FINANCE, GOVERNANCE, & AUDIT COMMITTEE

JEA Headquarters | 1st Floor | Room 120 A & B | 225 North Pearl Street, Jacksonville, FL 32202
October 26, 2026 | 9:00 a.m.
Members: Worth McArthur, Chair, Rick Morales, and Kawanza Suarez – All Board Members are Welcome

WELCOME

Meeting Called to Order
Adoption of Agenda (Action) — Worth McArthur, Chair
Approval of Minutes – January 21, 2026 (Action)

Safety Briefing — Brandon Edwards, Director, Security & Emergency Preparedness

COMMENTS / PRESENTATIONS

Comments from the Public — Public

FOR COMMITTEE CONSIDERATION

- Real Estate Procurement Directive Review (Action)
- Board Governing Documents (Action)
  - Board By-Laws
  - Board Policy Manual

Jordan Pope, Interim Chief Administrative Officer

- Annual Board Self-Evaluation

- Audit Partner Update — John DiSanto, Managing Director, EY

- Internal Audit / Enterprise Risk Management Update
- FY2027 Internal Audit Charter (Action)
- FY2027 Internal Audit Plan (Action)

Lee Montanez, Director, Internal Audit and Enterprise Risk

Ethics Update — Walette Stanford, Director, Ethics

- Quarterly Financial Review
- Residential Bill Metrics

Ted Phillips, Chief Financial Officer

OTHER BUSINESS & CLOSING CONSIDERATIONS

Old & Other New Business / Open Discussion
Announcements – Next Meeting January 21, 2027
Adjournment — Worth McArthur, Chair

FINANCE, GOVERNANCE, & AUDIT COMMITTEE

INFORMATIONAL MATERIAL

Appendix A: Finance, Governance, and Audit Committee Meeting Minutes – January 21, 2026

Appendix B: Real Estate Procurement Directive Review

Appendix C: Board Governing Documents: Board By-Laws / Board Policy Manual

Appendix D: Annual Board Self-Evaluation

Appendix E: Audit Partner Update

Appendix F: Internal Audit / Enterprise Risk Management Update

Appendix G: FY2027 Internal Audit Charter

Appendix H: FY2027 Internal Audit Plan

Appendix I: Ethics Update

Appendix J: Residential Bill Metrics

Appendix K: Energy Market Risk Management Report


JEA
Building Community
FINANCE, GOVERNANCE, & AUDIT COMMITTEE
OCTOBER 26, 2026

Safety Briefing

Brandon Edwards, Director, Security and Emergency Preparedness



JEA team repairing pipe leak on San Jose Blvd.



Pearl Street Exit



Monroe Street Exit
Left of the American Flag



County Courthouse Lawn

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

Comments From The Public

Public



Real Estate Procurement Directive Review

Jordan Pope, Interim Chief Administrative Officer

Action



Real Estate Services Procurement Directive Revisions
JEA Charter – Section 21.04(b)(4)

Charter Requirements

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

Authority & Administration	Property Transactions & Disposition	Lease Administration & Terms
• Clarifies roles and responsibilities for Real Estate Services, Real Property Procurement Officer, CEO, and the Office of General Counsel	• Clarifies that an appraisal is not required for real property donated to JEA • Adds procedures for public auctions and direct sales, including notice, publication, and competing-bid provisions • Clarifies City Council approval requirements for real property transfers resulting in a loss of 1% or more of JEA's service territory or customer accounts, including related agreements	• Updates leases, licensing, and temporary-use provisions • Adds required terms and warranty provisions to protect JEA's interests

Requested Action

Staff requests the Committee recommend Board approval of Resolution 2026-45, approving the proposed revisions to the Real Estate Services Procurement Directive.

Board Governing Documents

- **Board By-Laws**
- **Board Policy Manual**

Jordan Pope, Interim Chief Administrative Officer

Action



JEA Board of Directors

Board Governing Documents
Article 21 JEA Charter Section 21.03c

The JEA Charter requires the Board to annually review and update its governing documents, unless otherwise provided.

Charter Requirements

Governing Documents
- JEA By-Laws
- JEA Board Policy Manual

Maintain Governing Documents
"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."

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

Make Documents Available
"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."

Board Policy Manual Review Timeline



September 11, 2026
Request sent to the Board proposing edits by October 26, 2026, prior to the Finance, Governance, and Audit Committee Meeting



October 26, 2026
Finance, Governance, and Audit Committee will review and vote to recommend Board approval of edits



October 27, 2026
Request the Board to approve edits at the Board Meeting as required by the Charter

Governing documents are available in Appendix C, and on JEA.com in the Additional Board Information section, and Diligent Boards/Resource Center

Requested Action

Staff requests the Committee recommend Board approval of Resolution 2026-56, approving the JEA Board By-Laws and Board Policy Manual revisions, as presented.

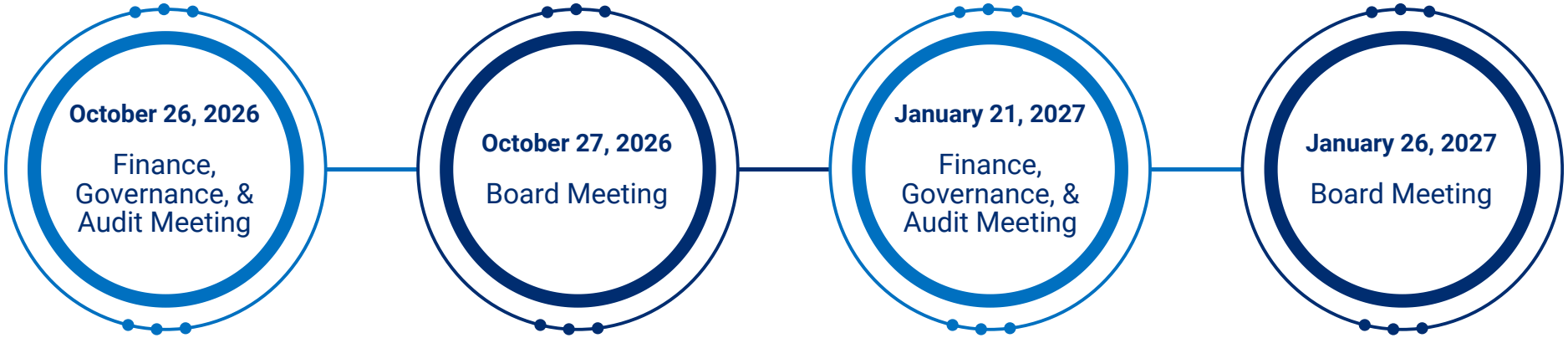
Annual Board Self-Evaluation

Jordan Pope, Interim Chief Administrative Officer



JEA HQ

Annual Board of Directors Self-Evaluation



- Review annual Board evaluation timeline and criteria

- FGAC Chair will review the timeline and criteria
- Following the Board meeting, Board members will receive the online evaluation
- Completion Date: December 1, 2026

- FGAC will receive an overview of the Board self-evaluation results

- FGAC Chair will provide the results of the Board self-evaluation during the Committee report

Criteria for the evaluation can be found in Appendix D of the Committee materials

Audit Partner Update

John DiSanto, Managing Director, EY

Scott Vigliotti, Community Relations & Project Outreach Associate



Internal Audit / Enterprise Risk Management Update

Lee Montanez, Director, Internal Audit and Enterprise Risk

Adam Holland, C&M Working Foreman
Victoria Lewis, Leadership Development & Onboarding Specialist
Greg Corcoran, Director, Community Affairs
Zasha Del Orbe, Manager, Wastewater Treatment and Reuse



FY26 Audit Plan Progress

Status of planned audits and projects

19
Planned
Audits and projects

10
Completed
Reports issued

4
In Progress
Active engagements

5
Deferred
Pending reschedule

Changes to the Audit Plan

- Due to Senior Auditor (Information Technology) resignation, Pen Test Remediation, Information Technology/Operational Technology (IT/OT) Governance, Application Development ROI, and Network Architecture audits were deferred
- JEA.com website functionality audit was deferred due to ongoing website upgrade projects

Completed Audits & Engagements

Reports issued during FY2026

Audits	Rating
Patch Management (from FY2025)	Needs Improvement
Vendor Master (from FY2025)	Well-Managed
Public Records (from FY2025)	Satisfactory
Management Oversight Tools & Processes (from FY2025)	Needs Improvement
Human Resources Information System (HRIS) / Payroll (from FY2025)	Satisfactory
Facilities Contract Review	Satisfactory
Telecom Services	Needs Improvement
Emergency Preparedness	Well-Managed
Call Center Operations	Satisfactory
Southside Service Center	Well-Managed

Completed Engagements included:

- EY Audit Assistance
- The Energy Authority (TEA) Member Audit
- Maritime Transportation Security Act – Facility Plan review
- Green-e Agreed-Upon Procedures
- Risk Management Services

Ongoing & Upcoming Audits

Engagements in progress and scheduled to begin

Audit / Engagement	Area	Planned Start	Status
Human Resources Information System (HRIS)	HR	May 2026	Reporting
District Energy Services (DES)	W/WW Operations	May 2026	Reporting
Third-Party Risk Management	Finance	May 2026	Testing
Data Privacy (Follow-Up)	Customer Experience	June 2026	Reporting
Revenue Assurance	Customer Experience	September 2026	Planning
Construction Manager at Risk (CMAR) Follow-Up	W/WW Operations	September 2026	Planning
TEA Audit Support	Administrative	October 2026	Ongoing
External Audit Support	Finance	October 2026	Ongoing
Non-AD Access Management	Technology Services	October 2026	Planning

Key Focus Areas

- Operational efficiency and effectiveness
- Vendor management and controls
- Follow-up on data privacy observations
- Compliance with contractual obligations

Open Action Plans & Remediation Status

Status of management action plans

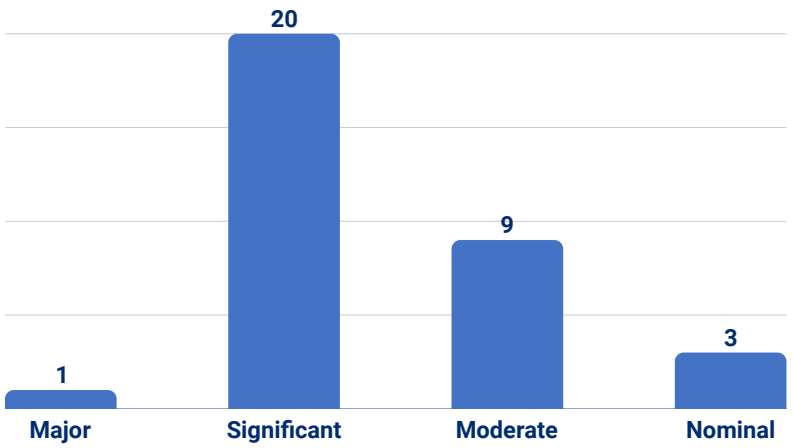
33
Total Open Action Plans

1
Major Risk Action Plan

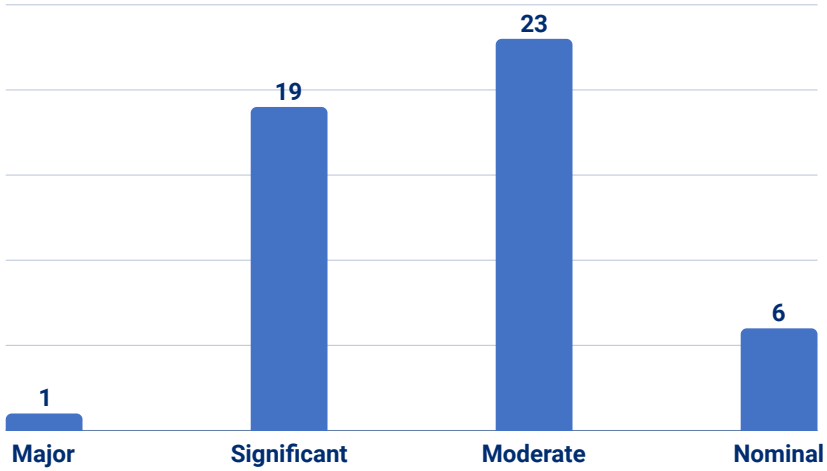
0
Past Due Action Plans

49
Closed Action Plans in FY2026

Open Action Plan (by Severity Level)



Closed Action Plan (by Severity)



Enterprise Risk Profiles

Development status of the nine enterprise risk profiles

Development 3

Risk profile being drafted

- Aging Infrastructure – Electric Generation
- Environmental Compliance
- Natural Disaster & Extreme Weather

Pending Final Review 2

Draft complete, awaiting final review

- Aging Infrastructure – Water Systems
- Workforce Succession & Critical Skills Loss

Reviewed 4

Finalized for ongoing monitoring

- AI Governance
- Cybersecurity – Ransomware & Malware
- Municipal Oversight
- North American Electric Reliability Corporation (NERC) Critical Infrastructure Protection (CIP) Compliance

Integrating Strategy, Risk, & Internal Audit

FY2027 GOAL *Target state for Enterprise Risk Management: an integrated approach to direction, risk, and assurance*

Strategy

Sets the direction

Board-approved objectives and priorities define what the organization is working to achieve.

PROVIDES
Strategic objectives and risk tolerance

Enterprise Risk Management

Identifies risks to objectives

Management identifies, assesses, and monitors the risks to achieve strategic objectives.

PROVIDES
Enterprise risk profile and key risks

Internal Audit

Provides independent assurance

Uses the risk profile to focus the audit plan and tests whether key risks are well controlled.

PROVIDES
Independent assurance and insight

Target outcome: audit results and emerging risks continuously inform risk assessments and strategic planning, keeping all three aligned as conditions change.

FY2027 Internal Audit Charter

Lee Montanez, Director, Internal Audit and Enterprise Risk

Action

Jesus Garcia, Director, IT CRM Systems
Kevin Prister, Corporate Applications Specialist



Internal Audit Charter

Review and summary of changes

6

Charter Updates

across five sections

Redlined and updated versions of the Internal Audit charter are provided in the Supplemental Materials.

1	Reporting cadence changed from quarterly to at least semiannually	Policy Statement
2	Updated definition of "Internal Audit"	Definitions
3	"Consulting Services" renamed "Advisory Services"	Definitions
4	Five-year external quality assessment cadence disclosed	Definitions
5	Chief Audit Executive (CAE) disclosure of Enterprise Risk role and independence safeguards	Director Responsibilities
6	"Annual" removed from risk assessment and audit plan requirements	Roles & Responsibilities

Assurance Statement

Independence, support, quality, and resources

Organizational Independence

Confirmed

Internal Audit operated independently throughout FY2026, with no interference in scope, performance, or reporting. Enterprise Risk role disclosed, with safeguards in place.

Board & Senior Management Support

Confirmed

Unrestricted access to the Board, leadership, management, records, and personnel.

Quality Assurance & Improvement

In progress

FY2026	FY2026 year-end	FY2027
Processes developed	Initial review done	Full rollout

Human & Technology Resources

Recruiting

Staffing: One additional position added for FY2027. One retirement in September; recruitment begins Q1 FY2027.

Technology: Sufficient to deliver the approved plan.

Requested Action

Staff requests the Committee recommend Board approval of Resolution 2026-54, approving the FY2027 Internal Audit Charter.

FY2027 Internal Audit Plan

Lee Montanez, Director, Internal Audit and Enterprise Risk

Action



JEA HQ

Audit Plan Development Process

How the risk-based internal audit plan is built

STEP 1

Assess Risk & Gather Input

Review strategy and key risks, and consult leadership, management and other assurance providers.

STEP 2

Prioritize Audit Areas

Rank auditable areas and focus coverage where it matters most.

STEP 3

Align Resources & Timing

Match engagements to available staff, skills and technology, and schedule them across the year.

STEP 4

Approve & Communicate

Share the Plan with leadership and present to the FGAC for review and approval.

Continuous review: the plan is reassessed as risks change during the year, with significant changes brought to the FGAC for approval.

FY27 Internal Audit Plan

Planned engagements by area

15

Planned Engagements

14 Assurance | **1** Advisory

The Internal Audit Strategy and Plan is provided in the Supplemental Materials.

	Engagement	Area	Type
1	Overtime	Electric Operations	Assurance
2	Green-e Agreed-Upon Procedures	Electric Operations	Assurance
3	Design Standards & Review	W/WW Operations	Assurance
4	CMAR Review (Follow-Up)	W/WW Operations	Assurance
5	IT/OT Governance & Controls	Technology Services	Assurance
6	Non-AD Access Management	Technology Services	Assurance
7	Software Licensing	Technology Services	Assurance
8	Cloud Infrastructure Security	Technology Services	Assurance
9	Sales Tax Exemption (Follow-Up)	Finance	Assurance
10	Accounts Payable & Disbursements	Finance	Assurance
11	External Audit Support	Finance	Assurance
12	Revenue Assurance	Customer Experience	Assurance
13	Commercial Accounts	Customer Experience	Assurance
14	TEA Member Review	Administrative	Assurance
15	Maritime Transportation Security Act – Facility Plan	Administrative	Advisory

Requested Action

Staff requests the Committee recommend Board approval of Resolution 2026-55, approving the FY2027 Audit Plan.

Ethics Update

Walette Stanford, Director, Ethics

Denise Thomas, External Contractor, Procurement
Scott Viglotti, External Contractor, Supplemental Workforce
Jaguars Community Day - Friday, August 8, 2026



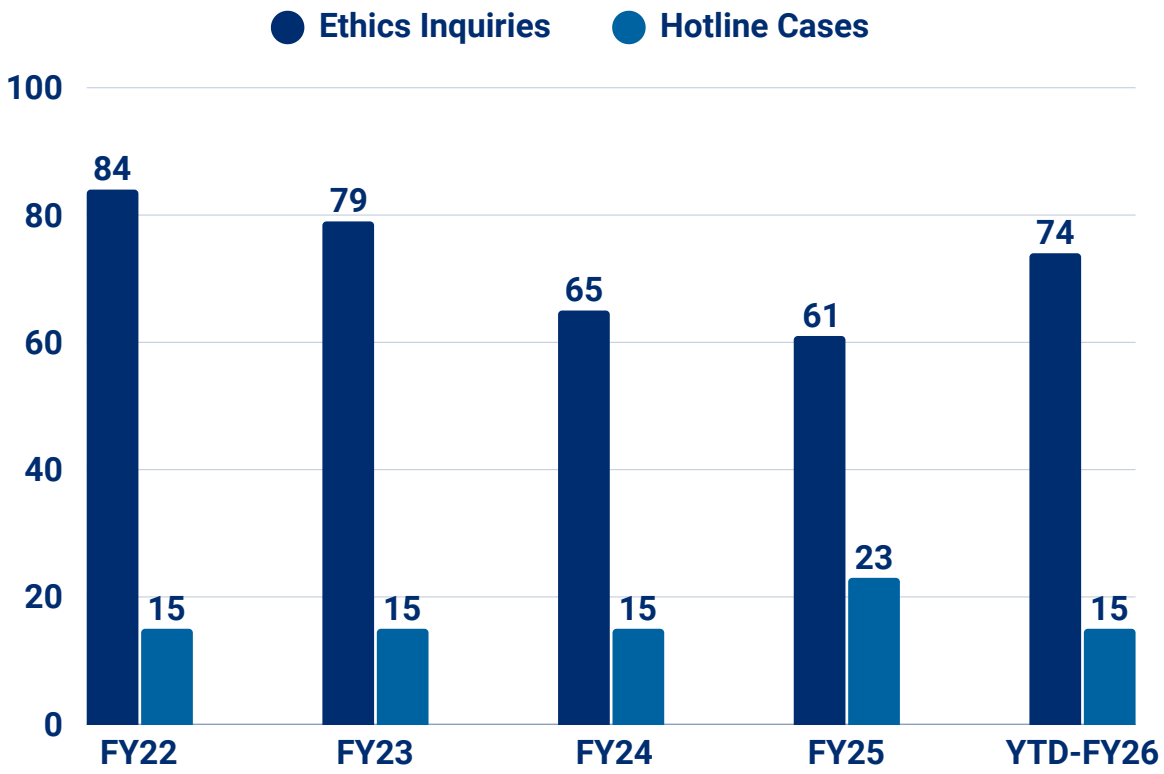
Ethics Program Health: Engaged
Key Accomplishments

- Workforce Ethics and Open Government training successfully completed
- Employee engagement with the ethics office remains high
- Gift-related issues continue to decline
- Compliance & Ethics Week successfully piloted
- Awareness of conflicts of interest and secondary employment requirements improved



Ethical – Compliance – Transparency – Accountability

Compliance Monitoring & Metrics



74 ETHICS INQUIRIES

FY2026 YEAR-TO-DATE

Primary Topics

- Conflict of Interest
- Secondary Employment
- Gifts

15 HOTLINE CASES

FY2026 YEAR-TO-DATE

Primary Topics

- Workplace Harassment
- Conduct Violation
- Employment

Ethics inquiries increased in FY2026 YTD, while hotline cases remain consistent with prior years

Ethics Dashboard

Key Performance Indicator	FY2024	FY2025	FY2026 Year-to-Date
Ethics Training – Non-Management	2115	1927	2555
Open Government – Management	N/A	306	390
Ethics Inquiries	65	61	74
Hotline Reports	15	23	16
Gifts Logged	N/A	N/A	106
Secondary Employment Reviews	130	108	97
Financial Disclosure Filers	21	22	59

ETHICS TOPICS

Primary Topics

- Conflict of Interest
- Employee Conduct
- Secondary Employment

OBSERVATIONS

- No emerging systemic ethics issues identified
- Primary activity continues to involve employee guidance and proactive consultation rather than policy violations

Ethics Program Impact



PREVENT

Address potential risks before they occur

- Employee consultations before issues occur



DETECT

Identify and investigate concerns

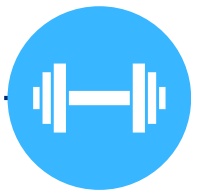
- Ethics Hotline
- Reporting
- Investigations



EDUCATE

Build knowledge and empower employees

- Training
- Manager resources
- Communications



STRENGTHEN

Enhance policies and a strong ethics culture

- Policy improvements
- Governance
- Leadership support

> **The Ethics Office focuses on preventing issues before they occur while strengthening JEA's culture of integrity, accountability, and public trust.**

Building awareness, preventing issues, strengthening trust

Building a Culture of Integrity

A forward-looking program that prevents issues, strengthens governance, and turns insight into action.



Culture

Expand the Speak Up campaign



Governance

- Modernize financial disclosures
- Enhance policy governance



Education

- News-themed refresher
- Manager toolkits
- Scenario-based learning



Compliance

- Data analytics
- Risk dashboards
- Continuous monitoring

The Ethics Program remains healthy, with strong employee training and consultation, no identified systemic issues, and continued focus on sustaining metrics, expanding education, and modernizing disclosures, policy governance, and analytics

Quarterly Financial Review

Ted Phillips, Chief Financial Officer



Storm Preparedness Kits; Community Outreach Team

Electric System Revenue & Expenditures

As of Sep 30, 2026	YTD Budget	YTD Actual	Delta	%	
Base Revenue	$953,375,000	$998,464,253	$45,089,253	4.7%	↑
Fuel Rate Revenue	510,433,414	586,255,305	75,821,891	14.9%	↑
Other Revenue	43,397,668	44,899,806	1,502,138	3.5%	↑
Total Revenue	$1,507,206,082	$1,629,619,364	$122,413,282	8.1%	↑
O&M	$323,162,547	$302,118,936	($21,043,612)	-6.5%	↓
Fuel & Purchased Power	510,433,414	586,255,305	75,821,891	14.9%	↑
Debt Service	129,595,288	123,842,296	(5,752,992)	-4.4%	↓
Capital Contribution	197,894,143	155,386,440	(42,507,703)	-21.5%	↓
City Contribution	141,096,681	141,096,681	0	0.0%	→
Non-Fuel Purchased Power	202,872,633	284,621,356	81,748,723	40.3%	↑
Other Expenditures	2,151,376	1,998,259	(153,117)	-7.1%	↓
Total Expenditures	$1,507,206,082	$1,595,319,273	$88,113,190	5.8%	↑
Surplus / (Deficit)	**($0)**	**$34,300,091**	**$34,300,091**		↑

Budget shown without contingency for fuel revenues & expenses, base revenues, and uncollectibles (included in other expenditures)
O&M in this view includes stabilization activity, natural gas C&I

Year-end sales are 4.2% higher than budgeted sales, driving higher base revenue and the opportunity to leave funds in the stabilization fund for future use. Higher fuel expenses led to total expenses exceeding appropriations, resulting in a surplus.

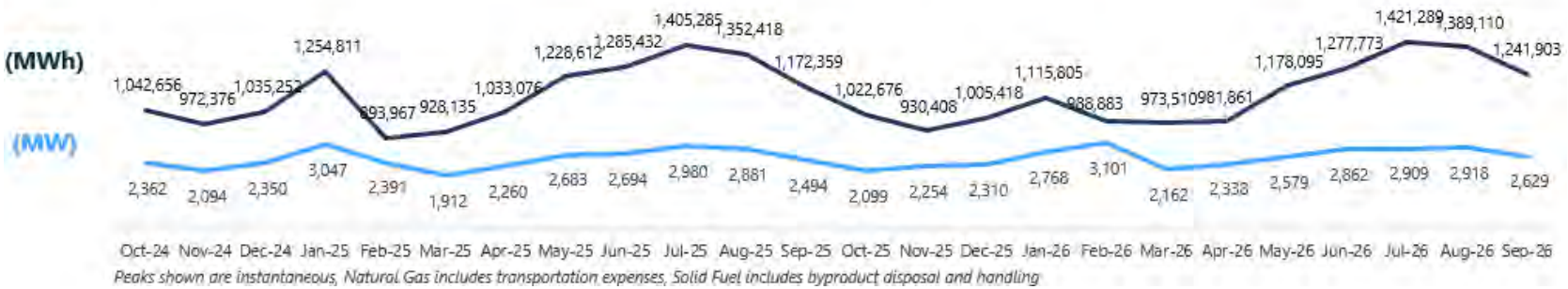
Energy, Peaks, and Fuel Cost per MWh

Net Energy for Load and Peaks

Fuel Rate

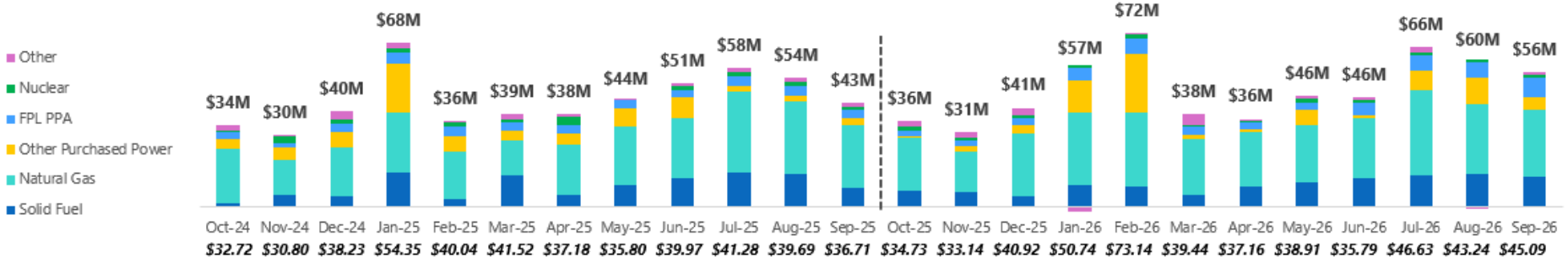
July 2026
$43.86
August 2026
$42.82
September 2026
$42.82

$/MWh



Peaks shown are instantaneous, Natural Gas includes transportation expenses, Solid Fuel includes byproduct disposal and handling

Fuel and Purchased Power Expenses ($ millions)



Summer 2026 costs came in about 17% higher than last summer, on a similar load, keeping costs and rates elevated year-over-year during heavy consumption-based summer months. Winter experienced the highest peak costs, but short duration.

Electric System Base Revenues



Electric System Sales & Base Revenue Drivers

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, FY26 has been milder than FY25, resulting in decreased sales. Base revenues are up even though sales are down, predominantly driven by the rate increase that took effect on October 1, 2025.

DEGREE DAYS COMPARISON

	FY2026	FY2025	Variance
Heating Degree Days	1,119	1,128	▼9
Cooling Degree Days	3,137	3,305	▼168
Total Degree Days	4,256	4,433	▼177

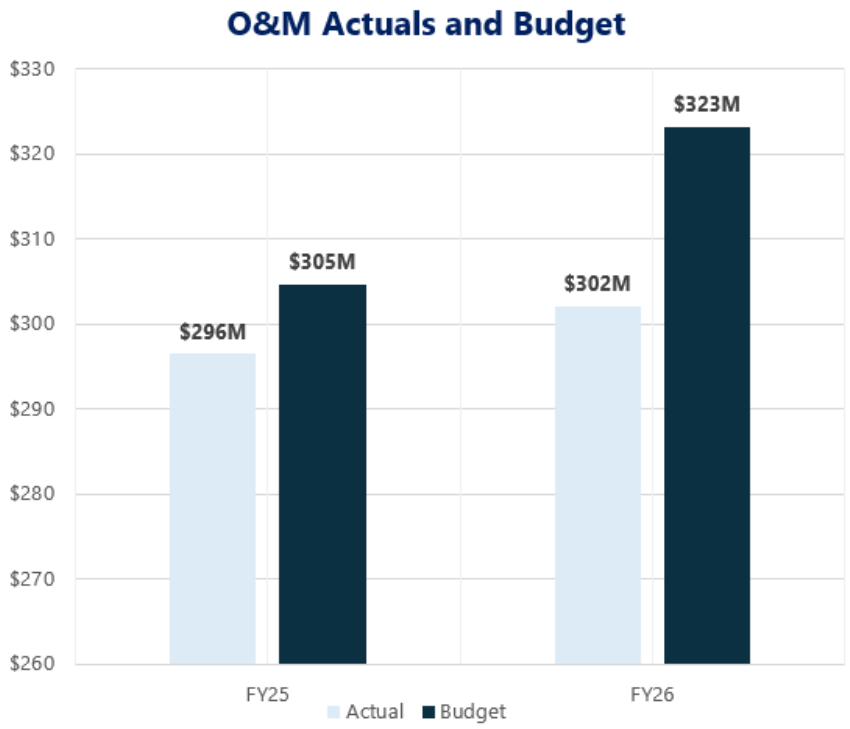
As displayed on page 17 of the monthly financial statements

FY2026 Electric System O&M Budget

Final FY26 O&M spending, including the $1.7M environmental rate stabilization offset, was $302.1M, which is $21.0M (6.5%) below the annual budget of $323.2M.

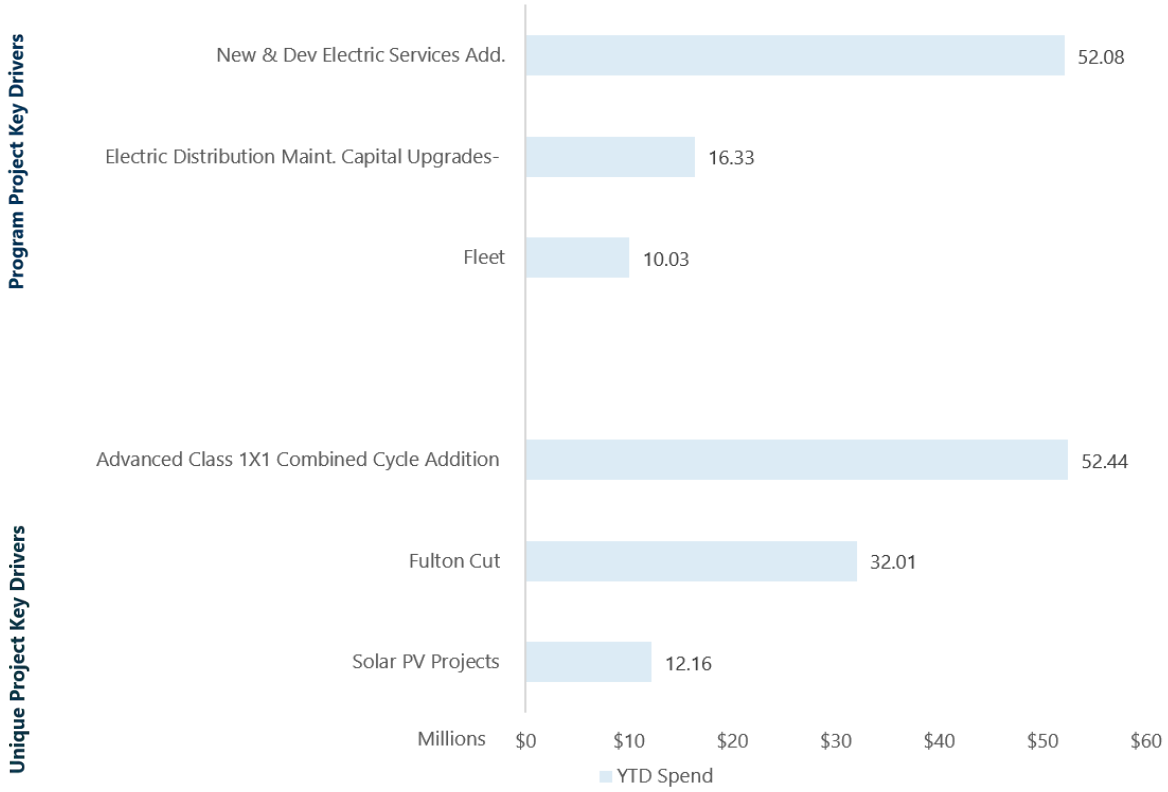
Key ($21.0M) YTD Budget Variance Drivers

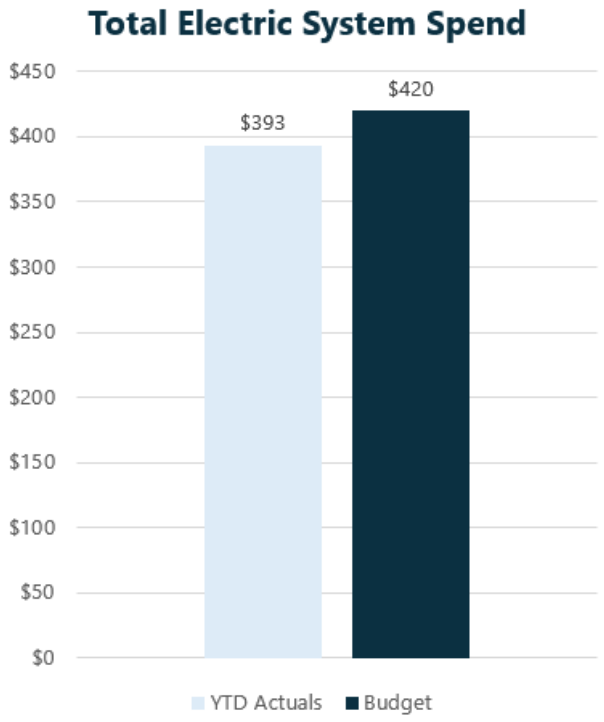
+ $8.9M Salaries, OT and Benefits
  + $1.4M Salary & Benefits Accruals
  + $7.5M Non-Accrual Salaries Benefits OT
+ $2.6M Capitalized Salaries, OT and Benefits
+ $0.6M Supplies & Materials
- ($1.7M) Insurance
- ($11.9M) Other Expense and Credits
- ($19.5M) Other Services and Charges



O&M in this view includes stabilization activity, natural gas C&I

Electric System Capital Budget





Water System Revenue & Expenditures

FY2026 Year-to-Date through September

As of Sep 30, 2026	YTD Budget	YTD Actual	Delta	%	
Base Revenue	$569,031,730	$557,004,388	($12,027,342)	-2.1%	↓
Capacity & Extension	91,190,222	76,269,524	(14,920,698)	-16.4%	↓
Investment Income	6,946,818	6,222,206	(724,612)	-10.4%	↓
Other Revenue	86,856,263	82,902,976	(3,953,287)	-4.6%	↓
Total Revenue	$754,025,033	$722,399,094	($31,625,939)	-4.2%	↓
O&M	$292,299,615	$300,115,892	$7,816,277	2.7%	↑
Capital Contribution	257,052,304	187,505,674	(69,546,630)	-27.1%	↓
Debt	161,995,100	146,593,211	(15,401,889)	-9.5%	↓
City Contribution	37,702,060	37,702,060	0	0.0%	→
Other Expenditures	4,975,954	4,705,628	(270,326)	-5.4%	↓
Total Expenditures	$754,025,033	$676,622,465	($77,402,568)	-10.3%	↓
Surplus / (Deficit)	**($0)**	**$45,776,629**	**$45,776,629**		↑

Budget shown without contingency for base revenues and uncollectibles (included in other expenditures)

The Water System faced softer sales, lower capacity fee collections, and higher operating costs in FY26.
Cash availability constrained capital contributions, resulting in a surplus.

Water System Base Revenues



Water System Sales & Base Revenue Drivers

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.

FY26 sales declined slightly year over year despite fewer rainy days, which may reflect increased water conservation efforts in response to drought conditions. Base revenues increased 6.4% year-over-year due to approved rate increases, but remained slightly below budget.

RAINFALL COMPARISON (IN INCHES)

	FY2026	FY2025	Variance
Normal	53.40	53.40	-
Actual	42.41	42.54	▼ (0.13)
Rain Days	99	122	▼ (23)

As displayed on page 18 of the monthly financial statements

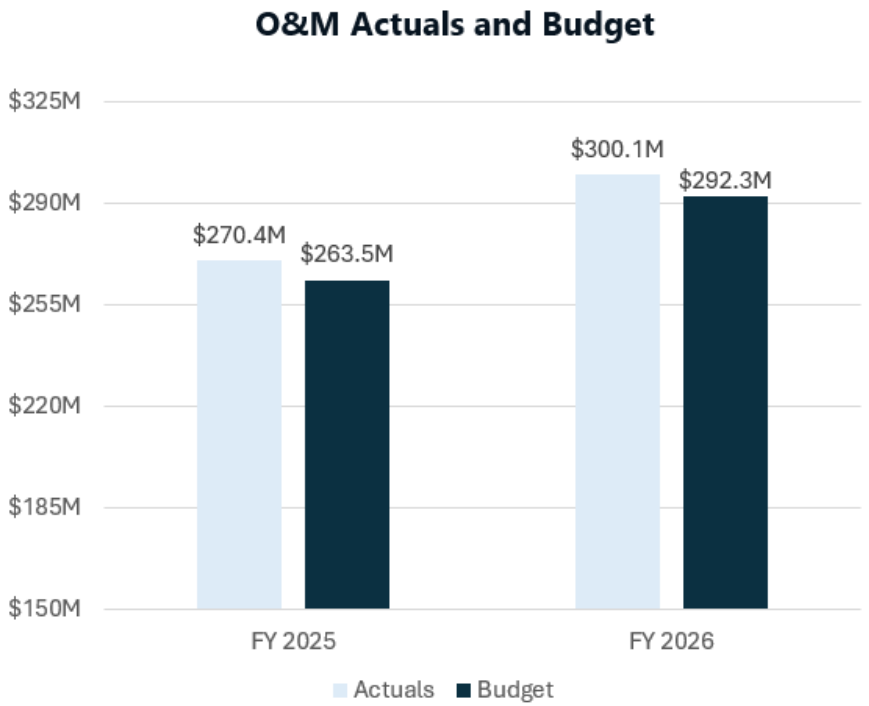
Water System O&M Budget

Final FY26 O&M spend was $300.1M, which is $7.8M higher than the annual budget of $292.3M.

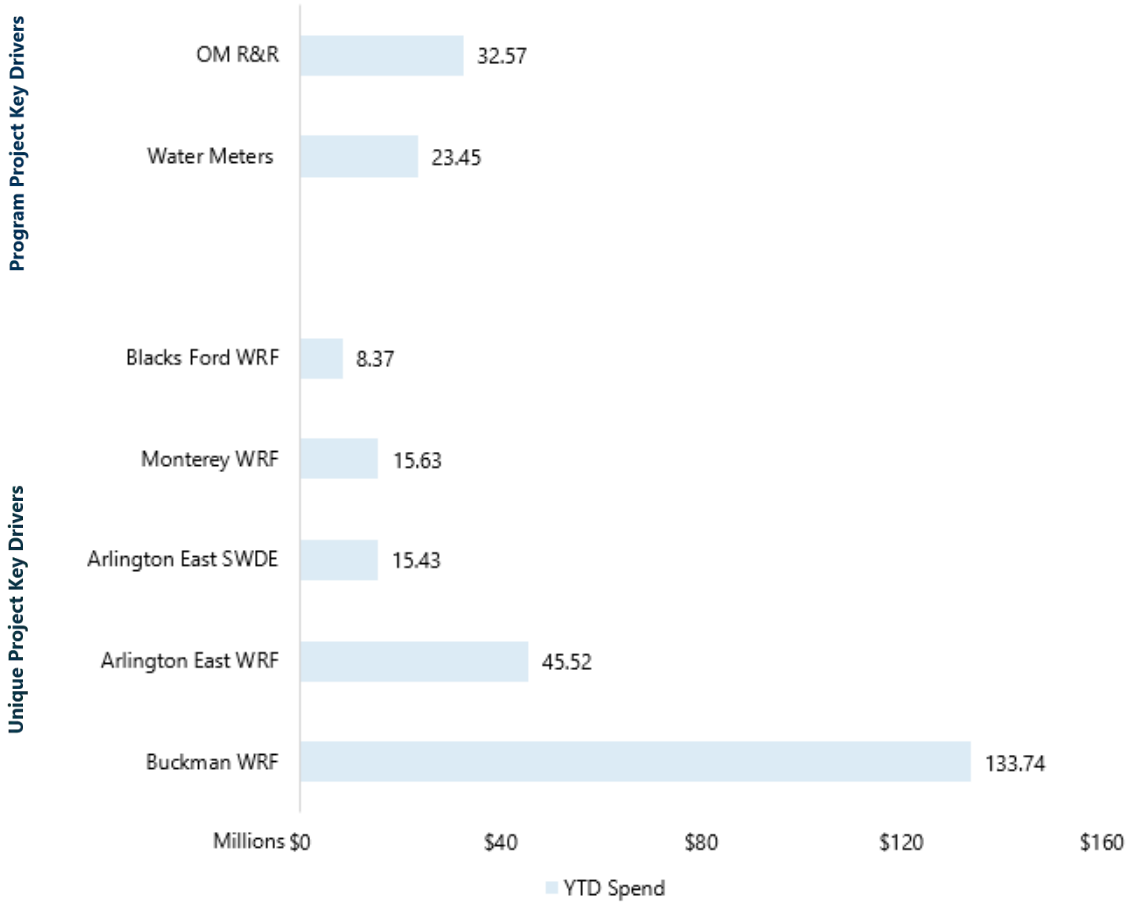
This is mostly driven by a $9.5M higher Labor expense, $6.4M in Intercompany Charges, and a $2M higher Normandy Village Utility Expense, offset by $10M in favorable variances noted below.

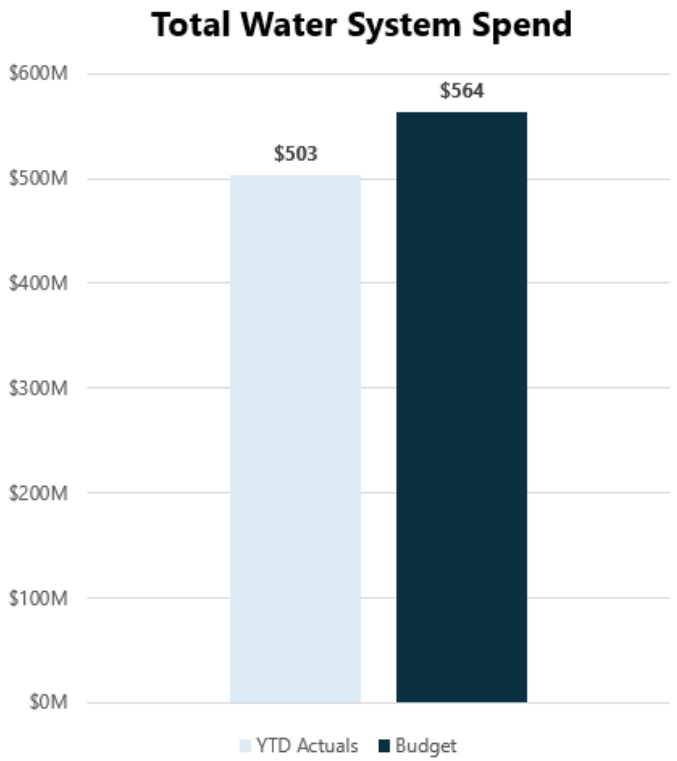
Key $7.8M YTD Budget Variance Drivers:

+ $9.7M Salaries, OT, and Benefits
  +$7.7M Overtime
  -($2.6M) Salary & Benefit Accruals
  -($0.6M) Non-Accrual Salaries & Benefits
- $0.2M Capitalized Salaries, OT, and Benefits
+ $6.4M Intercompany Charges
+ $2.0M Normandy Village Utility Net Expense
- ($6.1M) Other Services and Charges
- ($0.5M) Supplies & Materials
- ($1.3M) Operating Reserves
- ($0.9M) Customer Deposit Interest Expense
- ($0.7M) Insurances
- ($0.5M) Expense Credits



Water System Capital Budget





Financial Metrics

Electric

Days Liquidity	Debt Service Coverage	Debt to Asset Ratio	Fixed Charge Coverage	Weighted Avg. Yield of Investments
200 ●	4.12x ●	45.5% ●	1.64x ●	3.60% ●
Target: 150 Days	Target: 2.5x	Target: 50%	Target: 1.6x	Target: 3.88%

Water

Days Liquidity	Debt Service Coverage	Debt to Asset Ratio	Fixed Charge Coverage	Weighted Avg. Yield of Investments
486 ●	2.55x ●	48.6% ●	2.28x ●	3.60% ●
Target: 100 Days	Target: 2.0x	Target: 50%	Target: 2.0x	Target: 3.88%

Residential Bill Metrics

Ted Phillips, Chief Financial Officer



JEA Customer - Atlantic Beach Urban Farms

Understanding the JEA Bill

Breakdown of a Typical JEA Bill

JEA Utility Rates

JEA sets its service rates through established approval processes. These charges directly support JEA in providing electricity, water, and sewer services to our community.

Charge	Description	Electric	Water	Sewer
Basic Monthly Charge	Fixed monthly cost of providing service to your home. JEA must maintain its meter(s), pipes, and wires whether or not electricity, water, or sewer services are used.	$21.00	$13.77	$17.03
Energy Charge	All costs to produce and distribute electricity other than fuel. This example is based on 1,000 kWh.	$78.15		
Fuel Cost	The cost of fuel (coal, natural gas, etc.) used to generate and supply electricity. This includes purchased power as needed. Please note that this charge is subject to monthly adjustment.	$43.26		
Usage Charge	Costs to bring water to your home and/or sewer from your home, including system maintenance, distribution, and treatment. This example is based on 6,000 gallons.		$12.70	$34.92
Total Before Taxes and Fees		**$142.41**	**$26.47**	**$51.95**

This information can be found on jea.com/My_Account/Understand_My_Bill/Bill_Breakdown/

Breakdown of a Typical JEA Bill

Government-Required Taxes & Fees

These are fees established by law that JEA must include on your utility bill for the applicable government (state, county, or city). JEA does not retain the collections from these fees.

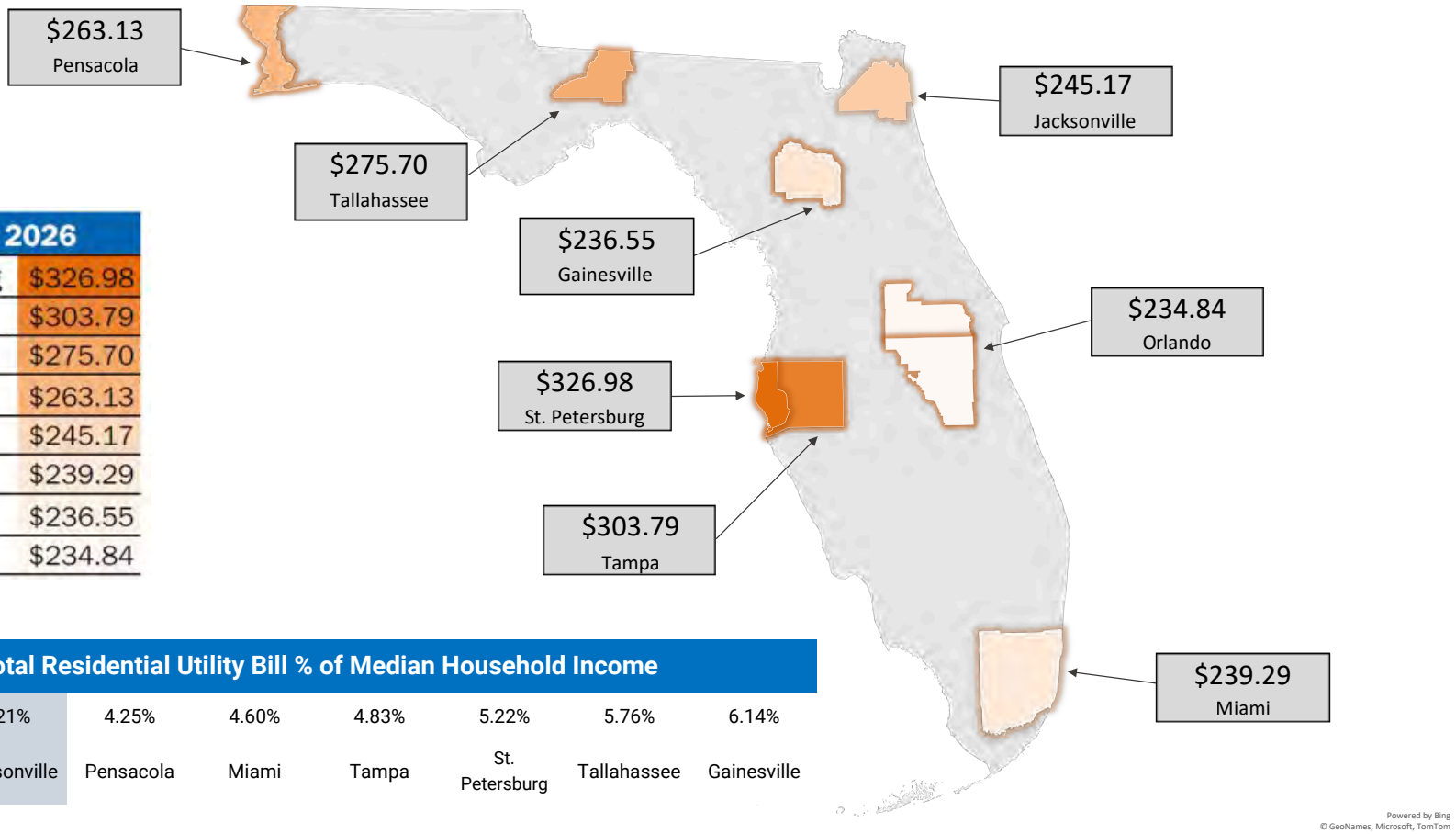
Charge	Description	Electric	Water	Sewer
Public Service Tax based on the City of Jacksonville tax	Tax that applies to electric and water service to customers living in the cities of Jacksonville and Atlantic Beach, the town of Baldwin, and unincorporated portions of Clay County. JEA collects this tax and passes it on as required.	$11.23	$2.73	
City Franchise Fee	Charge for the utility to use public rights-of-way and provide service within municipal boundaries. This fee is passed directly to the city government in which the service is provided.	$4.27	$0.79	$1.56
State Gross Receipts Tax	This tax is assessed on all electric public utilities and paid directly to the State of Florida	$3.76		
Total with Taxes and Fees		**$161.67**	**$29.99**	**$53.51**

This information can be found on jea.com/My_Account/Understand_My_Bill/Bill_Breakdown/

Major Florida Cities Total Residential Bill Trends

(Assumptions: 1,000 kwh for Electric + 6 kgals for Water/Sewer at 5/8" meter)

October 2026	
St. Petersburg	$326.98
Tampa	$303.79
Tallahassee	$275.70
Pensacola	$263.13
Jacksonville	$245.17
Miami	$239.29
Gainesville	$236.55
Orlando	$234.84



Total Residential Utility Bill % of Median Household Income							
3.90%	4.21%	4.25%	4.60%	4.83%	5.22%	5.76%	6.14%
Orlando	Jacksonville	Pensacola	Miami	Tampa	St. Petersburg	Tallahassee	Gainesville

What Does a Typical Bill Look Like?

Residential Bill Frequency Analysis

This analysis illustrates the results of the **total population of bills** that received residential electric, water, and sewer service in fiscal year 2026.

The majority of our customers consume less than the amounts used for our benchmarking.

Electric frequency

Valid observations: **5,191,206**

BAND	COUNT	PERCENT	SHARE
0 to <1,000 kWh	2,675,708	51.54%	
1,000 to <2,000 kWh	1,959,897	37.75%	
2,000 to <3,000 kWh	421,946	8.13%	
3,000+ kWh	133,655	2.57%	

Bill amount frequency - electric + water/sewer

Valid observations: **5,743,954**

BAND	COUNT	PERCENT	SHARE
$0 to <$150	2,183,510	38.01%	
$150 to <$300	2,367,115	41.21%	
$300 to <$500	969,028	16.87%	
$500+	224,301	3.90%	

Water frequency

Valid observations: **3,863,153**

BAND	COUNT	PERCENT	SHARE
0 to <5 kgal	2,369,873	61.35%	
5 to <9 kgal	945,872	24.48%	
9 to <15 kgal	351,295	9.09%	
15+ kgal	196,113	5.08%	

79.2% of residential Electric/Water/Sewer bills in FY2026 were under $300

How Usage Differs Across Our Community

How Usage Differs Across Our Community

A community average only provides a starting point. Home characteristics and household needs can help explain the differences customers may see in their own bills when comparing themselves to the average.

Drivers	Home Characteristics	Community Patterns
	- Square Footage - Home Age - Housing Type - Household Needs	- Usage by Zip Code - Neighborhood Incomes

Comparing similar homes provides more useful context for understanding an individual bill

FY26 Average Monthly Residential Bill by Home Size & Age

ACTUAL YEAR BUILT	<1,500 SQ FT	1,500 – 1,999 SQ FT	2000+ SQ FT
<1985	$210.88 867,923 observations	$253.65 382,358 observations	$317.06 253,084 observations
1985-2005	$215.47 294,195 observations	$249.28 377,186 observations	$320.41 398,310 observations
>2005	$202.34 88,477 observations	$233.76 190,910 observations	$307.19 265,708 observations

Includes electric, water, and sewer charges only

Larger homes have higher than average bills within each home-age group shown

Example Residential Customers by Home Size

We selected three actual homes in our service territory to compare.
We can see differences in bills attributed to home size, yard size, and occupancy levels.



Small Apartment

Occupancy:	1 person
Average monthly kWh:	373
Average monthly water kgals:	1
Average monthly irrigation kgals:	0
Average monthly bill	**$116**



Small Single-Family Home, Small Yard

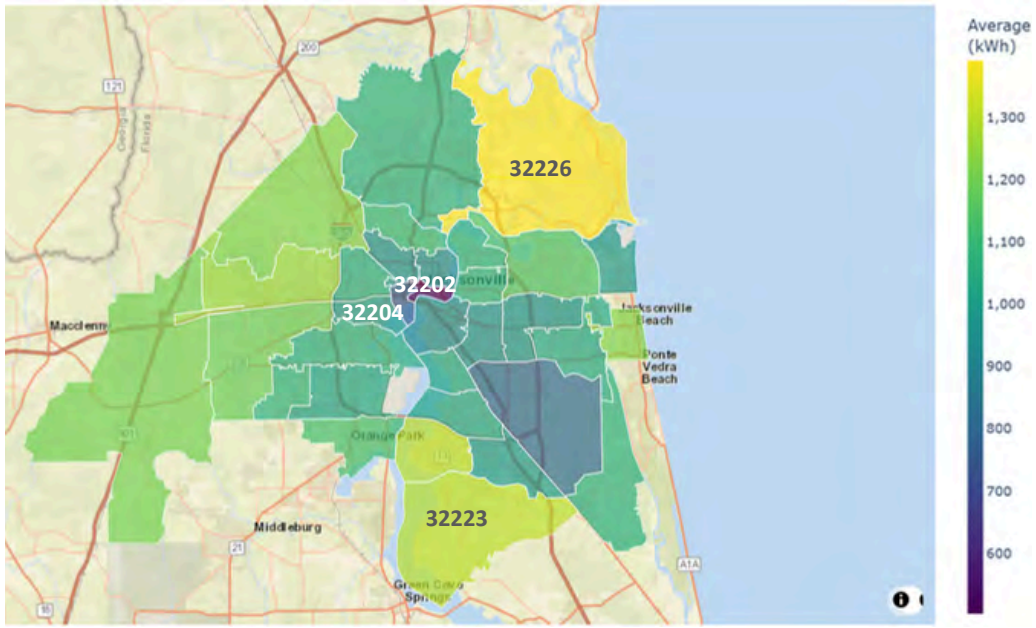
Occupancy:	2 people
Average monthly kWh:	1,264
Average monthly water kgals:	5
Average monthly irrigation kgals:	0
Average monthly bill	**$277**



Large Single-Family Home, Large Yard + Pool

Occupancy:	5 people
Average monthly kWh:	1,781
Average monthly water kgals:	6
Average monthly irrigation kgals:	7
Average monthly bill	**$440**

Average Monthly Electric Usage by Zip Code



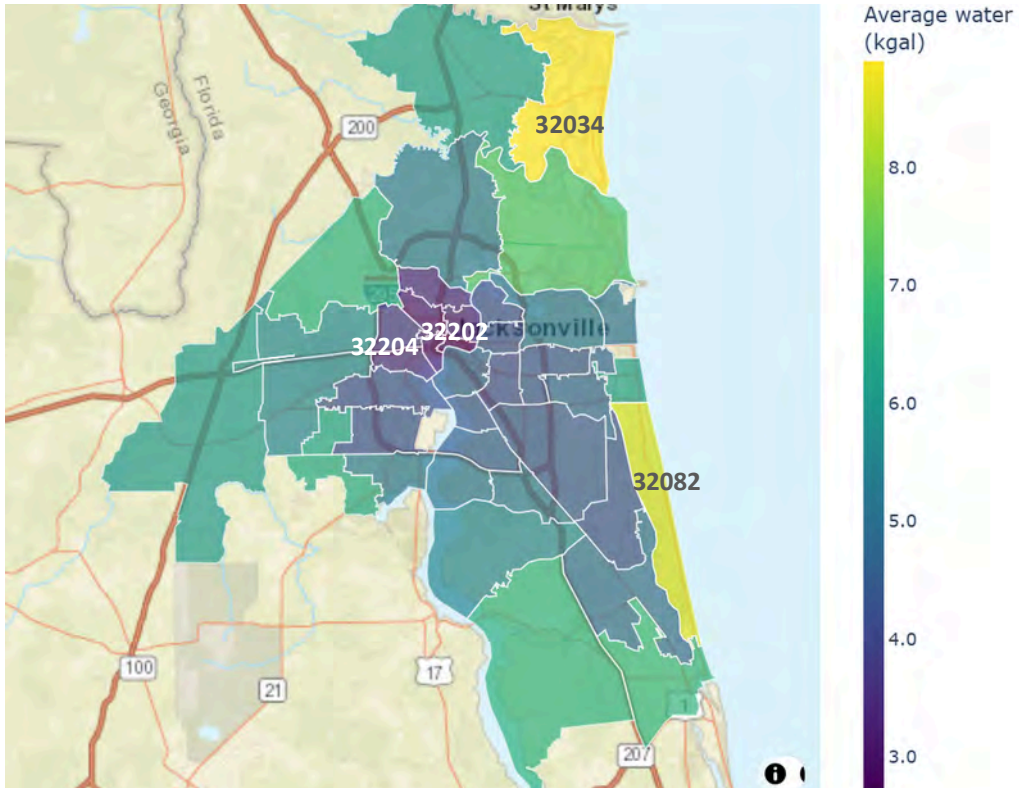
Highest Average Usage

	32226	32223
Average Monthly Usage	1,391	1,305
% Above Benchmark	39%	31%
Average Electric Billed	$275	$269
Average Home SQ Footage	2,218	2,172
Median Income	$100,200	$95,300
Bill % of Median Income	3%	3%

Lowest Average Usage

	32202	32204
Average Monthly Usage	503	775
% Below Benchmark	(50%)	(23%)
Average Electric Billed	$80	$103
Average Home SQ Footage	1,327	1,603
Median Income	$34,800	$65,100
Bill % of Median Income	3%	2%

Average Monthly Water Consumption by Zip Code



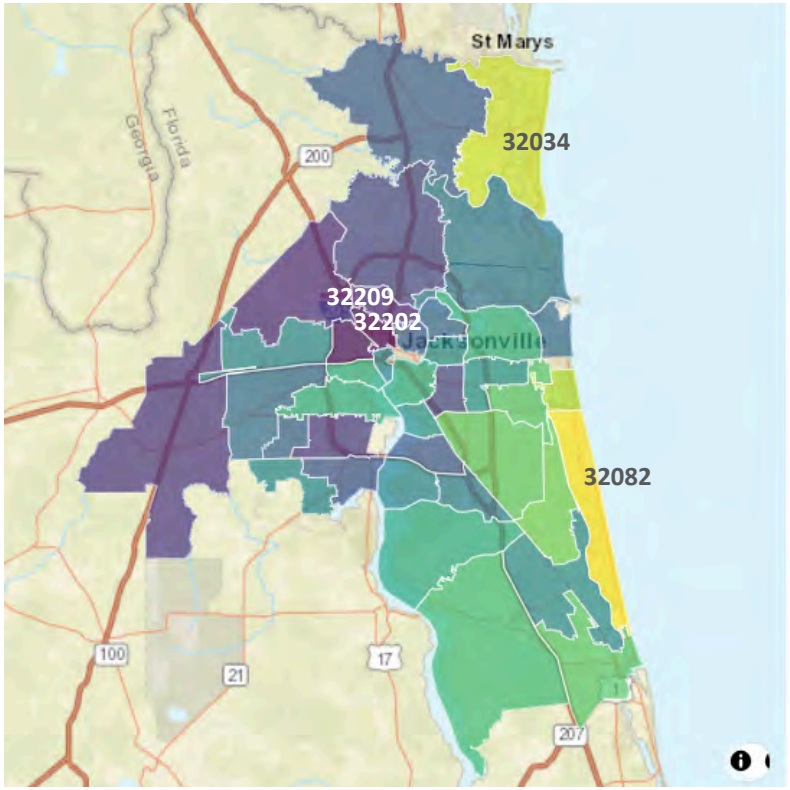
Highest Average Usage

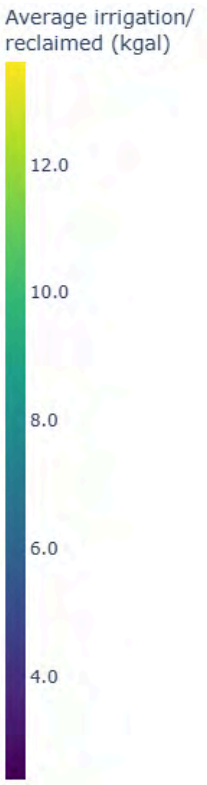
	32034	32082
Average Monthly Usage	8.9	8.5
% Above Benchmark	48%	42%
Average Water / Sewer Billed	$114	$96
Average Home SQ Footage	1,964	2,207
Median Income	$98,600	$124,600
Bill % of Median Income	1%	1%

Lowest Average Usage

	32202	32204
Average Monthly Usage	2.7	3.2
% Below Benchmark	(55%)	(47%)
Average Water / Sewer Billed	$65	$60
Average Home SQ Footage	1,327	1,603
Median Income	$34,800	$65,100
Bill % of Median Income	2%	1%

Average Monthly Irrigation Usage by Zip Code





Highest Average Usage

	32082	32034
Average Monthly Usage	13.6	12.7
Average Water	$93	$85
Average Home SQ Footage	2,207	1964
Median Income	$124,600	$98,600
Bill % of Median Income	1%	1%

Lowest Average Usage

	32202	32209
Average Monthly Usage	0	2.4
Average Water	$0	$35
Average Home SQ Footage	1,327	1,199
Median Income	$34,800	$30,500
Bill % of Median Income	0%	1%

How Bills Change

Why Actual Customer Bills May Differ

Average bills provide a useful benchmark for understanding the typical cost of residential utility services and comparing costs over time. However, individual bills may differ from the average due to actual household consumption, changes to applicable rates & fuel charges, and other billing factors, such as billing cycle length & previous balances.

Understanding bill differences requires looking at usage, pricing, and the billing period and balances included.

Consumption	Rates	Other Billing Factors
The amount of electricity and water used varies across households and seasons Home characteristics, household needs, changes in routine, weather, and equipment conditions can help explain these differences	Rate adjustments and changes in the electric fuel rate affect the cost of service The same amount of usage can produce a different bill when rates or fuel charges change	Billing cycle length affects the number of usage days included. JEA's bill cycles can range from 28 to 32 days Previous unpaid balances can increase the current amount due

This information can be found on jea.com//my_account/understand_my_bill/understanding_changes_on_your_monthly_bill/

Understanding Changes in Residential Consumption

Everyday household needs establish typical usage. Weather adds seasonal demand, while leaks and other equipment issues can cause unexpected increases.

Typical Household Use



Electric
Heating & cooling, water heating, appliances, and lighting

Water
Bathing, toilets, laundry, dishes, and outside watering

Weather & Seasonal Changes



Electric
Hotter or colder conditions increase demand, even with unchanged thermostat settings

Water
Hot, dry conditions can increase outdoor watering needs

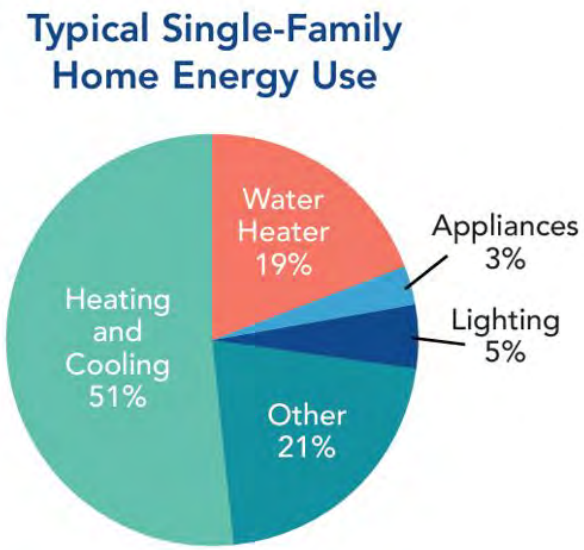
Unexpected Usage Worth Investigating

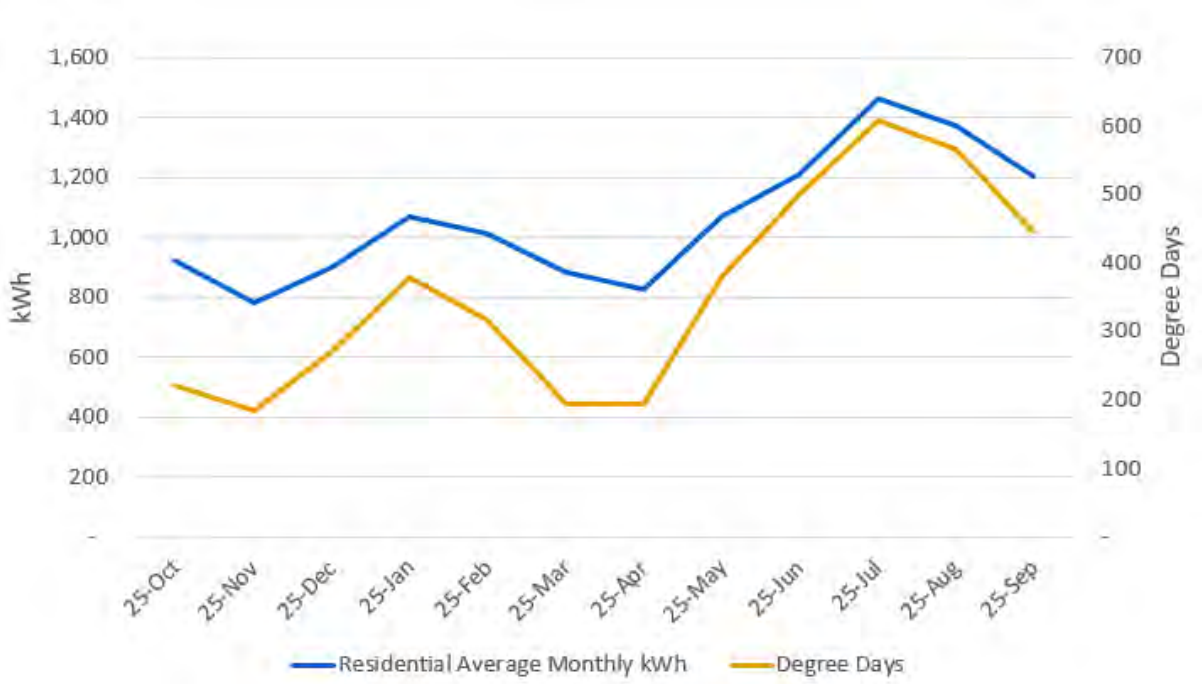
Electric: Duct leaks, HVAC problems, unintended auxiliary heat use

Water: Toilet or pipe leaks, irrigation leaks, or timer settings

Free efficiency assessments can help identify causes and appropriate next steps

How Weather Can Drive Electric Usage





Demand for electricity from our customers directly follows degree days

Electric System Monthly Residential Bills



Residential usage is a major driver for bill volatility

Monthly Bill Frequency Analysis

November 2025 bill amount frequency — electric + water/sewer

Valid observations: **418,140**

BAND	COUNT	PERCENT	SHARE
$0 to <$150	212,855	50.91%	
$150 to <$300	164,718	39.39%	
$300 to <$500	33,775	8.08%	
$500+	6,792	1.62%	

July 2026 bill amount frequency — electric + water/sewer

Valid observations: **517,660**

BAND	COUNT	PERCENT	SHARE
$0 to <$150	144,560	27.93%	
$150 to <$300	195,208	37.71%	
$300 to <$500	138,513	26.76%	
$500+	39,379	7.61%	

Even in July, the highest month for consumption, 65.6% of bills are under $300

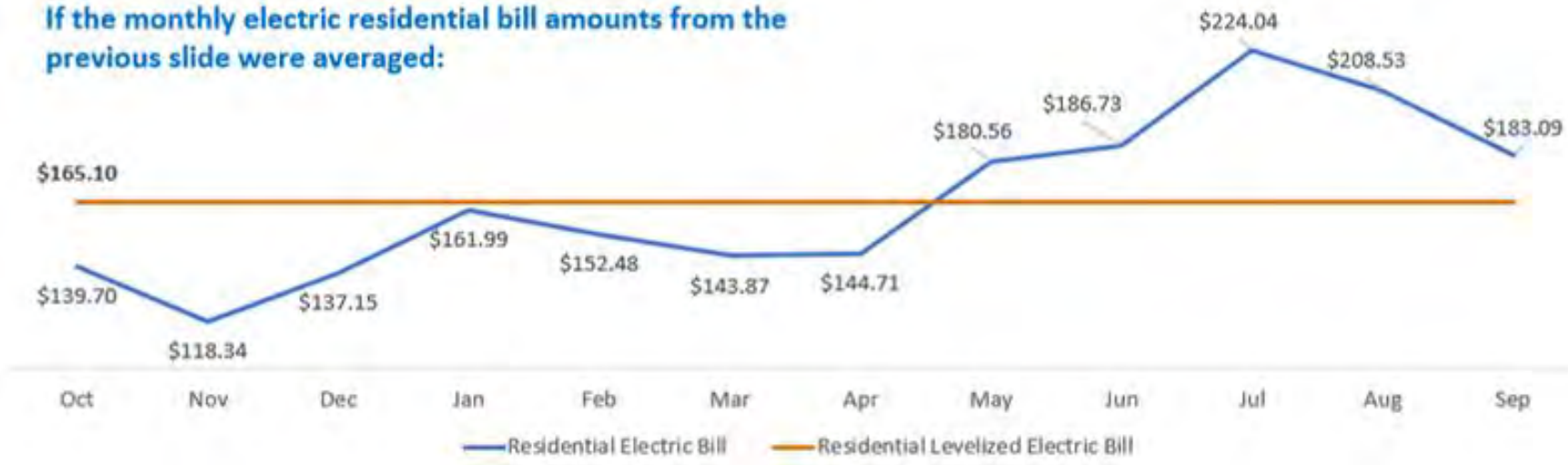
Understanding Levelized Residential Bills

MyBudget Levelized Billing

JEA MyBudget is a bill management solution that helps level out your monthly payments by taking a rolling average of your last 12 bills. It makes budgeting for utility expenses a little easier because your payment is about the same each month.

JEA MyBudget is a great option if you live on a fixed income or want to avoid seasonal fluctuations.

If the monthly electric residential bill amounts from the previous slide were averaged:



Electric Rates & Adjustment Timing

Annual Review: The basic monthly charge and energy charges are reviewed annually through JEA's cost-of-service process. A review does not necessarily result in a rate change.

Tiered Pricing: The first 1,000 kWh are billed at a lower energy rate. Usage above 1,000 kWh is billed at a higher rate, so customers using more electricity contribute more through higher-priced additional usage charges.

Charge	Adjustment Timing	Rate
Basic Monthly Charge	Reviewed Annually	$21.00
Tier One Energy Charge (<= 1000 kWh)	Reviewed Annually	$0.07815
Tier Two Energy Charge (> 1000 kWh)	Reviewed Annually	$0.09705
Monthly Fuel Rate (October 2026)	Updated Monthly	$0.04326
	Total Bill (Before Taxes & Fees)	
	Total Bill (With Taxes & Fees)	

500 kWh	750 kWh	1,000 kWh	1,250 kWh	1,500 kWh	2,000 kWh	2,500 kWh
$21.00	$21.00	$21.00	$21.00	$21.00	$21.00	$21.00
$39.08	$58.61	$78.15	$78.15	$78.15	$78.15	$78.15
$0.00	$0.00	$0.00	$24.26	$48.53	$97.05	$145.58
$21.63	$32.45	$43.26	$54.08	$64.89	$86.52	$108.15
$81.71	**$112.06**	**$142.41**	**$177.49**	**$212.57**	**$282.72**	**$352.88**
$93.06	$127.35	$161.67	$201.48	$241.30	$320.91	$400.52

What Can Change Month to Month: In addition to changes in customer use, the fuel rate is updated monthly and can affect customer bills, even if their usage stays the same.

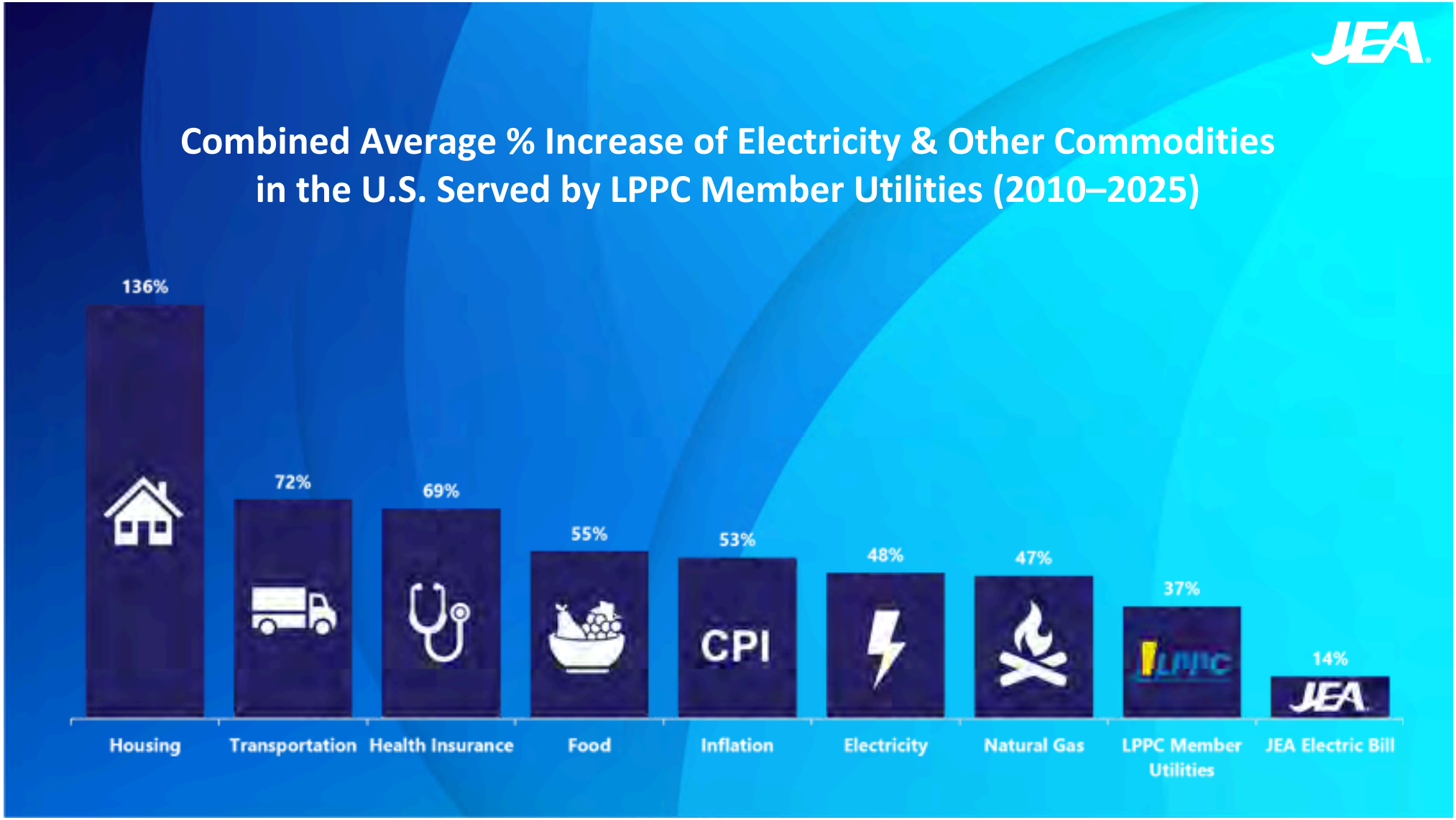
Water/Sewer Rates & Adjustment Timing

Reviewed Annually: All water & sewer rates are reviewed annually through JEA's cost of service process. A review does not necessarily result in a rate change.

Charge	Adjustment Timing	W Rate	S Rate	3 kgals	4 kgals	6 kgals	8 kgals	10 kgals	16 kgals
Basic Monthly Charge (5/8" Meter)	Reviewed Annually	$13.77	$17.03	$30.80	$30.80	$30.80	$30.80	$30.80	$30.80
1-4 kgal Volume Charge	Reviewed Annually	$1.50	-	$4.50	$6.00	$6.00	$6.00	$6.00	$6.00
5-8 kgal Volume Charge	Reviewed Annually	$3.35	-	$0.00	$0.00	$6.70	$13.40	$13.40	$13.40
9-15 kgal Volume Charge	Reviewed Annually	$5.75	-	$0.00	$0.00	$0.00	$0.00	$11.50	$40.25
>15 kgal Volume Charge	Reviewed Annually	$7.23	-	$0.00	$0.00	$0.00	$0.00	$0.00	$7.23
All Sewer Volume	Reviewed Annually	-	$5.82	$17.46	$23.28	$34.92	$46.56	$58.20	$93.12
			Total Bill (Before Taxes & Fees)	$52.76	$60.08	$78.42	$96.76	$119.90	$190.80
			Total Bill (With Taxes & Fees)	$56.22	$63.92	$83.50	$103.08	$128.10	$204.83

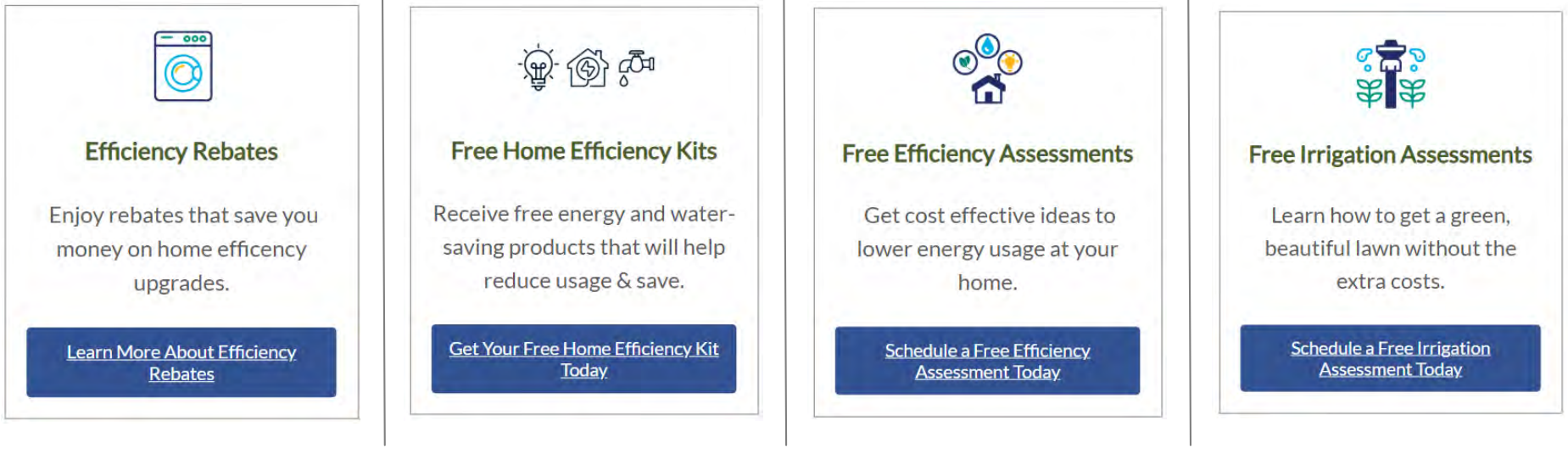
Basic Monthly Charge: Charges vary by meter size because larger meters can draw more water at once and require greater system capacity, aligning charges with the capacity available to each customer.

Volume Charges: Tiered water rates keep initial usage at lower prices, while progressively higher rates for additional usage encourage conservation and ensure high-use customers contribute more.


JEA
Combined Average % Increase of Electricity & Other Commodities in the U.S. Served by LPPC Member Utilities (2010–2025)
136%
72%
69%
55%
53%
48%
47%
37%
14%
CPI
Housing
Transportation
Health Insurance
Food
Inflation
Electricity
Natural Gas
LPPC Member Utilities
JEA Electric Bill

Customer Assistance Available

Ways to Save



This information can be found on jea.com/residential_customers/ways_to_save/

Payment Options Available

Payment Extensions – If you need a little more time to pay your bill, you can apply for an extension online.

Payment Arrangement – JEA also offers payment arrangements, allowing customers to pay their balance over a series of monthly installments. The installment amount is then added to future monthly bills.

Guest Pay – Option for someone who wants to make a payment on behalf of a JEA customer.

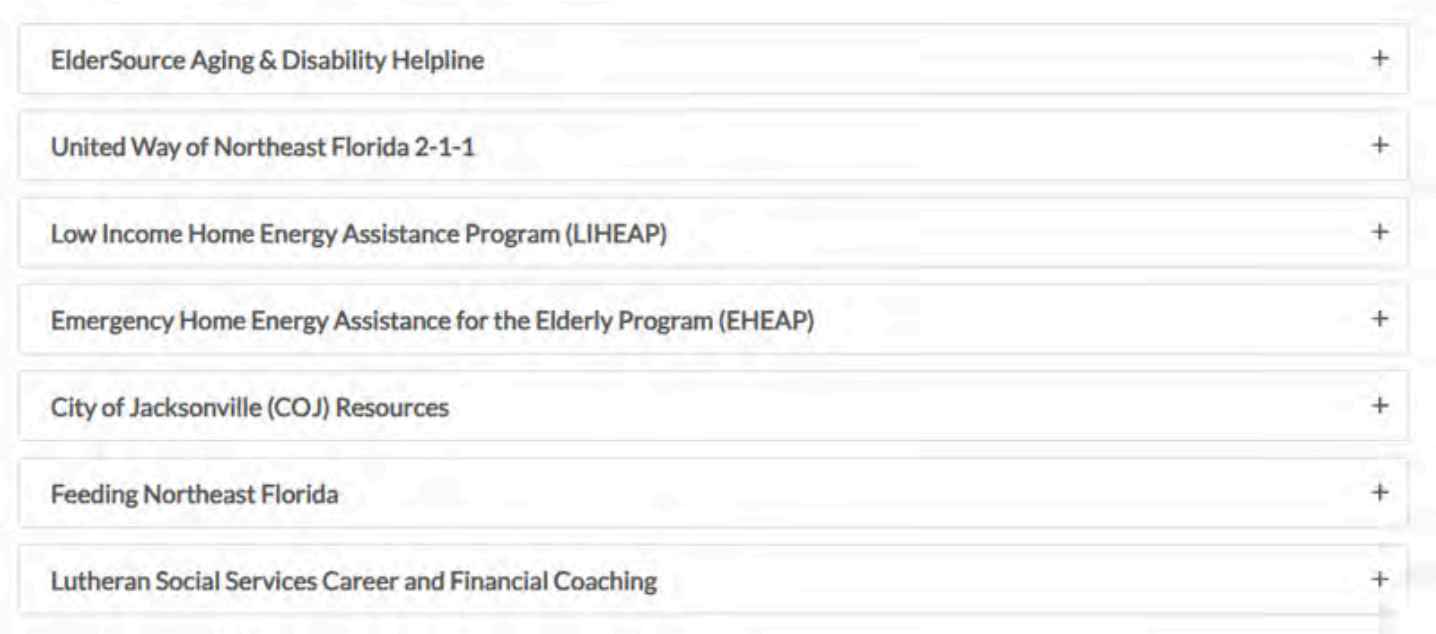






This information can be found on jea.com/My_Account/Billing_and_Payment_Options/Get_Assistance/

Community Resources Available



This information can be found on jea.com/Residential_Customers/Community_Resources/

More information on customer assistance will be provided at the November Board of Directors meeting

Takeaways

- 79.2% of residential electric/water/sewer bills in FY2026 were under $300.
- The size of a home impacts the total bill, but not significantly. The 2,000+ square foot homes are approximately $100 per month more than those under 1,500 square feet.
- Where a customer lives affects the type and size of the home, and therefore the bill.
- Consumption is by far the biggest driver of bill amounts.
- Weather is the biggest driver of consumption. A typical July residential bill is 89% higher than a typical November residential bill.
- Since 2010, the annualized increase in the electric bill has been 1.6%, and the annualized increase in the water and sewer bill has been 2.1%.

Old and Other New Business / Open Discussion

Worth McArthur, Chair



JEA HQ



'The Fecal Matter' Team: Earl Davies, Zasha Del Orbe, Joe Cooner, Patrick Ethridge, Wayne Jones, Brent Moring, Devan Jones, Robby Addy, Michael Fowler

Announcements

Board of Directors Meeting – October 27, 2026

Finance, Governance, and Audit Committee Meeting – January 21, 2027


JEA
Building Community

JEA FINANCE, GOVERNANCE, AND AUDIT MEETING MINUTES
January 21, 2026

The JEA Board met in regular session at 9:00 am on Wednesday, January 21, 2026, on the 1st Floor, 225 North Pearl Street, Jacksonville, FL. 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 – Acting Committee Chair Worth McArthur called the meeting to order at 9:00 am. Attending the meeting in person were Committee member Kawanza Suarez and Board Chair General Joseph DiSalvo. Committee Chair MG Orender and Board Member Rick Morales attended virtually.

Others in attendance were Vickie Cavey, Managing Director/CEO; Ted Phillips, Chief Financial Officer; Jody Brooks, Chief Administrative Officer; Kurt Wilson, Chief of Staff; Dr. Charles Moreland, Chief Customer Experience Officer; Joe Orfano, Deputy Chief Financial Officer; Juli Crawford, Senior Vice President, Finance; Jordan Pope, Senior Vice President, Administrative Services; Rebecca Lavie, Chief Legal Counsel, Office of General Counsel; Melissa Dalton, Director, Board & Administrative Services; Sheree Brown, Board Services Manager; and Tori Taylor, Board Services Specialist.

Adoption of the Agenda – On ***motion*** by Board Chair DiSalvo and seconded by Ms. Suarez, the agenda was approved.

Approval of Minutes – On ***motion*** by Board Chair DiSalvo and seconded by Ms. Suarez, the minutes from the November 12, 2025 Finance, Governance, and Audit Committee meeting were approved.

Safety Briefing – Brandon Edwards, Director, Security & Emergency Preparedness, presented the safety briefing.

COMMENTS / PRESENTATIONS

Comments from the Public

Ms. Brooks provided instructions for public comments.

John Nooney spoke to the Committee regarding Pottsburg Creek, Duval County Public Schools, City Council, and JEA's fishing tournament.

Acting Committee Chair McArthur acknowledged the virtual participation of Committee Chair MG Orender and Board member Rick Morales.

FOR COMMITTEE CONSIDERATION

Quarterly Financial Review – Ted Phillips, Chief Financial Officer, provided the Q1 FY2026 financial review, covering electric and water system revenue and expenditures; cost per MWh; base revenues with a cooling degree days comparison for FY2026 and FY2025; operating expenses; electric and water system O&M; capital budget; cash and investments; and financial metrics. This presentation was received for information.

Mr. Phillips responded to Committee members' questions regarding the cost per MWh, which is based on standard year-over-year growth; a request for a 5-year comparison; inquiries regarding grant reimbursement for Normandy Village Utilities net expenses; the capital expenditure grant expected from the State of Florida; and how the financial metrics targets are determined.

FY2025 EY Audit Results – John DiSanto, Managing Director, EY, presented the FY2025 audit results, including an executive summary of key business priorities and areas of emphasis, as well as a summary of required communications. This presentation was received for information.

Acting Committee Chair, Mr. McArthur expressed his appreciation to EY for the high-level executive summary briefing. Mr. Phillips thanked Bridgette McKeithan, Comptroller, and her team for their work on the audit.

Board Self-Evaluation Results – Jody Brooks, Chief Administrative Officer, acknowledged Board Services for its role in gathering information for the evaluation. Ms. Brooks presented the results of the annual Board of Directors Self-Evaluation and highlighted comments from Board members. This presentation was received for information.

Board Chair DiSalvo noted that the pre-meeting reviews with JEA leadership offer valuable opportunities for Board members to stay informed and up to date.

OTHER BUSINESS & CLOSING CONSIDERATIONS

Old & Other New Business / Open Discussion – None

Announcements – Next Finance, Governance, and Audit Meeting: February 19, 2026.

Adjournment – With no further business coming before the Committee, Acting Chair Mr. McArthur declared the meeting adjourned at 9:39 am.

APPROVED BY:

_____
MG Orender, Committee Chair

Date: _____

Submitted by:

Victoria Taylor
Victoria Taylor
Board Services Specialist

JEA Board Agenda

MEMORANDUM

Building Community®

Real Estate Procurement Directive Review

Board Meeting Date: October 27, 2026

Outcome: ☐ INFORMATION ONLY ☒ ACTION ☐ FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

Staff requests the Committee recommend Board approval of Resolution 2026-45, approving the proposed revisions to the Real Estate Services Procurement Directive.

Consent Agenda Item: ☐ Yes ☒ No

Presenter: Jordan Pope, Interim Chief Administrative Officer

Chief: Jody Brooks, Interim Managing Director/CEO

Strategic Focus Area: ☐ DEVELOPING AN UNBEATABLE TEAM ☒ DELIVERING BUSINESS EXCELLENCE ☐ EARNING CUSTOMER LOYALTY

Background Information & Analysis:

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

The Charter also requires the Board to review the real estate rules and procedures at least every two years. The Board last reviewed the Real Estate Services Procurement Directive in October 2024. Staff and the Office of General Counsel have reviewed the Directive and are providing a redlined version with suggested edits to support the efficient management of JEA's real estate activities.

Financial Impact: N/A

Committee/Board Meeting/Workshop & Date Presented:

JEA Board Meeting – October 29, 2024

Appendix:

- Resolution 2026-45
- Real Estate Procurement Directive (Redline)
- Real Estate Procurement Directive (Clean)

BOARD RESOLUTION: 2026-45
October 27, 2026

A RESOLUTION BY THE BOARD ACCEPTING THE BIENNIAL REVIEW OF THE REAL PROPERTY RULES AND PROCEDURES IN ACCORDANCE WITH ARTICLE 21.04 OF THE JEA CHARTER; APPROVING AND ADOPTING THE REVISED JEA REAL ESTATE SERVICES PROCUREMENT DIRECTIVE; DIRECTING THE MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER OR DESIGNEE TO IMPLEMENT AND ADMINISTER THE DIRECTIVE; SUPPLEMENTING THE AMENDED AND RESTATED PROCUREMENT CODE; PROVIDING FOR SCRIVENER'S ERRORS; AND PROVIDING FOR AN EFFECTIVE DATE

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

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

WHEREAS, under Article 21.04(b)(4), the Board is required to approve real estate rules and procedures and any amendments thereto governing the reporting, acquisition, sale, purchase, lease, license, transfer, and disposition of real property, and shall not delegate its approval authority to the managing director or any other officer, employee or agent of JEA; and

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

WHEREAS, the Board last performed a biennial review of the real estate rules and procedures at its regular meeting on October 29, 2024, during which it adopted Board Resolution 2024-55, approving certain amendments to the real estate rules and procedures; and

WHEREAS, a required biennial review now being due, the proposed Real Estate Services Procurement Directive (Directive), attached hereto as Exhibit "A" and incorporated herein, containing revised rules governing the acquisition, use, and disposition of JEA real property, have been presented for review and approval; and

WHEREAS, approval and adoption of the Directive pursuant to the biennial review is in the best interest of JEA and the public.

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

1. In accordance with Article 21.04(b)(4) of the City Charter, the Board has performed and hereby accepts its biennial review of the real estate rules and procedures contained in the Directive.

2. Based upon its review, the Board hereby approves and adopts the Directive attached hereto as Exhibit A as the real estate rules and procedures governing the reporting, acquisition, sale, purchase, lease, license, transfer, and disposition of real property by and for JEA upon the effective date of this Resolution. All previous directives related to the procurement of real property are hereby repealed and replaced by the Directive.

3. The Managing Director/Chief Executive Officer (or designee) shall take all steps necessary to implement and administer the Directive.

4. The Directive shall supplement the Amended and Restated JEA Procurement Code (Code). To the extent that there is any conflict between the Code and the Directive related to any real property transaction, the Directive shall govern.

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

6. This Resolution shall be effective upon approval by the Board.

Dated this 27th day of October, 2026.

JEA Board Chair

JEA Board Secretary

Form Approved by

Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	

~~Article~~ARTICLE 1. GENERAL PROVISIONS

~~1.01~~ Authority.

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

1.02 Application, Rules of Construction.

(a) *Interpretation*. This ~~Real Estate Services Procurement~~ Directive ~~(Directive)~~ shall be subject to and construed to be consistent with the provisions of Article 21 of the Charter and all applicable local, state and federal laws, regulations, rules, and policies.

(b) *Application of this Directive*. This Directive supplements the ~~Amended and Restated JEA Procurement Code (Code)~~Code and applies to transactions for the acquisition or disposition of Real Property. To the extent that there is any conflict between the Code and this Directive related to the acquisition or disposition of Real Property, this Directive shall govern.

(c) *Rules and Policies.* In accordance with Section 21.04 of the Charter, this Directive shall serve to detail the rules and procedures governing JEA's reporting, acquisition, sale, purchase, exchange, lease, license, transfer, and disposition of real property.

(d) *Transparency.* This Directive shall be posted on JEA's website in a conspicuous manner for the public to view.

(e) *Periodic Review*. In accordance with Section 21.04 of the Charter, at least every two years, the ~~JEA~~ Board ~~(Board)~~ shall review this Directive to make any changes or amendments as deemed necessary to comply with applicable provisions of the Charter or that best serves the interest of JEA. To that end, the CEO, designees, or others that use this Directive may submit to Real Estate Services or the Board any ideas or suggestions that improve the efficient implementation of the rules and procedures contained herein.

(f) *Severability*. If any provision of this Directive is found void, invalid, or inoperative by a court of competent jurisdiction or other binding legal source, then such provision shall be severed and will not render invalid the remaining portions of this Directive.

(g) *Singular-Plural*. In this Directive, unless the context requires otherwise, words in the singular include the plural, and those in the plural include the singular.

(h) *Job Titles*. If a JEA job title used in this Directive is changed in the future due to JEA organizational changes, this Directive shall be construed by substituting the appropriate successor job title.

(i) *Use of Capitalized Terms*. Unless otherwise specified in Section 1.03, below, capitalized terms used in this Directive shall have the meanings given to them in the Definitions section of the Code.

1.03 Definitions. The following terms shall have the meanings provided below.

(a) *Board* means the JEA Board of Directors.

(b) *CEO* means the Managing Director/Chief Executive Officer of JEA.

(c) *Charter* means the Charter of the City.

(d) *City* means the City of Jacksonville, Florida, and the consolidated government thereof.

(e) *Code* means the Amended and Restated JEA Procurement Code, as amended from time to time.

(f) *Council* means the City Council of the City.

(g) *Directive* means this Real Estate Services Procurement Directive.

~~(a)~~(h) *Easement* means a nonpossessory interest in land created by a grant or agreement that confers upon the grantee the limited right, liberty, and privilege to use the land for a specific purpose, term, and consideration.

~~(b)~~(i) *Fee Simple Interest* means a permanent tenure and absolute estate in land and any improvements on or thereto, with freedom to dispose of in whole or in part.

~~(c)~~(j) *Lease* means an interest in land, buildings, structures, and/or improvements designated by a contract creating a lessor-lessee relationship in which the lessee is granted use, possession, and control for a specified term for a predetermined cost with conditions attached.

(k) *OGC* means the Office of the General Counsel of the City and, where applicable, any outside counsel engaged by OGC to provide specialized legal services in accordance with Section 21.07(h) of the Charter.

~~(d)~~(l) *Purchase and Sale Agreement* means a legally binding agreement that obligates the buyer to buy and the seller to sell real property. Such agreements provide the terms of the transaction, including but not limited to price, respective obligations, contingencies, and limitations.

~~(e)~~(m) *Real Property* means all lands, buildings, structures, improvements, and fixtures thereon; any property of any nature appurtenant thereto or used in connection therewith; and every estate, interest and right, legal or equitable, therein, including any such interest for a term of years. As used in this Directive, Real Property also includes both Real ~~property~~Property and "Real Estate" as defined in the Code.

~~(f)~~(n) *Real Property Procurement Officer* means the ~~Director~~manager-level or above employee of ~~Administrative Services, which supervises~~JEA designated by the CEO with supervisory duties and responsibilities for the JEA Real Estate Services Division and any alternate with the same qualifications designated by the CEO to serve in the event the designated Real Property Procurement Officer is temporarily out-of-office or otherwise unavailable.

~~(g)~~(o) *Surplus Property* means Real Property that is no longer needed or useful for operation of the utilities systems, or disposal of which best serves JEA's interests.

ARTICLE 2. DELEGATION OF AUTHORITY, DESIGNATIONS

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

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

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

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

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

ARTICLE 3. REAL PROPERTY ACQUISITIONS

3.01 General Guidance. JEA shall seek to acquire Real Property on terms most favorable to JEA, with due consideration to maintenance and operational efficiency, and at costs consistent with prevailing market rates for comparable Real Property situated within JEA's service area. As applicable, in instances where timing may impact terms favorable to JEA, the CEO or Real Property Procurement Officer may negotiate transactions and enter into agreements to acquire Real Property, conditioned upon final approval by the Board.

(a) *Negotiations for Acquisition of Real Property*. At the direction of the CEO, Real Estate Services will assess the need for and negotiate acquisition of Real Property for the use or expansion of the utilities systems. Real Estate Services shall coordinate preparation and execution of all written instruments necessary to acquire Real Property.

(b) *Documentation*. Appraisals, offers, or counteroffers must be in writing. Complete and accurate records of every appraisal, offer, and counteroffer shall be maintained by Real Estate Services.

(c) *Joint Acquisitions*. JEA shall make no acquisitions jointly with another entity without prior approval by the Board. No property shall be jointly owned by JEA and any private party except as authorized under Florida law.

(d) *Costs of Acquisitions*. JEA shall seek to acquire Real Property in an economically feasible manner that best serves the interest of JEA ratepayers. Prior to the acquisition of Real Property, Real Estate Services shall confirm the availability of adequately appropriated funds to pay all costs, including but not limited to any option payments and due diligence expenses.

(d) *Title Examinations and Surveys; Recordable Instruments.* All title examinations, surveys, and other title records obtained in the course of acquiring title shall be reviewed by ~~the~~ OGC for marketability and encumbrances. All documents to be recorded in favor of JEA or placing an interest in Real Property in JEA, including easements, shall be reviewed by ~~the~~ OGC for form and legal sufficiency before delivery of the document is accepted and recorded.

(e) *Form of Deeds*. All fee conveyances to JEA shall be by no less than special warranty deed, unless the conveyance is from the federal government, a state agency, or another local government, or an instrumentality of any of them, from which a quitclaim deed is acceptable. A donation may be made by quitclaim deed, if Real Estate Services determines that acceptance of a quitclaim deed is in JEA's best interests. A quitclaim deed may also be accepted to aid in clearing title or boundary questions. Real Estate Services shall coordinate review and confirmation of all legal descriptions on instruments conveying property to JEA.

(f) *Appraisals*. For parcels assessed at $100,000 or less, Real Estate Services may use the assessed value. All appraisals used for the acquisition of Real Property shall be prepared by a state-certified, MAI appraiser and be prepared according to generally accepted appraisal standards. Real Estate Services may substitute federally mandated appraisal standards if federal funds are available and will be used for the purchase of lands and qualification for the federal funds requires compliance with federally mandated appraisal standards.

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

(g) *Disclosure of Beneficial Interests*. Conveyances to JEA by any person or entity holding Real Property in the form of a partnership, limited partnership, corporation, trust, or any form of representative capacity whatsoever for others shall comply with applicable provisions of ~~section~~Section 286.23, Florida Statutes, regarding notice and disclosure requirements.

(h) *Limited Authority to Modify Board Approved Purchase Instruments*. Real Estate Services may modify a purchase instrument approved by the Board to extend the time for option exercise, closing date, submittal deadlines, or any other time limit in the agreement, if the total extension of time for closing does not exceed 180 days after the closing date in the purchase instrument approved by the Board. The Real Property Procurement Officer is authorized to modify the legal description in a purchase instrument approved by the Board to conform the description to the description on the certified survey.

(i) *Disclaimer*. In instances where the Real Property Procurement Officer becomes aware of an instrument purporting to convey Real Property to JEA recorded in the public records of the county where the real property is located, which instrument has not been accepted by JEA, Real Estate Services may, on behalf of JEA, execute an instrument disclaiming any right, title, or interest JEA may have in and to the Real Property and may record such instrument in the public records of the county where the real property is located, after having determined that JEA has no need for such Real Property. Such disclaimer shall be reviewed and approved for legal sufficiency by ~~the Office of General Counsel~~OGC.

3.02 Leases to JEA. JEA may lease Real Property when there is a need for the use or expansion of the utilities systems that cannot be met satisfactorily in JEA controlled space and leasing is more advantageous to JEA than constructing new facilities or altering existing JEA facilities.

3.03 Donations, Gifts to JEA. JEA may acquire Real Property by donation or gift when such acquisition best serves the interest of JEA.

(a) In such instance, prior to acceptance, Real Estate Services will investigate the quality of title, boundaries, and any environmental issues to the extent necessary to assess whether the property is marketable, whether the donor has authority to convey the property, and whether there are any apparent adverse impacts to JEA because of the acquisition. JEA is not required to appraise the value of Real Property being donated to JEA.

(b) Based upon such investigation, the CEO or designated Real Property Procurement Officer may accept on behalf of JEA~~, may accept~~ a donation or gift conveying Real Property without prior approval by the Board if: (1) no consideration is paid by the JEA for the conveyance; and (2) JEA assumes no obligations with respect to the property except the normal responsibility incidental to ownership of the property interest being acquired.

(c) No acceptance of a donation or gift is effective until indicated by a written, executed acceptance of the conveyance. The instrument of conveyance and, if applicable, the instrument of acceptance, shall be recorded in the ~~Public Records~~public records of the county where the real property is located.

3.04 Real Property Condemnation Actions by JEA. Pursuant to Chapter 361 of the Florida Statutes (as amended) and Article 21 of the Charter, JEA is vested with eminent domain powers to acquire Real Property for the use or expansion of the utilities systems. Such powers shall be executed in accordance Chapters 73 and 74 of the Florida Statutes (as amended).

ARTICLE 4. DISPOSITIONS OF REAL PROPERTY

4.01 General Guidance. JEA may dispose of Real Property that is determined to be no longer needed or useful~~,~~ or if such disposition best serves the interest of JEA. When such determination has been made, Real Property may be disposed of through exchange, negotiations, sealed competitive bids, or public auctions~~,~~ as set forth in this Article 4, through lease ~~or~~as set forth in Article 5, below, or through any other means JEA deems in its best interest in accordance with this Directive and subject to applicable provisions of local and state law. All conveyances of fee interest in JEA-owned Real Property ~~by the Real Property Procurement Officer~~ shall be "as is~~,~~," "where is~~,~~," and "with all faults~~.~~." Real Estate Services shall not guarantee the quality of title of a property proposed for disposition but may encourage a prospective purchaser/grantee to make its own inquiries into the quality of title. A deed conveying JEA's interests in Real Property shall release any rights of entry JEA may have to subsurface minerals. Any disposition of Real Property under this Article 4 shall be approved in accordance with the approval levels in Article 7, below.

~~4~~.02 Real Property Transactions Subject to Prior City Council Approval.

(a) In accordance with Section 21.04 of the Charter, any Real Property that exceeds either an assessed value or just market value of $50,000~~,~~ as determined by the property appraiser of the county where the Real Property is located, shall not be sold for less than the appraised value as certified by a state-certified, MAI appraiser, without prior approval by the Board and Council.

(b) In accordance with Section 21.11 of the Charter, any sale, lease, assignment, or other transfer of Real Property that will result in a total net loss of 1 percent (1%) or more of JEA's service territory or a total loss of 1 percent of the electric, water, or wastewater, customer accounts

(based on the latest available JEA monthly financial statements) shall require prior approval by the Council. JEA shall not enter into any agreement, contract, memorandum of understanding, letter of intent, or other arrangement that would exceed the 1% or more threshold without obtaining council approval in advance.

4.03 Declaration of Surplus Property. In accordance with Section 21.04 of the Charter, the entity designated by the approval levels in Article 7, below, shall~~,~~ fix and determine when JEA-owned Real Estate is no longer needed or useful~~,~~ and authorize the disposition thereof. Real Estate Services may circulate a sufficiently detailed description of Surplus Property to the City and the independent agencies thereof to determine whether the property is needed for a public purpose.

4.04 Disposition of Real Property by Bid, Competitive Solicitation.

~~*Bid/Competitive Solicitation.*~~ Real Estate Services may choose to submit Surplus Property to the Procurement Department for sale through a sealed bid or competitive solicitation process. Real Estate Services may request that the Procurement Department advertise Surplus Property for sale in the ~~Financial News and~~*Jacksonville Daily Record* and other publications having wide distribution to the business community serving JEA's needs. Advertisements for bids or proposals will also be posted on jea.com. ~~-~~The bidding period shall remain open for at least ten (10) days after publication of the notice. Any sale shall be completed in accordance with Section 21.04(b)(4) of the Charter.

~~**4.04 Real Property Assessed for $50,000 or Less.** If the assessed value of the Real Property is $50,000 or less, the Real Property Procurement Officer may dispose of the parcel by direct sale. The Real Property Procurement Officer may, after sending~~**4.05 Public Auction.** If JEA determines that a parcel or parcels of Real Property may be more advantageously disposed of by public auction, it may sell the parcel or parcels at public auction to the highest and best bidder for cash, after publication of a notice of the auction in a newspaper of general circulation in the City published at least ten (10) days before the date of the auction, setting forth the date, time and place of the auction and a legal description and street address (if available) of the surplus real property. Notice will also be posted on jea.com. Persons who have requested notice from Real Estate Services of auctions of JEA-owned property shall be notified of the date and time and place of property auctions.

4.06 Disposition by Direct Sale. Real Estate Services may negotiate directly for the disposition of a parcel of Real Property by direct sale with adjoining property owners. Real Estate Services may send notice of the intended sale to owners of adjoining property by certified mail and posting notice to the general public on the JEA website~~,~~. JEA may effect a sale and conveyance of the parcel to any and all prospective purchasers without receiving bids or publishing notice~~; however, if~~. If, within ten (10) ~~working~~business days of receiving mailed notice or posting notice on the JEA website, whichever occurs later, two or more potential buyers notify ~~the~~ Real ~~Property Procurement Officer~~Estate Services of their desire to purchase the parcel, ~~the Real Estate Procurement Officer shall~~JEA may accept sealed bids for the parcel from such potential buyers and may sell and convey such parcel to the highest bidder or may reject all offers.

4.~~05~~07 Donations, Exchanges, or Sales for Nominal Value to Other Public Agencies. The designated approval entity in Article 7, below, may authorize the sale, donation, or exchange of Surplus Property to another governmental agency for public use regardless of the actual value of the property. ~~-~~The sale of Surplus Property valued at more than $50,000 to a governmental agency for public use for less than the appraised value is subject to approval by the Board and Council pursuant to ~~section 7.04~~Section 4.02(a), above.

ARTICLE 5. LEASE AND OTHER TEMPORARY~~/SHORT TERM~~ USE OF REAL PROPERTY

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

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

5.03 Renewal. All leases may be renewed by Real Estate Services on the same terms and conditions provided for renewal in the lease.

5.04 Due Diligence. ~~–~~Prior to executing an agreement for the lease of JEA-owned ~~real property~~Real Property, Real Estate Services shall investigate whether the property to be leased is encumbered by a bond indenture. If the property is subject to a bond indenture, Real Estate Services shall seek guidance from OGC and the Finance Department to determine whether a lease of the property for the intended uses would violate the bond indenture. Real Estate Services shall take no action that would cause the interest on the bonds to become taxable. Each lease should reserve to JEA the right to terminate the lease under circumstances that threaten the public health or safety, or if the lease creates an adverse impact on the JEA's tax-exempt bond status, unless otherwise deemed to be in the best interest of JEA.

5.05 Value ~~received.~~Received. The rental for the lease of JEA-owned ~~real property~~Real Property shall be a value determined to be in the public interest, taking into account market rental rates.

5.06 Required Terms. Lease provisions for leases of JEA-owned Real Property shall provide for lease fees, maintenance, termination and such other provisions necessary or appropriate to

protect JEA's interests. Each lease shall contain the indemnity and insurance provisions required by OGC and/or Risk Management.

5.07 No Warranties. No lease of JEA-owned Real Property shall warrant the feasibility of the lessee's use or the current or ongoing quality or conditions of the improvements or their suitability for lessee's purposes; the competence or qualifications of any third party furnishing services, labor, or materials whether or not JEA has approved the contract for the third party activities; or any other form of warranty or indemnity, including an indemnity for attorney fees. The lessee shall acknowledge that the lessee has not relied, and will not rely, upon any experience, awareness, or expertise of JEA or its employees, agents, or contractors and shall acknowledge that JEA's only responsibility under the provisions of the lease is to provide quiet enjoyment. JEA shall not be liable to lessee for any damages arising from lessee's use of JEA's improvements, whether economic or noneconomic, general or special, incidental or consequential, statutory, or otherwise, arising out of the presence or operation of lessee's activities on JEA-owned Real Property.

ARTICLE 6. REPORTING; RECORDKEEPING

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

ARTICLE 7. LEVELS OF APPROVAL FOR REAL ESTATE TRANSACTIONS

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

7.02 Approval by the CEO. The CEO shall be authorized to approve and execute documents required for all Real Property transactions greater than $100,000 up to $2,000,000.

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

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

ARTICLE 8. EXECUTION OF DOCUMENTS

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

ARTICLE 9. WAIVER BY THE BOARD

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

ARTICLE 1. GENERAL PROVISIONS

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

1.02 Application, Rules of Construction.

(a) *Interpretation*. This Directive shall be subject to and construed to be consistent with the provisions of Article 21 of the Charter and all applicable local, state and federal laws, regulations, rules, and policies.

(b) *Application of this Directive*. This Directive supplements the Code and applies to transactions for the acquisition or disposition of Real Property. To the extent that there is any conflict between the Code and this Directive related to the acquisition or disposition of Real Property, this Directive shall govern.

(c) *Rules and Policies.* In accordance with Section 21.04 of the Charter, this Directive shall serve to detail the rules and procedures governing JEA's reporting, acquisition, sale, purchase, exchange, lease, license, transfer, and disposition of real property.

(d) *Transparency.* This Directive shall be posted on JEA's website in a conspicuous manner for the public to view.

(e) *Periodic Review*. In accordance with Section 21.04 of the Charter, at least every two years, the Board shall review this Directive to make any changes or amendments as deemed necessary to comply with applicable provisions of the Charter or that best serves the interest of JEA. To that end, the CEO, designees, or others that use this Directive may submit to Real Estate Services or the Board any ideas or suggestions that improve the efficient implementation of the rules and procedures contained herein.

(f) *Severability*. If any provision of this Directive is found void, invalid, or inoperative by a court of competent jurisdiction or other binding legal source, then such provision shall be severed and will not render invalid the remaining portions of this Directive.

(g) *Singular-Plural*. In this Directive, unless the context requires otherwise, words in the singular include the plural, and those in the plural include the singular.

(h) *Job Titles*. If a JEA job title used in this Directive is changed in the future due to JEA organizational changes, this Directive shall be construed by substituting the appropriate successor job title.

(i) *Use of Capitalized Terms*. Unless otherwise specified in Section 1.03, below, capitalized terms used in this Directive shall have the meanings given to them in the Definitions section of the Code.

1.03 Definitions. The following terms shall have the meanings provided below.

(a) *Board* means the JEA Board of Directors.

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(c) *Charter* means the Charter of the City.

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(h) *Easement* means a nonpossessory interest in land created by a grant or agreement that confers upon the grantee the limited right, liberty, and privilege to use the land for a specific purpose, term, and consideration.

(i) *Fee Simple Interest* means a permanent tenure and absolute estate in land and any improvements on or thereto, with freedom to dispose of in whole or in part.

(j) *Lease* means an interest in land, buildings, structures, and/or improvements designated by a contract creating a lessor-lessee relationship in which the lessee is granted use, possession, and control for a specified term for a predetermined cost with conditions attached.

(k) *OGC* means the Office of the General Counsel of the City and, where applicable, any outside counsel engaged by OGC to provide specialized legal services in accordance with Section 21.07(h) of the Charter.

(l) *Purchase and Sale Agreement* means a legally binding agreement that obligates the buyer to buy and the seller to sell real property. Such agreements provide the terms of the transaction, including but not limited to price, respective obligations, contingencies, and limitations.

(m) *Real Property* means all lands, buildings, structures, improvements, and fixtures thereon; any property of any nature appurtenant thereto or used in connection therewith; and every estate, interest and right, legal or equitable, therein, including any such interest for a term of years. As used in this Directive, Real Property also includes both Real Property and "Real Estate" as defined in the Code.

(n) *Real Property Procurement Officer* means the manager-level or above employee of JEA designated by the CEO with supervisory duties and responsibilities for the JEA Real Estate Services Division and any alternate with the same qualifications designated by the CEO to serve in the event the designated Real Property Procurement Officer is temporarily out-of-office or otherwise unavailable.

(o) *Surplus Property* means Real Property that is no longer needed or useful for operation of the utilities systems, or disposal of which best serves JEA's interests.

ARTICLE 2. DELEGATION OF AUTHORITY, DESIGNATIONS

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

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

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

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

ARTICLE 3. REAL PROPERTY ACQUISITIONS

3.01 General Guidance. JEA shall seek to acquire Real Property on terms most favorable to JEA, with due consideration to maintenance and operational efficiency, and at costs consistent with prevailing market rates for comparable Real Property situated within JEA's service area. As applicable, in instances where timing may impact terms favorable to JEA, the CEO or Real Property Procurement Officer may negotiate transactions and enter into agreements to acquire Real Property, conditioned upon final approval by the Board.

(a) *Negotiations for Acquisition of Real Property*. At the direction of the CEO, Real Estate Services will assess the need for and negotiate acquisition of Real Property for the use or expansion of the utilities systems. Real Estate Services shall coordinate preparation and execution of all written instruments necessary to acquire Real Property.

(b) *Documentation*. Appraisals, offers, or counteroffers must be in writing. Complete and accurate records of every appraisal, offer, and counteroffer shall be maintained by Real Estate Services.

(c) *Joint Acquisitions*. JEA shall make no acquisitions jointly with another entity without prior approval by the Board. No property shall be jointly owned by JEA and any private party except as authorized under Florida law.

(d) *Costs of Acquisitions*. JEA shall seek to acquire Real Property in an economically feasible manner that best serves the interest of JEA ratepayers. Prior to the acquisition of Real Property, Real Estate Services shall confirm the availability of adequately appropriated funds to pay all costs, including but not limited to any option payments and due diligence expenses.

(d) *Title Examinations and Surveys; Recordable Instruments.* All title examinations, surveys, and other title records obtained in the course of acquiring title shall be reviewed by OGC for marketability and encumbrances. All documents to be recorded in favor of JEA or placing an interest in Real Property in JEA, including easements, shall be reviewed by OGC for form and legal sufficiency before delivery of the document is accepted and recorded.

(e) *Form of Deeds*. All fee conveyances to JEA shall be by no less than special warranty deed, unless the conveyance is from the federal government, a state agency, or another local government, or an instrumentality of any of them, from which a quitclaim deed is acceptable. A donation may be made by quitclaim deed, if Real Estate Services determines that acceptance of a quitclaim deed is in JEA's best interests. A quitclaim deed may also be accepted to aid in clearing title or boundary questions. Real Estate Services shall coordinate review and confirmation of all legal descriptions on instruments conveying property to JEA.

(f) *Appraisals*. For parcels assessed at $100,000 or less, Real Estate Services may use the assessed value. All appraisals used for the acquisition of Real Property shall be prepared by a state-certified, MAI appraiser and be prepared according to generally accepted appraisal standards. Real Estate Services may substitute federally mandated appraisal standards if federal funds are

available and will be used for the purchase of lands and qualification for the federal funds requires compliance with federally mandated appraisal standards.

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

(g) *Disclosure of Beneficial Interests*. Conveyances to JEA by any person or entity holding Real Property in the form of a partnership, limited partnership, corporation, trust, or any form of representative capacity whatsoever for others shall comply with applicable provisions of Section 286.23, Florida Statutes, regarding notice and disclosure requirements.

(h) *Limited Authority to Modify Board Approved Purchase Instruments*. Real Estate Services may modify a purchase instrument approved by the Board to extend the time for option exercise, closing date, submittal deadlines, or any other time limit in the agreement, if the total extension of time for closing does not exceed 180 days after the closing date in the purchase instrument approved by the Board. The Real Property Procurement Officer is authorized to modify the legal description in a purchase instrument approved by the Board to conform the description to the description on the certified survey.

(i) *Disclaimer*. In instances where the Real Property Procurement Officer becomes aware of an instrument purporting to convey Real Property to JEA recorded in the public records of the county where the real property is located, which instrument has not been accepted by JEA, Real Estate Services may, on behalf of JEA, execute an instrument disclaiming any right, title, or interest JEA may have in and to the Real Property and may record such instrument in the public records of the county where the real property is located, after having determined that JEA has no need for such Real Property. Such disclaimer shall be reviewed and approved for legal sufficiency by OGC.

3.02 Leases to JEA. JEA may lease Real Property when there is a need for the use or expansion of the utilities systems that cannot be met satisfactorily in JEA controlled space and leasing is more advantageous to JEA than constructing new facilities or altering existing JEA facilities.

3.03 Donations, Gifts to JEA. JEA may acquire Real Property by donation or gift when such acquisition best serves the interest of JEA.

(a) In such instance, prior to acceptance, Real Estate Services will investigate the quality of title, boundaries, and any environmental issues to the extent necessary to assess whether the property is marketable, whether the donor has authority to convey the property, and whether there are any apparent adverse impacts to JEA because of the acquisition. JEA is not required to appraise the value of Real Property being donated to JEA.

(b) Based upon such investigation, the CEO or designated Real Property Procurement Officer may accept on behalf of JEA a donation or gift conveying Real Property without prior approval by the Board if: (1) no consideration is paid by the JEA for the conveyance; and (2) JEA

assumes no obligations with respect to the property except the normal responsibility incidental to ownership of the property interest being acquired.

(c) No acceptance of a donation or gift is effective until indicated by a written, executed acceptance of the conveyance. The instrument of conveyance and, if applicable, the instrument of acceptance, shall be recorded in the public records of the county where the real property is located.

3.04 Real Property Condemnation Actions by JEA. Pursuant to Chapter 361 of the Florida Statutes (as amended) and Article 21 of the Charter, JEA is vested with eminent domain powers to acquire Real Property for the use or expansion of the utilities systems. Such powers shall be executed in accordance Chapters 73 and 74 of the Florida Statutes (as amended).

ARTICLE 4. DISPOSITIONS OF REAL PROPERTY

4.01 General Guidance. JEA may dispose of Real Property that is determined to be no longer needed or useful or if such disposition best serves the interest of JEA. When such determination has been made, Real Property may be disposed of through exchange, negotiations, sealed competitive bids, or public auctions as set forth in this Article 4, through lease as set forth in Article 5, below, or through any other means JEA deems in its best interest in accordance with this Directive and subject to applicable provisions of local and state law. All conveyances of fee interest in JEA-owned Real Property shall be "as is," "where is," and "with all faults." Real Estate Services shall not guarantee the quality of title of a property proposed for disposition but may encourage a prospective purchaser/grantee to make its own inquiries into the quality of title. A deed conveying JEA's interests in Real Property shall release any rights of entry JEA may have to subsurface minerals. Any disposition of Real Property under this Article 4 shall be approved in accordance with the approval levels in Article 7, below.

4.02 Real Property Transactions Subject to Prior City Council Approval.

(a) In accordance with Section 21.04 of the Charter, any Real Property that exceeds either an assessed value or just market value of $50,000 as determined by the property appraiser of the county where the Real Property is located, shall not be sold for less than the appraised value as certified by a state-certified, MAI appraiser, without prior approval by the Board and Council.

(b) In accordance with Section 21.11 of the Charter, any sale, lease, assignment, or other transfer of Real Property that will result in a total net loss of 1 percent (1%) or more of JEA's service territory or a total loss of 1 percent of the electric, water, or wastewater, customer accounts (based on the latest available JEA monthly financial statements) shall require prior approval by the Council. JEA shall not enter into any agreement, contract, memorandum of understanding, letter of intent, or other arrangement that would exceed the 1% or more threshold without obtaining council approval in advance.

4.03 Declaration of Surplus Property. In accordance with Section 21.04 of the Charter, the entity designated by the approval levels in Article 7, below, shall fix and determine when JEA-owned Real Estate is no longer needed or useful and authorize the disposition thereof. Real Estate

Services may circulate a sufficiently detailed description of Surplus Property to the City and the independent agencies thereof to determine whether the property is needed for a public purpose.

4.04 Disposition of Real Property by Bid, Competitive Solicitation. Real Estate Services may choose to submit Surplus Property to the Procurement Department for sale through a sealed bid or competitive solicitation process. Real Estate Services may request that the Procurement Department advertise Surplus Property for sale in the *Jacksonville Daily Record* and other publications having wide distribution to the business community serving JEA's needs. Advertisements for bids or proposals will also be posted on jea.com. The bidding period shall remain open for at least ten (10) days after publication of the notice. Any sale shall be completed in accordance with Section 21.04(b)(4) of the Charter.

4.05 Public Auction. If JEA determines that a parcel or parcels of Real Property may be more advantageously disposed of by public auction, it may sell the parcel or parcels at public auction to the highest and best bidder for cash, after publication of a notice of the auction in a newspaper of general circulation in the City published at least ten (10) days before the date of the auction, setting forth the date, time and place of the auction and a legal description and street address (if available) of the surplus real property. Notice will also be posted on jea.com. Persons who have requested notice from Real Estate Services of auctions of JEA-owned property shall be notified of the date and time and place of property auctions.

4.06 Disposition by Direct Sale. Real Estate Services may negotiate directly for the disposition of a parcel of Real Property by direct sale with adjoining property owners. Real Estate Services may send notice of the intended sale to owners of adjoining property by certified mail and posting notice to the general public on the JEA website. JEA may effect a sale and conveyance of the parcel to any and all prospective purchasers without receiving bids or publishing notice. If, within ten (10) business days of receiving mailed notice or posting notice on the JEA website, whichever occurs later, two or more potential buyers notify Real Estate Services of their desire to purchase the parcel, JEA may accept sealed bids for the parcel from such potential buyers and may sell and convey such parcel to the highest bidder or may reject all offers.

4.07 Donations, Exchanges, or Sales for Nominal Value to Other Public Agencies. The designated approval entity in Article 7, below, may authorize the sale, donation, or exchange of Surplus Property to another governmental agency for public use regardless of the actual value of the property. The sale of Surplus Property valued at more than $50,000 to a governmental agency for public use for less than the appraised value is subject to approval by the Board and Council pursuant to Section 4.02(a), above.

ARTICLE 5. LEASE AND OTHER TEMPORARY USE OF REAL PROPERTY

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

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

5.03 Renewal. All leases may be renewed by Real Estate Services on the same terms and conditions provided for renewal in the lease.

5.04 Due Diligence. Prior to executing an agreement for the lease of JEA-owned Real Property, Real Estate Services shall investigate whether the property to be leased is encumbered by a bond indenture. If the property is subject to a bond indenture, Real Estate Services shall seek guidance from OGC and the Finance Department to determine whether a lease of the property for the intended uses would violate the bond indenture. Real Estate Services shall take no action that would cause the interest on the bonds to become taxable. Each lease should reserve to JEA the right to terminate the lease under circumstances that threaten the public health or safety, or if the lease creates an adverse impact on the JEA's tax-exempt bond status, unless otherwise deemed to be in the best interest of JEA.

5.05 Value Received. The rental for the lease of JEA-owned Real Property shall be a value determined to be in the public interest, taking into account market rental rates.

5.06 Required Terms. Lease provisions for leases of JEA-owned Real Property shall provide for lease fees, maintenance, termination and such other provisions necessary or appropriate to protect JEA's interests. Each lease shall contain the indemnity and insurance provisions required by OGC and/or Risk Management.

5.07 No Warranties. No lease of JEA-owned Real Property shall warrant the feasibility of the lessee's use or the current or ongoing quality or conditions of the improvements or their suitability for lessee's purposes; the competence or qualifications of any third party furnishing services, labor, or materials whether or not JEA has approved the contract for the third party activities; or any other form of warranty or indemnity, including an indemnity for attorney fees. The lessee shall acknowledge that the lessee has not relied, and will not rely, upon any experience, awareness, or expertise of JEA or its employees, agents, or contractors and shall acknowledge that JEA's only responsibility under the provisions of the lease is to provide quiet enjoyment. JEA shall not be liable to lessee for any damages arising from lessee's use of JEA's improvements, whether economic or noneconomic, general or special, incidental or consequential, statutory, or otherwise, arising out of the presence or operation of lessee's activities on JEA-owned Real Property.

ARTICLE 6. REPORTING; RECORDKEEPING

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

ARTICLE 7. LEVELS OF APPROVAL FOR REAL ESTATE TRANSACTIONS

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

7.02 Approval by the CEO. The CEO shall be authorized to approve and execute documents required for all Real Property transactions greater than $100,000 up to $2,000,000.

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

ARTICLE 8. EXECUTION OF DOCUMENTS

All documents to be executed on behalf of JEA pursuant to this Directive may be executed by the CEO (or designee) or the Real Property Procurement Officer.

ARTICLE 9. WAIVER BY THE BOARD

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

JEA Board Agenda

MEMORANDUM

Building Community®

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

Board Meeting Date: October 27, 2026

Outcome: ☐ INFORMATION ONLY ☒ ACTION ☐ FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

Staff requests the Committee recommend Board approval of Resolution 2026-56, approving the JEA Board By-Laws and Board Policy Manual revisions, as presented.

Consent Agenda Item: ☐ Yes ☒ No

Presenter: Jordan Pope, Interim Chief Administrative Officer

Chief: Jody Brooks, Interim Managing Director/CEO

Strategic Focus Area: ☐ DEVELOPING AN UNBEATABLE TEAM ☒ DELIVERING BUSINESS EXCELLENCE ☐ EARNING CUSTOMER LOYALTY

Background Information & Analysis:

In accordance with Article 21 of the JEA Charter, the JEA Board is required to annually review and update its governing documents, including the JEA Board By-Laws and Board Policy Manual.

The Board's governing documents were last approved in October 2024, and received for information in November 2025. The documents have been provided to Board members in advance of the October 26, 2026, Finance, Governance, and Audit Committee meeting to allow time for review and consideration of any proposed edits.

The attached document incorporates edits submitted by Board members where specifically indicated; all other modifications were made by staff.

Staff will present the JEA Board By-Laws and Board Policy Manual to the Committee for review and consideration. Any proposed revisions will be incorporated into the final documents for consideration by the full Board at the October 27, 2026, meeting.

Financial Impact: N/A

Committee/Board Meeting/Workshop & Date Presented:

- JEA Board Meeting – August 27, 2024, October 29, 2024, August 26, 2025
- Finance, Governance, and Audit Committee Meeting – October 24, 2024, August 19, 2025, November 19, 2025

Appendix:

- Resolution 2026-56
- JEA Board By-Laws and Board Policy Manual (Redline)
- JEA Board By-Laws and Board Policy Manual (Clean)

BOARD RESOLUTION: 2026-56
October 27, 2026

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

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

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

WHEREAS, on October 29, 2024, the Board approved the recommendation of the Finance, Governance, and Audit Committee that the By-Laws and Board Policy Manual be separated into two distinct documents, but administratively maintained as one document to efficiently facilitate financial transactions; and

WHEREAS, on October 26, 2026, the Finance, Governance, and Audit Committee (Committee) reviewed, discussed, and proposed revisions to the By-Laws and Board Policy Manual as reflected in Exhibit A, attached hereto and incorporated herein; and

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

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

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

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

2. The Board accepts the Committee's recommendation and hereby approves and adopts the By-Laws and Board Policy Manual (as amended) in substantially the same form and format as provided in Exhibit A.

3. The Director of Board and Administrative Services is directed to post the amended By-Laws and Board Policy Manual on JEA's website in a conspicuous manner.

4. To the extent that there are any typographical, administrative, and/or scrivener's errors contained in this Resolution or in Exhibit A, then such errors may be corrected with no further action required by the Board.

5. This Resolution shall be effective upon approval by the Board.

Dated this 27th day of October, 2026.

JEA Board Chair

JEA Board Secretary

Form Approved by:

Office of General Counsel

	VOTE	
In Favor		
Opposed		
Abstained		

JEA Board Policy Manual

JEA Board Policy Manual

Adopted by the JEA Board on this ~~29th~~ 27th day of October, ~~2024~~2026, in Jacksonville, Florida.

JEA Board Chair

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***

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 each of whom shall serve as such officers for a term of one year or until a successor is chosen. The governing body of JEA may also elect one or more assistant secretaries of the JEA Board, who shall serve for a term of one year or until such officer's successor is chosen. No Officer may serve more than two (2) consecutive one-year terms, which shall not include any period served as replacement Officer during the unexpired portion of the predecessor's term. Elections of Officers shall be conducted at a Board meeting before April 1, which may be preceded by a meeting of the Executive Committee as provided in Policy 2.1.9 of the JEA Board Policy Manual. The terms of the newly-elected Officers shall commence on April 1.

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

Section 3. Chair. The Chair shall preside at all meetings of the JEA Board unless the Chair delegates otherwise. In the event of the Chair's prolonged absence or disability, the Vice-Chair shall exercise all functions of the Chair for a period of up to thirty (30) days. If the Chair's absence or disability has not resolved by the expiration of the thirty-day period, a special election shall be conducted by the JEA Board and a permanent replacement Chair elected for the unexpired portion of the predecessor's term.

JEA Board Policy Manual

POLICY CATEGORY I: BY-LAWS OF JEA

POLICY 1.0 **POLICY TITLE: *BY-LAWS OF JEA***

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

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

ARTICLE IV - BOARD COMMITTEES

Section 1. **Purpose.** Board committees are to help the Board accomplish its responsibilities and are not assigned to perform staff functions or make final decisions. Committees ordinarily will assist the Board by preparing policy alternatives and implications for Board deliberation. ~~In keeping with the Board's broader focus, Board committees will normally not have direct dealings with current staff operations unless specifically outlined in committee objectives.~~

Recommended by General DiSalvo

Section 2. **Ordinary Committees.**

(a) **Standing Committees.** The standing committees of the JEA Board shall be: the Executive Committee; the Finance, Governance, and Audit Committee; the Capital Projects Committee, and the Compensation Committee, as further described in Policy 2.1.9 of the JEA Board Policy Manual. The JEA Board may establish additional standing committees from time to time, which shall be comprised of as many members of the JEA Board as determined by the JEA Board. The Chair shall name one of the committee members as committee chair and one as committee vice-chair. A standing committee shall continue until such time as it is terminated by the JEA Board.

(b) **Special Committees.** The Chair may appoint special committees of the JEA Board from time to time to give particular and exclusive attention to a single subject matter because its technical nature or importance to JEA requires concentrated study. The Chair may specify one or more individuals who are not members of the JEA Board to work with and assist the special committee. The Chair shall name one of the committee members as committee chair and one as committee vice-chair; both positions must be filled by current members of the JEA Board. Unless otherwise specified by the Chair, a special committee shall have a specified period of time within which to study the matter and make its recommendation to the Board and shall dispatch as expeditiously as possible and proper the business assigned to it. Upon earlier of the fulfillment of its function or the expiration of the specified period of time (unless extended by the Chair), the committee shall be terminated with no further formal action required.

Section 3. **Term of Committee Members.** Each member of a committee shall serve until the expiration of his/her term of office as a JEA Board member, until that member's successor on the committee is appointed and has accepted such appointment, until the committee is terminated or dissolved, or, in the case of a special committee, has expired or fulfilled its function.

Section 4. **Powers of the Committee and the Committee Chair.** The committee chair, or vice-chair in the absence of the chair, shall have the power and authority to call meetings of the committee upon reasonable verbal or written notice to the members, and to set the date, time and place of such meetings. This function may also be performed by a majority of the remaining members of the committee upon inaction by the chair. A committee secretary may be designated by the committee chair. A committee may submit reports to the Chair and members of the JEA Board in writing as determined by the committee chair. Committee reports shall contain both majority and minority reports of committee members. A committee may by motion recommend to the JEA Board that action be taken on matters under consideration by the committee. Matters under consideration by the committee may include resolutions or other proposed actions presented to the committee by the JEA Managing Director.

JEA Board Policy Manual

POLICY CATEGORY I: BY-LAWS OF JEA

POLICY 1.0 **POLICY TITLE: *BY-LAWS OF JEA***

Section ~~6~~5. 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~~6. 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. All committee meetings shall be live-streamed, recorded and made available to the general public for viewing within three (3) business days after the meeting.

ARTICLE V - CONDUCT OF BOARD BUSINESS

Recommended by Mr. Morales

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. Live-Stream and Recording of Meetings. All regular and special meetings shall be live-streamed, recorded and made available to the general public for viewing within three (3) business days after the meeting.

Recommended by Mr. Morales

JEA Board Policy Manual

POLICY CATEGORY I: BY-LAWS OF JEA

POLICY 1.0 **POLICY TITLE: *BY-LAWS OF JEA***

Section ~~4~~5. 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 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. ~~The Board recognizes the importance of transparency, so "JEA staff shall make reasonable efforts to video record all meetings…"~~

Proposal by General DiSalvo – recommended deletion as covered above.

Section ~~5~~6. 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~~7. 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~~8. 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~~9. 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.

JEA Board Policy Manual

POLICY CATEGORY I: BY-LAWS OF JEA

POLICY 1.0 **POLICY TITLE: *BY-LAWS OF JEA***

Section 10~~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

(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.

JEA Board Policy Manual

POLICY CATEGORY I: BY-LAWS OF JEA

POLICY 1.0 **POLICY TITLE: *BY-LAWS OF JEA***

Section 11~~0~~. 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.

(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.

JEA Board Policy Manual

POLICY CATEGORY I: BY-LAWS OF JEA

POLICY 1.0 **POLICY TITLE: *BY-LAWS OF JEA***

Adopted by the JEA Board on this ~~29th~~ 27th day of October, ~~2024~~2026, in Jacksonville, Florida.

JEA Board Chair

JEA Board Secretary

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

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

2.1 **Mission:** The JEA Board will exercise ownership, management and operation of utilities systems within the City of Jacksonville and surrounding JEA service areas for the benefit of the City of Jacksonville and rate payers.

2.2 **Vision:** Make JEA the best in class for public utilities in the United States.

2.3 **Values:**

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

2.4 **Goals & Objectives**

- Be proactive in issuing important guidance and making timely decisions.
  - Objective: Maintain a planning horizon that is forward looking and anticipate key decisions to be made.

- Act in the best interest of the JEA workforce, JEA service area, rate payers and the citizens of Jacksonville.
  - Objective: Utilize the expertise of board members to enhance the ability of the board to act as a collective body.

- Exercise due diligence so well-informed decisions are made.
  - Objective: Use sound business judgement consistent with the JEA Charter.

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

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1 **POLICY TITLE: *GLOBAL GOVERNANCE PROCESS***

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

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

2.1.2 **Board Job Description:** Specific responsibilities of the Board are those that ensure appropriate organizational performance.

2.1.3 **Agenda Planning:** To accomplish its responsibilities with a governance style consistent with Board policies, the Board may establish an annual agenda to (a) review the MOEs (measures of effectiveness) and (b) continually improve Board performance through education and deliberation.

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

2.1.5 **Rules of Order:** Board meetings will be conducted in an orderly and fair process consistent with the requirements of Florida law, Ordinances of the City of Jacksonville, the JEA Charter, By-Laws and these governance policies. Meetings will be led by the Chair, or, in the absence of the Chair, the Vice-Chair, or, in the absence of both, by the immediate past Chair.

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

2.1.7 **Board Member's Individual Responsibility:** The leadership success of the Board is a direct result of the individual and collegial participation of its members. Board members will commit to preparation for all JEA related meetings and activities.

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

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

2.1.10 **Improvement in Governance:** The Board will invest in continuous improvement in its governance capacity.

2.1.11 **Legal Representation:** The City Office of General Counsel (OGC) serves as the legal representative and advisor for the Board, CEO and JEA staff.

Finance, Governance, and Audit Committee Meeting - SUPPLEMENTAL

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1 **POLICY TITLE: *GLOBAL GOVERNANCE PROCESS***

2.1.12 **City Council Liaison:** The City Council may designate a member of the City Council to serve as liaison to the JEA Board for the purpose of facilitating communication, information sharing, and mutual understanding between the City Council and JEA. The liaison may:

a. Attend regular and special meetings and appropriate committee meetings of the JEA Board.

b. Serve as a communication link between the City Council and JEA regarding matters of mutual governmental, financial, legislative, regulatory, and community interest.

c. Provide the JEA Board with information regarding relevant City Council matters and provide the City Council with information concerning significant JEA matters.

d. Identify issues where early communication between JEA and the City Council may facilitate coordination or avoid misunderstandings.

e. Participate in Board discussions when recognized by the Chair, consistent with applicable law and Board procedures.

f. Periodically meet with the JEA Board Chair and Managing Director/CEO concerning matters of mutual institutional interest.

The City Council Liaison is not a member of the JEA Board, does not vote on matters before the Board, does not exercise authority over the Board, Managing Director/CEO, or JEA employees, and does not speak for the JEA Board unless specifically authorized to do so. The liaison role shall not alter the powers, duties, or responsibilities assigned to the JEA Board, Managing Director/CEO, City Council, Mayor, or other City officials under the JEA Charter or applicable law.

This section proposed by General DiSalvo

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.1 **POLICY TITLE: *GOVERNING STYLE***

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

Accordingly,

2.1.1.1 Unique Requirements of Florida Law for Public Boards: In conducting its duties as a Board in Florida, the Board is required to comply with the Florida Sunshine Law, which generally prohibits any two or more members of the Board from meeting unless the meeting has been properly noticed and conducted in accordance with the legal requirements. In addition, Florida law contains requirements regarding public records, conflicts of interest and voting which must be followed in the conduct of the Board's business.

2.1.1.2 The Board will cultivate a sense of group responsibility and will be a proactive Board versus a reactive Board. The Board, not the staff, will be responsible for excellence in governing. The Board will be the initiator of policy, not merely a reactor to staff initiatives.

2.1.1.3 Although the Board may change its Governance Process policies at any time, it will diligently observe those currently in force.

2.1.1.4 Continual Board development will include orientation of new Board members in the Board's governance process and an annual Board discussion of governance process improvement.

2.1.1.5 The Board will allow no officer, individual, or committee of the Board to hinder or serve as an excuse for the Board not fulfilling its commitments.

2.1.1.6 Each member of the Board will respect the final determination of the Board as a whole concerning any particular matter, regardless of the member's personal position concerning such matter.

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.2 **POLICY TITLE: *BOARD JOB DESCRIPTION***

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

Accordingly,

2.1.2.1 The Board is the governing body of JEA and the authoritative link between JEA and its service area stakeholders and rate payers.

2.1.2.2 The Board will provide governing policies that realistically address the broadest levels of all organizational decisions and situations:

a. Governance Process: Specification of how the Board develops, carries out, and monitors its own responsibilities

b. Board-Management Delegation: Specification of how power is delegated and its proper use monitored; clarity on the CEO's role, authority, and accountability.

c. Executive Mandates: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.

d. Measures of Effectiveness: The organizational outcomes to its recipients including the relative worth of such outcomes in cost or priority.

2.1.2.3 The CEO annual evaluation will be done formally in person with the CEO and full Board, utilizing the CEO evaluation criteria in Appendix A1 (Executive Core Competencies)

2.1.2.4 The Board will evaluate its own performance annually as per Appendix A2 (JEA Board Evaluation Criteria).

2.1.2.5 Board members will respect their fiduciary responsibilities to own, manage and operate the utilities systems of JEA for the benefit of the JEA service area and rate payers with due diligence using sound business judgment consistent with the JEA Charter.

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.3 **POLICY TITLE: *AGENDA PLANNING***

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

Accordingly,

2.1.3.1 The Board may elect to schedule a retreat/workshop meeting annually around March to establish an annual agenda. The meeting, if scheduled, will be held in accordance with the Florida Sunshine and Open Government laws.

a. The Board will review the MOEs as often as necessary, but minimally once a year, giving balance to efficiency and reliability.

b. Consultations with selected groups of stakeholders, or other methods of gaining stakeholder input, may be part of the annual agenda.

c. Governance education and education related to the MOEs (presentations by forecasters, demographers, advocacy groups, staff, etc.) may be part of the annual agenda.

2.1.3.2 A tentative agenda for the Board's regular meetings will be established by the CEO and provided to the Chair, who shall then set the agenda for final approval by the Board.

a. The agenda along with supporting item documentation will be made available to Board members and the City Council Auditor (as per Section 21.03(e) of the JEA Charter) no later than seven (7) days prior to regular Board meetings and committee meetings. The agenda shall be published as provided in Section 8 of the JEA By-Laws.

b. Any Board member may bring up new business at the appropriate time on the agenda during any meeting. For any item of new business requiring a formal or detailed response or presentation from the Board or JEA staff, a request should be made to the CEO no later than two weeks before the Board meeting to allow others on the Board to receive information seven (7) days in advance.

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.4 **POLICY TITLE: *BOARD OFFICERS***

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

Accordingly,

2.1.4.1 The Chair, as the presiding officer of the Board, ensures the integrity of the Board's processes and the proper execution of this JEA Board Policy Manual, and the orders and resolutions of the Board.

a. The Chair's role is to see that the Board behaves consistently within its own rules and policies and such other rules and regulations as may apply.

(1) Meeting discussion content will consist of issues that clearly belong to the Board to decide or to monitor according to Board policy.

(2) Deliberation will be fair, open, and thorough but also timely, orderly, and kept to the point.

b. The authority of the Chair consists in making decisions that fall within topics covered by Board policies on Governance Process and Board-Management Delegation, with the exception of (a) employment or termination of the CEO and (b) areas where the Board specifically delegates portions of this authority to others. The Chairman is authorized to use any reasonable interpretation of provisions in these policies.

(1) The Chair is empowered to chair Board meetings with all the commonly accepted powers of that position, such as ruling and recognizing.

(2) The Chair may delegate this authority but remains accountable for its use.

(3) The Chair may appoint members and a Chair for each Board Committee, unless otherwise stipulated by Board policies.

2.1.4.2 The Vice-Chair, or in the absence of the Vice-Chair, the immediate Past Chair, will serve as Chair in the absence of the current Chair.

2.1.4.3 The Board Secretary shall exercise oversight of the procedures used by JEA Staff to accurately produce and publish minutes of all Board and Committee meetings. Minutes from Board and Committee meetings will be posted in a conspicuous manner on the official JEA website within a reasonable period of times after the meeting concludes (which entails board/committee actioning approval of the minutes before posting), generally within three (3) business days ~~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.

General DiSalvo requested this be stricken, however, FL. Stat. 286.011(2) - sets forth they are to be promptly posted. There is no specific number of days but best practice is within 72 hours. Recommend 3 business days similar to recordings.

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.5 **POLICY TITLE: *RULES OF ORDER***

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

Accordingly,

2.1.5.1 Board meetings will be conducted with punctuality and order and in accordance with the By-Laws of JEA.

a. Board meetings shall be called to order at the time specified in the notice of meeting and upon satisfaction of a quorum.

b. Meeting order and decorum shall be maintained and all members treated with dignity, respect, courtesy, and fairness during discussion and debate and in all other respects.

c. Board members must keep their comments relevant to the issue under consideration.

2.1.5.2 Board meetings will be conducted at a level of informality considered appropriate by the Chair, yet with predictable discipline.

a. Discussion of a matter not on the previously distributed agenda may occur only after Board consent that the matter be heard.

b. Proposals that the Board take action, or decide a particular matter, shall (unless otherwise agreed to by unanimous consent) be made by main motion of a Board member, discussed, and then voted on. Motions require a second to proceed to discussion and subsequent vote.

c. The Chair may not make motions, but can engage in debate and is required to vote.

d. A motion to amend a main motion may be amended but third level amendments (amendments to amendments) are not to be heard.

e. A motion to refer to a committee, postpone, or table, may be made with respect to a pending main motion, shall take precedence over the pending motion and, if carried, shall set the main motion (the initial proposal) aside accordingly.

f. Board members may speak to a pending motion on as many occasions, and at such length, as the Chair may reasonably allow.

g. A vote on a motion shall be taken when discussion ends, but any Board member may, during the course of debate, move for an immediate vote (close debate or call the question) which, if carried, shall end discussion and the vote on the main motion shall then be taken. Votes may be made by voice vote or by roll call. All members of the Board are required to vote unless a conflict of interest is declared.

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

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.5 **POLICY TITLE: *RULES OF ORDER***

2.1.5.3 When further rules of order are to be developed by the Board, the Board will consider the Standard Code of Parliamentary Procedure (Robert's Rules of Order) as a resource guide. The representative from the Office of General Counsel in attendance may serve the Board as a resource on Parliamentary Procedure.

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.6 **POLICY TITLE: *BOARD MEMBER'S CODE OF CONDUCT***

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

Accordingly,

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

2.1.6.2 Members must avoid self-dealing and conflicts of interest with respect to their fiduciary responsibility. They shall comply with Chapter 112, Part III (Code of Ethics for Public Officers and Employees, Florida Statutes, and Chapter 602 (Jacksonville Code of Ethics), Ordinance Code of the City of Jacksonville.

2.1.6.3 Members may not attempt to exercise individual authority over JEA or JEA staff except as expressly set forth in Board policies.

a. Members' interaction with the CEO or with JEA staff must recognize the lack of authority vested in individual members except when expressly authorized by the Board. Accordingly, while interaction and communication with the CEO and JEA staff is permitted, an individual Board member shall not give orders or instructions, publicly or privately, to the CEO or to JEA staff.

b. Members' interaction with the public, the press, or other entities must recognize the same limitation and the inability of any Board member to speak for JEA or for the Board as a whole, except to repeat expressly stated Board decisions.

c. Except for participation in Board deliberation about whether the CEO has achieved any reasonable interpretation of Board policy, members will not express individual judgments of negative performance of JEA employees or the CEO.

2.1.6.4 Members are expected to support the legitimacy and authority of the final determination of the Board on any matter, without regard to the member's personal position on the issue.

2.1.6.5 Members who have any question about the appropriateness of their conduct should consult with the Office of General counsel or appropriate Ethics offices for information.

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.7 **POLICY TITLE: *BOARD MEMBER'S INDIVIDUAL RESPONSIBILITIES***

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

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

2.1.7.1 Time Investment to Accomplish Board Responsibilities – As Board contemplation, deliberation and decision-making are processes which require collaboration and participation, attendance at Board meetings is expected of Board members.

a. Expected Commitments:

(1) Regular and Special Board Meetings (Board members are expected to attend every Board meeting and in no event fewer than seventy percent (70%) of the regular Board meetings per year in person.)

(2) Annual Team Building (to include professional education)

(3) Annual CEO evaluation and Board Evaluation

(4) Bond Rating Agency Presentation (Board Chair is expected to attend)

b. Optional Involvement:

(1) Internal educational meetings with staff upon request

(2) Industry-related seminars and conferences

(3) Visit other utilities and related industries

2.1.7.2 Preparation and Participation - Board members will prepare for Board and committee meetings and will participate productively in discussions, always within the boundaries of decorum established by the Board. Each member will contribute his or her own knowledge, skills and expertise to the Board's efforts to fulfill its responsibilities.

2.1.7.3 Members as Individuals – The CEO is accountable only to the Board as a whole, and not to individual Board members. Accordingly, the relationship between the CEO and individual members of the Board, including the Chair, is collegial, not hierarchical.

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.8 **POLICY TITLE: *BOARD COMMITTEE PRINCIPLES***

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

Accordingly,

2.1.8.1 Board committees are to help the Board accomplish its responsibilities and are not assigned to perform staff functions. Committees ordinarily will assist the Board by preparing policy alternatives and implications for Board deliberation. In keeping with the Board's broader focus, Board committees will normally not have direct dealings with current staff operations unless specifically outlined in committee objectives.

2.1.8.2 Board committees are advisory and may not speak or act for the Board, except when formally given such authority by the Board for specific purposes. Expectations and authority of a committee will be carefully and expressly stated at the time of its establishment in order to prevent conflict with authority delegated to the CEO or to another committee.

2.1.8.3 Board committees cannot provide direction to or exercise authority over JEA staff. The CEO works for the full Board and, therefore, will not be required to obtain the approval of a Board committee before taking an executive action.

2.1.8.4 Committees will be formed for a specific purpose only and may perform fact finding and/or recommendation functions for the Board. Each committee's purpose and function will be documented in a written charge. All committees are accountable to the Board as a whole.

2.1.8.5 This policy applies to any group formed by Board action, whether or not it is called a committee and regardless of whether the group includes Board members. It does not apply to groups formed under the authority of the CEO.

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.9 **POLICY TITLE: *BOARD COMMITTEE STRUCTURE***

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

Accordingly,

2.1.9.1 Executive Committee: The purpose of the Executive Committee is to recommend Board officers for election by the Board as a whole.

a. The Committee will be comprised of four (4) members. The current Board Chair (who shall serve as Chair of the committee), the current Vice Chair, the current Secretary, and the most immediate past Board Chair still remaining on the Board will constitute the Committee. If the most immediate past Chair is no longer serving on the Board, the current Board Chair shall select another Board member to fill out a committee of four.

b. The established Committee shall commence its annual officer review process at least sixty (60) days prior to April 1. The Committee will present its recommendations to the Board for action no later than the March Board meeting, ensuring the mandatory approval of new officers concludes prior to 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 at least 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 as required to fulfill its duties, with a general expectation of up to four (4) times per year. If operational demands require fewer meetings, a reduced frequency will not constitute a policy violation. ~~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.

Finance, Governance, and Audit Committee Meeting - SUPPLEMENTAL

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.9 **POLICY TITLE: *BOARD COMMITTEE STRUCTURE***

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

a. The Committee will be comprised of at least three (3) members appointed annually by the Chair and confirmed by the Board. 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 as required to fulfill its duties, with a general expectation of up to four (4) times per year. If operational demands require fewer meetings, a reduced frequency will not constitute a policy violation. ~~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.

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 non-standard salary modifications of ~~and~~ the Senior Leadership Team, which is compromised of the Chief Officers of JEA. The authority, restrictions, and approval thresholds are governed by Section 3.0.4.1.

a. The Committee will be compromised of at least 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 as needed to fulfill its charter obligations or at the call of the Committee Chair or when requested by the Managing Director/CEO to address specific agenda items. ~~at least once per year.~~ Special meetings may be called by any Committee member. Meeting dates, times and location will be announced to the entire Board.

2.1.9.5 Other standing committees may be established as designated by the Board.

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.10 **POLICY TITLE: *IMPROVEMENT IN GOVERNANCE***

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

2.1.10.1 The Board will use appropriate methods to improve its governing skills.

a. Training and retraining will be used liberally to orient new members as well as to maintain and increase existing members' skills and understandings.

b. Outside monitoring assistance can be arranged so that the Board can exercise confident control over organizational performance. This includes but is not limited to a financial audit or consultant firm.

c. Outreach mechanisms can be used as needed to ensure the Board's ability to listen to stakeholder viewpoints and values.

d. Knowledgeable industry experts can be made available to the Board in various ways to continuously improve the Board's awareness of emerging utility industry issues.

2.1.10.2 Costs for appropriate Board governance will be included during annual budget preparations. Any expenditure required will be in accordance with JEA procurement policies. Items may include but not be limited to the following as annually decided by the Board:

a. Training

b. Attendance at conferences, industry site visits and Rating Agency presentations

c. Audit and other third-party monitoring of organizational performance

d. Surveys, focus groups, opinion analysis, and meeting costs

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

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

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.11 **POLICY TITLE: *LEGAL REPRESENTATION***

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

2.1.11.1 JEA shall be required to use the legal services of the Office of General Counsel, and the Office of General Counsel shall have the responsibility for furnishing legal services to JEA.

2.1.11.2 The City General Counsel has assigned a chief legal officer and other assistant general counsel and legal staff as full-time representation for JEA. In the event that OGC counsel cannot or should not provide legal services in a specific instance, OGC will appoint outside legal counsel, after consultation with JEA and at JEA's expense.

2.1.11.3. All senior-level employees, including the CEO and senior-level officers, directors and managers of JEA, shall be trained by OGC, in consultation with the Ethics Office, at least annually on Florida's open meetings laws, public records and ethics laws.

JEA Board Policy Manual

POLICY CATEGORY III: BOARD-MANAGEMENT DELEGATION

POLICY 3.0 **POLICY TITLE: *GLOBAL BOARD-MANAGEMENT DELEGATION***

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

Accordingly,

3.0.1 **Unity of Control:** Only the Board may order or instruct the CEO, and only officially passed motions of the Board are binding on the CEO.

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

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

3.0.4 **CEO and Senior Leadership Remuneration:** Salary and benefits and other terms of employment for the CEO will be determined by contract. JEA may have an employment contract with the CEO only.

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

3.0.5.1 **Complaints Against the CEO**

1. **The Governance Mandate:** Because the Managing Director/CEO reports directly to the Board of Directors, the Board (and not internal staff) owns, directs, and oversees any disciplinary or investigative process involving the CEO. The full Board retains sole authority over any final actions or resolutions resulting from an inquiry.

2. **Board Chair:** Upon receiving a Complaint against the CEO, the Board Chair shall refer the matter to the Office of General Counsel for assistance in the handling of the Complaint for review and determination of the necessity for an investigation of the matter. If the Complaint requires formal investigation, the Office of General Counsel is authorized to engage outside legal counsel completely independent of JEA's standard legal representation (Office of General Counsel), to conduct the formal investigation. The Office of General Counsel will mandate immediate document preservation and enforce protective protocols are initiated.

3. **Special Meeting:** If the complaint presents a substantial basis for inquiry involving a potential violation of law, policy, or core ethical standards, a Special Meeting of the full Board may be called by either the Board Chair or any three (3) Board Members to recommend placing the CEO on administrative leave pending the investigation's conclusion.

~~1.~~

JEA Board Policy Manual

POLICY CATEGORY III: BOARD-MANAGEMENT DELEGATION

POLICY 3.0 **POLICY TITLE: *GLOBAL BOARD-MANAGEMENT DELEGATION***

4. **Strict Administrative Safeguards:** Under no circumstances shall a complaint against the CEO be routed back to the CEO or any executive who reports to the CEO. Management shall have no control, access, or oversight regarding the evidence, scheduling, or direction of the investigation.

JEA Board Policy Manual

POLICY CATEGORY III: BOARD-MANAGEMENT DELEGATION

POLICY 3.0.1 **POLICY TITLE: *UNITY OF CONTROL***

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

Accordingly,

3.0.1.1 Individual Board members, officers, or committees shall not give orders or instructions, public or privately, to the CEO, legal counsel or JEA staff and any such orders or instructions are not binding on the CEO, legal counsel or JEA staff.

3.0.1.2 Individual Board members and Board committees may interact and communicate with the CEO, legal counsel and JEA staff and may request information or assistance without requiring full Board authorization. The CEO can refuse such requests, however, to the extent that, in the CEO's opinion, the request requires a material amount of staff time or funds, or are disruptive. The CEO shall promptly inform the Board if he or she refuses any request from an individual Board member or Board committee.

JEA Board Policy Manual

POLICY CATEGORY III: BOARD-MANAGEMENT DELEGATION

POLICY 3.0.2 **POLICY TITLE: *ACCOUNTABILITY OF CEO***

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

Accordingly,

3.0.2.1 Neither the Board as a whole nor individual Board members shall give orders or instructions to persons who report directly or indirectly to the CEO.

3.0.2.2 The Board shall not evaluate, either formally or informally, any legal counsel or JEA staff other than the CEO, though, the CEO shall discuss with the Board his or her evaluation of the executives identified as potential interim CEO successors as provided in Policy 4.0.5.

3.0.2.3 Nothing in this Policy 3.0.2 should be interpreted as limiting the Board's authority regarding budgetary or compensation matters.

JEA Board Policy Manual

POLICY CATEGORY III: BOARD-MANAGEMENT DELEGATION

POLICY 3.0.3 **POLICY TITLE: *DELEGATION TO THE CEO***

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

Accordingly,

3.0.3.1 The Board will develop policies instructing the CEO to achieve specified results, for specified recipients, at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels and will be captured in the MOEs.

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

JEA Board Policy Manual

Mr. Baker has requested clarity of this section where the CEO employs and fixes the salaries of the SLT but must be approved by the Board.

POLICY CATEGORY III: BOARD MANAGEMENT DELEGATION

POLICY 3.0.4 **POLICY TITLE: *CEO AND SENIOR LEADERSHIP REMUNERATION***

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

3.0.4.1 The Board, with the advice and recommendation of the Compensation Committee, shall employ and fix the compensation of the CEO, who shall serve at the pleasure of the Board, ~~and shall employ and fix the compensation of the Senior Leadership Team.~~The employment, termination, and compensation of the Senior Leadership Team shall be governed as follows:

a. Day-to-Day Management and Termination. To ensure operational efficiency, the Board delegates the administrative oversight and direction of the Senior Leadership Team to the CEO. The CEO has the unilateral authority to reassign, place on administrative leave, or terminate the employment of any member of the Senior Leadership Team (including the structural elimination of their position) without a prior formal vote of the Board. The CEO shall notify the Board of any such separation within twenty-four (24) hours, and the action shall be presented as an informational item at the next scheduled Board Meeting.

b. Base Compensation and Standard Increases. The Board retains ultimate authority over fixing the compensation of the Senior Leadership Team. The CEO is authorized to independently approve and apply standard cost-of-living adjustments (COLA) or merit-based percentage increases to Senior Leadership Team members, provided those increases are identical to the annual approved increases for other appointed employees.

c. Non-Standard Compensation Adjustments. Any proposed salary modification, promotion-based raise, or benefit change for a member of the Senior Leadership Team that deviates from or exceeds the standard pay increases approved for other appointed employees shall require the prior advice and recommendation of the Compensation Committee and formal approval via a majority vote of the Board

3.0.4.2 The entire working time of the CEO shall be devoted to the performance of the duties such office and the CEO shall have no outside employment. Subject to the approval of the Board, the CEO may engage in or have unrelated business interests so long as such business interests do not interfere with the CEO's duties.

3.0.4.3 The CEO shall be a graduate of an accredited college or university, and have at least five (5) years of executive experience within the utilities industry.

3.0.4.4 The CEO shall have a fiduciary duty of loyalty, fidelity, and allegiance to act a t all times in the best interest of JEA and will act in a manner consistent with the responsibilities of the JEA Charter and other policies, rules, and regulations governing the conduct of JEA employees.

3.0.4.5 The CEO's contract term, including any renewal term, shall not exceed five (5) years.

3.0.4.6 The amount of severance pay, if any, shall not exceed the amounts allowed under Florida law and shall not be permitted if the CEO is terminated for cause or terminated for misconduct, as defined in Section 443.036(29), Florida Statutes, as amended.

3.0.4.7 The contract shall not contain a mandatory consulting, separation and transition, or similar agreement that is operative due to the CEO's termination without cause under the contract.

3.0.4.8 JEA shall not be required to release, indemnify or hold harmless the CEO against any claims except as otherwise permitted by law.

3.0.4.9 JEA shall not be required to pay for or provide legal counsel to the CEO beyond the legal counsel

JEA Board Policy Manual

POLICY CATEGORY III: BOARD MANAGEMENT DELEGATION

POLICY 3.0.4 **POLICY TITLE: *CEO AND SENIOR LEADERSHIP REMUNERATION***

required of the Office of General Counsel pursuant to the JEA Charter or general law.

3.0.4.10 The contract shall contain a provision that the CEO serves at the pleasure of the JEA Board and may be terminated without cause at any time, and such provision may provide for not more than thirty (30) days advance notice to the CEO of such termination without cause.

3.0.4.11 The contract may contain a provision for termination of the CEO for cause, provided that "cause" shall be defined consistent with the definition as contained in Rule 9.05(a) of the Civil Service and Personnel Rules and Regulations of the City of Jacksonville.

3.0.4.12 All compensation terms shall be reasonable and customary and similar to other public utilities comparable to JEA when taking into account the size of JEA's territory area, employee workforce, and utility systems.

3.0.4.13 The contract may contain any such other terms as may be in the best interest of JEA and not inconsistent with this Policy 3.0.4, the JEA Charter, or applicable law.

JEA Board Policy Manual

POLICY CATEGORY III: BOARD MANAGEMENT DELEGATION

POLICY 3.0.4 **POLICY TITLE: *CEO AND SENIOR LEADERSHIP REMUNERATION***

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

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

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

JEA Board Policy Manual

POLICY CATEGORY III: BOARD-MANAGEMENT DELEGATION

POLICY 3.0.5 **POLICY TITLE: *MONITORING CEO PERFORMANCE***

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

JEA Board Policy Manual

POLICY CATEGORY IV: EXECUTIVE MANDATES

POLICY 4.0 **POLICY TITLE: *GENERAL EXECUTIVE OVERSIGHT AND ASSURANCES***

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

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

4.0.2 **Treatment of Staff:** With respect to the treatment of staff, the CEO shall oversee and ensure conditions that are fair, safe, dignified, organized, and clear.

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

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

4.0.5 **Workforce Readiness and Succession Planning:** The CEO shall oversee and ensure a workforce that is prepared to meet current or future business demands.

4.0.6 **Asset Protection:** The CEO shall oversee and ensure corporate assets are protected, adequately maintained and not unnecessarily risked.

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

4.0.8 **Communication and Support to Board:** The CEO shall oversee and ensure that the Board is informed and supported in its work.

4.0.9 **Regulatory/Legislative Requirements:** The CEO shall oversee and ensure regulatory and legislative actions that are favorable to the organization.

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

4.0.11 **Procurement Activities:** The CEO shall oversee and ensure the development of procurement policies and procedures that adhere to all applicable federal, state and local laws and ordinances and provide for increased public confidence in the procurement activities of JEA.

JEA Board Policy Manual

POLICY CATEGORY IV: EXECUTIVE MANDATES

POLICY 4.0.1 **POLICY TITLE: *TREATMENT OF CONSUMERS***

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

Accordingly, the CEO will:

4.0.1.1 Elicit information for which there is a clear necessity.

4.0.1.2. Use methods of collecting, reviewing, transmitting, or storing client information that will protect against improper access.

4.0.1.3 Operate facilities with appropriate accessibility and privacy.

4.0.1.4 Articulate to consumers a clear understanding of what they can expect from services offered.

4.0.1.5 Operate with clearly established and updated Customer Service procedures and published rules and regulations for service.

4.0.1.6 Operate with mechanisms for collecting consumer complaints that provide for resolution at the lowest staff level and also include prompt response when warranted.

JEA Board Policy Manual

POLICY CATEGORY IV: EXECUTIVE MANDATES

POLICY 4.0.2 **POLICY TITLE: *TREATMENT OF STAFF***

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

Accordingly, the CEO will:

4.0.2.1 Operate with written personnel rules and regulations that:

a. clarify rules for staff

b. provide for effective handling of grievances

c. protect against wrongful conditions such as nepotism and grossly preferential treatment for personal reasons.

d. allow for volunteerism in the community

e require high ethical standards

f. recognize the need for work/life balance

4.0.2.1 Operate with written job descriptions and performance requirements and reviews that

a. characterize the nature of work to be performed

b. identify technical, behavioral and physical skills required

c. identify clear standards of responsibilities, accountability and associated authorities.

4.0.2.3 Provide a safe work environment.

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

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

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

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

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

JEA Board Policy Manual

POLICY CATEGORY IV: EXECUTIVE MANDATES

POLICY 4.0.2 **POLICY TITLE: *TREATMENT OF STAFF***

4.0.2.9 Misconduct Reporting Protocol for Complaints Against the CEO: Maintain a confidential, independent human resources protocol for staff members or direct reports of the CEO to report executive misconduct. Upon receipt of a complaint against the CEO, through any reporting mechanism (i.e. ethics hotline, human resources, or City of Jacksonville's Ethics Office) the standard internal investigation protocols will be bypassed, and the matter referred to the Office of General Counsel. The Office of General Counsel will notify Human Resources of the need to implement immediate document preservation. The complainant will be informed of the policies and protections afforded through JEA's policies against workplace retaliation. Complaints against the CEO may be made to:

a. **Fraud, Waste, and Abuse:** Escalate directly to the City of Jacksonville Office of Inspector General (OIG).

b. **Ethics Violations:** Escalate directly to the City of Jacksonville Ethics Office.

c. **Legal Risk (Harassment/Workplace Policy Violations):** Notify the City's General Counsel (OGC) to coordinate independent external handling.

d. Retaliation, Racism, and Hostile Work Environment: Route to the Jacksonville Human Rights Commission (JHRC) if related to discrimination complaints, or to the appropriate state or federal regulatory body if protected under Whistleblower statutes.

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 highly qualified workforce that values a broad range of professional perspectives to optimize internal operations and deliver exceptional service to all customers. ~~that recognizes the value of cultural diversity in internal operations and in serving customers.~~

Highlight was proposed language of General DiSalvo. Changes in purple are addition by staff.

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 Work under a Board approved employment contract and will not be able to change the terms without Board approval. ~~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 enter into an employment contract with any other employee.~~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 Have the authority to determine compensation and benefits for employees at the Senior Leadership level and below within the appointed ranks, consistent with JEA's approved compensation philosophy and policies. Anything inconsistent with the compensation policy will require Board approval. ~~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.~~

4.0.7.4 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 provided there are comparators. 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.

4.0.7.5 Determine whether general wage increases and/or performance increases will be awarded to appointed employees. Any such increases will be within the approved budget. Compression analysis will be conducted annually, and increases may occur due to this analysis.

JEA Board Policy Manual

POLICY CATEGORY IV: EXECUTIVE MANDATES

POLICY 4.0.8 **POLICY TITLE: *COMMUNICATION AND SUPPORT TO BOARD***

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

Accordingly, the CEO will ensure:

4.0.8.1 Submission of monitoring data required by the Board in Policy 3.0.5, "Monitoring CEO Performance," in a timely, accurate, and understandable fashion, directly addressing provisions of Board policies being monitored, and including CEO interpretations consistent with Policy 3.0.3, "Delegation to the CEO," as well as relevant data.

4.0.8.2 The Board is aware of any actual or anticipated noncompliance with any MOEs or Executive Mandates policy of the Board regardless of the Board's monitoring schedule.

4.0.8.3 The Board receives decision information required periodically by the Board, and the Board is kept aware of relevant trends, including a report at each regular Board meeting relating any major issues or major financial transactions or losses and is otherwise aware of any significant incidental information it requires, including anticipated media coverage, threatened or pending lawsuits, and material internal and external changes.

4.0.8.4 The Board members are timely advised of major actions, including but not limited to any appointment, separation, or other change to the Senior Leadership Team; any variance of ten percent (10%) or more in total budgeted expenses or employee headcount; loans; bonds; reorganizations; strikes; or outages.

4.0.8.5 The Board is aware that, in the CEO's opinion, the Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the CEO (refer to Policy 3.0).

4.0.8.6 Information is not in an unnecessarily complex or lengthy form, or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.

4.0.8.7 The Board is provided a workable mechanism for official Board, officer, or committee communications.

4.0.8.8 Dealings with the Board do not favor or privilege certain Board members over others, except when (a) fulfilling individual requests for information; or (b) responding to officers or committees duly charged by the Board.

4.0.8.9 Submission to the Board of a consent agenda containing items delegated to the CEO yet required by law, regulation, or contract to be Board-approved, along with applicable monitoring information.

4.0.8.10 Providing a process to retain relevant background information on previous Board policy decisions.

JEA Board Policy Manual

POLICY CATEGORY IV: EXECUTIVE MANDATES

POLICY 4.0.9 **POLICY TITLE: *REGULATORY/LEGISLATIVE REQUIREMENTS***

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

JEA Board Policy Manual

POLICY CATEGORY IV: EXECUTIVE MANDATES

POLICY 4.0.10 **POLICY TITLE: *ENTERPRISE RISK MANAGEMENT***

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

Accordingly, the CEO will:

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

JEA Board Policy Manual

POLICY CATEGORY IV: EXECUTIVE MANDATES

POLICY 4.0.11 **POLICY TITLE: *PROCUREMENT ACTIVITIES***

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

Accordingly, the CEO will:

4.0.11.1 Develop and disseminate simple, clear and up-to-date rules for all procurement.

4.0.11.2 Ensure the fair and equitable treatment of all persons who deal with the JEA procurement system.

4.0.11.3 Provide increased economy in all procurement activities and to maximize to the fullest extent practicable the purchasing value of JEA funds.

4.0.11.4 Foster effective, broad-based competition within the free enterprise system.

4.0.11.5 Provide safeguards for the maintenance of the procurement system, quality and integrity.

4.0.11.6 Provide a clear and timely administrative remedy process to all those aggrieved during any phase of the procurement process.

4.0.11.7 Provide effective access for Small and Emerging Local Businesses.

JEA Board Policy Manual

POLICY CATEGORY V: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 5.0 **POLICY TITLE: *MOEs***

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

5.0.1 **Quality of Electric Service:** Provide clean, safe and reliable electric service to all prescribed consumers.

5.0.2 **Quality of Water Service:** Provide clean, safe and reliable water service to all prescribed consumers.

5.0.3 **Quality of Sewer Services:** Provide clean, safe and reliable sewer services to all prescribed consumers.

5.0.4 **Cost of Service:** Provide all utility services at a reasonable and accurate cost.

5.0.5 **Environmentally Sound:** Provide all utility services in a manner that is environmentally sound and sustainable.

5.0.6 **Informative Communication:** Effectively communicate with consumers and other stakeholders.

5.0.7 **Safety Standards:** Provide a safe work environment for all JEA staff.

5.0.8 **Financial Integrity:** Achieve fiscal targets to maintain and improve credit ratings.

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 5.0.1 **POLICY TITLE: *QUALITY OF ELECTRIC SERVICE***

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

Accordingly,

5.0.1.1 Annually update an Electric Integrated Resource Supply Plan (IRP) to ensure consumers' future electricity supply needs are met at the lowest evaluated total lifecycle cost while maintaining fuel diversity.

5.0.1.2 Minimize the frequency of electric distribution system outages and report status through the System Average Interruption Frequency Index (SAIFI).

5.0.1.3 Minimize the frequency of electric distribution system voltage sags and report status through the System Average Root Mean Square Frequency Index (SARFI-80).

5.0.1.4 Minimize the duration of electric distribution system outages and report status through the System Average Interruption Duration Index (SAIDI).

5.0.1.5 Focus on reducing individual customer outages and report status through the customers experiencing more than five interruptions (CEMi-5).

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 5.0.2 **POLICY TITLE: *QUALITY OF WATER SERVICE***

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

Accordingly,

5.0.2.1 Annually update an Integrated Water Resource Plan (IWRP) to ensure consumers' future water supply needs are met at the lowest evaluated cost while also ensuring water resources are available for future generations. This includes a thorough evaluation of water supply alternatives.

5.0.2.2 Minimize the duration of water distribution system low pressure events and report status of the number of cumulative minutes water pressure drops below 30 pounds per square inch (psi) for all existing water distribution system pressure monitoring points.

5.0.2.3 Conduct water testing in accordance with the standards of the Florida Department of Environmental Protection (FDEP) and the Environmental Protection Agency (EPA) and report testing results to all water consumers and stakeholders.

5.0.2.4 Ensure compliance with JEA's Consumption Use Permit (CUP).

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 5.0.3 **POLICY TITLE: *QUALITY OF SEWER SERVICE***

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

Accordingly,

5.0.3.1 Minimize the frequency of sewer back-ups and overflows and report status by:

a. the number of Sanitary Sewer Overflows (SSO's) per 100 miles of existing sewer pipe.

b. the total number of sewer system cave-ins.

5.0.3.2 Limit the total amount of nutrients discharged into the St. John's River from all wastewater treatment facilities.

a. Reduce the total nutrient discharge into the St. John's River to meet JEA's Florida Department of Environmental Protection (FDEP) Total Maximum Daily Load (TMDL) allocation.

b. Increase the production and distribution of reclaimed water.

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 5.0.4 **POLICY TITLE: *COST OF SERVICE***

Provide all utility services at a reasonable and accurate cost.

Accordingly,

5.0.4.1 All utility services are to be reasonably priced.

a. Pricing for all utility services is to be frequently benchmarked against other state and regional utilities to demonstrate competitiveness.

b. Pricing for each utility service for all classes of consumers is to be based on the cost to serve each consumer class. Cost of service studies are to be conducted in no more than five year intervals.

5.0.4.2 Minimize the number of consumer bills that are inaccurate, are estimated due to the lack of a current meter reading, or are untimely. The expectation is 99.9% accurate and timely.

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

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 5.0.5 **POLICY TITLE: ENVIRONMENTALLY SOUND**

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

Accordingly,

5.0.5.1 The CEO is expected to comply with all existing environmental regulations that apply.

4.5.2 Conservation: Pursue all options to communicate and incentivize customer conservation and efficiency while avoiding excessive customer cost.

a. Electric System: Maintain the electric conservation fund by collecting an additional one cent per kwh for every kwh over 2750 on monthly residential consumption and by allocating 50 cents per mwh of base rate revenues (a total of approximately 0.5% of electric gross revenues.) The funds are to be spent for customer conservation initiatives and incentives only.

5.0.5.3 Renewable Energy Supply: Explore all options for renewable electric energy supply while avoiding excessive customer cost since a state or federal Renewable Electricity Standard (RES) is yet to be established and the timing for setting a standard remains uncertain.

5.0.5.4 Incorporate in generation planning and other utility operations strategies and actions to reduce greenhouse gases.

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 5.0.6 **POLICY TITLE: INFORMATIVE COMMUNICATION**

Effectively communicate with consumers and other stakeholders.

Accordingly,

5.0.6.1 To enable and encourage public dialogue on electric, water, and sewer issues at the local, state and national levels.

5.0.6.2 To inform consumers of potential or pending charges being considered for utility services or charges.

5.0.6.3 To inform consumers of the potential financial and consumption impact of conservation incentives and other activities under consideration.

5.0.6.4 Maintain top quartile JD Power ratings for all customer and communication categories.

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 5.0.7 **POLICY TITLE: SAFETY STANDARDS**

Provide a safe work environment for all JEA staff.

Accordingly,

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

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 5.0.8 **POLICY TITLE: FINANCIAL INTEGRITY**

Achieve fiscal targets to maintain and improve credit ratings.

Accordingly,

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

JEA Board Policy Manual

APPENDICES

A1 Executive Core Competencies

A2 JEA Board Evaluation Criteria

A3 JEA Charter (Article 21, City of Jacksonville Ordinance Code)

JEA Board Policy Manual

A1 - EXECUTIVE CORE COMPETENCIES

Models Integrity

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

Makes Quality Decisions

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

Takes Initiative

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

Communicates Effectively

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

Drives Results

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

JEA Board Policy Manual

A1- EXECUTIVE CORE COMPETENCIES

Focuses on the Customer

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

Fosters Teamwork

- Shares relevant expertise and knowledge to ensure team members have adequate information to make decisions and achieve objectives
- Contributes to respectful and collaborative ~~inclusive~~ culture by valuing different ~~others'~~ viewpoints, encouraging others to share ideas, and treating others in a professional and ~~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 manner ~~way~~ that is ~~inclusive~~ respectful~~,~~ 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 Equal Opportunity and a Respectful Workplace

- Promotes broad, competitive recruitment designed to attract highly qualified candidates and supports equal employment opportunity consistent with applicable law. ~~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.~~
- Maintains an environment free from all forms of unlawful discrimination, harassment, or retaliation in strict accordance with state and federal laws. Supports operational practices that ensure all personnel are evaluated solely on merit, providing equal access to professional growth and upward mobility opportunities.
- *Actively monitors the organization to ensure ~~equality and~~ fairness, objectivity, and equal opportunity for all members; objectively allocates compensation, rewards, and opportunities based on merit and performance.
- Promotes a respectful workplace in which differing ~~an inclusive culture where different~~ viewpoints, constructive debate, and professional collaboration 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

* This competency does not violate the DEI statutory change - however, General DiSalvo has proposed changing this to:
"Ensures employment practices are administered consistently, objectively, and in accordance with applicable law, including compensation, recognition, advancement, and other employment opportunities."

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 professional, respectful, high-performing workplace in which employees are treated fairly, differing viewpoints are respected, and the workforce understands JEA's mission and has confidence in organizational leadership. ~~positive environment where diversity is embraced, and the workforce is proud to be a member of JEA, knows their mission, and trusts the CEO and his senior leadership team.~~
6. CEO maintains a candid dialogue with the board and is completely transparent on all issues associated with JEA.
7. CEO has a viable succession plan.
8. CEO keeps JEA on the right strategic path based on the most current strategic plan.
9. CEO maintains 100% compliance with respect to Article 21 applicable provisions.
10. Complies with executive core competencies (as per Appendix A1).

JEA Board Policy Manual

A2 - JEA BOARD EVALUATION CRITERIA

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

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

JEA Board Policy Manual

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

General Comments (if any):

JEA Board Policy Manual

A3 – JEA Charter (Article 21)

JEA Board Policy Manual

JEA Board Policy Manual

Adopted by the JEA Board on this 27th day of October, 2026, in Jacksonville, Florida.

JEA Board Chair

JEA Board Secretary

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POLICY CATEGORY I: BY-LAWS OF JEA

POLICY 1.0 **POLICY TITLE: *BY-LAWS OF JEA***

ARTICLE I - JEA OFFICES

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

ARTICLE II - MEMBERS OF JEA GOVERNING BODY

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

Section 2. Appointment, Number, Term, and Expense Reimbursement. The membership of the JEA Board shall be constituted in number, qualifications, manner of appointment, and term as provided in the JEA Charter. Members of the JEA Board shall not be entitled to pension or other retirement benefits on account of service on the JEA Board, but members shall be entitled to payment or reimbursement for reasonable expenses incurred (e.g., travel expenses) which as prescribed by the City Council by ordinance.

Section 3. Applicable Laws. Members shall be subject to open government and ethics laws, including the provisions of Section 286.012, Florida Statutes, as amended, relating to voting at meetings of JEA, and the provisions of Sections 112.31 through 112.3175, Florida Statutes, as amended, relating to financial disclosure and conflicts of interest. Additionally, members shall be subject to all other relevant and applicable laws and ordinances, including but not limited to, Chapter 286 (Public Business: Miscellaneous Provisions), Florida Statutes, as amended; Chapter 112, Part III (Code of Ethics for Public Officers and Employees), Florida Statutes, as amended; Ch. 119 (Public Records), Florida Statutes, as amended; and Chapter 602 (Jacksonville Code of Ethics), Ordinance Code of the City of Jacksonville, as amended.

Section 4. Office-Holding; Oath. JEA Board membership shall be considered an office and limited by the office holding provisions as provided for under the Florida Constitution. No member shall be eligible to serve as a member while holding another office or being an employee of JEA. Members shall be required to take an oath of office consistent with the oath of office taken by other public officials serving on city boards and commissions.

ARTICLE III - OFFICERS

Section 1. Election; Term. The Officers of the JEA Board shall be a Chair, Vice-Chair, and a Secretary who shall be elected by the members and each of whom shall serve as such officers for a term of one year or until a successor is chosen. The governing body of JEA may also elect one or more assistant secretaries of the JEA Board, who shall serve for a term of one year or until such officer's 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.

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POLICY CATEGORY I: BY-LAWS OF JEA

POLICY 1.0 **POLICY TITLE: *BY-LAWS OF JEA***

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

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

ARTICLE IV - BOARD COMMITTEES

Section 1. Purpose. Board committees are to help the Board accomplish its responsibilities and are not assigned to perform staff functions or make final decisions. Committees ordinarily will assist the Board by preparing policy alternatives and implications for Board deliberation.

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.

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POLICY CATEGORY I: BY-LAWS OF JEA

POLICY 1.0 **POLICY TITLE: *BY-LAWS OF JEA***

Section 5. **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 6. **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. All committee meetings shall be live-streamed, recorded and made available to the general public for viewing within three (3) business days after the meeting.

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. **Live-Stream and Recording of Meetings. All regular and special meetings shall be live-streamed, recorded and made available to the general public for viewing within three (3) business days after the meeting.**

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POLICY 1.0 **POLICY TITLE: *BY-LAWS OF JEA***

Section 5. 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 fromthe 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 6. 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 7. 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 8. 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 9. 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.

JEA Board Policy Manual

POLICY CATEGORY I: BY-LAWS OF JEA

POLICY 1.0 **POLICY TITLE: *BY-LAWS OF JEA***

Section 10. **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

(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.

JEA Board Policy Manual

POLICY CATEGORY I: BY-LAWS OF JEA

POLICY 1.0 **POLICY TITLE: *BY-LAWS OF JEA***

Section 11. 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.

(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.

JEA Board Policy Manual

POLICY CATEGORY I: BY-LAWS OF JEA

POLICY 1.0 **POLICY TITLE: *BY-LAWS OF JEA***

Adopted by the JEA Board on this 27th day of October, 2026, in Jacksonville, Florida.

JEA Board Chair

JEA Board Secretary

Finance, Governance, and Audit Committee Meeting - SUPPLEMENTAL INFORMATION

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

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

2.1 **Mission:** The JEA Board will exercise ownership, management and operation of utilities systems within the City of Jacksonville and surrounding JEA service areas for the benefit of the City of Jacksonville and rate payers.

2.2 **Vision:** Make JEA the best in class for public utilities in the United States.

2.3 **Values:**

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

2.4 **Goals & Objectives**

- Be proactive in issuing important guidance and making timely decisions.
  - Objective: Maintain a planning horizon that is forward looking and anticipate key decisions to be made.

- Act in the best interest of the JEA workforce, JEA service area, rate payers and the citizens of Jacksonville.
  - Objective: Utilize the expertise of board members to enhance the ability of the board to act as a collective body.

- Exercise due diligence so well-informed decisions are made.
  - Objective: Use sound business judgement consistent with the JEA Charter.

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

Finance, Governance, and Audit Committee Meeting - SUPPLEMENTAL INFORMATION

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1 **POLICY TITLE: *GLOBAL GOVERNANCE PROCESS***

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

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

2.1.2 **Board Job Description:** Specific responsibilities of the Board are those that ensure appropriate organizational performance.

2.1.3 **Agenda Planning:** To accomplish its responsibilities with a governance style consistent with Board policies, the Board may establish an annual agenda to (a) review the MOEs (measures of effectiveness) and (b) continually improve Board performance through education and deliberation.

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

2.1.5 **Rules of Order:** Board meetings will be conducted in an orderly and fair process consistent with the requirements of Florida law, Ordinances of the City of Jacksonville, the JEA Charter, By-Laws and these governance policies. Meetings will be led by the Chair, or, in the absence of the Chair, the Vice-Chair, or, in the absence of both, by the immediate past Chair.

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

2.1.7 **Board Member's Individual Responsibility:** The leadership success of the Board is a direct result of the individual and collegial participation of its members. Board members will commit to preparation for all JEA related meetings and activities.

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

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

2.1.10 **Improvement in Governance:** The Board will invest in continuous improvement in its governance capacity.

2.1.11 **Legal Representation:** The City Office of General Counsel (OGC) serves as the legal representative and advisor for the Board, CEO and JEA staff.

Finance, Governance, and Audit Committee Meeting - SUPPLEMENTAL INFORMATION

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1 **POLICY TITLE: *GLOBAL GOVERNANCE PROCESS***

2.1.12 **City Council Liaison:** The City Council may designate a member of the City Council to serve as liaison to the JEA Board for the purpose of facilitating communication, information sharing, and mutual understanding between the City Council and JEA. The liaison may:

a. Attend regular and special meetings and appropriate committee meetings of the JEA Board.

b. Serve as a communication link between the City Council and JEA regarding matters of mutual governmental, financial, legislative, regulatory, and community interest.

c. Provide the JEA Board with information regarding relevant City Council matters and provide the City Council with information concerning significant JEA matters.

d. Identify issues where early communication between JEA and the City Council may facilitate coordination or avoid misunderstandings.

e. Participate in Board discussions when recognized by the Chair, consistent with applicable law and Board procedures.

f. Periodically meet with the JEA Board Chair and Managing Director/CEO concerning matters of mutual institutional interest.

The City Council Liaison is not a member of the JEA Board, does not vote on matters before the Board, does not exercise authority over the Board, Managing Director/CEO, or JEA employees, and does not speak for the JEA Board unless specifically authorized to do so. The liaison role shall not alter the powers, duties, or responsibilities assigned to the JEA Board, Managing Director/CEO, City Council, Mayor, or other City officials under the JEA Charter or applicable law.

Finance, Governance, and Audit Committee Meeting - SUPPLEMENTAL INFORMATION

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.1 **POLICY TITLE: *GOVERNING STYLE***

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

Accordingly,

2.1.1.1 Unique Requirements of Florida Law for Public Boards: In conducting its duties as a Board in Florida, the Board is required to comply with the Florida Sunshine Law, which generally prohibits any two or more members of the Board from meeting unless the meeting has been properly noticed and conducted in accordance with the legal requirements. In addition, Florida law contains requirements regarding public records, conflicts of interest and voting which must be followed in the conduct of the Board's business.

2.1.1.2 The Board will cultivate a sense of group responsibility and will be a proactive Board versus a reactive Board. The Board, not the staff, will be responsible for excellence in governing. The Board will be the initiator of policy, not merely a reactor to staff initiatives.

2.1.1.3 Although the Board may change its Governance Process policies at any time, it will diligently observe those currently in force.

2.1.1.4 Continual Board development will include orientation of new Board members in the Board's governance process and an annual Board discussion of governance process improvement.

2.1.1.5 The Board will allow no officer, individual, or committee of the Board to hinder or serve as an excuse for the Board not fulfilling its commitments.

2.1.1.6 Each member of the Board will respect the final determination of the Board as a whole concerning any particular matter, regardless of the member's personal position concerning such matter.

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.2 **POLICY TITLE: *BOARD JOB DESCRIPTION***

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

Accordingly,

2.1.2.1 The Board is the governing body of JEA and the authoritative link between JEA and its service area stakeholders and rate payers.

2.1.2.2 The Board will provide governing policies that realistically address the broadest levels of all organizational decisions and situations:

a. Governance Process: Specification of how the Board develops, carries out, and monitors its own responsibilities

b. Board-Management Delegation: Specification of how power is delegated and its proper use monitored; clarity on the CEO's role, authority, and accountability.

c. Executive Mandates: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.

d. Measures of Effectiveness: The organizational outcomes to its recipients including the relative worth of such outcomes in cost or priority.

2.1.2.3 The CEO annual evaluation will be done formally in person with the CEO and full Board, utilizing the CEO evaluation criteria in Appendix A1 (Executive Core Competencies)

2.1.2.4 The Board will evaluate its own performance annually as per Appendix A2 (JEA Board Evaluation Criteria).

2.1.2.5 Board members will respect their fiduciary responsibilities to own, manage and operate the utilities systems of JEA for the benefit of the JEA service area and rate payers with due diligence using sound business judgment consistent with the JEA Charter.

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.3 **POLICY TITLE: *AGENDA PLANNING***

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

Accordingly,

2.1.3.1 The Board may elect to schedule a retreat/workshop meeting annually around March to establish an annual agenda. The meeting, if scheduled, will be held in accordance with the Florida Sunshine and Open Government laws.

a. The Board will review the MOEs as often as necessary, but minimally once a year, giving balance to efficiency and reliability.

b. Consultations with selected groups of stakeholders, or other methods of gaining stakeholder input, may be part of the annual agenda.

c. Governance education and education related to the MOEs (presentations by forecasters, demographers, advocacy groups, staff, etc.) may be part of the annual agenda.

2.1.3.2 A tentative agenda for the Board's regular meetings will be established by the CEO and provided to the Chair, who shall then set the agenda for final approval by the Board.

a. The agenda along with supporting item documentation will be made available to Board members and the City Council Auditor (as per Section 21.03(e) of the JEA Charter) no later than seven (7) days prior to regular Board meetings and committee meetings. The agenda shall be published as provided in Section 8 of the JEA By-Laws.

b. Any Board member may bring up new business at the appropriate time on the agenda during any meeting. For any item of new business requiring a formal or detailed response or presentation from the Board or JEA staff, a request should be made to the CEO no later than two weeks before the Board meeting to allow others on the Board to receive information seven (7) days in advance.

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.4 **POLICY TITLE: *BOARD OFFICERS***

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

Accordingly,

2.1.4.1 The Chair, as the presiding officer of the Board, ensures the integrity of the Board's processes and the proper execution of this JEA Board Policy Manual, and the orders and resolutions of the Board.

a. The Chair's role is to see that the Board behaves consistently within its own rules and policies and such other rules and regulations as may apply.

(1) Meeting discussion content will consist of issues that clearly belong to the Board to decide or to monitor according to Board policy.

(2) Deliberation will be fair, open, and thorough but also timely, orderly, and kept to the point.

b. The authority of the Chair consists in making decisions that fall within topics covered by Board policies on Governance Process and Board-Management Delegation, with the exception of (a) employment or termination of the CEO and (b) areas where the Board specifically delegates portions of this authority to others. The Chairman is authorized to use any reasonable interpretation of provisions in these policies.

(1) The Chair is empowered to chair Board meetings with all the commonly accepted powers of that position, such as ruling and recognizing.

(2) The Chair may delegate this authority but remains accountable for its use.

(3) The Chair may appoint members and a Chair for each Board Committee, unless otherwise stipulated by Board policies.

2.1.4.2 The Vice-Chair, or in the absence of the Vice-Chair, the immediate Past Chair, will serve as Chair in the absence of the current Chair.

2.1.4.3 The Board Secretary shall exercise oversight of the procedures used by JEA Staff to accurately produce and publish minutes of all Board and Committee meetings. Minutes from Board and Committee meetings will be posted in a conspicuous manner on the official JEA website within a reasonable period of times after the meeting concludes (which entails board/committee actioning approval of the minutes before posting), generally within three (3) business days 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.

Finance, Governance, and Audit Committee Meeting - SUPPLEMENTAL INFORMATION

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.5 **POLICY TITLE: *RULES OF ORDER***

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

Accordingly,

2.1.5.1 Board meetings will be conducted with punctuality and order and in accordance with the By-Laws of JEA.

a. Board meetings shall be called to order at the time specified in the notice of meeting and upon satisfaction of a quorum.

b. Meeting order and decorum shall be maintained and all members treated with dignity, respect, courtesy, and fairness during discussion and debate and in all other respects.

c. Board members must keep their comments relevant to the issue under consideration.

2.1.5.2 Board meetings will be conducted at a level of informality considered appropriate by the Chair, yet with predictable discipline.

a. Discussion of a matter not on the previously distributed agenda may occur only after Board consent that the matter be heard.

b. Proposals that the Board take action, or decide a particular matter, shall (unless otherwise agreed to by unanimous consent) be made by main motion of a Board member, discussed, and then voted on. Motions require a second to proceed to discussion and subsequent vote.

c. The Chair may not make motions, but can engage in debate and is required to vote.

d. A motion to amend a main motion may be amended but third level amendments (amendments to amendments) are not to be heard.

e. A motion to refer to a committee, postpone, or table, may be made with respect to a pending main motion, shall take precedence over the pending motion and, if carried, shall set the main motion (the initial proposal) aside accordingly.

f. Board members may speak to a pending motion on as many occasions, and at such length, as the Chair may reasonably allow.

g. A vote on a motion shall be taken when discussion ends, but any Board member may, during the course of debate, move for an immediate vote (close debate or call the question) which, if carried, shall end discussion and the vote on the main motion shall then be taken. Votes may be made by voice vote or by roll call. All members of the Board are required to vote unless a conflict of interest is declared.

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

Finance, Governance, and Audit Committee Meeting - SUPPLEMENTAL INFORMATION

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.5 **POLICY TITLE: *RULES OF ORDER***

2.1.5.3 When further rules of order are to be developed by the Board, the Board will consider the Standard Code of Parliamentary Procedure (Robert's Rules of Order) as a resource guide. The representative from the Office of General Counsel in attendance may serve the Board as a resource on Parliamentary Procedure.

Finance, Governance, and Audit Committee Meeting - SUPPLEMENTAL INFORMATION

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.6 **POLICY TITLE: *BOARD MEMBER'S CODE OF CONDUCT***

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

Accordingly,

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

2.1.6.2 Members must avoid self-dealing and conflicts of interest with respect to their fiduciary responsibility. They shall comply with Chapter 112, Part III (Code of Ethics for Public Officers and Employees, Florida Statutes, and Chapter 602 (Jacksonville Code of Ethics), Ordinance Code of the City of Jacksonville.

2.1.6.3 Members may not attempt to exercise individual authority over JEA or JEA staff except as expressly set forth in Board policies.

a. Members' interaction with the CEO or with JEA staff must recognize the lack of authority vested in individual members except when expressly authorized by the Board. Accordingly, while interaction and communication with the CEO and JEA staff is permitted, an individual Board member shall not give orders or instructions, publicly or privately, to the CEO or to JEA staff.

b. Members' interaction with the public, the press, or other entities must recognize the same limitation and the inability of any Board member to speak for JEA or for the Board as a whole, except to repeat expressly stated Board decisions.

c. Except for participation in Board deliberation about whether the CEO has achieved any reasonable interpretation of Board policy, members will not express individual judgments of negative performance of JEA employees or the CEO.

2.1.6.4 Members are expected to support the legitimacy and authority of the final determination of the Board on any matter, without regard to the member's personal position on the issue.

2.1.6.5 Members who have any question about the appropriateness of their conduct should consult with the Office of General counsel or appropriate Ethics offices for information.

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.7 **POLICY TITLE: *BOARD MEMBER'S INDIVIDUAL RESPONSIBILITIES***

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

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

2.1.7.1 Time Investment to Accomplish Board Responsibilities – As Board contemplation, deliberation and decision-making are processes which require collaboration and participation, attendance at Board meetings is expected of Board members.

a. Expected Commitments:

(1) Regular and Special Board Meetings (Board members are expected to attend every Board meeting and in no event fewer than seventy percent (70%) of the regular Board meetings per year in person.)

(2) Annual Team Building (to include professional education)

(3) Annual CEO evaluation and Board Evaluation

(4) Bond Rating Agency Presentation (Board Chair is expected to attend)

b. Optional Involvement:

(1) Internal educational meetings with staff upon request

(2) Industry-related seminars and conferences

(3) Visit other utilities and related industries

2.1.7.2 Preparation and Participation - Board members will prepare for Board and committee meetings and will participate productively in discussions, always within the boundaries of decorum established by the Board. Each member will contribute his or her own knowledge, skills and expertise to the Board's efforts to fulfill its responsibilities.

2.1.7.3 Members as Individuals – The CEO is accountable only to the Board as a whole, and not to individual Board members. Accordingly, the relationship between the CEO and individual members of the Board, including the Chair, is collegial, not hierarchical.

Finance, Governance, and Audit Committee Meeting - SUPPLEMENTAL INFORMATION

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.8 **POLICY TITLE: *BOARD COMMITTEE PRINCIPLES***

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

Accordingly,

2.1.8.1 Board committees are to help the Board accomplish its responsibilities and are not assigned to perform staff functions. Committees ordinarily will assist the Board by preparing policy alternatives and implications for Board deliberation. In keeping with the Board's broader focus, Board committees will normally not have direct dealings with current staff operations unless specifically outlined in committee objectives.

2.1.8.2 Board committees are advisory and may not speak or act for the Board, except when formally given such authority by the Board for specific purposes. Expectations and authority of a committee will be carefully and expressly stated at the time of its establishment in order to prevent conflict with authority delegated to the CEO or to another committee.

2.1.8.3 Board committees cannot provide direction to or exercise authority over JEA staff. The CEO works for the full Board and, therefore, will not be required to obtain the approval of a Board committee before taking an executive action.

2.1.8.4 Committees will be formed for a specific purpose only and may perform fact finding and/or recommendation functions for the Board. Each committee's purpose and function will be documented in a written charge. All committees are accountable to the Board as a whole.

2.1.8.5 This policy applies to any group formed by Board action, whether or not it is called a committee and regardless of whether the group includes Board members. It does not apply to groups formed under the authority of the CEO.

Finance, Governance, and Audit Committee Meeting - SUPPLEMENTAL INFORMATION

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 established Committee shall commence its annual officer review process at least sixty (60) days prior to April 1. The Committee will present its recommendations to the Board for action no later than the March Board meeting, ensuring the mandatory approval of new officers concludes prior to 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 at least 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 as required to fulfill its duties, with a general expectation of up to four (4) times per year. If operational demands require fewer meetings, a reduced frequency will not constitute a policy violation. A schedule of regular meetings will be established by the Committee annually. Special meetings may be called by any Committee member. Meeting dates, times and location will be announced to the entire Board.

c. The Committee shall oversee:

(1) Internal controls and risk assessment;

(2) Audit Services;

(3) Compliance with laws, regulations and code of conduct, including but not limited to the JEA Charter;

(4) Financial reporting; and

(5) The External Auditor.

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.9 **POLICY TITLE: *BOARD COMMITTEE STRUCTURE***

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

a. The Committee will be comprised of at least three (3) members appointed annually by the Chair and confirmed by the Board. 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 as required to fulfill its duties, with a general expectation of up to four (4) times per year. If operational demands require fewer meetings, a reduced frequency will not constitute a policy violation. 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.

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 non-standard salary modifications of the Senior Leadership Team, which is compromised of the Chief Officers of JEA. The authority, restrictions, and approval thresholds are governed by Section 3.0.4.1.

a. The Committee will be compromised of at least 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 as needed to fulfill its charter obligations or at the call of the Committee Chair or when requested by the Managing Director/CEO to address specific agenda items. 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.

Finance, Governance, and Audit Committee Meeting - SUPPLEMENTAL INFORMATION

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.10 **POLICY TITLE: *IMPROVEMENT IN GOVERNANCE***

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

2.1.10.1 The Board will use appropriate methods to improve its governing skills.

a. Training and retraining will be used liberally to orient new members as well as to maintain and increase existing members' skills and understandings.

b. Outside monitoring assistance can be arranged so that the Board can exercise confident control over organizational performance. This includes but is not limited to a financial audit or consultant firm.

c. Outreach mechanisms can be used as needed to ensure the Board's ability to listen to stakeholder viewpoints and values.

d. Knowledgeable industry experts can be made available to the Board in various ways to continuously improve the Board's awareness of emerging utility industry issues.

2.1.10.2 Costs for appropriate Board governance will be included during annual budget preparations. Any expenditure required will be in accordance with JEA procurement policies. Items may include but not be limited to the following as annually decided by the Board:

a. Training

b. Attendance at conferences, industry site visits and Rating Agency presentations

c. Audit and other third-party monitoring of organizational performance

d. Surveys, focus groups, opinion analysis, and meeting costs

2.1.10.3 New Board members will complete all on-boarding requirements, which will generally include (a) a facilities orientation; b) a JEA email account; (c) filing financial disclosure Form 1; (d) a JEA photograph and JEA employee access pass; (e) executing Technology Services agreement; (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).

Finance, Governance, and Audit Committee Meeting - SUPPLEMENTAL INFORMATION

JEA Board Policy Manual

POLICY CATEGORY II: GOVERNANCE PROCESS

POLICY 2.1.11 **POLICY TITLE: *LEGAL REPRESENTATION***

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

2.1.11.1 JEA shall be required to use the legal services of the Office of General Counsel, and the Office of General Counsel shall have the responsibility for furnishing legal services to JEA.

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.

Finance, Governance, and Audit Committee Meeting - SUPPLEMENTAL INFORMATION

JEA Board Policy Manual

POLICY CATEGORY III: BOARD-MANAGEMENT DELEGATION

POLICY 3.0 **POLICY TITLE: *GLOBAL BOARD-MANAGEMENT DELEGATION***

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

Accordingly,

3.0.1 **Unity of Control:** Only the Board may order or instruct the CEO, and only officially passed motions of the Board are binding on the CEO.

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

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

3.0.4 **CEO and Senior Leadership Remuneration:** Salary and benefits and other terms of employment for the CEO will be determined by contract. JEA may have an employment contract with the CEO only.

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

3.0.5.1 **Complaints Against the CEO**

1. **The Governance Mandate:** Because the Managing Director/CEO reports directly to the Board of Directors, the Board (and not internal staff) owns, directs, and oversees any disciplinary or investigative process involving the CEO. The full Board retains sole authority over any final actions or resolutions resulting from an inquiry.

2. **Board Chair:** Upon receiving a Complaint against the CEO, the Board Chair shall refer the matter to the Office of General Counsel for assistance in the handling of the Complaint for review and determination of the necessity for an investigation of the matter. If the Complaint requires formal investigation, the Office of General Counsel is authorized to engage outside legal counsel completely independent of JEA's standard legal representation (Office of General Counsel), to conduct the formal investigation. The Office of General Counsel will mandate immediate document preservation and enforce protective protocols are initiated.

3. **Special Meeting:** If the complaint presents a substantial basis for inquiry involving a potential violation of law, policy, or core ethical standards, a Special Meeting of the full Board may be called by either the Board Chair or any three (3) Board Members to recommend placing the CEO on administrative leave pending the investigation's conclusion.

JEA Board Policy Manual

POLICY CATEGORY III: BOARD-MANAGEMENT DELEGATION

POLICY 3.0 **POLICY TITLE: *GLOBAL BOARD-MANAGEMENT DELEGATION***

4. **Strict Administrative Safeguards:** Under no circumstances shall a complaint against the CEO be routed back to the CEO or any executive who reports to the CEO. Management shall have no control, access, or oversight regarding the evidence, scheduling, or direction of the investigation.

JEA Board Policy Manual

POLICY CATEGORY III: BOARD-MANAGEMENT DELEGATION

POLICY 3.0.1 **POLICY TITLE: *UNITY OF CONTROL***

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

Accordingly,

3.0.1.1 Individual Board members, officers, or committees shall not give orders or instructions, public or privately, to the CEO, legal counsel or JEA staff and any such orders or instructions are not binding on the CEO, legal counsel or JEA staff.

3.0.1.2 Individual Board members and Board committees may interact and communicate with the CEO, legal counsel and JEA staff and may request information or assistance without requiring full Board authorization. The CEO can refuse such requests, however, to the extent that, in the CEO's opinion, the request requires a material amount of staff time or funds, or are disruptive. The CEO shall promptly inform the Board if he or she refuses any request from an individual Board member or Board committee.

Finance, Governance, and Audit Committee Meeting - SUPPLEMENTAL INFORMATION

JEA Board Policy Manual

POLICY CATEGORY III: BOARD-MANAGEMENT DELEGATION

POLICY 3.0.2 **POLICY TITLE: *ACCOUNTABILITY OF CEO***

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

Accordingly,

3.0.2.1 Neither the Board as a whole nor individual Board members shall give orders or instructions to persons who report directly or indirectly to the CEO.

3.0.2.2 The Board shall not evaluate, either formally or informally, any legal counsel or JEA staff other than the CEO, though, the CEO shall discuss with the Board his or her evaluation of the executives identified as potential interim CEO successors as provided in Policy 4.0.5.

3.0.2.3 Nothing in this Policy 3.0.2 should be interpreted as limiting the Board's authority regarding budgetary or compensation matters.

JEA Board Policy Manual

POLICY CATEGORY III: BOARD-MANAGEMENT DELEGATION

POLICY 3.0.3 **POLICY TITLE: *DELEGATION TO THE CEO***

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

Accordingly,

3.0.3.1 The Board will develop policies instructing the CEO to achieve specified results, for specified recipients, at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels and will be captured in the MOEs.

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

Mr. Baker has requested clarity of this section where the CEO employs and fixes the salaries of the SLT but must be approved by the Board.

JEA Board Policy Manual

POLICY CATEGORY III: BOARD MANAGEMENT DELEGATION

POLICY 3.0.4 **POLICY TITLE: *CEO AND SENIOR LEADERSHIP REMUNERATION***

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

3.0.4.1 The Board, with the advice and recommendation of the Compensation Committee, shall employ and fix the compensation of the CEO, who shall serve at the pleasure of the Board, The employment, termination, and compensation of the Senior Leadership Team shall be governed as follows:

a. Day-to-Day Management and Termination. To ensure operational efficiency, the Board delegates the administrative oversight and direction of the Senior Leadership Team to the CEO. The CEO has the unilateral authority to reassign, place on administrative leave, or terminate the employment of any member of the Senior Leadership Team (including the structural elimination of their position) without a prior formal vote of the Board. The CEO shall notify the Board of any such separation within twenty-four (24) hours, and the action shall be presented as an informational item at the next scheduled Board Meeting.

b. Base Compensation and Standard Increases. The Board retains ultimate authority over fixing the compensation of the Senior Leadership Team. The CEO is authorized to independently approve and apply standard cost-of-living adjustments (COLA) or merit-based percentage increases to Senior Leadership Team members, provided those increases are identical to the annual approved increases for other appointed employees.

c. Non-Standard Compensation Adjustments. Any proposed salary modification, promotion-based raise, or benefit change for a member of the Senior Leadership Team that deviates from or exceeds the standard pay increases approved for other appointed employees shall require the prior advice and recommendation of the Compensation Committee and formal approval via a majority vote of the Board

3.0.4.2 The entire working time of the CEO shall be devoted to the performance of the duties such office and the CEO shall have no outside employment. Subject to the approval of the Board, the CEO may engage in or have unrelated business interests so long as such business interests do not interfere with the CEO's duties.

3.0.4.3 The CEO shall be a graduate of an accredited college or university, and have at least five (5) years of executive experience within the utilities industry.

3.0.4.4 The CEO shall have a fiduciary duty of loyalty, fidelity, and allegiance to act a t all times in the best interest of JEA and will act in a manner consistent with the responsibilities of the JEA Charter and other policies, rules, and regulations governing the conduct of JEA employees.

3.0.4.5 The CEO's contract term, including any renewal term, shall not exceed five (5) years.

3.0.4.6 The amount of severance pay, if any, shall not exceed the amounts allowed under Florida law and shall not be permitted if the CEO is terminated for cause or terminated for misconduct, as defined in Section 443.036(29), Florida Statutes, as amended.

3.0.4.7 The contract shall not contain a mandatory consulting, separation and transition, or similar agreement that is operative due to the CEO's termination without cause under the contract.

3.0.4.8 JEA shall not be required to release, indemnify or hold harmless the CEO against any claims except as otherwise permitted by law.

3.0.4.9 JEA shall not be required to pay for or provide legal counsel to the CEO beyond the legal counsel

JEA Board Policy Manual

POLICY CATEGORY III: BOARD MANAGEMENT DELEGATION

POLICY 3.0.4 **POLICY TITLE: *CEO AND SENIOR LEADERSHIP REMUNERATION***

required of the Office of General Counsel pursuant to the JEA Charter or general law.

3.0.4.10 The contract shall contain a provision that the CEO serves at the pleasure of the JEA Board and may be terminated without cause at any time, and such provision may provide for not more than thirty (30) days advance notice to the CEO of such termination without cause.

3.0.4.11 The contract may contain a provision for termination of the CEO for cause, provided that "cause" shall be defined consistent with the definition as contained in Rule 9.05(a) of the Civil Service and Personnel Rules and Regulations of the City of Jacksonville.

3.0.4.12 All compensation terms shall be reasonable and customary and similar to other public utilities comparable to JEA when taking into account the size of JEA's territory area, employee workforce, and utility systems.

3.0.4.13 The contract may contain any such other terms as may be in the best interest of JEA and not inconsistent with this Policy 3.0.4, the JEA Charter, or applicable law.

JEA Board Policy Manual

POLICY CATEGORY III: BOARD MANAGEMENT DELEGATION

POLICY 3.0.4 **POLICY TITLE: *CEO AND SENIOR LEADERSHIP REMUNERATION***

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

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

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

JEA Board Policy Manual

POLICY CATEGORY III: BOARD-MANAGEMENT DELEGATION

POLICY 3.0.5 **POLICY TITLE: *MONITORING CEO PERFORMANCE***

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

JEA Board Policy Manual

POLICY CATEGORY IV: EXECUTIVE MANDATES

POLICY 4.0 **POLICY TITLE: *GENERAL EXECUTIVE OVERSIGHT AND ASSURANCES***

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

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

4.0.2 **Treatment of Staff:** With respect to the treatment of staff, the CEO shall oversee and ensure conditions that are fair, safe, dignified, organized, and clear.

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

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

4.0.5 **Workforce Readiness and Succession Planning:** The CEO shall oversee and ensure a workforce that is prepared to meet current or future business demands.

4.0.6 **Asset Protection:** The CEO shall oversee and ensure corporate assets are protected, adequately maintained and not unnecessarily risked.

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

4.0.8 **Communication and Support to Board:** The CEO shall oversee and ensure that the Board is informed and supported in its work.

4.0.9 **Regulatory/Legislative Requirements:** The CEO shall oversee and ensure regulatory and legislative actions that are favorable to the organization.

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

4.0.11 **Procurement Activities:** The CEO shall oversee and ensure the development of procurement policies and procedures that adhere to all applicable federal, state and local laws and ordinances and provide for increased public confidence in the procurement activities of JEA.

JEA Board Policy Manual

POLICY CATEGORY IV: EXECUTIVE MANDATES

POLICY 4.0.1 **POLICY TITLE: *TREATMENT OF CONSUMERS***

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

Accordingly, the CEO will:

4.0.1.1 Elicit information for which there is a clear necessity.

4.0.1.2. Use methods of collecting, reviewing, transmitting, or storing client information that will protect against improper access.

4.0.1.3 Operate facilities with appropriate accessibility and privacy.

4.0.1.4 Articulate to consumers a clear understanding of what they can expect from services offered.

4.0.1.5 Operate with clearly established and updated Customer Service procedures and published rules and regulations for service.

4.0.1.6 Operate with mechanisms for collecting consumer complaints that provide for resolution at the lowest staff level and also include prompt response when warranted.

JEA Board Policy Manual

POLICY CATEGORY IV: EXECUTIVE MANDATES

POLICY 4.0.2 **POLICY TITLE: *TREATMENT OF STAFF***

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

Accordingly, the CEO will:

4.0.2.1 Operate with written personnel rules and regulations that:

a. clarify rules for staff

b. provide for effective handling of grievances

c. protect against wrongful conditions such as nepotism and grossly preferential treatment for personal reasons.

d. allow for volunteerism in the community

e require high ethical standards

f. recognize the need for work/life balance

4.0.2.1 Operate with written job descriptions and performance requirements and reviews that

a. characterize the nature of work to be performed

b. identify technical, behavioral and physical skills required

c. identify clear standards of responsibilities, accountability and associated authorities.

4.0.2.3 Provide a safe work environment.

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

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

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

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

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

JEA Board Policy Manual

POLICY CATEGORY IV: EXECUTIVE MANDATES

POLICY 4.0.2 **POLICY TITLE: *TREATMENT OF STAFF***

4.0.2.9 Misconduct Reporting Protocol for Complaints Against the CEO: Maintain a confidential, independent human resources protocol for staff members or direct reports of the CEO to report executive misconduct. Upon receipt of a complaint against the CEO, through any reporting mechanism (i.e. ethics hotline, human resources, or City of Jacksonville's Ethics Office) the standard internal investigation protocols will be bypassed, and the matter referred to the Office of General Counsel. The Office of General Counsel will notify Human Resources of the need to implement immediate document preservation. The complainant will be informed of the policies and protections afforded through JEA's policies against workplace retaliation. Complaints against the CEO may be made to:

a. **Fraud, Waste, and Abuse:** Escalate directly to the City of Jacksonville Office of Inspector General (OIG).

b. **Ethics Violations:** Escalate directly to the City of Jacksonville Ethics Office.

c. **Legal Risk (Harassment/Workplace Policy Violations):** Notify the City's General Counsel (OGC) to coordinate independent external handling.

d. **Retaliation, Racism, and Hostile Work Environment:** Route to the Jacksonville Human Rights Commission (JHRC) if related to discrimination complaints, or to the appropriate state or federal regulatory body if protected under Whistleblower statutes.

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 highly qualified workforce that values a broad range of professional perspectives to optimize internal operations and deliver exceptional service to all 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 Work under a Board approved employment contract and will not be able to change the terms without Board approval.

4.0.7.2 Not enter into an employment contract with any other employee.

4.0.7.3 Have the authority to determine compensation and benefits for employees at the Senior Leadership level and below within the appointed ranks, consistent with JEA's approved compensation philosophy and policies. Anything inconsistent with the compensation policy will require Board approval.

4.0.7.4 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 provided there are comparators. 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.

4.0.7.5 Determine whether general wage increases and/or performance increases will be awarded to appointed employees. Any such increases will be within the approved budget. Compression analysis will be conducted annually, and increases may occur due to this analysis.

JEA Board Policy Manual

POLICY CATEGORY IV: EXECUTIVE MANDATES

POLICY 4.0.8 **POLICY TITLE: *COMMUNICATION AND SUPPORT TO BOARD***

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

Accordingly, the CEO will ensure:

4.0.8.1 Submission of monitoring data required by the Board in Policy 3.0.5, "Monitoring CEO Performance," in a timely, accurate, and understandable fashion, directly addressing provisions of Board policies being monitored, and including CEO interpretations consistent with Policy 3.0.3, "Delegation to the CEO," as well as relevant data.

4.0.8.2 The Board is aware of any actual or anticipated noncompliance with any MOEs or Executive Mandates policy of the Board regardless of the Board's monitoring schedule.

4.0.8.3 The Board receives decision information required periodically by the Board, and the Board is kept aware of relevant trends, including a report at each regular Board meeting relating any major issues or major financial transactions or losses and is otherwise aware of any significant incidental information it requires, including anticipated media coverage, threatened or pending lawsuits, and material internal and external changes.

4.0.8.4 The Board members are timely advised of major actions, including but not limited to any appointment, separation, or other change to the Senior Leadership Team; any variance of ten percent (10%) or more in total budgeted expenses or employee headcount; loans; bonds; reorganizations; strikes; or outages.

4.0.8.5 The Board is aware that, in the CEO's opinion, the Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the CEO (refer to Policy 3.0).

4.0.8.6 Information is not in an unnecessarily complex or lengthy form, or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.

4.0.8.7 The Board is provided a workable mechanism for official Board, officer, or committee communications.

4.0.8.8 Dealings with the Board do not favor or privilege certain Board members over others, except when (a) fulfilling individual requests for information; or (b) responding to officers or committees duly charged by the Board.

4.0.8.9 Submission to the Board of a consent agenda containing items delegated to the CEO yet required by law, regulation, or contract to be Board-approved, along with applicable monitoring information.

4.0.8.10 Providing a process to retain relevant background information on previous Board policy decisions.

JEA Board Policy Manual

POLICY CATEGORY IV: EXECUTIVE MANDATES

POLICY 4.0.9 **POLICY TITLE: *REGULATORY/LEGISLATIVE REQUIREMENTS***

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

JEA Board Policy Manual

POLICY CATEGORY IV: EXECUTIVE MANDATES

POLICY 4.0.10 **POLICY TITLE: *ENTERPRISE RISK MANAGEMENT***

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

Accordingly, the CEO will:

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

JEA Board Policy Manual

POLICY CATEGORY IV: EXECUTIVE MANDATES

POLICY 4.0.11 **POLICY TITLE: *PROCUREMENT ACTIVITIES***

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

Accordingly, the CEO will:

4.0.11.1 Develop and disseminate simple, clear and up-to-date rules for all procurement.

4.0.11.2 Ensure the fair and equitable treatment of all persons who deal with the JEA procurement system.

4.0.11.3 Provide increased economy in all procurement activities and to maximize to the fullest extent practicable the purchasing value of JEA funds.

4.0.11.4 Foster effective, broad-based competition within the free enterprise system.

4.0.11.5 Provide safeguards for the maintenance of the procurement system, quality and integrity.

4.0.11.6 Provide a clear and timely administrative remedy process to all those aggrieved during any phase of the procurement process.

4.0.11.7 Provide effective access for Small and Emerging Local Businesses.

JEA Board Policy Manual

POLICY CATEGORY V: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 5.0 **POLICY TITLE: *MOEs***

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

5.0.1 **Quality of Electric Service:** Provide clean, safe and reliable electric service to all prescribed consumers.

5.0.2 **Quality of Water Service:** Provide clean, safe and reliable water service to all prescribed consumers.

5.0.3 **Quality of Sewer Services:** Provide clean, safe and reliable sewer services to all prescribed consumers.

5.0.4 **Cost of Service:** Provide all utility services at a reasonable and accurate cost.

5.0.5 **Environmentally Sound:** Provide all utility services in a manner that is environmentally sound and sustainable.

5.0.6 **Informative Communication:** Effectively communicate with consumers and other stakeholders.

5.0.7 **Safety Standards:** Provide a safe work environment for all JEA staff.

5.0.8 **Financial Integrity:** Achieve fiscal targets to maintain and improve credit ratings.

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 5.0.1 **POLICY TITLE: *QUALITY OF ELECTRIC SERVICE***

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

Accordingly,

5.0.1.1 Annually update an Electric Integrated Resource Supply Plan (IRP) to ensure consumers' future electricity supply needs are met at the lowest evaluated total lifecycle cost while maintaining fuel diversity.

5.0.1.2 Minimize the frequency of electric distribution system outages and report status through the System Average Interruption Frequency Index (SAIFI).

5.0.1.3 Minimize the frequency of electric distribution system voltage sags and report status through the System Average Root Mean Square Frequency Index (SARFI-80).

5.0.1.4 Minimize the duration of electric distribution system outages and report status through the System Average Interruption Duration Index (SAIDI).

5.0.1.5 Focus on reducing individual customer outages and report status through the customers experiencing more than five interruptions (CEMi-5).

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 5.0.2 **POLICY TITLE: *QUALITY OF WATER SERVICE***

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

Accordingly,

5.0.2.1 Annually update an Integrated Water Resource Plan (IWRP) to ensure consumers' future water supply needs are met at the lowest evaluated cost while also ensuring water resources are available for future generations. This includes a thorough evaluation of water supply alternatives.

5.0.2.2 Minimize the duration of water distribution system low pressure events and report status of the number of cumulative minutes water pressure drops below 30 pounds per square inch (psi) for all existing water distribution system pressure monitoring points.

5.0.2.3 Conduct water testing in accordance with the standards of the Florida Department of Environmental Protection (FDEP) and the Environmental Protection Agency (EPA) and report testing results to all water consumers and stakeholders.

5.0.2.4 Ensure compliance with JEA's Consumption Use Permit (CUP).

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 5.0.3 **POLICY TITLE: *QUALITY OF SEWER SERVICE***

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

Accordingly,

5.0.3.1 Minimize the frequency of sewer back-ups and overflows and report status by:

a. the number of Sanitary Sewer Overflows (SSO's) per 100 miles of existing sewer pipe.

b. the total number of sewer system cave-ins.

5.0.3.2 Limit the total amount of nutrients discharged into the St. John's River from all wastewater treatment facilities.

a. Reduce the total nutrient discharge into the St. John's River to meet JEA's Florida Department of Environmental Protection (FDEP) Total Maximum Daily Load (TMDL) allocation.

b. Increase the production and distribution of reclaimed water.

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 5.0.4 **POLICY TITLE: *COST OF SERVICE***

Provide all utility services at a reasonable and accurate cost.

Accordingly,

5.0.4.1 All utility services are to be reasonably priced.

a. Pricing for all utility services is to be frequently benchmarked against other state and regional utilities to demonstrate competitiveness.

b. Pricing for each utility service for all classes of consumers is to be based on the cost to serve each consumer class. Cost of service studies are to be conducted in no more than five year intervals.

5.0.4.2 Minimize the number of consumer bills that are inaccurate, are estimated due to the lack of a current meter reading, or are untimely. The expectation is 99.9% accurate and timely.

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

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 5.0.5 **POLICY TITLE: ENVIRONMENTALLY SOUND**

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

Accordingly,

5.0.5.1 The CEO is expected to comply with all existing environmental regulations that apply.

4.5.2 Conservation: Pursue all options to communicate and incentivize customer conservation and efficiency while avoiding excessive customer cost.

a. Electric System: Maintain the electric conservation fund by collecting an additional one cent per kwh for every kwh over 2750 on monthly residential consumption and by allocating 50 cents per mwh of base rate revenues (a total of approximately 0.5% of electric gross revenues.) The funds are to be spent for customer conservation initiatives and incentives only.

5.0.5.3 Renewable Energy Supply: Explore all options for renewable electric energy supply while avoiding excessive customer cost since a state or federal Renewable Electricity Standard (RES) is yet to be established and the timing for setting a standard remains uncertain.

5.0.5.4 Incorporate in generation planning and other utility operations strategies and actions to reduce greenhouse gases.

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 5.0.6 **POLICY TITLE: INFORMATIVE COMMUNICATION**

Effectively communicate with consumers and other stakeholders.

Accordingly,

5.0.6.1 To enable and encourage public dialogue on electric, water, and sewer issues at the local, state and national levels.

5.0.6.2 To inform consumers of potential or pending charges being considered for utility services or charges.

5.0.6.3 To inform consumers of the potential financial and consumption impact of conservation incentives and other activities under consideration.

5.0.6.4 Maintain top quartile JD Power ratings for all customer and communication categories.

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 5.0.7 **POLICY TITLE: SAFETY STANDARDS**

Provide a safe work environment for all JEA staff.

Accordingly,

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

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 5.0.8 **POLICY TITLE: FINANCIAL INTEGRITY**

Achieve fiscal targets to maintain and improve credit ratings.

Accordingly,

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

JEA Board Policy Manual

APPENDICES

A1 Executive Core Competencies

A2 JEA Board Evaluation Criteria

A3 JEA Charter (Article 21, City of Jacksonville Ordinance Code)

JEA Board Policy Manual

A1 - EXECUTIVE CORE COMPETENCIES

Models Integrity

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

Makes Quality Decisions

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

Takes Initiative

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

Communicates Effectively

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

Drives Results

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

JEA Board Policy Manual

A1- EXECUTIVE CORE COMPETENCIES

Focuses on the Customer

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

Fosters Teamwork

- Shares relevant expertise and knowledge to ensure team members have adequate information to make decisions and achieve objectives
- Contributes to respectful and collaborative culture by valuing different viewpoints, encouraging others to share ideas, and treating others in a professional and 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 manner that is respectful 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.

Promotes Equal Opportunity and a Respectful Workplace

- Promotes broad, competitive recruitment designed to attract highly qualified candidates and supports equal employment opportunity consistent with applicable law.
- Maintains an environment free from all forms of unlawful discrimination, harassment, or retaliation in strict accordance with state and federal laws. Supports operational practices that ensure all personnel are evaluated solely on merit, providing equal access to professional growth and upward mobility opportunities.
- *Actively monitors the organization to ensure fairness, objectivity, and equal opportunity for all members; objectively allocates compensation, rewards, and opportunities based on merit and performance.
- Promotes a respectful workplace in which differing viewpoints, constructive debate, and professional collaboration 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 professional, respectful, high-performing workplace in which employees are treated fairly, differing viewpoints are respected, and the workforce understands JEA's mission and has confidence in organizational leadership.
6. CEO maintains a candid dialogue with the board and is completely transparent on all issues associated with JEA.
7. CEO has a viable succession plan.
8. CEO keeps JEA on the right strategic path based on the most current strategic plan.
9. CEO maintains 100% compliance with respect to Article 21 applicable provisions.
10. Complies with executive core competencies (as per Appendix A1).

JEA Board Policy Manual

A2 - JEA BOARD EVALUATION CRITERIA

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

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

JEA Board Policy Manual

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

General Comments (if any):

JEA Board Policy Manual

A3 – JEA Charter (Article 21)

ARTICLE 21. JEA

Section 21.01. JEA created and continued; audits.

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

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

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

Section 21.02. Definitions.

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

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

(b) The term "member" means an individual confirmed by the council to serve on the governing body of JEA pursuant to this Article.

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

(d) The term "utility system" shall mean any separate utility system operated by JEA such as its electric utility system, its water utility system, its wastewater utility system, its natural gas utility system or any other additional utility system as may be hereafter designated as a part of the utilities systems operated by JEA as provided in Section 21.04(v) herein.

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

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

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

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

Section 21.03. Composition; compensation; officers; meetings.

(a) *Composition; qualifications; removal.* The governing body of JEA shall consist of seven members, each of whom shall serve for a term of four years or until such member's successor has been appointed and has qualified. Four members shall be nominated by the council president and confirmed by the council, and three members shall be appointed by the mayor and shall be confirmed by the council. With regard to one member appointed by council through open application, the council president shall nominate an applicant who has one of the following qualifications: was a former JEA employee, or person recommended by an employee, union or group of current or former JEA employees. To the extent feasible and regarding member appointments generally, individuals who have demonstrated corporate, executive or administrative experience working in public or private organizations, including, but not limited to, non-profit and government organizations, are preferred, but not required, to serve on the governing body of JEA. Each member shall have been a resident and elector of the city for at least six consecutive months prior to such member's appointment, with the limited exception that one member appointed by the mayor for confirmation by the council and one member nominated by the council president for confirmation by the council may reside outside the city and need not be an elector of the city but must either reside within the JEA service territory or maintain a substantial economic business interest within the JEA service territory as determined by the city council. 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; Ord. 2024-930-E, § 1)

Editor's note(s)—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 31st of each fiscal year. The spending limitation on promotional expenditures set forth in this subsection shall not apply to a newly approved utility system, function or utility service under subsection (v) herein and newly approved additional services or products under subsection (p) herein. For purposes of this subsection "newly approved" shall mean within seven years of the approval date by council for matters subject to the provisions of subsection (v) or by the governing body of JEA for matters subject to the provisions of subsection (p), as applicable. All funds expended by JEA as reimbursement for travel expenses shall be subject to Chapter 106, Part 7, of the Ordinance Code of the City of Jacksonville, as amended. JEA shall not exercise any powers pursuant to this subsection to promote the privatization, sale, transfer or reorganization of JEA as expressly prohibited in Section 21.11 herein or otherwise in this Article or the charter.

(z) To allocate costs between the electric, water, sewer, natural gas and any other utility system operated now or in the future by JEA on a cost accounted basis.

(aa) To assist the City of Jacksonville and any of its departments and independent agencies in the development of joint financing programs for the purpose of financing capital improvement programs for the City of Jacksonville and any of its departments and independent agencies.

(bb) To enter into such interlocal agreements authorized by, and to become a member of such separate legal entity or entities created pursuant to F.S. Ch. 163, as JEA shall determine by resolution are necessary or desirable to accomplish the purposes enumerated and indicated by this Article; and, to the extent permitted by the laws of the State of Florida, to enter into such joint ventures, partnerships, joint ownership arrangements, or other similar arrangements with other persons or entities, public or private, as JEA shall determine by resolution are necessary or desirable to accomplish the purposes enumerated and indicated by this Article.

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

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

(ee) (1) To shut off and discontinue the supplying of services of one utility system, to any and all users of the utilities system, for the nonpayment, when due, of the rates, assessments, fees or charges, for facilities or services of that particular utility system, or for facilities or services of any other utility system.

(2) To deny any application for services of one utility system, to any and all users or potential users of the utilities system for the nonpayment, when due, of rates, assessments, fees or charges for facilities or services of that particular utility system, or for facilities or services of any other utility system.

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

(1) Transfer to an entity by sale, lease, assignment or other disposition of up to, but not more than, the net capital assets calculation (as defined in Section 21.11) of an included system, or the management, function, or operation of any portion of an included system which comprises more than the net capital assets calculation of such included system;

(2) Explore, investigate or consummate a reorganization of JEA, or JEA's governance structure in a manner that would affect JEA's ownership or management control of up to, but not more than, the net capital assets calculation (as defined in Section 21.11) of an included system;

(3) Sell, lease, assign or otherwise transfer less than .01 or one percent (1%) of the service territory (as calculated in Section 21.11(d)) of a JEA included system to any entity; and

(4) Sell, lease, assign or otherwise transfer less than .01 or one percent (1%) of JEA's electric, water, or wastewater, customer accounts (as calculated in Section 21.11(d)) based on the latest available JEA monthly financial statements.

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

(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(s)—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, 2024, 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 the following amounts:

For fiscal year 2024-2025 - $137,424,496;

For fiscal year 2025-2026 - $178,798,741;

For fiscal year 2026-2027 - $140,186,728;

For fiscal year 2027-2028 - $141,588,596;

For fiscal year 2028-2029 - $143,004,482.

(d) The assessment amounts for the electric system and the water and sewer system shall be in effect until September 30, 2029. The council may reconsider the assessment amounts after October 1, 2028 and changes, if any, shall become effective October 1, 2029. The council may change the assessment amounts by ordinance within the provisions of this Section 21.07. Should the council not reconsider the assessment amounts, the assessments shall equal a minimum calculated amount which increases by one percent (1%) per year using the combined assessment of $143,004,482 as the base amount. In addition to the annual assessment amounts provided in Section 21.07(c), JEA pursuant to the terms of an Amended and Restated Interagency Agreement 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 Amended and Restated Interagency Agreement dated August 12, 2025, council and JEA shall work cooperatively to address the BMAP Credit shortfall or council may reconsider the assessment amounts.

(e) The council shall have the power to appropriate annually a portion of the available revenues of each utility system (other than the electric, water and sewer systems) operated by JEA for the uses and purposes of the city. This appropriation shall be based on a formula to be agreed upon by JEA and the council. Any covenants or pledges to lenders associated with such proposed additional utility system which impair council's ability to appropriate revenues from that additional utility system, other than a pledge of gross revenues to bondholders, shall be included in the JEA resolution required in s. 21.04(v) or any future resolution allowing for financing of activities associated with that additional utility system.

(f) JEA shall pay over to the city (i) the amounts assessed upon JEA pursuant to Section 21.07(c) and (ii) such portions of the funds actually appropriated by the council pursuant to Section 21.07(e) at such time as the council may request, but not in advance of collection. Although the calculation for (i) the amounts assessed upon JEA pursuant to Section 21.07(c) and (ii) the annual transfer of available revenue from JEA to the city pursuant to Section 21.07(e) is based upon formulas that are applied specifically to the respective utility systems operated by JEA, JEA, in its sole discretion, may utilize any of its revenues regardless of source to satisfy its total annual obligation to the city mandated by said Sections 21.07(c)and (e).

(g) JEA shall be required to set aside each year in a depreciation and reserve account established for each utility system it operates, an amount equal to not less than 10 percent of its annual net revenues for the previous year attributable to each such system. For such purpose, "annual net revenue" shall mean annual gross revenues derived by JEA from the operation of such system reduced by expenses for operation and maintenance allocable to such system and debt service allocable to such system. Funds set aside in each such depreciation and reserve account shall be used exclusively for enlargements, extensions, improvements and replacements of capital assets of the utility system for which such account was established or to pay or provide for the payment of JEA's bonds, notes or revenue certificates relating specifically to such system; provided, however, that if JEA by resolution determines that it is in the best interests of JEA to use all or any portion of the funds set aside in the depreciation

and reserve account established with respect to a particular utility system for the purposes of another utility system, then such funds may be so applied.

(h) JEA shall not be required to utilize the personnel, motor pool, purchasing, communication or information systems services of the city. By mutual agreement of JEA and the city such services may be provided from one party to the other but only on a cost-accounted basis. JEA shall be required to use the legal services of the city on a cost-accounted basis except in those cases when the chief legal officer of the city determines that the city legal staff cannot or should not provide legal services in the required legal area. JEA shall appropriate the funds necessary to meet the obligations for outside legal services as determined by the general counsel of the city. The general counsel shall consult with JEA before he or she selects outside counsel.

(i) Unless otherwise determined by JEA, all revenues and service charges receivable by JEA as payment for the sale of utilities services shall be collected and received by the tax collector. The tax collector shall deposit to the account of or otherwise turn over to JEA such funds at such times and in such manner as JEA may from time to time designate by resolution. JEA may provide for the collection of such revenues and service charges directly by JEA, provided that the council auditor shall be notified in writing of any proposed change from the current collection process utilizing the Tax Collector and that such change shall not take place until the next fiscal year after such notice is given.

(j) Reserved.

(k) JEA is authorized to pay over to other local governmental units outside the city annually a portion of available revenues derived from operations in such local governmental units' territories, for the uses and purposes of such local governmental units, an amount not to exceed that which would be calculated using the procedures in Sections 21.07(c)and (e), but only to the extent that JEA is able to, and does, include in the rates imposed only upon the customers in such local governmental units' territories the total amounts in respect of such payments.

(l) In addition to all other sums paid by JEA to the City of Jacksonville, JEA shall pay to the City of Jacksonville a franchise fee in an amount equal to three percent (3%) of the revenues of the electric system and the water and sewer system as set forth in Section 21.07(c) herein. The franchise fee will commence for revenues derived effective April 1, 2008 and shall be paid monthly with the first payment payable on June 1, 2008. The franchise fee shall be limited to (1) revenues derived within Duval County not including Urban Service Districts 2-5, and (2) per customer, total water and sewer rate revenues, and (3) up to a per customer maximum of $2,400,000 per fiscal year of electric rate revenues. The franchise fee shall be calculated each month by multiplying three percent (3%) by the sum of JEA's base rate electric revenues, fuel rate revenues, water rate revenues and sewer rate revenues for that month excluding unbilled revenues and uncollectible accounts. The franchise fee shall be calculated on revenues derived from the sale of gross kilowatt-hours and number of cubic feet of potable water and cubic feet of sewer service as set forth in Section 21.07(c). Notwithstanding the foregoing, no franchise fee shall be paid on franchise fees, state utility taxes, fuel related interchange sales, sales for resale, City of Jacksonville accounts, JEA accounts, investment income and other revenues. JEA shall be authorized to pass-through the amount of the franchise fees set forth herein and associated charges resulting from the stated three percent (3%) franchise fee calculation on rate revenues notwithstanding the $2,400,000 limit set forth herein to the customers of JEA, in accordance with the customers' proportionate share of rate revenues as calculated above. This franchise fee is in consideration of the administrative costs incurred by the City to coordinate functions and services with JEA, for the exclusive right to serve electric, water and sewer customers, for use by JEA of the public rights-of-way used by it in connection with its electric distribution system and its water and sewer distribution and collection system, and in further consideration of the unique relationship of JEA and the City, in which JEA is a wholly owned public utility, and such other good and valuable consideration that has been agreed to between JEA and the City of Jacksonville. The gross franchise fee and the

amount of the pass-through set forth herein may be increased by ordinance, initiated by the Mayor and approved by two-thirds supermajority of the City Council, but the franchise fee shall not exceed six percent (6%) of the gross utility revenues as calculated above. The JEA and the City shall enter into a Franchise Fee Agreement for the administration of the Franchise Fee.

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

(Laws of Fla., Ch. 78-538, § 1; Laws of Fla., Ch. 80-515, § 1; Ord. 81-921-490, § 1; Ord. 84-1307-754, § 25; Ord. 89-1001-632, § 1; Laws of Fla., Ch. 92-341, § 1; Ord. 93-82-1385, § 1; Ord. 97-12-E, § 2; Ord. 98-253-E, § 1; Ord. 2003-1320-E, § 1; Ord. 2007-838-E, § 1; Ord. 2007-1132-E, § 1; Ord. 2015-764-E, § 2; Ord. 2018-747-E, § 2; Ord. No. 2020-40-E, § 1; Ord. 2020-419-E, § 2; Ord. 2025-188-E, § 1)

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

(a) *Generally.* All employees of the utilities systems shall be employees of JEA and shall be subject to Articles 16 and 17 of the charter unless otherwise provided by the council, which shall be and continue to be the legislative body as provided in F.S. § 447.203(10), as amended. JEA shall be fully responsible for the administration and operation of all utility services as set out in this Article and in order to meet its administrative and operational responsibilities, JEA shall have full and independent authority to hire, transfer, promote, discipline, terminate and evaluate employees engaged to provide any and all of the utilities services for which it is responsible and accordingly, consistent with the provisions of Article 17 of the charter, JEA may establish employment policies relating to hiring, promotion, discipline and termination, and other terms and conditions of employment, and enter into negotiations with employee organizations with respect to wages, hours and terms and conditions of employment and take such other employment related action as needed to assure effective and efficient administration and operation of the utilities systems. In order to effectively implement the foregoing, JEA shall perform all functions with regard to its own employees that are performed by the City department or division which oversees city employees in regard to personnel matters. JEA, at its expense, shall provide accidental death benefits for all employees engaged in hazardous duty as determined by JEA, in the amount of $50,000 payable to the beneficiary named by the employee, or as otherwise provided, in the event said employee dies as a result of an accident occurring to any employee in the course of his/her employment. Nothing contained in this Section shall be construed to supersede or repeal any provision of Section 12 of Chapter 80-513, Laws of Florida, as amended.

(b) *Managing Director.* The governing body of JEA shall employ and fix the compensation of the managing director, who shall serve at the pleasure of the governing body of JEA. The managing director shall manage the affairs of the utilities systems under the supervision of the governing body of JEA. The entire working time of such managing director shall be devoted to the performance of the duties of such office and the managing director shall have no outside employment. Subject to the approval of the governing body of JEA, the managing director may engage in or have unrelated business interests so long as such business interests do not interfere with the managing director's duties as provided herein. The managing director shall be a graduate of an accredited college or university, and have at least five years executive experience within the utilities industry. The managing director shall have a fiduciary duty of loyalty, fidelity, and allegiance to act at all times in the best interests of JEA and will act in a manner consistent with the responsibilities of this Article and other policies, rules and regulations governing the conduct of JEA employees. The managing director's employment agreement, if any, shall be subject to the provisions of subsection (d) below.

(c) *Other Employees.* The governing body of JEA may appoint and fix the compensation of staff assistants to the managing director, to serve at the pleasure of the governing body of JEA. JEA shall employ and fix the compensation of the department heads, deputy directors of departments, division chiefs and assistant division chiefs of the utilities systems. JEA may adopt position titles different from those recited herein, consistent with utility industry practice. The managing director, department heads, deputy directors of departments, staff assistants, division chiefs and assistant division chiefs shall not be included within the civil service system of the city. The managing director may employ such certified public accountants, consultants and other employees for special purposes, not within the civil service system, as it may require, and fix and pay their compensation. Whenever used in this Section 21.08, "compensation" shall mean both salary and benefits, exclusive of any city retirement benefits pursuant to Article 16 of the charter.

(d) *Employment contract restrictions.* JEA may have an employment contract with the managing director only. The managing director's employment contract shall be approved by the governing body of JEA. Nothing in this subsection, or in any employment agreement entered into pursuant to this subsection, may be construed as a guarantee of employment for the managing director at any time, or for any length of time. At a minimum, the managing director's employment contract shall satisfy the following requirements:

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

(2) The amount of severance pay, if any, shall not exceed the amounts allowed under Florida law and shall not be permitted if the managing director is terminated for cause or terminated for misconduct, as defined in F.S. § 443.036(29), as amended;

(3) The contract shall not contain a mandatory consulting, separation and transition, or similar agreement that is operative due to the managing director's termination without cause under the contract;

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

(5) JEA shall not be required to pay for or provide legal counsel to the managing director beyond the legal counsel required of the Office of General Counsel pursuant to the charter or general law;

(6) The contract shall contain a provision that the managing director serves at the pleasure of the governing body of JEA and may be terminated without cause at any time, and such provision may provide for not more than 30 days advance notice to the managing director of such termination without cause;

(7) The contract may contain a provision for termination of the managing director for cause, provided that "cause" shall be defined consistent with the definition of cause as contained in Rule 9.05(a) of the Civil Service and Personnel Rules and Regulations of the City of Jacksonville;

(8) All compensation terms shall be reasonable and customary and similar to other public utilities comparable to JEA when taking into account the size of JEA's territory area, employee workforce, and utility systems; and

(9) Any such other terms as may be in the best interest of JEA and not inconsistent with this section.

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

(e) *Pension Plan; Defined Contribution Plan; Deferred Compensation Plan.* All personnel appointed by JEA pursuant to this Section shall participate in one of the city's retirement plans, as governed by the rules and requirements of such retirement plans and in the same manner as other JEA employees who participate in such plan. JEA is authorized to maintain a separate single tax-qualified defined contribution program pursuant to Section 401(a) of the Internal Revenue Code of 1986, as amended, for its employees that is supplemental to any city defined contribution program. Additionally, JEA is authorized to maintain a separate single eligible deferred compensation program pursuant to Section 457(b) of the Internal Revenue Code of

1986, as amended, for its employees that is supplemental to any city deferred compensation program. Such programs shall be approved by the governing body of JEA and shall be subject to and comply with all federal and state laws applicable to deferred compensation and defined contribution programs for public or government employees, including, but not limited to, the Internal Revenue Code of 1986, as amended, F.S. § 112.215, as amended, and Part VII of F.S. Ch. 112. JEA shall periodically provide the council auditor with a written report regarding such deferred compensation and defined contribution programs. JEA shall post such written report on JEA's website in a conspicuous manner for the public to view.

(f) *Employee Bonus Program.* JEA may implement or adopt an employee bonus plan or program ("bonus program") for JEA employees pursuant to F.S. § 215.425(3), as amended, subject to the prior approval of the governing body of JEA. The governing body of JEA shall approve such bonus program annually for each fiscal year, and if a bonus program is implemented in any fiscal year without first obtaining the approval of the governing body of JEA, such program shall be void. The governing body of JEA shall not delegate its approval authority regarding a bonus program under this subsection to the managing director or any other officer, employee or agent of JEA. Such bonus program must comply with F.S. § 215.425(3), as amended, the charter, and other applicable laws. The governing body of the JEA shall establish rules, procedures, and standards regarding such bonus program. Additionally, JEA shall include a budget line item and specific detailed plan regarding such bonus program as an exhibit to its annual budget submission to council. JEA shall also provide the council auditor with an annual end of fiscal year written report on or before December 31st of each fiscal year regarding the disbursements related to the bonus program. JEA shall post such written report on JEA's website in a conspicuous manner for the public to view.

(Ord. 2020-419-E, §§ 1, 2)

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

Sec. 21.12. Public engagement.

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

(Ord. 2020-419-E, § 2)

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

JEA Board Agenda

MEMORANDUM

Building Community®

Annual Board Self-Evaluation

Board Meeting Date: October 27, 2026

Outcome: [X] INFORMATION ONLY [ ] ACTION [ ] FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

N/A

Consent Agenda Item: [ ] Yes [X] No

Presenter: Jordan Pope, Interim Chief Administrative Officer

Chief: Jody Brooks, Interim Managing Director/CEO

Strategic Focus Area: [X] DEVELOPING AN UNBEATABLE TEAM [ ] DELIVERING BUSINESS EXCELLENCE [ ] EARNING CUSTOMER LOYALTY

Background Information & Analysis:

In accordance with the JEA Board Policy Manual, the Board conducts an annual self-evaluation using the criteria in Appendix A2. The evaluation provides an opportunity for Board members to assess the Board's governance practices, responsibilities, and effectiveness.

Board members will rate statements on a five-point scale from 1 (Strongly Disagree) to 5 (Strongly Agree) and may provide comments.

Consistent with the Board Policy Manual, JEA's Compliance Office will serve as the third-party facilitator to assist the Board in reviewing the collective results, discussing opportunities for improvement, and determining what items may be actionable. The annual evaluation supports the Board's commitment to continuous improvement in its governance capacity.

Financial Impact: N/A

Committee/Board Meeting/Workshop & Date Presented:

- JEA Board Meeting – November 18, 2025, January 21, 2026
- Finance, Governance, & Audit Committee Meeting – October 24, 2024, November 12, 2025

Appendix:

Appendix A2 – JEA Board Evaluation Criteria

The proposed revision to the Board Policy Manual A2 - JEA Board Evaluation Criteria, statement #21 is pending approval by the Board of Directors at its October 27, 2026 meeting. Pending approval, the criterion will read as follows:

"Collectively possesses the skills, experience, perspectives, and stakeholder awareness necessary to fulfill the Board's responsibilities."

JEA Board Policy Manual

A2 - JEA BOARD EVALUATION CRITERIA

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

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

JEA Board Policy Manual

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

General Comments (if any):

JEA Board Agenda

MEMORANDUM

Building Community®

Audit Partner Update

Board Meeting Date: October 27, 2026

Outcome: [X] INFORMATION ONLY [ ] ACTION [ ] FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

N/A

Consent Agenda Item: [ ] Yes [X] No

Presenter: John DiSanto, Managing Director, EY

Chief: Ted Phillips, Chief Financial Officer

Strategic Focus Area: [ ] DEVELOPING AN UNBEATABLE TEAM [X] DELIVERING BUSINESS EXCELLENCE [ ] EARNING CUSTOMER LOYALTY

Background Information & Analysis:

Ernst & Young (EY) serves as JEA's external auditor for its Financial Statement Audit and Single Audits. Mr. DiSanto previously introduced Jessica Muirhead, who had been shadowing him during the FY25 and FY26 audits in preparation to assume the engagement beginning with the FY27 audit.

Mr. DiSanto advised the Board that he was required to rotate off the engagement to maintain independence and satisfy a minimum one-year cooling-off period. Following the departure of another EY Managing Partner, Ms. Muirhead was reassigned to another engagement. Mr. DiSanto subsequently confirmed with EY that he may continue serving as the Managing Director for JEA's FY2026 and FY2027 audits. He will notify the Committee of this change.

Financial Impact: N/A

Committee/Board Meeting/Workshop & Date Presented:

Mr. DiSanto has presented audit plans and audit results to both FGAC and the Board for the last 12 years.

Appendix:

N/A

JEA Board Agenda

MEMORANDUM

Building Community®

Internal Audit / Enterprise Risk Management Update

Board Meeting Date: October 27, 2026

Outcome: [X] INFORMATION ONLY [ ] ACTION [ ] FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

N/A

Consent Agenda Item: [ ] Yes [X] No

Presenter: Lee Montanez, Director, Internal Audit and Enterprise Risk
Rashid Brittain, Program Manager, Internal Audit

Chief: Jordan Pope, Interim Chief Administrative Officer

Strategic Focus Area: [ ] DEVELOPING AN UNBEATABLE TEAM [X] DELIVERING BUSINESS EXCELLENCE [ ] EARNING CUSTOMER LOYALTY

Background Information & Analysis:

This presentation will include:

(1) FY2026 Audit Plan Results, including a list of completed audits and engagements. Also, a listing of upcoming audits and engagements.

(2) Open Action Plans & Remediation Status to include a count of open and closed action plans.

(3) Enterprise Risk Management update to include a description of how Enterprise Risk works with Strategy and Internal Audit.

(4) Development status of Enterprise Risk Management profiles.

Financial Impact: N/A

Committee/Board Meeting/Workshop & Date Presented:

Finance, Governance, & Audit Committee Meeting - October 24, 2024 / Board Meeting - October 29, 2024

Appendix:

N/A

JEA Board Agenda

MEMORANDUM

Building Community®

FY2027 Internal Audit Charter

Board Meeting Date: October 27, 2026

Outcome: ☐ INFORMATION ONLY ☒ ACTION ☐ FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

Staff requests the Committee recommend Board approval of Resolution 2026-54, approving the FY2027 Internal Audit Charter.

Consent Agenda Item: ☐ Yes ☒ No

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

Chief: Jordan Pope, Interim Chief Administrative Officer

Strategic Focus Area: ☐ DEVELOPING AN UNBEATABLE TEAM ☒ DELIVERING BUSINESS EXCELLENCE ☐ EARNING CUSTOMER LOYALTY

Background Information & Analysis:

(1) Per the Institute of Internal Auditors (IIA) Global Standards, the Internal Audit Charter must be reviewed annually to maintain alignment with the IIA Standards. Seven minor updates were made to the Internal Audit Charter to maintain alignment with these Standards.

(2) Per the IIA Global Standards, the Director, Internal Audit must confirm to the Finance, Governance, & Audit Committee its independence, Board and management support, Internal Quality Assurance Program and results, and staffing.

Financial Impact: N/A

Committee/Board Meeting/Workshop & Date Presented:

Finance, Governance, & Audit Committee Meeting – February 18, 2025 / Board Meeting – February 25, 2025

Appendix:

- Resolution 2026-54
- Internal Audit Charter (Redline)
- Internal Audit Charter (Clean)

BOARD RESOLUTION: 2026-54
October 27, 2026

A RESOLUTION BY THE BOARD APPROVING CHANGES TO THE INTERNAL AUDIT CHARTER

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

WHEREAS, JEA's Internal Audit & Enterprise Risk adheres to the Institute of Internal Auditors (IIA) Global Audit Standards, which requires for the annual review and approval of the Internal Audit Charter; and

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

WHEREAS, the proposed Internal Audit Charter was reviewed and recommended for Board approval by the Finance, Audit and Governance Committee (Committee) on October 26, 2026; and

WHEREAS, staff requests that the Board adopt the Committee's recommendation and approve the proposed Internal Audit Charter.

BE IT RESOLVED by the JEA Board of Directors that:

1. The recitals stated above are hereby incorporated into and made part of this Resolution, and such recitals shall serve as findings of fact.

2. The Board hereby adopts the Committee's recommendation and approves the Internal Audit Charter in substantially the form and format attached hereto.

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

4. This Resolution shall be effective upon approval by the Board.

Dated this 27th day of October, 2026.

JEA Board Chair

JEA Board Secretary

Form Approved by

Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	

Corporate Policy:	Internal Audit Charter		
Version Effective Date:	10.~~19~~27.2026	Version:	16

POLICY STATEMENT:

The purpose of JEA's internal audit function is to strengthen JEA's ability to create, protect, and sustain value by providing the Board of Directors and management with independent, risk-based, and objective assurance advice, insight, and foresight. Internal Audit enhances: (1) successful achievement of its objectives, (2) governance, risk management, and control processes, (3) decision-making and oversight, (4) reputation and credibility with its stakeholders and, (5) ability to serve the public interest. JEA's internal audit function governs itself by adhering to the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. The Director, Internal Audit & Enterprise Risk will report ~~quarterly~~ at least semiannually to the Finance, Governance and Audit Committee of JEA's Board of Directors and Leadership Team regarding the internal audit function's conformance with the Standards, which will be assessed through a quality assurance and improvement program.

GENERAL DESCRIPTION of PROCEDURE:

This procedure is intended to:

1. Address the authority of the Director, Internal Audit & Enterprise Risk, and the Internal Audit Staff.
2. Describe the key roles and responsibilities of Internal Audit.
3. Outline Internal Audit's Quality Assurance program.

ASSIGNMENT of RESPONSIBILITY:

The Director, Internal Audit & Enterprise Risk or designee shall establish, maintain, and disseminate this Charter and any related supporting documentation.

DEFINITIONS:

Internal Auditing – The Institute of Internal Auditors' (IIA) ~~definition of internal auditing is~~describes internal auditing as: "An independent, objective assurance and advisory service designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes. It also enhances and protects organizational value by providing risk-based and objective assurance, advice, and insight."

Assurance Services –Services through which internal auditors perform objective assessments to provide assurance. Examples of assurance services include compliance, financial, operational/performance, and technology engagements. Internal auditors may provide limited or reasonable assurance, depending on the nature, timing, and extent of procedures performed.

~~**Consulting**~~ **Advisory Services** – Services through which internal auditors provide advice to an organization's stakeholders without providing assurance or taking on management responsibilities. The nature and scope of advisory services are subject to agreement with relevant stakeholders. Examples include advising on the design and implementation of new policies, processes, systems, and products; providing forensic services; providing training; and facilitating discussions about risks and controls. "Advisory services" are also known as "Consulting Services."

Quality Assurance – A program established by the Director, Internal Audit & Enterprise Risk to evaluate and ensure the internal audit function conforms with the Global Internal Audit Standards, achieves performance objectives, and pursues continuous improvement. ~~The program includes internal and external assessments.~~The program includes ongoing internal assessments and an external quality assessment conducted by a qualified, independent reviewer or team at least once every five years.

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PROCEDURE:

A. Roles & Responsibilities

Responsibility	Action
Director, Internal Audit & Enterprise Risk	The Director, Internal Audit & Enterprise Risk responsibilities include: • Oversee~~s~~ the execution of a program of Internal Audit projects as necessary to fulfill the purpose and mission of the department, including a~~n annual~~ risk assessment and development of a~~n annual~~ risk-based audit plan. Is also the organization's Chief Audit Executive (CAE). • Confirm to the Finance, Governance and Audit Committee, at least annually, the organizational independence of the internal audit function and conformance with the IIA's Code of Ethics and Standards. • Disclose to the Committee and Leadership team the nature of the Director's Enterprise Risk responsibilities held in addition to Internal Audit, and the safeguards in place to protect the internal audit function's independence and objectivity. • Report to the Committee and Leadership team regarding: (1) Internal Audit's mandate, (2) Plan and performance relative to the plan, (3) Significant revisions to the audit plan, (4) Potential impairments to independence, (5) Results from the quality assurance and improvement program, (6) Significant risk exposures and control issues, including fraud and, (7) Results of assurance and advisory services. • Ensure internal auditors conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality. • Develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function.
Chief Administrative Officer	To whom the Director, Internal Audit & Enterprise Risk, and the Internal Audit function reports administratively.
Managing Director / Chief Executive Officer (CEO)	To whom the Director, Internal Audit & Enterprise Risk reports when Internal Audit conducts audits of Compliance Department functions. Meets regularly with the Director, Internal Audit & Enterprise Risk.
JEA Management	Although the role of Internal Audit is to assess internal controls, systems, procedures, risks, etc., JEA management retains full responsibility for ensuring that JEA maintains an appropriate framework of controls to reduce business risks to an acceptable level. Management also has the responsibility and accountability for addressing weaknesses and inefficiencies identified in both External and Internal Audit Reports and for taking the necessary corrective action. Management should immediately inform the CAE of any significant internal control problems, thefts, frauds, or unauthorized transactions.
Internal Audit Staff	Executes the program of Internal Audit projects, including the ~~annual~~ risk-based audit plan. Internal Audit's authority and key responsibilities are described as follows:

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Ethics and Professionalism

- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organization and be able to recognize conduct that is contrary to those expectations.
- Encourage and promote an~~d~~ ethics-based culture in the organization.
- Report organizational behavior that is inconsistent with the organization's ethical expectations, as described in applicable policies and procedures.

Authority, Independence & Objectivity

- To have access to all JEA records, assets, properties, plants, computers, personnel, etc., with strict and absolute accountability for safekeeping and confidentiality while conducting their internal audit duties.
- Remain free from all conditions that threaten the ability to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication.
- ~~maintain~~ Maintain an unbiased mental attitude that allows them to perform engagements objectively, with no quality compromises, and without subordinating their judgement on audit matters to others.
- Internal Audit staff will have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors will not implement controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgement.
- Auditors will not be assigned to audits where their degree of independence could be questioned in any other way.

Annual Risk Assessment and Audit Plan Activities

- Perform ~~annual~~ risk assessment activities and develop a~~n~~ ~~annual~~ risk-based audit plan. The Director, Internal Audit & Enterprise Risk will present the ~~annual~~ audit plan to the Finance, Governance and Audit Committee for review and approval.

Scope and Types of Internal Audit Services

The scope of internal audit services covers the entire breadth of the organization, including all JEA activities, assets, and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide objective assurance and advisory services to Finance, Governance and Audit Committee and management on the adequacy and effectiveness of governance, risk management and control processes for JEA.

The nature and scope of advisory services may be agreed with the party requesting the services, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

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Version Effective Date:	10.~~19~~27.2026	Version:	16

	Internal audit engagements may include evaluating whether to: • Evaluate the effectiveness of controls over the reliability and integrity of management information. Ascertain the level of compliance with policies, procedures, laws, and regulations. • Review operations to evaluate whether established objectives and goals are being achieved. • Assist management in identifying operational, financial, regulatory, and reputational risks, and assess JEA's ability to adequately mitigate these risks. • Conduct objective reviews of company business activities, operations, internal controls and performance management systems, and report results to JEA management. • ~~Provide consulting services.~~Provide advisory services. • Proactively consult with internal customers on recommendations and the implementation of action plans and monitor results. • Perform engagement level audit planning and risk control assessment. • Perform action plan follow-up. **Reporting** • Written reports will be prepared and issued to management following the completion of each audit. The contents will be discussed with auditee management before the reports are finalized, except in cases of fraud. • Reports will generally be distributed to the Chief/Vice President and Director/Manager of the area being audited, along with the Managing Director/Chief Executive Officer and/or the President/ Chief Operating Officer. Final audit reports are also submitted to the City of Jacksonville's Council Auditor's office and the Office of the Inspector General. ~~Quarterly s~~Summaries of audit results are presented, at least semiannually, to the Finance, Governance, and Audit Committee of the Board of Directors.
Finance, Governance, and Audit Committee of JEA's Board of Directors	To establish, maintain, and ensure that JEA's internal audit function has sufficient authority to fulfill its duties, the Committee will: • Review and approve the internal audit Charter and Internal Audit's mandate (its authority, role, and responsibilities) at least annually~~.~~ • Review and approve the risk-based internal audit plan. • Ensure the Director, Internal Audit & Enterprise Risk has unrestricted access to and communicates and interacts with the Committee and Board. • Receive communications from the Director, Internal Audit & Enterprise Risk about the internal audit function including its performance relative to its plan.
JEA's External Auditors	Primary auditor of JEA's financial statements. To minimize duplication of efforts, Internal Audit will not audit JEA's financial statements, although operational audits of Finance areas may be scheduled.

Corporate Policy:	Internal Audit Charter		
Version Effective Date:	10.~~19~~27.2026	Version:	16

SIGNED:
Title: Managing Director / Chief Executive Officer (CEO)
Effective Date: 10.27.26

Revised Dates: August 14, 2020 (1.13.23) (2.23.24) (02.25.25) (10.19.26)

Origination Date: October 5, 2004, with fifteen (15) subsequent annual prior revisions / presentations / approvals, most recently on October 19, 2026.

Keywords: internal audit, assurance, consulting, quality assurance

Corporate Policy:	Internal Audit Charter		
Version Effective Date:	10.27.2026	Version:	16

POLICY STATEMENT:

The purpose of JEA's internal audit function is to strengthen JEA's ability to create, protect, and sustain value by providing the Board of Directors and management with independent, risk-based, and objective assurance advice, insight, and foresight. Internal Audit enhances: (1) successful achievement of its objectives, (2) governance, risk management, and control processes, (3) decision-making and oversight, (4) reputation and credibility with its stakeholders and, (5) ability to serve the public interest. JEA's internal audit function governs itself by adhering to the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. The Director, Internal Audit & Enterprise Risk will report at least semiannually to the Finance, Governance and Audit Committee of JEA's Board of Directors and Leadership Team regarding the internal audit function's conformance with the Standards, which will be assessed through a quality assurance and improvement program.

GENERAL DESCRIPTION of PROCEDURE:

This procedure is intended to:

1. Address the authority of the Director, Internal Audit & Enterprise Risk, and the Internal Audit Staff.
2. Describe the key roles and responsibilities of Internal Audit.
3. Outline Internal Audit's Quality Assurance program.

ASSIGNMENT of RESPONSIBILITY:

The Director, Internal Audit & Enterprise Risk or designee shall establish, maintain, and disseminate this Charter and any related supporting documentation.

DEFINITIONS:

Internal Auditing – The Institute of Internal Auditors' (IIA) describes internal auditing as: "An independent, objective assurance and advisory service designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes. It also enhances and protects organizational value by providing risk-based and objective assurance, advice, and insight."

Assurance Services –Services through which internal auditors perform objective assessments to provide assurance. Examples of assurance services include compliance, financial, operational/performance, and technology engagements. Internal auditors may provide limited or reasonable assurance, depending on the nature, timing, and extent of procedures performed.

Advisory Services – Services through which internal auditors provide advice to an organization's stakeholders without providing assurance or taking on management responsibilities. The nature and scope of advisory services are subject to agreement with relevant stakeholders. Examples include advising on the design and implementation of new policies, processes, systems, and products; providing forensic services; providing training; and facilitating discussions about risks and controls. "Advisory services" are also known as "Consulting Services."

Quality Assurance – A program established by the Director, Internal Audit & Enterprise Risk to evaluate and ensure the internal audit function conforms with the Global Internal Audit Standards, achieves performance objectives, and pursues continuous improvement. The program includes ongoing internal assessments and an external quality assessment conducted by a qualified, independent reviewer or team at least once every five years.

PROCEDURE:

Corporate Policy:	Internal Audit Charter		
Version Effective Date:	10.27.2026	Version:	16

A. Roles & Responsibilities

Responsibility	Action
Director, Internal Audit & Enterprise Risk	The Director, Internal Audit & Enterprise Risk responsibilities include: • Oversee the execution of a program of Internal Audit projects as necessary to fulfill the purpose and mission of the department, including a risk assessment and development of a risk-based audit plan. Is also the organization's Chief Audit Executive (CAE). • Confirm to the Finance, Governance and Audit Committee, at least annually, the organizational independence of the internal audit function and conformance with the IIA's Code of Ethics and Standards. • Disclose to the Committee and Leadership team the nature of the Director's Enterprise Risk responsibilities held in addition to Internal Audit, and the safeguards in place to protect the internal audit function's independence and objectivity. • Report to the Committee and Leadership team regarding: (1) Internal Audit's mandate, (2) Plan and performance relative to the plan, (3) Significant revisions to the audit plan, (4) Potential impairments to independence, (5) Results from the quality assurance and improvement program, (6) Significant risk exposures and control issues, including fraud and, (7) Results of assurance and advisory services. • Ensure internal auditors conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality. • Develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function.
Chief Administrative Officer	To whom the Director, Internal Audit & Enterprise Risk, and the Internal Audit function reports administratively.
Managing Director / Chief Executive Officer (CEO)	To whom the Director, Internal Audit & Enterprise Risk reports when Internal Audit conducts audits of Compliance Department functions. Meets regularly with the Director, Internal Audit & Enterprise Risk.
JEA Management	Although the role of Internal Audit is to assess internal controls, systems, procedures, risks, etc., JEA management retains full responsibility for ensuring that JEA maintains an appropriate framework of controls to reduce business risks to an acceptable level. Management also has the responsibility and accountability for addressing weaknesses and inefficiencies identified in both External and Internal Audit Reports and for taking the necessary corrective action. Management should immediately inform the CAE of any significant internal control problems, thefts, frauds, or unauthorized transactions.
Internal Audit Staff	Executes the program of Internal Audit projects, including the risk-based audit plan. Internal Audit's authority and key responsibilities are described as follows: **Ethics and Professionalism** • Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, due professional care, and confidentiality.

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- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organization and be able to recognize conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organization.
- Report organizational behavior that is inconsistent with the organization's ethical expectations, as described in applicable policies and procedures.

Authority, Independence & Objectivity

- To have access to all JEA records, assets, properties, plants, computers, personnel, etc., with strict and absolute accountability for safekeeping and confidentiality while conducting their internal audit duties.
- Remain free from all conditions that threaten the ability to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication.
- Maintain an unbiased mental attitude that allows them to perform engagements objectively, with no quality compromises, and without subordinating their judgement on audit matters to others.
- Internal Audit staff will have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors will not implement controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgement.
- Auditors will not be assigned to audits where their degree of independence could be questioned in any other way.

Annual Risk Assessment and Audit Plan Activities

- Perform risk assessment activities and develop a risk-based audit plan. The Director, Internal Audit & Enterprise Risk will present the audit plan to the Finance, Governance and Audit Committee for review and approval.

Scope and Types of Internal Audit Services

The scope of internal audit services covers the entire breadth of the organization, including all JEA activities, assets, and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide objective assurance and advisory services to Finance, Governance and Audit Committee and management on the adequacy and effectiveness of governance, risk management and control processes for JEA.

The nature and scope of advisory services may be agreed with the party requesting the services, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include evaluating whether to:

- Evaluate the effectiveness of controls over the reliability and integrity of management information. Ascertain the level of compliance with policies, procedures, laws, and regulations.

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	• Review operations to evaluate whether established objectives and goals are being achieved. • Assist management in identifying operational, financial, regulatory, and reputational risks, and assess JEA's ability to adequately mitigate these risks. • Conduct objective reviews of company business activities, operations, internal controls and performance management systems, and report results to JEA management. • Provide advisory services. • Proactively consult with internal customers on recommendations and the implementation of action plans and monitor results. • Perform engagement level audit planning and risk control assessment. • Perform action plan follow-up. **Reporting** • Written reports will be prepared and issued to management following the completion of each audit. The contents will be discussed with auditee management before the reports are finalized, except in cases of fraud. • Reports will generally be distributed to the Chief/Vice President and Director/Manager of the area being audited, along with the Managing Director/Chief Executive Officer and/or the President/ Chief Operating Officer. Final audit reports are also submitted to the City of Jacksonville's Council Auditor's office and the Office of the Inspector General. Summaries of audit results are presented, at least semiannually, to the Finance, Governance, and Audit Committee of the Board of Directors.
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JEA Board Agenda

MEMORANDUM

Building Community®

FY2027 Internal Audit Plan

Board Meeting Date: October 27, 2026

Outcome: [ ] INFORMATION ONLY [X] ACTION [ ] FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

Staff requests the Committee recommend Board approval of Resolution 2026-55, approving the FY2027 Internal Audit Plan.

Consent Agenda Item: [ ] Yes [X] No

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

Chief: Jordan Pope, Interim Chief Administrative Officer

Strategic Focus Area: [ ] DEVELOPING AN UNBEATABLE TEAM [X] DELIVERING BUSINESS EXCELLENCE [ ] EARNING CUSTOMER LOYALTY

Background Information & Analysis:

(1) The Internal Audit Plan process will be explained.

(2) The proposed FY2027 Internal Audit Plan will be presented for review and approval. This Plan will include 15 items, 14 related to assurance (audit) and one related to advisory services (project). The Plan will need to be approved.

Financial Impact: N/A

Committee/Board Meeting/Workshop & Date Presented:

Finance, Governance, & Audit Committee Meeting – November 12, 2025 / Board Meeting – November 18, 2025

Appendix:

- Resolution 2026-55
- FY2027 Internal Audit Strategy & Plan

BOARD RESOLUTION: 2026-55
October 27, 2026

A RESOLUTION BY THE BOARD APPROVING THE ANNUAL INTERNAL AUDIT PLAN FOR FISCAL YEAR 2027

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

WHEREAS, JEA's Internal Audit & Enterprise Risk adheres to the Institute of Internal Auditors (IIA) Global Internal Audit Standards, which require the approval of the Annual Internal Audit Plan; and

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

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

BE IT RESOLVED by the JEA Board of Directors that:

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

Dated this 27th day of October 2026.

JEA Board Chair

JEA Board Secretary

Form Approved by:

Office of General Counsel

	VOTE	
In Favor		
Opposed		
Abstained		

INTERNAL AUDIT STRATEGY AND PLAN



Fiscal Year 2027

October 1, 2026 – September 30, 2027

Prepared by Lee Montanez, Director, Internal Audit & Enterprise Risk

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Introduction

The Internal Audit Strategy and Plan (the Plan) set forth the objectives, scope, and priorities of the Internal Audit function for FY27 (October 1, 2026, through September 30, 2027). The Plan translates JEA's strategic priorities and risks into a structured program of assurance and advisory services designed to protect and enhance organizational value.

The Plan has been developed through a risk-based methodology that incorporates input from Leadership, Management, and an enterprise-wide risk assessment. It is intended to be a dynamic document; while the engagements described herein represent the current assessment of priority risk areas, the Director, Internal Audit and Enterprise Risk (IAER), could adjust the Plan during the fiscal year in response to emerging risks, regulatory developments, significant business changes, or requests from the Finance, Governance and Audit Committee (FGAC) and Management.

Mission, Mandate, and Approach

Mission

The mission of Internal Audit is to enhance and protect organizational value by providing risk-based, objective assurance, advisory, and insight to the Board, the FGAC, and Management. Internal Audit serves as a trusted, independent partner that strengthens governance, risk management, and internal control processes across JEA.

Mandate

Internal Audit operates under a Charter approved annually by the FGAC, which establishes its purpose, authority, independence, and responsibility. Internal Audit is authorized to:

- Have full, and unrestricted access to all records, personnel, premises, and information systems relevant to the performance of their work.
- Allocate resources, set frequencies, select subjects, determine scope of work, and apply techniques required to accomplish audit and advisory objectives.
- Report administratively to the Chief Administrative Officer and communicate, at least semiannually, to the FGAC.

Internal Audit's work is conducted in conformance with the Institute of Auditors (IIA) Global Internal Audit Standards, Topical Requirements, and Global Guidance, as referenced in Appendix D.

Approach

Internal Audit aligns audit effort with the areas of greatest risk and strategic significance to JEA. Our approach consists of:

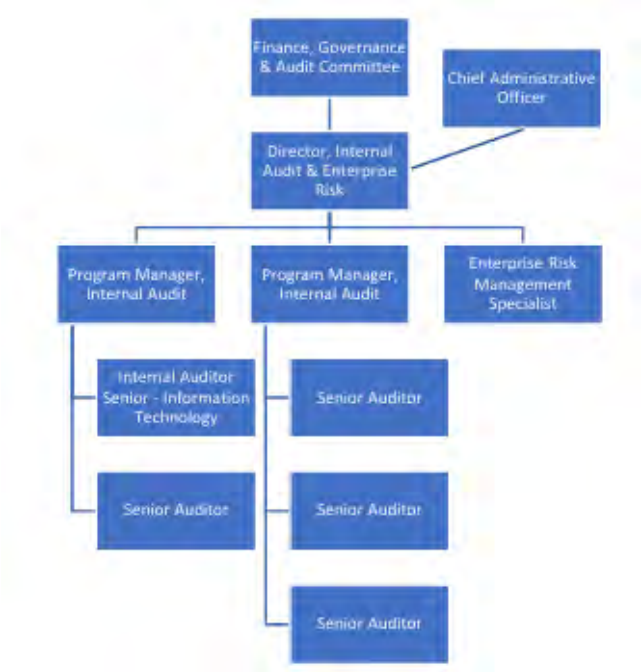
- Annual Enterprise Risk Assessment: An evaluation of strategic, operational, financial, compliance, technology and reputational risks across JEA.
- Risk-Based Prioritization: Ranking of audits based on assessment results, prior audits, regulatory considerations, and management input.
- Integrated Assurance: Coordination with other assurance providers, including compliance, information security, and external audit, to avoid duplication and optimize coverage.

Organization

Internal Audit is structured to provide comprehensive coverage of assurance and advisory services while maintaining independence.

Reporting Structure

- Director, IAER — reports functionally to the FGAC; administratively to the CAO.
- Program Managers — lead audit teams in assurance and advisory projects.
- Senior Auditors — execute planning, fieldwork, testing, and reporting under the direction of the Program Managers.
- Internal Auditor Senior (Information Technology) - provides dedicated technology expertise in planning, fieldwork, testing, and reporting under the direction of the Program Manager.



Independence and Objectivity

Internal Audit staff are required to maintain independence from the activities they audit and to disclose any actual or perceived conflicts of interest. The Director, IAER, confirms this independence to the FGAC at least annually and immediately upon any change in circumstance.

Our Strategy

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

- Learn and understand our business partners' environment and their challenges.
- Provide insight that helps JEA successfully meet its goals and objectives.
- Be aware of potential threats and communicate these promptly to JEA Management.

JEA operates critical infrastructure that the communities we serve depend on every day — from generation, transmission, and distribution of electricity to the treatment and delivery of safe drinking water and the collection and treatment of wastewater. The Internal Audit Strategic Plan is shaped by this mission with the purpose of elevating the function's impact, agility, and value across JEA.

Strategic Plan

The Internal Audit strategic plan guides the sustained development of Internal Audit. Key strategic initiatives include:

- Expand data analytics and continuous auditing efforts.
- Deepen integration between the Internal Audit Plan, Enterprise Risk and Strategy to enable dynamic, risk and strategy responsive planning.
- Engage a third-party for evaluating Internal Audit's conformance with the IIA Standards.
- Continuously support the professional development and operational needs of the Internal Audit team.

Progress against the Strategic Plan is tracked through individual goals, and as part of Key Performance Indicators, such as plan completion rate, action plan remediation, and satisfaction survey results, reported to the FGAC.

Internal Audit Plan

The following engagements comprise the FY27 risk-based Internal Audit Plan, organized by function. Estimated hours and scheduling for each engagement are detailed in Appendix B and Appendix C, respectively.

Electric Operations

Engagement Name	Description
Overtime	Assess the appropriateness, authorization, and cost controls for overtime usage.
Green-e Agreed-Upon Procedures	Perform agreed-upon procedures to verify compliance with Green-e Energy's renewable energy certificate (REC) accounting and program requirements.

Water/Wastewater Operations

Engagement Name	Description
Design Standards & Review	Evaluate adherence to established design standards and the effectiveness of the review process for capital projects.
CMAR Review (Follow-Up)	Evaluation of billing accuracy, pricing, and reconciliation controls between contracted terms and invoiced amounts.

Technology Services

Engagement Name	Description of Activity
IT/OT Governance & Controls	Review the information technology governance practices across Information Technology and Operational Technology environments.
Non-AD Access Management	Examine provisioning, deprovisioning, and monitoring controls over user access to systems not integrated with Active Directory.
Software Licensing	Assess compliance with software licensing agreements and the effectiveness of controls over license procurement, usage and renewal.
Cloud Infrastructure Security	Evaluation of security configurations, monitoring, and shared-responsibility controls across cloud service environments.

Finance

Engagement Name	Description of Activity
Sales Tax Exemption (Follow-Up)	Verify the implementation status and effectiveness of corrective actions from the prior sales tax exemption audit.
Accounts Payable & Disbursements	Evaluate the controls over invoice processing, payment authorization, and disbursement accuracy within Accounts Payable.
External Audit Support	Coordinate with and assist EY staff by providing requested documentation, walkthroughs, and testing support throughout the annual audit.

Customer Experience

Engagement Name	Description of Activity
Business Revenue Fraud	Assess the design and effectiveness of controls to prevent, detect, and respond to fraud risk within business revenue processes.
Commercial Accounts	Evaluate the controls over billing accuracy, account setup, and rate application for commercial customer accounts.

Administrative

Engagement Name	Description of Activity
TEA Member Review	Support for the annual member review.
Maritime Transportation Security Act – Facility Plan Review	Assess compliance with Maritime Transportation Security Act requirements and the adequacy of JEA's facility security plan.

Resources, Competencies, and Compliance

Staffing and Resource Model

The Plan is resourced entirely through full-time Internal Audit staff. Total available audit hours, by role, are detailed in Appendix B alongside the estimated hours budgeted for each engagement.

Resources include the Director, IAER, two (2) Program Managers of Internal Audit, one (1) Senior Internal Auditor – Information Technology, and three (3) Senior Internal Auditors. Two (2) open positions will be filled during the next fiscal year.

Staff certifications include:

Team Member / Title	Certifications
Eliseo (Lee) Montanez, Director IAER	Certified Internal Auditor, Certified Information Systems Auditor, Certification in Risk Management Assurance
Rashid Brittain, Program Manager	Certified Public Accountant, Certified Information Systems Auditor
Julie Moore, Program Manager	Certified Internal Auditor, Certified Fraud Examiner, Certified Government Auditing Professional
David Arnold, Senior Internal Auditor	
Melanie Bowers, Senior Internal Auditor	Certified Public Accountant, Certified Internal Auditor
Troy England, Senior Internal Auditor	Certified Internal Controls Auditor
Lavardo Ferguson, Senior Internal Auditor	Certified Information Systems Auditor

Core Competencies

The table below summarizes each team member's proficiency level across the seven internal audit knowledge categories used to organize the Plan. Proficiency levels are self-assessed and validated annually by department leadership as part of the training and development planning process and are used to guide engagement staffing and identify cross-training needs.

Team Member	Electric	W/WW	Finance	Customer	HR	Information Systems	Shared Services
Eliseo (Lee) Montanez	P	P	K	P	K	P	P
Rashid Brittain	K	K	P	K	K	P	P
Julie Moore	K	K	K	K	K	A	K
David Arnold	A	K	K	K	K	A	K
Melanie Bowers	K	K	P	A	K	A	K
Troy England	A	P	K	P	K	A	K
Lavardo Ferguson	A	A	K	A	A	K	A

Legend: P = Proficient **K** = Knowledgeable **A** = General Awareness

Training and Certification

Staff are expected to maintain relevant professional certifications (e.g., CIA, CISA, CPA, CFE, CRMA) and to complete a minimum of 40 hours of continuing professional education annually, consistent with IIA Standards requirements.

Quality Assurance and Improvement Program (QAIP)

Internal Audit maintains a Quality Assurance and Improvement Program covering both internal assessments (ongoing supervision and periodic self-assessments) and external assessments (independent review at least once every five years), in conformance with the following IIA Global Internal Standards:

- Standard 8.4 External Quality Assessment
- Standard 12.1 Internal Quality Assessment

Appendix A: Process Universe

The Process Universe represents the complete inventory of business units and auditable processes across JEA, from which the annual risk assessment and audit plan are derived. It is maintained and updated by IAER on an annual basis as JEA business units evolve. The list below identifies the business units that comprise each of the seven audit categories.

Administration & Legal		
• Board Services • Emergency Preparedness • Enterprise Analytics • Identity & Access Management	• Information Governance • Legal Services • Real Estate Services • Records Retention	• Safety & Health Services • Physical Security

Assurance & Compliance		
• CIP Compliance • Electric Compliance	• Enterprise Risk Management • Internal Audit	

Customer Experience		
• Billing Support Services • Business Client Relationships • Business Development & Community Project Management • Business Support Center • Community Engagement • Community Involvement and Project Outreach • Corporate Research	• Customer & Community Engagement • Customer Contacts • Customer Experience Research & Insights • Customer Experience Strategy Support & Implementation • Customer Relationships • Customer Revenue • Customer Solutions	• Digital Communications • Distributed Resources • Public Information Officer • Receivables & Collection Services • Revenue Assurance & Water Pre-Service Operations • Utility Analytics • Public Information Officer

Electric Systems		
• Customer Field & Meter Services • Distributed Resources • Distribution Construction and Maintenance • Electric Asset Management • Electric Engineering & Projects • Electric Generation • Electric Meter Services • Electric System Planning	• Energy Construction & Maintenance • Energy Contract Management • Substation Transmission & Maintenance • Energy Systems Operations • Engineering Standards • Fuels Management • Grid Modernization & Utility Program	• Natural Gas & Commercial Services • Substation Transmission & Substation Maintenance • T and D Preventative Maintenance • Telecom Sales & Services • Vegetative Management & Forestry

Environmental		
• Air & Lab Services • Environmental Air Compliance • Environmental Operations • Environmental Policy & Regulation	• Pollution Prevention Programs • Regulatory and Permitting Programs • Response & Environmental Programs	• Quality Assurance & Environmental Compliance Systems

Finance		
• Accounting Services • Accounts Payable • Billing & Financial Analysis • Budget Operations	• Cash & Investments • Controller • Enterprise Planning & Analytics • Financial Planning & Rates	• Grants • Project Accounting • Risk Management • Treasury Services

Government Relations		
• Economic Development	• Government Relations	

Human Resources		
• Benefit Services • Diversity Equity & Inclusion • Employee Services • Ethics	• HR Operations & Services • Labor Relations • Organizational Effectiveness • Payroll Services	• PMO and HR Operations • Professional Learning & Development • Talent Acquisition Services • Technical Utility Training Services

Operational Support		
• Business Operations • Facility Capital Projects	• Facilities Construction & Planning • Facilities Operations	• Facilities Support • Fleet Services • Utility Locate

Strategy		
• Enterprise Strategy		

Supply Chain		
• Investment Recovery & Warehouse Operations • Procurement – Contract Administration	• Procurement – Contract Services & Awards • Procurement – Inventory Management	• Procurement - Sourcing • Supplier Diversity Programs and Procurement Services

Technology		
• Application Delivery • CRM Systems • Eng/Ops Systems • Enterprise Data & Integration • ERP Systems	• Information Security • IT Business Office • IT Infrastructure Operations & Support • IT Compliance	• Service Desk Operations • Solutions Dev & EA • Technology Infrastructure • Technology Services PMO

Water Wastewater Systems		
• Business Operations • Conservation & Efficiency Field Services • District Energy Services • GIS Systems • H2.0 Purification • Meter Data & Collection • O&M Construction & Maintenance • Reuse Treatment • Sewer Operation & Maintenance • Utility Locates	• W/WW Business Management • W/WW Planning & Development • W/WW Project Engineering & Construction • W/WW Reuse Delivery and Collection • W/WW Reuse Delivery & Collection Engineering • W/WW System Assets, Performance & Innovation • W/WW System Control and CST • W/WW System Operations & Customer Response	• Wastewater Treatment & Reuse • Water & Reuse Operation & Maintenance • Water & Sewer Preventative Maintenance • Water Meter Services • Water Operation & Treatment Support Services • Water Purification Operations • Water Treatment

Appendix B: Estimated Budget Hours

The table below summarizes the number of direct hours available by audit staff for completing the Plan. The FY27 holiday schedule, average staff leave time, and estimated administrative time were used to calculate the available hours for the Plan.

Available Hours (per year)

Annual Totals	
Total Hours (***52 weeks x 40 hours per week for four (4) Full Time Employees***)**:**	**8,320**
Annual Leave *(based on years of service)*	**(712)**
JEA Holidays	**(416)**
Total Leave/Holiday Adjusted Hours:	**7,192**
CPE Hours	**(180)**
JEA Training & Professional Development	**(96)**
JEA Volunteerism	**(32)**
Audit Software & AI Tools Training & Support	**(96)**
Performance Management	**(32)**
Monthly Safety and Operational Meetings	**(96)**
Board and Committee Meetings	**(80)**
Administration and Audit Support	**(520)**
Staff Weekly Meetings	**(208)**
Total Direct Hours:	**5,852**

Appendix C: Plan Calendar per Employee

The Plan Calendar allocates engagements and estimated hours across the fiscal year for each IAER team member, ensuring balanced workload distribution and enabling capacity planning throughout FY27.

Audit Plan Allocation Summary

Project Title	Project Type	Area	Quarter	Estimated Hours
Prior-Year Close-Out	-	-	Q1	272
Business Revenue Fraud	Assurance	Customer	Q1	400
External Audit Support	Assurance	Finance	Q1/Q4	550
TEA Member Review	Assurance	Administration	Q1	225
IT/OT Governance & Controls	Assurance	Technology	Q1	450
CMAR Follow-Up	Assurance	W/WW	Q1-Q2	400
Overtime (Electric)	Assurance	Electric	Q1-Q2	400
Sales Tax Exemption Follow-Up	Assurance	Finance	Q2	400
Maritime Transportation Security Act – Facility Plan Review	Advisory	Administration	Q2	45
Non-AD Access Management	Assurance	Technology	Q2	400
Accounts Payable & Disbursements	Assurance	Finance	Q2-Q3	400
Green-e Agreed-Upon Procedures	Assurance	Electric/ Finance	Q3	100
Design Standards & Review	Assurance	W/WW	Q3-Q4	425
Cloud Infrastructure Security	Assurance	Technology	Q4	425
Software Licensing	Assurance	Technology	Q4	252**
Commercial Customers	Assurance	Customer	Q4	388
Management Action Plan Follow-Up	Admin	Continuous	Continuous	320
			Total Hours:	**5,852**

*** The audit is planned to conclude during FY28 Q1*

Contingency/Reserve Audits

The audits listed below are not part of the approved audit plan and do not represent committed audit engagements. These have been identified as potential audits based on their risk assessment or prior rating and can be initiated if an approved audit is deferred, canceled or completed with fewer resources than anticipated.

Project Title	Area
Patch Management Follow-Up	Technology
Risk Management Follow-Up	Finance
Telecom Services Follow-Up	Electric
Vegetation Management	Electric
Database Management	Technology
Network Architecture	Technology
Environmental Compliance	Compliance
Inventory Management	Finance

Appendix D: IIA Global Internal Audit Standards

About the International Professional Practices Framework

A framework provides a structural blueprint and coherent system that facilitates the consistent development, interpretation, and application of a body of knowledge useful to a discipline or profession. The International Professional Practices Framework (IPPF)® organizes the authoritative body of knowledge, promulgated by The Institute of Internal Auditors, for the professional practice of internal auditing. The IPPF includes Global Internal Audit Standards, Topical Requirements, and Global Guidance.

The IPPF addresses current internal audit practices while enabling practitioners and stakeholders globally to be flexible and responsive to the ongoing needs for high-quality internal auditing in diverse environments and organizations of different purposes, sizes, and structures.

Mandatory

Global Internal Audit Standards guide the worldwide professional practice of internal auditing and serve as a basis for evaluating and elevating the quality of the internal audit function. At the heart of the Standards are 15 guiding principles that enable effective internal auditing. Each principle is supported by standards that contain requirements, considerations for implementation, and examples of evidence of conformance. Together, these elements help internal auditors achieve the principles and fulfill the Purpose of Internal Auditing.

Topical Requirements are designed to enhance the consistency and quality of internal audit services related to specific audit subjects and to support internal auditors performing engagements in those risk areas. Internal auditors must conform with the relevant requirements when the scope of an engagement includes one of the identified topics.

Topical Requirements strengthen the ongoing relevance of internal auditing in addressing the evolving risk landscape across industries and sectors.

Supplemental

Global Guidance supports the Standards by providing nonmandatory information, advice, and best practices for performing internal audit services. It is endorsed by The IIA through formal review and approval processes.

Global Practice Guides provide detailed approaches, step-by-step processes, and examples on subjects including:

- Assurance and advisory services.
- Engagement planning, performance, and communication.
- Financial services.
- Fraud and other pervasive risks.
- Strategy and management of the internal audit function.
- Public sector.
- Sustainability.

Global Technology Audit Guides (GTAG®) provide auditors with the knowledge to perform assurance or consulting services related to an organization's information technology and information security risks and controls.

JEA Board Agenda

MEMORANDUM

JEA Building Community®

Ethics Update

Board Meeting Date: October 27, 2026

Outcome: [X] INFORMATION ONLY [ ] ACTION [ ] FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

N/A

Consent Agenda Item: [ ] Yes [X] No

Presenter: Walette Stanford, Director, Ethics

Chief: Jordan Pope, Interim Chief Administrative Officer

Strategic Focus Area: [ ] DEVELOPING AN UNBEATABLE TEAM [X] DELIVERING BUSINESS EXCELLENCE [ ] EARNING CUSTOMER LOYALTY

Background Information & Analysis:

The Ethics Office will provide an update on FY2026 year-to-date Ethics Program activity and key accomplishments. The update will highlight continued employee engagement, increased awareness of conflicts of interest and secondary employment requirements, a decline in gift-related issues, and the successful pilot of Compliance & Ethics Week.

FY2026 year-to-date activity includes 74 ethics inquiries and 15 hotline cases, with inquiries primarily involving conflicts of interest, secondary employment, and gifts. The Ethics Office continues to emphasize proactive consultation and education to address potential issues before they occur, while using program data to strengthen governance, compliance monitoring, and training efforts.

Per Ordinance 2011-197-E, JEA is required to appoint an Ethics Officer to represent the agency on ethics matters and to participate in a citywide Ethics Coordination Council. The Ethics Officer serves as the organization's internal point of contact for ethics matters, including any improprieties, allegations, complaints, and conflicts of interest.

Financial Impact: N/A

Committee/Board Meeting/Workshop & Date Presented:

Finance, Governance, and Audit Committee – August 19, 2025

Appendix:

N/A

JEA Board Agenda

MEMORANDUM

Building Community®

Residential Bill Metrics

Board Meeting Date: October 27, 2026

Outcome: [X] INFORMATION ONLY [ ] ACTION [ ] FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

N/A

Consent Agenda Item: [ ] Yes [X] No

Presenter: Ted Phillips, Chief Financial Officer

Chief: Jody Brooks, Interim Managing Director/CEO

Strategic Focus Area: [ ] DEVELOPING AN UNBEATABLE TEAM [X] DELIVERING BUSINESS EXCELLENCE [ ] EARNING CUSTOMER LOYALTY

Background Information & Analysis:

In response to questions raised during the September 25, 2026, Board Meeting, staff have prepared information regarding residential electric and water bills, factors that may affect monthly billing amounts, rate increases, and available customer assistance resources.

Financial Impact: N/A

Committee/Board Meeting/Workshop & Date Presented:

N/A

Appendix:

N/A

Energy Market Risk Management Policy Quarterly Report 9/22/2026

Energy Market Risk Management: Physical and Financial Positions

Summary as of 9/1/2026	
FY26 Fuel Expense (Budget $551M)	578M
EMRM Compliance	Yes
Counterparty Credit Limit Exceptions	No
Any Issues of Concern	No

Table 1: Physical Counterparties (Contracts One Year or Greater) as of 9/1/2026

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	$363,571,767	4.75 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	$133,785,290	22.58 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	$60,117,340	12.58 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	$148,427,374	27.16 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	$145,024,307	28.16 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	$214,257,400	26.16 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	$286,966,490	26.66 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	$355,119,276	26.75 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	$385,836,314	27.58 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	$195,529,100	28.16 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	$195,014,900	28.16 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	$268,159,300	29.75 years

Table 2: Financial Positions as of 9/1/2026

Year	Commodity	Physical Volume	Hedged Volume	Percent Hedged	Unhedged Cost	Hedge Type	Hedge Price	Mark-to-Market Credit/(Cost)	Counterparty
FY27	Natural Gas	52,999,705	41,873,876	79.0%	$3.17	Swap	$3.89	$ (30,750,341)	Wells Fargo & RBC
FY28	Natural Gas	51,815,827	32,751,000	63.2%	$3.63	Swap	$3.76	$ (5,161,852)	Wells Fargo & RBC
FY29	Natural Gas	51,416,190	21,518,000	41.9%	$3.69	Swap	$3.64	$ 128,115	Wells Fargo & RBC
FY30	Natural Gas	56,712,019	9,614,000	17.0%	$3.65	Swap	$3.59	$ (121,635)	Wells Fargo
FY31	Natural Gas	62,118,405	1,208,000	1.9%	$3.57	Swap	$3.64	$ 493,348	Wells Fargo
CYR25-31	Nat.Gas-PPA	64,390,000	45,073,000	70.0%	$3.56	Swap	$2.61	$ 41,372,032	Nextera

Table 3: Fuel & Purchase Power Procurement as of 9/1/2026

Fuel Type	Natural Gas	Coal	Petcoke	Limestone	FPL PPA	PurchPwr	Oil/Diesel	Renewables	Vogtle
FY26 Projection / Energy Mix	49%	2%	11%	N/A	17%	6%	0%	4%	11%
Expected Spend ($)	21.6M	0.9M	5.9M	0.5M	6.3M	4.6M	1.3M	2.3M	1.5M
% Procured	93%	100%	100%	100%	100%	0%	100%	100%	100%
% Hedged	71%	100%	0%	100%	47%	0%	100%	100%	100%
FY27 Projection / Energy Mix	47%	2%	9%	N/A	20%	4%	0%	6%	13%
Expected Spend ($)	200.1M	8.7M	52M	4.1M	81.1M	30M	4.9M	36M	16.7M
% Procured	102%	43%	31%	20%	100%	0%	100%	100%	100%
% Hedged	81%	43%	0%	20%	41%	0%	100%	98%	100%
FY28 Projection / Energy Mix	47%	2%	9%	N/A	21%	4%	0%	6%	11%
Expected Spend ($)	189M	9.5M	46.1M	4.4M	95.4M	33.8M	4M	36.9M	17M
% Procured	100%	0%	0%	0%	100%	0%	100%	100%	100%
% Hedged	76%	0%	0%	0%	34%	0%	100%	98%	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 9/22/2026

