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## MEMORANDUM



**TO:** Honorable Council Members

**RE:** JEA Fact-Finding Workshop – Session 1

**DATE:** October 31, 2019

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**Topic:** The Role of the Independent Authorities vis-a-vis City Council

**Presenters:** The Honorable Charles Arnold and Jason Gabriel, Office of the General Counsel

### Independent Authorities

As one enters into any review process it's always best to start at the most basic level in this case it is in understanding just what the role and authority of the City's Independent Authorities possess as well the nuanced difference between each vis-à-vis their relationship with City Council. As it relates specifically to JEA both CM's DeFoor and Priestly Jackson asked the following question at a noticed meeting held on October 17<sup>th</sup>, "Under what authority are the management and board of JEA justified in exploring and ultimately proposing a fundamental change to the organization's structure and operation?" I fully expect we be getting some clarity as to question as part of this first session.

Contained herein for your convenience is a copy of Article 21 of the Jacksonville Ordinance Code under which auspices the JEA operates. Also included is Article 3 BULK BILL FOR JACKSONVILLE ELECTRIC AUTHORITY which too is found in the Jacksonville Ordinance Code but is drawn from Florida Statutes, Chapter 80-513. It is included but it also addresses JEA's ability to enter into agreements with third party electric utilities.

Also included is a "thumb nail" analysis of all the Independent Authorities which I asked Jeff Clements to provide as a point of reference.

### Specialized Legal Council

Back in September we began to discuss the prospect of specialized legal counsel from which led to the crafting of a Scope of Services document. Also contained herein is the memorandum dated September 23<sup>rd</sup> from the OGC outlining the parameters of that selection process and the final version of the scope of services. In many respects the larger consideration (for me at least) was access to subject matter experts given the magnitude and complexity of what we are undertaking.

A handwritten signature in black ink, appearing to be "Michael T. Boylan".

# Jacksonville Ordinance Code

## ARTICLE 21. - JEA

- **Section 21.01. - JEA created and continued.**

There is hereby created and established a body politic and corporate to be known as JEA, which is authorized to own, manage and operate a utilities system 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 systems as may be under its control now or in the future. Such utilities may be owned, operated or managed by JEA 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 21 to repose in JEA all powers with respect to electric, water, sewer, natural gas and such other utilities 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).

(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)

- **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 systems 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 a member of JEA.
- (c) The term "managing director" means the managing director of JEA.
- (d) The term "utility system" shall mean any of the separate utility systems operated by JEA such as its electric utility system, its water utility system, its wastewater utility system or its natural gas utility system.

(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.

(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)

• **Section 21.03. - Composition; compensation; officers; meetings.**

(a) The governing body of JEA shall consist of 7 members, appointed by the mayor, subject to confirmation by the council, for a term of 4 years or until such member's successor has been appointed and has qualified. Each member of JEA shall have been a resident and elector of the city for at least 6 consecutive months prior to such member's appointment. No member of JEA shall hold any other public office or position. If at any time during a member's tenure on JEA, such member shall cease to possess the qualifications required for membership on JEA, such member shall cease to be a member and a vacancy shall exist on JEA. Any vacancy on 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 retain all the qualifications prescribed for membership on JEA. Any member appointed to JEA for 2 consecutive full terms shall not be eligible for the succeeding term. The members 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.

(b) The members of JEA shall not be entitled to compensation, pension, or other retirement benefits on account of service on JEA, but members and employees shall be entitled to payment of reasonable expenses as provided by the council. Members of JEA shall be subject to the provisions of s. 286.012, Florida Statutes, relating to voting at meetings of JEA, and to the provisions of ss. 112.311 through 112.3175, inclusive, Florida Statutes, as from time to time amended, relating to financial disclosure and conflicts of interest.

(c) JEA shall elect a chairperson, vice-chairperson and secretary and may elect one or more assistant secretaries, 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 it but shall hold regular meetings as necessary, and generally once a month. Special meetings may be held upon the call of the chairperson or any 3 members of JEA. A majority of the membership shall constitute a quorum for the purpose of meeting and transacting business. Each member of JEA shall have one vote. JEA may adopt bylaws and make rules and regulations not inconsistent with this article or general law.

(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; Ord. 2016-764-E, § 2)

• **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 system.

(b) To acquire for the use of the utilities system 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.
- (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 system, 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 system 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, or individual, it shall cause said lease or leases to be recorded with the clerk of the circuit court as a matter of public record. JEA shall not sell real property for less than the appraised value as recorded by the property appraiser for Duval County, unless approved by the council. If there is no recorded appraised value, then JEA shall request the property appraiser for Duval County to provide an appraisal prior to the sale of the real property.

- (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.
- (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 section 119.083, Florida Statutes, shall be established pursuant to section 119.083, Florida Statutes.

(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 s. 215.84, Florida Statutes, 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 s. 215.84, Florida Statutes, 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 chapter 361, Florida Statutes, for the purpose of implementing a project, as such term is defined in Part II of Chapter 361, Florida Statutes. A copy of all such joint project agreements shall be filed with the council 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 any function or operation that comprises more than ten percent of the total of the utilities system by sale, lease or otherwise to any other utility, public or private, or (ii) any joint project agreement that involves the issuance of debt not previously authorized by s. 21.04(i)(2), 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 transfer, sell, finance, lease or otherwise provide services or products, or by-products, developed or used by JEA incident to the exercise of the powers conferred by this article, including but not limited to, energy performance contracting, water, sewer and natural gas (and any other utility service hereafter provided by JEA) contracting, power marketing services, the testing and maintenance of customer-owned facilities such as transformers, capacitors, lighting, HVAC systems, water cooling and heating systems, energy management systems, etc.; the temporary leasing of JEA facilities such as oil storage tanks; the supply of steam or other thermal energy; the provision of specially conditioned power on the premises of customers and the provision of 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 to transfer, sell, finance, lease or otherwise provide services, products or by-products developed or used by JEA incident to the exercise of the powers conferred by this article, in the delivery of water, wastewater and natural gas services, including but not limited to the financing, testing, maintenance and operation of customer owned facilities used in water, wastewater and natural gas functions; provided, however, that JEA will not enter into any activity pursuant to this section in addition to those activities listed herein without first providing written notice of such activities to the council auditor no less than 30 days before the commencement of such activity. Nothing in this article shall authorize or be construed to authorize JEA to transfer any function or operation which comprises more than ten percent of the total of the utilities system by sale, lease or otherwise to any other utility, public or private without approval of the council; provided, however, that no approval by the council shall become effective without subsequent referendum approval of the terms and conditions of the sale. So long as there are outstanding any of the city's "Capital Project Revenue Bonds" as originally authorized pursuant to Ordinance 97-1054-E, the council may approve only such transfer which does not materially adversely affect future receipts of JEA contributions as defined therein.

(q)

(1) 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.

(2) Upon the unanimous approval of the Board, and a two-thirds vote of the City Council, 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 Board, 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. The results of such giving program(s) shall be reported annually each July 1st to the Council. 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.

(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) 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. The JEA resolution to be provided to council for adoption and approval shall address relative real property tax treatment of JEA providing, operating or maintaining the additional utility system. 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 chapters 170 and 180, Florida Statutes, including the issuance of bonds or notes in anticipation thereof payable from special assessments under said chapter 170, Florida Statutes.

(x) To coordinate carefully with the Department of Public Works of the City of Jacksonville and the Jacksonville Transportation Authority 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 and one-half (1.5) 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 objects of this article and to promote the objectives of JEA 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 expenditures for any and all of the purposes herein enumerated, including but not limited to, meals, hospitality and entertainment of persons 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 each year to the council auditors.

(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 chapter 163, Florida Statutes, 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 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.

(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)

- **Section 21.05. - Construction.**

The powers of JEA shall be construed liberally in favor of JEA. No listing of powers included in this article is intended to be exclusive or restrictive and the specific mention of, or failure to mention, particular powers in this article shall not be construed as limiting in any way the general powers of JEA as stated in Section 21.04. It is the intent of this article to grant to JEA full power and right to exercise all authority necessary for the effective operation and conduct of JEA. It is further intended that JEA should have all implied powers necessary or incidental to carrying out the expressed powers and the expressed purposes for which JEA is created. 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)

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

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

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

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

- **Section 21.07. - Fiscal and budgetary functions.**

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

- (a) The fiscal year of JEA shall commence on October 1 of each year and end on the following September 30.
- (b) JEA shall prepare and submit its budget for the ensuing year to the city on or before July 1 of each year, setting forth its estimated gross revenues and other available funds, and estimated requirements for operations and maintenance expenses, capital outlay, debt service, and depreciation and reserve account. The council and the mayor shall approve or disapprove such budget in the manner provided in article 14 for budgets of independent agencies.
- (c) As consideration for the unique relationship between the City of Jacksonville and JEA, as a tax-exempt entity within the consolidated government, and in recognition of the shared attributes with the consolidated City of Jacksonville in connection with its electric, water, and sewer distribution systems, there shall be assessed upon JEA in each fiscal year, for the uses and purposes of the city, from the revenues of the electric system and the water and sewer system operated by JEA available after the payment of all costs and expenses incurred by JEA in connection with the operation of such electric system and water and sewer system (including, without limitation, all costs of operation and maintenance, debt service on all obligations issued by JEA in connection with such electric system and water and sewer system and required reserves therefore and the annual deposit to the depreciation and reserve account required pursuant to section 21.07(g)), an amount as provided herein. Effective October 1, 2016, consistent with the provisions of this section 21.07(c), JEA shall pay the city combined assessment for the electric system and the water and sewer system. The combined assessment for the electric system and the water and sewer system shall equal, but not exceed the greater of (A) the sum of (i) the amount calculated by multiplying 7.468 mills by the gross kilowatt-hours delivered by JEA to retail users of electricity in JEA's service area and to wholesale customers under firm contracts having an original term of more than one year (other than sales of energy to Florida Power and Light Company from JEA's St. Johns River Power Park System, exception ending December 31, 2017) during the twelve-month period ending on April 30 of the fiscal year immediately preceding the fiscal year for which such assessment is applicable plus (ii) the amount calculated by multiplying 389.20 mills by the number of K-Gals (1=1000 gallons) potable water and sewer service, excluding reclaimed water service, provided to consumers during the twelve-month period ending on April 30 of the fiscal year immediately preceding the fiscal year for which such assessment is applicable, or (B) a minimum calculated amount which increases by 1% per year from fiscal year 2016-2017 through fiscal year 2022-2023 using the fiscal year 2015-16 combined assessment of \$114,187,538 as the base year. The amounts applicable to clause (B) above are: for fiscal year 2016-2017 - \$115,329,413; for fiscal year 2017-2018 - \$116,482,708; for fiscal year 2018-2019 - \$117,647,535; for fiscal year 2019-2020 - \$118,824,010; for fiscal year 2020-2021 - \$120,012,250; for fiscal year 2021-2022 - \$121,212,373; and for fiscal year 2022-2023 - \$122,424,496.
- (d) The assessment calculations for the electric system and the water and sewer system shall be in effect until September 30, 2023. The council may reconsider the assessment calculations after October 1, 2022 and changes, if any, shall become effective October 1, 2023. The council may change the assessment calculations by ordinance within the provisions of this section 21.07. Should the council not reconsider the assessment calculations, the assessments shall be calculated using the existing formulas specified in Section 21.07(c), including a minimum calculated amount in clause (B) therein, which increases by one percent per year for each fiscal year computed as provided in Section 21.07(c). In addition to the annual assessment as calculated in Section 21.07(c), JEA pursuant to the terms of an Interagency Agreement (as amended) with the City, agreed

to provide total nitrogen water quality credit to the City to assist the City in meeting its Basin Management Action Plan load reduction goal (BMAP Credit). If JEA cannot provide the BMAP Credit pursuant to the terms of the Interagency Agreement dated March 22, 2016 (as amended), council and JEA shall work cooperatively to address the BMAP Credit shortfall or council may reconsider the assessment calculations.

(e) The council shall have the power to appropriate annually a portion of the available revenues of each utility system (other than the electric, water and sewer systems) operated by JEA for the uses and purposes of the city. This appropriation shall be based on a formula to be agreed upon by JEA and the council. Any covenants or pledges to lenders associated with such proposed additional utility system which impair council's ability to appropriate revenues from that additional utility system, other than a pledge of gross revenues to bondholders, shall be included in the JEA resolution required in s. 21.04(v) or any future resolution allowing for financing of activities associated with that additional utility system.

(f) JEA shall pay over to the city (i) the amounts assessed upon JEA pursuant to section 21.07(c) and (ii) such portions of the funds actually appropriated by the council pursuant to section 21.07(e) at such time as the council may request, but not in advance of collection. Although the calculation for (i) the amounts assessed upon JEA pursuant to section 21.07(c) and (ii) the annual transfer of available revenue from JEA to the city pursuant to section 21.07(e) is based upon formulas that are applied specifically to the respective utility systems operated by JEA, JEA, in its sole discretion, may utilize any of its revenues regardless of source to satisfy its total annual obligation to the city mandated by said sections 21.07(c) and (e).

(g) JEA shall be required to set aside each year in a depreciation and reserve account established for each utility system it operates, an amount equal to not less than 10 percent of its annual net revenues for the previous year attributable to each such system. For such purpose, "annual net revenue" shall mean annual gross revenues derived by JEA from the operation of such system reduced by expenses for operation and maintenance allocable to such system and debt service allocable to such system. Funds set aside in each such depreciation and reserve account shall be used exclusively for enlargements, extensions, improvements and replacements of capital assets of the utility system for which such account was established or to pay or provide for the payment of JEA's bonds, notes or revenue certificates relating specifically to such system; provided, however, that if JEA by resolution determines that it is in the best interests of JEA to use all or any portion of the funds set aside in the depreciation and reserve account established with respect to a particular utility system for the purposes of another utility system, then such funds may be so applied.

(h) JEA shall not be required to utilize the personnel, motorpool, 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 chief legal officer of the city. Such chief legal officer 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) JEA shall employ and fix the compensation of the managing director, who shall manage the affairs of the utilities system under the supervision 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 or business. The managing director shall be a graduate of an accredited college or university, or have at least ten years' managerial experience in a consumer-oriented industry or comparable enterprise. JEA may appoint and fix the compensation of 48 staff assistants to the managing director, to serve at the pleasure 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 system. 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. JEA 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 s. 21.07(i), "compensation" shall mean both salary and benefits, exclusive of city pension benefits. All personnel appointed by JEA pursuant to this s. 21.07(i) shall participate in the City of Jacksonville pension plan in the same manner as other employees of JEA who participate in such plan. However JEA shall have the option to establish an employee deferred compensation program separate from the city's employee deferred compensation program.

(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.

(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)

- **Section 21.08. - Employees.**

All employees of the utilities system shall be employees of JEA and shall be subject to articles 16 and 17 unless otherwise provided by the council, which shall be and continue to be the legislative body as provided in section 447.203(10), Florida Statutes. 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, 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 system. 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 21.08 shall be construed to supersede or repeal any provision of section 12 of Chapter 80-513, Laws of Florida, as amended.

(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; Ord. 2015-764-E, § 3)

**Editor's note**— Ordinance 2007-839-E, § 18, authorized updated department/division names pursuant to reorganization.

- **Section 21.09. - Awards of contracts.**

(a) JEA shall not be subject to the provisions of Chapter 126, Ordinance Code of the City of Jacksonville, as the same may be amended from time to time, however, JEA in entering into any contracts relating to the construction, reconstruction, repair, operation or maintenance of the utilities system or the purchase of supplies, equipment, machinery and materials for the utilities system or the contracting or otherwise purchasing for any advisory, professional or any other services may establish such rules, regulations or procedures as it may deem desirable or necessary in connection therewith. In the absence of such specific authority, rules, regulations or procedures, JEA shall follow the provisions of Chapter 126 of the Ordinance Code of the City of Jacksonville, as the same may be amended from time to time. JEA shall have the right to reject any and all bids, in whole or in part, in the best interests of JEA. Nothing in this chapter shall be construed to limit the power of JEA to construct, repair, or improve the utilities system, or any part thereof, or any addition, betterment or extension thereto, directly by the officers, agents, and employees of JEA, or otherwise by contract. JEA is authorized to implement and to take all actions necessary to administer a purchasing and procurement program directed to Minority Business Enterprises including, but not limited to, prime contractors, subcontractors, consultants, subconsultants, and suppliers. Any such Minority Business Enterprise program shall be implemented by JEA to remedy discrimination or the present effects of past discrimination, if any, suffered by Minority Business Enterprises in the business community in the area served by JEA. For purposes of this chapter, the term "Minority Business Enterprise" shall be defined by JEA and shall include, at a minimum, those business entities that are legitimately owned, operated and controlled by persons who have been shown to have been discriminated against or who suffer from the present effects of past discriminations, if any, in the business community in the area served by JEA. Such program shall be used to redress and remedy discrimination or the present effects of past discrimination, if any, as may be determined by JEA, and which are shown to have been suffered by Minority Business Enterprises, in the business community in the area served by JEA.

(b) No member of JEA or officer or employee thereof 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.

(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; 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



### **ARTICLE 3. - BULK POWER BILL FOR JACKSONVILLE ELECTRIC AUTHORITY**

*Editor's note— This article is currently derived from Laws of Florida, Ch. 78-539, as readopted by Ch. 80-513, and is set out as enacted with the exception of the catchlines, which were added by the editors. Former Art. 7, §§ 1—12, pertained to the creation, organization, powers, etc., of the Jacksonville Electric Authority, and was derived from Ch. 67-1569, Laws of Florida, which act was repealed by § 2 of Ch. 78-538, Laws of Florida and by § 2 of Ch. 80-515. See Art. 30 of the Charter for provisions relative to the Jacksonville Electric Authority as added by § 1 of Ch. 78-538, Laws of Florida and readopted by Ch. 80-515.*

- **Section 1. - [Authority authorized to own and operate separate bulk power supply utility.]**

The JEA, City of Jacksonville, Duval County, Florida is hereby authorized to acquire, build, construct, erect, extend, enlarge, lease, improve, furnish, equip, own and operate as a separate bulk power supply utility or system, electric generating plants and transmission lines and interconnections and substations for the generation, transmission and exchanging of electric power and energy both within and without the boundaries of the consolidated City of Jacksonville and within and without the state (hereinafter called "system" or "project") for the purposes of providing wholesale or retail energy or power to customers within Duval County or counties adjacent thereto. Nothing herein shall prohibit the JEA from selling power and energy from a project to a joint participant in such project or to any electric utility located within or without the state pursuant to a coordination or interchange agreement with such utility or providing transmission service to, or entering into coordination or interchange agreements with, any electric utility located within or without the state. JEA may establish one or more such separate systems or projects.

(Laws of Fla., Ch. 80-513, § 1; Laws of Fla., Ch. 82-312, § 1; Laws of Fla., Ch. 99-459, § 1)

- **Section 2. - [Power to enter into agreements and contracts.]**

JEA:

(a) May join with any other electric utility located within or without the state or any group of such electric utilities, public or private, for the purpose of jointly financing, acquiring, building, constructing, erecting, extending, enlarging, leasing (as lessor or as lessee), improving, furnishing, equipping, owning and operating any project in accordance with the provisions of this act, and may contract with any such utility or group of electric utilities for any such purpose;

(b) May contract for a period not exceeding 40 years for:

(i) The purchase by take-or-pay contracts, or otherwise, of capacity or energy, or both, in any quantity from any project owned or operated directly or indirectly under lease, by any person, trust, or corporation, including contracts or other arrangements between or among the existing electric system of JEA and one or more separate systems of JEA for the allocation to said existing electric system and/or any one or more of such systems of the output, capacity, energy or services of projects of JEA, and for the allocation of JEA's costs related to such projects, on a take-or-pay basis or otherwise; or

(ii) The sale of capacity or energy, or both, in any quantity from any project in which JEA has an ownership or lease-hold interest;

(c) May contract for a period not exceeding forty (40) years for the purchase of fuel, fuel supply or source and fuel transportation facilities for use in the operation of the system.

(d) May purchase, sell, lease, sublease, own, maintain and operate coal, oil, gas and other fuel reserves, together with any and all mines, wells, pipelines and other facilities, as well as facilities for transportation of such reserves, including, but not limited to, hopper cars and other rolling stock, both within and without the State of Florida, as are necessary to provide economical, long term and reliable fuel supply for projects to be accomplished under this act.

(Laws of Fla., Ch. 80-513, § 2; Laws of Fla., Ch. 82-312, § 2; Laws of Fla., Ch. 99-459, § 2)

• **Section 3. - [Revenue bonds.]**

(a) JEA is authorized, by resolution, to issue revenue bonds from time to time (hereinafter referred to as "bonds") to pay all or part of the cost of any projects above described or for the purpose of refunding bonds issued for such purpose. Such bonds may be in such denomination or denominations, may bear interest at such rate or rates as are currently established by § 215.84, Florida Statutes, or according to said section as it may from time to time be amended, and shall mature at such time or times not exceeding 40 years from their date or dates, all as may be determined by JEA. The bonds may be made redeemable before maturity, at the option of JEA, at such price or prices and under such terms and conditions as may be fixed by JEA prior to their issuance. JEA shall determine the form of bonds, including any interest coupons to be attached thereto, the manner of execution of the bonds, and the place or places of payment of principal and interest, which may be at any bank or trust company within or without the State of Florida. The resolution authorizing the issuance of the bonds shall contain such provisions relating to the use of the proceeds from the sale of the bonds and for the protection and security of holders of the bonds, including their rights and remedies, and the rights, powers, privileges, duties and obligations of JEA with respect to the same, as shall be determined by JEA. In case any officer whose signature or facsimile of whose signature shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. All bonds issued under the provisions of this act shall be and are hereby declared to have all the qualities and incidents of negotiable instruments under the laws of the State of Florida. The bonds may be issued in coupon or in fully registered form, or both, as JEA may determine, and provisions may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest and for the reconversion into coupon bonds of any bonds registered as to both principal and interest. The bonds shall be sold at public or private sale at such price or prices as JEA shall determine to be in its best interest; provided, however, that the issuance of such bonds shall be subject to the limitations or conditions contained in § 215.84, Florida Statutes, and provided, further, that any price less than 100 percent of par value shall be subject to § 215.84, Florida Statutes, but in no event shall any such bonds be sold at less than 95 percent of par value.

(b) When bonds have been authorized by resolution of JEA, bond anticipation notes may be authorized and issued from time to time, to temporarily finance the costs, or any part thereof, of the project for which the bonds are to be issued, in anticipation of the issuance of said bonds. Such bond anticipation notes (hereinafter called "notes") which shall include bond anticipation notes which may be issued as part of a tax exempt commercial paper program, or other short-term note financing program, shall be authorized by a resolution of

JEA which resolution shall fix the maximum amount of notes to be issued, the maximum interest rate such notes may bear, subject to the provisions of § 215.84, Florida Statutes, the denomination or denominations thereof, the redemption provisions thereof, which may include provisions for payment on demand of the purchaser or purchasers, and such other details, including the form of such notes, provisions for the renewal thereof and the security for payment thereof as shall be determined by JEA. Such notes shall have such qualities and incidents of negotiable instruments and shall be executed in the manner provided herein for the bonds and shall be payable from the proceeds of said bonds unless sooner paid from the revenues of the project for which they are issued. Each such note, including any renewals thereof, shall mature not later than 5 years from the initial date of issuance of such note authorized by such resolution. When authorized by resolution such notes, including renewals, may be sold 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.

(Laws of Fla., Ch. 80-513, § 3; Laws of Fla., Ch. 82-312, § 3; Laws of Fla., Ch. 99-459, § 3)

- **Section 4. - [Payment of bonds.]**

The principal of and interest on the bonds issued under this act may be payable from the revenues derived from the operation of the system, and from other funds legally available for such purpose; provided, however, that neither the bonds issued under this act, nor the interest thereon, shall have any lien upon any property of or in the City of Jacksonville or any property of JEA except the revenues and other legally available funds, if any, pledged for the payment thereof.

(Laws of Fla., Ch. 80-513, § 4; Laws of Fla., Ch. 99-459, § 4)

- **Section 5. - [Bonds constitute legal investments and securities.]**

The bonds shall be and they are hereby constituted as legal investments for any state, county, municipal or other public funds or for any bank, savings bank, trustees, executors, guardians, or any trust or fiduciary funds whatsoever. Such bonds shall also be and constitute legal securities which may be deposited by any bank or trust company for the security of state, county, municipal, or other public funds.

(Laws of Fla., Ch. 80-513, § 5)

- **Section 6. - [Items included in cost of project.]**

The cost of the project may be deemed to also include (but not be limited to), the cost of acquisition or lease of sites, rights-of-way, legal, engineering, fiscal, architectural fees and fees of any other experts or consultants employed by JEA, engineering, architectural or environmental studies, surveys, plans and designs for the system; applications, licenses, permits and approvals required by governmental agencies, interest during construction and for some reasonable period thereafter; prepaid facilities charges, repayment of loans, notes and advances; provisions for debt service and other reserves; bond discount; the expense of the issuance, authorization and sale of said bonds including advertisement, notices and proceedings in connection therewith; and such other expenses as are necessary, incidental or appurtenant to the purposes authorized hereunder. JEA shall make payment to any taxing unit other than Duval County in which it locates an electric generating plant. The payment shall be in the amount agreed to by JEA and the taxing unit or in the absence of

such an agreement in an amount equal to the ad valorem taxes which would be paid to the taxing unit on the plant by a private utility. JEA shall also be subject to all county ordinances and regulations which would apply to a private utility.

(Laws of Fla., Ch. 80-513, § 6; Laws of Fla., Ch. 99-459, § 5)

- **Section 7. - [Rights of bondholders saved from impairment.]**

The legislature does hereby covenant with the holders of such bonds that it will not enact any law which will repeal, impair or amend in any manner the rights of such holders or the security of the funds which may be pledged to the payment of the principal of and interest on the bonds issued pursuant to the provisions of this act.

(Laws of Fla., Ch. 80-513, § 7)

- **Section 8. - [Council consent and approval required for bond issue; agreements and contracts.]**

Bonds shall be issued under the provisions of this act only upon approval by two-thirds of the membership of the Council of the City of Jacksonville (hereinafter referred to as "Council") except that no such approval shall be required for the issuance of bonds to complete the payment of the cost of a project for which bonds have previously been issued with such approval of the council, to pay the cost of capital improvements to such a project or to refund bonds issued for such a project; and any agreements or contracts entered into by JEA under Section 2(a) of this act shall be subject to the prior consent and approval by two-thirds of the membership of the Council except that no such approval shall be required for the amendment of any such agreement or contract. Notwithstanding the foregoing, JEA may not execute any material amendment to such an agreement or contract until it shall have been submitted to the Council and the Mayor for their consideration; the Council and the Mayor may consider the proposed material amendment for a period of up to 30 days and may forward their comments, if any, to JEA and JEA may not formally execute such a proposed amendment until after this 30-day period shall have expired. Should both the Mayor and the Council desire to waive this 30-day requirement with regard to any particular amendment after having received it, then they may communicate this desire to waive comment in writing to JEA which may proceed to execute the amendment so long as such waiver has been received from both the Mayor and the Council. Any such agreement or contract approved by two-thirds of the membership of the Council shall constitute a contract which shall not be impaired by subsequent legislative action of the Council.

(Laws of Fla., Ch. 80-513, § 8; Laws of Fla., Ch. 82-312, § 4; Laws of Fla., Ch. 99-459, § 6)

- **Section 9. - [Powers granted by act supplemental.]**

This act shall not be deemed to repeal or supersede any other law or laws, including part I, chapter 163 and part II, chapter 361, Florida Statutes, but shall be supplemental and additional authority to JEA to carry out and perform the powers provided by this act, and shall be liberally construed [construed] to effect the purposes thereof. For the purposes of this act, JEA shall be deemed to be a public agency within the meaning of chapter 163, part I, Florida Statutes.

(Laws of Fla., Ch. 80-513, § 9; Laws of Fla., Ch. 99-459, § 7)

- **Section 10. - [Tax exemption.]**

The provisions of this act are intended to implement the provisions of § 10, Article VII of the State Constitution and in establishing a joint electric supply project pursuant to this act, JEA may give, lend or use its credit to aid any joint participant in such project but the City of Jacksonville may not give, lend, or use its taxing power, or its full faith and credit, to aid any joint participant in such project. Any bonds issued pursuant to the provisions of this act, and the interest thereon, shall be exempt from any and all taxation by the State of Florida, any law to the contrary notwithstanding; provided, however, that any interest income or profits on debt obligations issued hereunder shall not be exempt from the tax imposed by Chapter 220, Florida Statutes. The private interest portion of any such joint project shall be subject to all taxation in accordance with its proportionate interest in such project.

(Laws of Fla., Ch. 80-513, § 10; Laws of Fla., Ch. 82-312, § 5; Laws of Fla., Ch. 99-459, § 8)

- **Section 11. - [Annual audit of fiscal operations; limitations on council auditor.]**

The auditor of the Council of the City of Jacksonville shall conduct an annual audit of the fiscal operations of each separate system of JEA; provided, however, that notwithstanding anything contained in the Chapter 67-1320, Laws of Florida, as amended, being the Charter of the City of Jacksonville (the "Charter") or the Ordinance Code of the City of Jacksonville to the contrary, no audit by the auditor of the Council shall be required with respect to any system consisting of JEA's interest in any joint electric power project for which an annual audit by an independent auditor is required by the terms of an agreement entered into under Section 2(a) of this act. However, an audit may be performed by the Council auditor and if performed, the audit may examine all accounting systems, accounts and other records of financial transactions of the joint electric power project which are maintained by JEA, or which are maintained by any committee referred to in Section 13 of Chapter 80-513, Laws of Florida, as created by this act. Notwithstanding anything contained or implied in this act, the Charter or the Ordinance Code of the City of Jacksonville to the contrary, no audit by the auditor of the Council shall be conducted with respect to any accounting systems, accounts or other records separately maintained by any other participant in such a project, nor shall such an audit extend to the interests of any other participant in such a project, except to the extent any agreement entered into pursuant to Section 2 of this act expressly provides for audits by the Council auditor. The auditor shall submit a printed and public report on such audit to the Council of the City of Jacksonville.

(Laws of Fla., Ch. 80-513, § 11; Laws of Fla., Ch. 82-312, § 6; Laws of Fla., Ch. 99-459, § 9)

- **Section 12. - [Additional powers with respect to employees and practices.]**

In order to enable JEA to implement and accomplish any joint electric power project with respect to which JEA has entered into an agreement under Section 2(a) of this act, JEA shall have the following powers, in addition to powers otherwise conferred:

(1)

(a) **Employees.**—To employ personnel whose duties shall relate exclusively to any such joint electric power project. Such employees shall not be employees of the City of Jacksonville, or members of the Civil Service System of the City of Jacksonville, nor shall they participate in the pension fund of

the City notwithstanding any provision of the Charter or Ordinance Code of the City of Jacksonville to the contrary except as provided in this section. JEA may fix and pay to such employees such compensation and provide to them such other employee rights and benefits as it shall determine. In addition, JEA may allocate to the joint electric power project the services of any of its other employees, whether appointed or within the Civil Service System of the City, from time to time on a temporary basis in order to provide necessary support or assistance to the joint electric power project. Such temporary assignment of any civil service employee to a project shall not exceed 60 consecutive days in duration. In the event that an employee of JEA who is a member of the classified civil service system of the city and is participating in the 1937 Employees' Pension Fund of the city should become a full-time employee of any such joint electric power project after the effective date of this act, then such employee shall no longer be a member of the city civil service system and shall relinquish all rights and privileges inuring to employees within said system and shall thereafter be entitled only to those benefits as shall be afforded other full-time employees of the joint electric power project, except as provided by this section.

(b) Pension participation.—An employee who shall leave the JEA employment in order to become an employee of such a project without break in service may, at his or her option, continue as a member of the 1937 Employees' Pension Fund and upon continuation shall make the required employee contribution thereto and the matching contribution which had theretofore been paid into this fund by JEA on behalf of such employee shall thereafter be assumed and paid by the project. No person who is receiving time service pension payments from any pension fund of the city may become an employee of a joint electric power project and continue to receive payments from the fund during such period of employment. However, should any such person whose pension benefits have been so terminated cease his or her employment with the joint electric power project, he or she shall immediately become qualified for and be entitled to receive those benefits he or she had previously been entitled to. Any person receiving a time service pension under the 1937 Employees' Pension Fund of the city who becomes an employee of St. Johns River Power Park may elect to join either the St. Johns River Power Park retirement plan or to rejoin the 1937 Employees' Pension Fund. Any employee who may elect to rejoin the 1937 Employees' Pension Fund shall not be eligible to participate in any St. Johns River Power Park retirement plan including social security. The St. Johns River Power Park shall make the required employer contribution into the fund for such employees in the same manner and amount as JEA is required to do for JEA employees who are members of the fund. Any active employee of the St. Johns River Power Park participating in the St. Johns River Power Park retirement plan who, without break in service, becomes an employee of JEA may, at his or her option, continue as a member of the St. Johns River Power Park retirement plan including social security. JEA shall make the required employer contribution into the fund for such employees in the same manner and amount as the St. Johns River Power Park is required to do for St. Johns River Power Park employees who are members of the fund. This option to remain as a member of the St. Johns River Power Park retirement plan after becoming an employee of JEA or to remain as a member of the 1937 Employees' Pension Fund of the City after becoming an employee of the St. Johns River Power Park shall be available and limited to the first 150 employees exercising either option.

(2) To establish or approve, and to implement, policies and procedures providing for the letting of contracts for the procurement and disposal of property, work, professional and nonprofessional services,

products, supplies, equipment and materials of any nature needed for the financing, construction and operation of any such joint electric power project. Such policies and procedures shall govern exclusively JEA's contracting and procurement and disposal practices in connection with the joint electric power project notwithstanding any provision of the Charter or the Ordinance Code of the City of Jacksonville to the contrary.

(3) To provide in any such agreement for the submission of disputes among the parties arising under such agreement to arbitration proceedings for resolution. Unless otherwise provided in such agreement, the determination in such arbitration proceedings shall be final and binding [binding].

(4) To provide for the establishment and revision of construction and operating budgets for such joint electric power project. JEA shall not be required to submit to the Council for approval any budgets relating to the joint electric power project. All such budgets shall become effective without approval of the Council notwithstanding any provision of the Charter or the Ordinance Code of the City of Jacksonville to the contrary.

(Laws of Fla., Ch. 82-312, § 8; Laws of Fla., Ch. 90-439, § 1; Laws of Fla., Ch. 99-459, § 10; Laws of Fla., Ch. 2000-390)

• **Section 13. - [Committees; agents; limitations.]**

(a) In order to enable JEA and any other electric utility or group of electric utilities which enter into an agreement for a joint electric power project under Section 2(a) to coordinate their joint activities with respect to the construction and operation of such joint electric power project in an efficient manner, JEA shall have the following powers, in addition to the powers otherwise conferred:

(1) Subject to the provisions and limitations contained in subsection (b), to provide in the agreement for the management of the construction and operation of the joint electric power project by one or more committees composed of representatives of parties to the agreement, and to designate one or more representatives of JEA to serve on any such committee.

(2) Subject to the provisions and limitations contained in subsection (b), to act as agent, or to designate one or more of the other parties to the agreement to act as agent, for all the parties in carrying out the construction or operation of the joint electric power project. Any party so acting as agent for the construction or operation of the joint electric power project need comply with only those laws, rules and regulations which would be applicable if it were acting solely in its own behalf with respect to its interest in such joint electric power project under this act.

(b) JEA may delegate to any committees referred to in subsection (a), or to any party to the agreement designated as agent in accordance with subsection (a), or to any officer or employee of JEA, the responsibility and authority to undertake activities in furtherance of the construction and operation of the joint electric power project to such extent as JEA, in its discretion, may deem proper and appropriate or to such extent as shall be provided in the agreement; provided, however, that, to the extent such activities involve discretionary authority, any such committee, or agent or officer or employee of JEA, shall be authorized to undertake such activities only in accordance with policies and procedures approved by JEA and in a manner consistent with prudent utility practice.

(Laws of Fla., Ch. 82-312, § 9; Laws of Fla., Ch. 99-459, § 11)

- **Section 14. - [Exclusive authority.]**

The financing, construction and operation of any joint electric power project undertaken pursuant to this act shall be governed and controlled exclusively by the provisions of this act, the terms of the agreement with respect to such joint electric power project entered into by JEA pursuant to Section 2(a) and the provisions of the resolution or resolutions of JEA securing the bonds issued by JEA to finance its share of the cost of the project. No provision of the Charter or the Ordinance Code of the City of Jacksonville shall apply to or impose any requirement on JEA relative to the financing, construction, ownership and operation of, or use or application of the revenues derived by JEA from, any joint electric supply project authorized pursuant to this act, including, but not limited to, Sections 5.07, 5.10, 5.11, 14.01, 14.02, 21.04(1), 21.07(c), 21.07(d), 21.07(e), 21.09 and Articles 18 and 19 of the Charter and Chapter 126 of the Ordinance Code. The Council shall enact no law the provisions of which would conflict with, or impair the rights of any party to, such agreement or would conflict with any such bond resolution or impair the rights of the holders of such bonds.

(Laws of Fla., Ch. 82-312, § 10; Laws of Fla., Ch. 99-459, § 12)

- **Section 15. - [Limitation on legislative power of council.]**

The Council shall enact no law which in any manner would limit or impair JEA in the exercise of the powers granted to it by this act. Any provision of the Charter or the Ordinance Code of the City of Jacksonville, or of any special act relating to the City of Jacksonville or JEA, which is in conflict with the provisions of this act is hereby superseded by the provisions of this act, and is hereby repealed, but only to the extent of such conflict.

(Laws of Fla., Ch. 82-312, § 11; Laws of Fla., Ch. 99-459, § 13)

- **Section 16. - [Appropriations by council.]**

The Council is hereby directed to, and it shall, make the annual appropriations necessary for JEA to fulfill its contractual obligations to make any and all payments required by the terms of any agreement entered into pursuant to Section 2 of this act or by the provisions of any resolution of JEA securing bonds issued to finance its share of the cost of any project authorized by this act, but the Council shall not be required to make such appropriations from the general fund or any other funds or moneys of the City of Jacksonville other than revenues and other available funds of the Authority.

(Laws of Fla., Ch. 82-312, § 12; Laws of Fla., Ch. 99-459, § 14)

- **Section 17. - [Liberal construction.]**

The provisions of this act being necessary for the welfare and prosperity of the State of Florida and the City of Jacksonville, and the inhabitants thereof, shall be liberally construed to effect its purposes.

(Laws of Fla., Ch. 82-312, § 14; Laws of Fla., Ch. 99-459, § 16)

- **Section 18. - [Severability.]**



It is declared to be the legislative intent that if any section, subsection, sentence, clause or provision of this act is held invalid, the remainder of the act shall not be affected.

(Laws of Fla., Ch. 80-513, § 12; Laws of Fla., Ch. 82-312, § 7; Laws of Fla., Ch. 99-459, § 17)

• **Section 19. - [Effective date.]**

This act shall take effect upon becoming a law.

(Laws of Fla., Ch. 80-513, § 13; Laws of Fla., Ch. 82-312, § 7; Laws of Fla., Ch. 99-459, § 17)

## JACKSONVILLE'S INDEPENDENT AUTHORITIES

The legislative authority for Jacksonville's independent authorities can be found in the City Charter (JEA and Duval County School Board), in the Charter's Related Laws (Jacksonville Aviation Authority and Jacksonville Port Authority) and in the Florida Statutes (Jacksonville Transportation Authority). The authorities all have some similarities and some differences based largely on their greater or lesser degree of local versus state control of their operations.

The **Duval County School Board** differs from the other authorities in that it is part of a unified statewide system of public education and is substantially funded and regulated by the State of Florida. The School Board is also the only one of the authorities governed by an elected board, with the power to levy a tax millage, and whose budget is not reviewed or approved by the City Council.

The **JEA** was created at the time of consolidation in 1968 to assume the functions of the old City Electric Department. In 1997 the City transferred its water and sewer operations from the Public Works Department to the JEA to operate, to which the authority subsequently added three chilled water plants to supply air conditioning to various buildings downtown. JEA differs from the other authorities in that it provides a direct financial contribution to the City each year in the form of an assessment based on a contract negotiated between the two entities every 5 years. The contract provides for two methods of determining the annual contribution – a formula based on a millage rate applied to electric and water/sewer sales, or a minimum annual increase, whichever is greater each year. The JEA's 7-member board is appointed fully by the Mayor and confirmed by City Council.

The **Jacksonville Transportation Authority** derives from the pre-consolidation Jacksonville Expressway Authority created in the 1950s to construct roads and bridges throughout Duval County. It later assumed control of the private bus operations in the city and began providing mass transit services. The JTA differs from the other authorities in that it is a state-created agency and the City appoints less than a majority of its 7-member governing board: 3 members appointed by the Mayor and confirmed by City Council, 3 members appointed by the Governor and confirmed by the Senate, and the District Secretary of the Florida Department of Transportation. The JTA's authorizing legislation (Chapter 349, *Florida Statutes*) provides that the authority has the power to retain legal counsel, but does not mention Jacksonville's Office of General Counsel. It has been the long-standing practice of the General Counsel's Office to hire a private attorney to serve the legal needs of the JTA. The authority is funded by a combination of ridership fares, federal and state grants, 5 of the 6 cents of the City's local option gas tax, 50% of the "constitutional" gas tax (the City's share of a state gas tax collected in Jacksonville), and the half cent sales tax for transportation (the "tax for tolls").

The **Jacksonville Port Authority** was originally created by state law in 1963 to take over operation of the pre-consolidation city's wharves, piers and associated marine facilities. Upon consolidation in 1968 the City's airports were added to the JPA's portfolio and it operated both types of facilities until 2001 when the authority was split into the current Jacksonville Port Authority (seaport operations) and the Jacksonville Aviation Authority (airport operations). JPA's 7-member board is appointed by the City and state: 4 members appointed by the Mayor and confirmed by City Council, and 3 members appointed by the Governor and confirmed by the Senate. Pursuant to its charter and a 1996 Interlocal Agreement, the City provides the JPA with an annual appropriation of a share of the City's communications service tax and a millage payment from the JEA.

The **Jacksonville Aviation Authority** was created by the split of Jaxport in 2001 into seaport and airport authorities. The JAA differs from the other authorities in that it is heavily regulated by the Federal Aviation Administration and neither contributes to nor receives any funding from the City (except for some contractual services such as JFRD fire protection at the airport). All of its revenues derive from airport operations and from the FAA's passenger surcharge. The JAA's 7-member board is split between City and State appointees: 3 members appointed by the Mayor and confirmed by City Council, and 4 members appointed by the Governor and confirmed by the Senate.

Aside from the JTA, the charter authority of the other four authorities contains similar language regarding mandatory use of the Office of General Counsel:

"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 chief legal officer of the city. Such chief legal officer shall consult with JEA before he or she selects outside counsel."

"...[JAA] shall be required to use the legal services of the City of Jacksonville, except in those cases when the chief legal officer of the city determines that the city legal staff cannot provide legal services in the required area. Such use of city services, including, but not limited to, legal services, shall be on a contractual basis and the authority is authorized to pay the city reasonable and fair compensation for such services so furnished by the city and used by the authority. The use by the authority of any such services furnished by the city shall not obligate the authority, except to the extent it contracts with the city, or otherwise subject the authority to any rules, regulations, or ordinances of the city not otherwise applicable to the authority under this act and the charter of said city."

"...[JPA] shall be required to use the legal services of the city of Jacksonville, except in those cases when the chief legal officer of the city determines that the city legal staff cannot provide legal services in the required area. Such use of city services, including, but not limited to, legal services, shall be on a contractual basis and the authority is authorized to pay the city reasonable and fair compensation for such services so furnished by the city and used by the authority. The use by the authority of any such services furnished by the city shall not obligate the authority, except to the extent it contracts with the city, or otherwise subject the authority to any rules, regulations, or ordinances of the city not otherwise applicable to the authority under this act and the charter of said city."

"Unless otherwise directed by the council, the Duval County School Board shall utilize the internal services of the city except that the Duval County School Board shall not be required to use the services of the City's Procurement Division and the City's Division of Human Resources."

"There is established an office of the City of Jacksonville to be known as the Office of General Counsel, which shall have the responsibility for furnishing legal services to the city and its independent agencies, except that the council may create an office of legislative counsel ... For purposes of utilization of central services by the city and its independent agencies, the services of the office of general counsel shall be deemed to be central services or services of the central services department, as the case may be ... The General Counsel may authorize the independent agencies to engage outside counsel upon certification by the General Counsel of compliance with the Charter and with the agency's authority and a written finding of necessity by the General Counsel."

## Scope of Services

### Special Legislative Counsel related to JEA's Strategic Options

(To be included in the engagement letter)

The Firm will provide advice and counsel regarding the following areas of law with respect to Council's oversight review of JEA, specifically all of the strategic options\* JEA Board and management are presently considering, and in particular the scenario which calls for the recapitalization of the utility and its associated Invitation to Negotiate (ITN) process:

- General corporate, transactions, mergers and acquisitions;
- Environmental matters, including but not limited to utility, electric, water or wastewater permitting and licensing;
- Regulatory matters;
- Labor and employment matters including labor negotiations, employee benefits, pension plans and collective bargaining;
- Procurement;
- Local government, legislative options and related public policy matters.

Services will include advice, counsel and evaluation of matters related to the referenced legal areas, including: (1) the legal impact of the potential privatization of public utilities, (2) the engagement of third party consultants and experts (with prior City approval) to assist Council in its oversight function with regard to the potential privatization process, (3) attendance at public meetings, and (4) all other services as may be required or implied, in order to complete the scope of services and such other related legal matters as requested.

\*The strategic options related to JEA include and are not limited to: (1) maintaining a status quo plan inclusive of potential rate increases, workforce reduction and cost cuts, (2) maintaining a status quo plan inclusive of potential rate increases, workforce reduction and cost cuts, coupled with pursuing changes to the law (constitutional, statutory, charter or otherwise) to eliminate business restraints, (3) planning an initial public offering, (4) developing a utility cooperative (a community owned entity), or (5) achieving a recapitalization of one or more of JEA's operations through the invitation to negotiate process.