



IMPROVING LIVES.BUILDING COMMUNITY. to be the best utility in the nation

## FINANCE, GOVERNANCE, & AUDIT COMMITTEE

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

August 19, 2025 | 1:00 pm – 3:00 pm

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

### WELCOME

Meeting Called to Order

Adoption of Agenda (Action)

MG Orender, Chair

[Approval of Minutes – February 18, 2025 \(Action\)](#)

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Safety Briefing

Ted Phillips, Chief Financial Officer

### COMMENTS / PRESENTATIONS

Comments from the Public

Public

### FOR COMMITTEE CONSIDERATION

[Quarterly Financial Review](#)

Ted Phillips, Chief Financial Officer

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[Amended and Restated Note Resolution and  
New Revolving Credit Facilities \(Action\)](#)

Joe Orfano, Deputy Chief Financial Officer

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[St. Johns River Power Park System Employees' Retirement  
Plan – SECURE 2.0 Act \(Action\)](#)

A.J. Souto, Treasurer

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[Committee Charter for the 401\(a\) Defined Contribution  
Retirement Plan and the 457 Deferred Compensation  
Plan \(Action\)](#)

Diane Moser, Chief Human Resources Officer

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[FY2025 External Audit Plan](#)

John DiSanto, Managing Director, EY  
Jessica Muirhead, Assurance Managing Director, EY

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[Internal Audit Update](#)

Lee Montanez, Director, Internal Audit and Enterprise Risk

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[Ethics Update](#)

Walette Stanford, Ethics Officer

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[Board Governing Documents](#)

- Board By-Laws
- Board Policy Manual

Jody Brooks, Chief Administrative Officer

### OTHER BUSINESS & CLOSING CONSIDERATIONS

Old & Other New Business / Open Discussion

[Announcements – Next Meeting November 12, 2025](#)

MG Orender, Chair

Adjournment

## INFORMATIONAL MATERIAL

Appendix A: [Finance, Governance and Audit Committee Meeting Minutes – February 18, 2025](#)

Appendix B: [Amended and Restated Note Resolution and New Revolving Credit Facilities](#)

Appendix C: [St. Johns River Power Park System Employees' Retirement Plan – SECURE 2.0 Act](#)

Appendix D: [Committee Charter for the 401\(a\) Defined Contribution Retirement Plan and the 457 Deferred Compensation Plan](#)

Appendix E: [FY2025 External Audit Plan](#)

Appendix F: [Internal Audit Update](#)

Appendix G: [Ethics Update](#)

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

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

Appendix J: [Jacksonville Small and Emerging Business Quarterly Report](#)

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



**Building Community**

# **FINANCE, GOVERNANCE, & AUDIT COMMITTEE**

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AUGUST 19, 2025

**IMPROVING LIVES...BUILDING COMMUNITY**

# Safety Briefing

Ted Phillips, Chief Financial Officer

*Davron Sibley, Contractor*  
*Tommy Johnson, EA Material Handling Working Lead*  
*Benjamin Lugo, Operations Manager, NGS*





# Safety Briefing Headquarters

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

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

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

Evacuation or Medical Assist: Notify JEA Security Officer

Hazard & Situational Awareness

Cell Phone & Computer Etiquette



**Pearl Street Exit**



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



**County Courthouse Lawn**

# Comments from the Public

MG Orender, Chair



# Quarterly Financial Review

Ted Phillips, Chief Financial Officer

*Storm Preparedness Kits; Community Outreach Team*



# Electric System Revenue & Expenditures



	Budget	Actual	Delta	%	
<b>Base Revenue</b>	\$ 620,106,173	\$ 661,065,015	\$ 40,958,842	6.6%	↑
<b>Fuel Rate Revenue</b>	299,992,583	373,725,644	73,733,061	24.6%	↑
<b>Other Revenue</b>	94,726,199	97,789,600	3,063,401	3.2%	↑
<b>Total Revenue</b>	\$ 1,014,824,955	\$ 1,132,580,259	\$ 117,755,304	11.6%	↑
<b>O&amp;M</b>	\$ 228,940,781	\$ 220,730,051	\$ (8,210,730)	-3.6%	↓
<b>Fuel &amp; Purchased Power</b>	299,992,583	373,725,644	73,733,061	24.6%	↑
<b>Debt</b>	93,761,562	87,896,393	(5,865,169)	-6.3%	↓
<b>Capital Contribution</b>	151,106,346	151,106,346	-	0.0%	→
<b>City Contribution</b>	73,281,613	66,595,048	(6,686,565)	-9.1%	↓
<b>Non Fuel Purchase Power</b>	185,537,548	189,382,196	3,844,648	2.1%	↑
<b>Other Expenditures</b>	(9,388,182)	(6,066,006)	3,322,176	-35.4%	↑
<b>Total Expenditures</b>	\$ 1,023,232,251	\$ 1,083,369,672	\$ 60,137,421	5.9%	↑
<b>Surplus / (Deficit)</b>	\$ (8,407,296)	\$ 49,210,587	\$ 57,617,883		↑

## Cost Per MWh



	YTD 2024	YTD 2025
<b>Generated Power per MWh</b>	\$ 33.70	\$ 40.41
<b>Purchased Power per MWh</b>	\$ 83.50	\$ 89.68
<b>Total Energy Cost per MWh</b>	\$ 53.69	\$ 60.08



## Base Revenues



FOR THE 9 MONTHS ENDING June 30, 2025  
TERRITORIAL KWH SALES INCREASED

# 4.3%

WHEN COMPARED TO FY2024 June YTD  
*(as displayed on page 26 of the monthly financial statements)*

Generally, for the Electric System, the prominent driver of sales is degree days. Usually, a higher number of degree days results in increased energy usage. Overall, FY25 has been warmer than FY24 resulting in increased sales. Additionally, base rates and fuel rates increased in April.

### DEGREE DAYS COMPARISON

	FY2025 June YTD	FY2024 June YTD	Variance
Heating Degree Days	1,128	1,050	▲ 78
Cooling Degree Days	1,715	1,483	▲ 232
Total Degree Days	2,843	2,533	▲ 310

*As displayed on page 17 of the monthly financial statements*



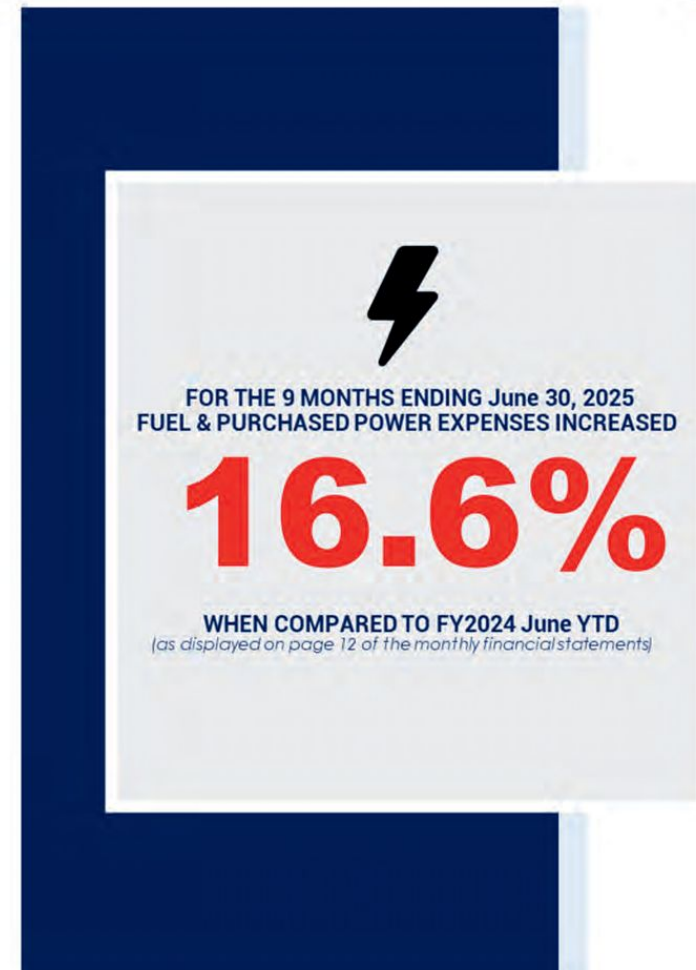
## Operating Expenses

Operating Expenses refer to the ongoing costs necessary to run a business. O&M Expenses are the Operating Expenses within our control. Across both systems, all other operating expenses are sales dependent. For example, a decrease in sales results in a decrease in tax expenses. Our O&M expenditures are within our control, and we can adjust our spend rate to align with our operating revenue trends.

Fuel and purchased power expenses increased 16.6% when compared to FY2024 June YTD. This increase is primarily due to the increase in natural gas prices and increases in purchased power payments with FPL<sup>1</sup> and TEA<sup>2</sup> due to an extended unplanned outage at NGS Unit 3, requiring usage of the more expensive purchased power and Northside solid fuel units to make up the shortfall in generation.

<sup>1</sup> Florida Power and Light

<sup>2</sup> The Energy Authority



## Electric System O&M Budget



In June, O&M spend was .5% over FY24 actuals of the same timeframe. Actual spend was 6% under the FY25 budget, or \$1.6M.

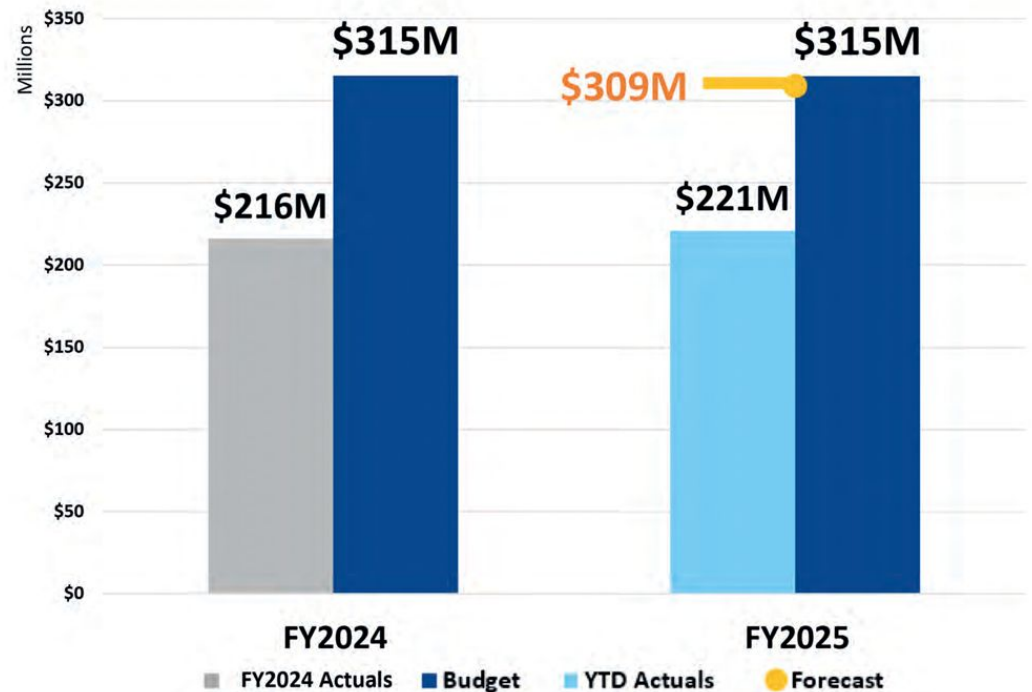
Forecasting FY25 O&M spend to be \$309.1M, which is \$5.9M lower than the annual budget of \$315.0M. Projected spend is 98.1% of the annual budget.

Looking at various forecast methodologies, FY25 O&M spend could range from \$305M to \$315M.

### Key \$9.2M YTD Budget Variance Drivers:

FY25 O&M Spend	Variance	%
Salaries, OT, Benefits	6,324,027	103%
Supplies & Materials	1,838,184	111%
Other Services & Charges	(14,640,655)	88%
Insurance	(436,369)	92%
Other Expenses	2,728,583	139%
Net Credits	(4,965,815)	104%
<b>Total Electric System</b>	<b>(\$9.2M)</b>	<b>96.0%</b>

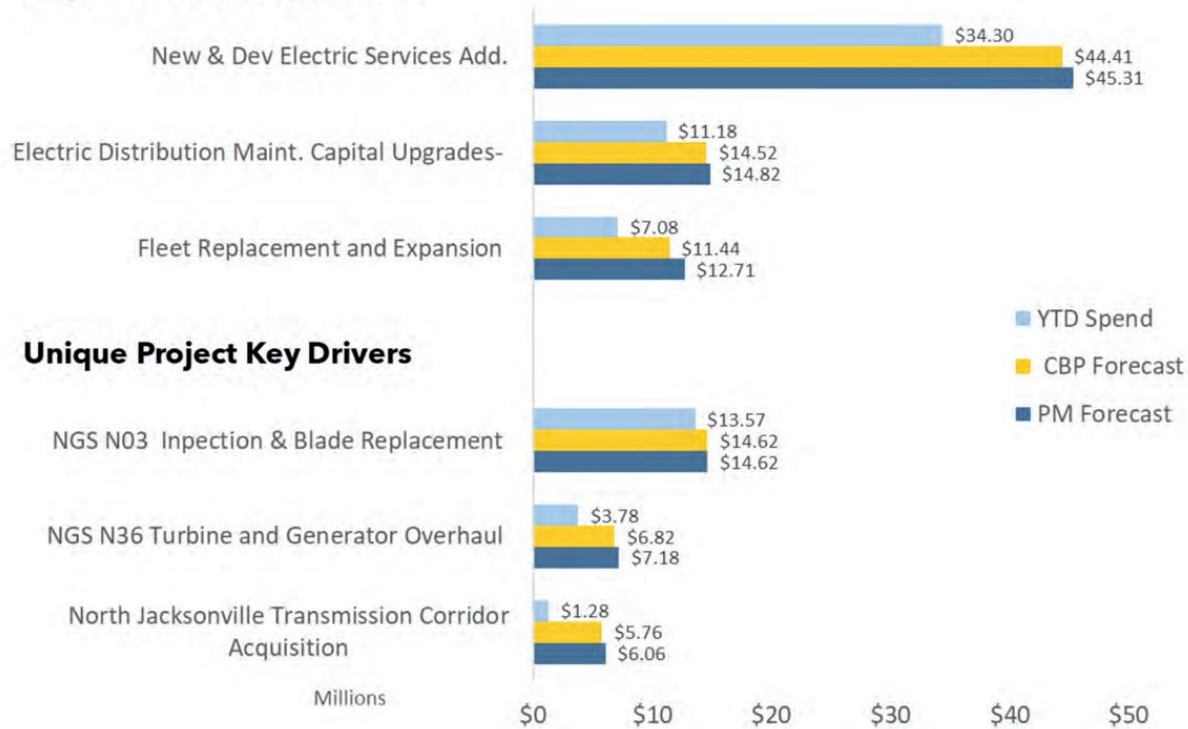
### O&M Actuals and Budget



# Electric System Capital Budget



## Program Project Key Drivers



## Total Electric System Spend



<sup>1</sup> Project Manager Forecasted Spend

<sup>2</sup> Capital Budget Planning Total

# Water System Revenue & Expenditures



	Budget	Actual	Delta	%	
<b>Water &amp; Sewer</b>	\$ 385,232,413	\$ 383,930,380	\$ (1,302,033)	-0.3%	↓
<b>Capacity &amp; Extension</b>	59,640,788	49,916,295	(9,724,493)	-16.3%	↓
<b>Investment Income</b>	3,924,573	4,179,293	254,720	6.5%	↑
<b>Other Income</b>	49,469,778	47,229,974	(2,239,804)	-4.5%	↓
<b>Total Revenue</b>	<u>\$ 498,267,552</u>	<u>\$ 485,255,942</u>	<u>\$ (13,011,610)</u>	<u>-2.6%</u>	<u>↓</u>
<b>O&amp;M</b>	\$ 189,656,007	\$ 194,646,764	\$ 4,990,757	2.6%	↑
<b>Capital</b>	113,058,587	103,300,571	(9,758,016)	-8.6%	↓
<b>Debt</b>	102,168,953	100,030,633	(2,138,320)	-2.1%	↓
<b>City Contribution</b>	29,786,760	27,068,873	(2,717,887)	-9.1%	↓
<b>Other Expenditures</b>	4,484,509	4,257,742	(226,767)	-5.1%	↓
<b>Total Expenditures</b>	<u>\$ 439,154,816</u>	<u>\$ 429,304,583</u>	<u>\$ (9,850,233)</u>	<u>-2.2%</u>	<u>↓</u>
<b>Surplus / (Deficit)</b>	<u>\$ 59,112,736</u>	<u>\$ 55,951,359</u>	<u>\$ (3,161,377)</u>		<u>↓</u>



## Base Revenues



FOR THE 9 MONTHS ENDING June 30, 2025  
WATER & SEWER KGAL SALES INCREASED

# 1.5%

WHEN COMPARED TO FY2024 June YTD

*(as displayed on page 27 of the monthly financial statements)*

Generally, for the Water System, the prominent driver of changes in sales year over year is rainfall and rain days. Usually, less rainfall and fewer rain days results in more water usage. Our 1.5% increase in sales year over year is driven by an increase of 2.2% in customer count, an increase in rates in April 2025, and less rainfall in FY25 versus FY24 of the same timeframe.

### RAINFALL COMPARISON (IN INCHES)

	FY2025 June YTD	FY2024 June YTD	Variance
Normal	32.19	32.19	-
Actual	26.28	34.95	▼ (8.67)
Rain Days	79	77	▲ 2

*As displayed on page 18 of the monthly financial statements*

## Operating Expenses

Operating Expenses refer to the ongoing costs necessary to run a business. O&M Expenses are the Operating Expenses within our control. Across both systems, all other operating expenses are sales dependent. For example, a decrease in sales results in a decrease in tax expenses. Our O&M expenditures are within our control, and we can adjust our spend rate to align with our operating revenue trends.

Total operating expenses increased 2.5% for June YTD FY25 versus FY24. This increase is primarily due to an \$11 million increase in compensation and benefits.



FOR THE 9 MONTHS ENDING June 30, 2025  
TOTAL OPERATING EXPENSES INCREASED

**2.5%**

WHEN COMPARED TO FY2024 June YTD

*(as displayed on page 12 of the monthly financial statements)*

## Water System O&M Budget

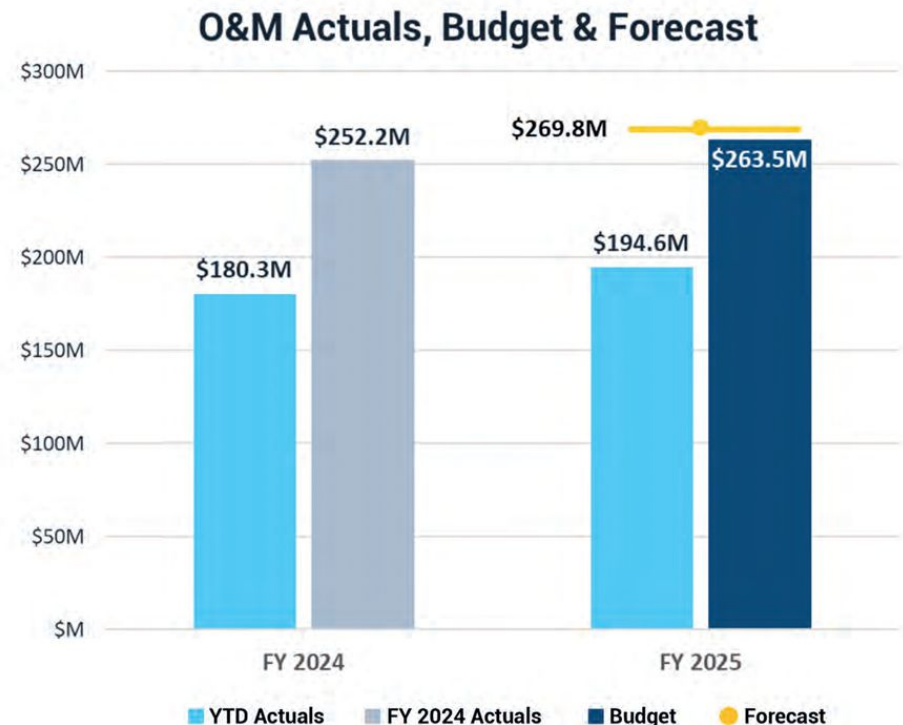


In June, YTD O&M spend of \$194.6M was 8% over FY24 actuals of the same timeframe and \$4.6M, 2.4% over the FY25 budget.

Forecasting FY25 O&M spend to be \$269.8M, which is \$6.3M higher than the annual budget of \$263.5M. Projected spend is 102% of the annual budget.

### Key \$4.6M YTD Budget Variance Drivers:

FY25 O&M Spend	Variance	%
Salaries, OT, Benefits	7,820,965	105%
Supplies & Materials	2,844,692	118%
Other Services & Charges	303,159	101%
Intercompany Charges	1,987,355	103%
Other Expenses	(986,282)	90%
Net Credits	(7,401,406)	135%
<b>Total Electric System</b>	<b>(\$4.6M)</b>	<b>102%</b>



# Water System Capital Budget



In Millions

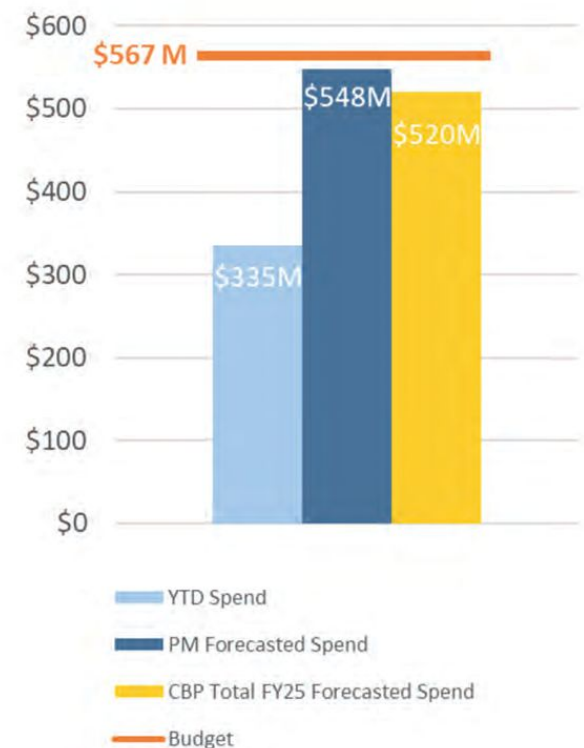
## Program Project Key Drivers



## Unique Project Key Drivers



## Total Water System Spend



# Financial Metrics



ELECTRIC	Days of Liquidity	Debt Service Coverage	Debt to Asset Ratio	Fixed Charge Coverage	Weighted Average Yield of Investments
	206	3.82x	43.8%	1.51x	4.41%
	Target: 150	Target: 2.2x	Target: 50%	Target: 1.6x	Target: 4.05%
WATER	Days of Liquidity	Debt Service Coverage	Debt to Asset Ratio	Fixed Charge Coverage	Weighted Average Yield of Investments
	238	2.67x	45.80%	2.35x	4.41%
	Target: 100	Target: 1.8x	Target: 50%	Target: 2.0x	Target: 4.05%

This Fixed Charge Coverage represents JEA's ability to cover our fixed charges with earnings from the same time period. We expect this metric to achieve target by the end of the fiscal year.

# Amended and Restated Note Resolution and New Revolving Credit Facilities

Joe Orfano, Deputy Chief Financial Officer

(ACTION)

*Victoria Lewis, Leadership Development Solutions Specialist  
Heath Davis, System Administrator Associate*





# Revolving Credit Facilities (RCF)

## Background

### RCF Usage Across Utility Systems

- JEA utilizes its RCF for short-term borrowings, “bridge financing”, to fund the capital needs of the Electric, Water & Sewer, and District Energy Systems (DES)
- This provides flexibility and cost-efficient borrowing on an as-needed basis
- The RCF also supports funding for extreme storm events and unanticipated spikes in fuel costs

### Current RCF Agreement

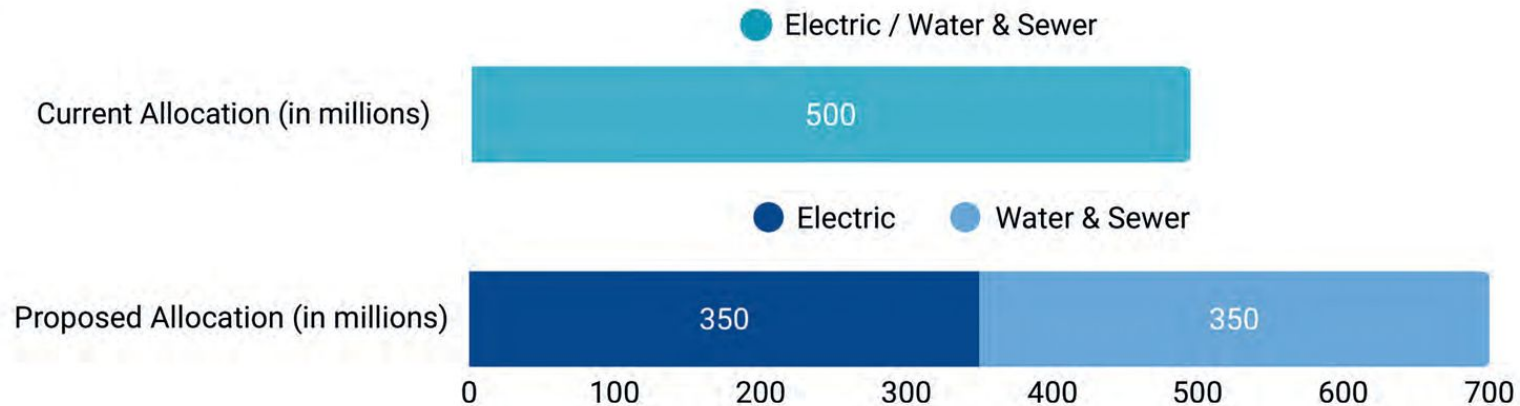
- J.P. Morgan has provided the current RCF since December 17, 2015
- Current committed facility:
  - Amendment 4: \$500 million
- Agreement expires May 2027

## History of JEA's RCF with J.P. Morgan



Date	Amendment	Facility Size	Notable Detail
12/17/2015	Original	\$300 million	
5/24/2018	Amendment 1	\$300 million	Renewal
11/01/2018	Amendment 2	\$500 million	RCF increased by \$200 million following JEA credit rating downgrade related to MEAG litigation
5/24/2021	Amendment 3	\$500 million	Renewal
7/31/2023	Amendment 4	\$500 million	Current agreement; expires May 2027

## Scaling the RCFs to Meet Strategic Demands



### Resolution 2025-40:

- Restates and expands a prior authorization, Resolution 2018-14 approved October 16, 2018, allowing JEA to enter into credit agreements for short-term financing
- Increases JEA's RCF limit to \$700M, separated into two distinct revolving credit facilities:
  - \$350M for Electric
  - \$350M for Water & Sewer (DES sublimit)
- Authorizes the issuance of subordinated bank notes to evidence RCF borrowings
- Grants leadership the authority to manage and amend credit agreements as necessary



## **Requested Action**

**Staff requests the Finance, Governance, and Audit Committee recommend the Board approve Resolution 2025-40.**

*UV Disinfection Equipment, Buckman Water Reclamation Facility*

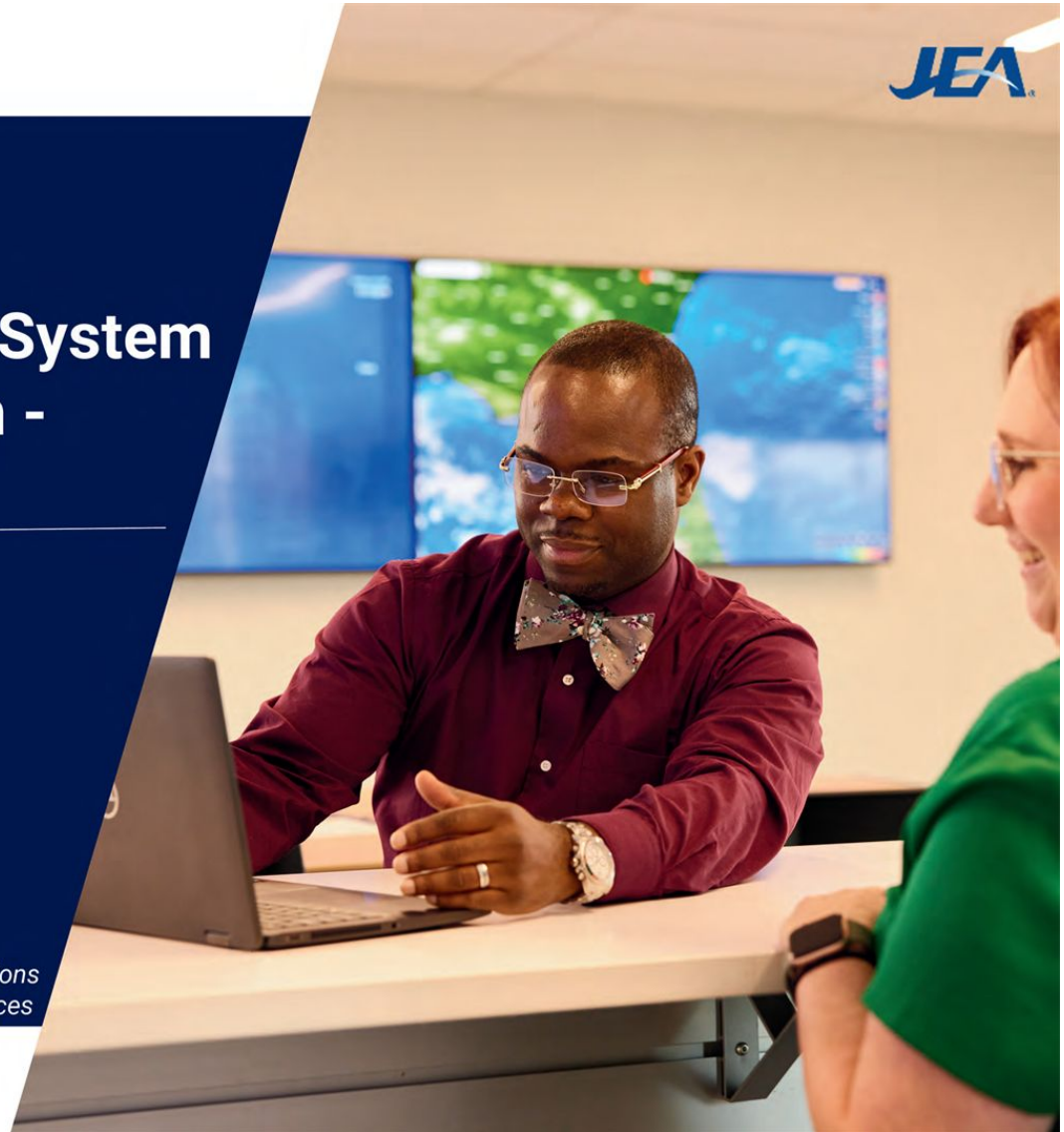


# St. Johns River Power Park System Employees' Retirement Plan - SECURE 2.0 Act

A.J. Souto, Treasurer

*(ACTION)*

*Roland Byron, External Contractor, Operations  
Melissa Dalton, Director, Board & Administrative Services*



## St. Johns River Power Park System Employee's Retirement Plan SECURE 2.0 Act

### Background

- JEA is the sole active Employer under the St. Johns River Power Park System Retirement Plan
- JEA wishes to retroactively amend the Plan to implement certain compliance-related changes that are required by the SECURE 2.0 Act of 2022 and necessary to preserve the Plan's tax-qualified status
- The Plan actuary has determined that these changes will not have an actuarial impact on the cost of the Plan
- This amendment was approved by the SJRPP Pension Committee at its 5/8/25 meeting and is being brought to the JEA Board, via Resolution 2025-39, for final consideration and approval



## SJRPP Employees' Retirement Plan – SECURE 2.0 Act Approval

Amendment #4 approved by SJRPP Pension Committee  
May 08, 2025



Requesting FGAC approval at the August 19, 2025  
meeting



Will request Board approval at the August 26, 2025  
meeting

# Requested Action

**Staff requests the Finance, Governance, and Audit Committee recommend the Board approve Resolution 2025-39.**

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

Diane Moser, Chief Human Resources Officer

(ACTION)

Storm Community Outreach Team



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

## 457 Deferred Compensation Plan

### Elevating Plan Oversight

- JEA proposes replacing the Investment Advisory Committee with a Plan Administration Committee
- Reflects best practices for tax-qualified retirement plan governance
- New committee governed by a formal Committee Charter:
  - Defines structure, functions, authority, duties, standards of care and guidelines
  - Broader scope of responsibility: administration and governance beyond investments

### Committee Composition

<i>Investment Advisory Committee (Current)</i>	<ul style="list-style-type: none"> <li>• Six Members</li> <li>• One Committee Member from Finance</li> <li>• Investment Focused</li> <li>• Limited Scope</li> </ul>
<i>Committee Charter (Proposed)</i>	<ul style="list-style-type: none"> <li>• Five to Seven Members</li> <li>• Four Senior Finance Staff Members (CEO appointed)</li> <li>• Two at-large Appointed Employees</li> <li>• Diane Moser, Chief Human Resources Officer, as Chair</li> </ul>



## Proposed Committee Delegated Authority:

- Administering both the 401(a) and 457 Plans
- Making legally required or design-enhancing amendments (no financial impact)
- Annual reporting to the Board
- Investment Policy Statement development and review
- May recommend Committee Charter or Plan changes

## 401(a) & 457 Plan Administration Committee

- Committee relies on expert support:
  - Empower (record keeper)
  - Graystone Consulting (investment advisor)
  - Akerman, LLP (legal counsel)
- Operates with advice from JEA management and personnel
- Meets quarterly to review plan operations, actions, and recommendations
- Investment Policy Statement guides ongoing investment strategy



# Requested Action

**Staff requests the Finance, Governance, and Audit Committee recommend the Board approve the replacement of the existing Investment Advisory Committee for the 401(a) and 457 Plans with a Plan Administration Committee and approve the Charter.**

# FY2025 External Audit Plan

John DiSanto, Managing Director, EY  
Jessica Muirhead, Assurance Managing Director, EY





2025 audit plan  
8/19/2025



The better the question. The better the answer. The better the world works.



Shape the future  
with confidence

# Executive summary



## What's new and next

- **New:** GASB Pronouncements (FY 2025)
  - GASB Statement No. 102, *Certain Risk Disclosures* (GASB 102)
- **Next:** Actions the team is taking in the next 90 days (see further 2025 audit plan)
  - Finalize planning, process walkthroughs, and interim substantive testing
  - Financial Statement Audit
  - AUPs
  - UG Audit
  - SJRPP – Pension Plan Audit









## 2025 audit plan

- **Interim procedures:** July to August
- **Year-end procedures:** October to December
  - Financial Statement Audit
  - AUPs
  - UG Audit
  - SJRPP – Pension Plan Audit
- **Post-report procedures:** As requested by management
- **Debt Offerings:** As requested by management











## Additional points to consider

- Areas of emphasis (page 2 to 3)
- Future GASB Pronouncements (FY 2026) (page 4)
  - GASB Statement No. 103, *Financial Reporting Model Improvements* (GASB 103)
  - GASB Statement No. 104, *Disclosure of Certain Capital Assets* (GASB 104)
- Involvement of internal audit and others (page 5)
- Required communications (page 8)

## Areas of emphasis

Topic	Significance	Subjectivity	Considerations
Revenue recognition and sales commitments			<ul style="list-style-type: none"> <li>Review calculation of unbilled revenue</li> <li>Test timing of revenue recognition based on the terms of the arrangement</li> <li>Test account reconciliations to determine timely completion and review</li> <li>Perform detailed analytical review procedures, by system, including predictive analytics based on verifiable consumption and production data</li> <li>Perform detailed tests over a sample of revenue transactions to assess the appropriateness and accuracy of recorded amounts</li> <li>With data analytics, we will analyze 100% of the revenue data within the general ledger and perform a correlation analysis between revenue, AR and cash</li> </ul>
Regulatory Accounts			<ul style="list-style-type: none"> <li>Test approval of any new regulatory assets/liabilities</li> <li>Verify that amortization and expense recognition are consistent with rate recovery</li> <li>Perform rollforward procedures and vouch significant activity, as needed</li> </ul>
Investments			<ul style="list-style-type: none"> <li>Assess estimation uncertainty for significant classes of securities in JEA's portfolio</li> <li>Confirm investments with custodial institutions and managers and test selected transactions</li> <li>Test valuation for selected securities using alternative pricing sources</li> <li>Evaluate GASB 40 risk disclosures and GASB 72 fair market value disclosures</li> </ul>
Capital Assets			<ul style="list-style-type: none"> <li>Test significant activity (assets added, retired or disposed of during the fiscal year), including evaluation of capitalization classification</li> <li>Review depreciation for reasonableness</li> </ul>

## Areas of emphasis

Topic	Significance	Subjectivity	Considerations
<b>Derivative instruments and hedging activities</b>	 Low	 Moderate	<ul style="list-style-type: none"> <li>Test assessment of hedge effectiveness documentation, including re-performance where quantitative methods are used</li> <li>Confirm instruments with counterparties</li> <li>Test recorded market values using independently developed estimates and fuel hedge contract settlements</li> <li>Evaluate disclosures</li> </ul>
<b>Pension plan accounting and reporting — SJRPP Plan</b>	 Low	 Low	<ul style="list-style-type: none"> <li>Review actuary reports for reasonableness of assumptions and methodology</li> <li>For single employer plan, obtain actuary's reports and procedures performed by plan auditors</li> <li>Census data testing for JEA plan participants</li> <li>Assess reasonableness of required disclosures</li> <li>Substantively test plan assets</li> </ul>
<b>Pension plan accounting and reporting — COJ Plan</b>	 Low	 Low	<ul style="list-style-type: none"> <li>Review actuary reports for reasonableness of assumptions and methodology</li> <li>For cost sharing plan (City Plan) obtain audited allocation schedule to determine the City's liabilities, expenses, deferred inflows and outflows</li> <li>In accordance with AU-C 805, obtain a report on elements from CRI, the Plan's auditors</li> <li>Census data testing for JEA plan participants</li> <li>Assess reasonableness of required disclosures</li> </ul>
<b>Commitments and Contingencies</b>	 Moderate	 Moderate	<ul style="list-style-type: none"> <li>As part of our procedures, we will continue to inquire of management and legal counsel</li> <li>Evaluate the possible impact on JEA's financial statements, including possible contingent liabilities and required disclosures related to Plant Vogtle and other matters</li> </ul>
<b>Risk of management override of controls <sup>1</sup></b>	 High	 High	<ul style="list-style-type: none"> <li>Professional standards require that we consider the risk of management override of controls to be a fraud risk on all audits. We will design our audit procedures, including our journal entry testing, to be responsive to this risk.</li> </ul>

<sup>1</sup> Asterisked areas indicate accounts or transactions identified as having significant risks, which are risks with both a higher likelihood of occurrence and a higher magnitude of effect that require special audit considerations.

## Important Updates: New GASB Pronouncements

GASB Statement	Title	Description	FY 2025	FY 2026
GASB Statement No. 102	Certain Risk Disclosures	To improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues.	X	
GASB Statement No. 103	Financial Reporting Model Improvements	To improve the financial reporting model that was established for state and local governments in 1999 by GASB Statement N. 34, Basic Financial Statements – and Management's Discussion and Analysis.		X
GASB Statement No. 104	<i>Disclosure of Certain Capital Assets</i>	State and local governments must disclose detailed information about capital assets in their financial statement notes, as required by Statement No. 34. This includes separate disclosures for lease assets (Statement No. 87), right-to-use assets (Statement No. 94), and subscription-based IT assets (Statement No. 96), all categorized by major asset class. Additionally, other intangible assets must also be disclosed separately. The statement also introduces new requirements for reporting capital assets held for sale, including criteria for classification and detailed disclosures on asset value and related debt.		X

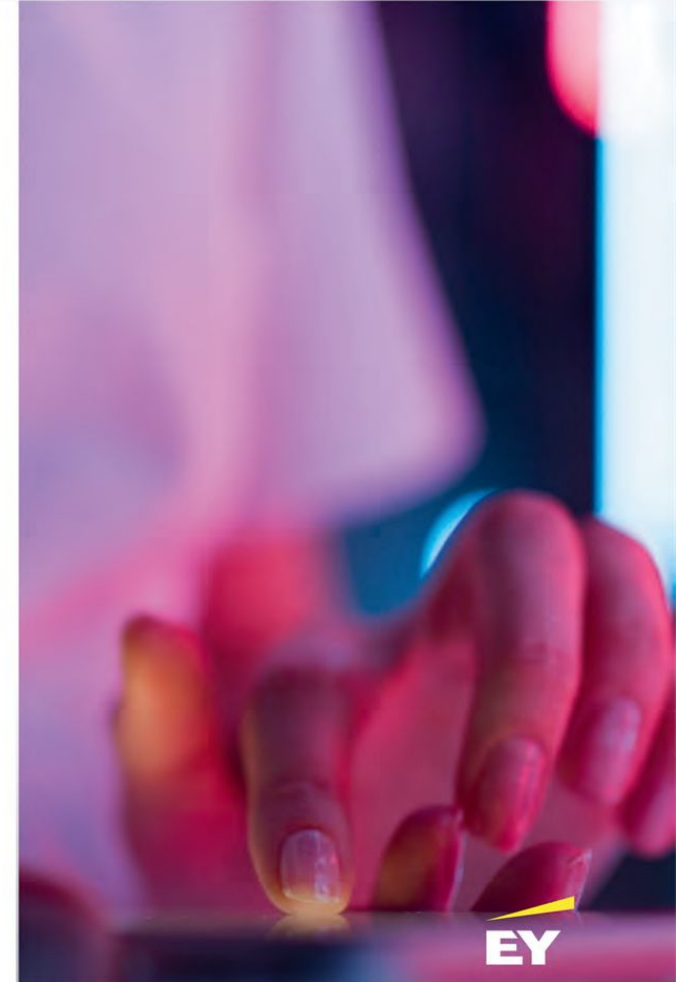
## Involvement of internal audit and others

Areas/significant classes of transactions where EY is planning to use the work of internal audit	Walkthroughs 1, 2	Substantive procedures 1, 2	Estimated hours
Internal audit			
Purchases and accounts payable and cash disbursements	X		35
Regulatory assets	X		35
Officer Expense Testing		X	25
Derivative swaps		X	25
Costs to be recovered		X	25
Expense test of transactions		X	25
Fixed assets	X	X	45
Accruals	X	X	45
Debt Issuance and Monitoring	X		35
General Fund Transfer	X		35
Pension & OPEB Liabilities	X		35
AR, Revenue, Billing and Sales (incl. Unbilled Revenue)	X		35

<sup>1</sup> 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.

<sup>2</sup> 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.

JEA 2025 audit plan



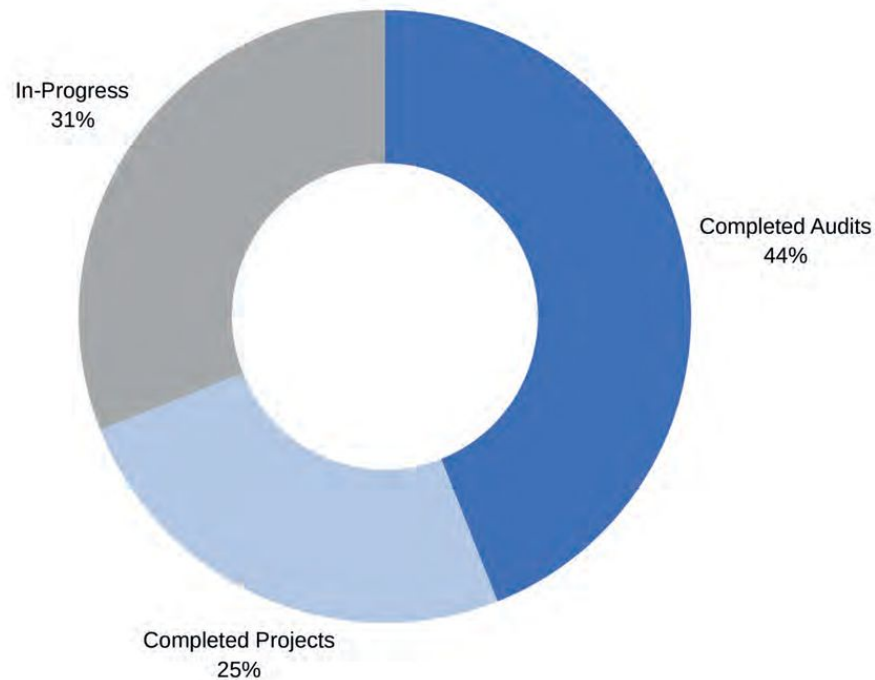
# Internal Audit Update

Lee Montanez, Director, Internal Audit & Enterprise Risk

*Gloria Pineda, Laboratory Scientist*  
*Randy Ellis, Manager, Wastewater Treatment and Reuse*  
*Jesse Ferraraccio, Manager, Energy Construction & Maintenance*



## Dashboard - Audit Plan



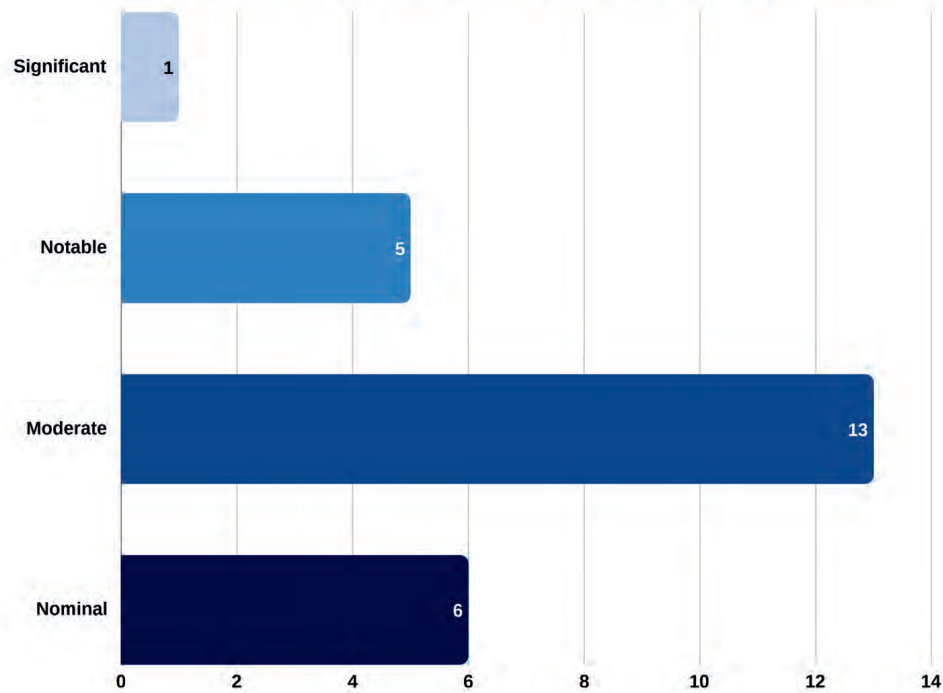
Recently Completed Audits	Rating
Debt Management	Outstanding
Identity & Access Management	Satisfactory
P-Card Services	Satisfactory
Technical Debt	Needs Improvement

Completed projects include the **Green-e Annual Verification Audit Protocol** and **Maritime Transportation Security Act review**.

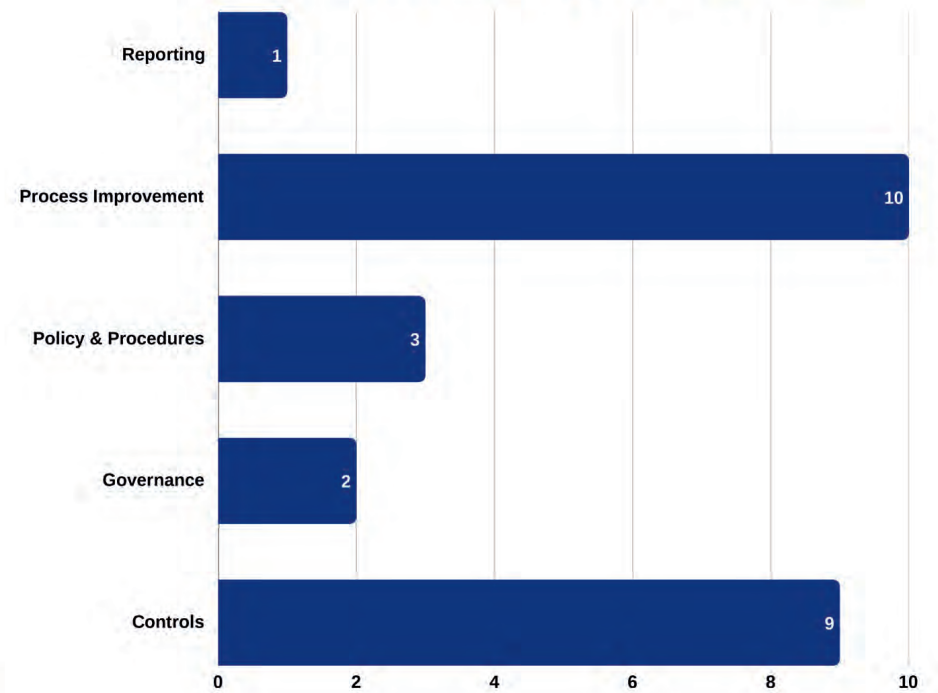
## Dashboard - Audit Plan



### Observations Identified During Q2 - Q3



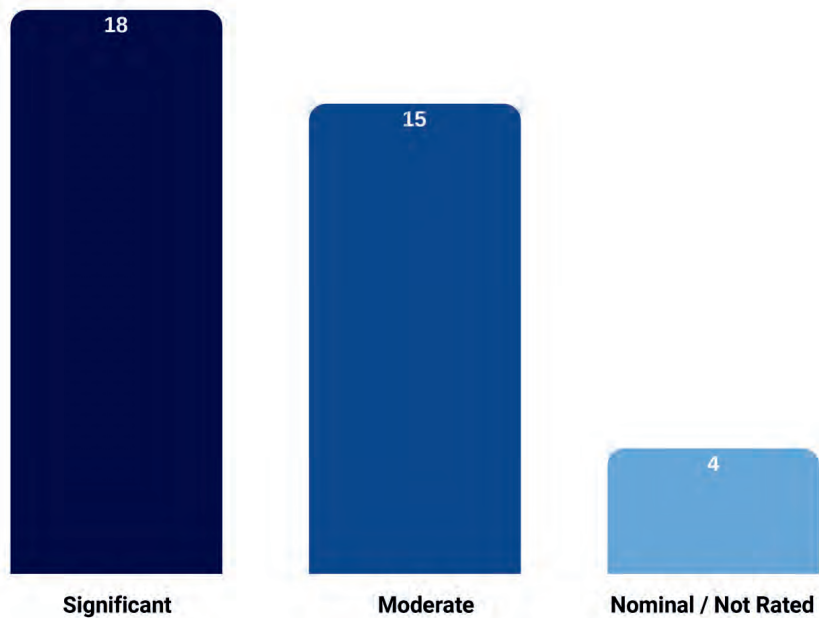
### Observation Types - Q2 - Q3



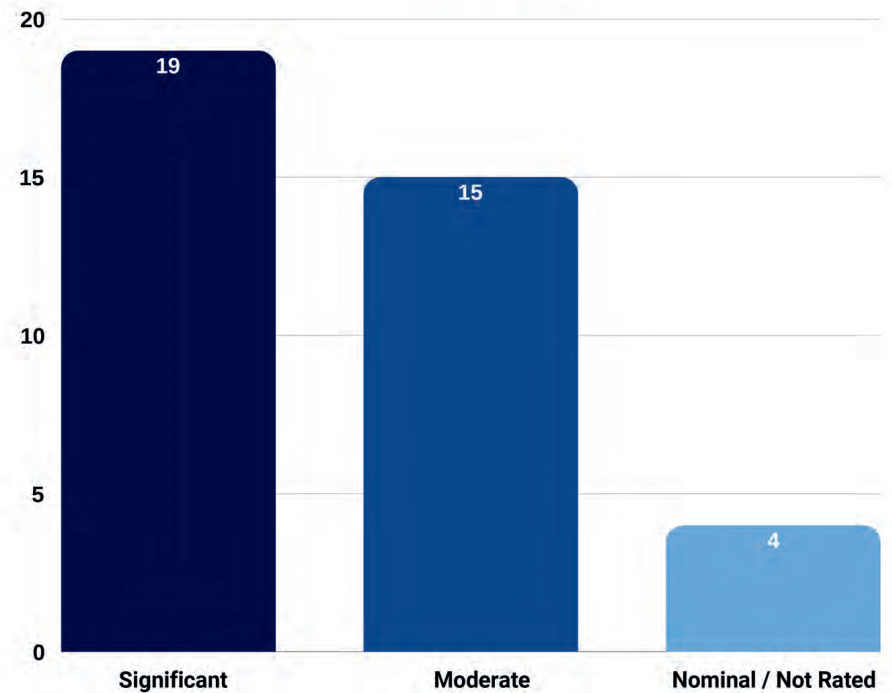
## Dashboard - Action Plans



Current Open Action Plans by Observing Rating  
(37 Total)



YTD Closed Action Plans by Observing Rating  
(38 Total)



# FY26 Audit Plan

## From Rigid to Flexible

Audit Plan Elements	Annual Audit Plan	Rolling Audit Plan
Description of Process	Static and rigid, unable to address risks as they arise during the year	Adaptive, based on regulatory demands, economic environment, and company strategy
Risk Assessment	One time, before Audit Plan creation	Throughout the year, as needed
Committee Oversight	One-time discussion of Audit Plan at the beginning of the fiscal year	Rolling Audit Plan to be presented and discussed at least two-times a year



# Audit Plan Process – FY26 Q1 & Q2



# Audit Plan Process – Hot Topics



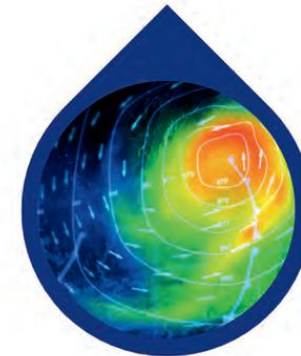
**Cybersecurity &  
Digital Disruption**

- **Regulations** – Compliance now and in the future
- **Business Opportunities** – High risk of missed opportunities
- **Financial Impact** – Fraud/cyber risk, and implementation costs



**Human Capital**

- **Regulations** – Increased compliance risk for new hires due to potential knowledge gaps
- **Business Opportunities** – High risk of turnover and competition for skilled talent
- **Financial Impact** – Turnover, loss of institutional knowledge, and increased labor costs



**Climate  
Change/Environment**

- **Regulations** – New rules in the pipeline (SB64)
- **Business Opportunities** – Alternative generation sources and impact to public opinion and social impact
- **Financial Impact** – Cost of extreme weather and compliance with new regulations



# Ethics Report

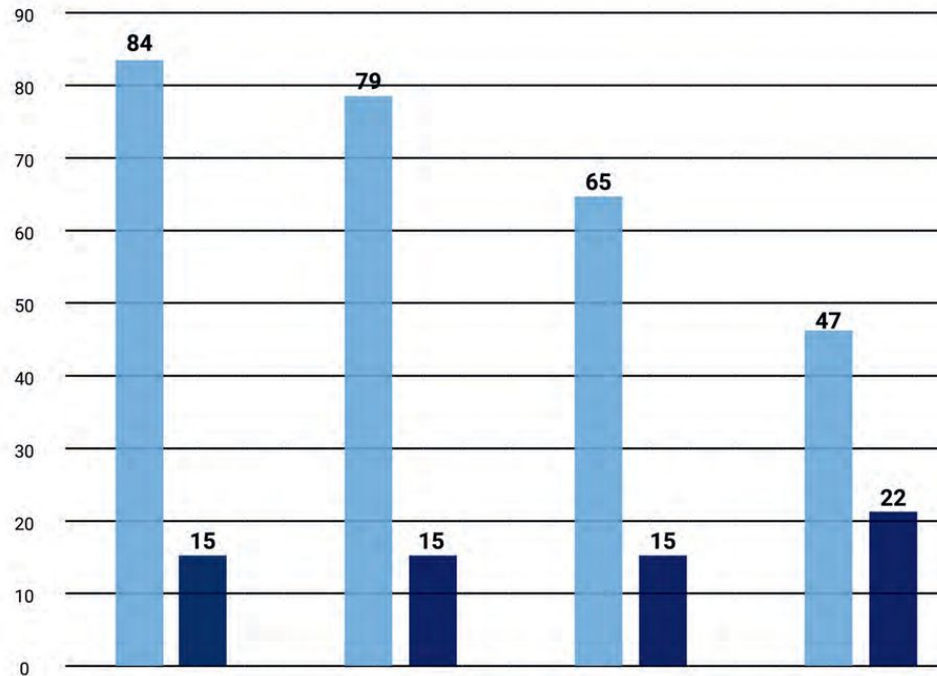
Walette Stanford, Ethics Officer

*Zasha Del Orbe, Manager, Wastewater Treatment and Reuse*



# Compliance Monitoring & Metrics

## Is That Ethical?



Fiscal Year	FY 2022	FY 2023	FY 2024	YTD-2025
Ethics Inquiries	85	79	65	47
Hotline Cases	15	15	15	22

### Ethics inquiries from employees

#### Types reported:

- Conflict of interest
- Secondary employment
- Gifts

### Hotline cases

#### Types reported:

- Workplace harassment
- Conduct violation
- Employment



# **Training & Awareness**

## **Strengthen Employee Commitment & Awareness of Ethical Culture**

### **Business Ethics Refresher Training for Non-Management Started on March 1**

- Approximately 1,961 employees
- City Ordinance, Section 602.1001
- Topics based on past ethical issues
- 30 minutes of computer-based training
- Employees had 90 days to complete

### **Open Government Training for Management Started on March 12**

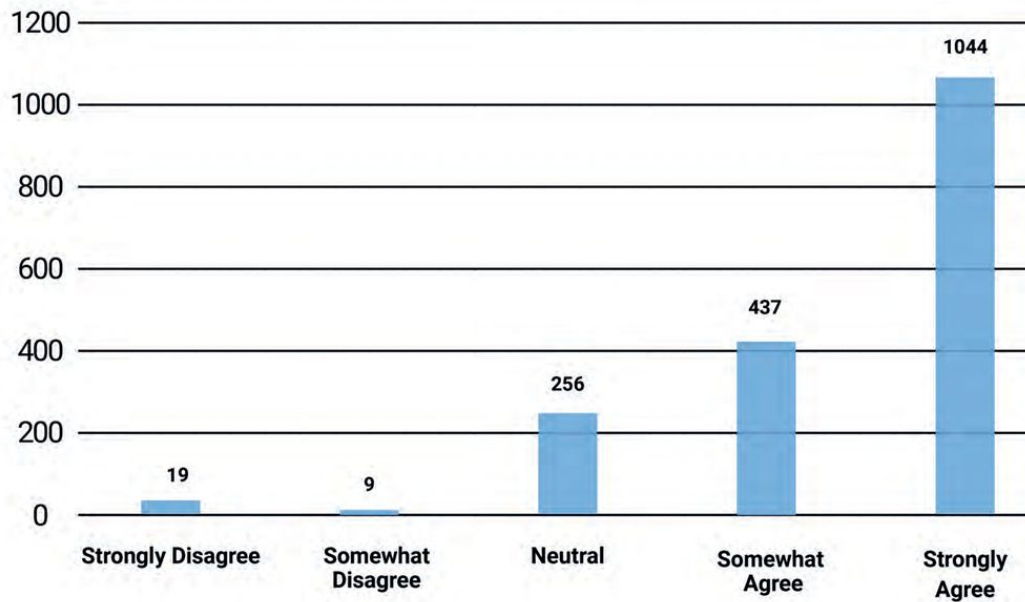
- Approximately 305 employees
- City Charter requirement
- In partnership with the City of Jacksonville Ethics office
- 90 minutes in person/virtual sessions
- Managers with direct reports



# Training Feedback

## Business Ethics Course Feedback From Participants

### Is Business Ethics Training Helpful?



### Open Government Comments FY25

- "I really enjoyed the scenarios to help understand how our perceived actions can affect our position. I also found the facts around what is considered public records very interesting."
- "The training is very good, very thorough. The simulation questions were great."
- "Great training! Very enlightening and concise! Nice job."
- "The real-life scenarios are the most interesting."

# Governance & Collaboration

## Increase Employee Ethics Awareness & Engagement

### Partnership with:

- Office of General Counsel (OGC)
- Office of Inspector General (OIG)
- City of Jacksonville Ethics Office
- Internal Audit
- Labor Relations

### Engagement with:

- Ethics Commission meetings
- External best practice

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





## Business Ethics

### What's Next?



Finalizing the new Fraud, Waste and Abuse Policy



Ethics representative podcast featuring frontline voices and real-world scenarios



Revamp the Gift Disclosure Form - COJ Ethics Code



Expand ethics training footprint - deliver training to new managers



Evaluate the financial disclosure filers based on COJ Procurement Code and State Law



Conclude secondary employment internal audit and present findings

# Board Governing Documents

- Board By-Laws
- Board Policy Manual

Jody Brooks, Chief Administrative Officer





# Board Governing Documents

## Article 21 JEA Charter Section 21.03c

### Charter Requirements

The governing body of JEA shall adopt governing documents, including, but not limited to, a board policy manual, and such other rules and regulations not inconsistent with this Article, the charter or general law.

Unless otherwise provided herein, the governing body of JEA shall annually review and update its governing documents.

JEA's bylaws, board policy manual, and other governing documents, including any amendments thereto, shall be posted on JEA's website in a conspicuous manner for the public to view.

### JEA's Board Governance

JEA Bylaws  
JEA Board Policy Manual

- Last approved at the October 29, 2024 JEA Board Meeting
- Request the Committee propose edits by October 1, prior to the November 12, 2025 Finance, Governance & Audit Committee
- Staff will request Board approval at the November 18, 2025 meeting

Available on [jea.com](http://jea.com) in the Additional Board Information section

**Staff requests the Committee propose edits by October 1<sup>st</sup>, prior to the November 12<sup>th</sup> Finance, Governance & Audit Committee**



# Announcements

**Next Finance, Governance, & Audit Committee Meeting -  
November 12, 2025**

**Next Board Meeting - August 26, 2025**





FINANCE, GOVERNANCE, & AUDIT COMMITTEE MINUTES  
February 18, 2025

The Finance, Governance, and Audit Committee of the JEA Board met at 12:00 pm on Tuesday, February 18, 2025, at 12:00pm on the 1<sup>st</sup> Floor, 225 North Pearl Street, Jacksonville, Florida. The meeting was properly noticed, and the public was invited to attend this meeting in-person at the physical location.

**WELCOME**

**Meeting Called to Order** –Committee Chair MG Orender called the meeting to order at 12:00 pm. Attending the meeting in person were committee members General Joseph DiSalvo and Kawanza Humphrey. Board members John Baker and Rick Morales also attended in person.

Others in attendance were Vickie Cavey, Managing Director/CEO; Ted Phillips, Chief Financial Officer; Jody Brooks, Chief Administrative Officer; Diane Moser, Chief Human Resources Officer; Kurt Wilson, Chief of Staff; Brad Krol, Chief Information Officer; Regina Ross, Chief Legal Officer, Office of General Counsel; Sheree Brown, Executive Assistant to the CEO; and Melissa Dalton, Manager, Board Services.

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

**Adoption of the Minutes** – On *motion* by General DiSalvo and seconded by Ms. Humphrey, the minutes from the January 22, 2025, Finance, Governance, and Audit Committee meeting were approved.

**Safety Briefing** – Jody Brooks, Chief Administrative Officer, presented the safety briefing.

**Comments from the Public** – There were no public comments.

**FOR COMMITTEE CONSIDERATION**

**DELIVERING BUSINESS EXCELLENCE**

**Amended and Restated Interagency Agreement** – Joe Orfano, Deputy Chief Financial Officer & Treasurer, provided background information on the current interagency agreement between JEA and the city dated March 22, 2016; highlighted key provisions of the proposed agreement to include terms, annual quality credits and payments, and financial contributions.

On *motion* by General DiSalvo and seconded by Ms. Humphrey, the Committee unanimously voted to recommend the Board approve the proposed Amended and Restated Interagency Agreement by and between the City and JEA.

**457 Deferred Compensation Plan** – Diane Moser, Chief Human Resources Officer,

On *motion* by Ms. Humphrey and seconded by General DiSalvo, the Committee unanimously voted to recommend the Board approve the Super Catch-up Amendment.

**Internal Audit Update** – Lee Montanez, Director, Internal Audit and Enterprise Risk. This presentation was received for information.

**Internal Audit Charter** – Lee Montanez, Director, Internal Audit and Enterprise Risk,

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

**Enterprise Risk Management Policy** – Lee Montanez, Director, Internal Audit and Enterprise Risk,

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

**Warehouse Lease Extension** – Jordan Pope, Director, Administrative Services,

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

**Electric, Water, and Sewer Rate Review** – Victor Blackshear, Director, Financial Planning & Rates, This presentation was received for information.

**Annual Disclosure Report Procedure** – A.J. Souto, Manager, Debt, Capital Markets, This presentation was received for information.

**DEVELOPING AN UNBEATABLE TEAM**

**Board Evaluation** – Jody Brooks, Chief Administrative Officer, This presentation was received for information.

**CLOSING CONSIDERATIONS**

**Old and Other New Business/Open Discussion** –

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

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

**Announcements** – None

JEA Finance, Governance, &  
Audit Committee Minutes

February 18, 2025

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**Committee Discussion Session**

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

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

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

APPROVED BY:

\_\_\_\_\_  
Committee Chair

Date: \_\_\_\_\_

Submitted by:

\_\_\_\_\_  
Melissa Dalton  
Director, Board and Administrative Services

## JEA Board Agenda

**MEMORANDUM****Amended and Restated Note Resolution, and New Revolving Credit Facilities**

Board Meeting Date: August 26, 2025

Outcome:

☐

INFORMATION ONLY

☒

ACTION

☐

FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

Staff requests the Board approve Resolution 2025-40 which restates and expands a prior authorization to increase JEA's short-term financing from \$500M to \$700M, split evenly between the Electric and Water & Sewer systems (with a sublimit for the District Energy System) and authorizing bank notes, agreement management, and effective execution.

Consent Agenda Item:

☐

Yes

☒

No

Presenter:

Joe Orfano, Deputy Chief Financial Officer

Chief:

Ted Phillips, Chief Financial Officer

Strategic Focus Area:

☐

DEVELOPING AN UNBEATABLE TEAM

☒

DELIVERING BUSINESS EXCELLENCE

☐

EARNING CUSTOMER LOYALTY

Background Information &amp; Analysis:

JEA is authorized to borrow money from lending institutions as authorized by resolution of the JEA Board. JEA utilizes its Revolving Credit Facilities (RCF) for short-term borrowings to fund the capital needs of the Electric, Water & Sewer, and District Energy Systems.

This resolution:

- Restates and expands a prior authorization, Resolution 2018-14 approved on October 16, 2018, allowing JEA to enter into credit agreements for short-term financing
- Increases the borrowing limit from \$500 million to \$700 million, separated into two distinct credit facilities: \$350 million for Electric, and \$350 million for Water & Sewer with a sublimit for DES, to provide working capital and interim funding for JEA's utility systems
- Authorizes the issuance of subordinated bank notes to evidence these borrowings, empowers JEA's leadership to manage and amend the credit agreements as needed, and sets an effective date

Financial Impact:

JEA will incur commitment fee and interest costs for drawn amounts on the new Revolving Credit Facilities.

Committee/Board Meeting/Workshop &amp; Date Presented:

N/A

Appendix:

- Resolution 2025-40
- Redline comparison of current Revolving Credit Agreement to new Revolving Credit Agreement (Electric System)

**RESOLUTION NO. 2025-40**

A RESOLUTION RESTATING AND AMENDING A RESOLUTION RESTATING AND AMENDING THE RESOLUTION OF JEA DATED AUGUST 19, 2003 ENTITLED "A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY BY JEA OF A REVOLVING CREDIT AGREEMENT WITH SUNTRUST BANK AND AUTHORIZING BORROWINGS THEREUNDER OF NOT EXCEEDING \$50,000,000 OUTSTANDING FROM TIME TO TIME, FOR THE PURPOSE OF PROVIDING JEA WITH WORKING CAPITAL AND SHORT-TERM OR INTERIM FINANCING FOR CAPITAL PROJECTS FOR THE ELECTRIC SYSTEM, THE WATER AND SEWER SYSTEM AND SUCH OTHER UTILITY SYSTEMS AS MAY HEREAFTER BE ESTABLISHED BY JEA; AUTHORIZING THE ISSUANCE OF ELECTRIC SYSTEM REVOLVING CREDIT SUBORDINATED BANK NOTES, SERIES 2 AND WATER AND SEWER SYSTEM REVOLVING CREDIT SUBORDINATED BANK NOTES, SERIES 2 OF JEA FOR THE PURPOSE OF EVIDENCING JEA'S OBLIGATION TO REPAY AMOUNTS BORROWED UNDER SUCH CREDIT AGREEMENT RELATING TO THE ELECTRIC SYSTEM AND THE WATER AND SEWER SYSTEM, RESPECTIVELY; DETERMINING CERTAIN DETAILS OF SAID REVOLVING CREDIT SUBORDINATED BANK NOTES AND PROVIDING FOR THE SECURITY THEREFOR; AUTHORIZING THE PROPER OFFICERS OF JEA TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE IN CONNECTION WITH BORROWINGS UNDER SUCH CREDIT AGREEMENT AND THE ISSUANCE OF SAID REVOLVING CREDIT SUBORDINATED BANK NOTES; AND PROVIDING AN EFFECTIVE DATE", AS SUPPLEMENTED AND AMENDED AND RESTATED TO THE DATE HEREOF, WHICH AUTHORIZES THE EXECUTION AND DELIVERY BY JEA OF ONE OR MORE CREDIT AGREEMENTS WITH ONE OR MORE BANKS OR FINANCIAL INSTITUTIONS SELECTED BY THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER AND AUTHORIZES BORROWINGS UNDER A CREDIT AGREEMENT OF NOT EXCEEDING \$350,000,000 OUTSTANDING FROM TIME TO TIME FOR THE PURPOSE OF PROVIDING JEA WITH WORKING CAPITAL AND SHORT-TERM OR INTERIM FINANCING FOR CAPITAL PROJECTS FOR THE ELECTRIC SYSTEM AND SEPARATELY AUTHORIZES BORROWINGS UNDER A CREDIT AGREEMENT OF NOT EXCEEDING \$350,000,000 OUTSTANDING FROM TIME TO TIME FOR THE PURPOSE OF PROVIDING JEA WITH WORKING CAPITAL AND SHORT-TERM OR INTERIM FINANCING FOR CAPITAL PROJECTS FOR THE WATER AND SEWER SYSTEM AND THE DISTRICT ENERGY SYSTEM, OF WHICH UP TO \$75,000,000 IS AVAILABLE FOR THE DISTRICT ENERGY SYSTEM; AUTHORIZING THE ISSUANCE OF ELECTRIC SYSTEM REVOLVING CREDIT SUBORDINATED BANK NOTES OF JEA FOR THE PURPOSE OF EVIDENCING JEA'S OBLIGATION TO REPAY AMOUNTS BORROWED UNDER THE CREDIT AGREEMENT RELATING TO THE ELECTRIC SYSTEM; AUTHORIZING THE ISSUANCE

OF WATER AND SEWER SYSTEM REVOLVING CREDIT SUBORDINATED BANK NOTES AND DISTRICT ENERGY SYSTEM REVOLVING CREDIT SUBORDINATED BANK NOTES OF JEA FOR THE PURPOSE OF EVIDENCING JEA'S OBLIGATION TO REPAY AMOUNTS BORROWED UNDER THE CREDIT AGREEMENT RELATING TO THE WATER AND SEWER SYSTEM AND THE DISTRICT ENERGY SYSTEM, RESPECTIVELY; DETERMINING CERTAIN DETAILS OF SAID REVOLVING CREDIT SUBORDINATED BANK NOTES AND PROVIDING FOR THE SECURITY THEREFOR; AUTHORIZING THE PROPER OFFICERS OF JEA TO DO ALL OTHER THINGS AND TAKE SUCH ACTIONS DEEMED NECESSARY OR ADVISABLE IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE REVOLVING CREDIT AGREEMENTS AND THE BORROWINGS UNDER SUCH CREDIT AGREEMENTS AND THE ISSUANCE OF SAID REVOLVING CREDIT SUBORDINATED BANK NOTES, INCLUDING RENEWING OR EXTENDING THE TERM OF SUCH CREDIT AGREEMENTS OR AMENDING SUCH CREDIT AGREEMENTS OR PROCURING CREDIT AGREEMENTS IN SUBSTITUTION OF EXISTING CREDIT AGREEMENTS, IN EACH CASE, UPON SUCH TERMS AND CONDITIONS AS SHALL BE DETERMINED BY THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER OF JEA OR SUCH DESIGNEE TO BE ADVANTAGEOUS TO JEA AND COMMERCIALY REASONABLE; AND PROVIDING AN EFFECTIVE DATE.

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WHEREAS, pursuant to the provisions of Article 21 of the Charter of the City of Jacksonville, Florida (the “City”), as amended and readopted by Chapter 80-515, Laws of Florida, Special Acts of 1980, as subsequently amended by Chapter 92-341, Laws of Florida, Special Acts of 1992 and as thereafter amended in accordance with the terms thereof prior to the date hereof (the “Act”), JEA is authorized, among other things, to borrow money from lending institutions, including borrowing as part of a commercial paper or other short-term note financing program which may include provisions for payment upon demand by the purchaser or purchasers, as authorized by resolution of JEA;

WHEREAS, it is hereby determined that it is necessary and desirable and in the best financial interests of JEA that JEA establish a revolving credit facility with one or more banks or financial institutions in order to provide JEA with a mechanism for obtaining funds for working capital purposes and short-term or interim financing for capital projects for the Electric System, and that JEA establish a revolving credit facility with one or more banks or financial institutions in order to provide JEA with a mechanism for obtaining funds for working capital purposes and short-term or interim financing for capital projects for the Water and Sewer System and the District Energy System (such terms, and all other capitalized terms used in these recitals without definition, having the respective meanings ascribed thereto in Section 1.02 hereof) from time to time, and that the proper officers of JEA be authorized to borrow thereunder from time to time;

WHEREAS, it is hereby determined that it is necessary and desirable and in the best financial interests of JEA that (i) JEA’s obligation to repay any such borrowings made in respect of the Electric System, and interest thereon, be secured by a subordinate lien on the Revenues (as defined in the Electric System Resolution) of the Electric System in the manner provided herein, (ii) JEA’s obligation to repay any such borrowings made in respect of the Water and Sewer System, and interest thereon, be secured by a subordinate lien on the amounts on deposit in the Water and Sewer System Subordinated Indebtedness Fund in the manner provided herein, and (iii) JEA’s obligation to repay any such borrowings made in respect of the District Energy System, and interest thereon, be secured by a subordinate lien on Revenues (as defined in the District Energy System Resolution) of the District Energy System in the manner provided herein and that JEA’s obligations to repay any such borrowings, and the interest thereon, be additionally payable from Available Water and Sewer System Revenues in the manner provided herein;

WHEREAS, it is hereby determined that it is necessary and desirable and in the best financial interests of JEA that borrowings under the revolving credit facility for the Electric System be available for obtaining funds for working capital purposes and short-term or interim financing for capital projects for the Electric System and that borrowings under the revolving credit facility for the Water and Sewer System and the District Energy System be available for obtaining funds for working capital purposes and short-term or interim financing for capital projects for the Water and Sewer System and the District Energy System, and that the total amount that can be borrowed under the revolving credit facility for the Electric System shall be \$350,000,000, and that the total amount that can be borrowed under the revolving credit facility for the Water and Sewer System and the District Energy System shall be \$350,000,000 of which up to \$75,000,000 is available for the District Energy System, and that the proper officers of JEA be authorized to borrow under each revolving credit facility from time to time;

WHEREAS, in order to accomplish the foregoing, it is hereby determined that it is necessary and required that JEA adopt this Amended and Restated Bank Note Resolution (the “Bank Note Resolution”); and

WHEREAS, JEA desires to authorize the proper officers of JEA to take all necessary steps to give effect to the transactions contemplated by this Bank Note Resolution;

NOW, THEREFORE, BE IT RESOLVED BY JEA AS FOLLOWS:

## ARTICLE I

### DEFINITIONS AND AUTHORITY

**Section 1.01 Authority for this Bank Note Resolution.** This Bank Note Resolution is adopted pursuant to the provisions of the Act. The provisions of this Bank Note Resolution relating to the Electric System Revolving Credit Notes supplement the Electric System Resolution. The provisions of this Bank Note Resolution relating to the Water and Sewer System Revolving Credit Notes supplement the Water and Sewer System Resolution. The provisions of this Bank Note Resolution relating to the District Energy System Revolving Credit Notes supplement the District Energy System Resolution.

**Section 1.02 Definitions.** (a) Except as provided by this Bank Note Resolution, (i) all terms which are defined in Section 2 of the Electric System Resolution shall have the same meanings, respectively, herein as such terms are given in said Section 2 of the Electric System Resolution, (ii) all terms which are defined in Section 101 of the Water and Sewer System Resolution shall have the same meanings, respectively, herein as such terms are given in said Section 101 of the Water and Sewer System Resolution, and (iii) all terms which are defined in Section 101 of the District Energy System Resolution shall have the same meanings, respectively, herein as such terms are given in said Section 101 of the District Energy System Resolution.

In addition, terms defined in Section 1.01 of each of the Credit Agreements shall have the same meanings, respectively, herein as such terms are given in said Section 1.01 of such Credit Agreement.

(b) In this Bank Note Resolution, the following terms shall have the indicated meanings:

“Additional Obligations” shall have the meaning given such term in the Water and Sewer System Resolution.

“Additional Parity Obligations” shall have the meaning given such term in the Electric System Resolution.

“Authorized Officer” shall mean (1) the Chair, the Vice Chair, the Secretary or any Assistant Secretary of JEA, (2) the Managing Director/CEO, the Chief Electric Systems Officer (with respect to the Electric System), the Chief Water Systems Officer (with respect to the Water and Sewer and the District Energy System), the Chief Financial Officer and the Treasurer of JEA

(or any officer of JEA hereafter serving in a capacity equivalent to that of any of the foregoing officers) or (3) any other officer or employee of JEA authorized to perform specific acts or duties by resolution duly adopted by JEA.

“Available Water and Sewer System Revenues” shall mean amounts on deposit in the Revenue Fund (as defined in the Water and Sewer System Resolution) established pursuant to subsection 1 of Section 502 of the Water and Sewer System Resolution and available for use by JEA in accordance with the provisions of subsection 2 of Section 507 of the Water and Sewer System Resolution.

“Bank” shall mean any bank or financial institution (and its successors and assigns) with which JEA enters into a Credit Agreement.

“Bank Note Resolution” shall mean this Amended and Restated Bank Note Resolution which amends and restates a resolution of JEA amending and restating a resolution of JEA adopted on August 19, 2003 entitled “A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY BY JEA OF A REVOLVING CREDIT AGREEMENT WITH SUNTRUST BANK AND AUTHORIZING BORROWINGS THEREUNDER OF NOT EXCEEDING \$50,000,000 OUTSTANDING FROM TIME TO TIME, FOR THE PURPOSE OF PROVIDING JEA WITH WORKING CAPITAL AND SHORT-TERM OR INTERIM FINANCING FOR CAPITAL PROJECTS FOR THE ELECTRIC SYSTEM, THE WATER AND SEWER SYSTEM AND SUCH OTHER UTILITY SYSTEMS AS MAY HEREAFTER BE ESTABLISHED BY JEA; AUTHORIZING THE ISSUANCE OF ELECTRIC SYSTEM REVOLVING CREDIT SUBORDINATED BANK NOTES, SERIES 2 AND WATER AND SEWER SYSTEM REVOLVING CREDIT SUBORDINATED BANK NOTES, SERIES 2 OF JEA FOR THE PURPOSE OF EVIDENCING JEA’S OBLIGATION TO REPAY AMOUNTS BORROWED UNDER SUCH CREDIT AGREEMENT RELATING TO THE ELECTRIC SYSTEM AND THE WATER AND SEWER SYSTEM, RESPECTIVELY; DETERMINING CERTAIN DETAILS OF SAID REVOLVING CREDIT SUBORDINATED BANK NOTES AND PROVIDING FOR THE SECURITY THEREFOR; AUTHORIZING THE PROPER OFFICERS OF JEA TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE IN CONNECTION WITH BORROWINGS UNDER SUCH CREDIT AGREEMENT AND THE ISSUANCE OF SAID REVOLVING CREDIT SUBORDINATED BANK NOTES; AND PROVIDING AN EFFECTIVE DATE”, as supplemented and amended and restated to the date hereof, and as may be further amended and supplemented in accordance with the terms hereof.

“Credit Agreement” shall mean the Revolving Credit Agreements authorized by JEA pursuant to Section 2.01 of this Bank Note Resolution and entered into between JEA and a Bank, as amended from time to time.

“Designee” shall mean an officer or employee of JEA authorized by written instrument of an Authorized Officer of JEA to make borrowings or take such other actions under a Credit Agreement on behalf of such Authorized Officer in accordance with the provisions hereof.

“District Energy System” shall mean JEA’s District Energy System and shall have the same meaning as the term “System” as defined in the District Energy System Resolution.

“District Energy System Bonds” shall mean all bonds authenticated and delivered pursuant to the District Energy System Resolution, other than District Energy System Subordinated Indebtedness.

“District Energy System Net Revenues” shall mean the Net Revenues (as defined in the District Energy System Resolution) of the District Energy System.

“District Energy System Resolution” shall mean the resolution of JEA adopted June 15, 2004, authorizing the issuance of the District Energy System Bonds, as the same has been or hereafter may be amended, restated and supplemented in accordance with the provisions thereof.

“District Energy System Revolving Credit Notes” shall mean the District Energy System Revolving Credit Subordinated Bank Note, Series T-X and the District Energy System Revolving Credit Subordinated Bank Note, Series TE-X of JEA authorized to be issued pursuant to Article VII of this Bank Note Resolution.

“District Energy System Subordinated Indebtedness” shall mean the Subordinated Indebtedness issued under (and as defined in) the District Energy System Resolution.

“District Energy System Subordinated Indebtedness Fund” shall mean the Subordinated Indebtedness Fund established in Section 502.1(4) of the District Energy System Resolution.

“District Energy System Supplemental Resolution” means the District Energy System Supplemental Resolution adopted by JEA on August 15, 2006 which supplemental resolution was adopted pursuant to the provisions of the Act and Article VIII of the Original Bank Note Resolution.

“Effective Date” shall mean the date on which the Bank’s commitment under a Credit Agreement shall become effective in accordance with the terms of a Credit Agreement.

“Electric System” shall mean JEA’s Electric System and shall have the same meaning as the term “Electric System” as defined in the Electric System Resolution.

“Electric System Bonds” shall mean all bonds authenticated and delivered pursuant to the Electric System Resolution and all Additional Parity Obligations issued in accordance with the terms of the Electric System Resolution.

“Electric System Net Revenues” shall mean the Net Revenues (as defined in the Electric System Resolution) of the Electric System.

“Electric System Resolution” shall mean the resolution of JEA adopted March 30, 1982 authorizing the issuance of the Electric System Bonds, as the same has been or hereafter may be amended and supplemented in accordance with the provisions thereof.

“Electric System Revenue Fund” shall mean the Revenue Fund as defined in the Electric System Resolution.

“Electric System Revolving Credit Notes” shall mean the Electric System Revolving Credit Subordinated Bank Note, Series T-X and the Electric System Revolving Credit Subordinated Bank Note, Series TE-X of JEA authorized to be issued pursuant to Article III of this Bank Note Resolution.

“Electric System Subordinated Bonds” shall mean Subordinated Bonds issued under subsection K of Section 13 of the Electric System Resolution.

“Electric System Subordinated Resolution” shall mean the resolution of JEA adopted August 16, 1988 authorizing the issuance of Electric System Subordinated Bonds, as the same has been or hereafter may be amended, restated and supplemented in accordance with the provisions thereof.

“Fiscal Year” shall have the meaning given such term in the Electric System Resolution, the Water and Sewer System Resolution or the District Energy System Resolution, as applicable.

“Original Bank Note Resolution” shall mean the resolution of JEA entitled “A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY BY JEA OF A REVOLVING CREDIT AGREEMENT WITH SUNTRUST BANK AND AUTHORIZING BORROWINGS THEREUNDER OF NOT EXCEEDING \$50,000,000 OUTSTANDING FROM TIME TO TIME, FOR THE PURPOSE OF PROVIDING JEA WITH WORKING CAPITAL AND SHORT-TERM OR INTERIM FINANCING FOR CAPITAL PROJECTS FOR THE ELECTRIC SYSTEM, THE WATER AND SEWER SYSTEM AND SUCH OTHER UTILITY SYSTEMS AS MAY HEREAFTER BE ESTABLISHED BY JEA; AUTHORIZING THE ISSUANCE OF ELECTRIC SYSTEM REVOLVING CREDIT SUBORDINATED BANK NOTES, SERIES 2 AND WATER AND SEWER SYSTEM REVOLVING CREDIT SUBORDINATED BANK NOTES, SERIES 2 OF JEA FOR THE PURPOSE OF EVIDENCING JEA’S OBLIGATION TO REPAY AMOUNTS BORROWED UNDER SUCH CREDIT AGREEMENT RELATING TO THE ELECTRIC SYSTEM AND THE WATER AND SEWER SYSTEM, RESPECTIVELY; DETERMINING CERTAIN DETAILS OF SAID REVOLVING CREDIT SUBORDINATED BANK NOTES AND PROVIDING FOR THE SECURITY THEREFOR; AUTHORIZING THE PROPER OFFICERS OF JEA TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE IN CONNECTION WITH BORROWINGS UNDER SUCH CREDIT AGREEMENT AND THE ISSUANCE OF SAID REVOLVING CREDIT SUBORDINATED BANK NOTES; AND PROVIDING AN EFFECTIVE DATE,” dated August 19, 2003.

“Prior Lien District Energy System Subordinated Obligations” shall mean any Subordinated Indebtedness hereafter issued under (and as defined in) the District Energy System Resolution and designated by JEA as Prior Lien District Energy System Subordinated Obligations.

“Prior Lien Electric System Subordinated Bonds” shall mean the Subordinated Bonds issued under (and as defined in) the Electric System Subordinated Resolution.

“Prior Lien Water and Sewer System Subordinated Obligations” shall mean the Subordinated Bonds issued under (and as defined in) the Water and Sewer System Subordinated Resolution and the Water and Sewer System Parity Subordinated Indebtedness.

“Revolving Credit Notes” shall mean the Electric System Revolving Credit Notes, the Water and Sewer System Revolving Credit Notes and the District Energy System Revolving Credit Notes.

“Water and Sewer System” shall mean JEA’s Water and Sewer System and shall have the same meaning as the term “System” as defined in the Water and Sewer System Resolution.

“Water and Sewer System Revolving Credit Notes” shall mean the Water and Sewer System Revolving Credit Subordinated Bank Note, Series T-X and the Water and Sewer System Revolving Credit Subordinated Bank Note, Series TE-X of JEA authorized to be issued pursuant to Article V of this Bank Note Resolution.

“Water and Sewer System Subordinated Revenue Bonds” shall mean all bonds authenticated and delivered pursuant to the Water and Sewer System Subordinated Resolution.

“Water and Sewer System Subordinated Indebtedness” shall mean Subordinated Indebtedness as (as defined in the Water and Sewer System Resolution) of the Water and Sewer System.

“Water and Sewer System Net Revenues” shall mean the Net Revenues (as defined in the Water and Sewer System Resolution) of the Water and Sewer System.

“Water and Sewer System Parity Subordinated Indebtedness” shall mean Existing Parity Subordinated Indebtedness and Additional Parity Subordinated Indebtedness (each as defined in the Water and Sewer System Subordinated Resolution).

“Water and Sewer System Subordinated Indebtedness Fund” shall mean the Subordinated Indebtedness Fund established under the Water and Sewer System Resolution.

“Water and Sewer System Bonds” shall mean all bonds authenticated and delivered pursuant to the Water and Sewer System Resolution, and all Additional Obligations issued in accordance with the terms of the Water and Sewer System Resolution.

“Water and Sewer System Resolution” shall mean the resolution of JEA adopted February 18, 1997 authorizing the issuance of the Water and Sewer System Bonds, as the same has been or hereafter may be amended, restated and supplemented in accordance with the provisions thereof.

“Water and Sewer System Subordinated Resolution” shall mean the resolution of JEA adopted May 15, 2003 authorizing the issuance of Water and Sewer System Subordinated Revenue Bonds, as the same has been or hereafter may be amended and supplemented in accordance with the provisions thereof.

**Section 1.03 Bank Note Resolution to Constitute Contract.** In consideration of the execution and delivery by the Bank of the Credit Agreement, this Bank Note Resolution shall be deemed to be and shall constitute a contract between JEA and the Bank; and the pledges made in this Bank Note Resolution and the covenants and agreements set forth in this Bank Note Resolution to be performed on behalf of JEA shall be for the benefit, protection and security of the Bank.

## ARTICLE II

### AUTHORIZATION AND APPROVAL OF CREDIT AGREEMENT

**Section 2.01 Authorization and Approval of Credit Agreement.** JEA hereby approves, in substantially the form of the Revolving Credit Agreements attached hereto as Exhibit A and Exhibit B, respectively, to be entered into between JEA and JPMorgan Chase Bank, National Association, the forms of such Credit Agreements and authorizes the officers of JEA hereinafter authorized pursuant to Section 2.03 hereof, and each of them, to execute and deliver two or more Credit Agreements on behalf of JEA, subject to completion thereof, and with such changes therein as the officer executing the same may approve as necessary or desirable and in the best interests of JEA, such approval and acceptance to be evidenced conclusively by the execution and delivery of such agreement by such officer.

**Section 2.02 Authorization to Borrow Pursuant to the Credit Agreements.** Each Authorized Officer of JEA (and any Designee thereof) is hereby authorized to perform JEA's obligations under the Credit Agreements, including borrowing and repaying and reborrowing and repaying of loans (and, in the case of any repayment, the payment of accrued interest thereon) pursuant to the Credit Agreements for the purpose of obtaining working capital and short-term or interim financing for capital projects for (i) the Electric System provided that the aggregate principal amount of such loans outstanding at any time shall not exceed \$350,000,000, and (ii) the Water and Sewer System and the District Energy System, provided that the aggregate principal amount of such loans outstanding at any time shall not exceed \$350,000,000 of which the aggregate principal amount of loans outstanding at any time for the District Energy System shall not exceed \$75,000,000.

**Section 2.03 Officers Authorized to Execute and Deliver Credit Agreements.** The Chair, Vice-Chair, Managing Director and Chief Executive Officer, and Chief Financial Officer are hereby authorized to execute the Credit Agreements on behalf of JEA, subject to completion thereof, and with such changes therein as such officer may approve as necessary and desirable and in the best interest of JEA, such approval to be conclusively evidenced by the execution and delivery thereof. The form of each such Credit Agreements shall be approved by the Office of General Counsel of the City prior to the execution thereof by the Chair, Vice-Chair, Managing Director and Chief Executive Officer or Chief Financial Officer, as applicable.

**Section 2.04 Authorization to Select One or More Banks or Financial Institutions.** The Managing Director and Chief Executive Officer or the Designee of the Managing Director and Chief Executive Officer is hereby authorized to select one or more banks or financial institutions from among the banks and financial institutions that submit a response to a request for information, request for proposal or competitive bid request distributed by or on behalf of

JEA in accordance with JEA's then current procurement code; such selection shall be based upon a review of the proposed pricing levels, the proposed commitment amount, the proposed terms and conditions and the current ratings of each bank or financial institution. Alternatively, the Managing Director and Chief Executive Officer or the Designee of the Managing Director and Chief Executive Officer is additionally hereby authorized, if considered by the Managing Director and Chief Executive Officer to be in the best interest of JEA and upon the written recommendation of JEA's financial advisor, to negotiate the terms of a Credit Agreement or Agreements with one or more banks or financial institutions in accordance with JEA's then current procurement code. Such selection or negotiation shall be evidenced by the execution and delivery of the Credit Agreement or Agreements as provided in Section 2.03 hereof and the Managing Director and Chief Executive Officer may rely on a certificate from JEA's financial advisor that the terms of such Credit Agreement or Agreements are necessary or desirable and advantageous to JEA, are in commercially reasonable form and reflect current market terms and conditions and, in the case of a negotiation, a recommendation to negotiate the terms of such Credit Agreement or Agreements with such bank(s) or financial institution(s).

**Section 2.05 Authorization to Extend the Term or Renew the Credit Agreements; Authorization to Amend the Credit Agreements; Authorization to Procure a Credit Agreement in Substitution of an existing Credit Agreement.**

(a) The Managing Director and Chief Executive Officer of JEA or the Designee of the Managing Director and Chief Executive Officer is hereby authorized, from time to time, to extend or renew the term of the Credit Agreements, upon such terms and conditions as shall be determined by the Managing Director and Chief Executive Officer of JEA or such Designee to be advantageous to JEA and commercially reasonable (which terms and conditions (including, without limitation, the amounts of the "commitment fee" and other fees payable by JEA thereunder and the specification of the interest rates payable on loans or advances thereunder) may differ from the terms and conditions then in effect pursuant to the Credit Agreements then in effect), such determination to be confirmed in writing by the firm serving at that time as JEA's financial advisor to the extent provided below.

In connection with any such extension or renewal of the term of the Credit Agreements, the Managing Director and Chief Executive Officer of JEA or the Designee of the Managing Director and Chief Executive Officer is hereby further authorized to execute and deliver, on behalf of JEA, such documents and instruments (including, without limitation, an amendment to such Credit Agreements) as shall be determined by the Managing Director and Chief Executive Officer of JEA or such Designee to be (a) necessary or desirable and advantageous to JEA and (b) in commercially reasonable form; provided, however, that if any such extension shall be on terms and conditions different from the terms and conditions of the Credit Agreements as then in effect, then (x) such determination of the Managing Director and Chief Executive Officer of JEA or such Designee shall be confirmed in writing by the firm serving at that time as JEA's financial advisor and (y) the form of each such document or instrument shall be approved by the Office of General Counsel of the City prior to the execution thereof by the Managing Director and Chief Executive Officer of JEA or such Designee.

(b) The Managing Director and Chief Executive Officer of JEA or the Designee of the Managing Director and Chief Executive Officer is hereby authorized, from time to time, to

amend the Credit Agreements, upon such terms and conditions as shall be determined by the Managing Director and Chief Executive Officer of JEA or such Designee to be advantageous to JEA and commercially reasonable (which terms and conditions (including, without limitation, the amounts of the “commitment fee” and other fees payable by JEA thereunder and the specification of the interest rates payable on loans or advances thereunder) may differ from the terms and conditions then in effect pursuant to such Credit Agreements then in effect), such determination to be confirmed in writing by the firm serving at that time as JEA’s financial advisor to the extent provided below.

In connection with any such amendment to a Credit Agreement then in effect with respect thereto, the Managing Director and Chief Executive Officer of JEA or the Designee of the Managing Director and Chief Executive Officer is hereby further authorized to execute and deliver, on behalf of JEA, such documents and instruments to amend the terms of the particular Credit Agreement as shall be determined by the Managing Director and Chief Executive Officer of JEA or such Designee to be (a) necessary or desirable and advantageous to JEA and (b) in commercially reasonable form, such determination to be confirmed in writing by the firm serving at that time as JEA’s financial advisor; *provided, however*, that the form of each such document or instrument shall be approved by the Office of General Counsel of the City prior to the execution thereof by the Managing Director and Chief Executive Officer of JEA or such Designee.

(c) The Managing Director and Chief Executive Officer of JEA or the Designee of the Managing Director and Chief Executive Officer is hereby authorized, from time to time, to procure a Credit Agreement in substitution of an existing Credit Agreement, upon such terms and conditions as shall be determined by the Managing Director and Chief Executive Officer of JEA or such Designee to be advantageous to JEA and commercially reasonable (which terms and conditions (including, without limitation, the amounts of the “commitment fee” and other fees payable by JEA thereunder and the specification of the interest rates payable on loans or advances thereunder) may differ from the terms and conditions then in effect pursuant to such Credit Agreement then in effect), such determination to be confirmed in writing by the firm serving at that time as JEA’s financial advisor to the extent provided below.

In connection with any such procurement of a Credit Agreement in substitution of an existing Credit Agreement then in effect, the Managing Director and Chief Executive Officer of JEA or the Designee of the Managing Director and Chief Executive Officer is hereby further authorized to execute and deliver, on behalf of JEA, such documents and instruments (including, without limitation, a Credit Agreement) as shall be determined by the Managing Director and Chief Executive Officer of JEA or such Designee to be (a) necessary or desirable and advantageous to JEA and (b) in commercially reasonable form, such determination to be confirmed in writing by the firm serving at that time as JEA’s financial advisor; *provided, however*, that the form of each such document or instrument shall be approved by the Office of General Counsel of the City prior to the execution thereof by the Managing Director and Chief Executive Officer of JEA or such Designee and provided further that the procedures utilized in connection with any such procurement shall be consistent with the applicable requirements of JEA’s procurement code then in effect.

(d) The terms of the renewal, extension, amendment or substitution of a Credit Agreement as specified in clauses (a), (b) and (c) above shall not change the terms of Section 2.02 hereof.

**Section 2.06 Further Actions.** Each Authorized Officer of JEA is hereby authorized and empowered to execute and deliver or cause to be executed and delivered such documents, instruments, papers and opinions and to do all such other acts and things as may be necessary or desirable in connection with the adoption of this resolution and the approval, execution and delivery of the Credit Agreements and the Revolving Credit Notes. In the absence of the Managing Director/CEO of JEA for any reason, the authority granted to the Managing Director/CEO of JEA in this resolution is hereby delegated to the Chair of JEA's governing board and the Chair of the Finance, Governance and Audit Committee of JEA's governing board, in that order.

### ARTICLE III

#### AUTHORIZATION OF ELECTRIC SYSTEM REVOLVING CREDIT NOTES

**Section 3.01 Principal Amount and Designation; Medium of Payment.** (a) In accordance with the provisions of the Electric System Resolution, an issue of indebtedness of JEA is hereby authorized in a maximum aggregate principal amount outstanding at any one time of up to \$350,000,000. Such indebtedness shall be designated as, and shall be distinguished from all other indebtedness of JEA by the title, "Electric System Revolving Credit Subordinated Bank Note, Series X" and shall be further designated as the "Electric System Revolving Credit Subordinated Bank Note, Series T-X," which shall evidence Taxable Loans relating to the Electric System, and as the "Electric System Revolving Credit Subordinated Bank Note, Series TE-X," which shall evidence Tax-exempt Loans relating to the Electric System; *provided*, that the Managing Director and Chief Executive Officer also may alter the designation of the Electric System Revolving Credit Subordinated Bank Notes as the Managing Director and Chief Executive Officer deems appropriate to reflect the designation of Revolving Credit Notes previously issued and JEA's custom in identifying Revolving Credit Notes or as he otherwise deems desirable, such determination to be set forth in the Credit Agreement relating to the Revolving Credit Notes.

(a) The Electric System Revolving Credit Notes shall be payable, with respect to interest and principal, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

**Section 3.02 Purpose.** The Electric System Revolving Credit Notes are authorized for the purpose of evidencing JEA's obligation to repay amounts borrowed under the Credit Agreement for the Electric System, and interest thereon.

**Section 3.03 Execution and Delivery of Electric System Revolving Credit Notes.** (a) On or before the Effective Date, JEA shall execute, authenticate and deliver to the Bank the Electric System Revolving Credit Notes as hereinafter in this Section provided. The Electric System Revolving Credit Notes shall be in fully registered form, without coupons, and shall be

dated the date of its execution and delivery. The Electric System Revolving Credit Notes shall have a stated maximum aggregate principal amount equal to \$350,000,000.

(a) The Electric System Revolving Credit Notes shall be executed in the name of JEA by the manual or facsimile signature of its Chair or Vice-Chair, and its corporate seal (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced thereon and attested by the manual signature of the Secretary or Assistant Secretary of JEA, or in such other manner as may be required or permitted by law. In case any one or more of the officers who shall have signed or sealed the Electric System Revolving Credit Notes shall cease to be such officer before the Electric System Revolving Credit Notes shall have been authenticated and delivered, the Electric System Revolving Credit Notes may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed the Electric System Revolving Credit Notes had not ceased to hold such offices. The Electric System Revolving Credit Notes may be signed and sealed on behalf of JEA by such persons as at the time of the execution of the Electric System Revolving Credit Notes shall be duly authorized or hold the proper office in JEA, although at the date borne by the Electric System Revolving Credit Notes such persons may not have been so authorized or have held such office.

**Section 3.04 Outstanding Principal Amount of Electric System Revolving Credit Notes, Interest on Electric System Revolving Credit Notes, Payment of Electric System Revolving Credit Notes and Optional Tender for Payment.** (a) The principal amount outstanding with respect to the Electric System Revolving Credit Notes at any time shall equal the amount borrowed by JEA under the Credit Agreement with respect to the Electric System, less any prior principal repayments thereof.

(b) The Electric System Revolving Credit Notes shall bear interest during the same periods and at the same rates as are applicable to the respective loans evidenced by the Electric System Revolving Credit Notes made by the Bank under and pursuant to the Credit Agreement, determined as provided in the Credit Agreement.

(c) The principal of the Electric System Revolving Credit Notes, and interest thereon, shall be payable (and prepayable) at the same times and in the same amounts as are applicable to the respective loans evidenced by the Electric System Revolving Credit Notes made by the Bank under and pursuant to the Credit Agreement, determined as provided in the Credit Agreement.

(d) As provided in the Credit Agreement, and subject to the conditions and limitations set forth therein, the Electric System Revolving Credit Notes may be tendered (or deemed tendered) for payment by JEA prior to the due date of the outstanding principal amount thereof, whereupon JEA shall be obligated to pay the outstanding principal amount of the Electric System Revolving Credit Notes (together with accrued interest thereon) so tendered (or deemed tendered) without presentment, demand, protest or other notice of any kind, all of which are hereby waived by JEA. The Electric System Revolving Credit Notes immediately shall be due and payable upon its becoming subject to payment by JEA pursuant to this Section.

**Section 3.05 Form of Electric System Revolving Credit Notes and Schedule of Loans and Repayments, Completion of Such Schedule.** (a) The Electric System Revolving Credit Notes, including the schedule of loans and repayments attached thereto, shall be

substantially in the form set forth in Section 9.01 hereof with such appropriate variations, omissions and insertions as are permitted or required by this Bank Note Resolution or the Credit Agreement.

(a) The Bank is authorized to record on the schedule of loans and repayments attached to the respective Electric System Revolving Credit Notes, or a continuation thereof, each loan made by the Bank to JEA for the Electric System evidenced thereby, the respective dates, types, amounts and maturities thereof and all repayments of the principal thereof and, prior to any transfer thereof, appropriate notations to evidence the foregoing information shall be endorsed by the Bank on such schedule, or a continuation thereof; provided, however, that the failure of the Bank to make any such recordation or endorsement or any error therein shall not affect the obligations of JEA under the Electric System Revolving Credit Notes or under the Credit Agreement.

**Section 3.06 Limitations on Transfer and Exchange of Electric System Revolving Credit Notes.** (a) Except as hereinafter provided in this Section, the Electric System Revolving Credit Notes shall not be transferable by the holder thereof.

(b) Notwithstanding the provisions of subsection (a) of this Section, the holder of the Electric System Revolving Credit Notes may assign its rights with respect to the Electric System Revolving Credit Notes and its commitment under the Credit Agreement with respect to the Electric System in accordance with the provisions of such Credit Agreement. Upon such assignment, and upon presentation and surrender of the Electric System Revolving Credit Notes, JEA shall execute and deliver to the appropriate person(s), in substitution for the Electric System Revolving Credit Notes so surrendered, one or more Electric System Revolving Credit Notes in an aggregate principal amount equal to the principal amount of the Electric System Revolving Credit Notes so surrendered, so as to give effect to such assignment.

## **ARTICLE IV**

### **SOURCE OF PAYMENT AND SECURITY FOR ELECTRIC SYSTEM REVOLVING CREDIT NOTES**

**Section 4.01 Source of Payment and Security for the Electric System Revolving Credit Notes.** (a) There is hereby pledged for the payment of the principal of, and interest on, the Electric System Revolving Credit Notes in accordance with the terms and provisions of this Bank Note Resolution, the Electric System Resolution and the Credit Agreement with respect to the Electric System, the amounts on deposit in the Revenue Fund (as defined in the Electric System Resolution) as may from time to time be available therefor, including the investments, if any, thereof; *provided, however*, that such pledge shall be junior and subordinate in all respects to the Electric System Bonds and the Prior Lien Electric System Subordinated Bonds as to lien on and source and security for payment from the Revenues.

(b) Such amounts on deposit in the Electric System Revenue Fund shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against JEA, irrespective of whether such parties have notice thereof.

(c) In accordance with the provisions of Section 13(K) of the Electric System Resolution, the Electric System Revolving Credit Notes shall be, and shall be deemed to be, and are hereby expressed to be, obligations payable from and secured by a lien on the Revenues (as defined in the Electric System Resolution) junior and subordinate in all respects to the lien thereon and pledge thereof in favor of the Electric System Bonds. In addition, the Electric System Revolving Credit Notes shall be and be deemed to be, and shall constitute, “Subordinated Bonds” within the meaning of such term contained in the Electric System Resolution.

(d) The Electric System Revolving Credit Notes shall not be or constitute a general obligation or indebtedness of the City or JEA as a “bond” within the meaning of the Constitution of Florida, but shall be payable solely from and secured by a lien upon and a pledge of the amounts as herein provided. No holder of the Electric System Revolving Credit Notes shall ever have the right to compel the exercise of the ad valorem taxing power of the City or JEA, if any, or taxation in any form of any real property in the City to pay the Electric System Revolving Credit Notes or interest thereon or be entitled to payment of such principal and interest from any other funds of the City or JEA except from the special funds in the manner provided herein.

**Section 4.02 Payment of the Electric System Revolving Credit Notes.** Subject to (i) the prior payments from the Electric System Revenue Fund as required by clauses (1), (2) and (3) of Section 13B of the Electric System Resolution and (ii) the prior payment of all amounts due with respect to the Prior Lien Electric System Subordinated Bonds, amounts on deposit in the Electric System Revenue Fund and available therefor shall be applied to the payment of the principal of, and interest on, the Electric System Revolving Credit Notes when due.

**Section 4.03 Issuance of Additional Debt.** Nothing herein shall be deemed to limit JEA’s ability to issue Additional Parity Obligations and additional Prior Lien Electric System Subordinated Bonds payable prior to the payment of the Electric System Revolving Credit Notes, nor to issue additional Electric System Subordinated Bonds payable on a parity with the Electric System Revolving Credit Notes, and JEA hereby reserves the right to issue such Additional Parity Obligations, such additional Prior Lien Electric System Subordinated Bonds and such additional Electric System Subordinated Bonds.

**Section 4.04 Rate Covenant with respect to Electric System Revolving Credit Notes.** JEA covenants to fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use or the sale of the products, services and facilities of the Electric System which will always provide Electric System Net Revenues in each Fiscal Year, together with other available funds, sufficient to make all payments required to be made in such Fiscal Year (i) by the Electric System Resolution and the Electric System Subordinated Resolution, and (ii) with respect to the Electric System Revolving Credit Notes, by this Bank Note Resolution.

## ARTICLE V

### AUTHORIZATION OF WATER AND SEWER SYSTEM REVOLVING CREDIT NOTES

**Section 5.01 Principal Amount and Designation; Medium of Payment.** (a) In accordance with the provisions of the Water and Sewer System Resolution, an issue of indebtedness of JEA is hereby authorized in a maximum aggregate principal amount outstanding at any one time of up to \$350,000,000. Such indebtedness shall be designated as, and shall be distinguished from all other indebtedness of JEA by the title, “Water and Sewer System Revolving Credit Subordinated Bank Notes, Series X” and shall be further designated as the “Water and Sewer System Revolving Credit Subordinated Bank Note, Series T-X” which shall evidence Taxable Loans relating to the Water and Sewer System and as the “Water and Sewer System Revolving Credit Subordinated Bank Note, Series TE-X” which shall evidence Tax-exempt Loans relating to the Water and Sewer System; *provided*, that the Managing Director and Chief Executive Officer also may alter the designation of the Water and Sewer System Revolving Credit Subordinated Bank Notes as he deems appropriate to reflect the designation of Revolving Credit Notes previously issued and JEA’s custom in identifying Revolving Credit Notes or as he otherwise deems desirable, such determination to be set forth in the Credit Agreement relating to the Revolving Credit Notes.

(b) The Water and Sewer System Revolving Credit Notes shall be payable, with respect to interest and principal, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

**Section 5.02 Purpose.** The Water and Sewer System Revolving Credit Notes are authorized for the purpose of evidencing JEA’s obligation to repay amounts borrowed under the Credit Agreement for the Water and Sewer System, and interest thereon.

**Section 5.03 Execution and Delivery of Water and Sewer System Revolving Credit Notes.** (a) On or before the Effective Date, JEA shall execute, authenticate and deliver to the Bank the Water and Sewer System Revolving Credit Notes as hereinafter in this Section provided. The Water and Sewer System Revolving Credit Notes shall be in fully registered form, without coupons, and shall be dated the date of its execution and delivery. The Water and Sewer System Revolving Credit Notes shall have a stated maximum aggregate principal amount equal to \$350,000,000, provided that the amount outstanding thereunder shall not be greater than \$350,000,000 less the amount then outstanding under the District Energy System Revolving Credit Notes.

(b) The Water and Sewer System Revolving Credit Notes shall be executed in the name of JEA by the manual or facsimile signature of its Chair or Vice-Chair, and its corporate seal (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced thereon and attested by the manual signature of the Secretary or Assistant Secretary of JEA, or in such other manner as may be required or permitted by law. In case any one or more of the officers who shall have signed or sealed the Water and Sewer System Revolving Credit Notes shall cease to be such officer before the Water and Sewer System Revolving Credit Notes shall have been authenticated and delivered, the Water and Sewer System Revolving Credit Notes

may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed the Water and Sewer System Revolving Credit Notes had not ceased to hold such offices. The Water and Sewer System Revolving Credit Notes may be signed and sealed on behalf of JEA by such persons as at the time of the execution of the Water and Sewer System Revolving Credit Notes shall be duly authorized or hold the proper office in JEA, although at the date borne by the Water and Sewer System Revolving Credit Notes such persons may not have been so authorized or have held such office.

**Section 5.04 Outstanding Principal Amount of Water and Sewer System Revolving Credit Notes, Interest on Water and Sewer System Revolving Credit Notes, Payment of Water and Sewer System Revolving Credit Notes and Optional Tender for Payment.**

(a) The principal amount outstanding with respect to the Water and Sewer System Revolving Credit Notes at any time shall equal the amount borrowed by JEA under the Credit Agreement with respect to the Water and Sewer System, less any prior principal repayments thereof.

(b) The Water and Sewer System Revolving Credit Notes shall bear interest during the same periods and at the same rates as are applicable to the loans evidenced by the Water and Sewer System Revolving Credit Notes made by the Bank under and pursuant to the Credit Agreement, determined as provided in the Credit Agreement.

(c) The principal of the Water and Sewer System Revolving Credit Notes, and interest thereon, shall be payable (and prepayable) at the same times and in the same amounts as are applicable to the respective loans evidenced by the Water and Sewer System Revolving Credit Notes made by the Bank under and pursuant to the Credit Agreement, determined as provided in the Credit Agreement.

(d) As provided in the Credit Agreement, and subject to the conditions and limitations set forth therein, the Water and Sewer System Revolving Credit Notes may be tendered (or deemed tendered) for payment by JEA prior to the due date of the outstanding principal amount thereof, whereupon JEA shall be obligated to pay the outstanding principal amount of the Water and Sewer System Revolving Credit Notes (together with accrued interest thereon) so tendered (or deemed tendered) without presentment, demand, protest or other notice of any kind, all of which are hereby waived by JEA. The Water and Sewer System Revolving Credit Notes immediately shall be due and payable upon its becoming subject to payment by JEA pursuant to this Section.

**Section 5.05 Form of Water and Sewer System Revolving Credit Notes and Schedule of Loans and Repayments, Completion of Such Schedule.** (a) The Water and Sewer System Revolving Credit Notes, including the schedule of loans and repayments attached thereto, shall be substantially in the form set forth in Section 9.02 hereof with such appropriate variations, omissions and insertions as are permitted or required by this Bank Note Resolution or the Credit Agreement.

(b) The Bank is authorized to record on the schedule of loans and repayments attached to the respective Water and Sewer System Revolving Credit Notes, or a continuation

thereof, each loan made by the Bank to JEA for the Water and Sewer System evidenced thereby, the respective dates, types, amounts and maturities thereof and all repayments of the principal thereof and, prior to any transfer thereof, appropriate notations to evidence the foregoing information shall be endorsed by the Bank on such schedule, or a continuation thereof; provided, however, that the failure of the Bank to make any such recordation or endorsement or any error therein shall not affect the obligations of JEA under the Water and Sewer System Revolving Credit Notes or under the Credit Agreement.

**Section 5.06 Limitations on Transfer and Exchange of Water and Sewer System Revolving Credit Notes.** (a) Except as hereinafter provided in this Section, the Water and Sewer System Revolving Credit Notes shall not be transferable by the holder thereof.

(b) Notwithstanding the provisions of subsection (a) of this Section, the holder of the Water and Sewer System Revolving Credit Notes may assign its rights with respect to the Water and Sewer System Revolving Credit Notes and its commitment under the Credit Agreement with respect to the Water and Sewer System in accordance with the provisions of such Credit Agreement. Upon such assignment, and upon presentation and surrender of the Water and Sewer System Revolving Credit Note, JEA shall execute and deliver to the appropriate person(s), in substitution for the Water and Sewer System Revolving Credit Note so surrendered, one or more Water and Sewer System Revolving Credit Notes in an aggregate principal amount equal to the principal amount of the Water and Sewer System Revolving Credit Notes so surrendered, so as to give effect to such assignment.

## **ARTICLE VI**

### **SOURCE OF PAYMENT AND SECURITY FOR WATER AND SEWER SYSTEM REVOLVING CREDIT NOTES**

**Section 6.01 Source of Payment and Security for the Water and Sewer System Revolving Credit Notes.** (a) There is hereby pledged for the payment of the principal of, and interest on, the Water and Sewer System Revolving Credit Notes in accordance with the terms and provisions of this Bank Note Resolution, the Water and Sewer System Resolution and the Credit Agreement with respect to the Water and Sewer System, the amounts on deposit in the Water and Sewer System Subordinated Indebtedness Fund as may from time to time be available therefor, including the investments, if any, thereof; provided, however, that such pledge shall be junior and subordinate in all respects to the Water and Sewer System Bonds and the Prior Lien Water and Sewer System Subordinated Obligations as to lien on and pledge of the Trust Estate (as defined in the Water and Sewer System Resolution) created by the Water and Sewer System Resolution and as to lien on and pledge of amounts in the Water and Sewer System Subordinated Indebtedness Fund created by the Water and Sewer System Subordinated Resolution.

(b) Such amounts on deposit in the Water and Sewer System Subordinated Indebtedness Fund shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against JEA, irrespective of whether such parties have notice thereof.

(c) In accordance with the provisions of Section 515 of the Water and Sewer System Resolution, the Water and Sewer System Revolving Credit Notes shall be, and shall be deemed to be, and are hereby expressed to be, obligations payable from and secured by a lien on the Trust Estate (as defined in the Water and Sewer System Resolution) junior and subordinate in all respects to the lien thereon and pledge thereof in favor of the Water and Sewer System Bonds. The Water and Sewer System Revolving Credit Notes shall be and be deemed to be, and shall constitute, “Subordinated Bonds” within the meaning of such term contained in the Water and Sewer System Resolution. In addition, in accordance with the provisions of Section 7.06 of the Water and Sewer System Subordinated Resolution, the Water and Sewer System Revolving Credit Notes shall be, and shall be deemed to be, and are hereby expressed to be, obligations payable from and secured by a lien on amounts in the Water and Sewer System Subordinated Indebtedness Fund junior and subordinate in all respects to the lien thereon and pledge thereof in favor of the Prior Lien Water and Sewer System Subordinated Obligations.

(d) The Water and Sewer System Revolving Credit Notes shall not be or constitute a general obligation or indebtedness of the City or JEA as a “bond” within the meaning of the Constitution of Florida, but shall be payable solely from and secured by a lien upon and a pledge of the amounts as herein provided. No holder of the Water and Sewer System Revolving Credit Notes shall ever have the right to compel the exercise of the ad valorem taxing power of the City or JEA, if any, or taxation in any form of any real property in the City to pay the Water and Sewer System Revolving Credit Notes or interest thereon or be entitled to payment of such principal and interest from any other funds of the City or JEA except from the special funds in the manner provided herein.

**Section 6.02 Payment of the Water and Sewer System Revolving Credit Notes.**

Subject to (a) the prior payments from the Water and Sewer System Subordinated Indebtedness Fund as required by subsection 3 of Section 510 of the Water and Sewer System Resolution and (b) the prior payment of all amounts due with respect to the Prior Lien Water and Sewer System Subordinated Obligations, amounts on deposit in the Water and Sewer System Subordinated Indebtedness Fund and available therefor shall be applied to the payment of the principal of, and interest on, the Water and Sewer System Revolving Credit Notes when due.

**Section 6.03 Issuance of Additional Debt.** Nothing herein shall be deemed to limit JEA’s ability to issue Additional Obligations under the Water and Sewer System Resolution and additional Prior Lien Water and Sewer System Subordinated Obligations payable prior to the payment of the Water and Sewer System Revolving Credit Notes, nor to issue additional Water and Sewer System Subordinated Indebtedness payable on a parity with the Water and Sewer System Revolving Credit Notes, and JEA hereby reserves the right to issue such Additional Obligations, such additional Prior Lien Water and Sewer System Subordinated Obligations and such additional Water and Sewer System Subordinated Indebtedness.

**Section 6.04 Rate Covenant with respect to Water and Sewer System Revolving Credit Notes.** JEA covenants to fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use or the sale of the products, services and facilities of the Water and Sewer System which will always provide Water and Sewer System Net Revenues in each Fiscal Year, together with other available funds, sufficient to make all payments required to be made in such Fiscal Year (i) by the Water and

Sewer System Resolution and the Water and Sewer System Subordinated Resolution, and (ii) with respect to the Water and Sewer System Revolving Credit Notes, by this Bank Note Resolution.

## ARTICLE VII

### AUTHORIZATION OF DISTRICT ENERGY SYSTEM REVOLVING CREDIT NOTES

**Section 7.01 Principal Amount and Designation; Medium of Payment.** (a) In accordance with the provisions of the District Energy System Resolution, an issue of indebtedness of JEA is hereby authorized in a maximum aggregate principal amount outstanding at any one time of up to \$75,000,000. Such indebtedness shall be designated as, and shall be distinguished from all other indebtedness of JEA by the title, “District Energy System Revolving Credit Subordinated Bank Notes, Series X” and shall be further designated as the “District Energy System Revolving Credit Subordinated Bank Notes, Series T-X” which shall evidence Taxable Loans relating to the District Energy System and as the “District Energy System Revolving Credit Subordinated Bank Note, Series TE-X” which shall evidence Tax-exempt Loans relating to the District Energy System; *provided*, that the Managing Director and Chief Executive Officer also may alter the designation of the District Energy System Revolving Credit Subordinated Bank Notes as he deems appropriate to reflect the designation of Revolving Credit Notes previously issued and JEA’s custom in identifying Revolving Credit Notes or as he otherwise deems desirable, such determination to be set forth in the Credit Agreement relating to the Revolving Credit Notes.

(b) The District Energy System Revolving Credit Notes shall be payable, with respect to interest and principal, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

**Section 7.02 Purpose.** The District Energy System Revolving Credit Notes are authorized for the purpose of evidencing JEA’s obligation to repay amounts borrowed under the Credit Agreement for the District Energy System and interest thereon.

**Section 7.03 Execution and Delivery of District Energy System Revolving Credit Notes.** (a) On or before the Effective Date, JEA shall execute, authenticate and deliver to the Bank the District Energy System Revolving Credit Notes as hereinafter in this Section provided. The District Energy System Revolving Credit Notes shall be in fully registered form, without coupons, and shall be dated the date of its execution and delivery. The District Energy System Revolving Credit Notes shall have a stated maximum aggregate principal amount not to exceed \$75,000,000, provided that the amount outstanding thereunder shall not be greater than \$350,000,000 less the amount then outstanding under the Water and Sewer System Revolving Credit Notes.

(b) The District Energy System Revolving Credit Notes shall be executed in the name of JEA by the manual or facsimile signature of its Chair or Vice-Chair, and its corporate seal (or a facsimile thereof) shall be impressed, imprinted, or otherwise reproduced thereon and attested by the manual signature of the Secretary or Assistant Secretary of JEA, or in such other

manner as may be required or permitted by law. In case any one or more of the officers who shall have signed or sealed the District Energy System Revolving Credit Notes shall cease to be such officer before the District Energy System Revolving Credit Notes shall have been authenticated and delivered, the District Energy System Revolving Credit Notes may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed the District Energy System Revolving Credit Notes had not ceased to hold such offices. The District Energy System Revolving Credit Notes may be signed and sealed on behalf of JEA by such persons as at the time of the execution of the District Energy System Revolving Credit Notes shall be duly authorized or hold the proper office in JEA, although at the date borne by the District Energy System Revolving Credit Notes such persons may not have been so authorized or have held such office.

**Section 7.04 Outstanding Principal Amount of District Energy System Revolving Credit Notes, Interest on District Energy System Revolving Credit Notes, Payment of District Energy System Revolving Credit Notes and Optional Tender for Payment.**

(a) The principal amount outstanding with respect to the District Energy System Revolving Credit Notes at any time shall equal the amount borrowed by JEA under the Credit Agreement with respect to the District Energy System, less any prior principal repayments thereof.

(b) The District Energy System Revolving Credit Notes shall bear interest during the same periods and at the same rates as are applicable to the loans evidenced by the District Energy System Revolving Credit Notes made by the Bank under and pursuant to the Credit Agreement, determined as provided in the Credit Agreement.

(c) The principal of the District Energy System Revolving Credit Notes, and interest thereon, shall be payable (and prepayable) at the same times and in the same amounts as are applicable to the respective loans evidenced by the District Energy System Revolving Credit Notes made by the Bank under and pursuant to the Credit Agreement, determined as provided in the Credit Agreement.

(d) As provided in the Credit Agreement, and subject to the conditions and limitations set forth therein, the District Energy System Revolving Credit Notes may be tendered (or deemed tendered) for payment by JEA prior to the due date of the outstanding principal amount thereof, whereupon JEA shall be obligated to pay the outstanding principal amount of the District Energy System Revolving Credit Notes (together with accrued interest thereon) so tendered (or deemed tendered) without presentment, demand, protest or other notice of any kind, all of which are hereby waived by JEA. The District Energy System Revolving Credit Notes immediately shall be due and payable upon its becoming subject to payment by JEA pursuant to this Section.

**Section 7.05 Form of District Energy System Revolving Credit Notes and Schedule of Loans and Repayments, Completion of Such Schedule.** (a) The District Energy System Revolving Credit Notes, including the schedule of loans and repayments attached thereto, shall be substantially in the form set forth in Section 9.03 hereof with such appropriate variations, omissions and insertions as are permitted or required by this Bank Note Resolution or the Credit Agreement.

(b) The Bank is authorized to record on the schedule of loans and repayments attached to the respective District Energy System Revolving Credit Notes, or a continuation thereof, each loan made by the Bank to JEA for the District Energy System evidenced thereby, the respective dates, types, amounts and maturities thereof and all repayments of the principal thereof and, prior to any transfer thereof, appropriate notations to evidence the foregoing information shall be endorsed by the Bank on such schedule, or a continuation thereof, *provided, however*, that the failure of the Bank to make any such recordation or endorsement or any error therein shall not affect the obligations of JEA under the District Energy System Revolving Credit Notes or under the Credit Agreement.

**Section 7.06 Limitations on Transfer and Exchange of District Energy System Revolving Credit Notes.** (a) Except as hereinafter provided in this Section, the District Energy System Revolving Credit Notes shall not be transferable by the holder thereof.

(b) Notwithstanding the provisions of subsection (a) of this Section, the holder of the District Energy System Revolving Credit Notes may assign its rights with respect to the District Energy System Revolving Credit Notes and its commitment under the Credit Agreement with respect to the District Energy System in accordance with the provisions of such Credit Agreement. Upon such assignment, and upon presentation and surrender of the District Energy System Revolving Credit Note, JEA shall execute and deliver to the appropriate person(s), in substitution for the District Energy System Revolving Credit Note so surrendered, one or more District Energy System Revolving Credit Notes in an aggregate principal amount equal to the principal amount of the District Energy System Revolving Credit Notes so surrendered, so as to give effect to such assignment.

## ARTICLE VIII

### SOURCE OF PAYMENT AND SECURITY FOR DISTRICT ENERGY SYSTEM REVOLVING CREDIT NOTES

**Section 8.01 Source of Payment and Security for the District Energy System Revolving Credit Notes.** (a) There is hereby pledged for the payment of the principal of, and interest on, the District Energy System Revolving Credit Notes in accordance with the terms and provisions of this Bank Note Resolution, the District Energy System Resolution and the Credit Agreement with respect to the District Energy System, the amounts on deposit in the District Energy System Subordinated Indebtedness Fund as may from time to time be available therefor, including the investments, if any, thereof *provided, however*, that such pledge shall be junior and subordinate in all respects to the District Energy System Bonds and to the Prior Lien District Energy System Subordinated Obligations as to lien on and pledge of the Trust Estate (as defined in the District Energy System Resolution) created by the District Energy System Resolution.

(b) Such amounts on deposit in the District Energy System Subordinated Indebtedness Fund shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against JEA, irrespective of whether such parties have notice thereof.

(c) In accordance with the provisions of Section 515 of the District Energy System Resolution, the District Energy System Revolving Credit Notes shall be, and shall be deemed to be, and are hereby expressed to be, obligations payable from and secured by a lien on the Trust Estate (as defined in the District Energy System Resolution) junior and subordinate in all respects to the lien thereon and pledge thereof in favor of the District Energy System Bonds. The District Energy System Revolving Credit Notes shall be and be deemed to be, and shall constitute, “Subordinated Indebtedness” within the meaning of such term contained in the District Energy System Resolution. In addition, in accordance with the provisions of Section 515 of the District Energy System Resolution, the District Energy System Revolving Credit Notes shall be, and shall be deemed to be, and are hereby expressed to be, obligations payable from and secured by a lien on amounts in the District Energy System Subordinated Indebtedness Fund junior and subordinate in all respects to the lien thereon and pledge thereof in favor of the Prior Lien District Energy System Subordinated Obligations.

(d) The District Energy System Revolving Credit Notes shall not be or constitute a general obligation or indebtedness of the City or JEA as a “bond” within the meaning of the Constitution of Florida, but shall be payable solely from and secured by a lien upon and a pledge of the amounts as herein provided. No holder of the District Energy System Revolving Credit Notes shall ever have the right to compel the exercise of the ad valorem taxing power of the City or JEA, if any, or taxation in any form of any real property in the City to pay the District Energy System Revolving Credit Notes or interest thereon or be entitled to payment of such principal and interest from any other funds of the City or JEA except from the special funds in the manner provided herein.

**Section 8.02 Payment of the District Energy System Revolving Credit Notes.**

Subject to (a) the prior payments from the District Energy System Subordinated Indebtedness Fund as required by subsection 3 of Section 510 of the District Energy System Resolution, and (b) the prior payment of all amounts due with respect to the Prior Lien District Energy System Subordinated Obligations, amounts on deposit in the District Energy System Subordinated Indebtedness Fund and available therefor shall be applied to the payment of the principal of, and interest on, the District Energy System Revolving Credit Notes when due.

**Section 8.03 Issuance of Additional Debt.** Nothing herein shall be deemed to limit JEA’s ability to issue additional District Energy System Bonds under the District Energy System Resolution and Prior Lien District Energy System Subordinated Obligations payable prior to the payment of the District Energy System Revolving Credit Notes, nor to issue additional District Energy System Subordinated Indebtedness payable on a parity with the District Energy System Revolving Credit Notes, and JEA hereby reserves the right to issue such additional Bonds, such additional Prior Lien District Energy System Subordinated Obligations and such additional District Energy System Subordinated Indebtedness.

**Section 8.04 Rate Covenant with respect to District Energy System Revolving Credit Notes.** JEA covenants and agrees to include the amount of any District Energy System Revolving Credit Note Deficiency (as defined in Section 8.05 below) in the amounts payable out of Revenues (as defined in the Water and Sewer System Resolution) for purposes of clause (f) of subsection 1 of Section 711, Rates, Fees and Charges, of the Water and Sewer System Resolution.

**Section 8.05 Covenant to Fund Payment on District Energy System Revolving Credit Notes.** JEA shall, on each date upon which a payment is due under Section 7.04 hereof on the District Energy System Revolving Credit Notes, apply Available Water and Sewer System Revenues, in an amount sufficient to cure any deficiency in amounts on deposit in the District Energy System Subordinated Indebtedness Fund that exists with respect to the District Energy System Revolving Credit Notes (a “District Energy System Revolving Credit Note Deficiency”), to such payment.

**Section 8.06 Certain Provisions of the District Energy System Resolution Excluded.** Amounts due or to become due on the District Energy System Revolving Credit Notes under Section 7.04 hereof shall be excluded from the calculation of rates, fees and charges for the District Energy System pursuant to Section 710 of the District Energy System Resolution.

## ARTICLE IX

### FORM OF REVOLVING CREDIT NOTES

**Section 9.01 Form of Electric System Revolving Credit Notes.** The form of the Electric System Revolving Credit Notes shall be of substantially the following tenor with such variations, omissions and insertions as are required or permitted by this Bank Note Resolution:

[ELECTRIC SYSTEM REVOLVING CREDIT NOTE FORM]

UNITED STATES OF AMERICA

STATE OF FLORIDA

JEA

ELECTRIC SYSTEM REVOLVING CREDIT

SUBORDINATED BANK NOTE, SERIES [T-\_\_\_/TE-\_\_\_]

No. \_\_\_\_\_

NOT EXCEEDING  
\$350,000,000

\_\_\_\_\_, \_\_\_\_

For value received, JEA, a body politic and corporate organized and existing under the laws of the State of Florida, and an independent agency of the City of Jacksonville, Florida (the “City”), promises to pay to the order of \_\_\_\_\_ (the “Bank”) the lesser of (a) THREE HUNDRED FIFTY MILLION DOLLARS (\$350,000,000) and (b) the unpaid principal amount of each [Taxable/Tax-exempt] Electric System Loan (as defined in the Credit Agreement referred to below) made by the Bank to JEA pursuant to the Credit Agreement, at the time or times and in the amounts required by the Bank Note Resolution referred to below and the Credit Agreement. JEA promises to pay interest on the unpaid principal amount of each such [Taxable/Tax-exempt] Electric System Loan on the dates and at the rate or rates provided for in the Credit Agreement. All such payments of principal and interest shall be made in lawful money of the United States in federal or other immediately available funds at the office of the Bank.

ALL [Taxable/Tax-exempt] Electric System Loans made by the Bank, the respective dates, types, amounts and maturities thereof and all repayments of the principal thereof shall be

recorded by the Bank and, prior to any transfer hereof, appropriate notations to evidence the foregoing information with respect to each such [Taxable/Tax-exempt] Electric System Loan then outstanding shall be endorsed by the Bank on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; *provided, however*, that the failure of the Bank to make any such recordation or endorsement or any error therein shall not affect the obligations of JEA hereunder or under the Credit Agreement. The aggregate principal amount outstanding under this Note, together with the aggregate principal amount outstanding under the Electric System Revolving Credit Subordinated Note, Series [E\_\_-T/E\_\_-TE] (as defined in the Bank Note Resolution referred to below) shall not exceed \$350,000,000. Subject to such limitation, the principal amount of the Electric System Loans evidenced by this Note may be advanced, repaid and advanced again from time to time as provided in the Credit Agreement.

This Note (a) is the Note of JEA known as Electric System Revolving Credit Subordinated Bank Note, Series [T-\_\_] [TE-\_\_] (the “Note”), issued pursuant to a resolution of JEA adopted on August 19, 2003, as amended and restated in its entirety on August 20, 2013, on November 30, 2015, on October 16, 2018, and as further amended and restated in its entirety on \_\_\_\_\_, 2025 (the “Bank Note Resolution”), and (b) is the Note referred to in the Revolving Credit Agreement, dated as of \_\_\_\_\_, between JEA and the Bank (as the same may be amended from time to time, the “Credit Agreement”). This Note is issued pursuant to the authority of and in full compliance with the Constitution and statutes of the State of Florida, including particularly Article 21 of the Charter of the City, as amended and readopted by Chapter 80-515, Laws of Florida, Special Acts of 1980, as subsequently amended by Chapter 92-341, Laws of Florida, Special Acts of 1992 and as thereafter amended in accordance with the terms thereof, and other applicable provisions of law, to evidence JEA’s obligation to repay the [Taxable/Tax-exempt] Electric System Loans. Reference is made to the Electric System Resolution (as defined in the Bank Note Resolution), the Bank Note Resolution and the Credit Agreement for a description of the rights, limitations on rights, obligations and duties thereunder of JEA and the Bank. Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Bank Note Resolution.

This Note is payable from and secured by a pledge of amounts on deposit in the Electric System Revenue Fund as may from time to time be available therefor, including the investments, if any, thereof, subject only to the provisions of the Electric System Resolution and the Bank Note Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein, *provided, however*, that such pledge shall be junior and subordinate in all respects to the Electric System Bonds and the Prior Lien Electric System Subordinated Bonds as to lien on and source of security for payment from the Revenues. In accordance with the provisions of the Bank Note Resolution, JEA reserves the right to issue additional indebtedness payable from and secured, prior to or on a parity with this Note, by a pledge of the amounts described above.

This Note does not constitute a general obligation or indebtedness of the City or JEA as a “bond” within the meaning of the Constitution of Florida, but shall be payable solely from and secured by a lien upon and a pledge of amounts as provided in the Bank Note Resolution. No holder of this Note shall ever have the right to compel the exercise of the ad valorem taxing power of the City or JEA, if any, or taxation in any form of any real property in the City to pay this Note or interest hereon or be entitled to payment of such principal and interest from any

other funds of the City or JEA except from the special funds in the manner provided in the Bank Note Resolution.

Reference is made to the Bank Note Resolution and the Credit Agreement for provisions relating to the prepayment and tender (or deemed tender) for payment hereof.

This Note is transferable only upon the terms and conditions, and subject to the limitations, set forth in the Bank Note Resolution and the Credit Agreement.

To the extent and in the manner permitted by the terms of the Bank Note Resolution, the provisions of the Bank Note Resolution may be modified or amended by JEA.

This Note shall not be entitled to any benefit under the Bank Note Resolution or be valid or become obligatory for any purpose until this Note shall have been authenticated by the manual signature of an authorized officer of JEA.

**IN WITNESS WHEREOF**, JEA has issued this Note and caused the same to be signed by its Chair or Vice-Chair and attested by its Secretary or an Assistant Secretary and its corporate seal or a facsimile thereof to be impressed, imprinted, engraved or reproduced hereon.



**JEA**

Attested and Countersigned  
for Authorization:

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Secretary or  
Assistant Secretary

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Chair or Vice-Chair

JEA ELECTRIC SYSTEM REVOLVING CREDIT SUBORDINATED BANK NOTE, SERIES  
\_ (cont'd)

## ELECTRIC SYSTEM LOANS AND PAYMENTS OF PRINCIPAL

[illegible]

**Section 9.02 Form of Water and Sewer System Revolving Credit Notes.** The form of the Water and Sewer System Revolving Credit Notes shall be of substantially the following tenor with such variations, omissions and insertions as are required or permitted by this Bank Note Resolution:

[WATER AND SEWER SYSTEM REVOLVING CREDIT NOTE FORM]

UNITED STATES OF AMERICA  
STATE OF FLORIDA  
JEA  
WATER AND SEWER SYSTEM REVOLVING CREDIT  
SUBORDINATED BANK NOTE, SERIES [T-\_\_] [TE-\_\_]

No. \_\_\_\_\_

NOT EXCEEDING  
\$350,000,000

\_\_\_\_\_, \_\_\_\_

For value received, JEA, a body politic and corporate organized and existing under the laws of the State of Florida, and an independent agency of the City of Jacksonville, Florida (the “City”), promises to pay to the order of \_\_\_\_\_ (the “Bank”) the lesser of (a) THREE HUNDRED FIFTY MILLION DOLLARS (\$350,000,000) and (b) the unpaid principal amount of each [Taxable/Tax-exempt] Water and Sewer System Loan (as defined in the Credit Agreement referred to below) made by the Bank to JEA pursuant to the Credit Agreement, at the time or times and in the amounts required by the Bank Note Resolution referred to below and the Credit Agreement. JEA promises to pay interest on the unpaid principal amount of each such [Taxable/Tax-exempt] Water and Sewer System Loan on the dates and at the rate or rates provided for in the Credit Agreement. All such payments of principal and interest shall be made in lawful money of the United States in federal or other immediately available funds at the office of the Bank.

All [Taxable/Tax-exempt] Water and Sewer System Loans made by the Bank, the respective dates, types, amounts and maturities thereof and all repayments of the principal thereof shall be recorded by the Bank and, prior to any transfer hereof appropriate notations to evidence the foregoing information with respect to each such [Taxable/Tax-exempt] Water and Sewer System Loan then outstanding shall be endorsed by the Bank on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; *provided, however*, that the failure of the Bank to make any such recordation or endorsement or any error therein shall not affect the obligations of JEA hereunder or under the Credit Agreement. The aggregate principal amount outstanding under this Note at any time, together with the aggregate principal amount outstanding under the Water and Sewer System Revolving Credit Note, Series [W\_-T/W\_-TE], and the District Energy System Revolving Credit Notes (each as defined in the Bank Note Resolution referred to below) shall not exceed \$350,000,000. Subject to such limitation, the principal amount of the Water and Sewer System Loans evidenced by this Note may be advanced, repaid and advanced again from time to time as provided in the Credit Agreement.

This Note (a) is the Note of JEA known as Water and Sewer System Revolving Credit Subordinated Bank Note, Series [T-] [TE-] (the “Note”), issued pursuant to a resolution of JEA adopted on August 19, 2003, as amended and restated in its entirety on August 20, 2013, on November 30, 2015, on October 16, 2018 and as further amended and restated in its entirety on \_\_\_\_\_, 2025 (the “Bank Note Resolution”), and (b) is the Note referred to in the Revolving Credit Agreement, dated as of \_\_\_\_\_, between JEA and the Bank (as the same may be amended from time to time, the “Credit Agreement”). This Note is issued pursuant to the authority of and in full compliance with the Constitution and statutes of the State of Florida, including particularly Article 21 of the Charter of the City, as amended and readopted by Chapter 80-515, Laws of Florida, Special Acts of 1980, as subsequently amended by Chapter 92-341, Laws of Florida, Special Acts of 1992 and as thereafter amended in accordance with the terms thereof, and other applicable provisions of law, to evidence JEA’s obligation to repay the [Taxable/Tax-exempt] Water and Sewer System Loans. Reference is made to the Water and Sewer System Resolution (as defined in the Bank Note Resolution), the Bank Note Resolution and the Credit Agreement for a description of the rights, limitations on rights, obligations and duties thereunder of JEA and the Bank. Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Bank Note Resolution.

This Note is payable from and secured by a pledge of amounts on deposit in the Water and Sewer System Subordinated Indebtedness Fund as may from time to time be available therefor, including the investments, if any, thereof, subject only to the provisions of the Water and Sewer System Resolution and the Bank Note Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein, *provided, however*, that such pledge shall be junior and subordinate in all respects to the Water and Sewer System Bonds and the Prior Lien Water and Sewer System Subordinated Obligations as to lien on and source of security for payment from such amounts. In accordance with the provisions of the Bank Note Resolution, JEA reserves the right to issue additional indebtedness payable from and secured, prior to or on a parity with this Note, by a pledge of the amounts described above.

This Note does not constitute a general obligation or indebtedness of the City or JEA as a “bond” within the meaning of the Constitution of Florida, but shall be payable solely from and secured by a lien upon and a pledge of amounts as provided in the Bank Note Resolution. No holder of this Note shall ever have the right to compel the exercise of the ad valorem taxing power of the City or JEA, if any, or taxation in any form of any real property in the City to pay this Note or interest hereon or be entitled to payment of such principal and interest from any other funds of the City or JEA except from the special funds in the manner provided in the Bank Note Resolution.

Reference is made to the Bank Note Resolution and the Credit Agreement for provisions relating to the prepayment and tender (or deemed tender) for payment hereof.

This Note is transferable only upon the terms and conditions, and subject to the limitations, set forth in the Bank Note Resolution and the Credit Agreement.

To the extent and in the manner permitted by the terms of the Bank Note Resolution, the provisions of the Bank Note Resolution may be modified or amended by JEA.

This Note shall not be entitled to any benefit under the Bank Note Resolution or be valid or become obligatory for any purpose until this Note shall have been authenticated by the manual signature of an authorized officer of JEA.

**IN WITNESS WHEREOF**, JEA has issued this Note and caused the same to be signed by its Chair or Vice-Chair and attested by its Secretary or an Assistant Secretary and its corporate seal or a facsimile thereof to be impressed, imprinted, engraved or reproduced hereon.



**JEA**

Attested and Countersigned  
for Authorization:

---

Secretary or  
Assistant Secretary

---

Chair or Vice-Chair



**Section 9.03 Form of District Energy System Revolving Credit Notes.** The form of the District Energy System Revolving Credit Notes shall be of substantially the following tenor with such variations, omissions and insertions as are required or permitted by this Bank Note Resolution:

[DISTRICT ENERGY SYSTEM REVOLVING CREDIT NOTE FORM]

UNITED STATES OF AMERICA  
STATE OF FLORIDA  
JEA  
DISTRICT ENERGY SYSTEM REVOLVING CREDIT  
SUBORDINATED BANK NOTE, SERIES [T-\_\_] [TE-\_\_]

No. NOT EXCEEDING  
\$75,000,000

\_\_\_\_\_, \_\_\_\_

For value received, JEA, a body politic and corporate organized and existing under the laws of the State of Florida, and an independent agency of the City of Jacksonville, Florida (the “City”), promises to pay to the order of \_\_\_\_\_ (the “Bank”) the lesser of (a) SEVENTY-FIVE MILLION DOLLARS (\$75,000,000) and (b) the unpaid principal amount of each [Taxable/Tax-exempt] District Energy System Loan (as defined in the Credit Agreement referred to below) made by the Bank to JEA pursuant to the Credit Agreement, at the time or times and in the amounts required by the Bank Note Resolution referred to below and the Credit Agreement. JEA promises to pay interest on the unpaid principal amount of each such [Taxable/Tax-exempt] District Energy System Loan on the dates and at the rate or rates provided for in the Credit Agreement. All such payments of principal and interest shall be made in lawful money of the United States in federal or other immediately available funds at the office of the Bank.

All [Taxable/Tax-exempt] District Energy System Loans made by the Bank, the respective dates, types, amounts and maturities thereof and all repayments of the principal thereof shall be recorded by the Bank and, prior to any transfer hereof, appropriate notations to evidence the foregoing information with respect to each such [Taxable/Tax-exempt] District Energy System Loan then outstanding shall be endorsed by the Bank on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; *provided, however*, that the failure of the Bank to make any such recordation or endorsement or any error therein shall not affect the obligations of JEA hereunder or under the Credit Agreement. The aggregate principal amount outstanding under this Note at any time, together with the aggregate principal amount outstanding under the District Energy System Revolving Credit Note, Series [T-\_/TE-\_/], and the Water and Sewer System Revolving Credit Notes (each as defined in the Bank Note Resolution referred to below) shall not exceed \$350,000,000. Subject to such limitation, the principal amount of the District Energy System Loans evidenced by this Note may be advanced, repaid and advanced again from time to time as provided in the Credit Agreement.

This Note (a) is the Note of JEA known as District Energy System Revolving Credit Subordinated Bank Note, Series [T-] [TE-] (the “Note”), issued pursuant to a resolution of JEA adopted on August 19, 2003, as amended and supplemented, including as amended and supplemented by the supplemental resolution of JEA adopted on August 16, 2005, as amended and restated in its entirety on August 20, 2013, on November 30, 2015, on October 16, 2018 and as further amended and restated in its entirety on \_\_\_\_\_, 2025 (the “Bank Note Resolution”), and (b) is the Note referred to in the Revolving Credit Agreement, dated as of \_\_\_\_\_, between JEA and the Bank (as the same may be amended from time to time, the “Credit Agreement”). This Note is issued pursuant to the authority of and in full compliance with the Constitution and statutes of the State of Florida, including particularly Article 21 of the Charter of the City, as amended and readopted by Chapter 80-515, Laws of Florida, Special Acts of 1980, as subsequently amended by Chapter 92-341, Laws of Florida, Special Acts of 1992 and as thereafter amended in accordance with the terms thereof, and other applicable provisions of law, to evidence JEA’s obligation to repay the [Taxable/Tax-exempt] District Energy System Loans. Reference is made to the District Energy System Resolution (as defined in the Bank Note Resolution), the Bank Note Resolution and the Credit Agreement for a description of the rights, limitations on rights, obligations and duties thereunder of JEA and the Bank. Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Bank Note Resolution.

This Note is payable from and secured by a pledge of amounts on deposit in the District Energy System Subordinated Indebtedness Fund as may from time to time be available therefor, including the investments, if any, thereof, subject only to the provisions of the District Energy System Resolution and the Bank Note Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein, provided, however, that such pledge shall be junior and subordinate in all respects to the District Energy System Bonds and the Prior Lien District Energy Subordinated Bonds as to lien on and source of security for payment from such amounts. In accordance with the provisions of the Bank Note Resolution, JEA reserves the right to issue additional indebtedness payable from and secured, prior to or on a parity with this Note, by a pledge of the amounts described above.

This Note does not constitute a general obligation or indebtedness of the City or JEA as a “bond” within the meaning of the Constitution of Florida, but shall be payable solely from and secured by a lien upon and a pledge of amounts as provided in the Bank Note Resolution. No holder of this Note shall ever have the right to compel the exercise of the ad valorem taxing power of the City or JEA, if any, or taxation in any form of any real property in the City to pay this Note or interest hereon or be entitled to payment of such principal and interest from any other funds of the City or JEA except from the special funds in the manner provided in the Bank Note Resolution.

Reference is made to the Bank Note Resolution and the Credit Agreement for provisions relating to the prepayment and tender (or deemed tender) for payment hereof.

This Note is transferable only upon the terms and conditions, and subject to the limitations, set forth in the Bank Note Resolution and the Credit Agreement.

To the extent and in the manner permitted by the terms of the Bank Note Resolution, the provisions of the Bank Note Resolution may be modified or amended by JEA.

This Note shall not be entitled to any benefit under the Bank Note Resolution or be valid or become obligatory for any purpose until this Note shall have been authenticated by the manual signature of an authorized officer of JEA.

IN WITNESS WHEREOF, JEA has issued this Note and caused the same to be signed by its Chair or Vice-Chair and attested by its Secretary or an Assistant Secretary and its corporate seal or a facsimile thereof to be impressed, imprinted, engraved or reproduced hereon.



**JEA**

Attested and Countersigned  
for Authorization:

---

Secretary or  
Assistant Secretary

---

Chair or Vice-Chair

JEA DISTRICT ENERGY SYSTEM REVOLVING CREDIT SUBORDINATED BANK NOTE,  
SERIES \_\_ (cont'd)

### DISTRICT ENERGY SYSTEM LOANS AND PAYMENTS OF PRINCIPAL

[illegible]

## ARTICLE X

### MISCELLANEOUS

**Section 10.01 Severability.** If any one or more of the covenants, agreements or provisions of this Bank Note Resolution or the Revolving Credit Notes should be held contrary to any express provision of law or contrary to the policy of any such provision of law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements and provisions of this Bank Note Resolution or the Revolving Credit Notes issued hereunder, as the case may be.

**Section 10.02 Amendments to this Bank Note Resolution.** Until such time as the Revolving Credit Notes shall be paid in full, this Bank Note Resolution shall not be amended or modified in any respect except upon the written consent thereto of the Bank.

**Section 10.03 Effect of this Resolution; Effective Date.** This Bank Note Resolution shall take effect upon its adoption by JEA and the earlier to occur of: (i) the written consent of the Bank and (ii) payment in full of the Revolving Credit Notes.

ADOPTED THIS TWENTY-SIXTH DAY OF AUGUST, 2025.

**JEA**

---

Chair or Vice-Chair



ATTEST:

---

Secretary

APPROVED AS TO FORM:

---

Office of General Counsel

KUTAK ROCK LLP  
~~CONFORMED~~

---

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**REVOLVING CREDIT AGREEMENT<sup>†</sup>**  
**(Electric System)**

Dated as of ~~December 17, 2015~~ August [28], 2025

between

**JEA**

and

<sup>†</sup>Conformed Copy reflecting the following amendments:

- ~~First Amendment to Revolving Credit Agreement dated May 24, 2018 (the “1<sup>st</sup> Amendment”);~~
- ~~Second Amendment to Revolving Credit Agreement dated November 1, 2018 (the “2<sup>nd</sup> Amendment”);~~
- ~~Third Amendment to Revolving Credit Agreement dated May 24, 2021 (the “3<sup>rd</sup> Amendment”); and~~
- ~~Fourth Amendment to Revolving Credit Agreement dated July 31, 2023 (the “4<sup>th</sup> Amendment”)~~

~~4902-0831-8290.1~~ 4902-0831-8290.6



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## REVOLVING CREDIT AGREEMENT (Electric System)

**THIS REVOLVING CREDIT AGREEMENT (Electric System)** (as amended, supplemented, restated, and/or otherwise modified or replaced, this “*Agreement*”) is dated as of ~~December 17, 2015~~ August [28], 2025, between **JEA** (the “*Borrower*”) and [REDACTED] (the “*Bank*”). All capitalized terms used herein and not otherwise defined shall have the meanings assigned in Section 1.01.

**WHEREAS**, the Borrower is a body politic and corporate duly organized and existing under the laws of the State of Florida and an independent agency of the City of Jacksonville, Florida (the “*City*”) established under Article 21 of the Charter of the City, as amended and readopted by Chapter 80-515, Laws of Florida, Special Acts of 1980, as subsequently amended by Chapter 92-341, Laws of Florida, Special Acts of 1992 and as thereafter amended in accordance with the terms thereof prior to the date hereof, and other applicable provisions of law (collectively, the “*Act*”);

**WHEREAS**, the Borrower is authorized pursuant to the Act to own, manage and operate the Electric System ~~(as defined in the Electric System Resolution), the Water and Sewer System (defined as the “System” in the Water and Sewer System Resolution), the District Energy System (defined as the “System” in the District Energy System Resolution), the St. Johns River Power Park System (defined as “System” in the St. John River Power Park System Second Revenue Bond Resolution) and the Project (as defined in the Bulk Power Supply System Revenue Bond Resolution) and the Borrower is authorized pursuant to the Act to establish, own, manage and operate additional utility systems and anticipates that one or more such additional utility systems may hereafter be established by the Borrower (each of the foregoing, individually, a “System” and collectively, the “Systems”);~~<sup>2</sup>

**WHEREAS**, pursuant to Resolution No. 2025-40 adopted by the Borrower on August [26], 2025, which amended and restated Resolution No. 2018-14 adopted by the Borrower on October 16, 2018, ~~which amended and restated Resolution No. 2015-06 adopted by the Borrower on November 30, 2015~~ (as it may be further amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof and hereof, the “*Note Resolution*”)<sup>2</sup>, the Borrower has approved the execution and delivery of this Agreement and authorized the making of Borrowings from time to time hereunder of up to ~~\$500,000,000~~ \$350,000,000 in aggregate principal amount outstanding at any one time, to provide the Borrower with working capital and short-term and interim financing for capital projects in connection with the ~~Systems~~ Electric System; and<sup>3</sup>

<sup>2</sup> ~~Definition of Note Resolution amended by 2<sup>nd</sup> Amendment. NOTE: 2<sup>nd</sup> Amendment incorrectly referenced Resolution 2018-04 instead of 2018-14. Corrected by 4<sup>th</sup> Amendment~~

<sup>3</sup> ~~Recital amended by 4<sup>th</sup> Amendment~~

**WHEREAS**, the Bank has agreed to make loans, on the terms and conditions set forth herein, to the Borrower and the Borrower agrees to repay those Loans and pay certain other amounts as provided herein; and

Now **THEREFORE**, the parties hereto agree as follows:

## ARTICLE I

### DEFINITIONS

**Section 1.01. Definitions.** (a) Capitalized terms used herein but not otherwise defined in subsection (b) below or elsewhere herein shall have the meanings given to them in the Note Resolution.

The following terms, as used herein, have the following meanings:

~~“Additional System” shall mean such additional utility system or systems as may hereafter be established by the Borrower, separate and apart from the Electric System, the Water and Sewer System, the District Energy System, SJRPP and BPSS, and approved by the Bank for the purpose of making Loans hereunder pursuant to Section 3.03 of this Agreement.~~

~~“Additional System Bonds” shall mean, with respect to any Additional System, all bonds authenticated and delivered pursuant to an Additional System Resolution and all additional obligations payable on a parity therewith issued in accordance with the terms of such Additional System Resolution.~~

~~“Additional System Commitment” means \$300,000,000, as such amount may be reduced from time to time pursuant to Section 2.07, 2.08 and 6.01 hereof.<sup>4</sup>~~

~~“Additional System Loans” means, with respect to any Additional System, Loans made to provide working capital or short term or interim financing for such Additional System.~~

~~“Additional System Net Revenues” shall mean, with respect to any Additional System, the net revenues of such Additional System, determined as shall be provided in the applicable Additional System Resolution.~~

~~“Additional System Notes” shall mean, with respect to any Additional System, the Additional System Revolving Credit Subordinated Bank Note or Notes authorized to be issued pursuant to an Additional System Supplemental Resolution.~~

~~“Additional System Resolution” shall mean, with respect to any Additional System, such resolution as shall be adopted by the Borrower authorizing the issuance of the obligations payable from the revenues or net revenues of such Additional System, as the same may be amended and supplemented in accordance with the provisions hereof and thereof.~~

---

<sup>4</sup>Definition added by 2<sup>nd</sup> Amendment

~~“Additional System Supplemental Resolution” means a resolution supplemental to the Note Resolution adopted pursuant to Article XIV of the Note Resolution authorizing Borrowings under this Agreement for obtaining funds for working capital purposes and short term or interim financing for capital projects for the Additional System referred to in such supplemental resolution and authorizing the issuance of Additional System Notes to evidence such Borrowings.~~

“Adjusted Term SOFR” means, for purposes of any calculation, the rate per annum equal to (a) Term SOFR for such calculation plus (b) ten basis points (0.10%) provided that if the Adjusted Term SOFR as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.<sup>5</sup>

“Affiliate” means any other Person controlling or controlled by or under common control with the Borrower. For purposes of this definition, “control,” when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting rights, membership, the power to appoint members, trustees or directors, by contract or otherwise.

~~“Amendment Effective Date” has the meaning assigned to such term in the First Amendment to Revolving Credit Agreement, dated May 24, 2018, between the Borrower and the Bank, which amends this Agreement.<sup>6</sup>~~

“Annual Disclosure Report” means the “Annual Disclosure Report for Electric Utility System for Fiscal Year Ended September 30, ~~2014~~2024” dated as of ~~April 16, 2015~~March 25, 2025, as updated and replaced from time to time.

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to the Borrower concerning or relating to bribery or corruption.<sup>7</sup>

“Applicable Law” shall mean (i) all applicable common law and principles of equity and (ii) all applicable provisions of all (A) constitutions, statutes, rules, regulations and orders of all Governmental Authorities, (B) Governmental Approvals and (C) orders, decisions, judgments and decrees of all courts (whether at law or in equity) and arbitrators. Whenever the Applicable Law of a particular jurisdiction is referred to in this Agreement, such reference shall be deemed to include the Applicable Law of all political subdivisions of such jurisdiction.

“Applicable Spread” has the meaning to such term in the Fee Letter.<sup>8</sup>

“Authorized Officer” shall mean (i) the Chair, the Vice Chair, the Secretary or any Assistant Secretary of the Borrower, (ii) the Managing Director/CEO, the ~~Vice President and General Manager, Chief~~ Electric Systems ~~(with respect to the Electric System, the St. Johns River Power Park System and the Bulk Power Supply System), the Vice President and General~~

<sup>5</sup> Definition added by 4<sup>th</sup> Amendment

<sup>6</sup> Definition added by 1<sup>st</sup> Amendment

<sup>7</sup> Definition added by 3<sup>rd</sup> Amendment

<sup>8</sup> Definition amended by 1<sup>st</sup> Amendment and 3<sup>rd</sup> Amendment

~~Manager, Water and Sewer Systems (with respect to the Water and Sewer and the District Energy System), the~~Officer, the Chief Financial Officer and the Treasurer of the Borrower (or any officer of the Borrower hereafter serving in a capacity equivalent to that of any of the foregoing officers) or (iii) any other officer or employee of the Borrower authorized to perform specific acts or duties by resolution duly adopted by the Borrower.

~~“Available Date” means the later of (i) December 17, 2015, and (ii) the date on which the conditions precedent set forth in Section 3.04 shall have been satisfied.~~

“Bank Rate” means a rate of interest per annum with respect to any Term Loan equal to (i) during the period from the date such Term Loan is made to the date that is 90 days thereafter, the Term Loan Interest Rate and (ii) on and after the date that is 90 days after the Term Loan is made, the Term Loan Interest Rate plus 1.00%; *provided, however*, that immediately and automatically upon the occurrence of any Event of Default (and without any notice given with respect thereto) and during the continuance of such Event of Default, the “Bank Rate” shall be the Default Rate.

“Base Rate” means, for any day, a rate of interest per annum equal to the highest of (i) the Prime Rate plus one-half percent (0.50%) and (ii) the Federal Funds Rate plus one percent (1.00%).

“Base Rate Loan” means any Loan outstanding hereunder which bears interest at the Base Rate.

“Borrowing” means a borrowing hereunder consisting of a Loan to be made to the Borrower by the Bank pursuant to Article II.

~~“BPSS” means the Project, as such term is defined in the Bulk Power Supply System Revenue Bond Resolution.<sup>9</sup>~~

~~“BPSS Bonds” means Bulk Power Supply System Bonds (as defined in the Note Resolution).<sup>10</sup>~~

~~“BPSS Commitment” means \$300,000,000, as such amount may be reduced from time to time pursuant to Section 2.07, 2.08 and 6.01 hereof.<sup>11</sup>~~

~~“BPSS Loans” means Loans or Term Loans, as applicable, made to provide working capital or short term or interim financing for BPSS.<sup>12</sup>~~

~~“BPSS Note” means each of the Bulk Power Supply System Revolving Credit Subordinated Bank Note, Series TE X, and the Bulk Power Supply System Revolving Credit Subordinated Bank Note, Series T X of the Borrower, each substantially in the form set forth in Section 13.05 of the Note Resolution, evidencing the obligation of the Borrower to repay the~~

<sup>9</sup> Definition moved in appropriate alphabetical order by 4<sup>th</sup> Amendment

<sup>10</sup> Definition moved in appropriate alphabetical order by 4<sup>th</sup> Amendment

<sup>11</sup> Definition added by 2<sup>nd</sup> Amendment and moved in appropriate alphabetical order by 4<sup>th</sup> Amendment

<sup>12</sup> Definition moved in appropriate alphabetical order by 4<sup>th</sup> Amendment

~~BPSS Loans and interest thereon, issued under the Note Resolution and in accordance with this Agreement.<sup>13</sup>~~

~~“Bulk Power Supply System” means, collectively, the Scherer 4 Project and each Additional Project, as such terms are defined in the Bulk Power Supply System Revenue Bond Resolution.~~

~~“Bulk Power Supply System Revenue Bond Resolution” shall mean the resolution of the Borrower entitled “Restated and Amended Bulk Power Supply System Revenue Bond Resolution” adopted November 18, 2008, authorizing the issuance of the BPSS Bonds, as the same has been or hereafter may be amended, restated and supplemented in accordance with the provisions hereof and thereof.~~

“Business Day” means:

(A) With respect to a request for, or making of, a Loan, any day, other than a Saturday or Sunday, on which the Bank’s office is open for business during its normal business hours; provided, that, when used in connection with any calculation or determination involving SOFR, the term “Business Day” means any day that is a U.S. Government Securities Business Day.

(B) For any other purpose, any day, other than a Saturday or Sunday, on which the Lending Office of the Bank and the main office of the Borrower are open for business during their respective normal business hours.<sup>14</sup>

“Change in Law” shall mean the occurrence, after the date of this Agreement, of any of the following: (i) the adoption of or taking effect of any Law, including, without limitation, any Risk-Based Capital Guidelines, (ii) any change in any Law or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (iii) the compliance by the Bank or any Holder with any request, rule, ruling, guideline, regulation or directive (whether or not having the force of law) by any Governmental Authority made or issued after the date of this Agreement; provided that, notwithstanding anything herein to the contrary, (A) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, ruling, guidelines, regulations or directives thereunder or issued in connection therewith, and (B) all requests, rules, rulings, guidelines, regulations or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“City” is defined in the recitals hereto.

<sup>13</sup> ~~Definition moved in appropriate alphabetical order by 4<sup>th</sup> Amendment~~

<sup>14</sup> ~~Definition amended by 4<sup>th</sup> Amendment~~

“*CME Term SOFR Administrator*” means CME Group Benchmark Administration Limited as administrator of the forward-looking term Secured Overnight Financing Rate (SOFR) (or a successor administrator).<sup>+5</sup>

“*Code*” means the Internal Revenue Code of 1986, as amended, and any successor statute thereto.

“*Commitment*” means the amount of \$~~500,000,000~~350,000,000, as such amount may be reduced from time to time pursuant to Sections 2.07, 2.08 and 6.01 hereof.<sup>+6</sup>

“*Connection Income Taxes*” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profit Taxes.

“*Conversion Date*” has the meaning assigned to such term in Section 2.12.

“*Debt*” of any Person means, at any date, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all obligations of such Person as lessee which are capitalized in accordance with generally accepted accounting principles (or, in the case of the Borrower, GAAP), (v) all obligations of such Person to purchase securities (or other property) which arise out of or in connection with the sale of the same or substantially similar securities or property, (vi) all non-contingent obligations of such Person to reimburse the Bank or other Person in respect of amounts paid under a letter of credit or similar instrument, (vii) all Debt of others secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person, and (viii) all Debt of others Guaranteed by such Person.

“*Default*” means any condition or event which constitutes an Event of Default or which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

“*Default Rate*” shall mean, (i) with respect to any SOFR Loan during the period from the date of the occurrence of an Event of Default with respect to such Loan, to the last day of the then applicable Interest Period, an interest rate equal to the rate borne by such Loan plus 3.00% per annum and thereafter at a rate equal to the rate described in clause (ii) of this definition and (ii) with respect to any Base Rate Loan and, to the extent provided in clause (i) of this definition, any SOFR Loan, and any Term Loan, a rate equal to the greater of (A) the sum of the Base Rate, plus the Applicable Spread, plus 3.00% and (B) 10.00% per annum.

<sup>+7</sup>

<sup>+5</sup> ~~Definition added by 4<sup>th</sup> Amendment~~

<sup>+6</sup> ~~Definition amended by 2<sup>nd</sup> Amendment~~

<sup>+7</sup> ~~Definition removed by 3<sup>rd</sup> Amendment~~

“*Determination of Taxability*” means and shall be deemed to have occurred on the first to occur of the following:

(i) on the date when the Borrower files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(ii) on the date when the Bank notifies the Borrower that it has received a written opinion by a nationally recognized firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that an Event of Taxability has occurred, unless, within one hundred eighty (180) days after receipt by the Borrower of such notification from the Bank, the Borrower shall deliver to the Bank a ruling or determination letter issued to or on behalf of the Borrower by the Commissioner or any District Director of the Internal Revenue Service (or any other governmental official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(iii) on the date when the Borrower shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that based upon filings of the Borrower (or a statutory notice of deficiency, or a document of substantially similar import), or upon any review or audit of the Borrower, or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) on the date when the Borrower shall receive notice from the Bank that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Bank or any Participant, the interest on any ~~Tax-Exempt~~Tax-Exempt Loan due to the occurrence of an Event of Taxability;

*provided, however*, no Determination of Taxability shall occur under subparagraph (iii) or (iv) above unless the Borrower has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; *provided further, however*, that upon demand from the Bank, the Borrower shall promptly reimburse the Bank or such holder for any payments, including any taxes, interest, penalties or other charges the Bank shall be obligated to make as a result of the Determination of Taxability.

“*Effective Date*” means the later of (i) August [28], 2025, and (ii) the date on which the conditions precedent set forth in Section 3.01 shall have been satisfied.

~~“*District Energy System*” means the System as defined in the District Energy System Resolution.~~

~~“District Energy System Bonds” has the meaning set forth in the Note Resolution.~~

~~“District Energy System Commitment” means \$30,000,000, as such amount may be reduced from time to time pursuant to Section 2.07, 2.08 and 6.01 hereof.<sup>18</sup>~~

~~“District Energy System Loans” means Loans or Term Loans, as applicable, made to provide working capital or short term or interim financing for the District Energy System.~~

~~“District Energy System Note” means the District Energy System Revolving Credit Subordinated Bank Note, Series TE X and the District Energy System Revolving Credit Subordinated Bank Note, Series T X, of the Borrower, each substantially in the form set forth in Section 13.03 of the Note Resolution, evidencing the obligation of the Borrower to repay the District Energy System Loans and interest thereon, issued under the Note Resolution and in accordance with this Agreement.~~

~~“District Energy System Resolution” means the District Energy System Revenue Bond Resolution adopted by the Borrower on June 15, 2004, as the same has been or hereafter may be amended, restated and supplemented in accordance with the provisions hereof and thereof.~~

~~“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.~~

~~“Effective Date” means the date this Agreement becomes effective in accordance with Section 3.01.~~

“Electric System” has the meaning set forth in the Electric System Resolution.

“Electric System Bonds” means “Bonds” as such term is defined in the Electric System Resolution.

~~“Electric System Commitment” means \$500,000,000, as such amount may be reduced from time to time pursuant to Section 2.07, 2.08 and 6.01 hereof.<sup>19</sup>~~

“Electric System Loans” means Loans or Term Loans, as applicable, made to provide working capital or short-term or interim financing for the Electric System.

“Electric System Note” means each of the Electric System Revolving Credit Subordinated Bank Note, Series TE-X and the Electric System Revolving Credit Subordinated Bank Note, Series T-X, of the Borrower, each substantially in the form set forth in Section 13.01 of the Note Resolution, evidencing the obligation of the Borrower to repay the Electric System Loans and interest thereon, issued under the Note Resolution and in accordance with this Agreement.

“Electric System Resolution” shall mean the resolution of the Borrower adopted March 30, 1982, authorizing the issuance of the Electric System Bonds, as the same has been or

<sup>18</sup> Definition amended by 2<sup>nd</sup> Amendment

<sup>19</sup> Definition added by 2<sup>nd</sup> Amendment

hereafter may be amended and supplemented in accordance with the provisions hereof and thereof.

“*Electric System Resolutions*” means the Electric System Resolution and the Electric System Subordinated Resolution.

“*Electric System Subordinated Resolution*” shall mean the resolution of the Borrower adopted August 16, 1988, authorizing the issuance of Electric System Subordinated Bonds, as the same has been or hereafter may be amended, restated and supplemented in accordance with the provisions hereof and thereof.

“*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

“*Event of Default*” has the meaning set forth in Section 6.01.

“*Event of Taxability*” means (i) a change in Law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the Borrower, or the failure to take any action by the Borrower, or the making by the Borrower of any misrepresentation herein or in any certificate required to be given in connection with this Agreement) which has the effect of causing interest paid or payable on the applicable ~~Tax-Exempt~~Tax-Exempt Loan or the applicable Note to become includable, in whole or in part, in the gross income of the Bank or any holder thereof for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on the applicable ~~Tax-Exempt~~Tax-Exempt Loan or the applicable Note to become includable, in whole or in part, in the gross income of the Bank or any holder for federal income tax purposes.

“*Excluded Taxes*” means any of the following Taxes imposed on or with respect to the Bank or any Holder or required to be withheld or deducted from a payment to the Bank or any Holder, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of the Bank or such Holder being organized under the laws of, or having its principal office or its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, and (b) any U.S. Federal withholding Taxes imposed under FATCA.

“*Facility Maturity Date*” means ~~May 24~~August [28], 20272029, or if such day is not a Business Day, the next preceding Business Day, as such date may be extended pursuant to the terms hereof.<sup>20</sup>

<sup>20</sup> ~~Definition amended by 1<sup>st</sup> Amendment, 3<sup>rd</sup> Amendment and 4<sup>th</sup> Amendment~~

“Factor” means with respect to any SOFR Loan that is a Taxable Loan, one hundred percent (100%) and, with respect to any SOFR Loan that is a ~~Tax-Exempt~~Tax-Exempt Loan, eighty percent (80%).<sup>21</sup>

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code.

“Federal Funds Rate” means, for any day, the rate calculated by the NYFRB based on such day’s federal funds transactions by depository institutions, as determined in such manner as shall be set forth on the NYFRB’s Website from time to time, and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate; provided that if the Federal Funds Rate as so determined would be less than zero percent (0.00%), such rate shall be deemed to be zero percent (0.00%) for the purposes of this Agreement.<sup>22</sup>

“Federal Reserve Board” means the Board of Governors of the Federal Reserve System of the United States of America.<sup>23</sup>

“Fee Letter” means that certain Fee Letter (Electric System) dated the ~~Fourth Amendment~~ Effective Date between the Borrower and the Bank.<sup>24</sup>

“Financing Documents” means this Agreement ~~and~~, the Fee Letter ~~and (i) in the case of Electric System Loans, the Electric System Resolution, the Electric System Subordinated Resolution, the Note Resolution (to the extent it relates to the Electric System) and the~~ and each Electric System Note, ~~(ii) in the case of Water and Sewer System Loans, the Water and Sewer System Resolution, the Water and Sewer System Subordinated Resolution, the Note Resolution (to the extent it relates to the Water and Sewer System) and the Water and Sewer System Note, (iii) in the case of District Energy System Loans, the District Energy System Resolution, the Water and Sewer System Resolution, the Water and Sewer System Subordinated Resolution, and the Note Resolution (to the extent it relates to the District Energy System, the Water and Sewer System and the Electric System) and the District Energy System Note, (iv) in the case of SJRPP Loans, the St. Johns River Power Park System Second Revenue Bond Resolution, the Electric System Resolution, the Electric System Subordinated Resolution, the Note Resolution (to the extent it relates to SJRPP and the Electric System) and the SJRPP Note, (v) in the case of BPSS Loans, the Bulk Power Supply System Revenue Bond Resolution, the Electric System Resolution, the Note Resolution (to the extent it relates to BPSS and the Electric System) and the BPSS Note, (vi) the Note Resolution (any part thereof that does not relate directly to the Electric System, the Water and Sewer System, the District Energy System, the SJRPP or the BPSS) and~~

<sup>21</sup> Definition amended by 1<sup>st</sup> Amendment and 3<sup>rd</sup> Amendment

<sup>22</sup> Definition amended by 4<sup>th</sup> Amendment

<sup>23</sup> Definition added by 4<sup>th</sup> Amendment

<sup>24</sup> Definition added by 3<sup>rd</sup> Amendment and amended by 4<sup>th</sup> Amendment

~~(vii) in the case of Additional System Loans, if any, any Additional System Resolution, the Note Resolution (to the extent it relates to the Additional System) and the Additional System Notes.<sup>25</sup>~~

“*First Amending Resolution*” means the resolution adopted by the Borrower on May 19, 1998 entitled “a resolution of the Jacksonville Electric Authority (i) providing for the amendment and restatement of a resolution of said Authority adopted on March 30, 1982 entitled “a resolution authorizing the refunding of presently outstanding revenue obligations of the Jacksonville Electric Authority and the acquisition and construction of additions, extensions and improvements to the electric generation, transmission and distribution system owned and operated by the Authority; providing for the issuance of not exceeding \$487,000,000 Electric System Revenue Bonds, Series One, of the Jacksonville Electric Authority to pay the cost of such refunding and the cost of such additions, extensions and improvements; providing for the payment of the bonds from the net revenues of the electric system and making certain covenants and agreements in connection therewith; and providing an effective date”, as heretofore amended and supplemented, upon the satisfaction of certain conditions, including, without limitation, consent of the holders of sixty per centum (60%) or more in principal amount of the Bonds issued pursuant thereto outstanding and (ii) providing for the further amendment thereof upon the satisfaction of certain conditions; and providing an effective date,” as amended on June 5, 1998 and March 20, 2007.

“*Fitch*” means Fitch, Inc., d/b/a Fitch Ratings.

“*Floor*” means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the Adjusted Term SOFR or the Adjusted Daily Simple SOFR, as applicable. For the avoidance of doubt, the initial Floor for each of the Adjusted Term SOFR or the Adjusted Daily Simple SOFR shall be zero percent (0.00%).<sup>26</sup>

~~“*Fourth Amendment Effective Date*” means July 31, 2023.<sup>27</sup>~~

“*GAAP*” has the meaning set forth in Section 1.02.

“*Governmental Approvals*” shall mean an authorization, consent, approval, license or exemption of, registration or filing with, or report to, any Governmental Authority.

“*Governmental Authority*” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

<sup>25</sup> ~~Definition amended by 3<sup>rd</sup> Amendment~~

<sup>26</sup> ~~Definition added by 4<sup>th</sup> Amendment~~

<sup>27</sup> ~~Definition added by 4<sup>th</sup> Amendment~~

“*Guarantee*” by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment at) such Debt or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for the purpose of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided* that the term *Guarantee* shall not include endorsements for collection or deposit in the ordinary course of business. The term “*Guarantee*” used as a verb has a corresponding meaning.

“*Holder*” shall mean the Bank and any other holder of the Notes or Term Loan Notes, or any entity to which the Bank or any such other holder sells a participation in the Notes or Term Loan Notes (whether or not the Borrower was given notice of such sale and whether or not the Holder has an interest in the Notes or Term Loan Notes, at the time amounts are payable to such Holder thereunder and under this Agreement).

“*Indemnified Taxes*” shall mean (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower hereunder or under any Financing Document and (b) to the extent not otherwise described in (a) hereof, Other Taxes.

“*Interest Payment Date*” means, (i) with respect to each Borrowing of Base Rate Loans, the first Business Day of each month and the Facility Maturity Date, (ii) with respect to each Borrowing of SOFR Loans, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a SOFR Loan with an Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period, and the Facility Maturity Date and (iii) with respect to any Term Loans, the first Business Day of each month and the Term Loan Maturity Date.

“*Interest Period*” means with respect to any SOFR Loan, the period commencing on the date of such Borrowing of SOFR Loans and ending on the ~~numerically corresponding day~~first Business Day of the month in the calendar month that is one, three or six months thereafter (in each case, subject to the availability for the Benchmark applicable to the relevant Loan or Commitment), as the Borrower may elect, provided, that ~~(i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period, and (iii) no~~ tenor that has been removed from this definition pursuant to Section 2.13(e) shall be available for specification in such Notice of Borrowing or Notice of Conversion. For purposes hereof, the date of a Borrowing of SOFR Loans initially shall be the date on which such Loan is made, and

thereafter shall be the effective date of the most recent conversion or continuation of such Loan.<sup>28</sup>

“*Internal Revenue Code*” means the Internal Revenue Code of 1986, as amended, or any successor statute.

“*Investment Policy*” means the investment policy of the Borrower provided to the Bank pursuant to Section 3.01(f) hereof.

“*Laws*” shall mean any treaty or any federal, regional, state and local law, statute, rule, ordinance, regulation, code, license, authorization, decision, injunction, interpretation, order or decree of any court or other Governmental Authority.

“*Lending Office*” means the office of the Bank to which notices of Borrowings hereunder shall be given and to which payments of amounts due hereunder and under the Notes and Term Loan Notes shall be made, which office (and any changes thereto) shall be communicated promptly by the Bank to the Borrower at its address specified in or pursuant to Section 8.01.

<sup>29</sup>

<sup>30</sup>

“*Lien*” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. For the purposes of this Agreement, the Borrower shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

“*Loan*” means a Loan to be made by the Bank in accordance with a Notice of Borrowing pursuant to Article II. The term “Loan” means, individually, an Electric System Loan, ~~a Water and Sewer System Loan, a District Energy System Loan, a SJRPP Loan, a BPSS Loan, or an Additional System Loan,~~ and “Loans” means, collectively, all Electric System Loans, ~~Water and Sewer System Loans, District Energy Systems Loans, SJRPP Loans, BPSS Loans, and Additional System Loans, or a combination thereof,~~ as applicable, and shall include Base Rate Loans and SOFR Loans whether Taxable Loans or ~~Tax Exempt~~Tax-Exempt Loans.

“*Margin Rate Factor*” means the greater of (a) 1.0, and (b) the product of (i) one minus the Maximum Federal Corporate Tax Rate multiplied by (ii) the quotient of (A) one divided by (B) one minus the Maximum Federal Corporate Tax Rate on the ~~Fourth Amendment~~ Effective Date. The effective date of any change in the Margin Rate Factor shall be the effective date of the decrease or increase (as applicable) in the Maximum Federal Corporate Tax Rate resulting in such change.<sup>31</sup>

<sup>28</sup> Definition amended by 4<sup>th</sup> Amendment

<sup>29</sup> Definition deleted by 4<sup>th</sup> Amendment

<sup>30</sup> Definition deleted by 4<sup>th</sup> Amendment

<sup>31</sup> Definition amended by 1<sup>st</sup> Amendment and 4<sup>th</sup> Amendment

“*Margin Stock*” shall have the meaning assigned to such term in Regulation U promulgated by the Board of Governors of the Federal Reserve System, as now and hereafter from time to time in effect.

“*Material Debt*” means any Debt of the Borrower secured by the ~~net revenues~~Net Revenues of the ~~applicable~~Electric System (other than the applicable Note), arising in one or more related or unrelated transactions, in an aggregate principal amount exceeding ~~(i) in the case of the Electric System, \$30,000,000, determined separately as to any other System, (ii) in the case of the Water and Sewer System, \$30,000,000, determined separately as to any other System, (iii) in the case of the District Energy System, \$10,000,000, determined separately as to any other System, (iv) in the case of the SJRPP, \$20,000,000, determined separately as to any other System, (v) in the case of the BPSS, \$20,000,000, determined separately as to any other System, and (vi) in the case of any Additional System, \$10,000,000, determined separately as to any other System.~~the Threshold Amount.

“*Maximum Federal Corporate Tax Rate*” means the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect from time to time or, if as a result of a change in the Code the rate of income taxation imposed on corporations generally shall not be applicable to the Bank, the maximum statutory rate of federal income taxation which could apply to the Bank.

“*Maximum Rate*” means the maximum rate of interest on the relevant obligation permitted by applicable law.

“*Moody’s*” means Moody’s Investors Service, Inc.

“*Net Revenues*” has the meaning set forth in the Electric System Resolution.

“*Note*” and “*Notes*” means individually or collectively, as applicable, each Electric System Note, ~~each Water and Sewer System Note, each District Energy System Note, each SJRPP Note, each BPSS Note, and any Additional System Notes.~~

“*Note Resolution*” is defined in the recitals hereto.

“*Notice of Borrowing*” has the meaning set forth in Section 2.02(a).

“*Notice of Conversion*” has the meaning set forth in Section 2.02(d).<sup>32</sup>

“*Notice of Reallocation*” has the meaning set forth in Section 2.01(c).

“*NYFRB*” means the Federal Reserve Bank of New York.<sup>33</sup>

<sup>32</sup> ~~Definition added by 4<sup>th</sup> Amendment~~

<sup>33</sup> ~~Definition added by 4<sup>th</sup> Amendment~~

“NYFRB’s Website” means the website of the NYFRB at <http://www.newyorkfed.org>, or any successor source.<sup>34</sup>

“Other Connection Taxes” means, with respect to the Bank or any Holder, Taxes imposed as a result of a present or former connection between the Bank and such Holder and the jurisdiction imposing such Tax (other than connections arising from the Bank or such Holder having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced this Agreement or any other Financing Document, or sold or assigned an interest in any Loan, Term Loan, this Agreement or any other Financing Document).

“Other Taxes” shall mean all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, this Agreement or any other Financing Document.

“Parent” means, with respect to the Bank, any Person controlling the Bank.

“Participant” has the meaning set forth in Section 8.05(b).

“Person” means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“Prime Rate” means the rate of interest last quoted by The Wall Street Journal as the “Prime Rate” in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Bank) or any similar release by the Federal Reserve Board (as determined by the Bank). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.<sup>35</sup>

~~“Prior Lien BPSS Projects Subordinated Obligations” shall mean any Subordinated Indebtedness hereafter issued under (and as defined in) the Bulk Power Supply System Revenue Bond Resolution and designated by the Borrower as Prior Lien BPSS Projects Subordinated Obligations.~~

~~“Prior Lien District Energy System Subordinated Obligations” shall mean any Subordinated Indebtedness hereafter issued under (and as defined in) the District Energy System Resolution and designated by the Borrower as Prior Lien District Energy System Subordinated Obligations.~~

<sup>34</sup> Definition added by 4<sup>th</sup> Amendment

<sup>35</sup> Definition amended by 4<sup>th</sup> Amendment

*“Prior Lien Electric System Subordinated Bonds”* shall mean the Subordinated Bonds issued under (and as defined in) the Electric System Subordinated Resolution.

~~*“Prior Lien St. Johns River Power Park System Subordinated Obligations” shall mean any Subordinated Indebtedness hereafter issued under (and as defined in) the St. Johns River Power Park System Second Revenue Bond Resolution and designated by the Borrower as Prior Lien St. Johns River Power Park System Subordinated Obligations.—*~~

~~*“Prior Lien Water and Sewer System Subordinated Obligations” shall mean the Subordinated Bonds issued under (and as defined in) the Water and Sewer System Subordinated Resolution and Existing Parity Subordinated Indebtedness and Additional Parity Subordinated Indebtedness (each as defined in the Water and Sewer System Subordinated Resolution).—*~~

*“Rating Agency”* and *“Rating Agencies”* means, individually or collectively, as applicable, Moody’s, S&P and/or Fitch.

*“Regulation U”* means Regulation U of the Board of Governors of the Federal Reserve System, as in effect from time to time.

*“Resolutions”* means, collectively, the Electric System Resolutions, ~~the Water and Sewer System Resolutions, the District Energy System Resolution, the St. Johns River Power Park System Second Revenue Bond Resolution, the Bulk Power Supply System Revenue Bond Resolution~~ and the Note Resolution ~~and, if applicable, any Additional System Resolutions.~~<sup>36</sup> ;

*“Revolving Credit Period”* means the period from and including the ~~Available~~Effective Date to and including the Termination Date.

*“Risk-Based Capital Guidelines”* shall mean (i) the risk-based capital guidelines in effect in the United States on the Effective Date, including transition rules, and (ii) the corresponding capital regulations promulgated by regulatory authorities outside the United States including transition rules, and any amendments to such regulations adopted prior to the Effective Date.

*“Sanctioned Country”* means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (on the ~~Fourth Amendment~~ Effective Date, the so-called Donetsk People’s Republic, the so-called Luhansk People’s Republic, the Crimea Region of Ukraine, Cuba, Iran, North Korea and Syria).<sup>37</sup>

*“Sanctioned Person”* means, at any time, any Person subject or target of any Sanctions, including (a) any Person listed in any Sanctions related list of designated Persons maintained by the U.S. government, including by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State or the U.S. Department of Commerce, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b)(including,

<sup>36</sup> ~~Definition amended by 1<sup>st</sup> Amendment~~

<sup>37</sup> ~~Definition amended by 3<sup>rd</sup> Amendment and 4th Amendment~~

without limitation for purposes of defining a Sanctioned Person, as ownership and control may be defined and/or established in and/or by any applicable laws, rules, regulations, or orders).<sup>38</sup>

“*Sanctions*” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State.

“*S&P*” means Standard & Poor’s, a business of Standard & Poor’s Financial Services LLC.

~~“*SJRPP*” means the System, as defined in the St. Johns River Power Park System Second Revenue Bond Resolution.~~<sup>39</sup>

~~“*SJRPP Bonds*” shall mean “Bonds” as such term is defined in the St. Johns River Power Park System Second Revenue Bond Resolution.~~

~~“*SJRPP Commitment*” means \$300,000,000, as such amount may be reduced from time to time pursuant to Section 2.07, 2.08 and 6.01 hereof.~~<sup>40</sup>

~~“*SJRPP Loans*” means Loans or Term Loans, as applicable, made to provide working capital or short term or interim financing for SJRPP.~~

~~“*SJRPP Note*” means each of the St. Johns River Power Park System Revolving Credit Subordinated Bank Note, Series TE X and the St. Johns River Power Park System Revolving Credit Subordinated Bank Note, Series T X, of the Borrower, each substantially in the form set forth in Section 13.04 of the Note Resolution, evidencing the obligation of the Borrower to repay the SJRPP Loans and interest thereon, issued under the Note Resolution and in accordance with this Agreement.~~

“*SOFR*” means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.<sup>41</sup>

“*SOFR Administrator*” means the NYFRB (or a successor administrator of the secured overnight financing rate).<sup>42</sup>

<sup>38</sup> Definition added by 3<sup>rd</sup> Amendment and amended by 4<sup>th</sup> Amendment

<sup>39</sup> ~~NOTE: The 2<sup>nd</sup> Amendment contains the following with respect to SJRPP:~~

~~IEA hereby represents that SJRPP has ceased commercial operations and was shut down on January 5, 2018. For all purposes hereunder and notwithstanding anything in the Agreement to the contrary, the parties agree that SJRPP is not, and will no longer be, in operation.~~

<sup>40</sup> Definition added by 2<sup>nd</sup> Amendment

<sup>41</sup> Definition added by 4<sup>th</sup> Amendment

<sup>42</sup> Definition added by 4<sup>th</sup> Amendment

“*SOFR Administrator’s Website*” means the NYFRB’s website, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.<sup>43</sup>

“*SOFR Loan*” means a Loan outstanding hereunder the interest rate on which is calculated using Adjusted Term SOFR.<sup>44</sup>

<sup>45</sup>

~~“*St. Johns River Power Park System Second Revenue Bond Resolution*” means the resolution of the Borrower adopted February 20, 2007, as amended and supplemented from time to time in accordance with the terms thereof.~~

“*State*” means the State of Florida.

“*Subsidiary*” means any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by the Borrower.

“*Swap Contract*” means any and all interest rate swap transactions, basis swaps, interest rate options, interest rate cap transactions, interest rate floor transactions, interest rate collar transactions, or any other similar interest rate derivative transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to an ISDA master agreement.

~~“*System*” or “*Systems*” has the meaning provided in the second Whereas clauses hereof.~~

“*Taxable Date*” means, with respect to any ~~Tax-Exempt~~Tax-Exempt Loan and/or Note evidencing a ~~Tax-Exempt~~Tax-Exempt Loan, the date on which interest thereon is first includable in gross income of any Holder thereof (including the Bank or any Participant) as a result of an Event of Taxability as such a date is established pursuant to a Determination of Taxability.

“*Taxable Loan*” means any Loan outstanding hereunder the interest on which is not excludable from gross income for federal income tax purposes.

“*Taxable Loan Commitment*” means the portion of the Commitment which is available for Borrowings of Taxable Loans, initially, an amount equal to ~~\$300,000,000, of which (i) up to \$25,000,000 is available for District Energy System Loans, (ii) up to \$200,000,000 is available for BPSS Loans, (iii) up to \$200,000,000 is available for SJRPP Loans, (iv) up to \$300,000,000 is available for Water and Sewer System Loans, (v) up to \$200,000,000 is available for Additional System Loans and (vi) up to \$300,000,000 is available for Electric System Loans~~50,000,000, and in any case upon delivery to the Bank of a Notice of Reallocation and

<sup>43</sup> Definition added by 4<sup>th</sup> Amendment

<sup>44</sup> Definition added by 4<sup>th</sup> Amendment

replacement Notes in accordance with Section 2.01(c), such other amount as may be requested by JEA as the new Taxable Loan Commitment.<sup>46</sup>

“*Taxable Period*” has the meaning set forth in Section 7.03 hereof.

“*Taxable Rate*” means (i) for any ~~Tax-Exempt~~Tax-Exempt Loan that is a SOFR Loan with respect to which a Taxable Date occurs, an interest rate equal to the sum of (A) Adjusted Term SOFR multiplied by a Factor of 100% plus (B) the Applicable Spread for Taxable Loans, (ii) with respect to any Base Rate Loan, the Base Rate and (iii) with respect to any Term Loan, the Bank Rate, provided, in all instances, upon the occurrence and during the continuance of an Event of Default with respect to any Loan or Term Loan, such Loan or Term Loan shall bear interest at the Default Rate.<sup>47</sup>

“~~Tax-Exempt~~Tax-Exempt Loan” means any Loan or Term Loan outstanding hereunder the interest on which is excludable from gross income for federal income tax purposes.

“~~Tax-Exempt~~Tax-Exempt Loan Commitment” means the portion of the Commitment which is available for Borrowings of ~~Tax-Exempt~~Tax-Exempt Loans, initially, an amount equal to \$200,000,000, of which (i) up to \$5,000,000 is available for District Energy System Loans, (ii) up to \$100,000,000 is available for BPSS Loans, (iii) up to \$100,000,000 is available for SJRPP Loans, (iv) up to \$200,000,000 is available for Water and Sewer System Loans, (v) up to \$100,000,000 is available for Additional System Loans and (vi) up to \$200,000,000 is available for Electric System Loans 300,000,000, and in any case upon delivery to the Bank of a Notice of Reallocation and replacement Notes in accordance with Section 2.01(c), such other amount as may be requested by JEA as the new ~~Tax-Exempt~~Tax-Exempt Loan Commitment.<sup>48</sup>

“*Taxes*” shall mean all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto.

“*Term Loan*” and *Term Loans*” has the meaning set forth in Section 2.12(a).

“*Term Loan Interest Rate*” means a rate of interest per annum equal to the highest of (a) the Prime Rate plus one and one-half percent (1.50%), (b) the Federal Funds Rate plus two percent (2.00%) or (c) 7.50%.

“*Term Loan Maturity Date*” means, with respect to any Term Loan, the date that is three years after the making of the Term Loan hereunder, or such earlier date as the Term Loan becomes due and payable by the terms hereof.<sup>49</sup>

<sup>45</sup> Definition removed by 1<sup>st</sup> Amendment

<sup>46</sup> Definition amended by 2<sup>nd</sup> Amendment and 3<sup>rd</sup> Amendment

<sup>47</sup> Definition amended by 4<sup>th</sup> Amendment

<sup>48</sup> Definition amended by 2<sup>nd</sup> Amendment and 3<sup>rd</sup> Amendment

<sup>49</sup> Definition amended by 1<sup>st</sup> Amendment

“*Term Loan Note(s)*” means the note(s) made by the Borrower to the Bank to evidence the obligations of the Borrower under the related Term Loan.

“*Term SOFR*” means, with respect to any SOFR Loan and for any tenor comparable to the applicable Interest Period, the Term SOFR Reference Rate at approximately 5:00 a.m., Chicago time, two U.S. Government Securities Business Days prior to the commencement of such tenor comparable to the applicable Interest Period, as such rate is published by the CME Term SOFR Administrator.<sup>50</sup>

“*Term SOFR Determination Day*” has the meaning assigned to it under the definition of Term SOFR Reference Rate.<sup>51</sup>

“*Term SOFR Reference Rate*” means, for any day and time (such day, the “*Term SOFR Determination Day*”), with respect to any SOFR Loan and for any tenor comparable to the applicable Interest Period, the rate per annum published by the CME Term SOFR Administrator and identified by the Bank as the forward-looking term rate based on SOFR. If by 5:00 pm (New York City time) on such Term SOFR Determination Day, the “*Term SOFR Reference Rate*” for the applicable tenor has not been published by the CME Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR has not occurred, then, so long as such day is otherwise a U.S. Government Securities Business Day, the Term SOFR Reference Rate for such Term SOFR Determination Day will be the Term SOFR Reference Rate as published in respect of the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate was published by the CME Term SOFR Administrator, so long as such first preceding U.S. Government Securities Business Day is not more than five (5) U.S. Government Securities Business Days prior to such Term SOFR Determination Day.<sup>52</sup>

“*Termination Date*” means the Facility Maturity Date or, if earlier, the date on which the Commitment is terminated or permanently reduced to zero in accordance with the terms hereof.

“*Threshold Amount*” means \$30,000,000.

~~“*Third Amendment Effective Date*” means May 24, 2021.~~<sup>53</sup>

~~“*Threshold Amount*” means, (i) in the case of Electric System, \$30,000,000, determined separately as to any other System, (ii) in the case of Water and Sewer System, \$30,000,000, determined separately as to any other System, (iii) in the case of District Energy System, \$10,000,000, determined separately as to any other System, (iv) in the case of SJRPP, \$20,000,000, determined separately as to any other System, (v) in the case of BPSS, \$20,000,000, determined separately as to any other System, and (vi) in the case of any Additional System, \$10,000,000, determined separately as to any other System.~~

<sup>50</sup> Definition added by 4<sup>th</sup> Amendment

<sup>51</sup> Definition added by 4<sup>th</sup> Amendment

<sup>52</sup> Definition added by 4<sup>th</sup> Amendment

<sup>53</sup> Definition added by 3<sup>rd</sup> Amendment

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan is determined by reference to Adjusted Term SOFR or to the Base Rate.<sup>54</sup>

“U.S. Government Securities Business Day” means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.<sup>55</sup>

~~“Water and Sewer System” means the System, as defined in the Water and Sewer System Resolution.~~

~~“Water and Sewer System Amendatory Resolution” means Resolution No. 2013-10, duly adopted at a meeting of the Borrower duly called and held on June 18, 2013 entitled “Fortieth Supplemental Water and Sewer System Resolution”, as amended to the date hereof, which amendments made by such resolution requiring bondholder consent are not effective as of the date hereof.<sup>56</sup>~~

~~“Water and Sewer System Bonds” means “Bonds” and “Subordinated Bonds” as such terms are respectively defined in the Water and Sewer System Resolutions.~~

~~“Water and Sewer System Commitment” means \$500,000,000, as such amount may be reduced from time to time pursuant to Section 2.07, 2.08 and 6.01 hereof.<sup>57</sup>~~

~~“Water and Sewer System Loans” means Loans or Term Loans, as applicable, made to provide working capital or short term or interim financing for the Water and Sewer System.~~

~~“Water and Sewer System Note” means each of the Water and Sewer System Revolving Credit Subordinated Bank Note, Series TE X and the Water and Sewer System Revolving Credit Subordinated Bank Note, Series T X, of the Borrower, each substantially in the form set forth in Section 13.02 of the Note Resolution, evidencing the obligation of the Borrower to repay the Water and Sewer System Loans and interest thereon, issued under the Note Resolution and in accordance with this Agreement.~~

“Water and Sewer System ~~Resolution~~ & District Energy System Credit Agreement” has the meaning set forth in ~~the Note Resolution~~ Section 3.02(a).

~~“Water and Sewer System Resolutions” means the Water and Sewer System Resolution and the Water and Sewer System Subordinated Resolution.~~

~~“Water and Sewer System Subordinated Resolution” has the meaning set forth in the Note Resolution.~~

<sup>54</sup> Definition amended by 4<sup>th</sup> Amendment

<sup>55</sup> Definition added by 4<sup>th</sup> Amendment

<sup>56</sup> ~~NOTE: The 1<sup>st</sup> Amendment contains an acknowledgment that the amendments made by this resolution requiring bondholder consent have become effective.~~

<sup>57</sup> Definition added by 2<sup>nd</sup> Amendment and amended by 3<sup>rd</sup> Amendment

**Section 1.02. Accounting Terms and Determinations.** Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with generally accepted accounting principles as in effect from time to time, applied on a basis consistent (except for changes concurred in by the Borrower's independent public accountants) with the most recent audited financial statements of the Borrower delivered to the Bank hereunder ("GAAP").

**Section 1.03. Interest Rates; Benchmark Notification.** The interest rate on a Loan denominated in dollars may be derived from an interest rate benchmark that may be discontinued or is, or may in the future become, the subject of regulatory reform. Upon the occurrence of a Benchmark Transition Event, Section 2.13 provides a mechanism for determining an alternative rate of interest. The Bank does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission, performance or any other matter related to any interest rate used in this Agreement, or with respect to any alternative or successor rate thereto, or replacement rate thereof, including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the existing interest rate being replaced or have the same volume or liquidity as did any existing interest rate prior to its discontinuance or unavailability. The Bank and its affiliates and/or other related entities may engage in transactions that affect the calculation of any interest rate used in this Agreement or any alternative, successor or alternative rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Bank may select information sources or services in its reasonable discretion to ascertain any interest rate used in this Agreement, any component thereof, or rates referenced in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.<sup>58</sup>

## ARTICLE II

### THE CREDIT

#### Section 2.01. Commitment to Lend.

(a) ***During Revolving Credit Period.*** During the Revolving Credit Period, the Bank agrees, on the terms and conditions set forth in this Agreement, to make loans to the Borrower pursuant to this Section from time to time in amounts such that:

- (i) the aggregate principal amount of Loans by the Bank at any one time outstanding shall not exceed the amount of the Commitment,

<sup>58</sup> ~~Section added by 3<sup>rd</sup> Amendment and amended by 4<sup>th</sup> Amendment~~

(ii) the aggregate principal amount of Taxable Loans by the Bank at any time outstanding shall not exceed the Taxable Loan Commitment, and

(iii) the aggregate principal amount of ~~Tax-Exempt~~Tax-Exempt Loans by the Bank at any time outstanding shall not exceed the ~~Tax-Exempt~~Tax-Exempt Loan Commitment, ~~and~~.

~~(iv) (A) the aggregate principal amount of District Energy System Loans by the Bank at any time outstanding shall not exceed the District Energy System Commitment,~~

~~(B) the aggregate principal amount of BPSS Loans by the Bank at any time outstanding shall not exceed the BPSS Commitment,~~

~~(C) the aggregate principal amount of Electric System Loans by the Bank at any time outstanding shall not exceed the Electric System Commitment,~~

~~(D) the aggregate principal amount of Water and Sewer System Loans by the Bank at any time outstanding shall not exceed the Water and Sewer System Commitment,~~

~~(E) the aggregate principal amount of SJRPP Loans by the Bank at any time outstanding shall not exceed the SJRPP Commitment, and~~

~~(F) the aggregate principal amount of Additional System Loans by the Bank at any time outstanding shall not exceed the Additional System Commitment.<sup>59</sup>~~

Subject to Section 2.05(d), each Borrowing of Loans shall be comprised entirely of SOFR Loans or Base Rate Loans as the Borrower may request in accordance herewith. At the commencement of each Interest Period for any SOFR Loan, such Borrowing of SOFR Loans shall be in a minimum aggregate amount of \$1,000,000 and integral multiples of \$100,000 in excess thereof. At the time each Borrowing of Base Rate Loans is made, such Borrowing of Base Rate Loans shall be in a minimum aggregate amount of \$1,000,000 and integral multiples of \$100,000 in excess thereof. There shall not at any time be more than a total of fifteen (15) SOFR Loans outstanding. Within the foregoing limit, the Borrower may borrow under this subsection (a), repay or, to the extent permitted by Section 2.09, prepay, Loans and re-borrow at any time during the Revolving Credit Period under this subsection (a).

(b) ***Extension of Revolving Credit Period.*** (i) No later than 485 days prior to the Facility Maturity Date, the Borrower may request the Bank to extend the then current

<sup>59</sup> ~~Subsection amended by 2<sup>nd</sup> Amendment~~

Facility Maturity Date for a period of no less than 365 days by delivery of a Request for Extension in the form of Exhibit D. If the Bank, in its sole discretion, elects to extend the Facility Maturity Date then in effect, it shall deliver to the Borrower within 30 days of receiving said request a written notice of extension (herein referred to as a “*Notice of Extension*”) in the form of Exhibit E designating the date to which the Facility Maturity Date is being extended. Such extension of the Facility Maturity Date shall be effective, after receipt of such Notice of Extension, on the Business Day following the date of delivery of such Notice of Extension, and thereafter all references in this Agreement to the Facility Maturity Date shall be deemed to be references to the date designated as such in the most recent Notice of Extension delivered to the Borrower. Any date to which the Facility Maturity Date has been extended in accordance with this Section 2.01(b) may be extended in like manner. If the Bank fails to provide the Borrower with a Notice of Extension as provided hereinabove, the Bank shall be deemed not to have consented to the Borrower’s request. The Bank shall promptly notify the Borrower if it will not extend the Facility Maturity Date, but the Bank’s failure to do so shall be deemed a denial of the extension request.

(ii) Notwithstanding the foregoing, it is understood and agreed that the foregoing provisions are intended for the convenience of the parties only and shall in no respect prohibit the parties from agreeing to extend the Revolving Credit Period under other circumstances or at other times. In the event the Revolving Credit Period is extended under any other circumstances, the Bank shall give prompt written notice thereof to the Borrower.

(iii) If the Revolving Credit Period is extended, whether pursuant to Section 2.01(b)(i) or otherwise, the Borrower shall be deemed to have made the representations and warranties contained herein on the date on which the Revolving Credit Period is so extended.

(c) ***Reallocation of Taxable and ~~Tax-Exempt~~Tax-Exempt Commitment.*** On any Business Day during the Revolving Credit Period, but no more frequently than once every three (3) months (and no more than four times per year), the Borrower may reallocate the portion of the Commitment which constitutes the Taxable Loan Commitment and the portion of the Commitment which constitutes the ~~Tax-Exempt~~Tax-Exempt Loan Commitment by delivery to the Bank (i) two Business Days prior to the requested reallocation, of a notice in the form of Exhibit A-3 hereto, executed by two Authorized Officers of the Borrower (a “*Notice of Reallocation*”), and (ii) on the effective date of such reallocation, (A) duly executed replacement Notes in the amounts of the new Taxable Loan Commitment and the new ~~Tax-Exempt~~Tax-Exempt Loan Commitment and complying with the provisions of Section 2.03, and (B) any opinion or certificate as may be requested by the Bank as to the replacement Notes, in each case, in form and substance satisfactory to the Bank. On the second Business Day following delivery to the Bank of such Notice of Reallocation, and subject to delivery to the Bank of the replacement Notes and opinions and/or certificates in accordance with this Section 2.01(c), the Taxable Loan Commitment and the ~~Tax-Exempt~~Tax-Exempt Loan Commitment shall be reallocated as provided in the Notice of Reallocation, provided that

at no time may the Taxable Loan Commitment plus the ~~Tax-Exempt~~Tax-Exempt Loan Commitment exceed the Commitment.

**Section 2.02. Method of Borrowing; Account to Which Proceeds of Loans to Be Credited; Conversion of Loans.** (a) In the case of any Borrowing, the Borrower shall give the Bank notice in the form of Exhibit A-1 hereto, executed by two Authorized Officers of the Borrower (a “*Notice of Borrowing*”), (x) for any Borrowing which will be a SOFR Loan by not later than 11:00 a.m. (New York City time) on the third Business Day before each such Borrowing, and (y) for any Borrowing which will be a Base Rate Loan, by not later than 11:00 a.m. (New York City time) one Business Day before the date of each such Borrowing, in each case specifying:

(i) the date of such Borrowing, which shall be a Business Day,

(ii) the aggregate amount of such Borrowing (which shall not exceed the difference between (A) the amount of the Commitment and (B) the aggregate principal amount of Loans then outstanding),

~~(iii) whether such Borrowing is for (A) the Electric System (in which case the aggregate amount of such Borrowing shall not exceed the difference between (x) the amount of the Electric System Commitment and (y) the aggregate principal amount of Electric System Loans then outstanding), (B) the Water and Sewer System (in which case the aggregate amount of such Borrowing shall not exceed the difference between (x) the amount of the Water and Sewer System Commitment and (y) the aggregate principal amount of Water and Sewer System Loans then outstanding), (C) the District Energy System (in which case the aggregate amount of such Borrowing shall not exceed the difference between (x) the amount of the District Energy System Commitment and (y) the aggregate principal amount of District Energy System Loans then outstanding), (D) SJRPP (in which case the aggregate amount of such Borrowing shall not exceed the difference between (x) the amount of the SJRPP Commitment and (y) the aggregate principal amount of SJRPP Loans then outstanding), (E) BPSS (in which case the aggregate amount of such Borrowing shall not exceed the difference between (x) the amount of the BPSS Commitment and (y) the aggregate principal amount of BPSS Loans then outstanding), or (F) an Additional System (in which case the aggregate amount of such Borrowing shall not exceed the difference between (x) the amount of the Additional System Commitment and (y) the aggregate principal amount of Additional System Loans then outstanding);<sup>60</sup>~~

(iii) ~~(iv)~~ whether the Borrowing will be a SOFR Loan or a Base Rate Loan,

<sup>60</sup> ~~Clause amended by 2<sup>nd</sup> Amendment~~

(iv) ~~(v)~~ in the case of a Borrowing of any SOFR Loan, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term “Interest Period”; and

(v) ~~(vi)~~ whether the Borrowing will be a Taxable Loan (in which case the aggregate amount of such Borrowing shall not exceed the difference between (A) the amount of the Taxable Loan Commitment and (B) the aggregate principal amount of Taxable Loans then outstanding) or a ~~Tax-Exempt~~Tax-Exempt Loan (in which case the aggregate amount of such Borrowing shall not exceed the difference between (X) the amount of the ~~Tax-Exempt~~Tax-Exempt Loan Commitment and (Y) the aggregate principal amount of ~~Tax-Exempt~~Tax-Exempt Loans then outstanding).

If no Interest Period is specified with respect to any requested Borrowing of SOFR Loan, then the Borrower shall be deemed to have selected an Interest Period of one month’s duration. If no election as to the Type of Loan is specified, then the requested Loan will be a Base Rate Loan. Unless the Borrower otherwise notifies the Bank in writing, each SOFR Loan will automatically roll-over based upon the selected Interest Period through the Loan Maturity Date as indicated in and as defined in the Notice of Borrowing or the Notice of Conversion, as applicable.

(b) If the Bank makes a new Loan hereunder on a day on which the Borrower is to repay all or any part of an outstanding Loan, unless the Borrower shall otherwise repay the Loan coming due on such date, the Bank shall apply the proceeds of its new Loan to make such repayment and in such event only an amount equal to the difference (if any) between the amount being borrowed and the amount being repaid shall be made available by the Bank to the Borrower or remitted by the Borrower to the Bank, as the case may be.

(c) Subject to the provisions of subsection (b) of this Section 2.02, by not later than 3:00 p.m. (New York City time) on the date of each Borrowing, the Bank shall wire transfer, in federal or other immediately available funds, the proceeds of such Borrowing to the following account: [REDACTED]; *provided, however*, that the Borrower may, from time to time, change such account by notice in the form of Exhibit B hereto, executed by an Authorized Officer of the Borrower, given to the Bank at its address referred to in Section 8.01.

(d) The Borrower may elect to convert Loans to a different Type or to continue such Loan, and in the case of SOFR Loans, may elect Interest Periods therefor, by delivering to the Bank a notice in the form of Exhibit A-2 hereto, executed by two Authorized Officers of the Borrower (a “*Notice of Conversion*”) by not later than the time that a Notice of Borrowing would be required under Section 2.02(a) if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election, specifying:

(i) the date of such conversion or continuation, which shall be a Business Day during the Revolving Credit Period and, in the case of a SOFR Loan being converted to a Base Rate Loan or to a different Interest Period, shall be the last day of the Interest Period,

(ii) the amount and specific Loan to which the election applies, and if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing of Loans (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing of Loans),

(iii) whether such Loan is a Taxable Loan or a ~~Tax-Exempt~~Tax-Exempt Loan, and

(iv) whether the Borrowing will be a SOFR Loan or a Base Rate Loan and if the resulting Borrowing is a SOFR Loan, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term “Interest Period”.

The Borrower may elect different options with respect to different portions of the affected Borrowing of Loans, in which case the Borrowing of Loans comprising each such portion shall be considered a separate Loan. If any Notice of Conversion requests a SOFR Loan but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month’s duration.

(e) With respect to any SOFR Loan which will not automatically roll-over to another Interest Period, if at the end of such Interest Period applicable thereto, the Borrower fails to deliver a timely Notice of Conversion with respect to such SOFR Loan, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to a Base Rate Loan. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing then, so long as an Event of Default is continuing (i) no outstanding Loan may be converted to or continued as a SOFR Loan and (ii) unless repaid, each SOFR Loan shall be converted to a Base Rate Loan at the end of the Interest Period applicable thereto.

(f) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing of SOFR Loans if the Interest Period requested with respect thereto would end after the Facility Maturity Date.

**Section 2.03. The Notes.** (a) The Taxable Loans and the ~~Tax-Exempt~~Tax-Exempt Loans of ~~each~~the Electric System shall be evidenced by a single corresponding Note for ~~each~~the Electric System (one for all Taxable Loans related to ~~such~~the Electric System and one for all ~~Tax-Exempt~~Tax-Exempt Loans related to ~~such~~the Electric System) payable to the Bank, with respect to the Taxable Loans, in an amount equal to the Taxable Loan Commitment (~~other than the Notes for the District Energy System, the Water and Sewer System, SJRPP or BPSS, each of which will be in an amount equal to such System’s respective Taxable Loan Commitment~~) or,

with respect to the ~~Tax-Exempt~~Tax-Exempt Loans, in an amount equal to the ~~Tax-Exempt~~Tax-Exempt Loan Commitment ~~(other than the Notes for the District Energy System, the Water and Sewer System, SJRPP, or BPSS, each of which will be in an amount equal to such System's respective Tax-Exempt Loan Commitment) or~~or, if less, the aggregate unpaid principal amount of the Loans borrowed by ~~such~~the Electric System and in the applicable form attached to the Note Resolution.<sup>64</sup>

(b) Each Note shall be in substantially the applicable form set forth in Article XIII of the Note Resolution with appropriate modifications to reflect the fact that it evidences solely Electric System Loans, ~~Water and Sewer System Loans, District Energy System Loans, SJRPP Loans, or BPSS Loans, as applicable~~ and, in each case, whether such Note evidences Taxable Loans (designated as Series T-X) or ~~Tax-Exempt~~Tax-Exempt Loans (designated as Series TE-X).

~~(c) With respect to any Additional System, any Additional System Loans shall be evidenced by a single Additional System Note payable to the Bank in an amount equal to the Commitment or such lesser amount as is agreed to by the Bank and the Borrower, or, if less, the aggregate unpaid principal amount of the Additional System Loans. Each such Note shall be in substantially the applicable form set forth in Additional System Supplemental Resolution with appropriate modifications. Each reference in this Agreement to the "Additional System Notes" shall be deemed to refer to and include any or all of such Additional System Notes, as the context may require.~~

**Section 2.04. Maturity of Loans and Term Loans.** (a) Each Loan included in any Borrowing shall mature, and the principal amount thereof shall be due and payable in full, on the Facility Maturity Date, or such earlier date as the Borrower may designate on any Notice of Borrowing.

(b) The Term Loans shall mature, and the principal amount thereof (together with all accrued and unpaid interest thereon) shall be due and payable as provided in Section 2.12.

**Section 2.05. Interest Rates.** (a) Subject to subsections (c), (d) and (e) below, each Loan shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is made until it becomes due, at the applicable rate per annum described below:

(i) For Taxable Loans that are SOFR Loans, a rate equal to the sum of (A) the product of the Adjusted Term SOFR for the Interest Period in effect for such SOFR Loan multiplied by the Factor plus (B) the Applicable Spread;

(ii) For ~~Tax-Exempt~~Tax-Exempt Loans that are SOFR Loans, a rate equal to the product of (A) the sum of (1) the Applicable Spread plus (2) the product of the Adjusted Term SOFR for the Interest Period in effect for such

<sup>64</sup> ~~Subsection amended by 2<sup>nd</sup> Amendment~~

SOFR Loan multiplied by the Factor, multiplied by (B) the Margin Rate Factor;  
and

(iii) For Base Rate Loans, a rate equal to the Base Rate.

Such interest shall be payable in arrears on each Interest Payment Date for such Loan, provided that (x) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (y) in the event of any conversion of any SOFR Loan prior to the end of the current Interest Period therefor accrued interest on such Loan shall be payable on the effective date of such conversion.<sup>62</sup>

(b) The Bank shall determine the interest rate applicable to the Loans hereunder. The Bank shall give prompt notice to the Borrower by facsimile or electronic mail of each rate of interest so determined, and its determination thereof shall be conclusive in the absence of manifest error.

(c) (i) If the amount of interest payable for any period in accordance with terms hereof exceeds the amount of interest that would be payable for such period had interest for such period been calculated at the Maximum Rate, then interest for such period shall be payable in an amount calculated at the Maximum Rate for such period.

(ii) Any interest that would have been due and payable for any period but for the operation of Section 2.05(c)(i) shall accrue and be payable as provided in paragraph (iii) of this Section 2.05(c) and shall constitute the “Excess Interest Amount.”

(iii) If there is any accrued and unpaid Excess Interest Amount as of any Interest Payment Date, then, on the current and each subsequent Interest Payment Date, interest shall be calculated and paid at the Maximum Rate rather than the otherwise applicable rate until the earlier of (A) the date on which all interest paid to the Bank equals all interest accrued on the Loans plus the entire accrued Excess Interest Amount or (B) the Facility Maturity Date with respect to Loans, or the Term Loan Maturity Date with respect to Term Loans. Notwithstanding the foregoing, all unpaid Excess Interest Amount shall be, to the extent permitted by law, due and payable by the Borrower as a fee on the Facility Maturity Date (or if such Excess Interest relates to Term Loans, on the Term Loan Maturity Date).

(d) The interest rate borne by the Loans is subject to adjustment pursuant to the provisions of Section 2.13.<sup>63</sup>

<sup>62</sup> Subsection amended by 4<sup>th</sup> Amendment

<sup>63</sup> Subsection amended by 3<sup>rd</sup> Amendment

(e) Upon the occurrence and during the continuance of an Event of Default with respect to a Loan or Term Loan, such Loan or Term Loan shall bear interest at the Default Rate, such interest to be payable upon demand.

(f) The Term Loans shall bear interest on the outstanding principal amount thereof, for each date from the date of extension of such Term Loan until it becomes due, at a rate per annum equal to the Bank Rate. Such interest shall be payable on each Interest Payment Date (commencing on the first Interest Payment Date immediately succeeding the extension of such Term Loan) and on the Term Loan Maturity Date.

(g) If the Bank shall incur any loss, cost or expense (including, without limitation, any loss, cost or expense incurred by reason of the liquidation or re-employment of deposits or other funds acquired by the Bank to fund or maintain any Loan or the relending or reinvesting of such deposits or amounts paid or prepaid to the Bank) as a result of:

(i) any payment, conversion, prepayment or repayment of a SOFR Loan on a date other than on the last day of an Interest Period applicable thereto,

(ii) any failure by the Borrower to make any payment of principal on any SOFR Loan when due (whether by acceleration or otherwise), or

(iii) any acceleration of the maturity of any SOFR Loan as a result of the occurrence of any Event of Default hereunder,

then, upon the demand of the Bank, the Borrower shall pay to the Bank such amount as will reimburse the Bank for such loss, cost or expense. If the Bank makes such a claim for compensation, it shall provide to the Borrower a certificate setting forth the amount of such loss, cost or expense in reasonable detail and the amounts shown on such certificate shall be conclusive if reasonably determined.

**Section 2.06. Fees.** The Borrower agrees to pay to the Bank the fees at the times and in the amounts described in the Fee Letter, the terms of which are incorporated herein by this reference. In addition, the Borrower agrees to pay to the Bank within thirty (30) days after demand:

(a) all costs and expenses of the Bank in connection with the enforcement (whether by means of legal proceedings or otherwise) of any of its rights under this Agreement, the other Financing Documents and such other documents which may be delivered in connection therewith;

(b) the reasonable fees and out-of-pocket expenses for counsel or other reasonably required consultants to the Bank in connection with advising the Bank as to its rights and responsibilities under this Agreement and the other Financing Documents or in connection with Events of Default, potential Events of Default and responding to requests from the Borrower for approvals, consents and waivers; and

(c) any amounts advanced by or on behalf of the Bank to the extent required to cure any Default, Event of Default or event of nonperformance hereunder or any Financing Document, together with interest at the Default Rate.<sup>64</sup>

**Section 2.07. Optional Termination or Reduction of Commitment.** (a) During the Revolving Credit Period, the Borrower may, upon at least three Business Days' prior notice to the Bank, (i) terminate the Commitment in full at any time, if no Loans are outstanding at such time, or (ii) reduce the Commitment from time to time by an aggregate amount of \$1,000,000 or any larger integral multiple of \$100,000, which amount shall be not greater than the amount of the Commitment in excess of the aggregate outstanding principal amount of the Loans.<sup>65</sup>

**Section 2.08. Mandatory Termination or Reduction of Commitment.** The Commitment shall terminate on the Facility Maturity Date, or earlier as provided in Section 2.07, and Section 6.01 hereof, and any Loans then outstanding (together with accrued interest thereon) shall be due and payable on such date.

**Section 2.09. Optional Prepayments.** Subject to Section 2.05(g) hereof, the Borrower may, upon at least one Business Day's notice to the Bank, prepay any Loan or Term Loan in whole at any time, or from time to time in part in amounts aggregating \$1,000,000 or any larger integral multiple of \$100,000, by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment.

**Section 2.10. General Provisions as to Payments.** The Borrower shall make each payment of principal of, and interest on, the Loans and Term Loans and of fees hereunder, not later than 3:00 p.m. (New York City time) on the date when due, in federal or other funds immediately available in New York City, to the Bank at its address referred to in Section 8.01 or by Fed Wire to [REDACTED]

[REDACTED] Ref.: JEA [\[RCA-20152025 \(Electric System\)\]](#), or pursuant to instructions that the Bank may provide from time to time. Whenever any payment of principal of, or interest on, the Loans or Term Loans or of fees shall be due on a day which is not a Business Day, the date for payment thereof shall be extended to the next succeeding Business Day. If the date for any payment of principal is extended by operation of law or otherwise, interest thereon shall be payable for such extended time.

**Section 2.11. Computation of Interest and Fees.** Interest on SOFR Loans and all fees shall be calculated on the basis of a 360-day year based upon the actual number of days elapsed (or, in each case at the Bank's option, upon prior written notice from the Bank to the Borrower, on the basis of a 360-day year consisting of twelve 30-day months) and interest on Base Rate Loans and Term Loans shall be calculated on the basis of a 365/366-day year upon the actual number of days elapsed.

**Section 2.12. The Term Loans.** (a) *Generally.* On the Facility Maturity Date, so long as (i) no Default or Event of Default shall have occurred and be continuing, or would result

<sup>64</sup> Section amended by 1<sup>st</sup> Amendment and the 3<sup>rd</sup> Amendment

<sup>65</sup> Section amended by 1<sup>st</sup> Amendment and subsections (b), (c), (d) and (e) removed by 3<sup>rd</sup> Amendment

therefrom, and (ii) the representations and warranties of the Borrower set forth in Article IV hereof are true and correct in all material respects as of such date, the Loans, if any, outstanding on such date shall be automatically converted to term loans (each a “*Term Loan*” and collectively the “*Term Loans*”), and the Term Loans shall be deemed extended on such date (such date, the “*Conversion Date*”), the proceeds of which shall be deemed to have repaid the Loans and the Borrower’s obligations under the related Notes. Each Term Loan shall be evidenced by a Term Loan Note in form and substance satisfactory to the Bank, with respect to ~~each applicable~~ the Electric System and indicating whether such Term Loan is taxable or ~~tax-exempt~~ tax-exempt, and the Bank’s receipt of such Term Loan Note(s) shall be a condition precedent to extension of the Term Loan(s). Interest payable on each Term Loan will have the same tax treatment (either excludable from gross income for federal tax purposes or not) as the Loan deemed paid with the proceeds of such Term Loan. The Term Loans may be repaid in whole or in part on any Business ~~Date~~ Day upon prior written notice from the Borrower to the Bank.

(b) ***Repayment.*** The Term Loans shall be payable in equal (as nearly as possible) semi-annual installments on each April 1 and October 1 of each year beginning with the first such date that is at least 100 days after the date of extension of such Term Loan(s); *provided, however*, that, notwithstanding anything contained herein to the contrary, the entire outstanding principal amount of the Term Loans, plus accrued and unpaid interest thereon, shall be due and payable in full on the Term Loan Maturity Date.

### **Section 2.13. Alternate Rate of Interest.** <sup>66</sup>

(a) Subject to clauses (b), (c), (d), (e) and (f) of this Section 2.13, if:

(i) the Bank determines (which determination shall be conclusive absent manifest error) (A) prior to the commencement of any Interest Period for a SOFR Loan, that adequate and reasonable means do not exist for ascertaining the Adjusted Term SOFR (including because the Term SOFR Reference Rate is not available or published on a current basis), for such Interest Period or (B) at any time, that adequate and reasonable means do not exist for ascertaining the applicable Adjusted Daily Simple SOFR; or

(ii) the Bank determines that (A) prior to the commencement of any Interest Period for a SOFR Loan, the Adjusted Term SOFR for such Interest Period will not adequately and fairly reflect the cost to the Bank of making or maintaining the Loans included in such Borrowing for such Interest Period or (B) at any time, Adjusted Daily Simple SOFR will not adequately and fairly reflect the cost to the Bank of making or maintaining the Loans included in such Borrowing;

then the Bank shall give notice thereof to the Borrower by telephone, telecopy or electronic mail as promptly as practicable thereafter and, until the Bank notifies the Borrower that the circumstances giving rise to such notice no longer exist, any

<sup>66</sup> ~~Section added by 3<sup>rd</sup> Amendment and amended by 4<sup>th</sup> Amendment~~

Notice of Conversion that requests the conversion of any Loan to, or continuation of any Loan as, a SOFR Loan and any Notice of Borrowing requests a SOFR Loan, such Loan shall instead be deemed to be a Notice of Conversion or Notice of Borrowing, as applicable, for a Base Rate Loan. Furthermore, if any SOFR Loan is outstanding on the date of the Borrower's receipt of the notice from the Bank referred to in this Section 2.13(a), then until (x) the Bank notifies the Borrower that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark and (y) the Borrower delivers a new Notice of Conversion in accordance with the terms of Section 2.02(d) or a new Notice of Borrowing in accordance with the terms of Section 2.02(a), any SOFR Loan shall on the last day of the Interest Period applicable to such Loan, be converted by the Bank to, and shall constitute, a Base Rate Loan.

(b) Notwithstanding anything to the contrary herein or in any other Financing Document (and any Swap Contract between the Borrower and the Bank relating to any of the transactions described in the Agreement shall be deemed not to be a "Financing Document" for purposes of this Section 2.13), if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Financing Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Financing Document and (y) if a Benchmark Replacement is determined in accordance with clause (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Financing Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Borrower without any amendment to, or further action or consent of any other party to, this Agreement or any other Financing Document.

(c) Notwithstanding anything to the contrary herein or in any other Financing Document, in connection with the implementation of a Benchmark Replacement, the Bank will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Financing Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Financing Document.

(d) The Bank will promptly notify the Borrower of (i) any occurrence of a Benchmark Transition Event, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (f) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Bank pursuant to this Section

2.13, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Financing Document, except, in each case, as expressly required pursuant to this Section 2.13.

(e) Notwithstanding anything to the contrary herein or in any other Financing Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Bank in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Bank may modify the definition of “Interest Period” for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Bank may modify the definition of “Interest Period” for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(f) Upon the Borrower’s receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any Notice of Borrowing or Notice of Conversion with regard to SOFR Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to Base Rate Loans. Furthermore, if any SOFR Loan is outstanding on the date of the Borrower’s receipt of notice of the commencement of a Benchmark Unavailability Period with respect to the Adjusted Term SOFR applicable to such SOFR Loan, then until such time as a Benchmark Replacement is implemented pursuant to this Section 2.13, any SOFR Loan shall on the last day of the Interest Period applicable to such Loan, be converted by the Bank to, and shall constitute, a Base Rate Loan.

(g) For purposes of this Section 2.13 the following definitions will have the following meanings:

“*Adjusted Daily Simple SOFR*” means an interest rate per annum equal to (a) the Daily Simple SOFR, plus (b) ten basis points (0.10%); provided that if the Adjusted Daily Simple SOFR as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

“*Available Tenor*” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark (or component thereof) or payment period for interest calculated with

reference to such Benchmark (or component thereof), as applicable, that is or may be used for determining the length of an Interest Period for any term rate or otherwise, for determining any frequency of making payments of interest calculated pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to clause (e) of this Section 2.13.

“*Benchmark*” means, initially, with respect to any SOFR Loan, Term SOFR; provided that if a Benchmark Transition Event and the related Benchmark Replacement Date have occurred with respect to Term SOFR or the then-current Benchmark, then “*Benchmark*” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (b) of this Section 2.13.

“*Benchmark Replacement*” means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Bank for the applicable Benchmark Replacement Date:

- (1) the Adjusted Daily Simple SOFR; or
- (2) the sum of: (a) the alternate benchmark rate that has been selected by the Bank and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for dollar-denominated syndicated credit facilities at such time in the United States and (b) the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (1) or (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Financing Documents.

“*Benchmark Replacement Adjustment*” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Bank and the Borrower for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date

and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for dollar-denominated syndicated credit facilities at such time.

*“Benchmark Replacement Conforming Changes”* means, with respect to any Benchmark Replacement and/or any SOFR Loan, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Business Day,” the definition of “U.S. Government Securities Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Bank decides may be appropriate to reflect the adoption and implementation of such Benchmark and to permit the administration thereof by the Bank in a manner substantially consistent with market practice (or, if the Bank decides that adoption of any portion of such market practice is not administratively feasible or if the Bank determines that no market practice for the administration of such Benchmark exists, in such other manner of administration as the Bank decides is reasonably necessary in connection with the administration of this Agreement and the other Financing Documents).

*“Benchmark Replacement Date”* means, with respect to any Benchmark, the earliest to occur of the following events with respect to such then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or component thereof) have been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative; provided, that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (3) and even if such Benchmark (or component thereof) or, if such Benchmark is a term rate,

any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“*Benchmark Transition Event*” means, with respect to any Benchmark, the occurrence of one or more of the following events with respect to such then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the NYFRB, the CME Term SOFR Administrator, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), in each case, which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate, any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such Benchmark (or such component thereof) or, if such Benchmark is a term rate, all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“*Benchmark Unavailability Period*” means, with respect to any Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Financing Document in accordance with this Section 2.13 and (y) ending at the time that a Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Financing Document in accordance with this Section 2.13.

“*Corresponding Tenor*” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“*Daily Simple SOFR*” means, for any day (a “*SOFR Rate Day*”), a rate per annum equal to SOFR for the day (such day “*SOFR Determination Date*”) that is five (5) U.S. Government Securities Business Days prior to (i) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator’s Website. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Borrower. If by 5:00 p.m. (New York City time) on the second (2nd) U.S. Government Securities Business Day immediately following any SOFR Determination Date, SOFR in respect of such SOFR Determination Date has not been published on the SOFR Administrator’s Website and a Benchmark Replacement Date with respect to the Daily Simple SOFR has not occurred, then SOFR for such SOFR Determination Date will be SOFR as published in respect of the first preceding U.S. Government Securities Business Day for which such SOFR was published on the SOFR Administrator’s Website.

“*Reference Time*” with respect to any setting of the then-current Benchmark means (1) if such Benchmark is the Term SOFR, 5:00 a.m. (Chicago time) on the day that is two U.S. Government Securities Business Days preceding the date of such setting, or (2) if such Benchmark is not Term SOFR, the time determined by the Bank in its reasonable discretion.

“*Relevant Governmental Body*” means the Federal Reserve Board and/or the NYFRB, or a committee officially endorsed or convened by the Federal Reserve Board and/or the NYFRB, or, in each case, any successor thereto.

“*SOFR Determination Date*” has the meaning specified in the definition of “Daily Simple SOFR”.

“*SOFR Rate Day*” has the meaning specified in the definition of “Daily Simple SOFR”.

“*Unadjusted Benchmark Replacement*” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

### ARTICLE III

#### CONDITIONS

**Section 3.01. Effectiveness.** This Agreement shall become effective and the Revolving Credit Period shall commence on the date on which each of the following conditions shall have been satisfied (or waived in accordance with Section 8.04):

(a) receipt by the Bank of a counterpart hereof signed by each of the parties hereto;

(b) receipt by the Bank of duly executed Notes dated the Effective Date complying with the provisions of Section 2.03;

(c) receipt by the Bank of a certified copy of each instrument which composes the Resolutions (each as in effect on the Effective Date) and a certificate of an Executive Assistant of the Borrower, dated the Effective Date, certifying that each instrument which composes the Resolutions is in full force and effect on the Effective Date ~~and~~ that there has been no other amendment or supplement of, or modification to, any provision of any such instrument, and the Resolutions are valid and binding obligations of the Borrower in accordance with their respective terms;

(d) receipt by the Bank of a certificate of an Authorized Officer of the Borrower, dated the Effective Date, certifying that (i) each of the Borrower’s representations and warranties contained (or incorporated by reference) herein is true and correct on and as of the Effective Date and (ii) no Default has occurred and is continuing, and such other matters as the Bank may reasonably request;

(e) receipt by the Bank of a certificate of an Executive Assistant of the Borrower, dated the Effective Date, certifying as to the authorization of the officers of the Borrower who are authorized to execute and deliver this Agreement and the Notes then being delivered;

(f) receipt by the Bank of a certified copy of the Investment Policy of the Borrower; ~~and~~

(g) receipt by the Bank of (i) an opinion of the Office of General Counsel of the City, attorney for the Borrower, substantially in the form of Exhibit C-1 hereto and covering such additional matters relating to the transactions contemplated hereby or by the Financing Documents as the Bank may reasonably request, and (ii) an opinion of Nixon Peabody LLP, Bond Counsel for the Borrower, substantially in the form of Exhibit C-2 hereto and covering such additional matters relating to the transactions contemplated hereby or by the Financing Documents as the Bank may reasonably request;

(h) satisfaction of all conditions in the Note Resolution required to be satisfied in order for this Agreement to constitute a Credit Agreement thereunder and for the Notes to constitute Revolving Credit Notes thereunder; and

(i) ~~(g)~~ receipt by the Bank of all opinions, certificates and other documents it may reasonably request, including those relating to the existence of the Borrower, the corporate authority for and the validity of this Agreement and the Notes then being delivered, and any other matters relevant hereto or thereto, all in form and substance satisfactory to the Bank.

**Section 3.02. Termination of Existing Credit Agreement and Revolving Credit Notes; Transfer of Electric System Balances.** The Borrower and the Bank hereby agree that as of the Effective Date the following shall be deemed to have occurred:

(a) the existing Revolving Credit Agreement dated as of December 17, 2015, as amended (the "Existing Credit Agreement") shall be deemed to be terminated and replaced by this Agreement and the Revolving Credit Agreement (Water and Sewer System & District Energy System) dated as of August [28], 2025, between the Borrower and the Bank (the "Water and Sewer System & District Energy System Credit Agreement");

(b) (i) the JEA Electric System Revolving Credit Subordinated Bank Note, Series T-9, dated November 1, 2018, in the stated principal amount not exceeding \$300,000,000, and having an outstanding principal balance on the Effective Date of \$[ ] (the "Existing Electric System Taxable Note") shall be deemed to be terminated and replaced by the Electric System Revolving Credit Subordinated Bank Note, Series T-[ ], dated the Effective Date, in the stated principal amount not exceeding \$350,000,000 (the "New Electric System Taxable Note") and the existing principal balance on the Existing Electric System Taxable Note, and all accrued but unpaid interest thereon, shall be deemed to be automatically transferred to the New

Electric System Taxable Note; and (ii) the JEA Electric System Revolving Credit Subordinated Bank Note, Series TE-9, dated November 1, 2018, in the stated principal amount not exceeding \$200,000,000, and having an outstanding principal balance on the Effective Date of \$[ ] (the “Existing Electric System Tax-Exempt Note”) shall be deemed to be terminated and replaced by the Electric System Revolving Credit Subordinated Bank Note, Series TE-[ ], dated the Effective Date, in the stated principal amount not exceeding \$350,000,000 (the “New Electric System Tax-Exempt Note”) and the existing principal balance on the Existing Electric Tax-Exempt Note, and all accrued but unpaid interest thereon, shall be deemed to be automatically transferred to the New Electric System Tax-Exempt Note;

(c) (i) the JEA Bulk Power Supply System Revolving Credit Subordinated Bank Note, Series T-8 dated November 1, 2018, in the stated principal amount not exceeding \$200,000,000 and having an outstanding principal balance on the Effective Date of \$0 (the “Existing Bulk Power Supply System Taxable Note”) and (ii) the JEA Bulk Power Supply System Revolving Credit Subordinated Bank Note, Series TE-8 dated November 1, 2018, in the stated principal amount not exceeding \$100,000,000 and having an outstanding principal balance on the Effective Date of \$0 (the “Existing Bulk Power Supply System Tax-Exempt Note”) shall each be deemed to be terminated; and

(d) (i) the JEA St. John River Power Park System Revolving Credit Subordinated Bank Note, Series T-8 dated November 1, 2018, in the stated principal amount not exceeding \$200,000,000 and having an outstanding principal balance on the Effective Date of \$0 (the “Existing St. John River Power Park Taxable Note”) and (ii) the JEA St. John River Power Park Revolving Credit Subordinated Bank Note, Series TE-8 dated November 1, 2018, in the stated principal amount not exceeding \$100,000,000 and having an outstanding principal balance on the Effective Date of \$0 (the “Existing St. John River Power Park Tax-Exempt Note”) shall each be deemed to be terminated.

**Section 3.03. ~~Section 3.02.~~ Borrowings During the Revolving Credit Period.** The obligation of the Bank to make a Loan on the occasion of any Borrowing on or prior to the Conversion Date is subject to the satisfaction of the following conditions:

- (a) receipt by the Bank of a Notice of Borrowing as required by Section 2.02;
- (b) the fact that, immediately after such Borrowing, (i) the aggregate outstanding principal amount of the Loans will not exceed the amount of the Commitment, (ii) the aggregate outstanding principal amount of the Taxable Loans will not exceed the amount of the Taxable Loan Commitment, and (iii) the aggregate outstanding principal amount of the ~~Tax-Exempt~~Tax-Exempt Loans will not exceed the amount of the ~~Tax-Exempt~~Tax-Exempt Loan Commitment ~~and (iv) the aggregate outstanding principal amount of (A) the District Energy System Loans will not exceed the amount of the District Energy System Commitment, (B) the BPSS Loans will not exceed the amount of the BPSS Commitment, (C) the Electric System Loans will not exceed the amount of the Electric System Commitment, (D) the Water and Sewer System Loans will not exceed the amount of the Water and Sewer System Commitment, (E) the SJRPP Loans will not exceed the amount of the SJRPP Commitment and (F) the~~

~~Additional System Loans will not exceed the amount of the Additional System Commitment;<sup>67</sup>.~~

(c) the fact that, immediately before and as a result of giving effect to such Borrowing, no Default or Event of Default (for the Electric System ~~to which the Loan relates~~, if applicable) shall have occurred and be continuing;

(d) the fact that the representations and warranties of the Borrower ~~(and if such representations and warranties relate to a System, then only to the extent they relate to the particular System for which the Loan is to be made; provided, that in the case of SJRPP Loans and BPSS Loans, representations and warranties relating to the Electric System shall be taken into account and in the case of District Energy System Loans, representations and warranties of the Water and Sewer System shall be taken into account)~~ contained in this Agreement (except the representations and warranties set forth in Section 4.04(b)<sup>68</sup> and the second sentence of Section 4.11) shall be true on and as of the date of such Borrowing;

(e) In the case of any ~~Tax-Exempt~~Tax-Exempt Loan, receipt by the Bank and the Borrower of confirmation from Bond Counsel to the Borrower that the opinion delivered pursuant to clause ~~3.04~~3.01(ag)(ii) hereof (the “*Bond Counsel Opinion*”) has not been withdrawn; and

(f) In the case of any ~~Tax-Exempt~~Tax-Exempt Loan, receipt by the Bank of written confirmation from the Borrower that it is and has been in compliance with the Tax Certificate (as defined in the Bond Counsel Opinion).

Each Borrowing hereunder shall be deemed to be a representation and warranty by the Borrower on the date of such Borrowing as to the facts specified in clauses (b), (c), and (d) of this Section.

~~**Section 3.03. Additional Conditions to Additional System Loans.** Prior to the making of any Additional System Loans hereunder each of the following conditions shall have been satisfied (or waived in accordance with Section 8.04):~~

~~(a) Receipt by the Borrower of a certificate of the Bank consenting to the making of Loans hereunder for purposes of such Additional System and approving the security pledged therefor by the Additional System Supplemental Resolution;~~

~~(b) receipt by the Bank of duly executed Additional System Notes dated on or before the making of any Additional System Loan complying with the provisions of Section 2.03;~~

~~(c) receipt by the Bank of (i) an opinion of the Office of General Counsel of the City, attorney for the Borrower, substantially in the form of Exhibit C-1 hereto relating to~~

<sup>67</sup> Subsection amended by 2<sup>nd</sup> Amendment

<sup>68</sup> Cross-reference amended by 4<sup>th</sup> Amendment

~~the applicable Additional System Supplemental Resolution and Additional System Notes and covering such additional matters relating to the transactions contemplated hereby or by the Financing Documents as the Bank may reasonably request and (ii) an opinion of Nixon Peabody LLP, or such other firm serving as bond counsel for the Borrower, substantially in the form of Exhibit C 2 hereto relating to the applicable Additional System Supplemental Resolution and Additional System Notes and covering such additional matters relating to the transactions contemplated hereby or by the Financing Documents as the Bank may reasonably request;~~

~~(d) receipt by the Bank of a certified copy of the applicable Additional System Supplemental Resolution and a certificate of the Secretary of the Borrower, certifying that the Additional System Supplemental Resolution is in full force and effect on the date of any Additional System Loan and that there has been no other amendment or supplement of, or modification to, any provision of any such instrument, except as set forth therein;~~

~~(e) receipt by the Bank of a certificate of an Authorized Officer of the Borrower, dated the date of any Additional System Loan, certifying that (i) each of the Borrower's representations and warranties (and if such representations and warranties relate to a System, then only to the extent they relate to the particular System for which the Loan is to be made) contained (or incorporated by reference) herein is true and correct on and as of the date of such certificate and (ii) no Default has occurred and is continuing; and~~

~~(f) receipt by the Bank of all opinions, certificates and other documents it may reasonably request relating to the existence of the Borrower, the corporate authority for and the validity of this Agreement, the Additional System Resolution and the Additional System Notes then being delivered, and any other matters relevant hereto or thereto, all in form and substance satisfactory to the Bank;~~

~~The Bank shall promptly notify the Borrower of satisfaction of the conditions set forth in this Section 3.03, and such notice shall be conclusive and binding on both parties hereto.~~

~~**Section 3.04. Availability Date.** The Revolving Credit Period shall not begin until the following conditions shall have been satisfied (or waived in accordance with Section 8.04):~~

~~(a) receipt by the Bank of (i) an opinion of the Office of General Counsel of the City, attorney for the Borrower, substantially in the form of Exhibit C 1 hereto and covering such additional matters relating to the transactions contemplated hereby or by the Financing Documents as the Bank may reasonably request, and (ii) an opinion of Nixon Peabody LLP, Bond Counsel for the Borrower, substantially in the form of Exhibit C 2 hereto and covering such additional matters relating to the transactions contemplated hereby or by the Financing Documents as the Bank may reasonably request;~~

~~(b) receipt by the Bank of evidence satisfactory to it that the Revolving Credit Agreement dated as of September 9, 2013 between the Borrower and the Bank of Tokyo-Mitsubishi UFJ, LTD., and the Revolving Credit Agreement dated as of September 9,~~

~~2013 between the Borrower and Union Bank, N.A. have each been terminated and all amounts payable under such Revolving Credit Agreements and Notes have been paid in full;~~

~~(c) receipt by the Bank of a certificate of an Authorized Officer, dated the Available Date, certifying that (i) the Borrower's existing revolving credit facilities have been terminated, (ii) the Note Resolution is effective on or before the Available Date and (iii) the Note Resolution is a valid and binding obligation of the Borrower in accordance with its respective terms; and~~

~~(d) satisfaction of all conditions in the Note Resolution required to be satisfied in order for this Agreement to constitute a Credit Agreement thereunder and for the Notes to constitute Revolving Credit Notes thereunder.~~

## ARTICLE IV

### REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants that:

**Section 4.01. Organization, Powers, Etc.** The Borrower is a body politic and corporate and an independent agency of the City duly organized and validly existing under and pursuant to the Act and the laws of the State of Florida, and has full power and authority under the Constitution and the laws of the State of Florida (including, without limitation, the Act) and all material governmental licenses, authorization, consents and approvals required to operate the ~~Systems~~Electric System, to carry on its business related thereto as now conducted, to borrow under this Agreement and to issue the Notes under the Note Resolution and in accordance with this Agreement.<sup>69</sup>

**Section 4.02. Authorization; No Contravention.** Each of the Resolutions has been duly adopted and is in full force and effect (except in the case of the Electric System Resolution, for the amendments thereto made by Article III of the First Amending Resolution until such amendments become effective and which shall not become effective without, among other requirements, the written consent of the Bank). The execution, delivery and performance by the Borrower of this Agreement (including, without limitation, the borrowing of Loans in an aggregate principal amount equal to the amount of the Commitment), the Notes and the Financing Documents are within the Borrower's powers, have been duly authorized by all necessary action, require no action by or in respect of, or filing with, any governmental body, agency or official (other than the Borrower) and do not contravene, or constitute a default under, any provision of applicable law (including, without limitation, the Act) or regulation or of the by-laws of the Borrower or of any agreement, judgment, injunction, order, decree or other instrument binding upon the Borrower or any of its assets or result in the creation or imposition of any Lien on any asset of the Borrower other than (a) in the case of the Electric System Resolution, the Lien on Net Revenues of the Electric System created by and under Section 11 of the Electric System Resolution, (b) in the case of the Electric System Subordinated Resolution,

<sup>69</sup> ~~Section amended by 2<sup>nd</sup> Amendment~~

the Lien created by and under paragraph 1 of Section 5.01 of the Electric System Subordinated Resolution, and ~~(c) in the case of the Water and Sewer System Resolution, the Lien on Net Revenues of the Water and Sewer System created by and under Section 5.01 of the Water and Sewer System Resolution, (d) in the case of the Water and Sewer System Subordinated Resolution, the Lien created by and under Section 5.01 of the Water and Sewer System Subordinated Resolution, (e) in the case of the District Energy System Resolution, the Lien on Net Revenues of the District Energy System created by and under Section 5.01 of the District Energy System Resolution, (f) in the case of the St. Johns River Power Park System Second Revenue Bond Resolution, the Lien created by and under Section 5.01 of the St. Johns River Power Park System Second Revenue Bond Resolution, (g) in the case of the Bulk Power Supply System Revenue Bond Resolution, the Lien created by and under Section 5.01 of the Bulk Power Supply System Revenue Bond Resolution and (h) in the case of the Note Resolution, the Liens created by and under Sections~~Section 4.01, ~~Section 6.01, 8.01, 10.01 and 12.01~~ of the Note Resolution.<sup>70</sup>

**Section 4.03. Binding Effect.** This Agreement and each Financing Document constitute valid and binding agreements of the Borrower, and the Notes, when executed, authenticated and delivered in accordance with this Agreement and the Note Resolution, will constitute a valid and binding obligation of the Borrower.<sup>71</sup>

#### **Section 4.04. Financial Information.**

(a) The statement of net position of the Borrower as of September 30, ~~2022~~2024 and the related statements of revenues, expenses and changes in net position and statement of cash flows for the fiscal year then ended, reported on by Ernst & Young, LLP, a copy of which has been delivered to the Bank, fairly present, in conformity with generally accepted accounting principles, the financial position of the Borrower as of such date and its results of operations and cash flows for such fiscal year.

(b) Except as is disclosed in the Borrower's quarterly financial statements for the quarter ended [March 31, ~~2023~~2025], since September 30, ~~2022~~<sup>72</sup>2024, there has been no material adverse change in the business, financial position, results of operations or prospects of the Borrower as they relate to the ~~Systems.~~<sup>73</sup>Electric System.

**Section 4.05. Litigation.** There is no action, suit or proceeding pending against, or to the knowledge of the Borrower threatened against or affecting, the Borrower, the Electric System, ~~the Water and Sewer System, the District Energy System, SJRPP, BPSS~~ or relating to any Financing Document, the Act, this Agreement or the Notes before any court or arbitrator or any governmental body, agency or official in which there is a reasonable possibility of an adverse decision which could materially adversely affect the business, financial position or results of operations of the Borrower, the Electric System, ~~the Water and Sewer System, the~~

<sup>70</sup> Section amended by 2<sup>nd</sup> Amendment

<sup>71</sup> Section amended by 2<sup>nd</sup> Amendment

<sup>72</sup> Date amended by 1<sup>st</sup> Amendment and 4<sup>th</sup> Amendment

<sup>73</sup> Section amended by 4<sup>th</sup> Amendment

~~District Energy System, SJRPP, BPSS,~~ or which in any manner draws into question the validity or enforceability of this Agreement, the Notes, the Act or any Financing Document.

**Section 4.06. Employee Benefit Plans, Etc.** The Borrower does not maintain any “employee benefit plan” (within the meaning of Section 3(3) of ERISA) that is subject to Title I or Title IV of ERISA and has no obligation or liability under or in respect of any other “employee benefit plan” (within the meaning of Section 3(3) of ERISA) other than (i) the obligation to make annual contributions to (x) the City of Jacksonville 1937 Employees’ Pension Fund (as amended from time to time, the “*City Pension Fund*”) and (y) the St. Johns River Power Park System Employees’ Retirement Plan (as amended from time to time, the “*SJRPP Retirement Plan*”), (ii) the obligation to allow or permit contributions to (x) the 457 Deferred Compensation Plan for Employees of JEA and St. Johns River Power Park System (as amended from time to time, the “*JEA 457 Deferred Compensation Plan*”), and (y) the 401(a) Defined Contribution Retirement Plan for employees of JEA and St. Johns River Power Park System (as amended from time to time, the “*JEA 401(a) Defined Contribution Retirement Plan*”), as required by Part VII, Chapter 112, Florida Statutes. The City Pension Fund and the SJRPP Retirement Plan are defined benefit “governmental plans” within the meaning of Section 3(32) of ERISA. The JEA 457 Deferred Compensation Plan and the JEA 401(a) Defined Contribution Retirement Plan are “eligible deferred compensation plans” within the meaning of Section 457 of the Internal Revenue Code.

**Section 4.07. Status of Notes.** (a) Payment of the principal of and interest on each Electric System Note is secured by a valid and enforceable Lien on the amounts described in Section 4.01 of the Note Resolution, which Lien is prior in right of payment as against the right of the City to appropriate Revenues (such term being used in this subsection (a) as defined in the Electric System Resolution) for the uses and purposes of the City and the rights of all other Persons having other claims of any kind in tort, contract or otherwise against the Borrower or the Revenues, except that such Lien (i) is junior and subordinate to the Lien on Revenues created by and under the Electric System Resolution in favor of the holders of the Electric System Bonds and (ii) is junior and subordinate to the Lien on Revenues of the Electric System created by and under the Electric System Subordinated Resolution in favor of the holders of the Prior Lien Electric System Subordinated Bonds.

~~(b) Payment of the principal of and interest on each Water and Sewer System Note is secured by a valid and enforceable Lien on the amounts described in Section 6.01 of the Note Resolution, which Lien is prior in right of payment as against the right of the City to appropriate Revenues (such term being used in this subsection (b) as defined in the Water and Sewer System Resolution) for the uses and purposes of the City and the rights of all other Persons having other claims of any kind in tort, contract or otherwise against the Borrower or the Revenues, except that such Lien (i) is junior and subordinate to the Lien on Revenues created by and under the Water and Sewer System Resolution in favor of the holders of Water and Sewer System Bonds and (ii) is junior and subordinate to the Lien on amounts in the Subordinated Indebtedness Funds created by and under the Water and Sewer System Subordinated Resolution in favor of the holders of the Prior Lien Water and Sewer Subordinated Obligations.~~

~~(c) Payment of the principal of and interest on each District Energy System Note is secured by a valid and enforceable Lien on the amounts described in Section 8.01 of the Note Resolution, which Lien is prior in right of payment as against the right of the City to appropriate Revenues (such term being used in this subsection (c) as defined in the District Energy System Resolution) for the uses and purposes of the City and the rights of all other Persons having other claims of any kind in tort, contract or otherwise against the Borrower or the Revenues, except that such Lien (i) is junior and subordinate to the Lien on Revenues created by and under the District Energy System Resolution in favor of the holders of District Energy System Bonds and (ii) is junior and subordinate to any Lien on Revenues of the District Energy System hereafter created in favor of the holders of any Prior Lien District Energy System Subordinated Obligations.~~

~~(d) Payment of the principal of and interest on each SJRPP Note is secured by a valid and enforceable Lien on the amounts described in Section 10.01 of the Note Resolution, which Lien is prior in right of payment as against the right of the City to appropriate Revenues (such term being used in this subsection (d) as defined in the St. Johns River Power Park System Second Revenue Bond Resolution and as defined in the Electric System Resolution) for the uses and purposes of the City and the rights of all other Persons having other claims of any kind in tort, contract or otherwise against the Borrower or the Revenues, except that such Lien is junior and subordinate to the Lien on Revenues created by and under the St. Johns River Power Park System Second Revenue Bond Resolution in favor of the holders of SJRPP Bonds issued under the St. Johns River Power Park System Second Revenue Bond Resolution and (ii) is junior and subordinate to any Lien on Revenues of the St. Johns River Power Park System hereafter created in favor of the holders of any Prior Lien St. Johns River Power Park System Subordinated Obligations.~~

~~(e) Payment of the principal of and interest on each BPSS Note is secured by a valid and enforceable Lien on the amounts described in Section 12.01 of the Note Resolution, which Lien is prior in right of payment as against the right of the City to appropriate Revenues (such term being used in this subsection (e) as defined in the Bulk Power Supply System Revenue Bond Resolution and as defined in the Electric System Resolution) for the uses and purposes of the City and the rights of all other Persons having other claims of any kind in tort, contract or otherwise against the Borrower or the Revenues, except that such Lien (i) is junior and subordinate to the Lien on Revenues created by and under the Bulk Power Supply System Revenue Bond Resolution in favor of the holders of BPSS Bonds and (ii) is junior and subordinate to any Lien on Revenues (as defined in the Bulk Power Supply System Revenue Bond Resolution) hereafter created in favor of the holders of any Prior Lien BPSS Projects Subordinated Obligations.~~

~~(f)~~ (b) Interest on the Notes evidencing ~~Tax Exempt~~Tax-Exempt Loans is not included in the gross income of the holders thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code.

~~(g) Payment of the principal of and interest on the Additional System Notes will be secured by a valid and enforceable Lien on the amounts provided therefor in the Additional System Resolution, which Lien shall be prior in right of payment as against~~

~~the right of the City to appropriate Additional System Net Revenues for the uses and purposes of the City and the rights of all other Persons having other claims of any kind in tort, contract or otherwise against the Borrower or the Revenues, except that such Lien is junior and subordinate to the Lien on such Additional System Revenues created by and under the Additional System Resolution in favor of the holders of Additional System Bonds.~~

(c) ~~(h)~~ All amounts other than the principal of and interest on the Notes are payable from amounts remaining on deposit in the Revenue Fund (as defined in the Electric System Resolution) after the payments made by paragraphs (1) through (6) of Section 13B of the Electric System Resolution ~~and amounts remaining on deposit in the Revenue Fund (as defined in the Water and Sewer System Resolution), and available for use by the Borrower in accordance with the provisions of subsection 2 of Section 507 of the Water and Sewer System Resolution.~~

**Section 4.08. Taxes.** The Borrower has timely filed or caused to be filed all tax returns, if any, which are required to be filed, has correctly stated the facts regarding any tax liability of the Borrower on such returns and has paid all taxes, if any, shown to be due and payable on said returns or on any assessments made against it or any of its property and all other taxes, fees and other charges imposed on it or any of its property by any governmental body, agency or authority (other than those the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which appropriate reserves in accordance with GAAP have been provided on the books of the Borrower); and no tax liens have been filed and, to the best knowledge of the Borrower, no claims are being actively asserted with respect to any such taxes, fees or other charges (other than those the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which appropriate reserves in accordance with GAAP have been provided on the books of the Borrower).

**Section 4.09. No Subsidiaries.** As of the date hereof, the Borrower has no Subsidiaries.

**Section 4.10. Not an Investment Company.** The Borrower is not an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

**Section 4.11. Full Disclosure.** All information heretofore furnished (including pursuant to any representation or warranty) by the Borrower to the Bank for purposes of or in connection with this Agreement or any Financing Document or any transaction contemplated hereby or thereby is, and all such information hereafter furnished by the Borrower to the Bank will be, true and accurate in all material respects on the date as of which such information is stated or certified. The Borrower has disclosed to the Bank in writing any and all facts which materially and adversely affect or may (to the extent the Borrower can now reasonably foresee) materially and adversely affect the business, operations or financial condition of the Borrower, the Electric System, ~~the Water and Sewer System, the District Energy System, SJRPP or BPSS~~ or the ability of the Borrower to perform its obligations under this Agreement, the Notes or any Financing Document.

**Section 4.12. No Default.** The Borrower is not in default in the performance, observance or fulfillment of any of its material obligations, covenants or conditions contained in

this Agreement or any Financing Document and no Default has occurred and is continuing hereunder.

~~Section 4.13. [Reserved].~~<sup>74</sup>

Section 4.13. ~~Section 4.14.~~ **No Sovereign Immunity.** The defense of sovereign immunity is not available to the Borrower in any proceedings by the Bank to enforce any of the obligations of the Borrower under this Agreement or the Notes or any other Financing Document, except to the extent that any such proceeding seeks enforcement based on tort or similar claim and in such case such defense is available only to the extent set forth under Florida Statutes Section 768.28 or other similarly applicable provision of law, and, to the extent permitted by applicable law, the Borrower consents to the initiation of any such proceedings in any court of competent jurisdiction and agrees not to assert the defense of sovereign immunity in any such proceedings.

Section 4.14. ~~Section 4.15.~~ **Rate Increases.** An increase by the Borrower of rates, fees, rentals or other charges for the use of the product, services and facilities of the Electric System, ~~the Water and Sewer System, the District Energy System, SJRPP, or BPSS~~ requires no action or approval by or in respect of any Governmental Authority (other than the Borrower).

Section 4.15. ~~Section 4.16.~~ **Insurance.** With respect to ~~each of the Systems~~ Electric System, the Borrower currently maintains insurance of such type and in such amounts or in excess of such amounts as are customarily carried by, and insures against such risks as are customarily insured against by, entities of like type, size and character of ~~each such~~ the Electric System.

Section 4.16. ~~Section 4.17.~~ **Pending Legislation and Decisions.** There is no amendment, or to the knowledge of the Borrower, proposed amendment to the Constitution of the State or any State law or any administrative interpretation of the Constitution of the State or any State law, or any legislation that has passed either house of the legislature of the State, or any published judicial decision interpreting any of the foregoing, the effect of which will materially adversely affect the issuance of the Notes, the security for the Notes or the Borrower's obligations hereunder or under any of the other Financing Documents, the creation, organization, or existence of the Borrower or the titles to office of any officers executing this Agreement or any other Financing Documents to which the Borrower is a party or the Borrower's ability to repay when due its obligations under this Agreement, the Notes, any obligations hereunder and the other Financing Documents.

Section 4.17. ~~Section 4.18.~~ **Federal Reserve Board Regulations.** The Borrower will not use any part of the proceeds of the Notes or the funds advanced under any Loan and has not incurred any indebtedness to be reduced, retired or purchased by the Borrower out of such proceeds, for the purpose of purchasing or carrying any Margin Stock or violating Regulation T, U or X of the Board of Governors of the Federal Reserve System, and the Borrower does not own and will not acquire any such Margin Stock.

<sup>74</sup> ~~Section removed by 2<sup>nd</sup> Amendment~~

**Section 4.18. ~~Section 4.19.~~ Environmental Laws.** Except as set forth in the Annual Disclosure Report under the captions “ELECTRIC UTILITY SYSTEM — ELECTRIC UTILITY FUNCTIONS -*Environmental Matters*”, and in any publicly available offering document updating the Annual Disclosure Report or such other document provided to the Bank by JEA, ~~each~~the Electric System is in compliance with all environmental laws, except in cases where such failure would not have a material adverse effect or where the Bank has provided its consent.

**Section 4.19. ~~Section 4.20.~~ Tax Exempt Status.** The Borrower has not taken any action or omitted to take any action, and knows of no action taken or omitted to be taken by any other person or entity, which action, if taken or omitted, would cause interest on the ~~Tax-Exempt~~Tax-Exempt Loans (or related Notes) to be subject to federal income taxes.

**Section 4.20. ~~Section 4.21.~~ Compliance with Laws.** The Borrower is in compliance with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all governmental bodies, domestic or foreign, in respect of the operation of the ~~Systems~~Electric System and its ownership interest in the ~~Systems~~Electric System, except where noncompliance would not have a material adverse effect.

**Section 4.21. ~~Section 4.22.~~ Usury.** The rate of interest on the Loans will not violate any State of Florida limitations applicable to the interest rate on such Loans as of the date of the Borrowing for such Loans.

**Section 4.22. ~~Section 4.23.~~ Anti-Corruption Laws and Sanctions.** The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower and its Board, members, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrower, its Board, members, officers and employees, and to the knowledge of the Borrower its agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (i) the Borrower, its Board, members, officers or employees, or (ii) to the knowledge of the Borrower, any agent of the Borrower is a Sanctioned Person . To the knowledge of the Borrower, no Loan, use of proceeds or other transaction contemplated by this Agreement will violate any Anti-Corruption Law or applicable Sanctions.<sup>75</sup>

**Section 4.23. ~~Section 4.24.~~ Swap Contracts.** There are no Swap Contracts secured by or payable from the ~~net revenues of any~~Net Revenues of the Electric System on parity with or senior to the Notes.

## ARTICLE V

### COVENANTS

The Borrower agrees that, so long as the Bank has any Commitment hereunder or any amount payable under any Financing Document remains unpaid:

<sup>75</sup>~~Section amended by 3<sup>rd</sup> Amendment~~

**Section 5.01. Information.** The Borrower will deliver to the Bank:

(a) as soon as available and in any event within 180 days after the end of each fiscal year of the Borrower, the statement of net position of the Borrower as of the end of such fiscal year and the related statements of revenues, expenses, and changes in net position and statement of cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by independent public accountants of nationally recognized standing without qualification as to the scope of the audit performed or any material weakness noted in the Borrower's system of internal controls;<sup>76</sup>

(b) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of the Borrower, the statement of net position of the Borrower as of the end of such quarter and the related statements of revenues, expenses, and changes in net position and statement of cash flows for such quarter and for the portion of the Borrower's fiscal year ended at the end of such quarter, setting forth in each case in comparative form the figures for the corresponding quarter and the corresponding portion of the Borrower's previous fiscal year, all of which, unless an Authorized Officer of the Borrower shall have certified to the Bank to the contrary, shall be deemed to have been certified by the Borrower (subject to normal year-end adjustments) as to fairness of presentation, in accordance with GAAP and consistency;<sup>77</sup>

(c) simultaneously with the delivery of each set of financial statements referred to in clause (a) above, a statement of the firm of independent public accountants which reported on such statements whether anything has come to their attention to cause them to believe that any Default existed on the date of such statements; *provided, however*, that (i) such statement shall be required only to the extent that such accountants are permitted to deliver such statement under the then-current recommendations of the American Institute of Certified Public Accountants (the "AICPA") and (ii) such statements may be limited only to those matters permitted under the then-current recommendations of the AICPA;

(d) within five Business Days after any officer of the Borrower obtains knowledge of any Default, if such Default is then continuing, a certificate of an Authorized Officer of the Borrower setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(e) as soon as available but in any event within 30 Business Days after approval of the City, copies of the Borrower's annual budget;

(f) within five Business Days after the transfer of funds by the Borrower to the City (other than transfers for which appropriations have been provided in the annual budget of the Borrower and reimbursements by the Borrower to the City for the costs of

<sup>76</sup> ~~Subsection amended by 2<sup>nd</sup> Amendment~~

<sup>77</sup> ~~Subsection amended by 2<sup>nd</sup> Amendment~~

services provided by the City to the Borrower), a certificate of an Authorized Officer of the Borrower setting forth the amount transferred;

(g) promptly after the adoption thereof, copies of any material amendments of or supplements to the authorizing legislation of the Borrower and copies of any material amendments to the Financing Documents; and

(h) from time to time such additional information regarding the financial position or business of the Borrower and the ~~Systems~~Electric System as the Bank may reasonably request.

All information provided by JEA under this Section shall be delivered to the Bank at the addresses specified in Section 8.01 and, in addition, shall be simultaneously sent by electronic mail to the following addresses:



provided, however, that to the extent the information required by this Section 5.01 has been filed with EMMA, JEA will be deemed to have complied with the provisions of this Section; provided, that JEA shall have provided e-mail notice to the Bank of such filing.

**Section 5.02. Payment of Obligations.** With respect to ~~a particular~~the Electric System, the Borrower will pay and discharge, at or before maturity, all its material obligations and liabilities of ~~such~~the Electric System in accordance with the terms thereof, including, without limitation, tax liabilities, except where the same may be contested in good faith by appropriate proceedings, and will maintain, in accordance with GAAP appropriate reserves for the accrual of any of the same; ~~provided, that this covenant in being applied to (i) SJRPP or BPSS, shall also apply to the Electric System, and (ii) the District Energy System, shall also apply to the Water and Sewer System.~~

**Section 5.03. Maintenance of Property.** The Borrower will keep all property for the Electric System ~~to which the Loan relates~~ useful and necessary in its business in good working order and condition, ordinary wear and tear excepted. ~~For purposes of this section, in the case of (i) SJRPP or BPSS, the "System" shall be deemed to include the Electric System, and (ii) the District Energy System, the "System" shall be deemed to include the Water and Sewer System.~~

**Section 5.04. Conduct of Business and Maintenance of Existence.** The Borrower will continue to engage in business of the same general type as now conducted by the Borrower with respect to ~~a particular~~the Electric System, and will preserve, renew and keep in full force and effect its existence and its rights, privileges and franchises necessary or desirable in the normal conduct of business with respect to ~~such System; provided, that this covenant, in being applied to~~

<sup>78</sup> ~~E-mail addresses amended by 4<sup>th</sup> Amendment~~

~~(i) SJRPP or BPSS, shall also apply to the Electric System and (ii) the District Energy System shall also apply to the Water and Sewer System.~~

**Section 5.05. Compliance with Laws.** The Borrower will comply in all material respects with all applicable laws, ordinances, rules, regulations, and requirements of governmental authorities (including, without limitation, environmental laws) for the Electric System ~~to which the Loan relates~~, except where the necessity of compliance therewith is contested in good faith by appropriate proceedings. ~~For purposes of this section, in the case of (i) SJRPP or BPSS, the “System” shall be deemed to include the Electric System, and (ii) the District Energy System, the “System” shall be deemed to include the Water and Sewer System.~~

**Section 5.06. Inspection of Property, Books and Records.** The Borrower will keep proper books of record and account in which full, true and correct entries shall be made of all dealings and transactions in relation to its business and activities; and will permit representatives of the Bank at the Bank’s expense to visit and inspect any of its properties, to examine and make abstracts from any of its books and records and to discuss its affairs, finances and accounts with its officers, employees and independent public accountants, all at such reasonable times and as often as may reasonably be desired.

**Section 5.07. Use of Proceeds.** The proceeds of the Loans made under this Agreement will not be used, directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of buying or carrying any Margin Stock.

**Section 5.08. Incorporation of Covenants by Reference; No Amendments; Etc.**  
(a)(i) The Borrower agrees that it will perform and observe each and every covenant and agreement required to be performed or observed by it in each of (A) the Electric System Resolution, the Electric System Subordinated Resolution and the Note Resolution (to the extent it relates to the Electric System), as to Electric System Loans, ~~(B) the Water and Sewer System Resolution, the Water and Sewer System Subordinated Resolution and the Note Resolution (to the extent it relates to the Water and Sewer System), as to Water and Sewer System Loans, (C) the District Energy System Resolution, the Water and Sewer System Resolution, the Water and Sewer System Subordinated Resolution and the Note Resolution (to the extent it relates to the District Energy System and the Water and Sewer System), as to District Energy System Loans, (D) the St. Johns River Power Park System Second Revenue Bond Resolution, the Electric System Resolution, the Electric System Subordinated Resolution and the Note Resolution (to the extent it relates to SJRPP and the Electric System), as to SJRPP Loans, (E) the Bulk Power Supply System Revenue Bond Resolution, the Electric System Resolution, the Electric System Subordinated Resolution and the Note Resolution (to the extent it relates to BPSS and the Electric System), as to BPSS Loans and (F) the Note Resolution (as to any provision not directly related to the Electric System, the Water and Sewer System, the District Energy System, SJRPP or BPSS),~~ (including, in each case, without limitation, all covenants and agreements in such Resolutions relating to (x) the incurrence by the Borrower of additional debt (it being understood that any condition to any such incurrence of additional debt shall, for purposes of this Agreement, be treated as if such condition were a covenant or agreement to be performed or observed by the Borrower hereunder) and (y) the setting of rates, fees, rentals or other charges for the use of the product, services and facilities of ~~each~~ the Electric System), which provisions, as well as related defined terms contained therein, (1) are hereby incorporated

by reference herein (except, ~~as the case may be,~~ (i) in the case of the Electric System Resolution, for the amendments thereto made by Article III of the First Amending Resolution until such amendments becomes effective and which shall not become effective without the written consent of the Bank, and (ii) in the case of ~~the Water and Sewer System Resolution, for the amendments thereto made by the Water and Sewer System Amending Resolution requiring bondholder consent until any of such amendments become effective, and (iii) in the case of~~ the Note Resolution, upon the termination of the Borrower's existing revolving credit facilities) with the same effect as if each and every such provision were set forth herein in its entirety (without giving effect to any expiration, amendment, supplement, modification or termination of any Resolution, or any amendment or supplement of the Note Resolution, as the case may be, or the redemption or defeasance of any bonds or other securities issued thereunder (except as permitted hereby)), and (2) shall survive and be binding upon the Borrower notwithstanding any termination or expiration of any such Resolution or the redemption or defeasance of any bonds or other securities issued thereunder.

~~(ii) [RESERVED].<sup>79</sup>~~

(ii) ~~(iii)~~—To the extent that any provision incorporated by reference herein pursuant to paragraph (i) above permits the Borrower or the holders of one or more bonds or other securities issued under the applicable Resolution or one or more holders of a series of bonds or other securities issued under the applicable Resolution or any Person acting on behalf of any such holder or holders to waive compliance with such provision or requires that a document, opinion or other instrument or any event or condition relating to such incorporated provision be acceptable or satisfactory to the Borrower or the holders of one or more bonds or other securities issued under the applicable Resolution or one or more holders of a series of bonds or other securities issued under the applicable Resolution or any Person acting on behalf of any such holder or holders, for purposes of this Agreement, such provision shall be complied with unless it is waived in writing by the Bank and such document, opinion or other instrument shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Bank. No amendment or supplement to or termination or expiration of such covenants and agreements or defined terms made pursuant to any such Resolution shall be effective to amend, supplement or terminate such covenants and agreements and defined terms as incorporated by reference herein without the consent of the Bank; ~~provided, however, that no such consent shall be required in connection with the effectiveness of the amendments to the Water and Sewer System Resolution made by the Water and Sewer System Amending Resolution, which amendments have not yet become effective as of the Effective Date.~~<sup>80</sup>

(b) Without limiting the generality of the foregoing, the Borrower will not amend, modify, waive or terminate, or consent to any amendment to or modification, waiver or termination of, any provision of any of the Financing Documents which would in any respect adversely affect the rights, remedies, security or interests of the Bank under

<sup>79</sup> Subsection amended by 1<sup>st</sup> Amendment

<sup>80</sup> Subsection amended by 1<sup>st</sup> Amendment

this Agreement or the Notes or the other Financing Documents; ~~provided, that the foregoing shall not prohibit the effectiveness of the amendments to the Water and Sewer System Resolution made by the Water and Sewer System Amendatory Resolution, which amendments have not become effective as of the Effective Date.~~

~~(c) From and after the date of satisfaction of the conditions to Borrowings for an Additional System set forth in Section 3.03 of this Agreement, the Borrower agrees that it will perform and observe each and every covenant and agreement required to be performed or observed by it in the Additional System Resolution (including, without limitation, all covenants and agreements in such Additional System Resolution relating to (i) the incurrence by the Borrower of additional debt (it being understood that any condition to any such incurrence of additional debt shall, for purposes of this Agreement, be treated as if such condition were a covenant or agreement to be performed or observed by the Borrower hereunder) and (ii) the setting of rates, fees, rentals or other charges for the use of the product, services and facilities of such Additional System), which provisions, as well as related defined terms contained therein, (1) are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety (without giving effect to any expiration, amendment, supplement or termination of the Additional System Resolution or any amendment or supplement of the Note Resolution, or the redemption or defeasance of any bonds or other securities issued thereunder (except as permitted hereby)), and (2) shall survive and be binding upon the Borrower notwithstanding any termination or expiration of any such Additional System Resolution or the redemption or defeasance of any bonds or other securities issued thereunder.~~

**Section 5.09. ERISA Matters.** The Borrower will not adopt, or incur any material obligation or liability under or in respect of, any employee benefit plan, within the meaning of Section 3(3) of ERISA, that is subject to Title I or Title IV of ERISA.

**Section 5.10. Further Assurances.** The Borrower shall, upon the reasonable request of the Bank, from time to time, execute and deliver and, if necessary, file, register and record such further financing statements, amendments, confirmation statements and other documents and instruments and take such further action as may be reasonably necessary to effectuate the provisions of this Agreement and the Financing Documents. Except to the extent it is exempt therefrom, the Borrower will pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance, and all federal or state fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Agreement, the Financing Documents and such instruments of further assurance. The Borrower, to the extent permitted by law, at all times shall defend, preserve and protect the pledge of the revenues and other security created under the Note Resolution, and other moneys, securities, rights and interests pledged under the Resolutions against all claims and demands of all persons whomsoever.

**Section 5.11. Insurance.** The Borrower will at all times maintain insurance with respect to its business operations and properties relating to the ~~Systems~~Electric System against such risks, in such amounts, with such companies and with such deductibles as is customary for

business operations and properties of like size, location and character to those of the ~~Systems~~[Electric System](#).

**Section 5.12. No Sovereign Immunity.** To the extent not prohibited by State of Florida law, the Borrower agrees to waive sovereign immunity from suit and liability for the purpose of adjudicating a claim to enforce its duties and obligations under this Agreement, the Notes and each other Financing Document, except to the extent that any such proceeding seeks enforcement based on tort or similar claim and in such case such defense is available only to the extent set forth under Florida Statutes Section 768.28 or other similarly applicable provision of law.

**Section 5.13. Proceeds of Notes.** The proceeds of the Notes will be used by the Borrower solely for the purposes described in the Note Resolution.

**Section 5.14. Investment Policy.** The Borrower shall provide the Bank with a copy of any amendment to its Investment Policy following the adoption of any such amendment.

**Section 5.15. Certain Information.** The Borrower shall not include in an offering document any information concerning the Bank that is not supplied in writing, or otherwise approved, by the Bank expressly for inclusion therein; *provided, however*, that the Borrower may disclose the existence of this Agreement and that the Bank is the Bank hereunder in any offering document or annual disclosure filing.

**Section 5.16. Exempt Status.** The Borrower shall not take any action or omit to take any action that, if taken or omitted, would adversely affect the excludability of interest on the ~~Tax-Exempt~~[Tax-Exempt](#) Loans from the gross income of the holders thereof for purposes of Federal income taxation under the Code.

(i) The Borrower covenants that it shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the ~~Tax-Exempt~~[Tax-Exempt](#) Loans under Section 103 of the Internal Revenue Code and the applicable Treasury Regulations promulgated thereunder. Without limiting the generality of the foregoing, the Borrower covenants that it will comply with the instructions and requirements of the certificate to be executed and delivered on the date of issuance of the Notes evidencing the ~~Tax-Exempt~~[Tax-Exempt](#) Loans concerning certain matters pertaining to the use of proceeds of such Notes, including any and all exhibits attached thereto (the “*Tax Certificate*”). This covenant shall survive payment in full or defeasance of such Notes.

(ii) Notwithstanding any provisions of this Section, if the Borrower shall obtain an opinion of nationally recognized bond counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest on the ~~Tax-Exempt~~[Tax-Exempt](#) Loans, the Borrower may conclusively rely on such opinion in complying with the

requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

**Section 5.17. Impairment of Bank's Rights.** The Borrower shall not take or permit any action, under the Resolutions, the Notes, or the other Financing Documents otherwise inconsistent with or impairing the rights, remedies, security or interests of the Bank under this Agreement including, without limitation, the obligation of the Borrower to pay any obligations owed to the Bank.

**Section 5.18. Swap Contracts.** After the Effective Date, the Borrower will not enter into any Swap Contract (which shall not, for avoidance of doubt, include replacements or novations of Swap Contracts entered into prior to the Effective Date so long as the notional amount and expiration date thereof are not increased or extended, respectively) under which its obligations thereunder (including termination payments or settlement amounts) that are payable from ~~Bulk Power Supply System Net Revenues, District Energy System Net Revenues, of the Electric System Net Revenues, St. John's River Power Park System Net Revenues, or Water and Sewer System Net Revenues, as applicable, and~~ of the Electric System ~~Net Revenues, as applicable, and~~ are senior to or on parity with the payment of the Notes of the ~~applicable Electric System, in each case,~~ without the prior written consent of the Bank.

**Section 5.19. Maintenance of Approvals, Filings, Etc.** At all times the Borrower will maintain in effect, renew and comply with all the terms and conditions of all consents, licenses, approvals and authorizations as may be necessary or appropriate under any applicable law or regulation for its execution, delivery and performance of this Agreement and the Financing Documents to which it is a party.

**Section 5.20. Subsidiaries.** The Borrower will provide written notice to the Bank promptly after the acquisition, formation or organization of any Subsidiary.

**Section 5.21. Maintenance of Ratings.** The Borrower shall at all times maintain ratings on at least one issuance of obligations under ~~each of the applicable~~ Resolutions (other than the Note Resolution) secured by a pledge of and lien on, ~~as applicable, (i) Bulk Power Supply System Net Revenues, (ii) of the Electric System Net Revenues, (iii) St. John's River Power Park System Net Revenues, and (iv) Water and Sewer System Net Revenues,~~ by at least two of Moody's, S&P, and Fitch.

**Section 5.22. Anti-Corruption Laws and Sanctions.** The Borrower shall (a) ensure that no person who owns a controlling interest in or otherwise controls the Borrower is or shall be operating, organized or resident in a Sanctioned Country or listed on the Specially Designated Nationals and Blocked Person List or other similar lists provided to the Borrower by the Bank, in each case maintained by the Office of Foreign Assets Control ("OFAC"), the Department of the Treasury, or the Department of State, or included in any Executive Orders, that prohibits or limits the Bank from making any advance or extension of credit to the Borrower or from otherwise conducting business with the Borrower and (b) ensure that the proceeds of the Loans shall not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto or any Anti-Corruption Law applicable to the

Borrower. The Borrower will comply with all Anti-Corruption Laws applicable to the Borrower or its property.<sup>81</sup>

## ARTICLE VI

### EVENTS OF DEFAULT

**Section 6.01. Events of Default.** If one or more of the following events (*“Events of Default”*) shall have occurred and be continuing, it constitutes an Event of Default ~~for the Loan or Loans or Term Loan or Term Loans related to the System which is affected by such event or for all Loans or Term Loans in the case of Sections 6.01(g), 6.01(h), 6.01(i), 6.01(k), and 6.01(m):~~

(a) as to ~~a~~the Electric System, the Borrower shall fail to pay when due any principal of or interest on any Loan, the related Note, or the related Term Loan, provided that with respect to payment of interest, such failure continues for a period of three (3) or more Business Days after the date when due;

(b) the Borrower shall fail to observe or perform any covenant contained (or incorporated by reference) in Sections 5.04, 5.08 (but subject to any grace periods contained in the covenants that are incorporated herein) or 5.12 hereof;

(c) as to ~~a System (provided, that in the case of (i) SJRPP and BPSS, also including the Electric System, and (ii) the District Energy System, also including the Water and Sewer System),~~ the Borrower shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those covered by clause (a) or (b) above) or in any Financing Document relating to ~~such System and, in the case of (i) SJRPP and BPSS, also including the Electric System and (ii) the District Energy System, also including the Water and Sewer System (other than those covered by clause (b) above)~~ for 30 days after written notice thereof has been given to the Borrower by the Bank;

(d) ~~(i) as to a System and, in the case of (A) SJRPP and BPSS, also including the Electric System, and (B) the District Energy System, also including the Water and Sewer System, to the extent it relates to one or more Systems and not all Systems, or (ii) as to all Systems, to the extent it relates to all Systems;~~ any representation, warranty, certification or statement made by the Borrower (or incorporated by reference) in this Agreement or any Financing Document (as to the Electric System) or in any certificate, financial statement or other document delivered pursuant to this Agreement or any Financing Document (as to the Electric System) shall prove to have been incorrect in any material respect when made (or deemed made);

(e) as to ~~a System and, in the case of (i) SJRPP and BPSS, also including the Electric System, and (ii) the District Energy System, also including the Water and Sewer~~

<sup>81</sup> ~~Section amended by 3<sup>rd</sup> Amendment~~

System, the Borrower shall fail to make any payment in respect of any Material Debt when due or within any applicable grace period;

(f) as to ~~a System and, in the case of (i) SJRPP and BPSS, also including the Electric System, and (ii) the District Energy System, also including the Water and Sewer System~~, any event or condition shall occur which results in the acceleration of the maturity of any Material Debt or enables (or, with the giving of notice or lapse of time or both, would enable) the holder of such Debt or any Person acting on such holder's behalf to accelerate the maturity thereof;

(g) the Borrower shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any action to authorize any of the foregoing;

(h) an involuntary case or other proceeding shall be commenced against the Borrower seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property and such involuntary case or other proceeding shall remain undismissed and unstayed in a period of 60 days; or an order for relief shall be entered against the Borrower under the federal bankruptcy laws or applicable state law as now or hereafter in effect;

(i) as to ~~a~~the Electric System, a judgment or order for the payment of money in excess of the applicable Threshold Amount, shall be rendered against the Borrower and such judgment or order shall continue unsatisfied and unstayed for a period of 60 days;

(j) any material provision of this Agreement or any other Financing Document as to ~~a System (and for purposes of this clause (j), Financing Documents relating to (i) the Electric System shall also be deemed to relate to SJRPP and BPSS, and (ii) the Water and Sewer System shall also be deemed to relate to the District Energy System)~~, relating to the payment of principal of or interest on any Loan, Note, Term Loan or Term Note or security for the Loan, Note, Term Loan or Term Note, shall at any time cease to be valid and binding on the Borrower, or shall be declared to be null and void as a result of a final non-appealable judgment by a court of competent jurisdiction or by any Governmental Authority having jurisdiction, or the validity or enforceability thereof shall be contested by the Borrower;

(k) there shall occur a termination, winding up, liquidation or dissolution of the Borrower or the consolidation or merger of the Borrower with or into any Person;

(l) a moratorium, debt restructuring, debt adjustment or comparable restriction shall have been declared or announced (whether or not in writing) by any Governmental Authority having jurisdiction to do so with respect to any Debt of the Borrower as to ~~any System (and for purposes of this clause (l) the Debt of the Borrower relating to (i) the Electric System shall also be deemed to relate to SJRPP and BPSS, and (ii) the Water and Sewer System shall also be deemed to relate to the District Energy System);~~

(m) the Borrower shall fail to pay, for a period of three (3) Business Days after the date on which the same shall have been due and the Bank shall have made demand therefor, any fees or any other amount payable hereunder;

(n) as to ~~a~~the Electric System, each of Moody's, S&P and Fitch (in each case only if then providing such a rating) shall, with respect to any obligations issued under the ~~applicable Resolution for such System~~Resolutions (other than the Notes or any other obligation secured on a parity with or subordinate to the Notes) secured by the ~~Bulk Power Supply System Net Revenues, the District Energy System Net Revenues, of the Electric System Net Revenues, the St. John's River Power Park System Net Revenues or the Water and Sewer System Net Revenues, as applicable,~~ have downgraded any of their ratings thereon below "Baa3," "BBB-" and "BBB-" (in each case or the equivalent), respectively, or any rating on such obligations by Moody's, S&P and Fitch (in each case only if then providing such a rating) shall have been withdrawn, suspended or is otherwise unavailable (except to the extent that the Borrower provides written evidence that the unavailability of such rating is for non-credit related reasons; the Bank agrees that acceptable written evidence that the unavailability of such rating is for non-credit related reasons includes, but is not limited to, a letter from the holder or underwriter of such obligation at the time such obligation was sold or transferred such that a rating for such obligation was not desired, or a letter from the applicable Rating Agency stating that the unavailability of such rating is for non-credit related reasons); or

(o) the City shall have repealed or otherwise terminated or shall have declared a repeal or other termination of its agreements under any of the applicable ordinances of the City relating to obligations issued under ~~a Resolution for a System~~the Resolutions that it shall not exercise any present or future power, pursuant to law, to appropriate revenues of the ~~applicable~~Electric System for the uses and purposes of the City in such a manner as to impair or affect the covenants and obligations of the Borrower under the Resolutions and that any such power of the City shall be subordinated and made inferior to such covenants and obligations of the Borrower, and no action or proceeding shall have been commenced seeking to enjoin or set aside or otherwise prohibit such repeal or other termination within 30 days of such repeal or other termination or declaration;

then, and in every such event, the Bank (i) may, by notice to the Borrower, terminate the Commitment ~~as to the Loans for any relevant System, or terminate the Commitment as to the Loan or Loans for all Systems if the Event of Default does not relate to a particular System or~~

~~Systems, and the Commitment to the relevant extent shall thereupon terminate, and (ii) may, by notice to the Borrower, tender the Notes relating to the Loan or Loans or Term Notes for any relevant System, or relating to all the Loans or Term Notes for the Systems if the Event of Default does not relate to a particular System or Systems~~ the Electric System, for payment to the Borrower, and the Borrower shall thereupon be obligated to pay immediately the outstanding principal amount of such Notes or Term Loans, as applicable (together with accrued interest thereon), without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; *provided* that in the case of any of the Events of Default specified in clause (g) or (h) or (l) above, without any notice to the Borrower or any other act by the Bank, the Commitment shall thereupon terminate and the Notes or Term Notes, as applicable, shall immediately be deemed to be tendered for payment to the Borrower and the Borrower shall be obligated to pay immediately the outstanding principal amount of the Notes or Term Notes, as applicable (together with accrued interest thereon) without presentment, demand, protest or notice of any kind, all of which are hereby waived by the Borrower. Promptly following the taking of any action or the occurrence of any event or condition referred to above, the Bank shall give notice thereof to the Borrower, but the failure to give any such notice or any delay in giving any such notice shall not impair the validity or effect of any action or event or condition referred to above. ~~Any Event of Default relating to (i) the Electric System shall be deemed an Event of Default for SJRPP and BPSS, and (ii) the Water and Sewer System shall be deemed an Event of Default for the District Energy System.~~

**Section 6.02. Effect of Event of Default.** The related Notes or Term Loans, as applicable, shall be immediately due and payable upon becoming subject to payment by the Borrower pursuant to Section 6.01 hereof. From and after the occurrence of an Event of Default, all amounts owing to the Bank hereunder, including, without limitation, amounts owing on any related Notes or Term Loans, as applicable, and all other obligations of the Borrower hereunder, shall bear interest at the Default Rate.

## ARTICLE VII

### INCREASED COSTS AND TAXES

#### Section 7.01. Additional Costs.

- (a) ***Increased Costs Generally.*** If any Change in Law shall:
  - (i) impose, modify or deem applicable any reserve, special deposit, liquidity or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, the Bank or any Holder;
  - (ii) subject the Bank or any Holder to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clause (b) of the definition of Excluded Taxes and (C) Connection Income Taxes) of any kind whatsoever with respect to this Agreement, the related Notes, any Loan or Term Loan made by it or the related Notes, the Commitment, other obligations, or its deposits, reserves,

other liabilities or capital attributable thereto, or change the basis of taxation of payments to the Bank or such Holder in respect thereof; or

(iii) impose on the Bank or any Holder any other condition, cost or expense (other than Taxes) affecting this Agreement or the related Notes or the Term Loans;

and the result of any of the foregoing shall be to increase the cost to the Bank or such Holder of making, continuing, converting or maintaining Loans or Term Loans (or of maintaining the Commitment) or to reduce the amount of any sum received or receivable by the Bank or such Holder hereunder, under the related Notes, under any Loan or under any Term Loan (whether of principal, interest or any other amount), then the Borrower shall pay to the Bank or such Holder, as the case may be, in accordance with Section 7.01(c), such additional amount or amounts as will compensate the Bank or such Holder, as the case may be, for such additional costs incurred or reduction suffered.

(b) ***Capital or Liquidity Requirements.*** If the Bank or any Holder determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on the Bank's or such Holder's capital or on the capital of the Bank's or such Holder's parent or holding company, if any, as a consequence of this Agreement, or of making Loans or Term Loans or maintaining the Commitment, to a level below that which the Bank or such Holder or the Bank's or such Holder's parent or holding company could have achieved but for such Change in Law (taking into consideration the Bank's or such Holder's policies and the policies of the Bank's or such Holder's parent or holding company with respect to capital or liquidity adequacy), then from time to time the Borrower shall pay to the Bank or such Holder, as the case may be, in accordance with Section 7.01(c), such additional amount or amounts as will compensate the Bank or such Holder or the Bank's or such Holder's parent or holding company for any such reduction suffered.

(c) ***Certificates for Reimbursement.*** A certificate of the Bank or any Holder setting forth the amount or amounts necessary to compensate the Bank or any such Holder or the Bank's or any such Holder's parent or holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay the Bank or any such Holder, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) ***Delay in Requests.*** Failure or delay on the part of the Bank or any such Holder to demand compensation pursuant to this Section shall not constitute a waiver of the Bank's or any such Holder's right to demand such compensation.

## **Section 7.02. Taxes.**

(a) ***Payments Free of Taxes.*** Any and all payments to the Bank or other Holder by or on account of any obligation of the Borrower hereunder or under the Notes shall be made free and clear of and without deduction or withholding for any Taxes,

except as required by applicable law. If any Applicable Law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if the Borrower shall be required by Applicable Law to deduct any Indemnified Taxes (including any Other Taxes) from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions or withholdings (including deductions applicable to additional sums payable under this Section) the Bank or such Holder receives an amount equal to the sum it would have received had no such deductions or withholdings been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with Applicable Law.

(b) ***Payment of Other Taxes by the Borrower.*** Without limiting the provisions of paragraph (a) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.

(c) ***Indemnification by the Borrower.*** The Borrower shall, to the extent permitted by applicable law, indemnify the Bank and the other Holders, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Bank or such Holder and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by the Bank or such Holder shall be conclusive if reasonably determined. In addition, the Borrower shall, to the extent permitted by applicable law, indemnify the Bank and the other Holders, within ten (10) days after demand therefor, for any incremental Taxes that may become payable by the Bank as a result of any failure of the Borrower to pay any Taxes when due to the appropriate Governmental Authority or to deliver to the Bank and the other Holders, pursuant to clause (d), documentation evidencing the payment of Taxes.

(d) ***Evidence of Payments.*** As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Bank and such other Holder, as applicable, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Bank or such Holder, as applicable.

(e) ***Treatment of Certain Refunds.*** If the Bank or any other Holder determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified pursuant to this Section (including additional amounts paid by the Borrower pursuant to this Section), it shall pay to the applicable indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, under this Section with respect to the Taxes

or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Bank or such Holder, as applicable, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that the applicable indemnifying party, upon the request of the Bank or such Holder, as applicable, agrees to repay the amount paid over pursuant to this Section (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Bank or such Holder, as applicable, in the event the Bank or such Holder, as applicable, is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (e), in no event will the Bank or such Holder, as applicable, be required to pay any amount to an indemnifying party pursuant to this paragraph (e) the payment of which would place the Bank or such Holder, as applicable, in a less favorable net after-Tax position than the Bank or such Holder, as applicable, would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This paragraph shall not be construed to require the Bank or such Holder, as applicable, to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person.

(f) **Survival.** Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this Section shall survive the termination of this Agreement and the payment in full of the related Notes and the obligations of the Borrower thereunder and hereunder.

**Section 7.03. Taxability.** (a) In the event a Taxable Date occurs with respect to any ~~Tax-Exempt~~Tax-Exempt Loan, the Borrower hereby agrees to pay to the Bank on demand therefor (i) an amount equal to the difference between (A) the amount of interest that would have been paid to the Bank on any affected ~~Tax-Exempt~~Tax-Exempt Loans during the period for which interest on such Loans is includable in the gross income of the Bank if such Loans had borne interest at the Taxable Rate, beginning on the Taxable Date (the “Taxable Period”), and (B) the amount of interest actually paid to the Bank during the Taxable Period, and (ii) an amount equal to any interest, penalties or charges owed by the Bank as a result of interest on such Loans becoming includable in the gross income of the Bank together with any and all reasonable attorneys’ fees, court costs, or other out-of-pocket costs incurred by the Bank in connection therewith; *provided* that the Bank reports to the Borrower the amounts of such interest, penalties, charges, attorneys’ fees, court costs or other out-of-pocket costs within one year of the incurrence thereof. From and after the Taxable Date, such Loans shall bear interest at the Taxable Rate.

(b) Subject to the provisions of clauses (c) and (d) below, the Bank shall afford the Borrower the opportunity, at the Borrower’s sole cost and expense, to contest (1) the validity of any amendment to the Code which causes the interest on such Loans to be includable in the gross income of the Bank or (2) any challenge to the validity of the tax exemption with respect to the interest on such Loans, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals).

(c) As a condition precedent to the exercise by the Borrower of its right to contest set forth in clause (b) above, the Borrower shall, on demand, immediately

reimburse the Bank for any and all expenses (including reasonable attorneys' fees for services that may be required) that may be incurred by the Bank in connection with any such contest, and shall, on demand, immediately reimburse the Bank for any and all penalties or other charges payable by the Bank for failure to include such interest in its gross income; and

(d) The obligations of the Borrower under this Section 7.03 shall survive the termination of the Commitment and this Agreement.

## ARTICLE VIII

### MISCELLANEOUS

**Section 8.01. Notices.** Except as otherwise set forth herein, all notices, requests, consents and other communications to either party hereunder shall be in writing (including bank wire, facsimile transmission, electronic mail or similar writing) and shall be given to such party at its address or facsimile number set forth below or at such other address or facsimile number as such party may hereafter specify for the purpose by at least five Business Days' prior notice to the other party. Each such notice, request, consent or other communication shall be effective (i) if given by facsimile or email, when such facsimile is transmitted to the facsimile number or email address specified in this Section and the appropriate answerback or confirming reply is received, or (ii) if given by mail or any other means, when delivered at the address specified in this Section; *provided* that notices to the Bank under Article II or Article VII shall not be effective until received.

Bank:

[REDACTED]

<sup>82</sup> ~~Notice contact updated by 4<sup>th</sup> Amendment~~

With copies to:

[REDACTED]

and

[REDACTED]

and

and

[REDACTED]

If to Borrower:

[REDACTED]

**Section 8.02. No Waivers.** No failure or delay by the Bank in exercising any right, power or privilege hereunder or under any other Financing Document shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

**Section 8.03. Expenses; Documentary Taxes; Indemnification.** (a) The Borrower shall pay (i) all out-of-pocket expenses of the Bank, including fees and disbursements of counsel for the Bank, in connection with the preparation of this Agreement, any waiver or consent

<sup>83</sup> ~~Notice contact updated by 4<sup>th</sup> Amendment~~

hereunder or any amendment hereof or any Default or alleged Default hereunder (*provided*, that the Borrower shall not be obligated to pay out-of-pocket expenses of the Bank or legal fees of counsel for the Bank in excess of [REDACTED] plus all disbursements of such special counsels, in connection with the preparation and signing of this Agreement) ~~and the Water and Sewer System & District Energy System Credit Agreement~~ and (ii) if an Event of Default occurs, all out-of-pocket expenses incurred by the Bank, including fees and disbursements of counsel, in connection with such Event of Default and collection, bankruptcy, insolvency and other enforcement proceedings resulting therefrom. The Borrower shall, to the extent permitted by law, indemnify the Bank against any transfer taxes, documentary taxes, assessments or charges made by any governmental authority by reason of the execution and delivery of this Agreement or the Notes.

(b) To the fullest extent permitted by applicable law, the Borrower agrees to indemnify the Bank and hold the Bank harmless from and against any and all liabilities, claims, losses, damages, costs and expenses of any kind, including, without limitation, the reasonable fees and disbursements of counsel, which may be incurred by the Bank in connection with the execution, delivery and performance of this Agreement and the other Financing Documents and any investigative, administrative or judicial proceeding (whether or not the Bank shall be designated a party thereto) relating to or arising out of this Agreement or any Financing Document or any actual or proposed use of proceeds of Loans hereunder; *provided* that the Bank shall not have the right to be indemnified hereunder for its own gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final and non-appealable judgment.

**Section 8.04. Amendments and Waivers.** Any provision of this Agreement or the Notes may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the Borrower and the Bank.

**Section 8.05. Successors and Assigns.** (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that neither party may assign or otherwise transfer any of its rights or obligations under this Agreement without the prior consent of the other party.

(b) The Bank may at any time grant to one or more banks or other institutions (each a “Participant”) participating interests in its Commitment or any or all of its Loans or Term Loans. In the event of any such grant by the Bank of a participating interest to a Participant, whether or not upon notice to the Borrower, the Bank, shall remain responsible for the performance of its obligations hereunder, and the Borrower shall continue to deal solely and directly with the Bank in connection with the Bank’s rights and obligations under this Agreement. Any agreement pursuant to which the Bank may grant such a participating interest shall provide that the Bank shall retain the sole right and responsibility to enforce the obligations of the Borrower hereunder including, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement. The Borrower agrees that each Participant shall, to the extent provided in its participation agreement, be entitled to the benefits of Section 2.05(g), Article VII, and Section 8.03 with respect to its participating interest; *provided* that no Participant shall be entitled to receive any greater amount pursuant to

such provisions than the Bank would have been entitled to receive thereunder in respect of the participating interest granted by the Bank had it not granted such participating interest.

**Section 8.06. Governing Law; Venue.** (a) This Agreement and the Notes shall be governed by and construed in accordance with the laws of the State of New York; *provided, however*, that the obligations of the Borrower hereunder and thereunder shall be governed by and construed in accordance with the laws of the State of Florida.

(b) Non-exclusive jurisdiction and venue shall lie in any court sitting in the State of New York and the State of Florida.

**Section 8.07. Counterparts; Integration.** This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement constitutes the entire agreement and understanding among the parties hereto and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

**Section 8.08. Waiver of Jury Trial.** EACH OF THE BORROWER AND THE BANK HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE FINANCING DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

**Section 8.09. Severability.** The invalidity or unenforceability of anyone or more phrases, sentences, clauses, or Sections contained in this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part thereof.

**Section 8.10. USA Patriot Act.** The Bank hereby notifies the Borrower that, pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “*Patriot Act*”), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Bank to identify the Borrower in accordance with the Patriot Act, and the Borrower hereby agrees to take any action reasonably necessary to enable the Bank to comply with the requirements of the Patriot Act and not otherwise prohibited by any law, rule, regulation or by any order, judgment or ruling by a court or Governmental Authority binding upon the Borrower.

**Section 8.11. Assignment to Federal Reserve Bank.** Notwithstanding the provisions of Section 8.05(a) the Bank may assign and pledge all or any portion of the obligations owing to it hereunder to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank; *provided*, that any payment in respect of such assigned obligations made by the Borrower to the Bank in accordance with the terms of this Agreement shall satisfy the Borrower’s obligations hereunder in respect of such assigned obligation to the extent of such payment. No such assignment shall release the Bank from its obligations hereunder.

**Section 8.12. Continuing Obligations.** This Agreement is a continuing obligation of each party and shall inure to the benefit of and be enforceable by each such party and its successors, transferees and permitted assigns, under all circumstances whatsoever, including, without limitation, the following circumstances:

- (i) any lack of validity or enforceability of all or any of the Financing Documents;
- (ii) any amendment or waiver of or any consent to or departure from the terms of all or any of the Financing Documents (other than this Agreement) provided such amendment, waiver or consent is completed in accordance with the terms of this Agreement;
- (iii) any exchange, release or non—perfection of any collateral or any release or amendment or waiver of or consent to departure from any guaranty and insurance documents;
- (iv) the existence of any claim, right of set—off or recoupment, defense, or other right which the Borrower may have at any time against the Borrower, the Bank (other than the defense of the payment to the Bank in accordance with the terms of this Agreement) or any other person or entity, whether in connection with this Agreement, the Financing Documents or any unrelated transactions;
- (v) any certificate, notice or any other document presented other than by the Bank under this Agreement or any of the other Financing Documents proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever; or
- (vi) any other circumstances or happening whatsoever, whether or not similar to any of the foregoing.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

JEA

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Approved as to Form:

\_\_\_\_\_  
Office of General Counsel

[Signatures continued on following page]

~~[Signature page to Revolving Credit Agreement]~~

[REDACTED]

By:

[REDACTED]

~~4902-0831-8290.1~~ [SIGNATURE PAGE TO REVOLVING CREDIT AGREEMENT [\(ELECTRIC SYSTEM\)](#)]

**EXHIBIT A-1<sup>84</sup>**

**FORM OF NOTICE OF BORROWING**

**[Date]**

To: [REDACTED] (the “Bank”)

FROM: JEA

Re: Revolving Credit Agreement (Electric System) (the “Credit Agreement”) dated as of ~~December 17, 2015~~ August [28], 2025 between JEA and the Bank

We hereby give notice, pursuant to Section 2.02(a) of the Credit Agreement, of the following proposed Borrowing:

- (a) Date of Borrowing.....**[Date]**
- (b) Loan Principal Amount.....[\$xx,xxx,xxx]
- (c) Loan Maturity Date  
If not the Facility Maturity Date,  
the maturity date (which shall not be  
later than the Facility Maturity Date  
then in effect).....**[Date]**
- (d) The ~~Proceeds~~proceeds of such Loan are to be wire transferred to the following account:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

~~(e) The Loan constituting such Borrowing is to be~~.....~~[Electric System Loan]~~  
~~[Water and Sewer System Loan]~~ ~~[District Energy System Loan]~~  
~~[SJPPP Loan]~~ ~~[BPSS Loan]~~ ~~[Additional System Loan]~~

(e) ~~(f)~~ The Loan constituting such Borrowing is to be:.....**[a Taxable Loan]**  
**[a ~~Tax-Exempt~~Tax-Exempt Loan]**

<sup>84</sup> ~~Exhibit amended by 4<sup>th</sup> Amendment~~

(f) ~~(g)~~ The Loan constituting such Borrowing is to be:.....**[a SOFR Loan]**  
**[a Base Rate Loan]**

Each SOFR Loan will automatically roll-over based upon the selected Interest Period through the Loan Maturity Date unless the Bank is otherwise notified in writing.

~~(h)~~ If the Loan constituting such Borrowing is to be a SOFR Loan, the Interest Period is **[one]** **[three]** **[six]** months.]

Terms used herein have the meanings assigned to them in the Credit Agreement.

[\[Signature page to Notice of Borrowing\]](#)

JEA

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A-2<sup>85</sup>**

**FORM OF NOTICE OF CONVERSION**

**[Date]**

To: [REDACTED] (the “Bank”)

FROM: JEA

Re: Revolving Credit Agreement (Electric System) (the “Credit Agreement”) dated as of ~~December 17, 2015~~ August [28], 2025 between JEA and the Bank

We hereby give notice, pursuant to Section 2.02(d) of the Credit Agreement, of the following proposed Conversion:

(a) Date of Conversion.....**[Date]**

(b) Loan Principal Amount..... **[\$\_\_\_\_\_]**

(c) Loan Maturity Date  
 If not the Facility Maturity Date,  
 the maturity date (which shall not be  
 later than the Facility Maturity Date  
 then in effect~~+~~) must be a Business  
 Day during the Revolving Credit  
 Period and, if the Loan is converting  
 into a Base Rate Loan or to a different  
 Interest Period, the last day of the  
 Interest Period~~+~~.....**[Date]**

~~(c) The Loan being converted is [a/an].....~~ **[Electric System Loan]**

~~**[Water and Sewer System Loan] [District Energy System Loan]  
 [SJRP Loan] [BPSS Loan] [Additional System Loan]**~~

(c) ~~(d)~~ The Loan being converted is:.....**[a Taxable Loan]**  
**[a ~~Tax-Exempt~~ Tax-Exempt Loan]**

(d) ~~(e)~~ The Loan being converted is:.....**[a SOFR Loan  
 with an Interest Period of [one] [three] [sixth] months]  
 [a Base Rate Loan], which is being converted to [continued as] [a Base Rate  
 Loan] [a SOFR Loan with an Interest Period of [one] [three] [sixth] months].**

<sup>85</sup> ~~Exhibit amended by 4<sup>th</sup> Amendment~~

**Each SOFR Loan will automatically roll-over based upon the selected Interest Period through the Loan Maturity Date unless the Bank is otherwise notified in writing.**

Terms used herein have the meanings assigned to them in the Credit Agreement.

[\[Signature page to Notice of Conversion\]](#)

JEA

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A-3<sup>86</sup>**

**FORM OF NOTICE OF REALLOCATION**

**[Date]**

To: [REDACTED] (the “Bank”)

FROM: JEA

Re: Revolving Credit Agreement (Electric System) (the “Credit Agreement”) dated as of

~~December 17, 2015~~ August [28], 2025 between JEA and the Bank

We hereby give notice, pursuant to Section 2.01(c) of the Credit Agreement, of the following proposed change to the allocation of the portion of the Commitment which is available for Borrowings of Taxable Loans and the portion of the Commitment which is available for Borrowings of ~~Tax-Exempt~~ Tax-Exempt Loans:

1. Taxable Loan Commitment: \$\_\_\_\_\_, ~~of which up to~~ ~~[\$\_\_\_\_\_]~~ ~~is available for the District Energy System, of which up to~~ ~~[\$\_\_\_\_\_]~~ ~~is available for the Electric System, of which up to~~ ~~[\$\_\_\_\_\_]~~ ~~is available for the Water and Sewer System, of which up to~~ ~~[\$\_\_\_\_\_]~~ ~~is available for~~ ~~SJRPP, of which up to~~ ~~[\$\_\_\_\_\_]~~ ~~is available for BPSS, of which up to~~ ~~[\$\_\_\_\_\_]~~ ~~is available for the Additional System.~~

2. ~~Tax-Exempt~~ Tax-Exempt Loan Commitment: \$\_\_\_\_\_, ~~of which up to~~ ~~[\$\_\_\_\_\_]~~ ~~is available for the District Energy System, of which up to~~ ~~[\$\_\_\_\_\_]~~ ~~is available for the Electric System, of which up to~~ ~~[\$\_\_\_\_\_]~~ ~~is available for the Water and Sewer System, of which up to~~ ~~[\$\_\_\_\_\_]~~ ~~is available for~~ ~~SJRPP, of which up to~~ ~~[\$\_\_\_\_\_]~~ ~~is available for BPSS, of which up to~~ ~~[\$\_\_\_\_\_]~~ ~~is available for the Additional System.~~\_\_\_\_\_.

Terms used herein have the meanings assigned to them in the Credit Agreement.

<sup>86</sup> ~~Exhibit amended by 2<sup>nd</sup> Amendment~~

JEA

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT B**

**FORM OF NOTICE OF CHANGE OF BANK ACCOUNT**

**[Date]**

To: [REDACTED] (the “Bank”)

FROM: JEA

Re: Revolving Credit Agreement ([Electric System](#)) (the “Credit Agreement”) dated as of ~~December 17, 2015~~ [August \[28\], 2025](#) between JEA and the Bank

We hereby give notice, pursuant to Section 2.02(c) of the Credit Agreement, of a change to the account to which the proceeds of Borrowings are to be wire transferred. From and after the date hereof, the proceeds of all Borrowings should be wire transferred to the following account:

**[account information to be inserted]**

Terms used herein have the meanings assigned to them in the Credit Agreement.

JEA

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT C-1**

**OPINION OF THE OFFICE OF GENERAL COUNSEL OF THE CITY,  
ATTORNEY FOR THE BORROWER**

[~~Available~~Effective Date]

[REDACTED]

RE: Credit Agreement (Electric System) dated as of ~~December 17, 2015~~August [28], 2025 between JEA and [REDACTED]

Ladies and Gentlemen:

We have acted as attorney for JEA (the “*Borrower*”) in connection with the authorization, execution and delivery of the Revolving Credit Agreement (Electric System) (the “*Credit Agreement*”) dated as of ~~December 17, 2015~~August [28], 2025, between the Borrower and [REDACTED]. This opinion is being rendered to you at the request of the Borrower pursuant to Section ~~3.04~~3.01(ag) of the Credit Agreement.

Capitalized terms used herein and not defined herein shall have the meanings provided for such terms in the Credit Agreement or if not defined in the Credit Agreement shall have the meanings provided for such terms in the Note Resolution.

We have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates of public officials and other instruments and have conducted such other investigations of fact and law as we have deemed necessary or advisable for purposes of this opinion.

Based upon the foregoing, we are of the opinion that:

1. The Borrower is a body politic and corporate and an independent agency of the City of Jacksonville, Florida duly organized and validly existing under and pursuant to the Act and the laws of the State of Florida, and has full power and authority under the Constitution and the laws of the State of Florida (including, without limitation, the Act) required to operate the Electric System, ~~the Water and Sewer System, the District Energy System, SJRPP and BPSS,~~ ~~to~~to carry on its business related thereto as now conducted, to borrow under the Credit Agreement and to issue the Notes under the Note Resolution and in accordance with the Credit Agreement.

2. Each of the Resolutions has been duly adopted and is in full force and effect (except ~~(i)~~ in the case of the Electric System Resolution, for the amendments thereto made by Article III of the First Amending Resolution until such amendments become effective and which shall not become effective without, among other requirements, the written consent of the Bank~~,~~

~~and (ii) in the case of the Water and Sewer System Resolution, for the amendments thereto made by the Water and Sewer System Amendatory Resolution requiring bondholder consent, which amendments are not yet effective).~~

3. The execution, delivery and performance by the Borrower of the Credit Agreement (including, without limitation, the borrowing of Loans in an aggregate principal amount equal to the amount of the Commitment), the Notes and each other Financing Document are within the Borrower's powers, have been duly authorized by all necessary action, require no action by or in respect of, or filing with, any governmental body, agency or official (other than the Borrower, which actions have been taken in each case on or prior to the date hereof) and do not contravene, or constitute a default under, any provision of applicable law (including, without limitation, the Act) or regulation or of the by-laws of the Borrower or of any agreement, judgment, injunction, order, decree or other instrument binding upon the Borrower or any of its assets.

4. The Credit Agreement and each other Financing Document (including the Notes) constitute valid and binding agreements of the Borrower.

5. There is no action, suit or proceeding pending against, or to the best of our knowledge threatened against or affecting, the Borrower or the Electric System, ~~the Water and Sewer System, the District Energy System, SJRPP, BPSS~~ or relating to any Financing Document, or the Act, before any court or arbitrator or any governmental body, agency or official in which there is a reasonable possibility of an adverse decision which would materially adversely affect the financial position of the Borrower, or the Electric System, ~~the Water and Sewer System, the District Energy System, SJRPP or BPSS~~ (other than as disclosed in the footnotes to the financial statements of the Borrower) or which in any manner draws into question the validity or enforceability of the Credit Agreement, the Notes, the Act or any other Financing Document.

6. The defense of sovereign immunity is not available to the Borrower in any proceedings by the Bank to enforce payment of any of the obligations of the Borrower under the Credit Agreement or the Notes or any other Financing Document from the funds pledged for payment thereof, except to the extent that any such proceeding seeks enforcement based on tort or similar claim and in such case such defense is available only to the extent set forth under Florida Statutes Section 768.28, or other similarly applicable provision of law.

7. An increase by the Borrower of rates, fees, rentals or other charges for the use of the product, services and facilities of the Electric System, ~~the Water and Sewer System, the District Energy System, SJRPP or BPSS requires~~ no action or approval by or in respect of any governmental body, agency or official (other than the Borrower).

The opinion set forth in paragraph 4 above is subject to the effect of, and restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights. Furthermore, we are not rendering any opinion as to the availability of the remedy of specific performance or other equitable relief.

We are admitted to the practice of law only in the State of Florida. Nothing herein shall be construed to be an opinion as to (a) the applicability or effect of laws of any jurisdiction other than the State of Florida or the United States of America, (b) the tax treatment of the Notes or the transactions contemplated by the Resolutions, (c) the requirements of federal or state securities laws, including federal or state registration or blue sky laws, or (d) the perfection and priority of any lien or security interest.

This opinion is limited to the matters expressly stated as such herein, and no opinion is implied or may be inferred beyond the matters expressly stated herein or omitted herefrom. The opinions expressed herein are as of the date hereof, and we assume no obligation to update or supplement such opinions to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur. This opinion letter is provided solely for your benefit in connection with the transaction described above and may not be relied upon by any other person or for any other purposes.

Very truly yours,

OFFICE OF THE GENERAL COUNSEL

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## EXHIBIT C-2

### OPINION OF BOND COUNSEL FOR THE BORROWER

[~~Available~~Effective Date]

[REDACTED]

Ladies and Gentlemen:

We have acted as Bond Counsel for JEA (the “**Borrower**”), an independent agency of the City of Jacksonville, Florida in connection with the authorization, execution and delivery of the Revolving Credit Agreement (Electric System), dated as of ~~December 17, 2015~~August [28], 2025 (the “**Credit Agreement**”), between the Borrower and [REDACTED]. This opinion is being rendered to you at the request of the Borrower pursuant to Section ~~3.04~~3.01(~~ag~~) of the Credit Agreement. Capitalized terms used herein and not defined herein shall have the meanings provided for such terms in the Credit Agreement or if not defined in the Credit Agreement shall have the meanings provided for such terms in the Note Resolution.

In such connection, we have reviewed the Financing Documents and the Tax Certificate executed and delivered by JEA on the date hereof (the “**Tax Certificate**”); an opinion of the Office of General Counsel of the City, attorney for the Borrower; certificates of the Borrower and others; and such other documents and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based upon an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Borrower. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof (except that we have not relied on any such legal conclusions that are to the same effect as the opinions set forth herein). Furthermore, we have assumed compliance with Section 5.16 in the Credit Agreement and with all covenants and agreements contained in the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the ~~BPSS Note, Electric System Note, Water and Sewer System Note, District Energy System Note or SJRPP Note, in each case,~~ which note evidences a ~~Tax-Exempt~~Tax-Exempt Loan (designated as Series TE-X) (collectively, the “~~Tax-Exempt~~Tax-Exempt Notes”) to be included in gross income for federal income tax purposes. The ~~BPSS Note, Electric System Note, Water and Sewer System Note,~~

~~District Energy System Note or SJRPP Note, in each case,~~ which note evidences a Taxable Loan (designated as Series T-X) ~~are collectively~~ is referred to herein as the “Taxable Notes” and together with the Tax-Exempt Notes are referred to herein as the “Notes”). Under the Note Resolution and the Credit Agreement the Borrower may incur Loans from time to time (i) to finance working capital expenditures or to provide interim or short-term financing for capital projects or (ii) to refinance Loans for such purposes. We draw your attention to the fact that, in connection with all Borrowings related to the ~~Tax-Exempt~~ Tax-Exempt Loans, the Borrower is required under the provisions of the Credit Agreement to obtain a confirmation that this opinion has not been withdrawn. You may rely upon the opinions set forth herein with respect to ~~Tax-Exempt~~ Tax-Exempt Loans made prior to the time we advise you that the opinion has been withdrawn.

We call attention to the fact that the rights and obligations under the Credit Agreement, the Notes and the Note Resolution and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against bodies politic and corporate of the State of Florida. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum or waiver provisions contained in the foregoing documents.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Borrower is a body politic and corporate and an independent agency of the City duly organized and validly existing under and pursuant to the Act and the laws of the State of Florida, and has full power and authority under the Constitution and the laws of the State of Florida (including, without limitation, the Act) to operate the Electric System, ~~the Water and Sewer System, the District Energy System, SJRPP and BPSS~~ to carry on its business related thereto as now conducted, to borrow under the Credit Agreement and to issue the Notes under the Note Resolution and in accordance with the Credit Agreement.

2. Each of the Resolutions has been duly adopted and is in full force and effect (except ~~(i)~~ in the case of the Electric System Resolution, for the amendments thereto made by Article III of the First Amending Resolution until such amendments become effective and which shall not become effective without, among other requirements, the written consent of the Bank ~~and (ii) in the case of the Water and Sewer System Resolution, for the amendments thereto made by the Water and Sewer System Amendatory Resolution requiring bondholder consent, which amendments are not yet effective~~).

3. The execution, delivery and performance by the Borrower of the Credit Agreement (including, without limitation, the borrowing of Loans in an aggregate principal amount equal to the amount of the Commitment), the Notes and each other Financing Document are within the Borrower’s powers, have been duly authorized by all necessary action, require no action by or in respect of, or filing with, any governmental body, agency or official (other than the Borrower, which actions have been taken in each case on or prior to the date hereof) and do not contravene, or constitute a default under, any provision of applicable law (including, without

limitation, the Act) or regulation or of the by-laws of the Borrower or of the Financing Documents or result in the creation or imposition of any Lien on any asset of the Borrower other than (a) in the case of the Electric System Resolution, the Lien on Net Revenues of the Electric System created by and under Section 11 of the Electric System Resolution, (b) in the case of the Electric System Subordinated Resolution, the Lien created by and under paragraph 1 of Section 5.01 of the Electric System Subordinated Resolution, and ~~(c) in the case of the Water and Sewer System Resolution, the Lien on Net Revenues of the Water and Sewer System created by and under Section 5.01 of the Water and Sewer System Resolution, (d) in the case of the Water and Sewer System Subordinated Resolution, the Lien created by and under Section 501 of the Water and Sewer System Subordinated Resolution, (e) in the case of the District Energy System Resolution, the Lien on Net Revenues of the District Energy System created by and under Section 501 of the District Energy System Resolution, (f) in the case of the St. Johns River Power Park System Second Revenue Bond Resolution, the Lien on Net Revenues of SJRPP created by and under Section 501 of the St. Johns River Power Park System Second Revenue Bond Resolution, (g) in the case of the Bulk Power Supply System Resolution, the Lien on Net Revenues of BPSS created by and under Section 501 of the Bulk Power Supply System Resolution and (h) in the case of the Note Resolution, the Liens created by and under Section 4.01, Section 6.01, Section 8.01, Section 10.01, and Section 12.01~~ of the Note Resolution.

4. The Credit Agreement and each of the Financing Documents constitute valid and binding agreements of the Borrower enforceable in accordance with their terms. No judicial validation of the Credit Agreement or the Notes or any Financing Document is necessary or required.

5. The Notes have been duly and validly authorized and issued by the Borrower in accordance with the Constitution and statutes of the State of Florida, and particularly the Act, and the Resolutions, and constitute the legal, valid and binding obligations of the Borrower as provided in the Note Resolution, enforceable in accordance with their terms and the terms of the Note Resolution, and are entitled to the benefits of the Act and the Note Resolution. Neither the Notes nor the interest thereon shall be or constitute general obligations or indebtedness of the City or the Borrower as “bonds” within the meaning of the Constitution of Florida, but shall be payable solely from and secured by the amounts and in the manner as provided in the Note Resolution. The Bank shall never have the right to compel the exercise of the ad valorem taxing power of the City or the Borrower, if any, or taxation in any form of any real property in the City to pay the Notes or interest thereon or be entitled to payment of such principal and interest from any other funds of the City or the Borrower except from the special funds in the manner provided in the Note Resolution.

6. Interest on the Notes evidencing ~~Tax-Exempt~~Tax-Exempt Loans is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Interest on the Notes evidencing ~~Tax-Exempt~~Tax-Exempt Loans is not a specific preference item for purposes of federal individual or corporate alternative minimum taxes, although we observe that such interest is included in adjusted current earnings in calculating federal corporate alternative minimum taxable income.

7. The Borrower is not an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

8. An increase by the Borrower of rates, fees, rentals or other charges for the use of the product, services and facilities of the Electric System, ~~the Water and Sewer System, the District Energy System, the St. Johns River Power Park System or the Bulk Power Supply System~~ requires no action or approval by or in respect of any governmental body, agency or official (other than the Borrower).

9. The only limitations under the law or regulations of the State of Florida applicable to the rate of interest on the Loans are the limitation set forth in Section 159.821, *et seq.*, and Section 215.84 Florida Statutes, as amended, and the regulations promulgated thereunder; *provided, however*, that such limitation shall not apply if either the State Board of Administration authorizes the rates of interest payable on the Loans (without regard to any reference in the Credit Agreement to any maximum rate permitted under applicable law) or the Notes receives a rating by a nationally recognized rating service (as determined pursuant to rules adopted by the State Board of Administration) in any one of the three highest rating classifications (as determined pursuant to rules adopted by the State Board of Administration) of such rating service. To the extent the interest rate on the Loans is subject to the limitation on the average net interest cost rate set forth in Section 159.821, *et seq.*, and Section 215.84 Florida Statutes, as amended, and the regulations promulgated thereunder, such average net interest cost rate shall be determined for each Borrowing at the time such Borrowing is made and, if the interest rate on the Loan included in such Borrowing does not exceed such average net interest cost rate determined at the time of such Borrowing, subsequent increases in such interest rate prior to the repayment of such Borrowing (so long as the basis, method or formula for computing such interest rate has not changed) will not cause such interest rate (as so increased) to violate such average net interest cost rate limitation.

10. The balance of Revenues remaining in the Electric System Revenue Fund after (i) the application of Revenues as provided in paragraphs (1) through (3) of Section 13B of the Electric System Resolution and (ii) the prior payment of all amounts due with respect to the Prior Lien Electric System Subordinated Bonds, shall be available for the payment of the Notes and any other Subordinated Bonds (as defined in the Electric System Resolution) heretofore or hereafter issued in accordance with the provisions of the Electric System Resolution.

~~11. Subject to subsection 3 of Section 510 of the Water and Sewer System Resolution, the balance of amount remaining in the Water and Sewer System Subordinated Indebtedness Fund after payment of the Prior Lien Water and Sewer System Subordinated Obligations shall be available for the payment of the Notes and any other Subordinated Indebtedness (as defined in the Water and Sewer System Resolution) heretofore or hereafter issued in accordance with the provisions of the Water and Sewer System Resolution as a parity therewith.~~

~~12. Subject to subsection 3 of Section 510 of the District Energy System Resolution, the balance of amount remaining in the District Energy System Subordinated Indebtedness Fund after payment of the Prior Lien District Energy System Subordinated Obligations shall be available for the payment of the Notes and any other Subordinated Indebtedness (as defined in~~

~~the District Energy System Resolution) heretofore or hereafter issued in accordance with the provisions of the District Energy System Resolution as a parity therewith.~~

~~13. Subject to subsection 3 of Section 510 of the St. Johns River Power Park System Second Revenue Bond Resolution, the balance of amount remaining in the St. Johns River Power Park System Subordinated Indebtedness Fund after payment of the Prior Lien St. Johns River Power Park System Second Revenue Bond Subordinated Obligations shall be available for the payment of the Notes and any other Subordinated Indebtedness (as defined in the St. Johns River Power Park System Second Revenue Bond Resolution) heretofore or hereafter issued in accordance with the provisions of the St. Johns River Power Park Second Revenue Bond Resolution as a parity therewith.~~

~~14. Subject to subsection 3 of Section 510 of the Bulk Power Supply System Resolution, the balance of amount remaining in the Bulk Power Supply System Subordinated Indebtedness Fund after payment of the Prior Lien Bulk Power Supply System Subordinated Obligations shall be available for the payment of the Notes and any other Subordinated Indebtedness (as defined in the Bulk Power Supply System Resolution) heretofore or hereafter issued in accordance with the provisions of the Bulk Power Supply System Resolution as a parity therewith.~~

This letter is furnished by us as bond counsel. No attorney-client relationship has existed or exists between our firm and you in connection with the Notes or by virtue of this letter. We disclaim any obligation to update this letter. This letter is delivered to you as party to the Credit Agreement, is solely for your benefit as such and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by any other party to whom it is not specifically addressed.

Very truly yours,

**EXHIBIT D**

**FORM OF REQUEST FOR EXTENSION  
OF FACILITY MATURITY**

[DATE]

[REDACTED]

With copies to:

E-mail:

E-mail:

Re: Revolving Credit Agreement ([Electric System](#)) dated ~~December 17, 2015~~[August 28, 2025](#), between JEA (the “*Borrower*”) and [REDACTED] (the “*Bank*”), as the same may be amended or supplemented from time to time in accordance with its terms (the “*Agreement*,” the terms defined therein being used herein as therein defined)

The Borrower hereby requests, pursuant to Section 2.01(b) of the Agreement, that the Facility Maturity Date as of the date hereof be extended by up to [\_\_\_\_\_] years to [\_\_\_\_\_].

Enclosed herewith are:

1. a reasonably detailed description of any and all Defaults and Events of Default that have occurred and are continuing; and
2. any other pertinent information previously requested by the Bank.

We hereby confirm that all representations and warranties of the Borrower as set forth in Article IV of the Agreement thereof are true and correct as though made on the date hereof and that no Default or Event of Default has occurred and is continuing on the date hereof except for the defaults referenced in paragraph 1 above.

The Bank is to notify the Borrower of its decision with respect to this request as provided in Section 2.01(b) of the Agreement. If the Bank fails to so notify the Borrower of its decision, the Bank shall be deemed to have rejected such request.

Very truly yours,

JEA

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT E**

**FORM OF APPROVAL OF EXTENSION  
OF TERMINATION DATE**

[DATE]

JEA  
21 West Church Street  
Jacksonville, FL 32202  
Attention: Director, Treasury Services

Re: Revolving Credit Agreement (Electric System) dated ~~December 17, 2015~~August  
[28], 2025, between JEA (the “*Borrower*”) and [REDACTED]  
[REDACTED] (the “*Bank*”), as the same may be amended or supplemented from  
time to time in accordance with its terms (the “*Agreement*,” the terms defined  
therein being used herein as therein defined)

Dear Sir or Madam:

Pursuant to Section 2.01(b) of the aforementioned Agreement, we are pleased to inform  
you that [REDACTED] has received approval to extend the  
Facility Maturity Date. The new Facility Maturity Date shall be [\_\_\_\_\_, \_\_\_\_] and  
will be effective on [\_\_\_\_\_, \_\_\_\_]. No further documentation is required to evidence  
the extension.

[Signatures continued on following page]

[Signature page to ~~Form of~~ Approval of Extension of Termination Date]

Please acknowledge receipt of this notice by signing and faxing such to me at  
(\_\_\_\_) \_\_\_\_-\_\_\_\_.

Sincerely,



By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Date: \_\_\_\_\_

Received and Acknowledged:

JEA

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Date: \_\_\_\_\_

## JEA Board Agenda

**MEMORANDUM**
**St. Johns River Power Park System Employees' Retirement Plan, Amendment #4 - SECURE 2.0 Act**

Board Meeting Date: August 26, 2025

Outcome:

☐

INFORMATION ONLY

☒

ACTION

☐

FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

Staff seeks approval to retroactively amend the Plan to implement certain compliance-related changes that are required by the SECURE 2.0 Act.

Consent Agenda Item:

☐

Yes

☒

No

Presenter:

A.J. Souto, JEA Treasurer, SJRPP Pension Committee Chair

Chief:

Ted Phillips, Chief Financial Officer

Strategic Focus Area:

☐

DEVELOPING AN UNBEATABLE TEAM

☒

DELIVERING BUSINESS EXCELLENCE

☐

EARNING CUSTOMER LOYALTY

Background Information &amp; Analysis:

The St. Johns River Power Park System ("SJRPP"), as Sponsor, previously adopted the St. Johns River Power Park System Employees' Retirement Plan ("Plan"). JEA is the sole active Employer under the Plan and is operationally fulfilling the duties of the Sponsor role. JEA seeks to retroactively amend the Plan to implement certain compliance-related changes that are: required by the SECURE 2.0 Act.

This amendment (amendment #4) was approved by the SJRPP Pension Committee on May 8, 2025 and is being brought to the JEA Board, via Resolution 2025-39, for final consideration and approval.

**Required Beginning Date:**

A Participant's required beginning date for distributions is April 1 of the year following the later of:

- The year they reach their Applicable Age, or
- The year they retire

**The Applicable Age, based on the participant's date of birth, is:**

- 70½ for those born before July 1, 1949
- 72 for those born July 1, 1949 – December 31, 1950
- 73 for those born January 1, 1951 – December 31, 1958
- To be determined (pending IRS guidance) for those born in 1959
- 75 for those born on or after January 1, 1960

These ages align with IRS regulations under Code Section 401(a)(9)(C)(v)

**Death of a Participant Before Distributions Begin:**

If the surviving spouse is the sole designated beneficiary, distributions must begin by December 31 of the year after the participant's death, or by December 31 of the year the participant would have reached their Applicable Age, whichever is later—unless an earlier date is specified in the Plan.

## JEA Board Agenda

# MEMORANDUM



### St. Johns River Power Park System Employees' Retirement Plan, Amendment #4 - SECURE 2.0 Act (Continued)

#### Background Information & Analysis (Continued):

#### Requirements for Annuity Distributions That Commence During Participant's Lifetime:

For annuity distributions starting during a Participant's lifetime, if using a joint life annuity with a non-spouse beneficiary, post-death payments to the beneficiary must not exceed limits set by IRS regulations. For period certain annuities, the payout period generally cannot exceed the Participant's distribution period under the Uniform Lifetime Table, unless the spouse is the sole beneficiary—in which case, the period can be the longer of the Participant's distribution period or the joint life expectancy of the Participant and spouse.

This amendment (amendment #4) was approved by the SJRPP Pension Committee at its May 8, 2025 meeting and is being brought to the JEA Board, via Resolution 2025-39, for final consideration and approval.

#### Financial Impact:

The SJRPP Pension Plan actuary, GRS, has determined that these changes will not have an actuarial impact on the cost of the Plan.

#### Committee/Board Meeting/Workshop & Date Presented:

N/A

#### Appendix:

Resolution 2025-39 – Approving Amendment #4 to SJRPP System Employee's Retirement Plan  
Amendment #4 to SJRPP System Employee's Retirement Plan  
Actuarial Impact Statement from SJRPP System Employee's Retirement Plan Actuary, GRS



**BOARD RESOLUTION NO. 2025-39**

August 26, 2025

**A RESOLUTION APPROVING AMENDMENT #4 TO THE ST. JOHNS RIVER POWER PARK SYSTEM EMPLOYEES' RETIREMENT PLAN AS AMENDED AND RESTATED EFFECTIVE OCTOBER 15, 2015; AUTHORIZING THE JEA BOARD CHAIR TO EXECUTE THE AMENDMENT #4; AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR TO EXECUTE ALL IMPLEMENTING DOCUMENTS NECESSARY TO EFFECTUATE THIS RESOLUTION**

**RECITALS**

**WHEREAS**, the St. Johns River Power Park System ("Employer") previously adopted the St. Johns River Power Park System Employees' Retirement Plan ("Plan"), which Plan has subsequently been amended and restated several times in the past, with the latest restatement effective October 1, 2015, was thereafter amended via Amendment #1 effective retroactive to October 1, 2015, Amendment #2 effective as of the close of business on January 5, 2018, and Amendment #3 effective as of January 1, 2020, and is currently in effect; and

**WHEREAS**, Section 10.16 of the Plan requires the Employer to adopt amendments to the Plan necessary to maintain compliance with the Internal Revenue Code provisions applicable to tax-qualified governmental retirement plans; and

**WHEREAS**, the SECURE 2.0 Act of 2022 ("SECURE 2.0 Act") requires certain compliance-related changes to the Plan to comply with law and maintain the Plan's tax-qualified status, which changes must be retroactive to January 1, 2023; and

**WHEREAS**, the compliance amendment terms required by the SECURE 2.0 Act neither change the benefits of the Plan nor have any financial impact upon the Plan; and

**WHEREAS**, Section 9.01 of the Plan grants the authority to amend the Plan to the Employer; and

**WHEREAS**, the Employer's obligation and power to amend the Plan is exercisable by action of JEA; and

**WHEREAS**, it has been proposed that the JEA Board of Directors, acting for and on behalf of the Employer, approve and adopt the document attached hereto entitled "Amendment #4 to St. Johns River Power Park System Employees' Retirement Plan as Amended and Restated Effective October 1, 2015" ("Amendment") to amend the Plan's governing document to incorporate the compliance-related changes required by the SECURE 2.0 Act; and

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

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

1. The recitals stated above are hereby incorporated into and made part of this Resolution, and such Recitals shall serve as findings of fact.
2. The Board hereby approves and adopts the "Amendment #4 to St. Johns River Power Park System Employees' Retirement Plan as Amended and Restated Effective October 1, 2015" which is attached hereto as **Exhibit 1**, for and on behalf of the St. Johns River Power Park System.
3. The Board authorizes the JEA Board Chair to execute the "Amendment #4 to St. Johns River Power Park System Employees' Retirement Plan as Amended and Restated Effective October 1, 2015" in substantially the same form and format as attached hereto as **Exhibit 1**, for and on behalf of the St. Johns River Power Park System.
4. The Board authorizes the JEA Board Chair to take all actions and steps and to execute any and all other instruments, documents, and certificates necessary to effectuate this resolution.
5. The Board authorizes the JEA Managing Director/CEO to also execute all implementing documents necessary to effectuate this resolution.
6. To the extent that there are any typographical, administrative, and/or scrivener's errors contained herein that do not change the tone, tenor, or purpose of this Resolution, then such errors may be corrected with no further action required by the JEA Board.

Dated this 26<sup>th</sup> day of August 2025.

\_\_\_\_\_  
Joseph DiSalvo, JEA Board Chair

\_\_\_\_\_  
MG Orender, JEA Board Secretary

Form Approved:

\_\_\_\_\_  
Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	

**AMENDMENT #4  
TO  
ST. JOHNS RIVER POWER PARK SYSTEM  
EMPLOYEES' RETIREMENT PLAN  
AS AMENDED AND RESTATED EFFECTIVE OCTOBER 1, 2015**

WHEREAS, St. Johns River Power Park System ("SJRPP"), as Sponsor, previously adopted the St. Johns River Power Park System Employees' Retirement Plan ("Plan"), which Plan has subsequently been amended and restated effective October 1, 2015, was thereafter amended via Amendment #1 effective retroactive to October 1, 2015, Amendment #2 effective as of the close of business on January 5, 2018, and Amendment #3 effective as of January 1, 2020, and is currently in effect; and

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

WHEREAS, JEA for and on behalf of SJRPP wishes to retroactively amend the Plan to implement certain compliance-related changes that are: required by the SECURE 2.0 Act of 2022 (contained in Division T of the Consolidated Appropriations Act of 2023), necessary to preserve the Plan's tax-qualified status, and addressed by certain Treasury regulations concerning required minimum distributions for calendar years beginning on or after January 1, 2025; and

WHEREAS, Sections 9.01 and 10.16 of the Plan grant the authority to amend the Plan to SJRPP, which authority is exercisable by action of JEA; and

WHEREAS, JEA has approved and authorized the Plan amendment embodied herein.

NOW, THEREFORE, in consideration of the premises and acting pursuant to the reserved powers in the Plan, SJRPP hereby amends the Plan, retroactively to January 1, 2023, as follows:

- 1. Required Beginning Date:** Section 5.05(2)(a) of the Plan is amended in its entirety to read:

- (a) Required Beginning Date:

For purposes of this Section 5.05(2), the required beginning date of a Participant shall be April 1 of the calendar year following the calendar in which the later of the following two events occurs: (i) the Participant attains the Applicable Age; or (ii) the Participant retires. The "Applicable Age" is determined under Code Section 401(a)(9)(C)(v) and the Treasury regulations thereunder. Thus, the Applicable Age is determined based on the Participant's date of birth, as follows: (1) for Participants born before July 1, 1949, the Applicable Age is 70½; (2) for Participants born on or after July 1, 1949, but before January 1, 1951, the Applicable Age is 72; (3) for Participants born on or after January 1, 1951, but before January 1, 1959, the Applicable Age is 73; (4) for Participants

born in 1959, the Applicable Age shall be resolved pursuant to guidance issued by the Internal Revenue Service (which may include, but is not limited to, proposed section § 1.401(a)(9)-2(b)(2)(v) of the Treasury regulations (REG-103529-23, Jul. 19, 2024) or subsequent finalization of such section); and (5) for Participants born on or after January 1, 1960, the Applicable Age is 75.

**2. Death of a Participant Before Distributions Begin:** Section 5.05(2)(b)(i) of the Plan is amended in its entirety to read:

- (i) If the Participant's surviving spouse is the participant's sole designated Beneficiary, then, unless an earlier date is provided in Section 4 of the Plan, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained the Applicable Age, if later.

**3. Requirements for Annuity Distributions That Commence During Participant's Lifetime:** Section 5.05(2)(d) of the Plan is amended in its entirety to read:

- (d) Requirements for Annuity Distributions That Commence During Participant's Lifetime:

- (i) Joint Life Annuities Where the Beneficiary Is Not the Participant's Spouse:

If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a non-spouse Beneficiary, annuity payments to be made on or after the Participant's required beginning date, as such term is described in Section 5.05(2)(a), to the designated Beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table and rules set forth in Section 1.401(a)(9)-6(b)(2)(iii) of the Treasury regulations.

- (ii) Period Certain Annuities:

Unless the Participant's spouse is the sole designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations for the calendar year that contains the

annuity starting date. If the annuity starting date precedes the year in which the Participant reaches the Participant's Applicable Age, the applicable distribution period for the Participant is the distribution period for the Participant's Applicable Age under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations plus the excess of the Participant's Applicable Age over the age of the Participant as of the Participant's birthday in the year that contains the annuity starting date. If the Participant's spouse is the Participant's sole designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period, as determined under this Section 5.05(2)(d)(ii), or the joint life and last survivor expectancy of the Participant and the Participant's spouse as determined under the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations, using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the calendar year that contains the annuity starting date.

4. **Interpretation and Application:** The provisions of this Amendment #4 apply for purposes of determining required minimum distributions for calendar years beginning on or after January 1, 2025 in accordance with the 2024 final Treasury regulations under Code section 401(a)(9). For the earlier 2023 and 2024 distribution calendar years, the 2002 and 2004 final Treasury regulations under Code Section 401(a)(9) applied, but taking into account a reasonable, good faith interpretation of the amendments to Code Section 401(a)(9) made by the Setting Every Community Up for Retirement Enhancement Act of 2019 (the SECURE Act) and SECURE 2.0 Act of 2022. To the extent consistent with the reasonable, good faith interpretation administratively implemented under the Plan for the 2023 and 2024 distribution calendar years, the provisions of this Amendment #4 apply with respect to the those distribution calendar years as well.
5. Except as specifically amended herein, all other provisions of the Plan remain in full force and effect.

[THIS SPACE INTENTIONALLY LEFT BLANK. EXECUTION CONTINUES ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, by action of JEA, SJRPP has caused this Amendment #4 to be duly executed by its duly authorized officer this \_\_\_\_ day of \_\_\_\_\_, 2025, effective as of January 1, 2023.

ST. JOHNS RIVER POWER PARK SYSTEM

By: \_\_\_\_\_  
Joseph DiSalvo, JEA Board Chair

ATTEST:

\_\_\_\_\_  
MG Orender, JEA Board Secretary

Form Approved:

\_\_\_\_\_  
Legal Counsel



April 29, 2025

Plan Administration Committee  
JEA  
St. John's River Power Park System  
Employees' Retirement Plan

Dear Committee Members:

As requested, we have reviewed the proposed governing plan document amendment which would amend the St. John's River Power Park System Employees' Retirement Plan (Plan) as follows:

- Amend Section 5.05(2)(a) of the Plan to change the Required Beginning Date to be pursuant to IRC Section 401(a)(9)(C)(v) and the Treasury regulations thereunder.
- Amend Section 5.05(2)(b)(i) of the Plan to clarify when a surviving spouse, who is the Participant's sole designated Beneficiary, can start receiving distributions in the event of the Participant's death before distributions have begun.
- Amend Section 5.05(2)(d) of the Plan to update the requirements for when a non-spouse Beneficiary can start receiving distributions pursuant to Section 1.401(a)(9)-6(b)(2)(iii) of the Treasury regulations.

In our opinion, these changes will not have an actuarial impact on the cost of the Plan for prefunding purposes. However, we recommend that you send a copy of this letter and the governing plan document amendment to the Bureau of Local Retirement Systems.

Piotr Krekora is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The undersigned actuary is independent of the plan sponsor.

We welcome your questions and comments.

Respectfully submitted,  
Gabriel, Roeder, Smith & Company

A handwritten signature in blue ink, appearing to read "Piotr Krekora".

Piotr Krekora, EA, ASA, MAAA  
Senior Consultant and Actuary

cc: Carolyn M. Kershner

The above communication shall not be construed to provide tax advice, legal advice or investment advice.

**ST. JOHN'S RIVER POWER PARK SYSTEM – EMPLOYEES' RETIREMENT PLAN**

**Actuarial Impact Statement – April 29, 2025**

Attached draft of the proposed amendment incorporates language intended to implement certain changes related to the timing and terms of benefit distributions which are required by the SECURE 2.0 Act of 2022 and necessary to preserve the Plan's tax-qualified status.

There is no measurable actuarial cost effect to the Plan by this Plan amendment.

ACTUARY, Gabriel, Roeder, Smith & Company

By:   
Piotr Krekora, ASA, EA

Date: April 29, 2025

The proposed changes are in compliance with section 14, Article X of the State Constitution and Section 112.64, Florida Statutes.

PLAN ADMINISTRATOR,  
St. Johns River Power Park System Employees' Retirement Plan Pension Committee

By:   
Alberto J. (A.J.) Souto, Chairman

Date: May 13, 2025



## JEA Board Agenda

**MEMORANDUM**
**Committee Charter for the 401(a) Defined Contribution Retirement Plan and the 457 Deferred Compensation Plan**

Board Meeting Date: August 26, 2025

Outcome:

☐

INFORMATION ONLY

☒

ACTION

☐

FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

Staff requests the replacement of the existing Investment Advisory Committee for the 401(a) and 457 Plans with a Plan Administration Committee and approve the Charter.

Consent Agenda Item:

☐

Yes

☒

No

Presenter:

Diane Moser, Chief Human Resources Officer

Chief:

Diane Moser, Chief Human Resources Officer

Strategic Focus Area:

☒

DEVELOPING AN UNBEATABLE TEAM

☐

DELIVERING BUSINESS EXCELLENCE

☐

EARNING CUSTOMER LOYALTY

Background Information &amp; Analysis:

In alignment with best practices for governance of tax-qualified retirement plans we are proposing that JEA replace the existing Investment Advisory Committee for the 401(a) and 457 Plans with a Plan Administration Committee which would have a broader scope of delegated authority and Plan administration responsibilities than the Investment Advisory Committee.

- The Plan Administration Committee would be governed by a Charter
- The Charter's purpose is to establish and document the structure, functions, authority, duties, standards of care, and guidelines for Committee operation
- The Charter changes the composition of the Committee
- The new committee will be comprised of four Finance employees, all at the senior management level appointed by the CEO, two at-large members who are classified as appointed employees, and the Chief Human Resources Officer serving as Chair of the committee
- The Charter defines the roles of the Committee Chair, Secretary, and the Committee
- The JEA Board of Directors would delegate authority to the Committee to maintain, operate, and administer the Plans under the terms of the governing plan documents and applicable law
- The Committee may recommend to the JEA Board of Directors necessary amendments or modifications to the Charter
- The Committee may modify or amend either Plan in limited circumstances where the committee determines that a proposed Plan modification or amendment is legally required by applicable law or enhances the Plan design for the benefit of the Plan's participants as a whole and the proposed Plan modification or amendment does not increase JEA's fees, costs, or expenses or benefit liability with respect to the Plan. All other Plan modifications or amendments require approval by the JEA Board of Directors

## JEA Board Agenda

**MEMORANDUM**
**Committee Charter for the 401(a) Defined Contribution Retirement Plan and the 457 Deferred Compensation Plan (Continued)**
**Background Information & Analysis (Continued):**

- The Committee may recommend to the JEA Board of Directors necessary amendments or modifications to the Charter
- The Committee may modify or amend either Plan in limited circumstances where the committee determines that a proposed Plan modification or amendment is legally required by applicable law or enhances the Plan design for the benefit of the Plan's participants as a whole and the proposed Plan modification or amendment does not increase JEA's fees, costs, or expenses or benefit liability with respect to the Plan. All other Plan modifications or amendments require approval by the JEA Board of Directors
- The Committee does not have the authority to freeze or terminate either Plan or the qualified trust for a Plan
- The Committee will report annually to the JEA Board of Directors
- The Committee shall rely upon advice and information that it receives in its discussions and communications with management, JEA personnel and such experts, advisors, and professionals with whom the Committee may consult. Our current experts are Empower, serving as record keeper; Graystone Consulting, investment advisor; and Akerman LLP, legal counsel
- The Committee will adopt an Investment Policy Statement for the Plan and will periodically review and amend it, as needed. The Investment Policy Statement will outline general principles concerning the investment related objectives of the Plans, types of investments available through the Plans, the benchmarks, and criteria for evaluating the investment options, and the investment-related duties and responsibilities of the Committee, advisors to the Plans, and other service providers
- The goal is for the Committee to conduct quarterly meetings

**Financial Impact:**

N/A

**Committee/Board Meeting/Workshop & Date Presented:**

N/A

**Appendix:**

- Resolution 2025-41
- JEA 401(a) and 457(b) Plan Administration Committee Charter



**BOARD RESOLUTION: 2025-41**

August 26, 2025

**A RESOLUTION ESTABLISHING THE PLAN ADMINISTRATION COMMITTEE FOR THE JEA 401(a) DEFINED CONTRIBUTION RETIREMENT PLAN AND THE JEA 457 DEFERRED COMPENSATION PLAN; ADOPTING A CHARTER FOR THE PLAN ADMINISTRATION COMMITTEE; AND DELEGATING CERTAIN AUTHORITY TO THE PLAN ADMINISTRATION COMMITTEE**

**WHEREAS**, JEA, as the sponsoring employer, previously adopted the JEA 401(a) Defined Contribution Retirement Plan ("401(a) Plan"), which 401(a) Plan has subsequently been amended and restated effective May 1, 2022, was thereafter amended via an Interim Amendment effective retroactive to January 1, 2016, January 1, 2020, and January 1, 2022 (as applicable to each provision in the Interim Amendment), was thereafter again amended via an Interim Amendment effective retroactive to March 27, 2020, and is currently in effect; and

**WHEREAS**, JEA, as the sponsoring employer, previously adopted the JEA 457 Deferred Compensation Plan ("457 Plan"), which 457 Plan has subsequently been amended and restated effective May 19, 2014, was thereafter amended via a Clarifying Amendment effective retroactive to June 26, 2013, was thereafter again amended via a Compliance Amendment effective retroactive to June 1, 2022 or February 25, 2013 (as applicable to each provision in the Compliance Amendment), was thereafter again amended via an Interim Amendment effective retroactive to January 1, 2016, January 1, 2020, and January 1, 2022 (as applicable to each provision in the Interim Amendment), was thereafter again amended via an Interim Amendment effective retroactive to March 27, 2020, and is currently in effect; and

**WHEREAS**, to enhance administration of the 401(a) Plan and 457 Plan (collectively, the "Plans") in alignment with best practices for governance of tax-qualified retirement plans such as the 401(a) Plan and tax-favored deferred compensation plans such as the 457 Plan, it has been proposed that JEA replace the existing Investment Advisory Committee for the Plans with a Plan Administration Committee, which would have a broader scope of delegated authority and Plan administration responsibilities than the Investment Advisory Committee; and

**WHEREAS**, it has been proposed that JEA adopt a Charter for the Plan Administration Committee ("Committee") to delegate certain authority to the Committee and to establish the duties and responsibilities of, and the governance protocols for, the Committee in the form attached hereto as **Exhibit 1** ("Charter"); and

**WHEREAS**, the Charter provides, among other things, that it may only be amended by action of the JEA Board of Directors; and

**WHEREAS**, the JEA Board of Directors has reviewed the Charter and is fully advised of the premises.

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

1. The Investment Advisory Committee for the Plans is discontinued and replaced by the Plan Administration Committee effective as of September 1, 2025.
2. The Charter, in the form attached hereto as **Exhibit 1**, is adopted effective as of September 1, 2025 and shall govern the operations and conduct of the Committee.
3. Authority is delegated to the Committee to maintain, operate, and administer the Plans under the terms of the governing plan documents and applicable law, to carry out its duties and

responsibilities as specifically set forth in the Charter, and to amend the Plans in certain limited circumstances if the conditions specified in the Charter are satisfied.

4. Authority is delegated to the Chief Executive Officer and Managing Director to appoint certain Committee members as specifically set forth in the Charter, and to remove Committee members as set forth in the Charter.
5. To the extent that there are any typographical, administrative, and/or scrivener's errors contained herein that do not change the tone, tenor, or purpose of this Resolution, then such errors may be corrected with no further action required by the JEA Board.

Dated this 26th day of August 2025.

\_\_\_\_\_  
Joseph DiSalvo, JEA Board Chair

\_\_\_\_\_  
MG Orender, JEA Board Secretary

Form Approved:

\_\_\_\_\_  
Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	

# **Exhibit 1**

**PLAN ADMINISTRATION COMMITTEE  
FOR THE  
JEA 401(a) DEFINED CONTRIBUTION RETIREMENT PLAN AND  
JEA 457 DEFERRED COMPENSATION PLAN**

**CHARTER**

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JEA sponsors the JEA 401(a) Defined Contribution Retirement Plan and the JEA 457 Deferred Compensation Plan (each a “Plan” and collectively referred to as “Plans”). JEA is the named fiduciary and plan administrator of the Plans. JEA as plan administrator previously established the Investment Advisory Committee for and on behalf of the Plans. In accordance with the action by the JEA Board of Directors, the Investment Advisory Committee is being discontinued and replaced by the Plan Administration Committee (“Committee”) and this Charter is being adopted to set forth the Board’s delegation of authority to the Committee.

**I. Purpose**

The purpose of this Charter (the “Charter”) is to establish and document the structure, functions, authority, duties, standards of care and guidelines for Committee operation. The Committee is responsible for: overseeing the administration of the Plans in line with this Charter, the governing plan documents, and applicable law; determining if Plan amendments are necessary or advisable based on applicable law and relevant facts and, if it is within the Committee’s delegated authority under this Charter, to amend the governing plan documents; and reporting to and advising JEA, the sponsor of the Plans. The Committee members will also adopt, periodically review, and amend the Plans’ Investment Policy Statement and will oversee the investment options in the Plans in accordance with the Plans’ Investment Policy Statement. In carrying out its functions, the Committee shall adhere to all relevant federal and state laws, including the pertinent provisions of the U.S. Internal Revenue Code and the Florida Protection of Public Employee Retirement Benefits Act.

**II. Committee Composition**

A. The Committee will consist of no fewer than five (5) and no more than seven (7) members with skills ranging from finance, administration, human resources and internal audit. Additional expertise may be considered to ensure balanced and knowledgeable oversight.

The Committee Members will comprise:

- one (1) Human Resource employee, the JEA Chief Human Resources Officer (CHRO), as the Committee Chair;

- four (4) JEA Finance employees, all at senior management level, appointed by the JEA Chief Executive Officer (CEO) and Managing Director; one of whom shall be the JEA Treasurer;
  - two (2) at-large members, who are classified by JEA Human Resources as employed under appointed status, provided that such employees shall not be from the JEA Finance department and provided, further, that one of them shall be the SJRPP-Related Project Director who serves as a member of the plan administration committee for the St. Johns River Power Park System Employees Retirement Plan.
- B. For the at-large members, eligible employees interested in serving on the Committee will submit to the Committee Chair their name, background and qualifications to serve as a member of the Committee. The Chair will identify and propose the at-large member candidate(s) from the qualified employees and submit their name(s) to the CEO for final approval.
- C. Committee members, including officers, will receive no additional compensation for serving as members of the Committee. Reasonable and necessary expenses incurred by Committee members in the performance of their responsibilities as Committee members may be reimbursed by the Plan(s) or Plan sponsor, provided that appropriate documentation of the amount of the expense, reason for the expense, date on which it was incurred, and why it was necessary are promptly submitted to the Chair and there is sufficient budget to cover the reimbursement, including sufficient budget of JEA, if applicable.
- D. A member shall serve for an indefinite term, ending as of the earliest to occur of his or her date of resignation from the Committee, or the termination of employment, or replacement of the member.
- E. Committee members may be removed by the JEA Chief Executive Officer (CEO) and Managing Director or Committee Chair at any time with or without reason.
- F. Committee members may resign at any time by providing written notice to the Committee Chair. Where practicable, a Committee member should submit written resignation notice at least thirty (30) calendar days in advance of its effective date.
- G. Officers
1. The Committee officers shall consist of a Chair and Secretary, each required to be a Committee member in good standing. No member may simultaneously serve as both the Chair and the Secretary. The Chief Human Resource Officer shall serve as the Committee Chair as referenced prior in Section II.A. The Secretary shall be selected by the Chair. At any time, either officer may resign by submitting written notice to the other officer, likewise, either role may be terminated through the removal process set forth in II.E. Each position shall have the duties set forth below.

2. Committee Chair shall be responsible for:
  - i. Safeguarding the Committee's governance activities to maintain its ethical integrity and operational efficiency.
  - ii. Scheduling Committee meetings (subject to the notice provisions stated below), establishing the agenda for meetings, determining whether stakeholders, service providers, or other guests should be invited to attend, and presiding over meetings (or, if necessary, designating another Committee member to serve as the chair for a particular meeting);
  - iii. Establishing the priorities of the Committee, soliciting proposals of topics to be considered for meeting agendas, and facilitating decision-making by the Committee;
  - iv. Coordinating with legal counsel to identify any legal requirements necessary for Committee action;
  - v. Executing documents on behalf of the Committee, including but not limited to, Plan-related contracts after their approval by the Committee;
  - vi. Serving as the primary liaison of the Committee with service providers to the Plans and with other JEA personnel regarding the Plans;
  - vii. Reporting to the JEA Board of Directors regarding the Committee's work;
  - viii. Such other duties and obligations as may be necessary to ensure the proper functioning of the Committee.
3. The Secretary shall be responsible for:
  - i. Coordinating preparation of meeting agendas with the Chair;
  - ii. Ensuring the prompt distribution of Committee meeting notices and accompanying materials, including any required public notice postings;
  - iii. Preparing Committee meeting notices, agenda and, if necessary, a brief written summary of each agenda item, for distribution to voting members and legal counsel prior to the meeting;
  - iv. Coordinating the recording of minutes at all Committee meetings, supervising their preparation, and securing the Committee's formal approval;

- v. Maintaining the records of all Committee actions including meeting minutes, recommendations, and other written documentation of Committee action; and
- vi. Overseeing the maintenance and preservation of all historical and current governing plan documents, amendments, summary plan descriptions, summaries of material modifications, trust agreements or related instruments, and other critical documents (e.g., completed forms confirming elected plan design changes); and
- vii. Managing and maintaining records for Plan-related contracts (and their amendments), documentation of crime and cyber coverage for the Plans, and fiduciary insurance policies.

### **III. Committee Responsibilities**

The Board delegates authority to Committee to maintain, operate, and administer the Plans under the terms of the governing plan documents and applicable law. In carrying out its delegated authority, the Committee shall exercise all necessary and appropriate actions. Without limiting this mandate, the Committee shall also have responsibility for the following aspects concerning the Plans. The Committee's determinations shall be final as to matters which it has been delegated responsibility. Further, the Committee's duties include managing the following Plan-related matters:

#### **A. Service Providers.**

- 1. Trustee(s). As the settlor of the qualified trusts for the Plans, JEA, not the Committee, has sole authority to select, remove, or replace the trustee(s) of the Plans' qualified trusts. The Committee will monitor and oversee the trustee(s) and, where appropriate, provide feedback to JEA regarding the trustee's performance of its duties with respect to the Plans and protecting the interests of the participants. Because a collective investment trust ("CIT") is in the nature of an investment menu option provider for the Plans, the Committee may, when appropriate as determined by the Committee, adopt, amend, or terminate one or more CITs for the Plans, including the appointment of the CIT trustee(s) as trustee(s) for the Plans to the extent necessary to carry out the purpose of the CIT(s).
- 2. Legal Counsel. JEA will arrange, through the City of Jacksonville's Office of General Counsel, for legal counsel to be provided to the Plans and the Committee.
- 3. Employees and Officers of Plan Sponsor. JEA's Benefits Services Department will be primarily responsible for the nondiscretionary, day-to-

day operation of the Plans with oversight and direction from the Committee as the Committee determines to be appropriate. In connection with the Committee's performance of its duties pursuant to this Charter, the Committee may delegate to or request information and assistance from other JEA departments and personnel, provided that any such delegation or request is consistent with the department's scope of responsibility and/or the personnel's positions and duties. The Committee will ensure duties of JEA employees and officers regarding Plan administration are clearly delineated.

4. Other Plan Service Providers. The Committee will monitor the performance of other service providers to the Plans, including but not limited to the professional recordkeeper, investment consultant, and auditor (if applicable), and where appropriate, provide feedback to JEA regarding the performance of their duties with respect to the Plans. Such service providers (or their replacements, as the case may be) shall be selected and engaged in accordance with the JEA Procurement Code in effect at the time. Given the specialized nature of services to the Plans and related fiduciary obligations, it is expected that the Procurement Department and the Committee will work together cooperatively to: develop content and scope of services for any request for proposal or other selection process; identify appropriate selection and evaluation criteria; and negotiate appropriate contract terms for the type of service provider.
- B. Amendments to this Charter. The Committee may recommend to the JEA Board of Directors necessary amendments or modifications to this Charter either in whole or in part at any time, to reflect developments in the law, questions of interpretation and application of practical experience, as well as new policies of JEA. Any recommended modifications or amendments shall not be contrary to the express terms of the Plans or applicable law.
- C. Plan Amendment. The Committee may modify or amend either Plan in the limited circumstance where:
1. the Committee determines that a proposed Plan modification or amendment either is
    - a. legally required by applicable law; or
    - b. enhances the Plan design for the benefit of the Plan's participants as a whole; and
  2. the proposed Plan modification or amendment does not increase JEA's fees, costs, or expenses or benefit liability with respect to the Plan.

All other Plan modifications or amendments require approval by the JEA Board of Directors.

- D. Plan Freeze or Termination. The Committee does not have the authority to freeze or terminate either Plan or the qualified trust for a Plan. Those powers are reserved to JEA as the Plan sponsor. The Committee may make recommendations to the JEA Board of Directors concerning freezing or terminating either or both Plans.
- E. Report to Plan Sponsor. The Committee will report annually and, as necessary, following each quarterly meeting of the Committee to the JEA Board of Directors concerning the operations of the Plans and on all matters reviewed and actions taken by the Committee as well as any recommendations the Committee may have with respect to the Plans. The Committee Chair will be responsible for coordinating the reporting to the Plan Sponsor.
- F. Participant-Facing Documents. The Committee will oversee the creation, amendment, and distribution of all participant-facing documents related to the Plans (including but not limited to):
  - 1. Summary Plan Description;
  - 2. Summary of Material Modifications;
  - 3. Enrollment materials;
  - 4. Fee notices; and
  - 5. Other compliance notices.
- G. Training and Ongoing Education on Plan Documents. Prior to commencement of active service on the Committee, each new member shall be provided with current copies of the Plans, this Charter and any other relevant documents. Each person designated to serve as a member of the Committee will receive initial orientation training. Such orientation training shall include a full description of:
  - 1. The governance structure of the Plans;
  - 2. The duties and responsibilities of the Committee;
  - 3. The standard of care, skill and prudence applicable in carrying out such duties and responsibilities; and
  - 4. Potential conflicts of interest under which it would be impermissible for a Committee member to act with respect to the Plans

The Committee will arrange for periodic continuing education of the Committee members in matters relating to investments, applicable law, fiduciary standards, and the Committee's responsibilities to allow the continued development of their technical knowledge and understanding of the processes and approaches that ensure the highest level of skill, diligence and prudence in carrying out their duties and responsibilities with respect to the Plans.

H. Standard of Conduct. Each Committee member shall:

1. act in the sole interest of the Plans' participants and beneficiaries;
2. act for the exclusive purpose of providing benefits to the participants and beneficiaries and of defraying the reasonable expenses of administering the Plans;
3. avoid situations that present a potential or actual conflict between the member's personal interests and the interest of the Plans and Plan participants and beneficiaries;
4. disclose immediately to the Committee any conflict of interest he or she may have with respect to any matter or business before the Committee. A conflict of interest, whether actual or perceived, includes for the purposes of this Charter, any circumstances in which a member of the Committee owes a duty to another person or entity which may conflict with his or her duties with respect to the Plans as stated in this Charter, each Plan document, or applicable law.
5. act with the level of care, expertise, prudence, and diligence that a prudent individual, operating in a similar role and familiar with the relevant matters, would use when conducting an enterprise of like nature and aims in similar circumstances;
6. diversify the investment options available within the Plans so as to minimize the risk of large losses unless under the circumstances it is clearly prudent not to do so;
7. comply with and fulfill all aspects of applicable state and federal laws, regulations and rulings that relate to the administration and investment of the Plans; and
8. comply with the provisions of the Plans' governing documents and this Charter.

- I. Advice. In carrying out its responsibilities, the Committee shall be entitled to rely upon advice and information that it receives in its discussions and communications with management, JEA personnel and such experts, advisors and professionals with whom the Committee may consult. The Committee shall have the authority to request that any officer or employee of JEA, JEA's legal counsel, JEA's independent auditor or any other professional retained by JEA to render advice to JEA attend a meeting of the Committee or provide information to the Committee or its advisors with respect to matters within the Committee's scope of authority as set forth in this Charter.
- J. Participant Education. The Committee will oversee the creation and implementation of a participant education program concerning the Plans, available investment options in each Plan, and saving and planning for retirement.
- K. Participant Questions. The Committee will review and respond to any participant questions regarding either Plan that are referred directly to the Committee, such as Plan-related questions referred directly to the Committee by the recordkeeper, the trustee, or JEA Human Resources.
- L. Claim and Appeal Procedures. The Committee will periodically review and update, as needed and in consultation with the Plans' legal counsel, the Plans' claim and appeal procedures to ensure that they comply with applicable legal requirements.
- M. Determination of Appeals. Initial determinations with respect to Plan eligibility and benefits shall be made by, as applicable, by the recordkeeper or by JEA Human Resources. The Committee shall review and determine any appeal of an initial determination in accordance with the Plans' claim and appeal procedures as set forth in the Plans' governing documents and/or the Plans' Summary Plan Descriptions.
- N. Investments.
  - 1. Investment Policy Statement. The Committee will adopt an Investment Policy Statement for the Plan and will periodically review and amend it, as needed. The Investment Policy Statement will outline general principles concerning the investment related objectives of the Plans, types of investments available through the Plans, the benchmarks and criteria for evaluating the investment options, and the investment-related duties and responsibilities of the Committee, advisors to the Plans, and other service providers.
  - 2. Investment Consultant. As set forth above, the Committee will oversee and monitor the investment consultant for the Plans.

3. Investment Options. The Committee will evaluate and determine the investment options available in the Plans, including determining the default investment option for participant Plan accounts; whether a self-directed brokerage account option is offered through a Plan and the parameters for such an option; whether any investment models based on risk tolerance, age, or other factors will be offered through the Plan and, if so, which models are offered; and how any Plan-level funds (e.g., forfeiture account) will be invested. The Committee will periodically review each Plan's investment options and the performance of the investment options and will make changes to the investment options the Committee determines to be appropriate.
  4. Investment Fees. The Committee will monitor the fees charged by the investment consultant and Plan investment options and evaluate them for reasonableness under the facts and circumstances.
- O. Taxes. The Committee will oversee the withholding and/or depositing of all applicable federal, state, and local taxes, and the filing of required tax forms and returns, with respect to the Plan or Plan distributions. This includes, for example, reporting Plan distributions to participants on IRS Form 1099-R; deducting any applicable income tax withholding from Plan distributions to participants, depositing the withheld taxes with the IRS, and reporting the withheld taxes on IRS Form 1099-R and Form 945. The Committee will oversee the recordkeeping necessary to demonstrate compliance with tax payment and filing obligations.
- P. Audit/Review. The Committee will oversee the preparation of periodic formal or informal Plan audits or reviews.
- Q. Crime and Cyber Coverage. The Committee will periodically confirm that crime and cyber liability coverage with appropriate scope and limits are in place for the Plans.
- R. Information Security. The Committee will oversee, review, and, as appropriate, modify procedures to: identify and assess potential information security and cybersecurity risks to Plan data; take reasonable steps to prevent attacks or other events resulting in unauthorized loss, deletion, disclosure, or alteration of Plan data; and address what happens in the event of a cyber attack or data security incident. This includes monitoring internal information security standards and the information security standards of service providers to the Plans.
- S. Service of Process. The Committee shall accept service of process on behalf of the Plans. The Committee's address for service of process shall be the address of JEA's headquarters.

- T. Required Regulatory Filings and Reports. To the extent the Plans are, or become subject to, required regulatory filings or reports to applicable regulators, the Committee shall oversee the preparation and timely submission of such filings or reports.
- U. Plan Administration Policies. The Committee will oversee the preparation, maintenance, review, adoption, and amendment of all policies relating to Plan administration, as may be required from time to time, including but not limited to:
  - 1. Plan Loan Program. For so long as either Plan includes a plan loan feature, the Committee will periodically review and, as appropriate, amend the applicable loan program policy to conform to the Plan terms and applicable law, including periodically reviewing the program's interest rate for commercial reasonableness.
  - 2. Qualified Domestic Relations Orders. The Committee will periodically review and update, as needed and in consultation with the Plan's legal counsel, the written procedures to: (i) facilitate the timely review of domestic relations orders and determination of whether they constitute qualified domestic relations orders ("QDROs") in accordance with Internal Revenue Code § 414(p) and Plan terms; (ii) provide all required notices, acknowledgements, and relevant information to the appropriate persons; and (iii) administer distributions pursuant to QDROs. The Committee or its delegate will determine whether each domestic relation order submitted to a Plan constitutes a QDRO.
- V. Plan Expenses. The Committee will review Plan expenses and monitor them for reasonableness. In accordance with the Plan documents, the Committee shall exercise of its reasonable discretion to decide whether to approve payment for Plan administration expense. The Committee may determine to pay reasonable Plan administration expenses, in whole or in part, with participant funds or with Plan sponsor funds provided that any Plan administration expenses to be paid with Plan sponsor funds are within the budget of JEA.
- W. Plan Operations and Corrections. The Committee will establish procedures designed to prevent errors and violations of applicable law (including the Internal Revenue Code) from occurring. The Committee will monitor for any errors and violations, including but not limited to tax-qualification errors and fiduciary violations. In the event a tax-qualification error, fiduciary violation, or other violation of applicable law is identified, the Committee will oversee correction of the issue in accordance with applicable legal requirements and available guidance, including for example, the IRS Employee Plans Compliance Resolution System (EPCRS). The Committee will oversee the preparation and filing, in consultation

with legal counsel, of any correction program submission to be made by the Plan Sponsor with respect to the Plans.

- X. Plan Records. The Committee will supervise and oversee the maintenance and preservation of Plan records including but not limited to the following documents that shall be maintained permanently:
1. Plan document and all amendments thereto and restatements thereof, including base plan documents, adoption agreements, schedules, appendices, and exhibits;
  2. Trust agreement and all amendments thereto;
  3. Summary Plan Descriptions and Summaries of Material Modification;
  4. Agreements with service providers (including, e.g., third-party administrator, recordkeeper, custodian, trustee) and amendment thereto;
  5. Fiduciary liability insurance policies and amendments and riders thereto; and
  6. Crime coverage insurance policies and amendments and riders thereto.

Further, the Committee shall oversee the recordkeeper's maintenance of records identifying Plan participants, Plan contributions, participant accounts, earnings on Plan and participant investments, and other relevant Plan data.

#### **IV. Meetings**

- A. Scheduling. The Committee shall meet as often as it determines appropriate to carry out its responsibilities. While it is the goal of the Committee to conduct quarterly meetings, the Committee may meet less frequently or the Chair may call one or more additional ad hoc meetings, as needed. The Committee may establish its own meeting schedule annually. Any Committee member may request the Chair schedule a meeting, and the Chair will determine whether a meeting is necessary or advisable.
- B. Notice. Notice of each meeting shall be given in writing to each member by email, mail, overnight courier or personal delivery in advance of the meeting and shall be publicly posted in accordance with Florida law. The Chair shall see that all members receive equal advance notice of each Committee meeting and are each provided with the agenda and materials relating to the business of the Committee.
- C. Agenda. The Committee chair will be responsible for establishing the agenda for each meeting. Committee members may suggest agenda items by communicating with the Committee Chair.

- D. Attendance. Committee members may attend the meetings in person, by teleconference, or via video conference, provided, however, that a quorum of Committee members must attend each meeting in person. Committee members are expected to regularly attend all scheduled meetings. If a Committee member is unable to attend a scheduled meeting, the Committee member will notify the Chair in advance of the meeting, unless such notice is not reasonably possible.
- E. Conduct of Meetings. Meetings shall be conducted using an orderly process for full and fair deliberation and voting that is satisfactory to the Chair. The Committee may establish other rules and procedures for its actions as it determines to be necessary or appropriate under the circumstances. The Chair shall ensure that each meeting is conducted in a manner that encourages participation and questions by all members and attempts to answers all questions asked and carefully examines the key aspects of each matter before any decision is made.
- F. Other Attendees. The Committee may invite from time to time such persons as it sees fit to attend meetings and to provide professional advice, subject matter expertise or factual knowledge of a matter under consideration.
- G. Committee Action. For the Committee to take any action, requires a majority vote of the members present, on the condition that a quorum – defined as a majority of all Committee members attending in person – is established and either the Committee Chair is present or they have formally delegated the chairing duties in writing to another Committee member in attendance. Each Committee member in attendance at a meeting shall have one vote with respect to any matter before the Committee at the meeting. No person other than Committee members shall have any right to vote on any matter before the Committee. Proxy voting is not permitted. In the event of a tie in the vote on a question, the Chair shall cast the deciding vote.

#### **IV. Minutes**

The Committee will maintain written minutes of its meetings. The minutes will include the date, time and place of the meeting, the Committee members, advisors, and other individuals who attended the meeting. Minutes shall summarize proceedings, presentations by experts, consultants, advisors or other invitees, and shall reflect the matters considered by the Committee and a record of all Committee votes.

#### **V. Liability Protection**

- A. Liability Protection and Indemnification. To the fullest extent permitted by federal and state laws and regulations, JEA, as the Plan sponsor, will indemnify and defend Committee members (including any person who formerly served as a member of the Committee) from claims, demands, actions, investigations, damages, costs and expenses (including reasonable attorneys' fees), and other legal proceedings arising

from their actions and inaction taken as Committee members in connection with the Plans and/or the performance of duties hereunder, provided that such action or inaction is not the result of gross negligence or intentional misconduct.

- B. **Fiduciary Liability Insurance.** JEA, as the sponsor of the Plans, shall arrange for the procurement of fiduciary liability insurance coverage for the Committee and the individual Committee members.

## **VI. General**

- A. **Terms of Plan Override Charter.** In the event of a conflict between the terms of the Plan and this Charter, the applicable provision of each Plan's governing documents shall take precedence. The provisions set forth in this Charter are not intended to alter any applicable legal standards.
- B. **Approval and Amendment of the Charter.** The Charter shall not be effective unless approved by the JEA Board of Directors and may only be amended by action of the Board.
- C. **Charter Review.** The Committee shall review its Charter at least once every three years and make recommendations regarding any amendments the committee determines are appropriate and advisable to the JEA Board of Directors for its approval.
- D. **Effective Date.** This original version of the Charter is effective as of \_\_\_\_\_, 2025. Subsequent amendments to the Charter shall be recorded, along with their respective effective dates and applicable Board resolution numbers, in the chart below.

<b>Version</b>	<b>Effective Date</b>	<b>JEA Board Resolution No.</b>
Original version	_____, 2025	

\* \* \* \* \*

## JEA Board Agenda

**MEMORANDUM****FY2025 External Audit Plan**

Board Meeting Date: August 26, 2025

Outcome:



INFORMATION ONLY



ACTION



FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

N/A

Consent Agenda Item:



Yes



No

Presenter:

John DiSanto, Managing Director, EY,  
Jessica Muirhead, Assurance Managing Director, EY

Chief:

Ted Phillips, Chief Financial Officer

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

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

Formal approval of the annual financial audit plan demonstrates that the Board has reviewed and is in agreement with the plan.

Ernst & Young (E&Y) has prepared the FY2025 annual financial audit plan. The plan outlines the scope of their services, identifies the E&Y team that will perform the audit, and presents key considerations that will affect the FY2025 audit. E&Y has been invited to attend the August 19, 2025, Finance, Governance, and Audit Committee meeting to review and discuss the FY2025 annual financial audit scope and approach.

Financial  
Impact:

N/A

Committee/Board Meeting/Workshop &amp; Date Presented:

Yearly presentation for the Finance, Governance, and Audit Committee

Appendix:

N/A

## Appendix A

# Required communications

JEA 2025 audit plan



## Required communications

Area	Comments
Terms of the audit engagement, including the objective of the audit, the auditor's responsibilities under generally accepted auditing standards and management's responsibilities	Refer to the engagement letter.
Overall audit strategy, timing of the audit, and significant risks identified and any changes thereto	Refer to the executive summary and areas of emphasis for additional information.
Significant issues discussed with management in connection with the auditor's initial appointment or recurring retention	There are no matters to communicate.
Independence matters <sup>1</sup>	We are not aware of any matters that in our professional judgment would impair our independence.
Inquiries regarding: <ul style="list-style-type: none"> <li>• Risks of material misstatement</li> <li>• Fraud and noncompliance with laws and regulations (illegal acts)</li> <li>• Related-party relationships and transactions</li> </ul>	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.

<sup>1</sup> Communicate when event occurs, and consider need for separate communications within the presentation.



# Appendices



## A

### Required Communications

## EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multidisciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

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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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## JEA Board Agenda

**MEMORANDUM****Internal Audit Update**

Board Meeting Date: August 26, 2025

Outcome:



INFORMATION ONLY



ACTION



FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

N/A

Consent Agenda Item:



Yes



No

Presenter:

Lee Montanez, Director Internal Audit and Enterprise Risk

Chief:

Jody Brooks, Chief Administrative Officer

Strategic Focus Area:

DEVELOPING AN  
UNBEATABLE TEAMDELIVERING BUSINESS  
EXCELLENCEEARNING CUSTOMER  
LOYALTY

Background Information &amp; Analysis:

Internal Audit FY2025 update includes the following:

- Reporting on completed audits and engagements
- In-process audits and engagements
- Current open action plans and YTD closed action plans

Financial Impact:

N/A

Committee/Board Meeting/Workshop &amp; Date Presented:

Finance, Governance, and Audit Committee Meeting - February 18, 2025

Appendix:

N/A

## JEA Board Agenda

**MEMORANDUM****Ethics Update**

Board Meeting Date: August 26, 2025

Outcome:



INFORMATION ONLY



ACTION



FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

N/A

Consent Agenda Item:



Yes



No

Presenter:

Walette Stanford, Ethics Officer

Chief:

Jody Brooks, Chief Administrative Officer

Strategic Focus Area:

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

Per Ordinance 2011-197-E, JEA must appoint an Ethics Officer to represent the agency on ethics matters and participate in the citywide Ethics Coordination Council. The Ethics Officer serves as JEA's internal control point for ethics concerns, including improprieties, allegations, complaints, and conflicts of interest.

This update highlights progress in strengthening JEA's ethical culture through training, compliance monitoring, and collaboration. Nearly 2,000 non-management employees completed ethics refresher training, while managers participated in Open Government training with the City's Ethics Office. Common inquiries included conflicts of interest, secondary employment, and conduct issues.

The Ethics Office continues partnering with the Office of General Counsel, Inspector General, Internal Audit, Labor Relations, and the Ethics Commission. Positive employee feedback and strong engagement reflect growing awareness that ethics is everyone's responsibility—and that public service is a public trust.

Financial  
Impact:

N/A

Committee/Board Meeting/Workshop &amp; Date Presented:

N/A

Appendix:

N/A

## JEA Board Agenda

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

Board Meeting Date: August 26, 2025

Outcome:



INFORMATION ONLY



ACTION



FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

Staff requests the Committee propose edits by October 1st, prior to the November 12th Finance, Governance, & Audit Committee.

Consent Agenda Item:



Yes



No

Presenter:

Jody Brooks, Chief Administrative Officer

Chief:

Jody Brooks, Chief Administrative Officer

Strategic Focus Area:



DEVELOPING AN UNBEATABLE TEAM



DELIVERING BUSINESS EXCELLENCE



EARNING CUSTOMER LOYALTY

Background Information &amp; Analysis:

In accordance with Article 21 – JEA Charter, the Board is required to review and update its governance documents annually. The Board approved the current Board By-Laws and Policy Manual at the October 29, 2024, JEA Board meeting. Staff is bringing the governance documents to the Finance, Governance, and Audit Committee (FGAC) and full Board for review. Staff requests the Committee provide edits prior to October 1, 2025 in preparation for the November 12, 2025, FGAC meeting. Staff will seek approval at the November 18, 2025 Board meeting.

Financial Impact:

N/A

Committee/Board Meeting/Workshop &amp; Date Previously Presented:

August 27, 2024 JEA Board Meeting  
October 24, 2024 Finance, Governance and Audit Committee  
October 29, 2024 JEA Board Meeting

Appendix:

October 29, 2024 Board By-Laws and Policy Manual

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



# JEA Board Policy Manual

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

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JEA Board Chair

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JEA Board Secretary

# ***JEA Board Policy Manual***

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

### **POLICY CATEGORY I: BY-LAWS OF JEA**

#### **POLICY 1.0**

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

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#### **ARTICLE I - JEA OFFICES**

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

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

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

**Section 2. Appointment, Number, Term, and Expense Reimbursement.** The membership of the JEA Board shall be constituted in number, qualifications, manner of appointment, and term as provided in the JEA Charter. Members of the JEA Board shall not be entitled to pension or other retirement benefits on account of service on the JEA Board, but members shall be entitled to payment or reimbursement for reasonable expenses incurred (e.g., travel expenses) which as prescribed by the City Council by ordinance.

**Section 3. Applicable Laws.** Members shall be subject to open government and ethics laws, including the provisions of Section 286.012, Florida Statutes, as amended, relating to voting at meetings of JEA, and the provisions of Sections 112.31 through 112.3175, Florida Statutes, as amended, relating to financial disclosure and conflicts of interest. Additionally, members shall be subject to all other relevant and applicable laws and ordinances, including but not limited to, Chapter 286 (Public Business: Miscellaneous Provisions), Florida Statutes, as amended; Chapter 112, Part III (Code of Ethics for Public Officers and Employees), Florida Statutes, as amended; Ch. 119 (Public Records), Florida Statutes, as amended; and Chapter 602 (Jacksonville Code of Ethics), Ordinance Code of the City of Jacksonville, as amended.

**Section 4. Office-Holding; Oath.** JEA Board membership shall be considered an office and limited by the office holding provisions as provided for under the Florida Constitution. No member shall be eligible to serve as a member while holding another office or being an employee of JEA. Members shall be required to take an oath of office consistent with the oath of office taken by other public officials serving on city boards and commissions.

#### **ARTICLE III - OFFICERS**

**Section 1. Election; Term.** The Officers of the JEA Board shall be a Chair, Vice-Chair, and a Secretary who shall be elected by the members and who shall serve as such officers for one year or until a successor is chosen. No Officer may serve more than two (2) consecutive one-year terms, which shall not include any period served as replacement Officer during the unexpired portion of the predecessor's term. Elections of Officers shall be conducted at a Board meeting before April 1, which may be preceded by a meeting of the Executive Committee as provided in Policy 2.1.9 of the JEA Board Policy Manual. The terms of the newly-elected Officers shall commence on April 1.

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

**Section 3. Chair.** The Chair shall preside at all meetings of the JEA Board unless the Chair delegates otherwise. In the event of the Chair's prolonged absence or disability, the Vice-Chair shall exercise all functions of the Chair for a period of up to thirty (30) days. If the Chair's absence or disability has not resolved by the expiration of the thirty-day period, a special election shall be conducted by the JEA Board and a permanent replacement Chair elected for the unexpired portion of the predecessor's term.

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

### **POLICY CATEGORY I: BY-LAWS OF JEA**

#### **POLICY 1.0**

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

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

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

### **ARTICLE IV - BOARD COMMITTEES**

**Section 1. Purpose.** Board committees are to help the Board accomplish its responsibilities and are not assigned to perform staff functions or make final decisions. Committees ordinarily will assist the Board by preparing policy alternatives and implications for Board deliberation. In keeping with the Board's broader focus, Board committees will normally not have direct dealings with current staff operations unless specifically outlined in committee objectives.

#### **Section 2. Ordinary Committees.**

(a) **Standing Committees.** The standing committees of the JEA Board shall be: the Executive Committee; the Finance, Governance, and Audit Committee; the Capital Projects Committee, and the Compensation Committee, as further described in Policy 2.1.9 of the JEA Board Policy Manual. The JEA Board may establish additional standing committees from time to time, which shall be comprised of as many members of the JEA Board as determined by the JEA Board. The Chair shall name one of the committee members as committee chair and one as committee vice-chair. A standing committee shall continue until such time as it is terminated by the JEA Board.

(b) **Special Committees.** The Chair may appoint special committees of the JEA Board from time to time to give particular and exclusive attention to a single subject matter because its technical nature or importance to JEA requires concentrated study. The Chair may specify one or more individuals who are not members of the JEA Board to work with and assist the special committee. The Chair shall name one of the committee members as committee chair and one as committee vice-chair; both positions must be filled by current members of the JEA Board. Unless otherwise specified by the Chair, a special committee shall have a specified period of time within which to study the matter and make its recommendation to the Board and shall dispatch as expeditiously as possible and proper the business assigned to it. Upon earlier of the fulfillment of its function or the expiration of the specified period of time (unless extended by the Chair), the committee shall be terminated with no further formal action required.

**Section 3. Term of Committee Members.** Each member of a committee shall serve until the expiration of his/her term of office as a JEA Board member, until that member's successor on the committee is appointed and has accepted such appointment, until the committee is terminated or dissolved, or, in the case of a special committee, has expired or fulfilled its function.

**Section 4. Powers of the Committee and the Committee Chair.** The committee chair, or vice-chair in the absence of the chair, shall have the power and authority to call meetings of the committee upon reasonable verbal or written notice to the members, and to set the date, time and place of such meetings. This function may also be performed by a majority of the remaining members of the committee upon inaction by the chair. A committee secretary may be designated by the committee chair. A committee may submit reports to the Chair and members of the JEA Board in writing as determined by the committee chair. Committee reports shall contain both majority and minority reports of committee members. A committee may by motion recommend to the JEA Board that action be taken on matters under consideration by the committee. Matters under consideration by the committee may include resolutions or other proposed actions presented to the committee by the JEA Managing Director.

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

### **POLICY CATEGORY I: BY-LAWS OF JEA**

#### **POLICY 1.0**

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

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**Section 6. Committee Vacancies.** The Chair of the JEA Board shall fill vacancies in the membership of any committee. Should the Chair of the JEA Board fail to fill a vacancy within a reasonable length of time after such a vacancy occurs, then such vacancy may be filled by a majority of the members of the JEA Board acting in any regular or special meeting.

**Section 7. Conduct of Committee Business.** A majority of the entire membership of the committee shall constitute a quorum, and the quorum shall be physically present, unless otherwise provided by law. An act of the majority of the committee present at any meeting shall constitute the act of the committee. Any JEA Board member may attend any committee meeting and offer comments and observations, but only committee members may participate in committee debate on the matter, make motions, and vote. Except as provided otherwise herein, Roberts Rules of Order shall govern the conduct of committee business, unless the majority of the committee present at such meeting shall elect to utilize other rules or procedures consistent with applicable law and these By-Laws. Committees shall be subject to the requirements of Chapters 119 and 286, Florida Statutes. Reasonable notice shall be given prior to all committee meetings, and all committee meetings shall be open to the public. Opportunity for public comment shall be given prior to any action taken by a committee in accordance with the rules for public comment provided in Article V, below.

### **ARTICLE V - CONDUCT OF BOARD BUSINESS**

**Section 1. Regular Meetings.** Generally, the JEA Board shall meet once a month, but in no event less than eight (8) times a year. Regular meetings shall be held at the principal offices of JEA in the City of Jacksonville, or at such other public place within the City of Jacksonville as may be determined by the Chair, and at such times as the Chair or a majority of the members may designate. More frequent regular meetings may be held at the pleasure of a majority of the members.

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

**Section 3. Notice of Special Meetings and Purpose.** Notice of each special meeting of the members shall be given by the Chair or by the three (3) members who may have called such special meeting. Such notice shall be in writing and shall be provided to every member not less than seven (7) days before the meeting and shall state the purpose, time and place of the special meeting. Attendance by a member at a special meeting shall constitute waiver of notice. A member may, however, appear at a meeting for the sole purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called without losing the right to object to improper notice. No business shall be transacted at any special meeting other than the purpose specified in the notice unless a majority of the members in attendance at such special meeting agree to transact other business.

**Section 4. Teleconference or Videoconference Meetings.** The Chair may allow individual Board member(s) to attend a regular or special meeting by teleconference or videoconference, provided that a quorum of members is physically present, unless otherwise provided by law. Except in the event of extenuating circumstances, requests to attend by teleconference or videoconference must be submitted to the Chair no less than seven (7) days prior to a regular meeting and no less than twelve (12) hours before any special meeting. Whenever any Board member attends a meeting by teleconference or videoconference, the Chair shall conduct the meeting in a manner so as to allow, to the fullest extent possible, simultaneous communication, including, at a minimum, that all JEA Board members attending the meeting and all other participants in the meeting may hear and be heard by each other. A Board member or other person wishing to speak must first identify himself/herself to the Chair and request recognition from

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

### **POLICY CATEGORY I: BY-LAWS OF JEA**

#### **POLICY 1.0**

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

the Chair before speaking. Visual presentations shall be described in detail for any Board member attending by teleconference who is unable to view the presentation. In the case of any vote, the Chair shall call for a roll-call vote. It is the Board's policy that, where possible, all members be physically present at all Board meetings and that attendance by teleconference or videoconference be limited to emergencies or other unanticipated and unavoidable conflicts.

**Section 5. Quorum and Votes Required for Action.** A majority of the Board members shall constitute a quorum for the purpose of meeting and transacting business, and, unless otherwise provided by law, such quorum shall be physically present. A majority vote of the members present at the meeting shall be required to accomplish an act of business. Pursuant to Chapter 286, Florida Statutes, no member who is present at any Board meeting may abstain from voting except when there is, or appears to be, a possible financial conflict of interest under Sections 112.311, 112.313, or 112.3143, Florida Statutes, as amended. In such case, the abstaining Board member shall comply with the participation limitations and disclosure requirements of Chapter 112, Florida Statutes. Members must be present and cast their own vote. Voting by proxy is not permitted. The Chair shall announce the results of every vote. After the announcement of the results of a vote, no vote may be changed or taken on the question unless a motion for reconsideration is approved.

**Section 6. Vacancies.** Any vacancy occurring in the office of a member of the JEA Board shall be filled for the unexpired term in the manner provided in the JEA Charter.

**Section 7. Rules and Procedures.** Except as provided otherwise in these By-Laws or in Policy 2.1.5 of the JEA Board Policy Manual, Robert's Rules of Order shall govern the conduct of the JEA Board business, unless the majority of members shall elect to utilize other rules or procedures consistent with applicable law and these By-Laws.

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

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

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

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

### **POLICY CATEGORY I: BY-LAWS OF JEA**

#### **POLICY 1.0**

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

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

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

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

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

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

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

- (a) JEA's attorney shall advise the Board at a public meeting that he or she desires advice concerning the litigation.

- (b) The subject matter of the meeting shall be confined to settlement negotiations or strategy sessions related to litigation expenditures.

- (c) The entire session shall be recorded by a certified court reporter. The reporter shall record the times of commencement and termination of the session, all discussion and proceedings, the names of all persons present at any time, and the names of all persons speaking. No portion of the session shall be off the record. The court reporter's notes shall be fully transcribed and filed with the entity's clerk within a reasonable time after the meeting.

- (d) The entity shall give reasonable public notice of the time and date of the attorney-client session and the names of persons who will be attending the session. The session shall commence at an open meeting at which the persons chairing the meeting shall announce the commencement and estimated length of the attorney-client session and the names of the persons attending. At the conclusion of the attorney-client session, the meeting shall be reopened, and the person chairing the meeting shall announce the termination of the session.

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

### **POLICY CATEGORY I: BY-LAWS OF JEA**

#### **POLICY 1.0**

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

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

### **ARTICLE VI - EFFECT OF BY-LAWS**

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

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

**Section 3. Amendments.** These By-Laws may be amended, repealed or altered, in whole or in part, by the affirmative votes of four (4) members at any regular or special meeting, provided such subject has been included as an agenda item in the published agenda.

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

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JEA Board Chair

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JEA Board Secretary

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

### **POLICY CATEGORY II: GOVERNANCE PROCESS**

#### **POLICY 2.0**

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

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- 2.1 **Mission:** The JEA Board will exercise ownership, management and operation of utilities systems within the City of Jacksonville and surrounding JEA service areas for the benefit of the City of Jacksonville and rate payers.
- 2.2 **Vision:** Make JEA the best in class for public utilities in the United States.
- 2.3 **Values:**
- Leadership – Make the tough calls.
  - Selfless Service – Do what is right for the community.
  - Competency – Have a strategic understanding of the public utilities industry.
  - Integrity – Adhere to a strict moral and ethical code and total transparency.
- 2.4 **Goals & Objectives**
- Be proactive in issuing important guidance and making timely decisions.
    - Objective: Maintain a planning horizon that is forward looking and anticipate key decisions to be made.
  - Act in the best interest of the JEA workforce, JEA service area, rate payers and the citizens of Jacksonville.
    - Objective: Utilize the expertise of board members to enhance the ability of the board to act as a collective body.
  - Exercise due diligence so well-informed decisions are made.
    - Objective: Use sound business judgement consistent with the JEA Charter.
  - Secure the trust and confidence of the Jacksonville community, JEA service area and rate payers.
    - Objective: Strict adherence to the Sunshine and Open Records Laws, JEA Charter, Florida & Jacksonville City Ethics Codes and JEA Code of Conduct.

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

### **POLICY CATEGORY II: GOVERNANCE PROCESS**

#### **POLICY 2.1**

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

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

- 2.1.1 **Governing Style:** The Board will govern in accordance with legal requirements, with an emphasis on (a) outward vision rather than internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of Board and chief executive roles, (e) collective rather than individual decisions, (f) future more so than past or present, and (g) proactivity rather than reactivity.
- 2.1.2 **Board Job Description:** Specific responsibilities of the Board are those that ensure appropriate organizational performance.
- 2.1.3 **Agenda Planning:** To accomplish its responsibilities with a governance style consistent with Board policies, the Board may establish an annual agenda to (a) review the MOEs (measures of effectiveness) and (b) continually improve Board performance through education and deliberation.
- 2.1.4 **Board Officers:** Board officers assure the integrity of the Board's process and records. Board officers are: Chair, Vice-Chair and Secretary.
- 2.1.5 **Rules of Order:** Board meetings will be conducted in an orderly and fair process consistent with the requirements of Florida law, Ordinances of the City of Jacksonville, the JEA Charter, By-Laws and these governance policies. Meetings will be led by the Chair, or, in the absence of the Chair, the Vice-Chair, or, in the absence of both, by the immediate past Chair.
- 2.1.6 **Board Member's Code of Conduct:** The Board commits itself to lawful, ethical and businesslike conduct, following all requirements of Florida Law, Ordinances of the City of Jacksonville, and the JEA Charter including proper use of its authority and appropriate decorum when acting as Board members.
- 2.1.7 **Board Member's Individual Responsibility:** The leadership success of the Board is a direct result of the individual and collegial participation of its members. Board members will commit to preparation for all JEA related meetings and activities.
- 2.1.8 **Board Committee Principles:** Board committees, when used, will be assigned so as to assist the Board and not to interfere with delegation from the Board to the CEO.
- 2.1.9 **Board Committee Structure:** A committee is a Board committee only if its existence and charge come from the Board, regardless of whether Board members sit on the committee. The only standing Board committees are those which are set forth in in this policy. With the exception of the standing committees, and unless otherwise stated, a committee ceases to exist as soon as its task is complete. The CEO will attend meetings of each committee and may participate in discussion and make recommendations to the Board, but shall not be a voting member.
- 2.1.10 **Improvement in Governance:** The Board will invest in continuous improvement in its governance capacity.
- 2.1.11 **Legal Representation:** The City Office of General Counsel (OGC) serves as the legal representative and advisor for the Board, CEO and JEA staff.

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

### **POLICY CATEGORY II: GOVERNANCE PROCESS**

#### **POLICY 2.1.1**

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

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

Accordingly,

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

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

### **POLICY CATEGORY II: GOVERNANCE PROCESS**

#### **POLICY 2.1.2**

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

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

Accordingly,

- 2.1.2.1 The Board is the governing body of JEA and the authoritative link between JEA and its service area stakeholders and rate payers.
- 2.1.2.2 The Board will provide governing policies that realistically address the broadest levels of all organizational decisions and situations:
  - a. Governance Process: Specification of how the Board develops, carries out, and monitors its own responsibilities
  - b. Board-Management Delegation: Specification of how power is delegated and its proper use monitored; clarity on the CEO's role, authority, and accountability.
  - c. Executive Mandates: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
  - d. Measures of Effectiveness: The organizational outcomes to its recipients including the relative worth of such outcomes in cost or priority.
- 2.1.2.3 The CEO annual evaluation will be done formally in person with the CEO and full Board, utilizing the CEO evaluation criteria in Appendix A1 (Executive Core Competencies)
- 2.1.2.4 The Board will evaluate its own performance annually as per Appendix A2 (JEA Board Evaluation Criteria).
- 2.1.2.5 Board members will respect their fiduciary responsibilities to own, manage and operate the utilities systems of JEA for the benefit of the JEA service area and rate payers with due diligence using sound business judgment consistent with the JEA Charter.

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

### **POLICY CATEGORY II: GOVERNANCE PROCESS**

#### **POLICY 2.1.3**

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

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

Accordingly,

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

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

### **POLICY CATEGORY II: GOVERNANCE PROCESS**

#### **POLICY 2.1.4**

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

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

Accordingly,

2.1.4.1 The Chair, as the presiding officer of the Board, ensures the integrity of the Board's processes and the proper execution of this JEA Board Policy Manual, and the orders and resolutions of the Board.

- a. The Chair's role is to see that the Board behaves consistently within its own rules and policies and such other rules and regulations as may apply.
  - (1) Meeting discussion content will consist of issues that clearly belong to the Board to decide or to monitor according to Board policy.
  - (2) Deliberation will be fair, open, and thorough but also timely, orderly, and kept to the point.
- b. The authority of the Chair consists in making decisions that fall within topics covered by Board policies on Governance Process and Board-Management Delegation, with the exception of (a) employment or termination of the CEO and (b) areas where the Board specifically delegates portions of this authority to others. The Chairman is authorized to use any reasonable interpretation of provisions in these policies.
  - (1) The Chair is empowered to chair Board meetings with all the commonly accepted powers of that position, such as ruling and recognizing.
  - (2) The Chair may delegate this authority but remains accountable for its use.
  - (3) The Chair may appoint members and a Chair for each Board Committee, unless otherwise stipulated by Board policies.

2.1.4.2 The Vice-Chair, or in the absence of the Vice-Chair, the immediate Past Chair, will serve as Chair in the absence of the current Chair.

2.1.4.3 The Board Secretary shall exercise oversight of the procedures used by JEA Staff to accurately produce and publish minutes of all Board and Committee meetings. Minutes from Board and Committee meetings will be posted in a conspicuous manner on the official JEA website within a reasonable period of times after the meeting concludes (which entails board/committee actioning approval of the minutes before posting), generally within seventy-two (72) hours after each meeting. Along with the Chair, the Secretary shall execute all instruments in writing necessary to be signed by JEA unless other designated by the JEA Board in accordance with the JEA Charter. The Secretary shall perform such other duties as from time to time may be assigned by the Board. The Vice-Chair will serve as Secretary in the absence of the current Secretary.

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

### **POLICY CATEGORY II: GOVERNANCE PROCESS**

#### **POLICY 2.1.5**

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

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

Accordingly,

2.1.5.1 Board meetings will be conducted with punctuality and order and in accordance with the By-Laws of JEA.

- a. Board meetings shall be called to order at the time specified in the notice of meeting and upon satisfaction of a quorum.
- b. Meeting order and decorum shall be maintained and all members treated with dignity, respect, courtesy, and fairness during discussion and debate and in all other respects.
- c. Board members must keep their comments relevant to the issue under consideration.

2.1.5.2 Board meetings will be conducted at a level of informality considered appropriate by the Chair, yet with predictable discipline.

- a. Discussion of a matter not on the previously distributed agenda may occur only after Board consent that the matter be heard.
- b. Proposals that the Board take action, or decide a particular matter, shall (unless otherwise agreed to by unanimous consent) be made by main motion of a Board member, discussed, and then voted on. Motions require a second to proceed to discussion and subsequent vote.
- c. The Chair may not make motions, but can engage in debate and is required to vote.
- d. A motion to amend a main motion may be amended but third level amendments (amendments to amendments) are not to be heard.
- e. A motion to refer to a committee, postpone, or table, may be made with respect to a pending main motion, shall take precedence over the pending motion and, if carried, shall set the main motion (the initial proposal) aside accordingly.
- f. Board members may speak to a pending motion on as many occasions, and at such length, as the Chair may reasonably allow.
- g. A vote on a motion shall be taken when discussion ends, but any Board member may, during the course of debate, move for an immediate vote (close debate or call the question) which, if carried, shall end discussion and the vote on the main motion shall then be taken. Votes may be made by voice vote or by roll call. All members of the Board are required to vote unless a conflict of interest is declared.
- h. A motion to adjourn a Board meeting may be offered by any Board member or, on the conclusion of all business, adjournment of the meeting may be declared by the Chair.

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

### **POLICY CATEGORY II: GOVERNANCE PROCESS**

#### **POLICY 2.1.5**

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

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- 2.1.5.3 When further rules of order are to be developed by the Board, the Board will consider the Standard Code of Parliamentary Procedure (Robert's Rules of Order) as a resource guide. The representative from the Office of General Counsel in attendance may serve the Board as a resource on Parliamentary Procedure.

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

### **POLICY CATEGORY II: GOVERNANCE PROCESS**

#### **POLICY 2.1.6**

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

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

Accordingly,

- 2.1.6.1 Members are expected to represent the best interests of JEA. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. It also supersedes the personal interest of any Board member acting as a consumer of JEA's services.
- 2.1.6.2 Members must avoid self-dealing and conflicts of interest with respect to their fiduciary responsibility. They shall comply with Chapter 112, Part III (Code of Ethics for Public Officers and Employees, Florida Statutes, and Chapter 602 (Jacksonville Code of Ethics), Ordinance Code of the City of Jacksonville.
- 2.1.6.3 Members may not attempt to exercise individual authority over JEA or JEA staff except as expressly set forth in Board policies.
  - a. Members' interaction with the CEO or with JEA staff must recognize the lack of authority vested in individual members except when expressly authorized by the Board. Accordingly, while interaction and communication with the CEO and JEA staff is permitted, an individual Board member shall not give orders or instructions, publicly or privately, to the CEO or to JEA staff.
  - b. Members' interaction with the public, the press, or other entities must recognize the same limitation and the inability of any Board member to speak for JEA or for the Board as a whole, except to repeat expressly stated Board decisions.
  - c. Except for participation in Board deliberation about whether the CEO has achieved any reasonable interpretation of Board policy, members will not express individual judgments of negative performance of JEA employees or the CEO.
- 2.1.6.4 Members are expected to support the legitimacy and authority of the final determination of the Board on any matter, without regard to the member's personal position on the issue.
- 2.1.6.5 Members who have any question about the appropriateness of their conduct should consult with the Office of General counsel or appropriate Ethics offices for information.

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

### **POLICY CATEGORY II: GOVERNANCE PROCESS**

#### **POLICY 2.1.7**

#### **POLICY TITLE: BOARD MEMBER'S INDIVIDUAL RESPONSIBILITIES**

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

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

2.1.7.1 Time Investment to Accomplish Board Responsibilities – As Board contemplation, deliberation and decision-making are processes which require collaboration and participation, attendance at Board meetings is expected of Board members.

a. Expected Commitments:

- (1) Regular and Special Board Meetings (Board members are expected to attend every Board meeting and in no event fewer than seventy percent (70%) of the regular Board meetings per year in person.)
- (2) Annual Team Building (to include professional education)
- (3) Annual CEO evaluation and Board Evaluation
- (4) Bond Rating Agency Presentation (Board Chair is expected to attend)

b. Optional Involvement:

- (1) Internal educational meetings with staff upon request
- (2) Industry-related seminars and conferences
- (3) Visit other utilities and related industries

2.1.7.2 Preparation and Participation - Board members will prepare for Board and committee meetings and will participate productively in discussions, always within the boundaries of decorum established by the Board. Each member will contribute his or her own knowledge, skills and expertise to the Board's efforts to fulfill its responsibilities.

2.1.7.3 Members as Individuals – The CEO is accountable only to the Board as a whole, and not to individual Board members. Accordingly, the relationship between the CEO and individual members of the Board, including the Chair, is collegial, not hierarchical.

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

### **POLICY CATEGORY II: GOVERNANCE PROCESS**

#### **POLICY 2.1.8**

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

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

Accordingly,

- 2.1.8.1 Board committees are to help the Board accomplish its responsibilities and are not assigned to perform staff functions. Committees ordinarily will assist the Board by preparing policy alternatives and implications for Board deliberation. In keeping with the Board's broader focus, Board committees will normally not have direct dealings with current staff operations unless specifically outlined in committee objectives.
- 2.1.8.2 Board committees are advisory and may not speak or act for the Board, except when formally given such authority by the Board for specific purposes. Expectations and authority of a committee will be carefully and expressly stated at the time of its establishment in order to prevent conflict with authority delegated to the CEO or to another committee.
- 2.1.8.3 Board committees cannot provide direction to or exercise authority over JEA staff. The CEO works for the full Board and, therefore, will not be required to obtain the approval of a Board committee before taking an executive action.
- 2.1.8.4 Committees will be formed for a specific purpose only and may perform fact finding and/or recommendation functions for the Board. Each committee's purpose and function will be documented in a written charge. All committees are accountable to the Board as a whole.
- 2.1.8.5 This policy applies to any group formed by Board action, whether or not it is called a committee and regardless of whether the group includes Board members. It does not apply to groups formed under the authority of the CEO.

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

### **POLICY CATEGORY II: GOVERNANCE PROCESS**

#### **POLICY 2.1.9**

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

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

Accordingly,

2.1.9.1 Executive Committee: The purpose of the Executive Committee is to recommend Board officers for election by the Board as a whole.

- a. The Committee will be comprised of four (4) members. The current Board Chair (who shall serve as Chair of the committee), the current Vice Chair, the current Secretary, and the most immediate past Board Chair still remaining on the Board will constitute the Committee. If the most immediate past Chair is no longer serving on the Board, the current Board Chair shall select another Board member to fill out a committee of four.
- b. The Committee shall be formed no later than January of each year and will make its recommendation to the Board for action no later than a Board meeting before April 1.

2.1.9.2 Finance, Governance, and Audit Committee: The purposes of the Finance, Governance, and Audit Committee are to assist the Board in (a) fulfilling its oversight responsibilities by reviewing financial information, systems of internal controls, and audit process, including a high level review of the operating and capital budgets, and (b) updating the JEA Board documents, primarily this JEA Board Policy Manual, including the JEA By-Laws. The Committee will provide an open avenue of communication between the Board, Management, Audit Services, and external auditors.

- a. The Committee will be comprised of three (3) members appointed annually by the Chair and confirmed by the Board. Two (2) members will constitute a quorum. The Board Chair shall appoint one of the Committee members as Chairperson of the Committee.
- b. The Committee will meet at least four (4) times per year. A schedule of regular meetings will be established by the Committee annually. Special meetings may be called by any Committee member. Meeting dates, times and location will be announced to the entire Board.
- c. The Committee shall oversee:
  - (1) Internal controls and risk assessment;
  - (2) Audit Services;
  - (3) Compliance with laws, regulations and code of conduct, including but not limited to the JEA Charter;
  - (4) Financial reporting; and
  - (5) The External Auditor.

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

### **POLICY CATEGORY II: GOVERNANCE PROCESS**

#### **POLICY 2.1.9**

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

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

- a. The Committee will be comprised of at least three (3) members appointed annually by the Chair and confirmed by the Board. The Board Chair shall appoint one of the Committee members as Chairperson.
- b. The Committee will meet at least four (4) times per year. Special meetings may be called by any Committee member. Meeting dates, times and location will be announced to the entire Board.

2.1.9.4 Compensation Committee: The purpose of the Compensation Committee is to assist the Board in the review of any appointments or salary changes of the CEO and the Senior Leadership Team, which is comprised of the Chief Officers of JEA.

- a. The Committee will be comprised of three (3) members. The current Board Chair (who shall serve as Chair of the committee), the Board Vice-Chair, and the most recent past Board Chair still remaining on the Board will constitute the Committee. If the most recent past Board Chair is no longer serving on the Board, the Board Secretary shall be a member.
- b. The Committee will meet at least once per year. Special meetings may be called by any Committee member. Meeting dates, times and location will be announced to the entire Board.

2.1.9.5 Other standing committees may be established as designated by the Board.

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

### **POLICY CATEGORY II: GOVERNANCE PROCESS**

#### **POLICY 2.1.10**

#### **POLICY TITLE: *IMPROVEMENT IN GOVERNANCE***

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

2.1.10.1 The Board will use appropriate methods to improve its governing skills.

- a. Training and retraining will be used liberally to orient new members as well as to maintain and increase existing members' skills and understandings.
- b. Outside monitoring assistance can be arranged so that the Board can exercise confident control over organizational performance. This includes but is not limited to a financial audit or consultant firm.
- c. Outreach mechanisms can be used as needed to ensure the Board's ability to listen to stakeholder viewpoints and values.
- d. Knowledgeable industry experts can be made available to the Board in various ways to continuously improve the Board's awareness of emerging utility industry issues.

2.1.10.2 Costs for appropriate Board governance will be included during annual budget preparations. Any expenditure required will be in accordance with JEA procurement policies. Items may include but not be limited to the following as annually decided by the Board:

- a. Training
- b. Attendance at conferences, industry site visits and Rating Agency presentations
- c. Audit and other third-party monitoring of organizational performance
- d. Surveys, focus groups, opinion analysis, and meeting costs

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

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

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

### **POLICY CATEGORY II: GOVERNANCE PROCESS**

#### **POLICY 2.1.11**

#### **POLICY TITLE: *LEGAL REPRESENTATION***

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

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

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

### **POLICY CATEGORY III: BOARD-MANAGEMENT DELEGATION**

#### **POLICY 3.0**

#### **POLICY TITLE: *GLOBAL BOARD-MANAGEMENT DELEGATION***

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

Accordingly,

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

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

### **POLICY CATEGORY III: BOARD-MANAGEMENT DELEGATION**

#### **POLICY 3.0.1**

#### **POLICY TITLE: *UNITY OF CONTROL***

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

Accordingly,

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

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

### **POLICY CATEGORY III: BOARD-MANAGEMENT DELEGATION**

#### **POLICY 3.0.2**

#### **POLICY TITLE: ACCOUNTABILITY OF CEO**

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

Accordingly,

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

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

### **POLICY CATEGORY III: BOARD-MANAGEMENT DELEGATION**

#### **POLICY 3.0.3**

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

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

Accordingly,

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

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

### **POLICY CATEGORY III: BOARD MANAGEMENT DELEGATION**

#### **POLICY 3.0.4**

#### **POLICY TITLE: CEO AND SENIOR LEADERSHIP REMUNERATION**

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

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

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

### **POLICY CATEGORY III: BOARD MANAGEMENT DELEGATION**

#### **POLICY 3.0.4**

#### **POLICY TITLE: *CEO AND SENIOR LEADERSHIP REMUNERATION***

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

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

### **POLICY CATEGORY III: BOARD-MANAGEMENT DELEGATION**

#### **POLICY 3.0.5**

#### **POLICY TITLE: *MONITORING CEO PERFORMANCE***

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

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

### **POLICY CATEGORY IV: EXECUTIVE MANDATES**

#### **POLICY 4.0**

#### **POLICY TITLE: *GENERAL EXECUTIVE OVERSIGHT AND ASSURANCES***

---

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

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

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

### **POLICY CATEGORY IV: EXECUTIVE MANDATES**

#### **POLICY 4.0.1**

#### **POLICY TITLE: *TREATMENT OF CONSUMERS***

---

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

Accordingly, the CEO will:

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

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

### **POLICY CATEGORY IV: EXECUTIVE MANDATES**

#### **POLICY 4.0.2**

#### **POLICY TITLE: *TREATMENT OF STAFF***

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

Accordingly, the CEO will:

4.0.2.1 Operate with written personnel rules and regulations that:

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

4.0.2.1 Operate with written job descriptions and performance requirements and reviews that

- a. characterize the nature of work to be performed
- b. identify technical, behavioral and physical skills required
- c. identify clear standards of responsibilities, accountability and associated authorities.

4.0.2.3 Provide a safe work environment.

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

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

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

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

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

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

### **POLICY CATEGORY IV: EXECUTIVE MANDATES**

#### **POLICY 4.0.3**

#### **POLICY TITLE: *FINANCIAL PLANNING/BUDGETING***

---

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

Accordingly, the CEO will:

- 4.0.3.1 Prevent the risk of incurring those situations or conditions described as unacceptable in Policy 4.0.4, "Financial Condition and Activities."
- 4.0.3.2 Include credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning and budgeting assumptions.
- 4.0.3.3 Identify the source for capital expenditures (e.g. internally generated cash, new debt, carry over funds from previous fiscal year).
- 4.0.3.4 Adhere to approved tariff rates and fees.
- 4.0.3.5 Set and follow an annual budgeting process that results in a final budget submittal to City Council by July 1 proceeding the budgeted fiscal year.
- 4.0.3.6 Not provide less for Board prerogatives during the year than is set forth in Policy 2.1.10, "Improvement in Governance".
- 4.0.3.7 Provide to the Board a justification of any capital project likely to exceed \$50,000,000 in total cost or expense.

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

### **POLICY CATEGORY IV: EXECUTIVE MANDATES**

#### **POLICY 4.0.4**

#### **POLICY TITLE: *FINANCIAL CONDITION AND ACTIVITIES***

---

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

Accordingly, the CEO will:

- 4.0.4.1 Operate within the budget established for the fiscal year.
- 4.0.4.2 Not make budget transfers in excess of \$5,000,000 without Board approval.
- 4.0.4.3 Inform the Board in monitoring reports when reserves are required to meet current expenditures.
- 4.0.4.4 Maintain financial and accounting separation between electric, water and wastewater, and District Energy funds as required by regulatory agencies and bond covenants.
- 4.0.4.5 Operate within established financial parameters and will engage the Board when established parameters are considered inadequate to affect a desired bond rating.
  - Current financial parameters:
    - a. Debt Service Coverage
    - b. Fixed Charge coverage
    - c. Cash on Hand
    - d. Working Capital
    - e. Line of Credit
    - f. Fuel Rate Reserve
- 4.0.4.6 Not operate in violation of JEA's Debt Management Policies.
- 4.0.4.7 Settle payroll and debts in a timely manner.
- 4.0.4.8 Ensure tax payments or other government-ordered payments or filings are not overdue or inaccurately filed.
- 4.0.4.9 Establish reasonable security measures to protect against loss of receivables.
- 4.0.4.10 Aggressively pursue receivables after a reasonable grace period.

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

### **POLICY CATEGORY IV: EXECUTIVE MANDATES**

#### **POLICY 4.0.5**

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

---

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

Accordingly, the CEO will:

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

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

### **POLICY CATEGORY IV: EXECUTIVE MANDATES**

#### **POLICY 4.0.6**

#### **POLICY TITLE: *ASSET PROTECTION***

---

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

Accordingly, the CEO will:

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

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

### **POLICY CATEGORY IV: EXECUTIVE MANDATES**

#### **POLICY 4.0.7**

#### **POLICY TITLE: *COMPENSATION AND BENEFITS***

---

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

Accordingly, the CEO will:

- 4.0.7.1 Not change the CEO's own compensation and benefits or the compensation of the Senior Leadership without the approval of the Board, with the advice and recommendation of the Compensation Committee.
- 4.0.7.2 Not promise or imply unconditional permanent or guaranteed employment. JEA may not have an employment contract with any employee, other than the CEO.
- 4.0.7.3 Promote a compensation philosophy that is complementary to JEA's compensation philosophy of providing a total rewards package that encompasses salary/wages, retirement benefits, incentives, and health and welfare benefits. Salary/wages will meet the market (50% percentile), which is where the majority of companies in the geographic area reside. The 50th percentile pays competitively for behavior that meets expectations. Additional consideration will be given to behaviors that exceed expectations which are typically rewarded at the 75th percentile. Internal equity will be achieved by evaluating differences in skill, effort, responsibility, and working conditions among jobs.

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

### **POLICY CATEGORY IV: EXECUTIVE MANDATES**

#### **POLICY 4.0.8**

#### **POLICY TITLE: *COMMUNICATION AND SUPPORT TO BOARD***

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

Accordingly, the CEO will ensure:

- 4.0.8.1 Submission of monitoring data required by the Board in Policy 3.0.5, "Monitoring CEO Performance," in a timely, accurate, and understandable fashion, directly addressing provisions of Board policies being monitored, and including CEO interpretations consistent with Policy 3.0.3, "Delegation to the CEO," as well as relevant data.
- 4.0.8.2 The Board is aware of any actual or anticipated noncompliance with any MOEs or Executive Mandates policy of the Board regardless of the Board's monitoring schedule.
- 4.0.8.3 The Board receives decision information required periodically by the Board, and the Board is kept aware of relevant trends, including a report at each regular Board meeting relating any major issues or major financial transactions or losses and is otherwise aware of any significant incidental information it requires, including anticipated media coverage, threatened or pending lawsuits, and material internal and external changes.
- 4.0.8.4 The Board members are timely advised of major actions, including but not limited to any appointment, separation, or other change to the Senior Leadership Team; any variance of ten percent (10%) or more in total budgeted expenses or employee headcount; loans; bonds; reorganizations; strikes; or outages.
- 4.0.8.5 The Board is aware that, in the CEO's opinion, the Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the CEO (refer to Policy 3.0).
- 4.0.8.6 Information is not in an unnecessarily complex or lengthy form, or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.
- 4.0.8.7 The Board is provided a workable mechanism for official Board, officer, or committee communications.
- 4.0.8.8 Dealings with the Board do not favor or privilege certain Board members over others, except when (a) fulfilling individual requests for information; or (b) responding to officers or committees duly charged by the Board.
- 4.0.8.9 Submission to the Board of a consent agenda containing items delegated to the CEO yet required by law, regulation, or contract to be Board-approved, along with applicable monitoring information.
- 4.0.8.10 Providing a process to retain relevant background information on previous Board policy decisions.

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

### **POLICY CATEGORY IV: EXECUTIVE MANDATES**

#### **POLICY 4.0.9**

#### **POLICY TITLE: *REGULATORY/LEGISLATIVE REQUIREMENTS***

---

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

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

### **POLICY CATEGORY IV: EXECUTIVE MANDATES**

#### **POLICY 4.0.10**

#### **POLICY TITLE: *ENTERPRISE RISK MANAGEMENT***

---

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

Accordingly, the CEO will:

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

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

### **POLICY CATEGORY IV: EXECUTIVE MANDATES**

#### **POLICY 4.0.11**

#### **POLICY TITLE: *PROCUREMENT ACTIVITIES***

---

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

Accordingly, the CEO will:

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

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

### **POLICY CATEGORY V: MEASURES OF EFFECTIVENESS (MOEs)**

#### **POLICY 5.0**

#### **POLICY TITLE: *MOEs***

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

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

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

### **POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)**

#### **POLICY 5.0.1**

#### **POLICY TITLE: *QUALITY OF ELECTRIC SERVICE***

---

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

Accordingly,

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

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

### **POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)**

#### **POLICY 5.0.2**

#### **POLICY TITLE: *QUALITY OF WATER SERVICE***

---

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

Accordingly,

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

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

### **POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)**

#### **POLICY 5.0.3**

#### **POLICY TITLE: *QUALITY OF SEWER SERVICE***

---

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

Accordingly,

5.0.3.1 Minimize the frequency of sewer back-ups and overflows and report status by:

- a. the number of Sanitary Sewer Overflows (SSO's) per 100 miles of existing sewer pipe.
- b. the total number of sewer system cave-ins.

5.0.3.2 Limit the total amount of nutrients discharged into the St. John's River from all wastewater treatment facilities.

- a. Reduce the total nutrient discharge into the St. John's River to meet JEA's Florida Department of Environmental Protection (FDEP) Total Maximum Daily Load (TMDL) allocation.
- b. Increase the production and distribution of reclaimed water.

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

### **POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)**

#### **POLICY 5.0.4**

#### **POLICY TITLE: *COST OF SERVICE***

---

*Provide all utility services at a reasonable and accurate cost.*

Accordingly,

5.0.4.1 All utility services are to be reasonably priced.

- a. Pricing for all utility services is to be frequently benchmarked against other state and regional utilities to demonstrate competitiveness.
- b. Pricing for each utility service for all classes of consumers is to be based on the cost to serve each consumer class. Cost of service studies are to be conducted in no more than five year intervals.

5.0.4.2 Minimize the number of consumer bills that are inaccurate, are estimated due to the lack of a current meter reading, or are untimely. The expectation is 99.9% accurate and timely.

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

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

### **POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)**

#### **POLICY 5.0.5**

#### **POLICY TITLE: ENVIRONMENTALLY SOUND**

---

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

Accordingly,

5.0.5.1 The CEO is expected to comply with all existing environmental regulations that apply.

4.5.2 Conservation: Pursue all options to communicate and incentivize customer conservation and efficiency while avoiding excessive customer cost.

- a. Electric System: Maintain the electric conservation fund by collecting an additional one cent per kwh for every kwh over 2750 on monthly residential consumption and by allocating 50 cents per mwh of base rate revenues (a total of approximately 0.5% of electric gross revenues.) The funds are to be spent for customer conservation initiatives and incentives only.

5.0.5.3 Renewable Energy Supply: Explore all options for renewable electric energy supply while avoiding excessive customer cost since a state or federal Renewable Electricity Standard (RES) is yet to be established and the timing for setting a standard remains uncertain.

5.0.5.4 Incorporate in generation planning and other utility operations strategies and actions to reduce greenhouse gases.

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

### **POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)**

#### **POLICY 5.0.6**

#### **POLICY TITLE: INFORMATIVE COMMUNICATION**

---

*Effectively communicate with consumers and other stakeholders.*

Accordingly,

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

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

**POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)**

**POLICY 5.0.7**

**POLICY TITLE: SAFETY STANDARDS**

---

*Provide a safe work environment for all JEA staff.*

Accordingly,

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

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

**POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)**

**POLICY 5.0.8**

**POLICY TITLE: FINANCIAL INTEGRITY**

---

*Achieve fiscal targets to maintain and improve credit ratings.*

Accordingly,

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

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

### **APPENDICES**

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

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

# **A1 - EXECUTIVE CORE COMPETENCIES**

### **Models Integrity**

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

### **Makes Quality Decisions**

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

### **Takes Initiative**

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

### **Communicates Effectively**

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

### **Drives Results**

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

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

# **A1- EXECUTIVE CORE COMPETENCIES**

### **Focuses on the Customer**

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

### **Fosters Teamwork**

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

### **Manages and Supports Change**

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

### **Visionary Strategist**

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

### **Manages Performance**

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

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

# **A1- EXECUTIVE CORE COMPETENCIES**

### **Delegates to Others**

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

### **Maintains Positive Public Relations**

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

### **Actively Supports the JEA Board**

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

### **Leads Others Effectively**

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

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

# **A1- EXECUTIVE CORE COMPETENCIES**

### **Leverages Industry Acumen**

- Monitors and analyzes financial data and key cost drivers) to evaluate options and make decisions
- Understands overall financial and operational performance of JEA in order to effectively position it in the marketplace
- Follows appropriate legal and fiduciary requirements when reconciling and reporting financial transactions
- Grows continuously in business knowledge and experience
- Identifies metrics and other documentation to help board members responsibly monitor JEAs performance.

### **Plans for the Future**

- Develops a proposed long term strategic plan based on the interests of all stakeholders and priorities of the board.
- Identifies and balances risks and benefits when developing plans
- Identifies need for and ensures contingency plans are developed
- Aligns and allocates resources and time according to strategic priorities and company interests
- Develops a CEO succession plan that results in qualified personnel to step up and successfully perform the duties of the CEO on short notice.

### **Embraces Diversity**

- Promotes the active recruiting of diverse individuals
- Does not tolerate any form of discrimination (gender, ethnic, religious, sexual orientation, etc.).Demonstrates visible support for programs that remove barriers (e.g., stereotypes) between diverse individuals and affords all personnel consideration for upward mobility opportunities.
- Actively monitors organization to ensure equality and fairness for all members; objectively allocates compensation, rewards, and opportunities
- Promotes an inclusive culture where different viewpoints are valued and encouraged

### **Negotiates Collaboratively**

- Strives to understand each party's position by asking in-depth questions and probing for specific needs and issues
- Discloses appropriate and important information to establish openness and trust
- Keeps arguments or disputes issue-oriented rather than personal
- Maintains flexibility in negotiating style, adapting style to the specific needs of a given situation

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

# **A1- EXECUTIVE CORE COMPETENCIES**

### **CEO Evaluation Criteria**

1. CEO maintains safety as a top priority and executes an effective risk mitigation plan.
2. KPAs and associated KPIs as per Policy Category IV MOEs.
3. CEO ensures agenda materials are distributed to board members in a timely manner before all meetings to facilitate board meeting preparedness (7 days).
4. CEO complies with all applicable legal & fiduciary responsibilities.
5. CEO establishes a positive environment where diversity is embraced, and the workforce is proud to be a member of JEA, knows their mission, and trusts the CEO and his senior leadership team.
6. CEO maintains a candid dialogue with the board and is completely transparent on all issues associated with JEA.
7. CEO has a viable succession plan.
8. CEO keeps JEA on the right strategic path based on the most current strategic plan.
9. CEO maintains 100% compliance with respect to Article 21 applicable provisions.
10. Complies with executive core competencies (as per Appendix A1).

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

### **A2 - JEA BOARD EVALUATION CRITERIA**

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

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

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

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

**General Comments (if any):**

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

### **A3 – JEA Charter (Article 21)**

## ARTICLE 21. - JEA

## Section 21.01. - JEA created and continued; audits.

- (a) *Creation.* There is hereby created and established a body politic and corporate to be known as JEA, which is authorized to own, manage and operate for the benefit of the City of Jacksonville the utilities systems within and without the City of Jacksonville. JEA is created for the express purpose of acquiring, constructing, operating, financing and otherwise having plenary authority with respect to electric, water, sewer, natural gas and such other utility system as may be under its control now or in the future. The utilities systems may be owned, operated or managed by JEA for the benefit of the City of Jacksonville separately or in such combined or consolidated manner as JEA may determine and JEA may use such name or names in the conduct of its business in connection therewith as it may determine. It is the specific purpose of this Article to repose in JEA all powers with respect to electric, water, sewer, natural gas and such other utility system which are now, in the future could be, or could have been but for this Article, exercised by the City of Jacksonville. JEA created and established by this Article is the same Jacksonville Electric Authority previously created and established by Chapter 67-1569, Laws of Florida, as amended, (including as added to Chapter 67-1320, Laws of Florida by Chapter 78-538, Laws of Florida and, as amended and readopted by Chapters 80-515, and 92-341, Laws of Florida) and, except as otherwise provided or authorized by this Article, JEA shall continue to function under this Article the same as it previously functioned under Chapter 67-1569, Laws of Florida, as amended (including as added to Chapter 67-1320, Laws of Florida by Chapter 78-538, Laws of Florida and, as amended and readopted by Chapters 80-515 and 92-341, Laws of Florida).
- (b) *Audits.* JEA shall be subject to the council auditor's authority set forth in Section 5.10 of the Charter.

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

## Section 21.02. - Definitions.

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

- (a) The term "utilities systems" means the electric utility system and the water and sewer utility system now operated by JEA which shall include, except where inconsistent with Chapter 80-513, Laws of Florida, as amended, or where the context otherwise requires, any "system" or "project" authorized pursuant to the provisions of Chapter 80-513, Laws of Florida, as

amended and any natural gas utility system to be operated in the future by JEA together with any other additional utility system as may be hereafter designated as a part of the utilities systems operated by JEA as provided in Section 21.04(v) herein.

- (b) The term "member" means an individual confirmed by the council to serve on the governing body of JEA pursuant to this Article.
- (c) The term "managing director" means the chief executive officer of JEA.
- (d) The term "utility system" shall mean any separate utility system operated by JEA such as its electric utility system, its water utility system, its wastewater utility system, its natural gas utility system or any other additional utility system as may be hereafter designated as a part of the utilities systems operated by JEA as provided in Section 21.04(v) herein.
- (e) The terms "sewer utility system" and "wastewater utility system" shall each have the same meaning as the other and these terms shall be interpreted as meaning the same.
- (f) The term "district energy system" or "DES" shall mean a system of centrally located chillers designed to provide chilled or heated water via pipes for the purposes of providing heating and cooling within a designated area.
- (g) The term "governing body of JEA" means the governing body of JEA consisting of seven members.

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

#### Section 21.03. - Composition; compensation; officers; meetings.

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

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

- (b) *Compensation; applicable laws.* Members shall not be entitled to pension or other retirement benefits on account of service on the governing body of JEA, but members shall be entitled to payment or reimbursement for reasonable expenses incurred (e.g., travel expenses) as prescribed by the council by ordinance. Members shall be subject to the provisions of F.S. § 286.012, as amended, relating to voting at meetings of JEA, and the provisions of F.S. §§ 112.311 through 112.3175, as amended, relating to financial disclosure and conflicts of interest. Additionally, Members shall be subject to all other relevant and applicable laws and ordinances, including but not limited to, F.S. Ch. 286 (Public Business: Miscellaneous Provisions), as amended; F.S. Ch. 112, Part III (Code of Ethics for Public Officers and Employees), as amended; and F.S. Ch. 119 (Public Records), as amended, and Chapter 602 (Jacksonville Code of Ethics), Ordinance Code of the City of Jacksonville, as amended.
- (c) *Officers; meetings; quorum; governing documents.* The governing body of JEA shall elect a chairperson, vice-chairperson and secretary of JEA and may elect one or more assistant secretaries of JEA, each of whom shall serve for one year or until such officer's successor is chosen. JEA may meet at such times and places designated by the governing body of JEA and shall hold regular meetings as necessary. Generally, JEA shall meet once a month, but in no event less than eight (8) times a year. Special meetings may be held upon the call of the chairperson or any three (3) members. JEA meetings shall be subject to F.S. § 286.011 (Florida Open Meetings Laws), as amended. A majority of the membership shall constitute a quorum for the purpose of meeting and transacting business. Each member shall have one vote. The governing body of JEA shall adopt governing documents, including, but not limited to, bylaws, a board policy manual, and such other rules and regulations not inconsistent with this Article, the charter or general law. Unless otherwise provided herein, the governing body of JEA shall annually review and update its governing documents. JEA's bylaws, board policy manual, and other governing documents, including any amendments thereto, shall be posted on JEA's website in a conspicuous manner for the public to view.
- (d) *Office-holding; oath.* JEA membership shall be considered an office and limited by the office holding provisions as provided for under the Florida Constitution. No member shall be eligible to serve as a member while holding another office or being an employee of JEA. Members shall be

required to take an oath of office consistent with the oath of office taken by other public officials serving on city boards and commissions.

- (e) *Transparency in meetings.* JEA should hold its meetings in the most open and transparent manner practicable for the benefit of the public and citizens of the City of Jacksonville. JEA shall adopt procedural rules regarding the publication of meeting agendas, meeting materials, meeting minutes, and public participation during all meetings, including regular, special and committee meetings, where action by the governing body of JEA or committee is contemplated. To the greatest extent feasible, JEA is encouraged to adhere to best practices and recommendations regarding openness and transparency contained in the latest published edition of Florida's Government-In-the Sunshine Law Manual prepared by the Office of the Attorney General. At a minimum, such procedural rules should require JEA to (i) publish an agenda and any meeting materials for its regular, special and committee meetings in a conspicuous manner on JEA's official website; (ii) promptly post meeting minutes generally within 72 hours after each meeting; and (iii) provide the timeframe for when an agenda and any meeting materials must be made available to the public in advance of such meetings. Such procedural rules should also require JEA to deliver copies of its meeting agendas, including regular, special and committee meeting agendas, and any meeting materials related thereto, to the council auditor in substantially the same timeframe and content as provided to members. Nothing in this subsection shall prohibit JEA from amending previously published meeting agendas and meeting materials in accordance with its bylaws, board policy manual, or other applicable governing documents.

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

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

#### Section 21.04. - Powers.

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

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

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

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

Regarding any real property interests acquired or disposed of by JEA pursuant to this subsection, the governing body of JEA shall approve real estate rules and procedures and any amendments thereto governing the reporting, acquisition, sale, purchase, lease, license, transfer, and disposition of real property. Such real estate rules and procedures shall not be inconsistent with this Article, including, but not limited to, the express prohibitions set forth in Section 21.11 herein. The governing body of JEA shall review its real estate rules and procedures no less than biennially. The governing body of JEA shall not delegate its approval

authority of such real estate rules and procedures, including any amendments thereto, to the managing director or any other officer, employee or agent of JEA. JEA shall post such real estate rules and procedures, including any amendments thereto, on JEA's website in a conspicuous manner for the public to view.

- (c) To furnish electricity, water, sanitary sewer service, natural gas and other utility services as authorized herein to any person or entity, public or private, within or without the city and for said purposes shall have the right to construct and maintain electric lines, pipelines, water and sewer mains, natural gas lines and related facilities in and along all public highways and streets within or without the city.
- (d) To sell power and energy, water, sanitary sewer service, natural gas and other utility services as authorized herein at wholesale and retail and/or to provide transmission or other services of any kind to any person or entity, public or private, within or without the State of Florida, directly by JEA, indirectly through other entities and jointly through associations with other utilities or entities engaged in these activities.
- (e) To enter into contracts with any person or entity, public or private, deemed necessary or desirable by JEA in connection with carrying out its powers and duties, except as otherwise prohibited in this Article or the charter.
- (f) To fix, pledge to establish or establish, levy, regulate, impose and collect rates, assessments, fees and charges for the use or benefit of the utilities system and to alter and amend same from time to time, which rates, assessments, fees and charges shall result in JEA receiving or possessing an amount which, together with accumulated balances from prior years available therefore is not less than is required to operate and maintain a self-liquidating or self-sustaining utilities system. When establishing or altering rates, assessments, fees or charges for retail service, JEA shall first give notice of and hold a public hearing in the City of Jacksonville. The notice shall be published not less than one (1) week in advance in at least one (1) newspaper of general circulation in the city. Said notice shall be at least one-fourth page in size, inviting the public to be present and heard. JEA shall have the power to impose sanctions to enforce compliance with any rule or regulation which JEA may adopt in the management and operation of, or the sale or use of any utility service provided by JEA from the utilities system including, without limitation, electricity, water, sewer and natural gas services. The city and other public bodies shall be required to pay for any utility services provided by JEA upon the same basis as other users.
- (g) To sue and be sued, implead and be impleaded, complain and defend in all courts, to adopt and use a corporate seal, to apply for, hold and own patents and copyrights, to sell or license patents, copyrights, patented or copyrighted materials to other public or private entities. Prices or fees for such sales or licensing may be based upon market considerations. JEA may

designate how proceeds from such sales or licensing shall be used. Prices or fees for the sale of copyrighted data processing software, as defined in F.S. § 119.011, shall be established pursuant to § 119.084, as amended.

- (h) To make or cause to be made such surveys, investigations, studies, borings, maps, drawings and estimates of cost and revenues as it may deem necessary, and to prepare and adopt a comprehensive plan or plans for the location, relocation, construction, improvement, revision and development of the utilities system.
- (i) (1) To issue revenue bonds or revenue certificates of JEA for the purpose of financing or refinancing the utilities system, including without limitation the financing of any one or more enlargements, expansions, developments, replacements, acquisitions or modernization of the utilities system, any expenses of the utilities system, any reserves deemed necessary or desirable by JEA and any other purpose not otherwise prohibited by law, and retiring any bond, note or revenue certificate issued under this Article, or any bond, note or revenue certificate issued by or on behalf of the city to finance the water and sewer utilities previously owned or operated by the city, and for any combination of one or more such purposes in any single issue of revenue bonds or revenue certificates. At the discretion of JEA, such bonds or revenue certificates may be issued for any one or more of the several utility systems of JEA (or any combination thereof).
- (2) The bonds or revenue certificates of each issue shall be authorized by resolution of JEA, which resolution shall contain such provisions relating to the protection and security of the holders of the bonds or revenue certificates, including their rights and remedies, and the rights, powers, privileges, duties and obligations of JEA with respect to the same. Such resolution may also contain provisions providing for the pledge of all or any part of the revenues of the utilities system, to which may, at JEA's discretion, be limited to the revenues of one or more of the several utility systems, to secure the payment of the bonds or revenue certificates of any issue and may provide for the pledge of other funds and accounts of JEA. Such resolution also shall determine the timing and manner of sale, which may be public or private; maturities; rate or rates of interest, which may be fixed or may vary at such time or times as provided or in accordance with a specified formula or method of determination (subject to any legal limitations on interest, as established by F.S. § 215.84, or according to said Section as it may from time to time be amended); and other terms and conditions of the bonds or revenue certificates, provided that JEA may delegate to the chairperson, managing director or other officer or employee of JEA designated by JEA the power to determine any such terms or conditions. However, the amounts and maturities of such bonds or revenue certificates and the interest rate or rates of such bonds or revenue certificates shall be within the limits prescribed by JEA and its resolution delegating to the chairperson, managing director or such other officer or

employee of JEA the power to authorize the issuance and sale of such bonds or revenue certificates, and, in the case of the total aggregate amount of bonds or revenue certificates issued by JEA, within the limits prescribed by ordinance of the council. In case any officer whose signature or facsimile of whose signature shall appear on any bonds or revenue certificates shall cease to be such officer before the delivery of such bonds or revenue certificates, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. All bonds and revenue certificates issued under the provisions of this Article shall have and are hereby declared to have all the qualities and incidents of negotiable instruments under the negotiable instruments law of the state. The issuance of such bonds and revenue certificates shall not be subject to any limitations or conditions contained in any other law.

- (3) Bonds or revenue certificates and refunding bonds or refunding revenue certificates issued pursuant to this Article if sold by bid shall be sold to the bidder whose bid produces the lowest true interest cost to JEA. JEA may restrict the bidders in any sale by pre-qualification or otherwise and may reserve the right to reject any or all bids. Prior to any sale by bid of bonds or revenue certificates JEA shall cause notice to be given in such manner and at such time as JEA shall determine. Said notice shall specify such matters relating to the bonds or revenue certificates offered for sale as JEA shall determine and shall state the manner in which bids shall be given. JEA may reserve the right to waive any informalities or irregularities if JEA determines that such actions are in its best interest. In no event shall said bonds or revenue certificates be sold at a net interest cost to JEA in excess of the legal limit, as established by F.S. § 215.84, or according to said Section as it may from time to time be amended.
- (4) In no event shall general obligation bonds be issued hereunder.
- (5) Bonds or revenue certificates may be issued by resolution of JEA, subject only to the approval by ordinance of the council of the aggregate principal amount of such bonds or revenue certificates.
- (j) To borrow money and to issue notes for any purpose or purposes for which bonds or revenue certificates may be issued under the provisions of this Article, in accordance with the provisions of this Article relating to the issuance of bonds or revenue certificates, and to refund the same and to issue notes in anticipation of the receipt of the proceeds of the sale of any such bonds or revenue certificates.
- (k) To borrow money from the city, for any period not to exceed one year, to provide JEA with working capital to meet routine or emergency cash requirements and to maintain adequate inventories, at such interest rates and upon such conditions concerning the method of borrowing, the time and manner of payment and the maximum amount that may be on loan

at any time, as are determined by ordinance of the council; to lend money from one of its utilities operations to another of its utilities operations for such period, at such interest rates and upon such other conditions concerning the method of borrowing, the time and manner of payment and the maximum amount that may be on loan at any time, all as determined by JEA; and to borrow money from lending institutions, including, without limitation, borrowing as part of a commercial paper or other short-term note financing program which may include provision for payment upon demand by the purchaser or purchasers, as authorized by resolution of JEA. When authorized by resolution of JEA, such notes, including renewals thereof, may be sold or placed by officers of JEA at public or private sale and delivered by such officers to the purchaser or purchasers thereof within the limitations and restrictions contained in such resolution. Such loans between utility systems and such borrowings from lending institutions, or between one or more of the utility systems, including borrowing as part of a commercial paper or other short-term note financing program, will not require the approval of the council.

- (l) To enter into contracts determined by JEA to be necessary or desirable for the prudent management of JEA's funds, debt or fuels, and any and all other commodities used for the several utility systems including, without limitation, interest rate swaps, option contracts, futures contracts, contracts for the future delivery or price management of power, energy, natural gas or other related commodities, hedging contracts, other risk management techniques, securities lending agreements and forward purchase contracts.
- (m) To invest money of JEA not required for immediate use, including proceeds from the sale of any bonds, revenue certificates or notes, in such obligations, securities, and other investments as JEA shall deem prudent, subject to any agreement with bondholders, revenue certificate holders or note holders.
- (n) To enter into joint project agreements as provided by Part II of F.S. Ch. 361, as amended, for the purpose of implementing a project, as such term is defined in Part II of F.S. Ch. 361. A copy of all such joint project agreements shall be filed with the council, the council auditor, and the mayor at least thirty days prior to the effective date of the agreement. Anything in this provision to the contrary notwithstanding, (i) any joint project agreement that involves a transfer of the electric system, function or operation that is subject to the requirements and limitations of Section 21.11 herein or (ii) any joint project agreement that involves the issuance of debt not previously authorized by Section 21.04(i)(2) herein, shall require prior approval of the council.
- (o) To enter into agreements with one or more other electric utilities, public or private, and related contracts with respect to joint electric power projects as provided in Section 2 of Chapter 80-513, Laws of Florida, as amended. The provisions of said Chapter 80-513 shall

govern and control JEA in all respects in the carrying out of a joint electric power project authorized thereunder notwithstanding any provision of the charter or of the Ordinance Code of the City of Jacksonville which may be in conflict therewith.

(p) To provide, supply, transfer, sell, finance, or lease services, products, by-products, and activities developed or used by JEA incident to the exercise of the powers conferred by this Article in the delivery of the utilities systems in the following manner:

- (1) *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 water supply pursuant to F.S. Chs. 170 and 180, including the issuance of bonds or notes in anticipation thereof payable from special assessments under said F.S. Ch. 170.
- (x) To coordinate carefully with the Department of Public Works of the City of Jacksonville, the Jacksonville Transportation Authority, and other independent agencies, the planning and execution of engineering and construction projects involving underground work and streets and highways to seek to minimize the total cost of such projects and to reduce disruption to the citizens of the city to the maximum extent possible.
- (y) To expend JEA funds up to one (1%) percent of the prior year's gross revenues to promote the efficient use of JEA's services through public education including exhibits, conferences, displays, tours and other events customary to the utilities industry and also to publicize, advertise and promote the objectives of this Article and to promote the objectives of JEA all in the manner set forth by resolution of JEA. Accordingly, JEA may expend its funds to make known to the users, potential users and public in general the advantages, facilities, resources, products, attractions and attributes of the services provided by JEA and to further create a favorable climate of opinion concerning the activities and projects authorized and indicated by this Article. JEA may also, to the extent permitted by the laws of the State of Florida, expend funds in cooperative efforts to and with other agencies, both public and private, in accomplishing the purposes enumerated and indicated by this Article; and in furtherance thereof. JEA may also authorize reasonable expenditures for any and all of the purposes herein enumerated, including but not limited to, reasonable food and beverage expenditures in the interest of promoting and engendering good will toward the activities and projects herein authorized. Whenever an expenditure of funds for any of the foregoing purposes is made by a member or employee of JEA, JEA may reimburse such member or employee

therefor, but only after such expenditures have been duly authorized by JEA or its managing director if so delegated to do so. JEA will provide a list of proposed promotional expenditures for the current fiscal year to the council auditors on or before December 31<sup>st</sup> of each fiscal year. The spending limitation on promotional expenditures set forth in this subsection shall not apply to a newly approved utility system, function or utility service under subsection (v) herein and newly approved additional services or products under subsection (p) herein. For purposes of this subsection "newly approved" shall mean within seven years of the approval date by council for matters subject to the provisions of subsection (v) or by the governing body of JEA for matters subject to the provisions of subsection (p), as applicable. All funds expended by JEA as reimbursement for travel expenses shall be subject to Chapter 106, Part 7, of the Ordinance Code of the City of Jacksonville, as amended. JEA shall not exercise any powers pursuant to this subsection to promote the privatization, sale, transfer or reorganization of JEA as expressly prohibited in Section 21.11 herein or otherwise in this Article or the charter.

- (z) To allocate costs between the electric, water, sewer, natural gas and any other utility system operated now or in the future by JEA on a cost accounted basis.
- (aa) To assist the City of Jacksonville and any of its departments and independent agencies in the development of joint financing programs for the purpose of financing capital improvement programs for the City of Jacksonville and any of its departments and independent agencies.
- (bb) To enter into such interlocal agreements authorized by, and to become a member of such separate legal entity or entities created pursuant to F.S. Ch. 163, as JEA shall determine by resolution are necessary or desirable to accomplish the purposes enumerated and indicated by this Article; and, to the extent permitted by the laws of the State of Florida, to enter into such joint ventures, partnerships, joint ownership arrangements, or other similar arrangements with other persons or entities, public or private, as JEA shall determine by resolution are necessary or desirable to accomplish the purposes enumerated and indicated by this Article.
- (cc) To allocate and allot the sums appropriated by the council in JEA's annual budget for more specific purposes and to transfer from time to time during the fiscal year, without further council approval, appropriated funds including capital outlay funds from one of the purposes for which funds are appropriated to another of such purposes, if, in the discretion of JEA, such transfer is necessary to carry out all of the purposes for which funds were appropriated, subject to applicable law; provided however, nothing in this Section shall authorize JEA to transfer appropriated funds from its operating budget to its capital outlay budget or vice versa, without prior approval of the council. This includes the financing of power conditioning and energy conservation equipment for both residential and nonresidential customers

providing that the receivables at any point in time will not exceed ten (10) percent of the prior year's utilities system's revenues. A written summary of all budget transfers shall be provided to the council auditor at the end of each quarter.

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

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

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Jacksonville, FL Code of Ordinances

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

#### Section 21.05. - Construction.

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

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

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

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

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

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

#### Section 21.07. - Fiscal and budgetary functions.

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

- (a) The fiscal year of JEA shall commence on October 1 of each year and end on the following September 30.
- (b) JEA shall prepare and submit its budget for the ensuing year to the city on or before July 1 of each year, setting forth its estimated gross revenues and other available funds, and estimated requirements for operations and maintenance expenses, capital outlay, debt service, and

depreciation and reserve account. The council and the mayor shall approve or disapprove such budget in the manner provided in Article 14 for budgets of independent agencies.

- (c) As consideration for the unique relationship between the City of Jacksonville and JEA, as a tax-exempt entity within the consolidated government, and in recognition of the shared attributes with the consolidated City of Jacksonville in connection with its electric, water, and sewer distribution systems, there shall be assessed upon JEA in each fiscal year, for the uses and purposes of the city, from the revenues of the electric system and the water and sewer system operated by JEA available after the payment of all costs and expenses incurred by JEA in connection with the operation of such electric system and water and sewer system (including, without limitation, all costs of operation and maintenance, debt service on all obligations issued by JEA in connection with such electric system and water and sewer system and required reserves therefore and the annual deposit to the depreciation and reserve account required pursuant to Section 21.07(g)), an amount as provided herein. Effective October 1, 2016, consistent with the provisions of this Section 21.07(c), JEA shall pay the city combined assessment for the electric system and the water and sewer system. The combined assessment for the electric system and the water and sewer system shall equal, but not exceed the greater of (A) the sum of (i) the amount calculated by multiplying 7.468 mills by the gross kilowatt-hours delivered by JEA to retail users of electricity in JEA's service area and to wholesale customers under firm contracts having an original term of more than one year (other than sales of energy to Florida Power and Light Company from JEA's St. Johns River Power Park System, exception ending December 31, 2017) during the twelve-month period ending on April 30 of the fiscal year immediately preceding the fiscal year for which such assessment is applicable plus (ii) the amount calculated by multiplying 389.20 mills by the number of K-Gals (1=1000 gallons) potable water and sewer service, excluding reclaimed water service, provided to consumers during the twelve-month period ending on April 30 of the fiscal year immediately preceding the fiscal year for which such assessment is applicable, or (B) a minimum calculated amount which increases by 1% per year from fiscal year 2016-2017 through fiscal year 2022-2023 using the fiscal year 2015-16 combined assessment of \$114,187,538 as the base year. The amounts applicable to clause (B) above are: for fiscal year 2016-2017 - \$115,329,413; for fiscal year 2017-2018 - \$116,482,708; for fiscal year 2018-2019 - \$117,647,535; for fiscal year 2019-2020 - \$118,824,010; for fiscal year 2020-2021 - \$120,012,250; for fiscal year 2021-2022 - \$121,212,373; and for fiscal year 2022-2023 - \$122,424,496.
- (d) The assessment calculations for the electric system and the water and sewer system shall be in effect until September 30, 2023. The council may reconsider the assessment calculations after October 1, 2022 and changes, if any, shall become effective October 1, 2023. The council may change the assessment calculations by ordinance within the provisions of this Section

21.07. Should the council not reconsider the assessment calculations, the assessments shall be calculated using the existing formulas specified in Section 21.07(c), including a minimum calculated amount in clause (B) therein, which increases by one percent per year for each fiscal year computed as provided in Section 21.07(c). In addition to the annual assessment as calculated in Section 21.07(c), JEA pursuant to the terms of an Interagency Agreement (as amended) with the City, agreed to provide total nitrogen water quality credit to the City to assist the City in meeting its Basin Management Action Plan load reduction goal (BMAP Credit). If JEA cannot provide the BMAP Credit pursuant to the terms of the Interagency Agreement dated March 22, 2016 (as amended), council and JEA shall work cooperatively to address the BMAP Credit shortfall or council may reconsider the assessment calculations.

- (e) The council shall have the power to appropriate annually a portion of the available revenues of each utility system (other than the electric, water and sewer systems) operated by JEA for the uses and purposes of the city. This appropriation shall be based on a formula to be agreed upon by JEA and the council. Any covenants or pledges to lenders associated with such proposed additional utility system which impair council's ability to appropriate revenues from that additional utility system, other than a pledge of gross revenues to bondholders, shall be included in the JEA resolution required in s. 21.04(v) or any future resolution allowing for financing of activities associated with that additional utility system.
- (f) JEA shall pay over to the city (i) the amounts assessed upon JEA pursuant to Section 21.07(c) and (ii) such portions of the funds actually appropriated by the council pursuant to Section 21.07(e) at such time as the council may request, but not in advance of collection. Although the calculation for (i) the amounts assessed upon JEA pursuant to Section 21.07(c) and (ii) the annual transfer of available revenue from JEA to the city pursuant to Section 21.07(e) is based upon formulas that are applied specifically to the respective utility systems operated by JEA, JEA, in its sole discretion, may utilize any of its revenues regardless of source to satisfy its total annual obligation to the city mandated by said Sections 21.07(c) and (e).
- (g) JEA shall be required to set aside each year in a depreciation and reserve account established for each utility system it operates, an amount equal to not less than 10 percent of its annual net revenues for the previous year attributable to each such system. For such purpose, "annual net revenue" shall mean annual gross revenues derived by JEA from the operation of such system reduced by expenses for operation and maintenance allocable to such system and debt service allocable to such system. Funds set aside in each such depreciation and reserve account shall be used exclusively for enlargements, extensions, improvements and replacements of capital assets of the utility system for which such account was established or to pay or provide for the payment of JEA's bonds, notes or revenue certificates relating specifically to such system; provided, however, that if JEA by resolution determines that it is in

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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 31<sup>st</sup> of each fiscal year regarding the disbursements related to the bonus program. JEA shall post such written report on JEA's website in a conspicuous manner for the public to view.

(Ord. 2020-419-E, §§ 1, 2)

**Editor's note—** Ord. 2020-419-E, §§ 1 and 2, amended the Charter by repealing former § 21.08 and adding a new § 21.08. Former § 21.08 pertained to employees, and derived from Laws of Fla., Ch. 78-538, § 1; Laws of Fla., Ch. 80-515, § 1; Ord. 84-1307-754, § 25; Ord. 87-203-345, § 1; Laws of Fla., Ch. 92-341, § 1; Ord. 97-12-E, § 2; Ord. 98-253-E, § 1; Ord. 2011-732-E; and Ord. 2015-764-E, § 3. Additionally, Ordinance 2007-839-E, § 18, authorized updated department/division names pursuant to reorganization.

Sec. 21.09. - Procurement generally; contracts generally.

- (a) *Applicability.* Unless otherwise provided herein, this Section shall apply to contracts entered into by JEA pursuant to this Article.
- (b) *Procurement generally.*
  - (1) *Open and Fair Competition.* To the greatest extent reasonably practicable, JEA shall use open, fair, competitive, and generally accepted government procurement methods that seek to encourage the most competition and best price for the purchase of supplies, construction, professional and other contractual services. JEA should adhere to all applicable state procurement laws, including, but not limited to, laws governing the purchase of construction services and professional design services.
  - (2) *Procedures; governing body approval.* JEA shall not be required to follow the City's procurement procedures. JEA may establish its own procurement procedures regarding the purchase of goods, supplies, equipment, and services, subject to applicable state law. JEA's procurement procedures, including any amendments thereto, shall be reviewed and approved by the governing body of JEA. The governing body of JEA may not delegate its approval of the procurement procedures, including any amendments thereto, to the managing director or any other officer, employee or agent of JEA. In the absence of JEA established procurement procedures, JEA shall follow the city's procurement procedures. JEA shall adhere to its procurement procedures in entering into procurement contracts, including but not limited to, contracts relating to the construction, reconstruction, repair, operation or maintenance of the utilities systems or the purchase of supplies, equipment, machinery and materials for the utilities systems or the contracting or otherwise purchasing for any advisory, professional or other services necessary or incidental to the operation of the utilities systems.
  - (3) *Jacksonville Small Emerging Business (JSEB) Program; Minority Business Enterprises.* JEA shall adhere to the city's Jacksonville Small Emerging Business (JSEB) Program, or successor city program, in its procurement procedures. Subject to applicable federal, state and local laws, JEA is authorized to implement and to take all actions necessary to administer a race-conscious purchasing and procurement program to remedy the present effects of past discrimination by JEA, if any, in the awarding of contracts. Any such race-conscious program

implemented by JEA to remedy the present effects of past discrimination by JEA, if any, in the awarding of contracts must be supported by evidence and based on the required criteria and standards as set forth in applicable federal and state laws.

- (4) *Certain solicitation specifications and standards prohibited; rejection of bids, proposals, and replies.* JEA should not develop solicitation specifications that are so narrowly tailored to an entity or entities that other qualified entities (i.e., bidders, respondents and vendors) are precluded from participating in such solicitation. Additionally, JEA should not develop standards that limit open competition and preclude qualified entities (i.e., bidders, respondents and vendors) from participating in solicitations. JEA shall have the right to reject any and all bids, proposals, or replies, in whole or in part, in the best interests of JEA.
- (5) *Annual survey.* JEA shall annually conduct a survey of actual, interested and prospective bidders, respondents, and vendors to obtain feedback on JEA's procurement process. Such survey shall be on a form approved by JEA and participation in the survey shall be open to actual, interested and prospective bidders, respondents, and vendors. Survey topics may include, without limitation, various aspects of JEA's procurement process such as information transparency and accessibility, pre-conferences, bid submittal packages, evaluations, and awards. JEA shall consider such survey results during JEA's biennial review of its procurement code.
- (6) *Transparency in procurement governing documents.* The procurement code and any procurement policies, operating procedures, rules, directives, standards, and other procurement governing documents, including any amendments thereto, shall be posted on JEA's website in a conspicuous manner for the public to view.
- (7) *Biennial review; annual report.* JEA shall biennially review its procurement procedures. JEA shall also prepare and deliver a written report to the council and mayor on or before December 31st of each fiscal year summarizing the procurement contract awards for the immediately prior fiscal year. Such written report shall contain at a minimum the following information:
  - (i) The number of contract awards for the reporting fiscal year;
  - (ii) A detailed listing of all contract awards categorized by service type (e.g., construction, professional, supplies, professional design services), award type (e.g., single source, emergency, request for proposal, invitation to negotiate, piggyback, etc.) and a brief description of each contract award containing the contractor name, contract amount and procurement method used;
  - (iii) The number of JSEB contract awards categorized by service type (e.g., construction, engineering, supplies, professional), award type (e.g., single source, emergency, request for proposal, invitation to negotiate, piggyback, etc.), and a brief description of each

contract award containing the JSEB contractor name, contract amount and procurement method used;

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

(v) The annual survey results pursuant to the survey requirement in subsection (b) above.

JEA shall post such written report on JEA's website in a conspicuous manner for the public to view.

(8) *Prohibition.* JEA shall not exercise any powers pursuant to this Section to explore, investigate or consummate a privatization, sale, transfer or reorganization of JEA as expressly prohibited in Section 21.11 herein or this Article.

(c) *Contracts Generally.*

(1) *Maximum indebtedness.* Unless otherwise provided herein or by law, all contracts of any kind entered into by JEA pursuant to this Article, including, but not limited to, procurement contracts, joint project contracts, and interlocal agreements shall contain a provision clearly specifying a fixed, maximum monetary indebtedness of JEA thereunder. Such contracts may, however, provide for a lesser variable indebtedness of JEA upon a reasonable basis, subject to such fixed, maximum monetary indebtedness.

(2) *Public records; ethics training.* All contracts and related documents entered into by JEA shall contain a provision clearly stating that such vendor or contractor shall comply with the provisions of F.S. Ch. 119 (Public Records Law), as amended. All senior-level employees, including the managing director and senior-level officers, directors and managers of JEA, shall be trained by the Office of General Counsel, in consultation with the Ethics Office, at least annually on Florida's open meetings laws, public records and ethics laws in accordance with policies and procedures established by JEA.

(3) *Audit.* JEA shall require a person or entity providing contractual services (e.g., construction services, professional design services, or other contractual services) purchased by JEA to agree and be deemed to have agreed by virtue of doing business under contract with JEA to be subject to audit by the council auditor's office pursuant to Article 5 of the charter, as applicable. Additionally, JEA shall include a provision in any contract entered into pursuant to this Article that such vendor or contractor shall comply with all applicable federal, state and local laws, rules and regulations as the same exist or as may be amended from time to time.

(4) *Confidentiality agreements.* The use of confidentiality, nondisclosure or similar agreements by government agencies are contrary to open and transparent government. Except regarding information or records deemed by JEA to be confidential or exempt information or records by law, JEA should not enter into confidentiality or nondisclosure agreements with third parties and should use confidentiality, nondisclosure or similar agreements sparingly in the conduct and operation of the utilities systems. Additionally, JEA should not require a member, officer

or employee of JEA to execute any type of confidentiality or nondisclosure agreement that would require such member, officer or employee to maintain the confidentiality of information or records that is not confidential or exempt by law.

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

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

(Ord. 2020-419-E, §§ 1, 2)

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

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

All instruments in writing necessary to be signed by JEA shall be executed by the chairperson and secretary or assistant secretary, or by such officer, agent or employee of JEA as it may by resolution designate. JEA shall provide for the examination of all payrolls, bills, and other claims and demands against JEA to determine before the same are paid that they are duly authorized, in proper form, correctly computed, legally due and payable, and that JEA has funds on hand to make payment. Funds on hand to make payment shall be deemed to have been provided when revenue bonds or revenue certificates of JEA (or notes issued in anticipation thereof) to finance the acquisition and construction of plants and facilities for the production and/or transmission of electricity, the production and transmission of water, the transmission and treatment of wastewater and the transmission of natural gas, costing in excess of \$10,000,000.00 have been duly authorized as provided in this Article whereupon JEA may enter into instruments in writing for the acquisition and construction of such plants and facilities and may sell such revenue bonds or revenue certificates (or notes issued in anticipation thereof) in the manner provided in this Article in installments to provide funds as obligations of JEA under such instruments in writing become due.

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

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

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

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

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

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

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

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

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

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

(b) *Prohibition on privatization, sale, reorganization and transfer of management.* JEA shall not directly, or indirectly through a consultant or advisor, explore, investigate or consummate a privatization or transfer to an entity by sale, lease, assignment or other disposition of the net capital assets of an included system, or the management, function, or operation of any portion of an included system which cumulatively comprises more than the net capital assets calculation during the calculation period, without obtaining approval of the council in advance by amending this Section to permit such action by JEA; provided, however, that no final approval of such disposition by the council shall become effective without subsequent referendum approval of the terms and conditions of the disposition, lease, or other assignment of the management, function or operation of such portion of a included system. Additionally, JEA shall not directly or indirectly through a consultant or advisor, explore, investigate or consummate a reorganization of JEA, or

JEA's governance structure in a manner that would affect JEA's ownership or management control of the net capital assets of an included system which cumulatively comprises more than the net capital assets calculation during the calculation period, without obtaining approval of the council in advance by amending this Section to permit such action by JEA. Upon approval by the council for JEA to explore or investigate a privatization, transfer, or reorganization of JEA, council may in its discretion prescribe by ordinance budget restrictions related to professional consultants, legal engagements, promotional expenses, and other expenses anticipated by JEA during such exploration or investigation. The terms "explore" and "investigate" as used in this subsection shall include, but not be limited to, exploring or investigating in connection with any strategic planning process undertaken by JEA or any of its consultants or advisors.

- (c) *Reports.* JEA shall report to the council auditor within 30 days of the issuance of the annual audited financial statements the change in net capital assets for each included system for the period covered by the financial statements. JEA shall also report the cumulative impact of the change in net capital assets for each included system during the calculation period. Both reports will include supporting documentation as requested by the council auditor.
- (d) *Prohibited service territory transfers.* Any sale, lease, assignment or other transfer of the service territory of a JEA included system to any entity that will result in a total net loss of .01 or 1% or more of the service territory or any sale, lease, assignment, or transfer to any entity that will result in a total net loss of .01 or 1% or more of JEA's electric, water, or wastewater, customer accounts based on the latest available JEA monthly financial statements shall require council approval in advance. JEA shall not enter into any agreement, contract, memorandum of understanding, letter of intent or other arrangement that would exceed the .01 or 1% or more threshold without obtaining council approval in advance.
- (e) *Interlocal Agreements with St. Johns and Nassau Counties.* Nothing in this Section shall prevent JEA from complying with the terms and conditions of the interlocal agreements with St. Johns County and Nassau County executed by the parties prior to January 1, 2020, which include, but are not limited to, an option to purchase the assets and service territory of JEA within the respective counties without council or referendum approval.

(Ord. 2020-419-E, § 2)

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

#### Sec. 21.12. - Public engagement.

JEA should seek to fully engage and inform its ratepayers, the public, interested stakeholders, and other interested parties in any future planning discussions, including, but not limited to short-term and long-term plans, objectives and goals, regarding the future of JEA to enable its ratepayers, the public, interested stakeholders and other interested parties to fully participate in such planning discussions to the greatest

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Jacksonville, FL Code of Ordinances

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.



# **Reserve Report**

**For the Third Quarter Ending  
June 2025**

**Electric System and Water System Reserve and Fund Balances <sup>(1)</sup>**

For the Years Ending September 30

(In Thousands of Dollars)

**Electric System**

	<u>Actual</u> <u>Fiscal Year</u> <u>2023</u>	<u>Actual</u> <u>Fiscal Year</u> <u>2024</u>	<u>Actual</u> <u>Fiscal Year</u> <u>2025</u>	<u>Detail</u> <u>Page #</u>
<b>Unrestricted</b>				
Operations/Revenue Fund	\$ 2,841	\$ 29,261	\$ 5,010	
Self Insurance Reserve Fund				
• Property	10,000	10,000	10,000	3
• Employee health insurance	20,134	22,243	22,662	4
Rate Stabilization				
• DSM / Conservation	5,975	936	-	5
• Environmental	14,612	12,101	1,020	6
• Non-Fuel Purchased Power	246,000	246,000	209,000	7
Environmental	14,713	-	-	8
Customer Deposits	46,838	50,376	53,693	9
<b>Total Unrestricted</b>	<b>361,114</b>	<b>370,918</b>	<b>301,385</b>	
<b>Days of Cash on Hand (2)</b>	<b>148</b>	<b>112</b>	<b>87</b>	
<b>Days of Liquidity (3)</b>	<b>236</b>	<b>198</b>	<b>178</b>	
<b>Restricted</b>				
Debt Service Funds (Sinking Funds)	38,818	51,548	70,573	10
Debt Service Reserve Funds	50,993	50,993	37,465	11
Renewal and Replacement Funds/OCO	135,033	(2,161)	6,476	12
Environmental Fund [Capital Projects]	922	-	-	13
Construction Funds	-	-	-	14
<b>Total Restricted</b>	<b>225,766</b>	<b>100,381</b>	<b>114,514</b>	
<b>Total Electric System</b>	<b>\$ 586,880</b>	<b>\$ 471,299</b>	<b>\$ 415,899</b>	

**Water System**

<b>Unrestricted</b>				
Operations/Revenue Fund	\$ 1,392	\$ 1,701	\$ 320	
Rate Stabilization				
• Environmental	-	-	-	15
Customer Deposit	15,386	18,346	18,791	16
<b>Total Unrestricted</b>	<b>16,777</b>	<b>20,047</b>	<b>19,112</b>	
<b>Days of Cash on Hand (2)</b>	<b>23</b>	<b>55</b>	<b>40</b>	
<b>Days of Liquidity (3)</b>	<b>109</b>	<b>140</b>	<b>126</b>	
<b>Restricted</b>				
Debt Service Funds (Sinking Funds)	75,477	86,549	92,807	17
Debt Service Reserve Funds	57,587	62,614	99,726	18
Renewal and Replacement Funds	946	26,267	(39,264)	19
Environmental Fund [Capital Projects]	2,039	-	7,977	20
Construction Funds	242	19,770	55,122	21
<b>Total Restricted</b>	<b>136,291</b>	<b>195,200</b>	<b>216,367</b>	
<b>Total Water &amp; Sewer System</b>	<b>\$ 153,068</b>	<b>\$ 215,247</b>	<b>\$ 235,479</b>	

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

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

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

**Funds Established Per the Bond Resolutions**

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

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

### Electric System Self Insurance - Property

For the Third Quarter Ending June 30, 2025

#### Definitions and Goals

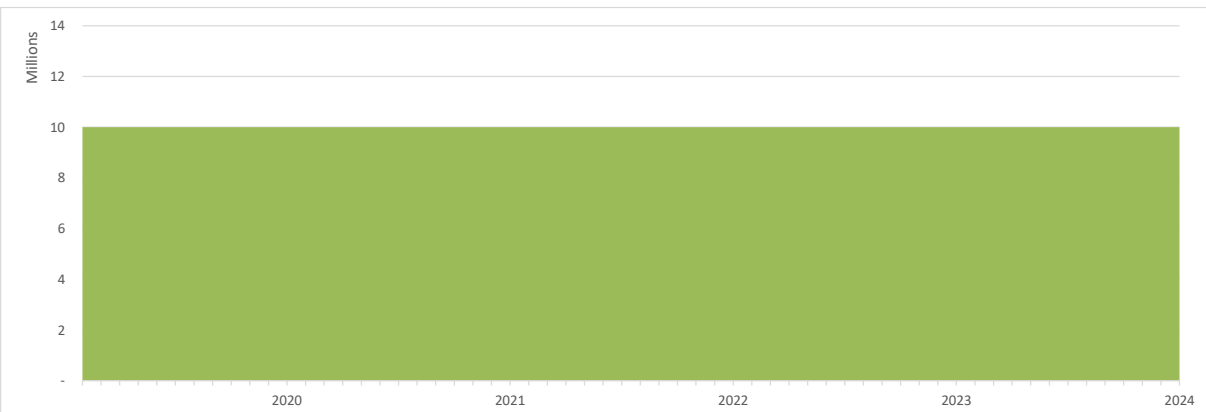
JEA's self-insurance fund is for catastrophic damage to JEA's electric lines (transmission and distribution) caused by the perils of hurricanes, tornadoes, and ice storms. This fund was established in October, 1992, as an alternative to JEA's procurement of commercial property insurance.

#### Current Activity

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

#### Historical Activity

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



#### Observations

- Reserve/Fund Authorization: Budget Appropriation.

## Electric System Self Insurance - Employee Health Insurance

For the Third Quarter Ending June 30, 2025

Definitions  
and Goals

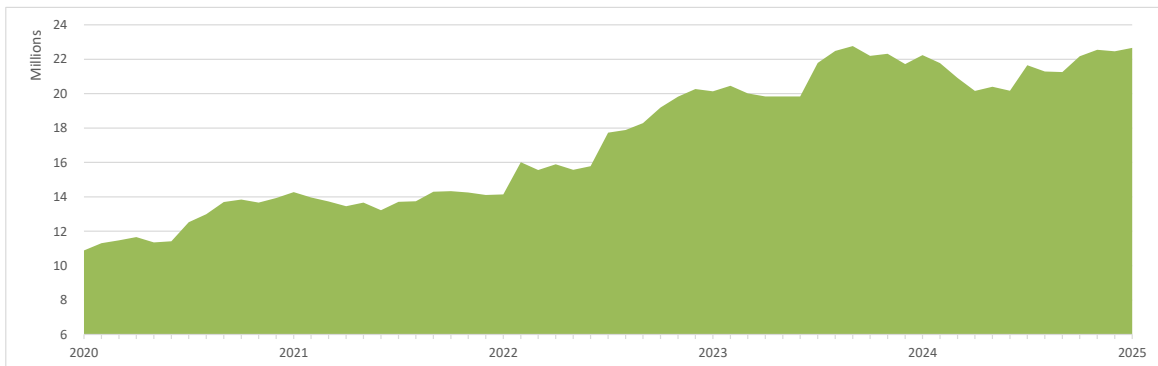
This reserve fund is a requirement under Florida Statute 112.08 that requires self insured government plans to have enough money in a reserve fund to cover the Incurred But Not Reimbursed (IBNR) claims and a 60 day surplus of claims. The IBNR claims are claims that would still need to be paid if the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

## Current Activity

(In Thousands)	Quarter-End	2025
Opening Balance	\$ 21,654	\$ 22,243
Additions:		
Employee Contributions	1,611	6,326
Retirees and Other	1,843	7,812
Employer Contributions	6,412	22,489
Sub-total	\$ 9,866	\$ 36,626
Withdrawals:		
Payments for Claims	8,729	33,577
Actuary & Other Payments	622	2,631
Other		
Sub-total	\$ 9,351	\$ 36,208
Ending Balance	\$ 22,168	\$ 22,662

## Historical Activity

	2021	2022	2023	2024	2025
Opening Balance	\$ 10,890	\$ 14,272	\$ 14,145	\$ 20,134	\$ 22,243
Additions:					
Employee Contributions	6,596	6,714	6,179	6,084	6,326
Retiree & Other Contributions	7,518	5,713	9,998	7,724	7,812
Employer Contributions	19,635	20,688	22,875	23,904	22,489
Sub-total	\$ 33,749	\$ 33,115	\$ 39,052	\$ 37,712	\$ 36,626
Withdrawals:					
Payments for Claims	28,408	30,819	30,057	33,140	33,577
Actuary & Other Payments	1,959	2,423	3,006	2,463	2,631
Sub-total	\$ 30,367	\$ 33,242	\$ 33,063	\$ 35,603	\$ 36,208
Ending balance	\$ 14,272	\$ 14,145	\$ 20,134	\$ 22,243	\$ 22,662



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

Average Balance: 16,162

## Observations

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

## Electric System Rate Stabilization - DSM / Conservation

For the Third Quarter Ending June 30, 2025

Definitions  
and Goals

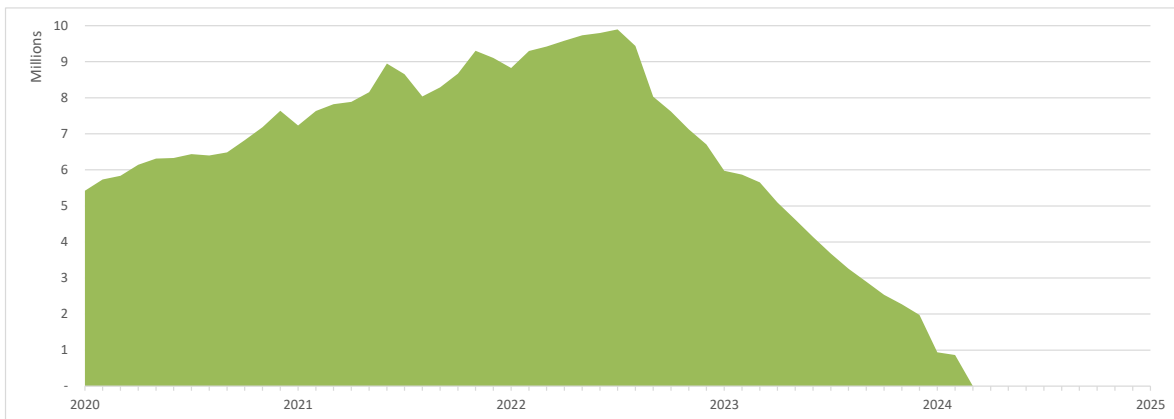
The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which contributions or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Fund provides a means to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

## Current Activity

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

## Historical Activity

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



Maximum Balance: 9,897  
Minimum Balance: -

Average Balance: 5,438

## Observations

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

### Electric System Rate Stabilization - Environmental

For the Third Quarter Ending June 30, 2025

#### Definitions and Goals

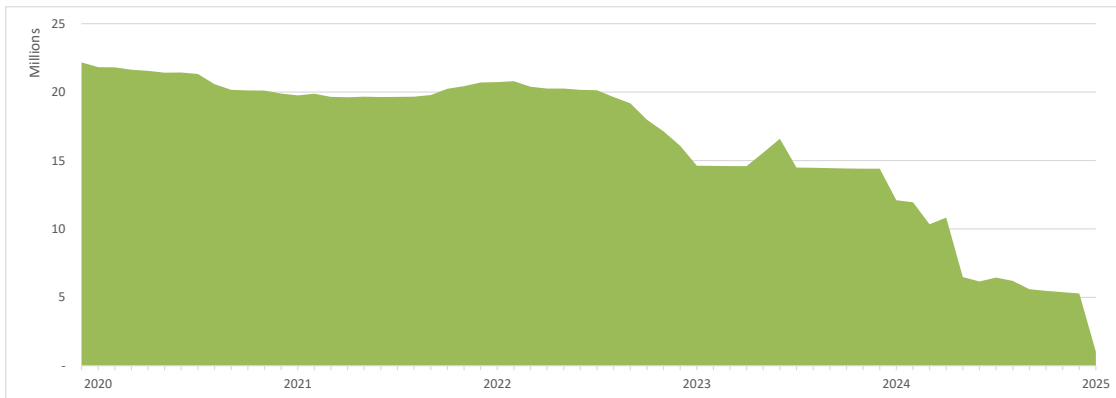
The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which contributions or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Fund provides a means to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

#### Current Activity

(In Thousands)	Quarter-End	2025
Opening Balance	\$ 6,448	\$ 12,101
Additions:		
Contributions	-	-
Sub-total	\$ -	\$ -
Withdrawals:		
Withdrawals	979	11,081
Sub-total	\$ 979	\$ 11,081
Ending Balance	\$ 5,469	\$ 1,020

#### Historical Activity

	2021	2022	2023	2024	2025
Opening Balance	\$ 21,818	\$ 19,756	\$ 20,728	\$ 14,612	\$ 12,101
Additions:					
Contributions	7,497	7,619	3,111	-	-
Sub-total	\$ 7,497	\$ 7,619	\$ 3,111	\$ -	\$ -
Withdrawals:					
Withdrawals	9,559	6,647	9,227	2,511	11,081
Sub-total	\$ 9,559	\$ 6,647	\$ 9,227	\$ 2,511	\$ 11,081
Ending balance	\$ 19,756	\$ 20,728	\$ 14,612	\$ 12,101	\$ 1,020



Maximum Balance: 22,170  
Minimum Balance: 1,020

Average Balance: 16,384

#### Observations

- Rate Stabilization Fund for Environmental began in June 2010.

## Electric System Rate Stabilization - Non-Fuel Purchased Power

For the Third Quarter Ending June 30, 2025

Definitions  
and Goals

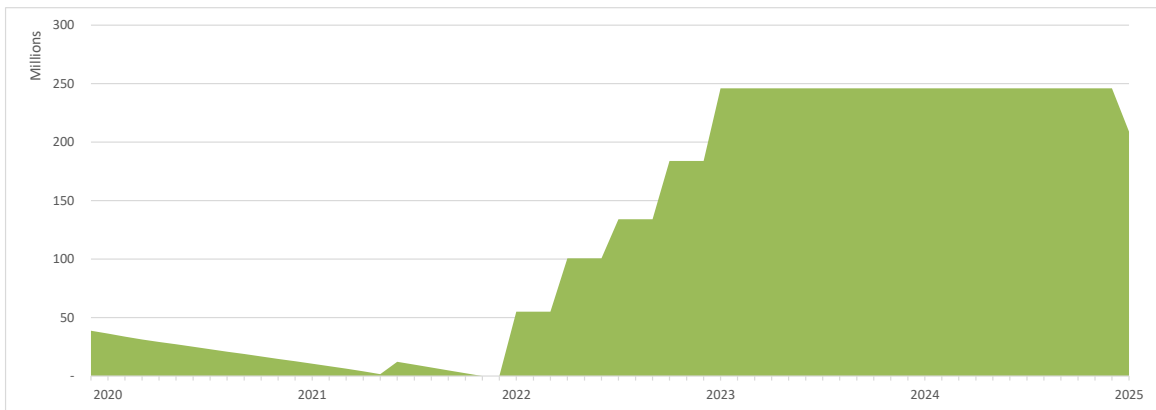
The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which deposits or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Funds provide a means to minimize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

## Current Activity

(In Thousands)	Quarter-End	2025
Opening Balance	\$ 246,000	\$ 246,000
Additions:		
Contributions	-	
Sub-total	\$ -	\$ -
Withdrawals:		
Withdrawals	-	37,000
Ending Balance	\$ 246,000	\$ 209,000

## Historical Activity

	2021	2022	2023	2024	2025
Opening Balance	\$ 36,326	\$ 10,513	\$ 55,000	\$ 246,000	\$ 246,000
Additions:					
Contributions	-	72,731	191,000	-	-
Sub-total	\$ -	\$ 72,731	\$ 191,000	\$ -	\$ -
Withdrawals:					
Withdrawals	25,813	28,244	-	-	37,000
Sub-total	\$ 25,813	\$ 28,244	\$ -	\$ -	\$ 37,000
Ending balance	\$ 10,513	\$ 55,000	\$ 246,000	\$ 246,000	\$ 209,000



Maximum Balance: 246,000  
Minimum Balance: -

Average Balance: 127,880

## Observations

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

## Electric System Environmental Reserve

**For the Third Quarter Ending June 30, 2025**

### Definitions and Goals

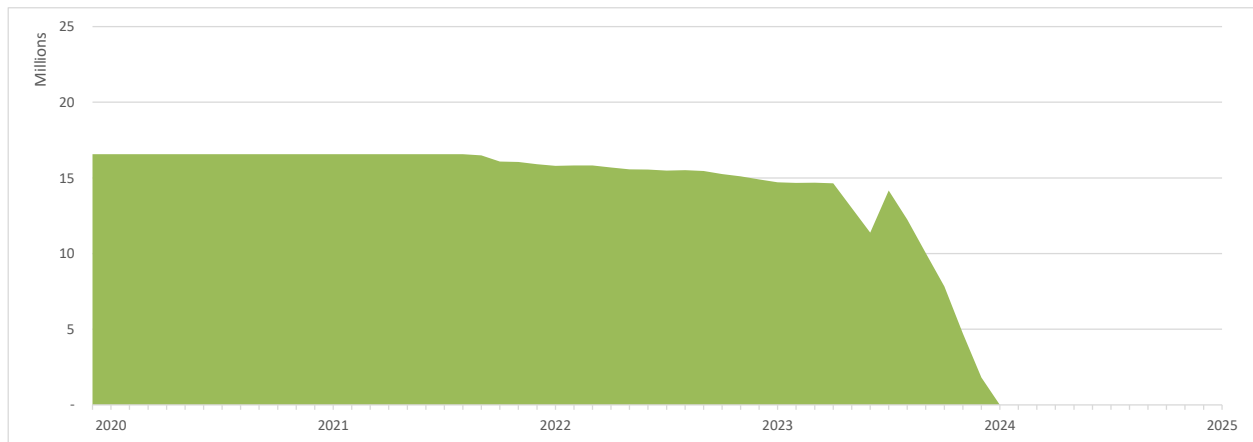
This reserve represents the initial amounts collected from the Electric System Environmental Charge and will be deposited until the balance in this reserve equals the balance in the environmental liability account. Withdrawals from this account will represent payments for these liabilities. Fund was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

### Current Activity

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

### Historical Activity

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



Maximum Balance: 16,568  
Minimum Balance: -

Average Balance: 11,812

### Observations

- The Environmental Reserve began in FY 2008.

## Electric System Customer Deposits

**For the Third Quarter Ending June 30, 2025**

### Definitions and Goals

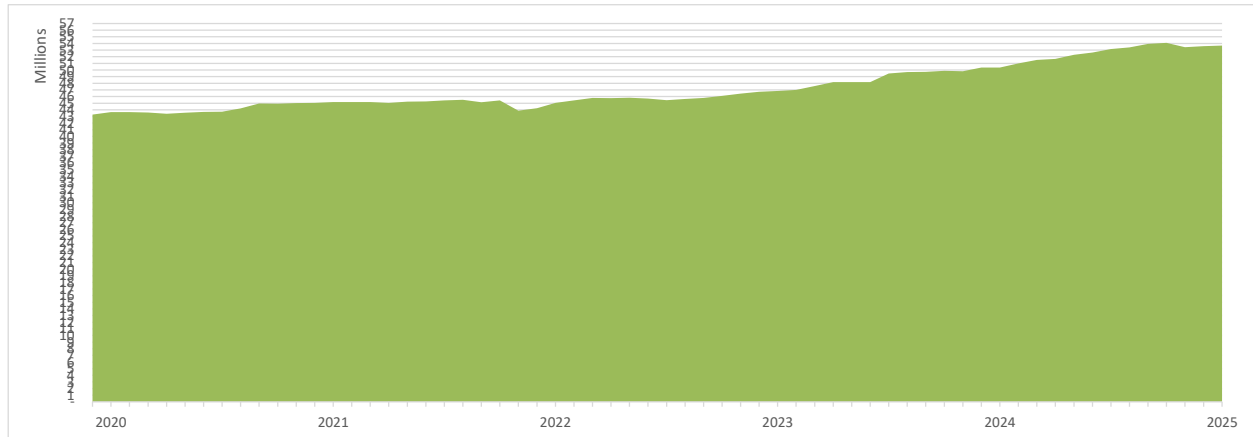
Pursuant to internal procedure CR40400 MBC302 Credit and Collections, JEA assesses customers a deposit that may be used to offset any future unpaid amounts during the course of providing utility service to a customer.

### Current Activity

(In Thousands)	Quarter-End	<u>2025</u>
Opening Balance	\$ 53,167	\$ 50,376
Additions:		
Net Customer Activity	922	3,947
Sub-total	\$ 922	\$ 3,947
Withdrawals:		
Net Customer Activity	-	910
Sub-total	\$ -	\$ 910
Ending Balance	\$ 54,089	\$ 53,413

### Historical Activity

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Opening Balance	\$ 44,785	\$ 43,641	\$ 45,044	\$ 46,838	\$ 50,376
Additions:					
Net Customer Activity	596	3,666	2,194	3,604	3,947
Sub-total	\$ 596	\$ 3,666	\$ 2,194	\$ 3,604	\$ 3,947
Withdrawals:					
Net Customer Activity	1,740	2,263	400	66	910
Sub-total	\$ 1,740	\$ 2,263	\$ 400	\$ 66	\$ 910
Ending balance	\$ 43,641	\$ 45,044	\$ 46,838	\$ 50,376	\$ 53,413



Maximum Balance: 54,089  
Minimum Balance: 43,271

Average Balance: 47,301

### Observations

## Electric System Debt Service Sinking Fund

**For the Third Quarter Ending June 30, 2025**

### Definitions and Goals

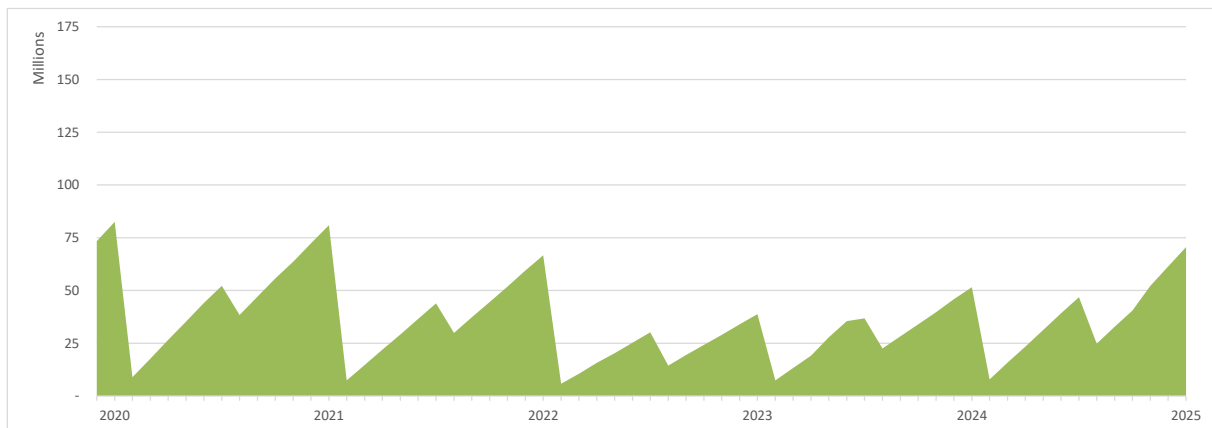
JEA is required monthly to fund from revenues an amount equal to the aggregate of the Debt Service Requirement for senior and subordinated bonds for such month into this account. On or before such interest payment date, JEA shall pay out of this account to the paying agents the amount required for the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

### Current Activity

(In Thousands)	Quarter-End	<u>2025</u>
Opening Balance	\$ 46,835	\$ 51,549
Additions:		
Revenue Fund Deposits	24,481	101,138
Sub-total	<u>\$ 24,481</u>	<u>\$ 101,138</u>
Withdrawals:		
Principal and Int Payments	30,859	84,645
Sub-total	<u>\$ 30,859</u>	<u>\$ 84,645</u>
Ending Balance	<u>\$ 40,457</u>	<u>\$ 68,042</u>

### Historical Activity

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Opening Balance	\$ 82,525	\$ 80,988	\$ 66,705	\$ 38,818	\$ 51,549
Additions:					
Revenue Fund Deposits	237,723	91,059	73,192	93,685	101,138
Sub-total	<u>\$ 237,723</u>	<u>\$ 91,059</u>	<u>\$ 73,192</u>	<u>\$ 93,685</u>	<u>\$ 101,138</u>
Withdrawals:					
Principal and Int Payments	239,260	105,342	101,079	80,954	84,645
Sub-total	<u>\$ 239,260</u>	<u>\$ 105,342</u>	<u>\$ 101,079</u>	<u>\$ 80,954</u>	<u>\$ 84,645</u>
Ending balance	<u>\$ 80,988</u>	<u>\$ 66,705</u>	<u>\$ 38,818</u>	<u>\$ 51,549</u>	<u>\$ 68,042</u>



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

Average Balance: 35,775

### Observations

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

## Electric System Debt Service Reserve Account

**For the Third Quarter Ending June 30, 2025**

### Definitions and Goals

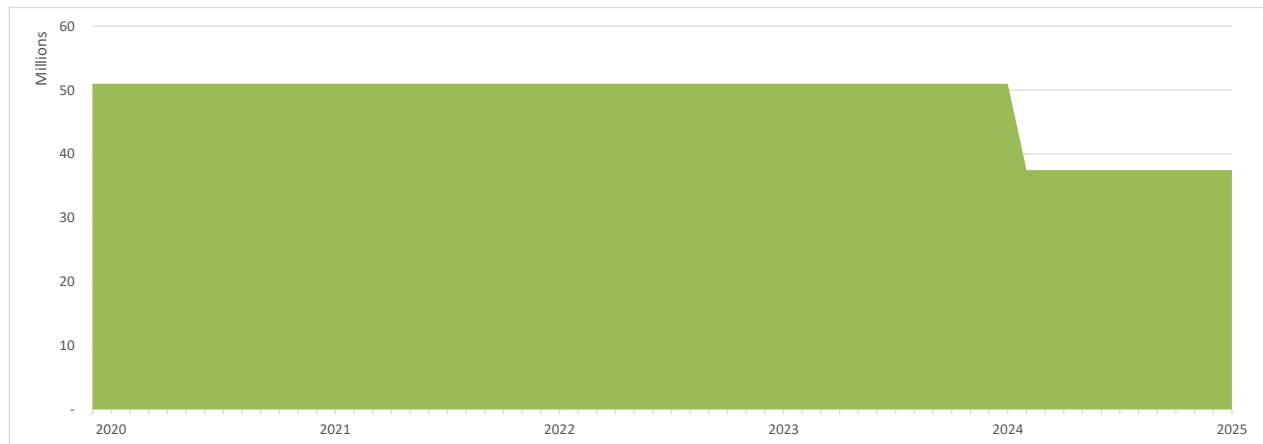
This reserve will be funded, maintained and held for the benefit of bondholders as specified in the Supplemental Resolution authorizing the sale of the bonds to pay principal and/or interest on the bonds should revenues from operations not be sufficient for such purpose in accordance with the appropriate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

### Current Activity

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

### Historical Activity

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



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

Average Balance: 48,375

### Observations

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

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

For the Third Quarter Ending June 30, 2025

Definitions  
and Goals

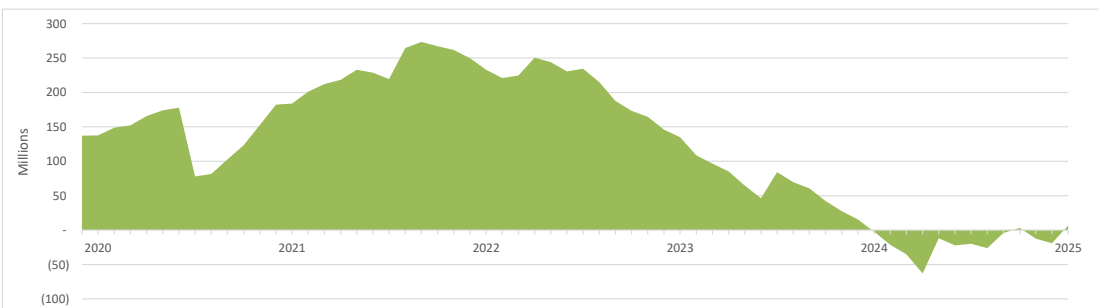
Pursuant to the bond resolution and Article 21 of the City of Jacksonville Charter, JEA is required to deposit from the revenue fund annually an amount for Renewal and Replacement of system assets. According to the bond resolutions the amount is equal to the greater of 10% of the prior year defined annual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

## Current Activity

(In Thousands)	Quarter-End	2025
Opening Balance	\$ (19,995)	\$ (2,160)
Additions:		
R&R/OCO Contribution	72,649	229,336
Debt Funding	11,718	100,000
Other	103	388
Sub-total	\$ 84,470	\$ 329,724
Withdrawals:		
Capital Expenditures	61,411	321,088
Transfers betw Capital Fds	-	-
Debt Reduction	-	-
Other	-	-
Sub-total	\$ 61,411	\$ 321,088
Ending Balance	\$ 3,064	\$ 6,476

## Historical Activity

	2021	2022	2023	2024	2025
Opening Balance	\$ 137,643	\$ 183,800	\$ 233,019	\$ 135,034	\$ (2,160)
Additions:					
R&R/OCO Contribution	296,824	240,825	143,458	136,307	229,336
Debt Funding					100,000
Other	11,668	6,031	12,774	1,876	388
Sub-total	\$ 308,492	\$ 246,856	\$ 156,232	\$ 138,183	\$ 329,724
Withdrawals:					
Capital Expenditures	155,486	197,637	234,217	265,824	321,088
Transfers/loans b/w Capital Fds					
Debt Defeasance	106,849	-	20,000	9,553	-
Other	-	-	-	-	-
Sub-total	\$ 262,335	\$ 197,637	\$ 254,217	\$ 275,377	\$ 321,088
Ending balance	\$ 183,800	\$ 233,019	\$ 135,034	\$ (2,160)	\$ 6,476



## Observations

- Other includes Sale of Property and miscellaneous billings.

## Electric System Environmental Fund - Capital Projects

For the Third Quarter Ending June 30, 2025

Definitions  
and Goals

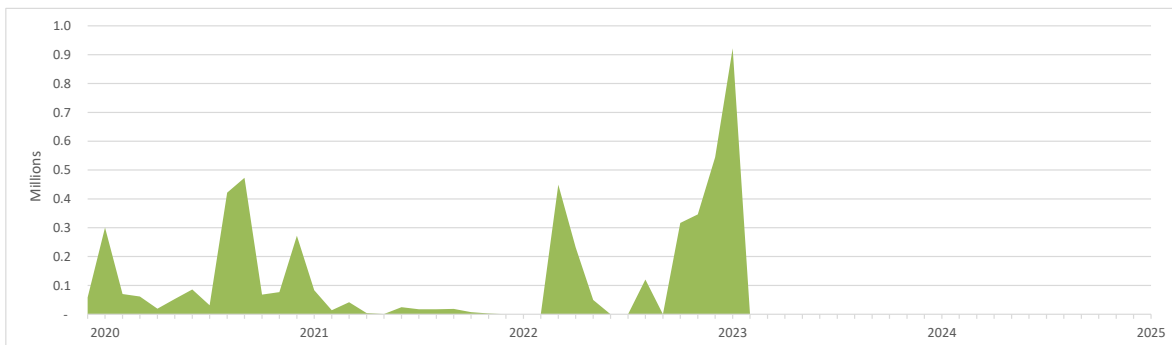
The Environmental Charge will be applied to all kWh consumption and structured to provide funding for major specific environmental and regulatory program needs. The Environmental Charge is designed to recover from customers all costs of environmental remediation and compliance with new and existing environmental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

## Current Activity

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

## Historical Activity

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



## Observations

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

## Electric System Construction / Bond Fund

For the Third Quarter Ending June 30, 2025

Definitions  
and Goals

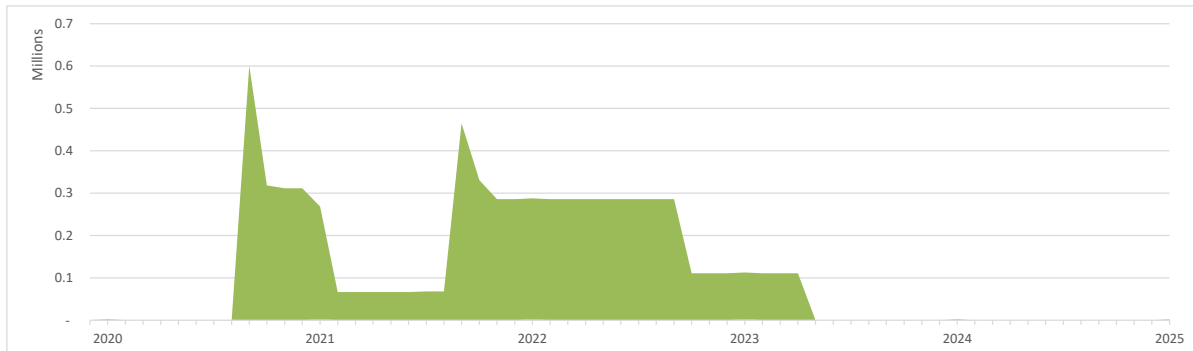
JEA maintains a senior and subordinated construction fund of which bonds proceeds are deposited and used for the payment of the costs of additions, extensions and improvements to the Electric System. The senior construction fund is limited to the costs of additions, extension and improvements relating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

## Current Activity

(In Thousands)	Quarter-End	2025
Opening Balance	\$ 119	\$ -
Additions:		
Bond Proceeds	-	858
Loans betw Capital Fds		
Other		
Sub-total	\$ -	\$ 858
Withdrawals:		
Capital Expenditures	-	858
Transfers betw Capital Fds		
Other		
Sub-total	\$ -	\$ 858
Ending Balance	\$ 119	\$ -

## Historical Activity

	2021	2022	2023	2024	2025
Opening Balance	\$ 314	\$ 286	\$ 111	\$ -	\$ -
Additions:					
Bond Proceeds	397	-	-	-	858
Loans betw Capital Fds					
Other					
Sub-total	\$ 397	\$ -	\$ -	\$ -	\$ 858
Withdrawals:					
Capital Expenditures	425	175	111	-	858
Transfers/loans b/w Capital Fds					
Other					
Sub-total	\$ 425	\$ 175	\$ 111	\$ -	\$ 858
Ending balance	\$ 286	\$ 111	\$ -	\$ -	\$ -



## Observations

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

## Water System Rate Stabilization - Environmental

**For the Third Quarter Ending June 30, 2025**

### Definitions and Goals

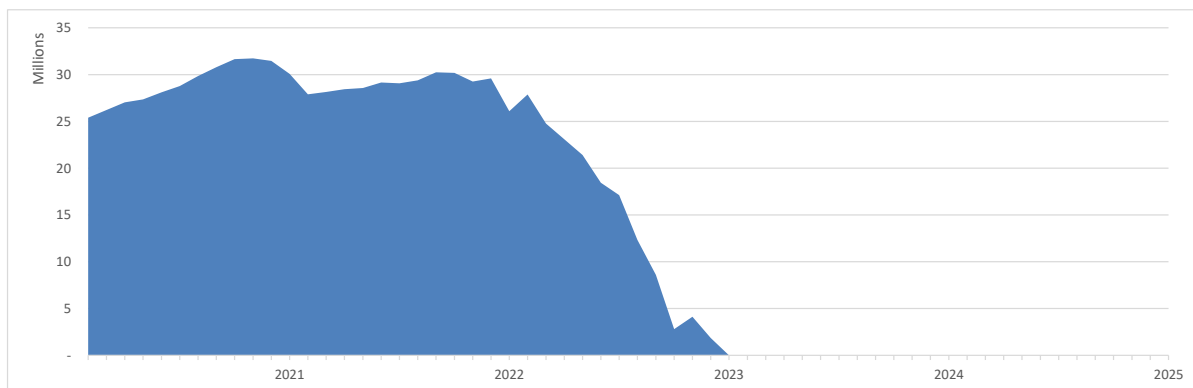
The Water System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which contributions or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Fund provides a means to minimize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

### Current Activity

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

### Historical Activity

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



### Observations

- Rate Stabilization Fund for Environmental began in June 2010.

## Water System Customer Deposits

**For the Third Quarter Ending June 30, 2025**

### Definitions and Goals

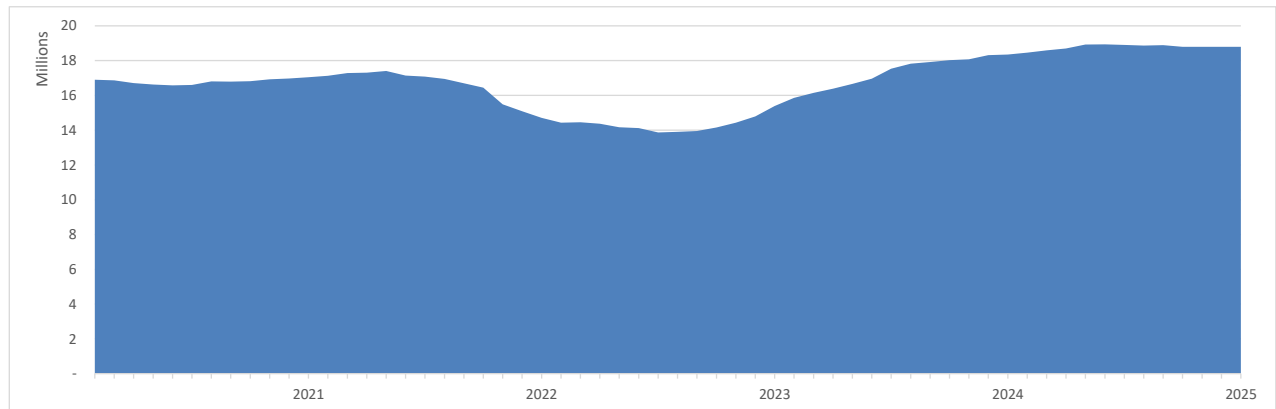
Pursuant to internal procedure CR40400 MBC302 Credit and Collections, JEA assesses customers a deposit that may be used to offset any future unpaid amounts during the course of providing utility service to a customer.

### Current Activity

(In Thousands)	Quarter-End	<u>2025</u>
Opening Balance	\$ 18,904	\$ 18,346
Additions:		
Allocated from Electric	32	616
Sub-total	\$ 32	\$ 616
Withdrawals:		
Allocated from Electric	145	171
Sub-total	\$ 145	\$ 171
Ending Balance	\$ 18,791	\$ 18,791

### Historical Activity

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Opening Balance	\$ 16,926	\$ 17,043	\$ 14,710	\$ 15,386	\$ 18,346
Additions:					
Allocated from Electric	480	356	1,544	2,960	616
Sub-total	\$ 480	\$ 356	\$ 1,544	\$ 2,960	\$ 616
Withdrawals:					
Allocated from Electric	363	2,689	868	-	171
Sub-total	\$ 363	\$ 2,689	\$ 868	\$ -	\$ 171
Ending balance	\$ 17,043	\$ 14,710	\$ 15,386	\$ 18,346	\$ 18,791



Maximum Balance: 18,936  
Minimum Balance: 13,864

Average Balance: 16,764

### Observations

## Water System Debt Service Sinking Fund

**For the Third Quarter Ending June 30, 2025**

### Definitions and Goals

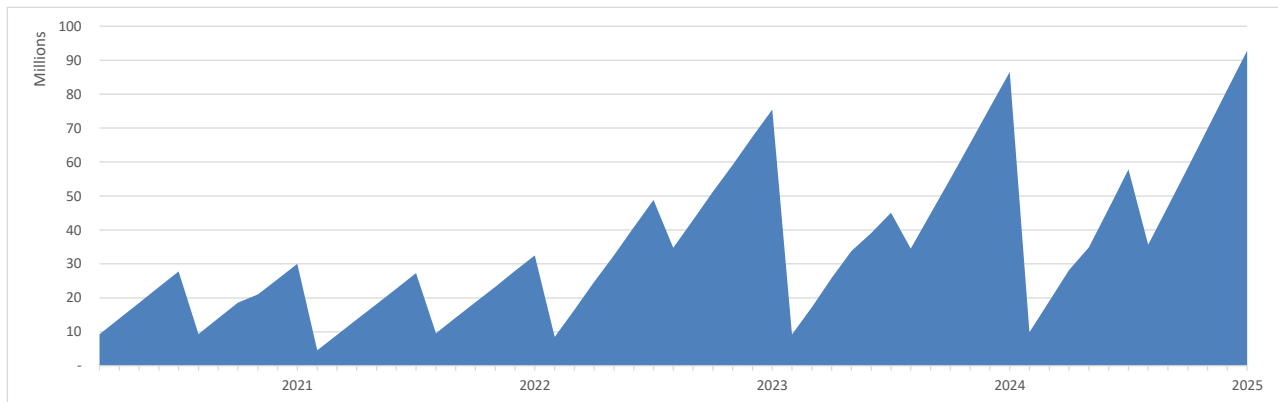
JEA is required monthly to fund from revenues an amount equal to the aggregate of the Debt Service Requirement for senior and subordinated bonds for such month into this account. On or before such interest payment date, JEA shall pay out of this account to the paying agents the amount required for the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

### Current Activity

(In Thousands)	Quarter-End	<u>2025</u>
Opening Balance	\$ 57,836	\$ 86,549
Additions:		
Revenue fund deposits	35,307	141,227
Sub-total	<u>\$ 35,307</u>	<u>\$ 141,227</u>
Withdrawals:		
Principal and interest payments	34,836	134,970
Sub-total	<u>\$ 34,836</u>	<u>\$ 134,970</u>
Ending Balance	<u>\$ 58,307</u>	<u>\$ 92,807</u>

### Historical Activity

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Opening Balance	\$ 41,660	\$ 30,006	\$ 32,499	\$ 75,477	\$ 86,549
Additions:					
Revenue fund deposits	59,573	55,811	105,245	137,337	141,227
Sub-total	<u>\$ 59,573</u>	<u>\$ 55,811</u>	<u>\$ 105,245</u>	<u>\$ 137,337</u>	<u>\$ 141,227</u>
Withdrawals:					
Principal and interest payments	71,227	53,318	62,267	126,264	134,970
Sub-total	<u>\$ 71,227</u>	<u>\$ 53,318</u>	<u>\$ 62,267</u>	<u>\$ 126,264</u>	<u>\$ 134,970</u>
Ending balance	<u>\$ 30,006</u>	<u>\$ 32,499</u>	<u>\$ 75,477</u>	<u>\$ 86,549</u>	<u>\$ 92,807</u>



Maximum Balance: 92,807  
Minimum Balance: 4,545

Average Balance: 34,235

### Observations

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

### Water System Debt Service Reserve Account

For the Third Quarter Ending June 30, 2025

#### Definitions and Goals

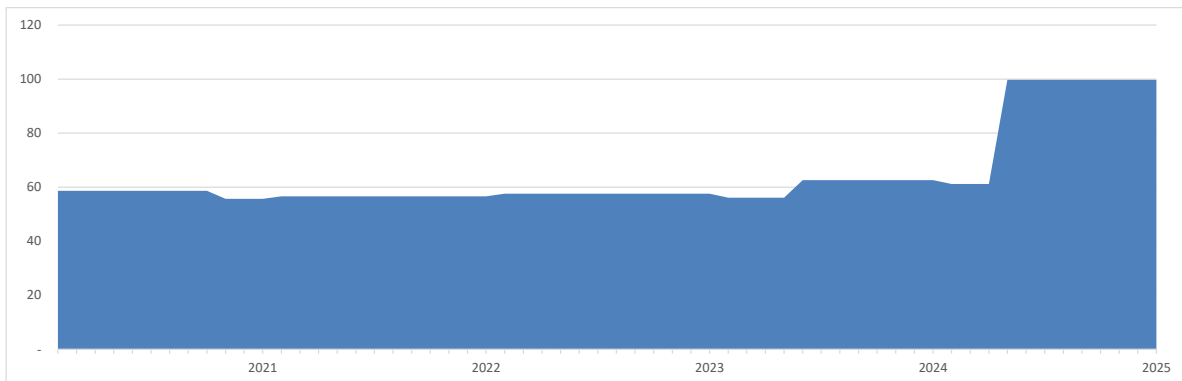
This reserve will be funded, maintained and held for the benefit of bondholders as specified in the Supplemental Resolution authorizing the sale of the bonds to pay principal and/or interest on the bonds should revenues from operations not be sufficient for such purpose in accordance with the appropriate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

#### Current Activity

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

#### Historical Activity

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



Maximum Balance:  
Minimum Balance:

99,726  
55,665

Average Balance:

64,525

#### Observations

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

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

For the Third Quarter Ending June 30, 2025

### Definitions and Goals

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

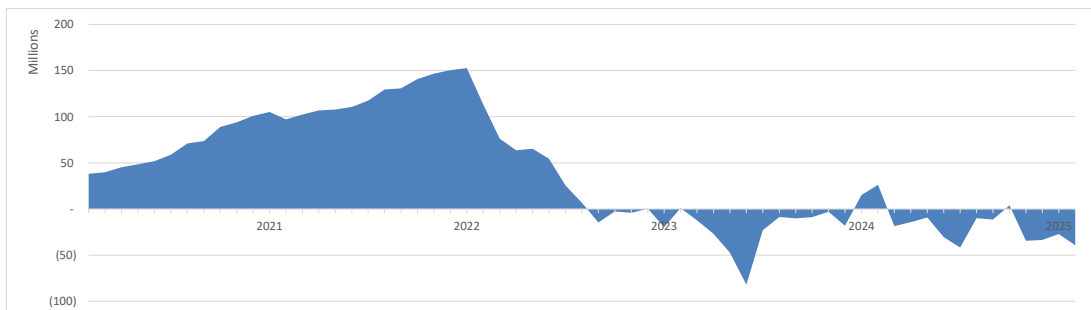
### Current Activity

(In Thousands)

	Quarter-End	2025
Opening Balance	\$ (13,300)	\$ 26,267
Additions:		
R&R/OCO Contribution	37,783	69,749
Capacity Fees	15,184	72,752
Debt Issue	55,003	273,319
Other		8,275
Sub-total	\$ 107,970	\$ 424,095
Withdrawals:		
Capital Expenditures	128,882	489,422
Other	204	204
Sub-total	\$ 129,086	\$ 489,626
Ending Balance	\$ (34,416)	\$ (39,264)

### Historical Activity

	2021	2022	2023	2024	2025
Opening Balance	\$ 38,131	\$ 97,066	\$ 112,930	\$ 946	\$ 26,267
Additions:					
R&R/OCO Contribution	193,071	197,357	108,060	62,834	69,749
Capacity Fees	39,930	48,027	64,535	89,827	72,752
Debt Issue			127,072	332,150	273,319
Other (incl septic tank)	7,571	18,654	20,497	7,667	8,275
Sub-total	\$ 240,572	\$ 264,038	\$ 320,164	\$ 492,478	\$ 424,095
Withdrawals:					
Capital Expenditures	181,637	234,775	426,329	463,498	489,422
Loan Repayment			-	-	-
Transfer to Constr. Fund		13,399	5,819	3,659	204
Other (incl septic tank)					
Sub-total	\$ 181,637	\$ 248,174	\$ 432,148	\$ 467,157	\$ 489,626
Ending balance	\$ 97,066	\$ 112,930	\$ 946	\$ 26,267	\$ (39,264)



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

Average Balance: 36,112

### Observations

- Other includes the Septic Tank Phase-out project, Sale of Property, and the transfer of RSF - Environmental in FY 2016 - 2024.

### Water System - Environmental Fund [Capital Projects]

For the Third Quarter Ending June 30, 2025

#### Definitions and Goals

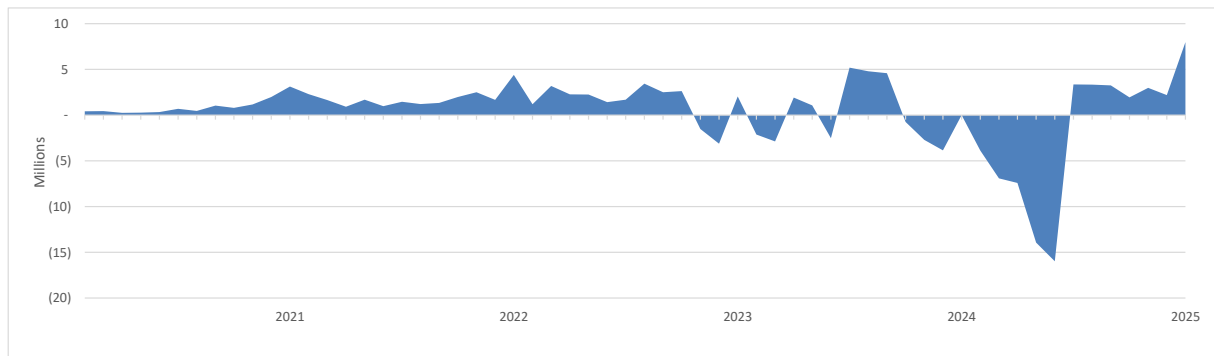
The Environmental Charge will be applied to all water, water reclamation, irrigation and non bulk user reclaimed consumption. The environmental charge revenue will be collected from customers to partially offset current and future environmental and regulatory needs as specified in the Pricing Policy for specific environmental and regulatory programs. Effective April 1, 2023, the Environmental charge and Conservation charges were eliminated for all rate classes. Basic monthly charges for each rate class were raised to more closely represent the cost to serve each class of customer.

#### Current Activity

(In Thousands)	Quarter-End	2025
Opening Balance	\$ 3,349	\$ -
Additions:		
Environmental Contributions	-	-
OCO Contribution		9,539
Debt	3,549	28,038
Sub-total	\$ 3,549	\$ 37,577
Withdrawals:		
Capital Expenditures	4,963	29,600
Other		
Sub-total	\$ 4,963	\$ 29,600
Ending Balance	\$ 1,934	\$ 7,977

#### Historical Activity

	2021	2022	2023	2024	2025
Opening Balance	\$ 648	\$ 3,118	\$ 4,400	\$ 2,039	\$ -
Additions:					
Environmental Contributions	9,743	15,918	21,595	-	-
OCO Contribution				11,685	9,539
Other				26,196	28,038
Sub-total	\$ 9,743	\$ 15,918	\$ 21,595	\$ 37,881	\$ 37,577
Withdrawals:					
Capital Expenditures	7,273	14,636	23,956	39,920	29,600
Septic Tank Phase Out					
Other					
Sub-total	\$ 7,273	\$ 14,636	\$ 23,956	\$ 39,920	\$ 29,600
Ending balance	\$ 3,118	\$ 4,400	\$ 2,039	\$ -	\$ 7,977



Maximum Balance: 7,977  
Minimum Balance: (15,984)

Average Balance: 509

#### Observations

### Water System - Construction / Bond Fund

For the Third Quarter Ending June 30, 2025

#### Definitions and Goals

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

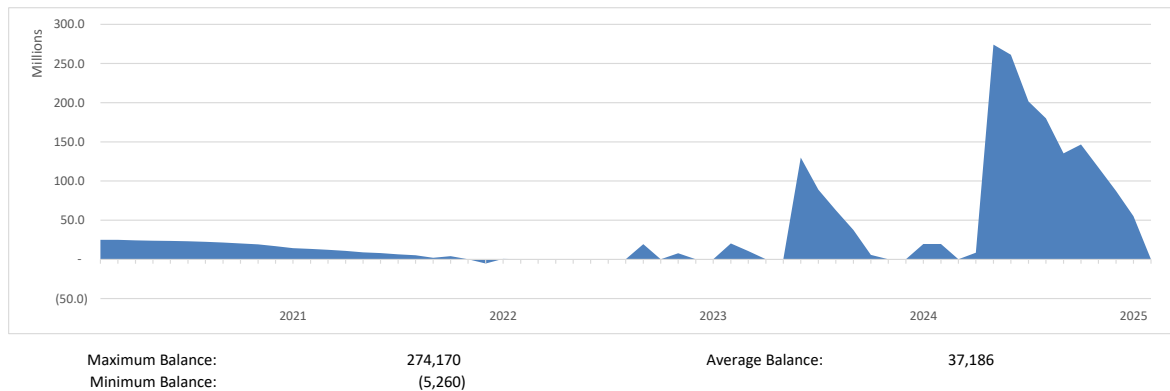
#### Current Activity

(In Thousands)

	Quarter-End	2025
Opening Balance	\$ 201,553	\$ 19,770
Additions:		
Bond Proceeds	-	495,000
Revolving credit facility	-	50,000
Other	2,518	1,740
Sub-total	\$ 2,518	\$ 546,740
Withdrawals:		
Capital Expenditures/Bond Issue Costs	78,591	300,654
Other	-	210,734
Sub-total	\$ 78,591	\$ 511,388
Ending Balance	\$ 125,480	\$ 55,122

#### Historical Activity

	2021	2022	2023	2024	2025
Opening Balance	\$ 25,541	\$ 14,266	\$ 646	\$ 242	\$ 19,770
Additions:					
Bond Proceeds	520	7,304		206,622	495,000
Revolving credit facility			127,000	170,000	50,000
Loans/transfers b/w Capital Fds					
Other	34	-	-	2,197	1,740
Sub-total	\$ 554	\$ 7,304	\$ 127,000	\$ 378,819	\$ 546,740
Withdrawals:					
Capital Expenditures	11,829	20,924	127,404	359,291	511,388
Bond Proceeds					
Loans/trnsf btw CapFds					
Other	-	-	-		
Sub-total	\$ 11,829	\$ 20,924	\$ 127,404	\$ 359,291	\$ 511,388
Ending balance	\$ 14,266	\$ 646	\$ 242	\$ 19,770	\$ 55,122



#### Observations

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

# FY25 Jacksonville Small Emerging Business (JSEB) Scorecard

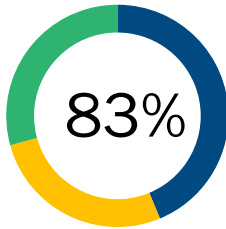
3rd QUARTER



## JSEB Goal

AVAILABLE SPEND

\$150,000,000



JSEB GOAL

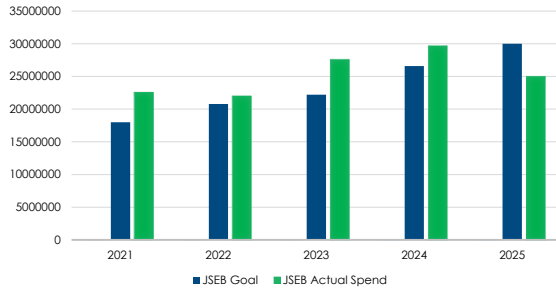
\$30,000,000

JSEB ACTUAL SPEND

\$25,024,780

QTR 1
\$10,946,714
QTR 2
\$6,753,713
QTR 3
\$7,324,353
QTR 4
\$0

## Past 5 Years - JSEB Goal vs. Actual Spend



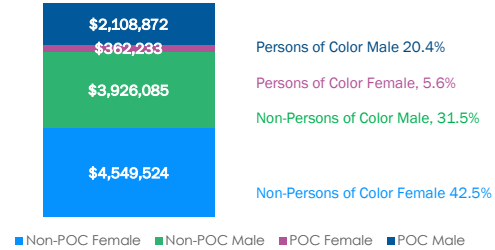
## TOP 10 JSEB SUPPLIERS BY SPEND

J & D Maintenance Svcs	\$958,797.43	Veteran
Breaking Ground Contracting	\$944,874.58	Women Bus. Ent.
VIA Consulting Svcs	\$719,036.40	OTHER
KBT Contracting Corp	\$689,689.89	Women Bus. Ent.
A.R.E.C. Safety Consulting, LLC	\$628,567.74	OTHER
Complete Svcs Well Drilling Co	\$622,493.00	OTHER
RZ Service Group LLC	\$617,582.18	African Amer. Women Bus. Ent.
DJ Contracting of Jacksonville, Inc.	\$616,653.03	OTHER
HG Concrete LLC dba Concrete Advantz	\$445,368.40	OTHER
Mechling Engineering & Consulting	\$443,606.63	OTHER

## TOP 10 DIVERSE SUPPLIERS BY SPEND (NON-JSEB)

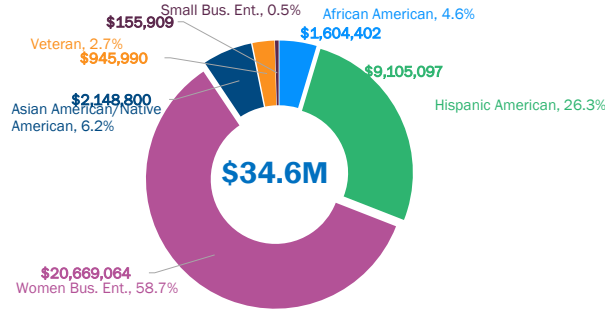
WORKSPEND INC	\$9,552,464	Women Bus. Ent.
Keville Enterprises, Inc.	\$4,865,963	Women Bus. Ent.
Netsync Network Solutions, Inc.	\$3,856,998	Hispanic Amer.
Zabatt Engine Services, Inc. dba Zabatt	\$2,273,914	Hispanic Amer.
SGS TECHNOLOGIE LLC	\$1,301,301	African Amer.
SUMITOMO SHI FW NORTH AMERICA E	\$1,296,000	Asian Amer. Women Bus. Ent.
JO KELL INC	\$1,165,151	Women Bus. Ent.
Moving On It Solutions, LLC	\$724,365	Women Bus. Ent.
DAVIS TIRE CENTER INC	\$675,932	Women Bus. Ent.
PROSYS	\$524,938	Women Bus. Ent.

## JSEB SPEND BREAKDOWN



JSEB SPEND	PRIME - 32 62%	SUB - 75 37%	# of JSEBs CURRENTLY DOING BUSINESS WITH = 89
	\$15,104,355	\$10,392,048	# of NEW VENDORS FY25 vs. FY24 = 1
	21 JSEBs are Prime and Sub		

## SUPPLIER DIVERSITY BREAKDOWN (NON-JSEB)



# OF DIVERSE SUPPLIERS (NON-JSEB) DOING BUSINESS WITH = 78

## Quarterly Growth of the Supplier Diversity Program:

	FY24 Actual	FY25 Goal	FY25 Actual (Cumulative)			
			QTR 1	QTR 2	QTR 3	QTR 4
Supplier Diversity Spend	\$37M	\$38.2M	\$15.1M	\$24.6M	\$34.6M	
Diverse Suppliers Currently Doing Business With		32				

## OUTREACH INITIATIVES



8/18	Annual JSEB/Supplier Summit
8/21	Doing Business w/ JEA
8/28	JSEB Agency Task Force Mtg (© JAA)
9/4	Community Outreach Event (In collab. w/ CoJ JSEB Director)

## Energy Market Risk Management Policy Quarterly Report

7/15/2025

**Energy Market Risk Management: Physical and Financial Positions**

Summary as of 7/1/2025	
FY25 Fuel Expense (Budget \$434M)	\$521M
EMRM Compliance	Yes
Counterparty Credit Limit Exceptions	No
Any Issues of Concern	No

**Table 1: Physical Counterparties (Contracts One Year or Greater) as of 7/1/2025**

Generating Unit	Fuel Type	Supplier/Counterparty	Contract Type	Remaining Contract Value	Remaining Contract Term
NG Fleet	Natural Gas	Shell Energy	Index w/Fixed Price Option	\$481,928,538	5.92 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$136,613,357	23.75 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$70,539,112	13.75 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$128,106,928	28.33 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$129,118,108	24 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	\$219,291,120	27.33 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	\$294,096,099	27.83 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	\$363,959,838	27.92 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	\$396,933,443	28.75 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	\$201,595,450	29.33 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	\$201,059,900	29.33 years

**Table 2: Financial Positions as of 7/1/2025**

Year	Commodity	Physical Volume (mmBtu)	Hedged Volume (mmBtu)	Percent Hedged	Unhedged Cost	Hedge Type	Hedge Price	Mark-to-Market Credit/(Cost)	Counterparty
FY25	Natural Gas	9,277,912	7,774,279	83.8%	\$3.47	Swap	\$3.43	\$ (1,141,647)	Wells Fargo & RBC
FY26	Natural Gas	53,204,279	31,011,083	58.3%	\$4.15	Swap	\$3.64	\$ 5,396,025	Wells Fargo & RBC
FY27	Natural Gas	54,542,376	22,477,876	41.2%	\$4.07	Swap	\$3.69	\$ (920,545)	Wells Fargo & RBC
FY28	Natural Gas	51,999,107	7,072,000	13.6%	\$3.84	Swap	\$3.16	\$ (17,579)	Wells Fargo & RBC
CY25-31	Nat.Gas-PPA	78,691,429	55,084,000	70.0%	\$3.82	Swap	\$2.60	\$ 67,341,577	Nextera

**Table 3: Fuel & Purchase Power Procurement as of 7/1/2025**

Fuel Type	Natural Gas	Coal	Petcoke	Limestone	FPL PPA	PurchPwr	Oil/Diesel	Renewables	Vogtle
FY25 Remaining / Energy Mix	49%	3%	17%	N/A	9%	8%	0%	4%	10%
Expected Spend (\$)	55.5M	4.1M	22.5M	3.3M	10.3M	19M	0.6M	7.8M	5M
% Procured	88%	100%	81%	100%	100%	0%	100%	100%	100%
% Hedged	79%	100%	0%	100%	82%	0%	100%	89%	100%
FY26 Projection / Energy Mix	54%	2%	10%	N/A	10%	7%	0%	4%	13%
Expected Spend (\$)	233.3M	7.6M	41.6M	6.4M	37.2M	51.2M	5.8M	29.1M	17.8M
% Procured	70%	15%	0%	6%	100%	0%	100%	100%	100%
% Hedged	52%	15%	0%	6%	95%	0%	100%	87%	100%
FY27 Projection / Energy Mix	53%	2%	9%	N/A	11%	6%	0%	7%	12%
Expected Spend (\$)	241M	6.8M	37.3M	5.7M	40.4M	44.5M	7.4M	42.5M	16.1M
% Procured	53%	0%	0%	0%	100%	0%	100%	100%	100%
% Hedged	30%	0%	0%	0%	100%	0%	100%	95%	100%

**Supporting Notes:**

- Renewable purchase power agreements are not included in Table 1
- Table 1: Natural Gas discount - Municipal Gas Authority of Georgia (MGAG) issues municipal bonds to prepay for gas, allowing them to offer discounts to JEA for qualified use
- Table 1: MGAG prepay agreement remaining contract values are based on current discounts, future discounts are subject to change
- Table 1: Limestone contract value is based on current contract pricing; due to supply disruption this price is expected to increase
- Table 3: FY Energy Mix based on MWH; the procured percent relates to inventory on hand or contracted and the percent hedged is inventory on hand or contracted with fixed pricing or financial hedges
- Solar purchase power agreement with FPL reported as renewable in Table 3
- Placeholders for new solar deals included in FY27 projections in Table 3

## Energy Market Risk Management Policy Quarterly Report

7/15/2025

