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GOVERNANCE, AUDIT, & COMPLIANCE COMMITTEE

8th Floor, 21 West Church Street, Jacksonville, FL 32202

July 14, 2022 | 9:00 am – 11:00 am

WELCOME

Meeting Called to Order

Adoption of Agenda (Action)

Marty Lanahan, Chair

Approval of Previous Governance Committee Minutes – November 8, 2021 (Action)

Safety Briefing

Rashid Brittain, Senior Information
Technology Auditor

COMMENTS / PRESENTATIONS

Comments from the Public

Public

FOR COMMITTEE CONSIDERATION

2022 Audit Plan

John DiSanto, Managing Director, Ernst & Young

Identity Theft Protection Program & Annual Risk Assessment

Dan Mishra, Director, CIP Compliance

FY22 Ethics Officer Report

Walette Stanford, Director, Ethics

Audit Services Update

Lee Montanez, Director, Audit Services

JEA Charter Amendments

Regina Ross, Chief Legal Officer

Board Policy Manual (Action)

Board By-Laws (Action)

Annual Board Self-Assessment Criteria and Process

Annual CEO Evaluation Criteria and Process

Jordan Pope, Vice President, Corporate Strategy

OTHER BUSINESS AND CLOSING CONSIDERATIONS

Old and Other New Business / Open Discussion

Announcements – Next Committee Meeting October 13, 2022

Marty Lanahan, Chair

Adjournment



Governance, Audit, and Compliance Committee

July 14, 2022

To submit a public comment to be read during the meeting, please email Melissa Charleroy at charm2@jea.com. Public comments must be received no later than 9:10 am.

To provide public comment via WebEx, please refer to the Public Notice on jea.com for detailed instructions.

If you experience any technical difficulties during the meeting, contact Ontario Blackmon at (904) 665-4203 or JEA's WebEx Support Team at webexsupport@jea.com.



Safety Briefing

Rashid Brittain
Manager, Internal Audit



Safety Briefing



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

Emergency Evacuation Route (use stairwell)

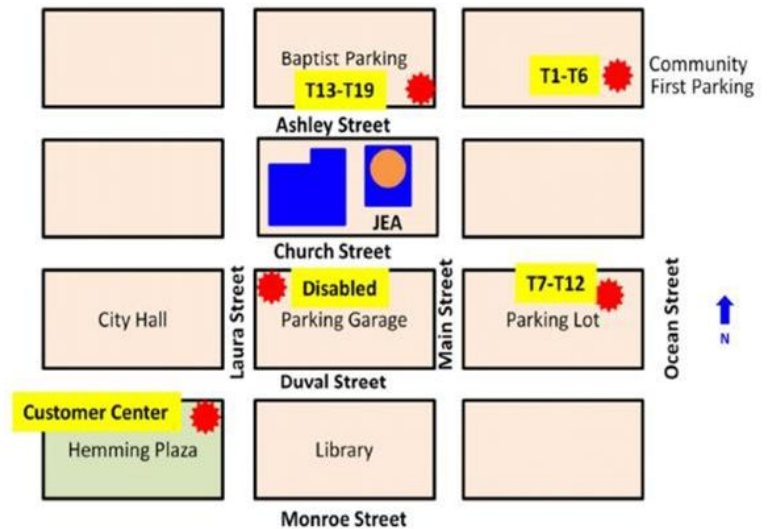
Assembly Location: Parking Lot (corner of Church & Ocean St.)

Safety or Medical Assistance: Notify JEA Security Officer

Hazard & Situational Awareness

Cell Phone & Computer Etiquette

EVACUATION ASSEMBLY CENTERS During normal business hours



Be Prepared for Emergencies

JEA

2022 audit plan

June 30, 2022



Executive summary

Key business priorities

- Uniform Guidance Audit (FEMA) for 2021
 - No findings
 - Unmodified opinions on compliance
- Plant Vogtle
- GASB 87, Leases, adoption

Additional points to consider

- “Governments and all types of organizations around the world have agreed ambitious targets to cut and eventually end their dependency on carbon energy. Clients are increasingly seeking our help across service-lines as they look to invest in renewables, including off-shore wind, solar and, increasingly, hydrogen.”
- We can discuss JEA’s position on renewable energy, reaching these targets, and possibly engaging EY in the process.

What’s new and next

New: The following GASB pronouncements come into effect for fiscal year 2022:

- GASB Statement No. 87, Leases
- GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period
- GASB Statement No. 92, Omnibus 2020
- GASB Statement No. 93, Replacement of Interbank Offered Rates
- GASB Statement No. 98, The Annual Comprehensive Financial Report

Next: See [Important Updates: New GASB Pronouncements \(looking ahead\)](#) for additional slides on GASB pronouncements effective fiscal year 2022 and beyond.

Digital commitment

We continue to benefit from and improve upon the digital audit technology implemented during our previous audits, including:

- Canvas client portal: Shared audit team access to documentation to ensure status of requests is shared; segregated access of sensitive data to appropriate users.
- EY Helix: Executed the revenue and payroll expense audit programs which resulted in a reduction of traditional tests of details.
- Trade Receivables Analyzer: Identified key items that pose the greatest risk of material misstatement by analyzing aggregated accounts receivable transactions.
- Fixed Asset Analyzer: EY is teaming with JEA management to perform a trial run of the FA Analyzer during our interim procedures before attempting use at year-end.

2022 audit plan

Audit timeline

- We will perform our planning procedures during the months of May and June, walkthrough and interim procedures August and September, and our year-end procedures during the months of October through December.

Audit strategy, including significant risks identified

- Our audit strategy, including significant risks identified, for the 2022 audit is outlined in the Areas of audit emphasis. Our approach is consistent with prior years

Involvement of internal audit and others

- We plan to use the work of the internal auditors in selected areas of our 2022 audit similar to previous years. Refer to the Involvement of Internal Auditors section.

Leases

Status of management's implementation

- ▶ Initial assessment of the potential effects of the standard, including its systems and processes
- ▶ Management's project plan and proposed timeline
- ▶ Management's progress to date on its implementation of changes to systems and processes (and related controls, as applicable)







Key areas of management focus

1. Executing management's plan, including identifying the appropriate resources and educating key internal stakeholders on the new standard.
2. Identifying a complete population of leases and gathering the data needed to calculate the transition adjustments.
3. Analyzing lease contracts to identify changes to accounting policies and processes (and related controls, as applicable).
4. Determining whether to elect the transition practical expedients.
5. Determining which available accounting policy elections to apply.
6. Determining and implementing how to track the information needed to account for and disclose leases (e.g., modify or add an IT system, use Excel spreadsheets).







Summary of key audit procedures related to the implementation

Audit procedures	Status
Test the completeness of the population of leases	Procedure to be performed at interim.
Test the completeness and accuracy of the lease data	Procedure to be performed at interim.
Test the computation of the transition adjustments	Procedure to be performed at interim.
Test the implementation of a new [or modified] IT system	Procedure to be performed at interim.











Areas of emphasis

Topic	Significance	Subjectivity	Considerations
Revenue recognition and sales commitments			<ul style="list-style-type: none"> ▶ Review calculation of unbilled revenue ▶ Test contractual arrangements, including unique terms and conditions, to obtain reasonable assurance of compliance with the applicable accounting standards ▶ Test timing of revenue recognition based on the terms of the arrangement ▶ Confirm terms and conditions with both customers and management as considered necessary ▶ Test account reconciliations to determine timely completion and review ▶ Perform detailed analytical review procedures, by system, including predictive analytics based on verifiable consumption and production data ▶ Perform detailed tests over a sample of revenue transactions to assess the appropriateness and accuracy of recorded amounts ▶ Through the use of data analytics we will analyze 100% of the revenue data within the general ledger and perform a correlation analysis between revenue, AR and cash
Regulatory accounts			<ul style="list-style-type: none"> ▶ Test approval of any new regulatory assets/liabilities ▶ Verify that amortization and expense recognition are consistent with rate recovery ▶ Vouch significant activity ▶ Test account reconciliations ▶ Perform projection tests to determine that regulatory accounts will be recovered/amortized over the remaining maturities/useful lives of related debt and capital assets
Asset Retirement Obligation			<ul style="list-style-type: none"> ▶ Review the ARO rollforward and gained understanding of any changes ▶ Reviewed corresponding memos/closing plan documentation ▶ Engage specialist team to perform a high-level assessment of the ARO ▶ Agreed ownership percentages to ARO calculation for Scherer

Areas of emphasis

Topic	Significance	Subjectivity	Considerations
Derivative instruments and hedging activities	 <p>Low</p>	 <p>Moderate</p>	<ul style="list-style-type: none"> ▶ Test assessment of hedge effectiveness documentation, including re-performance where quantitative methods are used ▶ Confirm instruments with counterparties ▶ Test recorded market values using independently developed estimates ▶ Test fuel hedge contract settlements ▶ Evaluate disclosures ▶ Reconsider normal purchase/normal sales assumptions for commodity contracts
Other Postemployment Benefit (OPEB) Plans	 <p>Low</p>	 <p>Moderate</p>	<ul style="list-style-type: none"> ▶ We will review the Actuary's Report and ensure that disclosures, Required Supplementary Information, and funding for the OPEB liability are in accordance with requirements of GASB 75. ▶ We will review significant assumptions used by the actuary for reasonableness and test data provided by JEA used in the actuary's calculations. ▶ We will engage and work with EY internal specialists to assist the audit team with the review of the actuarial assumptions used in order to estimate JEA's OPEB liability as of year end. ▶ We will audit Plan assets held by the Florida Municipal Pension Trust Fund for JEA's OPEB trust. ▶ We will review the note disclosure and required supplementary information to ensure it is complete and accurate.
Pension plan accounting and reporting – COJ Plan	 <p>Low</p>	 <p>Low</p>	<ul style="list-style-type: none"> ▶ Review actuary reports for reasonableness of assumptions and methodology ▶ For cost sharing plan (City Plan) obtain audited allocation schedule to determine the City's liabilities, expenses, deferred inflows and outflows ▶ In accordance with AU-C 805, obtain a report on elements from CRI, the Plan's auditors. ▶ Census data testing for JEA plan participants ▶ Assess reasonableness of required disclosures

Areas of emphasis

Topic	Significance	Subjectivity	Considerations
Pension plan accounting and reporting – SJRPP Plan	 Low	 Low	<ul style="list-style-type: none"> ▶ Review actuary reports for reasonableness of assumptions and methodology ▶ For single employer plan, obtain actuary's reports and procedures performed by plan auditors ▶ Census data testing for JEA plan participants ▶ Assess reasonableness of required disclosures ▶ Substantively test plan assets
Investments	 Moderate	 Moderate	<ul style="list-style-type: none"> ▶ Assess estimation uncertainty for significant classes of securities in JEA's portfolio ▶ Confirm investments with custodial institutions and managers ▶ Test valuation for selected securities using alternative pricing sources ▶ Test selected transactions ▶ Evaluate GASB 40 risk disclosures ▶ Evaluate GASB 72 fair market value disclosures
Capital assets	 Moderate	 Low	<ul style="list-style-type: none"> ▶ Review items capitalized to determine whether they should be capitalized versus expensed ▶ Test selection of assets added, retired, and disposed of during the fiscal year ▶ Review depreciation for reasonableness
Asset impairments	 Low	 Moderate	<ul style="list-style-type: none"> ▶ Review and evaluate impairment indicators through inquiries and review of other records and meeting minutes ▶ Discuss and understand management's assessment if a change in circumstance potentially effects the value of an asset ▶ If applicable, test impairment computations and disclosures
Plant Vogtle	 Moderate	 Moderate	<ul style="list-style-type: none"> ▶ As part of our procedures we will continue to inquire of management and legal counsel and evaluate the possible impact on JEA's financial statements including possible contingent liabilities and required disclosures



Important Updates: New GASB Pronouncements (effective fiscal year ending 2022)

GASB Pronouncement	Description
GASB Statement No. 87, Leases	This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This will require reporting of certain lease liabilities that currently are not reported. (Note certain purchase power agreements are specifically excluded).
GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period	This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. These requirements should be applied prospectively.





Important Updates: New GASB Pronouncements (effective fiscal year ending 2022)

GASB Pronouncement	Description
GASB Statement No. 92, Omnibus 2020	This Statement establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this Statement apply to the financial statements of all state and local governments.
GASB Statement No. 93, Replacement of Interbank Offered Rates	This Statement establishes accounting and financial reporting requirements related to the replacement of IBORs in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement apply to the financial statements of all state and local governments. JEA will need to evaluate the effect on hedge accounting and assess the effect these provisions will have on lease modifications, including remeasurement of lease liabilities and receivables.





Important Updates: New GASB Pronouncements (effective fiscal year ending 2022)

GASB Pronouncement	Description
GASB Statement No. 98, The Annual Comprehensive Financial Report	This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirements of this Statement apply to the financial statements of all state and local governments.



Important Updates: New GASB Pronouncements (looking ahead)

GASB Pronouncement	Effective for Fiscal Year Ending	Description
GASB Statement No. 91, Conduit Debt Obligations	September 30, 2023	This statement clarifies definition of conduit debt, establishes that conduit debt is not an obligation of the issuer, requires the third-party obligor to record the liability for the debt and requires additional footnote disclosures.
GASB Statement No. 94, Public - Private and Public - Public Partnerships and Availability Payment Arrangements	September 30, 2023	This Statement establishes standards of accounting and financial reporting for PPPs and APAs for governments. The requirements of this Statement apply to financial statements of all state and local governments.
GASB Statement No. 96, Subscription - Based Information Technology Arrangements	September 30, 2023	Provides accounting guidance on subscription-based information technology arrangements ("SB ITAs"), such as cloud computing arrangements. Requires recognition of a right-to-use asset and a corresponding liability for SB ITAs, and requires expensing of certain costs associated with SB ITAs.



How data is driving this year's audit

We continue to broaden and deepen our use of data analytics as we continue on our data-driven audit journey. We plan to focus on expanding our use of data in these key areas.

1

Broaden data-driven risk assessment to all significant accounts

This year, we're utilizing data to identify and assess risk for the following significant accounts and processes: trade receivables, revenue, and expenses
Doing so will allow us to focus our procedures on higher risks and ask better questions.

2

Use data to focus on change in the business and new risks

This year, we will focus on new or changing risks by analyzing changes in the data compared with the prior year.
Doing so allows us to focus our procedures on new or emerging risks.

3

Use data to enhance our response to identified fraud risks

We aim to refine our audit procedures over revenue and the risk of management override through the use of data.
Doing so allows us to identify unusual transactions outside the normal course of business that have a higher risk of fraud.

4

Deepen our understanding of the trade payables processes

We aim to refine our audit procedures over revenue and the risk of management override through the use of data.
Doing so allows us to identify unusual transactions outside the normal course of business that have a higher risk of fraud.

How can we team successfully?

- Provide trade receivables subledger data and journal entry data by October 15, 2022
- Continued use of EY Canvas Client Portal



Involvement of internal audit and others

Areas/significant classes of transactions where EY is planning to use the work of the internal auditors under the direct assistance model	
Internal audit	Estimated Hours
▸ Revenue and expense test of transactions	35
▸ Derivative swaps	40
▸ Accruals	30
▸ Fixed assets	35
▸ Officer expense testing	20
▸ Cost to be recovered	40

¹ Direct assistance model – When we use the direct assistance model, we treat internal audit or others as our own staff by providing audit programs, supervising their work, and performing a detail and second-level review of the workpapers.

² Reliance model – When we use the reliance model, we perform certain procedures to evaluate the quality and effectiveness of internal audit's or others' work. Procedures will include reviewing audit programs, understanding supervision of procedures performed, reviewing workpapers and results, and performing tests of their work.

Appendices

- A Required communications
- B Business insights



Required communications

Area	Comments
<ul style="list-style-type: none"> ▶ Terms of the audit engagement, including the objective of the audit, the auditor's responsibilities under generally accepted auditing standards and management's responsibilities 	Refer to the engagement letter.
<ul style="list-style-type: none"> ▶ Overall planned scope and timing of the audit, and significant risks identified and any changes thereto 	Refer to the executive summary and areas of emphasis for additional information.
<ul style="list-style-type: none"> ▶ Significant issues discussed with management in connection with the auditor's initial appointment or recurring retention 	There are no matters to communicate.
<ul style="list-style-type: none"> ▶ Independence matters 	None
<ul style="list-style-type: none"> ▶ Inquiries regarding: <ul style="list-style-type: none"> – Risks of material misstatement – Fraud and noncompliance with laws and regulations (illegal acts) – Related-party relationships and transactions 	Inquiries regarding these matters are to be performed at this meeting.

As required, provided above is a summary of required communications between the audit team and those charged with governance, as required by AICPA Clarified US Auditing Standard (AU-C) 260, *The Auditor's Communication With Those Charged With Governance*, and other applicable auditing standards. This communication is intended solely for the information and use of those charged with governance and, if appropriate, management, and is not intended to be, and should not be, used by anyone other than these specified parties.



Business insights: 2022 board priorities

We believe that better questions lead to better answers and a better working world. Likewise, we believe that a board's most effective tool is asking compelling questions. These questions can lead to better governance and organizations that drive value for all stakeholders. Heading into 2022, we've highlighted the four key board priority themes around which boards should consider asking questions:

1

Strategy and innovation. Companies continue to refresh their strategy to strengthen agility, resiliency and sustainability and leverage innovative opportunities that can accelerate their performance over the long term. Trajectories of companies that are thriving and leaning into this strategic reset are diverging rapidly from those that are merely surviving.

2

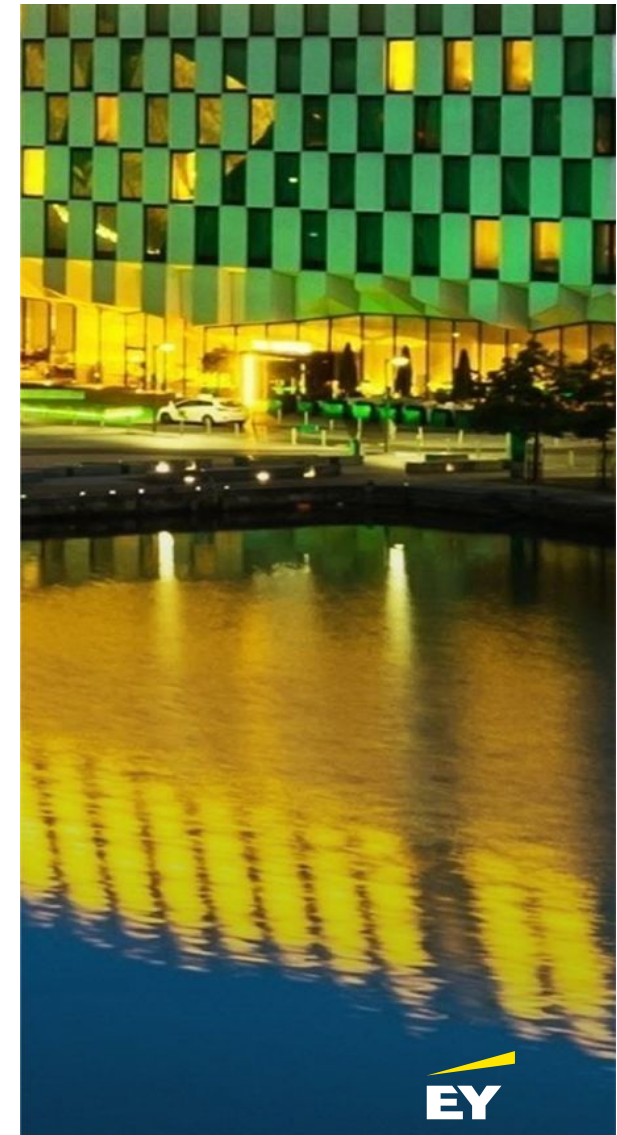
Risk management that enables resiliency amid new and evolving challenges. Climate risks, global supply chain challenges, fast-changing consumer preferences and intrinsic changes to the global order are key drivers of change. Meanwhile, as companies advance technologically and work moves to anywhere, the landscape for cybersecurity threats widens. These and other risks call for enhanced scenario analyses and contingency planning across multiple, extreme scenarios.

3

Broader oversight of culture and talent in a transforming labor market. Technological advances continue to transform operating models and ways of working and living, reshaping stakeholder expectations, and requiring companies to accelerate their digital ambitions and expand worker flexibility to create competitive advantage. As a result, companies are upskilling and reskilling their workforces and putting people and culture at the core of value creation.

4

Dynamic governance that addresses expanded and changing oversight requirements. Boards have both the opportunity and the responsibility to help guide companies in this new era. However, this can't be achieved through a historical governance model. Boards should continue their own transformation to a new agile and dynamic form of governance and continuously challenge their composition, committee structure, agendas and ways of working to position their organizations to thrive in the long term.



Business insights: cybersecurity: staying vigilant through prevention, oversight and governance

Cybersecurity is now widely seen as the risk of the decade. Audit committees and boards charged with oversight and governance should push cybersecurity to the top of their agenda and take the lead in driving proactive change. These key areas should be prioritized:

Ransomware – prepare for the inevitable

- ▶ When cyber criminals strike, leadership is the main differentiator between failure and weathering the crisis. Readiness, presence and constant engagement must come from the top of the organization. If leadership deems it important, so will the rest of the team.
- ▶ Ransomware attacks are inevitable, catastrophic damage is not. Influence, disruption and deterrence are proactive measures each organization should take before incidents occur. Early detection; isolating critical assets; continuity plans for operating in crisis mode; complying with authorities while hedging against litigation; and communicating with employees, customers and investors are essential components of preemptive planning.

Oversight and strategy – leaning into leading practices

- ▶ New threats stemming from remote work and the expansion of digital transformation projects are forcing organizations to reimagine attacks, not just react to them, shifting cybersecurity from a control space to a conceptual space. “Trust by design” philosophy calls for bringing security in at the beginning and building new technologies and business services with security in mind.
- ▶ Conducting rigorous attack and response simulations, aligning escalation procedures for notifying boards, establishing third-party risk protocols and engaging in swift post-incident reporting make for stronger defenses.

Regulatory developments – defend and disclose

- ▶ A national privacy law that simplifies the current state of a fragmented patchwork of state guidelines may be passed in the US. However, onerous privacy rules in many other parts of the world will continue to burden companies that compete in a global marketplace.
- ▶ Managing cyber risk is not just about technical expertise and proper disclosure compliance. Companies need to start thinking comprehensively and promote a culture of cooperation – both internally and with other companies – to prevent future attacks.

Experts agree, to build better defenses against evolving cyber threats, organizations need to break out of silos and echo chambers. Independent outside parties can help companies expand knowledge bases, build stronger capabilities and identify blind spots in security and risk management programs.

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Our assurance services help our clients meet their reporting requirements by providing an objective and independent examination of the financial statements that are provided to investors and other stakeholders. Throughout the audit process, our teams provide a timely and constructive challenge to management on accounting and reporting matters and a robust and clear perspective to audit committees charged with oversight.

The quality of our audits starts with our 90,000 assurance professionals, who have the breadth of experience and ongoing professional development that come from auditing many of the world's leading companies.

For every client, we assemble the right multidisciplinary team with the sector knowledge and subject matter knowledge to address your specific issues. All teams use our Global Audit Methodology and latest audit tools to deliver consistent audits worldwide.

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Identity Theft Protection Program & Annual Risk Assessment

Daniel Mishra
Director, CIP Compliance



Identity Theft Protection Program Overview



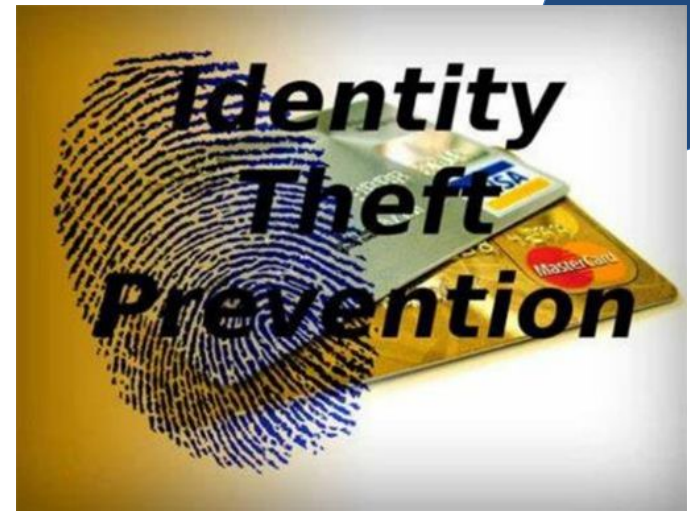
Complies with Federal and State regulations concerning identity theft:

Fair Credit Reporting Act (FCRA), 15 U.S.C. § 1681

Fair and Accurate Credit Transactions Act (FACTA) of 2003

Florida Information Protection Act (FIPA), (501.171) - 2014

Addresses protection of Personally Identifiable Information (PII) of customers, employees, agents, and contractors in JEA's possession



JEA Compliance Oversight Committee oversees compliance with identity theft protection standards

Risk Assessment Approach

Two-Part Review



Acquired

Review of controls applied to JEA data and information acquired by JEA using customer service channels

Stored

Review of controls applied to JEA data and information stored within JEA and shared with business partners and JEA personnel



JEA Identity Theft Protection & Detection



47,297  Accounts Opened Annually

12  Identity Theft Confirmed

5-Year Average (2017 - 2021)
20 Cases Opened Annually
12 Identity Theft Confirmed Cases

13
 ID Theft Confirmed 2020

9
 ID Theft Confirmed 2021

\$10,200 
 5-Year Average Monetary Involvement

30% 
 5-Year Recovery Average

Monetary Recovery and Losses



18 Days

JEA average days to resolve identity theft cases

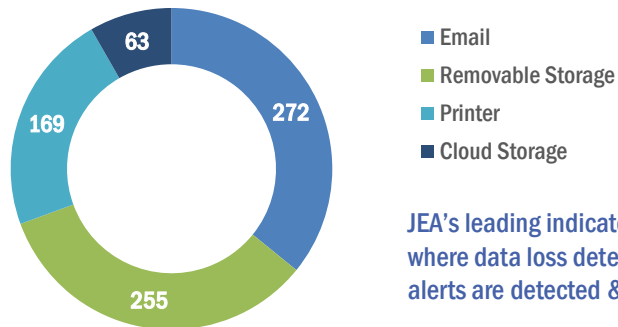


120+ Days

IRS average days due to pandemic

Data Loss Prevention & Detection

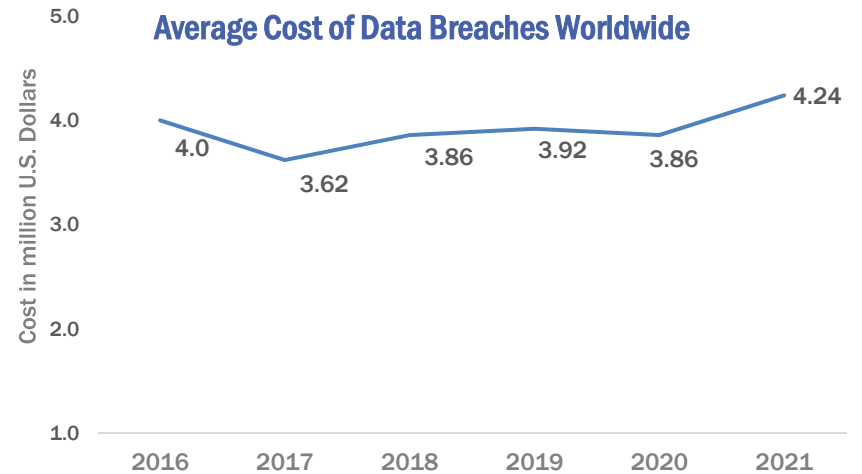
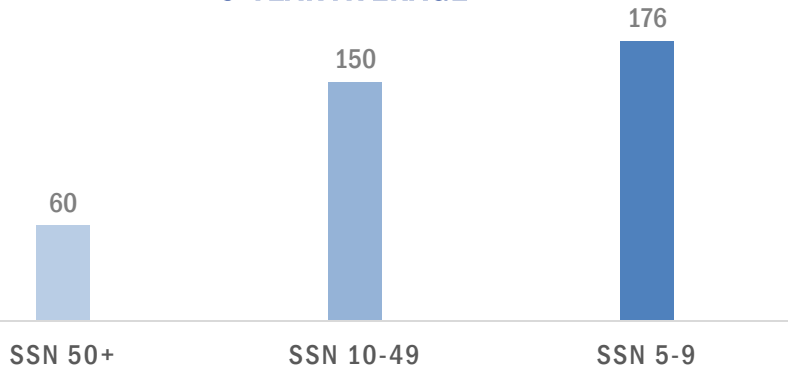
Sources of JEA Alerts | 3-Year Average



JEA's leading indicators for data in motion where data loss detection and prevention alerts are detected & investigated

No confirmed data breaches for this reporting period

JEA ALERTS BY SOCIAL SECURITY NUMBER
3-YEAR AVERAGE



<https://www.statista.com/statistics/987474/global-average-cost-data-breach/>

Risk and Improvements Strategy



Activity	Target Date
Data Registry for authorized users who transmit sensitive data on behalf of JEA	2019 - Complete
Post-Account opening audits	2019 - Complete
Identity and Access Management based Access Control for Personal Identifiable Information (PII) data	2022 - Summer
Privilege Account Management Solution	2022 - Implementation Stage Estimated Completion End of 2022
Customer PII information upload solution	2022 - Design
PII Security Assessment	2023 - Planning

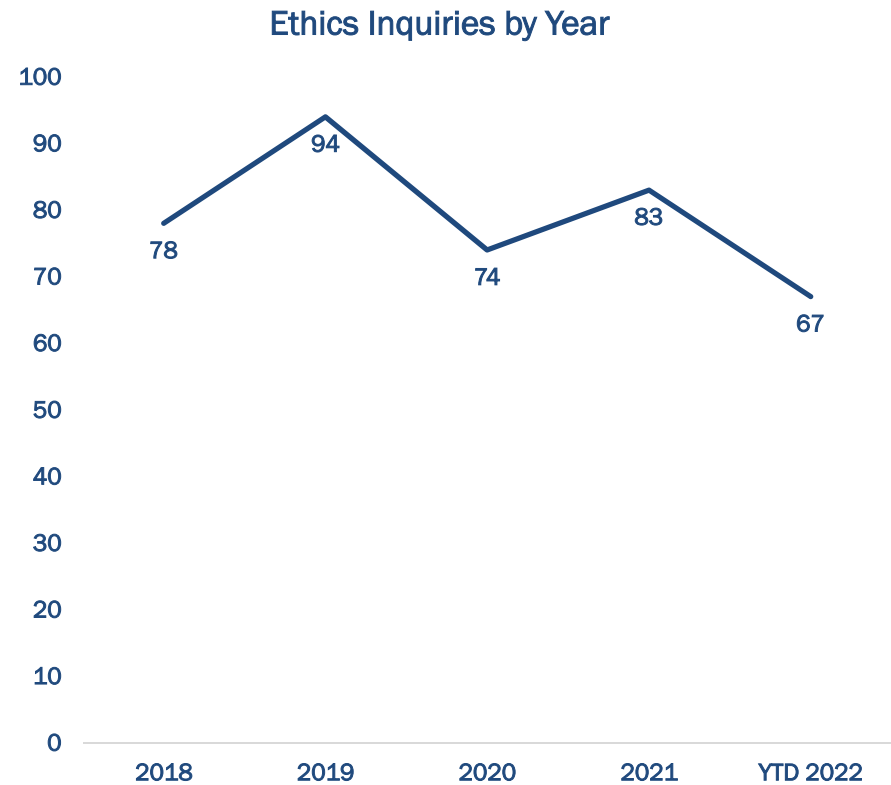
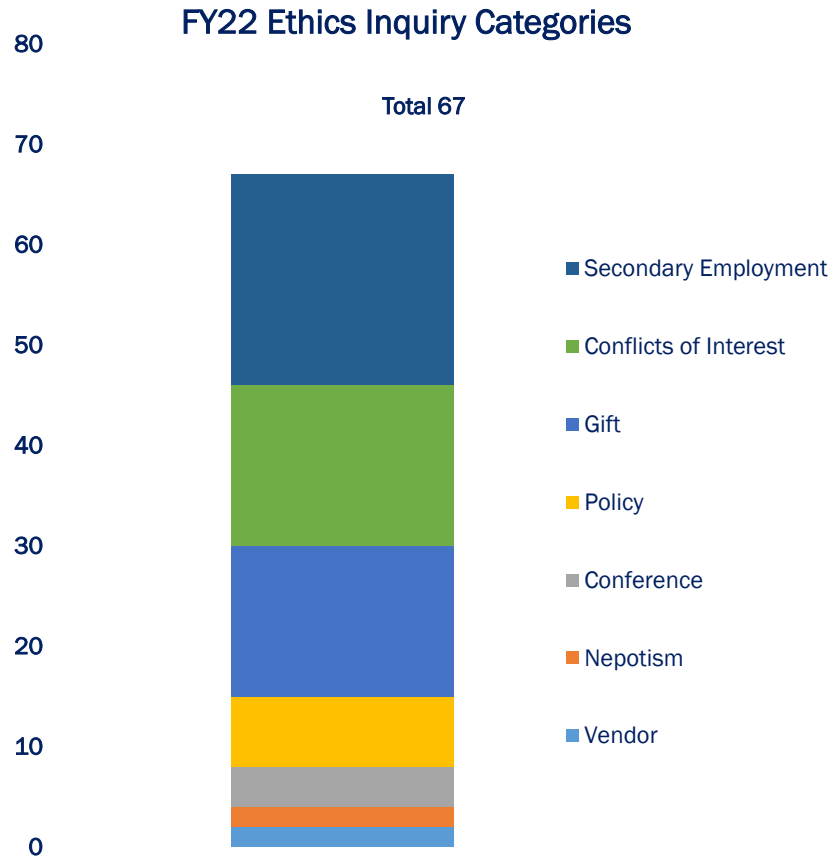


FY22 Ethics Officer Report

Walette Stanford
Ethics Director/Officer



Ethics at a Glance



Types and Volume of Ethics Inquiries

Ethics Training



Open Government Training

In partnership with Office of General Council and City of Jacksonville Ethics Office and in accordance with Article 21 JEA Charter

4 training sessions held in February 2022

267 Participants

Ethics Refresher Training

Scheduled in May 2022

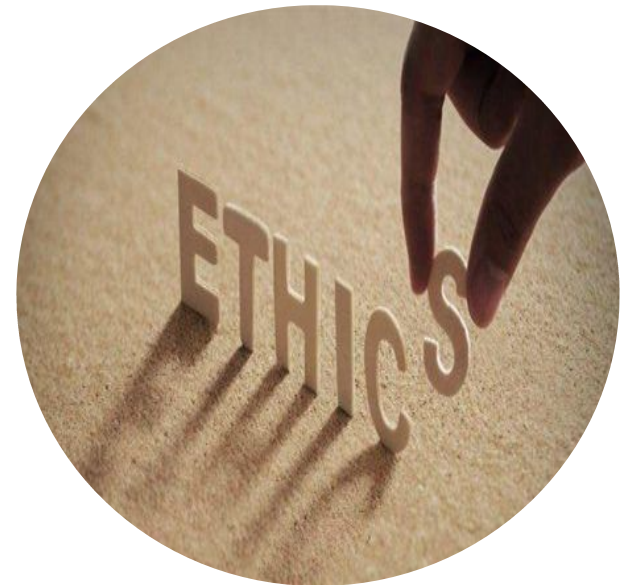
Training for all non-management employees

99% completion



What's Next with Business Ethics

- End of year Ethics Scorecard
- Prepare quarterly Ethics modules for rollout in FY23
- Update Policies and Procedures
- Update Secondary Employment process for new hires
- Audit of Conflict of Interest forms





Audit Services Update

Lee Montanez
Director, Audit Services



Top Risk Trends

The business risk owners, with the assistance of Enterprise Risk Management, have identified the following current risks that could impact JEA's operations:

Supply Chain Disruption

Risk Owner: Ted Phillips

Direct Report Risk Owner:
Alan McElroy

Risk Impact(s):



Current Assessment:

External factors, including oil shortages and global political tensions, continue to escalate. Several operational areas are experiencing supply shortages and increasing O&M costs. Key factors include raw material and labor shortages, increased fuel costs and delayed shipping. The increased demand for core steel with EV incentives and new development growth is causing extreme delays in getting transformers. Lead time continues to increase without notice, causing issues from a planning perspective.

Staffing

Risk Owner: David Emanuel

Direct Report Risk Owner:
Pat Maillis
Robb Mack

Risk Impact(s):



Current Assessment:

Factors such as low unemployment rate (2.6% as of May 2022), and the migration of employers to the Jacksonville area have created a challenge in hiring and retaining employees. In addition, the number of experienced employees eligible for retirement continue. In some cases, the position requires years of training to effectively execute the job requirements.

Top Risk Trends (cont.)

Fuels Management

Risk Owner: Raynetta Marshall

Direct Report Risk Owner:

Ricky Erixton

Garry Baker

Risk Impact(s):



Current Assessment:

Due to political instability in Colombia, coal availability and transportation may become an issue, even though there are agreements in place thru the end of calendar year 2022. The only limestone supplier for the Northside operations shut down operations in Mexico. Alternate sourcing is possible, but at an increased cost.

Enterprise Risk Management Staff will continue to assess these emerging risks with business owners and the Leadership Team by completing Business Unit Risk Assessments (BURAs) and communicating our findings in a timely manner



Current Internal Audit Plan Status

Completed Audits and Engagements w/Rating

JEA Performance Pay Audit	No Rating
External Audit Assistance – EY	No Rating
TEA Audit (new)	Satisfactory
** C2M Project Tracking – Partial Reports #1, 2 @ 3 (new)	No Rating
IA/ERM & Forensic Audit Collaboration (new)	No Rating
System Protections & Controls (new)	Well-Managed

In-Process Audits and Engagements w/Status

Identity Management	Reporting
Procurement Services	Reporting
Data Center, Storage & Backups	Testing
Fiber Network Resiliency	Testing
Fleet Services	Testing
Enterprise Risk Management	Ongoing
** C2M Project Tracking – Partial Report #4	Ongoing
Project Accounting	Planning
** Construction Manager at Risk (CMAR) Invoice Review	Planning
Appointed Timecard Entry	Planning

Upcoming Audits and Engagements

Appointed Hiring Process
Debt Management

** Additions to the Audit Plan based on Management's requests

Cancelled or Postponed Audits and Engagements

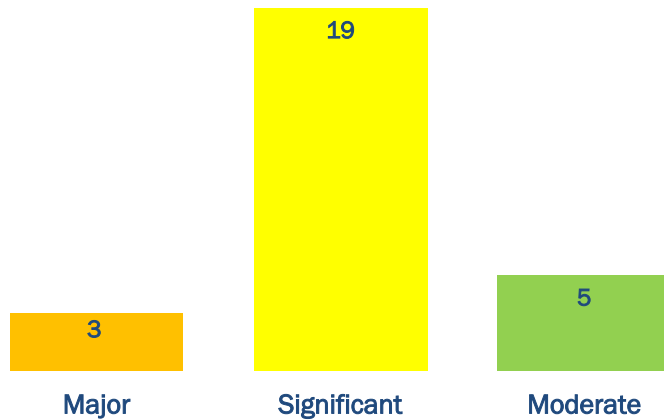
Green-e Agreed-Upon Procedures Engagement
Receivables & Collections

Internal Audit staff is on track to complete the FY22 Audit Plan

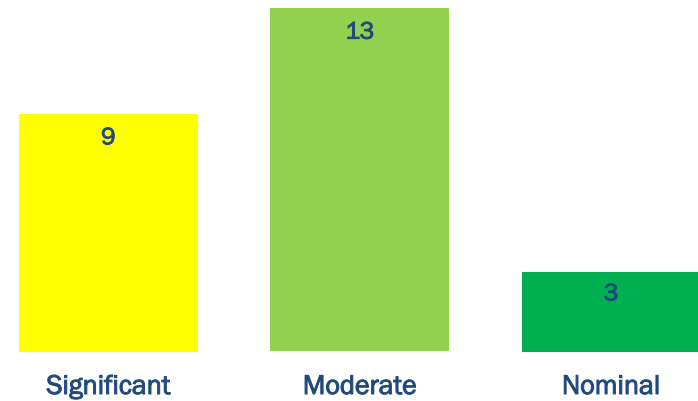


Open/Closed Audit Report Issues

Current Open Action Plans by Issue Rating - (27 Total)



YTD Closed Action Plans by Issue Rating - FY22 (25 Total)



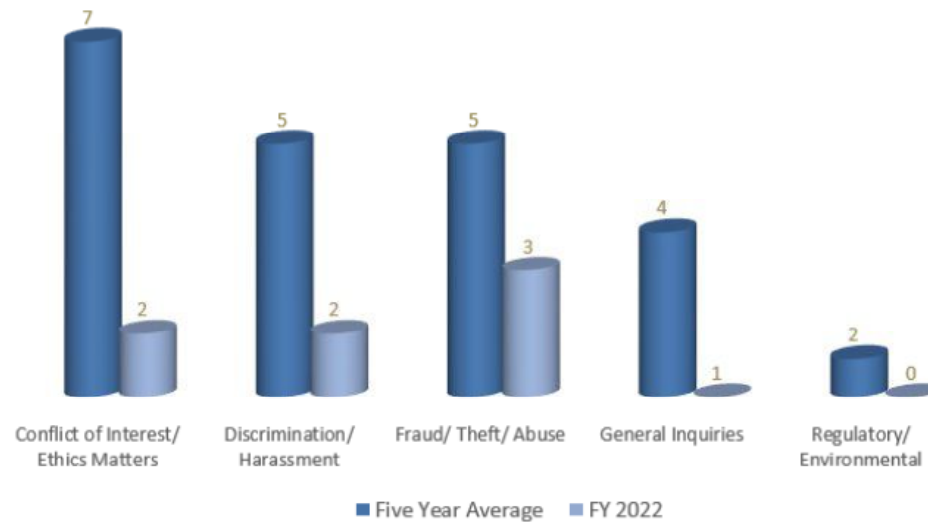
Closed Action Plan Highlights

Audit Name	Description
JEA Culture	Programs for building trust were implemented, such as Women in Trade and Civil Service conversations training
Investment Recovery	A new process was developed that improved asset valuations, segregation of duties, surplus forms, and the listing of obsolete assets
Fuels Management Services	The Fuels Procurement Directive and Procedures related to Heat Rate Curves were updated

Forensic Audit & Investigations (FAI) Highlights



Hotline Cases by Allegation



Currently reviewing communication strategies to better inform employees about the Hotline

With the recent addition of a Senior Forensic Auditor, we are fully staffed to conduct internal investigations of these matters



JEA Charter Amendments

Regina Ross
Chief Legal Officer





Board Governing Documents

Jordan Pope

Vice President, Corporate Strategy



Board Governing Documents



from Article 21 JEA Charter Section 21.03 c

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 reviewed November 2021
Updates proposed for Board approval July 2022

Available on jea.com in the Additional Board Information section

Proposing Board approval of updated board governing documents

Board Resolution 2022-14 Board Policy Manual



A RESOLUTION OF THE JEA BOARD OF DIRECTORS APPROVING THE GOVERNANCE, AUDIT, AND COMPLIANCE COMMITTEE'S RECOMMENDATION TO ADOPT THE AMENDED JEA BOARD POLICY MANUAL SUBSTANTIALLY IN THE SAME FORM AS ATTACHED HERETO; DIRECTING THE BOARD SERVICES MANAGER TO POST THE BOARD POLICY MANUAL ON JEA'S WEBSITE IN A CONSPICUOUS MANNER; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, in accordance with Article 21, Section 21.03, City of Jacksonville Charter, referred to within this resolution as "JEA Charter", "[t]he 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"; and

WHEREAS, in accordance with the JEA Charter, "the governing body of JEA shall annually review and update its governing documents"; and

WHEREAS, the JEA Board Policy Manual was last reviewed by the Governance Committee on November 8, 2021 and approved by the Board of Directors on November 16, 2021; and

WHEREAS, in accordance with the JEA Charter, "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"; and

WHEREAS, at its July 14, 2022 meeting, the JEA Governance, Audit, and Compliance Committee recommended that the Board Policy Manual be amended in accordance with the document attached hereto as Exhibit A and incorporated herein; and

WHEREAS, it is in the best interests of JEA to adopt the amended Board Policy Manual as recommended by the Governance, Audit, and Compliance Committee.

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

The above recitals are incorporated into the body of this Resolution and are adopted as findings of fact.

The Board adopts the amended JEA Board Policy Manual substantially in the same form as attached hereto.

The Board Services Manager is directed to post the Board Policy Manual on JEA's website in a conspicuous manner.

To the extent that there are any typographical, administrative, and/or scrivener's errors contained here in that do not change the tone, tenor, or purpose of this Resolution, then such errors may be corrected with no further action required by the Board.

This Resolution shall be effective upon approval by the Board.

Dated this 10th day of August 2022.

Proposing Board approval of updated Board Policy Manual

Board Resolution 2022-13 Board By-Laws



A RESOLUTION OF THE JEA BOARD OF DIRECTORS APPROVING THE GOVERNANCE, AUDIT, AND COMPLIANCE COMMITTEE'S RECOMMENDATION TO ADOPT THE AMENDED JEA BOARD BY-LAWS SUBSTANTIALLY IN THE SAME FORM AS ATTACHED HERETO; DIRECTING THE BOARD SERVICES MANAGER TO POST THE BY-LAWS ON JEA'S WEBSITE IN A CONSPICUOUS MANNER; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, in accordance with Article 21, Section 21.03, City of Jacksonville Charter, referred to within this resolution as "JEA Charter", "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"; and

WHEREAS, in accordance with the JEA Charter, "the governing body of JEA shall annually review and update its governing documents; and

WHEREAS, the JEA Board By-Laws were last reviewed by the Governance Committee on November 8, 2021 and approved by the Board of Directors on November 16, 2021; and

WHEREAS, in accordance with the JEA Charter, "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"; and

WHEREAS, at its July 14, 2022 meeting, the JEA Governance, Audit, and Compliance Committee recommended that the JEA Board By-Laws be amended in accordance with the document attached hereto as Exhibit A and incorporated herein; and

WHEREAS, it is in the best interests of JEA to adopt the amended JEA By-Laws as recommended by the Governance, Audit, and Compliance Committee.

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

The above recitals are incorporated into the body of this Resolution and are adopted as findings of fact.

The Board adopts the amended JEA Board By-Laws substantially in the same form as attached hereto.

The Board Services Manager is directed to post the Board By-Laws on JEA's website in a conspicuous manner.

To the extent that there are any typographical, administrative, and/or scrivener's errors contained here in that do not change the tone, tenor, or purpose of this Resolution, then such errors may be corrected with no further action required by the Board.

This Resolution shall be effective upon approval by the Board.

Dated this 10th day of August 2022.

Proposing Board approval of updated Board By-Laws



Annual Board Self-Assessment Criteria and Process

Jordan Pope
Vice President, Corporate Strategy



Annual Board of Directors Self-Assessment



Overview and Timeline

July 14

Governance, Audit, and Compliance Committee to review Board Self-Assessment timeline / criteria and discuss adjustments needed

October 18

Board Members Complete Online Self-Assessment

JEA will send an email to Board Members including:

- Instructions for completing the online self-assessment
- An electronic version can be made available upon request
- Completion Date: November 15

January 13

Governance, Audit, and Compliance Committee will receive an overview of the Board Self-Assessment results

January 24

January Board Meeting

- Governance, Audit, and Compliance Committee Chair will provide the results of the Board Self-Assessment

Annual Board of Directors Self-Assessment



JEA Board Policy Manual – “The Board will conduct a self-assessment on an annual basis”.

The Board understands and supports JEA’s mission, vision, and strategic focus areas and engages in strategic planning

The Board understands and adheres to the Article 21 – Charter, JEA By-Laws, JEA Board Policy Manual, City of Jacksonville Ethics Code, and applicable Florida Statutes and City Ordinances

The Board has a strong working relationship with the CEO

As a Board member, I feel I have the knowledge needed to tackle the important issues, to provide proper oversight, and to be an ambassador for JEA

Board members are well prepared for the meetings and spend adequate time engaged in discussion and providing direction to staff

The Board is focused on being proactive rather than reactive and is primarily focused on the future rather than past or present

In what areas is the Board most effective?

Are there areas where the Board can improve?



Annual CEO Evaluation Criteria and Process

Jordan Pope
Vice President, Corporate Strategy



Annual CEO Evaluation

Overview & Timeline



JEA Board Policy Manual – “Board evaluation of the CEO will be done annually and based on criteria set by the Board.”

July 14

Governance, Audit, and Compliance Committee review current CEO Evaluation criteria and discuss any adjustments to criteria for FY23

by October 10

CEO to complete a self-evaluation to be included in the October 21 Governance, Audit, and Compliance Committee materials

October 18

Board Members Complete Online Evaluation

JEA will send an email to Board Members including:

- Instructions for completing the online evaluation
- Evaluation Criteria
- FY22 Performance Scorecard
- CEO Self-Evaluation
- Completion Date: November 15

by December 30

Schedule Meeting for Board Chair to review evaluation and feedback with CEO

January 13

Governance, Audit, and Compliance Committee

- Overview of FY22 CEO Evaluation Results

January 24

January Board Meeting

- Board Chair will provide overview of FY22 CEO Evaluation Process & Results

Annual CEO Evaluation



Executive Core Competencies

1. CEO demonstrates executive core competencies
 - a. Embodies JEA's values of safety, respect, and integrity
 - b. Communicates effectively
 - c. Actively supports the Board of Directors, maintains candid dialogue, and transparency on all issues associated with JEA
 - d. Maintains positive public relations and builds relationships with key stakeholders in the community
 - e. Leads others effectively
 - f. Plans for the future and drives results
 - g. Leverages industry acumen
2. CEO maintains 100% compliance with respect to Article 21 applicable provisions and all applicable legal and fiduciary responsibilities
3. CEO has a viable succession plan
4. CEO updates the Board regularly on JEA's performance of key measures aligned to JEA's strategy as outlined in JEA's corporate scorecard

- Pay-for-Performance Measure
- ▲ Higher is good
- ▼ Lower is good
- On Plan or Better
- At Risk
- Unfavorable

JEA Performance Scorecard | Data through September 30, 2022

		FY20	FY21	FY22 Goal	FY22 YTD	FY22 Forecast
UNBEATABLE TEAM	● ▼ Safety - Lost Time Incident Rate (LTIR)	0.38	0.66	0.44	0.00	0.10
	Retention	94%	93%		93%	93%
	New Hires	97	182		138	214
	▲ Diversity - Female Representation %	22%	22%		22.7%	22.4%
	▲ Diversity - People of Color Representation %	25%	26%		26.5%	26.1%
	▲ Diversity - Veteran Representation %	19%	20%		18.5%	19.0%
CUSTOMER LOYALTY	● ▲ Customer Satisfaction - Residential (JD Power)	3rd Quartile	3rd Quartile	2nd Quartile	2nd Quartile	2nd Quartile
	● ▲ Customer Satisfaction - Commercial (JD Power)	2nd Quartile	4th Quartile	2nd Quartile	2nd Quartile	2nd Quartile
	▼ Nitrogen to the River (tons)	299	372	440	238	412
	▼ Sanitary Sewer Overflows (Total Count)	48	35	31	15	26
	▼ Environmental Compliance - Permit Exceedances	1	1	4	0	0
BUSINESS EXCELLENCE	▲ Sales - Electric System (MWh)	12,185	12,216	12,200	6,487	12,279
	▲ Sales - Water System (Million Gallons)	38,272	37,181	39,000	21,480	38,991
	▲ Sales - Wastewater System (Million Gallons)	28,160	28,139	29,000	16,484	29,244
	▲ Sales - Reclaim (Million Gallons)	4,427	4,463	5,000	2,653	5,125
	▲ Revenue - Total System (\$M)	\$1,600	\$1,628	\$1,638	\$954	\$1,851
	▼ Total Debt (\$M)	\$3,257	\$3,000	\$2,731	\$2,834	\$2,734
	▼ Net Funded Debt (\$M)	\$3,031	\$2,788	\$2,547	\$2,674	\$2,544
	▼ Operations & Maintenance (O&M) Spend (\$M)	\$393	\$381	\$441	\$227	\$426
	▲ Capital Spend (\$M)	\$387	\$355	\$500	\$208	\$560
	▼ Fuel & Purchased Power Expense (\$M)	\$343	\$425	\$534	\$291	\$612
	● ▲ Electric O&M (\$)	\$218	\$214	\$253	\$125	\$238
	● ▲ Water O&M (\$)	\$171	\$163	\$183	\$99	\$184
	▼ Reliability - Customers Experiencing Multiple Interruptions (CEMI-5)	0.25%	0.14%	0.80%	0.23%	0.08%
	▼ Reliability - Effective Forced Outage Rate (EFOR)	2.3%	4.0%	3.2%	0.2%	0.2%
	▼ Reliability - Water Unplanned Outages (Number of Customers)	15,342	12,257	7,700	2,626	4,502
▼ Water Pressure (average min < 30 psi)	4.0	2.1	2.8	0.7	2.5	

**Example
True Data to be
supplied October 18th**



Governance, Audit, and Compliance Committee

Supplemental Information



Audit Services Staffing Changes



Promotions



Lee Montanez
Director, Audit Services

CIA, CISA, & CRMA

Over 10 years of experience at JEA as a Senior Information Technology Auditor and Manager, Internal Audit

Always looking for opportunities for improving controls and processes



Rashid Brittain
Internal Audit Manager

CPA & CISA

Worked in Audit Services for the past six years as a Senior Information Technology Auditor

Great communication and collaborative skills

New Hire



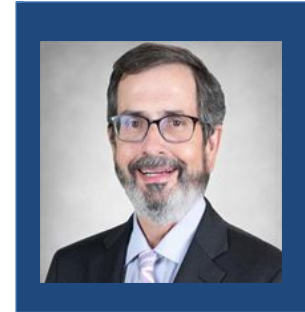
Tina McFarlin
Senior Forensic Auditor

CPA

Six years as a Financial Reporting Specialist

Strengths include problem solving, analysis, process improvement, and expert knowledge of Oracle and Excel

Retirement



Steve Tuten
Director, Audit Services

Experienced leader at JEA for over six years

Trusted advisor to the Board, Management, and Audit Services staff

Certified Internal Auditor (CIA)
Certified Information Systems Auditor (CISA)
Certified Public Accountant (CPA)
Certification in Risk Management Assurance (CRMA)

New Governance, Risk, and Compliance (GRC) System Implementation



Highbond

An enterprise governance software platform that creates stronger audit, assurance, compliance, and risk management

Allows for better integration of Enterprise Risk Management (ERM) and Internal Audit data

Enhanced access to reports and data from stakeholders

Centralized workflow

Aggregated data for real-time decision-making and reporting



Completed Audits and Engagements



Audit or Engagement	Rating	Good Practice Observed	Key Observation
TEA Audit	Satisfactory	TEA staff was very diligent in mitigating past observations and provide the Audit team with all necessary documentation.	Audit identified issues related to system monitoring alerts and lack of integration of the IT Risk Register.
IA/ERM & Forensic Audit Collaboration	No Rating	The ERM team is making good progress in the implementation of the HighBond application. The Forensic Audit team was able to clear some case backlog.	Several Top Enterprise Risk profiles related to environmental risks and procurement were updated. Internal Auditors worked on the backlog of several Forensic Audit cases.
C2M Project Tracking (related to partial reports #1, 2 &3)	No Rating	The Implementation team has improved their testing approach and communication with external consultants.	Audit identified the lack of a comprehensive governance structure and gaps in both testing and coverage.
System Protections & Controls	Well-Managed	The System Protections & Controls team have good controls over maintenance records for Bulk Electric System (BES) and non-BES relays.	Audit identified the need for updating the Business Continuity Plan and Procedures.

FAI – Summary of Hotline Closed Cases Since Last Committee Report



Allegation(s)	Results
Management processed invoice payments that did not match up to the contract	<p>The allegation was unfounded</p> <p>Language in the vendor contract allowed for deviations from contracted prices</p> <p>A sample review of invoices did not disclose any inconsistencies with the contract language</p>
Midge fly larvae (blood worms) were found in a filter and ground storage tanks	<p>The allegation was unfounded</p> <p>Staff interpreted a comment to not call JEA Environmental Services as an attempt to evade a reporting responsibility</p>
Employees were told to keep quiet	
The Environmental Department was never notified	<p>Larvae being present is an aesthetic issue that the Florida Department of Environmental Protection does not consider to be a health risk.</p>
At least two/three co-workers have arrived late to work for the last couple of years (<i>Two separate but identical reports received, reported out as one</i>).	<p>The allegation was unsubstantiated.</p> <p>An investigation was not performed due insufficient information.</p> <p>Attempts to obtain additional information from the Caller were unsuccessful.</p>
Two employees routinely arrive late to work.	<p>The allegation was substantiated.</p> <p>The employees arrived late on multiple occasions but stayed late to make up for arriving late.</p>
A subcontractor falsified documents, overbilled for time and incomplete work.	<p>The allegation was unfounded.</p> <p>No evidence was found to support JEA procurement policy violations, improper billing, or Project Manager collusion.</p>
The Project Manager was part of the excess billing.	

FAI – Summary of Hotline Closed Cases Since Last Committee Report



Allegation(s)	Results
<p>A Manager made a Contractor do personal work. The Contractor has been over paid and has been given contracts.</p>	<p>The misuse of position and procurement violations allegations were unfounded.</p>
<p>The Manager made racial jokes about employees.</p>	<p>The improper jokes allegation was unsubstantiated.</p>
<p>A WebEx Presidio TV was purchased on a directive from Northside Generating Station Management (NGS), was a misappropriation of funds, and was a violation of corporate policy.</p>	<p>The allegation was unfounded. The TV was ordered through an active and appropriate contract with proper approvals. The transaction complied with JEA Procedures.</p>
<p>A Manager displayed unprofessional behavior in front of employees.</p>	<p>The allegation of unprofessional conduct was unsubstantiated.</p>
<p>The Caller (contract employee) was reassigned from JEA.</p>	<p>The anonymity of the complaint and the limited information provided, we could not prove/disprove the allegation.</p>
<p>An employee used tools in the NGS Maintenance Shop after hours.</p>	<p>Personal use of JEA equipment was substantiated but Management allowed the action.</p>
<p>The employee may have been involved with missing welder.</p>	<p>No specific JEA policy prohibited the use; the City's Ordinance Code prohibits the use for personal benefit.</p>
<p>Suspicious purchases were made to replace broken/lost tools.</p>	<p>The theft allegation was unsubstantiated by Law Enforcement.</p>

Note: FY22 YTD, ten (10) cases have been closed

JEA GOVERNANCE COMMITTEE MINUTES
November 8, 2021

The Governance Committee of the JEA Board met at 3:00 pm on Monday, November 8, 2021 on the 8th Floor, 21 W. Church Street, Jacksonville, Florida. The meeting was properly noticed and the public was invited to attend this meeting in-person at the physical location and virtually via WebEx. Attendees were required to follow CDC guidelines at the meeting location, including wearing masks and social distancing.

WELCOME

Meeting Called to Order – Committee Chair General Joseph DiSalvo called the meeting to order at 3:00 pm. Committee member Rick Morales was present for the meeting. Committee member Tom VanOsdol and Board Chair John Baker attended the meeting via WebEx. Dr. Zachary Faison was not in attendance for the meeting. A quorum of the committee was not physically present for the meeting.

Others in attendance in-person were Jay Stowe, Managing Director/CEO; Jody Brooks, Chief Administrative Officer; and Regina Ross, Chief Legal Officer, Office of General Counsel. Laura Dutton, Chief Strategy Officer; Ted Phillips, Chief Financial Officer; Laura Schepis, Chief External Affairs Officer; Raynetta Marshall, Chief Operating Officer; Kurtis Wilson, Vice President, Government Relations; Ricky Erixton, Vice President, Electric Systems; Joe Orfano, Vice President, Financial Services; Jordan Pope, Vice President, Corporate Strategy; Stephen Datz, Vice President, Technical Services; Brad Krol, Chief Information Officer; Hai Vu, Vice President, Water/Wastewater Systems; and Paul Mitchell, Vice President, Economic Development, participated in the meeting via WebEx.

Adoption of Agenda – Due to the lack of quorum, this item was deferred to the Board for approval at its November 16, 2021 meeting.

Approval of Minutes – May 6, 2021 – Due to the lack of quorum, this item was deferred to the Board for approval at its November 16, 2021 meeting.

Safety Briefing – Melissa Charleroy, Board Services Manager, provided the safety briefing.

FOR COMMITTEE CONSIDERATION

JEA Bylaws – Modification for Meeting Cadence – Jody Brooks, Chief Administrative Officer, referencing materials provided in the committee’s meeting packet, provided an overview of the JEA Board Policy Manual, Article V, Section 1 regarding regular meetings. Ms. Brooks reviewed the current Bylaws language that does not align with the City of Jacksonville Charter, Article 21, which states the JEA Board shall meet once a month, but in no event less than eight (8) times a year. Ms. Brooks noted staff is recommending the JEA Bylaws be revised to state regular meetings shall be held in accordance with the requirements set forth in Article 21 – JEA Charter. A brief discussion ensued to which Committee members offered comments. Due to the lack of quorum, this item was deferred to the Board for approval at its November 16, 2021 meeting.

Board Self-Evaluation Review – Laura Dutton, Chief Strategy Officer, presented as required in the Charter, Article 21, the Board of Directors are to conduct an annual self-evaluation. Ms. Dutton reviewed the evaluation and feedback provided including items that are going well and areas for consideration. Board Members held discussions regarding the self-evaluation results, as well as questions for future self-evaluations. This agenda item was received for information.

CEO Evaluation

FY21 Evaluation Criteria & Process – Ms. Brooks presented as of November 30, 2021, Mr. Stowe will have completed one year of service at JEA. In accordance with the CEO contract and JEA Board Policy Manual, the Board of Directors will conduct an annual CEO evaluation based on Appendix A1, Executive Core Competencies and CEO evaluation criteria. Ms. Brooks reviewed the CEO evaluation timeline, which concludes with Chair Baker providing an overview of the FY21 evaluation process and results at the January 11, 2022 JEA Board meeting. Committee members had no comments. This item was received for information.

FY22 Evaluation Criteria & Process – Ms. Brooks referencing materials provided in the committee’s meeting packet, provided an overview of the CEO Evaluation Criteria including the Executive Core Competencies and Measures of Effectiveness. Ms. Brooks proposed utilizing the JEA Corporate Scorecard in place of the Measures of Effectiveness. Committee members held discussions regarding the evaluation criteria and discussed replacing the Measures of Effectiveness with the JEA Corporate Scorecard while retaining the Core Competencies. This agenda item was received for information.

CLOSING CONSIDERATIONS

Announcements – Next Board Meeting November 16, 2021

Adjournment – With no further business coming before the Committee, Committee Chair General DiSalvo declared the meeting adjourned at 3:52 pm.

APPROVED BY:

Joseph DiSalvo, Committee Chair

Date: _____

Submitted by:

Melissa Charleroy
Board Services Manager

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 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, transport, 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 system, including without limitation the financing of any one or more enlargements, expansion developments, replacements, acquisitions or modernization of the utilities system, any expense utilities system, any reserves deemed necessary or desirable by JEA and any other purpose not prohibited by law, and retiring any bond, note or revenue certificate issued under this Article, or note or revenue certificate issued by or on behalf of the city to finance the water and sewer utility previously owned or operated by the city, and for any combination of one or more such purposes 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) *JEA governing body approval.* The governing body of JEA shall approve in advance all services, products, by-products or activities developed or used by JEA in accordance with this subsection (p) at a duly noticed meeting. The governing body of JEA shall not delegate its approval authority under this subsection to the managing director or any other officer, employee or agent of JEA.
 - (2) *Permitted services, products, by-products and activities.* The services, products, by-products

and activities expressly permitted to be developed or used by JEA pursuant to this subsection (p) shall include providing, supplying, transferring, selling, financing or leasing the following: (i) energy performance contracting; (ii) water, sewer and natural gas (and any other utility service hereafter provided by JEA) contracting; (iii) power marketing services; (iv) testing and maintenance of customer-owned facilities such as transformers, capacitors, lighting, HVAC systems, water cooling and heating systems, energy management systems, etc.; (v) temporary leasing of JEA facilities such as oil storage tanks; (vi) steam or other thermal energy services and contracting; (vii) services regarding specially conditioned power on the premises of customers; (viii) services or products to build, transfer, lease, finance, operate or sell cogeneration facilities, small power production facilities, specially conditioned power, energy conservation, energy efficiency and dispersed generation to other electric utilities both within and without the state or to any wholesale or retail customers of JEA, upon such terms and conditions as JEA shall by resolution 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 wat pursuant to F.S. Chs. 170 and 180, including the issuance of bonds or notes in anticipation thereof 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 or operation of any portion of an included system which comprises more than the net capital assets calculation of such included system;
- (2) Explore, investigate or consummate a reorganization of JEA, or JEA's governance structure in a manner that would affect JEA's ownership or management control of up to, but not more than, the net capital assets calculation (as defined in Section 21.11) of an included system;
- (3) Sell, lease, assign or otherwise transfer less than .01 or one percent (1%) of the service territory (as calculated in Section 21.11(d)) of a JEA included system to any entity; and
- (4) Sell, lease, assign or otherwise transfer less than .01 or one percent (1%) of JEA's electric, water, or wastewater, customer accounts (as calculated in Section 21.11(d)) based on the latest available JEA monthly financial statements.

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

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

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 take 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 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 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 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 of Directors

Board Policy Manual



ROLES OF THE JEA BOARD OF DIRECTORS

- Set JEA's mission, vision, core values, and strategic areas of focus
- Engage in strategic planning
- Approve and monitor JEA's programs and services
- Protect JEA's assets and provide proper financial oversight
- Ensure sound risk management policies
- Select and support the Managing Director/Chief Executive Officer, referred to within this document simply as CEO



RESPONSIBILITIES OF THE JEA BOARD OF DIRECTORS

- Board members are required to comply with applicable provisions of Chapter 112 of Florida Statutes, Chapter 602 Jacksonville Code of Ordinances, and Article 21. [\(Chapter 112 of Florida Statutes\)](#)
[\(Chapter 602 Jacksonville Code of Ordinances\)](#)
[\(Article 21\)](#)
- The Board shall govern in accordance with legal requirements, with an emphasis on (a) outward vision rather than internal focus, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of Board and CEO roles, (e) collective rather than individual decisions, (f) future more so than past or present, and (g) proactivity rather than reactivity.
- In conducting its duties as a Board in Florida, the Board shall comply with the Open Government Laws, including requirements regarding public meetings and public records. [Board Governance & Sunshine Law](#)
- The Board shall conduct an annual JEA Board self-assessment.
- The Board shall conduct an annual CEO evaluation.
- The Board will instruct the CEO through written policies that describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.
- Board members will respect their fiduciary responsibilities to protect and enhance the value of JEA as a citizen-owned enterprise with due diligence using sound business judgment consistent with JEA's Charter.
- New Board members will coordinate with the Board Services Manager to receive Board member orientation including the required ethics brief by the city's Office of Ethics, Compliance, and Oversight.



JEA Board Policy Manual

Approved by the JEA Board of Directors on _____

Governance Process and Style—The leadership success of the Board is a direct result of the individual and collegial participation of its members. 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 govern in accordance with legal requirements, with an emphasis on (a) outward vision rather than internal focus, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of Board and Chief Executive Officer roles, (e) collective rather than individual decisions, (f) future more so than past or present, and (g) proactivity rather than reactivity.

Board Self-Assessment—The Board will conduct a self-assessment on an annual basis.

Agenda Planning—The agenda along with supporting documentation will be made available to Board members such that Board members have sufficient time to review agenda materials prior to the meeting. Every effort shall be made to provide the agenda and supporting documentation to Board members at least seven days prior to Board and committee meetings.

BOARD MEMBER'S CODE OF CONDUCT AND 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 Charter, the JEA By-Laws, and this governance policy. Meetings will be led by the Chair, in the absence of the Chair, the Vice Chair, or, in the absence of both, by the Chair's designee.

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 Chief Legal Officer may serve the Board as a resource on Parliamentary Procedure.

Members are expected to represent the interests of the ownership. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards. It also supersedes the personal interest of any Board member acting as a consumer of the organization's services.

Members' interaction with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly authorized by the Board.

Members' interaction with the public, media, or other entities must recognize the same limitation and the inability of any Board member to speak for the Board except to repeat explicitly stated Board decisions. Except as otherwise expressly authorized by the Board, only the Board Chair, or, in the unavailability of the Board Chair, the Board Vice-Chair, will have the authority to speak on behalf of the Board.

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.

BOARD-MANAGEMENT DELEGATION

The Board's sole official connection to the operational organization, its achievements, and conduct will be through the Managing Director/CEO and the CEO's authorized designees. The CEO is accountable only to the Board as an organization, and not to individual Board members. Accordingly, the relationship between the CEO and individual members of the Board, including the Chair, is collegial, not hierarchical.

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

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

Accountability of the CEO—The CEO is the Board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the CEO. The Board as a body and individual Board members will never give instructions to persons who report directly or indirectly to the CEO.

Should the CEO violate a Board policy, he or she shall promptly inform the Board. Informing is simply to guarantee no violation may be intentionally kept from the Board, not to request approval. Board response, either approving or disapproving, does not exempt the CEO from subsequent Board judgment of the action nor does it curtail any executive decision.

CEO Evaluation—Board evaluation of the CEO will be done annually and based on criteria set by the Board. Utilizing feedback received from the Board, the Board Chair will meet with the CEO to provide a formal review. The Board Chair will provide a report to the Board at a publicly noticed Board meeting.



BOARD EDUCATION AND DEVELOPMENT

Board Members shall have the opportunity to attend appropriate education and development training, conferences, and meetings as it relates to their service as a JEA Board member and receive reimbursement in accordance with JEA's Travel Expense and Guidelines.



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By-Laws of JEA

Approved by the JEA Board of Directors on _____



Building Community

ARTICLE I—OFFICES

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

ARTICLE II—MEMBERS OF JEA GOVERNING BODY

A. General Powers—The affairs of JEA shall be managed by the JEA governing body (“Board”) as provided in the Charter, as amended, and other applicable laws.

B. Appointment, Number, and Tenure—The membership of the JEA Board shall be constituted in number, qualifications, manner of appointment, and tenure as provided in the Charter, as amended.

C. Expense Reimbursement—Board members are entitled to payment or reimbursement for reasonable expenses in accordance with the Charter. Members are also subject to JEA’s travel policies and procedures.

ARTICLE III—OFFICERS

Board Officers—Board Officers assure the integrity of the Board’s processes and records. Board Officers are: Chair, Vice Chair, and Secretary.

Elections—In accordance with the Charter, the governing body of JEA shall elect a Chair, Vice Chair, and Secretary. The Board may elect one or more Assistant Secretaries, each of whom shall serve for one year or until such Officer’s successor is chosen. The Chair may serve for two consecutive one-year terms, which shall not include any period served as replacement Chair during the unexpired portion of the predecessor’s term. Elections of Officers shall be conducted at the first regular meeting in March, or the next subsequent Board of Directors meeting, which shall be preceded by a meeting of the Governance, Audit, and Compliance Committee to recommend a slate of officers.

Vacancy of a Board Officer—A vacancy of the Board Officers may occur for any of the following events:

- Death of a member;
- Physical or mental incapacitation due to disease or

illness when there is reasonable cause to believe the member will not be able to perform the duties of his/her office for the remainder of his/her term;

- Resignation of a member;
- A member moving outside of the service territory;
- A member’s absence from the state for more than 60 days, except in the following situations: upon approval of the Board, or with the consent of the Board for an additional period not to exceed the absence of 90 calendar days;
- Active military service that extends for more than 60 days; or
- A member’s conviction of a felony or any offense involving a violation of his/her official duties or conviction of a crime resulting in the forfeiture of office.

Time and Process for Filling a Vacancy of a Board Officer

—When a vacancy of a Board Officer occurs, the Board shall, within 60 days of the date of the vacancy or the next scheduled Board meeting thereafter, elect a replacement Officer from the remaining Board members for the unexpired term. Preceding a vote by the Board, the Governance, Audit, and Compliance Committee will meet to recommend a replacement Officer for election by the Board as a whole. When a vacancy of a Board Officer occurs as a result of active military service that extends for more than 60 days, the appointment of a replacement Officer shall be temporary in nature, expiring upon the Board Officer’s return from active military service or upon expiration of the term of office, whichever occurs first.

Chair—The Chair shall preside at all meetings of the JEA Board unless the Chair delegates otherwise. The Chair’s role is to see that the Board operates consistently within its own rules and those rules and regulations imposed upon it from outside the organization.

The Chair is authorized to:

- A. Make decisions that fall within topics covered by Board policies on governance process and Board-management delegation, including making reasonable interpretations of policies where applicable, with the exception of (i) employment or termination of the Managing Director/Chief



Executive Officer, and (ii) areas where the Board specifically delegates portions of this authority to others;

- B. Designate from time to time such standing or special committees as the Chair deems appropriate, including designating members, a Committee Chair, and the subject matter assigned to each committee for consideration; and
- C. Represent the Board to outside parties in announcing Board-stated positions and in stating the Chair's decisions and interpretations within the area delegated to that role. The Chair may delegate this authority but remains accountable for its use.

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 as mentioned above.

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. 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 days, at the expiration of which a special election shall be conducted by the JEA Board as a whole and a permanent Chair elected, which shall be preceded by a meeting of the Governance, Audit, and Compliance Committee to recommend a new Board Chair.

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. Minutes from Board and committee meetings will be posted on the JEA website in accordance with the Charter. The Secretary shall perform such other duties as from time to time may be assigned by the Chair.

ARTICLE III—OFFICERS

Board Committee Principles—Board committees, when used, will be assigned so as to reinforce the wholeness of the Board's job and not to interfere with delegation from the Board to the CEO. Board committees may not speak or act for the Board except when formally given such authority for specific purposes. Expectations and authority will be carefully stated in order to prevent conflict with authority delegated to the CEO. Board committees cannot exercise authority over staff. The CEO works for the full Board, and will therefore not be required to obtain the approval of a Board committee before an executive action. This policy applies to any group that is formed by Board action, whether or not it is called a committee and regardless of whether the group includes Board members.

Board Committee Structure—A committee is a Board committee only if its existence and scope come from the Board Chair, regardless of whether Board members sit on the committee. Board members may attend any Board committee meeting. The Board Chair will take into consideration any term expirations when making revisions to committee assignments. The membership of standing and special committees will generally consist of three Board members, appointed annually by the Board Chair. The Board Chair shall appoint one of the committee members as the Board Committee Chair and one as Vice-Chair. The CEO, or his/her designee, will attend meetings of each committee, but shall not have a vote. The CEO may specify that one or more Leadership Team members shall assist the committee. The current Board Committee structure is located in the **Board Policy Manual Appendix—Board Committee Structure**.

Standing Committees—The Chair may appoint standing committees from time to time which shall be composed of members of the JEA Board as determined by the Chair and in accordance with the JEA By-Laws. A standing committee shall continue until such time as it is terminated by the Board Chair.

Special Committees—The Board Chair may appoint special committees from time to time. When a special committee has fulfilled its function or when the best interests of JEA have been served, the Board Chair shall formally dissolve the committee.

Responsibilities and Powers of the Committee and the Committee Chair—The Committee Chair will determine the meeting cadence. The JEA Leadership Team member(s) assigned to the committee are responsible for working with the Committee Chair to determine the agenda and will support the Committee Chair with the meetings. Topics and requests for approval will generally go through the Board committees prior to any full Board approval requests. As required by the Charter or at the guidance of the Chief Legal Officer, by motion, a committee may generally recommend to the JEA Board that action be taken on matters under consideration by the committee. The Committee Chair, or Vice-Chair in the absence of the Chair, will report on items to be brought to the full Board, either requiring the full Board’s awareness and/or approval. 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 written notice to the members, and to set the date, time, and location of such meetings. In the absence or inaction of the Committee Chair, the committee’s Leadership Team member assigned as a liaison may call a committee meeting upon request of one or more of the remaining committee members.

Committee Vacancies—The Board Chair shall fill vacancies in the membership of any committee within 30 days of a vacancy occurring. Should the Chair of the JEA Board fail to fill a vacancy within 30 days 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.

Conduct of Committee Business—A physical quorum of the committee must be present in order for the committee to conduct business. A majority of the entire membership of the committee physically present shall constitute a quorum, and an act of the majority of the committee present at any meeting shall constitute the act of the committee. All JEA Board members may attend

and participate in any committee meeting; however, only committee members have the right to make motions and vote. Except as provided otherwise herein, Roberts Rules of Order shall govern the conduct of committee business.

Committee Meeting Requirements—Committees shall be subject to the requirements of Chapter 286, Florida Statutes (Government in the Sunshine). 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.

ARTICLE V—CONDUCT OF AUTHORITY BUSINESS

Regular and Special Meetings—Regular and special meetings shall be held and noticed in accordance with the requirements set forth in the Charter.

Teleconference or Videoconference

Meetings—All Board and Committee meetings will be conducted in accordance with the Charter and Florida Statutes. Whenever any Board member attends a meeting by teleconference or videoconference, the Chair shall conduct the meeting in a manner so as to allow, to the fullest extent possible, simultaneous communication.

Quorum and Votes Required for Action—

A majority of the Board’s membership physically present shall constitute a quorum for the purposes of meeting and transacting business. Each member shall have one vote. A majority vote of the members physically present at a meeting shall be required to accomplish an act of business. A Board member may attend a meeting virtually when extraordinary circumstances would not permit the Board member to be physically present at the meeting. Whether extraordinary circumstances exist shall be a determination of the Board members physically present at the meeting. Providing a quorum physically present has been met, and the Board members who are physically present have determined that extraordinary circumstances exist to justify the Board member’s virtual attendance, a Board member attending virtually may vote. By adoption of these By-Laws, the following are presumed to constitute extraordinary circumstances with no need for further action on the part of the Board:

- Military duty
- Health-related issues
- Board member being out of town due to circumstances beyond Board member’s control
- State of emergency declared by federal, state, or local authority
- Other reasons as deemed appropriate by the Board

Pursuant to Chapter 286, Florida Statutes, no member who is present at any Board meeting may abstain from voting except when there is, or appears to be, a possible conflict of interest. In such case, the abstaining Board member shall comply with the disclosure requirements of Chapter 112, Florida Statutes.

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 Charter, as amended. The Vice President, Government Relations will work with the Office of the Mayor, City Council President, and Office of General Counsel as deemed necessary.

Rules and Procedures—The Board may adopt rules or procedures to govern the conduct of JEA Board business. In the absence of rules or procedures adopted by the Board, the conduct of the Board's business shall be governed by Robert's Rules of Order.

Amendments to By-Laws—These By-Laws may be amended, suspended, repealed or altered, in whole or in part, by the affirmative votes of a majority of members at any regular or special meeting, provided such subject has been included in an agenda item.

Effect of By-Laws—Noncompliance with these By-Laws shall not operate to invalidate any JEA Board action otherwise valid under applicable law.



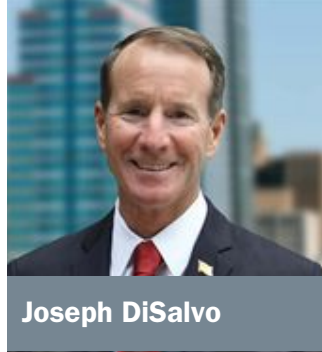
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Board Member Terms



Appointed on April 14, 2020
Term Ending on February 28, 2024



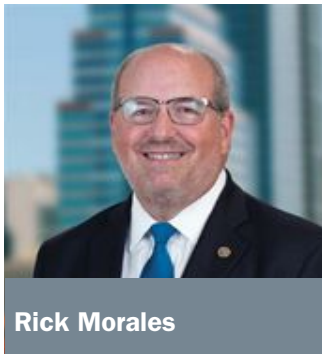
Appointed on April 14, 2020
Term Ending on February 28, 2026



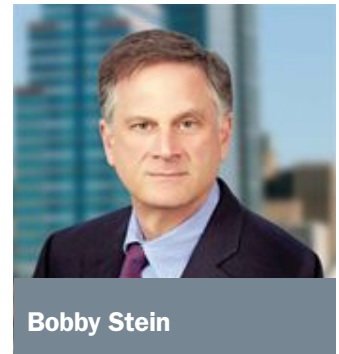
Appointed on April 14, 2020
Term Ending on February 28, 2026



Appointed on April 14, 2020
Term Ending on February 28, 2023



Appointed on September 28, 2021
Term Ending on February 28, 2024



Appointed on April 14, 2020
Term Ending on February 28, 2025



Appointed on April 14, 2020
Term Ending on February 28, 2023

Board and Committee Meeting Dates



FY22 Board Meeting Dates

August 10

September 20

FY22 Board Committee Dates

External Affairs Committee – July 25

Finance and Operations Committee – September 9

Governance, Audit, and Compliance Committee – July 14

Workforce and Customer Committee – September 16

FY23 Board Meeting Dates

October 25

January 24

February 28

March 28

April 25

June 27

August 29

September 26

FY23 Board Committee Dates

External Affairs Committee – December 16, April 18, September 8

Finance and Operations Committee – December 16, March 10, April 14, June 23, September 15

Governance, Audit, and Compliance Committee – October 13, January 13, August 4

Workforce and Customer Committee – October 21, January 20, April 14, August 25

Board Committee Structure 2022



GOVERNANCE, AUDIT, AND COMPLIANCE COMMITTEE

The Governance, Audit, and Compliance Committee's primary function is to assist the Board in fulfilling its oversight responsibilities in the areas of Board governance and compliance, including audit and risk management

Ms. Marty Lanahan (Chair)
 General Joe DiSalvo (Vice Chair)
 Dr. Zachary Faison

 Jody Brooks, Chief Administrative Officer

FINANCE & OPERATIONS COMMITTEE

The Finance & Operations Committee's primary function is to assist the Board in fulfilling its oversight responsibilities with JEA's strategic objective of Delivering Business Excellence

General Joe DiSalvo (Chair)
 Ms. Marty Lanahan (Vice Chair)
 Mr. Rick Morales

 Raynetta Marshall, Chief Operations Officer &
 Ted Phillips, Chief Financial Officer

WORKFORCE AND CUSTOMER COMMITTEE

The Workforce and Customer Committee's primary function is to assist the Board in fulfilling its oversight responsibilities with JEA's strategic objectives of Building an Unbeatable Team and Earning Customer Loyalty

Mr. Tom VanOsdol (Chair)
 Dr. Zachary Faison (Vice Chair)
 Mr. John Baker

 David Emanuel, Chief Human Resources Officer &
 Sheila Pressley, Chief Customer Officer

EXTERNAL AFFAIRS COMMITTEE

The External Affairs Committee's primary function is to assist the Board in fulfilling its oversight responsibilities by reviewing and monitoring JEA's stakeholder strategies, environmental stewardship, economic development, and communications

Mr. Rick Morales (Chair)
 Mr. Tom VanOsdol (Vice Chair)
 Mr. John Baker

 Laura Schepis, Chief External Affairs Officer

EXECUTIVE COMMITTEE

The Executive Committee's primary function is to address high-level or pressing matters as directed by the Committee or Board Chair

Mr. John Baker (Chair)
 Mr. Bobby Stein (Vice Chair)
 Ms. Marty Lanahan
 General Joe DiSalvo

 Jay Stowe, Chief Executive Officer

JEA Board Policy Manual

Highlighted information
carried over to 2022 JEA
Board By-Laws and
Policy Manual

JEA Board Policy Manual

Dated this 16 day of November 2021.

JEA Board Chair

JEA Board Secretary

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

JEA Board Policy Manual

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POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.0

POLICY TITLE: BY-LAWS OF JEA

ARTICLE I - OFFICES

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

ARTICLE II - MEMBERS OF JEA GOVERNING BODY

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

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

ARTICLE III - OFFICERS

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

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

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

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

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

ARTICLE IV - COMMITTEES

Section 1. Ordinary Committees.

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

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POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.0

POLICY TITLE: BY-LAWS OF JEA

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

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

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

Section 3. Powers of the Committee and the Committee Chair. The committee chair, or vice-chair in the absence of the chair, shall have the power and authority to call meetings of the committee upon reasonable verbal or written notice to the members, and to set the date, time and place of such meetings. This function may also be performed by a majority of the remaining members of the committee upon inaction by the chair. A committee secretary may be designated by the committee chair. A committee may submit reports to the Chair and members of the JEA Board in writing as determined by the committee chair. Committee reports shall contain both majority and minority reports of committee members. **A committee may by motion recommend to the JEA Board that action be taken on matters under consideration by the committee.** Matters under consideration by the committee may include resolutions or other proposed actions presented to the committee by the JEA Managing Director.

Section 4. Committee Vacancies. The Chair shall fill vacancies in the membership of any committee. Should the Chair of the JEA Board fail to fill a vacancy within a reasonable length of time after such a vacancy occurs, then such vacancy may be filled by a majority of the members of the JEA Board acting in any regular or special meeting.

Section 5. Conduct of Committee Business. A majority of the entire membership of the committee shall constitute a quorum, and an act of the majority of the committee present at any meeting shall constitute the act of the committee. Should a quorum not be present at a scheduled meeting, the committee chair, or vice-chair in the absence of the chair, may appoint as many JEA Board members as necessary to constitute a quorum. Such appointment is for the purpose of that meeting only. **All JEA Board members may attend and participate in any committee meeting, but only committee members have the right to make motions and to vote.** Except as provided otherwise herein, **Roberts Rules of Order** shall govern the conduct of committee business, unless the majority of the committee present at such meeting shall elect to utilize other rules or procedures consistent with applicable law and these By-Laws.

ARTICLE V - CONDUCT OF AUTHORITY BUSINESS

Section 1. Regular Meetings. Regular meetings shall be held in accordance with the requirements set forth in Article 21 – JEA Charter at the principal offices of JEA in the City of Jacksonville, or at such other public place within the City of Jacksonville as may be determined by the Chair, and at such times as the Chair or a majority of the members may designate. More frequent regular meetings may be held at the pleasure of a majority of the members.

Section 2. Special Meetings. Special meetings of the members may be called by the Chair or by any three (3) members and shall be held at the principal offices of JEA in the City of Jacksonville, or at such other public place within the City of Jacksonville as may be determined by the Chair.

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POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.0

POLICY TITLE: *BY-LAWS OF JEA*

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 days before the meeting and shall state the purpose, time and place of the special meeting. Attendance by a member at a special meeting shall constitute waiver of notice. A member may, however, appear at a meeting for the sole purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called without losing the right to object to improper notice. No business shall be transacted at any special meeting other than the purpose specified in the notice unless a majority of the members in attendance at such special meeting agree to transact other business.

Section 4. Teleconference or Videoconference Meetings. The Chair may allow Board member(s) to attend a regular or special meeting by teleconference or videoconference, provided that all JEA Board members attending the meeting and all other persons participating in the meeting may hear each other. Whenever any Board member attends a meeting by teleconference or videoconference, the Chair shall conduct the meeting in a manner so as to allow, to the fullest extent possible, simultaneous communication. A Board member or other person wishing to speak must first identify himself/herself to the Chair and request recognition from the Chair before speaking. Visual presentations shall be described in detail for any Board member attending by teleconference who is unable to view the presentation. It is the Board's preference that meetings be held with a quorum physically present except, on occasion, when the Board needs to transact business for a special matter typically conducted at a special meeting.

Section 5. Quorum and Votes Required for Action. The majority of the Board members shall constitute a quorum for the purpose of meeting and transacting business. Four (4) affirmative votes shall be required to accomplish an act of business. Pursuant to Chapter 286, Florida Statutes, no member who is present at any Board meeting may abstain from voting except when there is, or appears to be, a possible conflict of interest. In such case, the abstaining Board member shall comply with the disclosure requirements of Chapter 112, Florida Statutes.

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

Section 7. Rules and Procedures. Except as provided otherwise herein, Robert's Rules of Order shall govern the conduct of the JEA Board business, unless the majority of members shall elect to utilize other rules or procedures consistent with applicable law and these By-Laws.

ARTICLE VI - AMENDMENTS TO BY-LAWS

These By-Laws may be amended, repealed or altered, in whole or in part, by the affirmative votes of four (4) members at any regular or special meeting, provided such subject has been included in an agenda item.

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POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.0

POLICY TITLE: *BY-LAWS OF JEA*

ARTICLE VII - EFFECT OF BY-LAWS

Noncompliance with these By-Laws shall not operate to invalidate any JEA Board action otherwise valid under applicable law.

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POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.1

POLICY TITLE: *JEA BOARD MISSION, VISION, VALUES, GOALS AND OBJECTIVES*

Mission

The JEA Board will exercise ownership, management and operate utilities systems for the City of Jacksonville and rate payers.

Vision

Make JEA the best in class for public utilities in the United States.

Values

- Leadership – Make the tough calls.
- Selfless Service – Do what is right for the community.
- Competency – Have a strategic understanding of the public utilities industry.
- Integrity – Adhere to a strict moral and ethical code and total transparency.

Goals & Objectives

- Be proactive in issuing important guidance and making timely decisions.
 - Objective: Maintain a planning horizon that is forward looking and anticipate key decisions to be made.
- Act in the best interest of the JEA workforce, rate payers and the citizens of Jacksonville.
 - Objective: Utilize the expertise of board members to enhance the ability of the board to act as a collective body.
- Exercise due diligence so well- informed decisions are made.
 - Objective: Use sound business judgement consistent with JEA's legislative charter.
- Secure the trust and confidence of the Jacksonville community and rate payers.
 - Objective: Strict adherence to Sunshine laws, JEA Charter, Florida & Jacksonville City Ethics Codes and JEA Code of Conduct.

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POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.2

POLICY TITLE: GLOBAL GOVERNANCE PROCESS

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

- 1.2.1 **Governing Style:** The Board will govern in accordance with legal requirements, with an emphasis on (a) outward vision rather than internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of Board and chief executive roles, (e) collective rather than individual decisions, (f) future more so than past or present, and (g) proactivity rather than reactivity.
- 1.2.2 **Board Job Description:** Specific responsibilities of the Board are those that ensure appropriate organizational performance.
- 1.2.3 **Agenda Planning:** To accomplish its responsibilities with a governance style consistent with Board policies, the Board will follow an annual agenda that (a) reviews the MOEs (measures of effectiveness) and (b) continually improves Board performance through education and deliberation.
- 1.2.4 **Board Officers:** Board officers assure the integrity of the Board's process and record's. Board officers are: Chair, Vice-Chair and Secretary.
- 1.2.5 **Rules of Order:** Board meetings will be conducted in an orderly and fair process consistent with the requirements of Florida law, Ordinances of the City of Jacksonville, the JEA Charter and these governance policies. Meetings will be led by the Chair, or, in the absence of the Chair, the Vice-Chair, or, in the absence of both, by the Chair's designee.
- 1.2.6 **Board Member's Code of Conduct:** The Board commits itself to lawful, ethical and businesslike conduct, following all requirements of Florida Law, Ordinances of the City of Jacksonville, and the JEA Charter including proper use of its authority and appropriate decorum when acting as Board members.
- 1.2.7 **Board Member's Individual Responsibility:** The leadership success of the Board is a direct result of the individual and collegial participation of its members. Board members will commit to preparation for all JEA related meetings and activities.
- 1.2.8 **Board Committee Principles:** Board committees, when used, will be assigned so as to reinforce the wholeness of the Board's job and not to interfere with delegation from the Board to the CEO.
- 1.2.9 **Board Committee Structure:** A committee is a Board committee only if its existence and charge come from the Board, regardless of whether Board members sit on the committee. The only Board committees are those which are set forth in in this policy. Unless otherwise stated, a committee ceases to exist as soon as its task is complete. The CEO will attend meetings of each committee, but shall not have a vote.
- 1.2.10 **New Board Members On-Boarding Requirements:** Coordinate with the JEA Executive Staff Assistant for exact requirements. Generally new board members will a) execute a facilities orientation; b) receive a JEA email account; c) file financial disclosure Form 1; d) get a JEA photograph and JEA employee access pass; e) execute Technology Services agreement, General Security Awareness Training; and f) ethics brief by the City's Office of Ethics, Compliance, and Oversight.
- 1.2.11 **JEA Board Evaluation:** Done annually as per App A3.

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POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.3

POLICY TITLE: GOVERNING STYLE

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

Accordingly,

- 1.3.1 Unique Requirements of Florida Law for Public Boards: In conducting its duties as a Board in Florida, the Board is required to comply with the Florida Sunshine Law, which prohibits any two or more members of the Board from meeting unless the meeting has been properly noticed and conducted in accordance with the legal requirements. In addition, Florida Law contains requirements regarding Public Records, conflicts of interest and voting which must be followed in the conduct of the Board's business.
- 1.3.2 The Board will cultivate a sense of group responsibility and will be a proactive Board versus a reactive Board. The Board, not the staff, will be responsible for excellence in governing. The Board will be the initiator of policy, not merely a reactor to staff initiatives.
- 1.3.3 Although the Board can change its Governance Process policies at any time, it will diligently observe those currently in force.
- 1.3.4 Continual Board development will include orientation of new Board members in the Board's governance process and an annual Board discussion of governance process improvement.
- 1.3.5 The Board will allow no officer, individual, or committee of the Board to hinder or serve as an excuse for the Board not fulfilling its commitments.
- 1.3.6 Each member of the Board will respect the final determination of the Board concerning any particular matter, regardless of the member's personal position concerning such matter.

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POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.4

POLICY TITLE: *BOARD JOB DESCRIPTION*

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

Accordingly,

- 1.4.1 The Board is the authoritative link between the organization and the ownership.
- 1.4.2 The Board will provide governing policies that realistically address the broadest levels of all organizational decisions and situations:
 - a. Governance Process: Specification of how the Board develops, carries out, and monitors its own responsibilities
 - b. Board-Management Delegation: Specification of how power is delegated and its proper use monitored; clarity on the CEO's role, authority, and accountability.
 - c. Executive Mandates: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
 - d. Measures of Effectiveness: The organizational outcomes to its recipients including the relative worth of such outcomes in cost or priority.
- 1.4.3 This CEO annual evaluation will be done formally in person with the CEO and full board. CEO evaluation criteria as per Appendix A1 (with CEO core competencies)
- 1.4.4 The Board will evaluate its own performance annually as per App A3.
- 1.4.5 Board members will respect their fiduciary responsibilities to protect and enhance the value of JEA as a citizen-owned enterprise with due diligence using sound business judgment consistent with JEA's legislative charter.

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POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.5

POLICY TITLE: *AGENDA PLANNING*

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

Accordingly,

- 1.5.1 The Board will establish its annual agenda during an annual retreat to be scheduled around March of each year.
 - a. The Board will review the MOEs as often as necessary, but minimally once a year.
 - b. Consultations with selected groups in the ownership, or other methods of gaining ownership input, will be scheduled as part of the annual agenda.
 - c. Governance education and education related to the MOEs (presentations by futurist, demographers, advocacy groups, staff, etc.) will be scheduled as part of the annual agenda.
- 1.5.2 The agenda for the Board's monthly meeting will be established through consultation with the Chair and the CEO.
 - a. The agenda along with supporting item documentation will be made available to Board members and the city auditor (as per Art 21.03(e) minimally seven days prior to monthly Board meetings and committee meetings.
 - b. A Board member may bring up new business at the appropriate time on the agenda during any meeting, however, if a formal response or presentation is necessary, a request should be made to the CEO no later than two weeks before the Board meeting to allow others on the Board to receive information 7 days in advance.

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POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.6

POLICY TITLE: BOARD OFFICERS

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

Accordingly,

- 1.6.1 The Chair, a specially empowered member of the Board, ensures the integrity of the Board's process and, secondarily, occasionally represents the Board to outside parties.
- a. The Chair's role is to see that the Board behaves consistently within its own rules and those rules and regulations imposed upon it from outside the organization.
 - (1) Meeting discussion content will consist of issues that clearly belong to the Board to decide or to monitor according to Board policy.
 - (2) Deliberation will be fair, open, and thorough but also timely, orderly, and kept to the point.
 - b. The authority of the Chair consists in making decisions that fall within topics covered by Board policies on Governance Process and Board-Management Delegation, with the exception of (a) employment or termination of the CEO and (b) areas where the Board specifically delegates portions of this authority to others. The Chairman is authorized to use any reasonable interpretation of provisions in these policies.
 - (1) The Chair is empowered to chair Board meetings with all the commonly accepted powers of that position, such as ruling and recognizing.
 - (2) The Chair may represent the Board to outside parties in announcing Board-stated positions and in stating the Chair's decisions and interpretations within the area delegated to that role.
 - (3) The Chair may delegate this authority but remains accountable for its use.
 - (4) The Chair may appoint members and a Chair for each Board Committee, unless otherwise stipulated by Board policies.
- 1.6.2 The Vice-Chair, or in the absence of the Vice-Chair, the immediate Past Chair will serve as Chair in the absence of the current Chair.
- 1.6.3 The Board Secretary is an officer of the Board whose purpose is to exercise oversight of the procedures used by the JEA Staff to accurately produce Minutes of all Board and Committee meetings and submission for public record within. Minutes from board and committee meetings will be posted on the JEA website within a reasonable period of times after the meeting concludes (which entails board/committee actioning approval of the minutes before posting). The Secretary shall perform such other duties as from time to time may be assigned by the Chair Note, refer to other reporting requirements contained in Article 21.04 section.
- 1.6.4 All Board officers are accountable to the Chair unless otherwise determined by Board policy.

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POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.7

POLICY TITLE: *RULES OF ORDER*

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

Accordingly,

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

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may be made by voice vote or by roll call. All members of the Board are required to vote unless a conflict of interest is declared.

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.7

POLICY TITLE: *RULES OF ORDER*

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

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POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.8

POLICY TITLE: BOARD MEMBER'S CODE OF CONDUCT

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

Accordingly,

- 1.8.1 Members are expected to represent the interests of the ownership. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. It also supersedes the personal interest of any Board member acting as a consumer of the organization's services.
- 1.8.2 Members must avoid conflict of interest with respect to their fiduciary responsibility. Such conflicts of interest include but are not limited to the following:
 - a. There will be no self-dealing or business by a board member with any entity that might be reasonably seen as representing a conflict of interest.
 - b. When the Board is to decide upon an issue about which a member has an unavoidable conflict of interest, that member shall announce and declare publicly any conflict of interest and withdraw without comment not only from the vote but also from the deliberation.
 - c. No board member will have an individual contractual relationship with JEA (directly or indirectly) during their board tenure and for 2 years following member's date of termination from board membership.
- 1.8.3 Members may not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.
 - a. Members' interaction with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly authorized by the Board.
 - b. Members' interaction with the public, the press, or other entities must recognize the same limitation and the inability of any Board member to speak for the Board except to repeat explicitly stated Board decisions.
 - c. Except for participation in Board deliberation about whether the CEO has achieved any reasonable interpretation of Board policy, members will not express individual judgments of negative performance of employees or the CEO.
- 1.8.4 Members are expected to support the legitimacy and authority of the final determination of the Board on any matter, without regard to the member's personal position on the issue.
- 1.8.5 Members who have any question about the appropriateness of their conduct should consult with the Office of General counsel or appropriate Ethics offices for information.

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POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.9

POLICY TITLE: *DIRECTORS' INDIVIDUAL RESPONSIBILITY*

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

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

- 1.9.1 Time Investment to Accomplish Board Responsibilities - As Board contemplation, deliberation and decision-making are processes which require wholeness, collaboration and participation, attendance at Board meetings is expected of Board members.
- a. Expected Commitments:
 - (1) Monthly Board Meetings
 - (2) Annual Team Building (to include professional education)
 - (3) Annual CEO evaluation and Board Self-Assessment (4) Bond Rating Agency Trip, 3 days (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
- 1.9.2 Preparation and Participation - Board members will prepare for Board and committee meetings and will participate productively in discussions, always within the boundaries of discipline established by the Board. Each member will contribute his or her own knowledge, skills and expertise to the Board's efforts to fulfill its responsibilities.
- 1.9.3 Members as Individuals - The CEO is accountable only to the Board as an organization, and not to individual Board members. Accordingly, the relationship between the CEO and individual members of the Board, including the Chair, is collegial, not hierarchical.

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POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.10

POLICY TITLE: *BOARD COMMITTEE PRINCIPLES*

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

Accordingly,

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

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JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.11

POLICY TITLE: BOARD COMMITTEE STRUCTURE

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

Accordingly,

- 1.11.1 Nominating Committee: The purpose of the Nominating committee is to recommend Board officers for election by the Board as a whole.
- a. The Nominating Committee will be comprised of three members. The current Chair (who shall serve as Chair of the committee) and the two most immediate past Chairs still remaining on the Board will constitute the Committee. If one or more past Chairs is no longer serving on the Board, the Chair shall select Board members to fill out a committee of three.
 - b. The Nominating Committee shall be formed no later than January of each year and will make its recommendation to the Board for action at its March meeting.
- 1.11.2 Finance and Audit Committee: The purpose of the Finance and Audit Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing financial information, systems of internal controls, and audit process, including a high level review of the operating and capital budgets. The committee will provide an open avenue of communication between the Board, Management, Audit Services, and external auditors.
- a. The Finance and Audit Committee will be comprised of three members appointed annually by the Chair and confirmed by the Board. Two members will constitute a quorum.
 - b. The Committee will meet at least four times per year. A schedule of regular meetings will be established by the committee annually. Special meetings may be called by any Committee member. Meeting dates, times and location will be announced to the entire Board.
 - c. The Committee shall oversee:
 - (1) Internal controls and risk assessment
 - (2) Audit Services
 - (3) Compliance with laws, regulations and code of conduct
 - (4) Financial reporting
 - d. The Committee will oversee the External Auditor.

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JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.11

POLICY TITLE: *BOARD COMMITTEE STRUCTURE*

- 1.11.3 Governance Committee: The purpose of Governance Committee is to assist the Board in updating the JEA Board documents, primarily the Board Policy Manual (which includes the JEA By-Laws).
- a. The Governance Committee will be comprised of at least three members appointed annually by the Chair. The Board Chair shall appoint one of the Committee members as Chairperson.
 - 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.
 - c. The Committee will work with JEA Staff Compliance Officer to oversee compliance of all applicable provisions in City Council Article 21.
- 1.11.4 Other Committees may be established as designated by the Chair.

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JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.12

POLICY TITLE: COST OF GOVERNANCE

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

Accordingly,

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

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JEA Board Policy Manual

POLICY TYPE: BOARD MANAGEMENT DELEGATION

POLICY 2.0

POLICY TITLE: GLOBAL BOARD-MANAGEMENT DELEGATION

The Board's sole official connection to the operational organization, its achievements, and conduct will be through a chief executive officer titled Managing Director / CEO, referred to within this document simply as CEO.

Accordingly,

- 2.0.1 **Unity of Control:** Only officially passed motions of the Board are binding on the CEO.
- 2.0.2 **Accountability of the CEO:** The CEO is the Board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the CEO.
- 2.0.3 **Delegation to the CEO:** The Board will instruct the CEO through written policies that prescribe the organizational MOEs (measures of effectiveness) to be achieved and describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.
- 2.0.4 **CEO Remuneration:** Salary and benefits and other terms of employment for the CEO will be determined by contract.
- 2.0.5 **Core Competencies:** Executive Core Competencies are included in the Appendix.

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JEA Board Policy Manual

TYPE: BOARD MANAGEMENT DELEGATION

POLICY 2.1

POLICY TITLE: *UNITY OF CONTROL*

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

Accordingly,

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

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JEA Board Policy Manual

POLICY TYPE: BOARD MANAGEMENT DELEGATION

POLICY 2.2

POLICY TITLE: ACCOUNTABILITY OF CEO

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

Accordingly,

- 2.2.1 The Board as a body and individual board members will never give instructions to persons who report directly or indirectly to the CEO.
- 2.2.2 The Board will not evaluate, either formally or informally, any staff other than the CEO. However, the CEO will discuss his evaluation with the Board of the executives identified as potential interim CEO successors (refer to Policy 3.5.1).

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JEA Board Policy Manual

POLICY TYPE: BOARD MANAGEMENT DELEGATION

POLICY 2.3

POLICY TITLE: *DELEGATION TO THE CEO*

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

Accordingly,

- 2.3.1 The Board will develop policies instructing the CEO to achieve specified results, for specified recipients, at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels and will be captured in the MOEs.
- 2.3.2 *Should the CEO violate a Board policy, he or she shall promptly inform the Board. Informing is simply to guarantee no violation may be intentionally kept from the Board, not to request approval. Board response, either approving or disapproving, does not exempt the CEO from subsequent Board judgment of the action nor does it curtail any executive decision.*

JEA Board Policy Manual

POLICY TYPE: BOARD MANAGEMENT DELEGATION

POLICY 2.4

POLICY TITLE: *MONITORING CEO PERFORMANCE*

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

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POLICY TYPE: BOARD MANAGEMENT DELEGATION

POLICY 2.5

POLICY TITLE: CEO REMUNERATION

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

- 2.5.1 The governing body of JEA shall employ and fix the compensation of the CEO, who shall serve at the pleasure of JEA.
- 2.5.2 The entire working time of the CEO shall be devoted to the performance of the duties and office and the CEO shall have no outside employment or business.
- 2.5.3 The CEO shall be a graduate of an accredited college or university, and have at least 5 years of executive experience within the utilities industry.
- 2.5.4 The CEO shall have a fiduciary duty of loyalty, fidelity, and allegiance to act at all times in the best interest of JEA and will act in a manner consistent with the responsibilities of City Council's Article 21 and other policies, rules, and regulations established by JEA regarding the conduct of JEA employees.
- 2.5.5 The CEO's contract term, including any renewal term, shall not exceed five (5) years.
- 2.5.6 The amount of severance pay, if any, shall not exceed the amounts allowed under Florida law and shall not be permitted if the CEO is terminated for cause.
- 2.5.7 The contract shall not contain a mandatory consulting, separation and transition, or similar agreement that is triggered due to the CEO's termination under the contract.
- 2.5.8 JEA shall not be required to release, indemnify or hold harmless the CEO against any claims except as otherwise required by law.
- 2.5.9 JEA shall not be required to pay for or provide legal counsel to the CEO beyond the legal counsel required of the Office of General Counsel pursuant to the City Charter of Florida law.
- 2.5.10 The contract shall contain a provision that the CEO serves at the pleasure of the JEA members and may be terminated with or without cause.
- 2.5.11 All compensation terms shall be reasonable and customary and similar to other public utilities comparable to JEA when taking into account the size of JEA's territory area, employee size, and utility systems.
- 2.5.12 The contract must be reviewed and approved as to form and substance by the Office of General Counsel.

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JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.0

POLICY TITLE: GENERAL EXECUTIVE OVERSIGHT AND ASSURANCES

The CEO shall oversee and ensure that organizational practices, activities, decisions, and circumstances are lawful, prudent, and not in violation of commonly accepted business and professional ethics and practices.

- 3.0.1 **Treatment of Consumers:** With respect to interactions with consumers or those applying to be consumers, the CEO shall oversee and ensure conditions, procedures, and decisions that are safe, timely, dignified, and not unnecessarily intrusive.
- 3.0.2 **Treatment of Staff:** With respect to the treatment of staff, the CEO shall oversee and ensure conditions that are fair, safe, dignified, organized, and clear.
- 3.0.3 **Financial Planning/Budgeting:** The CEO shall oversee and ensure financial planning for any fiscal year or the remaining part of any fiscal year will not deviate materially from the Board's MOEs priorities, risk financial jeopardy, and will be derived from a multiyear plan.
- 3.0.4 **Financial Condition and Activities:** With respect to the actual, ongoing financial conditions and activities, the CEO shall oversee and ensure actual expenditures that will not result in financial jeopardy or materially deviate from Board priorities established in MOEs policies.
- 3.0.5 **Workforce Readiness and Succession Planning:** The CEO shall oversee and ensure a workforce that is prepared to meet current or future business demands.
- 3.0.6 **Asset Protection:** The CEO shall oversee and ensure corporate assets are protected, adequately maintained and not unnecessarily risked.
- 3.0.7 **Compensation and Benefits:** With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the CEO shall oversee and ensure no impairments to financial integrity or to public image.
- 3.0.8 **Communication and Support to Board:** The CEO shall oversee and ensure that the Board is informed and supported in its work.
- 3.0.9 **Regulatory/Legislative Requirements:** The CEO shall oversee and ensure regulatory and legislative actions that are favorable to the organization.
- 3.0.10 **Enterprise Risk Management:** The CEO shall oversee and ensure conditions, procedures and decisions that will identify, measure, monitor and manage, within established risk tolerances, potential events that may affect achievement of the MOEs.
- 3.0.11 **Procurement Activities:** The CEO shall oversee and ensure the development of procurement policies and procedures that adhere to all applicable federal, state and local laws and ordinances and provide for increased public confidence in the procurement activities of JEA.

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JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.1

POLICY TITLE: *TREATMENT OF CONSUMERS*

With respect to interactions with consumers or those applying to be consumers, the CEO shall oversee and ensure conditions, procedures, or decisions that are safe, timely, dignified, and not unnecessarily intrusive.

Accordingly, the CEO will:

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

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JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.2

POLICY TITLE: *TREATMENT OF STAFF*

With respect to the treatment of paid and volunteer staff, the CEO shall oversee and ensure conditions that are fair, safe, dignified, organized, and clear.

Accordingly, the CEO will:

- 3.2.1 Operate with written personnel rules and regulations that:
 - a. clarify rules for staff
 - b. provide for effective handling of grievances
 - c. protect against wrongful conditions such as nepotism and grossly preferential treatment for personal reasons.
 - d. allow for volunteerism in the community
 - e. require high ethical standards
 - f. recognize the need for work/life balance
- 3.2.2 Operate with written job descriptions and performance requirements and reviews that
 - a. characterize the nature of work to be performed
 - b. identify technical, behavioral and physical skills required
 - c. identify clear standards of responsibilities, accountability and associated authorities.
- 3.2.3 Provide a safe work environment.
- 3.2.4 Identify and provide training necessary to accomplish the quality of work expected.
- 3.2.5 Not allow discrimination or retaliation against any staff member for non-disruptive expression of dissent.
- 3.2.6 Acquaint staff with the CEO's interpretation of their protections under this policy.
- 3.2.7 Allow staff to be prepared to deal with emergency situations.
- 3.2.8 Insure that the company's Core Values are routinely communicated and reinforced to all employees.

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JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.3

POLICY TITLE: *FINANCIAL PLANNING/BUDGETING*

The CEO shall oversee and ensure financial planning for any fiscal year or the remaining part of any fiscal year will not deviate materially from the Board's MOEs priorities, risk financial jeopardy, and will be derived from a multiyear plan.

Accordingly, the CEO will:

- 3.3.1 Prevent the risk of incurring those situations or conditions described as unacceptable in the Board policy "Financial Condition and Activities (refer to Policy 3.4)."
- 3.3.2 Include credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning and budgeting assumptions.
- 3.3.3 Identify the source for capital expenditures (e.g. internally generated cash, new debt, carry over funds from previous fiscal year).
- 3.3.4 Adhere to approved tariff rates and fees.
- 3.3.5 Set and follow an annual budgeting process that results in a final budget submittal to City Council by July 1 proceeding the budgeted fiscal year.
- 3.3.6 Not provide less for Board prerogatives during the year than is set forth in the "Cost of Governance" policy (refer to Policy 1.12).

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JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.4

POLICY TITLE: *FINANCIAL CONDITION AND ACTIVITIES*

With respect to the actual, ongoing financial conditions and activities, the CEO shall oversee and ensure actual expenditures that will not result in financial jeopardy or materially deviate from Board priorities established in MOEs policies.

Accordingly, the CEO will:

- 3.4.1 Operate within the budget established for the fiscal year.
- 3.4.2 Not make budget transfers in excess of \$5,000,000 without Board approval.
- 3.4.3 Inform the Board in monitoring reports when reserves are required to meet current expenditures.
- 3.4.4 Maintain financial and accounting separation between electric, water and wastewater, and District Energy funds as required by regulatory agencies and bond covenants.
- 3.4.5 Operate within established financial parameters and will engage the Board when established parameters are considered inadequate to affect a desired bond rating.

Current financial parameters:

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

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POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.5 POLICY TITLE: *WORKFORCE READINESS AND SUCCESSION PLANNING*

The CEO shall oversee and ensure a workforce that is prepared to meet current or future business demands.

Accordingly, the CEO will:

- 3.5.1 Ensure that no fewer than two other executives are sufficiently familiar with Board and CEO issues and processes, which will enable either to take over with reasonable proficiency as an interim successor to protect the Board from sudden loss of CEO services.
- 3.5.2 Prepare for long-term CEO succession.
- 3.5.3 Prepare for Executive Team succession.
- 3.5.4 Operate with strategic and tactical plans to have and maintain the right people, in the right place, with the right talent, skills and knowledge.
- 3.5.5 Develop a workforce that recognizes the value of cultural diversity in internal operations and in serving customers.

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POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.6

POLICY TITLE: ASSET PROTECTION

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

Accordingly, the CEO will:

- 3.6.1 Insure adequately against theft and casualty and against liability and losses to Board members, staff, and the organization itself.
- 3.6.2 Not allow personnel who are not bonded to have access to material amounts of funds.
- 3.6.3 Not subject facilities and equipment to improper wear and tear or insufficient maintenance.
- 3.6.4 Not unnecessarily expose the organization, the Board, or its staff to claims of liability.
- 3.6.5 Operate with written claims policies that address fair treatment of claimants, legal liability, ratepayer costs and sound business practices.
- 3.6.6 Protect corporate assets including, but not limited to, property rights, corporate image, physical assets, intangible assets, intellectual property, information, and files from loss or significant damage.
- 3.6.7 Receive, process, or disburse funds with sufficient controls.
- 3.6.8 Invest funds that are not in violation of JEA's Investment Policies.
- 3.6.9 Ensure that all employees and outsourced contract service providers understand their responsibility to comply with all applicable laws and regulations and JEA's Code of Ethics.

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JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.7

POLICY TITLE: *COMPENSATION AND BENEFITS*

With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the CEO shall oversee and ensure no impairments to financial integrity or to public image.

Accordingly, the CEO will:

- 3.7.1 Not change the CEO's own compensation and benefits, except as those benefits are consistent with a package for other appointed employees.
- 3.7.2 Not promise or imply unconditional permanent or guaranteed employment.
- 3.7.3 Promote a compensation philosophy that is complementary to JEA's compensation philosophy of providing a total rewards package that encompasses salary/wages, retirement benefits, incentives, and health and welfare benefits. Salary/wages will meet the market (50th percentile), which is where the majority of companies in the geographic area reside. The 50th percentile pays competitively for behavior that meets expectations. Additional consideration will be given to behaviors that exceed expectations which are typically rewarded at the 75th percentile. Internal equity will be achieved by evaluating differences in skill, effort, responsibility, and working conditions among jobs.

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POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.8

POLICY TITLE: *COMMUNICATION AND SUPPORT TO BOARD*

The CEO shall oversee and ensure that the Board is informed and supported in its work.

Accordingly, the CEO will ensure:

- 3.8.1 Submission of monitoring data required by the Board in Board-Management Delegation policy "Monitoring CEO Performance" in a timely, accurate, and understandable fashion, directly addressing provisions of Board policies being monitored, and including CEO interpretations consistent with Board-Management Delegation policy "Delegation to the CEO," as well as relevant data (refer to Policy 2.4).
- 3.8.2 The Board is aware of any actual or anticipated noncompliance with any MOEs or Executive Mandates policy of the Board regardless of the Board's monitoring schedule.
- 3.8.3 The Board receives decision information required periodically by the Board and keeps the Board aware of relevant trends.
- 3.8.4 The Board is aware of any significant incidental information it requires, including anticipated media coverage, threatened or pending lawsuits, and material internal and external changes.
- 3.8.5 The Board is aware that, in the CEO's opinion, the Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the CEO (refer to Policy 2.0).
- 3.8.6 Information is not in an unnecessarily complex or lengthy form, or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.
- 3.8.7 The Board is provided a workable mechanism for official Board, officer, or committee communications.
- 3.8.8 Dealings with the Board do not favor or privilege certain Board members over others, except when (a) fulfilling individual requests for information; or (b) responding to officers or committees duly charged by the Board.
- 3.8.9 Submission to the Board of a consent agenda containing items delegated to the CEO yet required by law, regulation, or contract to be Board-approved, along with applicable monitoring information.
- 3.8.10 Providing a process to retain relevant background information on previous Board policy decisions.

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JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.9

POLICY TITLE: *REGULATORY/LEGISLATIVE REQUIREMENTS*

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

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JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.10

POLICY TITLE: *ENTERPRISE RISK MANAGEMENT*

The CEO shall oversee and ensure conditions, procedures and decisions that will identify, measure, monitor and manage within established risk tolerances, potential events that may affect achievement of the MOEs.

Accordingly, the CEO will:

- 3.10.1 Establish and maintain a written Enterprise Risk Management (ERM) Plan and an ERM program that includes management-level policies, procedures and process controls to help ensure that the enterprise-wide business risk exposures are properly identified, managed and, when appropriate, reported to the Board.

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.11

POLICY TITLE: *PROCUREMENT ACTIVITIES*

The CEO shall oversee and ensure the development of procurement policies and procedures in accordance with applicable federal, state and local laws and ordinances, and that provide for increased public confidence in the procurement activities of JEA.

Accordingly, the CEO will:

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

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POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.12

POLICY TITLE: ECONOMIC DEVELOPMENT

The CEO will develop and implement an Economic Development Policy intended to promote, encourage and facilitate the development of responsible and properly planned initiatives within our service area in order to help expand and strengthen the local economy.

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JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 4.0

POLICY TITLE: *MOEs*

JEA exists to provide clean, safe, reliable, and reasonably priced electric, water and sewer services to the citizens of Jacksonville and portions of surrounding counties while remaining environmentally sound and financially strong while providing revenue for the City of Jacksonville.

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

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POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 4.1

POLICY TITLE: *QUALITY OF ELECTRIC SERVICE*

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

Accordingly,

- 4.1.1 Annually update an Electric Integrated Resource Supply Plan (IRP) to ensure consumers' future electricity supply needs are met at the lowest evaluated total lifecycle cost while maintaining fuel diversity.
- 4.1.2 Minimize the frequency of electric distribution system outages and report status through the System Average Interruption Frequency Index (SAIFI).
- 4.1.3 Minimize the frequency of electric distribution system voltage sags and report status through the System Average Root Mean Square Frequency Index (SARFI-80).
- 4.1.4 Minimize the duration of electric distribution system outages and report status through the System Average Interruption Duration Index (SAIDI).
- 4.1.5 Focus on reducing individual customer outages and report status through the customers experiencing more than five interruptions (CEMi-5).

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JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 4.2

POLICY TITLE: *QUALITY OF WATER SERVICE*

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

Accordingly,

- 4.2.1 Annually update an Integrated Water Resource Plan (IWRP) to ensure consumers' future water supply needs are met at the lowest evaluated cost while also ensuring water resources are available for future generations. This includes a thorough evaluation of water supply alternatives.
- 4.2.2 Minimize the duration of water distribution system low pressure events and report status of the number of cumulative minutes water pressure drops below 30 pounds per square inch (psi) for all existing water distribution system pressure monitoring points.
- 4.2.3 Conduct water testing in accordance with the standards of the Florida Department of Environmental Protection (FDEP) and the Environmental Protection Agency (EPA) and report testing results to all water consumers and stakeholders.
- 4.2.4 Ensure compliance with JEA's Consumption Use Permit (CUP).

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POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 4.3

POLICY TITLE: *QUALITY OF SEWER SERVICE*

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

Accordingly,

- 4.3.1 Minimize the frequency of sewer back-ups and overflows and report status by:
 - a. the number of Sanitary Sewer Overflows (SSO's) per 100 miles of existing sewer pipe.
 - b. the total number of sewer system cave-ins.
- 4.3.2 Limit the total amount of nutrients discharged into the St. John's River from all wastewater treatment facilities.
 - a. Reduce the total nutrient discharge into the St. John's River to meet JEA's Florida Department of Environmental Protection (FDEP) Total Maximum Daily Load (TMDL) allocation.
 - b. Increase the production and distribution of reclaimed water.

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POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 4.4

POLICY TITLE: *COST OF SERVICE*

Provide all utility services at a reasonable and accurate cost.

Accordingly,

- 4.4.1 All utility services are to be reasonably priced.
 - a. Pricing for all utility services is to be frequently benchmarked against other state and regional utilities to demonstrate competitiveness.
 - b. Pricing for each utility service for all classes of consumers is to be based on the cost to serve each consumer class. Cost of service studies are to be conducted in no more than five year intervals.
- 4.4.2 Minimize the number of consumer bills that are inaccurate, are estimated due to the lack of a current meter reading, or are untimely. The expectation is 99.9% accurate and timely.

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POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 4.5

POLICY TITLE: ENVIRONMENTALLY SOUND

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

Accordingly,

- 4.5.1 The CEO is expected to comply with all existing environmental regulations that apply.
- 4.5.2 Conservation: Pursue all options to communicate and incentivize customer conservation and efficiency while avoiding excessive customer cost.
 - a. Electric System: 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.
- 4.5.3 Renewable Energy Supply: Explore all options for renewable electric energy supply while avoiding excessive customer cost since a state or federal Renewable Electricity Standard (RES) is yet to be established and the timing for setting a standard remains uncertain.
- 4.5.4 Incorporate in generation planning and other utility operations strategies and actions to reduce greenhouse gases.

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POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 4.6

POLICY TITLE: INFORMATIVE COMMUNICATION

Effectively communicate with consumers and other stakeholders.

Accordingly,

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

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APPENDIX

- A1 Executive Core Competencies
- A2 JEA Board Evaluation Criteria

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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 the best in class for public utilities in the U.S.
- Communicates the organization's vision in a way that is meaningful and actionable for employees
- Collaborates with Executive Team and Board of Directors to determine vision and strategy, and ensures support throughout the organization
- Reviews the planning, organization, and direction of initiatives to ensure support of the mission statement and values
- Accurately anticipates the implications of events or decisions for various stakeholders in the organization and plans strategy accordingly

Manages Performance

- Motivates others to achieve results by getting buy in on JEA's mission and establishing an environment where everyone can make a positive impact.
- Provides the team with constructive feedback, guidance, and coaching for improving performance

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A1- EXECUTIVE CORE COMPETENCIES

- Sets clear performance expectations and standards, regularly monitors performance, and provides accurate and timely feedback

Delegates to Others

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

Maintains Positive Public Relations

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

Actively Supports Board of Directors

- Keeps Board of Directors informed on progress towards implementing strategic initiatives and other important information
- Updates the Board on large-scale progress of the organization towards its objectives
- Shows an appreciation for the unique role of a Board member and treats all Board members equally.
- Educates the Board on the strategies and priorities that balance the needs of customers with operational needs
- Keeps Board members informed on important issues – “no surprises”
- Provide Board members preparatory materials at least seven (7) days prior to meetings so members can properly digest.

Leads Others Effectively

- Is a servant-leader who puts the team's welfare above their own?
- Builds trusting, collaborative relationships across organizational boundaries to achieve goals
- Leads with integrity and values, and a focus at all times on the mission of the organization
- Challenges and motivates others in a way that is inclusive, tactful, empowering, and inspires superior performance
- Assumes full ownership and accountability for own performance
- Not afraid to make the tough calls.

Leverages Industry Acumen

- Monitors and analyzes financial data and key cost drivers) to evaluate options and make decisions
- Understands overall financial and operational performance of JEA in order to effectively position it in the marketplace

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A1- EXECUTIVE CORE COMPETENCIES

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

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 read-ahead materials are distributed to board members in a timely manner before all meetings to facilitate board meeting preparedness (7 days).
4. CEO complies with all applicable legal & fiduciary responsibilities.
5. CEO establishes a positive environment where diversity is embraced, and the workforce is proud to be a member of JEA, knows their mission, and trusts the CEO and his senior leadership team.
6. CEO maintains a candid dialogue with the board and is completely transparent on all issues associated with JEA.
7. CEO has a viable succession plan.
8. CEO keeps JEA on the right strategic path based on the most current strategic plan.
9. CEO maintains 100% compliance with respect to Article 21 applicable provisions.
10. Complies with executive core competencies (as per app 1).

JEA Board Policy Manual

A2 - JEA BOARD EVALUATION CRITERIA

The JEA Board self- assess annually as per the Self-Assessment Form below. JEA’s Compliance Office will be the third party facilitator to assist board members in discussing survey results 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.		

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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):