or the Account, and (ii) does not have a materially adverse effect on Principal's ability to timely and fully perform its duties as successor Trustee.

Except to the extent that changes are required as part of the transition process, Customer directs Principal to continue to rely on trust and related service information previously provided by Customer and currently maintained by Wells Fargo with respect to the Account including, by way of example, the currently designated persons authorized to act on behalf of the Account, Letters of Direction, and related forms, and Customer agrees that Principal will be protected in its reliance upon such information and records. Customer further understands and agrees that Principal will have no liability to

***Exhibit "1"***

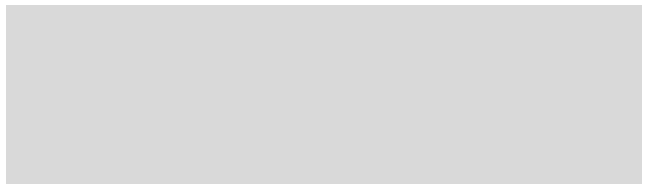
Customer or the Account for any actions or omissions by Wells Fargo under the agreement defined above that would have occurred prior to the July 1st, 2019 close date of the Principal acquisition of Wells Fargo IRT.

**Exhibit "1"**

IN WITNESS WHEREOF, each party has caused this Agreement, including the below authorizations, notices and disclosures, to be signed by its duly authorized representative on the date specified below.



Joseph Orfano  
St. Johns River Power Park System



Russell J. Caffey  
St. Johns River Power Park System

Joe Ready  
Executive Vice President  
Wells Fargo Bank, N.A.

Sri Reddy  
SVP-Retirement & Income Solutions  
Retirement and Income Solutions –  
RIS Annuity Staff

Kristin Camp  
President  
Delaware Charter Guarantee & Trust Company,  
conducting business as Principal Trust Company

**Exhibit "1"**

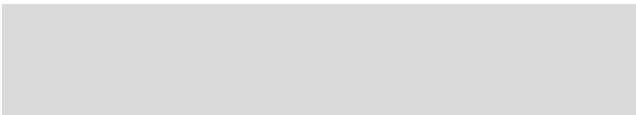
**ACCEPTANCE OF ADDITIONAL AUTHORIZATIONS AND DISCLOSURES**

The Authorizations and Disclosures set forth below contain information specific to the transfer of your trust account (the "Account") from Wells Fargo Bank, N.A. ("Wells Fargo") to Principal Financial Group®. The Authorizations and Disclosures incorporate doing business with Principal Life, Principal Trust, Principal Bank or affiliates ("we", "us", "our", "Principal").

The undersigned individuals represent that they are duly authorized to take action on behalf of Customer, Principal, and Wells Fargo, respectively. The parties certify that they are executing this Acceptance to signify receipt of, and agreement to the terms and conditions specified in the Authorizations and Disclosures listed below, as of the date the Customer's business actually transfers to Principal (the "Effective Date").

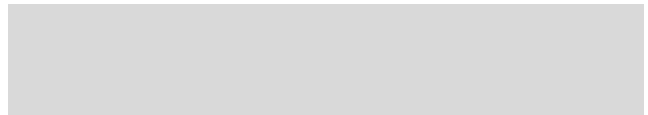
Authorizations and Disclosures:

- Principal disclosures and certain Principal notices
- Customer Electronic Consent and Disclosure
- Consent to Electronic Delivery of Regulatory Materials



Joseph Orfano  
St. Johns River Power Park System

Joe Ready  
Executive Vice President  
Wells Fargo Bank, N.A.



Russell J. Caffey  
St. Johns River Power Park System

Sri Reddy  
SVP-Retirement & Income Solutions  
Retirement and Income Solutions – RIS Annuity Staff

**AUTHORIZATIONS AND DISCLOSURES****Principal disclosures and certain Principal notices:**

**Breakage:** From time to time, inadvertent administrative errors may occur in processing transactions so that Principal standard procedures are not followed. If we are responsible for the error, we are committed to restoring to the Account the value that would have applied if the error had not occurred, and we will reimburse the Account for any loss caused by our errors. In exchange for our commitment to correct losses resulting from errors, and other services to the Account, we will be entitled to retain amounts remaining after errors are corrected ("gains") as part of our compensation for services.

**Float:** When providing services, Principal may earn additional compensation for the services it provides in the form of short-term interest ("float") on certain funds held in connection with the Account. The funds that may generate float include amounts (i) awaiting investment and (ii) to cover checks issued and electronic funds transfers initiated for participant distributions and other plan payments. Principal holds these funds in omnibus deposit accounts maintained at one or more custodial banks with like funds from other plans for which Principal provides similar services. The length of time funds are held in the custodial accounts varies by transaction type. Funds awaiting investment are typically held in the custodial accounts for one business day. Principal may hold funds longer if it does not have proper directions from a person or entity authorized to provide such directions. Funds to cover checks, electronic funds transfers and wire transfers are transferred into custodial accounts on the day the check is issued, or the electronic funds transfer or the wire transfer is initiated. The amount of time Principal holds funds to cover checks depends on when the check is cashed, which is beyond Principal's control. Funds distributed via electronic fund transfers generally remain in a custodial account for one or two business days. Funds distributed by wire transfer are generally sent on the same day they are deposited into the custodial accounts. Amounts held in the custodial accounts earn interest or fee credits, generally at an annual interest rate equal to the Interest Rate on Excess Reserves (known as the IOER) determined by the Federal Reserve Board minus five to fifteen basis points, subject to market conditions, which the custodial banks pay or credit to Principal. Any interest or fee credits earned on amounts held in the custodial accounts will not be allocated among plans for which Principal provides services. It is the plan fiduciary's responsibility to determine whether the compensation paid to Principal is reasonable.

**Authorization to share information:** "Authorized Employees" means our employees who have a need to know or otherwise access account-level information to enable us to perform our service obligations. "Authorized Persons" means (i) Authorized Employees; and (ii) our contractors, agents, suppliers and auditors who have a need to know or otherwise access account-level information to enable us to perform our service obligations, and who are bound in writing by confidentiality obligations sufficient to protect account-level information. If applicable, we provide account-level information to your financial professional(s), broker dealer and registered investment advisor.

**Permission to pay sales compensation:** fees or sales compensation include any sales commissions or other compensation payable to a duly licensed individual who may legally receive them, including an insurance agent, registered investment adviser, or other person as designated by you in the Acknowledgment of Compensation and Contract Information, the Principal Financial Group® Disclosure Statement, or similar disclosure, with regard to the sale of any investment option. We are authorized and directed by you to pay that fee or compensation. In the event of some change in circumstances under which payments can no longer be made to the licensed individual, you agree to duly appoint another. We will assist you in this process.

**Customer Electronic Consent and Disclosure**

By signing the above Acceptance of additional Authorizations and Disclosures, the Authorized Representative ("you, "your") consents to the electronic delivery of documents and to conduct business electronically with Principal. The consents described herein shall become effective upon the date the Customer's business actually transfers to Principal and remain in effect until you withdraw your consent.

**Consent:** By consenting to electronic delivery of documents, you agree that Principal will transmit documents related to your account (collectively "Electronic Documents"), including the account documents, privacy notices, contract application and related documents, general communications concerning your account, trust documents, transition documents,

## ***Exhibit "1"***

investment information, annual and periodic statements, and documents that are substantially similar to these forms, by electronic means, to the extent that electronic transmission is consistent with applicable state and federal law.

You further agree and consent that you may execute via electronic means Electronic Documents; and be bound with the same force and effect as if you had affixed your signature on paper by hand when you apply your electronic signature to Electronic Documents.

Principal will deliver communications and information, including the above referenced Electronic Documents electronically.

You agree that documents transmitted electronically by Principal are in lieu of all other forms of communication, including regular U.S. Mail delivery. You accept that electronic delivery of documents by Principal is sufficient to meet all reporting requirements, to the extent that electronic delivery is consistent with applicable state and federal law. You must provide us with a current, valid e-mail address. If we are unable to deliver Electronic Documents to your e-mail address, we will resend such documents to you via U.S. Mail.

Withdrawal: You are not required to consent to the electronic delivery of documents and to conduct business with Principal electronically and may withdraw your consent at any time. Upon revocation of this consent, Principal will deliver all future Electronic Documents via regular U.S. Mail to the last known designated address, unless previously instructed otherwise by you.

If at any time you would like to revoke your consent to the electronic delivery of documents and to conduct business with Principal electronically, you will need to provide Principal with written notice of your withdrawal of your consent. Your withdrawal of consent will become effective two (2) business days after Principal's receipt of your withdrawal. You are required to notify Principal at the following address: Principal, 711 High Street, Des Moines, Iowa 50392-0001.

Please include your account number and the name of your Principal representative in such notification.

You acknowledge that a request for a paper copy of any of the Electronic Documents does not constitute revocation of this consent. Principal will provide a paper copy of any document to you at no charge.

Systems Requirements: You must have access to a computer capable of accessing the employer login at [www.principal.com](http://www.principal.com) and viewing PDF files. You must also have Internet access through an Internet service provider ("ISP"). You further agree to receive electronic documents using the Adobe Acrobat PDF format.

Contact Information: If you have questions regarding this consent, need to update your contact information including your email address, or to request a paper copy of an Electronic Document, please contact your Principal representative, visit Principal's website at [www.principal.com](http://www.principal.com), or contact Principal Life at the following address:

Principal Life Insurance Company 711 High Street, Des Moines, Iowa 50392-0400

Please include your account number and the name of your Principal representative in such communication.

By signing the above Acceptance of additional Authorizations and Disclosures you agree that you have read and understand the terms of this Customer Electronic Consent and Disclosure and consent to the electronic delivery of the Electronic Documents and you agree to conduct business electronically with Principal, as described in this document.

### **Consent for Electronic Delivery of Regulatory Materials**

Principal delivers regulatory material, including updates thereto, such as prospectuses, supplements, annual reports, and semi-annual reports ("Regulatory Materials"), to customer. Customers have the option to receive Regulatory Materials or Internet links to Regulatory Materials via email by consenting to electronic delivery.

As a required recipient of Regulatory Materials for the Account, you elect and understand your election to receive Regulatory Materials electronically ("Electronic Delivery"); no physical copy will be mailed. Electronic Delivery will include email messages from Principal with Internet links to Regulatory Materials for your Account's mutual funds.

Your signature above indicates your agreement with the described Electronic Delivery method. If you wish to continue receiving paper documents, you do not need to complete this form.

What You Need to Know About Electronic Delivery

- If we are unable to contact you by email, we will contact you to tell you our email notification was unsuccessful and to give you directions on how to access the Regulatory Materials online. If Electronic Delivery is not possible, a paper copy will be mailed to the customer contact on our records responsible for this material.
- To view, download and/or save the Regulatory Materials, you will need access to an Internet service provider and an Internet browser. Normal Internet provider costs will apply.

***Exhibit "1"***

- At any time, you may request a paper copy of any or all of the Regulatory Materials for your account's mutual funds at no additional cost by contacting us at 1-800-547-7754 or at [www.principal.com](http://www.principal.com).
- This Consent only affects a customer required receipt of Regulatory Materials. It does not affect the current access to or delivery of Regulatory Documents, electronically or otherwise.
- Your Consent remains valid unless you change or revoke it at any time for any reason by contacting us at 1-800-547-7754 or at [www.principal.com](http://www.principal.com).
- You will receive email alerts as soon as these Regulatory Materials are available.

By signing the above Acceptance of additional Authorizations and Disclosures, you represent that you have the authority to consent to the Electronic Delivery of Regulatory Materials and will be bound by it.



**INTER-OFFICE MEMORANDUM**

September 10, 2020

**SUBJECT: SURFACE WATER DISCHARGE LEGISLATION**

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

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**TO:** JEA Board of Directors

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**BACKGROUND:**

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

**DISCUSSION:**

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

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

A summary of actions to evaluate the impact, options and feasibility of achieving the surface water discharge requirements contained in HB 715, as well as engagement in providing inputs to the prospective senate bill are presented herein.

**FINANCIAL IMPACT:**

There is no financial impact specific to this summary. Evaluation of the complexity and financial impacts of this potential requirement will be contained in JEA's Integrated Water Resource Plan that will be presented to the board at a later date. However, had HB 715 and SB 1656 passed in 2020 or if these Bills pass in 2021 it will impose very significant financial burdens on JEA and Jacksonville.

**RECOMMENDATION:**

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

---

Paul McElroy, Interim Managing Director/CEO

PEM/OWY





**Potential State Legislation  
on Surface Water Discharge**  
September 2020 Board of Directors Meeting

Current and proposed State legislation concerning surface water discharge may present challenges to JEA due to the complexity and financial impacts of bill requirements



## Outline

- Proposed Legislation
- JEA Reclaim Water System
- Potential Legislation Impact
- Engagement Strategy
- Summary

During the 2020 Florida legislative session House Senate bills were introduced to eliminate nearly all surface water discharges from domestic wastewater treatment plants after Jan 1, 2026

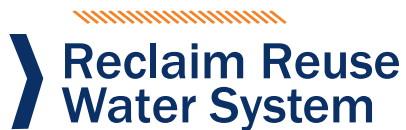


## Current and Proposed Legislation

- Two bills were proposed to eliminate nearly all surface water discharges (SWD) from domestic wastewater treatment plants
- The House bill passed; the Senate bill died in Appropriations
- Expect consideration of a Senate bill during the 2021 session
- A Senate bill passing as a result of the May 2021 Florida Legislative session would provide utilities:
  - 1-year to develop a SWD elimination plan (May, 2022)
  - 6 months to receive plan approval by FDEP (Nov, 2022)
  - 5 years to implement and complete the plan (Nov, 2027)

## Reclaimed Reuse Water

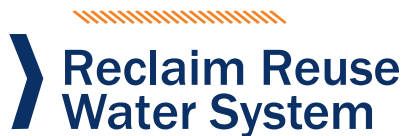
JEA's Consumptive Use Permit capacity is limited to 142 million gallons per day (MGD). Currently 117 MGD of potable water is provided to 320,000 accounts in 4 counties



- System started in 2000, focused on areas of growth
- >\$100M investment to date
- Of the 80 MGD of effluent discharge, 20 MGD is used as a resource for reuse to offset aquifer withdrawals
- The remaining 60 MGD is treated in accordance with state regulations to produce effluent well below the Florida Department of Environmental Protection's total maximum discharge limitations before being disposed of via Surface Water Discharge

# Reclaimed Reuse Opportunities

JEA continues to make significant investments to sustain the long-term health of the Floridan Aquifer through reuse alternatives for surface water discharge from our domestic wastewater treatment plants



- Initiatives available to use reclaimed water to reduce discharge and offset use of groundwater
  - Irrigation
  - Cooling
  - Groundwater recharge
  - Environmental restoration
  - Saltwater intrusion barrier
  - Surface water augmentation
  - Potable reuse

# Initial Evaluation of Legislation Impact

- Each Wastewater Treatment Plant must be evaluated to implement reuse:
  - Economic, environmental, and technical constraints
  - Water savings if reuse is implemented
  - A designed phased implementation schedule
  - Supply & Demand variation challenges
  - Environmental and water resource benefits associated with reuse
  - Opportunities and costs for industrial, wetland and environmental restoration, and agricultural use are very case-specific
  - Amount of benefit (i.e. potable offset, recharge, etc.)



# Initial Evaluation of Legislation Impact

- Potential costs and expected timeline to transition surface water discharge
  - An engineering analysis estimated that costs to eliminate all surface water discharge in Florida would exceed \$28 billion
  - Monetary costs and benefits for several levels and types of reuse
  - Rates and fees necessary to implement reuse
  - Individual utility costs would vary based on reuse method chosen
  - Costs could necessitate rate increases for utility customers, state funding, water management district funding, or a combination of options
  - A FDEP study concludes that based on the permitting-construction timeline, the earliest a *potable water reuse project* could be completed is Sep 2026



## Communication and Teamwork are Key

JEA will work internally and with with elected officials, other utilities, environmental stakeholders and respective associations to develop and implement plans within the regulatory framework



- JEA Task Force: engage in legislation inputs and evaluate internal options and capabilities to implement reuse
  - Water/Wastewater; Environmental Service; Government Affairs; External Strategic Affairs; Finance; Customer Service; External Communications; Legal
- External Stakeholders: engage stakeholders to establish a comprehensive legislative and operational strategy
  - Elected and appointed City and State officials; Environmental and Water/Wastewater associations; Contracted engineering and law firm resources; Environmental Advocacy Groups



## Engagement and Resolution Strategy

JEA supports the intent of the legislation and desires to achieve legislation objectives in a way not to cause undo economic impact on JEA and rate payers



- Leverage what we are doing now - Continue to demonstrate and highlight excellent environmental stewardship and demonstration of best practices to show good faith support of present, pending and future legislation and ruling
- May not get there when the bill wants but heading in that direction
- “Zero discharge” alternative recently added to the Integrated Water Resource Plan for the consultant research
- Potable Water Reuse Project: Currently held in abeyance
- Newer WWTPs designed to meet “wet weather discharge” permitting which allows 30% credit towards water discharge

## Engagement and Resolution Strategy

JEA supports the intent of the legislation and desires to achieve legislation objectives in a way not to cause undo economic impact on JEA and rate payers

- Integrate above considerations into the IWRP
- Lobby for representation on FDEP technical advisory committee(s) to assist in developing rules that may be implemented by the proposed bill
- Advocate to change language from five year to the year implementation.
- Petition early for funding from State, WMDs, and other sources
- Explore leveraging TMDL credits to gain discharge credits or funding grants
- Seek extension of Jan 2026 implementation date
- JEA has already considered potable reuse as a water supply. A pilot test has been performed that will be integrated into future water supply planning



## In Summary

JEA's surface water discharge consists of 60 MGD that is treated in accordance with state regulations to produce effluent that is *well below* the Florida Department of Environmental Protection's (FDEP) total maximum discharge limitations (TMDLs)



- JEA supports the intent of the proposed legislation and continues to make significant investments to sustain the long-term health of the Floridan Aquifer through reuse alternatives for surface water discharge
- JEA will continue to engage with legislators, regulatory agencies and stakeholders to develop guidance and actions based on the environmental, economical, and technical feasibility of eliminating surface water discharge



**INTER-OFFICE MEMORANDUM**

September 10, 2020

**SUBJECT: WATER/WASTEWATER RESILIENCY UPDATE**

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

---

**TO:** JEA Board of Directors

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**BACKGROUND:**

Severe weather impacts and storms within the past 5 years, specifically Hurricane Matthew in 2016, have caused electrical power disruptions and equipment failures resulting in service interruptions and sewer overflows of the JEA water and wastewater systems. These events prompted JEA to implement near-term resiliency initiatives and to develop a comprehensive and forward-looking infrastructure investment plan to reduce system risk and increase reliability and resilience against severe weather events.

In 2018, JEA began developing the **Resilience Plan Framework** for JEA's water, wastewater, chilled water, and reclaimed water systems, which encompassed multiple activities, including the following:

- **System Resilience Plan:** Comprehensive assessment of flood vulnerability and risk associated with current and future flood scenarios and the development of adaptation strategies to mitigate the flood risk.
- **Electrical, Instrumentation and Controls (I&C) System Assessment:** Review of electrical and I&C equipment to identify assets that may pose a risk to the reliability of the water, wastewater, and chilled water systems.
- **Water Reclamation Facility and Conveyance System Hydraulic Capacity Assessment:** Hydraulic modeling of wastewater collection system/water reclamation facility capacity to convey peak flows and meet the intended level of service today and in the future, under various flood conditions.

**DISCUSSION:**

The System Resilience Plan serves as an action-oriented guide to position JEA for long-term reliability and resilience for potable water, wastewater, chilled water, and reclaimed water systems through identification of flood risk, development and prioritization of mitigation strategies, and the incorporation of aggressive design standards for future capital projects. The goal of this plan is to provide a comprehensive flood vulnerability and risk assessment of JEA facilities and assets based on severe weather today and future climate projections, including rainfall, sea level rise (SLR) and storm surge, as well as potential costs and suggested measures to reduce risk and enhance system reliability.

The vulnerabilities identified during the system assessments are combined to collectively develop capital investment priorities to maintain safe and reliable services and avoid future system interruptions or sanitary sewer overflows during severe weather, flood events, and other common system hazards. The analysis of flood risk is aimed to evaluate asset level vulnerabilities to multiple flood mechanisms including rainfall, extreme tides, storm surge, and sea level rise, focusing on both current and future risks over the service life of assets.

Through a variety of adaptation strategies, capital projects are recommended to mitigate the identified flood risk using cost-effective strategies focused on the right investment at the right time. The vulnerabilities and mitigation strategies are evaluated at the asset level, which is then summarized at the facility level to guide the prioritization of capital investment through rehabilitation projects.

JEA strives to maintain its excellent customer service through the quality and reliability of its water, wastewater, and energy services. This reliability of high-quality services attracts private sector investment in the market, promoting both regional growth and competitiveness for Jacksonville and northeast Florida.

**FINANCIAL IMPACT:**

TBD

**RECOMMENDATION:**

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

---

Paul McElroy, Interim Managing Director/CEO

PEM/HXV



## Board of Directors Meeting

*Hai Vu, Interim GM Water/Wastewater Systems  
System Resiliency Overview  
September 2020*

# Agenda

- Resiliency Program Goal and Overview
- System Resiliency Framework
- Next Steps
- Q&A



# Designing for Resilience: JEA's Response to Hurricanes Matthew and Irma



Source: [www.s.w-x.co/wu/jax-flooding-sheriff-9.11.17](http://www.s.w-x.co/wu/jax-flooding-sheriff-9.11.17)

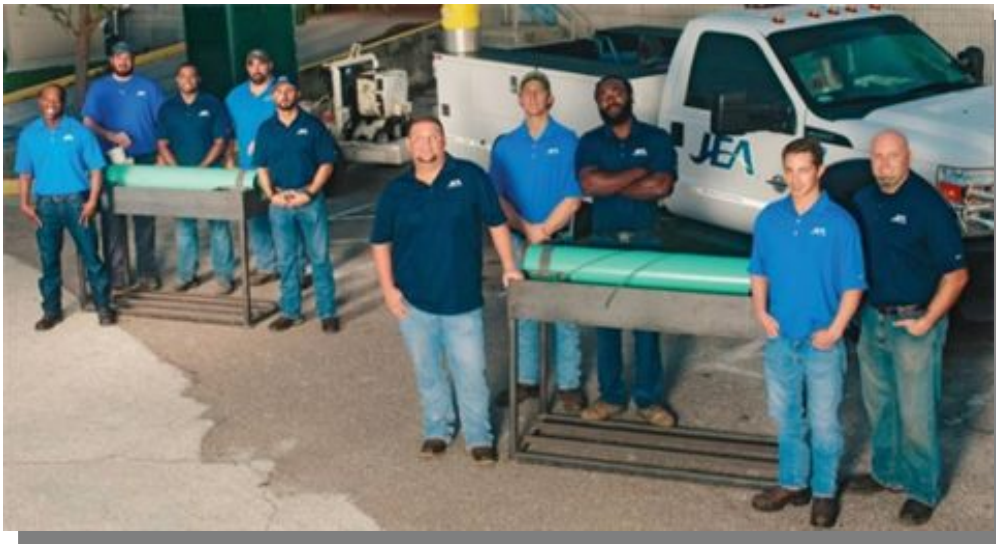


Source: [www.s.w-x.co/wu/jax-flooding-sheriff-9.11.17](http://www.s.w-x.co/wu/jax-flooding-sheriff-9.11.17)



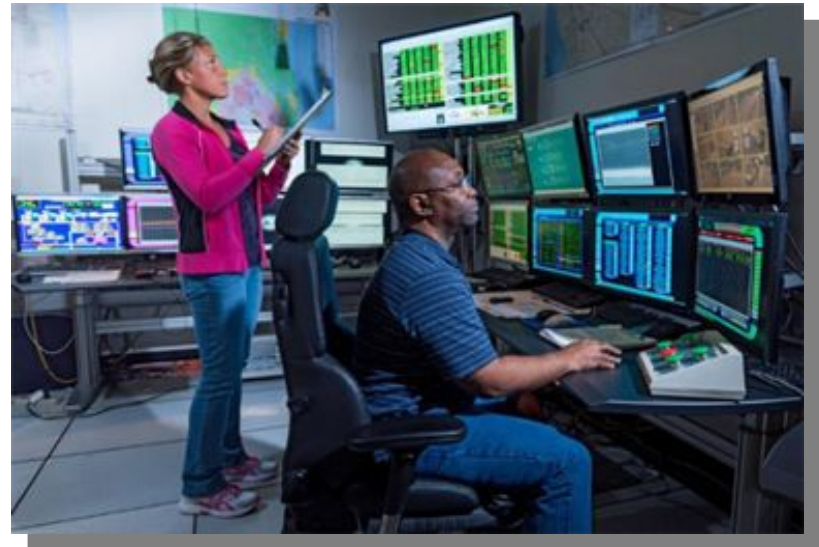
# Resiliency Program Goal and Overview

- Understand Current and Future Severe Weather and Climate Risks
- Identify JEA Water, Wastewater, Reclaimed Water and Chilled Water System Vulnerabilities to Identified Risks
- Update Design and Construction Standards for Enhanced Reliability
- Develop Adaptation Strategies (System Enhancements/Upgrades)
- Develop Resilience Plan as Roadmap to Implement Strategy



# Steps of System Resiliency Framework

- Establish future extreme weather scenarios
- Perform surge, riverine and inland flood modeling
- Perform vulnerability assessment
- Perform risk analysis of select JEA facilities
- Develop mitigation and adaptation strategies
- Perform Economic cost-benefit analysis
- Prioritize strategies
- Update design and construction standards
- Develop resiliency plan and implementation roadmap



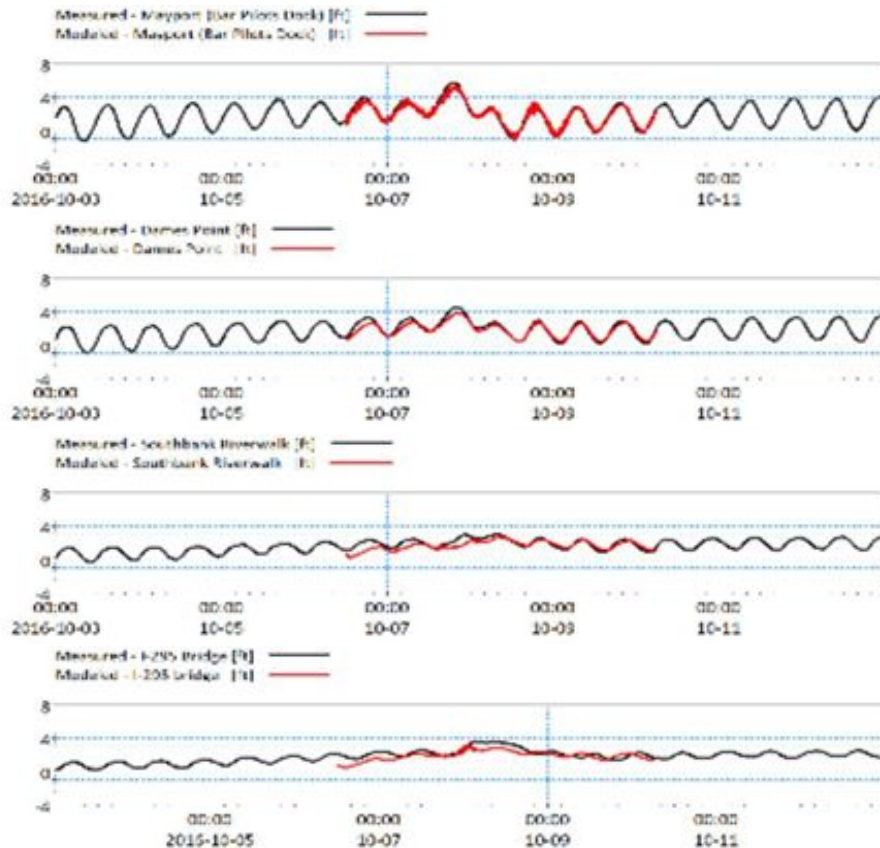
# Establish Future Extreme Weather Scenarios

- Current and projected Sea Level Rise (SLR)
  - Planning time horizons (2040 and 2070)
- Current and future storm surge
- Current and projected rainfall
  - Intensity duration and frequency (IDF)
  - Greenhouse Gas (GHG) emission scenarios: RCP 6.0 and RCP 8.5
- Climate scenarios
  1. 100-yr storm in 2040 with low GHG
  2. 100-yr storm in 2040 with high GHG
  3. 100-yr storm in 2070 with low GHG
  4. 100-yr storm in 2070 with high GHG
  5. 25-yr storm in 2040 with low GHG
  6. 25-yr storm in 2070 with high GHG
  7. 500-yr storm in 2070 with high GHG
  8. 100-yr storm in 2070 with no storm surge

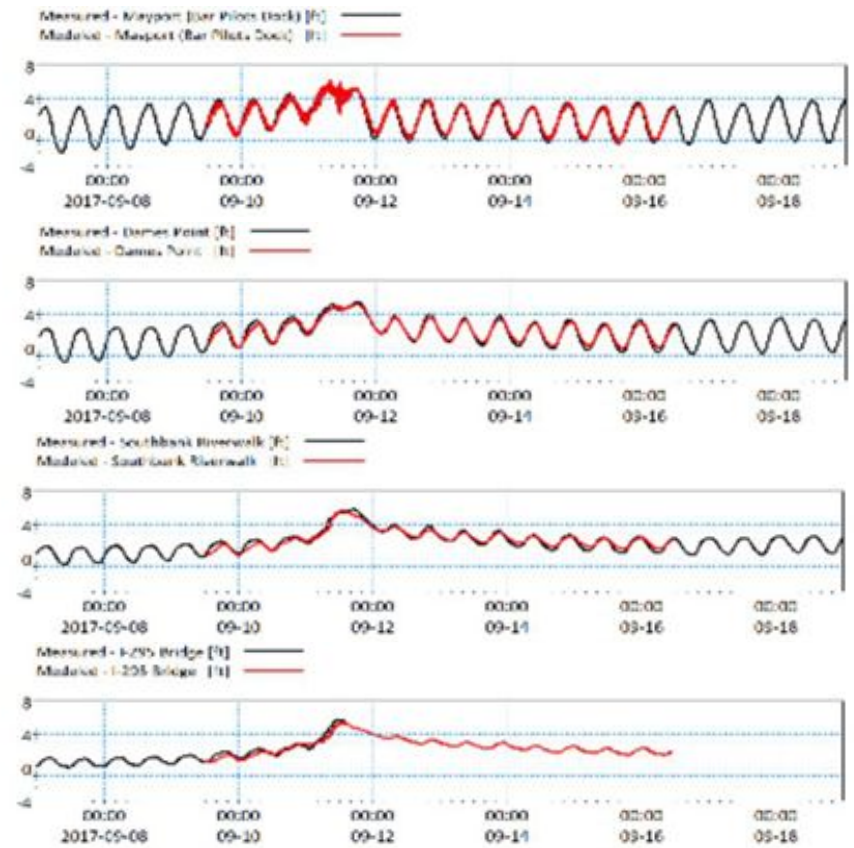


# Perform Surge, Riverine and Inland Flood Modeling

- Performed surge modeling of hurricane events Matthew and Irma
- Calibrated data with Matthew
- Validated data with Irma



**Matthew**



**Irma**



# Perform Vulnerability Assessment

JEA operates over 1,700 facilities across a four county region with nearly 500,000 customer accounts

Facility Type	Total Number of Priority Facilities	Number of Facilities Broken Down by Vulnerability Scores for Flooding				# of Vulnerable Facilities
		Highest Vulnerability (score > or = 3)	Medium Vulnerability (score from 1.5 to 3)	Low Vulnerability (score < 1.5)	Not Vulnerable (score of 0)	
Water Treatment Plants	20	5	2	3	10	10
Wastewater Treatment Plants	10	2	2	4	2	8
Chilled Water Plants	4	0	3	0	1	3
Wastewater Lift Station	125	21	62	28	14	111
Booster Lift Stations	5	1	2	0	2	3
Wastewater Vacuum Stations	5	2	1	2	0	5
Repump Stations	3	0	0	0	3	0
Reclaimed Booster Stations	1	0	1	0	0	1
Potable Water Booster Stations	3	0	1	0	2	1
<b>TOTAL</b>	<b>176</b>	<b>31</b>	<b>74</b>	<b>37</b>	<b>34</b>	<b>142</b>

$$\text{Vulnerability} = \frac{(\text{Exposure} + \text{Sensitivity})}{(\text{Adaptive Capacity} + \text{Redundancy})}$$



# Risk Analysis of Select JEA Facilities

- Risk = Likelihood x Consequence of damages
- Likelihood = Probability of hazard occurrence
- Perform vulnerability assessment
  - Interpolated from flood modeling scenarios
  - Assumed to increase over time due to climate change
- Potential consequences:
  - Direct damage to JEA's facilities and assets, based on replacement cost or
  - Indirect consequences to JEA's customers (business losses based on assumed period of service interruption)



# Develop Mitigation and Adaptation Strategies



DC Water Flood Wall  
Source: Umair Irfan, eeneews.net

Temporary Movable Barriers



Source: [www.floodstopbarrier.com](http://www.floodstopbarrier.com)



Source: <http://usfloodcontrol.com/tiger-dam-products/>



Manual Flood Panels/Gates



Source: [www.floodbarriers.com](http://www.floodbarriers.com)



Source: [www.floodpanel.com](http://www.floodpanel.com)

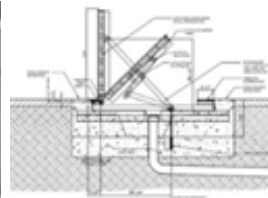


Source: [www.floodcontrolinternational.com](http://www.floodcontrolinternational.com)

Automated Flood Gates



Source: [www.floodcontrolinternational.com](http://www.floodcontrolinternational.com)



Source: [www.floodbreak.com](http://www.floodbreak.com)



Tacoma WA Central Plant Flood Wall



Strategy	Resilience Level
No Action	No Protection
Sandbagging	Low
Temporary Barriers	Moderate
Seal Building/Control Room	Moderate
Construct Static Barrier	High
Flood-proofing Equipment	High
Elevate Equipment	Very High

# Perform Economic Cost-Benefit Analysis

## Purpose of task:

- Evaluate the economic impacts to JEA business customers if they are impacted by a JEA facility shutdown after an extreme flood event
- Analyze the benefits versus costs of JEA making investments to mitigate impacts to their facilities and to their customers

## Economic Analysis

- Business losses were calculated for all customers for each JEA facility
- If a business loses water or wastewater service, or has a sewer back-up, it closes
- Monetized risk avoided are included across asset service life to evaluate full benefits of investment

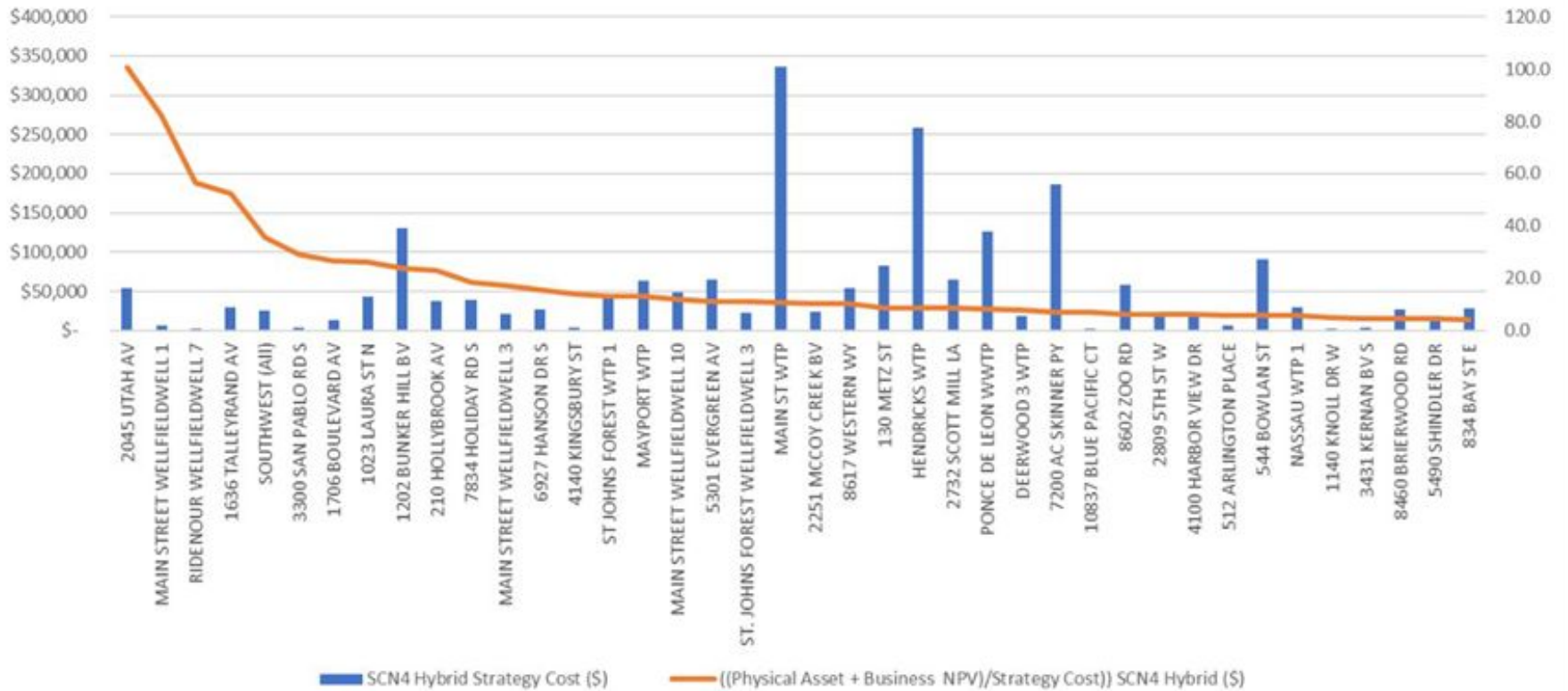




# Prioritize Strategies

Resilience investments were ranked based on ROI for different levels of flood control

Comparison of Net Return/ \$ Invested to \$ Cost Protect against Scenario 4  
(Physical Asset and Business Loss)



# Top 20 CIP Projects

Ranking	Facility Name	Priority	Project Type
1	Arlington East WRF	High	Electrical and I&C upgrades; Capacity upgrades; Effluent PS rehabilitation/upgrades
2	Buckman WRF	High	Flood resilience upgrades; Electrical and I&C upgrades; Capacity upgrades
3	Southwest WRF	Medium-High	Flood resilience upgrades; Electrical and I&C upgrades; Capacity upgrades
4	Monterey WRF	Medium-High	Flood resilience upgrades; Electrical and I&C upgrades; Electrical switchgear replacement/ generator addition, influent backup pump, and containment pond
5	2045 Utah Avenue	Medium-High	Flood resilience upgrades
6	Buckman WRF Outfall	Medium-High	Rehabilitation of outfall pipe
7	River Oaks Potable Repump Station	Medium-High	Electrical and I&C upgrades
8	Main Street WTP	Medium-High	Flood resilience upgrades; Electrical and I&C upgrades
9	Hendricks WTP	Medium-High	Flood resilience upgrades; Electrical and I&C upgrades
10	210 Hollybrook Avenue	Medium-High	Flood resilience upgrades; Capacity upgrades
11	7834 Holiday Road South	Medium-High	Flood resilience upgrades; Capacity upgrades
12	1023 Laura Street North	Medium-High	Flood resilience upgrades
13	Main Street WTP Well No. 1	Medium-High	Flood resilience upgrades
14	Mayport WTP	Medium	Flood resilience upgrades
15	8617 Western Way	Medium	Flood resilience upgrades
16	Main Street WTP Well No. 10	Medium	Flood resilience upgrades
17	Arlington Potable Booster Pump Station	Medium	Electrical and I&C upgrades
18	Ponce de Leon WWTP	Medium	Flood resilience upgrades
19	St. John's Forest WTP 1	Medium	Flood resilience upgrades
20	5301 Evergreen Avenue	Medium	Flood resilience upgrades

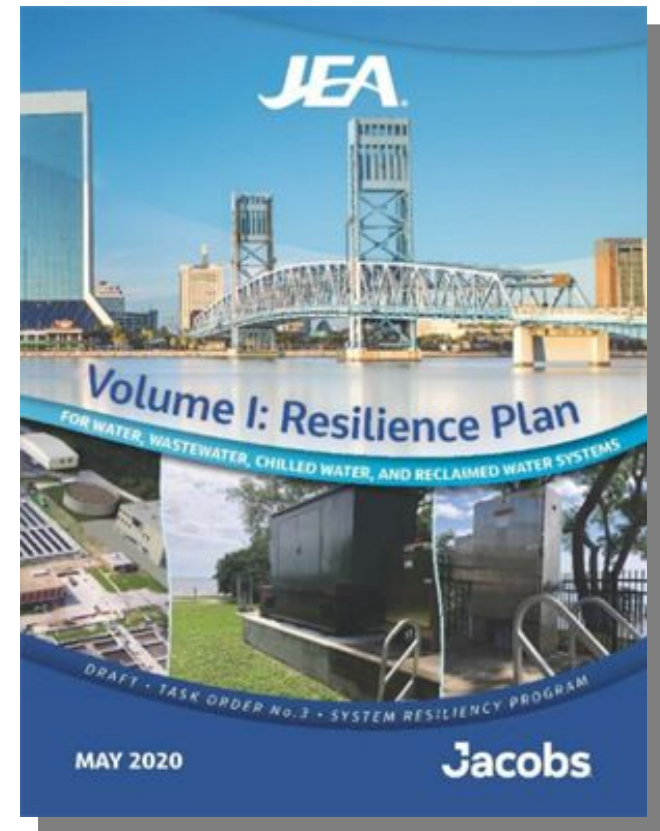
Note: The criteria used to come up with the Top 20 CIP projects are: (Primary Criteria) safety, contractual obligation, coordination with other projects and (Secondary Criteria) *cost effectiveness*, capacity/system growth, level of service improvement, redundancy/operational flexibility and environmental impact

**Data developed from the Resiliency Program are now part of the review process for all capital projects being scoped**



# Next Steps

- Finalize and submit System Resilience Plan report
- Recommended next steps
  - Develop CIP implementation plan for Resilience projects
  - Update JEA design standards for resilience
  - Continue resilience requests for new CIP projects
  - Staff training
  - Consider ongoing contracted services to address commonly found issues:
    - Antenna grounding
    - Antenna support
    - Lightning protection
    - Control panel cable management
    - E-stop installation
    - Emergency entry gate/access



# Q & A





**INTER-OFFICE MEMORANDUM**

September 11, 2020

**SUBJECT: BOARD POLICIES AND ORDINANCES INDEX**

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

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**TO:** JEA Board of Directors

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**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 August 25, 2020 Board of Directors meeting, and at the August 19, 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	<b>Electric Compliance Policy</b>	Policy	X			Annual	11/17/2020
2	<b>JEA Board-Management Delegation of Authority Policy</b> <i>(Originally presented to, but not approved by, Board on 6/11/18 &amp; 12/11/18)</i>	Policy	X	X	12/11/2018 <i>(review on ly)</i>	Annual	11/17/2020 & 12/25/20
3	<b>JEA Charter</b> <i>(Article 21 scheduled for final City Council Action &amp; Adoption on 12/8/20 )</i>	Policy		X		Annual	12/15/2020 or 1/26/2021
4	<b>JEA Code of Conduct / Code of Ethics (New)</b> <i>(Scheduled for approval by the Finance &amp; Audit Committee on 12/11/20)</i>	Policy		X		Annual	12/15/2020 or 1/26/2021
5	<b>Enterprise Risk &amp; Compliance Policy</b> <i>(Tentatively scheduled for Finance &amp; Audit Committee approval on 12/11/20).</i>	Policy	X	X		Bi-Annual	12/15/2020 or 1/26/2021
6	<b>Identity Theft Protection Program (FACTA ) Annual Risk Assessment</b> <i>(presented annually to the Finance &amp; Audit Committee; next on 12/11/20 )</i>	Policy	X <i>(Initial Approval Only )</i>		12/9/2019	Annual	1/26/2021
7	<b>Energy Market Risk Management Policy</b> <i>(Approved March 2014; report presented quarterly to the Finance &amp; Audit Committee )</i>	Policy	X		2/11/2020	Annual, or As Revised	2/23/2021
8	<b>Pricing Policy</b>	Policy	X	X	6/23/2020	Annual	6/22/2021
9	<b>Investment Policy</b>	Policy	X	X	7/28/2020	Annual	7/27/2021
10	<b>Debt Management Policy</b>	Policy	X	X	7/28/2020	Annual	7/27/2021
11	<b>Internal Audit Charter</b> <i>(Approved by Finance &amp; Audit Committee annually )</i>	Policy			8/25/2020	Annual	8/16/2021
12	<b>Board Education &amp; Development Policy</b> <i>(Approved November 2013 )</i>	Policy	X	X	8/25/2020	Bi-Annual	8/25/2022
13	<b>Travel Policy and Procedures</b>	Policy		X	8/25/2020	Bi-Annual	8/25/2022
14	<b>Board Policy Manual</b> <i>(Updated and reviewed by the Governance Committee; monthly reviews tentatively scheduled through December 2020 )</i>	Manual	X <i>(If Revisions )</i>	X	9/15/2020	Annual, or As Revised	As Revised
15	<b>JEA By-Laws</b> <i>(incorporated into Board Policy Manual in September 2020 )</i>	Policy		X	9/15/2020	Annual	As Revised

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>
16	<b>Form 1 - Statement of Financial Interests - Must be filed with the County Supervisor of Elections each July 1 for the previous calendar year.</b>	Disclosure Form		X			
17	<b>Form 1F - Final Statement of Financial Interests - Must be filed with the County Supervisor of Elections for the final year / partial year on the Board.</b>	Disclosure Form		X			
18	<b>Sunshine Law - Florida Statute, Sec. 286.001</b>	State Statute					
19	<b>Public Records Law - Florida Statute Chapter 119</b>	State Statute					
20	<b>Jacksonville Ethics Code – Chapter 602</b>	Municipal Ordinance		X			
21	• Gifts – 602 Part 7;			X			
22	• Conflicts of Interest – 602 Part 4			X			
23	• Misuse of Public Position – 602.601			X			
24	<b>Florida Ethics Policy – Chapter 112.311-326</b>	State Policy		X			
25	• Gifts – Sec 112.3148, 3139			X			
26	• Conflicts of Interest – Sec. 112.313			X			
27	• Nepotism – 112.3133			X			
28	• Misuse of Public Position – 112.313			X			
29	<b>Dual Office Holding - Florida Constitution, Article II, SA</b>	State Law		X			

# JEA GOVERNANCE COMMITTEE MEETING

September 15, 2020 • 10:00 a.m.

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



<b>I.</b>	<b>WELCOME</b>	
	A.	Call to Order
	B.	Adoption of the Agenda (Action)
	C.	Approval of Minutes – August 19, 2020 (Action)

<b>II.</b>	<b>GOVERNANCE AND POLICY FOUNDATIONAL DOCUMENTS</b>	
	Item(s)	
	A.	Draft Article 21 JEA Charter (City Council)
	B.	Proposed 2020-419 – Article 21 (JEA) Charter Omnibus Refinement Bill Strategy and Timeline for Rules, TEU Committee Discussions
	C.	JEA By-Laws
	D.	Governance Committee Charter
	E.	Governing For Excellence: Raising the Bar on Public Power Governance
	F.	Board Policies and Ordinances
	G.	Board Governance Manual Assessment (March 2015)
	H.	JEA Board Policy Manual

<b>III.</b>	<b>FOR COMMITTEE CONSIDERATION</b>			
	Item(s)		Speaker/Title	Discussion Action/Information
	A.	JEA Board Policy Manual - Clean JEA Board Policy Manual - Redlined JEA Board Policy Manual – Summary of Staff and Committee Edits		
	1.	Go Final on Policy Category III Executive Mandates	Joseph DiSalvo, Committee Chair	Action
	2.	Go Final on Appendix 1 CEO Core Competencies and CEO Evaluation Criteria	Joseph DiSalvo, Committee Chair	Action
	3.	Review Initial Edits/Comments on Policy Category II Board-Management Delegation	Joseph DiSalvo, Committee Chair	Discussion
	B.	JEA By-Laws (Section 1.0 Board Policy Manual)	Joseph DiSalvo, Committee Chair	Discussion
	C.	Discuss JEA Board Evaluation Criteria – Review Sample Survey	Joseph DiSalvo, Committee Chair	Discussion
	D.	Proposed 2020-419 – Article 21 (JEA) Charter Omnibus Refinement Bill Strategy and Timeline for Rules, TEU Committee Discussions	Joseph DiSalvo, Committee Chair	Discussion

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



<b>IV.</b>	<b>CLOSING CONSIDERATIONS</b>	
	Item(s)	
	A.	Announcements – Next Board Meeting: September 22, 2020
	B.	Adjournment

<b>V.</b>	<b>UPCOMING COMMITTEE AGENDA ITEMS</b>	
	Item(s)	
	A.	Go Final on Edits/Comments on Policy Category II Board-Management Delegation
	B.	Go Final on JEA By-Laws
	C.	Review Initial Edits/Comments on Policy Category I Governance Process
	D.	Review Initial Edits/Comments on Policy Category IV Measures of Effectiveness
	E.	Review Initial Edits/Comments on JEA Board Evaluation Criteria

<b>Board Calendar</b>
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<p><b>Board Meetings:</b> 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)</p> <p><b>Committees:</b> Finance &amp; Audit Committee: December 11, 2020</p> <p style="padding-left: 40px;">Other Committee Meetings TBD</p>
---

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

JEA GOVERNANCE COMMITTEE MINUTES

August 19, 2020

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

**Agenda Item I – Welcome**

- A. Call to Order – Committee Chair Joseph DiSalvo called the meeting to order at 10:00 am. Committee member Dr. Leon Haley was in attendance. Committee members Dr. Zachary Faison, Marty Lanahan and Tom VanOsdol were not in attendance for the meeting; therefore, a quorum was not present.

Also in attendance were Board Chair John Baker and Board member Bobby Stein. Others in attendance were Paul McElroy, Jody Brooks and Steve Tuten.

- B. Adoption of Agenda – Due to the lack of quorum, the Agenda was deferred to the Board for approval at its August 25, 2020 meeting.
- C. Approval of Minutes – Due to the lack of quorum, the July 16, 2020 Minutes, with a noted revision to name Dr. Zachary Faison a member of the Committee, were deferred to the Board for approval at its August 25, 2020 meeting.

**Agenda Item II – Governance and Policy Foundational Documents**

- A. Ordinance 2020-0419 – Legislation for JEA Charter Changes – Jody Brooks, OGC, led a discussion of the City Council’s Article 21 Charter document. Ms. Brooks provided an update on the Ordinance process, an expected timeline for final action, and an update on the Referendum Bill. There were comments and questions which were asked and answered.
- B. JEA By-Laws – A copy of the JEA By-Laws document was provided to the Committee as part of its meeting package. There was no discussion at this time.
- C. Governance Committee Charter – A copy of the JEA Governance Committee Charter was provided to the Committee as part of its meeting package. There was no discussion at this time.
- D. Governing for Excellence: Raising the Bar on Public Power Governance – A reference to this American Public Power Association (APPA) publication was provided to the Committee as part of its meeting package. There was no discussion at this time.
- E. Board Policies and Ordinances – An updated draft table of information on each board approved policy and policy review date was distributed to the Committee as part of its meeting package. There was no discussion at this time.
- F. Board Governance Manual Assessment (March 2015) – A copy of the board policy manual compliance and update assessment, which was approved by the JEA Board on March 3, 2015, was distributed to the Committee as part of its meeting package. There was no discussion at this time.

- G. JEA Board Policy Manual – A copy of the board policy manual, which was last approved by the JEA Board on February 16, 2010, was provided to the Committee as part of its meeting package. A full discussion of the manual and edited comments was reserved for later in the meeting.

**Agenda Item III – For Committee Consideration**

- A. Review the Draft of Mission, Vision, Values and Goals (Action) – Chair DiSalvo, citing materials provided previously to Committee members, outlined the desired intent of the board’s Mission, Vision, Values, Goals and Objectives paper, and he highlighted the edits incorporated into the latest draft. Inquiries were addressed, and a general discussion ensued. Hearing no additional comments, Chair DiSalvo confirmed the edits discussed would be incorporated into an updated draft to be presented to the full Board for approval at its August 25, 2020 meeting.
- B. JEA Board Policy Manual
1. Review Staff Edits – Steve Tuten, Interim Chief Compliance Officer, citing materials provided in the Committee meeting package, highlighted a summary of edits incorporated into the latest draft of the board policy manual. His overview included the policy number, policy title, referenced page, contributing editor and a brief description of the policy change. There were comments and edits to which a fulsome discussion ensued. Lastly, Chair DiSalvo and Mr. Tuten confirmed the next draft board policy manual document to come before the Committee would consolidate all comments and edits provided by the Committee and staff members.

*Due to technical issues the meeting was paused for 4 minutes*

2. CEO Evaluation – Policy Category III Executive Limitations – Chair DiSalvo, highlighting materials provided to Committee members, reviewed his comments and edits to the board policy manual Policy Type Executive Limitations. Comments and questions were asked and answered and a brief discussion ensued.
3. CEO Evaluation – CEO Core Competencies Appendix A1 – Chair DiSalvo, in his review of materials provided to the Committee, highlighted his streamlined version of the Executive Core Competencies and the new CEO Evaluation Criteria sections, Appendix A1, of the board policy manual. Committee members had no additional comments.

**Agenda Item IV – Closing Considerations**

- A. Announcements – Next Board Meeting: August 25, 2020

Lastly, Chair DiSalvo outlined discussion items for the next Governance Committee meeting. He opened the meeting for general comments, during which Paul McElroy, Interim Managing Director/CEO, noted that a draft evaluation survey would shortly be made available to Board members for their review and comments. Hearing no additional comments, Chair DiSalvo thanked everyone for their continued support.

JEA Governance Committee

August 19, 2020

Page - 3

With no further business coming before the Committee, the Chair declared the meeting adjourned at 11:19 AM.

APPROVED BY:

\_\_\_\_\_  
Joseph DiSalvo, Committee Chair  
Date: \_\_\_\_\_

Submitted by:

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

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

1 Introduced by Council Member Boylan:  
2  
3

4 **ORDINANCE 2020-**

5 AN ORDINANCE RELATING TO JEA AND ARTICLE 21  
6 (JEA), CHARTER OF THE CITY OF JACKSONVILLE;  
7 REPEALING SECTIONS 21.03 (COMPOSITION;  
8 COMPENSATION; OFFICERS; MEETINGS), 21.08  
9 (EMPLOYEES), AND 21.09 (AWARDS OF CONTRACTS) OF  
10 ARTICLE 21 (JEA), CHARTER OF THE CITY OF  
11 JACKSONVILLE; AMENDING ARTICLE 21 (JEA), CHARTER  
12 OF THE CITY OF JACKSONVILLE; CREATING NEW  
13 SECTIONS 21.03 (COMPOSITION; COMPENSATION;  
14 OFFICERS; MEETINGS), 21.08 (EMPLOYEES; MANAGING  
15 DIRECTOR; MANAGING DIRECTOR EMPLOYMENT  
16 CONTRACT), 21.09 (PROCUREMENT; CONTRACTS  
17 GENERALLY), 21.11 (PRIVATIZATION,  
18 REORGANIZATION, SERVICE TERRITORY TRANSFERS  
19 PROHIBITED) AND 21.12 (PUBLIC ENGAGEMENT);  
20 RENUMBERING EXISTING SECTIONS 21.11  
21 (LEGISLATIVE AUTHORITY OF COUNCIL) AND 21.12  
22 (SEVERABILITY) TO 21.13 AND 21.14 RESPECTIVELY;  
23 PROVIDING FOR PROVISIO LANGUAGE REGARDING 2020-  
24 100-E; PROVIDING AN EFFECTIVE DATE.  
25

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

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

1 Article 21 (JEA), Charter of the City of Jacksonville, a copy of  
2 which is attached hereto as **Exhibit 1**, are hereby repealed in their  
3 entirety.

4 **Section 2. Amending Article 21 (JEA), Charter of the City**  
5 **of Jacksonville.** Article 21 (JEA), Charter of the City of  
6 Jacksonville is hereby amended to read as follows:

7 **CHARTER AND RELATED LAWS**

8 **PART A - CHARTER LAWS CHARTER OF THE CITY OF JACKSONVILLE, FLORIDA**

9 \* \* \*

10 **ARTICLE 21. JEA**

11 **Sec. 21.01. - JEA created and continued; audits.**

12 (a) Creation. There is hereby created and established a body politic  
13 and corporate to be known as JEA, which is authorized to own,  
14 manage and operate for the benefit of the City of Jacksonville  
15 a utilities system within and without the City of Jacksonville.  
16 JEA is created for the express purpose of acquiring,  
17 constructing, operating, financing and otherwise having plenary  
18 authority with respect to electric, water, sewer, natural gas  
19 and such other utility systems as may be under its control now  
20 or in the future. Such utilities may be owned, operated or  
21 managed by JEA for the benefit of the City of Jacksonville  
22 separately or in such combined or consolidated manner as JEA may  
23 determine and JEA may use such name or names in the conduct of  
24 its business in connection therewith as it may determine. It is  
25 the specific purpose of this ~~article~~ Article 21 to repose in JEA  
26 all powers with respect to electric, water, sewer, natural gas  
27 and such other utilities which are now, in the future could be,  
28 or could have been but for this article, exercised by the City  
29 of Jacksonville. JEA created and established by this article is  
30 the same Jacksonville Electric Authority previously created and  
31 established by chapter 67-1569, Laws of Florida, as amended,

1 (including as added to Chapter 67-1320, Laws of Florida by  
2 Chapter 78-538, Laws of Florida and, as amended and readopted  
3 by Chapters 80-515, and 92-341, Laws of Florida) and, except as  
4 otherwise provided or authorized by this article, JEA shall  
5 continue to function under this article the same as it previously  
6 functioned under chapter 67-1569, Laws of Florida, as amended  
7 (including as added to Chapter 67-1320, Laws of Florida by  
8 Chapter 78-538, Laws of Florida and, as amended and readopted  
9 by Chapters 80-515 and 92-341, Laws of Florida).

10 (b) Audits. JEA's records may be audited at any time by the council  
11 auditor pursuant to the council auditor's duties set forth in  
12 Article 5 of this Charter.

13 **Sec. 21.02. - Definitions.**

14 In the interpretation of this article, unless the context  
15 otherwise requires:

16 (a) The term "utilities systems" means the electric utility system  
17 and the water and sewer utility system now operated by JEA which  
18 shall include, except where inconsistent with Chapter 80-513,  
19 Laws of Florida, as amended, or where the context otherwise  
20 requires, any "system" or "project" authorized pursuant to the  
21 provisions of Chapter 80-513, Laws of Florida, as amended and  
22 any natural gas utility system to be operated in the future by  
23 JEA together with any other additional utility systems as may  
24 be hereafter designated as a part of the utilities systems  
25 operated by JEA as provided in section 21.04(v) herein.

26 (b) The term "member" means a member of the governing body of JEA.

27 (c) The term "managing director" means the ~~managing director~~ chief  
28 executive officer of JEA.

29 (d) The term "utility system" shall mean any of the separate utility  
30 systems operated by JEA such as its electric utility system, its  
31 water utility system, its wastewater utility system, or ~~or~~ its

1        natural gas utility system or any other additional utility  
2        systems as may be hereafter designated as a part of the utilities  
3        systems operated by JEA.

4        (e) The terms "sewer utility system" and "wastewater utility system"  
5        shall each have the same meaning as the other and these terms  
6        shall be interpreted as meaning the same.

7        (f) The terms "governing body of JEA" shall mean the appointed and  
8        council confirmed members of JEA.

9        **Sec. 21.03. - Composition; compensation; officers; meetings.**

10        (a) Composition; qualifications; removal. The governing body of JEA  
11        shall consist of seven members, each of whom shall serve for a  
12        term of four years or until such member's successor has been  
13        appointed and has qualified. Four members shall be nominated by  
14        the council president and confirmed by the council and three  
15        members shall be appointed by the mayor, and shall be confirmed  
16        by the council. With regard to one member appointed by council  
17        through open application, the council president shall nominate  
18        an applicant who has one of the following qualifications: was a  
19        former JEA employee, or person recommended by an employee, union  
20        or group of current or former JEA employees. To the extent  
21        feasible and regarding JEA member appointments generally,  
22        individuals who have demonstrated corporate, executive or  
23        administrative experience working in public or private  
24        organizations, including non-profit and government  
25        organizations, are preferred, but not required. Each member of  
26        JEA shall have been a resident and elector of the city for at  
27        least six consecutive months prior to such member's appointment.  
28        No member of JEA shall hold any other public office or position.  
29        If at any time during a member's tenure on JEA, such member  
30        shall cease to possess the qualifications required for  
31        membership on JEA, such member shall cease to be a member and a



1 vacancy shall exist on JEA. Any vacancy on JEA, however created,  
 2 shall be filled for the unexpired term in the same manner as the  
 3 position was originally filled, and the person filling the  
 4 vacancy shall have and retain all the qualifications prescribed  
 5 for membership on JEA. Any member appointed to JEA for two  
 6 consecutive full terms shall not be eligible for the succeeding  
 7 term. The members appointed by the mayor may be removed by the  
 8 mayor at any time with or without cause, but a removal must be  
 9 approved by a two-thirds vote of the council. The members  
 10 appointed by the council may be removed by the council at any  
 11 time with or without cause, but a removal must be approved by a  
 12 two-thirds vote of the council.

13 (b) Compensation; applicable laws. JEA members shall not be entitled  
 14 to pension or other retirement benefits on account of service  
 15 on JEA, but members shall be entitled to payment or reimbursement  
 16 for reasonable expenses incurred as provided by the council.  
 17 JEA members shall be subject to the provisions of Section  
 18 286.012, Florida Statutes, relating to voting at meetings of  
 19 JEA, and the provisions of Sections 112.311 through 112.3175,  
 20 Florida Statutes, relating to financial disclosure and conflicts  
 21 of interest. Additionally, JEA members shall be subject to all  
 22 other relevant and applicable laws and ordinances, including but  
 23 not limited to, Chapter 286 (Public Business: Miscellaneous  
 24 Provisions), Chapter 112, Part III (Code of Ethics for Public  
 25 Officers and Employees), Chapter 119 (Public Records), Florida  
 26 Statutes, as amended, and Chapter 602 (Jacksonville Code of  
 27 Ethics), Ordinance Code of the City of Jacksonville, as amended.

28 (c) Officers; meetings; quorum; governing documents. JEA shall  
 29 elect a chairperson, vice-chairperson and secretary and may  
 30 elect one or more assistant secretaries, each of whom shall  
 31 serve for one year or until such officer's successor is chosen.

1 JEA may meet at such times and places designated by it and  
 2 shall hold regular meetings as necessary. Generally, JEA shall  
 3 meet once a month, but in no event less than eight (8) times  
 4 a year. Special meetings may be held upon the call of the  
 5 chairperson or any three (3) members of JEA. JEA meetings  
 6 shall be subject to Section 286.011 (Florida Open Meetings  
 7 Laws), Florida Statutes, as amended. A majority of the  
 8 membership shall constitute a quorum for the purpose of  
 9 meeting and transacting business. Each member of JEA shall  
 10 have one vote. JEA shall adopt governing documents, including,  
 11 but not limited to, bylaws, a board policy manual, and such  
 12 other rules and regulations not inconsistent with this article  
 13 or general law. Unless otherwise provided herein, JEA shall  
 14 annually review and update its governing documents. JEA's  
 15 bylaws, board policy manual, and other governing documents,  
 16 including any amendments thereto, shall be posted on JEA's  
 17 website in a conspicuous manner for the public to view.

18 (d) Office-holding; oath. JEA membership shall be considered an  
 19 office and limited by the office holding provisions as provided  
 20 for under the Florida Constitution. No JEA member shall be  
 21 eligible to serve as a member of JEA while holding another office  
 22 or being an employee of JEA. All JEA members shall be required  
 23 by council to take an oath of office consistent with the oath  
 24 of office taken by other public officials serving on City boards  
 25 and commissions.

26 (e) Transparency in meetings. JEA should hold its meetings in the  
 27 most open and transparent manner practicable for the benefit of  
 28 the general public and citizens of the City of Jacksonville. JEA  
 29 shall adopt procedural rules regarding the publication of  
 30 meeting agendas, meeting materials, meeting minutes, and public  
 31 participation during all meetings, including board meetings and

1 committee meetings, where board or committee action is  
 2 contemplated. To the greatest extent feasible, JEA is  
 3 encouraged to adhere to best practices and recommendations  
 4 regarding openness and transparency contained in latest  
 5 published edition of Florida's Government-In-the Sunshine Law  
 6 Manual and Public Records Law Manual prepared by the Office of  
 7 the Attorney General. At a minimum, such procedural rules should  
 8 require JEA to (i) publish an agenda and any meeting materials  
 9 for its board and committee meetings in a conspicuous place on  
 10 JEA's official website; (ii) promptly post meeting minutes  
 11 (generally within 72 hours) after each meeting; and (iii)  
 12 provide the timeframe for when an agenda and any meeting  
 13 materials must be made available to the public in advance of  
 14 such meetings. Such rules should also require JEA to deliver  
 15 copies of its board and committee meeting agendas and any meeting  
 16 materials thereto to the council auditor in substantially the  
 17 same timeframe and content as provided to JEA members. Nothing  
 18 in this subsection shall prohibit JEA from amending previously  
 19 published meeting agendas and meeting materials in accordance  
 20 with its bylaws, board policy manual, or other governing  
 21 documents as applicable.

22 **Sec. 21.04. - Powers.**

23 JEA shall have the following powers, in addition to powers  
 24 otherwise conferred:

- 25 (a) To construct, own, acquire, establish, improve, extend, enlarge,  
 26 reconstruct, reequip, maintain, repair, finance, manage, operate  
 27 and promote the utilities system.
- 28 (b) To acquire for the use of the utilities system by grant,  
 29 purchase, gift, devise, condemnation by eminent domain  
 30 proceedings, exchange, lease or in any other manner, all  
 31 property, real or personal, or any estate or interest therein,

1 including without limitation, property used:

2 (1) In connection with the generation, transmission and  
3 distribution of electric power and energy~~;~~;

4 (2) In connection with the collection, storage, treatment,  
5 processing, disposal, transmission and distribution of water  
6 and wastewater including, but not limited to, raw water,  
7 potable water, non-potable water, chilled water and reused  
8 water; however, JEA shall have no power or authority for the  
9 function of stormwater runoff and drainage management~~;~~;

10 (3) In connection with the production, procurement, extraction,  
11 manufacture, transmission, transportation, distribution,  
12 and storage of natural gas~~;~~; and

13 (4) In connection with the production of steam, the mining,  
14 extraction, development, production, manufacture,  
15 procurement, transportation, handling, storage, processing  
16 or reprocessing of fuel of any kind, to likewise acquire any  
17 facility or rights with respect to the supply of water, any  
18 rights with respect to minerals, including but not limited  
19 to coal, petroleum coke, natural gas and oil and bio-mass  
20 facilities for the processing of by-products derived from  
21 the operation of the utilities system, solid waste disposal  
22 and environmental protection facilities, communication and  
23 computer facilities, and any other property, equipment,  
24 facilities or property rights whatsoever determined by JEA  
25 to be necessary or convenient in connection with the  
26 operation, promotion, financing, construction, management,  
27 improvement, extension, enlargement, reconstruction, re-  
28 equipment, maintenance, repair, decommissioning or disposal  
29 of the utilities system or any part thereof, and to sell,  
30 lease or otherwise transfer, with or without consideration,  
31 any such property when in JEA's discretion it is no longer

1           needed or useful, or such sale, lease or transfer otherwise  
2           is in the best interest of JEA, all upon such terms and  
3           conditions as JEA shall by resolution fix and determine.

4           The right of eminent domain conferred herein shall be exercised  
5           by JEA in the manner provided by law. If JEA leases any real  
6           property to another agency, firm, corporation, entity, or  
7           individual, it shall cause a memorandum of said lease ~~or leases~~  
8           to be recorded in the official records with the clerk of the  
9           circuit court ~~as a matter of public record.~~ where the property  
10          is located. For any real property that exceeds an assessed value  
11          of \$50,000 as determined by property appraiser, JEA shall not  
12          sell such real property for less than the appraised value as  
13          ~~recorded by the property appraiser for Duval County~~ certified  
14          by an MAI certified appraiser, unless approved by the council.  
15          ~~If there is no recorded appraised value, then JEA shall request~~  
16          ~~the property appraiser for Duval County to provide an appraisal~~  
17          ~~prior to the sale of the real property.~~

18          Regarding any real property interests acquired or disposed of  
19          by JEA pursuant to this subsection, the governing body of JEA  
20          shall approve real estate rules and procedures and any  
21          amendments thereto governing the reporting, acquisition, sale,  
22          purchase, lease, license, transfer, and disposition of real  
23          property. Such real estate rules and procedures shall not be  
24          inconsistent with this article, including, but not limited to,  
25          the express prohibitions set forth in Section 21.11 herein. The  
26          governing body of JEA shall review its real estate rules and  
27          procedures no less than biennially. The governing body of JEA  
28          shall not delegate its approval authority of such real estate  
29          rules and procedures, including any amendments thereto, to the  
30          managing director or an officer, employee or agent of JEA.

1 (c) To furnish electricity, water, sanitary sewer service, natural  
2 gas and other utility services as authorized herein to any person  
3 or entity, public or private, within or without the city and for  
4 said purposes shall have the right to construct and maintain  
5 electric lines, pipelines, water and sewer mains, natural gas  
6 lines and related facilities in and along all public highways  
7 and streets within or without the city.

8 (d) To sell power and energy, water, sanitary sewer service, natural  
9 gas and other utility services as authorized herein at wholesale  
10 and retail and/or to provide transmission or other services of  
11 any kind to any person or entity, public or private, within or  
12 without the State of Florida, directly by JEA, indirectly  
13 through other entities and jointly through associations with  
14 other utilities or entities engaged in these activities.

15 (e) To enter into contracts with any person or entity, public or  
16 private, deemed necessary or desirable by JEA in connection with  
17 carrying out its powers and duties, except as otherwise  
18 prohibited in this article.

19 \* \* \*

20 (g) To sue and be sued, implead and be impleaded, complain and  
21 defend in all courts, to adopt and use a corporate seal, to  
22 apply for, hold and own patents and copyrights, to sell or  
23 license patents, copyrights, patented or copyrighted materials  
24 to other public or private entities. Prices or fees for such  
25 sales or licensing may be based upon market considerations. JEA  
26 may designate how proceeds from such sales or licensing shall  
27 be used. Prices or fees for the sale of copyrighted data  
28 processing software, as defined in section ~~119.083~~ 119.011,  
29 Florida Statutes, shall be established pursuant to section  
30 ~~119.083~~ 119.07, Florida Statutes.

31 \* \* \*

1 (n) To enter into joint project agreements as provided by part II  
 2 of chapter 361, Florida Statutes, for the purpose of  
 3 implementing a project, as such term is defined in Part II of  
 4 Chapter 361, Florida Statutes. A copy of all such joint project  
 5 agreements shall be filed with the council, the council auditor,  
 6 and the mayor at least thirty days prior to the effective date  
 7 of the agreement. Anything in this provision to the contrary  
 8 notwithstanding, (i) any joint project agreement that involves  
 9 a transfer of any system, function or operation that ~~comprises~~  
 10 ~~more than ten percent of the total of the utilities system by~~  
 11 ~~sale, lease or otherwise to any other utility, public or~~  
 12 ~~private,~~ shall be subject to the requirements and limitations  
 13 of Section 21.11 or (ii) any joint project agreement that  
 14 involves the issuance of debt not previously authorized by ~~s.~~  
 15 Section 21.04(i)(2), shall require prior approval of the  
 16 council.

17 (o) To enter into agreements with one or more other electric  
 18 utilities, public or private, and related contracts with respect  
 19 to joint electric power projects as provided in section 2 of  
 20 chapter 80-513, Laws of Florida, as amended. The provisions of  
 21 said chapter 80-513, Laws of Florida, as amended, shall govern  
 22 and control JEA in all respects in the carrying out of a joint  
 23 electric power project authorized thereunder notwithstanding  
 24 any provision of the charter or of the Ordinance Code of the  
 25 City of Jacksonville which may be in conflict therewith.

26 (p) ~~To transfer, sell, finance, lease or otherwise provide services~~  
 27 ~~or products, or by products, developed or used by JEA incident~~  
 28 ~~to the exercise of the powers conferred by this article,~~  
 29 ~~including but not limited to, energy performance contracting,~~  
 30 ~~water, sewer and natural gas (and any other utility service~~  
 31 ~~hereafter provided by JEA) contracting, power marketing~~

1 ~~services, the testing and maintenance of customer owned~~  
 2 ~~facilities such as transformers, capacitors, lighting, HVAC~~  
 3 ~~systems, water cooling and heating systems, energy management~~  
 4 ~~systems, etc.; the temporary leasing of JEA facilities such as~~  
 5 ~~oil storage tanks; the supply of steam or other thermal energy;~~  
 6 ~~the provision of specially conditioned power on the premises of~~  
 7 ~~customers and the provision of services or products to build,~~  
 8 ~~transfer, lease, finance, operate or sell cogeneration~~  
 9 ~~facilities, small power production facilities, specially~~  
 10 ~~conditioned power, energy conservation, energy efficiency and~~  
 11 ~~dispersed generation to other electric utilities both within~~  
 12 ~~and without the state or to any wholesale or retail customers~~  
 13 ~~of JEA, upon such terms and conditions as JEA shall by resolution~~  
 14 ~~fix and determine; and to transfer, sell, finance, lease or~~  
 15 ~~otherwise provide services, products or by-products developed~~  
 16 ~~or used by JEA incident to the exercise of the powers conferred~~  
 17 ~~by this article, in the delivery of water, wastewater and~~  
 18 ~~natural gas services, including but not limited to the~~  
 19 ~~financing, testing, maintenance and operation of customer owned~~  
 20 ~~facilities used in water, wastewater and natural gas functions;~~  
 21 ~~provided, however, that JEA will not enter into any activity~~  
 22 ~~pursuant to this section in addition to those activities listed~~  
 23 ~~herein without first providing written notice of such activities~~  
 24 ~~to the council auditor no less than 30 days before the~~  
 25 ~~commencement of such activity. Nothing in this article shall~~  
 26 ~~authorize or be construed to authorize JEA to transfer any~~  
 27 ~~function or operation which comprises more than ten percent of~~  
 28 ~~the total of the utilities system by sale, lease or otherwise~~  
 29 ~~to any other utility, public or private without approval of the~~  
 30 ~~council; provided, however, that no approval by the council~~  
 31 ~~shall become effective without subsequent referendum approval~~



1 ~~of the terms and conditions of the sale. So long as there are~~  
2 ~~outstanding any of the city's "Capital Project Revenue Bonds"~~  
3 ~~as originally authorized pursuant to Ordinance 97-1054-E, the~~  
4 ~~council may approve only such transfer which does not materially~~  
5 ~~adversely affect future receipts of JEA contributions as defined~~  
6 ~~therein.~~

7 To provide, supply, transfer, sell, finance, or lease services,  
8 products, by-products, or activities developed or used by JEA  
9 incident to the exercise of the powers conferred by this article  
10 in the delivery of the utilities systems in the following  
11 manner:

12 (1) JEA governing body approval. The governing body of JEA  
13 shall approve in advance all services, products, by-products  
14 or activities developed or used by JEA in accordance with  
15 this subsection (p) at a duly noticed meeting. The governing  
16 body of JEA shall not delegate its approval authority under  
17 this subsection to the managing director or an officer,  
18 employee or agent of JEA.

19 (2) Permitted services, products, by-products and activities.  
20 The services, products, by-products and activities expressly  
21 permitted to be developed or used by JEA pursuant to this  
22 subsection (p) shall include, but not be limited to,  
23 providing, supplying, transferring, selling, financing or  
24 leasing the following: (i) energy performance contracting;  
25 (ii) water, sewer and natural gas (and any other utility  
26 service hereafter provided by JEA) contracting; (iii) power  
27 marketing services; (iv) testing and maintenance of  
28 customer-owned facilities such as transformers, capacitors,  
29 lighting, HVAC systems, water cooling and heating systems,  
30 energy management systems, etc.; (v) temporary leasing of  
31 JEA facilities such as oil storage tanks; (vi) steam or

1 other thermal energy services and contracting; (vii)  
 2 services regarding specially conditioned power on the  
 3 premises of customers; (viii) services or products to build,  
 4 transfer, lease, finance, operate or sell cogeneration  
 5 facilities, small power production facilities, specially  
 6 conditioned power, energy conservation, energy efficiency  
 7 and dispersed generation to other electric utilities both  
 8 within and without the state or to any wholesale or retail  
 9 customers of JEA, upon such terms and conditions as JEA  
 10 shall by resolution fix and determine; and (ix) financing,  
 11 testing, maintenance and operation of customer owned  
 12 facilities used in water, wastewater and natural gas  
 13 functions.

14 (3) Required notice of additional services or products not  
 15 expressly listed in subsection (p) (2) above. JEA shall not  
 16 provide, supply, transfer, sell, finance or lease any  
 17 additional service, product, by-product or activity not  
 18 expressly listed in subsection (p) (2) (i)-(ix) above  
 19 ("additional service or product") to any person or entity  
 20 under this subsection without first providing written notice  
 21 as provided herein of such additional service or product to  
 22 the council auditor no less than 60 days prior to such date  
 23 that the governing body of JEA is scheduled to approve such  
 24 additional service or product in accordance subsection  
 25 (p) (1). JEA's required written notice to the council auditor  
 26 shall include the following information regarding such  
 27 additional service or product: (i) an express reference in  
 28 the notice that the notice is being provided pursuant to  
 29 this subsection (p); (ii) a detailed description of the  
 30 additional service or product; (ii) a copy of any applicable  
 31 business plans; (iii) a copy of any proposed contracts;

1           (iv) a financial analysis, including projected revenues and  
2           expenses; and (v) any other information developed by JEA or  
3           third parties regarding the additional service or product.  
4           Any action by JEA to provide, supply, transfer, sell,  
5           finance or lease an additional service or product pursuant  
6           to this subsection shall be void without the required prior  
7           approval of the governing body of JEA and prior notice to  
8           the council auditor as provided herein. JEA shall provide  
9           the mayor and council with a general notice regarding such  
10           additional service or product concurrent with the required  
11           council auditor notice provided herein.

12           (4) Annual report. JEA shall provide a comprehensive annual  
13           written progress report to the mayor, council, and council  
14           auditor regarding all services, products, or by-products  
15           developed or used by JEA pursuant to this subsection (p).

16           (5) Prohibition. JEA shall not exercise any powers pursuant to  
17           this subsection (p) that are expressly prohibited in this  
18           article, including, but not limited to, the express  
19           prohibitions set forth in Section 21.11 herein.

20           (q) (1) To collect from customers and ratepayers monthly or one-  
21           time voluntary contributions to be deposited into an elderly  
22           and/or handicapped or low income customer emergency trust  
23           fund administered by JEA. The proceeds of such trust fund  
24           may be expended periodically by JEA for the purpose of  
25           providing financial assistance to elderly and/or  
26           handicapped or otherwise needy low income residents living  
27           within the service area of JEA for the payment of their  
28           utilities needs. The method of administration of such trust  
29           fund, including the collection and distribution thereof,  
30           shall be as provided by ordinance of the council. The results  
31           of such giving program shall be reported annually each July

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1st to the council.

(2) Upon the unanimous approval of the ~~Board~~ governing body of JEA, and a two-thirds vote of the ~~City Council~~ council, to collect monthly or one-time voluntary contributions from customers and ratepayers, for a charitable, scholastic, or public service community giving program. Contributions from any such program shall be passed through to an appropriate non-profit entity for administration and distribution and shall not be administered by JEA. The results of such giving program shall be reported annually each July 1st to the ~~Council~~ council.

(3) Upon approval of the ~~Board~~ governing body of JEA, to collect monthly or one-time voluntary contributions from customers, ratepayers or other contributors for other customer assistance programs directly related to services or utilities provided by JEA. ~~The results of such giving program(s) shall be reported annually each July 1st to the Council.~~ Contributions from any such program shall be passed through to an appropriate non-profit entity for administration and distribution and shall not be administered by JEA. The results of such giving program(s) shall be reported annually each July 1st to the council.

\* \* \*

(s) Except as otherwise prohibited herein, to ~~To~~ delegate any act authorized pursuant to this article to any officer, employee or agent of JEA as it may deem necessary or desirable for the prudent management of JEA.

\* \* \*

(x) To coordinate carefully with the Department of Public Works of the City of Jacksonville, and the Jacksonville Transportation Authority, and other independent agencies of the City of

1 Jacksonville, the planning and execution of engineering and  
 2 construction projects involving underground work and streets and  
 3 highways to seek to minimize the total cost of such projects and  
 4 to reduce disruption to the citizens of the city to the maximum  
 5 extent possible.

6 (y) To expend JEA funds up to ~~one and one-half (1.5)~~ one (1%) percent  
 7 of the prior year's gross revenues to promote the efficient use  
 8 of JEA's services through public education including exhibits,  
 9 conferences, displays, tours and other events customary to the  
 10 utilities industry and also to publicize, advertise and promote  
 11 the ~~objects~~ objectives of this article and to promote the  
 12 objectives of JEA all in the manner set forth by resolution of  
 13 JEA. Accordingly, JEA may expend its funds to make known to the  
 14 users, potential users and public in general the advantages,  
 15 facilities, resources, products, attractions and attributes of  
 16 the services provided by JEA and to further create a favorable  
 17 climate of opinion concerning the activities and projects  
 18 authorized and indicated by this article. JEA may also, to the  
 19 extent permitted by the laws of the State of Florida, expend  
 20 funds in cooperative efforts to and with other agencies, both  
 21 public and private, in accomplishing the purposes enumerated  
 22 and indicated by this article; and in furtherance thereof. JEA  
 23 may also authorize reasonable expenditures for ~~any and all of~~  
 24 ~~the purposes herein enumerated, including but not limited to,~~  
 25 ~~meals, hospitality and entertainment of persons~~ snacks or meals  
 26 made generally available to the public in the interest of  
 27 promoting and engendering good will toward the activities and  
 28 projects herein authorized. Whenever an expenditure of funds  
 29 for any of the foregoing purposes is made by a member or employee  
 30 of JEA, JEA may reimburse such member or employee therefor, but  
 31 only after such expenditures have been duly authorized by JEA

1 or its managing director if so delegated to do so. JEA will  
2 provide a list of proposed promotional expenditures each year  
3 to the council auditors. The spending limitation on promotional  
4 expenditures set forth in this subsection (y) shall not apply  
5 to newly approved utility systems under subsection (v) and  
6 "additional services or products" under subsection (p). For  
7 purposes of this subsection "newly approved" shall mean within  
8 seven years of the approval date for such utility system or  
9 additional service or product. All funds expended by JEA as  
10 reimbursement for travel expenses shall be subject to Chapter  
11 106, Part 7, of the City of Jacksonville Ordinance Code. JEA  
12 shall not exercise any powers pursuant to this subsection (y)  
13 to promote the privatization, transfer or reorganization of JEA  
14 as expressly prohibited in Section 21.11 herein or otherwise in  
15 this article.

16 \* \* \*

17 (dd) To the extent permitted by the laws of the State of Florida,  
18 to have ownership and membership in separate organization  
19 entities, including but not limited to corporations, to conduct  
20 utility related activities and functions. A copy of all such  
21 ownership agreements, and any amendments thereto, shall be  
22 filed with the council and the mayor at least thirty (30) days  
23 prior to the effective date of the agreement.

24 \* \* \*

25 (ff) Subject to the prior approval of the governing body of JEA,

26 to:

27 (1) Explore, investigate or consummate a privatization or  
28 transfer to an entity by sale, lease, assignment or other  
29 disposition of up to, but not more than, ten percent (10%)  
30 of the net capital assets (as defined in Section 21.11)  
31 of an included system, or the management, function, or

1 operation of any portion of an included system which  
2 comprises not more than ten percent (10%) of the net  
3 capital assets of such included system without council  
4 approval;

5 (2) Explore, investigate or consummate a reorganization of  
6 JEA, or JEA's governance structure in a manner that would  
7 affect JEA's ownership or management control of up to,  
8 but not more than, ten percent (10%) of the net capital  
9 assets of an included system without council approval;

10 (3) Sale, lease, assign or otherwise transfer up to, but not  
11 more than, one percent (1%) of the service territory of  
12 a JEA included system to any entity without council  
13 approval; and

14 (4) Sale, lease, assign or otherwise transfer up to, but not  
15 more than, one percent (1%) of JEA's electric, water, or  
16 wastewater, customer accounts based on the latest  
17 available JEA monthly financial statements without  
18 council approval.

19 For purposes of this subsection (ff) and as applicable, terms and  
20 phrases used in this subsection shall have the meaning ascribed  
21 to them in Section 21.11 herein. [Reporting placeholder]

22 **Sec. 21.05. - Construction.**

23 ~~The powers of JEA shall be construed liberally in favor of JEA.~~  
24 ~~No listing of powers included in this article is intended to be~~  
25 ~~exclusive or restrictive and the specific mention of, or failure to~~  
26 ~~mention, particular powers in this article shall not be construed as~~  
27 ~~limiting in any way the general powers of JEA as stated in Section~~  
28 ~~21.04. It is the intent of this article to grant to JEA full power~~  
29 ~~and right to exercise all authority necessary for the effective~~  
30 ~~operation and conduct of JEA. It is further intended that JEA should~~  
31 The express powers granted to JEA in this article shall be strictly

1 construed for purposes of determining JEA's authority and powers  
2 pursuant to this article. In addition to the express powers granted  
3 herein, JEA shall have all implied powers necessary or incidental to  
4 carrying out the expressed powers and the expressed purposes for  
5 which JEA is created. However, any such implied power of JEA shall  
6 be strictly construed in relation to the relevant and applicable  
7 express power or express purpose granted to JEA in this article. The  
8 fact that this article specifically states that JEA possesses a  
9 certain power does not mean that JEA must exercise such power unless  
10 this article specifically so requires. JEA's power to levy special  
11 assessments shall not be deemed to be the power to levy taxes.

12 \* \* \*

13 **Sec. 21.07. - Fiscal and budgetary functions.**

14 JEA shall have fiscal and budgetary functions, subject to the  
15 limitations herein expressed:

16 \*\*\*

17 ~~(j) JEA shall employ and fix the compensation of the managing~~  
18 ~~director, who shall manage the affairs of the utilities system~~  
19 ~~under the supervision of JEA. The entire working time of such~~  
20 ~~managing director shall be devoted to the performance of the~~  
21 ~~duties of such office and the managing director shall have no~~  
22 ~~outside employment or business. The managing director shall be~~  
23 ~~a graduate of an accredited college or university, or have at~~  
24 ~~least ten years' managerial experience in a consumer oriented~~  
25 ~~industry or comparable enterprise. JEA may appoint and fix the~~  
26 ~~compensation of 48 staff assistants to the managing director,~~  
27 ~~to serve at the pleasure of JEA. JEA shall employ and fix the~~  
28 ~~compensation of the department heads, deputy directors of~~  
29 ~~departments, division chiefs and assistant division chiefs of~~  
30 ~~the utilities system. JEA may adopt position titles different~~  
31 ~~from those recited herein, consistent with utility industry~~



1 ~~practice. The managing director, department heads, deputy~~  
 2 ~~directors of departments, staff assistants, division chiefs and~~  
 3 ~~assistant division chiefs shall not be included within the civil~~  
 4 ~~service system of the city. JEA may employ such certified public~~  
 5 ~~accountants, consultants and other employees for special~~  
 6 ~~purposes, not within the civil service system, as it may~~  
 7 ~~require, and fix and pay their compensation. Whenever used in~~  
 8 ~~this s. 21.07(i), "compensation" shall mean both salary and~~  
 9 ~~benefits, exclusive of city pension benefits. All personnel~~  
 10 ~~appointed by JEA pursuant to this s. 21.07(i) shall participate~~  
 11 ~~in the City of Jacksonville pension plan in the same manner as~~  
 12 ~~other employees of JEA who participate in such plan. However~~  
 13 ~~JEA shall have the option to establish an employee deferred~~  
 14 ~~compensation program separate from the city's employee deferred~~  
 15 ~~compensation program Reserved.~~

16 \*\*\*

17 (m) When JEA is in receipt of a request for information from the  
 18 council auditor pursuant to the authority of the council auditor  
 19 under Section 5.10 of the charter, it shall, within two business  
 20 days of receipt of the request, 1) acknowledge receipt of the  
 21 request by electronic mail to the council auditor, and 2) submit  
 22 to the council auditor an estimated timeframe for which the  
 23 information requested will be available to the council auditor  
 24 for review. If the information requested by the council auditor  
 25 is not within the purview of JEA or JEA is unsure of the request  
 26 or unfamiliar with the information that is requested, it should  
 27 provide such explanation in its response to the council auditor.

28 **Sec. 21.08. - Employees; managing director; managing director**  
 29 **employment contract.**

30 (a) Generally. All employees of the utilities system shall be  
 31 employees of JEA and shall be subject to Articles 16 and 17

1 unless otherwise provided by the council, which shall be and  
 2 continue to be the legislative body as provided in Section  
 3 447.203(10), Florida Statutes. JEA shall be fully responsible  
 4 for the administration and operation of all utility services as  
 5 set out in this article and in order to meet its administrative  
 6 and operational responsibilities, JEA shall have full and  
 7 independent authority to hire, transfer, promote, discipline,  
 8 terminate and evaluate employees engaged to provide any and all  
 9 of the utilities services for which it is responsible and  
 10 accordingly, consistent with the provisions of Article 17, JEA  
 11 may establish employment policies relating to hiring, promotion,  
 12 discipline and termination, and other terms and conditions of  
 13 employment, and enter into negotiations with employee  
 14 organizations with respect to wages, hours and terms and  
 15 conditions of employment and take such other employment related  
 16 action as needed to assure effective and efficient  
 17 administration and operation of the utilities system. In order  
 18 to effectively implement the foregoing, JEA shall perform all  
 19 functions with regard to its own employees that are performed  
 20 by the City department or division which oversees city employees  
 21 in regard to personnel matters. JEA, at its expense, shall  
 22 provide accidental death benefits for all employees engaged in  
 23 hazardous duty as determined by JEA, in the amount of \$50,000  
 24 payable to the beneficiary named by the employee, or as  
 25 otherwise provided, in the event said employee dies as a result  
 26 of an accident occurring to any employee in the course of his/her  
 27 employment. Nothing contained in this Section 21.08 shall be  
 28 construed to supersede or repeal any provision of Section 12 of  
 29 Chapter 80-513, Laws of Florida, as amended.

30 (b) *Managing Director.* The governing body of JEA shall employ and  
 31 fix the compensation of the managing director, who shall serve

1 at the pleasure of the governing body of JEA. The managing  
 2 director shall manage the affairs of the utilities system under  
 3 the supervision of JEA. The entire working time of such managing  
 4 director shall be devoted to the performance of the duties of  
 5 such office and the managing director shall have no outside  
 6 employment or business. The managing director shall be a  
 7 graduate of an accredited college or university, and have at  
 8 least five years executive experience within the utilities  
 9 industry. The managing director shall have a fiduciary duty of  
 10 loyalty, fidelity, and allegiance to act at all times in the  
 11 best interests of JEA and will act in a manner consistent with  
 12 the responsibilities of this Article 21 and other policies,  
 13 rules and regulations established by JEA's governing body  
 14 regarding the conduct of JEA employees. The managing director's  
 15 employment agreement, if any, shall be subject to the provisions  
 16 of subsection (d) below.

17 (c) *Other Employees.* The governing body of JEA may appoint and fix  
 18 the compensation of 48 staff assistants to the managing  
 19 director, to serve at the pleasure of JEA. JEA shall employ and  
 20 fix the compensation of the department heads, deputy directors  
 21 of departments, division chiefs and assistant division chiefs  
 22 of 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 and  
 26 assistant division chiefs shall not be included within the civil  
 27 service system of the city. The managing director may employ  
 28 such certified public accountants, consultants and other  
 29 employees for special purposes, not within the civil service  
 30 system, as it may require, and fix and pay their compensation.  
 31 Whenever used in this s. 21.08, "compensation" shall mean both

1 salary and benefits, exclusive of city pension benefits.

2 (d) Limitation on employment contracts. JEA may have an employment  
3 contract with the managing director only. The managing  
4 director's employment contract shall be approved by the  
5 governing body of JEA. At a minimum, the managing director's  
6 employment contract shall satisfy the following requirements:

7 (1) The contract term, including any renewal term, shall not  
8 exceed five (5) years;

9 (2) The amount of severance pay, if any, shall not exceed the  
10 amounts allowed under Florida law and shall not be  
11 permitted if the managing director is terminated for cause;

12 (3) The contract shall not contain a mandatory consulting,  
13 separation and transition, or similar agreement that is  
14 triggered due to the managing director's termination under  
15 the contract;

16 (4) JEA shall not be required to release, indemnify or hold  
17 harmless the managing director against any claims except  
18 as otherwise permitted by law;

19 (5) JEA shall not be required to pay for or provide legal  
20 counsel to the managing director beyond the legal counsel  
21 required of the Office of General Counsel pursuant to this  
22 charter or Florida law;

23 (6) The contract shall contain a provision that the managing  
24 director serves at the pleasure of the JEA members and may  
25 be terminated with or without cause;

26 (7) If the contract includes a termination for cause provision,  
27 such provision must provide a reasonable and customary  
28 definition of cause consistent with Florida case law; and

29 (8) All compensation terms shall be reasonable and customary  
30 and similar to other public utilities comparable to JEA  
31 when taking into account the size of JEA's territory area,

1           employee workforce, and utility systems.

2           Any managing director employment contract entered into by JEA  
3           that does not satisfy the minimum requirements above shall be  
4           null and void.

5           (e) Pension and Deferred Compensation Plan. All personnel appointed  
6           by JEA pursuant to this Section 21.08 shall participate in the  
7           City of Jacksonville pension plan in the same manner as other  
8           employees of JEA who participate in such plan. JEA is authorized  
9           to establish a single deferred compensation program for its  
10           employees separate from the city's employee deferred  
11           compensation program. Such program shall be approved by the  
12           governing body of JEA and shall be subject to and comply with  
13           all federal and state laws applicable to deferred compensation  
14           programs for public or government employees, including, but not  
15           limited to, the Internal Revenue Code, as amended, and Section  
16           112.215, Florida Statutes, as amended. JEA shall provide the  
17           council auditor with an end of fiscal year annual report  
18           regarding the 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. The  
23           governing body of JEA shall approve such bonus program annually,  
24           and if such bonus program is not approved by the governing body  
25           of JEA, the program shall be void. The governing body of JEA  
26           shall not delegate its approval authority under this subsection  
27           to the managing director or an officer, employee or agent of  
28           JEA. Such bonus program must comply with Section 215.425(3),  
29           Florida Statutes, as amended, this charter, and other applicable  
30           laws. The governing body of the JEA shall establish rules,

1 procedures, and standards regarding such bonus program.  
2 Additionally, JEA shall include a budget line item and specific  
3 detailed plan regarding such bonus program in its annual budget  
4 submission to council. JEA shall also provide the council  
5 auditor with an annual end of fiscal year report regarding the  
6 progress of the bonus 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, including  
26 any amendments thereto, shall be reviewed and approved by the  
27 governing body of JEA. The governing body of JEA may not  
28 delegate its approval of the procurement procedures, including  
29 any amendments thereto, to the managing director or an  
30 officer, employee or agent of JEA. In the absence of JEA  
31 established procurement procedures, JEA shall follow the

1 City's procurement procedures. JEA shall adhere to its  
 2 procurement procedures in entering into procurement contracts,  
 3 including but not limited to, contracts relating to the  
 4 construction, reconstruction, repair, operation or  
 5 maintenance of the utilities system or the purchase of  
 6 supplies, equipment, machinery and materials for the utilities  
 7 system or the contracting or otherwise purchasing for any  
 8 advisory, professional or other services necessary or  
 9 incidental to the operation of the utilities systems.

10 (4) Jacksonville Small Emerging Business Program (JSEB); Minority  
 11 Business Enterprises. JEA shall adhere to the City of  
 12 Jacksonville - Jacksonville Small Emerging Business Program  
 13 (JSEB), or successor City program, in its procurement  
 14 procedures. JEA is authorized to implement and to take all  
 15 actions necessary to administer a purchasing and procurement  
 16 program directed to Minority Business Enterprises including,  
 17 but not limited to, prime contractors, subcontractors,  
 18 consultants, subconsultants, and suppliers. Any such Minority  
 19 Business Enterprise program shall be implemented by JEA to  
 20 remedy discrimination or the present effects of past  
 21 discrimination, if any, suffered by Minority Business  
 22 Enterprises in the business community in the area served by  
 23 JEA. For purposes of this chapter, the term "Minority Business  
 24 Enterprise" shall be defined by JEA and shall include, at a  
 25 minimum, those business entities that are legitimately owned,  
 26 operated and controlled by persons who have been shown to have  
 27 been discriminated against or who suffer from the present  
 28 effects of past discriminations, if any, in the business  
 29 community in the area served by JEA. Such program shall be  
 30 used to redress and remedy discrimination or the present  
 31 effects of past discrimination, if any, as may be determined

1 by JEA, and which are shown to have been suffered by Minority  
2 Business Enterprises, in the business community in the area  
3 served by JEA.

4 (5) Certain solicitation specifications and standards prohibited;  
5 rejection of bids, proposals, and replies. JEA should not  
6 develop solicitation specifications or standards that are so  
7 narrowly tailored to an entity or entities that other  
8 qualified entities (i.e., bidders, respondents and vendors)  
9 are precluded from participating in such solicitation. JEA  
10 shall have the right to reject any and all bids, proposals,  
11 or replies, in whole or in part, in the best interests of JEA.

12 (6) Annual survey. JEA shall annually conduct a survey of actual,  
13 interested and prospective bidders, respondents, and vendors  
14 to obtain feedback on JEA's procurement process. Such survey  
15 shall be on a form approved by JEA and participation in the  
16 survey shall be open to actual, interested and prospective  
17 bidders, respondents, and vendors. Survey topics may include,  
18 without limitation, various aspects of JEA's procurement  
19 process such as information transparency and accessibility,  
20 pre-conferences, bid submittal packages, evaluations, and  
21 awards. JEA shall consider such survey results during JEA's  
22 biennial review of its procurement code.

23 (7) Transparency in procurement governing documents. The  
24 procurement code and any procurement policies, operating  
25 procedures, rules, directives, standards and other procurement  
26 governing documents, including any amendments thereto, shall  
27 be posted on JEA's website in a conspicuous manner for the  
28 public to view.

29 (8) Biennial review; annual report. JEA shall biennially review  
30 its procurement procedures. JEA shall also prepare and deliver  
31 a report to the council and mayor on or before December 31st



1 of each fiscal year summarizing the procurement contract  
2 awards for the immediately prior fiscal year. Such report  
3 shall contain at a minimum the following information:

4 (i) The number of contract awards for the reporting fiscal  
5 year;

6 (ii) A detailed listing of all contract awards categorized by  
7 service type (e.g., construction, professional, supplies,  
8 professional design services), award type (e.g., single  
9 source, emergency, request for proposal, invitation to  
10 negotiate, piggyback, etc.) and a brief description of  
11 each contract award containing the contractor name,  
12 contract amount and procurement method used;

13 (iii) The number of JSEB contract awards categorized by service  
14 type (e.g., construction, engineering, supplies,  
15 professional), award type (e.g., single source,  
16 emergency, request for proposal, invitation to negotiate,  
17 piggyback, etc.), and a brief description of each contract  
18 award containing the JSEB contractor name, contract  
19 amount and procurement method used;

20 (iv) The number of bid protests for the reporting fiscal year  
21 and the outcome of each protest (i.e., whether JEA  
22 prevailed);

23 (v) The annual survey results pursuant to the survey  
24 requirement in subsection (a) (6) above; and

25 (vi) Such other information as may be determined by the  
26 council.

27 (9) Prohibition. JEA shall not exercise any powers pursuant to  
28 this Section 21.09 to explore, investigate or consummate a  
29 privatization, transfer or reorganization of JEA as expressly  
30 prohibited in Section 21.11 herein or otherwise in this  
31 article.

1 (b) Contracts Generally.

2 (1) Applicability. This subsection (b) shall apply to all  
3 contracts entered into by JEA pursuant to this article.

4 (2) Maximum indebtedness. All contracts of any kind entered into  
5 by JEA pursuant to this article, including, but not limited  
6 to, procurement contracts, joint project contracts, and  
7 interlocal agreements shall contain a provision clearly  
8 specifying a fixed, maximum monetary indebtedness of JEA  
9 thereunder. Such contracts may, however, provide for a lesser  
10 variable indebtedness of JEA upon a reasonable basis, subject  
11 to such fixed, maximum monetary indebtedness.

12 (3) Public records; ethics training. All contracts and related  
13 documents entered into by JEA shall contain a provision  
14 clearly stating that such vendor or contractor shall comply  
15 with the provisions of Chapter 119 (Public Records Law),  
16 Florida Statutes, as amended. All senior-level employees,  
17 including the managing director and senior-level officers,  
18 directors and managers of JEA, shall be trained by the Office  
19 of General Counsel, in consultation with the Ethics Office,  
20 at least annually on Florida's open meetings laws, public  
21 records and ethics laws in accordance with policies and  
22 procedures established by JEA.

23 (4) Access to and examination of records. JEA shall require a  
24 person or entity providing contractual services (e.g.,  
25 construction services, professional design services, or other  
26 contractual services) purchased by JEA to agree and be deemed  
27 to have agreed by virtue of doing business under contract with  
28 JEA to allow access and examination at all reasonable times  
29 by the council auditor or any duly authorized representative  
30 of the council auditor to business records directly pertinent  
31 to the transaction pursuant to the council auditor's duties

1 set forth in Article 5 of this charter. Additionally, JEA  
2 shall include a provision in any contract entered into  
3 pursuant to this article that such vendor or contractor shall  
4 comply with all applicable federal, state and local laws,  
5 rules and regulations as the same exist or as may be amended  
6 from time to time.

7 (5) Confidentiality agreements. The use of confidentiality,  
8 nondisclosure or similar agreements by government agencies are  
9 contrary to open and transparent government. Except regarding  
10 information or records deemed by JEA to be confidential or  
11 exempt information or records or information by law, JEA  
12 should not enter into confidentiality or nondisclosure  
13 agreements with third parties and should use confidentiality,  
14 nondisclosure or similar agreements sparingly in the conduct  
15 and operation of JEA. JEA may use confidentiality agreements  
16 for [obtain listing from JEA]. Additionally, JEA should not  
17 require a member, officer or employee of JEA to execute any  
18 type of confidentiality or nondisclosure agreement that would  
19 require such member, officer or employee to maintain the  
20 confidentiality of information that is not confidential or  
21 exempt by law.

22 (6) No financial interest. Except for an employment contract or  
23 agreement executed pursuant to Section 21.08, no member,  
24 officer or employee of JEA shall either directly or indirectly  
25 be a party to, or be in any manner interested in, any contract  
26 or agreement with JEA for any matter, cause or thing whatsoever  
27 in which such member shall have a financial interest or by  
28 reason whereof any liability or indebtedness shall in any way  
29 be created against JEA. If any contract or agreement shall be  
30 made in violation of the provisions of this section the same  
31 shall be null and void and no action shall be maintained

1           thereon against JEA.

2   (c) No limitation. Unless otherwise provided herein, nothing in this  
3   section shall be construed to limit the power of JEA to construct,  
4   repair, or improve the utilities system or any part thereof, or  
5   any addition, betterment or extension thereto.

6                           \* \* \*

7           **Sec. 21.11 - Privatization, sale, reorganization, service**  
8   **territory transfers prohibited.**

9   (a) Definitions. For purposes of this section, the following  
10 definitions shall apply:

11       "entity" shall mean any person or entity, public or private.

12       "net capital assets" shall mean the net capital assets based on  
13 the Combining Statement of Net Position in latest available JEA  
14 annual financial statements for the appropriate Enterprise Fund  
15 for each included system. For purposes of this section, the net  
16 capital asset calculation for each Enterprise Fund shall be  
17 cumulative and shall reset on October 1, 2020 and every five  
18 years thereafter.

19       "service territory" shall mean the geographically defined areas  
20 in which JEA is the utility provider.

21       "included system" shall mean the electric utility system, the  
22 water utility system, the wastewater utility system, owned,  
23 operated and managed by JEA.

24       "excluded system" shall mean JEA's district energy system, the  
25 bulk power supply system and the St. Johns River Power Park  
26 system.

27 (b) Prohibition on privatization, sale, reorganization and transfer  
28 of management. JEA shall not directly, or indirectly through a  
29 consultant or advisor, explore, investigate or consummate a  
30 privatization or transfer to an entity by sale, lease, assignment  
31 or other disposition of more than ten percent of the net capital

1 assets of an included system, or the management, function, or  
 2 operation of any portion of an included system which comprises  
 3 more than ten percent of the net capital assets of such included  
 4 system, without obtaining approval of the council in advance;  
 5 provided, however, that no final approval of such disposition by  
 6 the council shall become effective without subsequent referendum  
 7 approval of the terms and conditions of the disposition, lease,  
 8 or other assignment of the management, function or operation of  
 9 such portion of a included system. Additionally, JEA shall not  
 10 directly or indirectly through a consultant or advisor, explore,  
 11 investigate or consummate a reorganization of JEA, or JEA's  
 12 governance structure in a manner that would affect JEA's ownership  
 13 or management control of more than ten percent of the net capital  
 14 assets of an included system without obtaining approval of the  
 15 council in advance. Upon approval by the council for JEA to explore  
 16 or investigate a privatization, transfer, or reorganization of  
 17 JEA, council may in its discretion prescribe by ordinance budget  
 18 restrictions related to professional consultants, legal  
 19 engagements, promotional expenses, and other expenses anticipated  
 20 by JEA during such exploration or investigation. The terms  
 21 "explore" and "investigate" as used in this subsection shall  
 22 include, but not be limited to, exploring or investigating in  
 23 connection with any strategic planning process undertaken by JEA  
 24 or any of its consultants or advisors.

25 (c) Prohibited service territory transfers. Any sale, lease,  
 26 assignment or other transfer of the service territory of a JEA  
 27 included system to any entity that totals 1% or more of the service  
 28 territory or any sale, lease, assignment, or transfer of 1% or  
 29 more of JEA's electric, water, or wastewater, customer accounts  
 30 based on the latest available JEA monthly financial statements  
 31 shall require council approval in advance. JEA shall not enter

1 into any agreement, contract, memorandum of understanding, letter  
2 of intent or other arrangement that would exceed the 1% threshold  
3 without obtaining council approval in advance. Nothing in this  
4 section shall prevent JEA from complying with the terms and  
5 conditions of interlocal agreements with St. Johns County and  
6 Nassau County which include, but are not limited to, an option to  
7 purchase the assets and service territory of JEA within the  
8 respective counties without Council or referendum approval.

9 **Sec. 21.12. - Public engagement.**

10 JEA should seek to fully engage and inform its ratepayers, the  
11 general public, interested stakeholders, and other interested parties  
12 in any future planning discussions, including, but not limited to  
13 short-term and long-term plans, objectives and goals, regarding the  
14 future of JEA to enable its ratepayers, the general public, interested  
15 stakeholders and other interested parties to fully participate in  
16 such planning discussions to the greatest extent reasonably  
17 practicable. Examples of ways for JEA to fully engage and inform its  
18 ratepayers, the general public, interested stakeholders, and other  
19 interested parties pursuant to this section may include, but not be  
20 limited to, hosting town hall meetings and JEA workshops and  
21 proactively making information regarding such discussions available  
22 to its ratepayers, the general public, interested, and other  
23 interested parties.

24 **Sec. ~~21.11~~ 21.13. - Legislative authority of council.**

25 \*\*\*

26 **Sec. ~~21.12~~ 21.14. - Severability.**

27 \*\*\*

28 **Section 3. Proviso language regarding 2020-100-E.** Section  
29 21.03(a) herein includes language which requires voter approval of  
30 Ordinance 2020-100-E. The referendum will be voted upon on November  
31 3, 2020. Should the language not be approved by the voters, the

1 language for 21.03(a) shall read as follows:

2 **CHARTER AND RELATED LAWS**

3 **PART A - CHARTER LAWS CHARTER OF THE CITY OF JACKSONVILLE, FLORIDA**

4 \* \* \*

5 **ARTICLE 21. JEA**

6 \* \* \*

7 **Sec. 21.03. - Composition; compensation; officers; meetings.**

8 (a) Composition; qualifications; removal. The governing body of JEA  
9 shall consist of seven members, each of whom shall serve for a  
10 term of four years or until such member's successor has been  
11 appointed and has qualified. To the extent feasible and  
12 regarding JEA member appointments generally, individuals  
13 considered for appointment may, but is not required to, have  
14 extensive corporate, executive or administrative experience  
15 working in public or private organizations, including non-profit  
16 and government organizations. Each member of JEA shall have  
17 been a resident and elector of the city for at least six  
18 consecutive months prior to such member's appointment. No member  
19 of JEA shall hold any other public office or position. If at any  
20 time during a member's tenure on JEA, such member shall cease  
21 to possess the qualifications required for membership on JEA,  
22 such member shall cease to be a member and a vacancy shall exist  
23 on JEA. Any vacancy on JEA, however created, shall be filled for  
24 the unexpired term in the same manner as the position was  
25 originally filled, and the person filling the vacancy shall have  
26 and retain all the qualifications prescribed for membership on  
27 JEA. Any member appointed to JEA for two consecutive full terms  
28 shall not be eligible for the succeeding term. The members  
29 appointed by the mayor may be removed by the mayor at any time  
30 with or without cause, but a removal must be approved by a two-  
31 thirds vote of the council.

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\* \* \*

**Section 4. Effective Date.** This ordinance shall become effective upon signature by the Mayor or upon becoming effective without the Mayor's signature.

Form Approved:

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Office of General Counsel

Legislation Prepared By: Lawsikia J. Hodges

GC-#1370187-v4-CM\_Boylan\_DRAFT\_-\_Article\_21\_(JEA)\_Omnibus\_Refinement\_Bill\_6\_22\_2020\_.docx



**Proposed 2020-419 – Article 21 (JEA) Charter Omnibus Refinement Bill  
Strategy and Timeline for TEU & Rules Committee Discussions**

- 1) **September 8th** – City Council Meeting (& *Charter Section 21.11 Public Hearing Date*)
  - Action Item – CM Boylan – Introduce Proposed Strategy/Timeline for Committee Discussions
- 2) **September 14-15th** – Committee Week (*bill deferred w/discussion*)
  - **Discussion Topic # 1 - Board Member Appointments/Transparency**
- 3) **September 22th** – City Council Meeting (*Boylan – reminder to Council re upcoming topic*)  
  
[September 28th-October 2th – FIFTH WEEK (*Potential Noticed Meeting re 2020-419*)]
- 4) **October 5-6th** – Committee Week – (*bill deferred w/discussion*)
  - **Discussion Topic # 2 - New Business Lines (21.04 (p))/Systems (21.04(v))**
- 5) **October 13th** – City Council Meeting (*Boylan – reminder to Council re upcoming topic*)
- 6) **October 19-20th** – Committee Week (*bill deferred w/discussion*)
  - **Discussion Topic # 3 - Privatization/Transfers/Sale**
  - **Discussion Topics # 1, 2 & 3 – Board Member Appointments; New Business Lines; Privatization/Transfers/Sale**
- 7) **October 27th** – City Council Meeting (*Boylan – reminder to Council re upcoming topic*)
- 8) **November 2nd/4th** – Committee Week (*November 3<sup>rd</sup> – Election Day/bill deferred w/ discussion*)
  - **Discussion Topic #4 - Employment Matters (Bonus Program, CEO Contract, etc.)**
- 9) **November 10th** – City Council Meeting (*Boylan – reminder to Council re upcoming topic*)<sup>1</sup>
- 10) **November 16-17th** – Committee Week (*bill deferred w/discussion*)
  - **Discussion Topic #5 – Procurement**
  - **Discussion Topics # 4 & 5 – Employment Matters & Procurement**
- 11) **November 24th** – City Council Meeting (*Boylan – reminder to Council re upcoming topic*)
- 12) **November 30th & December 1st – PROPOSED FINAL COMMITTEE ACTION WEEK**
  - Review Bill Amendments and/or Substitute Bill<sup>2</sup>  
[December 2th-December 4th (*Potential Noticed Meeting re 2020-419*)]
- 13) **December 8th – Last City Council Meeting of 2020 – FINAL COUNCIL ACTION/ADOTION**  
(Merry Christmas/Happy Holidays!! ☺)

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<sup>1</sup> November 10<sup>th</sup> is the earliest council meeting that the Council may take action on 2020-419 as per City Charter Article 21, Section 21.11...no earlier than 60 days following the first advertised public hearing date (September 8th).

<sup>2</sup> OGC will prepare amendments along the way based on feedback and discussion from committees and/or noticed meetings.

## **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	<b>JEA Board-Management Delegation of Authority Policy</b> <i>(Originally presented to, but not approved by, Board on 6/11/18 &amp; 12/11/18)</i>	Policy	X	X	12/11/2018 <i>(review on ly)</i>	Annual	9/22/2020 & 10/27/20
2	<b>Electric Compliance Policy</b>	Policy	X			Annual	11/17/2020
3	<b>JEA Charter</b> <i>(Article 21 scheduled for final City Council Action &amp; Adoption on 12/8/20 )</i>	Policy		X		Annual	12/15/2020 or 1/26/2021
13	<b>JEA Code of Conduct / Code of Ethics (New)</b> <i>(Scheduled for approval by the Finance &amp; Audit Committee on 12/11/20)</i>	Policy		X		Annual	12/15/2020 or 1/26/2021
4	<b>Enterprise Risk &amp; Compliance Policy</b> <i>(Tentatively scheduled for Finance &amp; Audit Committee approval on 12/11/20).</i>	Policy	X	X		Bi-Annual	12/15/2020 or 1/26/2021
5	<b>Identity Theft Protection Program (FACTA ) Annual Risk Assessment</b> <i>(presented annually to the Finance &amp; Audit Committee; next on 12/11/20 )</i>	Policy	X <i>(Initial Approval Only )</i>		12/9/2019	Annual	1/26/2021
6	<b>Energy Market Risk Management Policy</b> <i>(Approved March 2014; report presented quarterly to the Finance &amp; Audit Committee )</i>	Policy	X		2/11/2020	Annual, or As Revised	2/23/2021
7	<b>Pricing Policy</b>	Policy	X	X	6/23/2020	Annual	6/22/2021
8	<b>Investment Policy</b>	Policy	X	X	7/28/2020	Annual	7/27/2021
9	<b>Debt Management Policy</b>	Policy	X	X	7/28/2020	Annual	7/27/2021
10	<b>Internal Audit Charter</b> <i>(Approved by Finance &amp; Audit Committee annually )</i>	Policy			8/25/2020	Annual	8/16/2021
11	<b>Board Education &amp; Development Policy</b> <i>(Approved November 2013 )</i>	Policy	X	X	8/25/2020	Bi-Annual	8/25/2022
12	<b>Travel Policy and Procedures</b>	Policy		X	8/25/2020	Bi-Annual	8/25/2022
14	<b>Board Policy Manual</b> <i>(Updated and reviewed by the Governance Committee; monthly reviews tentatively scheduled through December 2020 )</i>	Manual	X <i>(If Revisions )</i>	X	9/15/2020	Annual, or As Revised	As Revised
15	<b>JEA By-Laws</b> <i>(incorporated into Board Policy Manual in September 2020 )</i>	Policy		X	9/15/2020	Annual	As Revised

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>
16	<b>Form 1 - Statement of Financial Interests - Must be filed with the County Supervisor of Elections each July 1 for the previous calendar year.</b>	Disclosure Form		X			
17	<b>Form 1F - Final Statement of Financial Interests - Must be filed with the County Supervisor of Elections for the final year / partial year on the Board.</b>	Disclosure Form		X			
18	<b>Sunshine Law - Florida Statute, Sec. 286.001</b>	State Statute					
19	<b>Public Records Law - Florida Statute Chapter 119</b>	State Statute					
20	<b>Jacksonville Ethics Code – Chapter 602</b>	Municipal Ordinance		X			
21	• Gifts – 602 Part 7;			X			
22	• Conflicts of Interest – 602 Part 4			X			
23	• Misuse of Public Position – 602.601			X			
24	<b>Florida Ethics Policy – Chapter 112.311-326</b>	State Policy		X			
25	• Gifts – Sec 112.3148, 3139			X			
26	• Conflicts of Interest – Sec. 112.313			X			
27	• Nepotism – 112.3133			X			
28	• Misuse of Public Position – 112.313			X			
29	<b>Dual Office Holding - Florida Constitution, Article II, SA</b>	State Law		X			

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
<b>POLICY 1.1.1 QUALITY OF ELECTRIC SERVICE</b>	Update an Electric Integrated Resource Supply Plan (IRP) to ensure consumers' future electricity supply needs are met at the lowest evaluated total lifecycle cost while maintaining fuel diversity	Annual	<p>The CEO participates in the development of the Annual Resource Master Plans. The Electric System IRP examining multiple growth scenarios in order to develop the most robust generation plan with a thirty year look-ahead.</p> <p>This long term planning study used a scenario approach to address key issues of uncertainty faced by JEA, including carbon emissions, RES/CES, economy, load growth, fuel costs, and other potential environmental regulations. The IRP produced multiple generation resource plans over a 30 year planning horizon depending on the six scenarios evaluated. The IRP was completed in October 2012.</p>				
1.1.1a	Develop resources or agreements to ensure that JEA's electric energy supply is 10% nuclear by 2017.	Ongoing	<p>The CEO strongly supports the increased use of nuclear power. Nuclear Generation Business Manager to oversee MEAG PPA and Lee Option. Senior level Working Group is in place to assess the impact of JEA's potential expansion into nuclear power generation, and establishing criteria for exercising JEA's nuclear ownership option.</p> <p>Generation Capacity Analysis Continue to monitor and evaluate the drivers for JEA decision for additional nuclear generation capacity ranging from zero percent to some amount between 5%-20% (approx. 110MW-440MW) of the proposed Duke Lee nuclear station</p>	1.1.1a states that 10% of JEA's energy supply must be nuclear by 2017. Whether this is achievable or not, this statement should be removed as it is too specific to be included in a Board document.			

Board Governance Manual Compliance & 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 : <b>QUALITY OF WATER SERVICE</b>	Annually update a Total Water Management Plan (TWMP) to ensure consumers’ future water supply needs are met at the lowest evaluated cost while also ensuring water resources are available for future generations.	Annual	The Total Water Management Plan (TWMP) identifies long term water needs and assesses alternate water sources. The TWMP, developed in 2007, is reassessed on an annual basis. Key recommendations include increasing water conservation, an increase in the amount of reclaimed water used, and construction of a north to south pipeline for the transfer of potable water to the Southside.				

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
1.2.2	Minimize the duration of water distribution system low pressure events and report status of the number of cumulative minutes water pressure drops below 30 pounds per square inch (psi) for all existing water distribution system pressure monitoring points.	Ongoing	Low pressure status is reported to the Board every other month.				
1.2.3	Conduct water testing in accordance with the standards of the Florida Department of Environmental Protection (FDEP) and the Environmental Protection Agency (EPA) and report testing results to all water consumers and stakeholders.	Ongoing	JEA maintains a dedicated Laboratory to perform all required water testing in compliance with applicable regulatory obligations of federal, state, local government agencies. NELAC and other industry certifications of the laboratory and its personnel. NELAC certified personnel and the lab are audited by NELAC annually for competency functions, equipment availability and condition, and documentation. Quality Assurance process is in place ensuring all records, documentation, and support are complete, accurate, and timely for applicable government agencies and certification organizations.				
1.3.1 <b>QUALITY OF SEWER SERVICE</b>	Minimize the frequency of sewer back-ups and overflows and report status by a. the number of Sanitary Sewer Overflows (SSO's) per 100 miles of existing sewer pipe b. the total number of sewer system cave-ins	Ongoing	JEA maintains a robust SSO infrastructure maintenance prevention and incident management program, which incorporates established industry control elements. The program includes a response team to respond and mitigate SSOs and a root cause analyses conducted for every SSO event. The number of SSOs has steadily been reduced over the past 10 years and has been below industry standards.				
1.3.2	Limit the total amount of nutrients discharged into the St. John's River from all wastewater treatment facilities. a. Reduce the total nutrient discharge into the St. John's River to meet JEA's Florida	Ongoing	JEA has a comprehensive Total Maximum Daily Load (TMDL) program and ongoing initiatives meet current discharge requirements and are expected				

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>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 <b>COST OF SERVICE</b>	<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.				
	<p>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.</p>	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	<p>Minimize the number of consumer bills <b>mailed to customers that</b> are inaccurate, are estimated due to the lack of a current meter reading, or are untimely. The expectation is 99.9% accurate and timely.</p>	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 : <b>ENVIRONMENTALLY SOUND</b>	<p>The CEO is expected to comply with all existing environmental regulations that apply</p>	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>			
<b>1.6 INFORMATIVE COMMUNICA- TION</b>	<p>1.6. Effectively communicate with consumers and other stakeholders.</p> <p>1.6.1 To influence consumer paradigms of utility expectations.</p> <p>1.6.2 To influence public dialogue on local, state and national energy and water and sewer issues.</p>	Ongoing	<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 2<sup>nd</sup> 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 3<sup>rd</sup> quartile, improving from last year's 4<sup>th</sup> quartile</p> <p>JEA.com contains a wealth of information about conservation and how it can impact a customer's bill. JEA.com also describes leveled billing, and prepaid billing, and provides a mechanism for enrolling for them.</p>				
<b>2.0 GENERAL EXECUTIVE CONSTRAINT</b>	<p>The CEO shall not <b>knowingly</b> cause or allow any organizational practice, activity, decision, or circumstance that is either unlawful, imprudent, <b>and/or</b> in violation of commonly accepted business and professional ethics and practices.</p> <p>Accordingly, the CEO will not:</p>			<p>Add wording changes noted in red and add the following statement:</p> <p><b>It is understood that the CEO will be delegating most of the duties described below to staff, but the CEO will ultimately be responsible for the company's results.</b></p>			
2.1	<p><b>Treatment of Consumers:</b> With respect to interactions with consumers or those applying to be consumers, the CEO shall not <b>knowingly</b> cause or allow conditions, procedures, or decisions that are unsafe, untimely, undignified, or unnecessarily intrusive.</p> <p>Accordingly, the CEO will not:</p>						
2.1.1	<ul style="list-style-type: none"> <li>Elicit information for which there is no clear necessity</li> </ul>	Ongoing	Current processes only request information that is deemed necessary to fulfill the customer's				



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			request for services and assess the customer's credit risk.				
2.1.2	<ul style="list-style-type: none"> <li>Use methods of collecting, reviewing, transmitting, or storing client information that fail to <b>reasonably</b> protect against improper access.</li> </ul>	Ongoing	JEA maintains strong systems access and cyber security protocols and protects unauthorized access to both customer and corporate data. Further enhancements are underway including optimizing our customer system hardware footprint, enhancing our hardware infrastructure, and addressing the increasing cyber security threats to JEA's systems and network.	Suggested wording changes noted in red.			
2.1.3	<ul style="list-style-type: none"> <li>Fail to operate facilities with appropriate accessibility and privacy.</li> </ul>	Ongoing	See 2.1.2 above. Also. All major JEA facilities require badge access. Badge readers are also being installed at substations that don't have them and a new more sophisticated badging system has been implemented.				
2.1.4	<ul style="list-style-type: none"> <li>Fail to establish with consumers a clear understanding of what may be expected and what may not be expected from service offered.</li> </ul>	Ongoing	JEA has updated its mission/vision statement and it has been posted on JEA.com. It communicate what customers should expect from JEA.	Proposed changes to focus on the expectations, not what we can't do:  Fail to communicate with consumers of what may be expected from services offered.			
2.1.5	<ul style="list-style-type: none"> <li>Fail to operate without clearly established and updated Customer Service procedures and <b>internally</b> published rules and regulations for service.</li> </ul>	Ongoing	JEA maintains clearly established and up to date Customer Service policies and procedures, as well as regulatory requirements that impact customer services.	Suggested wording changes noted in red.			
2.1.6	<ul style="list-style-type: none"> <li>Fail to operate without mechanisms for collecting consumer complaints that provide for resolution at the lowest staff level and also include prompt response when warranted</li> </ul>	Ongoing	JEA has an established Customer Services Call Center, to address and where applicable all customer complaints. A dedicated Key Customer Accounts function is in place to address the needs of our commercial accounts.				
2.2	<b>Treatment of Staff:</b> With respect to the treatment of staff, the CEO may not cause or	Ongoing					

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	allow conditions that are unfair, unsafe, undignified, disorganized, or unclear.  Accordingly, the CEO will not:						
2.2.1	Operate without written personnel rules and regulations that: a. clarify rules for staff b. provide for effective handling of grievances c. protect against wrongful conditions such as nepotism and grossly preferential treatment for personal reasons. d. allow for volunteerism in the community e. require high ethical standards f. recognize the need for work/life balance	Ongoing	JEA maintains clearly established and up to date personnel policies and procedures including: a. Bargaining union and appointed staff agreements. b. Documented and effective grievance process. c. Employment and corporate policies to ensure a fair and equitable working environment. d. Policies that encourage employee to volunteer in the community; including paid leave for volunteer opportunities; JEA sponsored volunteer opportunities; and charitable events, such as United Way fundraising. e. Formal Ethics policy/standards are in place, with required annual training, and an anonymous Ethics Hotline. f. Employees and management are encouraged to maintain a work/life balance. Employees are provided with a significant number of leave days to help balance work/life issues. JEA offers a free Employee Assistance Program to assist employees in various stress/life issues.				
2.2.2	Operate without written job descriptions and performance requirements and reviews that a. characterize the nature of work to be performed b. identify technical, behavioral and physical skills required	Ongoing	A job description is in place for each job position at JEA. The completion and quality of performance reviews are monitored by HR.				

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	c. identify clear standards of accountability						
2.2.3	Fail to provide a safe work environment.	Ongoing	JEA has a comprehensive and effective Employee and public safety program, mandatory training and incentives for maintaining a safe work environment. Specific programs include: 1. Various JEA wide programs are in place that addresses safety issues (e.g., "Lock-out - Tag Out" program addresses controls over sources of hazardous energy). 2. Safety Specialist representatives monitor adherence to safety procedures. 3. Required training class for managers on compliance with safety protocols. (e.g., Real Safety for Leaders).	Suggested wording changes:  Fail to authorize providing for a safe work environment.			
2.2.4	Fail to identify and provide training necessary to accomplish the quality of work expected.	Ongoing	JEA has a comprehensive training program which provides a number of mandatory internal and external training opportunities to achieve technical skills, soft skills and employee development. Job function processes and procedures are documented to ensure consistency of effective operations and knowledge retention.	Suggested wording changes:  Fail to authorize identification and providing for training necessary to accomplish the quality of work expected.			
2.2.5	Allow <b>any known</b> discrimination or retaliation against any staff member for non-disruptive expression of dissent.	Ongoing	Personnel policies and procedures prohibit discrimination and retaliation against staff members who express non-disruptive expression of dissent. JEA encourages open communication and discussion of all activities. A Committee based structure is in place to solicit input from all employees in decision making processes. An anonymous Ethics				

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			Hotline is in place for employee to report actual or perceived discrimination and or retaliation.				
2.2.6	Fail to acquaint staff with the CEO's interpretation of their protections under this policy.	Ongoing	Personnel policies and procedures Bargaining Union agreements and Appointed job plans clearly define employee's and management responsibilities. Grievance protocols are in place.  The CEO's interpretation is imparted to staff via monthly management meetings and annual Town Hall meetings.	Suggested wording changes :  Fail to communicate the CEO's interpretation of staff's protections under this policy.			
2.2.7	Allow staff to be under prepared to deal with emergency situations.	Ongoing	Process in place for ongoing evaluation of a Comprehensive Emergency Management Plan (CEMP) which includes clearly defined roles and responsibilities for all employees and job functions.  A process is in place to continue testing and assessing storm related disaster recovery plans.  Development of a more robust and comprehensive Business Continuity plan is in progress.  The CEO recently created a separate Emergency Preparedness department to bring more focus on this function. A presentation to the Board recently occurred.	Suggested wording changes :  Fail to authorize an effective process to prepare staff to deal with emergency situations.			
2.2.8	Fail to insure that the company's Core Values are routinely communicated and reinforced to all employees.	Ongoing	The Company's Core Values are included in the Ethics Guidelines and on-line Ethics Training. All employees are required to take this training annually.  JEA's core values have recently been revised and re-communicated to all employees.	Suggest adding the following statement:  The JEA's Ethics Officer monitors the completion of the annual ethics training by all employees.			

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2.3	<b>Financial Planning/Budgeting:</b> The CEO shall not cause or allow financial planning for any fiscal year or the remaining part of any fiscal year to deviate materially from the Board’s Ends priorities, to risk financial jeopardy, or fail to be derived from a multiyear plan. Accordingly, the CEO will not:	Ongoing	Budgeting process is in place to establish both a capital and O&M budget. Continuous monitoring of expenses occurs to ensure adherence to established budget criteria. Capital Allocation process ensures that capital and funding is allocated in a risk based approach, to ensure regulatory compliance, operational excellence and reliable services to our customers. .				
2.3.1	Risk incurring those situations or conditions described as unacceptable in the Board policy “Financial Condition and Activities.”	Ongoing	CEO significantly strengthened JEA’s financial condition while he was CFO, and has hired a new CFO to continue that trend. The Board policy mentioned is not included in this document.	Board policies should be converted to digital documents and posted on the Corporate tab of Quest, or made an addendum to this document.			
2.3.2	Fail to include credible projection of revenues and expenses, separation of capital and operational items, cash ( <b>liquidity</b> ) flow, and disclosure of planning and budgeting assumptions.	Ongoing	The Board reviews and approves all proposed budgets, and receives financial projections throughout the fiscal year.	Suggested wording changes noted in red.			
2.3.3	Fail to identify the source for capital expenditures (e.g. internally generated cash, new debt, carry over funds from previous fiscal year).	Annually	Corporate policies define source of funding (internal revenue or debt) for all projects. Capital and O&M allocation and accounting processes ensures adherence to these standards.				
2.3.4	Fail to adhere to approved tariff rates and fees.	Ongoing	JEA adheres to approved tariffs and fees. Any proposed changes go before the Board for approval.				
2.3.5	Fail to set and follow an annual budgeting process that results in a final budget submittal to City Council by July 1 proceeding the budgeted fiscal year.	Annually	The Annual Budget process and close senior management oversight assures timely submittal to City Council by July 1.				
2.3.6	Provide less for Board prerogatives during the year than is set forth in the “Cost of Governance” policy.	Annually	When Board members want to attend a conference or travel on business, the requested expense is	Board policies should be posted on Quest or SharePoint, or included as			

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			brought to the full Board for approval.	an addendum to this manual.  Wording needs to define "Cost of Governance" policy. See also Section 4.10.			
2.4	<b>Financial Condition and Activities:</b> With respect to the actual, ongoing financial conditions and activities, the CEO shall not cause or allow the development of financial jeopardy or material deviation of actual expenditures from Board priorities established in Ends policies. Accordingly, the CEO will not:	Ongoing					
2.4.1	Fail to operate within the budget established for the fiscal year.	Annually	The budget process and management oversight are in place to assure JEA operates within the established budget				
2.4.2	Make budget transfers in excess of \$5,000,000 without Board approval.	Ongoing	The budget process and management oversight are in place to assure this condition is met.				
2.4.3	Fail to inform the Board in monitoring reports when reserves are required to meet current expenditures.	Ongoing	The budget process and management oversight are in place to assure this condition is met. Financial presentations are regularly made to the Board.				
2.4.4	Fail to maintain financial and accounting separation between electric, water and wastewater, and District Energy funds as required by regulatory agencies and bond covenants.	Ongoing	Financial Reporting, Accounting, and Treasury process and management oversight are in place to assure this condition is met.				
2.4.5	Fail to operate within established financial parameters nor fail to engage the board when established parameters are considered inadequate to affect a desired bond rating. Current financial parameters: a. Debt Service Coverage b. Fixed Charge coverage c. Cash on Hand d. Working Capital	Ongoing	Budget and Treasury processes and management oversight are in place to assure this condition is met. Financial presentations are regularly made to the Board.				

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	e. Line of Credit f. Fuel Rate Reserve  <b>The Board Book reports should be checked for these factors to make sure they are included.</b>						
2.4.6	Operate in violation of JEA's Debt Management Policies.	Ongoing	JEA has a formal Debt Management Policy. Treasury processes and management oversight are in place to assure this condition is met.				
2.4.7	Fail to settle payroll and debts in a timely manner.	Ongoing	Payroll and Treasury processes and management oversight are in place to assure this condition is met.				
2.4.8	Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.	Ongoing	JEA has a dedicated Tax Administration area. Control processes and management oversight are in place to assure this condition is met.				
2.4.9	Fail to establish reasonable security measures to protect against loss of receivables.	Ongoing	JEA has an established reserve for receivables write-offs in an amount recommended by the external auditors.				
2.4.10	Fail to aggressively pursue receivables after a reasonable grace period.	Ongoing	JEA has a dedicated Collections area. Control processes and management oversight are in place to assure this condition is met.				
2.5	<b>Workforce Readiness and Succession Planning:</b> The CEO shall not <b>knowingly</b> 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				

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			Directors. <b>(This statement needs to be confirmed).</b>				
2.5.3	Fail to prepare for Executive Team succession.	Ongoing	Formal succession planning and knowledge transfer processes are in place. Potential future leaders are identified and extensive formal and informal training is provided (e.g., Leadership Academy, Tuition reimbursement program).				
2.5.4	Operate without strategic and tactical plans to have and maintain the right people, in the right place, with the right talent, skills and knowledge.	Ongoing	See comments on 2.5.3 above. Also, one of JEA's strategic indicatives for FY 2014 pertains to hiring and retaining an unbeatable team.				
2.5.5	Fail to develop a workforce that recognizes the value of cultural diversity in internal operations and in serving customers.	Ongoing	JEA has a Cultural Diversity program, and participate in a number of cultural awareness initiatives and celebrations (e.g., black history month).				
2.6	<b>Asset Protection: The CEO shall not knowingly cause or allow corporate assets to be unprotected, inadequately maintained, or unnecessarily risked.</b>  <b>Accordingly, the CEO will not:</b>	Ongoing					
2.6.1	Fail to insure adequately against theft and casualty and against liability and losses to Board members, staff, and the organization itself.	Ongoing	JEA employs a number of measures to assure these conditions are met including but not limited to: physical and systems security; manual and systematic fraud prevention controls, formal fraud/ethics training; robust Ethics program/hotline; a comprehensive self-insurance and liability coverage for JEA's facilities and personnel, and collaborating with JEA's insurance carrier to implement their recommendations for better securing our assets while				



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			saving money on insurance premiums.				
2.6.2	Allow unbonded personnel access to material amounts of funds.	Ongoing	All applicable employees are required to be bonded. Control processes and management oversight assures adherence to this standard. <b>Need to validate this statement.</b>				
2.6.3	Subject facilities and equipment to improper wear and tear or insufficient maintenance.	Ongoing	JEA's operations areas, for both our water/wastewater and electric facilities, have an extensive infrastructure maintenance program. Annual budget allocation processes assure funding is directed to the critical area of operations. A formal Enterprise Asset Management system is being developed to more effectively manage assets, maintenance and costs.	Suggested wording changes:  Fail to authorize staff to adequately maintain facilities and equipment.			
2.6.4	Unnecessarily expose the organization, the Board, or its staff to claims of liability.	Ongoing	JEA maintains liability insurance for all its senior management team.				
2.6.5	Operate without written claims policies that address fair treatment of claimants, legal liability, ratepayer costs and sound business practices.	Ongoing	JEA has a dedicated Risk Management liability insurance area and an area that handles third party claims. Brand Management, claims, Security, Facilities, Information Security and Records Management all participate in protecting these assets. Control processes and management oversight are in place to assure this condition is met.				
2.6.6	Fail to protect corporate assets including, but not limited to, property rights, corporate image, physical assets, intangible assets, intellectual property, information, and files from loss or significant damage.	Ongoing	See 2.6.5 above.				
2.6.7	Receive, process, or disburse funds without sufficient controls.	Ongoing	Treasury functions, control processes and management oversight is in place to assure this condition is met.	Suggested wording changes:			

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				Allow inadequate controls over the receiving, processing, or disbursement of funds.			
2.6.8	Invest funds in violation of JEA’s Investment Policies.	Ongoing	JEA has a formal Investment policy. Treasury functions, control processes and management oversight is in place to assure this condition is met.				
2.6.9	Fail to ensure that all employees and outsourced contract service providers understand their responsibility to comply with all applicable laws and regulations and JEA’s Code of Ethics.	Ongoing	All employees who receive a JEA check are required to take mandatory ethics and safety training and agree to abide by it. Procurement policies, bids and contracts also have provisions to assure external contractors adhere to the noted standards.  Contractors are agreeing to JEA’s Code of Ethics when they accept the contract/purchase order.	Suggested wording changes:  Fail to ensure that the responsibility to comply with all applicable laws and regulations and JEA’s Code of Ethics has been communicated and agreed to by all employees and outsourced contract service providers.			
2.7	<b>Compensation and Benefits:</b> With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the CEO shall not cause or allow jeopardy to financial integrity or to public image. Accordingly, the CEO will not:	Ongoing					
2.7.1	Change the CEO’s own compensation and benefits, except as those benefits are consistent with a package for other appointed employees.	Ongoing	The CEO’s compensation and benefits package is contractual and is approved by the Board. However, if for example, a company-wide change was made to JEA’s health benefits carrier, the CEO would participate in that change.				
2.7.2	Promise or imply unconditional permanent or guaranteed employment.	Ongoing	JEA policies and practices assure adherence to this standard, within the provision of the Bargaining Agreements, the Appointed Pay Plan and employment contracts.				
2.7.3	Administer compensation and benefits that fail to address individual accountability,	Ongoing	JEA’s compensation program is currently undergoing an				

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	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	<b>Communication and Support to Board:</b> The CEO shall not cause or allow the Board to be uninformed or unsupported in its work. Accordingly, the CEO will not:	Ongoing					
2.8.1	Neglect to submit monitoring data required by the Board in Board-Management Delegation policy "Monitoring CEO Performance" (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				

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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&amp;AC agendas are identified as information only (I) or an Action (A). "Monitoring" and "Other" would be information only items. "Decision preparation" would be "Action" items.</p>				

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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	<b>Regulatory/Legislative Requirements:</b> The CEO will not fail to effect regulatory and legislative action favorable to the organization.	Ongoing	Legislative Affairs monitors all proposed/pending regulatory and legislative initiatives that may impact JEA. Processes are in place to evaluate the impact of each initiative and determine a course of action to minimize the impact and/or establish processes and infrastructure to ensure compliance, if required. Risk	Suggested wording changes:  The CEO will not fail to work with industry and legislative groups to attempt to effect regulatory and legislative action favorable to the organization.			

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			Committees (e.g., CIP, EPA rules ) are in place to coordinate efforts.				
2.10	<b>Enterprise Risk Management:</b> The CEO shall not cause or allow conditions, procedures or decisions which fail to identify, measure, monitor and manage, within established risk tolerances, potential events that may affect achievement of the Ends. Accordingly, the CEO will not:						
2.10.1	Fail to establish and maintain a written Enterprise Risk Management (ERM) Plan and an ERM program that includes management-level policies, procedures and process controls to help ensure that the enterprise-wide business risk exposures are properly identified, managed and, when appropriate, reported to the Board.	Ongoing	JEA has established the formal, Board approved Enterprise Compliance and Risk Policy and program. Dedicated resources have been assigned to facilitate the program which is managed through the Enterprise Compliance & Risk Committee (ECRC) made up of the SLT. Top corporate risks are reported to F&AC of the Board quarterly.				
2.11.	Procurement Activities: The CEO shall not fail to develop procurement policies and procedures that adhere to all applicable federal, state and local laws and ordinances and provide for increased public confidence in the procurement activities of JEA.  Accordingly, the CEO will not:			Suggested wording changes:  Procurement Activities: The CEO shall not fail to authorize development of procurement policies and procedures that adhere to all applicable federal, state and local laws and ordinances and encourage or facilitate increased public confidence in the procurement activities of JEA.			
2.11.1	Fail to <b>authorize development and implementation</b> and disseminate simple, clear and up-to-date rules for all procurement	Ongoing	The Procurement code, policies and procedures are in place to clearly define and establish rules for JEA's procurement process. JEA requirements are communicated to all JEA employees and potential vendors.	Suggested wording changes are noted in red.			

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2.11.2	Fail to ensure the fair and equitable treatment of all persons who deal with the JEA procurement system.	Ongoing	Procurement code and management review/oversight verifies the integrity and quality of the procurement process. Vendor's have the ability to bring complaints and/or bid protests.	Suggested wording changes:  Fail to authorize a procurement process that provides fair and equitable treatment.			
2.11.3	Fail to provide increased economy in all procurement activities and to maximize to the fullest extent practicable the purchasing value of JEA funds.	Ongoing	Procurement Code and processes allows the bid evaluation process to include both quantitative (cost factor) and qualitative criteria in vendor selection. All awards are approved by the CEO after approval by the Awards Committee.	Suggested wording changes:  Fail to direct that all procurement activities maximize to the fullest extent practicable the purchasing value of JEA funds.			
2.11.4	Fail to <b>direct the procurement process</b> to foster effective, broad-based competition within the free enterprise system	Ongoing	See comments on 2.11.4 above.	Suggested wording changes are noted in red.			
2.11.5	Fail to provide safeguards for the maintenance of the procurement system quality and integrity.	Ongoing	Procurement code and management review/oversight verifies the integrity and quality of the procurement process. Vendor's have to ability to bring grievances and/or bid protests. All awards are approved by the CEO after approval by the Awards Committee.				
2.11.6	Fail to <b>direct the procurement process</b> to provide a clear and timely administrative remedy process to all those aggrieved during any phase of the procurement process.	Ongoing	Procurement code and administrative processes are in place to address any vendor complaints and/or bid protests during the procurement process.	Suggested wording changes noted in red.			
2.11.7	Fail to provide effective access for Small and Emerging Local Businesses.	Ongoing	Formal Small Emerging Business Program is in place that allow local small businesses to participate in JEA's procurement .	Suggested wording changes:  Fail to provide procurement opportunities for Small and Emerging Local Businesses			
<b>3.0 GLOBAL BOARD-MANAGEMENT DELEGATION</b>	The Board's sole official connection to the operational organization, its achievements, and conduct will be through a chief executive officer titled Managing Director / CEO,						

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					Changes Approved	Changes Not Approved	Additional Suggested Changes
	referred to within this document simply as CEO.						
<b>3.1 UNITY OF CONTROL</b>	<b>Unity of Control:</b> Only officially passed motions of the Board are binding on the CEO.						
3.1.1	Decisions or instructions of individual Board members, officers, or committees are not binding on the CEO.	Ongoing	Board Responsibility				
3.1.2	In the case of Board members or committees requesting information or assistance without Board authorization, the CEO can refuse such requests that require, in the CEO's opinion, a material amount of staff time or funds, or are disruptive. The CEO shall promptly inform the Board if requests from Board members or committees are refused.	Ongoing	Board/CEO Responsibility  Past Board members have individually requested documents that have taken substantial amounts of staff time, but the former CEO felt it was a worthwhile effort. The current CEO also understands this is his call, and will do so if/when necessary.	Suggest the Board Chair remind Board members of provisions 3.1.1 and 3.1.2.			
<b>3.2 ACCOUNTABILITY OF CEO</b>	<b>Accountability of the CEO:</b> The CEO is the Board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the CEO.	Ongoing	Board Responsibility  This provision is being complied with by both the Board and the CEO. Although operational, financial, and compliance/control/risk reports are presented by staff, and the Board may ask questions of staff while they are presenting, it is understood that the CEO is accountable to the Board for the results.				
3.2.1	The Board as a body and individual Board members will never give instructions to persons who report directly or indirectly to the CEO.	Ongoing	Board Responsibility  The Board complies with this provision. However, the Finance & Audit Committee can give instructions to the Director, Audit Services as provided for by the FAC Policy.				



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3.2.2.	The Board will not evaluate, either formally or informally, any staff other than the CEO. However, the CEO will discuss his evaluation of the executives identified as potential interim CEO successors, with the <b>Chair of the Board</b> . (refer to 2.5.2)	Ongoing	Board Responsibility  The Board does not evaluate any JEA employees other than the CEO.	Wording changes noted in red suggest the CEO discuss his evaluation of potential interim or emergency CEO successors with the Chair of the Board.			
3.2.3	The Board will view CEO performance as identical to organizational performance so that organizational accomplishment of Board-stated Ends and avoidance of Board-described means will be viewed as successful CEO performance.	Ongoing	Board Responsibility  The Board has formally evaluated CEO performance. The Board determined that the process used for FY 2014 should be better defined.	Suggest the evaluation process be defined in a separate document, instead of in the Governance Manual, and just referred to here. The separate document should equate CEO performance with JEA's performance on its key strategic objectives, as stated in 3.2.3.			
3.3 <b>DELEGATION TO THE CEO</b>	<b>Delegation to the CEO:</b> The Board will instruct the CEO through written policies that prescribe the organizational Ends to be achieved and describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.	Ongoing	Board Responsibility  Sections 1 and 2 of this manual describe the organizational ends to be achieved, and the situations to be avoided.				
3.3.1	The Board will develop policies instructing the CEO to achieve specified results, for specified recipients, at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels and will be called Ends policies. All issues that are not ends issues as defined here are means issues.	Ongoing	Board Responsibility  Sections 1 and 2 of this manual describe the organizational ends to be achieved, and the situations to be avoided.  Strategic objectives for the organization are set prior to the start of each fiscal year.	Suggest the ends and means terminology be eliminated, and just refer to Sections 1 and 2, or refer to current Board-approved strategic objectives.  In general, the Board does not develop policies, management does, and submits them to the Board for approval. Also, policies are usually broad, not as specific as indicated in 3.3.1. However, policy statements are contained in this Manual.			

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3.3.2	The Board will develop policies that limit the latitude the CEO may exercise in choosing the organizational means. These limiting policies will describe those practices, activities, decisions and circumstances that would be unacceptable to the Board even if they were to be effective. Policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations policies. The Board will never prescribe organizational means delegated to the CEO.	Ongoing	Board Responsibility  Sections 1 and 2 already contain policy statements that limit activities.	See suggestions for 3.3.1 above.			
3.3.3	As long as the CEO uses <i>any reasonable interpretation</i> of the Board's Ends and Executive Limitations policies, the CEO is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and pursue all activities. Such decisions of the CEO shall have full force and authority as if decided by the Board.	Ongoing	Board Responsibility  The CEO does establish policies, and authorizes staff to develop policies on his behalf.				
3.3.4	The Board may change its Ends and Executive Limitations policies, thereby shifting the boundary between Board and CEO domains. By doing so, the Board changes the latitude of choice given to the CEO. However, as long as any particular delegation is in place, the Board will respect and support the CEO's choices.	Ongoing	Board Responsibility  The Board has not changed its policies since this manual was created and approved, except for the delegation of authority for issuing bonds, which is periodically revised and renewed. The Finance & Audit Committee Policy has also been periodically revised.				
3.3.5	Should the CEO violate a Board policy, he or she shall promptly inform the Board. Informing is simply to guarantee no violation may be intentionally kept from the Board, not to request approval. Board response, either approving or disapproving, does not exempt the CEO from subsequent Board judgment of the action nor does it curtail any executive decision.	Ongoing	The CEO regularly consults with the Board Chair, and also with the FAC Chair as necessary and appropriate. Difficult information is not withheld from the Board, as demonstrated by communication about JEA's Top Corporate Risks.				

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3.4 <b>MONITORING CEO PERFORMANCE</b>	<b>Monitoring CEO Performance:</b> Systematic monitoring of CEO job performance will be solely against the only expected CEO job achievements: organizational accomplishment of Board policies on Ends and organizational operation within the boundaries established in Board policies on Executive Limitations.	Ongoing	Board Responsibility	Rather than “expected CEO job achievements” suggest using “CEO goals that correlate with JEA strategic goals and are mutually agreed to by the Board and the CEO”.			
3.4.1	Monitoring is simply to determine the degree to which Board policies are being met. Data or information that does not do this will not be considered to be monitoring information.	Ongoing	Board Responsibility				
3.4.2	The Board will acquire monitoring information by one or more of these methods: <ul style="list-style-type: none"> <li>• By internal report, in which the CEO discloses interpretations and compliance information to the Board.</li> <li>• By external report, in which an external, disinterested and independent third party selected by the Board assesses compliance with Board policies (e.g. external financial audit).</li> <li>• By direct Board inspection, in which a designated member or members of the Board assess compliance with the appropriate policy criteria.</li> </ul>	Ongoing	Board Responsibility  The Board regularly receives various operational, financial, regulatory compliance, and other reports pertaining to JEA’s strategic objectives, but these reports do not necessarily correlate to the Ends in this manual.	Suggest that a document be prepared summarizing all the reports currently provided to the Board, and mapping them to their Ends (or policy statements), JEA’s strategic objectives, and other items in the 3.4.5 Schedule below. If any gaps are identified, consider developing additional reports as needed.			
3.4.3	In every case, the Board will judge (a) the reasonableness of the CEO’s interpretation and (b) whether data demonstrate accomplishment of the interpretation.	Ongoing	Board Responsibility  At every Board meeting, Board members have the opportunity to ask questions and make requests for more information.	Sections 3.4.3 – 3.4.4 are somewhat repetitive. Suggest they be combined and condensed.			
3.4.4	The standard of compliance shall be any reasonable CEO interpretation of the Board policy being monitored. The Board is the final arbiter of reasonableness.	Ongoing	Board/CEO Responsibility	See 3.4.3 above.			
3.4.5	All policies that instruct the CEO will be monitored at a frequency and by a method chosen by the Board. The Board can monitor	Ongoing	Board/CEO Responsibility				

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	any policy at any time by any method, but will ordinarily depend on a routine schedule:						
3.4.5 Schedule 1 Policies	<ul style="list-style-type: none"> <li>• <b>Ends</b> – Internal</li> <li>• <b>Treatment of Customers</b> – Internal</li> <li>• <b>Treatment of Staff</b> – Internal</li> <li>• <b>Financial Planning/Budgeting</b> – Internal</li> <li>• <b>Financial Condition &amp; Activities</b> – Internal/External</li> <li>• <b>Asset Protection</b> – Internal</li> <li>• <b>Emergency CEO Succession</b> – Internal</li> <li>• <b>Communication and Support to Board</b> – Internal</li> </ul>	Annually Annually Annually End of Qtr./ Fiscal YE  Annually Annually Annually	The Board receives numerous reports addressing these topics throughout the year.  In the Manual, there is a footnote appearing just above the schedule at left that states the final schedule will be set after policies are developed. We are not aware of any subsequent Board policies being developed.	Suggest adopting this schedule as final. Also, see suggestion in 3.4.2 above.  This schedule could replace 3.3.1 above.			
3.4.5 Schedule 2 Reports	In addition to the monitoring reports above, the Board must receive the following information each month. It is understood that this data is supplemental, not monitoring: <ul style="list-style-type: none"> <li>• Financial Report– Internal</li> <li>• Operational Report–</li> </ul> Monthly  End of Month	    End of Month	CEO Responsibility  These reports are provided to the Board each month, and are presented at Board meetings every other month.				
3.5	<b>CEO Remuneration:</b> Salary and benefits and other terms of employment for the CEO will be determined by contract.	Ongoing	Board Responsibility  A CEO contract is currently in force, and a Board committee has been formed to negotiate a new one in the coming months.				
4.1 <b>GOVERNING STYLE</b>	The Board will govern in accordance with legal requirements, observing the principles of the Policy Governance model, with an emphasis on (a) outward vision rather than internal preoccupation, (b) encouragement of	Ongoing	Board Responsibility  The Board is regularly required to spend time on current activities such as budget, labor, and bond deal approvals. The Board	Suggest that the Board Chair remind Board members of this and all other governance requirements.			

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	diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of Board and chief executive roles, (e) collective rather than individual decisions, (f) future more so than past or present, and (g) proactivity rather than reactivity.		receives frequent status reports on JD Power results, an outward, customer facing initiative.  The Board has also formed the EPA committee to monitor pending environmental regulations that will have a significant impact on JEA.				
4.1.1	Unique Requirements of Florida Law for Public Boards: In conducting its duties as a Board in Florida, the Board is required to comply with the Florida Sunshine Law, which prohibits any two or more members of the Board from meeting unless the meeting has been properly noticed and conducted in accordance with the legal requirements. In addition, Florida Law contains requirements regarding Public Records, conflicts of interest and voting which must be followed in the conduct of the Board's business.	Ongoing	Board Responsibility All public records, and conflict of interest requirements are adhered to by the Board, and periodic training/refreshers are provided on these topics by OGC. JEA observes all public meeting requirements.				
4.1.2	The Board will cultivate a sense of group responsibility and will be a proactive Board versus a reactive Board. The Board, not the staff, will be responsible for excellence in governing. <b>As appropriate, the Board will suggest topics for policies to staff who will perform the research and flesh out the policy for Board approval.</b> The Board will use the expertise of individual members to enhance the ability of the Board as a body rather than to substitute the individual judgments for the Board's values.	Ongoing	Board Responsibility  The Board has not generally initiated policy. The Board reviews and approves policies brought by staff. In the last few years Board member turnover has been substantial, and Board members are not industry experts. It is especially difficult for newer Board members to initiate and formulate policies.  One exception – in 2008, the Board did initiate the creation of an audit committee.	Consider revising this section as shown at left in red, or delete it.			
4.1.3	The Board will direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the Board's values and perspectives. The Board's major policy focus will be on the intended long-term impacts outside the staff organization, not on the administrative or	Ongoing	Board Responsibility  The Board approved and implemented the establishment of this Governance Manual, which contains substantial policy type statements.				

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	programmatic means of attaining those effects		The CEO arranges for staff to regularly present topics to the Board involving outside long term impacts. In addition, Board members receive quarterly ERM reports which focus on the company's biggest risks, many of which are external.				
4.1.4	The Board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuance of governance capability. Although the Board can change its Governance Process policies at any time, it will diligently observe those currently in force.	Ongoing	Board Responsibility	When there is a vacancy on the Board, suggest that existing Board members clearly communicate the expectations of the job to the Mayor's office, and encourage the Mayor to select candidates who will willingly meet those expectations.			
4.1.5	Continual Board development will include orientation of new Board members in the Board's governance process and periodic Board discussion of governance process improvement.	Ongoing	Board/CEO Responsibility  Current practice is to assign new Board members to the Finance & Audit Committee, which has been effective in providing a crash course in certain JEA functions and processes. In addition, the CFO, Treasurer, Controller, and Chief Auditor provide an orientation session for new members of the Finance & Audit Committee.	Provide more structured training for new Board members at the start of their tenure, especially in public records, restraint in front of the media, conflict of interest and other ethics issues, and regulatory reporting requirements for Board members. Training should include appropriate documents that they can refer back to should the need arise.			
4.1.6	The Board will allow no officer, individual, or committee of the Board to hinder or serve as an excuse for the Board not fulfilling its commitments.	Ongoing	Board Responsibility  The Board is in compliant with this provision.				
4.1.7	Each member of the Board will respect the final determination of the Board concerning any particular matter, regardless of the member's personal position concerning such matter.	Ongoing	Board Responsibility  There has been some apparent discord among Board members on several occasions, even in the recent past, which created some controversy, and could have negatively impacted the ability of	Suggest that Board members be reminded by their Chair that they must show respect to fellow Board members, and also that during Board meetings, all comments are subject to			

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			Board members to perform their duties and reach decisions.	public scrutiny by the media.			
4.2 <b>BOARD JOB DESCRIPTION</b>	Specific responsibilities of the Board are those that ensure appropriate organizational performance.						
4.2.1	The Board is the authoritative link between the organization and the ownership.	Ongoing	Board Responsibility  The Board is the official link between COJ and JEA, but the term "authoritative link" could be better defined. The CEO is the individual whom city officials would most likely contact when needing a decision or information.	Suggest revising 4.2.1 to more accurately define the roles and responsibilities, as noted below.  The Board is the official link between JEA and COJ, and is the final authority on decisions within its purview. JEA's CEO is the main contact for COJ on normal business matters.			
4.2.2	The Board will provide governing policies that realistically address the broadest levels of all organizational decisions and situations: <b>a.</b> Ends: The organizational outcomes to its recipients including the relative worth of such outcomes in cost or priority. (What good for which recipients at what cost) <b>b</b> Executive Limitations: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place. <b>c.</b> Board-Management Delegation: Specification of how power is delegated and its proper use monitored; clarity on the CEO's role, authority, and accountability. <b>d.</b> Governance Process: Specification of how the Board develops, carries out, and monitors its own responsibilities.	Ongoing	Board Responsibility  The Board Governance Manual fulfills the purpose outlined at left. However, the Manual contains policy statements, not actual policies in the normal sense.				
4.2.3	The Board will measure the CEO's performance against its Ends and Executive Limitations Policies.	Ongoing	Board Responsibility  The Board has handled this with respect to the past CEO and is expected to continue with the current CEO.	Since there continue to be new Board members, they may need some guidance on this process, including tools/forms to be used. Also, suggest that CEO			

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				<p>performance be measured against the CEO's goals and JEA's strategic objectives, as mutually agreed to by the CEO and the Board. See suggested wording changes below.</p> <p>The Board will measure the CEO's performance against the CEO's goals and JEA's strategic objectives, which would address the Board's Ends and Executive Limitations, and which would be mutually agreed to by the CEO and the Board.</p> <p>Also, this item seems duplicative with section 3.4 Monitoring CEO Performance. Suggest one of them be eliminated.</p>			
4.2.4	The Board will measure its own performance against its Governance Process and Board-Management Delegation Policies quarterly.	Ongoing	<p>Board Responsibility</p> <p>To our knowledge, the Board has not measured its own performance, either quarterly, or with any other frequency. There has been significant turnover on the Board for the past few years, with vacancies lasting for months before being filled by the Mayor and City Council.</p> <p>The Finance &amp; Audit Committee performs its own self-assessment annually.</p>	<p>The FAC recommended that the full Board also perform a self-assessment process similar to what the Finance &amp; Audit Committee uses.</p> <p>In addition, it is suggested that the Board review past Board turnover and evaluate the reasons to determine if there are trends that need to be addressed by changes to this Manual.</p>			
4.2.5	Board members will respect their fiduciary responsibilities to protect and enhance the value of JEA as a citizen-owned enterprise	Ongoing	Board Responsibility	The JEA Board may want to consider developing desirable skills profiles for			



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	with due diligence using sound business judgment consistent with JEA's legislative charter.		Board members do fulfill their fiduciary responsibilities, some of which are delegated to the Finance & Audit Committee.  The current Board has a good balance of the skillsets identified at right.	Board members so that there is representation from the fields of finance, law, marketing/communications, community service/nonprofit, and internal/external auditing and accounting. These profiles could be provided to the Mayor's office to assist in identifying candidates.			
4.3 <b>AGENDA PLANNING</b>	To accomplish its responsibilities with a governance style consistent with Board policies, the Board will follow an annual agenda that (a) completes a re-exploration of Ends policies at least annually and (b) continually improves Board performance through education and deliberation.		The Board has not reassessed this Manual since it was approved in 2010.	The changes suggested in this document may assist with a reassessment process.			
4.3.1	The Board will establish its annual agenda during an annual retreat to be scheduled around March of each year. <b>a.</b> The Board will review and re-establish its Ends policies as often as necessary with review always taking place at least during the annual retreat. <b>b.</b> Consultations with selected groups in the ownership, or other methods of gaining ownership input, will be scheduled as part of the annual agenda. <b>c.</b> Governance education and education related to Ends determination (presentations by futurist, demographers, advocacy groups, staff, etc.) will be scheduled as part of the annual agenda.	Ongoing	Board/CEO responsibility  Board workshops are held at least annually to review and approve JEA's strategic objectives each fiscal year. Workshops are also held periodically to address a Board need for more detailed information on a particular subject that would be too time-consuming for a regular Board meeting.  However, these workshops do not typically address reviewing the Ends policies in this manual.	Suggest revising this section to more accurately reflect what actually takes place.			
4.3.2	The agenda for the Board's monthly meeting will be established through consultation with the Chair and the CEO. <b>a.</b> The agenda along with supporting item documentation will be made available to	Ongoing	Board/CEO Responsibility  Section 4.3.2 is being adhered to.	For part c., two weeks (only one week for JEA staff) may not be long enough to develop a presentation on a complex subject.			

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	<p>Board members seven days prior to monthly Board meetings.</p> <p><b>b.</b> The Board will attend to consent agenda items as expeditiously as possible.</p> <p><b>c.</b> A Board member may bring up new business at the appropriate time on the agenda during any meeting; however, if a formal response or presentation is necessary, 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><b>d.</b> CEO monitoring will be on the agenda if reports have been received since the previous meeting, if plans must be made for direct inspection monitoring, or if arrangements for third-party monitoring must be prepared.</p>			<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.</p>			
4.4 <b>BOARD OFFICERS</b>	<p>Board officers assure the integrity of the Board's process and record's. Board officers are: Chairman, Vice-Chairman, Secretary &amp; Assistant Secretary.</p>	Ongoing	Board Responsibility				
4.4.1	<p>The Chairman, a specially empowered member of the Board, ensures the integrity of the Board's process and, secondarily, occasionally represents the Board to outside parties.</p> <p><b>a.</b> The Chairman's role is to see that the Board behaves consistently within its own rules and those rules and regulations imposed upon it from outside the organization.</p> <p>(1) Meeting discussion content will consist of issues that clearly belong to the Board to decide Board/CEO responsibility or to monitor according to Board policy.</p> <p>(2) Information that is neither for monitoring performance nor for Board decisions will be avoided or minimized and always noted as such.</p> <p>(3) Deliberation will be fair, open, and thorough but also timely, orderly, and kept to the point.</p> <p><b>b.</b> The authority of the Chairman consists in making decisions that fall within topics covered by Board policies on Governance</p>	Ongoing	<p>Board/CEO Responsibility</p> <p>Board Chairs have been complying with the provisions of this section.</p> <p>The CEO works closely with the Board Chair when developing meeting agendas.</p>	<p>Change the term Chairman at left to Chair, since the Chair has been female on multiple occasions.</p> <p>New or prospective Board Chairs and Vice Chairs, depending on their experience level, may need coaching on how to interact with the media, how to bring the discussion back to the subject at hand, and/or when to bring the discussion to a close if it has gone on long enough.</p>			

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	<p>Process and Board-Management Delegation, with the exception of (a) employment or termination of the CEO and (b) areas where the Board specifically delegates portions of this authority to others. The Chairman is authorized to use any reasonable interpretation of provisions in these policies.</p> <p>(1) The Chairman is empowered to chair Board meetings with all the commonly accepted powers of that position, such as ruling and recognizing.</p> <p>(2) The Chairman has no authority to make decisions about policies created by the Board within Ends and Executive Limitations policy areas.</p> <p>(3) The Chairman may represent the Board to outside parties in announcing Board-stated positions and in stating Chairman decisions and interpretations within the area delegated to that role.</p> <p>(4) The Chairman may delegate this authority but remains accountable for its use.</p> <p>(5) The Chairman may appoint members and a Chairman for each Board committee, unless otherwise stipulated by Board policies or the organization's Bylaws.</p> <p>c. Expected Traits for chairman: (Does the Board want to include some basic core traits for the chair?)</p>						
				4.4.1.c. Basic core traits for the Chair have never been defined. Suggest this item be deleted.			
4.4.2	The Vice-Chairman or, in the absence of the Vice-Chairman, the immediate Past-Chairman will serve as Chair in the absence of the Chairman.	Ongoing	Board Responsibility  This provision is being adhered to.				
4.4.3	The Board Secretary is an officer of the Board whose purpose is to ensure the integrity of the Board's documents.	Ongoing	Board/CEO Responsibility	Board members, or at least the Secretary, may need training on the Charter, By-			

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	<p>a. The Secretary’s role is to see to it that all Board documents and records are accurate and timely.</p> <p>(1) Policies will be current in their reflection of Board decisions. Decisions upon which no subsequent decisions are to be based, such as consent agenda decisions, motions to adjourn, and staff or Board member recognitions, need not be placed in policy.</p> <p>(2) Policy Governance principles will be followed in policy development.</p> <p>(3) Board policies and By-laws are to be consistent with the legal requirements of Florida Law, Ordinances of the City of Jacksonville and the JEA Charter and are to be known by the Board.</p> <p>(4) Board expectations for format, brevity, and accuracy of Board minutes will be known to the CEO.</p> <p>b. The authority of the secretary is access to and control over Board documents and records.</p>		<p>There is not process in place to assure that 4.4.3.a.1-3 are being adhered to.</p>	<p>laws, Ordinances, etc., and on the role of the Secretary.</p> <p>This is a critical position for the Board and should not be passed around from member to member. Someone from JEA may need to be appointed as an assistant to the Secretary (not Assistant Secretary as shown in 4.4.4 below) to help with compliance issues.</p> <p>Also, when a significant Board decision is to be made, it should be vetted against the policy statements in this manual, and other pertinent policies, to determine if changes are needed either to the decision or to existing policies. A component could be added to the Agenda Item Summary form to address this, or item 4.4.3 should be revised or deleted.</p>			
4.4.4	The Assistant Secretary will serve as Secretary in the absence of the Secretary.	Ongoing	<p>Board/CEO Responsibility</p> <p>Currently an Assistant Secretary has not been appointed.</p>	A Board member should be appointed as Assistant Secretary, or if this is no longer felt to be needed, this item should be deleted, and any other applicable Board documents should be updated accordingly.			
4.5. <b>RULES OF ORDER</b>	Board meetings will be conducted in an orderly and fair process consistent with the requirements of Florida Law, Ordinances of the City of Jacksonville, the JEA Charter, Bylaws and these governance policies. Meetings will be led by the Chairman, or, in	Ongoing	<p>Board Responsibility</p> <p>4.4.2 above states that in the absence of the Chair and Vice Chair, meetings will be chaired by the former Chair.</p>	4.5 should be revised to match 4.4.2 above.			

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	the absence of the Chairman, the Vice-Chairman, or, in the absence of both, by the Chairman's designee.						
4.5.1	Board meetings will be conducted with punctuality and order. <b>a.</b> Board meetings shall be called to order at the time specified in the notice of meeting and upon satisfaction of a quorum. <b>b.</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. <b>c.</b> Board members must keep their comments relevant to the issue under consideration. <b>d.</b> In order to conduct business, a quorum of four (4) board members must be present. Four affirmative votes are required to decide all motions before the Board regardless of number in attendance.	Ongoing	Board Responsibility	The Board Chair should bring the discussion back to the subject at hand and/or curtail it if it strays to other subjects, becomes repetitive, or is no longer productive.			
4.5.2	Board meetings will be conducted at a level of informality considered appropriate by the Chairman yet with predictable discipline. <b>a.</b> Discussion of a matter not on the previously distributed agenda may occur only after Board consent that the matter be heard. <b>b.</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. <b>c.</b> The Chair may not make motions but can engage in debate and is required to vote. <b>d.</b> A motion to amend a main motion may be amended but third level amendments are not to be heard. <b>e.</b> A motion to refer to a committee, postpone, or table, may be made with respect to a pending main motion, shall take precedence over the pending motion and, if carried, shall set the main motion (the initial proposal) aside accordingly.	Ongoing	Board Responsibility  In general, the Board is adhering to these provisions, with the possible exception of d. and e. which have not occurred in recent memory to our knowledge.				

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	<p>f. Board members may speak to a pending motion on as many occasions, and at such length, as the Chair may reasonably allow.</p> <p>g. A vote on a motion shall be taken when discussion ends, but any Board member may, during the course of debate, move for an immediate vote (close debate or call the question) which, if carried, shall end discussion and the vote on the main motion shall then be taken. Votes may be made by voice vote or by roll call. All members of the Board are required to vote unless a conflict of interest is declared.</p> <p>h. A motion to adjourn a Board meeting may be offered by any Board member or, on the conclusion of all business, adjournment of the meeting may be declared by the Chair.</p>						
4.5.3	When further rules of order are to be developed by the Board, the Board will consider the Standard Code of Parliamentary Procedure (Robert's Rules of Order) as a resource guide. The representative from the Office of General Council may serve the Board as a resource on Parliamentary Procedure.	Ongoing	Board Responsibility  4.5.3. is being adhered to, and OGC does regularly assist as needed..				
<b>4.6 BOARD MEMBER'S CODE OF CONDUCT</b>	The Board commits itself to lawful, ethical and businesslike conduct, following all requirements of Florida Law, Ordinances of the City of Jacksonville, and the JEA Charter including proper use of its authority and appropriate decorum when acting as Board members.	Ongoing	Board Responsibility	Suggest that Board members periodically receive a refresher from OGC on applicable state and local laws, and the JEA Charter.			
4.6.1	Members are expected to represent the interests of the ownership. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. It also supersedes the personal interest of any Board member acting as a consumer of the organization's services.	Ongoing	Board Responsibility  In general, this is being adhered to. Ownership is assumed to mean the citizens of Duval County, not necessarily the COJ administration or City Council. Board members seem to be acutely aware of this and are regularly reminded by JEA management.	This section should be clarified to define ownership as the citizens of Jacksonville			
4.6.2	Members must avoid conflict of interest with respect to their fiduciary responsibility. Such	Ongoing	Board Responsibility	New Board members should be informed of these requirements, and all Board			

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	<p>conflicts of interest include but are not limited to the following:</p> <p><b>a.</b> There will be no self-dealing or business by a member with the organization. Members will annually disclose their involvements with other organizations or with vendors and any associations that might be reasonably seen as representing a conflict of interest.</p> <p><b>b.</b> When the Board is to decide upon an issue about which a member has an unavoidable conflict of interest, that member shall announce and declare publicly any conflict of interest and withdraw without comment not only from the vote but also from the deliberation.</p> <p><b>c.</b> Board members will not use their Board position to obtain employment in the organization for themselves, family members, or close associates. Any such existing relationship is expected to be disclosed to the Board. A Board member who applies for employment must first resign from the Board.</p>		<p>4.6.2.a. Board members must submit Form 1, Statement of Financial Interests, to the Duval County Supervisor of Elections by July 1 every year. Former Board members must submit Form 1F, Final Statement of Financial Interests, also to the Supervisor of Elections. The Supervisor of Elections monitors whether the forms have been received, and if not, will notify the Board member and JEA. After a certain period, a fine will begin accruing if the form is not submitted.</p> <p>4.6.2.b. Board members do withdraw from voting when the vote involves a financial transaction pertaining to their company.</p> <p>4.6.2.c. A relative of a Board member currently works for JEA. We do not recall seeing this disclosed to the Board in an official fashion. We do not know if it was informally disclosed. The Board member involved will shortly be leaving the Board due to term limits.</p>	members should be reminded prior to July 1 to submit their completed forms.			
4.6.3	<p>Members may not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.</p> <p><b>a.</b> Members' interaction with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly authorized by the Board.</p> <p><b>b.</b> Members' interaction with the public, the press, or other entities must recognize the same limitation and the inability of any Board</p>	Ongoing	<p>Board/CEO Responsibility</p> <p>4.6.3.a. In recent years all Board contact has been with the CEO (or a designated backup). As an exception, the FAC Policy allows the FAC Chair to contact the Chief Audit Executive (Director, Audit Services) directly, if necessary.</p>				

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	member to speak for the Board except to repeat explicitly stated Board decisions. c. Except for participation in Board deliberation about whether the CEO has achieved any reasonable interpretation of Board policy, members will not express individual judgments of negative performance of employees or the CEO.		4.6.3.c. There have been instances where this provision was not complied with.	Part c. Suggest that the Board Chair reiterate Part c to the Board members. Also suggest part c be reworded to say "deliberation regarding the CEO's annual performance evaluation" instead of the existing "achieving any reasonable interpretation of Board policy".			
4.6.4	Members will respect the confidentiality appropriate to issues of a sensitive nature.	Ongoing	Board Responsibility  Confidential matters may be discussed individually with one member at a time, but other than Shade meetings for labor issues, all other meetings are in the sunshine.				
4.6.5	Members will be properly prepared for Board deliberation.	Ongoing	Board Responsibility	Suggest that the Board Chair reiterate this provision with all Board members, perhaps on an annual basis.			
4.6.6	Members are expected to support the legitimacy and authority of the final determination of the Board on any matter, without regard to the member's personal position on the issue.	Ongoing	Board Responsibility  At times in the past, it has been apparent that certain Board members have not fully supported Board decisions with which they did not agree.	Suggest that the Board Chair reiterate this provision with all Board members.			
4.6.7	Members who have any question about the appropriateness of their conduct should consult with the Office of General Counsel or appropriate Ethics offices for information.	Ongoing	Board Responsibility  Board members properly consult with OGC as needed and appropriate.				
4.7 <b>DIRECTORS' INDIVIDUAL RESPONSIBILITY</b>	The leadership success of the Board is a direct result of the individual and collegial participation of its members. Therefore, each Board member is expected to participate in the following ways:	Ongoing					



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4.7.1	<p>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.</p> <p><b>a. Expected Commitments:</b>                      (1) Monthly Board Meetings                      (2) Annual Team Building                      (3) Quarterly Review                      (4) Bond Rating Agency Trip, 3 days (Board Chair is expected to attend. However, full participation is highly encouraged.)</p> <p><b>b. Optional Involvement:</b>                      (1) Internal educational meetings with staff upon request                      (2) Industry related seminars and conferences                      (3) Visit other utilities and related industries</p>	Ongoing	Board Responsibility	<p>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.</p> <p>Add membership in committees such as FAC and EPA.</p> <p>Delete Annual Team Building and Quarterly Review?</p>			
4.7.2	<p><b>Preparation and Participation</b> - Board members will prepare for Board and committee meetings and will participate productively in discussions, always within the boundaries of discipline established by the Board. Each member will contribute his or her own knowledge, skills and expertise to the Board's efforts to fulfill its responsibilities.</p>	Ongoing	Board Responsibility	Duplicative with 4.6.5. Suggest removing 4.6.5.			
4.7.3	<p>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.</p>	Ongoing	Board/CEO Responsibility	The Board Chair should reiterate this policy to Board members.			
4.8 <b>BOARD COMMITTEE PRINCIPLES</b>	<p>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.</p>	Ongoing					
4.8.1	<p>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</p>	Ongoing	Board Responsibility				

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	Board's broader focus, Board committees will normally not have direct dealings with current staff operations unless specifically outlined in committee objectives.						
4.8.2	Board committees may not speak or act for the Board except when formally given such authority for specific purposes. Expectations and authority will be carefully stated in order to prevent conflict with authority delegated to the CEO.	Ongoing	Board Responsibility				
4.8.3	Board committees cannot exercise authority over staff. The CEO works for the full Board, and will therefore not be required to obtain the approval of a Board committee before an executive action.	Ongoing	Board/CEO Responsibility  The Finance & Audit Committee does exercise some authority over the Audit Director.	Consider updating this provision accordingly.			
4.8.4	Committees will be formed for a specific purpose only. Its purpose and function will be documented in a written charge. All committees are accountable to the Board as a whole.	Ongoing	Board Responsibility				
4.8.5	This policy applies to any group that is formed by Board action, whether or not it is called a committee and regardless of whether the group includes Board members, it does not apply to committees formed under the authority of the CEO.	Ongoing	Board Responsibility				
4.9 <b>BOARD COMMITTEE STRUCTURE</b>	A committee is a Board committee only if its existence and charge come from the Board, regardless of whether Board members sit on the committee. The only standing Board committees are those which are set forth in the Bylaws or in this policy. Unless otherwise stated, a committee ceases to exist as soon as its task is complete. The CEO will attend meetings of each committee, but shall not have a vote.	Ongoing	Board/CEO Responsibility  The CEO is in compliance with this provision.  Neither the EPA Committee nor the Workforce Management Committee are mentioned here.	If these two committees are going to be long term standing committees, they should be included in this section.			
4.9.1	<b>Nominating Committee:</b> The purpose of the Nominating committee is to recommend Board officers for election by the Board as a whole. <b>a.</b> The Nominating Committee will be comprised of three members. The current Chairman (which shall serve as chair of the committee) and the two most immediate past	Ongoing	Board Responsibility  Nominating Committee members have nominated themselves for a Board office. 4.9.1 does not address this one way or the other.	Suggest clarifying wording in 4.9.1 to address whether Nominating Committee members can nominate themselves.			



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4.10 <b>COST OF GOVERNANCE</b>	The Board will invest in continuous improvement in its governance capacity.	Ongoing					
4.10.1	The Board will use appropriate methods to improve its governing skills. <b>a.</b> Training and retraining will be used liberally to orient new members as well as to maintain and increase existing members’ skills and understandings. <b>b.</b> Outside monitoring assistance will be arranged so that the Board can exercise confident control over organizational performance. This includes but is not limited to a financial audit. <b>c.</b> Outreach mechanisms will be used as needed to ensure the Board’s ability to listen to owner viewpoints and values. <b>d.</b> Knowledgeable industry experts will be made available to the Board in various ways to continuously improve the Board’s awareness of emerging utility industry issues.	Ongoing	Board/CEO Responsibility  4.10.1.a. New Board members may need additional training.  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.  4.10.1.c. JD Power survey results are now being brought before the Board on a regular basis.  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.	As stated above, suggest considering additional training for Board members.			
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: <b>a.</b> training <b>b.</b> attendance at conferences, industry site visits and Rating Agency presentations <b>c.</b> audit and other third-party monitoring of organizational performance	Ongoing	Board/CEO Responsibility  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				

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	d. surveys, focus groups, opinion analysis, and meeting costs.		follow the JEA procurement process.				
<b>CEO COMPETENCIES</b> <b>3.6 Appendix</b>	<b>Models Integrity</b> <ul style="list-style-type: none"> <li>• Demonstrates high ethical standards and models important values for others to follow.</li> <li>• Behaves and expresses oneself in an open and honest manner; is consistent in word and deed</li> <li>• Is a fair person who does not manipulate or take advantage of others</li> <li>• Tells the truth even when it is difficult</li> <li>• Utilizes values and principles to guide his/her decisions</li> <li>• Builds respect and trust from others by following through on commitments</li> <li>• Represents information accurately and completely</li> <li>• Assumes responsibility for own behavior; admits to mistakes</li> </ul>	Ongoing	CEO has made the difficult staffing decisions when necessary, and gives management and staff the truth about tough issues.  CEO does not make exceptions for himself regarding following the rules, even though it may sometimes be inconvenient.	Suggest that this entire section be revised and pared down to the essentials. It is not reasonable for any CEO to have to demonstrate every competency listed in this section, nor can any Board be in a position to accurately assess all these competencies or spend the time necessary to do so.			
	<b>Makes Quality Decisions</b> <ul style="list-style-type: none"> <li>• Examines and integrates data from a variety of sources to make quality decisions</li> <li>• Prioritizes decisions and initiatives in ways that ensures the highest value for the organization</li> <li>• Makes educated and effective decisions in a timely manner, even when data is limited</li> <li>• Makes high-quality strategic decisions for the organization even when the consequences may be controversial</li> <li>• Seeks the input of others to ensure that decisions made will be best for the organization and will minimize conflict with other initiatives</li> <li>• Takes appropriate risks that weighs the positive and negative impact of each decision on the organization</li> </ul>	Ongoing	CEO makes data-driven decisions and is very knowledgeable about the utility industry.  Decisions pertaining to the reorganization and customer initiatives were timely and announced as planned.  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.				
	<b>Takes Initiative</b> <ul style="list-style-type: none"> <li>• Assumes full ownership and accountability for own performance</li> </ul>	Ongoing	CEO took on the stretch challenge of significantly improving JEA's score on the JD Power surveys within a very tight timeframe,				

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	<ul style="list-style-type: none"> <li>Takes on challenging work, even in the face of obstacles</li> <li>Initiates action on projects without being pressured from others to do so</li> <li>Reacts quickly to address problems that threaten organizational objectives</li> <li>Seeks out opportunities to extend or expand upon the organization's position in the market place</li> <li>Is passionate, highly engaged and highly energetic</li> </ul>		<p>while maintaining operational and financial excellence. This effort has been very successful.</p> <p>CEO is passionate about improving customer satisfaction and JEA's reputation in the community. This is communicated to employees in written announcements, video presentations, management meetings and town hall meetings. He also speaks to groups all over the city to help them get a better understanding of the utility business.</p>				
	<p><b>Communicates Effectively</b></p> <ul style="list-style-type: none"> <li>Listens actively to ensure understanding of each person's point of view</li> <li>Clearly articulates (through speech or in writing) own knowledge and ideas so they are easily understood and applied to others</li> <li>Communicates through appropriate channels</li> <li>Identifies sources of motivation and appeals directly to co-workers in a language meaningful to them</li> <li>Is engaging with others and demonstrates professionalism through body language, including eye-contact, confidence, and focus</li> <li>Addresses difficult problems and perceptions that, if left untreated, could undermine the success of the organization</li> <li>Ensures regular, consistent, and meaningful communication throughout the organization</li> </ul>	Ongoing	<p>Through the customer satisfaction initiative, SJRPP pension reform, and more recently, City pension issues, the CEO has demonstrated his willingness to tackle difficult problems and perceptions.</p> <p>Due to the CEO's effective communication skills, monthly management meetings are virtually standing room only.</p>				
	<p><b>Drives Results</b></p> <ul style="list-style-type: none"> <li>Seeks to achieve improved or even unprecedented results and demonstrates personal accountability for outcomes</li> <li>Creates a positive environment in which results flow from a desire to achieve</li> </ul>	Ongoing	<p>Through the goal setting process, the strategy initiative process and CTAs, the CEO is demonstrating driving for results.</p>				

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	<ul style="list-style-type: none"> <li>Sets strategic goals and measurable performance expectations for defining success</li> <li>Drives execution with speed and discipline, and delivers on personal and organizational commitments</li> <li>Demonstrates ownership for performance of entire organization, and holds self and organization accountable for decisions and results</li> <li>Assesses financial implications of initiatives; allocates resources to improve results while maintaining financial discipline</li> <li>Actively monitors performance of self and others relative to performance objectives</li> </ul>		Then CEO fulfills personal commitments, and inspires that same level of accountability in his subordinates.				
	<p><b>Focuses on the Customer</b></p> <ul style="list-style-type: none"> <li>Places high priority on identifying and meeting internal and external customer needs</li> <li>Provides high quality, valuable and consistent service to customers</li> <li>Ensures that customers understand and receive the fullest value possible from the products and services of the organization</li> <li>Assures that products and services meet customer needs and expectations</li> <li>Adapts and personalizes services to meet individual customer needs</li> <li>Anticipates changing customer needs and develops ways to meet or exceed those needs</li> <li>Utilizes follow-up procedures to ensure consistency and determine where improvements can be made to maintain high customer satisfaction</li> </ul>	Ongoing	The CEO initiated the most comprehensive customer satisfaction initiative in the JEA's history, and hired JD Power to measure our progress. He also hired a Chief Customer Officer from another utility that was tier 1 in customer satisfaction.				
	<p><b>Fosters Teamwork</b></p> <ul style="list-style-type: none"> <li>Shares relevant expertise and knowledge to ensure team members have adequate information to make decisions and achieve objectives</li> <li>Identifies and removes barriers that interfere with the team's success and</li> </ul>	Ongoing	<p>The CEO has hired executives from outside JEA who excel at teamwork to fill vacant SLT positions.</p> <p>CEO embraces JEA's multi-cultural events and has pledged to continue supporting these events.</p>				

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	<p>provides suggestions to enhance team effectiveness</p> <ul style="list-style-type: none"> <li>Contributes to inclusive culture by valuing others' viewpoints, encouraging others to share ideas, and treating others in an accepting, respectful manner</li> <li>Recognizes and capitalizes on the strengths of others to accomplish organizational objectives</li> <li>Exhibits willingness to listen to others' views even if not same as own</li> <li>Does not take conflicts personally; handles conflict in a positive manner and seeks mutual understanding</li> <li>Directly confronts behaviors that undermine team effectiveness</li> </ul>		<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><b>Manages and Supports Change</b></p> <ul style="list-style-type: none"> <li>Effectively copes with changing environments, tasks and responsibilities</li> <li>Facilitates the acceptance and implementation of change to enhance the organization</li> <li>Encourages others to embrace change and use it as an opportunity to be creative and improve performance</li> <li>Identifies the changes necessary to move the organization forward</li> <li>Embraces and promotes change initiatives with a positive and enthusiastic attitude</li> <li>Ensures that change initiatives are aligned with strategic initiatives, values, and mission of the organization</li> <li>Leads change initiatives with frequent and consistent two-way communication</li> <li>Leverages resources to promote and sustain change efforts</li> </ul>	Ongoing	<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><b>Visionary Strategist</b></p> <ul style="list-style-type: none"> <li>Develops the strategies and actions needed to accomplish desired organizational objectives</li> <li>Communicates the organization's vision in a way that is meaningful and actionable for employees</li> </ul>	Ongoing	<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>				



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	<ul style="list-style-type: none"> <li>Researches and analyzes marketplace, political, economic, and other external influences to formulate vision and strategy, and position the organization in the marketplace</li> <li>Collaborates with Executive Team and Board of Directors to determine vision and strategy, and ensures support throughout the organization</li> <li>Reviews the planning, organization, and direction of initiatives to ensure support of the mission statement and values</li> <li>Considers both short and long-term implications of a strategy</li> <li>Accurately anticipates the implications of events or decisions for various stakeholders in the organization and plans strategy accordingly</li> </ul>		<p>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.</p>				
	<p><b>Manages Performance</b></p> <ul style="list-style-type: none"> <li>Motivates others to achieve results through both respect and holding them accountable</li> <li>Provides others with constructive feedback, guidance, and coaching for improving performance</li> <li>Sets clear performance expectations and strategic goals, regularly monitors performance, and provides accurate evaluations</li> <li>Encourages the use of development activities (e.g., workshops, mentoring), to improve performance and achieve desired results for the organization</li> <li>Identifies and provides important assignments to facilitate the development of key personnel</li> <li>Balances levels of support, direction, and autonomy based on employee needs and level of experience</li> </ul>	Ongoing	<p>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.</p>				
	<p><b>Delegates to Others</b></p> <ul style="list-style-type: none"> <li>Plans delegated assignments to ensure an optimal match between value of task and value of the resource attached to it</li> </ul>	Ongoing	<p>CEO restructured JEA's organization to provide better delegation of responsibilities, and</p>				

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	<ul style="list-style-type: none"> <li>Determines when to assign responsibilities to others and clarifies expectations to ensure effectiveness</li> <li>Provides others with the resources, authority, and support to complete delegated tasks successfully</li> <li>Develops employees for assuming additional responsibilities; anticipates talent gaps and accelerates development plans to fill gaps</li> <li>Recognizes individuals who are successful in completing delegated assignments</li> </ul>		accountability for results. As part of the reorganization, certain employees were promoted into senior leadership roles, demonstrating employee development and recognition of successful individuals.				
	<b>Maintains Positive Public Relations</b> <ul style="list-style-type: none"> <li>Seeks and builds relationships with external constituencies (e.g., elected officials, government agencies, other utility leaders, trustees, investment bankers) to strengthen the organization's impact and reputation in the community</li> <li>Treats others outside the organization in an accepting, respectful manner</li> <li>Understands the needs of the cities, board members and the community, and leverages this information to shape policies and initiatives</li> <li>Represents the organization with credibility to print and media sources (includes providing information, clarifying facts, etc.)</li> <li>Researches constituencies to determine the best way to communicate to them</li> <li>Ensures that customers experience and understand the full value they derive from the organization</li> </ul>	Ongoing	CEO spends substantial time in the community talking with civic groups, City Council representatives, City Hall, and customers to strengthen JEA's reputation.  CEO is also proactive in doing interviews with local media, and has participated on JEA's weekly radio show answering questions from customers.  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.				
	<b>Actively Supports Board of Directors</b> <ul style="list-style-type: none"> <li>Keeps Board of Directors informed on progress towards implementing strategic initiatives and other important information</li> <li>Updates the board on large-scale progress of the organization towards its objectives</li> <li>Shows an appreciation for the unique role of a board member</li> </ul>	Ongoing	CEO performs all of the duties at left through ongoing interactions with the Board during pre-Board meetings, board meetings, workshops, Finance and Audit Committee meetings, and one-on-				

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	<ul style="list-style-type: none"> <li>Maintains a cordial, productive relationship with each board member</li> <li>Educates the Board on the strategies and priorities that balance the needs of customers with operational needs</li> <li>Keeps board members informed on important issues – “no surprises”</li> </ul>		one meetings/ conversations with board members.				
	<p><b>Leads Others Effectively</b></p> <ul style="list-style-type: none"> <li>Develops and communicates compelling rationales that build commitment and support for one’s perspectives, strategies, and initiatives</li> <li>Builds diverse, high-performing teams that accomplish organizational changes, goals, and priorities</li> <li>Listens to the diverse ideas, perspectives, and contributions of others across the organization</li> <li>Builds trusting, collaborative relationships across organizational boundaries to achieve goals</li> <li>Leads with integrity and values, and a focus at all times on the mission of the organization</li> <li>Challenges and motivates others in a way that is inclusive, tactful, empowering, and maximizes performance</li> <li>Leads with a vision that inspires others to adopt the goals of the organization as their own</li> <li>Ability to interact and get along with employees at all levels</li> </ul>	Ongoing	<p>CEO discusses perspectives, strategies and initiatives at Town Hall and monthly Management meetings.</p> <p>One of JEA’s strategic initiatives for 2015 is to assign multiple teams of employees from every segment of the company to work on ways to significantly improve employee satisfaction.</p> <p>CEO meets with various union leaders and groups to obtain their perspective, address their questions and concerns, and let them know his perspective and plans for JEA.</p>				
	<ul style="list-style-type: none"> <li><b>Leverages Industry Acumen</b></li> <li>Monitors and analyzes financial data and key cost drivers (e.g., personnel) to evaluate options and make decisions</li> <li>Understands overall financial and operational performance of an organization in order to effectively position it in the marketplace</li> <li>Establishes and maintains realistic budgets in accordance with the organizations policies</li> </ul>	Ongoing	<p>The CEO receives budget versus actual reports as well as other financial reports.</p> <p>The CEO was formerly the CFO and has extensive financial knowledge and expertise. In addition, he was very instrumental in the presentation of previous budgets to the City Council, all of which were approved without substantive changes.</p>				

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Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
	<ul style="list-style-type: none"> <li>Follows appropriate legal and fiduciary requirements when reconciling and reporting financial transactions</li> <li>Considers multiple options for reducing costs and keeping the organization as efficient as possible</li> <li>Seeks to develop financial acumen and understand key financial related issues</li> <li>Grows continuously in business knowledge and experience</li> </ul>		<p>The CEO formed a Compliance Department as part of the reorganization in late 2012.</p> <p>The CEO also initiated an expense containment initiative at the company.</p>				
	<ul style="list-style-type: none"> <li><b>Plans for the Future</b></li> <li>Identifies and balances risks and benefits when developing plans</li> <li>Assesses financial implications of projects and initiatives; allocates resources to improve results while maintaining financial discipline</li> <li>Provides the information, resources, implementation time, and talent needed to make plans and their implementation successful</li> <li>Identifies need for and ensures contingency plans are developed</li> <li>Assigns or directly monitors and evaluates the external environment when developing plans</li> <li>Aligns and allocates resources and time according to strategic priorities and company interests</li> </ul>	Ongoing	<p>CEO strongly supports JEA's ERM program, and participates in the monthly ECRC meetings as well as certain risk subcommittees such as the TPC, where risks and cost/benefit are considered.</p> <p>CEO initiated company-wide strategic planning process which includes a talent/competency component, i. e. IDPs and Talent Assessments.</p> <p>The CEO appointed a new Director of Emergency Preparedness to focus more attention on addressing business continuity risk, preparation, and remediation.</p>				
	<ul style="list-style-type: none"> <li><b>Embraces Diversity</b></li> <li>Promotes the active recruiting of diverse individuals</li> <li>Communicates and clarifies the link between diversity and achieving the organization's strategic goals</li> <li>Demonstrates visible support for programs that remove barriers (e.g., stereotypes) between diverse individuals</li> <li>Actively monitors organization to ensure equality and fairness for all members; objectively allocates compensation, rewards, and opportunities</li> </ul>	Ongoing	<p>SLT hires in 2012 and 2013 included both women and minorities.</p> <p>CEO established diversity as an overall company goal.</p> <p>CEO reviews all appointed promotions, new hires, and transfers.</p>				

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes
	<ul style="list-style-type: none"> <li>Promotes an inclusive culture where different viewpoints are valued and encouraged</li> </ul>						
	<ul style="list-style-type: none"> <li><b>Negotiates Collaboratively</b></li> <li>Strives to understand each party's position by asking in-depth questions and probing for specific needs and issues</li> <li>Defines and evaluates specific points of agreement and disagreement</li> <li>Seeks win-win solutions that meet the underlying interests of all parties</li> <li>Discloses appropriate and important information to establish openness and trust</li> <li>Keeps arguments or disputes issue-oriented rather than personal</li> <li>Maintains flexibility in negotiating style, adapting style to the specific needs of a given situation</li> </ul>	Ongoing	<p>This section is mostly subjective and perception.</p> <p>In negotiations with the unions, and customer/employee complaint resolution, the CEO seeks win/win solutions.</p> <p>CEO demonstrates disclosing appropriate information and building trust at both Town Hall and monthly Management meetings where he shares the information employees need and want.</p>				
	<ul style="list-style-type: none"> <li><b>Manages Politics</b></li> <li>Accurately discerns unspoken feelings and motivations, and leverages to determine what to say or how to proceed</li> <li>Adapts dress and demeanor as appropriate to a situation</li> <li>Appropriately manages impressions of oneself, one's department and the organization</li> <li>Keenly aware of and adheres to the norms and practices of the organization's culture</li> <li>Leverages appropriate channels of influence to more efficiently gain resources and accomplish goals</li> <li>Creates and maintains both formal and informal networks within the organization that facilitate the achievement of goals</li> <li>Chooses battles wisely and matches urgency to the importance of the concerns under discussion</li> </ul>	Ongoing	<p>No measurable criteria. Assessment would be totally subjective and a matter of perception.</p> <p>CEO conducts annual Town Hall meetings which help create and maintain informal networks.</p> <p>Inter-local agreement with the City administration in response to the very sensitive Police and Fire pension issue, demonstrates CEO's innovative ability to negotiate a win/win for the City and JEA.</p>				

Board Governance Manual Compliance & Update Assessment

Policy Ref #	Requirement	Frequency	Current Activities	Suggested Changes	Board Feedback		
					Changes Approved	Changes Not Approved	Additional Suggested Changes



# JEA Board Policy Manual

Adopted in its entirety by the JEA Board on February 16, 2010: \_\_\_\_\_  
Board Secretary

**Column A - JEA Board Policy Manual - Adopted on February 16, 2010**



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Adopted in its entirety by the JEA Board on February 16, 2010.

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Adopted in its entirety by the JEA Board on February 16, 2010.



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## ***JEA Board Policy Manual***

**POLICY TYPE: 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.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

**POLICY TYPE: ENDS**

**POLICY 1.6**

**POLICY TITLE: INFORMATIVE COMMUNICATION**

---

*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.

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## ***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.

## ***JEA 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***

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

Accordingly,

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

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

**POLICY TYPE: BOARD MANAGEMENT DELEGATION**

**POLICY 3.2**

**POLICY TITLE: ACCOUNTABILITY OF CEO**

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

Accordingly,

- 3.2.1 The Board as a body and individual board members will never give instructions to persons who report directly or indirectly to the CEO.
- 3.2.2 The Board will not evaluate, either formally or informally, any staff other than the CEO. However, the CEO will discuss his evaluation with the Board of the executives identified as potential interim CEO successors (refer to 2.5.1)
- 3.2.3 The Board will view CEO performance as identical to organizational performance so that organizational accomplishment of Board-stated Ends and avoidance of Board-described means will be viewed as successful CEO performance.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: BOARD MANAGEMENT DELEGATION**

#### **POLICY 3.3**

#### **POLICY TITLE: *DELEGATION TO THE CEO***

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

Accordingly,

- 3.3.1 The Board will develop policies instructing the CEO to achieve specified results, for specified recipients, at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels and will be called Ends policies. All issues that are not ends issues as defined here are means issues.
- 3.3.2 The Board will develop policies that limit the latitude the CEO may exercise in choosing the organizational means. These limiting policies will describe those practices, activities, decisions and circumstances that would be unacceptable to the Board even if they were to be effective. Policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations policies. The Board will never prescribe organizational means delegated to the CEO.
- 3.3.3 As long as the CEO uses *any reasonable interpretation* of the Board's Ends and Executive Limitations policies, the CEO is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and pursue all activities. Such decisions of the CEO shall have full force and authority as if decided by the Board.
- 3.3.4 The Board may change its Ends and Executive Limitations policies, thereby shifting the boundary between Board and CEO domains. By doing so, the Board changes the latitude of choice given to the CEO. However, as long as any particular delegation is in place, the Board will respect and support the CEO's choices.
- 3.3.5 Should the CEO violate a Board policy, he or she shall promptly inform the Board. Informing is simply to guarantee no violation may be intentionally kept from the Board, not to request approval. Board response, either approving or disapproving, does not exempt the CEO from subsequent Board judgment of the action nor does it curtail any executive decision.

Adopted in its entirety by the JEA Board on February 16, 2010.

## **JEA Board Policy Manual**

**POLICY TYPE: BOARD MANAGEMENT DELEGATION**

**POLICY 3.4**

**POLICY TITLE: MONITORING CEO PERFORMANCE**

*Systematic monitoring of CEO performance will be solely against the only expected CEO job achievements: organizational accomplishment of Board policies on Ends and organizational operation within the boundaries established in Board policies on Executive Limitations.*

Accordingly,

- 3.4.1 Monitoring is simply to determine the degree to which Board policies are being met. Data or information that does not do this will not be considered to be monitoring information.
- 3.4.2 The Board will acquire monitoring information by one or more of these methods:
  - a. By internal report, in which the CEO discloses interpretations and compliance information to the Board.
  - b. By external report, in which an external, disinterested and independent third party selected by the Board assesses compliance with Board policies (e.g. external financial audit).
  - c. By direct Board inspection, in which a designated member or members of the Board assess compliance with the appropriate policy criteria.
- 3.4.3 In every case, the Board will judge (a) the reasonableness of the CEO's interpretation and (b) whether data demonstrate accomplishment of the interpretation.
- 3.4.4 The standard of compliance shall be any reasonable CEO interpretation of the Board policy being monitored. The Board is the final arbiter of reasonableness.
- 3.4.5 All policies that instruct the CEO will be monitored at a frequency and by a method chosen by the Board. The Board can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule:

**[Example of monitoring schedule] – (final schedule will be set after policies are developed)**

<u>Policy</u>	<u>Method</u>	<u>Frequency</u>	<u>Schedule</u>
Ends	Internal	Annually	
Treatment of Customers	Internal	Annually	
Treatment of Staff	Internal	Annually	
Financial Planning/Budgeting	Internal	Quarterly	End of Qtr.
Financial Condition & Activities	Internal External	Quarterly Annually	End of Qtr. Close of Yr.
Asset Protection	Internal	Annually	
Emergency CEO Succession	Internal	Annually	
Communication and Support to Board	Internal	Annually	

Adopted in its entirety by the JEA Board on February 16, 2010.

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Compensation and Benefits	Internal	Annually
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In addition to the monitoring reports above, the Board must receive the following information each month. It is understood that this data is supplemental, not monitoring:

Financial Report	Internal	Monthly	End of Month
Operating Report	Internal	Monthly	End of Month

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

**POLICY TYPE: BOARD MANAGEMENT DELEGATION**

**POLICY 3.5**

**POLICY TITLE: *CEO REMUNERATION***

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

Adopted in its entirety by the JEA Board on February 16, 2010.

**Column A - JEA Board Policy Manual - Adopted on February 16, 2010**



## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 4.0**

#### **POLICY TITLE: GLOBAL GOVERNANCE PROCESS**

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*The purpose of the Board, on behalf of the owners of JEA, the citizens of Duval County, is to see to it that JEA (a) achieves appropriate results for appropriate persons for an appropriate cost (as specified in Board Ends policies) and (b) avoids unacceptable actions and situations (as prohibited in Board Executive Limitations policies).*

- 4.1 **Governing Style:** The Board will govern in accordance with legal requirements, observing the principles of the Policy Governance model, with an emphasis on (a) outward vision rather than internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of Board and chief executive roles, (e) collective rather than individual decisions, (f) future more so than past or present, and (g) proactivity rather than reactivity.
- 4.2 **Board Job Description:** Specific responsibilities of the Board as an informed agent of the ownership are those that ensure appropriate organizational performance.
- 4.3 **Agenda Planning:** To accomplish its responsibilities with a governance style consistent with Board policies, the Board will follow an annual agenda that (a) completes a re-exploration of Ends policies at least annually and (b) continually improves Board performance through education and deliberation.
- 4.4 **Board Officers:** Board officers assure the integrity of the Board's process and record's. Board officers are: Chairman, Vice-Chairman, Secretary & Assistant Secretary.
- 4.5 **Rules of Order:** Board meetings will be conducted in an orderly and fair process consistent with the requirements of Florida law, Ordinances of the City of Jacksonville, the JEA Charter, Bylaws and these governance policies. Meetings will be led by the Chairman, or, in the absence of the Chairman, the Vice-Chairman, or, in the absence of both, by the Chairman's designee.
- 4.6 **Board Member's Code of Conduct:** The Board commits itself to lawful, ethical and businesslike conduct, following all requirements of Florida Law, Ordinances of the City of Jacksonville, and the JEA Charter including proper use of its authority and appropriate decorum when acting as Board members.
- 4.7 **Board Member's Individual Responsibility:** The leadership success of the Board is a direct result of the individual and collegial participation of its members.
- 4.8 **Board Committee Principles:** Board committees, when used, will be assigned so as to reinforce the wholeness of the Board's job and not to interfere with delegation from the Board to the CEO.
- 4.9 **Board Committee Structure:** A committee is a Board committee only if its existence and charge come from the Board, regardless of whether Board members sit on the committee. The only Board committees are those which are set forth in the Bylaws or in this policy. Unless otherwise stated, a committee ceases to exist as soon as its task is complete. The CEO will attend meetings of each committee, but shall not have a vote.
- 4.10 **Cost of Governance:** The Board will invest in continuous improvement of its governance capacity.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 4.1**

#### **POLICY TITLE: GOVERNING STYLE**

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

Accordingly,

- 4.1.1 Unique Requirements of Florida Law for Public Boards: In conducting its duties as a Board in Florida, the Board is required to comply with the Florida Sunshine Law, which prohibits any two or more members of the Board from meeting unless the meeting has been properly noticed and conducted in accordance with the legal requirements. In addition, Florida Law contains requirements regarding Public Records, conflicts of interest and voting which must be followed in the conduct of the Board's business.
- 4.1.2 The Board will cultivate a sense of group responsibility and will be a proactive Board versus a reactive Board. The Board, not the staff, will be responsible for excellence in governing. The Board will be the initiator of policy, not merely a reactor to staff initiatives. The Board will use the expertise of individual members to enhance the ability of the Board as a body rather than to substitute the individual judgments for the Board's values.
- 4.1.3 The Board will direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the Board's values and perspectives. The Board's major policy focus will be on the intended long-term impacts outside the staff organization, not on the administrative or programmatic means of attaining those effects.
- 4.1.4 The Board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuance of governance capability. Although the Board can change its Governance Process policies at any time, it will diligently observe those currently in force.
- 4.1.5 Continual Board development will include orientation of new Board members in the Board's governance process and periodic Board discussion of governance process improvement.
- 4.1.6 The Board will allow no officer, individual, or committee of the Board to hinder or serve as an excuse for the Board not fulfilling its commitments.
- 4.1.7 Each member of the Board will respect the final determination of the Board concerning any particular matter, regardless of the member's personal position concerning such matter.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 4.2**

#### **POLICY TITLE: BOARD JOB DESCRIPTION**

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

Accordingly,

- 4.2.1 The Board is the authoritative link between the organization and the ownership.
- 4.2.2 The Board will provide governing policies that realistically address the broadest levels of all organizational decisions and situations:
  - a. Ends: The organizational outcomes to its recipients including the relative worth of such outcomes in cost or priority. (What good for which recipients at what cost)
  - b. Executive Limitations: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
  - c. Board-Management Delegation: Specification of how power is delegated and its proper use monitored; clarity on the CEO's role, authority, and accountability.
  - d. Governance Process: Specification of how the Board develops, carries out, and monitors its own responsibilities.
- 4.2.3 The Board will measure the CEO's performance against its Ends and Executive Limitations Policies.
- 4.2.4 The Board will measure its own performance against its Governance Process and Board-Management Delegation Policies quarterly.
- 4.2.5 Board members will respect their fiduciary responsibilities to protect and enhance the value of JEA as a citizen-owned enterprise with due diligence using sound business judgment consistent with JEA's legislative charter.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 4.3**

#### **POLICY TITLE: AGENDA PLANNING**

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

Accordingly,

- 4.3.1 The Board will establish its annual agenda during an annual retreat to be scheduled around March of each year.
- a. The Board will review and re-establish its Ends policies as often as necessary with review always taking place at least during the annual retreat.
  - b. Consultations with selected groups in the ownership, or other methods of gaining ownership input, will be scheduled as part of the annual agenda.
  - c. Governance education and education related to Ends determination (presentations by futurist, demographers, advocacy groups, staff, etc.) will be scheduled as part of the annual agenda.
- 4.3.2 The agenda for the Board's monthly meeting will be established through consultation with the Chair and the CEO.
- a. The agenda along with supporting item documentation will be made available to Board members seven days prior to monthly Board meetings.
  - b. The Board will attend to consent agenda items as expeditiously as possible.
  - c. A Board member may bring up new business at the appropriate time on the agenda during any meeting, however, if a formal response or presentation is necessary, a request should be made to the CEO no later than two weeks before the Board meeting to allow others on the Board to receive information in advance.
  - d. CEO monitoring will be on the agenda if reports have been received since the previous meeting, if plans must be made for direct inspection monitoring, or if arrangements for third-party monitoring must be prepared.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 4.4**

#### **POLICY TITLE: BOARD OFFICERS**

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*Board officers assure the integrity of the Board's process and record's. Board officers are: Chairman, Vice-Chairman, Secretary & Assistant Secretary.*

Accordingly,

- 4.4.1 The Chairman, a specially empowered member of the Board, ensures the integrity of the Board's process and, secondarily, occasionally represents the Board to outside parties.
- a. The Chairman's role is to see that the Board behaves consistently within its own rules and those rules and regulations imposed upon it from outside the organization.
    - (1) Meeting discussion content will consist of issues that clearly belong to the Board to decide or to monitor according to Board policy.
    - (2) Information that is neither for monitoring performance nor for Board decisions will be avoided or minimized and always noted as such.
    - (3) Deliberation will be fair, open, and thorough but also timely, orderly, and kept to the point.
  - b. The authority of the Chairman consists in making decisions that fall within topics covered by Board policies on Governance Process and Board-Management Delegation, with the exception of (a) employment or termination of the CEO and (b) areas where the Board specifically delegates portions of this authority to others. The Chairman is authorized to use any reasonable interpretation of provisions in these policies.
    - (1) The Chairman is empowered to chair Board meetings with all the commonly accepted powers of that position, such as ruling and recognizing.
    - (2) The Chairman has no authority to make decisions about policies created by the Board within Ends and Executive Limitations policy areas.
    - (3) The Chairman may represent the Board to outside parties in announcing Board-stated positions and in stating Chairman decisions and interpretations within the area delegated to that role.
    - (4) The Chairman may delegate this authority but remains accountable for its use.
    - (5) The Chairman may appoint members and a Chairman for each Board committee, unless otherwise stipulated by Board policies or the organization's Bylaws.
  - c. Expected Traits for chairman: *(Does the Board want to include some basic core traits for the chair?)*
- 4.4.2 The Vice-Chairman or, in the absence of the Vice-Chairman, the immediate Past-Chairman will serve as Chair in the absence of the Chairman.
- 4.4.3 The Board Secretary is an officer of the Board whose purpose is to ensure the integrity of the Board's documents.

Adopted in its entirety by the JEA Board on February 16, 2010.

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- a. The Secretary's role is to see to it that all Board documents and records are accurate and timely.
    - (1) Policies will be current in their reflection of Board decisions. Decisions upon which no subsequent decisions are to be based, such as consent agenda decisions, motions to adjourn, and staff or Board member recognitions, need not be placed in policy.
    - (2) Policy Governance principles will be followed in policy development.
    - (3) Board policies and By-laws are to be consistent with the legal requirements of Florida Law, Ordinances of the City of Jacksonville and the JEA Charter and are to be known by the Board.
    - (4) Board expectations for format, brevity, and accuracy of Board minutes will be known to the CEO.
  - b. The authority of the secretary is access to and control over Board documents and records.
- 4.4.4 The Assistant Secretary will serve as Secretary in the absence of the Secretary.
- 4.4.5 All Board officers are accountable to the Chairman unless otherwise determined by Board policy.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 4.5**

#### **POLICY TITLE: *RULES OF ORDER***

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

Accordingly,

- 4.5.1 Board meetings will be conducted with punctuality and order.
- a. Board meetings shall be called to order at the time specified in the notice of meeting and upon satisfaction of a quorum.
  - b. Meeting order shall be maintained and all members treated with dignity, respect, courtesy, and fairness during discussion and debate and in all other respects.
  - c. Board members must keep their comments relevant to the issue under consideration.
  - d. In order to conduct business, a quorum of four (4) board members must be present. Four affirmative votes are required to decide all motions before the Board regardless of number in attendance.
- 4.5.2 Board meetings will be conducted at a level of informality considered appropriate by the Chairman yet with predictable discipline.
- a. Discussion of a matter not on the previously distributed agenda may occur only after Board consent that the matter be heard.
  - b. Proposals that the Board take action, or decide a particular matter, shall (unless otherwise agreed to by unanimous consent) be made by main motion of a Board member, discussed, and then voted on. Motions require a second to proceed to discussion and subsequent vote.
  - c. The Chair may not make motions but can engage in debate and is required to vote.
  - d. A motion to amend a main motion may be amended but third level amendments are not to be heard.
  - e. A motion to refer to a committee, postpone, or table, may be made with respect to a pending main motion, shall take precedence over the pending motion and, if carried, shall set the main motion (the initial proposal) aside accordingly.
  - f. Board members may speak to a pending motion on as many occasions, and at such length, as the Chair may reasonably allow.
  - g. A vote on a motion shall be taken when discussion ends, but any Board member may, during the course of debate, move for an immediate vote (close debate or call the question) which, if carried, shall end discussion and the vote on the main motion shall then be taken. Votes may be made by voice vote or by roll call. All members of the Board are required to vote unless a conflict of interest is declared.

Adopted in its entirety by the JEA Board on February 16, 2010.

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

Adopted in its entirety by the JEA Board on February 16, 2010.



## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 4.6**

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

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

Accordingly,

- 4.6.1 Members are expected to represent the interests of the ownership. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. It also supersedes the personal interest of any Board member acting as a consumer of the organization's services.
- 4.6.2 Members must avoid conflict of interest with respect to their fiduciary responsibility. Such conflicts of interest include but are not limited to the following:
  - a. There will be no self-dealing or business by a member with the organization. Members will annually disclose their involvements with other organizations or with vendors and any associations that might be reasonably seen as representing a conflict of interest.
  - b. When the Board is to decide upon an issue about which a member has an unavoidable conflict of interest, that member shall announce and declare publicly any conflict of interest and withdraw without comment not only from the vote but also from the deliberation.
  - c. Board members will not use their Board position to obtain employment in the organization for themselves, family members, or close associates. Any such existing relationship is expected to be disclosed to the Board. A Board member who applies for employment must first resign from the Board.
- 4.6.3 Members may not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.
  - a. Members' interaction with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly authorized by the Board.
  - b. Members' interaction with the public, the press, or other entities must recognize the same limitation and the inability of any Board member to speak for the Board except to repeat explicitly stated Board decisions.
  - c. Except for participation in Board deliberation about whether the CEO has achieved any reasonable interpretation of Board policy, members will not express individual judgments of negative performance of employees or the CEO.
- 4.6.4 Members will respect the confidentiality appropriate to issues of a sensitive nature.
- 4.6.5 Members will be properly prepared for Board deliberation.
- 4.6.6 Members are expected to support the legitimacy and authority of the final determination of the Board on any matter, without regard to the member's personal position on the issue.
- 4.6.7 Members who have any question about the appropriateness of their conduct should consult with the Office of General counsel or appropriate Ethics offices for information.

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 4.7**

#### **POLICY TITLE: *DIRECTORS' INDIVIDUAL RESPONSIBILITY***

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

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

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

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 4.8**

#### **POLICY TITLE: *BOARD COMMITTEE PRINCIPLES***

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

Accordingly,

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

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 4.9**

#### **POLICY TITLE: BOARD COMMITTEE STRUCTURE**

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

Accordingly,

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

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

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

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

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

Adopted in its entirety by the JEA Board on February 16, 2010.

## ***JEA Board Policy Manual***

**POLICY TYPE: GOVERNANCE PROCESS**

**POLICY 4.10**

**POLICY TITLE: COST OF GOVERNANCE**

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

Accordingly,

- 4.10.1 The Board will use appropriate methods to improve its governing skills.
- a. Training and retraining will be used liberally to orient new members as well as to maintain and increase existing members' skills and understandings.
  - b. Outside monitoring assistance will be arranged so that the Board can exercise confident control over organizational performance. This includes but is not limited to a financial audit.
  - c. Outreach mechanisms will be used as needed to ensure the Board's ability to listen to owner viewpoints and values.
  - d. Knowledgeable industry experts will be made available to the Board in various ways to continuously improve the Board's awareness of emerging utility industry issues.
- 4.10.2 Costs for appropriate Board governance will be included during annual budget preparations. Any expenditure required will be in accordance with JEA procurement policies. Items may include but not be limited to the following as annually decided by the Board:
- a. training
  - b. attendance at conferences, industry site visits and Rating Agency presentations
  - c. audit and other third-party monitoring of organizational performance
  - d. surveys, focus groups, opinion analysis, and meeting costs.

Adopted in its entirety by the JEA Board on February 16, 2010.

**Column A - JEA Board Policy Manual - Adopted on February 16, 2010**

## ***JEA Board Policy Manual***

### **APPENDIX**

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- A1 Executive Core Competencies
- A2 JEA Charter (Article 21 of City of Jacksonville Ordinance Code)
- A3 By-Laws of JEA

Adopted in its entirety by the JEA Board on February 16, 2010.

**Column A - JEA Board Policy Manual - Adopted on February 16, 2010**



## ***JEA Board Policy Manual***

# **Executive Core Competencies**

### **Models Integrity**

- Demonstrates high ethical standards and models important values for others to follow.
- Behaves and expresses oneself in an open and honest manner; is consistent in word and deed
- Is a fair person who does not manipulate or take advantage of others
- Tells the truth even when it is difficult
- Utilizes values and principles to guide his/her decisions
- Builds respect and trust from others by following through on commitments
- Represents information accurately and completely
- Assumes responsibility for own behavior; admits to mistakes

### **Makes Quality Decisions**

- Examines and integrates data from a variety of sources to make quality decisions
- Prioritizes decisions and initiatives in ways that ensures the highest value for the organization
- Makes educated and effective decisions in a timely manner, even when data is limited
- Makes high-quality strategic decisions for the organization even when the consequences may be controversial
- Seeks the input of others to ensure that decisions made will be best for the organization and will minimize conflict with other initiatives
- Takes appropriate risks that weighs the positive and negative impact of each decision on the organization

### **Takes Initiative**

- Assumes full ownership and accountability for own performance
- Takes on challenging work, even in the face of obstacles
- Initiates action on projects without being pressured from others to do so
- Reacts quickly to address problems that threaten organizational objectives
- Seeks out opportunities to extend or expand upon the organization's position in the market place
- Is passionate, highly engaged and highly energetic

### **Communicates Effectively**

- Listens actively to ensure understanding of each person's point of view
- Clearly articulates (through speech or in writing) own knowledge and ideas so they are easily understood and applied to others
- Communicates through appropriate channels

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- Identifies sources of motivation and appeals directly to co-workers in a language meaningful to them
- Is engaging with others and demonstrates professionalism through body language, including eye-contact, confidence, and focus
- Addresses difficult problems and perceptions that, if left untreated, could undermine the success of the organization
- Ensures regular, consistent, and meaningful communication throughout the organization

### **Drives Results**

- Seeks to achieve improved or even unprecedented results and demonstrates personal accountability for outcomes
- Creates a positive environment in which results flow from a desire to achieve
- Sets strategic goals and measurable performance expectations for defining success
- Drives execution with speed and discipline, and delivers on personal and organizational commitments
- Demonstrates ownership for performance of entire organization, and holds self and organization accountable for decisions and results
- Assesses financial implications of initiatives; allocates resources to improve results while maintaining financial discipline
- Actively monitors performance of self and others relative to performance objectives

### **Focuses on the Customer**

- Places high priority on identifying and meeting internal and external customer needs
- Provides high quality, valuable and consistent service to customers
- Ensures that customers understand and receive the fullest value possible from the products and services of the organization
- Assures that products and services meet customer needs and expectations
- Adapts and personalizes services to meet individual customer needs
- Anticipates changing customer needs and develops ways to meet or exceed those needs
- Utilizes follow-up procedures to ensure consistency and determine where improvements can be made to maintain high customer satisfaction

### **Fosters Teamwork**

- Shares relevant expertise and knowledge to ensure team members have adequate information to make decisions and achieve objectives
- Identifies and removes barriers that interfere with the team's success and provides suggestions to enhance team effectiveness
- Contributes to inclusive culture by valuing others' viewpoints, encouraging others to share ideas, and treating others in an accepting, respectful manner

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- Recognizes and capitalizes on the strengths of others to accomplish organizational objectives
- Exhibits willingness to listen to others' views even if not same as own
- Does not take conflicts personally; handles conflict in a positive manner and seeks mutual understanding
- Directly confronts behaviors that undermine team effectiveness

### **Manages and Supports Change**

- Effectively copes with changing environments, tasks and responsibilities
- Facilitates the acceptance and implementation of change to enhance the organization
- Encourages others to embrace change and use it as an opportunity to be creative and improve performance
- Identifies the changes necessary to move the organization forward
- Embraces and promotes change initiatives with a positive and enthusiastic attitude
- Ensures that change initiatives are aligned with strategic initiatives, values, and mission of the organization
- Leads change initiatives with frequent and consistent two-way communication
- Leverages resources to promote and sustain change efforts

### **Visionary Strategist**

- Develops the strategies and actions needed to accomplish desired organizational objectives
- Communicates the organization's vision in a way that is meaningful and actionable for employees
- Researches and analyzes marketplace, political, economic, and other external influences to formulate vision and strategy, and position the organization in the marketplace
- Collaborates with Executive Team and Board of Directors to determine vision and strategy, and ensures support throughout the organization
- Reviews the planning, organization, and direction of initiatives to ensure support of the mission statement and values
- Considers both short and long-term implications of a strategy
- Accurately anticipates the implications of events or decisions for various stakeholders in the organization and plans strategy accordingly

### **Manages Performance**

- Motivates others to achieve results through both respect and holding them accountable
- Provides others with constructive feedback, guidance, and coaching for improving performance
- Sets clear performance expectations and strategic goals, regularly monitors performance, and provides accurate evaluations

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- Encourages the use of development activities (e.g., workshops, mentoring), to improve performance and achieve desired results for the organization
- Identifies and provides important assignments to facilitate the development of key personnel
- Balances levels of support, direction, and autonomy based on employee needs and level of experience

### **Delegates to Others**

- Plans delegated assignments to ensure an optimal match between value of task and value of the resource attached to it
- Determines when to assign responsibilities to others and clarifies expectations to ensure effectiveness
- Provides others with the resources, authority, and support to complete delegated tasks successfully
- Develops employees for assuming additional responsibilities; anticipates talent gaps and accelerates development plans to fill gaps
- Recognizes individuals who are successful in completing delegated assignments

### **Maintains Positive Public Relations**

- Seeks and builds relationships with external constituencies (e.g., elected officials, government agencies, other utility leaders, trustees, investment bankers) to strengthen the organization's impact and reputation in the community
- Treats others outside the organization in an accepting, respectful manner
- Understands the needs of the cities, board members and the community, and leverages this information to shape policies and initiatives
- Represents the organization with credibility to print and media sources (includes providing information, clarifying facts, etc.)
- Researches constituencies to determine the best way to communicate to them
- Ensures that customers experience and understand the full value they derive from the organization

### **Actively Supports Board of Directors**

- Keeps Board of Directors informed on progress towards implementing strategic initiatives and other important information
- Updates the board on large-scale progress of the organization towards its objectives
- Shows an appreciation for the unique role of a board member
- Maintains a cordial, productive relationship with each board member
- Educates the Board on the strategies and priorities that balance the needs of customers with operational needs
- Keeps board members informed on important issues – “no surprises”

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### **Leads Others Effectively**

- Develops and communicates compelling rationales that build commitment and support for one's perspectives, strategies, and initiatives
- Builds diverse, high-performing teams that accomplish organizational changes, goals, and priorities
- Listens to the diverse ideas, perspectives, and contributions of others across the organization
- Builds trusting, collaborative relationships across organizational boundaries to achieve goals
- Leads with integrity and values, and a focus at all times on the mission of the organization
- Challenges and motivates others in a way that is inclusive, tactful, empowering, and maximizes performance
- Leads with a vision that inspires others to adopt the goals of the organization as their own
- Ability to interact and get along with employees at all levels

### **Leverages Industry Acumen**

- Monitors and analyzes financial data and key cost drivers (e.g., personnel) to evaluate options and make decisions
- Understands overall financial and operational performance of an organization in order to effectively position it in the marketplace
- Establishes and maintains realistic budgets in accordance with the organizations policies
- Follows appropriate legal and fiduciary requirements when reconciling and reporting financial transactions
- Considers multiple options for reducing costs and keeping the organization as efficient as possible
- Seeks to develop financial acumen and understand key financial related issues
- Grows continuously in business knowledge and experience

### **Plans for the Future**

- Identifies and balances risks and benefits when developing plans
- Assesses financial implications of projects and initiatives; allocates resources to improve results while maintaining financial discipline
- Provides the information, resources, implementation time, and talent needed to make plans and their implementation successful
- Identifies need for and ensures contingency plans are developed
- Assigns or directly monitors and evaluates the external environment when developing plans
- Aligns and allocates resources and time according to strategic priorities and company interests

### **Embraces Diversity**

- Promotes the active recruiting of diverse individuals

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- Communicates and clarifies the link between diversity and achieving the organization's strategic goals
- Demonstrates visible support for programs that remove barriers (e.g., stereotypes) between diverse individuals
- Actively monitors organization to ensure equality and fairness for all members; objectively allocates compensation, rewards, and opportunities
- Promotes an inclusive culture where different viewpoints are valued and encouraged

### **Negotiates Collaboratively**

- Strives to understand each party's position by asking in-depth questions and probing for specific needs and issues
- Defines and evaluates specific points of agreement and disagreement
- Seeks win-win solutions that meet the underlying interests of all parties
- Discloses appropriate and important information to establish openness and trust
- Keeps arguments or disputes issue-oriented rather than personal
- Maintains flexibility in negotiating style, adapting style to the specific needs of a given situation

### **Manages Politics**

- Accurately discerns unspoken feelings and motivations, and leverages to determine what to say or how to proceed
- Adapts dress and demeanor as appropriate to a situation
- Appropriately manages impressions of oneself, one's department and the organization
- Keenly aware of and adheres to the norms and practices of the organization's culture
- Leverages appropriate channels of influence to more efficiently gain resources and accomplish goals
- Creates and maintains both formal and informal networks within the organization that facilitate the achievement of goals
- Chooses battles wisely and matches urgency to the importance of the concerns under discussion

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**Committee and Staff Edits (Clean)  
9-15-20**

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## ***JEA Board Policy Manual***

**POLICY TYPE: GOVERNANCE PROCESS**

**POLICY 1.0**

**POLICY TITLE: BY-LAWS OF JEA**

### **ARTICLE I - OFFICES**

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

### **ARTICLE II - MEMBERS OF JEA GOVERNING BODY**

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

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

### **ARTICLE III - OFFICERS**

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

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

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

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

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

### **ARTICLE IV - COMMITTEES**

**Section 1. Ordinary Committees.**

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

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

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

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

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

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

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

### **ARTICLE V - CONDUCT OF AUTHORITY BUSINESS**

**Section 1. Regular Meetings.** Regular meetings shall be held at least monthly at the principal offices of JEA in the City of Jacksonville, or at such other public place within the City of Jacksonville as may be determined by the Chair, and at such times as the Chair or a majority of the members may designate. More frequent regular meetings may be held at the pleasure of a majority of the members.

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

**Section 3. Notice of Special Meetings and Purpose.** Notice of each special meeting of the members shall be given by the Chair or by the three (3) members who may have called such special meeting. Such notice shall be in writing and shall be provided to every member not less than 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, Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on \_\_\_\_\_.

Commented [JD1]: 2 day warning is not sufficient

Commented [JD2]: Don't understand this sentence.

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appear at a meeting for the sole purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called without losing the right to object to improper notice. No business shall be transacted at any special meeting other than the purpose specified in the notice unless a majority of the members in attendance at such special meeting agree to transact other business.

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

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

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

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

### **ARTICLE VI - AMENDMENTS TO BY-LAWS**

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

### **ARTICLE VII - EFFECT OF BY-LAWS**

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

**APPROVED BY THE BOARD**

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

Form Approved:

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

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

## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 1.1**

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

---

##### **Mission**

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

##### **Vision**

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

##### **Values**

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

##### **Goals & Objectives**

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

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## **JEA Board Policy Manual**

**POLICY TYPE: GOVERNANCE PROCESS**

**POLICY 1.2**

**POLICY TITLE: GLOBAL GOVERNANCE PROCESS**

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

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

**Commented [JD3]:** Recommend by-laws be incorporated into the governance process policy category of the bd policy manual.

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## ***JEA Board Policy Manual***

**POLICY TYPE: GOVERNANCE PROCESS**

**POLICY 1.3**

**POLICY TITLE: GOVERNING STYLE**

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

Accordingly,

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

**Commented [JD5]:** I am not aware of any current "continual board development program" or a new member orientation.

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## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 1.4**

#### **POLICY TITLE: BOARD JOB DESCRIPTION**

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

Accordingly,

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

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 1.5**

#### **POLICY TITLE: AGENDA PLANNING**

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

Accordingly,

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

**Commented [JD6]:** Is a retreat feasible under Sunshine Laws?

**Commented [JD7]:** I don't know what this stipulation means

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## JEA Board Policy Manual

### POLICY TYPE: GOVERNANCE PROCESS

#### POLICY 1.6

#### POLICY TITLE: BOARD OFFICERS

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

This makes no sense; we should not impede the flow of information just because it does not pertain to evaluation or bd decisions.

Accordingly,

1.6.1 The Chair, a specially empowered member of the Board, ensures the integrity of the Board's process and, secondarily, occasionally represents the Board to outside parties.

- a. The Chair's role is to see that the Board behaves consistently within its own rules and those rules and regulations imposed upon it from outside the organization.
  - (1) Meeting discussion content will consist of issues that clearly belong to the Board to decide or to monitor according to Board policy.
  - (2) Information that is not for monitoring performance or Board decisions should be avoided.
  - (3) Deliberation will be fair, open, and thorough but also timely, orderly, and kept to the point.
- b. The authority of the Chair consists in making decisions that fall within topics covered by Board policies on Governance Process and Board-Management Delegation, with the exception of (a) employment or termination of the CEO and (b) areas where the Board specifically delegates portions of this authority to others. The Chairman is authorized to use any reasonable interpretation of provisions in these policies.
  - (1) The Chair is empowered to chair Board meetings with all the commonly accepted powers of that position, such as ruling and recognizing.
  - (2) The Chair may represent the Board to outside parties in announcing Board-stated positions and in stating the Chair's decisions and interpretations within the area delegated to that role.
  - (3) The Chair may delegate this authority but remains accountable for its use.
  - (4) The Chair may appoint members and a Chair for each Board Committee, unless otherwise stipulated by Board policies.

1.6.2 The Vice-Chair or, in the absence of the Vice-Chair, the immediate Past-Chair will serve as Chair in the absence of the current Chair.

1.6.3 The Board Secretary is an officer of the Board whose purpose is to ensure the integrity of the Board's documents.

- a. The Secretary's role is to see to it that all Board documents and records are accurate and timely.

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Commented [JD8]: See 1.4 comment on page 5

Commented [a9]: Chair Baker: Have we violated this with our Board information sessions on various aspects of the business? I would prefer to delete this. Informing the Board is too important.

Commented [JD10]: Sec should ensure board does do not violate any elements of Art 21 or the By Laws

### ***JEA Board Policy Manual***

- (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) 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.
- b. The authority of the Secretary is access to and control over Board documents and records
- 1.6.4 All Board officers are accountable to the Chair unless otherwise determined by Board policy.

**Commented [JD11]:** All board members should have access to bd docs and records. Where do board records reside? What does "control over board documents" mean?

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## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 1.7**

#### **POLICY TITLE: RULES OF ORDER**

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

Accordingly,

- 1.7.1 Board meetings will be conducted with punctuality and order.
- a. Board meetings shall be called to order at the time specified in the notice of meeting and upon satisfaction of a quorum.
  - b. Meeting order shall be maintained and all members treated with dignity, respect, courtesy, and fairness during discussion and debate and in all other respects.
  - c. Board members must keep their comments relevant to the issue under consideration.
  - d. In order to conduct business, a quorum of four (4) board members must be present. Four affirmative votes are required to decide all motions before the Board regardless of number in attendance.
- 1.7.2 Board meetings will be conducted at a level of informality considered appropriate by the Chair, yet with predictable discipline.
- a. Discussion of a matter not on the previously distributed agenda may occur only after Board consent that the matter be heard.
  - b. Proposals that the Board take action, or decide a particular matter, shall (unless otherwise agreed to by unanimous consent) be made by main motion of a Board member, discussed, and then voted on. Motions require a second to proceed to discussion and subsequent vote.
  - c. The Chair may not make motions but can engage in debate and is required to vote.
  - d. A motion to amend a main motion may be amended but third level amendments are not to be heard.
  - e. A motion to refer to a committee, postpone, or table, may be made with respect to a pending main motion, shall take precedence over the pending motion and, if carried, shall set the main motion (the initial proposal) aside accordingly.
  - f. Board members may speak to a pending motion on as many occasions, and at such length, as the Chair may reasonably allow.
  - g. A vote on a motion shall be taken when discussion ends, but any Board member may, during the course of debate, move for an immediate vote (close debate or call the question) which, if carried, shall end discussion and the vote on the main motion shall then be taken. Votes may be made by voice vote or by roll call. All members of the Board are required to vote unless a conflict of interest is declared.

**Commented [a12]:** Chair Baker: I presume this is trying to say you need a motion and a second before discussing an action item. If so, this is so basic and seems like overkill.

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### ***JEA Board Policy Manual***

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

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## JEA Board Policy Manual

### POLICY TYPE: GOVERNANCE PROCESS

#### POLICY 1.8

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

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

Accordingly,

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

**Commented [JD13]:** Is this paragraph referring to annual financial disclosure requirement? If so, simply state it (Form 1 submission)

**Commented [JD14]:** As per Art 21 21.03 (f) clause

**Commented [JD15]:** Redundant (see 1.72)

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## JEA Board Policy Manual

### POLICY TYPE: GOVERNANCE PROCESS

#### POLICY 1.9

#### POLICY TITLE: DIRECTORS' INDIVIDUAL RESPONSIBILITY

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

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

1.9.1 Time Investment to Accomplish Board Responsibilities - As Board contemplation, deliberation and decision-making are processes which require wholeness, collaboration and participation, attendance at Board meetings is expected of Board members.

a. Expected Commitments:

- (1) Monthly Board Meetings
- (2) Annual Team Building
- (3) Quarterly Review
- (4) Bond Rating Agency Trip, 3 days (Board Chair is expected to attend. However, full participation is highly encouraged.)

**Commented [JD16]:** See 1.31 comment (Sunshine Law complications). What is the intent of the team building (or is this the annual retreat)?

**Commented [JD17]:** Of what?

**Commented [JD18]:** Sunshine Law feasibility?

b. Optional Involvement:

- (1) Internal educational meetings with staff upon request
- (2) Industry related seminars and conferences
- (3) Visit other utilities and related industries

1.9.2 Preparation and Participation - Board members will prepare for Board and committee meetings and will participate productively in discussions, always within the boundaries of discipline established by the Board. Each member will contribute his or her own knowledge, skills and expertise to the Board's efforts to fulfill its responsibilities.

1.9.3 Members as Individuals - The CEO is accountable only to the Board as an organization, and not to individual Board members. Accordingly, the relationship between the CEO and individual members of the Board, including the Chair, is collegial, not hierarchical.

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## ***JEA Board Policy Manual***

**POLICY TYPE: GOVERNANCE PROCESS**

**POLICY 1.10**

**POLICY TITLE: BOARD COMMITTEE PRINCIPLES**

---

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

Accordingly,

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

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## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 1.11**

#### **POLICY TITLE: BOARD COMMITTEE STRUCTURE**

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

Accordingly,

- 1.11.1 Nominating Committee: The purpose of the Nominating committee is to recommend Board officers for election by the Board as a whole.
- a. The Nominating Committee will be comprised of three members. The current Chair (who shall serve as Chair of the committee) and the two most immediate past Chairs still remaining on the Board will constitute the Committee. If one or more past Chairs is no longer serving on the Board, the Chair shall select Board members to fill out a committee of three.
  - b. The Nominating Committee shall be formed no later than January of each year and will make its recommendation to the Board for action at its March meeting.
- 1.11.2 Finance and Audit Committee: The purpose of the Finance and Audit Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing financial information, systems of internal controls, and audit process, including a high level review of the operating and capital budgets. The committee will provide an open avenue of communication between the Board, Management, Audit Services, and external auditors.
- a. The Finance and Audit Committee will be comprised of three members appointed annually by the Chair and confirmed by the Board. Two members will constitute a quorum.
  - b. The Committee will meet at least four times per year. A schedule of regular meetings will be established by the committee annually. Special meetings may be called by any Committee member. Meeting dates, times and location will be announced to the entire Board.
  - c. The Committee shall oversee:
    - (1) Internal controls and risk assessment
    - (2) Audit Services
    - (3) Compliance with laws, regulations and code of conduct
    - (4) Financial reporting
  - d. The Committee will oversee the External Auditor
- 1.11.3 Other Committees may be established as designated by the Chair.

**Commented [JD19]:** Should the Governance Committee be a standing committee too?

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## ***JEA Board Policy Manual***

**POLICY TYPE: GOVERNANCE PROCESS**

**POLICY 1.12**

**POLICY TITLE: COST OF GOVERNANCE**

---

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

Accordingly,

- 1.12.1 The Board will use appropriate methods to improve its governing skills.
- a. Training and retraining will be used liberally to orient new members as well as to maintain and increase existing members' skills and understandings.
  - b. Outside monitoring assistance can be arranged so that the Board can exercise confident control over organizational performance. This includes but is not limited to a financial audit.
  - c. Outreach mechanisms can be used as needed to ensure the Board's ability to listen to owner viewpoints and values.
  - d. Knowledgeable industry experts can be made available to the Board in various ways to continuously improve the Board's awareness of emerging utility industry issues.
- 1.12.2 Costs for appropriate Board governance will be included during annual budget preparations. Any expenditure required will be in accordance with JEA procurement policies. Items may include but not be limited to the following as annually decided by the Board:
- a. training
  - b. attendance at conferences, industry site visits and Rating Agency presentations
  - c. audit and other third-party monitoring of organizational performance
  - d. surveys, focus groups, opinion analysis, and meeting costs.

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## ***JEA Board Policy Manual***

**POLICY TYPE: BOARD MANAGEMENT DELEGATION**

**POLICY 2.0**

**POLICY TITLE: GLOBAL BOARD-MANAGEMENT  
DELEGATION**

---

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

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

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## ***JEA Board Policy Manual***

**TYPE: BOARD MANAGEMENT DELEGATION**

**POLICY 2.1**

**POLICY TITLE: UNITY OF CONTROL**

---

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

Accordingly,

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

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## ***JEA Board Policy Manual***

**POLICY TYPE: BOARD MANAGEMENT DELEGATION**

**POLICY 2.2**

**POLICY TITLE: ACCOUNTABILITY OF CEO**

---

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

Accordingly,

- 2.2.1 The Board as a body and individual board members will never give instructions to persons who report directly or indirectly to the CEO.
- 2.2.2 The Board will not evaluate, either formally or informally, any staff other than the CEO. However, the CEO will discuss his evaluation with the Board of the executives identified as potential interim CEO successors (refer to Policy3.5.1).

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## ***JEA Board Policy Manual***

**POLICY TYPE: BOARD MANAGEMENT DELEGATION**

**POLICY 2.3**

**POLICY TITLE: *DELEGATION TO THE CEO***

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

Accordingly,

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

**Commented [a20]:** Chair Baker: The whole concept of Ends and Means is cloudy too me. My guess is that the point is that the "Ends" are our targeted metrics . I am not sure where or if we have created policies that describe organizational situations and actions to be avoided (Unless that is all the double negatives and the CEO shall not... clauses). I would like to clear this up in these documents.

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## ***JEA Board Policy Manual***

**POLICY TYPE: BOARD MANAGEMENT DELEGATION**

**POLICY 2.4**

**POLICY TITLE: *MONITORING CEO PERFORMANCE***

---

- 2.4.1 Board evaluation of the CEO will be done annually and based on App 1A, CEO Core competencies and CEO evaluation criteria.

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## **JEA Board Policy Manual**

**POLICY TYPE: BOARD MANAGEMENT DELEGATION**

**POLICY 2.5**

**POLICY TITLE: CEO REMUNERATION**

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

**(AS PERSEE ART 21)**

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

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## ***JEA Board Policy Manual***

### **POLICY TYPE: EXECUTIVE MANDATES**

#### **POLICY 3.0 POLICY TITLE: GENERAL EXECUTIVE OVERSIGHT AND ASSURANCES**

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

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

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## ***JEA Board Policy Manual***

**POLICY TYPE: EXECUTIVE MANDATES**

**POLICY 3.1**

**POLICY TITLE: *TREATMENT OF CONSUMERS***

---

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

Accordingly, the CEO will:

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

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## ***JEA Board Policy Manual***

### **POLICY TYPE: EXECUTIVE MANDATES**

#### **POLICY 3.2**

#### **POLICY TITLE: *TREATMENT OF STAFF***

---

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

Accordingly, the CEO will:

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

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

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## ***JEA Board Policy Manual***

**POLICY TYPE: EXECUTIVE MANDATES**

**POLICY 3.3**

**POLICY TITLE: FINANCIAL PLANNING/BUDGETING**

---

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

Accordingly, the CEO will:

- 3.3.1 Prevent the risk of incurring those situations or conditions described as unacceptable in the Board policy "Financial Condition and Activities (refer to Policy 3.4)."
- 3.3.2 Include credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning and budgeting assumptions.
- 3.3.3 Identify the source for capital expenditures (e.g. internally generated cash, new debt, carry over funds from previous fiscal year).
- 3.3.4 Adhere to approved tariff rates and fees.
- 3.3.5 Set and follow an annual budgeting process that results in a final budget submittal to City Council by July 1 proceeding the budgeted fiscal year.
- 3.3.6 Not provide less for Board prerogatives during the year than is set forth in the "Cost of Governance" policy (refer to Policy 1.10).

Adopted in its entirety by the JEA Board on February 16, 2010  
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## **JEA Board Policy Manual**

### **POLICY TYPE: EXECUTIVE MANDATES**

#### **POLICY 3.4**

#### **POLICY TITLE: FINANCIAL CONDITION AND ACTIVITIES**

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

Accordingly, the CEO will:

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

Current financial parameters:

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

**Commented [JD21]:** Check with Art 21 for compliance. THIS IS GOOD TO GO

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## ***JEA Board Policy Manual***

**POLICY TYPE: EXECUTIVE MANDATES**

**POLICY 3.5                    POLICY TITLE: *WORKFORCE READINESS AND SUCCESSION PLANNING***

---

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

Accordingly, the CEO will:

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

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***JEA Board Policy Manual***

**POLICY TYPE: EXECUTIVE MANDATES**

**POLICY 3.6**

**POLICY TITLE: ASSET PROTECTION**

---

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

Accordingly, the CEO will:

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

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***JEA Board Policy Manual***

**POLICY TYPE: EXECUTIVE MANDATES**

**POLICY 3.7**

**POLICY TITLE: COMPENSATION AND BENEFITS**

---

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

Accordingly, the CEO will:

- 3.7.1 Not change the CEO's own compensation and benefits, except as those benefits are consistent with a package for other appointed employees.
- 3.7.2 Not promise or imply unconditional permanent or guaranteed employment.
- 3.7.3 Promote a compensation philosophy that is complementary to JEA's compensation philosophy of providing a total rewards package that encompasses salary/wages, retirement benefits, incentives, and health and welfare benefits. Salary/wages will meet the market (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  
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## ***JEA Board Policy Manual***

### **POLICY TYPE: EXECUTIVE MANDATES**

#### **POLICY 3.8 POLICY TITLE: COMMUNICATION AND SUPPORT TO BOARD**

---

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

Accordingly, the CEO will ensure:

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

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***JEA Board Policy Manual***

**POLICY TYPE: EXECUTIVE MANDATES**

**POLICY 3.9**

**POLICY TITLE: *REGULATORY/LEGISLATIVE REQUIREMENTS***

---

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

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## ***JEA Board Policy Manual***

**POLICY TYPE: EXECUTIVE MANDATES**

**POLICY 3.10**

**POLICY TITLE: *ENTERPRISE RISK MANAGEMENT***

---

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

Accordingly, the CEO will:

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

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## ***JEA Board Policy Manual***

**POLICY TYPE: EXECUTIVE MANDATES**

**POLICY 3.11**

**POLICY TITLE: *PROCUREMENT ACTIVITIES***

---

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

Accordingly, the CEO will:

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

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## ***JEA Board Policy Manual***

**POLICY TYPE: Measures of Effectiveness (MOEs)**

**POLICY 4.0**

**POLICY TITLE: *MOEs***

---

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

- 4.0.1 **Quality of Electric Service:** Provide clean, safe and reliable electric service to all prescribed consumers.
- 4.0.2 **Quality of Water Service:** Provide clean, safe and reliable water service to all prescribed consumers.
- 4.0.3 **Quality of Sewer Services:** Provide clean, safe and reliable sewer services to all prescribed consumers.
- 4.0.4 **Cost of Service:** Provide all utility services at a reasonable and accurate cost.
- 4.0.5 **Environmentally Sound:** Provide all utility services in a manner that is environmentally sound and sustainable.
- 4.0.6 **Informative Communication:** Effectively communicate with consumers and other stakeholders.
- 4.0.7 **Safety Standards:** need MOEs associated with recordable incident rates; time lost to injuries;
- 4.0.8 **Financial Resiliency:** need MOEs associated with credit rating objectives; debt service; debt/asset %; number of days of liquidity; etc.

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## ***JEA Board Policy Manual***

**POLICY TYPE: MOEs**

**POLICY 4.1**

**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]

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## ***JEA Board Policy Manual***

**POLICY TYPE: MOEs**

**POLICY 4.2**

**POLICY TITLE: *QUALITY OF WATER SERVICE***

---

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

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

**CUP objectives**

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## ***JEA Board Policy Manual***

**POLICY TYPE: MOEs**

**POLICY 4.3**

**POLICY TITLE: *QUALITY OF SEWER SERVICE***

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

- 4.3.1 Minimize the frequency of sewer back-ups and overflows and report status by
  - a. the number of Sanitary Sewer Overflows (SSO's) per 100 miles of existing sewer pipe
  - b. the total number of sewer system cave-ins
- 4.3.2 Limit the total amount of nutrients discharged into the St. John's River from all wastewater treatment facilities.
  - a. Reduce the total nutrient discharge into the St. John's River to meet JEA's Florida Department of Environmental Protection (FDEP) Total Maximum Daily Load (TMDL) allocation.
  - b. Increase the production and distribution of reclaimed water.

**Commented [JD22]:** All below need quantitative MOEs

**Commented [JD23]:** Put in 4.5 policy (Environmental Stewardship)

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## ***JEA Board Policy Manual***

**POLICY TYPE: MOEs**

**POLICY 4.4**

**POLICY TITLE: *COST OF SERVICE***

---

*Provide all utility services at a reasonable and accurate cost.*

- 4.4.1 All utility services are to be reasonably priced.
  - a. Pricing for all utility services is to be frequently benchmarked against other state and regional utilities to demonstrate competitiveness.
  - b. Pricing for each utility service for all classes of consumers is to be based on the cost to serve each consumer class. Cost of service studies are to be conducted in no more than five year intervals.
- 4.4.2 Minimize the number of consumer bills that are inaccurate, are estimated due to the lack of a current meter reading, or are untimely. The expectation is 99.9% accurate and timely.

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## JEA Board Policy Manual

POLICY TYPE: MOEs

POLICY 4.5

POLICY TITLE: ENVIRONMENTALLY SOUND

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

- 4.5.1 The CEO is expected to comply with all existing environmental regulations that apply.
- 4.5.2 Conservation: Pursue all options to communicate and incentivize customer conservation and efficiency while avoiding excessive customer cost.
  - a. Electric System: 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.
- 4.5.3 Renewable Energy Supply: Explore all options for renewable electric energy supply while avoiding excessive customer cost since a state or federal Renewable Electricity Standard (RES) is yet to be established and the timing for setting a standard remains uncertain.
- 4.5.4 **Need something on decreasing greenhouse gases and carbon footprint.**

**Commented [a24]:** Chair Baker: We say we are "allocating 50 cents per KWH of base revenues", but we don't say what we are allocating it to.

**Commented [a25]:** Chair Baker: Is there still no RES?

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## ***JEA Board Policy Manual***

**POLICY TYPE: MOEs**

**POLICY 4.6**

**POLICY TITLE: INFORMATIVE COMMUNICATION**

---

*Effectively communicate with consumers and other stakeholders.*

- 4.6.1 To accurately shape consumer paradigms of utility expectations.
- 4.6.2 To enable public dialogue on local, state and national energy and water and sewer issues.
- 4.6.3 To inform consumers of as well as the reasons for significant potential or pending changes to utility services or charges.
- 4.6.4 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.

JDP customer satisfaction objs (residential & business);

**Commented [a26]:** Chair Baker: This is poorly written. We need to inform consumers and explain the reasons for rate increases.

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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 JEA Board Evaluation Criteria

Commented [JD27]:

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## ***JEA Board Policy Manual***

### **A1**

## **Executive Core Competencies**

### **Models Integrity**

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

### **Makes Quality Decisions**

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

### **Takes Initiative**

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

### **Communicates Effectively**

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

### **Drives Results**

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

### **Focuses on the Customer**

- Places high priority on identifying and meeting customer needs
- Ensures that customers understand and receive the fullest value possible from the products and services of the organization

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## ***JEA Board Policy Manual***

- Utilizes follow-up procedures to ensure consistency and determine where improvements can be made to maintain high customer satisfaction

### **Fosters Teamwork**

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

### **Manages and Supports Change**

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

### **Visionary Strategist**

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

### **Manages Performance**

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

### **Delegates to Others**

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

### **Maintains Positive Public Relations**

- Seeks and builds relationships with external constituencies (e.g., elected officials, government agencies, other utility leaders, trustees, investment bankers) to strengthen the organization's impact and reputation in the community

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## ***JEA Board Policy Manual***

- Represents JEA with credibility and transparency to the media.
- Ensures all communications are honest and candid, and resolves discrepancies expeditiously.

### **Actively Supports Board of Directors**

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

### **Leads Others Effectively**

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

### **Leverages Industry Acumen**

- Monitors and analyzes financial data and key cost drivers) to evaluate options and make decisions
- Understands overall financial and operational performance of JEA in order to effectively position it in the marketplace
- Follows appropriate legal and fiduciary requirements when reconciling and reporting financial transactions
- Grows continuously in business knowledge and experience
- Identifies metrics and other documentation to help board members responsibly monitor JEAs performance.

### **Plans for the Future**

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

### **Embraces Diversity**

- Promotes the active recruiting of diverse individuals
- Does not tolerate any form of discrimination (gender, ethnic, religious, sexual orientation, etc.).Demonstrates visible support for programs that remove barriers (e.g., stereotypes) between diverse individuals and affords all personnel consideration for upward mobility opportunities.

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## ***JEA Board Policy Manual***

- Actively monitors organization to ensure equality and fairness for all members; objectively allocates compensation, rewards, and opportunities
- Promotes an inclusive culture where different viewpoints are valued and encouraged

### **Negotiates Collaboratively**

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

### **CEO Evaluation Criteria**

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

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***JEA Board Policy Manual***

**A2**

**JEA Charter  
(Article 21 of City of Jacksonville Ordinance Code)**

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***JEA Board Policy Manual***

### **A3**

#### **JEA Board Evaluation Criteria**

1. JEA Board is evaluated annually by-----? Not sure who--- internally/externally?
2. The Board monitors JEA's organizational performance (KPAs & KPIs).
3. Formally evaluates the CEO and provides timely feedback to the CEO.
4. Complies with all applicable Art 21 provisions; by-laws; and --- what else?
5. Meet statutory and fiduciary requirements.
6. Participates in the development of the JEA strategic plan.
7. Meets all suspenses for budget submission and other mandatory reports.
8. Executes all cyclical Board meetings on time and with a quorum minimally.
9. All Board members adhere to the JEA Board values.
10. Board members comply with all on-boarding activities and orientations.
11. The Board maintains a current policy manual.
12. The Board makes timely decisions.
13. The Board interacts appropriately with the CEO and his/her staff.

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

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**Board Policy Manual (BPM) Summary of Staff and Committee Edits**

<b>Policy #</b>	<b>Policy Title</b>	<b>Page</b>	<b>Contributor</b>	<b>Brief Description</b>
<b>Committee Edits - September 15, 2020</b>				
1.0	BY-LAWS OF JEA	4	Joseph DiSalvo	Revised language to Article III - Officers, Section 5 - Secretary
1.0	BY-LAWS OF JEA	4	Steve Tuten	Revised closing sentence to Article III - Officers, Section 5 - Secretary
1.0	BY-LAWS OF JEA	4	Joseph DiSalvo	Deleted Article IV - Committees - Section Titled Executive Committee
1.0	BY-LAWS OF JEA	6	Joseph DiSalvo	Revised language to Article V - Conduct of Authority Business, Section 4 Teleconference or Videoconference Meetings
1.6.4	BOARD OFFICERS	13	Steve Tuten	Deleted reference to Assistant Secretary
2.0.4	GLOBAL BOARD-MANAGEMENT DELEGATION	21	Steve Tuten	Deleted Section Titled Global Board-Management Delegation Monitoring CEO Performance
2.5	CEO REMUNERATION	26	Joseph DiSalvo	Inserted Article 21 Provisions - 2.5.1 through 2.5.12
Appendix A1	EXECUTIVE CORE COMPETENCIES AND CEO EVALUATION CRITERIA	49	Joseph DiSalvo	Revised language to last bullet under "Actively Supports Board of Directors"
Appendix A1	EXECUTIVE CORE COMPETENCIES AND CEO EVALUATION CRITERIA	50	Joseph DiSalvo	Revised bullet order; added 7 days to bullet #3; added diversity is embraced to bullet #5
<b>Staff Edits - Early September 2020 (Follow-Up to Committee's Late August 2020 Edits)</b>				
<b>Board and Committee Edits - Late August 2020 (After 8/19/20 Committee Meeting)</b>				
<b>Initial Committee Edits - July-August 2020</b>				
<b>Initial Staff Edits - July 2020</b>				



## ***JEA Board Policy Manual***

### **POLICY TYPE: EXECUTIVE MANDATES**

#### **POLICY 3.0**

#### **POLICY TITLE: *GENERAL EXECUTIVE OVERSIGHT AND ASSURANCES***

---

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

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

## ***JEA Board Policy Manual***

### **POLICY TYPE: EXECUTIVE MANDATES**

#### **POLICY 3.1**

#### **POLICY TITLE: *TREATMENT OF CONSUMERS***

---

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

Accordingly, the CEO will:

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

## ***JEA Board Policy Manual***

### **POLICY TYPE: EXECUTIVE MANDATES**

#### **POLICY 3.2**

#### **POLICY TITLE: *TREATMENT OF STAFF***

---

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

Accordingly, the CEO will:

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

## ***JEA Board Policy Manual***

### **POLICY TYPE: EXECUTIVE MANDATES**

#### **POLICY 3.3**

#### **POLICY TITLE: *FINANCIAL PLANNING/BUDGETING***

---

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

Accordingly, the CEO will:

- 3.3.1 Prevent the risk of incurring those situations or conditions described as unacceptable in the Board policy "Financial Condition and Activities (refer to Policy 3.4)."
- 3.3.2 Include credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning and budgeting assumptions.
- 3.3.3 Identify the source for capital expenditures (e.g. internally generated cash, new debt, carry over funds from previous fiscal year).
- 3.3.4 Adhere to approved tariff rates and fees.
- 3.3.5 Set and follow an annual budgeting process that results in a final budget submittal to City Council by July 1 proceeding the budgeted fiscal year.
- 3.3.6 Not provide less for Board prerogatives during the year than is set forth in the "Cost of Governance" policy (refer to Policy 1.10).



## ***JEA Board Policy Manual***

### **POLICY TYPE: EXECUTIVE MANDATES**

#### **POLICY 3.4**

#### **POLICY TITLE: *FINANCIAL CONDITION AND ACTIVITIES***

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

Accordingly, the CEO will:

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

Current financial parameters:

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

## ***JEA Board Policy Manual***

### **POLICY TYPE: EXECUTIVE MANDATES**

#### **POLICY 3.5**

#### **POLICY TITLE: *WORKFORCE READINESS AND SUCCESSION PLANNING***

---

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

Accordingly, the CEO will:

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

## ***JEA Board Policy Manual***

### **POLICY TYPE: EXECUTIVE MANDATES**

#### **POLICY 3.6**

#### **POLICY TITLE: ASSET PROTECTION**

---

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

Accordingly, the CEO will:

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

## ***JEA Board Policy Manual***

### **POLICY TYPE: EXECUTIVE MANDATES**

#### **POLICY 3.7**

#### **POLICY TITLE: *COMPENSATION AND BENEFITS***

---

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

Accordingly, the CEO will:

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

## ***JEA Board Policy Manual***

### **POLICY TYPE: EXECUTIVE MANDATES**

#### **POLICY 3.8**

#### **POLICY TITLE: *COMMUNICATION AND SUPPORT TO BOARD***

---

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

Accordingly, the CEO will ensure:

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

## ***JEA Board Policy Manual***

**POLICY TYPE: EXECUTIVE MANDATES**

**POLICY 3.9**

**POLICY TITLE: *REGULATORY/LEGISLATIVE REQUIREMENTS***

---

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

## ***JEA Board Policy Manual***

### **POLICY TYPE: EXECUTIVE MANDATES**

#### **POLICY 3.10**

#### **POLICY TITLE: *ENTERPRISE RISK MANAGEMENT***

---

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

Accordingly, the CEO will:

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

## ***JEA Board Policy Manual***

### **POLICY TYPE: EXECUTIVE MANDATES**

#### **POLICY 3.11**

#### **POLICY TITLE: *PROCUREMENT ACTIVITIES***

---

*The CEO shall oversee and ensure the development of procurement policies and procedures 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:

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



## ***JEA Board Policy Manual***

### **A1**

## **Executive Core Competencies**

### **Models Integrity**

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

### **Makes Quality Decisions**

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

### **Takes Initiative**

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

### **Communicates Effectively**

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

### **Drives Results**

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

### **Focuses on the Customer**

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

## ***JEA Board Policy Manual***

made to maintain high customer satisfaction

### **Fosters Teamwork**

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

### **Manages and Supports Change**

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

### **Visionary Strategist**

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

### **Manages Performance**

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

### **Delegates to Others**

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

### **Maintains Positive Public Relations**

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

## ***JEA Board Policy Manual***

- Ensures all communications are honest and candid, and resolves discrepancies expeditiously.

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### **Actively Supports Board of Directors**

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

### **Leads Others Effectively**

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

### **Leverages Industry Acumen**

- Monitors and analyzes financial data and key cost drivers) to evaluate options and make decisions
- Understands overall financial and operational performance of JEA in order to effectively position it in the marketplace
- Follows appropriate legal and fiduciary requirements when reconciling and reporting financial transactions
- Grows continuously in business knowledge and experience
- Identifies metrics and other documentation to help board members responsibly monitor JEAs performance.
- Plans for the Future Develops a proposed long term strategic plan based on the interests of all stakeholders and priorities of the board.
- Identifies and balances risks and benefits when developing plans
- Identifies need for and ensures contingency plans are developed
- Aligns and allocates resources and time according to strategic priorities and company interests
- Develops a CEO succession plan that results in qualified personnel to step up and successfully perform the duties of the CEO on short notice.

### **Embraces Diversity**

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

## ***JEA Board Policy Manual***

### **Negotiates Collaboratively**

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

### **CEO Evaluation Criteria**

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

## ***JEA Board Policy Manual***

### **POLICY TYPE: BOARD MANAGEMENT DELEGATION**

#### **POLICY 2.0**

#### **POLICY TITLE: GLOBAL BOARD-MANAGEMENT DELEGATION**

---

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

- 2.0.1 **Unity of Control:** Only officially passed motions of the Board are binding on the CEO.
- 2.0.2 **Accountability of the CEO:** The CEO is the Board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the CEO.
- 2.0.3 **Delegation to the CEO:** The Board will instruct the CEO through written policies that prescribe the organizational MOEs (measures of effectiveness) to be achieved and describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.
- 2.0.4 ALREADY COVERED IN 1.2.3.
- 2.0.5 **CEO Remuneration:** Salary and benefits and other terms of employment for the CEO will be determined by contract.
- 2.0.6 **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***

**TYPE: BOARD MANAGEMENT DELEGATION**

**POLICY 2.1**

**POLICY TITLE: *UNITY OF CONTROL***

---

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

Accordingly,

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

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

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## ***JEA Board Policy Manual***

### **POLICY TYPE: BOARD MANAGEMENT DELEGATION**

#### **POLICY 2.2**

#### **POLICY TITLE: ACCOUNTABILITY OF CEO**

---

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

Accordingly,

- 2.2.1 The Board as a body and individual board members will never give instructions to persons who report directly or indirectly to the CEO.
- 2.2.2 The Board will not evaluate, either formally or informally, any staff other than the CEO. However, the CEO will discuss his evaluation with the Board of the executives identified as potential interim CEO successors (refer to Policy3.5.1).

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

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## ***JEA Board Policy Manual***

### **POLICY TYPE: BOARD MANAGEMENT DELEGATION**

#### **POLICY 2.3**

#### **POLICY TITLE: *DELEGATION TO THE CEO***

---

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

Accordingly,

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

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

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## ***JEA Board Policy Manual***

**POLICY TYPE: BOARD MANAGEMENT DELEGATION**

**POLICY 2.4**

**POLICY TITLE: *MONITORING CEO PERFORMANCE***

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- 2.4.1 Board evaluation of the CEO will be done annually and based on App 1A, CEO Core competencies and CEO evaluation criteria.

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

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## ***JEA Board Policy Manual***

**POLICY TYPE: BOARD MANAGEMENT DELEGATION**

**POLICY 2.5**

**POLICY TITLE: *CEO REMUNERATION***

---

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

**SEE ART 21**

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

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## ***JEA Board Policy Manual***

### **POLICY TYPE: GOVERNANCE PROCESS**

#### **POLICY 1.0**

#### **POLICY TITLE: BY-LAWS OF JEA**

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### **ARTICLE I - OFFICES**

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

### **ARTICLE II - MEMBERS OF JEA GOVERNING BODY**

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

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

### **ARTICLE III - OFFICERS**

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

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

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

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

**Section 5. Secretary.** The Secretary 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.

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

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## ***JEA Board Policy Manual***

### **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.

Adopted in its entirety by the JEA Board on February 16, 2010  
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## ***JEA Board Policy Manual***

### **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.**

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***

### **ARTICLE VII - EFFECT OF BY-LAWS**

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

**APPROVED BY THE BOARD**

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

Form Approved:

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

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

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**Proposed 2020-419 – Article 21 (JEA) Charter Omnibus Refinement Bill  
Strategy and Timeline for TEU & Rules Committee Discussions**

- 1) **September 8th** – City Council Meeting (& *Charter Section 21.11 Public Hearing Date*)
  - Action Item – CM Boylan – Introduce Proposed Strategy/Timeline for Committee Discussions
- 2) **September 14-15th** – Committee Week (*bill deferred w/discussion*)
  - **Discussion Topic # 1 - Board Member Appointments/Transparency**
- 3) **September 22th** – City Council Meeting (*Boylan – reminder to Council re upcoming topic*)  
  
[September 28th-October 2th – FIFTH WEEK (*Potential Noticed Meeting re 2020-419*)]
- 4) **October 5-6th** – Committee Week – (*bill deferred w/discussion*)
  - **Discussion Topic # 2 - New Business Lines (21.04 (p))/Systems (21.04(v))**
- 5) **October 13th** – City Council Meeting (*Boylan – reminder to Council re upcoming topic*)
- 6) **October 19-20th** – Committee Week (*bill deferred w/discussion*)
  - **Discussion Topic # 3 - Privatization/Transfers/Sale**
  - **Discussion Topics # 1, 2 & 3 – Board Member Appointments; New Business Lines; Privatization/Transfers/Sale**
- 7) **October 27th** – City Council Meeting (*Boylan – reminder to Council re upcoming topic*)
- 8) **November 2nd/4th** – Committee Week (*November 3<sup>rd</sup> – Election Day/bill deferred w/ discussion*)
  - **Discussion Topic #4 - Employment Matters (Bonus Program, CEO Contract, etc.)**
- 9) **November 10th** – City Council Meeting (*Boylan – reminder to Council re upcoming topic*)<sup>1</sup>
- 10) **November 16-17th** – Committee Week (*bill deferred w/discussion*)
  - **Discussion Topic #5 – Procurement**
  - **Discussion Topics # 4 & 5 – Employment Matters & Procurement**
- 11) **November 24th** – City Council Meeting (*Boylan – reminder to Council re upcoming topic*)
- 12) **November 30th & December 1st – PROPOSED FINAL COMMITTEE ACTION WEEK**
  - Review Bill Amendments and/or Substitute Bill<sup>2</sup>  
[December 2th-December 4th (*Potential Noticed Meeting re 2020-419*)]
- 13) **December 8th – Last City Council Meeting of 2020 – FINAL COUNCIL ACTION/ADOTION**  
(Merry Christmas/Happy Holidays!! ☺)

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<sup>1</sup> November 10<sup>th</sup> is the earliest council meeting that the Council may take action on 2020-419 as per City Charter Article 21, Section 21.11...no earlier than 60 days following the first advertised public hearing date (September 8th).

<sup>2</sup> OGC will prepare amendments along the way based on feedback and discussion from committees and/or noticed meetings.