



IMPROVING LIVES.BUILDING COMMUNITY.

FINANCE, GOVERNANCE, & AUDIT COMMITTEE

JEA Headquarters | 1st Floor | Room 120 A & B | 225 North Pearl Street, Jacksonville, FL 32202

November 12, 2025 | 1:00 pm

Members: MG Orender, Chair, Worth McArthur, and Kawanza Suarez – All Board Members are Welcome

WELCOME

Meeting Called to Order

Adoption of Agenda (Action)

MG Orender, Chair

[Approval of Minutes – August 19, 2025](#) (Action)

Safety Briefing

Brandon Edwards, Director, Security & Emergency Preparedness

COMMENTS / PRESENTATIONS

Comments from the Public

Public

FOR COMMITTEE CONSIDERATION

[Quarterly Financial Review](#)

Ted Phillips, Chief Financial Officer

[Annual Disclosure Report Procedure](#)

A.J. Souto, Treasurer

[Modifications to Miscellaneous Charges and Fees](#)
(Action)

Dr. Charles Moreland, Chief Customer Experience Officer
Victor Blackshear, Director, Financial Planning and Rates

[Downtown Water Treatment Plant – Authorization for
Condemnation](#) (Action)

Jordan Pope, Senior Vice President, Administrative Services

[FY25 Internal Audit Results / FY26 Internal Audit
Plan](#) (Action)

Lee Montanez, Director, Internal Audit and Enterprise Risk

[Board Governing Documents](#)

- Board By-Laws
- Board Policy Manual

Jody Brooks, Chief Administrative Officer

[Annual Board of Directors Self-Evaluation](#)

OTHER BUSINESS & CLOSING CONSIDERATIONS

Old & Other New Business / Open Discussion

Announcements – Next Meeting January 21, 2026

MG Orender, Chair

Adjournment

INFORMATIONAL MATERIAL

Appendix A: [Finance, Governance, and Audit Committee Meeting Minutes – August 19, 2025](#)

Appendix B: [Annual Disclosure Report Procedure](#)

Appendix C: [Modifications to Miscellaneous Charges and Fees](#)

Appendix D: [Downtown Water Treatment Plant – Authorization for Condemnation](#)

Appendix E: [FY25 Internal Audit Results / FY26 Internal Audit Plan](#)

Appendix F: [Board Governing Documents: Board By-Laws and Board Policy Manual](#)

Appendix G: [Annual Board of Directors Self-Evaluation](#)

Appendix H: [Reserve Fund Quarterly Report](#)

Appendix I: [Energy Market Risk Management Report](#)



Building Community

FINANCE, GOVERNANCE, & AUDIT COMMITTEE

NOVEMBER 12, 2025

IMPROVING LIVES...BUILDING COMMUNITY

Safety Briefing

Brandon Edwards, Director, Security & Emergency Preparedness

James Carnell, Electric Troubleshooter





Safety Briefing Headquarters

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

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

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

Evacuation or Medical Assist: Notify JEA Security Officer

Hazard & Situational Awareness

Cell Phone & Computer Etiquette



Pearl Street Exit



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



County Courthouse Lawn

Comments From The Public

Public



Quarterly Financial Review

Ted Phillips, Chief Financial Officer

Reina Gonzalez Yedra, Customer Advisor III



FY25 Electric System Revenue & Expenditures



	Original Budget	Revised Budget	Actual	Delta (Actual vs. Original Budget)	%	
Base Revenue	\$ 879,376,000	\$ 942,776,532	\$ 936,254,463	\$ 56,878,463	6.5%	↑
Fuel Rate Revenue	434,404,924	559,486,755	529,664,145	\$ 95,259,221	21.9%	↑
Other Revenue	44,408,688	108,479,551	110,551,384	\$ 66,142,696	148.9%	↑
Total Revenue	\$ 1,358,189,612	\$ 1,610,742,838	\$ 1,576,469,992	\$ 218,280,380	16.1%	↑
O&M	\$ 314,973,760	\$ 315,259,069	\$ 307,353,094	\$ (7,620,666)	-2.4%	↓
Fuel & Purchased Power	434,404,924	559,486,755	529,664,145	\$ 95,259,221	21.9%	↑
Debt	125,015,415	124,855,392	118,057,045	\$ (6,958,370)	-5.6%	↓
Capital Contribution	168,435,931	259,417,231	224,335,234	\$ 55,899,303	33.2%	↑
City Contribution	97,708,817	97,708,817	97,708,817	\$ -	0.0%	→
Non Fuel Purchase Power	225,618,957	263,910,504	263,910,504	\$ 38,291,547	17.0%	↑
Other Expenditures	(7,968,191)	(9,894,930)	(8,979,777)	\$ (1,011,586)	12.7%	↓
Total Expenditures	\$ 1,358,189,612	\$ 1,610,742,838	\$ 1,532,049,062	\$ 173,859,450	12.8%	↑
Surplus / (Deficit)	\$ -	\$ -	\$ 44,420,930	\$ 44,420,930		↑

FY25 Cost Per MWh



	FY2024	FY2025
Generated Power per MWh	\$34.24	\$40.04
Purchased Power per MWh	\$85.79	\$91.99
Total Energy Cost per MWh	\$53.58	\$59.52



FY25 Base Revenues



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, FY25 has been warmer than FY24 resulting in increased sales. Additionally, base rates and fuel rates increased in April.

DEGREE DAYS COMPARISON			
	FY2025	FY2024	Variance
Heating Degree Days	1,128	1,050	▲ 78
Cooling Degree Days	3,305	3,114	▲ 191
Total Degree Days	4,433	4,164	▲ 269
As displayed on page 17 of the monthly financial statements			

FY25 Electric System O&M Budget



Operations & Maintenance (O&M)
spending came in under budget by **\$7.9M**

FY25 Variance Drivers (\$7.9M)

- + \$6.3M Salaries, OT and Benefits
- \$0.5M Supplies & Materials
- (\$1.1M) Insurance
- (\$5.7M) Other Expense and Credits
- (\$7.9M) Other Services and Charges

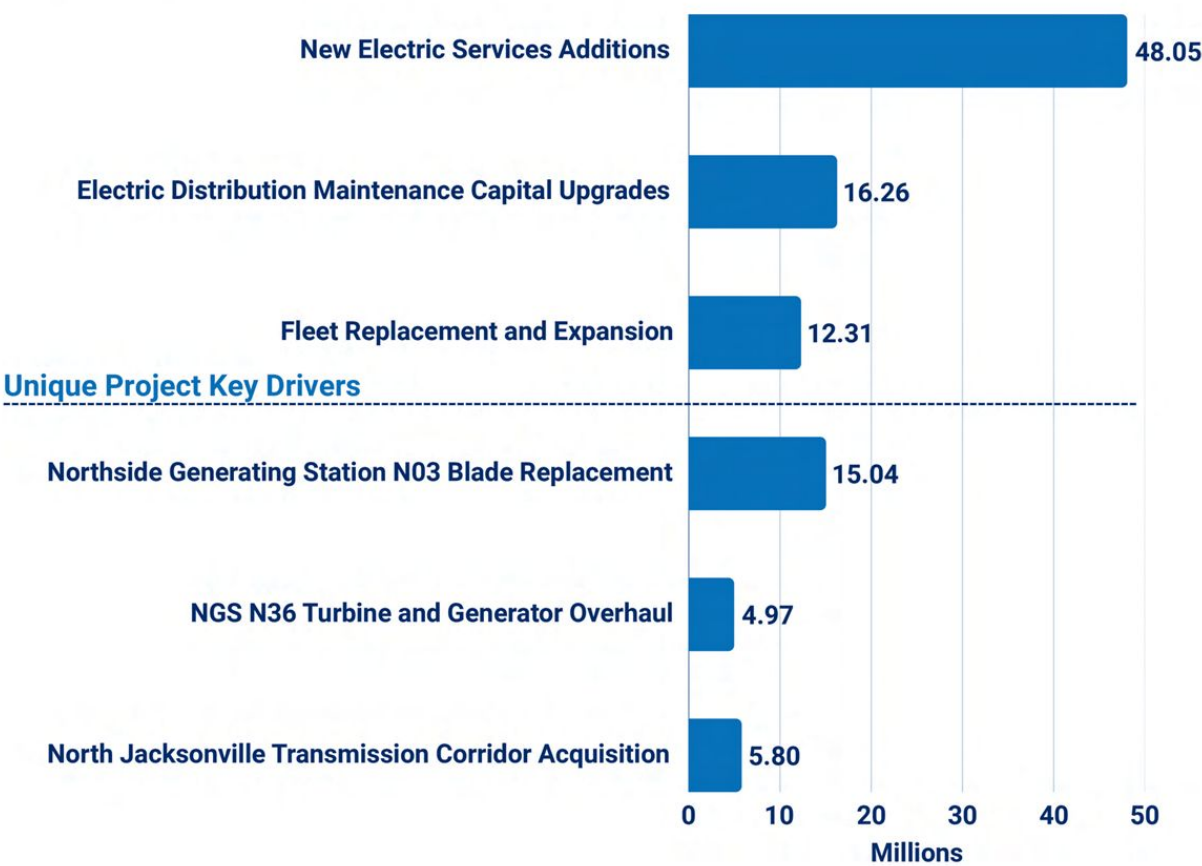
O&M Actuals and Budget





FY25 Electric System Capital Budget

Program Project Key Drivers



Unique Project Key Drivers

Total Electric System Spend



FY25 Water System Revenue & Expenditures



	Original Budget	Revised Budget	Actual	Delta (Actual vs. Original Budget)	%	
Water & Sewer	\$ 519,149,274	\$ 519,149,274	\$ 523,550,000	\$ 4,400,726	0.8%	↑
Capacity & Extension	82,476,555	82,476,555	63,090,577	(19,385,978)	-23.5%	↓
Investment Income	5,542,022	5,542,022	5,957,240	415,218	7.5%	↑
Other Income	26,459,640	80,116,741	67,388,285	40,928,645	154.7%	↑
Total Revenue	\$ 633,627,491	\$ 687,284,592	\$ 659,986,102	\$ 26,358,611	4.2%	↑
O&M	\$ 263,483,858	\$ 270,400,181	\$ 270,400,181	\$ 6,916,323	2.6%	↑
Capital Contribution	189,369,435	236,176,110	139,267,174	(50,102,261)	-26.5%	↓
Debt	136,225,271	136,225,271	135,661,869	(563,402)	-0.4%	↓
City Contribution	39,715,679	39,715,679	39,715,679	-	0.0%	→
Other Expenditures	4,833,248	4,767,351	4,324,285	(508,963)	-10.5%	↓
Total Expenditures	\$ 633,627,491	\$ 687,284,592	\$ 589,369,188	\$ (44,258,303)	-7.0%	↓
Surplus / (Deficit)	\$ -	\$ -	\$ 70,616,914	\$ 70,616,914		↑



FY25 Base Revenues



Generally, for the Water System, the prominent driver of changes in sales year over year is rainfall and rain days. Usually, less rainfall and fewer rain days results in more water usage. Our 2.7% increase in sales year over year is driven by an increase of 2.0% in customer count, an increase in rates in April 2025, and less rainfall in FY25 versus FY24 of the same time frame.

RAINFALL COMPARISON (IN INCHES)			
	FY2025	FY2024	Variance
Normal	53	53	
Actual	43	72	▼ (29)
Rain Days	122	132	▼ (10)
As displayed on page 17 of the monthly financial statements			

FY25 Water System O&M Budget



Operations & Maintenance (O&M)
spending came in over budget by **\$6.9M**

FY25 Variance Drivers (\$6.9M)

- + \$3.3M Intercompany Charges
- + \$2.6M Salaries, OT and Benefits
- + \$2.1M Other Services and Charges
- + \$0.6M Normandy Village Utility Net Expense
- + \$0.1M Supplies & Materials
- (\$1.0M) Interest on Customer Deposits
- (\$0.5M) Insurance
- (\$0.3M) Expense Credits

O&M Actuals, Budget, & Forecast

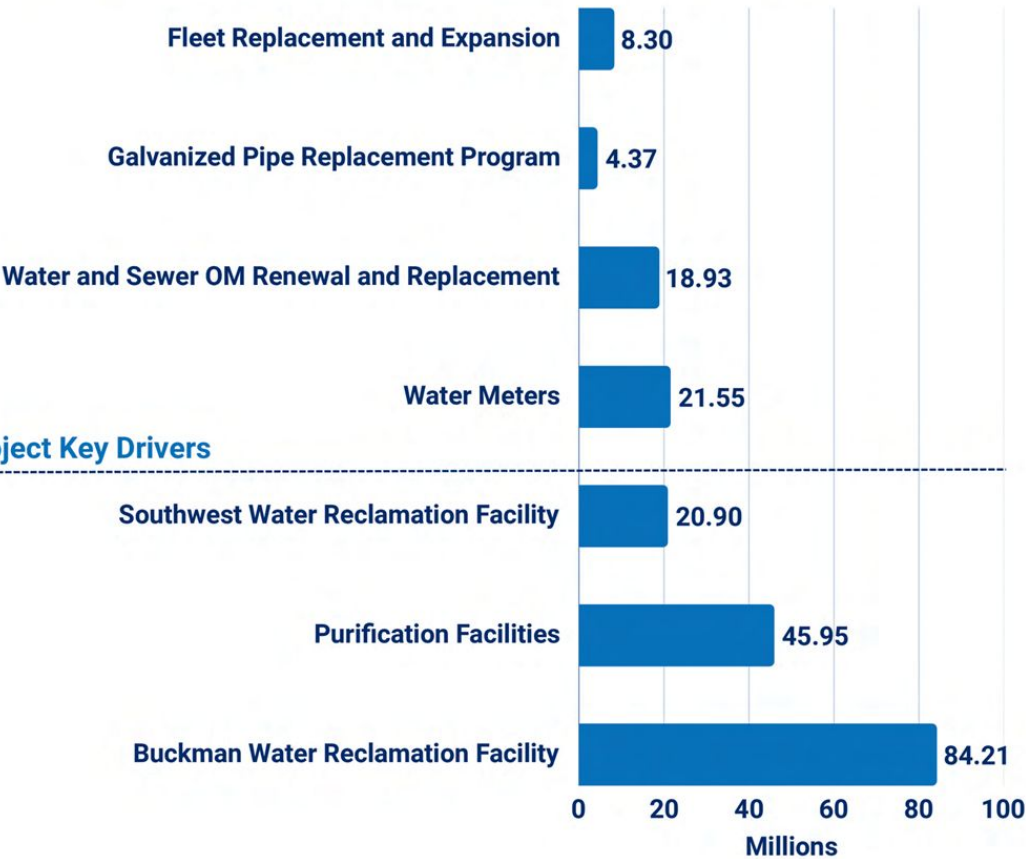




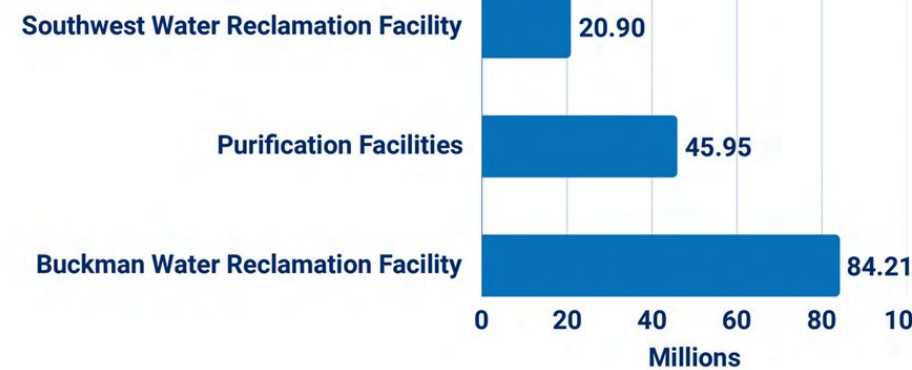
FY25 Water System Capital Budget

Program Project Key Drivers

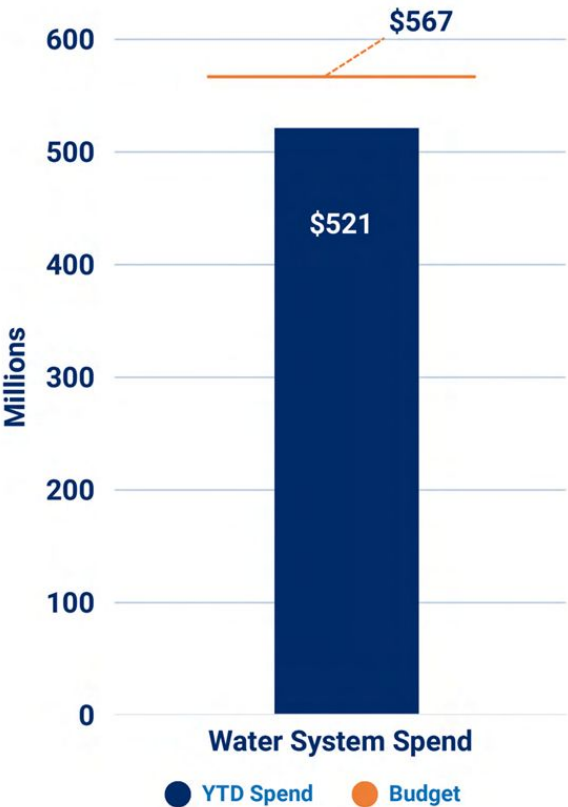
● YTD Spend



Unique Project Key Drivers



Total Water System Spend



FY25 Financial Metrics



Electric

Days Liquidity	Debt Service Coverage	Debt to Asset Ratio	Fixed Charge Coverage	Weighted Average Yield of Investments
184 ●	4.35x ●	44.20% ●	1.67x ●	4.25% ●
Target: 150 Days	Target: 2.2x	Target: 50%	Target: 1.6x	Target: 3.98%

Water

Days Liquidity	Debt Service Coverage	Debt to Asset Ratio	Fixed Charge Coverage	Weighted Average Yield of Investments
431 ●	2.60x ●	43.80% ●	2.30x ●	4.25% ●
Target: 100 Days	Target: 1.8x	Target: 50%	Target: 2.0x	Target: 3.98%

Annual Disclosure Report Procedure

A.J. Souto, Treasurer





Annual Disclosure Report Procedure (ADRs)





ADR Timeline



Staff will request Board approval of the Annual Disclosure Reports at the January 27, 2026 Board meeting

Modifications to Miscellaneous Charges and Fees

Dr. Charles Moreland, Chief Customer Experience Officer
Victor Blackshear, Director, Financial Planning and Rates

Action

Robert Ingram, Apprentice Maintenance Mechanic-UIS

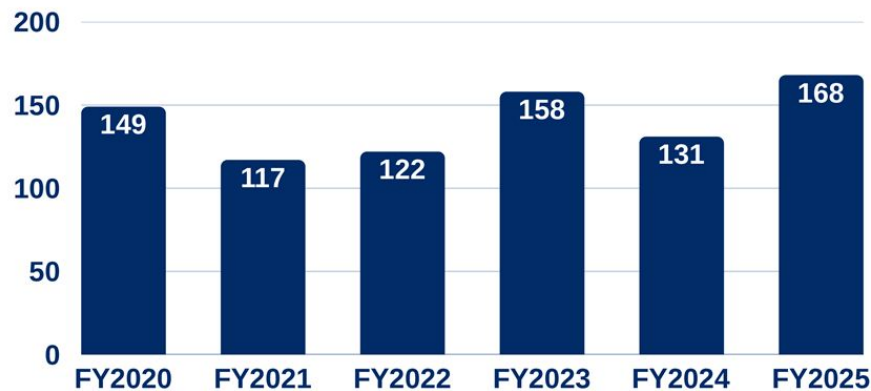




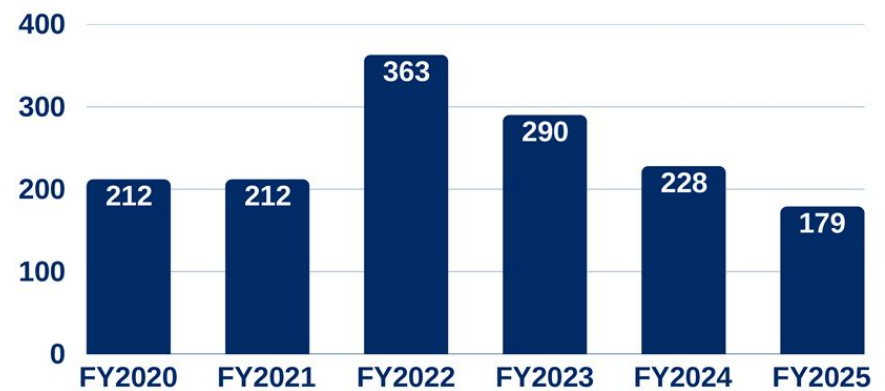
Electric and Water Tampering Fees

JEA's goal is to investigate and mitigate tampering activity, as well as ensure the recovery of lost revenue.

Electric Meter Tampering Cases



Water Meter Tampering Cases

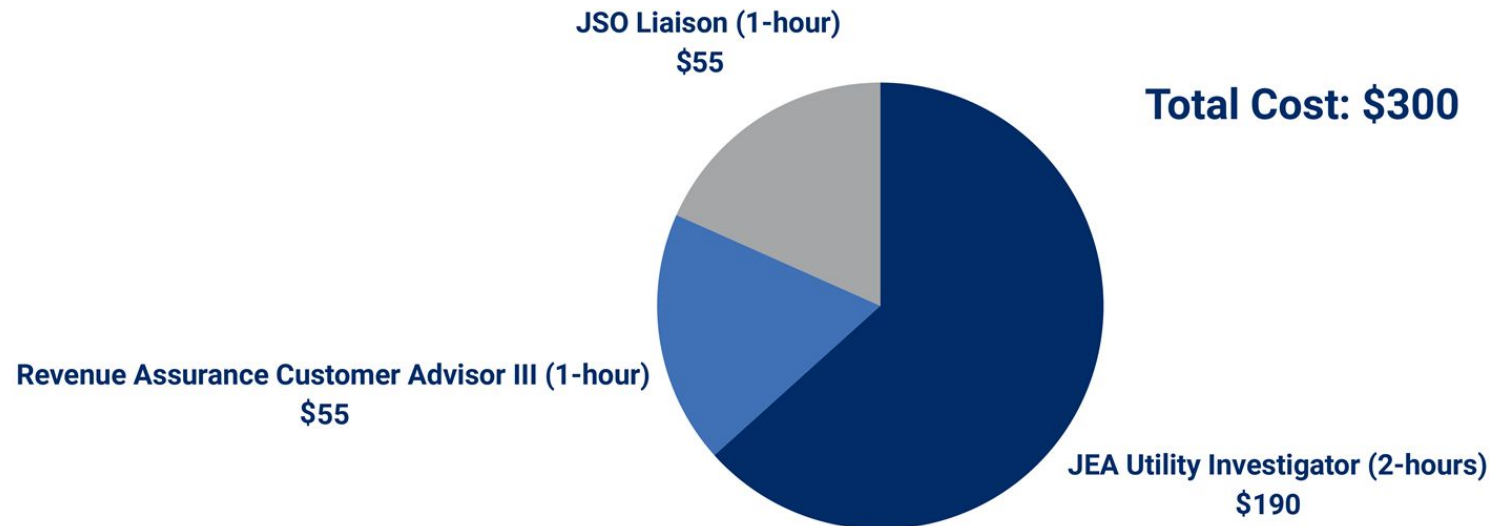


Current Fees for Electric and Water Tampering:

- Electric & Water Tampering Fee of \$200 plus additional fees as applicable
- Water Cross Connection Fee of \$0 for meter bypass (straight pipe)
 - Straight pipe - unauthorized water connection installed to bypass the meter and obtain water without proper measurement or billing, or if no meter is installed at all
- When no prior usage history for an occupied dwelling is available, there's no prorating of water usage



Electric and Water Tampering Fees Utility Theft Investigation Cost



Proposed Cost of Recovery for Electric and Water Tampering:

- Electric & Water Tampering Fee - increase to \$300 plus additional fees as applicable
- Water Cross Connection Fee (straight pipe) of \$500 – assess for confirmed straight connections
- Prorate water usage for a minimum of 3,000 gallons of water/sewer when there's a meter bypass connection
 - Basic monthly charge and associated taxes/fees



Meter Install Return Trip (Re-trip) Fees

Return trip (Re-trip) occurs when a service request requires more than one visit due to site conditions not meeting JEA standards

Number of Re-Trips Completed

Re-Trip Cost	FY23	FY24	FY25
One Re-Trip (\$85.00 Cost)	2089	1493	587
Two Re-Trips (\$170.00 Cost)	115	110	34
Three Re-Trips (\$255.00 Cost)	15	8	3
Four Re-Trips (\$340.00 Cost)	0	1	1
Total	2219	1612	625

Current Fee for Completing Each Service Request

- \$25.00 for each unsuccessful service attempt

Proposed Fee for Completing Each Service Request

- \$85.00 fully recovers the cost of a Meter Specialist completing a service request

Requested Action

Staff requests the Finance, Governance, and Audit Committee recommend Board approval of Resolution 2025-50, adopting the modifications to the Electric System and Water and Sewer Miscellaneous Charges & Fees Documents.

Downtown Water Treatment Plant – Authorization for Condemnation

Jordan Pope, Senior Vice President, Administrative Services

Action



Downtown Water Treatment Plant Authorization for Condemnation

- JEA has identified a ~2.08-acre site located adjacent to an existing water main to support the expansion, operation, and reliability of JEA's downtown water system to meet growing demand
- JEA received an appraisal in May 2025 for the subject site in the amount of \$1,087,300
- Real Estate Services is negotiating with the property owner but has not reached an agreement
- Alternative sites were considered, but this property meets technical and operational requirements
- Condemnation authority is being sought to avoid project delays and impacts to service reliability

DOWNTOWN WATER PLANT - LOCATION MAP



Requested Action

Staff requests the Finance, Governance, and Audit Committee recommend Board approval of Resolution 2025-51, authorizing acquisition through condemnation should negotiations prove unsuccessful.

FY25 Internal Audit Results / FY26 Internal Audit Plan

Lee Montanez, Director, Internal Audit and Enterprise Risk

Action

Chris Lamb, Network & Cable Splicing Technician





Internal Audit Performance – FY2025





Internal Audit Performance – FY2025



Staff

44

Average Yearly CPE Hours by Auditor

89%

Staff with Audit Certifications

82%

Direct Audit & Advisory Hours



Client Feedback

100%

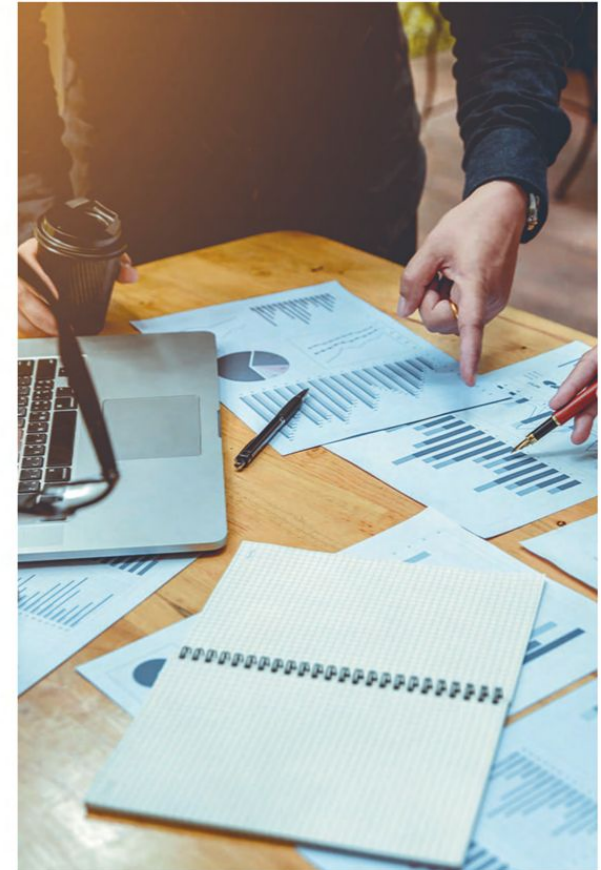
Survey Response Rate

96%

Internal Average Satisfaction Score

100%

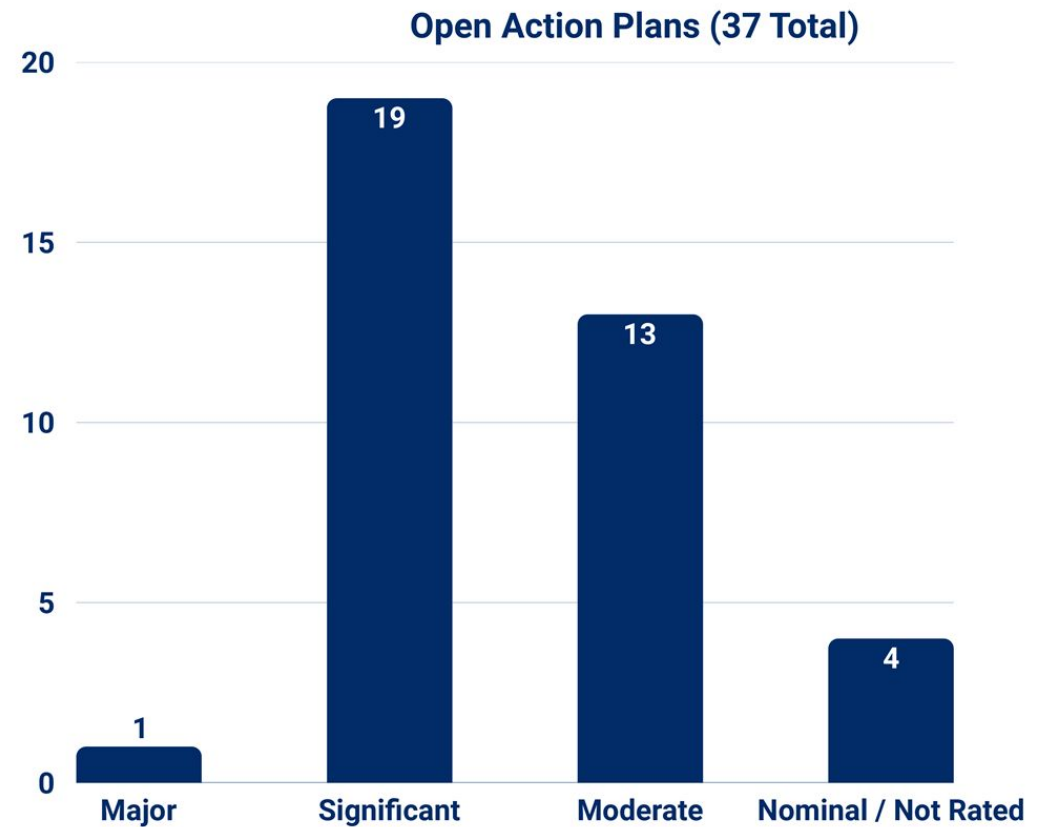
External Average Satisfaction Score





Audits and Action Plans – Q4 Update

Recently Completed Audits
Secondary Employment
Vendor Master Management
HRIS / Payroll
Public Records
Patch Management



Institute of Internal Auditors (IIA) – Global Internal Audit Standards

“Essential Conditions”

Three principles and nine standards that enable the Internal Audit function’s success:

6. Authorized by the Board	7. Positioned Independently	8. Overseen by the Board
<i>The Board establishes, approves, and supports the mandate of the internal audit function</i> 6.1 - Internal Audit Mandate 6.2 - Internal Audit Charter 6.3 - Board and Senior Management Support	<i>The Board establishes and protects the internal audit function’s independence and qualifications</i> 7.1 - Organizational Independence 7.2 - Chief Audit Executive Qualifications	<i>The Board oversees the internal audit function to ensure the function’s effectiveness</i> 8.1 - Board Interaction 8.2 - Resources 8.3 - Quality 8.4 - External Quality Assessment

 Fully Performed
  Partially Performed



Internal Audit Strategy - FY26

In alignment with the IIA Standards, Internal Audit has developed the following strategic objectives:

Embedding Continuous Auditing into the Audit Function:

Strengthen governance and internal control assurance by adopting continuous auditing techniques that move beyond periodic sampling, enabling real-time visibility into key risk areas, and enhancing the organization's ability to respond swiftly to anomalies.

Transforming Internal Audit through Quality and Innovation:

Ensure the internal audit function consistently conforms with the 2025 IIA Standards by implementing a robust Quality Assurance and Improvement Program that includes systematic monitoring, regular assessments, and continuous improvement initiatives.

Enhancing Audit Planning Efficiency:

Streamline and accelerate audit planning by integrating Program Manager insights and collaboration, reducing cycle time while enhancing alignment with key business objectives.



FY26 – Rolling Audit Plan

**October
2025**

First Six-Month Plan Based on Key Stakeholder, Internal, and External Inputs

- Emergency Preparedness
- Call Center Operations
- Telecom Services
- Facilities Contract Review
- EY Audit Support
- TEA Audit Support
- HRIS
- Pen-Test Follow Up
- Information Technology/Operational Technology Governance & Controls

**March
2026**

Enterprise-Wide Surveys and Updated Inputs from Stakeholders Will Define the Rest of the Audit Plan. Some Changes to the Audits Listed Below May Occur

- Maritime Transportation Act Facility Plan Review
- W/WW Contract Review
- Southside Service Center
- District Energy Systems
- Network Architecture Governance & Strategy
- Green-e Audit Protocol
- Risk Management Services
- JEA Website Content & Functionality/ Data Privacy Follow-Up
- Third-Party Management
- Application Development ROI

Supplemental materials include the objective and commitment to action alignment for each audit and assurance activity

Requested Action

Staff requests the Finance, Governance, and Audit Committee recommend Board approval of Resolution 2025-59, approving the FY2026 Internal Audit Plan.

Board Governing Documents

- Board By-Laws
- Board Policy Manual

Jody Brooks, Chief Administrative Officer





Board Governing Documents

Article 21 JEA Charter Section 21.03c

Charter Requirements

The governing body of JEA shall adopt governing documents, including, but not limited to, 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.

JEA's Board Governance

JEA Bylaws
JEA Board Policy Manual

- Last approved at the October 29, 2024, JEA Board Meeting
- Request made for the Committee to propose edits by October 1, prior to today's meeting
- No comments or edits received to date
- Request Board to acknowledge review at the November 18, 2025 Board meeting as required by the Charter

Available on jea.com in the Additional Board Information section

Annual Board of Directors Self-Evaluation

Jody Brooks, Chief Administrative Officer





Annual Board of Directors Self-Evaluation



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



Old and Other New Business / Open Discussion

MG Orender, Chair

*Adam Holland, Linemaintainer
Victoria Lewis, Leadership Development Solutions Specialist
Greg Corcoran, Director, Community Engagement
Zasha Del Orbe, Manager, Wastewater Treatment and Reuse*





Announcements

**Next Finance, Governance, & Audit Committee Meeting -
January 21, 2026**

Next Board Meeting - November 18, 2025



Building Community

FINANCE, GOVERNANCE, & AUDIT COMMITTEE

SUPPLEMENTAL
MATERIAL

IMPROVING LIVES...BUILDING COMMUNITY

FINANCE, GOVERNANCE, & AUDIT COMMITTEE MINUTES

August 19, 2025

The Finance, Governance, and Audit Committee of the JEA Board met at 1:00 pm on Tuesday, August 19, 2025 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.

WELCOME

Meeting Called to Order

Committee Chair MG Orender called the meeting to order at 1:00 pm. Attending the meeting in person were Committee members Worth McArthur and Kwanza Suarez. Board member John Baker attended virtually.

Others in attendance were Vickie Cavey, Managing Director/CEO; Ted Phillips, Chief Financial Officer; Joe Orfano, Deputy Chief Financial Officer; Jody Brooks, Chief Administrative Officer; Diane Moser, Chief Human Resources Officer; Kurt Wilson, Chief of Staff; Dr. Charles Moreland, Chief Customer Experience Officer; Ricky Erixton, Chief Electric Systems Officer; Steve Selders, Interim Chief Information Officer; Regina Ross, Chief Legal Officer, Office of General Counsel; Melissa Dalton, Director, Board & Administrative Services; and Sheree Brown, Board Services Manager.

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

Adoption of the Minutes – On *motion* by Mr. McArthur and seconded by Ms. Suarez, the minutes from the February 18, 2025 Finance, Governance, and Audit Committee meeting were approved.

Safety Briefing – Ted Phillips, Chief Financial Officer, presented the safety briefing.

Comments from the Public – There were no public comments.

FOR COMMITTEE CONSIDERATION

DELIVERING BUSINESS EXCELLENCE

Quarterly Financial Review – Mr. Phillips provided an overview of the electric and water system revenue and expenditures; cost per MWh; base revenues; operating expenses; electric and water system O&M; capital budget; cash and investments; and financial metrics. This presentation was received for information.

Amended and Restated Note Resolution and New Revolving Credit Facilities (RCF) – Joe Orfano, Deputy Chief Financial Officer, provided information on JEA's utilization of RCF for short-term borrowings to fund the capital needs of the Electric, Water and Sewer, and District Energy Systems. Mr. Orfano provided details of JEA's current RCF agreement, the proposed resolution, and highlighted JEA's history with J.P. Morgan.

On *motion* by Mr. McArthur and seconded by Ms. Suarez, the Committee unanimously voted to recommend the Board approve Resolution 2025-40 to restate and expand the authority previously granted under Resolution 2018-14, allowing JEA to enter into credit agreements for short-term financing.

St. Johns River Power Park System Employees' Retirement Plan – SECURE 2.0 Act –

A.J. Souto, Treasurer, provided an overview of the retirement plan amendments.

On *motion* by Ms. Suarez and seconded by Mr. McArthur, the Committee unanimously voted to recommend the Board approve Resolution 2025-39.

Committee Charter for the 401(a) Defined Contribution Retirement Plan and the 457

Deferred Compensation Plan – Diane Moser, Chief Human Resources Officer, presented information on the current Investment Advisory Committee and proposed a restructured Committee Charter.

On *motion* by Ms. Suarez and seconded by Mr. McArthur, the Committee unanimously voted to recommend the Board approve Resolution 2025-41.

FY25 External Audit Plan – John DiSanto, Managing Director, EY, presented the FY25 external audit plan. Mr. DiSanto provided an overview of the executive summary; areas of emphasis; and new GASB Pronouncements. This presentation was received for information.

Internal Audit Update – Lee Montanez, Director, Internal Audit and Enterprise Risk, conducted a comprehensive review of completed audits, key observations, action plan to transition to a rolling audit plan, and overview of potential risks. This presentation was received for information.

Ethics Update – Walette Stanford, Ethics Officer, provided an update on compliance monitoring and metrics, ethics training and awareness, and strategic goals for the future. This presentation was received for information.

Board Governing Documents: Board By-Laws and Policy Manual – Jody Brooks, Chief Administrative Officer, presented an overview of charter requirements for the Board By-Laws and Board Policy Manual. Staff will bring the proposed Board By-Laws and Policy Manual to the Finance, Governance, and Audit Committee meeting on November 12, 2025, and to the Board for action at the November 18, 2025 Board of Directors meeting. This presentation was received for information.

OTHER BUSINESS & CLOSING CONSIDERATIONS

Old and Other New Business/Open Discussion – None

Announcements – Next Meeting: November 18, 2025

Adjournment – With no further business coming before the Committee, Chair Orender declared the meeting adjourned at 2:05 pm.

JEA Finance, Governance, &
Audit Committee Minutes

August 19, 2025

Page 3

APPROVED BY:

MG Orender, Committee Chair

Date: _____

Submitted by:

Victoria Taylor

Victoria (Tori) Taylor
Board Services Specialist

JEA Board Agenda

MEMORANDUM**Annual Disclosure Report Procedure**

Board Meeting Date: November 18, 2025

Outcome:



INFORMATION ONLY



ACTION



FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

N/A

Consent Agenda Item:



Yes



No

Presenter:

A.J. Souto, Treasurer

Chief:

Ted Phillips, Chief Financial Officer

Strategic Focus Area:

DEVELOPING AN
UNBEATABLE TEAMDELIVERING BUSINESS
EXCELLENCEEARNING CUSTOMER
LOYALTYBackground
Information &
Analysis:

Each year, JEA is required to file Annual Disclosure Reports (ADRs) with the Municipal Securities Rulemaking Board to comply with investor continuing disclosure obligations. ADRs contain financial and operating information for each of our systems and are included by reference in bond issuance and reoffering documents. Federal antifraud laws apply to disclosures made by JEA in connection with bond offerings and required periodic filings.

Board members can reasonably rely on staff to prepare disclosure materials. Delegation to staff is acceptable provided that a sound process is followed and they have the training necessary to competently meet JEA's requirements under Federal antifraud laws. The Board approved amended Disclosure Policies and Procedures in May 2022. These policies and procedures follow SEC guidance on the preparation of disclosure and guide staff in preparing disclosure materials.

The staff's report to the Board on January 27, 2026, will state compliance with the Disclosure Policies and Procedures and ask for approval of the ADRs so they can be filed to meet our disclosure obligations.

Financial
Impact:

N/A

Committee/Board Meeting/Workshop & Date Presented:

Board members are required to review and approve the disclosure agreements annually.

Appendix:

JEA Disclosure Policies and Procedures

JEA

DISCLOSURE POLICIES AND PROCEDURES

APPROVED : May 24, 2022

INTRODUCTION

The Board of JEA (the "Board") previously adopted Disclosure Policies and Procedures dated May 19, 2015, as amended from time to time (the "Initial Policies and Procedures"). JEA is approving further amendments to the Initial Policies and Procedures in these Disclosure Policies and Procedures (the "Policies and Procedures"). The Policies and Procedures shall restate in its entirety the Initial Policies and Procedures.

DISCLOSURE POLICIES

The following policies are established by the Board (the "Disclosure Policies"). JEA is committed to ensuring that its disclosures made in connection with its municipal bond offerings and required periodic filings related thereto are fair, accurate, and comply with applicable federal and state securities laws. Further, it is the policy of JEA to make an effort to timely comply with its contractual obligations under the Continuing Disclosure Undertakings (as defined herein).

DISCLOSURE PROCEDURES

The following disclosure procedures (these "Disclosure Procedures") have been established by JEA to implement the Disclosure Policies and are intended to (a) ensure that the Disclosure Documents (as defined herein) are accurate and complete, and comply with all applicable federal and state securities laws and (b) promote best practices regarding the preparation of the Disclosure Documents.

Section 1.0 Definitions

Capitalized terms used in these Disclosure Procedures but not otherwise defined herein shall have the meanings set forth below:

“Annual Disclosure Reports” means the Electric System Annual Disclosure Report and/or the Water and Sewer System Annual Disclosure Report, as applicable.

“Authorized Officer” means, collectively, the Managing Director and Chief Executive Officer of JEA, and his or her designees, and the Chief Financial Officer (as defined herein).

“Board” means the Board of JEA.

“Bond Counsel” means any attorney or firm of attorneys of nationally recognized standing in the field of law relating to the issuance of Bonds by state and municipal entities selected by JEA. At any time JEA retains more than one bond counsel, all references to bond counsel shall be deemed to include one or more bond counsel, as deemed appropriate by an Authorized Officer of JEA.

“Bonds” means any bonds, notes or other securities offered by JEA, the disclosure relating to which may be subject to the requirements of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934, including Rule 10b-5 thereunder, and Rule 15c2-12 (as defined herein).

“Continuing Disclosure Undertakings” means JEA’s contractual obligations to provide ongoing financial information and operating data and notice of the occurrence of certain events in connection with each issuance of Bonds.

“Chief Financial Officer” means the Chief Financial Officer of JEA and his or her designees.

“Disclosure Counsel” means any attorney or firm of attorneys of nationally recognized standing in the field of federal and state securities law by state and municipal entities selected by JEA. At any time JEA retains more than one disclosure counsel, all references to disclosure counsel shall be deemed to include one or more disclosure counsel, as deemed appropriate by an Authorized Officer of JEA.

“Disclosure Documents” means JEA’s documents and materials specifically prepared, issued, and distributed in connection with the marketing and sale of Bonds, JEA’s contractual obligations under the Continuing Disclosure Undertakings, and any other obligations under

applicable federal securities laws or that otherwise could potentially subject JEA to liability under such laws, and shall include, but not be limited to the following:

- Annual Disclosure Reports;
- Official Statements;
- Any required filing made by JEA pursuant to a Continuing Disclosure Undertaking, including notices of listed events, that is posted on EMMA;
- Any voluntary filing made by JEA that is posted on EMMA; and
- Any other document that is reviewed and approved in accordance with these Disclosure Procedures.

“Disclosure Management Group” means the Treasurer, Manager Debt, Bond Administration Specialist, Bond Compliance Specialist and Debt Financial Analyst.

“Electric System Annual Disclosure Report” means the Annual Disclosure Report for Electric Utility System containing financial information and operating data required to be filed pursuant to the Continuing Disclosure Undertakings relating to its Electric System, including the audited financial statements of JEA (the "Financial Statements"), which are incorporated by specific reference in certain other Disclosure Documents. The information includes narrative information relating to JEA as well as information required under the Continuing Disclosure Undertakings.

“EMMA” means the Electronic Municipal Market Access system website maintained by the Municipal Securities Rulemaking Board.

“Finance and Operations Committee” means the Finance and Operations Committee of the Board or any successor committee and/or committee approved by the Board.

“Financial Accounting and Reporting Staff” means the Controller, the Manager Financial Reporting and Accounting and Certified Public Accountants of JEA.

“Official Statements” means, collectively, preliminary and final official statements, remarketing circulars or offering memoranda, including any

amendments or supplements thereto, used in connection with the offering or remarketing of Bonds.

“Rule 15c2-12” means Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, in effect at the time of issuance of each of the Bonds.

“Staff” means employees of JEA.

“Water and Sewer System Annual Disclosure Report” means the Annual Disclosure Report for Water and Sewer System and District Energy System containing financial information and operating data required to be filed pursuant to the Continuing Disclosure Undertakings relating to its Water and Sewer System and District Energy System, including the Financial Statements, which are incorporated by specific reference in certain other Disclosure Documents. The information includes narrative information relating to JEA as well as information required under the Continuing Disclosure Undertakings.

Section 2.0 General Disclosure Practices

2.1 The Board, pursuant to supplemental resolutions adopted periodically by such Board, shall directly authorize or delegate authority and responsibility to the Disclosure Management Group to prepare and distribute Official Statements, and any updates thereto in the case of securities subject to remarketings, which will be prepared in accordance with these Disclosure Procedures unless the Board otherwise directs.

2.2 The Treasurer, with the assistance of the Disclosure Management Group, is primarily responsible for the preparation of Disclosure Documents, with the assistance of Disclosure Counsel, the Office of General Counsel, and any other Staff with specific expertise as may be deemed necessary by the Treasurer and shall coordinate the preparation of all Disclosure Documents, including the Annual Disclosure Reports and Official Statements, and shall coordinate the preparation and submission of any other disclosure filings that may be required throughout the year. All Disclosure Documents and any other disclosure filings shall be prepared in accordance with these Disclosure Procedures unless the Authorized Officer otherwise directs.

2.3 The Board shall directly approve and authorize the dissemination and use of the Annual Disclosure Reports by voting to adopt a resolution annually.

Section 3.0 Preparation of Annual Disclosure Reports

3.1 The Disclosure Management Group shall review the Annual Disclosure Reports filed for the previous fiscal year ended and update the Annual Disclosure Reports to reflect updated information, including, but not limited to, information from Disclosure Documents published and/or filed after the date of the Annual Disclosure Reports filed for the previous fiscal year ended as well as any additional relevant and material information. The Disclosure Management Group will coordinate with Staff to review the Annual Disclosure Reports to ensure the information contained therein is accurate and complete and complies with the requirements of the applicable Continuing Disclosure Undertakings.

3.2 Drafts of the Annual Disclosure Reports shall be distributed for review and comment to Staff, including, but not limited to, the Managing Director and Chief Executive Officer, the Chief Operating Officer, Chief Financial Officer, Vice President, Electric Systems, Vice President, Water/Wastewater Systems, Chief External Affairs Officer, Chief Administrative Officer, Chief Legal Officer and certain other members of JEA's leadership team as determined by the Chief Financial Officer. The Disclosure Management Group and Staff shall review the drafts of the Annual Disclosure Reports and the Managing Director and Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Vice President, Electric Systems, Vice President, Water/Wastewater Systems, Chief External Affairs Officer, Chief Administrative Officer and Chief Legal Officer shall provide their signoff via email or in another writing on the final versions of the Annual Disclosure Reports.

3.3 The Financial Statements shall be included in the Annual Disclosure Reports in accordance with Continuing Disclosure Undertakings.

3.4 After completing the procedures outlined in Section 3.1 through 3.3 above, drafts of the Annual Disclosure Reports shall be provided to Board members at or prior to the regularly scheduled Board meeting that is one month prior to the meeting at which they will be asked to authorize the dissemination and use of the Annual Disclosure Reports.

3.5 JEA shall file or cause its dissemination agent to file each of the Annual Disclosure Reports on EMMA upon the written direction of the Disclosure Management Group which direction may be provided to such dissemination agent via email.

Section 4.0 Official Statement Review and Disclosure Processes

4.1 The Treasurer, with the assistance of the Disclosure Management Group, shall identify those persons who, for a particular financing, are appropriate to assist JEA in the preparation and review of the related Disclosure Documents, including, but not limited to, Disclosure Counsel, Bond Counsel, the underwriter(s), underwriters' counsel, JEA's financial advisor and appropriate Staff (collectively, the "Working Group").

4.2 The Treasurer, or a member of the Disclosure Management Group designated by the Treasurer, shall be responsible for soliciting information from Staff, other necessary entities or other governmental officials (i.e., City, Office of General Counsel, etc.) for inclusion in the applicable Disclosure Documents, and shall identify Staff and any other governmental officials who may have information necessary to prepare or who should review portions of the Official Statements.

4.3 Upon request from the underwriters, the Treasurer, Disclosure Management Group, Disclosure Counsel, and Bond Counsel may hold a due diligence conference call with the Working Group, prior to the printing or posting of an Official Statement.

4.4 The Chief Financial Officer, the Disclosure Management Group, Vice President, Electric Systems or Vice President, Water/Wastewater Systems, as applicable, and Chief External Affairs Officer shall provide their signoff on each Official Statement via email or in another writing prior to the printing or posting of each Official Statement.

4.5 Members of the Working Group may, but are not required to be, invited to attend any JEA presentations to rating agencies and investors made in connection with the offering of Bonds. The Treasurer and the Disclosure Management Group shall review any materials used in presentations, meetings or telephone conferences with rating agencies or investors for consistency with the appropriate Disclosure Documents. Appropriate records of meetings and telephone conferences with rating agencies and investors will be kept by the Treasurer or a member of the Disclosure Management Group designated by the Treasurer.

Section 5.0 Training

5.1 To the extent requested by the Authorized Officer, training for Board members, the Disclosure Management Group, and Staff shall be conducted by

either Disclosure Counsel or their designee(s) regarding disclosure practices under applicable state and federal law. It is intended that this training shall assist these individuals in (a) understanding their responsibilities; (b) identifying relevant and material information which may need to be included in the Disclosure Documents; and (c) reporting issues and concerns relating to the information in the Disclosure Documents. Training may be conducted not less than once every two years.

5.2 Board Members shall be advised of their general disclosure responsibilities and the extent they may delegate to and rely on Staff's preparation of Disclosure Documents. From time to time, specialized training regarding such disclosure responsibilities shall be conducted for the members of the Finance and Operations Committee.

5.3 Staff with responsibility for collecting, preparing or reviewing information that is provided for inclusion in a Disclosure Document or for certifying or confirming its accuracy in accordance with these Disclosure Procedures, and those persons responsible for executing them, shall attend disclosure training sessions. The determination as to whether or not an employee or group of employees shall receive such training shall be made by the Treasurer in consultation with Disclosure Counsel and the Chief Financial Officer.

AMENDMENTS TO DISCLOSURE POLICIES AND PROCEDURES

Any revisions to the Disclosure Policies shall be subject to the approval by the Board. The Chief Financial Officer will review any such revisions to the Disclosure Policies and revise the Disclosure Procedures, as needed.

Any revisions to the Disclosure Procedures shall be subject to the approval by the Chief Financial Officer and such revisions to the Disclosure Procedures will become immediately effective without approval by the Board.

A copy of the Policies and Procedures shall be distributed annually to Board members, the Disclosure Management Group and Staff participating in the disclosure process. Any updates to the Policies and Procedures shall be distributed to such groups upon their adoption or implementation, as the case may be.

JEA Board Agenda

MEMORANDUM**Modifications to Miscellaneous Charges and Fees**

Board Meeting Date: November 18, 2025

 Outcome: ☐ INFORMATION ONLY ☒ ACTION ☐ FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

Staff requests the Finance, Governance, and Audit Committee recommend Board approval of Resolution 2025-50, adopting the modifications to the Electric System and Water and Sewer Miscellaneous Charges & Fees Documents.

 Consent Agenda Item: ☐ Yes ☒ No

Presenter: Dr. Charles Moreland, Chief Customer Experience Officer

Chief: Dr. Charles Moreland, Chief Customer Experience Officer

Strategic Focus Area:



DEVELOPING AN UNBEATABLE TEAM



DELIVERING BUSINESS EXCELLENCE



EARNING CUSTOMER LOYALTY

Background Information & Analysis:

JEA investigates cases of tampering which include the physical alteration, connection, or bypass of meters or service connections to mitigate revenue loss and eliminate possible safety hazards. JEA's revenue recovery efforts include fee assessment for the tampering investigation, cost of the damaged or stolen materials, and cost for the unbilled consumption. The goal for revenue recovery related to theft is to recover the cost to investigate, as well as the unbilled consumption of electric, water, sewer, and reclaim (reuse).

Based on recent analysis of the cost to JEA for the utility theft investigation, adjustments to the current tampering, cross connection, and retrip fees are warranted.

Financial Impact:

In FY24, we estimate \$187,000 was unrecovered in tampering, cross connections, and meter retrip activities. Customer Revenue is seeking to recover the actual costs associated with confirmed tampering investigations and return trip service requests. The proposed increase will recover the cost to perform the task, as well as revenue recovery efforts.

Committee/Board Meeting/Workshop & Date Presented:

N/A

Appendix:

- Resolution 2025-50
- Redline Water/Sewer System Miscellaneous Charges and Fees Document
- Redline Electric System Miscellaneous Charges and Fees Document



BOARD RESOLUTION: 2025-50

November 18, 2025

A RESOLUTION OF THE BOARD ADOPTING MODIFICATIONS TO JEA'S WATER AND SEWER SYSTEM AND ELECTRIC SYSTEM TARIFF DOCUMENTS; PROVIDING FOR THE IMPLEMENTATION OF THESE MODIFICATIONS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the JEA Board of Directors (the Board), pursuant to duly published notice, a copy of which is attached hereto as Exhibit II, held a public hearing to consider changed to the existing Electric, Water and Sewer Miscellaneous Charges & Fees Document; and

WHEREAS, statements and documentation were presented at the Finance, Governance, and Audit Committee which demonstrated the requested modifications of the existing Electric, Water and Sewer Miscellaneous Charges & Fees Document; and

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

WHEREAS, the Board find that the proposed modification to the Electric, Water and Sewer Miscellaneous Charges & Fees Document to be reasonable and in the best interests of JEA and its customers,

NOW THEREFORE, 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 adopts the modifications to the Water and Sewer Miscellaneous Charges & Fees Document attached hereto as Exhibit II substantially in the same form as attached. The effective dates of the modifications shall be as of the dates provided in Exhibit II
3. The Board hereby adopts the modifications to the Electric System Miscellaneous Charges & Fees Document attached hereto as Exhibit III substantially in the same form as attached. The effective dates of the modifications shall be as of the dates provided in Exhibit III
4. The Board directs the Managing Director or her designee to take any necessary administrative actions to implement the approved Electric, Water and Sewer Miscellaneous Charges & Fees Document modifications.
5. If there are any topographical, administrative, or scrivener's errors contained herein that do not change the tone, tenor, or purpose of this Resolution, such errors may be corrected with no future action by the Board.
6. This Resolution shall be effective upon approval by the Board.

Dated this 18th day of November 2025.

JEA Board Chair

JEA Board Secretary

Form Approved by:

Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	

WATER AND SEWER SYSTEM MISCELLANEOUS CHARGES & FEES DOCUMENT



225 N. Pearl St.
Jacksonville, Florida 32202
(904) 665-6000

DESCRIPTION OF TERRITORY SERVED

JEA furnishes retail and wholesale potable and reclaimed water and sewer services to major portions of Duval County and some portions of St. Johns, Clay, and Nassau Counties.

Approved by JEA Board

~~September 17, 2021~~ November 18, 2025

~~VICTOR BLACKSHEAR~~ LAURE WHITMER, DIRECTOR
December 1, 2025
FINANCIAL PLANNING BUDGETS & RATES

Effective ~~October~~



MISCELLANEOUS CHARGES AND FEES

Compliance

- 1) The fee for inspecting the installation of a sewer flow meter shall be \$50.00
- 2) The fee for processing an industrial user discharge permit application shall be \$250.00
- 3) The on-site inspection of commercial users to determine compliance with JEA Environmental Regulations, Policies, and Standards shall be assessed at \$100.00 per visit.
- 4) The fee for violating Industrial Pretreatment Regulations shall not exceed \$2,000.00 per violation per day.
- 5) The fee for modifying an Industrial Pretreatment Permit shall be \$250.00
- 6) The fee for violating Cross Connection Control Policy or JEA Standards shall not exceed \$500.00 per violation per day.

Revenue Assurance

- 1) Returned check charge shall be \$20.00
- 2) Customers who use water provided by the standby system for other than fire protection or testing purposes shall be charged
 - a) \$200.00 per incident
 - b) Plus 150% of the prevailing commercial water rate for each kgal of estimated usage
- 3) The charge for unauthorized connection to a hydrant shall be either
 - a) \$1,500.00
 - b) \$750.00 if the customer applies and obtains a hydrant meter
- 4) Field notification in lieu disconnection shall be \$5.00
- 5) Meter inaccessible for reading or cut-off after notice shall be ~~\$25~~85.00
- 6) ~~Meter Install Retrip Fee shall be \$85~~JEA will charge a customer \$25.00 for each ~~return trip whenever JEA must make a return trip to a customer's service address~~attempt to perform maintenance and/or activate service because the work requested by the customer was not able to be completed at the first scheduled visit.
- 7) Service restored without JEA authorization shall be \$25.00
- 8) Tampering with meter or service connection shall be ~~\$200~~300.00
- 9) Damaged/Missing meter charge shall be the actual cost of the damaged or missing meter
- 10) The fee for the misrepresentation made to JEA for the purpose of obtaining or maintaining utility service(s) shall be \$50.00.
- 11) The charge for a required court appearance and/or restitution claim by a JEA employee shall be a minimum of \$50.00 up to \$400.00 depending on actual costs.
- 12) The fee for resetting a meter which has been removed due to customer theft or fraud shall be a minimum of \$225.00 or actual cost for labor and materials.
- ~~12~~13) Water Cross Connection Fee for unauthorized straight pipe shall be \$500

ELECTRIC SYSTEM

MISCELLANEOUS CHARGES & FEES DOCUMENT



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

DESCRIPTION OF TERRITORY SERVED

JEA furnishes retail and wholesale potable and reclaimed water and sewer services to major portions of Duval County and some portions of St. Johns, Clay, and Nassau Counties.

Approved by JEA Board

~~February 28, 2023~~ November 18, 2025

VICTOR BLACKSHEAR, DIRECTOR
20253

FINANCIAL PLANNING ~~AND ANALYSIS~~ & RATES

Effective ~~April~~ December 1,



MISCELLANEOUS CHARGES AND FEES

Application & Compliance

- 1) Application fee shall be \$1,000.00 for Tier 3 net metering, DG-2 and DG-3 Distributed Generation applications.

Revenue Assurance

- 1) Returned check charge shall be \$20.00
- 2) Field notification in lieu disconnection shall be \$5.00
- 3) Meter inaccessible for reading or cut-off after notice shall be \$~~25~~85.00
- 4) Meter Install Retrip Fee shall be \$85~~JEA will charge a customer \$25.00 for each return trip whenever JEA must make a return trip to a customer's service address~~attempt to perform maintenance and/or activate service because the work requested by the customer was not able to be completed at the first scheduled visit.
- 5) Tampering with meter or service connection shall be \$~~200~~300.00
- 6) Damaged/Missing meter charge shall be the actual cost of the damaged or missing meter
- 7) The fee for the misrepresentation made to JEA for the purpose of obtaining or maintaining utility service(s) shall be \$50.00.
- 8) The charge for a required court appearance and/or restitution claim by a JEA employee shall be a minimum of \$50.00 up to \$400.00 depending on actual costs.
- 9) The fee for meter reclamation required when a meter must be removed, tested, and/or recycled due to customer tampering shall be \$60.00.
- 10) The fee for service disconnection at the pole or any other connection to JEA's distribution system due to customer theft or fraud shall be a minimum of \$50.00 or the actual cost for labor and materials.
- 11) The fee for reconnection of services at the pole or any other connection to JEA's distribution system due to customer theft or fraud shall be a minimum of \$50.00 or the actual cost for labor and materials.

JEA Board Agenda

MEMORANDUM**Downtown Water Treatment Plant - Authorization for Condemnation**

Board Meeting Date: November 18, 2025

Outcome:

☐

INFORMATION ONLY

☒

ACTION

☐

FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

Staff requests the Finance, Governance, and Audit Committee recommend Board approval of Resolution 2025-51, authorizing acquisition through condemnation should negotiations prove unsuccessful.

Consent Agenda Item:

☐

Yes

☒

No

Presenter:

Jordan Pope, Senior Vice President, Administrative Services

Chief:

Jody Brooks, Chief Administrative Officer

Strategic Focus Area:

☐

DEVELOPING AN UNBEATABLE TEAM

☒

DELIVERING BUSINESS EXCELLENCE

☐

EARNING CUSTOMER LOYALTY

Background Information & Analysis:

Pursuant to Section 21.04 of the JEA Charter and Article 3 of the Real Estate Services Procurement Directive, JEA has the authority to acquire all property in the best interests of JEA.

To support the expansion, operation, and continued reliability of the water system, JEA has identified approximately 2.08 acres for the future downtown water treatment plant. The subject property is owned by Commodores Point Properties, Limited, a Florida limited partnership and was selected due to its location adjacent to an existing water main that will provide continued system reliability and meet growing demand in the area. Real Estate Services is actively negotiating with the property owner but has so far been unable to reach an agreement. While JEA considered other sites, the subject site was determined to meet JEA's needs. JEA is seeking condemnation authority for the subject property to ensure that any delays in negotiations or acquisitions do not jeopardize the project schedule and JEA's ability to meet system demands.

Financial Impact:

JEA received an appraisal in May 2025 in the amount of \$1,087,300. Should JEA proceed with eminent domain action, additional fees and expenses may be incurred consistent with Florida Statutes.

Committee/Board Meeting/Workshop & Date Presented:

N/A

Appendix:

- Resolution 2025-51
- Ownership Interest - Commodores Point Properties, Limited, a Florida limited partnership
- Survey
- Downtown Water Plant - Location Map (next page)
- Bryan Street Parcel Map (next page)



BOARD RESOLUTION: 2025-51

November 18, 2025

A RESOLUTION OF JEA AUTHORIZING NEGOTIATED ACQUISITION AND EXECUTION OF ACQUISITION AGREEMENTS OF CERTAIN LAND DESCRIBED HEREIN FOR WATER UTILITY INFRASTRUCTURE AND ASSOCIATED FACILITIES, UNDER CERTAIN TERMS AND CONDITIONS, AND FAILING SUCCESSFUL NEGOTIATIONS AS TO ANY AND ALL SUCH LAND, AUTHORIZING CONDEMNATION PROCEEDINGS; DECLARING THE PUBLIC PURPOSE AND NECESSITY FOR ACQUIRING FEE SIMPLE OWNERSHIP THROUGH CONDEMNATION BY RIGHT OF EMINENT DOMAIN IN CERTAIN LAND; AUTHORIZING THE OFFICE OF GENERAL COUNSEL TO INSTITUTE APPROPRIATE CONDEMNATION PROCEEDINGS; WAIVING ANY CONFLICTING PROVISIONS OF THE REAL ESTATE SERVICES PROCUREMENT DIRECTIVES; PROVIDING AN EFFECTIVE DATE.

WHEREAS, JEA, a body politic and corporate, is authorized to construct, operate, and maintain facilities for public utilities for the general public and is vested by Article 21 of the Charter of the City of Jacksonville and Florida law with the power of eminent domain to acquire real property rights, for all public utilities including, but not limited to, electric, water, reclaimed water, and sewer purposes, in the event that negotiations for their purchase is concluded unsuccessfully.

NOW, THEREFORE, BE IT RESOLVED by the JEA Board of Directors ("Board") that:

Section 1. Managing Director Authorized to Acquire. The Managing Director or her designee, or the Real Property Procurement Officer is hereby authorized to negotiate and acquire and to enter into acquisition agreements and to execute on behalf of JEA such documents as may be required for acquisition of the lands described in Exhibit "A", to construct, operate, and maintain water utility infrastructure and related facilities. JEA declares that the land described in Exhibit "A" is reasonably necessary for this use. The Managing Director or her designee, or the Real Property Procurement Officer shall accomplish such acquisition on such terms and conditions as specified by JEA.

Section 2. Declaration of Necessity. In the event any such negotiation is not concluded successfully within a reasonable period of time, as determined by JEA, JEA declares the public purpose and reasonable necessity for acquiring through condemnation by right of eminent domain the lands described in Exhibit "A". The purpose of the acquisition is to construct, operate, and maintain public water utility infrastructure and related facilities and to accommodate future expansion of public water utility infrastructure.

Section 3. Acquisition of Fee Simple Ownership. JEA shall acquire by eminent domain fee simple ownership of the land described in the attached Exhibit "A" for the public purposes stated herein. There are no mobile homes on the property.

Section 4. Institution of Legal Proceedings. The Office of General Counsel is authorized and empowered to institute at the direction of the Managing Director and on behalf of JEA the appropriate legal proceedings to acquire by condemnation the fee simple interest in the land described in the attached Exhibit "A". Upon such direction, the Office of General Counsel is authorized to initiate and institute proceedings in accordance with the authority granted to JEA pursuant to Chapters 73, 74 and 361, Florida Statutes, for the exercise of the power of eminent domain in order to obtain the possession and fee simple title of the property described in Exhibit "A" in advance of the final judgement, as provided by law and determined necessary by this Board for the public purposes set forth herein.

Section 5. Pre-suit Mediation. The Board hereby approves pre-suit mediation as allowed by Chapter 73.015(3), Florida Statutes, and delegates mediation settlement authority to the Managing Director/CEO or her designee, or the Real Property Procurement Officer.

Section 6. Waiver. Any conflicting provisions of the Real Estate Procurement Directives are hereby waived.

Section 7. Correction of Errors. To the extent that there are administrative, typographical, and/or scrivener's errors contained herein that do not substantively change the tone, tenor, or effect of this Resolution, then such errors may be revised and corrected by the Managing Director or authorized designee, or the Real Property Procurement Officer with no further action required by the Board.

Section 8. Effective Date. This Resolution shall be effective upon its adoption by the Board.

Dated this 18 day of November 2025.

JEA Board Chair

JEA Board Secretary

Form Approved by:

Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	

Ownership Interest:

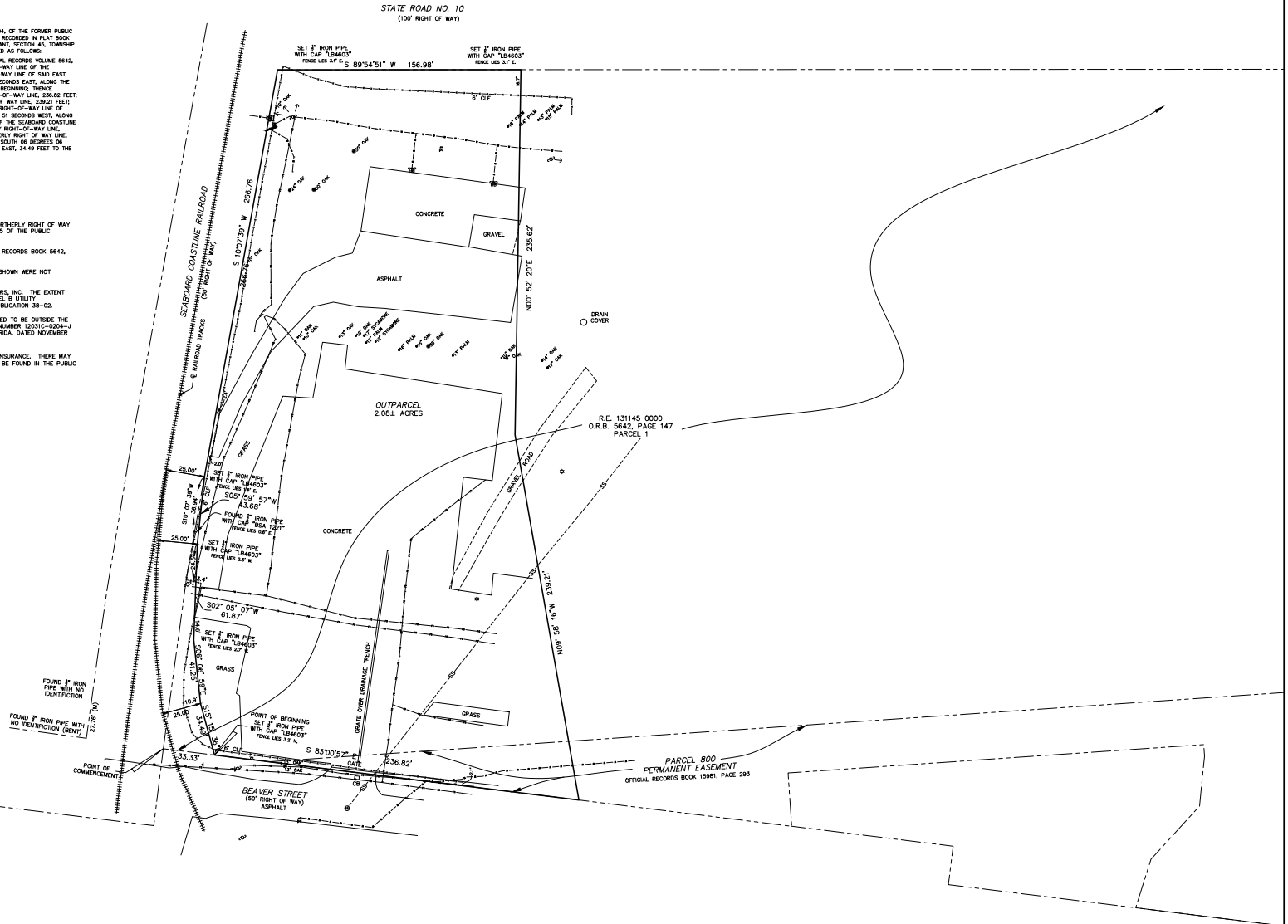
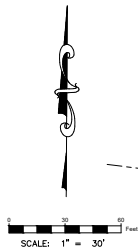
Parcel 100: Commodores Point Properties, Limited, a Florida limited partnership

MAP SHOWING BOUNDARY SURVEY OF:

SEA PARCEL
PART OF BLOCKS 3 AND 4, PARKER'S SUBDIVISION AS RECORDED IN DEED BOOK "C", PAGE 704, OF THE FORMER PUBLIC RECORDS OF DUVAL COUNTY, FLORIDA, PART OF BLOCK "B", SPRATT HOMESTEAD FARMFIELD, AS RECORDED IN PLAT BOOK 5, PAGE 73 OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY LYING IN THE E. ADRIAN GRANT, SECTION 45, TOWNSHIP 2 SOUTH, RANGE 27 EAST, DUVAL COUNTY, FLORIDA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
COMMENCING AT THE SOUTHWEST CORNER OF PARCEL 1, AS DESCRIBED AND RECORDED IN OFFICIAL RECORDS VOLUME 5642, PAGE 145 OF SAID PUBLIC RECORDS, LYING AT THE INTERSECTION OF THE EASTERLY RIGHT-OF-WAY LINE OF THE SEABOARD COASTLINE RAILROAD (A 50 FOOT RIGHT-OF-WAY LINE) WITH THE NORTHERLY RIGHT-OF-WAY LINE OF SAID EAST BEAVER STREET, (A 50 FOOT RIGHT-OF-WAY LINE), THENCE SOUTH 83 DEGREES 00 MINUTES, 57 SECONDS EAST, ALONG THE NORTHERLY RIGHT-OF-WAY LINE, 33.33 FEET TO THE POINT OF BEGINNING, THENCE CONTINUE SOUTH 83 DEGREES 00 MINUTES, 57 SECONDS EAST, ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, 236.82 FEET; THENCE NORTH 05 DEGREES 58 MINUTES 16 SECONDS WEST, LEAVING SAID NORTHERLY RIGHT-OF-WAY LINE, 236.82 FEET; THENCE NORTH 05 DEGREES 58 MINUTES 16 SECONDS WEST, 236.82 FEET TO THE SOUTHERLY RIGHT-OF-WAY LINE OF STATE ROAD NO. 10 (A 100 FOOT RIGHT-OF-WAY LINE), THENCE SOUTH 89 DEGREES 54 MINUTES 51 SECONDS WEST, ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE, 156.98 FEET TO SAID EASTERLY RIGHT-OF-WAY LINE OF THE SEABOARD COASTLINE RAILROAD, THENCE SOUTH 16 DEGREES 07 MINUTES, 07 SECONDS WEST, ALONG SAID EASTERLY RIGHT-OF-WAY LINE, 266.79 FEET; THENCE SOUTH 05 DEGREES 59 MINUTES 07 SECONDS WEST, 81.67 FEET; THENCE SOUTH 06 DEGREES 09 MINUTES 59 SECONDS EAST, 41.25 FEET; THENCE SOUTH 15 DEGREES 15 MINUTES 36 SECONDS EAST, 34.49 FEET TO THE POINT OF BEGINNING, CONTAINING 2.08 ACRES MORE OR LESS.

- NOTES
1. BEARINGS SHOWN HEREON ARE BASED ON THE SOUTH 83°00'57" EAST ON THE NORTHERLY RIGHT OF WAY LINE OF BEAVER STREET AS DESCRIBED IN OFFICIAL RECORDS VOLUME 5642, PAGE 145 OF THE PUBLIC RECORDS OF DUVAL COUNTY, FLORIDA.
 2. THE LEGAL DESCRIPTION FOR THE SUBJECT PROPERTY WAS TAKEN FROM OFFICIAL RECORDS BOOK 5642, PAGE 145 OF THE PUBLIC RECORDS OF DUVAL COUNTY, FLORIDA.
 3. UNDERGROUND FOUNDATIONS, TANKS AND OTHER SUBTERRANEAN FEATURES NOT SHOWN WERE NOT LOCATED.
 4. UNDERGROUND UTILITIES SHOWN HEREON WERE DESIGNATED BY DEGROVE SURVEYORS, INC., THE EXTENT AND LIABILITY OF THIS INFORMATION IS LIMITED TO THE STANDARDS FOR QUALITY LEVEL 1 SURVEY INVESTIGATION AS DEFINED BY THE AMERICAN SOCIETY OF CIVIL ENGINEERS (ASCE) PUBLICATION 38-02.
 5. THE LANDS SHOWN HEREON LIE IN FLOOD ZONE UNSHADED X AN AREA DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOOD (100-YEAR FLOOD), ACCORDING TO COMMUNITY PANEL NUMBER 120310-0204-A AND 120310-0212-J OF THE FLOOD INSURANCE RATE MAPS FOR DUVAL COUNTY, FLORIDA, DATED NOVEMBER 02, 2018.
 6. THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF COMMITMENT FOR TITLE INSURANCE. THERE MAY BE EASEMENTS OR OTHER RESTRICTIONS OF RECORD NOT SHOWN HEREON WHICH MAY BE FOUND IN THE PUBLIC RECORDS OF THIS COUNTY.

- LEGEND:
- BACKFLOW PREVENTOR
 - CB CATCH BASIN
 - (C) CALCULATED DATA
 - CHAIN LINK FENCE
 - CP CONCRETE POWER POLE
 - GAS VALVE
 - GUY ANCHOR
 - HOSE BIB
 - LIGHT POLE
 - (N) MEASURED DATA
 - (R) DATA FROM RECORDED DOCUMENT
 - SANITARY SEWER MANHOLE
 - SIGN
 - WATER METER
 - WATER VALVE
 - WOOD POWER POLE
 - FIBER OPTIC LINE
 - WATER LINE
 - SANITARY SEWER LINE



SURVEY DATE: MAY 4, 2023	DRAWING DATE: MAY 10, 2023	2131 CORPORATE SQUARE BOULEVARD, JACKSONVILLE, FL 32216
FIELD BOOK: X PAGE(S): X	DRAWING SCALE: 1" = 30'	904-722-0400
DRAFTED BY: BDC	REVISION DATE:	FAX 904-722-0402
CHECKED BY: GRN	4-14-25 BOUNDARY REVISION	DEGROVE@DEGROVE.COM
COMPUTER FILE: 2023041 JEA Downtown Repump.DWG		LICENSED BUSINESS NUMBER L.B.4603
JOB FILE No. 2023041		

DEGROVE
SURVEYORS, INC.
SURVEYING AND MAPPING CONSULTANTS

THIS SURVEY MEETS THE STANDARDS OF PRACTICE FOR D. CATONE, PROFESSIONAL SURVEYORS AND MAPPERS IN THE STATE OF FLORIDA PURSUANT TO CHAPTER 5J-17.051 AS AMENDED BY CHAPTER 2023-04/28/06/02/25/01.
Brenda D. Catone
2023-04/28/06/02/25/01
BRENDA D. CATONE, P.S.M., FLORIDA CERTIFICATION NO. 5447
NOTICE:
NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPING CONSULTANT.

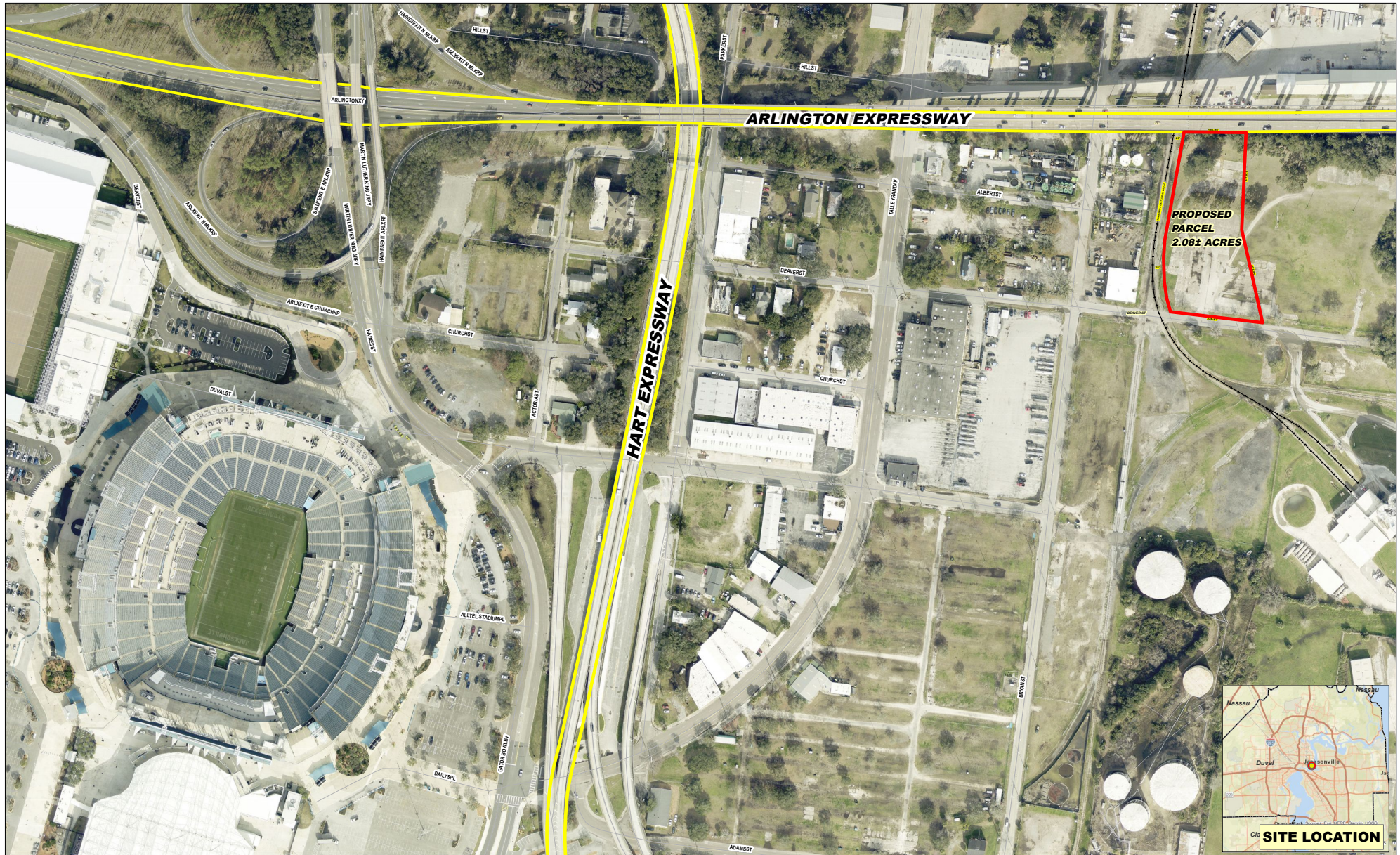
CERTIFIED TO:

JEA

DOWNTOWN WATER PLANT - LOCATION MAP



DOWNTOWN WATER PLANT - LOCATION MAP



JEA Board Agenda

MEMORANDUM**FY25 Internal Audit Results / FY26 Internal Audit Plan**

Board Meeting Date: November 18, 2025

 Outcome: ☐ INFORMATION ONLY ☒ ACTION ☐ FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

Staff requests the Finance, Governance, and Audit Committee recommend Board approval of Resolution 2025-59, approving the FY2026 Internal Audit Plan.

 Consent Agenda Item: ☐ Yes ☒ No

Presenter: Lee Montanez, Director, Internal Audit and Enterprise Risk

Chief: Jody Brooks, Chief Administrative Officer

Strategic Focus Area:



DEVELOPING AN UNBEATABLE TEAM



DELIVERING BUSINESS EXCELLENCE



EARNING CUSTOMER LOYALTY

Background Information & Analysis:

Discussion of the FY25 internal audit results and the process and selection of audits for FY26

Financial Impact:

NA

Committee/Board Meeting/Workshop & Date Presented:

N/A

Appendix:

Resolution 2025-59

**BOARD RESOLUTION: 2025-59**

November 18, 2025

A RESOLUTION BY THE BOARD APPROVING THE ANNUAL INTERNAL AUDIT PLAN FOR FISCAL YEAR 2026

WHEREAS, JEA's Internal Audit & Enterprise Risk 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 Internal Audit & Enterprise Risk adheres to the Institute of Internal Auditors (IIA) Global Internal Audit Standards, 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 the tone, tenor or purpose of this Resolution, then such errors may be corrected with no further action required by the Board.
4. This Resolution shall be effective upon approval by the Board.

Dated this 18th day of November 2025.

 JEA Board Chair

 JEA Board Secretary

Form Approved by:

 Office of General Counsel

	VOTE	
In Favor		
Opposed		
Abstained		

JEA Board Agenda

MEMORANDUM**Board Governing Documents: Board By-Laws and Board Policy Manual**

Board Meeting Date: November 18, 2025

Outcome:



INFORMATION ONLY



ACTION



FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion: N/A

Consent Agenda Item:



Yes



No

Presenter:

Jody Brooks, Chief Administrative Officer

Chief:

Jody Brooks, Chief Administrative Officer

Strategic Focus Area:



DEVELOPING AN UNBEATABLE TEAM



DELIVERING BUSINESS EXCELLENCE



EARNING CUSTOMER LOYALTY

Background Information & Analysis:

In accordance with Section 27.03 of the JEA Charter, the Board is required to annually review and update its governing documents. No comments or edits have been received to date. Accordingly, attached for the Board's review is a copy of the Board Bylaws and Policy Manual as approved at the October 29, 2024 JEA Board Meeting. Staff requests the Board to acknowledge review at the November 18, 2025 Board meeting as required by the Charter.

Financial Impact:

N/A

Committee/Board Meeting/Workshop & Date Presented:

- JEA Board Meetings: August 27, 2024, September 24, 2024, October 29, 2024
- Finance, Governance, & Audit Committee Meeting: October 24, 2024

Appendix:

- Board By-Laws and Policy Manual - Approved October 29, 2024

JEA Board Policy Manual



JEA Board Policy Manual

Adopted by the JEA Board on this 29th day of October, 2024, in Jacksonville, Florida.

JEA Board Chair

JEA Board Secretary

JEA Board Policy Manual

TABLE OF CONTENTS

Policy Category I: By-Laws of JEA

1.0	By-Laws of JEA	4
-----	----------------	---

Policy Category II: Governance Process

2.0	JEA Board Mission, Vision, Values, Goals & Objectives	10
2.1	Global Governance Process	11
2.1.1	Governing Style	12
2.1.2	Board Job Description	13
2.1.3	Agenda Planning	14
2.1.4	Board Officers	15
2.1.5	Rules of Order	16
2.1.6	Board Member's Code of Conduct	18
2.1.7	Board Member's Individual Responsibilities	19
2.1.8	Board Committee Principles	20
2.1.9	Board Committee Structure	21
2.1.10	Improvement in Governance	23
2.1.11	Legal Representation	24

Policy Category III: Board-Management Delegation

3.0	Global Board-Management Delegation	25
3.0.1	Unity of Control	26
3.0.2	Accountability of the CEO	27
3.0.3	Delegation to the CEO	28
3.0.4	CEO and Senior Leadership Remuneration	29
3.0.5	Monitoring CEO Performance	31

Policy Category IV: Executive Mandates

4.0	General Executive Oversight and Assurances	32
4.0.1	Treatment of Consumers	33
4.0.2	Treatment of Staff	34
4.0.3	Financial Planning/Budgeting	35
4.0.4	Financial Condition and Activities	36
4.0.5	Workforce Readiness and Succession Planning	37
4.0.6	Asset Protection	38
4.0.7	Compensation and Benefits	39
4.0.8	Communication and Support to Board	40
4.0.9	Regulatory/Legislative Requirements	41
4.0.10	Enterprise Risk Management	42
4.0.11	Procurement Activities	43

JEA Board Policy Manual**TABLE OF CONTENTS (Cont'd)**

Policy Category V: Measures of Effectiveness (MOEs)

5.0	MOEs	44
5.0.1	Quality of Electric Service	45
5.0.2	Quality of Water Service	46
5.0.3	Quality of Sewer Service	47
5.0.4	Cost of Service	48
5.0.5	Environmentally Sound	49
5.0.6	Informative Communication	50
5.0.7	Safety Standards	51
5.0.8	Financial Integrity	52

Appendices

A1	Executive Core Competencies	54
A2	JEA Board Evaluation Criteria	59
A3	JEA Charter (Article 21 of City of Jacksonville Ordinance Code)	61

JEA Board Policy Manual

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.

JEA Board Policy Manual

POLICY CATEGORY I: BY-LAWS OF JEA

POLICY 1.0

POLICY TITLE: *BY-LAWS OF JEA*

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

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

ARTICLE IV - 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) **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 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. Term of Committee Members. Each member of a committee shall serve until the expiration of his/her term of office as a JEA Board member, until that member's successor 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.

JEA Board Policy Manual

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. Conduct of Committee Business. 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, 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 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

JEA Board Policy Manual

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. Vacancies. Any vacancy occurring in the office of a member of the JEA Board shall be filled for the unexpired term in the manner provided in 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

JEA Board Policy Manual

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.

JEA Board Policy Manual

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.

Adopted by the JEA Board on this 29th day of October, 2024, in Jacksonville, Florida.

JEA Board Chair

JEA Board Secretary

JEA Board Policy Manual

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.

JEA Board Policy Manual

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 Chair.
- 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.

JEA Board Policy Manual

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.

Accordingly,

- 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.

JEA Board Policy Manual

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.

Accordingly,

- 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.

JEA Board Policy Manual

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.

Accordingly,

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.
- b. 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.

JEA Board Policy Manual

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.

Accordingly,

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. The Vice-Chair will serve as Secretary in the absence of the current Secretary.

JEA Board Policy Manual

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.

Accordingly,

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.

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

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.6

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.

Accordingly,

- 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.

JEA Board Policy Manual

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.

JEA Board Policy Manual

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.

Accordingly,

- 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.

JEA Board Policy Manual

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.

Accordingly,

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.

JEA Board Policy Manual

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 comprised of the Chief Officers of JEA.

- a. The Committee will be comprised 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.

JEA Board Policy Manual

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.
- 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.
- c. 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).

JEA Board Policy Manual

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.

JEA Board Policy Manual

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.

Accordingly,

- 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.

JEA Board Policy Manual

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.

Accordingly,

- 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.

JEA Board Policy Manual

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.

Accordingly,

- 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.

JEA Board Policy Manual

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.

Accordingly,

- 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.

JEA Board Policy Manual

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.

JEA Board Policy Manual

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.

JEA Board Policy Manual

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.

JEA Board Policy Manual

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.

JEA Board Policy Manual

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.

Accordingly, the CEO will:

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

JEA Board Policy Manual

POLICY 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.

Accordingly, the CEO will:

4.0.2.1 Operate with written personnel rules and regulations that:

- a. clarify rules for staff
- b. provide for effective handling of grievances
- c. protect against wrongful conditions such as nepotism and grossly preferential treatment for personal reasons.
- d. allow for volunteerism in the community
- e. require high ethical standards
- f. recognize the need for work/life balance

4.0.2.1 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.

4.0.2.3 Provide a safe work environment.

4.0.2.4 Identify and provide training necessary to accomplish the quality of work expected.

4.0.2.5 Not allow discrimination or retaliation against any staff member for non-disruptive expression of dissent.

4.0.2.6 Acquaint staff with the CEO's interpretation of their protections under this policy.

4.0.2.7 Allow staff to be prepared to deal with emergency situations.

4.0.2.8 Ensure that the company's Core Values are routinely communicated and reinforced to all employees.

JEA Board Policy Manual

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.

Accordingly, the CEO will:

- 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.

JEA Board Policy Manual

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:
 - a. 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.

JEA Board Policy Manual

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.

Accordingly, the CEO will:

- 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.

JEA Board Policy Manual

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.

Accordingly, the CEO will:

- 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.

JEA Board Policy Manual

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.

Accordingly, the CEO will:

- 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.

JEA Board Policy Manual

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.

JEA Board Policy Manual

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.

JEA Board Policy Manual

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.

JEA Board Policy Manual

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.

Accordingly, the CEO will:

- 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.

JEA Board Policy Manual

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.

JEA Board Policy Manual

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.

Accordingly,

- 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).

JEA Board Policy Manual

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.

Accordingly,

- 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).

JEA Board Policy Manual

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.

Accordingly,

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.

JEA Board Policy Manual

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.

Accordingly,

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).

JEA Board Policy Manual

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.

Accordingly,

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.

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 5.0.6

POLICY TITLE: INFORMATIVE COMMUNICATION

Effectively communicate with consumers and other stakeholders.

Accordingly,

- 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.

JEA Board Policy Manual

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.

JEA Board Policy Manual

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.

JEA Board Policy Manual

APPENDICES

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

JEA Board Policy Manual

A1 - EXECUTIVE CORE COMPETENCIES

Models Integrity

- Demonstrates high ethical and moral standards and models important values for others to follow.
- Behaves and expresses oneself in an open and honest manner; is consistent in word and deed
- Represents information accurately and completely
- Assumes responsibility and accountability for own behavior; admits to mistakes

Makes Quality Decisions

- Prioritizes decisions and initiatives in ways that ensures the highest value for the organization
- Makes high-quality strategic decisions for the organization even when the consequences may be controversial
- Seeks the input of others to ensure that decisions made will be best for the organization and will minimize conflict with other initiatives
- Takes appropriate risks that weighs the positive and negative impact of each decision on the organization

Takes Initiative

- Reacts quickly to address problems that threaten organizational objectives
- Seeks out opportunities to extend or expand upon the organization's position in the market place
- Is passionate, highly engaged and highly energetic
- Forward looking; anticipates potential issues and mitigation measures.

Communicates Effectively

- Listens actively to ensure understanding of each person's point of view
- Clearly articulates (through speech or in writing) own knowledge and ideas so they are easily understood and applied to others
- Addresses difficult problems and perceptions that, if left untreated, could undermine the success of the organization
- Ensures regular, consistent, and meaningful communication throughout the organization

Drives Results

- Seeks to achieve improved or even unprecedented results and demonstrates personal accountability for outcomes
- Creates a positive environment in which results flow from a desire to achieve
- Sets strategic goals and measurable performance expectations for defining success
- Demonstrates ownership for performance of entire organization, and holds self and organization accountable for decisions and results
- Takes appropriate action when a mistake is made (analyze what went wrong and preventative measures to preclude repeated the same mistake.

JEA Board Policy Manual

A1- EXECUTIVE CORE COMPETENCIES

Focuses on the Customer

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

Fosters Teamwork

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

Manages and Supports Change

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

Visionary Strategist

- Develops the strategies and actions needed to make JEA 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

JEA Board Policy Manual

A1- EXECUTIVE CORE COMPETENCIES

Delegates to Others

- Does not micromanage the staff; allows those with responsibilities to do their job. Provides others with the resources, authority, and support to 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.

JEA Board Policy Manual

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

JEA Board Policy Manual

A1- EXECUTIVE CORE COMPETENCIES

CEO Evaluation Criteria

1. CEO maintains safety as a top priority and executes an effective risk mitigation plan.
2. KPAs and associated KPIs as per Policy Category IV MOEs.
3. CEO ensures 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.
6. CEO maintains a candid dialogue with the board and is completely transparent on all issues associated with JEA.
7. CEO has a viable succession plan.
8. CEO keeps JEA on the right strategic path based on the most current strategic plan.
9. CEO maintains 100% compliance with respect to Article 21 applicable provisions.
10. Complies with executive core competencies (as per Appendix A1).

JEA Board Policy Manual

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)	Ratings 1 (Strongly Disagree) 2 (Disagree) 3 (Undecided) 4 (Agree) 5 (Strongly Agree)	Comments
	Board Members...		
1	Receive a comprehensive orientation to prepare them to perform their roles and responsibilities.		
2	Are prepared for and participate in monthly Board meetings.		
3	Understand and fulfill the Board's roles and responsibilities.		
4	Understand and support JEA's mission and strategic objectives.		
5	Understand and adhere to the JEA Charter, Bylaws, Board Policies, and applicable Florida Statutes and City Ordinances.		
6	Understand JEA's MOEs so accurate assessments can be made.		
7	Understand and discuss JEA's financial reports and annual budget.		
8	Work together to make good decisions.		
9	Have a strong working relationship with the CEO.		
10	Understand CEO evaluation criteria.		
11	Respect the confidentiality of Board matters in accordance with public records laws.		
12	Reflect behavior consistent with JEA's Code of Conduct and Code of Ethics.		
13	Are knowledgeable about JEA's programs and services.		
14	Follow industry trends and important developments related to JEA and understand key corporate risks.		
15	Actively self-educate and stay current with industry trends.		
16	Work in coordination with the CEO on succession plan.		
17	Actively look to improve processes.		
18	Act as goodwill ambassadors for JEA in the community.		

JEA Board Policy Manual

	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):

JEA Board Policy Manual

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 Chapters 80-515 and 92-341, 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.
- (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.

- (a) *Composition; qualifications; removal.* The governing body of JEA shall consist of seven members, each of whom shall serve for a term of four years or until such member's successor has been appointed and has qualified. Four members shall be nominated by the council president and confirmed by the council, and three members shall be appointed by the mayor and shall be confirmed by the council. With regard to one member appointed by council through open application, the council president shall nominate an applicant who has one of the following qualifications: was a former JEA employee, or person recommended by an employee, union or group of current or former JEA employees. To the extent feasible and regarding member appointments generally, individuals who have demonstrated corporate, executive or administrative experience 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 member shall have been a resident and elector of the city for at least six consecutive months prior to such member'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 the governing body of JEA for two consecutive full terms shall not be eligible for the succeeding term. The members appointed by the mayor may be removed by the mayor at any time with or without cause, but a removal must be approved by a two-thirds vote of the council. The members appointed by the council may be removed by the council at any time with or without cause, but a removal must be approved by a two-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, and Chapter 602 (Jacksonville Code of Ethics), Ordinance Code of the City of Jacksonville, 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 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; oath.* 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 oath of office consistent with the oath 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 documents.

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

Editor's note— Ord. 2020-419-E, §§ 1 and 2, amended the Charter by repealing former § 21.03 in its entirety and adding a new § 21.03. Former § 21.03 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, § 25; Laws of Fla., Ch. 92-341, § 1; Ord. 93-82-1385, § 1; Ord. 98-253-E, § 1; and Ord. 2016-764-E, § 2. Amendments made by Ord. 2020-100-E, § 2, were retained and incorporated into Ord. 2020-419-E.

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;

- (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, re-equipment, 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, 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.
- (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 (or any combination thereof).
- (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 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 law of the state. The issuance of such bonds and revenue certificates shall not be 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. 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.

- (l) 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 debt not previously authorized by Section 21.04(i)(2) herein, shall require prior approval of the council.
- (o) 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) *JEAs 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 fix and determine; and (ix) financing, testing, maintenance and operation of customer owned facilities used in water, wastewater and natural gas functions.
- (3) *Required notice of additional services or products not expressly listed in subsection (p)(2) above.* 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, by-product or activity not expressly listed in subsection (p)(2)(i) —(ix) above ("additional service or product") to any person or entity under this subsection without first providing written notice as provided herein of such additional service or product to the council auditor no less than 60 days prior to such date that the governing body of JEA is scheduled to approve such additional service or product in accordance 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 projected revenues and expenses; and (vi) any other information developed by JEA or third parties regarding the additional service or product. Any action by JEA to provide, supply, transfer, sell, finance or lease an additional service or product pursuant to this subsection shall be void without the required prior approval of the governing body of JEA and prior notice to the council auditor as provided herein. JEA shall provide the mayor and council with a notice containing the information in items (i) and (ii) above regarding such additional service or product concurrent with the required council auditor notice provided herein.

- (4) *Annual report.* JEA shall provide a comprehensive annual written 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.

(q) 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 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, electrotechnologies, 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.
- (v) 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 provide such 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, operate and maintain. Such notice to the council auditor shall include the following information regarding such additional utility system,

function, or utility service: (i) an express reference in the 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 revenues and expenses; and (vi) any other information developed by JEA or third parties regarding the additional utility system, function, 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 separate entities, JEA, with respect to the specified system or systems, shall be vested with all powers set forth herein or in general law that would, but for the provisions of this Article, apply to such specified utility system or systems.

- (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.
- (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. 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 provided by JEA and to further create a favorable climate of opinion concerning the activities and projects authorized and indicated by this Article. JEA may also, to the extent permitted by the laws of the State of Florida, expend funds in cooperative efforts to and with other agencies, both public and private, in accomplishing the purposes enumerated and indicated by this Article; and in furtherance thereof. JEA may also authorize reasonable expenditures for any and all of the purposes herein 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 an expenditure of funds for any of the foregoing purposes is made by a member or employee of JEA, 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 proposed promotional expenditures for the current fiscal year to the council auditors on or before 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) herein. 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 matters subject to the provisions of subsection (p), as applicable. All funds expended by JEA as 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 promote the privatization, sale, transfer or reorganization of JEA as expressly prohibited in Section 21.11 herein or otherwise in this Article or the charter.

- (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 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](#)

10/24/24, 2:23 PM

Jacksonville, FL Code of Ordinances

(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)

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— Former § 21.06, relative to transfer of property by the city, was deleted by § 1 of Ord. 93-82-1385, and former § 21.05 was subsequently renumbered as s. 21.06. The provisions of former § 21.06 derived from Laws of Fla., Ch. 78-538, § 1; Laws of Fla., Ch. 80-515, § 1; Ord. 84-1307-754, § 25 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 assessment 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 retail users of electricity in JEA's service area and to wholesale customers under firm contracts having an original term of more than one year (other than sales of energy to Florida Power and Light Company from JEA's St. Johns River Power Park System, exception ending December 31, 2017) during the twelve-month period ending on April 30 of the fiscal year immediately preceding the fiscal year for which such assessment 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 the fiscal year for which such assessment is applicable, or (B) a minimum 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) above are: for fiscal year 2016-2017 - \$115,329,413; for fiscal year 2017-2018 - \$116,482,708; for fiscal year 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 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.
- (j) 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.
- (l) 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 commence 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 sum of JEA's base rate electric revenues, fuel

rate revenues, water rate revenues and sewer rate revenues 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 foregoing, no franchise fee shall be paid on franchise fees, state utility taxes, fuel related interchange sales, sales for resale, City of Jacksonville accounts, JEA accounts, investment income and other revenues. JEA shall be authorized to pass-through the amount of the franchise fees set forth herein and associated charges resulting from the stated three percent (3%) franchise fee calculation on rate 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 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 requested, it should provide such explanation in its 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.

- (a) *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 legislative body as provided in F.S. § 447.203(10), as amended. JEA shall be fully responsible for the administration and operation of all utility services as set out in this Article and in order to meet its administrative and operational responsibilities, JEA shall have full and independent authority to hire, transfer, promote, discipline, terminate and evaluate employees engaged to provide any and all of the 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 other terms and conditions of employment, and enter into negotiations with employee organizations with 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 order 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 hazardous duty as determined by JEA, in the amount of \$50,000 payable to the beneficiary named by the employee, or as otherwise provided, in the event said employee dies as a result of an accident occurring to any employee in the course of his/her employment. Nothing contained in this Section shall be construed to supersede or repeal any provision of Section 12 of Chapter 80-513, Laws of Florida, as amended.
- (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 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.

- (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. Additionally, JEA shall include a budget line item and specific detailed plan 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— Ord. 2020-419-E, §§ 1 and 2, amended the Charter by repealing former § 21.08 and adding a new § 21.08. Former § 21.08 pertained to employees, and derived from Laws of Fla., Ch. 78-538, § 1; Laws of Fla., Ch. 80-515, § 1; Ord. 84-1307-754, § 25; 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, § 3. Additionally, Ordinance 2007-839-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, 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 interests of JEA.
- (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, pre-conferences, 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;
 - (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.

(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— Ord. 2020-419-E, §§ 1 and 2, amended the Charter by repealing former § 21.09 and adding a new § 21.09. Former § 21.09 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, § 25; 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 \$10,000,000.00 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.

"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.

(b) *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 council in advance by amending this Section to permit such action by JEA; provided, however, that no final approval of such disposition by the council shall become effective without subsequent referendum approval of the terms and conditions of the disposition, lease, or other assignment of the management, function or operation 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 calculation period, without obtaining approval of the council in advance by amending this Section to permit 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 professional consultants, legal engagements, promotional expenses, and other expenses anticipated by JEA 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 process undertaken 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— Ord. 2020-419-E, § 2, amended the Charter by renumbering former §§ 21.11 and 21.12 as new 21.13 and 21.14, and adding a new §§ 21.11 and 21.12.

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— See editor's note, § 21.11.

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— Former § 21.11. See editor's note, § 21.11.

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

JEA Board Agenda

MEMORANDUM**Annual Board of Directors Self-Evaluation**

Board Meeting Date: November 18, 2025

Outcome:



INFORMATION ONLY



ACTION



FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

N/A

Consent Agenda Item:



Yes



No

Presenter:

Jody Brooks, Chief Administrative Officer

Chief:

Jody Brooks, Chief Administrative Officer

Strategic Focus Area:

DEVELOPING AN
UNBEATABLE TEAMDELIVERING BUSINESS
EXCELLENCEEARNING CUSTOMER
LOYALTY

Background Information & Analysis:

In accordance with Policy 2.1.2 of the JEA Board Policy Manual, the Board will evaluate its own performance annually as per Appendix A2, JEA Board Evaluation Criteria.

Timeline

- Immediately following the November 18, 2025 JEA Board meeting, staff will submit the Board Self-Evaluation to its members.
- Staff requests Board members complete the self-evaluation by December 31, 2025.
- Chief Administrative Officer will review the results at the January 21, 2026 Finance, Governance, & Audit Committee meeting.
- Finance, Governance & Audit Committee Chair will provide the results during the committee report at the January 27, 2026 JEA Board meeting.

Financial Impact:

N/A

Committee/Board Meeting/Workshop & Date Presented:

Finance, Governance, & Audit Committee Meeting: October 24, 2024
JEA Board Meeting: October 29, 2024

Appendix:

- Board Policy Manual, Appendix A2

JEA Board Policy Manual

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)	<u>Ratings</u> 1 (Strongly Disagree) 2 (Disagree) 3 (Undecided) 4 (Agree) 5 (Strongly Agree)	Comments
	Board Members...		
1	Receive a comprehensive orientation to prepare them to perform their roles and responsibilities.		
2	Are prepared for and participate in monthly Board meetings.		
3	Understand and fulfill the Board's roles and responsibilities.		
4	Understand and support JEA's mission and strategic objectives.		
5	Understand and adhere to the JEA Charter, Bylaws, Board Policies, and applicable Florida Statutes and City Ordinances.		
6	Understand JEA's MOEs so accurate assessments can be made.		
7	Understand and discuss JEA's financial reports and annual budget.		
8	Work together to make good decisions.		
9	Have a strong working relationship with the CEO.		
10	Understand CEO evaluation criteria.		
11	Respect the confidentiality of Board matters in accordance with public records laws.		
12	Reflect behavior consistent with JEA's Code of Conduct and Code of Ethics.		
13	Are knowledgeable about JEA's programs and services.		
14	Follow industry trends and important developments related to JEA and understand key corporate risks.		
15	Actively self-educate and stay current with industry trends.		
16	Work in coordination with the CEO on succession plan.		
17	Actively look to improve processes.		
18	Act as goodwill ambassadors for JEA in the community.		

JEA Board Policy Manual

	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):



Reserve Report

**For the Fourth Quarter Ending
September 2025**

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

For the Years Ending September 30

(In Thousands of Dollars)

Electric System

	Actual Fiscal Year 2023	Actual Fiscal Year 2024	Actual Fiscal Year 2025	Detail Page #
Unrestricted				
Operations/Revenue Fund	\$ 2,841	\$ 29,261	\$ 55,498	
Self Insurance Reserve Fund				
• Property	10,000	10,000	10,000	3
• Employee health insurance	20,134	22,243	22,183	4
Rate Stabilization				
• DSM / Conservation	5,975	936	-	5
• Environmental	14,612	12,101	2,158	6
• Non-Fuel Purchased Power	246,000	246,000	246,000	7
Environmental	14,713	-	-	8
Customer Deposits	46,838	50,376	55,555	9
Total Unrestricted	361,114	370,918	391,394	
Days of Cash on Hand (2)	148	112	128	
Days of Liquidity (3)	236	198	184	
Restricted				
Debt Service Funds (Sinking Funds)	38,818	51,548	64,339	10
Debt Service Reserve Funds	50,993	50,993	37,465	11
Renewal and Replacement Funds/OCO	135,033	(2,161)	63,738	12
Environmental Fund [Capital Projects]	922	-	-	13
Construction Funds	-	-	125	14
Total Restricted	225,766	100,381	165,668	
Total Electric System	\$ 586,880	\$ 471,299	\$ 557,061	

Water System

Unrestricted				
Operations/Revenue Fund	\$ 1,392	\$ 1,701	\$ 39	
Rate Stabilization				
• Environmental	-	-	-	15
Customer Deposit	15,386	18,346	19,167	16
Total Unrestricted	16,777	20,047	19,207	
Days of Cash on Hand (2)	23	55	42	
Days of Liquidity (3)	109	140	431	
Restricted				
Debt Service Funds (Sinking Funds)	75,477	86,549	92,580	17
Debt Service Reserve Funds	57,587	62,614	99,726	18
Renewal and Replacement Funds	2,985	26,267	(41,068)	19
Construction Funds	242	19,770	59,700	20
Total Restricted	136,291	195,200	210,938	
Total Water & Sewer System	\$ 153,068	\$ 215,247	\$ 230,144	

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

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

(3) Days of Liquidity includes R&R Fund and the Revolving credit facility in the cash balances, and includes the Contribution to the City of Jacksonville General Fund with the Operating Expenses, net of Depreciation.

Funds Established Per the Bond Resolutions

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

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

Electric System Self Insurance - Property

For the Fourth Quarter Ending September 30, 2025

Definitions
and Goals

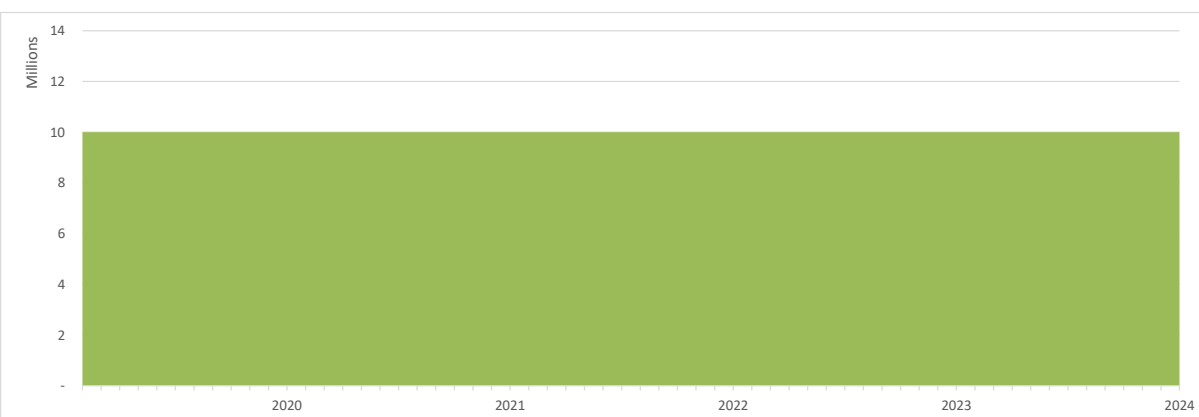
JEA's self-insurance fund is for catastrophic damage to JEA's electric lines (transmission and distribution) caused by the perils of hurricanes, tornadoes, and ice storms. This fund was established in October, 1992, as an alternative to JEA's procurement of commercial property insurance.

Current Activity

(In Thousands)	Quarter-End	2025
Opening Balance	\$ 10,000	\$ 10,000
Additions:		
Contributions		
Sub-total	\$ -	\$ -
Withdrawals		
Sub-total	\$ -	\$ -
Ending Balance	\$ 10,000	\$ 10,000

Historical Activity

	2021	2022	2023	2024	2025
Opening Balance	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Additions:					
Contributions	-	-	-	-	-
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Ending balance	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000



Observations

- Reserve/Fund Authorization: Budget Appropriation.

Electric System Self Insurance - Employee Health Insurance

For the Fourth Quarter Ending September 30, 2025

Definitions and Goals

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

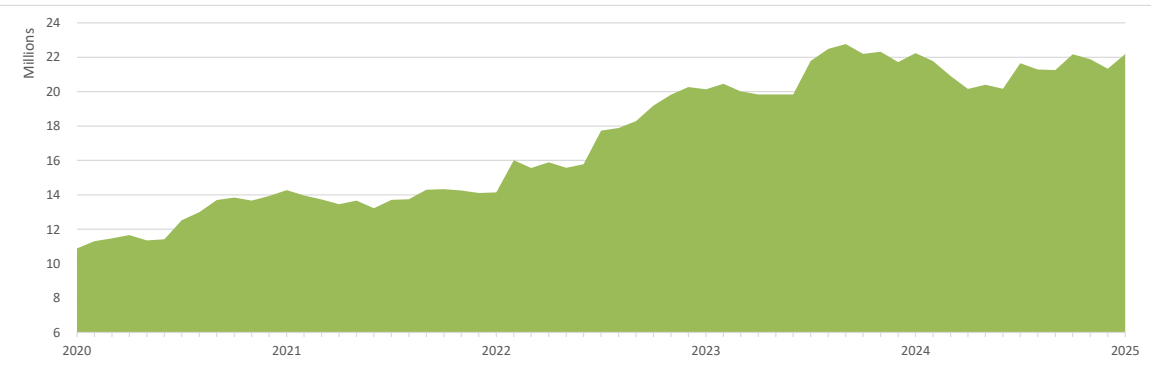
Current Activity

(In Thousands)

	Quarter-End	2025
Opening Balance	\$ 22,168	\$ 22,243
Additions:		
Employee Contributions	1,629	6,444
Retirees and Other	1,821	7,732
Employer Contributions	6,485	25,682
Sub-total	\$ 9,934	\$ 39,858
Withdrawals:		
Payments for Claims	9,278	37,429
Actuary & Other Payments	641	2,489
Other		
Sub-total	\$ 9,920	\$ 39,918
Ending Balance	\$ 22,183	\$ 22,183

Historical Activity

	2021	2022	2023	2024	2025
Opening Balance	\$ 10,890	\$ 14,272	\$ 14,145	\$ 20,134	\$ 22,243
Additions:					
Employee Contributions	6,596	6,714	6,179	6,084	6,444
Retiree & Other Contributions	7,518	5,713	9,998	7,724	7,732
Employer Contributions	19,635	20,688	22,875	23,904	25,682
Sub-total	\$ 33,749	\$ 33,115	\$ 39,052	\$ 37,712	\$ 39,858
Withdrawals:					
Payments for Claims	28,408	30,819	30,057	33,140	37,429
Actuary & Other Payments	1,959	2,423	3,006	2,463	2,489
Sub-total	\$ 30,367	\$ 33,242	\$ 33,063	\$ 35,603	\$ 39,918
Ending balance	\$ 14,272	\$ 14,145	\$ 20,134	\$ 22,243	\$ 22,183



Maximum Balance: 22,765
Minimum Balance: 10,890

Average Balance: 16,162

Observations

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

Electric System Rate Stabilization - DSM / Conservation

For the Fourth Quarter Ending September 30, 2025

Definitions
and Goals

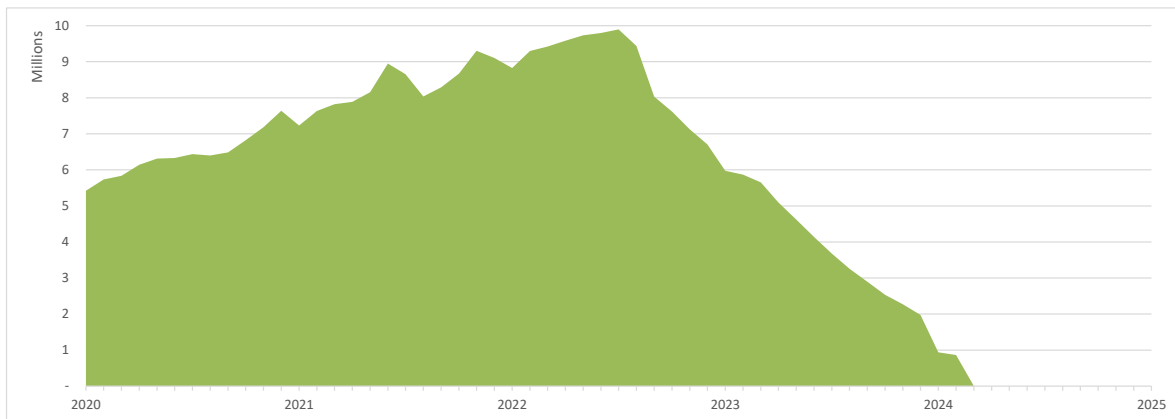
The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which contributions or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Fund provides a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as fuel, debt management and regulatory requirements or initiatives. Effective April 1, 2023, the Environmental charge and Conservation charges were eliminated for all rate classes and incorporated into the energy charge.

Current Activity

(In Thousands)	Quarter-End	2025
Opening Balance	\$ -	\$ 937
Additions:		
Contributions	-	-
Sub-total	\$ -	\$ -
Withdrawals:		
Withdrawals	-	937
Sub-total	\$ -	\$ 937
Ending Balance	\$ -	\$ -

Historical Activity

	2021	2022	2023	2024	2025
Opening Balance	\$ 5,423	\$ 7,233	\$ 8,824	\$ 5,976	\$ 937
Additions:					
Contributions	6,929	7,164	2,959	1	-
Sub-total	\$ 6,929	\$ 7,164	\$ 7,164	\$ 7,164	\$ -
Withdrawals:					
Withdrawals	5,119	5,573	5,807	5,040	937
Sub-total	\$ 5,119	\$ 5,573	\$ 5,807	\$ 5,040	\$ 937
Ending balance	\$ 7,233	\$ 8,824	\$ 5,976	\$ 937	\$ -



Maximum Balance: 9,897
Minimum Balance: -

Average Balance: 5,438

Observations

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

Electric System Rate Stabilization - Environmental

For the Fourth Quarter Ending September 30, 2025

Definitions and Goals

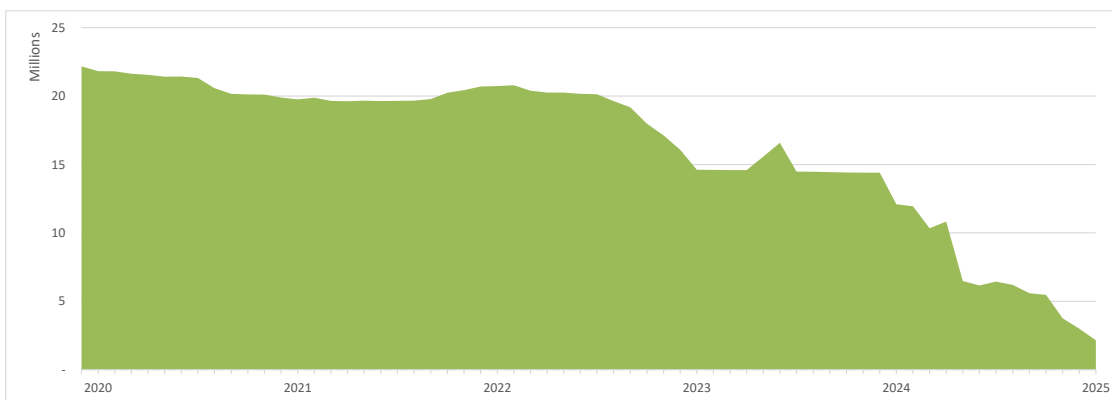
The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which contributions or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Fund provides a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as fuel, debt management and regulatory requirements or initiatives. Deposits to this fund began in fiscal year 2010 for amounts representing the Electric System Environmental Charge (\$0.62 per 1000 kWh). Withdrawals from this reserve are limited to potential environmental expenditures approved by the Board, and may include initiatives such as the cost of acquisition of renewable energy capacity. Costs directly required to operate and maintain the environmentally driven or regulatory required assets can also be funded from this revenue source. Effective April 1, 2023, the Environmental charge and Conservation charges were eliminated for all rate classes and incorporated into the energy charge. Basic monthly charges for each rate class were raised to more closely represent the cost to serve each class of customer.

Current Activity

(In Thousands)	Quarter-End	2025
Opening Balance	\$ 5,469	\$ 12,101
Additions:		
Contributions	-	-
Sub-total	\$ -	\$ -
Withdrawals:		
Withdrawals	3,310	\$ 9,943
Sub-total	\$ 3,310	\$ 9,943
Ending Balance	\$ 2,158	\$ 2,158

Historical Activity

	2021	2022	2023	2024	2025
Opening Balance	\$ 21,818	\$ 19,756	\$ 20,728	\$ 14,612	\$ 12,101
Additions:					
Contributions	7,497	7,619	3,111	-	-
Sub-total	\$ 7,497	\$ 7,619	\$ 3,111	\$ -	\$ -
Withdrawals:					
Withdrawals	9,559	6,647	9,227	2,511	9,943
Sub-total	\$ 9,559	\$ 6,647	\$ 9,227	\$ 2,511	\$ 9,943
Ending balance	\$ 19,756	\$ 20,728	\$ 14,612	\$ 12,101	\$ 2,158



Maximum Balance: 22,170 Average Balance: 16,340
Minimum Balance: 2,158

Observations

- Rate Stabilization Fund for Environmental began in June 2010.

Electric System Rate Stabilization - Non-Fuel Purchased Power

For the Fourth Quarter Ending September 30, 2025

Definitions
and Goals

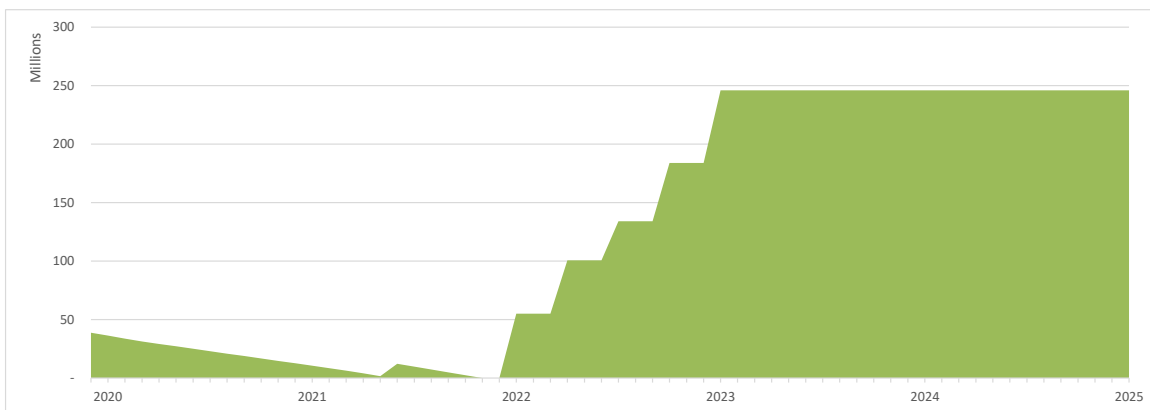
The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which deposits or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Funds provide a means to minimize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

Current Activity

(In Thousands)	Quarter-End	2025
Opening Balance	\$ 246,000	\$ 246,000
Additions:		
Contributions	-	
Sub-total	\$ -	\$ -
Withdrawals:		
Withdrawals	-	-
Ending Balance	\$ 246,000	\$ 246,000

Historical Activity

	2021	2022	2023	2024	2025
Opening Balance	\$ 36,326	\$ 10,513	\$ 55,000	\$ 246,000	\$ 246,000
Additions:					
Contributions	-	72,731	191,000	-	-
Sub-total	\$ -	\$ 72,731	\$ 191,000	\$ -	\$ -
Withdrawals:					
Withdrawals	25,813	28,244	-	-	-
Sub-total	\$ 25,813	\$ 28,244	\$ -	\$ -	\$ -
Ending balance	\$ 10,513	\$ 55,000	\$ 246,000	\$ 246,000	\$ 246,000



Maximum Balance: 246,000
Minimum Balance: -

Average Balance: 128,477

Observations

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

Electric System Environmental Reserve

For the Fourth Quarter Ending September 30, 2025

Definitions and Goals

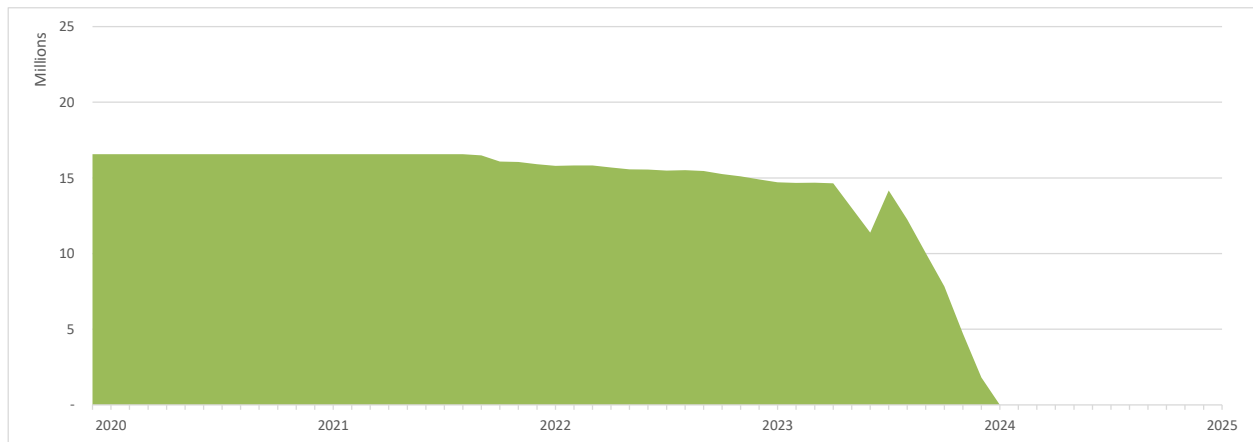
This reserve represents the initial amounts collected from the Electric System Environmental Charge and will be deposited until the balance in this reserve equals the balance in the environmental liability account. Withdrawals from this account will represent payments for these liabilities. Fund was fully drawn down in FY 2024

Current Activity

(In Thousands)	Quarter-End	<u>2025</u>
Opening Balance	\$ -	\$ -
Additions:		
Contributions	-	-
Sub-total	\$ -	\$ -
Withdrawals:		
Withdrawals	-	-
Sub-total	\$ -	\$ -
Ending Balance	\$ -	\$ -

Historical Activity

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Opening Balance	\$ 16,568	\$ 16,568	\$ 15,797	\$ 14,713	\$ -
Additions:					
Contributions			58	-	-
Sub-total	\$ -	\$ -	\$ 58	\$ -	\$ -
Withdrawals:					
Withdrawals		771	1,142	14,713	-
Sub-total	\$ -	\$ 771	\$ 1,142	\$ 14,713	\$ -
Ending balance	\$ 16,568	\$ 15,797	\$ 14,713	\$ -	\$ -



Maximum Balance: 16,568
Minimum Balance: -

Average Balance: 11,812

Observations

- The Environmental Reserve began in FY 2008.

Electric System Customer Deposits

For the Fourth Quarter Ending September 30, 2025

Definitions
and Goals

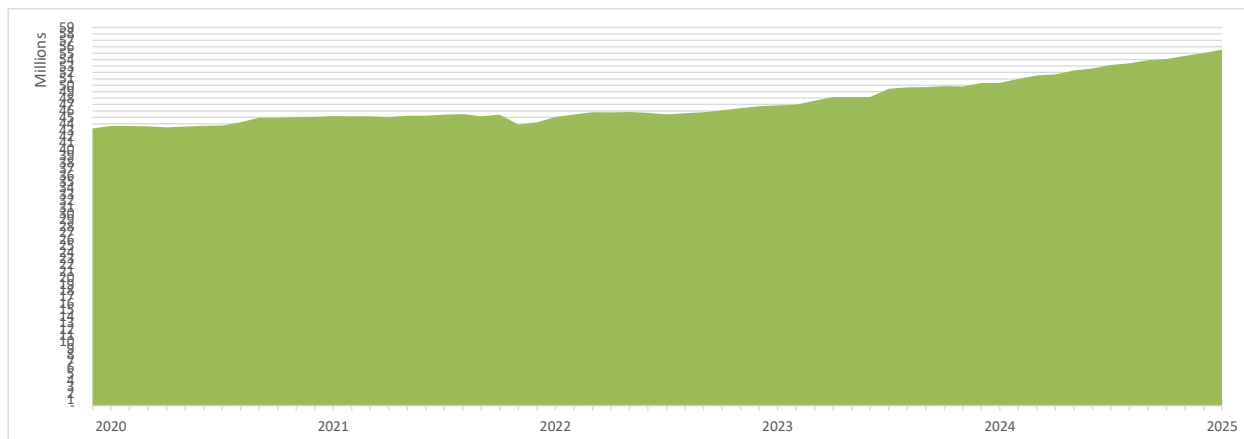
Pursuant to internal procedure CR40400 MBC302 Credit and Collections, JEA assesses customers a deposit that may be used to offset any future unpaid amounts during the course of providing utility service to a customer.

Current Activity

(In Thousands)	Quarter-End	2025
Opening Balance	\$ 54,089	\$ 50,376
Additions:		
Net Customer Activity	1,466	5,713
Sub-total	\$ 1,466	\$ 5,713
Withdrawals:		
Net Customer Activity	-	534
Sub-total	\$ -	\$ 534
Ending Balance	\$ 55,555	\$ 55,555

Historical Activity

	2021	2022	2023	2024	2025
Opening Balance	\$ 44,785	\$ 43,641	\$ 45,044	\$ 46,838	\$ 50,376
Additions:					
Net Customer Activity	596	3,666	2,194	3,604	5,713
Sub-total	\$ 596	\$ 3,666	\$ 2,194	\$ 3,604	\$ 5,713
Withdrawals:					
Net Customer Activity	1,740	2,263	400	66	534
Sub-total	\$ 1,740	\$ 2,263	\$ 400	\$ 66	\$ 534
Ending balance	\$ 43,641	\$ 45,044	\$ 46,838	\$ 50,376	\$ 55,555



Maximum Balance: 55,555
Minimum Balance: 43,271

Average Balance: 47,373

Observations

Electric System Debt Service Sinking Fund

For the Fourth Quarter Ending September 30, 2025

Definitions
and Goals

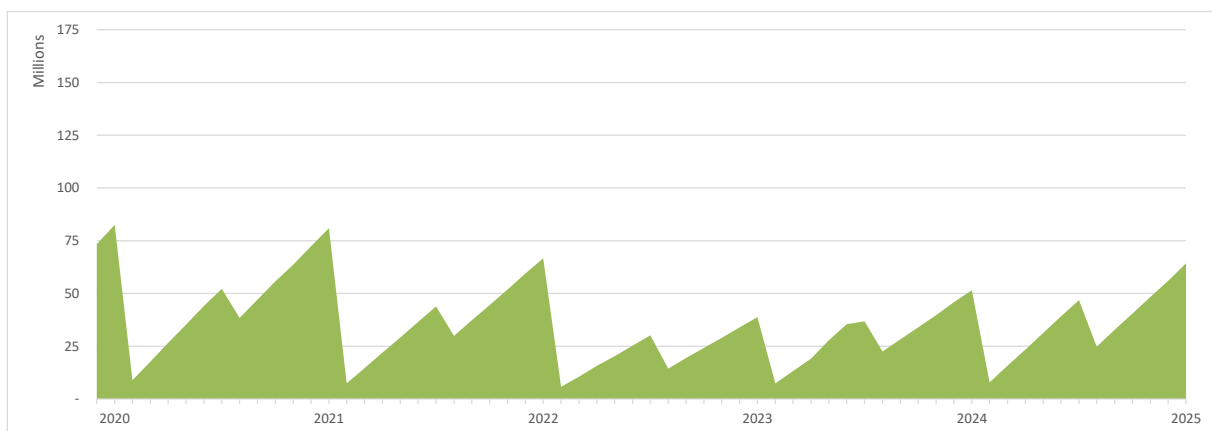
JEA is required monthly to fund from revenues an amount equal to the aggregate of the Debt Service Requirement for senior and subordinated bonds for such month into this account. On or before such interest payment date, JEA shall pay out of this account to the paying agents the amount required for the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

Current Activity

(In Thousands)	Quarter-End	2025
Opening Balance	\$ 40,457	\$ 51,549
Additions:		
Revenue Fund Deposits	24,946	97,089
Sub-total	\$ 24,946	\$ 97,089
Withdrawals:		
Principal and Int Payments	1,064	84,299
Sub-total	\$ 1,064	\$ 84,299
Ending Balance	\$ 64,339	\$ 64,339

Historical Activity

	2021	2022	2023	2024	2025
Opening Balance	\$ 82,525	\$ 80,988	\$ 66,705	\$ 38,818	\$ 51,549
Additions:					
Revenue Fund Deposits	237,723	91,059	73,192	93,685	97,089
Sub-total	\$ 237,723	\$ 91,059	\$ 73,192	\$ 93,685	\$ 97,089
Withdrawals:					
Principal and Int Payments	239,260	105,342	101,079	80,954	84,299
Sub-total	\$ 239,260	\$ 105,342	\$ 101,079	\$ 80,954	\$ 84,299
Ending balance	\$ 80,988	\$ 66,705	\$ 38,818	\$ 51,549	\$ 64,339



Maximum Balance: 82,525
Minimum Balance: 5,778

Average Balance: 35,524

Observations

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

Electric System Debt Service Reserve Account

For the Fourth Quarter Ending September 30, 2025

Definitions
and Goals

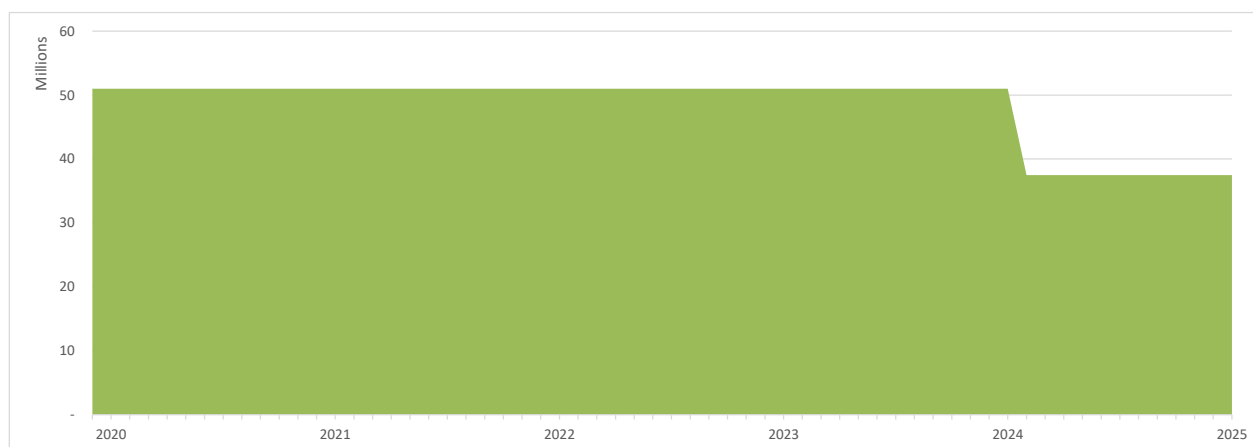
This reserve will be funded, maintained and held for the benefit of bondholders as specified in the Supplemental Resolution authorizing the sale of the bonds to pay principal and/or interest on the bonds should revenues from operations not be sufficient for such purpose in accordance with the appropriate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

Current Activity

(In Thousands)	Quarter-End	2025
Opening Balance	\$ 37,465	\$ 50,993
Additions:		
Proceeds from Bonds	-	-
Sub-total	\$ -	\$ -
Withdrawals:		
Bond	-	13,528
Ending Balance	\$ 37,465	\$ 37,465

Historical Activity

	2021	2022	2023	2024	2025
Opening Balance	\$ 50,993	\$ 50,993	\$ 50,993	\$ 50,993	\$ 50,993
Additions:					
Proceeds from Bonds	-	-	-	-	-
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Release to Revenue Fund	-	-	-	-	-
Release for Defeasance	-	-	-	-	13,528
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ 13,528
Ending balance	\$ 50,993	\$ 50,993	\$ 50,993	\$ 50,993	\$ 37,465



Maximum Balance: 50,993
Minimum Balance: 37,465

Average Balance: 48,375

Observations

- This report does not include any Scherer debt service reserves.
- Projections are based on the debt outstanding as of the quarter-end referenced above.

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

For the Fourth Quarter Ending September 30, 2025

**Definitions
and Goals**

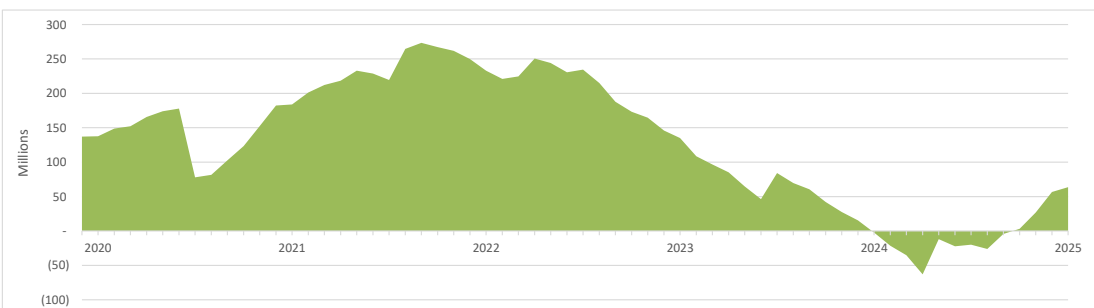
Pursuant to the bond resolution and Article 21 of the City of Jacksonville Charter, JEA is required to deposit from the revenue fund annually an amount for Renewal and Replacement of system assets. According to the bond resolutions the amount is equal to the greater of 10% of the prior year defined annual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

Current Activity

(In Thousands)	Quarter-End	2025
Opening Balance	\$ 3,064	\$ (2,160)
Additions:		
R&R/OCO Contribution	73,229	224,336
Debt Funding	37,246	95,267
Other		1,376
Sub-total	\$ 110,475	\$ 320,979
Withdrawals:		
Capital Expenditures	46,220	251,491
Transfers betw Capital Fds		-
Debt Reduction	-	-
Other	3,581	3,590
Sub-total	\$ 49,801	\$ 255,081
Ending Balance	\$ 63,738	\$ 63,738

Historical Activity

	2021	2022	2023	2024	2025
Opening Balance	\$ 137,643	\$ 183,800	\$ 233,019	\$ 135,034	\$ (2,160)
Additions:					
R&R/OCO Contribution	296,824	240,825	143,458	136,307	224,336
Debt Funding					95,267
Other	11,668	6,031	12,774	1,876	1,376
Sub-total	\$ 308,492	\$ 246,856	\$ 156,232	\$ 138,183	\$ 320,979
Withdrawals:					
Capital Expenditures	155,486	197,637	234,217	265,824	251,491
Transfers/loans b/w Capital Fds					-
Debt Defeasance	106,849	-	20,000	9,553	3,590
Other	-	-	-	-	-
Sub-total	\$ 262,335	\$ 197,637	\$ 254,217	\$ 275,377	\$ 255,081
Ending balance	\$ 183,800	\$ 233,019	\$ 135,034	\$ (2,160)	\$ 63,738



Observations

- Other includes Sale of Property and miscellaneous billings.

Electric System Environmental Fund - Capital Projects

For the Fourth Quarter Ending September 30, 2025

Definitions
and Goals

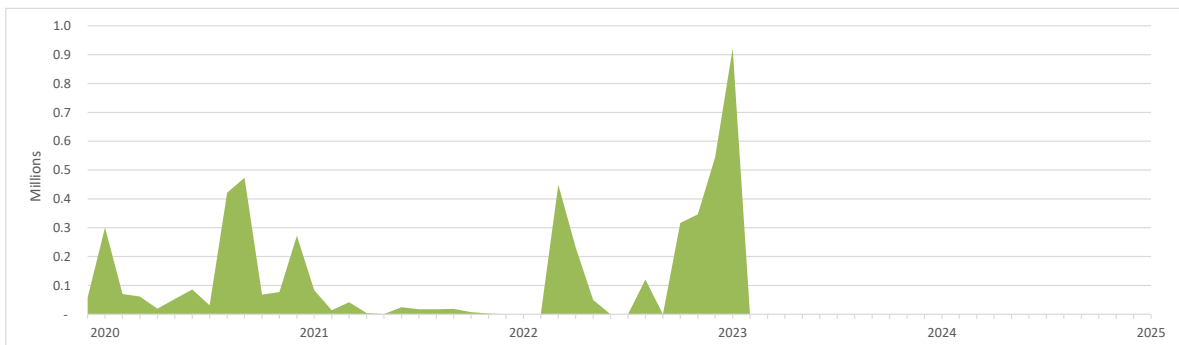
The Environmental Charge will be applied to all kWh consumption and structured to provide funding for major specific environmental and regulatory program needs. The Environmental Charge is designed to recover from customers all costs of environmental remediation and compliance with new and existing environmental regulations, excluding the amount already collected in the Environmental Liability Reserve, as specified in the Pricing Policy for specific environmental and regulatory programs. This fund represents the amounts collected from the Electric System Environmental Charge and used on expenditures for capital projects. Environmental Rate was dissolved in April 2023.

Current Activity

(In Thousands)	Quarter-End	2025
Opening Balance	\$ -	\$ -
Additions:		
Environmental Contributions	-	-
Transfers betw Capital Fds		
Other		
Sub-total	\$ -	\$ -
Withdrawals:		
Capital Expenditures	-	-
Transfers betw Capital Fds		
Other		
Sub-total	\$ -	\$ -
Ending Balance	\$ -	\$ -

Historical Activity

	2021	2022	2023	2024	2025
Opening Balance	\$ 301	\$ 83	\$ -	\$ 922	\$ -
Additions:					
Environmental Contributions	2,769	503	3,088	-	-
Loans betw Capital Fds					
Other					
Sub-total	\$ 2,769	\$ 503	\$ 3,088	\$ -	\$ -
Withdrawals:					
Capital Expenditures	2,987	586	2,166	922	-
Transfers/loans b/w Capital Fds					
Other					
Sub-total	\$ 2,987	\$ 586	\$ 2,166	\$ 922	\$ -
Ending balance	\$ 83	\$ -	\$ 922	\$ -	\$ -



Observations

- The Environmental Construction Fund began in October 2019 and ended April 2023.

Electric System Construction / Bond Fund

For the Fourth Quarter Ending September 30, 2025

Definitions
and Goals

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

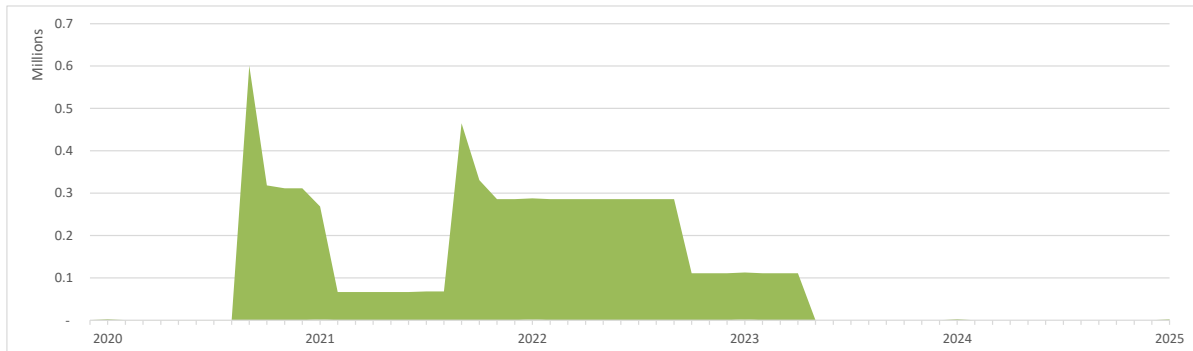
Current Activity

(In Thousands)

	Quarter-End	2025
Opening Balance	\$ 125	\$ -
Additions:		
Bond Proceeds	-	916
Transfers		468
Other		5
Sub-total	\$ -	\$ 1,389
Withdrawals:		
Capital Expenditures	-	1,264
Transfers betw Capital Fds		
Other		
Sub-total	\$ -	\$ 1,264
Ending Balance	\$ 125	\$ 125

Historical Activity

	2021	2022	2023	2024	2025
Opening Balance	\$ 314	\$ 286	\$ 111	\$ -	\$ -
Additions:					
Bond Proceeds	397	-	-	-	916
Loans betw Capital Fds					468
Other					5
Sub-total	\$ 397	\$ -	\$ -	\$ -	\$ 1,389
Withdrawals:					
Capital Expenditures	425	175	111	-	1,264
Transfers/loans b/w Capital Fds					
Other					
Sub-total	\$ 425	\$ 175	\$ 111	\$ -	\$ 1,264
Ending balance	\$ 286	\$ 111	\$ -	\$ -	\$ 125



Observations

- JEA's philosophy has been to borrow bond funds on a "just-in-time" basis. Staff has used revolving credit facility borrowings and loans between capital funds to decrease borrowing costs.
- Previously reported as \$119 last quarter

Water System Rate Stabilization - Environmental

For the Fourth Quarter Ending September 30, 2025

Definitions and Goals

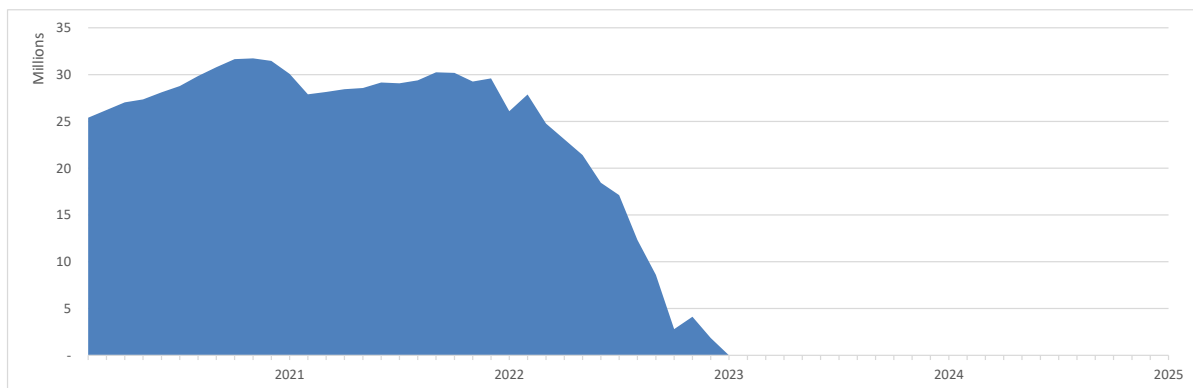
The Water System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which contributions or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Fund provides a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as debt management and regulatory requirements or initiatives. Effective April 1, 2023, the Environmental charge and Conservation charges were eliminated for all rate classes. Basic monthly charges for each rate class were raised to more closely represent the cost to serve each class of customer.

Current Activity

(In Thousands)	Quarter-End	<u>2025</u>
Opening Balance	\$ -	\$ -
Additions:		
Contributions	-	-
Sub-total	\$ -	\$ -
Withdrawals:		
Withdrawals	-	-
COJ Septic Tank Agreement	-	-
Sub-total	\$ -	\$ -
Ending Balance	\$ -	\$ -

Historical Activity

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Opening Balance	\$ 23,372	\$ 30,077	\$ 26,094	\$ -	\$ -
Additions:					
Contributions	25,198	27,434	12,842	-	-
Sub-total	\$ 25,198	\$ 27,434	\$ 12,842	\$ -	\$ -
Withdrawals:					
Withdrawals	18,493	31,417	38,936	-	-
Sub-total	\$ 18,493	\$ 31,417	\$ 38,936	\$ -	\$ -
Ending balance	\$ 30,077	\$ 26,094	\$ -	\$ -	\$ -



Observations

- Rate Stabilization Fund for Environmental began in June 2010.

Water System Customer Deposits

For the Fourth Quarter Ending September 30, 2025

Definitions and Goals

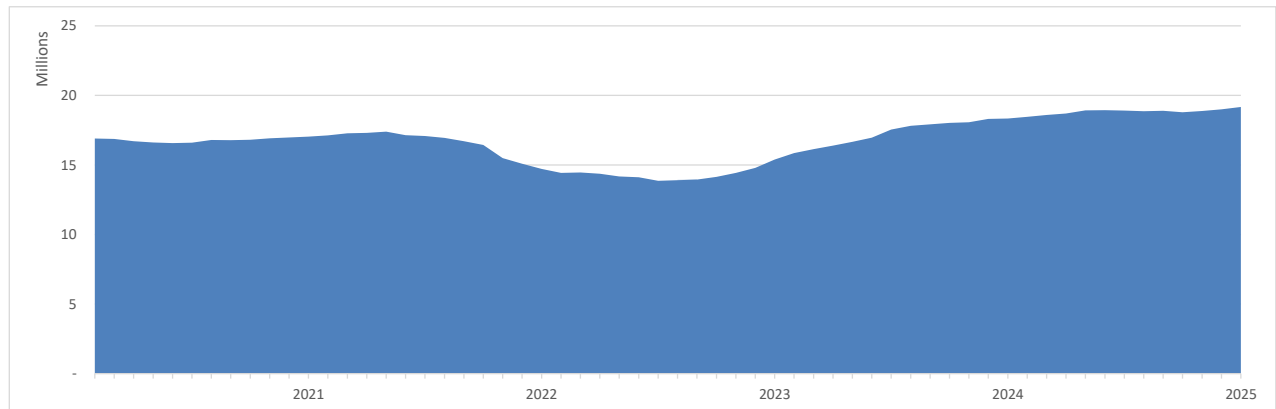
Pursuant to internal procedure CR40400 MBC302 Credit and Collections, JEA assesses customers a deposit that may be used to offset any future unpaid amounts during the course of providing utility service to a customer.

Current Activity

(In Thousands)	Quarter-End	<u>2025</u>
Opening Balance	\$ 18,791	\$ 18,346
Additions:		
Allocated from Electric	376	1,024
Sub-total	\$ 376	\$ 1,024
Withdrawals:		
Allocated from Electric	-	203
Sub-total	\$ -	\$ 203
Ending Balance	\$ 19,167	\$ 19,167

Historical Activity

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Opening Balance	\$ 16,926	\$ 17,043	\$ 14,710	\$ 15,386	\$ 18,346
Additions:					
Allocated from Electric	480	356	1,544	2,960	1,024
Sub-total	\$ 480	\$ 356	\$ 1,544	\$ 2,960	\$ 1,024
Withdrawals:	363	2,689	868	-	203
Allocated from Electric					
Sub-total	\$ 363	\$ 2,689	\$ 868	\$ -	\$ 203
Ending balance	\$ 17,043	\$ 14,710	\$ 15,386	\$ 18,346	\$ 19,167



Maximum Balance: 19,167
Minimum Balance: 13,864

Average Balance: 16,775

Observations

Water System Debt Service Sinking Fund

For the Fourth Quarter Ending September 30, 2025

Definitions and Goals

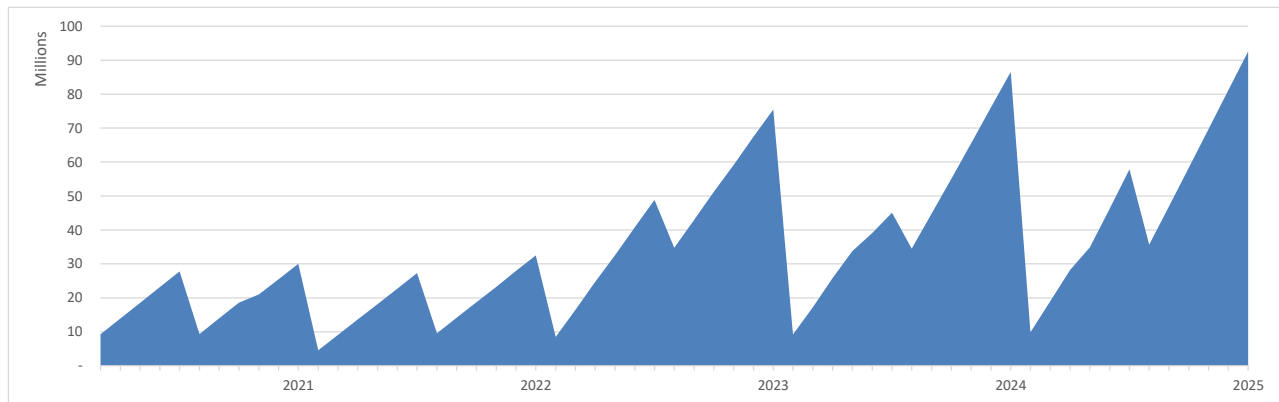
JEA is required monthly to fund from revenues an amount equal to the aggregate of the Debt Service Requirement for senior and subordinated bonds for such month into this account. On or before such interest payment date, JEA shall pay out of this account to the paying agents the amount required for the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

Current Activity

(In Thousands)	Quarter-End	<u>2025</u>
Opening Balance	\$ 58,307	\$ 86,549
Additions:		
Revenue fund deposits	35,173	135,861
Sub-total	<u>\$ 35,173</u>	<u>\$ 135,861</u>
Withdrawals:		
Principal and interest payments	900	129,830
Sub-total	<u>\$ 900</u>	<u>\$ 129,830</u>
Ending Balance	<u>\$ 92,580</u>	<u>\$ 92,580</u>

Historical Activity

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Opening Balance	\$ 41,660	\$ 30,006	\$ 32,499	\$ 75,477	\$ 86,549
Additions:					
Revenue fund deposits	59,573	55,811	105,245	137,337	135,861
Sub-total	<u>\$ 59,573</u>	<u>\$ 55,811</u>	<u>\$ 105,245</u>	<u>\$ 137,337</u>	<u>\$ 135,861</u>
Withdrawals:					
Principal and interest payments	71,227	53,318	62,267	126,264	129,830
Sub-total	<u>\$ 71,227</u>	<u>\$ 53,318</u>	<u>\$ 62,267</u>	<u>\$ 126,264</u>	<u>\$ 129,830</u>
Ending balance	<u>\$ 30,006</u>	<u>\$ 32,499</u>	<u>\$ 75,477</u>	<u>\$ 86,549</u>	<u>\$ 92,580</u>



Maximum Balance: 92,580
Minimum Balance: 4,545

Average Balance: 34,227

Observations

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

Water System Debt Service Reserve Account

For the Fourth Quarter Ending September 30, 2025

Definitions and Goals

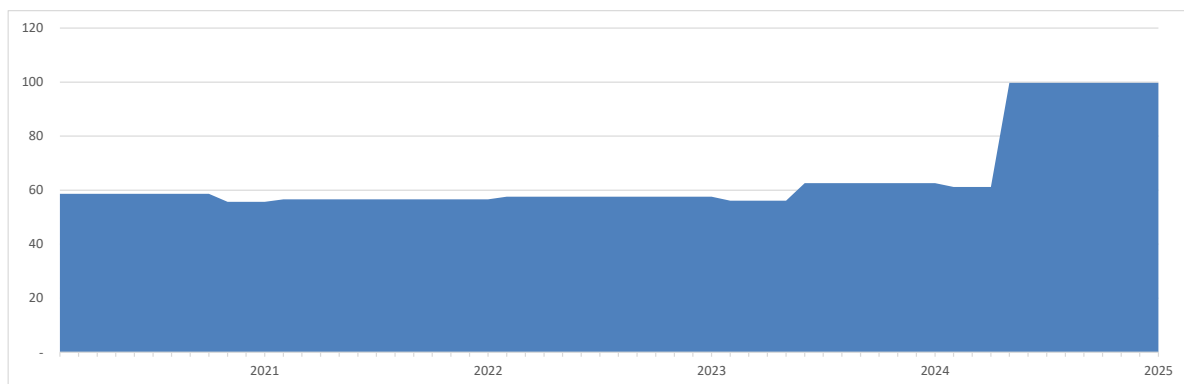
This reserve will be funded, maintained and held for the benefit of bondholders as specified in the Supplemental Resolution authorizing the sale of the bonds to pay principal and/or interest on the bonds should revenues from operations not be sufficient for such purpose in accordance with the appropriate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

Current Activity

(In Thousands)	Quarter-End	2025
Opening Balance	\$ 99,726	\$ 62,614
Additions:		
Bond Issue	-	38,582
Revenue Fund		-
Sub-total	\$ -	\$ 38,582
Withdrawals:		
Revenue Fund	-	1,470
Release to Refunding Defeasance		
Sub-total	\$ -	\$ 1,470
Ending Balance	\$ 99,726	\$ 99,726

Historical Activity

	2021	2022	2023	2024	2025
Opening Balance	\$ 58,228	\$ 55,665	\$ 56,606	\$ 57,587	\$ 62,614
Additions:					
Bond Issue					38,582
Revenue Fund	435	941	981	5,027	-
Sub-total	\$ 435	\$ 941	\$ 981	\$ 5,027	\$ 38,582
Withdrawals:					
Revenue Fund	795		-	-	1,470
Release to Construction Fund					
Release for Defeasance	2,203		-	-	-
Release to Refunding Defeasance					
Sub-total	\$ 2,998	\$ -	\$ -	\$ -	\$ 1,470
Ending balance	\$ 55,665	\$ 56,606	\$ 57,587	\$ 62,614	\$ 99,726



Maximum Balance: 99,726
Minimum Balance: 55,665

Average Balance: 64,525

Observations

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

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

For the Fourth Quarter Ending September 30, 2025

Definitions and Goals

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

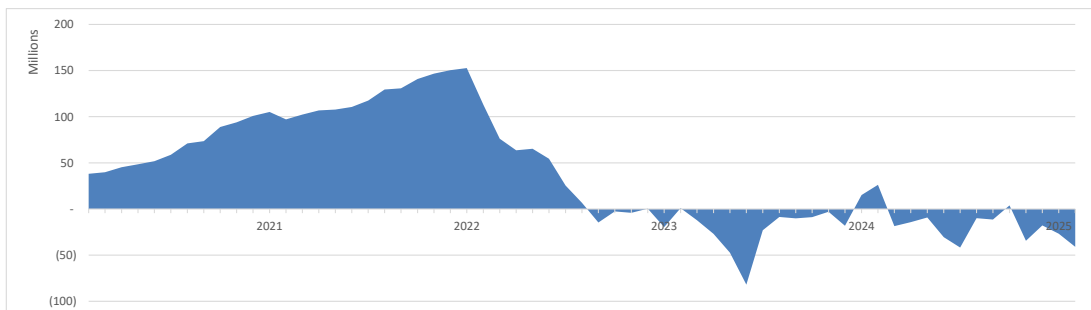
Current Activity

(In Thousands)

	Quarter-End	2025
Opening Balance	\$ (34,416)	\$ 26,267
Additions:		
R&R/OCO Contribution	22,781	80,468
Capacity Fees	13,186	63,090
Debt Issue	88,366	293,367
Other	(49)	1,092
Sub-total	\$ 124,285	\$ 438,017
Withdrawals:		
Capital Expenditures	130,236	502,331
NVU	564	564
Other	136	2,457
Sub-total	\$ 130,936	\$ 505,352
Ending Balance	\$ (41,068)	\$ (41,068)

Historical Activity

	2021	2022	2023	2024	2025
Opening Balance	\$ 38,131	\$ 97,066	\$ 112,930	\$ 946	\$ 26,267
Additions:					
R&R/OCO Contribution	193,071	197,357	108,060	62,834	80,468
Capacity Fees	39,930	48,027	64,535	89,827	63,090
Debt Issue			127,072	332,150	293,367
Other (incl septic tank)	7,571	18,654	20,497	7,667	1,092
Sub-total	\$ 240,572	\$ 264,038	\$ 320,164	\$ 492,478	\$ 438,017
Withdrawals:					
Capital Expenditures	181,637	234,775	426,329	463,498	502,331
Loan Repayment			-	-	564
Transfer to Constr. Fund		13,399	5,819	3,659	2,457
Other (incl septic tank)					
Sub-total	\$ 181,637	\$ 248,174	\$ 432,148	\$ 467,157	\$ 505,352
Ending balance	\$ 97,066	\$ 112,930	\$ 946	\$ 26,267	\$ (41,068)



Maximum Balance: 152,710
Minimum Balance: (81,983)

Average Balance: 36,355

Observations

- Other includes the Septic Tank Phase-out project, Sale of Property, and the transfer of RSF - Environmental in FY 2016 - 2024.
- Environmental Fund [Capital Projects] schedule is now included in the above Renewal and Replacement (R&R) schedule.

Water System - Construction / Bond Fund

For the Fourth Quarter Ending September 30, 2025

Definitions and Goals

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

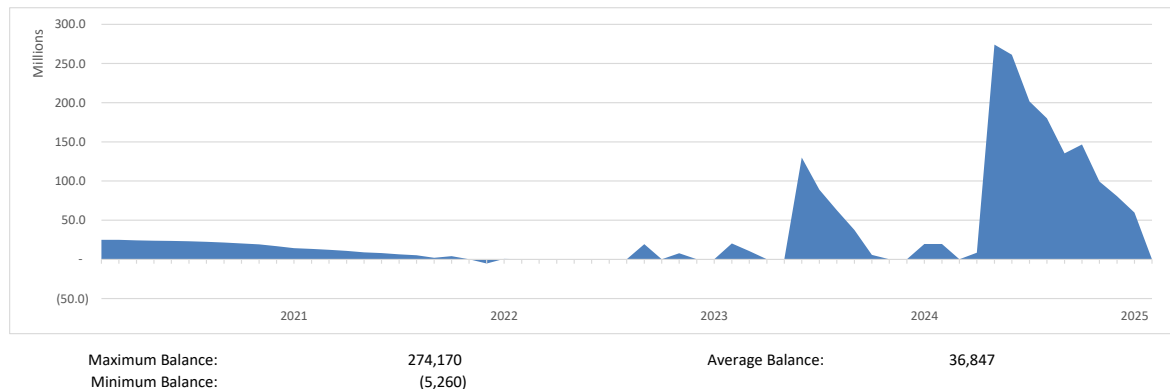
Current Activity

(In Thousands)

	Quarter-End	2025
Opening Balance	\$ 146,747	\$ 19,770
Additions:		
Bond Proceeds	-	495,000
Revolving credit facility	-	50,000
Other	1,820	4,555
Sub-total	\$ 1,820	\$ 549,555
Withdrawals:		
Capital Expenditures/Bond Issue Costs	88,867	339,625
Other	-	170,000
Sub-total	\$ 88,867	\$ 509,625
Ending Balance	\$ 59,700	\$ 59,700

Historical Activity

	2021	2022	2023	2024	2025
Opening Balance	\$ 25,541	\$ 14,266	\$ 646	\$ 242	\$ 19,770
Additions:					
Bond Proceeds	520	7,304		206,622	495,000
Revolving credit facility			127,000	170,000	50,000
Loans/transfers b/w Capital Fds					
Other	34	-	-	2,197	4,555
Sub-total	\$ 554	\$ 7,304	\$ 127,000	\$ 378,819	\$ 549,555
Withdrawals:					
Capital Expenditures	11,829	20,924	127,404	359,291	509,625
Bond Proceeds					
Loans/trnsf btw CapFds					
Other	-	-	-		
Sub-total	\$ 11,829	\$ 20,924	\$ 127,404	\$ 359,291	\$ 509,625
Ending balance	\$ 14,266	\$ 646	\$ 242	\$ 19,770	\$ 59,700



Observations

- JEA's philosophy has been to borrow bond funds on a "just-in-time" basis. Staff has used revolving credit facility borrowings and loans between capital funds to decrease borrowing costs. Release of Debt Service Reserve Funds in Oct 2018.
- Previous quarter ending balance reported as \$125,480 as information was populated prior to the closing of the General Ledger.

Energy Market Risk Management: Physical and Financial Positions

Summary as of 10/1/2025	
FY26 Fuel Expense (Budget \$551M)	\$465M
EMRM Compliance	Yes
Counterparty Credit Limit Exceptions	No
Any Issues of Concern	No

Table 1: Physical Counterparties (Contracts One Year or Greater) as of 10/1/2025

Generating Unit	Fuel Type	Supplier/Counterparty	Contract Type	Remaining Contract Value	Remaining Contract Term
NG Fleet	Natural Gas	Shell Energy	Index w/Fixed Price Option	\$464,013,049	5.66 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$135,007,241	23.5 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$68,982,196	13.5 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$126,699,280	28.08 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$127,954,111	23.75 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	\$217,162,386	27.08 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	\$291,316,827	27.58 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	\$360,547,248	27.66 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	\$393,299,453	28.5 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	\$199,803,055	29.08 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	\$199,273,655	29.08 years

Table 2: Financial Positions as of 10/1/2025

Year	Commodity	Physical Volume (mmBtu)	Hedged Volume (mmBtu)	Percent Hedged	Unhedged Cost	Hedge Type	Hedge Price	Mark-to-Market Credit/(Cost)	Counterparty
FY26	Natural Gas	47,422,841	30,591,883	64.5%	\$4.03	Swap	\$4.00	\$ (3,207,201)	Wells Fargo & RBC
FY27	Natural Gas	53,240,957	25,939,876	48.7%	\$3.88	Swap	\$4.12	\$ (1,649,525)	Wells Fargo & RBC
FY28	Natural Gas	50,083,505	14,076,000	28.1%	\$3.76	Swap	\$3.87	\$ 123,771	Wells Fargo & RBC
FY29	Natural Gas	51,442,436	6,452,000	12.5%	\$3.64	Swap	\$3.74	\$ 55,479	Wells Fargo & RBC
CYR25-31	Nat.Gas-PPA	75,602,857	52,922,000	70.0%	\$3.78	Swap	\$2.60	\$ 62,051,727	Nextera

Table 3: Fuel & Purchase Power Procurement as of 10/1/2025

Fuel Type	Natural Gas	Coal	Petcoke	Limestone	FPL PPA	PurchPwr	Oil/Diesel	Renewables	Vogtle
FY26 Projection / Energy Mix	53%	5%	11%	N/A	10%	5%	0%	4%	13%
Expected Spend (\$)	208.2M	19.3M	45.9M	8.7M	38.2M	33.5M	3.8M	29.1M	17.8M
% Procured	82%	25%	8%	4%	100%	0%	100%	100%	100%
% Hedged	64%	25%	8%	4%	90%	0%	100%	89%	100%
FY27 Projection / Energy Mix	51%	4%	10%	N/A	11%	5%	0%	7%	12%
Expected Spend (\$)	217.3M	16.8M	43M	7.7M	41.6M	35.7M	6.9M	42.5M	16.1M
% Procured	74%	0%	0%	0%	100%	0%	100%	100%	100%
% Hedged	49%	0%	0%	0%	83%	0%	100%	92%	100%
FY28 Projection / Energy Mix	50%	3%	8%	N/A	10%	6%	0%	12%	12%
Expected Spend (\$)	189.2M	13.7M	37.5M	6.4M	35.4M	36.8M	6M	55.4M	16.3M
% Procured	67%	0%	0%	0%	100%	0%	100%	100%	100%
% Hedged	36%	0%	0%	0%	94%	0%	100%	95%	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 FY27 projections in Table 3

Energy Market Risk Management Policy Quarterly Report

10/16/2025

