IMPROVING LIVES.BUILDING COMMUNITY.



FINANCE, GOVERNANCE, & AUDIT COMMITTEE

JEA Headquarters | 7th Floor | Pearl Conference Room | 225 N. Pearl Street, Jacksonville, FL 32202 October 24, 2024 | 12:00 pm – 2:00 pm

Members: Bobby Stein, Chair, Kawanza Humphrey, MG Orender – All Board Members are Welcome

WELCOME

Meeting Called to Order

Adoption of Agenda (Action)

Bobby Stein, Chair

Approval of Minutes - August 20, 2024 (Action)

Safety Briefing & Meeting Overview Jody Brooks, Chief Administrative Officer

COMMENTS / PRESENTATIONS

Comments from the Public Public

FOR COMMITTEE CONSIDERATION

DELIVERING BUSINESS EXCELLENCE

Quarterly Financial Review Ted Phillips, Chief Financial Officer

Intergovernmental Support Agreement (Action)

Juli Crawford, Director, Enterprise Planning & Analytics Jordan Pope, Director, Administrative Services Ted Phillips, Chief Financial Officer

Real Estate Procurement Directive Revisions (Action)
Riverfront Plaza Cost Participation Agreement (Action)

Jordan Pope, Director, Administrative Services

FY24 Internal Audit Results
Quality Assurance Review Results
FY25 Internal Audit Plan (Action)

Lee Montanez, Director, Audit Services

Board By-Laws (Action)
Board Policy Manual (Action)

Regina Ross, Chief Legal Officer, Office of General Counsel

Annual Board of Directors Evaluation

Jody Brooks, Chief Administrative Officer

OTHER BUSINESS & CLOSING CONSIDERATIONS

Old & Other New Business / Open Discussion Announcements - January TBD Adjournment

Bobby Stein, Chair

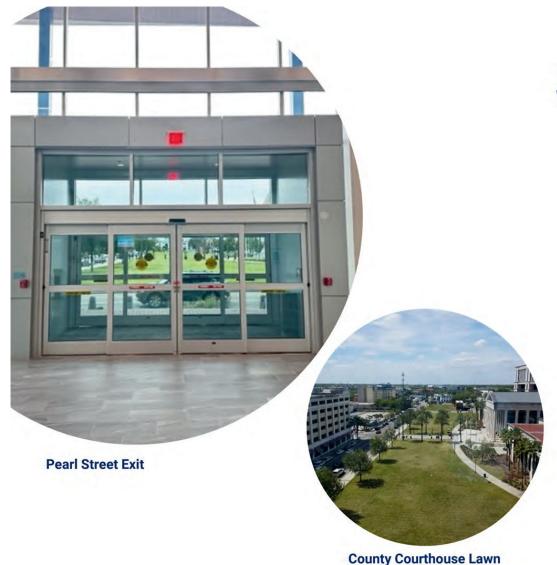
SUPPLEMENTAL INFORMATION

Appendix G: Energy Market Risk Management Report

Appendix A:	Finance, Governance, and Audit Committee Minutes - August 20, 2024
Appendix B:	Intergovernmental Support Agreement
Appendix C:	Real Estate Procurement Directive Revisions
Appendix D:	Riverfront Plaza Cost Participation Agreement
Appendix E:	Internal Audit
Appendix F:	Board By-Laws & Policy Manual







Safety Briefing Headquarters

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

Emergency Evacuation Route: Exit building via
Pearl Street main entrance

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

Evacuation or Medical Assist: Notify JEA Security Officer

Hazard & Situational Awareness

Cell Phone & Computer Etiquette

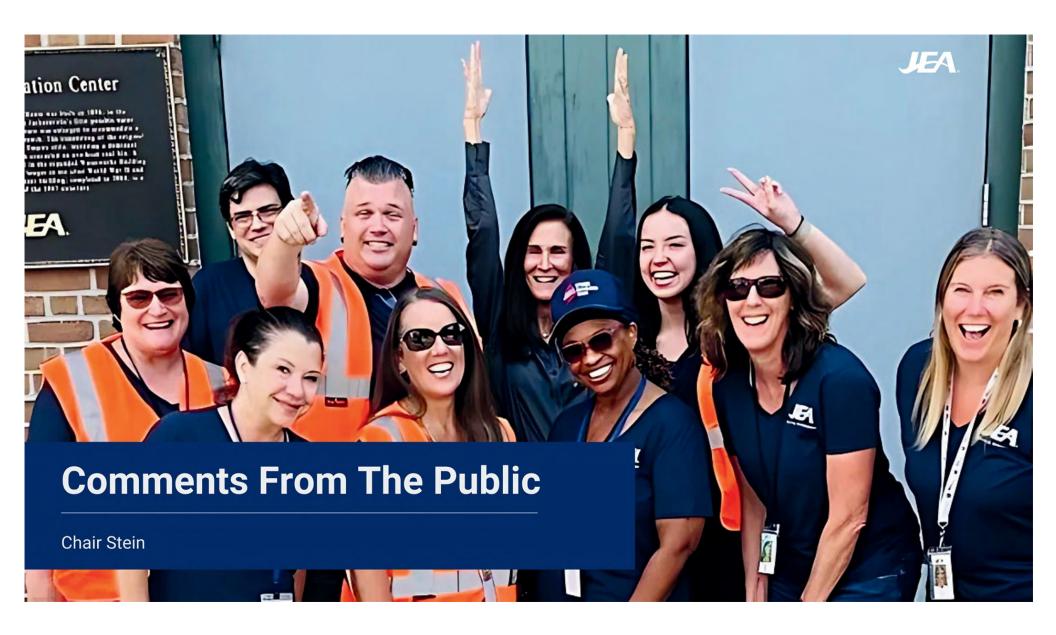
MEETING OVERVIEW

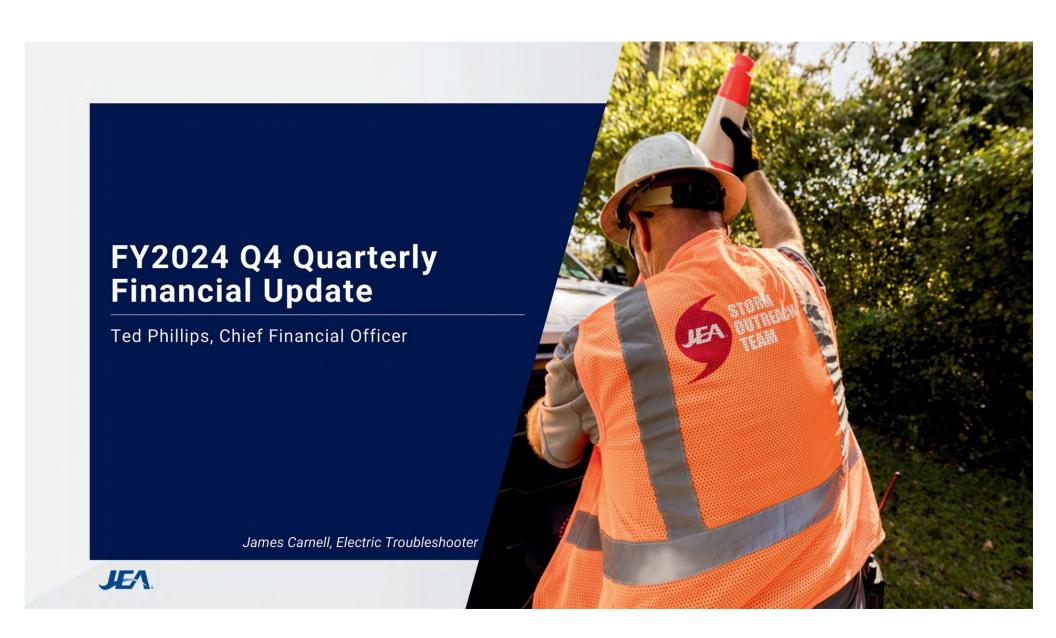
- Quarterly Financial Review
- Intergovernmental Support Agreement (Action)
- Real Estate Procurement Directive Revisions (Action)
- Riverfront Plaza Cost Participation Agreement (Action)
- FY24 Internal Audit Results
- Quality Assurance Review Results
- FY25 Internal Audit Plan (Action)
- Board By-Laws (Action)
- Board Policy Manual (Action)
- Board of Directors Evaluation

Brayden Cassels, Apprentice Linemaintainer









ELECTRIC SYSTEM REVENUE & EXPENDITURES

Budget		Actual		Delta	%	
\$ 821,792,000	\$	861,244,444	\$	39,452,444	4.8%	-
535,222,577		557,189,817		21,967,240	4.1%	1
\$ 1,357,014,577	\$	1,418,434,261	\$	61,419,684	4.5%	*
\$ 314,060,186	\$	307,299,321	\$	(6,760,865)	-2.2%	
445,278,759		452,485,305		7,206,546	1.6%	1
597,675,632		597,229,951		(445,681)	-0.1%	-
\$ 1,357,014,577	\$	1,357,014,577	\$	2	0.0%	
\$ 38	\$	61,419,684	\$	61,419,684	0.0%	•
\$	\$ 821,792,000 535,222,577 \$ 1,357,014,577 \$ 314,060,186 445,278,759 597,675,632 \$ 1,357,014,577	\$ 821,792,000 \$ 535,222,577 \$ 1,357,014,577 \$ \$ 314,060,186 \$ 445,278,759	\$ 821,792,000 \$ 861,244,444 535,222,577 557,189,817 \$ 1,357,014,577 \$ 1,418,434,261 \$ 314,060,186 \$ 307,299,321 445,278,759 452,485,305 597,675,632 597,229,951 \$ 1,357,014,577 \$ 1,357,014,577	\$ 821,792,000 \$ 861,244,444 \$ 535,222,577 557,189,817 \$ 1,357,014,577 \$ 1,418,434,261 \$ \$ 314,060,186 \$ 307,299,321 \$ 445,278,759 452,485,305 597,675,632 597,229,951 \$ 1,357,014,577 \$	\$ 821,792,000 \$ 861,244,444 \$ 39,452,444 535,222,577 557,189,817 21,967,240 \$ 1,357,014,577 \$ 1,418,434,261 \$ 61,419,684 \$ 314,060,186 \$ 307,299,321 \$ (6,760,865) 445,278,759 452,485,305 7,206,546 597,675,632 597,229,951 (445,681) \$ 1,357,014,577 \$ 1,357,014,577 \$ -	\$ 821,792,000 \$ 861,244,444 \$ 39,452,444 4.8% 535,222,577 557,189,817 21,967,240 4.1% \$ 1,357,014,577 \$ 1,418,434,261 \$ 61,419,684 4.5% \$ 314,060,186 \$ 307,299,321 \$ (6,760,865) -2.2% 445,278,759 452,485,305 7,206,546 1.6% 597,675,632 597,229,951 (445,681) -0.1% \$ 1,357,014,577 \$ 1,357,014,577 \$ - 0.0%



COST PER MWH

	YTI	D 2023	YT	D 2024
Generated Power per MWh	\$	48.95	\$	34.24
Purchased Power per MWh		77.67		85.79
Total	\$	55.70	\$	53.58





BASE REVENUES

Base revenues, as shown on page 12 of the monthly financial statements, include more than the name suggests. This line item includes: customer sales, recognition of revenue due to stabilization fund(s) transfers, bad debt, and monies received from public service taxes and franchise fees collected.

If you are looking just for our sales collected from customer charges and usage fees, you want to review the base rate revenues line item on page 27 of our monthly financial statements. This is our budget page and under nonfuel related revenues you can review base rate revenues, conservation charge revenues, environmental charge revenues, natural gas revenue pass through and other revenues collected from customers to get a clearer picture of our sales. Page 27 also identifies KWH sold both territorial and off system.

Generally, for the Electric System, the prominent driver of sales is degree days. Usually, a higher number of degree days results in increased energy usage. Overall, FY2024 has still been warmer than FY23 this has resulted increased sales.

DEGREE DAYS COMPARISON						
	FY2023 Sept YTD	FY2024 Sept YTD	Variance			
Heating Degree Days	856	1,050	▲ 194			
Cooling Degree Days	3,148	3,114	▼ (34)			
Total Degree Days	4,004	4,164	▲ 160			

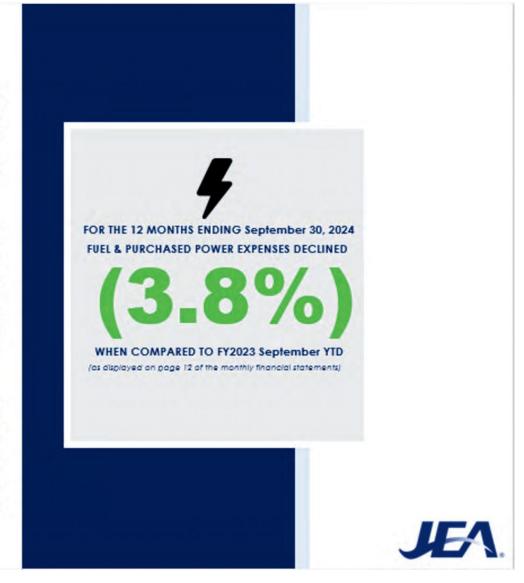


OPERATING EXPENSES

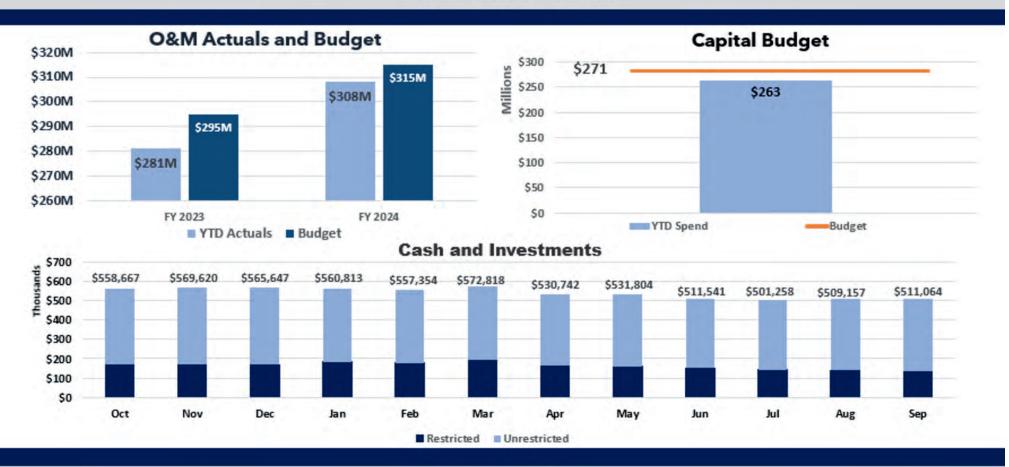
Operating Expenses refer to the ongoing costs necessary to run a business. As displayed on page 12 of the monthly financial statements, JEA's electric system's operating expenses include: fuel expenses, purchased power expenses, O&M expenses, depreciation expenses, utility and franchise tax expenses, and the net recognition of deferred costs and revenues.

When comparing our September year-to-date operating expenses for FY24 to FY23, we see a decrease in fuel expenses and purchased power expenses. Additional fuel cost information, to include fuel costs, consumption statistics, and cost per MWh can be found on page 24 of our monthly financial statements. Additional purchase power cost information can be found on page 25 of our monthly financial statements.

O&M Expenses are the Operating Expenses within our control. Across both systems, all other operating expenses are sales dependent. For example, a decrease in sales does result in a decrease in tax expenses. Our O&M expenditures are within our control and we can adjust our spend rate to align with our operating revenue trends. We will take a closer look at our O&M budget on the next slide.







Electric |



WATER SYSTEM REVENUE & EXPENDITURES

	Budget	Actual	Delta	%
Water Revenue	\$ 186,687,486	\$ 191,679,204	\$ 4,991,718	2.7%
Sewer Revenue	274,942,973	274,308,861	(634,112)	-0.2% 🤻
Reclaimed & Other	167,151,869	163,869,320	(3,282,549)	-2.0% 🦊
Total Revenue	\$ 628,782,328	\$ 629,857,385	\$ 1,075,057	0.2% 1
O&M	\$ 236,127,787	\$ 252,182,023	\$ 16,054,236	6.8% 1
O&M Budget Adjustment	16,054,236			
Capital	216,752,916	164,346,504	(52,406,412)	-24.2% 🚚
Other Expenditures	159,847,389	159,671,757	(175,632)	-0.1% 🤚
Total Expenditures	\$ 628,782,328	\$ 576,200,284	\$ (36,527,808)	-5.8% 🤻
Surplus / (Deficit)	\$ 	\$ 53,657,101	\$ 53,657,101	1





BASE REVENUES

Base revenues, as shown on page 12 of the monthly financial statements, include more than the name suggests. This line item includes: customer sales, recognition of revenue due to stabilization fund(s) transfers, bad debt, and monies received from public service taxes and franchise fees collected.

If you are looking just for our sales collected from customer charges and usage fees, you want to review the base rate revenues line item on page 28 of our monthly financial statements. This is our budget page and under revenues you can review water & sewer revenues, capacity & extension fees, and other revenues collected from customers to get a clearer picture of our sales. Page 28 also identifies KGALs sold for both water and sewer.

Generally, for the Water System, the prominent driver of sales is rainfall and rain days. Usually, less rainfall and fewer rain days results in more water usage. Our increase in sales year over year is driven by an increase of 2% in customer count and partially offset by increased rainfall in FY24.

RAI	NFALL COMPARIS	SON (IN INCHES)	
	FY2023 Sept YTD	FY2024 Sept YTD	Variance
Normal	53.40	53.40	-
Actual	50.07	71.85	1 21.78
Rain Days	104	132	1 28
Arab	rolayed on page 18 of the m	anthly financial statements	



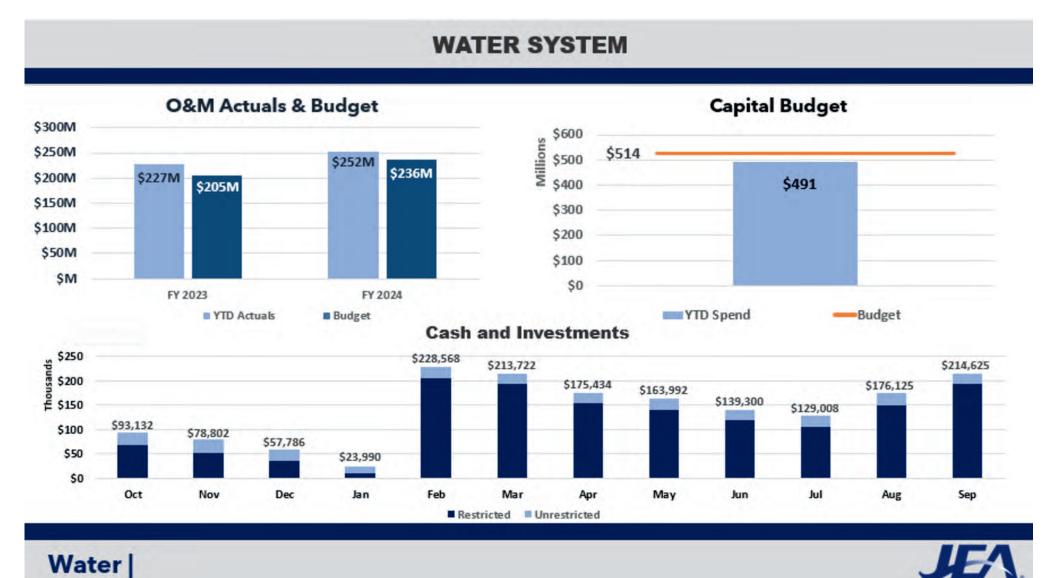
OPERATING EXPENSES

Operating Expenses refer to the ongoing costs necessary to run a business. As displayed on page 12 of the monthly financial statements, JEA's water/wastewater system's operating expenses include: O&M expenses, depreciation expenses, utility and franchise tax expenses, and the net recognition of deferred costs and revenues.

O&M Expenses are the Operating Expenses within our control. Across both systems, all other operating expenses are sales dependent. For example, a decrease in sales does result in a decrease in tax expenses. Our O&M expenditures are within our control and we can adjust our spend rate to align with our operating revenue trends. We will take a closer look at our O&M budget on the next slide.







Financial Metrics

Weighted Average Yield **Days of Liquidity Debt Service Coverage Fixed Charge Coverage Debt to Asset Ratio** of Investments 4.20x 4.66% 43.1% 1.57x 198 Target: 150 Target: 2.2x Target: 50% Target: 1.6x Target: 4.54% Weighted Average Yield **Days of Liquidity Fixed Charge Coverage Debt Service Coverage Debt to Asset Ratio** of Investments 2.76x 🗸 140 🗸 3.01x 🗸 41.0% 4.66% Target: 100 Target: 1.8x Target: 50% Target: 2.0x Target: 4.54%

Financial Metrics | FY 2024 Q4





What Started the Conversation?

Current Condition of Installation Utilities

Naval Station Mayport and Naval Air Station Jacksonville recognize that their aging utility infrastructure must be addressed to ensure continuity of operations. Aging infrastructure represents a national security risk at military installations.

Desire for Enhanced Mission Readiness

Naval Station Mayport and Naval Air Station Jacksonville approached JEA to explore a partnership with respect to utility operation and maintenance, potentially freeing up military personnel to focus on other mission critical activities.

Federal Sustainability Executive Order

This order directs the federal government to use its scale & purchasing power to achieve the following goals for its facilities:

- 100% carbon free electricity by 2030, 50% of which must be locally supplied to meet 24/7 demand
- 100% zero-emission light duty vehicle acquisition by 2027, 100% zero-emission full vehicle fleet acquisition by 2030
- 65% reduction in carbon admission for all building by 2030, net-zero emission by 2050

Naval Station (NS) Mayport and Naval Air Station (NAS) Jacksonville, collectively reported as the "United States Navy," are JEA's largest electric customer (aggregate sales) and Jacksonville's largest employer.

> FY23 Aggregate Sales

350,000 MWh

FY23 Total Revenue

\$30.5 million

Combined Employee Count

30,000



What is an IGSA?

Overview

In 2013, Congress enacted legislation creating Intergovernmental Support Agreements (IGSA). IGSA's allow military installations to form formal public-public partnerships, on a sole source basis, for the provision, receipt, or sharing of installation and community support services.

How it Works

With an approved IGSA, the military installation can issue requests for services via task orders as funding permits.

IGSA Goal

Results in a mutually beneficial agreement for the military installation and their public partner.

What are IGSA's Being Used for?





Where are IGSA's Taking Place?

As of 2023, 170 IGSA agreements have been established at nearly 100 installations across almost 30 states (plus Guam). Of those 30 states, over half of all IGSAs are in place in California, Texas, Georgia, North Carolina, and New Jersey. The majority of IGSAs are Army partnerships, but a full breakdown is below.

Air Force Partnerships			
Agreements	States	Bases	
22	14	17	

Army Partnership					
Agreements	States	Bases			
108	24	39			

Marine Corp Partnerships				
Agreements	States	Bases		
32	6	7		

Navy Partnerships				
Agreements	States	Bases		
29	13*	15		

*Includes Guam



How Does Florida Fit In?

The state of Florida is home to 21 military installations across every branch of the military. The Jacksonville and Pensacola areas are home to the most military bases, but there are bases in other coastal areas as well.

As of 2023, there are four IGSA partnerships in the state of Florida.

- City of Homestead + Homestead AFB Base Utilities Maintenance and Operations
- City of Tampa Bay + MacDill AFB Advance Lifesaving Services
- Santa Rosa County Sheriff + NAS Whiting Field Joint Training Range Usage and Maintenance
- Baldwin County Sheriff (AL) + NAS Whiting Field Joint Training Range Usage and Maintenance



Have Other Utilities Done This?

	State	IGSA Partner	IGSA Services	IGSA Amount
Colorado Springs Utilities	СО	Fort Carson (Army)	Started with full electric & gas utility operation services Adding water in 2025. In discussion for sewer	\$3M annually (& growing)
Huntsville Utilities	AL	Redstone Arsenal (Army)	Full water, natural gas, and electric utility operation services	\$7M annually (& growing)
Albany Utilities	GA	MCLB Albany (Marines)	Electric, water, wastewater, gas, and stormwater services as needed	Varies
Groton Public Utilities	СТ	NSB New London (Navy)	Water services only Electric services are being evaluated	Varies
Lowndes County Utilities	GA	Moody AFB (Air Force)	Water quality testing, operation & maintenance of one water plant, three wells, and one wastewater plant	Varies

Peer Findings - IGSA Benefits and Challenges

Benefits to the Installation

- Improved quality of life for service members and their families
- Saved the installations money, while providing a higher quality of service
- · Supported the installation's mission

Benefits to the Utility

- · Additional revenue for the utility
- Synergies between utility operations and previously privatized services on bases
- Some resulted in additional jobs at the utility (IGSA utilities manager, staff)
- Some have been able to utilize DoD grants to achieve mutual utility and installation goals

Benefits to the Community They Both Serve

- · Jobs and money staying local
- · Improved government and community relationships

Challenges				
DoD Standard Operating Procedures	Installation processes usually did not align with utility standards, safety protocols, and / or best practices. Our peers report making positive progress on this challenge.			
Chain of Command	Getting approvals on needed work, etc. can take additional time due to an adherence to a rigid chain of command. This sometimes makes coordination of efforts difficult.			
Base Access	Areas of base are not accessible to utility personnel because of safety and / or security.			
Alignment	Getting processes aligned is critical for success (reporting, billing, approval, etc.), it could require one or both parties operating out of their normal procedures. Our peers report making positive progress on this challenge. Patience was a common theme from our peers. It has taken them time to get it right.			
Utility System Condition	The installations also all had various contractors, subcontractors, or their own staff completing utility operations and maintenance before the IGSA agreements went into place with the work being complete usually not up to utility standards.			



ISGA Opportunities

JEA believes entering into an Intergovernmental Support Agreement with NS Mayport and NAS Jacksonville could achieve the following:

Navy Installations

Cost Savings / Cost Avoidance

- Interest in cost savings on ad-hoc project basis
- Interest in costs savings on recurring work basis
- Interest in utility bill savings from improved system efficiencies

Support Meeting Clean Energy Goals

- Federal funding available to help achieve clean energy goals that they would like to utilize
- · Interest in EV infrastructure
- · Interest in solar, micro grids, etc.

JEA

Manage Utility Services

- Needs help to identify and prioritize work
- Needs assistance with routine 0&M
- Interest in implementing SCADA
- Interest in other services (Fiber, DES, etc.)

Assist With Emergency Response Services

- Interest in partnering for black start exercises
- Interest in improved system reliability to reduce critical issues
- Interest in other emergency response services

JEA Short Term

Continue to be a Supportive Defense Community Partner

 Engaging in continued conversation and work to determine if / how we can best support the Navy Ad-Hoc Service Revenues

- · Time & Materials
- 10% Admin Fee
- Total will vary based on DoD availability of funds / budget

Potential JEA Long Term

Recurring Service Revenue

Keeping Other Jobs & Funds Local

Leveraging Federal Funds to Better Serve Added JEA Jobs

Better Planning Insights

Ability to Pilot New Utility Solutions

Proposed Partnership Description

Separate agreements would be entered with both NS Mayport and NAS Jacksonville. Initial terms are very similar, but there is the possibility that the agreements could diverge from one another in future iterations of the IGSA.

Current IGSA 1.0 Proposed Terms:

- Potential services vary slightly by installation, with overlap on utility system repair, maintenance, modernization & improvements.
- JEA compensated on a time and materials basis plus 10% administrative fee.
- 10-year term. The IGSA automatically terminates after 10 years. A new IGSA may be executed for subsequent periods not to extend 10 years.

The current version of the IGSA does not obligate JEA or the Navy to expend funds, it is a mechanism to be able to collaborate on current services but also to open lines of communication to establish what a long-term, mutually beneficial partnership could look like.

Each IGSA will be reviewed annually to ensure that it remains mutually beneficial for both parties. The IGSA can be modified at anytime by written agreement by both parties. The IGSA can be terminated by mutual written agreement at any time. Each party may also terminate the agreement at their own convenience with 60-day written notice.

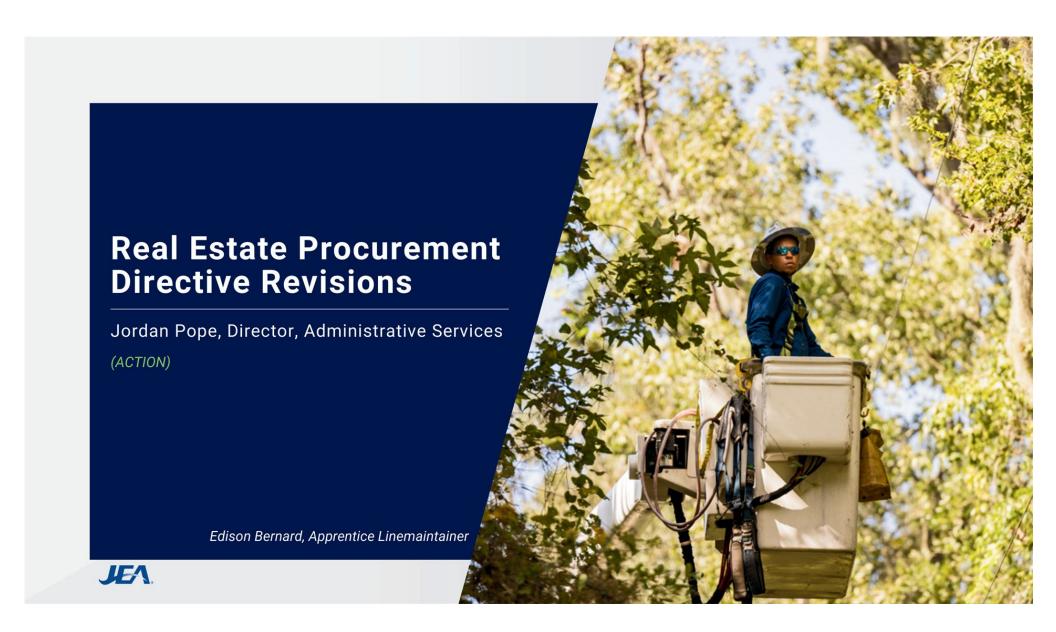
Requested Action and Next Steps

Staff requests the Finance, Governance, and Audit Committee recommend the Board approve the Agreement at the October 29, 2024 meeting.

Following Board approval, JEA will execute the Agreement and will pursue condition assessments at the sites. Results from those assessments will then drive pilot projects, partnership valuation, and paths forward.







Real Estate Procurement Directive Revisions

Article 21 JEA Charter Section 21.04(b)(4)





August 29, 2023

The Board reviewed and approved the Real Estate Procurement Directive at the August 29, 2023 meeting.



Charter Requirements

"...the governing body of JEA shall approve real estate rules and procedures and any amendments thereto governing the reporting, acquisition, sale, purchase, lease, license, transfer, and disposition of real property. The governing body of JEA shall review its real estate rules and procedures no less than biennially."



Revisions

- Updates made to ensure consistency with Article 21 - JEA Charter
- Recommendation that the authorization to declare JEA surplus property with values exceeding \$2M would require Board approval
- Removal of the section related to long-term strategic sites, providing the Board with a proper level of governance related to significant sales of JEA's surplus property

Staff requests that the committee recommend approval of the revised directive to the JEA Board as outlined in Resolution 2024-55.



Riverfront Plaza Cost Participation Agreement

Former Jacksonville Landing

Purpose: Future redevelopment of Riverfront Plaza, formerly Jacksonville Landing

In Collaboration With: City of Jacksonville and Downtown Investment Authority (DIA) to secure easements for existing JEA infrastructure on the site

Background: Determined by DIA that a portion of JEA's subsurface electric infrastructure conflicts with a future development pad. Relocation of JEA facilities have been requested

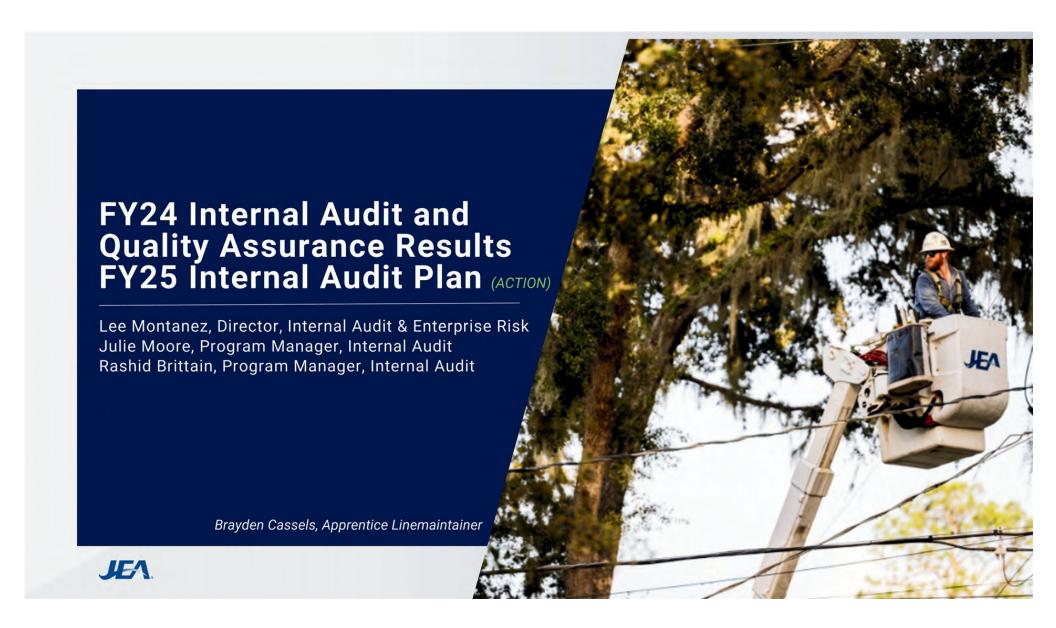
Estimated Cost: JEA designed the relocation at an estimated cost of \$3,701,250

Cost Participation: DIA requested JEA cost participate in the project and both parties agreed to a 50/50 cost participation agreement. Any cost overruns will also be shared between the parties at 50% each

Financial Impact: JEA's estimated cost participation amount is \$1,850,625



Staff requests the committee consider the cost-share request set forth in the proposed Cost Participation Agreement as outlined in Resolution 2024-57



Internal Audit Plan FY24 Year-End Status



COMPLETED AUDITS & ENGAGEMENTS

Not Rated

Recently Completed in Bold

Performance Pay Review

External Audit Support - EY (FY24)

The Energy Authority Member Review Support

SB 64 Consulting Engagement

Green-e Agreed-Upon Procedures

Maritime Transportation Security Act - Facility Plan Review

Landscape Contract & Services Assessment

External Quality Assurance Review

Needs Improvement

Sales Tax Exemption

Receivables & Collections Services - IT

Satisfactory

Recruitment Services

Fiber Network Resiliency

Receivables & Collections Services - Operations

Technology Project Governance

Outstanding

Operating Budgets

Jacksonville Small & Emerging Business

IN-PROCESS AUDITS & ENGAGEMENTS WITH STATUS

Reporting

Learning & Development

Fieldwork

Contract Review - Technology Services

Contract Review - Water/Wastewater

Contract Review - Electric

Patch Management - Essential Systems

Ongoing

EY - External Audit Support

CANCELLED OR CARRYFORWARD AUDITS

Cancelled

Service-Level Agreements

Carryforward to FY25

Management Oversight Tools & Processes

Technology Services / Critical Infrastructure Protection (CIP)

Compliance Processes

Outage Communications

Technical Debt

Records Retention

Internal Audit Plan FY24 Year-End Status

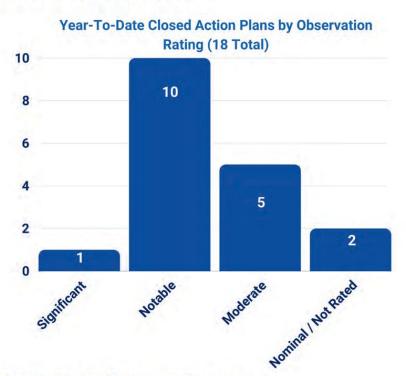


AUDIT OR ENGAGEMENT	RATING	GOOD PRACTICE OBSERVED	KEY OBSERVATION
Receivables and Collections – IT	Needs Improvement	The Receivables and Collections team effectively manage a high volume of payment and account management activities.	Internal Audit noted that a Service Level Agreement for customer kiosk payment processing, data storage, retention and destruction does not exist. Further, we noted vendor non-compliance with authorization and data use.
Jacksonville Small & Emerging Business (JSEB)	Outstanding	The JSEB staff ensured that the local minority and small businesses are an integral part of JEA's vendor community.	Internal Audit noted the lack of evidence in Oracle of the manager's review and approval of a new supplier's corporate and banking information.
Technology Project Governance	Satisfactory	Recently, the Technology Services Project Management Office (TS PMO) created a project management dashboard to provide overall project status awareness.	Internal Audit noted that the PMO Governance document lacks parameters and guidelines for identifying which projects should go through the PMO.



Open/Closed Audit Report Observations





Closed Action Plan Hightlights

Facilities Contract Review

The Facilities Maintenance Landscape Contract language has been revised to provide clarity on maintenance requirements and invoice frequency and documentation.

Construction Manager at Risk (CMAR)

Water/Wastewater Management has developed a process for reviewing vendor invoices and supporting documentation, including the use of e-Builder for project collaboration and cost verification.

External Quality Assurance Results



Internal Audit was rated "Generally Conforms" to the International Standards for the Professional Practice of Internal Auditing (Standards) and the Code of Ethics.

(This is the top rating and means that an IA activity has a charter, policies and procedures that are judged to be in conformance with the Standards.)

Positive Practices

- Balanced audit reports, including comments on positive practices
- Management input included in the annual audit risk assessment process
- Documentation and approval process in place for risk acceptance by management
- Good reporting of audit status and progress to the Finance, Governance and Audit Committee



IIA - Institute of Internal Auditors

Opportunities to Improve Conformity with the IIA Standards

Enhance the current Quality Assurance & Improvement Program (QA&IP)
process to include periodic reporting, at least annually, to the FGAC of
QA&IP results and key metrics that place emphasis on quality and
continuous improvement

Suggestions for Internal Audit Consideration

- Enhance procedure by including the following: (1) Impairment to Independence or Objectivity – Standard 1130, (2) Disclosure of Nonconformance – Standard 1322, (3) Errors and Omissions – Standard 2421 and (4) Engagement Disclosure of Nonconformance – Standard 2431
- Enhance the engagement level risk assessment by identifying all risks considered and, with client input, ranking them to demonstrate audit resources will be focused on higher risk areas

2024 Global Internal Audit Standards



Key Structural Changes

- The new Standards combine into one all-inclusive document, incorporating the five mandatory elements of the current framework
- The Standards are not divided into "attribute" and "performance" categories

Key Content Changes

- Essential Conditions for Board and Senior Management Potential enhancements to the oversight responsibilities
- Internal Audit Strategy Requirement for developing and implementing a strategy
- Integrated Assurance and the Internal Audit Plan Documenting the organization's strategies, objectives and risk, including the review of the risk management processes
- Report and Findings Rating Required engagement conclusion and findings must be prioritized based on significance
- Enhanced Requirements for External Quality Assessments The external assessment team must include an active Certified Internal Auditor



Internal Audit Strategy



Strategic Area of Focus	Strategic Goal	Action Plan
	Remediation of Quality Assurance Review recommendations	Define and implement solutions for these recommendations
Continuously improve the audit and advisory processes and procedures	Review and integrate the new Institute of Internal Auditors (IIA) Standards to current processes	Evaluate the new institute of Internal Auditors (IIA) Standards and update internal processes as appropriate
	Implement new audit software	Migrate to new audit software that will provide data analytics / continuous auditing capabilities
Continuously support the professional development and operational needs of the IA team	Professional Development	Non-certified Internal Auditors to complete 40 CPE hours and encourage to become certified. Internal Auditors with certification(s) to complete CPEs as required
Develop, promote, and support an organization- wide risk management culture and approach	Collaborate with Enterprise Risk Management	Internal Audit and Enterprise Risk Management will seek opportunities for collaboration and information sharing.



We expect to complete the roadmap in the next 12 to 18 months

Quarterly progress will be reported to the Committee



Step 1: Governance & Culture

Adopt a clear, concise and understandable definition of ERM
Create and maintain a culture supportive of ERM
Determine strategy and objectives
Create a plan for educating and communicating ERM
Provide ERM oversight



Step 2: Strategy & Objective-Setting

Define risk appetite and domains Understand JEA's strategy and objectives Formulate business objectives



Step 3: Performance

Identify, assess, and prioritize risks Implement risk responses Develop dashboards and reports for management



Step 4: Review & Revision

Review risk and performance Determine if changes are needed Pursue improvement in ERM



Step 5: Information, Communication, & Reporting

Leverage information and technology Communicate risk information Report on risk





FY25 Audit Plan Process & Calendar

Identify Key Areas of Risk to be Assessed

- Distribute surveys to all departments
- Review current audit plan results
- Integrate Enterprise Risk Management in the process

Assess and Prioritize Areas of Risk

- Review surveys and request additional information
- Interview Directors, Vice Presidents, and Chiefs
- Aggregate and compile resulting information

Select Focus Areas

- Evaluate all information to determine audit focus
- Develop a preliminary audit plan
- Present audit plan to Managing Director / CEO for feedback

Develop and Approve Audit Plan

- Establish high-level scoping statements
- Finalize proposed plan, timing, and budget
- Present plan for Committee approval







October

The Annual Risk Assessment process is a critical element of Internal Audit department's responsibility and provides the opportunity to continue our strategic partnership with leadership in the review and management of key business risks.

Proposed FY25 Audit Plan - Summary



AUDITS

Contract Review - Workspend

Technical Debt

P-Card and Travel Expenses

Access Management

Critical Infrastructure Protection/TS Process

Disaster Recovery/Business Continuity

Fuels Management

Secondary Employment

Debt Management

Benefit Services

Patch Management

Records Retention

Outage Communications

Management Oversight Tools & Processes

CONSULTING & SPECIAL PROJECTS

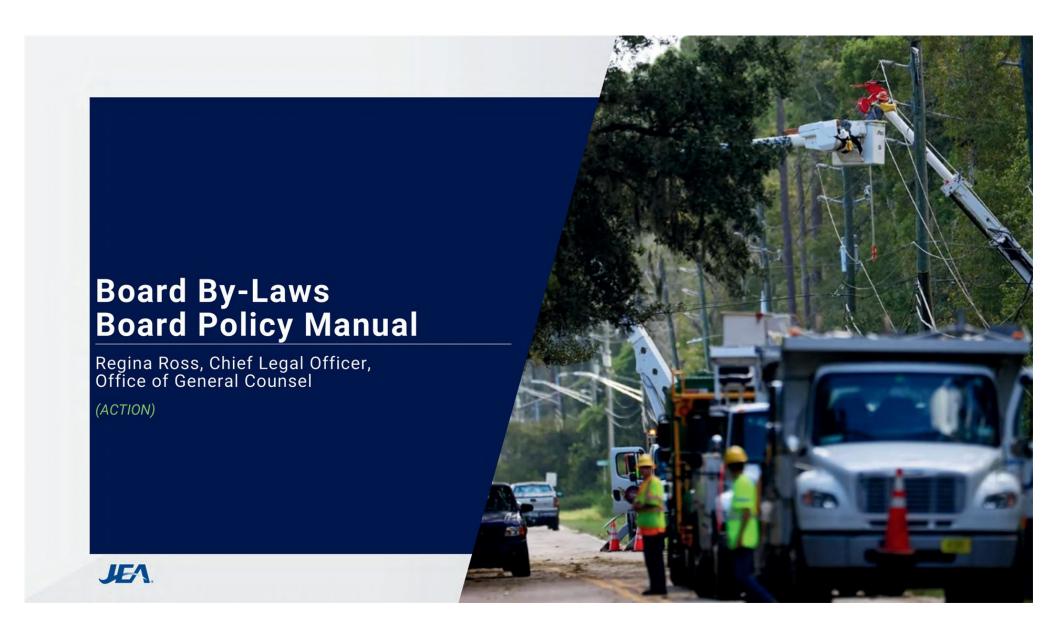
Maritime Transportation Security Act – Facility Plan Review Green-e Agreed-Upon Procedures Engagement

RECURRING AUDITS & PROJECTS / ADMINISTRATIVE

Prior Year Close-Out Activities
Software Data Migration
External Audit Support – EY
The Energy Authority Member Review Support
Management Action Plan Follow-Up

Preliminary engagement objectives and scope, budgeted hours, timing and auditor assignment can be found in the Supplemental Materials (Appendix E)

Staff requests the committee recommend the Board approve the FY25 Internal Audit Plan



Board Governance Documents





August 10, 2022

Under prior leadership, the Board By-Laws and Policy Manual were condensed and approved by the Board at the August 10, 2022 Board Retreat.

November 7, 2023

Board approved revisions to the Board By-Laws and Policy Manual that were included on the Consent Agenda of the November 7, 2023 Board meeting.



November 2020/2021

JEA Board By-Laws & Policy Manual were approved by the Governance Committee on November 10, 2020 and by the Board on November 17, 2020.

Additional revisions were approved by the Board on November 16, 2021 regarding meeting cadence and policy language to align with Article 21.



September 24, 2024

At the request of the Board Chair, members provided input to the 2021 governance documents and Office of General Counsel completed a legal review

Staff requests the committee provide feedback and direction and recommend the Board approve the amended Board By-Laws and Policy Manual



Annual Board of Directors Evaluation

OCTOBER 24

Finance, Governance, & Audit Committee (FGAC) to review annual Board evaluation timeline / criteria and discuss adjustments needed

OCTOBER 29

FGAC Chair will review the timeline, criteria, and request the Board to discuss adjustments needed.

Following the Board meeting, Board members will receive the online evaluation.

• Completion Date: December 2, 2024

JANUARY TBD

FGAC will receive an overview of the Board evaluation results at the January meeting

JANUARY 28

FGAC Chair will provide the results of the Board evaluation at the January 28, 2025 Board meeting



Overview and Timeline

Criteria for the evaluation can be found in the Board Policy Manual, Appendix A2 - JEA Board Evaluation Criteria







FINANCE, GOVERANCE, & AUDIT COMMITTEE MINUTES August 20, 2024

The Finance, Governance, and Audit Committee of the JEA Board met at 10:00 am on Tuesday, August 20, 2024 on the 1st Floor, 225 North Pearl Street, Jacksonville, Florida. The meeting was properly noticed, and the public was invited to attend this meeting in-person at the physical location and virtually via live stream on jea.com.

WELCOME

Meeting Called to Order – Attending the meeting virtually, Committee Chair Bobby Stein called the meeting to order at 10:01 am. Attending the meeting in person were committee members MG Orender and Kawanza Humphrey. Board members General Joseph DiSalvo, John Baker, and Rick Morales also attended in person.

Others in attendance were Vickie Cavey, Interim Managing Director/CEO; Sheila Pressley, Chief Customer Experience Officer; Ted Phillips, Chief Financial Officer; Jody Brooks, Chief Administrative Officer; David Emanuel, Chief Human Resources Officer; Raynetta Curry Marshall, Chief Operating Officer; Kurt Wilson, Chief of Staff; Brad Krol, Chief Information Officer; Regina Ross, Chief Legal Officer, Office of General Counsel; Sheree Brown, Executive Assistant to the CEO; and Melissa Dalton, Manager, Board Services. Attending the meeting virtually was Joe Orfano, Deputy Chief Financial Officer.

Adoption of the Agenda – On *motion* by Ms. Humphrey and seconded by Mr. Orender, the agenda was approved.

Adoption of the Minutes – On *motion* by Ms. Humphrey and seconded by Mr. Orender, the minutes from the February 22, 2024 Finance, Governance, and Audit Committee meeting were approved.

Safety Briefing – Ted Phillips, Chief Financial Officer, provided a safety briefing.

Comments from the Public – There were no public comments.

FOR COMMITTEE CONSIDERATION

DELIVERING BUSINESS EXCELLENCE

FY2024 External Audit Plan – John DiSanto, Managing Director, EY, provided an executive summary to include GASB pronouncements; 2024 audit plan; future GASB pronouncements; areas of emphasis; important updates; involvement of JEA's Internal Audit team; and required communications. This presentation was received for information.

Internal Audit Update – Lee Montanez, Director, Internal Audit, provided an update on Q3 audit plan status and completed audits and engagements; open and closed audit report issues; FY25 audit plan process and timeline; and noted the Quality Assurance Review will be completed by September 30, 2024. This presentation was received for information.

Ethics Update – Wallette Stanford, Ethics Officer, provided an update on the required business ethics training, ethics inquiries and hotline common themes. Ms. Stanford also highlighted new and updated policies and procedures for FY25. The presentation was received for information.

Quarterly Financial Update – Ted Phillips, Chief Financial Officer, provided and overview on the electric & water systems operating budget; base revenues;

JEA Finance, Governance, & Audit Committee Minutes

August 20, 2024

Page - 2

operating expenses; O&M budget; capital budget; and financial metrics. Mr. Baker requested additional information on the surplus revenue. Mr. Phillips requested Committee member feedback related to the financial review content at future Board meetings. Mr. Morales stated he would work with Mr. Phillips to develop a plan. This presentation was received for information.

Electric System Debt Portfolio De-Risking Opportunity – Randall Barnes, Treasurer, provided an overview of the electric system debt portfolio de-risking opportunity including the benefits of simplification of JEA's balance sheet, removing ongoing dependence on bank support, reducing exposure to swap risks, opportunity to reshape electric system debt service, and potential future savings on callable fixed rate refunding bonds; historical swap cost analysis; and debt service restructuring. This presentation was received for information.

Water/Wastewater Cost of Service Update – Victor Blackshear, Director, Financial Planning Analysis & Rates, provided an update on the water/wastewater cost of service update to include the review of cost of service and rate study process; budgeted revenue requirements; functionalizing and allocating cost; FY24 cost of service results; current rate studies; water and sewer rates; other commercial rates; and FY2025 rate restructuring path. This presentation was received for information.

Continuing Services Contracts – Ted Phillips, Chief Financial Officer, provided an overview of two capital projects that exceed the delegation of authority limit of \$50M, Wesco Distribution, Inc. and Workspend, a Managed Services Provider & Vendor Management Solution for contingent workforce. Mr. Phillips highlighted the details of each project. Discussions ensued regarding the financial benefits and disadvantages to JEA using Workspend.

On *motion* by Mr. Orender and seconded by Ms. Humphrey, the Committee unanimously approved to increase the contract with Wesco Distribution, Inc in the amount of \$27,846,783.42 for a new not-to-exceed amount of \$123,781,207.30; and approved to increase the contract renewal with Workspend, Inc. to utilize the remaining one-year renewal in the amount of \$11,673,985.00 for a new not-to-exceed amount of \$97,206,216.75.

CLOSING CONSIDERATIONS

Old and Other New Business/Open Discussion -

Ms. Cavey thanked the Board members for attending today's meeting, expressed appreciation for the Executive Sessions resuming; and noted staff are looking at all contracts.

Committee Chair Stein thanked Mr. Phillips and his team for their hard work.

Announcements – None

Committee Discussion Session

The Committee moved into Discussion Session at 11:54 am.

John DiSanto, Managing Director, EY addressed the Committee at 11:56 am.

Adjournment – With no further business coming before the Committee, Chair Stein declared the meeting adjourned at 12:10 pm.

August 20, 2024	Page - 3
Bobby Stein, Committee	Chair
Date:	
	Bobby Stein, Committee

JEA Board Agenda

MEMORANDUM



Intergovernmental Support Agreement (IGSA)

Board Meeting Date: October 29, 2024

	ecommended Motion: ds that the Board approve Resolution 2024 - 67 authorizing the Managing Director /				
	o intergovernmental support agreements between JEA and the department of the Na				
	of utility-related services at Naval Air Station Jacksonville and Naval Station Mayport.				
Consent Agenda	Item: Yes X No				
	Juli Crauford Director Enterprise Planning & Analytics				
Presenter:	Juli Crawford, Director, Enterprise Planning & Analytics Jordan Pope, Director, Administrative Services				
Chief:	Ted Phillips, Chief Financial Officer				
Strategic Focus Area:	DEVELOPING AN DELIVERING BUSINESS EARNING CUSTOMEI				
7,10,75,401					
Background Information &	JEA has been working with Naval Air Station (NAS) Jacksonville (JAX) and Naval Station				
Analysis:	(NS) Mayport to enter into an Intergovernmental Support Agreement (IGSA) for the				
	last 18 months. This conversation stalled in the midst of organizational changes, however both parties are ready to move forward.				
	Ø 5				
	An Intergovernmental Support Agreement (IGSA) is a formal public-public partnersh between a Military installation and a state or local government for the provision,				
	receipt, or sharing of installation support services. It is deployed to achieve cost savin				
	or operational efficiencies and can be up to a 10-year term.				
	With an approved IGSA, the military installation can issue requests for services via tas				
	orders as funding permits. Some examples of services include Emergency Response, Utility system repair, maintenance, modernization and improvements, infrastructure				
	assessments, and energy security, resilience and reliability projects.				
	NAS Jay NS May most and JEA are preparing to formally enter into an ISSA that would				
	NAS Jax, NS Mayport, and JEA are proposing to formally enter into an IGSA that woul allow JEA to provide requested services at either installation. JEA and the Navy have				
	discussed performing condition assessments of existing utility infrastructure at each				
	installation to understand current conditions to more accurately plan future system				

JEA Board Agenda

MEMORANDUM



Intergovernmental Support Agreement (IGSA)

Financial Impact:

None in the short term, potential to be beneficial in the long term

Committee/Board Meeting/Workshop & Date Presented:

N/A

Appendix: List appendix items provided

Resolution 2024-67 Two IGSA Agreements



BOARD RESOLUTION: 2024-67

October 29, 2024

A RESOLUTION AUTHORIZING THE MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER TO EXECUTE TWO INTERGOVERNMENTAL SUPPORT AGREEMENTS BETWEEN JEA AND THE DEPARTMENT OF THE NAVY FOR THE PROVISION OF UTILITY-RELATED SERVICES AT NAVAL AIR STATION JACKSONVILLE AND NAVAL STATION MAYPORT

WHEREAS, JEA is authorized under Section 163.01, Florida Statutes, to enter into agreements with public agencies "in order to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population, and other factors influencing the needs and development of local communities"; and

WHEREAS, JEA is authorized under Section 21.04(p) of its Charter to provide certain services developed or used incident to the powers granted to it under the Charter, subject to approval of its governing body; and

WHEREAS, the Department of the Navy has requested that JEA enter into Intergovernmental Support Agreements (the IGSAs) for the purpose of providing utility-related services at Naval Air Station Jacksonville and Naval Station Mayport; and

WHEREAS, services provided under the IGSAs may include emergency response services; utility system repair, maintenance, modernization, and improvements; energy resilience, reliability, and security projects; engineering design services; utility infrastructure assessments, surveys, and inspections; utility maintenance; and other capital improvement projects; and

WHEREAS, entering into the IGSAs supports the efforts of JEA and the Department of the Navy to reduce costs, create efficiencies, and enhance mission effectiveness.

BE IT RESOLVED by the JEA Board of Directors that:

Dated this 29th day of October, 2024.

- 1. The above recitals are incorporated by reference into the body of this resolution and are adopted as findings of fact.
- 2. The Board approves the terms and conditions of the Intergovernmental Support Agreements between JEA and the Department of the Navy attached hereto as Exhibits A and B, and delegates to the Managing Director/Chief Executive Officer or her designee the authority to execute the agreements in substantially the same form as attached hereto.
- 3. To the extent there are typographical, clerical, or administrative errors that do not affect the tone, tenor, or context of this resolution, such errors may be corrected without further Board authorization.
- 4. This resolution shall be effective immediately upon passage.

JEA Board Chair	JEA Acting Board Secretary
Form Approved by	Office of General Counsel

Page 2

VOTE	
In Favor	
Opposed	
Abstained	

Page 3

EXHIBIT A

Intergovernmental Support Agreement

INTERGOVERNMENTAL SUPPORT AGREEMENT BETWEEN

NAVAL AIR STATION JACKSONVILLE

AND

JEA

FOR

EMERGENCY RESPONSE SERVICES; ELECTRIC GRID REPAIRS; DESIGN SERVICES; UTILITY SYSTEM REPAIR, MAINTENANCE, MODERNIZATION, AND IMPROVEMENTS; ENERGY RESILIENCE, RELIABILITY, AND SECURITY PROJECTS

IGSA NUMBER XXXX

This is an Intergovernmental Support Agreement (IGSA) between the Department of the Navy, a federal agency, as represented by Naval Air Station Jacksonville (NAS JAX), and JEA. NAS Jacksonville and JEA are individually referred to as "Party" and collectively referred to as the "Parties."

- 1. BACKGROUND: The Parties enter into this IGSA so that JEA can provide a variety of services, listed below, to NAS Jacksonville.
 - Emergency Response Services
 - Utility system repair, maintenance, modernization, and improvements
 - Energy resilience, reliability, and security projects
 - <u>Engineering</u> Design Services
 - Electrical Infrastructure assessments, surveys, and inspections
- 2. AUTHORITIES: This IGSA is entered into by NAS Jacksonville, pursuant to 10 U.S.C. § 2679 and by JEA pursuant to Florida State Statute § 163.01.
- a. 10 U.S.C. § 2679 permits the Navy to enter into an IGSA on a sole source basis with a State or local government provided the IGSA will serve the best interest of the Navy by enhancing mission effectiveness or creating efficiencies or economies of scale, including reducing costs, and when the State or local government providing the installation services already provides such services for its own use. This IGSA serves the best interests of the Department of the Navy by creating efficiencies and economies of scale that will reduce cost for the variety of services, listed in BACKGROUND (Section 1), for NAS Jacksonville. JEA already provides these services across the Northeast Florida. This IGSA will streamline and make more efficient award and execution of

Style Definition: Comment Text

routine and recurring projects, in addition to cost savings achieved through economies of scale. JEA would manage and execute the services identified in the Background Section (Section 1) of this IGSA at NAS Jacksonville.

- b. Florida State Statute §163.01 permits JEA to enter into agreements with public agencies, in this case NAS Jacksonville, to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population, and other factors influencing the needs and development of local communities. JEA already provides these services for its own
- c. This IGSA has been approved by the Installation Commanding Officer at NAS Jacksonville under applicable federal laws and has been approved by the State of Florida-under applicable state lawsJEA Board of Directors as authorized under applicable state and local law.
- 3. PURPOSE: This IGSA is made by and between the Parties to provide a variety of services, listed in BACKGROUND (Section 1), on NAS Jacksonville using JEA personnel and contracts executed by JEA as mutually agreed upon. The purpose of this IGSA is to outline the roles and responsibilities of the Parties, identify the services to be furnished by JEA, the estimated prices to be paid by the United States, and the appropriate reimbursement, indemnification, and liability procedures.
- a. NAS Jacksonville sees this IGSA as an opportunity to further grow and strengthen the relationship between the Parties. This IGSA allows JEA to assist NAS Jacksonville more efficiently and economically meet their mission requirements.
- b. This IGSA is the result of the Parties' mutual efforts to reduce costs, create efficiencies and enhance mission effectiveness.
- 4. RESPONSIBILITIES OF THE PARTIES: Responsibilities of the Parties in the execution of this IGSA for a variety of services, listed in BACKGROUND (Section 1), to NAS Jacksonville are provided below.
 - a. NAS Jacksonville is responsible for:
 - (1) Identifying requirements and developing a

2

requirements package for a prospective task order. Projects may include the following services:

- Emergency Response Services
- Utility system repair, maintenance, modernization, and improvements
- Energy resilience, reliability, and security projects
- Engineering Design Services
- Electrical Infrastructure assessments, surveys, and inspections
- (2) Issuing a request for proposal for a prospective task order and performing a technical evaluation on a prospective task order.
- (3) Accepting or declining proposals from JEA and issuing a written task order to JEA for services if terms and conditions of the task order are agreeable to all involved Parties.
- (4) Process installation access for requisite JEA personnel.
- (5) Participating in a kickoff meeting prior to executing the services under an issued task order.
- (6) Notifying any affected tenant, security, fire, and Public Affairs Office of planned project.
- (7) Conducting a meeting with JEA to review project objectives and final accounting of each executed task order.
- (8) Performing final acceptance of work for issued and completed task orders.
- b. JEA is responsible for:
- (1) Developing a proposal with cost estimates for requested services that fall under this IGSA, including both organic and contracted costs. Proposals for recurring costs related to services that fall under this IGSA must developed and submitted to the installation thirty (30) calendar days prior to the beginning of the new fiscal year. JEA is also responsible for providing NAS Jacksonville proposals for utility repair and maintenance services as

requested by NAS Jacksonville on an as needed basis.

- (2) Issuing a request for proposal for services pursued through competitive bidding, as well as reviewing and analyzing bids received from competitive bidding.
- (3) Providing and submitting the cost estimate from competitive bidding to NAS Jacksonville.
- (4) Performing and managing the services (to include quality assurance and quality control) as agreed upon in an issued task order through either organic in-house capability or a competitively awarded contract.
- (5) Notifying NAS Jacksonville if any issues, change orders, or unforeseen conditions are encountered.
- (6) Jointly, with NAS Jacksonville, conducting a meeting to review project objectives and final accounting of each executed task order.
- (7) Providing final project accounting to NAS Jacksonville.
- c. Both Parties are responsible for:
- (1)(2) Cooperating to finalize a statement of work or detailed scope of work under issued task orders. If necessary, JEA will conduct a site visit to NAS Jacksonville to better understand the requested work and refine the statement of work for the task order.
- $\frac{(2)\cdot(3)}{(2)\cdot(3)}$ Meeting monthly to discuss any performance or any other issues they may have under this IGSA and any issued task orders.
- $\frac{(3)}{(4)}$ Working jointly to ensure compliance with all applicable Federal and State standards,

Formatted: Font color: Custom Color(RGB(59,59,59)), Character scale: 100%

Formatted: Right, Indent: Left: 1.11", No bullets or numbering

4

laws, and regulations.

 $\frac{(4)\cdot(5)}{(5)}$ Jointly performing inspections in the performance of work execution to deliver the services associated with a task order, pursuant to the standards set forth therein.

(6) Following the IGSA Standard Operating Procedures, Enclosure (1).

5. PUBLIC DISCLOSURE: To the extent permitted by the laws governing each Party, the Parties shall protect personal information and maintain the confidentiality of other exchanged information when requested to do so by the providing Party.

a. The Parties will comply with public requests for information related to this IGSA pursuant to the Freedom of Information Act, 5 U.S.C. §552 and the Florida's Public Records Law, Chapter 119 of Florida State Statutes, as applicable to each Party.

b. If JEA receives a request for information about this IGSA made under either the Freedom of Information Act or Florida's Public Records Law, Chapter 119 of Florida State Statutes, JEA will notify NAS Jacksonville points of contact (POC) designated in this IGSA within five (5) business days. If NAS Jacksonville receive a request for information about this IGSA under Freedom of Information Act, the installation will notify JEA POCs designated in this IGSA within five (5) business days.

c. Nothing herein shall require either Party to obtain the consent of the other Party prior to complying with a request for information to the extent such compliance is required by law. If either Party receives a request for information that the other Party believes is either exempt from production or confidential under applicable law, the Party claiming that such information is confidential or exempt from production shall have five (5) business days to inform the other Party of its intent to seek a protective order preventing disclosure of the information. Failure to notify the other Party of such intent shall be construed as consent for the release of the information.

6. RELATIONSHIP OF THE PARTIES: In exercising their respective rights, powers, and obligations under this IGSA, each Party acts in an independent capacity. No Party shall represent

Formatted: Font: 11.5 pt

Formatted: Left, Indent: Left: 0", First line: 0.5", Tab stops: 0.75", Left

itself as the agent, officer, or employee of any other Party. Each Party is responsible for all costs of its personnel and contractors, including pay and benefits, support, and travel. Each Party is responsible for supervision and management of its personnel. Neither Party shall provide, without the prior written consent of the other Party, any contractor or employee with a release that waives or purports to waive any right a Party may have to seek relief or redress against that contractor or employee.

7. GENERAL PROVISIONS:

- a. ADMINISTRATION. This IGSA shall be mutually administered by the Parties. The IGSA administrators will identify personnel at JEA and at NAS Jacksonville to coordinate and manage the provision of services and the payment for services provided by JEA under this IGSA and any subsequent task orders issued pursuant to this IGSA.
- b. CORRESPONDENCE AND POINTS OF CONTACT: The following points of contact (POC) will be used by the Parties to communicate in the implementation of this IGSA. Each Party may change its POC and will provide email notice to all POCs when a POC is changed. All correspondence to be sent and notices given pursuant to this IGSA will be addressed to the requisite POC. Email will be the primary form of correspondence.
 - (1) For NAS Jacksonville:
 CDR Chester Wyckoff
 NAS Jacksonville Public Works Officer
 Email: chester.j.wyckoff.mil@us.navy.mil
 - (2) For JEA:

 Deanna DavisAllyssa Petersen

 Director, Business DevelopmentManager, Enterprise

 Planning and Analytics

 225 North Pearl Street, Jacksonville, FL 32202

225 North Pearl Street, Jacksonville, FL 32202 Email: Davidlpeteab@jea.com

c. ADDITIONAL CORRESPONDENCE: Should email addresses be insufficient to reach the requisite POC, the following mailing addresses and phone numbers are to be used as secondary and tertiary means of communication.

If to NAS Jacksonville, to:

6

ATTN: NAS Jacksonville Public Works Officer

NAVFAC SE PWD JAX PO Box 5, Bldg 27 Jacksonville, FL 32212 Phone: 904-542-1821 And, if to JEA, to:

ATTN: Deanna Davis Allyssa Petersen

Director, Business Development Manager, Enterprise Planning and

Analytics

225 North Pearl Street, Jacksonville, FL 32202

Phone: 904-655-8451665-8338

Alternate JEA POC:

ATTN: Jordan PopeJuli Crawford

VP, Corporate StrategyDirector, Enterprise Planning and Analytics

225 North Pearl Street, Jacksonville, FL 32202

Phone: 904-631-2188352-219-0534

d. RECORDS: The Parties shall follow established cost principles and procedures in determining allowable costs and payments under this IGSA and shall maintain books, records, documents, or other evidence pertaining to costs and expenses under this IGSA for a minimum of three years after the expiration or termination of the IGSA. To the extent permitted under applicable laws and regulations, the Parties shall each allow the other to inspect such books, records, documents, or other evidence. Each Party shall maintain records of each task order and all payments made therefore in accordance with its governing record retention rules.

8. FINANCIAL DETAILS:

- a. COSTS: As of the effective date of this IGSA, the costs for all efforts to be ordered hereunder are estimated to be at an annual cost of \$275,477.78. This amount is not intended to represent the total financial responsibilities nor the actual needs of NAS Jacksonville in a given year. Actual requirements for a given year will be reflected in task orders and dependent upon availability of funds.
- b. ADMINISTRATIVE FEE: For any services rendered by JEA, NAS Jacksonville agrees to pay JEA an administrative fee equal to ten percent (10%) of each invoice.
- c. AVAILABILITY OF FUNDS: This IGSA does not document the obligation of funds between the Parties. The obligation of funds by the Parties, resulting from this IGSA, is subject to the availability of funds pursuant to the DoD Financial Management Regulation.

8

- d. NO LIMITATION. Nothing in this IGSA shall limit or prohibit the ability of either Party from contracting with other persons or entities for the provision of the same or similar services.
- e. BILLING AND PAYMENT. NAS Jacksonville will pay JEA for a variety of services listed in BACKGROUND (Section 1) and executed under issued task orders and pursuant to this IGSA. JEA will bill NAS Jacksonville, through the DoD's Procurement Integrated Enterprise Environment (PIEE) Wide Area Workflow (WAWF) application, as services are completed. Progress payments will be processed monthly through WAWF.
- 9. PAYMENT: Payment for services shall be based on services provided as set forth in this Agreement and individual task orders. Pursuant to the Office of Management and Budget 2 CFR Part 200, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, taxes that JEA is legally required to pay are allowable, except for self-assessed taxes that disproportionately affect federal programs. NAS Jacksonville shall not reimburse JEA for any taxes in which the legal incidence of the tax falls on the Navy.
- a. The obligation of funds by NAS Jacksonville is subject to the availability of appropriated funds and will be documented in an issued task order.
- 10. REVIEW OF IGSA: This IGSA will be reviewed annually on or around the anniversary of its effective date for financial impacts and to ensure the IGSA remains mutually beneficial for the Parties.
- 11. TERM OF IGSA: This IGSA is being entered into for a total term not to exceed ten (10) years from the Effective Date. This IGSA automatically terminates after 10 years from the Effective Date. A new IGSA may be executed for subsequent periods not to exceed ten years.
- 12. MODIFICATION OF IGSA: This IGSA may only be modified by the written agreement of the Parties which must be duly signed by their authorized representatives.
- 13. SUSPENSION OF IGSA: The United States reserves the right to suspend performance of the agreement in event of emergencies, mobilizations, national security reasons, or for other reasons outside the control of the United States. In the

event of a suspension, compensation for JEA will continue subject to availability of funds and work not affected by the suspension. JEA reserves the right to suspend performance of the agreement in the event of emergencies, force major events or for other reasons outside the control of JEA.

14. TERMINATION:

a. MUTUAL. The IGSA may be terminated by mutual written agreement at any time. In the event of mutual termination, no rights, responsibilities, benefits, or liabilities shall accrue to either Party.

b. UNILATERAL. Each Party reserves the right to unilaterally terminate this agreement for its convenience upon 60 calendar days written notice to the POCs designated in this IGSA. When notified by the other Party of the termination, the Parties shall immediately negotiate a separate Termination Agreement and Schedule to define the roles and responsibilities and to mitigate impacts and all costs caused by the termination. The Parties recognize that the obligations and debts under this IGSA are part of a task order, and they are incurred as services are provided. Any obligations or debts incurred hereunder prior to termination shall become immediately due and payable by the withdrawing Party upon termination. The withdrawing Party shall not be entitled to a refund or credit for any sums paid or incurred under this IGSA prior to termination.

15. APPLICABLE LAW:

a. The Parties shall comply with all applicable federal, state, and local laws, federal executive orders, and federal rules and regulations applicable to its performance under this IGSA. To the extent JEA's performance under this IGSA is governed by state law, the laws of the state of Florida shall govern this IGSAapply. If any federal statute expressly prescribes policies or requirements that differ from the terms and conditions of this IGSA, the provisions of the federal statute shall govern. If there is a conflict between federal and state law or any municipal laws, federal law will control. To the extent this IGSA is governed by state law, the laws of the state of Florida chall govern this IGSA. Venue for any cause of action arising under this IGSA shall lie exclusively in Duval County, Floridathe United States District Court, Middle

District of Florida, Jacksonville Division.

b. This IGSA is not governed by standard acquisition contracting methods of competitive bidding as delineated in the Federal Acquisition Regulation and supplements thereto. JEA may provide services hereunder organically, in-house. However, where JEA shall provide services through a contract, the contract must be awarded through competitive procedures.

16. DISPUTES:

- a. If the Parties are unable to agree about interpreting or applying a material term of either this IGSA or a task order, the Parties agree to engage in an effort to reach mutual agreement in the proper interpretation of this IGSA or the task order, including amendment or termination of this IGSA or the task order, as necessary, or by escalating the dispute within their respective organizations.
- b. As a condition precedent to a Party bringing any action for breach of this IGSA, that Party must first notify the other Party in writing of the nature of the purported breach and seek in good faith to resolve the dispute through negotiation. If the Parties cannot resolve the dispute through negotiation, they may agree to a mutually acceptable method of non-binding alternative dispute resolution with a qualified third party acceptable to the Parties. Each Party must pay an equal share of any costs incurred by the use of a third party.
- c. If any third-party dispute or litigation relates to, or potentially affects a Party's ability to perform under this IGSA, the Parties agree to promptly notify each other of such dispute or litigation. The existence of such a dispute or litigation shall not excuse the Parties from performance pursuant to this IGSA.
- d. If any dispute between the Parties arising out of this IGSA requires consideration of the law, the rights and obligations of the Parties shall be interpreted and determined according to the federal substantive and procedural laws of the United States of America.
- e. Any inconsistency between the IGSA and task order shall be resolved by giving precedence in the following order: (1) the IGSA; (2) the task order.

- 17. LIABILITY: Each Party is responsible for the action of its agents, officers, and employees. Nothing in this IGSA is intended to modify the immunity held by either the United States Navy or JEA. Furthermore, nothing in this IGSA is intended, nor may it be construed, to create any rights, confer any benefits, or relieve any liability, of any kind whatsoever, in any third person not a party to this IGSA.
- 18. COOPERATION OF PARTIES: The Parties recognize that it is essential to cooperate fully concerning the handling of information and provision of services contemplated by this IGSA. In connection with this IGSA, the Parties therefore agree to provide any data, information, and documentation reasonably necessary for the other Party to perform its responsibilities under the terms of this IGSA.
- 19. SUCCESSORS AND ASSIGNS: The terms, covenants, and conditions contained herein shall apply to and bind the successors and assigns of the Parties.
- 20. WAIVER: No waiver of the breach of any of the covenants, terms, restrictions, or conditions of this IGSA by either Party shall be construed to be a waiver of any succeeding breach of the same or other covenants, terms, restrictions, or conditions of this IGSA. No delay or omission of either Party in exercising any right, power, or remedy herein provided in the event of default shall be construed as a waiver thereof or acquiescence therein or be construed as a waiver of a variation of any of the terms of this IGSA.
- 21. SEVERABILITY PROVISION: If any term or portion of this IGSA is held to be invalid, illegal, void, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this IGSA shall continue in full force and effect.
- 22. SIGNATURE IN COUNTERPARTS: This IGSA may be executed in counterparts by each of the Parties. For purposes of enforcement, true copies of signatures shall be deemed to be original signatures.
- 23. ENTIRE IGSA: With the exception of task orders, invoices, or payment documentation which may be subsequently executed, it is understood and agreed that this IGSA document embodies the entire IGSA between the Parties.
- 24. REVIEW FOR LEGAL ADEQUACY. Each Party to this IGSA

acknowledges and agrees that this IGSA has been reviewed by each Party's respective legal counsel for legal adequacy.

25. EFFECTIVE DATE: This IGSA takes effect on the day after the last Party signs.

	SS WHEREOF, the Parties have signed this IGSA as of stated below.	
NAS Jackso	nville:	
Signed:	CAPT Marcos CantuGregory deWindt Commanding Officer NAS Jacksonville	
Date:		
JEA:		
Signed:	Jay StoweVickie Cavey CEO and Managing Director JEA	
Date:		

Formatted: Font: 10 pt

Formatted: Body Text, Line spacing: Multiple 0.06 li

Attachment (1): JEA Letter of Intent

225 N Pearl St. Jacksonville, Florida 32202-3139



CAPT Marcos Cantu Installation Commanding Officer NAS Jacksonville Building 1 Yorktown Ave, Bldg 1 NAS Jacksonville, FL

Dear CAPT Cantu,

JEA intends to enter into an Intergovernmental Support Agreement (IGSA) with NS Jacksonville and the Department of the Navy to provide emergency response services, utility system repair, maintenance, modernization, and improvements, and energy resilience, reliability, and security to NAS Jacksonville as may be required by the Navy. We will provide these goods and services both through our own organic capability within JEA and through vendors on contract with JEA. All contracts awarded by JEA are awarded on a competitive basis in accordance with JEA policy and the laws of the STATE

We understand that this letter is non-binding and constitutes an indication of our interest only. This letter creates no liability or obligation of any nature with respect to any contemplated transaction or any other matter or action described referred to herein

JEA is truly pleased and excited about the potential benefits of an IGSA for JEA, NAS Jacksonville, and the Navy. JEA currently enjoys a strong relationship with NAS Jacksonville and we see this venture as another opportunity to grow the relationship. We believe we can assist NAS Jacksonville in meeting its mission in the most efficient and economically feasible manner and we look forward to doing so. If you have any questions or need additional information regarding our interest, please contact me at 904-599-3085 or via email at davidl@jea.com.

Deanna Davis, PE

Director, Business Development

Formatted: Font: Not Bold

Formatted: Space After: 10 pt, Don't add space between paragraphs of the same style, Line spacing: Multiple 1.15 li, Widow/Orphan control, Adjust space between Latin and Asian text, Adjust space between Asian text and numbers

Formatted: Font: 10 pt

Formatted: Centered

13

INTERGOVERNMENTAL SUPPORT AGREEMENT BETWEEN

NAVAL STATION MAYPORT

AND

JACKSONVILLE ELECTRIC AUTHORITY

WASTEWATER OPERATIONS AND MANAGEMENT; UTILITY SYSTEM REPAIR,
MAINTENANCE, MODERNIZATION, AND IMPROVEMENTS; PLANNING, DESIGN,
REPAIR, AND CONSTRUCTION SUPPORT FOR ENERGY SECURITY
REQUIREMENTS

IGSA NUMBER XXXX

Enclosure (1): IGSA Standard Operating Procedures
Enclosure (2): Wastewater Overview at Heckscher Drive

This is an Intergovernmental Support Agreement (IGSA) between the Department of the Navy, a federal agency, as represented by Naval Station Mayport (NS Mayport), and Jacksonville Electric Authority (JEA). NS Mayport and JEA are individually referred to as "Party" and collectively referred to as the "Parties."

- 1. BACKGROUND: The Parties enter into this IGSA so that JEA can provide a variety of services to NS Mayport listed below.
 - Wastewater Operations and Maintenance (O&M) at Heckscher Naval Fuel Depot, also known as Defense Fuel Supply Point Jacksonville, and USMC Reserve Center Heckscher Drive
 - Utility System Repair, Maintenance, Modernization, and Improvements
 - Planning, Design, Repair, and Construction Support for Energy Security Requirements
- 2. AUTHORITIES: This IGSA is entered into by NS Mayport, pursuant to 10 U.S.C. \$ 2679 and by JEA pursuant to Florida State Statute \$ 163.01.
- a. 10 U.S.C. § 2679 permits the Navy to enter into an IGSA on a sole source basis with a State or local government provided the IGSA will serve the best interest of the Navy by enhancing mission effectiveness or creating efficiencies or economies of scale, including reducing costs, and when the State or local government providing the installation services already provides such services for its own use. This IGSA serves the best interests of the Department of the Navy by creating efficiencies and economies of scale that will reduce

cost for services provided to NS Mayport. JEA already provides these services across the Northeast Florida. This IGSA will streamline and make more efficient award and execution of routine and recurring projects, in addition to cost savings achieved through economies of scale. JEA would manage and execute a variety of services and projects on NS Mayport.

b. The Secretary of the Navy has delegated the signature authority to execute an IGSA on behalf of the Navy through the Assistant Secretary of the Navy, who further delegated approval authority for IGSAs to Commander, Navy Installations Command (CNIC). CNIC further delegated IGSA approval authority for IGSAs to Region Commanders (REGCOM) and Installation Commanding Officers (ICO), as listed in Table 1 below. The estimated annual value of this agreement is \$XXXX, which places the approval authority on [appropriate level].

Table 1: IGSA Approval Authorities

Annual Contract Value	Approval Authority
Greater than \$5,000,000	Principal Deputy ASN (EI&E)
Up to \$5,000,000	CNIC
Up to \$2,000,000	REGCOM
Up to \$1,000,000	ICO

- c. Florida State Statute §163.01 permits JEA to enter into agreements with public agencies, in this case NS Mayport, to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population, and other factors influencing the needs and development of local communities. JEA already provides these services for its own use.
- d. This IGSA has been approved by the Department of the Navy, Principal Deputy Assistant Secretary of the Navy (Energy, Installations, & Environment) and CNRSE under applicable federal laws and has been approved by the State of Florida JEA Board of Directors under applicable state and local laws.
- 3. PURPOSE: This IGSA is made by and between the Parties to provide these services on NS Mayport using JEA personnel and contracts executed by JEA as mutually agreed upon. The purpose of this IGSA is to outline the roles and responsibilities of the Parties, identify the services to be furnished by JEA, the estimated prices to be paid by the United States, and the appropriate reimbursement, indemnification, and liability procedures.

- a. NS Mayport sees this IGSA as an opportunity to further grow and strengthen the relationship between the Parties. This IGSA allows JEA to assist NS Mayport more efficiently and economically meet their mission requirements.
- b. This IGSA is the result of the Parties' mutual efforts to reduce costs, create efficiencies and enhance mission effectiveness.
- 4. RESPONSIBILITIES OF THE PARTIES: Responsibilities of the Parties in the execution of this IGSA for these services, listed in BACKGROUND (Section 1), to NS Mayport are provided below.
 - a. NS Mayport is responsible for:
 - (1) Inventory management within authoritative databases.
 - (2) Updating degradation index of each wastewater asset annually based on JEA input.
 - (3) Identifying requirements and jointly, with JEA, developing a requirements package for a prospective task order. Projects may include, but are not limited to:
 - Wastewater Operations and Maintenance (O&M) at Heckscher Naval Fuel Depot, also known as Defense Fuel Supply Point Jacksonville, and USMC Reserve Center Heckscher Drive
 - Utility System Repair, Maintenance, Modernization, and Improvements
 - Planning, Design, Repair, and Construction Support for Energy Security Requirements
 - (4) Issuing a request for proposal for a prospective task order and performing a technical evaluation on a prospective task order.
 - (5) Accepting or declining proposals from JEA and issuing a written task order to JEA for services if terms and conditions of the task order are agreeable to all involved Parties.
 - (6) Process installation access for requisite JEA personnel as necessary.
 - (7) Participating in a kickoff meeting prior

to executing the services under an issued task order.

- (8) Notifying any affected tenant, security, fire, and Public Affairs Office of planned project.
- (9) Conducting a meeting with JEA to review project objectives and final accounting of each executed task order.
- (10) Performing final acceptance of work for issued and completed task orders.

b. JEA is responsible for:

- (1) Developing and implementing an integrated maintenance program (IMP) for wastewater at Heckscher Drive to ensure all equipment and components are in a safe, fully functional, and operational condition and to sustain maximum life.
 - The IMP shall include JEA's approach for integrated maintenance and inspection tasks, schedules for planned work accomplishment, job plans, inspections, plan for minimizing occurrence of repair and downtime, process for the identification of the need for repairs, and the process for scheduling and completing repair work.
 - As part of the IMP, JEA is fully responsible for any individual occurrence of repair, including replacement up to the IMP limit of liability of \$15,000 in direct labor and direct material cost for each piece of equipment per incident. The Department of the Navy will only pay for the portion of direct labor and direct material cost that exceed the IMP limits of liability.
 - Further details regarding wastewater O&M will be specified via separate correspondence between NS Mayport's Department of Public Works and JEA to delineate pricing and scope.
- (2) Developing a proposal with cost estimates for requested services, including both organic and contracted costs. Proposals for recurring costs must developed and submitted to the installation thirty (30) calendar days prior to the beginning of the new fiscal year. Proposals for repair and maintenance services to

Commented [LRC(oGC1]: Would the implementation of this program be done through the issuance of a task order?

be submitted on an as needed basis.

- (3) Issuing a request for proposal for services pursued through competitive bidding, as well as reviewing and analyzing bids received from competitive bidding.
- (4) Providing a recommendation and submitting the cost estimate from competitive bidding to NS Mayport.
- (5) Performing and managing the services (to include quality assurance and quality control) as agreed upon in an issued task order through either organic in-house capability or a competitively awarded contract.
- (6) Notifying NS Mayport if any issues, change orders, or unforeseen conditions are encountered.
- (7) Jointly, with NS Mayport, conducting a meeting to review project objectives and final accounting of each executed task order.
- (8) Providing final project accounting to NS Mayport.
- (9) Providing information on wastewater assets annually to support NS Mayport updates to degradation indexes.
- c. Both Parties are responsible for:
- (1) Collaborating to conduct a comprehensive utility assessment in order to assess the condition of the NS Mayport utility system and develop a project plan based on the assessment results.
- (1)(2) Jointly developing a requirements package for a prospective task order for services. If necessary, JEA will conduct a site visit to NS Mayport to better understand the requested work and refine the SOW.
- $\frac{(2)}{(3)}$ Meeting monthly to discuss any performance or any other issues they may have under this IGSA and any issued task orders.

Formatted: Font color: Auto

Formatted: Character scale: 100%

Formatted: Right, Indent: Left: 1.11", No bullets or numbering

5

- $\frac{(3)}{(4)}$ Working jointly to ensure compliance with all applicable Federal and State standards, laws, and regulations.
- $\frac{(4)\cdot(5)}{(5)}$ Jointly performing inspections in the performance of work execution to deliver the services associated with a task order, pursuant to the standards set forth therein.
- $\frac{(5)}{(6)}$ Following the IGSA Standard Operating Procedures, Enclosure (1).
- 5. PUBLIC DISCLOSURE: To the extent permitted by the laws governing each Party, the Parties shall protect personal information and maintain the confidentiality of other exchanged information when requested to do so by the providing Party.
- a. The Parties will comply with public requests for information related to this IGSA pursuant to the Freedom of Information Act, 5 U.S.C. §552 and the Florida's Public Records Law, Chapter 119 of Florida State Statutes, as applicable to each Party.
- b. If JEA receives a request for information about this IGSA made under either the Freedom of Information Act or Florida's Public Records Law, Chapter 119 of Florida State Statutes, JEA will notify NS Mayport points of contact (POC) designated in this IGSA within five (5) business days. If NS Mayport receive a request for information about this IGSA under Freedom of Information Act, the installation will notify JEA POCs designated in this IGSA within five (5) business days.
- c. Nothing herein shall require either Party to obtain the consent of the other Party prior to complying with a request for information to the extent such compliance is required by law. If either Party receives a request for information that the other Party believes is either exempt from production or confidential under applicable law, the Party claiming that such information is confidential or exempt from production shall have five (5) business days to inform the other Party of its intent to seek a protective order preventing disclosure of the information. Failure to notify the other Party of such intent shall be construed as consent for the release of the information.
- 6. RELATIONSHIP OF THE PARTIES: In exercising their respective rights, powers, and obligations under this IGSA, each Party

acts in an independent capacity. No Party shall represent itself as the agent, officer, or employee of any other Party. Each Party is responsible for all costs of its personnel and contractors, including pay and benefits, support, and travel. Each Party is responsible for supervision and management of its personnel. Neither Party shall provide, without the prior written consent of the other Party, any contractor or employee with a release that waives or purports to waive any right a Party may have to seek relief or redress against that contractor or employee.

7. GENERAL PROVISIONS:

- a. ADMINISTRATION. This IGSA shall be mutually administered by the Parties. The IGSA administrators will identify personnel at JEA and at NS Mayport to coordinate and manage the provision of services and the payment for services provided by JEA under this IGSA and any subsequent task orders issued pursuant to this IGSA.
- b. CORRESPONDENCE AND POINTS OF CONTACT: The following points of contact (POC) will be used by the Parties to communicate in the implementation of this IGSA. Each Party may change its POC and will provide email notice to all POCs when a POC is changed. All correspondence to be sent and notices given pursuant to this IGSA will be addressed to the requisite POC. Email will be the primary form of correspondence.
 - (1) For NS Mayport:
 LCDR Nathan Chenarak
 NS Mayport Public Works Officer
 Email: Nathan.v.chenarak.mil@us.navy.mil
 - (2) For JEA:

Deanna DavisAllyssa Petersen
Director, Business DevelopmentManager, Enterprise
Planning and Analytics
Email: Davidl@jea.competeab@jea.com

c. ADDITIONAL CORRESPONDENCE: Should email addresses be insufficient to reach the requisite POC, the following mailing addresses and phone numbers are to be used as secondary and tertiary means of communication.

If to NS Mayport, to:

ATTN: NS Mayport Public Works Officer

7

NAVFAC SE PWD MAYPORT BLDG 1966 PO Box 280067, NS MAYPORT Jacksonville, FL 32228 Phone: 904-270-3162

And, if to JEA, to:

ATTN: Deanna DavisAllyssa Petersen

Director, Business Development Manager, Enterprise Planning and

Analytics

225 North Pearl Street, Jacksonville, FL 32202

Phone: 904-655 8451665-8338

Alternate JEA POC:

ATTN: Juli Crawford

Director, Enterprise Planning and Analytics 225 North Pearl Street, Jacksonville, FL 32202

Phone: 352-219-0534

d. RECORDS: The Parties shall follow established cost principles and procedures in determining allowable costs and payments under this IGSA and shall maintain books, records, documents, or other evidence pertaining to costs and expenses under this IGSA for a minimum of three years after the expiration or termination of the IGSA. To the extent permitted under applicable laws and regulations, the Parties shall each allow the other to inspect such books, records, documents, or other evidence. Each Party shall maintain records of each task order and all payments made therefore in accordance with its governing record retention rules.

8. FINANCIAL DETAILS:

- a. COSTS: As of the effective date of this IGSA, the costs for all efforts to be ordered hereunder are estimated to be at an annual cost of COST (\$XXXXXX). This amount is not intended to represent the total financial responsibilities nor the actual needs of NS Mayport in a given year. Actual requirements for a given year will be reflected in task orders and dependent upon availability of funds.
- b. ADMINISTRATIVE FEE: As consideration for JEA's agreement to render services to NS Mayport and for any services rendered by JEA, NS Mayport agrees to pay JEA an administrative fee equal to ten percent (10%) of each invoice.
 - c. AVAILABILITY OF FUNDS: This IGSA does not document the

8

obligation of funds between the Parties. The obligation of funds by the Parties, resulting from this IGSA, is subject to the availability of funds pursuant to the DoD Financial Management Regulation.

- d. NO LIMITATION. Nothing in this IGSA shall limit or prohibit the ability of either Party from contracting with other persons or entities for the provision of the same or similar services.
- e. BILLING AND PAYMENT. NS Mayport will pay JEA for a variety of services executed under issued task orders and pursuant to this IGSA. JEA will bill NS Mayport, through the DoD's Procurement Integrated Enterprise Environment (PIEE) Wide Area Workflow (WAWF) application, as services are completed. Progress payments will be processed monthly through WAWF.
- 9. PAYMENT: Payment for services shall be based on services provided as set forth in this Agreement and individual task orders. Pursuant to the Office of Management and Budget 2 CFR Part 200, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, taxes that County is legally required to pay are allowable, except for self-assessed taxes that disproportionately affect federal programs. NS Mayport shall not reimburse JEA for any taxes in which the legal incidence of the tax falls on the Navy.
- a. The obligation of funds by NS Mayport is subject to the availability of appropriated funds and will be documented in an issued task order.
- 10. REVIEW OF IGSA: This IGSA will be reviewed annually on or around the anniversary of its effective date for financial impacts and to ensure the IGSA remains mutually beneficial for the Parties.
- 11. TERM OF IGSA: This IGSA is being entered into for a total term not to exceed ten (10) years. This IGSA automatically terminates after 10 years from the effective date. A new IGSA may be executed for subsequent periods not to exceed ten years.
- 12. MODIFICATION OF IGSA: This IGSA may only be modified by the written agreement of the Parties which must be duly signed by their authorized representatives.

13. SUSPENSION OF IGSA: The United States reserves the right to suspend performance of the agreement in event of emergencies, mobilizations, national security reasons, or for other reasons outside the control of the United States. In the event of a suspension, compensation for JEA will continue subject to availability of funds and work not affected by the suspension. JEA reserves the right to suspend performance of the agreement in the event of emergencies, force major events or for other reasons outside the control of JEA.

14. TERMINATION:

- a. MUTUAL. The IGSA may be terminated by mutual written agreement at any time. In the event of mutual termination, no rights, responsibilities, benefits, or liabilities shall accrue to either Party.
- b. UNILATERAL. Each Party reserves the right to unilaterally terminate this agreement for its convenience upon 60 calendar days written notice to the POCs designated in this IGSA. When notified by the other Party of the termination, the Parties shall immediately negotiate a separate Termination Agreement and Schedule to define the roles and responsibilities and to mitigate impacts and all costs caused by the termination. The Parties recognize that the obligations and debts under this IGSA are part of a task order, and they are incurred as services are provided. Any obligations or debts incurred hereunder prior to termination shall become immediately due and payable by the withdrawing Party upon termination. The withdrawing Party shall not be entitled to a refund or credit for any sums paid or incurred under this IGSA prior to termination.

15. APPLICABLE LAW:

a. The Parties shall comply with all applicable federal, state, and local laws, federal executive orders, and federal rules and regulations applicable to its performance under this IGSA. To the extent JEA's performance under this IGSA is governed by state law, the laws of the state of Florida shall apply. If any federal statute expressly prescribes policies or requirements that differ from the terms and conditions of this IGSA, the provisions of the federal statute shall govern. If there is a conflict between federal and state law or any municipal laws, federal

law will control. To the extent this IGSA is governed by state law, the laws of the state of Florida shall govern this IGSA. Venue for any cause of action arising under this IGSA shall lie exclusively in Duval County, Floridathe
United States District Court, Middle District of Florida,
Jacksonville Division.

b. This IGSA is not governed by standard acquisition contracting methods of competitive bidding as delineated in the Federal Acquisition Regulation and supplements thereto. JEA may provide services hereunder organically, in-house. However, where JEA shall provide services through a contract, the contract must be awarded through competitive procedures.

16. DISPUTES:

- a. If the Parties are unable to agree about interpreting or applying a material term of either this IGSA or a task order, the Parties agree to engage in an effort to reach mutual agreement in the proper interpretation of this IGSA or the task order, including amendment or termination of this IGSA or the task order, as necessary, or by escalating the dispute within their respective organizations.
- b. As a condition precedent to a Party bringing any action for breach of this IGSA, that Party must first notify the other Party in writing of the nature of the purported breach and seek in good faith to resolve the dispute through negotiation. If the Parties cannot resolve the dispute through negotiation, they may agree to a mutually acceptable method of non-binding alternative dispute resolution with a qualified third party acceptable to the Parties. Each Party must pay an equal share of any costs incurred by the use of a third party.
- c. If any third-party dispute or litigation relates to, or potentially affects a Party's ability to perform under this IGSA, the Parties agree to promptly notify each other of such dispute or litigation. The existence of such a dispute or litigation shall not excuse the Parties from performance pursuant to this IGSA.

d. If any dispute between the Parties arising out of this IGSA requires consideration of the law, the rights and obligations of the Parties shall be interpreted and determined according to the substantive and procedural laws of the United States of America.

Formatted: Character scale: 100%

Formatted: Font: 11.5 pt

Formatted: Left, Indent: Left: 0.6", First line: 0.5", Right: 0", Line spacing: single, No bullets or numbering, Tab stops: Not at 0.89"

d.e. Any inconsistency between the IGSA and a task order shall be resolved by giving precedence in the following order:

(1) the IGSA; (2) the task order.

- 17. LIABILITY: Each Party is responsible for the action of its agents, officers, and employees. Nothing in this IGSA is intended to modify the immunity held by either the United States Navy or JEA. Furthermore, nothing in this IGSA is intended, nor may it be construed, to create any rights, confer any benefits, or relieve any liability, of any kind whatsoever, in any third person not a party to this IGSA.
- 18. COOPERATION OF PARTIES: The Parties recognize that it is essential to cooperate fully concerning the handling of information and provision of services contemplated by this IGSA. In connection with this IGSA, the Parties therefore agree to provide any data, information, and documentation reasonably necessary for the other Party to perform its responsibilities under the terms of this IGSA.
- 19. SUCCESSORS AND ASSIGNS: The terms, covenants, and conditions contained herein shall apply to and bind the successors and assigns of the Parties.
- 20. WAIVER: No waiver of the breach of any of the covenants, terms, restrictions, or conditions of this IGSA by either Party shall be construed to be a waiver of any succeeding breach of the same or other covenants, terms, restrictions, or conditions of this IGSA. No delay or omission of either Party in exercising any right, power, or remedy herein provided in the event of default shall be construed as a waiver thereof or acquiescence therein or be construed as a waiver of a variation of any of the terms of this IGSA.
- 21. SEVERABILITY PROVISION: If any term or portion of this IGSA is held to be invalid, illegal, void, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this IGSA shall continue in full force and effect.
- 22. SIGNATURE IN COUNTERPARTS: This IGSA may be executed in counterparts by each of the Parties. For purposes of enforcement, true copies of signatures shall be deemed to be original signatures.
- 23. ENTIRE IGSA: With the exception of task orders, invoices, or payment documentation which may be subsequently executed,

it is understood and agreed that this IGSA document embodies the entire IGSA between the Parties.

- 24. REVIEW FOR LEGAL ADEQUACY. Each Party to this IGSA acknowledges and agrees that this IGSA has been reviewed by each Party's respective legal counsel for legal adequacy.
- 25. EFFECTIVE DATE: This IGSA takes effect on the day after the last Party signs.

	SS WHEREOF, the Parties have signed this	s IGSA as of		
the date	s stated below.			
NS Mayport	NS Mayport:			
Signed:				
-	CAPT Brian Binder			
	Commanding Officer			
	NS Mayport			
Date:				
Jacksonvi	lle Electric Authority:			
Signed:				
	Jay StoweVickie Cavey			
	CEO and Managing Director Jacksonville Electric Authority JEA			
	Odeksonville bleetile Adenorityoba			
Date:				

Enclosure 1: IGSA Standard Operating Procedures

Standard Operating Procedures between NS Mayport and Jacksonville Electric Authority

To utilize the signed Intergovernmental Support Agreement (IGSA) between NS Mayport and Jacksonville Electric Authority (JEA), NS Mayport will issue a formal Task Order (TO) to JEA requesting services to be performed.

- 1. NS Mayport submits initial scope of work (SOW) and request forproposal (RFP) for prospective task order to be performed by JEA. If necessary, JEA will conduct a site visit to understand the requested work and refine the SOW and/or NS Mayport will perform a technical evaluation.
- 2. NS Mayport submits final SOW for project planning checklist
- 3. JEA submits a proposal with cost estimates to NS Mayport, which includes both in-house costs and any contractor costs.
- 4. NS Mayport reviews and accepts or declines the proposal and costestimate as a written TO. If accepted, processing base access for requisite personnel can begin.
- 5. NS Mayport initiates funds transfer by sending proposal and costestimate and copy of ICSA to Assistant Regional Engineer (ARE)
- ARE staff drafts SF1034 and sends along with proposal and cost estimate and copy of IGSA to N8.
- 7. N8 processes the SF1034 in Command Financial Management System-Disaster Recovery (CFMS DR) for approval to obligate funds.
- 8. N8 sends SF1034, proposal and cost estimate, and copy of IGSA to-Commander, Navy Installations Command (CNIC) Financial Service Center (FSC).
- 9. FSC uploads documents in WAWF and makes final certification.
- 10. Defense Finance Accounting Service (DFAS) makes electronic payment to JEA.
- 11. Once payment received, JEA notifies NS Mayport and issues
- 12. NS Mayport notifies any affected tenants, security, fire, and Public Affairs Office of planned project.
- 13. JEA executes work and notifies NS Mayport if any issues, changes, or unforeseen conditions are encountered.
- 14. JEA and NS Mayport conduct final inspection and NS Mayport determines acceptance.
- 15. JEA provides final project accounting to NS Mayport.

Commented [RF2]: Under revision



JEA Board Agenda

MEMORANDUM



Real Estate Procurement Directive Revisions

Board Meeting Date: October 29, 2024 INFORMATION ONLY X ACTION **FUTURE BOARD CONSIDERATION** Outcome: If Action, Provide a Recommended Motion: Staff recommends that the Board approve revisions to the Real Estate Services Procurement Directive as outlined in Resolution 2024 - 55. Consent Agenda Item: Yes Х No Jordan Pope, Director, Administrative Services Presenter: Jody Brooks, Chief Administrative Officer Chief: Strategic Focus DEVELOPING AN DELIVERING BUSINESS EARNING CUSTOMER Area: UNBEATABLE TEAM EXCELLENCE LOYALTY Background In accordance with Article 21.04(b)(4), the JEA Board of Directors is required to approve Information & real estate rules and procedures and amendments thereto governing the reporting, Analysis: acquisition, sale, purchase, lease, license, transfer, and disposition of real property. The Board last reviewed the Real Estate Services Procurement Directive in August 2023. Staff has reviewed the directive and has provided a redline version of the current directive and clean version of the proposed directive reflecting suggested edits for the efficient management of JEA's real estate activities. In summary: · Updates were made to ensure consistency with the JEA Charter · Procedural updates were made to ensure operational clarity · Declaration of surplus property approval levels amended for consistency with acquisitions. Financial N/A Impact: Committee/Board Meeting/Workshop & Date Presented: N/A Appendix: List appendix items provided Resolution 2024-55 Redline version of the current directive Clean version of the proposed directive



BOARD RESOLUTION: 2024-55

October 29, 2024

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

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

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

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

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

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

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

BE IT RESOLVED by the JEA Board of Directors that:

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

Page	2
------	---

6. This Resolution shall be effective upon approval by the Board.				
Dated this 29 th day of October, 2024.				
JEA Board Chair	JEA Acting Board Secretary			
Form Approved by	Office of General Counsel			
VOTE				
In Favor				
Opposed				
Abstained				

Real Estate Services Procurement Directive Revision Date: October 29, 2024

Article 1. GENERAL PROVISIONS

1.01 Authority.

Pursuant to Article 21 of the Charter of the City of Jacksonville (Charter), JEA is authorized to acquire Real Property for the use or expansion of the utilities systems by grant, purchase, gift, devise, condemnation by eminent domain proceedings, exchange, lease or in any other manner authorized by applicable law. JEA is further authorized to dispose of Real Property that is no longer needed or useful for operation of the utilities systems by sale, lease, or transfer, subject to the prohibitions of Section 21.11 of the Charter.

1.02 Application, Rules of Construction.

- (a) *Interpretation*. This Real Estate Services Procurement Directive (Directive) shall be subject to and construed to be consistent with the provisions of Article 21 of the Charter and all applicable local, state and federal laws, regulations, rules, and policies.
- (b) Application of this Directive. This Directive supplements the Amended and Restated JEA Procurement Code (Code) and applies to transactions for the acquisition or disposition of Real Property. To the extent that there is any conflict between the Code and this Directive related to the acquisition or disposition of Real Property, this Directive shall govern.
- (c) Rules and Policies. In accordance with Section 21.04 of the Charter, this Directive shall serve to detail the rules and procedures governing JEA's reporting, acquisition, sale, purchase, exchange, lease, license, transfer, and disposition of real property.
- (d) *Transparency*. This Directive shall be posted on JEA's website in a conspicuous manner for the public to view.
- (e) Periodic Review. In accordance with Section 21.04 of the Charter, at least every two years, the JEA Board (Board) shall review this Directive to make any changes or amendments as deemed necessary to comply with applicable provisions of the Charter or that best serves the interest of JEA. To that end, the CEO, designees, or others that use this Directive may submit to Real Estate Services or the Board any ideas or suggestions that improve the efficient implementation of the rules and procedures contained herein.
- (f) Severability. If any provision of this Directive is found void, invalid, or inoperative by a court of competent jurisdiction or other binding legal source, then such provision shall be severed and will not render invalid the remaining portions of this Directive.
- (g) Singular-Plural. In this Directive, unless the context requires otherwise, words in the singular include the plural, and those in the plural include the singular.

- (h) *Job Titles*. If a JEA job title used in this Directive is changed in the future due to JEA organizational changes, this Directive shall be construed by substituting the appropriate successor job title.
- (i) Use of Capitalized Terms. Unless otherwise specified, capitalized terms used in this Directive shall have the meanings given to them in the Definitions section of the Code.
- **1.03 Definitions.** The following terms shall have the meanings provided below.
- (a) *Easement* means a nonpossessory interest in land created by a grant or agreement that confers upon the grantee the limited right, liberty, and privilege to use the land for a specific purpose, term, and consideration.
- (b) Fee Simple Interest means a permanent tenure and absolute estate in land and any improvements on or thereto, with freedom to dispose of in whole or in part.
- (c) Lease means an interest in land, buildings, structures, and/or improvements designated by a contract creating a lessor-lessee relationship in which the lessee is granted use, possession, and control for a specified term for a predetermined cost with conditions attached.
- (d) Purchase and Sale Agreement means a legally binding agreement that obligates the buyer to buy and the seller to sell real property. Such agreements provide the terms of the transaction, including but not limited to price, respective obligations, contingencies, and limitations.
- (e) *Real Property* means all lands, buildings, structures, improvements, and fixtures thereon; any property of any nature appurtenant thereto or used in connection therewith; and every estate, interest and right, legal or equitable, therein, including any such interest for a term of years. As used in this Directive, Real Property also includes Real property as defined in the Code.
- (f) Real Property Procurement Officer means the Director of Administrative Services, which supervises Real Estate Services.
- (g) Surplus Property means Real Property that is no longer needed or useful for operation of the utilities systems, or disposal of which best serves JEA's interests.

ARTICLE 2. DELEGATION OF AUTHORITY, DESIGNATIONS

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

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

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

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

ARTICLE 3. REAL PROPERTY ACQUISITIONS

- **3.01 General Guidance.** JEA shall seek to acquire Real Property on terms most favorable to JEA, with due consideration to maintenance and operational efficiency, and at costs consistent with prevailing market rates for comparable Real Property situated within JEA's service area. As applicable, in instances where timing may impact terms favorable to JEA, the CEO or Real Property Procurement Officer may negotiate transactions and enter into agreements to acquire Real Property, conditioned upon final approval by the Board.
- (a) Negotiations for Acquisition of Real Property. At the direction of the CEO, Real Estate Services will assess the need for and negotiate acquisition of Real Property for the use or expansion of the utilities systems. Real Estate Services shall coordinate preparation and execution of all written instruments necessary to acquire Real Property.
- (b) *Documentation*. Appraisals, offers, or counteroffers must be in writing. Complete and accurate records of every appraisal, offer, and counteroffer shall be maintained by Real Estate Services.
- (c) *Joint Acquisitions*. JEA shall make no acquisitions jointly with another entity without prior approval by the Board. No property shall be jointly owned by JEA and any private party except as authorized under Florida law.
- (d) Costs of Acquisitions. JEA shall seek to acquire Real Property in an economically feasible manner that best serves the interest of JEA ratepayers. Prior to the acquisition of Real

.

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

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

- (d) Title Examinations and Surveys; Recordable Instruments. All title examinations, surveys, and other title records obtained in the course of acquiring title shall be reviewed by the OGC for marketability and encumbrances. All documents to be recorded in favor of JEA or placing an interest in Real Property in JEA, including easements, shall be reviewed by the OGC for form and legal sufficiency before delivery of the document is accepted and recorded.
- (e) Form of Deeds. All fee conveyances to JEA shall be by no less than special warranty deed unless the conveyance is from the federal government, a state agency or another local government, or an instrumentality of any of them, from which a quitclaim deed is acceptable. A donation may be made by quitclaim deed if Real Estate Services determines that acceptance of a quitclaim deed is in JEA's best interests. A quitclaim deed may also be accepted to aid in clearing title or boundary questions. Real Estate Services shall coordinate review and confirmation of all legal descriptions on instruments conveying property to JEA.
- (f) Appraisals. For parcels assessed at \$100,000 or less Real Estate Services may use the assessed value. All appraisals used for the acquisition of Real Property shall be prepared by a state-certified, MAI appraiser and be prepared according to generally accepted appraisal standards. Real Estate Services may substitute federally mandated appraisal standards if federal funds are available and will be used for the purchase of lands and qualification for the federal funds requires compliance with federally mandated appraisal standards.

As applicable, each appraisal report shall state any extraordinary assumption or hypothetical condition made by the appraiser in determining market value and shall document and adequately support the appraiser's estimate or conclusion of value.

- (g) Disclosure of Beneficial Interests. Conveyances to JEA by any person or entity holding Real Property in the form of a partnership, limited partnership, corporation, trust, or any form of representative capacity whatsoever for others shall comply with applicable provisions of section 286.23, Florida Statutes, regarding notice and disclosure requirements.
- (h) Limited Authority to Modify Board Approved Purchase Instruments. Real Estate Services may modify a purchase instrument approved by the Board to extend the time for option exercise, closing date, submittal deadlines, or any other time limit in the agreement if the total extension of time for closing does not exceed 180 days after the closing date in the purchase instrument approved by the Board. The Real Property Procurement Officer is authorized to modify the legal description in a purchase instrument approved by the Board to conform the description to the description on the certified survey.
- (i) Disclaimer. In instances where the Real Property Procurement Officer becomes aware of an instrument purporting to convey Real Property to JEA recorded in the public records of the county where the real property is located, which instrument has not been accepted by JEA, Real Estate Services may, on behalf of JEA, execute an instrument disclaiming any right, title or interest JEA may have in and to the Real Property and record such instrument in the public records

of the county where the real property is located after having determined that JEA has no need for such Real Property. Such disclaimer shall be reviewed and approved for legal sufficiency by the Office of General Counsel.

- **3.02** Leases to JEA. JEA may lease Real Property when there is a need for the use or expansion of the utilities systems that cannot be met satisfactorily in JEA controlled space and leasing is more advantageous to JEA than constructing new facilities or altering existing JEA facilities.
- **3.03 Donations, Gifts to JEA.** JEA may acquire Real Property by donation or gift when such acquisition best serves the interest of JEA.
- (a) In such instance, prior to acceptance, Real Estate Services will investigate the quality of title, boundaries, and any environmental issues to the extent necessary to assess whether the property is marketable, whether the donor has authority to convey the property, and whether there are any apparent adverse impacts to JEA because of the acquisition.
- (b) Based upon such investigation, the CEO or designated Real Property Procurement Officer on behalf of JEA, may accept a donation or gift conveying Real Property without prior approval by the Board if: (1) no consideration is paid by the JEA for the conveyance; and (2) JEA assumes no obligations with respect to the property except the normal responsibility incidental to ownership of the property interest being acquired.
- (c) No acceptance of a donation or gift is effective until indicated by a written, executed acceptance of the conveyance. The instrument of conveyance and, if applicable, the instrument of acceptance, shall be recorded in the Public Records of the county where the real property is located.
- **3.04** Real Property Condemnation Actions by JEA. Pursuant to Chapter 361 of the Florida Statutes (as amended) and Article 21 of the Charter, JEA is vested with eminent domain powers to acquire Real Property for the use or expansion of the utilities systems. Such powers shall be executed in accordance Chapters 73 and 74 of the Florida Statutes (as amended).

ARTICLE 4. DISPOSITIONS OF REAL PROPERTY

4.01 General Guidance. JEA may dispose of Real Property that is determined to be no longer needed or useful, or if such disposition best serves the interest of JEA. When such determination has been made, Real Property may be disposed of through exchange, negotiations, sealed competitive bids, public auctions, lease or any other means JEA deems in its best interest in accordance with this Directive and subject to applicable provisions of local and state law. All conveyances of fee interest in JEA-owned Real Property by the Real Property Procurement Officer shall be as is, where is, and with all faults. Real Estate Services shall not guarantee the quality of title of a property proposed for disposition but may encourage a prospective purchaser/grantee to make its own inquiries into the quality of title. A deed conveying JEA's interests in Real Property shall release any rights of entry JEA may have to subsurface minerals.

4.02 Real Property Transactions Subject to Prior City Council Approval.

- (a) In accordance with Section 21.04 of the Charter, any Real Property that exceeds either an assessed value or just market value of \$50,000, as determined by the property appraiser of the county where the Real Property is located, shall not be sold for less than the appraised value as certified by a state-certified, MAI appraiser, without prior approval by the Board and Council.
- (b) In accordance with Section 21.11 of the Charter, any sale, lease, assignment, or other transfer of Real Property that will result in a total net loss of 1 percent or more of JEA's service territory or a total loss of 1 percent of the electric, water, or wastewater, customer accounts (based on the latest available JEA monthly financial statements) shall require prior approval by the Council.
- **4.03 Declaration of Surplus Property.** In accordance with Section 21.04 of the Charter, the entity designated by the approval levels in Article 7 shall, fix and determine when JEA-owned Real Estate is no longer needed or useful, and authorize the disposition thereof. Real Estate Services may circulate a sufficiently detailed description of Surplus Property to the City and the independent agencies thereof to determine whether the property is needed for a public purpose.

4.04 Disposition of Real Property by Bid, Competitive Solicitation.

Bid/Competitive Solicitation. Real Estate Services may choose to submit Surplus Property to the Procurement Department for sale through a sealed bid or competitive solicitation process. Real Estate Services may request that the Procurement Department advertise Surplus Property for sale in the Financial News and Daily Record and other publications having wide distribution to the business community serving JEA's needs. Advertisements for bids or proposals will also be posted on jea.com. The bidding period shall remain open for at least ten days after publication of the notice. Any sale shall be completed in accordance with Section 21.04(b)(4) of the Charter.

- **4.04** Real Property Assessed for \$50,000 or Less. If the assessed value of the Real Property is \$50,000 or less, the Real Property Procurement Officer may dispose of the parcel by direct sale. The Real Property Procurement Officer may, after sending notice of the intended sale to owners of adjoining property by certified mail and posting notice to the general public on the JEA website, effect a sale and conveyance of the parcel to any and all prospective purchasers without receiving bids or publishing notice; however, if within ten (10) working days of receiving mailed notice or posting notice on the JEA website, whichever occurs later, two or more potential buyers notify the Real Property Procurement Officer of their desire to purchase the parcel, the Real Estate Procurement Officer shall accept sealed bids for the parcel from such potential buyers and may convey such parcel to the highest bidder or may reject all offers.
- **4.05 Donations, Exchanges or Sales for Nominal Value to Other Public Agencies.** The designated approval entity in Article 7 may authorize the sale, donation, or exchange of Surplus Property to another governmental agency for public use regardless of the actual value of the

property. The sale of Surplus Property valued at more than \$50,000 to a governmental agency for public use for less than the appraised value is subject to approval by the Board and Council pursuant to section 7.04.

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

- **5.01** Temporary Use, Licensing and Other Transfers of JEA-Owned Real Property. Real Estate Services may negotiate, enter, and execute agreements for non-exclusive, use of JEA-owned Real Property for residential, recreational, commercial, industrial, educational, retail, or other uses to the extent that such uses do not interfere with use or operation of the utilities systems.
- **5.02 Lease of Real Property.** At the direction of the CEO (or designee), Real Estate Services may pursue, negotiate, and execute leases of JEA Real Property for residential, recreational, commercial, industrial, educational, retail, or other uses. Any lease lasting for a term of more than five years inclusive of all renewal options shall be subject to approval by the CEO (or designee). In accordance with Section 21.04 of the Charter, if JEA leases any Real Property to another agency, firm, corporation, entity, or individual, it shall cause a memorandum of said lease to be recorded in the official records with the clerk of the circuit court where the property is located. Any lease shall be approved consistent with the approval levels in Article 7 as determined by the total value of the lease over the term of the lease, including any renewal options.
- **5.03** Renewal. All leases may be renewed by Real Estate Services on the same terms and conditions provided for renewal in the lease.
- **5.04 Due Diligence**. Prior to executing an agreement for the lease of JEA-owned real property, Real Estate Services shall investigate whether the property to be leased is encumbered by a bond indenture. If the property is subject to a bond indenture, Real Estate Services shall seek guidance from OGC and the Finance Department to determine whether a lease of the property for the intended uses would violate the bond indenture. Real Estate Services shall take no action that would cause the interest on the bonds to become taxable.
- **5.05** Value received. The rental for the lease of JEA-owned real property shall be a value determined to be in the public interest taking into account market rental rates.

ARTICLE 6. REPORTING; RECORDKEEPING

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

ARTICLE 7. LEVELS OF APPROVAL FOR REAL ESTATE TRANSACTIONS

- **7.01 Approvals by the Board.** Board approval shall be required for all Real Property transactions exceeding \$2,000,000.
- **7.02 Approval by the CEO.** The CEO shall be authorized to approve and execute documents required for all Real Property transactions greater than \$100,000 up to \$2,000,000.
- **7.03 Approval by the Real Property Procurement Officer.** The Real Property Procurement Officer shall be authorized to approve and execute Real Property transactions in an amount not to exceed \$100,000.
- **7.04 Approval by the Board and City Council.** For any real property that exceeds either an assessed value or just market value of \$50,000, as determined by the property appraiser of the county where the real property is located, JEA shall not sell such real property for less than the appraised value, as certified by an MAI certified appraiser, unless approved by the Board and Council.

ARTICLE 8. EXECUTION OF DOCUMENTS

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

ARTICLE 9. WAIVER BY THE BOARD

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

Real Estate Services Procurement Directive Revision Date: October 29, 2024

ARTICLE 1. GENERAL PROVISIONS

1.01 Authority.

Pursuant to Article 21 of the Charter of the City of Jacksonville (Charter), JEA is authorized to acquire Real Property for the use or expansion of the utilities systems by grant, purchase, gift, devise, condemnation by eminent domain proceedings, exchange, lease or in any other manner authorized by applicable law. JEA is further authorized to dispose of Real Property that is no longer needed or useful for operation of the utilities systems by sale, lease, or transfer, subject to the prohibitions of Section 21.11 of the Charter.

1.02 Application, Rules of Construction.

- (a) *Interpretation*. This Real Estate Services Procurement Directive (Directive) shall be subject to and construed to be consistent with the provisions of Article 21 of the Charter and all applicable local, state and federal laws, regulations, rules, and policies.
- (b) Application of this Directive. This Directive supplements the Amended and Restated JEA Procurement Code (Code) and applies to transactions for the acquisition or disposition of Real Property. To the extent that there is any conflict between the Code and this Directive related to the acquisition or disposition of Real Property, this Directive shall govern.
- (c) Rules and Policies. In accordance with Section 21.04 of the Charter, this Directive shall serve to detail the rules and procedures governing JEA's reporting, acquisition, sale, purchase, exchange, lease, license, transfer, and disposition of real property.
- (d) *Transparency*. This Directive shall be posted on JEA's website in a conspicuous manner for the public to view.
- (e) Periodic Review. In accordance with Section 21.04 of the Charter, at least every two years during the time of its self-assessment, the JEA Board (Board) shall review this Directive to make any changes or amendments as deemed necessary to comply with applicable provisions of the Charter or that best serves the interest of JEA. To that end, the CEO, designees, or others that use this Directive may to-submit to Real Estate Services or the Board any ideas or suggestions that improve the efficient implementation of the rules and procedures contained herein.
- (f) Severability. If any provision of this Directive is found-void, invalid, or inoperative by a court of competent jurisdiction or other binding legal source, then such provision shall be severed and will not render invalid the remaining portions of this Directive.
- (g) Singular-Plural. In this Directive, unless the context requires otherwise, words in the singular include the plural, and those in the plural include the singular.

- (h) *Job Titles*. If a JEA job title used in this Directive is changed in the future due to JEA organizational changes, this Directive shall be construed by substituting the appropriate successor job title.
- (i) Use of Capitalized Terms. Unless otherwise specified, capitalized terms used in this Directive shall have the meanings given to them in the Definitions section of the Code.
- **1.03 Definitions.** The following terms shall have the meanings provided below.
- (a) *Easement* means a nonpossessory interest in land created by a grant or agreement that confers upon the grantee the limited right, liberty, and privilege to use the land for a specific purpose, term, and consideration.
- (b) Fee Simple Interest means a permanent tenure and absolute estate in land and any improvements on or thereto, with freedom to dispose of in whole or in part.
- (c) Lease means an interest in land, buildings, structures, and/or improvements designated by a contract creating a lessor-lessee relationship in which the lessee is granted use, possession, and control for a specified term for a predetermined cost with conditions attached.
- Long Term Strategic Site means any Surplus Property that JEA intends to master-plan, develop, or otherwise transfer or dispose of in phases over a period of time exceeding one year.
- (e)(d) Purchase and Sale Agreement means a legally binding agreement that obligates the buyer to buy and the seller to sell real property. Such agreements provide the terms of the transaction, including but not limited to price, respective obligations, contingencies, and limitations.
- (e) Real Property means all lands, buildings, structures, improvements, and fixtures thereon; any property of any nature appurtenant thereto or used in connection therewith; and every estate, interest and right, legal or equitable, therein, including any such interest for a term of years. As used in this Directive, Real Property also includes Real property as defined in the Code.
- (f) <u>Real Property Procurement Officer</u> means the Director of Administrative Services, which supervises Real Estate Services.
- (g) Surplus Property means Real Property that is no longer needed or useful for operation of the utilities systems, or disposal of which best serves JEA's interests.

ARTICLE 2. DELEGATION OF AUTHORITY, DESIGNATIONS

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

2.02 Real Estate Services. The CEO is authorized to delegate to the <u>Director of Real EstateReal Property Procurement Officer</u> (and Real Estate Services) authority to maintain, administer, and implement this Directive as it relates to the acquisition, sale, <u>exchange</u>, lease, use, or transfer of Real Property. This delegation includes the <u>Director of Real Estate'sReal Property Procurement Officer's</u> authority to negotiate, enter, and execute agreements (including all supplemental documentation necessary for closing) on behalf of JEA to acquire, use and dispose of Real Property subject to the provisions contained herein.

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

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

ARTICLE 3. REAL PROPERTY ACQUISITIONS

- **3.01 General Guidance.** JEA shall seek to acquire Real Property on terms most favorable to JEA, with due consideration to maintenance and operational efficiency, and at costs consistent with prevailing market rates for comparable Real Property situated within JEA's service area. As applicable, in instances where timing may impact terms favorable to JEA, the CEO or Real Property Procurement Officer Estate Services may negotiate transactions and enter into agreements to acquire Real Property, conditioned upon final approval by the Board.
- (a) Negotiations for Acquisition of Real Property. At the direction of the CEO, Real Estate Services will assess the need for and negotiate acquisition of Real Property for the use or expansion of the utilities systems. Real Estate Services shall coordinate preparation and execution of all written instruments necessary to acquire Real Property.
- (b) Documentation. Every aAppraisals, offers, or counteroffers must be in writing. Complete and accurate records of every appraisal, offer, and counteroffer shall be maintained by Real Estate Services.
- (c) No-Joint Acquisitions. JEA shall make no acquisitions jointly with another entity without prior approval by the Board. No property shall be jointly owned by JEA and any private party except as authorized under Florida law.

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

- (d) Costs of Acquisitions. <u>JEA shall seek to acquire</u> Real Property <u>shall be acquired</u> in an economically feasible manner that best serves the interest of JEA ratepayers. Prior to the acquisition of Real Property, Real Estate Services shall confirm the availability of adequately appropriated funds to pay all costs, including but not limited to any option payments and due diligence expenses.
- (d) *Title Examinations and Surveys; Recordable Instruments.* All title examinations, surveys, and other title records obtained in the course of acquiring title shall be reviewed by the OGC for marketability and encumbrances. All documents to be recorded in favor of JEA or placing an interest in Real Property in JEA, including easements, shall be reviewed by the OGC for form and legal sufficiency before delivery of the document is accepted and recorded.
- (e) Form of Deeds. All fee conveyances to JEA shall be by no less than special warranty deed unless the conveyance is from the federal government, a state agency or another local government, or an instrumentality of any of them, from which a quitclaim deed is acceptable. A donation may be made by quitclaim deed if Real Estate Services determines that acceptance of a quitclaim deed is in JEA's best interests. A quitclaim deed may also be accepted to aid in clearing title or boundary questions. Real Estate Services shall coordinate review and confirmation of all legal descriptions on instruments conveying property to JEA.
- (f) Appraisals. For parcels assessed at \$5100,000 or less Real Estate Services may use the assessed value. All appraisals used for the acquisition of Real Property shall be prepared by a state-certified, MAI appraiser and be prepared according to generally accepted appraisal standards. Real Estate Services may substitute federally mandated appraisal standards if federal funds are available and will be used for the purchase of lands and qualification for the federal funds requires compliance with federally mandated appraisal standards.

As applicable, each appraisal report shall state any extraordinary assumption or hypothetical condition made by the appraiser in determining market value and shall document and adequately support the appraiser's estimate or conclusion of value.

- (g) Disclosure of Beneficial Interests. Conveyances to JEA by any person or entity holding Real Property in the form of a partnership, limited partnership, corporation, trust, or any form of representative capacity whatsoever for others shall comply with applicable provisions of section 286.23, Florida Statutes, regarding notice and disclosure requirements.
- (h) Limited Authority to Modify Board Approved Purchase Instruments. Real Estate Services may modify a purchase instrument approved by the Board to extend the time for option exercise, closing date, submittal deadlines, or any other time limit in the agreement if the total extension of time for closing does not exceed 180 days after the closing date in the purchase instrument approved by the Board. The Real Property Procurement Officer is authorized to modify the legal description in a purchase instrument approved by the Board to conform the description to the description on the certified survey.

- (i) Disclaimer. In instances where the Real Property Procurement Officer becomes aware of an instrument purporting to convey Real Property to JEA recorded in the public records of <u>Duval County the county where the real property is located</u>, which instrument has not been accepted by JEA, Real Estate Services may, on behalf of JEA, execute an instrument disclaiming any right, title or interest JEA may have in and to the Real Property and record such instrument in the public records of <u>Duval Countythe county where the real property is located</u> after having determined that JEA has no need for such Real Property. Such disclaimer shall be reviewed and approved for legal sufficiency by the Office of General Counsel.
- **3.02** Leases to JEA. JEA may lease Real Property when there is a need for the use or expansion of the utilities systems that cannot be met satisfactorily in JEA controlled space and leasing is more advantageous to JEA than constructing new facilities or altering existing JEA facilities.
- **3.03 Donations, Gifts to JEA.** JEA may acquire Real Property by donation or gift when such acquisition best serves the interest of JEA.
- (a) In such instance, prior to acceptance, Real Estate Services will investigate the quality of title, boundaries, and any environmental issues to the extent necessary to assess whether the property is marketable, whether the donor has authority to convey the property, and whether there are any apparent adverse impacts to JEA because of the acquisition.
- (b) Based upon such investigation, the CEO or designated Real Property Procurement Officer on behalf of JEA, may accept a donation or gift conveying Real Property without prior approval by the Board if: (1) no consideration is paid by the JEA for the conveyance; and (2) JEA assumes no obligations with respect to the property except the normal responsibility incidental to ownership of the property interest being acquired.
- (c) No acceptance of a donation or gift is effective until indicated by a written, executed acceptance of the conveyance. The instrument of conveyance and, if applicable, the instrument of acceptance, shall be recorded in the Public Records of <u>Duval County the county where the real property is located</u>.
- **3.04** Real Property Condemnation Actions by JEA. Pursuant to Chapter 361 of the Florida Statutes (as amended) and Article 21 of the Charter, JEA is vested with eminent domain powers to acquire Real Property for the use or expansion of the utilities systems. Such powers shall be executed in accordance Chapters 73 and 74 of the Florida Statutes (as amended).

ARTICLE 4. DISPOSITIONS OF REAL PROPERTY

4.01 General Guidance. JEA may dispose of Real Property that is determined to be no longer needed or useful, or if such disposition best serves the interest of JEA. When such determination has been made, Real Property may be disposed of through exchange, negotiations, sealed competitive bids, public auctions, lease or any other means JEA deems in its best interest in accordance with this Directive and subject to applicable provisions of local and state law. All conveyances of fee interest in JEA-owned Real Property by the Real Property Procurement Officer shall be "as is, where is, and with all faults." Real Estate Services shall not guarantee the quality

of title of a property proposed for disposition but may encourage a prospective purchaser/grantee to make its own inquiries into the quality of title. A deed conveying JEA's interests in Real Property shall release any rights of entry JEA may have to subsurface minerals.

4.02 Real Property Transactions Subject to Prior City Council Approval.

- (a) In accordance with Section 21.04 of the Charter, any Real Property that exceeds either an assessed value or just market value of \$50,000, as determined by the property appraiser of the county where the Real Property is located, shall not be sold for less than the appraised value as certified by an MAI state-certified, MAI appraiser, without prior approval by the Council.
- (b) In accordance with Section 21.11 of the Charter, any sale, lease, assignment, or other transfer of Real Property that will result in a total net loss of 1 percent or more of JEA's service territory or a total loss of 1 percent of the electric, water, or wastewater, customer accounts (based on the latest available JEA monthly financial statements) shall require prior approval by the Board and Council.
- **4.03** Board—Declaration of Surplus Property. In accordance with Section 21.04 of the Charter, the Board-entity designated by the approval levels in Article 7 shall, by resolution, fix and determine when JEA-owned Real Estate is no longer needed or useful, and authorize the disposition thereof. The Board may also, in its discretion, adopt a resolution delegating authority to the CEO to surplus and dispose of Real Property when doing so best serves the interest of JEA. Real Estate Services may circulate a sufficiently detailed description of Surplus Property to the City and the independent agencies thereof to determine whether the property is needed for a public purpose.

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

Bid/Competitive Solicitation. Real Estate Services may choose to submit Surplus Property to the Procurement Department for sale through a sealed bid or competitive solicitation process. Real Estate Services may request that the Procurement Department advertise Surplus Property for sale in the Financial News and Daily Record and other publications having wide distribution to the business community serving JEA's needs a local newspaper of general circulation for a minimum bid equal to the appraised value, if an appraisal was obtained, but no less than 25 percent of the assessed value. Advertisements for bids or proposals will also be posted on jea.com. The bidding period shall remain open for at least ten days after publication of the notice. Any sale shall be completed in accordance with Section 21.04(b)(4) of the Charter.

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

4.045 Disposition by Direct Sale to Adjoining OwnersReal Property Assessed for \$50,000 or Less. At the direction of the Board (or authorized designee), Real Estate Services may negotiate directly for the sale of Surplus Property with adjacent property owners. In such instances, Real Estate Services shall send notice by mail to the adjacent property owners that the property is available for purchase. The property may be conveyed at private sale to an adjoining owner without receiving bids or publishing notice. If after receipt of the notice by the adjoining owners, two or more qualifying adjacent property owners notify Real Estate Services of a desire to purchase the Surplus Property, the Real Estate Services may negotiate directly with the competing property owners and may convey the parcel to the owner who agrees to the highest price or may reject all offers. Real Estate Services may execute all documents required to convey the property to the successful owner including execution of the deed. The deed shall cite this section of the Directive as authority for execution. If the assessed value of the Real Property is \$50,000 or less, the Real Property Procurement Officer may dispose of the parcel by direct sale. The Real Property Procurement Officer may, after sending notice of the intended sale to owners of adjoining property by certified mail and posting notice to the general public on the JEA website, effect a sale and conveyance of the parcel to any and all prospective purchasers without receiving bids or publishing notice; however, if within ten (10) working days of receiving mailed notice or posting notice on the JEA website, whichever occurs later, two or more potential buyers notify the Real Property Procurement Officer of their desire to purchase the parcel, the Real Estate Procurement Officer shall accept sealed bids for the parcel from such potential buyers and may convey such parcel to the highest bidder or may reject all offers.

4.056. Donations, Exchanges or Sales for Nominal Value to Other Public Agencies. The designated approval entity in Article 7 Board (or authorized designee) may authorize the donation, or exchange or sale of Surplus Property to another governmental agency for public use regardless of the actual value of the property. The sale of Surplus Property valued at more than \$50,000 to a governmental agency for public use for less than the appraised value is subject to approval by the Board and Council pursuant to section 7.04.

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

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

5.02 Lease of Real Property. At the direction of the CEO (or designee), Real Estate Services may pursue, negotiate, and execute leases of <u>JEA</u> Real Property for residential, recreational, commercial, industrial, educational, retail, or other uses. Any lease or renewal thereof lasting for a term of more than five years <u>inclusive of all renewal options</u> shall be subject to approval by the CEO (or designee). In accordance with Section 21.04 of the Charter, if JEA leases any Real Property to another agency, firm, corporation, entity, or individual, it shall cause a memorandum of said lease to be recorded in the official records with the clerk of the circuit court where the property is located. Any lease shall be approved consistent with the approval levels in Article 7 as

determined by the total value of the lease payments over the term of the lease, including any renewal options.

- <u>**5.03**</u> Renewal. All leases may be renewed by Real Estate Services on the same terms and conditions provided for renewal in the lease.
- 5.04 Due Diligence. Prior to executing an agreement for the lease of JEA-owned real property, Real Estate Services shall investigate whether the property to be leased is encumbered by a bond indenture. If the property is subject to a bond indenture, Real Estate Services shall seek guidance from OGC and the Finance Department to determine whether a lease of the property for the intended uses would violate the bond indenture. Real Estate Services shall take no action that would cause the interest on the bonds to become taxable.
- <u>5.05</u> Value received. The rental for the lease of JEA-owned real property shall be a value determined to be in the public interest taking into account market rental rates.

ARTICLE 6 DISPOSITION OF LONG-TERM STRATEGIC SITES.

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

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

ARTICLE 6.7 REPORTING; RECORDKEEPING

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

ARTICLE-7.8 LEVELS OF APPROVAL FOR REAL ESTATE TRANSACTIONS

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

78.02 Approval by the CEO. The CEO shall be authorized to approve and execute <u>documents</u> required for all Real Property transactions greater than \$100,000 up to in an amount not to exceed \$2,000,000. The CEO may delegate such authority to Real Estate Services.

7.03 Approval by the Real Property Procurement Officer. The Real Property Procurement Officer shall be authorized to approve and execute Real Property transactions in an amount not to exceed \$100,000.

7.04 Approval by the Board and City Council. For any real property that exceeds either an assessed value or just market value of \$50,000, as determined by the property appraiser of the county where the real property is located, JEA shall not sell such real property for less than the appraised value, as certified by an MAI certified appraiser, unless approved by the Board and Council.

ARTICLE 8. EXECUTION OF DOCUMENTS

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

ARTICLE 9 WAIVER BY THE BOARD

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

JEA Board Agenda

MEMORANDUM



Riverfront Plaza Cost Participation Agreement

Board Meeting Date: October 29, 2024 INFORMATION ONLY X ACTION **FUTURE BOARD CONSIDERATION** Outcome: If Action, Provide a Recommended Motion: Staff recommends that the Board approve the Cost Participation Agreement as outlined in Resolution 2024 - 57. Consent Agenda Item: Yes X No Jordan Pope, Director, Administrative Services Presenter: Jody Brooks, Chief Administrative Officer Chief: Strategic Focus DEVELOPING AN DELIVERING BUSINESS EARNING CUSTOMER Area: UNBEATABLE TEAM EXCELLENCE LOYALTY Background In anticipation of the future redevelopment of the former Jacksonville Landing site, Information & now known as Riverfront Plaza, JEA began working with the City of Jacksonville and Analysis: the Downtown Investment Authority (DIA) to secure easements for existing JEA infrastructure on the site. It was determined by DIA that a portion of JEA's subsurface electric infrastructure conflicts with a future development pad and requested JEA relocate the facilities. JEA designed the relocation at an estimated cost of \$3,701,250.00. DIA requested JEA cost participate in the project and both parties have agreed to a 50/50 cost participation agreement. Any cost overruns will also be shared between the parties at 50% each. Financial JEA's estimated cost participation amount is \$1,850,625.00. Impact: Committee/Board Meeting/Workshop & Date Presented: N/A Appendix: List appendix items provided Resolution 2024-57 Cost Participation Agreement Location Maps



October 29, 2024

A RESOLUTION AUTHORIZING THE MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER TO EXECUTE A COST PARTICIPATION AGREEMENT BETWEEN JEA AND THE DOWNTOWN INVESTMENT AUTHORITY (DIA) FOR THE RELOCATION OF ELECTRIC INFRASTRUCTURE AT RIVERFRONT PLAZA

WHEREAS, the DIA manages the former Jacksonville Landing site, currently known as Riverfront Plaza, on behalf of the City of Jacksonville; and

WHEREAS, the DIA intends to redevelop the Riverfront Plaza to include certain retail improvements, a bicycle/pedestrian ramp, and a beer garden (the Development); and

WHEREAS, in order to construct the Development, it is necessary to relocate certain JEA utility lines located within the development area in order to avoid conflicts with a future development pad; and

WHEREAS, JEA has received a construction estimate for the relocation of the utility lines in the amount of three million seven hundred one thousand two hundred fifty dollars (\$3,701,250.00); and

WHEREAS, the DIA requested JEA participate in the costs for the relocation of JEA's facilities to accommodate the Development; and

WHEREAS, both parties are willing to incur 50% of the project costs, inclusive of cost overruns, as outlined in the cost participation agreement attached hereto as Exhibit A.

BE IT RESOLVED by the JEA Board of Directors that:

- 1. The above recitals are incorporated by reference into the body of this resolution and are adopted as findings of fact.
- 2. The Board approves the terms and conditions of the attached Cost Participation Agreement between JEA and the Downtown Investment Authority, and delegates to the Managing Director/Chief Executive Officer or her designee the authority to execute the Cost Participation Agreement in substantially the same form as attached hereto.
- 3. To the extent there are typographical, clerical, or administrative errors that do not effect the tone, tenor, or context of this resolution, such errors may be corrected without further Board authorization.
- 4. This resolution shall be effective immediately upon passage.

Dated this <u>29th</u> day of October 2024.	
JEA Board Chair	JEA Acting Board Secretary
Form Approved by	
	Office of General Counsel
VOTE	
In Favor	
Opposed	
Abstained	

Page 2

EXHIBIT A

Cost Participation Agreement

JEA COST PARTICIPATION AGREEMENT FOR

RELOCATION OF UTILITY SYSTEM

THIS COST PARTICIPATION AGREEMENT ("Agreement") is made and entered into this ______day of 2024 (the "Effective Date") by and between the Downtown Investment Authority ("Owner"), a community redevelopment agency on behalf of the City of Jacksonville ("City"), whose address is 117 W. Duval Street, Suite 310, Jacksonville, Florida 32202 (hereinafter called "Owner"), and JEA, whose address is 225 N. Pearl Street, Jacksonville, Florida 32202 (hereinafter called "JEA").

RECITALS

WHEREAS, Owner manages certain real property on behalf of the City located in Duval County generally known as Riverfront Plaza, which is more particularly described in Exhibit A attached hereto and, by reference made a part hereof (hereinafter referred to as the "Property"); and

WHEREAS, Owner has plans to develop the Property, including construction of certain retail improvements, a bicycle/pedestrian ramp and beer garden (hereinafter referred to as the "Development"); and

WHEREAS, in order to construct the Development, it is necessary to relocate certain JEA utility lines located within the Property (the "Utility Relocation"); and

WHEREAS, JEA is willing to relocate the utility lines, subject to the terms and conditions of this Agreement; and

WHEREAS, JEA intends to utilize its unit price contract with Heart Utilities of Jacksonville, Inc., (JEA Contract No. 184918) (hereinafter referred to as the "Utility Relocation Contract") for the performance of the Utility Relocation; and

WHEREAS, in order to facilitate the timely completion of the Utility Relocation, the Owner and JEA wish to set forth the terms and conditions for sharing the cost of the construction and installation of the Utility Relocation.

Page 1 of 11

NOW, THEREFORE, in consideration of the mutual undertakings and agreements herein contained and assumed, and other good and valuable consideration, receipt of which is hereby acknowledged, Owner and JEA hereby covenant and agree as follows:

- 1. <u>Effect of Recitals.</u> The above recitals are incorporated into the body of this Agreement and are adopted as findings of fact.
- 2. Term. The term of this Agreement shall begin upon the Effective Date and shall end upon completion of the Utility Relocation, unless earlier terminated as provided herein, but in no event shall the term of this Agreement exceed one (1) year from the Effective Date. Notwithstanding anything to the contrary herein, JEA may, in its sole discretion, extend the term of this Agreement for a period not to exceed one year if such extension is necessary to complete the Utility Relocation.
- 3. <u>Completion of Utility Relocation.</u> JEA shall, in accordance with the terms of this Agreement cause the Utility Relocation to be completed no later than one year after the Effective Date in accordance with the plans and specifications for the Utility Relocation attached hereto as <u>Exhibit B</u>. The design and construction of the Utility Relocation shall be performed by contractors procured by JEA in accordance with the requirements of JEA's Procurement Code.
- **4.** <u>Utility Easements.</u> Prior to commencement of construction of the Utility Relocation, Owner shall obtain on behalf of JEA and record in the Official Records of Duval County the easements set forth on Exhibit C attached hereto and incorporated herein.
 - **5.** Contract Price and Payment.
 - **a.** JEA and Owner agree that each party shall be responsible for fifty percent (50%) of the design and construction costs associated with the Utility Relocation., inclusive of any cost overruns. It is anticipated that the cost under the Utility Relocation Contract for the construction of the Utility Relocation will be an amount not to exceed three million seven hundred one thousand two hundred fifty dollars (\$3,701,250.00) (the "Contract Amount") for which JEA and Owner shall be responsible on a 50/50 basis. The amount of one million eight hundred fifty thousand six hundred twenty-five and no/100 dollars

- (\$1,850,625.00) shall be Owner's maximum indebtedness under this Agreement (the "Owner's Contribution"). All cost overruns attendant to the Utility Relocation shall be borne by JEA and Owner on a 50/50 basis, subject to the existence of lawfully appropriated funds for such purpose.
- b. Owner shall pay the Owner's Contribution to JEA as a lump sum within thirty (30) days of execution of this Agreement. JEA shall hold the funds paid by Owner in a segregated account, and such funds shall be used by JEA solely for payment of the Owner's Contribution portion of funds payable under the Utility Relocation Contract. JEA shall utilize the Owner's Contribution on a 50/50 basis with its own funding to pay for costs incurred under the Utility Relocation Contract for the Utility Relocation.
- c. JEA shall provide monthly status reports to the DIA detailing the progress of the Utility Relocation. Such reports may contain, as applicable, the amount of funds disbursed to date, the amount since the prior month's disbursement, estimate of funds needed to complete the work, the percentage of completion of the Utility Relocation, and estimate of the completion date of the Utility Relocation. On substantial completion of the Utility Relocation, JEA shall provide Owner with a complete accounting of how the Owner's Contribution was expended and shall return any unused funds to Owner. JEA shall comply with any documentation requests of the City Council auditors in connection with this Agreement.

6. Reserved.

- 7. <u>Contract Administration.</u> JEA shall be responsible for administering all aspects of the construction contract for the Utility Relocation, including, but not limited to, review and processing of invoices and other contract documents, review and resolution of technical issues (whether foreseen or unforeseen) that arise during construction, and facilitating project close-out upon completion of construction. It shall also be JEA's responsibility to coordinate construction schedules of its contractors.
- **8.** <u>Force Majeure</u>. Neither party shall be liable or responsible to the other party as a result of injury to property or person, or failure to comply with the terms hereof,

proximately caused by Force Majeure. The term "Force Majeure" as employed herein shall be acts of God, strikes, lockouts, or other industrial disturbances, acts of public enemy, wars, blockades, riots, acts of Armed Forces, epidemics, delays by carriers, inability to obtain materials or right-of-way on reasonable terms, acts of public authorities, acts of vandals or other third parties, or any other causes whether or not of the same kind as enumerated herein which are beyond the control of the party claiming force majeure and qualify under Florida's impossibility of performance principles.

- 9. <u>Modification of Development Plans.</u> Should the Owner modify its development plans for the Property which would require subsequent utility relocation, greater water usage, greater fire flows, additional water facilities, greater wastewater flows, or additional wastewater facilities than the water and wastewater demands designed and approved under the engineering plans and specifications which are the subject of this Agreement, then Owner and JEA shall negotiate an agreement in good faith providing for the construction of such additional water or wastewater facilities meeting all JEA's and governmental design requirements, and Owner shall pay all additional contributions and fees as may be authorized by JEA's Tariff or the Florida Public Service Commission, or its successor, at the date said new agreement is executed, subject to a lawful appropriation of funds therefor.
- 10. <u>No Prohibition of Further Extension</u>. This Agreement shall not prohibit or prevent JEA from extending JEA's utility system in or to areas not referred to herein to serve other developers or consumers; provided, however, such extension of utility service shall not cause the Owner's extension to become overloaded and shall not adversely affect the reservation of capacity.

11. <u>Miscellaneous.</u>

a. This Agreement supersedes all previous agreements or representations either verbal or written heretofore in effect between Owner and JEA and made with respect to the matters contained herein, and when duly executed constitutes the complete Agreement between Owner and JEA. Any amendment to this Agreement shall be in writing and executed by the fully authorized representatives of Owner and JEA.

- **b.** Owner and JEA are independent contractors in the performance of all activities under this Agreement. Nothing in this Agreement shall be construed to create an employment, agency, or partnership relationship between Owner and JEA.
- **c.** No third party beneficiary status or interest is comveyed to any third party by this Agreement.
- d. Except as provided herein, neither Owner nor JEA shall assign, transfer, or sell any of the rights created under, or associated with, this Agreement without the express written consent of the non-assigning party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, nothing in this section shall prevent Owner from assigning or otherwise transferring its rights and duties under this Agreement to an affiliate, subsidiary, or parent company of Owner upon written notice to JEA.
- e. This Agreement was made and executed in Jacksonville, Florida, and shall be interpreted and construed according to the laws of the State of Florida. Litigation involving this Agreement or any provision thereof shall take place in the State or Federal Courts located in Jacksonville, Duval County, Florida.
- **f.** Should any provision of the Agreement be determined by the courts to be illegal or in conflict with any law of the State of Florida, the validity of the remaining provisions will not be impaired.
- **g.** The headings used in the paragraphs of this Agreement are solely for the convenience of the parties and the parties agree that they shall be disregarded in the construction of this Agreement.
- **h.** This Agreement shall inure to and be binding upon the heirs, successors and assigns of the parties hereto. It is understood that Owner may assign its rights hereunder to successor/owners of the Owner's parcels of real property included in the Owner's Property.
- i. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and

the same instrument. Delivery of a counterpart by electronic means shall be valid for all purposes.

[Remainder of page is intentionally blank. Signature page to follow.]

IN WITNESS WHEREOF, the parties hereto have duly executed this contract, in

duplicate, the date and year first above written.		
ATTEST:	JEA By	
Approved as to Form and Format:		
Office of General Counsel		
ATTEST:	OWNER CITY OF JACKSONVILLE	
James R. McCain, Jr. Corporation Secretary	Donna Deegan, Mayor	
Form Approved:		
Office of General Counsel		

 $GC\text{-}\#1640510\text{-}v11\text{-}JEA_Cost_Participation_Agreement_DIA_-_Landing_Site.docx$

Encumbrance and funding information for internal City use:

1Cloud Account for Certification of Funds	Amount

The above-stated amount is the maximum fixed monetary amount of the foregoing Contract. It shall not be encumbered by the foregoing Contract. It shall be encumbered by one or more subsequently issued purchase orders that must reference the foregoing Contract. All financial examinations and funds control checking will be made at the time such purchase orders are issued.

In accordance with Section 24.103(e), *Ordinance Code*, I do hereby certify that there is an unexpended, unencumbered, and unimpounded balance in the appropriation sufficient to cover the foregoing Contract; provided however, this certification is not nor shall it be interpreted as an encumbrance of funding under this Contract. Actual encumbrances shall be made by subsequent purchase orders, as specified in said Contract.

Director of Finance	
City Contract Number:	

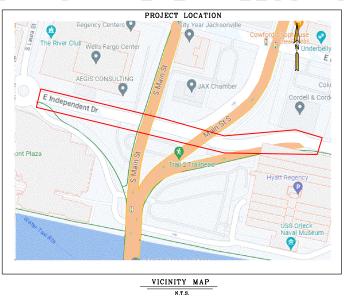
Exhibit A Property Legal Description

A PART OF THE Z. HOGAN'S GRANT, SECTION 39, TOWNSHIP 2 SOUTH, RANGE 26 EAST, DUVAL COUNTY, FLORIDA. SAID PARCELS BEING ANY AND ALL OF THE LANDS BEING BOUNDED ON THE NORTH BY THE NORTHERLY RIGHT OF WAY LINE OF INDEPENDENT DRIVE (ALSO KNOWN AS WATER STREET A VARIABLE WIDTH RIGHT OF WAY), BEING BOUNDED ON THE WEST BY THE WESTERLY RIGHT OF WAY LINE HOGAN STREET (A 70 FOOT RIGHT OF WAY); BOUNDED ON THE EAST BY THE WESTERLY BOUNDARY OF LANDS DESCRIBED AND RECORDED AS: DANIEL BUILDING PARCEL IN THAT WARRANTY DEED DATED FEBRUARY 4, 1999, RECORDED IN OFFICIAL RECORDS BOOK 9195 PAGE 324 AT PAGES 327 AND 328, OF THE CURRENT PUBLIC RECORDS OF DUY AL COUNTY, FLORIDA, ALSO BOUNDED ON THE EAST BY THE EASTERLY TERMINATION OF THE CLOSURE OF COASTLINE DRIVE (A VARIABLE WIDTH RIGHT OF WAY) AS DESCRIBED IN THE ROAD CLOSURE IN ORDINANCE 83-1259-732, RECORDED IN OFFICIAL RECORDS VOLUME 5899, PAGE 471 ALL OF SAID CURRENT PUBLIC RECORDS; AND BOUNDED ON THE SOUTH BY THE CHANNEL OF THE ST. JOHN'S RIVER.

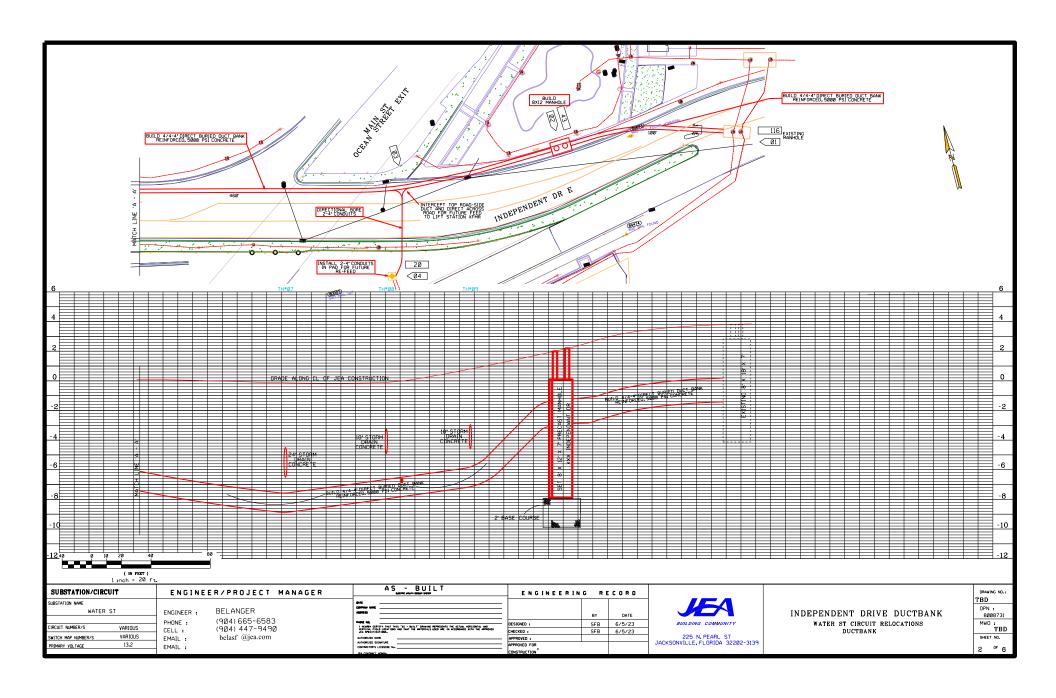
Exhibit B Utility Relocation Plans and Specifications

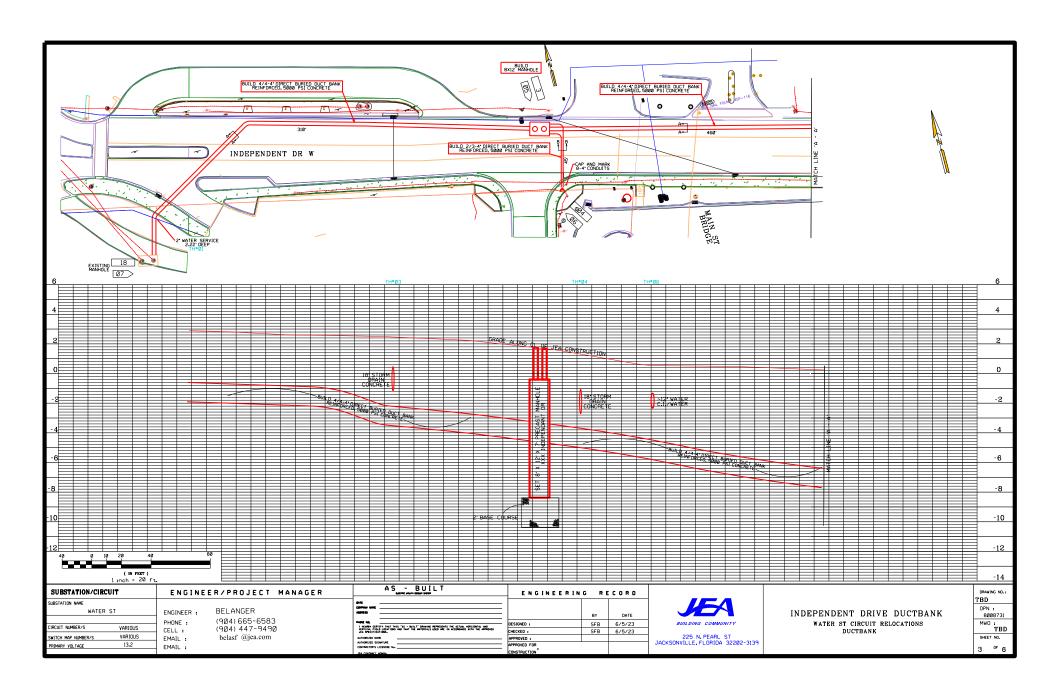
INDEPENDENT DRIVE DUCTBANK PROJECT

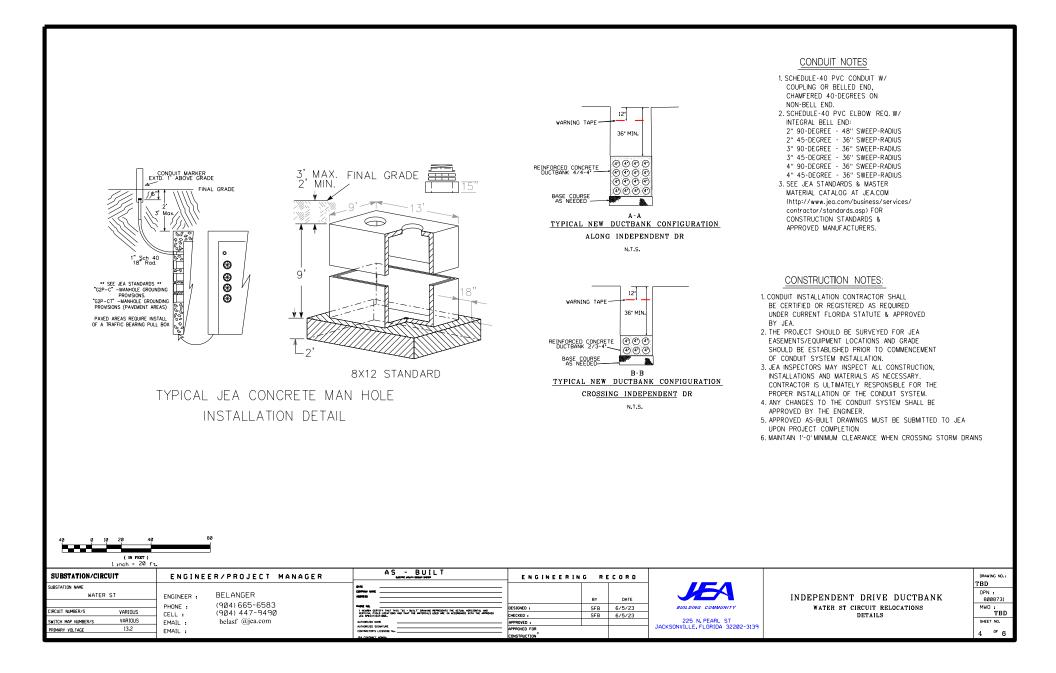
RIVERFRONT PLAZA RELOCATION

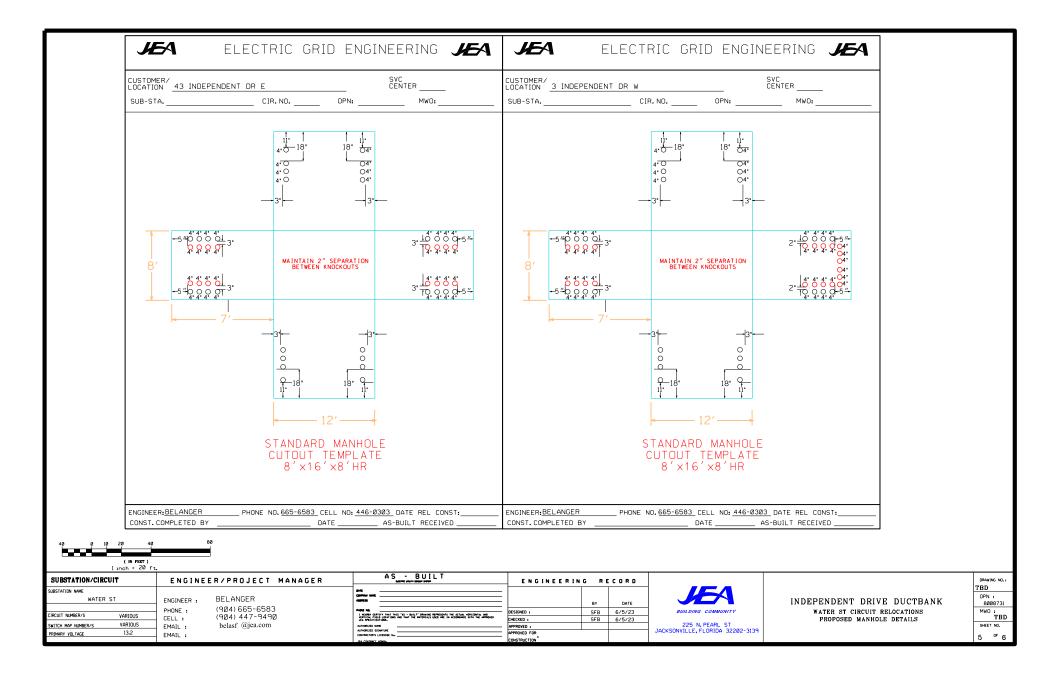


OPN: 8008731 ENGINEER/PROJECT MANAGER MWO: tbd tbd DRAWING NO.: ENGINEER : BELANGER BUILDING COMMUNITY PHONE: (904) 665-6583 SHEET NO. 1 of 6 CELL: (904) 447-9490 belasf @jea.com GRAPHIC SCALE 225 N. PEARL ST.
JACKSONVILLE, FLORIDA 32202-3139 WEBSITE : https://www.jea.com









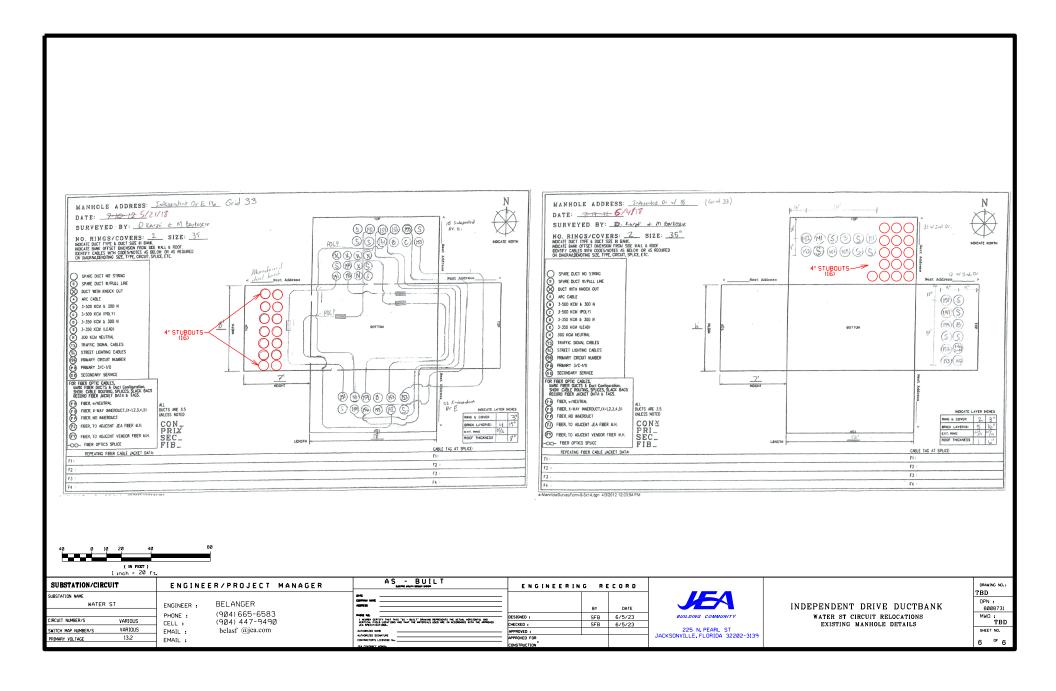
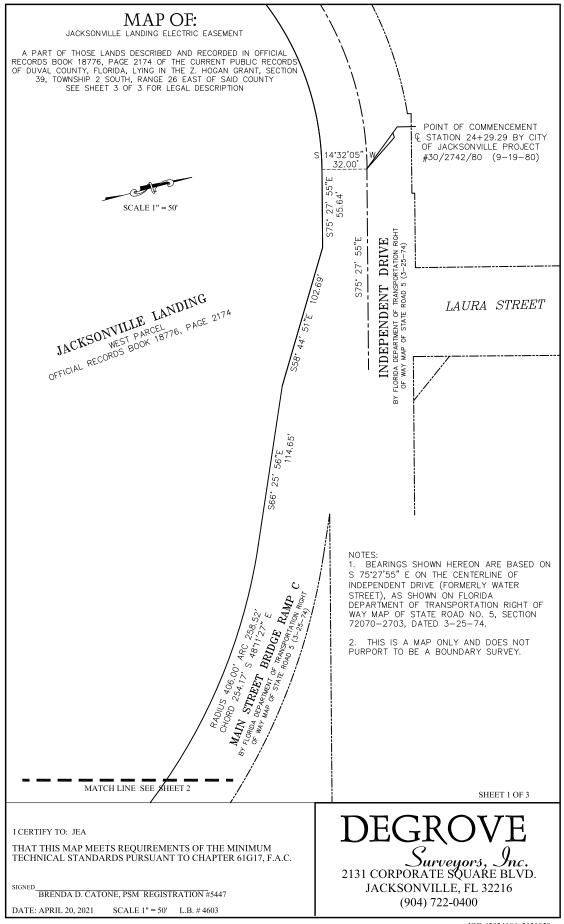
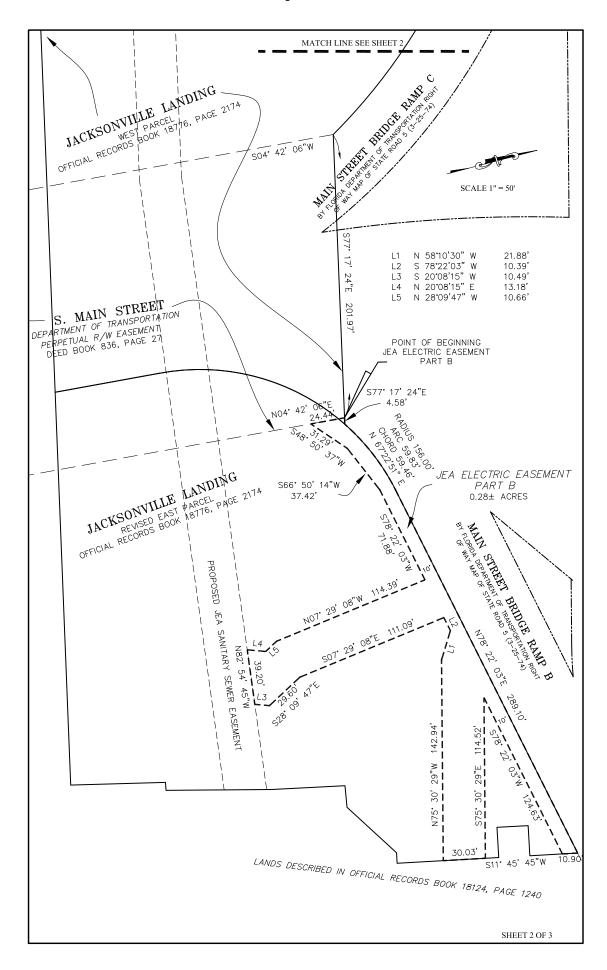


Exhibit C Utility Easements



NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER

JOB #2024184, 2021059



JACKSONVILLE LANDING ELECTRIC EASEMENT

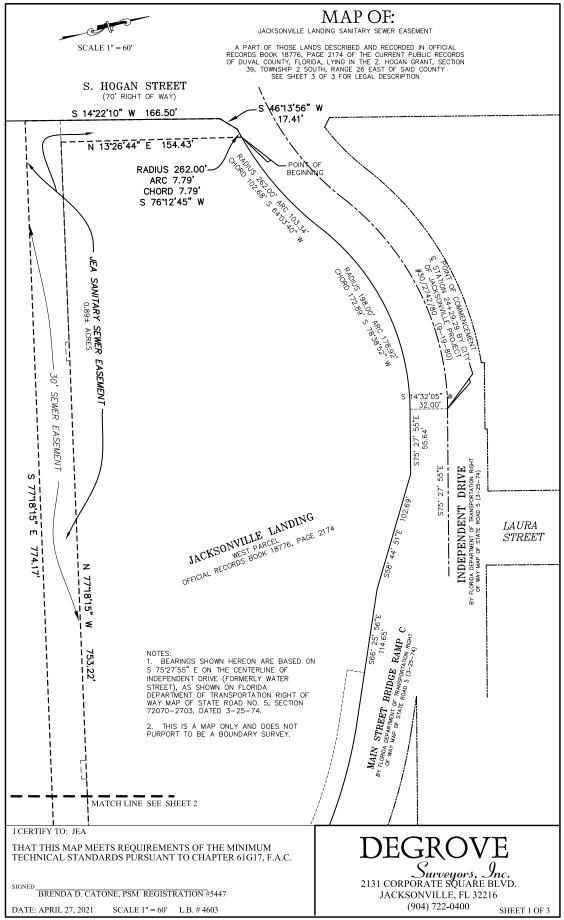
A PART OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 18776, PAGE 2174 OF THE CURRENT PUBLIC RECORDS OF DUVAL COUNTY, FLORIDA, LYING IN THE Z. HOGAN GRANT, SECTION 39, TOWNSHIP 2 SOUTH, RANGE 26 EAST OF SAID COUNTY, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PART E

COMMENCE AT INDEPENDENT DRIVE (AS RELOCATED BY THE FLORIDA DEPARTMENT OF TRANSPORTATION, AS SHOWN ON CITY OF JACKSONVILLE DEPARTMENT OF TRANSPORTATION PLAN 72070 SECTION 2703, SHEET 1) CENTERLINE STATION, 24-29.29 AS SHOWN ON CITY OF JACKSONVILLE DEPARTMENT OF PUBLIC WORKS MAP OF THE PROPOSED CONVENTION CENTER (PROJECT NO. 30/2742/80, FILE NO. 6199, DATED SEPTEMBER 19, 1980); THENGE SOUTH 14 DEGREES 32 MINUTES 05 SECONDS WEST, 32.00 FEET TO THE SOUTHERLY RICHT OF WAY LINE OF SAID INDEPENDENT DRIVE; THENCE SOUTH 75 DEGREES 27 MINUTES 55 SECONDS EAST, ALONG SAID SOUTHERSTERLY RICHT OF WAY LINE OF INDEPENDENT DRIVE; ESCAF FEET; THENCE SOUTHEASTERLY, GOOD NO STATE OF FLORIDAD DEPARTMENT OF TRANSPORTATION RICHT OF WAY JUNE OF INDEPENDENT DRIVE; 55.64 FEET; THENCE SOUTHEASTERLY, CONTOURSES; COURSE NO. 1) SOUTH 55 DEGREES 24 MINUTES 51 SECONDS EAST, 10.269 FEET; COURSE NO. 2) SOUTH 66 DEGREES 25 MINUTES 56 SECONDS EAST, 114.65 FEET TO THE TO THE POINT OF CURYATURE OF A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 406.00 FEET; THENCE SOUTHEASTERLY, CONTINUING ALONG SAID SOUTHWESTERLY RICHT OF WAY LINE AND ALONG THE ARC OF SAID CURVE, 258.52 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH AS DEGREES 17 MINUTES 24 SECONDS EAST, 126.47 FEET TO A POINT ON SAID CURVE; THENCE SOUTH TO FEET TO A POINT ON SAID CURVE; THENCE SOUTH TO FEET TO AN INTERSECTION WITH THE SOUTHEASTERLY RICHT OF THE POINT OF BEGINNING: THENCE CONTINUE SOUTH 77 DEGREES 17 MINUTES 24 SECONDS EAST, LEAVING SAID SOUTHWESTERLY RICHT OF WAY LINE, AND ALONG A NORTHERLY LINE OF PRESENT AS DESCRIBED AND RECORDED IN SAID OFFICIAL RECORDS BOOK 1876, PAGE 2174, 201.97 FEET TO THE POINT OF BEGINNING: THENCE CONTINUE SOUTH 77 DEGREES 17 MINUTES 24 SECONDS EAST, ALONG LAST SAID LINE, 4.58 FEET TO AN INTERSECTION WITH THE SOUTHHEASTERLY RICHT OF WAY LINE, AND ALONG AN DORTHERLY OF WAY LINE OF RAMP 19 AS SHOWN ON STATE OF FLORIDAD TO PROSPECT AND ACCOUNT OF THE PROSPECT OF THE NORTH 15 DEGREES 10 AND RECORDED IN OFFICIAL RECORDS BOOK 18124,

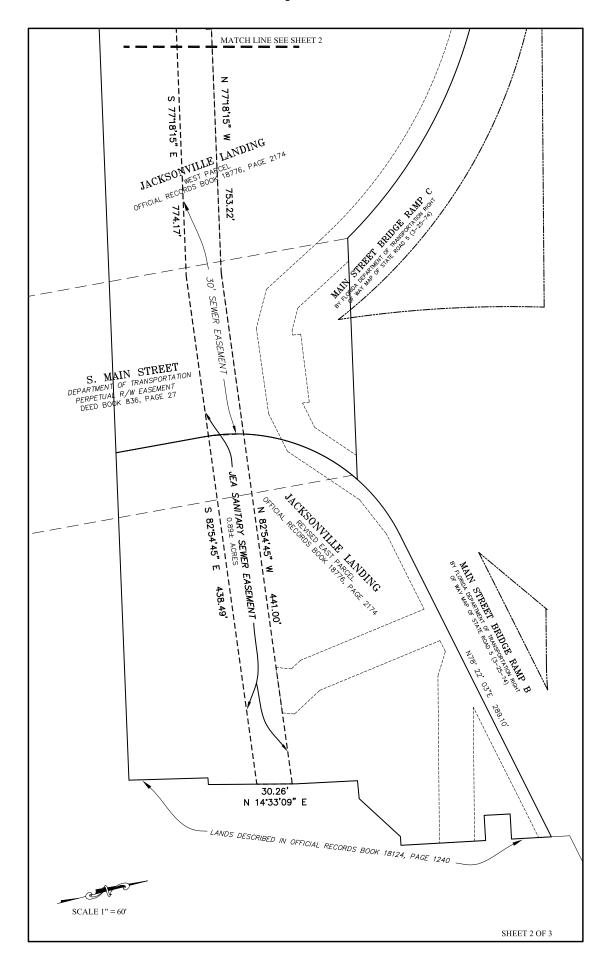
CONTAINING 0.28 ACRES MORE OR LESS.

SHEET 3 OF 3



NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER

JOB #2021059



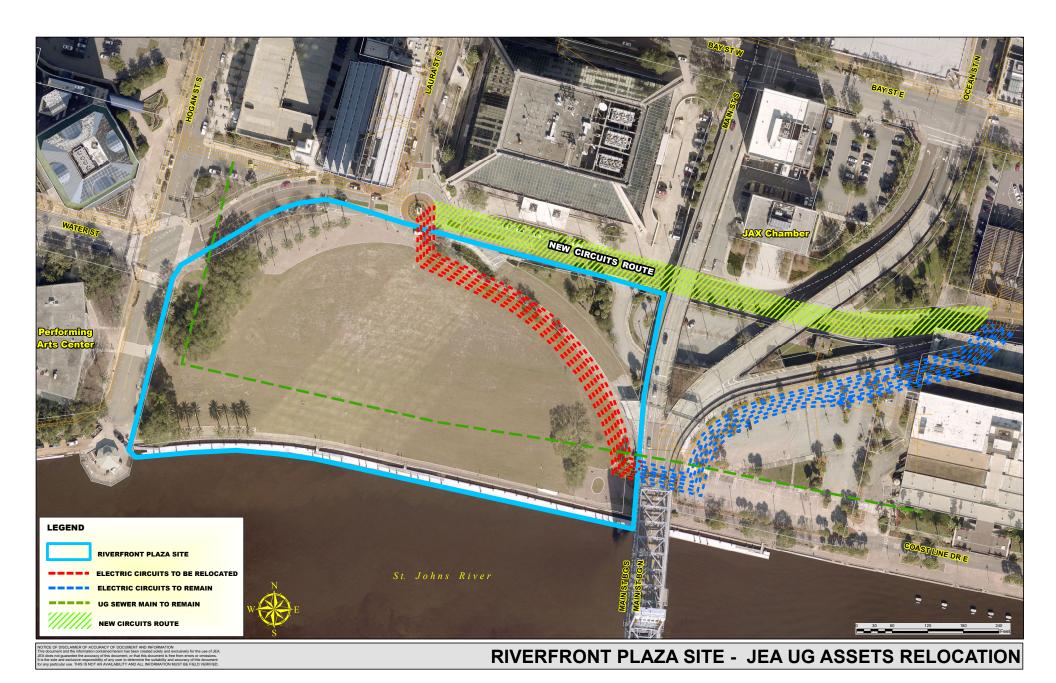
JACKSONVILLE LANDING SANITARY SEWER EASEMENT

A PART OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 18776, PAGE 2174 OF THE CURRENT PUBLIC RECORDS OF DUVAL COUNTY, FLORIDA, LYING IN THE Z. HOGAN GRANT, SECTION 39, TOWNSHIP 2 SOUTH, RANGE 26 EAST OF SAID COUNTY, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT INDEPENDENT DRIVE (AS RELOCATED BY THE FLORIDA DEPARTMENT OF TRANSPORTATION, AS SHOWN ON FLORIDA DEPARTMENT OF TRANSPORTATION PLAN 72070 SECTION 2703, SHEET 1) CENTERLINE STATION 24+29.29 AS SHOWN ON CITY OF JACKSONVILLE DEPARTMENT OF PUBLIC WORKS MAP OF THE PROPOSED CONVENTION CENTER (PROJECT NO. 30/2742/80, FILE NO. 6199, DATED SEPTEMBER 19, 1980); THENCE SOUTH 14 DEGREES 32 MINUTES 05 SECONDS WEST, 32.00 FEET TO THE SOUTHERLY RIGHT OF WAY LINE OF SAID INDEPENDENT DRIVE, SAID POINT LYING ON A CURVE CONCAVE SOUTHERSTERLY, HAVING A RADIUS OF 198.00 FEET; THENCE SOUTHWESTERLY, ALONG SAID SOUTHERLY RIGHT OF WAY LINE OF INDEPENDENT DRIVE AND ALONG THE ARC OF SAID CURVE AN ARC LENGTH OF 178.92 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 78 DEGREES 38 MINUTES 52 SECONDS WEST, 172.89 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 262.00 FEET; THENCE SOUTHWESTERLY, CONTINUING ALONG SAID SOUTHERLY RIGHT OF WAY LINE AND ALONG THE ARC OF SAID CURVE AN ARC LENGTH OF 103.34 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 64 DEGREES 03 MINUTES 40 SECONDS WEST, 102.68 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE SOUTHWESTERLY, ALONG SAID SOUTHERLY RIGHT OF WAY LINE AND ALONG THE ARC OF SAID CURVE AN ARC LENGTH OF 7.79 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 64 DEGREES 03 MINUTES 40 SECONDS WEST, 102.68 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE SOUTHWESTERLY, ALONG SAID SOUTHERLY RIGHT OF WAY LINE OF INDEPENDENT DRIVE, 17.41 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE SOUTHWESTERLY, ALONG SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 66 DEGREES 12 MINUTES 65 SECONDS WEST, CONTINUING ALONG SAID SOUTHERLY RIGHT OF WAY LINE OF INDEPENDENT DRIVE, 17.41 FEET TO THE EASTERLY RIGHT OF WAY LINE OF INDEPENDENT DRIVE, 17.41 FEET TO THE EASTERLY RIGHT OF WAY LINE OF SAID AND RECORDED BOOK 18776, PAGE 2174 OF SAID PUBLIC RECORDS, THENCE SOUTH 77 DEGREES 18 MINUTES 15 SECONDS EAST,

CONTAINING 0.89 ACRES MORE OR LESS.

SHEET 3 OF 3





Riverfront Plaza Plan

JEA Board Agenda

MEMORANDUM



FY24 Internal Audit and Quality Assurance Results

Board Meeting Date: October 29, 2024 X INFORMATION ONLY **ACTION FUTURE BOARD CONSIDERATION** Outcome: If Action, Provide a Recommended Motion: N/A Consent Agenda Item: Yes X No Lee Montanez, Director, Internal Audit & Enterprise Risk; Julie Moore, Program Presenter: Manager, Internal Audit Jody Brooks, Chief Administrative Officer Chief: DEVELOPING AN EARNING CUSTOMER Strategic Focus **DELIVERING BUSINESS** UNBEATABLE TEAM **EXCELLENCE** LOYALTY Area: Background Discussion of FY24 audit plan and Quality Assurance review results performed by Information & Honkamp Krueger & Co. Analysis: Financial Impact: Committee/Board Meeting/Workshop & Date Presented: N/A Appendix: List appendix items provided Internal Audit and Enterprise Risk Strategy and Plan, FY2025



Internal Audit & Enterprise Risk Strategy and Plan

Fiscal Year 2025

Eliseo (Lee) Montanez

Director, Internal Audit & Enterprise Risk

Table of Contents

Introduction	3
Mission, Mandate and Approach	
Organization	
Our Strategy	
Internal Audit Plan	
Resources, Competencies & Compliance	<u> </u>
Strategic Plan	11
External QAR Results	13
Enterprise Risk Management 2.0	15
Appendix A – Internal Audit's View of JEA's Process Universe	16
Appendix B – Estimated Budget Hours	18
Appendix C – Plan Calendar per Employee	19
Appendix D – IIA Code of Ethics and Standards	20

Introduction

This document serves as the Internal Audit & Enterprise Risk (IAER) Strategy and Plan for JEA. The contents of this document have been shared with Leadership and are presented to the Finance, Governance, and Audit Committee (FGAC) for consideration and approval.

The Director, Internal Audit & Enterprise Risk (IAER) oversees two complementary assurance functions within JEA: Internal Audit and Enterprise Risk Management. This plan describes our approach, focus, and expected deliverables for FY2025 and beyond for each function.

Mission, Mandate and Approach

Our mission is to provide risk-based independent and objective assurance, advice, and insight to enhance and protect JEA's organizational value. IAER helps JEA to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

IAER governs itself by adhering to the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the definition of Internal Auditing.

The Annual Internal Audit Plan (Plan) is developed and submitted for Board approval in accordance with our Charter (Charter). Additionally, the development of a risk-based plan is a requirement under section 2010 (Planning) of the Institute of Internal Auditors (IIA) "International Standards for the Professional Practice of Internal Auditing" (Standards).

The Plan classifies Internal Audit's activities into: Assurance/Audit, Consulting/Support, and administrative activities. The development of the Plan is based on the following:

- i. Assurance or consulting activities required by JEA.
- ii. Input from Management meetings and completion of the FY25 Audit Plan Questionnaire.
- iii. Professional judgement of IAER members with respect to areas of potential adverse risk to JEA.
- iv. Skill sets, and serviceable net calendar year hours available from the IAER team for executing this Plan.

The Plan may be modified during the fiscal year as circumstances change. Requests from management, changes in audit resources, and/or operations could result in updates to the Plan. Any significant updates to the Plan would be presented to the Board for review and approval.

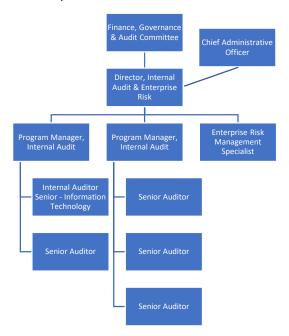
Preliminary engagement objectives in the Plan are in general terms. The specific objective of each audit or engagement is determined by the detailed assessment of risks during the planning stage.

The Plan was developed using current audit resources available in Q4 of FY24 and in accordance with *IIA Standard 2230 (Engagement Resource Allocation)* which requires the Director, Internal

Audit & Enterprise Risk to ensure that resources are appropriate, sufficient, and effectively deployed to achieve engagement objectives.

Organization

The Director, Internal Audit & Enterprise Risk reports to JEA's Finance, Governance & Audit Committee (FGAC) and functionally to the Chief Administrative Officer.



Our Strategy

Internal Audit & Enterprise Risk (IAER) aligns with JEA's mission, objectives, and goals to provide high-quality audit and risk services. The IAER team seeks opportunities to effectively utilize financial and human resources to meet the expectations of our stakeholders. As such, we seek creative ways to maximize the value and impact of audit and risk resources, and to be a valued partner, such as:

- Learn and understand our business partners' environment and their challenges.
- Provide insight that may prevent JEA from successfully meeting its goals and objectives.
- Be aware of potential threats and apply leading audit and risk practices.

Internal Audit Plan

This plan provides a detailed description of our approach, focus, and expected deliverables for FY2025 for Internal Audit.

Internal Audit allocates its resources in a manner consistent with JEAs mission and goals. In support of JEAs mission, audit coverage is considered across the organization. The Plan is designed to provide coverage of key processes, given the existing staff.

Internal Audit's primary objective is to determine if JEAs' processes, risk/opportunity management, and internal controls, as designed by management, is adequate and functioning in a manner to ensure that:

- Risks/opportunities are appropriately identified and managed.
- Operational and financial information is accurate and timely.
- Employee actions comply with policies, procedures, and applicable laws and regulations.
- Strategic objectives are achieved.
- Regulatory issues affecting JEA are recognized and addressed appropriately.

After identifying our audit universe (see Appendix A) and completing a detailed analysis of JEAs objectives, initiatives, management's concerns, and Internal Audit's risk assessment, we developed our audit plan, which is shown below:



Operations

Engagement Name	Preliminary Engagement Objective
Management Oversight Tools & Processes	Review W/WW management oversight tools
	(timecards, work orders, etc.), processes, procedures
	and associated internal controls to determine if
	opportunities exist that can be shared across the
	organization.
TEA Member Review Support	Support for the annual member review.
Fuels Management	To evaluate the effectiveness of fuel management
	processes, including procurement, shortage, and
	usage.



Customer

Engagement Name	Preliminary Engagement Objective
Outage Communications	Review outage communication processes and
	systems to determine if these are aligned with
	current strategy, as well as compliance with policies
	and procedures.



Technology

Engagement Name	Preliminary Engagement Objective
Technical Debt	Review of processes and procedures related to the identification, maintenance, and removal of suboptimal or out-of-support applications and devices.
Vulnerability and Patch Management Audit	Assess the effectiveness and adequacy of the organization's processes for identifying, prioritizing, and remediating vulnerabilities.
TS/CIP Compliance Processes	Review of processes and procedures, with the assistance of an external contractor, related to the mitigation of findings from Federal regulators. Evaluation of the effectiveness of internal resiliency activities.
Disaster Recovery/Business Continuity/Backup Validation	Review effectiveness of organizational communications preparedness for an unexpected failure.



Finance

Engagement Name	Preliminary Engagement Objective
P-Card and Travel Expenses	Review P-Card and travel expenses for compliance
	with policies and procedures.
Debt Management	Determine whether all the debt balances and their
	related transactions have been properly recorded,
	classified, and disclosed.
External Audit Support – Ernst &	IA Staff support of the annual external audit.
Young	iA Stail support of the annual external addit.
Green-e Agreed-Upon Procedures	Completion of specific audit tests required to certify
Engagement	sales of renewable energy credits to JEA customers.



Compliance

Engagement Name	Preliminary Engagement Objective
Access Management	Review the controls in place to effectively manage
	systems access.
Maritime Transportation Security Act – Facility Plan Review	Evaluate JEA's Maritime Transportation Security Act
	 Facility Security Plan as compared to regulatory
	guidance.
Records Retention	Review record retention processes and controls to
	determine compliance with applicable regulations,
	policies, and procedures.

6 | Page



Human Resources

Engagement Name	Preliminary Engagement Objective
Contract Review Audit - Workspend	Determine if the contract aligns with JEA's expectations, and is compliant with applicable JEA policies, procedures, and other related guidelines. Examine payments and processes to ensure compliance with contract terms.
Secondary Employment	Review the secondary employment policies and procedures for alignment with management objectives.
Benefit Services	Review systems unsupported by organizational IT and the subsequent protection of confidential information.



Administrative / Support

Engagement Name	Description of Activity
Prior Year Close-Out Activities	Activities include finalization of prior audit plan audits or consulting engagements in the final audit phase (reporting).
Management Action Plan Follow-Up	Follow-up on Management open action plans agreed to from IA reports.
Software Data Migration	Migration of data in preparation for implementing new audit software.
IA Quality Assessment Initiative	Design and implement a process to ensure compliance with IIA Standard 1300 – Quality Assurance and Improvement Program and relevant IA Procedure.
Employee Hotline Data and Analysis	Assist in the compilation of data and analysis related to instances of fraud, waste and/or abuse.
Annual IA Plan	Develop the FY26 risk-based IA Plan to be presented to the Board. This activity is performed in conformance with the IA Charter and Section 2010 of the IIA Standards.
Continuing Professional Education	IA staff training and development activities consistent with the following IIA Standards: 1210 –

Engagement Name	Description of Activity
	Proficiency, 1220 – Due Professional Care and 1230 –
	Continuing Professional Development.
IA Stratogic Dlan	Guide for improving the efficiency and effectiveness
IA Strategic Plan	of IA operations.

Appendix B includes the estimated budget hours and **Appendix C** the Plan Calendar per employee.

Resources, Competencies & Compliance

Resources include the Director, Internal Audit & Enterprise Risk, two (2) Program Managers of Internal Audit, one (1) Senior Internal Auditor – Information Technology, and four (4) Senior Internal Auditors. Staff are certified in the following:

Staff	Title	Certifications
Eliseo (Lee) Montanez	Director – Internal Audit &	Certified Internal Auditor
	Enterprise Risk	Certified Information Systems Auditor
		Certification in Risk Management Assurance
Rashid Brittain	Program Manager –	Certified Public Accountant
_	Internal Audit	Certified Information Systems Auditor
Julie Moore	Program Manager –	Certified Internal Auditor
	Internal Audit	Certified Fraud Examiner
		Certified Government Auditing Professional
David Arnold	Senior Internal Auditor	
Melanie Bowers	Senior Internal Auditor	Certified Public Accountant
		Certified Internal Auditor
Troy England	Senior Internal Auditor	Certified Internal Controls Auditor
Laurie Gaughan	Senior Internal Auditor	Certified Public Accountant
		Certification in Risk Management Assurance
Candace Shaughnessy	Senior Internal Auditor –	Certified Information Systems Auditor
	Information Technology	Cyber Security Auditor (Certificate)

IAER management tracks, on a calendar year basis, the completion of Continuing Professional Education credits (CPEs), as required by the certifying body. Documentation is compiled and reviewed by IAER Management.

Competencies for the IAER Staff are as follows:

Knowledge Area							
Staff	Electric	w/ww	Finance	Customer	Human Resources	Information Systems	Shared Services
Eliseo (Lee) Montanez	Р	Р	K	Р	K	Р	Р
Rashid Brittain	K	K	Р	K	K	Р	Р
Julie Moore	K	K	K	K	K	GA	K
David Arnold	GA	К	К	K	K	GA	K
Melanie Bowers	GA	GA	Р	GA	K	K	GA
Troy England	GA	Р	K	Р	GA	GA	K
Laurie Gaughan	Р	K	Р	K	K	GA	K
Candace Shaughnessy	К	GA	GA	GA	Р	Р	GA

(GA) General Awareness, (K) Knowledgeable, (P) Proficient

On an annual basis, the IAER staff certifies their compliance with the IIA's Code of Ethics and the IIA Standards of independence and objectivity, which promotes an ethical culture in the profession of internal auditing. **Appendix D** includes the form to be completed by the staff.

Strategic Plan

IAER's strategic plan, in conjunction with the Audit Plan, Charter, Policies, and Procedures, provides oversight and governance of the IAER function.

Guiding Principles

- Continue to be an independent and objective trusted advisor for the organization continually focusing on existing and emerging risks and provide quality, value added services.
- Enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.

Core Values

IAER expects the audit personnel to conduct themselves in an ethical and professional manner. As such, IAER requires its personnel to abide by:

- JEA employee policies and procedures
- JEA's strategic plan, mission, and core values
- Internal Audit Charter
- Code of Ethics
- The Institute of Internal Auditors' International Professional Practices Framework
- Proficiency and due professional care in maintaining competency, knowledge certifications and continued professional development

Strategic Areas of Focus

IAER has defined several strategic areas of focus to support the achievement of the vision, mission, and core values. These include:

- Continuously support the professional development and operational needs of the team.
- Promote and support and organization-wide risk management culture and approach, code of conduct and ethics policy.
- Uphold a positive and collaborative approach to continuously improve and support JEA's strategic and operational plans.
- Continuously improve the audit and advisory processes and procedures.

Strategic Goals & Action Plans

Strategic Goal	Action Plans	Strategic Areas of Focus
Complete action plans from the external Quality Assessment Review (QAR)	Evaluate and implement recommendations from the QAR.	Continuously improve the audit and advisory processes and procedures.
Review and integrate the new IIA Standards	Evaluate the new IIA Standards and update internal processes as appropriate.	Continuously improve the audit and advisory processes and procedures.
Audit Software	Migrate to new audit software that will provide data analytics/continuous auditing capabilities.	Continuously improve the audit and advisory processes and procedures.
Professional Development	Non-certified Internal Auditors to complete 40 CPE hours. Internal Auditors with certification(s) to complete CPEs as required.	Continuously support the professional development and operational needs of the IA team.
Collaborate with Enterprise Risk Management (ERM)	Assist ERM with the rollout of their new program for JEA.	Develop, promote, and support an organization-wide risk management culture and approach.

^{**} September 30, 2025 is the due date for all strategic goals.

External QAR Results

As required by the *International Standards for the Professional Practice of Internal Auditing* (Standards), we conducted an external assessment of the Internal Audit function. This assessment was independently validated by an external review team. The external assessor concluded that Internal Audit was rated *"Generally Conforms"* to the Standards and Code of Ethics:



2345 JOHN F. KENNEDY ROAD * DUBUQUE, IA 52002 563.556.0123 * 888.556.0123 * FAX 563.556.8762

Independent Validation Statement

September 23, 2024

Mr. Eliseo Montanez Director, Internal Audit JEA 225 N. Pearl Street Jacksonville, FL 32202

Dear Mr. Montanez,

Honkamp, P.C. was engaged to conduct an independent validation of JEA Internal Audit's (IA) internally prepared self-assessment. The primary objective of the validation was to verify the assertions made in the self-assessment report concerning conformity to the Institute of Internal Auditors' (IIA) International Standards for the Professional Practice of Internal Auditing (Standards) along with observations regarding successful internal audit practices and opportunities for continuous improvement. Other matters that might have been covered in a full external independent assessment, such as an in-depth analysis of successful practices, governance, consulting services, and use of advanced technology, were excluded from the scope of this independent validation by agreement with JEA IA.

In acting as an independent validator, we are fully independent of JEA and have the necessary knowledge and skills to undertake this engagement. The validation was conducted remotely during the period August 29, 2024, through September 16, 2024. The validation consisted of reviewing and testing of the procedures and results of the internally prepared self-assessment. We conducted interviews with the JEA Chief Financial Officer and the Chief Administrative Officer. In addition, we validated the work of the IA self-assessment by reviewing the planned approach and overall documentation, reperforming a sample of work programs, and reviewing reported conclusions. Positive practices were identified in addition to suggestions for enhancing IA. These observations have been discussed with you and summarized in the attached Exhibit A.

We concur with the conclusions of the self-assessment report in which JEA IA rated itself as "Generally Conforms" to the Attribute and Performance Standards as well as the IIA Code of Ethics. Accordingly, we concur that JEA IA overall "Generally Conforms" to the International Standards for the Professional Practice of Internal Auditing.

This independent validation statement is intended solely for the information and use of JEA's Internal Audit; Finance, Governance and Audit Committee; and management and is not intended to be, and should not be used, by anyone other than these specified parties.

We would like to take this opportunity to thank you and your team for your assistance throughout the engagement.

Sincerely.

Howharp, P.C.

HONKAMP, P.C.

Independent Validation Statement - Exhibit A

Positive Practices and Comments

- Balanced audit reports, including comments on positive practices.
- Management input included in the annual audit risk assessment process.
- · Documentation and approval process in place for risk acceptance by management.
- Good reporting of audit status and progress to the Finance, Governance and Audit Committee (FGAC).

Opportunities to Improve Conformity with IIA Standards

 Enhance the current QA&IP process to include periodic reporting, at least annually, to the FGAC of QA&IP results and key metrics (KPIs) that place emphasis on quality and continuous improvement. (Standard 1311 – Internal Assessment and Standard 1320 – Reporting on QA&IP)

Suggestions for Internal Audit Department Consideration

- 1. Enhance procedure manual by including the following:
 - Impairment to Independence or Objectivity (Standard 1130)
 - Disclosure of Nonconformance (Standard 1322)
 - Errors and Omissions (Standard 2421)
 - Engagement Disclosure of Nonconformance (Standard 2431)
- Enhance the engagement level risk assessment process by identifying all risks considered and, with client input, ranking them to ensure and demonstrate audit resources will be focused on higher risk areas. (Standard 2210.A1 & A2 – Engagement Objectives)

JEA Page 2 of 2

Enterprise Risk Management 2.0

Enterprise Risk Management (ERM) is responsible for the design and maintenance of the ERM Framework, which is the foundation of our program to support the organization in the achievement of strategic and operational goals. In January 2024, the legacy ERM function was transferred to the Strategy team due to the perceived ineffectiveness of ERM. Later in July 2024, it returned to Internal Audit with the goal of restarting the program to increase risk awareness and management.

The following ERM Roadmap provides an overview of the plan with specific goals to redevelop the ERM program.

Enterprise Risk Management Roadmap

Step	Domain	Deliverables
1	Governance and Culture	 Adopt a clear, concise, and understandable definition of ERM. Create and maintain a culture supportive of ERM. Determine strategy and objectives. Identify the ERM framework. Create a plan for educating and communicating ERM. Provide ERM oversight.
2	Strategy & Objective-Setting	(1) Define risk appetite and domains.(2) Understand JEA's strategy and objectives.(3) Formulate business objectives.
3	Performance	 (1) Identify, assess, and prioritize risks. (2) Implement risk responses. (3) Develop dashboards and reports for Management.
4	Review & Revision	(1) Review risk and performance.(2) Determine if changes are needed.(3) Pursue continuous improvement.
5	Information, Communication, & Reporting	(1) Leverage information and technology.(2) Communicate risk information.(3) Report on risk.

Appendix A – Internal Audit's View of JEA's Process Universe

	JEA's Process Uni	verse
Administration and Legal	 Board Services Emergency Preparedness Enterprise Analytics Identity & Access Management Information Governance 	 Legal Services Real Estate Services Records Retention Safety & Health Services Physical Security
Assurance & Compliance	CIP Compliance Electric Compliance	Enterprise Risk ManagementInternal Audit
Customer Relationships	 Billing Support Services Business Client Relationships Business Development & Community Project Management Business Support Center Community Engagement Community Involvement and Project Outreach Corporate Research Customer & Community Engagement Customer Contacts Customer Experience Research & Insights 	 Customer Experience Strategy Support & Implementation Customer Relationships Customer Revenue Customer Solutions Digital Communications Distributed Resources Public Information Officer Receivables & Collection Services Revenue Assurance & Water Pre-Service Operations Utility Analytics Public Information Officer
Electric Systems	 Customer Field & Meter Services Distributed Resources Distribution Construction and Maintenance Electric Asset Management Electric Engineering & Projects Electric Generation Electric Meter Services Electric System Planning Energy Construction & Maintenance Energy Contract Management Substation Transmission & Substation Maintenance 	 Energy Systems Operations Engineering Standards Fuels Management Grid Modernization & Utility Program Natural Gas & Commercial Services Substation Transmission & Substation Maintenance T and D Preventative Maintenance Telecom Sales & Services Vegetative Management & Forestry
Environmental	 Air & Lab Services Environmental Air Compliance Environmental Operations Environmental Policy & Regulation Pollution Prevention Programs 	 Regulatory and Permitting Programs Response & Environmental Programs Quality Assurance & Environmental Compliance Systems
Finance	 Accounting Services Accounts Payable Billing & Financial Analysis Budget Operations Cash & Investments Controller 	 Enterprise Planning & Analytics Financial Planning & Rates Grants Project Accounting Risk Management Treasury Services
Government Relations	Economic Development	Government Relations

JEA's Process Universe					
Human Resources	 Benefit Services Diversity Equity & Inclusion Employee Services Ethics HR Operations & Services Labor Relations 	 Organizational Effectiveness Payroll Services PMO and HR Operations Professional Learning & Development Talent Acquisition Services Technical Utility Training Services 			
Operational Support	 Business Operations Facility Capital Projects Facilities Construction & Planning 	 Facilities Operations Facilities Support Fleet Services Utility Locate 			
Strategy	Enterprise Strategy				
Supply Chain	 Investment Recovery & Warehouse Operations Procurement – Contract Administration Procurement – Contract Services & Awards 	 Procurement – Inventory Management Procurement - Sourcing Supplier Diversity Programs and Procurement Services 			
Technology	 Application Delivery CRM Systems Eng/Ops Systems Enterprise Data & Integration ERP Systems Information Security IT Business Office 	 IT Infrastructure Operations & Support IT Compliance Service Desk Operations Solutions Dev & EA Technology Infrastructure Technology Services PMO 			
Water/WW Systems	 Business Operations Conservation & Efficiency Field Services District Energy Services GIS Systems H2.0 Purification Meter Data & Collection O&M Construction & Maintenance Reuse Treatment Sewer Operation & Maintenance Utility Locates W/WW Business Management W/WW Planning & Development W/WW Project Engineering & Construction W/WW Reuse Delivery and Collection 	 W/WW Reuse Delivery & Collection Engineering W/WW System Assets, Performance & Innovation W/WW System Control and CST W/WW System Operations & Customer Response Wastewater Treatment & Reuse Water & Reuse Operation & Maintenance Water & Sewer Preventative Maintenance Water Meter Services Water Operation & Treatment Support Services Water Purification Operations Water Treatment 			

Appendix B – Estimated Budget Hours

An analysis was conducted to determine the number of direct hours available by audit staff for completing the Plan. The FY25 holiday schedule, average staff leave time, and estimated administrative time were used to calculate the available hours for the Plan.

Total Annual Available Hours					
Annual Totals	Hours				
Based on 52 weeks @ 40 hours per week per	Laurie/Troy	Candace/David	Melanie		
Full Time Employee (FTE)	2,080	2,080	2,080		
Benefit Hours:					
Annual Leave (based on years of service)	(208)	(184)	(160)		
Holidays	(104)	(104)	(104)		
Adjusted Available Hours per FTE	1,768	1,792	1,816		
Indirect Hours:	•				
CPE Hours	(45)	(45)	(45)		
JEA Training	(24)	(24)	(24)		
Audit Software Training & Support	(50)	(50)	(50)		
JEA Volunteerism	(8)	(8)	(8)		
Performance Management	(8)	(8)	(8)		
Monthly Safety and Operational Meetings	(24)	(24)	(24)		
Board and Committee Meetings	(20)	(20)	(20)		
Administration and Audit Support	(130)	(130)	(130)		
Project Manager/Staff Weekly Meetings	(52)	(52)	(52)		
Direct Hours per FTE	1,407	1,431	1,455		

Appendix C – Plan Calendar per Employee

The Plan calendar is based on the needs of the organization and availability of staff.

Activity/Audit/Project Title	Area	Quarter	Estimated Hours	Candace	David	Laurie	Melanie	Troy
Prior Year Close-Out Activities	Finance / Operations	Q1	330	40	65	0	165	60
Software Data Migration	Admin	Q1	140		140			
Contract Review Audit – Workspend	HR	Q1	300			300		
Technical Debt (From FY24)	Technology	Q1	400	400				
P-Card and Travel Expenses	Finance	Q1-Q2	400				400	
Access Management	Compliance	Q1-Q2	400					400
External Audit Support - EY	Finance	Q1, Q4	500		300	200		
TEA Member Review Support	Operations	Q1, Q2, Q4	200	60				140
Maritime Transportation Security Act – Facility Plan Review	Compliance	Q2	45		45			
CIP/TS Process	Compliance	Q2 -Q3	475	50		425		
Disaster Recovery/Business Continuity/Backup Validation	Technology	Q2-Q3	400	400				
Fuels Management	Operations – Electric	Q2-Q3	400		400			
Secondary Employment	HR	Q2-Q3	325					325
Debt Management	Finance	Q3	380				380	
Green-e Agreed-Upon Procedures Engagement	Finance	Q3	100				100	
Benefit Services	HR	Q3-Q4	400			400		
Patch Management	Technology	Q3-Q4	400	400				
Records Retention	HR	Q3-Q4	400					400
Outage Communications (From FY24)	Customer	Q3-Q4	400		400			
Management Oversight Tools & Processes (From FY24)	Operations - Water	Q4	370				370	
Management Action Plan Follow-Up	Admin/ Support	Continuous	360	80	80	80	40	80
	٦	Γotal Hours	7,125	1,431	1,431	1,407	1,455	1,407

Appendix D – IIA Code of Ethics and Standards

IIA Code of Ethics - Principles

Internal auditors are expected to apply and uphold the following principles:

1. Integrity

The integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgment.

2. Objectivity

Internal auditors exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgments.

3. Confidentiality

Internal auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.

4. Competency

Internal auditors apply the knowledge, skills, and experience needed in the performance of internal audit services.

Rules of Conduct

1. Integrity

Internal auditors:

- 1.1 Shall perform their work with honesty, diligence, and responsibility.
- 1.2 Shall observe the law and make disclosures expected by the law and the profession.
- 1.3 Shall not knowingly be a party to any illegal activity or engage in acts that are discreditable to the profession of internal auditing or to the organization.
- 1.4 Shall respect and contribute to the legitimate and ethical objectives of the organization.

2. Objectivity

Internal auditors:

- 2.1 Shall not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment. This participation includes those activities or relationships that may be against the interests of the organization.
- 2.2 Shall not accept anything that may impair or be presumed to impair their professional judgment.
- 2.3. Shall disclose all material facts known to them that, if not disclosed, may distort the reporting of activities under review.

3. Confidentiality

Internal auditors:

- 3.1 Shall be prudent in the use and protection of information acquired in the course of their duties.
- 3.2. Shall not use the information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organization.

4. Competency

Internal auditors:

- 4.1. Shall engage only in those services for which they have the necessary knowledge, skills, and experience.
- 4.2. Shall perform internal audit services in accordance with the International Standards for the Professional Practice of Internal Auditing.
- 4.3. Shall continually improve their proficiency and the effectiveness and quality of their services.

IIA Standards: Independence and Objectivity

1100 - Independence and Objectivity

The internal audit activity must be independent, and internal auditors must be objective in performing their work.

Independence is the freedom from conditions that threaten the ability of the internal audit activity to carry out internal audit responsibilities in an unbiased manner. To achieve the degree of independence necessary to effectively carry out the responsibilities of the internal audit activity, the chief audit executive has direct and unrestricted access to senior management and the board. This can be achieved through a dual-reporting relationship. Threats to independence must be managed at the individual auditor, engagement, functional, and organizational levels.

Objectivity is an unbiased mental attitude that allows internal auditors to perform engagements in such a manner that they believe in their work product and that no quality compromises are made. Objectivity requires that internal auditors do not subordinate their judgment on audit matters to others. Threats to objectivity must be managed at the individual auditor, engagement, functional, and organizational levels.

1110 - Organizational Independence

The chief audit executive must report to a level within the organization that allows the internal audit activity to fulfill its responsibilities. The chief audit executive must confirm to the board, at least annually, the organizational independence of the internal audit activity.

1110.A1 – The internal audit activity must be free from interference in determining the scope of internal auditing, performing work, and communicating results. The chief audit executive must disclose such interference to the board and discuss the implications.

1111 - Direct Interaction with the Board

The chief audit executive must communicate and interact directly with the board.

1112 - Chief Audit Executive Roles Beyond Internal Auditing

Where the chief audit executive has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards must be in place to limit impairments to independence or objectivity. The chief audit executive may be asked to take on additional roles and responsibilities outside of internal auditing, such as responsibility for compliance or risk management activities. These roles and responsibilities may impair, or appear to impair, the organizational independence of the internal audit activity or the individual objectivity of the internal auditor. Safeguards are those oversight activities, often undertaken by the board, to address these potential impairments, and may include such activities as periodically evaluating reporting lines and responsibilities and developing alternative processes to obtain assurance related to the areas of additional responsibility.

1120 - Individual Objectivity

Internal auditors must have an impartial, unbiased attitude and avoid any conflict of interest. Conflict of interest is a situation in which an internal auditor, who is in a position of trust, has a competing professional or personal interest. Such competing interests can make it difficult to fulfill his or her duties impartially. A conflict of interest exists even if no unethical or improper act results. A conflict of interest can create an appearance of impropriety that can undermine confidence in the internal auditor, the internal audit activity, and the profession. A conflict of interest could impair an individual's ability to perform his or her duties and responsibilities objectively.

1130 - Impairment to Independence or Objectivity

If independence or objectivity is impaired in fact or appearance, the details of the impairment must be disclosed to appropriate parties. The nature of the disclosure will depend upon the impairment. Impairment to organizational independence and individual objectivity may include, but is not limited to, personal conflict of interest, scope limitations, restrictions on access to records, personnel, and properties, and resource limitations, such as funding. The determination of appropriate parties to which the details of an impairment to independence or objectivity must be disclosed is dependent upon the expectations of the internal audit activity's and the chief audit executive's responsibilities to senior management and the board as described in the internal audit charter, as well as the nature of the impairment.

1130.A1 – Internal auditors must refrain from assessing specific operations for which they were previously responsible. Objectivity is presumed to be impaired if an internal auditor provides assurance services for an activity for which the internal auditor had responsibility within the previous year.

1130.A2 – Assurance engagements for functions over which the chief audit executive has responsibility must be overseen by a party outside the internal audit activity.

1130.A3 – The internal audit activity may provide assurance services where it had previously performed consulting services, provided the nature of the consulting did not impair objectivity and provided individual objectivity is managed when assigning resources to the engagement.

1130.C1 – Internal auditors may provide consulting services relating to operations for which they had previous responsibilities.

1130.C2 – If internal auditors have potential impairments to independence or objectivity relating to proposed consulting services, disclosure must be made to the engagement client prior to accepting the engagement.

The Internal Audit activity's organizational independence is demonstrated through the Organization Chart and Internal Audit Charter. When engaging internal audit service providers, the Chief Audit Executive shall take steps to identify, evaluate the significance, and manage any perceived or actual conflict of interest that may impinge upon internal audit work.

To maintain independence and objectivity, staff members will not have authority over or be assigned audits, consultant services, or any activity involving the following:

- 1. Any situation that involves a member of the auditor's immediate family, as defined by JEA policies.
- 2. Any activity that the auditor previously performed or supervised unless a reasonable time has elapsed (one-year).
- 3. Any other situation in which a conflict of interest or bias is present or may reasonably be inferred.

If at any time during the year, through your actions or state of mind, your audit objectivity is or can be inferred to be impaired, notify audit management immediately.

Auditors must read and acknowledge the Code of Ethics and Independence and Objectivity standards on the first day of employment and annually thereafter.

Declaration

I certify that the following is true to the best of my knowledge.

Perceived or actual conflict(s) of interest where you feel your objectivity could be impaired or inferred impaired (Please write "None" if not applicable.):

Relative's Relationship to You		litie	Job-Related Duties
Area(s), other than what is listed above:			
Area			Reason
period from through	If a terest sh	n issue arises with my ould occur in the com	ct, other than those described above, for the professional behavior that is not in the spiriting year, I shall immediately report it to the
Signature:		Date: _	
Printed Name:		Job Tit	le:
Reviewed by:		Date: _	

JEA Board Agenda

MEMORANDUM



FY25 Internal Audit Plan

Outcome:	INFORMATION ONLY X ACTION FUTURE BOARD CONSIDERA
	Recommended Motion: he Board approve the proposed Annual Internal Audit Plan and adopt Resolution 2024
Consent Agenda	Item: Yes X No
Presenter:	Lee Montanez, Director, Internal Audit & Enterprise Risk
Chief:	Jody Brooks, Chief Administrative Officer
Strategic Focus Area:	DEVELOPING AN X DELIVERING BUSINESS EARNING CUSTOME LOYALTY
Background Information & Analysis:	Discussion of the process and selection of audits for FY25.
Financial N	/A
	d Meeting/Workshop & Date Presented:
N/A	
Appendix: List app	endix items provided



BOARD RESOLUTION: 2024-61

October 29, 2024

A RESOLUTION BY THE BOARD APPROVING THE ANNUAL INTERNAL AUDIT PLAN FOR FISCAL YEAR 2025

WHEREAS, JEA's Audit Services provides independent and objective assurance and consulting services designed to add value to JEA's operations by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of internal control, compliance, and governance processes; and

WHEREAS, JEA's Audit Services adheres to the Institute of Internal Auditors (IIA) International Standards for the Professional Practice of Internal Auditing, which require the approval of the Annual Internal Audit Plan; and

WHEREAS, approval of the Annual Internal Audit Plan (i) demonstrates that the Board has reviewed, and is in agreement with, the Annual Internal Audit Plan and (ii) allows Audit Services to be in compliance with IIA standards; and

WHEREAS, Staff requests that the Board approve the proposed Annual Internal Audit Plan.

BE IT RESOLVED by the JEA Board of Directors that:

- 1. The recitals stated above are hereby incorporated into and made part of this Resolution, and such recitals shall serve as findings of fact.
- 2. The Board hereby approves the Annual Internal Audit Plan in substantially the form and format attached hereto.
- 3. To the extent that there are any typographical, administrative, and/or scrivener's errors contained herein that do not change to tone, tenor or purpose of this Resolution, then such errors may be corrected with no further action required by the Board.
- 4. This Resolution shall be effective upon approval by the Board.

Dated this 29 th day of October 29, 2024.	
JEA Board Chair	JEA Acting Board Secretary
Form Approved by	Office of General Counsel
VOTE	
In Favor	
Opposed	
Abstained	

JEA Board Agenda

MEMORANDUM



Board By-Laws and Policy Manual

Board Meeting Date: October 29, 2024

M Antina Decide	de a Recommended Motion:		
	vernance, & Audit Committee Meeting Recommended Motion:		
	mmending approval and adoption of the Board's Bylaws and Policy Manual, as amended, zing the documents to be separated into two distinct documents to be administratively		
	as one document.		
Board of Dir	rectors Meeting Recommended Motion:		
	dopt Resolution 2024-68, approving and adopting the Board's Bylaws and Policy Manual,		
	nd authorizing the documents to be separated into two distinct documents to be ively maintained as one document.		
auministrati	very maintained as one document.		
Consent Age	nda Item: Yes X No		
-			
Presenter: Regina Ross, Chief Legal Officer, Office of General Counsel			
	7 1 7 1 01:11 1:11 00		
Chief:	Jody Brooks, Chief Administrative Officer		
Strategic Foc	cus DEVELOPING AN DELIVERING BUSINESS EARNING CUSTOME		
Area:	UNBEATABLE TEAM EXCELLENCE LOYALTY		
Background			
Information a Analysis:	review and update its governing documents. Accordingly, attached for the Board's		
	review and consideration is a proposed copy of the revised Board Bylaws and Policy Manual.		
	Maridal.		
Financial	N/A		
Impact:			
Committee/B	soard Meeting/Workshop & Date Presented:		
	024 JEA Board Meeting		
	24, 2024 JEA Board Meeting 2024 Finance, Governance, & Audit Committee Meeting		
October 24, 2	2024 Finance, Governance, & Addit Committee Meeting		
Appendix:			
The same property of the same of the same same			



October 29, 2024

A RESOLUTION OF THE JEA BOARD OF DIRECTORS APPROVING REVISIONS TO THE JEA BY-LAWS AND THE JEA BOARD POLICY MANUAL; ADOPTING SUCH BY-LAWS AND POLICY MANUAL AS AMENDED; DIRECTING THE BOARD SERVICES MANAGER TO POST THE EACH DOCUMENT ON JEA'S WEBSITE IN A CONSPICUOUS MANNER; PROVIDING FOR THE CORRECTION OF ERRORS; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, in accordance with Section 21.03, Article 21 of the City of Jacksonville Charter (JEA Charter), the JEA Board of Directors (Board) is required to annually review and update its governing documents, including its By-Laws and the Board Policy Manual; and

WHEREAS, such governing documents (as amended) shall be posted on JEA's website in a conspicuous manner for the public to view; and

WHEREAS, on October 24, 2024, the Finance, Governance, and Audit Committee (Committee) reviewed, discussed and proposed revisions to the By-Laws and Board Policy Manual as reflected in Exhibit A, attached hereto and incorporated herein; and

WHEREAS, to efficiently facilitate financial transactions, the Committee further proposed that the revised By-Laws and Board Policy Manual be separated into two distinct documents, but administratively maintained as one document; and

WHEREAS, the Committee affirmatively voted to recommend that the Board approve the Bylaws and Board Policy Manual, subject to the revisions described herein; and

WHEREAS, the Board has reviewed the proposed revisions to the Bylaws and Board Policy Manual and determined that accepting the Committee's recommendation best serves interests of JEA.

NOW THEREFORE, BE IT RESOLVED by the Board that:

- 1. The above recitals are incorporated into the body of this Resolution and are adopted as findings of fact.
- 2. The Board accepts the Committee's recommendation and hereby approves and adopts the By-Laws and Board Policy Manual (as amended) in substantially the same form and format as provided in Exhibit A. The Board further approves separating the By-Laws and Board Policy Manual into two distinct documents to be administratively maintained as one document.
- 3. The Board Services Manager is directed to post the amended By-Laws and Board Policy Manual on JEA's website in a conspicuous manner.
- 4. To the extent that there are any typographical, administrative, and/or scrivener's errors contained in this Resolution or in Exhibit A, then such errors may be corrected with no further action required by the Board.
- 5. This Resolution shall be effective upon approval by the Board.

Dated this 29 th day of October, 2024	Page 2
JEA Board Chair	JEA Acting Board Secretary
Form Approved by	Office of General Counsel
VOTE	
In Favor	
Opposed	
Abstained	

JEA Board Policy Manual

Adopted by the JEA Board on this	day of October, 2024, in Jacksonville, Florida.
JEA Board Chair	. JEA Board Secretary

TABLE OF CONTENTS

Policy Category I: By-Laws of JEA				
1.0	By-Laws of JEA	4		
Policy Categ	ory II: Governance Process			
2.0 2.1	JEA Board Mission, Vision, Values, Goals & Objectives Global Governance Process 2.1.1 Governing Style 2.1.2 Board Job Description 2.1.3 Agenda Planning 2.1.4 Board Officers 2.1.5 Rules of Order 2.1.6 Board Member's Code of Conduct 2.1.7 Board Member's Individual Responsibility 2.1.8 Board Committee Principles 2.1.9 Board Committee Structure 2.1.10 Improvement in Governance 2.1.11 Legal Representation	8 9 10 11 12 13 14 16 17 18 19 21		
Policy Categ	ory III: Board-Management Delegation			
3.0	Global Board-Management Delegation 3.0.1 Unity of Control 3.0.2 Accountability of the CEO 3.0.3 Delegation to the CEO 3.0.4 CEO and Senior Leadership Remuneration 3.0.5 Monitoring CEO Performance	22 23 24 25 27 26		
Policy Categ	ory IV: Executive Mandates			
4.0	General Executive Oversight and Assurances 4.0.1 Treatment of Consumers 4.0.2 Treatment of Staff 4.0.3 Financial Planning/Budgeting 4.0.4 Financial Condition and Activities 4.0.5 Workforce Readiness and Succession Planning 4.0.6 Asset Protection 4.0.7 Compensation and Benefits 4.0.8 Communication and Support to Board 4.0.9 Regulatory / Legislative Requirements 4.0.10 Enterprise Risk Management 4.0.11 Procurement Activities	28 29 30 31 32 33 34 35 36 37 38 39		

TABLE OF CONTENTS (Cont'd)

Policy Catego	ry V: Measures of Effectiveness (MOEs)		
5.0	MOEs 5.0.1 Quality of Electric Service 5.0.2 Quality of Water Service 5.0.3 Quality of Sewer Service 5.0.4 Cost of Service 5.0.5 Environmentally Sound 5.0.6 Informative Communication 5.0.7 Safety Standards 5.0.8 Financial Integrity	41 42 43 44 45 46 47	
Appendices			
A1	Executive Core Competencies	49	
A2	JEA Board Evaluation Criteria	77	
A3	JEA Charter (Article 21 of City of Jacksonville Ordinance Code)	54	

POLICY CATEGORY I: BY-LAWS OF JEA

POLICY 1.0 POLICY TITLE: BY-LAWS OF JEA

ARTICLE I - JEA 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 seven-member JEA governing body ("JEA Board") as provided in Article 21, Charter of the City of Jacksonville, as amended ("JEA Charter"), and other applicable laws.
- **Section 2.** Appointment, Number, Term, and Expense Reimbursement. The membership of the JEA Board shall be constituted in number, qualifications, manner of appointment, and term as provided in the JEA Charter. Members of the JEA Board shall not be entitled to pension or other retirement benefits on account of service on the JEA Board, but members shall be entitled to payment or reimbursement for reasonable expenses incurred (e.g., travel expenses) which as prescribed by the City Council by ordinance.
- **Section 3.** Applicable Laws. Members shall be subject to open government and ethics laws, including the provisions of Section 286.012, Florida Statutes, as amended, relating to voting at meetings of JEA, and the provisions of Sections 112.31 through 112.3175, Florida Statutes, as amended, relating to financial disclosure and conflicts of interest. Additionally, members shall be subject to all other relevant and applicable laws and ordinances, including but not limited to, Chapter 286 (Public Business: Miscellaneous Provisions), Florida Statutes, as amended; Chapter 112, Part III (Code of Ethics for Public Officers and Employees), Florida Statutes, as amended; Ch. 119 (Public Records), Florida Statutes, as amended; and Chapter 602 (Jacksonville Code of Ethics), Ordinance Code of the City of Jacksonville, as amended.
- **Section 4.** Office-Holding; Oath. JEA Board membership shall be considered an office and limited by the office holding provisions as provided for under the Florida Constitution. No member shall be eligible to serve as a member while holding another office or being an employee of JEA. Members shall be required to take an oath of office consistent with the oath of office taken by other public officials serving on city boards and commissions.

ARTICLE III - OFFICERS

- **Section 1.** Election; Term. 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. No Officer may serve more than two (2) consecutive one-year terms, which shall not include any period served as replacement Officer during the unexpired portion of the predecessor's term. Elections of Officers shall be conducted at a Board meeting before April 1, which may be preceded by a meeting of the Executive Committee as provided in Policy 2.1.9 of the JEA Board Policy Manual. The terms of the newly-elected Officers shall commence on April 1.
- **Section 2.** Vacancies. A vacancy in any Office of the JEA Board 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. 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. If the Chair's absence or disability has not resolved by the expiration of the thirty-day period, a special election shall be conducted by the JEA Board and a permanent replacement Chair elected for the unexpired portion of the predecessor's term.

POLICY CATEGORY I: BY-LAWS OF JEA

POLICY 1.0 POLICY TITLE: BY-LAWS OF JEA

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

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

ARTICLE IV - BOARD COMMITTEES

Section 1. Purpose. Board committees are to help the Board accomplish its responsibilities and are not assigned to perform staff functions or make final decisions. 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.

Section 2. Ordinary Committees.

- (a) <u>Standing Committees</u>. The standing committees of the JEA Board shall be: the Executive Committee; the Finance, Governance, and Audit Committee; the Capital Projects Committee, and the Compensation Committee, as further described in Policy 2.1.9 of the JEA Board Policy Manual. The JEA Board may establish additional standing committees from time to time, which shall be comprised of as many members of the JEA Board as determined by the JEA Board. 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 JEA Board.
- (b) Special Committees. The Chair may appoint special committees of the JEA Board from time to time to give particular and exclusive attention to a single subject matter because its technical nature or importance to JEA requires concentrated study. The Chair may specify one or more individuals who are not members of the JEA Board to 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. Unless otherwise specified by the Chair, a special committee shall have a specified period of time within which to study the matter and make its recommendation to the Board and shall dispatch as expeditiously as possible and proper the business assigned to it. Upon earlier of the fulfillment of its function or the expiration of the specified period of time (unless extended by the Chair), the committee shall be terminated with no further formal action required.
- **Section 3.** <u>Term of Committee Members</u>. 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 on the committee is appointed and has accepted such appointment, until the committee is terminated or dissolved, or, in the case of a special committee, has expired or fulfilled its function.
- 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.

POLICY CATEGORY I: BY-LAWS OF JEA

POLICY 1.0 POLICY TITLE: BY-LAWS OF JEA

Section 6. Committee Vacancies. The Chair of the JEA Board 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 7. <u>Conduct of Committee Business.</u> A majority of the entire membership of the committee shall constitute a quorum, and the quorum shall be physically present, unless otherwise provided by law. An act of the majority of the committee present at any meeting shall constitute the act of the committee. Any JEA Board member may attend any committee meeting and offer comments and observations, but only committee members may participate in committee debate on the matter, make motions, and vote. Except as provided otherwise herein, <u>Roberts Rules of Order</u> 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. Committees shall be subject to the requirements of Chapters 119 and 286, Florida Statutes. Reasonable notice shall be given prior to all committee meetings, and all committee meetings shall be open to the public. Opportunity for public comment shall be given prior to any action taken by a committee in accordance with the rules for public comment provided in Article V, below.

ARTICLE V - CONDUCT OF BOARD BUSINESS

- **Section 1.** Regular Meetings. Generally, the JEA Board shall meet once a month, but in no event less than eight (8) times a year. Regular meetings 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, 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 JEA Board may be called by the Chair or by any three (3) members. Special meetings shall be held at the principal offices of JEA in the City of Jacksonville, or at such other public place within the City of Jacksonville as may be determined by the Chair.
- Section 3. Notice of Special Meetings and Purpose. Notice of each special meeting of the members shall be given by the Chair or by the three (3) members who may have called such special meeting. Such notice shall be in writing and shall be provided to every member not less than seven (7) 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 individual Board member(s) to attend a regular or special meeting by teleconference or videoconference, provided that a quorum of members is physically present, unless otherwise provided by law. Except in the event of extenuating circumstances, requests to attend by teleconference or videoconference must be submitted to the Chair no less than seven (7) days prior to a regular meeting and no less than twelve (12) hours before any special meeting. 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, including, at a minimum, that all JEA Board members attending the meeting and all other participants in the meeting may hear and be heard by each other. A Board member or other person wishing to speak must first identify himself/herself to the Chair and request recognition from

POLICY CATEGORY I: BY-LAWS OF JEA

POLICY 1.0 POLICY TITLE: BY-LAWS OF JEA

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. In the case of any vote, the Chair shall call for a roll-call vote. It is the Board's policy that, where possible, all members be physically present at all Board meetings and that attendance by teleconference or videoconference be limited to emergencies or other unanticipated and unavoidable conflicts.

Section 5. Quorum and Votes Required for Action. A majority of the Board members shall constitute a quorum for the purpose of meeting and transacting business, and, unless otherwise provided by law, such quorum shall be physically present. A majority vote of the members present at the meeting 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 financial conflict of interest under Sections 112.311, 112.313, or 112.3143, Florida Statutes, as amended. In such case, the abstaining Board member shall comply with the participation limitations and disclosure requirements of Chapter 112, Florida Statutes. Members must be present and cast their own vote. Voting by proxy is not permitted. The Chair shall announce the results of every vote. After the announcement of the results of a vote, no vote may be changed or taken on the question unless a motion for reconsideration is approved.

Section 6. <u>Vacancies</u>. 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 the JEA Charter.

Section 7. Rules and Procedures. Except as provided otherwise in these By-Laws or in Policy 2.1.5 of the JEA Board Policy Manual, 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.

Section 8. Agenda. The agenda and any meeting materials for any regular, special and committee meetings shall be published in a conspicuous manner of the official JEA website generally no later than seventy-two (72) hours before the meeting; provided, however, that nothing in this Section shall prohibit JEA from amending previously published meeting agendas and meeting materials as may be necessary for the proper functioning of the Board or for other public purpose. The agenda shall be established in accordance with Policy 2.1.3.2 of the JEA Board Policy Manual.

Section 9. **Public Comment. Members of the** public shall be given a reasonable opportunity to be heard on a proposition before the Board. The opportunity to be heard need not occur at the same meeting at which the Board takes official action on the proposition if the opportunity occurs at a meeting that is during the decisionmaking process and is within reasonable proximity in time before the meeting at which the Board takes official action. This Section does not prohibit the Board from maintaining orderly conduct or proper decorum in a Board meeting. Unless otherwise provided by law, members of the public are not entitled to a reasonable opportunity to be heard in public meetings of the Board in the following circumstances:

- (a) The Board is making an official act that must be taken to deal with an emergency situation affecting the public health, welfare, or safety, if compliance with the requirements would cause unreasonable delay in the ability of the Board to act;
- (b) The Board is making an official act involving no more than a ministerial act, including, but not limited to, approval of minutes and ceremonial proclamations;
- (c) The meeting is exempt from Section 286.011, Florida Statutes; or

POLICY CATEGORY I: BY-LAWS OF JEA

POLICY 1.0 POLICY TITLE: BY-LAWS OF JEA

(d) The Board is acting in quasi-judicial capacity. This subsection does not affect the right of a person to be heard as otherwise provided by law.

Prior to addressing the Board, each person desiring to speak shall fill out a speaker card, provided by the Board Services staff, and return the completed card to the Board Services staff before speaking. The speaker card should contain the speaker's name, residential address and ZIP code, the date of the meeting at which they are speaking, the subject matter the person desires to address, and any entity, group, or organization the speaker may be representing. Speakers shall limit comments to three (3) minutes and may not assign any portion of that time to another speaker. For good cause, the Chair may elect to extend the time available for comment for any speaker.

For public comment on items that are not a proposition being considered by the Board, a general public comment period may be provided for persons to address the Board on matters which reasonably need the attention of the Board. Each person addressing the Board shall limit comments to three (3) minutes, unless extended by the Chair for good cause.

Members of the public shall address their comments to the Board as a whole and not to any member of the Board individually or any group of members. Persons shall not address the Board with personal, impertinent, or slanderous remarks or become boisterous. A member of the Board shall not engage in dialogue with persons making public comment unless the question or comment of the member is directed through the Chair or with the permission of the Chair.

Section 10. Executive Session. The Board may only meet in a private, closed "executive session" in accordance with the procedures set forth in this Section 10 and with Florida law, including but not limited to Sections 286.011(8) and 286.0113, Florida Statutes. All exempt portions of such a meeting shall be recorded and transcribed. No portion of the exempt meeting may be held off the record. Such recordings and transcripts shall be confidential and exempt from disclosure to the extent provided by law.

The Board and the CEO may meet in private with JEA's attorney to discuss pending litigation to which JEA is presently a party before a court or administrative agency, provided that the following conditions are met:

- (a) JEA's attorney shall advise the Board at a public meeting that he or she desires advice concerning the litigation.
- (b) The subject matter of the meeting shall be confined to settlement negotiations or strategy sessions related to litigation expenditures.
- (c) The entire session shall be recorded by a certified court reporter. The reporter shall record the times of commencement and termination of the session, all discussion and proceedings, the names of all persons present at any time, and the names of all persons speaking. No portion of the session shall be off the record. The court reporter's notes shall be fully transcribed and filed with the entity's clerk within a reasonable time after the meeting.
- (d) The entity shall give reasonable public notice of the time and date of the attorney-client session and the names of persons who will be attending the session. The session shall commence at an open meeting at which the persons chairing the meeting shall announce the commencement and estimated length of the attorney-client session and the names of the persons attending. At the conclusion of the attorney-client session, the meeting shall be reopened, and the person chairing the meeting shall announce the termination of the session.

POLICY CATEGORY I: BY-LAWS OF JEA

POLICY 1.0 POLICY TITLE: BY-LAWS OF JEA

(e) The transcript shall be made part of the public record upon conclusion of the litigation.

ARTICLE VI - EFFECT OF BY-LAWS

- **Section 1.** Purpose. These By-Laws are for the efficient operation of the Board. Noncompliance with these By-Laws shall not operate to invalidate any JEA Board action otherwise valid under applicable law or to give rise to, or form a basis for, any private right of action.
- **Section 2.** Suspension of By-Laws. Any rule or provision of these By-Laws may be temporarily suspended, unless such suspension would conflict with the provisions of Florida law, the JEA Charter, or the Ordinance Code of the City of Jacksonville, by the affirmative vote of four (4) members at any regular or special meeting, and shall remain suspended only for the time indicated in the motion. The rules and provisions of the By-Laws shall not be suspended to amend any rule or part thereof.
- **Section 3.** Amendments. 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 as an agenda item in the published agenda.

ctober, 2024, in Jacksonville, Florida.
JEA Board Secretary

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.0 POLICY TITLE: JEA BOARD MISSION, VISION, VALUES, GOALS & OBJECTIVES

- 2.1 **Mission:** The JEA Board will exercise ownership, management and operation of utilities systems within the City of Jacksonville and surrounding JEA service areas for the benefit of the City of Jacksonville and rate payers.
- 2.2 **Vision:** Make JEA the best in class for public utilities in the United States.

2.3 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.

2.4 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, JEA service area, 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 the JEA Charter.
- Secure the trust and confidence of the Jacksonville community, JEA service area and rate payers.
 - Objective: Strict adherence to the Sunshine and Open Records Laws, JEA Charter, Florida
 Jacksonville City Ethics Codes and JEA Code of Conduct.

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1 POLICY TITLE: GLOBAL GOVERNANCE PROCESS

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

- 2.1.1 **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.
- 2.1.2 **Board Job Description:** Specific responsibilities of the Board are those that ensure appropriate organizational performance.
- 2.1.3 **Agenda Planning:** To accomplish its responsibilities with a governance style consistent with Board policies, the Board may establish an annual agenda to (a) review the MOEs (measures of effectiveness) and (b) continually improve Board performance through education and deliberation.
- 2.1.4 **Board Officers:** Board officers assure the integrity of the Board's process and records. Board officers are: Chair, Vice-Chair and Secretary.
- 2.1.5 **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, By-Laws 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 immediate past Chai.
- 2.1.6 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.
- 2.1.7 **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.
- 2.1.8 **Board Committee Principles:** Board committees, when used, will be assigned so as to assist the Board and not to interfere with delegation from the Board to the CEO.
- 2.1.9 Board Committee Structure: A committee is a Board committee only if its existence and charge come from the Board, regardless of whether Board members sit on the committee. The only standing Board committees are those which are set forth in in this policy. With the exception of the standing committees, and unless otherwise stated, a committee ceases to exist as soon as its task is complete. The CEO will attend meetings of each committee and may participate in discussion and make recommendations to the Board, but shall not be a voting member.
- 2.1.10 **Improvement in Governance:** The Board will invest in continuous improvement in its governance capacity.
- 2.1.11 **Legal Representation:** The City Office of General Counsel (OGC) serves as the legal representative and advisor for the Board, CEO and JEA staff.

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.1 POLICY TITLE: GOVERNING STYLE

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

- 2.1.1.1 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 generally 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.
- 2.1.1.2 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.
- 2.1.1.3 Although the Board may change its Governance Process policies at any time, it will diligently observe those currently in force.
- 2.1.1.4 Continual Board development will include orientation of new Board members in the Board's governance process and an annual Board discussion of governance process improvement.
- 2.1.1.5 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.
- 2.1.1.6 Each member of the Board will respect the final determination of the Board as a whole concerning any particular matter, regardless of the member's personal position concerning such matter.

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.2 POLICY TITLE: BOARD JOB DESCRIPTION

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

- 2.1.2.1 The Board is the governing body of JEA and the authoritative link between JEA and its service area stakeholders and rate payers.
- 2.1.2.2 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.
- 2.1.2.3 The CEO annual evaluation will be done formally in person with the CEO and full Board, utilizing the CEO evaluation criteria in Appendix A1 (Executive Core Competencies)
- 2.1.2.4 The Board will evaluate its own performance annually as per Appendix A2 (JEA Board Evaluation Criteria).
- 2.1.2.5 Board members will respect their fiduciary responsibilities to own, manage and operate the utilities systems of JEA for the benefit of the JEA service area and rate payers with due diligence using sound business judgment consistent with the JEA Charter.

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.3 POLICY TITLE: AGENDA PLANNING

To accomplish its responsibilities with a governance style consistent with Board policies, the Board may establish an annual agenda to (a) complete a re-exploration of the Measures of Effectiveness (MOEs) policies at least annually and (b) continually improve Board performance through education and deliberation.

- 2.1.3.1 The Board may elect to schedule a retreat/workshop meeting annually around March to establish an annual agenda. The meeting, if scheduled, will be held in accordance with the Florida Sunshine and Open Government laws.
 - a. The Board will review the MOEs as often as necessary, but minimally once a year, giving balance to efficiency and reliability.
 - Consultations with selected groups of stakeholders, or other methods of gaining stakeholder input, may be part of the annual agenda.
 - c. Governance education and education related to the MOEs (presentations by forecasters, demographers, advocacy groups, staff, etc.) may be part of the annual agenda.
- 2.1.3.2 A tentative agenda for the Board's regular meetings will be established by the CEO and provided to the Chair, who shall then set the agenda for final approval by the Board.
 - a. The agenda along with supporting item documentation will be made available to Board members and the City Council Auditor (as per Section 21.03(e) of the JEA Charter) no later than seven (7) days prior to regular Board meetings and committee meetings. The agenda shall be published as provided in Section 8 of the JEA By-Laws.
 - b. Any Board member may bring up new business at the appropriate time on the agenda during any meeting. For any item of new business requiring a formal or detailed response or presentation from the Board or JEA staff, 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 seven (7) days in advance.

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.4 POLICY TITLE: BOARD OFFICERS

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

- 2.1.4.1 The Chair, as the presiding officer of the Board, ensures the integrity of the Board's processes and the proper execution of this JEA Board Policy Manual, and the orders and resolutions of the Board.
 - a. The Chair's role is to see that the Board behaves consistently within its own rules and policies and such other rules and regulations as may apply.
 - (1) Meeting discussion content will consist of issues that clearly belong to the Board to decide or to monitor according to Board policy.
 - (2) Deliberation will be fair, open, and thorough but also timely, orderly, and kept to the point.
 - b. The authority of the Chair consists in making decisions that fall within topics covered by Board policies on Governance Process and Board-Management Delegation, with the exception of (a) employment or termination of the CEO and (b) areas where the Board specifically delegates portions of this authority to others. The Chairman is authorized to use any reasonable interpretation of provisions in these policies.
 - (1) The Chair is empowered to chair Board meetings with all the commonly accepted powers of that position, such as ruling and recognizing.
 - (2) The Chair may delegate this authority but remains accountable for its use.
 - (3) The Chair may appoint members and a Chair for each Board Committee, unless otherwise stipulated by Board policies.
- 2.1.4.2 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.
- 2.1.4.3 The Board Secretary shall exercise oversight of the procedures used by JEA Staff to accurately produce and publish minutes of all Board and Committee meetings. Minutes from Board and Committee meetings will be posted in a conspicuous manner on the official JEA website within a reasonable period of times after the meeting concludes (which entails board/committee actioning approval of the minutes before posting), generally within seventy-two (72) hours after each meeting. Along with the Chair, the Secretary shall execute all instruments in writing necessary to be signed by JEA unless other designated by the JEA Board in accordance with the JEA Charter. The Secretary shall perform such other duties as from time to time may be assigned by the Board.

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.5 POLICY TITLE: RULES OF ORDER

Board meetings will be conducted in an orderly and fair process consistent with the requirements of Florida Law, Ordinances of the City of Jacksonville, the JEA Charter, By-Laws 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 immediate past Chair.

- 2.1.5.1 Board meetings will be conducted with punctuality and order and in accordance with the By-Laws of JEA.
 - 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 and decorum 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.
- 2.1.5.2 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 (amendments to 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.
 - 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.

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.5 POLICY TITLE: RULES OF ORDER

2.1.5.3 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 Counsel in attendance may serve the Board as a resource on Parliamentary Procedure.

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 1.1.6 POLICY TITLE: BOARD MEMBER'S CODE OF CONDUCT

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

- 2.1.6.1 Members are expected to represent the best interests of JEA. 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 JEA's services.
- 2.1.6.2 Members must avoid self-dealing and conflicts of interest with respect to their fiduciary responsibility. They shall comply with Chapter 112, Part III (Code of Ethics for Public Officers and Employees, Florida Statutes, and Chapter 602 (Jacksonville Code of Ethics), Ordinance Code of the City of Jacksonville.
- 2.1.6.3 Members may not attempt to exercise individual authority over JEA or JEA staff except as expressly set forth in Board policies.
 - a. Members' interaction with the CEO or with JEA staff must recognize the lack of authority vested in individual members except when expressly authorized by the Board. Accordingly, while interaction and communication with the CEO and JEA staff is permitted, an individual Board member shall not give orders or instructions, publicly or privately, to the CEO or to JEA staff.
 - 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 JEA or for the Board as a whole, except to repeat expressly 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 JEA employees or the CEO.
- 2.1.6.4 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.
- 2.1.6.5 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.

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.7 POLICY TITLE: BOARD MEMBER'S INDIVIDUAL RESPONSIBILITIES

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

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

- 2.1.7.1 Time Investment to Accomplish Board Responsibilities As Board contemplation, deliberation and decision-making are processes which require collaboration and participation, attendance at Board meetings is expected of Board members.
 - a. Expected Commitments:
 - (1) Regular and Special Board Meetings (Board members are expected to attend every Board meeting and in no event fewer than seventy percent (70%) of the regular Board meetings per year in person.)
 - (2) Annual Team Building (to include professional education)
 - (3) Annual CEO evaluation and Board Evaluation
 - (4) Bond Rating Agency Presentation (Board Chair is expected to attend)
 - b. Optional Involvement:
 - (1) Internal educational meetings with staff upon request
 - (2) Industry-related seminars and conferences
 - (3) Visit other utilities and related industries
- 2.1.7.2 Preparation and Participation Board members will prepare for Board and committee meetings and will participate productively in discussions, always within the boundaries of decorum 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.
- 2.1.7.3 Members as Individuals The CEO is accountable only to the Board as a whole, 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.

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.8 POLICY TITLE: BOARD COMMITTEE PRINCIPLES

Board committees, when used, will be assigned so as to assist the Board and not to interfere with delegation from the Board to the CEO.

- 2.1.8.1 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.
- 2.1.8.2 Board committees are advisory and may not speak or act for the Board, except when formally given such authority by the Board for specific purposes. Expectations and authority of a committee will be carefully and expressly stated at the time of its establishment in order to prevent conflict with authority delegated to the CEO or to another committee.
- 2.1.8.3 Board committees cannot provide direction to or exercise authority over JEA staff. The CEO works for the full Board and, therefore, will not be required to obtain the approval of a Board committee before taking an executive action.
- 2.1.8.4 Committees will be formed for a specific purpose only and may perform fact finding and/or recommendation functions for the Board. Each committee's purpose and function will be documented in a written charge. All committees are accountable to the Board as a whole.
- 2.1.8.5 This policy applies to any group 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 groups formed under the authority of the CEO.

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.9 POLICY TITLE: BOARD COMMITTEE STRUCTURE

A committee is a Board committee only if its existence and charge come from the Board, regardless of whether Board members sit on the committee. The only standing Board committees are those which are set forth in this policy. With the exception of the standing committees, and unless otherwise stated, a committee ceases to exist as soon as its task is complete. The CEO will attend meetings of each committee and may participate in discussion and make recommendations to the Board, but shall not be a voting member.

- 2.1.9.1 Executive Committee: The purpose of the Executive Committee is to recommend Board officers for election by the Board as a whole.
 - a. The Committee will be comprised of four (4) members. The current Board Chair (who shall serve as Chair of the committee), the current Vice Chair, the current Secretary, and the most immediate past Board Chair still remaining on the Board will constitute the Committee. If the most immediate past Chair is no longer serving on the Board, the current Board Chair shall select another Board member to fill out a committee of four.
 - b. The Committee shall be formed no later than January of each year and will make its recommendation to the Board for action no later than a Board meeting before April 1.
- 2.1.9.2 Finance, Governance, and Audit Committee: The purposes of the Finance, Governance, and Audit Committee are to assist the Board in (a) 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, and (b) updating the JEA Board documents, primarily this JEA Board Policy Manual, including the JEA By-Laws. The Committee will provide an open avenue of communication between the Board, Management, Audit Services, and external auditors.
 - a. The Committee will be comprised of three (3) members appointed annually by the Chair and confirmed by the Board. Two (2) members will constitute a quorum. The Board Chair shall appoint one of the Committee members as Chairperson of the Committee.
 - b. The Committee will meet at least four (4) 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, including but not limited to the JEA Charter;
 - (4) Financial reporting; and
 - (5) The External Auditor.

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.9 POLICY TITLE: BOARD COMMITTEE STRUCTURE

2.1.9.3 Capital Projects Committee: The purpose of the Capital Projects Committee is to assist the Board in the review of all current and future capital projects, including bid status, delivery method, RFP status, project execution and management status, and any other issues requiring Board awareness or action.

- a. The Committee will be comprised of at least three (3) members appointed annually by the Chair and confirmed by the Board. The Board Chair shall appoint one of the Committee members as Chairperson.
- b. The Committee will meet at least four (4) times per year. Special meetings may be called by any Committee member. Meeting dates, times and location will be announced to the entire Board.
- 2.1.9.4 Compensation Committee: The purpose of the Compensation Committee is to assist the Board in the review of any appointments or salary changes of the CEO and the Senior Leadership Team, which is compromised of the Chief Officers of JEA.
 - a. The Committee will be compromised of three (3) members. The current Board Chair (who shall serve as Chair of the committee), the Board Vice-Chair, and the most recent past Board Chair still remaining on the Board will constitute the Committee. If the most recent past Board Chair is no longer serving on the Board, the Board Secretary shall be a member.
 - b. The Committee will meet at least once per year. Special meetings may be called by any Committee member. Meeting dates, times and location will be announced to the entire Board.
- 2.1.9.5 Other standing committees may be established as designated by the Board.

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.10 POLICY TITLE: IMPROVEMENT IN GOVERNANCE

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

- 2.1.10.1 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.
 - 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 or consultant firm.
 - Outreach mechanisms can be used as needed to ensure the Board's ability to listen to stakeholder 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.
- 2.1.10.2 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
- 2.1.10.3 New Board members will complete all on-boarding requirements, which will generally include (a) a facilities orientation; b) a JEA email account; (c) filing financial disclosure Form 1; (d) a JEA photograph and JEA employee access pass; (e) executing Technology Services agreement, General Security Awareness Training; (f) Sunshine and Open Government Training; and (g) an ethics brief by the City's Office of Ethics, Compliance, and Oversight. New members shall coordinate with JEA executive staff to complete all requirements.
- 2.1.10.4 The Board will perform an annual self-evaluation generally in the form and format as provided in Appendix A2 (JEA Board Evaluation Criteria).

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.11 POLICY TITLE: LEGAL REPRESENTATION

The City Office of General Counsel (OGC) serves as the legal representative and advisor for the Board, CEO, and JEA Staff.

- 2.1.11.1 JEA shall be required to use the legal services of the Office of General Counsel, and the Office of General Counsel shall have the responsibility for furnishing legal services to JEA. JEA shall appropriate the funds necessary to meet the obligations for outside legal services as determined by the Office of General Counsel.
- 2.1.11.2 The City General Counsel has assigned a chief legal officer and other assistant general counsel and legal staff as full-time representation for JEA. In the event that OGC counsel cannot or should not provide legal services in a specific instance, OGC will appoint outside legal counsel, after consultation with JEA and at JEA's expense.
- 2.1.11.3. All senior-level employees, including the CEO and senior-level officers, directors and managers of JEA, shall be trained by OGC, in consultation with the Ethics Office, at least annually on Florida's open meetings laws, public records and ethics laws.

POLICY CATEGORY III: BOARD-MANAGEMENT DELEGATION

POLICY 3.0 POLICY TITLE: GLOBAL BOARD-MANAGEMENT

DELEGATION

The Board's direct 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.

- 3.0.1 **Unity of Control:** Only the Board may order or instruct the CEO, and only officially passed motions of the Board are binding on the CEO.
- 3.0.2 **Accountability of the CEO:** The CEO is the Board's direct 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.
- 3.0.3 **Delegation to the CEO:** The Board will instruct the CEO through written policies that prescribe the organizational Measures of Effectiveness (MOEs) to be achieved and will describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.
- 3.0.4 **CEO and Senior Leadership Remuneration:** Salary and benefits and other terms of employment for the CEO will be determined by contract. JEA may have an employment contract with the CEO only.
- 3.0.5 **Monitoring CEO Performance:** Board evaluation of the CEO will be done annually and based on Appendix 1, Executive Core Competencies, and CEO evaluation criteria.

POLICY CATEGORY III: BOARD-MANAGEMENT DELEGATION

POLICY 3.0.1 POLICY TITLE: UNITY OF CONTROL

Only the Board may order or instruct the CEO, and only officially passed motions of the Board are binding on the CEO.

- 3.0.1.1 Individual Board members, officers, or committees shall not give orders or instructions, public or privately, to the CEO, legal counsel or JEA staff and any such orders or instructions are not binding on the CEO, legal counsel or JEA staff.
- 3.0.1.2 Individual Board members and Board committees may interact and communicate with the CEO, legal counsel and JEA staff and may request information or assistance without requiring full Board authorization. The CEO can refuse such requests, however, to the extent that, in the CEO's opinion, the request requires a material amount of staff time or funds, or are disruptive. The CEO shall promptly inform the Board if he or she refuses any request from an individual Board member or Board committee.

POLICY CATEGORY III: BOARD-MANAGEMENT DELEGATION

POLICY 3.0.2 POLICY TITLE: ACCOUNTABILITY OF CEO

The CEO is the Board's direct 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.

- 3.0.2.1 Neither the Board as a whole nor individual Board members shall give orders or instructions to persons who report directly or indirectly to the CEO.
- 3.0.2.2 The Board shall not evaluate, either formally or informally, any legal counsel or JEA staff other than the CEO, though, the CEO shall discuss with the Board his or her evaluation of the executives identified as potential interim CEO successors as provided in Policy 4.0.5.
- 3.0.2.3 Nothing in this Policy 3.0.2 should be interpreted as limiting the Board's authority regarding budgetary or compensation matters.

POLICY CATEGORY III: BOARD-MANAGEMENT DELEGATION

POLICY 3.0.3 POLICY TITLE: DELEGATION TO THE CEO

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

- 3.0.3.1 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.
- 3.0.3.2 Should the CEO become aware that he or she has violated 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.

POLICY CATEGORY III: BOARD MANAGEMENT DELEGATION

POLICY 3.0.4 POLICY TITLE: CEO AND SENIOR LEADERSHIP REMUNERATION

Salary and benefits and others terms of employment for the CEO will be determined by contract. JEA may have an employment contract with the CEO only.

- 3.0.4.1 The Board, with the advice and recommendation of the Compensation Committee, shall employ and fix the compensation of the CEO, who shall serve at the pleasure of the Board, and shall employ and fix the compensation of the Senior Leadership Team.
- 3.0.4.2 The entire working time of the CEO shall be devoted to the performance of the duties such office and the CEO shall have no outside employment. Subject to the approval of the Board, the CEO may engage in or have unrelated business interests so long as such business interests do not interfere with the CEO's duties.
- 3.0.4.3 The CEO shall be a graduate of an accredited college or university, and have at least five (5) years of executive experience within the utilities industry.
- 3.0.4.4 The CEO shall have a fiduciary duty of loyalty, fidelity, and allegiance to act a t all times in the best interest of JEA and will act in a manner consistent with the responsibilities of the JEA Charter and other policies, rules, and regulations governing the conduct of JEA employees.
- 3.0.4.5 The CEO's contract term, including any renewal term, shall not exceed five (5) years.
- 3.0.4.6 The amount of severance pay, if any, shall not exceed the amounts allowed under Florida law and shall not be permitted if the CEO is terminated for cause or terminated for misconduct, as defined in Section 443.036(29), Florida Statutes, as amended.
- 3.0.4.7 The contract shall not contain a mandatory consulting, separation and transition, or similar agreement that is operative due to the CEO's termination without cause under the contract.
- 3.0.4.8 JEA shall not be required to release, indemnify or hold harmless the CEO against any claims except as otherwise permitted by law.
- 3.0.4.9 JEA shall not be required to pay for or provide legal counsel to the CEO beyond the legal counsel required of the Office of General Counsel pursuant to the JEA Charter or general law.
- 3.0.4.10 The contract shall contain a provision that the CEO serves at the pleasure of the JEA Board and may be terminated without cause at any time, and such provision may provide for not more than thirty (30) days advance notice to the CEO of such termination without cause.
- 3.0.4.11 The contract may contain a provision for termination of the CEO for cause, provided that "cause" shall be defined consistent with the definition as contained in Rule 9.05(a) of the Civil Service and Personnel Rules and Regulations of the City of Jacksonville.
- 3.0.4.12 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 workforce, and utility systems.
- 3.0.4.13 The contract may contain any such other terms as may be in the best interest of JEA and not inconsistent with this Policy 3.0.4, the JEA Charter, or applicable law.

POLICY CATEGORY III: BOARD MANAGEMENT DELEGATION

POLICY 3.0.4 POLICY TITLE: CEO AND SENIOR LEADERSHIP REMUNERATION

- 3.0.4.14 The contract must be reviewed and approved as to form and substance by the Office of General Counsel.
- 3.0.4.15 Nothing in this JEA Board Policy Manual or in the CEO's contract may be construed as a guarantee of employment for the CEO at any time, or for any length of time.
- 3.0.4.16 The CEO, department heads, deputy director of departments, staff assistants, division chiefs and assistant division chiefs shall not be included within the civil service system of JEA or the City of Jacksonville.

POLICY CATEGORY III: BOARD-MANAGEMENT DELEGATION

POLICY 3.0.5 POLICY TITLE: MONITORING CEO PERFORMANCE

Board evaluation of the CEO will be done annually and based on Appendix 1, Executive Core Competencies, and CEO evaluation criteria.

POLICY CATEGORY IV: EXECUTIVE MANDATES

POLICY 4.0 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.

- 4.0.1 **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.
- 4.0.2 **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.
- 4.0.3 **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.
- 4.0.4 **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.
- 4.0.5 **Workforce Readiness and Succession Planning:** The CEO shall oversee and ensure a workforce that is prepared to meet current or future business demands.
- 4.0.6 **Asset Protection:** The CEO shall oversee and ensure corporate assets are protected, adequately maintained and not unnecessarily risked.
- 4.0.7 **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.
- 4.0.8 **Communication and Support to Board:** The CEO shall oversee and ensure that the Board is informed and supported in its work.
- 4.0.9 **Regulatory/Legislative Requirements:** The CEO shall oversee and ensure regulatory and legislative actions that are favorable to the organization.
- 4.0.10 **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.
- 4.0.11 **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.

POLICY CATEGORY IV: EXECUTIVE MANDATES

POLICY 4.0.1 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.

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

POLICY CATEGORY IV: EXECUTIVE MANDATES

POLICY 4.0.2 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.

- 4.0.1 Operate with written personnel rules and regulations that:
 - a. clarify rules for staff
 - b. provide for effective handling of grievances
 - 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
- 4.0.2 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.
- 4.0.3 Provide a safe work environment.
- 4.0.4 Identify and provide training necessary to accomplish the quality of work expected.
- 4.0.5 Not allow discrimination or retaliation against any staff member for non-disruptive expression of dissent.
- 4.0.6 Acquaint staff with the CEO's interpretation of their protections under this policy.
- 4.0.7 Allow staff to be prepared to deal with emergency situations.
- 4.0.8 Ensure that the company's Core Values are routinely communicated and reinforced to all employees.

POLICY CATEGORY IV: EXECUTIVE MANDATES

POLICY 4.0.3 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.

- 4.0.3.1 Prevent the risk of incurring those situations or conditions described as unacceptable in Policy 4.0.4, "Financial Condition and Activities."
- 4.0.3.2 Include credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning and budgeting assumptions.
- 4.0.3.3 Identify the source for capital expenditures (e.g. internally generated cash, new debt, carry over funds from previous fiscal year).
- 4.0.3.4 Adhere to approved tariff rates and fees.
- 4.0.3.5 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.
- 4.0.3.6 Not provide less for Board prerogatives during the year than is set forth in Policy 2.1.10, "Improvement in Governance".
- 4.0.3.7 Provide to the Board a justification of any capital project likely to exceed \$50,000,000 in total cost or expense.

POLICY CATEGORY IV: EXECUTIVE MANDATES

POLICY 4.0.4 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:

- 4.0.4.1 Operate within the budget established for the fiscal year.
- 4.0.4.2 Not make budget transfers in excess of \$5,000,000 without Board approval.
- 4.0.4.3 Inform the Board in monitoring reports when reserves are required to meet current expenditures.
- 4.0.4.4 Maintain financial and accounting separation between electric, water and wastewater, and District Energy funds as required by regulatory agencies and bond covenants.
- 4.0.4.5 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:

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

POLICY CATEGORY IV: EXECUTIVE MANDATES

POLICY 4.0.5 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.

- 4.0.5.1 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 in the event of sudden loss of CEO services.
- 4.0.5.2 Prepare for long-term CEO succession.
- 4.0.5.3 Prepare for Executive Team succession.
- 4.0.5.4 Operate with strategic and tactical plans to have and maintain the right people, in the right place, with the right talent, skills and knowledge.
- 4.0.5.5 Develop a workforce that recognizes the value of cultural diversity in internal operations and in serving customers.

POLICY CATEGORY IV: EXECUTIVE MANDATES

POLICY 4.0.6 POLICY TITLE: ASSET PROTECTION

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

- 4.0.6.1 Insure adequately against theft and casualty and against liability and losses to Board members, staff, and the organization itself.
- 4.0.6.2 Not allow personnel who are not bonded to have access to material amounts of funds.
- 4.0.6.3 Not subject facilities and equipment to improper wear and tear or insufficient maintenance.
- 4.0.6.4 Not unnecessarily expose the organization, the Board, or its staff to claims of liability.
- 4.0.6.5 Operate with written claims policies that address fair treatment of claimants, legal liability, ratepayer costs and sound business practices.
- 4.0.6.6 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.
- 4.0.6.7 Receive, process, or disburse funds with sufficient controls.
- 4.0.6.8 Invest funds that are not in violation of JEA's Investment Policies.
- 4.0.6.9 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.

POLICY CATEGORY IV: EXECUTIVE MANDATES

POLICY 4.0.7 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.

- 4.0.7.1 Not change the CEO's own compensation and benefits or the compensation of the Senior Leadership without the approval of the Board, with the advice and recommendation of the Compensation Committee.
- 4.0.7.2 Not promise or imply unconditional permanent or guaranteed employment. JEA may not have an employment contract with any employee, other than the CEO.
- 4.0.7.3 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.

POLICY CATEGORY IV: EXECUTIVE MANDATES

POLICY 4.0.8 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:

- 4.0.8.1 Submission of monitoring data required by the Board in Policy 3.0.5, "Monitoring CEO Performance," in a timely, accurate, and understandable fashion, directly addressing provisions of Board policies being monitored, and including CEO interpretations consistent with Policy 3.0.3, "Delegation to the CEO," as well as relevant data.
- 4.0.8.2 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.
- 4.0.8.3 The Board receives decision information required periodically by the Board, and the Board is kept aware of relevant trends, including a report at each regular Board meeting relating any major issues or major financial transactions or losses and is otherwise aware of any significant incidental information it requires, including anticipated media coverage, threatened or pending lawsuits, and material internal and external changes.
- 4.0.8.4 The Board members are timely advised of major actions, including but not limited to any appointment, separation, or other change to the Senior Leadership Team; any variance of ten percent (10%) or more in total budgeted expenses or employee headcount; loans; bonds; reorganizations; strikes; or outages.
- 4.0.8.5 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 3.0).
- 4.0.8.6 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.
- 4.0.8.7 The Board is provided a workable mechanism for official Board, officer, or committee communications.
- 4.0.8.8 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.
- 4.0.8.9 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.
- 4.0.8.10 Providing a process to retain relevant background information on previous Board policy decisions.

POLICY CATEGORY IV: EXECUTIVE MANDATES

POLICY 4.0.9 POLICY TITLE: REGULATORY/LEGISLATIVE REQUIREMENTS

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

POLICY CATEGORY IV: EXECUTIVE MANDATES

POLICY 4.0.10 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:

4.0.10.1 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.

POLICY CATEGORY IV: EXECUTIVE MANDATES

POLICY 4.0.11 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.

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

POLICY CATEGORY V: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 5.0 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.

- 5.0.1 **Quality of Electric Service:** Provide clean, safe and reliable electric service to all prescribed consumers.
- 5.0.2 **Quality of Water Service:** Provide clean, safe and reliable water service to all prescribed consumers.
- 5.0.3 **Quality of Sewer Services:** Provide clean, safe and reliable sewer services to all prescribed consumers.
- 5.0.4 Cost of Service: Provide all utility services at a reasonable and accurate cost.
- 5.0.5 **Environmentally Sound:** Provide all utility services in a manner that is environmentally sound and sustainable.
- 5.0.6 **Informative Communication:** Effectively communicate with consumers and other stakeholders.
- 5.0.7 **Safety Standards:** Provide a safe work environment for all JEA staff.
- 5.0.8 Financial Integrity: Achieve fiscal targets to maintain and improve credit ratings.

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 5.0.1 POLICY TITLE: QUALITY OF ELECTRIC SERVICE

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

- 5.0.1.1 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.
- 5.0.1.2 Minimize the frequency of electric distribution system outages and report status through the System Average Interruption Frequency Index (SAIFI).
- 5.0.1.3 Minimize the frequency of electric distribution system voltage sags and report status through the System Average Root Mean Square Frequency Index (SARFI-80).
- 5.0.1.4 Minimize the duration of electric distribution system outages and report status through the System Average Interruption Duration Index (SAIDI).
- 5.0.1.5 Focus on reducing individual customer outages and report status through the customers experiencing more than five interruptions (CEMi-5).

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 5.0.2 POLICY TITLE: QUALITY OF WATER SERVICE

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

- 5.0.2.1 Annually update an Integrated Water Resource Plan (IWRP) to ensure consumers' future water supply needs are met at the lowest evaluated cost while also ensuring water resources are available for future generations. This includes a thorough evaluation of water supply alternatives.
- 5.0.2.2 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.
- 5.0.2.3 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.
- 5.0.2.4 Ensure compliance with JEA's Consumption Use Permit (CUP).

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 5.0.3 POLICY TITLE: QUALITY OF SEWER SERVICE

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

- 5.0.3.1 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.
- 5.0.3.2 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.

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 5.0.4 POLICY TITLE: COST OF SERVICE

Provide all utility services at a reasonable and accurate cost.

- 5.0.4.1 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.
- 5.0.4.2 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.
- 5.0.4.3 Achieve annual budgeted cost for electric service (per kwh), water service (per gallon) and sewer service (per gallon).

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 5.0.5 POLICY TITLE: ENVIRONMENTALLY SOUND

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

- 5.0.5.1 The CEO is expected to comply with all existing environmental regulations that apply.
- 4.5.2 Conservation: Pursue all options to communicate and incentivize customer conservation and efficiency while avoiding excessive customer cost.
 - a. Electric System: Maintain the electric conservation fund by collecting an additional one cent per kwh for every kwh over 2750 on monthly residential consumption and by allocating 50 cents per mwh of base rate revenues (a total of approximately 0.5% of electric gross revenues.) The funds are to be spent for customer conservation initiatives and incentives only.
- 5.0.5.3 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.
- 5.0.5.4 Incorporate in generation planning and other utility operations strategies and actions to reduce greenhouse gases.

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 5.0.6 POLICY TITLE: INFORMATIVE COMMUNICATION

Effectively communicate with consumers and other stakeholders.

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

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 5.0.7 POLICY TITLE: SAFETY STANDARDS

Provide a safe work environment for all JEA staff.

Accordingly,

5.0.7.1 Compliance is measured using OSHA's Recordable Incident Rate (RIR) calculation. JEA aspires to zero incidents, but also establishes an annual RIR target below average industry rates. Related preventive controls are validated by timely safety checks and closing of work order.

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 5.0.8 POLICY TITLE: FINANCIAL INTEGRITY

Achieve fiscal targets to maintain and improve credit ratings.

Accordingly,

5.0.8.1 Sections V and VI of the JEA Pricing Policy, as it may be amended, require ensuring the financial integrity of the Electric and Water/Sewer Systems respectively by establishing minimum annual total debt service coverage ratios and days of liquidity, maximum debt to asset ratios, and the maintenance of stabilization funds. Achieving these fiscal targets will help attain AA-level credit ratings.

APPENDICES

- A1 Executive Core Competencies
- A2 JEA Board Evaluation Criteria
- A3 JEA Charter (Article 21, City of Jacksonville Ordinance Code)

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.

A1- EXECUTIVE CORE COMPETENCIES

Focuses on the Customer

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

Fosters Teamwork

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

Manages and Supports Change

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

Visionary Strategist

- Develops the strategies and actions needed to make JEA 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

A1- EXECUTIVE CORE COMPETENCIES

Delegates to Others

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

Maintains Positive Public Relations

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

Actively Supports the JEA Board

- Keeps the Board 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 agenda materials at least seven (7) days prior to meetings so members can properly review and digest.
- Keeps the Board informed of any changes to the Senior Leadership Team

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.

A1- EXECUTIVE CORE COMPETENCIES

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

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

A1- EXECUTIVE CORE COMPETENCIES

CEO Evaluation Criteria

- 1. CEO maintains safety as a top priority and executes an effective risk mitigation plan.
- 2. KPAs and associated KPIs as per Policy Category IV MOEs.
- CEO ensures agenda 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.
- 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 Appendix A1).

A2 - JEA BOARD EVALUATION CRITERIA

The JEA Board will self-assess annually as per the Evaluation Criteria below. JEA's Compliance Office will be the third-party facilitator to assist board members in discussing survey results, consistent with the Florida Sunshine and Open Government laws, and deciding what is actionable.

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

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

General Comments (if any):		

A3 – JEA Charter (Article 21)

JEA Board Policy Manual

Style Definition: Normal: Font: 10 pt

Style Definition: Heading 2

Style Definition: Body Text Indent: Font: 10 pt

Style Definition: Body Text: Font: 10 pt

Style Definition: Body Text 2

Style Definition: Comment Text

Style Definition: Header Center

Style Definition: Hang 1

Style Definition: Block 1

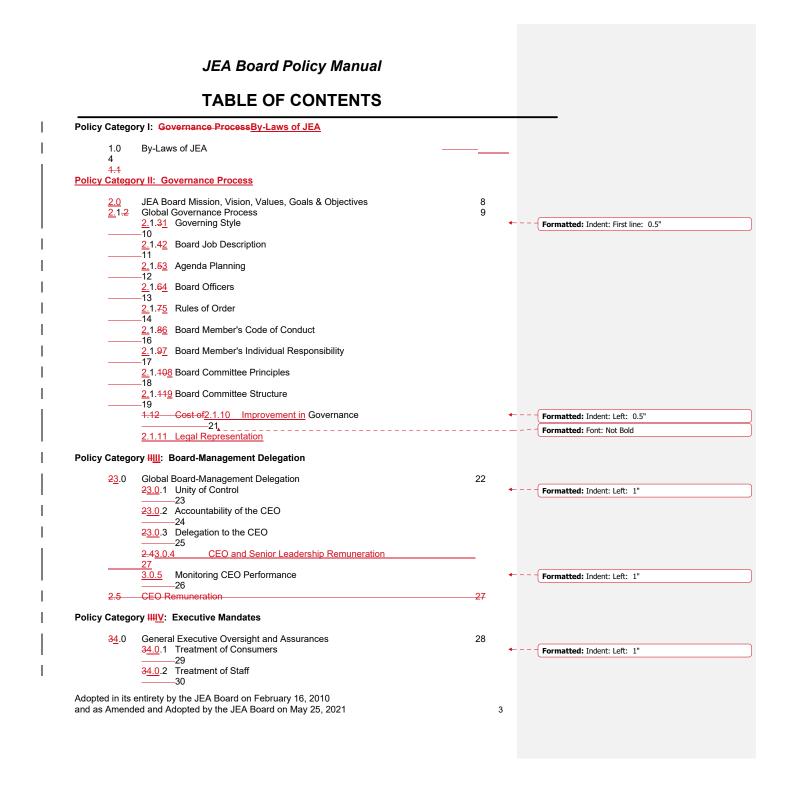
Style Definition: Paragraph 1

DatedAdopted by the JEA Board on this _____ day of May 2021October, 2024, in Jacksonville, Florida.

JEA Board Chair JEA Board Secretary

Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021.

	JEA Board Policy Manual	
	Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021 2	



JEA Board Policy Manual 34.0.3 Financial Planning/Budgeting 34.0.4 Financial Condition and Activities 34.0.5 Workforce Readiness and Succession Planning 34.0.6 Asset Protection 34.0.7 Compensation and Benefits 34.0.8 Communication and Support to the Board 34.0.9 Regulatory / Legislative Requirements 34.0.10 Enterprise Risk Management -38 34.0.11 Procurement Activities Formatted: Indent: Left: 0.5" Economic Development Policy Category IV: Measures of Effectiveness (MOEs) Electric Service Water Service 43 Sewer Service 44 Cost of Service 45 4.5 Environmentally Sound 46 Informative Communication Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021

TABLE OF CONTENTS (Cont'd)

5.0	MOEs	41
	5.0.1 Quality of Electric Service	42
	5.0.2 Quality of Water Service	<u>43</u>
	5.0.3 Quality of Sewer Service	44
	5.0.4 Cost of Service	45
	5.0.5 Environmentally Sound	46
	5.0.6 Informative Communication 5.0.7 Safety Standards	<u>47</u>
	5.0.7 Safety Standards 5.0.8 Financial Integrity	
		
<u>endices</u>		
A1	Executive Core Competencies	49 Formatted: Font: 12 pt
A2	JEA Board Evaluation Criteria	<u></u>
<u>A3</u>	JEA Charter (Article 21 of City of Jacksonville Ordinance Code)	54
A3-	JEA Board Evaluation Criteria	77

Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021

POLICY TYPE: GOVERNANCE PROCESS POLICY TITLE: BY-LAWS OF JEA Formatted: Font: Not Italic Formatted: Tab stops: Not at 3.5" POLICY TITLE: BY-LAWS OF JEA Formatted: Font: 12 pt ARTICLE I - JEA 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. Formatted: Font: 12 pt ARTICLE II - MEMBERS OF JEA GOVERNING BODY General Powers. The affairs of JEA shall be managed by the seven-member JEA governing body ("JEA Board") as provided in Article 21, Charter of the City of Jacksonville, as amended, ("JEA Charter"), and other applicable laws. Appointment, Number, TenureTerm, and Expense Reimbursement. The membership of the JEA Board shall be constituted in number, qualifications, manner of appointment, and tenureterm as provided in Article 21, the JEA Charter of the City of Jacksonville, as amended. Members of the JEA Board shall receivenot be entitled to pension or other retirement benefits on account of service on the JEA Board, but members shall be entitled to payment or reimbursement for allreasonable expenses incurred (e.g., travel expenses) which are reimbursableas prescribed by law the City Council by ordinance Applicable Laws. Members shall be subject to open government and ethics laws, Formatted: Font: Bold including the provisions of Section 286.012, Florida Statutes, as amended, relating to voting at meetings of JEA, and the provisions of Sections 112.31 through 112.3175, Florida Statutes, as amended, relating to financial disclosure and conflicts of interest. Additionally, members shall be subject to all other relevant and applicable laws and ordinances, including but not limited to, Chapter 286 (Public Business: Miscellaneous Provisions), Florida Statutes, as amended; Chapter 112, Part III (Code of Ethics for Public Officers and Employees), Florida Statues, as amended; Ch. 119 (Public Records), Florida Statutes, as amended; and

boards and commissions. **ARTICLE III - OFFICERS**

POLICY 1.0

POLICY 1.0

Section 1.

Elections Election; Term. 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 ChairNo Officer may serve fermore than two (2) consecutive one-year terms, which shall not include any period served as replacement ChairOfficer during the unexpired portion of the predecessor's term. Elections of Officers shall be conducted at the first regular a Board meeting in Marchbefore April 1, which may be preceded by a meeting of the nominating committee composed Executive Committee as provided in Policy 2.1.9 of the JEA Board acting as a whole or such other membership as the Chair may designate Policy Manual. The terms of the newly-elected Officers shall commence on April 1.

Chapter 602 (Jacksonville Code of Ethics), Ordinance Code of the City of Jacksonville, as amended.

by the office holding provisions as provided for under the Florida Constitution. No member shall be eligible to serve as a member while holding another office or being an employee of JEA. Members shall be required to take an oath of office consistent with the oath of office taken by other public officials serving on city

Office-Holding; Oath. JEA Board membership shall be considered an office and limited

JEA Board Policy Manual

Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021

6

Formatted: Font: Arial

Formatted: Heading 2

JEA Board Policy Manual <u>Vacancies</u>. A vacancy in any <u>efficeOffice of the JEA Board</u> because of death, illness, Section 2. removal or otherwise, may be filled by the remaining members for the unexpired term. **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 de 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. If the Chair's absence or disability has not resolved by the expiration of whichthe thirty-day period, a special election shall be conducted by the JEA Board and a permanent replacement Chair elected for the unexpired portion of the predecessor's term. Formatted: Indent: First line: 0" **POLICY CATEGORY I: BY-LAWS OF JEA** POLICY TITLE: BY-LAWS OF JEA POLICY 1.0 Formatted: Font: Bold 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. 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, Formatted: Font: 12 pt ARTICLE IV - BOARD COMMITTEES Purpose. Board committees are to help the Board accomplish its responsibilities and are not assigned to perform staff functions or make final decisions. 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. Section 2. Ordinary Committees. Standing Committees. The standing committees of the JEA Board shall be: the Executive Committee; the Finance, Governance, and Audit Committee; the Capital Projects Committee, and the Compensation Committee, as further described in Policy 2.1.9 of the JEA Board Policy Manual. The JEA Section ' Ordinary Committees. Formatted: Font: Bold Standing Committees. The Chair may appointestablish additional standing committees from time to time, which shall be composed comprised of as many members of the JEA Board as determined by the Chair JEA Board. The Chair Formatted: Indent: First line: 0" **POLICY TYPE: GOVERNANCE PROCESS** POLICY TITLE: BY-LAWS OF JEA Formatted: Font: 12 pt shall name one of the committee members as committee chair and one as committee vice-chair. Formatted: Indent: First line: 0.5" A standing committee shall continue until such time as it is terminated by the Chair JEA Board <u>Special Committees</u>. The Chair may appoint special committees <u>of the JEA Board</u> from time to time, and the Chair to give particular and exclusive attention to a single subject matter because its technical nature or importance to JEA requires concentrated study. The Chair may specify that one or more individuals who are not members of the JEA Board shallto 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 Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021

positions must be filled by current members of the JEA Board. When Unless otherwise specified by the Chair, a special committee has fulfilled shall have a specified period of time within which to study the matter and make its recommendation to the Board and shall dispatch as expeditiously as possible and proper the business assigned to it. Upon earlier of the fulfillment of its function or when the best interests of JEA have been served, the expiration of the specified period of time (unless extended by the Chair), the committee shall be terminated without with no further formal action required.

Section 23. <u>Term of Committee Members</u>. 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 on the committee is appointed and has accepted such appointment, eruntil the committee is terminated or dissolved, or, in the case of a special committee, has expired or fulfilled its function.

Section 34. 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.

POLICY CATEGORY I: BY-LAWS OF JEA

POLICY 1.0

POLICY TITLE: BY-LAWS OF JEA

Formatted: Font: 12 pt

Formatted: Font: 12 pt

Section 46. Committee Vacancies. The Chair of the JEA Board 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 57. Conduct of Committee Business. A majority of the entire membership of the committee shall constitute a quorum, and anthe quorum shall be physically present, unless otherwise provided by law. 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 Any JEA Board members as necessary to constitute a quorum. Such appointment is for the purpose of that meeting only. All JEA Board membersmember may attend and participate in any committee meeting and offer comments and observations, but only committee members have the right tomay participate in committee debate on the matter, 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. Committees shall be subject to the requirements of Chapters 119 and 286, Florida Statutes. Reasonable notice shall be given prior to all committee meetings, and all committee meetings shall be open to the public. Opportunity for public comment shall be given prior to any action taken by a committee in accordance with the rules for public comment provided in Article V, below

ARTICLE V - CONDUCT OF AUTHORITYBOARD BUSINESS

Section 1. Regular Meetings. Generally, the JEA Board shall meet once a month, but in no event less than eight (8) times a year. 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.

Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021

Formatted: Heading 2

Formatted: Font: 12 pt

Section 2. Special Meetings. Special meetings of the members_JEA Board may be called by the Chair or by any three (3) members_and_Special meetings 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.

Formatted: Font: 12 pt

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.0

POLICY TITLE: BY-LAWS OF JEA

Formatted: Font: 12 pt

Section 3. Notice of Special Meetings and Purpose. Notice of each special meeting of the members shall be given by the Chair or by the three (3) members who may have called such special meeting. Such notice shall be in writing and shall be provided to every member not less than seven [7] 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.

Formatted: Font: 12 pt

Section 4. Teleconference or Videoconference Meetings. The Chair may allow individual 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. a quorum of members is physically present, unless otherwise provided by law. Except in the event of extenuating circumstances, requests to attend by teleconference or videoconference must be submitted to the Chair no less than seven (7) days prior to a regular meeting and no less than twelve (12) hours before any special meeting. 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-, including, at a minimum, that all JEA Board members attending the meeting and all other participants in the meeting may hear and be heard by each other. A Board member or other person wishing to speak must first identify himself/herself to the Chair and request recognition from POLICY CATEGORY I: BY-LAWS OF JEA

POLICY 1.0 POLICY TITLE: BY-LAWS OF JEA

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. In the case of any vote, the Chair shall call for a roll-call vote. It is the Board's preferencepolicy that meetings, where possible, all members be held with a quorum physically present except, on occasion, when the at all Board needsmeetings and that attendance by teleconference or videoconference be limited to transact business for a special matter typically conducted at a special meetingemergencies or other unanticipated and unavoidable conflicts.

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.—Feur (4) affirmative votes, and, unless otherwise provided by law, such quorum shall be physically present. A majority vote of the members present at the meeting 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 financial conflict of interest—under Sections 112.311, 112.313, or 112.3143, Florida Statutes, as amended. In such case, the abstaining Board member shall comply with the participation limitations and disclosure requirements of Chapter 112, Florida Statutes, Members must be present and cast their own vote. Voting by proxy is not permitted. The Chair shall announce the results of every vote. After the announcement of the results of a vote, no vote may be changed or taken on the question unless a motion for reconsideration is approved.

Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021

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

Rules and Procedures. Except as provided otherwise hereinin these By-Laws or in Policy Section 7. 2.1.5 of the JEA Board Policy Manual, 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.

Agenda. The agenda and any meeting materials for any regular, special and committee meetings shall be published in a conspicuous manner of the official JEA website generally no later than seventy-two (72) hours before the meeting; provided, however, that nothing in this Section shall prohibit JEA from amending previously published meeting agendas and meeting materials as may be necessary for the proper functioning of the Board or for other public purpose. The agenda shall be established in accordance with Policy 2.1.3.2 of the JEA Board Policy Manual.

Public Comment. Members of the public shall be given a reasonable opportunity to be heard on a proposition before the Board. The opportunity to be heard need not occur at the same meeting at which the Board takes official action on the proposition if the opportunity occurs at a meeting that is during the decisionmaking process and is within reasonable proximity in time before the meeting at which the Board takes official action. This Section does not prohibit the Board from maintaining orderly conduct or proper decorum in a Board meeting. Unless otherwise provided by law, members of the public are not entitled to a reasonable opportunity to be heard in public meetings of the Board in the following

- (a) The Board is making an official act that must be taken to deal with an emergency situation affecting the public health, welfare, or safety, if compliance with the requirements would cause unreasonable delay in the ability of the Board to act:
- (b) The Board is making an official act involving no more than a ministerial act, including, but not
- (c) The meeting is exempt from Section 286.011, Florida Statutes; or

POLICY CATEGORY I: BY-LAWS OF JEA

POLICY 1.0

POLICY TITLE: BY-LAWS OF JEA

(d) The Board is acting in quasi-judicial capacity. This subsection does not affect the right of a person to be heard as otherwise provided by law.

Prior to addressing the Board, each person desiring to speak shall fill out a speaker card, provided by the Board Services staff, and return the completed card to the Board Services staff before speaking. The speaker card should contain the speaker's name, residential address and ZIP code, the date of the meeting at which they are speaking, the subject matter the person desires to address, and any entity, group, or organization the speaker may be representing. Speakers shall limit comments to three (3) minutes and may not assign any portion of that time to another speaker. For good cause, the Chair may elect to extend the time available for comment for any speaker.

For public comment on items that are not a proposition being considered by the Board, a general public comment period may be provided for persons to address the Board on matters which reasonably need the attention of the Board. Each person addressing the Board shall limit comments to three (3) minutes, unless extended by the Chair for good cause.

Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021 10

Formatted: Font: 12 pt

Formatted: Body Text, Indent: Left: 0.75", Space After: 0 pt, No bullets or numbering

Formatted: Font: Times New Roman

Formatted: List Paragraph, Left, Indent: Left: 0", First line:

Formatted: Font: Not Bold, Not Italic, Font color: Auto,

Members of the public shall address their comments to the Board as a whole and not to any member of the Board individually or any group of members. Persons shall not address the Board with personal, impertinent, or slanderous remarks or become boisterous. A member of the Board shall not engage in dialogue with persons making public comment unless the question or comment of the member is directed through the Chair or with the permission of the Chair.

Section 10. Executive Session. The Board may only meet in a private, closed "executive session" in accordance with the procedures set forth in this Section 10 and with Florida law, including but not limited to Sections 286.011(8) and 286.0113, Florida Statutes. All exempt portions of such a meeting shall be recorded and transcribed. No portion of the exempt meeting may be held off the record. Such recordings and transcripts shall be confidential and exempt from disclosure to the extent provided by law.

The Board and the CEO may meet in private with JEA's attorney to discuss pending litigation to which JEA is presently a party before a court or administrative agency, provided that the following conditions are met:

- (a) JEA's attorney shall advise the Board at a public meeting that he or she desires advice concerning the litigation.
- (b) The subject matter of the meeting shall be confined to settlement negotiations or strategy sessions related to litigation expenditures.
- (c) The entire session shall be recorded by a certified court reporter. The reporter shall record the times of commencement and termination of the session, all discussion and proceedings, the names of all persons present at any time, and the names of all persons speaking. No portion of the session shall be off the record. The court reporter's notes shall be fully transcribed and filed with the entity's clerk within a reasonable time after the meeting.
- (d) The entity shall give reasonable public notice of the time and date of the attorney-client session and the names of persons who will be attending the session. The session shall commence at an open meeting at which the persons chairing the meeting shall announce the commencement and estimated length of the attorney-client session and the names of the persons attending. At the conclusion of the attorney-client session, the meeting shall be reopened, and the person chairing the meeting shall announce the termination of the session.

POLICY CATEGORY I: BY-LAWS OF JEA

POLICY 1.0

POLICY TITLE: BY-LAWS OF JEA

(e) The transcript shall be made part of the public record upon conclusion of the litigation.

ARTICLE VI - AMENDMENTS TOEFFECT OF BY-LAWS

Section 1. Purpose. These By-Laws are for the efficient operation of the Board. Noncompliance with these By-Laws shall not operate to invalidate any JEA Board action otherwise valid under applicable law or to give rise to, or form a basis for, any private right of action.

Section 2. Suspension of By-Laws. Any rule or provision of these By-Laws may be temporarily suspended, unless such suspension would conflict with the provisions of Florida law, the JEA Charter, or the Ordinance Code of the City of Jacksonville, by the affirmative vote of four (4) members at any regular or special meeting, and shall remain suspended only for the time indicated in the motion. The rules and provisions of the By-Laws shall not be suspended to amend any rule or part thereof.

Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021

Formatted: Font: Times New Roman

Formatted: List Paragraph, Indent: Left: 0", First line: 0.5"

Formatted: Font: Bold

11

Formatted: Heading 2

Formatted: Body Text, Left

Section 3. Amendments. 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 inas an agenda item in the published agenda.

Formatted: Font: Not Bold

Formatted: Justified

Formatted: Normal, Tab stops: 3", Left

Adopted by the JEA Board on this day of October, 2024, in Jacksonville, Florida.

JEA Board Chair

JEA Board Secretary

Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021

JEA BOATU	Policy Manual		
POLICY <u>Typecategory II</u> : Governance P	PROCESS	← Fo	rmatted: Indent: Left: 0", First line: 0"
POLICY 1.0	POLICY TITL	E: BY-LAWS OF JEA	
ARTICLE VII - EFFECT OF BY-LAWS			
Noncompliance with these By-Laws shall not ope under applicable law.	erate to invalidate any JEA Board	d action otherwise valid	
Adopted in its entirety by the JEA Board on Febru and as Amended and Adopted by the JEA Board	any 16, 2010		

JEA Board Policy Manual **POLICY TYPE: GOVERNANCE PROCESS POLICY 1.12.0** POLICY TITLE: JEA BOARD MISSION, VISION, VALUES, **GOALS AND& OBJECTIVES** 2.1 Mission :_The JEA Board will exercise ownership, management and operateoperation of utilities systems within the Formatted: Indent: Left: 0", Hanging: 0.5" City of Jacksonville and surrounding JEA service areas for the benefit of 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. Formatted: Indent: Left: 0.5" 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. Formatted: Indent: Left: 0.5" Objective: Maintain a planning horizon that is forward looking and anticipate key decisions Formatted: Indent: Left: 0.75" to be made. Formatted: Indent: Left: 0.75" Act in the best interest of the JEA workforce, <u>JEA service area</u>, rate payers and the citizens of Jacksonville. Objective: Utilize the expertise of board members to enhance the ability of the board to ← --Formatted: Indent: Left: 0.75" act as a collective body. Formatted: Indent: Left: 0.75" Exercise due diligence so well-informed decisions are made. Objective: Use sound business judgement consistent with JEA's legislative charterthe JEA+ Formatted: Indent: Left: 0.75" Formatted: Indent: Left: 0.75' Secure the trust and confidence of the Jacksonville community, JEA service area and rate Objective: Strict adherence to the Sunshine lawsand Open Records Laws, JEA Charter, ← --Formatted: Indent: Left: 0.75" Florida & Jacksonville City Ethics Codes and JEA Code of Conduct. Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021 14

JEA Board Policy Manual	

Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021

POLICY TYPECATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.2 POLICY TITLE: GLOBAL GOVERNANCE PROCESS.

Formatted: Indent: Left: 0", First line: 0"

Formatted: Font: 12 pt

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

- 2.1.2.1 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.
- <u>2.1-2.2</u> **Board Job Description:** Specific responsibilities of the Board are those that ensure appropriate organizational performance.
- 2.1.2.3 Agenda Planning: To accomplish its responsibilities with a governance style consistent with Board policies, the Board will followmay establish an annual agenda thatto (a) reviewsreview the MOEs (measures of effectiveness) and (b) continually improves improve Board performance through education and deliberation.
- 2.1.-2.4 Board Officers: Board officers assure the integrity of the Board's Poccess and record's Poccess. Board officers are: -Chair, Vice-Chair and Secretary.
- 2.1.2.5 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_By-Laws 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 designeeimmediate past Chai.
- 2.1.2.6 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.
- 2.1.2.7 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.
- 2.1-2.8 Board Committee Principles: Board committees, when used, will be assigned so as to reinforceassist the wholeness of the Board's jobBoard and not to interfere with delegation from the Board to the CEO.
- 2.1-2.9 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 standing Board committees are those which are set forth in in this policy. UnlessWith the exception of the standing committees, and unless otherwise stated, a committee ceases to exist as soon as its task is complete. The CEO will attend meetings of each committee and may participate in discussion and make recommendations to the Board, but shall not have be a voteyoting member.
- 4.2.10 New Board Members On-Boarding Requirements: Coordinate with the JEA Executive Staff Assistant for exact requirements. Generally new board members will a) execute a facilities orientation; b) receive a JEA email account; c) file financial disclosure Form 1; d) get a JEA photograph and JEA employee access pass; e) execute Technology Services agreement, General

Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021

Security Awareness Training; and f) ethics brief by the City's Office of Ethics, Compliance, and Oversight.

- 1.2.11 JEA Board Evaluation: Done annually as per App A3.
- 2.1.10 Improvement in Governance: The Board will invest in continuous improvement in its governance capacity.
- 2.1.11 Legal Representation: The City Office of General Counsel (OGC) serves as the legal representative and advisor for the Board, CEO and JEA staff.

Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021

POLICY TYPECATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.1.3 POLICY TITLE: GOVERNING STYLE, Formatted: Font: 12 pt

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...

Formatted: Font: 12 pt

- 2.1.31.1 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 generally 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 Lawlaw contains requirements regarding Public Recordspublic records, conflicts of interest and voting which must be followed in the conduct of the Board's Board's Dusiness.
- 2.1.31.2 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.
- 2.1.1.3.3 Although the Board canmay change its Governance Process policies at any time, it will diligently observe those currently in force.
- 2.1.31.4 Continual Board development will include orientation of new Board members in the Board's governance process and an annual Board discussion of governance process improvement.
- 2.1.31.5 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.
- 2.1.31.6 Each member of the Board will respect the final determination of the Board as a whole concerning any particular matter, regardless of the member's member's personal position concerning such matter.

Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021

Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021

JEA Board Policy Manual POLICY TYPECATEGORY II: GOVERNANCE PROCESS **POLICY 2.1.42** POLICY TITLE: BOARD JOB DESCRIPTION Formatted: Font: 12 pt Specific responsibilities of the Board are those that ensure appropriate organizational performance. Accordingly, Formatted: Font: 12 pt The Board is the governing body of JEA and the authoritative link between the organization 2.1.42.1 and the ownershipJEA and its service area stakeholders and rate payers. <u>2.</u>1.4<u>2</u>.2 The Board will provide governing policies that realistically address the broadest levels of all organizational decisions and situations: Governance Process: Specification of how the Board develops, carries out, and monitors its own responsibilities. Formatted: Font: 12 pt b. Board-Management Delegation: Specification of how power is delegated and its proper use monitored; clarity on the CEO's role, authority, and accountability. Formatted: Font: 12 pt -Executive Mandates: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place, Formatted: Font: 12 pt Measures of Effectiveness: The organizational outcomes to its recipients including the relative worth of such outcomes in cost or priority. Formatted: Font: 12 pt This The CEO annual evaluation will be done formally in person with the CEO and full 2.1.42.3 board. Board, utilizing the CEO evaluation criteria as perin Appendix A1 (with CEO core competencies Executive Core Competencies) The Board will evaluate its own performance annually as per App A3. Appendix A2 (JEA <u>2.</u>1.4<u>2</u>.4 Board Evaluation Criteria). Board members will respect their fiduciary responsibilities to protectown, manage and enhanceoperate the valueutilities systems of JEA as a citizen-owned enterprise for the benefit of the JEA service area and rate payers with due diligence using sound business judgment consistent with JEA's legislative charterthe JEA Charter. Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021 20

JEA Board Policy Manual	

Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021

JEA Board Policy Manual POLICY TYPECATEGORY II: GOVERNANCE PROCESS POLICY 2.1.53 POLICY TITLE: AGENDA PLANNING Formatted: Font: 12 pt To accomplish its responsibilities with a governance style consistent with Board policies, the Board will follow<u>may establish</u> an annual agenda <u>thatto</u> (a) completes<u>complete</u> a re-exploration of the Measures of Effectiveness (MOEs) policies at least annually and (b) continually improvesimprove Board performance through education and deliberation. Accordingly, Formatted: Font: 12 pt The Board will-may elect to schedule a retreat/workshop meeting annually around March 2.1.53.1to establish its annual agenda during an annual retreat to be agenda. The meeting, if scheduled around March of each year, will be held in accordance with the Florida Sunshine and Open Government laws. The Board will review the MOEs as often as necessary, but minimally once a year-, giving balance to efficiency and reliability. Consultations with selected groups in the ownership of stakeholders, or other methods of b. gaining ownershipstakeholder input, willmay be scheduled as part of the annual agenda Formatted: Font: 12 pt Governance education and education related to the MOEs (presentations by futuristforecasters, demographers, advocacy groups, staff, etc.) willmay be-scheduled as part of the annual agenda, Formatted: Font: 12 pt The A tentative agenda for the Board's monthly meeting regular meetings will be established 2.1.53.2 through consultation withby the CEO and provided to the Chair and the CEO, who shall then set the agenda for final approval by the Board. The agenda along with supporting item documentation will be made available to Board members and the city auditor City Council Auditor (as per ArtSection 21.03(e) minimally of the JEA Charter) no later than seven (7) days prior to monthlyregular Board meetings and committee meetings. The agenda shall be published as provided in Section 8 of the JEA Formatted: Font: 12 pt AAny Board member may bring up new business at the appropriate time on the agenda during any meeting, however, if. For any item of new business requiring a formal or detailed response or presentation is necessary from the Board or JEA staff, 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 seven (7) days in advance, Formatted: Font: 12 pt Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021 22

JEA Board Policy Manual		
Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021		

JEA Board Policy Manual POLICY TYPECATEGORY II: GOVERNANCE PROCESS POLICY 2.1.64 POLICY TITLE: BOARD OFFICERS. Formatted: Font: 12 pt Board officers assure the integrity of the Board's Board's process and record's records. Board officers are: Chair, Vice-Chair, and Secretary. Accordingly, The Chair, a specially empowered memberas the presiding officer of the Board, ensures <u>2.</u>1.<u>64</u>.1 the integrity of the Board's processprocesses and, secondarily, occasionally represents the the proper execution of this JEA Board to outside parties Policy Manual, and the orders and resolutions The Chair's role is to see that the Board behaves consistently within its own rules and those policies and such other rules and regulations imposed upon it from outside the organizationas may apply Formatted: Font: 12 pt Meeting discussion content will consist of issues that clearly belong to the Board (1) to decide or to monitor according to Board policy, Formatted: Font: 12 pt (2) Deliberation will be fair, open, and thorough but also timely, orderly, and kept to Formatted: Font: 12 pt 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. Formatted: Font: 12 pt The Chair is empowered to chair Board meetings with all the commonly accepted (1) powers of that position, such as ruling and recognizing. Formatted: Font: 12 pt (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. The Chair may appoint members and a Chair for each Board Committee, unless otherwise stipulated by Board policies. 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. The Board Secretary is an officer of the Board whose purpose is to shall exercise oversight <u>2.</u>1.<u>64</u>.3 of the procedures used by the JEA Staff to accurately produce Minutes and publish minutes of all Board and Committee meetings and submission for public record within. Minutes from board Board and committee Committee meetings will be posted in a conspicuous manner on the official JEA website within a reasonable period of times after the meeting concludes (which entails board/committee actioning approval of the minutes before posting). J. generally within seventy-two (72) hours after each meeting. Along with the Chair, the Secretary shall execute all instruments in writing necessary to be signed by JEA unless other designated by the JEA Board in accordance Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021 24

with the JEA Charter. The Secretary shall perform such other duties as from time to time may be assigned by the Chair Note, refer to other reporting requirements contained in Article 21.04 sectionBoard.

1.6.4 All Board officers are accountable to the Chair unless otherwise determined by Board policy.

Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021

JEA Board Policy Manual POLICY TYPECATEGORY II: GOVERNANCE PROCESS **POLICY 2.1.75** POLICY TITLE: RULES OF ORDER Formatted: Font: 12 pt 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, BylawsBy-Laws 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 designeeimmediate past Chair. Accordingly Formatted: Font: 12 pt 2.1.75.1 Board meetings will be conducted with punctuality and order and in accordance with the Board meetings shall be called to order at the time specified in the notice of meeting and upon satisfaction of a quorum. Formatted: Font: 12 pt Meeting order and decorum shall be maintained and all members treated with dignity, h respect, courtesy, and fairness during discussion and debate and in all other respects. Formatted: Font: 12 pt Board members must keep their comments relevant to the issue under consideration. Formatted: Font: 12 pt 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. Board meetings will be conducted at a level of informality considered appropriate by the <u>2.</u>1.<u>75</u>.2 Chair, yet with predictable discipline. Discussion of a matter not on the previously distributed agenda may occur only after Board consent that the matter be heard. Formatted: Font: 12 pt 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 Formatted: Font: 12 pt The Chair may not make motions, but can engage in debate and is required to vote. C. d. A motion to amend a main motion may be amended but third level amendments (amendments to amendments) are not to be heard, Formatted: Font: 12 pt A motion to refer to a committee, postpone, or table, may be made with respect to a e. pending main motion, shall take precedence over the pending motion and, if carried, shall set the main motion (the initial proposal) aside accordingly. Board members may speak to a pending motion on as many occasions, and at such length, as the Chair may reasonably allow. 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. Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021 26

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.

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.7

POLICY TITLE: RULES OF ORDER

h. A motion to adjourn a Board meeting may be offered by any Board member or, on the conclusion of all business, adjournment of the meeting may be declared by the Chair.

1.7

Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021

JEA Board Policy Manual

POLICY	CATEGORY II:	GOVERNANCE	PROCESS

POLICY 2.1.5

POLICY TITLE: RULES OF ORDER

2.1.5.3 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 Counsel in attendance may serve the Board as a resource on Parliamentary Procedure.

Formatted: Underline

Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021

28

JEA Board Policy Manual POLICY TYPECATEGORY II: GOVERNANCE PROCESS POLICY 2.1.86 POLICY TITLE: BOARD MEMBER'S CODE OF CONDUCT. Formatted: Font: 12 pt 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, Formatted: Font: 12 pt Members are expected to represent the best interests of the ownershipJEA. 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 JEA's services. Members must avoid conflictself-dealing and conflicts of interest with respect to their <u>2.</u>1.<u>86</u>.2 fiduciary responsibility. Such conflicts of interest include but are not limited to the following: 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 They--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 interestcomply with Chapter 112, Part III (Code of Ethics for Public Officers and withdraw without comment not only from the vote but also from the deliberation. No board member will have an individual contractual relationship with JEA (directly or indirectly) Formatted: Indent: Left: 0' during their board tenure Employees, Florida Statutes, and for 2 years following member's date of termination from board membershipChapter 602 (Jacksonville Code of Ethics), Ordinance Code of the City of Jacksonville. Members may not attempt to exercise individual authority over the organization JEA or JEA 2.1.86.3 staff except as explicitly expressly set forth in Board policies. Members' interaction with the CEO or with <u>JEA</u> staff must recognize the lack of authority vested in individuals individual members except when explicitly expressly authorized by the Board. Accordingly, while interaction and communication with the CEO and JEA staff is permitted, an individual Board member shall not give orders or instructions, publicly or privately, to the CEO or to JEA staff. Members' interaction with the public, the press, or other entities must recognize the same b. limitation and the inability of any Board member to speak for JEA or for the Board as a whole, except to repeat explicitly expressly stated Board decisions, Formatted: Font: 12 pt 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 <u>JEA</u> employees or the CEO. Formatted: Font: 12 pt Members are expected to support the legitimacy and authority of the final determination of 2.1.86.4 the Board on any matter, without regard to the member's personal position on the issue. Members who have any question about the appropriateness of their conduct should consult with the Office of General counsel or appropriate Ethics offices for information. Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021 29

02.01	ECATE	GORY II: GOVERNANCE PROCESS	
POLICY <u>2.</u> 1.	9	POLICY TITLE: DIRECTORS'BOARD MEMBER'S INDIVIDUAL	Formatted: Tab stops: Not at 2.5"
RES	PONSIB	ILITYRESPONSIBILITIES	
The leadersh members.	nip succe	ess of the Board is a direct result of the individual and collegial participation of its	
Accordingly,	each Bo	ard member is expected to participate in the following ways:	Formatted: Font: 12 pt
	eration a	Investment to Accomplish Board Responsibilities — As Board contemplation, and decision-making are processes which require—wholeness, collaboration and attendance at Board meetings is expected of Board members.	
a.	Expe	cted Commitments;	Formatted: Font: 12 pt
	(1)	Monthly Board Meetings	
	<u>(1)</u>	Regular and Special Board Meetings (Board members are expected to attend every Board meeting and in no event fewer than seventy percent (70%) of the regular Board meetings per year in person.)	
	(2)	Annual Team Building (to include professional education)	
	(3)	Annual CEO evaluation and Board Self-Assessment-Evaluation	
	(4)	Bond Rating Agency Trip, 3 days Presentation (Board Chair is expected to attend).	
b.	Optio	nal Involvement;	Formatted: Font: 12 pt
	(1)	Internal educational meetings with staff upon request	Formatted: Font: 12 pt
	(2)	Industry-related seminars and conferences	Formatted: Font: 12 pt
	(3)	Visit other utilities and related industries	Formatted: Font: 12 pt
disci	ings an oline<u>dec</u>o	aration and Participation - Board members will prepare for Board and committee d will participate productively in discussions, always within the boundaries of brum established by the Board. Each member will contribute his or her own kills and expertise to the Board's efforts to fulfill its responsibilities.	
	e, and no	bers as Individuals — The CEO is accountable only to the Board as an organizationa of to individual Board members. Accordingly, the relationship between the CEO and mbers of the Board, including the Chair, is collegial, not hierarchical.	
Nalomie 4 : ''		thuthe IEA Deard on February 16, 2010	
		by the JEA Board on February 16, 2010 Adopted by the JEA Board on May 25, 2021 30	

JEA Board Policy Manual

POLICY TYPECATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.408 POLICY TITLE: BOARD COMMITTEE PRINCIPLES,

Formatted: Font: 12 pt

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

Accordingly.

Formatted: Font: 12 pt

Accordingly,

- 2.1.408.1 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.
- 2.1.408.2 Board committees are advisory and may not speak or act for the Board, except when formally given such authority by the Board for specific purposes. Expectations and authority of a committee will be carefully and expressly stated at the time of its establishment in order to prevent conflict with authority delegated to the CEO or to another committee.
- 2.1.408.3 Board committees cannot provide direction to or exercise authority over <u>JEA</u> staff. The CEO works for the full Board, and <u>will</u>, therefore, <u>will</u> not be required to obtain the approval of a Board committee before <u>taking</u> an executive action.
- 2.1.408.4 Committees will be formed for a specific purpose only.—Its and may perform fact finding and/or recommendation functions for the Board. Each committee's purpose and function will be documented in a written charge. All committees are accountable to the Board as a whole.
- 2.1.408.5 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. It does not apply to committeesgroups formed under the authority of the CEO.

Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021

31

JEA Board Policy Manual POLICY TYPECATEGORY II: GOVERNANCE PROCESS POLICY 2.1.119 POLICY TITLE: BOARD COMMITTEE STRUCTURE Formatted: Font: 12 pt 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 With the exception of the standing committees, and unless otherwise stated, a committee ceases to exist as soon as its task is complete. The CEO will attend meetings of each committee and may participate in discussion and make recommendations to the Board, but shall not have be a votevoting member. Accordingly. Formatted: Font: 12 pt Accordingly, Formatted: Font: 12 pt Nominating Executive Committee: The purpose of the Nominating committee Executive 2.1.119.1 Committee is to recommend Board officers for election by the Board as a whole. The Nominating Committee will be comprised of threefour (4) members. The current Board Chair (who shall serve as Chair of the committee), the current Vice Chair, the current Secretary, and the two most immediate past Chairs Board Chair still remaining on the Board will constitute the Committee. If one or morethe most immediate past ChairsChair is no longer serving on the Board, the current Board Chair shall select another Board members member to fill out a committee of three four, Formatted: Font: 12 pt 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 Marchno later than a Board meeting Formatted: Font: 12 pt Finance, Governance, and Audit Committee: The purpose purposes of the Finance, 2.1.119.2 Governance, and Audit Committee isare to assist the Board in (a) 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, and (b) updating the JEA Board documents, primarily this JEA Board Policy Manual, including the JEA By-Laws. Committee will provide an open avenue of communication between the Board, Management, Audit Services, and external auditors. The Finance and Audit-Committee will be comprised of three (3) members appointed annually by the Chair and confirmed by the Board. Two (2) members will constitute a quorum. The Board Chair shall appoint one of the Committee members as Chairperson of the Committee. The Committee will meet at least four (4) times per year. A schedule of regular meetings b. 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, Formatted: Font: 12 pt The Committee shall oversee; Formatted: Font: 12 pt Internal controls and risk assessment; (1) (2)Audit Services; Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021 32

JEA Board Policy Manual

- (3) Compliance with laws, regulations and code of conduct. including but not limited to the JEA Charter;
- (4) Financial reporting; and
- d.(5) The Committee will oversee the External Auditor.

Formatted: Indent: Left: 1"

Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021

33

JEA Board Policy Manual POLICY TYPECATEGORY II: GOVERNANCE PROCESS POLICY 2.1.119 POLICY TITLE: BOARD COMMITTEE STRUCTURE Formatted: Font: 12 pt 2.1.119.3 Governance Capital Projects Committee: The purpose of Governancethe Capital Projects Committee is to assist the Board in updating the JEA Board documents, primarily the Board Policy Manual (which includes the JEA By-Laws). review of all current and future capital projects, including bid status, delivery method, RFP status, project execution and management status, and any other issues requiring Board awareness or action. <u>-</u>а. The Governance Committee will be comprised of at least three (3) members appointed Formatted: Space After: 12 pt annually by the Chair, and confirmed by the Board. The Board Chair shall appoint one of the Committee members as Chairperson. **−**b. The Committee will meet at least once four (4) times per year. Special meetings may be Committee member. Meeting dates, times and location will be announced to the entire-Formatted: Space After: 12 pt 2.1.9.4 Compensation Committee: The purpose of the Compensation Committee is to assist the Board in the review of any appointments or salary changes of the CEO and the Senior Leadership Team, which is compromised of the Chief Officers of JEA. The Committee will be compromised of three (3) members. The current Board Chair (who shall serve as Chair of the committee), the Board Vice-Chair, and the most recent past Board Chair still remaining on the Board will constitute the Committee. If the most recent past Board Chair is no longer serving on the Board, the Board Secretary shall be a member. The Committee will work with JEA Staff Compliance Officer to oversee compliance of all applicable provisions in City Council Article 21. 4.11.4 The Committee will meet at least once per year. Special meetings may be called by any Committee member. Meeting dates, times and location will be announced to the entire 2.1.9.5 Other Committeesstanding committees may be established as designated by the ChairBoard. Formatted: Indent: Left: 0", Hanging: 0.5", Space After: Adopted in its entirety by the JEA Board on February 16, 2010

34

and as Amended and Adopted by the JEA Board on May 25, 2021

	JEA Board Policy Manual	
POLICY <mark>TYP</mark>	ECATEGORY II: GOVERNANCE PROCESS	
POLICY <u>2.</u> 1. <i>±</i> <i>GOV</i>	1210 POLICY TITLE: COST OF IMPROVEMENT IN ← ERNANCE	Formatted: Tab stops: 3.19", Left + Not at 3.5"
	ill invest in continuous improvement in its governance capacity.	
Accordingly .		Formatted: Font: 12 pt
1.12 2.1- <u>.10.1</u>	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.	Formatted: Font: 12 pt
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 or consultant firm	Formattods Foots 12 ot
C.	Outreach mechanisms can be used as needed to ensure the Board's ability to listen to ewnerstakeholder viewpoints and values.	Formatted: Font: 12 pt
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.	·
prepa may i	—_Costs for appropriate Board governance will be included during annual budget arations. Any expenditure required will be in accordance with JEA procurement policies. Items 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	Formatted: Font: 12 pt
C.	Audit and other third-party monitoring of organizational performance	Formatted: Font: 12 pt
d.	Surveys, focus groups, opinion analysis, and meeting costs	Formatted: Font: 12 pt
	s entirety by the JEA Board on February 16, 2010 ded and Adopted by the JEA Board on May 25, 2021 35	

2.1.10.3 New Board members will complete all on-boarding requirements, which will gene	erally include (a)
a facilities orientation; b) a JEA email account; (c) filing financial disclosure Fo	rm 1; (d) a JĖA
photograph and JEA employee access pass; (e) executing Technology Servi	ices agreement,
General Security Awareness Training; (f) Sunshine and Open Government Train	ning; and (g) an
ethics brief by the City's Office of Ethics, Compliance, and Oversight. New	members shall
coordinate with JEA executive staff to complete all requirements.	

2.1.10.4 The Board will perform an annual self-evaluation generally in the form and format as provided in Appendix A2 (JEA Board Evaluation Criteria).

Page 36 of 108

POLICY TYPECATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.11

POLICY TITLE: LEGAL REPRESENTATION

The City Office of General Counsel (OGC) serves as the legal representative and advisor for the Board, CEO, and JEA Staff.

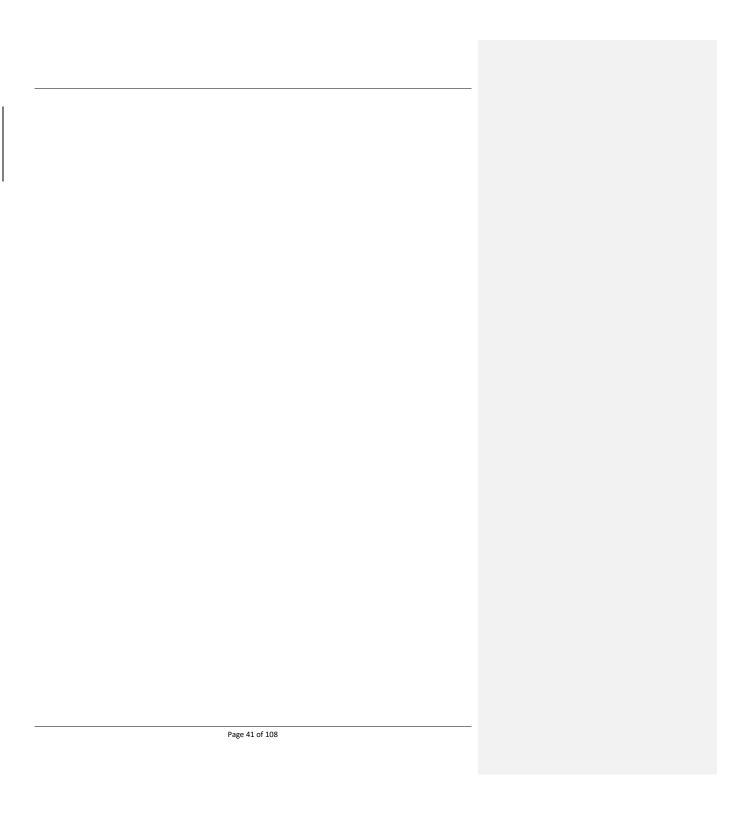
- 2.1.11.1 JEA shall be required to use the legal services of the Office of General Counsel, and the Office of General Counsel shall have the responsibility for furnishing legal services to JEA. JEA shall appropriate the funds necessary to meet the obligations for outside legal services as determined by the Office of General Counsel.
- 2.1.11.2 The City General Counsel has assigned a chief legal officer and other assistant general counsel and legal staff as full-time representation for JEA. In the event that OGC counsel cannot or should not provide legal services in a specific instance, OGC will appoint outside legal counsel, after consultation with JEA and at JEA's expense.
- 2.1.11.3. All senior-level employees, including the CEO and senior-level officers, directors and managers of JEA, shall be trained by OGC, in consultation with the Ethics Office, at least annually on Florida's open meetings laws, public records and ethics laws.

Page 37 of 108

POLIC	Y 23.0 POLICY TITLE: GLOBAL BOARD-MANAGEMENT	Formatted: Font: 12 pt
	DELEGATION	<u> </u>
will be	ard's sole-official <u>direct</u> connection to the operational organization, its achievements, and conduct through a chief executive officer titled Managing Director / CEO, referred to within this document as CEO.	
Accordi	ngly,	Formatted: Font: 12 pt
2 <u>3</u> .0.1	Unity of Control: Only the Board may order or instruct the CEO, and only officially passed motions of the Board are binding on the CEO.	
2 <u>3</u> .0.2	Accountability of the CEO: The CEO is the Board's <u>onlydirect</u> 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.	
<mark>23</mark> .0.3	Delegation to the CEO: The Board will instruct the CEO through written policies that prescribe the organizational Measures of Effectiveness (MOEs (measures of effectiveness) to be achieved and will describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.	
2 <u>3</u> .0.4	CEO and Senior Leadership Remuneration: Salary and benefits and other terms of employment for the CEO will be determined by contract. JEA may have an employment contract with the CEO only.	
2 <u>3</u> .0.5	Core Competencies: Monitoring CEO Performance: Board evaluation of the CEO will be done annually and based on Appendix 1, Executive Core Competencies-are included in the Appendix, and CEO evaluation criteria.	

TYPE
Page 39 of 108

OLICY CATEGORY III: BOARD-MANAGE	MENT DELEGATION	
POLICY <u>23.0</u> .1	POLICY TITLE: UNITY OF CONTROL	Formatted: Font: 12 pt
Only		
Only the Board may order or instruct the CEO on the CEO.	<u>and only</u> officially passed motions of the Board are binding	
Accordingly		Formatted: Font: 12 pt
shall not give orders or instructions, pr	ndividualIndividual Board members, officers, or committees ublic or privately, to the CEO, legal counsel or JEA staff and t binding on the CEO, legal counsel or JEA staff.	
and communicate with the CEO, leg assistance without requiring full Boar however, to the extent that require, in of staff time or funds, or are disruptive	I members e <u>rand Board</u> committees <u>requestingmay interact</u> <u>al counsel and JEA staff and may request</u> information or dauthorization, <u>the. The</u> CEO can refuse such requests, the CEO's opinion, <u>the request requires</u> a material amount. The CEO shall promptly inform the Board if <u>requestshe or individual</u> Board <u>membersmember</u> or <u>committees are</u>	



POLICY TYPECATEGORY III: BOAF	PD MANAGEMENT DELEGATION	
POLICY 23.0.2	POLICY TITLE: ACCOUNTABILITY O	F CEO Formatted: Font: 12 pt
		Formatical Folic 12 pt
The CEO is the Board's enlydirect lin accountability of staff, as far as the Bo the CEO.	k to operational achievement and conduct, so that all author pard is concerned, is considered the authority and accounta	ity and bility of
Accordingly		Formatted: Font: 12 pt
2 <u>3.0</u> .2.1 The Neither the Boar nevershall give orders or instru	d as a body and whole nor individual board Board member actions to persons who report directly or indirectly to the CEC	ers will
staff other than the CEO. How	ot evaluate, either formally or informally, any <u>legal counsel</u> ever, though, the CEO will <u>shall</u> discuss his evaluation with the recutives identified as potential interim CEO successors (ref	Board
3.0.2.3 Nothing in this Policy 3.0.2	should be interpreted as limiting the Board's authority rec	<u>garding</u>
budgetary or compensation m	<u>atters.</u>	
	Dags 43 of 100	
	Page 42 of 108	

		_
POLICY <mark>TYPECATEGORY III</mark> : BOAF POLICY <mark>23.0.</mark> 3	RD_MANAGEMENT DELEGATION POLICY TITLE: DELEGATION TO THE CE	Formatted: Font: 12 pt
<u>-</u>		
	ugh written policies that prescribe the organizational {Measures and will describe organizational situations and actions to be avoide ole interpretation of these policies.	
Accordingly		Formatted: Font: 12 pt
specified recipients, at a spec	op policies instructing the CEO to achieve specified results, for ified cost. These policies will be developed systematically from the more defined levels and will be captured in the MOEs.	for ne
she shall promptly inform the intentionally kept from the Bo disapproving, does not exemp	tebecome aware that he or she has violated a Board policy, he can be a Board. Informing is simply to guarantee no violation may be ard, not to request approval. Board response, either approving catter the CEO from subsequent Board judgment of the action nor does	pe or s it
curtail any executive decision,	·	Formatted: Font: Italic
	Page 43 of 108	
	1 age 40 VI 100	

Page 44 of 1	108

POLICY TYPECATEGORY III: BOARD MANAGEMENT DELEGATION
--

POLICY 23.0.4 ——POLICY TITLE: MONITORING CEO PERFORMANCE

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

Page 45 of 108

AND SENIOR LEADERSHIP. POLICY TYPE: BOARD MANAGEMENT DELEGATION	,	Formatted: Font: Times New Roman
POLICY 2.5	POLICY TITLE: CEO REMUNERATION	Formatted: Tab stops: Not at 3.5"
Salary and benefits and others terms of employment for that an employment contract with the CEO only.	he CEO will be determined by contract. <u>JEA may</u>	
	with the advice and recommendation of the he compensation of the CEO, who shall serve at and fix the compensation of the Senior Leadership	
3.0.4.2-5.2 The entire working time of the CEO shandsuch office and the CEO shall have no outs Board, the CEO may engage in or have unrelated interests do not interfere with the CEO's duties.	all be devoted to the performance of the duties side employment. <u>Subject to the approval of the ed</u> business <u>interests so long as such business</u>	
2.5.3 – 0.4.3 The CEO shall be a graduate of an accre (5) years of executive experience within the utilitie	edited college or university, and have at least <u>five</u> es industry.	
23.0.4.5.5 The CEO's contract term, including any r	enewal term, shall not exceed five (5) years.	
	all not exceed the amounts allowed under Florida inated for cause or terminated for misconduct, as as amended.	
2.53.0.4.7— The contract shall not contain a mandato agreement that is triggeredoperative due to the contract.	ry consulting, separation and transition, or similar the CEO's termination without cause under the	
2.53.0.4.8- JEA shall not be required to release, in claims except as otherwise required permitted by	demnify or hold harmless the CEO against any law.	
	rovide legal counsel to the CEO beyond the legal sel pursuant to the CityJEA Charter of Floridaor	
2.53.0.4.10 — The contract shall contain a provision the members Board and may be terminated with or with provide for not more than thirty (30) days advant cause.	ithout cause <u>. at any time, and such provision may</u>	
		Formatted: Not Highlight
2.5.11 3.0.4.11 The contract may contain a provision for "cause" shall be defined consistent with the det Service and Personnel Rules and Regulations of	finition as contained in Rule 9.05(a) of the Civil	(Street Colony and Co

3.0.4.12	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 sizeworkforce, and utility systems.
2.5.12	3.0.4.13 The contract may contain any such other terms as may be in the best interest of JEA and not inconsistent with this Policy 3.0.4, the JEA Charter, or applicable law.
_	
	Page 47 of 108

POLICY CATEGORY III: BOARD MANAGEMENT DELEGATION

POLICY 3.0.4 POLICY TITLE: CEO AND SENIOR LEADERSHIP REMUNERATION

3.0.4.14 The contract must be reviewed and approved as to form and substance by the Office of General Counsel.

3.0.4.15 Nothing in this JEA Board Policy Manual or in the CEO's contract may be construed as a guarantee of employment for the CEO at any time, or for any length of time.

3.0.4.16 The CEO, department heads, deputy director of departments, staff assistants, division chiefs and assistant division chiefs shall not be included within the civil service system of JEA or the City of Jacksonville.

Formatted: Font: Not Bold

Formatted: Justified

Page 48 of 108

POLICY TYPECATEGORY III: BOARD-MANAGEMENT DELEGATION

POLICY 3.0.5

POLICY TITLE: MONITORING CEO PERFORMANCE

Board evaluation of the CEO will be done annually and based on Appendix 1, Executive Core Competencies, and CEO evaluation criteria.

Page 49 of 108

POLICY CATEGORY IV: EXECUTIVE MANDATES

POLICY 34.0 POLICY TITLE: GENERAL EXECUTIVE OVERSIGHT AND ASSURANCES.

Formatted: Font: 12 pt

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.

- 34.0.1 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.
- 34.0.2 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.
- 34.0.3 **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.
- 34.0.4 **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.
- 34.0.5 Workforce Readiness and Succession Planning: The CEO shall oversee and ensure a workforce that is prepared to meet current or future business demands.
- 34.0.6 **Asset Protection:** The CEO shall oversee and ensure corporate assets are protected, adequately maintained and not unnecessarily risked.
- 34.0.7 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.
- 34.0.8 Communication and Support to Board: The CEO shall oversee and ensure that the Board is informed and supported in its work.
- 34.0.9 **Regulatory/Legislative Requirements:** The CEO shall oversee and ensure regulatory and legislative actions that are favorable to the organization.
- 34.0.10 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.
- 34.0.11 **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.

Page 50 of 108

POLICY TYPECATEGORY IV: EXECUTIVE MANDATES POLICY TITLE: TREATMENT OF CONSUMERS. **POLICY 34.0.1** Formatted: Font: 12 pt 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: Formatted: Font: 12 pt 3.1<u>4.0</u>.1 Elicit information for which there is a clear necessity. Use methods of collecting, reviewing, transmitting, or storing client information that will 3.1<u>4.0</u>.2 protect against improper access. Operate facilities with appropriate accessibility and privacy. 3.14.0.3 Articulate to consumers a clear understanding of what they can expect from services 3.14.0.4 offered. Operate with clearly established and updated Customer Service procedures and published 3.14.0</u>.5 rules and regulations for service. 3.14.0.6 Operate with mechanisms for collecting consumer complaints that provide for resolution at the lowest staff level and also include prompt response when warranted. Page 51 of 108

POLICY TYPECATEGORY IV: EXECUTIVE MANDATES **POLICY 34.0.2** POLICY TITLE: TREATMENT OF STAFF. Formatted: Font: 12 pt 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: Formatted: Font: 12 pt 3.2<u>4.0</u>.1 Operate with written personnel rules and regulations that: a. clarify rules for staff b. provide for effective handling of grievances protect against wrongful conditions such as nepotism and grossly preferential treatment for C. personal reasons. d. allow for volunteerism in the community require high ethical standards f. recognize the need for work/life balance 3.24.0.2 Operate with written job descriptions and performance requirements and reviews that characterize the nature of work to be performed a. b. identify technical, behavioral and physical skills required identify clear standards of responsibilities, accountability and associated authorities. 3.24.0.3 Provide a safe work environment. 3.24.0.4 Identify and provide training necessary to accomplish the quality of work expected. Not allow discrimination or retaliation against any staff member for non-disruptive 3.24.0.5 expression of dissent. 3.2<u>4.0</u>.6 Acquaint staff with the CEO's interpretation of their protections under this policy. 3.24.0.7 Allow staff to be prepared to deal with emergency situations. Insure Ensure that the company's Core Values are routinely communicated and reinforced 3.24.0.8 to all employees.

POLICY TYPECATEGORY IV: EXECUTIVE MANDATES **POLICY 34.0.3** POLICY TITLE: FINANCIAL PLANNING/BUDGETING. Formatted: Font: 12 pt 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; Formatted: Font: 12 pt Formatted: Indent: Left: 0", Hanging: 0.5", No bullets or 3.3.1 Prevent the risk of incurring those situations or conditions described as unacceptable in numbering, Tab stops: Not at 1" the Board policy Policy 4.0.4, "Financial Condition and Activities (refer to Policy 3.4)."." 3.3.2 4.0.3.2 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 dentify the source for capital expenditures (e.g. internally generated cash, new debt, carry over funds from previous fiscal year). 3.3.4 4.0.3.4 Adhere to approved tariff rates and fees. Formatted: No bullets or numbering 4.0.3.5 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. Formatted: Indent: Left: 0", Hanging: 0.5", No bullets or 4.0.3.6 Not provide less for Board prerogatives during the year than is set forth in the "Cost of Policy 2.1.10, "Improvement in Governance" policy (refer". 3.3.6 4.0.3.7 Provide to Policy 1.12) the Board a justification of any capital project likely to exceed Formatted: Indent: Left: 0", Hanging: 0.5", No bullets or \$50,000,000 in total cost or expense. Page 53 of 108

POLICY	34.0.4	POLICY 1	TITLE: FINANCIAL CONDITION AND ACTIVITIES.	 Formatted: Font: 12 pt
	<u> </u>			 Tormatted. Fort. 12 pt
With res	pect to	the actual, ongoing financial condition	s and activities, the CEO shall oversee and ensure	
actual e establish	xpendi ned in l	ures that will not result in financial je 40Es policies.	eopardy or materially deviate from Board priorities	 Formatted: Font: 12 pt
				 Formatted: Font: 12 pt
3.4.1 <u>4</u>	4.0.4.1	Operate within the budget established	for the fiscal year.	 Formatted: No bullets or numbering, Tab stops: Not at 1
3.4.2	4.0.4.2	_Not make budget transfers in excess o	of \$5,000,000 without Board approval.	
		_ _Inform the Board in monitoring repo	orts when reserves are required to meet current	
expendit	tures.			
		_Maintain financial and accounting separates. Energy funds as required by regulatory	aration between electric, water and wastewater, and agencies and bond covenants.	 Formatted: Indent: Left: 0", Hanging: 0.5", No bullets on numbering
		Operate within established financia hed parameters are considered inadec	I parameters and will engage the Board when quate to affect a desired bond rating.	
(Curren	financial parameters:		 Formatted: Font: 12 pt
;	a.	Debt Service Coverage		 Formatted: Font: 12 pt
I	b.	Fixed Charge coverage		 Formatted: Font: 12 pt
	C.	Cash on Hand		 Formatted: Font: 12 pt
	d.	Working Capital		 Formatted: Font: 12 pt
	e.	Line of Credit		 Formatted: Font: 12 pt
1	f.	Fuel Rate Reserve		 Formatted: Font: 12 pt
3.4.6 <u>4</u>	4.0.4. <u>6</u>	_Not operate in violation of JEA's Debt		 Formatted: No bullets or numbering
3.4.7	4.0.4.7	_Settle payroll and debts in a timely ma	nner.	
		_Ensure tax payments or other governrately filed.	ment-ordered payments or filings are not overdue or	 Formatted: Indent: Left: 0", Hanging: 0.5", No bullets numbering
3.4.9	4.0.4. <u>9</u>	_Establish reasonable security measure	es to protect against loss of receivables.	 Formatted: No bullets or numbering
3.4.10	4.0.4.1	Aggressively pursue receivables after	r a reasonable grace period	 Formatted: Font: Bold, Italic, Font color: Red

POLICY 3 <u>4.0</u> .5	POLICY TITLE: WORKFORCE READINESS AND SUCCESSION PLANNING.	Formatted: Font: 12 pt
The CEO shall overs demands.	see and ensure a workforce that is prepared to meet current or future business	
Accordingly, the CEO	will;	Formatted: Font: 12 pt
issues and pr	re that no fewer than two other executives are sufficiently familiar with Board and CEO rocesses, which will enable either to take over with reasonable proficiency as an esor to protect the Board fromin the event of sudden loss of CEO services.	
3 <u>4.0</u> .5.2 Prepa	are for long-term CEO succession.	
3 <u>4.0</u> .5.3 Prepa	re for Executive Team succession.	
	ate with strategic and tactical plans to have and maintain the right people, in the right e right talent, skills and knowledge.	
3 <u>4.0</u> .5.5 Devel and in serving	op a workforce that recognizes the value of cultural diversity in internal operations	

POLICY TYPECATEGORY IV: EXECUTIVE MANDATES **POLICY 34.0.6** POLICY TITLE: ASSET PROTECTION Formatted: Font: 12 pt The CEO shall oversee and ensure that corporate assets are protected, adequately maintained, and not unnecessarily risked. Accordingly, the CEO will: Formatted: Font: 12 pt 3.6.1 4.0.6.1 Insure adequately against theft and casualty and against liability and losses to Board* Formatted: Indent: Left: 0", Hanging: 0.5", No bullets or numbering, Tab stops: Not at 1" members, staff, and the organization itself. Formatted: No bullets or numbering 3.6.2 4.0.6.2 Not allow personnel who are not bonded to have access to material amounts of funds. 3.6.3 4.0.6.3 Not subject facilities and equipment to improper wear and tear or insufficient maintenance. 3.6.4 4.0.6.4 Not unnecessarily expose the organization, the Board, or its staff to claims of liability. Formatted: Indent: Left: 0", Hanging: 0.5", No bullets or 3.6.5 4.0.6.5 Operate with written claims policies that address fair treatment of claimants, legal liability, ratepayer costs and sound business practices. 3.6.6 4.0.6.6 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 3.6.7 4.0.6.7 Receive, process, or disburse funds with sufficient controls. Formatted: No bullets or numbering 3.6.8 4.0.6.8 Invest funds that are not in violation of JEA's Investment Policies. 4.0.6.9 Ensure that all employees and outsourced contract service providers understand their Formatted: Indent: Left: 0", Hanging: 0.5", No bullets or responsibility to comply with all applicable laws and regulations and JEA's Code of Ethics. Page 56 of 108

POLICY TYPECATEGORY IV: EXECUTIVE MANDATES **POLICY 34.0.7** POLICY TITLE: COMPENSATION AND BENEFITS. Formatted: Font: 12 pt 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. Formatted: Font: Italic Formatted: Font: 12 pt **Formatted:** Indent: Left: 0", Hanging: 0.5", No bullets or numbering, Tab stops: Not at 1" 3.7.1 4.0.7.1 Not change the CEO's own compensation and benefits, except as those benefits are consistent or the compensation of the Senior Leadership without the approval of the Board, with a package for other appointed employeesthe advice and recommendation of the Compensation Committee. 3.7.2 <u>4.0.7.2</u> Not promise or imply unconditional permanent or guaranteed employment. <u>JEA may not</u> with any emple 3.7.3 4.0.7.3 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.

POLICY TYPECATEGORY IV: EXECUTIVE MANDATES **POLICY 34.0.8** POLICY TITLE: COMMUNICATION AND SUPPORT TO BOARD. Formatted: Font: 12 pt The CEO shall oversee and ensure that the Board is informed and supported in its work. Accordingly, the CEO will ensure; Formatted: Font: 12 pt Formatted: Indent: Left: 0", Hanging: 0.5", No bullets or 3.8.1 4.0.8.1 Submission of monitoring data required by the Board in Board-Management Delegation numbering, Tab stops: Not at 1" policyPolicy 3.0.5. "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 policyPolicy 3.0.3, "Delegation to the CEO," as well as relevant data (refer to Policy 2.4). 4.0.8.2 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. 4.0.8.3 The Board receives decision information required periodically by the Formatted: Body Text, Indent: Left: 0.75", Space After: 0 Board, and keeps the Board is kept aware of relevant trends-, including a report at each pt, No bullets or numbering regular 3.8.4 The Board is meeting relating any major issues or major financial transactions or losses and is Formatted: Font: Times New Roman otherwise aware of any significant incidental information it requires, including anticipated media Formatted: Indent: Left: 0", Hanging: 0.5", No bullets or coverage, threatened or pending lawsuits, and material internal and external changes numbering 4.0.8.4 The Board members are timely advised of major actions, including but not limited to any appointment, separation, or other change to the Senior Leadership Team; any variance of ten percent (10%) or more in total budgeted expenses or employee headcount; loans; bonds; reorganizations; strikes; or outages. 3.8.5 4.0.8.5 The Board is aware that, in the CEO's opinion, the Board is not in compliance with its own Formatted: Indent: Left: 0", Hanging: 0.5", No bullets or 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 23.0). 3.8.6 4.0.8.6 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 4.0.8.7 The Board is provided a workable mechanism for official Board, officer, or committee communications. 3.8.8 4.0.8.8 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 4.0.8.9 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 4.0.8.10 Providing a process to retain relevant background information on previous Board policy Formatted: No bullets or numbering decisions. Page 58 of 108

OLICY 3 <u>4.0</u> .9	POLICY TITLE: REGULATORY/LEGISLATIVE REQUIREMENTS	Formatted: Font: 12 pt
ne CEO shall oversee an	nd ensure regulatory and legislative actions that are favorable to the	
ganization JEA.		

POLICY TYPECATEGORY IV: EXEC	SUTIVE MANDATES	
POLICY 3 <u>4.0</u> .10	POLICY TITLE: ENTERPRISE RISK MANAG	GEMENT Formatted: Font: 12 pt
The CEO shall oversee and ensure co	nditions, procedures and decisions that will identify, measure	e, monitor
and manage within established risk to	erances, potential events that may affect achievement of th	e MOEs Formatted: Font: 12 pt
Accordingly, the CEO will:		Formatted: Font: 12 pt
	ement-level policies, procedures and process controls to hel ness risk exposures are properly identified, managed an oard.	

POLICY 3 <u>4.0</u> .11	POLICY TITLE: PROCUREMENT ACTIVITIES	Formatted: Font: 12 pt
with applicable federal, state and	ne development of procurement policies and procedures in accordance local laws and ordinances, and that provide for increased public ties of JEA.	Formatted: Font: 12 pt
		Formatted: Font: 12 pt
3 <u>4.0</u> .11.1——_Develop and dissen	ninate simple, clear and up-to-date rules for all procurement.	
34.0.11.2—_Ensure the fair and system.	equitable treatment of all persons who deal with the JEA procurement	
3 <u>4.0</u> .11.3——Provide increased extent practicable the purcha	economy in all procurement activities and to maximize to the fullest asing value of JEA funds.	
34.0.11.4——_Foster effective, bro	pad-based competition within the free enterprise system.	
3 <u>4.0</u> .11.5——_Provide safeguards	for the maintenance of the procurement system, quality and integrity.	
3 <u>4.0</u> .11.6——Provide a clear and any phase of the procureme	d timely administrative remedy process to all those aggrieved during nt process.	
3 <u>4.0</u> .11.7——_Provide effective ac	ccess for Small and Emerging Local Businesses.	
.	<u> </u>	Formatted: Font: Bold
		Formatted: Left, Space After: 0 pt

I

Page 62 of 108	

OLICY 3.12	POLICY TITLE: ECONOMIC DEVELOPMEN	п
CATEGORY V. The CEO will develop and implement an E	conomic Development Policy intended to promote, encourage	Formatted: Font: Times New Roman
nd facilitate the development of responsi	ible and properly planned initiatives within our service area	Formatted: List Paragraph, Left, Indent: Left: 0", Fire of the control of the con
rder to help expand and strengthen the lo	cal economy.	Formatted: Font: Times New Roman, Not Italic, Font Auto, Pattern: Clear
		Auto, Fattern. Clear

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY TITLE: MOEs Formatted: Font: 12 pt

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.

- 45_0.1 **Quality of Electric Service:** Provide clean, safe and reliable electric service to all prescribed consumers
- 45.0.2 Quality of Water Service: Provide clean, safe and reliable water service to all prescribed consumers.
- 45.0.3 Quality of Sewer Services: Provide clean, safe and reliable sewer services to all prescribed consumers.
- 45.0.4 Cost of Service: Provide all utility services at a reasonable and accurate cost.
- 45.0.5 **Environmentally Sound:** Provide all utility services in a manner that is environmentally sound and sustainable.
- 45.0.6 Informative Communication: Effectively communicate with consumers and other stakeholders.
- 4.0.7 Safety Standards: Compliance is measured using OSHA's Recordable Incident Rate (RIR) calculation. JEA aspires to zero incidents, but also establishes an annual RIR target below average industry rates. Related preventive controls are validated by timely safety checks and closing of work-orders.
- 4.0.8 Financial Integrity: Sections V and VI of the JEA Pricing Policy require ensuring the financial integrity of the Electric and Water/Sewer Systems respectively by establishing minimum annual total debt service coverage ratios and days of liquidity, maximum debt to asset ratios, and the maintenance of stabilization funds. Achieving these fiscal targets will help attain AA level credit ratings.
- 5.0.7 **Safety Standards:** Provide a safe work environment for all JEA staff.
- 5.0.8 Financial Integrity: Achieve fiscal targets to maintain and improve credit ratings.

Page 64 of 108

POLICY 4 <u>5.0</u> .1	POLICY TITLE: QUALITY OF ELECTRIC SERVICE	Formatted: Font: 12 pt
Provide clean, safe and reliable	electric service to all prescribed consumers.	
Accordingly		Formatted: Font: 12 pt
4.1.1 <u>5.0.1.1</u> Annually updat future electricity supply fuel diversity.	e an Electric Integrated Resource Supply Plan (IRP) to ensure consumers' needs are met at the lowest evaluated total lifecycle cost while maintaining	Formatted: Indent: Left: 0", Hanging: 0.5", No bullets on numbering
4.1.2 5.0.1.2 Minimize the fr the System Average In	equency of electric distribution system outages and report status through terruption Frequency Index (SAIFI).	
	requency of electric distribution system voltage sags and report status erage Root Mean Square Frequency Index (SARFI-80).	
4.1.4 <u>5.0.1.4</u> Minimize the di System Average Interru	uration of electric distribution system outages and report status through the uption Duration Index (SAIDI).	
	cing individual customer outages and report status through the customers if five interruptions (CEMi-5).	
	Page 65 of 108	

		_
POLICY TYPE: MEASURES OF EFF	` ,	
POLICY 4 <u>5.0</u> .2	POLICY TITLE: QUALITY OF WATER SERVICE	Formatted: Font: 12 pt
Provide clean, safe and reliable water	service to all prescribed consumers.	_
Accordingly		Formatted: Font: 12 pt
water supply needs are met at	tegrated Water Resource Plan (IWRP) to ensure consumers' futu the lowest evaluated cost while also ensuring water resources a s. This includes a thorough evaluation of water supply alternative	ire
the number of cumulative minu	of water distribution system low pressure events and report status ites water pressure drops below 30 pounds per square inch (psi) they stem pressure monitoring points.	
	in accordance with the standards of the Florida Department EP) and the Environmental Protection Agency (EPA) and reposumers and stakeholders.	
4 <u>5.0</u> .2.4 Ensure compliance with JE	A's Consumption Use Permit (CUP).	
	Page 66 of 108	_

FOLICT TIFE	E: MEASURES OF EFFECTIVENESS (MOEs)	
POLICY 4 <u>5.0</u> .	3 POLICY TITLE: QUALITY OF SEWER SERVICE	Formatted: Font: 12 pt
Provide clean,	, safe and reliable sewer service to all prescribed consumers.	
Accordingly		Formatted: Font: 12 pt
4 <u>5.0</u> .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.	Formatted: Font: 12 pt
b.	the total number of sewer system cave-ins	Formatted: Font: 12 pt
1 <u>5.0</u> .3.2 treatm	Limit the total amount of nutrients discharged into the St. John's River from all wastewater nent 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)	
b.	allocation allocation and distribution of reclaimed water	Formatted: Font: 12 pt
	Page 67 of 108	

POLICY TYP	PE: MEASURES OF EFFECTIVENESS (MOEs)		
POLICY 4 <u>5.0</u>	2.4 POLICY TITLE: COST OF SERVICE	Formatted: Font: 12 pt	
Provide all ut	tility services at a reasonable and accurate cost.		
Accordingly		Formatted: Font: 12 pt	
1 <u>5.0</u> .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.	Formatted: Font: 12 pt	
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.	Formatted: Font: 12 pt	
4 <u>5.0</u> .4.2 of a c	Minimize the number of consumer bills that are inaccurate, are estimated due to the lack current meter reading, or are untimely. The expectation is 99.9% accurate and timely.		
<u>551 VI</u>	eve annual budgeted cost for electric service (per kwh), water service (per gallon) and sewer ice (per gallon).		

POLICY 45.0.5		POLICY TITLE: ENVIRONMENTALLY SOUND	Formatted: Font: 12 pt
			·
Provide	e all uti	tility services in a manner that is environmentally sound and sustainable.	
Accord	lingly,		Formatted: Font: 12 pt
4 <u>5.0</u> .5.	1	The CEO is expected to comply with all existing environmental regulations that apply.	
4.5.2		servation: Pursue all options to communicate and incentivize customer conservation and ency while avoiding excessive customer cost.	Formatted: Font: 12 pt
	a.	Electric System: Maintain the electric conservation fund by collecting an additional one cent per kwh for every kwh over 2750 on monthly residential consumption and by allocating 50 cents per mwh of base rate revenues (a total of approximately 0.5% of electric gross revenues.) The funds are to be spent for customer conservation initiatives and incentives	
		only.	Formatted: Font: 12 pt
4 <u>5.0</u> .5.	avoid	Renewable Energy Supply: Explore all options for renewable electric energy supply while ding excessive customer cost since a state or federal Renewable Electricity Standard (RES) is to be established and the timing for setting a standard remains uncertain.	
		ce greenhouse gases.	

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)
Page 70 of 108

POLICY 4 <u>5.0</u>	.6 POLICY TITLE: INFORMATIVE COMMUNICATION	Formatted: Font: 12 pt
	mmunicate with consumers and other stakeholders.	
Accordingly		Formatted: Font: 12 pt
,	mmunicate with consumers and other stakeholders.	
Accordingly.		Formatted: Font: 12 pt
4 <u>5.0</u> .6.1 state	To enable and encourage public dialogue on electric, water, and sewer issues at the local, and national levels.	
4 <u>5.0</u> .6.2 or ch	To inform consumers of potential or pending charges being considered for utility services arges.	
4 <u>5.0</u> .6.3 incer	To inform consumers of the potential financial and consumption impact of conservation nives and other activities under consideration.	
4 <u>5.0</u> .6.4	Maintain top quartile JD Power ratings for all customer and communication categories.	
	Page 71 of 108	

POLICY TYPE: MEASURES OF EFFEC	TIVENESS (MOEs)			
POLICY 5.0.7	POLICY TITLE: SAI	FETY STANDARDS		
Provide a safe work environment for all JE	<u>EA staff.</u>			
Accordingly,		 	ormatted: Font: Arial	
to zero incidents, but also establis	SHA's Recordable Incident Rate (RIR) calc shes an annual RIR target below average inc by timely safety checks and closing of work o	dustry rates. Related		
	Page 72 of 108			

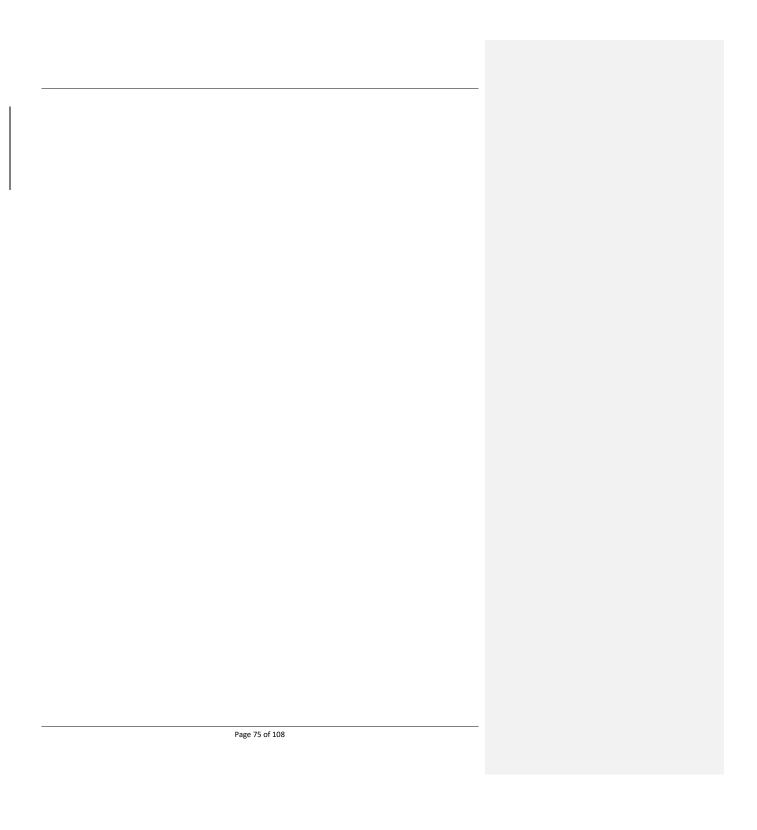
POLICY 5.0.8	POLICY TIT	LE: FINANCIAL INTEGRITY
Achieve fiscal targets to maintain and in	nprove credit ratings.	
Accordingly,		
total debt service coverage ra	tricing Policy, as it may be amended ater/Sewer Systems respectively by itos and days of liquidity, maximum nds. Achieving these fiscal targets	establishing minimum annual debt to asset ratios, and the
	APPENDIX	
	_	
	Page 73 of 108	

Formatted: Font: 12 pt

APPENDICES

- A1 Executive Core Competencies
- A2 JEA Board Evaluation Criteria
- A3 JEA Charter (Article 21, City of Jacksonville Ordinance Code)
- A3 JEA Board Evaluation Criteria

Page 74 of 108



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.

Formatted: Font: 12 pt

Page 76 of 108

I

Page 77 of 108		
Page 77 of 108		
	Page 77 of 108	

A1- EXECUTIVE CORE COMPETENCIES

Focuses on the Customer

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

Fosters Teamwork

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

Manages and Supports Change

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

Visionary Strategist

- Develops the strategies and actions needed to make JEA the best in class for public utilities in the ILS
- 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

Formatted: Font: 12 pt

Page 78 of 108

A1-EXECUTIVE CORE COMPETENCIES Sets clear performance expectations and standards, regularly monitors performance, and provides accurate and timely feedback Formatted: Font: 12 pt A1- EXECUTIVE CORE COMPETENCIES **Delegates to Others** Does not micromanage the staff; allows those with responsibilities to do their job. Provides others with the resources, authority, and support to successfully complete delegated tasks successfully Develops employees for assuming additional responsibilities; anticipates talent gaps and accelerates development plans to fill gaps Formatted: Font: 12 pt **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. Formatted: Font: 12 pt Ensures all communications are honest and candid, and resolves discrepancies expeditiously. Actively Supports the JEA Board of Directors • Keeps the Board of Directors informed on progress towards implementing strategic initiatives and other important information Formatted: Font: 12 pt 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 Formatted: Font: 12 pt Educates the Board on the strategies and priorities that balance the needs of customers with operational needs Formatted: Font: 12 pt Keeps Board members informed on important issues - "no surprises" Formatted: Font: 12 pt Provide Board members preparatoryagenda materials at least seven (7) days prior to meetings so members can properly review and digest. Keeps the Board informed of any changes to the Senior Leadership Team **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 Formatted: Font: 12 pt Assumes full ownership and accountability for own performance Not afraid to make the tough calls. Formatted: Font: 12 pt

Page 79 of 108

A1- EXECUTIVE CORE COMPETENCIES

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,

Formatted: Font: 12 pt

A1-EXECUTIVE CORE COMPETENCIES

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

Formatted: Font: Bold

Formatted: Line spacing: single, No widow/orphan control, Tab stops: 0.8", Left + 1.5", Left

Formatted: Font: 12 pt

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.

Formatted: Font: 12 pt

Formatted: Font: 12 pt

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.

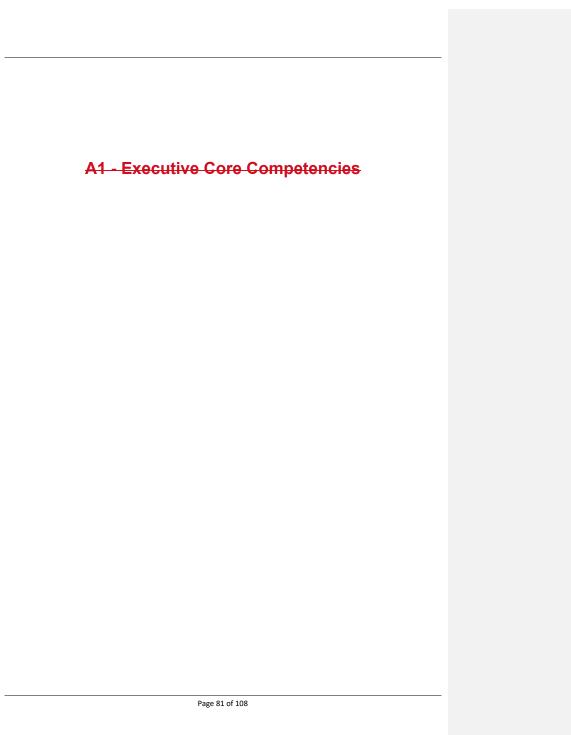
Formatted: Font: 12 pt

Formatted: Font: 12 pt

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

Page 80 of 108



A1- EXECUTIVE CORE COMPETENCIES

CEO Evaluation Criteria

- 1. CEO maintains safety as a top priority and executes an effective risk mitigation plan.
- 2. KPAs and associated KPIs as per Policy Category IV MOEs.
- CEO ensures read-aheadagenda 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.
- 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 Appendix A1).

Formatted: Font: Bold

Formatted: Line spacing: single, No widow/orphan control, Tab stops: 0.8", Left + 1.5", Left

Page 82 of 108

A3 - JEA Charter (Article 21)

ARTICLE 21. JEA

Section 21.01. JEA created and continued; audits.

(a) Creation. There is hereby created and established a body politic and corporate to be known as JEA, which is authorized to own, manage and operate for the benefit of the City of Jacksonville the utilities systems within and without the City of Jacksonville. JEA is created for the express purpose of acquiring, constructing, operating, financing and otherwise having plenary authority with respect to electric, water, sewer, natural gas and such other utility system as may be under its control now or in the future. The utilities systems may be owned, operated or managed by JEA for the benefit of the City of Jacksonville separately or in such combined or consolidated manner as JEA may determine and JEA may use such name or names in the conduct of its business in connection therewith as it may determine. It is the specific purpose of this Article to repose in JEA all powers with respect to electric, water, sewer, natural gas and such other utility system which are now, in the future could be, or could have been but for this Article exercised by the City of Jacksonville. JEA created and established by this Article is the same Jacksonville Electric Authority previously created and established by Chapter 67-1569, Laws of Florida, as amended, (including as added to Chapter 67-1320, Laws of Florida by Chapter 78-538, Laws of Florida and, as amended and readopted by Chapters 80-515, and 92-341, Laws of Florida) and, except as otherwise provided or authorized by this Article, JEA shall continue to function under this Article the same as it previously functioned under Chapter 67-1569, Laws of Florida, as amended (including as added to Chapter 67-1320, Laws of Florida by Chapter 78-538, Laws of Florida and, as amended and readopted by Chapter 78-538, Laws of Florida and, as amended and readopted by Chapter 78-538, Laws of Florida and, as amended and readopted by Chapter 78-538, Laws of Florida and, as amended and readopted by Chapter 67-1520, Laws of Florida).

(b) Audits. JEA shall be subject to the council auditor's authority set forth in Section 5.10 of the Charter.

(Laws of Fla., Ch. 78 538, § 1; Laws of Fla., Ch. 80 515, § 1; Ord. 84 1307 754, § 25; Laws of Fla., Ch. 92 341, § 1; Ord. 93 82 1385, § 1; Ord. 97 12 E, § 2; Ord. 98 253 E, § 1; Ord. 2020 419 E, § 2)

Section 21.02. Definitions.

In the interpretation of this Article, unless the context otherwise requires:

- (a) The term "utilities systems" means the electric utility system and the water and sewer utility system now operated by JEA which shall include, except where inconsistent with Chapter 80-513, Laws of Florida, as amended, or where the context otherwise requires, any "system" or "project" authorized pursuant to the provisions of Chapter 80-513, Laws of Florida, as amended and any natural gas utility system to be operated in the future by JEA together with any other additional utility system as may be hereafter designated as a part of the utilities systems operated by JEA as provided in Section 21.04(v) herein.
- (b) The term "member" means an individual confirmed by the council to serve on the governing body of JEA pursuant to this Article.
- (c) The term "managing director" means the chief executive officer of JEA.
- (d) The term "utility system" shall mean any separate utility system operated by JEA such as its electric utility system, its water utility system, its wastewater utility system, its natural gas utility system or any other additional utility system as may be hereafter designated as a part of the utilities systems operated by JEA as provided in Section 21.04(v) herein.
- (e) The terms "sewer utility system" and "wastewater utility system" shall each have the same meaning as the other and these terms shall be interpreted as meaning the same.

Page 83 of 108

(f) The term "district energy system" or "DES" shall mean a system of centrally located chillers designed to provide chilled or heated water via pipes for the purposes of providing heating and cooling within a designated area.

(g) The term "governing body of JEA" means the governing body of JEA consisting of seven members.

(Laws of Fla., Ch. 78 538, § 1; Laws of Fla., Ch. 80 515, § 1; Ord. 84 1307 754, § 25; Laws of Fla., Ch. 92 341, § 1; Ord. 93 82 1385, § 1; Ord. 97 12 E, § 2; Ord. 98 253 E, § 1; Ord. 2015 764 E, § 2; Ord. 2020 419 E, § 2)

Section 21.03. Composition; compensation; officers; meetings.

- Composition; qualifications; removal. The governing body of JEA shall consist of seven members, each of whom shall serve for a term of four years or until such member's successor has been appointed and has minated by the council president and confirmed by the council, and three members shall be appointed by the mayor and shall be confirmed by the council. With regard to one ber appointed by council through open application, the council president shall nominate an applicant who has one of the following qualifications: was a former JEA employee, or person recommended by an employee, union or group of current or former JEA employees. To the extent feasible and regarding member ents generally, individuals who have demonstrated corporate, executive or administrative working in public or private organizations, including, but not limited to, non-profit and government organizations, are preferred, but not required, to serve on the governing body of JEA. Each hall have been a resident and elector of the city for at least six consecutive me nber's appointment. No member shall hold any other public office or position. If at any time during a member's tenure on the governing body of JEA, such member shall cease to possess the qualifications required for membership on the governing body of JEA, such member shall cease to be a member and a vacancy shall exist on JEA. Any vacancy on the governing body of JEA, however created, shall be filled for the unexpired term in the same manner as the position was originally filled, and the person filling the vacancy shall have and shall retain all the qualifications prescribed for membership on JEA. Any member appointed to members appointed by the mayor may be removed by the mayor at any time with or without cause, but a removal must be approved by a two-thirds vote of the council. The members appointed by the council may thirds vote of the council.
- (b) Compensation; applicable laws. Members shall not be entitled to pension or other retirement benefits on account of service on the governing body of JEA, but members shall be entitled to payment or reimbursement for reasonable expenses incurred (e.g., travel expenses) as prescribed by the council by ordinance. Members shall be subject to the provisions of F.S. § 286.012, as amended, relating to voting at meetings of JEA, and the provisions of F.S. §§ 112.311 through 112.3175, as amended, relating to financial disclosure and conflicts of interest. Additionally, Members shall be subject to all other relevant and applicable laws and ordinances, including but not limited to, F.S. Ch. 286 (Public Business: Miscellaneous Provisions), as amended; F.S. Ch. 112, Part III (Code of Ethics for Public Officers and Employees), as amended; and F.S. Ch. 119 (Public Records), as amended.
- (c) Officers; meetings; quorum; governing documents. The governing body of JEA shall elect a chairperson, vice-chairperson and secretary of JEA and may elect one or more assistant secretaries of JEA, each of whom shall serve for one year or until such officer's successor is chosen. JEA may meet at such times and places designated by the governing body of JEA and shall hold regular meetings as necessary. Generally, JEA shall meet once a month, but in no event less than eight (8) times a year. Special meetings may be held upon the call of the chairperson or any three (3) members. JEA meetings shall be subject to F.S. § 286.011 (Florida Open Meetings Laws), as amended. A majority of the membership shall constitute a quorum for the purpose

Created: 2021-04-08 15:02:54 [EST]

of meeting and transacting business. Each member shall have one vote. The governing body of JEA shall adopt governing documents, including, but not limited to, bylaws, a board policy manual, and such other rules and regulations not inconsistent with this Article, the charter or general law. Unless otherwise provided herein, the governing body of JEA shall annually review and update its governing documents. JEA's bylaws, board policy manual, and other governing documents, including any amendments thereto, shall be posted on JEA's website in a conspicuous manner for the public to view.

- (d) Office holding; eath. JEA membership shall be considered an office and limited by the office holding provisions as provided for under the Florida Constitution. No member shall be eligible to serve as a member while holding another office or being an employee of JEA. Members shall be required to take an eath of office consistent with the eath of office taken by other public officials serving on city boards and commissions.
- (e) Transparency in meetings. JEA should hold its meetings in the most open and transparent manner practicable for the benefit of the public and citizens of the City of Jacksonville. JEA shall adopt procedural rules regarding the publication of meeting agendas, meeting materials, meeting minutes, and public participation during all meetings, including regular, special and committee meetings, where action by the governing body of JEA or committee is contemplated. To the greatest extent feasible, JEA is encouraged to adhere to best practices and recommendations regarding openness and transparency contained in the latest published edition of Florida's Government. In the Sunshine Law Manual prepared by the Office of the Attorney General. At a minimum, such procedural rules should require JEA to (i) publish an agenda and any meeting materials for its regular, special and committee meetings in a conspicuous manner on JEA's official website; (ii) promptly post meeting minutes generally within 72 hours after each meeting; and (iii) provide the timeframe for when an agenda and any meeting materials must be made available to the public in advance of such meetings. Such procedural rules should also require JEA to deliver copies of its meeting agendas, including regular, special and committee meeting agendas, and any meeting materials related thereto, to the council auditor in substantially the same timeframe and content as provided to members. Nothing in this subsection shall prohibit JEA from amending previously published meeting agendas and meeting materials in accordance with its bylaws, board policy manual, or other applicable governing decrements.

(Ord. No. 2020-100 E , § 2 (Referendum of November 3, 2020); Ord. 2020-419 E , §§ 1, 2)

Editor's note(s)—Ord. 2020-419 E Editor's note(s)—, §§ 1 and 2, amended the Charter by repealing former § 21.03Editor's note(s)— in its entirety and adding a new § 21.03Editor's note(s)—. Former § 21.03Editor's note(s)—pertained to similar subject matter, and derived from Laws of Fla., Ch. 75-538, § 1; Laws of Fla., Ch. 80-515, § 1; Ord. 83-693-582, § 1; Ord. 84-1307-754, § 25Editor's note(s)—; Laws of Fla., Ch. 92-341, § 1; Ord. 93-82-1385, § 1; Ord. 98-253-E, § 1; and Ord. 2016-764-E Editor's note(s)—, § 2. Amendments made by Ord. 2020-100-E Editor's note(s)—, § 2, were retained and incorporated into Ord. 2020-419-E Editor's note(s)—.

Section 21.04. Powers.

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

- (a) To construct, own, acquire, establish, improve, extend, enlarge, reconstruct, reequip, maintain, repair, finance, manage, operate, and promote the utilities systems.
- (b) To acquire for the use of the utilities systems by grant, purchase, gift, devise, condemnation by eminent domain proceedings, exchange, lease or in any other manner, all property, real or personal, or any estate or interest therein, including without limitation, property used:
 - (1) In connection with the generation, transmission and distribution of electric power and energy;

Created: 2021-04-08 15:02:54 [EST]

Formatted: Font: Arial

(Supp. No. 54, Update 2)

Page 85 of 108

- (2) In connection with the collection, storage, treatment, processing, disposal, transmission and distribution of water and wastewater including, but not limited to, raw water, potable water, non-potable water, chilled water and reused water; however, JEA shall have no power or authority for the function of stormwater runoff and drainage management;
- (3) In connection with the production, procurement, extraction, manufacture, transmission, transportation, distribution, and storage of natural gas; and
- (4) In connection with the production of steam, the mining, extraction, development, production, manufacture, procurement, transportation, handling, storage, processing or reprocessing of fuel of any kind, to likewise acquire any facility or rights with respect to the supply of water, any rights with respect to minerals, including but not limited to coal, petroleum coke, natural gas and oil and bio mass facilities for the processing of by products derived from the operation of the utilities systems, solid waste disposal and environmental protection facilities, communication and computer facilities, and any other property, equipment, facilities or property rights whatsoever determined by JEA to be necessary or convenient in connection with the operation, promotion, financing, construction, management, improvement, extension, enlargement, reconstruction, reequipment, maintenance, repair, decommissioning or disposal of the utilities systems or any part thereof, and to sell, lease or otherwise transfer, with or without consideration, any such property when in JEA's discretion it is no longer needed or useful, or such sale, lease or transfer otherwise is in the best interest of JEA, all upon such terms and conditions as JEA shall by resolution fix and determine

The right of eminent domain conferred herein shall be exercised by JEA in the manner provided by law. If JEA leases any real property to another agency, firm, corporation, entity, or individual, it shall cause a memorandum of said lease to be recorded in the official records with the clerk of the circuit court where the property is located. For any real property that exceeds either an assessed value or just market value of \$50,000 as determined by the property appraiser of the county where the real property is located, JEA shall not sell such real property for less than the appraised value as certified by an MAI certified appraiser, unless approved by the council.

Regarding any real property interests acquired or disposed of by JEA pursuant to this subsection, the governing body of JEA shall approve real estate rules and procedures and any amendments thereto governing the reporting, acquisition, sale, purchase, lease, license, transfer, and disposition of real property. Such real estate rules and procedures shall not be inconsistent with this Article, including, but not limited to, the express prohibitions set forth in Section 21.11 herein. The governing body of JEA shall review its real estate rules and procedures no less than biennially. The governing body of JEA shall not delegate its approval authority of such real estate rules and procedures, including any amendments thereto, to the managing director or any other officer, employee or agent of JEA. JEA shall post such real estate rules and procedures, including any amendments thereto, to the managing director or any other officer, employee or agent of JEA. JEA shall post such real estate rules and procedures, including any amendments thereto, on JEA's website in a conspicuous manner for the public to view.

- (c) To furnish electricity, water, sanitary sewer service, natural gas and other utility services as authorized herein to any person or entity, public or private, within or without the city and for said purposes shall have the right to construct and maintain electric lines, pipelines, water and sewer mains, natural gas lines and related facilities in and along all public highways and streets within or without the city.
- (d) To sell power and energy, water, sanitary sewer service, natural gas and other utility services as authorized herein at wholesale and retail and/or to provide transmission or other services of any kind to any person or entity, public or private, within or without the State of Florida, directly by JEA, indirectly through other entities and jointly through associations with other utilities or entities engaged in these activities.

Created: 2021-04-08 15:02:54 [EST]

- (e) To enter into contracts with any person or entity, public or private, deemed necessary or desirable by JEA in connection with carrying out its powers and duties, except as otherwise prohibited in this Article or the charter.
- (f) To fix, pledge to establish or establish, levy, regulate, impose and collect rates, assessments, fees and charges for the use or benefit of the utilities system and to alter and amend same from time to time, which rates, assessments, fees and charges shall result in JEA receiving or possessing an amount which, together with accumulated balances from prior years available therefore is not less than is required to operate and maintain a self liquidating or self sustaining utilities system. When establishing or altering rates, assessments, fees or charges for retail service, JEA shall first give notice of and hold a public hearing in the City of Jacksonville. The notice shall be published not less than one (1) week in advance in at least one (1) newspaper of general circulation in the city. Said notice shall be at least one fourth page in size, inviting the public to be present and heard. JEA shall have the power to impose sanctions to enforce compliance with any rule or regulation which JEA may adopt in the management and operation of, or the sale or use of any utility service provided by JEA from the utilities system including, without limitation, electricity, water, sewer and natural gas services. The city and other public bodies shall be required to pay for any utility services provided by JEA upon the same basis as other users.
- (g) To sue and be sued, implead and be impleaded, complain and defend in all courts, to adopt and use a corporate seal, to apply for, hold and own patents and copyrights, to sell or license patents, copyrights, patented or copyrighted materials to other public or private entities. Prices or fees for such sales or licensing may be based upon market considerations. JEA may designate how proceeds from such sales or licensing shall be used. Prices or fees for the sale of copyrighted data processing software, as defined in F.S. § 119.011, shall be established pursuant to § 119.084, as amended.
- (h) To make or cause to be made such surveys, investigations, studies, borings, maps, drawings and estimates of cost and revenues as it may deem necessary, and to prepare and adopt a comprehensive plan or plans for the location, relocation, construction, improvement, revision and development of the utilities system.
- (i) (1) To issue revenue bonds or revenue certificates of JEA for the purpose of financing or refinancing the utilities system, including without limitation the financing of any one or more enlargements, expansions, developments, replacements, acquisitions or modernization of the utilities system, any expenses of the utilities system, any reserves deemed necessary or desirable by JEA and any other purpose not otherwise prohibited by law, and retiring any bond, note or revenue certificate issued under this Article, or any bond, note or revenue certificate issued by or on behalf of the city to finance the water and sewer utilities previously owned or operated by the city, and for any combination of one or more such purposes in any single issue of revenue bonds or revenue certificates. At the discretion of JEA, such bonds or revenue certificates may be issued for any one or more of the several utility systems of JEA for any combination thereoft.
 - (2) The bonds or revenue certificates of each issue shall be authorized by resolution of JEA, which resolution shall contain such provisions relating to the protection and security of the holders of the bonds or revenue certificates, including their rights and remedies, and the rights, powers, privileges, duties and obligations of JEA with respect to the same. Such resolution may also contain provisions providing for the pledge of all or any part of the revenues of the utilities system, to which may, at JEA's discretion, be limited to the revenues of one or more of the several utility systems, to secure the payment of the bonds or revenue certificates of any issue and may provide for the pledge of other funds and accounts of JEA. Such resolution also shall determine the timing and manner of sale, which may be public or private; maturities; rate or rates of interest, which may be fixed or may vary at such time or times as provided or in accordance with a specified formula or method of determination (subject to any legal limitations on interest, as established by F.S. § 215.84, or according to said Section as it may from time to

Created: 2021-04-08 15:02:54 [EST]

time be amended); and other terms and conditions of the bonds or revenue certificates, provided that JEA may delegate to the chairperson, managing director or other officer or employee of JEA designated by JEA the power to determine any such terms or conditions. However, the amounts and maturities of such bonds or revenue certificates and the interest rate or rates of such bonds or revenue certificates shall be within the limits prescribed by JEA and its resolution delegating to the chairperson, managing director or such other officer or employee of JEA the power to authorize the issuance and sale of such bonds or revenue certificates, and, in the case of the total aggregate amount of bonds or revenue certificates issued by JEA, within the limits prescribed by ordinance of the council. In case any officer whose signature or facsimile of whose signature shall appear on any bonds or revenue certificates shall cease to be such officer before the delivery of such bonds or revenue certificates, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. All bonds and revenue certificates issued under the provisions of this Article shall have and are hereby declared to have all the qualities and incidents of negotiable instruments under the negotiable instruments under the negotiable instruments under the subject to any limitations or conditions contained in any other law.

- (3) Bonds or revenue certificates and refunding bonds or refunding revenue certificates issued pursuant to this Article if sold by bid shall be sold to the bidder whose bid produces the lowest true interest cost to JEA. JEA may restrict the bidders in any sale by pre qualification or otherwise and may reserve the right to reject any or all bids. Prior to any sale by bid of bonds or revenue certificates JEA shall cause notice to be given in such manner and at such time as JEA shall determine. Said notice shall specify such matters relating to the bonds or revenue certificates offered for sale as JEA shall determine and shall state the manner in which bids shall be given. JEA may reserve the right to waive any informalities or irregularities if JEA determines that such actions are in its best interest. In no event shall said bonds or revenue certificates be sold at a net interest cost to JEA in excess of the legal limit, as established by F.S. § 215.84, or according to said Section as it may from time to time be amended.
- (4) In no event shall general obligation bonds be issued hereunder.
- (5) Bonds or revenue certificates may be issued by resolution of JEA, subject only to the approval by ordinance of the council of the aggregate principal amount of such bonds or revenue certificates.
- (j) To borrow money and to issue notes for any purpose or purposes for which bonds or revenue certificates may be issued under the provisions of this Article, in accordance with the provisions of this Article relating to the issuance of bonds or revenue certificates, and to refund the same and to issue notes in anticipation of the receipt of the proceeds of the sale of any such bonds or revenue certificates.
- (k) To borrow money from the city, for any period not to exceed one year, to provide JEA with working capital to meet routine or emergency cash requirements and to maintain adequate inventories, at such interest rates and upon such conditions concerning the method of borrowing, the time and manner of payment and the maximum amount that may be on loan at any time, as are determined by ordinance of the council; to lend money from one of its utilities operations to another of its utilities operations for such period, at such interest rates and upon such other conditions concerning the method of borrowing, the time and manner of payment and the maximum amount that may be on loan at any time, all as determined by JEA; and to borrow money from lending institutions, including, without limitation, borrowing as part of a commercial paper or other short term note financing program which may include provision for payment upon demand by the purchaser or purchasers, as authorized by resolution of JEA. When authorized by resolution of JEA, such notes, including renewals thereof, may be sold or placed by officers of JEA at public or private sale and delivered by such officers to the purchaser or purchasers thereof within the limitations and restrictions contained in such resolution.

Created: 2021-04-08 15:02:54 [EST]

- Such loans between utility systems and such borrowings from lending institutions, or between one or more of the utility systems, including borrowing as part of a commercial paper or other short-term note financing program, will not require the approval of the council.
- (!) To enter into contracts determined by JEA to be necessary or desirable for the prudent management of JEA's funds, debt or fuels, and any and all other commodities used for the several utility systems including, without limitation, interest rate swaps, option contracts, futures contracts, contracts for the future delivery or price management of power, energy, natural gas or other related commodities, hedging contracts, other risk management techniques, securities lending agreements and forward purchase contracts.
- (m) To invest money of JEA not required for immediate use, including proceeds from the sale of any bonds, revenue certificates or notes, in such obligations, securities, and other investments as JEA shall deem prudent, subject to any agreement with bondholders, revenue certificate holders or note holders.
- (n) To enter into joint project agreements as provided by Part II of F.S. Ch. 361, as amended, for the purpose of implementing a project, as such term is defined in Part II of F.S. Ch. 361. A copy of all such joint project agreements shall be filed with the council, the council auditor, and the mayor at least thirty days prior to the effective date of the agreement. Anything in this provision to the contrary notwithstanding, (i) any joint project agreement that involves a transfer of the electric system, function or operation that is subject to the requirements and limitations of Section 21.11 herein or (ii) any joint project agreement that involves the issuance of dobt not previously authorized by Section 21.04(i)(2) herein, shall require prior approval of the council.
- (e) To enter into agreements with one or more other electric utilities, public or private, and related contracts with respect to joint electric power projects as provided in Section 2 of Chapter 80-513, Laws of Florida, as amended. The provisions of said Chapter 80-513 shall govern and control JEA in all respects in the carrying out of a joint electric power project authorized thereunder notwithstanding any provision of the charter or of the Ordinance Code of the City of Jacksonville which may be in conflict therewith.
- (p) To provide, supply, transfer, sell, finance, or lease services, products, by products, and activities developed or used by JEA incident to the exercise of the powers conferred by this Article in the delivery of the utilities systems in the following manner:
 - (1) JEA governing body approval. The governing body of JEA shall approve in advance all services, products, by products or activities developed or used by JEA in accordance with this subsection (p) at a duly noticed meeting. The governing body of JEA shall not delegate its approval authority under this subsection to the managing director or any other officer, employee or agent of JEA.
 - (2) Permitted services, products, by products and activities. The services, products, by products and activities expressly permitted to be developed or used by JEA pursuant to this subsection (p) shall include providing, supplying, transferring, selling, financing or leasing the following: (i) energy performance contracting; (ii) water, sewer and natural gas (and any other utility service hereafter provided by JEA) contracting; (iii) power marketing services; (iv) testing and maintenance of customer owned facilities such as transformers, capacitors, lighting, HVAC systems, water cooling and heating systems, energy management systems, etc.; (v) temporary leasing of JEA facilities such as oil storage tanks; (vi) steam or other thermal energy services and contracting; (vii) services regarding specially conditioned power on the premises of customers; (viii) services or products to build, transfer, lease, finance, operate or sell cogeneration facilities, small power production facilities, specially conditioned power, energy conservation, energy efficiency and dispersed generation to other electric utilities both within and without the state or to any wholesale or retail customers of JEA, upon such terms and conditions as JEA shall by resolution

Created: 2021-04-08 15:02:54 [EST]

- fix and determine; and (ix) financing, testing, maintenance and operation of customer owned facilities used in water, wastewater and natural gas functions.
- JEA may provide "additional services or products" not listed in subsection (p)(2) above. However, JEA shall not provide, supply, transfer, sell, finance or lease any additional service, product, byduct or activity not expressly listed in subsection (p)(2)(i)—(ix) above ("additio product") to any person or entity under this subsection without first providing written notice as provided herein of such additional service or product to the council auditor no less than 60 days such date that the governing body of JEA is scheduled to approve such additional ser or product in accordance with subsection (p)(1). JEA's required written notice to the council auditor shall include the following information regarding such additional service or product: (i) an express reference in the notice that the notice is being provided pursuant to this subsection; (ii) a detailed description of the additional service or product; (iii) a copy of any applicable business plans; (iv) a copy of any proposed contracts or contract forms; (v) a financial analysis, including rpenses; and (vi) any other information parties regarding the additional service or product. Any action by JEA to provide, supply, transfer, sell, finance or lease an additional service or product pursuant to this subsection shall be void vithout the required prior approval of the governing body of JEA and prior notice to the council ditor as provided herein. JEA shall provide the mayor and council with a notice containing the information in items (i) and (ii) above regarding such additional service or product concurrent
- (4) Annual report. JEA shall provide a comprehensive annual written report to the mayor, council, and council auditor regarding all services, products, or by products developed or used by JEA pursuant to this subsection (p). JEA shall post such written report on JEA's website in a conspicuous manner for the public to view.
- (5) Prohibition. JEA shall not exercise any powers pursuant to this subsection (p) that are expressly prohibited in the charter or this Article, including, but not limited to, the express prohibitions set forth in Section 21.11 herein.
- (a) To implement giving programs in the following manner:
 - (1) Upon approval of the governing body of JEA, to collect from customers and ratepayers monthly or one-time voluntary contributions to be deposited into an elderly and/or handicapped or low-income customer emergency trust fund administered by JEA. The proceeds of such trust fund may be expended periodically by JEA for the purpose of providing financial assistance to elderly and/or handicapped or otherwise needy low income residents living within the service area of JEA for the payment of their utilities needs. The method of administration of such trust fund, including the collection and distribution thereof, shall be as provided by ordinance of the council. The results of such giving program shall be reported annually each July 1st to the council.
 - (2) Upon approval of the governing body of JEA, 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.
 - (3) Upon approval of the 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. Contributions from any such program shall be passed through to an appropriate non-profit entity for administration and

Created: 2021-04-08 15:02:54 [EST]

distribution and shall not be administered by JEA. The results of any such giving program shall be reported annually each July 1st to the council.

- (r) To jointly or separately plan, finance, operate, use, share costs of, sponsor, publicize or otherwise participate in projects, systems, programs or measures to promote or implement electric and natural gas energy, electrotechnologics, water, wastewater and natural gas conservation and efficiency, power conditioning and load management, including, but not limited to, energy, water and wastewater conservation, energy efficiency and conditioning or load reducing or load shaping modifications to the maintenance and operating procedures and facilities of a building or facility or in the installation therein; energy, water and wastewater conserving and energy efficiency modifications to windows and doors, pipes, pumps and motors; caulking and weatherstripping; insulation; automatic energy control systems; load management systems; hot water systems; replacements or modifications of lighting fixtures; and energy recovery and recycling systems; and research and development relating thereto within or without the state.
- (s) Except as otherwise prohibited herein, 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.
- (t) To do all acts and deeds necessary, convenient or desirable, incidental to the exercise and performance of the powers and duties granted to JEA in this Article.
- (u) Express authority is given JEA to enter into any contracts, leases or other agreements with other governmental bodies (either local, state or federal) for the purpose of carrying out any of the provisions, powers or purposes of this Article. JEA is expressly prohibited from appropriating or expending any of its funds for payments, contributions or transfer to any non-profit organization or any other group, association or entity other than those whose primary purpose directly involves the electric, water, wastewater and natural gas utility, (or any other utility which may, in the future, be operated by JEA) industries, or electric energy, water, wastewater and natural gas (or any other utility which may, in the future, be operated by JEA) related matters.
- If JEA determines that it is necessary or appropriate for it to provide, operate or maintain any other utility system or function other than electric, water wastewater and natural gas, JEA shall by resolution identify such additional utility system or systems or function or functions and indicate its desire to utility service or services or function or functions to the council. Sixty days prior to JEA filing the JEA resolution via legislation with the council, JEA shall provide written notice to the council auditor regarding the additional utility system, function, or utility service that JEA desires to provide, in. Such notice to the council auditor shall include the following information such additional utility system, function, or utility service: (i) an exp notice that the notice is being provided pursuant to this subsection; (ii) a detailed description of the additional utility system, function or utility service; (iii) a copy of any applicable business plans; (iv) a copy of any proposed contracts or contract forms; (v) a financial analysis, including projected revenue and expenses; and (vi) any other information developed by JEA or third parties regarding the additional or utility service. The JEA resolution to be provided to council via legislation for adoption and approval by the council shall address relative real property tax treatment of JEA providing, operating or maintaining the additional utility system and shall include the information listed in (i) (vi) above. Upon the adoption and approval of this resolution by JEA and the council, voting as entities, JEA, with respect to the specified system or systems, shall be vested with all pe set forth herein or in general law that would, but for the provisions of this Article, apply to such
- (w) To exercise all powers granted to the city with regard to sewage collection and disposal and to water supply pursuant to F.S. Chs. 170 and 180, including the issuance of bonds or notes in anticipation thereof payable from special assessments under said F.S. Ch. 170.

Created: 2021-04-08 15:02:54 [EST]

- (x) To coordinate carefully with the Department of Public Works of the City of Jacksonville, the Jacksonville Transportation Authority, and other independent agencies, the planning and execution of engineering and construction projects involving underground work and streets and highways to seek to minimize the total cost of such projects and to reduce disruption to the citizens of the city to the maximum extent possible.
- (y) To expend JEA funds up to one (1%) percent of the prior year's gross revenues to promote the efficient use of JEA's services through public education including exhibits, conferences, displays, tours and other events customary to the utilities industry and also to publicize, advertise and promote the objectives of this Article and to promote the objectives of JEA all in the manner set forth by resolution of JEA.

A2_{Accordingly, JEA may expend its funds to make known to the users, potential users and public in} general the advantages, facilities, resources, products, attractions and attributes of the services ovided by JEA and to further create a favorable climate of opinion concerning the activities and ed and indicated by this Article. JEA may also, to the extent perr the State of Florida, expend funds in cooperative efforts to and with other agencies, both public and accomplishing the purposes enumerated and indicated by this Article; and in furtherance nable expenditures for any and all of the purp enumerated, including but not limited to, reasonable food and beverage expenditures in the interest of promoting and engendering good will toward the activities and projects herein authorized. Whenever any of the foregoing purpe JEA may reimburse such member or employee therefor, but only after such expenditures have been duly authorized by JEA or its managing director if so delegated to do so. JEA will provide a list of nditures for the c December 31st of each fiscal year. The spending limitation on promotional expenditures set forth in this subsection shall not apply to a newly approved utility system, function or utility service under subsection (v) herein and newly approved additional services or products under subsection (p) I For purposes of this subsection "newly approved" shall mean within seven years of the approval date by council for matters subject to the provisions of subsection (v) or by the governing body of JEA for subject to the provisions of subsection (p), as applicable. All funds ex reimbursement for travel expenses shall be subject to Chapter 106, Part 7, of the Ordinance Code of the City of Jacksonville, as amended. JEA shall not exercise any powers pursuant to this subsection to

- (z) To allocate costs between the electric, water, sewer, natural gas and any other utility system operated now or in the future by JEA on a cost accounted basis.
- (aa) To assist the City of Jacksonville and any of its departments and independent agencies in the development of joint financing programs for the purpose of financing capital improvement programs for the City of Jacksonville and any of its departments and independent agencies.
- (bb) To enter into such interlocal agreements authorized by, and to become a member of such separate legal entity or entities created pursuant to F.S. Ch. 163, as JEA shall determine by resolution are necessary or desirable to accomplish the purposes enumerated and indicated by this Article; and, to the extent permitted by the laws of the State of Florida, to enter into such joint ventures, partnerships, joint ownership arrangements, or other similar arrangements with other persons or entities, public or private, as JEA shall determine by resolution are necessary or desirable to accomplish the purposes enumerated and indicated by this Article.
- (cc) To allocate and allot the sums appropriated by the council in JEA's annual budget for more specific purposes and to transfer from time to time during the fiscal year, without further council approval, appropriated funds including capital outlay funds from one of the purposes for which funds are

Created: 2021-04-08 15:02:54 [EST]

Formatted: Font: Arial

(Supp. No. 54, Update 2)

Page 92 of 108

appropriated to another of such purposes, if, in the discretion of JEA, such transfer is necessary to carry out all of the purposes for which funds were appropriated, subject to applicable law; provided however, nothing in this Section shall authorize JEA to transfer appropriated funds from its operating budget to its capital outlay budget or vice versa, without prior approval of the council. This includes the financing of power conditioning and energy conservation equipment for both residential and nonresidential customers providing that the receivables at any point in time will not exceed ten (10) percent of the prior year's utilities system's revenues. A written summary of all budget transfers shall be provided to the council auditor at the end of each quarter.

- (dd) To the extent permitted by the laws of the State of Florida, to have ownership and membership in separate organization entities, including but not limited to corporations, to conduct utility related activities and functions. A copy of all such ownership agreements, and any amendments thereto, shall be filed with the council and the mayor at least thirty (30) days prior to the effective date of the agreement.
- (ee) (1) To shut off and discontinue the supplying of services of one utility system, to any and all users of the utilities system, for the nonpayment, when due, of the rates, assessments, fees or charges, for facilities or services of that particular utility system, or for facilities or services of any other utility system.
 - (2) To deny any application for services of one utility system, to any and all users or potential users of the utilities system for the nonpayment, when due, of rates, assessments, fees or charges for facilities or services of that particular utility system, or for facilities or services of any other utility system.
- (ff) Subject to the prior approval of the governing body of JEA, to:
 - (1) Transfer to an entity by sale, lease, assignment or other disposition of up to, but not more than, the net capital assets calculation (as defined in Section 21.11) of an included system, or the management, function, or operation of any portion of an included system which comprises more than the net capital assets calculation of such included system;
 - (2) Explore, investigate or consummate a reorganization of JEA, or JEA's governance structure in a manner that would affect JEA's ownership or management control of up to, but not more than, the net capital assets calculation (as defined in Section 21.11) of an included system;
 - (3) Sell, lease, assign or otherwise transfer less than .01 or one percent (1%) of the service territory (as calculated in Section 21.11(d)) of a JEA included system to any entity; and
 - (4) Sell, lease, assign or otherwise transfer less than .01 or one percent (1%) of JEA's electric, water, or wastewater, customer accounts (as calculated in Section 21.11(d)) based on the latest available JEA monthly financial statements.

For purposes of this subsection and as applicable, terms and phrases used in this subsection shall have the meaning ascribed to them in Section 21.11 herein. This subsection (ff) is subject to the limitations and prohibitions on privatization, sale, reorganization, and service territory transfers set forth in Section 21.11

(Laws of Fla., Ch. 78 538, § 1; Laws of Fla., Ch. 80 515, § 1; Laws of Fla., Ch. 82 312, § 15; Ord. 84 1307 754, § 25; Ord. 86 164 454, § 1; Ord. 86 1458 879, § 1; Laws of Fla., Ch. 92 341, § 1; Ord. 93 82 1385, § 1; Ord. 94 1268 757, § 1; Ord. 97 12 E, § 2; Ord. 98 253 E, § 1; Ord. 2005 1032, § 1; Ord. 2015 764 E, § 2; Ord. 2018 142 E, § 1; Ord. 2020 419 E, § 2)

Created: 2021-04-08 15:02:54 [EST]

Section 21.05. Construction.

In addition to the express powers granted in this Article, JEA shall have all implied powers necessary or incidental to carrying out the expressed powers and the expressed purposes for which JEA is created. The express powers granted to JEA in this Article shall be strictly construed, and the implied powers granted to JEA in this Section shall be strictly construed in relation to the relevant and applicable express power granted to JEA in this Article. The fact that this Article specifically states that JEA possesses a certain power does not mean that JEA must exercise such power unless this Article specifically so requires. JEA's power to levy special assessments shall not be deemed to be the power to levy taxes.

(Ord. 93-82-1385, § 1; Ord. 97-12-E, § 2; Ord. 98-253-E, § 1; Ord. 2020-419-E, § 2)

Section 21.06. Bonds and revenue certificates eligible for legal investments.

Notwithstanding any provisions of any other law or laws to the contrary, all revenue bonds and revenue certificates including refunding bonds and refunding revenue certificates, issued pursuant to this Article shall constitute legal investments for savings banks, trust companies, executors, administrators, trustees, guardians, and other fiduciaries, and for any board, body, agency or instrumentality of the State of Florida, or of any county, municipality, or other political subdivision of the State of Florida; and shall be eligible as security for deposits of state, county, municipal and other public funds.

(Laws of Fla., Ch. 78 538, § 1; Laws of Fla., Ch. 80 515, § 1; Ord. 84 1307 754, § 25; Ord. 93 82 1385, § 1)

Editor's note(s)—Former § 21.06Editor's note(s)—, relative to transfer of property by the city, was deleted by § 1 of Ord. 93-82-1385, and former § 21.05Editor's note(s)— was subsequently renumbered as s. 21.06Editor's note(s)—. The provisions of former § 21.06Editor's note(s)—derived from Laws of Fla., Ch. 78-538, § 1; Laws of Fla., Ch. 80-515, § 1; Ord. 84-1307-754, § 25Editor's note(s)—and Laws of Fla., Ch. 92-341, § 1.

Section 21.07. Fiscal and budgetary functions.

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

- (a) The fiscal year of JEA shall commence on October 1 of each year and end on the following September 30.
- (b) JEA shall prepare and submit its budget for the ensuing year to the city on or before July 1 of each year, setting forth its estimated gross revenues and other available funds, and estimated requirements for operations and maintenance expenses, capital outlay, debt service, and depreciation and reserve account. The council and the mayor shall approve or disapprove such budget in the manner provided in Article 14 for budgets of independent agencies.
- (c) As consideration for the unique relationship between the City of Jacksonville and JEA, as a tax exempt entity within the consolidated government, and in recognition of the shared attributes with the consolidated City of Jacksonville in connection with its electric, water, and sewer distribution systems, there shall be assessed upon JEA in each fiscal year, for the uses and purposes of the city, from the revenues of the electric system and the water and sewer system operated by JEA available after the payment of all costs and expenses incurred by JEA in connection with the operation of such electric system and water and sewer system (including, without limitation, all costs of operation and maintenance, debt service on all obligations issued by JEA in connection with such electric system and water and sewer system and required reserves therefore and the annual deposit to the depreciation and reserve account required pursuant to Section 21.07(g)), an amount as provided herein. Effective October 1, 2016, consistent with the provisions of this Section 21.07(c), JEA shall pay the city combined

Created: 2021-04-08 15:02:54 [EST]

(Supp. No. 54, Update 2)

Page 94 of 108

ssment for the electric system and the water and sewer system. The combined assessment for the electric system and the water and sewer system shall equal, but not exceed the greater of (A) the sum of (i) the amount calculated by multiplying 7.468 mills by the gross kilowatt-hours delivered by JEA to ail users of electricity in JEA's service area and to wholesale customers under firm contracts having more than one year (other than sales of energy to Florida Powe from JEA's St. Johns River Power Park System, exception ending December 31, 2017) during the twelveperiod ending on April 30 of the fiscal year immediately preceding the fiscal year for which such nt is applicable plus (ii) the amount calculated by multiplying 389.20 mills by the number of K-Gals (1=1000 gallons) potable water and sewer service, excluding reclaimed water service, provided to consumers during the twelve-month period ending on April 30 of the fiscal year immediately preceding calculated amount which increases by 1% per year from fiscal year 2016-2017 through fiscal year 2022-2023 using the fiscal year 2015-16 combined assessment of \$114,187,538 as the base year. The amounts applicable to clause (B) for fiscal year 2016-2017 - \$115,329,413; for fiscal year 2017-2018 - \$116,482,708 vear 2018-2019 - \$117,647,535; for fiscal year 2019-2020 - \$118,824,010; for fiscal year 2020-2021 -\$120,012,250; for fiscal year 2021 2022 \$121,212,373; and for fiscal year 2022 2023 \$122,424,496.

- (d) The assessment calculations for the electric system and the water and sewer system shall be in effect until September 30, 2023. The council may reconsider the assessment calculations after October 1, 2022 and changes, if any, shall become effective October 1, 2023. The council may change the assessment calculations by ordinance within the provisions of this Section 21.07. Should the council not reconsider the assessment calculations, the assessments shall be calculated using the existing formulas specified in Section 21.07(c), including a minimum calculated amount in clause (B) therein, which increases by one percent per year for each fiscal year computed as provided in Section 21.07(c). In addition to the annual assessment as calculated in Section 21.07(c), JEA pursuant to the terms of an Interagency Agreement (as amended) with the City, agreed to provide total nitrogen water quality credit to the City to assist the City in meeting its Basin Management Action Plan load reduction goal (BMAP Credit). If JEA cannot provide the BMAP Credit pursuant to the terms of the Interagency Agreement dated March 22, 2016 (as amended), council and JEA shall work cooperatively to address the BMAP Credit shortfall or council may reconsider the assessment calculations.
- (e) The council shall have the power to appropriate annually a portion of the available revenues of each utility system (other than the electric, water and sewer systems) operated by JEA for the uses and purposes of the city. This appropriation shall be based on a formula to be agreed upon by JEA and the council. Any covenants or pledges to lenders associated with such proposed additional utility system which impair council's ability to appropriate revenues from that additional utility system, other than a pledge of gross revenues to bondholders, shall be included in the JEA resolution required in s. 21.04(v) or any future resolution allowing for financing of activities associated with that additional utility system.
- (f) JEA shall pay over to the city (i) the amounts assessed upon JEA pursuant to Section 21.07(c) and (ii) such portions of the funds actually appropriated by the council pursuant to Section 21.07(e) at such time as the council may request, but not in advance of collection. Although the calculation for (i) the amounts assessed upon JEA pursuant to Section 21.07(c) and (ii) the annual transfer of available revenue from JEA to the city pursuant to Section 21.07(e) is based upon formulas that are applied specifically to the respective utility systems operated by JEA, JEA, in its sole discretion, may utilize any of its revenues regardless of source to satisfy its total annual obligation to the city mandated by said Sections 21.07(c) and (e).
- (g) JEA shall be required to set aside each year in a depreciation and reserve account established for each utility system it operates, an amount equal to not less than 10 percent of its annual net revenues for the previous year attributable to each such system. For such purpose, "annual net revenue" shall mean annual gross revenues derived by JEA from the operation of such system reduced by expenses for

Created: 2021-04-08 15:02:54 [EST]

operation and maintenance allocable to such system and debt service allocable to such system. Funds set aside in each such depreciation and reserve account shall be used exclusively for enlargements, extensions, improvements and replacements of capital assets of the utility system for which such account was established or to pay or provide for the payment of JEA's bonds, notes or revenue certificates relating specifically to such system; provided, however, that if JEA by resolution determines that it is in the best interests of JEA to use all or any portion of the funds set aside in the depreciation and reserve account established with respect to a particular utility system for the purposes of another utility system, then such funds may be so applied.

- (h) JEA shall not be required to utilize the personnel, motor pool, purchasing, communication or information systems services of the city. By mutual agreement of JEA and the city such services may be provided from one party to the other but only on a cost accounted basis. JEA shall be required to use the legal services of the city on a cost accounted basis except in those cases when the chief legal officer of the city determines that the city legal staff cannot or should not provide legal services in the required legal area. JEA shall appropriate the funds necessary to meet the obligations for outside legal services as determined by the general counsel of the city. The general counsel shall consult with JEA before he or she selects outside counsel.
- (i) Unless otherwise determined by JEA, all revenues and service charges receivable by JEA as payment for the sale of utilities services shall be collected and received by the tax collector. The tax collector shall deposit to the account of or otherwise turn over to JEA such funds at such times and in such manner as JEA may from time to time designate by resolution. JEA may provide for the collection of such revenues and service charges directly by JEA, provided that the council auditor shall be notified in writing of any proposed change from the current collection process utilizing the Tax Collector and that such change shall not take place until the next fiscal year after such notice is given.
- (i) Reserved.
- (k) JEA is authorized to pay over to other local governmental units outside the city annually a portion of available revenues derived from operations in such local governmental units' territories, for the uses and purposes of such local governmental units, an amount not to exceed that which would be calculated using the procedures in Sections 21.07(c) and (e), but only to the extent that JEA is able to, and does, include in the rates imposed only upon the customers in such local governmental units' territories the total amounts in respect of such payments.
- In addition to all other sums paid by JEA to the City of Jacksonville, JEA shall pay to the City of Jacksonville a franchise fee in an amount equal to three percent (3%) of the revenues of the electric system and the water and sewer system as set forth in Section 21.07(c) herein. The franchise fee will e for revenues derived effective April 1, 2008 and shall be paid monthly with the first payment payable on June 1, 2008. The franchise fee shall be limited to (1) revenues derived within Duval County not including Urban Service Districts 2-5, and (2) per customer, total water and sewer rate revenues, and (3) up to a per customer maximum of \$2,400,000 per fiscal year of electric rate revenues. The franchise fee shall be calculated each month by multiplying three percent (3%) by the of IEA's base rate electric revenues, fuel rate revenue enues for that month excluding unbilled revenues and uncollectible accounts. The franchise fee shall be calculated on revenues derived from the sale of gross kilowatt-hours and number of cubic feet of potable water and cubic feet of sewer service as set forth in Section 21.07(c). Notwithstanding the regoing, no franchise fee shall be paid on franchise fees, state utility taxes, fuel related interchange ales, sales for resale. City of Jacksonville accounts, JEA accounts, investment income and other evenues. JEA shall be authorized to pass through the amount of the franchise fees set forth herein and revenues notwithstanding the \$2,400,000 limit set forth herein to the customers of JEA, in accordance with the customers' proportionate share of rate revenues as calculated above. This franchise fee is in

Created: 2021-04-08 15:02:54 [EST]

consideration of the administrative costs incurred by the City to coordinate functions and services with JEA, for the exclusive right to serve electric, water and sewer customers, for use by JEA of the public rights of way used by it in connection with its electric distribution system and its water and sewer distribution and collection system, and in further consideration of the unique relationship of JEA and the City, in which JEA is a wholly owned public utility, and such other good and valuable consideration that has been agreed to between JEA and the City of Jacksonville. The gross franchise fee and the amount of the pass through set forth herein may be increased by ordinance, initiated by the Mayor and approved by two thirds supermajority of the City Council, but the franchise fee shall not exceed six percent (6%) of the gross utility revenues as calculated above. The JEA and the City shall enter into a Franchise Fee Agreement for the administration of the Franchise Fee.

(m) When JEA is in receipt of a request for information from the council auditor pursuant to the authority of the council auditor under Section 5.10 of the charter, it shall, within two business days of receipt of the request, 1) acknowledge receipt of the request by electronic mail to the council auditor, and 2) submit to the council auditor an estimated timeframe for which the information requested will be available to the council auditor for review. If the information requested by the council auditor is not within the purview of JEA or JEA is unsure of the request or unfamiliar with the information that is response to the council auditor.

(Laws of Fla., Ch. 78 538, § 1; Laws of Fla., Ch. 80 515, § 1; Ord. 81 921 490, § 1; Ord. 84 1307 754, § 25; Ord. 89-1001 632, § 1; Laws of Fla., Ch. 92 341, § 1; Ord. 93 82 1385, § 1; Ord. 97 12 E, § 2; Ord. 98 253 E, § 1; Ord. 2003-1320 E, § 1; Ord. 2007 838 E, § 1; Ord. 2007 1132 E, § 1; Ord. 2015 764 E, § 2; Ord. 2018 747 E, § 2; Ord. No. 2020 40 E, § 1; Ord. 2020 419 E, § 2)

Sec. 21.08. Employees generally; managing director; employment contract restrictions.

- -Generally. All employees of the utilities systems shall be employees of JEA and shall be subject to Articles 16 and 17 of the charter unless otherwise provided by the council, which shall be and continue to be the body as provided in F.S. § 447.203(10), as ar ended. JEA shall be fully responsible for the administration and operation of all utility services as set out in this Article and in order to meet its administrative and operational responsibilities, JEA shall have full and independent authority to hire, utilities services for which it is responsible and accordingly, consistent with the provisions of Article 17 of the charter, JEA may establish employment policies relating to hiring, promotion, discipline and termination, and respect to wages, hours and terms and conditions of employment and take such other employment related action as needed to assure effective and efficient administration and operation of the utilities systems. In der to effectively implement the foregoing, JEA shall perform all functions with regard to its own employees that are performed by the City department or division which oversees city employees in regard to personnel matters. JEA, at its expense, shall provide accidental death benefits for all employees engaged in zardous duty as determined by JEA, in the amount of \$50,000 payable to the beneficiary named by the otherwise provided, in the event said employee dies as a result of an accident occurrir any employee in the course of his/her employment. Nothing contained in this Section shall be construed to or repeal any provision of Section 12 of Chapter 80-513, Laws of Florida, as ar
- (b) Managing Director. The governing body of JEA shall employ and fix the compensation of the managing director, who shall serve at the pleasure of the governing body of JEA. The managing director shall manage the affairs of the utilities systems under the supervision of the governing body of JEA. The entire working time of such managing director shall be devoted to the performance of the duties of such office and the managing director shall have no outside employment. Subject to the approval of the governing body of JEA, the managing director may engage in or have unrelated business interests so long as such business interests.

Created: 2021-04-08 15:02:54 [EST]

do not interfere with the managing director's duties as provided herein. The managing director shall be a graduate of an accredited college or university, and have at least five years executive experience within the utilities industry. The managing director shall have a fiduciary duty of loyalty, fidelity, and allegiance to act at all times in the best interests of JEA and will act in a manner consistent with the responsibilities of this Article and other policies, rules and regulations governing the conduct of JEA employees. The managing director's employment agreement, if any, shall be subject to the provisions of subsection (d) below.

- (c) Other Employees. The governing body of JEA may appoint and fix the compensation of staff assistants to the managing director, to serve at the pleasure of the governing body of JEA. JEA shall employ and fix the compensation of the department heads, deputy directors of departments, division chiefs and assistant division chiefs of the utilities systems. JEA may adopt position titles different from those recited herein, consistent with utility industry practice. The managing director, department heads, deputy directors of departments, staff assistants, division chiefs and assistant division chiefs shall not be included within the civil service system of the city. The managing director may employ such certified public accountants, consultants and other employees for special purposes, not within the civil service system, as it may require, and fix and pay their compensation. Whenever used in this Section 21.08, "compensation" shall mean both salary and benefits, exclusive of any city retirement benefits pursuant to Article 16 of the charter.
- (d) Employment contract restrictions. JEA may have an employment contract with the managing director only. The managing director's employment contract shall be approved by the governing body of JEA. Nothing in this subsection, or in any employment agreement entered into pursuant to this subsection, may be construed as a guarantee of employment for the managing director at any time, or for any length of time. At a minimum, the managing director's employment contract shall satisfy the following requirements:
 - (1) The contract term, including any renewal term, shall not exceed five (5) years;
 - (2) 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 or terminated for misconduct, as defined in F.S. § 443.036(29), as amended;
 - (3) The contract shall not contain a mandatory consulting, separation and transition, or similar agreement that is operative due to the managing director's termination without cause under the contract;
 - (4) JEA shall not be required to release, indemnify or hold harmless the managing director against any claims except as otherwise permitted by law;
 - (5) 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 charter or general law;
 - (6) The contract shall contain a provision that the managing director serves at the pleasure of the governing body of JEA and may be terminated without cause at any time, and such provision may provide for not more than 30 days advance notice to the managing director of such termination without cause:
 - (7) The contract may contain a provision for termination of the managing director for cause, provided that
 "cause" shall be defined consistent with the definition of cause as contained in Rule 9.05(a) of the Civil
 Service and Personnel Rules and Regulations of the City of Jacksonville:
 - (8) 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 workforce, and utility systems; and
 - (9) Any such other terms as may be in the best interest of JEA and not inconsistent with this section.

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

Created: 2021-04-08 15:02:54 [EST]

- (e) Pension Plan; Defined Contribution Plan; Deferred Compensation Plan. All personnel appointed by JEA pursuant to this Section shall participate in one of the city's retirement plans, as governed by the rules and requirements of such retirement plans and in the same manner as other JEA employees who participate in such plan. JEA is authorized to maintain a separate single tax qualified defined contribution program pursuant to Section 401(a) of the Internal Revenue Code of 1986, as amended, for its employees that is supplemental to any city defined contribution program. Additionally, JEA is authorized to maintain a separate single eligible deferred compensation program pursuant to Section 457(b) of the Internal Revenue Code of 1986, as amended, for its employees that is supplemental to any city deferred compensation program. Such programs shall be approved by the governing body of JEA and shall be subject to and comply with all federal and state laws applicable to deferred compensation and defined contribution programs for public or government employees, including, but not limited to, the Internal Revenue Code of 1986, as amended, F.S. § 112.215, as amended, and Part VII of F.S. Ch. 112. JEA shall periodically provide the council auditor with a written report regarding such deferred compensation and defined contribution programs. JEA shall post such written report on JEA's website in a conspicuous manner for the public to view.
- (f) Employee Bonus Program. JEA may implement or adopt an employee bonus plan or program ("bonus program") for JEA employees pursuant to F.S. § 215.425(3), as amended, subject to the prior approval of the governing body of JEA. The governing body of JEA shall approve such bonus program annually for each fiscal year, and if a bonus program is implemented in any fiscal year without first obtaining the approval of the governing body of JEA, such program shall be void. The governing body of JEA shall not delegate its approval authority regarding a bonus program under this subsection to the managing director or any other officer, employee or agent of JEA. Such bonus program must comply with F.S. § 215.425(3), as amended, the charter, and other applicable laws. The governing body of the JEA shall establish rules, procedures, and standards regarding such bonus program as an exhibit to its annual budget submission to council. JEA shall also provide the council auditor with an annual end of fiscal year written report on or before December 31st of each fiscal year regarding the disbursements related to the bonus program. JEA shall post such written report on JEA's website in a conspicuous manner for the public to view.

(Ord. 2020-419-E , §§ 1, 2)

Editor's note(s) — Ord. 2020-419-E Editor's note(s) — , 55 1 and 2, amended the Charter by repealing former \$
21.08Editor's note(s) — and adding a new \$ 21.08Editor's note(s) — . Former \$ 21.08Editor's note(s) —
pertained to employees, and derived from Laws of Fla., Ch. 78 538, \$ 1; Laws of Fla., Ch. 80 515, \$ 1; Ord. 841307-754, \$ 25Editor's note(s) — ; Ord. 87-203-345, \$ 1; Laws of Fla., Ch. 92 341, \$ 1; Ord. 97-12-E, \$ 2; Ord.
98-253-E, \$ 1; Ord. 2011-732-E; and Ord. 2015-764-E Editor's note(s) — ; \$ 3. Additionally, Ordinance 2007830-E, \$ 18, authorized updated department/division names pursuant to reorganization.

Sec. 21.09. Procurement generally; contracts generally.

- (a) Applicability. Unless otherwise provided herein, this Section shall apply to contracts entered into by JEA pursuant to this Article.
- (b) Procurement generally.
 - (1) Open and Fair Competition. To the greatest extent reasonably practicable, JEA shall use open, fair, competitive, and generally accepted government procurement methods that seek to encourage the most competition and best price for the purchase of supplies, construction, professional and other contractual services. JEA should adhere to all applicable state procurement laws, including, but not limited to, laws governing the purchase of construction services and professional design services.
 - (2) Procedures; governing body approval. JEA shall not be required to follow the City's procurement procedures. JEA may establish its own procurement procedures regarding the purchase of goods,

Created: 2021-04-08 15:02:54 [EST]

supplies, equipment, and services, subject to applicable state law. JEA's procurement procedures, including any amendments thereto, shall be reviewed and approved by the governing body of JEA. The governing body of JEA may not delegate its approval of the procurement procedures, including any amendments thereto, to the managing director or any other officer, employee or agent of JEA. In the absence of JEA established procurement procedures, JEA shall follow the city's procurement procedures. JEA shall adhere to its procurement procedures in entering into procurement contracts, including but not limited to, contracts relating to the construction, reconstruction, repair, operation or maintenance of the utilities systems or the purchase of supplies, equipment, machinery and materials for the utilities systems or the contracting or otherwise purchasing for any advisory, professional or other services, necessary or incidental to the operation of the utilities systems.

- (3) Jacksonville Small Emerging Business (JSEB) Program; Minority Business Enterprises. JEA shall adhere to the city's Jacksonville Small Emerging Business (JSEB) Program, or successor city program, in its procurement procedures. Subject to applicable federal, state and local laws, JEA is authorized to implement and to take all actions necessary to administer a race conscious purchasing and procurement program to remedy the present effects of past discrimination by JEA, if any, in the awarding of contracts. Any such race-conscious program implemented by JEA to remedy the present effects of past discrimination by JEA, if any, in the awarding of contracts must be supported by evidence and based on the required criteria and standards as set forth in applicable federal and state laws.
- (4) Certain solicitation specifications and standards prohibited; rejection of bids, proposals, and replies. JEA should not develop solicitation specifications that are so narrowly tailored to an entity or entities that other qualified entities (i.e., bidders, respondents and vendors) are precluded from participating in such solicitation. Additionally, JEA should not develop standards that limit open competition and preclude qualified entities (i.e., bidders, respondents and vendors) from participating in solicitations. JEA shall have the right to reject any and all bids, proposals, or replies, in whole or in part, in the best interacts of IEA.
- (5) Annual survey. JEA shall annually conduct a survey of actual, interested and prospective bidders, respondents, and vendors to obtain feedback on JEA's procurement process. Such survey shall be on a form approved by JEA and participation in the survey shall be open to actual, interested and prospective bidders, respondents, and vendors. Survey topics may include, without limitation, various aspects of JEA's procurement process such as information transparency and accessibility, preconferences, bid submittal packages, evaluations, and awards. JEA shall consider such survey results during JEA's biennial review of its procurement code.
- (6) Transparency in procurement governing documents. The procurement code and any procurement policies, operating procedures, rules, directives, standards, and other procurement governing documents, including any amendments thereto, shall be posted on JEA's website in a conspicuous manner for the public to view.
- (7) Biennial review; annual report. JEA shall biennially review its procurement procedures. JEA shall also prepare and deliver a written report to the council and mayor on or before December 31st of each fiscal year summarizing the procurement contract awards for the immediately prior fiscal year. Such written report shall contain at a minimum the following information:
 - (i) The number of contract awards for the reporting fiscal year;
 - (ii) A detailed listing of all contract awards categorized by service type (e.g., construction, professional, supplies, professional design services), award type (e.g., single source, emergency, request for proposal, invitation to negotiate, piggyback, etc.) and a brief description of each contract award containing the contractor name, contract amount and procurement method used;

Created: 2021-04-08 15:02:54 [EST]

- (iii) The number of JSEB contract awards categorized by service type (e.g., construction, engineering, supplies, professional), award type (e.g., single source, emergency, request for proposal, invitation to negotiate, piggyback, etc.), and a brief description of each contract award containing the JSEB contractor name, contract amount and procurement method used:
- (iv) The number of bid protests for the reporting fiscal year and the outcome of each protest (i.e., whether JEA prevailed): and
- (v) The annual survey results pursuant to the survey requirement in subsection (b) above.
- JEA shall post such written report on JEA's website in a conspicuous manner for the public to view.
- (8) Prohibition. JEA shall not exercise any powers pursuant to this Section to explore, investigate or consummate a privatization, sale, transfer or reorganization of JEA as expressly prohibited in Section 21.11 herein or this Article.

(c) Contracts Generally.

- (1) Maximum indebtedness. Unless otherwise provided herein or by law, all contracts of any kind entered into by JEA pursuant to this Article, including, but not limited to, procurement contracts, joint project contracts, and interlocal agreements shall contain a provision clearly specifying a fixed, maximum monetary indebtedness of JEA thereunder. Such contracts may, however, provide for a lesser variable indebtedness of JEA upon a reasonable basis, subject to such fixed, maximum monetary indebtedness.
- (2) Public records; ethics training. All contracts and related documents entered into by JEA shall contain a provision clearly stating that such vendor or contractor shall comply with the provisions of F.S. Ch. 119 (Public Records Law), as amended. All senior level employees, including the managing director and senior level officers, directors and managers of JEA, shall be trained by the Office of General Counsel, in consultation with the Ethics Office, at least annually on Florida's open meetings laws, public records and ethics laws in accordance with policies and procedures established by JEA.
- (3) Audit. JEA shall require a person or entity providing contractual services (e.g., construction services, professional design services, or other contractual services) purchased by JEA to agree and be deemed to have agreed by virtue of doing business under contract with JEA to be subject to audit by the council auditor's office pursuant to Article 5 of the charter, as applicable. Additionally, JEA shall include a provision in any contract entered into pursuant to this Article that such vendor or contractor shall comply with all applicable federal, state and local laws, rules and regulations as the same exist or as may be amended from time to time.
- (4) Confidentiality agreements. The use of confidentiality, nondisclosure or similar agreements by government agencies are contrary to open and transparent government. Except regarding information or records deemed by JEA to be confidential or exempt information or records by law, JEA should not enter into confidentiality or nondisclosure agreements with third parties and should use confidentiality, nondisclosure or similar agreements sparingly in the conduct and operation of the utilities systems. Additionally, JEA should not require a member, officer or employee of JEA to execute any type of confidentiality or nondisclosure agreement that would require such member, officer or employee to maintain the confidentiality of information or records that is not confidential or exempt by law.
- (5) No financial interest. Except for an employment contract or agreement executed pursuant to Section 21.08, no member, officer or employee of JEA shall either directly or indirectly be a party to, or be in any manner interested in, any contract or agreement with JEA for any matter, cause or thing whatsoever in which such member shall have a financial interest or by reason whereof any liability or indebtedness shall in any way be created against JEA. If any contract or agreement shall be made in violation of the provisions of this Section the same shall be null and void and no action shall be maintained thereon against JEA.

Created: 2021-04-08 15:02:54 [EST]

(d) No limitation. Unless otherwise provided herein, nothing in this Section shall be construed to limit the power of JEA to construct, repair, or improve the utilities systems or any part thereof, or any addition, betterment or extension thereto.

(Ord. 2020-419-E, §§ 1, 2)

Editor's note(s)—Ord. 2020-419 E Editor's note(s)—, 5§ 1 and 2, amended the Charter by repealing former § 21.09Editor's note(s)— and adding a new § 21.09Editor's note(s)—. Former § 21.09Editor's note(s)— pertained to awards of contracts, and derived from Laws of Fla., Ch. 78-538, § 1; Laws of Fla., Ch. 80-515, § 1; Ord. 80-113-169, § 1; Ord. 81-921-490, § 2; Ord. 84-1307-754, § 25Editor's note(s)—; Ord. 84-229-307, § 1; Ord. 86-1475-875, § 1; Ord. 88-989-705, § 1; Ord. 91-678-447, § 1; Laws of Fla., Ch. 92-341, § 1; Ord. 93-82-1385, § 1; Ord. 97-12-E, § 2; and Ord. 98-253-E, § 1.

Section 21.10. Execution of instruments; examination of claims; funding through revenue bonds or revenue certificates.

All instruments in writing necessary to be signed by JEA shall be executed by the chairperson and secretary or assistant secretary, or by such officer, agent or employee of JEA as it may by resolution designate. JEA shall provide for the examination of all payrolls, bills, and other claims and demands against JEA to determine before the same are paid that they are duly authorized, in proper form, correctly computed, legally due and payable, and that JEA has funds on hand to make payment. Funds on hand to make payment shall be deemed to have been provided when revenue bonds or revenue certificates of JEA (or notes issued in anticipation thereof) to finance the acquisition and construction of plants and facilities for the production and/or transmission of electricity, the production and transmission of water, the transmission and treatment of wastewater and the transmission of natural gas, costing in excess of \$10,000,000,000 have been duly authorized as provided in this Article whereupon JEA may enter into instruments in writing for the acquisition and construction of such plants and facilities and may sell such revenue bonds or revenue certificates (or notes issued in anticipation thereof) in the manner provided in this Article in installments to provide funds as obligations of JEA under such instruments in writing become due.

(Laws of Fla., Ch. 78-538, § 1; Laws of Fla., Ch. 80-515, § 1; Ord. 84-1307-754, § 25; Laws of Fla., Ch. 92-341, § 1; Ord. 93-82-1385, § 1; Ord. 97-12-E, § 2; Ord. 98-253-E, § 1)

Sec. 21.11. Privatization, sale, reorganization, service territory transfers prohibited.

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

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

"net capital assets" shall mean the net capital assets based on the Combining Statement of Net Position in latest available JEA annual financial statements for the appropriate Enterprise Fund for each included system.

"net capital assets calculation" shall mean the net capital assets for each included system multiplied by .10 or 10%. For purposes of this section, the initial net capital asset calculation for each included system shall be established based on the September 30, 2020, audited financial statements. The net capital assets calculation shall reset every five years thereafter.

"calculation period" shall mean the five year period after the net capital assets calculation is established during which the cumulative impact on the net capital assets of the sale, lease, assignment, other disposition, or the assignment of the management function or operation of such portion of an included system, shall be recorded.

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

Created: 2021-04-08 15:02:54 [EST]

"included system" shall mean the electric system and bulk power supply system, and the water and sewer utility system reported on the financial statements as the water and sewer Enterprise Fund, owned, operated and managed by JEA.

"excluded system" shall mean JEA's district energy system, and the St. Johns River Power Park system.

- Prohibition on privatization, sale, reorganization and transfer of management, JEA shall not directly, or indirectly through a consultant or advisor, explore, investigate or consummate a privatization or transfer to an entity by sale, lease, assignment or other disposition of the net capital assets of an included system, or the management, function, or operation of any portion of an included system which cumulatively comprises more than the net capital assets calculation during the calculation period, without obtaining approval of the oval of such disposition by the council shall become effective without subsequent referendum approx of the terms and conditions of the disposition, lease, or other assignment of the management, function or of such portion of a included system. Additionally, JEA shall not directly or indirectly through a consultant or advisor, explore, investigate or consummate a reorganization of JEA, or JEA's governance structure in a manner that would affect JEA's ownership or management control of the net capital assets of an included system which cumulatively comprises more than the net capital assets calculation during the culation period, without obtaining approval of the council in advance by amending this Section to pe such action by JEA. Upon approval by the council for JEA to explore or investigate a privatization, transfer, or reorganization of JEA, council may in its discretion prescribe by ordinance budget restrictions related to during such exploration or investigation. The terms "explore" and "investigate" as used in this subsection shall include, but not be limited to, exploring or investigating in connection with any strategic planning en by JEA or any of its consultants or advisors.
- (c) Reports. JEA shall report to the council auditor within 30 days of the issuance of the annual audited financial statements the change in net capital assets for each included system for the period covered by the financial statements. JEA shall also report the cumulative impact of the change in net capital assets for each included system during the calculation period. Both reports will include supporting documentation as requested by the council auditor.
- (d) Prohibited service territory transfers. Any sale, lease, assignment or other transfer of the service territory of a JEA included system to any entity that will result in a total net loss of .01 or 1% or more of the service territory or any sale, lease, assignment, or transfer to any entity that will result in a total net loss of .01 or 1% or more of JEA's electric, water, or wastewater, customer accounts based on the latest available JEA monthly financial statements shall require council approval in advance. JEA shall not enter into any agreement, contract, memorandum of understanding, letter of intent or other arrangement that would exceed the .01 or 1% or more threshold without obtaining council approval in advance.
- (e) Interlocal Agreements with St. Johns and Nassau Counties. Nothing in this Section shall prevent JEA from complying with the terms and conditions of the interlocal agreements with St. Johns County and Nassau County executed by the parties prior to January 1, 2020, which include, but are not limited to, an option to purchase the assets and service territory of JEA within the respective counties without council or referendum approval.

(Ord. 2020-419-E , § 2)

Editor's note(s)—Ord. 2020 419 E Editor's note(s)—, § 2, amended the Charter by renumbering former §§ 21.11Editor's note(s)— and 21.12Editor's note(s)— as new 21.13Editor's note(s)— and 21.14Editor's note(s)—, and adding a new §§ 21.11Editor's note(s)— and 21.12Editor's note(s)—.

Created: 2021-04-08 15:02:54 [EST]

(Supp. No. 54, Update 2)

Page 103 of 108

Sec. 21.12. Public engagement.

JEA should seek to fully engage and inform its ratepayers, the public, interested stakeholders, and other interested parties in any future planning discussions, including, but not limited to short term and long term plans, objectives and goals, regarding the future of JEA to enable its ratepayers, the public, interested stakeholders and other interested parties to fully participate in such planning discussions to the greatest extent reasonably practicable. Examples of ways for JEA to fully engage and inform its ratepayers, the public, interested stakeholders, and other interested parties pursuant to this Section may include, but not be limited to, hosting town hall meetings and JEA workshops and proactively making information regarding such discussions available to its ratepayers, the public, and other interested parties.

(Ord. 2020-419-E , § 2)

Note(s)—See editor's note, § 21.11Note(s)—.

Section 21.13. Legislative authority of council.

Notwithstanding any provision of this charter to the contrary, the council may repeal or amend any portion of this Article, by two thirds vote of the membership of the council. A public hearing on the adoption of the ordinance shall be advertised in substantially the same manner as the council is required to advertise its intention pursuant to F.S. § 200.065, and held not earlier than 30 days after the introduction of the ordinance into the council. The council shall take final action on the ordinance only after the expiration of 60 days after the advertised public hearing, and no ordinance shall be enacted except by a two thirds vote of the entire council. If the mayor disapproves the ordinance, the council may enact it notwithstanding such disapproval only by a four-fifths vote of the entire council.

(Laws of Fla., Ch. 78 538, § 1; Laws of Fla., Ch. 80 515, § 1; Ord. 84 1307 754, § 25; Laws of Fla., Ch. 92 341, § 1; Ord. 2020 419 E , § 2)

Note(s) — Former § 21.11Note(s) — . See editor's note, § 21.11Note(s) — .

Created: 2021-04-08 15:02:54 [EST]

JEA Board Policy Manual

Section 21.14. Severability.

If any provisions of this Article or the application thereof to any person or circumstance is held invalid by a court of competent jurisdiction, the invalidity shall not affect other provisions or applications of this Article which can be given effect without the invalid provision or application, and to this end the provisions of this Article are declared to be severable.

(Ord. 93-82-1385, § 1; Ord. 2020-419-E , § 2; Ord. 2020-419-E , § 2)

Note(s)—Former § 21.12Note(s)—. See editor's note, § 21.11Note(s)—.

Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021.

JEA Board Policy Manual

A3 - JEA BOARD EVALUATION CRITERIA

The JEA Board will self-assess annually as per the Self-Assessment Form Evaluation Criteria below. JEA's Compliance Office will be the third-party facilitator to assist board members in discussing survey results, consistent with the Florida Sunshine and Open Government laws, and deciding what is actionable.

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

Formatted: Justified

Formatted: Centered

Formatted: Normal

Formatted: Font: 18 pt

Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021.

106

JEA Board Policy Manual Formatted: Normal Board Meetings... Are generally well-run, make good use of members time, and are of an optimal length. Board briefing packets are complete and issued at least 7 days in advance of meetings. The Board... Is represented with the necessary skills, stakeholders, and diversity. Demonstrates the principle of transparency in its governance activities. Delegates sufficient authority to the CEO to lead the organization. Reviews CEO performance and compensation annually. Total Score Average Score 0.00 General Comments (if any): Formatted: Line spacing: single, Widow/Orphan control, Tab stops: Not at 0.8" + 1.5" Formatted: Centered Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021. 107

JEA Board Policy Manual

A3 – JEA Charter (Article 21)

Formatted: Normal Formatted: Centered

Adopted in its entirety by the JEA Board on February 16, 2010 and as Amended and Adopted by the JEA Board on May 25, 2021.

108

Energy Market Risk Management Policy Quarterly Report

10/11/2024

Energy Market Risk Management: Physical and Financial Positions

Summary as of 10/1/2024			
FY25 Fuel Expense (Budget \$434M)	\$432M		
EMRM Compliance			
Counterparty Credit Limit Exceptions	No		
Any Issues of Concern	No		

Table 1: Physical Counterparties (Contracts One Year or Greater) as of 10/1/2024

Generating Unit	Fuel Type	Supplier/Counterparty	Contract Type	Remaining Contract Value	Remaining Contract Term
NS CFB	Limestone	CY23-CY24 Vulcan	Fixed Price	\$11,268	0.25 years
NG Fleet	Natural Gas	Shell Energy	Index w/Fixed Price Option	\$505,225,998	6.66 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$115,057,813	24.49 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$64,868,904	14.49 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$105,724,144	29.08 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$106,681,350	24.74 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	\$173,690,053	28.08 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	\$230,272,195	28.58 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	\$283,392,565	28.66 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	\$310,273,684	29.49 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	\$155,408,481	30 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	\$154,860,831	30 years

Table 2: Financial Positions as of 10/1/2024

Year	Commodity	Physical Volume (mmBtu)	Hedged Volume (mmBtu)	Percent Hedged	Ur	nhedged Cost	Hedge Type	Hed	Hadaa Prical		ark-to-Market Credit/(Cost)	Counterparty	
FY25	Natural Gas	50,528,817	32,209,037	63.7%	\$	3.22	Swap	\$	3.65	\$	(13,983,884)	Wells Fargo & RBC	
FY26	Natural Gas	52,924,996	24,920,583	47.1%	\$	3.59	Swap	\$	3.97	\$	(9,793,663)	Wells Fargo & RBC	
FY27	Natural Gas	50,422,022	14,880,376	29.5%	\$	3.65	Swap	\$	4.29	\$	(9,963,334)	Wells Fargo & RBC	
FY28	Natural Gas	47,798,198	4,552,000	9.5%	\$	3.59	Swap	\$	4.03	\$	(1,752,213)	RBC	
CY24-31	Nat.Gas-PPA	84,767,857	59,337,500	70.0%	\$	3.47	Swap	\$	2.59	\$	50,146,345	Nextera	

Table 3: Fuel & Purchase Power Procurement as of 10/1/2024

Fuel Type	Natural Gas	Coal	Petcoke	Limestone	FPL PPA	PurchPwr	Oil/Diesel	Renewables	Vogtle
FY25 Remaining / Energy Mix	60%	1%	<u>1</u> 7%	N/A	11%	8%	0%	4%	10%
Expected Spend (\$)	208.3M	9.4M	25.4M	3.7M	37.1M	48M	4.4M	28.3M	20.6M
% Procured	80%	100%	0%	0%	100%	11%	100%	100%	100%
% Hedged	63%	100%	0%	0%	93%	11%	100%	88%	100%
FY26 Projection / Energy Mix	56%	1%	9%	N/A	10%	7%	0%	4%	13%
Expected Spend (\$)	219.5M	8.7M	33M	5.1M	38.5M	43.1M	4.5M	27.6M	17.8M
% Procured	64%	3%	0%	0%	100%	0%	100%	100%	100%
% Hedged	45%	3%	0%	0%	95%	0%	100%	84%	100%
FY27 Projection / Energy Mix	53%	1%	10%	N/A	10%	6%	0%	7%	13%
Expected Spend (\$)	208.8M	9M	37.8M	5.7M	38.6M	34.9M	5.3M	40.6M	15.9M
% Procured	60%	0%	0%	0%	100%	0%	100%	100%	100%
% Hedged	31%	0%	0%	0%	95%	0%	100%	87%	100%

Supporting Notes:

- Renewable purchase power agreements are not included in Table 1
- Table 1: Natural Gas discount Municipal Gas Authority of Georgia (MGAG) issues municipal bonds to prepay for gas, allowing them to offer discounts to JEA for qualified use
- Table 1: MGAG prepay agreement remaining contract values are based on current discounts, future discounts are subject to change
- Table 1: Limestone contract value is based on current contract pricing; due to supply disruption this price is expected to increase
- Table 3: FY Energy Mix based on MWH; the procured percent relates to inventory on hand or contracted and the percent hedged is inventory on hand or contracted with fixed pricing or financial hedges
- Solar purchase power agreement with FPL reported as renewable in Table 3
- Placeholders for new solar deals included in FY26 projections in Table 3

10/11/2024

