

JEA BOARD MEETING AGENDA

September 24, 2019 • 9:00 a.m.

21 W. Church Street, 19th Floor



I. WELCOME	
A.	Call to Order
B.	Time of Reflection
C.	Pledge to Flag
D.	Introductions
E.	Adoption of the Agenda – Action
F.	Safety Briefing – Aaron Zahn, Managing Director/CEO
G.	Sunshine Law/Public Records Statement – Lynne Rhode, Chief Legal Officer

II. COMMENTS / PRESENTATIONS		
Item(s)	Speaker/Title	
A.	Comments from the Public	Public
B.	Council Liaison's Comments	Council Member Danny Becton
C.	Mike Hightower Recognition	Aaron Zahn, Managing Director/CEO

III. OPERATIONS (DISCUSSION / ACTION)			
Definition: The "Operations" section of the Board Meeting is for business matters requiring Board discussion, Board action, or for matters being submitted to the Board as information only.			
Item(s)	Speaker/Title	Discussion Action/Information	
A.	Consent Agenda – The Consent Agenda consists of agenda items that require Board approval but are routine in nature, or have been discussed in previous public meetings of the Board. The Consent Agenda items require no explanation, discussion or presentation, and are approved by one motion and vote.		
Consent Agenda Reference Material (Provided in Appendices)			
Appendix A:	Board Meeting Minutes July 23, 2019		Action
Appendix B:	Clarification on Employee Protection and Retention Summary		Action
Appendix C:	Real Estate Optimization - Sale of 9201 Atlantic Blvd		Action
Appendix D:	Real Estate Acceptance – 2470 Talleyrand Ave		Action
Appendix E:	Real Estate Purchase – Hart Bridge Conduit		Action
B.	Monthly Reports and Updates – The following monthly reports and updates are submitted to the Board as information only. These items require no explanation, discussion, presentation or action.		
Monthly Reports and Updates (Provided in Appendices)			
Appendix F:	Monthly Financial Statements		Information
Appendix G:	Monthly FY18 Communications & Engagement Calendar and Plan Update		Information
Appendix H:	Corporate Campus Update		Information

	C.	Monthly Financial and Operations Dashboard		Melissa Dykes, President/COO Ryan Wannemacher, CFO	Information
	D.	2020 Proposed Board of Directors Meeting Schedule		Aaron Zahn, Managing Director/CEO	Action
	E.	Collective Bargaining Agreements		Jon Kendrick, Chief Human Resource Officer	Action
	Collective Bargaining Agreements (Provided in Appendices)				
	Appendix I:	Professional Employees Association Collective Bargaining Agreement			Action
	Appendix J:	International Brotherhood of Electrical Workers (IBEW) Collective Bargaining Agreement			Action
	Appendix K:	Laborers' International Union of North America (LIUNA) Collective Bargaining Agreement			Action
	Appendix L:	American Federation of State, County and Municipal Employees (AFSCME) Collective Bargaining Agreement			Action
	Appendix M:	JEA Supervisors Association (JSA) Collective Bargaining Agreement			Action

IV.	STRATEGY (DISCUSSION ONLY)				
	Definition: The "Strategy" section of the Board Meeting is <u>only</u> for discussion & feedback to management on strategic initiatives of and for JEA.				
	Item(s)			Speaker/Title	
	A.	JEA Invitation to Negotiate Update		Pillsbury Winthrop Shaw Pittman, LLP Foley Lardner, LLP	

V.	SUBJECT MATTER EXPLORATION				
	Definition: The "Subject Matter Exploration" section of the Board Meeting will be used to brief the Board Members on market, environment, business or other generally important matters. Staff and/or 3 rd party experts will provide presentations on a specific subject and the Board will be afforded an opportunity for Q&A at the end.				
	Item(s)			Speaker/Title	
	A	N/A			

VI.	COMMITTEE REPORTS				
	Item(s)			Speaker/Title	Discussion Action/Information
	A.	Finance & Audit Committee		Kelly Flanagan, Chair	
		1.	Adoption of Agenda – August 19, 2019		Action
		2.	Approval of Minutes – May 20, 2019		Action
		3.	Quarterly Audit Services Update		Information
		4.	Annual Approval of Internal Audit Charter		Action

A. If you have a disability that requires reasonable accommodations to participate in the above meeting, please call **665-7550** by **8:30 AM the day before** the meeting and we will provide reasonable assistance for you.

B. If a person decides to appeal any decision made by the JEA Board with respect to any matter considered at this meeting, that person will need a record of the proceedings, and, for such purpose, needs to ensure that verbatim record of the proceedings is made, which record includes the evidence and testimony upon which the appeal is to be based.

	5.	Approval of Annual Audit Internal Plan	Lee Montanez	Action
	6.	Enterprise Risk Management (ERM) Update	Ryan Wannemacher/Frank DiBenedetto	Information
	7.	Ethics Officer Quarterly Report	Walette Stanford	Information
	8.	Ernst & Young FY2019 Annual Financial Audit Plan	John DiSanto	Information
	9.	Pricing Policy Revision	Ryan Wannemacher	Action
	10.	Debt Management Policy Revision	Joe Orfano	Action
	11.	Electric System and Water and Sewer System Reserve Fund Quarterly Report	Joe Orfano	Information
	12.	JEA Energy Market Risk Management Policy Report	Caren Anders	Information
	13.	Committee Discussions: a. Ernst & Young Cybersecurity Assessment Update, Ted Hobson b. Ernst & Young, John DiSanto c. Director, Audit Services, Steve Tuten		Information
	14.	Authorizations for the Use of Electrical Environmental Funds to Approved Projects	Ryan Wannemacher	Action

VII.	OTHER BUSINESS			
	Item(s)		Speaker/Title	
	A.	Old Business		
	B.	Other New Business		
	C.	Open Discussion		
	D.	Managing Director/CEO's Report	Aaron Zahn, Managing Director/CEO	
	E.	Chair's Report	April Green, Board Chair	

VIII.	CLOSING CONSIDERATIONS			
	Item(s)			
	A.	Announcements – Next Board Meeting October 22, 2019		
B.	Adjournment			

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Board Calendar

Board Meetings: 9:00 a.m. – Fourth Tuesday of Every Month (exception(s): November 19, 2019 and December 17, 2019)

Committees: Finance & Audit Committee: December 9, 2019

CEO Search Committee: TBD

Compensation Committee: TBD

Government Affairs Committee: TBD

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Florida's Government in the Sunshine Law
Office of General Counsel

This meeting is subject to Florida's Government in the Sunshine Law, §286.011, Florida Statutes, and shall be open to the public at all times.



BOARD OF DIRECTORS RESOLUTION

September 24, 2019

HONORING MICHAEL R. HIGHTOWER

WHEREAS, Michael R. Hightower was appointed to the Board of Directors of JEA serving two terms from January 29, 1996 through February 28, 2004 with roles as Vice Chair from March 1, 1999 to February 28, 2001 and as Chair of the Board from March 1, 2001 to March 1, 2003 and, from July 6, 2007 to December 5, 2014 serving as Assistant Secretary from March 1, 2008 to February 28, 2011, Vice Chair from March 1, 2012 to March 19, 2013 and Chair of the Board from March 20, 2013 to December 5, 2014 and,

WHEREAS, he served on JEA's Senior Leadership Team (SLT) as Chief Public & Stakeholder Affairs Officer from 2015 to 2019 and was instrumental in the success of legislation critical to municipal utilities state-wide, House Bills 327 and 591, which exempt and protect customers' meter-derived data and information from public records, and,

WHEREAS, he was a champion for many employee special interests, serving on the board of the International Lineman's Museum & Hall of Fame, supporting JEA's Rodeo Competition Teams, and sponsoring JEA's leadership in the American Association of Blacks in Energy (AABE), and JEA's Veterans Day Recognition event, and,

WHEREAS, the Board and SLT accomplished major milestones in economic development, solar expansion and record J.D. Power customer satisfaction scores during his tenure, and,

WHEREAS, his vision and foresight have been invaluable to JEA, his focus and professionalism have helped guide JEA's strategic planning and governmental relations, and,

WHEREAS, the dedication, high ethical standards, and appreciation for all things JEA by this consummate gentleman and professional will be missed greatly by all of the JEA family,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of JEA that it hereby expresses its deep gratitude and appreciation to Michael R. Hightower for his lasting contributions as a member of the Board of Directors and Senior Leadership Team of JEA.

UNANIMOUSLY ADOPTED THIS 24TH DAY OF SEPTEMBER, 2019

JEA

By:

April Green, Chair of the Board

**JEA BOARD MINUTES
July 23, 2019**

The JEA Board met in regular session on Tuesday, July 23, 2019, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. Present were April Green, Camille Lee-Johnson, Alan Howard, Reverend Fredrick Newbill, Kelly Flanagan, and Andy Allen. John Champion was absent and excused.

Agenda Item I – Welcome

- A.** The meeting was **called to order** at 9:00 AM by Chair April Green.
- B.** A **Moment of Reflection** was observed by all.
- C.** The **Pledge of Allegiance** was led by Chair Green.
- D.** **Adoption of Agenda** – The agenda was approved on **motion** by Vice Chair Newbill and second by Mr. Howard.
- E.** **Introductions** were made by board members present, Aaron Zahn, and Lynne Rhode.
- F.** The **Safety Briefing** was given by Aaron Zahn, Managing Director/Chief Executive Officer.
- G.** **Sunshine Law/Public Records Statement** – Lynne Rhode, Office of General Counsel (OGC), stated this Board Meeting is being held in compliance with Florida's Government in the Sunshine Law, §286.011. The complete statement can be found in section I. F. of the Board package.

Agenda Item II – Comments / Presentations

- A. Comments from the Public** – All information for speakers on file.
 - **Jennifer Stokes:** JEA employee and PEA vice chair. Comments on Strategic Planning. Asked that Staff keeps the employees in mind during decision making.
 - **Cathleen Crowe:** JEA employee and President of AFSCME. Comments on Strategic Planning. Invited the SLT and Board of Directors to a union meeting to discuss their union's contribution to JEA.
 - **Ronnie Burris:** Business Manager of LIUNA Local 630 and JEA retiree. Comments on Strategic Planning. Asked that thought is put into decisions that are made and do whatever it takes to protect the employees.
 - **Jesse Ferraccio:** Vice President of IBEW Local 2358 and JEA employee. Comments on Strategic Planning. Asked that decisions made about the future of JEA's detriment of the employee and stated that they are more than willing to work with the SLT to protect the employees.
 - **Randy Hilton:** President of PEA and JEA employee. Comments on Strategic Planning.
- B. Comments from Council Liaison** – **Councilman Danny Becton** stated that he is glad to be the liaison for the board. He also stated that JEA is a crossroad and it is unacceptable to ignore the facts that we must innovate. He is looking forward to this opportunity.

Agenda Item III – Operations (Discussion/Action)

- A. Consent Agenda** – used for items that require no explanation, discussion or presentation and are approved by one motion and vote. On **motion** by Secretary Johnson and second by Mr. Howard, Appendix A and Appendix B were approved.

Appendix A: Board Meeting Minutes May 28, 2019 – approved

Appendix B: Approval of Bond Counsel - approved

- B. Monthly Reports and Updates** – The following monthly reports and updates are submitted to the Board as information only. These items require no explanation, discussion, presentation or action.

Appendix C: Monthly Financial Statements – received for information

Appendix D: Monthly FY19 Communications & Engagement Calendar and Plan Update – received for information

Appendix E: Sole Source & Emergency Procurement/Procurement Appeals Board Report – received for information

Appendix F: Corporate Campus Update – received for information

- C. Monthly Financials and Operations Dashboard** – Melissa Dykes, President/COO discussed the details of financial dashboards, highlighting some of the metrics. JEA is in the first quartile of residential customer satisfaction in the JD Power Residential Index; improved to 28 of 142 metrics for residential customer satisfaction amongst National utilities. JEA is in the second quartile of business customer satisfaction index, therefore JEA will not meet that goal. The water pressure metric is not likely to be met as well. In addition, capital spending is on track. Also nitrogen into the river is doing well; the last 12 months have been the lowest in the history of JEA.
- D. Strategic Planning** – Aaron Zahn, Managing Director/CEO introduced the presentation and the flow of presenters. Melissa Dykes, President/COO recapped the past presentations and Lynne Rhode, Chief Legal Officer read the disclaimer. Ms. Dykes stated that Scenario 2A shifts responsibility back to JEA but at the cost of operations. Ms. Dykes explained the sensitivity analysis and outlined the process and timeline of Scenario 2A. Highlighted the implementation plan located in the appendix.

Mr. Zahn stated that he went out to speak to customers and they are actively investing in alternative energy distribution.

Herschel Vinyard, Chief Administrative Officer presented Scenario 2B, the analysis on the constraints and the significant legal barriers. Mr. Vinyard explained what Public Policy is and the difficulties of competing in the private sector. Mr. Vinyard highlighted several laws that make it difficult for JEA to compete. Mr. Vinyard asked that the Board of Directors allow Staff to pursue the removal of legal barriers and allow Staff to come back with a granular strategy in a few months.

Ryan Wannemacher, Chief Financial Officer, presented Scenario 3. Mr. Wannemacher stated that Scenario 2A and 2B puts JEA on a controlled declined shrinkage. Mr. Wannemacher highlighted the options in Scenario 3. Scenario 3A would give ownerships to the customers, Scenario 3B would consider an IPO, and Scenario 3C would be private placement, Scenario 3D technology conversion, 3E oil and gas conversion, and Scenario 3F would be utility conversion. Mr. Wannemacher stated the first priority is the employee. Mr. Wannemacher provided a timeline and flow of a non-government structure. Mr. Wannemacher asked that the Board of Directors approve a minimum set of requirements that must be achieved by any investor for recapitalization. Kevin Hyde of Foley & Lardner joined the presentation to further explain the pension protection and provided two

examples, but stated that employees will be provided specific details on their situations.

Mr. Zahn, stated should the board approve Scenario 3 there would be a recommendation for retention payments and accelerated service, base rate freeze approval, an open and competitive process, and a commitment from the Board of Directors and management team to investors.

Lynne Rhode, Chief Legal Officer read Resolution 2019-06 and solicited a motion to pursue Scenario 2A and 2B and motion to adopt Resolution 2019-06. Ms. Rhode then read Resolutions 2019-07, 2019-08, and Resolution 2019-09 and solicited a motion to adopt 2019-07, 2019-08, and Resolution 2019-09.

Chair Green stated that the Board has reviewed the documents extensively. Scenarios felt very corporate, specifically Scenario 3 and felt the importance of the employees and the community. The board had an open discussion on all of the presentation. Mr. Zahn stated that the minimum requirements were deliberated by staff and business partners.

Motion was made and passed to amend Resolution 2019-07 number 4. On motion by Secretary Johnson and second by Vice Chair Newbill amended Resolution 2019-07 was approved unanimously.

RESOLUTION 2019-07

A RESOLUTION AUTHORIZING THE CEO TO TAKE ANY AND ALL ACTION TO INVESTIGATE AND PURSUE SCENARIO 3: THE NON-TRADITIONAL UTILITY RESPONSE

Resolution 2019-08 on motion by Vice Chair Newbill and second by Alan Howard was approved unanimously.

RESOLUTION 2019-08

A RESOLUTION APPROVING THE REQUEST FOR INTRODUCTION OF PENSION REVISION LEGISLATION TO THE CITY COUNCIL UNDER SCENARIO 3 (THE NON-TRADITIONAL UTILITY RESPONSE) AND AUTHORIZING THE CEO TO TAKE ANY AND ALL ACTION TO PURSUE THE INTRODUCTION OF THE LEGISLATION

Resolution 2019-09 on motion by Vice Chair Newbill and second by Secretary Johnson was approved unanimously.

RESOLUTION 2019-09

A RESOLUTION APPROVING EMPLOYEE PROTECTION AND RETENTION PROGRAM AND APPROVING CEO AND NON-CEO EXECUTIVE EMPLOYMENT AGREEMENTS UNDER SCENARIO 3 (THE NON-TRADITIONAL UTILITY RESPONSE) AND AUTHORIZING ACTION TO PURSUE IMPLEMENTATION OF SUCH PROGRAM AND EXECUTION OF SUCH AGREEMENTS

Agenda Item VI – Committee Report

- A. Total Compensation and Employee Benefits** – Jon Kendrick, Chief Human Resource Officer, presented the Total Compensation Strategy. The goal is to elevate the entire team by ensuring the compensation philosophy align with the guiding principles, encourage long-term culture value, establish a formal compensation policy to align behavior to the four corporate measures of value, and ensure policy promotes collaboration to drive

vision and mission. Ryan Wannemacher, Chief Financial Officer presented the Long-Term Performance Units Program and how they will be beneficial to both the employees and JEA.

Lynne Rhode, Chief Legal Officer read Resolution 2019-10. On motion by Alan Howard and second by Vice Chair Newbill Resolution 2019-10 was approved unanimously.

RESOLUTION 2019-10

A RESOLUTION APPROVING LONG-TERM PERFORMANCE UNIT PLAN AND RELATED DOCUMENTATION AND AUTHORIZING THE CEO TO TAKE ANY AND ALL ACTION TO PURSUE THE IMPLEMENTATION OF SUCH PLAN AND RELATED DOCUMENTATION

Agenda Item VII – Other Business

- A. Old Business** – N/A
- B. Other New Business** – Alan Howard thanked everyone for their time and the opportunity
- C. Open Discussion** – None
- D. Managing Director/CEO’s Report** – Mr. Zahn extended gratitude to Lynne Rhode and the entire Executive Team for their efforts to get the material and presentations together. Mr. Zahn thanked the Board of Directors for their work as well.
- E. Chair’s Report** – Chair Green reiterated Mr. Zahn’s message and also reiterated that there was no vote to sell JEA. The board gave leadership the direction to go back and pursue an unconstrained non-traditional response to make JEA better for the employees, customers, and community as a whole.

Agenda Item VIII – Closing Considerations

- A. Announcements** – Next Board Meeting – August 27, 2019
- B. Adjournment**

With no further business claiming the attention of the Board, Chair Green adjourned the meeting at 12:00.

APPROVED BY:

SECRETARY

DATE: _____

Board Meeting recorded by:

Madricka L. Jones, Executive Staff Assistant

RESOLUTION 2019-11

**A RESOLUTION AMENDING EXHIBIT 1
TO RESOLUTION 2019-09**

WHEREAS, on July 23, 2019, the Board adopted Resolution 2019-09 (“A Resolution Approving Employee Protection and Retention Program and Approving CEO and Non-CEO Executive Employment Agreements Under Scenario 3 (The Non-Traditional Utility Response) and Authorizing Action to Pursue Implementation of Such Program and Execution of Such Agreements”) approving an employee protection and retention program in connection with investigation and pursuit of Scenario 3: the non-traditional utility response;

WHEREAS, pursuant to Resolution 2019-09, and as part of the collective bargaining process, JEA and representatives of bargaining unit employees have discussed proposed terms of the employee protection and retention program as summarized in Exhibit 1 to Resolution 2019-09 (the “Employee Protection and Retention Summary”);

WHEREAS, JEA and representatives of bargaining unit employees desire to amend the “Termination of Employment” provisions contained in the Employee Protection and Retention Summary;

WHEREAS, the Board has determined it is in the best interest of JEA and its employees to adopt the amendment;

BE IT RESOLVED, by the Board that:

1. The recitals above are true and correct and incorporated herein by this reference.
2. The “Termination of Employment” provisions contained in the Employee Protection and Retention Summary is hereby amended as follows:

Termination of Employment	<p>If an eligible employee experiences an involuntary termination of employment (as described below) prior to the applicable Vesting Date, such employee will receive 100% of the cash payment (to the extent unpaid) and any such amount will be paid to such employee at the same time as each Installment would have been paid had there been no termination of employment.</p> <p>An involuntary termination means a termination of employment by JEA (a) without cause, (b) or due to the eligible employee’s death or disability, or (c) <u>a requirement that the eligible employee relocate their regular work location outside of a seventy-five (75) mile radius (as measured from the JEA Tower, 21 West Church Street, Jacksonville, Florida 32202).</u></p>
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Except as provided herein, all other provisions of the Employment Protection and Retention Summary shall remain the same.

3. The CEO or his designee shall have the authority to take, or cause to be taken, any and all action and to prepare, execute and deliver, or cause to be prepared, executed and delivered, any and all documents that the CEO or his designee deems necessary or advisable to carry out the intent of this resolution, including, but not limited to, any necessary amendments to the Form Employee Protection and Retention Program Agreement authorized in Resolution 2019-09.
4. This resolution shall be effective immediately upon its adoption.

Dated this ___ day of September 2019.

JEA

By: _____
April Green, Chair

Camille Lee-Johnson, Secretary

Form Approved:

Office of General Counsel



INTER-OFFICE MEMORANDUM

September 3, 2019

SUBJECT: REAL ESTATE OPTIMIZATION – SALE OF 9201 ATLANTIC BLVD

FROM: Aaron F. Zahn, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

In March 2019, the JEA Board of Directors was presented a proposal to liquidate non-core real estate assets for non-utility revenue generation. The parcel at 9201 Atlantic Boulevard was one of the initial properties in the Real Estate Optimization Plan. JEA owns the property located at 9201 Atlantic Boulevard (Parcel No. 123041-0000) which is at the northeast corner of the intersection of Southside Boulevard and Atlantic Boulevard. The parcel was acquired for the construction, mobilization, and pipeline installation of the Total Water Management Plan (TWMP) in 2011. The 5.088 acre parcel is improved with concrete block and metal buildings, and was previously a car dealership. The TWMP project is complete and JEA has no need to retain ownership of the property. Beyond its intended purchase for TWMP, JEA also utilized the site for the installation of a sewer force main, staging area for smart meter change-out, and tree-trimming contractor parking. Twenty percent of the parcel, or approximately one acre, will be retained by JEA as a utility easement for the operation and maintenance of a 30" water line and 24" sewer force main.

DISCUSSION:

The JEA Real Estate Procurement Directive requires Board of Directors approval for any sale or purchase of real property exceeding \$500,000. JEA received a high bid of \$3,210,000 from G&S Acquisitions, LLC for the subject property through a public bid process on July 16, 2019. The property is currently assessed for \$2,363,098 by the Duval County Property Appraiser. Per JEA policy, the parcel was offered to the City of Jacksonville and other governmental agencies before the public bid process and no agency declared a need for the property.

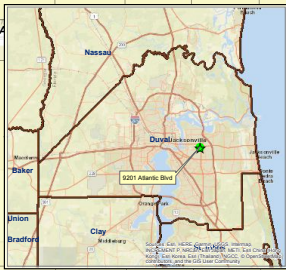
RECOMMENDATION:

That the Board of Directors declare the property located at 9201 Atlantic Boulevard surplus to the needs of JEA and approve a sale in the amount of \$3,210,000 to G&S Acquisitions, LLC. Further, that the Board delegate authority to the Real Property Procurement Officer to execute all documents necessary to effectuate the closing.

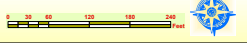
Aaron F. Zahn, Managing Director/CEO

AFZ/MHD/SGM/JAP

Attachment: Site Figure – 9201 Atlantic Boulevard



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9201 ATLANTIC BLVD



INTER-OFFICE MEMORANDUM

September 3, 2019

SUBJECT: REAL ESTATE ACCEPTANCE – 2470 TALLEYRAND AVENUE

FROM: Aaron F. Zahn, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

JEA and the Jacksonville Port Authority (JPA) executed an agreement in 2015 related to electric service upgrades in support of the Blount Island Terminal Crane Electrification Project. At JPA's expense, JEA agreed to perform certain electric infrastructure upgrades to support the project that included credits to the overall project cost based on nonfuel energy charges at certain milestones. A true-up relative to nonfuel revenues in the amount of \$208,535.68 is owed to JEA under the agreement (the "True-Up Payment"). In December 2018, an amendment was executed extending the term of certain milestones in favor of JPA that called for an \$844,000 payment to JEA in the event the new milestone date was not achieved (the "Milestone Payment"). The milestone was not met, and JPA owes JEA the Milestone Payment and the True-Up Payment per the original and amended agreements.

DISCUSSION:

JPA is the owner of an approximate 12 acre parcel at 2470 Talleyrand Avenue (Parcel No. 131948-0010), adjacent to and immediately north of JEA's Buckman Water Reclamation Facility. In lieu of the \$1,052,535.68 owed to JEA, JPA proposed to convey the 2470 Talleyrand Ave parcel to JEA. An appraisal provided by JPA reflects an appraised value of \$1,121,500 for the subject parcel. JEA has reviewed the proposal and finds it advantageous in light of operational considerations at JEA's adjacent Buckman facility. The JEA Real Estate Procurement Directive requires Board of Directors approval for any sale or purchase of real property exceeding \$500,000. JEA has performed due diligence activities and has agreed to accept the JPA parcel in full payment of the monies owed to JEA, subject to Board approval.

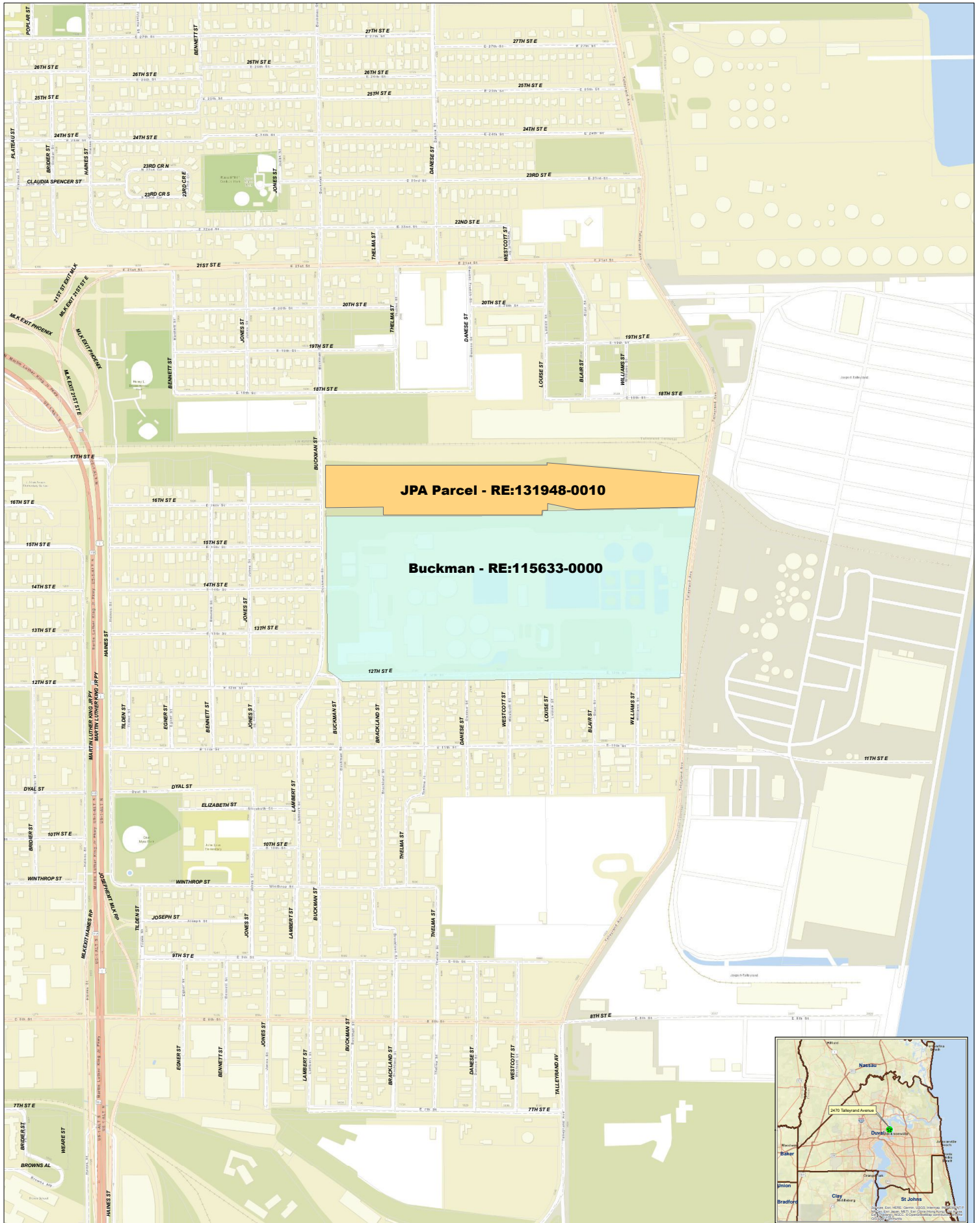
RECOMMENDATION:

That the Board of Directors approve the acceptance of property located at 2470 Talleyrand Avenue from JPA in full payment of the Milestone Payment and True-Up Payment owed under the Blount Island Terminal Crane Electrification Agreement as amended. Further, that the Board delegate authority to the Real Property Procurement Officer to execute all documents necessary to effectuate the closing.

Aaron F. Zahn, Managing Director/CEO

AFZ/MHD/SGM/JAP

Attachment: Site Figure – 2470 Talleyrand Avenue

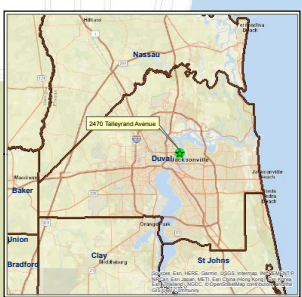


JPA Parcel - RE:131948-0010

Buckman - RE:115633-0000

2470 TALLEYRAND AVENUE

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 The document and the information contained herein has been created using aerial photography for the use of GIS. All data was obtained from the City of Dallas, Texas. The City of Dallas, Texas, is not responsible for any errors or omissions in this document. This is not an availability and all information must be field verified.





INTER-OFFICE MEMORANDUM

September 13, 2019

SUBJECT: REAL ESTATE PURCHASE – HART BRIDGE CONDUIT

FROM: Aaron F. Zahn, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

JEA owns and operates approximately 700 miles of fiber optic cable and associated conduit systems for the benefit of Electric, Water, and Waste Water operational communications. As part of JEA's Telecommunications Strategy, we are pursuing the purchase of an additional conduit on the Hart Bridge to meet our geographic diversity and system resiliency objectives. This purchase will allow for multiple communication paths and the reduction in mean-time to repair by providing increased integrity and availability for our data.

JEA previously purchased the corresponding "C" conduit on the Hart Bridge from World Fiber Technologies (PowerComm) in September 2002 for the same purchase price. The conduit now proposed to be purchased is the last available conduit for purchase crossing the St. Johns River on the Hart Bridge. No additional conduit builds are planned as the bridge is at capacity per FDOT.

DISCUSSION:

PowerComm (the "Seller") is the owner of an approximately 1600ft. conduit system located on the Hart Bridge. Pursuant to certain permits from the FDOT and DEP (the "Permits"), the Seller has installed the "D" duct system located adjacent to the northbound lanes of the Hart Bridge (the "Conduit System"). The Permits and Conduit System are referred to as the "Property" in the purchase agreement, and the purchase price for the Property is \$600,000. The purchase will be closed into escrow pending the approval by the FDOT and DEP of the assignment of the Permits to JEA.

The JEA Real Estate Procurement Directive requires Board of Directors approval for any sale or purchase of real property exceeding \$500,000. JEA has performed due diligence activities and has agreed to purchase the Property, subject to Board approval. The Property will include a one year warranty period in the event any defects are noted.

RECOMMENDATION:

That the Board of Directors approve the purchase of the redundant 4" conduit located on the Hart Bridge from PowerComm in full payment of monies owed under the Hart Bridge Conduit purchase agreement. Further, that the Board delegate authority to the Chief Information Officer to execute all documents necessary to effectuate the closing.

Aaron F. Zahn, Managing Director/CEO

AFZ/MHD/SGM/JAP

Attachment: Site Figure – Hart Bridge Conduit Purchase



Monthly Financial
Statements

August 2019

Monthly Financial Statements

August 2019

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JEA
Statements of Net Position
(in thousands)

	August 2019	September 2018
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 334,853	\$ 441,206
Investments	82,659	85,310
Customer accounts receivable, net of allowance (\$1,737 and \$1,830, respectively)	228,675	232,858
Inventories:		
Materials and supplies	58,800	59,204
Fuel	36,370	36,871
Other current assets	18,985	18,290
Total current assets	<u>760,342</u>	<u>873,739</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	127,706	114,576
Investments	480,711	731,627
Accounts and interest receivable	23	62
Total restricted assets	<u>608,440</u>	<u>846,265</u>
Costs to be recovered from future revenues	779,807	808,096
Other assets	20,080	22,686
Total noncurrent assets	<u>1,408,327</u>	<u>1,677,047</u>
Capital assets:		
Land and easements	195,430	194,552
Plant in service	11,559,010	11,231,096
Less accumulated depreciation	<u>(6,811,154)</u>	<u>(6,518,751)</u>
Plant in service, net	4,943,286	4,906,897
Construction work in progress	510,276	473,362
Net capital assets	<u>5,453,562</u>	<u>5,380,259</u>
Total assets	<u>7,622,231</u>	<u>7,931,045</u>
Deferred outflows of resources		
Unrealized pension contributions and losses	171,367	171,367
Unamortized deferred losses on refundings	133,716	143,722
Accumulated decrease in fair value of hedging derivatives	146,099	86,356
Unrealized asset retirement obligations	50,961	29,173
Unrealized OPEB contributions and losses	4,078	4,078
Total deferred outflows of resources	<u>506,221</u>	<u>434,696</u>
Total assets and deferred outflows of resources	<u>\$ 8,128,452</u>	<u>\$ 8,365,741</u>

JEA
Statements of Net Position
(in thousands)

Page 3

	August 2019	September 2018
	(unaudited)	
Liabilities		
Current liabilities:		
Accounts and accrued expenses payable	\$ 47,112	\$ 81,770
Customer deposits and prepayments	72,516	70,213
Billings on behalf of state and local governments	22,946	25,970
Current portion of asset retirement obligations	19,375	6,646
Compensation and benefits payable	10,449	12,688
City of Jacksonville payable	10,109	9,957
Total current liabilities	<u>182,507</u>	<u>207,244</u>
Current liabilities payable from restricted assets:		
Debt due within one year	192,555	185,790
Interest payable	54,394	73,737
Renewal and replacement reserve	47,742	54,370
Construction contracts and accounts payable	21,957	53,369
Total current liabilities payable from restricted assets	<u>316,648</u>	<u>367,266</u>
Noncurrent liabilities:		
Net pension liability	544,203	544,203
Asset retirement obligations	31,586	22,526
Net OPEB liability	19,485	18,835
Other liabilities	60,238	49,227
Total noncurrent liabilities	<u>655,512</u>	<u>634,791</u>
Long-term debt:		
Debt payable, less current portion	3,428,080	3,813,680
Unamortized premium, net	119,917	152,891
Fair value of debt management strategy instruments	133,196	86,356
Total long-term debt	<u>3,681,193</u>	<u>4,052,927</u>
Total liabilities	<u>4,835,860</u>	<u>5,262,228</u>
Deferred inflows of resources		
Revenues to be used for future costs	272,420	286,832
Unrealized pension gains	50,124	50,124
Unrealized OPEB gains	8,712	8,712
Accumulated increase in fair value of hedging derivatives	-	2,536
Total deferred inflows of resources	<u>331,256</u>	<u>348,204</u>
Net position		
Net investment in capital assets	2,306,528	1,856,725
Restricted for:		
Capital projects	153,780	331,157
Debt service	177,024	187,172
Other purposes	40,139	23,708
Unrestricted	283,865	356,547
Total net position	<u>2,961,336</u>	<u>2,755,309</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 8,128,452</u>	<u>\$ 8,365,741</u>

Statements of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited)

	Month		Year-to-Date	
	August		August	
	2019	2018	2019	2018
Operating revenues				
Electric - base	\$ 68,367	\$ 43,248	\$ 743,460	\$ 712,919
Electric - fuel and purchased power	31,783	44,831	382,444	447,144
Water and sewer	39,783	37,083	409,914	388,967
District energy system	923	810	7,611	7,488
Other	3,222	3,142	30,598	83,071
Total operating revenues	144,078	129,114	1,574,027	1,639,589
Operating expenses				
Operations and maintenance:				
Fuel	25,766	38,432	303,126	371,277
Purchased power	10,379	9,089	123,677	96,551
Maintenance and other operating expenses	25,974	31,997	348,264	389,287
Depreciation	30,097	28,732	332,426	332,490
State utility and franchise taxes	6,730	6,669	65,940	64,713
Recognition of deferred costs and revenues, net	1,609	148	19,716	1,116
Total operating expenses	100,555	115,067	1,193,149	1,255,434
Operating income	43,523	14,047	380,878	384,155
Nonoperating revenues (expenses)				
Interest on debt	(11,149)	(11,732)	(127,780)	(140,464)
Debt management strategy	(1,022)	(1,010)	(10,396)	(12,379)
Investment income	2,018	1,543	35,994	10,306
Allowance for funds used during construction	1,715	1,206	14,678	10,350
Other nonoperating income, net	1,007	610	8,313	9,269
Earnings from The Energy Authority	341	(53)	2,336	3,120
Other interest, net	(209)	(170)	(1,589)	(1,716)
Total nonoperating expenses, net	(7,299)	(9,606)	(78,444)	(121,514)
Income before contributions	36,224	4,441	302,434	262,641
Contributions (to) from				
General Fund, City of Jacksonville, Florida	(9,804)	(9,717)	(122,998)	(106,901)
Developers and other	9,578	7,651	87,768	74,621
Reduction of plant cost through contributions	(6,763)	(5,552)	(61,177)	(49,947)
Total contributions, net	(6,989)	(7,618)	(96,407)	(82,227)
Change in net position	29,235	(3,177)	206,027	180,414
Net position, beginning of period	2,932,101	2,812,413	2,755,309	2,628,822
Net position, end of period	\$ 2,961,336	\$ 2,809,236	\$ 2,961,336	\$ 2,809,236

Statement of Cash Flows
(in thousands - unaudited)

	Year-to-Date	
	August	
	2019	2018
Operating activities		
Receipts from customers	\$ 1,526,891	\$ 1,604,750
Payments to suppliers	(661,908)	(748,874)
Payments to employees	(214,497)	(242,266)
Other operating activities	39,261	88,677
Net cash provided by operating activities	689,747	702,287
Noncapital and related financing activities		
Contribution to General Fund, City of Jacksonville, Florida	(122,907)	(106,856)
Net cash used in noncapital financing activities	(122,907)	(106,856)
Capital and related financing activities		
Defeasance of debt	(195,045)	(993,690)
Proceeds received from debt	2,000	821,000
Acquisition and construction of capital assets	(425,050)	(320,697)
Interest paid on debt	(166,448)	(179,504)
Repayment of debt principal	(185,790)	(229,095)
Capital contributions	26,591	24,674
Other capital financing activities	(7,615)	59,594
Net cash used in capital and related financing activities	(951,357)	(817,718)
Investing activities		
Purchase of investments	(414,362)	(961,012)
Proceeds from sale and maturity of investments	681,374	931,375
Investment income	22,238	10,714
Distributions from The Energy Authority	2,044	2,748
Net cash provided by investing activities	291,294	(16,175)
Net change in cash and cash equivalents	(93,223)	(238,462)
Cash and cash equivalents, beginning of year	555,782	614,034
Cash and cash equivalents, end of period	\$ 462,559	\$ 375,572
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 380,878	\$ 384,155
Adjustments:		
Depreciation and amortization	333,547	333,665
Recognition of deferred costs and revenues, net	19,716	1,116
Other nonoperating income, net	1,859	1,079
Changes in noncash assets and noncash liabilities:		
Accounts receivable	976	44,377
Accounts receivable, restricted	-	3
Inventories	907	11,485
Other assets	6,557	7,273
Accounts and accrued expenses payable	(41,474)	(37,325)
Current liabilities payable from restricted assets	(4,719)	(20,263)
Other noncurrent liabilities and deferred inflows	(8,500)	(23,278)
Net cash provided by operating activities	\$ 689,747	\$ 702,287
Noncash activity		
Contribution of capital assets from developers	\$ 61,177	\$ 49,947
Unrealized gains (losses) on fair value of investments, net	\$ 13,445	\$ (1,492)

JEA
Combining Statement of Net Position
(in thousands - unaudited) August 2019

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Assets							
Current assets:							
Cash and cash equivalents	\$ 205,167	\$ 66,295	\$ -	\$ 271,462	61,865	\$ 1,526	\$ 334,853
Investments	76,028	2,403	-	78,431	4,228	-	82,659
Customer accounts receivable, net of allowance (\$1,737)	175,528	-	-	175,528	52,224	923	228,675
Inventories:							
Materials and supplies	2,278	190	-	2,468	56,332	-	58,800
Fuel	36,370	-	-	36,370	-	-	36,370
Other current assets	16,304	6,932	(10,034)	13,202	5,783	-	18,985
Total current assets	511,675	75,820	(10,034)	577,461	180,432	2,449	760,342
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	-	93,109	-	93,109	28,980	5,617	127,706
Investments	269,727	10,897	-	280,624	200,087	-	480,711
Accounts and interest receivable	8	7	-	15	8	-	23
Total restricted assets	269,735	104,013	-	373,748	229,075	5,617	608,440
Costs to be recovered from future revenues	294,669	248,261	-	542,930	236,850	27	779,807
Other assets	17,184	-	-	17,184	2,895	1	20,080
Total noncurrent assets	581,588	352,274	-	933,862	468,820	5,645	1,408,327
Capital assets:							
Land and easements	124,456	6,660	-	131,116	61,263	3,051	195,430
Plant in service	5,599,389	1,316,043	-	6,915,432	4,586,428	57,150	11,559,010
Less accumulated depreciation	(3,238,233)	(1,312,935)	-	(4,551,168)	(2,232,455)	(27,531)	(6,811,154)
Plant in service, net	2,485,612	9,768	-	2,495,380	2,415,236	32,670	4,943,286
Construction work in progress	215,511	-	-	215,511	294,166	599	510,276
Net capital assets	2,701,123	9,768	-	2,710,891	2,709,402	33,269	5,453,562
Total assets	3,794,386	437,862	(10,034)	4,222,214	3,358,654	41,363	7,622,231
Deferred outflows of resources							
Unrealized pension contributions and losses	83,649	34,238	-	117,887	53,480	-	171,367
Unamortized deferred losses on refundings	77,906	3,991	-	81,897	51,636	183	133,716
Accumulated decrease in fair value of hedging derivatives	118,666	-	-	118,666	27,433	-	146,099
Unrealized asset retirement obligations	32,200	18,761	-	50,961	-	-	50,961
Unrealized OPEB contributions and losses	2,488	-	-	2,488	1,590	-	4,078
Total deferred outflows of resources	314,909	56,990	-	371,899	134,139	183	506,221
Total assets and deferred outflows of resources	\$ 4,109,295	\$ 494,852	\$ (10,034)	\$ 4,594,113	\$ 3,492,793	\$ 41,546	\$ 8,128,452

Combining Statement of Net Position
(in thousands - unaudited) August 2019

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	\$ 38,533	\$ 3,289	\$ (2,595)	\$ 39,227	\$ 7,852	\$ 33	\$ 47,112
Customer deposits and prepayments	55,308	-	-	55,308	17,208	-	72,516
Billings on behalf of state and local governments	19,925	(1)	-	19,924	3,022	-	22,946
Current portion of asset retirement obligations	614	18,761	-	19,375	-	-	19,375
Compensation and benefits payable	7,247	-	-	7,247	3,156	46	10,449
City of Jacksonville payable	8,029	-	-	8,029	2,080	-	10,109
Total current liabilities	129,656	22,049	(2,595)	149,110	33,318	79	182,507
Current liabilities payable from restricted assets:							
Debt due within one year	122,380	13,780	-	136,160	54,705	1,690	192,555
Interest payable	27,074	4,636	-	31,710	22,130	554	54,394
Renewal and replacement reserve	-	47,742	-	47,742	-	-	47,742
Construction contracts and accounts payable	4,280	3,651	(3,067)	4,864	17,092	1	21,957
Total current liabilities payable from restricted assets	153,734	69,809	(3,067)	220,476	93,927	2,245	316,648
Noncurrent liabilities:							
Net pension liability	321,885	16,523	-	338,408	205,795	-	544,203
Asset retirement obligations	31,586	-	-	31,586	-	-	31,586
Net OPEB liability	11,873	-	-	11,873	7,612	-	19,485
Other liabilities	51,960	4,372	(4,372)	51,960	8,254	24	60,238
Total noncurrent liabilities	417,304	20,895	(4,372)	433,827	221,661	24	655,512
Long-term debt:							
Debt payable, less current portion	1,796,880	265,105	-	2,061,985	1,332,960	33,135	3,428,080
Unamortized premium (discount), net	57,730	1,520	-	59,250	60,696	(29)	119,917
Fair value of debt management strategy instruments	105,763	-	-	105,763	27,433	-	133,196
Total long-term debt	1,960,373	266,625	-	2,226,998	1,421,089	33,106	3,681,193
Total liabilities	2,661,067	379,378	(10,034)	3,030,411	1,769,995	35,454	4,835,860
Deferred inflows of resources							
Revenues to be used for future costs	230,706	10,624	-	241,330	31,090	-	272,420
Unrealized pension gains	26,250	7,091	-	33,341	16,783	-	50,124
Unrealized OPEB gains	5,314	-	-	5,314	3,398	-	8,712
Total deferred inflows of resources	262,270	17,715	-	279,985	51,271	-	331,256
Net position							
Net investment in capital assets	835,319	(11,059)	-	824,260	1,483,614	(1,346)	2,306,528
Restricted for:							
Capital projects	61,274	-	-	61,274	88,992	3,514	153,780
Debt service	111,369	12,871	-	124,240	51,235	1,549	177,024
Other purposes	4,585	27,787	3,067	35,439	4,700	-	40,139
Unrestricted	173,411	68,160	(3,067)	238,504	42,986	2,375	283,865
Total net position	1,185,958	97,759	-	1,283,717	1,671,527	6,092	2,961,336
Total liabilities, deferred inflows of resources, and net position	\$ 4,109,295	\$ 494,852	\$ (10,034)	\$ 4,594,113	\$ 3,492,793	\$ 41,546	\$ 8,128,452

Combining Statement of Net Position
(in thousands) September 2018

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Assets							
Current assets:							
Cash and cash equivalents	\$ 285,611	\$ 65,840	\$ -	\$ 351,451	\$ 86,219	\$ 3,536	\$ 441,206
Investments	83,268	2,042	-	85,310	-	-	85,310
Customer accounts receivable, net of allowance (\$1,830)	180,731	-	-	180,731	51,267	860	232,858
Inventories:							
Materials and supplies	2,189	665	-	2,854	56,350	-	59,204
Fuel	35,856	1,015	-	36,871	-	-	36,871
Other current assets	16,310	790	(1,912)	15,188	3,102	-	18,290
Total current assets	603,965	70,352	(1,912)	672,405	196,938	4,396	873,739
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	203	74,113	-	74,316	36,842	3,418	114,576
Investments	419,536	23,330	-	442,866	288,761	-	731,627
Accounts and interest receivable	7	47	-	54	8	-	62
Total restricted assets	419,746	97,490	-	517,236	325,611	3,418	846,265
Costs to be recovered from future revenues	301,805	261,277	-	563,082	244,987	27	808,096
Other assets	18,843	-	-	18,843	3,843	-	22,686
Total noncurrent assets	740,394	358,767	-	1,099,161	574,441	3,445	1,677,047
Capital assets:							
Land and easements	123,626	6,660	-	130,286	61,215	3,051	194,552
Plant in service	5,426,682	1,316,043	-	6,742,725	4,431,995	56,376	11,231,096
Less accumulated depreciation	(3,072,611)	(1,312,559)	-	(4,385,170)	(2,108,027)	(25,554)	(6,518,751)
Plant in service, net	2,477,697	10,144	-	2,487,841	2,385,183	33,873	4,906,897
Construction work in progress	174,527	-	-	174,527	297,681	1,154	473,362
Net capital assets	2,652,224	10,144	-	2,662,368	2,682,864	35,027	5,380,259
Total assets	3,996,583	439,263	(1,912)	4,433,934	3,454,243	42,868	7,931,045
Deferred outflows of resources							
Unrealized pension contributions and losses	83,649	34,238	-	117,887	53,480	-	171,367
Unamortized deferred losses on refundings	85,165	4,185	-	89,350	54,178	194	143,722
Accumulated decrease in fair value of hedging derivatives	70,103	-	-	70,103	16,253	-	86,356
Unrealized asset retirement obligations	-	29,173	-	29,173	-	-	29,173
Unrealized OPEB contributions and losses	2,488	-	-	2,488	1,590	-	4,078
Total deferred outflows of resources	241,405	67,596	-	309,001	125,501	194	434,696
Total assets and deferred outflows of resources	\$ 4,237,988	\$ 506,859	\$ (1,912)	\$ 4,742,935	\$ 3,579,744	\$ 43,062	\$ 8,365,741

**Combining Statement of Net Position
(in thousands) September 2018**

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	\$ 69,831	\$ 1,021	\$ (796)	\$ 70,056	\$ 11,636	\$ 78	\$ 81,770
Customer deposits and prepayments	53,738	-	-	53,738	16,475	-	70,213
Billings on behalf of state and local governments	22,295	1	-	22,296	3,674	-	25,970
Current portion of asset retirement obligations	-	6,646	-	6,646	-	-	6,646
Compensation and benefits payable	9,458	-	-	9,458	3,205	25	12,688
City of Jacksonville payable	7,846	-	-	7,846	2,111	-	9,957
Total current liabilities	163,168	7,668	(796)	170,040	37,101	103	207,244
Current liabilities payable from restricted assets:							
Debt due within one year	130,690	1,720	-	132,410	51,720	1,660	185,790
Interest payable	37,613	5,603	-	43,216	29,841	680	73,737
Renewal and replacement reserve	-	54,370	-	54,370	-	-	54,370
Construction contracts and accounts payable	16,596	1,742	(1,116)	17,222	35,886	261	53,369
Total current liabilities payable from restricted assets	184,899	63,435	(1,116)	247,218	117,447	2,601	367,266
Noncurrent liabilities:							
Net pension liability	321,885	16,523	-	338,408	205,795	-	544,203
Asset retirement obligations	-	22,526	-	22,526	-	-	22,526
Net OPEB liability	11,489	-	-	11,489	7,346	-	18,835
Other liabilities	40,344	-	-	40,344	8,849	34	49,227
Total noncurrent liabilities	373,718	39,049	-	412,767	221,990	34	634,791
Long-term debt:							
Debt payable, less current portion	2,019,350	278,885	-	2,298,235	1,480,620	34,825	3,813,680
Unamortized premium (discount), net	76,748	2,474	-	79,222	73,703	(34)	152,891
Fair value of debt management strategy instruments	70,103	-	-	70,103	16,253	-	86,356
Total long-term debt	2,166,201	281,359	-	2,447,560	1,570,576	34,791	4,052,927
Total liabilities	2,887,986	391,511	(1,912)	3,277,585	1,947,114	37,529	5,262,228
Deferred inflows of resources							
Revenues to be used for future costs	249,085	10,624	-	259,709	27,123	-	286,832
Unrealized pension gains	26,250	7,091	-	33,341	16,783	-	50,124
Unrealized OPEB gains	5,314	-	-	5,314	3,398	-	8,712
Accumulated increase in fair value of hedging derivatives	2,536	-	-	2,536	-	-	2,536
Total deferred inflows of resources	283,185	17,715	-	300,900	47,304	-	348,204
Net position							
Net investment in capital assets	530,479	2,138	-	532,617	1,325,600	(1,492)	1,856,725
Restricted for:							
Capital projects	190,132	(1,760)	-	188,372	141,707	1,078	331,157
Debt service	129,870	1,843	-	131,713	53,799	1,660	187,172
Other purposes	(3,302)	26,081	1,116	23,895	(187)	-	23,708
Unrestricted	219,638	69,331	(1,116)	287,853	64,407	4,287	356,547
Total net position	1,066,817	97,633	-	1,164,450	1,585,326	5,533	2,755,309
Total liabilities, deferred inflows of resources, and net position	\$ 4,237,988	\$ 506,859	\$ (1,912)	\$ 4,742,935	\$ 3,579,744	\$ 43,062	\$ 8,365,741

Combining Statement of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited) for the month ended August 2019

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 68,687	\$ -	\$ -	\$ 68,687	\$ -	\$ -	\$ (320)	\$ 68,367
Electric - fuel and purchased power	32,989	2,203	(2,203)	32,989	-	-	(1,206)	31,783
Water and sewer	-	-	-	-	39,857	-	(74)	39,783
District energy system	-	-	-	-	-	960	(37)	923
Other	2,294	-	-	2,294	1,210	-	(282)	3,222
Total operating revenues	103,970	2,203	(2,203)	103,970	41,067	960	(1,919)	144,078
Operating expenses								
Operations and maintenance:								
Fuel	25,766	-	-	25,766	-	-	-	25,766
Purchased power	12,582	-	(2,203)	10,379	-	-	-	10,379
Maintenance and other operating expenses	14,206	137	-	14,343	13,082	468	(1,919)	25,974
Depreciation	16,687	34	-	16,721	13,181	195	-	30,097
State utility and franchise taxes	5,826	-	-	5,826	904	-	-	6,730
Recognition of deferred costs and revenues, net	(133)	1,172	-	1,039	570	-	-	1,609
Total operating expenses	74,934	1,343	(2,203)	74,074	27,737	663	(1,919)	100,555
Operating income	29,036	860	-	29,896	13,330	297	-	43,523
Nonoperating revenues (expenses)								
Interest on debt	(5,667)	(1,272)	-	(6,939)	(4,098)	(112)	-	(11,149)
Debt management strategy	(812)	-	-	(812)	(210)	-	-	(1,022)
Investment income	1,277	211	-	1,488	513	17	-	2,018
Allowance for funds used during construction	747	-	-	747	967	1	-	1,715
Other nonoperating income, net	357	29	-	386	621	-	-	1,007
Earnings from The Energy Authority	341	-	-	341	-	-	-	341
Other interest, net	(205)	-	-	(205)	(4)	-	-	(209)
Total nonoperating expenses, net	(3,962)	(1,032)	-	(4,994)	(2,211)	(94)	-	(7,299)
Income before contributions	25,074	(172)	-	24,902	11,119	203	-	36,224
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,746)	-	-	(7,746)	(2,058)	-	-	(9,804)
Developers and other	195	-	-	195	9,383	-	-	9,578
Reduction of plant cost through contributions	(195)	-	-	(195)	(6,568)	-	-	(6,763)
Total contributions, net	(7,746)	-	-	(7,746)	757	-	-	(6,989)
Change in net position	17,328	(172)	-	17,156	11,876	203	-	29,235
Net position, beginning of period	1,168,630	97,931	-	1,266,561	1,659,651	5,889	-	2,932,101
Net position, end of period	\$ 1,185,958	\$ 97,759	\$ -	\$ 1,283,717	\$ 1,671,527	\$ 6,092	\$ -	\$ 2,961,336

Combining Statement of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited) for the month ended August 2018

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 43,408	\$ -	\$ -	\$ 43,408	\$ -	\$ -	\$ (160)	\$ 43,248
Electric - fuel and purchased power	45,181	1,162	(909)	45,434	-	-	(603)	44,831
Water and sewer	-	-	-	-	37,141	-	(58)	37,083
District energy system	-	-	-	-	-	851	(41)	810
Other	1,949	290	-	2,239	1,157	-	(254)	3,142
Total operating revenues	90,538	1,452	(909)	91,081	38,298	851	(1,116)	129,114
Operating expenses								
Operations and maintenance:								
Fuel	37,641	791	-	38,432	-	-	-	38,432
Purchased power	9,998	-	(909)	9,089	-	-	-	9,089
Maintenance and other operating expenses	20,422	(269)	-	20,153	12,813	147	(1,116)	31,997
Depreciation	16,525	34	-	16,559	11,970	203	-	28,732
State utility and franchise taxes	5,781	-	-	5,781	888	-	-	6,669
Recognition of deferred costs and revenues, net	(227)	80	-	(147)	295	-	-	148
Total operating expenses	90,140	636	(909)	89,867	25,966	350	(1,116)	115,067
Operating income	398	816	-	1,214	12,332	501	-	14,047
Nonoperating revenues (expenses)								
Interest on debt	(6,280)	(877)	-	(7,157)	(4,460)	(115)	-	(11,732)
Debt management strategy	(815)	-	-	(815)	(195)	-	-	(1,010)
Investment income	688	323	-	1,011	520	12	-	1,543
Allowance for funds used during construction	418	-	-	418	786	2	-	1,206
Other nonoperating income, net	371	31	-	402	208	-	-	610
Earnings from The Energy Authority	(53)	-	-	(53)	-	-	-	(53)
Other interest, net	(168)	-	-	(168)	(2)	-	-	(170)
Total nonoperating expenses, net	(5,839)	(523)	-	(6,362)	(3,143)	(101)	-	(9,606)
Income before contributions	(5,441)	293	-	(5,148)	9,189	400	-	4,441
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,622)	-	-	(7,622)	(2,095)	-	-	(9,717)
Developers and other	159	-	-	159	7,492	-	-	7,651
Reduction of plant cost through contributions	(159)	-	-	(159)	(5,393)	-	-	(5,552)
Total contributions, net	(7,622)	-	-	(7,622)	4	-	-	(7,618)
Change in net position	(13,063)	293	-	(12,770)	9,193	400	-	(3,177)
Net position, beginning of period, as restated	1,088,334	145,736	-	1,234,070	1,572,958	5,385	-	2,812,413
Net position, end of period	\$ 1,075,271	\$ 146,029	\$ -	\$ 1,221,300	\$ 1,582,151	\$ 5,785	\$ -	\$ 2,809,236

Combining Statement of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited) for the eleven months ended August 2019

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 746,637	\$ -	\$ -	\$ 746,637	\$ -	\$ -	\$ (3,177)	\$ 743,460
Electric - fuel and purchased power	392,756	26,193	(24,550)	394,399	-	-	(11,955)	382,444
Water and sewer	-	-	-	-	410,389	-	(475)	409,914
District energy system	-	-	-	-	-	7,958	(347)	7,611
Other	21,273	459	-	21,732	11,936	3	(3,073)	30,598
Total operating revenues	1,160,666	26,652	(24,550)	1,162,768	422,325	7,961	(19,027)	1,574,027
Operating expenses								
Operations and maintenance:								
Fuel	298,457	4,669	-	303,126	-	-	-	303,126
Purchased power	148,227	-	(24,550)	123,677	-	-	-	123,677
Maintenance and other operating expenses	217,705	3,146	-	220,851	142,335	4,105	(19,027)	348,264
Depreciation	190,573	376	-	190,949	139,245	2,232	-	332,426
State utility and franchise taxes	56,058	-	-	56,058	9,882	-	-	65,940
Recognition of deferred costs and revenues, net	(1,566)	12,889	-	11,323	8,393	-	-	19,716
Total operating expenses	909,454	21,080	(24,550)	905,984	299,855	6,337	(19,027)	1,193,149
Operating income	251,212	5,572	-	256,784	122,470	1,624	-	380,878
Nonoperating revenues (expenses)								
Interest on debt	(68,429)	(9,970)	-	(78,399)	(48,146)	(1,235)	-	(127,780)
Debt management strategy	(8,414)	-	-	(8,414)	(1,982)	-	-	(10,396)
Investment income	19,546	4,209	-	23,755	12,095	144	-	35,994
Allowance for funds used during construction	5,608	-	-	5,608	9,044	26	-	14,678
Other nonoperating income, net	4,000	315	-	4,315	3,998	-	-	8,313
Earnings from The Energy Authority	2,336	-	-	2,336	-	-	-	2,336
Other interest, net	(1,512)	-	-	(1,512)	(77)	-	-	(1,589)
Total nonoperating expenses, net	(46,865)	(5,446)	-	(52,311)	(25,068)	(1,065)	-	(78,444)
Income before contributions	204,347	126	-	204,473	97,402	559	-	302,434
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(85,206)	-	-	(85,206)	(37,792)	-	-	(122,998)
Developers and other	4,962	-	-	4,962	82,806	-	-	87,768
Reduction of plant cost through contributions	(4,962)	-	-	(4,962)	(56,215)	-	-	(61,177)
Total contributions, net	(85,206)	-	-	(85,206)	(11,201)	-	-	(96,407)
Change in net position	119,141	126	-	119,267	86,201	559	-	206,027
Net position, beginning of year	1,066,817	97,633	-	1,164,450	1,585,326	5,533	-	2,755,309
Net position, end of period	\$ 1,185,958	\$ 97,759	\$ -	\$ 1,283,717	\$ 1,671,527	\$ 6,092	\$ -	\$ 2,961,336

Combining Statement of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited) for the eleven months ended August 2018

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 716,026	\$ -	\$ -	\$ 716,026	\$ -	\$ -	\$ (3,107)	\$ 712,919
Electric - fuel and purchased power	428,350	85,873	(55,389)	458,834	-	-	(11,690)	447,144
Water and sewer	-	-	-	-	389,538	-	(571)	388,967
District energy system	-	-	-	-	-	7,855	(367)	7,488
Other	20,072	55,100	-	75,172	10,457	-	(2,558)	83,071
Total operating revenues	1,164,448	140,973	(55,389)	1,250,032	399,995	7,855	(18,293)	1,639,589
Operating expenses								
Operations and maintenance:								
Fuel	319,377	51,900	-	371,277	-	-	-	371,277
Purchased power	151,940	-	(55,389)	96,551	-	-	-	96,551
Maintenance and other operating expenses	214,595	55,880	-	270,475	133,353	3,752	(18,293)	389,287
Depreciation	187,166	10,953	-	198,119	132,171	2,200	-	332,490
State utility and franchise taxes	55,100	-	-	55,100	9,613	-	-	64,713
Recognition of deferred costs and revenues, net	(2,497)	(1,547)	-	(4,044)	5,160	-	-	1,116
Total operating expenses	925,681	117,186	(55,389)	987,478	280,297	5,952	(18,293)	1,255,434
Operating income	238,767	23,787	-	262,554	119,698	1,903	-	384,155
Nonoperating revenues (expenses)								
Interest on debt	(69,129)	(19,416)	-	(88,545)	(50,660)	(1,259)	-	(140,464)
Debt management strategy	(9,978)	-	-	(9,978)	(2,401)	-	-	(12,379)
Investment income	5,715	1,100	-	6,815	3,401	90	-	10,306
Allowance for funds used during construction	3,403	-	-	3,403	6,900	47	-	10,350
Other nonoperating income, net	5,676	1,037	-	6,713	2,556	-	-	9,269
Earnings from The Energy Authority	3,120	-	-	3,120	-	-	-	3,120
Other interest, net	(1,488)	-	-	(1,488)	(228)	-	-	(1,716)
Total nonoperating expenses, net	(62,681)	(17,279)	-	(79,960)	(40,432)	(1,122)	-	(121,514)
Income before contributions	176,086	6,508	-	182,594	79,266	781	-	262,641
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(83,849)	-	-	(83,849)	(23,052)	-	-	(106,901)
Developers and other	1,479	-	-	1,479	73,142	-	-	74,621
Reduction of plant cost through contributions	(1,479)	-	-	(1,479)	(48,468)	-	-	(49,947)
Total contributions, net	(83,849)	-	-	(83,849)	1,622	-	-	(82,227)
Change in net position	92,237	6,508	-	98,745	80,888	781	-	180,414
Net position, beginning of year, as restated	983,034	139,521	-	1,122,555	1,501,263	5,004	-	2,628,822
Net position, end of period	\$ 1,075,271	\$ 146,029	\$ -	\$ 1,221,300	\$ 1,582,151	\$ 5,785	\$ -	\$ 2,809,236

Combining Statement of Cash Flows
(in thousands - unaudited) for the eleven months ended August 2019

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating activities								
Receipts from customers	\$ 1,128,013	\$ 20,184	\$ (26,644)	\$ 1,121,553	\$ 413,397	\$ 7,895	\$ (15,954)	\$ 1,526,891
Payments to suppliers	(604,005)	(4,446)	26,644	(581,807)	(95,529)	(3,599)	19,027	(661,908)
Payments to employees	(154,113)	41	-	(154,072)	(59,884)	(541)	-	(214,497)
Other operating activities	29,485	459	-	29,944	12,387	3	(3,073)	39,261
Net cash provided by operating activities	399,380	16,238	-	415,618	270,371	3,758	-	689,747
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(85,083)	-	-	(85,083)	(37,824)	-	-	(122,907)
Net cash used in noncapital financing activities	(85,083)	-	-	(85,083)	(37,824)	-	-	(122,907)
Capital and related financing activities								
Defeasance of debt	(100,090)	-	-	(100,090)	(94,955)	-	-	(195,045)
Proceeds received from debt	-	-	-	-	2,000	-	-	2,000
Acquisition and construction of capital assets	(247,806)	-	-	(247,806)	(176,536)	(708)	-	(425,050)
Interest paid on debt	(90,055)	(11,167)	-	(101,222)	(63,881)	(1,345)	-	(166,448)
Repayment of debt principal	(130,690)	(1,720)	-	(132,410)	(51,720)	(1,660)	-	(185,790)
Capital contributions	-	-	-	-	26,591	-	-	26,591
Other capital financing activities	(4,834)	(231)	-	(5,065)	(2,550)	-	-	(7,615)
Net cash used in capital and related financing activities	(573,475)	(13,118)	-	(586,593)	(361,051)	(3,713)	-	(951,357)
Investing activities								
Purchase of investments	(234,704)	(97,635)	-	(332,339)	(82,023)	-	-	(414,362)
Proceeds from sale and maturity of investments	399,640	109,768	-	509,408	171,966	-	-	681,374
Investment income	11,551	4,198	-	15,749	6,345	144	-	22,238
Distributions from The Energy Authority	2,044	-	-	2,044	-	-	-	2,044
Net cash provided by investing activities	178,531	16,331	-	194,862	96,288	144	-	291,294
Net change in cash and cash equivalents	(80,647)	19,451	-	(61,196)	(32,216)	189	-	(93,223)
Cash and cash equivalents, beginning of year	285,814	139,953	-	425,767	123,061	6,954	-	555,782
Cash and cash equivalents, end of period	\$ 205,167	\$ 159,404	\$ -	\$ 364,571	\$ 90,845	\$ 7,143	\$ -	\$ 462,559
Reconciliation of operating income to net cash provided by operating activities								
Operating income	\$ 251,212	\$ 5,572	\$ -	\$ 256,784	\$ 122,470	\$ 1,624	\$ -	\$ 380,878
Adjustments:								
Depreciation and amortization	190,573	376	-	190,949	140,366	2,232	-	333,547
Recognition of deferred costs and revenues, net	(1,566)	12,889	-	11,323	8,393	-	-	19,716
Other nonoperating income, net	132	-	-	132	1,727	-	-	1,859
Changes in noncash assets and noncash liabilities:								
Accounts receivable	9,400	(6,009)	-	3,391	(2,352)	(63)	-	976
Inventories	(602)	1,491	-	889	18	-	-	907
Other assets	6,619	-	-	6,619	(60)	(2)	-	6,557
Accounts and accrued expenses payable	(37,512)	(110)	-	(37,622)	(3,829)	(23)	-	(41,474)
Current liabilities payable from restricted assets	-	(4,719)	-	(4,719)	-	-	-	(4,719)
Other noncurrent liabilities and deferred inflows	(18,876)	6,748	-	(12,128)	3,638	(10)	-	(8,500)
Net cash provided by operating activities	\$ 399,380	\$ 16,238	\$ -	\$ 415,618	\$ 270,371	\$ 3,758	\$ -	\$ 689,747
Noncash activity								
Contribution of capital assets from developers	\$ 4,962	\$ -	\$ -	\$ 4,962	\$ 56,215	\$ -	\$ -	\$ 61,177
Unrealized gains on fair value of investments, net	\$ 7,887	\$ 61	\$ -	\$ 7,948	\$ 5,497	\$ -	\$ -	\$ 13,445

Combining Statement of Cash Flows
(in thousands - unaudited) for the eleven months ended August 2018

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating activities								
Receipts from customers	\$ 1,147,176	\$ 99,932	\$ (32,617)	\$ 1,214,491	\$ 398,016	\$ 7,978	\$ (15,735)	\$ 1,604,750
Payments to suppliers	(610,545)	(89,121)	32,617	(667,049)	(96,852)	(3,266)	18,293	(748,874)
Payments to employees	(149,082)	(35,736)	-	(184,818)	(56,938)	(510)	-	(242,266)
Other operating activities	24,894	55,100	-	79,994	11,241	-	(2,558)	88,677
Net cash provided by operating activities	412,443	30,175	-	442,618	255,467	4,202	-	702,287
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(83,916)	-	-	(83,916)	(22,940)	-	-	(106,856)
Net cash used in noncapital financing activities	(83,916)	-	-	(83,916)	(22,940)	-	-	(106,856)
Capital and related financing activities								
Defeasance of debt	(405,105)	(128,280)	-	(533,385)	(460,305)	-	-	(993,690)
Proceeds received from debt	383,840	-	-	383,840	437,160	-	-	821,000
Acquisition and construction of capital assets	(156,634)	-	-	(156,634)	(163,211)	(852)	-	(320,697)
Interest paid on debt	(94,632)	(16,685)	-	(111,317)	(66,816)	(1,371)	-	(179,504)
Repayment of debt principal	(135,105)	(41,330)	-	(176,435)	(51,020)	(1,640)	-	(229,095)
Capital contributions	-	-	-	-	24,674	-	-	24,674
Other capital financing activities	41,806	(7,158)	-	34,648	24,946	-	-	59,594
Net cash used in capital and related financing activities	(365,830)	(193,453)	-	(559,283)	(254,572)	(3,863)	-	(817,718)
Investing activities								
Purchase of investments	(464,262)	(252,594)	-	(716,856)	(244,156)	-	-	(961,012)
Proceeds from sale and maturity of investments	315,425	428,653	-	744,078	187,297	-	-	931,375
Investment income	7,634	(2,146)	-	5,488	5,136	90	-	10,714
Distributions from The Energy Authority	2,748	-	-	2,748	-	-	-	2,748
Net cash provided by (used in) investing activities	(138,455)	173,913	-	35,458	(51,723)	90	-	(16,175)
Net change in cash and cash equivalents	(175,758)	10,635	-	(165,123)	(73,768)	429	-	(238,462)
Cash and cash equivalents, beginning of year	340,063	121,027	-	461,090	145,909	7,035	-	614,034
Cash and cash equivalents, end of period	\$ 164,305	\$ 131,662	\$ -	\$ 295,967	\$ 72,141	\$ 7,464	\$ -	\$ 375,572
Reconciliation of operating income to net cash provided by operating activities								
Operating income	\$ 238,767	\$ 23,787	\$ -	\$ 262,554	\$ 119,698	\$ 1,903	\$ -	\$ 384,155
Adjustments:								
Depreciation and amortization	187,166	10,953	-	198,119	133,346	2,200	-	333,665
Recognition of deferred costs and revenues, net	(2,497)	(1,547)	-	(4,044)	5,160	-	-	1,116
Other nonoperating income (loss), net	109	700	-	809	270	-	-	1,079
Changes in noncash assets and noncash liabilities:								
Accounts receivable	30,356	13,359	-	43,715	539	123	-	44,377
Accounts receivable, restricted	-	-	-	-	3	-	-	3
Inventories	1,507	16,989	-	18,496	(7,011)	-	-	11,485
Other assets	6,586	-	-	6,586	688	(1)	-	7,273
Accounts and accrued expenses payable	(19,729)	(12,250)	-	(31,979)	(5,300)	(46)	-	(37,325)
Current liabilities payable from restricted assets	-	(20,263)	-	(20,263)	-	-	-	(20,263)
Other noncurrent liabilities and deferred inflows	(29,822)	(1,553)	-	(31,375)	8,074	23	-	(23,278)
Net cash provided by operating activities	\$ 412,443	\$ 30,175	\$ -	\$ 442,618	\$ 255,467	\$ 4,202	\$ -	\$ 702,287
Noncash activity								
Contribution of capital assets from developers	\$ 1,479	\$ -	\$ -	\$ 1,479	\$ 48,468	\$ -	\$ -	\$ 49,947
Unrealized gains (losses) on fair value of investments, net	\$ (3,142)	\$ 4,165	\$ -	\$ 1,023	\$ (2,515)	\$ -	\$ -	\$ (1,492)

	Month August		Year-to-Date August	
	2019	2018	2019	2018
Electric System				
Senior debt service coverage, (annual minimum 1.20x)	7.22 x	2.77 x	6.20 x	6.74 x
Senior and subordinated debt service coverage, (annual minimum 1.15x)	3.12 x	1.00 x	2.68 x	2.37 x
Bulk Power Supply System				
Debt service coverage, (annual minimum 1.15x)	2.35 x	3.73 x	2.17 x	3.35 x
St. Johns River Power Park, Second Resolution				
Debt service coverage, (semi-annual minimum 1.15x)	1.18 x	1.47 x	1.19 x	1.21 x
Water and Sewer System				
Senior debt service coverage, (annual minimum 1.25x)	4.09 x	3.50 x	3.60 x	3.36 x
Senior and subordinated debt service coverage excluding capacity fees ⁽¹⁾	3.12 x	2.70 x	2.76 x	2.58 x
Senior and subordinated debt service coverage including capacity fees ⁽¹⁾	3.43 x	2.92 x	3.02 x	2.82 x
District Energy System				
Debt service coverage, (annual minimum 1.15x)	2.02 x	2.85 x	2.43 x	1.52 x

⁽¹⁾ Annual minimum coverage is either 1.00x aggregate debt service and aggregate subordinated debt service (excluding capacity charges) or the sum of 1.00x aggregate debt service and 1.20x aggregate subordinated debt service (including capacity charges).

	Month August			Year-to-Date August		
	2019	2018	Variance	2019	2018	Variance
Electric revenues sales (000s omitted):						
Residential	\$ 66,746	\$ 65,480	1.93%	\$ 568,359	\$ 556,893	2.06%
Commercial	39,939	38,521	3.68%	360,217	355,655	1.28%
Industrial	18,542	18,587	-0.24%	179,297	183,593	-2.34%
Public street lighting	1,104	1,079	2.32%	12,059	11,803	2.17%
Electric revenues - territorial	126,331	123,667	2.15%	1,119,932	1,107,944	1.08%
Sales for resale - off system	141	69	104.35%	3,572	5,405	-33.91%
Electric revenues	126,472	123,736	2.21%	1,123,504	1,113,349	0.91%
Rate stabilization & recovery	(24,635)	(34,981)	29.58%	17,283	32,148	46.24%
Allowance for doubtful accounts	(161)	(166)	-3.01%	(1,394)	(1,121)	24.35%
Net electric revenues	101,676	88,589	14.77%	1,139,393	1,144,376	-0.44%
MWh sales						
Residential	589,884	578,301	2.00%	4,976,670	4,873,178	2.12%
Commercial	415,737	401,004	3.67%	3,708,240	3,659,811	1.32%
Industrial	259,065	265,147	-2.29%	2,497,043	2,541,866	-1.76%
Public street lighting	4,492	4,825	-6.90%	52,567	54,471	-3.50%
Total MWh sales - territorial	1,269,178	1,249,277	1.59%	11,234,520	11,129,326	0.95%
Sales for resale - off system	3,353	666	403.45%	90,146	73,396	22.82%
Total MWh sales	1,272,531	1,249,943	1.81%	11,324,666	11,202,722	1.09%
Number of accounts (1)						
Residential	422,024	412,988	2.19%	418,396	409,699	2.12%
Commercial	53,281	52,608	1.28%	52,985	52,350	1.21%
Industrial	192	197	-2.54%	194	197	-1.52%
Public street lighting	3,899	3,811	2.31%	3,850	3,772	2.07%
Total average accounts	479,396	469,604	2.09%	475,425	466,018	2.02%
Residential averages						
Revenue per account - \$	158.16	158.55	-0.25%	1,358.42	1,359.27	-0.06%
kWh per account	1,398	1,400	-0.14%	11,895	11,895	0.00%
Revenue per kWh - ¢	11.32	11.32	0.00%	11.42	11.43	-0.09%
Degree days						
Heating degree days	-	-	-	972	1,103	(131)
Cooling degree days	566	547	19	2,825	2,622	203
Total degree days	566	547	19	3,797	3,725	72
Degree days - 30 year average	521			3,618		

(1) The year-to-date column represents a fiscal year-to-date average.

	Month			Year-to-Date		
	August			August		
	2019	2018	Variance	2019	2018	Variance
Water						
<i>Revenues (000s omitted):</i>						
Residential	\$ 8,472	\$ 8,143	4.04%	\$ 88,897	\$ 84,915	4.69%
Commercial and industrial	4,392	4,180	5.07%	43,676	43,473	0.47%
Irrigation	3,132	2,707	15.70%	31,956	29,286	9.12%
Total water revenues	15,996	15,030	6.43%	164,529	157,674	4.35%
Rate stabilization	(136)	(365)	-62.74%	(1,573)	(3,059)	-48.58%
Allowance for doubtful accounts	(19)	(21)	-9.52%	(191)	(216)	-11.57%
Net water revenues	\$ 15,841	\$ 14,644	8.17%	\$ 162,765	\$ 154,399	5.42%
<i>Kgal sales (000s omitted)</i>						
Residential	1,518,945	1,483,570	2.38%	16,413,096	15,537,226	5.64%
Commercial and industrial	1,324,259	1,238,539	6.92%	12,733,208	12,711,846	0.17%
Irrigation	523,219	434,534	20.41%	5,328,935	4,763,310	11.87%
Total kgals sales	3,366,423	3,156,643	6.65%	34,475,239	33,012,382	4.43%
<i>Number of accounts (1):</i>						
Residential	295,328	288,296	2.44%	292,159	285,086	2.48%
Commercial and industrial	26,065	25,815	0.97%	25,952	25,691	1.02%
Irrigation	37,409	37,151	0.69%	37,197	37,044	0.41%
Total average accounts	358,802	351,262	2.15%	355,308	347,821	2.15%
<i>Residential averages:</i>						
Revenue per account - \$	28.69	28.25	1.56%	304.28	297.86	2.16%
Kgals per account	5.14	5.15	-0.19%	56.18	54.50	3.08%
Revenue per kgals - \$	5.58	5.49	1.64%	5.42	5.47	-0.91%
Sewer						
<i>Revenues (000s omitted):</i>						
Residential	\$ 12,661	\$ 12,267	3.21%	\$ 133,468	\$ 128,457	3.90%
Commercial and industrial	9,977	9,649	3.40%	100,675	99,278	1.41%
Total sewer revenues	22,638	21,916	3.29%	234,143	227,735	2.81%
Rate stabilization	(206)	(560)	-63.21%	(2,393)	(4,658)	-48.63%
Allowance for doubtful accounts	(27)	(29)	-6.90%	(285)	(324)	-12.04%
Net sewer revenues	22,405	21,327	5.05%	231,465	222,753	3.91%
<i>Kgal sales (000s omitted)</i>						
Residential	1,331,747	1,282,419	3.85%	14,256,113	13,442,130	6.06%
Commercial and industrial	1,083,084	1,046,041	3.54%	10,858,618	10,719,838	1.29%
Total kgals sales	2,414,831	2,328,460	3.71%	25,114,731	24,161,968	3.94%
<i>Number of accounts (1):</i>						
Residential	262,090	255,284	2.67%	259,014	252,228	2.69%
Commercial and industrial	18,574	18,393	0.98%	18,501	18,334	0.91%
Total average accounts	280,664	273,677	2.55%	277,515	270,562	2.57%
<i>Residential averages:</i>						
Revenue per account - \$	48.31	48.05	0.54%	515.29	509.29	1.18%
kgals per account	5.08	5.02	1.20%	55.04	53.29	3.28%
Revenue per kgals - \$	9.51	9.57	-0.63%	9.36	9.56	-2.09%
Reuse						
<i>Revenues (000s omitted):</i>						
Reuse revenues	\$ 1,611	\$ 1,170	37.69%	\$ 16,159	\$ 12,386	30.46%
<i>Kgal sales (000s omitted)</i>						
Reuse sales (kgals)	360,569	259,170	39.12%	3,485,900	2,797,525	24.61%
<i>Number of accounts (1):</i>						
Reuse accounts	15,350	12,426	23.53%	14,153	11,393	24.23%
Rainfall						
	Diff in inches			Diff in inches		
Normal	6.80	6.80		44.20	44.20	
Actual	9.87	7.68	2.19	43.60	54.00	(10.40)
Rain Days	14	13	1	112	106	6

(1) The year-to-date column represents a fiscal year-to-date average.

Appendix

Schedule of Cash and Investments
(in thousands - unaudited) August 2019

	Electric System and Bulk Power Supply	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Unrestricted cash and investments						
Operations	\$ 13,173	\$ 48,966	\$ 62,139	\$ 18,772	\$ 1,526	\$ 82,437
Rate stabilization:						
Fuel	46,217	-	46,217	-	-	46,217
Debt management	29,884	-	29,884	14,209	-	44,093
Environmental	47,018	-	47,018	16,881	-	63,899
Purchased Power	58,436	-	58,436	-	-	58,436
DSM/Conservation	4,549	-	4,549	-	-	4,549
Total rate stabilization funds	186,104	-	186,104	31,090	-	217,194
Customer deposits	44,753	-	44,753	16,231	-	60,984
General reserve	-	19,732	19,732	-	-	19,732
Self insurance reserve funds:						
Self funded health plan	10,597	-	10,597	-	-	10,597
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	20,597	-	20,597	-	-	20,597
Environmental liability reserve	16,568	-	16,568	-	-	16,568
Total unrestricted cash and investments	\$ 281,195	\$ 68,698	\$ 349,893	\$ 66,093	\$ 1,526	\$ 417,512
Restricted assets						
Renewal and replacement funds	\$ 61,266	\$ 47,742	\$ 109,008	\$ 60,003	\$ 3,514	\$ 172,525
Debt service reserve account	65,433	10,970	76,403	63,441	-	139,844
Debt service funds	138,443	17,507	155,950	71,942	2,103	229,995
Construction funds	-	-	-	28,981	-	28,981
Environmental funds	-	-	-	550	-	550
Subtotal	265,142	76,219	341,361	224,917	5,617	571,895
Unrealized holding gain (loss) on investments	4,585	113	4,698	4,150	-	8,848
Other funds	-	27,674	27,674	-	-	27,674
Total restricted cash and investments	\$ 269,727	\$ 104,006	\$ 373,733	\$ 229,067	\$ 5,617	\$ 608,417

JEA

Schedule of Cash and Investments
(in thousands) September 2018

	Electric System and Bulk Power Supply	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Unrestricted cash and investments						
Operations	\$ 86,294	\$ 49,416	\$ 135,710	\$ 43,480	\$ 799	\$ 179,989
Rate stabilization:						
Fuel	74,376	-	74,376	-	-	74,376
Debt management	29,884	-	29,884	14,209	2,737	46,830
Environmental	42,163	-	42,163	12,914	-	55,077
Purchased Power	53,493	-	53,493	-	-	53,493
DSM/Conservation	3,470	-	3,470	-	-	3,470
Total rate stabilization funds	203,386	-	203,386	27,123	2,737	233,246
Customer deposits	44,242	-	44,242	15,616	-	59,858
General reserve	-	18,466	18,466	-	-	18,466
Self insurance reserve funds:						
Self funded health plan	8,139	-	8,139	-	-	8,139
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	18,139	-	18,139	-	-	18,139
Environmental liability reserve	16,818	-	16,818	-	-	16,818
Total unrestricted cash and investments	\$ 368,879	\$ 67,882	\$ 436,761	\$ 86,219	\$ 3,536	\$ 526,516
Restricted assets						
Renewal and replacement funds	\$ 189,922	\$ 52,610	\$ 242,532	\$ 141,415	\$ 1,078	\$ 385,025
Debt service reserve account	65,433	11,307	76,740	102,850	-	179,590
Debt service funds	167,483	7,446	174,929	81,242	2,340	258,511
Construction funds	203	-	203	284	-	487
Environmental funds	-	-	-	1,159	-	1,159
Subtotal	423,041	71,363	494,404	326,950	3,418	824,772
Unrealized holding gain (loss) on investments	(3,302)	66	(3,236)	(1,347)	-	(4,583)
Other funds	-	26,014	26,014	-	-	26,014
Total restricted cash and investments	\$ 419,739	\$ 97,443	\$ 517,182	\$ 325,603	\$ 3,418	\$ 846,203

JEA
INVESTMENT PORTFOLIO REPORT
August 2019
(unaudited)
All Funds

	<u>INVESTMENT</u>	<u>BOOK VALUE</u>	<u>YIELD</u>	<u>% OF TOTAL</u>
*	Treasuries	\$ 89,997,949	2.31%	8.88%
	<u>Agencies</u>			
	Federal Farm Credit Bank	34,037,165	1.62%	3.36%
	Federal Home Loan Bank	194,926,892	2.30%	19.23%
	Total	<u>228,964,057</u>	<u>2.20%</u>	<u>22.59%</u>
	Municipal Bonds	<u>182,157,419</u>	<u>2.76%</u>	<u>17.97%</u>
	Commercial Paper	<u>65,319,095</u>	<u>2.50%</u>	<u>6.44%</u>
	U.S. Treasury Money Market Funds (1)	<u>60,035,072</u>	<u>2.02%</u>	<u>5.92%</u>
	Agency Money Market Funds (2)	<u>166,925,000</u>	<u>2.07%</u>	<u>16.47%</u>
	PALM Money Market Fund	<u>7,500,000</u>	<u>2.30%</u>	<u>0.74%</u>
	Florida Prime Fund	<u>184,866,000</u>	<u>2.31%</u>	<u>18.24%</u>
	Wells Fargo Bank Accounts (3)			
	Electric, Scherer	<u>17,902,114</u>	<u>2.01%</u>	<u>1.77%</u>
	SJRPP	<u>7,460,024</u>	<u>2.01%</u>	<u>0.74%</u>
	Water & Sewer, DES	<u>2,526,058</u>	<u>2.01%</u>	<u>0.25%</u>
	Total Portfolio	<u>\$ 1,013,652,787</u>	<u>2.30%</u>	<u>100.00%</u>

* Backed by Full Faith and Credit of U. S. Government

Weighted Avg. Annual Yield for August 2019, Excluding Bank & Money Market Funds: 2.44%

Weighted Avg. Annual Yield for August 2019, Including Bank & Money Market Funds: 2.30%

Some investments listed above may be classified as Cash Equivalents on the Statements of Net Position in accordance with generally accepted accounting principles.

- (1) Fidelity Treasury Fund
- (2) State Street Government Fund
- (3) Month-end bank balances

Issue/Average Coupon Rate	Interest Rates	Principal Payment Dates	Par Amount Principal Outstanding	Current Portion of Long-Term Debt
Electric System - Fixed Rate Bonds				
Series Three 2004 A	5.000%	2039	\$ 5,000	\$ -
Series Three 2005 B	4.750%	2033	100,000	-
Series Three 2009 D - BABs	6.056%	2033-2044	45,955,000	-
Series Three 2010 A	4.000%	2019	5,070,000	5,070,000
Series Three 2010 C	4.500%	2031	1,290,000	-
Series Three 2010 D	4.250 - 5.000%	2020-2038	1,205,000	-
Series Three 2010 E - BABs	5.350 - 5.482%	2028-2040	34,255,000	-
Series Three 2012A	4.000 - 4.500%	2027-2033	16,210,000	-
Series Three 2012B	2.000 - 5.000%	2019-2039	85,615,000	725,000
Series Three 2013A	3.000 - 5.000%	2019-2026	49,050,000	8,990,000
Series Three 2013B	3.000 - 5.000%	2026-2038	7,500,000	-
Series Three 2013C	4.600 - 5.000%	2019-2030	10,555,000	1,700,000
Series Three 2014A	3.500 - 5.000%	2019-2034	9,350,000	1,285,000
Series Three 2015A	3.000 - 5.000%	2019-2041	59,005,000	155,000
Series Three 2015B	3.375 - 5.000%	2019-2031	17,225,000	6,945,000
Series Three 2017A	5.000%	2019	18,670,000	18,670,000
Series Three 2017B	3.375 - 5.000%	2026-2039	198,095,000	-
Total Fixed Rate Senior Bonds			559,155,000	43,540,000
2009 Series F - BABs	4.900 - 6.406%	2019-2034	62,155,000	1,550,000
2009 Series G	4.000 - 5.000%	2019	14,665,000	14,665,000
2010 Series B	4.000 - 5.000%	2019-2020	3,115,000	960,000
2010 Series D - BABs	4.150 - 5.582%	2019-2027	42,050,000	2,705,000
2012 Series A	3.250 - 5.000%	2019-2033	55,515,000	2,655,000
2012 Series B	3.250 - 5.000%	2019-2037	50,030,000	2,215,000
2013 Series A	3.000 - 5.000%	2019-2030	37,330,000	2,780,000
2013 Series B	3.000 - 5.000%	2019-2026	17,165,000	2,870,000
2013 Series C	1.375 - 5.000%	2019-2038	74,750,000	885,000
2013 Series D	4.375 - 5.250%	2019-2035	50,115,000	20,830,000
2014 Series A	4.000 - 5.000%	2019-2039	94,265,000	14,635,000
2017 Series A	3.000%	2019	1,290,000	1,290,000
2017 Series B	3.375 - 5.000%	2019-2034	171,700,000	1,055,000
Total Fixed Rate Subordinated Bonds			674,145,000	69,095,000
Total Fixed Rate Electric System Bonds/4.551%			1,233,300,000	112,635,000
Electric System - Variable Rate Bonds				
	Current Interest Rates (1)			
Series Three 2008 A - Weekly	1.393%	2027-2036	51,680,000	-
Series Three 2008 B-1 - Weekly	1.857%	2019-2040	59,620,000	425,000
Series Three 2008 B-2 - Weekly	1.393%	2025-2040	41,900,000	-
Series Three 2008 B-3 - Weekly	1.393%	2024-2036	37,000,000	-
Series Three 2008 B-4 - Weekly	1.857%	2019-2036	49,010,000	425,000
Series Three 2008 C-1 - Weekly	1.396%	2024-2034	44,145,000	-
Series Three 2008 C-2 - Weekly	1.396%	2024-2034	43,900,000	-
Series Three 2008 C-3 - Flex	1.481%	2030-2038	25,000,000	-
Series Three 2008 D-1 - Weekly	1.857%	2019-2036	106,275,000	2,745,000
Total Variable Rate Senior Bonds			458,530,000	3,595,000
Series 2000 A - Flex	1.533%	2021-2035	30,965,000	-
Series 2000 F-1 - Flex	1.477%	2026-2030	37,200,000	-
Series 2000 F-2 - Flex	1.497%	2026-2030	24,800,000	-
Series 2008 D - Daily	1.375%	2024-2038	39,455,000	-
Total Variable Rate Subordinated Bonds			132,420,000	-
Total Variable Rate Bonds			590,950,000	3,595,000
Total Electric System Bonds			1,824,250,000	116,230,000
St. Johns River Power Park - Fixed Rate Bonds				
Issue 3 Series 1	4.500%	2037	100,000	-
Issue 3 Series 2	5.000%	2034-2037	29,370,000	-
Issue 3 Series 4 - BABs	4.700 - 5.450%	2019-2028	20,690,000	1,775,000
Issue 3 Series 6	2.375 - 5.000%	2019-2037	91,330,000	5,680,000
Issue 3 Series 7	2.000 - 5.000%	2019-2033	79,500,000	4,120,000
Issue 3 Series 8	2.000 - 5.000%	2019-2039	57,895,000	2,205,000
Total Fixed Rate St. Johns River Power Park Bonds/4.014%			278,885,000	13,780,000
Bulk Power Supply System, Scherer 4 Project - Fixed Rate Bonds				
Series 2010A - BABs	4.800 - 5.920%	2019-2030	34,355,000	2,140,000
Series 2014A	2.000 - 4.125%	2019-2038	60,655,000	4,010,000
Total Fixed Rate Bulk Power Supply System Bonds/4.324%			95,010,000	6,150,000
Weighted Average Cost(2) / Total Outstanding Debt		3.354%	\$ 2,198,145,000	\$ 136,160,000

(1) Current month interest rate excluding variable debt fees.

(2) Weighted Average Cost of debt is net of BABs subsidy, original issue premiums/discounts and excludes variable debt liquidity/remarketing fees and interest rate swap payments.

	Current YTD	Prior YTD	Year End Target
• Debt Ratio - Electric Enterprise Func	64.4%	71.1%	63.9%
	Electric System	Power Park	Issue Three
• Remaining New Money Authorization	\$ 465,160,992	103,865,000	
• Remaining Senior Refunding Authorizator	\$ 1,022,837,381	250,810,000	
• Remaining Subordinated Refunding Authorizator	\$ 634,898,000	n/a	

JEA
Water and Sewer System
Schedule of Outstanding Indebtedness
August 2019
(unaudited)

Issue/Average Coupon Rate	Interest Rates	Principal Payment Dates	Par Amount Principal Outstanding	Current Portion of Long-Term Debt
Fixed Rate Bonds				
2009 Series B	3.7500%	2019	\$ 8,915,000	\$ 8,915,000
2010 Series A - BABs	6.210 - 6.310%	2026-2044	83,115,000	-
2010 Series B - Taxable	5.200 - 5.700%	2019-2025	12,110,000	1,730,000
2010 Series D	4.000 - 5.000%	2019-2039	24,125,000	5,015,000
2010 Series E	4.000 - 5.000%	2023-2039	8,570,000	-
2010 Series F - BABs	3.900 - 5.887%	2019-2040	42,095,000	2,395,000
2012 Series A	3.000 - 5.000%	2019-2041	153,175,000	1,070,000
2012 Series B	2.250 - 5.000%	2019-2037	73,270,000	1,280,000
2013 Series A	4.500 - 5.000%	2019-2027	17,575,000	12,580,000
2014 Series A	2.000 - 5.000%	2019-2040	212,960,000	5,625,000
2017 Series A	3.125 - 5.000%	2022-2041	360,775,000	-
Total Fixed Rate Senior Bonds			996,685,000	38,610,000
2010 Series A	5.000%	2019	2,790,000	2,790,000
2010 Series B	4.000 - 5.000%	2023-2025	2,060,000	-
2012 Series B	3.250 - 5.000%	2030-2043	29,685,000	-
2013 Series A	2.125 - 5.000%	2019-2029	25,210,000	5,365,000
2017 Series A	2.750 - 5.000%	2021-2034	58,940,000	-
Total Fixed Rate Subordinated Bonds			118,685,000	8,155,000
Total Fixed Rate Bonds/4.528%			1,115,370,000	46,765,000
Variable Rate Bonds		Current Interest Rates (1)		
2006 Series B - CPI Bonds	2.533% (2)	2019-2022	24,850,000	5,740,000
2008 Series A-2 - Weekly	1.367%	2028-2042	51,820,000	-
2008 Series B - Weekly	1.407%	2023-2041	85,290,000	-
Total Variable Rate Senior Bonds			161,960,000	5,740,000
2008 Series A-1 - Daily	1.336%	2019-2038	48,850,000	2,200,000
2008 Series A-2 - Weekly	1.354%	2030-2038	25,600,000	-
2008 Series B-1 - Weekly	1.408%	2030-2036	30,885,000	-
Total Variable Rate Subordinated Bonds			105,335,000	2,200,000
Total Variable Rate Bonds			267,295,000	7,940,000
Other Obligations				
Revolving Credit Agreement	3.379%	2021	5,000,000	-
Total Other Obligations			5,000,000	-
Weighted Average Cost(3) / Total Outstanding Debt			3.564%	\$ 1,387,665,000 \$ 54,705,000

(1) Current month interest rate excluding variable debt fees.

(2) Designated swap obligation. The rate shown is the weighted average of the variable CPI Index rates for the 6 month re-set period.

(3) Weighted Average Cost of debt is net of BABs subsidy, original issue premiums/discounts and excludes variable debt liquidity/remarketing fees and interest rate swap payments.

	Current YTD	Prior YTD	Year End Target
• Debt Ratio - Water and Sewer	45.5%	50.4%	44.0%
• Remaining New Money Authorization	\$ 218,078,023		
• Remaining Refunding Authorization	\$ 794,813,942		

JEA
District Energy System
Principal Amount of Debt Outstanding and Average Interest Rates
August 2019
(unaudited)

Issue/Average Coupon	Interest Rates	Principal Payment Dates	Par Amount Principal Outstanding	Current Portion of Long-Term Debt
Fixed Rate Bonds				
2013 Series A/4.184%	2.065 - 4.538%	2019-2034	\$ 34,825,000	\$ 1,690,000
Weighted Average Cost(1) / Total Outstanding Debt			4.188%	\$ 34,825,000 \$ 1,690,000

(1) Weighted Average Cost of debt is net of original issue premiums/discounts.

• Remaining New Money Authorization	\$ 54,321,245
• Remaining Refunding Authorization	\$ 106,670,000

JEA
Interest Rate Swap Position Report
August 2019
(unaudited)

JEA Debt Management Swaps Variable to Fixed

ID	Dealer	Effective Date	Termination Date	Electric System Allocation	Water/Sewer Allocation	Fixed Rate	Floating Rate (1)	Spread	Rate Cap	Index
1	Goldman Sachs	9/18/2003	9/18/2033	\$ 84,800,000	\$ -	3.717	1.516	2.201	n/a	68% 1 mth Libor
3	Morgan Stanley	1/27/2005	10/1/2039	82,575,000	-	4.351	1.357	2.994	n/a	SIFMA
4	JPMorgan	1/27/2005	10/1/2035	85,200,000	-	3.661	1.516	2.145	n/a	68% 1 mth Libor
6	JPMorgan	1/27/2005	10/1/2037	39,175,000	-	3.716	1.516	2.200	n/a	68% 1 mth Libor
7	Morgan Stanley	10/31/2006	10/1/2022	-	24,850,000	4.039	2.533	1.506	n/a	CPI
8	Morgan Stanley	1/31/2007	10/1/2031	62,980,000	-	3.907	1.357	2.550	n/a	SIFMA
9	Merrill Lynch	3/8/2007	10/1/2041	-	85,290,000	3.895	1.357	2.538	n/a	SIFMA
10	Goldman Sachs	1/31/2008	10/1/2036	51,680,000	-	3.836	1.357	2.479	n/a	SIFMA
Total				<u>\$ 406,410,000</u>	<u>\$ 110,140,000</u>	Wtd Avg Spread		2.411		

Note: (1) The "Floating Rate" column is the average of the floating rate for each instrument for this month.

	Month			Year-to-Date						
	2019	August	2018	Variance	2019	August	2018	Variance		
Generated power:										
Steam:										
<i>Fuel oil</i>										
Fuel expense	\$	-	\$	-	\$	375,462	\$	4,163,527	-90.98%	
Barrels #6 oil consumed		-		-		3,513		38,482	-90.87%	
\$/ per barrel consumed	\$	-	\$	-	\$	106.88	\$	108.19	-1.22%	
kWh oil generated (1)		-		-		1,220,989		23,686,188	-94.85%	
Cost per MWh - oil	\$	-	\$	-	\$	307.51	\$	175.78	74.94%	
<i>Natural gas units #1-3</i>										
Gas expense - variable	\$	4,870,453	\$	7,300,940	-33.29%	\$	56,764,380	\$	51,664,463	9.87%
MMBTU's consumed		2,200,117		2,182,051	0.83%		18,959,276		15,555,747	21.88%
\$/ per MMBTU consumed	\$	2.21	\$	3.35	-33.84%	\$	2.99	\$	3.32	-9.85%
kWh - gas generated (1)		208,073,445		201,406,323	3.31%		1,773,265,418		1,427,441,143	24.23%
Cost per MWh - gas	\$	23.41	\$	36.25	-35.43%	\$	32.01	\$	36.19	-11.56%
Cost per MWh - gas & oil - steam	\$	23.41	\$	36.25	-35.43%	\$	32.20	\$	38.47	-16.30%
<i>Coal</i>										
Coal expense	\$	1,570,432	\$	2,696,222	-41.75%	\$	23,362,281	\$	26,167,417	-10.72%
kWh generated		64,960,326		97,379,758	-33.29%		636,862,895		811,862,007	-21.55%
Cost per MWh - coal	\$	24.18	\$	27.69	-12.69%	\$	36.68	\$	32.23	13.81%
<i>Pet coke and limestone</i>										
Expense	\$	2,609,351	\$	8,755,895	-70.20%	\$	38,443,632	\$	56,964,287	-32.51%
kWh generated		93,438,773		192,471,665	-51.45%		1,112,024,339		1,413,423,278	-21.32%
Cost per MWh - pet coke and limestone	\$	27.93	\$	45.49	-38.61%	\$	34.57	\$	40.30	-14.22%
Cost per MWh - coal & petcoke - steam	\$	26.39	\$	39.51	-33.21%	\$	35.34	\$	37.36	-5.40%
Combustion turbine:										
<i>Fuel oil</i>										
Fuel expense	\$	81,949	\$	69,906	17.23%	\$	1,362,362	\$	3,595,122	-62.11%
Barrels #2 oil consumed		459		422	8.68%		9,271		37,152	-75.05%
\$/ per barrel consumed	\$	178.54	\$	165.52	7.86%	\$	146.95	\$	96.77	51.86%
kWh - oil generated		164,085		148,812	10.26%		3,130,876		14,571,162	-78.51%
Cost per MWh - oil	\$	499.43	\$	469.76	6.32%	\$	435.14	\$	246.73	76.36%
<i>Natural gas (includes landfill)</i>										
Gas expense Kennedy & landfill - variable	\$	656,080	\$	271,723	141.45%	\$	5,917,690	\$	2,825,641	109.43%
MMBTU's consumed		296,904		82,139	261.46%		2,048,322		833,956	145.62%
\$/ per MMBTU consumed	\$	2.21	\$	3.31	-33.20%	\$	2.89	\$	3.39	-14.73%
kWh - gas generated (1)		27,252,566		6,949,396	292.16%		181,646,231		69,515,341	161.30%
Cost per MWh - gas	\$	24.07	\$	39.10	-38.43%	\$	32.58	\$	40.65	-19.85%
Gas expense BB simple - variable	\$	444,552	\$	733,033	-39.35%	\$	5,437,076	\$	3,414,394	59.24%
MMBTU's consumed		201,212		266,548	-24.51%		1,841,418		1,170,785	57.28%
\$/ per MMBTU consumed	\$	2.21	\$	2.75	-19.66%	\$	2.95	\$	2.92	1.25%
kWh - gas generated (1)		14,608,600		23,736,926	-38.46%		161,437,546		101,832,656	58.53%
Cost per MWh - gas simple	\$	30.43	\$	30.88	-1.46%	\$	33.68	\$	33.53	0.45%
Gas expense BB combined - variable	\$	6,458,053	\$	6,965,766	-7.29%	\$	67,553,993	\$	78,592,790	-14.05%
MMBTU's consumed		2,924,930		2,506,167	16.71%		21,693,275		26,772,326	-18.97%
\$/ per MMBTU consumed	\$	2.21	\$	2.78	-20.56%	\$	3.11	\$	2.94	6.08%
kWh - gas generated (1)		428,651,962		353,307,876	21.33%		3,154,662,270		3,801,556,344	-17.02%
Cost per MWh - gas combined	\$	15.07	\$	19.72	-23.58%	\$	21.41	\$	20.67	3.58%
Gas expense GEC simple - variable	\$	1,383,346	\$	1,833,929	-24.57%	\$	12,054,773	\$	11,185,437	7.77%
MMBTU's consumed		627,143		626,173	0.15%		4,453,874		3,009,619	47.99%
\$/ per MMBTU consumed	\$	2.21	\$	2.93	-24.69%	\$	2.71	\$	3.72	-27.18%
kWh - gas generated		57,841,940		57,517,345	0.56%		405,791,359		269,512,484	50.56%
Cost per MWh - gas simple	\$	23.92	\$	31.88	-24.99%	\$	29.71	\$	41.50	-28.42%
Cost per MWh - gas & oil ct	\$	17.07	\$	22.36	-23.63%	\$	23.63	\$	23.40	1.00%
Natural gas expense - fixed	\$	3,651,988	\$	3,820,391	-4.41%	\$	36,822,610	\$	36,158,222	1.84%
Total generated power:										
Fuels expense	\$	21,726,204	\$	32,447,805	-33.04%	\$	248,094,259	\$	274,731,300	-9.70%
kWh generated		894,991,697		932,918,101	-4.07%		7,430,061,923		7,933,400,603	-6.34%
Cost per MWh	\$	24.28	\$	34.78	-30.21%	\$	33.39	\$	34.63	-3.58%

(1) Allocation of kWh generated is based upon a ratio of gas MBTU's (adjusted to oil equivalent - 95.5%) and oil MBTU's.

Cost of fuels

Fuel oil #6	\$	-	\$	-	\$	375,462	\$	4,163,527
Natural gas units #1-3 with landfill - variable		4,870,453		7,300,940		56,764,380		51,664,463
Coal		1,570,432		2,696,222		23,362,281		26,167,417
Petcoke		2,609,351		8,755,895		38,443,632		56,964,287
Fuel oil #2		81,949		69,906		1,362,362		3,595,122
Natural gas - simple cycle (BB & GEC) - variable		2,483,978		2,838,685		23,409,539		17,425,472
Natural gas - combined (BB) - variable		6,458,053		6,965,766		67,553,993		78,592,790
Natural gas - fixed		3,651,988		3,820,391		36,822,610		36,158,222
Total	\$	21,726,204	\$	32,447,805		248,094,259	\$	274,731,300

	Month August			Year-to-Date August		
	2019	2018	Variance	2019	2018	Variance
Production Statistics (Continued)						
Purchased power:						
<i>Plant Scherer</i>						
Purchases	\$ 5,210,516	\$ 6,586,201	-20.89%	\$ 58,804,743	\$ 61,021,376	-3.63%
kWh purchased	108,034,000	139,147,000	-22.36%	1,285,658,000	992,566,000	29.53%
Cost per MWh	\$ 48.23	\$ 47.33	1.90%	\$ 45.74	\$ 61.48	-25.60%
<i>TEA & other</i>						
Purchases	\$ 10,379,793	\$ 9,089,495	14.20%	\$ 123,677,422	\$ 96,551,130	28.10%
kWh purchased	302,685,408	215,200,763	40.65%	3,041,525,134	2,148,978,077	41.53%
Cost per MWh	\$ 34.29	\$ 42.24	-18.81%	\$ 40.66	\$ 44.93	-9.49%
<i>SJRPP</i>						
Purchases	\$ 2,203,132	\$ 908,534	142.49%	\$ 24,549,927	\$ 55,388,850	-55.68%
kWh purchased	-	-		-	539,759,000	-100.00%
Cost per MWh				\$ 102.62		
Total purchased power:						
Purchases	\$ 17,793,441	\$ 16,584,230	7.29%	\$ 207,032,092	\$ 212,961,356	-2.78%
kWh purchased	410,719,408	354,347,763	15.91%	4,327,183,134	3,681,303,077	17.54%
Cost per MWh	\$ 43.32	\$ 46.80	-7.43%	\$ 47.84	\$ 57.85	-17.29%
Subtotal - generated and purchased power:	\$ 39,519,645	\$ 49,032,035	-19.40%	\$ 455,126,351	\$ 487,692,656	-6.68%
Fuel interchange sales	(87,927)	(20,271)	333.76%	(3,004,892)	(1,089,049)	175.92%
Earnings of The Energy Authority	(341,944)	53,543	-738.63%	(2,338,961)	(3,124,468)	-25.14%
Realized and Unrealized (Gains) Losses	756,600	(322,140)	-334.87%	(1,241,600)	(3,736,460)	-66.77%
Fuel procurement and handling	424,117	1,051,770	-59.68%	11,619,647	10,922,242	6.39%
By product reuse	220,152	1,082,705	-79.67%	5,152,452	12,427,036	-58.54%
Total generated and net purchased power:						
Cost, net	40,490,643	50,877,642	-20.42%	465,312,997	503,091,957	-7.51%
kWh generated and purchased	1,305,711,105	1,287,265,864	1.43%	11,757,245,057	11,614,703,680	1.23%
Cost per MWh	\$ 31.01	\$ 39.52	-21.54%	\$ 39.58	\$ 43.32	-8.63%
Reconciliation:						
Generated and purchased power per above	\$ 40,490,643	\$ 31.01		\$ 465,312,997	\$ 39.58	
<i>SJRPP operating expenses:</i>						
SJRPP O & M	521	0.00		(2,263,969)	(0.19)	
SJRPP debt service	(1,947,775)	(1.49)		(19,471,304)	(1.66)	
SJRPP R & R	(255,878)	(0.20)		(2,814,654)	(0.24)	
<i>Scherer operating expenses:</i>						
Scherer power production	(699,425)	(0.54)		(7,083,824)	(0.60)	
Scherer R & R	(1,057,624)	(0.81)		(10,050,799)	(0.85)	
Scherer transmission	(709,851)	(0.54)		(5,653,429)	(0.48)	
Scherer taxes	(105,624)	(0.08)		(1,185,024)	(0.10)	
Florida and other capacity	(1,300,529)	(1.00)		(14,512,164)	(1.23)	
MEAG	(1,565,515)	(1.20)		(12,623,470)	(1.07)	
Rounding	(1)	(0.00)		-	-	
Energy expense per budget page	\$ 32,848,942	\$ 25.16		\$ 389,654,360	\$ 33.14	

Electric System Budget vs. Actual August 2019 and 2018 (unaudited)	Month				Prior Year Month	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
	2018-19	2018-19	2018-19	%	2017-18	%
Fuel Related Revenues & Expenses						
Fuel Rate Revenues	\$ 422,782,362	\$ 42,547,595	\$ 40,945,870	-3.76%	\$ 40,280,293	1.65%
Fuel Expense and Purchased Power:						
Fuel Expense - Energy System	327,822,632	33,345,199	23,127,072		34,260,140	
Fuel Expense - SJRPP	1,554,666	-	-		6,365	
Other Purchased Power	108,921,904	9,521,181	9,721,870		10,887,394	
Subtotal Energy Expense	438,299,202	42,866,380	32,848,942	23.37%	45,153,899	27.25%
Transfer to (from) Rate Stabilization, Net	(16,151,013)	(371,633)	7,992,214		(4,931,545)	
Fuel Related Uncollectibles	634,173	52,848	104,714		57,939	
Total	422,782,362	42,547,595	40,945,870	3.76%	40,280,293	-1.65%
Fuel Balance	-	-	-		-	
Nonfuel Related Revenues						
Base Rate Revenues	812,153,353	81,732,766	78,842,392		76,906,204	
Conservation Charge Revenue	1,000,000	100,637	112,722		100,906	
Environmental Charge Revenue	8,039,817	809,104	778,568		764,125	
Investment Income	11,600,594	966,716	1,277,309		685,378	
Natural Gas Revenue Pass Through	2,464,374	205,365	54,469		43,681	
Other Revenues	136,958,120	2,355,274	2,485,003		2,252,388	
Total	972,216,258	86,169,862	83,550,463	-3.04%	80,752,682	3.46%
Nonfuel Related Expenses						
Non-Fuel O&M	221,286,372	15,635,092	10,467,765		16,550,810	
DSM / Conservation O&M	8,126,797	669,931	590,156		486,807	
Environmental O&M	3,071,529	179,195	254,033		56,440	
Rate Stabilization - DSM	(536,783)	(44,732)	118,005		202,755	
Rate Stabilization - Environmental	4,968,288	490,789	524,535		706,512	
Natural Gas Expense Pass Through	2,418,255	200,718	61,044		43,786	
Debt Principal - Energy System	116,230,000	9,685,833	9,685,833		10,433,929	
Debt Interest - Energy System	87,438,843	7,286,570	6,411,192		7,366,171	
Bond Buy-Back - Energy System	108,694,829	-	-		-	
R&R - Energy System	64,447,700	5,370,642	5,370,642		5,467,400	
Operating Capital Outlay	183,115,980	18,434,000	18,434,000		(13,000,000)	
City Contribution Expense	92,952,147	7,746,012	7,746,012		7,622,650	
Taxes & Uncollectibles	1,437,599	119,800	217,529		127,023	
Emergency Reserve	5,000,000	-	-		-	
Nonfuel Purchased Power:						
* SJRPP D/S Principal	13,780,000	1,148,333	1,148,333		143,333	
* SJRPP D/S Interest	11,127,870	927,323	898,688		903,151	
** Other Non-Fuel Purchased Power	48,656,831	4,054,736	22,385,606		44,454,536	
Total Nonfuel Expenses	972,216,258	71,904,242	84,313,373	-17.26%	81,565,303	-3.37%
Non-Fuel Balance	-	14,265,620	(762,910)		(812,621)	
Total Balance	-	14,265,620	(762,910)		(812,621)	
Total Revenues	1,394,998,620	128,717,457	124,496,333	-3.28%	121,032,975	2.86%
Total Expenses	1,394,998,620	114,451,837	125,259,243	-9.44%	121,845,596	-2.80%
KWH Sold - Territorial	13,180,028,000	1,326,399,974	1,269,178,435	-4.31%	1,249,276,224	1.59%
KWH Sold - Off System	-	-	3,353,000	-	666,000	-
	13,180,028,000	1,326,399,974	1,272,531,435	-4.06%	1,249,942,224	1.81%

* Gross debt service

** Includes transmission capacity, SJRPP and Scherer R & R, O & M and Investment Income.

Electric System Budget vs. Actual August 2019 and 2018 (unaudited)	Year-to-Date				Prior Year-to-Date	
	ANNUAL BUDGET 2018-19	BUDGET 2018-19	ACTUAL 2018-19	Variance %	ACTUAL 2017-18	Variance %
Fuel Related Revenues & Expenses						
Fuel Rate Revenues	\$ 422,782,362	\$ 384,997,968	\$ 362,051,095	-5.96%	\$ 359,702,938	0.65%
Fuel Expense and Purchased Power:						
Fuel Expense - Energy System	327,822,632	300,450,223	263,624,757		294,344,118	
Fuel Expense - SJRPP	1,554,666	1,554,666	-		33,198,810	
Other Purchased Power	108,921,904	99,178,736	126,029,603		99,664,413	
Subtotal Energy Expense	438,299,202	401,183,625	389,654,360	2.87%	427,207,341	8.79%
Transfer to (from) Rate Stabilization, Net	(16,151,013)	(16,766,983)	(28,159,787)		(67,901,408)	
Fuel Related Uncollectibles	634,173	581,326	556,522		397,005	
Total	422,782,362	384,997,968	362,051,095	5.96%	359,702,938	-0.65%
Fuel Balance	-	-	-		-	
Nonfuel Related Revenues						
Base Rate Revenues	812,153,353	739,570,573	696,156,508		691,167,815	
Conservation Charge Revenue	1,000,000	910,629	712,485		779,882	
Environmental Charge Revenue	8,039,817	7,321,293	6,884,586		6,839,647	
Investment Income	11,600,594	10,633,877	11,656,424		8,842,630	
Natural Gas Revenue Pass Through	2,464,374	2,259,010	639,340		507,500	
Other Revenues	136,958,120	134,602,845	133,147,087		23,376,658	
Total	972,216,258	895,298,227	849,196,430	-5.15%	731,514,132	16.09%
Nonfuel Related Expenses						
Non-Fuel O&M	221,286,372	196,694,743	181,932,562		172,672,746	
DSM / Conservation O&M	8,126,797	7,456,866	5,238,258		5,819,702	
Environmental O&M	3,071,529	2,892,334	2,029,290		878,686	
Rate Stabilization - DSM	(536,783)	(492,051)	1,078,915		493,348	
Rate Stabilization - Environmental	4,968,288	4,477,499	4,855,296		5,960,961	
Natural Gas Expense Pass Through	2,418,255	2,217,537	716,805		602,055	
Debt Principal - Energy System	116,230,000	106,544,167	106,544,167		114,546,071	
Debt Interest - Energy System	87,438,843	80,152,272	75,886,399		82,084,577	
Bond Buy-Back - Energy System	108,694,829	108,694,829	108,694,829		-	
R&R - Energy System	64,447,700	59,077,058	59,077,058		60,141,400	
Operating Capital Outlay	183,115,980	122,434,000	122,434,000		89,000,000	
City Contribution Expense	92,952,147	85,206,135	85,206,135		83,849,145	
Taxes & Uncollectibles	1,437,599	1,317,799	1,248,071		941,050	
Emergency Reserve	5,000,000	-	-		-	
Nonfuel Purchased Power:						
* SJRPP D/S Principal	13,780,000	12,631,667	12,631,667		7,669,635	
* SJRPP D/S Interest	11,127,870	10,200,548	9,885,565		10,879,460	
** Other Non-Fuel Purchased Power	48,656,831	44,602,095	71,639,680		95,137,436	
Total Nonfuel Expenses	972,216,258	844,107,498	849,098,697	-0.59%	730,676,271	-16.21%
Non-Fuel Balance	-	51,190,729	97,733		837,861	
Total Balance	-	51,190,729	97,733		837,861	
Total Revenues	1,394,998,620	1,280,296,195	1,211,247,525	-5.39%	1,091,217,070	11.00%
Total Expenses	1,394,998,620	1,229,105,466	1,211,149,792	1.46%	1,090,379,209	-11.08%
KWH Sold - Territorial	13,180,028,000	12,002,119,007	11,234,520,530	-6.40%	11,167,964,933	0.60%
KWH Sold - Off System	-	-	90,146,000	-5.64%	34,756,000	1.09%
	13,180,028,000	12,002,119,007	11,324,666,530		11,202,720,933	

* Gross debt service

** Includes transmission capacity, SJRPP and Scherer R & R, O & M and Investment Income.

Water and Sewer System

Budget vs. Actual August 2019 and 2018 (unaudited)	Month				Prior Year Month	
	ANNUAL BUDGET 2018-19	BUDGET 2018-19	ACTUAL 2018-19	Variance %	ACTUAL 2017-18	Variance %
REVENUES						
Water & Sewer Revenues	\$ 457,315,688	\$ 39,608,209	\$ 39,341,155		\$ 37,227,611	
Capacity & Extension Fees	24,500,000	2,320,478	2,815,252		2,099,910	
Capital Contributions	-	-	-		-	
Investment Income	6,318,534	526,544	512,442		516,689	
Other Income	139,432,982	7,898,311	7,395,415		3,990,737	
Total	627,567,204	50,353,542	50,064,264	-0.57%	43,834,947	14.21%
EXPENSES						
O & M Expenses	162,161,556	13,642,418	12,852,531		12,709,073	
Debt Principal - Water & Sewer	54,705,000	4,558,750	4,558,750		4,310,000	
Debt Interest - Water & Sewer	65,430,545	5,452,545	4,817,670		5,389,664	
Bond Buy-Back - Water & Sewer	99,188,560	-	-		-	
Rate Stabilization - Environmental	-	-	342,854		924,689	
R&R - Water & Sewer	23,552,350	1,962,696	1,962,696		2,039,483	
Operating Capital Outlay	141,031,641	19,590,173	19,590,173		13,346,770	
Operating Capital Outlay - Capacity/Extension	24,500,000	2,041,666	2,815,252		2,099,910	
Operating Capital Outlay - Contributions	-	-	-		-	
Operating Capital Outlay - Environmental	15,094,798	1,283,056	570,205		295,588	
City Contribution Expense	24,695,388	2,057,949	2,057,949		2,095,668	
Uncollectibles & Fees	685,974	57,164	45,253		52,275	
Interlocal Agreements	15,521,392	-	-		-	
Emergency Reserve	1,000,000	-	-		-	
Total Expenses	627,567,204	50,646,417	49,613,333	2.04%	43,263,120	-14.68%
Total Balance	\$ -	\$ (292,875)	\$ 450,931		\$ 571,827	
Sales kgals						
Water	42,000,000	3,710,783	3,366,423	-9.28%	3,156,643	6.65%
Sewer	34,650,000	3,024,176	2,775,400	-8.23%	2,587,630	7.26%
Total	76,650,000	6,734,959	6,141,823	-8.81%	5,744,273	6.92%

Budget vs. Actual August 2019 and 2018 (unaudited)	Year-To-Date				Prior Year to Date	
	ANNUAL BUDGET 2018-19	BUDGET 2018-19	ACTUAL 2018-19	Variance %	ACTUAL 2017-18	Variance %
REVENUES						
Water & Sewer Revenues	\$ 457,315,688	\$ 418,657,528	\$ 404,947,893		\$ 388,182,684	
Capacity & Extension Fees	24,500,000	22,761,430	26,561,108		24,629,349	
Capital Contributions	-	-	29,759		44,638	
Investment Income	6,318,534	5,791,989	6,594,248		5,889,720	
Other Income	139,432,982	136,814,015	141,500,847		33,297,579	
Total	627,567,204	584,024,962	579,633,855	-0.75%	452,043,970	28.23%
EXPENSES						
O & M Expenses	162,161,556	146,572,174	139,532,634		130,419,689	
Debt Principal - Water & Sewer	54,705,000	50,146,250	50,146,246		47,410,000	
Debt Interest - Water & Sewer	65,430,545	59,978,000	56,170,357		60,293,480	
Bond Buy-Back - Water & Sewer	99,188,560	99,188,560	99,188,560		-	
Rate Stabilization - Environmental	-	-	3,966,391		7,716,418	
R&R - Water & Sewer	23,552,350	21,589,654	21,589,654		22,434,317	
Operating Capital Outlay	141,031,641	139,745,467	132,508,687		127,145,589	
Operating Capital Outlay - Capacity/Extension	24,500,000	22,458,334	26,561,108		24,629,349	
Operating Capital Outlay - Contributions	-	-	29,759		44,638	
Operating Capital Outlay - Environmental	15,094,798	13,776,614	8,393,231		5,160,245	
City Contribution Expense	24,695,388	22,637,439	22,637,439		23,052,352	
Uncollectibles & Fees	685,974	628,809	474,893		543,332	
Interlocal Agreements	15,521,392	15,521,392	15,521,392		346,727	
Emergency Reserve	1,000,000	-	-		-	
Total Expenses	627,567,204	592,242,693	576,720,351	2.62%	449,196,136	-28.39%
Total Balance	\$ -	\$ (8,217,731)	\$ 2,913,504		\$ 2,847,834	
Sales kgals						
Water	42,000,000	38,581,546	34,475,239	-10.64%	33,012,382	4.43%
Sewer	34,650,000	31,789,016	28,600,631	-10.03%	26,959,493	6.09%
Total	76,650,000	70,370,562	63,075,870	-10.37%	59,971,875	5.18%

District Energy System

Budget vs. Actual August 2019 and 2018 (unaudited)	Month				Prior Year Month	
	ANNUAL BUDGET 2018-19	BUDGET 2018-19	ACTUAL 2018-19	Variance %	ACTUAL 2017-18	Variance %

REVENUES

Revenues	\$ 9,256,655	\$ 947,310	\$ 960,494		\$ 851,685	
Investment Income	-	-	16,803		12,000	
Total	9,256,655	947,310	977,297	3.17%	863,685	13.15%

EXPENSES

O & M Expenses	5,127,648	524,286	466,792		146,170	
Debt Principal - DES	1,690,000	140,833	140,833		138,333	
Debt Interest - DES	1,330,449	110,871	110,871		113,257	
Rate Stabilization - Debt Management	(2,737,164)	-	-		-	
R&R - DES	442,950	36,913	36,913		36,404	
Operating Capital Outlay	3,402,772	-	-		-	
Total Expenses	9,256,655	812,903	755,409	7.07%	434,164	-73.99%

Total Balance

\$ -	\$ 134,407	\$ 221,888	\$ 429,521
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Budget vs. Actual August 2019 and 2018 (unaudited)	Year-To-Date				Prior-Year-to-Date	
	ANNUAL BUDGET 2018-19	BUDGET 2018-19	ACTUAL 2018-19	Variance %	ACTUAL 2017-18	Variance %

REVENUES

Revenues	\$ 9,256,655	\$ 8,337,053	\$ 7,960,968		\$ 7,855,192	
Investment Income	-	-	143,630		90,276	
Total	9,256,655	8,337,053	8,104,598	-2.79%	7,945,468	2.00%

EXPENSES

O & M Expenses	5,127,648	4,500,452	4,095,801		3,756,512	
Debt Principal - DES	1,690,000	1,549,167	1,549,167		1,521,667	
Debt Interest - DES	1,330,449	1,219,578	1,219,578		1,245,827	
Rate Stabilization - Debt Management	(2,737,164)	(2,737,164)	(2,737,164)		-	
R&R - DES	442,950	406,038	406,038		400,446	
Operating Capital Outlay	3,402,772	2,737,164	2,737,164		-	
Total Expenses	9,256,655	7,675,235	7,270,584	5.27%	6,924,452	-5.00%

Total Balance

\$ -	\$ 661,818	\$ 834,014	\$ 1,021,016
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JEA Community Engagement Calendar - August - October 2019

Date	Event/Activity	Location	Time	Type
Aug-19				
8/1/2019	Pearl St. Team Activity	Barkin' Biscuits at BGF	9am	Volunteer Activity
8/2/2019	Bedford Franklin Group	13990 Pumpkin Hill Rd., 32226	9am	Volunteer Activity
8/2/2019	New Town Success Zone Back 2 School Event	Main St Lab Tour	10am	Ambassador Facility Tour
8/3/2019	Children's Home Society Back- to-School	Edward Waters College	9am	Ambassador Event
8/7 - 8/9/2019	DCPS Outreach Expo	3027 San Diego Rd., 32207	9am	Volunteer Activity
8/7/2019	BEAM Food Bank	School Board Building	11am	Ambassador Event
8/8/2019	Marcis Apartments	Jacksonville Beach	1pm	Volunteer Activity
8/8/2019	NW CPAC	6734 103rd St	1pm	Ambassador Speaker
8/8/2019	Jacksonville Zoo	Legends Center	6pm	Ambassador Event
8/9/2019	St Paul Lutheran Community Fair	Zoo Blvd.	8:30am	Volunteer Activity
8/10/2019	NF CDC Back to School	2730 Edgewood Dr. W	8:30am	Ambassador Event
8/10/2019	Callahan Food Distribution	Emmett Reed Center	10am	Ambassador Event
8/12/2019	Farm Share	Nassau County Extension Center	12pm	Volunteer Activity
8/15/2019	Arlington Lions Club	Jessie St.	9am	Volunteer Activity
8/15/2019	Work Your Dream Job Fair	6523 Commerce St.	7pm	Ambassador Speaker
8/16/2019	ReStore by Habijax	1601 North Main St	10:30am	Ambassador Event
8/16/2019	Recovered Treasures	5800 Beach Blvd., 32207	9:30am	Volunteer Activity
8/16/2019	Hope at Hand	Normandy Blvd.	10am	Volunteer Activity
8/16/2019	BOMA Trade Show	3886 Atlantic Blvd.	11am	Volunteer Activity
8/20/2019	BOMA Trade Show	841 Prudential Dr.	9am	Ambassador Event
8/20/2019	JEA Senior Day	841 Prudential Dr.	9am	Ambassador Speaker
8/21/2019	USO Food Pantry	JEA Lobby	10am	Ambassador Event
8/21/2019	Tech Coast Conference	2560 Mayport Rd.	10:30am	Volunteer Activity
8/21/2019	Tech Coast Conference	TIAA Bank Field	8am	Volunteer Activity
8/21/2019	Georgia Environmental Conf.	TIAA Bank Field	9am	Ambassador Event
8/22/2019	Barnabas New to You	Jekyll Island	9am	Ambassador Speaker
8/23/2019	Salvation Army Food Pantry	930 S. 14th St., Fernandina Bch.	9am	Volunteer Activity
8/23/2019	STREAMchella	900 W. Adams St.	8:30am	Volunteer Activity

JEA Community Engagement Calendar - August - October 2019

Date	Event/Activity	Location	Time	Type
8/24/2019	My Brother's Keeper	Trinity Church - 5808 Normandy Blvd.	9am	Ambassador Event
8/24/2019	USO No Dough Dinner	Ephesus Seventh Day Adventis	10am	Ambassador Event
8/26/2019		2560 Mayport Rd.	10am	Volunteer Activity
8/29/2019.	Cathedral Terrace Café	Newnan St.	11am	Volunteer Activity
Sep-19				
9/9/2019	USO NDD	2560 Mayport Rd.	10am	Volunteer Activity
9/10/2019	San Jose Apts.	Garcia rd.	10am	Ambassador Speaker
9/12/2019	PACE Family Night Event	University Blvd.	9am	Volunteer Activity
9/12/2019	BEAM Food Bank	Jacksonville Beach	1pm	Volunteer Activity
9/12/2019	West Branch Library	1425 Chaffee Rd	11am	Ambassador Event
9/13/2019	International Coastal Cleanup	Joe Carlucci Park & Boat Ramp	7:30am	Volunteer Activity
9/13/2019	Christ the King	6822 Larkin Rd.	8:30am	Ambassador Speaker
9/16/2019	USO NDD	2560 Mayport Rd.	10am	Volunteer Activity
9/17/2019	Hurley Apts.	3333 University Blvd.	11am	Ambassador Speaker
9/19/2019	United Way Kick Off	CC-4	8am	Volunteer Activity
9/19/2019	Recovered Treasures	Normandy Blvd.	10am	Volunteer Activity
9/19/2019	Jacksonville Arboretum & Gardens	Millcoe Rd.	8:30am	Volunteer Activity
9/19/2019	PACE Center for Girls	University Blvd.	9am	Volunteer Activity
9/20/2019	Barnabas New to You	Fernandina Bch.	1pm	Volunteer Activity
9/20/2019	Catty Shack Ranch	Starrat Rd.	10am	Volunteer Activity
9/20/2019	ReStore	Beach Blvd	9:30am	Volunteer Activity
9/20/2019	Habijax Builds	Hubbard St.	7:30am	Volunteer Activity
9/21/2019	Solid Rock Health & Wellness Community Event	1418 Van Buren St.	10am	Ambassador Event
9/21/2019	FCNMHP Pet Food Bank	Cassat Ave.	9am	Volunteer Activity
9/23/2019	Callahan Food Distribution	Nassau County Extension Center	12pm	Volunteer Activity
9/24-9/25/2019	USO Food Pantry	2560 Mayport Rd.	9am	Volunteer Activity
9/26/2019	Salvation Army Food Pantry	W. Adams St.	8:30am	Volunteer Activity
9/26/2019	Eden Gardens	Garden St.	8am	Volunteer Activity
9/26/2019	Cathedral Terrace Café	Newnan St.	11am	Volunteer Activity

JEA Community Engagement Calendar - August - October 2019

Date	Event/Activity	Location	Time	Type
9/26 - 29/2019	2019 Fall Home & Patio Show	Prime Osborn	10am - 9pm	Ambassador Event
9/27/2019	Feeding NE FL Food Bank	Edgewood Ave.	8:30am	Volunteer Activity
9/27/2019	Hope at Hand	Atlantic Blvd.	11am	Volunteer Activity
9/27/2019	COJ Senior Games Opening Ceremonies	Hemming Plaza	9am	Volunteer Activity
Oct-19				
10/2/2019	John E Ford Elem. Health & Fitness Night	1137 Cleveland St.	5:30pm	Ambassador Event
10/2/2019	COJ Senior Games Bowling	Cassat Ave.		Volunteer Activity
10/2/-10/6/2019	FCNMHP MEGA Pet Adoption	Jacksonville Fairgrounds	Multiple Shifts	Volunteer Activity
10/7/2019	USO NDD	2560 Mayport Rd.	10am	Volunteer Activity
10/10/2019	Non-Profit Breakfast	JEA T-19	7am	Ambassador Event
10/17 - 20/2019	2019 Southern Women Show	Prime Osborn	10am	Ambassador Event
10/14/2019	United Way Golf Tournament	St. Johns Golf & Country Club	7am	Volunteer Activity
10/16/2019	JASMYN Coming Out Breakfast	Hyatt Regency	7am	Volunteer Activity
10/17/2019	STEM Night Pickett Elem.	6305 Old Kings Rd	6pm	Ambassador Event
10/17/2019	Jacksonville Arboretum & Gardens	Millcoie Rd.	8:30am	Volunteer Activity
10/17/2019	Recovered Treasures	Normandy Blvd.	10am	Volunteer Activity
10/17/2019	Farm Share	Jessie St.	9am	Volunteer Activity
10/18/2019	HabiJax Builds	Hubbard St.	7:30am	Volunteer Activity
10/18/2019	Catty Shack Ranch	Starrat Rd.	10am	Volunteer Activity
10/22/2019	Jacksonville Zoo & Gardens Community Event	Zoo Pkwy.	10am	Volunteer Activity
10/22/-10/23/2019	USO	2560 Mayport Rd.	9am	Volunteer Activity
10/24/2019	Salvation Army Food Pantry	Adams St.	8:30am	Volunteer Activity
10/24/2019	Eden Gardens	Garden St.	8am	Volunteer Activity
10/25/2019	Feeding NE FL Food Bank	Edgewood Ave.	8:30am	Volunteer Activity
10/25/2019	Hope at Hand	Atlantic Blvd.	11am	Volunteer Activity

JEA Community Engagement Calendar - August - October 2019

Date	Event/Activity	Location	Time	Type
10/26-10/27/2019	Jacksonville Sea & Sky Spectacular Air Show	Jacksonville Beach Seawalk Pavillion	8am	Volunteer Activity
10/31/2019	Jacksonville Zoo & Gardens Mini Monster Mash & Candy Trail	Zoo Blvd.	9:30am	Volunteer Activity



Customer & Community Engagement Overview and Update August FY19

Each month, we update the Board on past, present and future Customer & Community Engagement monthly activities. The purpose is to keep you informed of these efforts, so that you are knowledgeable about JEA's attempts to keep our customers informed, to assist them in the management of their utility services and to be a good corporate citizen.

Customer Communications

Hurricane Dorian and Restoration 1-2-3

Customer & Community Engagement continued to ramp up efforts to educate the community about Hurricane Season through the ongoing promotion of Restoration 1-2-3 during the first part of August. Then, when *Tropical Storm Dorian* became *Hurricane Dorian* and JEA's Emergency Operations Center moved to full activation, it launched a comprehensive weeklong campaign to keep customers updated continually, leading up to the storm's approach to Northeast Florida. By leveraging digital and social media communications with engagement-focused messaging and daily videos, the team shared information with customers ranging from "prepping like a pro" to "being ready for whatever Dorian brings our way." This correspondence assured them that when a hurricane threatens our region, JEA crews are prepared to work around the clock if necessary to restore utility services, in addition to providing valuable information on how to weather the storm. Social media posts combined static information with near real-time video content that kept the community informed. Together, these strategies displayed JEA's commitment to ensuring the quickest recovery possible—before, during and after a menacing storm like Dorian.

JEA Partnership with Area Schools

In August, we celebrated the proud partnership JEA has with Duval County Schools. The August bill insert highlighted the emphasis we place on educating current and future generations. The JEA Education Fulfillment Program, which provides free books and other educational materials on energy and water conservation, safety around electricity and general learning, was one of several initiatives discussed. In addition, the bill insert showcased JEA's commitment to the community through our partnerships with MOSH and Arlington's Tree Hill Nature Center among others efforts.

Community Engagement

JEA employees participated in numerous Ambassador events and Volunteer activities throughout the month of August. Ambassadors participated in 41 activities and volunteers served 415 hours in the community.

JEA Ambassadors

August was a busy month for Ambassadors through participation in several community events including activities at STEAMchella Event, First Coast Tech Conference and My Brother's Keeper Community Event among others.

Employee Volunteerism

In August, 110 JEA employees volunteered 415 hours in the community, connecting with customers and assisting with numerous nonprofit projects and activities. From volunteering with projects such as CHS Back-to-School Sort & Pack to working with the PACE Center for Girls and the Salvation Army Food Kitchen, JEA employees gave generously of their time and talents to benefit our community.

JEA employees also volunteered time at the City of Jacksonville Senior Games Opening Ceremonies, Hope at Hand, Recovered Treasures, Farm Share and many other locations.

JEA employees take great pride in the Ambassador and Volunteer programs, which demonstrate tangible ways for our customers and our community to see the “Heart of JEA.”



INTER-OFFICE MEMORANDUM

September 9, 2019

SUBJECT: CORPORATE CAMPUS UPDATE

FROM: Aaron F. Zahn, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

JEA has been planning for a new corporate headquarters for several years to address business continuity risks while meeting our headquarter needs in a cost-effective manner. The Board approved a lease with Ryan Companies US, Inc. (Ryan) at its June 25, 2019 meeting. The lease was executed by JEA on July 9, 2019 after approval of the site purchase and sale agreement between Ryan and the City of Jacksonville. The lease included a cancellation clause through September 30 to allow for consideration of JEA's on-going strategic planning process.

DISCUSSION:

JEA and Ryan continue to plan for the project. Ryan submitted a conceptual approval application to the City's Downtown Development Review Board (DDRB) on August 20 for preliminary architectural and development review. The DDRB will consider the conceptual application on September 19. Ryan continues with site due diligence including environmental review, planning for preliminary site development submittals to the City, geotechnical investigations and testing for structural design and garage design. Ryan has kept JEA and its consultants abreast of progress on all aspects during the planning process. JEA is conducting further programming work to compile and confirm building size, functions and planned departmental adjacencies. JEA will continue to evaluate and decide on Tenant Improvement (TI) providers within the next few months with Ryan continuing to express a strong interest in performing TI work to control schedule, coordination and project efficiency.

Ryan has agreed to an extension of the cancellation option through October 23rd with no change in the cancellation expense cap. The additional time is intended to allow JEA's ITN financial consultants to review initial responses to the recapitalization Invitation to Negotiate (ITN) to confirm acceptance of the minimum criterion for a downtown headquarters. That information is expected to be reported to the Board at its October 22nd meeting.

RECOMMENDATION:

This update is being provided as information only.

Aaron F. Zahn, Managing Director/CEO

AFZ/MHD/NKV



Corporate Metrics Dashboard

As of August 31, 2019

Metrics for FY19 Goals	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 YTD	2019 Goal	Variance
Customer Value										
JDP Customer Satisfaction Index - Residential	4th Quartile	3rd Quartile	3rd Quartile	1st Quartile	2nd Quartile	1st Quartile	2nd Quartile	1st Quartile	1st Quartile	-
JDP Customer Satisfaction Index - Business	4th Quartile	4th Quartile	1st Quartile	1st Quartile	1st Quartile	1st Quartile	1st Decile	2nd Quartile	Top Decile	-
Customer Response Time (min.): W/W System	70	69	67	69	67	68	76	65	65	0%
Overall First Contact Resolution	N/A	N/A	78.5%	80.9%	79.4%	79.4%	79.0%	79.3%	80.0%	-1%
Estimated Time of Restoration Accuracy	-	-	88%	85%	89%	82%	80%	91%	80%	14%
Grid Performance: Frequency (outages/year)	2.4	1.7	1.7	1.7	1.4	1.6	1.4	1.28	1.6	20%
Grid Performance: Outage Duration (minutes/year)	84	68	71	99	71	99.5	67	60	75	20%
Grid Performance: CEMIS (% cust. > 5 outages/year)	n/a	n/a	2.34	2.10	1.40	1.07	0.40	0.09	0.80	89%
Water Unplanned Outages (% cust.)	2%	1%	1%	2%	4%	1%	5%	2.53%	2%	-27%
Water Distribution System Pressure (avg min < 30 psi)	34.9	20.0	2.1	2.8	2.1	3.7	1.8	9.0	2.0	-350%
Financial Value										
Net Write-Offs	0.19%	0.15%	0.15%	0.16%	0.14%	0.14%	0.13%	0.13%	0.18%	28%
Generation Fleet Reliability (forced outages rate)	0.7%	1.6%	3.0%	1.8%	2.0%	2.2%	2.1%	4.9%	2.0%	-145%
Percent of Net O&M Budget	92%	90%	88%	93%	93%	93%	93%	95%	95%	0%
Cost Reduction Metric (\$000)	n/a	n/a	n/a	n/a	\$25,156	\$10,087	\$10,495	\$10,364	\$9,100	14%
Community Impact Value										
Capital Invested (\$000)	\$273,774	\$234,718	\$158,392	\$204,708	\$298,045	\$307,918	\$374,456	\$408,267	\$437,774 - \$574,578	TBD
Safety (RIIR)	1.48	1.84	2.38	1.65	1.82	2.10	1.48	1.44	1.40	-3%
JEA Volunteers	237 Activities	465 Activities	670 Activities	753 Activities	985 Activities	913 Activities	1,050 Activities	6,102	4,800 Hours	9.6%
JSEB Spend (\$000)	\$9,168	\$10,121	\$7,302	\$9,318	\$9,983	\$13,365	\$15,760	\$15,919	\$15,000	\$919
Environmental Value										
Electric System Environmental Compliance (permit exceedances)	5	4	3	2	4	6	2	0	4	-400%
Consumptive Use Permit Compliance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	1%
Nitrogen to the River (tons)	650	767	579	553	527	558	550	367	616	-34%
Sanitary Sewer Overflows (SSO's) (per 100 miles of pipe)	0.63	0.60	0.74	0.56	0.66	1.16	0.68	0.67	0.58	78%

Metrics We Watch	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Forecast
Financial Value								
Change in Net Position (\$000)	\$182,642	\$79,975	\$156,269	\$323,008	\$210,016	\$254,620	\$126,488	\$163,391
Debt to Capitalization	75%	73%	70%	69%	66%	63%	59%	55%
City Contribution (\$000)	\$104,188	\$106,687	\$109,188	\$111,688	\$129,187	\$115,823	\$116,620	\$132,648
Electric sales (000's MWh)	13,855	11,930	12,172	12,434	12,561	12,050	12,364	12,431
Water Sales (000's kgal)	35,345	33,088	32,468	34,558	36,358	37,245	36,187	37,789
Sewer Sales (000's kgal)	24,490	23,624	23,527	24,922	25,818	26,713	26,340	27,378
Reclaim Sales (000's kgal)	1,330	1,110	1,301	1,784	2,644	3,290	3,120	3,887
Community Impact Value								
Utility Scale Solar Energy (000's MWh)	21	21	20	21	21	26	55	59
New Partnerships and Student Programs	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100% complete
Voluntary Attrition	46	36	44	32	33	35	35	28
Diverse Slate of Candidates (% of recruitments)	N/A	N/A	N/A	97.6%	98.6%	100%	100%	100%
Economic Development Program Participants	N/A	0	0	1	0	0	4	4
Environmental Value								
Reclaimed Water Customer Growth*	35%	40%	43%	31%	27%	25%	22%	24%

Strategic Metrics - Long Term Influence	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Forecast
Customer Value								
Residential Electric Bill in FL (% of State Median)	101%	101%	99%	99.5%	101%	100%	98%	98.6%
Residential Water/Sewer Bill in FL (% of State Median)	110%	104%	102%	100%	96%	94%	92%	91.2%
Financial Value								
Consolidated Return on Equity	13%	8%	10%	12%	13%	13%	9%	9.2%
Return on Net Assets	4%	2%	3%	4%	5%	5%	4%	4.4%
Unlevered Free Cash Flow: EBITDA less CAPEX (\$000)	\$606,131	\$532,872	\$612,212	\$591,925	\$547,897	\$573,259	\$367,007	\$298,872
Net Position (Book Value of Equity) (\$000)	\$1,991,311	\$2,071,286	\$2,196,006	\$2,166,909	\$2,376,928	\$2,621,545	\$2,755,310	\$2,918,700
City Contribution NPV	-	-	-	-	-	-	\$1,998,311	\$1,998,311
Electric Credit Ratings	Aa2/AA/AA	Aa2/AA/AA	Aa2/AA/AA	Aa2/AA/AA	Aa2/AA/AA	Aa2/AA/AA	Aa2/AA/AA	A2/AA/AA
W/W Credit Ratings	Aa2/AA/AA	Aa2/AA/AA	Aa2/AA/AA	Aa2/AA/AA	Aa2/AA/AA	Aa2/AA/AA	Aa2/AA/AA	A2/AA/AA
Community Impact Value								
Employee engagement (survey)	-	71%	-	74%	72%	79%	81%	N/A
Environmental Value								
CO ₂ Emissions (lbs/MWh), net basis, w/ Scherer	1,631	1,828	1,851	1,731	1,799	1,593	1,516	1,544
CO ₂ Emissions Mass (10 ³ Short Tons), w/ Scherer	8,881	10,414	11,194	10,425	10,609	8,916	7,731	7,523
Aquifer Withdrawal Limit	104	100	103	107	112	114	112	116
Residential Water Use Efficiency (gal. per capita per day)	88	80	75	79	81	82	75	78

*May contain reclaimed customers temporarily supplied with potable water

MANAGEMENT DISCUSSION

Financial

Electric Enterprise:

- FY19 sales up 0.95% compared to Aug FY18 YTD
- Sales per customer are down 1.1% compared to Aug FY18 YTD
- Degree days are up 1.9% compared to Aug FY18 YTD
- Total customers are up 2.0% compared to Aug FY18 YTD
- Revenues decreased \$34m vs. FY18 driven by SIRPP decreases and lower fuel stabilization withdrawals and partially offset by lower non-fuel purchased power contributions and an increase in accounts.
- Expenses decreased \$81m vs. FY18 driven with decreases in SIRPP and fuel and purchased power expenses.

Water and Sewer:

- Water sales are up 4.4% compared to Aug FY18 YTD
- Sewer sales are up 4.0% compared to Aug FY18 YTD
- Reclaimed sales are up 24.6% compared to Aug FY18 YTD
- Sales per customer up 2.4% compared to Aug FY18 YTD
- Rain days are up 5.7% (6 days) compared to Aug FY18 YTD, irrigation up 11.9% versus Aug FY18 YTD
- Total customers are up 2.7% compared to Aug FY18 YTD
- Revenues increased by \$21m vs. FY18 due to increased customer accounts, higher sales, and lower enviro stabilization deposits.
- Expenses increased \$19m vs. FY18 driven by an increase in O&M (compensation and benefits, professional and industrial services, and storm resiliency), higher depreciation, and higher environmental regulatory expenses.

DES

- Stable, minimal change from FY18

FEMA reimbursement:

- Matthew - \$7m of \$10m received
- Irma - \$71 of \$14m received

Operations

Four (4) OSHA recordable safety incidents for JEA in the month of August. One dates back to July.

Electric:

- The JEA Fleet Forced Outage Rate will exceed target through FY19 due to various issues including boiler tube leaks, auxiliary equipment failures and derates.
- CEMIS continues to be well below target in FY19, with only 369 customers experiencing more than 5 outages in the last 12 months
- ETR, Frequency, and Duration all performing better than goal.

Water/Sewer:

- Unplanned Water Main Outages: 5,153 customers experienced an unplanned outage in the month of August, 4,432 of which was due to a break on Perimeter Rd (24" pipe was in a bind and split). A capital project has been identified to replace as it has split multiple times.
- Water Distribution System Pressure (avg min per monitors station < 30 psi): Pressure less than 30 psi on average spiked due to conditions during the months of May, June, and July, which led to aggressively managing grid pressures at lower than normal so demand would not exceed reservoir supply in some instances. During the drought, highest flow during peak hours was 265 MGD and our Max daily flow was 171 MGD compared with a normal of 164 MGD and 155 MGD, respectively. The spike in August was caused by a 24" main break on Perimeter Road which affected multiple pressure monitoring locations until the leak was isolated.
- CUP: Average daily flow of 119 MGD is 14% below CY19 limit of 138 MGD; reclaimed usage at 19 MGD
- Nitrogen to River: FY19 Forecast is 413 tons this includes the deletion of 45 additional tons possible during the aeration basin project at Buckman, the project has been deferred until after the biosolids process rebuild. JEA has a limit of 683 tons per year and provides the COJ with 37 tons.
- SSO's Impacting Waters of the US: 34 YTD, root cause analysis is performed on each SSO. Performed additional

Corporate Metrics Dashboard

As of August 31, 2019

Metrics for FY19 Goals	2016 Actual	2017 Actual	2018 Actual	2019 YTD	2019 Goal	Variance
Customer Value						
JDP Customer Satisfaction Index - Residential	2nd Quartile	1st Quartile	2nd Quartile	1st Quartile	1st Quartile	-
JDP Customer Satisfaction Index - Business	1st Quartile	1st Quartile	1st Decile	2nd Quartile	Top Decile	-
Customer Response Time (min.): W/WW System	67	68	76	65	65	0%
Overall First Contact Resolution	79.4%	79.4%	79.0%	79.3%	80.0%	-1%
Estimated Time of Restoration Accuracy	89%	82%	80%	91%	80%	14%
Grid Performance: Frequency (outages/year)	1.4	1.6	1.4	1.28	1.6	20%
Grid Performance: Outage Duration (minutes/year)	71	99.5	67	60	75	20%
Grid Performance: CEMIS (% cust. > 5 outages/year)	1.40	1.07	0.40	0.09	0.80	89%
Water Unplanned Outages (% cust.)	4%	1%	5%	2.53%	2%	-27%
Water Distribution System Pressure (avg min < 30 psi)	2.1	3.7	1.8	9.0	2.0	-350%
Financial Value						
Net Write-Offs	0.14%	0.14%	0.13%	0.13%	0.18%	28%
Generation Fleet Reliability (forced outages rate)	2.0%	2.2%	2.1%	4.9%	2.0%	-145%
Percent of Net O&M Budget	93%	93%	93%	95%	95%	0%
Cost Reduction Metric (\$000)	\$25,156	\$10,087	\$10,495	\$10,364	\$9,100	14%
Community Impact Value						
Capital Invested (\$000)	\$298,045	\$307,918	\$374,456	\$408,267	\$437,774 - \$574,578	TBD
Safety (RIR)	1.82	2.10	1.48	1.44	1.40	-3%
JEA Volunteers	985 Activities	913 Activities	1,050 Activities	6,102	4,800 Hours	9.6%
JSEB Spend (\$000)	\$9,983	\$13,365	\$15,760	\$15,919	\$15,000	\$919
Environmental Value						
Electric System Environmental Compliance (permit exceedances)	4	6	2	0	4	-400%
Consumptive Use Permit Compliance	Yes	Yes	Yes	Yes	Yes	Yes
Nitrogen to the River (tons)	527	558	550	367	616	-249
Sanitary Sewer Overflows (SSO's) (per 100 miles of pipe)	0.66	1.16	0.68	0.67	0.58	TBD

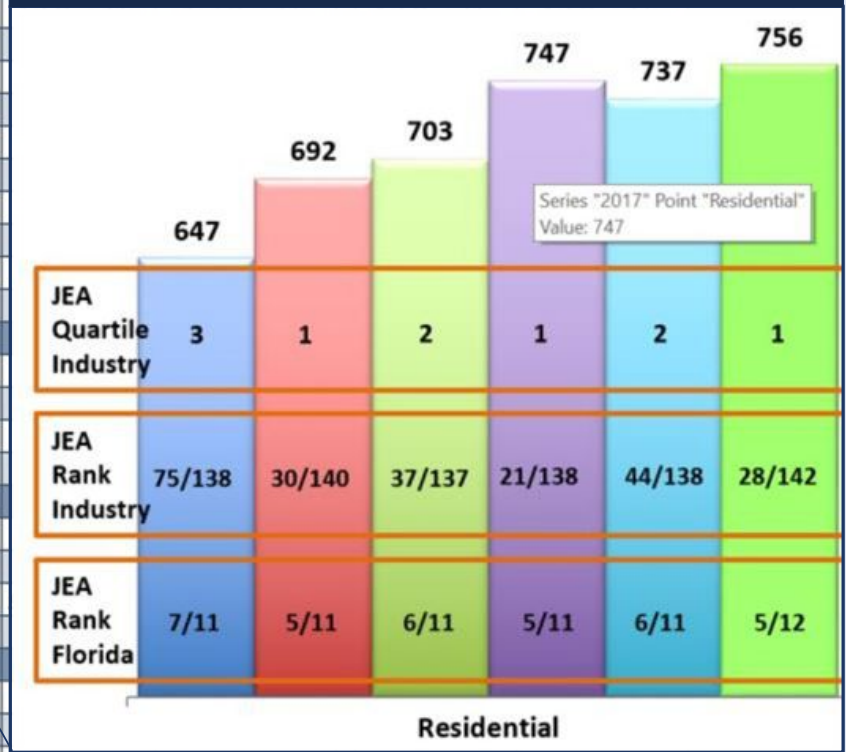
Summary

- ▶ JEA has had a strong year operationally & financially
 - ▶ Our electric debt is the lowest it has been in 34 years
 - ▶ Our water debt is the lowest it has been in 16 years
- ▶ Operational and customer service levels are best in class
- ▶ The actions we have taken to pay down debt and de-risk the business provide the luxury to be able to have strategic planning discussions in a thoughtful and deliberate manner

Corporate Metrics Dashboard

As of August 31, 2019

Metrics for FY19 Goals	2016 Actual	2017 Actual	2018 Actual	2019 YTD	2019 Goal	Variance
HIGHEST EVER RESIDENTIAL CUSTOMER SATISFACTION						
Customer Value						
JDP Customer Satisfaction Index - Residential	2nd Quartile					
JDP Customer Satisfaction Index - Business	1st Quartile					
Customer Response Time (min.): W/WW System	67					
Overall First Contact Resolution	79.4%					
Estimated Time of Restoration Accuracy	89%					
Grid Performance: Frequency (outages/year)	1.4					
Grid Performance: Outage Duration (minutes/year)	71					
Grid Performance: CEMIS (% cust. > 5 outages/year)	1.40					
Water Unplanned Outages (% cust.)	4%					
Water Distribution System Pressure (avg min < 30 psi)	2.1					
Financial Value						
Net Write-Offs	0.14%					
Generation Fleet Reliability (forced outages rate)	2.0%					
Percent of Net O&M Budget	93%					
Cost Reduction Metric (\$000)	\$25,156					
Community Impact Value						
Capital Invested (\$000)	\$298,045					
Safety (RIR)	1.82					
JEA Volunteers	985 Activities					
JSEB Spend (\$000)	\$9,983					
Environmental Value						
Electric System Environmental Compliance (permit exceedances)	4					
Consumptive Use Permit Compliance	Yes					
Nitrogen to the River (tons)	527	558	550	367	616	-249
Sanitary Sewer Overflows (SSO's) (per 100 miles of pipe)	0.66	1.16	0.68	0.67	0.58	TBD



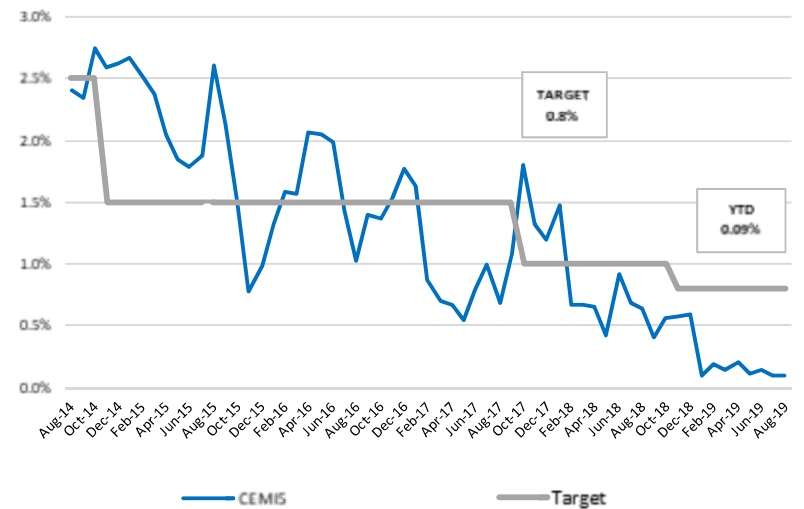
Corporate Metrics Dashboard

As of August 31, 2019

Metrics for FY19 Goals	2016 Actual	2017 Actual	2018 Actual	2019 YTD	2019 Goal	Variance
Customer Value						
JDP Customer Satisfaction Index - Residential	2nd Quartile					
JDP Customer Satisfaction Index - Business	1st Quartile					
Customer Response Time (min.): W/WW System	67					
Overall First Contact Resolution	79.4%					
Estimated Time of Restoration Accuracy	89%					
Grid Performance: Frequency (outages/year)	1.4					
Grid Performance: Outage Duration (minutes/year)	71					
Grid Performance: CEMIS (% cust. > 5 outages/year)	1.40					
Water Unplanned Outages (% cust.)	4%					
Water Distribution System Pressure (avg min < 30 psi)	2.1					
Financial Value						
Net Write-Offs	0.14%					
Generation Fleet Reliability (forced outages rate)	2.0%					
Percent of Net O&M Budget	93%					
Cost Reduction Metric (\$000)	\$25,156					
Community Impact Value						
Capital Invested (\$000)	\$298,045					
Safety (RIR)	1.82					
JEA Volunteers	985 Activities					
JSEB Spend (\$000)	\$9,983	\$15,565	\$15,760	\$15,919	\$15,000	\$919
Environmental Value						
Electric System Environmental Compliance (permit exceedances)	4	6	2	0	4	-400%
Consumptive Use Permit Compliance	Yes	Yes	Yes	Yes	Yes	Yes
Nitrogen to the River (tons)	527	558	550	367	616	-249
Sanitary Sewer Overflows (SSO's) (per 100 miles of pipe)	0.66	1.16	0.68	0.67	0.58	TBD

RECORD DISTRIBUTION GRID RELIABILITY

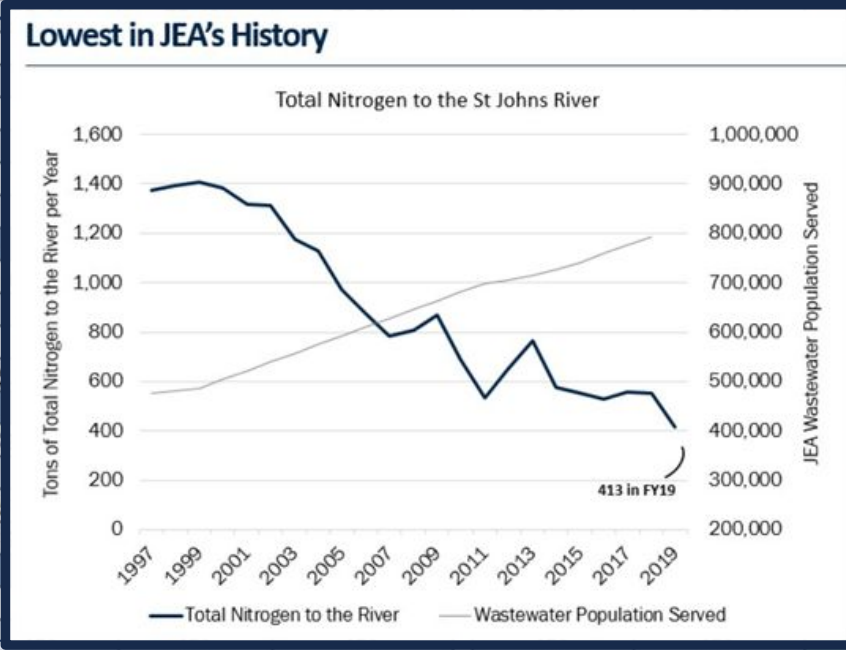
CEMI-5



Corporate Metrics Dashboard

As of August 31, 2019

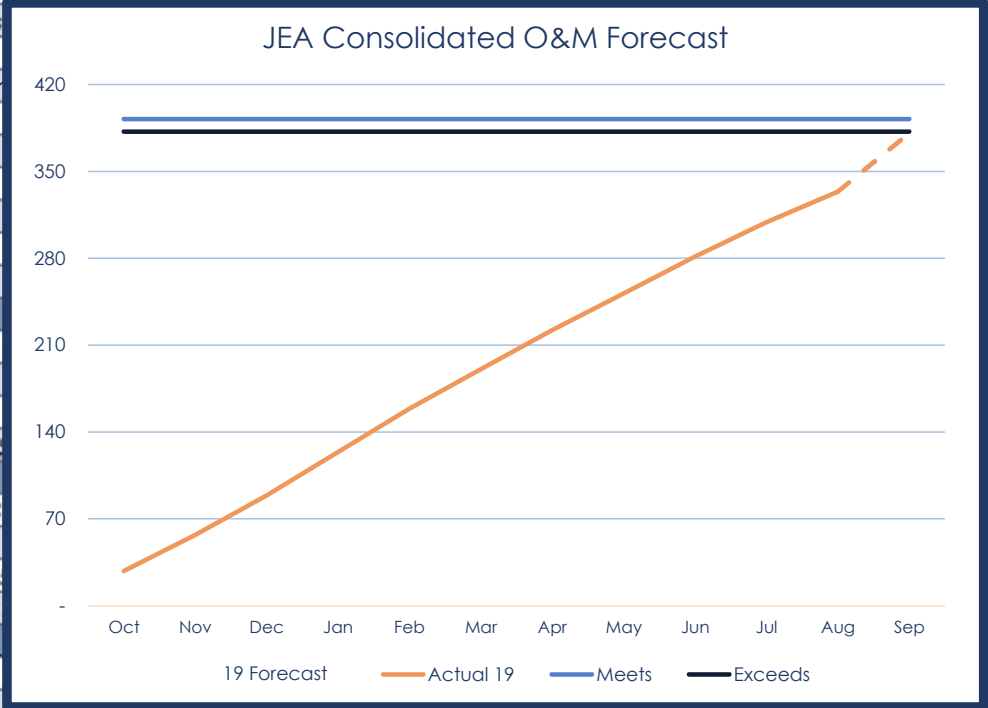
Metrics for FY19 Goals	2016 Actual	2017 Actual	2018 Actual	2019 YTD	2019 Goal	Variance
Customer Value						
JDP Customer Satisfaction Index - Residential	2nd Quartile	1st Quartile	2nd Quartile	1st Quartile	1st Quartile	-
JDP Customer Satisfaction Index - Business	1st Quartile	1st Quartile	1st Decile	2nd Quartile	Top Decile	-
Customer Response Time (min.): W/WW System	67	68	76	65	65	0%
Overall First Contact Resolution						%
Estimated Time of Restoration Accuracy						%
Grid Performance: Frequency (outages/year)						%
Grid Performance: Outage Duration (minutes/year)						%
Grid Performance: CEMIS (% cust. > 5 outages/year)						%
Water Unplanned Outages (% cust.)						7%
Water Distribution System Pressure (avg min < 30 psi)						0%
Financial Value						
Net Write-Offs						%
Generation Fleet Reliability (forced outages rate)						5%
Percent of Net O&M Budget						%
Cost Reduction Metric (\$000)						%
Community Impact Value						
Capital Invested (\$000)						0
Safety (RIR)						%
JEA Volunteers	98					5%
JSEB Spend (\$000)						19
Environmental Value						
Electric System Environmental Compliance (permit exceedances)						0%
Consumptive Use Permit Compliance						s
Nitrogen to the River (tons)	527	558	550	367	616	-249
Sanitary Sewer Overflows (SSO's) (per 100 miles of pipe)	0.66	1.16	0.68	0.67	0.58	TBD



Corporate Metrics Dashboard

As of August 31, 2019

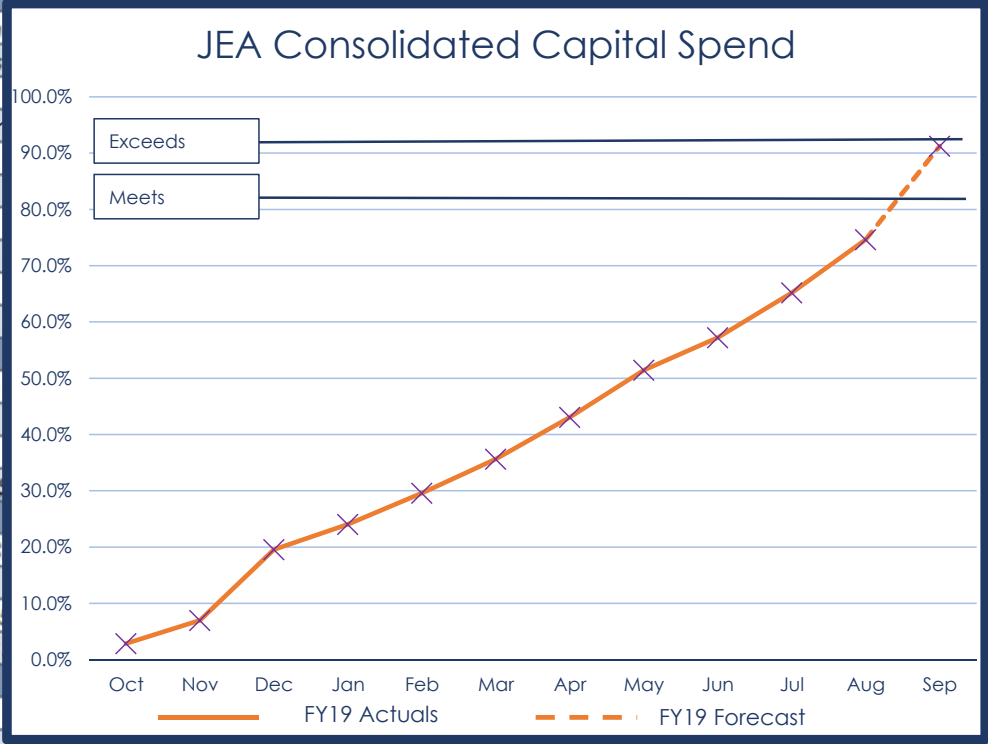
Metrics for FY19 Goals	2016 Actual	2017 Actual	2018 Actual	2019 YTD	2019 Goal	Variance
Customer Value						
JDP Customer Satisfaction Index - Residential	2nd Quartile	1st Quartile	2nd Quartile	1st Quartile	1st Quartile	-
JDP Customer Satisfaction Index - Business	1st					
Customer Response Time (min.): W/WW System						
Overall First Contact Resolution						
Estimated Time of Restoration Accuracy						
Grid Performance: Frequency (outages/year)						
Grid Performance: Outage Duration (minutes/year)						
Grid Performance: CEMIS (% cust. > 5 outages/year)						
Water Unplanned Outages (% cust.)						
Water Distribution System Pressure (avg min < 50 psi)						
Financial Value						
Net Write-Offs						
Generation Fleet Reliability (forced outages rate)						
Percent of Net O&M Budget						
Cost Reduction Metric (\$000)						
Community Impact Value						
Capital Invested (\$000)						
Safety (RIR)						
JEA Volunteers	98					
JSEB Spend (\$000)						
Environmental Value						
Electric System Environmental Compliance (permit exceedances)						
Consumptive Use Permit Compliance						
Nitrogen to the River (tons)	527	558	550	367	616	-249
Sanitary Sewer Overflows (SSO's) (per 100 miles of pipe)	0.66	1.16	0.68	0.67	0.58	TBD



Corporate Metrics Dashboard

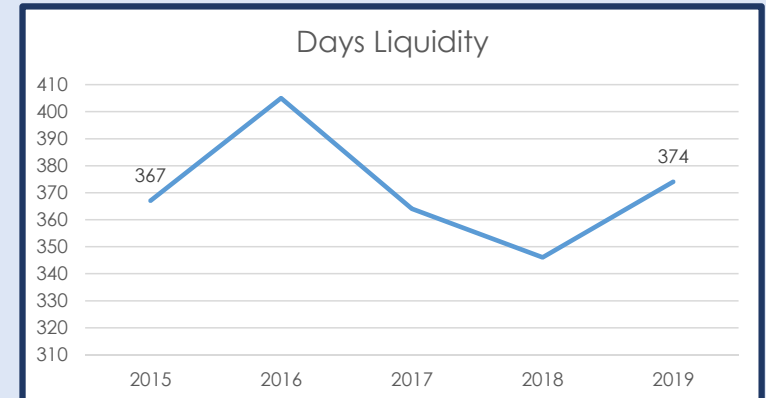
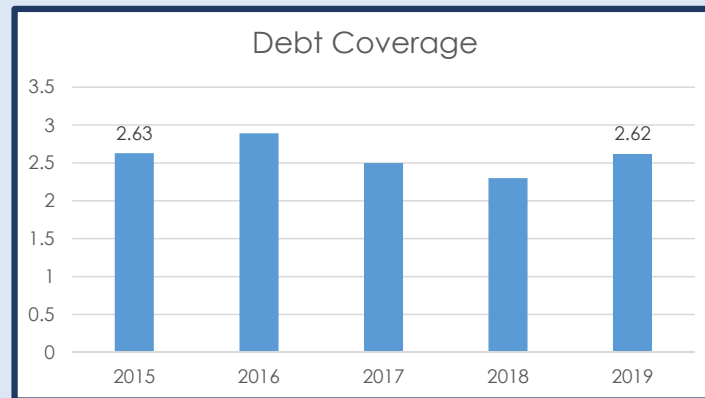
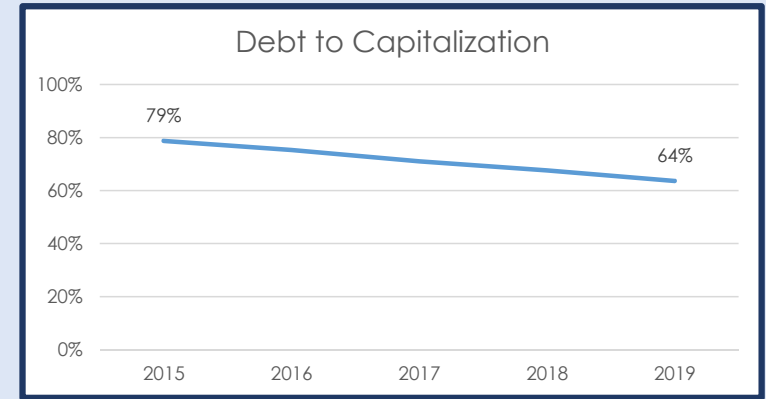
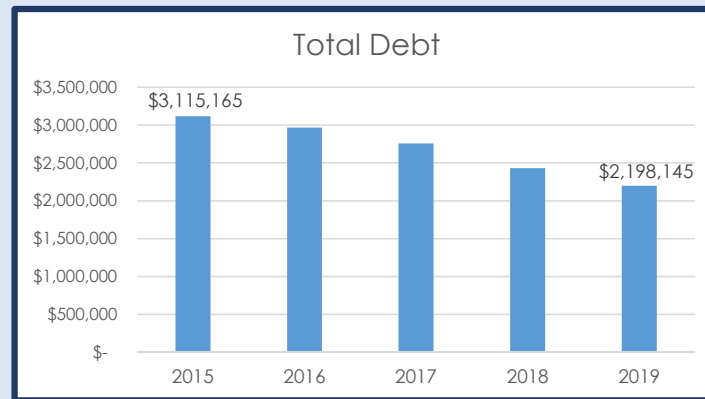
As of August 31, 2019

Metrics for FY19 Goals	2016 Actual	2017 Actual	2018 Actual	2019 YTD	2019 Goal	Variance
Customer Value						
JDP Customer Satisfaction Index - Residential	2n					
JDP Customer Satisfaction Index - Business	1s					
Customer Response Time (min.): W/WW System						
Overall First Contact Resolution						
Estimated Time of Restoration Accuracy						
Grid Performance: Frequency (outages/year)						
Grid Performance: Outage Duration (minutes/year)						
Grid Performance: CEMIS (% cust. > 5 outages/year)						
Water Unplanned Outages (% cust.)						
Water Distribution System Pressure (avg min < 30 psi)						
Financial Value						
Net Write-Offs						
Generation Fleet Reliability (forced outages rate)						
Percent of Net O&M Budget						
Cost Reduction Metric (\$000)						
Community Impact Value						
Capital Invested (\$000)						
Safety (RIR)						
JEA Volunteers	98					
JSEB Spend (\$000)						
Environmental Value						
Electric System Environmental Compliance (permit exceedances)	Yes	Yes	Yes	Yes	Yes	Yes
Consumptive Use Permit Compliance	Yes	Yes	Yes	Yes	Yes	Yes
Nitrogen to the River (tons)	527	558	550	367	616	-249
Sanitary Sewer Overflows (SSO's) (per 100 miles of pipe)	0.66	1.16	0.68	0.67	0.58	TBD



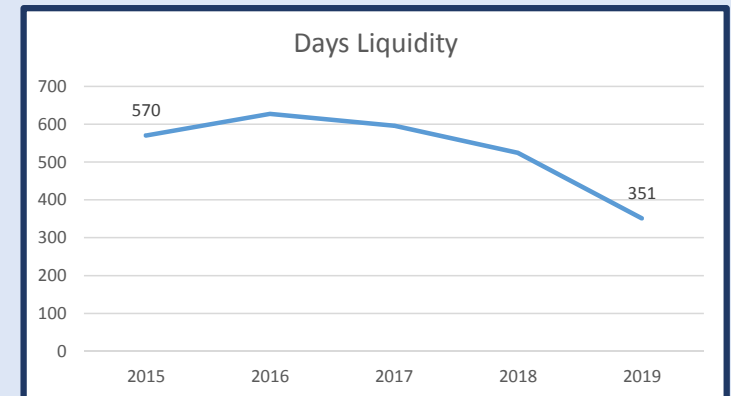
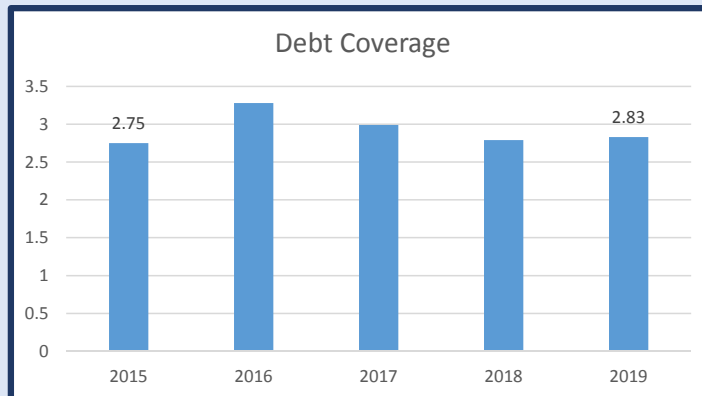
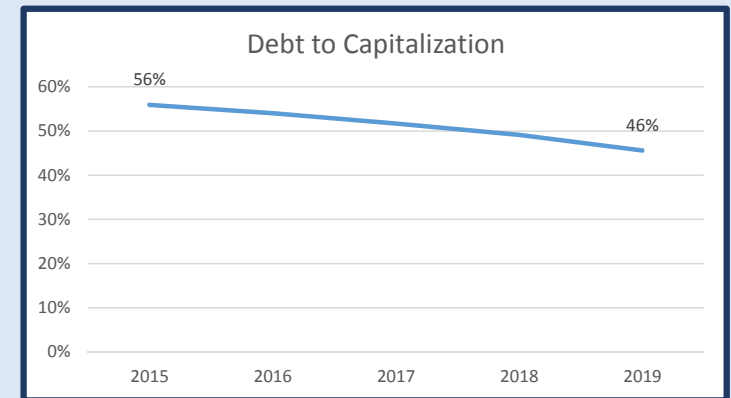
Financial Performance Energy

- ▶ The debt and liquidity metrics continue to support AA category ratings for the Energy System






Financial Performance Water

- ▶ Water debt and liquidity metrics support AAA ratings from all 3 agencies



STAR Plan Phase 2

- ▶ Phase 1 & 2 STAR Plan debt defeasances will reduce total debt by \$298 million this year
- ▶ Along with regularly scheduled payments JEA will have reduced debt by a total of \$664.9 million in 13 months
- ▶ This is a \$3.05 Billion reduction from the peak debt balance in FY2010

	 ENERGY	 WATER	 JEA
Early Debt Defeasance	\$48	\$45	\$93
Debt Service Savings	\$60	\$49	\$109

STAR Plan Phase 2

- ▶ Requires additional board action:
 - ▶ Pricing policy changes
 - ▶ Debt management policy changes
 - ▶ Environmental Stabilization Fund transfers for solar projects

Conclusion

- ▶ JEA's management has delivered "best in class" operational and financial results
- ▶ JEA's management, with its STAR plan, has been able to defer potential rate increases caused by falling sale and increases expenses
- ▶ JEA's management is planning for the future in parallel while maintaining focus on delivering current results
- ▶ JEA's strategic planning process is critical for long-term growth of CCEF



2020 Proposed JEA Board Meeting Schedule

Fourth Tuesday of Each Month

January 28, 2020	July 28, 2020
February 25, 2020	August 25, 2020
March 24, 2020	September 22, 2020
April 28, 2020	October 27, 2020
May 26, 2020	November 17, 2020
June 23, 2020	December 15, 2020

**All Board Meetings are scheduled the 4th Tuesday of the month, with the exception of November and December, which will be held on the 3rd Tuesday of the month.*

2019 JEA Board Committee Meeting Schedule

Finance & Audit Committee

**Based on Board Meeting Scheduled the fourth week of the month*

March 16, 2020

August 17, 2020

May 18, 2020

December 7, 2020

CEO Search Committee

Schedule as necessary

Compensation Committee

Schedule as necessary

Government, Legal and Real Estate Affairs Committee

Schedule as necessary

Nominating Committee

TBD

From the JEA By-Laws "Elections of Officers shall be conducted at the first regular meeting in March which may be preceded by a meeting of the nominating committee composed of the JEA Board acting as a whole or such other membership as the Chair may designate."



INTER-OFFICE MEMORANDUM

September 20, 2019

SUBJECT: APPROVAL OF JEA COLLECTIVE BARGAINING AGREEMENTS

FROM: Jon Kendrick, Chief Human Resources Officer

TO: JEA Board of Directors

BACKGROUND:

JEA entered bargaining negotiations with each of its five collective bargaining units (CBU's) this summer. Negotiations are held every three years and, consequently, contracts are negotiated for three-year terms. These contracts will be valid for fiscal years 2020, 2021, and 2022.

DISCUSSION:

JEA reached agreement with all five CBUs on new contracts. Included in these agreements are several of the minimum requirements of the ITN, specifically pension protection and retention agreements. Contract legislation will be filed with the City Council following approval by the JEA Board of Directors with the following timeline anticipated:

- 10/2 – File legislation
- 10/8 – Introduced at the Council meeting
- 10/22 – Public hearing
- 11/4 – Committee action during this week
- 11/12 – Vote on final ratification

International Brotherhood of Electrical Workers (IBEW)

Number of employees: 532

Wage terms: 3.5% general increase to base each year.

Union Ratification Date: 9/19/19

Laborers' International Union of North America (LIUNA)

Number of employees: 359

Wage terms: 3.5% general increase to base each year.

Union Ratification Date: 9/19/19

Jacksonville Supervisors Association (JSA)

Number of employees: 187

Wage terms: 3.5% general increase to base each year.

Union Ratification Date: 9/18/19

American Federation of State, County and Municipal Employees (AFSCME)

Number of employees: 186

Wage terms: 3.5% general increase to base each year.

Expected Union Ratification Date: 9/20/19

Professional Employees Association (PEA)

Number of employees: 290

Wage terms: For each year, the following

- 3% Performance Pool
- 2% General Increase to Base
- 2% Increase to Min of all Pay Grades
- 3.5% Increase to Max of All Pay Grades

Expected Union Ratification Date: 9/20/19

RECOMMENDATION:

JEA staff is recommending that the Board approve the Collective Bargaining Agreements included in Appendices I, J, K, L, and M and approve presenting the agreements to City Council.

Aaron F. Zahn, Managing Director/CEO



AGREEMENT

BETWEEN

JEA

AND

PROFESSIONAL EMPLOYEES ASSOCIATION

October 1, ~~2016~~2019– September 30, ~~2019~~2022

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PREAMBLE

This Agreement is entered into on this first day of October ~~2016-2019~~ by and between JEA and the JEA Professional Employees' Association, hereinafter referred to as the "PEA". It is the intent and purpose of the parties hereto to promote and improve the efficient administration of JEA and the well-being of employees within the meaning of collective bargaining laws and regulations; to establish a basic understanding relative to discussion and adjustment of matters of mutual interest at JEA; to implement mutually agreed upon rates of pay, wages, hours of employment, and other terms and conditions of employment; and to provide a procedure for the adjustment of grievances so as to promote orderly and peaceful relations between JEA, its employees, and the PEA.

The parties agree that this Agreement shall be applied impartially to all employees in the bargaining unit. It is acknowledged that the PEA represents employees who are in supervisory and professional capacities, therefore necessitating the closest of working relationships and cooperative efforts.

During the term of this Collective Bargaining Agreement, it shall be binding upon the Union and JEA, their successors and assigns, and shall continue in full force and effect in the event of the sale or other transfer of the business covered by this Agreement. During the term of this Collective Bargaining Agreement, JEA shall require the transferee to assume and adopt the terms and conditions of this Agreement and to recognize the Union as the sole bargaining agent for the employees covered by this Agreement. JEA agrees to make this a condition of the sale or other transfer of the business covered by this Collective Bargaining Agreement.

Therefore, the parties agree as follows:

ARTICLE 1
RECOGNITION AND UNIT DETERMINATION

- 1.1 JEA recognizes the PEA as the exclusive representative of all employees in the bargaining unit defined in Section 1.2, as per PERC certification #618. The PEA recognizes the responsibility of representing the interests of all employees in the bargaining unit, without discrimination and without regard to PEA membership, with respect to grievances, and other matters affecting their general working conditions, subject to the expressed limitations set forth in this Agreement.
- 1.2 The PEA unit includes classified employees who are employed by JEA, including the specific classifications specified in Exhibit "A" of this Agreement or which may subsequently be incorporated into "Exhibit A", in accordance with Florida Statute 447. Specifically excluded are, all managerial and confidential employees within the meaning of Florida Statute 447, and employees included in those certified bargaining units having a separate community of interest.
- 1.3 A copy of this Agreement, once ratified and approved by all parties, will be furnished as soon as practicable by JEA to all employees represented by PEA. All new PEA bargaining unit members will be provided with a copy of the Agreement at or soon after their initial employment/ assignment.
- 1.4 JEA agrees to post on a JEA approved message board, an electronic version of the ratified Collective Bargaining Agreement with any Amendments, Memoranda of Agreement or Memoranda of Understanding.
- 1.5 a. Any recommended classification and/or organizational changes including reallocation of positions(s) initiated by JEA which affect the bargaining unit will be presented, in writing, to the PEA President or designee, when the recommended changes have been drafted in final form by JEA.
- b. JEA will make a good faith effort to notify affected employees and the PEA President or designee of any recommended classification and/ or organization changes. However, failure of an employee or PEA President or designee to receive such notification shall not give rise to a grievance under this agreement.
- c. Employees shall communicate any comments on recommended classification and/or organization changes to the PEA, and not directly to JEA.
- d. The PEA will thereafter submit to the JEA a written statement of its position on the recommended changes.

- e. Unless extended by mutual agreement, the PEA's written statement must be submitted to JEA no later than thirty (30) calendar days from the date the recommended changes are transmitted to the PEA. If a written response is not submitted within this thirty (30) calendar day time period, then JEA will consider the proposed changes as acceptable to PEA, and the proposed changes will be implemented.
- f. JEA will notify the PEA President or designee monthly when new employees are placed in the PEA bargaining unit.

ARTICLE 2
RIGHTS OF EMPLOYER

2.1 When making rules and regulations relating to personnel policies, procedures, practices and matters of working conditions wherein JEA has discretion, JEA shall not violate the obligations imposed by this Agreement or Chapter 447, Florida Statutes. Any such items pertaining to this Agreement, formulated after the effective date of this Agreement, shall not be implemented (except in emergencies) prior to notification to the PEA by copy of such item. If the PEA wishes to discuss such items, a special meeting may be requested as provided in Article 6.1.

2.2 a. Except as otherwise provided in this Agreement, JEA retains all the rights and functions of _____ management that it has by law. Without limiting the generality of the above statement, _____ these rights include:

1. Direction and arrangement of working forces, including the right to suspend for cause, discharge for cause, transfer or relieve employees from duty because of lack of work or other legitimate reasons.
2. The determination of services to be rendered.
3. The locations of the business including the establishment of new units and the _____ relocation and/or closing of old ones.
4. The determination of financial policies including accounting procedures, as well as cost of services and customer relations.
5. The determination of the organization of all units.
6. _____ The right to take disciplinary action for proper cause shall be the exclusive prerogative of management.
7. The maintenance of discipline and control and use of JEA property.
8. The right to establish quality standards and judgment of workmanship required.
9. The scheduling of operations, work hours, work week and the number of shifts.

10. The right to enforce JEA rules and regulations in effect and which it may issue from time to time.

b. It is further agreed that the above detailed enumerations of management rights shall in no way be deemed to exclude any other management prerogatives that may not have been specifically enumerated.

c. The PEA recognizes and agrees that JEA retains sole and exclusive rights to manage the affairs of JEA in all respects and as to all matters in connection with the exercise of such rights; and, specifically, that nothing in this Agreement shall be construed as delegating to another, the authority conferred by law on any member or official of JEA, or in any way abridge or reduce such authority.

2.3 For the purposes of this Agreement, an emergency is defined as any combination of circumstances, which require immediate action, as determined by Management. In the case of a system or limited emergencies, Article 9.9 will govern.

ARTICLE 3
RIGHTS OF EMPLOYEES

3.1 Each member of the PEA bargaining unit has the right, freely and without fear of penalty, to join, and assist the PEA or to refrain from such activity, and each employee shall be protected in the exercise of this right. It is the intent of this section to make employees aware of their rights and to assure them that no interference, restraint, coercion, or discrimination will be permitted within JEA to encourage or discourage membership.

3.2 This Article does not authorize participation in the management of the PEA, or acting as a representative of the PEA, by an employee serving in a managerial/confidential capacity either in a temporary upgrade or provisional status. Employees shall not officially represent the PEA when his/her official assigned duties might result in a conflict of interest. This Article does not prohibit membership in the PEA by an employee who is a member of the PEA bargaining unit.

~~3.2 This Article does not authorize participation in the management of the PEA, or acting as a representative of the PEA, by an employee serving in a managerial/confidential capacity either in a temporary upgrade or provisional status. Employees shall not officially represent the PEA when his/her official assigned duties might result in a conflict of interest. This Article does not prohibit membership in the PEA by an employee who is a member of the PEA bargaining unit.~~

3.3 a. Any employee who is eligible for inclusion in the bargaining unit shall have the right to join or not to join the PEA as he/she individually prefers. There shall be no discrimination for or against any employee because of membership or not in the PEA and neither the PEA nor any employee shall attempt to intimidate or coerce any JEA employee into joining or continuing membership in the PEA or interfere with the employee in any way because of failure or refusal to join the PEA. Management agrees not to discriminate for or against the PEA, its officers, or its members, for membership therein, or by virtue of holding office in the PEA.

b. Upon receipt of a stipulated, lawfully executed written authorization from an employee, JEA agrees to deduct the regular dues of the PEA from such employee, from his/her bi-weekly pay and remit such deduction to the PEA within thirty (30) days from the date of deduction. The PEA will notify management, in writing, thirty (30) days prior to any change in the regular dues structure. It is understood that an employee may revoke, in writing, at any time, his/her authorization for dues deduction. Dues revocation may be processed

through the PEA, but in the event of direct revocation, the PEA will be notified as soon as possible.

- 3.4 Nothing in this Agreement shall be construed to prevent any public employee from presenting at any time his/her own grievances in person or by legal counsel to JEA, and having such grievances adjusted without the intervention of the PEA, if the adjustment is not inconsistent with the terms of the collective bargaining agreement, when in effect, and if the PEA has been given reasonable opportunity to be present at any meeting called for the resolution of such grievances.

ARTICLE 4
RIGHTS OF THE PROFESSIONAL EMPLOYEES' ASSOCIATION

- 4.1 The PEA shall have the right and the responsibility to present its views to JEA's ~~Manager~~ Director of Labor Relations, or other designated representative of JEA, as provided by this Agreement. If either party so requests, JEA and the PEA agree to meet promptly in an effort to resolve the matter which created the concern, in accordance with Article 6 of this Agreement.
- 4.2 It is understood and agreed that the President or in his/her absence, his/her designated alternate will be the official spokesperson for the PEA in any matters pertaining to this Agreement.
- 4.3 It is agreed that the PEA may use designated facilities of JEA in which to hold regular and special meetings, insofar as such usage will not interfere with the operations of JEA. Requests for JEA to participate at the meeting shall be accomplished in accordance with Article 6 of the Agreement.

ARTICLE 5
THE AGREEMENT AND ITS RELATIONS TO LAW AND REGULATIONS

- 5.1 It is understood that, in the administration of all matters covered by this Agreement, JEA, the PEA, and all employees in the bargaining unit are governed by existing or future laws and regulations of the State of Florida and the City of Jacksonville, including provisions as set forth in Chapter 447, Part II, Florida Statutes.
- 5.2 The PEA and its officers, agree that they shall have no right to engage in any work stoppage, slowdown or strike, the consideration of such provision being the right to a resolution of disputed questions. JEA shall have the right to discharge or otherwise discipline any or all employees who violate the provision of this paragraph.
- 5.3 JEA will provide access to JEA Management Directives and Procedures.
- 5.4 If the City of Jacksonville Civil Service Board is abolished during the term of this Agreement, all terms and conditions of employment previously covered by the Civil Service Rules, including those specifically referred to in this Agreement, shall be subject to negotiation at the request of either party.

ARTICLE 6
SPECIAL MEETINGS

- 6.1 JEA and the PEA agree to meet and confer on matters applicable to this Agreement excluding management's rights, upon the written request of either party. The written request shall state the nature of the matter to be discussed and the reason for discussing such matter. Discussion shall be limited to matters set forth in the request. The special meeting shall not be used to re-negotiate this Agreement. Such special meetings shall be held within fourteen (14) calendar days of the written request except where an extension is mutually agreed and at a time and place mutually agreeable to both parties. No Special Meeting as defined in this paragraph, will be conducted without a minimum of two (2) PEA officers and/or designees. JEA and the PEA shall have the right at these special meetings to recommend corrections to any known inequities pertaining to matters under discussion. Within fourteen (14) calendar days from the date of the meeting, JEA or the PEA will respond in writing to the other party concerning the matter discussed.
- 6.2 JEA agrees, in the interest of enhancing communications with the PEA, to provide the President of the PEA with a copy of the JEA Board Meeting Agenda prior to such regular meetings. In the event an item of interest to the PEA will be presented and discussed, the President or his/her designee, upon request, will be allowed time off with pay to attend such meetings, provided that such action will not incur overtime costs to JEA or impair operational effectiveness.
- 6.3 When requested, specified representatives of the PEA will be allowed time off without loss of pay from regularly scheduled work to attend meetings designated by JEA. Reasonable preparation without loss of pay may be requested through Labor Relations. Such requests shall not be unreasonably denied. However, in the event such meetings extend beyond the usual working hours, or are scheduled outside of regular working hours, no compensation shall be paid by JEA for time outside of regular working hours and working days. This provision is applicable to negotiating meetings as well as other designated meetings by JEA.

ARTICLE 7
PEA REPRESENTATION

7.1 Notification to JEA:

- a. The PEA shall furnish the Labor Relations in writing, the names of all elected officers of the PEA and any changes thereto.
- b. The President of the PEA shall furnish JEA with names and assignments of all PEA Representatives. A copy will be furnished to each affected member of Management, and the Labor Relations. Representatives will not be allowed to function as such until the above written notification has been received.

7.2 Recognition of PEA Representative(s):

Recognized PEA Representatives shall be permitted to exercise their responsibilities in accordance with the provisions of this Agreement. No PEA Representative shall be denied any right or privilege because of service as a PEA Representative.

7.3 PEA Point of Contact:

JEA shall recognize the President, or in the President's absence the Vice-President or other representative so designated by the PEA President or Vice-President, as the "official" point of contact for the PEA. This designation shall be in writing to the ~~Manager~~Director, Labor Relations in advance of the President's or Vice-President's absence, except when unforeseen illness/injury has rendered the President and/or Vice-President incapable of making any type of notification.

7.4 Number of Recognized Officers and/or Representatives:

JEA recognizes no more than four (4) PEA Officers and one (1) PEA Representative for each twenty-five (25) bargaining unit members.

7.5 Grievance Investigation:

PEA Officers and/or Representatives shall be granted time off during working hours without loss of pay to investigate and settle grievances on the job site which is within their jurisdiction. Officers and/or Representatives must notify and secure approval of their immediate supervisor prior to their actions in this regard. Upon entering an area other than their own, the PEA Officers and/or Representatives shall notify Labor Relations of their presence and purpose. Officers and/or Representatives will only be granted time off under this provision when they are requested by an employee in the Unit to assist in that employee's grievance. Officers and/or Representatives may receive and discuss grievances of employees on the premises or in the field on JEA time, but only to the extent that it does not neglect, retard or interfere with the work and duties of other employees.

7.6 Employee Support:

The PEA representatives and officers will serve as an Employee Support Team. Any member of this support team may be a liaison between the employee and referral to Employee Assistance Program (EAP) to make employees aware of available help.

7.7 PEA Union Pool Time:

- a. Each employee may, by submitting written authorization to Employee Services be allowed to contribute one (1) hour or more of their accrued Annual or Personal leave time toward a pool of time which may be drawn upon for official PEA business. Effective Oct. 1, ~~2015~~2019, JEA will match donated pool time up to eighty (80) hours per fiscal year. JEA's match will not be cumulative from year to year.
- b. JEA will authorize 16 hours of preparatory time for each of five (5) members of the PEA bargaining team to prepare for contract negotiations without loss of pay. JEA will authorize a maximum of five (5) PEA members to negotiate a successor contract without loss of pay.
- c. The PEA shall request use of this time by submitting a written request to the appropriate Vice President, Director, or Manager, at least two (2) days in advance, unless the advance notice is waived by the Vice President, Director, or Manager and provided the employee's absence will not seriously interfere with system operations.
- d. Use of such pool time by a PEA member shall only be authorized by the PEA President or designee.
- e. The pool time account will be debited on an hour for hour basis.
- f. A copy of the approved pool time usage request shall be immediately forwarded by the employee to Labor Relations for accounting purposes.
- g. PEA pool time balances will be available electronically on the internal website and shall be updated on a regular basis or as requested by the PEA President or their designee.

7.8 Fact-Findings and/or Disciplinary Hearings:

- a. Weingarten Rights:

When an employee is questioned by management, and the employee reasonably believes that the questioning may lead to disciplinary action, the employee has the right to request that a PEA representative be present at the meeting. When an employee requests PEA representation pursuant to this section, and a union representative is not immediately available, the Employer shall postpone the meeting for a reasonable time in order for the employee to obtain union representation.
- b. The manager or designee should advise the employee of their right to representation by a PEA representative when conducting a fact-finding meeting that may lead to disciplinary action. The representative may be that of the employee's own choosing from those available at work. The omission of the manager or designee to advise the employee of their right to PEA representation shall not be grounds to challenge the validity of any disciplinary action taken. However, should such an omission occur, at the request of the affected employee or Union, the Employer will agree to meet with

the Union, to provide a summary of the situation which led to the discipline. The Employer will also communicate to the Union any decision or outcome resulting from the fact-finding meeting. The failure of the Employer to advise the Union of the decision or outcome resulting from the fact-finding meeting shall not be grounds to challenge the validity of any disciplinary action taken.

ARTICLE 8
HOURS OF WORK AND OVERTIME

8.1 For accounting purposes, the standard workweek for all employees shall normally be from 0000 hours Monday through 2400 hours Sunday.

8.2 Annual leave, personal leave, annual military training leave, leave while on the active payroll due to an on-the-job injury, JEA observed holiday, compensatory time, and any other authorized paid leave, (except paid parental leave) shall be considered as time worked to the extent the authorized paid leave falls on the employees' work schedule. Leave without pay, or any other non-paid leave shall not be considered as time worked for determination of overtime eligibility.

8.3 Employees covered by this Agreement shall consist of non-shift (most common) and shift employees.

1. Non-Shift Employees:

a. Most JEA employees will be designated as non-shift employees.

b. Workweek assignments may be scheduled as follows:

1. Five (5) consecutive eight (8) hour days, forty (40) hours per workweek.
2. Four (4) consecutive ten (10) hour days, forty (40) hours per workweek.
3. Twelve (12) hour days, eighty (80) hours bi-weekly.
4. Eight (8) nine (9) hour days plus one (1) eight (8) hour day, eighty (80) hours bi-weekly.
5. Four (4) consecutive nine (9) hour days plus one (1) four (4) hour day, forty (40) hours per workweek.
6. Any other combination of work hours, as mutually agreed upon by the employee and their appointed manager that equal 40 hours per workweek.

2. Shift Employees:

a. A shift employee is defined as an employee whose normal schedule of work changes on a regular or rotating basis. (Staggered starting times alone do not define shift employees.)

b. A shift employee is also an employee who normally works a non-shift schedule but works a shift schedule to fill a normal shift schedule on a temporary basis.

c. Shift employees may be reassigned during the workweek as needed to any combination of eight (8) or twelve (12) consecutive hour days, totaling at least forty (40) hours per workweek, with a minimum of sixteen (16) hours' notice.

8.4 The PEA and JEA recognize that in the interest of good service, there is a requirement for employees covered by this Agreement to respond to emergency call-outs, to hold over after their normal work schedule, and to complete planned work outside of normal working hours. JEA and the PEA agree that management shall determine the necessity for overtime work.

- a. Compensation for overtime shall be in cash. However, if JEA and the employee agree, the employee may elect to receive compensatory time, which shall be accrued at the applicable compensatory time rate of pay for each hour of overtime worked in excess of forty (40) hours. Employees may accrue up to two hundred forty (240) hours of compensatory time. However, JEA may pay off any amount of accrued compensatory time at any time, provided that any prior approved requests for compensatory time off will continue to be honored. Accrued compensatory time will also be paid off at the employee's request.
- b. Employees covered by this Agreement are eligible for overtime only when specifically authorized by the Vice President, Director, or Manager, or their designees.
- c. Overtime Types:
 1. Scheduled/Planned – When JEA requires an employee to work on a planned, scheduled activity that must be completed outside of normal working hours
 2. ~~Emergency~~/Callout - When JEA calls an employee to work outside of and not continuous with the employee's scheduled working hours
 3. Holdover – When JEA requires an employee to hold over after their normal work schedule

8.5 Authorized overtime hours shall be compensated as follows:

- a) When JEA requires an employee to perform scheduled or planned work outside of their normal working hours, this overtime is considered Scheduled/Planned. For exempt classifications, the first five (5) hours worked in excess of forty (40) hours per week shall be paid at the employee's regular rate of pay. Time worked in excess of forty-five (45) hours per week shall be paid at one and one half (1 ½) times the employee's regular rate of pay. For non-exempt classifications, time worked in excess of forty (40) hours per week shall be paid at one and one-half (1 ½) times the employee's regular rate of pay.
 - 1) There is no minimum number of hours paid for Scheduled/Planned overtime.
 - 2) Absence from Scheduled/Planned overtime assignments may be subject to investigation.

- b) When JEA calls an employee to work outside of and not continuous with the employee's scheduled working hours, this overtime is considered ~~Emergency~~/Callout. The employee shall be compensated for a minimum of two (2) hours, or the actual number of hours worked beyond two (2) hours, at one and one-half (1½) times the employee's regular rate of pay provided the employee reports to work as instructed. This minimum does not apply when an early call out extends to the beginning of the employee's scheduled working hours.
- c) When JEA calls an employee to work outside of and not continuous with the employee's scheduled working hours, and the employee is authorized to work remotely by management and does not have to report to a JEA facility to complete the work, this overtime is considered ~~Emergency~~/Callout. The employee shall be compensated for a minimum of one (1) hour, or the actual number of hours worked beyond one (1) hour, at one and one-half (1½) times the employee's regular rate of pay.
- d) When JEA requires an employee to hold over after their normal work schedule and remain at work (continuous working hours either on-site or remote), the employee shall be compensated for the actual number of hours worked beyond their normal work hours at the same rate as the Scheduled/Planned overtime rate.

Examples of Overtime Types and Rates of Pay:

Type	Unscheduled/ Emergency /Callout	Scheduled/Planned Hold over
Rate	1.5 times regular rate of pay	Exempt: 1.0 times regular rate of pay for first 5 hours after 40; then 1.5 rate for any hours after 45 Non-exempt: 1.5 times regular rate of pay for all hours after 40
Minimum	On-site: 2 hours of overtime Remote: 1 hour of overtime	Does not apply

8.6 Rest Periods:

- a) An employee who has worked sixteen (16) hours or more continuously in a twenty four (24) hour period, or eight (8) hours or more overtime in the sixteen (16) hour period immediately preceding his/her basic workday, shall upon release ~~normally~~ be entitled to an eight (8) hour rest period, before he/she returns to work. In the event that the employee does not have an eight (8) hour rest period, he/she will be entitled to the applicable premium pay as set out in section 8.6(b).
- b) If an employee is called back to work (on site or remote) without completing his/her eight (8) hour rest period, he/she shall be compensated at the rate of two ~~92~~(2) times

his/her regular rate of pay for all hours worked commencing from the time he/she reports back to work and ending when he/she is release for another eight (8) hour rest period.

- c) If the rest period under the provisions of this Article extends into the basic workday, the employee shall lose no time. Thereby, if the employee's normal lunch break or part thereof occurs during the rest period, the normal lunch period or part thereof shall not be included as part of the eight (8) hour rest period.* Overtime pay for these extended hours will be paid in accordance with the applicable overtime rate.

*Example:

- If the rest period starts at 6 a.m. and the normal lunch break is from 12 noon to 1 p.m., the employee will report to work at 3 p.m.
 - If the rest period starts at 5 a.m. and the normal lunch break is from 1 p.m. to 2 p.m., the employee will report to work at 2 p.m.
 - If the rest period starts at 4:30 a.m. and the normal lunch break is from 12 noon to 1 p.m., the employee will report to work at 1:30 p.m.
- d) Paid rest time shall be considered the same as worked time for the purpose of determining when overtime (one and one-half times the employee's rate of pay) starts in a workday. Paid rest time shall not be considered the same as worked time for the purposes of determining when double time starts.
- e) If the end of the employee's rest period occurs within two (2) hours of the end of the employee's basic workday, the employee's supervisor has sole discretion, not subject to grievance or arbitration, to release the employee without loss of pay for the remainder of the workday. However, such early release time shall not be considered the same as worked time for determining when overtime starts in a workday.

8.7 Premium payments shall not be duplicated for the same hours worked under any of the terms of this Agreement; provided, however, that the employee shall be paid at the highest rate of premium pay earned.

ARTICLE 9
GENERAL WORKING CONDITIONS

9.1 Working Outdoors:

Employees shall not be required to work outdoors in inclement weather except during emergencies.

9.2 Employee Contact Information:

- a. All employees covered by this Agreement shall keep Management informed in writing at all times of their home or living quarters address and a telephone number by which they and/or their next of kin may be reached in the event of a system or medical emergency. JEA shall be entitled to rely on the last address and telephone number furnished to it by an employee and JEA shall have no responsibility to the employee or his/her next of kin for the failure to receive any kind of notice. This information shall be regarded as personal and confidential and shall be used for official JEA business in accordance with the provisions of any applicable state statutes.
- b. JEA will not be responsible for any costs incurred by the employee for telephone services.

9.3 Fitness For Duty

JEA, for proper cause, has the right to require any employee to undergo a medical examination by a JEA assigned appropriate medical doctor, at any time, to ascertain whether or not the employee is physically and mentally capable of performing the duties required of his/her classification. This examination will be conducted on JEA time and at JEA expense. An employee shall be entitled to complete disclosure of their own personal medical records.

9.4 Conflict Of Interest:

An employee's primary responsibility in respect to gainful employment should be to JEA. No employee shall knowingly engage in any business or transaction or have a financial interest, direct or indirect, which is incompatible with the proper discharge of his/her official duties or which would tend to impair his/her independence of judgment or action in the performance of his/her duties.

9.5 Personal Protection Equipment – Eyeglasses:

JEA agrees to replace or pay the cost of repairing an employee's prescription safety eyeglasses issued by JEA which are broken or damaged during the performance of his/her assigned duties, provided that such breakage or damage did not result from normal wear and tear, negligence or misuse on the part of the employee, or the employee's failure to use proper eye protective equipment provided by JEA. JEA also agrees to replace dentures broken or damaged during the performance of an employee's assigned duties,

provided such breakage or damage did not result from normal wear and tear, negligence or misuse on the part of the employee, or the employee's failure to use proper protective equipment provided by JEA.

9.6 Bargaining Unit Member Information:

During the term of this Agreement, JEA agrees to supply to the PEA at their written request twice a year, and/or as mutually agreed upon, the following information pertaining to the members of the bargaining unit: employee's name, current classification, date of employment, date appointed to current classification, and date of last salary increase excluding service raise. Information furnished shall be subject to clerical corrections.

9.7 Transfers

Except in emergency situations or when an employee is on leave, JEA shall give any employee who will be transferred to another work location, which transfer is expected to last more than two weeks, at least two weeks' notice of the transfer.

9.8 Safety Shoes

a. Employees who are newly hired or who transfer for the first time into a job which requires safety shoes will be provided two pair safety shoes in their first year in the applicable job.

b. Safety and Health Management-management may issue additional pairs of safety shoes to employees whose job duties require their use if the employee's safety shoes are worn out as a result of regular use (not as a result of the employee's negligence). For purposes of this subsection, Safety and Health management has the sole discretion to determine whether to issue an additional pair of safety shoes, whether a pair of safety shoes is worn out, and whether the wear is the result of regular use.

c. As determined by JEA, those employees, whose regular job duties only require occasional need for safety shoes, will be provided one pair of safety shoes initially, and on an as needed basis thereafter.

d. Those employees who are provided safety shoes by the Employer are required to wear the safety shoes while on duty as required.

9.9 Limited or System System or Limited Emergencies:

1. Definitions

A. **Emergency**- An unexpected situation or sudden occurrence of a serious and urgent nature that demands immediate action.

B. **System Emergency** – All or the vast majority of employee's in the company are affected by the emergency.

C. **Limited Emergency** – The emergency only affects a portion of the company – one or more departments, but not all.

- D. **Non-Essential Employees:** Employees who are not required to be at work and are either: 1) released from duty (no Blue Sky or Storm Assignment) during some portion of the period of a declared emergency, or 2) who are on duty but not designated as Essential Employees (they are performing Blue Sky Assignments).
- E. **Essential Employees** – Employees who are designated as Essential Employees and are performing emergency related duties (Storm Assignment) during a declared emergency.
- F. **Storm Riders** – employees whose management has specifically designated as Essential Employees and pursuant to that are required to work and /or remain at a JEA designated facility during an event giving rise to a declared emergency. A storm rider is a subset of an Essential Employee.
- G. **Storm Assignment** – Work assignments being performed by an employee during the period their management has specifically designated them as being Essential Employees and altered their normal work schedule for the purpose of restoration after an event giving rise to a declared emergency.
- H. **Blue Sky Assignment** – Assignments normally performed by an employee that are not being performed for the purpose of restoration efforts as the result of a declared emergency.

Note 1: An individual employee may be designated either Essential or Non-Essential at different times during the full duration of a declared emergency (System or Limited Emergency). Example: during a major storm event, many employees will likely be deemed Non-Essential initially; but once the storm passes and JEA mobilizes its restoration efforts, those same employees may be deemed Essential.

Note 2: The designation of Essential or Non-Essential may be applied by management to some or all of a bargaining unit, geographical area or department (System or Limited Emergency). In Limited Emergencies these provisions related to designation of Essential and Non-Essential shall apply to the areas covered by the Limited designation, but other areas will continue to operate under “Blue Sky” parameters. Example: A Limited Emergency declared at Northside Generating Station requiring some employees to be designated Non-Essential and placed on administrative leave does not mean that employees downtown are thereby designated Essential.

Note 3: For the period(s) during which Essential Employees are so designated, they shall be deemed to be on a unique, stand-alone schedule – one inherently unpredictable due to the unique nature of each declared emergency and the requirements to achieve restoration, and progress made toward it once underway. Therefore, certain CBA provisions will not apply: rest period(s); schedule premium nights; schedule premium weekends; notice of shift change; vehicle assignment

notice; standby pay; training / instructor supplement; daily and weekly overtime thresholds.

Holiday pay: If an Essential Employee is required to work on a day that would normally be recognized as a holiday under their normal schedule, in addition to the double-pay for time actually worked, they will receive the holiday pay (at regular rates) that they would normally have received if on Non-Essential status / normal work schedule.

Note 4: Transition back to Blue Sky duties. Upon being relieved of duty from Essential Employee status and having worked at least eight (8) consecutive hours, the employee will be entitled to a minimum eight (8) hour transition period before resuming Blue Sky duties. Should that transition period overlap what would have been their normal schedule, they will lose no (regular rate) pay thereby.

Note 5: Preparatory activities in anticipation of a declared emergency period (such as when a hurricane is approaching) or wind-down activities after a declared emergency period will be scheduled and compensated in accordance with the regular CBA provisions.

2. Declaration of System or Limited Emergency

The Managing Director of JEA, or designee, has the authority to declare either a system or limited emergency. In the event that the Managing Director or designee declares either type of an emergency, the provisions of this section take effect.

3. Non-Essential Employees

These employees are subject to the following:

- (1) Non-essential Employees may be released from duty and shall be granted administrative leave with pay for the balance of their normal schedule, and any additional days (or portions thereof) when they are not required by the Employer to report to work due to the emergency.
- (2) Non-essential Employees who are already on previously approved leave with pay at the time of the emergency, or who are scheduled to take authorized leave with pay during the time of the emergency shall not be charged for the leave for that period of time when other Non-essential Employees are on administrative leave with pay as a result of the declared emergency.
- (3) Non-essential Employees who are already on previously approved leave without pay at the time of the declared emergency, or who are scheduled to take authorized leave without pay during the time of the declared emergency shall not be paid for that

period of time when other Non-essential Employees are on administrative leave with pay as a result of the declared emergency.

(4) If a scheduled holiday falls within the time that Non-essential Employees are on administrative leave with pay due to a declared emergency, the employees will be paid for the holiday, but will not receive any additional holiday leave or pay for that day.

(5) Non-essential Employees required to work for non-Blue Sky purposes will have their designation changed to an Essential Employee. Non-essential Employees required to return to work to perform their regular “Blue Skies” job functions will remain in a non-essential status.

4. Essential Employees

These employees will be subject to the following:

(1) Essential Employees will be required by JEA to work during the declared emergency. Management may consider volunteers when possible.

(2) To the maximum extent possible, when the general population is being required to evacuate an area in anticipation of a hurricane, tropical storm, or similar circumstances where there is advance notice of a situation that is expected to create an emergency, JEA shall allow Essential Employees reasonable time, as determined by JEA, to return to their residence, secure the residence, and make plans for the safety of their family. To the extent that reasonable time falls during the employee’s regular schedule, they will lose no time thereby. After allowing a reasonable time for such activities, as determined by JEA, Essential Employees shall be required to report back to work during the emergency.

(3) Essential Employees shall be compensated at the premium rate of two (2) times the rate of their regular pay for all time actually worked on Storm Assignment. In addition, these employees will be paid straight time hourly pay for the time that they would have been on administrative leave with pay if they had been designated a Non-essential Employee (i.e., any normally scheduled hours). The maximum amount payable under this provision is forty (40) hours per work week, and it only includes periods during which JEA has any Non-essential Employees relieved of duty, not when all Non-essential Employees are performing “Blue Skies Assignments”

(4) During an emergency, Essential Employees who are required to report for work will be provided with meals or meal vouchers.

5. Alteration of Annual, Vacation, or Personal Leave Schedules

JEA has the unilateral right to alter the Annual, Vacation, or Personal Leave schedule of any employee in declared emergencies. This right includes the right to require employees who

are on leave at the time of the declared emergency to return to work. In such cases, JEA will reimburse the employee for any non-refundable expenses incurred as a result of the cancellation or alteration of the employee's Annual, Vacation, or Personal Leave plans.

6. JEA Communications with Employees during the Emergency

Any employee who is released from work during a declared emergency is expected to resume his/her regular work schedule, or to assume their Storm Assignment if applicable, when directed to do so by JEA. In order to assist employees in determining when they are expected to return to work, JEA will take reasonable steps to keep employees advised about the status of JEA operations, including the dates and times that employees are expected to resume their regular work schedule. For example, JEA will release information to employees via the JEA voice mail or e-mail system, through use of employee pagers, through releases of information to news media, and any other appropriate means of communicating with employees. To the extent that an employee relies on information released via local news media to determine when he or she is expected to return to work, JEA employees are to follow instructions related to JEA, not those issued regarding City of Jacksonville employees.

9.9-

~~a.—Definitions~~

~~1.— Limited Emergency:~~

~~Actual or potential disruption of service to JEA customers, and requiring extraordinary preparation and response efforts utilizing a large portion of resources available to JEA. This may be due to actual or potential natural disasters including severe storms, hurricanes, ice storms, drought, fires etc. and actual or potential manmade disasters such as explosions or acts of terrorism.~~

~~2.— Essential Employees: Employees of JEA, who are required to assist in limited emergencies, as determined and advised by JEA management at least annually.~~

~~b.— System or Limited Emergency~~

~~The Managing Director of JEA, or designee, has the authority to declare either a system or limited emergency. In the event that the Managing Director or designee declares either type of an emergency, the provisions of this section take effect.~~

~~c.— Non-Essential Employees~~

~~Employees, who are designated as nonessential during an emergency, as determined by JEA, are subject to the following:~~

~~1.— Non-essential employees shall be released from duty and shall be granted administrative leave with pay for the balance of their normal work schedule, and any additional days of their normal work schedule when they are not required by JEA to report to work due to emergency.~~

~~2. — Non-essential employees who are already on previously approved leave with pay at the time of the emergency, or who are scheduled to take authorized leave with pay during the time of the emergency shall not be charged for the leave for that period of time when other non-essential employees are on administrative leave with pay as a result of the emergency.~~

~~3. — Non-essential employees who are already on previously approved leave without pay at the time of the emergency, or who are scheduled to take authorized leave without pay during the time of the emergency shall not be paid for that period of time when other non-essential employees are on administrative leave with pay as a result of the emergency.~~

~~4. — If a scheduled holiday falls within the time that non-essential employees are on administrative leave with pay due to an emergency, the employees will be paid for the holiday, but will not receive any additional holiday leave or pay for that day.~~

~~d. — Essential Employees~~

~~Employees, who are designated essential to operations during an emergency, as determined by JEA, are subject to the following:~~

~~1. — Essential employees will be required by JEA to work during the emergency.~~

~~2. — To the maximum extent possible, when residents are being required to evacuate their residence in anticipation of a hurricane, tropical storm, or similar situation where there is advance notice of a situation that is expected to create an emergency, JEA will allow essential employees reasonable time, as determined by JEA, to return to their residence, secure the residence, and make plans for the safety of their family. After allowing a reasonable time for such activities, as determined by JEA, essential employees shall be required to report back to work during the emergency. JEA will take into consideration unforeseen circumstances and events beyond the employee's control.~~

~~3. — Essential employees who are required to work during the emergency shall be compensated for the time worked, as provided for in the hours of work and overtime article of this Agreement. In addition to any compensation payable under that article, essential employees will be paid straight time hourly pay for the time that they would have been on administrative leave with pay if they had been designated a non-essential employee (up to a maximum of forty (40) hours per work week).~~

~~4. — During an emergency, essential employees who are required to report for work will be provided with a meal, for all meals during normal meal times.~~

~~e. — Alteration of Annual or Personal Leave Schedules.~~

~~Notwithstanding any other provision of this Agreement, JEA shall have the unilateral right to alter annual leave, compensatory time, or personal leave schedule for proper cause or emergencies that might occur. This right includes the right to require employees who are on leave at the time of the emergency to return to work. In such cases, JEA will reimburse the employee for any and all non-refundable expenses incurred as a result of the cancellation or alteration of annual, vacation, or personal leave plans.~~

~~f. JEA Communications with Employees during the Emergency~~

~~Any employee who is released from work during an emergency is expected to resume his/her regular work schedule when directed to do so by JEA. In order to assist employees in determining when they are expected to return to work, JEA will take reasonable steps to keep employees advised about the status of JEA operations, including the dates and times that employees are expected to resume their regular work schedule. For example, JEA will release information to employees via the JEA voice mail or e-mail system, through use of employee pagers/applicable electronic devices, through releases of information to news media, and any other appropriate means of communicating with employees. To the extent that an employee relies on information released via local news media to determine when he or she is expected to return to work, JEA employees are to follow instructions related to JEA, not those issued regarding City of Jacksonville employees.~~

9.10 Assigned Vehicles:

The Union recognizes that PEA represented employees may be assigned take home vehicles. Assignment of vehicles is based upon operational needs and is subject to change from time-to-time as needed. Should a vehicle assignment be ended, the employee will be given ~~seven (7)~~fourteen (14) calendar days' notice.

9.11 Cell Phone Allowance:

Employees who are issued JEA provided phones to perform business-related services may elect to use his/her own cell phone rather than using the JEA provided phone to conduct the same business-related services, subject to the Director's approval. Employees who are approved for use of personal phones will receive a \$50 per month stipend and are responsible for all repair/replacement and maintenance costs and expenses.

**ARTICLE 10
LEAVE USAGE**

10.1 Leave Usage (Generic)

- a. Employees, when eligible and authorized, may use their annual, compensatory time or personal leave upon written application. The determination shall be based on the nature of the request in each instance and extensions, if needed, may be granted at the option of Management.
- b. Accrued annual, compensatory time or personal leave may be taken at any time when authorized. Scheduling will be accomplished on a seniority basis in classification for the first request of five (5) consecutive work days or more. Leave of five (5) consecutive work days or more must be requested at least five (5) consecutive work days in advance of the leave. Denial of requested leave must be substantiated on the basis that granting of such leave would be detrimental to the efficient operations. Requests for annual or personal leave of less than five (5) consecutive work days must be submitted at least forty-eight (48) hours in advance for employees, whose job(s) must be filled in their absence (provided said employees have been notified beforehand, in writing), unless the annual or personal leave is for illness or emergency.
- c. In order to insure the health and welfare of the employee, JEA encourages employees to take a minimum of ten (10) work day's annual leave, compensatory time, or personal leave per contract year. Employees are encouraged to retain eighty (80) hours in their annual or personal leave account in case of serious personal illness.
- d. The minimum amount of annual leave, compensatory time or personal leave to be taken and charged shall be in one-half (1/2) hour increments.
 1. Employees on eight (8) hour day schedules shall be charged eight (8) hours respectively for a day off.
 2. Employees on ten (10) hour day and twelve (12) hour day schedules shall be charged ten (10) and twelve (12) hours respectively for a day off.
- e. It shall be the mutual obligation of JEA and the PEA to cooperate in the proper application of annual leave, compensatory time or personal leave benefits.
- f. Annual leave, compensatory time or personal leave may be taken for emergency, illness, or injury of the employee or member of immediate family as defined in 15.2.
 1. Employees are required to notify the appropriate designated individual of the employee's intent to use annual or personal leave for emergency, illness, or injury as follows:
 - (i) Non-shift employees must provide notification to the appropriate designated individual as early as possible and no later than the start of the employee's normal work day. An employee, who has a starting time earlier than the designated individual he/she is to notify, shall notify that individual as soon as the normal starting time for that designated individual.

(ii) a. Shift employees must provide notification to the appropriate designated individual no later than one (1) hour prior to the starting time of the employee's shift.

b. Shift employees shall notify the appropriate supervisor at least four (4) hours in advance of the employee's intent to return to work following an emergency, illness, or an injury. However, employees on the day shift need only provide one (1) hour advance notice before returning to work.

2. Employees who fail to notify the appropriate designated individual as required by Section 10.1 may not be allowed to charge their absence to annual leave, compensatory time or personal leave unless waived by Management.

3. Absences for illness under annual leave, compensatory time and personal leave conditions may be subject to investigation. (This section is not intended to require an employee to provide a physician's statement of illness after each absence. It is intended to correct suspected abuse of annual leave, compensatory time, or personal leave for illness.)

g. Annual leave, compensatory time or personal leave will be charged only against an employee's regular workday and shall not be charged for absence on prearranged overtime or unscheduled call-in overtime.

h. If a legal holiday falls within a scheduled annual leave, compensatory time or personal leave period, annual leave, compensatory time or personal leave shall not be charged for that day. When scheduled overtime for shift workers falls within a scheduled personal leave period, annual leave, compensatory time or personal leave shall not be charged nor overtime paid for that day.

10.2 Annual and Retirement Leave Usage

a. If an employee has exhausted all accrued annual leave and requires time off for illness, the employee shall be allowed to use the credited retirement leave for the purpose of the illness only.

b. If an employee, due to an extended, continuous illness, requires eighty (80) hours or more of leave for this illness, the employee may elect to have such leave deducted from the employee's retirement account.

c. JEA shall permit an employee to defer up to the full value of the employee's annual leave and retirement leave accrued as of the date of the employee's retirement, but only to the extent permitted under Section 457 of the Internal Revenue Code (as amended from time to time), any regulations promulgated thereto, and the provisions of the deferred compensation plan under which the employee is a participant.

10.3 Personal Leave Usage

Personal leave shall not be charged for an absence due to an on-the-job injury unless the employee has exhausted the allowable period of Workers' Compensation leave and

desires to use personal leave to remain on the payroll. The amount of personal leave to be charged for the purpose of maintaining the employee of regular pay status shall be the minimum amount in one-half (1/2) hour increments to equal the difference between Workers' Compensation payments and the employee's regular pay.

10.4 Cancellation of Leave

If an employee is asked to cancel scheduled and authorized leave in whole or in part, the employee will be reimbursed for non-refundable costs, forfeited due to cancellation of reservation, excess travel, etc., provided further that satisfactory documentation of the employee's payment of forfeited costs is furnished to JEA.

ARTICLE 11

ANNUAL LEAVE (PLAN E)

11.1 This Article shall apply to all permanent, probationary, and provisional employees in any of the following categories:

- a. Employees hired on or after October 1, 1968, and before October 1, 1992;
- b. Employees hired prior to October 1, 1968, who chose not to remain subject to former sick leave and terminal leave policies in April, 1969;
- c. Employees hired prior to October 1, 1968, who chose on or before September 30, 1978, to become subject to this provision;
- d. Employees who meet the requirements of either a, b, or c above upon completion of probation after promotion into a classification included within the unit.

11.2 Employees shall earn annual leave with pay according to the following schedule on a bi-weekly basis:

a. YEARS OF SERVICE	HOURS PER YEAR
Upon completion of 0 months thru 4 years	160
Upon completion of 4 years thru 9 years	184
Upon completion of 9 years thru 14 years	208
Upon completion of 14 years thru 19 years	232
Upon completion of 19 years thru 24 years	256
Upon completion of 24 years or more	280

- b. Annual leave credits will accrue bi-weekly to the credit of the employee at the rate stated above and shall be credited on the last day of the pay period for all hours being paid.
- c. Annual leave shall be earned during the first year of employment. The rate of accrual shall change to a higher rate on the anniversary day of employment.
- d. In determining the rate of annual leave accrual under Section 11.2a, JEA shall include an employee's uninterrupted years of service with the SJRPP, where the employee was employed by the SJRPP immediately before becoming employed by JEA.

11.3 Annual leave shall accrue to a maximum of eight hundred and forty (840) hours. Any accrual over that amount shall be paid for on an hourly basis. These payments shall be made on the first pay period of November each year. If the employee elects, in lieu of payments, excess annual leave over eight hundred and forty (840) hours may be credited to his/her retirement leave account up to a maximum of eight hundred and forty (840) hours in that account; provided, however, that (unless otherwise allowed by the City of Jacksonville Ordinance Code or otherwise vested pursuant to the terms of a collective bargaining agreement covering any City of

Jacksonville or JEA bargaining unit in which the employee may have previously been a member) this option shall not be available to employees employed after October 1, 1978.

11.4 If an employee does not use all of the annual leave accrued in a fiscal year, the employee may elect to be paid the difference in the amount used and the amount accrued for that fiscal year on an hour for hour basis at the rate of pay effective September 30 of the respective year in which the leave was accrued. Such option must be elected prior to September 30 of the preceding fiscal year. Once the election is made, that election is irrevocable. This option is not available to an employee who would have less than eighty (80) hours annual leave remaining after such payment. Such payments shall be made in the second payday in November.

11.5 Retirement Leave Account: This section shall apply to those employees covered by City of Jacksonville Ordinance Code, Chapter 116, Part 6. For the purpose of this section, retirement shall mean retirement pursuant to the provisions of the City of Jacksonville pension program.

- a. Upon retirement, an employee may elect to be paid for credited retirement leave in a lump sum on an hour-for-hour basis. Such payment shall be made within thirty (30) days after the date of retirement.
- b. In lieu of being paid for credited retirement leave in a lump sum, the employee may take retirement leave immediately prior to retirement, thereby using the retirement leave for fulfillment of the time service requirements of the pension program.
- c. Once an employee has been placed on retirement leave, the employee shall remain on retirement leave and shall not return to work status.
- d. While on retirement leave, an employee shall be retained on the regular payroll. The employee's pay shall be subject to payroll deductions, including pension contributions and insurance deductions.
- e. An employee on retirement leave shall not accrue annual leave, but shall be eligible for legal holidays and any general salary increases.
- f. An employee on retirement leave shall not be eligible for performance increases.
- g. If an employee terminates employment (which includes resignation, and discharges other than for cause) prior to retirement, the employee shall be paid for any credited retirement leave on the basis of one (1) hour pay for every one (1) hour of credited retirement leave.

- 11.6
- a. Upon termination of an employee for other than retirement, which includes resignation or discharge not for cause, the employee shall be paid for one hundred percent (100%) of personal leave accrued on an hour for hour basis.
 - b. Employees who are discharged for cause shall forfeit their unused personal leave accrued during the contract year.

- 11.7 Upon retirement, where an employee is on retirement leave, the lump sum payment for the annual leave shall be paid at the beginning of the retirement leave.
- 11.8 Employees who are discharged for stealing, sabotage, or illegal possession or use of drugs shall forfeit their unused annual leave earned during the contract year.

ARTICLE 12- ~~BLANK~~ RECAPITALIZATION

7

For purposes of this Article, if a “Recapitalization Event” occurs, it is defined as:

“Recapitalization Event” means the closing and funding of a transaction or a series of related transactions in accordance with Article 21 of the Charter of the City of Jacksonville and any other Applicable Law that results in either (i) unencumbered cash proceeds to the City of Jacksonville of at least Three Billion Dollars (\$3,000,000,000) or (ii) at least fifty percent (50%) of the net depreciated property, plant and equipment value of either JEA’s electric system or JEA’s water and wastewater system being transferred, assigned, sold or otherwise disposed of.

The effective date of a Recapitalization Event shall be the date of closing of a transaction that results in either of the above two contingencies occurring, or in the case of a series of related transactions, the date of a closing of a transaction that, when combined with other prior transactions in the series, results in either of the above two contingencies.

In the event of a Recapitalization Event, the terms of this Article will apply; conflicting provisions of this Agreement, (if any) will be superseded by the terms of this Article.

12.1 Pension

The parties understand and agree that Ordinance 2019-566 is currently being considered for enactment by COJ City Council. In the event of a Recapitalization Event, the parties agree that the retirement benefits and applicable timeframes shall be as described in the enacted ordinance, which is incorporated by reference as though fully set forth herein. It is recognized and agreed that the ordinance does not diminish any pension rights guaranteed under existing applicable law. Further, it is understood and agreed that in the event a Recapitalization Event occurs and there are conflicting provisions between the enacted ordinance and Article 17.4, the conflicting provisions of Article 17.4 shall no longer be applicable and will be superseded by this section. In the event that COJ City Council rejects Ordinance 2019-566, the Union agrees to negotiate with JEA on the topics covered by Ordinance 2019-566.

I. SUMMARY OF RECAPITALIZATION PENSION CHANGES

A. Employees Hired On or After October 1, 2017

Employees hired on or after October 1, 2017 – GEDC Plan. If still active employees on the date of the Recapitalization Event, they will be fully vested in their employer’s contributions and earnings credited up to the date of the Recapitalization Event.

B. Employees Hired Before October 1, 2017

In summary, upon a Recapitalization Event, employees shall be provided additional service credits for base pension benefit accrual purposes, to reach the earliest normal retirement date (i.e., 5 years of service/age 65; 20 years of service/age 55; 30 years of service/under 55) that they would have reached had they continuously worked for JEA. Employees will be eligible to receive retirement benefits upon reaching the actual chronological age required by the earliest normal retirement date.

C. Backdrop.

Employees BACKDROP benefits under Chapter 120.214 do not change upon the occurrence of the Recapitalization Event. For example, an employee with 32 years of service credits at the Recapitalization Event may elect the same rights to BACKDROP benefits as they could have elected absent a Recapitalization Event.

D. In the event that any other bargaining unit representing JEA employees receives any greater pension benefits than JEA presently provides to the PEA (i.e., through contract negotiations, settlement, impasse proceedings, or litigation), then PEA shall receive the difference received by the other participating bargaining unit(s).

12.2 Employee Protection and Retention Program Agreement

Within two weeks of the Effective Date of this Agreement, JEA will offer bargaining unit employees who were employed with JEA as of July 23, 2019 the option to enter into an Employee Protection and Retention Program Agreement (“Retention Agreement”), the form and substance of which was agreed to by the Union and referenced in Exhibit E. The Retention Agreement shall be contingent upon the occurrence of a Recapitalization Event, and shall be binding upon any successor(s).

The Retention Payment specified in Exhibit E is only available to employees employed by JEA as of July 23, 2019. The benefits specified in Section 4 of Exhibit E are available to employees employed on or before the Closing Date of a Recapitalization Event.

JEA shall contractually require its successor to provide such guarantees to each eligible employee covered by this Agreement who was employed as of the Closing Date of a Recapitalization Event.

For purposes of this Agreement, and under the terms set forth in Exhibit E, JEA, as a condition of any Recapitalization Event, shall contractually require its successor to provide each employee covered by Exhibit E with the benefits set forth therein. Nothing in this section limits benefits otherwise available to employees hired after July 23, 2019.

In the event of a Recapitalization Event, and if there is a conflict between this section and Exhibit E, the terms of Exhibit E will control.

Upon the Union's request, JEA shall provide the Union with written notice of the documents that provide this contractual obligation to JEA's successor.

12.3 Disability Coverage

In the event of a Recapitalization Event, to bridge employees to the five (5) year minimum eligibility waiting period for Social Security Disability, employees will be provided a comparable disability insurance benefit up to five (5) years at no cost to the employee. Employees will be responsible for all applicable taxes related to disability benefit payments.

ARTICLE 13
PERSONAL LEAVE (PLAN H)

13.1 This article shall apply to all permanent, probationary, and provisional employees hired after October 1, 1992.

13.2 Employees shall accrue personal leave with pay for all straight-time hours worked according to the following schedule on a bi-weekly basis:

a. YEARS OF SERVICE	HOURS PER YEAR
Upon completion of 0 months thru 4 years	160
Upon completion of 4 years thru 9 years	184
Upon completion of 9 years thru 14 years	208
Upon completion of 14 years thru 19 years	232
Upon completion of 19 years thru 24 years	256
Upon completion of 24 years or more	280

b. Personal leave will accrue to the credit of the employee at the rate stated above, and shall be credited on the last day of the pay period for all hours actually worked or hours on approved leave with pay. Personal leave shall be earned during the first year of employment.

c. The rate of accrual shall change to the higher rate on the anniversary date of employment.

13.3

a. Personal leave shall accrue to a maximum of six hundred (600) hours. Any personal leave over that amount, as of September 30 of each year shall be applied in accordance with the provisions of 13.6 paid for on an hourly basis. These payments shall be made on the first pay period of November each year. If the employee elects, in lieu of payments, excess annual leave six hundred (600) hours may be or sold back to JEA in accordance with the provisions of 13.3 b, and/or 13.3c.

b. At the end of the fiscal year, accrued and unused personal leave in excess of six hundred (600) hours may be sold back to JEA to the extent that the employee had timely requested but was not permitted by Management to take the leave during that year. Such leave shall be sold back to JEA at the employee's rate of pay at the end of the fiscal year. Employees shall request leave, and Management shall note approval or disapproval of such leave, on a form provided by JEA.

- c. If an employee does not use all of their personal leave accrued in the fiscal year, they may elect to be paid the difference, up to eighty (80) hours, between the amount used and the amount accrued for that fiscal year on an hour for hour basis, at the rate of pay effective September 30 of the respective year in which the leave was accrued. Such option must be elected prior to September 30 of the preceding fiscal year. Once this election is made, that election is irrevocable. This option is not available to an employee who would have less than eighty (80) hours of personal leave remaining after such payment. Such payments shall be made no later than the second payday in November.
- 13.4 Upon retirement of an employee (including vesting under the pension law), the employee shall be paid for all unused personal leave accrued on an hour for hour basis.
- 13.5 a. Upon termination of an employee for other than retirement, which includes resignation or discharge not for cause, the employee shall be paid for one hundred percent (100%) of personal leave accrued on an hour for hour basis.
- b. Employees who are discharged for cause shall forfeit their unused personal leave accrued during the contract year.

ARTICLE 14
MILITARY LEAVE

14.1 Military Training

- a. Employees who are members of the National Guard, or organized military reserves of the United States, and who are ordered to attend an annual training period shall upon presentation of their official order or appropriate military certification, be granted not more than 240 hours with pay in one (1) rolling calendar year in accordance with the official orders to active duty for training, including travel time. The training leave shall not be deducted from annual/vacation leave or in any other way result in loss of privileges or compensation to said employee. Employees are responsible to notify their supervisors as soon as possible of the dates for the training period.

- b. Employees who are members of the reserve components mentioned above and who are required to attend regularly scheduled training assemblies throughout the year may, upon due notice and request, apply for annual/vacation leave to attend the military training assemblies when they are scheduled to be on duty. Employees who request time off for this purpose are responsible to advise their supervisors at the earliest possible time of the dates when they are scheduled for these training assemblies which conflict with their normal work schedule.

14.2 Military Duty

Leaves of absence and re-employment rights of employees inducted into the military service shall be as described under the Uniformed Services Employment and Re-employment Rights Act of 1994 and Chapter 115, Florida Statutes. Leaves of absence for military purposes shall be verified by appropriate military certification or official order, a copy of which shall be filed in the employee's personnel file.

**ARTICLE 15
LEAVE OF ABSENCE**

15.1 Leave With or Without Pay

- a. An employee may request a leave of absence of specified duration, with or without pay, which must be recommended by the Director and approved by the Vice President. An approved leave of absence with pay must be for a purpose which shall serve the best interests of the system and not just the employee. A position must be available to the employee upon return from a leave of absence with pay.
- b. If an employee is granted a leave of absence without pay, a position may or may not be available, at the discretion of the Vice President, to the employee upon return to service. The decision to make or not make a position available will be made prior to granting the leave of absence, and the employee will be notified of the decision. If a position is not made available, the employee's sole right is to be placed on the re-employment list in accordance with the Civil Service and Personnel Rules and Regulations.
- c. If an employee is granted a leave of absence without pay and the position is held for the employee pending return to service, JEA will continue to pay the life insurance and medical insurance premiums normally paid by JEA, which includes JEA's portion of the dependent medical insurance premium. The employee is responsible for any employee paid portion of their own or their dependents' insurance benefits premiums for which they are currently enrolled in (e.g. health insurance, vision, dental, short/long term disability and optional life insurance premiums, etc).
- d. If an employee is granted a leave of absence without pay and the position is not held for the employee pending return to service, the employee shall be required to pay the total cost of any insurance coverage the employee desires to continue in effect during such leave.
- e. All leave requested under this section which meets the criteria for leave under the Family and Medical Leave Act (FMLA) shall be documented as FMLA leave, and shall be provided in accordance with the terms and conditions of the FMLA. Use of FMLA leave does not preclude additional leave, which may be granted pursuant to this section.

15.2 Bereavement Leave

Upon notification of the death of a member of the employee's immediate family, the employee shall be granted the remainder of the day, if at work without loss of pay. The employee may also be granted an additional three (3) work days off within the next fourteen (14) calendar days, without loss of pay, as bereavement leave. For purposes of this paragraph, immediate family is defined as spouse, children, stepchildren, grandchildren, parents, stepparents, siblings, grandparents, spouses' grandparents, parents-in-law, children-in-law, brothers-in-law, sisters-in-law, uncles, aunts, nieces, nephews, and relatives residing permanently with the employee. Should the employee

be on annual leave at the time of death, the three (3) work days that would normally be granted as bereavement leave shall be charged as bereavement leave instead of annual leave.

15.3 Funeral Leave

Employees may be granted four (4) hours without loss of pay as funeral leave to attend the funeral of an active or retired JEA/SJRPP employee, unless the employee is required to maintain system integrity.

15.4 Jury Duty

An employee while serving on jury duty will be paid his/her salary for any scheduled normal straight time work hours lost, and will not be required to forfeit any compensation received for jury services. If a shift employee receives notice of jury duty and notifies his/her supervisor on his/her next workday following the receipt of notice, he/she may at his/her request be rescheduled to the day shift during his/her period of jury duty. If an employee is released from jury duty with two (2) or more hours remaining on his/her normal workday, the employee will be required to report to his/her work site on that workday. A written statement from the appropriate Court Clerk's office shall be required from the employee. The statement shall contain information as to dates and times an employee's presence was required for jury duty.

15.5 Witness Duty

If an employee is absent from work, in order to serve as a witness in a case in a court of law to which the employee is not a party, either directly or as a member of a class, and where such absence is in response to a legally valid subpoena and where such presence is in the interest of JEA, the employee shall be granted leave with pay for those hours for which the employee is absent from work during his/her regularly scheduled working hours, provided the employee submits evidence of such service as a witness.

15.6 Voting

During elections, employees whose working hours do not permit a two (2) hour period to vote, may be granted sufficient time, without loss of pay, not to exceed two (2) hours, at the discretion of his/her supervisor, for the purpose of voting, providing the employee is registered and eligible to vote.

15.7 Leave Donations and Forfeiture

- a. Employees may donate and forfeit annual leave, personal leave, and retirement leave (but not compensatory leave) to JEA employees with an FMLA qualifying illness (JEA civil service, JEA appointed, JEA temporary, JEA direct contract) who are critically ill, critically injured, or require an extended leave of absence for medical reasons. Employees may donate and forfeit annual leave, personal leave, and retirement leave (but not compensatory leave) to JEA approved charitable organizations.

b. Donations and forfeitures to critically ill or critically injured employees or employees, with an FMLA qualifying illness, who require an extended leave of absence for medical reasons, shall be subject to the following requirements:

1. The critically ill or critically injured employee and employees who require an extended medical leave of absence must submit a statement of need to their manager, or the Director of Employee Services. The employee who requires an extended medical leave of absence must include a physician's statement documenting the need for an extended medical leave of absence. When the critically ill or injured employee is physically or mentally unable to personally communicate his/her statement of need, the statement of need and supporting documents may be submitted on behalf of the employee by an adult member of the employee's immediate family, as defined in 15.2, or by a person who has been designated a health care surrogate for the employee under Part II of Chapter 765, Florida Statutes, or by the employee's judicially appointed guardian. The Director of Employee Services shall determine the employee's eligibility to receive leave forfeitures in accordance with the provisions of this Section 15.7.
2. Leave forfeitures may not be made in respect of an ordinary illness, but rather may be made only in respect of a serious or major illness, hospitalization of five (5) calendar days or more, or a medical leave of absence of ten (10) calendar days or more.
3. The employee forfeiting the leave must complete the appropriate form and submit it to Employee Services.
4. The employee receiving the forfeited leave must have exhausted all other available leave, and may receive only enough forfeited leave to cover the period of the absence. Upon returning to work, the employee receiving the forfeited leave may not have a positive leave balance as a result of any forfeiture.

c. Donations or forfeitures of leave under this Section 15.7 shall be accounted for according to the dollar value of the leave, to be determined by multiplying the number of hours donated or forfeited by the hourly rate of the employee donating or forfeiting the leave.

15.7.1 JEA and the Union recognize the importance of our employee's families and the value of time during the birth or adoption of a child. In this spirit, the JEA will offer a parental leave plan consisting of paid time off following the birth or adoption of a child. JEA has established a policy and procedure applicable to bargaining unit members to be effective January 1, 2020 defining the Parental Leave Plan.

**ARTICLE 16
HOLIDAYS**

16.1 Recognized Holidays:

Each employee covered by this Agreement shall be entitled to twelve (12) holidays with pay each year as follows:

New Year's Day	January 1
Martin Luther King, Jr.'s Birthday	3rd Monday in January
President's Day	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1st Monday in September
Veterans Day	November 11
Thanksgiving Day	4th Thursday in November
Friday after Thanksgiving	Friday following Thanksgiving
Christmas Eve	December 24
Christmas Day	December 25
Personal Leave Day	As Mutually Agreed Upon*

* Personal leave day must be taken prior to the end of the fiscal year

16.2 Days Observed:

a. Non-Shift Workers:

For non-shift workers, when a holiday falls on Saturday, the Friday prior thereto shall be considered the holiday, and when a holiday falls on Sunday, the Monday following shall be considered the holiday. If either Christmas Eve or Christmas Day falls on a Saturday or Sunday, the provisions in the City of Jacksonville Ordinance Code shall apply. For those workers on a four (4), ten (10) hour day workweek, when a holiday falls on a normal day off, the workday closest to the holiday shall be considered the holiday. When a holiday falls on a normal day off that is midway between workdays, the next scheduled workday will be the holiday.

b. Shift Workers:

Shift workers will observe all holidays on the date they occur.

c. Compensation:

Employees shall be compensated for holidays at their respective rates of pay for—the number of hours they would have ordinarily worked on that holiday. Employees must be in paid status the entire scheduled workday preceding and following the holiday to be eligible for holiday pay.

d. Working Holidays:

1. When an employee is required to work on a day observed as his/her holiday, he/she shall be compensated eight (8), ten (10), or twelve (12) hours straight time pay, dependent on work day assignment, as holiday pay. In addition, the employee shall receive one and one-half (1 1/2) times his/her straight time hourly rate for all hours worked up to eight (8), ten (10), or twelve (12) hours, and two and one-half (2 1/2) times his/her straight time hourly rate for all hours worked on the holiday over eight (8), ten (10), or twelve (12) hours.
2. Non-Shift Workers – Christmas Day: Whenever a non-shift worker is required to work on Christmas Day, but is not required to work the day normally observed as the holiday, the employee shall continue to earn holiday pay of eight (8), ten (10), or twelve (12) hours on the day normally observed as the holiday, but shall earn two and one-half (2 1/2) times his/her straight time hourly rate for all hours worked on Christmas Day.

ARTICLE 17
INSURANCE AND BENEFITS

- 17.1 JEA agrees to provide, at no expense to the employee, term life insurance coverage equal to the gross salary (base salary and longevity rounded up to the nearest thousand) of the employee per year, with double indemnity for accidental death and dismemberment for those employees covered by this Agreement. The employee, at the employee's option and expense, may obtain additional term life insurance coverage, under the same policy, subject to the terms and limits of the policy, at the group rate.
- 17.2 JEA agrees to provide comprehensive medical insurance, for each employee, at no expense to the employee. The PEA will provide input to the JEA Insurance Committee to continuously review, and when applicable, recommend changes to the JEA group plan. Coverage for employees' dependents shall be an integral part of the group plan. JEA agrees to pay fifty percent (50%) of the employee's dependent coverage.
- 17.3 When JEA employees covered by this Agreement reach their sixty-fifth (65th) birthday, JEA shall pay one hundred percent (100%) of their Medicare supplements.
- 17.4 Accidental Death
- a. JEA shall provide accidental death benefits (at no expense to the employee) in the amount of \$100,000 payable to the beneficiary named by the employee or as otherwise provided, in the event an employee dies as a result of an accident occurring in the course of employment with JEA. This payment shall be made within fourteen (14) calendar days after occurrence.
 - b. In addition to the death benefit above, dependents of JEA employees who are killed in the line of duty will be entitled to the death benefits provided in the Workers' Compensation Law.
- 17.5 Pension
- a. PEA ~~agrees-agreed~~ to the ~~proposed~~ closure (to new employees) of the GEPP, with new hires after the effective date of October 1, 2017 being enrolled in a "DC Plan" (defined contribution plan).
 - b. Participants in that DC Plan will make an eight percent (8%) contribution; JEA will make a twelve percent (12%) contribution.
 - c. In the event any other bargaining unit participating in the DC plan (e.g. LIUNA 630, ~~CWA~~, the ~~Jacksonville Supervisors Association~~, JSA, IBEW 2358, or AFSCME 429) receives any greater benefits that JEA provides to PEA (i.e. through contract negotiations, settlement, impasse proceedings, or litigation), then PEA shall receive the difference between its DC Plan benefit and that received by the other participating bargaining unit(s).

- d. No benefits under the “DC Plan” shall decrease for all active, full time, enrolled unit employees.
 - e. JEA agrees to contribute to the employee’s pension program to the extent required by applicable laws pertaining to the employee’s contributory pension program.
 - f. No benefits under the General Employee Pension Plan (“GEPP”), the City’s Defined Benefits retirement plan, shall decrease for all active, full time, enrolled unit employees, including but not limited to the DROP program, disability benefits, COLA increases, survivor benefits, and any other benefits as they exist as of the date of PEA’s ratification of this CBA. The plan will be closed to any employee hired on October 1, 2017 or thereafter, unless such employee is a returning member of the City’s Defined Benefit Plan who has left his/her contributions in the plan.
 - g. In the event any other bargaining unit participating in the General Employee Pension Plan (e.g. LIUNA 630, ~~CWA~~, the ~~Jacksonville Supervisors Association~~, JSA, IBEW 2358 or AFSCME 429) receives any greater pension benefits than JEA presently provides to the PEA (i.e., through contract negotiations, settlement, impasse proceedings, or litigation) PEA shall receive the difference between its pension benefit and that received by the other participating bargaining unit(s).
- 17.6 The PEA may make arrangements with an insurance carrier, which will offer short-term and long term disability insurance products to all employees in the bargaining unit. Any employee electing to obtain such insurance coverage shall be responsible for the complete cost of any premiums. JEA shall permit employees to pay such premiums through payroll deduction. JEA may assess a charge not to exceed six (6) cents per deduction per payroll. If fewer than twenty-five (25) employees elect to obtain such insurance coverage during the initial enrollment period or at any time thereafter, JEA may discontinue the arrangements for such insurance coverage. The PEA, for itself and on behalf of all employees who elect to purchase insurance products offered pursuant to this Section 17.6, agrees that JEA shall not be held liable in respect of the insurance products, and JEA’s sole responsibility with respect to accuracy (or inaccuracy) of any payroll deductions, or the payment (or nonpayment) of premiums, shall be limited to a refund to the affected employees of any amounts improperly deducted or paid.
- 17.7 JEA will provide employees eligible to retire the option to use accrued annual leave, compensatory time, personal leave, and Retirement Leave time credits to fund their Deferred Compensation Program.
- a. The employee will be allowed, at his/her option, to sell accrued annual leave, compensatory time, personal leave, and retirement leave time credits up to the maximum dollar amount permitted to the extent and in the manner allowed by law for the purpose of crediting the funds to the employee’s Deferred Compensation account.
 - b. This provision is subject to acceptance by the Plan providers of the City/JEA.
 - c. Employees who participate in this annual leave, compensatory time, personal leave, and retirement leave time credit sellback option shall not have less than

eighty (80) hours in their annual leave, or personal leave account after the sellback. There is no minimum limit for the retirement leave account after exercising this option but only to the extent permitted under Section 457 of the Internal Revenue Code (as amended from time to time), any regulations promulgated thereto, and the provisions of the deferred compensation plan under which the employee is a participant.

17.8 Terminal Benefits

a. Upon the death of an employee, all accrued overtime, compensatory time unused annual/ personal/ retirement leave, and other terminal leave benefits to which such employee would have been entitled to receive shall be paid as follows:

1. The benefits will be paid as set forth in the employee's will;
2. If the employee has not provided for distribution of the benefits in his/her will then the benefits will be paid to the employee's surviving spouse;
3. In the event the employee leaves no surviving spouse, the benefits will be paid to the employee's children in equal shares payable as follows:
 - a. To each of the employee's children over the age of eighteen (18) who are known to JEA.
 - b. To the legal guardian or representative of each of the employee's children under the age of eighteen (18) known to JEA.
4. If the employee has no children known to JEA then the benefits will be paid to the surviving parent(s) of the employee in equal shares;
5. If the employee has no surviving parents known to JEA, then the benefits will be paid to the employee's estate.

b. Upon the death of an employee on the job, JEA will make an immediate payment of two (2) month's salary in addition to all the other terminal leave benefits in the sequence indicated in section 17.8 a above. For purposes of this section, two (2) month's salary shall be calculated by multiplying 1/12 times 2080 hours times two times the employee's hourly rate of pay at the time of death. $(1/12 \times 2080 \times 2 \times \text{hourly rate})$.

ARTICLE 18
ON THE JOB INJURY

- 18.1 Any employee serving in the first six (6) months of original employment, and is temporarily totally disabled as a result of an on-the-job injury shall receive the benefits to which he/she is entitled under the Workers' Compensation Law of the State of Florida.
- 18.2 Any employee who has served six (6) months of continuous/creditable and satisfactory service, and is temporarily totally disabled as a result of an on-the-job injury that is not the result of the employees' negligence or carelessness, and that could not have been avoided (as determined by the JEA Investigation Team, which shall include a PEA representative), shall, in addition to compensation payable pursuant to the Workers' Compensation Law of the State of Florida, be entitled to the following benefits.
- a. For the first twenty (20) work days after the employee begins receiving Worker's Compensation payments, said employee shall receive supplemental pay based upon seventy-five percent (75%) of regular straight-time wages reduced by the workers' compensation indemnity payment.
 - b. Thereafter, based on a review every twenty (20) work days, which will consist of a qualified doctor's statement (recognized by the City of Jacksonville Worker's Compensation department) attesting to the employee's inability to perform his/her assigned work, the employee will continue to receive supplemental pay based on seventy-five percent (75%) of regular straight time wages reduced by the worker's compensation indemnity payment. Continuance of the supplemental pay shall be at management's discretion.
 - c. When an employee is off the payroll (not receiving supplemental pay) due to an on-the-job injury, JEA will continue to pay life insurance and medical insurance premiums normally paid by JEA which includes JEA's portion of the dependent medical insurance premium. The employee is responsible for the optional life insurance premium and his/her portion of the dependent medical insurance premium. The employee may elect to contribute to the pension fund amounts equal to the employee's pension contributions prior to the on-the-job injury.
 - d. JEA will continue to pay the premiums noted in paragraph c. above if an employee who is temporarily disabled due to an on-the-job injury receives partial wage payments from JEA. The optional life insurance premium, the employee's portion of the dependent life insurance premium, and employee's pension contribution will be deducted from the employee's wage payments.
- 18.3 If an employee, due to an on-the-job injury, is temporarily partially disabled from performing the duties of the employee's position, the employee may be temporarily

reassigned in accordance with the Civil Service and Personnel Rules and Regulations (with no reduction in pay) to other duties commensurate with medical and mental fitness, availability of suitable work, and the employee's qualifications for the position.

18.4 An employee who sustains an on-the-job injury and is only receiving workers' compensation payments or has exhausted the allowable period of workers' compensation may at his/her written request, use annual leave, compensatory time, or personal leave to remain on the payroll. The amount of annual leave, compensatory time or personal leave so charged shall be the minimum amount in hourly increments to equal the difference between workers' compensation and the employee's regular pay. If the employee receives only partial salary or wage payments, the normal required employee contributions shall be deducted from the employee's partial salary or wage payments, and the employee shall continue to receive full retirement credit for the period during which workers' compensation payments are received.

18.5 a. After an employee has been on a leave of absence or light duty due to a disabling on the job injury for a period of nine (9) months, upon being certified physically and mentally fit, the employee shall be returned to the same job if:

1. the employee is capable of doing the job satisfactorily;
2. the employee would have retained the job had the employee not been injured; and
3. such work still exists.

b. If an employee who has been on a leave of absence or light duty due to a disabling on-the-job injury for a period of nine (9) months is not certified physically and mentally fit for full duty, JEA shall place the employee in a comparable job for which the employee is qualified. JEA shall offer the employee the best available job for which the employee is qualified.

ARTICLE 19
SUPPLEMENTAL PAY

19.1 Service Pay

All full-time employees of JEA, now or hereafter employed in the classifications listed in Exhibit "A" attached hereto, shall receive for each five (5) years of continuous service with JEA, computed from their respective dates of initial employment, an increase in salary of \$300 per year for every five (5) year period of continuous service. This increase shall be in addition to any general or special raises which may be granted from time to time.

19.2 Meals

Except as provided for in Article 9.9(e4)(4), PEA employees shall provide for their own meals during their scheduled work hours and overtime work hours at no expense to JEA.

19.3 Scheduled Shift Rotation

There shall be no shift differential compensation for any classes within the bargaining unit.

19.4 Supervisory Differential

There shall be no supervisory differential compensation for any classes within the bargaining unit.

19.5 Standby Compensation

- a. Any employee who is required by JEA to be on standby duty will receive standby compensation as provided in this Article.
- b. For the purpose of this Article, an employee is on standby if the employee has been directed by their manager to carry a JEA furnished electronic paging device or leave a telephone number so the employee can be reached, and the employee must be available to return to work within a reasonable time if called. Employees who merely carry electronic paging devices, but who are not required to be available to return to work within a reasonable time if called, are not on standby.
- c. ~~Effective October 1, 2016 the~~ The standard rate of standby compensation shall be forty-five (\$45) dollars for each day the employee is on standby.
- d. Standby pay shall be paid no later than the end of the first pay period after the pay period in which the standby pay is earned.
- e. Any employee who fails to comply with the provisions of Section 19.5 shall not be entitled to Standby Compensation for that day, and shall be subject to discipline. Prior to Management's decision to take corrective action; the employee shall be given the opportunity to provide an explanation of circumstances.
- f. Employees may, with the approval of Management, arrange substitution of standby duty among themselves; provided the substitute is, in Management's judgment, at least as well qualified as the employee scheduled by Management.

ARTICLE 20

ADMINISTRATION OF THE PAY PLAN

20.1 a. The rates of pay for classifications covered by this pay plan are shown in Exhibit "A".

b. Pay Range Adjustments

~~1. Effective the first full pay period following City Council approval, JEA will increase all pay range minimums by 2.0% (minimums & maximums) with an effective date of October 1, 2016 or when administratively feasible.~~

~~2. Effective the beginning of the pay period that includes October 1, 2019, October 1, 2020 and October 1, 2021 JEA will increase all pay range maximums by 3.5%.~~

~~1. Effective the first full pay period following City Council approval, JEA will increase the minimums of paygrades #630 – #670 by 2% with an effective date of October 1, 2016 or when administratively feasible.~~

~~2. Effective the date employee contributions to pension increases, JEA will increase all pay range maximums 2% or the contribution percentage increase, whichever is greater.~~

c. Increases to Base Pay

~~1. Effective the first full pay period following City Council approval that includes October 1, 2019, JEA will provide base pay increases of 2.0% with an effective date of October 1, 2016-2019 or when administratively feasible~~

~~2. Effective the first full pay period that includes October 1, 2020, JEA will provide base pay increases of 2.0% with an effective date of October 1, 2020. date employee contributions to pension increases, JEA will provide base pay increases of 2% or the contribution percentage increase, whichever is greater.~~

~~2-3. Effective the first full pay period that includes October 1, 2021, JEA will provide base pay increases of 2.0% with an effective date of October 1, 2021.~~

d. One time Tri Tile Review

All PEA represented employees will be reviewed using the below methodology for each Tri tile:

~~1st Tri Tile (Years in Current Classification <5) _____~~

~~2nd Tri Tile (5 ≤ Years in Current Classification <10*) _____~~

~~3rd Tri Tile (** (10 ≤ Years in Current Classification) _____~~

~~* There may be employees who have been in their current job over 10 years and may need to be adjusted under the 2nd tri-tile as they may have a performance score less than 94.~~

~~**To be assigned to 3rd Tri-Tile must have a min performance score of score of 94~~

de. One-Time Pay

If this contract is ratified by PEA on or before ~~March 17~~September 20, 2019, 2017, all active employees will receive a one-time lump sum payment equal to one and one-half percent (1.5%) of their base hourly wage rate times 2080, less legal deductions. For purposes of this paragraph “active employees” will be those listed as active employees on JEA’s payroll on the actual date of payout, and “base hourly wage rate” will be the employees’ “base hourly wage rate”. The actual date of payout will be as soon as administratively practical following approval by the legislative body.

e. Performance Pay Increases

1. Except as otherwise provided, performance pay increases shall take effect as provided for in Exhibit C. The performance based increases and /or lump sum payment are as follows:
 - i. Performance Pay increase will be paid during the first full pay period following City Council approval, using September 30, ~~2016~~2019 performance scores and 70 as a performance score threshold. The effective days of the payout will be Oct. 1, ~~2016~~2019 or when administratively feasible.
 - ii. Effective October 1, ~~2017~~2020 or when administratively feasible a performance based increase and/or lump sum will be paid out using the methodology outlined in Exhibit C.
 - iii. Effective October 1, ~~2018~~2021 or when administratively feasible, a performance based increase and/or lump sum will be paid out using the methodology outlined in Exhibit C.
 - iv. Performance based increases will not be granted beyond September 30, ~~2019~~2022.
2. The effective date of any performance increase shall be as provided in this Agreement, notwithstanding any Civil Service rule to the contrary.
3. The application of performance pay adjustment as provided for pursuant to Exhibit “C” is further stated in Article 20. 9 Performance Pay Increases.
4. In order to receive a performance pay increase, each employee must be on the payroll as of pay period 26 of the previous fiscal year and continue to be on the payroll at the time of increase distribution.

~~g. Pay Inequity Adjustments~~

~~JEA shall have the right to make pay increases, subject to grievance and arbitration, to correct pay inequities based on the following:—~~

- ~~1. An employee's Vice President (VP) or Chief may request a compensation analysis when the VP or Chief believes a base pay inequity exists, taking into consideration internal and external factors to include but not limited to knowledge, skills and abilities, performance and department financial resources. The request shall be submitted to the Director of Employee Services.~~
- ~~2. The Director of Employee Services will provide the results of the analysis and pay recommendation to the requesting VP/Chief and the Chief of Human Resources. The Chief of Human Resources or designee will make the decision on any adjustment.~~
- ~~3. Retroactive pay adjustments will be limited to 30 days under this provision.~~

20.2 New Hire Rates:

An employee who is given an initial assignment into a job classification shall be paid at the minimum rate for the classification to which assigned unless:

- a. The employee possesses training, education and/or experience is above minimum requirements for the classification. In that event, the appropriate Director and the Director of Employee Services may approve up to fifteen percent (15%) above the minimum salary rate for the classification; or
- b. The employee possesses training, education and/or experience justifying employment at higher than fifteen percent (15%) above the minimum salary rate for the classification. In that event, the appropriate Chief/General Manager/Vice President and the Chief Human Resources Officer may approve it.

20.3 JEA shall follow all applicable laws, regulations and Civil Service and Personnel Rules and Regulations, for employees desiring to return, after separation (not due to discreditable circumstances) from service.

20.4 The return to duty of an employee who left the classified service as a result of induction or call to active duty into the Armed Forces shall be governed by the provisions of the Uniformed Services Employment and Re-employment Rights Act of 1994 and Chapter 115, Florida Statutes.

20.5 Reversions:

- a. The release of an employee from the employee's present classification to the employee's former classification during the probationary period is not considered a demotion, if it is considered a reversion.
- b. Whenever an employee reverts to a previously held classification for which the employee is qualified, the employee shall receive the same pay level which the employee received

in the previously held classification prior to promotion, adjusted by the average performance pool percentage.

- c. Whenever an employee reverts from an appointed position to a previously held civil service classification for which the employee is qualified, the employee shall receive the same rate of pay which the employee received in the previously held civil service classification prior to being appointed, adjusted by the average PEA performance pool percentage. Provided however, the reverting employee's pay rate shall not exceed the rate of pay they received as an appointed employee.

20.6 Demotions:

- a. Whenever an employee is demoted (not for cause) to a classification which the employee did not previously hold, but for which the employee is qualified, the employee shall receive the pay rate as prescribed by JEA that is less than the pay grade maximum of the lower classification and may receive up to a 10% pay reduction.
- b. Whenever an employee is demoted for cause, the employee shall not be eligible for an annual pay increase and/or lump sum payment until the employee has shown to have a "meets standard" performance level for at least twelve (12) months.

20.7 Reclassifications:

- a. In the event of the reclassification of a position to a class, in a higher pay grade, the employee shall normally receive the same pay in that higher grade. If the employee's pay rate before reclassification is less than the higher pay grade's minimum then the employee shall be paid at the new pay grade minimum.
- b. In the event of the reclassification of a position to a class which is at a lower pay grade, the employee shall normally receive the same pay within that lower grade. If the employee's pay rate before reclassification is greater than the lower pay grade maximum then the employee shall be paid at the maximum of the new pay grade.

20.8 Promotions:

When an employee covered by this Agreement or an employee from another bargaining unit is promoted, as defined in the City of Jacksonville Civil Service and Personnel Rules and Regulations, to a class covered by this Agreement, the employee shall be placed at the minimum of the new paygrade for the class to which the employee is promoted, unless a higher pay rate is necessary to provide a five percent (5%) pay increase. However, the appropriate Director and the Director of Employee Services may approve a higher increase, if the employee possesses training, education, and/or experience above the minimum requirements for the classification, of up to fifteen percent (15%) above their current salary. If the employee possesses training, education and/or experience justifying employment at higher than fifteen percent (15%) above the employee's current salary, the appropriate Chief/General Manager/Vice President and the Chief Human Resources Officer must also approve it.

20.9 Lateral Moves:

When an employee from another bargaining unit accepts a lateral move into a class covered by this Agreement, the employee shall be placed at the minimum of the new paygrade or their current pay rate, whichever is higher. However, the appropriate Director and the Director of Employee Services may approve a higher pay, if the employee possesses training, education, and/or experience above the minimum requirements for the classification of up to fifteen percent (15%) above the grade minimum. If an increase of more than fifteen percent (15%) is requested, the appropriate Chief/General Manager/Vice President and the Chief Human Resources Officer must also approve it.

20.10 No employee will have their pay rate adjusted above the maximum of the pay range for their given classification for any reason, except if a Memorandum of Agreement provides for specific exceptions for specific situations. This applies to all Articles and Sections contained within the PEA Labor Agreement.

20.11 Performance Review & Pay Increases:

- a. An employee covered by this Agreement may receive pay increases, effective October 1st, for the life of this Agreement based upon performance substantiated by a written annual performance review, as defined in paragraph b below, completed by the employee's appointed manager, reviewed by the employee's Director or appropriate counterpart, and approved by the appropriate Vice President/General Manager/Chief. In the case of an employee who has been reassigned, transferred, or promoted within the PEA or has moved into the PEA during the period to be reviewed, the review shall be completed by the employee's appointed manager (or appropriate counterpart) for whom the employee is working during the period during which reviews are being conducted. In that circumstance, the reviewing appointed manager (or appropriate counterpart) shall obtain, consider, and include information received from the appointed manager(s) [or appropriate counterpart(s)] for whom the employee worked during the remaining time of the period under review. The reviewing appointed manager (or appropriate counterpart) may solicit information from any manager for whom the employee worked during the period under review, and the manager(s) shall, upon request, provide that information. The employee shall be given an opportunity to meet with the reviewing appointed manager (or appropriate counterpart) and the employee's previous appointed manager for the purpose of allowing the employee to review and respond to information received during the evaluation process. The meeting shall be held prior to the performance pay increase determination provided for in Article 20.8e. Nothing herein shall be construed as replacing or obviating the reviews conducted during an employee's probationary period. Upon satisfactory completion of the probationary period after initial appointment or promotion, the base salary of the employee will be advanced 3%.
- b. The annual performance review will be a two (2) part evaluation, consisting of: Technical Performance measurement based upon an employee's Technical and Operational Job Factors and a Developmental Performance measurement based on a set of Developmental/Behavioral factors. Each of these areas will be scored separately, and then totaled. This total will represent the employee's Evaluation Total Score (ETS). To

- determine the employee's performance, adjustment to the ETS will be used in accordance with Exhibit C.
- c. This annual performance review will be completed on each employee in the bargaining unit by November 1 of each year, to be retroactively effective on October 1 of the same year. This annual performance review is intended to satisfy in entirety the annual performance review required by the City of Jacksonville Charter, and will cover the period from October 1 to September 30 of each previous fiscal year.
 - d. Employees shall be given prior notification of the job performance measurement factors, which will form the basis of the employee's annual performance review. Prior to November 1 or within a reasonable time period after job performance measurement factors are changed or added during the review period, the manager shall notify the employee in writing of the job performance measurement factors for the next annual performance review.
 - e. Based upon such annual performance reviews, and notwithstanding the provisions of Civil Service Rule 9, an employee may have a performance pay increase within the range of their pay grade during the life of this Agreement. Provided, however, that the amount of any performance pay increase that would place the employee's pay rate above the maximum of the grade will be given as a lump sum amount, not added to base pay. No employee's base pay rate shall exceed the maximum of the pay range.
 - f. Pay increases shall be determined in the following manner. All employees will be evaluated at the same time for annual pay increase purposes. A pay increase and/or lump sum payment will be determined for each employee using the employee's annual performance evaluation as indicated in 20.11 (b) and Exhibit C.
 - g. If an employee hires or promotes into the PEA mid-year, the following will apply:
 - 1. For employees with less than 6 months of service or hired after April 1 of the respective year:
 - i. They will receive a mid-year review with a score based on their performance.
 - ii. They will be eligible to receive a pro-rated payout based on the score earned as outlined in Exhibit C.
 - 2. For employees with less than 3 months of service or hired after July 1, of the respective year:
 - i. They will receive a default evaluation score of 70 (no review will be completed) and their file will reflect that the "70" score is due to having less than 3 months of service at JEA.
 - ii. ~~Per Article 20.8 (g), they~~They will be eligible to receive a pro-rated payout based on a score of "70" as outlined in Exhibit C.
 - h. The evaluation process described above is intended to enable employees to achieve maximum performance and be rewarded accordingly during the life of this Agreement. This

will be achieved through continuous improvement based upon guidance and direction from JEA, application and effort on the part of the employee, and open communication between JEA and the employee. The evaluation process shall include the following:

1. JEA shall provide each employee with feedback on his/her overall job performance on a periodic basis. These feedback sessions are not intended to be in the same format as the annual performance review. The feedback session shall identify areas of performance where improvement will contribute to an elevated overall performance rating, and shall identify in writing those areas of performance which are below the rating of "meets standard".
2. JEA shall, within ~~seven (7)~~fourteen (14) days of notifying an employee of areas of performance which are below the rating of "meets standard", meet with the employee to assure that the employee understands the deficiencies, to offer additional guidance to the employee, and to discuss steps which the employee ~~will~~can take to improve deficient performance. Steps proposed to improve deficient performance shall be accompanied by examples or illustrations.
3. Subparagraphs 1 and 2 above are intended to provide for performance improvement opportunities. In addition thereto, JEA will provide a similar assessment of performance whenever it becomes reasonably apparent that any employee's performance is below the rating of "meets standard". Such notification shall be provided at periodic intervals, as determined appropriate by JEA.

20. 12 Substandard Performance:

a. Any employee who is eligible, but does not qualify for a performance pay increase and/or lump sum payment by receiving a total performance score of 69.9 or below will be considered to have "substandard" performance. Any employee's performance determined to be substandard shall have the opportunity for review of the evaluation in the following manner:

1. The employee may file a request for review with his/her Director (or appropriate counterpart) within fifteen (15) calendar days after receipt of a written performance review by which he/she has been determined to have substandard performance. The Director (or appropriate counterpart) shall render his/her decision within fifteen (15) calendar days.
2. If the employee is dissatisfied with the decision of his/her Director (or appropriate counterpart), or if the Director (or appropriate counterpart) fails to timely respond, the employee may file a request for review with his/her Vice

President/General Manager/Chief within fifteen (15) calendar days after receipt of the Director's review decision, or within fifteen (15) calendar days from the date on which the Director's review decision was due, whichever is earlier. If the employee fails to file a request for review within the fifteen (15) calendar days allowed, the Director's decision shall be final and not subject to further review through the grievance and arbitration procedures of this Agreement.

3. The Vice President General Manager/Chief shall render his/her decision within fifteen (15) calendar days.
- b. Each employee determined to have substandard performance shall be given a Performance Improvement Plan ("Plan") developed by the employee's appointed manager (or appropriate counterpart). Any employee given a Plan shall have the opportunity for review of the contents of the Plan in the following manner:
1. The employee may file a request for review with his/her Director (or appropriate counterpart) within fifteen (15) calendar days after receipt of the Plan. The Director (or appropriate counterpart) shall render his/her decision within fifteen (15) calendar days.
 2. If the employee is dissatisfied with the decision of his/her Director (or appropriate counterpart), or if the Director (or appropriate counterpart) fails to timely respond, the employee may file a request for review with his/her Vice President within fifteen (15) calendar days after receipt of the Director's review decision, or within fifteen (15) calendar days from the date on which the Director's review decision was due, whichever is earlier. If the employee fails to file a request for review within the fifteen (15) calendar days allowed, the Director's decision shall be final and not subject to further review through the grievance and arbitration procedures of this Agreement.
 3. The Vice President/General Manager/Chief shall render his/her decision within fifteen (15) calendar days.
- c. Each employee given a Plan shall be subject to three (3) interim pass/fail evaluations on the Plan - one (1) evaluation every three (3) months for nine (9) months. The first such pass/fail evaluation shall be given three (3) months after the Plan is given to the employee. If the employee fails two (2) out of any three (3) interim evaluations, that employee will be terminated. Any employee terminated under this provision shall have the opportunity for review of the termination in the following manner:
1. The employee may file a request for review with his/her Director (or appropriate counterpart) within fifteen (15) calendar days after receipt of a written notice of termination from his/her appointed manager (or appropriate counterpart). The

Director (or appropriate counterpart) shall render his/her decision within fifteen (15) calendar days.

2. If the employee is dissatisfied with the decision of his/her Director (or appropriate counterpart), or if the Director (or appropriate counterpart) fails to timely respond, the employee may file a request for review with his/her Vice President/General Manager/Chief within fifteen (15) calendar days after receipt of the Director's review decision, or within fifteen (15) calendar days from the date on which the Director's review decision was due, whichever is earlier. If the employee fails to file a request for review within the fifteen (15) calendar days allowed, the Director's decision shall be final and shall not be subject to further review through the grievance and arbitration procedures of this Agreement.
3. The Vice President General Manager/Chief shall render his/her decision within fifteen (15) calendar days.

d. Employees who are eligible, but do not qualify for a performance pay increase based upon their annual performance review will not receive a later performance pay increase for that contract year, regardless of the ratings received on interim evaluations.

e. The nine (9) month period of the Plan shall commence on the earliest of the following dates:

1. When the employee indicates acceptance of the Plan.
2. When the deadline for requesting review of the Plan has expired at any level without the employee having timely requested such review.
3. When the Vice President General Manager/Chief has rendered his/her decision.

20.13 For the purpose of this Agreement, and except as provided otherwise in this Agreement, the establishment and maintenance of the anniversary date shall be in accordance with the provisions of the Civil Service and Personnel Rules and Regulations.

20.14 The performance review provided for in this Article shall satisfy, and be considered as compliance with, the annual performance review prescribed by the City of Jacksonville Civil Service and Personnel Rules and Regulations.

20.15 Requirements for advancement and other purposes as specified in these procedures shall be based on continuous service, which is employment without a break or interruption in either a classified or unclassified position. A leave of absence with or without pay shall not break or interrupt continuous service. Leave without pay one day

or more will be deducted when computing the length of service for promotions, service raises, retirements, etc. The employee's employment date will be adjusted accordingly. Employees granted military leave for extended service with the Armed Forces of the United States shall be given full credit for said period military service.

20.16 Layoff Procedures:

- a. Civil Service and Personnel Rules and Regulations shall apply when layoffs are required by JEA, except that any selective competition within the competitive area shall be authorized by the CEO/Managing Director.
- b. The Director of Employee Services shall give the PEA President a thirty (30) calendar day notice of a pending layoff that will affect members of the PEA. This notice shall also include the competitive areas involved. The Employer shall provide job placement services to affected employees for a period of three (3) months.

20.17 JEA, at its sole discretion, may implement from time to time incentive programs for individuals or groups consisting of awards and/or cash in recognition of performance improvements, innovative ideas resulting in savings and/or benefits, or other similar improvements that are work related and can be documented and measured.

20.18 The parties understand that during the life of this Agreement, JEA may, at its option, offer a voluntary severance plan to certain classifications of PEA employees. Such a plan will be on terms proposed by JEA, and any decision to accept such a plan will be made on an individual basis by each affected employee. In the event that the execution of such a plan requires a reorganization or redeployment by JEA, the PEA will have the right to request impact bargaining to the extent provided by law.

ARTICLE 21
GRIEVANCE PROCEDURE

21.1 It is intended that this grievance procedure will provide a means of resolving complaints at the lowest level possible, and JEA and PEA agree to work towards this end.

21.2 The purpose of this grievance procedure is to provide a method of processing grievable and arbitrable complaints involving the interpretation or application of this Agreement. It will be the exclusive procedure available to PEA employees and the parties to this Agreement for such matters. Grievances or appeals resulting from the following types of action are excluded from consideration under this Article:

- a. A violation of re-employment or reinstatement priority rights appeal able under Civil Service and Personnel Rules and Regulations;
- b. A position classification, or specification decision or examination dispute appeal able under Civil Service and Personnel Rules and Regulations;
- c. An allegation or complaint of discrimination under Equal Employment Opportunity;
- d. A fitness for duty examination;
- e. Health claim decisions;
- f. Injury compensation provided by insurance carriers; and
- g. Other provisions where authority is vested in the Civil Service Board or higher authority.

21.3 Any employee(s) in the bargaining unit may process a grievance through this procedure without the intervention of the PEA provided:

- a. The employee(s) sign a statement on the grievance form indicating that they do not want to be represented by the PEA during processing of that particular grievance;
- b. The employee(s) must represent themselves or may be represented by legal counsel at their own expenses; and
- c. Any requested adjustment/remedy must be consistent with the terms of the Agreement and must only apply to the individual grievant(s). A copy of any adjustment/remedy will be provided to the Union as soon as practicable afterward.

21.4 If during the processing of a grievance under this Article a question concerning the interpretation of City government policy, provision of law, or regulation of appropriate authority outside JEA cannot be resolved by the parties, the grievance will be delayed, unless mutually agreed otherwise, until the questioned policy, law, or regulation has been interpreted by the proper authority.

21.5 A grievance must be taken up with JEA within twenty-one (21) calendar days after the occurrence of the matter out of which the grievance arose, or 21 days from when the occurrence reasonably should have been known. Failure of JEA to observe the time limits prescribed in each step will entitle the grievant(s) to advance the grievance to the next step of the procedure. The failure of the grievant to meet the time limits prescribed at any step of the grievance will constitute a basis for termination of the grievance by JEA, and not subject to further appeal, except to arbitration for determining the matter of timeliness of the grievance only. Time limits at any level may be extended by mutual agreement between JEA and the grievant, and shall not be unreasonably denied by either party.

21.6 Complaint Resolution: Any employee covered by this Agreement shall have the right to pursue appropriate problem resolution.

21.7 Grievance Procedure

a. Step 1 - Formal

The grievance procedure is initiated by the employee or the employee and the PEA representative submitting the grievance in writing using the mutually agreed upon grievance form (Exhibit D) along with any supporting documentation to the Director. The written grievance shall contain, in brief, enough of the details of the grievance including Article(s) and Section(s) of the Agreement involved so that the grievance may be properly identified and the corrective action desired. The Director shall, within fifteen (15) calendar days of receipt of the grievance, meet with the employee and PEA representative or the employee to discuss the grievance. The Director shall provide his/her written decision and the reason(s) for the decision within fifteen (15) calendar days after the meeting. If such decision is not acceptable, the grievance will be forwarded to the next step.

b. Step 2 - Formal

1. If a satisfactory resolution is not reached at Step 1, the employee or the employee and the PEA representative or PEA President will forward the grievance in writing within fifteen (15) calendar days after receipt of the Step 1 decision, stating any objections to the Step 1 decision, to the Director, ~~Employee Services~~Labor Relations or designated representative, who shall receive the grievance on behalf of the ~~Managing Director~~Chief Operating Officer. The Managing Director's, designated representative shall, within fifteen (15) calendar days after receipt of the grievance, either:

- i. Satisfy the grievance, or:

- ii. Meet with the aggrieved employee or the employee and PEA representative ~~or the~~ PEA President, if an employee initiated grievance;
- iii. Or with the PEA President and the Vice-President, if a PEA initiated grievance.

The ~~Managing Director's~~ Chief Operating Officer's designated representative shall render a written decision within fifteen (15) calendar days after the meeting.

Note: The ~~Managing Director's~~ Chief Operating Officer's designated representative shall be a member of the ~~Executive Management~~ Senior Leadership Team (either an Officer or a Vice-President). The ~~Executive Management~~ Senior Leadership Team representative will not be designated to hear a grievance in his/her own group. The ~~Managing Director's~~ Chief Operating Officer's designated representative shall have full authority to render a written decision.

2. Step 2 decision, if not satisfactory, may be referred to arbitration as provided in this Agreement, within fifteen (15) calendar days after receipt of the written decision.

~~21.7—8~~ When a number of essentially identical grievances are submitted, the PEA may select one (1) of those grievances for processing at Step 1. The decision on the grievance selected shall be binding on the combined grievances. The names of all of the aggrieved employees will be made a part of the record of the grievance actually processed, and each grievant will be notified of the decision.

ARTICLE 22
ARBITRATION

- 22.1 The purpose of this Article is to provide for binding arbitration of unresolved grievances concerning the interpretation or application of this Agreement. Arbitration may only be invoked by JEA or the PEA President or designee.
- 22.2 In order for a grievance to be considered for arbitration, the party desiring to arbitrate must notify the other party within fifteen (15) calendar days, except where mutually extended, after receipt of the written Step 2 of Article 21 decision by serving written notice of intent to appeal. If the appeal notice is not submitted within the required time limits, the Step 2 decision will be final and binding.
- 22.3 Upon appeal to arbitration, the Federal Mediation and Conciliation Service (FMCS) shall be requested by JEA and the PEA President or designee to provide a panel of seven (7) regional arbitrators. At the same time, the issue shall be defined to the FMCS to provide for the assignment of arbitrators with experience in the matter to be adjudicated. Within fifteen (15) calendar days, except where mutually extended, after the list has been received from FMCS, the parties shall confer for the purpose of selecting the arbitrator. Each party will alternately strike names (the appealing party shall strike the first name) until one (1) arbitrator remains. Once an arbitrator has been selected, the moving party will notify the FMCS of the selection. Efforts to schedule the date for the arbitration hearing will be initiated within thirty (30) calendar days from the date of the arbitrator's acceptance of selection and receipt of proposed availability dates from the arbitrator.
- 22.4 The expenses and fees of the arbitrator, a special master, or mediator shall be divided equally between JEA and PEA, with each party held responsible for payment of one-half of these expenses and fees. If either party desires to have a transcript made of the hearing, such party shall bear the full cost of such transcript.
- 22.5 PEA employees who shall be excused from duty to participate in the arbitration proceedings without charge to leave will be the Representative, President and/or other Officer, the aggrieved employee, if employee initiated grievance; or Representative if PEA initiated grievance and PEA employee witnesses who have direct knowledge of the circumstances and factors bearing in the case.
- 22.6 The arbitrator will be requested to render his/her award within thirty (30) calendar days after the conclusion of the hearing, or the receipt of post-hearing briefs. With respect to the interpretation, enforcement, or application of the provision of the Agreement, the

decision, findings, and recommendations of the arbitrator shall be final and binding on the parties to this Agreement. Arbitrators shall have no power to add to, or subtract from, modify or ignore any of the terms of this Agreement.

ARTICLE 23

PEA COMMUNICATIONS

23.1 Bulletin Boards

- a. The PEA shall be provided with partial use of suitable bulletin boards, including at least one (1) at each working location for the posting of information pertaining to PEA activity. JEA agrees, if the PEA requests, to provide a separate bulletin board specifically for the use of the PEA of a standard size not to exceed 4' x 4'.
- b. The PEA shall be provided use of an electronic bulletin board accessible—by all members of the bargaining unit.

23.2 The PEA agrees that it shall use space on the bulletin boards provided for in 23.1 for the following purposes:

- a. Notices of PEA meetings;
- b. Reports of PEA elections;
- c. Reports of PEA committees;
- d. Rulings and policies of the PEA;
- e. Notices of recreational and social affairs of the PEA;
- f. Notices of meeting of public boards.
- g. Other notices as mutually agreed upon by JEA and the PEA President or designee.

23.3 No material, notices, announcements, or other information shall be posted which is of a political nature, derogatory, inflammatory, or disruptive to JEA's operations.

23.4 Information for posting on the electronic bulletin board shall be submitted to Labor Relations by the PEA President or designee.

ARTICLE 24
SAFETY AND TRAINING

24.1 JEA agrees to continue an aggressive employee development program to better prepare each employee for his/her present position and provide maximum preparation for promotional opportunities.

24.2 Each employee is responsible to observe the safe work practices of any and all jobs performed within JEA. If any employee is charged by JEA as being at fault in connection with any accident, and such charge is deemed unfair, this action may be taken up as a grievance, as provided in this Agreement.

24.3 Nothing contained in this Article shall be construed to impose any liability on JEA over and above the responsibility placed upon said JEA by the laws of the State of Florida pertaining to Workers' Compensation, it being the specific understanding of the parties to this Agreement that said Workers' Compensation laws govern the rights and benefits of the employees covered by this Agreement for on-the-job-injuries.

24.4 It is agreed that from time to time employees within the bargaining unit, approved by JEA, may be temporarily assigned to perform safety and training duties for the purpose of assisting with and enhancing the employee safety and training programs.

24.5 JEA will continue an aggressive supervisory/professional development program to enhance present position capabilities and promotional opportunities in accordance with local, state, and federal Equal Employment Opportunity Laws. In this regard, JEA will develop and initiate a broad range of communication, training, development and motivational programs and methods such as, but not limited to:

- a. Acquisition and distribution of supervisory/professional training and development material;
- b. Individualized communications;
- c. Supervisory/managerial training and development programs during working hours;
- d. Supervisory/professional programs such as training, program planning, operational methods, etc.;
- e. Incentive recognition programs (awards or cash);
- f. Special individual or group recognition; and
- g. Job related, externally offered training, education and self-development programs.

24.6 Training & Seminars

- a. In order to enhance the utility industry education and expertise of bargaining unit employees, JEA shall from time to time provide those employees with job-related training, ~~seminars by recognized professionals.~~
- ~~b. Seminar topics may include, but are not limited to: turbine repair, turbine blade repair, pump repair, boiler tubes, asbestos, hazardous wastes, claims prevention, contract~~

~~management, negotiation, OSHA safety rules, environmental matters, transmission and distribution methods, and engineering/operating practices.~~

~~c.b.~~ The PEA shall make recommendations to JEA concerning ~~seminar~~training-related issues, including: topics, speakers, scheduling, and participation of employees. JEA shall thereafter consider the PEA recommendations and decide all matters concerning the seminars.

ARTICLE 25
ALCOHOL AND CONTROLLED SUBSTANCE ABUSE AND TESTING

Prelude

JEA and the PEA both agree that education and communication about the ~~City of Jacksonville~~JEA Employee Assistance Program (EAP) is a very important tool toward having a drug free work force. JEA will see that information about the EAP is available for employees and their families. It should be every employee's goal to help those co-workers, whom they know have some type of problem with substance abuse, to seek help through the EAP.

25.1 Definitions

a. "Drug abuse" means:

1. The use of any controlled substance as defined in Section 893.03, Florida Statutes, as amended, not pursuant to a lawful prescription. A "lawful prescription" is defined as a prescription issued in the name of the employee by a licensed health care practitioner in full compliance with the practitioner's practice act.
2. The commission of any act prohibited by Chapter 893, Florida Statutes.
3. Abusing a lawful prescription.
4. Substituting or adulterating any specimen during a drug test.
5. Refusing to submit to a drug test.
6. Drug test with positive results.

b. "Illegal drug" means any controlled substance as defined in Section 893.03, Florida Statutes, not possessed or taken in accordance with a lawful prescription.

c. "Department of Health and Human Services (HHS) Mandatory Guidelines for Federal Workplace Drug Testing Programs" (the HHS Guidelines) means those guidelines as printed in the June 9, 1994, Federal Register (59 FR 29908), and as amended from time to time.

d. "Reasonable belief" means an opinion which a prudent person would form based on observation and information from reliable and credible sources. Observation includes, but is not limited to sensory facts (what a person saw, heard, smelled, tasted or touched). Objective factors that should be taken into consideration in determining reasonable belief are:

1. The nature of the information;
2. The reliability of the person or source providing the information;
3. The extent of any confirmation; and,
4. Any other factors contributing to the belief or the lack thereof.

Not all of these factors must exist to find reasonable belief, but all must be examined.

- e. "Substituted Specimen" means a specimen that has a creatinine of less than or equal to 5 mg/dL and a specific gravity less than or equal to 1.001 or greater than or equal to 1.020. (Such specimens do not exhibit the clinical signs or characteristics associated with normal human urine.)
- f. "Adulterated Specimen" means a specimen with a nitrite concentration which is equal to or greater than 500mcg/mL; or the pH is less than or equal to 3, or greater than or equal to 11; or if a foreign substance is present; or if an endogenous substance (one that is normally found in human urine) is present at a concentration greater than the normal physiological concentration.
- g. "Lawful Prescription Abuse" means taking prescribed drugs in greater dosages and/or more frequent intervals than specified in the prescription, or securing and simultaneously using prescriptions for the same or equivalent medication from multiple providers, or taking medications that are not prescribed for the employee, or as otherwise determined by as Medical Review Officer (MRO).
- h. "Alcohol" means ethyl alcohol (ethanol). References to use of alcohol include use of a beverage, mixture, or preparation containing ethyl alcohol.
- i. "Alcohol Abuse" means
 1. Using or being under the influence of alcohol or alcoholic beverages on the job.
 2. Adulterating any specimen during an alcohol test.
 3. Refusing to submit to an alcohol test.
 4. Alcohol test with positive results.

25.2 Circumstances When Testing May Be Required

JEA may require an employee to submit to drug and/or alcohol testing under any of the following circumstances:

- a. Whenever two appointed managers concur that there is a reasonable belief that an employee is using, under the influence of, or in possession of illegal drugs and/or alcohol while on duty, or that the employee is abusing illegal drugs and/or alcohol and the abuse either adversely affects his/her job performance or represents a threat to the safety of the employee, his/her co-workers, or the public and the reasons for such concurrence have been stated to a PEA Representative.
- b. Whenever an employee is involved in an accident involving personal injury or property damage which could result in liability to JEA, loss or damage to JEA property, or involving a personal injury that requires treatment beyond first aid (i.e. OSHA Recordable), urine specimens will be collected from all employees directly involved in the accident and stored for future testing. Employees will also be subject to a breathalyzer test for

alcohol. For purposes of this provision, an employee is considered directly involved in the accident if the employee was in a position or situation where his/her action or inaction could cause, contribute to, contribute after, or have an impact on the accident which includes any injuries (regardless of whether the employee was at the location of the accident). If the accident/damage investigation reveals that employee negligence was a cause, the negligent employee's (s') specimen(s) will be tested. All samples not tested will be destroyed within ten (10) calendar days of the accident/damage investigation team report or within twenty (20) calendar days of the accident if no investigation is held. The accident/damage investigation team shall include a PEA executive board member or designee.

- c. An employee with a CDL will be tested for drugs and alcohol when they are involved in a vehicular accident that results in a fatality; or the employee receives a moving violation citation and the accident involved bodily injury requiring medical treatment away from the scene; or one or more vehicles are damaged and disabled requiring towing away from the scene.
- d. Any time within one (1) year after an employee has voluntarily admitted a substance problem and entered into a Last Chance Agreement, tested positive for the presence of controlled substances taken from a lawful prescription issued to the employee's spouse or family member permanently residing with the employee, tested positive for alcohol or completed initial rehabilitation, whichever is later. (The ~~City-EAP office-provider~~ shall direct a letter to both JEA and to the employee establishing the date on which rehabilitation was completed.)
- e. As required by the Federal Highway Administration (FHWA) Controlled Substances & Alcohol Use & Testing Program, 49 CFR 382, et seq. (This federal regulation, also known as "CDL" Testing), requires testing for alcohol as well as for controlled substances.)
- f. As part of a random drug and alcohol testing program applicable to employees in safety sensitive positions in accordance with criteria set forth in Exhibit B, management's designation of a position as "safety sensitive" shall be subject to appeal to the Director of ~~Employee Services~~Labor Relations, or designee, whose decision may be subject to arbitration. An employee who disputes the safety sensitive designation of his or her position shall be required to submit a sample in accordance with testing procedures but the results of the test shall be sealed until the dispute has been resolved.
- g. In determining a position to be "safety sensitive", consideration will be given to "safety sensitive", as defined in Sections 112.0455(5) (m) and 440.102(1) (o) Florida Statutes, and using criteria delineated in Exhibit B.
- h. JEA will provide the PEA President with a listing of PEA members designated as safety sensitive on an annual basis, and as the listing is updated.

25.3 Testing Protocols

a. Drug

- Whenever an employee is required to provide a urine specimen for these testing procedures, the specimen will be divided into two samples at the time of collection in order to facilitate the testing procedures described in this section. The collection facility and the Substance Abuse and Mental Health Services Administration (SAMHSA) certified tester shall follow specimen collection and testing procedures consistent with the HHS Guidelines except as specifically amended herein.
- The threshold level or cut-off limit and substances shall be as set forth below or as established by HHS and/or SAMHSA. The following levels have been established as of the effective date of this Agreement. However, the levels established by HHS and/or SAMHSA which are in effect as of the date of any given test shall govern

SCREENING THRESHOLDS

<u>Initial test analyte</u>	<u>Initial test cutoff</u> ¹	<u>Confirmatory test analyte</u>	<u>Confirmatory test cutoff concentration</u>
<u>Marijuana metabolites (THCA)</u> ²	<u>50 ng/mL</u> ³	<u>THCA</u>	<u>15 ng/mL.</u>
<u>Cocaine metabolite (Benzoylecgonine)</u>	<u>150 ng/mL</u> ³	<u>Benzoylecgonine</u>	<u>100 ng/mL.</u>
<u>Codeine/Morphine</u>	<u>2,000 ng/mL</u>	<u>Codeine Morphine</u>	<u>2,000 ng/mL. 2,000 ng/mL.</u>
<u>Hydrocodone/Hydromorphone</u>	<u>300 ng/mL</u>	<u>Hydrocodone Hydromorphone</u>	<u>100 ng/mL. 100 ng/mL.</u>
<u>Oxycodone/Oxymorphone</u>	<u>100 ng/mL</u>	<u>Oxycodone Oxymorphone</u>	<u>100 ng/mL. 100 ng/mL.</u>
<u>6-Acetylmorphine</u>	<u>10 ng/mL</u>	<u>6-Acetylmorphine</u>	<u>10 ng/mL.</u>
<u>Phencyclidine</u>	<u>25 ng/mL</u>	<u>Phencyclidine</u>	<u>25 ng/mL.</u>
<u>Amphetamine/Methamphetamine</u>	<u>500 ng/mL</u>	<u>Amphetamine Methamphetamine</u>	<u>250 ng/mL. 250 ng/mL.</u>
<u>MDMA</u> ⁴ / <u>MDA</u> ⁵	<u>500 ng/mL</u>	<u>MDMA MDA</u>	<u>250 ng/mL. 250 ng/mL.</u>

¹ For grouped analytes (i.e., two or more analytes that are in the same drug class and have the same initial test cutoff): Immunoassay: The test must be calibrated with one analyte from the group identified as the target analyte. The cross-reactivity of the immunoassay to the other analyte(s) within the group must be 80 percent or greater; if not, separate immunoassays must be used for the analytes within the group.

Alternate technology: Either one analyte or all analytes from the group must be used for calibration, depending on the technology. At least one analyte with the group must have a concentration equal to or greater than the initial test cutoff or, alternatively, the sum of the analytes present (i.e. equal to or greater than the laboratory's validate limit of quantification) must be equal to or greater than the initial test cutoff.

² An immunoassay must be calibrated with the target analyte Δ -9-tetrahydrocannabinol-9-carboxylic acid (THCA).

³ Alternate technology (THCA and benzoylecgonine): The confirmatory test cutoff must be used for an alternate technology initial test that is specific for the target analytes (i.e., 15ng/mL for THCA, 100 ng/mL for benzoylecgonine).

⁴ Methylenedioxyamphetamine (MDMA).

⁵ Methylenedioxymphetamine (MA).

Initial test analyte

Initial test cutoff Confirmatory test analyte

Confirmatory test cutoff concentration

URINE			
<u>INITIAL TEST ANALYTE</u>	<u>INITIAL TEST CUTOFF CONCENTRATION (NG/ML)</u>	<u>CONFIRMATORY TEST ANALYTE</u>	<u>CONFIRMATORY TEST CUTOFF CONCENTRATION (NG/ML)</u>
MARIJUANA METABOLITES	50	THCA	15
COCAINE METABOLITES	150	BENZOYLECGONINE	100
OPIATE METABOLITES CODEINE/MORPHINE	2000	CODEINE MORPHINE	2000 2000
6-ACETYLMORPHINE	10	6-ACETYLMORPHINE	10
PHENCYCLIDINE	25	PHENCYCLIDINE	25
AMPHETAMINES	500	AMPHETAMINE METHAMPHETAMINE	250 250
MDMA	500	MDMA MDA MDEA	250 250 250

BLOOD		
<u>INITIAL TEST ANALYTE</u>	<u>INITIAL TEST CUTOFF CONCENTRATION (NG/ML)</u>	<u>CONFIRMATORY TEST CUTOFF CONCENTRATION (NG/ML)</u>
MARIJUANA METABOLITES	5	2
COCAINE METABOLITES	25	30
OPIATE METABOLITES CODEINE/MORPHINE	10	10
6-ACETYLMORPHINE	10	10
PHENCYCLIDINE	8	8
AMPHETAMINES	50	10

3. The SAMHSA certified tester shall utilize the following procedures to the extent that they are not inconsistent with the HHS Guidelines:
 - i. The SAMHSA certified tester shall submit the first of the samples to an immunochemical assay or radioimmunoassay test. If the results of this test are negative, no further testing will be required and all collected specimens will be disposed.

- ii. If the results of the initial test provided for in Section 25.3 (a)(3)i are positive, the SAMHSA certified tester will submit the same sample for further testing using the gas chromatography/mass spectrometry (GC/MS) method to verify the initial test results. JEA will not be notified about the initial positive result, until it has been confirmed as provided for in this section.
 - iii. If the specimen provided is unsuitable for testing due to no fault of the employee being tested, or if the chain of custody is violated, the employee will be advised of those circumstances and will be required to provide another specimen for testing. Except for low creatinine test results, and provided the employee was not at fault, an additional specimen will be required not more than one (1) additional time. Should the employee provide specimens which are neither adulterated nor substituted, but unsuitable for testing due to low creatinine levels three (3) consecutive times, the employee will be subject to a blood sample. Should an employee have legitimate, verifiable religious objection or medical reason that would prohibit a blood sample, then the Medical Review Officer (MRO) will determine the alternate testing method that will be used.
 - iv. Specimens that are adulterated or substituted will be reported as a “refusal to test,” and the employee will not be offered the opportunity for a test of the second sample as provided for in 4 below.
4. If the results of the confirmation test provided for in Section 25.3.c.2 are positive, as confirmed by a qualified (HHS Guidelines) medical review officer (MRO), the HHS guidelines shall be followed for confirmation and notification of the employee and JEA. At that time, the employee may elect to have the second sample subjected to further testing by a SAMHSA certified tester at the employee’s expense. If the second sample tests negative, JEA will reimburse the employee for the cost of the test. If the tests on the second sample are positive, or if the employee does not request testing of the second sample, JEA may take appropriate action in accordance with this article.
5. a. Random Testing Protocol.
- i. Management will administer random drug tests to 25% of all employees who are designated as safety sensitive each year. (The 25% can be rounded up to include the nearest “whole” person.
 - ii. Management will administer random alcohol tests to 10% of all employees who are designated as safety sensitive each year. (The 10% can be rounded up to include the nearest “whole” person.)
 - iii. The drug and alcohol threshold levels and procedures applicable to CDL random testing shall apply to safety sensitive random testing.
 - iv. Employees who are subject to CDL random testing shall not be subject to safety sensitive random testing.

b. Alcohol

- i. Whenever an employee is required to be tested for alcohol, a breathalyzer shall normally be used. In certain cases when the breathalyzer cannot be administered, blood may be used.
 - ii. The threshold level or cut-off limit shall be as set forth below or as established by Florida Statute. The following levels have been established as of the effective date of this Agreement. However, the levels established by DOT or Florida Statute, which are in effect as of the date of any given test shall govern.
 - iii. Alcohol abuse shall subject the employee to disciplinary action as indicated in 25.4(b)
- c. Breath or Blood Alcohol Testing Threshold Levels for CDL's
 Department of Transportation (DOT) Regulations for Commercial Driver License Alcohol Testing

 0.020 to 0.039 – Cannot perform safety sensitive work for at least 24 hours
 0.040 to 0.079 – Cannot perform safety-sensitive work until released by a substance abuse professional.
 0.08 and above – Cannot perform safety-sensitive work until released by a substance abuse professional.
- d. Breath or Blood Alcohol Threshold Levels for non-CDL Testing

 0.05 to 0.079 – Considered impaired with other competent evidence of impairment.
 0.08 and above – Presumed to be impaired.

25.4 Disciplinary Action

- a. Drug abuse shall subject the employee to the following discipline:
 - 1. Any employee who uses a controlled substance pursuant to a prescription lawfully issued to a member of the employee's household residing with the employee shall be given a single Last Chance Agreement provided the prescription was taken for the employee's bona fide medical condition. The employee will be randomly tested 6 to 12 times during a succeeding 12-month period. Subsequent violations of the policy shall result in immediate termination from employment.
 - 2. Drug abuse, other than described in 1 above shall result in immediate termination from employment.
- b. Alcohol abuse shall subject the employee to the following discipline:

1. If an employee tests positive for a breath or blood alcohol level equal to or greater than 0.02 but less than 0.04, the employee will be subject to the provisions of the DOT CDL requirements.
 2. If an employee tests positive for a breath or blood alcohol level equal to or greater than 0.04, but less than or equal to 0.05, the employee will be given a letter of "Required Action and Consequences of Noncompliance" which is not considered discipline. A second positive test in level described above will result in a Last Chance Notice, and a third positive will result in immediate termination from employment.
 3. If an employee tests positive for a breath or blood alcohol level in excess of 0.05 but less than 0.08, and there is no other competent evidence of impairment, the employee will be given a Last Chance Agreement. Any subsequent positive test producing a breath or blood alcohol level in excess of 0.05 will result in the employee being terminated from employment.
 4. If an employee test positive for a breath or blood alcohol level in excess of 0.05 but less than 0.08 and there is other competent evidence of impairment, the employee will be terminated from employment.
 5. If an employee tests positive for a breath or blood alcohol level at 0.08 or higher, the employee will be terminated from employment.
- c. Upon investigation, any employee who refuses to submit to substance abuse or alcohol testing (including adulterating or substituting a sample) as required by this article, or who refuses to sign an authorization for the release of the records of such testing shall be considered as a refusal to submit to a drug or alcohol test and shall be terminated from employment.

25.5 Rehabilitative/Corrective Action

~~a. Any employee is eligible one time only to notify the employer that he/she has a drug and/or alcohol problem, and upon such notification the employee shall be permitted to enter rehabilitation, subject to a single Last Chance Agreement. In order to be eligible for this one time opportunity for rehabilitation, the employee must notify the employer that he/she has a drug and/or alcohol problem at least one day before the employee is notified that he/she is scheduled for testing pursuant to section 25.2.a (reasonable suspicion testing), section 25.2.g (safety sensitive testing), or section 25.2.f (CDL testing). In the case of testing under section 25.2.b and c (testing following an accident) the employee must notify the employer that he/she has a drug and/or alcohol problem at least one day in advance of any accident that gives rise to the need for testing in order to be eligible for this one time opportunity for rehabilitation. In the case of testing pursuant to section 25.2.e (annual testing), the employee must notify the employer that he/she has a drug and/or alcohol problem before the week that the employee is scheduled to be tested in order to be eligible for this one time opportunity for rehabilitation.~~

~~b.a.~~ JEA may require an employee who has tested positive for the presence of alcohol or illegal drugs and to which subparagraphs 25.4.a.1 or b.1 applies, or ~~who has elected to~~

~~come forward under subparagraph 25.5.a,~~ to submit to counseling, or other rehabilitative treatment as a condition of continued employment. This section shall not be construed to limit JEA's right to take appropriate disciplinary action when an employee tests positive for the presence of alcohol or illegal drugs.

~~e.b.~~ Any employee who is required to submit to counseling or other rehabilitative treatment as a condition of continued employment shall sign a release, authorizing the release of information to JEA sufficient to determine whether the employee can safely perform his/her job duties. The manager shall make the decision whether the employee can perform his/her job duties in conjunction with a physician associated with the rehabilitation/treatment facility. The information provided to JEA shall be limited to the following:

1. Whether the employee has regularly attended counseling and/or treatment sessions, as directed.
2. Whether the employee has satisfactorily participated in counseling and/or treatment sessions.
3. Whether the employee has complied with all requests for substance abuse tests, and whether the employee has passed all of those tests.
4. Whether the employee has admitted to using alcohol or illegal drugs subsequent to the test which resulted in the referral to counseling and/or rehabilitative treatment.
5. Whether there is any reason to believe that the employee's return to work could result in a risk to persons or property.
6. Whether JEA should impose any work related limitations or requirements upon the employee in the event that JEA determines to permit the employee to return to work.

~~e.c.~~ Driving restriction for employees with CDL shall be as stipulated in the Federal Highway Administration Controlled Substance & Testing Program, 49 CFR 382, et seq. The same restriction will be used for other safety sensitive employees.

25.6 Examination and Test

- a. Except as provided in paragraph 25.3(a)4, JEA will pay the cost of any test required by Section 25.2. Provided, however, that in the case of alcohol testing, an employee at his/her request, will be given the opportunity for a blood alcohol test conducted at the same time as his/her own expense.
- b. Urine specimens or alcohol tests required by this article will be obtained while the employee is on duty. JEA may extend the employee's duty period for the purpose of drug or alcohol testing.

~~e. In the case of alcohol testing conducted pursuant to section 25.2 f, any employee who tests .039 breath alcohol content or less (but in excess of .02 breath alcohol content) in any test conducted before 10:00 a.m. will be permitted to test again within one hour from the first test. This waiting period will be on the employee's own time. The first test will be used to determine appropriate discipline, in conjunction with any further test results.~~

~~e.c.~~ Tests will be performed by a SAMHSA certified facility selected by JEA.

~~e.d.~~ Employees who are required by this article to take a test shall be required to sign an authorization form releasing the records of such tests to the JEA Manager, Labor Relations or his/her designee. Refusal to sign an authorization for releasing the records of such test to JEA shall be considered as refusing to submit to a drug or alcohol test. The JEA Manager, Labor Relations or his/her designee shall release relevant information contained in those records only to the employee's Vice President, Director and Manager, and to those JEA management officials and representatives directly involved in employment related decisions involving that employee. This shall not limit JEA from providing work-related information regarding the employee to the employee's supervisors, including work-related limitations or requirements and the reasons therefore. Each individual receiving such information will be instructed regarding the confidential nature of that information.

~~f.e.~~ JEA will, unless prohibited by law, and as otherwise provided in this agreement, keep the results of any testing provided for in this article confidential. Any results of positive testing which JEA later determines have been refuted will be destroyed. Test results shall be considered confidential medical records unless they become part of a disciplinary action.

25.7 Training

JEA and bargaining unit members shall receive training to ensure that they understand their roles and responsibilities in implementing this article. The sufficiency or adequacy of such training shall not be grounds to challenge the validity of any reasonable belief determination or disciplinary action taken as a result of a positive drug or alcohol test, nor shall it preclude disciplinary action where otherwise appropriate.

25.8 Employer Initiation

This testing program was initiated at the request of JEA. The PEA has participated only to the extent of protecting the rights of workers arising from administration of the testing program. It is intended that JEA shall be solely liable for any legal obligations and costs arising out of the provisions and/or application of this article.

ARTICLE 26

DISCIPLINE AND DISCHARGE

- 26.1 No employee shall be removed, discharged, reduced in rank or pay, suspended or otherwise disciplined except for just cause, and in no event until furnished with a written statement of the charges and the reason for such action. Should disciplinary action be considered, within fifteen (15) calendar days from the date the Employer became aware of the occurrence, a fact-finding meeting will be set up and the date communicated to the employee. Disciplinary action will be taken within sixty (60) calendar days after the investigation is complete and any appropriate documentation is received, however, this time limit may, at Management's discretion, be extended during the pendency of a felony criminal investigation into an employee's conduct, which could impact JEA. In such cases, the time limits established by this Section will not begin to run until all investigations, prosecutions and/or appeals involving the employee are concluded. If no action is taken within the referenced timeframe, the incident will not be subject to discipline.
- 26.2 An employee will be allowed to review their master personnel file within a reasonable length of time upon request to the Director, Employee Services. During the term of this Agreement, if any information, which is considered unfavorable and derogatory to an employee, is entered in their personnel file which deals with conditions originating during employment with JEA, the employee will be required to acknowledge receipt in writing of such information, and will be furnished a copy in order to have the opportunity to submit a written statement responding to the information (excluding copies of personnel action forms, time reports, and employee evaluation reports). The employee's acknowledgment of receipt in writing merely indicates that the employee has seen and received a copy of such derogatory or unfavorable information. The acknowledgment of receipt does not indicate that the employee agrees with such information, nor does such action indicate that the employee admits guilt for any alleged infractions stipulated. The employee's responding statement will also be entered in their personnel file. If an employee feels that any such correspondence was unjustified, he/she has the right to resort to the Grievance Procedure.
- 26.3 JEA will follow the principles of progressive discipline that discipline generally proceeds from a reprimand, to a suspension or reduction in pay, to demotion and/or discharge. JEA will use the company-wide guidelines for disciplinary action as contained in JEA Procedure ~~LR-HUMR~~ 606, however, the parties recognize that the seriousness and circumstances surrounding an offense may warrant more or less severe discipline, depending upon all of the facts. When the situation warrants, JEA will provide ~~oral~~ counseling before implementing progressive discipline. Should changes or modifications be made to the work rules in JEA's Procedure ~~LR606~~HUMR 606, the Union will be given an opportunity to provide input prior to the changes taking place.

- 26.4 Unless waived by the employee, when an employee is off the payroll due to a suspension, JEA will continue to pay the life insurance and medical insurance premiums normally paid by JEA which includes JEA's portion of the dependent medical insurance premium. The employee is responsible for the optional life insurance premium and their portion of the dependent medical insurance premium.

ARTICLE 27

EQUAL EMPLOYMENT OPPORTUNITY

- 27.1 JEA and the PEA mutually agree that each has a positive and distinct role in carrying out the concepts of equal employment opportunity irrespective of race, color, creed, national origin, religion, sex, age, and where appropriate, disability. JEA and the PEA agree to encourage all bargaining unit employees to take advantage ~~or of of~~ self-improvement opportunities to enhance their potential for promotion and job security.
- 27.2 It is agreed that the PEA will participate in such activities, which are required by EEO laws and regulations and the implementation of the JEA Equal Opportunity/Equal Access Program. The PEA will advise appropriate management of dissatisfactions that do not constitute formal discrimination complaints.
- 27.3 It is agreed that no official of JEA or the PEA shall interfere with, restrain, coerce, intimidate, or retaliate against any employee for appearing, testifying or furnishing evidence during any investigation or hearing procedures.
- 27.4 When vacancies occur in positions within classifications included in the bargaining unit, JEA shall give consideration to filling the positions by promotion or transfer of current JEA employees.

ARTICLE 28
SAVINGS CLAUSE

28.1 JEA retains all rights, powers, functions and authority it has prior to the signing of this Agreement, except as such rights are specifically relinquished or abridged in this Agreement
in accordance with Section 447.309, Florida Statutes.

ARTICLE 29
SEVERABILITY

29.1 If any provision of this Agreement shall be found to be invalid by any court having jurisdiction in respect thereof, such finding shall not affect the remainder of this Agreement, and all other terms and provisions shall continue in full force and effect. Upon any such judicial determination, JEA and the PEA will agree to negotiate and endeavor to reach an agreement upon a substitute for the provisions found to be invalid.

ARTICLE 30
TERM, APPROVAL, AND AMENDMENTS

- 30.1 The Agreement, upon approval and ratification, shall become effective October 1, 2016 and shall remain in effect through September 30, ~~2019~~2022.
- 30.2 It is acknowledged that this Agreement must be approved by the membership of the PEA prior to submission for approval to and by JEA and City Council.
- 30.3 This Agreement shall be subject to amendments at any time by mutual consent of the parties hereto. Such amendments shall, reduced to writing, state the effective date of the amendment, and be approved by JEA and PEA.
- 30.4 The PEA and JEA agree to begin negotiations for a successor Collective Bargaining Agreement beginning in February ~~2018~~2022. Thereafter, the parties agree to meet on a monthly basis, or as otherwise mutually agreed upon, in order to facilitate a successor Agreement prior to October 1, ~~2019~~2022.

EXHIBIT A

Effective 10/1/2016 (2% increase to the minimum for pay grades 630-670 plus an addition 2% general increase (Min & Max)

Job-Title	PG	Min	Max
IT Services Technician Risk Management Technician	600	\$41,616	\$56,304
Accountant Communications Technician Contracts Associate Environmental Technician Vegetation Management Associate	610	\$45,798	\$61,914
Applications Analyst Associate Communications Analyst Associate Data Warehouse Analyst Associate Environmental Scientist IT Services Technician Senior Network Administrator Associate Project Administrator Asst Construction System Administrator Associate	620	\$50,388	\$68,136
Accountant Senior Associate Engineer Accounts Payable Controls Analyst Business Analyst Communications Technician Senior Fuels Administrator Operations Analyst Physical Security Analyst Project Cost Specialist Quality Assurance LIMS Officer Rate Analyst Safety & Health Specialist Security Analyst	630	\$58,054	\$80,376

Applications Analyst Associate System Operator Communications Analyst Construction Specialist Data Warehouse Analyst Database Administrator Environmental Scientist Senior Forester Network Administrator Operations Analyst Senior Predictive Maintenance Analyst Project Administrator Construction Project Scheduler Purchasing Agent Senior Staff Engineer System Administrator Technology Project Leader Vegetation Management Specialist	640	\$65,545	\$94,554
Application Analyst Senior Communications Analyst Senior Fuels Administrator Senior Market Research Analyst Senior Network Administrator Senior Physical Security Specialist Project Administrator Senior Construction Project Cost Specialist Senior Quality Assurance LIMS Officer Senior Rate Analyst Senior Research Project Consultant Security Analyst Senior System Administrator Senior Technology Team Leader Vegetation Management Specialist Senior	650	\$74,076	\$103,020
Certified System Operator* Data Warehouse Analyst Senior Database Administrator Senior Electric Distribution Engineer Electric Systems Engineer Environmental Engineer Oracle Engineered System Administrator Project Scheduler Senior Security Team Leader Technology Project Leader Senior Water Wastewater Engineer	660	\$82,192	\$113,730

Corporate Applications Specialist			
Data Warehouse Specialist			
Enterprise Architect	670	\$91,763	\$126,990
Technology Systems Specialist			

*Note: CSO minimum rate is \$42.74

Effective the date employee contributions to GEPP increases (2% general increase)

PEA Pay Structure				
Job Title	PG	Min	Mid	Max
IT Services Technician Risk Management Technician	600	\$42,448	\$49,939	\$57,430
Accountant Communications Technician Contracts Associate Environmental Technician Vegetation Management Associate	610	\$46,714	\$54,933	\$63,152
Applications Analyst Associate Communications Analyst Associate Data Warehouse Analyst Associate Environmental Scientist IT Services Technician Senior Network Administrator Associate Project Administrator Asst Construction System Administrator Associate	620	\$51,396	\$60,448	\$69,499
Accountant Senior Associate Engineer Accounts Payable Controls Analyst Business Analyst Communications Technician Senior Fuels Administrator Operations Analyst Physical Security Analyst Project Cost Specialist Quality Assurance LIMS Officer Rate Analyst Safety & Health Specialist Security Analyst	630	\$59,215	\$70,600	\$81,984

Applications Analyst Associate System Operator Communications Analyst Construction Specialist Data Warehouse Analyst Database Administrator Environmental Scientist Senior Forester Network Administrator Operations Analyst Senior Predictive Maintenance Analyst Project Administrator Construction Project Scheduler Purchasing Agent Senior Staff Engineer System Administrator Technology Project Leader Vegetation Management Specialist	640	\$66,856	\$81,651	\$96,445
Application Analyst Senior Communications Analyst Senior Fuels Administrator Senior Market Research Analyst Senior Network Administrator Senior Project Administrator Senior Construction Project Cost Specialist Senior Quality Assurance LIMS Officer Senior Rate Analyst Senior Research Project Consultant Security Analyst Senior System Administrator Senior Technology Team Leader Vegetation Management Specialist Senior	650	\$75,558	\$90,319	\$105,080
Certified System Operator* Data Warehouse Analyst Senior Database Administrator Senior Electric Distribution Engineer Electric Systems Engineer Environmental Engineer Oracle Engineered System Administrator Project Scheduler Senior Security Team Leader Technology Project Leader Senior Water Wastewater Engineer	660	\$83,836	\$99,921	\$116,005

Corporate Applications Specialist				
Data Warehouse Specialist				
Enterprise Architect	670	\$93,598	\$111,564	\$129,530
Technology Systems Specialist				

*Note: CSO minimum rate is \$43.59

PEA Job Index		
OCC Code	Job Title	Pay Grade
1004	Accountant	610
1005	Accountant Senior	630
1006	Accounts Payable Controls Analyst	630
2299	Application Analyst Senior	650
2298	Applications Analyst	640
2297	Applications Analyst Associate	620
2224	Associate Engineer	630
2237	Associate System Operator	640
2270	Business Analyst	630
2229	Certified System Operator	660
2345	Communications Analyst	640
2344	Communications Analyst Associate	620
2346	Communications Analyst Senior	650
2418	Communications Technician	610
2419	Communications Technician Senior	630
2306	Construction Specialist	640
3700	Contracts Associate	610
2355	Corporate Applications Specialist	670
2342	Data Warehouse Analyst	640
2341	Data Warehouse Analyst Associate	620
2343	Data Warehouse Analyst Senior	660
2005	Data Warehouse Specialist	670
2001	Database Administrator	640
2410	Database Administrator Senior	660
2228	Electric Distribution Engineer	660
2230	Electric Systems Engineer	660
2423	Enterprise Architect	670
2234	Environmental Engineer	660
2221	Environmental Scientist	620
2223	Environmental Scientist Senior	640
2220	Environmental Technician	610
2219	Forester	640
2160	Fuels Administrator	630
2161	Fuels Administrator Senior	650

2412	IT Services Technician	600
2413	IT Services Technician Senior	620
2284	Market Research Analyst Senior	650
2348	Network Administrator	640
2347	Network Administrator Associate	620
2349	Network Administrator Senior	650
2097	Operations Analyst	630
2159	Operations Analyst Senior	640
2420	Oracle Engineered System Administrator	660
1054	Physical Security Analyst	630
1049	Physical Security Specialist	650
2312	Predictive Maintenance Analyst	640
2210	Project Administrator Asst Construction	620
2211	Project Administrator Construction	640
2212	Project Administrator Senior Construction	650
2304	Project Cost Specialist	630
2303	Project Cost Specialist Senior	650
2302	Project Scheduler	640
2300	Project Scheduler Senior	660
2003	Purchasing Agent Senior	640
2235	Quality Assurance LIMS Officer	630
2236	Quality Assurance LIMS Officer Senior	650
2296	Rate Analyst	630
2294	Rate Analyst Senior	650
2340	Research Project Consultant	650
2046	Risk Management Technician	600
2043	Safety & Health Specialist	630
2351	Security Analyst	630
2352	Security Analyst Senior	650
2353	Security Team Leader	660
2225	Staff Engineer	640
2415	System Administrator	640
2414	System Administrator Associate	620
2416	System Administrator Senior	650
2421	Technology Project Leader	640
2422	Technology Project Leader Senior	660
2427	Technology Systems Specialist	670
2350	Technology Team Leader	650
2217	Vegetation Management Associate	610
2219	Vegetation Management Specialist	640

2218	Vegetation Management Specialist Senior	650
2232	Water Wastewater Engineer	660

EXHIBIT B

SAFETY SENSITIVE POSITIONS DEFINITIONS AND KEY	
ABBREVIATION DEFINITION	
HANDLES HAZARDOUS MATERIALS OR EQUIPMENT (INCLUDING GUNS & OTHER SAFETY EQUIPMENT	TRANSPORTS, MIXES, HANDLES, USES, HAZARDOUS MATERIALS OR IS RESPONSIBLE FOR EQUIPMENT CARRYING CURRENT, FLUID OR GAS THAT COULD ENDANGER THE PUBLIC OR EMPLOYEES.
CDL LICENSE	OPERATES CDL CLASSIFIED VEHICLES
SUPERVISES CHILDREN	SUPERVISES CHILDREN OR IS RESPONSIBLE FOR THE SECURITY OF CHILDREN
OPERATES/DIRECTS LARGE EQUIPMENT	OPERATES/DIRECTS LARGE TRUCKS AND/OR CONSTRUCTION EQUIPMENT
HAZARDOUS EQUIPMENT/CONDITIONS	PERFORMS HAZARDOUS/PERILOUS WORK, AND/OR WORKS WHERE THE INDIVIDUAL MAY CAUSE HARM TO HIMSELF OR OTHERS.
GUARDS SAFETY OF WORKERS AND/OR PUBLIC	GUARDS THE SAFETY OF CO-WORKERS AND/OR PUBLIC
STORE ILLEGAL SUBSTANCES	HANDLES, FILES AND/OR STORES ILLEGAL SUBSTANCES.
EMERGENCY RESPONSE REQUIRED	RESPONDS UNDER EMERGENCY CONDITIONS.
SPECIAL LICENSE	THE EXISTENCE OF A SPECIAL LICENSE REQUIREMENT MAY BE USED FOR THE PURPOSE OF SUPPORTING A SAFETY-SENSITIVE DESIGNATION BUT SHALL NOT BE SUFFICIENT IN AND OF ITSELF TO REQUIRE A SAFETY-SENSITIVE DESIGNATION.

EXHIBIT C

PEA PAY PLAN
EFFECTIVE for EVALUATION PERIOD OF OCTOBER 1, ~~2016-2019~~ – SEPTEMBER 30, ~~2019~~2022

Principal Elements

1. The effective date of the performance payout will be: for (a) FY ~~2016-2019~~ - October ~~13, 2016~~2019, (b) for FY ~~2017~~2020 - October ~~2-1, 2017~~2020, and (c) for FY ~~2018~~2021 - Oct. 1, ~~2018~~2021
2. The performance payout will be payable on the 2nd full pay period after the City Council approves the PEA contract.
3. An employee who receives an ETS of 70 or higher may be eligible to receive a performance pay increase.
4. Performance pay increases to eligible individuals will be applied first to the base pay until the maximum of the pay range is reached with the remainder paid as a one-time lump sum payment.
5. ~~The performance salary pool is the sum the base pay of all PEA employees on the payroll on the pay period preceding ratification.~~

For 3.0% Salary Pool Per Year					
Performance Score:	100.0-94.0	93.99-84.0	83.99-75.0	74.9-70.0	< 70.0
% Increase	4.0%	3.25%	2.5%	1.5%	0%

Definitions

“ETS” is an individual person’s evaluation total score.

“Performance Pay Increase” is the additional pay the individual may receive in annual base pay and/or the amount received as a lump sum. Does not include Companywide incentive pay, nor longevity pay.

~~“Performance Salary Pool” is the sum of the base pay (as of pay period 26 of the previous fiscal year).~~

“Base Salary” is the annual base pay salary of an individual PEA member.

Performance Measurement

Performance will be measured in two areas, Technical and Operational, and Developmental/Behavioral. Principal importance is placed on the technical factors (the individual’s actual work as defined in specific job factors). To be eligible to receive a performance pay increase, the individual must have an Evaluation Total Score (ETS) of at least 70.

Technical and Operational

The weighting factor for Technical and Operational evaluation is 80. Each job factor shall be assigned a weighting according to its importance. Total available weighting shall be 100.

Scoring on each job factor:

- Exceeds Standard (ES) = 100% of designated points
- Meets Standard (MS) = 85% of designated points
- Mostly Meets Standard = 75% of designated points
- Some Improvement Needed = 65% of designated points
- Significantly Less Than 50% of Standard = 0% of designated points

*Written explanation and developmental plan are required for any job factors that are rated below “meets standard”

Developmental/Behavioral

The points for Developmental/Behavioral evaluation shall be 20. Score is determined by rating two required factors and two elective factors. Rating Scales: 5 Exceeds; 4 Meets; 2 Below

Example:	Factor	Score
	Safety (Required)	5
	Customer Satisfaction (Required)	4
	Teamwork (Elective)	4
	Communication (Elective)	2
	Total	15

Developmental/Behavioral Score Total Points= 15

Example Evaluation Total Score (ETS)

ETS Score

Technical 69.6
Developmental 15.0
ETS = 84.6

Exhibit D

PEA Grievance Form

Instructions: Send completed form (requesting a delivery and read receipt via Message Options) to your Director, copying ~~Manager-Director~~ of Labor Relations, your Manager, the PEA grievance Coordinator and the PEA President.

Name:

Date Submitted:

Director:

Cost Center:

Date Action Grieved Occurred:

Contract Articles and Sections Grieved (list all appropriate):

Explanation of Grievance (State Facts, How did it violate Agreement):

Acceptable Remedy:

Grievant Signature

Director Receipt

Step 1 _____

Step 2 _____

Arbitration:

Date Resolved:

Resolution:

EXHIBIT E

THIS EMPLOYEE PROTECTION AND RETENTION PROGRAM AGREEMENT (this “Agreement”) is made effective as of the [] day of [], 2019, by and between JEA, a body politic and corporate under the laws of the State of Florida and an independent agency of the Consolidated City of Jacksonville (“JEA”), and [Name] (the “Employee”).

RECITALS:

WHEREAS, all JEA employees perform valuable services for the customers and citizens they serve;

WHEREAS, JEA provides a work environment which emphasizes safety and a positive culture;

WHEREAS, JEA operates in a rapidly evolving business climate to provide energy, water and wastewater utility services;

WHEREAS, the Board approves of JEA exploring strategic options to ensure that it continues to serve its customers and citizens in a cost-effective and reliable way;

WHEREAS, JEA desires to recognize the past and continued service of its employees;

WHEREAS, in recognition of the Employee obtaining performance standards that shall be individually determined and evaluated based on the Employee’s proportionate contribution to JEA, JEA desires to award the Employee a retention payment subject to, and conditioned upon, the occurrence of a Recapitalization Event on the terms and conditions set forth herein; and

WHEREAS, all full-time employees who are actively employed with JEA on **July 23, 2019** are eligible to receive a retention payment.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, JEA and the Employee agree as follows:

1. Certain Definitions. As used in this Agreement, the following terms shall have the meanings given to them in this Section 1. Certain other terms are defined elsewhere in this Agreement.

(a) “Applicable Law” means any constitution, law, statute, ordinance, rule, regulation, regulatory requirement, code, order, judgment, injunction or decree enacted, issued, promulgated, enforced or entered by a federal, state, provincial or local government or other political subdivision thereof, any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of any such government or political subdivision.

(b) “Board” means the Board of Directors of JEA.

(c) "Cause" means (x) in the case where the Employee has an employment agreement, consulting agreement or similar agreement in effect with JEA at the time of grant of the Retention Payment that defines a termination for "cause" (or words of like import), "cause" as defined in such agreement or (y) in the case where the Employee does not have an employment agreement, consulting agreement or similar agreement in effect with JEA at the time of grant of the Retention Payment or where there is such an agreement but it does not define "cause" (or words of like import):

(i) the Employee has been convicted of, pled guilty or no contest to or entered into a plea agreement with respect to, (A) any felony under Applicable Law or (B) any crime involving dishonesty or moral turpitude;

(ii) the Employee has engaged in (A) any willful misconduct or gross negligence or (B) any act of dishonesty, violence or threat of violence, in each case with respect to this clause (B), that would reasonably be expected to result in a material injury to the JEA Group;

(iii) the Employee willfully fails to perform the Employee's duties to the JEA Group and/or willfully fails to comply with lawful directives of the Board;

(iv) the Employee materially breaches any term of any contract to which the Employee and any member of the JEA Group is a party; or

(v) the Employee materially breaches any term of this Agreement;

provided that, with respect to clauses (iii), (iv) and (v) and if the event giving rise to the claim of Cause is curable, JEA provides written notice to the Employee of the event within thirty (30) days of JEA learning of the occurrence of such event, and such Cause event remains uncured fifteen (15) days after JEA has provided such written notice; provided further that any termination of the Employee's employment for "Cause" with respect to clause (iii), (iv) or (v) occurs no later than thirty (30) days following the expiration of such cure period.

Notwithstanding the foregoing, to the extent that this definition of "Cause" is inconsistent with an applicable definition of "cause" (or words of like import) in any applicable and lawful collective bargaining agreement or the applicable and lawful Civil Service and Personnel Rules and Regulations of the City of Jacksonville (the "Civil Service Rules"), the definition of "cause" (or words of like import) in such collective bargaining agreement or the Civil Service Rules shall control.

(d) Section Reserved.

(e) "Code" means the Internal Revenue Code of 1986, as amended, and the rules, regulations and guidance issued thereunder.

(f) "Confidential Information" means information not generally known, not released

pursuant to Chapter 119, Florida Statutes, or not available outside the JEA Group and information entrusted to the JEA Group in confidence by third parties, including, without limitation, all technical data, trade secrets, research, product or service ideas or plans, software code and designs, developments, processes, formulas, techniques, biological materials, mask works, designs and drawings, hardware configuration information, information relating to employees and other service providers of the JEA Group (including, but not limited to, their names, contact information, jobs, compensation and expertise), information relating to suppliers and customers, information relating to lenders, price lists, pricing methodologies, cost data, market share data, marketing plans, licenses, contract information, business plans, financial forecasts, historical financial data, budgets or other business information. Notwithstanding the foregoing, JEA recognizes the applicability of Chapter 119, Florida Statutes.

(g) “Disability” means (i) if JEA provides long-term disability insurance to its employees generally and if JEA’s long-term disability plan defines the term “disability,” then the same meaning as in JEA’s long-term disability plan or (ii) if JEA does not provide long-term disability insurance to its employees generally, a condition that renders the Employee unable to engage in substantial gainful activity by reason of any medically determinable physical or mental impairment as determined by JEA’s absence management vendor; provided, however, that JEA’s absence management vendor has no obligation to investigate whether Disability exists unless the Employee or representative thereof puts JEA on notice within ninety (90) days after the Employee’s termination of employment.

(h) “Involuntary Termination” means, with respect to the Employee, (i) a termination of the Employee’s employment by any member of the JEA Group without Cause, (ii) a termination due to such Employee’s death or Disability, or (iii) subject to approval by the Board, a requirement that Employee relocate their regular work location outside of a 75 mile radius (as measured from the JEA Tower, 21 West Church St., Jacksonville).

(i) “JEA Group” means JEA and its affiliates, assigns, subsidiaries and successors.

(j) “Recapitalization Event” means the closing and funding of a transaction or a series of related transactions in accordance with Article 21 of the Charter of the City of Jacksonville and any other Applicable Law that results in either (i) unencumbered cash proceeds to the City of Jacksonville of at least Three Billion Dollars (\$3,000,000,000) or (ii) at least fifty percent (50%) of the net depreciated property, plant and equipment value of either JEA’s electric system or JEA’s water and wastewater system being transferred, assigned, sold or otherwise disposed of. The “Closing Date” of a Recapitalization Event shall be the date of closing of a transaction that results in either of the above two contingencies occurring, or in the case of a series of related transactions, the date of a closing of a transaction that, when combined with other prior transactions in the series, results in either of the above two contingencies.

(k) “Retention Period” means, respectively, a two (2)-year period following the Recapitalization Event as follows: (i) with respect to the first Payment Installment, the period from July 23, 2019 through the Closing Date; (ii) with respect to the second Payment Installment,

the period from the Closing Date through the first anniversary of the Closing Date; and (iii) with respect to the third Payment Installment, the period from the first anniversary of the Closing Date through the second anniversary of the Closing Date.

2. Agreement to Provide Retention Payment. Subject to the terms of this Agreement (including the conditions set forth below), the Employee shall be entitled to receive a cash payment in the aggregate amount of _____ which is 100% of the Employee’s annual base salary that was in effect on July 23, 2019) (the “Retention Payment”). The Retention Payment shall vest in three (3) equal installments (each, a “Payment Installment”) on the Closing Date, the first anniversary of the Closing Date and the second anniversary of the Closing Date (each such date, a “Vesting Date”). The Payment Installments shall be paid to the Employee as soon as reasonably practicable after each applicable Vesting Date, but in any event no later than thirty (30) days after the applicable Vesting Date. For the avoidance of doubt, in no event shall the Employee be entitled to receive any amounts in excess of the Retention Payment under this Agreement.

3. Conditions to Receipt of the Retention Payment. The Employee’s right to receive the Retention Payment is conditioned on his or her execution of this Agreement and all of the following: (a) the Recapitalization Event occurring no later than December 31, 2021; (b) the Employee’s continuous employment with any member of the JEA Group during the Retention Period (except as set forth herein), other than an Involuntary Termination as defined above; (c) the Employee’s execution and non-revocation of a release of claims in favor of the JEA Group and the City of Jacksonville (“Release”) in a form reasonably satisfactory to JEA; (d) the Employee’s compliance with the covenants set forth in Section 6; and (e) satisfaction of the conditions of applicable law. If the Employee breaches or threatens to breach any of the covenants in Section 6, JEA shall not pay the Employee the Retention Payment (to the extent unpaid) and/or the Employee shall be required to promptly repay all or any portion of the Retention Payment previously paid to the Employee, as applicable. Within sixty (60) days prior to the anticipated Closing Date, JEA shall deliver the Release to the Employee and, to the extent required by Applicable Law, the Employee shall have twenty-one (21) or forty-five (45) days from the date the Release is delivered to the Employee to review the Release and an additional seven (7) days to revoke the Release. The Employee must have executed an irrevocable Release prior to the Closing Date to receive any portion of the Retention Payment.

4. Agreement to Provide Employee Protection. The terms of JEA Board Resolution 2019-07 are incorporated into this agreement, which such resolution requires that an invitation to negotiate or other competitive solicitation outcome must achieve, among other things, maintenance of substantially comparable employee compensation and benefits for three years. For three years following the Recapitalization Event, the Employee is guaranteed substantially comparable compensation and benefits in effect at the Closing Date (“Employee Protection Benefit”). In the event the Employee is Involuntarily Terminated as defined by Paragraph (h) before the end of the three year period, the Employee shall continue to receive the Employee Protection Benefit for the remainder of the three year period. The Employee Protection Benefit shall only apply to full-time JEA employees employed on the Closing Date, and any remedy for breach of this

provision shall only be against and recovered from a successor entity to JEA.

5. Involuntary Termination. Notwithstanding the provisions of Section 3(b), if the Employee ceases to be employed with any member of the JEA Group during a Retention Period due to an Involuntary Termination, the Employee shall be eligible to receive the entire amount of the Retention Payment (to the extent unpaid) and the Payment Installments shall vest on the applicable Vesting Dates. Any amount payable pursuant to this Section 5 shall be paid to the Employee at the same time as the Payment Installments (to the extent unpaid) would have been paid had there been no termination of employment.

6. Covenants. The Employee shall comply with the following covenants:

THIS SECTION 6 IS NOT INTENDED TO USURP THE EMPLOYEE'S RIGHTS, DUTIES OR RESPONSIBILITIES AS A CITIZEN OF THE STATE OF FLORIDA; HOWEVER, THIS SECTION 6 IS INCLUDED TO ENSURE THAT JEA AND ITS EMPLOYEES, AGENTS AND REPRESENTATIVES COMPLY WITH ITS AND THEIR CONFIDENTIALITY OBLIGATIONS UNDER APPLICABLE LAW, INCLUDING, BUT NOT LIMITED TO, LAWS GOVERNING THE DISCLOSURE OF MATERIAL NON-PUBLIC OR CONFIDENTIAL INFORMATION.

(a) Cooperation. While on duty, the Employee shall (i) devote best efforts to faithfully discharge his or her duties, obligations and responsibilities on behalf of the JEA Group as those duties, obligations and responsibilities have been performed in the past or as may be subsequently modified in writing by JEA and the Employee, (ii) provide full support and cooperation in the best interests of the JEA Group up to and including the Closing Date, (iii) throughout the course of the Employee's employment with the JEA Group and following the Closing Date and/or the Employee's separation of service with the JEA Group, if applicable, take no action that would be considered contrary to the best interests of the JEA Group, and (iv) devote best efforts to assist the JEA Group in maximizing its performance and finalizing the Recapitalization Event and any transition related thereto. Nothing contained herein shall be construed to prohibit the Employee from engaging in lawfully protected, concerted activity or speech protected by the First Amendment.

(b) Confidentiality.

(i) Protection of Information. The Employee acknowledges and agrees that the confidentiality provision contained in this Section 6(b) is essential to protect JEA's goodwill, its ability to diligently serve its customers, the value of JEA's business and assets and the investor relations that JEA has expended significant resources to develop. Subject to applicable limitations of Chapter 119 and Section 215.425(5), Florida Statutes, the Employee shall keep confidential this Agreement and its terms; provided that the Employee may provide this Agreement on a confidential basis to his or her legal counsel, accountant, and/or tax advisor. In addition, at all times during the Employee's relationship with the JEA Group and thereafter, the Employee agrees to hold in strictest confidence and not disclose Confidential Information to any individual, corporation,

partnership, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof, without prior written authorization from JEA, and not to use Confidential Information, except to perform the Employee's obligations to the JEA Group, until such Confidential Information becomes publicly and widely known and made generally available through no wrongful act of the Employee's or of others who were under confidentiality obligations as to the item or items involved. The Employee further agrees not to make any copies of Confidential Information, except as authorized in writing in advance by JEA.

(ii) Confidential Disclosure in Reporting Violations of Law or in Court Filings. The Employee acknowledges and JEA agrees that the Employee may disclose Confidential Information in confidence directly or indirectly to federal, state, or local government officials, including, but not limited to, the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law or regulation or making other disclosures that are protected under the whistleblower provisions of state or federal laws or regulations. The Employee may also disclose Confidential Information in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal. Nothing in this Agreement is intended to conflict with federal law protecting confidential disclosures of a trade secret to the government or in a court filing, 18 U.S.C. § 1833(b), or to create liability for disclosures of Confidential Information that are expressly allowed by 18 U.S.C. § 1833(b).

7. Tax Withholding. The JEA Group shall be entitled to make deductions from the Retention Payment in respect of any applicable income and employment tax, up to the maximum amount permitted by Applicable Law, subject to the JEA Group's normal withholding procedures.

8. Sections 409A and 457(f). This Agreement is intended to provide payments that are exempt from Sections 409A and 457(f) of the Code ("Code Sections 409A and 457(f)"), or alternatively that comply with Code Sections 409A and 457(f), and the terms of this Agreement shall be construed and administered in a manner that is exempt from or in compliance with Code Sections 409A and 457(f), as appropriate. Each payment is intended to be treated as one of a series of separate payments for purposes of Code Sections 409A and 457(f). Notwithstanding anything herein to the contrary, no amendment may be made to this Agreement if it would cause this Agreement or any payment hereunder not to be in compliance with Code Sections 409A and 457(f).

9. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of JEA and its successors and assigns, and the term "JEA" whenever used in this Agreement shall mean and include any such successors or assigns. Neither this Agreement nor any right or interest hereunder shall be assignable or transferable by the Employee or his or her beneficiaries or legal representatives, except by will or by the laws of descent and distribution. Notwithstanding the foregoing, in the event of the death of the Employee, payments that otherwise would have been made to the Employee shall instead be made to the Employee's

estate.

10. Governing Law. All questions concerning the construction, validity and interpretation of this Agreement shall be governed by the laws of the State of Florida, applicable to contracts to be executed and performed entirely therein, regardless of the laws of any other jurisdiction that might otherwise govern due to applicable conflicts of laws principles.

11. Arbitration. Except for suits seeking injunctive relief or specific performance or as otherwise prohibited by Applicable Law, the parties hereby agree that any dispute, controversy or claim arising out of, connected with and/or otherwise relating to this Agreement and the arbitrability of any controversy or claim relating hereto shall be finally settled by binding arbitration. The parties hereby knowingly and voluntarily waive any rights that they may have to a jury trial for any such disputes, controversies or claim. The parties agree to resolve any dispute arising out of this Agreement before the American Arbitration Association (the "AAA") in accordance with the AAA's then existing National Rules of Resolution of Employment Disputes. The arbitration shall be administered by the AAA and the hearing shall be conducted in Duval County in the State of Florida before a neutral arbitrator, who must have been admitted to the practice of law for at least the last ten (10) years (the "Arbitrator"). Each party further agrees to pay its or his own arbitration costs, attorneys' fees, and expenses, unless otherwise required by the AAA's then-existing arbitration rules. The Arbitrator shall issue an opinion within thirty (30) days of the final arbitration hearing and shall be authorized to award reasonable attorneys' fees to the prevailing party, which decision of the Arbitrator shall be final, conclusive, unappealable and binding on the parties. Subject to Applicable Law, the arbitration proceeding and any and all related awards, relief or findings shall be confidential, except that any arbitration award may be filed in a court of competent jurisdiction by either party for the purpose of enforcing the award. The Employee, if covered by any lawful collective bargaining agreement, shall be able to arbitrate such dispute per the rules set forth in the applicable collective bargaining agreement.

12. Entire Agreement; Modification. This Agreement contains the entire understanding and agreement between the parties relating to the Retention Payment and supersedes and replaces all prior agreements, understandings, discussions, negotiations and undertakings, whether written or oral, by or among the parties with respect thereto (none of which remain of any force or effect). This Agreement, including this Section 12, may be modified only by agreement in writing signed by both JEA and the Employee.

13. Counterparts. This Agreement may be executed in two (2) or more counterparts (including via facsimile or .pdf file), each of which shall be deemed an original, but all of which, when taken together, shall constitute one and the same instrument.

14. Waiver. Any failure of the Employee to comply with any of his or her obligations under this Agreement may be waived only in writing signed by JEA's Vice President of Human Resources (or his or her delegate). Any failure of JEA to comply with any of its obligations under this Agreement may be waived only in writing signed by the Employee. No waiver of any breach, failure, right or remedy contained in or granted by the provisions of this Agreement shall

constitute a continuing waiver of a subsequent or other breach, failure, right or remedy, unless the writing so specifies.

15. Survival. The provisions of this Agreement are intended to survive the Employee's termination of employment.

16. Severability. If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to Applicable Law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement shall continue in full force and effect.

17. Collective Bargaining; Civil Service Rules. If or as required, JEA shall collectively bargain this Agreement with unions representing covered bargaining unit employees of JEA. This Agreement shall not be interpreted to be inconsistent with the Civil Service Rules, as applicable.

18. Penalties. In the event that any payments under this Agreement to the Employee are subject to any excise tax, interest or penalties under the Code (the "Penalties"), the JEA Group shall pay to the Employee an amount equal to the full amount of the Penalties. Such payment is intended to place the Employee in the same economic position the Employee would have been in if the Penalties did not apply and shall be calculated in accordance with such intent. Notwithstanding anything to the contrary contained herein, the JEA Group shall not make the Employee economically whole for Penalties caused by, relating to or arising from the Employee's breach of this Agreement or the Employee's failure to comply with his or her obligations under Applicable Law.

19. Compliance with Applicable Law. No provision of this Agreement shall be deemed to violate Applicable Law and this Agreement shall be interpreted in accordance with this intent.

20. Right to Seek Legal Counsel. The Employee acknowledges that the Employee has the right to review this Agreement with legal counsel of the Employee's choosing before signing it and that he or she was encouraged and advised to consult with an attorney prior to signing it.

21. Determinations. All determinations regarding the Retention Payment, including the amount, if any, of any Payment Installment payable to the Employee, shall be made in accordance with the terms of this Agreement, and shall be final, conclusive and binding on all parties.

22. Section Headings. The section headings are included for convenience and are not intended to limit or affect the interpretation of this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date written below.

JEA

By _____

Name: Aaron F. Zahn

Title: Managing Director/CEO

EMPLOYEE

Name:

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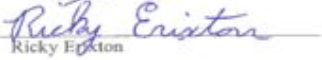
In Witness Whereof, we the negotiation teams for the Parties hereto set our hand on the _____ of _____, 2019

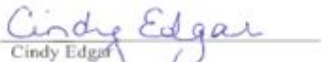
<u>For JEA</u>	<u>For Professional Employees Association (PEA)</u>

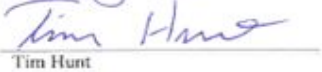
IN WITNESS WHEREOF, WE, the negotiation teams for the Parties hereto set our hand on the 13th of March, 2017.

For JEA:


Maria Salgueiro


Ricky Erickson


Cindy Edgar

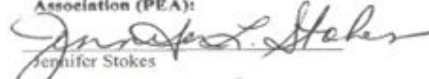

Tim Hunt


Todd Mackey


Tom Raith


Charna Flennoy

For the Professional Employees Association (PEA):


Jennifer Stokes



Randy Hilton


Felita Rackley


Jason Barber


Branden Robins


Eric Smithson


Eugene Thomas

Approved by the JEA Professional Employees' Association on this 13th day of March, 2017.


Randy Hilton
PEA President

Approved by the Jacksonville City Council on this _____ day of _____ 2017.

1 Introduced by the Council President at the request of JEA and
2 amended by the Committee of the Whole:

3
4
5 **ORDINANCE 2017-246-E**

6 AN ORDINANCE APPROVING THE COLLECTIVE
7 BARGAINING AGREEMENT BETWEEN JEA AND JEA
8 PROFESSIONAL EMPLOYEES ASSOCIATION, SUCH
9 AGREEMENT COMMENCING OCTOBER 1, 2016 AND
10 ENDING SEPTEMBER 30, 2019; PROVIDING AN
11 EFFECTIVE DATE.

12
13 **WHEREAS**, on March 21, 2017, the JEA Board met and reviewed
14 the agenda item regarding the Collective Bargaining Agreement
15 between JEA and the JEA Professional Employees Association, a copy
16 of the agenda item is attached hereto as **Exhibit 1**; and

17 **WHEREAS**, the JEA Board has requested that the City Council
18 approve the Collective Bargaining Agreement between JEA and the JEA
19 Professional Employees Association; now therefore

20 **BE IT ORDAINED** by the Council of the City of Jacksonville:

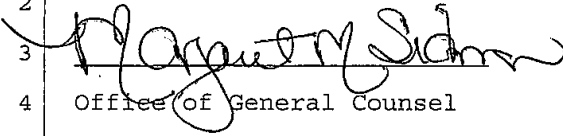
21 **Section 1. JEA and JEA Professional Employees Association**
22 **Collective Bargaining Agreement Approved.** That certain Collective
23 Bargaining Agreement Between JEA and JEA Professional Employees
24 Association, a copy of which is **Revised On File** with the
25 Legislative Services Division, and by this reference is made a part
26 hereof, is hereby approved. Said Collective Bargaining Agreement is
27 for a term commencing October 1, 2016 and ending September 30,
28 2019.

29 **Section 2. Effective Date.** This ordinance shall become
30 effective upon signature by the Mayor or upon becoming effective
31 without the Mayor's signature.

1 Form Approved:

2

3

A handwritten signature in black ink, appearing to read "Margaret M. Sidman", is written over a horizontal line. The signature is cursive and extends slightly above and below the line.

4 Office of General Counsel

5 Legislation Prepared By: Margaret M. Sidman

6 GC-#1120485-v1-2017-246-E.doc

7

ORDINANCE 2017-246-E

CERTIFICATE OF AUTHENTICATION

ENACTED BY THE COUNCIL

April 24, 2017

Lori Boyer

LORI BOYER
COUNCIL PRESIDENT

APR 25 2017

ATTEST:

APPROVED: _____

Cheryl L. Brown

DR. CHERYL L. BROWN
COUNCIL SECRETARY

Lenny Curry

LENNY CURRY, MAYOR



AGREEMENT BETWEEN



and



**INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS
LOCAL # 2358**

October 1, ~~2016~~2019 – September 30, ~~2019~~2022

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PREAMBLE

This Agreement is entered into on this First Day of October, ~~2016~~2019, by and between JEA and Local #2358, International Brotherhood of Electrical Workers, hereinafter referred to as the "Union". It is the intent and purpose of the parties hereto to promote and improve the efficient administration of JEA and the wellbeing of employees within the meaning of collective bargaining laws and regulations; to establish a basic understanding relative to matters affecting working conditions; to provide means for amicable discussion and adjustment of matters of mutual interest; and to implement mutually agreed upon rates of pay, wages, hours of employment and other terms and conditions of employment; to provide a procedure for the adjustment of grievances so as to promote orderly and peaceful relations between the JEA, its employees, and the Union.

During the term of this Collective Bargaining Agreement, it shall be binding upon the Union and JEA, their successors and assigns, and shall continue in full force and effect in the event of the sale or other transfer of the business covered by this Agreement. During the term of this Collective Bargaining Agreement JEA shall require the transferee to assume and adopt the terms and conditions of this Agreement and to recognize the Union as the sole bargaining agent for the employees covered by this Agreement. JEA agrees to make this a condition of the sale or other transfer of the business covered by this Collective Bargaining Agreement.

The parties agree that this Agreement shall be applied impartially to all employees in the Unit. Days- referenced in this Agreement shall be calendar days unless specifically stated otherwise. Gender- In applying the meaning of this Agreement, the masculine includes the feminine and neutral, and vice versa.

Now, therefore, the parties hereto agree as follows:

ARTICLE 1
RECOGNITION AND UNIT DETERMINATION

- 1.1** Pursuant to and in accordance with all applicable provisions of Chapter 447, Florida Statutes, JEA recognizes that the Union is the exclusive representative of all employees in the Unit as defined in Section 2 of this article as per Public Employee Relations Commission. The Union recognizes the responsibility of representing the interest of all employees in the Unit without discrimination and without regard to Union membership with respect to matters affecting their general working conditions, subject to the expressed limitations set forth in this Agreement.
- 1.2** The recognized Unit includes all classified employees who are employed by JEA, in the specific classifications included in Exhibit "A" found in the back of this Agreement. Specifically excluded are all managerial, supervisory, and confidential employees within the meaning of Section 447.203 (4) and (5), Florida Statutes, and employees included in the Units having exclusive recognition in accordance with Chapter 447, Florida Statutes.
- 1.3** Management will place an electronic copy of this Agreement on the JEA intranet site, which will include any associated amendments, Memorandums of Agreements or Memorandums of Understandings. Such posting of this Agreement will also serve the purpose of calling employees' attention to the fact that the Union has been recognized as the exclusive bargaining representative for all employees in the bargaining unit.
- 1.4** A copy of this Agreement shall be provided to all members of the bargaining unit in the following manner. When the Agreement has been ratified by all parties, the Agreement will be reproduced by JEA in a quantity sufficient for all work locations and bargaining unit members. The Union will reimburse JEA for one-half of the cost of reproduction. The Union shall be responsible for distributing the Agreement to all members of the bargaining unit.

ARTICLE 2
RIGHTS OF EMPLOYER

- 2.1** When making rules and regulations relating to personnel policies, procedures, practices and matters of working conditions wherein JEA has discretion, JEA shall not violate the obligations imposed by this Agreement, and Chapter 447, Florida Statutes.
- 2.2** a. Except as otherwise provided in this Agreement, JEA retains all the rights and functions of Management that it has by law. Without limiting the generality of the above statement, these rights include:
1. Direction and arrangement of working forces, including the right to suspend, discharge for cause, transfer, relieve employees from duty because of lack of work or other legitimate reasons.
 2. The determination of services to be rendered.
 3. The locations of the business activities including the establishment of new ones and the relocation and/or closing of old ones.
 4. The determination of financial policies including accounting procedures, as well as cost of services and customer relations.
 5. The determination of the Management organization of all activities.
 6. The right to take disciplinary action shall be the exclusive prerogative of Management.
 7. The maintenance of discipline and control and use of JEA property.
 8. The right to establish quality standards and judgment of workmanship required.
 9. The scheduling of operations and the number of shifts.
 10. The right to enforce rules and regulations in effect and which it may issue from time to time.
- b. It is further agreed that the above detailed enumerations of Management rights shall in no way be deemed to exclude any other Management prerogatives that may not have been specifically enumerated.
- c. The Union recognizes and agrees that JEA retains sole and exclusive rights to manage its affairs in all respects and as to all matters in connection with the exercise of such rights; and, specifically, that nothing

in this Agreement shall be construed as delegating to another, the authority conferred by law on any member or official of JEA, or in any way abridge or reduce such authority.

**ARTICLE 3
RIGHTS OF EMPLOYEES**

- 3.1** Each employee of the Unit has the right, freely and without fear of penalty, to join, and assist the Union or to refrain from such activity, and each employee shall be protected in the exercise of this right. It is the intent of this section to inform employees of their rights and to assure them that no interference, restraint, coercion, or discrimination will be permitted to encourage or discourage membership.
- 3.2** Employees when in a supervisory or managerial/confidential position shall not officially represent the Union, when his/her official assigned duties might result in a conflict of interest during working hours. Union officers and officially designated stewards may decline temporary upgrade or provisional appointments in order to avoid conflict of interest with official duties, without the fear of reprisal.
- 3.3** a. Any and all employees who are eligible for inclusion in the bargaining unit shall have the right to join or not to join the Union as they individually prefer. It is agreed that there shall be no discrimination for or against any employee because of membership in said organization and likewise, no employee shall be discriminated against for non-membership in the Union and neither the Union nor any employee shall attempt to intimidate or coerce any JEA employee into joining said organization. Management agrees not to discriminate or intimidate for or against the Union, its officers, or its members, for membership therein, or for any service that they may perform because of such membership or office provided such performance is not detrimental to the mutual interests of JEA and its employees.
- b. JEA will deduct regular Union dues from an employee's biweekly pay upon receipt of written authorization from that employee. JEA will remit such deduction to the Union within thirty (30) calendar days from the date of deduction. JEA may assess a charge not to exceed six (6) cents per deduction per payroll. The Union will notify JEA in writing thirty (30) calendar days prior to any change in its regular dues structure. An employee may revoke his/her authorization for dues deduction at any time by submitting written notice of such revocation to JEA Employee Services, with a copy to the Union. Such revocation will be processed by JEA upon receipt to become effective as soon as possible.
- 3.4** Nothing in this Agreement shall be construed to prevent any JEA employee from presenting at any time his/her own grievances in person or by legal counsel to JEA, and having such grievances adjusted without the intervention of the bargaining agent, if the adjustment is not inconsistent with the terms of the collective bargaining agreement, when in effect, and if the bargaining agent has

been given reasonable opportunity to be present at any meeting called for the resolution of such grievances.

- 3.5** An employee has the right to request union representation, if the employee has a subjective belief that questioning by JEA could lead to disciplinary action against the employee.

When an employee, who is entitled to union representation, requests union representation, JEA will postpone the questioning of the employee for a reasonable time to allow the appropriate union steward or other union representative to attend the meeting.

- 3.6** No official or representative of either JEA or of the Union shall interfere with, restrain, coerce, intimidate, or take reprisals against any employee for appearing, testifying, or furnishing evidence during any investigation or hearing procedure. Provided, however, that nothing herein shall prohibit JEA from taking disciplinary action against any employee for proper cause.

ARTICLE 4
RIGHTS OF THE UNION

- 4.1 The Union shall have the right and responsibility to present its views to JEA at the appropriate level as provided by this Agreement. If either party so requests, JEA and the Union agree to meet promptly in an effort to resolve the matter which created the concern, in accordance with Article 6 of this Agreement.
- 4.2 It is understood and agreed that the official spokesperson for said Union in any matters pertaining to this labor agreement shall be in the following sequence: the President, Vice President or designated alternate. Such designation shall be accomplished in writing or electronic mail to Labor Relations in advance of the absence except when an unforeseen emergency has rendered the President incapable of making any type of notification.
- 4.3 The official spokesperson for the Union shall have the right to visit any employees who are covered in the Unit at any work location, providing such visits are not detrimental to the efficient operations of the work being performed by the employees at any given time or place. Upon entering an area of a supervisor, he/she shall notify the supervisor of his/her presence and purpose.
- 4.4 There shall be no discrimination or intimidation against any employee because of the employee's membership or lack of membership in the Union except that the certified bargaining agent shall not be required to process grievances for employees who are not members of the organization. This shall not be construed as prohibiting the Union from pursuing a grievance requested by any member of the bargaining unit if the Union deems it appropriate to the interests of the members of said Unit.
- 4.5 Any items stipulated in Article 2.1, pertaining to matters covered by this Agreement, formulated after the effective date of this Agreement, shall not be implemented, except in emergencies, prior to notification to the Union, by copy of such items. If the Union wishes to discuss such items, a special meeting may be requested as outlined in Article 6.1.
- 4.6 JEA will send the Union, ~~upon request~~, a list of bargaining unit employees hired, retired, and terminated during the previous month. This report will be generated and distributed at the end of each month.
- 4.7 At new hire orientation JEA will provide to each new hire an orientation packet produced by the IBEW and approved in advance by JEA.

ARTICLE 5
THE AGREEMENT AND ITS RELATIONS TO LAW AND REGULATIONS

- 5.1** It is agreed and understood that the administration of all matters covered by this Agreement, JEA, the Union and the employees of the bargaining unit are governed by existing or future laws and regulations of the State and the City of Jacksonville, including provisions as set forth in Chapter 447, Part II, Florida Statutes.
- 5.2**
- a. JEA retains all rights, powers, functions, and authority it had prior to the signing of this Agreement, except as such rights, powers, functions, and authority are specifically relinquished or abridged in this Agreement in accordance with Section 447.309(3)(1), Florida Statutes.
 - b. All matters pertaining to terms and conditions of employment guaranteed by law to employees within the bargaining unit shall apply except as such matters are specifically abridged or modified by the terms of this Agreement in accordance with Section 447.309 (3)(1), Florida Statutes.
 - c. If the exercise of a management right or an alteration by JEA of the status quo has a collective impact upon established wages, hours, or other terms and conditions of employment of bargaining unit employees, JEA will engage in collective bargaining negotiations upon demand by the Union.
- 5.3** The Union and its officers, agree that during the life of this Agreement; that, they shall have no right to engage in any work stoppage, slowdown or strike, the consideration of such provision being the right to a resolution of disputed questions. JEA shall have the right to discharge or otherwise discipline any or all employees who violate the provisions of this paragraph.
- 5.4**
- a. Any recommended classification and/or organizational changes [including reallocation of position(s)] initiated by JEA which affect the bargaining unit will be presented in writing to the Union when the recommended changes have been drafted in a final form by JEA Employee Services.
 - b. JEA will notify the Union President in writing of any recommended classification and/or organizational changes, including the names of affected employees.
 - c. Employees shall communicate any comments on recommended classification and/or organizational changes to the Union and not directly to JEA.
 - d. The Union will be given fifteen (15) calendar days from the date the recommended changes are transmitted to the Union within which to respond and/or to notify JEA ~~and Development~~ that the Union intends to submit a written statement of its position on the recommended changes.

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- e. The Union will thereafter submit to the JEA a written statement of its position on the recommended changes, and will also provide a written statement that the Union has waived its time allowed under the Civil Service and Personnel Rules for responding to the recommended changes.
 - f. Unless extended by mutual agreement, the Union's written statement must be submitted to JEA not later than thirty (30) calendar days from the date the recommended changes are transmitted to the Union.
- 5.5** JEA and the Union agree that the reason for this Agreement is to provide a fair day's work in return for a fair day's pay and to provide conditions of employment suitable to maintain a competent, productive and efficient work force. JEA and the Union agree that all provisions of this Agreement shall be applied to all employees covered by it.
- 5.6** JEA will provide access to its Policies and Procedures ~~Manual~~, upon publication or revision.
- 5.7** Promotional Examinations. JEA shall post notices of scheduled promotional examinations at least ten (10) working days prior to the closing date for that examination (the close date for accepting application.) There shall be at least five (5) working days between the closing date (for accepting applications) and the date of the examination. Therefore, there shall be at least fifteen (15) working days between the announcement of the job and the date of the examinations. Permanent employees in the promotional eligible class (es) within the department shall have the opportunity to review a copy of their completed /graded examination questions and answers.

(1) If any provision of a collective bargaining agreement is in conflict with any law, ordinance, rule, or regulation over which the chief executive officer has no amendatory power, the chief executive officer shall submit to the appropriate governmental body having amendatory power a proposed amendment to such law, ordinance, rule, or regulation. Unless and until such amendment is enacted or adopted and becomes effective, the conflicting provision of the collective bargaining agreement shall not become effective.

ARTICLE 6
SPECIAL MEETINGS

- 6.1** JEA and the Union will meet and discuss matters of mutual interest applicable to this Agreement upon the written or electronic mail request of either party. The written or electronic mail request shall state the subject matter to be discussed, and the reason for requesting the meeting. Failure to provide either the subject matter or the reason for requesting the meeting shall automatically negate the request. Discussion shall be limited to the subject matter set forth in the request, and it is understood that the meeting shall not be used to renegotiate this Agreement. The meeting shall be held within ten (10) calendar days of the written or electronic mail request and at a time and place mutually agreeable to both parties. JEA and the Union shall have the right to recommend corrections to any problem pertaining to the subject matter under discussion. JEA or the Union will respond in writing to the other party concerning the matter(s) discussed within ten (10) calendar days of the meeting. Time limits to meet and /or respond may be extended by mutual agreement between JEA and the Union.
- 6.2** JEA agrees, in the interest of enhancing communications with the Union, to provide the President of the Union with a copy of the JEA Board Meeting Agenda prior to each regular meeting.
- ~~**6.3** When requested by JEA, specified representatives of the Union will be allowed time off without loss of pay from regularly scheduled work to attend meetings designated by JEA. However, in the event such meetings extend beyond the usual working hours, or are scheduled outside of regular working hours, no compensation shall be paid by JEA for time outside of regular working hours and working days. This provision is applicable to negotiating meetings as well as other designated meetings by JEA.~~

ARTICLE 7
UNION REPRESENTATION

- 7.1** a. The Union shall furnish Labor Relations, over the Seal of the Union, the names of all elected officers of the Union and any changes thereto.
- b. The President of the Union shall furnish JEA, in writing and shall maintain on a current basis, the names and assignments of all stewards/alternates. A copy will be furnished to each affected Vice President, Director, Manager, and Labor Relations. Stewards will not be allowed to function as such until the above written notification is received.
- 7.2** Commensurate with the provisions of this Agreement recognized Union Representatives shall be permitted to exercise their responsibility to advance the best interests of and to represent Unit employees. It is further agreed that no Union Representative shall be denied any right or privilege otherwise entitled to because of his/her serving as a Union Representative.
- 7.3** JEA shall recognize one (1) President and one (1) Vice-President so designated by the Union. The President, or in his/her absence, the designated alternate will serve as the official point of contact for all Union business pertaining to this Agreement between JEA and the Union.
- 7.4** JEA recognizes nineteen (19) Union stewards designated by the Union.
- Each steward will be selected from Unit employees of their respective assigned segments/ centers; however, exceptions may be considered on an individual basis when mutually agreed in writing; and only represent those Unit employees assigned to that specified segment/center to serve as alternate steward in the event of the absence of the chief assigned steward. It is understood that any reorganization in specified segments/ centers may require a change in number of stewards. The Union will be given advance notice in these cases in order to accomplish the change concurrently.
- 7.5** Union stewards shall be granted time off during working hours without loss of pay to investigate and settle grievances on the job site which is within their jurisdiction. Stewards must notify and secure approval of their immediate supervisor prior to performing such duty. The steward receiving time off under this provision shall have his/her time recorded before he/she leaves the job. Upon entering the area of a supervisor other than his/her own, he/she shall notify that supervisor of his/her presence and purpose. Stewards will only be granted time off under this provision when they are requested by an employee in the bargaining unit to assist him/her in his/her grievance. Stewards may receive and discuss grievances of employees on the premises or in the field during working hours, but only to such extent as does not neglect, retard, or interfere with the work or duties of other employees. In such circumstances, Management will provide a time for the employee(s) to submit his/her grievance within the provisions of this

Agreement. It is acknowledged that only one (1) steward will need to work on specific grievances from an employee in the bargaining unit. A Union officer may substitute for a Union steward for all purposes set forth in this paragraph.

- 7.6 JEA will recognize the stewards duly authorized by the Union. All work centers of the Unit will be divided into sections by mutual agreement between JEA and the Union. In case of multiple shift operations within a section, any steward assigned to that section even though on another shift, may represent the employees of either shift and shall do so without wage cost to JEA because of his/her activities as a steward on a shift other than his/her own.
- 7.7 No compensation shall be made for steward's activities in representation of employees when such activities require the ~~steward's presence~~steward to work during presence during shifts other than his/her normal shift.
- 7.8
- a. Each employee may, by written authorization, contribute one (1) hour or more of his/her accrued vacation/annual/personal leave time toward a pool of time to be used for official Union business.
 - b. JEA agrees to provide one thousand nine hundred eighty-four (1,984) non-cumulative hours to a pool on the first of each contract year for use only by the President; however, when the President is on leave, another Union official designated by the President may use the hours in the one thousand nine hundred eighty-four (1,984) hour pool, provided that the total use of the pool does not exceed one thousand nine hundred eighty-four (1,984) hours.
 - c. The Union shall request the use of this time, by submitting a written request to the appropriate manager, at least two (2) working days in advance, unless the advance notice is waived by the manager, and provided the employee's absence will not interfere with system operations. The approved original of the "Request for Pool Time Withdrawal" form shall be forwarded to Labor Relations for accounting purposes. The number of employees who may be off at any one time shall be limited to three (3) unless waived by Labor Relations for Union training or seminars sponsored by the International or Union itself.
 - d. Use of such pool time by the Union shall only be authorized by the official Union spokesperson.

7.9 When requested by JEA, specified representatives of the Union will be allowed time off without loss of pay from regularly scheduled work to attend meetings designated by JEA. However, in the event such meetings extend beyond the usual working hours, or are scheduled outside of regular working hours, compensation shall be paid by JEA for time outside of regular working hours and working days. This provision excludes negotiations.

7.10 Negotiations

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- a. The Union will be allowed up to ten (10) negotiation team members to be released without loss of pay. These members will be allowed time off without loss of pay from regularly scheduled work to attend negotiation meetings. However, in the event such meetings extend beyond the usual working hours, or are scheduled outside of regular working hours, no compensation shall be paid by JEA for time outside of regular working hours and working days.
- b. JEA will provide ten (10) Union negotiation team members time off without loss of pay from regularly scheduled work to attend, up to three (3) working days or twenty-four (24) hours of negotiation prep meetings. However, in the event such meetings extend beyond the usual working hours, or are scheduled outside of regular working hours, no compensation shall be paid by JEA for time outside of regular working hours and working days.

**ARTICLE 8
HOURS OF WORK AND OVERTIME**

8.1 For accounting purposes, the standard workweek for all employees shall be from 0000 Monday through 2400 Sunday.

8.2 Employees who ~~report late for work~~ are tardy without providing advanced notice to their immediate supervisor or without adequate explanation for their failure to give notice in advance or without proper cause may be sent home without pay. For purposes of this paragraph “~~late for work~~tardy” means not at the designated work area / job station fully ready to perform one’s duties.

Each department, section, area, or team shall formulate a set of rules governing reporting time and attendance requirements. The department, section, area, or team shall consider input and comments from the union when formulating or amending the rules.

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8.3 Annual leave, ~~vacation leave, sick leave,~~ personal leave, annual military training leave, union pool time, leave while on the active payroll due to an on-the-job injury, authorized paid leave (excluding Parental Leave), holiday pay, and paid rest periods shall be construed as time worked.

The parties agree that “holiday pay” only applies when an observed holiday falls on an employee’s normally scheduled shift and the employee does not work the holiday – those hours are to be considered “time worked” for the purpose of calculating overtime.

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8.4 This article shall define and describe the hours of work of bargaining unit employees.

a. **Shift Employees:**

1. **Eight Hour Shift**

The standard work week shall be eight (8) hours for any twenty-four (24) hour period and that normally result in forty (40) hours per work week or at least eighty (80) hour equivalent pay bi-weekly. Days and shifts of work shall be scheduled consecutively without alteration during the shift or work week. The Employer may alter a shift for the purpose of staffing, if a shift is demonstrated by the Employer to be understaffed to the point that additional personnel are required to work the shift to avoid suspension of production.

2. **Twelve Hour Shift**

The work schedule shall consist of twelve (12) hours for any twenty-four (24) hour period and that normally result in forty (40) hours per work week or at least eighty (80) hour equivalent pay bi-weekly. Days and shifts of work shall be scheduled consecutively

without alteration during the shift or work week. The Employer may alter a shift for the purpose of staffing, if the shift is demonstrated by the Employer to be understaffed to the point where additional personnel are required to work the shift to avoid suspension of production.

b. **Non-shift Employees:**

1. **Eight Hour Work Schedule**

The regular work schedule shall consist of five (5) eight (8) hour work days, Monday through Friday.

2. **Ten Hour Day Work Schedule**

The ten hour work day shall consist of four (4) ten (10) hour work days, Monday through Friday. If the schedule does not include four (4) consecutive work days, then the schedule will be rotated through the crews/employees on a regular basis. Volunteers and special employee situations will be considered.

3. **Extended Work Week Schedule**

In those activities requiring work schedules other than the regular eight (8) hour work schedule, the eight (8) hour shift schedule, the ten-hour-day work schedule or the twelve-hour shift schedule, the work schedule shall consist of forty (40) hours week or at least eighty (80) hour equivalent pay bi-weekly and may begin on any day of the week.

No employee assigned to this extended work week shall be required to work any hours in excess of twelve (12) hours in any twenty-four hour period as part of the regular schedule work day. The twenty-four (24) hour period constitutes twenty-four (24) hours from the beginning of the employee's usual scheduled starting time

No employee assigned to this extended work week shall be scheduled for more than twelve (12) Saturdays and twelve (12) Sundays per fiscal year unless the employee volunteers.

Note: When employees in the Electric Transmission and Distribution areas are assigned to an extended work week schedule, it shall be during their "Standby" week, and shall include two (2) consecutive days off.

Note: Employees in the Meter Services Area assigned to an extended work week schedule shall not be scheduled on Sundays, but may be scheduled up to twenty-four (24) Saturdays.

Note: When employees are assigned to an extended work week schedule it shall include two (2) consecutive days off, unless otherwise mutually agreed upon.

JEA shall provide a sixty (60) calendar day advance notice of Saturday/Sunday workweeks to the affected employees and the Union in the form of a "draft" schedule, recognizing that on occasion, for things such as, but not limited to, new hires and other personnel movements could result in any given employee not receiving the advance notice.

c. **Assignment to Extended Work Week Schedules:**

Each Director or Manager shall, within each of his/her departments, sections, areas, or teams, and consistent with normal organizational alignment, formulate a set of rules governing the assignment of employees to Extended Work Week Schedules. These rules, so far as may be practicable and consistent with the efficient performance of work to be done, shall be reasonable and shall distribute assignments to Extended Work Week Schedules equally among the employees in their respective classifications normally performing the same types of work in each assigned plant, crew, or work area. The rules shall provide for rotation of Extended Work Week Schedules among all employees, and for the preference of volunteers over required scheduling. Any violation of the rules required by this provision shall be remedied in accordance with the provisions of the applicable rules. Any substantive amendments to the rules shall be furnished to the Union forty-five (45) calendar days prior to the intended date of implementation.

d. **Relief Employees**

1. A relief employee is defined as an employee who may work a shift or a non-shift schedule on relief. Relief employees are treated as shift employees for the purpose of other provisions in this Agreement provided, however, that any shift employee who has been assigned to a non-shift schedule for a period of at least one (1) week will observe holidays in the manner provided for non-shift employees (as set forth in Article 16.2a) for any holiday that occurs during the period of such assignment.

2. The normal/regular workweek for relief employees is scheduled in five (5) consecutive eight (8) hour days, Monday through Friday, or in four (4) consecutive ten (10) hour days, Monday through Thursday, or Tuesday through Friday. These hours, however, may be changed as needed to any combination of eight (8), ten (10), or twelve (12) consecutive hour days, Monday through Sunday, totaling at least eighty (80) hours biweekly pay for that biweekly pay period. (The Troubleshooter working relief pursuant to this section may also be included within the Extended Work Week Schedule referenced above)
3. A minimum of sixteen (16) hours' notice will normally be given for relief assignment outside an employee's normal/regular hours of work.
4. Changes in work schedule shall be rotated equally among relief employees as far as practicable and be consistent with the efficient performance of work to be done. If the relief employee has already worked forty (40) hours during the week and the need arises for additional employees to work, the overtime list and procedure will be followed. Approved leaves will be honored to the extent reasonably practicable when changing work schedules of relief employees.

e. **General Provisions:**

1. Should JEA determine to set work schedule assignments other than as provided above, the Union shall be given the opportunity to bargain the impact of the change. Except as provided by law, any proposed changes will not be implemented until negotiations are completed in accordance with Chapter 447, Part II, Florida Statutes.
2. Except as otherwise provided in this Agreement, twenty (20) hours' notice will be required before changing an employee's normal/regular work schedule. If notice of a schedule change is not given as provided herein, the first eight (8) hours worked under the new schedule will be paid at one and one-half (1 ½) times the employee's regular rate of pay. If the eight (8) hour work period extends into a time period where premium pay is normally paid, such as a holiday or after forty (40) hours in a workweek, premium pay will not be duplicated. Further with regard to any holiday, the ordering of an employee to work, work overtime, or take time off on that holiday, shall not be considered a change in work schedule.
3. All employees are required to work overtime when and as required. This may include requiring employees to remain on duty past their normal/regular workday and requiring employees to report early on overtime. Management shall give as much advance notice as possible, and no such request shall be unreasonably made.

4. Twenty (20) hours advance notice shall normally be given in the case of scheduled overtime which involves the performance of routine work on non-scheduled work days.
5. (a) In order to avoid overtime, Management may give up to four (4) or eight (8) hours' time off respectively to any shift employee scheduled to work either an eighty-four (84) or eighty-eight (88) hour biweekly schedule, whenever that employee is, in Management's discretion, not needed to maintain adequate operation. This, however, shall not result in a reduction below eighty (80) hours biweekly pay for that biweekly period. Whenever practicable, Management will honor the employee's preference of the hours to be taken off.
- (b) If a shift employee is notified before he/she reports to work that he/she will receive up to four (4) or eight (8) hours' time off pursuant to 5 (a) above, but is later notified that he/she will be required to work his/her normal schedule, that employee will earn a meal allowance.
6. Employees who are reassigned mid-schedule, either from a Tuesday through Saturday schedule to a Monday through Friday schedule, or vice versa, and are thereby required to work on their normal day off will earn overtime on that day.
7. Non-shift employees assigned to the Extended Work Week Schedule who want their assigned Extended Work Week off may find a volunteer who will switch schedules for that entire work week; provided that any such switch in schedules must be approved in advance by the manager, and that the employee who substitutes must be appropriately qualified, as determined by Management to perform the required work.

8. When an employee is called out and required to report to work two (2) hours or more before his/her scheduled starting time for that day and continues work into his/her regular shift, he/she will qualify for a meal break four (4) hours from the time he/she commenced work and additional meals at five (5) hour intervals.

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When an employee is required to work beyond his/her scheduled quitting time for two (2) hours or more, he/she shall be entitled to a meal break two (2) hours after his/her scheduled quitting time and at five (5) hour intervals thereafter if he/she continues to work.

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If an employee is called out to work unscheduled overtime for a period of more than four (4) consecutive hours and he/she is released prior to the starting time of his/her next regular work day, he/she will qualify for a meal break four (4) hours from the time he/she commenced work and at five (5) hour intervals thereafter, if he/she continues to work.

~~8. Every reasonable effort will be made to observe the employee's normal meal time. Normal meal times shall be considered as two~~

~~(2) hours before the scheduled starting time, four (4) hours after the scheduled starting time, and two (2) hours after the scheduled quitting time.~~

2. If an employee is required to work overtime on a scheduled day off in whole or in part, the employee will be reimbursed for direct cost forfeited due to cancellation of reservations, excess travel etc., provided action is taken by the employee to minimize the forfeited costs, the employee notifies the Manager of the conflict when overtime is scheduled, and further, that satisfactory documentation of the employee's payment of forfeited costs is furnished to Employer.
- b. It is the inherent nature of employment in the utility industry that employees will need to be contacted from time to time in order to determine their availability to work overtime during a system emergency. Any employee who cannot be regularly and frequently contacted may be subject to disciplinary action. Specific standards/requirements will be included in process/department/segment overtime procedures.
- c. Employees and/or crews shall be assigned in accordance with process/department/segment distribution of overtime lists on a daily or weekly basis.
- d. JEA recognizes that it may be inconvenient for individuals to work overtime and it will give due consideration to each request for relief from overtime work

8.6 PREMIUM PAY

- a. Overtime hours worked shall be paid at the following rates:
 1. ~~One~~ For those employees assigned to an eight hour work schedule, one and one-half (1 ½) times an employee rate of pay for all hours worked in excess of eight (8) hours per day, or forty (40) hours per week.

For those employees assigned to the ten (10) hour day, overtime shall commence after ten (10) hours daily or forty (40) hours per week.

Non Shift employees scheduled to work twelve (12) or more hours a day shall receive normal paid meal time. For those assigned to the twelve (12) hour day, overtime shall commence after twelve (12) hours daily or forty (40) hours per week. There will be no daily threshold for overtime in any week the employee has leave without pay.
 2. Two (2) times an employee's regular rate of pay for hours worked in excess of sixteen (16) hours in any twenty-four (24) hour period. An employee on double-time shall remain on double-time until released. Compensation for overtime shall be in cash.
 3. Compensation for overtime shall be in cash. However, an employee may elect to receive compensatory time, which shall be

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accrued at the applicable compensatory time rate of pay for each hour of overtime worked. Employees will be allowed to accrue up to two-hundred and forty (240) hours of compensatory time. However, JEA may pay off any amount of accrued compensatory time at any time, provided that any prior approved request for compensatory time off will continue to be honored. Accrued compensatory time will also be paid off at the employee's request.

b. Minimum pay for call out:

1. An employee who is called in to work outside of and not contiguous with his/her normally/regularly scheduled working hours shall be compensated for four (4) hours at the applicable overtime rate provided he/she reports to work at the designated time and place within sixty (60) minutes of being called. If the employee does not report to the designated location within sixty (60) minutes of being called, the employee shall be compensated for three (3) hours. If an employee is dispatched to more than one (1) job before the end of the basic three (3) or four (4) hour work period, no extra time will be allowed. Minimum time provided herein does not apply if an early call-in extends into the start of the employee's regular work period.
2. An employee who is authorized by management to do work from his/her house outside of and not contiguous with his/her normally/regularly scheduled work hours in lieu of reporting to work at the designated time and place shall be compensated for all such authorized time worked. The minimum amount to be paid under this provision for an employee performing authorized work while at his/her home is one (1) hour.
3. If an employee who is scheduled to report for overtime not contiguous with his/her normally/regularly scheduled working hours, and receives notice of cancellation less than seven (7) hours from his/her scheduled starting time, he/she shall be paid two (2) hours pay at the applicable overtime rate.

Scheduled

1. Minimum of 2 hours for scheduled overtime
 2. If an employee who is scheduled to report for his/her normally/regularly scheduled working hours, and receives notice of cancellation less than seven (7) hours from his/her scheduled starting time, he/she shall be paid (2) two hours normal rate of pay.
- c. Pay for call back before the end of the rest period. If an employee who has started a rest period, as provided for in section 8.10, is called back to work without completing his/her eight (8) hour rest period, he/she shall be compensated at the rate of two (2) times his/her regular rate of pay for all hours worked commencing from the time he/she reports back to work and ending when he/she is released for another eight (8) hour rest period.

- d. Premium payments shall not be duplicated for the same hours worked under any of the terms of this Agreement provided; however, the employee shall be paid at the highest rate of premium pay earned.
- 8.7**
- a. Each Director or Manager shall, within each of his/her process/department/segment, section, area special projects or schedules, formulate a set of rules governing the distribution of overtime consistent with the normal organizational alignment. These rules, so far as may be practicable and consistent with the efficient performance of work to be done, shall be reasonable and shall distribute the opportunity for overtime work equally among the employees in their respective classifications normally performing the same types of work in each assigned plant, crew, or work area. It is understood that the sharing of overtime shall not delay nor increase the JEA's cost of operation. Violation of the rules required by this Section 8.7 shall require two (2) hours compensation at one and one-half (1/2) times an employee's rate of pay.
 - b. Management agrees to notify the Union in writing at least thirty (30) calendar days before implementing changes in the rules.
 - c. When operational considerations preclude Management from providing the Union with the thirty (30) calendar days prior notice specified in b. above, the Union will be immediately notified of the intended implementation of the changes.
- 8.8** Each assigned work area shall keep its overtime record in hours, and each record shall be kept current on a biweekly basis. ~~A Upon request~~ request, a copy of this overtime record shall be furnished to the Union stewards in each respective area ~~on a quarterly basis~~. A copy shall be posted on bulletin boards biweekly.
- 8.9** Upon prior approval by the manager or designee, employees of the same classification working normally/regularly scheduled hours may exchange hours of work within the work week with one another provided no overtime or inconvenience is caused to JEA.
- 8.10**
- a. An employee who has worked sixteen (16) hours or more in a twenty four (24) hour period, without an eight (8) hour break, or eight (8) hours or more overtime in the sixteen (16) hour period immediately preceding his/her basic workday shall, upon release, be entitled to an eight (8) hour rest period before he/she returns to work.
 - b. If an employee is called back to work without completing his/her eight (8) hour rest period, he/she shall be compensated at the rate of two (2) times his/her regular rate of pay for all hours worked commencing from the time he/she reports back to work and ending when he/she is released for another eight (8) hour rest period.
 - c. If the rest period under the provisions of this Article extends into the basic workday, the employee shall lose no time thereby. If the employee's normal lunch break or part thereof occurs during the rest period, the normal lunch period or part thereof shall not be included as part of the eight (8) hour rest period. ~~* Overtime*~~ Overtime pay for these extended hours will be paid in accordance with the applicable overtime rate.

* Example:

If the rest period starts at 6 am and the normal lunch break is from 12 Noon to 1 pm, the employee will report to work at 3 pm

If the rest period starts at 5 am and the normal lunch break is from 1 pm to 2 pm, the employee will report to work at 2 pm

If the rest period starts at 4:30 a.m. and the normal lunch break is from 12 Noon to 1 pm, the employee will report to work at 1:30 pm

- d. Paid rest time shall be considered the same as time worked ~~time~~ for the purpose of determining when overtime starts in a workday.
- e. If the end of the employee's rest period occurs within two (2) hours of the end of the employee's basic workday, the employee's manager has sole discretion, not subject to grievance or arbitration, to release the employee without loss of pay for the remainder of the workday.

ARTICLE 9
GENERAL WORKING CONDITIONS

- 9.1** Employees shall not be required to work outdoors during severe weather unless such work is necessary to protect life or property, or to maintain pre-existing service to the public. The manager or his/her designee shall be responsible for observing this clause, monitoring weather conditions and ensuring that conditions do not present an imminent danger to the employee. Appropriate rain gear and other special equipment shall be provided for those employees who are usually required to work in wet weather. A sufficient supply shall be attempted to be kept on hand. Employees shall be compensated for any lost time during regular working hours on account of severe weather. It is acknowledged that JEA has the right to assign employees to duties not necessarily in their job classification during severe weather
- 9.2** JEA will continue to furnish initially, tools, equipment and secure storage as necessary for the job. The employee will exercise due caution in the care of the tools and equipment assigned to him/her, and exert every reasonable effort to prevent his/her tools and equipment from being lost or stolen. When, due to wear or breakage, a tool or piece of equipment is no longer safe in the judgment of his/her first level management personnel, the employee shall turn in the defective item to his/her first level management personnel for replacement. If an employee's hand tools are lost, stolen or damaged through negligence of the employee, it will be his/her responsibility to replace those tools.
- 9.3**
- a. All employees covered by this Agreement shall keep their manager informed in writing at all times of their home or living quarters address and a telephone number by which their emergency contact person_spouse and/or their next of kin may be reached in the event of a medical emergency. JEA shall be entitled to rely on the last address and telephone number furnished to it by an employee and JEA shall have no responsibility to the employee or his/her next of kin for the failure to receive any kind of notice. This information shall be regarded as personal and confidential and shall be used only for official JEA business within the provision of State Statutes.
 - b. All employees shall furnish a telephone number by which he/she may be reached immediately in the event of a system emergency. Failure to do so shall be grounds to prohibit subject employees from working planned overtime.
- 9.4** JEA, for proper cause, has the right to require any employee to undergo a medical and/or psychiatric examination by a JEA assigned physician at any time to ascertain whether or not an employee is physically and/or mentally capable of performing the duties required of his/her classification. This examination will be conducted on JEA time and at JEA expense. If the employee does not agree with the results of the medical and/or psychiatric examination, the employee has the

right to request a second opinion. If any employee requests a second opinion, the JEA shall provide the employee with a list of three physicians who may be consulted for a second opinion, and the employee shall select a physician from that list. The cost of obtaining the second opinion will be paid by the employee.

- 9.5** It is acknowledged that an employee's primary responsibility in respect to gainful employment should be JEA. No employee shall knowingly engage in any business or transaction or have a financial interest, direct or indirect, which is incompatible with the proper discharge of his/her official duties or would tend to impair his/her independence of judgment or action in the performance of his/her duties.
- 9.6** All formulated policies and procedures dealing with the lateral transfer of employees will be posted. Changes to policy and procedures will not be implemented prior to a discussion with the Union.
- 9.7**
- a. All personal protective equipment must be approved by JEA.
 - b. JEA shall provide one (1) pair of prescription safety eyeglasses and one (1) pair of prescription safety sunglasses to employees whose job duties require their use. JEA shall pay the fees for fitting such prescription safety eyeglasses and prescription safety sunglasses.
 - c. JEA shall replace or pay the cost of repairing an employee's prescription safety eyeglasses and prescription safety sunglasses, to include all fitting fees, issued by JEA, broken or damaged during the performance of his/her assigned duties, provided that such breakage or damage did not result from normal wear and tear, negligence or misuse on the part of the employee, or his/her failure to use proper eye protective equipment where provided by JEA.
 - d. JEA shall pay the cost of adding UV protection to JEA provided prescription safety eyeglasses and prescription safety sunglasses for employees who work outdoors.
 - e. JEA shall replace dentures or contact lenses, broken or damaged during the performance of his/her assigned duties provided such breakage did not result from normal wear and tear, negligence, misuse, or failure to use proper protective equipment where furnished by JEA.
 - f. JEA may, at its sole discretion, replace or repair personal items destroyed or damaged as a result of work related activities through no fault of the employee. In no event will the cost of such replacement or repair exceed \$300. This provision shall not be subject to grievance or arbitration.
- 9.8** When requested or required to use his/her privately owned vehicle on official business, an employee will be reimbursed at the rate stipulated in the Internal Revenue Service Regulations for all miles actually driven (but for no more than

the usual travel route) between assigned destinations. No reimbursement, however, will be paid for mileage to a work location when the employee is notified before the end of the workday or earlier to report to a different work location at the beginning of the employee's next workday.

The Union recognizes that employees may be assigned take home vehicles. As with all forms of JEA equipment, based on JEA's operational needs, JEA retains sole discretion to assign, rescind and otherwise manage vehicles. The Union recognizes that represented employees may be assigned take home vehicles based upon operational needs, and is subject to change from time to time as determined by JEA. Should a take home vehicle assignment be ended, the employee will be given 30 calendar day notice.

- 9.9** With their Director's prior approval, employees authorized to have a company-provided cell phone to perform JEA business may instead elect to use his/her personal cell / smart phone for such purposes. Employees who are approved for use of personal cell / smart phones will receive a \$50.00/month stipend. As it is a personal item, the Employee will remain solely responsible for data plan, repair/replacement and all other expenses related to their personal cell/ smart phone. With a 30 day notice the manager and/or the employee will have the opportunity to opt out.
- 9.10** During the term of this Agreement, JEA agrees to supply to the Union, at their written request, but not more than four (4) times a year, the following information pertaining to the members of the bargaining unit: employee name, employee number, date of birth, date of employment, current classification, date appointed to current classification, date of last salary increase excluding service raise, current monthly salary, mailing addresses on file and service raises. Information furnished will be subject to clerical corrections.
- 9.11 SAFETY SHOES**
- a. JEA will provide one (1) pair of safety shoes per fiscal year (October 1 to September 30) to each employee whose duties require their use.
 - b. Employees who are newly hired or who transfer for the first time into a job whose duties require safety shoes will be provided two pairs of safety shoes.
 - c. Management may issue additional pairs of safety shoes to employees whose job duties require their use if the employee's safety shoes are worn out as a result of regular use (not as a result of the employee's negligence). For purposes of this subsection, management has the sole discretion to determine whether to issue an additional pair of safety shoes, whether a pair of safety shoes is worn out, and whether the wear is the result of regular use.
 - d. Those employees who are provided safety shoes by the Employer are required to wear the safety shoes ~~while on duty~~ as required.

9.12 System or Limited Emergencies

The intent of this language is to define the existence of an emergency, the determination of when employees become “Essential” and “Non-Essential”, and the operational and pay guidelines for the JEA and IBEW 2358

1. Definitions

- A. Emergency- An unexpected situation or sudden occurrence of a serious and urgent nature that demands immediate action.
- B. System Emergency – All or the vast majority of employee’s in the company are affected by the emergency.
- C. Limited Emergency – The emergency only affects a portion of the company – one or more departments, but not all.
- D. Non-Essential Employees: Employees who are not required to be at work and are either: 1) released from duty (no Blue Sky or Storm Assignment) during some portion of the period of a declared emergency, or 2) who are on duty but not designated as Essential Employees (they are performing Blue Sky Assignments).
- E. Essential Employees – Employees who are designated as Essential Employees and are performing emergency related duties (Storm Assignment) during a declared emergency.
- F. Storm Riders – employees whose management has specifically designated as Essential Employees and pursuant to that are required to work and /or remain at a JEA designated facility during an event giving rise to a declared emergency. A storm rider is a subset of an Essential Employee.
- G. Storm Assignment – Work assignments being performed by an employee during the period their management has specifically designated them as being Essential Employees and altered their normal work schedule for the purpose of restoration after an event giving rise to a declared emergency.
- H. Blue Sky Assignment – Assignments normally performed by an employee that are not being performed for the purpose of restoration efforts as the result of a declared emergency.

Note 1: An individual employee may be designated either Essential or Non-Essential at different times during the full duration of a declared emergency (System or Limited Emergency). Example: during a major storm event, many employees will likely be

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deemed Non-Essential initially; but once the storm passes and JEA mobilizes its restoration efforts, those same employees may be deemed Essential.

Note 2: The designation of Essential or Non-Essential may be applied by management to some or all of a bargaining unit, geographical area or department (System or Limited Emergency). In Limited Emergencies these provisions related to designation of Essential and Non-Essential shall apply to the areas covered by the Limited designation, but other areas will continue to operate under “Blue Sky” parameters. Example: A Limited Emergency declared at Northside Generating Station requiring some employees to be designated Non-Essential and placed on administrative leave does not mean that employees downtown are thereby designated Essential.

Note 3: For the period(s) during which Essential Employees are so designated, they shall be deemed to be on a unique, stand-alone schedule – one inherently unpredictable due to the unique nature of each declared emergency and the requirements to achieve restoration, and progress made toward it once underway. Therefore, certain CBA provisions will not apply: rest period(s); schedule premium nights; schedule premium weekends; notice of shift change; vehicle assignment notice; standby pay; training / instructor supplement; daily overtime thresholds.

Holiday pay: If an Essential Employee is required to work on a day that would normally be recognized as a holiday under their normal schedule, in addition to the double-pay for time actually worked, they will receive the holiday pay (at regular rates) that they would normally have received if on Non-Essential status / normal work schedule.

Note 4: Transition back to Blue Sky duties. Upon being relieved of duty from Essential Employee status and having worked at least eight (8) consecutive hours, the employee will be entitled to a minimum eight (8) hour transition period before resuming Blue Sky duties. Should that transition period overlap what would have been their normal schedule, they will lose no (regular rate) pay thereby.

Note 5: Preparatory activities in anticipation of a declared emergency period (such as when a hurricane is approaching) or wind-down activities after a declared emergency period will be scheduled and compensated in accordance with the regular CBA provisions.

2. Declaration of System or Limited Emergency

The Managing Director of JEA, or designee, has the authority to declare either a system or limited emergency. In the event that the Managing Director or designee declares either type of an emergency, the provisions of this section take effect.

3. Non-Essential Employees

These employees are subject to the following:

- (1) Non-essential Employees may be released from duty and shall be granted administrative leave with pay for the balance of their normal schedule, and any

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additional days (or portions thereof) when they are not required by the Employer to report to work due to the emergency.

(2) Non-essential Employees who are already on previously approved leave with pay at the time of the emergency, or who are scheduled to take authorized leave with pay during the time of the emergency shall not be charged for the leave for that period of time when other Non-essential Employees are on administrative leave with pay as a result of the declared emergency.

(3) Non-essential Employees who are already on previously approved leave without pay at the time of the declared emergency, or who are scheduled to take authorized leave without pay during the time of the declared emergency shall not be paid for that period of time when other Non-essential Employees are on administrative leave with pay as a result of the declared emergency.

(4) If a scheduled holiday falls within the time that Non-essential Employees are on administrative leave with pay due to a declared emergency, the employees will be paid for the holiday, but will not receive any additional holiday leave or pay for that day.

(5) Non-essential Employees required to work for non-Blue Sky purposes will have their designation changed to an Essential Employee. Non-essential Employees required to return to work during a declared emergency to perform their regular "Blue Skies" job functions will remain in a non-essential status.

4. Essential Employees

These employees will be subject to the following:

(1) Essential Employees will be required by JEA to work during the declared emergency. Management may consider volunteers when possible.

(2) To the maximum extent possible, when the general population is being required to evacuate an area in anticipation of a hurricane, tropical storm, or similar circumstances where there is advance notice of a situation that is expected to create an emergency, JEA shall allow Essential Employees reasonable time, as determined by JEA, to return to their residence, secure the residence, and make plans for the safety of their family. To the extent that reasonable time falls during the employee's regular schedule, they will lose no time thereby. After allowing a reasonable time for such activities, as determined by JEA, Essential Employees shall be required to report back to work during the emergency.

(3) Essential Employees shall be compensated at the premium rate of two (2) times the rate of their regular pay for all time actually worked on Storm Assignment. In addition, these employees will be paid straight time hourly pay for the time that they would have been on administrative leave with pay if they had been designated a Non-essential Employee (i.e., any normally scheduled hours). The maximum amount payable under this provision is forty (40) hours per work week.

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and it only includes periods during which JEA has any Non-essential Employees relieved of duty, not when all Non-essential Employees are performing “Blue Skies Assignments”

(4) During an emergency, Essential Employees who are required to report for work will be provided with meals or meal vouchers.

5. Alteration of Annual, Vacation, or Personal Leave Schedules

JEA has the unilateral right to alter the Annual, Vacation, or Personal Leave schedule of any employee in declared emergencies. This right includes the right to require employees who are on leave at the time of the declared emergency to return to work. In such cases, JEA will reimburse the employee for any non-refundable expenses incurred as a result of the cancellation or alteration of the employee’s Annual, Vacation, or Personal Leave plans.

6. JEA Communications with Employees during the Emergency

Any employee who is released from work during a declared emergency is expected to resume his/her regular work schedule, or to assume their Storm Assignment if applicable, when directed to do so by JEA. In order to assist employees in determining when they are expected to return to work, JEA will take reasonable steps to keep employees advised about the status of JEA operations, including the dates and times that employees are expected to resume their regular work schedule. For example, JEA will release information to employees via the JEA voice mail or e-mail system, through use of employee pagers, through releases of information to news media, and any other appropriate means of communicating with employees. To the extent that an employee relies on information released via local news media to determine when he or she is expected to return to work, JEA employees are to follow instructions related to JEA, not those issued regarding City of Jacksonville employees.

9.12 — System or Limited Emergencies

- a. JEA employees may be sent to other utilities or organization to help assist restoring their essential services (e.g., electric, water, sewer). When employees are performing such mutual aid work for other utilities or organizations, they shall receive 2 (times) their normal rate of pay for all hours actually worked including travel time to and from the assisted organization.
- b. Each Director or Manager shall, within each of his/her process/department/segment, section, area formulate a set of rules governing Mutual Aid Work. These rules, so far as may be practical and consistent with the efficient performance of work to be done, shall be reasonable and shall distribute

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the opportunity for Mutual Aid Work equally among the employees in their respective classifications.

**ARTICLE 10
LEAVE USAGE**

10.1 LEAVE USAGE (GENERIC)

- a. Employees, when eligible and authorized, may use their annual, ~~vacation,~~ ~~sick~~ or personal leave upon written/-electronic application to their manager or designee. Approval shall be based upon the nature of the request in each instance. Extensions may be granted by the immediate manager or designee with the approval of the, Director or designee.
- b. Annual, ~~vacation-compensatory time~~ or personal leave will be charged against an employee's regular workday, and shall not be charged for absences on a prearranged overtime workday, unscheduled call-in overtime days or holidays.
- c. Annual, ~~sick~~, or personal leave may be taken for the illness of the employee, spouse, children/step-children, parents/step-parents, parents-in-law, grandparents, or other relatives who permanently reside with the employee.
- d. An employee will be allowed to charge seventy-two (72) hours of undocumented unscheduled annual or personal leave for illness, injury, or emergency concurrent or intermittent in the previous twelve (12) months. For purposes of commencing this seventy-two (72) hour count, employees will start with a "zero balance" upon ratification of ~~this~~ the 2013-2016 collective bargaining agreement. Thereafter documentation verifying the need for the unscheduled absence will be required for each unscheduled absence. The documentation can be a physician's certified statement, an invoice showing the date of service and nature of the problem, accident report, etc. In addition, JEA may require a statement whenever an employee's unscheduled absences demonstrate an abuse of this provision. An abuse of this provision may be demonstrated by a pattern of unscheduled absences or by specific instances of abuse. JEA will notify the employee prior to requiring a statement, whenever it feels that a pattern of unscheduled absence demonstrates a possible abuse of this provision.

Note: Undocumented unscheduled leave is any such unscheduled time off that is not accompanied by a statement documenting the need for the unscheduled absence.

Note: Under this provision, if an employee is absent more than one (1) day consecutively, then only the first day of absence shall be counted as unscheduled leave.

- e. Undocumented leave in excess of seventy-two (72) hours in the previous twelve (12) months shall be grounds for disciplinary action.
- f. Unauthorized and/or unscheduled leave without pay in excess of three (3) days in the previous twelve (12) months shall be grounds for dismissal.

Note: Unauthorized leave without pay is any time taken off without Management's approval.

Unscheduled leave is leave without prior request (acknowledged by the manager) of at least 24 hours or by the end of the employee's previous normal/regular workday, whichever is less. At management's sole discretion, the time requirement of at least 24 hours or by the end of the employee's previous normal/regular workday may be waived and request be considered scheduled leave.

- g.
 - 1. All non-shift employees are required to notify the appropriate designated individual as early as possible and no later than the start of his/her normal workday when he/she is unable to report for work because of illness, injury, or emergency. Shift employees shall notify the appropriate designated individual no later than one (1) hour prior to shift starting time when he/she is unable to report for work because of illness or injury. Employees failing to comply with this provision may not be allowed to charge their absence to annual, ~~sick~~, or personal leave and shall be recorded as absent without Management approval, unless notification could not be made due to an emergency.
 - 2. Notification may be accomplished by leaving a message on voice mail, provided that the message is followed by a personal telephone conversation with the appropriate designated individual within thirty (30) minutes after leaving the message on voice mail. Notification may be accomplished by a member of the employee's immediate family; provided, however, that the manager or designee may insist on speaking directly to the employee before approving the absence.
- h. Shift employees shall notify the appropriate manager or designee at least four (4) hours in advance of their intent to return to work following an illness or an injury; provided, however, employees on day shift will notify the appropriate manager or designee at least one (1) hour in advance. If an employee who fails to provide such advance notice reports to work and arrangements have already been made for a substitute, the returning employee may be sent home without pay for the work day, and that employee will not be allowed to charge the day's absence to annual, ~~sick~~, or personal leave.

- i. Annual, ~~sick~~, or personal leave for illness will not be granted for any sickness, injury, or disability arising from a felony level illegal act on the part of the employee.
- j. Absences for illness or emergency may be subject to investigation.
- k. Accrued annual or personal leave may be taken at any time when authorized. Leave of five (5) days or more must be requested at least five (5) working days in advance of the leave unless waived by the Vice President, Director, Manager or designee. Scheduling will be accomplished on a seniority basis in classification for the first request of five (5) or more consecutive working days, provided that the request is submitted prior to March 31st of each calendar year. Denial of requested leave must be substantiated on the basis that granting of such leave would be detrimental to the efficient operations of the system. Requests for accrued annual or personal leave usage of less than five (5) consecutive workdays must be submitted at least twenty-four (24) hours in advance unless the annual or personal leave is for illness or emergency.
- l.
 - 1. The minimum amount of annual, ~~vacation, sick~~ compensatory time, or personal leave to be taken and charged shall be in ~~one-half~~ (1/2)one tenth (1/10) hour increments.
 - 2. Employees on eight (8), ten (10), and/or twelve (12) hour day schedules shall be charged eight (8), ten (10), and/or twelve (12) hours leave respectively for a day off from work.
- m. If a legal holiday falls within a scheduled annual, vacation, or personal leave period, annual, vacation or personal leave shall not be charged for that day. When a scheduled overtime day, for rotating shift workers falls within a scheduled annual, vacation, or personal leave period, annual, vacation, or personal leave shall not be charged nor overtime paid for that day.
- n. An eligible employee who is out of work because of an on-the-job injury may use annual leave, ~~vacation/sick leave~~, or personal leave to remain on the payroll, under the conditions established in this section.
 - 1. In order to be eligible to use accrued leave for this purpose, the employee must meet all of the following eligibility requirements:
 - (a) The employee is away from work due to an on-the-job injury;
 - (b) The employee is either receiving worker's compensation payments or has exhausted all allowable periods of workers' compensation;

- (c) The employee provides the Employer with a written request to use his/her accrued leave to remain on the payroll.
2. When employees are eligible to use accrued leave for this purpose, the amount of annual leave, ~~vacation/sick leave~~, personal leave, or so charged shall be the minimum amount in ~~one-half~~one-tenth (1/10) of a hour increments to equal the difference between the employee's regular pay and the amount that the employee is receiving from workers' compensation and workers' compensation supplement.
 3. If the employee receives only partial salary or wage payment, the normal required employee pension contribution shall be deducted from the employee's partial salary or wage payment and the employee shall continue to receive full retirement credit for the period during which workers' compensation payments are received.
- o. Notwithstanding any other provisions of this Agreement, the Employer shall have the unilateral and ultimate right to alter annual leave, compensatory time, ~~vacation~~, or personal leave schedules for proper cause and/or emergencies that may occur. In such cases, the Employer will reimburse the employee for any non-refundable expenses incurred as a result of the cancellation or alteration of the employee's annual leave, compensatory time, ~~vacation~~, or personal leave plans.
- p. Applying for and Scheduling Leave
1. The Employer, in determining compensatory time, annual leave, ~~vacation~~, and personal leave schedules, will take into account the seniority and wishes of the employees as to time of vacation so far as the needs of the Employer will permit.
 2. All employees will submit an electronic/written tentative annual, vacation, and personal leave schedule requests to the Employer by March 31. Following receipt of written/electronic annual leave, compensatory time ~~vacation~~, and personal leave schedule requests, the Employer will schedule employees for the leave requests on the basis of seniority in classification or seniority in segment subject to operational considerations. The Employer will make the annual, vacation, and personal leave schedule available to employees for review.
 3. All requests for annual leave, compensatory time, ~~vacation~~, and personal leave, including changes to the annual leave, compensatory time, ~~vacation~~, and personal leave schedule established pursuant to subsection 2., that are submitted after

March 31 will be processed on a first come, first served basis, and are subject to operational considerations.

4. Nothing in this article shall require the Employer to grant an employee's request for annual ~~leave, compensatory time, vacation,~~ and personal leave when the granting of such a request would adversely impact the Employer's operations.

10.2 ANNUAL, PERSONAL AND RETIREMENT LEAVE USAGE

- a. In order to ensure the health and welfare of the employee, JEA and the Union encourage employees to take a minimum of ten (10) work days annual or personal leave per contract year. Employees are encouraged to retain eighty (80) hours in their annual or personal leave account in case of serious personal illness. Retaining less than eighty (80) hours shall not be grounds for denial of a leave request that does not exceed the employee's accrued annual or ~~personal-personal~~ leave balance.
- b. If an employee has exhausted all of the accrued, unused annual leave, and then said employee suffers an illness which requires time off, then said employee shall be allowed to use the credited retirement leave for the purpose of illness only.
- c. If an employee, due to an extended, continuous illness, requires eighty (80) hours or more for such illness, then such leave may at the employee's option be deducted from the retirement leave account of such employee.
- d. JEA shall permit an employee to defer up to the full value of the employee's annual leave, personal leave, and retirement leave accrued as of the time of the employee's retirement, but only to the extent permitted under Section 457 of the Internal Revenue Code (as amended from time to time), any regulations promulgated pursuant thereto, and the provisions of the deferred compensation plan under which an employee is a participant.

~~10.3 VACATION LEAVE USAGE~~

~~10.4 SICK LEAVE USAGE~~

Personal leave shall not be charged an employee for an absence due to an on-the-job injury until and unless the employee has exhausted the allowable period of Workers' Compensation leave and desires to use his/her personal leave for the benefit of remaining on the regular payroll. The amount of personal leave to be charged, for the purpose of maintaining the employee on regular pay status, shall be the minimum amount in hourly increments to equal the difference between Workers' Compensation payments and the employee's regular pay.

**ARTICLE 11
ANNUAL LEAVE**

11.1 This article shall apply to all permanent, probationary, and provisional employees of the following categories:

- a. Employees hired on or after October 1, 1968, and before October 1, 1989;
- b. Employees hired prior to October 1, 1968, but chose not to remain subject to former sick leave and terminal leave policies in April, 1969;
- c. Employees hired prior to October 1, 1968, who chose on or before September 30, 1978, to become subject to this provision.

11.2 a. Employees shall accrue annual leave with pay according to the following schedule on a biweekly basis:

<u>YEARS OF SERVICE</u>	<u>HOURS PER YEAR</u>
Upon completion of 0 months through 4 years.....	160
Upon completion of 4 years through 9 years	184
Upon completion of 9 years through 14 years	208
Upon completion of 14 years through 19 years	232
Upon completion of 19 years through 24 years	256
Upon completion of 24 years or more	280

- b. Annual leave will accrue biweekly to the credit of the employee at the rate stated above and shall be credited on the last day of the pay period. In order to receive full credit, the employee must work a full schedule or be on approved leave with pay. The accrual will be reduced pro rata for hours on leave without pay.
- c. The rate of accrual shall change to the higher rate on the anniversary day of employment.
- d. Annual leave shall be earned during the first year of employment.

11.3 Annual leave shall accrue to a maximum of 840 hours. Any accrual over that amount shall be paid for on an hourly basis. These payments shall be made as soon as practicable but no later than the second pay day in November each year. Eligible employees, in lieu of payments, may credit excess annual leave over 840 hours to his/her retirement leave account up to a maximum of 840 hours in that

account. To be eligible, an employee must have been hired prior to October 1, 1978 and remained continually employed since that date.

- 11.4** It is understood and agreed that employees represented by IBEW 2358 who qualify for and desire to sell back unused accrued leave will be required to complete the JEA form designating the hours of such unused accrued leave they desire to sell back to JEA. It is understood and agreed that this form shall be completed and returned by such employees to JEA's Payroll Department (T-6) no later than the end of the previous fiscal year. Such option is not available to an employee who would have less than eighty (80) hours annual leave remaining after such payments. Such payments will be made no later than the second payday in November and comply with such other requirements of the Internal Revenue Service as may then be in effect.
- 11.5** For the purpose of this Article, retirement is defined pursuant to Ordinance provisions of the pension program of the City. Vesting is considered as retirement.
- a. Retirement leave may be taken either immediately prior to the desired eligible retirement date, which leave may be used for the fulfillment of time service requirements, or retirement leave may be taken following fulfillment of time service requirements.
 - b. Employee on retirement leave shall be maintained on the regular payroll, thereby continuing to avail the employee of payroll deductions, pension contributions and insurance deductions.
 - c. Upon placement on retirement leave, such status shall be considered irrevocable.
 - d. While on retirement leave, an employee shall not accrue annual leave, but shall be eligible for legal holidays; and any general salary increases, but not performance/step increases.
 - e. At the employee's option, retirement leave may either be taken, or paid for in one lump sum on an hour-for-hour basis.
 - f. If an employee terminates prior to retirement as defined in the Annual Leave Ordinance, said employee shall be paid for any retirement leave credited, on the basis of one (1) hour's pay for every two (2) hours of said retirement leave credited.
- 11.6** Upon termination, which includes resignation and discharge not for cause, the employee shall be paid for all unused annual leave credits on an hour-for-hour basis. Employees, however, who are discharged for stealing, sabotage, or illegal possession or use of drugs, shall forfeit pay for their unused accrued annual leave earned during the contract year.

- 11.7** When an employee is placed on retirement leave, the lump sum payment for the annual leave shall be paid at the beginning of the retirement leave.
- 11.8**
- a. When an employee who has been on a leave of absence or light duty due to a disabling on-the-job injury is released by his/her treating physician(s) to return to work, the employee shall be returned to the same job if:
 - 1. The employee is capable of satisfactorily performing the job.
 - 2. The employee would have retained the job had he/she not been injured.
 - 3. The job still exists.
 - b. When an employee who has been on a leave of absence or light duty due to a disabling on-the-job injury is released by his/her treating physician(s) to return to work, but the employee is not physically or mentally capable of performing his/her former job, JEA shall place the employee in a comparable job for which the employee is qualified provided there is an opening. If there is no opening, the employee shall be offered the best available job for which he/she is qualified, if necessary, reclassifying the employee to a lower classification. The employee shall be considered for any job openings for which the employee is qualified that occur within one (1) year after the employee has been reclassified to the lower classification. Refusal on the part of the employee to accept a job for which he/she is qualified and able to perform may be considered a resignation.

ARTICLE 12
~~{OPEN ARTICLE}~~

RECAPITALIZATION EVENT

For purposes of this Article, if a “Recapitalization Event” occurs, it is defined as:

Recapitalization Event” means the closing and funding of a transaction or a series of related transactions in accordance with Article 21 of the Charter of the City of Jacksonville and any other Applicable Law that results in either (i) unencumbered cash proceeds to the City of Jacksonville of at least Three Billion Dollars (\$3,000,000,000) or (ii) at least fifty percent (50%) of the net depreciated property, plant and equipment value of either JEA’s electric system or JEA’s water and wastewater system being transferred, assigned, sold or otherwise disposed of.

The effective date of a Recapitalization Event shall be the date of closing of a transaction that results in either of the above two contingencies occurring, or in the case of a series of related transactions, the date of a closing of a transaction that, when combined with other prior transactions in the series, results in either of the above two contingencies.

In the event of a Recapitalization Event, the terms of this Article will apply; conflicting provisions of this Agreement, (if any) will be superseded by the terms of this Article.

12.1 Pension

The parties understand and agree that Ordinance 2019-566 is currently being considered for enactment by COJ City Council. In the event of a Recapitalization Event, the parties agree that the retirement benefits and applicable timeframes shall be as described in the enacted ordinance, which is incorporated by reference as though fully set forth herein. It is recognized and agreed that the ordinance does not diminish any pension rights guaranteed under existing applicable law. Further, it is understood and agreed that in the event a Recapitalization Event occurs and there are conflicting provisions between the enacted ordinance and Article 17.4, the conflicting provisions of Article 17.4 shall no longer be applicable and will be superseded by this section. In the event that COJ City Council rejects Ordinance 2019-566, the Union agrees to negotiate with JEA on the topics covered by Ordinance 2019-566.

I. SUMMARY OF RECAPITALIZATION PENSION CHANGES

A. Employees Hired On or After October 1, 2017

Employees hired on or after October 1, 2017 – GEDC Plan. If still active employees on the date of the Recapitalization Event, they will be fully vested in their employer’s contributions and earnings credited up to the date of the Recapitalization Event.

B. Employees Hired Before October 1, 2017

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In summary, upon a Recapitalization Event, employees shall be provided additional service credits for base pension benefit accrual purposes, to reach the earliest normal retirement date (i.e., 5 years of service/age 65; 20 years of service/age 55; 30 years of service/under 55) that they would have reached had they continuously worked for JEA. Employees will be eligible to receive retirement benefits upon reaching the actual chronological age required by the earliest normal retirement date.

C. BACKDROP. Employees BACKDROP benefits under Chapter 120.214 do not change upon the occurrence of the Recapitalization Event. For example, an employee with 32 years of service credits at the Recapitalization Event may elect the same rights to BACKDROP benefits as they could have elected absent a Recapitalization Event.

D. In the event that any other bargaining unit representing JEA employees receives any greater pension benefits than JEA presently provides to the IBEW 2358 (i.e., through contract negotiations, settlement, impasse proceedings, or litigation), then IBEW 2358 shall receive the difference received by the other participating bargaining unit(s).

12.2 Employee Protection and Retention Program Agreement

Within two weeks of the Effective Date of this Agreement, JEA will offer bargaining unit employees who were employed with JEA as of July 23, 2019 the option to enter into a Employee Protection and Retention Program Agreement (“Retention Agreement”), the form and substance of which was agreed to by the Union and referenced in Exhibit E. The Retention Agreement shall be contingent upon the occurrence of a Recapitalization Event, and shall be binding upon any successor(s).

The Retention Payment specified in Exhibit E is only available to employees employed by JEA as of July 23, 2019. The benefits specified in Section 4 of Exhibit E are available to employees employed on or before the Closing Date of a Recapitalization Event.

JEA shall contractually require its successor to provide such guarantees to each eligible employee covered by this Agreement who was employed as of the Closing Date of a Recapitalization Event.

For purposes of this Agreement, and under the terms set forth in Exhibit E, JEA, as a condition of any Recapitalization Event, shall contractually require its successor to provide each employee covered by Exhibit E with the benefits set forth therein. Nothing in this section limits benefits otherwise available to employees hired after July 23, 2019.

In the event of a Recapitalization Event, and if there is a conflict between this section and Exhibit E, the terms of Exhibit E will control.

Upon the Union’s request, JEA shall provide the Union with written notice of the documents that provide this contractual obligation to JEA’s successor.

12.3 Disability Coverage

In the event of a Recapitalization Event, to bridge employees to the five (5) year minimum eligibility waiting period for Social Security Disability, employees will be provided a comparable disability insurance benefit up to five (5) years at no cost to the employee. Employees will be responsible for all applicable taxes related to disability benefit payments.

**ARTICLE 13
PERSONAL LEAVE (PLAN H)**

13.1 This article shall apply to all permanent, probationary, and provisional employees hired on or after October 1, 1989.

13.2 a. Employees shall accrue personal leave with pay for all straight time hours worked according to the following schedule on a biweekly basis:

<u>YEARS OF SERVICE</u>	<u>HOURS PER YEAR</u>
Upon completion of 0 months through 4 years	160
Upon completion of 4 years through 9 years	184
Upon completion of 9 years through 14 years	208
Upon completion of 14 years through 19 years	232
Upon completion of 19 years through 24 years	256
Upon completion of 24 years or more	280

b. Personal leave will accrue to the credit of the employee, at the rate stated above and shall be credited on the last day of the pay period. In order to receive full credit, the employee must work a full schedule or be on approved leave with pay. The accrual will be reduced pro rata for hours on leave without pay.

c. The rate of accrual shall change to the higher rate on the anniversary day of employment.

d. Personal leave shall be earned during the first year of employment.

13.3 a. Personal leave shall accrue up to a maximum of six hundred (600) hours. The employer will compensate the employee on an hour-for-hour basis for any accrued amount over (600) six hundred hours as of September 30th of each year. These payments will be made no later than the second pay day in November at the pay rate of September 30th.

b. It is understood and agreed that employees represented by IBEW 2358 who qualify for and desire to sell back unused accrued leave will be required to complete the JEA form designating the hours of such unused accrued leave they desire to sell back to JEA. It is understood and agreed that this form shall be completed and returned by such employees to JEA's Payroll Department (T-6) no later than the end of the previous fiscal year. Such option is not available to an employee who would have less than

eighty (80) hours annual leave remaining after such payments, and comply with such other requirements of the Internal Revenue Service as may then be in effect.

13.4 [OPEN]

13.5 a. Upon retirement (including vesting under the pension law) of an employee, said employee shall be paid for one-hundred percent (100%) of unused Personal Leave accrued on an hour for hour basis.

13.6 a. Upon termination of an employee for other than retirement, which includes resignation or discharge not for cause, the employee shall be paid for one-hundred percent (100%) of unused personal leave accrued on an hour for hour basis, in a lump sum.

b. Employees who are discharged for cause shall forfeit their unused Personal Leave accrued during the contract year.

13.7 a. When an employee who has been on a leave of absence or light duty due to a disabling on-the-job injury is released by his/her treating physician(s) to return to work, the employee shall be returned to the same job if:

1. The employee is capable of satisfactorily performing the job.

2. The employee would have retained the job had he/she not been injured.

3. The job still exists.

b. When an employee who has been on a leave of absence or light duty due to a disabling on-the-job injury is released by his/her treating physician(s) to return to work, but the employee is not physically or mentally capable of performing his/her former job, JEA shall place the employee in a comparable job for which the employee is qualified provided there is an opening. If there is no opening, the employee shall be offered the best available job for which he/she is qualified, if necessary reclassifying the employee to a lower classification. In that event, the employee shall be considered for any job openings for which the employee is qualified that occur within one (1) year after the employee has been reclassified to the lower classification. Refusal on the part of the employee to accept a job for which he/she is qualified and able to perform may be considered a resignation.

ARTICLE 14
MILITARY LEAVE

- 14.1** Related to employees' military service (present and past), there are Federal and State laws and regulations, as well as City of Jacksonville municipal ordinances, covering employer responsibilities to eligible employees; JEA will comply with all applicable laws, regulations and ordinances covering employees' military service.

ARTICLE 15
OTHER LEAVES OF ABSENCE

15.1 LEAVE OF ABSENCE WITH PAY

An employee may request a leave of absence not specified in other sections of this contract, of a specified duration, with pay, which shall be recommended by the Director and approved by the Vice President. An approved leave of absence with pay must be for a purpose which shall serve the best interests of the system and not just for the employee. A position must be available for the employee upon return from such leave of absence with pay.

15.2 LEAVE OF ABSENCE WITHOUT PAY

- a. A Director or Manager, upon the request of an employee may grant the employee a leave of absence without pay for personal reasons for a period not to exceed ten (10) workdays in any calendar year.
- b. Leave of absence without pay up to six (6) months deemed beneficial to the service of JEA may be granted subject to the approval of the Director, Employee Services.
- c. Leaves of absence over six (6) months may be granted subject to approval of a Vice President.
- d. If an employee is granted a leave of absence without pay, a position may or may not be available, at the discretion of the Vice President, Director, or Manager, upon the employee's return to service. Specific details concerning return to or reemployment conditions shall be included in the written request for approval and in the written approval to the employee.
 1. If a position is not made available, the employee's sole right is to be placed on the reemployment list in accordance with the Civil Service and Personnel Rules and Regulations.
 2. If a position is made available, the employee shall be returned to the same position or a different position in the same class and same work location upon termination of the approved leave of absence, unless the appointing authority and the employee agree in writing to other conditions and terms, consistent with the Civil Service and Personnel Rules and Regulations, under which such leave is to be granted.
- e. An employee who fails to return from a leave of absence will be deemed to have resigned.
- f. If an employee is granted a leave of absence without pay and the position is held for the employee upon his/her return to service, JEA will continue

to pay the life insurance and medical insurance premium normally paid by JEA which includes JEA's portion of the dependent medical insurance premium. The employee is responsible for the optional life insurance premium and the employee's portion of the dependent medical insurance premium.

- g. If an employee is granted a leave of absence without pay and the position is not held, the employee shall be required to pay the total cost of any insurance coverage the employee desires to continue in effect during such leave.
- h. All leave requested under this section which meets the criteria for leave under the Family and Medical Leave Act (FMLA) shall be documented as FMLA leave and shall be provided in accordance with the terms and conditions of the FMLA. Use of FMLA leave does not preclude additional leave which may be granted pursuant to this Article.
- i. Medical Leave of Absence. An employee may be granted a medical leave of absence without pay of up to six (6) months subject to approval of the Director, Employee Services. Medical leaves of absence over six (6) months may be granted subject to approval of a JEA Vice President. Employees seeking to take leave under this provision must submit documentation from a licensed physician indicating that the employee needs to be on a medical leave of absence, and the documentation should specify the amount of time of that the employee will be on the leave of absence (not to exceed six months). The documentation need not include any additional details about the medical reason for the leave of absence. All leave requested under Section 15.2.i shall be subject to the provisions of Section 15.2.d – h.

15.3 BEREAVEMENT LEAVE

- a. Upon notification of the death of a member of his/her immediate family, an employee shall be granted the day off, or (if at work) the remainder of the day off, without loss of pay, and shall be granted up to an additional three (3) work days within the next fourteen (14) calendar days off without loss of pay, as bereavement leave. When there are special circumstances an employee may request the fourteen (14) calendar day window can be extended. If such a request is needed the employee must make the request to his/her manager as soon as reasonably possible.

Should the employee be on vacation at the time of death, the three (3) working days that would normally be granted as bereavement leave shall be charged as bereavement leave instead of annual/vacation/personal leave.

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- b. For the purpose of this section, immediate family is defined as spouse, children, step-children, parents, step-parents, brothers, sisters, grandparents, grandchildren, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, aunts, uncles, nieces, nephews, legally appointed guardian, spouse's grandparents, and other relatives who permanently reside with the employee.
- c. An employee who is found to have deliberately misrepresented their relationship with a deceased individual shall be immediately terminated.

15.4 FUNERAL LEAVE

Employees may be granted up to four (4) hours without loss of pay as funeral leave to attend the funeral of an active or retired co-worker, unless such employee is required to maintain system integrity. This provision may be used for up to five funerals per year per employee.

15.5 JURY DUTY

An employee while serving on jury duty will be paid his/her salary for any scheduled work hours lost up to eight (8), ten (10) or twelve (12) hours dependent upon workday scheduled, and will not be required to forfeit any compensation received for jury services. If a shift employee receives notice of jury duty and notifies his/her Manager or designee on his/her next workday following the receipt of notice, he/she may at his/her request be rescheduled to the day shift during his/her period of jury duty. If an employee is released for jury services with four (4) or more hours remaining on his/her normal workday, he/she will be required to report to his/her work site on that workday. A statement from the appropriate Court Clerk's office in writing shall be required from the employee. The statement shall contain information as to dates and times; an employee's presence was required for jury duty.

15.6 WITNESS DUTY

If an employee is absent from work, in order to serve as a witness in a case in a court of law to which he/she is not a party, either directly or as a member of a class, and where such absence is in response to a legally valid subpoena and where such presence is in the interest of JEA, he/she shall be granted leave with pay for those hours for which he/she is absent from work during his/her regularly scheduled working hours, provided he/she submits evidence of such service as a witness.

Intent: The intent is that an employee who is subpoenaed in a case in the interest of or involving JEA, in his/her official capacity during normal working hours, shall not be required to charge annual leave.

15.7 VOTING

During elections, employees whose working hours do not permit a two (2) hour period to vote, may be granted sufficient time, without loss of pay, not to exceed two (2) hours, at the discretion of his/her Manager or designee, for the purpose of voting, providing the employee is registered and eligible to vote.

15.8 LEAVE DONATIONS ~~AND FORFEITURE~~

- a. Employees may ~~forfeit-donate~~ annual leave, vacation leave, personal leave, and retirement leave (but not sick leave or compensatory leave) to regular and temporary, full-time JEA employees who are critically ill, critically injured, or require an extended leave of absence for medical reasons including the need to attend to a family member who resides in the home of the employee. Employees may donate annual, ~~vacation~~, personal, and retirement leaves but not sick leave or compensatory leave, to the United Way.
- b. ~~Forfeitures-Donations~~ to critically ill or critically injured employees or employees who require an extended leave of absence for medical reasons shall be subject to the following requirements:
 1. The critically ill or critically injured employee and employees who require an extended medical leave of absence must submit a statement of need to the JEA Director, Employee Services or his/her designee. The employee who requires an extended medical leave of absence must include a physician's statement documenting the need for an extended medical leave of absence. The Director, Employee Services or his/her designee shall determine the employee's eligibility to receive leave donations in accordance with the provisions of this Section 15.8.
 2. ~~Forfeitures-Donations~~ may not be made in respect of an ordinary illness, but rather may be made only in respect of a serious or major illness, hospitalization of five (5) calendar days or more, or a medical leave of absence of ten (10) calendar days or more.
 3. The employee ~~forfeiting-donating~~ the leave must complete the appropriate form and submit it to the Employee Services.
 4. The employee receiving the ~~forfeited-donated~~ leave must have exhausted all other available leave, and may receive only enough donated leave to cover the period of the absence. Upon returning to work, the employee receiving the ~~forfeited-donated~~ leave may have a positive leave balance of up to ~~three (3)~~ five (5) working days as a result of any donation (s).
- c. Donations ~~or forfeitures~~ of leave under this Section 15.8 shall be accounted for according to the dollar value of the leave, to be determined

by multiplying the number of hours donated ~~or forfeited~~ by the hourly rate of the employee donating ~~or forfeiting~~ the leave.

**ARTICLE 16
HOLIDAYS**

16.1 Each employee covered by this Agreement shall be entitled to twelve (12) holidays with pay each year as follows:

New Year's Day	January 1
Martin Luther King, Jr.'s Birthday	3rd Monday in January
President's Day	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1st Monday in September
Veteran's Day	November 11
Thanksgiving Day	4th Thursday in November
Friday after Thanksgiving	4th Friday in November
Christmas Eve	December 24
Christmas Day	December 25
Personal Day	As mutually agreed upon

16.2

- a. For non-shift workers, when a holiday falls on Saturday, the Friday prior thereto shall be considered the holiday, and when a holiday falls on Sunday, the Monday following shall be considered a holiday. If either Christmas Eve or Christmas Day falls on a Saturday or Sunday, the provisions in the City of Jacksonville Ordinance Code shall apply. For those workers on a four (4), ten (10) hour day work week, when a holiday falls on a normal day off, the workday closest to the holiday but within the same calendar week as the holiday shall be considered the holiday. When the holiday falls on a normal day off that is midway between workdays, the next scheduled workday will be the holiday. When a holiday falls on a Saturday or Sunday for a non-shift employee, which is considered their regular scheduled work day, the holiday will be observed on that day.
- b. 1. Shift workers will observe all holidays on the dates they occur provided, however, that any shift employee who has been temporarily assigned to a non-shift schedule for a period of at least

- one (1) week will observe holidays in the manner provided for non-shift employees (as set forth in Article 16.2 a.) for any holiday that occurs during the period of such assignment.
2. An employee may not observe his or her Personal Day on the day upon which he or she observes another holiday.
 3. Employees scheduled to work the Extended Work Week Schedules shall observe the holiday on the day it occurs.
- c. Employees shall be compensated for holidays at their respective rates of pay for the number of hours they would have ordinarily worked on the holiday.
- d. 1. When an employee is required to work on a day observed as his/her holiday, he/she shall be compensated eight (8), ten (10), or twelve (12) hours straight time pay, dependent on work day assignment, as holiday pay. In addition, the employee shall receive one and one-half (1 1/2) times his/her straight time hourly rate for all hours worked up to eight (8), ten (10), or twelve (12) hours and two and one-half (2 1/2) times his/her straight time hourly rate for all hours worked on the holiday over eight (8), ten (10), or twelve (12) hours until released.
2. Whenever Christmas Day falls on Saturday or Sunday, and a non-shift worker is required to work that Saturday or Sunday but is not required to work the following Monday (the day observed as the holiday for a non-shift worker), the employee shall continue to earn holiday pay of eight (8), ten (10), or twelve (12) hours on that Monday, but shall earn two and one-half (2 1/2) times his/her straight time hourly rate for all hours worked on Saturday or Sunday until released. If the employee is required to work both Christmas Day and the following Monday, the employee will be paid according to the following schedule:
 - (a) One and one half times his/her straight time hourly rate on Christmas Day.
 - (b) Holiday pay plus one and one-half times his/her straight time hourly rate for eight (8), ten (10) or twelve (12) hours and two and one-half times his/her straight time hourly rate for all hours worked over eight (8), ten (10) or twelve (12) hours on Monday.

ARTICLE 17
INSURANCE AND BENEFITS

17.1 LIFE INSURANCE

JEA agrees to provide, at no expense to the employee, term life insurance coverage equal to the gross annual salary of the employee (rounded up to the nearest thousand increment). The employee, at his/her option and expense, may provide for term life insurance coverage, under the same policy, of up to three (3) times his/her annual salary, (rounded up to the nearest thousand increment), at the group rate.

17.2 MEDICAL INSURANCE

- a. JEA agrees to continue to provide employees with a basic medical insurance program under the JEA Group Plan at no cost to the employee. Coverage for the employee's dependents shall be an integral part of the Group Plan. JEA agrees to pay fifty per cent (50%) of the cost of the employee's dependent coverage.
- b. JEA shall provide the Union with notice of any change in the Group Plan or in the premiums for dependent coverage there under as soon in advance of the effective date as is reasonably possible.

17.3 ACCIDENTAL DEATH BENEFITS

- a. JEA shall provide accidental death benefits, at no expense to the employee, for all employees in hazardous duty, in the amount of \$250,000, payable to the beneficiary named by the employee or as otherwise provided, in the event an employee dies as a result of an accident occurring in the course of his/her employment with JEA. This payment shall be made within fourteen (14) calendar days after occurrence.
- b. In addition to the death benefit above, dependents of employees who are killed in the line of duty will be entitled to the benefits as stipulated in the Workers' Compensation Law.
- c. Nothing contained in this Article shall be construed to impose any liability on JEA over and above the responsibility placed upon said JEA by the laws of the State of Florida pertaining to Workers' Compensation, it being the specific understanding of the parties to this Agreement that said Workers' Compensation Laws govern the rights and benefits of the employees covered by this Agreement for on-the-job injuries.

17.4 Retirement Benefits

- a. [Note: For purposes of aiding understanding of the provisions that follow, pursuant to 2016-2019 contract negotiations the parties negotiated retirement benefit changes in the context of proposed reforms to the City of Jacksonville GEPP (General Employees' Pension Plan).] IBEW 2358 ~~agrees~~ agreed to the ~~proposed~~ closure (to new employees) of the GEPP, with new hires after the

effective date of October 1, 2017, being enrolled in a “DC plan” (defined contribution plan).

- b. Participants in that DC plan will make an eight percent (8%) contribution; JEA will make a twelve percent (12%) contribution.
- c. In the event any other bargaining unit participating in the DC Plan (e.g., AFSCME Council 79, LIUNA 630, CWA, the Jacksonville Supervisors Association, JEA Supervisors Association, LIUNA 630, AFSCME 429) receives any greater benefits than JEA provides to the IBEW 2358 (i.e., through contract negotiations, settlement, impasse proceedings, or litigation), then IBEW 2358 shall receive the difference between its DC Plan benefit and that received by the other participating bargaining unit(s).
- d. No benefits under the “DC Plan” shall decrease for all active, full time, enrolled unit employees
- e. JEA agrees to contribute to the employee’s pension program to the extent required by applicable laws pertaining to the employee’s contributory pension program.
- f. No benefits under the General Employee Pension Plan (“GEPP”), the City’s Defined Benefit retirement plan, shall decrease for all active, full time, enrolled unit employees, including but not limited to the DROP program, disability benefits, COLA increases, survivor benefits, and any other benefits as they exist as of the date of IBEW 2358’s ratification of this CBA.
- g. In the event any other bargaining unit participating in the General Employee Pension Plan (e.g., AFSCME Council 79, LIUNA 630, CWA, the Jacksonville Supervisors Association, JEA Supervisors Association, LIUNA 630, AFSCME 429) receives any greater pension benefits than JEA presently provides to the IBEW 2358 (i.e., through contract negotiations, settlement, impasse proceedings, or litigation), then IBEW 2358 shall receive the difference between its pension benefit and that received by the other participating bargaining unit(s).

17.5 TERMINAL BENEFITS

- a. Upon the death of an employee, payment for all accrued overtime, annual/~~vacation~~/retirement/personal leave, ~~sick leave~~, and other terminal leave benefits to which such employee would have been entitled to receive shall be made as follows:
 - 1. The benefits will be paid as set forth in the employee’s will.
 - 2. If the employee has not provided for distribution of the benefits in his/her will, then the benefits will be paid to the employee’s surviving spouse
 - 3. In the event the employee leaves no surviving spouse, the benefits will be paid to the employee’s children in equal shares, payable as follows:
 - (a) To each of the employee’s children over the age of 18 who are known to JEA.

- (b) To the legal guardian or representative of each of the employee's children under the age of 18 known to JEA.
 - 4. If the employee has no children known to JEA, then the benefits will be paid to the surviving parent(s) of the employee in equal shares.
 - 5. If the employee has no surviving parents known to JEA, then the benefits will be paid to the employee's estate.
 - b. Upon the death of an employee on-the-job, JEA will make an immediate payment of two (2) month's salary in addition to all the other terminal leave benefits in the sequence indicated in Section 17.5a above. For purposes of this section, two (2) month's salary shall be calculated by 1/12 times 2080 times 2 times the employee's hourly rate of pay at the time of death (1/12 x 2080 x 2 x hourly rate).
- 17.6** JEA agrees to provide a payroll deduction process that is to be available to employees in the bargaining unit for various employee insurance and benefit plans. These group plans shall be administered by an Agent of Record so designated by the Union. It is understood and agreed that JEA may assess a charge not to exceed six (6) cents per deduction per payroll. Further, it is agreed that JEA assumes no responsibility or liability to or for the Union's Agent of Record. Solicitation for these plans shall only be made during non-working hours.
- 17.7** As permitted by law, JEA will provide employees the option to use accrued Annual, ~~Vacation~~, Personal, and Retirement Leave time credits to fund their Deferred Compensation Program. ~~Employees will not be permitted to use Sick Leave account time credits to exercise this option.~~
 - a.
 - 1. The employee will be allowed, at his/her option, to sell accrued Annual, ~~Vacation~~, Personal and Retirement Leave time credits to the extent and in the manner allowed by law for the purpose of crediting the funds to the employee's Deferred Compensation account.
 - 2. Upon attaining time service that is within three (3) years of normal time service retirement, the employee will be allowed, at his/her option, to sell accrued Annual, ~~Vacation~~, Personal, and Retirement Leave time credits to the extent and in the manner allowed by law for the purpose of crediting the funds to the employee's Deferred Compensation account provided, however, in the year of retirement, employees will be limited to selling, at his/her option, accrued Annual, ~~Vacation~~, Personal, and Retirement Leave time credits to the extent and in the manner allowed by law for the purpose of crediting the funds to the employee's Deferred Compensation account.
 - b. This provision is subject to acceptance by the Plan providers of the City/JEA.
 - c. Employees who participate in this Annual, ~~Vacation~~, Personal, and Retirement Leave time credit sellback option shall not have less than eighty (80) hours in their Annual, ~~Vacation~~, and Personal Leave account

sellback. There is no minimum limit for the Retirement Leave account after exercising this option.

17.8 JEA and the Union recognize the importance of our employee's families and the value of time during the birth or adoption of a child. In this spirit, the JEA will offer a parental leave plan consisting of paid time off following the birth or adoption of a child. JEA has established a policy and procedure applicable to bargaining unit members to be effective January 1, 2020 defining the Parental Leave Plan.

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ARTICLE 18
ON THE JOB INJURY

- 18.1** a. Any permanent employee of JEA who is temporarily, totally disabled as a result of an injury received in the course of employment with JEA shall be entitled to compensation as provided in Workers' Compensation Laws of the State of Florida.
- b. The JEA Investigation Team, which shall include a Union Executive Board or designated member, shall investigate all recordable injuries to ascertain whether the employee complied with the provisions of rules, regulations, and policies; whether the injury was the result of negligence or carelessness; and whether the injury could have been avoided.
- c. JEA will pay a wage supplement for thirty (30) working days to any permanent employee who is temporarily totally disabled as a result of an injury received in the course of employment with JEA, if all of the following conditions are met:
1. The employee is entitled to receive and is receiving Workers' Compensation.
 2. The employee was not at fault regarding his injury. The JEA Investigation Team shall investigate all lost time injuries as provided in Article 18.1 b. Based upon its investigation, the Investigation Team shall make a recommendation to Management regarding whether the employee was at fault. JEA's exercise of its discretion under this section shall not be subject to arbitration.
- d. The wage supplement provided for in Section 18.1c shall be equal to ~~seventy-five~~**one hundred** percent (~~75~~**100**%) of the employee's regular straight time; wages, less any amount provided by Workers' Compensation.
- e. Compensation after thirty (30) working days will be contingent upon a qualified physician's biweekly diagnosis, and shall be at Management's sole discretion, not subject to arbitration.
- f. When an employee is off the payroll (not receiving JEA compensation) due to an on-the-job injury, JEA will continue to pay life insurance and medical insurance premiums normally paid by JEA, which includes JEA's portion of the dependent medical insurance premiums. The employee is responsible for the optional life insurance premium and his/her portion of the dependent medical insurance premium. The employee may elect to contribute to the pension fund amounts equal to the employee's pension contribution prior to the on-the-job injury.

- g. If an employee who is temporarily totally disabled due to an on-the-job injury receives partial wage payments from JEA, JEA will continue to pay the premium noted in paragraph f above. The optional life insurance premium and the employee's portion of the dependent medical insurance premium and pension contribution will be deducted from his/her partial wage payments.
- 18.2** Any provisional or probationary employee who is temporarily, totally disabled from the results of an injury received in the course of employment with JEA shall receive the benefits to which he/she is entitled under the Workers' Compensation Law of the State of Florida and such benefits above legal requirements as JEA may deem reasonable.
- 18.3** If an employee, due to an on-the-job injury, is temporarily partially disabled from performing the duties of his/her classification, the provisions of Article ~~11.711.8~~ or Article 13.7, as applicable, shall apply.
- 18.4** An employee, due to an on the job injury, is temporarily, totally disabled, will upon recommendation by the employee's Manager and approval by the employee's Director be placed on paid administrative leave for up to forty (40) hours during the first seven (7) calendar days the employee is unable to return to duty as a results of a qualified physician's determination. A Workers' compensation offset will be taken as a result of any paid administrative leave so as to prevent any overpayment of wages for which the employee received.

ARTICLE 19
SUPPLEMENTAL PAY

19.1 All full time employees of JEA, now or hereafter employed in the classifications listed in Exhibit "A" attached hereto, shall receive for each five (5) years of continuous service with JEA, computed from their respective dates of initial employment, an increase in salary of \$300 per year for every five (5) year period of continuous service. This increase shall be in addition to any general or special raises which may be granted from time to time. Three hundred dollars (\$300) shall be the maximum amount of service raise or increase payable for any five (5) year period.

19.2 STANDBY COMPENSATION

- a. Any employee who is required by JEA to be on standby duty will receive standby compensation as provided in this Article.
- b. For purpose of this Article, an employee is on standby if the employee has been directed to ~~carry a JEA furnished electronic paging device or~~ leave a telephone number so the employee can be reached, and the employee must be available to return to work within a reasonable time if called. Employees who merely carry electronic paging devices, but who are not required to be available to return to work within a reasonable time if called, are not on standby.
- c. ~~Upon ratification the standby rate of pay shall be thirty one (\$31) dollars per day. Effective October 1, 2017 the standby rate of pay shall be thirty two (\$32) dollars per day. Effective October 1, 2018 the standby Standby shall be paid at the rate of pay shall be thirty three (\$33) dollars per day. Standby pay shall be paid no later than the end of the first pay period after the pay period in which the standby pay is earned. The formula for the standard rate of Standby Compensation shall be the equivalent of one and one-half (1.5) times the employee's current base hourly rate of pay for each day the employee is on standby.~~
- d. Any employee who fails to comply with the provisions of Section 19.2 shall not be entitled to Standby Compensation for that day, and shall be subject to discipline.
- e. Employees may, with the approval of Management, arrange substitution of standby duty among themselves; provided the substitute is, in Management's judgment, at least as well qualified as the employee scheduled by Management.

19.3 Schedule Premium

- a. A two dollar (\$2.00) schedule premium shall be paid for all regular hours actually worked on any schedule after 18:00.and prior to 06:00 for work

days other than Saturday or Sunday (not including call-out, overtime or schedule premium of any type).

- b. A two dollar and fifty cents (\$2.50) schedule premium shall be paid for all regular hours actually worked on any schedule after 00:00 on Saturday and prior 24:00 on Saturday and/or after 00:00 on Sunday and prior to 24:00 on Sunday (not including call-out, overtime or schedule premium of any type).

19.4 UPGRADE PAY

- a. When an employee is qualified for and temporarily assigned by a supervisor or above to perform and accept the full duties and responsibility for work in a higher class of position, he/she shall normally receive an approximate five ~~(5)~~-per-cent (5%) pay differential for assuming those responsibilities. If this latter differential does not place the employee on a higher pay rate than the employee for whom the upgraded employee is responsible, then he/she shall receive a pay differential which shall place him/her at least an approximate five ~~(5)~~-per-cent (5%) over the subordinate employees.
- b. This assignment of additional responsibility must be for a period of at least two (2) hours, for employees to receive the upgrade pay for the duration of the time spent working in the higher classification.
- c. The senior, most qualified, and available employee on the same schedule, crew, or section shall be given first consideration for the upgrade assignment. Actual assignment will be based on the following criteria: is a senior employee in the classification; is the most qualified for the duties to be performed; and is available for such assignment.
- d. The provisions of this paragraph shall not apply to an employee who is performing the duties of a higher classification for the purpose of training and experience while under the direct supervision of a qualified employee.
- e. Apprentice and Trainee classifications shall not be eligible for upgrade work.

19.5 MEAL ALLOWANCE [OPEN ARTICLE]

19.6 CERTIFICATION

- a. JEA Management has the right to establish and eliminate certification programs for specific skills. The criteria for certification, and the classifications to which it will apply, are at the sole discretion of JEA. JEA, however, will consider all classifications in the JEA Apprenticeship Program for potential participation in the certification program.

- b. Certification pursuant to this article is a creation of the collective bargaining process and is solely governed by the terms of this collective bargaining agreement; therefore, the act of establishing or eliminating any certification program, any reduction in pay pursuant to this article, and any adjustment in pay grade or pay step pursuant to this article, shall not give rise to any rights under the Civil Service or the Civil Service and Personnel Rules and Regulations.
- c. All Electric Production journeymen in classifications selected for certification with six (6) months in grade will be eligible to be considered for certification. Vacancies will be posted for volunteers as they occur and selection will be made by a test. Journeymen who are selected will be moved to the next higher step up to and including step three (3) of the pay plan. Whenever any certified journeyman fails to maintain compliance with the standards required for certification, he/she will be returned to the next lower step of the pay plan.
- d. The Union shall from time to time provide recommendations to JEA on matters pertaining to the development of the certification program. JEA shall receive and consider the Union's recommendations.
- e. Certified employees will only be assigned work for which they have received adequate training and are qualified to perform.

19.7 INSTRUCTOR COMPENSATION SUPPLEMENT

- a. JEA Management has the right to establish an Instructor Compensation Supplement provision for employees who meet the minimum requirements as noted in Sections 19.7b1&2 below. The minimum requirements as noted in Sections 19.7b1&2 below, and the classifications to which it will apply, are at the sole discretion of JEA.
- b. To qualify for the Instructor Compensation Supplement, the employee shall meet the following minimum requirements:
 - 1. Assigned training duties are responsibilities for at least eight (8) consecutive hours.
 - 2. Assigned training duties and responsibilities that include classroom instruction.
- c. The Instructor Compensation Supplement shall be five per cent (5%) of the employee's base salary and shall be added to his/her base salary.
- d. The employee will receive the Instructor Compensation Supplement for the period of time he/she is assigned training duties and responsibilities, provided he/she meets the minimum requirements as noted in Sections 19.7b1&2 above.

- e. The Instructor Compensation Supplement shall be paid to the employee on the pay day at the end of the first full pay period after he/she meets the minimum requirements as noted in Sections 19.7b 1&2 above and shall be retroactive to the beginning of the time period during which the employee satisfied the minimum requirements.

19.8 JEA will reimburse the initial cost of the Commercial Driver's License to any employee who is required to possess the license in order to fulfill his/her job duties with JEA. In addition, JEA will reimburse one renewal every five years, or as otherwise required by law. An employee seeking reimbursement for the renewal of his/her Commercial Driver's License can verify that he or she has renewed the license by providing the employer with a copy of either the renewed license or a receipt for the cost of the renewal.

ARTICLE 20
ADMINISTRATION OF THE PAY PLAN

20.1 The rates of pay for the classifications in the Unit are shown in Exhibit "A" to this Agreement.

20.2 General Increase

Fiscal years run from October 1st through September 30th.

FY ~~16/17~~19/20: 4.53.5% increase to base pay effective October 1, ~~2016~~2019

[NOTE: FY ~~16/17~~19/20 increase to be paid retroactively]

FY ~~17/18~~20/21: 4.53.5% increase to base pay effective October 1, ~~2017~~2020

FY ~~18/19~~21/22: 4.53.5% increase to base pay effective October 1, ~~2018~~2021

~~2% increase to base concurrent with employee contribution to GEPP increasing to 10% (or otherwise matching the change in employee contribution, whether higher or lower)~~

If there is a Recapitalization Event, any remaining general increase shall be applied to each employee's rate of pay effective the Closing Date of the Recapitalization Event. For example, in the event a Recapitalization Event occurs and the Closing Date is July 2020, each employee shall receive an increase of an additional 7%.

In the event that any other bargaining unit, with the exception of PEA, representing JEA employees receives any greater general increase benefit than JEA presently provides to IBEW 2358 (i.e., through contract negotiations, settlement, impasse proceedings, or litigation), then IBEW 2358 shall receive the difference between its general increase benefit and those received by the other participating bargaining unit(s).

20.3 ENTRANCE SALARY RATES

Original appointments into the Civil Service system from an open eligible list into entrance level positions within this Agreement shall be made at the entrance rate as Step 1, and advancement from the entrance rate to the maximum rate within a salary range shall be by successive steps.

20.4 Should an employee return to duty in the classification after a separation from JEA of not more than six (6) months, which separation was not due to discreditable circumstances, such employee, upon recommendation of the Manager and approval of the Vice President, shall be placed at the same step within the pay range of the classification which he/she occupied prior to leaving the JEA.

- 20.5** In the event of the return to duty of an employee who left the classified service as a result of being inducted into the Armed Forces, the normal procedure shall be to place him/her in the step of the salary range of the previously held position, which he/she occupied prior to the military leave of absence in accordance with the provisions of Title 38, USC ss2021, effective December 3, 1974, and as may be amended from time to time and the provisions of the Civil Service Rules.
- 20.6** a. Whenever an employee is demoted to a position for which he/she is qualified, he/she shall receive the rate in the lower salary range which provides the smallest decrease in pay if the action is not for cause or any appropriate lower step in the range if the action is for cause. The employee shall not be eligible for a step raise for one (1) year after the demotion.
- b. Demotions to classifications not previously held will result in a reduction in pay of at least 5% or the maximum of the range, whichever causes the greater reduction. The employee shall not be eligible for a step raise for one (1) year after the demotion.
- 20.7** In any case where an employee is promoted to a class within the unit with a higher base maximum rate, the rate of pay upon promotion shall be the lowest step in the higher range that will provide an approximate increase of five (5) percent over the rate received immediately prior to the promotion, provided that the increase shall not exceed the maximum salary rate for the higher classification. Advancement to the maximum rate subsequent to promotion will be on the same basis as described below.
- 20.8** In the event of a reallocation of a position to a class which is at a higher salary level, the employee shall be paid at the same rate in his/her salary range or if no rate of the new range is the same, at the lowest rate of the new range which is above his/her former rate. In the event of a reclassification of a position which is at a lower salary range, the employee concerned shall be paid at the rate of pay for his/her classification.
- 20.9** Upon satisfactory completion of the probationary period after initial appointment or promotion, the entrance salary of the employee shall be advanced one (1) step in the salary range unless the entrance salary range is the maximum, in which case, there shall be no increase. For Journeyman classifications which have two steps, there shall be no end of probation increase.
- 20.10** After an employee receives his/her step increase upon completion of the probationary period, or promotion to the Journeyman class, he/she shall be granted step increases, except for unsatisfactory/below standard performance, no sooner than twelve (12) months from his/her date of last increase, until he/she reaches the maximum rate of pay for his/her classification. On-the-job injuries which are not a result of his/her unsafe or negligent act shall not be grounds for denial. For the purpose of this Agreement, the date of last increase shall be the

most recent date upon which any of the following actions occurred to an employee: date on which employee received his/her end of probation increase; date on which employee was promoted to a Journeyman classification; or date on which an employee received a step increase. For the purpose of this Agreement, general increases shall not be considered as the date of last increase.

- 20.11** The appropriate manager concerned shall state in writing the reason for denial or delay of an employee's step increase. In the case of a step increase for completion of the probationary period, the recommendation shall include the certification that the probationary period has been successfully completed. The employee shall be apprised of any deficiencies in his/her performance observed during the period involved and shall be advised in writing of the reasons for any delay in his/her step increase because of unsatisfactory performance/below standard. Documentation of prior counseling with employee on deficiencies in performance will be required to substantiate unsatisfactory/below standard performance for denial of step increase.
- 20.12** Requirements for step increase and other purposes as specified in these rules shall be based on continuous service, which is employment in the Consolidated Government without a break or interruption in either classified or unclassified position. Leave of absence with or without pay shall not break or interrupt continuous service.
- 20.13** When computing the length of service for promotions, ~~vacation-annual leave, sick leave-~~service raises, retirement etc., leave without pay (one day or more) will be deducted. The employee's anniversary date will be adjusted accordingly. The rights of employees granted military leave for extended service with the Armed Forces of the United States shall be given full credit for said period of military service in accordance with Civil Service and Personnel Rules.
- 20.14** An employee may be temporarily assigned to perform duties of a lower classification without any change in pay.
- 20.15** An employee may be assigned to another classification for which he/she is qualified, if due to injury, or illness, or mental attitude, he/she is unable to perform all the essential functions of his/her normal position. An employee so assigned shall receive the rate of pay within that assigned class which provides for the least reduction in his/her normal rate of pay.
- 20.16** Posting Notice of Assignment
- When assigning a job task within a classification for more than thirty (30) days for a preferred job or special assignment, the Vice President, Director, or Manager in that work area will post the task requirements on the bulletin board in the work area for at least five (5) working days before a selection is made. Any employee interested in being assigned the task should notify the appropriate Vice President, Director, or Manager of his/her interest and qualifications as soon as possible

after the notice has been posted. The Employer will decide which employee will be assigned to perform the task within three (3) days after the fifth day that the item is posted. All assignments and decisions of management made under this provision are excluded from grievance or arbitration.

20.17 JEA, at its sole discretion, may from time to time implement incentive and/or recognition programs for individuals or groups consisting of awards, special recognition such as shirts, hats, or similar items indicating participation in a specialized group or team, and/or cash in recognition of performance improvements, innovative ideas resulting in savings and/or benefits, participation in a program beneficial to JEA, or other similar improvements that are work related and can be documented and/or measured. The Union may withdraw from participation in this program at any time during the life of the Agreement, upon written notice to JEA.

20.18 APPRENTICESHIP PROGRAM PAY PLAN

- a. The JEA Apprentice Program may include any classification in the Bargaining Unit, as determined by management. The pay plan for the JEA Apprenticeship Training Program, adopted pursuant to Section 24.7, will be as set forth in Exhibit A.
- b. Original appointments into the apprenticeship program shall normally be made at Step 1.
- c. Advancement from the entrance rate (step 1) to the maximum rate shall be by successive steps. Apprentices will advance one step every six months, provided that they successfully complete requirements of the applicable phase of the apprenticeship program. JEA may apply this provision to "Trainee" classifications as well.
- d. Apprentices hired after Program implementation will be required to sign an indenture agreement. If an Apprentice hired after the Program is implemented does not successfully complete the requirements of the Program, his/her employment will be terminated. Similarly, trainees will be required to sign a Trainee agreement and if the trainee does not successfully complete the requirements of the Program, his/her employment will be terminated.

20.19 The parties understand that during the life of this Agreement the JEA may, at its option, offer a voluntary severance plan to IBEW employees. Such a plan would be on terms proposed by JEA, and any decision to accept such a plan would be made on an individual basis by each affected employee. In the event that the execution of such a plan required a reorganization or redeployment by JEA, the IBEW would have the right to request impact bargaining to the extent provided by law.

- 20.20 a. A performance evaluation will be conducted on each employee twelve (12) months from his/her date of last performance review, reversion, end of probation, demotion, or promotion date.
- b. Except as otherwise provided, employees who receive a meets standard/satisfactory or exceeds standard overall performance evaluation rating will be eligible for a step increase, twelve (12) months from the date of their last step increase, demotion, reversion or promotion date.
- c. Employees who receive an overall below standard/unsatisfactory performance evaluation rating will not be eligible for a step increase. Within seven (7) working days after the performance evaluation is completed, the employee will be provided with written documentation substantiating the below standard/unsatisfactory job performance and denial of the step increase. This documentation will be included in the employee's personnel file.
- e. Employees who receive an overall below standard/unsatisfactory evaluation rating shall have follow-up performance evaluations conducted no sooner than three (3) months, but no later than six (6) months after the denial of the step increase. An employee who received an overall below satisfactory standard/unsatisfactory evaluation will be eligible for a step increase when they have improved their job performance to a meets standard/satisfactory level for twelve (12) consecutive months as documented by these interim performance evaluations.
- e-f. The parties shall meet at reasonable times to discuss the mechanics and details of moving the JEA's employee performance evaluation cycle from the employee's anniversary year to a time frame proximate to the end of JEA's fiscal year (September 30) with the goal of adopting a Memorandum of Understanding in time to effect this change by September 30, 2020. Nothing in this section shall be construed, however, as a waiver of any party's right to negotiate the impact of JEA's changing the timing of annual employee performance evaluations.

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ARTICLE 21
GRIEVANCE PROCEDURE

- 21.1** It is intended that this grievance procedure will provide a means of resolving complaints and grievances at the lowest level possible, and JEA and Union agree to work toward this end. There shall be no reprisals against any employee for exercising his/her rights under this article.
- 21.2** The purpose of this grievance procedure is to provide a method of processing grievances involving the interpretation or application of this Agreement. It will be the exclusive procedure available to the parties to this Agreement and Unit employees for such matters. Grievances or appeals resulting from the following types of action are excluded from consideration under this Article:
- a. A violation of reemployment or reinstatement priority rights;
 - b. A position classification or specification decision or examination dispute appealable under Civil Service and Personnel Rules and Regulations;
 - c. An allegation or complaint of discrimination under Equal Employment Opportunity;
 - d. A fitness for duty examination results;
 - e. Health Benefits decisions;
 - f. Injury Compensation provided by insurance carriers;
 - g. Other provisions where authority is vested in the Civil Service Board or higher authority.
- 21.3** The Union or any employee or groups of employees in the Unit may process a grievance over the interpretation or application of this Agreement through this procedure without the intervention of the Union provided:
- a. They sign a statement on the grievance form that they do not want to be represented by the Union during processing of that particular grievance;
 - b. The employee/employees must represent himself/herself or may be represented by legal counsel at his/her own expense;
 - b. Any adjustment must not be inconsistent with the terms of the Agreement.
- 21.4** During the processing of a grievance under this Article, if a question cannot be resolved by the parties concerning the interpretation of state policy, provisions of law or regulations of appropriate authority outside JEA, the grievance will be delayed until the questioned policy, law or regulation has been interpreted by the proper authority.

- 21.5** A grievance must be taken up with JEA within twenty-one (21) calendar days after the occurrence of the matter out of which the grievance arose. Failure of JEA to observe the time limits prescribed in each step may entitle the employee or the Union to advance the grievance to the next step of the procedure. Failure of the Employee or the Union to meet the time limits prescribed at any step of the grievance procedure will constitute a basis for termination of the grievance by JEA. Time limits at any level may be extended by mutual agreement between JEA and the Union or employee.
- 21.6** Informal Complaint Resolution. Any employee covered by this Agreement shall have the right to pursue appropriate informal efforts to resolve problems or complaints that arise in the workplace. Each employee is required to seek informal resolution of problems or complaints with their appointed Manager prior to using the formal grievance procedure.

STEP 1 - FORMAL:

The grievance procedure is initiated by the Union, employee or the employee and the union representative submitting the grievance in writing (on a mutually agreed upon form) along with any supporting documentation to the employee's Director. The written grievance shall contain, in brief, enough of the details of the grievance including Article(s) and Section(s) of the Agreement involved so that the grievance may be properly identified and the corrective action desired. The Director shall, within seven (7) calendar days of receipt of the grievance, meet, with the employee and union representative or the employee to discuss the grievance. The Director shall provide his/her written decision and the reason(s) for the decision within ten (10) calendar days after the meeting. If such decision is not acceptable, the grievance will be forwarded to the next step.

STEP 2 – FORMAL:

- a. If a satisfactory settlement is not reached at Step 1, the employee or representative will forward the grievance, in writing within ten (10) calendar days after receipt of the Step 1 decision, stating any objection to the step 1 decision, to Labor Relations who shall receive the grievance on behalf of the Managing Director. The Managing Director's designated representative shall within fifteen (15) calendar days after receipt of the grievance, either satisfy the grievance or meet with the aggrieved employee, and representative or President if Union is representing employee, and if an employee initiated grievance; or Vice President and President if a Union initiated grievance. The Managing Director or his representative shall render a written decision, which shall include the reason(s) for the decision, within fifteen (15) calendar days after the meeting. The same person will not conduct the Step 1 and Step 2 hearing.
- b. The Managing Director's representative shall be a Vice President or Officer. A Vice President or Officer will not be designated as a

representative to hear a grievance in his/her own area. Said representative shall have full authority to render a written decision.

- c. If the Step 2 decision in regard to a. above is not satisfactory, it may be referred to arbitration as provided in this Agreement within fifteen (15) calendar days after receipt of the written decision.

21.7 Where a number of basically identical grievances are submitted, the Union may select one grievance for processing at Step 1. The decision on the grievance selected will be binding on the combined grievances. Names of all aggrieved employees will be made a part of the record of the grievance processed and each grievant will be notified of the decision.

ARTICLE 22
ARBITRATION

- 22.1** The purpose of this Article is to provide for binding arbitration of unresolved grievances concerning the interpretation or application of this Agreement. Arbitration may only be invoked by the Union President or the official spokesperson of the Union as defined by Article 4.2 of this Agreement.
- 22.2** In order for a grievance to be considered for arbitration, the party desiring to arbitrate must notify the other party within fifteen (15) days after receipt of the written Step 2 decision by serving written notice of intent to appeal. If the appeal notice is not submitted within the required time limits, the Step 2 decision will be final and binding.
- 22.3** Upon appeal to arbitration, the Federal Mediation and Conciliation Service (FMCS) shall be requested by JEA to provide a panel of seven (7) arbitrators. At the same time, the issue shall be defined to the FMCS to provide for the assignment of arbitrators with experience in the matter to be acted upon. Within five (5) work days after the panel has been received from FMCS, no more than two (2) persons from each party shall meet for the purpose of selecting the arbitrator. Each party will alternately strike names (the appealing party having the first choice) until one (1) arbitrator remains. If the two (2) parties cannot mutually agree upon an arbitrator, then the FMCS procedure will be followed. After selection of the arbitrator, JEA will notify FMCS and contact the arbitrator. The parties will attempt to set the arbitration date within thirty (30) calendar days from the date of arbitrator's notification of selection. If the thirty (30) day time period cannot be met, the parties agree to extend this thirty (30) day period to a time frame that will accommodate the schedules of the selected arbitrator and the schedules of the advocates for the Employer and the Union. A letter shall be sent immediately to the arbitrator setting forth the issue, and any other pertinent information as agreed to by both parties. The Union shall be furnished a copy of this correspondence.
- 22.4** JEA and Union, shall each be responsible for one-half (1/2) of the expenses and fees of the arbitrator. If either party desires to have a transcript of the hearing, such party shall bear the full cost of such transcript.
- 22.5** Union employees who shall be excused from duty to participate in the arbitration proceedings without charge to leave will be the steward, President, the aggrieved employee, if employee initiated grievance; or, steward if Union initiated grievance, and Unit employee witnesses who have direct knowledge of the circumstances and factors bearing in the case.
- 22.6** At the conclusion of the hearing or receipt of the post-hearing briefs, the arbitrator may render his/her award within thirty (30) calendar days or as soon as his/her schedule or case load allows.

22.7 The decision, findings, and recommendations of the arbitrator shall be final and binding on the parties to this Agreement with respect to the interpretation, enforcement, or application of the provisions of the Agreement. The arbitrator shall have no power to add to, or subtract from, modify, or ignore any of the terms of the Agreement.

ARTICLE 23
BULLETIN BOARDS AND COMMUNICATIONS

- 23.1** a. The Union shall be provided with partial use of suitable bulletin boards, including at least one (1) at each working location for the posting of information pertaining to Union activity. JEA agrees, if the Union requests, to provide a separate bulletin board specifically for the use of the Union of a standard size not to exceed 4' x 4'.
- b. The Union shall also be provided the use of an electronic bulletin board accessible by all members of the bargaining unit through the JEA intranet site.
- 23.2** The Union agrees that it shall use space on bulletin boards provided for the following purposes:
- a. Notices of Union meetings.
 - b. Reports of Union elections.
 - c. Reports of Union committees.
 - d. Rulings and policies of the Union.
 - e. Notices of recreational and social affairs of the Union.
 - f. Notices of meeting of public bodies.
 - g. Official grievance documents and related attachments
 - h. Other notices as mutually agreed upon by JEA and the Union President.
- 23.3** No material shall be posted which is of a political nature, derogatory, inflammatory, or disruptive to JEA's operations.
- 23.4** Information for posting on the electronic bulletin board shall be submitted to Labor Relations by the IBEW 2358 President.
- 23.5** Union officers and stewards will be allowed restricted use of the JEA email system for communicating items and issues of mutual benefit to JEA and the Union, e.g. job specification review and comments, grievance related matters, other JEA initiated communications for which the Union is requested to respond. All such communications utilizing JEA's email system shall include Labor Relations on the distribution.

ARTICLE 24
SAFETY AND TRAINING

- 24.1** a. JEA agrees to continue an aggressive employee development program to better prepare each employee for his/her present position and provide maximum preparation for promotional opportunities. To this end, the Union Training Committee shall help develop and recommend to the appropriate Vice President, Director, or Manager an effective training program for all employees covered by this Agreement.
- b. It is acknowledged that due to the hazardous nature of the electric utility industry, JEA, its employees and the Union have mutual interests in the safe working conditions of its employees. To this end, the Union agrees to establish a Safety Committee. The Safety Committee shall help develop and recommend to the appropriate Vice President, Director, or Manager, an effective safety program for all employees covered by this Agreement, including changes or additions to present safety rules, and recommending safety tools, devices and equipment.
- 24.2** Each employee is responsible to observe the safe work practices on any and all jobs performed within JEA. If any employee is charged by JEA as being at fault in connection with any accident, and such charge is deemed unfair by the employee, said employee may resort to the Grievance Procedure in Article 21 of this Agreement.
- 24.3** Nothing contained in this Article shall be construed or impose any liability on JEA over and above the responsibility placed upon said JEA by the laws of the State of Florida pertaining to Workers' Compensation, it being the specific understanding of the parties to this Agreement that said Workers' Compensation Laws govern the rights and benefits of the employees covered by this Agreement for on-the-job injuries.
- 24.4** It is agreed that from time to time employees within the bargaining unit, approved by JEA, may be temporarily assigned to or work with the Safety or Training Activities for the purpose of assisting with and enhancing the employee safety and training program.
- 24.5** a. Because of the especially hazardous nature of electric utility work, every effort will be extended toward the safety of employees. JEA will ensure as far as practicable, a sufficient number of skilled workers are assigned to the job and that the employees are equipped with the necessary safety devices and special tools to do the work properly and safely. Whenever practicable, circuits shall be opened and grounded.
- b. JEA agrees to furnish at no expense to the employee, all tools and safety devices required for their classification.

- c. The parties mutually agree that an employee covered by this Agreement shall proceed without delay to carry out an order or instruction given him/her by a supervisor, unless his/her so doing would jeopardize the health and safety of himself/herself or others. An employee has the right to call for more assistance and / or security /police in such situations.

24.6 JEA will continue its safety or training programs by the development and initiation of a broad range of communication and motivation programs and methods. The list below shall be used at Management's discretion.

- a. Work site posters and bulletins
- b. Individual employee communications.
- c. Employee group meetings during working hours.
- d. Employee group meetings off hours (meal furnished in lieu of overtime pay).
- e. Incentive programs for individuals or groups consisting of awards or cash in recognition of documented improvement in safety records.
- f. Special employee or group recognition.
- g. Special management and supervisory training for unit employees.

24.7 APPRENTICESHIP PROGRAM

- a. The JEA Apprenticeship Program may include any classifications in the bargaining unit (Exhibit A) as determined by Management.
- b. The Program will provide for completion of training over a period of two (2) or more years.
- c. JEA will comply with the requirements of Title 38 United States Code Section 2021, effective December 3, 1974, as it may be amended from time to time, regarding the placement of apprentices who return to the Program after a break in services as a result of being inducted into the Armed Forces.
- d. The Union shall from time to time provide recommendations to JEA on matters pertaining to the Apprenticeship Program, including the matter of how the program should be structured. JEA shall receive and consider such recommendations.
- e. Any journeyman employee who is otherwise qualified and has passed the required promotional test, but who has not had the opportunity to enroll in the JEA State Certified Apprenticeship Program, shall be eligible for

promotion on the same basis as those candidates who have completed the Apprenticeship Program provided, however, that this subparagraph shall not apply to any employee who failed to successfully complete the Apprenticeship Program, or who failed to enroll in the Program when eligible.

- f. The monthly work process evaluations of an apprentice, which are provided for under the JEA Apprenticeship Program, shall be considered as compliance with, and in substitution for, the Performance Evaluation Program and related procedures prescribed by the City of Jacksonville Civil Services and Personnel Rules and Regulations.

ARTICLE 25
CONTROLLED SUBSTANCE ABUSE AND TESTING

PRELUDE

JEA and the Union both agree that education and communication about the Employee Assistance Program (EAP) is a very important tool toward having a drug free work force. JEA will see that information about the EAP is available for employees and their families. It should be every employee's goal to help those co-workers, whom they know have some type of problems with substance abuse, to seek help through the EAP.

25.1 DEFINITIONS

- a "Drug abuse" means:
- 1, The use of any controlled substance as defined in Section 893.03 Florida Statutes, as amended not pursuant to a lawful prescription. A "lawful prescription" is defined as a prescription issued in the name of the employee by a licensed health care practitioner in full compliance with the practitioner's practice act.
 2. The commission of any act prohibited by Chapter 893, Florida Statutes.
 3. Abusing a lawful prescription.
 4. Substituting or adulterating any specimen during a drug test.
 5. Refusing to submit to a drug test.
 6. Drug test with positive results
 7. The intentional misuse of any product by deliberately concentrating and inhaling the contents, e.g. Dusting, Huffing.
- b. Definition for Diluted Specimen, Substituted Specimen and Adulterated Specimen are set forth below or as established by HHS and/or SAMHSA.
1. Diluted Specimen means a specimen that has a creatinine reading less than 20 mg/dl but greater than 5 mg/dl, and a specific gravity less than 1.003 but greater than 1.001.
 2. Substituted Specimen means a specimen that has a creatinine of less than or equal to 5 mg/dl and a specific gravity of less than or equal to 1.001 or greater than or equal to 1.020. (Such specimens do not exhibit the clinical signs or characteristics associated with normal urine).
 3. Adulterated Specimen means a specimen is:
 - Adulterated if the nitrite concentration is equal to or greater than 500.
 - Adulterated if the pH is less than or equal to 3, or greater than or equal to 11.

- Adulterated if a foreign substance is present, or if an endogenous substance (one that is normally found in urine) is present in a concentration greater than normal physiological concentration.
- c. “Drug abuse” means the use of any controlled substance as defined in Section 893.03, Florida Statutes, (dated 1987) not pursuant to a lawful prescription. The term drug abuse also includes the commission of any act prohibited by Chapter 893, Florida Statutes.
- d. “Illegal drug” means any controlled substance as defined in Section 893.03, Florida Statutes, not possessed or taken in accordance with a lawful prescription.
- e. “Department of Health and Human Services (HHS) Mandatory Guidelines for Federal Workplace Drug Testing Programs” (the HHS Guidelines) means those guidelines as printed in the June 9, 1994, Federal Register (59 FR 29908), and as amended from time to time.
- “Reasonable belief” means an opinion which a prudent person would form based on observation and testimony from credible sources. Observation includes, but is not limited to, sensory facts (what a person saw, heard, smelled, tasted or touched). Objective factors that should be taken into consideration in determining reasonable belief are:
1. The nature of the information;
 2. The reliability of the person or source providing the information;
 3. The extent of any confirmation; and,
 4. Any other factors contributing to the belief or the lack thereof.
- Not all of these factors must exist to find reasonable belief, but all must be examined.
- f. “Alcohol” means ethyl alcohol (ethanol). References to use of alcohol include use of a beverage, mixture or preparation containing ethyl alcohol.
- g. “Alcohol abuse” means the ingestion of alcohol or alcoholic beverages, which impairs or adversely affects the employee’s ability to perform his or her job duties. The use or being under the influence of alcohol or alcoholic beverages on the job by JEA employees is strictly prohibited. Alcohol abuse shall also mean:
1. Using or being under the influence of alcohol or alcoholic beverages on the job.
 2. Substituting or adulterating any specimen during an alcohol test.
 3. Refusing to submit to an alcohol test.
 4. Alcohol test with positive results as defined as breath or blood alcohol level above .04.

25.2 CIRCUMSTANCES WHEN TESTING MAY BE REQUIRED.

JEA may require an employee to submit to drug and or alcohol testing under any of the following circumstances:

- a. Whenever two (2) managerial/supervisory employees concur that there is a reasonable belief that an employee is using, under the influence of, or in possession of illegal drugs and/or alcohol while on duty, or that the employee is abusing illegal drugs and/or alcohol and the abuse either adversely affects his/her job performance or represents a threat to the safety of the employee, his/her co-workers, or the public, and the reasons for such concurrence have been stated to a Union representative.
- b.
 1. Whenever an employee is involved in an accident involving personal injury or property damage which could result in liability to JEA, loss or damage to JEA property, or involving a personal injury that requires or may require treatment beyond first aid as determined by the medical practitioner (i.e. OSHA Recordable), urine specimens will be collected from all employees directly involved in the accident and stored for future testing. The employee will also be subject to an alcohol breathalyzer test. For purposes of this provision, an employee is considered directly involved in the accident if the employee was in a position or situation where his/her action or inaction could cause, contribute to, contribute after (sequelae) or impact on the accident (regardless of whether the employee was at the location of the accident). If the accident/damage investigation team reveals that employee negligence was a cause, the negligent employee's(s') specimen will be tested. All samples not tested will be destroyed within ten (10) calendar days of the accident/damage investigation team report or within twenty (20) calendar days of the accident if no investigation is held. The accident/damage investigation team shall include a Union executive board member or designee.
 2. Whenever an employee in a safety sensitive classification or classification requiring a CDL is involved in a vehicular accident that results in a fatality, or the employee receives a moving violation citation and the accident involved bodily injury requiring medical treatment away from the scene, or one or more vehicles are damaged and disabled requiring towing away from the scene, the employee will be tested as soon as practicable after the accident for drugs and alcohol.
- c. Any time within one (1) year after an employee has voluntarily admitted a substance abuse problem provided for in 25.5.a., or tested positive for the presence of illegal drugs taken from a lawful prescription issued to the employee's spouse or family member permanently residing with the employee, and/or tests positive for alcohol, or one (1) year after completing initial rehabilitation, whichever is later (The rehabilitation counselor shall direct a letter to both JEA and to the employee establishing the date on which rehabilitation was completed).

- d. As required by the Federal Highway Administration (FHWA) Controlled Substances & Alcohol Use & Testing Program, 49 CFR 382, et seq. (This federal regulation, also known as “CDL Testing,” requires testing for alcohol as well as for controlled substances).
- e. As part of a random drug and alcohol testing program applicable to employees in safety sensitive positions, management has designated certain classifications as safety sensitive. The designation is in accordance with the Safety Sensitive – Definitions and Keys (Appendix C). For purpose of this article, a safety sensitive position is one where drug or alcohol affected performance could clearly endanger the health and safety of others. Specifically, safety sensitive positions are those that meet the following criteria:
 - 1. The employee’s duties are such that errors in judgments, inattentiveness, or diminished coordination, dexterity or composure while performing his/her duties could result in mistakes, omissions, oversight or other errors that would constitute an immediate and direct threat to the health and safety of others: and
 - 2. Employees in these positions work with such independence or perform such tasks that it cannot be safely assumed that mistakes such as those described in subparagraph 1. would be prevented by a supervisor or another employee or safety procedures (i.e. Tagging procedure).
- f. Nothing in this Agreement shall be deemed a waiver of the rights of any employee who is disciplined pursuant to these provisions of the Agreement to challenge in a court of law whether such testing was permissible under applicable law.
- g. All employees in safety sensitive classifications are subject to random drug and alcohol testing programs. Any employee who disputes the safety sensitive designation of his/her position shall be required to submit a sample in accordance with testing procedures. If the employee tests positive and is subsequently disciplined, the employee shall have the right to grieve such discipline under the terms of this Agreement. In such grievance, JEA shall have the burden of proof that, at the time of the test, the employee met the criteria set forth in 25.2 f. and that JEA had proper cause to test and discipline the employee.
- h. Upon completion of the JEA State Certified Apprenticeship Program, prior to promotion to a State Certified journeyman classification.
- i. In determining a position to be “safety sensitive”, consideration will be given to “safety sensitive”, as defined in Chapter 112.0455(5)(m) and 440.102(1)(o) Florida Statutes.

25.3 TESTING PROCEDURES

a. Drugs

1. Whenever an employee is required to provide a urine specimen for these testing procedures, the specimen will be divided into two samples at the time of collection in order to facilitate the testing procedures described in this section. The collection facility and the Substance Abuse and Mental Health Services Administration (SAMHSA) certified tester shall follow specimen collection and testing procedures consistent with the HHS Guidelines except as specifically amended herein.
2. The threshold level or cut-off limit and substances shall be as set forth below or as established by HHS and/or SAMHSA. The following levels have been established as of the effective date of this Agreement. However, the levels established by HHS and/or SAMHSA which are in effect as of the date of any given test shall govern.

TEST THRESHOLDS

<u>Initial test analyte</u>	<u>Initial test cutoff</u> ¹	<u>Confirmatory test analyte</u>	<u>Confirmatory test cutoff concentration</u>
<u>Marijuana metabolites (THCA)</u> ²	<u>50 ng/mL</u> ³	<u>THCA</u>	<u>15 ng/mL.</u>
<u>Cocaine metabolite (Benzoyllecgonine)</u>	<u>150 ng/mL</u> ³	<u>Benzoyllecgonine</u>	<u>100 ng/mL.</u>
<u>Codeine/Morphine</u>	<u>2,000 ng/mL</u>	<u>Codeine Morphine</u>	<u>2,000 ng/mL. 2,000 ng/mL.</u>
<u>Hydrocodone/Hydromorphone</u>	<u>300 ng/mL</u>	<u>Hydrocodone Hydromorphone</u>	<u>100 ng/mL. 100 ng/mL.</u>
<u>Oxycodone/Oxymorphone</u>	<u>100 ng/mL</u>	<u>Oxycodone Oxymorphone</u>	<u>100 ng/mL. 100 ng/mL.</u>
<u>6-Acetylmorphine</u>	<u>10 ng/mL</u>	<u>6-Acetylmorphine</u>	<u>10 ng/mL.</u>
<u>Phencyclidine</u>	<u>25 ng/mL</u>	<u>Phencyclidine</u>	<u>25 ng/mL.</u>
<u>Amphetamine/Methamphetamine</u>	<u>500 ng/mL</u>	<u>Amphetamine Methamphetamine</u>	<u>250 ng/mL. 250 ng/mL.</u>
<u>MDMA*/MDA</u> ⁵	<u>500 ng/mL</u>	<u>MDMA MDA</u>	<u>250 ng/mL. 250 ng/mL.</u>

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¹ For grouped analytes (i.e., two or more analytes that are in the same drug class and have the same initial test cutoff): Immunoassay: The test must be calibrated with one analyte from the group identified as the target analyte. The cross-reactivity of the immunoassay to the other analyte(s) within the group must be 80 percent or greater; if not, separate immunoassays must be used for the analytes within the group.
Alternate technology: Either one analyte or all analytes from the group must be used for calibration, depending on the technology. At least one analyte with the group must have a concentration equal to or greater than the initial test cutoff or, alternatively, the sum of the analytes present (i.e. equal to or greater than the laboratory's validate limit of quantification) must be equal to or greater than the initial test cutoff.

² An immunoassay must be calibrated with the target analyte Δ-9-tetrahydrocannabinol-9-carboxylic acid (THCA).

³ Alternate technology (THCA and benzoyllecgonine): The confirmatory test cutoff must be used for an alternate technology initial test that is specific for the target analytes (i.e., 15ng/mL for THCA, 100 ng/mL for benzoyllecgonine).

⁴ Methylenedioxymethamphetamine (MDMA).

⁵ Methylenedioxymphetamine (MA).

<u>URINE</u>			
<u>INITIAL TEST ANALYTE</u>	<u>INITIAL TEST CUTOFF CONCENTRATION (NG/ML)</u>	<u>CONFIRMATORY TEST ANALYTE</u>	<u>CONFIRMATORY TEST CUTOFF CONCENTRATION (NG/ML)</u>
<u>MARIJUANA METABOLITES</u>	<u>50</u>	<u>THCA</u>	<u>15</u>
<u>COCAINE METABOLITES</u>	<u>150</u>	<u>BENZOYLECGONINE</u>	<u>100</u>
<u>OPIATE METABOLITES CODEINE/MORPHINE</u>	<u>2000</u>	<u>CODEINE MORPHINE</u>	<u>2000</u>
<u>6-ACETYLMORPHINE</u>	<u>10</u>	<u>6-ACETYLMORPHINE</u>	<u>10</u>
<u>PHENCYCLIDINE</u>	<u>25</u>	<u>PHENCYCLIDINE</u>	<u>25</u>
<u>AMPHETAMINES</u>	<u>500</u>	<u>AMPHETAMINE</u> <u>METHAMPHETAMINE</u>	<u>250</u> <u>250</u>
<u>MDMA</u>	<u>500</u>	<u>MDMA</u> <u>MDA</u> <u>MDEA</u>	<u>250</u> <u>250</u> <u>250</u>

<u>BLOOD</u>		
<u>INITIAL TEST ANALYTE</u>	<u>INITIAL TEST CUTOFF CONCENTRATION (NG/ML)</u>	<u>CONFIRMATORY TEST CUTOFF CONCENTRATION (NG/ML)</u>
<u>MARIJUANA METABOLITES</u>	<u>5</u>	<u>2</u>
<u>COCAINE METABOLITES</u>	<u>25</u>	<u>30</u>
<u>OPIATE METABOLITES CODEINE/MORPHINE</u>	<u>10</u>	<u>10</u>
<u>6-ACETYLMORPHINE</u>	<u>10</u>	<u>10</u>
<u>PHENCYCLIDINE</u>	<u>8</u>	<u>8</u>
<u>AMPHETAMINES</u>	<u>50</u>	<u>10</u>

- The SAMHSA certified tester shall utilize the following procedures to the extent that they are not inconsistent with the HHS Guidelines:

- (a) The SAMHSA certified tester shall submit the first of the samples to an immunochemical assay or radioimmunoassay test. If the results of this test are negative, no further testing will be required and all collected specimens will be disposed of.
 - (b) If the results of the initial test provided for in Section 25.3 c. 1. are positive, the SAMHSA certified tester will submit the same sample for further testing using the gas chromatography/mass spectrometry (GC/MS) method to verify the initial test results. JEA will not be notified about the initial positive result until it has been confirmed as provided for in this section.
 - (c) If the specimen provided is unsuitable for testing, or if the chain of custody is violated, the employee will be advised in writing of those circumstances and will be requested to provide another specimen for testing.

Should the employee provide specimen which is unsuitable for testing a third consecutive time, the employee will be escorted for collection thereafter until a suitable specimen is provided.
 - (d) Specimens that are adulterated or substituted will be reported as a “refusal to test”, and the employee will not be offered the opportunity for a test of the second sample provided for in 4.0 below.
4. If the results of the second test for illegal drugs that is provided for in Section 25.3 a.3.b is positive, as confirmed by a qualified (HHS Guidelines) medical review officer (MRO), the HHS guidelines shall be followed for confirmation and notification of the employee and JEA. The employee may request that JEA provide that employee with appropriate information regarding the test results to explain why the employee is deemed to have tested positive. Such information shall include, at the employee’s request, the opportunity to discuss the test results with the MRO. At that time (but not longer than 7 calendar days), the employee may elect to have the second sample subjected to further testing by a SAMHSA certified tester at the employee's expense. If the second sample tests negative, JEA will reimburse the employee for the cost of the test. If the tests on the second sample are positive, or if the employee does not request testing of the second sample, JEA may take corrective and rehabilitative action as provided for in this article, and/or disciplinary action where appropriate.
5. Testing Procedures
Applicable to Safety Sensitive Random Testing:
- (a) Management will administer random drug tests to no more than 25% of all employees who are designated as safety sensitive each year. (The 25% can be rounded up to include the nearest “whole” person.). Management may at its sole

discretion, not subject to grievance or arbitration, move the percent tested back to 50% should an upward trend in positive results occur.

- (b) Management will administer random alcohol tests to no more than 10% of all employees who are designated as safety sensitive each year (the "10%" can be rounded up to include the nearest "whole" person).
- (c) The drug and alcohol threshold levels and procedures applicable to CDL random testing shall apply to safety sensitive random testing.
- (d) Employees who are subject to CDL random testing shall not be subject to safety sensitive random testing.

b. Alcohol

- 1. Whenever an employee is required to be tested for alcohol, the JEA shall utilize a generally accepted blood test procedure or breathalyzer that provides quantitative results showing the amount of alcohol present in the blood.
- 2. The threshold level or cut-off limit shall be set forth below or as established by HHS and/or SAMHSA and/or Florida Statute. The following levels have been established as of the effective date of this Agreement; however, the levels established by HHS and/or SAMHSA and/or by Florida Statute which are in effect as of the date of any given test shall govern.

BREATH OR BLOOD ALCOHOL LEVELS

HHS and/or SAMHSA

0.020 to 0.039
0.040 to 0.079
0.08 and Above

Florida Statute

0.05 to 0.079
0.08 and Above

25.4 DISCIPLINARY ACTION

- a. Drug Abuse shall subject the employee to the following discipline:
 - 1. Any employee who used a controlled substance pursuant to a prescription lawfully issued to a member of the employee's household residing with the employee shall be given a single last chance agreement – provided the prescription was taken for the

- employee's bona fide medical condition. Subsequent violations of the policy shall result in immediate termination.
2. Drug abuse, other than described in (1) above shall result in immediate termination.
- b. Alcohol abuse shall subject the employee to the following discipline:
1. If an employee with a CDL tests positive for a breath or blood alcohol level between .04 and .05, the employee must complete rehabilitation before he/she is released to drive a JEA vehicle.
 2. If an employee tests positive for a breath or blood alcohol level in excess of 0.05 but less than 0.08, and there is no other competent evidence of impairment, the employee will be given a Last Chance Notice. Any subsequent positive test producing a breath or blood alcohol level in excess of 0.05 will result in the employee being terminated from employment.
 3. If an employee tests positive for a breath or blood alcohol level in excess of 0.05 but less than 0.08 and there is other competent evidence of impairment, the employee will be terminated from employment.
 4. If an employee tests positive for a breath or blood alcohol level at 0.08 or higher, the employee will be terminated from employment.
- c. Any employee who refuses to submit to substance abuse or alcohol testing (including adulterating or substituting a sample) as required by this article shall be subject to termination from employment.
- d. Violations of this article shall be governed by LR606, as it may be amended from time to time.

25.5 REHABILITATIVE/CORRECTIVE ACTION

- a. ~~Any employee is eligible one time only to notify the employer that he/she has a drug and/or alcohol problem and, upon such notification, the employee shall be permitted to enter rehabilitation, subject to a single last chance agreement. In order to be eligible for this one time opportunity for rehabilitation, the employee must notify the employer that he/she has a drug and/or alcohol problem at least one day before the employee is notified that he/she is scheduled for testing pursuant to Section 25.2.a. (reasonable belief testing), Section 25.2.f, g and i (safety sensitive testing) or Section 25.2.e. (CDL testing). In the case testing under Sections 25.2.b.1 and 25.2.b.2 (testing following an accident), the employee must notify the employer that he/she has a drug and/or alcohol problem at least one day in advance of any accident that gives rise to the need for testing in order to be eligible for this one time opportunity for rehabilitation. Any employee(s) who have, or believe they have, a drug and/or alcohol dependency problem are encouraged to seek treatment.~~

- b. JEA may require an employee to submit to counseling or other rehabilitative treatment as a condition of continued employment pursuant to the following situations:
1. An employee who voluntarily acknowledges a drug and/or alcohol problem in accordance with 25.5.a.
 2. An employee who tests positive for the presence of illegal drugs pursuant to a lawful prescription issued to a member of the employee's household residing with the employee.
 3. An employee who tests positive for alcohol pursuant to Section 25.4.b.1.

This section shall not be construed to limit JEA's right to take appropriate disciplinary action when an employee tests positive for the presence of illegal drugs or alcohol.

- c. Any employee who is required to submit to counseling or other rehabilitative treatment as a condition of continued employment shall sign a release authorizing the release of information to JEA sufficient to determine whether the employee can safely perform his/her job duties. The decision as to whether the employee can safely perform his/her job duties shall be made by the Vice President, Director, or Manager in conjunction with a physician or Substance Abuse Professional associated with the rehabilitation/treatment facility. The information provided to JEA shall be limited to the following:
1. Whether the employee has regularly attended counseling and/or treatment sessions, as directed.
 2. Whether the employee has satisfactorily participated in counseling and/or treatment sessions.
 3. Whether the employee has complied with all requests for substance abuse tests, and whether the employee has passed all of those tests.
 4. Whether the employee has admitted to using alcohol or illegal drugs subsequent to the test which resulted in the referral to counseling and/or rehabilitative treatment.
 5. Whether there is any reason to believe that the employee's return to work could result in a risk to persons or property.
 6. Whether JEA should impose any work-related limitations or requirements upon the employee in the event that JEA determines to permit the employee to return to work.
- d. Driving restrictions for employees with a CDL shall be as stipulated in the Federal Highway Administration Controlled Substance & Alcohol Use & Testing Program, 49 CFR 382, et seq.

25.6 EXAMINATION AND TEST

- a. Except as provided in paragraph 25.3 a.4., JEA will pay the cost of any test required by Section 25.2. Provided, however, that in the case of alcohol testing conducted pursuant to Section 25.2 e., any employee who is subject to dismissal will be given the opportunity for an independent blood alcohol test conducted at the same time at his/her own expense.
- b. Urine specimens or alcohol tests required by this Article will be obtained while the employee is on duty. JEA may extend the employee's duty period for the purpose of drug or alcohol testing. Unless factor(s) arise during testing which cause a reasonable belief that the testing process is being compromised, there will be no visual observation of the act of urination.
- c. In the case of alcohol testing conducted pursuant to Section 25.2 e., any employee who tests .039 breath alcohol content or less (but in excess of .02 breath alcohol content) in any test conducted before 10:00 am will be ~~permitted to test again within one hour from the first test. This waiting period will be on the employee's own time. The first test will be used to determine appropriate discipline, in conjunction with any further test results sent home and required to utilize annual leave to cover the time.~~
- d. Tests will be performed by a SAMHSA certified facility selected by JEA.
- e. Employees who are required by this Article to take a test shall be required to sign an authorization form releasing the records of such tests to the JEA Labor Relations. The JEA Labor Relations shall release relevant information contained in those records only to the employee's Vice President, Director, or Manager, and to those JEA management officials and representatives directly involved in employment related decisions involving that employee. This shall not limit JEA from providing work-related information regarding the employee to the employee's Manager and foremen, including work-related limitations or requirements and the reasons therefore. Each individual receiving such information will be instructed regarding the confidential nature of that information.
- f. JEA will, unless prohibited by law, and as otherwise provided in this Agreement, keep the results of any testing provided for in this article confidential. Any results of positive testing which JEA later determines have been refuted will be destroyed. Test results shall be considered confidential medical records unless they become part of a disciplinary action.

25.7 TRAINING

JEA and bargaining unit members shall receive training to ensure that they understand their roles and responsibilities in implementing this Article.

25.8 EMPLOYEE SUPPORT

The Union representatives and officers will serve as an Employee Support Team. Any member of this support team may be a liaison between the employee and referral to EAP to make employees aware of available help.

25.9 EMPLOYER INITIATION

This testing program was initiated at the request of JEA. The Union has participated only to the extent of protecting the rights of workers arising from the administration of the testing program. It is intended that JEA shall be solely liable for any legal obligations and costs arising out of the provisions and/or application of this article.

ARTICLE 26
DISCIPLINE AND DISCHARGE

- 26.1** No permanent employee shall be removed, discharged, reduced in rank or pay, suspended or otherwise disciplined except for just cause. JEA will give a written notice of fact finding to the employee within fifteen (15) calendar days from the date JEA became aware of the occurrence. This notice may be followed with a written statement of charges within forty-five (45) calendar days from the date of the notice. This provision cannot be exercised after 180 calendar days from the date of the occurrence. Provided however that all time limits established in this section may, at management's discretion, be extended during the pendency of a felony criminal investigation into an employee's conduct. In such cases, the time limits established by this section will not begin to run until all investigations and/or prosecutions involving the employee are concluded.
- 26.2**
- a. An employee will be allowed to review his/her master personnel file, and any other public record which contains information about the employee and which is not otherwise confidential, within a reasonable length of time after written request.
 - b. During the term of this Agreement, if any information which is considered by Management to be unfavorable or derogatory to an employee is entered in his/her master personnel file, (excluding copies of personnel action forms, time reports, and employee evaluation reports), which deal with conditions originating after employment with JEA, the employee will be required to acknowledge in writing receipt of such information and will be furnished a copy in order that he/she may have the opportunity to submit a written statement responding to the information. The employee's acknowledgment in writing of receipt merely indicates that the employee has seen and received a copy of such unfavorable or derogatory information. The acknowledgment of receipt does not indicate that the employee agrees with such information, nor does such action indicate that the employee admits guilt for any alleged infractions. The employee's responding statement will also be entered in his/her master personnel file.
 - c. If an employee feels that any correspondence written on him/her was unjustified, he/she has the right to resort to the grievance procedure.
 - d. The employer will send the union electronic copies of all executed notice of fact-findings, formal letters of counseling, and disciplines. However, the failure to send such documents is not subject to grievance and in no way diminished the action taken.
- 26.3** JEA will follow the principles of progressive discipline that discipline generally proceeds from:
- a-A Letter of #Reprimand, to

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~~• a suspension, A Final written Reprimand, or suspension,~~
or reduction in pay, to

~~• demotion~~ A Demotion and/or ~~discharge~~ Discharge.

Additionally, at management's discretion, a Last Chance Agreement may be used in lieu of dismissal. The parties recognize that the seriousness and circumstances surrounding an offense may warrant more or less severe discipline, depending upon all of the facts. Employees should be informed that failure to correct misconduct may lead to more severe discipline. When the situation warrants, JEA may provide counseling before implementing progressive discipline. The purpose of counseling is to advise an employee of required or prohibited conduct of which the employee was not aware, to document that such advice was given, and to remind the employee that future violations will be subject to discipline.

- 26.4** The possession or use of illegal drugs, alcohol and/or other intoxicating substances, while at work, or reporting to work under the influence of illegal drugs, alcohol and/or other intoxicating substances is a violation of JEA policies and procedures. Any employee taking prescription medication that has the potential to impact the employee's ability to do his/her work shall notify his/her supervisor of such usage.
- 26.5** An employee during the original probationary period shall be subject to discharge at the sole discretion of JEA, and its action shall not be the subject of an appeal grievance.
- 26.6** Unless waived by the employee, when an employee is off the payroll due to a suspension, JEA will continue to pay the life insurance and medical insurance premiums normally paid by JEA which includes JEA's portion of the dependent medical insurance premium. The employee is responsible for the optional life insurance premium and his/her portion of the dependent medical premium.

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ARTICLE 27
EQUAL EMPLOYMENT OPPORTUNITY

- 27.1** JEA and the Union mutually agree that each has a positive and distinct role in carrying out the concepts of Equal Employment Opportunity (EEO) irrespective of race, color, creed, national origin, religion, sex, age, and, disability. JEA and the Union agree to encourage all Unit employees to take advantage of self-improvement opportunities to enhance their potential for promotion and job security.
- 27.2** It is agreed that the Union will participate in such activities which are required by EEO laws and regulations and the implementation of JEA Equal Access/ Equal Opportunity policies and procedures. The Union will advise appropriate Management of employees' dissatisfactions that do not constitute formal discrimination complaints but appear to be a potential source for discrimination complaints.
- 27.3** It is agreed that no official of JEA or the Union shall interfere with, restrain, coerce, intimidate, or make reprisals against any employee for appearing, testifying or furnishing evidence during any investigation or hearing procedures.

ARTICLE 28
SEVERABILITY

If any provision of this Agreement shall be found to be invalid by any courts having jurisdiction in respect thereof, such findings shall not affect the remainder of this Agreement, and all other terms and provisions shall continue in full force and effect. Upon any such judicial determination, and upon request of either party, JEA and the Union will promptly negotiate and endeavor to reach an agreement upon a substitute for the provision or provisions found to be invalid.

ARTICLE 29
TERM, APPROVAL, AND AMENDMENTS

- 29.1 This Agreement, upon approval and ratification, shall become effective on October 1, ~~2016~~2019, and shall remain in effect through September 30, ~~2019~~2022.
- 29.2 It is acknowledged that this Agreement must be approved by the membership of the Union prior to submission for approval to and by JEA.
- 29.3 This Agreement shall be subject to amendments at any time by mutual consent of the parties hereto. Such amendments shall be reduced in writing, state the effective date of the amendment, and be executed and approved in the same manner as this Agreement.

APPENDIX A

IBEW 2358 Job Classification Index			
OCC Code	Entry Level	Classification Title	Pay Grade
1039	Y	Appr Electrical Technician	209
1050	Y	Appr I & C Technician	209
1048	Y	Appr Line Maintainer	206B
1046	Y	Appr Mechanical Technician	206
1083	Y	Appr Meter Technician	209
1059	Y	Appr Network & Cable Splicing Tech	206B
1015	Y	Appr Power Plant Operator	210B
1010	Y	Appr Process Chemistry Technician	209
1068	Y	Appr Substation Technician	209
1031	Y	Associate Technician	205
1008	Y	Asst Process Chemistry Technician	209A
1060	N	Electric Troubleshooter	220A
1040	N	Electrical Technician	218A
1065	N	Facilities O & M Electrical Technician	217A
1070	N	Facilities O & M Mechanic	215
1063	N	Facilities O & M Technician	217A
1073	Y	Facilities O&M Assistant Mechanic	210
1042	N	Facilities Operations Controller	215
1071	N/A	Field Service Technician II (RL)	215
2162	Y	Fuel Technician	216
1051	N	Instrument & Control Technician	218A
1012	N	Inventory Control Technician	206
1053	N	Line Maintainer	219
2313	N	Maintenance Planner	218A
3323	N	Material Handling E & I Tech	217A
3320	Y	Material Handling Operator Maintainer I	216B
3321	N	Material Handling Operator Maintainer II	222
1047	N	Mechanical Technician	217*
2315	N	Meter Specialist	214B
2316	N	Meter Specialist Senior	215B
2314	Y	Meter Specialist Trainee	202
1080	N	Meter Technician	218A
1082	Y	Meter Technician Trainee	209A
1055	N	Network & Cablesplicing Technician	219
1016	N	Power Plant Operator	217*
1017	N	Power Plant Ops & Maintenance Analyst	220
1056	N	Power System Field Operator	218A
2310	N	Predictive Maintenance Tech	218A
1009	N	Process Chemistry Technician	218
5530	Y	Protection & Control System Technician I	214C
5531	Y	Protection & Control System Technician II	230
1032	N	Staff Technician	213
1035	N	Storekeeper (RL)	215
1069	N	Substation Technician	219
1033	N	Systems Technician - Electric	224
1034	N	Systems Technician - WWW	224
2325	N	Technical Trainer I	217B
2326	N	Technical Trainer II	221
3101	N	Transformer Shop Technician	214B
1118	N	Vehicle Asset Coordinator	216A

OCC Code	Entry Level	Classification Title	Pay Grade	FY	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
2314	Y	Meter Specialist Trainee	203	16/17	\$17.80	\$18.69	\$19.62	\$20.60				
				17/18	\$18.60	\$19.53	\$20.51	\$21.53				
				18/19	\$19.44	\$20.41	\$21.43	\$22.50				
1031	Y	Associate Technician	205	16/17	\$20.62	\$21.65	\$22.73	\$23.87				
				17/18	\$21.54	\$22.62	\$23.75	\$24.94				
				18/19	\$22.51	\$23.64	\$24.82	\$26.06				
1046	Y	Appr Mechanical Technician	206	16/17	\$17.22	\$18.08	\$18.98	\$19.93	\$20.93	\$21.98	\$23.08	\$24.23
1012	N	Inventory Control Technician		17/18	\$17.99	\$18.89	\$19.84	\$20.83	\$21.87	\$22.97	\$24.11	\$25.32
				18/19	\$18.81	\$19.75	\$20.73	\$21.77	\$22.86	\$24.00	\$25.20	\$26.46
1048	Y	Appr Line Maintainer	206B	16/17	\$19.71	\$20.70	\$21.74	\$22.82	\$23.96	\$25.16	\$26.42	\$27.74
1059	Y	Appr Network & Cable Splicing Tech		17/18	\$20.60	\$21.63	\$22.71	\$23.85	\$25.04	\$26.30	\$27.61	\$28.99
				18/19	\$21.53	\$22.60	\$23.73	\$24.92	\$26.17	\$27.47	\$28.85	\$30.29
1015	Y	Appr Power Plant Operator	210B	16/17	\$19.41	\$20.38	\$21.40	\$22.47	\$23.59	\$24.77	\$26.01	\$27.31
				17/18	\$20.28	\$21.30	\$22.36	\$23.48	\$24.65	\$25.89	\$27.18	\$28.54
				18/19	\$21.19	\$22.25	\$23.37	\$24.53	\$25.76	\$27.05	\$28.40	\$29.82
1039	Y	Appr Electrical Technician	209	16/17	\$19.93	\$20.93	\$21.98	\$23.08	\$24.23	\$25.44	\$26.71	\$28.05
1050	Y	Appr I & C Technician		17/18	\$20.83	\$21.87	\$22.97	\$24.11	\$25.32	\$26.59	\$27.91	\$29.31
1083	Y	Appr Meter Technician		18/19	\$21.77	\$22.86	\$24.00	\$25.20	\$26.46	\$27.78	\$29.17	\$30.63
1010	Y	Appr Process Chemistry Technician										
1068	Y	Appr Substation Technician										
1008	Y	Asst Process Chemistry Technician	209A	16/17	\$21.98	\$23.08	\$24.23	\$25.44	\$26.71	\$28.05		
1082	Y	Meter Technician Trainee		17/18	\$22.97	\$24.11	\$25.32	\$26.59	\$27.91	\$29.31		
				18/19	\$24.00	\$25.20	\$26.46	\$27.78	\$29.17	\$30.63		
1073	Y	Facilities O&M Assistant Mechanic	210	16/17	\$21.54	\$22.61	\$23.74	\$24.93				
				17/18	\$22.50	\$23.63	\$24.81	\$26.05				
				18/19	\$23.51	\$24.69	\$25.92	\$27.22				
1032	N	Staff Technician	213	16/17	\$26.77	\$28.11	\$29.51	\$30.99				
				17/18	\$27.97	\$29.37	\$30.84	\$32.38				
				18/19	\$29.23	\$30.69	\$32.23	\$33.84				
2315	N	Meter Specialist	214B	16/17	\$23.80	\$24.99	\$26.24	\$27.55	\$28.92	\$30.37		
3101	N	Transformer Shop Technician		17/18	\$24.87	\$26.11	\$27.42	\$28.79	\$30.23	\$31.74		
				18/19	\$25.99	\$27.29	\$28.65	\$30.09	\$31.59	\$33.17		
5530	Y	Protection & Control System Technician I	214C	16/17	\$25.55	\$26.83	\$28.17	\$29.58				
				17/18	\$26.70	\$28.04	\$29.44	\$30.91				
				18/19	\$27.90	\$29.30	\$30.76	\$32.30				

OCC Code	Entry Level	Classification Title	Pay Grade	FY	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
2316	N	Meter Specialist Senior	215B	16/17	\$28.86	\$30.30	\$31.82	\$33.41				
				17/18	\$30.16	\$31.67	\$33.25	\$34.91				
				18/19	\$31.51	\$33.09	\$34.74	\$36.48				
1070	N	Facilities O & M Mechanic	215	16/17	\$28.92	\$30.37						
1042	N	Facilities Operations Controller		17/18	\$30.23	\$31.74						
1071	N/A	Field Service Technician II (RL)		18/19	\$31.59	\$33.17						
1035	N	Storekeeper (RL)										
2162	Y	Fuel Technician	216	16/17	\$30.87	\$32.41						
				17/18	\$32.26	\$33.87						
				18/19	\$33.71	\$35.39						
1118	N	Vehicle Asset Coordinator	216A	16/17	\$29.20	\$30.66	\$32.19	\$33.80				
				17/18	\$30.51	\$32.04	\$33.64	\$35.32				
				18/19	\$31.88	\$33.48	\$35.15	\$36.91				
3320	Y	Material Handling Operator Maintainer I	216B	16/17	\$31.32	\$32.89						
				17/18	\$32.73	\$34.37						
				18/19	\$34.21	\$35.92						
1047	N	Mechanical Technician	217*	16/17	\$31.37	\$32.93	\$34.58	\$36.31				
1016	N	Power Plant Operator		17/18	\$32.77	\$34.41	\$36.13	\$37.94				
	N	*Step 4 for Certified Mechanical Tech & Certified Power Plant Oper. Only		18/19	\$34.25	\$35.96	\$37.76	\$39.65				
1065	N	Facilities O & M Electrical Technician	217A	16/17	\$33.57	\$35.25						
1063	N	Facilities O & M Technician		17/18	\$35.09	\$36.84						
3323	N	Material Handling E & I Tech		18/19	\$36.67	\$38.50						
2325	N	Technical Trainer I	217B	16/17	\$33.59	\$35.27	\$37.03	\$38.88				
				17/18	\$35.10	\$36.85	\$38.70	\$40.63				
				18/19	\$36.68	\$38.51	\$40.44	\$42.46				
1009	N	Process Chemistry Technician	218	16/17	\$34.07	\$35.77						
				17/18	\$35.60	\$37.38						
				18/19	\$37.20	\$39.06						

OCC Code	Entry Level	Classification Title	Pay Grade	FY	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
1040	N	Electrical Technician	218A	16/17	\$34.58	\$36.31						
1051	N	Instrument & Control Technician		17/18	\$36.13	\$37.94						
2313	N	Maintenance Planner		18/19	\$37.76	\$39.65						
1080	N	Meter Technician										
1056	N	Power System Field Operator										
2310	N	Predictive Maintenance Tech										
1053	N	Line Maintainer	219	16/17	\$35.74	\$37.53						
1055	N	Network & Cablesplicing Technician		17/18	\$37.35	\$39.22						
1069	N	Substation Technician		18/19	\$39.03	\$40.98						
1017	N	Power Plant Ops & Maintenance Analyst	220	16/17	\$36.98	\$38.83						
				17/18	\$38.65	\$40.58						
				18/19	\$40.39	\$42.41						
1060	N	Electric Troubleshooter	220A	16/17	\$39.43	\$41.40						
				17/18	\$41.20	\$43.26						
				18/19	\$43.06	\$45.21						
2326	N	Technical Trainer II	221	16/17	\$38.94	\$40.89	\$42.93	\$45.08				
				17/18	\$40.70	\$42.73	\$44.87	\$47.11				
				18/19	\$42.53	\$44.65	\$46.89	\$49.23				
3321	N	Material Handling Operator Maintainer II	222	16/17	\$36.17	\$37.98						
				17/18	\$37.80	\$39.69						
				18/19	\$39.51	\$41.48						
1033	N	Systems Technician - Electric	224	16/17	\$32.59	\$34.22	\$35.94	\$37.73	\$39.62	\$41.60		
1034	N	Systems Technician - W/WW		17/18	\$34.06	\$35.76	\$37.55	\$39.43	\$41.40	\$43.47		
				18/19	\$35.60	\$37.38	\$39.25	\$41.21	\$43.27	\$45.43		
5531	Y	Protection & Control System Technician II	230	16/17	\$34.07	\$35.77	\$37.56	\$39.44	\$41.41			
				17/18	\$35.60	\$37.38	\$39.25	\$41.21	\$43.27			
				18/19	\$37.20	\$39.06	\$41.02	\$43.07	\$45.22			

APPENDIX B
FEDERAL HIGHWAY ADMINISTRATION & RANDOM TESTING FOR SAFETY SENSITIVE
POSITIONS CONTROLLED SUBSTANCE AND ALCOHOL USE TESTING PROGRAM PROCEDURE

- I. Purpose
 - A. To establish a procedure to randomly select employees for alcohol and substance testing as required by the Federal Highway Administration Controlled Substance and Alcohol Use and Testing Program, 49 CFR 382, and for random testing of safety sensitive positions.
 - B. To establish a procedure that is well documented and can be sufficiently audited and verified.
 - C. To ensure that employees selected for testing are notified in a timely manner.
 - D. To ensure that employees are selected in a fair and impartial manner.
- II. Process
 - A. Determination of eligible employees
 - 1. The Director Employee Services or designee, (the “Director”) will generate the master list of employees eligible for random testing. Eligibility pursuant to the Federal Highway Administration Controlled Substance and Alcohol Use and Testing Program will be based on the criteria as determined by the Federal Highway Administration and the responsibilities and duties of JEA personnel. There will be a separate Master List for CDL testing and a separate Master List for safety sensitive testing.
 - 3. The Master Lists will be reviewed monthly to insure that the Master Lists properly reflect any employees who are no longer eligible (e.g., through resignation, promotion, no longer safety sensitive, etc.) and employees who should be added (e.g., new hires, promotions, safety sensitive, etc.). If an employee believes that he/she is no longer safety sensitive, the employee shall notify the Union in writing or by e-mail. The Union shall notify Director Employee Services in writing or by e-mail, with a copy to the employee’s Manager. If an employee’s Manager believes that the employee is no longer safety sensitive, the Manager shall notify the Director Employee Services and the Union in writing or by e-mail, with a copy to the employee. Where applicable, the notification (by the employee or the manager) shall specify the anticipated length of time during which the employee will not be “safety sensitive”.

3. The Master Lists shall include:
 - a. Employee name
 - b. Job Title
 - c. Cost Center
 - d. Identification Number, e.g. Badge Number
 - e. A number assigned sequentially from the beginning of the list to the end.
4. The Director Employee Services shall match the random numbers with the corresponding employee name on the Master Lists.
5. The Director Employee Services shall contact the employee's Manager and inform the Manager that the employee must report to the designated drug and alcohol testing center within two (2) hours of the Manager notifying the employee.
6. The employee's Manager shall take reasonable steps to ensure that the employee can timely arrive at the appropriate testing location. If a management error prevents timely arrival of the employee, the employee will not be required to be tested at a later date or time as a result of that particular selection.
7. The results of the contact attempt shall be logged by the Manager. The log entry shall indicate the employee's name, date and time of notification by the Manager, and contact result (e.g., whether successfully contacted or not).
8. An employee selected for testing shall be excused from testing if he/she is off from work on a prior approved absence, or due to the employee's work schedule (e.g., an employee on night shift). There are no other exceptions. The parties agree that the reference to excusing employees on night shift refers only to employees intermittently or periodically working on night shift. Employees for whom night shift is their only schedule are not excused from testing provided they are scheduled and report to work the same date of the random selection. It is incumbent on Management to notify the employee and arrange the logistics for the collection of the sample.
9. Prior to the actual selection, a Union representative may request to review the Master Lists. A copy of the Master Lists shall be provided to the Union representative on request.

B. Random Number Generation

1. On the day of testing, a computer program will be used to randomly generate the numbers. The user of the program will enter the beginning

and ending sequential numbers assigned to the eligible employees and the number of selections that are to be made. Additional numbers may be selected to allow for employees who are not available on the day of testing. All numbers generated may be used. Excess or deficiencies will be determined prior to the end of each calendar year in order to comply with the required percentages.

2. The program will output the selections to a predetermined printer. The primary numbers will appear first on the report listing the generated numbers, followed by an equal number of alternate selections. When the selections have been printed, a single digit number (+ or -), that has been previously provided by a Union representative, will be applied to the "circular" list of selections, thereby designating the employees who are to be actually selected. The Union representative may request to view the process of number generation or to review the paperwork. No such request shall be denied, provided it can be accomplished in such a manner that prevents the Union representative or the fact of his being permitted to view the process from providing advance notice to any employee subject to testing that a test will be conducted on any particular day, and provided the Union representative reports to the designated Employee Services area within forty-five (45) minutes of notification.
3. The random number generation shall be conducted twice each time testing occurs for CDL employees; one each for alcohol and for drug testing. The random number generation shall be conducted twice each time testing occurs for safety sensitive employees; one each for alcohol and for drug testing.
4. Random testing shall occur not more than twice monthly for CDL employees and not more than twice monthly for safety-sensitive employees.

C. Notification of Employees

JEA shall determine the date when the employees are notified for drug and alcohol testing. JEA will take into consideration any known emergencies or unusual circumstances that may exist.

APPENDIX C
SAFETY SENSITIVE POSITIONS DEFINITIONS AND KEY

ABBREVIATION	DEFINITION
DISPATCH VEHICLE	RESPONSIBLE FOR DISPATCH OF EMERGENCY VEHICLES (EITHER EMERGENCY RESPONSE/PUBLIC SAFETY VEHICLES OR OTHER VEHICLE IN EMERGENCY SITUATIONS).
MAINT OF VEHICLE	MAINTENANCE OF THE TYPE AND KIND THAT IF PERFORMED IMPORPERLY COULD RESULT IN DANGER TO THE OCCUPANTA/USERS OR OTHER EMPLOYEES OR MEMBERS OF THE PUBLIC NEAR THE VEHICLE/EQUIPMENT.
CHAUFFEURS OTHER EMPLOYEES	CHAUFFEURS OTHER EMPLOYEES AS PART OF ASSIGNED DUTIES.
HANDLE HAZARDOUS MATERIALS OR EQUIP. (INCLUDES GUNS & OTHER SAFETY EQUIPMENT)	TRANSPORT, MIXES, HANDLES, USES, HAZARDOUS MATERIALS OR IS RESPONSIBLE FOR EQUIPMENT CARRYING CURRENT, FLUIDS OR GAS THAT COULD ENDANGER THE PUBLIC OR EMPLOYEES.
CDL LICENSE	OPERATES CDL CLASSIFIED VEHICLES.
SUPERVISES CHILDREN	SUPERVISES CHILDREN OR IS RESPONSIBLE FOR THE SECURITY OF CHILDREN.
OPERATES/DIRECTS LARGE EQUIPMENT	OPERATES/DIRECTS LARGE TRUCKS AND/OR CONSTRUCTION EQUIPMENT.
HAZARDOUS EQUIPMENT/CONDITIONS	PERFORMS HAZARDOUS/PERILOUS WORK, AND/OR WORKS WHERE THE INDIVIDUAL MAY CAUSE HARM TO HIMSELF OR OTHERS.
GUARDS SAFETY OF WORKERS AND/OR PUBLIC	GUARDS THE SAFETY OF CO-WORKERS AND/OR PUBLIC.
IMMEDIATE MANAGEMENT RISK	DUTIES REQUIRE DRUG PREVENTION-FOREKNOWLEDGE OF IDENTITIES OF INDIVIDUALS TO BE TESTED.
SPECIAL LICENSE	ANY POSITION THAT REQUIRES SPECIALIZED LICENSING BY CITY, STATE, OR FEDERAL LAW OR REGULATION WHICH INVOLVES ADDITIONAL MEDICAL AND/OR BACKGROUND INVESTIGATIONS. THE EXISTENCE OF A SPECIAL LICENSE REQUIREMENT MAY BE USED FOR THE PURPOSE OF SUPPORTING A SAFETY-SENSITIVE DESIGNATION BUT SHALL NOT BE SUFFICIENT IN AND OF ITSELF TO REQUIRE A SAFETY-SENTITIVE DESIGNATION.
ENFORCE DRUG POLICY	ENFORCES DRUG POLICY (INTERDICTION AND DISCIPLINE).
STORE ILLEGAL SUBSTANCES	HANDLES, FILES AND/OR STORES ILLEGAL SUBSTANCES.
SYSTEMS OPERATOR	DESIGN CONSTRUCTION, MAINTENANCE, INSPECTION & OPERATION OF SYSTEMS CARRYING CURRENT, FLUIDS OR GAS THAT COULD ENDANGER THE PUBLIC OR EMPLOYEES OR REGULATES, MAINTAINS, REPAIRS TRAFFIC SIGNAL DEVICES.
SUPV/SAFETY SENSITIVE POSITION	DIRECTLY SUPERVISES A SAFETY SENSITIVE POSITION.
ACCESS/CRIMINAL INVESTIGATION INFO	WORKS WITH OR HAS ACCESS TO INFORMATION OR DOCUMENTS PERTAINING TO CRIMINAL INVESTIGATIONS.
EMERGENCY RESPONSE REQUIRED	RESPONDS UNDER EMERGENCY CONDITIONS.

APPENDIX D - GRIEVANCE FORM

**INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL
NO. 2358
GRIEVANCE FORM**

NEGOTIATED GRIEVANCE PROCEDURE

____ Employee(s) ____ Union ____ Management
____ Initiated Initiated Initiated Date of event that caused grievance

____ I desire Union Representation ____ I desire to represent myself
____ I do not desire Union Representation ____ I desire legal counsel representation

Grievant/Steward _____ Date _____
(print name & signature of employee filing grievance)

Article(s) Allegedly Violated

STEP 1

GRIEVANT: Describe in brief detail the facts that lead to the grievance. If necessary, attach comments on a separate document.

RELIEF REQUESTED: briefly state corrective action desired:

Received by _____ Date: _____
(print name & sign)

Step 1 meeting date: _____
Step 1 decision: _____ (attach written statement) Date: _____
_____ (Sustained or Denied)

Manager/Director Signature: _____

**INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL NO. 2358
GRIEVANCE FORM**

STEP 2

Grievant/Union President/Designee: _____
(print & sign)

To: _____ Received by: _____ Date: _____
(Manager of Labor Relations) (print & sign)

State Objections to Step 1 decision:

Step 2 meeting date: _____ Step 2 decision: _____ (attach written statement)
(Sustained or Denied)

Vice President: _____
(print & sign)

REQUEST FOR ARBITRATION

Request by: _____ Date: _____
(Union President/Designee print & sign)

To: Labor Relations

Received by: _____ Date: _____
(print & sign)

APPENDIX E

[ID Number]

APPENDIX E

THIS EMPLOYEE PROTECTION AND RETENTION PROGRAM AGREEMENT
(this "Agreement") is made effective as of the [] day of [], 2019, by and between JEA, a body politic and corporate under the laws of the State of Florida and an independent agency of the Consolidated City of Jacksonville ("JEA"), and [Name] (the "Employee").

RECITALS:

WHEREAS, all JEA employees perform valuable services for the customers and citizens they serve;
WHEREAS, JEA provides a work environment which emphasizes safety and a positive culture;
WHEREAS, JEA operates in a rapidly evolving business climate to provide energy, water and wastewater utility services;
WHEREAS, the Board approves of JEA exploring strategic options to ensure that it continues to serve its customers and citizens in a cost-effective and reliable way;
WHEREAS, JEA desires to recognize the past and continued service of its employees;
WHEREAS, in recognition of the Employee obtaining performance standards that shall be individually determined and evaluated based on the Employee's proportionate contribution to JEA, JEA desires to award the Employee a retention payment subject to, and conditioned upon, the occurrence of a Recapitalization Event on the terms and conditions set forth herein;
and
WHEREAS, all full-time employees who are actively employed with JEA on July 23, 2019 are eligible to receive a retention payment.
NOW THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, JEA and the Employee agree as follows:
1. Certain Definitions. As used in this Agreement, the following terms shall have the meanings given to them in this Section 1. Certain other terms are defined elsewhere in this Agreement.

(a) "Applicable Law" means any constitution, law, statute, ordinance, rule, regulation, regulatory requirement, code, order, judgment, injunction or decree enacted, issued, promulgated, enforced or entered by a federal, state, provincial or local government or other political subdivision thereof, any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of any such government or political subdivision.

(b) "Board" means the Board of Directors of JEA.

(c) "Cause" means (x) in the case where the Employee has an employment agreement,
2 [ID Number]

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consulting agreement or similar agreement in effect with JEA at the time of grant of the Retention Payment that defines a termination for “cause” (or words of like import), “cause” as defined in such agreement or (v) in the case where the Employee does not have an employment agreement, consulting agreement or similar agreement in effect with JEA at the time of grant of the Retention Payment or where there is such an agreement but it does not define “cause” (or words of like import):

(i) the Employee has been convicted of, pled guilty or no contest to or entered into a plea agreement with respect to, (A) any felony under Applicable Law or (B) any crime involving dishonesty or moral turpitude;

(ii) the Employee has engaged in (A) any willful misconduct or gross negligence or (B) any act of dishonesty, violence or threat of violence, in each case with respect to this clause (B), that would reasonably be expected to result in a material injury to the JEA Group;

(iii) the Employee willfully fails to perform the Employee’s duties to the JEA Group and/or willfully fails to comply with lawful directives of the Board;

(iv) the Employee materially breaches any term of any contract to which the Employee and any member of the JEA Group is a party; or

(v) the Employee materially breaches any term of this Agreement;

provided that, with respect to clauses (iii), (iv) and (v) and if the event giving rise to the claim of Cause is curable, JEA provides written notice to the Employee of the event within thirty (30) days of JEA learning of the occurrence of such event, and such Cause event remains uncured fifteen (15) days after JEA has provided such written notice; provided further that any termination of the Employee’s employment for “Cause” with respect to clause (iii), (iv) or (v) occurs no later than thirty (30) days following the expiration of such cure period. Notwithstanding the foregoing, to the extent that this definition of “Cause” is inconsistent with an applicable definition of “cause” (or words of like import) in any applicable and lawful collective bargaining agreement or the applicable and lawful Civil Service and Personnel Rules and Regulations of the City of Jacksonville (the “Civil Service Rules”), the definition of “cause” (or words of like import) in such collective bargaining agreement or the Civil Service Rules shall control.

(d) Section Reserved.

(e) “Code” means the Internal Revenue Code of 1986, as amended, and the rules, regulations and guidance issued thereunder.

(f) “Confidential Information” means information not generally known, not released pursuant to Chapter 119, Florida Statutes, or not available outside the JEA Group and information entrusted to the JEA Group in confidence by third parties, including, without limitation, all technical data, trade secrets, research, product or service ideas or plans, software code and designs.

3 [ID Number]

developments, processes, formulas, techniques, biological materials, mask works, designs and drawings, hardware configuration information, information relating to employees and other service providers of the JEA Group (including, but not limited to, their names, contact information, jobs, compensation and expertise), information relating to suppliers and customers, information relating to lenders, price lists, pricing methodologies, cost data, market share data, marketing plans, licenses, contract information, business plans, financial forecasts, historical financial data, budgets or other business information. Notwithstanding the foregoing, JEA recognizes the applicability of Chapter 119, Florida Statutes.

(g) “Disability” means (i) if JEA provides long-term disability insurance to its employees generally and if JEA’s long-term disability plan defines the term “disability,” then the same meaning as in JEA’s long-term disability plan or (ii) if JEA does not provide long-term disability insurance to its employees generally, a condition that renders the Employee unable to engage in substantial gainful activity by reason of any medically determinable physical or mental impairment as determined by JEA’s absence management vendor; provided, however, that JEA’s absence management vendor has no obligation to investigate whether Disability exists unless the Employee or representative thereof puts JEA on notice within ninety (90) days after the Employee’s termination of employment.

(h) “Involuntary Termination” means, with respect to the Employee, (i) a termination of the Employee’s employment by any member of the JEA Group without Cause, (ii) a termination due to such Employee’s death or Disability, or (iii) subject to approval by the Board, a requirement that Employee relocate their regular work location outside of a 75 mile radius (as measured from the JEA Tower, 21 West Church St., Jacksonville).

(i) “JEA Group” means JEA and its affiliates, assigns, subsidiaries and successors.

(j) “Recapitalization Event” means the closing and funding of a transaction or a series of related transactions in accordance with Article 21 of the Charter of the City of Jacksonville and any other Applicable Law that results in either (i) unencumbered cash proceeds to the City of Jacksonville of at least Three Billion Dollars (\$3,000,000,000) or (ii) at least fifty percent (50%) of the net depreciated property, plant and equipment value of either JEA’s electric system or JEA’s water and wastewater system being transferred, assigned, sold or otherwise disposed of. The “Closing Date” of a Recapitalization Event shall be the date of closing of a transaction that results in either of the above two contingencies occurring, or in the case of a series of related transactions, the date of a closing of a transaction that, when combined with other prior transactions in the series, results in either of the above two contingencies.

(k) “Retention Period” means, respectively, a two (2)-year period following the Recapitalization Event as follows: (i) with respect to the first Payment Installment, the period from July 23, 2019 through the Closing Date; (ii) with respect to the second Payment Installment, the period from the Closing Date through the first anniversary of the Closing Date; and (iii) with respect to the third Payment Installment, the period from the first anniversary of the Closing Date through the second anniversary of the Closing Date.
4 [ID Number]

2. Agreement to Provide Retention Payment. Subject to the terms of this Agreement (including the conditions set forth below), the Employee shall be entitled to receive a cash payment in the aggregate amount of _____ which is 100% of the Employee's annual base salary that was in effect on July 23, 2019) (the "Retention Payment"). The Retention Payment shall vest in three (3) equal installments (each, a "Payment Installment") on the Closing Date, the first anniversary of the Closing Date and the second anniversary of the Closing Date (each such date, a "Vesting Date"). The Payment Installments shall be paid to the Employee as soon as reasonably practicable after each applicable Vesting Date, but in any event no later than thirty (30) days after the applicable Vesting Date. For the avoidance of doubt, in no event shall the Employee be entitled to receive any amounts in excess of the Retention Payment under this Agreement.

3. Conditions to Receipt of the Retention Payment. The Employee's right to receive the Retention Payment is conditioned on his or her execution of this Agreement and all of the following: (a) the Recapitalization Event occurring no later than December 31, 2021; (b) the Employee's continuous employment with any member of the JEA Group during the Retention Period (except as set forth herein), other than an Involuntary Termination as defined above; (c) the Employee's execution and non-revocation of a release of claims in favor of the JEA Group and the City of Jacksonville ("Release") in a form reasonably satisfactory to JEA; (d) the Employee's compliance with the covenants set forth in Section 6; and (e) satisfaction of the conditions of applicable law. If the Employee breaches or threatens to breach any of the covenants in Section 6, JEA shall not pay the Employee the Retention Payment (to the extent unpaid) and/or the Employee shall be required to promptly repay all or any portion of the Retention Payment previously paid to the Employee, as applicable. Within sixty (60) days prior to the anticipated Closing Date, JEA shall deliver the Release to the Employee and, to the extent required by Applicable Law, the Employee shall have twenty-one (21) or forty-five (45) days from the date the Release is delivered to the Employee to review the Release and an additional seven (7) days to revoke the Release. The Employee must have executed an irrevocable Release prior to the Closing Date to receive any portion of the Retention Payment.

4. Agreement to Provide Employee Protection. The terms of JEA Board Resolution 2019-07 are incorporated into this agreement, which such resolution requires that an invitation to negotiate or other competitive solicitation outcome must achieve, among other things, maintenance of substantially comparable employee compensation and benefits for three years. For three years following the Recapitalization Event, the Employee is guaranteed substantially comparable compensation and benefits in effect at the Closing Date ("Employee Protection Benefit"). In the event the Employee is Involuntarily Terminated as defined by Paragraph (h) before the end of the three year period, the Employee shall continue to receive the Employee Protection Benefit for the remainder of the three year period. The Employee Protection Benefit shall only apply to full-time JEA employees employed on the Closing Date, and any remedy for breach of this provision shall only be against and recovered from a successor entity to JEA.
5 [ID Number]

5. Involuntary Termination. Notwithstanding the provisions of Section 3(b), if the Employee ceases to be employed with any member of the JEA Group during a Retention Period due to an Involuntary Termination, the Employee shall be eligible to receive the entire amount of the Retention Payment (to the extent unpaid) and the Payment Installments shall vest on the applicable Vesting Dates. Any amount payable pursuant to this Section 5 shall be paid to the Employee at the same time as the Payment Installments (to the extent unpaid) would have been paid had there been no termination of employment.

6. Covenants. The Employee shall comply with the following covenants:

THIS SECTION 6 IS NOT INTENDED TO USURP THE EMPLOYEE'S RIGHTS, DUTIES OR RESPONSIBILITIES AS A CITIZEN OF THE STATE OF FLORIDA; HOWEVER, THIS SECTION 6 IS INCLUDED TO ENSURE THAT JEA AND ITS EMPLOYEES, AGENTS AND REPRESENTATIVES COMPLY WITH ITS AND THEIR CONFIDENTIALITY OBLIGATIONS UNDER APPLICABLE LAW, INCLUDING, BUT NOT LIMITED TO, LAWS GOVERNING THE DISCLOSURE OF MATERIAL NON-PUBLIC OR CONFIDENTIAL INFORMATION.

(a) Cooperation. While on duty, the Employee shall (i) devote best efforts to faithfully discharge his or her duties, obligations and responsibilities on behalf of the JEA Group as those duties, obligations and responsibilities have been performed in the past or as may be subsequently modified in writing by JEA and the Employee, (ii) provide full support and cooperation in the best interests of the JEA Group up to and including the Closing Date, (iii) throughout the course of the Employee's employment with the JEA Group and following the Closing Date and/or the Employee's separation of service with the JEA Group, if applicable, take no action that would be considered contrary to the best interests of the JEA Group, and (iv) devote best efforts to assist the JEA Group in maximizing its performance and finalizing the Recapitalization Event and any transition related thereto. Nothing contained herein shall be construed to prohibit the Employee from engaging in lawfully protected, concerted activity or speech protected by the First Amendment.

(b) Confidentiality.

(i) *Protection of Information.* The Employee acknowledges and agrees that the confidentiality provision contained in this Section 6(b) is essential to protect JEA's goodwill, its ability to diligently serve its customers, the value of JEA's business and assets and the investor relations that JEA has expended significant resources to develop. Subject to applicable limitations of Chapter 119 and Section 215.425(5), Florida Statutes, the Employee shall keep confidential this Agreement and its terms; provided that the Employee may provide this Agreement on a confidential basis to his or her legal counsel, accountant, and/or tax advisor. In addition, at all times during the Employee's relationship with the JEA Group and thereafter, the Employee agrees to hold in strictest confidence and not disclose Confidential Information to any individual, corporation, partnership, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof, without prior written authorization from JEA, and not to use Confidential Information, except to perform the Employee's obligations to the JEA 6 [ID Number]

Group, until such Confidential Information becomes publicly and widely known and made generally available through no wrongful act of the Employee's or of others who were under confidentiality obligations as to the item or items involved. The Employee further agrees not to make any copies of Confidential Information, except as authorized in writing in advance by JEA.

(ii) Confidential Disclosure in Reporting Violations of Law or in Court Filings. The Employee acknowledges and JEA agrees that the Employee may disclose Confidential Information in confidence directly or indirectly to federal, state, or local government officials, including, but not limited to, the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law or regulation or making other disclosures that are protected under the whistleblower provisions of state or federal laws or regulations. The Employee may also disclose Confidential Information in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal. Nothing in this Agreement is intended to conflict with federal law protecting confidential disclosures of a trade secret to the government or in a court filing, 18 U.S.C. § 1833(b), or to create liability for disclosures of Confidential Information that are expressly allowed by 18 U.S.C. § 1833(b).

7. Tax Withholding. The JEA Group shall be entitled to make deductions from the Retention Payment in respect of any applicable income and employment tax, up to the maximum amount permitted by Applicable Law, subject to the JEA Group's normal withholding procedures.

8. Sections 409A and 457(f). This Agreement is intended to provide payments that are exempt from Sections 409A and 457(f) of the Code ("Code Sections 409A and 457(f)"), or alternatively that comply with Code Sections 409A and 457(f), and the terms of this Agreement shall be construed and administered in a manner that is exempt from or in compliance with Code Sections 409A and 457(f), as appropriate. Each payment is intended to be treated as one of a series of separate payments for purposes of Code Sections 409A and 457(f). Notwithstanding anything herein to the contrary, no amendment may be made to this Agreement if it would cause this Agreement or any payment hereunder not to be in compliance with Code Sections 409A and 457(f).

9. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of JEA and its successors and assigns, and the term "JEA" whenever used in this Agreement shall mean and include any such successors or assigns. Neither this Agreement nor any right or interest hereunder shall be assignable or transferable by the Employee or his or her beneficiaries or legal representatives, except by will or by the laws of descent and distribution. Notwithstanding the foregoing, in the event of the death of the Employee, payments that otherwise would have been made to the Employee shall instead be made to the Employee's estate.

10. Governing Law. All questions concerning the construction, validity and interpretation of this Agreement shall be governed by the laws of the State of Florida, applicable to contracts to be executed and performed entirely therein, regardless of the laws of any other jurisdiction that might otherwise govern due to applicable conflicts of laws principles.
7 [ID Number]

11. Arbitration. Except for suits seeking injunctive relief or specific performance or as otherwise prohibited by Applicable Law, the parties hereby agree that any dispute, controversy or claim arising out of, connected with and/or otherwise relating to this Agreement and the arbitrability of any controversy or claim relating hereto shall be finally settled by binding arbitration. The parties hereby knowingly and voluntarily waive any rights that they may have to a jury trial for any such disputes, controversies or claim. The parties agree to resolve any dispute arising out of this Agreement before the American Arbitration Association (the "AAA") in accordance with the AAA's then existing National Rules of Resolution of Employment Disputes. The arbitration shall be administered by the AAA and the hearing shall be conducted in Duval County in the State of Florida before a neutral arbitrator, who must have been admitted to the practice of law for at least the last ten (10) years (the "Arbitrator"). Each party further agrees to pay its or his own arbitration costs, attorneys' fees, and expenses, unless otherwise required by the AAA's then-existing arbitration rules. The Arbitrator shall issue an opinion within thirty (30) days of the final arbitration hearing and shall be authorized to award reasonable attorneys' fees to the prevailing party, which decision of the Arbitrator shall be final, conclusive, unappealable and binding on the parties. Subject to Applicable Law, the arbitration proceeding and any and all related awards, relief or findings shall be confidential, except that any arbitration award may be filed in a court of competent jurisdiction by either party for the purpose of enforcing the award. The Employee, if covered by any lawful collective bargaining agreement, shall be able to arbitrate such dispute per the rules set forth in the applicable collective bargaining agreement.

12. Entire Agreement; Modification. This Agreement contains the entire understanding and agreement between the parties relating to the Retention Payment and supersedes and replaces all prior agreements, understandings, discussions, negotiations and undertakings, whether written or oral, by or among the parties with respect thereto (none of which remain of any force or effect). This Agreement, including this Section 11, may be modified only by agreement in writing signed by both JEA and the Employee.

13. Counterparts. This Agreement may be executed in two (2) or more counterparts (including via facsimile or .pdf file), each of which shall be deemed an original, but all of which, when taken together, shall constitute one and the same instrument.

14. Waiver. Any failure of the Employee to comply with any of his or her obligations under this Agreement may be waived only in writing signed by JEA's Vice President of Human Resources (or his or her delegate). Any failure of JEA to comply with any of its obligations under this Agreement may be waived only in writing signed by the Employee. No waiver of any breach, failure, right or remedy contained in or granted by the provisions of this Agreement shall constitute a continuing waiver of a subsequent or other breach, failure, right or remedy, unless the writing so specifies.

15. Survival. The provisions of this Agreement are intended to survive the Employee's termination of employment.

16. Severability. If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to
8 [ID Number]

conform to Applicable Law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement shall continue in full force and effect.

17. Collective Bargaining; Civil Service Rules. If or as required, JEA shall collectively bargain this Agreement with unions representing covered bargaining unit employees of JEA. This Agreement shall not be interpreted to be inconsistent with the Civil Service Rules, as applicable.

18. Penalties. In the event that any payments under this Agreement to the Employee are subject to any excise tax, interest or penalties under the Code (the "Penalties"), the JEA Group shall pay to the Employee an amount equal to the full amount of the Penalties. Such payment is intended to place the Employee in the same economic position the Employee would have been in if the Penalties did not apply and shall be calculated in accordance with such intent. Notwithstanding anything to the contrary contained herein, the JEA Group shall not make the Employee economically whole for Penalties caused by, relating to or arising from the Employee's breach of this Agreement or the Employee's failure to comply with his or her obligations under Applicable Law.

19. Compliance with Applicable Law. No provision of this Agreement shall be deemed to violate Applicable Law and this Agreement shall be interpreted in accordance with this intent.

20. Right to Seek Legal Counsel. The Employee acknowledges that the Employee has the right to review this Agreement with legal counsel of the Employee's choosing before signing it and that he or she was encouraged and advised to consult with an attorney prior to signing it.

21. Determinations. All determinations regarding the Retention Payment, including the amount, if any, of any Payment Installment payable to the Employee, shall be made in accordance with the terms of this Agreement, and shall be final, conclusive and binding on all parties.

22. Section Headings. The section headings are included for convenience and are not intended to limit or affect the interpretation of this Agreement.

[Signature page follows][Signature Page to Employee Protection and Retention Program Agreement] [ID Number]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date written below.

JEA

By _____

Name: Aaron F. Zahn

Title: Managing Director/CEO

EMPLOYEE

Name:

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IN WITNESS WHEREOF, WE, the Negotiating Teams for the parties hereto have set our hand
this 20th day of March 2017.

For the JEA:

[Signature]
Andy Bemis
[Signature]
Tom Wigand
[Signature]
Angela Hiers
[Signature]
James Stancin
[Signature]
Chris Hahn/Pruitt
[Signature]
Mariza Rivera-Clapp
[Signature]
Jeremy Mathews
[Signature]
Eileen Hill
[Signature]
Walette Stanford

For the IBEW (Local #2358):

[Signature]
Walton Gutierrez
[Signature]
Raymond Olaf Diaz, Jr.
[Signature]
Vito Ferraraccio
[Signature]
Justin Pippin
[Signature]
R.D. Redd
[Signature]
Jacob Wyss
[Signature]
Travis Stratmann
[Signature]
Herb Taylor
[Signature]
Wayne McDonald
[Signature]
Rhody Mullis
[Signature]
Rick Goodin
[Signature]

Approved by the International Brotherhood of Electrical Workers' on this 23rd day of
March 2017.

[Signature]
President

Approved by the Jacksonville City Council on this _____ day of _____
2017.

1 Introduced by the Council President at the request of JEA and
2 amended by the Committee of the Whole:
3
4

5 **ORDINANCE 2017-250-E**

6 AN ORDINANCE APPROVING THE COLLECTIVE
7 BARGAINING AGREEMENT BETWEEN JEA AND
8 INTERNATIONAL BROTHERHOOD OF ELECTRICAL
9 WORKERS, LOCAL 2358 (IBEW), SUCH AGREEMENT
10 COMMENCING OCTOBER 1, 2016 AND ENDING
11 SEPTEMBER 30, 2019; PROVIDING AN EFFECTIVE
12 DATE.
13

14 **WHEREAS**, on March 21, 2017, the JEA Board met and reviewed
15 the agenda item regarding the Collective Bargaining Agreement
16 between JEA and the International Brotherhood of Electrical
17 Workers, Local 2358 (IBEW), a copy of the agenda item is attached
18 hereto as Exhibit 1; and

19 **WHEREAS**, the JEA Board has authorized the JEA Chief Executive
20 Officer to approve the Collective Bargaining Agreement between JEA
21 and the International Brotherhood of Electrical Workers, Local 2358
22 (IBEW), provided the IBEW membership ratifies the agreement as
23 presented to the JEA Board on March 21, 2017; and

24 **WHEREAS**, the on March 23, 2017, the International Brotherhood
25 of Electrical Workers, Local 2358 (IBEW) ratified the Collective
26 Bargaining Agreement between JEA and the International Brotherhood
27 of Electrical Workers, Local 2358 (IBEW); and

28 **WHEREAS**, JEA has requested that the City Council approve the
29 Collective Bargaining Agreement; now therefore

30 **BE IT ORDAINED** by the Council of the City of Jacksonville:

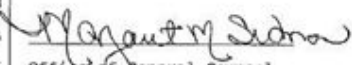
31 Section 1. **JEA and International Brotherhood of**

Amended 4/24/17

1 **Electrical Workers, Local 2358 (IBEW) Agreement Approved.** That
2 certain Collective Bargaining Agreement between JEA and the
3 International Brotherhood of Electrical Workers, Local 2358 (IBEW),
4 a copy of which is Revised On File with the Legislative Services
5 Division, and by this reference is made a part hereof, is hereby
6 approved. Said Collective Bargaining agreement is for a term
7 commencing October 1, 2016 and ending September 30, 2019.

8 **Section 2. Effective Date.** This ordinance shall become
9 effective upon signature by the Mayor or upon becoming effective
10 without the Mayor's signature.

11
12 Form Approved:

13
14 

15 Office of General Counsel

16 Legislation Prepared By: Margaret M. Sidman

17 OC-81120909-v1-2017-250-E.doc

18

JEA
Building Community
AGENDA ITEM SUMMARY

APPROVED BY THE JEA
BOARD OF DIRECTORS
AT ITS MEETING ON 3/21/2017
AGENDA ITEM # 1002, 11C, D.

March 20, 2017

SUBJECT: INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS (IBEW) COLLECTIVE BARGAINING AGREEMENT

Purpose: Information Only Action Required Advice/Direction

Issue: Negotiations have been ongoing with IBEW since July 28, 2016. A tentative agreement was reached and a ratification vote was held on March 14, 2017 at which time the IBEW membership declined the proposed agreement. Negotiations resumed on March 20, 2017 and a new vote will occur this week. An agreement reached this week will be eligible for City Council review by the legislative filing deadline of March 27, 2017.

Significance: IBEW is one of two bargaining units for which agreement remains outstanding. The agreements are needed to address the current reform to the City of Jacksonville General Employees' Pension Plan (GEPP).

Effect: Approximately 531 JEA civil service employees are covered by the IBEW, which primarily consists of specialized craft jobs including apprentice electrical technicians, linemaintainers and power plant operators.

Cost or Benefit: The total additional cost over the three year term is approximately \$7.7 million.

Recommended Board action: Staff recommends that the Board authorize the Managing Director/CEO to approve a ratified agreement with IBEW and authorize its presentation to City Council.

For additional information, contact: Angela Hiers, Chief Human Resources Officer, 665-4747

Submitted by: PEM/ARH

ARH

MISSION Commitment to Integrity, Quality, High Performance, and Customer Service	VALUES - Safety - Service - Quality - Accountability - Integrity
---	--

Commitments to Action

- 1. Earn Customer Loyalty
- 2. Deliver Business Excellence
- 3. Develop an Unbeatable Team

Ver: 2.00 8/10/13 jcr



INTER-OFFICE MEMORANDUM
March 20, 2017

SUBJECT: INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS (IBEW)
COLLECTIVE BARGAINING AGREEMENT

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

The current agreement between JEA and the International Brotherhood of Electrical Workers (IBEW) expired on September 30, 2016. The parties have met extensively to negotiate a new agreement. A tentative agreement was reached previously and was taken to a ratification vote on March 14, 2017, where it was rejected by the bargaining unit employees. Negotiations continued and a new tentative agreement reached, which will be sent back to the members to ratify.

DISCUSSION:

While it is believed that JEA will have an agreement with IBEW prior to the deadline to send to City Council for ratification, an agreement will not be reached in time to present to the Board. Therefore, staff is requesting that the Managing Director/CEO be granted the authorization to approve the agreement on behalf of JEA and to approve its presentation to City Council.

RECOMMENDATION:

Staff recommends that the Board authorize the Managing Director/CEO to approve a ratified agreement with IBEW and authorize its presentation to City Council.



Paul E. McElroy, Managing Director/CEO

PEMMDE/ARH

Ver 22 02010204

Exhibit 1
Page 2 of 2

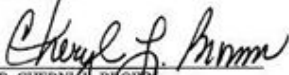
ORDINANCE 2017-250-E
CERTIFICATE OF AUTHENTICATION
ENACTED BY THE COUNCIL
April 24, 2017



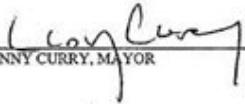
LORI BOYER
COUNCIL PRESIDENT

ATTEST:

APPROVED: APR 25 2017



DR. CHERYL J. BROWN
COUNCIL SECRETARY



LENNY CURRY, MAYOR



AGREEMENT

BETWEEN



AND

**NORTHEAST FLORIDA PUBLIC EMPLOYEES' LOCAL 630
LABORERS' INTERNATIONAL UNION OF NORTH AMERICA,
AFL-CIO**

OCTOBER 1, 201~~96~~⁹ - SEPTEMBER 30, 20~~22~~¹⁹

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PREAMBLE

This Agreement is entered into as of October 1, 201~~9~~⁶ between JEA and/or any other co-op. partner, affiliate as a result of any Recapitalization Event (Employer) and the Northeast Florida Public Employees' Local 630, Laborers' International Union of North America, AFL-CIO-CLC (Union). It is the intent and purpose of this Agreement to assure a sound and mutually beneficial working and economic relationship between the parties hereto, to provide an orderly and peaceful means of resolving any misunderstandings or differences which may arise, and to set forth herein basic and full Agreement between the parties concerning the rates of pay, wages, hours, and other terms and conditions of employment. There are, and shall be, no individual arrangements contrary to the terms herein provided. Either party hereto shall be entitled to require specific performance of the provisions of this Agreement. It is understood that the Employer is engaged in furnishing essential public services which vitally affect the health, safety, comfort, and general wellbeing of the public; and both parties hereto recognize the need for continuous and reliable service to the public.

ARTICLE 1: UNION RECOGNITION

- 1.1** Pursuant to and in accordance with all applicable provisions of Chapter 447, Florida Statutes, the Employer recognizes the Union as the exclusive collective bargaining representative for those employees in the unit as defined in section 1.2 of this Article as per Public Employees Relations Commission for the purpose of bargaining collectively in the determination of the wages, hours, and terms and conditions of employment of the public employees within the unit, unless and until recognition of such bargaining representative is withdrawn by a vote of the employees represented.
- 1.2** The recognized unit includes all classified employees who are employed by the Employer and whose classifications appear on the attached Appendix A. Specifically excluded are: managerial, supervisory and confidential employees within the meaning of Section 447.203 (4) & (5), Florida Statutes and employees included in other units having exclusive recognition in accordance with Chapter 447, Florida Statutes.
- 1.3** The Business Manager of the Union or his **(1)** alternate, will be the official spokesperson for the Union in any matter between the Union and the Employer. Any alternate designated by the Business Manager shall be designated in writing, and the period of time covered by such designation shall be included in such written designation.

(1) All references to the male gender in this agreement are used for convenience only and should be interpreted to include both male and female.

ARTICLE 2: SECURITY AND CHECK OFF

- 2.1** A copy of this Agreement shall be provided to all members of the bargaining unit in the following manner:
- (a) The Employer agrees to have an electronic version with any amendments, Memorandum of Agreements and Memorandum of Understandings available, for reference by bargaining unit employees.
 - (b) The Employer agrees to provide all persons hired into a job classification represented by the Union a copy of the current Agreement
- 2.2** Upon receipt of a written authorization from an employee covered by this Agreement, the Employer will deduct from the employee's pay the amount owed to the Union by such employee for dues and uniform assessments. It is understood that this provision will provide for at least twenty-six (26) deductions per year. The Employer will remit such sums to the Union within forty (40) days² from the date of the deduction. A charge not to exceed the cost of six (6) cents per deduction per pay period will be assessed. The Employer's remittance will be deemed correct if the Union does not give written notice to the Employer within two (2) calendar weeks after a remittance has been received, of its belief, with reason(s) stated therefore, that the remittance is incorrect. The Union shall notify the Employer in writing thirty (30) days prior to any change in its regular dues structure.
- 2.3** The Union will indemnify, defend, and hold the Employer harmless against any claim made and against any suit instituted against the Employer on account of any deduction for Union dues or uniform assessments.
- 2.4** An employee may revoke his authorization for deduction of dues or uniform assessments, provided the employee gives written notice to the Union and the Employer (Labor Relations). Dues revocation will be processed through the Union.
- 2.5** No deduction shall be made from the pay of any employee for any payroll period in which the employee's net earnings for that payroll period are less than the amount of dues to be checked off. Net earnings shall mean net after required deductions of federal taxes, social security, pensions, credit union and health and life insurance. Dues will be reinstated automatically once net earnings exceed the amount of dues to be checked off.

(2). All references to days shall refer to calendar days unless specified otherwise.

ARTICLE 3: UNION ACTIVITY

- 3.1** The following sections outline the duties and responsibilities of stewards in performing their functions as recognized union representatives. In those cases which cannot be resolved otherwise, designated union stewards shall be granted reasonable time off, without loss of pay, to investigate and settle grievances when such investigation is required for the prompt and effective settlement of the grievance in question. Work loss must be minimized. The steward must advise his Manager or designee of the requirement for such investigation and secure permission before conducting the investigation. Such permission will not be unreasonably withheld. In the investigation of grievances, stewards shall not be allowed to unduly hamper the work operations of the Employer by conferring with employees not involved with the grievance. Union stewards shall normally investigate and settle grievances on the job site which is within their designated jurisdiction. All files of the employee shall be open for investigation by the steward when investigating grievances.

No compensation shall be made for stewards' activities in representation of employees when such activities are conducted during hours other than the stewards' own work hours. Stewards shall not conduct any grievance work on premium time except in emergency situations occurring when the steward is on premium time, which involves suspension or discharge. Manager or designee permission shall be given orally to the union steward provided that said oral authorization insures adequate controls of the steward's time; otherwise written permission shall be required. Upon returning to his work assignment, the steward shall report to his Manager or designee, unless prior consent not to do so has been secured.

- 3.2** Union stewards shall be active employees as designated by the Union, and shall be members of the bargaining unit.
- 3.3** Union Representatives while on public property and functioning as stewards are subject to the same rules of the Employer as all other public employees, except as specifically provided in this Agreement.
- 3.4** Active solicitation by the Union of grievances and the collection of Union monies shall not be engaged in on the Employer's property.
- 3.5** No employee shall function as a union steward while on leave of absence without mutual consent of the Union and the Employer.
- 3.6** When it becomes necessary for a union steward to enter a work area other than his own for the purpose of conducting union business authorized by this Agreement, he will secure permission for his presence from the Manager or designee of that work area and notify the Manager or designee of the general nature of his business. Such permission shall not be unreasonably withheld.
- 3.7** Nothing in this Agreement shall be construed to prevent any employee from presenting, at any time, his own grievances to the Employer, in person or by legal counsel, and having such grievances adjusted without the intervention of the bargaining agent if the adjustment is not inconsistent with the terms of the Agreement then in effect, and if the bargaining agent or his designee has been given reasonable opportunity to be present at any meeting called for the resolution of such grievance.
- 3.8** Employees of the designated bargaining unit shall have the right to join the Union, to engage in lawful concerted activities for the purpose of collective bargaining or other mutual aid and protection, and to

express or communicate any view, grievance, complaint or opinion, within the bounds of good taste related to the conditions or compensation of public employment or its betterment, all free from any restraint, coercion, discrimination, or reprisal. There shall be no restraint, discrimination, intimidation, or reprisal against any employee because of that employee's membership or lack of membership in the Union or by virtue of his holding office or not holding office in the Union. This provision shall be applied to all employees by the Employer and the Union.

- 3.9** All stewards have productive work to perform as assigned by the Employer. The parties agree that each will cooperate with the other in reducing to a minimum the actual time spent by union representatives in investigating, presenting, and adjusting grievances or disputes.

ARTICLE 4: BULLETIN BOARDS

- 4.1** The Union shall be provided use of electronic bulletin board accessible to all member of the bargaining unit
- 4.2** The Union agrees that it shall use the bulletin boards provided for in Section 4.1 above, only for the following purposes:
- Notices of Union meetings
 - Union Elections
 - Reports of Union committees
 - Rulings and policies of the Union
 - Notices of the recreational and social affairs of the Union
 - Notices of public bodies
 - Official grievance documents and related attachments
 - Copies of MOA's or MOU's
 - Job Descriptions
 - Policies of JEA
- 4.3** No material, notices, or announcements shall be submitted to Labor Relations for posting by the Union which contains anything political or controversial, or anything adversely reflecting upon the Employer, its employees, or any labor organization. Any proven violation of this section by the Union shall entitle the Employer to cancel immediately the provisions of this article and to remove that bulletin board.
- 4.4** Alleged abuse of the bulletin boards will be a matter for a special meeting or conference between the proper official of the local Union, and the Manager of Labor Relations and the Director with Labor Relations responsibility or designee.

ARTICLE 5: MANAGEMENT SECURITY

- 5.1** The Union and its officers, agents, and members agree that during the life of this Agreement, they shall have no right to institute, promote, sponsor, engage in or condone any strike, slowdown, concerted stoppage of work, intentional interruption of Employer operation, or similar activity for any reason. Management shall have the right to discharge or otherwise discipline any employee who violates the provisions of this section. The only question that may be raised in any proceeding (grievance, judicial or otherwise) contesting such action is whether the provision prohibiting strikes, slow-downs, concerted stoppages of work, intentional interruptions of Employer operations, or similar activities was violated by the employee to be discharged or otherwise disciplined.
- 5.2** (a) The Union, its representatives, agents, members and any persons acting on their behalf agree that the following "other unlawful acts" as defined in Chapter 447, Florida Statutes, are expressly prohibited:
- (1) Soliciting public employees during working hours.
 - (2) Distributing literature during working hours in areas where the actual work of public employees is performed, such as offices, warehouses, plants, service centers, and any similar public installation. This section shall not be construed to prohibit the distribution of literature during the employees' lunch hour or in areas not specifically devoted to the performance of official duties.
- (b) No employee organization shall directly or indirectly pay any fines or penalties assessed against individuals pursuant to the provisions of this part.
- (c) The Circuit Courts of this State shall have jurisdiction to enforce the provisions of this section by injunction and contempt proceedings, if necessary. An employee who is proven to have violated any provision of this section may be discharged or otherwise disciplined by the Employer, notwithstanding the provisions of any collective bargaining agreement.
- 5.3** The Employer and the Union agree that the basic intent of this Agreement is to provide a fair day's work in return for a fair day's pay and to provide conditions of employment suitable to maintain a competent work force. The Employer and the Union affirm their joint opposition to any discriminatory practices in connection with employment, promotion, or training, remembering that the public interest requires the full utilization of an employee's skill and ability without regard to race, color, creed, national origin, gender, or disability.
- 5.4** The Employer and Union agree that the Employer shall be allowed to take all actions necessary to comply with the Americans with Disabilities Act of 1990, as amended.

ARTICLE 6: SAVINGS CLAUSE

The Employer retains all rights, powers, functions, and authority it had prior to the signing of this Agreement except as such rights are specifically relinquished or abridged in this Agreement.

ARTICLE 7: MANAGEMENT RIGHTS

- 7.1** It is the right of the Employer to determine unilaterally the purpose of each of its business units, set standards of services to be offered to the public, and exercise control and discretion over its organization and operations, including the right to sub-contract. It is also the right of the Employer to direct its employees, take disciplinary action for proper and just cause, and to relieve its employees from duty because of lack of work or for other legitimate reasons; provided, however, that the exercise of such rights shall not preclude employees or their representatives from raising grievances, should decisions on the above matters have the practical consequences of violating the terms and conditions of this Collective Bargaining Agreement.
- 7.2** In those cases where sub-contracting by the Employer for those jobs now performed by members of the Union is being considered, a special meeting will be held to discuss the sub-contracting (including but not limited to lists of jobs to be contracted). The meeting shall be held as soon as it is determined by the Employer that it will be necessary to subcontract out a service.
- 7.3** The Employer will provide the Union with access of any work rules, management directives (MD's) and/or policies which the Employer has created, amended, or deleted, within a reasonable time after such creation, amendment, or deletion. The Union will be provided general notification of changes and access to JEA's internal intranet page.

ARTICLE 8: STEWARDS AND REPRESENTATION

8.1 The Employer recognizes and shall deal with all the accredited union stewards, the union Business Manager, and any other officer, pursuant to Section 1.3 of this Agreement in all matters relating to grievances and interpretation of this Agreement.

8.2 Employees covered by this Agreement will be represented by Seventeen (17) stewards designated by the Union. The Union will also name a Chief Steward in addition to the seventeen (17) other stewards. The Chief Steward can handle issues at any work location as needed; in addition he will also act as a second primary contact for the Union (in addition to the Union Business manager).

When additional permanent work locations are created; the Employer and the Union will meet at the request of either party for the purpose of mutually determining the stewardship needs of the Union.

Through the life of the contract, JEA will provide up to two (2) days without loss of pay for LIUNA steward training, for up to seventeen (17) stewards.

8.3 A written list of the Union stewards and alternate stewards shall be furnished to Labor Relations prior to the effective date of their assuming duties of office. The Union shall notify Labor Relations promptly of any changes of such union stewards. Union stewards will not perform any grievance work until the Union complies with this section.

8.4 (a) Officials of the Union, as designated in Section 1.3 of this Agreement, may, with proper authorization, which will not be unreasonably denied, are admitted to the property of the Employer. Union officials, as designated above, shall be able to talk with employees before or after regular working hours or during the lunch hour of said employees on Employer property in areas mutually agreed upon by the Union and the Employer.

(b) Officers and accredited representatives of the Union will be admitted to the property of the Employer during working hours for the purpose of ascertaining whether or not this Agreement is being observed by the parties, provided such visitation is not disruptive to the work force. When an area or building belonging to the Employer is not normally open for visitation, the Employer shall provide a responsible escort to the union officer or accredited representative, provided this service has been requested in advance.

8.5 (a) The Employer agrees to contribute two thousand and one hundred (2100) cumulative payroll hours through the life of the contract to the Union for a pool time account to be used by employees at the calling of the Union solely and exclusively for this bargaining unit, upon notifying and securing the prior approval of management, and provided the absence will not interfere with system operations. If additional hours are needed a discussions will take place between the Union and the Employer. Notification shall be transmitted by electronic mail at least forty-eight (48) hours in advance to the employee's manager with a copy to Labor Relations. The notification shall include the nature of the request and the number of hours of pool time requested. The employee's manager shall either approve or disapprove of the request at least twenty-four (24) hours in advance of the absence. Employees designated in writing shall be carried on the active payroll and shall continue to accrue wages and benefits. None of the JEA contributed hours will be used for any political campaign.

(b) Pool Time use shall only be authorized by the Business Manager or designee.

8.6 (a) When an employee is questioned by management, and the employee reasonably believes that the questioning may lead to disciplinary action against him, the employee has the right to request that a union representative be present at the meeting. JEA will accommodate an employee's request for a union representative when a dismissal notice is being issued that may cause that individual to consider possible resignation. When an employee requests union representation pursuant to this section, and a union representative is not immediately available, the Employer shall postpone the meeting for a reasonable time in order for the employee to obtain union representation.

(b) The manager or designee should advise the employee of his/her right to representation by a steward when conducting a fact-finding meeting that may lead to disciplinary action. The steward may be that of the employee's own choosing from those available at the work site. The omission of the manager or designee advising the employee of his/her right to representation by a steward shall not be grounds to challenge the validity of any disciplinary action taken.

ARTICLE 9: SPECIAL MEETINGS

- 9.1** The Employer and the Union agree to meet and confer on matters of interest upon the written request of either party. The written request shall state the nature of the matters to be discussed and the reason(s) for requesting the meeting. Discussion shall be limited to matters set forth in the request or other subjects mutually agreed to, but it is understood that these meetings shall not be used to renegotiate this Agreement.
- 9.2** Such special meeting shall be held within ten (10) calendar days of the receipt of the written request and at a time and place mutually agreeable to the parties. The Employer and the Union shall have the right to recommend corrections to any problems pertaining to the subject matter under discussion. The Employer or the Union will respond in writing to the other party concerning matter(s) discussed within ten (10) calendar days of the meeting, unless waived.
- 9.3** The JEA agrees, in the interest of enhancing communications with the Union, to provide the Business Manager with a copy of the JEA Authority meeting agenda prior to each regular meeting.
- 9.4** The Manager of Labor Relations or his/her designee and the LIUNA Business Agent or his/her designee agree to convene quarterly for a “Labor Management Meeting” to confer on matters of interest to each party. These meetings shall be held at a time and place mutually agreeable to the parties and shall be comprised of up to six (6) representatives of Employer and up to six (6) representatives from the Union unless the parties agree to a different number.
- 9.5** Union representatives shall receive their regular pay for attending, provided that the meeting takes place during the representative’s normal workday.
- 9.6** The parties agree that neither Special Meetings nor the Quarterly Labor -Management Meetings shall be used to renegotiate the terms of this Agreement or to discuss matters addressed in the grievance process.

ARTICLE 10: HOURS OF WORK AND OVERTIME PAYMENT

- 10.1** (a) The purpose of this article is to define hours of work and computation of overtime. For accounting purposes, the standard work week for all employees shall be from 0000 Monday to 2400 Sunday. All employees within the bargaining unit shall be placed within one of the schedules which appear below.
- (b) Compensation for overtime will be in the form of cash payment, unless compensatory time is mutually agreed to by the employee and the Vice President, Director, Manager, or designee. Employees covered by this Agreement who are subject to the provisions of the Fair Labor Standards Act may accrue up to two hundred forty (240) hours of compensatory time. Once this amount of compensatory time has been reached, compensation for additional overtime hours worked will be in the form of cash. Accrued compensatory time may be taken at any time when authorized by the appropriate manager. Requests for compensatory leave of five (5) or more consecutive work days must be submitted in writing at least two (2) weeks in advance. Requests for compensatory leave shall be in accordance with Article 19.

10.2 (a) NON-SHIFT EMPLOYEES

(1) **EIGHT HOUR WORK SCHEDULE**

The regular work schedule shall consist of five (5) eight (8) hour days, Monday through Friday. Overtime will be compensated at time and one-half (1-1/2) for all hours worked in excess of eight (8) in any twenty four (24) hour period unless the employee has leave without pay during the work week. Employees working in excess of sixteen (16) hours in any twenty-four (24) hour period shall be compensated overtime at double (2) time for the hours worked in excess of sixteen (16). Employees who work in excess of forty (40) hours in any work week for which overtime compensation has not previously been paid will be compensated for the excess hours at time and one-half (1-1/2).

(2) **TEN HOUR DAY WORK SCHEDULE**

The ten hour work day shall consist of four (4) ten (10) hour work days, Monday through Friday. If the schedule does not include 4 consecutive work days, then the schedule will be rotated through the crews/employees on a regular basis. Volunteers and special employee situations will be considered. Overtime will be compensated at the rate of time-and-one-half (1-1/2) for all hours worked in excess of ten (10) in any twenty-four (24) hour period unless the employee has leave without pay during the work week. Employees working in excess of sixteen (16) hours in any twenty-four (24) hour period shall be compensated at double time for the hours worked in excess of sixteen (16). Employees, who work in excess of forty (40) hours in any work week for which overtime compensation has not previously been paid, will be compensated for the excess hours at time and one-half.

(3) **ODD WORK WEEK SCHEDULE**

In those activities requiring work schedules other than the regular 8 hour work schedule[10.2 (a) (1)], the eight (8) hour rotating-shift schedule [10.2 (b) (1)], the ten-hour-day work schedule [10.2 (a) (2)], or the twelve-hour-rotating-shift schedule[10.2

(b) (2)], the work schedule shall consist of forty (40) hours which may begin on any day of the week. No employee assigned to this odd work week shall be required to work any hours in excess of twelve (12) hours in any twenty-four hour period as part of the regular schedule work day. The twenty-four (24) hour period constitutes twenty-four (24) hours from the beginning of the employee's usual schedule starting time. Overtime compensation at time-and one-half (1-1/2) shall be paid for all hours worked in excess of regular shift hours in any twenty-four (24) hour period unless the employee has leave without pay during the work week. Employees working in excess of sixteen (16) hours in any twenty-four (24) hour period shall be compensated at double time for the hours worked in excess of sixteen (16). Employees, who work in excess of forty (40) hours in any work week for which overtime compensation has not previously been paid, will be compensated for the excess hours at time and one-half.

(b) **SHIFT EMPLOYEES**

(1) **EIGHT HOUR ~~ROTATING~~ SHIFT**

The standard work week of those activities requiring a twenty-four (24) hour per day, seven (7) day per week operation shall be eight (8) hours for any twenty-four (24) hour period and that normally result in forty (40) hours per work week or at least 80 hour equivalent pay bi-weekly. Days and shifts of work shall be scheduled consecutively without alteration during the shift or work week. The Employer may alter a shift for the purpose of staffing, if a shift is demonstrated by the Employer to be understaffed to the point that additional personnel are required to work the shift to avoid suspension of production. Overtime compensation at time and one-half (1½) shall be paid for all hours worked excess of regular shift hours in any twenty-four (24) hour period unless the employee has leave without pay during the work week or in excess of forty (40) hours in any work week for which overtime compensation has not previously been paid. Employees working in excess of sixteen (16) hours in any one work day shall be compensated overtime at double (2) time for the hours worked in excess of sixteen (16).

(2) **TWELVE HOUR ~~ROTATING~~ SHIFT**

The work schedule of those employees assigned to activities requiring a twenty-four (24) hour per day, seven (7) day per week operation, shall consist of twelve (12) hours for any twenty-four (24) hour period. Days and shifts of work shall be scheduled consecutively without alteration during the shift or work week. The Employer may alter a shift for the purpose of staffing, if the shift is demonstrated by the Employer to be understaffed to the point where additional personnel are required to work the shift to avoid suspension of production. Overtime compensation at time and one-half (1-1/2) shall be paid for hours worked in excess of twelve (12) in any work day unless the employee has leave without pay during the work week, or in excess of forty (40) hours in any work week for which overtime compensation has not previously been paid. Employees working in excess of sixteen (16) hours in any work day shall be compensated at double(2) time for the hours worked in excess of sixteen (16).

10.3 The days and shifts of work and rest days of employees shall be scheduled consecutively where possible. All non-shift schedules shall result in at least two consecutive days off. Final approval of all work schedules shall be at the sole discretion of management, provided that nothing in this section shall

supersede any other article of this Agreement.

- 10.4** (a) The Employer agrees to notify the Union in writing of any master schedule changes that affect all bargaining unit employees assigned to a cost center at least ten (10) calendar days prior to the change. The Employer will give employees at least forty eight (48) hours written notice before changing an employee's regular work schedule. The above shall not apply in the event of an emergency as defined within The American Heritage Dictionary, Third Edition.
- (b) Non-shift employees assigned to a weekend schedule who wants their assigned weekend off may find a volunteer who will switch schedules for that entire work week; provided that any such switch in schedules must be approved in advance by the manager and the employee who substitutes must be appropriately qualified, as determine by management to perform the required work.

10.5 Any authorized paid leave, except for paid parental leave, shall count towards the threshold for determining when the employee is eligible for overtime pay (one and one-half times the employee's regular rate of pay). The leave shall not count towards determining eligibility for double time pay.

10.6

- (a) An employee who has left his place of work and is called back for overtime work shall be paid for such overtime in accordance with this article, provided that he shall receive a minimum payment of four (4) hours at one and one-half (1-1/2) times his regular rate. If an employee is called out or assigned to more than one job before the end of the basic four (4) hour work period, it will be covered by the original minimum payment of four (4) hours and no extra payment will be allowed. The minimum time provided herein does not apply if an early call-in period extends into the start of the employee's regular work period.
- (b) If an employee who is scheduled to report for overtime work receives notice of cancellation less than seven (7) hours from his scheduled starting time, he shall receive a minimum payment of two (2) hours at one-and-one-half (1-1/2) times the employee's regular rate.
- (c) In the event that a JEA employee is required to perform work outside of and not contiguous with his/her regularly scheduled working hours, and in the event that such employee does not have to report to a JEA facility to complete such work, then the following guidelines shall apply:
- 1) An employee who is authorized by management to do work from his/her home outside of and not contiguous with his/her regularly scheduled working hours in lieu of reporting to work at the designated time and place shall be compensated for all such authorized time worked.
 - 2) The minimum amount to be paid under this provision for an employee performing authorized work while at his/her home is one (1) hour.
 - 3) The employee shall be compensated at his/her regular rate of pay for the minimum amount of time of one (1) hour or for the actual time worked if more than one (1) hour. Provided, however, that the employee will be compensated at one and one half (1 ½) times his/her regular rate of pay for all hours worked in excess of the applicable threshold found in Section 10.2 of the collective bargaining agreement.

An employee who is on rest period when authorized under this provision to do work from his/her home shall not be compensated at double (2) time. Nor shall the employee be compensated for

minimum pay for call out pursuant to Section 10.6 (a) of the collective bargaining agreement.

- (d) An employee who is required by management to attend a meeting outside of and not contiguous to his/her regularly scheduled working hours shall be compensated the greater of two (2) hours or the actual meeting duration, at one and one-half (1.5) times the employee's regular rate of pay.

10.7

- a) It is the responsibility of the Employer to distribute the opportunity for overtime work equally among employees in the respective classifications normally performing the same types of work in each assigned shift, crew, or work area. Violation of the rules required by this section – passing-over an employee who was eligible and available for the next overtime opportunity – shall require two (2) hours compensation at one and one-half (1.5) times the employee's regular rate of pay.
- b) The sharing of overtime shall neither delay nor increase the Employer's cost of operation. Overtime records of the Employer shall be made available to union officials, when requested, to resolve any question involving distribution of overtime. Each assigned work area shall keep its overtime record in hours, and each record shall be kept current on a bi-weekly basis. A copy shall be posted electronically bi-weekly. Nothing in this article shall require payment for overtime hours not worked except as expressly provided in this Agreement.

10.8 Overtime may only be authorized by the appropriate manager or his designee.

10.9 All employees shall be given at least a half-hour lunch break, and may be given up to a one-hour lunch break, which will be the employee's own time. ~~An e~~Employees who ~~are~~is required to work during the lunch break (such as certain shift employees) shall be compensated.

10.10 An employee who has worked sixteen (16) hours or more in a twenty-four (24) hour period, or eight (8) hours or more overtime in the sixteen (16) hour period immediately preceding his basic workday, shall, upon release, be entitled to an eight (8) hour rest period before he returns to work. If the rest period extends into the employee's basic workday, the employee shall lose no time thereby.

Overtime pay for these extended hours will be at the applicable overtime rate. If an employee is called back to work without completing his eight (8) hour rest period, he shall be compensated at the rate of two (2) times his regular rate of pay for all hours worked, commencing from the time he reports back to work and ending when he is released for an eight (8) hour rest period. Paid rest time shall be considered the same as time worked for determining when overtime (one and one-half times the employee's regular rate of pay) starts in any workday. Paid rest time shall not count towards determining eligibility for double time pay.

Should a callout assignment finish less than eight (8) hours before an employee's regularly scheduled start time, the employee will be entitled to eight (8) hours rest before reporting for their regularly scheduled start time. The employee shall lose no time thereby. This provision will not apply if the callout assignment occurs within four hours of the employee's scheduled start time and the employee had not had at least eight (8) hours rest prior to that callout; in this circumstance the employee will continue work into their scheduled workday.

10.11 In the event that it becomes necessary to reassign employees from one work schedule to another or from

one work area to another, the Employer shall normally first reassign employees in each class who volunteer for such reassignments and who are from the work schedule at the work area or the actual work area from which the assignment is being made. The volunteers from each class with the greatest seniority in grade shall be reassigned first. If the Employer is not able to obtain enough volunteers for the reassignment, the Employer shall reassign the least senior employees in grade from each representative class and who are from the work schedule at the work area or the actual work area from which the assignment is being made. The Employer retains the right to reassign any employee or group of employees, without regard to the provisions of this section, under the following circumstances:

- (a) When an employee or group of employees have special skills which are needed on another work schedule or in another work area.
- (b) When there are special circumstances relating to an individual employee requiring the Employer to reassign that individual to a different work schedule or work area.
- (c) The crew structure shall be preserved. The assignment shall be made by crew from the work area performing such work. The crew may volunteer for such assignment as a unit. In such cases where more than one crew volunteers, the crew leader's years of service shall be the tie breaker. Scheduled overtime assignment shall be in accordance with Section 10.7.
- (d) Should the Employer reassign an employee without regard to 10.11, 10.11 (a), (b) or (c), upon request of the Union or the employee, the Employer shall inform the Union or employee, in writing, of the facts or circumstances upon which the Employer relied in making such reassignment. The reassignment, facts or circumstances the Employer relied is not subject arbitration pursuant to the grievance/arbitration article of this agreement.

- 10.12** (a) Any employee desiring transfer to another job shall file written notification of such request with his manager. The manager shall respond to the employee's request in writing within fifteen (15) calendar days of receipt of the employee's request.
- (b) The Employer shall consider applications for transfer to positions within the bargaining unit from existing employees before hiring from outside the existing JEA workforce. Existing employees and outside applicants shall be evaluated upon the same standards. Management retains sole discretion to determine which employees it shall select.

10.13 SYSTEM OR LIMITED EMERGENCY

System or Limited Emergencies

The intent of this language is to define the existence of an emergency, the determination of when employees become "Essential" and "Non-Essential", and the operational and pay guidelines for the JEA and LIUNA.

1. Definitions

- A. **Emergency**- An unexpected situation or sudden occurrence of a serious and urgent nature that demands immediate action.
- B. **System Emergency** – All or the vast majority of employee's in the company are affected by the emergency.
- C. **Limited Emergency** – The emergency only affects a portion of the company – one or more departments, but not all.

- D. **Non-Essential Employees:** Employees who are not required to be at work and are either: 1) released from duty (no Blue Sky or Storm Assignment) during some portion of the period of a declared emergency, or 2) who are on duty but not designated as Essential Employees (they are performing Blue Sky Assignments).
- E. **Essential Employees** – Employees who are designated as Essential Employees and are performing emergency related duties (Storm Assignment) during a declared emergency.
- F. **Storm Riders** – employees whose management has specifically designated as Essential Employees and pursuant to that are required to work and /or remain at a JEA designated facility during an event giving rise to a declared emergency. A storm rider is a subset of an Essential Employee.
- G. **Storm Assignment** – Work assignments being performed by an employee during the period their management has specifically designated them as being Essential Employees and altered their normal work schedule for the purpose of restoration after an event giving rise to a declared emergency.
- H. **Blue Sky Assignment** – Assignments normally performed by an employee that are not being performed for the purpose of restoration efforts as the result of a declared emergency.

Note 1: An individual employee may be designated either Essential or Non-Essential at different times during the full duration of a declared emergency (System or Limited Emergency). Example: during a major storm event, many employees will likely be deemed Non-Essential initially; but once the storm passes and JEA mobilizes its restoration efforts, those same employees may be deemed Essential.

Note 2: The designation of Essential or Non-Essential may be applied by management to some or all of a bargaining unit, geographical area or department (System or Limited Emergency). In Limited Emergencies these provisions related to designation of Essential and Non-Essential shall apply to the areas covered by the Limited designation, but other areas will continue to operate under “Blue Sky” parameters. Example: A Limited Emergency declared at Northside Generating Station requiring some employees to be designated Non-Essential and placed on administrative leave does not mean that employees downtown are thereby designated Essential.

Note 3: For the period(s) during which Essential Employees are so designated, they shall be deemed to be on a unique, stand-alone schedule – one inherently unpredictable due to the unique nature of each declared emergency and the requirements to achieve restoration, and progress made toward it once underway. Therefore, certain CBA provisions will not apply: rest period(s); schedule premium nights; schedule premium weekends; notice of shift change; vehicle assignment notice; standby pay; training / instructor supplement; daily and weekly overtime thresholds.

Holiday pay: If an Essential Employee is required to work on a day that would normally be recognized as a holiday under their normal schedule, in addition to the double-pay for time actually worked, they will receive the holiday pay (at regular rates) that they would normally have received if on Non-Essential status / normal work schedule.

Note 4: Transition back to Blue Sky duties. Upon being relieved of duty from Essential Employee status and having worked at least eight (8) consecutive hours, the employee will be entitled to a minimum eight (8) hour transition period before resuming Blue Sky duties. Should that transition period overlap what would have been their normal schedule, they will lose no (regular rate) pay thereby.

Note 5: Preparatory activities in anticipation of a declared emergency period (such as when a hurricane is approaching) or wind-down activities after a declared emergency period will be scheduled and compensated in accordance with the regular CBA provisions.

2. Declaration of System or Limited Emergency

The Managing Director of JEA, or designee, has the authority to declare either a system or limited emergency. In the event that the Managing Director or designee declares either type of an emergency, the provisions of this section take effect.

3. Non-Essential Employees

These employees are subject to the following:

- (1) Non-essential Employees may be released from duty and shall be granted administrative leave with pay for the balance of their normal schedule, and any additional days (or portions thereof) when they are not required by the Employer to report to work due to the emergency.
- (2) Non-essential Employees who are already on previously approved leave with pay at the time of the emergency, or who are scheduled to take authorized leave with pay during the time of the emergency shall not be charged for the leave for that period of time when other Non-essential Employees are on administrative leave with pay as a result of the declared emergency.
- (3) Non-essential Employees who are already on previously approved leave without pay at the time of the declared emergency, or who are scheduled to take authorized leave without pay during the time of the declared emergency shall not be paid for that period of time when other Non-essential Employees are on administrative leave with pay as a result of the declared emergency.
- (4) If a scheduled holiday falls within the time that Non-essential Employees are on administrative leave with pay due to a declared emergency, the employees will be paid for the holiday, but will not receive any additional holiday leave or pay for that day.
- (5) Non-essential Employees required to work for non-Blue Sky purposes will have their designation changed to an Essential Employee. Non-essential Employees required to return to work to perform their regular “Blue Skies” job functions will remain in a non-essential status.

4. Essential Employees

These employees will be subject to the following:

- (1) Essential Employees will be required by JEA to work during the declared emergency. Management may consider volunteers when possible.
- (2) To the maximum extent possible, when the general population is being required to evacuate an area in anticipation of a hurricane, tropical storm, or similar circumstances where there is advance notice of a situation that is expected to create an emergency, JEA shall allow Essential Employees reasonable time, as determined by JEA, to return to their residence, secure the residence, and make plans for the safety of their family. To the extent that reasonable time falls during the employee’s regular schedule, they will lose no time thereby. After allowing a reasonable time for such activities, as determined by JEA, Essential Employees shall be required to report back to work during the emergency.
- (3) Essential Employees shall be compensated at the premium rate of two (2) times the rate of their regular pay for all time actually worked on Storm Assignment. In addition, these employees will be paid straight time hourly pay for the time that they would have been on administrative leave with pay if they had been designated a Non-essential Employee (i.e., any normally scheduled hours). The maximum amount payable under this provision is forty (40) hours per work week, and it only includes periods during which

JEA has any Non-essential Employees relieved of duty, not when all Non-essential Employees are performing “Blue Skies Assignments”

(4) During an emergency, Essential Employees who are required to report for work will be provided with meals or meal vouchers.

5. Alteration of Annual, Vacation, or Personal Leave Schedules

JEA has the unilateral right to alter the Annual, Vacation, or Personal Leave schedule of any employee in declared emergencies. This right includes the right to require employees who are on leave at the time of the declared emergency to return to work. In such cases, JEA will reimburse the employee for any non-refundable expenses incurred as a result of the cancellation or alteration of the employee’s Annual, Vacation, or Personal Leave plans.

6. JEA Communications with Employees during the Emergency

Any employee who is released from work during a declared emergency is expected to resume his/her regular work schedule, or to assume their Storm Assignment if applicable, when directed to do so by JEA. In order to assist employees in determining when they are expected to return to work, JEA will take reasonable steps to keep employees advised about the status of JEA operations, including the dates and times that employees are expected to resume their regular work schedule. For example, JEA will release information to employees via the JEA voice mail or e-mail system, through use of employee pagers, through releases of information to news media, and any other appropriate means of communicating with employees. To the extent that an employee relies on information released via local news media to determine when he or she is expected to return to work, JEA employees are to follow instructions related to JEA, not those issued regarding City of Jacksonville employees.

~~(A) — Scope~~

~~This language is used to determine pay for employees who are sent home during a declared emergency and for employees that work when other employees are sent home with pay during a declared emergency.~~

~~(B) — Definitions~~

- ~~a) — Emergency An unexpected situation or sudden occurrence of serious and urgent nature that demands immediate action.~~
- ~~b) — System Emergency all or the vast majority of employee’s in the company are affected by the emergency.~~
- ~~e) — Limited Emergency The emergency only affects a portion of the company one or more departments, but not all.~~
- ~~d) — Non-essential Employees: employees who are not required to be at work and are released after the declaration of an emergency.~~
- ~~e) — Essential employees Employees who are assigned to work during a declared emergency~~

~~**Note 1:** An individual employee may be designated either Essential or Non-Essential at different times during the full duration of a declared emergency. Example: during a major storm event, many employees will likely be deemed Non-Essential initially; but once the storm passes and JEA mobilizes its restoration efforts, those same employees may be deemed Essential.~~

~~Note 2: The designation of Essential or Non Essential may be applied by management to bargaining unit, geographical area or department, A Limited Emergency declared at Northside Generating Station requiring some employees to be designated Non Essential and placed on Administrative leave does not mean that employees downtown are thereby designated Essential.~~

~~(C) Declaration of System or Limited Emergency~~

~~The Managing Director of JEA, or designee, has the authority to declare either a system or limited emergency. In the event that the Managing Director or designee declares either type of an emergency, the provisions of this section take effect.~~

~~(D) Non Essential Employees~~

~~These employees are subject to the following:~~

~~(1) Non Essential employees shall be released from duty and shall be granted administrative leave with pay for their normal schedule, and any additional days when they are not required by the Employer to report to work due to the emergency.~~

~~(2) Non Essential employees who are already on previously approved leave with pay at the time of the emergency, or who are scheduled to take authorized leave with pay during the time of the emergency shall not be charged for the leave for that period of time when other non essential employees are on administrative leave with pay as a result of the emergency.~~

~~(3) Non essential employees who are already on previously approved leave without pay at the time of the emergency, or who are scheduled to take authorized leave without pay during the time of the emergency shall not be paid for that period of time when other non essential employees are on administrative leave with pay as a result of the emergency.~~

~~(4) If a Scheduled holiday fall within the time that non essential employees are on administrative leave with pay due to an emergency, the employee will be paid for the holiday, but will not receive any additional holiday leave or pay for that day.~~

~~(5) Non essential employees may be required to work during a declared emergency. In those situations the provisions applicable to the Essential Employees shall apply.~~

~~(E) Essential Employees~~

~~These employees will be subject to the following:~~

~~(1) Essential employees will be requires by the JEA to work during the emergency. Management may consider volunteers when possible.~~

~~(2) To the maximum extent possible, when the general population is being required to evacuate an area in anticipation of a hurricane, tropical storm, or similar circumstances where there is advance notice of a situation that is expected to create an emergency, JEA will allow essential employees reasonable time, as determined by JEA, to return to their residence, secure the residence, and make plans for the safety of their family. After allowing a reasonable time for such activities, as determined by JEA, for such activities, essential employees shall be required to report back to work during the emergency.~~

~~(3) Essential employees who are required to work during the emergency shall be compensated for the time worked, as provided for in the hours of work and overtime provision of this agreement. In addition to any~~

~~compensation payable under that article, these employees will be paid straight time hourly pay for the time that they would have been on administrative leave with pay if they had been designated a nonessential employee. The maximum amount payable under this provision is forty (40) hours per work week.~~

~~(4) — During an emergency, essential employees who are required to report for work will be provided with meals. Employees with special circumstances will be given an option of taking a meal allowance; these will be addressed on a case by case basis (medical condition or religious belief). The employee must notify management in writing by June of each year to exercise such option.~~

~~(F). — ALTERATION OF ANNUAL, VACATION, OR PERSONAL LEAVE SCHEDULES~~

~~JEA has the unilateral right to alter the annual, vacation, or personal leave schedule of any employee in emergencies. This right includes the right to require employees who are on leave at the time of the emergency to return to work. In such cases, JEA will reimburse the employee for any non-refundable expenses incurred as a result of the cancellation or alteration of the employee's annual, vacation, or personal leave plans.~~

~~(G). — JEA Communication with Employees during the Emergency~~

~~Any employee who is released from work during an emergency is expected to resume his or her regular work schedule when directed to do so by JEA. In order to assist employees in determining when they are expected to return to work, JEA will take reasonable steps to keep employees advised about the status of JEA operations, including the dates and time that the employees are expected to resume their regular work schedule. For example, JEA will release information to employees via the JEA voice mail or e-mail system, through use of employee pagers, through releases of information to news media, and any other appropriate means of communicating with employees. To the extent that an employee relies on information released via local news media to determine when he or she is expected to return to work, JEA employees are to follow instructions related to JEA, not those issued regarding City of Jacksonville employees.~~

10.14 When employees are requested and authorized to assist other utilities in the restoration of their service areas, said employees will receive compensation of pay at two (2) times their normal rate of pay for all hours worked in this process to include travel and any other time required. In non-emergency situations assisting other utilities, JEA will pay compensation of two (2) times normal rate of pay if reimbursable from non-JEA sources (e.g., other utility and/or FEMA).

ARTICLE 11: TIME TRACKING

The Employer, at its sole discretion, may employ time tracking methods for control and pay purposes. The time tracking procedures shall be applied uniformly at each work reporting location. No employee shall make entries on another employee's time tracking record.

Each department, sections, areas, or teams shall formulate a set of rules governing reporting time and attendance requirements. The department, sections, areas, or teams shall consider input and comments from the union / Association when formulating or amending these rules.

ARTICLE 12: WAGES

12.1 (a). The rates of pay for the classifications in the Unit are shown in Appendix “A” to this Agreement effective the earliest of October 1, 201~~9~~6 (if the Union ratifies on or before September 20, 2019, or the payroll period commencing immediately after final ratification); October 1, 20~~20~~17 and October 1, 20~~21~~18.

(b) General Increase

1. FY 201~~9~~6-20~~20~~17 – ~~threefour~~ and one-half percent (3.54.5%)

FY 20~~20~~17-20~~21~~18 – ~~three and one-half five~~ percent (3.55.0%)

FY 20~~21~~18-20~~22~~19 – ~~three and four and~~ one-half percent (3.54.5%)

~~(c) Two percent (2%) increase to base concurrent with employee contribution to GEPP increasing to 10% (or otherwise matching the change in employee contribution, whether higher or lower).~~

Should any other JEA bargaining unit (excepting PEA) negotiate a higher percentage General Increase for any of the fiscal years 2020; 2021 or 2022, the higher fiscal year (or years’) percentage will be matched for employees covered by this Agreement.

If a Recapitalization Event (Article 12) occurs during the life of this agreement, any of the remaining general wage increases scheduled for October 1, 2020 and October 1, 2021 shall be applied to each employee’s existing hourly rate of pay effective on the Closing Date. For example, in the event of a Recapitalization Event and the closing date is in July 2020, each employee shall receive a seven percent (7%) increase to their base pay on or immediately before the Closing Date. For further example, in the event of a Recapitalization Event and the Closing Date is in July 2021, each employee shall receive a three and one-half percent (3.5%) increase to their base pay on or immediately before the Closing Date. In the event of a Recapitalization Event, and the Closing Date is after October 1, 2021, no additional general wage increase will be due under this provision.

12.2 Evaluation for service which meets standards shall be standard and in writing throughout the bargaining unit with each activity using the same accepted evaluation form and procedure. A copy of the completed evaluation shall be provided to the employee.

The parties shall meet at reasonable times to discuss the mechanics and details of moving the JEA’s employee performance evaluation cycle from the employee’s anniversary year to a time frame proximate to the end of JEA’s fiscal year (September 30) with the goal of adopting a Memorandum of Understanding in time to effect this change by September 30, 20~~20~~15. Nothing in this section shall be construed, however, as a waiver of any party’s right to negotiate the impact of JEA’s changing the timing of annual employee performance evaluations.

After the initial evaluation meeting, if the employee requires assistance to interpret the contents of said evaluation, the employee may have the right in a subsequent meeting to representation by a steward of his choosing from stewards available from the work site.

An employee who believes that the Employer failed to follow the evaluation procedures may file a grievance pursuant to this Agreement.

12.3 The Employer will make a good faith effort to have paychecks available on Thursdays for those employees who are scheduled to be off duty at the normal pay time which are alternate Fridays.

12.4 The following administrative procedures shall be adhered to by the Chief of Human Resources Officers in the implementation of the pay plan for employees in the bargaining unit.

- (a) An original appointment to any classified position shall be made at the entry level of the Pay Grade. Thereafter, advancement within the salary range shall follow the procedures provided below.
- (b) When an employee covered by this Agreement, is promoted to another classification covered by this Agreement in a higher Pay Grade, the employee shall be granted an increase in base salary to the step in the new class that will provide an approximate five (5%) percent increase or to the starting rate of the range of the higher Pay Grade whichever is greater. Under no circumstances shall an employee's base salary exceed the maximum of the pay range as a result of promotion.
- (c) Upon meeting the standards of the probationary period, the base salary of the employee shall be advanced one step or to the maximum of the range, whichever is less.
- (d) After an employee receives his/her increase upon completion of the probationary period, or after promotion to the journeyman class, he/she shall be granted step increases, except for periods of below standards performance, no sooner than twelve (12) months from his/her date of last increase, until he/she reaches the maximum rate of pay for his/her classification. For the purpose of this Agreement, the date of last increase shall be the most recent date upon which any of the following actions occurred to an employee: date on which employee received his/her end of probation increase; date on which employee was promoted to a journeyman classification; or the last date on which employee received a step increase. Employees shall not receive step increases for any period(s) in which the employee received a below standards performance evaluation(s). However, the employer shall re-evaluate the employee quarterly for the next 6 months from the last below standards evaluation. Employees who are re-evaluated as meeting standards for both quarters after having received a below standards rating shall be granted a step increase effective the date they receive the second meeting standards re-evaluation.
- (e) When an employee is demoted to his former class during the probationary period following a promotion, his pay shall be restored to the rate he would be earning if the promotion had not been granted (taking into account any increase that the employee would have received in his former class.) In the event an employee is demoted during his probationary period, he shall be eligible for any increases he normally would have received had he not been promoted.
- (f) When an employee is demoted, except for cause or voluntary demotion, the base salary of the employee will be placed within the range of the lower Pay Grade without reduction, except that the base salary may not exceed the maximum of the range of the lower Pay Grade, in which case, the base salary will be placed at the maximum of the range. If the employee is promoted again within a 12 month period following the demotion, he will not receive a promotional increase or end of probation increase, unless his salary was reduced at the time of demotion to the maximum of the range. In such cases, upon the successful completion of the probationary period, the employee's salary shall be increased to the rate received prior to demotion, plus any increase the employee would have received if not demoted.

- (g) In the case of voluntary demotions, the base salary of the employee will be placed within the range of the lower Pay Grade at a rate that results in an approximate 5% reduction in salary, or to the maximum of the range, whichever results in the larger reduction. If the employee is promoted again within a 12 month period following the demotion, he will receive a promotional increase of approximately 5% upon promotion, but will not receive an end of probation increase unless his salary was reduced at the time of demotion to the maximum of range. In such cases, upon the successful completion of the probationary period, the employee's salary shall be increased to the rate received prior to demotion.
- (h) When an employee is demoted for disciplinary reasons, the rate of pay in the lower range shall be no less than that which the employee received prior to promotion. The employee shall not be eligible for a step raise for one (1) year after the demotion.
- (i) When a transfer not involving promotion or demotion is made from one position to another with an equivalent base rate of pay, the base pay of the transferred employee shall remain unchanged.
- (j) If it is considered that an employee due to documented, exceptional, exceeds standard performance deserves additional step increase (s) for merit, then such a recommendation will be made by the employee's appointed manager, and approved by their director and vice-president.
- (k) No employee may receive more than two (2) additional step increases for merit in the twelve (12) Month period.
- (l) Promoted, demoted, reverted, or newly hired employees shall not be eligible for any merit step increases until they have completed twelve (12) months of exceeds standard performance in their job classification.
- (m) A step increase for merit will not impact the regular step increase advancement.

12.5 When the Union and/or an employee alleges that the employee is being regularly required to perform duties which are not consistent with the approved classification of the position being filled by the employee, and the Union and/or the employee alleges that the duties assigned are not appropriate for the class specifications to which the position is allocated, the Union and/or the employee may request that the Chief Human Resources Officer or designee review the classification assigned to the employee's position. ~~The Vice President Organizational Services-Director of Employee Services~~ or designee shall review the duties as requested. The Union and the employee will receive a copy of the findings within sixty (60) Calendar days of receipt of the complaint.

- 12.6**
- (a) All Employees within the bargaining unit shall be covered by a written description of job duties in the form of a job specification/description. Changes to job specifications (job descriptions) will be submitted to the Union for review and comment. The Union will have up to ten (10) days to respond; if no response is received within that period it will signify agreement by the Union.
 - (b) Any recommended classification and/or organizational changes [including reallocation of position(s)] initiated by JEA which affect the bargaining unit will be presented by e-mail to the Union when the recommended changes have been drafted in final form by JEA. The Union and

the Employer will meet upon the request of either party to discuss the proposed changes prior to any change being finalized.

- (c) JEA will notify the Chief Steward and Business Agent of any affected employees of any recommended classification and/or organizational changes. However, failure of an employee to receive such notification shall not give rise to a grievance under this Agreement.
- (d) Employees shall communicate any comments on recommended classification and/or organizational changes to the Union and not directly to JEA.
- (e) The Union will be given ten (10) calendar days from the date the recommended changes are transmitted to the Union within which to respond and/or to notify JEA Employee Services that the Union is requesting a meeting and/or intends to submit a written statement of its position on the recommended changes.
- (f) The Union will thereafter submit to the JEA Chief Human Resources Officer or designee a written statement of its position on the recommended changes.
- (g) Unless extended by mutual agreement, the Union's written statement must be submitted to JEA Chief Human Resources Officer or designee not later than thirty (30) calendar days from the date the recommended changes are transmitted to the Union or after a requested meeting is held.
- (h) This article waives any time allowed under the Civil Service and Personnel Rules for responding to the recommended changes.

12.7

- (a) When filling a position on a temporary basis because the incumbent is on annual, personal leave, leave of absence, or is off for any other reason, the Employer shall select from the top name on the appropriate certified promotional eligibility list, provided such employee is currently assigned to the section/crew (e.g., maintenance, construction, preventive maintenance, meter shop) where the temporary opening exists. (If the top name on the appropriate certified (If the top name on the appropriate certified promotional eligibility list is not currently assigned to the section/crew where the temporary opening exists, then the Employer shall select the next name on the list who is currently assigned to the section/crew, et seq.).
- (b) If an appropriate certified promotional eligibility list does not contain the name of an employee from the section/crew where the vacancy exists, then the Employer shall appoint the senior, qualified, and available employee in line of promotion in the section/crew for the temporary replacement. In such case, the assignment will be based on the following criteria:
 - 1) The selection is a senior employee in the classification in the section;
 - 2) The employee is qualified for the duties to be performed and those qualifications are limited to those factors directly required to perform the job;
 - 3) The employee is physically able and qualified to perform the duties of the higher classification; and
 - 4) The employee is available for such assignment.

When equally qualified employees have the same time in grade in the class/section/crew from which the temporary appointment is being made, total length of service with the Employer shall determine seniority for the purpose of this appointment.

- (c) If an appropriate certified promotional eligibility list does not exist, the senior, most qualified, and available employee in line of promotion in the section/crew shall be appointed pursuant to the criteria set forth in (b) above until such time as an appropriate promotional eligibility list is certified.
- (d) When a selection is for a day or less, the selection shall be made from the crew. When a selection is for more than a day, the selection shall be made from the section. Provided, however, that selections in the construction sections shall always be from the crew.

12.8 JEA will electronically send copies to the Union of all certified promotional eligibility lists which have been established for positions within the bargaining unit.

12.9 Incentive Program - JEA, at its sole discretion, may from time to time implement incentive and/or recognition programs for individuals or groups consisting of awards, special recognition such as shirts, hats, or similar items indicating participation in a specialized group or team, and/or cash and/or refreshments (For example: coffee and donuts) in recognition of performance improvements, innovative ideas resulting in savings and/or benefits, participation in a program beneficial to JEA, or other similar improvements that are work related and can be documented and measured. The Employer agrees to furnish the Union with a written copy of the Employer's incentive plans as they are developed and/or amended from time to time. The Union may withdraw from participation in the program at any time during the life of this Agreement upon written notice to JEA.

12.10 During the life of this Agreement the Employer may, at its option, offer a voluntary severance plan to certain classifications of bargaining unit employees. Such plan would be on terms proposed by the Employer, and any decision to accept such a plan would be made on an individual basis by each affected employee. In the event that the execution of such a plan required a reorganization or redeployment by the Employer, the Union would have the right to request impact bargaining to the extent provided by law.

ARTICLE 13: EMPLOYEE BENEFITS

13.1 TERMINAL BENEFITS

(a) Upon the death of an employee, payment within forty-five (45) days for all accrued overtime, annual/vacation/retirement/personal leave, sick leave, and other terminal leave benefits (other than life insurance for which a beneficiary has been designated) to which such employee would have been entitled to receive shall be made as follows:

(1) The benefits will be paid as set forth in the employee's will;

(2) If the employee has not provided for distribution of the benefits in his will then the benefits will be paid to the employee's surviving spouse;

(3) In the event the employee leaves no surviving spouse, the benefits will be paid to the employee's children in equal shares, payable as follows:

A. To each of the employee's children over the age of 18 who are known to JEA.

B. To the legal guardian or representative of each of the employee's children under the age of 18 known to JEA.

(4) If the employee has no children known to JEA then the benefits will be paid to the surviving parent(s) of the employee in equal shares;

(5) If the employee has no surviving parents known to JEA, then the benefits will be paid to the employee's estate.

(b) Upon the death of an employee on-the-job, JEA will make an immediate payment of one (1) month's salary in addition to the other terminal benefits in the sequence indicated in Section 13.1 (a) above. For purposes of this section, one (1) month's salary shall be calculated by $1/12$ times 2080 times the employee's hourly rate of pay at the time of death. ($1/12 \times 2080 \times$ hourly rate).

13.2 Where an employee is required by the Employer to use his personal automobile in the performance of his duties, he will be reimbursed for operating expenses at the rate per mile traveled as prescribed by City Ordinance, exclusive of mileage traveled to and from his work location.

13.3 During any primary or general election, an employee whose hours of work do not allow sufficient time for voting shall be allowed necessary time off without pay for this purpose. Accrued leave can be used to supplement this absence. Where the polls are open two (2) hours before or two (2) after the regular scheduled work period, or when early voting is available; it shall be considered sufficient time for voting.

13.4 The Employer shall, at no expense to the employee, secure and provide group term life insurance coverage in the amount of one times annual salary, with a double indemnity clause for accidental death and dismemberment for those employees covered by this Agreement. It shall further provide for the employee, at his option to purchase group term life, at the expense of the employee, under the same policy for one, two, or three times annual salary, with a double indemnity clause for accidental death and dismemberment.

- 13.5** The Employer agrees to provide a payroll deduction process that is available to employees in the bargaining unit for various group plans. These group plans shall be administered by an Agent of Record so designated by the Union. The Employer may assess an administrative charge not to exceed six (6) cents per deduction, per payroll. The Union agrees to indemnify and hold the Employer harmless against any claims made and against any lawsuits brought against the Employer as a result of this payroll deduction process, and the Employer assumes no responsibility or liability to or for the Unions Agent of Record.
- 13.6** The Employer agrees to secure and pay for the entire cost of a comprehensive group medical care plan for all employees covered by this Agreement. In addition, the Employer agrees to pay fifty percent (50%) of the cost for dependents' coverage under the same plan covering the employees.
- 13.7** The Union will establish and administer a group optional prepaid legal plan for bargaining unit employees. The Union will be responsible for obtaining the approval of The Florida Bar and the Employer. The employer shall not be responsible for funding the plan. However, the Employer will provide administrative payroll services so that the designated amount per month will be automatically deducted from the wages of each member of the bargaining unit and submitted to the plan's provider as payment for the monthly premium on the plan. The Union will notify JEA at least 30 calendar days prior to the date the new designated amount is to be deducted.
- 13.8** (a) JEA shall provide one (1) pair of prescription safety eyeglasses and one (1) pair of prescription safety sunglasses to employees whose job duties require their use. JEA shall pay the fees for fitting such prescription safety eyeglasses and prescription safety sunglasses. Prescription safety eyeglasses may be replaced every two (2) years or sooner if a new prescription is needed, or if the prescription eyeglasses are damaged beyond repair as determined by management.
- (b) JEA shall replace or pay the cost of repairing an employee's prescription safety eyeglasses and prescription safety sunglasses to include all fitting fees, issued by JEA, broken or damaged during the performance of his assigned duties, provided that such breakage or damage did not result from normal wear and tear, negligence or misuse on the part of the employee, or his failure to use proper eye protective equipment where provided by JEA.
- (c) JEA shall pay the cost of adding UV protection to JEA provided prescription safety eyeglasses and prescription safety sunglasses for employees who work outdoors.
- (d) JEA shall replace dentures or contact lenses, broken or damaged during the performance of his assigned duties provided such breakage did not result from normal wear and tear, negligence, misuse, or failure to use proper protective equipment where furnished by JEA.
- (e) JEA may, at its sole discretion, replace or repair personal items destroyed or damaged as a result of work related activities through no fault of the employee. In no event, will the cost of such replacement or repair exceed \$300. This provision shall not be subject to grievance or arbitration.
- (f) With their Director's prior approval, employees currently authorized and issued company-provided cell phones to perform JEA business may instead elect to use his/her personal cell / smart phone for such purposes. Employees who are approved for use of personal cell / smart phones will receive a \$50.00 /month stipend. As it is a personal item, the Employee will remain solely responsible for data plan, repair/replacement and all other expenses related to their personal cell/ smart phone.
- 13.9** The Union recognizes that the Employer has developed a Section 125 I.R.C. Cafeteria Plan for the benefit of employees.

13.10 (a) JEA will provide employees the option to use accrued Annual, Vacation, Personal, and Retirement Leave time credits to fund their Deferred Compensation Program to the extent allowed by law. Employees will not be permitted to use Sick Leave or Critical Emergency Leave Bank account time credits to exercise this option.

- (1) The employee will be allowed, at his option, to sell accrued Annual, Vacation, Personal and Retirement Leave time credits to the extent and in the manner allowed by law for
 - (2) Upon attaining time service that is within three (3) years of normal time service retirement, the employee may be allowed, at his option, to sell an increased amount of accrued Annual, Vacation, Personal, and Retirement Leave time credits to the extent and in the manner allowed by law for the purpose of crediting the funds to the employee's Deferred Compensation account. Provided, however, in the year of retirement, employees will be limited to selling, an amount as provided for in 13.10 (a) (1) above, at his option, accrued Annual, Vacation, Personal, and Retirement Leave time credits to the extent and in the manner allowed by law for the purpose of crediting the funds to the employee's Deferred Compensation account.
- (b) This provision is subject to acceptance by the Plan providers of the City/JEA.
- (c) Employees who participate in this Annual, Vacation, Personal, and Retirement Leave time credit sell-back option shall not have less than eighty (80) hours in their Annual, Vacation, and Personal Leave account after the sell-back. There is no minimum limit for the Retirement Leave account after exercising this option.

13.11 Note: For purposes of aiding understanding of the bullet points that follow, pursuant to 2016-2019 contract negotiations the parties negotiated retirement benefit changes in the context of proposed reforms to the City of Jacksonville GEPP (General Employees Pension Plan). Related to that, the Employer and Union – for all unit employees, not just those in Article 20.1 - Leave Plan E – agreed as follows:

- LIUNA agrees to the proposed closure (to new employees) of the GEPP, with new hires after the effective date being enrolled in a “DC plan” (defined contribution plan). More information regarding the DC plan are provided below.
- Participants in that DC plan will make an eight percent (8%) contribution; JEA will make a twelve percent (12%) contribution.
- In the event any other bargaining unit participating in the DC Plan (e.g., AFSCME Council 79, LIUNA 630 - COJ, CWA, the Jacksonville Supervisors Association, IBEW 2358, LIUNA 630, AFSCME 429) receives any greater benefits than JEA provides to LIUNA (i.e., through contract negotiations, settlement, impasse proceedings, or litigation), then LIUNA shall receive the difference between its DC Plan benefit and that received by the other participating bargaining unit(s).
- No benefits under the “DC Plan” shall decrease for all active, full time, enrolled unit employees
- JEA agrees to contribute to the employee's pension program to the extent required by applicable laws pertaining to the employee's contributory pension program.
- No benefits under the General Employee Pension Plan (“GEPP”), the City's Defined Benefit retirement plan, shall decrease for all active, full time, enrolled unit employees, including but not limited to the DROP program, disability benefits, COLA increases, survivor benefits, and any other benefits as they exist as of the date of LIUNA's ratification of this CBA.
- In the event any other bargaining unit participating in the General Employee Pension Plan (e.g., AFSCME Council 79, LIUNA 630, CWA, the Jacksonville Supervisors Association, IBEW 2358,

LIUNA 630, AFSCME 429) receives any greater pension benefits than JEA presently provides to LIUNA (i.e., through contract negotiations, settlement, impasse proceedings, or litigation), then LIUNA shall receive the difference between its pension benefit and that received by the other participating bargaining unit(s).

Defined Contribution Plan for permanent full-time employees hired on or after October 1, 2017 and for any permanent full-time unit employee hired before October 1, 2017 and participating in the current Defined Contribution plan:

Any employee who becomes a permanent full-time employee on or after October 1, 2017, and is not a qualified returning employee, will be enrolled in a Defined Contribution retirement plan administered by the City notwithstanding any previous employment by such employee with the consolidated government or any of its independent agencies. Additionally, permanent full-time unit employees hired before October 1, 2017 who are in the City's current Defined Contribution plan on October 1, 2017 will continue to be members of the Defined Contribution plan as described below. The terms of the Defined Contribution plan are as follows:

Contribution

Employee contribution 8%
Employer contribution 12%

Vesting

Upon leaving JEA employment, Defined Contribution plan members will be entitled to 100% percent of their own contributions and earnings and will be entitled to the following percentage of the Employer's contribution and earnings after the indicated number of years of credited service below:

Two years of service 25%
Three years of service 50%
Four years of service 75%
Five years of service 100% (fully vested)

Financial Counseling

The City will, at its own expense, arrange for all unit members of the Defined Contribution plan to meet with a financial advisor to provide financial counseling three times during each member's career. These meetings will occur (1) within 90 days of original employment; (2) at the member's 10 year anniversary; and (3) at the member's 20 year anniversary.

Disability Benefits

All active, permanent full-time unit employees who are disabled, as established by competent medical evidence, due to an accident, injury or illness that arises in the performance of service with JEA will be entitled to long-term disability benefits equal to fifty percent (50%) of the employee's earnable compensation at the time of the disability.

All active, permanent full-time unit employees who are disabled, as established by competent medical evidence, due to an accident, injury or illness that does not arise in the performance of service with JEA shall be entitled to long-term disability benefits equal to 25% (25%) of the

employee's earnable compensation at the time of the disability. For each year of credited service beyond five, the non-service related disability benefit will be increased by two and one half percent (2.5%) of the employee's earnable compensation to a maximum of fifty percent (50%). There will be no non-service related disability benefits for unit employees with less than five years of credited service at the time of disability.

Long-term disability benefits will be payable until the earlier of recovery and return to work or death. Upon the death of a permanent full-time unit employee receiving a long-term disability benefit, the benefit shall be paid at seventy five percent (75%) to the eligible surviving spouse in lieu of the payment of the employee's contributions and earnings to the Defined Contribution Plan, and any employer contributions and earnings to which the employee had a vested right.

Survivor (Death) Benefits

In the event of the death of a fully vested, active, permanent full-time unit employee, (1) the surviving spouse, or (2) unmarried, orphaned children under the age of 18 years may choose to receive a benefit equal to seventy five percent (75%) of sixty percent (60%) of the employee's earnable compensation at the time of the employee's death. If there is no surviving spouse, and no qualifying surviving children, a solely dependent father/mother of the deceased employee may choose to receive the benefit equal to 75% of 60% of the employee's earnable compensation at the time of the employee's death.

If there is a surviving spouse who chooses to receive the spousal benefit described above, each child of the deceased permanent full-time unit employee will receive \$300 per month until the child reaches age 18 or until the child is married. Benefits paid to unmarried, unit employee children under the age of 18 years shall continue until the earlier of the child's marriage or reaching the age of 18 years, unless the child is disabled, in which case the benefits will continue for the life of that child or during the presence of the disabling condition.

An annual cost-of-living adjustment of three percent (3%) will apply beginning five years after the survival benefit begins.

The total survival benefit (spouse plus children) will not exceed eighty percent (80%) of the deceased employee's earnable compensation at the time of the permanent full-time unit employee's death, and will result in the survivor's benefits being prorated.

If death benefits are paid to any survivor, such benefits will be in lieu of the payment of the employee's contributions and earnings to the Defined Contribution Plan, and any employer contributions and earnings to which the employee had a vested right.

In the event of the death of a non-fully vested, active, permanent full-time unit employee or in the event that a fully vested employee's qualified survivors decline the benefits described above, the deceased employee's designated beneficiaries will receive the employee's contributions and earnings to the Defined Contribution Plan, and any employer contributions and earnings to which the employee had a vested right.

In the event of the death of an active, permanent full-time unit employee with no survivor entitled to a death benefit described above, the City will reimburse the employee's estate or the person paying for the employee's funeral expenses in an amount not to exceed \$2,500 or one-half of the employee's contributions and earnings to the Defined Contribution Plan, and any employer contributions and earnings to which the employee had a vested right, whichever is less. The remaining such contributions and earnings will be paid to the estate of the employee.

Disability and survivor benefits will be administered consistent with current restrictions.

With the expressed exceptions stated herein (i.e., wages and employee contributions), no other changes shall affect current unit employees of JEA hired before October 1, 2017.

13.12 Parental Leave

JEA and the Union recognize the importance of our employee's families and the value of time during the birth or adoption of a child. In this spirit, the JEA will offer a parental leave plan consisting of paid time off following the birth or adoption of a child. JEA has established a policy and procedure applicable to bargaining unit members to be effective January 1, 2020 defining the Parental Leave Plan.

ARTICLE 14: SUPPLEMENTAL PAY

14.1 All employees shall receive a twenty-five (\$25.00) dollar per month raise for each five years served with the Employer.

14.2 STANDBY PAY

- (a) Any employee who is required by the Employer to be on standby duty will receive standby compensation as provided in this Article.
- (b) For the purpose of this Article, an employee is on standby if the employee has been directed to carry an Employer furnished electronic paging device or leave a telephone number so the employee can be reached, and the employee must be available to return to work within a reasonable time if called. Employees, who merely carry electronic paging devices, but who are not required to be available to return to work within a reasonable time if called, are not on standby.
- (c) ~~The standard rate of standby compensation shall be thirty three dollars (\$33.00) for Fiscal Year 16/17, thirty three dollars (\$33.00) for Fiscal Year 17/18 and thirty three dollars (\$33.00) for Fiscal Year 18/19 for each day the employee is on standby. The formula for the standard rate of Standby Compensation shall be the equivalent of one and one-half (1.5) times the employee's current base hourly rate of pay for each day the employee is on standby.~~ Standby pay shall be paid no later than the end of the first pay period after the pay period in which the standby pay is earned.
- (d) Any employee who fails to comply with the provisions of Section 14.2 of this Agreement shall not be entitled to standby compensation for that day, and shall be subject to discipline.
- (e) Employees may arrange substitution of standby duty among themselves, provided the substitution is approved by Management.

14.3 SCHEDULE PREMIUM

- (a) A two dollar (\$2.00) schedule premium shall be paid for all regular hours actually worked on any schedule after 18:00 and prior 06:00 for work days other than Saturday or Sunday (not including overtime or schedule premium of any type).
- (b) A two dollar and fifty cents (\$2.50) schedule premium shall be paid for all regular hours actually worked on any schedule after 00:00 on Saturday and prior 24:00 on Saturday and/or after 00:00 on Sunday and prior 24:00 on Sunday (not including overtime or schedule premium of any type).
- (c) Any employee that worked fifty percent or more of their shift on scheduled premium shall be paid 100% for their premium for their entire shift.

14.4 UPGRADE PAY

When an employee is qualified for and temporarily required by the Employer to serve and accept the full duties and responsibility of a higher class of position for at least one (1) hour of continuous duty, unless the employee is assigned to a higher classification for the purpose of on-the-job training for advancement purposes, the employee shall receive the starting rate of the higher classification or a five

percent (5%) salary increase, whichever is greater, for the time spent working in the higher classification. In no case, however, can the adjusted salary level exceed the maximum of the salary range for the higher position. An employee may be temporarily assigned to the work of any position of the same or lower classification. No on-the-job training without out-of-class pay shall exceed twenty (20) work days. Apprentice classifications shall not be eligible for upgrade pay.

14.5 EDUCATIONAL INCENTIVES

The employer would like to encourage all employees to continue to improve their knowledge base and work skills. To that end, employees will be reimbursed for courses taken that are pre-approved by the employer and directly related to their area of responsibility. In order to be reimbursed by the employer the employee must provide proof of a passing grade. JEA will reimburse employees for the cost of materials, testing renewing their license and certifications which are a requirement of their classification or position.

14.6 JEA will reimburse the initial cost of the Florida Commercial Driver's License to any employee who is required to possess the license in order to fulfill his job duties with JEA. In addition, JEA will reimburse renewals as required by law. JEA agrees to reimburse employee for the cost of obtaining and maintaining a Hazmat-endorsed commercial driver license which employees are required to possess, pursuant to the Transportation Safety Administration (TSA) and the Federal Motor Carrier Safety Administration (FMCSA) published standards, procedures and schedules that Hazmat-endorsed CDL holders must follow. Upon presentation of the receipt, reimbursement shall be processed and paid to the employee promptly.

14.7 The Union recognizes that employees may be assigned take home vehicles. As with all forms of JEA equipment, based on JEA's operational needs, JEA retains sole discretion to assign, rescind and otherwise manage vehicles. The Union recognizes that represented employees may be assigned take home vehicles based upon operational needs, and is subject to change from time to time as determined by JEA. Should a vehicle assignment to be ended, the employee will be given thirty (30) calendar days' notice.

ARTICLE 15: SAFETY AND HEALTH

- 15.1** The Employer agrees that it will conform to and comply with safety, health, sanitation, and working conditions properly required by federal, state, and local law. The Employer and the Union will cooperate in the continuing objective of eliminating safety and health hazards due to unsafe working conditions. No employee shall be directed to operate unsafe equipment or to perform acts considered to be unsafe.
- 15.2** Protective devices, wearing apparel, and other equipment necessary to protect employees from injury or occupational disease shall be provided by the Employer in accordance with established safety practices. Such practices may be improved from time to time by the Employer upon recommendations from the SHAPE Committee. Protective devices, apparel, and equipment must be used when provided. The Union agrees that willful neglect and failure by an employee to obey safety regulations and to use safety devices shall be just cause for disciplinary action. Hard hats may be required to be worn.
- 15.3** The Employer will replace safety shoes for each employee whose job duties require their use and who returns the pair needing replacement as determined by management. The Manager of Safety and Health Services will resolve any disagreement concerning the requirements for safety shoes or the replacement of safety shoes.
- 15.4** The Employer agrees to provide first-aid kits to be accessible to employees. The Employer agrees to provide transportation for employees to medical facilities if an injury on the job requires such transportation. Transportation shall be immediate, if required.
- 15.5** The Employer will continue its Safety programs by the development and initiation of a broad range of communication and motivation programs and methods. The list below shall be used at Management's discretion.
- (a) Work-site posters and bulletins
 - (b) Individual employee communications
 - (c) Employee group meetings during working hours
 - (d) Incentive programs for individuals or groups consisting of awards or cash in recognition of documented improvement in safety records
 - (e) Special employee or group recognition
- 15.6** The Employer has the right to require any employee to undergo a medical or psychological examination by an assigned doctor at any time to ascertain whether or not the employee is physically and mentally capable of performing any and all duties required of the employee's classification. This examination will be conducted on the Employer's time and at the Employer's expense. On the date of the examination, the employee will not be required to report to his regular duty assignment. If the examination takes longer than a normal duty day, the employee will be paid one and one-half (1-1/2) times his straight time rate of pay for all hours in excess of the normal duty day.

ARTICLE 16: INJURY IN LINE DUTY

- 16.1** (a) Any permanent employee covered by this Agreement who sustains a temporary disability as a result of accidental injury arising out of the course and scope of employment with the Employer shall, in addition to compensation payable pursuant to the Workers' Compensation Law of the State of Florida, be entitled to a supplemental benefit under the conditions set out in Section 16.2.
- (b) The amount of the supplemental benefit payable under this article shall be calculated as follows: the Employer will calculate seventy-five percent of the employee's net take home pay after taxes and social security deductions based upon the employee's regular straight-time wages. This amount shall be reduced by the amount of the Workers' Compensation indemnity payable to the employee. The remainder is the amount of the supplemental benefit payable to the employee.
- 16.2** The supplemental benefit provided for in Section 16.1 (b) is payable under the following circumstances:
- (a) During the first twenty (20) working days of such disability, the employee shall receive the supplemental benefit after the employee begins receiving Worker's Compensation indemnity payments.
- (b) Thereafter, the Employer may at its sole discretion, (which discretion shall not be subject to arbitration), grant additional supplemental benefit but shall not exceed one (1) year.
- (c) If the employee brings litigation or administrative action under the Workers' Compensation Law while receiving Workers' Compensation supplemented by the benefits herein provided, entitlement to the supplemental benefits shall immediately terminate.
- 16.3** If an employee, due to an on-the-job-injury, is temporarily partially disabled from performing the duties of his classification, he may be temporarily reassigned without reduction in pay for a period not to exceed 90 days, in accordance with the Civil Service and Personnel Rules and Regulations, to other duties commensurate with medical and mental fitness, availability of suitable work, and his qualifications for the position. Request for extension beyond 90 calendar days will be directed by the employee's manager to the Director with Labor Relations responsibility, but shall not exceed one hundred and eighty (180) calendar days total. The Employer will make a reasonable effort to temporarily reassign the employee, in accordance with the provisions of this section, provided that failure to do so shall not be a basis for grievance or arbitration.
- 16.4** (a) When an employee who has been on leave of absence or light duty due to a disabling on-the-job injury is released by the employee's treating physician(s) to return to work, the employee shall be returned to the same job if:
- 1) The employee is capable of doing the job satisfactorily;
 - 2) The employee would have retained the job had the employee not been injured; and
 - 3) Such work still exists.
- (b) When an employee who has been on a leave of absence or light duty due to a disabling on-the-

job injury is released by the employee's treating physician(s) to return to work, but the employee is not physically or mentally capable of performing his former job, the Employer shall place the employee in a comparable job for which the employee is qualified provided there is an opening. If there is no opening, the employee shall be offered the best available job for which he is qualified, if necessary, appointing the employee to a lower classification. Refusal on the part of the employee to accept a job for which he is qualified and able to perform may be considered a resignation.

16.5

An employee, due to an on the job injury as a result of an assault, robbery or other criminal activity, is temporarily, totally disabled, will, upon recommendation by the employee's Manager and approval by the employee's Director be placed on paid administrative leave for up to forty (40) hours during the first seven (7) calendar days the employee is unable to return to duty as a result of a qualified physician's determination. A worker's compensation offset will be taken as a result of any paid administrative leave so as to prevent any overpayment of wages for which the employee would have normally received. Exercise of this Section (16.5) is at management's sole discretion.

ARTICLE 17: APPRENTICESHIP PROGRAM/JOURNEYMAN TRAINING

17.1 Apprenticeship Program/Journeyman Training

- (a) The Union shall from time to time provide recommendations to JEA on matters pertaining to the Apprentice Program/Journeyman training, including how the program should be structured. JEA shall receive and consider such recommendations.
- (b) Copies of any major curriculum changes to the Apprentice Program/ Journeyman training shall be forwarded to the Union prior to adoption. The Union and the Employer will meet upon the request of either party to discuss the changes. Request to meet must be made within ten (10) calendar days of receipt of the changes.

17.2 Apprenticeship Program

- (a) The JEA Apprenticeship Program may include any classifications in the Bargaining unit, as determined by Management.
- (b) JEA will comply with the requirements of Title 38 United States Code Section 2021, effective December 3, 1974, as it may be amended from time to time, regarding the placement of apprentices who return to the Program after a break in services as a result of being inducted into the Armed Forces.
- (c) The Employer agrees no preference will be given to employees in the same classification who received a state certification for completing JEA apprenticeship programs over other employees who completed JEA journeyman training.

ARTICLE 18: HOLIDAYS

18.1 (a) Each employee covered by this Agreement shall be entitled to twelve (12) holidays with pay each year as follows:

<u>Date</u>	<u>Event</u>
January 1st	New Year's Day
3rd Monday in January	Martin Luther King's Birthday
3rd Monday in February	Presidents' Day
Last Monday in May	Memorial Day
July 4 th	Independence Day
1 st Monday in September	Labor Day
November 11 th	Veterans' Day
4th Thursday in November	Thanksgiving
Friday after Thanksgiving	Friday after Thanksgiving
December 24	Christmas Eve
December 25	Christmas Day Personal Holiday

(b) The Personal Holiday shall be taken at the option of the employee when scheduling of such is approved by the Vice-President, Director, or Manager, or his designee. If the employee fails to take the Personal Holiday prior to the end of the fiscal year, the employee will be paid eight hours pay at his/her rate at the end of the fiscal year.

18.2 For non-shift workers, when a holiday falls on Saturday, the Friday prior thereto shall be considered the holiday, and when a holiday falls on Sunday, the Monday following shall be considered a holiday. If either Christmas Eve or Christmas Day falls on a Saturday or Sunday, the provisions in the City of Jacksonville Ordinance Code shall apply. For those workers on a four (4), ten (10) hour day work week, when a holiday falls on a normal day off, the work day closest to the holiday but within the same calendar week as the holiday shall be considered the holiday. When the holiday falls on a normal day off that is midway between work days, the next scheduled work day will be the holiday.

18.3 Shift workers will observe all holidays on the dates they occur. Provided, however, that any shift employee who has been temporarily assigned to a non-shift schedule for a period of at least one (1) week will observe holidays in the manner provided for non-shift employees (as set forth in Article 18.2) for any holiday that occurs during the period of such assignment.

18.4 Employees shall be compensated for holidays at their respective rates of pay for the number of hours they would have ordinarily worked on the holiday.

18.5 When an employee is required to work on a day observed as his holiday, he shall be compensated eight (8), ten (10), or twelve (12) hours straight time pay, dependent on work day assignment, as holiday pay. In addition, the employee shall receive one and one-half (1 ½) times his straight time hourly rate for all

hours worked up to eight (8), ten (10), or twelve (12) hours and two and one-half (2 ½) times his straight time hourly rate for all hours worked on the holiday over eight (8), ten (10), or twelve (12) hours.

18.6 An employee shall receive payment for any paid holiday unless:

- (a) He has an un-excused absence (excluding tardiness) on the last regular work day preceding such holiday, or on the next regular work day following such holiday.
- (b) Having been scheduled to work on such holiday, he fails to report for work without justifiable reason for such absence.
- (c) He is on leave of absence without pay.
- (d) He is receiving a wage benefit from Workers' Compensation.

ARTICLE 19: LEAVE USAGE

19.1. Leave Usage (Generic)

- (a) Employees, when eligible and authorized, may use their annual or personal leave upon written application to their immediate manager or designee. Approval shall be based upon the nature of the request in each instance. Extensions may be granted at the option of the manager or designee.
- (b) Annual, vacation, or personal leave will be charged against an employee's regular work hour, and shall not be charged for emergency, scheduled, or policy overtime.
- (c) **Unscheduled leave**

- (1) Annual, vacation or personal leave may be taken for emergency, illness, or injury of the employee or next of kin.
- (2) Employees are required to notify the appropriate designated individual of the employee's intent to use annual or personal leave for emergency, illness, or injury in the following manner:

Non-shift employees must provide notification to the appropriate designated individual as early as possible as and no later than the start of the employee's normal workday. An employee who has a starting time earlier than the designated individual he/she is to notify, shall notify that individual as soon as possible after the normal starting time for that designated individual.

- i. Shift employees must provide notification to the appropriate designated individual no later than one (1) hour prior to the starting time of the employee's shift.
 - ii. Shift employees shall notify the appropriate manager at least four (4) hours in advance of the employee's intent to return to work following an emergency, illness, or injury. However, employees on the day shift need only provide one (1) hour advance notice before returning to work.
- (3) Employees who fail to notify the appropriate designated individual as required by Section 19.1 (c) (1) A, may not be allowed to charge their absence to annual or personal leave unless waived by the manager or designee.
 - (4) Absences for illness under annual or personal leave conditions may be subject to investigation. (This section is not intended to require an employee to provide a physician's certified statement of illness after each absence.

It is intended to correct suspected abuse of annual or personal leaves for illness.) An employee will be counseled whenever a pattern clearly develops where an employee is abusing leave.

- (5) Employees failing to comply with the provisions of Section 19.1 will be subject to disciplinary action.
- (6) Written requests shall be submitted as soon as practical for unscheduled leave.

- (d) Scheduled leave
- (1) In order to insure the health and welfare of the employee, JEA encourages employees to take a minimum of ten (10) days leave per contract year. Employees are encouraged to retain eighty (80) hours in their leave account in case of serious personal illness.
 - (2) Accrued annual or personal leave may be taken at any time when authorized. Scheduling will be accomplished on a seniority basis in classification for the first request of five (5) days or more provided that the request is submitted prior to March 31. In scheduling annual, vacation or personal leave, employees with seniority in a classification, a shift, a crew, a section, or an office shall be given first preference; provided, however, that such preference shall be subject to JEA's exclusive authority to determine the number of employees in any given classification, shift, crew, section, or office who may be on leave at the same time. Denial of requested leave must be substantiated on the basis that granting of such leave would unduly increase the cost of operations and/or would otherwise be detrimental to the efficient operations of the system.
 - (3) JEA employees may split their annual or personal leave in any manner desired and approved by their manager or his/her designee. The splitting of scheduled leave must be consistent with the operational requirements of the system.
 - (4) Requests for leave which is not for illness or emergency, and is less than five (5) consecutive days must be submitted:
 - i. At least forty eight (48) hours in advance for shift employees.
 - ii. At least forty-eight (48) hours in advance for non-shift employees, whose job(s) must be filled in their absence. Other non-shift employees must submit their request at least twenty-four (24) hours in advance.
- (e)
- (1) The minimum amount of annual or personal leave to be taken and charged shall be in one-half (1/2) hour increments.
 - (2) Employees on eight (8) hour day, ten (10) hour day and twelve (12) hour day schedules shall be charged eight (8), ten (10) and twelve (12) hours respectively for a day off.
- (f) If a legal holiday falls within a scheduled annual or personal, leave period, annual or personal leave shall not be charged for that day. When a scheduled overtime day, for rotating shift workers falls within a scheduled annual or personal leave period, annual or personal leave shall not be charged nor overtime paid for that day.
- (g) Notwithstanding any other provision of this Agreement, JEA shall have the unilateral right to alter annual or personal leave schedules for proper cause or emergencies that might occur. In such cases, the employee will be reimbursed for any costs forfeited due to cancellation of reservations, excess travel, etc., provided action is taken by the employee to minimize the forfeited cost, and provided further that satisfactory documentation of the employee's payment of forfeited costs is furnished to JEA.
- (h) Upon written request, and with at least thirty (30) calendar days advance notice, an employee taking at least two (2) weeks or more of authorized paid annual personal leave may have the amount of compensation due for the requested annual leave period advanced to him/her on the last regular payday prior to the beginning of the paid annual leave.
- (i)
- (1) An eligible employee who is out of work because of an on-the-job injury may use annual leave

or personal leave or compensatory time to remain on the payroll, under the conditions established in this section.

- (2) In order to be eligible to use accrued leave for this purpose the employee must meet all of the following eligibility requirements:
 - A. The employee is away from work due to an on-the-job injury;
 - B. The employee is either receiving workers' compensation payments or has exhausted the allowable period of workers' compensation;
 - C. The employee provides the employer with a written request to use his/her accrued leave to remain on the payroll.
- (3) When employees are eligible to use accrued leave for this purpose, the amount of annual leave or personal leave or compensatory time so charged shall be the minimum amount in one-half of an hour increments to equal the difference between the employee's regular pay and the amount that the employee is receiving from workers' compensation and workers' compensation supplement.
- (4) If the employee receives only partial salary or wage payment, the normal required employee pension contribution shall be deducted from the employee's partial salary or wage payment and the employee shall continue to receive full retirement credit for the period during which workers' compensation payments are received.
- (5) For employees in the personal leave plan (Plan H), the CELB may also be used for this purpose if the absence described herein otherwise qualifies as critical emergency illness of more than ten (10) calendar days.

19.2 Annual and Retirement Leave Usage

- (a) If an employee has exhausted all of the accrued, unused annual leave, and then said employee suffers an illness which requires time off, then said employee shall be allowed to use the credited retirement leave for the purpose of illness only.
- (b) If an employee, due to an extended, continuous illness, requires eighty (80) hours or more for such illness, then such leave, may at the employee's option be deducted from the retirement leave account of such employee.

19.3 Deferred Compensation

- (a) JEA will provide employees the option to use accrued Annual, Personal, and Retirement Leave time credits to fund their Deferred Compensation Program. Employees will not be permitted to use Critical Emergency Leave Bank account time credits to exercise this option.

The employee will be allowed, at his/her option, to sell accrued Annual, Personal and Retirement Leave time credits to the extent and in the manner allowed by law for the purpose of crediting the funds to the employee's Deferred Compensation account.

Upon attaining time service that is within three (3) years of normal time service retirement, the employee will be allowed, at his/her option, to sell accrued Annual, Personal, and Retirement Leave time credits to the extent and in the manner allowed by law for the purpose of crediting

the funds to the employee's Deferred Compensation account provided, however, in the year of retirement, the employee will be limited to selling, at his/her option, accrued Annual, Personal, and Retirement Leave time credits to the extent and in the manner allowed by law for the purpose of crediting the funds to the employee's Deferred Compensation account.

- (b) This provision is subject to acceptance by the Plan providers of the City/JEA.
- (c) Employees who participate in this Annual, Personal, and Retirement Leave time credit sellback option shall not have less than eighty (80) hours in their Annual, and Personal Leave account after sellback. There is no minimum limit for the Retirement Leave account after exercising this option.

ARTICLE 20: ANNUAL LEAVE (PLAN E)

20.1 This article shall apply to all permanent, probationary, and provisional employees of the following categories:

- (a) Employees hired on or after October 1, 1968, and before October 1, 1987;
- (b) Employees hired prior to October 1, 1968, but chose not to remain subject to former sick leave and terminal leave policies in April, 1969;
- (c) Employees hired prior to October 1, 1968, who chose on or before December 15, 1979, to become subject to this provision.

20.2 Employees shall accrue annual leave with pay according to the following schedule on a biweekly basis:

(a) YEARS OF SERVICE HOURS PER YEAR

Upon completion of 0 months thru 4 years	160
Upon completion of 4 years thru 9 years	184
Upon completion of 9 years thru 14 years	208
Upon completion of 14 years thru 19 years	232
Upon completion of 19 years thru 24 years	256
Upon completion of 24 years or more.....	280

- (b) Annual leave credits will accrue bi-weekly to the credit of the employee, at the rate stated above and shall be credited on the last day of the pay period. In order to receive full credit, the employee must work a full schedule or be on approved leave with pay. The accrual will be reduced pro rata for hours on leave without pay.
- (c) The rate of accrual shall change to the higher rate at the start of the pay period in which the employee’s adjusted service date falls.
- (d) Annual leave shall be earned during the first year of employment.

20.3 Annual leave shall accrue to a maximum of 960 hours. The employer will compensate on an hour-for-hour basis for any accrued amount over nine hundred sixty (960) hours as of September 30th each year. These payments will be made on the second pay day in November, at the September 30th rate of pay.

- (a) Beginning with leave earned during the fiscal year, an employee who does not use all of their Annual leave accrued in a fiscal year, may be paid the difference between the amount used and the amount accrued for that fiscal year on an hour-for-hour basis.
- (b) To receive such payment, the employee must make an irrevocable election in the fiscal year preceding the fiscal year in which the leave is accrued.
- (c) This payment is not available to an employee who would have less than eighty (80) hours of annual leave remaining after such payment. Such payments will be made no

later than the first payday in December at the September 30th rate of pay.

20.4 [OPEN]

20.5 For the purpose of this Article, retirement is defined pursuant to Ordinance provisions of the pension program of the City. Vesting is considered as retirement.

- (a) Retirement leave may be taken either immediately prior to desired eligible retirement date, which leave may be used for the fulfillment of time service requirements; or retirement leave may be taken following fulfillment of time service requirements.
- (b) Employee on retirement leave shall be maintained on the regular payroll, thereby continuing to avail the employee of payroll deductions, pension contributions and insurance deductions.
- (c) Upon placement on retirement leave, such status shall be considered irrevocable.
- (d) While on retirement leave, an employee shall not accrue annual leave, but shall be eligible for legal holidays; and any general salary increases, but not performance/step increases.
- (e) At the employee's option, retirement leave may either be taken, or paid for in one lump sum on an hour-for-hour basis.
- (f) If an employee terminates prior to retirement as defined in the Annual Leave Ordinance, said employee shall be paid for any retirement leave credited, on the basis of one (1) hour's pay for every two (2) hours of said retirement leave credited.

20.6 Upon termination, which includes resignation and discharge not for cause, the employee shall be paid for all unused annual leave credits on an hour-for-hour basis. However, employees who are discharged for stealing or sabotage may forfeit pay for their unused accrued annual leave earned during the contract year.

20.7 When an employee is placed on retirement leave, the lump sum payment for the annual leave shall be paid at the beginning of the retirement leave.

ARTICLE 21: ANNUAL LEAVE (PLAN H)

21.1 This article shall apply to all permanent, probationary, and provisional employees hired on or after October 1, 1987.

21.2 Employees shall accrue annual leave with pay for all straight time hours worked according to the following schedule on a bi-weekly basis:

(a) **YEARS OF SERVICE HOURS PER YEAR**

Upon completion of 0 months thru 4 years	160
Upon completion of 4 years thru 9 years	184
Upon completion of 9 years thru 14 years	208
Upon completion of 14 years thru 19 years	232
Upon completion of 19 years thru 24 years	256
Upon completion of 24 years or more	280

(b) Annual leave will accrue to the credit of the employee, at the rate stated above and shall be credited on the last day of the pay period. In order to receive full credit, the employee must work a full schedule or be on approved leave with pay. The accrual will be reduced pro rata for hours on leave without pay.

(c) The rate of accrual shall change to the higher rate at the start of the pay period in which the employee's adjusted service date falls.

(d) Annual leave shall be earned during the first year of employment.

21.3 (a) Annual leave shall accrue to a maximum of six hundred (600) hours. Personal leave over that amount as of September 30th of each year shall be forfeited unless applied in accordance with the provisions of 21.4 or sold back to the JEA in accordance with the provisions of 21.3 (b).

(b) Annual leave shall accrue to a maximum of 600 hours. The employer will compensate the employee on an hour-for-hour basis for any accrued amount over six hundred (600) hours as of September 30th each year. These payments will be made on the second pay day in November, at the September 30th rate of pay.

(c) Beginning with leave earned during the fiscal year, an employee who does not use all of their Annual leave accrued in a fiscal year, may be paid the difference between the amount used and the amount accrued for that fiscal year on an hour-for-hour basis.

(d) To receive such payment, the employee must make an irrevocable election in the fiscal year preceding the fiscal year in which the leave is accrued.

(e) This payment is not available to an employee who would have less than eighty (80) hours of annual leave remaining after such payment. Such payments will be made no later than the first payday in December at the September 30th rate of pay.

21.4 [OPEN]

21.5 Upon retirement (including vesting under the pension law) of an employee, said employee shall be paid for all unused personal leave accrued on an hour for hour basis.

21.6 (a) Upon termination of an employee for other than retirement, which includes resignation or discharge not for cause, an employee shall be paid 100% of their unused personal leave accrued on an hour for hour basis.

(b) Employees who are discharged for stealing or sabotage may forfeit pay for unused accrued personal leave accrued during the contract year.

ARTICLE 22: OTHER LEAVES

22.1 MILITARY LEAVE

Related to employees' military service, there are Federal and State laws and regulations, as well as City of Jacksonville municipal ordinances, covering employer responsibilities to eligible employees; JEA will comply with all applicable laws, regulations and ordinances covering employees' military service.

22.2 [OPEN]

22.3 BEREAVEMENT/FUNERAL LEAVE

- (a) Upon the death of a member of the employee's immediate family, an employee may be granted five (5) work days (including the day of notification) off without loss of pay, within the next eight (8) days, as bereavement leave. The Employer will not unreasonably deny a request for bereavement leave.
- (b) Immediate family, for the purposes of Article 22.3(a), is defined as the employee's spouse, children, mother, father, mother-in-law, father-in-law, step parents and step children, of the employee; and legally appointed guardian.
- (c) Upon the death of a member of the employee's family, an employee may be granted three (3) work days (including the day of notification) off without loss of pay, within the next eight (8) days, as bereavement leave, for the family members specified as brothers, sisters, half-brothers, half-sisters, step brothers and step sisters with whom the employee lives, brothers-in law, sisters-in-law, son-in-law, daughter-in-law, grandchildren and grandparents.
- (d) Upon the death of a member of the employee's family, listed as follows, an employee may be granted one (1) workday, within the next eight (8) days, off without loss of pay, as bereavement leave, but will be required to attend the funeral and if requested, provide documentation that they attended. Family members included are aunts, uncles, nieces, nephews, of the employee; spouse's grandparents and other relatives who permanently reside with the employee
- (e) The Employer may require the employee to supply proof of the death and proof of the employee's relationship to the deceased before payment for bereavement leave is made.
- (f) If the employee requires additional time to attend to matters related to the death of a member of the employee's immediate family, the Employer may permit the employee to use a reasonable period of vacation/annual/personal leave time.
- (g) Employees may be granted up to four (4) hours funeral leave, without loss of pay, to either attend or serve as an active pall bearer at the funeral of a co-worker, active or retired, from the same activity, unless the employee is required to maintain system integrity.

22.4 JURY AND WITNESS DUTY

- (a) Any employee who is required to perform jury service during his normal working hours shall be paid his regular salary. The employee summoned as a juror shall immediately notify his manager by furnishing a copy of his summons. An employee who reports for jury duty and is dismissed shall report to work for the remainder of the working day. If an employee is released

from jury duty prior to four (4) hours from his normal end of work day, he shall be required to report to his work site within one and one-half (1-1/2) hours after his release.

- (b) If an employee is absent from work, in order to serve as a witness in a case in a court of law to which he is not a party (either directly or as a member of a class), where such absence is in response to a legally valid subpoena, and where such presence is in the interest of JEA, the employee shall be granted leave with pay for those hours for which he is absent from work during his regularly scheduled working hours, provided he submits evidence of such service as a witness.

ARTICLE 23: COMPREHENSIVE DRUG/ALCOHOL ABUSE POLICY AND PROCEDURES

Prelude

JEA and the Union both agree that education and communication about the JEA Employee Assistance Program (EAP) is a very important tool toward having a drug free work force. JEA will see that information about the EAP is available for employees and their families. It should be every employee's goal to help those co-workers, whom they know have some type of problem with substance abuse, to seek help through the EAP.

23.1 Definitions

a. “Drug abuse” means:

1. The use of any controlled substance as defined in Section 893.03, Florida Statutes, as amended, not pursuant to a lawful prescription. A “lawful prescription” is defined as a prescription issued in the name of the employee by a licensed health care practitioner in full compliance with the practitioner’s practice act.
2. The commission of any act prohibited by Chapter 893, Florida Statutes.
3. Abusing a lawful prescription.
4. Substituting or adulterating any specimen during a drug test.
5. Refusing to submit to a drug test.
6. Drug test with positive results.

b. “Illegal drug” means any controlled substance as defined in Section 893.03, Florida Statutes, not possessed or taken in accordance with a lawful prescription.

c. “Department of Health and Human Services (HHS) Mandatory Guidelines for Federal Workplace Drug Testing Programs” (the HHS Guidelines) means those guidelines as printed in the June 9, 1994, Federal Register (59 FR 29908), and as amended from time to time.

d. “Reasonable belief” means an opinion which a prudent person would form based on observation and information from reliable and credible sources. Observation includes, but is not limited to sensory facts (what a person saw, heard, smelled, tasted or touched). Objective factors that should be taken into consideration in determining reasonable belief are:

1. The nature of the information;
2. The reliability of the person or source providing the information;
3. The extent of any confirmation; and,
4. Any other factors contributing to the belief or the lack thereof.

Not all of these factors must exist to find reasonable belief, but all must be examined.

e. “Substituted Specimen” means a specimen that has a creatinine of less than or equal to 5 mg/dL and a specific gravity less than or equal to 1.001 or greater than or equal to 1.020. (Such

specimens do not exhibit the clinical signs or characteristics associated with normal human urine.)

f. “Adulterated Specimen” means a specimen with a nitrite concentration which is equal to or greater than 500mcg/mL; or the pH is less than or equal to 3, or greater than or equal to 11; or if a foreign substance is present; or if an endogenous substance (one that is normally found in human urine) is present at a concentration greater than the normal physiological concentration.

g. “Lawful Prescription Abuse” means taking prescribed drugs in greater dosages and/or more frequent intervals than specified in the prescription, or securing and simultaneously using prescriptions for the same or equivalent medication from multiple providers, or taking medications that are not prescribed for the employee, or as otherwise determined by as Medical Review Officer (MRO).

h. “Alcohol” means ethyl alcohol (ethanol). References to use of alcohol include use of a beverage, mixture, or preparation containing ethyl alcohol.

i. “Alcohol Abuse” means

1. Using or being under the influence of alcohol or alcoholic beverages on the job.
2. Adulterating any specimen during an alcohol test.
3. Refusing to submit to an alcohol test.
4. Alcohol test with positive results.

23.2 Circumstances When Testing May Be Required

JEA may require an employee to submit to drug and/or alcohol testing under any of the following circumstances:

- a. Whenever two appointed managers concur that there is a reasonable belief that an employee is using, under the influence of, or in possession of illegal drugs and/or alcohol while on duty, or that the employee is abusing illegal drugs and/or alcohol and the abuse either adversely affects his/her job performance or represents a threat to the safety of the employee, his/her co-workers, or the public and the reasons for such concurrence have been stated to an Union Representative.
- b. Whenever an employee is involved in an accident involving personal injury or property damage which could result in liability to JEA, loss or damage to JEA property, or involving a personal injury that requires treatment beyond first aid (i.e. OSHA Recordable), urine specimens will be collected from all employees directly involved in the accident and stored for future testing. Employees will also be subject to a breathalyzer test for alcohol. For purposes of this provision, an employee is considered directly involved in the accident if the employee was in a position or situation where his/her action or inaction could cause, contribute to, contribute after, or have an impact on the accident which includes any injuries (regardless of whether the employee was at the location of the accident). If the accident/damage investigation reveals that employee negligence was a cause, the negligent employee’s (s’) specimen(s) will be tested. All samples not tested will be destroyed within ten (10) calendar days of the accident/damage investigation team report or within twenty (20) calendar days of the accident if no investigation is held. The accident/damage investigation team shall include an Union executive board member or designee.

- c. An employee with a CDL will be tested for drugs and alcohol when they are involved in a vehicular accident that results in a fatality; or the employee receives a moving violation citation and the accident involved bodily injury requiring medical treatment away from the scene; or one or more vehicles are damaged and disabled requiring towing away from the scene.
- d. Any time within one (1) year after an employee has voluntarily admitted a substance problem and entered into a Last Chance Agreement, tested positive for the presence of controlled substances taken from a lawful prescription issued to the employee’s spouse or family member permanently residing with the employee, tested positive for alcohol or completed initial rehabilitation, whichever is later. (The EAP provider shall direct a letter to both JEA and to the employee establishing the date on which rehabilitation was completed.)
- e. As required by the Federal Highway Administration (FHWA) Controlled Substances & Alcohol Use & Testing Program, 49 CFR 382, et seq. (This federal regulation, also known as “CDL” Testing), requires testing for alcohol as well as for controlled substances.)
- f. As part of a random drug and alcohol testing program applicable to employees in safety sensitive positions in accordance with criteria set forth in Exhibit B, management’s designation of a position as “safety sensitive” shall be subject to appeal to the Director of Labor Relations, or designee, whose decision may be subject to arbitration. An employee who disputes the safety sensitive designation of his or her position shall be required to submit a sample in accordance with testing procedures but the results of the test shall be sealed until the dispute has been resolved.
- g. In determining a position to be “safety sensitive”, consideration will be given to “safety sensitive”, as defined in Sections 112.0455(5) (m) and 440.102(1) (o) Florida Statutes, and using criteria delineated in Exhibit B.
- h. JEA will provide the Union President with a listing of Union members designated as safety sensitive on an annual basis, and as the listing is updated.

23.3 Testing Protocols

a. Drug

1. Whenever an employee is required to provide a urine specimen for these testing procedures, the specimen will be divided into two samples at the time of collection in order to facilitate the testing procedures described in this section. The collection facility and the Substance Abuse and Mental Health Services Administration (SAMHSA) certified tester shall follow specimen collection and testing procedures consistent with the HHS Guidelines except as specifically amended herein.
2. The threshold level or cut-off limit and substances shall be as set forth below or as established by HHS and/or SAMHSA. The following levels have been established as of the effective date of this Agreement. However, the levels established by HHS and/or SAMHSA which are in effect as of the date of any given test shall govern

SCREENING THRESHOLDS

<u>Initial test analyte</u>	<u>Initial test cutoff¹</u>	<u>Confirmatory test analyte</u>	<u>Confirmatory test cutoff concentration</u>
<u>Marijuana metabolites (THCA)²</u>	<u>50 ng/mL³</u>	<u>THCA</u>	<u>15 ng/mL.</u>
<u>Cocaine metabolite (Benzoylecgonine)</u>	<u>150 ng/mL³</u>	<u>Benzoylecgonine</u>	<u>100 ng/mL.</u>
<u>Codeine/Morphine</u>	<u>2,000 ng/mL</u>	<u>Codeine Morphine</u>	<u>2,000 ng/mL. 2,000 ng/mL.</u>
<u>Hydrocodone/Hydromorphone</u>	<u>300 ng/mL</u>	<u>Hydrocodone Hydromorphone</u>	<u>100 ng/mL. 100 ng/mL.</u>
<u>Oxycodone/Oxymorphone</u>	<u>100 ng/mL</u>	<u>Oxycodone Oxymorphone</u>	<u>100 ng/mL. 100 ng/mL.</u>
<u>6-Acetylmorphine</u>	<u>10 ng/mL</u>	<u>6-Acetylmorphine</u>	<u>10 ng/mL.</u>
<u>Phencyclidine</u>	<u>25 ng/mL</u>	<u>Phencyclidine</u>	<u>25 ng/mL.</u>
<u>Amphetamine/Methamphetamine</u>	<u>500 ng/mL</u>	<u>Amphetamine Methamphetamine</u>	<u>250 ng/mL. 250 ng/mL.</u>
<u>MDMA⁴/MDA⁵</u>	<u>500 ng/mL</u>	<u>MDMA MDA</u>	<u>250 ng/mL. 250 ng/mL.</u>

¹ For grouped analytes (*i.e.*, two or more analytes that are in the same drug class and have the same initial test cutoff):
Immunoassay: The test must be calibrated with one analyte from the group identified as the target analyte. The cross-reactivity of the immunoassay to the other analyte(s) within the group must be 80 percent or greater; if not, separate immunoassays must be used for the analytes within the group.
Alternate technology: Either one analyte or all analytes from the group must be used for calibration, depending on the technology. At least one analyte with the group must have a concentration equal to or greater than the initial test cutoff or, alternatively, the sum of the analytes present (*i.e.* equal to or greater than the laboratory's validate limit of quantification) must be equal to or greater than the initial test cutoff.

² An immunoassay must be calibrated with the target analyte Δ -9-tetrahydrocannabinol-9-carboxylic acid (THCA).
³ Alternate technology (THCA and benzoylecgonine): The confirmatory test cutoff must be used for an alternate technology initial test that is specific for the target analytes (*i.e.*, 15ng/mL for THCA, 100 ng/mL for benzoylecgonine).
⁴ Methylenedioxymethamphetamine (MDMA).
⁵ Methylenedioxyamphetamine (MA).

3. The SAMHSA certified tester shall utilize the following procedures to the extent that they are not inconsistent with the HHS Guidelines:
- i. The SAMHSA certified tester shall submit the first of the samples to an immunochemical assay or radioimmunoassay test. If the results of this test are negative, no further testing will be required and all collected specimens will be disposed.
 - ii. If the results of the initial test provided for in Section 25.3 (a)(3)i are positive, the SAMHSA certified tester will submit the same sample for further testing using the gas chromatography/mass spectrometry (GC/MS) method to verify the initial test results. JEA will not be notified about the initial positive result, until it has been confirmed as provided for in this section.

- iii. If the specimen provided is unsuitable for testing due to no fault of the employee being tested, or if the chain of custody is violated, the employee will be advised of those circumstances and will be required to provide another specimen for testing. Except for low creatinine test results, and provided the employee was not at fault, an additional specimen will be required not more than one (1) additional time. Should the employee provide specimens which are neither adulterated nor substituted, but unsuitable for testing due to low creatinine levels three (3) consecutive times, the employee will be subject to a blood sample. Should an employee have legitimate, verifiable religious objection or medical reason that would prohibit a blood sample, then the Medical Review Officer (MRO) will determine the alternate testing method that will be used.
 - iv. Specimens that are adulterated or substituted will be reported as a “refusal to test,” and the employee will not be offered the opportunity for a test of the second sample as provided for in 4 below.
4. If the results of the confirmation test provided for in Section 25.3.c.2 are positive, as confirmed by a qualified (HHS Guidelines) medical review officer (MRO), the HHS guidelines shall be followed for confirmation and notification of the employee and JEA. At that time, the employee may elect to have the second sample subjected to further testing by a SAMHSA certified tester at the employee’s expense. If the second sample tests negative, JEA will reimburse the employee for the cost of the test. If the tests on the second sample are positive, or if the employee does not request testing of the second sample, JEA may take appropriate action in accordance with this article.
5. a. Random Testing Protocol.
- i. Management will administer random drug tests to 25% of all employees who are designated as safety sensitive each year. (The 25% can be rounded up to include the nearest “whole” person.
 - ii. Management will administer random alcohol tests to 10% of all employees who are designated as safety sensitive each year. (The 10% can be rounded up to include the nearest “whole” person.)
 - iii. The drug and alcohol threshold levels and procedures applicable to CDL random testing shall apply to safety sensitive random testing.
 - iv. Employees who are subject to CDL random testing shall not be subject to safety sensitive random testing.
- b. Alcohol
- i. Whenever an employee is required to be tested for alcohol, a breathalyzer shall normally be used. In certain cases when the breathalyzer cannot be administered, blood may be used.
 - ii. The threshold level or cut-off limit shall be as set forth below or as established by Florida Statute. The following levels have been established as of the effective date of this Agreement. However, the levels established by DOT or Florida Statute, which are in effect as of the date of any given test shall govern.
 - iii. Alcohol abuse shall subject the employee to disciplinary action as indicated in 25.4(b)
- c. Breath or Blood Alcohol Testing Threshold Levels for CDL’s

Department of Transportation (DOT) Regulations for Commercial Driver License Alcohol Testing

0.020 to 0.039 – Cannot perform safety sensitive work for at least 24 hours

0.040 to 0.079 – Cannot perform safety-sensitive work until released by a substance abuse professional.

0.08 and above – Cannot perform safety-sensitive work until released by a substance abuse professional.

d. Breath or Blood Alcohol Threshold Levels for non-CDL Testing

0.05 to 0.079 – Considered impaired with other competent evidence of impairment.

0.08 and above – Presumed to be impaired.

23.4 Disciplinary Action

a. Drug abuse shall subject the employee to the following discipline:

1. Any employee who uses a controlled substance pursuant to a prescription lawfully issued to a member of the employee’s household residing with the employee shall be given a single Last Chance Agreement provided the prescription was taken for the employee’s bona fide medical condition. The employee will be randomly tested 6 to 12 times during a succeeding 12-month period. Subsequent violations of the policy shall result in immediate termination from employment.
2. Drug abuse, other than described in 1 above shall result in immediate termination from employment.

b. Alcohol abuse shall subject the employee to the following discipline:

1. If an employee tests positive for a breath or blood alcohol level equal to or greater than 0.02 but less than 0.04, the employee will be subject to the provisions of the DOT CDL requirements.
2. If an employee tests positive for a breath or blood alcohol level equal to or greater than 0.04, but less than or equal to 0.05, the employee will be given a letter of “Required Action and Consequences of Noncompliance” which is not considered discipline. A second positive test in level described above will result in a Last Chance Notice, and a third positive will result in immediate termination from employment.
3. If an employee tests positive for a breath or blood alcohol level in excess of 0.05 but less than 0.08, and there is no other competent evidence of impairment, the employee will be given a Last Chance Agreement. Any subsequent positive test producing a breath or blood alcohol level in excess of 0.05 will result in the employee being terminated from employment.
4. If an employee test positive for a breath or blood alcohol level in excess of 0.05 but less than 0.08 and there is other competent evidence of impairment, the employee will be terminated from employment.
5. If an employee tests positive for a breath or blood alcohol level at 0.08 or higher, the employee will be terminated from employment.

c. Upon investigation, any employee who refuses to submit to substance abuse or alcohol testing (including adulterating or substituting a sample) as required by this article, or who refuses to

sign an authorization for the release of the records of such testing shall be considered as a refusal to submit to a drug or alcohol test and shall be terminated from employment.

23.5 Rehabilitative/Corrective Action

- a. JEA may require an employee who has tested positive for the presence of alcohol or illegal drugs and to which subparagraphs 25.4.a.1 or b.1 applies, or to submit to counseling, or other rehabilitative treatment as a condition of continued employment. This section shall not be construed to limit JEA’s right to take appropriate disciplinary action when an employee tests positive for the presence of alcohol or illegal drugs.
- b. Any employee who is required to submit to counseling or other rehabilitative treatment as a condition of continued employment shall sign a release, authorizing the release of information to JEA sufficient to determine whether the employee can safely perform his/her job duties. The manager shall make the decision whether the employee can perform his/her job duties in conjunction with a physician associated with the rehabilitation/treatment facility. The information provided to JEA shall be limited to the following:
 1. Whether the employee has regularly attended counseling and/or treatment sessions, as directed.
 2. Whether the employee has satisfactorily participated in counseling and/or treatment sessions.
 3. Whether the employee has complied with all requests for substance abuse tests, and whether the employee has passed all of those tests.
 4. Whether the employee has admitted to using alcohol or illegal drugs subsequent to the test which resulted in the referral to counseling and/or rehabilitative treatment.
 5. Whether there is any reason to believe that the employee’s return to work could result in a risk to persons or property.
 6. Whether JEA should impose any work related limitations or requirements upon the employee in the event that JEA determines to permit the employee to return to work.
- c. Driving restriction for employees with CDL shall be as stipulated in the Federal Highway Administration Controlled Substance & Testing Program, 49 CFR 382, et seq. The same restriction will be used for other safety sensitive employees.

23.6 Examination and Test

- a. Except as provided in paragraph 25.3(a) 4, JEA will pay the cost of any test required by Section 25.2. Provided, however, that in the case of alcohol testing, an employee at his/her request, will be given the opportunity for a blood alcohol test conducted at the same time as at his/her own expense.
- b. Urine specimens or alcohol tests required by this article will be obtained while the employee is on duty. JEA may extend the employee’s duty period for the purpose of drug or alcohol testing.
- c. Tests will be performed by a SAMHSA certified facility selected by JEA.
- d. Employees who are required by this article to take a test shall be required to sign an authorization form releasing the records of such tests to the JEA Director of Labor Relations or

his/her designee. Refusal to sign an authorization for releasing the records of such test to JEA shall be considered as refusing to submit to a drug or alcohol test. The JEA Director of Labor Relations or his/her designee shall release relevant information contained in those records only to the employee's Vice President, Director and Manager, and to those JEA management officials and representatives directly involved in employment related decisions involving that employee. This shall not limit JEA from providing work-related information regarding the employee to the employee's supervisors, including work-related limitations or requirements and the reasons therefore. Each individual receiving such information will be instructed regarding the confidential nature of that information.

- e. JEA will, unless prohibited by law, and as otherwise provided in this agreement, keep the results of any testing provided for in this article confidential. Any results of positive testing which JEA later determines have been refuted will be destroyed. Test results shall be considered confidential medical records unless they become part of a disciplinary action.

23.7 Training

JEA and bargaining unit members shall receive training to ensure that they understand their roles and responsibilities in implementing this article. The sufficiency or adequacy of such training shall not be grounds to challenge the validity of any reasonable belief determination or disciplinary action taken as a result of a positive drug or alcohol test, nor shall it preclude disciplinary action where otherwise appropriate.

23.8 Employer Initiation

This testing program was initiated at the request of JEA. The Union has participated only to the extent of protecting the rights of workers arising from administration of the testing program. It is intended that JEA shall be solely liable for any legal obligations and costs arising out of the provisions and/or application of this article.

~~PRELUDE~~

~~JEA and the Union agree that education and communication about the City of Jacksonville Employee Assistance Program (EAP) is a very important tool toward having a drug-free work force. JEA will see that information about the EAP is available for employees and their families. It should be every employee's goal to help those co-workers, whom they know have some type of problem with substance abuse, to seek help through the EAP.~~

~~23.1 DEFINITIONS~~

~~(a) "Drug abuse" means:-~~

- ~~(1) The use of any controlled substance as defined in Section 893.03, Florida Statutes, as amended not pursuant to a lawful prescription. A "lawful prescription" is defined as a prescription issued in the name of the employee by a licensed health care practitioner in full compliance with the practitioner's practice act.~~
- ~~(2) The commission of any act prohibited by Chapter 893, Florida statutes-~~
- ~~(3) Abusing a lawful prescription.~~

- ~~(4) Substituting or adulterating any specimen during a drug test.~~
- ~~(5) Refusing to submit to a drug test.~~
- ~~(6) Drug test with positive results.~~

~~(b) “Illegal drug” means any controlled substance as defined in Section 893.03, Florida Statutes, not possessed or taken in accordance with a lawful prescription.~~

~~(c) “Department of Health and Human Services (HHS) Mandatory Guidelines for Federal Workplace Drug Testing Programs” (the HHS Guidelines) means those guidelines as printed in the June 9, 1994, Federal Register (59 FR 29908), and as amended from time to time.~~

~~(d) “Reasonable belief” means an opinion which a reasonably prudent person would form based on observation and information from reliable and credible sources. Observation includes, but is not limited to, sensory facts (what a person saw, heard, smelled, tasted, or touched). Objective factors that should be taken into consideration in determining reasonable belief are:~~

- ~~(1) The nature of the information;~~
- ~~(2) The reliability of the person or source providing the information;~~
- ~~(3) The extent of any confirmation; and,~~
- ~~(4) Any other factors contributing to the belief or the lack thereof.~~

~~Not all of these factors must exist to find reasonable belief, but all must be examined.~~

~~(e) “Alcohol” means ethyl alcohol (ethanol). References to use of alcohol include use of a beverage, mixture, or preparation containing ethyl alcohol.~~

~~(f) “Alcohol Abuse” means:~~

- ~~(1) Using or being under the influence of alcohol or alcoholic beverages on the job.~~
- ~~(2) Substituting or adulterating any specimen during an alcohol test.~~
- ~~(3) Refusing to submit to an alcohol test.~~
- ~~(4) Alcohol test with positive results.~~

~~23.2 CIRCUMSTANCES WHEN TESTING MAY BE REQUIRED~~

~~JEA may require an employee to submit to drug and/or alcohol testing under any of the following circumstances:~~

~~(a) Whenever two (2) managerial/supervisory employees concur that there is a reasonable belief that an employee is using, under the influence of, or in possession of illegal drugs and/or alcohol while on duty, or that the employee is abusing illegal drugs and/or alcohol and the abuse either adversely affects his job performance or represents a threat to the safety of the employee, his co-workers, or the public and the reasons for such concurrence have been stated to a Union representative.~~

~~(b)~~

~~(1) Whenever an employee is involved in an accident involving personal injury or property damage which could result in liability to JEA, loss or damage to JEA property, or involving a personal injury that requires treatment beyond first aid (i.e. OSHA Recordable), urine specimens will be collected from all employees directly involved in the accident and stored for future testing. For purposes of this provision, an employee is considered directly involved in the accident if the employee was in a position or situation where his/her action or inaction could~~

~~cause, contribute to, contribute after (sequelae), or impact on the accident which includes any injuries (regardless of whether the employee was at the location of the accident). If the accident/damage investigation reveals that employee negligence was a cause, the negligent employee's(s') specimen(s) will be tested. All samples not tested will be destroyed within ten (10) days of the accident/damage investigation team report or within twenty (20) days of the accident if no investigation is held. The accident/damage investigation team shall include a Union executive board member or designee.~~

~~(2) The employee will also be subject to an alcohol breathalyzer test.~~

~~(c) Whenever an employee in a safety sensitive classification (including CDL) is involved in vehicular accident that results in a fatality; or the employee receives a citation moving traffic violation and the accident involved bodily injury requiring medical treatment away from the scene; or one or more vehicles are damaged and disabled requiring towing away from the scene, the employee will be tested for drugs and alcohol.~~

~~(d) Any time within one (1) year after an employee has voluntarily admitted a substance problem during the amnesty period or tested positive for the presence of illegal drugs taken from a lawful prescription issued to the employee's spouse or family member permanently residing with the employee and/or alcohol or one (1) year after completing initial rehabilitation, whichever is later. (The rehabilitation counselor shall direct a letter to both JEA and to the employee establishing the date on which rehabilitation was completed.)~~

~~(e) All employees may be tested annually based on the following conditions:~~

~~(1) Employees will be given a minimum of thirty (30) calendar days written notice, by the Vice President, Director, or Manager or designee of the week in which testing will occur. If an employee is transferred after receiving notice, the initial notice shall determine the date and site of testing.~~

~~(2) The test will be given any time during the week of testing on the employee's normal workday with no additional notice.~~

~~(3) If an employee is absent during the week specified for testing, the employee will be tested at any time within ten (10) work days of the employee's return to work, without prior notice.~~

~~(4) If, after notice is given, the test is canceled, the employees will be given written notice of the cancellation and the reason therefore. In that instance, another thirty (30) calendar day written notice will be given when the test is rescheduled. The annual test can be canceled and rescheduled one (1) time each year pursuant to this subparagraph.~~

~~(5) Employees who are subject to testing, under 23.2 (f) and (h) below shall not be subject to testing under this subparagraph (e).~~

~~(f) As required by the Federal Highway Administration (FHWA) Controlled Substances & Alcohol Use & Testing Program, 49 CFR 382, et seq. (This federal regulation, also known as "CDL Testing", requires testing for alcohol as well as for controlled substances.)~~

~~(g) Upon completion of the JEA State Certified Apprenticeship Program, prior to promotion to a State Certified journeyman classification.~~

- (h) ~~As part of a random drug and alcohol testing program applicable to employees in safety sensitive positions. Management’s designation of a position as “safety sensitive” shall be subject to appeal to the Vice President Organizational Services, or designee, whose decision may be subject to arbitration. An employee who disputes the safety sensitive designation of his position shall be required to submit a sample in accordance with testing procedures but the results of the test shall be sealed until the dispute has been resolved.~~
- (i) ~~In determining a position to be “safety sensitive”, consideration will be given to “safety sensitive”, as defined in Section 112.0455(5)(m) and 440.102(1)(o), Florida Statutes.~~

~~23.3 TESTING PROCEDURES~~

~~(a) Drug~~

- (1) ~~Whenever an employee is required to provide a urine specimen for these testing procedures, the specimen will be divided into two samples at the time of collection in order to facilitate the testing procedures described in this section. The collection facility and the Substance Abuse and Mental Health Services Administration (SAMHSA) certified tester shall follow specimen collection and testing procedures consistent with the HHS Guidelines, except as specifically amended herein.~~
- (2) ~~The threshold level or cut off limit and substances shall be as set forth below or as established by HHS and/or SAMHSA. The following levels have been established as of the effective date of this Agreement. However, the levels established by HHS and/or SAMHSA which are in effect as of the date of any given test shall govern. Provided, however, that in the case of the annual test provided for in 23.2 (e) above, the Union shall be given prior written notice of any change in established levels prior to issuance of the written notice of the test. If the written notice of annual testing was issued prior to the Union being notified, the affected employees shall be given another thirty (30) calendar day written notice of such test.~~

TEST THRESHOLDS

<u>URINE</u>			
<u>INITIAL TEST ANALYTE</u>	<u>INITIAL TEST CUTOFF CONCENTRATION (NG/ML)</u>	<u>CONFIRMATORY TEST ANALYTE</u>	<u>CONFIRMATORY TEST CUTOFF CONCENTRATION (NG/ML)</u>
<u>MARIJUANA METABOLITES</u>	<u>50</u>	<u>THCA</u>	<u>15</u>
<u>COCAINE METABOLITES</u>	<u>150</u>	<u>BENZOYLECGONINE</u>	<u>100</u>
<u>OPIATE METABOLITES</u>	<u>2000</u>	<u>CODEINE</u>	<u>2000</u>
<u>CODEINE/MORPHINE</u>		<u>MORPHINE</u>	<u>2000</u>

<u>6- ACETYLMORPHINE</u>	<u>10</u>	<u>6-ACETYLMORPHINE</u>	<u>10</u>
<u>PHENCYCLIDINE</u>	<u>25</u>	<u>PHENCYCLIDINE</u>	<u>25</u>
<u>AMPHETAMINES</u>	<u>500</u>	<u>AMPHETAMINE</u> <u>METHAMPHETAMINE</u>	<u>250</u> <u>250</u>
<u>MDMA</u>	<u>500</u>	<u>MDMA</u> <u>MDA</u> <u>MDEA</u>	<u>250</u> <u>250</u> <u>250</u>

<u>BLOOD</u>		
<u>INITIAL TEST ANALYTE</u>	<u>INITIAL TEST CUTOFF CONCENTRATION (NG/ML)</u>	<u>CONFIRMATORY TEST CUTOFF CONCENTRATION (NG/ML)</u>
<u>MARIJUANA METABOLITES</u>	<u>5</u>	<u>2</u>
<u>COCAINE METABOLITES</u>	<u>25</u>	<u>30</u>
<u>OPIATE METABOLITES CODEINE/MORPHINE</u>	<u>10</u>	<u>10</u>
<u>6- ACETYLMORPHINE</u>	<u>10</u>	<u>10</u>
<u>PHENCYCLIDINE</u>	<u>8</u>	<u>8</u>
<u>AMPHETAMINES</u>	<u>50</u>	<u>10</u>

~~(3) The SAMHSA certified tester shall utilize the following procedures to the extent that they are not inconsistent with the HHS Guidelines:-~~

~~A. The SAMHSA certified tester shall submit the first of the samples to an immunochemical assay or radioimmunoassay test. If the results of this test are negative, no further testing will be required and all collected specimens will be disposed.-~~

~~B. If the results of the initial test provided for in Section 23.3 (a) (4) are positive, the SAMHSA certified tester will submit the same sample for further testing using the gas chromatography/mass spectrometry (GC/MS) method to verify the initial test results. JEA will not be notified about the initial positive result until it has been confirmed as provided for in this section.-~~

~~C. If the specimen provided is unsuitable for testing due to no fault of the employee being tested, or if the chain of custody is violated, the employee will be advised of those circumstances and will be requested to provide another specimen for testing. In the case of the annual test provided for in Section 23.2 (e), no advance notice of the test will be provided. Provided the employee was not at fault, an additional specimen will be requested not more than one (1) additional time because of chain of custody violations.-~~

~~Should the employee provide specimen which is unsuitable for testing a third consecutive time, the employee will be subject to providing a blood sample or other~~

~~tests which meets the HHS and/or SAMHSA standards.~~

~~D. Specimens that are adulterated or substituted will be reported as a “refusal to test,” and the employee will not be offered the opportunity for a test of the second sample as provided for in (4) below.~~

~~(4) If the results of the confirmation test are positive, as confirmed by a qualified (HHS Guidelines) medical review officer (MRO), the HHS Guidelines shall be followed for confirmation and notification of the employee and JEA. At that time, the employee may elect to have the second sample subjected to further testing by a SAMHSA certified tester at the employee’s expense. If the second sample tests negative, JEA will reimburse the employee for the cost of the test. If the tests on the second sample are positive, or if the employee does not request testing of the second sample, JEA may take appropriate action in accordance with this article.~~

~~(5) TESTING PROCEDURES~~

~~Applicable to Safety Sensitive Random Testing:~~

~~A. Management will administer random drug tests up to 50% of all employees who are designated as safety sensitive each year. (The “50%” can be rounded up to include the nearest “whole” person.)~~

~~B. Management will administer random alcohol tests up to 10% of all employees who are designated as safety sensitive each year. (The “10%” can be rounded up to include the nearest “whole” person.)~~

~~C. The drug and alcohol threshold levels and procedures applicable to CDL random testing shall apply to safety sensitive random testing.~~

~~D. Employees who are subject to CDL random testing shall not be subject to safety sensitive random testing.~~

~~(b) Alcohol~~

~~(1) In testing for the presence of alcohol, the JEA shall utilize a generally accepted blood test procedure or breathalyzer that provides quantitative results showing the amount of alcohol present in the blood.~~

~~(2) The threshold level or cut off limit shall be as set forth below or as established by HHS and/or SAMHSA and/or by Florida Statute. The following levels have been established as of the effective date of this Agreement. However, the levels established by HHS and/or SAMHSA and/or by Florida Statute which are in effect as of the date of any given test shall govern.~~

~~**BREATH OR BLOOD ALCOHOL THRESHOLD LEVELS**~~

~~**ALCOHOL TEST THRESHOLD FOR EMPLOYEES WITH CDL**~~

~~0.020 to 0.039 — Cannot perform safety sensitive work for at least 24 hours~~

~~0.040 and above — Cannot perform safety sensitive work until released by a substance abuse professional~~

**~~ALCOHOL TESTING THRESHOLD TO DETERMINE IMPAIRMENT
UNDER FLORIDA STATUTE~~**

~~0.05 to 0.079 — Considered impaired with other competent evidence of impairment~~

~~0.08 and above — Presumed to be Impaired~~

~~23.4 — DISCIPLINARY ACTION~~

~~(a) — Drug Abuse shall subject the employee to the following discipline:~~

~~(1) — Any employee who uses a controlled substance pursuant to a prescription lawfully issued to a member of the employee's family or household, or to a person residing with the employee shall be given a single last chance notice — provided the prescription was taken for the employee's bona fide medical condition. Subsequent violations of the policy shall result in immediate termination.~~

~~(2) — Drug abuse, other than described in (1) above shall result in immediate termination.~~

~~(b) — Alcohol Abuse shall subject the employee to the following discipline:~~

~~(1) — If an employee tests positive for a breath or blood alcohol level equal to or greater than 0.04 but less than or equal to 0.05, the employee will be given a letter of "Required Action and Consequences of Noncompliance" which is not considered discipline. A second positive test in level described above will result in a Last Chance Notice and a third positive will result in termination.~~

~~(2) — If an employee tests positive for a breath or blood alcohol level in excess of 0.05 but less than 0.08, and there is no other competent evidence of impairment, the employee will be given a Last Chance Notice. Any subsequent positive test producing a breath or blood alcohol level in excess of 0.05 will result in the employee being terminated from employment.~~

~~(3) — If an employee tests positive for a breath or blood alcohol level in excess of 0.05 but less than 0.08 and there is other competent evidence of impairment, the employee will be terminated from employment.~~

~~(4) — If an employee tests positive for a breath or blood alcohol level at 0.08 or higher, the employee will be terminated from employment.~~

~~(c) — Any employee who refuses to submit to substance abuse or alcohol testing (including adulterating or substituting a sample) as required by this article or a refusal to sign an authorization for the release of the records of such testing shall be considered as a refusal to submit to a drug or alcohol test and shall be subject to termination from employment.~~

~~(d) — Taking any lawful prescription, which has the potential to affect the employee's physical or~~

mental capacity, without notifying the appropriate supervisor prior to commencing work, shall be treated as a safety violation subject to discipline.

~~23.5 REHABILITATIVE/CORRECTIVE ACTION~~

- ~~(a) Any employee is eligible one time only to notify the employer that he/she has a drug and/or alcohol problem, and upon such notification the employee shall be permitted to enter rehabilitation, subject to a single last chance agreement. In order to be eligible for this one time opportunity for rehabilitation, the employee must notify the employer that he/she has a drug and/or alcohol problem at least one day before the employee is notified that he/she is scheduled for testing pursuant to section 23.2 (a) (reasonable suspicion testing), section 23.2 (i) (safety sensitive testing), section 23 (g) (completion of an apprenticeship program), or section 23.2 (f) (CDL testing). In the case of testing under sections 23.2 (b) and 23.2 (e) (testing following an accident), the employee must notify the employer that he/she has a drug and/or alcohol problem at least one day in advance of any accident that gives rise to the need for testing in order to be eligible for this one time opportunity for rehabilitation. In the case of testing pursuant to section 23.2 (e) (annual testing), the employee must notify the employer that he/she has a drug and/or alcohol problem before the week that the employee is scheduled to be tested in order to be eligible for this one time opportunity for rehabilitation.~~
- ~~(b) JEA may require an employee who has tested positive for the presence of alcohol or illegal drugs and to which subparagraphs 23.4 (a) (1) or 23.4 (b) (1) applies, or who has elected to come under subparagraph 23.5 (a) to submit to counseling, or other rehabilitative treatment as a condition of continued employment. This section shall not be construed to limit JEA's rights to take appropriate disciplinary action when an employee tests positive for the presence of alcohol or illegal drugs.~~
- ~~(c) Any employee who is required to submit to counseling or other rehabilitative treatment as a condition of continued employment shall sign a release, authorizing the release of information to JEA sufficient to determine whether the employee can safely perform his job duties. The decision as to whether the employee can safely perform his job duties shall be made by the Vice President, Director, or Manager in conjunction with a physician associated with the rehabilitation/treatment facility. The information provided to JEA shall be limited to the following:
 - ~~(1) Whether the employee has regularly attended counseling and/or treatment sessions, as directed.~~
 - ~~(2) Whether the employee has satisfactorily participated in counseling and/or treatment sessions.~~
 - ~~(3) Whether the employee has complied with all requests for substance abuse tests, and whether the employee has passed all of those tests.~~
 - ~~(4) Whether the employee has admitted to using alcohol or illegal drugs subsequent to the test which resulted in the referral to counseling and/or rehabilitative treatment.~~
 - ~~(5) Whether there is any reason to believe that the employee's return to work could result in a risk to persons or property.~~
 - ~~(6) Whether JEA should impose any work related limitations or requirements upon the employee in the event that JEA determines to permit the employee to return to work.~~~~
- ~~(d) Driving restriction for employees with CDL shall be as stipulated in the Federal Highway Administration Controlled Substance & Alcohol Use & Testing Program, 49 CFR 382, et seq. The same restriction will be used for other safety sensitive employees.~~

~~23.6 — EXAMINATION AND TEST~~

- ~~(a) — Except as provided in paragraph 23.3 (a) (4), JEA will pay the cost of any test required by Section 23.2. Provided, however, that in the case of alcohol testing conducted pursuant to Section 23.2 (f), any employee who is subject to dismissal will be given the opportunity for an independent blood alcohol test conducted at the same time at his own expense.~~
- ~~(b) — Urine specimens required by this article will be obtained while the employee is on duty. JEA may extend the employee's duty period for the purpose of drug testing.~~
- ~~(c) — In the case of alcohol testing conducted pursuant to Section 23.2 (f), any employee who tests 0.039 breath alcohol content or less (but in excess of 0.02 breath alcohol content) in any test conducted before 10:00 a.m. will be permitted to test again within one hour from the first test. This waiting period will be on the employee's own time. The first test will be used to determine appropriate discipline, in conjunction with any further test results.~~
- ~~(d) — Drug Tests will be performed by a SAMHSA certified facility selected by JEA.~~
- ~~(e) — Alcohol tests will be performed by a licensed medical facility selected by JEA.~~
- ~~(f) — Employees who are required by this article to take a test shall be required to sign an authorization form releasing the records of such tests to the JEA Manager of Labor Relations. The JEA Manager Labor Relations or his designee shall release relevant information contained in those records only to the employee's Vice President, Director, or Manager, and to those JEA management officials and representatives directly involved in employment related decisions involving that employee. This shall not limit JEA from providing work related information regarding the employee to the employee's supervisors, including work related limitations or requirements and the reasons therefore. Each individual receiving such information will be instructed regarding the confidential nature of that information.~~
- ~~(g) — JEA will, unless prohibited by law, and as otherwise provided in this Agreement, keep the results of any testing provided for in this article confidential. Any results of positive testing which JEA later determines have been refuted will be destroyed. Test results shall be considered confidential medical records unless they become part of a disciplinary action.~~

~~23.7 — TRAINING~~

~~JEA and bargaining unit members shall receive training to ensure that they understand their roles and responsibilities in implementing this article. The sufficiency or adequacy of such training shall not be grounds to challenge the validity of any reasonable belief determination or disciplinary action taken as a result of a positive drug or alcohol test, nor shall it preclude disciplinary action where otherwise appropriate.~~

~~23.8 — EMPLOYEE SUPPORT~~

~~The Union representatives and officers may serve as an Employee Support Team. Any member of this support team may be a liaison between the employee and referral to EAP to make employees aware of available help.~~

~~23.9 — EMPLOYER INITIATION~~

~~This testing program was initiated at the request of JEA. The Union has participated only to the extent~~

of protecting the rights of workers arising from administration of the testing program. It is intended that JEA shall be solely liable for any legal obligations and costs arising out of the provisions and/or application of this article.

ARTICLE 24: DISCIPLINE AND DISCHARGE

- 24.1** Employees shall not be discharged, suspended, or otherwise disciplined except for proper and just cause, and in no event until they have been furnished with a written statement of the specific charges and the reason(s) for such action, except as provided for in Rule 9.05(4) of the City of Jacksonville Civil Service and Personnel Rules and Regulations.
- 24.2** JEA will follow the principles of progressive discipline in that discipline normally proceeds from a reprimand, to a suspension or reduction in pay, to demotion and/or discharge. However, the parties recognize that the seriousness and circumstances surrounding an offense may warrant more or less severe discipline than that which is provided within the Progressive Disciplinary Guidelines, depending upon the facts.
- 24.3** An employee will be allowed to review his master personnel file, within a reasonable length of time upon request to his Vice President, Director, or Manager. During the term of this Agreement, if any information, which is considered unfavorable and, derogatory to an employee, is entered in his personnel file which deals with conditions originating after employment with JEA, the employee will be required to acknowledge receipt in writing of such information, and will be furnished a copy in order that he may have the opportunity to submit a written statement responding to the information (excluding copies of personnel action forms, time reports, and employee evaluation reports). The employee's acknowledgment of receipt in writing merely indicates that the employee has seen and received a copy of such derogatory or unfavorable information. The acknowledgment of receipt does not indicate that the employee agrees with such information, nor does such action indicate that the employee admits guilt for any alleged infractions stipulated. The employee's responding statement will also be entered in his personnel file. If an employee feels that any correspondence written about him was unjustified, he has the right to resort to the Grievance Procedure.
- 24.4** When the situation warrants, JEA will provide oral or written counseling before implementing progressive discipline. The issuance of oral or written counseling shall be for the purpose of counseling the employee. The supervisor who provides oral counseling shall discuss the problem directly with the employee.
- 24.5** Except as provided in this section, disciplinary entries in an employee's personnel file shall not be used as a basis for future disciplinary action after twenty-four (24) months from the date of the entry. The union recognizes that the Employer is required to retain copies of all disciplinary entries in order to comply with Chapter 119, Florida Statutes, as it may be amended from time to time.
- 24.6** All breaches of discipline shall be fully investigated by the Employer in a thoroughly impartial manner before punishment is administered or recommended to the appointing authority. Disciplinary matters shall be handled as expeditiously as possible.
- 24.7** The Employer agrees to notify the Union of proposed disciplinary actions other than reprimands against any employee within the bargaining unit, by mailing a copy of the notice of proposed disciplinary action to the Union at or about the same time said notice is transmitted to the affected employee.
- 24.8** Any employee shall have the right to either grieve a disciplinary action pursuant to the grievance procedure of this Agreement, or to appeal the decision to the Civil Service Board.

ARTICLE 25: GRIEVANCE PROCEDURE

- 25.1** It is intended this grievance procedure will provide a means of resolving complaints and grievances at the lowest level possible and the Employer and Union agrees to work toward this end. The grievance will systematically follow the steps of the grievance procedure contained in this article, except as otherwise provided for in Section 447.401, Florida Statutes.
- 25.2** The purpose of this grievance procedure is to provide a method of processing grievance(s) involving the interpretation or application of this Agreement. It will be the exclusive procedure available to the parties who file a grievance pursuant to this Agreement for such matters.
- 25.3** Any employee or groups of employees may process a grievance concerning the interpretation or application of this Agreement through this procedure without the intervention of the Union provided:
- (a) A signed statement, refusing Union representation, is executed by the employee;
 - (b) The employee may represent himself or may be represented by legal counsel at his own expense;
 - (c) Any adjustment must not be inconsistent with the terms of the Agreement, and the Union must be given reasonable opportunity to be present at any meeting called for the resolution of such grievance.
- 25.4** During the processing of a grievance under this Article, if a question cannot be resolved by the parties concerning the interpretation of City government policy, provisions of law or regulations of appropriate authority outside JEA, the grievance will be delayed until the questioned policy, law or regulation has been interpreted by the proper authority.
- 25.5** A grievance must be taken up with the Employer within fifteen (15) calendar days after the occurrence of the matter out of which the grievance arose. In the event the Employer fails to observe the time limits prescribed in each step the employee or the Union may advance the grievance to the next step of the procedure. In the event the employee or the Union fails to meet the time limits prescribed at any step of the grievance procedure, the grievance shall be deemed withdrawn and as having been settled on the basis of the decision most recently given. Time limits at any level may be extended by mutual agreement between the Employer and the Union or employee.

25.6 PROCEDURE

INFORMAL COMPLAINT RESOLUTION.

The Union or any employee covered by this Agreement shall have the right to pursue appropriate informal efforts to resolve problems or complaints that arise in the workplace. The Union and employee are encouraged to seek informal resolution of problems or complaints prior to using the formal grievance procedure.

STEP 1 - FORMAL

The grievance procedure is initiated by the Union, the employee, or the employee and the Union representative submitting the grievance in writing (on a mutually agreed upon form) along with any supporting documentation to the employee's manager. The manager shall acknowledge receipt of it and the date thereof in writing. The written grievance shall identify the article(s) and section(s) of the Agreement that are at issue, shall specify the corrective action requested

by the grievant, and shall include a brief summary of the factual basis for the grievance including the date that the alleged grievance occurred. Labor Relations or designee with the employee's manager and director shall, within seven (7) calendar days of receipt of the grievance, meet, with the employee and/or Union representative to discuss the grievance. The manager shall provide his written decision and the reason(s) for the decision within fifteen (15) calendar days after the meeting. The written decision shall be provided to the aggrieved employee. If the Step 1 decision does not resolve the grievance, the grievance may be forwarded to the next step.

STEP 2 - FORMAL

- (a) If a satisfactory settlement is not reached at Step 1, the party filing the grievance (the Union, an employee, or an employee and the Union representative) will forward the grievance, in writing within ten (10) calendar days after receipt of the Step 1 decision, stating any objection to the Step 1 decision, to Labor Relations who shall receive the grievance on behalf of the Managing Director. The Managing Director's designated representative shall within fifteen (15) calendar days after receipt of the grievance, either satisfy the grievance or meet with the employee or the employee and the Union representative. The Managing Director's representative shall provide a written decision to the aggrieved employee with a copy to the Union within fifteen (15) calendar days after the meeting.

Note: The Managing Director's representative shall be a Vice President. A Vice President will not be designated as a representative to hear a grievance in their own Group. Said representative shall have full authority to render a decision.

- (b) If the Step 2 decision is not satisfactory it may be referred to arbitration as provided in this Agreement within fifteen (15) calendar days, after receipt of the written decision.

25.7 Where a number of substantially identical grievances are submitted, the Union may elect one grievance for processing at Step 1. The decision on the grievance elected will be binding on the combined grievances. Names of all aggrieved employees will be made a part of the record of the grievance processed and each grievant will be notified of the decision.

25.8 POLICY GRIEVANCES

Upon mutual agreement of the parties, grievances which arise as a result of upper management decisions regarding the interpretation or intent of Employer policies and procedures may be initiated at step two (2). Only the Union has the right to initiate grievances of these types as the grievant.

ARTICLE 26: ARBITRATION

- 26.1** The purpose of this Article is to provide for binding arbitration of unresolved grievances concerning the interpretation or application of this Agreement. Arbitration may only be invoked by the Employer or the Union Business Manager or official spokesperson as defined in Article 1.3 of this Agreement.
- 26.2** In order for a grievance to be considered for arbitration, the party desiring to arbitrate must notify the other party within fifteen (30) calendar days after receipt of the written Step 3 decision by serving written notice of intent to appeal. If the appeal notice is not submitted within the required time limits, the Step 3 decision will be final and binding.
- 26.3** Upon appeal to arbitration, the Federal Mediation and Conciliation Service (FMCS) shall be requested by the Employer to provide a panel of seven (7) arbitrators. Such a request for a panel must be made within nine months of the intent of arbitration notice. At the same time, the issue shall be defined to the FMCS to provide for the assignment of arbitrators with experience in the matter to be acted upon. Within five (5) days after the panel has been received from FMCS, no more than two (2) persons from each party shall meet for the purpose of selecting the arbitrator. Each party will alternately strike names (the appealing party having the first choice) until one (1) arbitrator remains. If the two (2) parties cannot mutually agree upon an arbitrator, then the FMCS procedure will be followed. Either party may request a second panel be provided by FMCS, as long as such request is made before the parties' striking of names, but each party may only do so once. The arbitration hearing must be scheduled within nine months of selection of an arbitrator, unless both parties agree to additional time due to any reasonable scheduling difficulties. After selection of the arbitrator, the Employer or the Union will notify FMCS and contact the arbitrator. A letter shall be sent immediately to the arbitrator setting forth the issue, and any other pertinent information as agreed to by both parties. The Employer or Union shall be furnished a copy of this correspondence.
- 26.4** The Employer and the Union, or the Employer and the employee(s) (if the employee processed without Union representation) shall each be responsible for one-half (1/2) of the expenses and fees of the arbitrator. If either party desires to have a transcript made of the hearing, such party shall be responsible for the full cost of such transcript.
- 26.5** Employees who may be excused from duty to participate in the arbitration proceedings without charge to leave will be the aggrieved employee, if an employee initiated grievance; or aggrieved employee and steward if a Union initiated grievance, and employee witnesses who have direct knowledge of the circumstance and factors bearing on the case.
- 26.6** The arbitrator shall render his award within thirty (30) calendar days after the conclusion of the hearing, or the receipt of post-hearing briefs whichever occurs later. In the event the arbitrator shall fail to render his award within said period of time (or within any additional period of time agreed to by all parties to the arbitration proceeding), then the arbitrator's fee shall be reduced by five percent (5%) for each day thereafter until the day upon which the award is rendered.
- 26.7** The decision, findings, and recommendations of the arbitrator shall be final and binding on the parties to this Agreement with respect to the interpretation, enforcement, or application of the provisions of the Agreement. The arbitrator shall have no power to add to, or subtract from, modify, or ignore any of the terms of the Agreement.

ARTICLE 27: SEVERABILITY

- 27.1** In the event any article, section, or portion of this Agreement should be held invalid or unenforceable by any court of competent jurisdiction, such decision shall apply only to the specific article, section, or portion thereof specified in the court's decision. Upon request of either party, the parties agree to meet for the purpose of negotiating a substitute for that specific article, section, or portion thereof. All other articles, sections, and portions of this Agreement shall remain valid and enforceable.

Article 28 Recapitalization Event

For purposes of this Article, if a “Recapitalization Event” occurs, it is defined as:

Recapitalization Event” means the closing and funding of a transaction or a series of related transactions in accordance with Article 21 of the Charter of the City of Jacksonville and any other Applicable Law that results in either (i) unencumbered cash proceeds to the City of Jacksonville of at least Three Billion Dollars (\$3,000,000,000) or (ii) at least fifty percent (50%) of the net depreciated property, plant and equipment value of either JEA’s electric system or JEA’s water and wastewater system being transferred, assigned, sold or otherwise disposed of.

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The effective date of a Recapitalization Event shall be the date of closing of a transaction that results in either of the above two contingencies occurring, or in the case of a series of related transactions, the date of a closing of a transaction that, when combined with other prior transactions in the series, results in either of the above two contingencies.

In the event of a Recapitalization Event, the terms of this Article will apply; conflicting provisions of this Agreement, (if any) will be superseded by the terms of this Article.

28.1 Pension

The parties understand and agree that Ordinance 2019-566 is currently being considered for enactment by COJ City Council. In the event of a Recapitalization Event, the parties agree that the retirement benefits and applicable timeframes shall be as described in the enacted ordinance. It is recognized and agreed that the ordinance does not diminish any pension rights guaranteed under existing applicable law. Further, it is understood and agreed that in the event a Recapitalization Event occurs and there are conflicting provisions between the enacted ordinance and Article 17.4, the conflicting provisions of Article 17.4 shall no longer be applicable and will be superseded by this section. In the event that COJ City Council rejects Ordinance 2019-566, the Union agrees to negotiations with JEA on the topics covered by Ordinance 2019-566.

A. BACKDROP. Employees BACKDROP benefits under Chapter 120.214 do not change upon the occurrence of the Recapitalization Event. For example, an employee with 32 years of service credits at the Recapitalization Event may elect the same rights to BACKDROP benefits as they could have elected absent a Recapitalization Event.

B. In the event that any other bargaining unit representing JEA employees receives any greater pension benefits than JEA presently provides to the Union (i.e., through contract negotiations, settlement, impasse proceedings, or litigation), then JSA shall receive the difference by the other participating bargaining unit(s).

12.2 Retention Agreement

Within two weeks of the Effective Date of this Agreement, JEA will offer bargaining unit employees the option to enter into an Employee Protection and Retention Program Agreement, the form and substance of which was agreed to by the Union and referenced in Exhibit E. The retention agreement shall be contingent upon the occurrence of a Recapitalization Event, and shall be binding upon any successor, including any organization or public or private entity that succeeds to a substantial portion of the assets and business of JEA as a result of a Recapitalization Event.

Under the terms set forth in the Retention Agreement, JEA as a condition of any Recapitalization Event, shall contractually require its successor to provide each employee covered by a Retention Agreement who was employed as of July 23, 2019, a cash payment equal to 100% of his or her annual base salary that was in effect on July 23, 2019. The Retention payments will vest in 3 equal installments – on the Closing Date of the Recapitalization Event, the first anniversary of the Closing Date, and the second anniversary of the Closing Date (each, a “Vesting Date”), subject to the terms set forth in Exhibit E.

Upon the Union’s request, JEA shall provide the Union with written notice of the documents that provide this contractual obligation to JEA’s successor.

12.3 Disability Coverage

In the event of a Recapitalization Event, to bridge employees to the five (5) year minimum eligibility waiting period for Social Security Disability, employees will be provided a comparable disability insurance benefit up to five (5) years) at no cost to the employee. Employees will be responsible for all applicable taxes related to disability benefit payments

12.4 Minimum Requirements for Recapitalization

Minimum requirements for a Recapitalization Event have been set forth by the JEA Board of Directors in Resolution 2019-07 and are binding upon JEA, including a three year guarantee of substantially comparable compensation and benefits effective at the Closing Date. JEA will not proceed with a Recapitalization Event if the Board’s requirements are not met.

ARTICLE 298: ENTIRE AGREEMENT

- 28.1** The parties acknowledge that during negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understanding and Agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement.
- 28.2** Except as provided elsewhere, this Agreement shall be effective from October 1, 201~~9~~⁶, until September 30, 20~~22~~¹⁹.

Signature Page(s)

[Insert when ready; plus ratification exhibits on pages below. Appendices follow.]

APPENDIX A

LIUNA Job Classification Index		
Job Code	Job Title	Pay Grade
3301	Apprentice Maintenance Mechanic - Utility Installer Servicer	403
1076	Operator Maintainer Trainee	409
Z661	Water Wastewater Reuse Utility Assistant	411
U222	Utilities Pipefitter Assistant (RL)	411
2603	Utility Locator Trainee	411
1091	Apprentice Electrical & Instrument (E & I) Technician	413
Z663	Fuel Truck Driver	414
2601	Utility Locator	415
1093	Water/Wastewater Reuse Treatment Utility	419
2332	Utility Field Technician	422
3303	Maintenance Mechanic - Utility Installer Servicer (MMUIS)	423
1075	W/WW Treatment Mechanic I	423
2602	Sr. Utility Locator	423
1088	W/WW Treatment Mechanic II	428
1086	Wastewater Operator Maintainer	428
1084	Water Operator Maintainer	428
6745	Chilled Water Technician I	429
1052	Security and Fire Systems Technician	430
1092	Water/Wastewater/Reuse Treatment Electrical and Instrument (E&I) Technician	430
6746	Chilled Water Technician II	432
1061	Control Systems Technician	433
2425	Water/Wastewater/Reuse Treatment System Coordinator	436

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Job Code	Classification Title	Pay Grade	FY	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
3301	Apprentice Maintenance Mechanic - Utility Installer Servicer	403	19/20	\$18.21	\$19.12	\$20.07	\$21.08	\$22.13	\$23.24	\$24.40	\$25.62
			20/21	\$18.85	\$19.79	\$20.78	\$21.82	\$22.91	\$24.06	\$25.26	\$26.52
			21/22	\$19.51	\$20.49	\$21.51	\$22.59	\$23.72	\$24.91	\$26.15	\$27.45
1076	Operator Maintainer Trainee	409	19/20	\$19.86	\$20.84	\$21.88	\$22.98	\$24.13	\$25.34	\$26.60	\$27.93
			20/21	\$20.56	\$21.57	\$22.65	\$23.79	\$24.98	\$26.23	\$27.54	\$28.91
			21/22	\$21.28	\$22.33	\$23.45	\$24.63	\$25.86	\$27.15	\$28.51	\$29.93
2661	Water Wastewater Reuse Utility Assistant	411	19/20	\$20.19	\$20.69	\$21.21	\$21.74				
U222	Utilities Pipefitter Assistant (RL)		20/21	\$20.90	\$21.42	\$21.96	\$22.51				
2603	Utility Locator Trainee		21/22	\$21.64	\$22.17	\$22.73	\$23.30				
1091	Apprentice Electrical & Instrument (E & I) Technician	413	19/20	\$20.83	\$21.88	\$22.97	\$24.12	\$25.33	\$26.59	\$27.92	\$29.32
			20/21	\$21.56	\$22.65	\$23.78	\$24.97	\$26.22	\$27.53	\$28.90	\$30.35
			21/22	\$22.32	\$23.45	\$24.62	\$25.85	\$27.14	\$28.50	\$29.92	\$31.42
2663	Fuel Truck Driver	414	19/20	\$23.41	\$24.00	\$24.60	\$25.21				
			20/21	\$24.23	\$24.84	\$25.47	\$26.10				
			21/22	\$25.08	\$25.71	\$26.37	\$27.02				
2610	Utility Person (RL)	415	19/20	\$24.56	\$25.17	\$25.80	\$26.44				
2601	Utility Locator		20/21	\$25.42	\$26.06	\$26.71	\$27.37				
			21/22	\$26.31	\$26.98	\$27.65	\$28.33				
1093	Water/Wastewater Reuse Treatment ...	419	19/20	\$27.04	\$27.71	\$28.41	\$29.12				
			20/21	\$27.99	\$28.68	\$29.41	\$30.14				
			21/22	\$28.97	\$29.69	\$30.44	\$31.20				
2332	Utility Field Technician	422	19/20	\$30.89	\$31.67	\$32.45	\$33.26	\$34.09			
			20/21	\$31.98	\$32.78	\$33.59	\$34.43	\$35.29			
			21/22	\$33.10	\$33.93	\$34.77	\$35.64	\$36.53			
3303	Maintenance Mechanic - Utility Installer Servicer (MMUIS)	423	19/20	\$29.84	\$30.59	\$31.36	\$32.14				
1075	W/W Treatment Mechanic I		20/21	\$30.89	\$31.67	\$32.46	\$33.27				
2602	Sr. Utility Locator		21/22	\$31.98	\$32.78	\$33.60	\$34.44				
1088	W/W Treatment Mechanic II	428	19/20	\$34.00	\$34.85	\$35.72	\$36.61				
1086	Wastewater Operator Maintainer		20/21	\$35.19	\$36.07	\$36.98	\$37.90				
1084	Water Operator Maintainer		21/22	\$36.43	\$37.34	\$38.28	\$39.23				
6745	Chilled Water Technician I	429	19/20	\$32.11	\$32.92	\$33.75	\$34.58				
			20/21	\$33.24	\$34.08	\$34.94	\$35.80				
			21/22	\$34.41	\$35.28	\$36.17	\$37.06				
1052	Security and Fire Systems Technician	430	19/20	\$36.56	\$37.47	\$38.40	\$39.37				
1092	Water/Wastewater/Reuse Treatment Electrical and Instrument (E&I)		20/21	\$37.84	\$38.79	\$39.75	\$40.75				
			21/22	\$39.17	\$40.15	\$41.15	\$42.18				
6746	Chilled Water Technician II	432	19/20	\$39.84	\$40.84						
			20/21	\$41.24	\$42.27						
			21/22	\$42.69	\$43.75						
1061	Control Systems Technician	433	19/20	\$38.39	\$39.36	\$40.34	\$41.34				
			20/21	\$39.74	\$40.74	\$41.76	\$42.79				
			21/22	\$41.14	\$42.17	\$43.23	\$44.29				
2425	Water/Wastewater/Reuse Treatment System Coordinator	436	19/20	\$40.33	\$41.33	\$42.37	\$43.42	\$44.51	\$45.63		
			20/21	\$41.75	\$42.78	\$43.86	\$44.94	\$46.07	\$47.23		
			21/22	\$43.22	\$44.28	\$45.40	\$46.52	\$47.69	\$48.89		

APPENDIX B

B-1. Appendix B shall apply to the part-time/full-time temporary employees or part-time/fulltime Special Purpose Employees who hold the same classification or title and work the same hours under common managers as the employees listed in Appendix A hereafter referred to as “eligible employees”.

B-2. ARTICLES ADOPTED BY REFERENCE

The current provisions of Articles *2 through 9, 10.3 11, 21, 23, 27, and 28* of the Agreement between JEA and the Northeast Florida Public Employees’ Local 630, Laborers’ International Union of North America, AFL-CIO, are hereby adopted by reference and made a part hereof.

ARTICLE 2:	SECURITY AND CHECK OFF
ARTICLE 3:	UNION ACTIVITY
ARTICLE 4:	BULLETINE BOARDS
ARTICLE 5:	MANAGEMENT SECURITY
ARTICLE 6:	SAVING CLAUSE
ARTICLE 7:	MANAGEMENT RIGHTS
ARTICLE 8:	STEWARDS AND REPRESENTATION
ARTICLE 9:	SPECIAL MEEETINGS
ARTICLE 10.3:	SYSTEM OR LIMITED EMERGENCY
ARTICLE 11:	TIME TRACKING
ARTICLE 21:	ANNUAL LEAVE PLAN H (Accruals prorated based on regular hours worked including paid leave)
ARTICLE 23:	ALCOHOL & DRUG ABUSE POLICY AND PROCEDURES
ARTICLE 27:	SEVERABILTIY
ARTICLE 28:	ENTIRE AGREEMENT

B-3. GRIEVANCES AND SEPARATIONS

A. Grievance Procedure

- (1) No eligible employee has a right to use the Civil Service complaint/grievance procedure. The sole procedure available to eligible employees shall be the Article 25 Grievance Procedure.
- (2) Dismissals and separations from employment cannot be grieved.
- (3) Grievance of disciplinary actions, other than dismissal, may be grieved only through step 2 of the grievance procedure. Grievances of disciplinary actions may not be taken to arbitration.

B. Separations

- (1) An eligible employee may be separated from employment without cause.
- (2) An eligible employee may be separated without cause upon ten (10) calendar days² prior written notice of separation, or ten (10) calendar days² pay in lieu of notice, or any combination thereof. A copy of the notice will be forwarded to the Union.

B-4. HOURS OF WORK AND OVERTIME PAYMENT

A. Schedules

- (1) The purpose of this article is to define hours of work and computation of Overtime. For accounting purposes, the standard workweek for all employees shall be from 0000 Monday to 2400 Sunday.
- (2) The work days and rest days of eligible employees shall be scheduled consecutively where possible. Eligible employees' work schedules shall be set at the sole discretion of the appropriate manager. JEA will give the employee at least forty-eight (48) hours written notice before changing an employee's regular work schedule. No notice is required in the event of an emergency. JEA shall have the sole discretion to determine when an emergency exists so that notice is not required to change eligible employees' work schedule.
- (3) All employees shall be given at least a half-hour lunch break which will be the employee's own time. An employee who is required to work during the lunch break shall be compensated at the applicable rate of pay.

B. Overtime

- (1) Eligible employees shall be required to work overtime when and as required pursuant to Article 10.7. The manager or his/her designated representative shall determine the necessity for overtime hours and the composition of the workforce. In order to fairly distribute the benefit of overtime hours among the work force, the Employer shall provide, as far as practicable, equal distribution of overtime hours among regular and eligible employees.
- (2)
 - a. Eligible employees shall be paid at the rate of one and one-half (1 1/2) times the employee's regular rate of pay for all hours worked in excess of forty (40) hours per week. Any authorized paid leave or holiday shall count toward the threshold for determining when eligible employees are eligible for overtime pay.
 - b. With approval of the manager, the employee may elect to receive compensatory time in lieu of cash. Such election and approval shall be made on forms provided by the Employer. An employee may accrue up to a maximum of forty (40) hours of compensatory time. When the maximum has been reached, compensation for additional overtime worked shall be in the form of cash. Accrued compensatory time may be taken at any time when authorized by the appropriate supervisor. Requests for compensatory leave of five (5) or more consecutive work days must be submitted in writing at least two (2) weeks in advance. Requests for compensatory leave of less than five (5) consecutive work days must be submitted at least twenty-four (24) hours in advance.
 - c. Eligible employees who are assigned to a twelve (12) hour rotating shift shall be

paid at the rate of one and one-half (1 ½) times the employee's regular rate of pay for all hours worked in excess of twelve (12) hours in any work day provided the employee works a full week schedule, or in excess of forty (40) hours per week.

- (3) An eligible employee who is called in to work outside of, and not continuous with, his/her regularly scheduled working hours shall be compensated for the time worked at the straight time rate until the employee has worked forty (40) hours for the week. Hours worked in excess of forty (40) hours in the workweek shall be paid at the rate of one and one-half (1-1/2) times the employee's regular rate of pay. The employee shall be scheduled for at least two (2) hours of work when called in to work outside his/her regularly scheduled working hours.
- (4) An eligible employee who has worked sixteen (16) hours or more in a twenty-four (24) hour period, or eight (8) hours or more overtime in the sixteen (16) hour period immediately preceding his basic workday, shall, upon release, be entitled to an eight (8) hour rest period before he returns to work. If the rest period extends into the employee's basic workday, the employee shall lose no time thereby. Overtime pay for these extended hours will be at the applicable overtime rate. If an employee is called back to work without completing his eight (8) hour rest period, he shall be compensated at the rate of two (2) times his regular rate of pay for all hours worked, commencing from the time he reports back to work and ending when he is released for an eight (8) hour rest period. Paid rest time shall be considered the same as time worked for determining when overtime (one and one-half times the employee's regular rate of pay) starts in any workday. Paid rest time shall not count towards determining eligibility for double time pay.
- (5) The appropriate manager or designee may only authorize overtime.

C. System or Limited Emergency

- (1) System or Limited Emergency is defined as actual or potential disruption of service to JEA customers, and requiring extraordinary preparation and response efforts utilizing a large portion of resources available to JEA. This may be due to actual or potential natural disasters including severe storms, tornadoes, hurricanes, ice storms, drought, fires and actual or potential manmade disasters such as explosions or acts of terrorism.
- (2) The Managing Director of JEA, or designee, has the authority to declare either a system or limited emergency. In the event that the Managing Director or designee declares either type of an emergency, the provisions of this section shall take effect.
- (3) **NON-ESSENTIAL EMPLOYEES**
Employees, who are designated as nonessential during an emergency, as determined by the Employer, are subject to the following:
 - (a) Non-essential employees shall be released from duty and shall be granted administrative leave with pay for the balance of their normal shift, and any additional days when they are not required by the Employer to report to work due to the emergency.
 - (b) Non-essential employees who are already on previously approved leave with pay at the time of the emergency, or who are scheduled to take authorized leave with pay during the time of the emergency shall not be charged for the leave for that period of time when other non-essential employees are on administrative leave with pay as a result of the emergency.

- (c) Non-essential employees who are already on previously approved leave without pay at the time of the emergency, or who are scheduled to take authorized leave without pay during the time of the emergency shall not be paid for that period of time when other non-essential employees are on administrative leave with pay as a result of the emergency.
 - (d) If a scheduled holiday falls within the time that non-essential employees are on administrative leave with pay due to an emergency, the employees will be paid for the holiday, but will not receive any additional holiday leave or pay for that day.
- (4) ESSENTIAL EMPLOYEES
- (a) Employees who are required to assist in limited emergencies, as determined and notified by JEA management, are subject to the following:
 - (b) Essential employees will be required by the Employer to work during the emergency.
 - (c) To the maximum extent possible, when residents are being required to evacuate their residences in anticipation of a hurricane, tropical storm, or similar situation and where there is advance notice of a situation that is expected to create an emergency, the Employer will allow essential employees reasonable time, as determined by the Employer, to return to his/her residence, secure the residence, and make plans for the safety of his/her family. After allowing a reasonable time, as determined by the Employer, for such activities, essential employees shall be required to report back to work during the emergency.
 - (d) Essential employees who fail to meet their responsibilities under this provision are subject to disciplinary action.
 - (e) Essential employees who are required to work during the emergency shall be compensated for the time worked, as provided for in the hours of work and overtime provision of this agreement. In addition to any compensation payable under that article, essential employees will be paid straight time hourly pay unless compensatory time is mutually agreed to by the employee and his/her manager for the time that they would have been on administrative leave with pay if they had been designated a non-essential employee. The maximum amount payable under this provision is forty (40) hours per workweek.
 - (f) During an emergency, essential employees who are required to report for work will be provided with a meal.
 - (g) Essential employees who are already on previously approved leave at the time of the emergency, or who are scheduled to take authorized leave during the time of the emergency may be required to report to work during the emergency.

D. Standby Pay

- (1) Any eligible employee who is required by the Employer to be on standby duty will receive standby compensation as provided in this section.
- (2) For the purpose of this section, an eligible employee is on standby if the employee has been

directed to carry an Employer furnished electronic paging device or leave a telephone number so the employee can be reached, and the employee must be available to return to work within a reasonable time if called. Employees, who merely carry electronic paging devices, but who are not required to be available to return to work within a reasonable time if called are not on standby.

- (3) The standard rate of standby compensation shall be thirty dollars (\$30.00) for fiscal year 13/14, thirty dollars (\$30.00) for fiscal year 14/15 and thirty dollars (\$30.00) for fiscal year 15/16, for each day the employee is on standby. Standby pay shall be paid no later than the end of the first pay period after the pay period in which the standby pay is earned.
- (4) Any employee who fails to comply with the provisions of this section shall not be entitled to standby compensation for that day, and shall be subject to discipline.
- (5) Employees may arrange substitution of standby duty among themselves, provided Management approves the substitution.

B-5. HOLIDAYS

- A. Eligible employees shall be entitled to compensation as provided for in sections 5B and 5C for the eleven (11) holidays below:

<u>Date</u>	<u>Event</u>
January First (1st)	(New Year's Day)
Third Monday in January	(Martin Luther King's Birthday)
Third Monday in February	(Presidents' Day)
Last Monday in May	(Memorial Day)
July Fourth (4th)	(Independence Day)
First Monday in September	(Labor Day)
November 11 th	(Veterans' Day)
Fourth Thursday in November	(Thanksgiving)
Friday after Thanksgiving	
December twenty-fourth (24th)	(Christmas Eve)
December twenty-fifth (25th)	(Christmas Day)

- B. Eligible employees who are not required to work on a holiday listed above will be compensated at their regular hourly rate times the average number of hours they have worked per day during

the six weeks before the holiday. (e.g. 40 hours a week worked - 8 hours pay; 30 hours a week worked - 6 hours of pay; 20 hours a week worked - 4 hours pay). However, no eligible employee who works less than forty (40) hours per week (shift workers who work less than 36 hours) will receive compensation for a holiday unless the holiday is observed on a regular scheduled workday of the eligible employee.

- C. Eligible employees who are required to work on a holiday shall be compensated at one and one-half (1-1/2) times their straight time pay for all hours worked on the holiday, in addition to being paid for the holiday pursuant to section B5 above.

B-6. WAGES

- A. Eligible employees shall initially be paid at the hourly rate applicable to step one of the step pay plans shown in Appendix B. Eligible employees are not eligible for a step increase until they have worked the equivalent of one year of full-time work equal to 2,080 hours, with no disciplinary action issued during this time.

An employee's hourly rate will not be affected should an employee subsequently work on a part-time basis. Also, should an employee specified in Appendix B be appointed to the same classified position that they are employed temporarily in, their pay at the time of the appointment, would remain unchanged.

- B. Scheduled Premium

Eligible employees will be paid scheduled premium as provided for in Article 14.3.

- C. Incentive Program

At its sole discretion, the Employer may from time to time elect to establish incentive programs for individuals or groups which may consist of cash or other awards in recognition of improved job performance, improved safety records, innovative ideas that result in savings or other benefits, or other similar work related improvements, provided the Union is informed in writing of any such programs.

B-7. SAFETY AND HEALTH

- A. The Employer agrees that it will conform to and comply with safety, health, sanitation, and working conditions properly required by federal, state, and local law. The Employer and the Union will cooperate in the continuing objective of eliminating safety and health hazards due to unsafe working conditions. No employee shall be directed to operate unsafe equipment or to perform acts considered to be unsafe.
- B. Protective devices, wearing apparel, and other equipment necessary to protect employees from injury or occupational disease shall be provided by the Employer in accordance with established safety practices. Protective devices, apparel, and equipment must be used when provided. The Union agrees that willful neglect and failure by an employee to obey safety regulations and to use safety devices shall be just cause for disciplinary action.
- C. The Employer will provide one replacement pair of safety shoes to each employee whose job

duties require their use and who return the pair needing replacing (as determined by management).

B-8. INJURY IN LINE OF DUTY

Any eligible employee, who sustains a temporary disability as a result of accidental injury in the course of, and arising out of, employment by the Employer, shall only be entitled to the benefits payable under the Workers' Compensation Laws of the State of Florida.

B-9. LIFE INSURANCE

The Employer shall provide five thousand dollars (\$5,000.00) group term life insurance for all eligible employees, at no cost to the employee.

Eligible employees who are covered by the group term life insurance policy may purchase additional coverage in the amount of either five thousand dollars (\$5,000.00) or ten thousand dollars (\$10,000.00) at their own expense.

B-10. JURY AND WITNESS DUTY

An eligible employee who works less than forty (40) hours per week shall have his/her work schedule adjusted to accommodate jury and witness duty. The provisions of Article 22.4 of the Collective Bargaining Agreement between JEA and the Northeast Florida Public Employees' Local 630, Laborers' International Union of North America, AFL-CIO, shall govern eligible employees who work forty (40) hours per week.

B-11. MILITARY LEAVE

Related to employees' military service (present and past), there are Federal and State laws and regulations, as well as City of Jacksonville municipal ordinances, covering employer responsibilities to eligible employees; JEA will comply with all applicable laws, regulations and ordinances covering employees' military service.

B-12. BEREAVEMENT LEAVE

Eligible employees may be granted up to two (2) days off without loss of pay as bereavement leave not otherwise chargeable upon the death of the employee's spouse, child, mother, father, grandmother or grandfather. Bereavement leave of one (1) day shall be granted upon the death of other members of an eligible employee's immediate household.

B-13. MATTERS NOT ADDRESSED

To the extent any provision of the Agreement reached between JEA and, Northeast Florida Public Employees' Local 630 Laborers' International Union of North Florida, AFL-CIO that is not adopted herein by reference, or is not specifically addressed in this appendix, said provision is null and of no

effect as it relates to employees covered by this Appendix.

APPENDIX C

**FEDERAL HIGHWAY ADMINISTRATION
&
RANDOM TESTING FOR SAFETY SENSITIVE POSITIONS**

**CONTROLLED SUBSTANCE AND ALCOHOL USE
TESTING PROGRAM PROCEDURE**

Should any provision(s) of this Appendix C conflict with the provisions of Article 23, the latter shall control.

I. PURPOSE

- A. To establish a procedure to randomly select employees for alcohol and substance testing as required by the Federal Highway Administration Controlled Substance and Alcohol Use and Testing Program, 49 CFR 382, and for random testing of safety sensitive positions.
- B. To establish a procedure that is well documented and can be sufficiently audited and verified.
- C. To ensure that employees selected for testing are notified in a timely manner.
- D. To ensure that employees are selected in a fair and impartial manner.

II. PROCESS

A. DETERMINATION OF ELIGIBLE EMPLOYEES

1. The Director with Labor Relations responsibility or designee, (the “Director”) will generate the master list of employees eligible for random testing. Eligibility pursuant to the Federal Highway Administration Controlled Substance and Alcohol Use and Testing Program will be based on the criteria as determined by the Federal Highway Administration and the responsibilities and duties of JEA personnel. There will be a separate Master List for CDL testing and a separate Master List for safety sensitive testing.
2. The Master Lists will be reviewed monthly to insure that the Master Lists properly reflect any employees who are no longer eligible (e.g., through resignation, promotion, no longer safety sensitive, etc.) and employees who should be added (e.g., new hires, promotions, safety sensitive, etc.). If an employee believes that he is no longer safety sensitive, the employee shall notify the Office of Labor Relations in writing or by email with a copy to the employee’s manager. If an employee’s manager believes that the employee is no longer safety sensitive, the manager shall notify the Office of Labor Relations in writing or by email, with a copy to the employee. Where applicable, the notification (by the employee or the manager) shall specify the anticipated length of time during which the employee will not be “safety sensitive”.
3. The Master Lists shall include:

- a. Employee name
 - b. Job Title
 - c. Cost Center
 - d. Employee Number
 - e. A number assigned sequentially from the beginning of the list to the end.
4. The Director shall match the random numbers with the corresponding employee name on the Master List.
 5. The Director shall contact the employee's manager and inform the manager that the employee must report to the designated drug and alcohol testing center within two (2) hours of the manager notifying the employee.
 6. The employee's manager shall take reasonable steps to ensure that the employee can timely arrive at the appropriate testing location. If a management error prevents timely arrival of the employee, the employee will not be required to be tested at a later date or time as a result of that particular selection.
 7. The results of the contact attempt shall be logged by the manager. The log entry shall indicate the employee's name, date and time of notification by the manager, and contact result (e.g., whether successfully contacted or not).
 8. An employee selected for testing shall be excused from testing if he is off from work on a prior approved absence, or due to the employee's work schedule (e.g., an employee on night shift).
 9. Prior to the actual selection, a Union representative may request to review the Master Lists. A copy of the Master Lists shall be provided to the Union representative on request (1).
 10. It is understood that Master Lists provided to the Union pursuant to II.A.9 shall be sanitized of social security numbers, unless the Union provides express individual waivers authorizing the release of such information.

B. RANDOM NUMBER GENERATION

1. On the day of testing, a computer program will be used to randomly generate the numbers. The user of the program will enter the beginning and ending sequential numbers assigned to the eligible employees and the number of selections that are to be made. Additional numbers may be selected to allow for employees who are not available on the day of testing. All numbers generated may be used. Excess or deficiencies will be determined prior to the end of each calendar year in order to comply with the required percentages (not to exceed +15 employees).
2. The program will output the selections to a predetermined printer. The primary numbers will appear first on the report listing the generated numbers, followed by an equal number of alternate selections. When the selections have been printed, a single digit number (+ or -), that has been previously provided by the Union representative, will be applied to the list of selections, thereby designating the employees who are to be actually selected. The Union representative may request to view the process of number generation or to review the paperwork. No such request shall be denied, provided it can be accomplished in such a manner that prevents the Union representative or the fact of his being permitted to view the process from providing advance notice to any employee subject to testing that a test will be conducted on any particular day, and provided the Union representative reports to the Labor Relations

office area within forty-five (45) minutes of notification.

3. The random number generation shall be conducted twice each time testing occurs for CDL employees; one each for alcohol and for drug testing. The random number generation shall be conducted twice each time testing occurs for safety sensitive employees; one each for alcohol and for drug testing.
4. Random testing shall occur not more than twice monthly for CDL employees and not more than twice monthly for safety-sensitive employees.

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AGREEMENT BETWEEN

JEA

and

The American Federation of State, County
and Municipal Employees, Council 79, AFL-CIO (AFSCME)
Local 429

October 1, ~~2016-2019~~ – September 30, ~~2019~~2022

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PREAMBLE

This Agreement is entered into between JEA (the Employer), and AFSCME Florida Council 79, (the Union). The intent of the parties and purpose of this Agreement is to assure sound and mutually beneficial working and economic relationships between the parties, to provide an orderly and peaceful means of resolving any misunderstandings or differences which may arise, and to set forth basic and full agreement between the parties concerning rates of pay, wages, hours, and other terms and conditions of employment. There are and shall be no individual arrangements contrary to the terms herein provided. It is mutually understood and declared to be the public policy of the Employer and the Union to promote harmonious and cooperative relationships between the Employer and its employees and to protect the public by assuring at all times, the orderly and uninterrupted operations and functions of government.

The Employer and the Union recognize the moral principles involved in the area of civil rights and affirm by this Agreement their commitment not to discriminate because of race, religion, color, age, sex, disability, or national origin.

The Union agrees to support federal, state and local laws requiring affirmative action to ensure equal employment opportunity.

ARTICLE 1: UNION RECOGNITION

- 1.1 A. Pursuant to and in accordance with all applicable provisions of Chapter 447, Part II, Florida Statutes, the Employer recognizes that the Union is the exclusive collective bargaining representative for those employees in the defined bargaining unit (PERC Certification Number 1190 as it may be amended from time to time) for the purpose of bargaining collectively in the determination of wages, hours, and terms and conditions of employment of the public employees within the unit. "Employee" shall be defined to include all classified employees who are employed by JEA, whose classifications appear in Appendix A of this Agreement.
- B. The term "employee" in 1.1 (a) shall also refer to those employees designated as temporary employees who hold the same classification and work the same hours under common supervision as the employees listed in Appendix A. The temporary, grant, or contract employees referred to in this section are subject to the same terms and conditions of employment set out in Appendix B of this Agreement. The term "temporary employee" as used in this section is not the same as the labor law term of art "temporary employee" which traditionally refers to employees who have no reasonable expectation of continued employment, usually receive no benefits other than hourly wage, and are traditionally excluded from bargaining units of regular employees.
- 1.2 It is further understood and agreed that the President of AFSCME, Florida Council 79, or an alternate officially designated in writing, will be the official spokesperson for the Union in any matter between the Union and the Employer.
- 1.3 A. The Employer will notify the Union when a classification is created in which the Employer believes should not be included in the Bargaining Unit.
- B. When the Employer establishes a new classification that would be included within a bargaining unit, the Union will be given notice in writing within 30 days as to the Employer's determination of the unit to which the new classification will be assigned and whether the classification is competitive or non-competitive.

The Employer shall notify the Union of the class specification and pay range revisions to any classification that is presently in the certified bargaining unit for which the Union is the representative, prior to the implementation of those revisions. The Employer will provide this notice to the Regional Director and President of the Union in Jacksonville, Florida. The Union shall submit intent to comment about the revisions within ten (10) calendar days of the date of

the Employer's notice and may submit comments about the revision within thirty (30) calendar days of the date the Employer's notice.

1.4 Successorship

A. This Collective Bargaining Agreement shall be binding upon the Employer, the Union, their successors and assigns and shall continue in full force and effect in the event of the recapitalization, sale, merger, acquisition or other transfer of the business covered by this Agreement. As a condition of the sale or other transfer of the business covered by this Agreement, JEA shall require the transferee to assume and adopt the terms and conditions of this Agreement and continue to recognize the Union as the sole bargaining agent for the employees covered by this Agreement.

B. The successor employer shall:

1. Recognize the Union as the exclusive representative of such employees.
2. Assume this agreement.

ARTICLE 2: UNION SECURITY

- 2.1 In accordance with Chapter 447.301 of the Florida Statutes, employees shall have the right to form, join or assist labor unions or labor organizations or to refrain from such activity; to bargain collectively through representatives of their own choosing; and to engage in concerted activities for the purpose of collective bargaining or other mutual aid or protection.
- 2.2 A. A copy of this Agreement shall be provided to all members of the bargaining unit in the following manner:
1. When the Agreement has been ratified by all parties, the Agreement will be reproduced by JEA in a quantity sufficient for all bargaining unit members. The Union will reimburse the Employer for one-half (1/2) of the cost of reproduction. The Union shall be responsible for distributing the agreement to all members of the bargaining unit.
 2. The Employer agrees to have an electronic version with any amendments, Memorandum of Agreements and Memorandum of Understandings available, for reference by bargaining unit employees.
 3. The Employer agrees to provide all persons hired into a job classification represented by the Union ~~a copy of~~ access to the current Agreement.
- B. The Employer will notify all persons hired into job classifications that are represented by the AFSCME bargaining unit that their job classification is within the bargaining unit and that their job is governed by a collective bargaining agreement between the Employer and the Union. The Employer will also give the employee the name, address, and phone number of the Union and notify the employee that he or she may call the Union for additional information.
- C. At the Union's request, the Employer will provide a list of employees hired into the bargaining unit.
- 2.3 A. Upon receipt of a written authorization from an employee covered by this Agreement, the Employer will deduct from the employee's pay the amount owed to the Union by such employee. This provision will provide for at least twenty-six (26) deductions per year from those employees. The Employer will remit to the Union such sums no later than the tenth (10th) day of each month following such deductions. A charge not to exceed the cost of six (6) cents per deduction per pay period will be assessed. Changes in the Union membership dues rate will be certified to the Employer in writing over the signature of the authorized officer(s) of the Union, and shall be done at least thirty (30) calendar days in

advance of the effective date of such change. The Employer's remittance will be deemed correct if the Union does not give written notice to the Employer within two (2) calendar weeks after a remittance is received, of its belief, which the remittance is incorrect, with reason(s) stated therefore.

- B. Deductions for Union dues and/or uniform assessments shall continue until either: (1) the employee revokes his/her authorization for dues deduction by submitting a signed form to the Paymaster revoking such authorization, with a copy to the Union with advance notice as provided by law; (2) authorization for dues deduction on is revoked pursuant to Section 447.507, Florida Statutes; (3) the termination of employment; or (4) the transfer, promotion or demotion of the employee out of the bargaining unit. The Employer will notify AFSCME Council 79 of all additions to and deletions from the dues deduction roster within two weeks following the close of each pay period.
 - C. No deduction shall be made from the pay of any employee for any payroll period in which the employee's net earnings for that payroll period are less than the amount of dues to be deducted. Net earnings shall mean earnings after required deductions are made for Federal Taxes, Social Security, Pensions, Credit Union, and Health and Life Insurance.
 - D. The Union will indemnify, defend, and hold the Employer harmless, against any claim made and against any suit instituted against the Employer on account of any deductions for Union dues or uniform assessments deductions.
- 2.4 Upon request of the Union the Employer will, on a quarterly basis, provide the Union with a list of all employees in the bargaining unit. The list will include the name, home address, and employee number, and occupational code, date of birth, home telephone, and gross salary of each employee. The list will be provided at no cost to the Union.

ARTICLE 3: UNION RIGHTS

- 3.1 The Employer and the Union recognize that it is in the best interest of both parties, the employees, and the public for all dealings between them to be characterized by mutual responsibility and respect, and acknowledge with this Agreement that a bond of common interest exists and is a basis for the development of sound Union-Management cooperation to promote the business of government and the welfare of its employees. The Union recognizes that in consideration of the commitments undertaken by the Employer in this Agreement, every employee is obligated to give honest, efficient, and economical service in the performance of his/her duties. To insure that this relationship continues and improves, the Employer and the Union and their respective representatives at all levels will apply the terms of this Agreement fairly in accordance with its intent and meaning and consistent with the Union's status as exclusive bargaining representative of all employees as defined in Article 1 of this Agreement. Each party shall bring to the attention of all employees in the unit, including new employees, their duty to conduct themselves in a spirit of responsibility and respect. To ensure adherence to this purpose, the parties shall also make all employees aware of the measures to which they have agreed.

ARTICLE 4: MANAGEMENT SECURITY

- 4.1 Subject to the specific provisions of this Agreement and Chapter 447, Florida Statutes, the Union and its officers, agents, and members agree that they shall have no right to instigate, promote, sponsor, engage in, or condone any strike, slow-down, concerted stoppage of work, intentional interruption of Employer operations, or similar activities during the term of this Agreement, for any reason.

Management shall have the right to discharge or otherwise discipline any or all employees who violate the provision of this paragraph. The only question that may be raised in any proceeding (grievance, judicial or other) contesting such action is whether the provision preventing strikes, slow-downs, concerted stoppages of work, intentional interruptions of Employer operations, or similar activities was violated by the employee to be discharged or otherwise disciplined.

- 4.2 A. The Union, its representatives, agents, members, and any persons acting on their behalf, agree that the following "other unlawful acts" as defined in Chapter 447, Florida Statutes, are expressly prohibited:
1. Soliciting public employees during the working hours of any employee who is involved in the solicitation.
 2. Distributing literature during working hours in areas where the actual work of public employees is performed, such as offices, warehouses, and any similar public installation. This section shall not be construed to prohibit the distribution of literature during the employee's lunch hour or in areas not specifically devoted to the performance of any employee's official duties.
- B. No employee organization shall directly or indirectly pay any fines or penalties assessed against individuals pursuant to the provisions of this article.
- C. Notwithstanding further provisions of any collective bargaining agreement, a public employee who is found to have violated any provision of this article may be discharged or otherwise disciplined by the Employer.
- 4.3 The Employer and the Union agree that the basic intent of this Agreement is to provide a fair day's pay in return for a fair day's work and to provide conditions of employment suitable to maintaining a competent work force. The Employer and the Union agree that all provisions of this Agreement shall be applied equally to all employees covered by it.
- 4.4 It is understood that the Employer is required to comply with the Americans with Disabilities Act and nothing in this Agreement shall be construed to prevent the

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Employer from carrying out this obligation. Any claimed violation of this provision shall not be subject to arbitration. If the parties cannot resolve the matter using the grievance procedure, the employee may refer the matter to the appropriate governmental agency.

Legislative Copy - Final

ARTICLE 5: MANAGEMENT RIGHTS

- 5.1 It is the right of the Employer to determine unilaterally the purpose of each of its constituent agencies, set standards of services to be offered to the public, and exercise control and discretion over its organization and operations, including the right to sub-contract. It is also the right of the Employer to direct its employees, take disciplinary action for proper cause, and to relieve its employees from duty because of lack of work or for other legitimate reasons; provided, however, that the exercise of such rights shall not preclude employees or their representatives from raising grievances, should decisions on the above matters have the practical consequences of violating the terms and conditions of this collective bargaining agreement.

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ARTICLE 6: LABOR/MANAGEMENT SPECIAL MEETINGS

- 6.1 The Employer and the Union agree to meet and confer on matters of interest upon the written request of either party. The written request shall state the nature of the matters to be discussed and the reason(s) for requesting the meeting. Discussion shall be limited to matters set forth in the request, or other subjects mutually agreed to, but it is understood that these special meetings shall not be used to renegotiate this Agreement. Such special meetings shall be held within ten (10) calendar days of the receipt of the written request and at a time and place mutually agreeable to the parties. The Union shall have the right at these special meetings to recommend to the Employer corrections of any inequities known to the Union. The Employer or the Union will respond to the other party concerning matter(s) discussed within thirty (30) calendar days of the meeting.

If a consultation meeting is held during the working hours of any employee participant, such participant shall be excused without loss of pay for that purpose.

- 6.2 The Union recognizes that it is JEA objective to provide services to its customers and stakeholders through the most efficient and cost-effective means possible. From time to time, this may require evaluations of alternative means of providing such services, including contracting with external providers.

JEA recognizes that the Union desires to make bargaining unit employees competitive with external providers of such services where possible. Accordingly, once a function has been identified as a candidate but prior to receipt of official proposals, JEA agrees to permit the Union an opportunity to present options for more efficient and/or cost-effective service provision by bargaining unit employees prior to reaching any final decision to contract with an external provider for services currently provided by bargaining unit employees.

This provision shall not apply to situations in which funding is discontinued by an external source such as the state or federal government.

No bargaining unit employee shall be transferred, reassigned, or demoted, have his/her work week reduced, or be laid off, as a result of the contracting out of any of its present work or services, except as provided for in the Civil Service and Personnel Rules and Regulations.

- 6.3 Should there be any proposed changes in the corporate structure that will have an impact upon the wages, hours, or terms and conditions of employment of the employees in the bargaining unit (as that term is understood in Florida public sector labor relations), the Employer will negotiate the impact of those proposed changes in accordance with Chapter 447, Part II, Florida Statutes.

- 6.4 Should there be a situation where a reduction in force occurs; the Employer shall provide the Union notification at least ~~ten (10) calendar~~ fifteen (15) working -days (Monday through Friday) prior to the effective date of the reduction. The Employer shall provide job placement services to affected employees for a period of three (3) months.

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ARTICLE 7: UNION ACTIVITY

7.1 Stewards and Representation:

- A. The employees covered by this Agreement will be represented by stewards. A steward assigned to more than one geographical location will be considered a roving steward to function properly under the stewardship procedure. A written list of stewards and alternates will be submitted to the Employer, together with the specific areas in which they will function. The alternate steward will only become active in the event of the physical absence of the regular steward and upon prior notification by the Union. Alternate Stewards are subject to the same rules and regulations that govern the conduct of stewards.
- B. The Employer recognizes and shall work with the appropriate Union stewards and representative of AFSCME Florida Council 79 in matters relating to grievances and interpretation of this contract, including promoting harmonious working relationships
- C. Union stewards shall be active employees as designated by AFSCME Florida Council 79 and shall be members of the bargaining unit.
- D. Union representatives and stewards are subject to the same rules of JEA as are all other JEA employees, except as specifically outlined in this Agreement.
- E. While on leave of absence, no employee shall function as a Union steward without mutual consent of the Union and the Employer.
- F. A written list of Union stewards and officers shall be furnished to the Employer prior to the effective date for their assuming duties of office. AFSCME Florida Council 79 shall notify the Employer promptly of any changes of such Union stewards. No Union steward shall perform any Union work unless the Union has complied with this requirement.
- G. A Union steward shall be granted time off during working hours without loss of pay to investigate and settle grievances on the job site which is within his/her jurisdiction. The steward must secure approval from his/her immediate supervisor prior to performing such duty. The steward receiving time off under this provision shall record his/her time before leaving the job and upon returning. When entering the area of a supervisor other than his/her own, the steward shall notify that supervisor of his/her presence and purpose.

A steward will only be granted time off under this provision when requested by an employee in the bargaining unit for assistance with a grievance, or when requested by

the Union in writing. Stewards may receive and discuss grievances of employees on the premises or in the field during working hours, to the extent that such discussions do not interfere with the work of other employees. Union Stewards shall not conduct any grievance work on overtime or holiday time except in emergency situations. It is acknowledged that only one (1) steward will work on grievances from any employee. A Union officer may substitute for a Union steward for all purposes set forth in this paragraph.

- 7.2 When an employee is questioned by management, and the employee reasonably believes that the questioning may lead to disciplinary action against him, the employee has the right to request that a union representative be present at the meeting. When an employee requests union representation pursuant to this section, a union representative is not immediately available and less than 24 hours' notice of the meeting was given, the Employer shall postpone the meeting for a reasonable time (at least 24 hours) in order for the employee to obtain union representation.
- 7.3 Nothing in this Agreement shall prevent any employee from presenting, at any time, his/her own grievances, in person or by legal counsel to the Employer, or from having such grievance adjusted without the intervention of the bargaining agent, if the adjustment is not inconsistent with terms of the collective bargaining agreement when in effect, and if the bargaining agent has been given reasonable opportunity to be present at any meeting called for the resolution of such grievance.
- 7.4 Employees designated in the bargaining unit shall have the right to join, or to refrain from joining, the Union, to engage in lawful concerted activities for the purpose of collective bargaining or negotiation or any other mutual aid and protection, and to express opinions related to the conditions of employment, all free from restraint, discrimination, intimidation, or reprisal because of that employee's membership or lack of membership in the Union or by virtue of that employee's holding office or not holding office in the Union. This provision shall be applied to all employees in this bargaining unit.
- 7.5 The Union shall neither actively solicit grievances nor collect Union monies on Employer property.
- 7.6 Officials of the Union, as designated in Section 1.2 of this Agreement may, with proper authorization, which will not be unreasonably withheld, be admitted to the property of the Employer. Officials as designated above shall be able to talk with employees before or after regular working hours or during lunch hours of said employees on Employer property in areas mutually agreed on by the Union and the Employer.
- 7.7 The Local Union President or one alternate officially designated by the Local Union President shall be granted reasonable time off during working hours without loss of pay

for the purpose of attending to appropriate Union activities requiring his/her presence. This shall not be interpreted to limit the Union to the resolution of only one issue at a time JEA wide, but is intended to limit the number of Union representatives being granted time off to attend to a single specific issue. The local Union President or alternate must secure approval from his/her immediate supervisor prior to performing such duty. An aggrieved employee shall use his/her personal leave to attend any grievance or arbitration preparatory or post hearing meetings. Should the aggrieved employee or the Union call JEA employees as witnesses, those witnesses shall use their personal leave to attend preparatory or post grievance and arbitration hearing meetings. If no personal leave is available, leave without pay shall be authorized. Actual time spent in a grievance or arbitration hearing shall be without loss of pay during the employee's regularly scheduled hours.

- 7.8 Arrangements will be made for officers or an accredited representative of the Union to be admitted to the property of the Employer during working hours for the purpose of ascertaining whether or not this Agreement is being observed by the parties, provided such visitation is not disruptive to the work force. When an area or building belonging to the Employer is not normally open for visitation, then the Employer shall provide a responsible escort to that Union Officer or accredited representative; provided, this service must be arranged by the Union in advance of the visitation.
- 7.9 Two (2) members of the Union, elected to local Union positions or selected by the Union to do Union work, may upon written request of the Union, and when approved by the Employer, subject to applicable Civil Service and Personnel Rules and Regulations governing employees' rights and benefits, be granted a leave of absence without pay for a period of one (1) year, which may be extended during the term of this Agreement, and upon expiration of the leave, shall be re-employed without loss of status. It is understood that employees taking leave under these conditions will only be utilized for service within the JEA service area.
- 7.10 JEA will authorize up to six (6) employees to attend, without loss of pay, as union negotiation team members for collective bargaining sessions and JEA will authorize sixteen (16) hours of preparatory time for each of six (6) members of the AFSCME bargaining team to prepare for contract negotiations without loss of pay.
- 7.11 JEA will provide up to two (2) days, without loss of pay for AFSCME Local Union President and one alternate officially designated by the Local Union President to attend AFSCME conferences. In addition, up to six (6) stewards and the Local Union President shall be granted up to two (2) days during the life of the contract for AFSCME sponsored steward training.

ARTICLE 8: BULLETIN BOARDS

- 8.1 A. The Union shall be provided adequate space on bulletin boards, including at least one (1) at each location so designated by the Employer. Bulletin boards will be located in employee break rooms or other non-public areas. The Union may, if it so desires, provide a bulletin board of standard size for its own exclusive use, in keeping with the decor of the above locations, and with the approval of the Employer.
- B. The Union shall also be provided the use of an electronic bulletin board accessible to all member of the bargaining unit through the JEA intranet site.
- 8.2 The Union agrees that it shall use its space on bulletin boards provided for in Section 8.1 above, for the following purposes:
- Notices of Union Meetings
 - Union Elections
 - Reports of Union Committees
 - Rulings and Policies of the Union
 - Recreational and Social Affairs of the Union
 - Union Bulletins
 - Brief explanation of AFSCME with contact numbers
- Any conforming notices posted shall only be removed by a representative of the Union or as provided in Article 8.3 and 8.4 of this Agreement.
- 8.3 Information for posting on the electronic bulletin board shall be submitted to Labor Relations
- 8.4 No material, notices, or announcements shall be posted by the Union which contains anything adversely reflecting upon JEA, its employees, or any certified labor organization among its employees. Any proven violation of this section by the Union shall entitle the Employer to cancel immediately the provisions of this section and remove that bulletin board or the partial use thereof.
- 8.5 Alleged abuse of the bulletin boards will be a matter for a special meeting or conference between the proper official of the Union, and Director of Employee Services, or designee. Such meeting or conference shall be held within one (1) working day after receipt of a written complaint by either the Employer or the Union that a violation exists.

ARTICLE 9: HOURS OF WORK AND OVERTIME PAYMENT

9.1 The purpose of this article is to define hours of work, but nothing in this Agreement shall be a guarantee or limitation on the number of hours to be worked per day, days per week, or for any other period of time, except as specifically provided herein.

9.2 This article shall define and describe the hours of work of bargaining unit employees.

A. The standard workweek for employees shall be from 0000 Monday through 2400 Sunday.

B. Shift Employees

A shift employee is defined as an employee whose normal schedule of work changes on a regular or rotating basis. (Staggered starting times, alone do not define shift employees.) The standard work week of those activities requiring a twenty-four (24) hour per day, seven (7) day per week operation shall be eight (8) hours or twelve (12) for any twenty-four (24) hour period and that normally result in forty (40) hours per work week or at least 80 hour equivalent pay bi-weekly. Days and shifts of work shall be scheduled consecutively without alteration during the shift or work week. The Employer may alter a shift for the purpose of staffing, if a shift is demonstrated by the Employer to be understaffed to the point that additional personnel are required to work the shift to avoid suspension of production.

C. Non-Shift Employees

1. The normal workweek for non-shift employees consists of forty (40) hours.

2. Eight Hour Work Schedule
The work week assignments for employees may be scheduled five (5) consecutive eight (8) hour days, Monday through Friday.

3. Ten Hour Work Schedule
The work week assignments for employees may be scheduled four (4) ten (10) hour days, Monday through Friday.

D. Odd Work Week Schedule

In those activities requiring work schedules other than the regular 8 hour work schedule [9.2 (c) 2], the ten-hour-day work schedule [9.2 (c) (3)], the eight (8) hour rotating-shift or the twelve-hour-rotating-shift schedule [9.2 (b)], the work schedule shall consist of forty (40)

hours or eighty (80) hour equivalent pay bi-weekly which may begin on any day of the week. No employee assigned to this odd work week shall be required to work any hours in excess of twelve (12) hours (in any twenty-four hour period as part of the regular schedule work day. The twenty- four (24) hour period constitutes twenty-four (24) hours from the beginning of the employee's usual schedule starting time.

E. General Provisions

1. Should JEA determine to set work schedule assignments other than as provided above, the Union shall be given the opportunity to bargain the impact of the changes. Except as provided by law, any proposed changes will not be implemented until negotiations have been completed in accordance with Chapter 447, Part II, and Florida Statutes.
2. JEA will give employees at least seven (7) days' notice before permanently changing an employee's regular work schedule. JEA will give at least forty-eight (48) hours' notice before temporarily changing an employee's regular work schedule; however, the employee may voluntarily waive the forty-eight hours' notice. For temporary schedule change, JEA will first seek volunteers to accept the schedule change. If more than the required number of qualified employees' volunteers, selection will be made by seniority. If less than the necessary number of qualified employees' volunteer, then additional selection shall be made from the least senior qualified employees. This notice shall not be required in case of an emergency. For the purpose of this agreement, the word Seniority will be defined as the Adjusted Service Date which is the date of hire plus any time connection minus leave without pay. When two or more persons have the same length of seniority, the senior employee shall be determined by HR.
3. Approved leave requests will be honored to the extent practicable when changing the work schedules of employees.
4. Schedules showing the employees' work days and hours will be posted on the appropriate bulletin boards no less than 10 days in advance, and will reflect at least a fourteen (14) day work schedule. JEA will make a good faith effort to post a 28 day schedule.
5. Upon prior written approval by the manager, employees of the same classification working regularly-scheduled hours may exchange hours of work within the work week with one another provided no overtime is caused JEA, and it does not adversely affect efficient operations.

9.3 Overtime Compensation

- A. Except as otherwise specified herein, overtime will be paid at the rate of time one-half (1-1/2) for all hours worked in excess of the employee's normal workday unless the employee has leave without pay during the work week, and for all hours worked in excess of forty (40) hours per work week for which overtime compensation has not been previously paid. Double time shall be paid as provided in 9.3(b) for continuous hours worked in excess of sixteen (16). All compensated time shall be included when calculating the forty (40) hour threshold. Compensation for overtime shall be in the form of cash. However, the employee may elect compensatory time with the approval of the department head. Requests for compensatory time in lieu of cash shall be submitted on forms provided by the Employer. Employees may accrue up to two hundred-forty (240) hours of compensatory time. When the maximum amount of compensatory time has been reached, compensation for additional overtime hours worked shall be in the form of cash. The Employer may pay off any amount of accrued compensatory time at any time, provided that any approved requests for compensatory leave time will continue to be honored.
- B. An employee who has worked sixteen (16) hours or more continuously, or eight (8) hours or more overtime in the sixteen (16) hour period immediately preceding his/her regular workday, shall upon release be entitled to an eight (8) hour rest period, before he/she returns to work. If the rest period under the provisions of this section overlaps into the regular workday, the employee shall lose no time thereby. If an employee is called back to work without completing his/her eight (8) hour rest period, he/she shall be compensated at the rate of two (2) times ending when he/she is released for another eight (8) hour rest period. Paid rest time shall be considered as time worked for the purpose of determining overtime (one and one-half times the employee's regular rate of pay). Paid rest time shall not count towards determining eligibility for overtime double time pay.
- C. Any employee who has left his/her normal place of work for his/her residence and is called back for overtime shall be compensated for such overtime in accordance with this article, provided that he/she shall receive compensation for a minimum of four (4) hours at time and one-half (1-1/2) his/her regular rate. If an employee is called out or assigned to more than one job before the end of the basic four (4) hour work period, it will be covered by the original minimum payment of four (4) hours and no extra payment will be allowed. The minimum time provided herein does not apply if any early call-in period extends into the start of the employee's regular work day.

D. In the event that a JEA employee is required to perform work outside of and not contiguous with his/her regularly scheduled working hours, and in the event that such employee does not have to report to a JEA facility to complete such work, then the following guidelines shall apply:

1. An employee who is authorized by management to do work from his/her home outside of and not contiguous with his/her regularly scheduled working hours in lieu of reporting to work at the designated time and place shall be compensated for all such authorized time worked.
2. The minimum amount to be paid under this provision for an employee performing authorized work while at his/her home is one (1) hour at time and one-half (1-1/2) his/her regular rate.

E. No employee may authorize overtime for himself/herself, but shall be entitled to receive overtime as appropriately authorized by his/her manager.

9.4 Premium payments shall not be duplicated for the same hours under any of the terms of this Agreement.

9.5 Management shall determine the necessity for overtime work, and employees are obliged to work overtime as assigned. It is the responsibility of the Employer to distribute the opportunity for overtime work equally among employees in the classifications normally performing the same types of work in each assigned shift, crew, or work area. It is understood that the sharing of overtime shall not delay nor increase the cost of operation. The Employer recognizes that it may be inconvenient for individuals to work overtime and it will give due consideration to each request for relief from overtime. Overtime records of the Employer shall be made available to Union officials when requested to resolve a question involving distribution of overtime. It is understood that nothing in this article shall require overtime payment for hours not actually worked.

9.6

System or Limited Emergencies

The intent of this language is to define the existence of an emergency, the determination of when employees become "Essential" and "Non-Essential", and the operational and pay guidelines for the JEA and AFSCME, Local 429

1. Definitions

- A. **Emergency**- An unexpected situation or sudden occurrence of a serious and urgent nature that demands immediate action.
- B. **System Emergency** – All or the vast majority of employee’s in the company are affected by the emergency.
- C. **Limited Emergency** – The emergency only affects a portion of the company – one or more departments, but not all.
- D. **Non-Essential Employees**: Employees who are not required to be at work and are either: 1) released from duty (no Blue Sky or Storm Assignment) during some portion of the period of a declared emergency, or 2) who are on duty but not designated as Essential Employees (they are performing Blue Sky Assignments).
- E. **Essential Employees** – Employees who are designated as Essential Employees and are performing emergency related duties (Storm Assignment) during a declared emergency.
- F. **Storm Riders** – employees whose management has specifically designated as Essential Employees and pursuant to that are required to work and /or remain at a JEA designated facility during an event giving rise to a declared emergency. A storm rider is a subset of an Essential Employee.
- G. **Storm Assignment** – Work assignments being performed by an employee during the period their management has specifically designated them as being Essential Employees and altered their normal work schedule for the purpose of restoration after an event giving rise to a declared emergency.
- H. **Blue Sky Assignment** – Assignments normally performed by an employee that are not being performed for the purpose of restoration efforts as the result of a declared emergency.

Note 1: An individual employee may be designated either Essential or Non-Essential at different times during the full duration of a declared emergency (System or Limited Emergency). Example: during a major storm event, many employees will likely be deemed Non-Essential initially; but once the storm passes and JEA mobilizes its restoration efforts, those same employees may be deemed Essential.

Note 2: The designation of Essential or Non-Essential may be applied by management to some or all of a bargaining unit, geographical area or department (System or Limited Emergency). In Limited Emergencies these provisions related to designation of Essential and Non-Essential shall apply to the areas covered by the Limited designation, but other areas will continue to operate under “Blue Sky” parameters. Example: A Limited Emergency declared at Northside Generating Station requiring some employees to be designated Non-Essential and placed on administrative leave does not mean that employees downtown are thereby designated Essential.

Note 3: For the period(s) during which Essential Employees are so designated, they shall be deemed to be on a unique, stand-alone schedule – one inherently unpredictable due to the unique nature of each declared emergency and the requirements to achieve restoration, and progress made toward it once underway. Therefore, certain CBA provisions will not apply: rest period(s); schedule premium nights; schedule premium weekends; notice of shift change; vehicle assignment notice; standby pay; training / instructor supplement; daily and weekly overtime thresholds.

Holiday pay: If an Essential Employee is required to work on a day that would normally be recognized as a holiday under their normal schedule, in addition to the double-pay for time actually worked, they will receive the holiday pay (at regular rates) that they would normally have received if on Non-Essential status / normal work schedule.

Note 4: Transition back to Blue Sky duties. Upon being relieved of duty from Essential Employee status and having worked at least eight (8) consecutive hours, the employee will be entitled to a minimum eight (8) hour transition period before resuming Blue Sky duties. Should that transition period overlap what would have been their normal schedule, they will lose no (regular rate) pay thereby.

Note 5: Preparatory activities in anticipation of a declared emergency period (such as when a hurricane is approaching) or wind-down activities after a declared emergency period will be scheduled and compensated in accordance with the regular CBA provisions.

2. Declaration of System or Limited Emergency

The Managing Director of JEA, or designee, has the authority to declare either a system or limited emergency. In the event that the Managing Director or designee declares either type of an emergency, the provisions of this section take effect.

3. Non-Essential Employees

These employees are subject to the following:

- (1) Non-essential Employees may be released from duty and shall be granted administrative leave with pay for the balance of their normal schedule, and any additional days (or portions thereof) when they are not required by the Employer to report to work due to the emergency.
- (2) Non-essential Employees who are already on previously approved leave with pay at the time of the emergency, or who are scheduled to take authorized leave with pay during

the time of the emergency shall not be charged for the leave for that period of time when other Non-essential Employees are on administrative leave with pay as a result of the declared emergency.

(3) Non-essential Employees who are already on previously approved leave without pay at the time of the declared emergency, or who are scheduled to take authorized leave without pay during the time of the declared emergency shall not be paid for that period of time when other Non-essential Employees are on administrative leave with pay as a result of the declared emergency.

(4) If a scheduled holiday falls within the time that Non-essential Employees are on administrative leave with pay due to a declared emergency, the employees will be paid for the holiday, but will not receive any additional holiday leave or pay for that day.

(5) Non-essential Employees required to work for non-Blue Sky purposes will have their designation changed to an Essential Employee. Non-essential Employees required to return to work to perform their regular "Blue Skies" job functions will remain in a non-essential status.

4. Essential Employees

These employees will be subject to the following:

(1) Essential Employees will be required by JEA to work during the declared emergency. Management may consider volunteers when possible.

(2) To the maximum extent possible, when the general population is being required to evacuate an area in anticipation of a hurricane, tropical storm, or similar circumstances where there is advance notice of a situation that is expected to create an emergency, JEA shall allow Essential Employees reasonable time, as determined by JEA, to return to their residence, secure the residence, and make plans for the safety of their family. To the extent that reasonable time falls during the employee's regular schedule, they will lose no time thereby. After allowing a reasonable time for such activities, as determined by JEA, Essential Employees shall be required to report back to work during the emergency.

(3) Essential Employees shall be compensated at the premium rate of two (2) times the rate of their regular pay for all time actually worked on Storm Assignment. In addition, these employees will be paid straight time hourly pay for the time that they would have been on administrative leave with pay if they had been designated a Non-essential Employee (i.e., any normally scheduled hours). The maximum amount payable under this provision is forty (40) hours per work week, and it only includes periods during which JEA has any Non-essential Employees relieved of duty, not when all Non-essential Employees are performing "Blue Skies Assignments"

(4) During an emergency, Essential Employees who are required to report for work will be provided with meals or meal vouchers.

5. Alteration of Annual, Vacation, or Personal Leave Schedules

JEA has the unilateral right to alter the Annual, Vacation, or Personal Leave schedule of any employee in declared emergencies. This right includes the right to require employees who are on leave at the time of the declared emergency to return to work. In such cases, JEA will reimburse the employee for any non-refundable expenses incurred as a result of the cancellation or alteration of the employee's Annual, Vacation, or Personal Leave plans.

6. JEA Communications with Employees during the Emergency

Any employee who is released from work during a declared emergency is expected to resume his/her regular work schedule, or to assume their Storm Assignment if applicable, when directed to do so by JEA. In order to assist employees in determining when they are expected to return to work, JEA will take reasonable steps to keep employees advised about the status of JEA operations, including the dates and times that employees are expected to resume their regular work schedule. For example, JEA will release information to employees via the JEA voice mail or e-mail system, through use of employee pagers, through releases of information to news media, and any other appropriate means of communicating with employees. To the extent that an employee relies on information released via local news media to determine when he or she is expected to return to work, JEA employees are to follow instructions related to JEA, not those issued regarding City of Jacksonville employees.

Limited and System Emergency

A. Definitions:

1. Emergency: A situation of urgent nature or sudden occurrence that requires immediate action.

2. System Emergency: A situation of urgent nature that adversely affects all or a vast majority of JEA operations.

3. Limited Emergency: A situation of urgent nature that adversely affects JEA operations of specific department, section, or a facility.

4. Non-essential Employees: employees who may be released during any type of declared emergency and are not required to work, JEA management determines who is non-essential employee. However, they may be deemed essential at later time during the Emergency.

5. Essential Employees: Employees who are assigned to work during any type of declared emergency. JEA management determines who essential employee is. However, they may be deemed non-essential at a later time during the Emergency.

B. Declaration of System or Limited Emergency

~~_____ The Managing Director of JEA, or designee, has the authority to declare either a system or limited emergency. In the event that the Managing Director or designee declares either of the emergencies, the provisions of this section take effect.~~

~~_____ C. _____ Non-Essential Employees~~

~~_____ These employees will be subjected to the following:~~

~~_____ 1. _____ Non-essential employees shall be released from duty and shall be granted administrative leave with pay for the balance of their normal schedule, and any additional days when they are not required by the Employer to report to work due to the emergency.~~

~~_____ 2. _____ Non-essential employees who are already on previously approved leave with pay at the time of the emergency, or who are scheduled to take authorized leave with pay during the time of the emergency shall not be charged for the leave for that period of time when other non-essential employees are on administrative leave with pay as a result of the emergency.~~

~~_____ 3. _____ Non-essential employees who are already on previously approved leave without pay at the time of the emergency, or who are scheduled to take authorized leave without pay during the time of the emergency shall not be paid for that period of time when other non-essential employees are on administrative leave with pay as a result of the emergency.~~

~~_____ 4. _____ If a scheduled holiday falls within the time that non-essential employees are on administrative leave with pay due to an emergency, the employees will be paid for the holiday, but will not receive any additional holiday leave or pay for that day.~~

~~_____ D. _____ Essential Employees~~

~~_____ Essential employees will be subjected to the following:~~

~~_____ 1. _____ Essential employees will be required by the JEA management to work during the emergency. Management will consider volunteers.~~

~~_____ 2. _____ To the maximum extent possible, when residents are required to evacuate their residence in anticipation of a hurricane, tropical storm, or similar situation that result in declaration of emergency, JEA will allow essential employees reasonable time,~~

determined by JEA management to return to their residence and make plans for the safety of their family. After a reasonable time, determined by JEA management, to accomplish the security of their families essential employees shall return to work.

~~3. Essential employees who are required to work during the emergency shall be compensated for the time worked, as provided for in the hours of work and overtime provision of this agreement. In addition to any compensation payable under that article, essential employees will be paid straight time hourly pay unless compensatory time is mutually agreed to by the employee and his/her manager for the time that they would have been on administrative leave with pay if they had been designated a non-essential employee. The maximum amount payable under this provision is forty (40) hours per work week.~~

~~4. During an emergency, employees who are required to report for work shall be provided with a meal. If JEA is unable to provide a meal, a meal allowance will be substituted. Employees with special circumstances will be given an option of taking a meal allowance: these will be addressed on a case-by-case basis (medical condition or religious belief). The employee must notify management in writing as soon as practical.~~

~~5. Essential employees who are already on previously approved leave at the time of the emergency, or who are scheduled to take authorized leave during the time of the emergency may be required to work during the emergency.~~

~~E. Alteration of Annual, Vacation, or Personal Leave Schedules JEA has the unilateral right to alter the annual, vacation, or personal leave schedule of any employee in emergencies. This right includes the right to require employees who are on leave at the time of the emergency to return to work. In such cases, the JEA will reimburse the employee for any non-refundable expenses incurred as a result of the cancellation of the employee's annual, vacation, or personal leave plans.~~

~~F. JEA Communication with Employees during the Emergency any employee who is released from work during an emergency is expected to resume his/her regular work schedule when directed to do so by JEA. In order to assist employees in determining when they are expected to return to work, JEA will take reasonable steps to keep employees advised about the status of JEA operations, including the dates and times that employees are expected to resume their regular work schedule. For example, JEA will release information via the JEA voice mail or email systems, through use of employee pagers, through release of information to the news media, and any other appropriate means of communication with employees. To the extent that an employee relies on information released via local news media to determine~~

when he or she is expected to return to work, JEA employees are to follow instructions related to JEA, not those issued regarding City of Jacksonville employees.

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ARTICLE 10: WAGES

10.1 A. The rates of pay for the classifications in the Unit are shown in Appendix “A” to this Agreement.

B. All active employees in the bargaining unit shall receive a general increase as follows:

1. ~~Two-Three~~ and one-half percent (~~23.5~~%) to base payment effective October 1, ~~2016-2019~~ and a one percent (1%) lump sum payment.

2. ~~Two-Three~~ and one-half percent (~~23.5~~%) to base ~~and a 1% lump sum~~ ~~payment~~ effective October 1, ~~2017~~2020.

3. Three and one half percent (3.5%) effective October 1, ~~2018~~2021

~~4. Two percent (2%) increase to base concurrent with employee~~ ~~contribution to GEPP increase to 10% (or otherwise matching the~~ ~~change in employee contribution whether higher or lower).~~

All active employees in the bargaining unit shall receive a one-time one and one-half percent (1.5%) lump sum ratification incentive payment contingent upon successful ratification by the bargaining unit no later than ~~February 24, 2017~~ September 20, 2019.

In the event any other bargaining unit (e.g. LIUNA 630, JSA, IBEW 2358 or PEA) receives any greater general wage increase than JEA presented to AFSCME Local 429 (i.e. through contract negotiations, settlement, impasse proceedings, or litigation) then AFSCME shall be subject to a reopener.

C. Performance evaluations of employees in this bargaining unit shall be in writing and shall use a standardized format and procedure. An employee who believes that his/her evaluation has not been conducted in accordance with established procedure may appeal the alleged violation beginning at step 1 through step 2 of the Grievance Procedure set forth in this Agreement.

D. The parties shall meet at reasonable times to discuss the mechanics and details of moving the JEA’s employee performance evaluation cycle from the employee’s anniversary year to a time frame proximate to the end of JEA’s fiscal year (September 30) with the goal of adopting a Memorandum of Understanding in time to effect this

change by September 30, 2020. Nothing in this section shall be construed, however, as a waiver of any party's right to negotiate the impact of JEA's changing the timing of annual employee performance evaluations.

- 10.2 When an employee is returned to his/her former class during the probationary period following a promotion (reverted), his/her pay shall be restored to the rate in effect prior to promotion, as though the promotion had not been granted. In such event, the employee shall be eligible for any increases the employee normally would have received had the employee not been promoted. When a reassignment is made, the base pay of the reassigned employee shall remain the same.
- 10.3 The following administrative procedures shall be adhered to by the Chief Human Resources Officer in the implementation of the pay plan for employees in the bargaining unit:
- A. An original appointment to any classified position shall be made at the starting rate of the range for the Pay Grade.
 - B. When an employee is promoted to a classification in a higher Pay Grade, the employee's base salary shall be advanced to the next step that provides an increase that is approximately 5% or to the minimum rate of the range whichever is greater. In no circumstances shall an employee's base salary exceed the maximum of the pay range as a result of promotion. Upon satisfactory completion of the probationary period following promotion, the base salary of the employee shall be advanced one step that is approximately 5% or to the maximum of the range, whichever is less.
 - C. When an employee is demoted, except for cause or voluntary demotion, the base salary of the employee may be placed within the range of the lower Pay Grade without reduction, except that the base salary may not exceed the maximum of the range of the lower Pay Grade, in which case, the base salary will be placed at the maximum of the range. If the employee is promoted again within a 12-month period following the demotion, he/she will not receive a promotional increase or end of probation increase, unless his/her salary was reduced at the time of demotion to the maximum of the range. In such cases, upon the successful completion of the probationary period, the employee's salary shall be increased to the rate received prior to demotion.
 - D. In the case of voluntary demotions, the base salary of the employee will be placed within the range of the lower Pay Grade at a rate that results in a 5% reduction in salary, or to the maximum of the range, whichever results in the larger reduction. If the employee is promoted again within a 12-month period

following the demotion, he/she will receive a promotional increase of 5% upon promotion, but will not receive an end of probation increase unless his/her salary was reduced at the time of demotion to the maximum of the range. In such cases, upon the successful completion of the probationary period, the employee's salary shall be increased to the rate received prior to demotion.

- E. When an employee is demoted for disciplinary reasons, the rate of pay in the lower range shall be no less than that which the employee received prior to promotion. The employee shall not be eligible for a step raise for one (1) year after the demotion.
- F. The language in Article 10.3 (c) and (d) shall apply when an employee is demoted within the line of promotion. The following language shall apply when an employee is demoted not in the line of promotion.

When any JEA employee is reclassified to a position in the AFSCME bargaining unit which is not within the line of promotion, the base pay of the reclassified employee shall be the entry level rate of pay for the new position.

- G. Classification other than ~~Customer Care Consultant and Customer Care Consultant Trainees~~ Customer Advisor I and Customer Advisor II
 - 1. Upon satisfactory completion of the probationary period, the base salary of the employee shall be advanced one step or to the maximum of the range, whichever is less.
 - 2. After an employee receives his/her increase upon completion of the probationary period, he/she shall be granted step increases, except for unsatisfactory performance no sooner than twelve (12) months from his/her date of last increase, until he/she reaches the maximum rate of pay for his/her classification. For the purpose of this Agreement, the date of the last increase shall be the most recent date upon which any of the following action occurred to an employee: date on which employee received his/her end of probation increase; or date on which employee received a step increase.

- H. Customer ~~Care Consultant~~ Advisor Series

- 1. Customer ~~Care Trainees~~ Advisor I —
 - a. Customer ~~Care Trainees~~ Advisor I will be rated every six (6) months.

- (1) If the employee's performance is satisfactory or higher, the employee will be moved to the next higher step of the pay plan.
- (2) If the employee's performance is below satisfactory, the employee will not receive the step increase, may be required to take remedial training, and may be subject to termination. When a customer Care ~~Trainee-Advisor I~~ is required to take remedial training; he/she will be reevaluated after three (3) months. Customer Care ~~Trainees-Advisor I~~ will not be eligible for step increase at that time, even if their performance is rated satisfactory or above satisfactory. Instead, the Customer Care ~~Trainee-Advisor I~~ is required to wait until the next regularly scheduled review cycle before they are eligible for a step increase.

~~b. When the Customer Care Trainee has satisfactory completed the training program, the employee will be promoted to Customer Care Consultant.~~

2. Customer Care ~~Consultants-Advisor II, III~~—

- a. Customer Care ~~Consultants- Advisor II and III~~ will be rated on April each year.

~~(1) Eligible* Customer Care Consultants who are rated above satisfactory on the review will receive a two-step pay increase.~~

~~(2) Eligible* Customer Care Consultants who are rated satisfactory on their review will receive a one-step pay increase.~~

~~* In order to be eligible for the increases provided for in subsections 1 and 2, the Customer Care Consultant must have worked at least 1000 hours in the previous 12 month period. In addition, the Customer Care Consultants who were promoted to that position after October 1 are not eligible for any step increase on April 1. For example, an employee who has promoted from Customer Care Trainee to Customer Care Consultant on October 10, 2009 would not be eligible to receive a step increase on April 1, 2010; the employee would be eligible for a step increase on April 1, 2011 (assuming that the employee had worked at least 1000 hours from April 1, 2009 to April 1, 2010).~~

- (3) Customer ~~Care Consultants~~Advisors II or III who are rated below satisfactory on their review will not receive any step increase, may be required to take remedial training and may be subject to termination. When a ~~Customer~~ ~~Consultant~~Customer Advisor II or III is required to take remedial training he/she will be reevaluated after three (3) months. Customer ~~Care~~ ~~Consultants~~Advisor II or III will not be eligible for step increases at that time, even if their performance is rated satisfactory or above satisfactory. Instead, Customer ~~Care~~ ~~Consultants~~Advisors II or III are required to wait until the next scheduled annual review cycle before they are eligible for a step increase.

3. Customer ~~Care Specialists~~Advisor IV —

After the probationary period is complete, Customer Care Specialists will be reviewed annually.

- a. ~~Customer Care Specialists who are rated above satisfactory on the annual review will receive a two-step pay increase. Customer Care Specialists who are rated satisfactory on the annual review will receive a one-step pay increase.~~

- ~~b.~~ Customer Care Specialists Customer Advisor IV's who are rated below satisfactory on their review will not receive any step increase, may be required to take remedial training and may be subject to termination. When a Customer ~~Care Specialist~~Advisor IV is required to take remedial training; he/she will be re-evaluated after three (3) months. Customer ~~Care Specialists~~Advisor IV's will not be eligible for step increases at that time, even if their performance is rated satisfactory, or above satisfactory. Instead, Customer ~~Care Specialists~~Advisor IV's are required to wait until the next scheduled annual review cycle before they are eligible for a step increase.

10.4 The parties recognize that relationships between classifications may change over time as the nature of work evolves and changes. As a result of such changes, those relationships should be reviewed periodically to determine if revisions in pay grade assignments are appropriate. The parties agree that assignment of work to particular classifications, evaluation of classifications and resulting pay grade assignments are

management prerogatives. The Employer recognizes the Union's interest in maintaining equity among classifications in the bargaining unit. Accordingly, during the life of this Agreement the Union may notify the Director of Employee Services, of its belief that sufficient material changes have occurred in the nature of work assigned to one or more classifications, such that the relationship of that classification(s) to other classes should be reviewed for possible realignment.

- 10.5 At its sole discretion, the Employer may from time to time elect to establish incentive programs for individuals or groups which may consist of cash or other awards in recognition of improved job performance, improved safety records, innovative ideas that in savings or other benefits, or other similar work-related improvements, provided the Union is informed in writing of any such programs.
- 10.6 The parties understand that during the life of this Agreement the Employer may, at its option, offer a voluntary severance plan to certain classifications of bargaining unit employees. Such plan would be on terms proposed by the Employer and any decision to accept such a plan would be made on an individual basis by each individual employee. The Union will be notified in writing of any such severance plan. In the event that execution of such a plan required a reorganization or redeployment by the Employer, the Union would have the right to request impact bargaining to the extent provided by law.
- 10.7 Electronic Devices
- A. At its sole discretion, JEA may provide employees with an electronic device. The employee during their normal work shift or when the employee is on standby status must wear and respond to the electronic device.
 - B. The employee may use the electronic device for personal use, as long as it does not interfere with their assigned work duties.
 - C. The employee will exercise due caution in the care of the electronic device assigned to him/her, and will take appropriate action to protect them from damage or being lost or stolen. If an employee's electronic device is lost, stolen, or damaged through negligence of the employee, they will be replaced at the employee's expense.
- 10.8 Assigned Vehicles

The Union recognizes that AFSCME represented employees may be assigned take home vehicles. Assignment of vehicles is based upon operational needs and is subject to change from time-to-time as needed. Should a vehicle assignment be ended, the employee will be given thirty (30) calendar days' notice.

ARTICLE 11: SUPPLEMENTAL PAY

11.1 For each five (5) years of continuous service with the Employer, (computed from the date of initial employment) an employee shall receive an annual increase in salary of \$300.00. This increase shall be in addition to any general or special raises which may be granted from time to time.

11.2 Standby Compensation

- A. Any employee who is required by the Employer to be on standby duty will receive standby compensation as provided in this Article.
- B. Standby time shall be that time when an employee is required to keep the Employer advised as to his/her whereabouts and be available to report for duty no more than forty-five (45) minutes after such notification.
- C. For the purpose of this Article, an employee is on standby if the employee has been directed to carry an Employer furnished electronic paging device or leave a telephone number so the employee can be reached, and the employee must be available to return to work within a reasonable time if called. Employees, who merely carry electronic devices and who are not required to be available to return to work within a reasonable time if called, are not on standby.
- D. The standard rate of standby compensation shall be twenty-five dollars (\$25.00) for each day the employee is on standby. Standby pay shall be paid no later than the end of the first pay period after the pay period in which the standby pay is earned.
- E. Any employee who fails to comply with the provisions of Section 11.2 of this Agreement shall not be entitled to standby compensation for that day, and shall be subject to discipline.
- F. Employees may arrange substitution of standby duty among themselves, provided the substitution is approved by Management.

11.3 Schedule Premium

- A. A one dollar and fifty cents (\$1.50) schedule premium shall be paid for all regular hours actually worked on any schedule after 19:00 and prior 07:00 for work days other than Saturday or Sunday, (not including overtime or schedule premium of any type).

- B. A two dollars (\$2.00) schedule premium shall be paid for all regular hours actually worked on any schedule after 00:00 on Saturday and prior 24:00 on Saturday and/or after 00:00 on Sunday and prior 24:00 on Sunday (not including overtime or schedule premium of any type). (Cash handling wage supplements stated below are not considered a schedule premium.)

11.4 Upgrade Pay

- A. When an employee is qualified for and is required by the Employer to accept the responsibility for work in a higher class or position for at least one (1) hour on continuous duty, unless the employee is assigned to a higher classification for the purpose of on-the-job training for definite advancement purposes, such employee shall be compensated at the minimum of the range of the higher classification or shall receive a 5% increase, whichever is greater, for the time actually worked in the higher class. In no case, however, can the adjusted salary level exceed the maximum rate of the salary range of the higher position. An employee may be temporarily assigned to the work of any position of the same or lower classification without any change in pay. No on-the-job training without out-of-classification pay shall exceed twenty (20) work days.

11.5 Meal Allowance

- A. The Employer will provide a meal or meal allowance in the sum of fifteen dollars (\$15.00) when an employee is required to work unscheduled overtime, thereby missing a normal meal. Unscheduled overtime shall be defined as notification of less than 12 hours prior to the reporting time for the overtime work. Normal meal times shall be considered as two (2) hours before the scheduled starting time, four (4) hours after the scheduled starting time, and two (2) hours after the scheduled quitting time. Meal allowances shall be paid no later than the end of the first pay period after the pay period in which the meal allowance was earned.
- B. A meal or meal allowance will be provided under the following conditions:
 - 1. When an employee is called out on unscheduled overtime and required to report to work two (2) hours or more before his/her scheduled starting time for that day and continues work into his/her regular schedule, he/she will qualify for a meal or meal allowance four (4) hours from the time he/she commenced work and additional meals or meal allowance at five (5) hour intervals.

2. When an employee is required to work beyond his/her scheduled quitting time for two (2) hours or more on unscheduled overtime, he/she shall be entitled to a meal or meal allowance two (2) hours after his/her quitting time and at five (5) hour intervals thereafter if he/she continues to work.
 3. If an employee is called out to work unscheduled overtime for a period of more than four (4) consecutive hours and he/she is released prior to the starting time of his/her next regular workday, he/she will qualify for a meal allowance four (4) hours from the time he/she commenced work and at five (5) hour intervals thereafter, if he/she continues to work.
- C. When an employee is required to work unscheduled overtime on his/her day off, and at least twelve (12) hours previous notice has been given, the hours worked shall be considered as scheduled overtime. On scheduled overtime, an employee shall provide for his/her mid-day or mid-shift meal.
 - D. JEA shall permit employees on emergency overtime and shift employees whose duties require them to eat while performing their work, to eat earned meals while on the clock. The time taken for such meals generally shall not exceed thirty (30) minutes. However, the time taken may extend beyond thirty (30) minutes, subject to a supervisor's prior approval.
 - E. Every reasonable effort will be made to observe the employee's normal meal time.
- 11.6 In addition to their regular wages ~~customer service~~Customer Advisor employees will receive a five percent (5%) wage supplement for all time spent in a position where they are required to have their own cash drawer. Therefore, at all times this supplement shall be paid, regardless of the day or time which it is worked.
- 11.7 Bilingual Supplement
- A. A supplement of forty-six dollars and fifteen cents (\$46.15) per pay period shall be paid to each eligible employee who:
 1. Meets the criteria for bilingual skills as determined and verified by JEA Talent Acquisition
 2. Acts in the capacity of a ~~Customer Care Consultant Trainee, Customer Care Consultant or Customer Care Specialist~~Customer Advisor I, II, III and IV
 3. Required by JEA to use non-English language skills to interact with customers as part of their assigned duties.

ARTICLE 12: EMPLOYEE BENEFITS

- 12.1 The Employer agrees to provide comprehensive medical coverage for each employee at no expense to the employee. In addition, the Employer will pay at least fifty percent (50%) of the actual cost of comprehensive medical coverage of eligible dependents. The employee will pay the remaining fifty percent (50%) or less of the actual cost.
- 12.2 The Employer shall, at no expense to the employee, secure and provide group term life insurance coverage in the amount of one times annual salary, with a double indemnity clause for accidental death and dismemberment for employees covered by this Agreement. It shall further allow the employee, at his/her option to purchase group term life insurance, at the expense of the employee, under the same policy, for one, two, or three times annual salary, with a double indemnity clause for accidental death and dismemberment.
- Employees who have retired from classifications in this bargaining unit and who are already covered by the group term life insurance policy may purchase life insurance coverage at the retiree's expense. Employees under age 70, who retire after the effective date of this Agreement, may purchase additional coverage.
- 12.3 The employer will provide an optional group Dental Health Insurance Program at the employee's expense, through payroll deduction.
- 12.4 The Employer agrees to provide a payroll deduction process that is to be available to the employees in the bargaining unit for various benefit plans or programs. These plans or programs shall be administered by an "Agent of Record" designated by the Union. The Employer may assess an administrative charge not to exceed six cents per deduction per payroll. The Union agrees to indemnify and hold the Employer harmless against any claims made, and against any lawsuits brought, against the Employer as a result of this payroll deduction process.
- 12.5 An employee will be reimbursed at the rate stipulated in the Internal Revenue Service Regulations when requested or required to use his/her privately owned vehicle on official business for all miles actually driven but for no more than the usual travel route between assigned destinations. However, no reimbursement will be paid for mileage to a work location when an employee is notified before reporting to his/her usual work location to report to a different work location.
- 12.6 Personal Property Damage
- A. The Employer will repair or replace personal property, including tool boxes, of employees covered by this Agreement that is damaged while on duty, subject to the limitations provided in Sections 12.6 (b) through 12.6

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- B. The Employer will repair or replace a bargaining unit employee's personal property, if all of the following conditions have been met:
 - 1. The personal property was damaged as a result of the employee's performance of his/her duties;
 - 2. The damage was not the result of the employee's own negligence;
 - 3. The employee reports the damage to the appropriate manager within two (2) working days after the occurrence of the damage on a form provided for this purpose.
 - C. The Employer reserves the right to determine whether to repair or replace damaged property.
 - D. The Employer will not repair or replace rings or other jewelry.
 - E. In no event will the Employer pay more than two hundred fifty dollars (\$250.00) to repair or replace any damaged property.
 - F. When an employee is entitled to payment under this section, the Employer shall make every reasonable effort to reimburse the employee within thirty (30) days of the report of damage.
- 12.7 The Union recognizes that the Employer has developed a Section 125 I.R.C. Cafeteria Plan for the benefit of employees.
- 12.8 During any primary or general election, an employee whose hours of work do not allow sufficient time for voting shall be allowed necessary time off with pay for this purpose, provided the employee furnishes proof that he is a registered voter. Where the polls are open two (2) hours before or two (2) after the regular scheduled work period, or when early voting is available, it shall be considered sufficient time for voting.
- 12.9 Training and Career Ladders
- A. The Employer and the Union recognize the importance of training and continuing education programs in the development of career ladders and equitable employment opportunities and agree to a mutual commitment of training and education for employees in this bargaining unit.

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- B. All Training Bulletins and Calendars pertinent to this Article shall be available to the Union and Employees. The Employer shall place such bulletins and calendars on the JEA intranet.
 - C. The Employer has established a Continuing Education Program to meet the following objectives:
 - 1. To enable eligible employees to participate in educational self-development programs
 - 2. To encourage employees to acquire knowledge and skills essential to personal/ professional growth
 - 3. To provide a coordinated program; and
 - 4. To encourage employees to increase their value to the organization through education and training
 - D. JEA Education Reimbursement Program
 - 1. Eligible Employees
 - a. Civil Service employees who have been continuously employed by JEA since completing their initial probationary period.
 - b. This definition excludes temporary employees, contract employees and employees in their initial probationary period and employees in provisional status for their initial employment.
 - 2. Courses Eligible for Reimbursement
 - a. The course must be of value to the Employer and not solely benefit the employee. The requested course or degree contribute to increasing the skills and talents of each Employee in his/her current position or elsewhere in the company or
 - b. The requested course is required to maintain a certification.

- c. Time spent in attending classes or on home study work shall be during the employee's off-duty hours, and the Employee will not be paid for this time, and
- d. Employees are not permitted to use any JEA personnel, equipment or supplies for course work.

3. Costs and Reimbursements

- a. Tuition reimbursement will be made for class work at a school, or home study work programs pre-approved by the Employer.
- b. Reimbursement will be made at the least costly rate if Employees take classes from a more expensive source.
- c. Accelerated degree programs yield benefits sooner to JEA and are therefore reimbursable at the least costly rate for identical accelerated courses of study.
- d. JEA will pay for registration fees, tuition, laboratory fees, and books required (need to furnish proof) for the course taken. Parking fees and late fees are not reimbursable.
- e. JEA will reimburse Employees who earn a "C" grade or better in undergraduate classes, and a "B" or better in graduate classes.
- f. When letter grades are not given attendance records or other verification (e.g., a letter attesting to the satisfactory completion of course hours for which the Employee requests reimbursement) shall satisfy the grade requirement.
- g. Employees who leave the JEA two years (24 months) or less after receiving tuition reimbursement are required to repay all reimbursement (books and tuition) received during that period.
- h. Final determination of the amount of reimbursement to be granted will be made by the Employer.

12.10 Retirement Benefits

- A. For purpose of aiding understanding of the provisions that follows, pursuant to 2016-2019 contract negotiations the parties negotiated retirement benefit changes in the context of propose reforms to the City of Jacksonville GEPP (General Employees' Pension Plan).

- B. AFSCME ~~agrees-agreed~~ to the proposed closure (to new employees) of the GEPP, with new hires on or after October 1, 2016 ~~the effective date~~ being enrolled in a “DC Plan” (defined contribution plan).
- C. Participants in that DC Plan will make an eight percent (8%) contribution; JEA will make a twelve percent (12%) contribution.
- D. In the event any other bargaining unit participating in the DC plan (e.g. LIUNA 630, ~~CWA, the Jacksonville Supervisors Association,~~ JSA, or IBEW 2358, or ~~AFSCME~~ 429) receives any greater benefits that JEA provides to AFSCME Council 79 (i.e. through contract negotiations, settlement, impasse proceedings, or litigation), then AFSCME shall receive the difference between its DC Plan benefit and that received by the other participating bargaining unit(s).
- E. No benefits under the “DC Plan” shall decrease for all active, full time, enrolled unit employees.
- F. JEA agrees to contribute to the employee’s pension program to the extent required by applicable laws pertaining to the employee’s contributory pension program.
- G. No benefits under the General Employee Pension Plan (“GEPP”), the City’s Defined Benefit retirement plan, shall decrease for all active, full time, enrolled unit employees, including but not limited to the DROP program, disability benefits, COLA increases, survivor benefits, and any other benefits as they exist as of the date of AFSCME’s ratification of this CBA.
- H. In the event any other bargaining unit participating in the General Employee Pension Plan (e.g. LIUNA 630, ~~CWA, the Jacksonville Supervisors Association,~~ JSA, or IBEW 2358 ~~or AFSCME 429~~) receives any greater pension benefits than JEA presently provides to the AFSCME (i.e., AFSCME shall receive the difference between its pension benefit and that received by the other participating bargaining unit(s)).

ARTICLE 13: INJURY-IN-LINE-OF-DUTY

13. A. Any permanent employee covered by this Agreement who sustains a temporary disability as a result of accidental injury arising out of the course and scope of employment with the Employer shall, in addition to compensation payable pursuant to the Workers Compensation Law of the State of Florida, be entitled to a supplemental benefit under the conditions set out in Section 13.2.
- B. The amount of the supplemental benefit payable under this article shall be calculated as follows: the Employer will calculate seventy-five percent of the employee's net take home pay after taxes and social security deductions based upon the employee's regular straight time wages. This amount shall be reduced by the amount of Workers' Compensation indemnity payable to the employee. The remainder is the amount of the supplemental benefit payable to the employee.
- 13.2 The supplemental benefit provided for in Section 13.1(b) is payable under the following circumstances:
- A. During the first twenty (20) working days of such disability, the employee shall receive the supplemental benefit after the employee begins receiving Workers' Compensation indemnity payments.
- B. Thereafter, the Employer at its sole discretion, (which discretion shall not be subject to arbitration), grant addition supplemental benefit, but shall not exceed one (1) year.
- C. If the employee brings litigation or administrative action under the Worker's Compensation Law while receiving Workers' Compensation supplemented by the benefits herein provided, entitlement to the supplemental benefits shall immediately terminate.
- 13.3 If an employee, due to an on-the-job injury, is temporarily partially disabled from performing the duties of his classification, he may be temporarily reassigned without reduction in pay for a period not to exceed 90 calendar days, to other duties commensurate with medical and mental fitness, availability of suitable work, and his qualifications for the position. The Employer will make a reasonable effort to temporarily reassign the employee, in accordance with the provisions of this section, provided that failure to do so shall not be the basis for grievance or arbitration.
- 13.4 A. When an employee who has been on leave of absence or light duty due to a disabling on-the-job injury is released by the employee's

treating physician(s) to return to work, the employee shall be returned to the same job if:

1. The employee is capable of doing the job satisfactorily
 2. The employee would have retained the job had the employee not been injured, and
 3. Such work still exists
- B. When an employee who has been on a leave of absence or light duty due to a disabling on-the-job injury is released by the employee's treating physician(s) to return to work, but the employee is not physically or mentally capable of performing his former job, the Employer shall place the employee in a comparable job for which the employee is qualified, provided there is an opening. If there is no opening, the employee shall be offered the best available job for which he is qualified; if necessary, appointing the employee to a lower classification. The employee shall be considered for any job openings for which the employee is qualified that occur within one (1) year after the employee has been reclassified to the lower classification. Refusal on the part of the employee to accept a job for which he is qualified and able to perform may be considered a resignation.
- 13.5 A. When an employee is off the payroll (not receiving JEA compensation) due to an on-the-job injury, JEA will continue to pay life insurance and medical insurance premiums normally paid by JEA, which includes JEA's portion of the dependent medical insurance premiums. The employee is responsible for the optional life insurance premiums and his/her portion of the dependent medical insurance premium. The employee may elect to contribute to the pension fund amount equal to the employee's pension contribution prior to the on-the-job injury.
- B. If an employee who is temporarily totally disabled due to an on-the-job injury receives partial wage payments from JEA, JEA will continue to pay the premium noted in subsection (a) above. The optional life insurance premium and the employee's portion of the dependent medical insurance premium and pension contribution will be deducted from his/her partial wage payments.
- 13.6 Any provisional or probationary employee who is temporarily, totally disabled as a result of an injury received in the course of employment with JEA shall receive the benefits to which he/she is entitled under the Workers' Compensation Laws of the State of Florida and such benefits above legal requirements as JEA may deem reasonable.

ARTICLE 14: LEAVE USAGE

14.1 Leave Usage (Generic)

- A. Employees, when eligible and authorized, may use their annual, or personal leave upon written application to their immediate manager or designee. Approval may be based upon the nature of the request if needed. Extensions may be granted at the option of the manager or designee. The approval of leave and extensions shall not be unreasonably denied.
- B. Annual, or personal leave will be charged against an employee's regular workday, and shall not be charged for absences on a prearranged overtime workday, unscheduled call-in overtime days, or holidays.
- C. **Unscheduled leave**
 - 1. Annual or personal leave may be taken for emergency, illness, or injury of the employee or employee's immediate family.
 - a. Employees are required to notify the appropriate designated individual of the employee's intent to use annual or personal leave for emergency, illness, or injury in the following manner:
 - (1) Non-shift employees must provide notification to the appropriate designated individual as early as possible as and no later than one-half hour before the start of the employee's normal workday. An employee who has a starting time earlier than the designated individual he/she is to notify, shall notify that individual as soon as possible after the normal starting time for that designated individual.
 - (2)
 - a. Shift employees must provide notification to the appropriate designated individual no later than one (1) hour prior to the starting time of the employee's shift.
 - b. Shift employees shall notify the appropriate manager at least four (4) hours in advance of the employee's intent to return to work following an emergency, illness, or injury. However, employees on the day shift need

only provide one (1) hour advance notice before returning to work.

- b. Employees who fail to notify the appropriate designated individual as required by Article 14.1(c) (1) (A) may not be allowed to charge their absence to annual or personal leave unless waived by the manager or designee.
- c. Absences for illness under annual or personal leave conditions may be subject to investigation. (This section is not intended to require an employee to provide a physician's certified statement of illness after each absence. It is intended to correct suspected abuse of annual or personal leave for illness.) An employee will be counseled whenever a pattern clearly develops where an employee is abusing leave.
- d. Employees failing to comply with the provisions of Section 14.1 will be subject to disciplinary action. Authorized use of leave shall not be grounds for disciplinary action.

D. Scheduled leave

- 1. In order to insure the health and welfare of the employee, JEA encourages employees to take a minimum of ten (10) days annual leave per contract year. Employees are encouraged to retain eighty (80) hours in their leave account in case of serious personal illness.
- 2.
 - a. Accrued annual or personal leave may be taken at any time when authorized.
 - b. Scheduling for the primary vacation period will be accomplished on a seniority basis, with full-time Civil Service employees taking precedence, in a classification within a cost center or group of cost centers for the first request only provided that the request is submitted between January 2 and January 31 and is subject to JEA's exclusive authority to determine the number of employees in any given classification, shift, crew, section, or office who may be on leave at the same time. Where possible, employees shall have access to the days to choose from when selecting days for leave. Denial of requested leave must be substantiated on the basis that granting of such leave would unduly increase the cost of operations and/or would otherwise be detrimental to the efficient

operations of the system. Once the primary vacation periods have been scheduled, additional leave authorizations may be made as in 14.1(d) (2) (c) below. The primary leave schedule will be posted by February 15, for the period of April 1 through March 31.

- c. In scheduling annual or personal leave, full-time Civil Service employees with seniority in a classification, a shift, a crew, a section, or an office shall be given first preference; provided, however, that such preference shall be subject to JEA's exclusive authority to determine the number of employees in any given classification, shift, crew, section, or office who may be on leave at the same time. Secondary vacation (leave) request(s) may be submitted from February 15th through March 15th and will be posted by March 31st. Employees will be allowed to submit as many as 25 days as long as the employee has or will have accrued leave available. An employee will not be allowed to cancel leave without the approval of the designated individual. Any additional request(s) after March 31 will be scheduled on a first come-first served basis. Denial of requested leave must be substantiated on the basis that granting of such leave would unduly increase the cost of operations and/or work otherwise be detrimental to the efficient operations of the system.
 - (1) All employees will be given the opportunity to change their vacations during the primary vacation and secondary vacation periods, as outlined in the AFSCME contract. However, once the employee has made their original selection and later wants to make a modification/change to their vacation date(s), this employee will be placed next in line and allowed to pick from the available dates remaining at the time.
 - (2) When an employee is out during the vacation pick period, they will be allowed to select from the periods that were available at the time their seniority allowed. The selection process will continue as scheduled. JEA will consider exceptions to the number of employees allowed off in this situation, if necessary.

3. JEA employees may split their annual or personal leave in any manner desired and approved by their manager or his/her designee. The splitting of leave must be consistent with the operational requirements of the system.
4. Requests for leave of less than five (5) consecutive days must be submitted at least twenty-four (24) hours in advance unless the leave is for illness or emergency
- E. 1. The minimum amount of annual or personal leave to be taken and charged shall be in one-half (1/2) hour increments.
2. Employees shall be charged for their normal hours worked, respectively, for a day off.
- F. If a legal holiday falls within a scheduled annual or personal, leave period, annual or personal leave shall not be charged for that day. When a scheduled overtime day, for rotating shift workers falls within a scheduled annual or personal leave period, annual or personal leave shall not be charged nor overtime paid for that day.
- G. Once leave has been approved, the employee shall take the leave unless that employee's request to cancel is approved by the appropriate designated individual.
- H. Notwithstanding any other provision of this Agreement, JEA shall have the unilateral right to alter annual or personal leave schedules for proper cause or emergencies that might occur. In such cases, the employee will be reimbursed for any costs forfeited due to cancellation of reservations, excess travel, etc., provided action is taken by the employee to minimize the forfeited cost, and provided further that satisfactory documentation of the employee's payment of forfeited costs is furnished to JEA.
- I. Upon written request, and with at least thirty (30) days advance notice, an employee taking at least two (2) weeks or more of authorized paid annual personal leave may have the amount of compensation due for the requested annual leave period advanced to him/her on the last regular payday prior to the beginning of the paid annual leave.
- J. 1. An eligible employee who is out of work because of an on-the-job injury may use annual leave, personal leave and/or compensatory time to remain on the payroll, under the conditions established in this section.

2. In order to be eligible to use accrued leave for this purpose the employee must meet all of the following eligibility requirements:
 - a. The employee is away from work due to an on-the-job injury;
 - b. The employee is either receiving workers' compensation payments or has exhausted the allowable period of workers' compensation;
 - c. The employee provides the employer with a written request to use his/her accrued leave to remain on the payroll.
3. When employees are eligible to use accrued leave for this purpose, the amount of annual leave or personal leave or compensatory time so charged shall be the minimum amount in one-half of an hour increments to equal the difference between the employee's regular pay and the amount that the employee is receiving from workers' compensation and workers' compensation supplement.
4. If the employee receives only partial salary or wage payment, the normal required employee pension contribution shall be deducted from the employee's partial salary or wage payment and the employee shall continue to receive full retirement credit for the period during which workers' compensation payments are received.

14.2 Annual and Retirement Leave Usage

- A. If an employee has exhausted all of the accrued, unused annual leave, and then said employee suffers an illness which requires time off, then said employee shall be allowed to use the credited retirement leave for the purpose of illness only.
- B. If an employee, due to an extended, continuous illness, requires eighty (80) hours or more for such illness, then such leave, may at the employee's option be deducted from the retirement leave account of such employee.

14.3 Leave Donation and Forfeiture

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- A. Employees may forfeit annual leave, personal leave, and retirement leave (but not compensatory leave) to regular, full-time JEA employees who are critically ill, critically injured, or require an extended leave of absence for medical reasons. Employees may donate annual, personal, and retirement leave but not compensatory leave, to the United Way.
 - B. Forfeitures to critically ill or critically injured employees or employees who require an extended leave of absence for medical reasons shall be subject to the following requirements:
 - 1. The critically ill or critically injured employee and employees who require an extended medical leave of absence must submit a statement of need to the Director of Employee Services or his/her designee. The employee who requires an extended medical leave of absence must include a physician's statement documenting the need for an extended medical leave of absence. The Director of Employee Services or his/her designee shall determine the employee's eligibility to receive leave donations in accordance with the provisions of this Section 14.03.
 - 2. Forfeitures may not be made in respect of an ordinary illness, but rather may be made only in respect of a serious or major illness, hospitalization of five (5) days or more, or a medical leave of absence of ten (10) days or more.
 - 3. The employee forfeiting the leave must complete the appropriate form and submit it to the Employee Services.
 - 4. The employee receiving the forfeited leave must have exhausted all other available leave, and may receive only enough donated leave to cover the period of the absence. Upon returning to work, the employee receiving the forfeited leave may have a positive leave balance of up to twenty four (24) hours as a result of any donation(s).
 - C. Donations or forfeitures of leave under this Section 14.3 shall be accounted for according to the dollar value of the leave, to be determined by multiplying the number of hours donated or forfeited by the hourly rate of the employee donating or forfeiting the leave.

ARTICLE 15: ANNUAL LEAVE (PLAN E)

15.1 This article shall apply to all permanent, probationary, and provisional employees of the following categories:

- Employees hired on or after October 1, 1968, and before October 1, 1987;
- Employees hired prior to October 1, 1968, but chose not to remain subject to former sick leave and terminal leave policies in April, 1969;
- Employees hired prior to October 1, 1968, who chose on or before December 15, 1979, to become subject to this provision.

15.2 Employees shall accrue annual leave with pay according to the following schedule on a bi-weekly basis:

A. YEARS OF SERVICE	HOURS PER YEAR
Upon completion of 0 months thru 4 years	160
Upon completion of 4 years thru 9 years	184
Upon completion of 9 years thru 14 years	208
Upon completion of 14 years thru 19 years	232
Upon completion of 19 years thru 24 years	256
Upon completion of 24 years or more	280

B. Annual leave will accrue bi-weekly to the credit of the employee, at the rate stated above and shall be credited on the last day of the pay period. In order to receive full credit, the employee must work a full schedule or be on approved leave with pay. The accrual will be reduced pro rata for hours on leave without pay.

C. The rate of accrual shall change to the higher rate on the anniversary day or adjusted date of employment.

D. Annual leave shall be earned during the first year of employment.

- 15.3 Annual leave shall accrue to a maximum of 960 hours. The Employer will compensate the employee on an hour-for-hour basis for any accrued amount over nine hundred sixty (960) hours as of September 30th each year. These payments will be made on the second payday in November, at the September 30th rate of pay.
- A. Beginning with leave earned during the fiscal year, an employee who does not use all of their Annual Leave accrued in a fiscal year, may be paid the difference between the amount used and the amount accrued for that fiscal year on an hour-for-hour basis.
 - B. To receive such payment, the employee must make an irrevocable election in the fiscal year preceding the fiscal year in which the leave is accrued.
 - C. This payment is not available to an employee who would have less than eighty (80) hours of annual leave remaining after such payment. Such payments will be made no later than the first payday in December at the September 30th rate of pay.
- 15.4 For the purpose of this Article, retirement is defined pursuant to Ordinance provisions of the pension program of the City. Vesting is considered as retirement. Upon retirement, the employees' annual leave account and retirement leave account shall be used or paid on an hour-for-hour basis, up to maximum of nine-hundred sixty (960) hours in each account under the following provision:
- A. Retirement leave may be taken either immediately prior to desire eligible retirement date, which leave may be used for the fulfillment of time service requirements; or retirement leave may be taken following fulfillment of time service requirements.
 - B. Employee on retirement leave shall be maintained on the regular payroll, thereby continuing to avail the employee of payroll deductions, pension contributions and insurance deductions.
 - C. Upon placement on retirement leave, such status shall be considered irrevocable.
 - D. While on retirement leave, an employee shall not accrue annual leave, but shall be eligible for legal holidays; and any general salary increases, but not performance/step increases.
 - E. At the employee's option, retirement leave may either be taken, or paid for in one lump sum on an hour-for-hour basis.

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- F. If an employee terminates prior to retirement as defined in the Annual Leave Ordinance, said employee shall be paid for any retirement leave credited, on the basis of one (1) hour's pay for every two (2) hours of said retirement leave credited.
- 15.5 Upon termination, which includes resignation and discharge not for cause, the employee shall be paid for all unused annual leave credits on an hour-for-hour basis. However, employees who are discharged for stealing, sabotage, or illegal possession or use of drugs, may forfeit pay for their unused accrued annual leave earned during the contract year.
 - 15.6 When an employee is placed on retirement leave, the lump sum payment for the annual leave shall be paid at the beginning of the retirement leave.
 - 15.7 Upon the death of an employee, the employee's next of kin or estate, as determined in accordance with law, shall be paid for all accrued personal and retirement leave on the basis of hour for hour in said accounts.

ARTICLE 16: ANNUAL LEAVE (PLAN H)

16.1 This article shall apply to all permanent, probationary, and provisional employees hired on or after October 1, 1987

16.2 Employees shall accrue personal leave with pay for all straight time hours worked according to the following schedule on a bi-weekly basis:

A.	YEARS OF SERVICE	HOURS PER YEAR
	Upon completion of 0 months thru 4 years	160
	Upon completion of 4 years thru 9 years	184
	Upon completion of 9 years thru 14 years	208
	Upon completion of 14 years thru 19 years	232
	Upon completion of 19 years thru 24 years	256
	Upon completion of 24 years or more	280

B. Annual leave will accrue to the credit of the employee, at the rate stated above and shall be credited on the last day of the pay period. In order to receive full credit, the employee must work a full schedule or be on approved leave with pay. The accrual will be reduced pro rata for hours on leave without pay.

C. The rate of accrual shall change to the higher rate on the anniversary day or adjusted date of employment.

D. Annual leave shall be earned during the first year of employment.

16.3 Annual leave shall accrue to a maximum of 480 hours. The employer will compensate the employee on an hour-for-hour basis for any accrued amount over four hundred eighty (480) hours as of September 30th each year. These payments will be made on the second payday in November, at September 30th rate of pay.

A. Beginning with leave earned during the fiscal year, an employee who does not use all of their annual leave accrued in a fiscal year, may be paid the difference between the amount used and the amount accrued for that fiscal year on an hour-for-hour basis.

- B. To receive such payment, the employee must make an irrevocable election in the fiscal year preceding the fiscal year in which the leave is accrued.
- C. This payment is not available to an employee who would have less than eighty (80) hours of annual leave remaining after such payment. Such payments will be made no later than the first payday in December at the September 30th rate of pay.
- D. Beginning with leave earned during the fiscal year, an employee who does not use all of their annual leave accrued in a fiscal year, may be paid the difference between the amount used and the amount accrued for that fiscal year on an hour-for-hour basis.
- E. Upon termination of an employee for other than retirement, which includes resignation or discharge not for cause the employee shall be paid 100% of their unused annual leave accrued on an hour-for-hour basis.
- F. Employees, who are discharged for stealing, sabotage, or illegal possession or use of drugs, shall forfeit their unused personal leave accrued during the contract year.

16.4 A. ~~When an employee who has been on a leave of absence or light duty due to a disabling on the job injury is released by his/her treating physician(s) to return to work, the employee shall be returned to the same job if:~~

~~1. The employee is capable of satisfactorily performing the job~~

~~2. The employee would have retained the job had he/she not been injured, and~~

~~3. The job still exists~~

~~B. When an employee who has been on a leave of absence or light duty due to a disabling on the job injury is released by his/her treating physician(s) to return to work, but the employee is not physically or mentally capable of performing his/her former job, JEA shall place the employee in a comparable job for which the employee is qualified provided there is an opening. If there is no opening, the employee shall be offered the best job for which he/she is qualified, if necessary reclassifying the employee to a lower classification. In that event, the employee shall be considered for~~

any job openings for which the employee is qualified that occur within one (1) year after the employee has been reclassified to the lower classification. Refusal on the part of the employee to accept a job for which he/she is qualified and able to perform may be considered a resignation.

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ARTICLE 17: OTHER LEAVES

17.1 Jury Duty

Any employee in the bargaining unit who is required to perform jury service during his/her normal working hours in any court shall be paid his/her regular salary for the time spent in jury service. The employee summoned as a juror shall notify his/her manager of the need to take leave for jury service as soon as the employee receives a summons for jury service. Notification shall be by memorandum (in duplicate) with a copy of the summons attached. An employee who is released from jury service prior to four (4) hours from the scheduled end of his/her work day, shall be required to report to his/her work site within one and one-half (1-1/2) hours after release from jury service.

17.2 Witness Service

Any employee, who is called to testify while off duty in any court proceeding as a result of his or her normal JEA duties, shall be entitled to compensation for all hours on such special duty. The employee will be compensated for these special duty hours at the appropriate rate. The employee will be compensated for a minimum of four (4) hours.

17.3 Bereavement Leave

- A. Upon notification of the death of an immediate family member, an employee may be granted the day or remainder of the day, if at work, off without loss of pay and may be granted an additional three (3) work days within the next eight (8) working days off without loss of pay, as Bereavement Leave. Working days are defined as Monday through Friday.
- B. For the purpose of this Agreement immediate family is defined as spouse, children, stepchildren, parents, step-parents, brother, sister, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparents, grandchildren, aunts, uncles, nieces, nephews, spouse's grandparents, individuals for which the employee is designated as acting *in loco parentis* (as interpreted under the FMLA), and relatives who permanently reside with the employee.
- C. If an employee requires additional time to attend matters related to the death of a family member of the employee's immediate family, the employer will permit the employee to use a reasonable period annual/personal leave time.

- D. Should an employee be on vacation at the time of death, the three (3) working days that normally would be granted as bereavement leave shall be charged as bereavement leave instead of annual/personal leave.
- E. Employees covered by this Agreement shall be granted up to four (4) hours leave, without loss of pay, to either attend or serve as an active pallbearer at the funeral of a co-worker from the same department (active or retired), unless the employee is required to work to maintain system integrity.

17.4 Military Leave

Leaves of absence and re-employment rights of employees inducted into the military service shall be as described under the Uniformed Services Employment and Re-employment Rights Act (USERRA) of 1994 and Chapter 115, Florida Statutes.

A. Training

1. Employees who are members of the National Guard, or organized military reserves of the United States, who are ordered to attend an annual training period shall, upon presentation of their official orders or appropriate military certification, be granted not more than two hundred forty (240) hours with pay to attend such training period, in one (1) calendar year (January – December) in accordance with the official orders to active duty for training, including travel time authorized by such orders. The training leave shall not be deducted from annual/personal leave or in any other way that may result in privileges or compensation to said employee. Employees are responsible to notify their manager as soon as possible of the dates for the training period and provide a competent set of orders.
2. Employees who are members of the reserve components mentioned above and are required to attend regularly scheduled training assemblies throughout the year may, upon due notice request, apply for annual/personal leave to attend the military training assemblies when they are scheduled to be on duty. Employees who request time off for this purpose are responsible to advise their manager at the earliest possible time of the dates when they are scheduled for the training assemblies which conflict with their normal schedule.

B. Military Duty

An employee who volunteers or is inducted into the Armed Services shall be granted a leave of absence without pay beginning with the date of induction and

ending upon return to duty with JEA or one (1) year after his/her date of separation from military service or hospitalization continuing after discharge, whichever occurs last. Leave of absence for military purposes shall be filed in the employee's personal file.

17.5 Parental Leave

JEA and the Union recognize the importance of our employee's families and the value of time during the birth or adoption of a child. In this spirit, the JEA will offer a parental leave plan consisting of paid time off following the birth or adoption of a child. JEA has established a policy and procedure applicable to bargaining unit members to be effective January 1, 2020 defining the Parental Leave Plan.

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ARTICLE 18: HOLIDAYS

18.1 Employees in the bargaining unit shall be entitled to twelve (12) holidays with pay each year as follows:

Date	Event
January First (1st)	(New Year's Day)
Third Monday in January	(Martin Luther King's Birthday)
Third Monday in February	(Presidents Day)
Last Monday in May	(Memorial Day)
July Fourth (4th)	(Independence Day)
First Monday in September	(Labor Day)
November Eleventh (11th)	(Veterans Day)
Fourth Thursday in November	(Thanksgiving)
Friday After Thanksgiving	
December Twenty-Fourth (24th)	(Christmas Eve)
December Twenty-Fifth (25th)	(Christmas Day)
Special Leave Day*	

*The Special Leave Day shall be arranged so as to be mutually convenient to both the employee and the Employer.

18.2 For non-shift workers, when a holiday falls on Saturday, the Friday prior thereto shall be considered the holiday, and when a holiday falls on Sunday, the Monday following shall be considered a holiday. If either Christmas Eve or Christmas Day falls on a Saturday or Sunday, the provisions in the City of Jacksonville Ordinance Code shall apply. When a holiday falls on a normal day off, another work day within the same calendar week as the holiday shall be designated as the holiday. When the holiday falls on a normal day off that is midway between work days, the next scheduled work day will be the holiday.

18.3 Shift workers will observe all holidays on the dates they occur. Provided, however, that any shift employee who has been temporarily assigned to a non-shift schedule for a period of at least one (1) week will observe holidays in the manner provided for non-shift employees (as set forth in Article 18.2) for any holiday that occurs during the period of such assignment.

18.4 Employees shall be compensated for holidays at their respective rates of pay for the number of hours they would have ordinarily worked on the holiday. Should a holiday fall or be observed on a regular work day that is less than 8 hours, the holiday will be observed as an eight (8) hour straight time holiday.

18.5 When an employee is required to work on a day observed as his/her holiday, the employee shall be compensated normal work day hours straight time pay, dependent

on work day assignment, as holiday pay. In addition, the employee shall receive one and one half (1 ½) times his/her straight time hourly rate for all hours worked up normal work day assignment and two and one-half (2 ½) times his straight time hourly rate for all hours worked on the holiday over normal work day assignment.

- 18.6 The Special Leave Day may be taken on any date during the budget year by mutual agreement of the employee and the manager. The Special Leave Day shall not apply until the employee has completed probation or after they have completed six month of employment whichever occurs first. Approval of the Special Leave Day shall not be unreasonably withheld. Failure of the employee to take the Special Leave Day during the fiscal year shall result in the payment of eight (8) hours regular pay at the end of the fiscal year.

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ARTICLE 19: JOB POSTING/INTERNAL RECRUITING

- 19.1 Whenever a civil service job opening occurs that the Employer intends to fill by examination, the Employer shall publish notice of the examination schedule on all appropriate bulletin boards in accordance with Civil Service and Personnel Rules & Regulations.
- 19.2 Employees, who wish to apply for the examination, including eligible employees covered by Schedule B of this Agreement, must do so in writing within the period provided above.
- 19.3 The Employer may assign or reassign employees to temporarily fill job openings. These temporary assignments shall be considered as training assignments by which an employee may obtain experience that will enable him/her to qualify for future promotion.
- 19.4 Internal Recruitment
- Employees in Bargaining Unit 79 shall be eligible for internal recruitment if they have worked a minimum of 1040 hours in the 12-month period immediately preceding the examination date.

ARTICLE 20: SAFETY AND HEALTH

- 20.1 The Employer agrees that it will conform to and comply with safety, health, sanitation, and working conditions properly required by federal, state and local law. The Employer and the Union will cooperate in the continuing objective of eliminating safety and health hazards due to unsafe working conditions and inadequate restroom facilities where they are shown to exist.
- 20.2 The Employer will provide protective devices, wearing apparel, and other equipment necessary to protect employees from injury, in accordance with established safety practices. Such practices may be improved from time to time by the Employer's in-house safety representatives. The Union may submit safety recommendations from time to time. When protective devices, apparel, and equipment are provided, they must be used. The Union agrees that willful neglect and failure by the employee to obey safety regulations and to use safety devices shall be just cause for disciplinary action.
- 20.3 Safety Shoes
- A. Employees who are newly hired or who transfer for the first time into a job whose duties require safety shoes will be provided two pair of safety shoes in their first year in the applicable job.
 - B. The Employer will provide one replacement pair of safety shoes to each employee whose job duties require their use and who return the pair needing replacing (as determined by management).
 - C. Those employees will be required to wear safety shoes when assigned duties requiring their use.
- 20.4 Fitness for Duty Evaluation
- JEA, for proper cause, has the right to require any employee to undergo a medical and/or psychiatric examination by a JEA assigned physician at any time to ascertain whether or not an employee is physically and/or mentally capable of performing the duties required of his/her classification. This examination will be conducted on JEA time and at JEA expense. If the employee does not agree with the results of the medical and/or psychiatric examination, the employee has the right to request a second opinion. If any employee requests a second opinion, the JEA shall provide the employee with a list of three physicians who may be consulted for a second opinion, and the employee shall select a physician from that list. The cost of obtaining the second opinion will be paid by the employee.

ARTICLE 21: COMPREHENSIVE DRUG/ALCOHOL ABUSE POLICY AND PROCEDURES

PRELUDE

JEA and the Union agree that education and communication about the Employee Assistance Program (EAP) is a very important tool toward having a drug free work force. JEA will see that information about the EAP is available for employees and their families. It should be every employee's goal to help those co-workers, whom they know have some type of problem with substance abuse, to seek help through the EAP.

21.1 Definitions

- A. "Drug abuse" means:
1. The use of any controlled substance as defined in Section 893.03, Florida Statutes, as amended not pursuant to a lawful prescription. A "lawful prescription" is defined as a prescription issued in the name of the employee by a licensed health care practitioner in full compliance with the practitioner's practice act.
 2. The commission of any act prohibited by Chapter 893, Florida Statutes
 3. Abusing a lawful prescription
 4. Substituting or adulterating any specimen during a drug test
 5. Refusing to submit to a drug test
 6. Drug test with positive results
- B. "Illegal drug" means any controlled substance as defined in Section 893.03, Florida Statutes, not possessed or taken in accordance with a lawful prescription.
- C. "Department of Health and Human Services (HHS) Mandatory Guidelines for Federal Workplace Drug Testing Programs" (the HHS Guidelines) means those guidelines as printed in the June 9, 1994, Federal Register (59 FR 29908), and as amended from time to time.
- D. "Reasonable belief" means an opinion which a reasonably prudent person would form based on observation and information from reliable and credible sources. Observation includes, but is not limited to, sensory facts (what a person saw,

heard, smelled, tasted, or touched). Objective factors that should be taken into consideration in determining reasonable belief are:

1. The nature of the information
2. The reliability of the person or source providing the information
3. The extent of any confirmation; and
4. Any other factors contributing to the belief or the lack thereof

Not all of these factors must exist to find reasonable belief, but all must be examined.

- E. "Alcohol" means ethyl alcohol (ethanol). References to use of alcohol include use of a beverage, mixture, or preparation containing ethyl alcohol.
- F. "Alcohol Abuse" means:
1. Using or being under the influence of alcohol or alcoholic beverages on the job
 2. Substituting or adulterating any specimen during an alcohol test
 3. Refusing to submit to an alcohol test
 4. Alcohol test with positive results

21.2 Circumstances When Testing May Be Required

JEA may require an employee to submit to drug and/or alcohol testing under any of the following circumstances:

- A. Whenever two (2) managerial/supervisory employees concur that there is a reasonable belief that an employee is using, under the influence of, or in possession of illegal drugs and/or alcohol while on duty, or that the employee is abusing illegal drugs and/or alcohol and the abuse either adversely affects his job performance or represents a threat to the safety of the employee, his co-workers, or the public and the reasons for such concurrence have been stated to a Union representative.

1. Whenever an employee is involved in an accident involving personal injury or property damage which could result in liability to JEA, loss or damage to JEA property, or involving a personal injury that requires treatment beyond first aid (i.e. OSHA Recordable) , urine specimens will be collected from all employees directly involved in the accident and stored for future testing. For purposes of this provision, an employee is considered directly involved in the accident if the employee was in a position or situation where his/her action or inaction could cause, contribute to, contribute after (sequelae) or impact on the accident which includes any injuries (regardless of whether the employee was at the location of the accident). If the accident/damage investigation reveals that employee negligence was a cause, the negligent employee's(s') specimen(s) will be tested. All samples not tested will be destroyed within ten (10) calendar days of the accident/damage investigation team report or within twenty (20) calendar days of the accident if no investigation is held. The accident/damage investigation team shall include a Union executive board member or designee.
 2. The employee will also be subject to an alcohol breathalyzer test.
- B. Whenever an employee in a safety sensitive classification (including CDL) is involved in a vehicular accident that results in a fatality; or the employee receives a citation moving traffic violation and the accident involved bodily injury requiring medical treatment away from the scene; or one or more vehicles are damaged and disabled requiring towing away from the scene, the employee will be tested for drugs and alcohol.
- C. Any time within one (1) year after an employee has voluntarily admitted a substance problem during the amnesty period or tested positive for the presence of illegal drugs taken from a lawful prescription issued to the employee's spouse or family member permanently residing with the employee and/or alcohol or one (1) year after completing initial rehabilitation, whichever is later. (The rehabilitation counselor shall direct a letter to both JEA and to the employee establishing the date on which rehabilitation was completed.)
- D. As required by the Federal Highway Administration (FHWA) Controlled Substances & Alcohol Use & Testing Program, 49 CFR 382, et seq. (This federal regulation, also known as "CDL Testing", requires testing for alcohol as well as for controlled substances.)

- E. Upon completion of the JEA State Certified Apprenticeship Program, prior to promotion to a State Certified journeyman classification.
- F. As part of a random drug and alcohol testing program applicable to employees in safety sensitive positions. Management’s designation of a position as “safety sensitive” shall be subject to appeal to the Vice President Employee Services or designee, whose decision may be subject to arbitration. An employee who disputes the safety sensitive designation of his position shall be required to submit a sample in accordance with testing procedures but the results of the test shall be sealed until the dispute has been resolved.
- G. In determining a position to be “safety sensitive”, consideration will be given to “safety sensitive”, as defined in Section 112.0455(5) (m) and 440.102(1) (o), Florida Statutes.

21.3 Testing Procedures

- A. Drug
Whenever an employee is required to provide a urine specimen for these testing procedures, the specimen will be divided into two samples at the time of collection in order to facilitate the testing procedures described in this section. The collection facility and the Substance Abuse and Mental Health Services Administration (SAMHSA) certified tester shall follow specimen collection and testing procedures consistent with the HHS Guidelines, except as specifically amended herein.

The threshold level or cut-off limit and substances shall be as set forth below or as established by HHS and/or SAMHSA. The following levels have been established as of the effective date of this Agreement. However, the levels established by HHS and/or SAMHSA which are in effect as of the date of any given test shall govern.

SCREENING THRESHOLDS

<u>Initial test analyte</u>	<u>Initial test cutoff</u> ¹	<u>Confirmatory test analyte</u>	<u>Confirmatory test cutoff concentration</u>
<u>Marijuana metabolites (THCA)</u> ²	<u>50</u> <u>ng/mL</u> ³	<u>THCA</u>	<u>15 ng/mL.</u>
<u>Cocaine metabolite (Benzoylcegonine)</u>	<u>150</u> <u>ng/mL</u> ³	<u>Benzoylcegonine</u>	<u>100 ng/mL.</u>
<u>Codeine/Morphine</u>	<u>2,000</u> <u>ng/mL</u>	<u>Codeine Morphine</u>	<u>2,000 ng/mL. 2,000</u> <u>ng/mL.</u>

<u>Initial test analyte</u>	<u>Initial test cutoff</u> ¹	<u>Confirmatory test analyte</u>	<u>Confirmatory test cutoff concentration</u>
<u>Hydrocodone/Hydromorphone</u>	<u>300 ng/mL</u>	<u>Hydrocodone</u> <u>Hydromorphone</u>	<u>100 ng/mL. 100 ng/mL.</u>
<u>Oxycodone/Oxymorphone</u>	<u>100 ng/mL</u>	<u>Oxycodone</u> <u>Oxymorphone</u>	<u>100 ng/mL. 100 ng/mL.</u>
<u>6-Acetylmorphine</u>	<u>10 ng/mL</u>	<u>6-Acetylmorphine</u>	<u>10 ng/mL.</u>
<u>Phencyclidine</u>	<u>25 ng/mL</u>	<u>Phencyclidine</u>	<u>25 ng/mL.</u>
<u>Amphetamine/Methamphetamine</u>	<u>500 ng/mL</u>	<u>Amphetamine</u> <u>Methamphetamine</u>	<u>250 ng/mL. 250 ng/mL.</u>
<u>MDMA</u> ⁴ / <u>MDA</u> ⁵	<u>500 ng/mL</u>	<u>MDMA</u> <u>MDA</u>	<u>250 ng/mL. 250 ng/mL.</u>

¹ For grouped analytes (*i.e.*, two or more analytes that are in the same drug class and have the same initial test cutoff): Immunoassay: The test must be calibrated with one analyte from the group identified as the target analyte. The cross-reactivity of the immunoassay to the other analyte(s) within the group must be 80 percent or greater; if not, separate immunoassays must be used for the analytes within the group.

Alternate technology: Either one analyte or all analytes from the group must be used for calibration, depending on the technology. At least one analyte with the group must have a concentration equal to or greater than the initial test cutoff or, alternatively, the sum of the analytes present (*i.e.* equal to or greater than the laboratory's validate limit of quantification) must be equal to or greater than the initial test cutoff.

² An immunoassay must be calibrated with the target analyte Δ -9-tetrahydrocannabinol-9-carboxylic acid (THCA).

³ Alternate technology (THCA and benzoylecgonine): The confirmatory test cutoff must be used for an alternate technology initial test that is specific for the target analytes (*i.e.*, 15ng/mL for THCA, 100 ng/mL for benzoylecgonine).

⁴ Methylenedioxymethamphetamine (MDMA).

⁵ Methylenedioxyamphetamine (MA).

<u>SCREENING THRESHOLDS</u>			
<u>URINE</u>			
<u>INITIAL TEST ANALYTE</u>	<u>INITIAL TEST CUTOFF CONCENTRATION (NG/ML)</u>	<u>CONFIRMATORY TEST ANALYTE</u>	<u>CONFIRMATORY TEST CUTOFF CONCENTRATION (NG/ML)</u>
<u>MARIJUANA METABOLITES</u>	<u>50</u>	<u>THCA</u>	<u>15</u>

<u>COCAINE</u>	<u>150</u>	<u>BENZOYLECGONINE</u>	<u>100</u>
* <u>METABOLITES</u>			
<u>OPiate METABOLITES</u>	<u>2000*</u>	<u>CODEINE</u>	<u>2000</u>
* <u>CODEINE/MORPHINE</u>		<u>MORPHINE</u>	<u>2000</u>
<u>6-ACETYLMORPHINE</u>	<u>10</u>	<u>6-ACETYLMORPHINE</u>	<u>10</u>
T <u>PHENCYCLIDINE</u>	<u>25</u>	<u>PHENCYCLIDINE</u>	<u>25</u>
h <u>AMPHETAMINES</u>	<u>500</u>	<u>AMPHETAMINE</u>	<u>250</u>
e		<u>METHAMPHETAMINE</u>	<u>250</u>
c <u>MDMA</u>	<u>500</u>	<u>MDMA</u>	<u>250</u>
o		<u>MDA</u>	<u>250</u>
n		<u>MDEA</u>	<u>250</u>

firmation test will also include a test for 6-monacety/morphine (MAM)

The SAMHSA certified tester shall utilize the following procedures to the extent that they are not inconsistent with the HHS Guidelines:

1. The SAMHSA certified tester shall submit the first of the samples to an immunochemical assay or radioimmunoassay test. If the results of this test are negative, no further testing will be required and all collected specimens will be disposed.
2. If the results of the initial test provided for in Section 21.3 (a) (1) are positive, the SAMHSA certified tester will submit the same sample for further testing using the gas chromatography/mass spectrometry (GC/MS) method to verify the initial test results. JEA will not be notified about the initial positive result until it has been confirmed as provided for in this section.
3. If the specimen provided is unsuitable for testing due to no fault of the employee being tested, or if the chain of custody is violated, the employee will be advised of those circumstances and will be requested to provide another specimen for testing. In the case of the annual test provided for in Section 21.2 (d), no advance notice of the test will be provided. Provided the employee was not at fault, an additional specimen will be requested not more than one (1) additional time because of chain of custody violations.

Should the employee provide specimen which is unsuitable for testing a third consecutive time, the employee will be subject to providing a blood sample.

4. Specimens that are adulterated or substituted will be reported as a “refusal to test,” and the employee will not be offered the opportunity for a test of the second sample as provided for in (4) below. If the results of the confirmation test provided for in Section 21.3 (a) (2) are positive, as confirmed by a qualified (HHS Guidelines) medical review officer (MRO), the HHS Guidelines shall be followed for confirmation and notification of the employee and JEA. At that time, the employee may elect to have the second sample subjected to further testing by a SAMHSA certified tester at the employee’s expense. If the second sample tests negative, JEA will reimburse the employee for the cost of the test. If the tests on the second sample are positive, or if the employee does not request testing of the second sample, JEA may take appropriate action in accordance with this article.

B. Alcohol

In testing for the present of alcohol, the JEA shall utilize a generally accepted blood test procedure or breathalyzer that provides quantitative results showing the amount of alcohol present in the blood.

The threshold level or cut-off limit shall be as set forth below or as established by HHS and/or SAMHSA and/or by Florida Statute. The following levels have been established as of the effective date of this Agreement. However, the levels established by HHS and/or SAMHSA and/or by Florida Statute which are in effect as of the date of any given test shall govern.

Breath or Blood Alcohol Threshold Levels

HHS and/or SAMHSA
0.020 to 0.039
0.040 to 0.079
0.08 and above
Florida Statute
>0.05 to 0.079
0.08 and above

C. Random Testing Protocol

1. Management will administer random drug tests up to 50% of all employees who are designated as safety sensitive or CDL each year. (The “50%” can be rounded up to include the nearest “whole” person.)

2. Management will administer random alcohol tests up to 10% of all employees who are designated as safety sensitive or CDL each year. (The "10%" can be rounded up to include the nearest "whole" person.)
 3. The drug and alcohol threshold levels and procedures applicable to CDL random testing shall apply to safety sensitive random testing.
 4. Employees who are subject to CDL random testing shall not be subject to safety sensitive random testing.
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21.4 Disciplinary Action

A. Drug Abuse shall subject the employee to the following discipline:

1. Any employee who uses a controlled substance pursuant to a prescription lawfully issued to a member of the employee's family or household, or to a person residing with the employee shall be given a single last chance notice – provided the prescription was taken for the employee's bona fide medical condition. Subsequent violations of the policy shall result in immediate termination.
2. Drug abuse, other than described in (1) shall result in immediate termination.

B. Alcohol Abuse shall subject the employee to the following discipline:

1. If an employee tests positive for a breath or blood alcohol level equal to or greater than 0.04 but less than or equal to 0.05, the employee will be given a letter of "Required Action and Consequences of Noncompliance" considered discipline. A second positive test in level described above will result in a Last Chance Notice and a third positive will result in termination.
2. If an employee tests positive for a breath or blood alcohol level in excess of 0.05, but less than 0.08, and there is no other competent evidence of impairment, the employee will be given a Last Change Notice. Any subsequent positive test producing a breath or blood alcohol level in excess of 0.05 will result in the employee being terminated from employment.

3. If an employee tests positive for a breath or blood alcohol level in excess of 0.05 but less than 0.08 and there is other competent evidence of impairment, the employee will be terminated from employment.
 4. If an employee tests positive for a breath or blood alcohol level at 0.08 or higher, the employee will be terminated from employment.
- C. Any employee who refuses to submit to substance abuse or alcohol testing (including adulterating or substituting a sample) as required by this article or a refusal to sign an authorization for the release of the records of such testing shall be considered as a refusal to submit to a drug or alcohol test and shall be subject to termination from employment.
- D. Taking any lawful prescription, which has the potential to affect the employee's physical or mental capacity, without notifying the appropriate manager prior to commencing work, shall be treated as a safety violation subject to discipline.

21.5 Rehabilitative/Corrective Action

Amnesty

- A. ~~Any employee is eligible one time only to notify the employer that he/she has a drug and/or alcohol problem, and upon such notification the employee shall be permitted to enter rehabilitation, subject to a single last chance agreement. In order to be eligible for this one time opportunity for rehabilitation, the employee must notify the employer that he/she has a drug and/or alcohol problem at least one day before the employee is notified that he/she is scheduled for random or reasonable suspicion testing. In the case of post accident testing under, the employee must notify the employer that he/she has a drug and/or alcohol problem at least one day in advance of any accident that gives rise to the need for testing in order to be eligible for this one time opportunity for rehabilitation.~~
- Ba JEA may require an employee who has tested positive for the presence of alcohol or illegal drugs and to which subparagraphs 21.4 (a) (1) or 21.4 (b) (1) applies, ~~or who has elected to come under subparagraph 21.5 (a)~~ to submit to counseling, or other rehabilitative treatment as a condition of continued employment. This section shall not be construed to limit JEA's rights to take appropriate disciplinary action when an employee tests positive for the presence of alcohol or illegal drugs.
- Cb. Any employee who is required to submit to counseling or other rehabilitative treatment as a condition of continued employment shall sign a release, authorizing the release of information to JEA sufficient to determine whether the

employee can safely perform his job duties. The decision as to whether the employee can safely perform his job duties shall be made by the Vice President, Director, or Manager in conjunction with a physician or Substance Abuse Professional associated with the rehabilitation/treatment facility. The information provided to JEA shall be limited to the following:

1. Whether the employee has regularly attended counseling and/or treatment sessions as directed.
 2. Whether the employee has satisfactorily participated in counseling and/or treatment sessions.
 3. Whether the employee has complied with all requests for substance abuse tests, and whether the employee has passed all of those tests.
 4. Whether the employee has admitted to using alcohol or illegal drugs subsequent to the test which resulted in the referral to counseling and/or rehabilitative treatment.
 5. Whether there is any reason to believe that the employee's return to work could result in a risk to persons or property.
 6. Whether JEA should impose any work related limitations or requirements upon the employee in the event that JEA determines to permit the employee to return to work.
- D. Driving restriction for employees with CDL shall be as stipulated in the Federal Highway Administration Controlled Substance & Alcohol Use & Testing Program, 49 CFR 382, et seq. The same restriction will be used for other safety sensitive employees.

21.6 Examination and Test

- A. Except as provided in paragraph 21.3 4), JEA will pay the cost of any test required by Section 21.2. Provided, however, that in the case of alcohol testing conducted pursuant to Section 21.2 (D), any employee who is subject to dismissal will be given the opportunity at his/her request for an independent blood alcohol test conducted at the same time at his/her own expense.
- B. Urine specimens required by this article will be obtained while the employee is on duty. JEA may extend the employee's duty period for the purpose of drug testing.

- ~~C.~~ ~~In the case of alcohol testing conducted pursuant to Section 21.2 (f), any employee who tests 0.039 breath alcohol content or less (but in excess of 0.02 breath alcohol content) in any test conducted before 10:00 a.m. will be permitted to test again within one hour from the first test. This waiting period will be on the employee's own time. The first test will be used to determine appropriate discipline, in conjunction with any further test results.~~
- ~~D.~~ Drug tests will be performed by a SAMHSA certified facility selected by JEA.
- ~~E.~~ Alcohol tests will be performed by a licensed medical facility selected by JEA
- ~~F.~~ Employees who are required by this article to take a test shall be required to sign an authorization form releasing the records of such tests to the Labor Relations Manager. The Labor Relations Manager or designee shall release relevant information contained in those records only to the employee's Vice President, Director, or Manager, and to those JEA Management officials and representatives directly involved in employment related decisions involving that employee. This shall not limit JEA from providing work-related information regarding the employee to the employee's supervisors, including work-related limitations or requirements and the reasons therefore. Each individual receiving such information will be instructed regarding the confidential nature of that information.
- ~~G.~~ JEA will, unless prohibited by law, and as otherwise provided in this Agreement, keep the results of any testing provided for in this article confidential. Any results of positive testing which JEA later determines have been refuted will be destroyed. Test results shall be considered confidential medical records unless they become part of a disciplinary action.

21.7 Training

JEA and bargaining unit members shall receive training to ensure that they understand their roles and responsibilities in implementing this article. The sufficiency or adequacy of such training shall not be grounds to challenge the validity of any reasonable belief determination or disciplinary action taken as a result of a positive drug or alcohol test, nor shall it preclude disciplinary action where otherwise appropriate.

21.8 Employee Support

The Union representatives and officers will serve as an Employee Support Team. Any member of this support team may be a liaison between the employee and referral to EAP to make employees aware of available help.

21.9 Employer Initiation

This testing program was initiated at the request of JEA. The Union has participated only to the extent of protecting the rights of workers arising from administration of the testing program. It is intended that JEA shall be solely liable for any legal obligations and costs arising out of the provisions and/or application of this article.

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ARTICLE 22: DISCIPLINE AND DISCHARGE

- 22.1 The procedure for dismissals, demotions, and suspensions shall be as outlined in the Civil Service and Personnel Rules and Regulations. Progressive disciplinary action will be taken for repeated similar or related offenses, except where the course of conduct or severity of the offense justifies otherwise. Any action instituted under this section shall be implemented within a reasonable period of time after the event giving rise to such disciplinary action or knowledge thereof. Normally, a written statement of charges shall be given to the employee within forty-five (45) calendar days from the initial investigatory meeting. However, all time limits established in this section may at management's discretion, be extended during the pendency of a criminal investigation into an employee's conduct.
- 22.2 Letters of Counseling are not considered disciplinary action and not subject to grievance. All Letters of Counseling will be signed by a Manager before being issued to the employee and shall not be used as a basis for future disciplinary action after twelve (12) months from the date of issue. Employees shall have the right to provide a Letter of Rebuttal on an established form (Appendix D) within 15 calendar days of receipt of the Letter of Counseling. Letters of Counseling and any rebuttal letter if submitted shall be maintained in the manager's departmental file and a copy provided to Labor Relations. Letters of Counseling shall not be placed in the employee's official personnel file.
- 22.3 No permanent employee shall be removed, discharged, reduced in rank or pay, suspended, or otherwise disciplined except for just cause, and in no event until he/she has been furnished with a written statement of the charges and the reasons for such actions. A copy of the statement is to be sent to the Union. The statement will notify the employee of his/her right either to appeal the discipline to the Civil Service Board of the City of Jacksonville, or to grieve the discipline, pursuant to the provisions of Article 23 of this Agreement.
- 22.4 Any written reprimand shall be furnished to the employee and shall outline the reason for the reprimand. The employee will be requested to sign this statement. If he/she refuses to do so, this refusal shall be noted and placed in the employee's personnel file. If the employee signs this statement, such signature shall only acknowledge receipt of a copy of the reprimand, and shall not mean that the employee agrees or disagrees with the reprimand. The employee's responding statement, if any, will be attached to the reprimand. The reprimand and the responding statement will be placed in the employee's personnel file.
- 22.5 Disciplinary entries in an employee's personnel file shall not be used as a basis for future disciplinary action after twenty-four (24) months from the date of the entry. The union recognizes that the Employer is required to retain copies of all disciplinary entries in

order to comply with Chapter 119, Florida Statutes, as it may be amended from time to time.

22.6 Personnel Records

There shall be only one official personnel file for each employee, which shall be maintained in the Employee Services office. Employees have the right to review their own personnel file at reasonable times under supervision of the designated record custodian. Employees have the right to respond to any material included in their official personnel file. Only those disciplinary actions recorded in an employee's official personnel file may be used as the basis for progressive discipline. When a document has been placed in an employee's personnel file in error, or is otherwise invalid, such document shall be removed and placed in the appropriate file.

22.7 Options for Appealing Disciplinary Action:

- A. Any employee shall have the right to either grieve a disciplinary action pursuant to the terms of this Agreement, or to appeal the decision to the Civil Service Board. No employee may use both the Civil Service Board appeal process and the grievance procedure to review the same matter.
- B. An employee who elects to pursue the grievance procedure provided for in this Agreement shall follow the procedures for filing a grievance outlined in Article 23.
- C. An employee who elects to appeal to the Civil Service Board shall initiate proceeding by filing a notice of appeal with the Civil Service Board.

ARTICLE 23: GRIEVANCE PROCEDURE

- 23.1 It is intended this grievance procedure will provide a means of resolving complaints and grievances at the lowest level possible, and the Employer and the Union agree to work toward this end. The grievance will systematically follow the steps of the grievance procedure contained in this article, except as otherwise provided for in Section 447.401, Florida Statutes.
- 23.2 The purpose of this grievance procedure is to provide a method of processing grievance(s) involving the interpretation or application of this Agreement. It will be the exclusive procedure available to the parties of this Agreement for such matters.
- 23.3 Any employer groups of employees may process a grievance concerning the interpretation or application of this Agreement through this procedure without the intervention of the Union provided:
- A. A signed statement, refusing Union representation, is executed by the employee.
 - B. The employee may represent himself or may be represented by legal counsel at his own expense.
 - C. Any adjustment must not be inconsistent with the terms of this Agreement, and the Union must be given reasonable opportunity to be present at any meeting called for the resolution of such grievance.
- 23.4 During the processing of a grievance under this Article, if a question cannot be resolved by the parties concerning the interpretation of City government policy, provisions of law or regulations of appropriate authority outside JEA, the grievance will be delayed no more than thirty (30) calendar days to provide time for the questioned policy, law or regulation to be interpreted by the proper authority.
- 23.5 A grievance must be taken up with the Employer within fifteen (15) calendar days after the occurrence of the matter out of which the grievance arose. In the event the Employer fails to observe the time limits prescribed in each step, the employee or the Union may be advanced the grievance to the next step of the procedure. In the event the employee or the Union fails to meet the time limits prescribed at any step of the grievance procedure, the grievance shall be deemed withdrawn and as having been settled on the basis of the decision most recently given and not be subject to further appeal except to arbitration to determine the matter of timeliness of the grievance only. Time limits at any level may be extended by mutual agreement between the Employer and the Union or employee.

23.6 Procedure

Informal Complaint Resolution: The Union or any employee covered by this Agreement shall have the right to pursue appropriate informal efforts to resolve problems or complaints that arise in the workplace. The Union and employee are encouraged to seek informal resolution of the problems or complaints prior to using the formal grievance procedure.

STEP 1- FORMAL

The grievance procedure is initiated by the Union, the employee, or the employee and the Union representative submitting the grievance in writing (on mutually agreed upon form) along with any supporting documentation to the employee's Manager. The Manager shall acknowledge receipt of it and the date thereof in writing. The written grievance shall identify the article(s) and section(s) of this Agreement that are at issue, shall specify the corrective action requested by the grievant, and shall include a brief summary of the factual basis for the grievance including that date that the alleged grievance occurred. The immediate Manager or Director or designee shall, within ten (10) calendar days of receipt of the grievance, meet with the employee and/or Union representative to discuss the grievance. The Director or Manager shall provide his written decision and the reason(s) for the decision within fifteen (15) calendar days after the meeting. The written decision shall be provided to the aggrieved employee and the Union. If the Step 1 decision does not resolve the grievance, the grievance may be forwarded to the next step.

STEP 2- FORMAL

- A. If a satisfactory settlement of the grievance is not reached in Step 1, the party filing the grievance (the Union, an employee, and/or employee and the Union representative) will forward the grievance, in writing, within fifteen (15) calendar days stating any objection to the Step 1 decision to Labor Relations who shall receive the grievance on behalf of the Managing Director. The Managing Director's designated representative shall within fifteen (15) calendar days after receipt of the grievance, either satisfy the grievance or meet with the employee, or the employee and the Union representative. The Managing Director's representative shall provide a written decision to the aggrieved employee with a copy to the Union within fifteen (15) calendar days after the meeting.
- B. The Managing Director's Representative shall be a Vice President. A Vice President will not be designated as a representative to hear the grievance in his own Group. Said representative shall have full authority to render a written decision.

- C. If the Step 2 decision is not satisfactory it may be referred to as arbitration as provided in this Agreement within thirty (30) calendar days, after receipt of the written decision.

23.7 Where a number of substantially identical grievances are submitted, the Union may elect one grievance for procession at Step 1. The decision of the grievance elected will be binding on the combined grievances. Names of all aggrieved employees will be made part of the record of the grievance processed and each grievant will be notified of the decision.

23.8 Upon mutual agreement of the parties, policy grievances filed on behalf of the Union which arises as disputes involving the interpretation or application of this Agreement, as a result of the Employer decisions regarding the interpretation, application or intent of JEA policies and procedures shall be initiated at step two (2).

NOTE: Grievances filed as a result of disciplinary action taken that includes reduction in pay, suspension, demotion or dismissal, may be initiated at step 2.

23.9 Arbitration

- A. If the grievance is not settled in accordance with the provisions of Article 23.2, the aggrieved employee, or the Union may request arbitration by serving written notice of intent to arbitrate to Labor Relations or his/her designated representative, no later than thirty (30) calendar days after receipt of the Employer's response in Step 2. The notice of intent to arbitrate must be accompanied by a written statement identifying the specific provision(s) of this Agreement at issue. If the grievance is not appealed to arbitration within thirty (30) calendar days, the Employer's Step 2 answer shall be final and binding upon the aggrieved employee, the Union, and the Employer.
- B. Upon appeal to arbitration, either party may request the Federal Mediation and Conciliation Service (FMCS) to provide a panel of seven (7) arbitrators. Such a request for a panel must be made within nine (9) months of intent of arbitration notice. After the panel has been received from FMCS, the representatives of the Union or the employee (as the case may be) and the Employer shall meet and alternately strike names until one (1) arbitrator remains. The party requesting arbitration shall strike the first name. The name remaining shall be selected as the arbitrator. The Union or employee may in their written request for arbitration include the names of two (2) arbitrators either of whom is acceptable to the Union or employee to arbitrate the grievance. If the two (2) parties involved in the selection do not mutually agree upon the selection of one of the persons listed or some other person, then the FMCS procedure will be followed.

Either party may request a second panel be provided by FMCS, as long as such request is made before the parties' striking of names, but each party may only do so once. The arbitration hearing must be scheduled within nine months of selection of an arbitrator, unless both parties agree to additional time due to any reasonable scheduling difficulties.

- C. The arbitration hearing will be scheduled within thirty (30) calendar days from the date that the arbitrator is notified of his/her selection.
- D. At the conclusion of the arbitration hearing, post-hearing briefs may be filed at the request of either party or at the request of the arbitrator. The arbitrator shall have thirty (30) working days after the hearing is concluded, or after receipt of briefs, to render his/her award and findings of fact.
- E. The decision of the arbitrator relating to the interpretation, enforcement, or application of the provisions of this Agreement shall be final and binding on the Employer, the Union and the employee. However, the arbitrator shall have no authority to change, amend, add to, subtract from, or otherwise supplement or alter the express terms of this Agreement, or usurp any authority responsibility lawfully granted to the Employer.
- F. The arbitrator shall consider only the specific issue(s) submitted to him/her in writing by the parties. The arbitrator shall have no authority to consider or rule upon any matter which is stated in this Agreement not to be subject to arbitration, or any matter which is not specifically covered by this Agreement. All testimony given at the arbitration hearing will be under oath. The arbitrator may not issue declaratory or advisory opinions, and shall be confined exclusively to the question(s) presented to him/her, which question(s) must be actual and existing. The decision of the arbitrator shall be exclusively based upon specific findings of fact and conclusions based on those findings of fact. In rendering any decision, the arbitrator shall only consider the written, oral, or documentary evidence submitted to him/her at the arbitration hearing. The decision of the arbitrator shall be final and binding. If any event occurred or failed to occur prior to the effective date of this Agreement, it shall not be the subject of any grievance hereunder nor shall the arbitrator have the power to make any decision concerning such a matter.
- G. It is specifically and expressly understood that taking a grievance to arbitration constitutes an election of remedies and waiver of any and all rights by the appealing party and all persons it represents.
- H. The cost and expense incurred by the arbitrator shall be shared equally by the parties involved in the arbitration proceeding. If a transcript of the proceedings

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is requested, the party so requesting shall pay for it. If an employee acts independently of and in disregard of the position of the Union in matters relating to arbitration, that employee shall pay the Union's share of the arbitrator's costs and expenses.

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ARTICLE 24: SEVERABILITY

- 24.1 In the event any article, section, or portion of this Agreement should be held invalid or unenforceable by any court of competent jurisdiction, such decision shall apply only to the specific article, section, or portion thereof specified in the court's decision. Upon request of either party, the parties agree to meet for the purpose of negotiating a substitute for that specific article, section, or portion thereof. All other articles, sections, and portions of this Agreement shall remain valid and enforceable.

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ARTICLE 25: RESIDUAL RIGHTS CLAUSE

- 25.1 The Employer retains all rights, powers, functions, and authority it had prior to the signing of this Agreement except as such rights, powers, functions, and authority are specifically relinquished or abridged in this Agreement in accordance with Section 447.309(3), Florida Statutes.
- 25.2 All matters pertaining to terms and conditions of employment guaranteed by law to employees within the bargaining unit shall apply except as such matters are specifically abridged or modified by the terms of this Agreement in accordance with Section 447.309(3), Florida Statutes.

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ARTICLE 26: RECAPITALIZATION EVENT

For purposes of this Article, if a "Recapitalization Event" occurs, it is defined as:

Recapitalization Event" means the closing and funding of a transaction or a series of related transactions in accordance with Article 21 of the Charter of the City of Jacksonville and any other Applicable Law that results in either (i) unencumbered cash proceeds to the City of Jacksonville of at least Three Billion Dollars (\$3,000,000,000) or (ii) at least fifty percent (50%) of the net depreciated property, plant and equipment value of either JEA's electric system or JEA's water and wastewater system being transferred, assigned, sold or otherwise disposed of.

The effective date of a Recapitalization Event shall be the date of closing of a transaction that results in either of the above two contingencies occurring, or in the case of a series of related transactions, the date of a closing of a transaction that, when combined with other prior transactions in the series, results in either of the above two contingencies.

In the event of a Recapitalization Event, the terms of this Article will apply; conflicting provisions of this Agreement, (if any) will be superseded by the terms of this Article.

26.1 Pension

The parties understand and agree that Ordinance 2019-566 is currently being considered for enactment by COJ City Council. In the event of a Recapitalization Event, the parties agree that the retirement benefits and applicable timeframes shall be as described in the enacted ordinance, which is incorporated by reference as though fully set forth herein. It is recognized and agreed that the ordinance does not diminish any pension rights guaranteed under existing applicable law. Further, it is understood and agreed that in the event a Recapitalization Event occurs and there are conflicting provisions between the enacted ordinance and Article 12.10, the conflicting provisions of Article 12.10 shall no longer be applicable and will be superseded by this section. In the event that COJ City Council rejects Ordinance 2019-566, the Union agrees to negotiate with JEA on the topics covered by Ordinance 2019-566.

I. SUMMARY OF RECAPITALIZATION PENSION CHANGES**A. Employees Hired On or After October 1, 2017**

Employees hired on or after October 1, 2017 – GEDC Plan. If still active employees on the date of the Recapitalization Event, they will be fully vested in their employer’s contributions and earnings credited up to the date of the Recapitalization Event.

B. Employees Hired Before October 1, 2017

In summary, upon a Recapitalization Event, employees shall be provided additional service credits for base pension benefit accrual purposes, to reach the earliest normal retirement date (i.e., 5 years of service/age 65; 20 years of service/age 55; 30 years of service/under 55) that they would have reached had they continuously worked for JEA. Employees will be eligible to receive retirement benefits upon reaching the actual chronological age required by the earliest normal retirement date.

C. BACKDROP. Employees BACKDROP benefits under Chapter 120.214 do not change upon the occurrence of the Recapitalization Event. For example, an employee with 32 years of service credits at the Recapitalization Event may elect the same rights to BACKDROP benefits as they could have elected absent a Recapitalization Event.

D. In the event that any other bargaining unit representing JEA employees receives any greater pension benefits than JEA presently provides to the AFSCME (i.e., through contract negotiations, settlement, impasse proceedings, or litigation), then AFSCME shall receive the difference received by the other participating bargaining unit(s).

26.2 Employee Protection and Retention Program Agreement

Within two weeks of the Effective Date of this Agreement, JEA will offer bargaining unit employees who were employed with JEA as of July 23, 2019 the option to enter into a Employee Protection and Retention Program Agreement (“Retention Agreement”), the form and substance of which was agreed to by the Union and referenced in Exhibit E. The Retention Agreement shall be contingent upon the occurrence of a Recapitalization Event, and shall be binding upon any successor(s).

The Retention Payment specified in Exhibit E is only available to employees employed by JEA as of July 23, 2019. The benefits specified in Section 4 of Exhibit E are available to employees employed on or before the Closing Date of a Recapitalization Event.

JEA shall contractually require its successor to provide such guarantees to each eligible employee covered by this Agreement who was employed as of the Closing Date of a Recapitalization Event.

For purposes of this Agreement, and under the terms set forth in Exhibit E, JEA, as a condition of any Recapitalization Event, shall contractually require its successor to provide each employee covered by Exhibit E with the benefits set forth therein. Nothing in this section limits benefits otherwise available to employees hired after July 23, 2019.

In the event of a Recapitalization Event, and if there is a conflict between this section and Exhibit E, the terms of Exhibit E will control.

Upon the Union's request, JEA shall provide the Union with written notice of the documents that provide this contractual obligation to JEA's successor.

26.3 Disability Coverage

In the event of a Recapitalization Event, to bridge employees to the five (5) year minimum eligibility waiting period for Social Security Disability, employees will be provided a comparable disability insurance benefit up to five (5) years at no cost to the employee. Employees will be responsible for all applicable taxes related to disability benefit payments.

ARTICLE 2627: ENTIRE AGREEMENT

2627.1 The parties acknowledge that during negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement. Therefore, the Employer and the Union voluntarily and unqualifiedly waive the right, and each agrees that the other shall not be obligated, to bargain collectively with respect to any subject or matter not specifically referred to or covered in this Agreement, this section shall not be construed to in any way restrict the parties from commencing negotiations under the applicable law on any succeeding Agreement to take effect upon termination of this Agreement.

2627.2 The Union has been provided with a copy of JEA policies and work regulations. A copy of any new or revised JEA policy or work regulations will be forwarded to the Union upon adoption.

2627.3 All JEA policies and work regulations shall be posted in the appropriate areas.

2627.4 If, during the term of this Agreement, a proposal to increase the rate of employee contributions to the pension system is considered by the Employer, the Employer and the Union shall meet, upon the request of either party, to consider and discuss the effect of such proposed legislation upon the employees in the bargaining unit.

2627.5 Except as otherwise provided in the Agreement, this Agreement shall be effective from October 1, ~~2016~~2019, and shall remain in force until September 30, ~~2019~~2022.

APPENDIX A

Class Code	Classification Title	Pay Grade
A011	Account Clerk Senior	8
A001	Account Clerk	6
2251	Administrative Support Assistant AFSCME	12
L020	Construction Inspector I	8
L026	Construction Inspector II	14
2502	Customer Care Consultant	25
2504	Customer Care Consultant Trainee	23
2530	Customer Care Specialist	26
1095	Facilities Inspector (1/25/2011)	8
2309	Laboratory Analyst	9
2241	Laboratory Scientist	15
2242	Laboratory Scientist Senior	16
2240	Laboratory Technician	4
G106	Land Surveyor	4
2505	MV90 Specialist	14
2250	Office Support Associate (3/12/2012)	7
2901	Payroll Practitioner	10
2002	Purchasing Agent	15
2000	Purchasing Assistant	10
U122	Water Quality Technician Senior	10
2254	Weigh Clerk	12

Job Code	Job Name	Pay Grade	FY	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11
G106	Land Surveyor	4	16/17	\$15.87	\$16.67	\$17.50	\$18.37	\$19.29	\$20.26	\$21.27				
2240	Laboratory Technician		17/18	\$16.27	\$17.08	\$17.93	\$18.83	\$19.77	\$20.76	\$21.80				
			18/19	\$16.75	\$17.59	\$18.47	\$19.39	\$20.36	\$21.38	\$22.45				
A001	Account Clerk	6	16/17	\$16.66	\$17.49	\$18.36	\$19.28							
			17/18	\$17.07	\$17.92	\$18.82	\$19.76							
			18/19	\$17.58	\$18.46	\$19.38	\$20.35							
2250	Office Support Associate (3/12/2012)	7	16/17	\$19.29	\$20.26	\$21.27	\$22.33	\$23.45	\$24.62					
			17/18	\$19.78	\$20.77	\$21.80	\$22.89	\$24.04	\$25.24					
			18/19	\$20.37	\$21.39	\$22.46	\$23.58	\$24.76	\$26.00					
A011	Account Clerk Senior	8	16/17	\$19.29	\$20.25	\$21.26	\$22.32	\$23.44						
L020	Construction Inspector I		17/18	\$19.77	\$20.76	\$21.80	\$22.89	\$24.03						
1095	Facilities Inspector		18/19	\$20.36	\$21.38	\$22.45	\$23.57	\$24.75						
2309	Laboratory Analyst	9	16/17	\$20.25	\$21.27	\$22.33	\$23.45	\$24.62	\$25.85					
			17/18	\$20.76	\$21.80	\$22.89	\$24.04	\$25.24	\$26.50					
			18/19	\$21.39	\$22.46	\$23.58	\$24.76	\$26.00	\$27.30					
2901	Payroll Practitioner	10	16/17	\$21.28	\$22.34	\$23.46	\$24.63							
2000	Purchasing Assistant		17/18	\$21.81	\$22.90	\$24.05	\$25.25							
U122	Water Quality Technician Sr.		18/19	\$22.47	\$23.59	\$24.77	\$26.01							
2251	Administrative Support Asst. - AFSCME	12	16/17	\$22.82	\$23.96	\$25.16	\$26.42							
2254	Weigh Clerk		17/18	\$23.39	\$24.56	\$25.79	\$27.08							
			18/19	\$24.09	\$25.30	\$26.56	\$27.89							
L026	Construction Inspector II	14	16/17	\$23.46	\$24.63	\$25.87	\$27.16	\$28.52	\$29.94	\$31.44				
2505	MV90 Data Specialist		17/18	\$24.05	\$25.25	\$26.52	\$27.84	\$29.23	\$30.70	\$32.23				
			18/19	\$24.77	\$26.01	\$27.31	\$28.68	\$30.11	\$31.62	\$33.20				
2002	Purchasing Agent	15	16/17	\$25.86	\$27.16	\$28.52	\$29.94	\$31.44	\$33.01	\$34.66				
2241	Laboratory Scientist		17/18	\$26.51	\$27.84	\$29.23	\$30.69	\$32.23	\$33.84	\$35.53				
2004	Procurement Card Coordinator		18/19	\$27.31	\$28.68	\$30.11	\$31.62	\$33.20	\$34.86	\$36.60				
2242	Laboratory Scientist Senior	16	16/17	\$27.31	\$28.67	\$30.10	\$31.61	\$33.19	\$34.85	\$36.59				
			17/18	\$27.98	\$29.38	\$30.85	\$32.39	\$34.01	\$35.71	\$37.50				
			18/19	\$28.83	\$30.27	\$31.78	\$33.37	\$35.04	\$36.79	\$38.63				
2504	Customer Care Consultant Trainee	23	16/17	\$14.60	\$15.33	\$16.10	\$16.90							
			17/18	\$14.96	\$15.71	\$16.50	\$17.32							
			18/19	\$15.41	\$16.18	\$16.99	\$17.84							
2502	Customer Care Consultant	25	16/17	\$18.45	\$19.09	\$19.76	\$20.45	\$21.17	\$21.91	\$22.68	\$23.47	\$24.29	\$25.14	\$26.02
			17/18	\$18.91	\$19.57	\$20.25	\$20.96	\$21.70	\$22.46	\$23.24	\$24.06	\$24.90	\$25.77	\$26.67
			18/19	\$19.47	\$20.16	\$20.86	\$21.59	\$22.35	\$23.13	\$23.94	\$24.78	\$25.64	\$26.54	\$27.47

ARTICLE B-1: ARTICLES ADOPTED BY REFERENCE

The current provisions of Articles listed below of the Agreement reached between the JEA and the American Federation of State, County and Municipal Employees, Florida Council 79, (the Agreement) are hereby adopted by reference and made a part hereof.

Article 1:	Union Recognition
Article 2:	Union Security
Article 3:	Union Rights
Article 4:	Management Security
Article 5:	Management Rights
Article 6:	Labor/ Management Special Meetings
Article 7:	Union Activity
Article 8:	Bulletin Boards
Article 9.6:	Limited Emergency
<u>Article 11.5</u>	<u>Meal Allowance</u>
<u>Article 11.7</u>	<u>Bilingual Supplement</u>
<u>Article 12.1</u>	<u>Employee Benefits</u>
Article 14:	Leave Usage
Article 16:	Annual Leave Plan H
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Article 20:	Safety And Health
Article 21:	Comprehensive Alcohol & Drug Abuse Policy And Procedures
Article 23:	Grievance Procedure
Article 24:	Severability
Article 25:	Residual Rights Clause
Article 26 <u>27</u> :	Entire Agreement

ARTICLE B-2: GRIEVANCES AND SEPARATIONS

B-2.1 Grievance Procedure

- A. No eligible¹ employee has a right to the Civil Service complaint/grievance procedure. The sole procedure available to eligible employees shall be the Article 23 grievance procedure, provided that grievances of disciplinary actions may be processed only through Step II of the grievance procedure, and may not be taken to arbitration.
- B. Eligible employees may not grieve dismissals or separations from employment.

B-2.2 Separations

An eligible employee may be separated from employment with or without cause. Employees separated without cause shall receive ten (10) days' written notice of separation, or ten (10) days' pay in lieu of notice, or any combination thereof.

¹ Certain part-time, temporary, or special purpose employees will be referred as eligible employees.

ARTICLE B-3: HOLIDAYS

B-3.1 Eligible employees shall be entitled to compensation as provided for in sections B-3.2 and B-3.3 for the eleven (11) holidays below:

Date	Event
January First (1st)	(New Year's Day)
Third Monday in January	(Martin Luther King's Birthday)
Third Monday in February	(Presidents' Day)
Last Monday in May	(Memorial Day)
July Fourth (4th)	(Independence Day)
First Monday in September	(Labor Day)
November Eleventh (11th)	(Veterans' Day)
Fourth Thursday in November	(Thanksgiving)
Friday after Thanksgiving	
December Twenty-Fourth (24th)	(Christmas Eve)
December Twenty-Fifth (25th)	(Christmas Day)

B-3.2 Eligible employees who are not required to work on a holiday listed in section B-3.1 will be compensated at their regular hourly rate times the average number of hours they have worked per day during the six weeks before the holiday, (e.g. 40 hours a week worked – 8 hours pay; 30 hours a week worked – 6 hours of pay; 20 hours worked – 4 hours pay). However, no eligible employee who works less than forty (40) hours per week will receive compensation for a holiday unless the holiday is observed on a regular scheduled workday of the eligible employee

B-3.3 Eligible employees who are required to work on a holiday shall be compensated at one and one-half (1-1/2) times their straight time pay for all hours worked on the holiday, in addition to being paid for the holiday pursuant to section B-3.2.

ARTICLE B-4: HOURS OF WORK AND OVERTIME PAYMENT

B-4.1 Schedules

Eligible employees' work schedules shall be set at the sole discretion of the appropriate manager.

B-4.2 Overtime

A. Eligible employees shall be required to work overtime when and as required. The manager or his/her designated representative shall determine the necessity for overtime hours and the composition of the workforce. In order to fairly distribute the benefit of compensable overtime hours among the work-force, the Employer shall provide, as far as practicable, equal distribution of overtime hours among regular and eligible employees.

B. Eligible employees shall be paid at the rate of one and one-half (1-1/2) times the employee's regular rate of pay for all hours worked in excess of 40 hours per week.

With the approval of the manager, the employee may elect to receive compensatory time in lieu of cash. Such election and approval shall be made on forms provided by the Employer. An employee may accrue to a maximum of 40 hours of compensatory time. When the maximum has been reached, compensation for additional overtime worked shall be in the form of cash. The Employer may pay off any amount of accrued compensatory time at any time, provided that any approved requests for compensatory leave will continue to be honored.

C. An employee who is called in to work outside of, and not continuous with, his/her regularly scheduled working hours shall be compensated for the time worked at the straight time rate until the employee has worked forty (40) hours for the week, at which time the employee shall be paid at the rate of one and one-half (1-1/2) times the employee's regular rate of pay.

ARTICLE B-5: WAGES

- B-5.1 Part-time, temporary, or special purpose employees shall be paid at the hourly rate applicable to step one of the step pay plan shown in Appendix. Part-time, temporary, or special purpose employees are not eligible for a step increase.
- B-5.2 Schedule Premium
Part-time, temporary, or special purpose employees will be paid Scheduled Premium as provided for in Article 11.3.
- B-5.3 Standby Payment:
Part-time, temporary, or special purpose employees will be paid Standby Payment as provided for in Article 11.2.
- B-5.4 Incentive Program:
At its sole discretion, the Employer may from time to time elect to establish incentive programs for individuals or groups which may consist of cash or other awards in recognition of improved job performance, improved safety records, innovative ideas that result in savings or other benefits, or other similar work related improvements, provided the Union is informed in writing of any such programs.

ARTICLE B-6: INJURY IN LINE OF DUTY

Any eligible employee who sustains a temporary disability as a result of accidental injury in the course of, and arising out of, employment by the Employer shall only be entitled to the benefits payable under the Workers' Compensation Laws of the State of Florida.

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ARTICLE B-7: LIFE INSURANCE

The Employer shall provide five thousand dollars (\$5,000.00) group term life insurance for all eligible employees, at no cost to the employee.

Eligible employees who are covered by the group term life insurance policy may purchase additional coverage in the amount of five thousand dollars (\$5,000.00) or ten thousand dollars (\$10,000.00) at their own expense.

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ARTICLE B-8: JURY AND WITNESS DUTY

An eligible employee who works less than forty (40) hours per week shall have his/her work schedule adjusted to accommodate jury and witness duty. Forty-hour employees shall be governed by the provisions of Articles 12 and 13 in the Agreement.

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ARTICLE B-9: MILITARY LEAVE

Eligible employees shall be paid for military leave at their regular hourly rate times the average number of hours they have worked per day during the six weeks prior to the military leave. (e.g. 40 hours a week worked - 8 hours pay; 30 hours a week worked - 6 hours of pay; 20 hours a week worked - 4 hours pay).

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ARTICLE B-10 BEREAVEMENT LEAVE

Eligible employees may be granted up to two (2) days off without loss of pay as bereavement leave not otherwise chargeable upon the death of the employee's spouse, child, mother, father, grandmother or grandfather. Bereavement leave of one (1) day shall be granted upon the death of other members of an eligible employee's immediate household.

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ARTICLE B-11: MATTERS NOT ADDRESSED

To the extent any provision of the Agreement reached between the JEA and the American Federation of State, County, and Municipal Employees, Florida Council 79, is not adopted herein by reference, or is not specifically addressed in this Appendix B, said provision is null and of no effect as it relates to employees covered by this Appendix B.

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APPENDIX C - SAFETY SENSITIVE POSITIONS - DEFINITIONS AND KEY

ABBREVIATION	Definition
DISPATCH OF VEHICLE	Responsible for dispatch of emergency vehicles (either emergency response/public safety vehicles or other vehicles in emergency situations).
MAINT OF VEHICLE	Maintenance of the type and kind that if performed improperly could result in danger to the occupants/users or other employees or members of the public near the vehicle/equipment.
CHAUFFEURS OTHER EMPLOYEES	Chauffeurs other employees as part of assigned duties.
HANDLE HAZARDOUS MATERIALS OR EQUIP (INCLUDES GUNS & OTHER SAFETY EQUIPMENT)	Transports, mixes, handles, uses, hazardous materials, or is responsible for equipment carrying current, fluids or gas that could endanger the public or employees.
CDL LICENSE	Operates CDL classified vehicles.
SUPERVISES CHILDREN	Supervises children or is responsible for the security of children.
OPERATES./ DIRECTS LARGE EQUIPMENT	Operates/directs large trucks and/or construction equipment.
HAZARDOUS EQUIPMENT./ CONDITIONS	Performs hazardous/perilous work and/or works where the individual may cause harm to himself or others.
GUARDS SAFETY OF WORKERS AND/OR PUBLIC	Guards the safety of co-workers and/or public.
IMMEDIATE MANAGEMENT RISK	Duties require drug prevention-foreknowledge of identities of individuals to be tested.
SPECIAL LICENSE	Any position that requires specialized licensing by city, state, or federal law or regulation which involves additional medical and/or background investigations. The existence of a special license requirement may be used for the purpose of supporting a safety-sensitive designation but shall not be sufficient in and of itself to require a safety-sensitive designation.
ENFORCE DRUG POLICY	Enforces drug policy (interdiction and discipline).
STORE ILLEGAL SUBSTANCES	Handles, files and/or stores illegal substances.
SYSTEMS OPERATOR	Design, construction, maintenance, inspection & operation of systems carrying current, fluids or gas that could endanger the public or employees or regulates, maintains, repairs traffic signal devices.
SUPV/SAFETY SENSITIVE POSITION	Directly supervises a safety sensitive position.
ACCESS/CRIMINAL INVESTIGATION INFO	Works with or has access to information or documents pertaining to criminal investigations.
EMERGENCY RESPONSE REQUIRED	Responds under emergency conditions.

APPENDIX D – REBUTTAL FORM



EMPLOYEE REBUTTAL TO A LETTER OF COUNSELING

Date: _____

Employee Name: _____ EIN _____

Department/Cost Center _____

Manager Issuing Letter of Counseling _____

Letter of Counseling Issue Date _____

Employee Statement

Legislative Copy - Final

EXHIBIT E

THIS EMPLOYEE PROTECTION AND RETENTION PROGRAM AGREEMENT (this “Agreement”) is made effective as of the [] day of [], 2019, by and between JEA, a body politic and corporate under the laws of the State of Florida and an independent agency of the Consolidated City of Jacksonville (“JEA”), and [Name] (the “Employee”).

RECITALS:

WHEREAS, all JEA employees perform valuable services for the customers and citizens they serve;

WHEREAS, JEA provides a work environment which emphasizes safety and a positive culture;

WHEREAS, JEA operates in a rapidly evolving business climate to provide energy, water and wastewater utility services;

WHEREAS, the Board approves of JEA exploring strategic options to ensure that it continues to serve its customers and citizens in a cost-effective and reliable way;

WHEREAS, JEA desires to recognize the past and continued service of its employees;

WHEREAS, in recognition of the Employee obtaining performance standards that shall be individually determined and evaluated based on the Employee’s proportionate contribution to JEA, JEA desires to award the Employee a retention payment subject to, and conditioned upon, the occurrence of a Recapitalization Event on the terms and conditions set forth herein; and

WHEREAS, all full-time employees who are actively employed with JEA on **July 23, 2019** are eligible to receive a retention payment.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, JEA and the Employee agree as follows:

1. Certain Definitions. As used in this Agreement, the following terms shall have the meanings given to them in this Section 1. Certain other terms are defined elsewhere in this Agreement.

(a) “Applicable Law” means any constitution, law, statute, ordinance, rule, regulation, regulatory requirement, code, order, judgment, injunction or decree enacted,

issued, promulgated, enforced or entered by a federal, state, provincial or local government or other political subdivision thereof, any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of any such government or political subdivision.

(b) "Board" means the Board of Directors of JEA.

(c) "Cause" means (x) in the case where the Employee has an employment agreement, consulting agreement or similar agreement in effect with JEA at the time of grant of the Retention Payment that defines a termination for "cause" (or words of like import), "cause" as defined in such agreement or (y) in the case where the Employee does not have an employment agreement, consulting agreement or similar agreement in effect with JEA at the time of grant of the Retention Payment or where there is such an agreement but it does not define "cause" (or words of like import):

(i) the Employee has been convicted of, pled guilty or no contest to or entered into a plea agreement with respect to, (A) any felony under Applicable Law or (B) any crime involving dishonesty or moral turpitude;

(ii) the Employee has engaged in (A) any willful misconduct or gross negligence or (B) any act of dishonesty, violence or threat of violence, in each case with respect to this clause (B), that would reasonably be expected to result in a material injury to the JEA Group;

(iii) the Employee willfully fails to perform the Employee's duties to the JEA Group and/or willfully fails to comply with lawful directives of the Board;

(iv) the Employee materially breaches any term of any contract to which the Employee and any member of the JEA Group is a party; or

(v) the Employee materially breaches any term of this Agreement;

provided that, with respect to clauses (iii), (iv) and (v) and if the event giving rise to the claim of Cause is curable, JEA provides written notice to the Employee of the event within thirty (30) days of JEA learning of the occurrence of such event, and such Cause event remains uncured fifteen (15) days after JEA has provided such written notice; provided further that any termination of the Employee's employment for "Cause" with respect to clause (iii), (iv) or (v) occurs no later than thirty (30) days following the expiration of such cure period.

Notwithstanding the foregoing, to the extent that this definition of "Cause" is inconsistent with an applicable definition of "cause" (or words of like import) in any applicable and lawful collective bargaining agreement or the applicable and lawful Civil Service and Personnel Rules and Regulations of the City of Jacksonville (the "Civil Service Rules"), the definition of "cause" (or words of like import) in such collective bargaining agreement or the Civil Service Rules shall control.

(d) Section Reserved.

(e) "Code" means the Internal Revenue Code of 1986, as amended, and the rules, regulations and guidance issued thereunder.

(f) "Confidential Information" means information not generally known, not released pursuant to Chapter 119, Florida Statutes, or not available outside the JEA Group and information entrusted to the JEA Group in confidence by third parties, including, without limitation, all technical data, trade secrets, research, product or service ideas or plans, software code and designs, developments, processes, formulas, techniques, biological materials, mask works, designs and drawings, hardware configuration information, information relating to employees and other service providers of the JEA Group (including, but not limited to, their names, contact information, jobs, compensation and expertise), information relating to suppliers and customers, information relating to lenders, price lists, pricing methodologies, cost data, market share data, marketing plans, licenses, contract information, business plans, financial forecasts, historical financial data, budgets or other business information. Notwithstanding the foregoing, JEA recognizes the applicability of Chapter 119, Florida Statutes.

(g) "Disability" means (i) if JEA provides long-term disability insurance to its employees generally and if JEA's long-term disability plan defines the term "disability," then the same meaning as in JEA's long-term disability plan or (ii) if JEA does not provide long-term disability insurance to its employees generally, a condition that renders the Employee unable to engage in substantial gainful activity by reason of any medically determinable physical or mental impairment as determined by JEA's absence management vendor; provided, however, that JEA's absence management vendor has no obligation to investigate whether Disability exists unless the Employee or representative thereof puts JEA on notice within ninety (90) days after the Employee's termination of employment.

(h) "Involuntary Termination" means, with respect to the Employee, (i) a termination of the Employee's employment by any member of the JEA Group without Cause, (ii) a termination due to such Employee's death or Disability, or (iii) subject to approval by the Board, a requirement that Employee relocate their regular work location outside of a 75 mile radius (as measured from the JEA Tower, 21 West Church St., Jacksonville).

(i) "JEA Group" means JEA and its affiliates, assigns, subsidiaries and successors.

(j) "Recapitalization Event" means the closing and funding of a transaction or a series of related transactions in accordance with Article 21 of the Charter of the City of Jacksonville and any other Applicable Law that results in either (i) unencumbered cash proceeds to the City of Jacksonville of at least Three Billion Dollars (\$3,000,000,000) or (ii) at least fifty percent (50%) of the net depreciated property, plant and equipment value of either JEA's electric system or JEA's water and wastewater system being transferred, assigned, sold or otherwise disposed of. The "Closing Date" of a Recapitalization Event shall be the date of closing of a transaction that results in either of the above two contingencies occurring, or in the case of a series of related transactions, the date of a closing of a transaction that, when

combined with other prior transactions in the series, results in either of the above two contingencies.

(k) “Retention Period” means, respectively, a two (2)-year period following the Recapitalization Event as follows: (i) with respect to the first Payment Installment, the period from July 23, 2019 through the Closing Date; (ii) with respect to the second Payment Installment, the period from the Closing Date through the first anniversary of the Closing Date; and (iii) with respect to the third Payment Installment, the period from the first anniversary of the Closing Date through the second anniversary of the Closing Date.

2. Agreement to Provide Retention Payment. Subject to the terms of this Agreement (including the conditions set forth below), the Employee shall be entitled to receive a cash payment in the aggregate amount of _____ which is 100% of the Employee’s annual base salary that was in effect on July 23, 2019) (the “Retention Payment”). The Retention Payment shall vest in three (3) equal installments (each, a “Payment Installment”) on the Closing Date, the first anniversary of the Closing Date and the second anniversary of the Closing Date (each such date, a “Vesting Date”). The Payment Installments shall be paid to the Employee as soon as reasonably practicable after each applicable Vesting Date, but in any event no later than thirty (30) days after the applicable Vesting Date. For the avoidance of doubt, in no event shall the Employee be entitled to receive any amounts in excess of the Retention Payment under this Agreement.

3. Conditions to Receipt of the Retention Payment. The Employee’s right to receive the Retention Payment is conditioned on his or her execution of this Agreement and all of the following: (a) the Recapitalization Event occurring no later than December 31, 2021; (b) the Employee’s continuous employment with any member of the JEA Group during the Retention Period (except as set forth herein), other than an Involuntary Termination as defined above; (c) the Employee’s execution and non-revocation of a release of claims in favor of the JEA Group and the City of Jacksonville (“Release”) in a form reasonably satisfactory to JEA; (d) the Employee’s compliance with the covenants set forth in Section 6; and (e) satisfaction of the conditions of applicable law. If the Employee breaches or threatens to breach any of the covenants in Section 6, JEA shall not pay the Employee the Retention Payment (to the extent unpaid) and/or the Employee shall be required to promptly repay all or any portion of the Retention Payment previously paid to the Employee, as applicable. Within sixty (60) days prior to the anticipated Closing Date, JEA shall deliver the Release to the Employee and, to the extent required by Applicable Law, the Employee shall have twenty-one (21) or forty-five (45) days from the date the Release is delivered to the Employee to review the Release and an additional seven (7) days to revoke the Release. The Employee must have executed an irrevocable Release prior to the Closing Date to receive any portion of the Retention Payment.

4. Agreement to Provide Employee Protection. The terms of JEA Board Resolution 2019-07 are incorporated into this agreement, which such resolution requires that an invitation to negotiate or other competitive solicitation outcome must achieve, among other things, maintenance of substantially comparable employee compensation and

benefits for three years. For three years following the Recapitalization Event, the Employee is guaranteed substantially comparable compensation and benefits in effect at the Closing Date (“Employee Protection Benefit”). In the event the Employee is Involuntarily Terminated as defined by Paragraph (h) before the end of the three year period, the Employee shall continue to receive the Employee Protection Benefit for the remainder of the three year period. The Employee Protection Benefit shall only apply to full-time JEA employees employed on the Closing Date, and any remedy for breach of this provision shall only be against and recovered from a successor entity to JEA.

5. Involuntary Termination. Notwithstanding the provisions of Section 3(b), if the Employee ceases to be employed with any member of the JEA Group during a Retention Period due to an Involuntary Termination, the Employee shall be eligible to receive the entire amount of the Retention Payment (to the extent unpaid) and the Payment Installments shall vest on the applicable Vesting Dates. Any amount payable pursuant to this Section 5 shall be paid to the Employee at the same time as the Payment Installments (to the extent unpaid) would have been paid had there been no termination of employment.

6. Covenants. The Employee shall comply with the following covenants:

THIS SECTION 6 IS NOT INTENDED TO USURP THE EMPLOYEE’S RIGHTS, DUTIES OR RESPONSIBILITIES AS A CITIZEN OF THE STATE OF FLORIDA; HOWEVER, THIS SECTION 6 IS INCLUDED TO ENSURE THAT JEA AND ITS EMPLOYEES, AGENTS AND REPRESENTATIVES COMPLY WITH ITS AND THEIR CONFIDENTIALITY OBLIGATIONS UNDER APPLICABLE LAW, INCLUDING, BUT NOT LIMITED TO, LAWS GOVERNING THE DISCLOSURE OF MATERIAL NON-PUBLIC OR CONFIDENTIAL INFORMATION.

(a) Cooperation. While on duty, the Employee shall (i) devote best efforts to faithfully discharge his or her duties, obligations and responsibilities on behalf of the JEA Group as those duties, obligations and responsibilities have been performed in the past or as may be subsequently modified in writing by JEA and the Employee, (ii) provide full support and cooperation in the best interests of the JEA Group up to and including the Closing Date, (iii) throughout the course of the Employee’s employment with the JEA Group and following the Closing Date and/or the Employee’s separation of service with the JEA Group, if applicable, take no action that would be considered contrary to the best interests of the JEA Group, and (iv) devote best efforts to assist the JEA Group in maximizing its performance and finalizing the Recapitalization Event and any transition related thereto. Nothing contained herein shall be construed to prohibit the Employee from engaging in lawfully protected, concerted activity or speech protected by the First Amendment.

(b) Confidentiality.

(i) Protection of Information. The Employee acknowledges and agrees that the confidentiality provision contained in this Section 6(b) is essential to protect JEA’s goodwill, its ability to diligently serve its customers, the value of JEA’s business and assets and the investor relations that JEA has expended significant resources to develop.

Subject to applicable limitations of Chapter 119 and Section 215.425(5), Florida Statutes, the Employee shall keep confidential this Agreement and its terms; provided that the Employee may provide this Agreement on a confidential basis to his or her legal counsel, accountant, and/or tax advisor. In addition, at all times during the Employee's relationship with the JEA Group and thereafter, the Employee agrees to hold in strictest confidence and not disclose Confidential Information to any individual, corporation, partnership, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof, without prior written authorization from JEA, and not to use Confidential Information, except to perform the Employee's obligations to the JEA Group, until such Confidential Information becomes publicly and widely known and made generally available through no wrongful act of the Employee's or of others who were under confidentiality obligations as to the item or items involved. The Employee further agrees not to make any copies of Confidential Information, except as authorized in writing in advance by JEA.

(ii) Confidential Disclosure in Reporting Violations of Law or in Court Filings.

The Employee acknowledges and JEA agrees that the Employee may disclose Confidential Information in confidence directly or indirectly to federal, state, or local government officials, including, but not limited to, the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law or regulation or making other disclosures that are protected under the whistleblower provisions of state or federal laws or regulations. The Employee may also disclose Confidential Information in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal. Nothing in this Agreement is intended to conflict with federal law protecting confidential disclosures of a trade secret to the government or in a court filing, 18 U.S.C. § 1833(b), or to create liability for disclosures of Confidential Information that are expressly allowed by 18 U.S.C. § 1833(b).

7. Tax Withholding. The JEA Group shall be entitled to make deductions from the Retention Payment in respect of any applicable income and employment tax, up to the maximum amount permitted by Applicable Law, subject to the JEA Group's normal withholding procedures.

8. Sections 409A and 457(f). This Agreement is intended to provide payments that are exempt from Sections 409A and 457(f) of the Code ("Code Sections 409A and 457(f)"), or alternatively that comply with Code Sections 409A and 457(f), and the terms of this Agreement shall be construed and administered in a manner that is exempt from or in compliance with Code Sections 409A and 457(f), as appropriate. Each payment is intended to be treated as one of a series of separate payments for purposes of Code Sections 409A and 457(f). Notwithstanding anything herein to the contrary, no amendment may be made to this Agreement if it would cause this Agreement or any payment hereunder not to be in compliance with Code Sections 409A and 457(f).

9. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of JEA and its successors and assigns, and the term “JEA” whenever used in this Agreement shall mean and include any such successors or assigns. Neither this Agreement nor any right or interest hereunder shall be assignable or transferable by the Employee or his or her beneficiaries or legal representatives, except by will or by the laws of descent and distribution. Notwithstanding the foregoing, in the event of the death of the Employee, payments that otherwise would have been made to the Employee shall instead be made to the Employee’s estate.

10. Governing Law. All questions concerning the construction, validity and interpretation of this Agreement shall be governed by the laws of the State of Florida, applicable to contracts to be executed and performed entirely therein, regardless of the laws of any other jurisdiction that might otherwise govern due to applicable conflicts of laws principles.

11. Arbitration. Except for suits seeking injunctive relief or specific performance or as otherwise prohibited by Applicable Law, the parties hereby agree that any dispute, controversy or claim arising out of, connected with and/or otherwise relating to this Agreement and the arbitrability of any controversy or claim relating hereto shall be finally settled by binding arbitration. The parties hereby knowingly and voluntarily waive any rights that they may have to a jury trial for any such disputes, controversies or claim. The parties agree to resolve any dispute arising out of this Agreement before the American Arbitration Association (the “AAA”) in accordance with the AAA’s then existing National Rules of Resolution of Employment Disputes. The arbitration shall be administered by the AAA and the hearing shall be conducted in Duval County in the State of Florida before a neutral arbitrator, who must have been admitted to the practice of law for at least the last ten (10) years (the “Arbitrator”). Each party further agrees to pay its or his own arbitration costs, attorneys’ fees, and expenses, unless otherwise required by the AAA’s then-existing arbitration rules. The Arbitrator shall issue an opinion within thirty (30) days of the final arbitration hearing and shall be authorized to award reasonable attorneys’ fees to the prevailing party, which decision of the Arbitrator shall be final, conclusive, unappealable and binding on the parties. Subject to Applicable Law, the arbitration proceeding and any and all related awards, relief or findings shall be confidential, except that any arbitration award may be filed in a court of competent jurisdiction by either party for the purpose of enforcing the award. The Employee, if covered by any lawful collective bargaining agreement, shall be able to arbitrate such dispute per the rules set forth in the applicable collective bargaining agreement.

12. Entire Agreement; Modification. This Agreement contains the entire understanding and agreement between the parties relating to the Retention Payment and supersedes and replaces all prior agreements, understandings, discussions, negotiations and undertakings, whether written or oral, by or among the parties with respect thereto (none of which remain of any force or effect). This Agreement, including this Section 12, may be modified only by agreement in writing signed by both JEA and the Employee.

13. Counterparts. This Agreement may be executed in two (2) or more counterparts

(including via facsimile or .pdf file), each of which shall be deemed an original, but all of which, when taken together, shall constitute one and the same instrument.

14. Waiver. Any failure of the Employee to comply with any of his or her obligations under this Agreement may be waived only in writing signed by JEA's Vice President of Human Resources (or his or her delegate). Any failure of JEA to comply with any of its obligations under this Agreement may be waived only in writing signed by the Employee. No waiver of any breach, failure, right or remedy contained in or granted by the provisions of this Agreement shall constitute a continuing waiver of a subsequent or other breach, failure, right or remedy, unless the writing so specifies.

15. Survival. The provisions of this Agreement are intended to survive the Employee's termination of employment.

16. Severability. If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to Applicable Law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement shall continue in full force and effect.

17. Collective Bargaining; Civil Service Rules. If or as required, JEA shall collectively bargain this Agreement with unions representing covered bargaining unit employees of JEA. This Agreement shall not be interpreted to be inconsistent with the Civil Service Rules, as applicable.

18. Penalties. In the event that any payments under this Agreement to the Employee are subject to any excise tax, interest or penalties under the Code (the "Penalties"), the JEA Group shall pay to the Employee an amount equal to the full amount of the Penalties. Such payment is intended to place the Employee in the same economic position the Employee would have been in if the Penalties did not apply and shall be calculated in accordance with such intent. Notwithstanding anything to the contrary contained herein, the JEA Group shall not make the Employee economically whole for Penalties caused by, relating to or arising from the Employee's breach of this Agreement or the Employee's failure to comply with his or her obligations under Applicable Law.

19. Compliance with Applicable Law. No provision of this Agreement shall be deemed to violate Applicable Law and this Agreement shall be interpreted in accordance with this intent.

20. Right to Seek Legal Counsel. The Employee acknowledges that the Employee has the right to review this Agreement with legal counsel of the Employee's choosing before signing it and that he or she was encouraged and advised to consult with an attorney prior to signing it.

21. Determinations. All determinations regarding the Retention Payment, including the amount, if any, of any Payment Installment payable to the Employee, shall be made in

accordance with the terms of this Agreement, and shall be final, conclusive and binding on all parties.

22. Section Headings. The section headings are included for convenience and are not intended to limit or affect the interpretation of this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date written below.

JEA

By _____

Name: Aaron F. Zahn

Title: Managing Director/CEO

EMPLOYEE

Name:

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Legislative Copy - Final

IN WITNESS WHEREOF, WE, the Negotiating Teams for the parties hereto have set our hand this 4th day of February, 2017~~2019~~.

JEA

Charna Flenny


Maryanne Evans


Maria Salguero



Deborah Beaver


James Bryant



Robert Growcock


John Kendrick



Paul Legge

AFSCME

Torrence Johnson, Organizer/Staff Representative
AFSCME 79


Joy Varner, Vice President, Local 429


Michael Butler, Negotiating Team, Local 429


Angela Cimino, Negotiating Team, Local 429


Sandra Johnson, Negotiating Team, Local 429


Krystal Bellerich, Negotiating Team, Local 429

Approved by the American Federation of State, County and Municipal Employees, Florida Council 79, this 22nd day of February, 2017 day of _____.


Torrence Johnson, Organizer/Staff Representative, AFSCME 79

Approved by the Jacksonville City Council on this _____ day of _____ 2017.

Managing Director/ CEO

Council President

JEA
and the
JEA SUPERVISORS ASSOCIATION
(JSA)

October 1, 20196 – September 30, 202219

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Preamble

This Agreement is entered into on this first day of October, 201~~9~~⁶ by and between JEA and its successors, and the JEA Supervisors Association, hereinafter referred to as the "Association". It is the intent and purpose of the parties hereto: to promote and improve the efficient administration of JEA and the wellbeing of employees within the meaning of collective bargaining laws and regulations; to establish a basic understanding relative to discussion and adjustment of matters of mutual interest; and to implement mutually agreed upon rates of pay, wages, hours of employment, and other terms and conditions of employment; to provide a procedure for the adjustment of grievances so as to promote orderly and peaceful relations between JEA, its employees, and the Association.

The parties agree that this Agreement shall be applied impartially to all employees in the Unit. It is acknowledged that the Association represents employees who are in supervisory/professional capacities; therefore, necessitating the closest of working relationships and cooperative efforts.

Now, therefore, the parties hereto agree as follows:

Article 1
Recognition and Unit Determination

- 1.1 Pursuant to and in accordance with all applicable provisions of Chapter 447, Part II, Florida Statutes, JEA recognizes that the Association is the exclusive representative of all employees in the Unit as defined in paragraph 1.2 of this Article, as certified by the Public Employees Relations Commission (PERC) in Certification Number 394, as amended. The Association recognizes the responsibility of representing the interests of all employees in the Unit without discrimination and without regard to Association membership with respect to matters affecting their general working conditions, subject to the express limitations set forth in this Agreement.
- 1.2 The recognized Unit includes classified employees who are employed by JEA, in the specific classifications included in the Association located in Exhibit "A". Specifically excluded are, all managerial, and confidential employees within the meaning of Section 447.203 (4.5) Florida Statutes, and employees included in the Units having exclusive recognition in accordance with Chapter 447, Florida Statutes.
- 1.3 One copy of this Agreement shall be furnished by JEA for each employee represented by the Association and twenty-five (25) copies furnished to the Association concurrently with distribution to appointed personnel. JSA shall be responsible for distributing copies of this Agreement to their membership.
- 1.4 One copy of this Agreement shall be furnished by JEA to each employee who initially enters into the Association. JEA shall notify the Association, on a monthly basis, of any new employees hired / promoted into the Association, the location and what job classification they will hold.
- 1.5 Management will place an electronic copy of this Agreement on the JEA Intranet site along with any associated amendments, Memorandums of Agreements, or Memorandum of Understandings. Such posting of this Agreement will also serve the purpose of calling employees' attention to the fact that the Association has been recognized as the exclusive bargaining representative for all employees in the bargaining unit.
- 1.6 In the event that JEA's operation is sold, leased, transferred or taken by sale, transfer, lease or assignment, whether by a public or privately owned entity, JEA shall make it a condition of any such transfer that the successor shall be bound by the terms of this Agreement.

Article 2
Rights of Employer

- 2.1 When making rules and regulations relating to personnel policies, procedures, practices and matters of working conditions wherein JEA has discretion, JEA shall not violate the obligations imposed by this Agreement, and Chapter 447, Florida Statutes.
- 2.2 a. Except as otherwise provided in this Agreement, JEA retains all the rights and functions of Management that it has by law. Without limiting the generality of the above statement, these rights include:
1. Direction and arrangement of working forces, including the right to suspend, discharge for cause, transfer, relieve employees from duty because of lack of work or other legitimate reasons.
 2. The determination of services to be rendered.
 3. The locations of the business including the establishment of new units and the relocation and/or closing of old ones.
 4. The determination of financial policies including accounting procedures, as well as cost of services and customer relations.
 5. The determination of the Management organization of all units.
 6. The right to take disciplinary action for proper cause shall be the exclusive prerogative of Management.
 7. The maintenance of discipline and control and use of JEA property.
 8. The right to establish quality standards and judgment of workmanship required.
 9. The scheduling of operations, work hours, work week and the number of shifts.
 10. The right to enforce JEA rules and regulations in effect and which it may issue from time to time.
- b. It is further agreed that the above detailed enumerations of Management rights shall in no way be deemed to exclude any other Management prerogatives that may not have been specifically enumerated.
- c. The Association recognizes and agrees that JEA retains sole and exclusive rights to manage the affairs of JEA in all respects and as to all matters in connection with the exercise of such rights; and specifically, that nothing in this Agreement shall be construed as delegating to another, the authority conferred by law on any member or official of JEA, or in any way abridge or reduce such authority.
- 2.3 For the purposes of this Agreement, an emergency is defined as any combination of circumstances which require immediate action as determined by JEA Management.

Article 3 Rights of Employees

- 3.1 Each employee of the Association has the right, freely and without fear of penalty, to join, and assist the Association or to refrain from such activity, and each employee shall be protected in the exercise of this right. It is the intent of this section to inform employees of their rights and to assure them that no interference, restraint, coercion, or discrimination will be permitted to encourage or discourage membership.
- 3.2 This Article does not authorize participation in the Management of the Association, or acting as a representative of the Association by an employee when serving in a managerial/confidential capacity either in a temporary upgrade or provisional status. Employees shall not officially represent the Association when their officially assigned duties might result in a conflict of interest during working hours.
- 3.3 a. Any and all employees who are eligible for inclusion in the bargaining unit shall have the right to join or not to join the Association as they individually prefer. It is agreed that there shall be no discrimination for or against any employee because of membership in said organization and likewise, no employee shall be discriminated against for non-membership in the Association and neither the Association nor any employee shall attempt to intimidate or coerce any employee into joining or continuing in said organization, or interfere with him/her in any way because of failure or refusal on his/her part to join said organization. Management agrees not to discriminate for or against the Association, its officers, or its members, for membership therein, or for any service that they may perform because of such membership or office provided such performance is not detrimental to the mutual interest of JEA and its employees.
- b. Upon receipt of a stipulated, lawfully executed written authorization from an employee, JEA agrees to deduct the regular dues of the Association from such employee, from his/her bi-weekly pay and remit such deduction to the Association within thirty (30) calendar days from the date of deduction. A charge not to exceed the cost of \$1.44 per employee per contract year shall be assessed and deducted monthly. The Association will notify Management, in writing, thirty (30) calendar days prior to any change in the regular dues structure. It is understood that an employee may revoke, in writing, at any time, his/her authorization for dues deduction. Dues revocation may be processed through the Association, but in the event of direct revocation, the Association will be notified within ten (10) work days.
- 3.4 Nothing in this Agreement shall be construed to prevent any public employee from presenting at any time his/her own grievances in person or by legal counsel to JEA, and having such grievances adjusted without the intervention of the Association, if the adjustment is not inconsistent with the terms of the collective bargaining agreement, when in effect and if the Association has been given reasonable opportunity to be present at any meeting called for the resolution of such grievances.
- 3.5 Employees have Weingarten Rights only during an investigatory interview (e.g. fact finding) which occurs when a supervisor questions an employee to obtain information which could be used as a basis for discipline or asks an employee to defend their conduct. If an employee has a reasonable belief that discipline or other adverse consequences may result from what he or she says, the employee has the right to request a Association representation. Management is not required to inform the employee of his/her Weingarten Rights; it is the employee's responsibility to know and request representation before or during the meeting and/or fact-finding interview. When employee makes a request for Association representation, the employer must grant the

request, and delay the questioning until the Association representative arrives; or deny the request and end the interview; or give the employee a choice of having the interview without representation.

3.6 Two-way Feedbacks Sessions shall not be used as a forum for fact-finding or questioning for disciplinary determination purposes.

3.7 No official or representative of either JEA or~~f~~ the JSA shall interfere with, restrain, coerce, intimidate, or take reprisals against any employee for appearing, testifying, or furnishing evidence during any investigation or hearing procedures. Provided, however, that nothing herein shall prohibit JEA from taking disciplinary action against any employee for proper cause.

Article 4
Rights of the JEA Supervisors Association

- 4.1 The Association shall have the right and the responsibility to present its views to JEA at the appropriate level as provided by this Agreement. If either party so requests, JEA and the Association agree to meet promptly in an effort to resolve the matter which created the concern, in accordance with Article 6 of this Agreement.
- 4.2 It is understood and agreed that the President or in his/her absence, his/her designated alternate will be the official spokesperson for the Association in any matters pertaining to this Agreement.
- 4.3 It is agreed that the Association may use designated facilities of JEA in which to hold regular and special meetings, insofar as such usage will not interfere with the operations of JEA. Requests for JEA to participate at the meeting shall be accomplished in accordance with Article 6 of the Agreement.
- 4.4 Any items stipulated in Article 2.1, pertaining to matters covered by this Agreement, formulated after the effective date of this Agreement, ~~as defined in Section 4.2 and Article 7.3~~ shall not be implemented, except in emergencies, prior to notification to the Association as defined in Section 4.2 and Article 7.3, by copy of such item. If the Association wishes to discuss such items, a special meeting may be requested as outlined in Article 6.1.
- 4.5 JSA maintains the right to request and receive public records in accordance with the provisions contained in Florida Statutes, Section 119. Records requested which are available in electronic format or are maintained by JEA in electronic format will be turned over electronically and provided via e-mail copied disk at no charge to the JSA.

Article 5
The Agreement and Its Relation to Law and Regulations

- 5.1 It is agreed and understood that the administration of all matters covered by this Agreement, JEA, the Association and the Association's members are governed by existing or future laws and regulations of the State of Florida and the City of Jacksonville, including provisions as set forth in Chapter 447, Florida Statutes.
- 5.2 The Association and its officers agree that during the life of this Agreement they shall not engage in any work stoppage, slowdown or strike, the consideration of such provision being the right to a resolution of disputed questions. JEA shall have the right to discipline any or all employees who violate the provision of this paragraph.
- 5.3 JEA and the Association agree that the basic intent of this Agreement is to provide conditions of employment suitable to maintain a competent, productive and efficient work force. JEA and the Association agree that all provisions of this Agreement shall be applied to all employees covered by it.
- 5.4
- a. Any recommended classification and/or organizational changes {including reallocation of position(s)} which are initiated by JEA and which affect the bargaining unit or bargaining unit employees will be presented, in writing, to the Association when they have been drafted in final form by JEA and no less than 30 days prior to implementation. This communication will be via electronic mail and will include a list of JSA incumbents.
 - b. Unless extended by mutual agreement, the Association will be given fifteen (15) calendar days from the date recommended changes are submitted within which to respond to the recommended changes.
 - c. The Association will thereafter submit to JEA a written statement of the Association's position on the final version of the recommended changes. It is understood that should the Association fail to meet this deadline it has waived its time allowed under the Civil Service and Personnel Rules and Regulations for responding to the recommended changes.
 - d. Unless extended by mutual agreement, the Association's written statement must be submitted to JEA not later than thirty (30) calendar days from the date the recommended changes are transmitted to the Association.
 - e. Deadlines for the above may be extended upon mutual agreement between the JSA and the JEA.

Article 6
Special Meetings

- 6.1 JEA and the Association agree to meet and confer on matters applicable to this Agreement excluding Management's rights, upon the written request of either party. Upon mutual agreement, JEA and the Association may meet and confer on matters outside the four corners of this Agreement, or otherwise excluded by this provision. The written/ electronic request shall state the subject matter to be discussed and the reason for requesting the meeting. Failure to provide either the subject matter or the reason for requesting the meeting to be discussed shall automatically negate the request to meet unless otherwise mutually agreed upon by union spokesperson and the labor relations representative. Discussion shall be limited to the subject matters set forth in the request, and it is understood that the special meeting shall not be used to renegotiate this Agreement. Such special meetings shall be held within fifteen (15) calendar days of the written/electronic request and at a time and place mutually agreeable to both parties. JEA and the Association shall have the right at these special meetings to recommend corrections or solutions to any problems pertaining to the subject matter(s) under discussion. Within fifteen (15) calendar days from the date of the meeting, JEA or the Association will respond in writing including email to the other party concerning the matter(s) discussed. Time limits to meet and /or respond may be extended upon mutual agreement between JEA and JSA.

Article 7
Association Representation

- 7.1 a. The President of the Association or their designee shall furnish Labor Relations in writing, the names of all elected officers of the Association and any changes thereto.
- b. The President of the Association or their designee shall furnish JEA in writing with the names and area(s) of assignment for all Association Representatives. A copy will be furnished to Labor Relations and the management chain of each affected business unit (for these purposes "management chain" meaning appointed managers through executive management). Representatives will not be allowed to function as such until the above written notification has been received.
- 7.2 Commensurate with the provisions of this Agreement, recognized Association Representatives shall be permitted to exercise their responsibility to advance the best interests of and to represent Unit employees. It is further agreed that no Association Representative shall be denied any right or privilege otherwise entitled to because of his/her serving as an Association Representative.
- 7.3 JEA shall recognize one (1) President and one (1) vice-president so designated by the Association. The President, or in his/her absence, the designated alternate will serve as the "official" point of contact for all Association business pertaining to this Agreement between JEA and the Association.
- 7.4 a. JEA recognizes up to fifteen (15) Association stewards designated by the Association.
- b. Each steward whenever possible, shall be selected from and represent Association members in their respective work locations. However, exceptions may be made on a case by case basis.
- c. Within thirty (30) calendar days of every election, the President of the Association or their designee shall advise Labor Relations in writing, the names of the Association stewards and the areas or locations that they will be representing. The President of the Association or their designee will also advise Labor Relations whenever changes are made to stewards or areas they represent.
- d. In the event of the absence of the assigned steward, the President or Vice-President of the Association will designate, or serve as an alternate steward.
- e. It is understood that any reorganization in specified segments/centers/departments may require a change in the number of stewards. The association will be given advance notice in these cases in order to accomplish the change concurrently.
- 7.5 Association Representatives shall be granted time off during working hours without loss of pay to investigate and settle grievances on the job site which is within their jurisdiction. Representatives must notify and secure approval of their immediate manager or designee prior to their actions in this regard. If approval is by the designee, the immediate manager will be informed via email at the same time. It is acknowledged that only one (1) Representative will need to work on specific grievances from an employee. Upon entering an area other than his/her own, he/she shall notify that manager of his/her presence and purpose. Representatives will only be granted time off under this provision when they are requested by an employee to assist him/her in his/her grievance(s). Representatives may receive and discuss grievances of employees on the premises

or in the field on JEA time but only to such extent as does not neglect, retard or interfere with the work and duties of the Representatives, or with the work or duties of other employees.

- 7.6 No compensation shall be made for Association Representatives' activities in representation of employees when such activities are conducted during hours other than their own work hours. When feasible, JEA will endeavor to schedule meetings during regular work hours.

When requested, specified representatives of the Association will be allowed time off with pay from regularly scheduled work to attend meetings with JEA. In the event such meetings extend beyond the usual working hours, or are scheduled outside regular working hours, compensation shall be paid by JEA for time outside of regular working hours and days. This provision is applicable to meetings during such meetings designated by JEA. When feasible, JEA will endeavor to schedule during regular work hours.

- 7.7
- a. Each employee may, by submitting written authorization to Employee Services through the Vice President, Director, or Manager, be allowed to contribute one (1) hour or more of his/her accrued Vacation/Annual/Personal Leave time toward a pool-of-time which may be drawn upon for official Association business.
 - b. The Association shall request use of this time by submitting a written request to the appropriate, Vice President, Director, or Manager, in advance, unless the advance notice is waived by the Vice President, Director, or Manager, and provided the employee's absence will not seriously interfere with system operations. For accounting purposes, the Association's request for pool time shall also be forwarded to Labor Relations.
 - c. Use of pool time by the Association shall only be authorized by the official Association spokesperson.
 - d. JEA agrees to match up to two-hundred and fifty (250) hours of pool time hours contributed by Association members to the Association's pool time account on an annual basis.
- 7.8 JEA agrees, in the interest of enhancing communications with the Association, to provide the President of the Association with a copy of the JEA Board Meeting Agenda (including any proposed resolutions regarding proposed legislation to be enacted by the City Council/State Legislature) prior to such regular meetings. The President of the Association or their designee shall be granted time off during normal working hours without loss of pay to attend JEA Board of Directors meetings. Board meetings will not be attended on overtime.

Article 8 Hours of Work and Overtime

- 8.1 For accounting purposes, the standard work week for all employees shall be from 0000 Monday through 2400 Sunday. Each Vice President or Director shall within each of his/her departments, sections, areas or teams formulate a set of rules governing reporting time and attendance requirements. The department, sections, areas, or teams shall consider input and comments from the union / Association when formulating or amending these rules.
- 8.2 Annual leave, ~~vacation leave, sick leave~~, personal leave, annual military training leave, union pool time, leave while on the active payroll due to an on-the-job-injury, and any authorized paid leave shall be construed as time worked. Paid parental leave shall not be construed as time worked.
- 8.3 a. This article shall define and describe the hours of work of bargaining unit employees.
1. Shift Employees
- (A) A shift employee is defined as an employee whose normal schedule of work changes on a regular or rotating basis. (Staggered starting times alone do not define shift employees.)
- (B) (i) Those employees whose present normal work week is scheduled in consecutive days of twelve (12) consecutive hours are considered shift employees.
- (ii) In addition, the Customer Relationship Group may establish shift schedules of eight (8) and ten (10) consecutive hours for Emergency Dispatchers and Water Wastewater Dispatchers to work rotating shifts Monday through Sunday between the hours of 6 am and midnight. Except in the case of volunteers, these employees will be selected from all Emergency Dispatchers and Water Wastewater Dispatchers. These employees may be selected by using the following methods in the order listed:
- (a) Volunteers. With the senior, qualified employee being considered first.
- (b) Assignment. The least senior, qualified employee shall be assigned.
- (iii) In addition, the Customer Relationship Group may establish shift schedules of three (3) consecutive twelve (12) hour shifts and one (1) eight (8) hour shift Monday through Thursday, and one (1) eight (8) hour shift, and three (3) consecutive twelve hour shifts Thursday through Sunday. The specific sequence, rotation and overtime payment will be as follows:
- 1st week shift (1) 44 hours Monday, Tuesday, and Wednesday 7:00am to 7:00pm, (12 hr) and Thursday from 7:00am to 3:00pm or 8:00am to 4:00pm (8 hr)

- 2nd week shift (1) 36 hours Monday, Tuesday, and Wednesday, 7:00am to 7:00pm (12 hr).
 - 1st week shift (2) 36 hours Friday, Saturday, and Sunday 7:00am to 7:00pm (12 hr).
 - 2nd week shift (2) 44 hours Thursday, from 7:00am to 3:00pm or 8:00am to 4:00pm (8 hr) and Friday, Saturday, and Sunday, 7:00am to 7:00pm (12 hr).
- (1) At JEA's discretion, the Thursday (8hr) shift will work 9:00AM to 5:00PM.
 - (2) The employees will be assigned to a "44/36" or "36/44" shift schedule. The intent is to have the employees work a total of 80 hours in a two-week period and receive pay equivalent to 82 hours at the employees' straight time rate (76 hours at straight time and 4 hours at time and one-half).
 - (3) These shifts will rotate between the Monday through Thursday shift and the Thursday through Sunday shift, at a mutually agreed upon sequence not to exceed three month intervals. Once agreed upon, the sequence of rotation will remain the same unless the parties mutually agree (including notice to the President of the Association) to change the sequence of rotation during the period of this agreement.
 - (4) For these shift schedules, overtime will commence after 12 hours on the 12-hour schedule and after 8 hours on the 8-hour schedule.

These employees may be selected by using the following methods in the order listed:

- (a) Volunteers with the senior, qualified employee being selected first.
 - (b) Assignment. The least senior, qualified employee shall be assigned.
- (C) Certain classifications in the Customer Field & Meter Services Area ("Meter Services") may work five (5) consecutive eight (8) hour days, Monday through Friday or Tuesday through Saturday, or four (4) consecutive ten (10) hour days, Monday through Thursday or Wednesday through Saturday, between 6:00 am and midnight. Upon mutual agreement between JEA and the employee, these employees may be scheduled in four (4) ten (10) hour days, Monday through Saturday, with either Tuesday, Wednesday, or Thursday as their day(s) off.
 - (D) Certain classifications in the Customer Care Center (Revenue Assurance, Counter and Branches, Credit and Collections, Major Accounts, Customer Care Center) may be scheduled in either five (5) consecutive eight (8) hour days, Monday through Friday or Tuesday through

Saturday or four (4) consecutive ten (10) hour days, Monday through Thursday, or Wednesday through Saturday between 7:00 am and 9:00 p.m. Upon mutual agreement between JEA and the employee, these employees may be scheduled in four (4) ten (10) hour days, Monday through Friday, with either Tuesday, Wednesday, or Thursday as their day off.

- (E) Other work schedules may be implemented as mutually agreed between the employee, JSA (including notice to the President of the Association) and their appointed manager. Seniority shall be used should a conflict arise.

2. Non-shift Employees

- (A) The normal work week for non-shift employees consists of forty (40) hours.

- (B) The work week assignments for non-shift employees may be scheduled in either five (5) consecutive eight (8) hour days, Monday through Friday, or four (4) consecutive ten (10) hour days, Monday through Thursday or Tuesday through Friday. Upon mutual agreement between JEA and the employee, these employees may be scheduled in four (4) ten (10) hour days, Monday through Friday, with either Tuesday, Wednesday, or Thursday as their day off.

- (C) Other work schedules may be implemented as mutually agreed between the employee, JSA and their appointed manager. Seniority shall be used should a conflict arise.

- (D) **Extended Work Week Schedule**

- (i) In those activities requiring work schedules other than the regular eight (8) hour work schedule, the eight (8) hour shift schedule, the ten (10) hour work day schedule or the twelve (12) hour shift schedule, work schedules shall consist of forty (40) hours a week or at least eighty (80) hours equivalent pay bi-weekly and may begin on any day of the week.

- (ii) No employee assigned to this Extended Work Week Schedule shall be required to work any hours in excess of twelve (12) hours in any twenty-four (24) period as part of the regular schedule work day. The twenty-four (24) hour period constitutes twenty-four (24) hours from the beginning of the employee's usual scheduled starting time.

- (iii) No employee assigned to this Extended Work Week Schedule shall be scheduled for more than twelve (12) Saturdays and twelve (12) Sundays per fiscal year unless the employee volunteers.

- (iv) When employees in the Electric Transmission and Distribution areas are assigned to an Extended Work Week Schedule, it shall be during their "Standby" week, and shall include two (2) consecutive days off.

(v) Employees in the Meter Services Area assigned to an Extended Work Week Schedule shall not be scheduled on Sundays, but may be scheduled up to twenty-four (24) Saturdays.

(vi) When employees are assigned to an Extended Work Week Schedule it shall include two (2) consecutive days off, unless otherwise mutually agreed.

(vii) JEA shall provide a sixty (60) calendar day advance notice of Saturday/Sunday workweeks to the affected employees and the Association in the form of a “draft” schedule, recognizing that on occasion, for things such as, but not limited to, new hires and other personnel movements could result in any given employee not receiving the full sixty (60) calendar day advance notice.

(viii) **Assignment to Extended Work Week Schedules:**

Each Director or Manager shall, within each of his/her departments, sections areas or teams, and consistent with normal organizational alignment, formulate a set of rules governing the assignment of employees to Extended Work Week Schedules. These rules, so far as may be practicable and consistent with the efficient performance of work to be done, shall be reasonable and shall distribute assignments to Extended Work Week Schedules equally among the employees in their respective classifications normally performing the same types of work in each assigned plant, crew, or work area. The rules shall provide for rotation of Extended Work Week Schedules among all employees, and for the preference of volunteers over required scheduling. Any violation of the rules required by this provision shall be remedied in accordance with the provisions of the applicable rules. Any substantive amendments to these rules shall be furnished to the Association forty-five (45) calendar days prior to the intended date of implementation.

3. Relief Employees

(A) A relief employee is defined as an employee who normally works a non-shift schedule, but who works a shift schedule on relief, and is defined as an employee who may work either a shift or a non-shift schedule on relief. Relief employees are treated as shift employees for the purpose of other provisions in this Agreement. Provided, however, that any shift employee who has been assigned to a non-shift schedule for a period of at least one (1) week will observe holidays in the manner provided for non-shift employees (as set forth in Article 16.2.a.) for any holiday that occurs during the period of such assignment. Relief employees are included in the following classifications:

- Certified Control Area Operator
- Emergency Dispatcher
- Operating Engineer
- Operation Shift Coordinator
- Operations Supervisor
- Power System Operator
- System Operator

- Unit Operator
- Water Wastewater Dispatcher

Classifications may be added to the above listing upon mutual agreement between JEA and JSA.

- (B) The normal work week for relief employees is scheduled in five (5) consecutive eight (8) hour days, or in four (4) consecutive ten (10) hour days. However, this may be changed as needed to any combination of eight (8), ten (10) or twelve (12) consecutive hour days, totaling at least eighty (80) hours biweekly pay for that biweekly pay period.
- (C) A minimum of sixteen (16) hours' notice will normally be given for relief assignment outside an employee's normal hours of work.
- (D) Changes in work schedule shall be rotated equally among relief employees as far as practicable and consistent with the efficient performance of work to be done. If the relief employee has already worked forty (40) hours during the week and the need arises for additional employees to work, the overtime list and procedure will be followed. Approved leaves will be honored to the extent reasonably practicable when changing work schedules of relief employees.

General Provisions

- (A) Should JEA determine to set work schedule assignments other than as provided above, the parties agree to reopen negotiations on this Article 8.3 upon thirty (30) days written notice. Except as provided by law, any proposed changes will not be implemented until negotiations are completed in accordance with Chapter 447, Part II, Florida Statutes.
- (B) Except as otherwise provided in this Agreement, twenty (20) hours' notice will be required before changing an employee's regular work schedule. If notice of a schedule change is not given as provided herein, the first eight (8) hours worked under the new schedule will be paid at one and one-half (1 1/2) times the employee's regular rate of pay. If the eight (8) hour work period extends into a time period where premium pay is normally paid, such as a holiday or after forty (40) hours in a work week, premium pay will not be duplicated. Further with regard to any holiday, the ordering of an employee to work, work overtime, or take time off on that holiday, shall not be considered a change in work schedule.
- (C) All employees are required to work overtime when and as required. This may include requiring employees to remain on duty past their normal work day and requiring employees to report early on overtime. Management shall give as much advance notice as possible, and no such request shall be unreasonably made.
- (D) Twenty (20) hours advance notice shall normally be given in the case of scheduled overtime which involves the performance of routine work on non-scheduled work days.
- (E) In order to avoid overtime, Management may give up to four (4) or eight

(8) hours' time off respectively to any shift employee scheduled to work either an eighty-four (84) or eighty-eight (88) hour biweekly schedule, whenever that employee is, in Management's discretion, not needed to maintain adequate operation. However, this shall not result in a reduction below eighty (80) hours biweekly pay for that biweekly period. Whenever practicable, Management will honor the employee's preference of the hours to be taken off.

(F) For purposes of this article, "Seniority" shall refer to time in a given classification, not total service time. In the case where employees have the same time in grade, promotional test scores will be used to determine seniority. However, should an arbitrator or Civil Service Board rule otherwise, JEA will abide by their ruling.

- 8.4 a. The Association and JEA recognize that in the interest of good service, there is a requirement for the employees covered by this Agreement to respond to emergency call-outs, when such emergencies are designated by JEA. JEA and the Association agree that Management shall determine the necessity for overtime work.
- b. JEA recognizes that it may be inconvenient for individuals to work overtime and it will give due consideration to each request for relief from overtime work.
- c. If an employee is required to work overtime on a scheduled day off in whole or in part, the employee will be reimbursed for direct costs forfeited due to cancellation of reservations, excess travel etc. provided action is taken by the employee to minimize the forfeited cost, the employee notifies the Manager of the conflict when overtime is scheduled, and further that satisfactory documentation of the employee's payment of forfeited costs is furnished to Employer.

8.5 Premium Pay

- a. Overtime hours worked shall be paid at the following rates:
1. One and one-half (1 ½) times an employee rate of pay for all hours worked in excess of eight (8) hours per day, or forty (40) hours per week. For those employees assigned to the ten (10) hour day overtime shall commence after ten (10) hours daily or forty (40) hours per week. For those assigned to the twelve (12) hour day, overtime shall commence after twelve (12) hours daily or forty (40) hours per week.
 2. Two (2) times an employee's regular rate of pay for hours worked in excess of sixteen (16) hours in any twenty-four (24) hour period. An employee on double-time shall remain on double time until released.
 3. Compensation for overtime shall be in cash. The employee may elect to receive compensatory time, which shall be accrued at the applicable compensatory time rate of pay for each hour of overtime worked. Employees may accrue up to two hundred forty (240) hours of compensatory time¹. However, JEA may pay off any amount of accrued compensatory time at any time, provided that any prior approved requests for compensatory time off will continue to be honored. Accrued compensatory time will also be paid off at the employee's request.

¹ One hundred sixty hours of overtime worked is equivalent to two hundred forty hours of compensatory time.

- b. Minimum pay for call out - An employee who is called to work outside of and not continuous with his/her regularly scheduled working hours shall be compensated at least four (4) hours at the applicable overtime rate provided he/she reports to work at the designated time and place. If a supervisor is responsible for immediately contacting his/her crew from his/her residence to report for duty, then the employee will receive five (5) hours at the applicable overtime rate, and overtime shall begin upon the notification for call-out. No compensation shall be paid when the supervisor does not report to his/her place of duty. If an employee is dispatched to more than one (1) job before the end of the basic four (4) hour period, no extra time will be allowed. Minimum time provided herein does not apply if an early call-out extends into the start of the employee's regular work period.

- c. In the event that a JEA employee is required to perform work outside of and not contiguous with his/her regularly scheduled working hours, and in the event that such employee does not have to report to a JEA facility to complete such work, then the following guidelines shall apply:
 1. An employee who is authorized by management to do work from his/her home outside of and not contiguous with his/her regularly scheduled working hours in lieu of reporting to work at the designated time and place shall be compensated for all such authorized time worked.
 2. The minimum amount to be paid under this provision for an employee performing authorized work while at his/her home is one (1) hour.
 3. The employee shall be compensated at his/her regular rate of pay for the minimum amount of time of one (1) hour or for the actual time worked if more than one (1) hour. Provided, however, that the employee will be compensated at one and one half (1 ½) times his/her regular rate of pay for all hours worked in excess of the applicable threshold found in Section 8.5(a)(1) of the collective bargaining agreement.
 4. An employee who is on rest period when authorized under this provision to do work from his/her home shall not be compensated at double time. Nor shall the employee be compensated for minimum pay for call out pursuant to Section 8.5(b) of the collective bargaining agreement.

- d. Scheduled Overtime - If an employee, who is scheduled to report for overtime, not continuous with his/her regularly scheduled working hours, receives notice of cancellation less than seven (7) hours before his/her scheduled starting time, he/she shall be compensated two (2) hours pay at the applicable overtime rate.

Should the employee have already reported to work to discover scheduled overtime has been canceled the employee shall be compensated four (4) hours pay at the applicable overtime rate, however, management can assign unscheduled work during this time.

- e. Premium payments shall not be duplicated for the same hours worked under any of the terms of this Agreement; provided, however, that the employee shall be paid at the highest rate of premium pay earned.

- 8.6 a. An employee who has worked sixteen (16) hours or more in a twenty-four (24) hour period, or eight (8) hours or more overtime in the sixteen (16) hour period immediately preceding his/her basic workday, shall upon release normally be entitled to an eight (8) hour rest period, before he/she returns to work. In the event that the employee does not

have an eight (8) hour rest period, he/she will be entitled to the applicable premium pay as set out in section 8.6b.

- b. If an employee is called back to work without completing his/her eight (8) hour rest period, he/she shall be compensated at the rate of two (2) times his/her regular rate of pay for all hours worked commencing from the time he/she reports back to work and ending when he/she is released for another eight (8) hour rest period.
- c. If the rest period under the provisions of this Article extends into the basic workday, the employee shall lose no time thereby. If the employee's normal lunch break or part thereof occurs during the rest period, the normal lunch period or part thereof shall not be included as part of the eight (8) hour rest period.* Overtime pay for these extended hours will be paid in accordance with the applicable overtime rate.

*Example:

- If the rest period starts at 6 a.m. and the normal lunch break is from 12 noon to 1 p.m., the employee will report to work at 3 p.m.
 - If the rest period starts at 5 a.m. and the normal lunch break is from 1 p.m. to 2 p.m., the employee will report to work at 2 p.m.
 - If the rest period starts at 4:30 a.m. and the normal lunch break is from 12 noon to 1 p.m., the employee will report to work at 1:30 p.m.
- d. Paid rest time shall be considered the same as worked time for the purpose of determining when overtime (one and one-half times the employee's rate of pay) starts in a workday. Paid rest time shall be considered the same as worked time for the purposes of determining when double time starts.
 - e. If the end of the employee's rest period occurs within two (2) hours of the end of the employee's basic workday, the employee's supervisor has sole discretion, not subject to grievance or arbitration, to release the employee without loss of pay for the remainder of the workday. However, such early release time shall not be considered the same as worked time for determining when overtime starts in a workday.

8.7 43/36 Schedule

- a. At the time that this contract was negotiated, some employees were assigned to work a "43/36 hour schedule." Employees assigned to this schedule alternate the number of hours that they are scheduled to work in a given week: the employee works 43 hours in one week, and 36 hours in the following week. The intent is to have the employee work a total of 79 hours over a two week period, and receive pay equivalent to 80.5 hours at the employee's straight time rate (76 hours at straight time and 3 hours at time and a half).
- b. An employee who is assigned to work the 43/36 hour work schedule and who has not accrued 43 hours in the week that he/she is normally scheduled to work 43 hours, because he/she has been on leave for the entire week or the last day of the week, will be permitted either to work additional hours to make up the full eighty (80) hours for the two week period when there is work available, or to use up to 4 (four) hours of straight time of his/her accrued leave to make up the employee's full schedule.

- c. The intent of this provision is to assure that employees who are assigned to the 43/36 schedule do not receive less than the equivalent of 80 hours of pay at their straight time rate of pay because they have taken leave during the week that they are scheduled to work 43 hours.
- 8.8 Employees covered by this Agreement are eligible for overtime only when specifically authorized by the Vice President, Director, or Manager, or their designees.
- 8.9 Each Vice President shall within each of his/her departments, sections, areas, or teams formulate a set of rules governing the distribution of overtime consistent with the normal organization alignment. These rules, so far as may be practicable and consistent with the efficient performance of work to be done, shall distribute the opportunity for overtime work equally among the employees in their respective classifications normally performing the same types of work in each assigned plant, crew, or work area. The Vice President shall consider input and comments from the Association when formulating the rules. It is understood that the sharing of overtime shall not delay nor increase JEA's cost of operation. Each assigned work area shall keep its overtime record in hours, and each record shall be kept on a biweekly basis with not more than one pay period lag.
- 8.10 Absence from scheduled overtime assignments may be subject to investigation.

Article 9
General Working Conditions

- 9.1 Employees shall not work outdoors in severe weather except as required to protect life or property, or maintain pre-existing service to the public. The manager or their designee shall be responsible for observing this clause. Appropriate rain gear and other special equipment shall be provided for those employees who are usually required to work in wet weather. Employees shall be compensated for any lost time during regular work hours on account of severe weather. It is acknowledged that JEA has the right to assign employees to duties not necessarily in their job classification during severe weather.
- 9.2 a. All employees covered by the Agreement shall keep JEA Human Resources and their manager informed in writing at all times of their home and/or living quarters address and a telephone number by which their designated emergency contact person and/or their next of kin may be reached in the event of a medical emergency. JEA shall be entitled to rely on the last address and telephone number furnished to it by an employee and JEA shall have no responsibility to the employee or his/her next of kin for the failure to receive any kind of notice. This information shall be regarded as personal and confidential and shall be used only for official JEA business within the provision of State Statutes.
- b. All employees shall furnish a telephone number by which they may be reached immediately in the event of a system emergency.
- c. With their Director's prior approval, employees currently authorized and issued company-provided cell phones to perform JEA business may instead elect to use his/her personal cell / smart phone for such purposes. Employees who are approved for use of personal cell / smart phones will receive a \$50.00/month stipend. As it is a personal item, the Employee will remain solely responsible for data plan, repair/replacement and all other expenses related to their personal cell/ smart phone. This provision will take effect at the beginning of the calendar month first following ratification by the JEA Board of Directors.
- 9.3 JEA, for proper cause, has the right to require any employee to undergo a medical and/or psychiatric examination by a JEA assigned appropriate medical doctor, at any time, to ascertain whether or not an employee is physically and/or mentally capable of performing the duties required of his/her classification. This examination will be conducted on JEA's time and at JEA's expense. JEA and its fitness-for-duty medical providers shall follow medical record and information confidentiality rules as provided for by HIPPA, and other regulations.
- 9.4 It is mutually acknowledged that an employee's primary responsibility in respect to gainful employment should be to JEA. No employee shall knowingly engage in in conduct not in compliance with JEA and City of Jacksonville "secondary employment" and ethical requirements. ~~any business or transaction or have a financial interest, direct or indirect, which is incompatible with the proper discharge of his/her official duties or would tend to impair his/her judgment or action in the performance of his/her duties.~~
- 9.5 a. JEA shall provide one pair of prescription safety eyeglasses and one pair of prescription safety sunglasses to employees whose job duties require their use. JEA shall pay the fees for fitting such prescription safety eyeglasses and prescription safety sunglasses. Prescription safety eyeglasses and prescription safety sunglasses provided pursuant to this paragraph shall not be replaced more frequently than once each two (2) years, unless

written authorization is provided by the employee's Manager and a new prescription for safety eyeglasses is included with the approved request.

- b. JEA shall replace or pay the cost of repairing an employee's prescription safety eyeglasses and prescription safety sunglasses, to include all fitting fees, issued by JEA, broken or damaged during the performance of his/her assigned duties, provided that such breakage or damage did not result from normal wear and tear, negligence or misuse on the part of the employee, or his/her failure to use proper eye protective equipment where provided by JEA.
- c. JEA shall pay the cost of adding UV protection to JEA-provided prescription safety eyeglasses and prescription safety sunglasses for employees who work outdoors.
- d. JEA shall replace dentures or contact lenses, broken or damaged during the performance of the employee's assigned duties provided such breakage did not result from normal wear and tear, negligence, misuse, or the failure to use proper protective equipment where furnished by JEA.
- e. Safety Shoes
 - 1. JEA will provide one pair of safety shoes per fiscal year (October 1 to September 30) to each employee whose job duties require their use. The standard safety footwear voucher will be worth at least \$~~15025~~ (one-hundred and ~~fiftytwenty-five~~ dollars). The pole climbing safety footwear voucher will be worth at least \$200 (two hundred dollars).
 - 2. Employees who are newly hired or who transfer for the first time into a job which requires safety shoes will be provided two pair safety shoes in their first year in the applicable job and one pair each year thereafter.
 - 3. Management may issue additional pairs of safety shoes to employees whose job duties require their use if the employee's safety shoes are worn out as a result of regular use (not as a result of the employee's negligence). For purpose of this subsection, management has the sole discretion to determine whether to issue an additional pair of safety shoes, whether a pair of safety shoes is worn out, and whether the wear is the result of regular use. Provided however, should a disagreement arise on this matter, the Manager, Safety and Health or their designee shall render a binding decision.
 - 4. Those employees, whose regular job duties only require occasional need for safety shoes, as determined by JEA, will be provided one pair of safety shoes every other year. Those employees will be required to wear safety shoes when assigned duties requiring their use.
 - 5. Those employees who are provided safety shoes by the Employer are required to wear the safety shoes while on duty as required.
- f. JEA may, at its sole discretion, replace or repair personal items destroyed as a result of work related activities through no fault of the employee. In no event will the cost of such replacement or repair exceed three hundred dollars (\$300). This provision shall not be subject to grievance or arbitration.

- 9.6 During the term of this Agreement, JEA agrees to supply to the Association, upon request, and as mutually agreed, the following information pertaining to the members of the bargaining unit: employee's name, current classification, date of employment, date appointed to current classification, and date of last salary increase excluding service raise. Information furnished shall be subject to clerical corrections.
- 9.7 An employee will be reimbursed at the rate stipulated in the Internal Revenue Service Regulations when requested or required to use his/her privately owned vehicle on official business for all miles actually driven but for no more than the usual travel route between assigned destinations. However, no reimbursement will be paid for mileage to a work location when the employee is notified before reporting to his/her usual work location to report to a different work location.

The Association recognizes that employees may be assigned take home vehicles. As with all forms of JEA equipment, based on JEA's operational needs, JEA retains sole discretion to assign, rescind and otherwise manage vehicles. The Association recognizes that represented employees may be assigned take home vehicles based upon operational needs, and is subject to change from time to time as determined by JEA. Should a vehicle assignment to be ended, the employee will be given 30 calendar days' notice.

~~As of November 25, 2014 it has been established that there are thirty-four (34) JSA employees assigned take home vehicles for which they gain personal benefit (as determined by IRS regulations). For FY 2014-2015 there will be a transition plan for those individuals: should an individual's take home vehicle assignment end as provided above, that individual will be provided a \$100.00 month vehicle stipend. This stipend will commence concurrently with when they no longer actually have a take home vehicle (i.e., not including the notice period). The stipend will be payable in full for any calendar month during which their use of a take home vehicle actually ends, up to and including September 2015. This transition plan will cease with the commencement of FY 2015-2016.~~

9.8 LIMITED OR SYSTEM EMERGENCIES

The intent of this language is to define the existence of an emergency, the determination of when employees become "Essential" and "Non-Essential", and the operational and pay guidelines for the JEA and the JSA.

1. Definitions

- A. **Emergency**- An unexpected situation or sudden occurrence of a serious and urgent nature that demands immediate action.
- B. **System Emergency** – All or the vast majority of employee's in the company are affected by the emergency.
- C. **Limited Emergency** – The emergency only affects a portion of the company – one or more departments, but not all.
- D. **Non-Essential Employees**: Employees who are not required to be at work and are either: 1) released from duty (no Blue Sky or Storm Assignment) during some portion of the period of a declared emergency, or 2) who are on duty but not designated as Essential Employees (they are performing Blue Sky Assignments).
- E. **Essential Employees** – Employees who are designated as Essential Employees and are performing emergency related duties (Storm Assignment) during a declared emergency.

- F. **Storm Riders** – employees whose management has specifically designated as Essential Employees and pursuant to that are required to work and /or remain at a JEA designated facility during an event giving rise to a declared emergency. A storm rider is a subset of an Essential Employee.
- G. **Storm Assignment** – Work assignments being performed by an employee during the period their management has specifically designated them as being Essential Employees and altered their normal work schedule for the purpose of restoration after an event giving rise to a declared emergency.
- H. **Blue Sky Assignment** – Assignments normally performed by an employee that are not being performed for the purpose of restoration efforts as the result of a declared emergency.

Note 1: An individual employee may be designated either Essential or Non-Essential at different times during the full duration of a declared emergency (System or Limited Emergency). Example: during a major storm event, many employees will likely be deemed Non-Essential initially; but once the storm passes and JEA mobilizes its restoration efforts, those same employees may be deemed Essential.

Note 2: The designation of Essential or Non-Essential may be applied by management to some or all of a bargaining unit, geographical area or department (System or Limited Emergency). In Limited Emergencies these provisions related to designation of Essential and Non-Essential shall apply to the areas covered by the Limited designation, but other areas will continue to operate under “Blue Sky” parameters. Example: A Limited Emergency declared at Northside Generating Station requiring some employees to be designated Non-Essential and placed on administrative leave does not mean that employees downtown are thereby designated Essential.

Note 3: For the period(s) during which Essential Employees are so designated, they shall be deemed to be on a unique, stand-alone schedule – one inherently unpredictable due to the unique nature of each declared emergency and the requirements to achieve restoration, and progress made toward it once underway. Therefore, certain CBA provisions will not apply: rest period(s); schedule premium nights; schedule premium weekends; notice of shift change; vehicle assignment notice; standby pay; training / instructor supplement; daily and weekly overtime thresholds.

Holiday pay: If an Essential Employee is required to work on a day that would normally be recognized as a holiday under their normal schedule, in addition to the double-pay for time actually worked, they will receive the holiday pay (at regular rates) that they would normally have received if on Non-Essential status / normal work schedule.

Note 4: Transition back to Blue Sky duties. Upon being relieved of duty from Essential Employee status and having worked at least eight (8) consecutive hours, the employee will be entitled to a minimum eight (8) hour transition period before resuming Blue Sky duties. Should that transition period overlap what would have been their normal schedule, they will lose no (regular rate) pay thereby.

Note 5: Preparatory activities in anticipation of a declared emergency period (such as when a hurricane is approaching) or wind-down activities after a declared emergency period will be scheduled and compensated in accordance with the regular CBA provisions.

2. Declaration of System or Limited Emergency

The Managing Director of JEA, or designee, has the authority to declare either a system or limited emergency. In the event that the Managing Director or designee declares either type of an emergency, the provisions of this section take effect.

3. Non-Essential Employees

These employees are subject to the following:

- (1) Non-essential Employees may be released from duty and shall be granted administrative leave with pay for the balance of their normal schedule, and any additional days (or portions thereof) when they are not required by the Employer to report to work due to the emergency.
- (2) Non-essential Employees who are already on previously approved leave with pay at the time of the emergency, or who are scheduled to take authorized leave with pay during the time of the emergency shall not be charged for the leave for that period of time when other Non-essential Employees are on administrative leave with pay as a result of the declared emergency.
- (3) Non-essential Employees who are already on previously approved leave without pay at the time of the declared emergency, or who are scheduled to take authorized leave without pay during the time of the declared emergency shall not be paid for that period of time when other Non-essential Employees are on administrative leave with pay as a result of the declared emergency.
- (4) If a scheduled holiday falls within the time that Non-essential Employees are on administrative leave with pay due to a declared emergency, the employees will be paid for the holiday, but will not receive any additional holiday leave or pay for that day.
- (5) Non-essential Employees required to work for non-Blue Sky purposes will have their designation changed to an Essential Employee. Non-essential Employees required to return to work to perform their regular “Blue Skies” job functions will remain in a non-essential status.

4. Essential Employees

These employees will be subject to the following:

- (1) Essential Employees will be required by JEA to work during the declared emergency. Management may consider volunteers when possible.
- (2) To the maximum extent possible, when the general population is being required to evacuate an area in anticipation of a hurricane, tropical storm, or similar circumstances where there is advance notice of a situation that is expected to create an emergency, JEA shall allow Essential Employees reasonable time, as determined by JEA, to return to their residence, secure the residence, and make plans for the safety of their family. To the extent that reasonable time falls during the employee’s regular schedule, they will lose no time thereby. After allowing a reasonable time for such activities, as determined by JEA, Essential Employees shall be required to report back to work during the emergency.
- (3) Essential Employees shall be compensated at the premium rate of two (2) times the rate of their regular pay for all time actually worked on Storm Assignment. In addition, these employees will be paid straight time hourly pay for the time that they would have been on administrative leave with pay if they had been designated a Non-essential Employee (i.e., any normally scheduled hours). The maximum amount payable under this provision is forty (40) hours per work week, and it only includes periods during which JEA has any Non-essential Employees relieved of duty, not when all Non-essential Employees are performing “Blue Skies Assignments”

(4) During an emergency, Essential Employees who are required to report for work will be provided with meals or meal vouchers.

5. Alteration of Annual, Vacation, or Personal Leave Schedules

JEA has the unilateral right to alter the Annual, Vacation, or Personal Leave schedule of any employee in declared emergencies. This right includes the right to require employees who are on leave at the time of the declared emergency to return to work. In such cases, JEA will reimburse the employee for any non-refundable expenses incurred as a result of the cancellation or alteration of the employee's Annual, Vacation, or Personal Leave plans.

6. JEA Communications with Employees during the Emergency

Any employee who is released from work during a declared emergency is expected to resume his/her regular work schedule, or to assume their Storm Assignment if applicable, when directed to do so by JEA. In order to assist employees in determining when they are expected to return to work, JEA will take reasonable steps to keep employees advised about the status of JEA operations, including the dates and times that employees are expected to resume their regular work schedule. For example, JEA will release information to employees via the JEA voice mail or e-mail system, through use of employee pagers, through releases of information to news media, and any other appropriate means of communicating with employees. To the extent that an employee relies on information released via local news media to determine when he or she is expected to return to work, JEA employees are to follow instructions related to JEA, not those issued regarding City of Jacksonville employees.

~~a. — The intent of this language is to define the existence of an emergency, the determination of when employees become “Essential” and “Non-Essential”, and the operational and pay guidelines for the JEA and the JSA~~

~~b. — Declaration of an Emergency~~

~~The Managing Director or his/her designee has the sole authority to declare a Limited or System Emergency. In the event either type of emergency is declared, the provisions of the Section will take effect immediately. Additionally, it will be the responsibility of the declaring authority to identify the emergency time of commencement, which specific areas are considered under the emergency, and which specific personnel are affected. This information should then be verified and reiterated by lower management levels to their specific groups so there is no confusion as to who should and should not respond to any specific event. It shall also be the Managing Director's or his/her designee's responsibility to identify the stop time or end of the emergency so as to avert any confusion in filling out time sheets correctly and accumulating necessary FEMA information for reporting purposes.~~

~~c. — Non-Essential Employees~~

~~Although all JEA employees are considered essential to the operation of the business, for the purposes of determining whether certain personnel are required to respond to a particular emergency event, those employees not required to do so shall be designated as “Non-essential” for that specific event.~~

These employees are subject to the following:

- ~~1. Non essential employees shall be released from duty and shall be granted Administrative leave with pay for the balance of their normal work schedule, and any additional days of their normal work schedule when they are not required by JEA to report to work due to an emergency. This act alone does not designate the onset of the Limited or System emergency; however no personnel shall be sent home on Administrative leave for emergency purposes until the declaration of an emergency is in effect.~~
- ~~2. Non essential employees who are already on previously approved leave with pay at the time of the emergency, or who are scheduled to take authorized leave with pay during the time of the emergency shall not be charged for the leave for that period of time when other Non essential employees are on Administrative leave with pay as a result of the emergency.~~
- ~~3. Non essential employees who are already on previously approved leave without pay at the time of the emergency, or who are scheduled to take authorized leave without pay during the time of the emergency shall not be paid for that period of time when other Non essential employees are on Administrative leave with pay as a result of the emergency.~~
- ~~4. If a scheduled holiday falls within the time that Non essential employees are on Administrative leave with pay due to an emergency, the employees will be paid for the holiday, but will not receive any additional Holiday leave or pay for that day.~~
- ~~5. Employees previously designated as "Non essential" may be required to work during a declared emergency. In these situations the provisions applicable to "Essential Employees" will apply.~~
- ~~6. In a Limited or System Emergency, Non essential employees from the affected location or department, may be released due to the declared emergency. Based on the declaration of the Limited or System emergency and the release of Non essential employees, Essential employees who are required to work in the affected location during the emergency shall be compensated for the time worked, as provided for in Article 8. In addition to any compensation payable under Article 8, Essential employees will be paid Emergency pay which is straight time hourly pay, for the time they would have been on Administrative Leave with pay if they had been designated a "Non essential" employee. The maximum payable under this provision is forty (40) hours per work week. If employees are sent home on Administrative Leave in order to accommodate a work schedule change for the purposes of emergency response, all employees required to stay at work shall be compensated for the Administrative Leave.~~

d. ~~Essential Employees~~

These employees are subject to the following:

- ~~1. Essential employees will be required by JEA to work during the emergency. Management may consider volunteers when possible.~~
- ~~2. To the maximum extent possible, when the general population is being required to evacuate an area in anticipation of a hurricane, tropical storm, or similar circumstances where there is advance notice of a situation that is expected to create an emergency, JEA will allow Essential employees reasonable time, as determined by JEA, to return to their residence, secure the residence, and make~~

~~plans for the safety of their family. After allowing a reasonable time for such activities, as determined by JEA, Essential employees shall be required to report back to work during the emergency.~~

~~3. Essential employees who are required to work during the emergency shall be compensated for the time worked, as provided for in Article 8 of this agreement. In addition to any compensation payable under Article 8, these employees will be paid straight time hourly pay for the time that they would have been on Administrative leave with pay as if they had been designated a Non essential employee (up to a maximum of forty (40) hours per work week).~~

~~4. During an emergency, Essential employees who are required to report for work will be provided with a meal or meal vouchers. Meal schedules shall be based on the meal break guidelines as set forth in Article 19.5.~~

~~e. Alteration of Annual, Vacation, or Personal Leave Schedules:~~

~~As provided for in article 10.1.g., JEA has the unilateral right to alter the Annual, Vacation, or Personal Leave schedule of any employee in emergencies. This right includes the right to require employees who are on leave at the time of the emergency to return to work. In such cases, JEA will reimburse the employee for any non-refundable expenses incurred as a result of the cancellation or alteration of the employee's Annual, Vacation, or Personal Leave plans.~~

~~f. JEA Communications with Employees during the Emergency~~

~~Any employee who is released from work during an emergency is expected to resume his/her normal work schedule when directed to do so by JEA. In order to assist employees in determining when they are expected to return to work, JEA will take reasonable steps to keep employees advised about the status of JEA operations, including the dates and times that employees are expected to resume their regular work schedule. For example, JEA will release information to employees via the JEA voice mail or e-mail system, through use of employee pagers, through releases of information to news media, and any other appropriate means of communicating with employees. To the extent that an employee relies on information released via local news media to determine when he or she is expected to return to work, JEA employees are to follow instructions related to JEA, not those issued regarding City of Jacksonville employees. Any employee expected to stand by for return to work outside the employee's normal work schedule shall be paid Standby Compensation in accordance with Article 19.2.~~

9.9 Mutual Aid

1. When employees are requested and authorized to assist other utilities in the restoration of their service areas, said employees will receive compensation of pay at two (2) times their normal rate of pay for all hours worked in this process to include travel and any other time required. The Association and JEA agree that All employees deployed on mutual aid are still JEA employees, remaining subject to this Agreement and required to adhere to JEA policies and procedures in the same manner as when not deployed on mutual aid.

Article 10

Leave Usage

10.1 Leave Usage (Generic)

- a. Employees, when eligible and authorized, may use their Compensatory Time, Annual, Vacation, or Personal Leave upon written application to their appointed manager/designee. Approval shall be based upon the nature of the request in each instance. Extensions may be granted at the option of the Vice President, Director, or Manager/designee.
 - b. It shall be the mutual obligation of JEA and the Association to cooperate with each other in the proper application of Compensatory Time, Annual, Vacation, or Personal Leave benefits.
 - c. Compensatory Time, Annual, Vacation, or Personal Leave will be charged against an employee's regular workday, and shall not be charged for absences on a prearranged overtime workday, unscheduled call-in overtime days, or holidays.
 - d. Compensatory Time, Annual or Personal Leave may be taken for emergency, illness, or injury of the employee or next of kin. For these purposes "next of kin" shall be the same relations defined as "immediate family" in Article 10.4(a).
1. Employees are required to notify the appropriate designated individual of the employee's intent to use Compensatory Time, Annual or Personal Leave for emergency, illness, or injury in the following manner:
 - (i) Non-shift employees must provide notification to the appropriate designated individual as early as possible and no later than the start of the employee's normal workday. An employee who has a starting time earlier than the designated individual he/she is to notify, shall notify that individual as soon as possible after the normal starting time for that designated individual.
 - (ii)
 - a. Shift employees must provide notification to the appropriate designated individual no later than one (1) hour prior to the starting time of the employee's shift.
 - b. Shift employees shall notify the appropriate supervisor at least four (4) hours in advance of the employee's intent to return to work following an emergency, illness, or injury. However, employees on the day shift need only provide one (1) hour advance notice before returning to work.
 2. Employees who fail to notify the appropriate designated individual as required by Section 10.1.d.1. may not be allowed to charge their absence to Annual or Personal Leave unless waived by the Vice President, Director, or Manager/designee.
 3. Absences for illness under Compensatory Time, Annual or Personal Leave conditions may be subject to investigation. (This section is not intended to

require an employee to provide a physician's certified statement of illness after each absence. It is intended to correct suspected abuse of Annual or Personal Leave for illness.)

4. Employees failing to comply with the provisions of Section 10.1 will be subject to disciplinary action.
- e.
 1. The minimum amount of Compensatory Time, Annual, Vacation, Sick, or Personal Leave to be taken and charged shall be one-tenth (.10) hour increments.
 2. Employees on eight (8) hour day, ten (10) hour day and twelve (12) hour day schedules shall be charged eight (8), ten (10) and twelve (12) hours respectively for a day off.
- f. If a legal holiday falls within a scheduled Compensatory Time, Annual, Vacation, or Personal, Leave period, Compensatory Time, Annual, Vacation, or Personal Leave shall not be charged for that day. When scheduled overtime hours, for rotating shift workers fall within a scheduled Compensatory Time, Annual, Vacation, or Personal Leave period, Compensatory Time, Annual, Vacation or Personal Leave shall not be charged nor overtime paid for those hours.
- g. Notwithstanding any other provision of this Agreement, JEA shall have the unilateral right to alter Compensatory Time, Annual, Vacation, or Personal Leave schedules for proper cause or emergencies that might occur. In such cases, the employee will be reimbursed for any costs forfeited due to cancellation of reservations, excess travel, etc., provided action is taken by the employee to minimize the forfeited cost, and provided further that satisfactory documentation of the employee's payment of forfeited costs is furnished to JEA.
- h. Upon written request, and with at least thirty (30) calendar days advance notice, an employee taking at least two (2) weeks or more of authorized paid Annual Personal Leave may have the amount of compensation due for the requested Annual Leave period advanced to him/her on the last regular payday prior to the beginning of the paid Annual Leave.
- i.
 1. An eligible employee who is out from work because of an on-the-job injury may use Annual Leave, Sick Leave, Personal Leave or Compensatory Time to remain on the payroll, under the conditions established in this section.
 2. In order to be eligible to use accrued leave for this purpose the employee must meet all of the following eligibility requirements:
 - i. The employee is away from work due to an on-the-job injury;
 - ii. The employee is either receiving workers' compensation payments or has exhausted the allowable period of workers' compensation;
 - iii. The employee provides the employer with a written request to use his/her accrued leave to remain on the payroll.
 3. When employees are eligible to use accrued leave for this purpose, the amount of Annual Leave, Vacation/Sick Leave, or Personal Leave or Compensatory Time so charged shall be the minimum amount in one-tenth (.10) of an hour increments

to equal the difference between the employee's regular pay and the amount that the employee is receiving from workers' compensation and workers' compensation supplement.

4. If the employee receives only partial salary or wage payment, the normal required employee pension contribution shall be deducted from the employee's partial salary or wage payment and the employee shall continue to receive full retirement credit for the period during which workers' compensation payments are received.

10.2 Annual and Retirement Leave Usage

- a. In order to insure the health and welfare of the employee, JEA encourages employees to take a minimum of ten (10) work days Annual Leave per contract year. Employees are encouraged to retain eighty (80) hours in their Annual Leave account in case of serious personal illness.
- b. Accrued Annual Leave may be taken at any time when authorized. Scheduling will be accomplished on a seniority basis in classification for the first request of three (3) consecutive work days or more provided that the request is submitted prior to March 31. In scheduling Annual Leave, employees with seniority in a classification, a shift, a crew, a section, or an office shall be given first preference; provided, however, that such preference shall be subject to JEA's exclusive authority to determine the number of employees in any given classification, shift, crew, section, or office who may be on leave at the same time. Denial of requested leave must be substantiated on the basis that granting of such leave would unduly increase the cost of operations and/or would otherwise be detrimental to the efficient operations of the system. Requests for leave of less than three (3) consecutive work days must be submitted at least twenty-four (24) hours in advance unless the leave is for illness or emergency.
- c. If an employee has exhausted all of the accrued, unused Annual Leave, and then said employee suffers an illness which requires time off, then said employee shall be allowed to use the credited Retirement Leave for the purpose of illness only.
- d. If an employee, due to an extended, continuous illness, requires eighty (80) hours or more for such illness, then such leave, may at the employee's option be deducted from the Retirement Leave account of such employee.

10.3 Vacation Leave Usage

- a. Vacation Leave shall be so arranged as to be mutually convenient to both the employee and JEA. Vacation Leave must be scheduled consistent with the operational requirements of the system. In scheduling vacation, employees with seniority in a classification, within a shift, crew, section or office, shall be given a preference. This seniority preference will only apply to the first vacation period selected each contract year.
- b. JEA employees may split their Vacation Leave in any manner desired and approved by their Vice President, Director, or Manager or his/her designee. The splitting of Vacation Leave must be consistent with the operational requirements of the system.

10.4 Sick Leave Usage

- a. Sick Leave may be taken for illness or injury of the employee or his/her immediate family. For the purpose of this section, "immediate family" shall be defined as spouse, children, stepchildren, parents, stepparents, and other relatives who permanently reside with the employee. Special consideration may also be given to any other person whose association with the employee is similar to any of the above relationships.
 - 1. Employees are required to notify the appropriate designated individual of the employee's intent to use Sick Leave, in the following manner:
 - (i) Non-shift employees must provide notification to the appropriate designated individual as early as possible, and no later than the start of the employee's normal work day. An employee, who has a starting time earlier than that of the designated individual he/she is to notify, shall notify that individual as soon as possible after the normal starting time for that designated individual.
 - (ii)
 - (a) Shift employees must provide notification to the appropriate designated individual no later than one (1) hour prior to the starting time of the employee's shift.
 - (b) Shift employees shall notify the appropriate supervisor at least four (4) hours in advance of the employee's intent to return to work following an illness or injury. However, employees on the day shift need only provide one (1) hour advance notice before returning to work.
 - 2. Employees who fail to notify the appropriate designated individual as required by Section 10.4 a.1. shall not be allowed to charge their absence to Sick Leave unless waived by the Vice President, Director, or Manager/designee.
 - 3. Absences for illness or injury may be subject to investigation. (This section is not intended to require an employee to provide a physician's certified statement of illness or injury after each absence. It is intended to correct suspected abuse of Sick Leave.)
 - 4. Employees who fail to comply with the provisions of Section 10.4 will be subject to disciplinary action.
- b. If an employee or member of his/her immediate family is under a doctor's care for a continuing illness or injury and the employee has used all accrued Sick Leave, the employee may, upon request, be placed on Vacation Leave status and allowed to use any accrued leave in accordance with this Agreement.

10.5 Personal Leave Usage

Accrued Personal Leave may be taken at any time when authorized by their appointed manager/designee. Scheduling will be accomplished on a seniority basis in classification for the first request of three (3) consecutive work days or more provided that the request is submitted prior to March 31. Denial of requested leave must be substantiated on the basis that granting of such leave would be detrimental to the efficient operations of the system. Requests for accrued Personal Leave of less than three (3) consecutive workdays must be submitted at least twenty-four (24) hours in advance unless the Personal Leave is for illness or emergency.

Article 11
Annual Leave (PLAN E)

11.1 This article shall apply to all permanent, probationary, and provisional employees of the following categories:

- a. Employees hired on or after October 1, 1968 and before October 1, 1989;
- b. Employees hired prior to October 1, 1968, but chose to remain subject to former Sick Leave and Terminal Leave policies in April, 1969;
- c. Employees hired prior to October 1, 1968, who chose on or before September 30, 1978, to become subject to this provision;
- d. Employees who meet the requirements of either a, b, or c, above upon completion of probation after promotion into a classification included within the Unit.

11.2 a. Employees shall accrue Annual Leave with pay according to the following schedule on a bi-weekly basis:

<u>Years of Service</u>	<u>Hours Per Year</u>
Upon completion of 0 months thru 4 years.....	160
Upon completion of 4 years thru 9 years.....	184
Upon completion of 9 years thru 14 years.....	208
Upon completion of 14 years thru 19 years.....	232
Upon completion of 19 years thru 24 years.....	256
Upon completion of 24 years or more.....	280

- b. Annual Leave will accrue bi-weekly to the credit of the employee, and shall be credited on the last day of the pay period. In order to receive full credit, the employee must work a full schedule or be on approved leave with pay. The accrual will be reduced pro rata for hours on leave without pay.
- c. The rate of accrual shall change to the higher rate on the anniversary day of employment.
- d. Annual Leave shall be earned during the first year of employment.

11.3 Annual leave shall accrue to a maximum of 960 hours. The employer will compensate the employee on an hour-for-hour basis for any accrued amount over nine hundred sixty (960) hours as of September 30th each year. These payments will be made on the first pay day in November, at the September 30th rate of pay.

11.4 Beginning with leave earned during the fiscal year, an employee who does not use all of their Annual leave accrued in a fiscal year, may be paid the difference between the amount used and the amount accrued for that fiscal year on an hour-for-hour basis.

- (a) To receive such payment, the employee must make an irrevocable election in the fiscal year preceding the fiscal year in which the leave is accrued, and comply with such other requirements of the Internal Revenue Service as may then be in effect.
- (b) This payment is not available to an employee who would have less than eighty (80) hours of annual leave remaining after such payment. Such payments will be

made no later than the second payday in November at the September 30th rate of pay.

11.5 For the purpose of this Article, retirement is defined pursuant to the Ordinance provisions of the pension program of the City. Vesting is considered as retirement.

- a. Retirement Leave may be taken either immediately prior to desired eligible retirement date, which leave may be used for the fulfillment of time service requirements; or Retirement Leave may be taken following fulfillment of time service requirements.
- b. An employee on Retirement Leave shall be maintained on the regular payroll, thereby continuing to avail the employee of payroll deductions, pensions, contributions, and insurance deductions.
- c. Upon placement on Retirement Leave, such status shall be irrevocable.
- d. While on Retirement Leave, an employee shall not accrue Annual Leave, but shall be eligible for legal holidays and any general salary increases, but not performance/step increases.
- e. At the employee's option, Retirement Leave may either be taken, or paid for in one lump sum on an hour-for-hour basis, within thirty (30) calendar days of retirement date.
- f. If an employee terminates prior to retirement as defined in the Annual Leave Ordinance (116-Part 6), said employee shall be paid for any Retirement Leave credited, on the basis of one (1) hour's pay for one (1) hour in said account.

11.6

- a. Upon termination, which includes resignation or discharge not for cause, the employee shall be paid for all unused Annual Leave accrued, and for Retirement Leave, the latter on the basis of one (1) hour's pay for one (1) hour in said account.
- b. Employees who are discharged for stealing, sabotage, or illegal possession or use of drugs shall forfeit their unused Annual Leave earned during the contract year.

11.7 Upon retirement of an employee, said employee's Annual Leave account and Retirement Leave account shall be used or paid for on a day-for-day basis up to a maximum of nine hundred-sixty (960) hours in each account, under the following provisions:

- a. Leave may be taken either immediately prior to the desired eligible retirement date, which leave may then be used for the fulfillment of time service requirements; or
- b. Such leave may be taken following fulfillment of time service requirements.

11.8 a. After an employee has been on a leave of absence or light duty due to a disabling injury on-the-job for a period of six (6) months, upon being certified physically and mentally fit, the employee shall be returned to the same job if:

1. the employee is capable of doing the job satisfactorily;

2. the employee would have retained the job had the employee not been injured; and
 3. such work still exists.
- c. If an employee who has been on a leave of absence or light duty due to a disabling injury on-the-job for six months is not certified physically and mentally fit for full duty, JEA shall place the employee in a comparable job for which he/she is qualified. JEA shall offer the employee the best available job for which the employee is qualified - if necessary, appointing the employee to a lower classification.

Article 12 - Recapitalization Event

For purposes of this Article, if a “Recapitalization Event” occurs, it is defined as:

Recapitalization Event” means the closing and funding of a transaction or a series of related transactions in accordance with Article 21 of the Charter of the City of Jacksonville and any other Applicable Law that results in either (i) unencumbered cash proceeds to the City of Jacksonville of at least Three Billion Dollars (\$3,000,000,000) or (ii) at least fifty percent (50%) of the net depreciated property, plant and equipment value of either JEA’s electric system or JEA’s water and wastewater system being transferred, assigned, sold or otherwise disposed of.

The effective date of a Recapitalization Event shall be the date of closing of a transaction that results in either of the above two contingencies occurring, or in the case of a series of related transactions, the date of a closing of a transaction that, when combined with other prior transactions in the series, results in either of the above two contingencies.

In the event of a Recapitalization Event, the terms of this Article will apply; conflicting provisions of this Agreement, (if any) will be superseded by the terms of this Article.

12.1 Pension

The parties understand and agree that Ordinance 2019-566 is currently being considered for enactment by COJ City Council. In the event of a Recapitalization Event, the parties agree that the retirement benefits and applicable timeframes shall be as described in the enacted ordinance, which is incorporated by reference as though fully set forth herein. It is recognized and agreed that the ordinance does not diminish any pension rights guaranteed under existing applicable law. Further, it is understood and agreed that in the event a Recapitalization Event occurs and there are conflicting provisions between the enacted ordinance and Article 17.4, the conflicting provisions of Article 17.4 shall no longer be applicable and will be superseded by this section. In the event that COJ City Council rejects Ordinance 2019-566, the Union agrees to negotiate with JEA on the topics covered by Ordinance 2019-566.

I. SUMMARY OF RECAPITALIZATION PENSION CHANGES

A. Employees Hired On or After October 1, 2017

Employees hired on or after October 1, 2017 – GEDC Plan. If still active employees on the date of the Recapitalization Event, they will be fully vested in their employer’s contributions and earnings credited up to the date of the Recapitalization Event.

B. Employees Hired Before October 1, 2017

In summary, upon a Recapitalization Event, employees shall be provided additional service credits for base pension benefit accrual purposes, to reach the earliest normal retirement date (i.e., 5 years of service/age 65; 20 years of service/age 55; 30 years of service/under 55) that they would have reached had they continuously worked for JEA. Employees will be eligible to receive retirement benefits upon reaching the actual chronological age required by the earliest normal retirement date.

D. BACKDROP. Employees BACKDROP benefits under Chapter 120.214 do not change upon the occurrence of the Recapitalization Event. For example, an employee with 32 years of service credits at the Recapitalization Event may elect the same rights to BACKDROP benefits as they could have elected absent a Recapitalization Event.

E. In the event that any other bargaining unit representing JEA employees receives any greater pension benefits than JEA presently provides to the JSA (i.e., through contract negotiations, settlement, impasse proceedings, or litigation), then JSA shall receive the difference received by the other participating bargaining unit(s).

12.2 Employee Protection and Retention Program Agreement

Within two weeks of the Effective Date of this Agreement, JEA will offer bargaining unit employees who were employed with JEA as of July 23, 2019 the option to enter into a Employee Protection and Retention Program Agreement (“Retention Agreement”), the form and substance of which was agreed to by the Union and referenced in Exhibit E. The Retention Agreement shall be contingent upon the occurrence of a Recapitalization Event, and shall be binding upon any successor(s).

The Retention Payment specified in Exhibit E is only available to employees employed by JEA as of July 23, 2019. The benefits specified in Section 4 of Exhibit E are available to employees employed on or before the Closing Date of a Recapitalization Event.

JEA shall contractually require its successor to provide such guarantees to each eligible employee covered by this Agreement who was employed as of the Closing Date of a Recapitalization Event.

For purposes of this Agreement, and under the terms set forth in Exhibit E, JEA, as a condition of any Recapitalization Event, shall contractually require its successor to provide each employee covered by Exhibit E with the benefits set forth therein. Nothing in this section limits benefits otherwise available to employees hired after July 23, 2019.

In the event of a Recapitalization Event, and if there is a conflict between this section and Exhibit E, the terms of Exhibit E will control.

Upon the Union’s request, JEA shall provide the Union with written notice of the documents that provide this contractual obligation to JEA’s successor.

12.3 Disability Coverage

In the event of a Recapitalization Event, to bridge employees to the five (5) year minimum eligibility waiting period for Social Security Disability, employees will be provided a comparable disability insurance benefit up to five (5) years at no cost to the employee. Employees will be responsible for all applicable taxes related to disability benefit payments.

Article 13
Personal Leave (PLAN H)

13.1 This article shall apply to all permanent, probationary, and provisional employees hired on or after October 1, 1989.

13.2 a. Employees shall accrue Personal Leave with pay for all straight time hours worked according to the following schedule on a bi-weekly basis:

<u>YEARS OF SERVICE</u>	<u>HOURS PER YEAR</u>
Upon completion of 0 months thru 4 years.....	160
Upon completion of 4 years thru 9 years	184
Upon completion of 9 years thru 14 years	208
Upon completion of 14 years thru 19 years	232
Upon completion of 19 years thru 24 years	256
Upon completion of 24 years or more	280

b. Personal Leave will accrue bi-weekly to the credit of the employee, and shall be credited on the last day of the pay period. In order to receive full credit, the employee must work a full schedule or be on approved leave with pay. The accrual will be reduced pro rata for hours on leave without pay.

c. The rate of accrual shall change to the higher rate on the anniversary day of employment.

d. Personal Leave shall be earned during the first year of employment.

13.3 a. Personal Leave shall accrue to a maximum of six hundred (600) hours. Personal Leave over that amount as of September 30 of each year shall be forfeited unless applied in accordance with the provisions of 13.4 or sold back to the Employer in accordance with the provisions of 13.3.b.

b. Personal leave shall accrue to a maximum of 600 hours. The employer will compensate the employee on an hour-for-hour basis for any accrued amount over six hundred (600) hours as of September 30th each year. These payments will be made on the first pay day in November, at the September 30th rate of pay.

c. Beginning with leave earned during the fiscal year, an employee who does not use all of their personal leave accrued in a fiscal year, may be paid the difference between the amount used and the amount accrued for that fiscal year on an hour-for-hour basis.

d. To receive such payment, the employees must make an irrevocable election in the fiscal year preceding the fiscal year in which the leave is accrued, and comply with such other requirements of the Internal Revenue Service as may then be in effect.

e. This payment is not available to an employee who would have less than eighty (80) hours of personal leave remaining after such payment. Such payments will be made no later than the second payday in November at the September 30th rate of pay.

13.4 [OPEN]

- 13.5 Upon retirement (including vesting under the pension law) of an employee, said employee shall be paid for all unused Personal Leave accrued on an hour for hour basis.
- 13.6 a. Upon termination of an employee for other than retirement, which includes resignation or discharge not for cause, the employee shall be paid for one-hundred percent (100%) of their Personal Leave on an hour for hour basis in a lump sum payment.
- b. Employees who are discharged for cause shall forfeit their unused Personal Leave accrued during the contract year.
- 13.7 a. After an employee has been on a leave of absence or light duty due to a disabling injury on-the-job for a period of six (6) months, upon being certified physically and mentally fit, the employee shall be returned to the same job if:
1. The employee is capable of doing the job satisfactorily;
 2. The employee would have retained the job had the employee not been injured; and
 3. Such work still exists.
- b. If an employee who has been on a leave of absence or light duty due to a disabling injury on-the-job for six (6) months is not certified physically and mentally fit for full duty, JEA shall place the employee in a comparable job for which the employee is qualified, if necessary, appointing the employee to a lower classification.

Article 14
Military Leave

14.1 TRAINING

- a. Employees who are members of the National Guard, or organized military reserves of the United States, and who are ordered to attend annual or monthly training shall, upon presentation of their official orders or appropriate military certification, be granted not more than 240 working hours with pay pursuant to Florida Statutes, Chapter 115, Section 115.7 as amended. The training leave shall not be deducted from Annual/Vacation/Personal Leave or in any other way result in loss of privileges or compensation to said employee. Employees are responsible for notifying their supervisors as soon as possible of the dates for the training period and provide a competent set of orders.

- b. Employees who are members of the reserve components mentioned above and who are required to attend regularly scheduled training assemblies throughout the year may, upon due notice, apply for Compensatory Leave or Annual/Vacation/Personal Leave to attend the military training assemblies when they are scheduled to be on duty, and have used all available hours of Military Leave as provided for in 14.1a.

Employees who request time off for this purpose are responsible to advise their supervisors at the earliest possible time of the dates when they are scheduled for these training assemblies which conflict with their normal work schedule.

14.2 MILITARY DUTY

Related to employees' military service (present and past), there are Federal and State laws and regulations, as well as City of Jacksonville municipal ordinances, covering employer responsibilities to eligible employees; JEA will comply with all applicable laws, regulations and ordinances covering employees' military service.

Article 15 Leave of Absence

15.1 LEAVE WITH OR WITHOUT PAY

- a. An employee may request a leave of absence, of specified duration, with or without pay, which must be recommended by their Director level manager and approved by their executive manager (VP/SLT level or equivalent). An approved leave of absence with pay must be for a purpose which shall serve the best interests of the system and not just the employee. A position must be available to an employee upon return from a leave of absence with pay.
- b. If an employee is granted a leave of absence without pay, a position may or may not be available, at the discretion of the executive manager (VP/SLT level or equivalent) or their subordinate appointed management, to the employee upon his/her return to service. The decision to make or not make a position available will be made prior to granting the leave of absence and the employee will be notified of the decision. If a position is not made available, the employee's sole right is to be placed on the reemployment list in accordance with the Civil Service and Personnel Rules and Regulations.
- c. If an employee is granted leave of absence without pay the position is held for the employee upon his/her return to service, JEA will continue to pay the life insurance and medical insurance normally paid by JEA which includes JEA's portion of the dependent medical insurance premium. The employee is responsible for the optional life insurance premium and the employee's portion of the dependent medical insurance premium.
- d. If an employee is granted a leave of absence without pay and the position is not held, the employee shall be required to pay the total cost of any insurance coverage the employee desires to continue in effect during such leave.
- e. All leave requested under this Section which meets the criteria for leave under the Family and Medical Leave Act (FMLA) shall be documented as FMLA leave and shall be provided in accordance with the terms and conditions of the FMLA. Use of FMLA leave does not preclude additional leave, which may be granted pursuant to this Section.

15.2 BEREAVEMENT LEAVE

- a. Upon notification of the death of an immediate family member, an employee may be granted the day or remainder of the day, if at work, off without loss of pay and may be granted an additional three (3) work days within the next ~~twenty-one fourteen~~ (214) calendar days off without loss of pay, as Bereavement Leave. Immediate family for the purpose of this section is defined as spouse, children, stepchildren, parents, stepparents, brother, sister, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparents, grandchildren, aunts, uncles, nieces, nephews, spouse's grandparents and relatives who permanently reside with the employee. Should an employee be on vacation at the time of death, the three (3) working days that would normally be granted as Bereavement Leave shall be charged as Bereavement Leave instead of Annual/Personal Leave.

15.3 FUNERAL LEAVE

Employees may be granted up to four (4) hours without loss of pay as Funeral Leave to attend the funeral of an active ~~or retired~~ co-worker, unless such employee is required to maintain system integrity.

15.4 JURY DUTY

An employee while serving on jury duty will be paid his/her salary for any scheduled work hours lost up to eight (8), ten (10) or twelve (12) hours, and will not be required to forfeit any compensation received for jury services. If a rotating shift employee receives notice of jury duty and notifies his/her supervisor on his/her next workday following the receipt of notice, he/she shall at his/her request be rescheduled to the day shift during his/her period of jury duty. If an employee is released from jury services with four (4) hours or more remaining on his/her normal workday, he/she will be required to report to his/her work site on that workday. A statement from the appropriate Court Clerk's office in writing shall be required from the employee. The statement shall contain information as to dates and times an employee was required for jury duty.

15.5 WITNESS DUTY

If an employee is absent from work, in order to serve as a witness in a case in a court of law to which he/she is not a party, either directly or as a member of a class, and where such absence is in response to a legally valid subpoena and where such presence is in the interest of JEA, he/she shall be granted leave with pay for those hours for which he/she is absent from work during his/her regularly scheduled working hours, provided he/she submits evidence of such service as a witness.

INTENT

The intent is an employee who is subpoenaed in a case in the interest of or involving JEA, in his/her official capacity during normal working hours, shall not be required to charge Annual Leave.

15.6 VOTING

During elections employees whose working hours do not permit a two (2) hour period to vote, may be granted sufficient time, without loss of pay, not to exceed two (2) hours, at the direction of his/her supervisor, for the purpose of voting, providing the employee is registered and eligible to vote.

15.7 LEAVE DONATIONS AND FORFEITURES

It is mutually acknowledged that JEA maintains a program through which JEA employees can donate Annual Leave to eligible coworkers in need (such as those out on approved medical leave but who have exhausted their individual Annual Leave).

- a. ~~Employees may forfeit Annual Leave, Vacation Leave, Personal Leave, and Retirement Leave (but not Sick Leave or Compensatory Leave) to regular and temporary, full-time JEA employees who are critically ill, critically injured, or require an extended leave of absence for medical reasons. Employees may donate Annual, Vacation, Personal and~~

~~Retirement Leave (but not Sick Leave or Compensatory Leave) to JEA approved charitable organizations.~~

- ~~b. Forfeitures to critically ill or critically injured employees or employees who require an extended leave of absence for medical reasons shall be subject to the following requirements:~~
 - ~~1. The critically ill or critically injured employee and employees who require an extended medical leave of absence must submit a statement of need to the Director, Employee Services or his/her designee. The employee who requires an extended medical leave of absence must include a physician's statement documenting the need for an extended medical leave of absence. The Director, Employee Services or his/her designee shall determine the employee's eligibility to receive leave forfeitures in accordance with the provisions of this Section 15.7.~~
 - ~~2. Forfeitures may not be made in respect of an ordinary illness, but rather may be made only in respect of a serious or major illness, hospitalization of five (5) calendar days or more, or a medical leave of absence of ten (10) calendar days or more.~~
 - ~~3. The employee forfeiting the leave must complete the appropriate form and submit it to Employee Services.~~
 - ~~4. The employee receiving the forfeited leave must have exhausted all other available leave, and may receive only enough forfeited leave to cover the period of the absence. Upon returning to work, the employee may not have a positive leave balance as a result of any forfeiture.~~
- ~~e. Donations or forfeitures of leave under this Section 15.7 shall be accounted for according to the dollar value of the leave, to be determined by multiplying the number of hours donated or forfeited by the hourly rate of the employee donating or forfeiting the leave.~~

15.8 PARENTAL LEAVE

JEA and the Association recognize the importance of our employee's families and the value of time during the birth or adoption of a child. In this spirit, the JEA will offer a parental leave plan consisting of paid time off following the birth or adoption of a child. JEA has established a policy and procedure applicable to bargaining unit members to be effective January 1, 2020 defining the Parental Leave Plan.

Article 16
Holidays

16.1 Each employee covered by the Agreement shall be entitled to twelve (12) holidays with pay each year as follows:

New Year's Day	January 1
Martin Luther King, Jr.'s Birthday	3rd Monday in January
President's Day	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1st Monday in September
Veteran's Day	As designated
Thanksgiving Day	As designated
Friday After Thanksgiving	As designated
Christmas Eve	December 24
Christmas Day	December 25
Personal Leave Day	As mutually agreed upon

When New Year's Day (January 1) occurs on a Saturday and holiday is observed on a Friday it is understood there will be thirteen (13) holidays in the affected year and only eleven (11) observed in the following year.

- 16.2 a. For non-shift workers, when a holiday falls on Saturday, the Friday prior thereto shall be considered the holiday, and when a holiday falls on Sunday, the Monday following shall be considered the holiday. If either Christmas Eve or Christmas Day falls on a Saturday or Sunday, the provisions of the City of Jacksonville Ordinance Code shall apply. For those workers on a four (4), ten (10) hour day workweek, when a holiday falls on a normal day off, the workday closest to the holiday shall be considered the holiday. When a holiday falls on a normal day off that is midway between workdays, the next scheduled workday will be the holiday. When a holiday falls on a Saturday or Sunday for a non-shift employee, which is considered their regular scheduled work day, the holiday will be observed on that day.
- b. Rotating shift workers will observe all holidays on the date they occur as listed in 16.1.
- c. Employees shall be compensated for holidays at their respective rates of pay for the number of hours they would have ordinarily worked on that holiday.
- d. 1. When an employee is required to work on a day observed as his/her holiday, he/she shall be compensated eight (8), ten (10), or twelve (12) hours straight time pay, dependent on work day assignment, as holiday pay. In addition, the employee shall receive one and one-half (1 1/2) times his/her straight time hourly rate for all hours worked up to eight (8), ten (10), or twelve (12) hours, and two and one-half (2 1/2) times his/her straight time hourly rate for all hours worked on the holiday over eight (8), ten (10), or twelve (12) hours until released.
2. Whenever a non-shift worker is required to work on Christmas Day, but is not required to work the day normally observed as the holiday, the employee shall continue to earn holiday pay of eight (8), ten (10), or twelve (12) hours on the day normally observed as the holiday, but shall earn two and one-half (2 1/2) times his/her straight time hourly rate for all hours worked on Christmas Day.

3. Non-shift employees who are required to work on Christmas Day (December 25th), when Christmas Day (December 25th) falls on a Saturday or Sunday shall be paid at two and one-half (2.5) times their straight time hourly rate for all hours actually worked.

16.3 The Personal Leave Day shall be taken at the option of the employee when scheduling of such is approved by their Vice President, Director or Manager or his/her designee. If the employee fails to take the Personal Leave Day prior to the end of the fiscal year, the employee shall be paid eight (8), ten (10) or twelve (12) hours of pay in accordance with their regularly scheduled shift, at his/her rate of pay by the end of the fiscal year.

Article 17
Insurance and Benefits

17.1 LIFE INSURANCE

JEA agrees to provide, at no expense to the employee, basic term life insurance equal to 100% of the employee's gross annual salary (rounded to the nearest thousand increments) or \$250,000 whichever is less. The employee, at his/her option and expense, may purchase additional term life insurance, under the same group policy, subject to the terms and limits of the policy. This additional term life insurance will include an accidental death and dismemberment (AD&D) schedule for accidental loss of life equal to the amount of additional term life insurance selected. The amount of additional term life and AD&D insurance selected by the employee is subject to approval by JEA's group life insurance company.

17.2 MEDICAL INSURANCE

- a. JEA agrees to continue to provide employees with a medical insurance program under the JEA Group Plan at no cost to the employee. Coverage for the employee's dependents shall be an integral part of the Group Plan. JEA agrees to pay fifty percent (50%) of the cost of the employee's dependent coverage.
- b. JEA will provide the Association with notice of any changes in the Group Plan or in the premiums for dependent coverage there under as soon in advance of the effective date as is reasonably possible.
- c. The JSA will be encouraged to provide input to the JEA Insurance Committee, review proposed changes, and when applicable make recommended changes to the JEA group health insurance plan(s).

17.3 ACCIDENTAL DEATH BENEFITS

- a. JEA shall provide accidental death benefits at no expense to the employee, in the amount of \$100,000 for all employees, payable to the beneficiary named by the employee or as otherwise provided, in the event an employee dies as a result of an injury arising out of and in the course of his/her employment with JEA. This payment shall be made within fourteen (14) calendar days after occurrence.
- b. In addition to the death benefit above, dependents of employees who are killed in the course of employment will be entitled to the death benefits provided pursuant to the Workers' Compensation Law.

17.4 RETIREMENT BENEFITS

- a. [Note: For purposes of aiding understanding of the provisions that follow, pursuant to 2016-2019 contract negotiations the parties negotiated retirement benefit changes in the context of proposed reforms to the City of Jacksonville GEPP (General Employees Pension Plan).] JSA agrees to the proposed closure (to new employees) of the GEPP, with new hires after the effective date being enrolled in a "DC plan" (defined contribution plan).
- b. Participants in that DC plan will make an eight percent (8%) contribution; JEA will make a twelve percent (12%) contribution.

- c. In the event any other bargaining unit participating in the DC Plan (e.g., AFSCME Council 79, LIUNA 630, CWA, the Jacksonville Supervisors Association, IBEW 2358, LIUNA 630, AFSCME 429) receives any greater benefits than JEA provides to the JSA (i.e., through contract negotiations, settlement, impasse proceedings, or litigation), then JSA shall receive the difference between its DC Plan benefit and that received by the other participating bargaining unit(s).
- d. No benefits under the “DC Plan” shall decrease for all active, full time, enrolled unit employees.
- e. JEA agrees to contribute to the employee's pension program to the extent required by applicable laws pertaining to the employee's contributory pension program.
- f. No benefits under the General Employee Pension Plan (“GEPP”), the City’s Defined Benefit retirement plan, shall decrease for all active, full time, enrolled unit employees, including but not limited to the DROP program, disability benefits, COLA increases, survivor benefits, and any other benefits as they exist as of the date of JSA’s ratification of this CBA.
- g. In the event any other bargaining unit participating in the General Employee Pension Plan (e.g., AFSCME Council 79, LIUNA 630, CWA, the Jacksonville Supervisors Association, IBEW 2358, LIUNA 630, AFSCME 429) receives any greater pension benefits than JEA presently provides to the JSA (i.e., through contract negotiations, settlement, impasse proceedings, or litigation), then JSA shall receive the difference between its pension benefit and that received by the other participating bargaining unit(s).

17.5 TERMINAL BENEFITS

- a. Upon the death of an employee, payment for all accrued overtime, Annual/Vacation/Retirement/Personal Leave, Sick Leave, Compensatory Time and other Terminal Leave benefits to which such employee would have been entitled to receive shall be made as follows:
 - 1. The benefits will be paid as set forth in the employee's will;
 - 2. If the employee has not provided for distribution of the benefits in his/her will then the benefits will be paid to the employee's surviving spouse;
 - 3. In the event the employee leaves no surviving spouse, the benefits will be paid to the employee's children in equal shares, payable as follows:
 - i To each of the employee's children over the age of 18 who are known to JEA.
 - ii To the legal guardian or representative of each of the employee's children under the age of 18 known to JEA.

4. If the employee has no children known to JEA then the benefits will be paid to the surviving parent(s) of the employee in equal shares;
 5. If the employee has no surviving parents known to JEA, then the benefits will be paid to the employee's estate.
- b. Upon the death of an employee on-the-job, JEA will make an immediate payment of two (2) month's salary in addition to all the other Terminal Leave benefits in the sequence indicated in Section 17.5a above. For purposes of this section, two (2) month's salary shall be calculated by 1/12 times 2080 times 2 times the employee's hourly rate of pay at the time of death. (1/12 x 2080 x 2 x hourly rate).
- 17.6 a. JEA agrees to provide a payroll deduction process that is to be available to employees in the bargaining unit for various employee benefit plans. These group plans shall be administered by an Agent of Record so designated by the Association. It is understood and agreed that JEA may assess a charge not to exceed six (6) cents per deduction per payroll. Further, it is agreed that JEA assumes no responsibility or liability to or for the Association's Agent of Record. Solicitation for these plans shall be made at a time mutually agreed to by JEA and the Association, so as to prevent loss of productive work time.
- b. All such payroll deductions shall comply with the provisions delineated in JEA payroll procedure ES A0201 PR Deductions.
- 17.7 JEA will provide employees the option to use accrued Annual, Vacation, Compensatory Time, Personal, and Retirement Leave time credits to fund their Deferred Compensation Program. Employees will not be permitted to use Sick Leave or Critical Emergency Leave Bank account time credits to exercise this option.
- a.
 1. The employee will be allowed, at his/her option, to sell accrued Annual, Vacation, Compensatory Time, Personal and Retirement Leave time credits to the extent and in the manner allowed by law for the purpose of crediting the funds to the employee's Deferred Compensation account.
 2. Upon attaining time service that is within three (3) years of normal time service retirement, the employee will be allowed, at his/her option, to sell accrued Annual, Vacation, Compensatory Time, Personal, and Retirement Leave time credits to the extent and in the manner allowed by law for the purpose of crediting the funds to the employee's Deferred Compensation account. Provided, however, in the year of retirement employees will be limited to selling, at his/her option, accrued Annual, Compensatory Time, Vacation, Personal, and Retirement Leave time credits to the extent and in the manner allowed by law for the purpose of crediting the funds to the employee's Deferred Compensation account.
 - b. This provision is subject to acceptance by the Plan providers of the City/JEA.
 - c. Employees who participate in this Annual, Vacation, Compensatory Time, Personal, and Retirement Leave time credit sellback option shall not have less than eighty (80) hours in their Annual, Vacation and Personal Leave account after the sellback. There is no minimum limit for the Retirement Leave account after exercising this option.

Article 18
On The Job Injury

- 18.1 a. When an employee sustains an on-the-job injury, the JEA Investigation Team, which shall include a representative of the Association, will conduct an immediate investigation. JEA will advise a representative of the Association whenever a JEA Investigation Team is formed to investigate an on-the-job injury or near-miss incident involving a member of the Association.
- b. If the results of the investigation reveal that the employee complied with all JEA provisions, governing rules and the injury was not a result of negligence, carelessness and could not have been avoided, JEA may compensate the employee with seventy-five (75) percent of the difference between his/her regular straight time wages and the amount provided by Worker's Compensation Laws for a period of thirty (30) working days once the employee begins receiving Worker's Compensation payments. Compensation after thirty (30) working days will be contingent upon a qualified physician's diagnosis bi-weekly.
- c. When an employee is off the payroll (not receiving JEA compensation) due to an on-the-job injury, JEA will continue to pay the life insurance and medical insurance premiums normally paid by JEA which includes JEA's portion of the dependent medical insurance premium. The employee is responsible for the optional life insurance premium and his/her portion of the dependent medical insurance premium. The employee may elect to contribute to the pension fund amounts equal to the employee's pension contribution prior to the on-the-job injury.
- d. If an employee, who is temporarily, totally disabled due to an on-the-job injury, receives partial wage payments from JEA, JEA will continue to pay the premiums noted in Paragraph 18.1c. above. The optional life insurance premium and the employee's portion of the dependent medical insurance premium and pension contribution will be deducted from his/her partial wage payments.
- 18.2 Any provisional or probationary employee who is temporarily, totally disabled from the results of an injury received in the course of employment with JEA shall receive the benefits to which he/she is entitled under the Worker's Compensation Law of the State of Florida and in accordance with Article 18.1.
- 18.3 Nothing contained in this Article shall be construed to impose any liability on JEA over and above the responsibility placed upon said JEA by the laws of the State of Florida pertaining to Workers' Compensation, it being the specific understanding of the parties to this Agreement that said Workers' Compensation laws govern the rights and benefits of the employees covered by the Agreement for on-the-job injuries.
- 18.4 An employee, due to an on-the-job injury is temporarily, totally disabled (a condition resulting from an occupational illness or injury that prevents them from engaging in any employment and the individual is under the regular care of a physician) will, upon recommendation by the employee's Manager and approval by the employee's Director be placed on paid administrative leave for up to forty (40) hours during the first seven (7) calendar days the employee is unable to return to duty as a result of a qualified physician's determination. A worker's compensation offset will be taken as a result of any paid administrative leave so as to prevent any overpayment of wages for which the employee would have normally received.

ARTICLE 19
SUPPLEMENTAL PAY

19.1 LONGEVITY PAY

All full time employees of JEA, now or hereafter employed in the classifications listed in Exhibit "A" attached hereto, shall receive for each five (5) years of continuous service with JEA, computed from their respective dates of initial employment, an increase in salary of \$300 per year for every five (5) year period of continuous service. This increase shall be in addition to any general or special raises, which may be granted from time to time.

19.2 STANDBY COMPENSATION

- a. Any employee who is required by JEA to be on standby duty will receive Standby Compensation as provided in Section 19.2c.
- b. For purpose of this Article, an employee is on standby if the employee has been directed to carry a JEA furnished electronic paging device or leave a telephone number so that the employee can be reached, and the employee must be available to return to work within a reasonable time if called. Employees who merely carry electronic paging devices, but who are not required to be available to return to work within a reasonable time if called, are not on standby.
- c. ~~Effective October 1, 2013, the formula for the standard rate of Standby Compensation shall be the equivalent of one and one-half (1.5) times the employee's current base hourly rate of pay thirty one dollars (\$31) for each day the employee is on standby.~~
~~Effective October 1, 2014 or upon ratification, the standard rate of Standby Compensation shall be thirty one dollars (\$31) for each day the employee is on standby.~~
~~Effective October 1, 2015, the standard rate of Standby Compensation shall be thirty one dollars (\$31) for each day the employee is on standby.~~
- d. Any employee who fails to comply with the provisions of Section 19.2 shall not be entitled to Standby Compensation for that day, and shall be subject to discipline.
- e. Employees may, with the approval of Management arrange substitution of standby duty among themselves; provided the substitute is, in Management's judgment, at least as well qualified as the employee scheduled by Management.

19.3 SCHEDULE PREMIUM

- a. A two dollars and fifty cents (\$2.50) schedule premium shall be paid for all regular hours actually worked on any schedule after 18:00 and prior to 06:00 for work days other than Saturday and Sunday.
- b. A two dollars and fifty cents (\$2.50) schedule premium shall be paid for all regular hours actually worked on any schedule after 00:00 Saturday and prior to 24:00 on Saturday and/or after 00:00 on Sunday and prior to 24:00 on Sunday.
- c. This provision shall not apply to call-out, overtime, or premium pay of any type.

19.4 When an employee covered by this Agreement is qualified for and temporarily required by Management to serve in and accepts the full responsibility for work in a classification covered by this Agreement, the employee shall receive the step for that classification that will provide an approximate five (5) percent increase (i.e. minimum of 4.9%). Such temporary assignment to a higher classification must be regular and continuous in character for a minimum period of one (1) hour in one (1) day. This paragraph does not apply when the employee is performing the duties of a higher classification for the purpose of training.

19.5 Meal Allowances

~~This provision has been deleted in return for an additional 0.35% base pay increase effective October 1, 2006, however~~ JEA and JSA recognize the below for the purposes of meal breaks.

- a. When an employee is called out and required to report to work two (2) hours or more before his/her scheduled starting time for that day and continues work into his/her regular shift, he/she will qualify for a meal break four (4) hours from the time he/she commenced work and additional meals at five (5) hour intervals.
- b. When an employee is required to work beyond his/her scheduled quitting time for two (2) hours or more, he/she shall be entitled to a meal break two (2) hours after his/her scheduled quitting time and at five (5) hour intervals thereafter if he/she continues to work.
- c. If an employee is called out to work unscheduled overtime for a period of more than four (4) consecutive hours and he/she is released prior to the starting time of his/her next regular work day, he/she will qualify for a meal break four (4) hours from the time he/she commenced work and at five (5) hour intervals thereafter, if he/she continues to work.

19.6 SUPERVISORY DIFFERENTIAL

- a. In the event that a supervisor is not paid a base pay rate which is approximately five percent (5%) more than a duly and permanently assigned subordinate's base pay rate, such supervisor shall be advanced to that step contained within his/her pay grade which will provide for an approximate five (5%) percent differential. Approximate is defined as at least four and nine-tenths percent (4.9%).
- b. [OPEN]

19.7 JEA will reimburse the initial cost and renewals (based on expiration date) of a Commercial Driver's License (CDL) to any employee who is required to possess the license in order to fulfill his/her job duties with JEA. An Employee seeking reimbursement for obtaining or renewing his/her CDL shall provide the employer with a copy of their new or renewed CDL and a receipt for the cost of such license.

19.8 JEA will reimburse employees for the cost of renewing their licenses and certifications which are a requirement of their classification or position.

19.9 INSTRUCTOR COMPENSATION SUPPLEMENT

- a. JEA Management has the right to establish an Instructor Compensation Supplement provision for employees who meet the minimum requirements as noted in Sections 19.9b.1 & 2 below.

The minimum requirements as noted in Sections 19.9b. 1 & 2 below, and the classifications to which it will apply, are at the sole discretion of JEA.

- b. To qualify for the Instructor Compensation Supplement, the employee shall meet the following minimum requirements:
 - 1. Assigned training duties and responsibilities for at least eight (8) consecutive hours.
 - 2. Assigned training duties and responsibilities that may include classroom or field instruction.
- c. The Instructor Compensation Supplement shall be five per cent (5%) of the employee's base salary and shall be added to his/her base salary.
- d. The employee will receive the Instructor Compensation Supplement for the period of time he/she is assigned training duties and responsibilities, provided he/she meets the minimum requirements as noted in Sections 19.9b. 1 & 2 above.
- e. The Instructor Compensation Supplement shall be paid to the employee on the pay day at the end of the first full pay period after he/she meets the minimum requirements as noted in Sections 19.9b. 1 & 2 above and shall be retroactive to the beginning of the time period during which the employee satisfied the minimum requirements.

Article 20
Administration of Pay Plan

20.1 a. The hourly and annual rates of pay for employees covered by this Pay Plan are shown in Exhibit "A". This pay plan is composed of pay performance levels (steps).

b. General Increase

All employees in the Unit shall receive a general increase as follows:

1. ~~Three and one-half percent (3.5%); effective the earliest of: a) October 1, 2019~~6~~ if the JSA ratifies on or before September 20, 2019; or b) the payroll period commencing immediately after final ratification);~~

2. ~~Three and one-half percent (3.5%); effective October 1, 2020~~47~~;~~

3. ~~Three and one-half percent (3.5%); effective October 1, 2021~~48~~;~~

~~c. Should any other JEA bargaining unit (excepting PEA) negotiate a higher percentage General Increase for any of the fiscal years 2020; 2021 or 2022, the higher fiscal year (or years') percentage will be matched for employees covered by this Agreement.~~

~~d. If a Recapitalization Event (Article 12) occurs during the life of this agreement, any of the remaining general wage increases scheduled for October 1, 2020 and October 1, 2021 shall be applied to each employee's existing hourly rate of pay effective on the Closing Date. For example, in the event of a Recapitalization Event and the closing date is in July 2020, each employee shall receive a seven percent (7%) increase to their base pay on or immediately before the Closing Date. For further example, in the event of a Recapitalization Event and the Closing Date is in July 2021, each employee shall receive a three and one-half percent (3.5%) increase to their base pay on or immediately before the Closing Date. In the event of a Recapitalization Event, and the Closing Date is after October 1, 2021, no additional general wage increase will be due under this provision.~~

~~3.~~

~~4. Two percent (2%) increase to base concurrent with employee contribution to GEPP increasing to 10% (or otherwise matching the change in employee contribution, whether higher or lower).~~

~~5. A one-time lump sum payment equal to one and one-half percent (1.5%) of base pay (base pay at the October 1, 2016 rate, i.e., including the general wage increase effective that date).~~

~~[Note: The terms of this CBA, including the above wage proposal, was part of a package proposal by JEA, and was offered contingent upon JSA ratifying on or before February 28, 2017. It was agreed that if JSA ratifies by that date, then JEA will put before its Board for ratification for its March meeting (March 21, 2017). If the JEA Board ratifies, JEA will timely convey for ratification to the COJ City Council. Should the City Council~~

~~fail to complete a ratification vote within sixty (60) days of the JEA Board vote, either party will thereafter have the right to reopen negotiations by written notice to the other.]~~

c. Performance Review increases shall be granted during the length of this contract. The parties shall meet at reasonable times to discuss the mechanics and details of moving the JEA's employee performance evaluation cycle from the employee's anniversary year to a time frame proximate to the end of JEA's fiscal year (September 30) with the goal of adopting a Memorandum of Understanding in time to effect this change by September 30, 2020.

20.2 Original appointments into entry level positions shall be made at the first step unless approved by the Vice President or Director.

20.3 Should an employee return to duty in the same classification after a separation of service of not more than six (6) months, which separation was not due to discreditable circumstances, such employee shall be placed in the same step of the salary range of the classification which he/she occupied prior to leaving JEA, upon approval of the Vice President or Director.

20.4 [OPEN]

20.5 Whenever an employee is demoted to a position for which he/she is qualified, he/she shall receive the salary performance level in the lower range, which provides the smallest decrease in pay if the action is not for cause. The release of an employee from his/her present position to his/her former position during the probationary period is not considered as a demotion.

20.6 a. When an employee covered by this Agreement, is promoted to another class covered by this Agreement, he/she shall be granted an increase in base pay to the step in the new class that will provide an approximate five (5) percent increase.

b. When an employee from another bargaining unit is promoted into a class covered by this Agreement, he/she shall be placed in the first step of the class to which promoted that will provide an approximate five (5) percent increase.

c. Any incumbents in this particular class receiving a lower rate shall have their rates increased to the rate established for the entrance rate of the new employee. The succeeding step increase anniversary date shall commence on the date of the invocation of the incumbency increase.

d. Approximate is defined as at least four and nine-tenths percent (4.9%).

e. When an employee from another bargaining unit is promoted into a classification covered by this Agreement, he/she shall not suffer any loss of pay or accrued leave through this promotion.

20.7 a. Whenever an employee is recommended for and is assigned to duty in a position not previously held by him/her by reclassification, and such change is not in the nature of a promotion or demotion, he/she will receive the entrance salary performance level in the range established for such position, or such other level within the applicable range, as approved by the Vice President or Director and as he/she may be entitled by reason of crediting his/her new position with such prior service that is found to meet the following conditions: the character and nature of the duties of the position; and/or the service in the former position provided experience valuable to the performance of the new position.

- b. In the event of a reallocation of a position to a class which is at a higher salary level, the employee shall normally be paid at the same level in his/her salary range or if no level of the new range is the same, at the lowest level of the new range which is above his/her former level. In the event of a reclassification of a position to a class which is at a lower salary range, the employee concerned shall normally be paid at the same level in the new range or if no level is the same, at the highest level in the new range below the former level. Reclassification to another class at the same salary range shall not affect the salary being received by the employee concerned.
- 20.8 a. A performance evaluation will be conducted on each employee once every twelve (12) months.
- b. Employees who receive a meets standard or exceeds standard overall performance evaluation rating will be eligible for a step increase, twelve (12) months from the date of their last step increase, demotion, reversion or promotion date.
- c. Employees who receive a below standard overall performance rating will not be eligible for a step increase. Within seven (7) working days after the performance evaluation is completed, the employee will be provided with the written documentation substantiating the below standard job performance and denial of a step increase. This documentation will be included in the employee's personnel file.
- d. Employees who receive a below standard performance evaluation rating shall have follow-up performance evaluations conducted no sooner than three (3) months, but no later than six (6) months after the denial of a step increase. An employee who receives a below standard performance evaluation will be eligible for a step increase when they have improved their job performance to a meets standard performance level for twelve (12) consecutive months as documented by these interim performance evaluations.
- e. If it is considered that an employee due to documented, exceptional, exceeds standard performance deserves additional step increase(s) for merit, then such a recommendation will be made by the employee's appointed manager, and approved by their ~~e~~Director and ~~v~~Vice-~~p~~President.
- f. No employee may receive more than two (2) additional step increases for merit in the twelve (12) month period referred to in 20.8a.
- g. Promoted, demoted, reverted, or newly hired employees shall not be eligible for any merit step increases until they have completed twelve (12) months of exceeds standard performance in their job classification.
- h. A step increase for merit will not impact the regular step increase advancement. A step increase for the "Supervisory Differential" (Article 19.6) will reset the step advancement such that potential eligibility for the next step increase will be twelve (12) months later.
- i. For purposes of this Agreement, general increases shall not be considered as the date of the last increase.
- j. An end of probation performance evaluation shall be completed to document successful or unsuccessful completion of probationary period. No end of probation step increases will be made.

20.9 Requirements for advancement and other purposes as specified in these procedures shall be based on continuous service, which is employment without a break or interruption in either classified or unclassified position. Leave of absence with or without pay shall not break or interrupt continuous service. When computing the length of service for promotions, Vacation Leave, Sick Leave, service raises, retirements, etc., leave without pay (one day or more) will be deducted. The employee's anniversary date will be adjusted accordingly. The rights of employees granted military leave for extended service with the Armed Forces of the United States shall be given full credit for said period of military service.

20.10 LAYOFF PROCEDURES

Civil Service and Personnel Rules and Regulations shall apply when layoffs are required by JEA, except that any selective competition within the competitive area shall be authorized by the Managing Director.

20.11 JEA, at its sole discretion, may implement from time to time incentive programs for individuals or groups consisting of awards and/or cash in recognition of performance improvements, innovative ideas resulting in savings and/or benefits or other similar improvements that are work related and can be documented and measured.

20.12 The parties understand that during the life of this Agreement JEA may, at its option, offer a voluntary severance plan to certain classifications of Association employees. Such a plan would be on terms proposed by JEA, and any decision to accept such a plan would be made on an individual basis by each affected employee. In the event that the execution of such a plan required a reorganization or redeployment by JEA, the Association would have the right to request impact bargaining to the extent provided by law.

Article 21
Grievance Procedure

- 21.1 It is intended that this grievance procedure will provide a means of resolving complaints and grievances at the lowest level possible, and JEA and the Association agree to work toward this end.
- 21.2 The purpose of this grievance procedure is to provide a method of processing grievance(s) involving the interpretation or application of this Agreement. It will be the exclusive procedure available to the parties to this Agreement and Unit employees for such matters. Grievances or appeals resulting from the following types of action are excluded from consideration under this Article:
- a. A violation of re-employment or reinstatement priority rights appealable under Civil Service and Personnel Rules and Regulations;
 - b. A position classification, or specification decision or examination dispute appealable under Civil Service and Personnel Rules and Regulations;
 - c. An allegation or complaint of discrimination under Equal Employment Opportunity;
 - d. A fitness for duty examination;
 - e. Health benefits decisions;
 - f. Injury compensation provided by insurance carriers; and
 - g. Other provisions where authority is vested in the Civil Service Board or higher authority.
- 21.3 Any employee or groups of employees in the Unit may process a grievance concerning the interpretation or application of this Agreement through this procedure without the intervention of the Association provided:
- a. They sign a statement on the grievance form that they do not want to be represented by the Association during processing of that particular grievance;
 - b. The employee/employees must represent himself/herself or may be represented by legal counsel at his/her own expense; and
 - c. Any adjustment must be consistent with the terms of the Agreement.
- 21.4 During the processing of a grievance under the Article, if a question cannot be resolved by the parties concerning the interpretation of City government policy, provisions of law or regulations of appropriate authority outside JEA, the grievance will be delayed until the questioned policy, law or regulation has been interpreted by the proper authority.
- 21.5 A grievance must be taken up with JEA within fifteen (15) calendar days after the occurrence of the matter out of which the grievance arose. Failure of JEA to observe the time limits prescribed in each step may entitle the employee or the Association to advance the grievance to the next step of the procedure. Failure of the employee or the Association to meet the time limits prescribed at any step of the grievance will constitute a basis for termination of the grievance by JEA, and not

subject to further appeal, except to arbitration for determining the matter of timeliness of the grievance only. Time limits at any level may be extended by mutual agreement between JEA and the Association or employee.

21.6 PROCEDURE

Informal Resolution. The Association and/or employee are required to seek informal resolution of problems or complaints with their appointed manager as part of this grievance procedure. This meeting should take place within ten (10) calendar days of the meeting request (which can be email). Failure of JEA to observe the time limits prescribed in each step shall entitle the employee or the Association to advance the grievance to the next step of the procedure. In the event that JEA and JSA and/or employee are unable to achieve resolution through the Informal Resolution process within fifteen (15) calendar days after the Informal Resolution meeting takes place, the Informal Resolution process will be concluded. JSA and/or employee may then initiate Step 1 of the Formal Procedure or the parties may agree to extend the timelines for submitting the grievance at Step 1.

STEP 1 - FORMAL

The grievance procedure is initiated by the Association, the employee, or the employee and the Association representative submitting the grievance in writing (on a mutually agreed upon form) along with any supporting documentation to the employee's Director. The written grievance shall identify the article(s) and section(s) of the Agreement that are at issue, shall specify the corrective action requested by the grievant, and shall include a brief summary of the factual basis for the grievance including the date that the alleged grievance occurred. The Director shall, within ten (10) calendar days of receipt of the grievance, meet, with the employee and/or Association representative to discuss the grievance. The Director shall provide his/her written decision and the reason(s) for the decision within fifteen (15) calendar days after the meeting. If the Step 1 decision does not resolve the grievance, the grievance may be forwarded to the next step.

STEP 2 - FORMAL

- a. If a satisfactory settlement is not reached at Step 1, the party filing the grievance (the Association, an employee, or an employee and the Association representative,) will forward the grievance, in writing within ten (10) calendar days after receipt of the Step 1 decision, stating any objection to the Step 1 decision to the designated Labor Relations Coordinator, who shall receive the grievance on behalf of the Managing Director. The Managing Director's designated representative shall within fifteen (15) calendar days after receipt of the grievance, either satisfy the grievance or meet with the employee, the Association representative, and/or the Association President/designee, as appropriate, The Managing Director's representative shall render a written decision within fifteen (15) calendar days after the meeting. The same person will not conduct the Step 1 and Step 2 hearings.

Note: The Managing Director's representative shall be a Vice President or Officer. A Vice President or Officer will not be designated as a representative to hear a grievance in his/her own Group. Said representative shall have full authority to render a written decision.

- b. If the Step 2 decision is not satisfactory it may be referred to arbitration as provided in this Agreement within fifteen (15) calendar days, after receipt of the written decision.

21.7 Where a number of basically identical grievances are submitted, the Association may elect one grievance for processing at ~~S~~step 1. The decision on the combined grievance elected will be binding on the combined grievances. Names of all aggrieved employees will be made a part of the record of the grievance processed and each grievant will be notified of the decision.

21.8 POLICY GRIEVANCES

Upon mutual agreement of parties, grievances (defined as disputes involving the interpretation or application of this Agreement) which arise as a result of upper management decisions regarding the interpretation or intent of JEA policies and procedures may be initiated at step two (2). Only the Association has the right to initiate grievances of these types as the grievant.

Article 22

Arbitration

- 22.1 The purpose of this Article is to provide for binding arbitration of unresolved grievances concerning the interpretation or application of this Agreement. Arbitration may only be invoked by JEA or the Association President.
- 22.2 In order for a grievance to be considered for arbitration, the party desiring to arbitrate must notify the other party within fifteen (15) calendar days after the ~~step two (2)~~ step 2 grievance response by serving written notice of intent to appeal. If the appeal notice is not submitted within the required time limits, the ~~Step two (2)~~ step 2 decision will be final and binding.
- 22.3 Upon appeal to arbitration, the Federal Mediation and Conciliation Service (FMCS) shall be requested by the Employer to provide a panel of seven (7) arbitrators. Within ten (10) calendar days after the list has been received from FMCS no more than two (2) persons from each party shall meet for the purpose of defining the issue and selecting the arbitrator. Each party, will alternately strike names (the appealing party having first choice) until one (1) arbitrator remains. If the two (2) parties cannot mutually agree upon an arbitrator, then the FMCS procedure shall be followed. After the FMCS is notified of the selection of the arbitrator, and contact is made with the arbitrator, the date for the arbitration hearing will be set within thirty (30) calendar days from the date of the arbitrator's notification of selection, A letter shall be sent immediately to the arbitrator setting forth the issue and any other pertinent information as agreed to by the parties. The Association shall be furnished a copy of the correspondence.
- 22.4 JEA and the Association, or JEA and the employee(s) (if processed without Association representation) shall each be responsible for one-half (1/2) of the expenses and fees of the arbitrator or a Special Master. If either party desires to have a transcript made of the hearing, such party shall be responsible for the full cost of such transcript.
- 22.5 Association employees who shall be excused from duty to participate in the arbitration or Special Master proceedings without charge to leave will be the Representative, President, the aggrieved employee, if employee initiated grievance; or Representative, if Association initiated grievance, and Association employee witnesses who have direct knowledge of the circumstances and factors bearing in the case.
- 22.6 With respect to the interpretation, enforcement, or application of the provisions of this Agreement, the decision, findings, and recommendations of the arbitrator shall be final and binding on the parties to this Agreement. The arbitrator shall have no power to add to, or subtract from or modify any of the terms of this Agreement.

Article 23
Bulletin Boards

- 23.1 The Association shall be provided with partial use of suitable bulletin boards, including at least one (1) at each working location for the posting of information pertaining to Association activity. JEA agrees, if the Association requests, to provide a separate bulletin board specifically for the use of the Association of a standard size not to exceed 4' x 4'. Additionally, the Association shall also be provided the use of an electronic bulletin board accessible by all members of the Association through the JEA Intranet site.
- 23.2 The Association agrees that it shall use space on the bulletin boards provided for the following purposes:
- a. Notices of Association meetings;
 - b. Reports of Association elections;
 - c. Reports of Association committees;
 - d. Rulings and polices of the Association;
 - e. Notices of recreational and social affairs of the Association;
 - f. Notices of meeting of public boards.
 - g. Other notices as mutually agreed upon by JEA and JSA President.
- 23.3
- a. No material shall be posted which is of a political nature, derogatory, inflammatory, or disruptive to JEA's operation.
 - b. Information for posting on the electronic bulletin board shall be submitted to Labor Relations by the JSA President or their designee.

23.4

The Association will be allowed to use the JEA email system for distribution to its members of the categories of information listed in Article 23.2. JEA Labor Relations will be a "cc" on all such communications. The Association understands that all such use must be compliant with the JEA procedures for email system use that are applicable to JEA employees generally, and that some or all of such communications may be subject to public disclosure under applicable Florida law. The Association also understands that while it will have access to the JEA for the purposes authorized, as with any email system, there may be times that JEA's system is inoperable or only partially operable.

Article 24
Safety and Training

- 24.1 JEA agrees to continue an aggressive employee development program to better prepare each employee for his/her present position and provide maximum preparation for promotional opportunities. To this end, the JSA Training Committee will make advisory recommendations to the appropriate executive management (VP/SLT level or equivalent) or their subordinate appointed management for an effective training program for all employees covered by this Agreement.
- 24.2 Each employee is responsible to observe the safe work practices of any and all jobs performed within JEA. The Association and its employees recognize that compliance with safety rules is a condition of employment. To be effective, all employees must be constantly on the lookout for any condition which might be unsafe or careless. Both the Association and JEA agree to promote all rules necessary to insure safety.
- 24.3 It is agreed that employees within the bargaining unit, upon approval of JEA, may be temporarily assigned to perform safety and training duties.
- 24.4 JEA will continue an aggressive supervisory/professional development program to enhance present position capabilities and promotional opportunities. In this regard, JEA will develop and initiate a broad range of communication, training, development and motivational programs and methods such as, but not limited to:
- a. Acquisition and distribution of supervisory/professional training and development material;
 - b. Individualized communications;
 - c. Supervisory/managerial training and development programs during working hours;
 - d. Supervisory/professional programs, such as training, program planning, operation methods, etc;
 - e. Incentive programs for individual or groups consisting of awards or cash in recognition of improved job performance, safety records, or other similar work related improvements, which can be documented and measured;
 - f. Special individual or group recognition; and
 - g. Job related, externally offered training, education and self-development programs.

ARTICLE 25
ALCOHOL AND CONTROLLED SUBSTANCE ABUSE AND TESTING

Prelude

JEA and the ASSOCIATION both agree that education and communication about the JEA Employee Assistance Program (EAP) is a very important tool toward having a drug free work force. JEA will see that information about the EAP is available for employees and their families. It should be every employee's goal to help those co-workers, whom they know have some type of problem with substance abuse, to seek help through the EAP.

25.1 Definitions

a. "Drug abuse" means:

1. The use of any controlled substance as defined in Section 893.03, Florida Statutes, as amended, not pursuant to a lawful prescription. A "lawful prescription" is defined as a prescription issued in the name of the employee by a licensed health care practitioner in full compliance with the practitioner's practice act.
2. The commission of any act prohibited by Chapter 893, Florida Statutes.
3. Abusing a lawful prescription.
4. Substituting or adulterating any specimen during a drug test.
5. Refusing to submit to a drug test.
6. Drug test with positive results.

b. "Illegal drug" means any controlled substance as defined in Section 893.03, Florida Statutes, not possessed or taken in accordance with a lawful prescription.

c. "Department of Health and Human Services (HHS) Mandatory Guidelines for Federal Workplace Drug Testing Programs" (the HHS Guidelines) means those guidelines as printed in the June 9, 1994, Federal Register (59 FR 29908), and as amended from time to time.

d. "Reasonable belief" means an opinion which a prudent person would form based on observation and information from reliable and credible sources. Observation includes, but is not limited to sensory facts (what a person saw, heard, smelled, tasted or touched). Objective factors that should be taken into consideration in determining reasonable belief are:

1. The nature of the information;
2. The reliability of the person or source providing the information;
3. The extent of any confirmation; and,
4. Any other factors contributing to the belief or the lack thereof.

Not all of these factors must exist to find reasonable belief, but all must be examined.

e. “Substituted Specimen” means a specimen that has a creatinine of less than or equal to 5 mg/dL and a specific gravity less than or equal to 1.001 or greater than or equal to 1.020. (Such specimens do not exhibit the clinical signs or characteristics associated with normal human urine.)

f. “Adulterated Specimen” means a specimen with a nitrite concentration which is equal to or greater than 500mcg/mL; or the pH is less than or equal to 3, or greater than or equal to 11; or if a foreign substance is present; or if an endogenous substance (one that is normally found in human urine) is present at a concentration greater than the normal physiological concentration.

g. “Lawful Prescription Abuse” means taking prescribed drugs in greater dosages and/or more frequent intervals than specified in the prescription, or securing and simultaneously using prescriptions for the same or equivalent medication from multiple providers, or taking medications that are not prescribed for the employee, or as otherwise determined by as Medical Review Officer (MRO).

h. “Alcohol” means ethyl alcohol (ethanol). References to use of alcohol include use of a beverage, mixture, or preparation containing ethyl alcohol.

i. “Alcohol Abuse” means

1. Using or being under the influence of alcohol or alcoholic beverages on the job.
2. Adulterating any specimen during an alcohol test.
3. Refusing to submit to an alcohol test.
4. Alcohol test with positive results.

25.2 Circumstances When Testing May Be Required

JEA may require an employee to submit to drug and/or alcohol testing under any of the following circumstances:

- a. Whenever two appointed managers concur that there is a reasonable belief that an employee is using, under the influence of, or in possession of illegal drugs and/or alcohol while on duty, or that the employee is abusing illegal drugs and/or alcohol and the abuse either adversely affects his/her job performance or represents a threat to the safety of the employee, his/her co-workers, or the public and the reasons for such concurrence have been stated to an Association Representative.
- b. Whenever an employee is involved in an accident involving personal injury or property damage which could result in liability to JEA, loss or damage to JEA property, or involving a personal injury that requires treatment beyond first aid (i.e. OSHA Recordable), urine specimens will be collected from all employees directly involved in the accident and stored for future testing. Employees will also be subject to a breathalyzer test for alcohol. For purposes of this provision, an employee is considered directly involved in the accident if the employee was in a position or situation where

his/her action or inaction could cause, contribute to, contribute after, or have an impact on the accident which includes any injuries (regardless of whether the employee was at the location of the accident). If the accident/damage investigation reveals that employee negligence was a cause, the negligent employee's (s') specimen(s) will be tested. All samples not tested will be destroyed within ten (10) calendar days of the accident/damage investigation team report or within twenty (20) calendar days of the accident if no investigation is held. The accident/damage investigation team shall include an Association executive board member or designee.

- c. An employee with a CDL will be tested for drugs and alcohol when they are involved in a vehicular accident that results in a fatality; or the employee receives a moving violation citation and the accident involved bodily injury requiring medical treatment away from the scene; or one or more vehicles are damaged and disabled requiring towing away from the scene.
- d. Any time within one (1) year after an employee has voluntarily admitted a substance problem and entered into a Last Chance Agreement, tested positive for the presence of controlled substances taken from a lawful prescription issued to the employee's spouse or family member permanently residing with the employee, tested positive for alcohol or completed initial rehabilitation, whichever is later. (The EAP provider shall direct a letter to both JEA and to the employee establishing the date on which rehabilitation was completed.)
- e. As required by the Federal Highway Administration (FHWA) Controlled Substances & Alcohol Use & Testing Program, 49 CFR 382, et seq. (This federal regulation, also known as "CDL" Testing), requires testing for alcohol as well as for controlled substances.)
- f. As part of a random drug and alcohol testing program applicable to employees in safety sensitive positions in accordance with criteria set forth in Exhibit B, management's designation of a position as "safety sensitive" shall be subject to appeal to the Director of Labor Relations, or designee, whose decision may be subject to arbitration. An employee who disputes the safety sensitive designation of his or her position shall be required to submit a sample in accordance with testing procedures but the results of the test shall be sealed until the dispute has been resolved.
- g. In determining a position to be "safety sensitive", consideration will be given to "safety sensitive", as defined in Sections 112.0455(5) (m) and 440.102(1) (o) Florida Statutes, and using criteria delineated in Exhibit B.
- h. JEA will provide the Association President with a listing of Association members designated as safety sensitive on an annual basis, and as the listing is updated.

25.3 Testing Protocols

- a. Drug

1. Whenever an employee is required to provide a urine specimen for these testing procedures, the specimen will be divided into two samples at the time of collection in order to facilitate the testing procedures described in this section. The collection facility and the Substance Abuse and Mental Health Services Administration (SAMHSA) certified tester shall follow specimen collection and testing procedures consistent with the HHS Guidelines except as specifically amended herein.
2. The threshold level or cut-off limit and substances shall be as set forth below or as established by HHS and/or SAMHSA. The following levels have been established as of the effective date of this Agreement. However, the levels established by HHS and/or SAMHSA which are in effect as of the date of any given test shall govern

SCREENING THRESHOLDS

<u>Initial test analyte</u>	<u>Initial test cutoff¹</u>	<u>Confirmatory test analyte</u>	<u>Confirmatory test cutoff concentration</u>
<u>Marijuana metabolites (THCA)²</u>	<u>50 ng/mL³</u>	<u>THCA</u>	<u>15 ng/mL.</u>
<u>Cocaine metabolite (Benzoylecgonine)</u>	<u>150 ng/mL³</u>	<u>Benzoylecgonine</u>	<u>100 ng/mL.</u>
<u>Codeine/Morphine</u>	<u>2,000 ng/mL</u>	<u>Codeine Morphine</u>	<u>2,000 ng/mL. 2,000 ng/mL.</u>
<u>Hydrocodone/Hydromorphone</u>	<u>300 ng/mL</u>	<u>Hydrocodone Hydromorphone</u>	<u>100 ng/mL. 100 ng/mL.</u>
<u>Oxycodone/Oxymorphone</u>	<u>100 ng/mL</u>	<u>Oxycodone Oxymorphone</u>	<u>100 ng/mL. 100 ng/mL.</u>
<u>6-Acetylmorphine</u>	<u>10 ng/mL</u>	<u>6-Acetylmorphine</u>	<u>10 ng/mL.</u>
<u>Phencyclidine</u>	<u>25 ng/mL</u>	<u>Phencyclidine</u>	<u>25 ng/mL.</u>
<u>Amphetamine/Methamphetamine</u>	<u>500 ng/mL</u>	<u>Amphetamine Methamphetamine</u>	<u>250 ng/mL. 250 ng/mL.</u>
<u>MDMA⁴/MDA⁵</u>	<u>500 ng/mL</u>	<u>MDMA MDA</u>	<u>250 ng/mL. 250 ng/mL.</u>

¹ For grouped analytes (*i.e.*, two or more analytes that are in the same drug class and have the same initial test cutoff): *Immunoassay*: The test must be calibrated with one analyte from the group identified as the target analyte. The cross-reactivity of the immunoassay to the other analyte(s) within the group must be 80 percent or greater; if not, separate immunoassays must be used for the analytes within the group.

Alternate technology: Either one analyte or all analytes from the group must be used for calibration, depending on the technology. At least one analyte with the group must have a concentration equal to or greater than the initial test cutoff or, alternatively, the sum of the analytes present (*i.e.* equal to or greater than the laboratory's validate limit of quantification) must be equal to or greater than the initial test cutoff.

² An immunoassay must be calibrated with the target analyte Δ-9-tetrahydrocannabinol-9-carboxylic acid (THCA).

³ *Alternate technology* (THCA and benzoylecgonine): The confirmatory test cutoff must be used for an alternate technology initial test that is specific for the target analytes (*i.e.*, 15ng/mL for THCA, 100 ng/mL for benzoylecgonine).

⁴ Methylenedioxymethamphetamine (MDMA).

<u>Initial test analyte</u>	<u>Initial test cutoff¹</u>	<u>Confirmatory test analyte</u>	<u>Confirmatory test cutoff concentration</u>
⁵ Methlenedioxyamphetamine (MA).			

3. The SAMHSA certified tester shall utilize the following procedures to the extent that they are not inconsistent with the HHS Guidelines:
- i. The SAMHSA certified tester shall submit the first of the samples to an immunochemical assay or radioimmunoassay test. If the results of this test are negative, no further testing will be required and all collected specimens will be disposed.
 - ii. If the results of the initial test provided for in Section 25.3 (a)(3)i are positive, the SAMHSA certified tester will submit the same sample for further testing using the gas chromatography/mass spectrometry (GC/MS) method to verify the initial test results. JEA will not be notified about the initial positive result, until it has been confirmed as provided for in this section.
 - iii. If the specimen provided is unsuitable for testing due to no fault of the employee being tested, or if the chain of custody is violated, the employee will be advised of those circumstances and will be required to provide another specimen for testing. Except for low creatinine test results, and provided the employee was not at fault, an additional specimen will be required not more than one (1) additional time. Should the employee provide specimens which are neither adulterated nor substituted, but unsuitable for testing due to low creatinine levels three (3) consecutive times, the employee will be subject to a blood sample. Should an employee have legitimate, verifiable religious objection or medical reason that would prohibit a blood sample, then the Medical Review Officer (MRO) will determine the alternate testing method that will be used.
 - iv. Specimens that are adulterated or substituted will be reported as a “refusal to test,” and the employee will not be offered the opportunity for a test of the second sample as provided for in 4 below.
4. If the results of the confirmation test provided for in Section 25.3.c.2 are positive, as confirmed by a qualified (HHS Guidelines) medical review officer (MRO), the HHS guidelines shall be followed for confirmation and notification of the employee and JEA. At that time, the employee may elect to have the second sample subjected to further testing by a SAMHSA certified tester at the employee’s expense. If the second sample tests negative, JEA will reimburse the employee for the cost of the test. If the tests on the second sample are positive, or if the employee does not request testing of the second sample, JEA may take appropriate action in accordance with this article.
5. a. Random Testing Protocol.

- i. Management will administer random drug tests to 25% of all employees who are designated as safety sensitive each year. (The 25% can be rounded up to include the nearest “whole” person.
- ii. Management will administer random alcohol tests to 10% of all employees who are designated as safety sensitive each year. (The 10% can be rounded up to include the nearest “whole” person.)
- iii. The drug and alcohol threshold levels and procedures applicable to CDL random testing shall apply to safety sensitive random testing.
- iv. Employees who are subject to CDL random testing shall not be subject to safety sensitive random testing.

b. Alcohol

- i. Whenever an employee is required to be tested for alcohol, a breathalyzer shall normally be used. In certain cases when the breathalyzer cannot be administered, blood may be used.
- ii. The threshold level or cut-off limit shall be as set forth below or as established by Florida Statute. The following levels have been established as of the effective date of this Agreement. However, the levels established by DOT or Florida Statute, which are in effect as of the date of any given test shall govern.
- iii. Alcohol abuse shall subject the employee to disciplinary action as indicated in 25.4(b)

c. Breath or Blood Alcohol Testing Threshold Levels for CDL’s

Department of Transportation (DOT) Regulations for Commercial Driver License Alcohol Testing

0.020 to 0.039 – Cannot perform safety sensitive work for at least 24 hours

0.040 to 0.079 – Cannot perform safety-sensitive work until released by a substance abuse professional.

0.08 and above – Cannot perform safety-sensitive work until released by a substance abuse professional.

d. Breath or Blood Alcohol Threshold Levels for non-CDL Testing

0.05 to 0.079 – Considered impaired with other competent evidence of impairment.

0.08 and above – Presumed to be impaired.

25.4 Disciplinary Action

a. Drug abuse shall subject the employee to the following discipline:

- 1. Any employee who uses a controlled substance pursuant to a prescription lawfully issued to a member of the employee’s household residing with the employee shall be given a single Last Chance Agreement provided the prescription was taken for the employee’s bona fide medical condition. The employee will be randomly tested 6 to 12 times during

a succeeding 12-month period. Subsequent violations of the policy shall result in immediate termination from employment.

2. Drug abuse, other than described in 1 above shall result in immediate termination from employment.

b. Alcohol abuse shall subject the employee to the following discipline:

1. If an employee tests positive for a breath or blood alcohol level equal to or greater than 0.02 but less than 0.04, the employee will be subject to the provisions of the DOT CDL requirements.

2. If an employee tests positive for a breath or blood alcohol level equal to or greater than 0.04, but less than or equal to 0.05, the employee will be given a letter of “Required Action and Consequences of Noncompliance” which is not considered discipline. A second positive test in level described above will result in a Last Chance Notice, and a third positive will result in immediate termination from employment.

3. If an employee tests positive for a breath or blood alcohol level in excess of 0.05 but less than 0.08, and there is no other competent evidence of impairment, the employee will be given a Last Chance Agreement. Any subsequent positive test producing a breath or blood alcohol level in excess of 0.05 will result in the employee being terminated from employment.

4. If an employee test positive for a breath or blood alcohol level in excess of 0.05 but less than 0.08 and there is other competent evidence of impairment, the employee will be terminated from employment.

5. If an employee tests positive for a breath or blood alcohol level at 0.08 or higher, the employee will be terminated from employment.

c. Upon investigation, any employee who refuses to submit to substance abuse or alcohol testing (including adulterating or substituting a sample) as required by this article, or who refuses to sign an authorization for the release of the records of such testing shall be considered as a refusal to submit to a drug or alcohol test and shall be terminated from employment.

25.5 Rehabilitative/Corrective Action

a. JEA may require an employee who has tested positive for the presence of alcohol or illegal drugs and to which subparagraphs 25.4.a.1 or b.1 applies, or to submit to counseling, or other rehabilitative treatment as a condition of continued employment. This section shall not be construed to limit JEA’s right to take appropriate disciplinary action when an employee tests positive for the presence of alcohol or illegal drugs.

b. Any employee who is required to submit to counseling or other rehabilitative treatment as a condition of continued employment shall sign a release, authorizing the release of information to JEA sufficient to determine whether the employee can safely perform his/her job duties. The manager shall make the decision whether the employee can perform his/her job duties in conjunction with a physician associated with the rehabilitation/treatment facility. The information provided to JEA shall be limited to the following:

1. Whether the employee has regularly attended counseling and/or treatment sessions, as directed.
 2. Whether the employee has satisfactorily participated in counseling and/or treatment sessions.
 3. Whether the employee has complied with all requests for substance abuse tests, and whether the employee has passed all of those tests.
 4. Whether the employee has admitted to using alcohol or illegal drugs subsequent to the test which resulted in the referral to counseling and/or rehabilitative treatment.
 5. Whether there is any reason to believe that the employee's return to work could result in a risk to persons or property.
 6. Whether JEA should impose any work related limitations or requirements upon the employee in the event that JEA determines to permit the employee to return to work.
- c. Driving restriction for employees with CDL shall be as stipulated in the Federal Highway Administration Controlled Substance & Testing Program, 49 CFR 382, et seq. The same restriction will be used for other safety sensitive employees.

25.6 Examination and Test

- a. Except as provided in paragraph 25.3(a) 4, JEA will pay the cost of any test required by Section 25.2. Provided, however, that in the case of alcohol testing, an employee at his/her request, will be given the opportunity for a blood alcohol test conducted at the same time as at his/her own expense.
- b. Urine specimens or alcohol tests required by this article will be obtained while the employee is on duty. JEA may extend the employee's duty period for the purpose of drug or alcohol testing.
- c. Tests will be performed by a SAMHSA certified facility selected by JEA.
- d. Employees who are required by this article to take a test shall be required to sign an authorization form releasing the records of such tests to the JEA Director of Labor Relations or his/her designee. Refusal to sign an authorization for releasing the records of such test to JEA shall be considered as refusing to submit to a drug or alcohol test. The JEA Director of Labor Relations or his/her designee shall release relevant information contained in those records only to the employee's Vice President, Director and Manager, and to those JEA management officials and representatives directly involved in employment related decisions involving that employee. This shall not limit JEA from providing work-related information regarding the employee to the employee's supervisors, including work-related limitations or requirements and the reasons therefore. Each individual receiving such information will be instructed regarding the confidential nature of that information.

e. JEA will, unless prohibited by law, and as otherwise provided in this agreement, keep the results of any testing provided for in this article confidential. Any results of positive testing which JEA later determines have been refuted will be destroyed. Test results shall be considered confidential medical records unless they become part of a disciplinary action.

25.7 Training

JEA and bargaining unit members shall receive training to ensure that they understand their roles and responsibilities in implementing this article. The sufficiency or adequacy of such training shall not be grounds to challenge the validity of any reasonable belief determination or disciplinary action taken as a result of a positive drug or alcohol test, nor shall it preclude disciplinary action where otherwise appropriate.

25.8 Employer Initiation

This testing program was initiated at the request of JEA. The Association has participated only to the extent of protecting the rights of workers arising from administration of the testing program. It is intended that JEA shall be solely liable for any legal obligations and costs arising out of the provisions and/or application of this article.

Prelude

~~JEA and the Association both agree that education and communication about the JEA Employee Assistance Program (EAP) is a very important tool toward having a drug free work force. JEA will see that information about the EAP is available for employees and their families. It should be every employee's goal to help those co-workers, whom they know have some type of problem with substance abuse, to seek help through the EAP.~~

~~25.1 Definitions~~

~~a. "Drug abuse" means:~~

- ~~1. The use of any controlled substance as defined in Section 893.03, Florida Statutes, as amended, not pursuant to a lawful prescription. A "lawful prescription" is defined as a prescription issued in the name of the employee by a licensed health care practitioner in full compliance with the practitioner's practice act.~~
- ~~2. The commission of any act prohibited by Chapter 893, Florida Statutes.~~
- ~~3. Abusing a lawful prescription.~~
- ~~4. Substituting or adulterating any specimen during a drug test.~~
- ~~5. Refusing to submit to a drug test.~~
- ~~6. Drug test with positive results.~~

- ~~b. “Illegal drug” means any controlled substance as defined in Section 893.03, Florida Statutes, not possessed or taken in accordance with a lawful prescription.~~
- ~~c. “Department of Health and Human Services (HHS) Mandatory Guidelines for Federal Workplace Drug Testing Programs” (the HHS Guidelines) means those guidelines as printed in the June 9, 1994, Federal Register (59 FR 29908), and as amended from time to time.~~
- ~~d. “Reasonable belief” means an opinion which a prudent person would form based on observation and information from reliable and credible sources. Observation includes, but is not limited to sensory facts (what a person saw, heard, smelled, tasted or touched). Objective factors that should be taken into consideration in determining reasonable belief are:
 - ~~1. The nature of the information;~~
 - ~~2. The reliability of the person or source providing the information;~~
 - ~~3. The extent of any confirmation; and,~~
 - ~~4. Any other factors contributing to the belief or the lack thereof.~~Not all of these factors must exist to find reasonable belief, but all must be examined.~~
- ~~e. “Substituted Specimen” means a specimen that has a creatinine of less than or equal to 5 mg/dL and a specific gravity less than or equal to 1.001 or greater than or equal to 1.020. (Such specimens do not exhibit the clinical signs or characteristics associated with normal human urine.)~~
- ~~f. “Adulterated Specimen” means a specimen with a nitrite concentration which is equal to or greater than 500mcg/mL; or the pH is less than or equal to 3, or greater than or equal to 11; or if a foreign substance is present; or if an endogenous substance (one that is normally found in human urine) is present at a concentration greater than the normal physiological concentration.~~
- ~~g. “Lawful Prescription Abuse” means taking prescribed drugs in greater dosages and/or more frequent intervals than specified in the prescription(s), or securing and simultaneously using prescriptions for the same or equivalent medication from multiple providers, or taking medications that are not prescribed for the employee, or as otherwise determined by as Medical Review Officer (MRO). It also means commencing duty under lawful prescription(s) the side effects of which present an actual or potential safety risk for the employee, coworkers or the public, without having first been cleared by the JEA MRO.~~
- ~~h. “Alcohol” means ethyl alcohol (ethanol). References to use of alcohol include use of a beverage, mixture, or preparation containing ethyl alcohol.~~
- ~~i. “Alcohol Abuse”
 - ~~1. Using or being under the influence of alcohol or alcoholic beverages on the job.~~~~

~~2. Adulterating any specimen during an alcohol test.~~

~~3. Refusing to submit to an alcohol test.~~

~~4. Alcohol test with positive results.~~

~~25.2 Circumstances When Testing May Be Required~~

~~JEA may require an employee to submit to drug and/or alcohol testing under any of the following circumstances:~~

~~a. Whenever two appointed managers concur that there is a reasonable belief that an employee is using, under the influence of, or in possession of illegal drugs and/or alcohol while on duty, or that the employee is abusing illegal drugs and/or alcohol and the abuse either adversely affects his/her job performance or represents a threat to the safety of the employee, his/her co-workers, or the public and the reasons for such concurrence have been stated to an Association Representative.~~

~~b. Whenever an employee is involved in an accident involving personal injury or property damage which could result in liability to JEA, loss or damage to JEA property, or involving a personal injury that requires treatment beyond first aid (i.e. OSHA Recordable), urine specimens will be collected from all employees directly involved in the accident and stored for future testing. Employees will also be subject to a breathalyzer test for alcohol. For purposes of this provision, an employee is considered directly involved in the accident if the employee was in a position or situation where his/her action or inaction could cause, contribute to, contribute after, or have an impact on the accident which includes any injuries (regardless of whether the employee was at the location of the accident). If the accident/damage investigation reveals that employee negligence was a cause, the negligent employee's (s') specimen(s) will be tested. All samples not tested will be destroyed within ten (10) calendar days of the accident/damage investigation team report or within twenty (20) calendar days of the accident if no investigation is held. The accident/damage investigation team shall include an Association executive board member or designee.~~

~~c. An employee with a CDL will be tested for drugs and alcohol when they are involved in a vehicular accident that results in a fatality; or the employee receives a moving violation citation and the accident involved bodily injury requiring medical treatment away from the scene; or one or more vehicles are damaged and disabled requiring towing away from the scene.~~

~~d. Any time within one (1) year after an employee has voluntarily admitted a substance problem and entered into a Last Chance Agreement, tested positive for the presence of controlled substances taken from a lawful prescription issued to the employee's spouse or family member permanently residing with the employee, tested positive for alcohol or completed initial rehabilitation, whichever is later. (EAP shall direct a letter to both JEA and to the employee establishing the date on which rehabilitation was completed.)~~

~~e. [OPEN]~~

- ~~f. As required by the Federal Highway Administration (FHWA) Controlled Substances & Alcohol Use & Testing Program, 49 CFR 382, et seq. (This federal regulation, also known as “CDL” Testing), requires testing for alcohol as well as for controlled substances.)~~
- ~~g. As part of a random drug and alcohol testing program applicable to employees in safety sensitive positions in accordance with criteria set forth in Exhibit B, management’s designation of a position as “safety sensitive” shall be subject to appeal to the Manager of Labor Relations, or designee, whose decision may be subject to arbitration. An employee who disputes the safety sensitive designation of his or her position shall be required to submit a sample in accordance with testing procedures but the results of the test shall be sealed until the dispute has been resolved.~~
- ~~h. In determining a position to be “safety sensitive”, consideration will be given to “safety sensitive”, as defined in Sections 112.0455(5)(m) and 440.102(1)(o) Florida Statutes, and using criteria delineated in Exhibit B.~~
- ~~i. JEA will provide the Association President with a listing of Association members designated as safety sensitive on an annual basis, and as the listing is updated.~~

~~25.3 Testing Procedures~~

- ~~a. Drug~~
 - ~~1. Whenever an employee is required to provide a urine specimen for these testing procedures, the specimen will be divided into two samples at the time of collection in order to facilitate the testing procedures described in this section. The collection facility and the Substance Abuse and Mental Health Services Administration (SAMHSA) certified tester shall follow specimen collection and testing procedures consistent with the HHS Guidelines except as specifically amended herein.~~
 - ~~2. The threshold level or cut off limit and substances shall be as set forth below or as established by HHS and/or SAMHSA. The following levels have been established as of the effective date of this Agreement. However, the levels established by HHS and/or SAMHSA which are in effect as of the date of any given test shall govern. Provided, however, that in the case of the annual test provided for in 25.3.e. above, the Association shall be given prior written notice of any change in established levels prior to issuance of the written notice of the test. If the written notice of annual testing was issued prior to the Association being notified, the affected employees shall be given another thirty (30) calendar day written notice of such test.~~

SCREENING THRESHOLDS

URINE			
INITIAL TEST ANALYTE	INITIAL TEST CUTOFF	CONFIRMATORY TEST	CONFIRMATORY

	<u>CONCENTRATION</u> <u>(NG/ML)</u>	<u>ANALYTE</u>	<u>TEST CUTOFF</u> <u>CONCENTRATION</u> <u>(NG/ML)</u>
<u>MARIJUANA</u> <u>METABOLITES</u>	<u>50</u>	<u>THCA</u>	<u>15</u>
<u>COCAINE</u> <u>METABOLITES</u>	<u>150</u>	<u>BENZOYLECGONINE</u>	<u>100</u>
<u>OPIATE METABOLITES</u> <u>CODEINE/MORPHINE</u>	<u>2000</u>	<u>CODEINE</u> <u>MORPHINE</u>	<u>2000</u> <u>2000</u>
<u>6-ACETYLMORPHINE</u>	<u>10</u>	<u>6-ACETYLMORPHINE</u>	<u>10</u>
<u>PHENCYCLIDINE</u>	<u>25</u>	<u>PHENCYCLIDINE</u>	<u>25</u>
<u>AMPHETAMINES</u>	<u>500</u>	<u>AMPHETAMINE</u> <u>METHAMPHETAMINE</u>	<u>250</u> <u>250</u>
<u>MDMA</u>	<u>500</u>	<u>MDMA</u> <u>MDA</u> <u>MDEA</u>	<u>250</u> <u>250</u> <u>250</u>

<u>BLOOD</u>		
<u>INITIAL TEST ANALYTE</u>	<u>INITIAL TEST CUTOFF</u> <u>CONCENTRATION</u> <u>(NG/ML)</u>	<u>CONFIRMATORY TEST CUTOFF</u> <u>CONCENTRATION</u> <u>(NG/ML)</u>
<u>MARIJUANA</u> <u>METABOLITES</u>	<u>5</u>	<u>2</u>
<u>COCAINE</u> <u>METABOLITES</u>	<u>25</u>	<u>30</u>
<u>OPIATE METABOLITES</u> <u>CODEINE/MORPHINE</u>	<u>10</u>	<u>10</u>
<u>6-ACETYLMORPHINE</u>	<u>10</u>	<u>10</u>
<u>PHENCYCLIDINE</u>	<u>8</u>	<u>8</u>
<u>AMPHETAMINES</u>	<u>50</u>	<u>10</u>

3. The SAMHSA certified tester shall utilize the following procedures to the extent that they are not inconsistent with the HHS Guidelines:
- i. The SAMHSA certified tester shall submit the first of the samples to an immunochemical assay or radioimmunoassay test. If the results of this test are negative, no further testing will be required and all collected specimens will be disposed.
 - ii. If the results of the initial test provided for in Section 25.3. a.3.i. are positive, the SAMHSA certified tester will submit the same sample for further testing using the gas chromatography/mass spectrometry (GC/MS) method to verify the initial test results. JEA will not be notified about the initial positive result, until it has been confirmed as provided for in this section.

~~iii. If the specimen provided is unsuitable for testing due to no fault of the employee being tested, or if the chain of custody is violated, the employee will be advised of those circumstances and will be required to provide another specimen for testing. However, in the case of the annual test provided for in Section 25.2.e., no written notice of the re-test will be provided for test results that come back as low creatinine. Except for low creatinine test results, and provided the employee was not at fault, an additional specimen will be required not more than one (1) additional time. In the case of a low creatinine test result, the employee will be notified and required to be re-tested within seven (7) days after JEA receives notification of the low creatinine test result. If the employee is on leave for this seven (7) day period, he/she will be required to be re-tested upon his/her return to work. Should the employee provide specimens which are neither adulterated nor substituted, but unsuitable for testing due to low creatinine levels three (3) consecutive times, the employee will be subject to a blood sample. Should an employee have legitimate, verifiable religious objection or medical reason that would prohibit a blood sample, then the Medical Review Officer (MRO) will determine the alternate testing method that will be used.~~

~~iv. Specimens that are adulterated or substituted will be reported as a “refusal to test,” and the employee will not be offered the opportunity for a test of the second sample as provided for in 4 below.~~

~~4. If the results of the confirmation test provided for in Section 25.3.c.2 are positive, as confirmed by a qualified (HHS Guidelines) medical review officer (MRO), the HHS guidelines shall be followed for confirmation and notification of the employee and JEA. At that time, the employee may elect to have the second sample subjected to further testing by a SAMHSA certified tester at the employee’s expense. If the second sample tests negative, JEA will reimburse the employee for the cost of the test. If the tests on the second sample are positive, or if the employee does not request testing of the second sample, JEA may take appropriate action in accordance with this article.~~

~~5. Testing Procedures Applicable to Safety Sensitive Random Testing.~~

~~i. Management will administer random drug tests to up to 50% of all employees who are designated as safety sensitive each year. (The 50% can be rounded up to include the nearest “whole” person.)~~

~~ii. Management will administer random alcohol tests to 10% of all employees who are designated as safety sensitive each year. (The 10% can be rounded up to include the nearest “whole” person.)~~

~~iii. The drug and alcohol threshold levels and procedures applicable to CDL random testing shall apply to safety sensitive random testing.~~

~~iv. Employees who are subject to CDL random testing shall not be subject to safety sensitive random testing.~~

~~b. Alcohol~~

- ~~1. Whenever an employee is required to be tested for alcohol, a breathalyzer shall normally be used. In certain cases when the breathalyzer cannot be administered, blood may be used.~~
- ~~2. The threshold level or cut-off limit shall be as set forth below or as established by Florida Statute. The following levels have been established as of the effective date of this Agreement. However, the levels established by DOT or Florida Statute, which are in effect as of the date of any given test shall govern.~~
- ~~3. Alcohol abuse shall subject the employee to disciplinary action as indicated in 25.4.b.~~

~~**Breath or Blood Alcohol Testing Threshold Levels for CDL's**~~

~~Department of Transportation (DOT) Regulations for Commercial Driver License Alcohol Testing~~

- ~~0.020 to 0.039 Cannot perform safety sensitive work for at least 24 hours~~
- ~~0.040 to 0.079 Cannot perform safety sensitive work until released by a substance abuse professional.~~
- ~~0.08 and above Cannot perform safety sensitive work until released by a substance abuse professional.~~

~~**Breath or Blood Alcohol Threshold Levels for non-CDL Testing**~~

- ~~0.05 to 0.079 Considered impaired with other competent evidence of impairment.~~
- ~~0.08 and above Presumed to be impaired~~

~~25.4 Disciplinary Action~~

~~a. Drug abuse shall subject the employee to the following discipline:~~

- ~~1. Any employee who uses a controlled substance pursuant to a prescription lawfully issued to a member of the employee's household residing with the employee shall be given a single Last Chance Agreement provided the prescription was taken for the employee's bona fide medical condition. The employee will be randomly tested 6 to 12 times during a succeeding 12-month period. Subsequent violations of the policy shall result in immediate termination from employment.~~
- ~~2. Drug abuse, other than described in 1. above shall result in immediate termination from employment.~~

~~b. Alcohol abuse shall subject the employee to the following discipline:~~

- ~~1. If an employee tests positive for a breath or blood alcohol level equal to or greater than 0.02 but less than 0.04, the employee will be subject to the provisions of the DOT CDL requirements.~~
 - ~~2. If an employee tests positive for a breath or blood alcohol level equal to or greater than 0.04, but less than or equal to 0.05, the employee will be given a letter of "Required Action and Consequences of Noncompliance" which is not considered discipline. A second positive test in level described above will result in a Last Chance Notice, and a third positive will result in immediate termination from employment.~~
 - ~~3. If an employee tests positive for a breath or blood alcohol level in excess of 0.05 but less than 0.08, and there is no other competent evidence of impairment, the employee will be given a Last Chance Agreement. Any subsequent positive test producing a breath or blood alcohol level in excess of 0.05 will result in the employee being terminated from employment.~~
 - ~~4. If an employee test positive for a breath or blood alcohol level in excess of 0.05 but less than 0.08 and there is other competent evidence of impairment, the employee will be terminated from employment.~~
 - ~~5. If an employee tests positive for a breath or blood alcohol level at 0.08 or higher, the employee will be terminated from employment.~~
- ~~c. Upon investigation, any employee who refuses to submit to substance abuse or alcohol testing (including adulterating or substituting a sample) as required by this article, or who refuses to sign an authorization for the release of the records of such testing shall be considered as a refusal to submit to a drug or alcohol test and shall be terminated from employment.~~

~~25.5 Rehabilitative/Corrective Action~~

- ~~a. Any employee is eligible one time only to notify the employer that he/she has a drug and/or alcohol problem, and upon such notification the employee shall be permitted to enter rehabilitation, subject to a single Last Chance Agreement. In order to be eligible for this one time opportunity for rehabilitation, the employee must notify the employer that he/she has a drug and/or alcohol problem at least one day before the employee is notified that he/she is scheduled for testing pursuant to section 25.2.a (reasonable suspicion testing), section 25.2.g (safety sensitive testing), or section 25.2.f (CDL testing). In the case of testing under section 25.2.b and c (testing following an accident) the employee must notify the employer that he/she has a drug and/or alcohol problem at least one day in advance of any accident that gives rise to the need for testing in order to be eligible for this one time opportunity for rehabilitation. In the case of testing pursuant to section 25.2.e (annual testing), the employee must notify the employer that he/she has a drug and/or alcohol problem before the week that the employee is scheduled to be tested in order to be eligible for this one time opportunity for rehabilitation.~~

~~b. JEA may require an employee who has tested positive for the presence of alcohol or illegal drugs and to which subparagraphs 25.4.a.1 or b.1 applies, or who has elected to come forward under subparagraph 25.5.a, to submit to counseling, or other rehabilitative treatment as a condition of continued employment. This section shall not be construed to limit JEA's right to take appropriate disciplinary action when an employee tests positive for the presence of alcohol or illegal drugs.~~

~~e. Any employee who is required to submit to counseling or other rehabilitative treatment as a condition of continued employment shall sign a release, authorizing the release of information to JEA sufficient to determine whether the employee can safely perform his/her job duties. The manager shall make the decision whether the employee can perform his/her job duties in conjunction with a physician associated with the rehabilitation/treatment facility. The information provided to JEA shall be limited to the following:~~

- ~~1. Whether the employee has regularly attended counseling and/or treatment sessions, as directed.~~
- ~~2. Whether the employee has satisfactorily participated in counseling and/or treatment sessions.~~
- ~~3. Whether the employee has complied with all requests for substance abuse tests, and whether the employee has passed all of those tests.~~
- ~~4. Whether the employee has admitted to using alcohol or illegal drugs subsequent to the test which resulted in the referral to counseling and/or rehabilitative treatment.~~
- ~~5. Whether there is any reason to believe that the employee's return to work could result in a risk to persons or property.~~
- ~~6. Whether JEA should impose any work related limitations or requirements upon the employee in the event that JEA determines to permit the employee to return to work.~~

~~d. Driving restriction for employees with CDL shall be as stipulated in the Federal Highway Administration Controlled Substance & Testing Program, 49 CFR 382, et seq. The same restriction will be used for other safety sensitive employees.~~

~~25.6 Examination and Test~~

- ~~a. Except as provided in paragraph 25.3a.4, JEA will pay the cost of any test required by Section 25.2. Provided, however, that in the case of alcohol testing, an employee will be given the opportunity for a blood alcohol test conducted at the same time as his/her own expense.~~
- ~~b. Urine specimens or alcohol tests required by this article will be obtained while the employee is on duty. JEA may extend the employee's duty period for the purpose of drug or alcohol testing.~~

- ~~c. In the case of alcohol testing conducted pursuant to section 25.2f. any employee who tests .039 breath alcohol content or less (but in excess of .02 breath alcohol content) in any test conducted before 10:00 a.m. will be permitted to test again within one hour from the first test. This waiting period will be on the employee's own time. The first test will be used to determine appropriate discipline, in conjunction with any further test results.~~
- ~~d. Tests will be performed by a SAMHSA certified facility selected by JEA.~~
- ~~e. Employees who are required by this article to take a test shall be required to sign an authorization form releasing the records of such tests to the JEA Manager, Labor Relations or his/her designee. Refusal to sign an authorization for releasing the records of such test to JEA shall be considered as refusing to submit to a drug or alcohol test. The JEA Manager, Labor Relations or his/her designee shall release relevant information contained in those records only to the employee's Vice President, Director and Manager, and to those JEA management officials and representatives directly involved in employment related decisions involving that employee. This shall not limit JEA from providing work related information regarding the employee to the employee's supervisors, including work related limitations or requirements and the reasons therefore. Each individual receiving such information will be instructed regarding the confidential nature of that information.~~
- ~~f. JEA will, unless prohibited by law, and as otherwise provided in this agreement, keep the results of any testing provided for in this article confidential. Any results of positive testing which JEA later determines have been refuted will be destroyed. Test results shall be considered confidential medical records unless they become part of a disciplinary action.~~

~~25.7 Training~~

- ~~JEA and bargaining unit members shall receive training to ensure that they understand their roles and responsibilities in implementing this article. The sufficiency or adequacy of such training shall not be grounds to challenge the validity of any reasonable belief determination or disciplinary action taken as a result of a positive drug or alcohol test, nor shall it preclude disciplinary action where otherwise appropriate.~~

~~25.8 Employer Initiation~~

- ~~This testing program was initiated at the request of JEA. The Association has participated only to the extent of protecting the rights of workers arising from administration of the testing program. It is intended that JEA shall be solely liable for any legal obligations and costs arising out of the provisions and/or application of this article.~~

ARTICLE 26
DISCIPLINE AND DISCHARGE

26.1 No permanent employee shall be removed, discharged, reduced in rank or pay, suspended, or otherwise disciplined except for just cause as defined in Section 26.1. The appointed manager will give written “Notice of ~~Fact Finding~~~~Investigatory Interview~~” form to the employee within fifteen (15) calendar days from the date JEA became aware of the occurrence. This fifteen (15) calendar day time period may be extended by mutual agreement. However, no “Notice of ~~Fact Finding~~~~Investigatory Interview~~” will be required if discipline is given within the prescribed fifteen (15) calendar day time period, or the extended time period as mutually agreed. This Notice shall be followed by a written statement of the charges within forty-five (45) calendar days from the date of the notice. The employee will be notified of the findings if there are no charges. This provision can not be exercised after 180 calendar days from the date of occurrence. Provided, however, that all time limits established in this section may at management’s discretion, be extended during the pendency of a potential felony criminal investigation into an employee’s conduct. In such cases, the time limits established by this section will not begin to run until all criminal investigations and/or prosecutions involving the employee are concluded.

Just Cause Guidelines: A “no” answer to any one or more of the following questions may signify that just and proper cause did not exist.

1. Did the employer give to the employee forewarning or foreknowledge of the possible or probable disciplinary consequences of the employee’s conduct?
2. Was the employer’s rule or managerial order reasonably related to (a) the orderly, efficient, and safe operation of the employer’s business and (b) the performance that the employer might properly expect of the employee?
3. Did the employer, before administering discipline to an employee, make an effort to discover whether the employee did in fact violate or disobey a rule or order of management?
4. Was the employer’s investigation conducted fairly and objectively?
5. At the investigation did management obtain substantial evidence or proof that the employee was guilty as charged?
6. Has the employer applied its rules, orders, and penalties evenhandedly and without discrimination to all employees?
7. Was the degree of discipline administered by the employer in a particular case reasonably related to (a) the seriousness of the employee’s proven offense and (b) the record of the employee in his service with the employer?

26.2 It shall be the right of any employee to inspect and make a copy of his or her personnel records, internal file, and manager’s file. An employee will be allowed to review his/her master personnel file, within a reasonable length of time upon request to his/her Vice President, Director, or Manager. During the term of this Agreement, if any information, which is considered unfavorable and, derogatory to an employee, is entered in his/her personnel file which deals with conditions originating after employment with JEA, the employee will be required to acknowledge receipt in writing of such information, and will be furnished a copy in order that he/she may have the opportunity to submit a written statement responding to the information (excluding copies of personnel action forms, time reports, and employee evaluation reports). The employee’s acknowledgment of receipt in writing merely indicates that the employee has seen and received a copy of such derogatory or unfavorable information. The acknowledgment of receipt does not indicate that the employee agrees with such information, nor does such action indicate that the employee admits guilt for any alleged infractions stipulated. The employee’s responding statement will also be entered in his/her personnel file. If an employee feels that any correspondence written about him/her was unjustified, he/she has the right to resort to the Grievance Procedure.

- 26.3 JEA will follow the principles of progressive discipline that discipline generally proceeds from a reprimand, to a final written reprimand or suspension or reduction in pay to demotion or discharge. A last chance agreement may be used in lieu of discharge. These are the only forms of discipline recognized by the JSA. The parties recognize that the seriousness and circumstances surrounding an offense may warrant more -or less- severe discipline, depending upon all of the facts. When the situation warrants, JEA will provide written and /or oral counseling before implementing progressive discipline.
- 26.4 When an employee is off the payroll due to a suspension, JEA will continue to pay the life insurance and medical insurance premiums normally paid by JEA which includes JEA's portion of the dependent medical insurance premium. The employee is responsible for the optional life insurance premium and his/her portion of the dependent premium. If the employee should fail or decline to pay his/her portion of dependent's insurance premium, JEA may discontinue paying any portion of such premium for which it would otherwise be responsible.

Article 27
Equal Employment Opportunity

- 27.1 JEA and the Association mutually agree that each has a positive and distinct role in carrying out the concepts of Equal Employment Opportunity (EEO) irrespective of race, color, creed, national origin, religion, sex, age, and where appropriate, disability. JEA and the Association agree to encourage all Unit employees to take advantage of self-improvement opportunities to enhance their potential for promotion and job security.
- 27.2 It is agreed that the Association will participate in such activities which are required by EEO laws and regulations and the implementation of the JEA Equal Opportunity/Equal Access Program. The Association will advise appropriate Management of any employee's dissatisfactions that do not constitute formal discrimination complaints but appear to be a potential source for discrimination complaints.
- 27.3 It is agreed that no official of JEA or the Association shall interfere with, restrain, coerce, intimidate, or make reprisals against any employee for appearing, testifying or furnishing evidence during any investigation or hearing procedures.

Article 28
Savings Clause

JEA retains all rights, powers, functions and authority it had prior to the signing of this Agreement, except as such rights are specifically relinquished or abridged in the Agreement. Provided, however, that JEA will engage in collective bargaining negotiations upon request by the Association if the exercise of a management right or an alteration by JEA of the status quo has a collective impact upon established wages, hours, or other terms and conditions of employment of bargaining unit employees.

Article 29
Severability

If any provision of this Agreement shall be found to be invalid by any courts having jurisdiction in respect thereof, such findings shall not affect the remainder of this Agreement, and all other terms and provisions shall continue in full force and effect. Upon any such judicial determination, and upon request of either party, JEA and the Association will negotiate and endeavor to reach an agreement upon a substitute for the provision(s) found to be invalid.

Article 30
Definitions

The following terms when used throughout this Agreement shall have the following meaning:

- 30.1 “CFR” shall mean Code of Federal Regulations.
- 30.2 “FHWA” shall mean Federal Highway Administration.
- 30.3 “FLSA” shall mean Fair Labor Standards Act.
- 30.4 “FMCS” shall mean Federal Mediation and Conciliation Service.
- 30.5 “FR” shall mean Federal Register.
- 30.6 “HHS” shall mean U.S. Department of Health and Human Services.
- 30.7 “MRO” shall mean medical review officer.
- 30.8 “Overtime” shall be as defined in the FLSA, except as amended by this Agreement.
- 30.9 “Premium Payment” shall mean any compensation other than the regular hourly rate of pay, i.e., time and one-half, double time, and double time and one-half, and schedule premium.
- 30.10 “SAMHSA” shall mean Substance Abuse and Mental Health Services Administration.
- 30.11 “Seniority or Senior” shall refer to time in a given classification, not total service time. In the case where employees have same time in grade, promotional test scores will be used to determine seniority. However, should an arbitrator or the Civil Service Board rule otherwise, JEA will abide by their ruling.

Article 31
Terms, Approval, and Amendments

- 31.1 This Agreement, upon approval and ratification, shall become effective October 1, 201~~9~~⁶ and shall remain in effect until September 30, 20~~22~~¹⁹.
- 31.2 It is acknowledged that this Agreement must be approved by the membership of the Association prior to submission for approval to and by JEA, and the JEA legislative body.
- 31.3 This Agreement shall be subject to amendments at any time by mutual consent of the parties hereto. Such amendments shall be reduced to writing, state the effective date of the amendment, be executed and approved in the same manner as this Agreement.

Signature Page(s)

| [Copy of Ordinance (ratification) to be inserted here]

Exhibit A – JSA Pay Table and Occ Codes

JSA Job Classification Index		
Job Code	Job Title	Pay Grade
1066	Electric Maintenance Coordinator	530
7230	Protection & Controls System Coordinator	530
2198	C & M Working Foreman	525
6741	Chilled Water Working Foreman	525
2196	Emergency Dispatcher	525
2165	I&C Working Foreman	525
2035	Meter Working Foreman	525
2036	N&C Working Foreman	525
2071	Operating Engineer	525
2190	Substation Foreman	525
1067	W/WW Control Systems Coordinator	525
3402	W/WW Reuse Treatment Planner Scheduler	525
3403	WW Reuse Treatment Operations Coordinator	525
3400	WW Reuse Treatment Maint Coordinator	525
2118	Facilities O&M Working Foreman	520
2317	Meter Specialist Foreman	520
2072	Unit Operator	520
2199	W/WW Planner	520
2119	Wastewater Maintenance Team Leader	520
U119	Wastewater Operations Team Leader	520
U166	Water Operations Team Leader	520
1062	Water Wastewater Dispatcher (RL)	520
U151	Utilities C&M Crew Leader	515
2101	Customer Care Group Leader (RL)	515
1028	GIS CAD Technician III (RL)	515
2139	Stores Working Foreman	515
2141	Transformer Shop Wkg Foreman	515
U017	Utilities Pipefitter Crewleader	512
2216	Arborist	510
G111	Land Surveyor Senior (RL)	510
2509	Payment Processing Team Leader (RL)	510
2902	Payroll Practitioner Senior (RL)	510
2252	Administrative Support Asst JSA (RL)	250A
2510	Customer Service Field Leader (RL)	254
2233	Laboratory Section Administrator (RL)	264

OCC Codes	Job Classification	Pay Grade	FY	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
1066	Electric Maintenance Coordinator	530	19/20	\$47.44	\$49.81	\$52.30	\$54.92		
7230	Protection & Controls System Coordinator		20/21	\$49.11	\$51.56	\$54.14	\$56.85		
			21/22	\$50.83	\$53.37	\$56.04	\$58.84		
2198	C & M Working Foreman	525	19/20	\$41.19	\$43.25	\$45.41	\$47.68	\$50.06	
6741	Chilled Water Working Foreman								
2196	Emergency Dispatcher								
2165	I&C Working Foreman		20/21	\$42.64	\$44.77	\$47.00	\$49.35	\$51.82	
2035	Meter Working Foreman								
2036	N&C Working Foreman								
2071	Operating Engineer		21/22	\$44.14	\$46.34	\$48.65	\$51.08	\$53.64	
2190	Substation Foreman								
1067	W/WW Control Systems Coordinator								
3402	W/WW Reuse Treatment Planner Scheduler								
3403	WW Reuse Treatment Operations Coordinator								
3400	WW Reuse Treatment Maint Coordinator								
2118	Facilities O&M Working Foreman	520	19/20	\$37.23	\$39.10	\$41.05	\$43.10	\$45.26	
2013	GIS Coordinator Analyst								
2317	Meter Specialist Foreman		20/21	\$38.54	\$40.47	\$42.49	\$44.61	\$46.85	
2072	Unit Operator								
2199	W/WW Planner								
2119	Wastewater Maintenance Team Leader		21/22	\$39.89	\$41.89	\$43.98	\$46.18	\$48.49	
U119	Wastewater Operations Team Leader								
U166	Water Operations Team Leader								
1062	Water Wastewater Dispatcher (RL)								
U151	Utilities C&M Crew Leader	515	19/20	\$32.05	\$33.65	\$35.34	\$37.11	\$38.96	\$40.91
2101	Customer Care Group Leader (RL)								
1028	GIS CAD Technician III (RL)		20/21	\$33.18	\$34.83	\$36.58	\$38.41	\$40.33	\$42.35
2139	Stores Working Foreman								
2141	Transformer Shop Wkg Foreman								
2620	Utility Locator Coordinator	21/22	\$34.35	\$36.05	\$37.87	\$39.76	\$41.75	\$43.84	
U017	Utilities Pipefitter Crewleader	512	19/20	\$34.06	\$35.76				
			20/21	\$35.25	\$37.02				
			21/22	\$36.49	\$38.32				
2216	Arborist	510	19/20	\$27.54	\$28.91	\$30.36	\$31.88	\$33.48	\$35.15
G111	Land Surveyor Senior (RL)		20/21	\$28.51	\$29.93	\$31.43	\$33.00	\$34.66	\$36.39
2509	Payment Processing Team Leader (RL)		21/22	\$29.51	\$30.98	\$32.54	\$34.16	\$35.88	\$37.67
2902	Payroll Practitioner Senior (RL)								

OCC Codes	Job Title	Pay Grade	FY	Step 1	Step 2	Step 3	Step 4	Step 5
2252	Administrative Support Asst JSA (RL)	250A	19/20	\$27.32	\$28.68	\$30.12	\$31.63	
			20/21	\$28.28	\$29.69	\$31.18	\$32.74	
			21/22	\$29.27	\$30.73	\$32.28	\$33.89	
2510	Customer Service Field Leader (RL)	254	19/20	\$33.62	\$35.30	\$37.06	\$38.91	\$40.86
			20/21	\$34.80	\$36.54	\$38.36	\$40.28	\$42.30
			21/22	\$36.02	\$37.82	\$39.71	\$41.69	\$43.79
Z196	Electronic Maint Team Leader - RL	255	19/20	\$37.07	\$38.92	\$40.87	\$42.91	
			20/21	\$38.37	\$40.29	\$42.31	\$44.42	
			21/22	\$39.72	\$41.71	\$43.80	\$45.98	
2233	Laboratory Section Administrator (RL)	264	19/20	\$47.29	\$49.65	\$52.14	\$54.75	
			20/21	\$48.95	\$51.39	\$53.97	\$56.67	
			21/22	\$50.67	\$53.19	\$55.86	\$58.66	

Exhibit B – Safety Sensitive Positions Definitions and Key

ABBREVIATION	DEFINITION
DISPATCH OF VEHICLE	RESPONSIBLE FOR DISPATCH OF EMERGENCY VEHICLES (EITHER EMERGENCY RESPONSE/PUBLIC SAFETY VEHICLES OR OTHER VEHICLES IN EMERGENCY SITUATIONS).
MAINT OF VEHICLE	MAINTENANCE OF THE TYPE AND KIND THAT IF PERFORMED IMPROPERLY COULD RESULT IN DANGER TO THE OCCUPANTA/USERS OR OTHER EMPLOYEES OR MEMEBERS OF THE PUBLIC NEAR THE VEHICLE/EQUIPMENT.
CHAUFFERURS OTHER EMPLOYEES	CHAUFFEURS OTHER EMPLOYEES AS PART OF ASSIGNED DUTIES
HANDLE HAZARDOUS MATERIALS-OR EQUIPMENT (INCLUDES GUNS & OTHER SAFETY EQUIPMENT	TRANSPORTS, MIXES, HANDLES, USES, HAZARDOUS MATERIALS OR IS RESPONSIBLE FOR EQUIPMENT CARRYING CURRENT, FLUIDS OR GAS THAT COULD ENDANGER THE PUBLIC OR EMPLOYEES.
CDL LICENSE	OPERATES CDL CLASSIFIED VEHICLES.
SUPERVISES CHILDREN OPERATES/DIRECTS LARGE	SUPERVISES CHILDREN OR IS RESPONSIBLE FOR THE SECURITY OF CHILDREN OPERATES/DIRECTS LARGE TRUCKS AND/OR CONSTRUCTION EQUIPMENT.
HAZARDOUS EQUIPMENT/ CONDITIONS	PERFORMS HAZARDOUS/PERILOUS WORK, AND/OR WORKS WHERE THE INDIVIDUAL MAY CAUSE HARM TO HIMSELF OR OTHERS.
GUARDS SAFETY OF WORKERS AND/OR PUBLIC	GUARDS THE SAFETY OF CO-WORKERS AND/OR PUBLIC.
IMMEDIATE MANAGEMENT RISK	DUTIES REQUIRE DRUG PREVENTION-FOREKNOWLEDGE OF IDENTITIES OF INDIVIDUALS TO BE TESTED.
SPECIAL LICENSE	ANY POSITION THAT REQUIRES SPECIALIZED LICENSING BY CITY, STATE, OR FEDERAL LAW OR REGULATION WHICH INVOLVES ADDITIONAL MEDICAL AND/OR BACKGROUND INVESTIGATIONS. THE EXISTENCE OF A SPECIAL LICENSE REQUIREMENT MAY BE USED FOR THE PURPOSE OF SUPPORTING A SAFETY.- SENSITIVE DESIGNATION BUT SHALL NOT BE SUFFICIENT IN AND OF ITSELF TO REQUIRE A SAFETY-SENSITIVE DESIGNATION.
ENFORCE DRUG POLICY	ENFORCES DRUG POLICY (INTERDICTION AND DISCIPLINE).
STORE ILLEGAL SUBSTANCES	HANDLES, FILES AND/OR STORES ILLEGAL SUBSTANCES.
SYSTEMS OPERATOR	DESIGN, CONSTRUCTION, MAINTENANCE, INSPECTION & OPERATION OF SYSTEMS CARRYING CURRENT, FLUIDS OR GAS THAT COULD ENDANGER THE PUBLIC OR EMPLOYEES OR REGULATES, MAINTAINS, REPAIRS TRAFFIC SIGNAL DEVICES.
SUPV/SAFETY SENSITIVE POSITION	DIRECTLY SUPERVISES A SAFETY SENSITIVE POSITION.
ACCESS/CRIMINAL INVESTIGATION INFO	WORKS WITH OR HAS ACCESS TO INFORMATION OR DOCUMENTS PERTAINING TO CRIMINAL INVESTIGATIONS.
EMERGENCY RESPONSE REQUIRED.	RESPONDS UNDER EMERGENCY CONDITIONS.

EXHIBIT E

THIS EMPLOYEE PROTECTION AND RETENTION PROGRAM AGREEMENT (this “Agreement”) is made effective as of the [] day of [], 2019, by and between JEA, a body politic and corporate under the laws of the State of Florida and an independent agency of the Consolidated City of Jacksonville (“JEA”), and [Name] (the “Employee”).

RECITALS:

WHEREAS, all JEA employees perform valuable services for the customers and citizens they serve;

WHEREAS, JEA provides a work environment which emphasizes safety and a positive culture;

WHEREAS, JEA operates in a rapidly evolving business climate to provide energy, water and wastewater utility services;

WHEREAS, the Board approves of JEA exploring strategic options to ensure that it continues to serve its customers and citizens in a cost-effective and reliable way;

WHEREAS, JEA desires to recognize the past and continued service of its employees;

WHEREAS, in recognition of the Employee obtaining performance standards that shall be individually determined and evaluated based on the Employee’s proportionate contribution to JEA, JEA desires to award the Employee a retention payment subject to, and conditioned upon, the occurrence of a Recapitalization Event on the terms and conditions set forth herein; and

WHEREAS, all full-time employees who are actively employed with JEA on **July 23, 2019** are eligible to receive a retention payment.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, JEA and the Employee agree as follows:

1. Certain Definitions. As used in this Agreement, the following terms shall have the meanings given to them in this Section 1. Certain other terms are defined elsewhere in this Agreement.

(a) “Applicable Law” means any constitution, law, statute, ordinance, rule, regulation, regulatory requirement, code, order, judgment, injunction or decree enacted, issued, promulgated, enforced or entered by a federal, state, provincial or local government or other political subdivision thereof, any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of any such government or political subdivision.

(b) “Board” means the Board of Directors of JEA.

(c) “Cause” means (x) in the case where the Employee has an employment agreement, consulting agreement or similar agreement in effect with JEA at the time of grant of the Retention Payment that defines a termination for “cause” (or words of like import), “cause” as defined in such agreement or (y) in the case where the Employee does not have an employment agreement, consulting

agreement or similar agreement in effect with JEA at the time of grant of the Retention Payment or where there is such an agreement but it does not define “cause” (or words of like import):

(i) the Employee has been convicted of, pled guilty or no contest to or entered into a plea agreement with respect to, (A) any felony under Applicable Law or (B) any crime involving dishonesty or moral turpitude;

(ii) the Employee has engaged in (A) any willful misconduct or gross negligence or (B) any act of dishonesty, violence or threat of violence, in each case with respect to this clause (B), that would reasonably be expected to result in a material injury to the JEA Group;

(iii) the Employee willfully fails to perform the Employee’s duties to the JEA Group and/or willfully fails to comply with lawful directives of the Board;

(iv) the Employee materially breaches any term of any contract to which the Employee and any member of the JEA Group is a party; or

(v) the Employee materially breaches any term of this Agreement;

provided that, with respect to clauses (iii), (iv) and (v) and if the event giving rise to the claim of Cause is curable, JEA provides written notice to the Employee of the event within thirty (30) days of JEA learning of the occurrence of such event, and such Cause event remains uncured fifteen (15) days after JEA has provided such written notice; provided further that any termination of the Employee’s employment for “Cause” with respect to clause (iii), (iv) or (v) occurs no later than thirty (30) days following the expiration of such cure period.

Notwithstanding the foregoing, to the extent that this definition of “Cause” is inconsistent with an applicable definition of “cause” (or words of like import) in any applicable and lawful collective bargaining agreement or the applicable and lawful Civil Service and Personnel Rules and Regulations of the City of Jacksonville (the “Civil Service Rules”), the definition of “cause” (or words of like import) in such collective bargaining agreement or the Civil Service Rules shall control.

(d) Section Reserved.

(e) “Code” means the Internal Revenue Code of 1986, as amended, and the rules, regulations and guidance issued thereunder.

(f) “Confidential Information” means information not generally known, not released pursuant to Chapter 119, Florida Statutes, or not available outside the JEA Group and information entrusted to the JEA Group in confidence by third parties, including, without limitation, all technical data, trade secrets, research, product or service ideas or plans, software code and designs, developments, processes, formulas, techniques, biological materials, mask works, designs and drawings, hardware configuration information, information relating to employees and other service providers of the JEA Group (including, but not limited to, their names, contact information, jobs, compensation and expertise), information relating to suppliers and customers, information relating to lenders, price lists, pricing methodologies, cost data, market share data, marketing plans, licenses, contract information, business plans, financial forecasts, historical financial data, budgets or other business information. Notwithstanding the foregoing, JEA recognizes the applicability of Chapter 119, Florida Statutes.

(g) “Disability” means (i) if JEA provides long-term disability insurance to its employees

generally and if JEA's long-term disability plan defines the term "disability," then the same meaning as in JEA's long-term disability plan or (ii) if JEA does not provide long-term disability insurance to its employees generally, a condition that renders the Employee unable to engage in substantial gainful activity by reason of any medically determinable physical or mental impairment as determined by JEA's absence management vendor; provided, however, that JEA's absence management vendor has no obligation to investigate whether Disability exists unless the Employee or representative thereof puts JEA on notice within ninety (90) days after the Employee's termination of employment.

(h) "Involuntary Termination" means, with respect to the Employee, (i) a termination of the Employee's employment by any member of the JEA Group without Cause, (ii) a termination due to such Employee's death or Disability, or (iii) subject to approval by the Board, a requirement that Employee relocate their regular work location outside of a 75 mile radius (as measured from the JEA Tower, 21 West Church St., Jacksonville).

(i) "JEA Group" means JEA and its affiliates, assigns, subsidiaries and successors.

(j) "Recapitalization Event" means the closing and funding of a transaction or a series of related transactions in accordance with Article 21 of the Charter of the City of Jacksonville and any other Applicable Law that results in either (i) unencumbered cash proceeds to the City of Jacksonville of at least Three Billion Dollars (\$3,000,000,000) or (ii) at least fifty percent (50%) of the net depreciated property, plant and equipment value of either JEA's electric system or JEA's water and wastewater system being transferred, assigned, sold or otherwise disposed of. The "Closing Date" of a Recapitalization Event shall be the date of closing of a transaction that results in either of the above two contingencies occurring, or in the case of a series of related transactions, the date of a closing of a transaction that, when combined with other prior transactions in the series, results in either of the above two contingencies.

(k) "Retention Period" means, respectively, a two (2)-year period following the Recapitalization Event as follows: (i) with respect to the first Payment Installment, the period from July 23, 2019 through the Closing Date; (ii) with respect to the second Payment Installment, the period from the Closing Date through the first anniversary of the Closing Date; and (iii) with respect to the third Payment Installment, the period from the first anniversary of the Closing Date through the second anniversary of the Closing Date.

2. Agreement to Provide Retention Payment. Subject to the terms of this Agreement (including the conditions set forth below), the Employee shall be entitled to receive a cash payment in the aggregate amount of _____ which is 100% of the Employee's annual base salary that was in effect on July 23, 2019) (the "Retention Payment"). The Retention Payment shall vest in three (3) equal installments (each, a "Payment Installment") on the Closing Date, the first anniversary of the Closing Date and the second anniversary of the Closing Date (each such date, a "Vesting Date"). The Payment Installments shall be paid to the Employee as soon as reasonably practicable after each applicable Vesting Date, but in any event no later than thirty (30) days after the applicable Vesting Date. For the avoidance of doubt, in no event shall the Employee be entitled to receive any amounts in excess of the Retention Payment under this Agreement.

3. Conditions to Receipt of the Retention Payment. The Employee's right to receive the Retention Payment is conditioned on his or her execution of this Agreement and all of the following: (a) the Recapitalization Event occurring no later than December 31, 2021; (b) the Employee's continuous employment with any member of the JEA Group during the Retention Period (except as set forth herein), other than an Involuntary Termination as defined above; (c) the Employee's execution and non-

revocation of a release of claims in favor of the JEA Group and the City of Jacksonville (“Release”) in a form reasonably satisfactory to JEA; (d) the Employee’s compliance with the covenants set forth in Section 6; and (e) satisfaction of the conditions of applicable law. If the Employee breaches or threatens to breach any of the covenants in Section 6, JEA shall not pay the Employee the Retention Payment (to the extent unpaid) and/or the Employee shall be required to promptly repay all or any portion of the Retention Payment previously paid to the Employee, as applicable. Within sixty (60) days prior to the anticipated Closing Date, JEA shall deliver the Release to the Employee and, to the extent required by Applicable Law, the Employee shall have twenty-one (21) or forty-five (45) days from the date the Release is delivered to the Employee to review the Release and an additional seven (7) days to revoke the Release. The Employee must have executed an irrevocable Release prior to the Closing Date to receive any portion of the Retention Payment.

4. Agreement to Provide Employee Protection. The terms of JEA Board Resolution 2019-07 are incorporated into this agreement, which such resolution requires that an invitation to negotiate or other competitive solicitation outcome must achieve, among other things, maintenance of substantially comparable employee compensation and benefits for three years. For three years following the Recapitalization Event, the Employee is guaranteed substantially comparable compensation and benefits in effect at the Closing Date (“Employee Protection Benefit”). In the event the Employee is Involuntarily Terminated as defined by Paragraph (h) before the end of the three year period, the Employee shall continue to receive the Employee Protection Benefit for the remainder of the three year period. The Employee Protection Benefit shall only apply to full-time JEA employees employed on the Closing Date, and any remedy for breach of this provision shall only be against and recovered from a successor entity to JEA.

5. Involuntary Termination. Notwithstanding the provisions of Section 3(b), if the Employee ceases to be employed with any member of the JEA Group during a Retention Period due to an Involuntary Termination, the Employee shall be eligible to receive the entire amount of the Retention Payment (to the extent unpaid) and the Payment Installments shall vest on the applicable Vesting Dates. Any amount payable pursuant to this Section 5 shall be paid to the Employee at the same time as the Payment Installments (to the extent unpaid) would have been paid had there been no termination of employment.

6. Covenants. The Employee shall comply with the following covenants:

THIS SECTION 6 IS NOT INTENDED TO USURP THE EMPLOYEE’S RIGHTS, DUTIES OR RESPONSIBILITIES AS A CITIZEN OF THE STATE OF FLORIDA; HOWEVER, THIS SECTION 6 IS INCLUDED TO ENSURE THAT JEA AND ITS EMPLOYEES, AGENTS AND REPRESENTATIVES COMPLY WITH ITS AND THEIR CONFIDENTIALITY OBLIGATIONS UNDER APPLICABLE LAW, INCLUDING, BUT NOT LIMITED TO, LAWS GOVERNING THE DISCLOSURE OF MATERIAL NON-PUBLIC OR CONFIDENTIAL INFORMATION.

(a) Cooperation. While on duty, the Employee shall (i) devote best efforts to faithfully discharge his or her duties, obligations and responsibilities on behalf of the JEA Group as those duties, obligations and responsibilities have been performed in the past or as may be subsequently modified in writing by JEA and the Employee, (ii) provide full support and cooperation in the best interests of the JEA Group up to and including the Closing Date, (iii) throughout the course of the Employee’s employment with the JEA Group and following the Closing Date and/or the Employee’s separation of service with the JEA Group, if applicable, take no action that would be considered contrary to the best

interests of the JEA Group, and (iv) devote best efforts to assist the JEA Group in maximizing its performance and finalizing the Recapitalization Event and any transition related thereto. Nothing contained herein shall be construed to prohibit the Employee from engaging in lawfully protected, concerted activity or speech protected by the First Amendment.

(b) Confidentiality.

(i) *Protection of Information.* The Employee acknowledges and agrees that the confidentiality provision contained in this Section 6(b) is essential to protect JEA's goodwill, its ability to diligently serve its customers, the value of JEA's business and assets and the investor relations that JEA has expended significant resources to develop. Subject to applicable limitations of Chapter 119 and Section 215.425(5), Florida Statutes, the Employee shall keep confidential this Agreement and its terms; provided that the Employee may provide this Agreement on a confidential basis to his or her legal counsel, accountant, and/or tax advisor. In addition, at all times during the Employee's relationship with the JEA Group and thereafter, the Employee agrees to hold in strictest confidence and not disclose Confidential Information to any individual, corporation, partnership, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof, without prior written authorization from JEA, and not to use Confidential Information, except to perform the Employee's obligations to the JEA Group, until such Confidential Information becomes publicly and widely known and made generally available through no wrongful act of the Employee's or of others who were under confidentiality obligations as to the item or items involved. The Employee further agrees not to make any copies of Confidential Information, except as authorized in writing in advance by JEA.

(ii) *Confidential Disclosure in Reporting Violations of Law or in Court Filings.* The Employee acknowledges and JEA agrees that the Employee may disclose Confidential Information in confidence directly or indirectly to federal, state, or local government officials, including, but not limited to, the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law or regulation or making other disclosures that are protected under the whistleblower provisions of state or federal laws or regulations. The Employee may also disclose Confidential Information in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal. Nothing in this Agreement is intended to conflict with federal law protecting confidential disclosures of a trade secret to the government or in a court filing, 18 U.S.C. § 1833(b), or to create liability for disclosures of Confidential Information that are expressly allowed by 18 U.S.C. § 1833(b).

7. Tax Withholding. The JEA Group shall be entitled to make deductions from the Retention Payment in respect of any applicable income and employment tax, up to the maximum amount permitted by Applicable Law, subject to the JEA Group's normal withholding procedures.

8. Sections 409A and 457(f). This Agreement is intended to provide payments that are exempt from Sections 409A and 457(f) of the Code ("Code Sections 409A and 457(f)"), or alternatively that comply with Code Sections 409A and 457(f), and the terms of this Agreement shall be construed and administered in a manner that is exempt from or in compliance with Code Sections 409A and 457(f), as appropriate. Each payment is intended to be treated as one of a series of separate payments for purposes of Code Sections 409A and 457(f). Notwithstanding anything herein to the contrary, no amendment may be made to this Agreement if it would cause this Agreement or any payment hereunder not to be in compliance with Code Sections 409A and 457(f).

9. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of

JEA and its successors and assigns, and the term “JEA” whenever used in this Agreement shall mean and include any such successors or assigns. Neither this Agreement nor any right or interest hereunder shall be assignable or transferable by the Employee or his or her beneficiaries or legal representatives, except by will or by the laws of descent and distribution. Notwithstanding the foregoing, in the event of the death of the Employee, payments that otherwise would have been made to the Employee shall instead be made to the Employee’s estate.

10. Governing Law. All questions concerning the construction, validity and interpretation of this Agreement shall be governed by the laws of the State of Florida, applicable to contracts to be executed and performed entirely therein, regardless of the laws of any other jurisdiction that might otherwise govern due to applicable conflicts of laws principles.

11. Arbitration. Except for suits seeking injunctive relief or specific performance or as otherwise prohibited by Applicable Law, the parties hereby agree that any dispute, controversy or claim arising out of, connected with and/or otherwise relating to this Agreement and the arbitrability of any controversy or claim relating hereto shall be finally settled by binding arbitration. The parties hereby knowingly and voluntarily waive any rights that they may have to a jury trial for any such disputes, controversies or claim. The parties agree to resolve any dispute arising out of this Agreement before the American Arbitration Association (the “AAA”) in accordance with the AAA’s then existing National Rules of Resolution of Employment Disputes. The arbitration shall be administered by the AAA and the hearing shall be conducted in Duval County in the State of Florida before a neutral arbitrator, who must have been admitted to the practice of law for at least the last ten (10) years (the “Arbitrator”). Each party further agrees to pay its or his own arbitration costs, attorneys’ fees, and expenses, unless otherwise required by the AAA’s then-existing arbitration rules. The Arbitrator shall issue an opinion within thirty (30) days of the final arbitration hearing and shall be authorized to award reasonable attorneys’ fees to the prevailing party, which decision of the Arbitrator shall be final, conclusive, unappealable and binding on the parties. Subject to Applicable Law, the arbitration proceeding and any and all related awards, relief or findings shall be confidential, except that any arbitration award may be filed in a court of competent jurisdiction by either party for the purpose of enforcing the award. The Employee, if covered by any lawful collective bargaining agreement, shall be able to arbitrate such dispute per the rules set forth in the applicable collective bargaining agreement.

12. Entire Agreement; Modification. This Agreement contains the entire understanding and agreement between the parties relating to the Retention Payment and supersedes and replaces all prior agreements, understandings, discussions, negotiations and undertakings, whether written or oral, by or among the parties with respect thereto (none of which remain of any force or effect). This Agreement, including this Section 11, may be modified only by agreement in writing signed by both JEA and the Employee.

13. Counterparts. This Agreement may be executed in two (2) or more counterparts (including via facsimile or .pdf file), each of which shall be deemed an original, but all of which, when taken together, shall constitute one and the same instrument.

14. Waiver. Any failure of the Employee to comply with any of his or her obligations under this Agreement may be waived only in writing signed by JEA’s Vice President of Human Resources (or his or her delegate). Any failure of JEA to comply with any of its obligations under this Agreement may be waived only in writing signed by the Employee. No waiver of any breach, failure, right or remedy contained in or granted by the provisions of this Agreement shall constitute a continuing waiver of a subsequent or other breach, failure, right or remedy, unless the writing so specifies.

15. Survival. The provisions of this Agreement are intended to survive the Employee's termination of employment.

16. Severability. If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to Applicable Law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement shall continue in full force and effect.

17. Collective Bargaining; Civil Service Rules. If or as required, JEA shall collectively bargain this Agreement with unions representing covered bargaining unit employees of JEA. This Agreement shall not be interpreted to be inconsistent with the Civil Service Rules, as applicable.

18. Penalties. In the event that any payments under this Agreement to the Employee are subject to any excise tax, interest or penalties under the Code (the "Penalties"), the JEA Group shall pay to the Employee an amount equal to the full amount of the Penalties. Such payment is intended to place the Employee in the same economic position the Employee would have been in if the Penalties did not apply and shall be calculated in accordance with such intent. Notwithstanding anything to the contrary contained herein, the JEA Group shall not make the Employee economically whole for Penalties caused by, relating to or arising from the Employee's breach of this Agreement or the Employee's failure to comply with his or her obligations under Applicable Law.

19. Compliance with Applicable Law. No provision of this Agreement shall be deemed to violate Applicable Law and this Agreement shall be interpreted in accordance with this intent.

20. Right to Seek Legal Counsel. The Employee acknowledges that the Employee has the right to review this Agreement with legal counsel of the Employee's choosing before signing it and that he or she was encouraged and advised to consult with an attorney prior to signing it.

21. Determinations. All determinations regarding the Retention Payment, including the amount, if any, of any Payment Installment payable to the Employee, shall be made in accordance with the terms of this Agreement, and shall be final, conclusive and binding on all parties.

22. Section Headings. The section headings are included for convenience and are not intended to limit or affect the interpretation of this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date written below.

JEA

By _____

Name: Aaron F. Zahn

Title: Managing Director/CEO

EMPLOYEE

Name:

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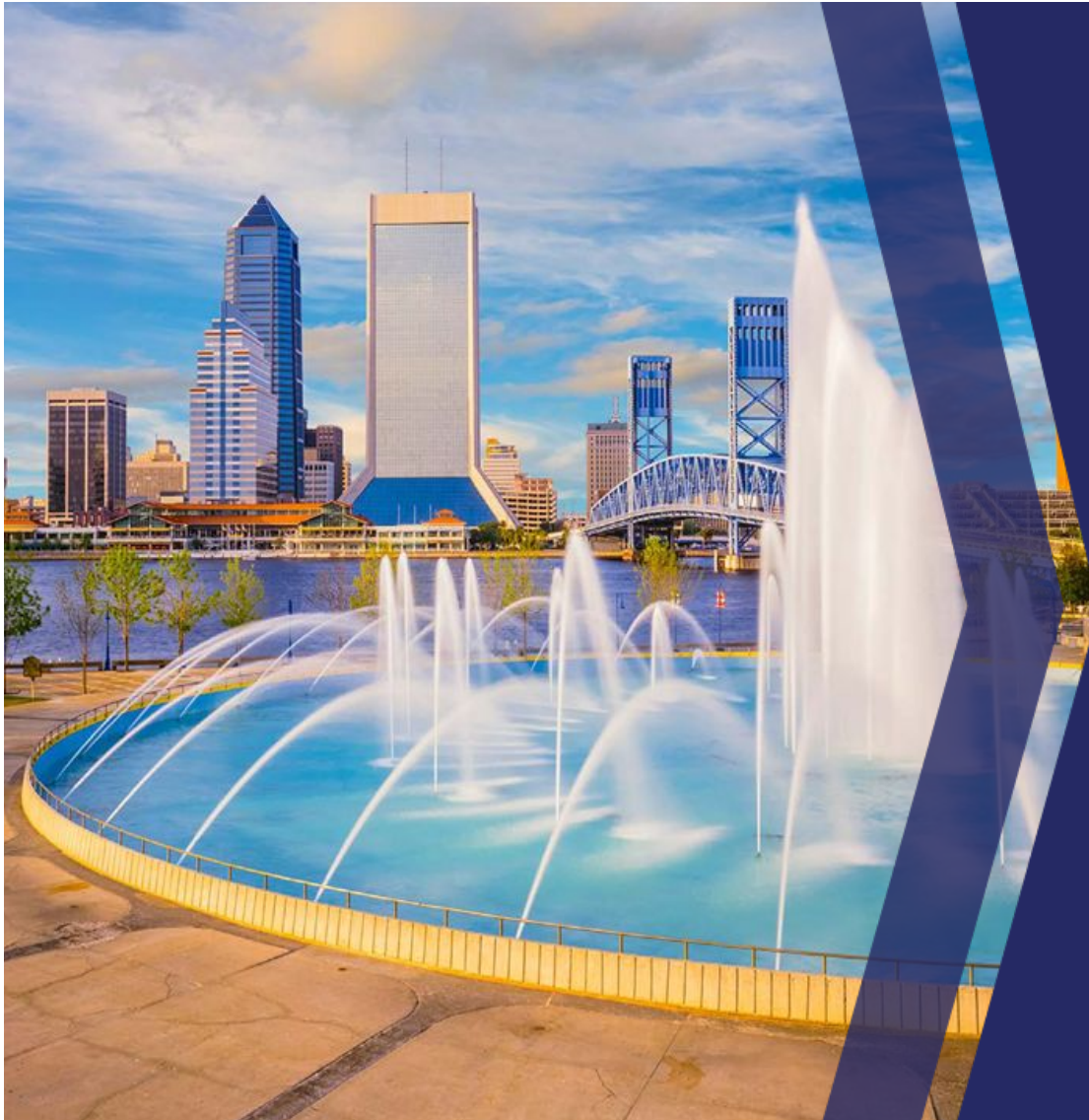
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INTENT TO NEGOTIATE (ITN)
PROCESS

NON-TRADITIONAL RESPONSE

JEA[®]

WHY JEA IS DEVELOPING A NON-TRADITIONAL STRATEGIC PLAN

OBJECTIVES: Develop a 10-year strategy for JEA that drives an increase in the value of JEA now and into the future. The strategy will:



Position JEA to succeed in the face of trends



Proactively shape talent and culture



Drive growth in value (CCEF)



Identify and enable growth investments



Maintain affordability and reliability for customers

TRADITIONAL APPROACHES LEAD TO DECREASES IN CORPORATE MEASURES OF VALUE

	LAST 10 YEARS	SCENARIO 2a: TRADITIONAL RESPONSE	SCENARIO 2b: SOME REMOVAL OF GOVERNMENT CONSTRAINTS
CUSTOMER VALUE			
COMMUNITY IMPACT VALUE			
ENVIRONMENTAL VALUE			
FINANCIAL VALUE			

In the face of declining sales, customer rates increased 71%	Declines in value due to additional market forces	Alleviating some restraints only delays the inevitable
--	---	--

UNDER THE FOLLOWING SCENARIOS, CRITICAL CONSTRAINTS REMAIN

BUSINESS OPPORTUNITIES	LAST 10 YEARS	SCENARIO 2a: TRADITIONAL RESPONSE	SCENARIO 2b: SOME CONSTRAINTS REMOVED
Sell more electric and water services	✗	✗	✗
Cut costs and workforce	✓	✓	✓
Increase customer rates	✓	✓	✓
Investment in R&D and IP for an ROI	✗	✗	✗
Sell alternative new product lines or offerings	✗	✗	—
Sell equity and retire debt	✗	✗	✗
Acquire new businesses & customers	✗	✗	—
Reduce investment in capex	✓	✓	✓
Reduce dividend / city contribution	✗	✗	—
Sell assets	✗	✗	—
Create partnerships / joint ventures	✗	✗	✗

CONSTRAINT PROFILE OF ALTERNATE STRUCTURES:

	2a&2b	3a	3b	3c	3d	3e	3f
BUSINESS OPPORTUNITIES	Government	Community Owned	Initial Public Offering	Private Placement	Tech Conversion	O&G Conversion	Utility Conversion
Sell more electric and water services	✗	✓	✓	✓	✓	✓	✓
Cut costs and workforce	✓	✓	✓	✓	✓	✓	✓
Increase customer rates	✓	✓	✓	✓	✓	✓	✓
Investment in R&D and IP for an ROI	✗	✓	✓	✓	✓	✓	✓
Sell alternative new product lines/offerings	✗	✓	✓	✓	✓	✓	✓
Sell equity and retire debt	✗	✗	✓	✓	✓	✓	✓
Acquire new businesses & customers	✗	✓	✓	✓	✓	✓	✓
Reduce investment in capex	✓	✓	✓	✓	✓	✓	✓
Reduce dividend / city contribution	✗	✓	✓	✓	✓	✓	✓
Sell assets	✗	✓	✓	✓	✓	✓	✓
Create partnerships / Joint ventures	✗	✓	✓	✓	✓	✓	✓



OVERVIEW OF COMPETITIVE BID PROCESS

*Kevin Hyde –
Foley & Lardner LLP*

JEA®

JEA ADVISORS

Pillsbury Winthrop Shaw Pittman LLP

Pillsbury Winthrop Shaw Pittman LLP is an international law firm with a particular focus on the energy, technology & media, financial services, and real estate & construction sectors. Recognized as a leading firm for client service, Pillsbury Winthrop and its lawyers are highly regarded for their forward-thinking approach, their enthusiasm for collaborating across disciplines and their authoritative commercial awareness.

Foley & Lardner LLP

Foley & Lardner is a firm with over 1,100 lawyers in 24 offices across the United States, Mexico, Europe, and Asia, and is serving as counsel to JEA for Florida law matters. The firm has a long-standing and significant presence in Jacksonville and Florida and routinely assists clients in matters such as the work for being done for JEA, as well as litigation and government affairs.

JP Morgan Chase & Co.

JPMorgan Chase & Co. is a leading global financial services firm with assets of \$2.7 trillion and operations worldwide. The Firm is a leader in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing, and asset management. A component of the Dow Jones Industrial Average, JPMorgan Chase & Co. serves millions of customers in the United States and many of the world's most prominent corporate, institutional and government clients under its J.P. Morgan and Chase. brands.

Morgan Stanley & Co.

Morgan Stanley is a leading global financial services firm providing a wide range of investment banking, securities, wealth management and investment management services. With offices in more than 41 countries, the Firm's employees serve clients worldwide including corporations, governments, institutions and individuals.

OVERVIEW OF COMPETITIVE BID PROCESS

ITN is a method of competitively soliciting replies from one or more interested parties with whom JEA may negotiate

- Grounded in Section 3-110 of the JEA Procurement Code (1996, as amended)
- JEA Procurement Code in turn consistent with and derived from F.S. 287

Twin goals of the ITN Process

- Adherence to “procedures that ensure fairness is essential to the maintenance of public confidence in the value and soundness of the important process.” (JEA Procurement Code)
- Encourage the greatest amount of competition among Respondents so as to maximize potential outcomes for JEA, its customers and community, including meeting the minimum requirements set forth by JEA Board

OVERVIEW OF COMPETITIVE BID PROCESS

Procurement Requirements

- The ITN – issued on August 2, 2019 when posted on the JEA website – is a process similar to other ITNs used by JEA as well as State and Federal Agencies
 - Many of the rules/concepts are similar to what was used with the downtown HQ building

First Phase – Solicitation Phase *(August 2, 2019 – October 7, 2019)*

- ITN posted on JEA website
- Process for requesting Replies
- Potential Respondents could submit written questions relating to ITN
- JEA responded to those questions – available for all to see – on September 16, 2019
- Public meeting will be held to formally receive Replies (Bid Opening)

OVERVIEW OF COMPETITIVE BID PROCESS

Second Phase – Evaluation (October 7, 2019 – October 21, 2019)

All Responsive Replies will be evaluated against the Evaluation Criteria set forth in Section 3.2.3 of the ITN

- Replies will be evaluated to ensure that only those Replies which meet the minimum criteria will be further considered
- After “Mandatory Requirements” Review, Replies will be evaluated based on criteria provided in the ITN, including:
 - Achieving JEA’s Goals in the ITN
 - Demonstrating Experience and Customer Commitment
 - Ability and Willingness to Provide Economic Development and Benefits to Jacksonville
 - Willingness to Provide Employee Retention and Benefits
 - Provide an Innovative Plan
 - Demonstrate commitment to community stewardship
 - Demonstrate Financial Stability
- A competitive range of Respondents with which to commence negotiations will be established

OVERVIEW OF COMPETITIVE BID PROCESS

Third Phase – Negotiation *(Estimated to begin late October 2019)*

- Negotiation Team will meet with the selected Respondents to negotiate terms of a potential contract [negotiations not open to public but are recorded and later released]
 - No set number of Respondents with which JEA will negotiate
 - SMEs will provide Negotiation Team members with input as needed
- After negotiations conclude, the Negotiation Team will meet in a public meeting to discuss the recommended award
- At the conclusion of the JEA process, a Notice of Intent to Award will be posted on the JEA procurement page

HOW IS THE INTEGRITY OF THE ITN PROCESS ENSURED?

The idea of absolute integrity and impartiality in the procurement process is deeply embedded in Florida law.

The purpose of laws related to public bidding is to “*protect the public against collusive contracts; to secure fair competition upon equal terms to all bidders; to remove not only collusion but temptation for collusion and opportunity for gain at public expense; to close all avenues of favoritism and fraud in its various forms; to secure the best values for the [public body] at the lowest possible expense, and to afford an equal advantage to all desiring to do business with the [public body], by affording an opportunity for an exact comparison bids.*”

Wester v. Belote, 138 So. 721, 723-24 (Fla. 1931)

HOW IS THE INTEGRITY OF THE ITN PROCESS ENSURED?

“Cone of Silence” – prohibition of *Ex Parte* communications between potential bidders and JEA and its representatives

- Cone of Silence began with the issuance of the ITN (August 2, 2019) and will continue through the award of a contract and from the initiation of a protest of an Award or contract through resolution of such protest
- Founded in Section 1-110 of JEA Procurement Code and F.S. 287.057(23)

What is *Ex Parte* communication?

- Any oral or written communication relative to a solicitation, evaluation, Award or Contract controversy that occurs outside of an advertised public meeting called by JEA relating to the procurement

HOW IS THE INTEGRITY OF THE ITN PROCESS ENSURED?

Why does “Cone of Silence” exist?

- To ensure that no vendor is placed at informational or competitive disadvantage while the procurement is ongoing
- To prohibit vendors from making contact while a procurement is pending in an attempt to influence the decision makers
- Because ex parte communications have the potential to deny competitive, fair, open and impartial consideration to companies that may respond to the ITN

What happens if “Cone of Silence” is not observed?

- Basis for Respondent to be disqualified
- Basis for JEA employee or representative to be disqualified from further participation
- JEA Board or City Council member may not be able to vote on matter
- Bid protest against recommended or approved award based on improper ex parte communications
- Additional statutory penalties under certain circumstances

HOW IS THE INTEGRITY OF THE ITN PROCESS ENSURED?

To whom does the “Cone of Silence” apply?

- Potential bidders
- JEA employees, agents and representatives
 - Only exception at this point are the JEA Designated Procurement Representatives (John McCarthy and Jenny McCollum)
 - During evaluation and negotiation contact initiated by JEA pursuant to the terms of the ITN (such as requests for clarification and written or oral negotiations) can be made, but record of contact and/or recordings must be made
- JEA Board Members
- City Council Members
- Mayor’s office

WHEN IS THE OPPORTUNITY FOR PUBLIC DEBATE AND COMMENT?

Three lawful periods for public review, comment and consideration after Negotiation Team makes its award recommendation at a public meeting:

- JEA Board will review, discuss and decide whether to approve the recommended Award of Contract
 - Public meetings, opportunity for public comment
- City Council will review, debate and vote whether to move forward with any contract approved by JEA Board
 - Public meetings, opportunity for public comment
- Voter Referendum



ALTERNATIVE STRUCTURE OVERVIEW

*Stephen Amdur -
Pillsbury Winthrop Shaw Pittman LLP*



3a

COMMUNITY OWNERSHIP

Conversion of JEA to an organization which is owned and run jointly by its customers as members, who share the profits or benefits

- JEA would ultimately become a private entity, operating its utility services through applicable franchise agreements with the City of Jacksonville, and be owned by customer-members
- Steps and considerations
- Approximate timetable: 9 – 18 months from selection, subject to applicable approvals

3b

INITIAL PUBLIC OFFERING

Conversion of JEA to a corporation and an offering of shares to the public in a new stock issuance

- JEA would become a public entity listed on a selected stock exchange, operating its utility services through applicable franchise agreements with the City of Jacksonville. Individual and institutional shareholders would purchase and own common stock in the public company
- Steps and considerations
- Approximate timetable: 9 – 18 months from selection, subject to applicable approvals

3c

PRIVATE PLACEMENT

Conversion of JEA to a corporation and a placement of equity shares with private sector investors

- JEA would become a private entity, operating its utility services through applicable franchise agreements with the city of Jacksonville, and be owned by applicable, qualified investors
- Potential ongoing minority or majority ownership stake by the City of Jacksonville
- Steps and considerations
- Approximate timetable: 9 – 18 months from selection, subject to applicable approvals

3d

TECHNOLOGY CONVERSION

Conversion of JEA to a corporation, and a tech-focused company purchases controlling interest in JEA

- JEA would become a private subsidiary company, operating its utility services through applicable franchise agreements with the City of Jacksonville and be majority-owned by a tech parent company
- Steps and considerations
- Approximate timetable: 9 – 18 months from selection, subject to applicable approvals

3e

OIL & GAS CONVERSION

Conversion of JEA to a corporation, and a vertically integrated oil & gas-focused company purchases controlling interest in JEA

- JEA would become a private subsidiary company, operating its utility services through applicable franchise agreements with the City of Jacksonville and be majority-owned by an O&G parent company
- Steps and considerations
- Approximate timetable: 9 – 18 months from selection, subject to applicable approvals

3f

UTILITY CONVERSION

Conversion of JEA to a corporation, and a utility company purchases controlling interest in JEA

- JEA would become a private subsidiary company, operating its utility services through applicable franchise agreements with the City of Jacksonville and be majority-owned by a utility parent company
- Steps and considerations
- Approximate timetable: 9 – 18 months from selection, subject to applicable approvals

KEY ANTICIPATED PROCESS DATES

OCTOBER 7	Initial Replies Due; Anticipated acknowledgement of Replies received (bid opening)
OCTOBER 18	Evaluation Team Meeting and Posting of Intent to Negotiate
OCTOBER 19	Beginning of Negotiation Phase
OCTOBER/NOVEMBER	Respondents will be invited to submit further refined replies demonstrating ability to meet minimum requirements; exploration of strategic alternatives
JANUARY – FEBRUARY	Further discussions with respondents and further exploration of strategic alternatives
LATE FEBRUARY	Receipt of “Best and Final” Offers from respondents; Negotiation Team recommendation to Board regarding options and strategic optimization
MARCH	Engagement of City Council and Public

Subject to change

[V. A. Subject Matter
Exploration]

No Subject Matter
Exploration will be
provided for the
September 24, 2019,
Board meeting

**JEA
FINANCE & AUDIT COMMITTEE AGENDA**

DATE: August 19, 2019
TIME: 8:00 – 10:00 AM
PLACE: 21 W. Church Street
 8th Floor Conference Room

			Responsible Person	Action (A) Info (I)	Total Time
I.	OPENING CONSIDERATIONS		Kelly Flanagan		
	A.	Call to Order			
	B.	Adoption of Agenda		A	
	C.	Approval of Minutes – May 20, 2019	Madricka Jones	A	
II.	NEW BUSINESS				
	A.	Audit Services			
		1. Quarterly Audit Services Update	Steve Tuten	I	5 mins.
		2. Annual Approval of Internal Audit Charter	Steve Tuten	A	5 mins.
		3. Approval of Annual Audit Internal Plan	Lee Montanez	A	10 mins.
		4. Enterprise Risk Management (ERM) Update	Ryan Wannemacher/Frank DiBenedetto	I	15 mins.
	B.	Ethics Officer Quarterly Report	Walette Stanford	I	5 mins.
	C.	Ernst & Young FY2019 Annual Financial Audit Plan	John DiSanto	A	20 mins.
	D.	STAR Plan Phase 2 Update			
		1. Pricing Policy Revision	Juli Crawford	A	5 mins.
		2. Debt Management Policy Revision	Joe Orfano	A	5 mins.
	E.	Electric System and Water and Sewer System Reserve Fund Quarterly Report	Joe Orfano	I	5 mins.
	F.	JEA Energy Market Risk Management Policy Report	Caren Anders	I	5 mins.
	G.	Announcements			
		1. Next Meeting, December 9, 2019, 8:00 – 10:00 AM			
	H.	Committee Discussions			
		1. Ernst & Young Cybersecurity Assessment Update	Ted Hobson	I	5 mins.
		2. Ernst & Young	John DiSanto	I	5 mins.
		3. Director, Audit Services	Steve Tuten	I	5 mins.
		4. Council Auditor’s Office	Jeff Rodda	I	5 mins.
	I.	Adjournment			

JEA FINANCE & AUDIT COMMITTEE MINUTES
May 20, 2019

The Finance & Audit Committee of JEA met on Monday, May 20, 2019, in the 8th Floor Conference Room, JEA Plaza Tower, 21 W. Church Street, Jacksonville, Florida.

Agenda Item I – Opening Considerations

- A. Call to Order – Committee Chair Kelly Flanagan called the meeting to order at 8:03 AM. Board Chair April Green and board member Alan Howards were in attendance. Others in attendance were Aaron Zahn, Melissa Dykes, Ryan Wannemacher, Ted Hobson, Shawn Eads, Herschel Vinyard, Lynn Rhode, Lawsikia Hodges, Steve Tuten, Juli Crawford, Walette Stanford, Gregory Taggart, Kristina Quarterman, Laure Whitmer, Phillip Peterson, Council Auditors office and Russ Jeans, Ernst & Young. John DiSantos, Ernst & Young joined telephonically
- B. Adoption of Agenda – The agenda was adopted on **motion** by Mr. Howard and second by Board Chair April Green.
- C. Approval of Minutes – The March 18, 2019 Minutes were unanimously approved on **motion** by Mr. Howard and second by Board Chair April Green.

Agenda Item II – New Business

- A. FY2020 Budget Presentation – Ryan Wannemacher, Chief Financial Officer, started the presentation by stating that JEA is required to submit the budget to the City Council by July 1. He reviewed the intersection of the budget and strategic planning process. Juli Crawford, Director of Financial Planning Budget & Rates, took over the presentation and reviewed the FY2020 draft budget and process. Staff requested the Committee provide feedback and direction regarding the key strategic issues and major budget assumptions used in preparing the FY2019 operating and capital budget including revenue, O&M expense levels, interest rates and debt structure, financial metrics and regulatory accounting items. The proposed budget plan has capital projects for Energy and Water/Wastewater completely cash funded with no plans of new debt issuance. The proposed budgets also address key strategic initiatives to support the quality of service delivery, climate change, regulatory compliance, workforce readiness, communications, conservation, sewer resiliency, septic tank phase-out, and customer satisfaction initiatives. Staff also recommended that the Finance and Audit Committee provide feedback and direction for final Board approval at the June 25, 2019 meeting. This presentation was received for information, advice and direction.
- B. Quarterly Audit Services Update – Steve Tuten, Director, Audit Services, provided an update to the Committee regarding the highlights and progress of the FY19 Internal Audit Plan, open audit and investigation report issues, the Enterprise Risk Management (ERM) initiative to quantify financial risk impact, and Forensic Audit & Investigations' case statistics and summaries. This presentation was received for information.
- C. Ethics Officer Quarterly Report – Walette Stanford, Ethics Officer, provided an update regarding ethics inquiries, FY19/20 gift registry, Business Ethics Training Survey results, and quarterly Ethics newsletter. Ms. Stanford also stated that JEA is working on updating the JEA Gifts and secondary employment policies based on updates to the city ordinance. This presentation was received for information.

- D. Electric System and Water and Sewer System Reserve Fund Quarterly Report – Ryan Wannemacher, Chief Financial Officer reviewed the Electric System and Water and Sewer System Reserve Fund Quarterly Report, which was received for information.
- E. JEA Energy Market Risk Management Policy Report – Caren Anders, Vice President/General Manager, Energy, reviewed the Energy Market Risk Management Policy Report, which was received for information.
- F. Announcements
 - 1. The next Finance and Audit Committee meeting will be held on August 19, 2019, at 8:00 AM.
- G. Committee Discussion Sessions
 - 1. Ernst & Young Engagement – At 9:33 AM, Committee Chair Flanagan dismissed staff and the Committee held a general conversation with Ted Hobson, Vice-President & Chief Compliance Officer. Shawn Eads, Chief Information Officer present as well.
 - 2. Ernst & Young – At 9:36 AM, Committee Chair Flanagan and the Committee held a conversation with Russ Jeans, Ernst & Young. John DiSantos, Ernst & Young joined the discussion telephonically.
 - 3. Director, Audit Services – At 9:44 AM, Committee Chair Flanagan and the Committee held a general conversation with Steve Tuten, Director, Audit Services.
 - 4. There was no discussion held with the Council Auditor.

Closing Considerations

With no further business claiming the attention of this Committee, the meeting was declared adjourned at 9:47 AM.

APPROVED BY:

Kelly Flanagan, Committee Chair
Date: _____

Submitted by:

Madricka Jones
Executive Assistant



INTER-OFFICE MEMORANDUM

July 26, 2019

SUBJECT: QUARTERLY AUDIT SERVICES UPDATE

FROM: Aaron F. Zahn, Managing Director/CEO

TO: JEA Finance and Audit Committee

Kelly Flanagan, Chair
April Green
John Campion

BACKGROUND:

The Quarterly Audit Services Update provides the JEA Board of Directors with information on the current activities of two of the three groups within Audit Services: (1) Forensic Audit & Investigations; and (2) Internal Audit. The Forensic Audit & Investigations Group conducts internal investigations of confidential reports into JEA's Ethics Hotline (EHL) and from other sources. The Internal Audit Group reviews internal control processes and ensures that departments maintain compliance with operating procedures and regulations. Note: The update for the third Audit Services Group, Enterprise Risk Management, will be presented separately.

DISCUSSION:

This update will provide an assessment of how JEA is monitoring controls to reduce and/or prevent adverse impact to its business operations.

RECOMMENDATION:

No action required, as this update is for information only.

Aaron F. Zahn, Managing Director/CEO

AFZ/TEH/SVT



JEA[®]



Audit Services Quarterly Update

Audit Services Groups

- Forensic Audit & Investigations – pp. 3-5
- Internal Audit – pp. 6-12
- Enterprise Risk Management (ERM) – Separate presentation

August 2019

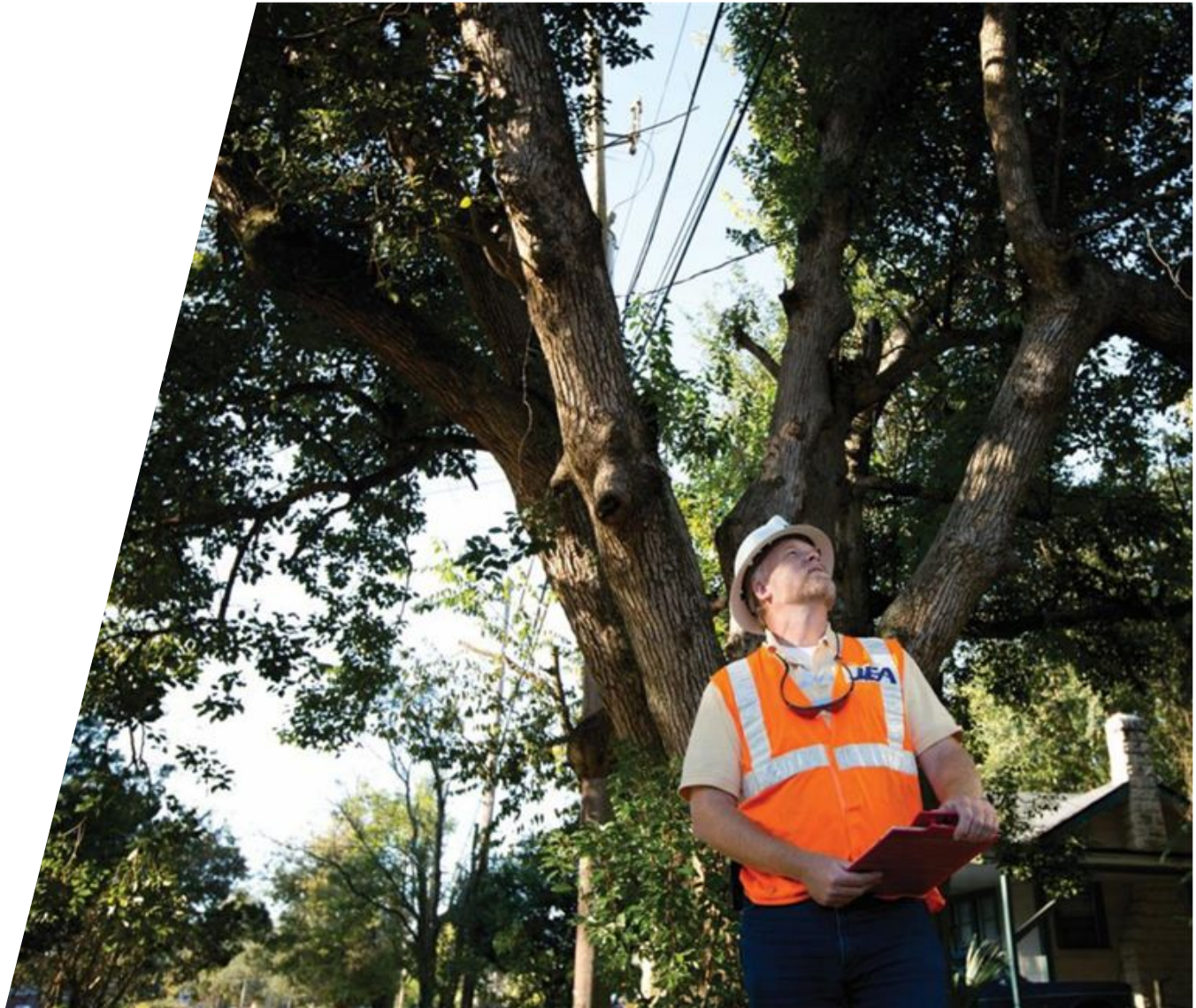


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Forensic Audit & Investigations



Investigative Case Statistics – 3Q19

Open Cases 3/31/2019	Cases Opened Q3 FY19	Cases Closed Q3 FY19	Open Cases 6/30/2019
6	4	2	8
Categories For Cases Opened During Q3 FY19			
Conflict of Interest/Ethics Matters			3
Discrimination/Harassment			1
Total			4

Summary of Closed Cases – 3Q19

Reporting Source	Allegation	Investigation Results
Internal	JEA-19-05-0002 - Wells Fargo notified JEA's Treasury Department of a potential fraudulent ACH transaction involving a payment of \$30,773.43 to a JEA vendor.	An ACH fraud occurred as a result of an employee bypassing an internal control. JEA recovered all of the funds. Actions were taken to strengthen controls to mitigate future losses. In addition, training was conducted to inform staff of the newly revised Vendor Master procedures.
EHL	JEA-19-03-0001 - Employees have been wasting company time during their daily shifts by spending time watching YouTube on company computers and on their cell phones.	Substantial evidence was not found to support the allegation, and there were no additional details from the caller.

August 2019



August 2019



Internal Audit

Internal Audit Highlights



- ✓ The Internal Audit team successfully completed the annual risk assessment process for the FY20 Internal Audit plan by administering 95 risk surveys, and follow-up meetings with the SLT, Directors and Managers. The FY20 Internal Audit plan will be addressed separately in this meeting.
- ✓ A special engagement audit for the certification, through Green-e, of JEA renewable energy credits for 2017 and 2018 was recently completed.
- ✓ Laurie Gaughan, the JEA lead Auditor for the TEA engagement, has begun planning for the FY2020 audit and engaging with other utilities for the identification of additional audit resources.

August 2019

Internal Audit

FY19 Audit Calendar

	1Q (Oct – Dec)		2Q (Jan – Mar)		3Q (Apr – Jun)		4Q (Jul – Sept)	
Internal Audits	2018 Utility Locate/3 rd Party Claims	✓	2018 Response and Environmental Programs	✓	Corporate Records Compliance	●	Payroll Services Follow-Up	●
	2018 Tax Administration	✓	2018 Information Security Follow-Up	✓	Electric Systems Asset Management	●		
	2018 Electric Production Engineering and Outages	✓	Branch Follow-Up	✓	Contract Administration	●		
	2018 Technology Infrastructure	✓	Electric Systems Byproduct	✓	Procurement Inventory Control	●		
	2018 Disaster Recovery Follow-Up	✓	Customer Solutions and Market Development	✓				
	2018 W/WW Reuse and Treatment	✓	Talent Acquisition Services	✓				
			Project Management Office	●				
			District Energy Services	✓				
		Meter Operations Follow-Up	●					
Special Projects	JEA Performance Pay Audit	✓	TEA Audit	✓	2020 Annual Risk Assessments	✓	MEAG/Vogle	●
					Green-e Agreed-Upon Procedures Engagement	✓	(3) Top Corporate Risk COSO	●

Not Started ● In Progress ● Report in Draft ✓ Final Report Issued ✓

August 2019

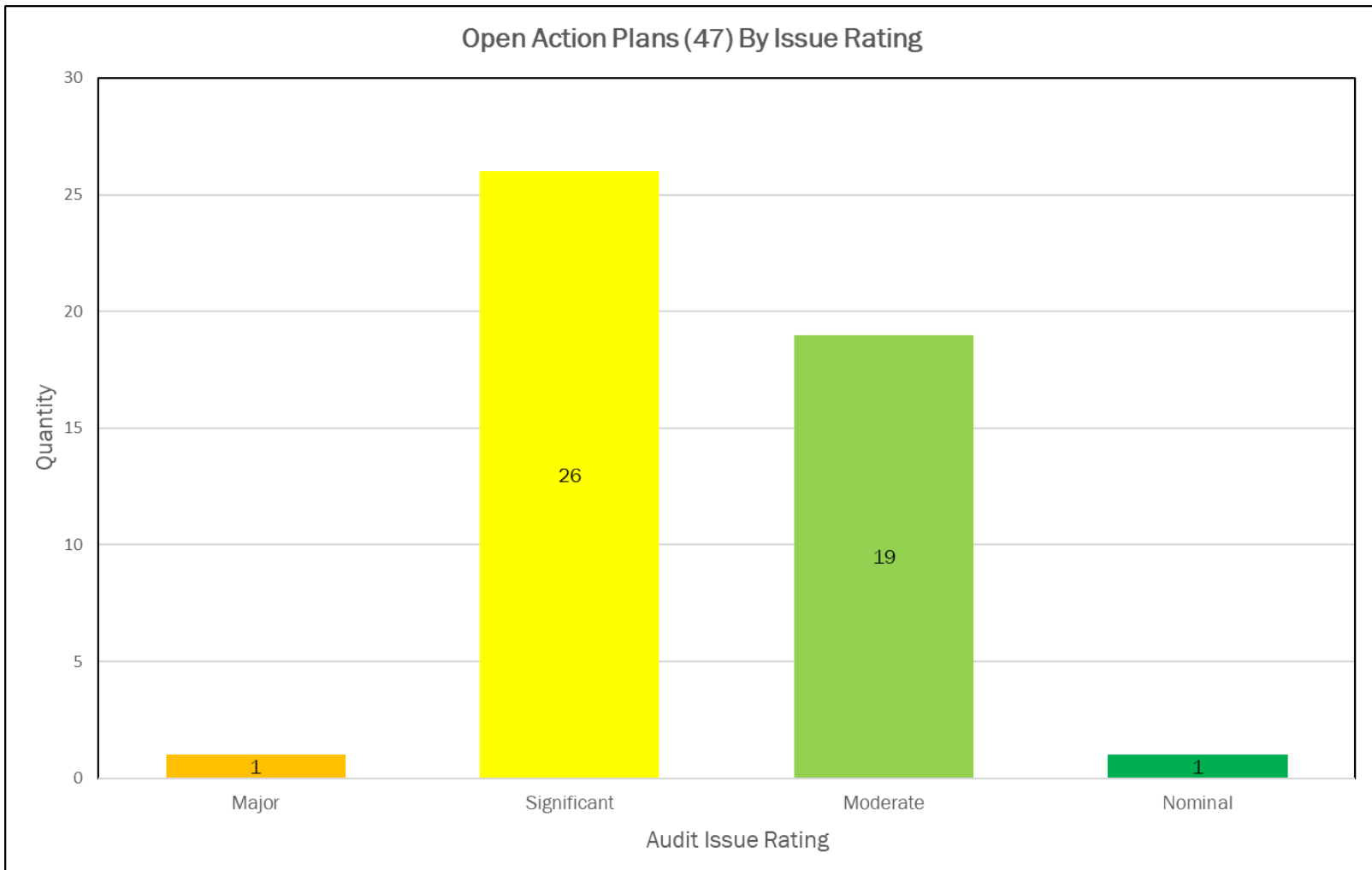
Internal Audit

Summary of Completed Audits & Projects for Q3

	Audit Name	Report Rating	# of Issues	Description of Significant or Greater Issue(s)
Internal Audits	Electric System Byproduct	EXCELLENT	3	No significant issues identified.
	Talent Acquisition Services	EXCELLENT	6	No significant issues identified.
	Customer Solutions and Market Development	SATISFACTORY	4	<p>Significant opportunities for improvement include the following:</p> <ul style="list-style-type: none"> External quality control inspections for the Residential Energy Solutions Program provider; Insufficient supporting documentation for several invoices and no controls to detect duplicate payments; Incomplete internal quality control checks for the Commercial Energy efficient upgrade, electric vehicles, and off-road electrification rebate programs; and Lack of written job aids and desktop procedures related to several rebate programs.
	District Energy Services	SATISFACTORY	6	<p>Significant opportunities for improvement include the following:</p> <ul style="list-style-type: none"> Chilled water plant capacity for current and prospective customers; and Lack of business continuity planning for major power outages or damage due to weather events.
Special Project	Green-e Agreed-Upon Procedures Engagement	No Rating	0	No issues identified.

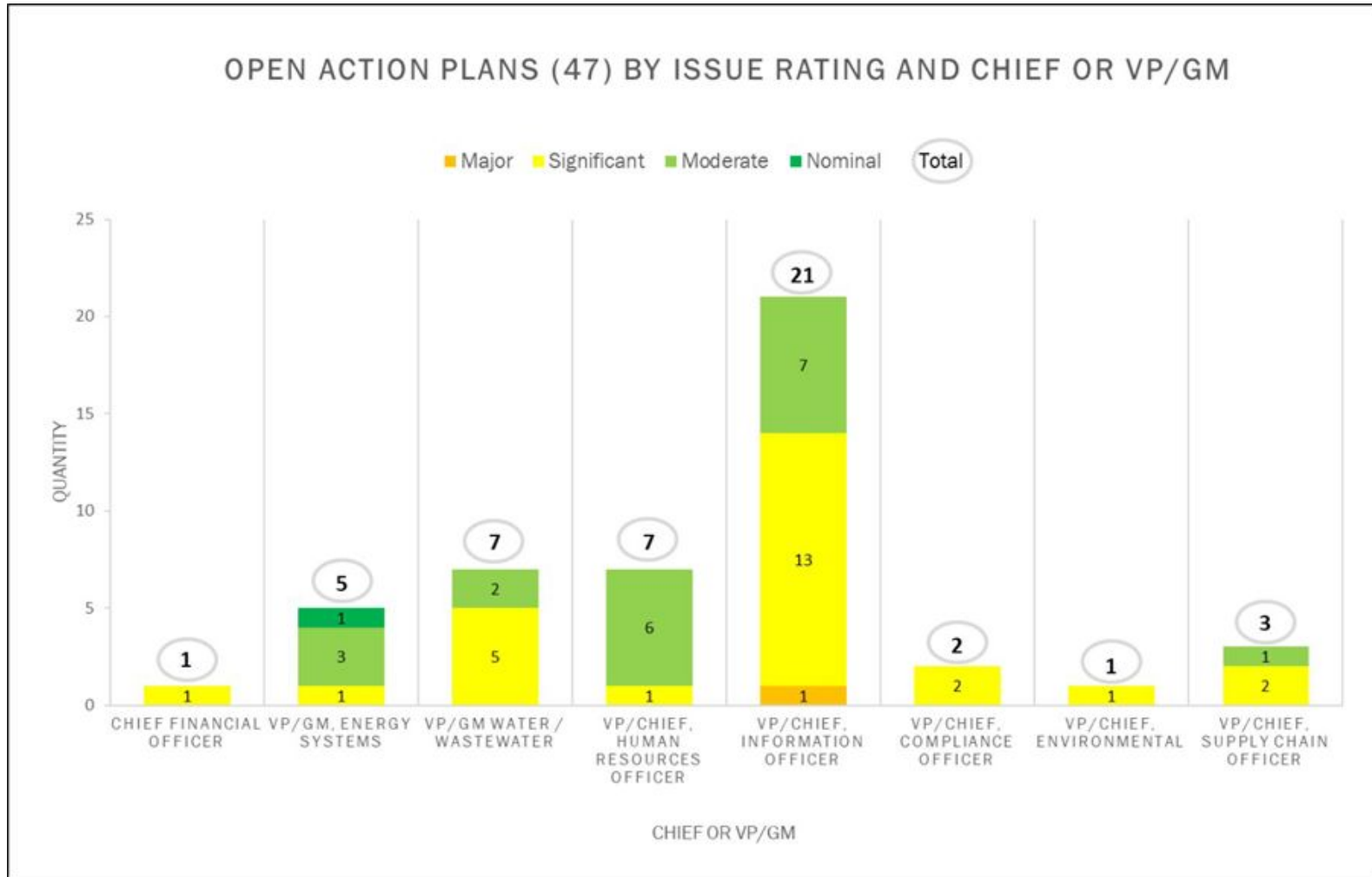
August 2019

Open Audit and Investigations Report Issues



August 2019

Open Audit and Investigations Report Issues



August 2019

Open Audit and Investigations Report Issue – Major Rating

VP/Chief	Director / (Audit Name)	Issue Observation	Action Plan	Current Due Date	Action Plan Status Comments
VP/Chief, Information Officer	Director, Enterprise Architecture (Information Security)	Audit noted that a Data Management Policy and Plan currently do not exist to guide the storage, protection and destruction of sensitive information.	Audit recommends that a Data Management Policy and Plan be created based on the findings of the current data classification project.	9/30/19	With the assistance of an outside vendor, Management will complete a Data Governance readiness assessment. An implementation plan will be created based on the results of the assessment.

August 2019



INTER-OFFICE MEMORANDUM

July 26, 2019

SUBJECT: ANNUAL APPROVAL OF INTERNAL AUDIT CHARTER

FROM: Aaron F. Zahn, Managing Director/CEO

TO: JEA Finance and Audit Committee

Kelly Flanagan, Chair
April Green
John Campion

BACKGROUND:

The Internal Audit Group reviews internal control processes and ensures that the organization maintains compliance with all procedures and regulations. The Internal Audit Charter provides the JEA Board of Directors with information on the authority of the Internal Audit staff, its key roles and responsibilities, and the outline of Internal Audit's Quality Assurance Program. There have been no changes in the charter since it was last presented for approval on August 13, 2018.

DISCUSSION:

The benefits to the organization are seen in risk avoidance and improved internal control processes, and the knowledge of the organization's degree of compliance with policy, procedures, rules and regulations.

RECOMMENDATION:

Staff recommends that the Finance & Audit Committee and the Board of Directors approve the Internal Audit Charter.

Aaron F. Zahn, Managing Director/CEO

AFZ/TEH/SVT

OPP:	COMP	Corporate Policy Ref:
		Internal Audit Charter

POLICY STATEMENT:

The purpose of JEA’s internal audit function is to provide independent and objective assurance and consulting services designed to add value and improve JEA’s operations. Internal Audit helps JEA to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of internal control, compliance, and governance processes.

The Institute of Internal Auditors’ (IIA’s) Mission of Internal Audit is “To enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.” The specific mission of JEA’s Internal Audit is to perform comprehensive, objective audits (assurance services) and consulting reviews (consulting services) that fulfill the purpose outlined above, while conforming to the IIA’s Standard Practices, Code of Ethics, Definition of Internal Auditing, and Mission of Internal Audit.

GENERAL DESCRIPTION of PROCEDURE:

This procedure is intended to:

1. Address the authority of the Director, Audit Services and the Internal Audit Staff.
2. Describe the key roles and responsibilities of Internal Audit.
3. Outline Internal Audit’s Quality Assurance program.

ASSIGNMENT of RESPONSIBILITY:

The Director, Audit Services or designee shall establish, maintain, and disseminate this Charter and any related supporting documentation.

DEFINITIONS:

Internal Auditing – The Institute of Internal Auditors’ (IIA) definition of internal auditing is “An independent, objective assurance and consulting activity designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Also enhances and protects organizational value by providing risk-based and objective assurance, advice, and insight.”

Assurance Services – An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organization. Examples may include financial, performance, compliance, system security, and due diligence engagements. A key part of Internal Audit’s responsibilities.

Consulting Services – Advisory and related client service activities, the nature and scope of which are agreed with the client, are intended to add value and improve an organization’s governance, risk management, and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation, and training. A key part of Internal Audit’s responsibilities.

Quality Assurance – A program based on an IIA Standard, which is designed to enable an evaluation of Internal Audit’s conformance with the IIA’s Definition of Internal Auditing and the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of Internal Audit and identifies opportunities for improvement. Adequate supervision and quality assurance will be performed and documented for each auditor and each audit assignment as defined in Internal Audit’s Quality Assurance Improvement Program (QAIP) Procedure ASC0500QA, which includes external peer reviews as required by the IIA, at least every five years (beginning in 2005).

OPP:	COMP	Corporate Policy Ref:
		Internal Audit Charter

PROCEDURE:

A. Roles & Responsibilities

Responsibility	Action
Director, Audit Services	Oversees the execution of a program of Internal Audit projects as necessary to fulfill the purpose and mission of the department, including an annual risk assessment and development of an annual audit plan. Is also the organization's Chief Audit Executive (CAE).
VP & Chief Compliance Officer (CCO)	To whom the Director, Audit Services and Internal Audit reports administratively.
Managing Director / Chief Executive Officer (CEO) and/or President / Chief Operating Officer (COO)	To whom the Director, Audit Services reports when Internal Audit conducts audits of Compliance Department functions. Meets quarterly with the Director, Audit Services.
JEA Management	<p>Although the role of Internal Audit is to assess internal controls, systems, procedures, risks, etc., JEA management retains full responsibility for ensuring that JEA maintains an appropriate framework of controls to reduce business risks to an acceptable level.</p> <p>Management also has the responsibility and accountability for addressing weaknesses and inefficiencies identified in both External and Internal Audit Reports and for taking the necessary corrective action. If JEA management decides to accept a level of risk that Internal Audit believes is imprudent and improper, and this difference of opinion cannot be resolved, the CAE has the option to refer the matter to the Enterprise Compliance & Risk Committee (ECRC) for discussion and resolution, as stated in the ECRC Charter.</p> <p>Management should immediately inform the CAE of any significant internal control problems, thefts, frauds, or unauthorized transactions.</p>
Internal Audit Staff	<p>Executes the program of Internal Audit projects, including the annual audit plan. Internal Audit's authority and key responsibilities are described as follows:</p> <p>Authority</p> <ul style="list-style-type: none"> To have access to all JEA records, assets, properties, plants, computers, personnel, etc., with strict and absolute accountability for safekeeping and confidentiality while conducting their internal audit duties. <p>Annual Risk Assessment and Audit Plan Activities</p> <ul style="list-style-type: none"> Perform annual risk assessment activities and develop an annual audit plan. The Director, Audit Services will present the annual audit plan to the Finance & Audit Committee for review and approval. <p>Assurance/Audit Activities</p>

OPP:	COMP	Corporate Policy Ref:
		Internal Audit Charter

	<ul style="list-style-type: none"> • Evaluate the effectiveness of controls over the reliability and integrity of management information. Ascertain the level of compliance with policies, procedures, laws and regulations. • Review operations to evaluate whether established objectives and goals are being achieved. • Assist management in identifying operational, financial, regulatory and reputational risks, and assess JEA’s ability to adequately mitigate these risks. • Conduct objective reviews of company business activities, operations, internal controls and performance management systems, and report results to JEA management. • The audit scope will be based on Internal Audit’s assessment of risk. Audit coverage will focus on high risk areas as defined in the annual risk assessment process. • Proactively consult with internal customers on recommendations and the implementation of action plans, and monitor results. • Perform engagement level audit planning and risk control assessment. • Perform action plan follow-up. <p>Consulting Activities</p> <ul style="list-style-type: none"> • Provide consulting services where the level of risk warrants our involvement. However, Internal Audit does not act in an operating capacity, and cannot be part of the approval process. <p>Reporting</p> <ul style="list-style-type: none"> • Detailed written reports will be prepared and issued to management following the completion of each audit. The contents will be discussed with auditee management before the reports are finalized, except in cases of fraud. • Reports will generally be distributed to the Chief/Vice President and Director/Manager of the area being audited, along with the Managing Director/Chief Executive Officer and/or the President/ Chief Operating Officer, as well as the Chief Risk and Compliance Officer. Final audit reports are also submitted to the City of Jacksonville’s Council Auditor’s office and the Office of the Inspector General. Quarterly summaries of audit results are presented to the Finance & Audit Committee of the Board of Directors. <p>Team Assignment Restrictions</p> <ul style="list-style-type: none"> • Auditors will not be assigned to audits or projects in areas where they previously worked within the past 24 months, or where their degree of independence could be questioned in any other way.
Finance and Audit Committee of JEA’s Board of Directors	Meets quarterly with the Director, Audit Services. Annual review and approval of Charter.
JEA’s External Auditors	Primary auditor of JEA’s financial statements. To minimize duplication of efforts, Audit Services will not audit JEA’s financial statements.

OPP:	COMP	Corporate Policy Ref:
		Internal Audit Charter

SIGNED:

Title: VP & Chief Compliance Officer

Effective Date: August 19, 2019

Revised Dates: August 19, 2019

Origination Date: October 5, 2004, with eleven (11) subsequent annual subsequent revisions / presentations / approvals, most recently on August 13, 2018.

Keywords: internal audit, assurance, consulting, quality assurance



INTER-OFFICE MEMORANDUM

July 26, 2019

SUBJECT: APPROVAL OF ANNUAL INTERNAL AUDIT PLAN

FROM: Aaron F. Zahn, Managing Director/CEO

TO: JEA Finance and Audit Committee

Kelly Flanagan, Chair
April Green
John Campion

BACKGROUND:

The Internal Audit Group reviews internal control processes and ensures that departments maintain compliance with all procedures and regulations. Annually, Internal Audit develops a risk-based work plan for the upcoming fiscal year.

DISCUSSION:

The benefits to the organization are seen in risk avoidance and improved internal control processes, and the knowledge of the organization's degree of compliance with policy, procedures, rules and regulations.

RECOMMENDATION:

Staff recommends that the Finance & Audit Committee and the Board of Directors approve the Annual Internal Audit Plan for FY20.

Aaron F. Zahn, Managing Director/CEO

AFZ/TEH/SVT



FY20 Internal Audit Plan



The Role of Internal Audit

“The role of internal audit is to provide independent assurance that an organization’s risk management, governance, and internal control processes are operating effectively.”

Source: The Institute of Internal Auditors

The scope of work of Internal Audit encompasses many aspects of JEA’s operations and activities:

- Provide guidance in the development of JEA’s internal control framework;
- Monitor and test the effectiveness of the internal control framework;
- Monitor and test JEA’s operational process for compliance, efficiency, safety, etc.; and
- Follow-up on Management’s action plans for ensuring operational compliance and effectiveness.

compliance
Internal risk Audit
independent add value effe

August 2019



**FY20 Internal
Audit Plan**



Risk-Based Audit Plan Guide

The Institute of Internal Auditors (IIA) provides the following Standards for the creation of a Risk-Based Audit Plan:

- Standard 2010: The chief audit executive shall **establish a risk-based plan** to determine the scope of the internal audit activity, consistent with the organization's goals.
- Standard 2010.A1: The internal audit activity shall be **based on a documented risk assessment**, undertaken at least annually, with the **input of senior management and the board of directors** considered in this process.
- Standard 2020: The chief audit executive shall **communicate the internal audit activity's resource requirements**, including significant changes, to **senior management and the board of directors** for **review and approval**. The chief audit executive shall also communicate the impact of resource limitations on the internal audit activity.

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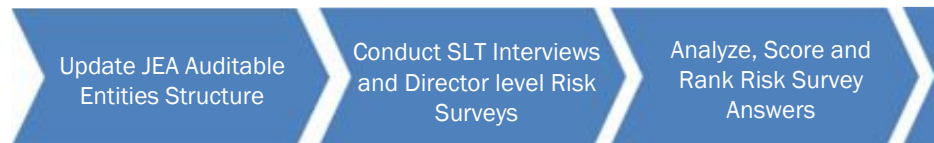


**FY20 Internal
Audit Plan**



Risk-Based Audit Plan

The following approach was used to develop the Risk-Based Audit Plan:



- The JEA auditable entities structure was updated to reflect any organizational changes and new leadership.
- Interviews with the Senior Leadership and department Directors and Managers, combined with risk survey follow-up meetings, were used to identify perceived areas of risk and internal audits.
- This information was developed into an audit plan designed to address critical risks in achieving organizational objectives, as well as operational and regulatory requirements.

August 2019



**FY20 Internal
Audit Plan**



Risk Assessment Survey

The risk assessment survey, sent to management of JEA's identified auditable entities, consisted of yes/no questions addressing the following:

- Top Corporate Risks related to Revenue and Expense Management (F01), Disruptive Technologies (C03) and Emergency Preparedness Business Continuity (E13)
- Governance & Culture
- Compliance and Data Management
- Criticality and Satisfaction of Internal Departments
- Human Resources
- Audit Timing & Additional Concerns

Internal Audit reviewed the survey results and followed up with management about these areas. The scores were then combined to determine the top risk areas for JEA.

A copy of the survey is shown on Appendix p

August 2019



**FY20 Internal
Audit Plan**



Description of Scheduled /

- The final plan includes nineteen (19) audits and projects:
 - Thirteen (13) new audits based on the assessment process.
 - One (1) special project.
 - One (1) recurring project related to Performance
 - One (1) JEA-led external audit of The Energy (TEA).
 - One (1) Green-e Agreed-Upon Procedures Er
 - Two (2) follow-up audits due to “Needs audit report rating.
- The proposed audit plan calendar is page 7.
- A detailed list of these audits/projects includes an entity description is Appendix pp. A1-A4.

August 2019



**FY20 Internal
Audit Plan**

FY20 Audit Plan Calendar

	1Q (Oct – Dec)		2Q (Jan – Mar)		3Q (Apr – Jun)		4Q (Jul)
Internal Audits	JEA Academy	Troy England (TE)	Procurement	LG/AS	POP Process Follow-Up	DA	Meter Operation Follow-Up
	Business Development & Community Project Management	David Arnold (DA)	Software Licensing	RB	NGS Generation	LG	Bulk Power and Customer Service Response
	P-Cards	Andrew Shelley (AS)	Black Belts	DA	Cloud Computing	RB	Fleet Services
					Risk Management	AS	Air & Lab Permitting and Compliance
					W/WW Planning	TE	







Special Projects	Cyber Program Assessment **	Rashid Brittain (RB)			FY 2021 Annual Risk Assessments	All	
	TEA Audit	Laurie Gaughan (LG) / RB			Green-e Agreed-Upon Procedures Engagement	Lee Montanez	
	JEA Performance Pay Audit	TE					

** Special Project expected to be carried out during all of FY20.

August 2019



Internal Audit Team

	Name / Title	Education & Certification(s)	Audit Experience
	Lee Montanez Manager, Internal Audit	Master of Business Administration <ul style="list-style-type: none"> ▪ Certified Internal Auditor ▪ Certified Information Systems Auditor 	14 years (8 yrs.)
	David Arnold Senior Auditor	Master of Business Administration	20 years (4 yrs.)
	Troy England Senior Auditor	BBA – Business Administration <ul style="list-style-type: none"> ▪ Certified Internal Controls Auditor 	18 years (5 yrs.)
	Laurie Gaughan Senior Auditor	BBA – Economics and Accounting <ul style="list-style-type: none"> ▪ Certified Public Accountant ▪ Certification in Risk Management Assurance 	10 years (5 yrs.)
	Andrew Shelley Senior Auditor	Master of Accountancy	6 years (2 yrs. a)
	Rashid Brittain Senior Information Technology Auditor	Master of Accountancy <ul style="list-style-type: none"> ▪ Certified Public Accountant ▪ Certified Information Systems Auditor 	7 years (3 yrs. a)

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Appendix

- The following supplemental documents are cross-referenced in the preceding pages:
 - A1-A4 – Proposed FY20 Internal Audit Plan with Details Pp. 6-7.
 - A5-A16 – Risk Assessment for FY20 Internal Audit Plan Pp. 4.

August 2019





INTER-OFFICE MEMORANDUM

[July 26, 2019]

SUBJECT: ENTERPRISE RISK MANAGEMENT (ERM) UPDATE

FROM: Aaron F. Zahn, Managing Director/CEO

TO: JEA Finance and Audit Committee

Kelly Flanagan, Chair
April Green
John Campion

BACKGROUND:

The Enterprise Risk Management (ERM) Update provides the JEA Board of Directors with information on the current activities of this group within Audit Services. The ERM Program identifies, assesses, measures, monitors and actively manages risk. Today's presentation addresses ERM's new risk scoring methodology. Note: The update for the other two Audit Services groups, Forensic Audit & Investigations and Internal Audit, were presented separately.

DISCUSSION:

This update will provide an assessment of how JEA is managing risk to reduce and/or prevent adverse impact to its business operations.

RECOMMENDATION:

No action required, as this update is for information only.

Aaron F. Zahn, Managing Director/CEO

AFZ/TEH/SVT



**Enterprise Risk Management
(ERM)
August 2019**



Summary of ERM Structure

Enterprise Risk Management is designed to identify, assess, and mitigate potential and actual risk events that have a significant negative impact, financial and/or reputational.



August 2019

ERM

Summary of ERM Structure

- Risks are prioritized through a scoring methodology that identifies those risk events having the greatest negative impact.
- Our scoring methodology is being enhanced, as described in the following slides.

August 2019



ERM

Scoring Methodology Enhancements

- Our methodology is migrating from managing by risk score rankings to a more action-oriented focus on responding to key risks.
- Developing a financial module to reassess the financial impact of each risk to identify total financial exposure and time frames.
- Modifying the risk prioritization to also include how well prepared we are to minimize negative impact and/or likelihood, if the risk event occurs.
- Pages 5-8 detail the new elements of the scoring methodology, using one of our risks, Cooling Water Intake Structures 316(b), as an example.

August 2019



ERM

Financial Impact Description

Objective: Modify the Financial Impact to Consider Insurance Coverage

Ownership			Risks Impact			
Risk #	Risk Title	Risk Owner(s)	Initial Financial Impact	Modified Financial Impact (Insurance)	Reputation Impact	Total Impact Average
E05	Cooling Water Intake Structures 316(b)	Caren Anders / Paul Steinbrecher	Severe/Catastrophic (>\$100M)	None	Moderate	3.5

Initial Financial Impact - Identifies the “Worst Credible” financial impact if the risk event occurs.

Modified Financial Impact (Insurance) - Identifies the out-of-pocket /deductible financial impact after insurance coverage payment. Where applicable, this will be used in determining the true financial impact of a risk.

August 2019

ERM

Probability Factors Description

Objective: Modify the Probability Factor to Include Other Variables That Can Impact the Likelihood of an Event.

Ownership			Probability Factors				
Risk #	Risk Title	Risk Owner(s)	Likelihood	Velocity	Preparedness	Influence	Total Probability Average
E05	Cooling Water Intake Structures 316(b)	Caren Anders / Paul Steinbrecher	Possible (41 - 60%)	1 - 3 years away	Medium prep/controls	Very Low	3.0

Likelihood - Identifies the range of likelihood of the risk event occurring, as determined by the risk owners.

Velocity - Identifies the time frame in which a risk event can occur.

Preparedness - Identifies the effectiveness of current mitigations that reduce the impact and/or likelihood if the risk event occurs. Where available, this includes any key risk indicators (KRIs) to validate the effectiveness of the mitigations.

Influence - Identifies our ability to influence the risk from occurring. For example, we have no influence in preventing a new regulatory requirement, some influence in managing fuel prices through hedging, and a high influence of reliability through an effective maintenance program.

August 2019



ERM

Preparedness Description

Objective: Assess effectiveness of risk mitigation efforts

Ownership			Preparedness Score
Risk #	Risk Title	Risk Allocation Business Unit	
E05	Cooling Water Intake Structures 316(b)	Caren Anders / Paul Steinbrecher	2

Preparedness Score - This column helps assess the effectiveness of mitigations to reduce the impact and likelihood of an event.

Factor that determine preparedness include:

- Existence of key risk indicators (KRIs)
- KRI results
- Effectiveness of current controls / mitigation efforts

August 2019

ERM

Expenditure Description

Objective: Non-Adjusted-Most Likely Financial / Exposure Impact

Risk #	Risk Title	Risk Owner(s)	Non-Adjusted Financial Impact (in millions) / Spend Rate		Most Likely Financial Exposure (in millions)
E05	Cooling Water Intake Structures 316(b)	Caren Anders / Paul Steinbrecher	\$130.0	Once	\$65.0

Non-Adjusted Financial Impact: Identifies the mid-point of the financial impact before probability adjustment.

Spend Rate: Identifies the time frame within which an expenditure can occur.

Most Likely Financial Exposure: Identifies the most likely financial exposure based on the midpoint of the financial Impact and the midpoint of the total probability average.

August 2019



ERM

Financial Assessment

Risk Register as of July 2019							
Risk Categories	Likelihood Average	Expected Time Frame					Total Most Likely Financial Exposure (in millions)
		< 1 year	1 - 3 years away	3 - 5 years away	5 - 10 years away	> 10 years away	
Risks with High Likelihood of Occurrence within Shorter Time Frame (e.g. Plant Vogtle, Coal Combustion Residual Rule (CCR), Credit, Cooling Water Intake Structures 316 (b))	Likely (61 - 80%)	\$0.0	\$107.0	\$0.0	\$33.0	\$175.5	\$315.5
Risks with High Likelihood of Occurrence within Longer Time Frame (e.g. Carbon Emission Mitigation/Renewable Energy Standards, Disruptive Technologies)	Possible (41 - 60%)	\$0.0	\$0.0	\$50.9	\$50.0	\$0.0	\$100.9
Risks with Lower Likelihood of Occurrence							
Operations (e.g. Emergency Preparedness / Business Continuity, Infrastructure Maintenance, Drinking Water Quality)	Possible (41 - 60%)	\$0.0	\$30.3	\$0.0	\$22.5	\$22.5	\$75.3
Workforce (e.g. Work Environment, Staffing Retention)	Possible (41 - 60%)	\$0.0	\$17.5	\$10.5	\$1.5	\$0.0	\$29.5
Compliance (e.g. FERC/NERC Compliance, Environmental Compliance, Other Regulations (HIPAA))	Possible (41 - 60%)	\$0.0	\$19.2	\$0.0	\$0.0	\$0.0	\$19.2
Physical Security (e.g. Physical Security /Terrorism / Criminal Activity / Active Shooter)	Possible (41 - 60%)	\$0.0	\$6.9	\$0.0	\$0.0	\$0.0	\$6.9
Cyber Security (e.g. CIP Compliance, Cyber Security IT & OT)	Possible (41 - 60%)	\$0.0	\$6.7	\$0.0	\$0.0	\$0.0	\$6.7
Technology (e.g. Technology Services Disaster Recovery/Business Continuity, Technology Infrastructure Reliability)	Unlikely (21 - 40%)	\$0.0	\$3.3	\$0.0	\$0.0	\$0.0	\$3.3
Grand Totals:		\$0.0	\$190.9	\$61.4	\$107.0	\$198.0	\$557.3

August 2019





INTER-OFFICE MEMORANDUM

August 19, 2019

SUBJECT: ETHICS OFFICER REPORT

FROM: Aaron F. Zahn, Managing Director/CEO

TO: JEA Finance and Audit Committee

Kelly Flanagan, Chair
April Green
John Campion

BACKGROUND:

Per Ordinance 2011-197-E, JEA is required to appoint an Ethics Officer to represent the agency on ethics matters and to participate in a citywide Ethics Coordination Council. The Finance and Audit Committee will receive a quarterly update from the Ethics Officer.

DISCUSSION:

JEA Ethics Officer ensures information is shared and advice given regarding issues and questions. This role manages ethical concerns for the organization and ensure compliance with business and governmental regulations.

RECOMMENDATION:

This item is for information only.

Aaron F. Zahn, Managing Director/CEO

AFZ/TEH/WMS



Ethics Officer Report
Walette Stanford
August 2019

Five Year Case in Review

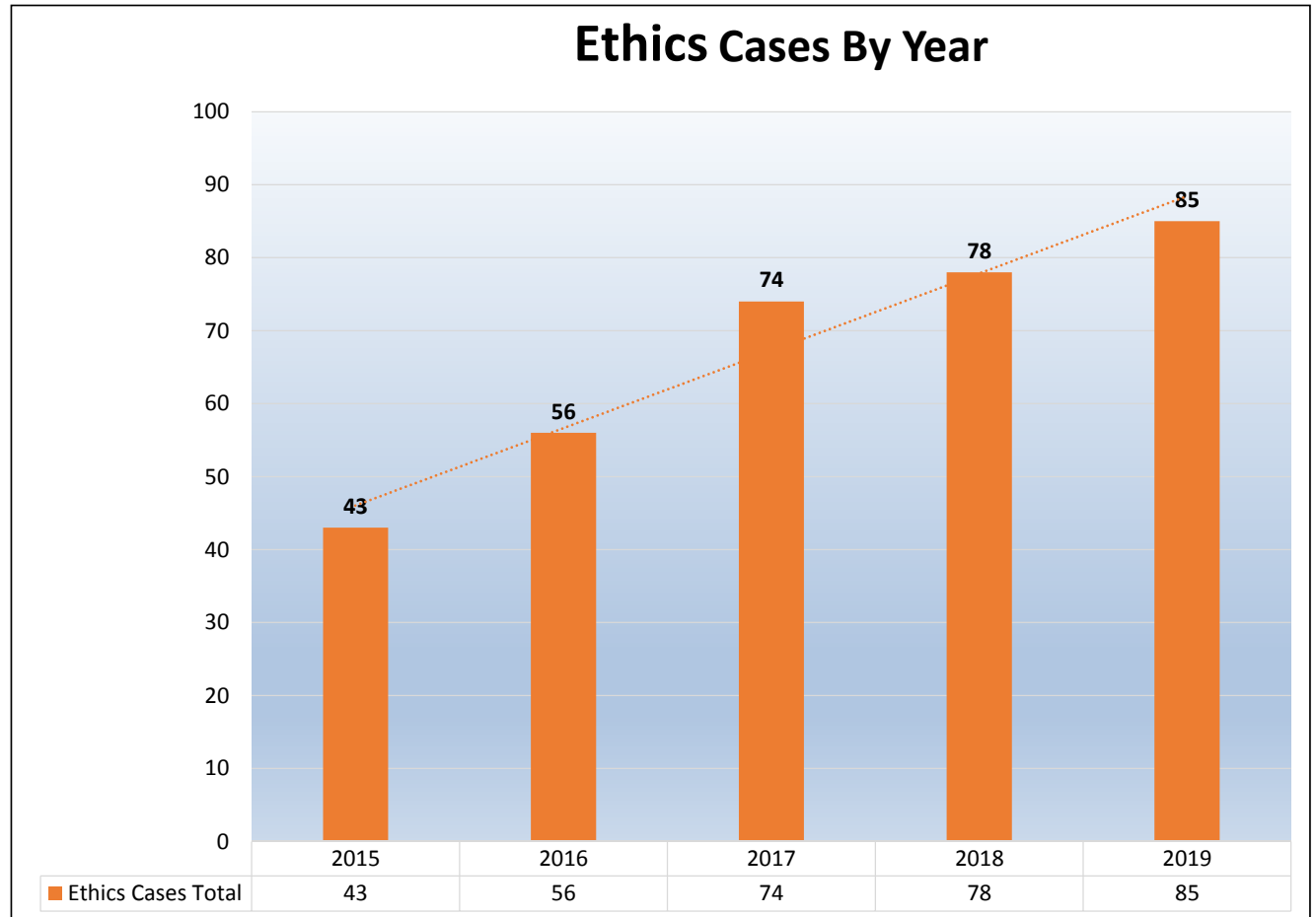


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Ethics Officer Cases

Ethics Cases By Year



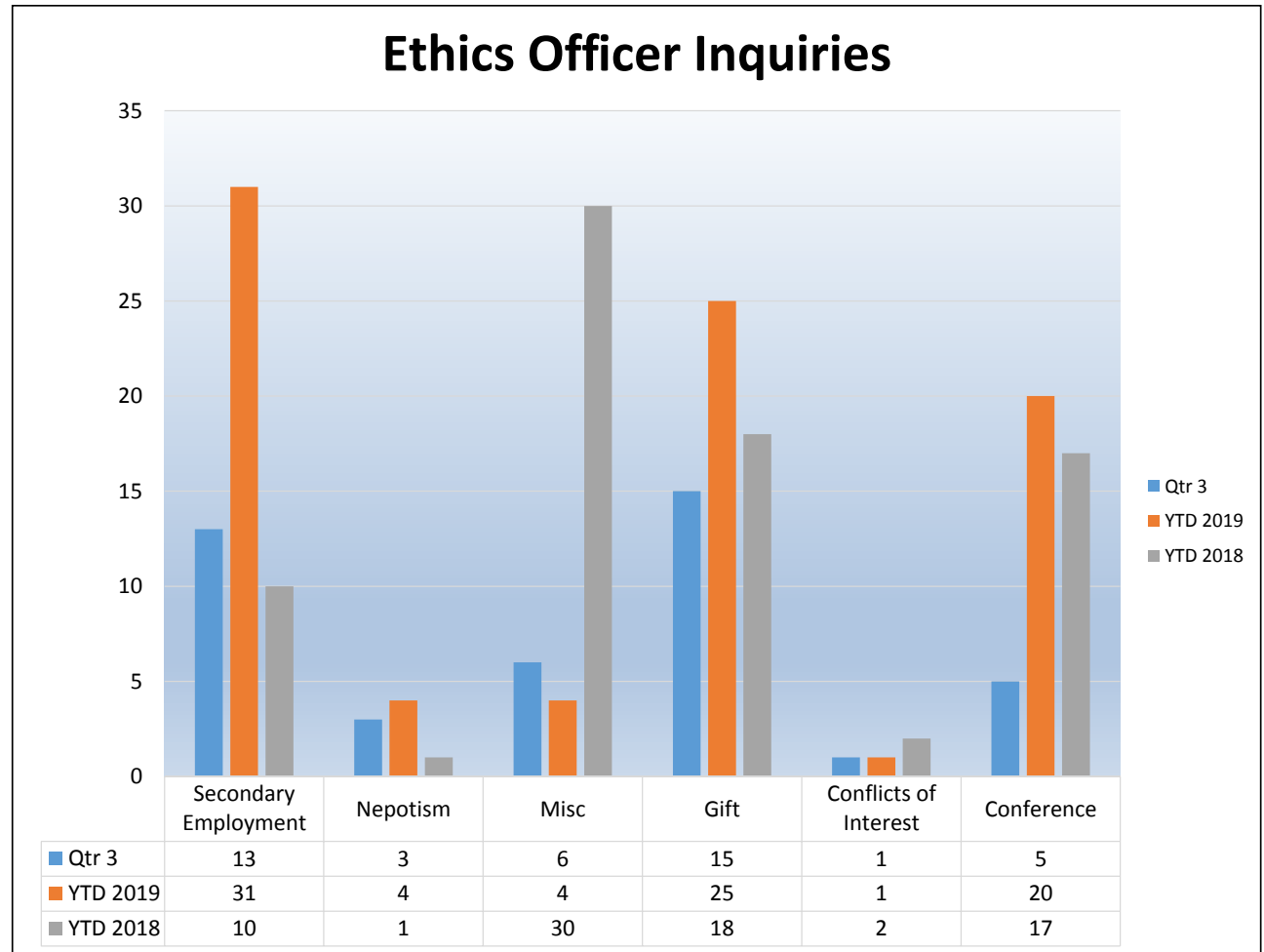
Inquiry Categories



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Ethics Officer Cases



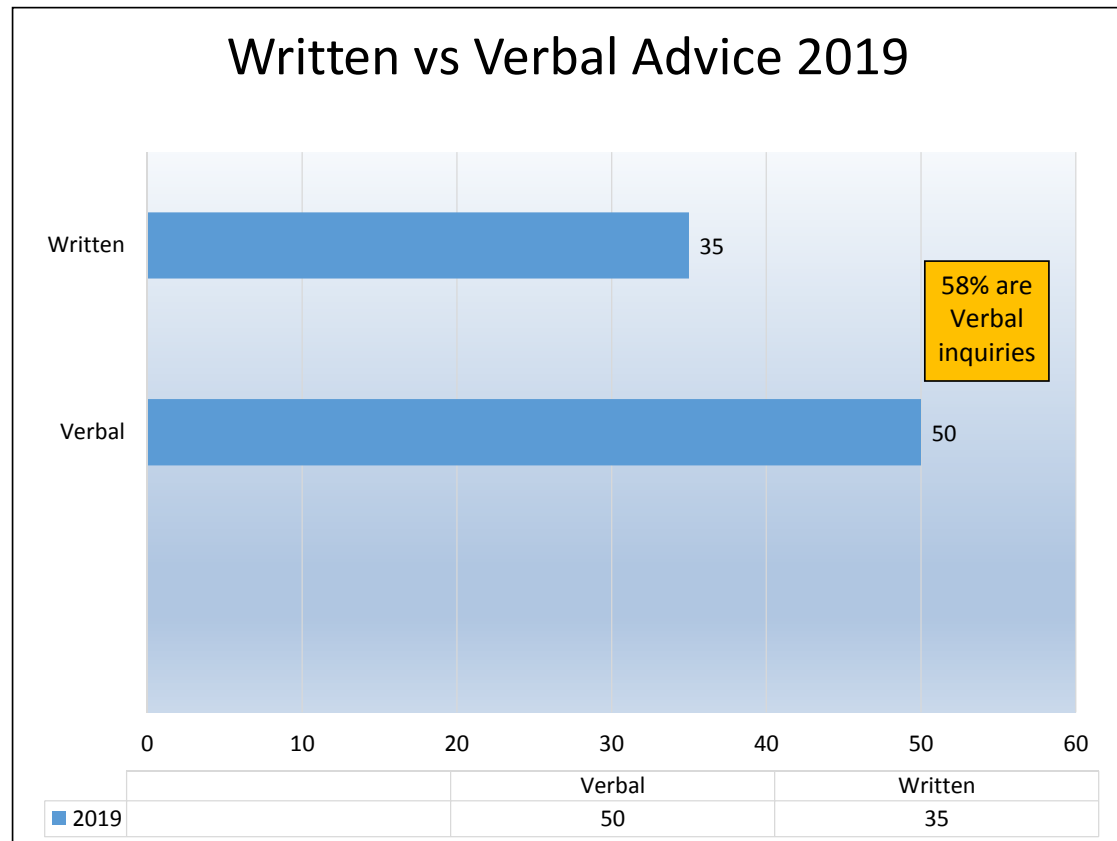
Report on Ethics Advice



August 2019



Ethics Officer Cases



Quarterly Newsletter

4th Quarter focusing on
Secondary Employment/
Moonlighting

* Highest inquiry category ytd

August 2019



FY19 update

JEA
BUSINESS ETHICS
OCTOBER
ETHICS

JEA BUSINESS ETHICS

PREVENTING CONFLICTS,
PROMOTING FAIRNESS
More on the JEA BUSINESS Ethics Page on the Grid

GIFTS OVER \$100 OR ASKING FOR THINGS

NOT REPORTING SECONDARY EMPLOYMENT

TRAVEL PAID BY 3RD PARTY

MISUSE OF TIME, SUPPLIES OR EQUIPMENT

CONFLICTS OF INTEREST

MISUSE OF POSITION

SUNSHINE VIOLATIONS

HIRING OR PROMOTING RELATIVES

DESTROYING PUBLIC RECORDS

IF YOU SEE SOMETHING, SAY SOMETHING
ETHICS HOTLINE 1-800-805-3569

Oversight Responsibility



August 2019



FY19 update

- Companywide Annual Business Ethics for Contract workers was released on June 14th. As of July 15th a total of 30% of contractors have taken the training. Reminder going out in August.
- Working with OGC on updating JEA Gifts and Secondary Employment policies based on city ordinance updates. Held meeting with Companywide Ethics Representatives on June 4th to discuss the proposed updates.
- Cleaning up the SharePoint Database on Secondary Employment to ensure compliance.
- Revamping the Business Ethics Guidelines to the Business Ethics Code of Conduct.



INTER-OFFICE MEMORANDUM

August 19, 2019

SUBJECT: ERNST & YOUNG FY2019 ANNUAL FINANCIAL AUDIT PLAN

FROM: Aaron F. Zahn, Managing Director/CEO

TO: JEA Finance and Audit Committee

Kelly Flanagan, Chair
April Green
John Campion

BACKGROUND:

Auditing standards require auditors to communicate certain matters to the governing board that may assist the Board in overseeing management's financial reporting process.

To keep in compliance with the Finance and Audit Committee Operating Policy, a formal approval of the annual financial audit plan is required. The formal approval demonstrates the Board has reviewed and is in agreement with the plan. Additionally, meeting with auditors to discuss the audit plan assists the Board in overseeing management's financial reporting process.

DISCUSSION:

Ernst & Young (E&Y) has prepared the FY2019 annual financial audit plan. The plan outlines the scope of their services, identifies the E&Y team that will perform the audit and presents key considerations that will affect the FY2019 audit. E&Y has been invited to attend the August 19, 2019 Finance and Audit Committee meeting to review and discuss the FY2019 annual financial audit scope and approach.

RECOMMENDATION:

Staff recommends that the Finance and Audit Committee and Board approve the FY2019 Annual Financial Audit Plan.

Aaron F. Zahn, Managing Director/CEO

AFZ/RFW/GLT



INTER-OFFICE MEMORANDUM

August 19, 2019

SUBJECT: PRICING POLICY REVISIONS

FROM: Aaron F. Zahn, Managing Director/CEO

TO: JEA Finance and Audit Committee

Kelly Flanagan, Chair
April Green
John Campion

BACKGROUND:

JEA's Pricing Policy (originally called the Pricing Philosophy) was established in November 2005 to provide broad guidance and facilitate the management, control and oversight of JEA's revenue requirements and pricing structure, and was last updated with approval in December 2018.

DISCUSSION:

This Pricing Policy is intended to provide broad guidance and to facilitate the management, control and oversight of JEA's pricing structure. Its primary goal is to establish revenue requirements to fully recover the costs necessary to operate and maintain the utility, consistent with its mission, through fair and equitable pricing. This includes sufficient revenue for required transfers to the City, depreciation expense, and balance sheet liquidity. The total revenue requirement of each system must be sufficient to ensure the financial integrity of the utility, including recovery of debt service, sufficient revenue to meet renewal and replacement fund requirements, and maintenance of key financial metrics. It recognizes the operational challenges of managing dynamic businesses with major cost drivers such as significant regulatory reform, as well as fuel and debt service, which are dependent on global market conditions. The Pricing Policy contains the guiding parameters that JEA utilizes to develop its financial reporting, ratemaking, budget, and financial projections.

The attached Pricing Policy has been updated to reflect staff's recommendation to eliminate the Debt Management Strategy Stabilization Fund and to use those funds to execute Phase 2 of the Strategic and Timely Asset Realignment (STAR) plan, to adjust the environmental language for clarity and to make administrative changes.

The Debt Management Strategy Stabilization Fund was initially created to mitigate expenses related to market disruption in the capital markets, disruption of the availability of credit or unanticipated credit expenses, or to fund variable interest costs in excess of budget. JEA has mitigated these risks with the \$200 million increase in its revolving credit facility in November 2018 to a total commitment of \$500 million.

Together with available cash balances from the Operations Fund and Renewal and Replacement Fund, release of the Debt Management Strategy Stabilization Fund will allow staff to execute Phase 2 of the STAR plan. The Board approved the STAR plan in December 2018 to utilize cash from the Operations Fund, Debt Management Strategy Fund, and Renewal and Replacement Fund to defease debt. Phase 2 will be executed October 2019, for a total of approximately \$93 million in early debt retirement, bringing the STAR plan total debt defeasance to approximately \$288 million to date.

This Policy will become effective October 1, 2019.

RECOMMENDATION:

Staff recommends that JEA Finance and Audit Committee review and recommend that the JEA Board approve and authorize the Pricing Policy, as revised, at the next scheduled Board of Directors meeting.

Aaron F. Zahn, Managing Director/CEO

AFZ/RFW/JEC

Pricing Policy

I. Scope

This Pricing Policy is intended to provide broad guidance and to facilitate the management, control and oversight of JEA's pricing structure. Its primary goal is to establish revenue requirements to fully recover the costs necessary to operate and maintain the utility, consistent with its mission, through fair and equitable pricing. This includes sufficient revenue for required transfers to the City, depreciation expense, and balance sheet liquidity. The total revenue requirement of each system must be sufficient to ensure the financial integrity of the utility, including recovery of debt service, sufficient revenue to meet renewal and replacement fund requirements, and maintenance of key financial metrics. It recognizes the operational challenges of managing dynamic businesses with major cost drivers such as significant regulatory reform, as well as fuel and debt service, which are dependent on global market conditions. The Pricing Policy contains the guiding parameters that JEA utilizes to develop its financial reporting, ratemaking, budget, and financial projections.

The Board is JEA's independent body responsible for setting rates. As part of this responsibility, the Board acknowledges that the rate setting policy and practices utilized will govern JEA's accounting under current generally accepted accounting principles, meaning that rate actions by the Board will impact when certain costs and revenues are recognized for financial statement purposes. This policy formalizes the rate philosophy utilized in prior years and codifies policy changes required for the implementation of regulatory accounting beginning with FY2015, including the change in rate setting methodology from Cash Basis to Utility Basis.

II. Goal and Objectives

JEA's pricing shall be managed with an overall philosophy to provide advantages of a community-owned utility by delivering high quality, reliable and exceptional service at fair and competitive rates. JEA will exhaust all other net revenue improvement opportunities before recommending any price increases. JEA will develop a price structure that is based on cost of service and allocates costs to appropriate customer classes based on the cost to serve each class. Pricing shall be sufficient, predictable, consistent, understandable, fair, equitable, non-discriminatory and relatively easy to administer. A comprehensive cost of service study will be performed at a minimum of every five years to support that the rates charged by class are based on cost.

III. Responsibility for Pricing Policy

The overall Pricing Policy is approved by the JEA Board of Directors and implemented by the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and staff. Annually, during the development of the Five Year Financial Projection that is provided to the credit rating agencies, the ~~Chief Executive Officer (CEO)~~, Chief Operating Officer (COO), ~~Chief Financial Officer (CFO)~~, Chief Customer Officer (CCO), Vice President/General Manager Water Wastewater Systems, and

Vice President/General Manager Electric Systems will meet to develop strategy and review pricing and financial performance. JEA's Financial Planning and Rates department will develop and manage processes to implement and administer this Policy. Based on this review, any changes to pricing such that JEA continues to have rates based on cost of service and sufficient to maintain each System's financial integrity will be recommended to the Board for approval.

IV. Authorization

The JEA Board of Directors is independent from JEA management and has the power 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 the same from time to time.

Although JEA is a non-jurisdictional entity, Tariffs approved by the Board of Directors are filed with the Public Service Commission for information and review. The Florida Public Service Commission (FPSC) does not regulate the revenue requirement of municipal utilities, yet pursuant to Section 366.04 (2), Florida Statutes, the FPSC has jurisdiction to review a rate structure for municipal utilities.

V. Electric System

Revenue requirements and rate design for the Electric System shall be constructed in three major categories: Base Rate, Fuel Charge, and Environmental Charge.

Base Rate

Structure

The Base Rate will be structured with two major components: a fixed monthly charge and consumption charges. The fixed charge is billed as a "Basic Monthly Charge" and the consumption charges are billed as "Energy Charge," "Residential Conservation Charge," "*Demand Charge*," and "*Excess kVar Charge*." (Italicized charges apply to commercial or industrial customers only, and do not appear on [typical](#) residential bills.) Revenue requirements and rates will be set using depreciation expense as the capital recovery estimate but must also ensure the financial integrity of the Electric System by achieving the following objectives:

- A minimum annual total debt service coverage ratio of 2.2x, (with a long-term goal of consistently achieving a minimum annual total debt service coverage ratio of 2.5x)
- A minimum of 150 to 250 days of liquidity
- Continue to move towards a maximum debt to asset ratio of 60%
- Maintain stabilization funds as detailed in the "Stabilization Funds" section

Staff plans to phase in higher fixed components of base rates over time, utilizing widely accepted principles and practices to better reflect the fixed components of JEA's electric system cost structure.

Pricing

The Base Rate will recover expenditures necessary to operate and maintain the system, depreciation expense, capital required to maintain the system, the

necessary contribution to the City, any special charges for programs adopted by JEA and approved by the Board, and additional revenues required to maintain the financial integrity of the System.

Staff will review with the Board of Directors the Base revenue and capital funding plans during both the annual budget cycle and the discussion of the Five Year Projection (as outlined in the "Five Year Projection" section). Recurring capital will be recovered from revenues each year. Non-recurring or unanticipated (i.e., storm damage or major equipment failure) costs will be evaluated by management to determine the best source of capital funding. This can include absorbing the cost in the current year budget or the inclusion of cost in future rates over a period of time with funding of the cost from debt or reserves. Authorization from the Board to recover non-recurring capital over a future period of time may constitute an asset on JEA's balance sheet.

The Base Rate will additionally include a policy-directed allocation of current year base electric revenues to Customer Benefit programs to be collected in addition to the Residential Conservation Charge. Staff will develop specific programs such as electrification, direct load control, demand side management, residential low income efficiency programs, and customer utility optimization education programs, set program objectives and periodically report the status of the programs. Each year, the Customer Benefit budget will include an allocation for customer education initiatives at least equal to revenues generated from the Residential Conservation Charge (initially set at \$0.01 per kWh for monthly residential consumption in excess of 2,750 kWh) collected from customers in the prior year. The budgeted carve-out from the Base Rate will be set each year based on funding required to meet the targets determined by staff, at least equal to the Residential Conservation Charge and not to exceed \$0.50 per 1,000 kWh. Any amounts collected in excess of current and future anticipated need will be used for future costs or refunded to customers. The Customer Benefit programs do not function as special charge, but are a component of JEA's cost of service in determination of the Base Rate each year.

Gains realized from coordinated dispatch agreements will be allocated to base revenue, unless otherwise directed by the Board.

Fuel Charge

Structure

The Fuel Charge is designed to recover fuel and energy costs and will be structured with three potential components, the Variable Fuel Rate, the Fuel Stabilization Charge and the Fuel Recovery Charge.

The Variable Fuel Rate will be structured for full recovery of actual energy expenditures including direct fuel expenses, fuel procurement, fuel handling, residual disposal expense, less any proceeds from the sale of residuals, byproduct expenses directly utilized in managing the facilities used to prepare the byproduct for its final disposition, fuel hedging activities including gains and losses on settlement of fuel hedges, purchase power energy charges such as fuel, and renewable energy that is not considered generation available for JEA's current capacity plans. This charge can be adjusted up or down based upon energy costs. The Fuel Charge structure shall also include a charge for Fuel Stabilization to fund

potential negative variances between projected and actual energy costs, when projections at the time of the rate setting indicate this fund balance will be below the target balance during the rate period. A Fuel Recovery Charge may also be included as part of the Fuel Charge if needed to recover a cumulative fuel fund deficit over a set number of years.

Pricing

The Fuel Charge will be set annually during the budget process to be effective October 1 of the upcoming fiscal year. The Charge is based on the forward twelve-month energy cost projection and will be structured to fully recover all expected fuel-related costs and any amounts for Fuel Stabilization Fund, discussed below, over the coming fiscal year. Provided the actual plus forecasted energy costs remain within 10% of projected energy cost, any variance will be “trued-up” annually and recovered in the subsequent twelve month period. Should actual plus forecasted energy costs exceed the 10% range of projected energy costs during the twelve month period, rates may be adjusted to reflect current market conditions. For example, a Variable Fuel Rate charge of \$50.00/1,000 kWh may be adjusted when the twelve month projection for total energy cost is less than \$45.00/1,000 kWh or greater than \$55.00/1,000 kWh. Absent a rate change, Fuel Charges collected in excess of fuel expenses are deposited in the Fuel Stabilization Fund, and under collected amounts are funded through Fuel Stabilization Fund withdrawals until rates can be adjusted.

The Fuel Charge may include an amount for a Fuel Stabilization Charge to fund potential short-term negative variances between projected and actual energy costs. The target balance in the Fuel Stabilization Fund is equal to 15% of the greater of (i) the maximum fiscal year fuel cost in the preceding five fiscal years or (ii) the projected fiscal year fuel cost. Should the Fuel Stabilization Fund balance reach the 15% level at any point during the twelve month variable fuel rate cycle, the CEO, CFO, CCO, and staff will evaluate the Fuel Stabilization Fund balance, projection through year-end, and current market prices and volatility, and will recommend to the Board to either continue funding with no change, credit customers with the overfunded amount, or modify the Fuel Charge. Absent any specific change, the Fuel Charge will continue to be collected until the end of the cycle. An objective of the Fuel Stabilization Charge is to establish the most transparent mechanism to communicate the amount of the Fuel Charge which is being collected to fund the Fuel Stabilization Fund, and thus should be utilized in the communication with stakeholders. Allowable uses of the Fuel Stabilization Fund shall include cash deposits supporting any fuel fund deficits, energy risk management activities, and inter-fund loans.

The Fuel Charge may also include a Fuel Recovery Charge to recover any cumulative fuel fund deficit. Allowable uses shall include debt reduction, repayment of inter-fund loans, new inter-fund loans, and fund activities employed during the time the fuel deficit accumulated that were used to fund the deficit.

Each month management shall report the total fuel revenues, expenses and the resulting surplus or deficit. All authorized fuel related costs shall be recovered through the Fuel Charge, and funds collected in excess of authorized fuel related expenses (including Fuel Stabilization Fund deposits, when required) shall be used to fund future expenses or be refunded to customers.

Environmental Charge

Structure

The Environmental Charge is applied to all kWh consumption and structured to provide funding for major specific environmental and regulatory program needs.

Pricing

The Environmental Charge is designed to recover from customers ~~all~~ costs of environmental remediation, environmental projects and compliance with new and existing environmental regulations, excluding the amount already collected in the Environmental Liability Reserve. Applicable use of funds is described in the “Stabilization Funds” section.

Annually the Board will review and approve the operating, maintenance and capital costs of projects to be included in determining the Environmental Charge for that year. For capital projects funded from sources other than the environmental charge revenues, the Board will determine an appropriate method including recovery period for including these costs in the determination of the Environmental Charge. The revenues collected will be used to reimburse the fund that provided the original funding. Methods used for recovery can include amortization over a relatively short period of time, depreciation expense and related carrying charge of the related asset or other reasonable methods.

Any revenues collected in excess of costs in any period will be used to fund operating and capital costs of approved projects in the future.

The amounts collected from the Environmental Charge will be accounted for in the Electric System Environmental Stabilization Fund. Amounts collected for future environmental capital projects are transferred from the Electric System Environmental Rate Stabilization Fund to the Environmental Capital Fund.

VI. Water and Sewer System

Revenue requirements and rate design for the Water and Sewer System shall be constructed in two major categories: Base Rate and Environmental Charge.

Base Rate

Structure

Revenue and rate design for the Water and Sewer System shall be constructed in two major categories: monthly charges and initial charges, including capacity and main extension fees. Standard monthly charges will include two primary components: A fixed monthly charge and volume charges based on customer usage. The fixed charge is billed as a “Basic Monthly Charge” and the volume charges are billed as “Water Consumption Charges” and “Sewer Usage Charges”.

Revenue requirements and rates will be set using depreciation expense as the capital recovery estimate but must also ensure the financial integrity of the Water and Sewer System by achieving the following objectives:

- A minimum annual total debt service coverage ratio of 1.8x, with a long-term goal of consistently achieving a minimum annual total debt service coverage ratio of 2.0x
- A minimum of 100 days of liquidity
- A long-term objective of a maximum debt to asset ratio of 50%
- Maintain stabilization funds in the “Stabilization Funds” section

Pricing

The Base Rate will recover expenditures necessary to operate and maintain the system, depreciation expense, capital required to maintain the system, the necessary contribution to the City, any special charges for programs adopted by JEA and approved by the Board, and additional revenues required to maintain the financial integrity of the System.

Staff will review with the Board of Directors the Base revenue and capital funding plans during both the annual budget cycle and the discussion of the Five Year Projection (as outlined in the “Five Year Projection” section). Recurring capital not recovered via the Environmental Charge will be recovered from revenues each year. Non-recurring or unanticipated (i.e., storm damage or major equipment failure) costs will be evaluated by management to determine the best source of capital funding. This can include absorbing the cost in the current year budget or the inclusion of cost in future rates over a period of time with funding of the cost from debt or reserves. Authorization from the Board to recover non-recurring capital over a future period of time may constitute an asset on JEA’s balance sheet. The annual principal repayment requirements and contributions to the Renewal and Replacement Fund will be added to the non-capacity capital expenditure amount with the amount in excess of the annual depreciation expense included as an additional cost in setting rates. Capacity fee revenue will be used as an additional source of revenue in determining annual revenue requirements.

Capacity fees to recover water, sewer and reclaimed water treatment facilities investment are established to recover 100% of the cost, including materials, of performing these services. These fees will be reviewed and if necessary, adjusted at least every three years. Capacity fees to recover the cost of off-site water and sewer line extensions shall be established to recover:

- 75% master plan main extension attributed to general system growth, assessed on a per connection basis; and
- 100% main extension attributed to specific development, assessed to the developer in accordance with JEA’s development policy.

On-site line extensions have been and will remain the financial responsibility of the developer, builder, homeowner or business and shall be contributed to JEA at no charge to own, operate and maintain.

Tap and meter fees will be established to recover 100% of the cost, including materials, of performing tap and meter services. These fees will be reviewed and, if necessary, adjusted at least every three years.

Staff will review with the Board of Directors the revenue and capital funding plans during both the annual budget cycle and the Five Year Projection/Rating Agency cycle.

Environmental Charge

Structure

The Environmental Charge is applied to all kgal sales and structured to provide funding for major specific environmental and regulatory program needs.

Pricing

The Environmental Charge is designed to recover from customers ~~all~~ costs of environmental remediation, [environmental projects](#) and compliance with new and existing environmental regulations. Applicable use of funds is described in the “Stabilization Funds” section.

Annually the Board will review and approve the operating, maintenance and capital costs of projects to be included in determining the Environmental Charge for that year. For capital projects funded from sources other than the environmental charge revenues, the Board will determine an appropriate method including recovery period for including these costs in the determination of the Environmental Charge. The revenues collected will be used to reimburse the fund that provided the original funding. Methods used for recovery can include amortization over a relatively short period of time, depreciation expense and related carrying charge of the related asset or other reasonable methods.

Any revenues collected in excess of costs in any period will be used to fund operating and capital costs of approved projects in the future.

The amounts collected from the Environmental Charge will be accounted for in the Water and Sewer System Environmental Stabilization Fund. Amounts collected for future environmental capital projects are transferred from the Water and Sewer System Environmental Rate Stabilization Fund to the Environmental Capital Fund.

VII. Five Year Projection

Staff will prepare a Five Year Projection annually that will be presented to Board of Directors and Rating Agencies. The Five Year Projection will address the status of the current pricing and forecasted cost-based revenue requirements.

The annual budgeting process will be used to project the cost-based revenue requirements and suggested pricing for the next fiscal year. Thereafter, factors to be considered in the projections include:

- Required revenue and resulting rates
- The forecast of unit sales
- Projected fuel and purchased power costs
- Projected non-fuel purchased power costs
- Projected operating and maintenance costs
- Contribution to the City General Fund
- Renewal and Replacement Deposit
- Amortization of regulatory assets and liabilities including gains and losses on debt refinancing, debt issue costs and other items approved by the Board
- Desired level of operating capital outlay
- Projected depreciation expense

- Desired debt service coverage, liquidity, and debt to asset levels consistent with a highly rated electric and water and sewer utilities
- Analysis of costs and revenue of any special charges for programs adopted by JEA and approved by the Board

VIII. Stabilization Funds

The Board authorizes the funding and utilization of certain Stabilization Funds within each of the Electric and Water and Sewer Systems. Deposits and withdrawals will be made into each of the funds as specifically described below, and are governed by both this Pricing Policy and JEA's Bond Resolutions. The Stabilization Funds described below have a specific funding source which is approved by the Board, and uses of funds which are also approved by the Board. Any excess amounts remaining after the funding target is met and expenses are paid are refunded back to customers.

Fuel Stabilization Fund

Target Balance

The target balance in the Fuel Stabilization Fund is equal to 15% of the greater of (i) the maximum fiscal year fuel cost in the preceding five fiscal years or (ii) the projected fiscal year fuel cost.

Funding and Authorization

The Fuel Charge for each Fiscal Year is established to include the projected fuel-related expenditures for the upcoming fiscal year as well as deposits required into the Fuel Stabilization Fund to maintain the target balance in the Fund. These projections, including any Fuel Stabilization Fund projected deposit amounts, are approved by the Board in connection with the approval of the annual Budget. Deposits to the Fuel Stabilization Fund during the fiscal year are made for amounts representing the excess of the variable rate fuel revenues (not including the fuel stabilization revenues) recorded for the fiscal year over the amount of actual fuel and purchased power expense for the fiscal year.

Allowable Uses

Withdrawals from the Fuel Stabilization Fund for fuel stabilization are limited to the following purposes:

- a) to reduce the variable fuel rate charge to the customers for a determined period of time
- b) to reduce the excess of the actual fuel and purchased power expense for the fiscal year over the variable fuel rate revenues
- c) to pay for the costs associated with any energy risk management activities and/or
- d) to be rebated back to the customers as a credit against the electric bill

The balance in the Fuel Stabilization Fund may also be borrowed by the Electric System operating fund through an interfund loan, which requires the approval of the CFO and the CEO with the amounts required to be repaid within a reasonable period of time.

Excess Funds

Funds collected in excess of authorized fuel related expenses (including Fuel Stabilization Fund deposits, when required) shall be used to fund future expenses or be refunded to customers.

Customer Benefit Stabilization Fund

Funding and Authorization

Deposits to the Customer Benefit Stabilization Fund are made for amounts representing the Residential Conservation Charge to the customer (\$0.01 per kWh over 2,750 kWh) and the Customer Benefit Revenue Allocation (up to \$0.50 per 1,000 kWh) during the course of the fiscal year. The Residential Conservation Charge revenues are direct collections from customers based on sales. The Customer Benefit Revenue Allocation is approved by the Board in connection with the annual Budget process.

Allowable Uses

Withdrawals from the Customer Benefit Stabilization Fund are limited to amounts representing charges to the applicable "Customer Benefit" expense types, which represent Customer Benefit programs approved annually by the Board. Amounts withdrawn from the Customer Benefit Stabilization Fund will first be funded by the Residential Conservation Charge (\$0.01 per kWh over 2,750 kWh) and the remaining funded by the Customer Benefit Revenue Allocation (up to \$0.50 per 1,000 kWh). Any costs not recovered in the current year will be collected in future years through the Residential Conservation Charge and the Customer Benefit Revenue Allocation.

Excess Funds

Funds collected in excess of the approved Customer Benefit programs shall be used to fund future program expenses or be refunded to customers.

Electric System Environmental Stabilization Fund

Funding and Authorization

Deposits to the Electric System Environmental Stabilization Fund are made for amounts collected from the Environmental Charge to the customer. The Environmental Charge will be set each year to recover the costs of approved projects. Any shortfalls will be included as a cost in determining the Environmental Charge.

Allowable Uses

Withdrawals from the Electric System Environmental Stabilization Fund are limited to potential environmental expenditures approved by the Board, and may include [regulatory](#) initiatives such as the cost of acquisition of renewable energy capacity. [Costs directly required to operate and maintain the environmentally driven or regulatory required assets can also be funded from this revenue source.](#)

Excess Funds

Funds collected in excess shall be used to fund future environmental expenses or be refunded to customers.

Water and Sewer System Environmental Stabilization Fund

Funding and Authorization

Deposits to the Water and Sewer System Environmental Stabilization Fund are made for amounts collected from the Environmental Charge to the customer. The Environmental Charge will be set each year to recover the costs of approved projects. Any shortfalls will be included as a cost in determining the Environmental Charge.

Allowable Uses

Withdrawals from the Water and Sewer System Environmental Stabilization Fund are limited to major environmental and regulatory program needs. Capital costs include those costs associated with specific environmental or regulatory requirements. Costs directly required to operate and maintain the environmentally driven or regulatory required assets can also be funded from this revenue source. The Environmental Charge revenue may also be used for JEA's cost participation with the City of Jacksonville septic tank phase-out program, including a waiver of sewer and main extension fees, or for well mitigation. Additionally, the Environmental Charge revenue may be used for Customer Benefit programs supporting the Consumptive Use Permit objective to reduce JEA's demand on the Florida Aquifer.

Excess Funds

Funds collected in excess shall be used to fund future environmental expenses or be refunded to customers.

Debt Management Strategy Stabilization Fund

Funding and Authorization

~~The Board will approve a Debt Management Policy and use of related stabilization funds. Deposits to the Debt Management Strategy Stabilization Fund will be for amounts associated with any debt management strategy objectives. The Board as part of the budget review process will determine and approve the amounts included in rates that are to be deposited into the Debt Management Strategy Stabilization Fund for the year. The Board may, periodically throughout the year, determine and approve changes to these amounts. The amounts included in rates and deposited into the stabilization fund are intended to offset future costs.~~

Allowable Uses

~~Withdrawals from the Debt Management Strategy Stabilization Fund for debt management strategy can be made for expenses related to market disruption in the capital markets, disruption in availability of credit or unanticipated credit expenses, or to fund variable interest costs in excess of budget. Any amounts withdrawn for these costs will subsequently be presented for approval by the Board.~~

Excess Funds

~~Amounts deposited into the Debt Management Strategy Stabilization Fund for debt management strategy in excess of the target amount set forth in the Debt Management Policy in both the Electric and Water and Sewer Systems may be authorized by the Board to be used to (1) maintain the financial integrity of the~~

~~Systems, (2) fund future debt-related expenses including early debt retirement or defeasance, or (3) be refunded to customers.~~

Non-Fuel Purchased Power (NFPP) Stabilization Fund

Target Balance

Initially, the total projected principal payments incurred by MEAG for the Vogtle Units 3 and 4 Purchased Power Agreement prior to the operating date of each unit.

Funding and Authorization

Deposits to the NFPP Stabilization Fund are for amounts associated with any non-fuel purchased power. The Board will determine as part of the Budget approval process or periodically throughout the year the amount to include in rates that will be deposited into the NFPP Stabilization Fund.

Allowable Uses

Withdrawals from the NFPP Stabilization Fund are to reimburse non-fuel purchased power expenses associated with Plant.

Excess Funds

Funds collected in excess shall be used to fund future non-fuel purchased power expenses or be refunded to customers.

Health Self-Insurance Reserve

Target Balance

The target size of this reserve is based on regulatory requirements, market conditions and risk management experience, along with input from the Department of Insurance, the regulatory body responsible for oversight of all self-insurance health and medical plans.

The objective is to maintain appropriate reserves and to ensure the long-term viability of the organization and the sustainability of the self-insurance health programs. Rule 69O-149.053, Florida Administrative Code requires that JEA maintain a minimum surplus reserve of 60 days over and above the amount needed for the Plan's claim liability to cover costs associated with unexpected claims.

Funding and Authorization

JEA has established, from operating revenues, an internally designated "Health Self-Insurance Fund" to cover reserve requirements for its self-insurance health program. Reserve requirements will be reviewed and approved by the Board annually. The Board, as part of the Budget approval process, will approve amounts to be collected in rates that include both the current anticipated cost less amounts approved to be contributed by employees as well as amounts to maintain an adequate reserve for future costs.

Allowable Uses:

August 2019

The amounts approved for recovery from the employees will be used to reduce the annual cost. Any costs in excess of revenues collected will be included in rates at the direction of the Board in a future period.

Excess Funds

Any amount over the required reserve requirement will be used to reduce future costs included in rates or will be refunded to the employee through premium holidays as approved by the Board.

IX. Policy Exceptions

Any pricing activity determined to be in conflict with this Policy will be brought to the Board of Directors for review and approval prior to adoption, and resulting metrics will be reported on an annual basis within the Five Year Projection.

X. Effective Date

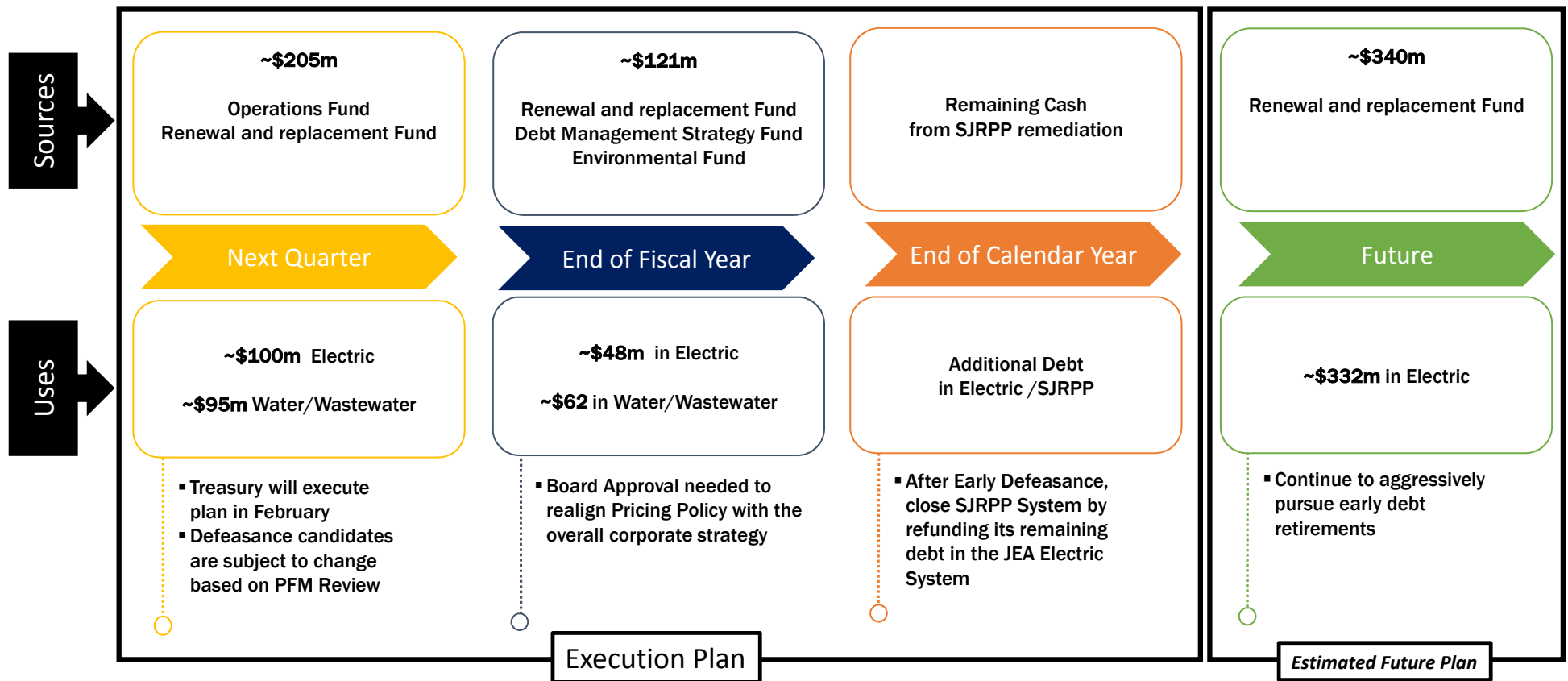
This Pricing Policy became effective October 1, 2005 (originally called "Pricing Philosophy"). This revision will become effective on the date on which it is adopted by the full Board effective ~~October 1~~ January 1, 2019.



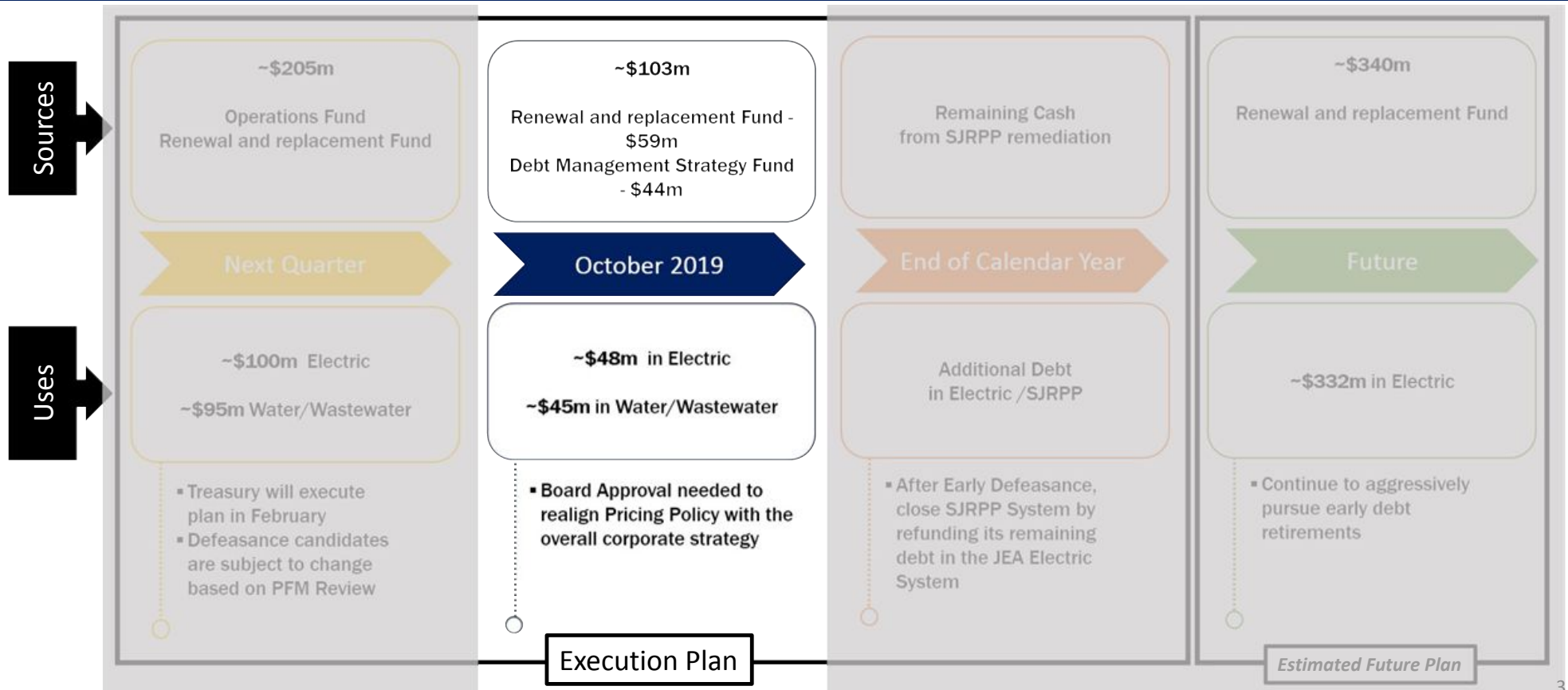
Policy Revisions

August 2019 Finance and Audit

The Strategic & Timely Asset Realignment Plan was presented to the Board December 2018



Phase 2 of the plan will be implemented October 2019



Phase 2 of the STAR plan requires adjustments to internal policies

Debt Management Policy

Removal of the former Policy Section VIII.F.
“VARIABLE RATE DEBT INSTRUMENTS – Reserve
Fund”

Pricing Policy

Removal of “Debt Management Stabilization Fund”

Changes recommended due to:

- ▶ a benign short-term interest rate environment that has seen SIFMA average 1.42% over the past 20 years;
- ▶ \$200 million increase in JEA's revolving credit facility in November 2018 to a total commitment of \$500 million, providing for additional liquidity should there be a spike in interest rates;
- ▶ use of the Electric and Water and Sewer System debt management strategy stabilization fund balances of approximately \$29.9 million and \$14.2 million, respectively, for the STAR Plan Phase 2 debt defeasance.

Phase 2 STAR Plan Sources and Uses

Energy

SOURCES (\$millions)	Phase 1	Phase 2	Total FY 19
Cash Flow from Operations	\$0	\$122	\$122
Operation Fund	\$35	\$0	\$35
Renewal & Replacement Fund	\$70	\$25	\$95
Debt Management Fund	\$0	\$30	\$30
Environmental Fund	\$0	\$0	\$0
Total Funds	\$105	\$177	\$282

USES (\$millions)	Phase 1	Phase 2	Total FY 19
Scheduled Principal Payments	\$0	\$122	\$122
Principal Early Defeased	\$100	\$48	\$148
Escrow Cost*	\$5	\$7	\$12
Total Escrow	\$105	\$177	\$282

Water Wastewater

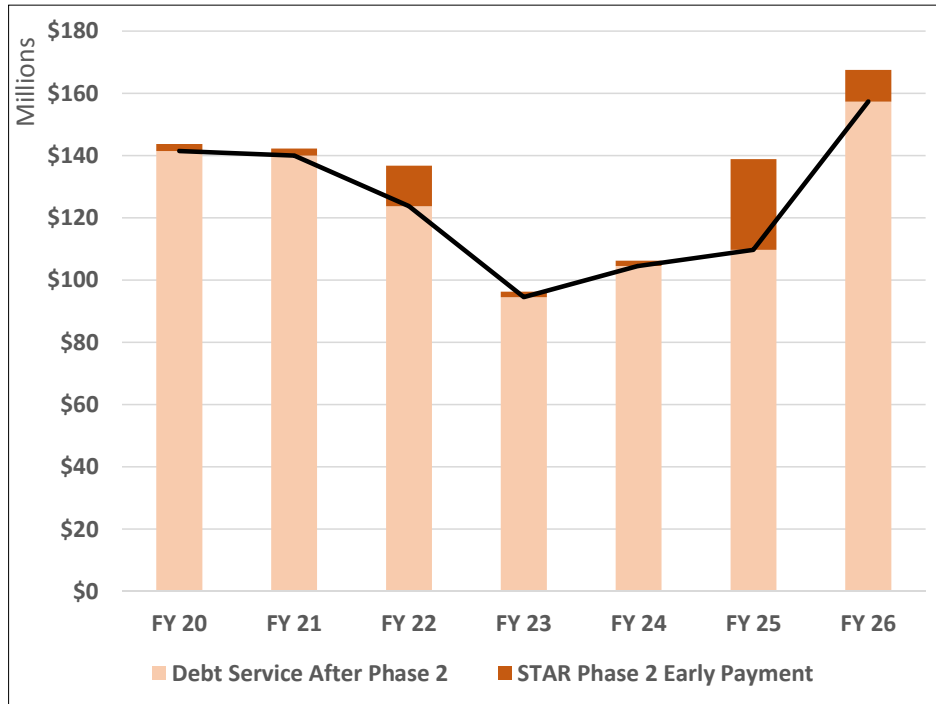
SOURCES (\$millions)	Phase 1	Phase 2	Total FY 19
Cash Flow from Operations	\$0	\$55	\$55
Operation Fund	\$0	\$0	\$0
Renewal & Replacement Fund	\$98	\$34	\$132
Debt Management Fund	\$0	\$14	\$14
Environmental Fund	\$0	\$0	\$0
Total Funds	\$98	\$103	\$201

USES (\$millions)	Phase 1	Phase 2	Total FY 19
Scheduled Principal Payments	\$0	\$55	\$55
Principal Early Defeased	\$95	\$45	\$140
Escrow Cost*	\$3	\$3	\$6
Total Escrow	\$98	\$103	\$201

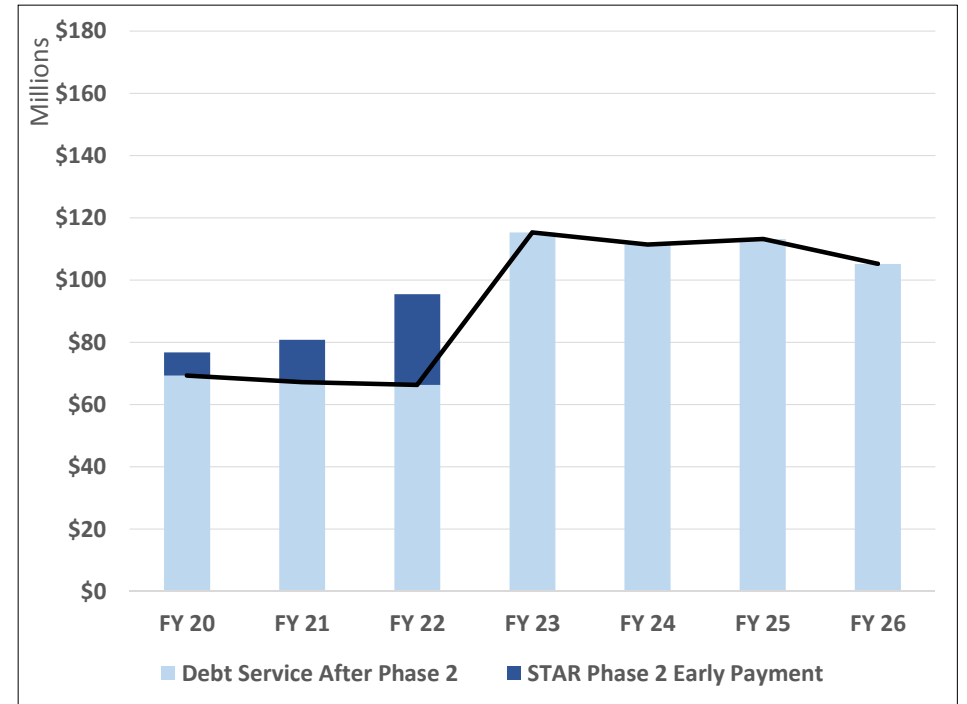
*Costs are subject to change due to fluctuations in future market conditions

STAR Plan Phase 2 Debt Payment Schedule

Energy



Water Wastewater



STAR Plan Phase 2

Results In:

Energy

- ▶ **\$48**
MILLION DEBT RETIREMENT
- ▶ **FY** 2022, 2025 - 2026
- ▶ **\$60**
MILLION DEBT SERVICE SAVINGS

Water Wastewater

- ▶ **\$45**
MILLION DEBT RETIREMENT
- ▶ **FY** 2020 - 2022
- ▶ **\$49**
MILLION DEBT SERVICE SAVINGS

Total Savings: \$109 million

Recommendation

Staff recommends that JEA Finance and Audit Committee review and recommend that the JEA Board approve and authorize the Debt Management Policy and the Pricing Policy, as revised, at the next scheduled Board of Directors meeting.

Following approval of the policy revisions, staff will bring an additional recommendation to the Board to provide for use of electric environmental funds for environmental projects, such as solar. Historically electric environmental funds have only been used for environmental operating expenses, and this approval would allow funding for additional environmental projects.

This change will result in additional funds deposited into the R&R fund which may be used for Phase 2 of the STAR plan.



INTER-OFFICE MEMORANDUM

July 26, 2019

SUBJECT: DEBT MANAGEMENT POLICY REVISION

FROM: Aaron F. Zahn, Managing Director/CEO

TO: JEA Finance and Audit Committee

Kelly Flanagan, Chair
April Green
John Campion

BACKGROUND:

The Debt Management Policy, originally adopted on May 20, 2003 and amended on April 19, 2005, October 18, 2005, November 20, 2007 and December 15, 2009, contains detailed provisions and strategies regarding the management of JEA's debt including fixed rate debt, variable rate debt, refunding debt and interest rate swaps, caps, collars and related hedging instruments.

DISCUSSION:

The most recent version of the Debt Management Policy became effective on December 15, 2009. JEA staff reviews the Policy on a periodic basis with the Debt/Investment Strategy Committee in order to consider current industry practices, rating agency considerations and the JEA operating environment. The Policy's goal is to ensure JEA's debt is managed taking a long-term approach in borrowing funds at the lowest possible interest cost after taking into consideration the various risks. Based on its most recent review staff is proposing a number of changes to the Policy. Most are removal of outdated references, clarifications and conforming of terms, and format cleanups.

The only change of substance is the removal of the former Policy Section VIII.F. VARIABLE RATE DEBT INSTRUMENTS – Reserve Fund. The Reserve Fund is being eliminated to reflect the following factors:

- a benign short-term interest rate environment that has seen SIFMA average 1.42% over the past 20 years;
- the \$200 million increase in JEA's revolving credit facility in November 2018 to a total commitment of \$500 million, providing for additional liquidity should there be a spike in interest rates;
- use of the Electric and Water and Sewer System debt management strategy stabilization fund balances of approximately \$29.9 million and \$14.2 million, respectively, for the STAR Plan Phase 2 debt defeasance.

The Reserve Fund language that is being eliminated is presented below:

F. Reserve Fund

Beginning in FY 2010, deposits will be made to the Rate Stabilization Fund for the Debt Management Strategy Reserve and will reflect the difference in the actual interest rates for interest expense on the unhedged variable rate debt as compared to the budgeted assumptions for interest expense on the unhedged variable rate debt. At a minimum, 50% of the calculated reserve will be recorded and deposited each fiscal year. An additional amount, up to the full value of the calculated reserve (the remaining 50%), will be

reviewed by the Debt and Investment Committee and recorded at their option. However, the amount deposited to the Rate Stabilization Fund (in addition to actual debt service costs for the fiscal year) cannot exceed the total amount of the budgeted debt service. The reserve will be calculated on a system by system basis, however, based on the calculation, any mandatory deposit will exclude the District Energy System. The budget reserve is capped at five percent of the par amount of the total outstanding variable rate debt. Withdrawals from the Rate Stabilization Fund for the Debt Management Strategy Reserve can be used for any lawful purpose including debt service, debt repayment, and capital outlay and must be approved in writing by the CEO.

A clean and marked version indicating changes from the December 15, 2009 version of the Policy are included with this memorandum.

RECOMMENDATION:

Staff recommends that JEA Finance and Audit Committee review and recommend that the JEA Board approve and authorize the use the Debt Management Policy, as revised, at its August 27, 2019 meeting.

Aaron F. Zahn, Managing Director/CEO

AFZ/RFW/JEO/RLH

DEBT MANAGEMENT POLICY

Revised as of ~~December 15, 2009~~ August 27, 2019

I. SCOPE

This Policy applies to all current and future debt and related hedging instruments issued by JEA for its Electric System, Water and Sewer System, District Energy System, (DES), St. Johns River Power Park (SJRPP), Bulk Power Supply System, (BPSS), and any other entity created and approved by JEA's Board. The Policy is intended to provide broad policy guidance and facilitate the management, control, and oversight of JEA's debt function facilitating ongoing access to the capital markets necessary to the funding of future capital projects.

II. GOAL/MISSION/OBJECTIVE

JEA's debt shall be managed with an overall philosophy of taking a long-term approach in borrowing funds at the lowest possible interest cost. To achieve this goal, JEA will continuously work towards developing the optimal capital structure, including the amounts and types of variable rate exposure, in view of JEA's risk tolerance to market fluctuations, capital market outlook, future capital funding needs, rating agency considerations, counterparty credit profiles, and competition.

The Debt Management Policy sets forth parameters and provides guidance regarding the following issues:

- Capital structure
- Credit ratings
- Compliance with tax regulations
- Management of floating interest rate risk
- Management of hedging instruments

The main goals of the Debt Management Policy are as follows:

- Maintain cost of capital consistent with other "AA" similarly rated municipal utilities
- Maintain steady credit ratings
- Establish and maintain reserve funds
- Reduce floating rate debt "put" risk
- Maintain diversification of debt

III. RESPONSIBILITY FOR POLICY

The overall Debt Management Policy is approved by the JEA Board and implemented by the Chief Financial Officer (CFO) ~~Vice President of Financial Services.~~ An oversight committee, the Debt/Investment Strategy Committee (Committee) will meet ~~quarterly~~semiannually to develop strategy and review the performance of the debt and investment portfolio in conjunction with this Policy. The members of the Committee are the ~~CEO, CFO/Vice President of Financial Services, Director of Treasury Services, and Portfolio Specialist~~Managing Director and Chief Executive Officer (CEO), CFO, Treasurer and Manager Cash and Investments.

JEA's Treasury Services group will develop procedures to implement and administer this Policy. In addition, ~~Financial Management~~Treasury Services will continuously apply process improvement methodologies to make improvements to the Debt Management processes.

IV. AUTHORIZATION

A. Debt Authorization

—The overall amount of debt that JEA is allowed to issue for ~~both~~ the electric system ~~and, SJRPP,~~ the water and sewer system and DES is authorized by the JEA Board and by City Council ~~Ordinance~~ordinance on an as needed basis. Based on capital and related debt issuance ~~projections~~financial forecast, the JEA Board typically approves the projected debt issuance limits for the next several years in conjunction with the next fiscal year's budget process.

The available amount of debt authorization outstanding is monitored by Treasury Services and is reported monthly to the Board as part of the monthly financial statements.

B. Authorizations for Debt-Related Hedging Instruments such as ~~Swaps~~swaps and ~~Caps.~~caps.

Resolutions approving the use of interest swap, cap, and related hedging instruments outlining, among other things, size and maturity restrictions, must be approved by the JEA Board prior to execution.

C. New Systems Authorization and Financing

This Policy will include debt issued pursuant to new system resolutions approved by the JEA Board and City Council. Debt authorization limits will be approved by a separate authorizing resolution approved by the JEA Board and City Council ordinance.

V. INVESTMENT STRUCTURE

JEA is authorized to invest available funds pursuant to an established Investment Policy approved by the Board on September 19, 2000, last amended ~~August 18, 2008~~ March 26, 2019, Florida Statutes section 218.415 and the ~~-Electric, Water and Sewer, District Energy~~ DES, SJRPP, and ~~Bulk Power Supply bonds~~ BPSS bond resolutions. The primary goals of the Investment Policy are to (1) provide safety of capital, (2) provide sufficient liquidity to meet anticipated cash flow requirements and (3) maximize investment yields while complying with the first two goals. The Investment Policy outlines the parameters on authorized investments, maturity and liquidity requirement limits, and procurement and safekeeping procedures.

JEA ~~utilizes~~ is authorized to utilize investment/asset-based “fixed to floating” swaps in order to take advantage of longer term investment yields as a hedge to the shorter yielding funds which are required to remain in short-term investments (i.e., debt service funds and operating funds).

The notional amount of swaps outstanding classified as investment/asset-based swaps ~~are~~ is authorized by the Board under a separate resolution. JEA may not have outstanding a notional amount of investment/asset swaps which in aggregate is an amount greater than the amount of variable/short-term investable funds (100% hedged).

VI. ANNUAL PLAN OF FINANCE

~~Treasury Services will prepare annually, as~~ As part of the annual budget presentation, a Plan of Finance ~~that~~ will be submitted to the Board for information purposes. Such Plan of Finance will address at a minimum the amount of debt projected to be issued during the next fiscal year and whether such debt is senior or subordinated, fixed and/or variable and the possible use of hedging instruments.

A. The annual capital budgeting process will be used to project the amount of debt to be issued during the next five-year period. Factors to be considered in the final ~~projections~~ financial forecast are:

- The forecast of spending levels for capital projects.
- The availability of internal funds to pay for capital projects.
- Desired debt service coverage levels consistent with a highly rated electric and water and sewer utility.
- The additional bonds test calculation outlined in the respective senior and subordinated resolution of each system.

B. Senior vs. Subordinated Debt

The electric system and the water and sewer system each have a separate senior and subordinated bond resolution. The electric system senior

resolution authorizes debt issued under its resolution to fund projects relating to non-generation capital expenditures and the subordinated resolution authorizes debt issued under its resolution to fund projects relating to all categories of capital expenditures. This Policy will target debt issued under the subordinated resolution to fund generation capital expenditures.

The water and sewer senior and subordinated bond resolutions authorize debt to be issued under the respective resolution to fund projects relating to all categories of water and sewer related capital expenditures.

~~JEA is utilizing the original SJRPP bond resolution to issue debt in order to refund outstanding SJRPP debt. The proceeds from these debt issues are used to retire outstanding debt and cost of issuance of the refunding debt.~~
A second revenue bond resolution for SJRPP is being used to issue additional new money debt and any associated debt refunding transactions.

A restated and amended ~~Bulk Power Supply system~~BPSS resolution authorizes Debt to be issued to fund new projects and refund related debt.

The ~~District Energy System~~DES resolution authorizes debt to fund projects and refund related debt.

C. Tax-exempt vs. Taxable

As a municipal utility, JEA is authorized to issue tax-exempt debt and must comply with appropriate tax regulations. JEA will endeavor at all times to issue tax-exempt debt. For certain transactions, due to tax regulations, it may be necessary or advantageous for JEA to issue taxable debt. Such prevailing circumstances may include excessive transferred proceeds, volume cap limitations, and private use restrictions. Treasury Services will monitor current tax regulations and utilize tax-exempt financing whenever possible.

D. Fixed vs. Variable Debt

Pursuant to this Policy, JEA will not exceed 30% of Net Variable Rate Debt to Total Debt and will not exceed 55% of Net Variable Rate Debt plus Net Fixed to Floating Interest Rate Swaps to Total Debt.

For purposes of this Policy, the above limits will be calculated with the following components:

- Net Variable Rate Debt equals ~~actual~~Total Variable Rate Debt minus Net Variable Rate Assets.
- Net Variable Rate Assets equals ~~actual~~ Variable Rate Assets minus notional amount of investment/asset-matched interest rate swaps.

- Net ~~fixed~~Fixed to ~~floating interest rate swaps~~Floating Interest Rate Swaps shall be defined as the notional amount of fixed to floating swaps maturing in 10 years or less minus the notional amount of floating to fixed swaps maturing in 10 years or less outstanding on the last day of each month.
- Total Debt equals the par amount of fixed rate debt plus Total Variable Rate Debt.
- Total Variable Rate Debt equals hedged and unhedged variable rate debt.
- Variable Rate Assets are defined as investments maturing in less than one year.
- Unhedged Variable Rate Debt is defined as ~~actual variable rate debt~~Total Variable Rate Debt outstanding less variable rate debt that is associated with a floating to fixed rate swap where the term of the swap matches the term of the variable rate debt.

The calculation of these percentages will be performed ~~monthly~~semiannually and reported to the ~~CFO/Vice President of Financial Services~~Committee.

JEA's capital structure, comprised of fixed rate debt, variable rate debt, and debt-related hedging instruments such as interest rate swaps and caps, will be managed in conjunction with investment assets and investment-related hedging instruments to incorporate the natural occurrence of hedging impacts in those balance sheet categories. The goal of adopting a comprehensive investment and debt management strategy is to use each side of the balance sheet to mitigate or hedge cash flow risks posed by the other side of the balance sheet. For example, interest income for variable rate assets provides a natural offset to the interest expense of variable rate debt as interest rates increase or decrease. Therefore, in determining JEA's exposure risk to a changing interest rate environment, both components of the balance sheet will be analyzed and JEA's "net" exposure evaluated.

JEA will utilize a mix of fixed and variable rate debt to lower the overall cost of capital. Variable rate debt will generally be used as an efficient way to fund new construction requirements and as a permanent component of a long-term funding strategy. The amount of variable rate debt outstanding shall be based on any one or a combination of the following factors:

(1) Interest Rates

The absolute level of interest rates, the forecasted direction of interest rates and the shape of the yield curve are all factors in managing the amount of variable rate debt outstanding. If fixed rates are high relative to the current cycle of rates and the yield curve is steep, a higher percentage of net variable rate debt may be

desirable. Conversely, if interest rates are low relative to the current cycle of rates and the yield curve is flat, a higher percentage of net fixed rate debt may be desirable.

(2) Capital Structure and Construction Funding

Given that JEA has a continuous capital program with projects beginning at various points in time and the lack of correlation between low interest rate environments and the need to begin a project, having a variable rate program will allow for “Just in Time” financing while providing for market timing flexibility. Additionally, variable rate debt adds flexibility for capital structure changes like accelerating the pay down of debt.

(3) Other Related Variable Rate Risks

JEA will take into consideration when determining the appropriate variable rate risk levels the potential exposure to variable rate risk on joint financing programs with the City of Jacksonville and other related agencies.

JEA’s strategies for responding to changes in short and long-term interest rates include the following actions:

- JEA may elect to lower the ratio of ~~net variable rate debt~~Net Variable Rate Debt to ~~total debt~~Total Debt when (a) long-term interest rates are at or near market lows compared to market-based indices for the last three to ten-year averages, (b) short to intermediate-range forecasts for long-term rates are predicting higher rates or (c) the ratio of ~~variable rate debt~~Net Variable Rate Debt to ~~total debt~~Total Debt is or forecasted to be at the upper end of the allowable percentage. If such a determination is made to lower the ratio, the desired ranges for the ratios outlined in Section VI.D, above are 10% to 25% of Net Variable Rate Debt to Total Debt and 35% to 50% of Net Variable Rate Debt plus Net Fixed to Floating Interest Rate Swaps to Total Debt.
- JEA may elect to increase the ratio of ~~net variable rate debt~~Net Variable Rate Debt to ~~total debt~~Total Debt when (a) long-term interest rates are at or near market high levels compared to market based indices for the last three to ten year averages, or (b) short to intermediate-range forecasts for long-term rates are predicting lower rates or (c) the ratio of ~~variable rate debt~~Net Variable Rate Debt to ~~total debt~~Total Debt is or forecasted to be at the lower end of the allowable percentage. If such a determination is made to increase the ratio, the desired ranges for the ratios outlined in Section VI.D- above are 20% to 30% of Net Variable Rate Debt to Total Debt and 45% to 55% of Net Variable Rate Debt plus Net Fixed to Floating Interest Rate Swaps to Total Debt.

To assist in the decision making process, a forecast of interest rate volatility over the short and long terms and expected performance of various financial products (debt or hedging instruments) under various interest rate scenarios will be modeled on a periodic basis. In determining when to use alternative financing arrangements including variable, fixed, and synthetic structures, the availability of internal and external technical expertise to properly manage risk will be evaluated along with ongoing administrative costs. These analyses will be reviewed at the regularly scheduled ~~quarterly~~semiannual meetings by the Committee.

E. “Just in Time” Financing.

The cash flow forecast for budgeted capital projects is the main factor used in determining the appropriate timing of new money debt transactions. The goal is to issue new debt as outstanding debt proceeds are spent. However, the timing of debt transactions may also depend upon factors including:

- Desired debt service coverage levels
- Budget, financial statement and ratings impacts
 - ~~Ability to earn positive arbitrage~~
 - Annual Plan of Finance
- Interest rate environment

All of the above factors are considered prior to making the final determination of the most optimal time to issue new debt to fund capital projects.

F. Budget/~~Projection~~Financial Forecast goals for debt service

In order to adequately project debt service for budget purposes and for official ~~projections~~financial forecast/rating agency purposes, Treasury Services will develop interest rate assumptions using the following guidelines:

(1) Fixed Rate Debt

For the upcoming budget year, the budget assumption for interest rates for new incremental fixed rate debt will be (i) at a minimum, the average of the AA MMD index for comparable maturities for the most recent twelve months ending March 31, or (ii) management, at its discretion, ~~can~~ choose to utilize higher rates. Interest rate forecasts from JEA’s underwriting team can be used as support for this determination. ~~Projections~~Forecasts for the fiscal years beyond the upcoming budget year will be based upon the budget interest rate assumption plus or minus based upon input from either ~~senior management or projections forecasts~~ received from investment bankers ~~or from Bloomberg~~.

(2) Variable Rate Debt

~~For the upcoming budget year, the budget assumption for interest rates for outstanding and new incremental variable rate debt will be (i) at a minimum, the average of the BMASIFMA index for the most recent twelve months ended March 31February 28, or (ii) higher rates selected by Management, at itsthe Treasurer's discretion~~—~~. Interest rate forecasts from JEA's underwriting team or from Bloomberg can be used as support for this determination. ProjectionsForecasts for the fiscal years beyond the upcomingcoming budget year will be based upon the budget interest rate assumption plus or minus based upon input from either senior management ~~or projections~~forecasts received from investment bankers or from Bloomberg.~~

(3) The interest rate assumptions may be adjusted based upon JEA's actual trading differential to the appropriate index during the most recent twelve months ended March 31February 28.

(4) The projected fixed and variable interest rate assumptions will be agreed~~—upon~~provided by the Debt/Investment~~—Strategy Committee~~Treasurer by April 30February 28th of each year; ~~commencing in fiscal year 2004.~~

(5) Unless otherwise agreed upon by the CommitteeCFO, debt service for new debt will be projected on a level basis.

G. Credit Ratings

JEA recognizes that strong credit ratings are necessary to ensure the lowest possible borrowing costs, which will factor into maintaining low rates for our customers. JEA's goal is to maintain a long-term senior unsecured "AA" category rating by each rating agency.

JEA will utilize the following municipal debt rating services: Fitch Ratings, Standard and Poor's, and Moody's Investors Service. Any changes, additions, or deletions to the list above will require approval of the CEO.

VII. FIXED RATE DEBT

A. Overview

Fixed rate debt is authorized to finance capital projects and for any other allowable purpose as stipulated in the governing bond resolutions and tax regulations.

B. Type

JEA may issue any type of fixed rate debt as authorized by JEA's various bond resolutions and recommended by JEA's Financial Advisor. Some of the various types of debt authorized include, but are not limited to, serial and term bonds issued at par, discount or premium, capital appreciation bonds, and bullet bonds (e.g., refundable principal installments).

C. Maturity, Structure, and Call Provisions

Prudent debt management requires that there be a proper matching of the lives of the assets and the length of the debt used to finance such asset. JEA will, at all times, structure the amortization and maturity of any fixed rate debt to comply with the appropriate tax regulations.

To provide the maximum amount of flexibility, JEA will utilize, for tax-exempt debt, five year but no longer than ten-year calls, at par, whenever possible. For taxable debt, JEA can utilize make whole call provisions at terms and conditions prevalent in the taxable bond market at the time of pricing. JEA staff along with the financial advisor and underwriter will assess the market at the time of pricing to determine its ability to issue bonds with such features while minimizing interest costs.

D. Providers

Under the PurchasingProcurement Code, JEA is allowed to sell debt by either negotiated sale or competitive bid. The determination of the method is to be made prior to each financing.

If JEA selects the "negotiated sale" method, the underwriting team will be selected pursuant to the JEA PurchasingProcurement Code. JEA shall require that a master underwriting agreement be entered into and signed by all parties at the end of the solicitation process and a separate bond purchase agreement with the senior underwriter(s) shall be approved by the JEA Board at each sale of debt.—, unless the Board has previously delegated such approval authority to the CEO.

If JEA selects the "competitive sale" method, determination of the winning bid will be based on the following methodology: (1) the "standard convention" as recommended by JEA's Financial Advisor, (2) calculation utilized by the State Board of Administration or (3) the underwriting firm with the lowest True Interest Cost (TIC) proposal.

JEA will employ staff or an outside professional financial advisor, other than the underwriter, who is familiar with and abreast of the conditions of the municipal market, and is available to assist in structuring the issue, pricing, and monitoring of sales activities. JEA shall not use a firm to serve as both the financial advisor and underwriter. Selection of underwriters, financial

advisors, bond counsel, and other necessary consultants involved in the debt transactions will be selected as outlined in the JEA [PurchasingProcurement](#) Code.

E. Debt Service Reserves

A debt service reserve will be funded, maintained, and held for the benefit of bondholders as specified in the Supplemental Resolution authorizing the sale of the bonds to pay principal and/or interest on the bonds should revenues from operations not be sufficient for such purpose in accordance with the appropriate bond resolution.

- The debt service reserve may be in the form of cash and/or investments funded from the proceeds of bonds and/or revenues from operations.
- If allowed by the resolution, a surety issued by a financial institution nationally recognized in the industry to issue such policies may be used in place of a cash-funded debt service reserve.
- If allowed under the respective bond resolution, any other form of financial instruments may be used in place of cash-funded or surety-funded debt service reserve, provided such financial instruments are issued by firms of nationally recognized standing.
- JEA will weigh the benefits of each method of funding the debt service reserve prior to each issue and will choose the method most beneficial to JEA based upon the facts and circumstances of each issue.

A debt service reserve may also be maintained if, in the opinion of the underwriter, it is reasonably required to provide security for the payment of debt service with respect to JEA's bonds and is consistent with normal practice in respect of bonds of the same general type as those being issued by JEA. Selection of a surety provider or provider of any financial instrument acceptable to fund the debt service reserve requirement under the appropriate resolution will be pursuant to the JEA [PurchasingProcurement](#) Code.

F. Bond Insurance

For each debt transaction, JEA will evaluate the economic benefit of using bond insurance. This analysis will incorporate the insurance benefits to the call date, to maturity date, and any intermediate date. If based on the analysis, JEA determines that bond insurance will add economic benefit to the transaction an insurance provider will be selected pursuant to the JEA [PurchasingProcurement](#) Code. Financial institutions which insure bonds for investors of JEA must have, at the time the bonds are issued, a credit rating (if rated) not less than AA/Aa2/AA from Fitch Ratings, Moody's, and Standard & Poor's, respectively.

G. Approvals

The structure, maturity, and call provisions for each fixed rate financing must be approved in writing by the CFO/~~Vice President of Financial Services~~ on or prior to the date of pricing. The CFO/~~Vice President of Financial Services~~ has the responsibility to review the structure of each debt transaction with the CEO. Negotiation with the underwriter on negotiated bond transactions will be conducted by the ~~Director, Treasury Services~~. Treasurer. Final transaction approval must be obtained from the Board; however, it may be in the form of a delegated authority.

H. Reporting and Compliance

A monthly report entitled "Schedule of Outstanding Indebtedness" will be provided to the Board that summarizes the principal amount, the range of interest rates and maturity dates of all outstanding debt.

JEA is committed to full and complete compliance with all applicable laws and regulations with respect to its debt. Because of the complexity of the tax regulations and the consequences of non-compliance, the advice of bond counsel and other qualified professionals will be sought whenever necessary. In carrying out its responsibility, JEA shall monitor and analyze the investments and use of bond proceeds and calculate the amount of arbitrage rebate liability due.

VIII. VARIABLE RATE DEBT INSTRUMENTS

A. Overview

Variable rate debt is authorized to finance capital projects and for any other allowable purpose as stipulated in the governing bond resolutions and tax regulations.

JEA must adhere to the variable rate debt limits outlined in this Policy.

B. Type

JEA may issue any type of variable rate debt as authorized by JEA's various bond resolutions and recommended by JEA's Financial Advisor. Some of the various types of debt authorized include, but are not limited to, Commercial Paper, Variable Rate Demand Obligations, ~~Auction Rate Securities~~, and Medium-Term Notes.

C. Management

On a periodic basis, ~~but not less than quarterly, the~~ Treasury Services group will make decisions regarding any changes to the interest mode for variable

rate demand obligations, ~~auction period for auction rate securities~~ and desired maturities for commercial paper.

D. Maturity and Call Provisions

As with fixed rate debt, JEA will structure the maturity dates of the variable rate debt to match the lives of the assets being financed. JEA will, at all times, structure the amortization and maturity of any variable rate debt to comply with the appropriate tax regulations. For JEA commercial paper program, the maturity of a Commercial Paper Note shall not exceed 270 days and the term of a commercial paper program shall not exceed 30 years in order to stay within the current safe harbor rules to be treated as part of a single issue. For variable rate debt with tender rights, the current safe harbor rules limit the maturity to no longer than 35 years.

E. Providers

Underwriters, remarketing agents or dealers of JEA's variable rate debt program will be selected pursuant to JEA's PurchasingProcurement Code.

Banks providing Liquidity Facilities for variable rate debt shall be reviewed regularly with the Financial Advisor and minimum short-term ratings (if rated) established for these providers shall be F1, P1, A1 from the three rating agencies: Fitch Ratings, Moody's, and Standard & Poor's, respectively. The long-term credit rating should generally have a minimum rating equal to JEA's credit rating on the underlying debt.

If bond insurance is necessary for variable rate debt, the insurance provider will be selected pursuant to JEA's PurchasingProcurement Code. Financial institutions which insure bonds for investors of JEA must have, at the time the bonds are issued, a short-term credit rating (if rated) of F1, P1, A1 and a long-term credit rating (if rated) not less than AA/Aa2/AA from Fitch Ratings, Moody's, and Standard & Poor's, respectively.

~~F. Reserve Fund~~

~~Beginning in FY 2010, deposits will be made to the Rate Stabilization Fund for the Debt Management Strategy Reserve and will reflect the difference in the actual interest rates for interest expense on the unhedged variable rate debt as compared to the budgeted assumptions for interest expense on the unhedged variable rate debt. At a minimum, 50% of the calculated reserve will be recorded and deposited each fiscal year. An additional amount, up to the full value of the calculated reserve (the remaining 50%), will be reviewed by the Debt and Investment Committee and recorded at their option. However, the amount deposited to the Rate Stabilization Fund (in addition to actual debt service costs for the fiscal year) cannot exceed~~

~~the total amount of the budgeted debt service. The reserve will be calculated on a system by system basis, however, based on the calculation, any mandatory deposit will exclude the District Energy System. The budget reserve is capped at five percent of the par amount of the total outstanding variable rate debt. Withdrawals from the Rate Stabilization Fund for the Debt Management Strategy Reserve can be used for any lawful purpose including debt service, debt repayment, and capital outlay and must be approved in writing by the CEO.~~

F. Approvals

~~—The structure, maturity, and call provisions for each variable rate financing must be approved in writing by the CFO/Vice President of Financial Services prior to the transaction. The CFO/Vice President of Financial Services has the responsibility to review the structure of each debt transaction with the CEO. Final transaction approval must be obtained from the Board.~~

G. Compliance/Reporting Requirements

The amount of variable rate debt outstanding for JEA shall be included on the report entitled “Schedule of Outstanding Indebtedness” and will be reported to the Board monthly in conjunction with the monthly report of financial position of JEA. For variable rate debt, this report shall ~~detail~~ summarize the various types, maturities, and current rates of interest on each variable debt issue then outstanding.

A report shall be prepared ~~quarterly~~ semiannually for the Committee, showing the comparison of the monthly interest rates (including all fees) paid for each ~~Variable Rate~~ variable rate issue then outstanding, comparing each of these with the monthly average interest rate of LIBOR, ~~BMASIFMA~~, and such other short-term variable interest rate indices, which may accurately reflect the existing variable interest rate market. This comparison will provide information on the most cost beneficial type and mode of variable rate debt for various periods of time. This information will be used as part of a recommendation on what type of variable rate debt will be issued in future periods or for changes to JEA’s existing variable rate program.

JEA will monitor and report any arbitrage rebate liability due to the U.S. Treasury on bond proceeds from variable rate transactions.

IX. DEBT REFUNDING

A. Overview

~~Refunding~~The refunding of outstanding debt represents unique opportunities~~an opportunity~~ for JEA to realize savings in debt service ~~cost~~. ~~Refunding also allows~~savings. Refundings may allow JEA to ~~re-structure~~restructure its existing debt ~~or debt profile~~portfolio to enable JEA to operate in a more competitive manner. Many of the policies and practices applicable to new money fixed and variable rate financings are applicable to debt refundings as well ~~and those policies and practices shall be adhered to in any debt refunding issue unless specifically addressed below.~~

B. Management

Periodic reviews of all outstanding debt will be undertaken to determine refunding opportunities. Refundings will be considered within federal tax law constraints. JEA and the financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings. Current tax regulations do not permit ~~one~~tax-exempt Advance Refunding ~~opportunity for a post-1986 issue of bonds.~~transactions. There are no ~~similar~~ limitations with respect to a current refunding of bonds. The following guidelines should apply to the issuance of refunding bonds:

- (1) Any refunding will be evaluated on the economic savings or structure advantages relating to issuing the new debt. For a fixed rate refunding, a five percent savings target is a general guideline. However, refunding issues that produce a net present value savings of less than five percent may be issued for various business and/or economic purposes. Examples include but are not limited to (a) restructuring debt, (b) amending provisions of a bond document, and (c) taking savings based on structure or low interest rate environment considerations. Savings below the five percent guideline must be approved by the CFO ~~Vice President of Financial Services~~ or by delegated authority from the Board prior to the execution of the refunding transaction.
- (2) Refundings involving variable rate debt generally do not produce savings and will not have a savings guideline. These transactions are usually executed to take advantage of structuring opportunities or to reduce risk, or may be utilized to take advantage of low long-term interest rates.
- (3) The final structure (including the use of hedging products) will be recommended by ~~the~~ Treasury Services ~~group~~ to the CFO ~~Vice President of Financial Services~~ for approval prior to the execution of any refunding transaction. The ~~Vice~~ CFO ~~President of Financial~~

~~Services~~ has the responsibility to review the structure of each debt transaction with the CEO.

C. Fixed and Variable

JEA can utilize fixed or variable rate debt for refunding purposes and must adhere to the variable rate debt limits outlined in this Policy.

D. Maturity and Call Provisions

The maturity of refunding bonds shall, absent a bond counsel opinion, be in accordance with the safe harbor rules for the creation of replacement proceeds found in the tax regulations.

To provide the maximum amount of flexibility, JEA will utilize five year, but no longer than 10 year calls, at par, whenever possible for tax-exempt debt. Call provisions for taxable debt will be based on terms and conditions prevalent in the taxable bond market at the time of pricing. JEA staff along with the financial advisor and underwriter will assess the market at the time of pricing to determine its ability to issue bonds with such features while minimizing interest costs.

E. Debt Service Reserve

~~To the extent of an existing cash funded debt service reserve, in~~ In the event ~~of that~~ a refunding ~~that transaction~~ reduces the debt service reserve requirement, ~~JEA will~~ may deposit any such reduction into the defeasance escrow account for the refunded bonds or utilize the reduction for any lawful purpose.

F. Approvals

The structure, maturity, and call provisions for each refunding must be approved in writing by the CFO ~~Vice President of Financial Services~~ on or prior to the date of pricing. The CFO ~~Vice President of Financial Services~~ has the responsibility to review the structure of each debt transaction with the CEO. Negotiation with the underwriter on negotiated bond transactions will be conducted by the ~~Director, Treasury Services. Treasurer.~~ Final transaction approval (which may be delegated) must be obtained from the Board.

~~H. SJRPP/FPL Considerations~~

~~Under the Joint Ownership Agreement JEA financed its 80% ownership interest in the joint facilities through the issuance of tax exempt bonds. FPL is obligated under the sale back arrangement to pay 37.50% of the debt service on the bonds issued for construction by JEA to finance its interest.~~

~~Although not required but done in the spirit of fostering a good partnership relationship, JEA has made it a practice to confer with FPL with respect to various structural elements in its refunding of SJRPP debt. JEA will continue to confer with FPL on various structural issues of future refundings but is not required to obtain its approval with respect to such structural issues nor with respect to the timing of such refundings.~~

X. INTEREST RATE SWAPS, CAPS, COLLARS, AND RELATED HEDGING INSTRUMENTS

A. Overview

The prudent use of hedging instruments, including interest rate swaps, caps and collars, can be an effective tool in meeting funding needs and structuring a balance sheet while managing risk associated with the movement of interest rates. Utilizing hedging products can provide JEA with cost effective alternatives to traditional debt financing choices.

Utilizing interest rate swaps to achieve substantially lower interest costs is a main component in building the desired capital structure to allow JEA to compete effectively. There are three types of interest rate swaps JEA is authorized to enter into:

- Floating to fixed rate swaps,
 - Hedge interest rate risk on variable rate debt,
 - Lock in fixed rates on refunding bonds that will be issued in the future or
 - Take advantage of opportunities to obtain fixed swap rates that are lower than comparable fixed rate bonds.
- Fixed rate to floating rate swaps
 - Increase the amount of variable rate exposure without incurring the remarketing and liquidity costs.
 - Eliminate the put risk associated with variable rate debt.
 - Take advantage of opportunities to obtain variable swap rates that are lower than comparable variable rate bonds.
- Basis swaps manage the risk associated with
 - The mismatch between two benchmarks.
 - Methodologies used to set interest rates.

B. Risks

Interest rate swaps and related hedging instruments may introduce additional risks to JEA's credit profile. These risks include, but are not necessarily limited to, termination risk, counterparty risk, re-execution risk,

amortization risk, Basis Risk, and tax event risk. Prior to entering into each interest rate swap transaction, these risks are evaluated to ensure adequate provisions are in place to minimize the downside and provide the maximum benefit the transaction originally intended.

C. Limits

The percentage of variable rate exposure (the notional amount of ~~“net” fixed~~Net Fixed to ~~floating interest rate swaps~~Floating Interest Rate Swaps and ~~variable rate debt~~Total Variable Rate Debt outstanding) to ~~total debt~~Total Debt outstanding shall not exceed 55%. The ~~variable rate debt~~Total Variable Rate Debt outstanding and ~~“net” fixed~~Net Fixed to ~~floating rate swaps~~Floating Interest Rate Swaps shall be calculated as set forth in Section VI.D of this Policy. The notional amount of interest rate swaps, caps, collars, and related hedging instruments will be limited to the amount approved in resolutions approved by the Board from time to time.

Interest rate caps and related hedging instruments will be utilized to help manage interest rate risk in the ~~Debt Management Program~~debt portfolio. At all times, a fixed to floating- interest rate swap will have an associated interest rate cap for the same notional amount at a level no greater than 200 basis points above the interest rate swap fixed rate. (See waiver in Section K)

Additionally, it is contemplated that an interest rate cap will not always have the same maturity as the interest swap with which it is associated. The average life of aggregate outstanding caps will not be less than 75% of average life of the associated aggregate swaps.

From time to time, Treasury Services will evaluate the use of collar (cap and floor instrument) transactions as a hedging tool to minimize cost and risk. The cap portion will be executed pursuant to the above referenced rules. The related floor rate will be approved by the Committee prior to execution.

D. Fixed to Floating Rate Swap Management

The Committee shall have the overall responsibility, from an overview standpoint, for the execution and management of fixed to floating interest rate swaps. One of the main components of the debt management strategy is to use intermediate term fixed to floating rate swaps to achieve a long-~~term~~ goal of having up to 55% of the total debt based on a floating/variable interest rate.

Based on Committee approval, interest rate swaps will be executed ~~quarterly~~semiannually to achieve an averaging into the market philosophy. The Committee shall determine the size of the total interest rate swap program and the maturity date for the swaps within the parameters of ~~the~~this Policy, which has been approved by the Board.

Forecasts of interest rate volatility over the intermediate term (4 to 7 years) and expected performance of the swaps, caps, collars, and related hedging instruments under various interest rate scenarios shall be updated on not less than a ~~semi-annual~~semiannual basis. Short and long-term interest rates will be monitored over varying time periods. If current interest rates are either above or below the moving averages as measured by varying time periods, the Committee may elect to alter the timing of adding additional fixed to variable swaps to either increase or decrease the amount of variable exposure. Furthermore, the Committee may elect to enter into “reversing” swaps to take advantage of market opportunities. In the event a fixed to floating swap is “reversed”, any associated floor will be simultaneously “reversed”. Any associated cap will be evaluated and “reversed” if approved by the Committee.

The amount of interest rate caps shall not exceed the amount of variable rate exposure to JEA.

The following “decision rules” will govern the decision to initially execute a fixed to floating interest rate swap, cap, or other hedging instruments within the Debt Management Program:

1. JEA receives payments based on a fixed rate and pays based on a floating rate.
2. Floating rate is based on either SIFMA or LIBOR.
3. If the ~~BMA~~SIFMA Index is selected, no adjustment to the notional amount is needed.
4. If the LIBOR index is selected, the notional amount of the interest rate swap and cap will be adjusted by the current ratio of the ~~BMA~~SIFMA based fixed rate to the LIBOR based fixed rate. (See example below)

$$\frac{\text{BMA Fixed Rate}}{\text{LIBOR Fixed Rate}} = \frac{4.50\%}{6.50\%} = 69.2\%$$

$$\frac{\text{SIFMA Fixed Rate}}{\text{LIBOR Fixed Rate}} = \frac{1.56\%}{2.36\%} = 66.1\%$$

The notional amount will be multiplied by the ratio to obtain the adjusted notional amount.

5. Decision to select LIBOR or ~~BMA~~SIFMA will be based on a combination of historical, current, and future expectations for the relationships of floating ~~BMA~~SIFMA to floating LIBOR and fixed

~~BMASIFMA~~ to fixed LIBOR. Generally, if the floating ~~BMASIFMA~~ to LIBOR ratio is lower than the fixed ~~BMASIFMA~~ to LIBOR ratio, a ~~BMASIFMA~~ based swap is preferred. However, historical and future expectations must be evaluated in order to make the decision.

6. Term of the interest rate swap and cap shall not exceed 10 years. The overall average for the program will be four to seven years.
7. An interest rate swap will not be executed unless the spread between the fixed rate and initial floating rate is a positive 10 basis points or more. In addition, as stated above, the execution of a swap may be affected by the relationship of current rates to historical averages.
8. If a swap is not executed or re-executed due to the 10 basis point decision rule, the swap will be executed during the following quarter, decision rule permitting. If a swap is not entered into due to the historical relationship of rates to the current level, the Committee will decide when the appropriate time to enter into the next transaction. In the event swaps are delayed for two or more consecutive periods, only one additional swap per quarter will be executed until the original schedule can be re-established.
9. An interest rate cap is to be entered into at the time of each swap transaction for the identical notional amount if JEA does not have a current interest rate cap in place that meets the criteria. The cap should be at a level no greater than 200 basis points above the fixed rate of the swap. However, if JEA has current interest rate cap positions that are not associated with any particular interest rate swap, but are being utilized generally to manage variable rate risk, an interest rate cap meeting the conditions listed above may be utilized to satisfy the requirements of this section.

The Committee will meet on a ~~quarterly~~semiannual basis to review the performance of the fixed to floating interest rate swaps, and review the current interest rate swap and cap decision rules. Any changes to the “decision” rules recommended by the Committee must be approved by the Board prior to implementation. The Committee may, however, elect not to execute an interest rate swap or cap normally scheduled to be executed based on the “decision rules” if a change to the “decision rules” has been recommended by the Committee but not yet acted on by the Board.

E. Floating to Fixed Rate Swap Management

The Committee shall have the overall responsibility regarding the execution and management of floating to fixed interest rate swaps. An additional component of the debt management strategy is to use floating to fixed rate swaps to lock in the lowest possible borrowing costs over a long period of

time. Floating to fixed rate swaps can be used in conjunction with issuing variable rate debt to obtain the lowest fixed rate when compared to traditional forms of fixed rate financings. In addition, floating to fixed swaps may be desirable when the cycle of long-term rates moves down to or near historical lows and “fixing” a portion of the outstanding variable rate debt appears advantageous. Swaps will be evaluated as alternatives to traditional financing instruments considering their comparable costs, ease of entry and exit provisions, and the amount of potential risk exposure.

Interest rate swaps will be executed for notional amounts, maturities and other related terms and conditions as determined by the Committee. Re-execution risk, amortization risk, tax event risk and Basis Risk will be evaluated in order to minimize any potential negative results.

Forecasts of interest rate volatility over the term of the swaps and expected performance of the swaps under various interest rate scenarios shall be analyzed prior to the execution of the swaps. Short and long-term interest rates will be monitored over varying time periods. The Committee may elect to enter into “reversing” swaps to take advantage of market opportunities.

The following “decision rules” will govern the decision to execute and/or re-execute a floating to fixed interest rate swap:

1. JEA receives payments based on a floating rate and pays based on a fixed rate.
2. Floating rate is based on either BMASIFMA or a percent of LIBOR.
3. If the BMASIFMA Index is selected, no additional analysis is needed.
4. If the LIBOR index is selected, the historical relationship of BMASIFMA to LIBOR will be used as a guide when selecting the percent of LIBOR as the index. A risk analysis will be done on a projected basis to quantify the risk versus potential reward.
5. Decision to select LIBOR or BMASIFMA will be based on a combination of historical, current, and future expectations for the relationships of floating BMASIFMA to floating LIBOR and fixed BMASIFMA base rate versus the fixed rate based on the LIBOR index.
6. Term of the interest rate swap is a maximum of 30 years or if the swap is executed with the purpose of synthetically fixing a specific variable rate debt issue, the swap transaction is permitted to have a term which matches the term of the variable rate debt, but will be determined based on the life of the related debt being hedged. If the term of the swap is less than the underlying debt that it may generally be hedging, JEA is exposed to re-execution risk. In a rising interest

rate environment, a new swap may potentially be re-executed at a higher fixed rate than the original swap. Additionally, the amortization of the principal on the debt that the swap is generally hedging is taken into consideration when structuring the terms and conditions of the swap. This is referred to as amortization risk.

Interest rate ~~Cap~~caps and ~~Collar~~collars are additional hedging instruments that JEA may utilize to manage risks associated with variable rate debt. All ~~Cap~~cap or ~~Collar~~collar transactions executed must comply with the requirements set forth in items F through K listed immediately below.

F. Compliance and Reporting Requirements

Resolutions approving the use of interest rate swap, cap, and other hedging instruments outlining, among other things, size, and maturity restrictions, must be approved by the JEA Board prior to execution.

JEA Board must approve the overall Debt Management Policy including explicit parameters for the use of interest rate swaps, caps, and other hedging instruments.

JEA CEO must sign all interest rate swap, cap, or collar confirmations.

JEA external auditors shall perform an annual review relating to fixed to floating interest rate swap management and present to the JEA Board.

Monthly performance reports regarding outstanding interest rate swaps, caps and related hedging instruments will be provided to Accounting Services to be included in the monthly financial statements to the Board. Mark to market valuations will be updated on a ~~quarterly~~semiannual basis and provided to Committee members and Accounting Services to be included in the financial statements.

Collateral reports will be updated on a monthly basis providing information relating to specific swap transactions that may require collateral posted based on mark to market valuations.

JEA's CFO/~~Vice President of Financial Services~~ or ~~Director, Treasury Services~~Treasurer must approve the interest rate swap term sheet prior to execution. In addition, the purpose of the transaction, (asset matched, debt management, etc.) will be included as part of the swap paperwork file kept for each executed swap transaction.

G. Providers

Financial Institutions and Dealers executing interest rate swaps, caps, and other hedging instruments for JEA shall be selected pursuant to the JEA

~~Purchasing Procurement~~ Code. JEA shall require that all institutions and dealers entering into interest rate swap, cap and other hedging instrument agreements execute a Master Swap Agreement (the ISDA Master Agreement must be used as a part of the Master Swap Agreement) that is signed by both parties. All transactions entered into shall adhere to the requirements of the Master Swap Agreement.

H. Diversification

No more than \$500 million of net interest rate swap and cap or other hedging instruments shall be outstanding in the aggregate with any one provider or affiliate thereof unless approved in writing by the CEO. The aggregate amount of all “long dated” (greater than 10 years) transactions executed with financial institutions and all affiliates thereof, shall be limited to an amount based on the credit rating of the financial institution at the time of the entry into the long dated hedging transaction as shown below:

Rating Level	Notional Amount
AAA/Aaa by one or more Rating Agencies	\$400,000,000
AA-/Aa3 or better by at least two Rating Agencies	\$300,000,000
A/A2 or better by at least two Rating Agencies	\$200,000,000
Below A/A2 by at least two rating Agencies	\$0

<u>Rating Level</u>	<u>Notional Amount</u>
<u>AAA/Aaa by one or more Rating Agencies</u>	<u>\$400,000,000</u>
<u>AA-/Aa3 or better by at least two Rating Agencies</u>	<u>\$300,000,000</u>
<u>A/A2 or better by at least two Rating Agencies</u>	<u>\$200,000,000</u>
<u>Below A/A2 by at least two Rating Agencies</u>	<u>\$0</u>

The rating criteria shown above apply either to the counterparty to the long dated transaction or, if the payment obligation of such counterparty under the relevant Swap Agreement shall be guaranteed by an affiliate thereof, such affiliate. ~~The overall maximum by definition of the above limits can~~ ~~not~~cannot exceed \$400 million for “long dated” transactions.

This provision includes all interest rate swap, cap and other hedging instruments JEA may utilize to manage interest rate risk including, but not limited to, debt management, and 100% investment/asset matched program.

I. Bid

All “initial” interest rate swap and cap transactions shall be competitively bid by at least (3) three providers that have executed interest rate swap agreements with JEA. Upon written authorization from the CEO or his designee, 1) a “reversing transaction” resulting in an upfront payment to JEA may be negotiated with the original swap, cap, or collar counterparty, 2) a negotiated swap with a counterparty may be executed as part of a debt financing or (3) a cap/collar can be procured either with bids received from two providers or negotiated with only one provider if JEA receives a letter from the then current Financial Advisor stating that the payment for such cap/collar was executed at market levels.

J. Reserve Fund

An annual budgeted reserve contribution ~~(budgeted contributions beginning 10/1/03)~~ will be made to a reserve fund to cover any payments made as a result of the use of swaps as part of the Policy. Three percent of the notional amount of each fixed to floating interest rate swap initially executed will be retained in the reserve fund and used if needed to make interest rate swap payments. The contributions to the reserve fund will be funded in three equal installments of 1% of the notional amount beginning in the month the swap is executed. Once funded, the reserve fund shall at all times be not less than three percent of the notional amount of fixed to floating debt interest rate swaps outstanding unless the reserve fund is used as stipulated below. Accounting will be consistent with the variable rate reserve fund.

The reserve fund can be used for any lawful purpose including debt service, debt repayment and capital outlay. The use of this reserve fund must be approved in writing by the CEO.

K. Other

If a fixed to floating interest rate swap is executed in conjunction with a refunding transaction where the net effect is to maintain the current level of variable rate exposure, (1) the requirement to execute a cap with an associated fixed to floating swap is waived and (2) any reserve requirement needed for the fixed to floating swap is waived; however, the reserve requirement shall be calculated as if the variable rate debt is outstanding in the amount of the notional amount of the associated fixed to floating interest rate swap.

XI. INSIDER TRADING POLICY GUIDELINES

Insider trading is a court developed doctrine under which it is unlawful to purchase or sell a security while in possession of material ~~nonpublic~~non-

public information in breach of a duty or other relationship of trust or confidence.

Insider trading likely would not be found where an issuer is communicating in good faith with investors or analysts and disclosing information that is (1) Public, (2) not material or “market-moving” or (3) both public and non-material.

A written procedure, approved by the **Managing Director/CEO**, will provide specific guidelines that JEA employees will follow to ensure compliance with insider rules and regulations

XII. POLICY EXCEPTIONS

Any financing activity not included in this Policy will be brought to the Board for review and approval prior to execution.

XIII. EFFECTIVE DATE

This Policy will become effective May 20, 2003 (as revised April 19, 2005, October 10, 2005, November 20, 2007, ~~and~~ December 15, 2009) and August 27, 2019).

XIV. DEFINITIONS

Advance Refunding A bond is treated as issued to advance refund another bond if it is issued more than 90 days before the redemption of the refunded bond.

~~**Auction Rate Bonds** means “Short-term Adjustable Rate Securities” which are issued and outstanding under the “Auction Rate Mode” and which bear interest for each Auction Period, payable in arrears, at the Auction Rate in effect on the Auction Date (as defined in the respective Supplemental Resolution) for the Auction Period as defined. Such securities do not normally require Liquidity Facility support, but may require Bond Insurance.~~

Basis Risk Movement in the underlying variable rate indices may not be perfectly in tandem, creating a cost differential that could result in a net cash outflow from the issuer. Also, the mismatch that can occur in a swap with both sides using floating, but different, rates.

~~**BMA Index** The Bond Market Association Municipal Swap Index, the principal benchmark for the floating rate payments for tax-exempt issuers. The index is a national rate based on a market basket of high-grade, seven-day tax-exempt variable rate bond issues.~~

Capacity Expansion Capital expansion projects are those projects designed to accommodate new customers, acquisitions, new “plants”, and expansion of existing system capacity.

Commercial Paper Note shall mean any Bond which has a maturity date which is not more than 270 days after the date of issuance thereof.

Competitive Bid a method of submitting proposals for the purchase of new issue of municipal securities by which the securities are awarded to the underwriting syndicate presenting the best bid according to stipulated criteria set forth in the notice of sale.

Construction Loan Credit Facility means obligations of JEA of a particular credit facility for construction advance purposes which shall be similar to Bond Anticipation Notes.

Counterparty Risk the risk that the other party in the derivative transaction fails to meet its obligations under the contract.

Credit Enhancement shall mean, with respect to the Bonds of a Series, a maturity within a Series or an interest rate within a maturity, the issuance of an insurance ~~Policy~~ policy, letter of credit, surety bond or any other similar obligation, whereby the issuer thereof becomes unconditionally obligated to pay when due, to the extent not paid by JEA or otherwise, the principal of and interest on such Bonds.

Current Refunding A bond is treated as issued to current refund another bond if the refunding issue is issued not more than 90 days before the redemption of the refunded bond.

Hedge a transaction entered into to reduce exposure to market fluctuations.

Interest Rate Swap a transaction in which two parties agree to exchange future net cash flows based on predetermined interest rate indices calculated on an agreed notional amount. The swap is not a debt instrument between the issuer and the counterparty, and there is no exchange of principal.

ISDA International Swap Dealers Association, the global trade association with over 550 members that include dealers in the derivatives industry.

ISDA Master Agreement the standardized master agreement for all swaps between the ~~Issuer~~ issuer and the dealer that identifies the definitions and terms governing the swap transaction.

LIBOR the principal benchmark for floating rate payments for taxable issuers. The London Inter Bank Offer Rate (LIBOR) is calculated as the average interest rate on Eurodollars traded between banks in London and can vary depending upon the maturity (e.g., one month or six months).

Because the regulator for LIBOR has announced the LIBOR benchmark will be discontinued as of December 31 2021, JEA shall not enter into any new LIBOR-based transactions extending past that date; any LIBOR based transactions terminating after December 31, 2021 shall use the replacement benchmark agreed upon by JEA after that date.

Long-Dated Swap a swap with a term of more than ten years. Often used in the municipal market, as issuers often prefer to use a hedge that matches the maturity of the underlying debt or investment.

Mark-to-Market calculation of the value of a financial instrument (like an interest rate swap) based on the current market rates or prices of the underlying (i.e. the variable on which the derivative is based).

Medium-Term Note any bond which has a maturity date which is more than 365 days, but not more than 15 years, after the date of issuance and is designated as a medium-term note in the supplemental resolution authorizing such bond.

Negotiated Sale the sale of a new issue of municipal securities by an issuer through an exclusive agreement with an underwriter or underwriting syndicate selected by the issuer.

SIFMA Index The SIFMA Municipal Swap index is a 7-day high-grade market index comprised of tax-exempt VRDO reset rates that are reported to the Municipal Securities Rule Making Board's Short-Term Obligation Rate Transparency reporting system.

Termination Risk the risk that a swap will be terminated by the counterparty before maturity that could require the issuer to make a cash termination payment to the counterparty.

True Interest Cost is the rate, compounded ~~semi-annually~~semiannually, necessary to discount the amounts payable on the respective principal and interest payment date to the purchase price received for the bonds.

Variable Rate Bond shall mean any Bond not bearing interest throughout its term at a specified rate or specified rates determined at the time of initial issuance.

Variable Rate Demand Obligations (VRDO) A long-term maturity security which is subject to a frequently available put option or tender option feature under which the holder may put the security back to the issuer or its agent at a predetermined price (generally par) after giving specified notice or as a result of a mandatory tender. Optional tenders are typically available to investors on a daily basis while in the daily or weekly mode and mandatory tenders are required upon a change in the interest rate while in the flexible or term mode. The frequency of a change in the interest rate of a variable rate demand obligation is based upon the particular mode the security is in at the time.

DEBT MANAGEMENT POLICY

Revised as of August 27, 2019

I. SCOPE

This Policy applies to all current and future debt and related hedging instruments issued by JEA for its Electric System, Water and Sewer System, District Energy System (DES), St. Johns River Power Park (SJRPP), Bulk Power Supply System (BPSS), and any other entity created and approved by JEA's Board. The Policy is intended to provide broad policy guidance and facilitate the management, control, and oversight of JEA's debt function facilitating ongoing access to the capital markets necessary to the funding of future capital projects.

II. GOAL/MISSION/OBJECTIVE

JEA's debt shall be managed with an overall philosophy of taking a long-term approach in borrowing funds at the lowest possible interest cost. To achieve this goal, JEA will continuously work towards developing the optimal capital structure, including the amounts and types of variable rate exposure, in view of JEA's risk tolerance to market fluctuations, capital market outlook, future capital funding needs, rating agency considerations, counterparty credit profiles, and competition.

The Debt Management Policy sets forth parameters and provides guidance regarding the following issues:

- Capital structure
- Credit ratings
- Compliance with tax regulations
- Management of floating interest rate risk
- Management of hedging instruments

The main goals of the Debt Management Policy are as follows:

- Maintain cost of capital consistent with other "AA" similarly rated municipal utilities
- Maintain steady credit ratings
- Establish and maintain reserve funds
- Reduce floating rate debt "put" risk
- Maintain diversification of debt

III. RESPONSIBILITY FOR POLICY

The overall Debt Management Policy is approved by the JEA Board and implemented by the Chief Financial Officer (CFO). An oversight committee, the Debt/Investment Strategy Committee (Committee) will meet semiannually to develop strategy and review the performance of the debt and investment portfolio in conjunction with this Policy. The members of the Committee are the Managing Director and Chief Executive Officer (CEO), CFO, Treasurer and Manager Cash and Investments.

JEA's Treasury Services group will develop procedures to implement and administer this Policy. In addition, Treasury Services will continuously apply process improvement methodologies to make improvements to the Debt Management processes.

IV. AUTHORIZATION

A. Debt Authorization

The overall amount of debt that JEA is allowed to issue for the electric system, SJRPP, the water and sewer system and DES is authorized by the JEA Board and by City Council ordinance on an as needed basis. Based on capital and related debt issuance financial forecast, the JEA Board typically approves the projected debt issuance limits for the next several years in conjunction with the next fiscal year's budget process.

The available amount of debt authorization outstanding is monitored by Treasury Services and is reported monthly to the Board as part of the monthly financial statements.

B. Authorizations for Debt-Related Hedging Instruments such as swaps and caps.

Resolutions approving the use of interest swap, cap, and related hedging instruments outlining, among other things, size and maturity restrictions, must be approved by the JEA Board prior to execution.

C. New Systems Authorization and Financing

This Policy will include debt issued pursuant to new system resolutions approved by the JEA Board and City Council. Debt authorization limits will be approved by a separate authorizing resolution approved by the JEA Board and City Council ordinance.

V. INVESTMENT STRUCTURE

JEA is authorized to invest available funds pursuant to an established Investment Policy approved by the Board on September 19, 2000, last amended March 26, 2019, Florida Statutes section 218.415 and the Electric, Water and Sewer, DES, SJRPP, and BPSS bond resolutions. The primary goals of the Investment Policy are to (1) provide safety of capital, (2) provide sufficient liquidity to meet anticipated cash flow requirements and (3) maximize investment yields while complying with the first two goals. The Investment Policy outlines the parameters on authorized investments, maturity and liquidity requirement limits, and procurement and safekeeping procedures.

JEA is authorized to utilize investment/asset-based “fixed to floating” swaps in order to take advantage of longer term investment yields as a hedge to the shorter yielding funds which are required to remain in short-term investments (i.e., debt service funds and operating funds).

The notional amount of swaps outstanding classified as investment/asset-based swaps is authorized by the Board under a separate resolution. JEA may not have outstanding a notional amount of investment/asset swaps which in aggregate is an amount greater than the amount of variable/short-term investable funds (100% hedged).

VI. ANNUAL PLAN OF FINANCE

As part of the annual budget presentation, a Plan of Finance will be submitted to the Board for information purposes. Such Plan of Finance will address at a minimum the amount of debt projected to be issued during the next fiscal year and whether such debt is senior or subordinated, fixed and/or variable and the possible use of hedging instruments.

A. The annual capital budgeting process will be used to project the amount of debt to be issued during the next five-year period. Factors to be considered in the final financial forecast are:

- The forecast of spending levels for capital projects.
- The availability of internal funds to pay for capital projects.
- Desired debt service coverage levels consistent with a highly rated electric and water and sewer utility.
- The additional bonds test calculation outlined in the respective senior and subordinated resolution of each system.

B. Senior vs. Subordinated Debt

The electric system and the water and sewer system each have a separate senior and subordinated bond resolution. The electric system senior resolution authorizes debt issued under its resolution to fund projects

relating to non-generation capital expenditures and the subordinated resolution authorizes debt issued under its resolution to fund projects relating to all categories of capital expenditures. This Policy will target debt issued under the subordinated resolution to fund generation capital expenditures.

The water and sewer senior and subordinated bond resolutions authorize debt to be issued under the respective resolution to fund projects relating to all categories of water and sewer related capital expenditures.

A second revenue bond resolution for SJRPP is being used to issue additional new money debt and any associated debt refunding transactions.

A restated and amended BPSS resolution authorizes Debt to be issued to fund new projects and refund related debt.

The DES resolution authorizes debt to fund projects and refund related debt.

C. Tax-exempt vs. Taxable

As a municipal utility, JEA is authorized to issue tax-exempt debt and must comply with appropriate tax regulations. JEA will endeavor at all times to issue tax-exempt debt. For certain transactions, due to tax regulations, it may be necessary or advantageous for JEA to issue taxable debt. Such prevailing circumstances may include excessive transferred proceeds, volume cap limitations, and private use restrictions. Treasury Services will monitor current tax regulations and utilize tax-exempt financing whenever possible.

D. Fixed vs. Variable Debt

Pursuant to this Policy, JEA will not exceed 30% of Net Variable Rate Debt to Total Debt and will not exceed 55% of Net Variable Rate Debt plus Net Fixed to Floating Interest Rate Swaps to Total Debt.

For purposes of this Policy, the above limits will be calculated with the following components:

- Net Variable Rate Debt equals Total Variable Rate Debt minus Net Variable Rate Assets.
- Net Variable Rate Assets equals Variable Rate Assets minus notional amount of investment/asset-matched interest rate swaps.
- Net Fixed to Floating Interest Rate Swaps shall be defined as the notional amount of fixed to floating swaps maturing in 10 years or less minus the notional amount of floating to fixed swaps maturing in 10 years or less outstanding on the last day of each month.

- Total Debt equals the par amount of fixed rate debt plus Total Variable Rate Debt.
- Total Variable Rate Debt equals hedged and unhedged variable rate debt.
- Variable Rate Assets are defined as investments maturing in less than one year.
- Unhedged Variable Rate Debt is defined as Total Variable Rate Debt outstanding less variable rate debt that is associated with a floating to fixed rate swap where the term of the swap matches the term of the variable rate debt.

The calculation of these percentages will be performed semiannually and reported to the Committee.

JEA's capital structure, comprised of fixed rate debt, variable rate debt, and debt-related hedging instruments such as interest rate swaps and caps, will be managed in conjunction with investment assets and investment-related hedging instruments to incorporate the natural occurrence of hedging impacts in those balance sheet categories. The goal of adopting a comprehensive investment and debt management strategy is to use each side of the balance sheet to mitigate or hedge cash flow risks posed by the other side of the balance sheet. For example, interest income for variable rate assets provides a natural offset to the interest expense of variable rate debt as interest rates increase or decrease. Therefore, in determining JEA's exposure risk to a changing interest rate environment, both components of the balance sheet will be analyzed and JEA's "net" exposure evaluated.

JEA will utilize a mix of fixed and variable rate debt to lower the overall cost of capital. Variable rate debt will generally be used as an efficient way to fund new construction requirements and as a permanent component of a long-term funding strategy. The amount of variable rate debt outstanding shall be based on any one or a combination of the following factors:

(1) Interest Rates

The absolute level of interest rates, the forecasted direction of interest rates and the shape of the yield curve are all factors in managing the amount of variable rate debt outstanding. If fixed rates are high relative to the current cycle of rates and the yield curve is steep, a higher percentage of net variable rate debt may be desirable. Conversely, if interest rates are low relative to the current cycle of rates and the yield curve is flat, a higher percentage of net fixed rate debt may be desirable.

(2) Capital Structure and Construction Funding

Given that JEA has a continuous capital program with projects beginning at various points in time and the lack of correlation between low interest rate environments and the need to begin a project, having a variable rate program will allow for “Just in Time” financing while providing for market timing flexibility. Additionally, variable rate debt adds flexibility for capital structure changes like accelerating the pay down of debt.

(3) Other Related Variable Rate Risks

JEA will take into consideration when determining the appropriate variable rate risk levels the potential exposure to variable rate risk on joint financing programs with the City of Jacksonville and other related agencies.

JEA’s strategies for responding to changes in short and long-term interest rates include the following actions:

- JEA may elect to lower the ratio of Net Variable Rate Debt to Total Debt when (a) long-term interest rates are at or near market lows compared to market-based indices for the last three to ten-year averages, (b) short to intermediate-range forecasts for long-term rates are predicting higher rates or (c) the ratio of Net Variable Rate Debt to Total Debt is or forecasted to be at the upper end of the allowable percentage. If such a determination is made to lower the ratio, the desired ranges for the ratios outlined in Section VI.D, above are 10% to 25% of Net Variable Rate Debt to Total Debt and 35% to 50% of Net Variable Rate Debt plus Net Fixed to Floating Interest Rate Swaps to Total Debt.
- JEA may elect to increase the ratio of Net Variable Rate Debt to Total Debt when (a) long-term interest rates are at or near market high levels compared to market based indices for the last three to ten year averages, or (b) short to intermediate-range forecasts for long-term rates are predicting lower rates or (c) the ratio of Net Variable Rate Debt to Total Debt is or forecasted to be at the lower end of the allowable percentage. If such a determination is made to increase the ratio, the desired ranges for the ratios outlined in Section VI.D above are 20% to 30% of Net Variable Rate Debt to Total Debt and 45% to 55% of Net Variable Rate Debt plus Net Fixed to Floating Interest Rate Swaps to Total Debt.

To assist in the decision making process, a forecast of interest rate volatility over the short and long terms and expected performance of various financial products (debt or hedging instruments) under various interest rate scenarios will be modeled on a periodic basis. In determining when to use

alternative financing arrangements including variable, fixed, and synthetic structures, the availability of internal and external technical expertise to properly manage risk will be evaluated along with ongoing administrative costs. These analyses will be reviewed at the regularly scheduled semiannual meetings by the Committee.

E. “Just in Time” Financing.

The cash flow forecast for budgeted capital projects is the main factor used in determining the appropriate timing of new money debt transactions. The goal is to issue new debt as outstanding debt proceeds are spent. However, the timing of debt transactions may also depend upon factors including:

- Desired debt service coverage levels
- Budget, financial statement and ratings impacts
- Annual Plan of Finance
- Interest rate environment

All of the above factors are considered prior to making the final determination of the most optimal time to issue new debt to fund capital projects.

F. Budget/Financial Forecast goals for debt service

In order to adequately project debt service for budget purposes and for official financial forecast/rating agency purposes, Treasury Services will develop interest rate assumptions using the following guidelines:

(1) Fixed Rate Debt

For the upcoming budget year, the budget assumption for interest rates for new incremental fixed rate debt will be (i) at a minimum, the average of the AA MMD index for comparable maturities for the most recent twelve months ending March 31, or (ii) management, at its discretion, can choose to utilize higher rates. Interest rate forecasts from JEA’s underwriting team can be used as support for this determination. Forecasts for the fiscal years beyond the upcoming budget year will be based upon the budget interest rate assumption plus or minus based upon input from either forecasts received from investment bankers or from Bloomberg.

(2) Variable Rate Debt

For the upcoming budget year, the budget assumption for interest rates for outstanding and new incremental variable rate debt will be (i) at a minimum, the average of the SIFMA index for the most recent twelve months ended February 28, or (ii) higher rates selected at the Treasurer’s discretion. Interest rate forecasts from JEA’s

underwriting team or from Bloomberg can be used as support for this determination. Forecasts for the fiscal years beyond the coming budget year will be based upon the budget interest rate assumption plus or minus based upon input from either forecasts received from investment bankers or from Bloomberg.

- (3) The interest rate assumptions may be adjusted based upon JEA's actual trading differential to the appropriate index during the most recent twelve months ended February 28.
- (4) The projected fixed and variable interest rate assumptions will be provided by the Treasurer by February 28th of each year.
- (5) Unless otherwise agreed upon by the CFO, debt service for new debt will be projected on a level basis.

G. Credit Ratings

JEA recognizes that strong credit ratings are necessary to ensure the lowest possible borrowing costs, which will factor into maintaining low rates for our customers. JEA's goal is to maintain a long-term senior unsecured "AA" category rating by each rating agency.

JEA will utilize the following municipal debt rating services: Fitch Ratings, Standard and Poor's, and Moody's Investors Service. Any changes, additions, or deletions to the list above will require approval of the CEO.

VII. FIXED RATE DEBT

A. Overview

Fixed rate debt is authorized to finance capital projects and for any other allowable purpose as stipulated in the governing bond resolutions and tax regulations.

B. Type

JEA may issue any type of fixed rate debt as authorized by JEA's various bond resolutions and recommended by JEA's Financial Advisor. Some of the various types of debt authorized include, but are not limited to, serial and term bonds issued at par, discount or premium, capital appreciation bonds, and bullet bonds (e.g., refundable principal installments).

C. Maturity, Structure, and Call Provisions

Prudent debt management requires that there be a proper matching of the lives of the assets and the length of the debt used to finance such asset.

JEA will, at all times, structure the amortization and maturity of any fixed rate debt to comply with the appropriate tax regulations.

To provide the maximum amount of flexibility, JEA will utilize, for tax-exempt debt, five year but no longer than ten-year calls, at par, whenever possible. For taxable debt, JEA can utilize make whole call provisions at terms and conditions prevalent in the taxable bond market at the time of pricing. JEA staff along with the financial advisor and underwriter will assess the market at the time of pricing to determine its ability to issue bonds with such features while minimizing interest costs.

D. Providers

Under the Procurement Code, JEA is allowed to sell debt by either negotiated sale or competitive bid. The determination of the method is to be made prior to each financing.

If JEA selects the “negotiated sale” method, the underwriting team will be selected pursuant to the JEA Procurement Code. JEA shall require that a master underwriting agreement be entered into and signed by all parties at the end of the solicitation process and a separate bond purchase agreement with the senior underwriter(s) shall be approved by the JEA Board at each sale of debt, unless the Board has previously delegated such approval authority to the CEO.

If JEA selects the “competitive sale” method, determination of the winning bid will be based on the following methodology: (1) the “standard convention” as recommended by JEA’s Financial Advisor, (2) calculation utilized by the State Board of Administration or (3) the underwriting firm with the lowest True Interest Cost (TIC) proposal.

JEA will employ staff or an outside professional financial advisor, other than the underwriter, who is familiar with and abreast of the conditions of the municipal market, and is available to assist in structuring the issue, pricing, and monitoring of sales activities. JEA shall not use a firm to serve as both the financial advisor and underwriter. Selection of underwriters, financial advisors, bond counsel, and other necessary consultants involved in the debt transactions will be selected as outlined in the JEA Procurement Code.

E. Debt Service Reserves

A debt service reserve will be funded, maintained, and held for the benefit of bondholders as specified in the Supplemental Resolution authorizing the sale of the bonds to pay principal and/or interest on the bonds should revenues from operations not be sufficient for such purpose in accordance with the appropriate bond resolution.

- The debt service reserve may be in the form of cash and/or investments funded from the proceeds of bonds and/or revenues from operations.
- If allowed by the resolution, a surety issued by a financial institution nationally recognized in the industry to issue such policies may be used in place of a cash-funded debt service reserve.
- If allowed under the respective bond resolution, any other form of financial instruments may be used in place of cash-funded or surety-funded debt service reserve, provided such financial instruments are issued by firms of nationally recognized standing.
- JEA will weigh the benefits of each method of funding the debt service reserve prior to each issue and will choose the method most beneficial to JEA based upon the facts and circumstances of each issue.

A debt service reserve may also be maintained if, in the opinion of the underwriter, it is reasonably required to provide security for the payment of debt service with respect to JEA's bonds and is consistent with normal practice in respect of bonds of the same general type as those being issued by JEA. Selection of a surety provider or provider of any financial instrument acceptable to fund the debt service reserve requirement under the appropriate resolution will be pursuant to the JEA Procurement Code.

F. Bond Insurance

For each debt transaction, JEA will evaluate the economic benefit of using bond insurance. This analysis will incorporate the insurance benefits to the call date, to maturity date, and any intermediate date. If based on the analysis, JEA determines that bond insurance will add economic benefit to the transaction an insurance provider will be selected pursuant to the JEA Procurement Code. Financial institutions which insure bonds for investors of JEA must have, at the time the bonds are issued, a credit rating (if rated) not less than AA/Aa2/AA from Fitch Ratings, Moody's, and Standard & Poor's, respectively.

G. Approvals

The structure, maturity, and call provisions for each fixed rate financing must be approved in writing by the CFO on or prior to the date of pricing. The CFO has the responsibility to review the structure of each debt transaction with the CEO. Negotiation with the underwriter on negotiated bond transactions will be conducted by the Treasurer. Final transaction approval must be obtained from the Board; however, it may be in the form of a delegated authority.

H. Reporting and Compliance

A monthly report entitled "Schedule of Outstanding Indebtedness" will be provided to the Board that summarizes the principal amount, the range of interest rates and maturity dates of all outstanding debt.

JEA is committed to full and complete compliance with all applicable laws and regulations with respect to its debt. Because of the complexity of the tax regulations and the consequences of non-compliance, the advice of bond counsel and other qualified professionals will be sought whenever necessary. In carrying out its responsibility, JEA shall monitor and analyze the investments and use of bond proceeds and calculate the amount of arbitrage rebate liability due.

VIII. VARIABLE RATE DEBT INSTRUMENTS

A. Overview

Variable rate debt is authorized to finance capital projects and for any other allowable purpose as stipulated in the governing bond resolutions and tax regulations.

JEA must adhere to the variable rate debt limits outlined in this Policy.

B. Type

JEA may issue any type of variable rate debt as authorized by JEA's various bond resolutions and recommended by JEA's Financial Advisor. Some of the various types of debt authorized include, but are not limited to, Commercial Paper, Variable Rate Demand Obligations, and Medium-Term Notes.

C. Management

On a periodic basis, Treasury Services will make decisions regarding any changes to the interest mode for variable rate demand obligations and desired maturities for commercial paper.

D. Maturity and Call Provisions

As with fixed rate debt, JEA will structure the maturity dates of the variable rate debt to match the lives of the assets being financed. JEA will, at all times, structure the amortization and maturity of any variable rate debt to comply with the appropriate tax regulations. For JEA commercial paper program, the maturity of a Commercial Paper Note shall not exceed 270 days and the term of a commercial paper program shall not exceed 30 years in order to stay within the current safe harbor rules to be treated as part of

a single issue. For variable rate debt with tender rights, the current safe harbor rules limit the maturity to no longer than 35 years.

E. Providers

Underwriters, remarketing agents or dealers of JEA's variable rate debt program will be selected pursuant to JEA's Procurement Code.

Banks providing Liquidity Facilities for variable rate debt shall be reviewed regularly with the Financial Advisor and minimum short-term ratings (if rated) established for these providers shall be F1, P1, A1 from the three rating agencies: Fitch Ratings, Moody's, and Standard & Poor's, respectively. The long-term credit rating should generally have a minimum rating equal to JEA's credit rating on the underlying debt.

If bond insurance is necessary for variable rate debt, the insurance provider will be selected pursuant to JEA's Procurement Code. Financial institutions which insure bonds for investors of JEA must have, at the time the bonds are issued, a short-term credit rating (if rated) of F1, P1, A1 and a long-term credit rating (if rated) not less than AA/Aa2/AA from Fitch Ratings, Moody's, and Standard & Poor's, respectively.

F. Approvals

The structure, maturity, and call provisions for each variable rate financing must be approved in writing by the CFO prior to the transaction. The CFO has the responsibility to review the structure of each debt transaction with the CEO. Final transaction approval must be obtained from the Board.

G. Compliance/Reporting Requirements

The amount of variable rate debt outstanding for JEA shall be included on the report entitled "Schedule of Outstanding Indebtedness" and will be reported to the Board monthly in conjunction with the monthly report of financial position of JEA. For variable rate debt, this report shall summarize the various types, maturities, and current rates of interest on each variable debt issue then outstanding.

A report shall be prepared semiannually for the Committee, showing the comparison of the monthly interest rates (including all fees) paid for each variable rate issue then outstanding, comparing each of these with the monthly average interest rate of LIBOR, SIFMA, and such other short-term variable interest rate indices, which may accurately reflect the existing variable interest rate market. This comparison will provide information on the most cost beneficial type and mode of variable rate debt for various periods of time. This information will be used as part of a recommendation on what type of variable rate debt will be issued in future periods or for changes to JEA's existing variable rate program.

JEA will monitor and report any arbitrage rebate liability due to the U.S. Treasury on bond proceeds from variable rate transactions.

IX. DEBT REFUNDING

A. Overview

The refunding of outstanding debt represents an opportunity for JEA to realize debt service savings. Refundings may allow JEA to restructure its existing debt portfolio to enable JEA to operate in a more competitive manner. Many of the policies and practices applicable to new money fixed and variable rate financings are applicable to debt refundings as well.

B. Management

Periodic reviews of all outstanding debt will be undertaken to determine refunding opportunities. Refundings will be considered within federal tax law constraints. JEA and the financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings. Current tax regulations do not permit tax-exempt Advance Refunding transactions. There are no limitations with respect to a current refunding of bonds. The following guidelines should apply to the issuance of refunding bonds:

- (1) Any refunding will be evaluated on the economic savings or structure advantages relating to issuing the new debt. For a fixed rate refunding, a five percent savings target is a general guideline. However, refunding issues that produce a net present value savings of less than five percent may be issued for various business and/or economic purposes. Examples include but are not limited to (a) restructuring debt, (b) amending provisions of a bond document, and (c) taking savings based on structure or low interest rate environment considerations. Savings below the five percent guideline must be approved by the CFO or by delegated authority from the Board prior to the execution of the refunding transaction.
- (2) Refundings involving variable rate debt generally do not produce savings and will not have a savings guideline. These transactions are usually executed to take advantage of structuring opportunities or to reduce risk, or may be utilized to take advantage of low long-term interest rates.
- (3) The final structure (including the use of hedging products) will be recommended by Treasury Services to the CFO for approval prior to the execution of any refunding transaction. The CFO has the responsibility to review the structure of each debt transaction with the CEO.

C. Fixed and Variable

JEA can utilize fixed or variable rate debt for refunding purposes and must adhere to the variable rate debt limits outlined in this Policy.

D. Maturity and Call Provisions

The maturity of refunding bonds shall, absent a bond counsel opinion, be in accordance with the safe harbor rules for the creation of replacement proceeds found in the tax regulations.

To provide the maximum amount of flexibility, JEA will utilize five year, but no longer than 10 year calls, at par, whenever possible for tax-exempt debt. Call provisions for taxable debt will be based on terms and conditions prevalent in the taxable bond market at the time of pricing. JEA staff along with the financial advisor and underwriter will assess the market at the time of pricing to determine its ability to issue bonds with such features while minimizing interest costs.

E. Debt Service Reserve

In the event that a refunding transaction reduces the debt service reserve requirement, JEA may deposit any such reduction into the defeasance escrow account for the refunded bonds or utilize the reduction for any lawful purpose.

F. Approvals

The structure, maturity, and call provisions for each refunding must be approved in writing by the CFO on or prior to the date of pricing. The CFO has the responsibility to review the structure of each debt transaction with the CEO. Negotiation with the underwriter on negotiated bond transactions will be conducted by the Treasurer. Final transaction approval (which may be delegated) must be obtained from the Board.

X. INTEREST RATE SWAPS, CAPS, COLLARS, AND RELATED HEDGING INSTRUMENTS

A. Overview

The prudent use of hedging instruments, including interest rate swaps, caps and collars, can be an effective tool in meeting funding needs and structuring a balance sheet while managing risk associated with the movement of interest rates. Utilizing hedging products can provide JEA with cost effective alternatives to traditional debt financing choices.

Utilizing interest rate swaps to achieve substantially lower interest costs is a main component in building the desired capital structure to allow JEA to compete effectively. There are three types of interest rate swaps JEA is authorized to enter into:

- Floating to fixed rate swaps,
 - Hedge interest rate risk on variable rate debt,
 - Lock in fixed rates on refunding bonds that will be issued in the future or
 - Take advantage of opportunities to obtain fixed swap rates that are lower than comparable fixed rate bonds.

- Fixed rate to floating rate swaps
 - Increase the amount of variable rate exposure without incurring the remarketing and liquidity costs.
 - Eliminate the put risk associated with variable rate debt.
 - Take advantage of opportunities to obtain variable swap rates that are lower than comparable variable rate bonds.

- Basis swaps manage the risk associated with
 - The mismatch between two benchmarks.
 - Methodologies used to set interest rates.

B. Risks

Interest rate swaps and related hedging instruments may introduce additional risks to JEA's credit profile. These risks include, but are not necessarily limited to, termination risk, counterparty risk, re-execution risk, amortization risk, Basis Risk, and tax event risk. Prior to entering into each interest rate swap transaction, these risks are evaluated to ensure adequate provisions are in place to minimize the downside and provide the maximum benefit the transaction originally intended.

C. Limits

The percentage of variable rate exposure (the notional amount of Net Fixed to Floating Interest Rate Swaps and Total Variable Rate Debt outstanding) to Total Debt outstanding shall not exceed 55%. The Total Variable Rate Debt outstanding and Net Fixed to Floating Interest Rate Swaps shall be calculated as set forth in Section VI.D of this Policy. The notional amount of interest rate swaps, caps, collars, and related hedging instruments will be limited to the amount approved in resolutions approved by the Board from time to time.

Interest rate caps and related hedging instruments will be utilized to help manage interest rate risk in the debt portfolio. At all times, a fixed to floating interest rate swap will have an associated interest rate cap for the same

notional amount at a level no greater than 200 basis points above the interest rate swap fixed rate. (See waiver in Section K)

Additionally, it is contemplated that an interest rate cap will not always have the same maturity as the interest swap with which it is associated. The average life of aggregate outstanding caps will not be less than 75% of average life of the associated aggregate swaps.

From time to time, Treasury Services will evaluate the use of collar (cap and floor instrument) transactions as a hedging tool to minimize cost and risk. The cap portion will be executed pursuant to the above referenced rules. The related floor rate will be approved by the Committee prior to execution.

D. Fixed to Floating Rate Swap Management

The Committee shall have the overall responsibility, from an overview standpoint, for the execution and management of fixed to floating interest rate swaps. One of the main components of the debt management strategy is to use intermediate term fixed to floating rate swaps to achieve a long-term goal of having up to 55% of the total debt based on a floating/variable interest rate.

Based on Committee approval, interest rate swaps will be executed semiannually to achieve an averaging into the market philosophy. The Committee shall determine the size of the total interest rate swap program and the maturity date for the swaps within the parameters of this Policy, which has been approved by the Board.

Forecasts of interest rate volatility over the intermediate term (4 to 7 years) and expected performance of the swaps, caps, collars, and related hedging instruments under various interest rate scenarios shall be updated on not less than a semiannual basis. Short and long-term interest rates will be monitored over varying time periods. If current interest rates are either above or below the moving averages as measured by varying time periods, the Committee may elect to alter the timing of adding additional fixed to variable swaps to either increase or decrease the amount of variable exposure. Furthermore, the Committee may elect to enter into “reversing” swaps to take advantage of market opportunities. In the event a fixed to floating swap is “reversed”, any associated floor will be simultaneously “reversed”. Any associated cap will be evaluated and “reversed” if approved by the Committee.

The amount of interest rate caps shall not exceed the amount of variable rate exposure to JEA.

The following “decision rules” will govern the decision to initially execute a fixed to floating interest rate swap, cap, or other hedging instruments within the Debt Management Program:

1. JEA receives payments based on a fixed rate and pays based on a floating rate.
2. Floating rate is based on either SIFMA or LIBOR.
3. If the SIFMA Index is selected, no adjustment to the notional amount is needed.
4. If the LIBOR index is selected, the notional amount of the interest rate swap and cap will be adjusted by the current ratio of the SIFMA based fixed rate to the LIBOR based fixed rate. (See example below)

$$\frac{\text{SIFMA Fixed Rate}}{\text{LIBOR Fixed Rate}} = \frac{1.56\%}{2.36\%} = 66.1\%$$

The notional amount will be multiplied by the ratio to obtain the adjusted notional amount.

5. Decision to select LIBOR or SIFMA will be based on a combination of historical, current, and future expectations for the relationships of floating SIFMA to floating LIBOR and fixed SIFMA to fixed LIBOR. Generally, if the floating SIFMA to LIBOR ratio is lower than the fixed SIFMA to LIBOR ratio, a SIFMA based swap is preferred. However, historical and future expectations must be evaluated in order to make the decision.
6. Term of the interest rate swap and cap shall not exceed 10 years. The overall average for the program will be four to seven years.
7. An interest rate swap will not be executed unless the spread between the fixed rate and initial floating rate is a positive 10 basis points or more. In addition, as stated above, the execution of a swap may be affected by the relationship of current rates to historical averages.
8. If a swap is not executed or re-executed due to the 10 basis point decision rule, the swap will be executed during the following quarter, decision rule permitting. If a swap is not entered into due to the historical relationship of rates to the current level, the Committee will decide when the appropriate time to enter into the next transaction. In the event swaps are delayed for two or more consecutive periods, only one additional swap per quarter will be executed until the original schedule can be re-established.
9. An interest rate cap is to be entered into at the time of each swap transaction for the identical notional amount if JEA does not have a current interest rate cap in place that meets the criteria. The cap should be at a level no greater than 200 basis points above the fixed

rate of the swap. However, if JEA has current interest rate cap positions that are not associated with any particular interest rate swap, but are being utilized generally to manage variable rate risk, an interest rate cap meeting the conditions listed above may be utilized to satisfy the requirements of this section.

The Committee will meet on a semiannual basis to review the performance of the fixed to floating interest rate swaps, and review the current interest rate swap and cap decision rules. Any changes to the “decision” rules recommended by the Committee must be approved by the Board prior to implementation. The Committee may, however, elect not to execute an interest rate swap or cap normally scheduled to be executed based on the “decision rules” if a change to the “decision rules” has been recommended by the Committee but not yet acted on by the Board.

E. Floating to Fixed Rate Swap Management

The Committee shall have the overall responsibility regarding the execution and management of floating to fixed interest rate swaps. An additional component of the debt management strategy is to use floating to fixed rate swaps to lock in the lowest possible borrowing costs over a long period of time. Floating to fixed rate swaps can be used in conjunction with issuing variable rate debt to obtain the lowest fixed rate when compared to traditional forms of fixed rate financings. In addition, floating to fixed swaps may be desirable when the cycle of long-term rates moves down to or near historical lows and “fixing” a portion of the outstanding variable rate debt appears advantageous. Swaps will be evaluated as alternatives to traditional financing instruments considering their comparable costs, ease of entry and exit provisions, and the amount of potential risk exposure.

Interest rate swaps will be executed for notional amounts, maturities and other related terms and conditions as determined by the Committee. Re-execution risk, amortization risk, tax event risk and Basis Risk will be evaluated in order to minimize any potential negative results.

Forecasts of interest rate volatility over the term of the swaps and expected performance of the swaps under various interest rate scenarios shall be analyzed prior to the execution of the swaps. Short and long-term interest rates will be monitored over varying time periods. The Committee may elect to enter into “reversing” swaps to take advantage of market opportunities.

The following “decision rules” will govern the decision to execute and/or re-execute a floating to fixed interest rate swap:

1. JEA receives payments based on a floating rate and pays based on a fixed rate.
2. Floating rate is based on either SIFMA or a percent of LIBOR.

3. If the SIFMA Index is selected, no additional analysis is needed.
4. If the LIBOR index is selected, the historical relationship of SIFMA to LIBOR will be used as a guide when selecting the percent of LIBOR as the index. A risk analysis will be done on a projected basis to quantify the risk versus potential reward.
5. Decision to select LIBOR or SIFMA will be based on a combination of historical, current, and future expectations for the relationships of floating SIFMA to floating LIBOR and fixed SIFMA base rate versus the fixed rate based on the LIBOR index.
6. Term of the interest rate swap is a maximum of 30 years or if the swap is executed with the purpose of synthetically fixing a specific variable rate debt issue, the swap transaction is permitted to have a term which matches the term of the variable rate debt, but will be determined based on the life of the related debt being hedged. If the term of the swap is less than the underlying debt that it may generally be hedging, JEA is exposed to re-execution risk. In a rising interest rate environment, a new swap may potentially be re-executed at a higher fixed rate than the original swap. Additionally, the amortization of the principal on the debt that the swap is generally hedging is taken into consideration when structuring the terms and conditions of the swap. This is referred to as amortization risk.

Interest rate caps and collars are additional hedging instruments that JEA may utilize to manage risks associated with variable rate debt. All cap or collar transactions executed must comply with the requirements set forth in items F through K listed immediately below.

F. Compliance and Reporting Requirements

Resolutions approving the use of interest rate swap, cap, and other hedging instruments outlining, among other things, size, and maturity restrictions, must be approved by the JEA Board prior to execution.

JEA Board must approve the overall Debt Management Policy including explicit parameters for the use of interest rate swaps, caps, and other hedging instruments.

JEA CEO must sign all interest rate swap, cap, or collar confirmations.

JEA external auditors shall perform an annual review relating to fixed to floating interest rate swap management and present to the JEA Board.

Monthly performance reports regarding outstanding interest rate swaps, caps and related hedging instruments will be provided to Accounting Services to be included in the monthly financial statements to the Board.

Mark to market valuations will be updated on a semiannual basis and provided to Committee members and Accounting Services to be included in the financial statements.

Collateral reports will be updated on a monthly basis providing information relating to specific swap transactions that may require collateral posted based on mark to market valuations.

JEA's CFO or Treasurer must approve the interest rate swap term sheet prior to execution. In addition, the purpose of the transaction, (asset matched, debt management, etc.) will be included as part of the swap paperwork file kept for each executed swap transaction.

G. Providers

Financial Institutions and Dealers executing interest rate swaps, caps, and other hedging instruments for JEA shall be selected pursuant to the JEA Procurement Code. JEA shall require that all institutions and dealers entering into interest rate swap, cap and other hedging instrument agreements execute a Master Swap Agreement (the ISDA Master Agreement must be used as a part of the Master Swap Agreement) that is signed by both parties. All transactions entered into shall adhere to the requirements of the Master Swap Agreement.

H. Diversification

No more than \$500 million of net interest rate swap and cap or other hedging instruments shall be outstanding in the aggregate with any one provider or affiliate thereof unless approved in writing by the CEO. The aggregate amount of all "long dated" (greater than 10 years) transactions executed with financial institutions and all affiliates thereof, shall be limited to an amount based on the credit rating of the financial institution at the time of the entry into the long dated hedging transaction as shown below:

Rating Level	Notional Amount
AAA/Aaa by one or more Rating Agencies	\$400,000,000
AA-/Aa3 or better by at least two Rating Agencies	\$300,000,000
A/A2 or better by at least two Rating Agencies	\$200,000,000
Below A/A2 by at least two Rating Agencies	\$0

The rating criteria shown above apply either to the counterparty to the long dated transaction or, if the payment obligation of such counterparty under the relevant Swap Agreement shall be guaranteed by an affiliate thereof, such affiliate. The overall maximum by definition of the above limits cannot exceed \$400 million for "long dated" transactions.

This provision includes all interest rate swap, cap and other hedging instruments JEA may utilize to manage interest rate risk including, but not limited to, debt management, and 100% investment/asset matched program.

I. Bid

All “initial” interest rate swap and cap transactions shall be competitively bid by at least (3) three providers that have executed interest rate swap agreements with JEA. Upon written authorization from the CEO or his designee, 1) a “reversing transaction” resulting in an upfront payment to JEA may be negotiated with the original swap, cap, or collar counterparty, 2) a negotiated swap with a counterparty may be executed as part of a debt financing or (3) a cap/collar can be procured either with bids received from two providers or negotiated with only one provider if JEA receives a letter from the then current Financial Advisor stating that the payment for such cap/collar was executed at market levels.

J. Reserve Fund

An annual budgeted reserve contribution will be made to a reserve fund to cover any payments made as a result of the use of swaps as part of the Policy. Three percent of the notional amount of each fixed to floating interest rate swap initially executed will be retained in the reserve fund and used if needed to make interest rate swap payments. The contributions to the reserve fund will be funded in three equal installments of 1% of the notional amount beginning in the month the swap is executed. Once funded, the reserve fund shall at all times be not less than three percent of the notional amount of fixed to floating debt interest rate swaps outstanding unless the reserve fund is used as stipulated below. Accounting will be consistent with the variable rate reserve fund.

The reserve fund can be used for any lawful purpose including debt service, debt repayment and capital outlay. The use of this reserve fund must be approved in writing by the CEO.

K. Other

If a fixed to floating interest rate swap is executed in conjunction with a refunding transaction where the net effect is to maintain the current level of variable rate exposure, (1) the requirement to execute a cap with an associated fixed to floating swap is waived and (2) any reserve requirement needed for the fixed to floating swap is waived; however, the reserve requirement shall be calculated as if the variable rate debt is outstanding in the amount of the notional amount of the associated fixed to floating interest rate swap.

XI. INSIDER TRADING POLICY GUIDELINES

Insider trading is a court developed doctrine under which it is unlawful to purchase or sell a security while in possession of material non-public information in breach of a duty or other relationship of trust or confidence.

Insider trading likely would not be found where an issuer is communicating in good faith with investors or analysts and disclosing information that is (1) Public, (2) not material or “market-moving” or (3) both public and non-material.

A written procedure, approved by the CEO, will provide specific guidelines that JEA employees will follow to ensure compliance with insider rules and regulations

XII. POLICY EXCEPTIONS

Any financing activity not included in this Policy will be brought to the Board for review and approval prior to execution.

XIII. EFFECTIVE DATE

This Policy will become effective May 20, 2003 (as revised April 19, 2005, October 10, 2005, November 20, 2007, December 15, 2009 and August 27, 2019).

XIV. DEFINITIONS

Advance Refunding A bond is treated as issued to advance refund another bond if it is issued more than 90 days before the redemption of the refunded bond.

Basis Risk Movement in the underlying variable rate indices may not be perfectly in tandem, creating a cost differential that could result in a net cash outflow from the issuer. Also, the mismatch that can occur in a swap with both sides using floating, but different, rates.

Capacity Expansion Capital expansion projects are those projects designed to accommodate new customers, acquisitions, new “plants”, and expansion of existing system capacity.

Commercial Paper Note shall mean any Bond which has a maturity date which is not more than 270 days after the date of issuance thereof.

Competitive Bid a method of submitting proposals for the purchase of new issue of municipal securities by which the securities are awarded to the underwriting syndicate presenting the best bid according to stipulated criteria set forth in the notice of sale.

Construction Loan Credit Facility means obligations of JEA of a particular credit facility for construction advance purposes which shall be similar to Bond Anticipation Notes.

Counterparty Risk the risk that the other party in the derivative transaction fails to meet its obligations under the contract.

Credit Enhancement shall mean, with respect to the Bonds of a Series, a maturity within a Series or an interest rate within a maturity, the issuance of an insurance policy, letter of credit, surety bond or any other similar obligation, whereby the issuer thereof becomes unconditionally obligated to pay when due, to the extent not paid by JEA or otherwise, the principal of and interest on such Bonds.

Current Refunding A bond is treated as issued to current refund another bond if the refunding issue is issued not more than 90 days before the redemption of the refunded bond.

Hedge a transaction entered into to reduce exposure to market fluctuations.

Interest Rate Swap a transaction in which two parties agree to exchange future net cash flows based on predetermined interest rate indices calculated on an agreed notional amount. The swap is not a debt instrument between the issuer and the counterparty, and there is no exchange of principal.

ISDA International Swap Dealers Association, the global trade association with over 550 members that include dealers in the derivatives industry.

ISDA Master Agreement the standardized master agreement for all swaps between the issuer and the dealer that identifies the definitions and terms governing the swap transaction.

LIBOR the principal benchmark for floating rate payments for taxable issuers. The London Inter Bank Offer Rate (LIBOR) is calculated as the average interest rate on Eurodollars traded between banks in London and can vary depending upon the maturity (e.g., one month or six months).

Because the regulator for LIBOR has announced the LIBOR benchmark will be discontinued as of December 31 2021, JEA shall not enter into any new LIBOR-based transactions extending past that date; any LIBOR based transactions terminating after December 31, 2021 shall use the replacement benchmark agreed upon by JEA after that date.

Long-Dated Swap a swap with a term of more than ten years. Often used in the municipal market, as issuers often prefer to use a hedge that matches the maturity of the underlying debt or investment.

Mark-to-Market calculation of the value of a financial instrument (like an interest rate swap) based on the current market rates or prices of the underlying (i.e. the variable on which the derivative is based).

Medium-Term Note any bond which has a maturity date which is more than 365 days, but not more than 15 years, after the date of issuance and is designated as a medium-term note in the supplemental resolution authorizing such bond.

Negotiated Sale the sale of a new issue of municipal securities by an issuer through an exclusive agreement with an underwriter or underwriting syndicate selected by the issuer.

SIFMA Index The SIFMA Municipal Swap index is a 7-day high-grade market index comprised of tax-exempt VRDO reset rates that are reported to the Municipal Securities Rule Making Board's Short-Term Obligation Rate Transparency reporting system.

Termination Risk the risk that a swap will be terminated by the counterparty before maturity that could require the issuer to make a cash termination payment to the counterparty.

True Interest Cost is the rate, compounded semiannually, necessary to discount the amounts payable on the respective principal and interest payment date to the purchase price received for the bonds.

Variable Rate Bond shall mean any Bond not bearing interest throughout its term at a specified rate or specified rates determined at the time of initial issuance.

Variable Rate Demand Obligations (VRDO) A long-term maturity security which is subject to a frequently available put option or tender option feature under which the holder may put the security back to the issuer or its agent at a predetermined price (generally par) after giving specified notice or as a result of a mandatory tender. Optional tenders are typically available to investors on a daily basis while in the daily or weekly mode and mandatory tenders are required upon a change in the interest rate while in the flexible or term mode. The frequency of a change in the interest rate of a variable rate demand obligation is based upon the particular mode the security is in at the time.



INTER-OFFICE MEMORANDUM

July 24, 2019

SUBJECT: **ELECTRIC SYSTEM AND WATER AND SEWER SYSTEM RESERVE
FUND QUARTERLY REPORT**

FROM: Aaron F. Zahn, Managing Director/CEO

TO: JEA Finance and Audit Committee

Kelly Flanagan, Chair
April Green
John Campion

BACKGROUND:

At the May 7, 2012 Finance and Audit Committee meeting, JEA staff presented schedules reflecting historical and projected activity in JEA's Electric System and Water and Sewer System unrestricted and restricted fund balances. Many of these reserves are required under the respective System's bond resolutions or under Board approved policies such as Pricing Policy or Debt Management Policy. JEA staff also stated that these schedules would be provided to the JEA Board on a quarterly basis beginning in August 2012.

DISCUSSION:

Attached are the reserve fund schedules referenced above for the period ending June 30, 2019.

RECOMMENDATION:

No action required; provided for information only.

Aaron F. Zahn, Managing Director/CEO

AFZ/RFW/JEO/BHG



Quarterly Reserve Report

**For the Third Quarter Ending
June 2019**



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

For the Years Ending September 30
(In Thousands of Dollars)

Electric System

	<u>Actual</u> <u>Fiscal Year</u> <u>2016</u>	<u>Actual</u> <u>Fiscal Year</u> <u>2017</u>	<u>Actual</u> <u>Fiscal Year</u> <u>2018</u>	<u>Projected</u> <u>Fiscal Year</u> <u>2019</u>	<u>Detail</u> <u>Page #</u>
Unrestricted					
Operations/Revenue Fund	\$ 56,665	\$ 54,800	\$ 85,482	\$ 26,170	
Debt Management Strategy Reserve	-	-	-	-	
Self Insurance Reserve Fund					
• Property	10,000	10,000	10,000	10,000	3
• Employee health insurance	11,179	9,214	8,138	8,138	4
Rate Stabilization					
• Fuel	180,115	131,716	74,376	46,761	5
• DSM/conservation	3,515	3,695	3,470	4,585	6
• Environmental	29,975	36,417	42,163	47,494	7
• Debt Management	42,126	29,884	29,884	29,884	8
• Non-Fuel Purchased Power	34,400	25,189	53,493	57,987	9
Environmental	18,556	17,672	16,818	16,568	10
Customer Deposits	41,084	42,105	44,242	44,439	11
Total Unrestricted	427,615	360,692	368,066	292,026	
Days of Cash on Hand (2)	270	234	219	118	
Restricted					
Debt Service Funds (Sinking Funds)	136,232	167,087	159,656	145,808	12
Debt Service Reserve Funds	60,582	60,582	60,582	60,582	13
Renewal and Replacement Funds/OCO (3)	192,179	201,368	189,922	26,201	14
Construction Funds	-	-	203	-	15
Total Restricted	388,993	429,037	410,363	232,591	
Total Electric System	\$ 816,608	\$ 789,729	\$ 778,429	\$ 524,617	

Water and Wastewater System

Unrestricted					
Operations/Revenue Fund	\$ 42,948	\$ 69,232	\$ 43,461	\$ 20,483	
Rate Stabilization					
• Debt Management	20,290	14,209	14,209	14,209	16
• Environmental	1,699	5,214	12,914	12,482	17
Customer Deposit	13,910	15,086	15,616	15,958	18
Total Unrestricted	78,847	103,741	86,200	63,132	
Days of Cash on Hand (2)	528	496	454	138	
Restricted					
Debt Service Funds (Sinking Funds)	65,410	82,208	81,241	81,040	19
Debt Service Reserve Funds	108,086	107,488	102,850	63,442	20
Renewal and Replacement Funds	179,431	150,319	141,415	24,667	21
Environmental Fund [Capital Projects]	2,659	1,839	1,159	1,710	22
Construction Funds	152	15	284	27,468	23
Total Restricted	355,738	341,869	326,949	198,327	
Total Water & Sewer System	\$ 434,585	\$ 445,610	\$ 413,149	\$ 261,459	

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

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

(3) Balance includes \$47,000 of Electric System Renewal and Replacement Reserve for MADS calculation.

(4) Balance includes \$20,000 of Water & Sewer System Renewal and Replacement Reserve for MADS calculation.

Funds Established Per the Bond Resolutions

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

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

Electric System Self Insurance - Property

For the Third Quarter Ending June 30, 2019

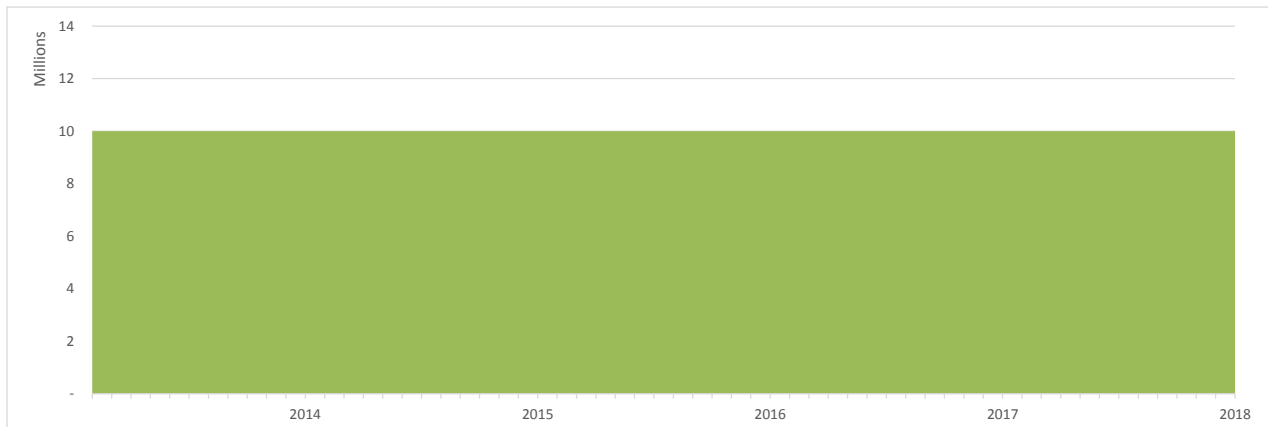
Definitions and Goals

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

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	<u>2019</u>	<u>2020</u>	<u>2021</u>
Opening Balance	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Additions:					
Contributions					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals					
Ending Balance	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>

Historical Activity

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Opening Balance	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Additions:					
Contributions	-	-	-	-	-
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Ending balance	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>



Observations

- Reserve/Fund Authorization: Budget Appropriation.

Electric System Self Insurance - Employee Health Insurance

For the Third Quarter Ending June 30, 2019

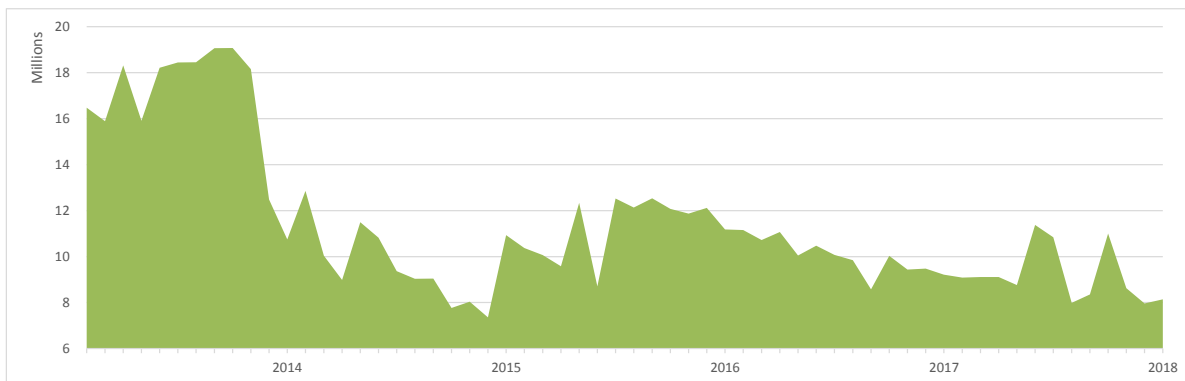
Definitions and Goals

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

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2019	2020	2021
Opening Balance	\$ 10,221	\$ 8,138	\$ 8,138	\$ 8,138	\$ 8,138
Additions:					
Employee Contributions	1,629	4,788	5,027	5,279	5,543
Retiree & Other Contributions	1,747	4,940	5,236	5,551	5,884
Employer Contributions	4,712	15,928	25,252	27,370	29,673
Sub-total	\$ 8,088	\$ 25,656	\$ 35,516	\$ 38,200	\$ 41,100
Withdrawals:					
Payments for Claims	6,955	21,404	33,408	36,029	38,863
Actuary & Other Payments	634	1,670	2,108	2,171	2,237
Sub-total	\$ 7,589	\$ 23,074	\$ 35,516	\$ 38,200	\$ 41,100
Ending Balance	\$ 10,720	\$ 10,720	\$ 8,138	\$ 8,138	\$ 8,138

Historical Activity

	2014	2015	2016	2017	2018
Opening Balance	\$ 15,914	\$ 10,749	\$ 10,937	\$ 11,179	\$ 9,214
Additions:					
Employee Contributions	4,573	5,447	5,460	5,862	6,158
Retiree & Other Contributions	5,188	5,141	5,694	6,443	7,273
Employer Contributions	14,252	22,220	24,231	19,004	18,378
Sub-total	\$ 24,013	\$ 32,808	\$ 35,385	\$ 31,309	\$ 31,809
Withdrawals:					
Payments for Claims	27,157	30,408	32,946	30,994	30,933
Actuary & Other Payments	2,021	2,212	2,197	2,280	1,952
Sub-total	\$ 29,178	\$ 32,620	\$ 35,143	\$ 33,274	\$ 32,885
Ending balance	\$ 10,749	\$ 10,937	\$ 11,179	\$ 9,214	\$ 8,138



Maximum Balance: 19,072
Minimum Balance: 7,359

Average Balance: 11,382

Observations

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

Electric System Rate Stabilization - Fuel Management

For the Third Quarter Ending June 30, 2019

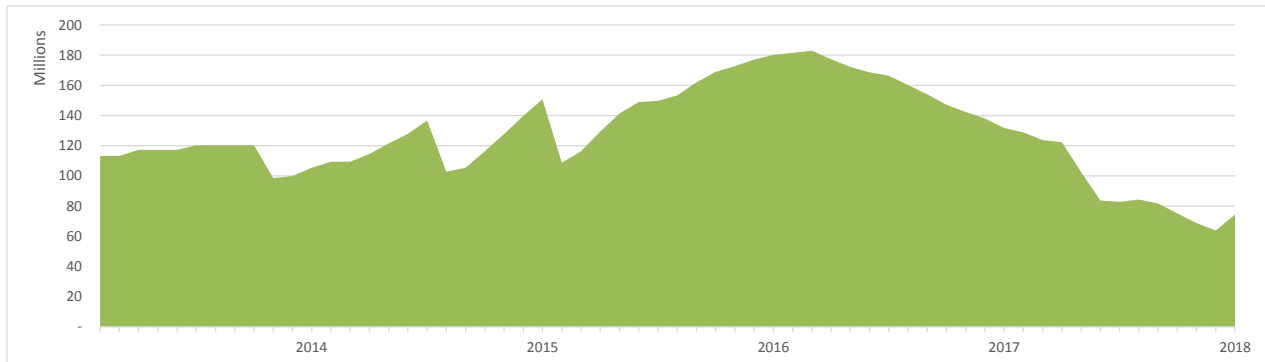
Definitions and Goals

The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which contributions or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Fund provides a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as fuel, debt management and regulatory requirements or initiatives. Established pursuant to the section VII and Section IX of the Pricing Policy, the Fuel Reserve target is 15% of the greater of (i) the maximum fiscal year fuel cost in the preceding five fiscal years or (ii) the projected fiscal year fuel cost. Withdrawals from the Rate Stabilization Fund for fuel stabilization are limited to the following purposes: (a) to reduce the variable fuel rate charge to the customers for a determined period of time; (b) to reduce the excess of the actual fuel and purchased power expense for the fiscal year over the variable fuel rate revenues; (c) to be rebated back to the customers as a credit against the electric bill; and/or (d) to reimburse the costs associated with any energy risk management activities.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2019	2020	2021
Opening Balance	\$ 44,208	\$ 74,376	\$ 74,376	\$ 46,761	\$ 80,199
Additions:					
Contributions			11,206	33,438	28,886
Sub-total	\$ -	\$ -	\$ 11,206	\$ 33,438	\$ 28,886
Withdrawals:					
Withdrawals	8,017	38,185	38,821	0	0
Sub-total	\$ 8,017	\$ 38,185	\$ 38,821	\$ -	\$ -
Ending Balance	\$ 36,191	\$ 36,191	\$ 46,761	\$ 80,199	\$ 109,086

Historical Activity

	2014	2015	2016	2017	2018
Opening Balance	\$ 108,289	\$ 105,457	\$ 150,742	\$ 180,115	\$ 131,716
Additions:					
Contributions	22,496	95,224	85,979	2,845	
Sub-total	\$ 22,496	\$ 95,224	\$ 85,979	\$ 2,845	\$ -
Withdrawals:					
Withdrawals				51,244	57,340
Fuel Rebate Credit	25,328	49,939	56,606		
Sub-total	\$ 25,328	\$ 49,939	\$ 56,606	\$ 51,244	\$ 57,340
Ending balance	\$ 105,457	\$ 150,742	\$ 180,115	\$ 131,716	\$ 74,376



Maximum Balance: 182,960
Minimum Balance: 63,814

Average Balance: 127,473

Observations

- Actual and historical numbers reflect fuel recovery contributions and withdrawals on a gross basis. Forecast and projected numbers reflected on a net basis. The fuel recovery charge ended 12/31/11.

Electric System Rate Stabilization - Demand Side Management (DSM)

For the Third Quarter Ending June 30, 2019

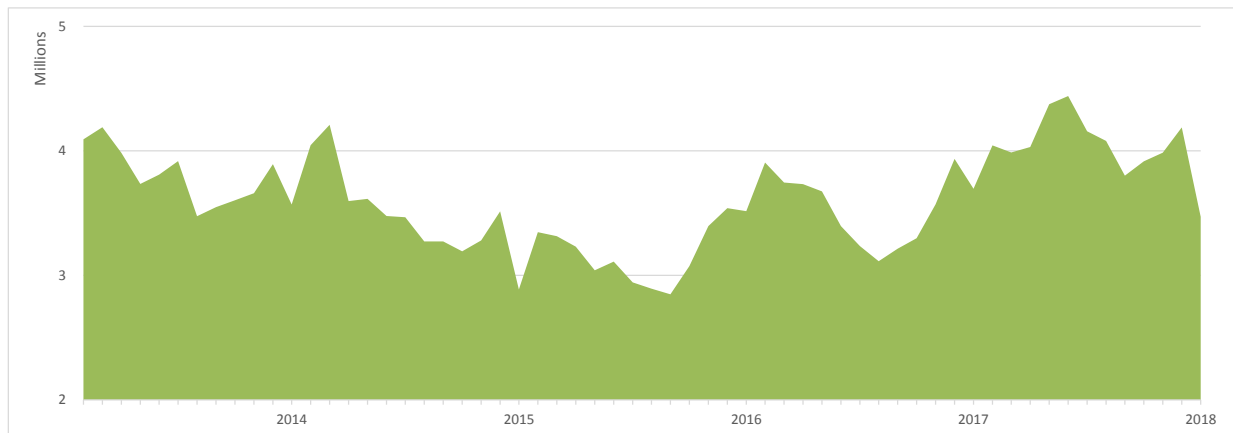
Definitions and Goals

The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which contributions or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Fund provides a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as fuel, debt management and regulatory requirements or initiatives. Pursuant to section VII of the Pricing Policy, \$0.50 per 1,000 kWh plus \$0.01 per kWh residential conservation charge for consumption greater than 2,750 kWh monthly. These revenue sources are to fund demand side management and conservation programs.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	<u>2019</u>	<u>2020</u>	<u>2021</u>
Opening Balance	\$ 4,197	\$ 3,470	\$ 3,470	\$ 4,585	\$ 5,472
Additions:					
Contributions	1,801	4,804	6,910	6,682	6,682
Sub-total	<u>\$ 1,801</u>	<u>\$ 4,804</u>	<u>\$ 6,910</u>	<u>\$ 6,682</u>	<u>\$ 6,682</u>
Withdrawals:					
Withdrawals	1,500	3,776	5,795	5,795	5,795
Sub-total	<u>\$ 1,500</u>	<u>\$ 3,776</u>	<u>\$ 5,795</u>	<u>\$ 5,795</u>	<u>\$ 5,795</u>
Ending Balance	<u>\$ 4,498</u>	<u>\$ 4,498</u>	<u>\$ 4,585</u>	<u>\$ 5,472</u>	<u>\$ 6,359</u>

Historical Activity

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Opening Balance	\$ 3,891	\$ 3,570	\$ 2,886	\$ 3,515	\$ 3,695
Additions:					
Contributions	6,929	7,059	7,232	6,685	7,088
Sub-total	<u>\$ 6,929</u>	<u>\$ 7,059</u>	<u>\$ 7,232</u>	<u>\$ 6,685</u>	<u>\$ 7,088</u>
Withdrawals:					
Withdrawals	7,250	7,743	6,603	6,505	7,313
Sub-total	<u>\$ 7,250</u>	<u>\$ 7,743</u>	<u>\$ 6,603</u>	<u>\$ 6,505</u>	<u>\$ 7,313</u>
Ending balance	<u>\$ 3,570</u>	<u>\$ 2,886</u>	<u>\$ 3,515</u>	<u>\$ 3,695</u>	<u>\$ 3,470</u>



Maximum Balance:	4,441	Average Balance:	3,609
Minimum Balance:	2,848		

Observations

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

Electric System Rate Stabilization - Environmental

For the Third Quarter Ending June 30, 2019

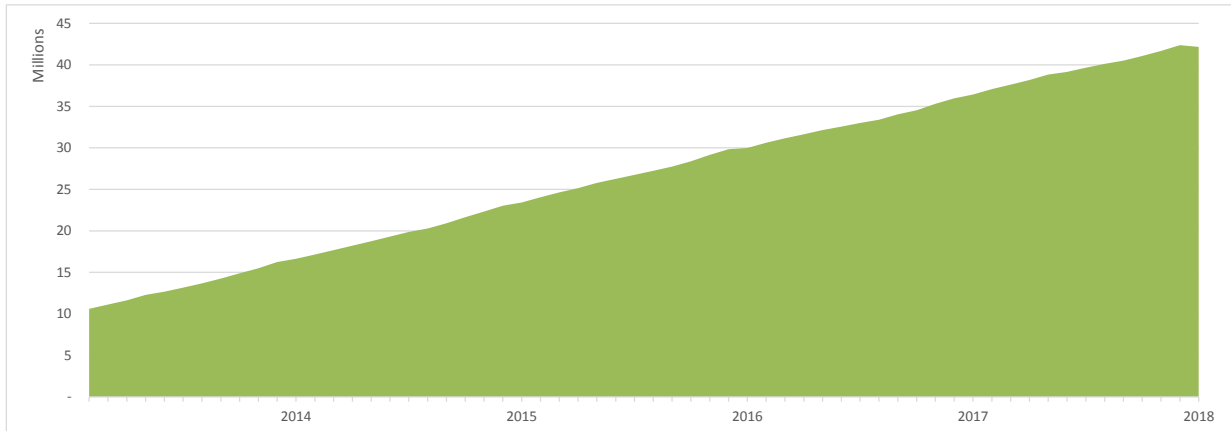
Definitions and Goals

The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which contributions or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Fund provides a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as fuel, debt management and regulatory requirements or initiatives. Deposits to this fund began in fiscal year 2010 for amounts representing the Electric System Environmental Charge (\$0.62 per 1000 kWh). Withdrawals from this reserve will represent payments for regulatory initiatives such as the premium cost of renewable energy generation which is considered available for JEA's capacity plans.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	<u>2019</u>	<u>2020</u>	<u>2021</u>
Opening Balance	\$ 44,138	\$ 42,163	\$ 42,163	\$ 47,494	\$ 53,289
Additions:					
Contributions	1,978	5,357	7,563	7,814	7,320
Sub-total	\$ 1,978	\$ 5,357	\$ 7,563	\$ 7,814	\$ 7,320
Withdrawals:					
Withdrawals	326	1,730	2,232	2,019	2,918
Ending Balance	\$ 45,790	\$ 45,790	\$ 47,494	\$ 53,289	\$ 57,691

Historical Activity

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Opening Balance	\$ 10,023	\$ 16,639	\$ 23,430	\$ 29,975	\$ 36,417
Additions:					
Contributions	7,395	7,586	7,700	7,384	7,572
Sub-total	\$ 7,395	\$ 7,586	\$ 7,700	\$ 7,384	\$ 7,572
Withdrawals:					
Withdrawals	779	795	1,155	942	1,827
Sub-total	\$ 779	\$ 795	\$ 1,155	\$ 942	\$ 1,827
Ending balance	\$ 16,639	\$ 23,430	\$ 29,975	\$ 36,417	\$ 42,163



Maximum Balance:	42,378	Average Balance:	26,826
Minimum Balance:	10,602		

Observations

- Rate Stabilization Fund for Environmental began in June 2010.

Electric System Rate Stabilization - Debt Management

For the Third Quarter Ending June 30, 2019

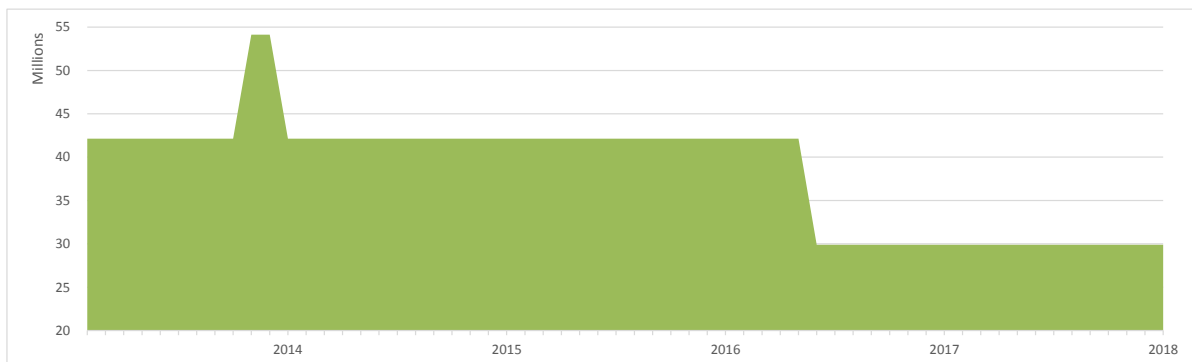
Definitions and Goals

The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which deposits or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. Deposits are made to this Rate Stabilization Fund for the purpose of managing JEA's debt portfolio. Deposits to this reserve reflect the difference in the actual interest rates for interest expense on the unhedged variable rate debt as compared to the budgeted assumptions for interest expense on the unhedged variable rate debt. Additionally, deposits can be made from excess debt service budget over the actual debt service expense for any fiscal year. However, the total amounts deposited (in addition to actual debt service costs for the fiscal year) cannot exceed the total amount of the budgeted debt service for any fiscal year. At a minimum, 50% of the calculated reserve contribution, if any, will be recorded and deposited each fiscal year. Debt and Investment Committee will review and record at their option an additional contribution amount, up to the full value of the calculated reserve contribution (the remaining 50%). The reserve contributions will be calculated on a system by system basis; however, based on the calculation, any mandatory deposit will exclude the District Energy System. The reserve contributions shall cease in the event the reserve balance exceeds the cap of five percent of the par amount of the total outstanding variable rate debt of all systems. Withdrawals from the Rate Stabilization Fund for Debt Management Strategy can be made for expenses related to market disruption in the capital markets, disruption in availability of credit or unanticipated credit expenses, or to fund variable interest costs in excess of budget.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year-to-Date	2019	2020	2021
Opening Balance	\$ 29,884	\$ 29,884	\$ 29,884	\$ 29,884	\$ 29,884
Additions:					
Contributions					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals			-		
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ 29,884	\$ 29,884	\$ 29,884	\$ 29,884	\$ 29,884

Historical Activity

	2014	2015	2016	2017	2018
Opening Balance	\$ 42,126	\$ 42,126	\$ 42,126	\$ 42,126	\$ 29,884
Additions:					
Contributions					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals				12,242	
Sub-total	\$ -	\$ -	\$ -	\$ 12,242	\$ -
Ending balance	\$ 42,126	\$ 42,126	\$ 42,126	\$ 29,884	\$ 29,884



Maximum Balance:	54,126	Average Balance:	38,445
Minimum Balance:	29,884		

Observations

- Rate Stabilization Fund for Debt Management began in May 2009.

Electric System Rate Stabilization - Non-Fuel Purchased Power

For the Third Quarter Ending June 30, 2019

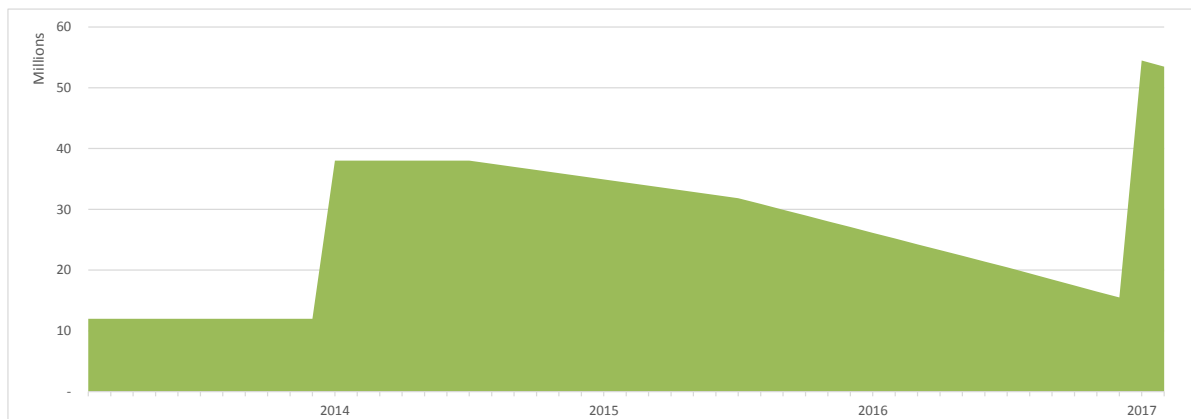
Definitions and Goals

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

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2019	2020	2021
Opening Balance	\$ 47,564	\$ 53,493	\$ 53,493	\$ 57,987	\$ 36,379
Additions:					
Contributions			17,566		
Sub-total	\$ -	\$ -	\$ 17,566	\$ -	\$ -
Withdrawals:					
Withdrawals	3,561	9,490	13,072	21,608	34,325
Ending Balance	\$ 44,003	\$ 44,003	\$ 57,987	\$ 36,379	\$ 2,054

Historical Activity

	2014	2015	2016	2017	2018
Opening Balance	\$ -	\$ 12,000	\$ 38,000	\$ 34,400	\$ 25,189
Additions:					
Contributions	12,000	26,000			40,000
Sub-total	\$ 12,000	\$ 26,000	\$ -	\$ -	\$ 40,000
Withdrawals:					
Withdrawals			3,600	9,211	11,696
Sub-total	\$ -	\$ -	\$ 3,600	\$ 9,211	\$ 11,696
Ending balance	\$ 12,000	\$ 38,000	\$ 34,400	\$ 25,189	\$ 53,493



Maximum Balance:	54,488	Average Balance:	26,883
Minimum Balance:	12,000		

Observations

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

Electric System Environmental Reserve

For the Third Quarter Ending June 30, 2019

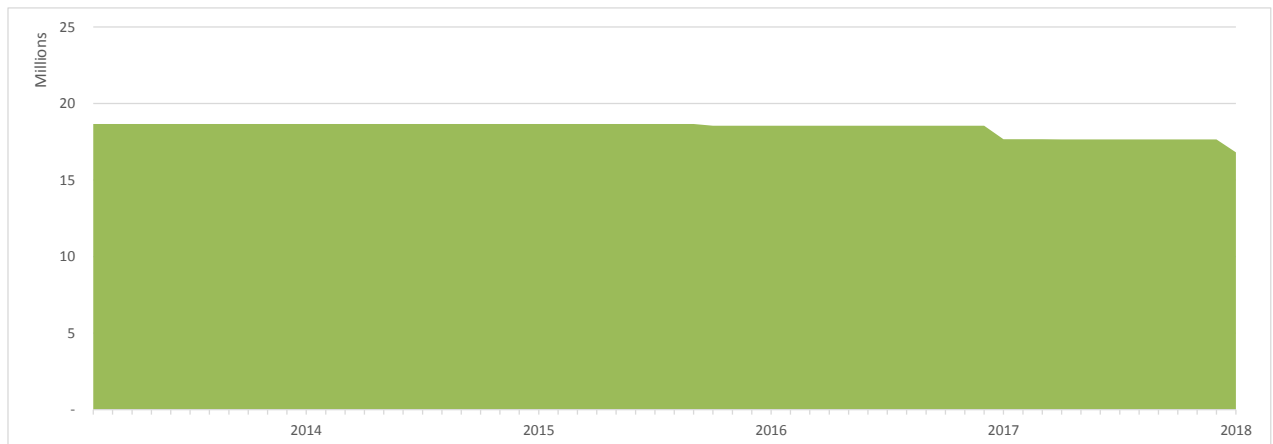
Definitions and Goals

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

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	<u>2019</u>	<u>2020</u>	<u>2021</u>
Opening Balance	\$ 16,808	\$ 16,818	\$ 16,818	\$ 16,568	\$ 16,068
Additions:					
Contributions					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals	240	250	250	500	5,000
Ending Balance	<u>\$ 16,568</u>	<u>\$ 16,568</u>	<u>\$ 16,568</u>	<u>\$ 16,068</u>	<u>\$ 11,068</u>

Historical Activity

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Opening Balance	\$ 18,662	\$ 18,662	\$ 18,662	\$ 18,556	\$ 17,672
Additions:					
Contributions					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals			106	884	854
Sub-total	\$ -	\$ -	\$ 106	\$ 884	\$ 854
Ending balance	<u>\$ 18,662</u>	<u>\$ 18,662</u>	<u>\$ 18,556</u>	<u>\$ 17,672</u>	<u>\$ 16,818</u>



Maximum Balance: 18,662
Minimum Balance: 16,818

Average Balance: 18,403

Observations

- The Environmental Reserve began in FY 2008.

Electric System Customer Deposits

For the Third Quarter Ending June 30, 2019

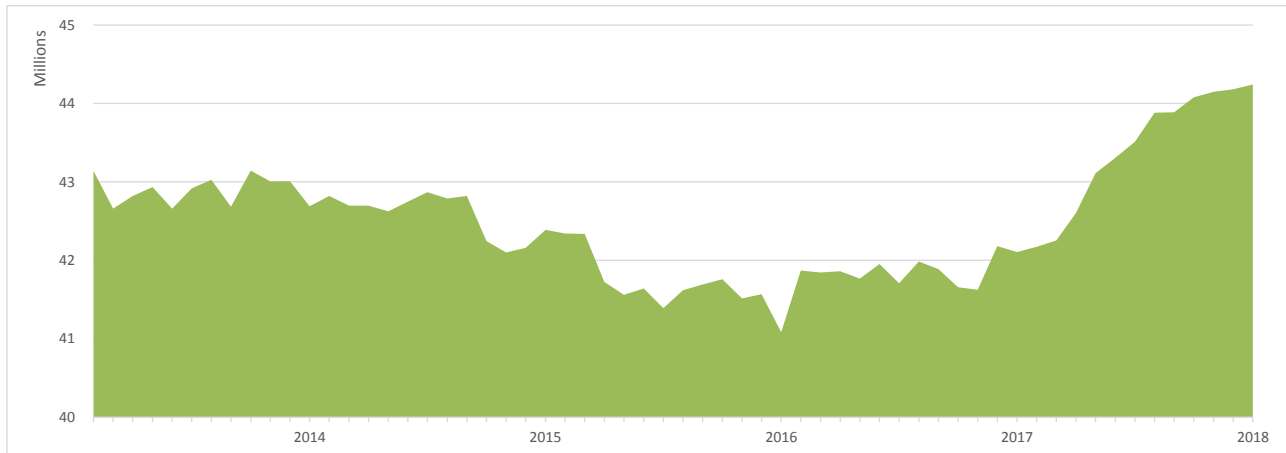
Definitions and Goals

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

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	<u>2019</u>	<u>2020</u>	<u>2021</u>
Opening Balance	\$ 44,543	\$ 44,242	\$ 44,242	\$ 44,439	\$ 44,439
Additions:					
Net Customer Activity		197	197		
Sub-total	\$ -	\$ 197	\$ 197	\$ -	\$ -
Withdrawals:					
Net Customer Activity	104				
Ending Balance	<u>\$ 44,439</u>	<u>\$ 44,439</u>	<u>\$ 44,439</u>	<u>\$ 44,439</u>	<u>\$ 44,439</u>

Historical Activity

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Opening Balance	\$ 44,882	\$ 42,688	\$ 42,389	\$ 41,084	\$ 42,105
Additions:					
Net Customer Activity				1,021	2,137
Sub-total	\$ -	\$ -	\$ -	\$ 1,021	\$ 2,137
Withdrawals:					
Net Customer Activity	2,194	299	1,305		
Sub-total	\$ 2,194	\$ 299	\$ 1,305	\$ -	\$ -
Ending balance	<u>\$ 42,688</u>	<u>\$ 42,389</u>	<u>\$ 41,084</u>	<u>\$ 42,105</u>	<u>\$ 44,242</u>



Maximum Balance:	44,242	Average Balance:	42,495
Minimum Balance:	41,084		

Observations

Electric System Debt Service Sinking Fund

For the Third Quarter Ending June 30, 2019

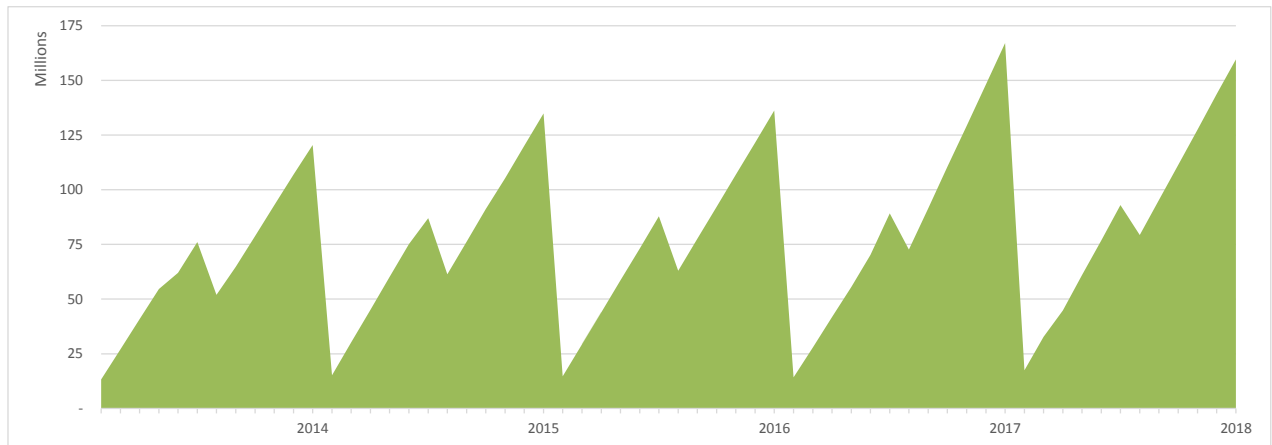
Definitions and Goals

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

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2019	2020	2021
Opening Balance	\$ 87,603	\$ 159,656	\$ 159,656	\$ 145,808	\$ 87,830
Additions:					
Revenue Fund Deposits	46,211	140,352	186,503	130,420	131,677
Sub-total	<u>\$ 46,211</u>	<u>\$ 140,352</u>	<u>\$ 186,503</u>	<u>\$ 130,420</u>	<u>\$ 131,677</u>
Withdrawals:					
Principal and Int Payments	31,533	197,727	200,351	188,398	134,212
Ending Balance	<u>\$ 102,281</u>	<u>\$ 102,281</u>	<u>\$ 145,808</u>	<u>\$ 87,830</u>	<u>\$ 85,295</u>

Historical Activity

	2014	2015	2016	2017	2018
Opening Balance	\$ 101,305	\$ 120,458	\$ 134,927	\$ 136,232	\$ 167,087
Additions:					
Revenue Fund Deposits	167,340	181,006	177,847	209,450	201,359
Sub-total	<u>\$ 167,340</u>	<u>\$ 181,006</u>	<u>\$ 177,847</u>	<u>\$ 209,450</u>	<u>\$ 201,359</u>
Withdrawals:					
Principal and Int Payments	148,187	166,537	176,542	178,595	208,790
Sub-total	<u>\$ 148,187</u>	<u>\$ 166,537</u>	<u>\$ 176,542</u>	<u>\$ 178,595</u>	<u>\$ 208,790</u>
Ending balance	<u>\$ 120,458</u>	<u>\$ 134,927</u>	<u>\$ 136,232</u>	<u>\$ 167,087</u>	<u>\$ 159,656</u>



Maximum Balance: 167,087
Minimum Balance: 13,302

Average Balance: 77,616

Observations

- September 30th ending balances are used to pay the October 1st interest and principal payments.
- This report does not include any Scherer debt service sinking funds.
- Timing differences occur due to the accrual of debt service during one fiscal year and the payment in the following fiscal year (primarily fixed rate principal and interest on October 1st of the following fiscal year).
- Projections are based on the debt outstanding as of December 31, 2018.

Electric System Debt Service Reserve Account

For the Third Quarter Ending June 30, 2019

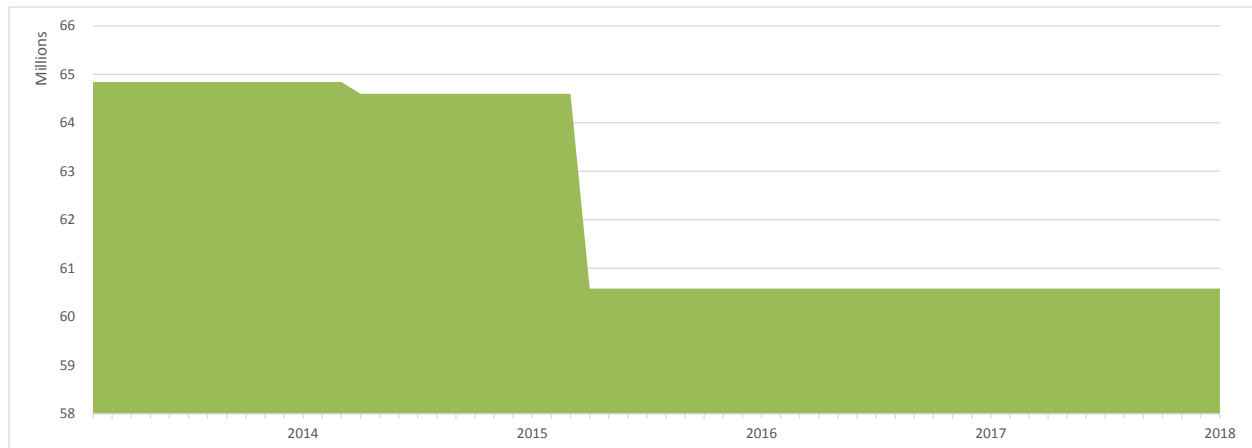
Definitions and Goals

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

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	<u>2019</u>	<u>2020</u>	<u>2021</u>
Opening Balance	\$ 60,582	\$ 60,582	\$ 60,582	\$ 60,582	\$ 60,582
Additions:					
Proceeds from Bonds					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Release to Revenue Fund					
Ending Balance	<u>\$ 60,582</u>	<u>\$ 60,582</u>	<u>\$ 60,582</u>	<u>\$ 60,582</u>	<u>\$ 60,582</u>

Historical Activity

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Opening Balance	\$ 64,841	\$ 64,841	\$ 64,595	\$ 60,582	\$ 60,582
Additions:					
Proceeds from Bonds					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Release to Revenue Fund		246	4,013		
Sub-total	\$ -	\$ 246	\$ 4,013	\$ -	\$ -
Ending balance	<u>\$ 64,841</u>	<u>\$ 64,595</u>	<u>\$ 60,582</u>	<u>\$ 60,582</u>	<u>\$ 60,582</u>



Maximum Balance:	64,841	Average Balance:	62,378
Minimum Balance:	60,582		

Observations

- This report does not include any Scherer debt service reserves.

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

For the Third Quarter Ending June 30, 2019

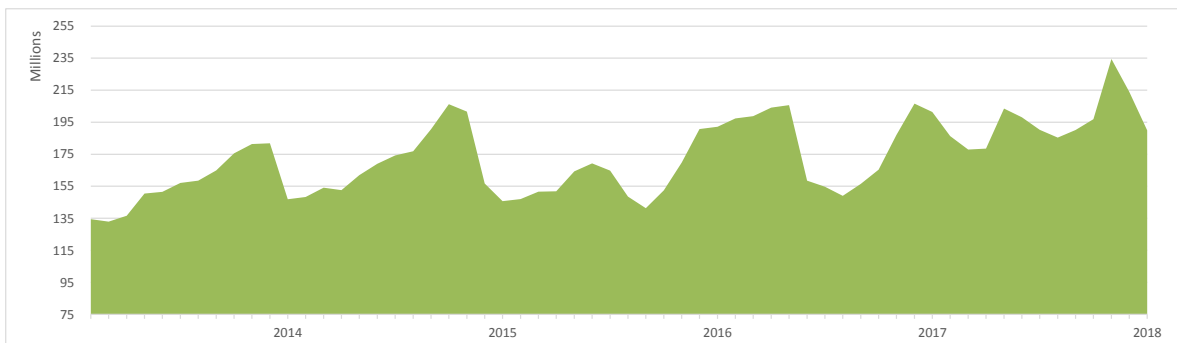
Definitions and Goals

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

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2019	2020	2021
Opening Balance	\$ 65,955	\$ 189,922	\$ 189,922	\$ 26,201	\$ 16,522
Additions:					
R&R/OCO Contribution	61,112	128,337	183,836	232,000	282,000
Transfers Loans betw Capital Fds			201		
Other	2,056	18,234	20,680	5,500	2,000
Sub-total	<u>\$ 63,168</u>	<u>\$ 146,571</u>	<u>\$ 204,717</u>	<u>\$ 237,500</u>	<u>\$ 284,000</u>
Withdrawals:					
Capital Expenditures	70,627	207,997	275,438	247,179	286,554
Transfers betw Capital Fds					
Debt Defeasance		70,000	93,000		
Other					
Sub-total	<u>\$ 70,627</u>	<u>\$ 277,997</u>	<u>\$ 368,438</u>	<u>\$ 247,179</u>	<u>\$ 286,554</u>
Ending Balance	<u>\$ 58,496</u>	<u>\$ 58,496</u>	<u>\$ 26,201</u>	<u>\$ 16,522</u>	<u>\$ 13,968</u>

Historical Activity

	2014	2015	2016	2017	2018
Opening Balance	\$ 140,486	\$ 146,910	\$ 145,711	\$ 192,179	\$ 201,368
Additions:					
R&R/OCO Contribution	85,639	110,351	200,692	196,589	148,105
Loans betw Capital Fds	-				
Other	4,014	970	3,744	5,074	35,675
Sub-total	<u>\$ 89,653</u>	<u>\$ 111,321</u>	<u>\$ 204,436</u>	<u>\$ 201,663</u>	<u>\$ 183,780</u>
Withdrawals:					
Capital Expenditures	82,889	112,483	157,201	113,987	181,263
Transfers/loans b/w Capital Fds	340	37	765	37,200	
Debt Defeasance					
Other			2	41,287	13,963
Sub-total	<u>\$ 83,229</u>	<u>\$ 112,520</u>	<u>\$ 157,968</u>	<u>\$ 192,474</u>	<u>\$ 195,226</u>
Ending balance	<u>\$ 146,910</u>	<u>\$ 145,711</u>	<u>\$ 192,179</u>	<u>\$ 201,368</u>	<u>\$ 189,922</u>



Maximum Balance: 234,504
Minimum Balance: 132,931

Average Balance: 173,065

Observations

- Other includes Sale of Property.
- Includes \$47 million for Maximum Annual Debt Service calculation.

Electric System Construction / Bond Fund

For the Third Quarter Ending June 30, 2019

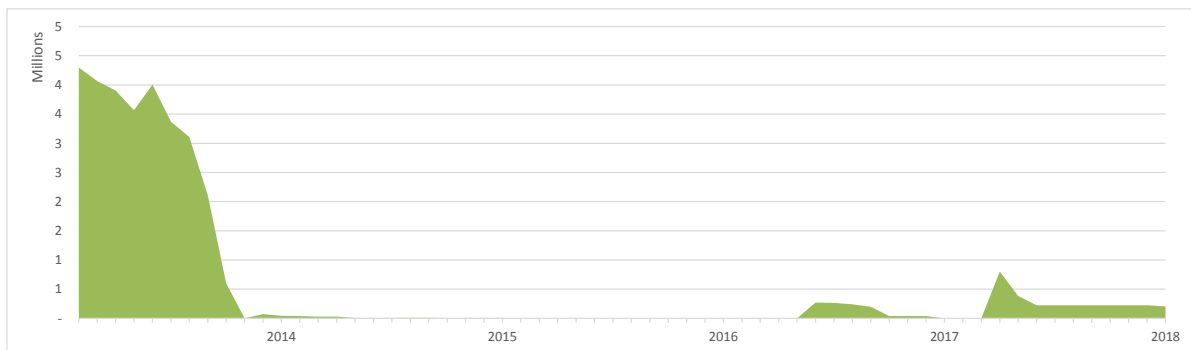
Definitions and Goals

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

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2019	2020	2021
Opening Balance	\$ 201	\$ 203	\$ 203	\$ -	\$ -
Additions:					
Bond Proceeds					
Loans betw Capital Fds					
Other					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Transfers betw Capital Fds	201	201	203		
Other		2			
Sub-total	\$ 201	\$ 203	\$ 203	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -

Historical Activity

	2014	2015	2016	2017	2018
Opening Balance	\$ 5,184	\$ 42	\$ 4	\$ -	\$ -
Additions:					
Bond Proceeds				429	805
Loans betw Capital Fds	3,091				
Other	340	37	2		
Sub-total	\$ 3,431	\$ 37	\$ 2	\$ 429	\$ 805
Withdrawals:					
Capital Expenditures	4,821	75	6		
Transfers/loans b/w Capital Fds	3,091				
Other	661			429	602
Sub-total	\$ 8,573	\$ 75	\$ 6	\$ 429	\$ 602
Ending balance	\$ 42	\$ 4	\$ -	\$ -	\$ 203



Maximum Balance: 4,299 Average Balance: 555
 Minimum Balance: -

Observations

- JEA's philosophy has been to borrow bond funds on a "just-in-time" basis. Staff has used line of credit borrowings and loans between capital funds to decrease borrowing costs.
- No new debt issues projected for FY 2019.

Water and Sewer System Rate Stabilization - Debt Management

For the Third Quarter Ending June 30, 2019

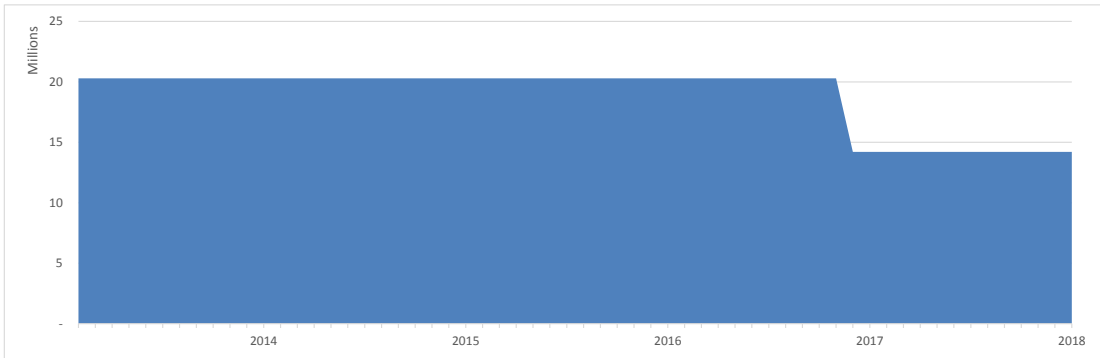
Definitions and Goals

The Water & Sewer System Bond Resolution authorizes the establishment of a Rate Stabilization Fund ("RSF") in which deposits or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Funds provide a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as fuel, debt management and regulatory requirements or initiatives. Deposits are made to this RSF for the purpose of managing JEA's debt portfolio. Deposits to this reserve reflect the difference in the actual interest rates for interest expense on the unhedged variable rate debt as compared to the budgeted assumptions for interest expense on the unhedged variable rate debt. Additionally, deposits can be made from excess debt service budget over the actual debt service expense for any fiscal year. However, the total amounts deposited (in addition to actual debt service costs for the fiscal year) cannot exceed the total amount of the budgeted debt service for any fiscal year. At a minimum, 50% of the calculated reserve contribution, if any, will be recorded and deposited each fiscal year. Debt and Investment Committee will review and record at their option an additional contribution amount, up to the full value of the calculated reserve contribution (the remaining 50%). The reserve contributions will be calculated on a system by system basis; however, based on the calculation, any mandatory deposit will exclude the District Energy System. The reserve contributions shall cease in the event the reserve balance exceeds the cap of five percent of the par amount of the total outstanding variable rate debt of all systems. Withdrawals from the Rate Stabilization Fund for Debt Management Strategy can be made for expenses related to market disruption in the capital markets, disruption in availability of credit or unanticipated credit expenses, or to fund variable interest costs in excess of budget.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2019	2020	2021
Opening Balance	\$ 14,209	\$ 14,209	\$ 14,209	\$ 14,209	\$ 14,209
Additions:					
Contributions					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals			-		
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ 14,209	\$ 14,209	\$ 14,209	\$ 14,209	\$ 14,209

Historical Activity

	2014	2015	2016	2017	2018
Opening Balance	\$ 20,290	\$ 20,290	\$ 20,290	\$ 20,290	\$ 14,209
Additions:					
Contributions					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals				6,081	
Sub-total	\$ -	\$ -	\$ -	\$ 6,081	\$ -
Ending balance	\$ 20,290	\$ 20,290	\$ 20,290	\$ 14,209	\$ 14,209



Maximum Balance:	20,290	Average Balance:	18,871
Minimum Balance:	14,209		

Observations

- Contributions began in June 2009.

Water & Sewer System Rate Stabilization - Environmental

For the Third Quarter Ending June 30, 2019

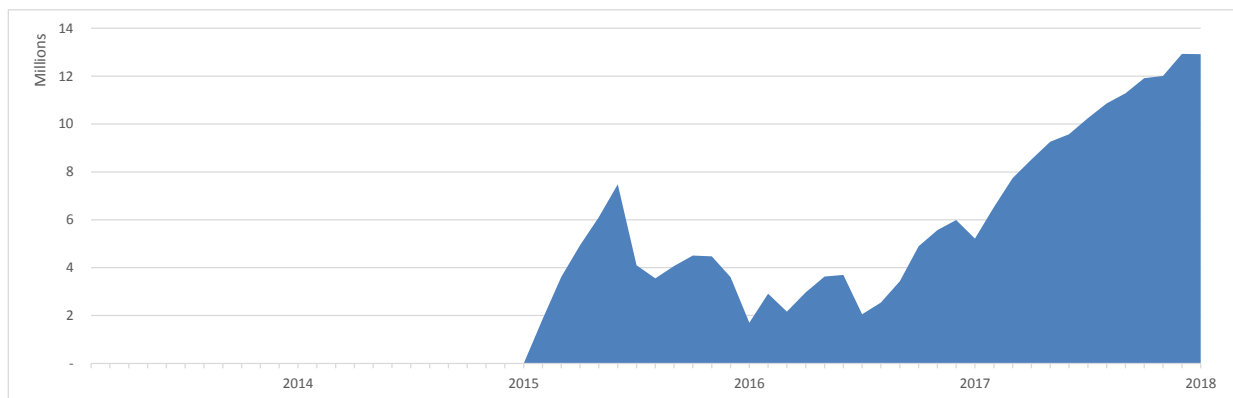
Definitions and Goals

The Water & Sewer System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which contributions or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Fund provides a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as debt management and regulatory requirements or initiatives.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2019	2020	2021
Opening Balance	\$ 15,319	\$ 12,914	\$ 12,914	\$ 12,482	\$ 12,482
Additions:					
Contributions	6,856	18,310	25,228	26,687	26,954
Sub-total	\$ 6,856	\$ 18,310	\$ 25,228	\$ 26,687	\$ 26,954
Withdrawals:					
Withdrawals	6,513	15,562	25,660	26,687	26,954
COJ Septic Tank Agreement		-	-		
Sub-total	\$ 6,513	\$ 15,562	\$ 25,660	\$ 26,687	\$ 26,954
Ending Balance	\$ 15,662	\$ 15,662	\$ 12,482	\$ 12,482	\$ 12,482

Historical Activity

	2014	2015	2016	2017	2018
Opening Balance	\$ -	\$ -	\$ -	\$ 1,699	\$ 5,214
Additions:					
Contributions			23,635	24,362	23,829
Sub-total	\$ -	\$ -	\$ 23,635	\$ 24,362	\$ 23,829
Withdrawals:					
Withdrawals			21,936	20,847	16,129
Sub-total	\$ -	\$ -	\$ 21,936	\$ 20,847	\$ 16,129
Ending balance	\$ -	\$ -	\$ 1,699	\$ 5,214	\$ 12,914



Maximum Balance: 12,930
Minimum Balance: 1,699

Average Balance: 6,079

Observations

- Rate Stabilization Fund for Environmental began in June 2010.

Water and Sewer System Customer Deposits

For the Third Quarter Ending June 30, 2019

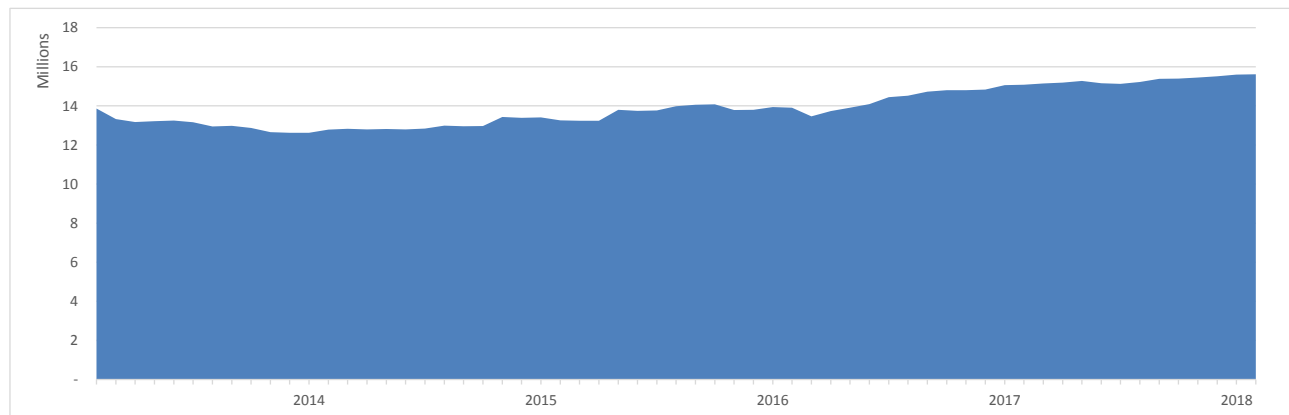
Definitions and Goals

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

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2019	2020	2021
Opening Balance	\$ 15,958	\$ 15,616	\$ 15,616	\$ 15,958	\$ 15,958
Additions:					
Allocated from Electric	48	390	342		
Sub-total	\$ 48	\$ 390	\$ 342	\$ -	\$ -
Withdrawals:					
Allocated from Electric					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ 16,006	\$ 16,006	\$ 15,958	\$ 15,958	\$ 15,958

Historical Activity

	2014	2015	2016	2017	2018
Opening Balance	\$ 13,860	\$ 12,787	\$ 13,255	\$ 13,910	\$ 15,086
Additions:					
Allocated from Electric		468	655	1,176	530
Sub-total	\$ -	\$ 468	\$ 655	\$ 1,176	\$ 530
Withdrawals:					
Allocated from Electric	1,073				
Sub-total	\$ 1,073	\$ -	\$ -	\$ -	\$ -
Ending balance	\$ 12,787	\$ 13,255	\$ 13,910	\$ 15,086	\$ 15,616



Maximum Balance: 15,616
Minimum Balance: 12,619

Average Balance: 13,915

Observations

Water and Sewer System Debt Service Sinking Fund

For the Third Quarter Ending June 30, 2019

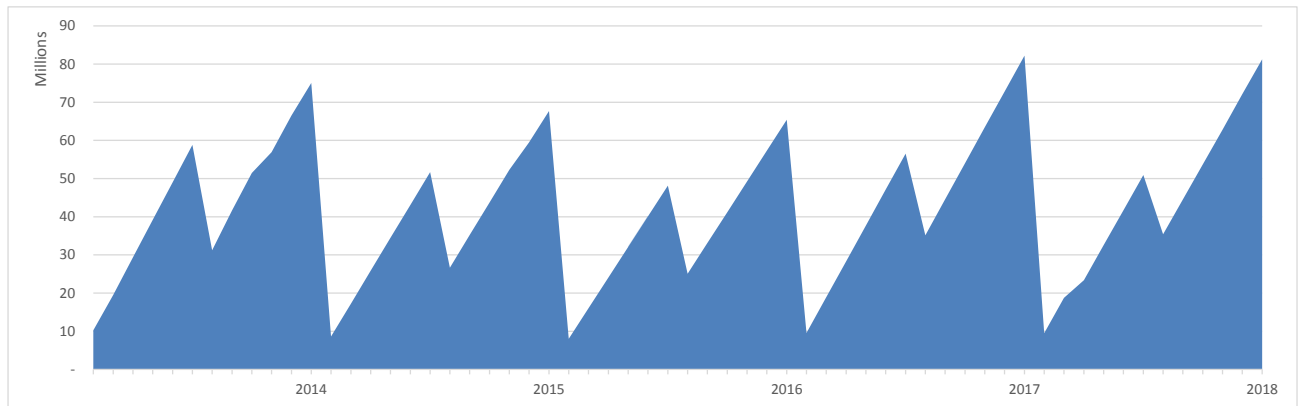
Definitions and Goals

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

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	<u>2019</u>	<u>2020</u>	<u>2021</u>
Opening Balance	\$ 53,663	\$ 81,241	\$ 81,241	\$ 81,040	\$ 45,096
Additions:					
Revenue fund deposits	27,665	84,775	112,634	76,936	81,011
Sub-total	<u>\$ 27,665</u>	<u>\$ 84,775</u>	<u>\$ 112,634</u>	<u>\$ 76,936</u>	<u>\$ 81,011</u>
Withdrawals:					
Principal and interest payments	27,073	111,761	112,835	112,880	78,746
Sub-total	<u>\$ 27,073</u>	<u>\$ 111,761</u>	<u>\$ 112,835</u>	<u>\$ 112,880</u>	<u>\$ 78,746</u>
Ending Balance	<u>\$ 54,255</u>	<u>\$ 54,255</u>	<u>\$ 81,040</u>	<u>\$ 45,096</u>	<u>\$ 47,361</u>

Historical Activity

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Opening Balance	\$ 80,317	\$ 75,019	\$ 67,720	\$ 65,410	\$ 82,208
Additions:					
Revenue fund deposits	117,444	102,789	97,077	114,873	113,636
Sub-total	<u>\$ 117,444</u>	<u>\$ 102,789</u>	<u>\$ 97,077</u>	<u>\$ 114,873</u>	<u>\$ 113,636</u>
Withdrawals:					
Principal and interest payments	122,742	110,088	99,387	98,075	114,603
Sub-total	<u>\$ 122,742</u>	<u>\$ 110,088</u>	<u>\$ 99,387</u>	<u>\$ 98,075</u>	<u>\$ 114,603</u>
Ending balance	<u>\$ 75,019</u>	<u>\$ 67,720</u>	<u>\$ 65,410</u>	<u>\$ 82,208</u>	<u>\$ 81,241</u>



Maximum Balance:	82,208	Average Balance:	41,856
Minimum Balance:	8,019		

Observations

- September 30th ending balances are used to pay Oct 1st interest and principal payments.
- Timing differences occur due to the accrual of debt service during one fiscal year and the payment in the following fiscal year (primarily fixed rate principal and interest on Oct 1st of the following fiscal year).
- Projections are based on the debt outstanding as of December 31, 2018.

Water and Sewer System Debt Service Reserve Account

For the Third Quarter Ending June 30, 2019

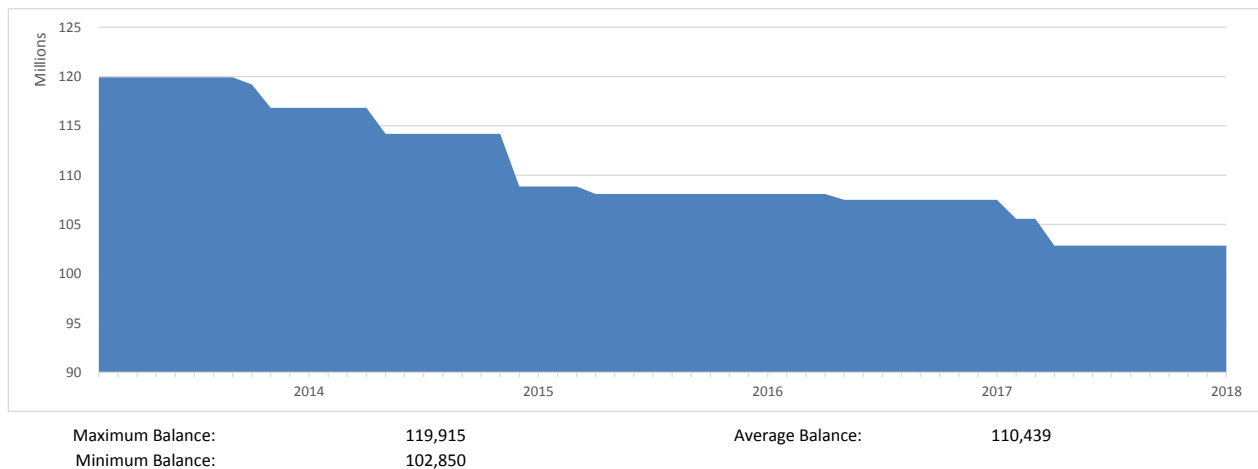
Definitions and Goals

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

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	<u>2019</u>	<u>2020</u>	<u>2021</u>
Opening Balance	\$ 63,442	\$ 102,850	\$ 102,850	\$ 63,442	\$ 63,442
Additions:					
Construction reserves/bond issues					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Revenue fund		5,524	5,524		
Construction fund		33,884	33,884		
Sub-total	\$ -	\$ 39,408	\$ 39,408	\$ -	\$ -
Ending Balance	<u>\$ 63,442</u>	<u>\$ 63,442</u>	<u>\$ 63,442</u>	<u>\$ 63,442</u>	<u>\$ 63,442</u>

Historical Activity

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Opening Balance	\$ 119,915	\$ 116,829	\$ 108,849	\$ 108,086	\$ 107,488
Additions:					
Construction reserves/bond issues					
Revenue fund					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Revenue fund	3,086	7,980	763	598	4,638
Sub-total	\$ 3,086	\$ 7,980	\$ 763	\$ 598	\$ 4,638
Ending balance	<u>\$ 116,829</u>	<u>\$ 108,849</u>	<u>\$ 108,086</u>	<u>\$ 107,488</u>	<u>\$ 102,850</u>



Observations

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

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

For the Third Quarter Ending June 30, 2019

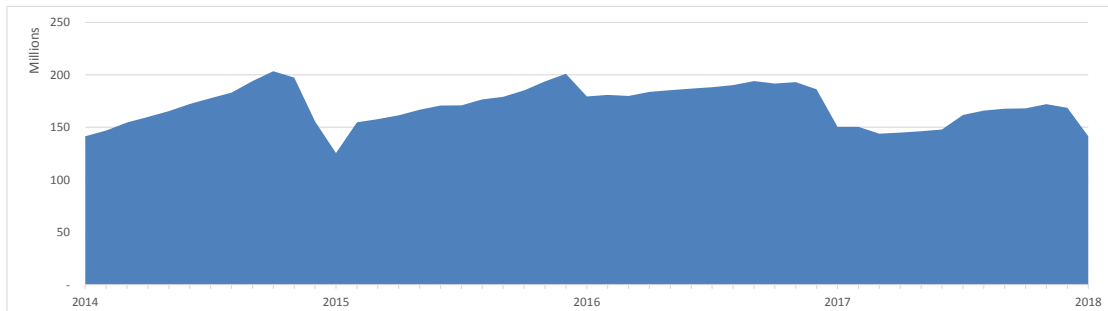
Definitions and Goals

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

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2019	2020	2021
Opening Balance	\$ 38,856	\$ 141,415	\$ 141,415	\$ 24,667	\$ 12,806
Additions:					
R&R/OCO Contribution	50,367	108,200	157,177	160,647	163,064
Capacity Fees	7,671	21,084	27,461	27,347	26,797
Transfer from Capital Fds	268	268	268		
Other	2,372	5,191	8,973	9,151	9,051
Sub-total	<u>\$ 60,678</u>	<u>\$ 134,743</u>	<u>\$ 193,879</u>	<u>\$ 197,145</u>	<u>\$ 198,912</u>
Withdrawals:					
Capital Expenditures	43,249	120,663	183,917	209,006	193,542
Debt Defeasance		99,189	126,688		
Other	1	22	22		
Sub-total	<u>\$ 43,250</u>	<u>\$ 219,874</u>	<u>\$ 310,627</u>	<u>\$ 209,006</u>	<u>\$ 193,542</u>
Ending Balance	<u>\$ 56,284</u>	<u>\$ 56,284</u>	<u>\$ 24,667</u>	<u>\$ 12,806</u>	<u>\$ 18,176</u>

Historical Activity

	2014	2015	2016	2017	2018
Opening Balance	\$ 139,049	\$ 136,182	\$ 128,249	\$ 179,431	\$ 150,319
Additions:					
R&R/OCO Contribution	48,373	62,793	124,574	108,119	153,372
Capacity Fees	18,298	19,579	21,995	24,777	28,002
Loans betw Capital Fds		22		137	
Other (incl septic tank)	1,614	904	31,041	8,050	6,383
Sub-total	<u>\$ 68,285</u>	<u>\$ 83,298</u>	<u>\$ 177,610</u>	<u>\$ 141,083</u>	<u>\$ 187,757</u>
Withdrawals:					
Capital Expenditures	69,246	91,231	126,322	165,242	196,637
Loan Repayment	-				
Transfer to Constr. Fund	1,893		106		
Other (incl septic tank)	13	-	-	4,953	24
Sub-total	<u>\$ 71,152</u>	<u>\$ 91,231</u>	<u>\$ 126,428</u>	<u>\$ 170,195</u>	<u>\$ 196,661</u>
Ending balance	<u>\$ 136,182</u>	<u>\$ 128,249</u>	<u>\$ 179,431</u>	<u>\$ 150,319</u>	<u>\$ 141,415</u>



Maximum Balance: 203,406
Minimum Balance: 125,438

Average Balance: 167,667

Observations

- Other includes the Septic Tank Phase-out project, Sale of Property, and the transfer of RSF - Environmental in FY 2016 - 2019.

Water and Sewer System - Environmental Fund [Capital Projects]

For the Third Quarter Ending June 30, 2019

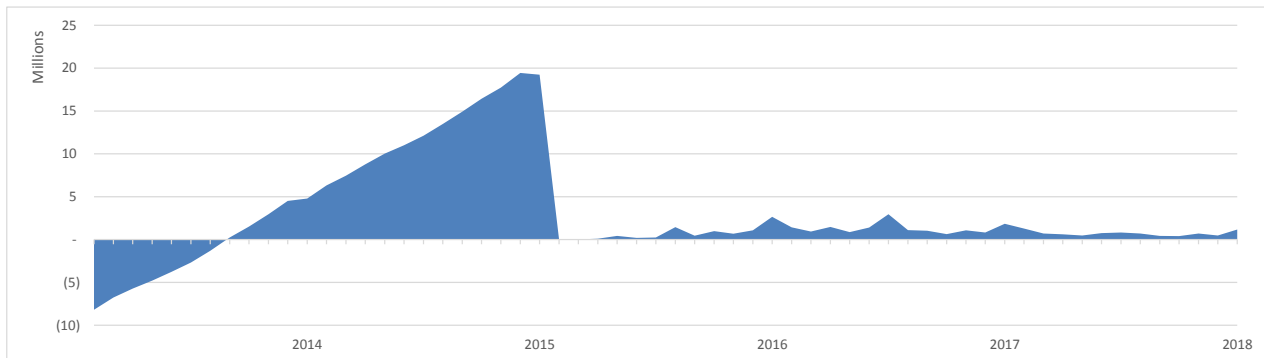
Definitions and Goals

The Environmental Charge will be applied to all water, sewer, irrigation and non bulk user reclaimed consumption. The environmental charge revenue will be collected from customers to partially offset current and future environmental and regulatory needs as specified in the Pricing Policy for specific environmental and regulatory programs.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2019	2020	2021
Opening Balance	\$ 533	\$ 1,159	\$ 1,159	\$ 1,710	\$ 1,000
Additions:					
Environmental Contributions	3,635	7,352	14,472	13,561	25,548
Loans betw Capital Fds					
Other					
Sub-total	\$ 3,635	\$ 7,352	\$ 14,472	\$ 13,561	\$ 25,548
Withdrawals:					
Capital Expenditures	3,742	8,085	13,921	14,271	25,548
Other					
Sub-total	\$ 3,742	\$ 8,085	\$ 13,921	\$ 14,271	\$ 25,548
Ending Balance	\$ 426	\$ 426	\$ 1,710	\$ 1,000	\$ 1,000

Historical Activity

	2014	2015	2016	2017	2018
Opening Balance	\$ (9,857)	\$ 5,299	\$ -	\$ 2,659	\$ 1,839
Additions:					
Environmental Contributions	21,018	22,056	15,539	12,394	6,691
Loans betw Capital Fds					
Other					
Sub-total	\$ 21,018	\$ 22,056	\$ 15,539	\$ 12,394	\$ 6,691
Withdrawals:					
Capital Expenditures	5,862	7,318	12,880	13,214	7,370
Septic Tank Phase Out		203			
Other		19,834			1
Sub-total	\$ 5,862	\$ 27,355	\$ 12,880	\$ 13,214	\$ 7,371
Ending balance	\$ 5,299	\$ -	\$ 2,659	\$ 1,839	\$ 1,159



Maximum Balance: 19,439
Minimum Balance: (8,192)

Average Balance: 2,832

Observations

Water and Sewer System - Construction / Bond Fund

For the Third Quarter Ending June 30, 2019

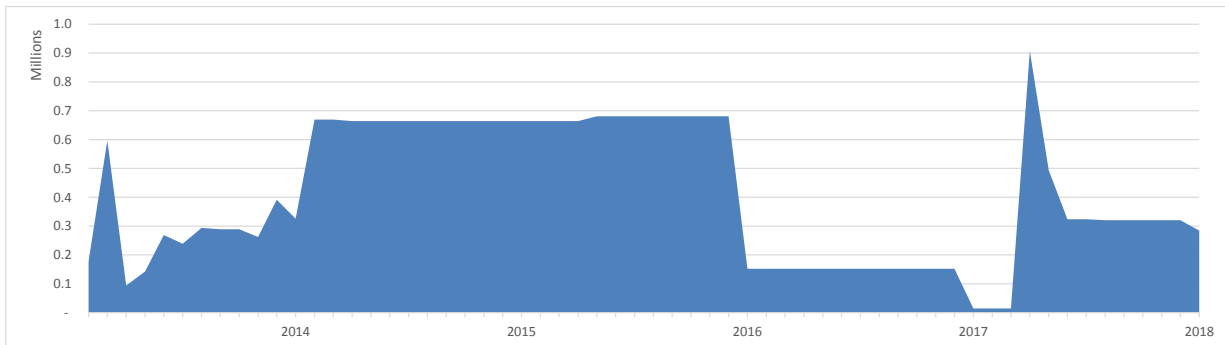
Definitions and Goals

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

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	<u>2019</u>	<u>2020</u>	<u>2021</u>
Opening Balance	\$ 29,781	\$ 284	\$ 284	\$ 27,468	\$ 12,468
Additions:					
Bond Proceeds		33,884	33,884		
Line of Credit					
Other					
Sub-total	\$ -	\$ 33,884	\$ 33,884	\$ -	\$ -
Withdrawals:					
Capital Expenditures / Bond Issue Costs	530	4,915	6,430	15,000	12,468
Other	268	270	270		
Ending Balance	<u>\$ 28,983</u>	<u>\$ 28,983</u>	<u>\$ 27,468</u>	<u>\$ 12,468</u>	<u>\$ -</u>

Historical Activity

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Opening Balance	\$ 2,305	\$ 326	\$ 664	\$ 152	\$ 15
Additions:					
Bond Proceeds	-				894
Line of Credit	-				
Loans/transfers b/w Capital Fds	1,893				
Other	476	344	17		
Sub-total	<u>\$ 2,369</u>	<u>\$ 344</u>	<u>\$ 17</u>	<u>\$ -</u>	<u>\$ 894</u>
Withdrawals:					
Capital Expenditures	3,784	6			623
Bond Proceeds	48				
Loans/trnsf btw CapFds	516				
Other			529	137	2
Sub-total	<u>\$ 4,348</u>	<u>\$ 6</u>	<u>\$ 529</u>	<u>\$ 137</u>	<u>\$ 625</u>
Ending balance	<u>\$ 326</u>	<u>\$ 664</u>	<u>\$ 152</u>	<u>\$ 15</u>	<u>\$ 284</u>



Maximum Balance: 907
Minimum Balance: 15

Average Balance: 410

Observations

- JEA's philosophy has been to borrow bond funds on a "just-in-time" basis. Staff has used line of credit borrowings and loans between capital funds to decrease borrowing costs.



INTER-OFFICE MEMORANDUM

August 19, 2019

SUBJECT: JEA ENERGY MARKET RISK MANAGEMENT POLICY REPORT

FROM: Aaron F. Zahn, Managing Director/CEO

TO: JEA Finance and Audit Committee

Kelly Flanagan, Chair
April Green
John Campion

BACKGROUND:

The JEA Board approved the Energy Market Risk Management (EMRM) Policy in March 2014. The Policy was developed to codify the risk, governance, limits, and criteria associated with managing energy market exposure, and to comply with requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The reporting section of the Policy requires a quarterly report on JEA's financial and physical fuel and power transactions. This report includes physical transactions one year or greater and all financial transactions.

DISCUSSION:

The Policy governs JEA's wholesale energy market risk management and allows JEA to execute certain physical and financial transactions. The attached report is provided to the Board Finance and Audit Committee and satisfies the requirements of the reporting section of the EMRM Policy. The costs of financial transactions are reflected in comparison to market indices. The benefits include establishment of a stable fuel price for the future.

RECOMMENDATION:

None required. The report is required by the EMRM Policy and is provided as information.

Aaron F. Zahn, Managing Director/CEO

AFZ/CBA/WGB

Energy Market Risk Management: Physical and Financial Positions

Summary as of 7/1/2019		
Projected FY19 Expense (Budget = \$418M)	\$425M	☹
Projected FY19 Fuel Fund Ending Balance (Target = \$75M)	\$47M	☹
Projected FY20 Fuel Expense (Budget = \$373M)	\$359M	☺
Projected FY20 Fuel Fund Ending Balance (Target = \$68M)	\$79M	☺
EMRM Compliance	Yes	☺
Counterparty Credit Limit Exceptions	No	☺
Any Issues of Concern	No	☺

Table 1: Physical Counterparties (Contracts One Year or Greater) as of 7/1/2019

Generating Unit	Fuel Type	Supplier/Counterparty	Contract Type	Remaining Contract Value	Remaining Contract Term
Scherer 4	Coal	CY19 Blackjewel - Eagle Butte - 001	Fixed Price	\$1,423,334	6 months
Scherer 4	Coal	CY19 Blackjewel - Eagle Butte - 004	Fixed Price	\$558,298	6 months
Scherer 4	Coal	CY19 Peabody Caballo -005	Fixed Price	\$1,304,615	6 months
Scherer 4	Coal	CY20 Blackjewel - Eagle Butte - 001	Fixed Price	\$3,018,716	12 months
Scherer 4	Coal	CY20 Peabody Caballo - 003	Fixed Price	\$750,800	12 months
Scherer 4	Coal	CY20 Buckskin - 006	Fixed Price	\$290,600	12 months
Scherer 4	Coal	CY21 Blackjewel - Eagle Butte - 002	Fixed Price	\$691,264	12 months
Scherer 4	Coal	CY21 Peabody Caballo - 003	Fixed Price	\$770,250	12 months
Scherer 4	Coal	CY21 Peabody Caballo - 004	Fixed Price	\$459,734	12 months
Scherer 4	Coal	CY21 Blackjewel - Eagle Butte - 005	Fixed Price	\$276,597	12 months
Scherer 4	Coal	CY22 Blackjewel - Eagle Butte - 001	Fixed Price	\$426,657	12 months
Scherer 4	Coal	CY22 Peabody Caballo - 002	Fixed Price	\$315,968	12 months
Scherer 4	Coal	CY22 Peabody Caballo - 004	Fixed Price	\$471,630	12 months
Scherer 4	Coal	CY22 Blackjewel - Eagle Butte - 005	Fixed Price	\$568,800	12 months
NS CFB	Limestone	CY17-CY21 Vulcan	Fixed Price	\$19,809,638	2.5 years
NG Fleet	Natural Gas	Shell Energy	Index w/Fixed Price Option	\$107,493,224	1.92 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$140,309,615	30 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$132,226,441	30 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$83,620,300	20 years
* NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$127,692,423	30 years

Table 2: Financial Positions as of 7/1/2019

* New this report

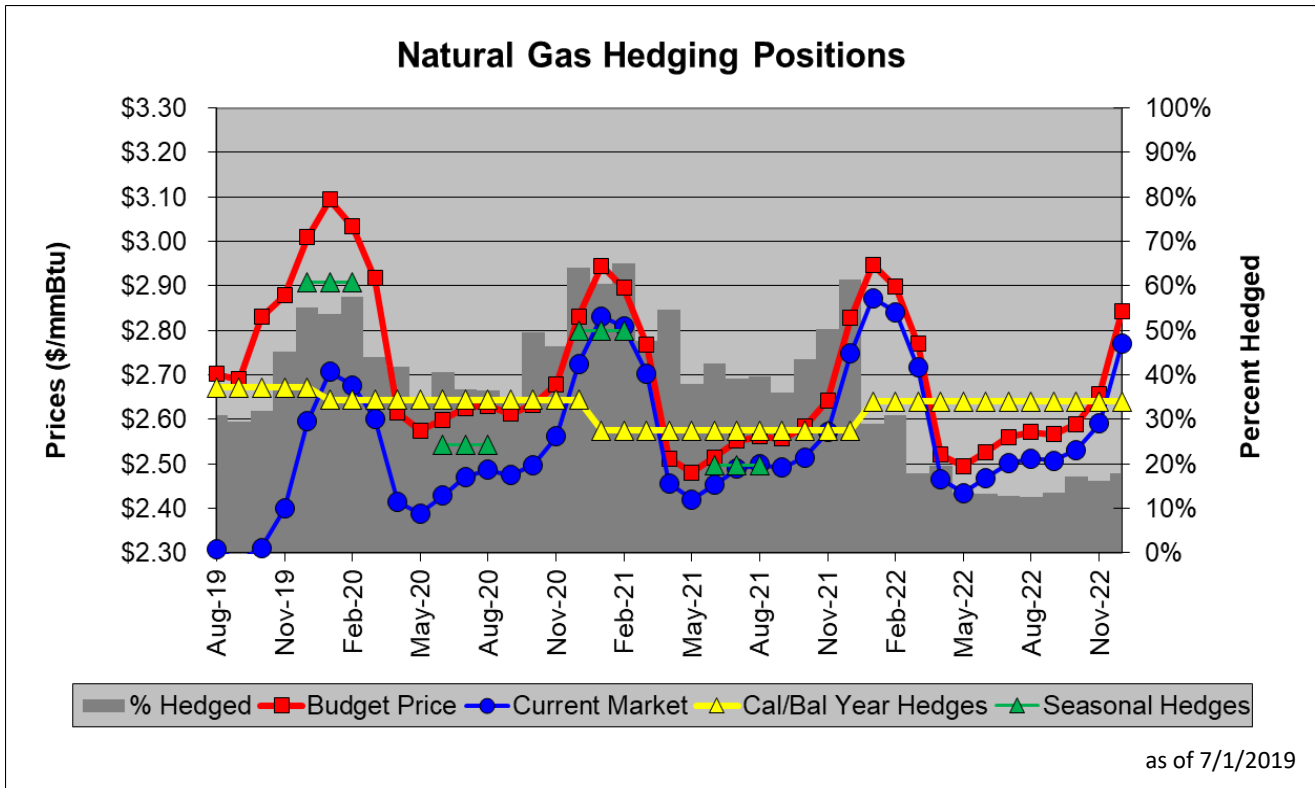
Year	Commodity	Physical Volume (mmBtu)	Hedged Volume (mmBtu)	Percent Hedged	Unhedged Cost	Hedge Type	Hedge Price	Mark-to-Market Value	Counter Party
FY19	Natural Gas	12,090,707	3,660,000	30.3%	\$ 2.30	Swap	\$ 2.67	\$ 1,376,600	Wells Fargo
FY20	Natural Gas	57,498,964	23,790,000	41.4%	\$ 2.50	Swap	\$ 2.65	\$ 3,705,230	Wells Fargo & RBC
FY21	Natural Gas	50,661,838	23,720,000	46.8%	\$ 2.58	Swap	\$ 2.60	\$ 353,440	Wells Fargo & RBC
FY22	Natural Gas	47,111,060	10,980,000	23.3%	\$ 2.60	Swap	\$ 2.61	\$ 71,720	Wells Fargo & RBC
FY23	Natural Gas	44,483,676	1,840,000	4.1%	\$ 2.64	Swap	\$ 2.64	\$ 16,380	RBC

Table 3: Fuel Procurement as of 7/1/2019

Fuel Type	Natural Gas	Coal	Petcoke	Limestone	Purchased Power	Oil/Diesel	Renewables
FY19 Remaining / Energy Mix	55%	12%	8%	N/A	24%	0%	1%
Expected Spend (\$)	42.9M	11.5M	7.3M	1.2M	23.1M	1.3M	3.3M
% Procured	41%	84%	100%	100%	78%	100%	100%
% Hedged	34%	84%	100%	100%	47%	100%	100%
FY20 Budget / Energy Mix	57%	17%	17%	N/A	8%	0%	1%
Expected Spend (\$)	150.0M	53.3M	42.6M	8.4M	29.3M	4.0M	13.9M
% Procured	51%	45%	0%	100%	27%	100%	100%
% Hedged	42%	45%	0%	100%	3%	100%	100%
FY21 Projection / Energy Mix	52%	17%	18%	N/A	11%	0%	2%
Expected Spend (\$)	133.6M	58.3M	49.6M	9.4M	44.5M	0.3M	15.5M
% Procured	58%	39%	0%	100%	0%	100%	100%
% Hedged	46%	39%	0%	100%	0%	100%	100%

Supporting Notes:

- Renewable purchase power agreements are not included in Table 1
- Natural Gas Transportation is 100% fixed capacity and price
- Solid fuel procurement - annually at Scherer CY2019-2022 and quarterly at Northside
- Table 3: FY Energy Mix based on MWH; the procured percent relates to inventory on hand, or contracted and the percent hedged is inventory on hand or contracted with fixed pricing or financial hedges
- Renewables in Table 3 represent signed agreements and an estimated cost for pending contracts
- Table 1: Natural Gas discount; Municipal Gas Authority of Georgia (MGAG) issues municipal bonds to prepay for gas, allowing them to offer discounts to JEA for qualified use
- Scherer 4 coal supplier, Blackjewel - Eagle Butte, filed for chapter 11 bankruptcy, on Monday July 1. They were denied and forced to close down their mines. Our contracts are pending a final resolution.





INTER-OFFICE MEMORANDUM

September 24, 2019

SUBJECT: AUTHORIZATIONS FOR THE USE OF ELECTRICAL
ENVIRONMENTAL FUNDS TO APPROVED PROJECTS

FROM: Ryan F. Wannemacher, Chief Financial Officer

TO: JEA Board of Directors

BACKGROUND:

The Electric System Environmental Stabilization Fund (the "Fund") was initially established in 2007, effective 10/1/2007. The Fund was designed to recover from customers costs of environmental remediation, environmental projects and compliance with new and existing environmental regulations (Pricing Policy Sec. V). Withdrawals from the Fund are limited to potential environmental expenditures approved by the Board, and may include initiatives such as the cost of acquisition of renewable energy capacity. Costs directly required to operate and maintain the environmentally driven or regulatory required assets can also be funded from this revenue source (Pricing Policy Sec. VIII).

DISCUSSION:

Management identified significant projects with expenditures in FY 2018, FY 2019 and additional planned expenditures in FY 2020 and 2021. Upon approval from the Board, funds from the Fund will be used for these projects.

Solar Energy Generation Projects

JEA has initiated solar expansion projects that will increase solar energy offerings. Through the creation of local solar farms, JEA will provide an additional 250 MW of solar power per year. Project costs will span a five year period and total \$65,295,949. Fiscal year 2018 costs will be amortized over a five year period totaling \$30,005,849 of which, \$28,008,819 was for the procurement of land. (Please see attachment for schedule of future year costs)

The Fund's balance as of 08/31/19 is \$47,017,815.

RECOMMENDATION:

JEA staff is recommending that the Board approve and adopt Resolution No. 2019-12 authorizing the use of the Electric System Environmental Stabilization Fund to fund the stated projects and to authorize the Managing Director and Chief Executive Officer of JEA to transfer such funds as necessary

Aaron F. Zahn, Managing Director/CEO

Environmental Stability Fund

- ▶ The Environmental Stabilization Fund (ESF) was established in 2007 to recover costs from customers related to environmental remediation, environmental projects and compliance with environmental regulations

Environmental Stability Fund

Fund Restrictions:

- ▶ Funds can only be spent with Board approval
- ▶ Funds must be used for environmental remediation, environmental projects or compliance with new or existing environmental regulations

Environmental Stability Fund

Proposed Expenditures

- ▶ In conjunction with JEA's commitment to renewable energy, staff proposes to utilize the ESF to fund certain costs associated with JEA's expanding solar footprint including:
 - ▶ Purchase of land (\$35.6M)
 - ▶ Design costs and construction of assets to connect solar farms to JEA's grid

Environmental Stability Fund

Costs to be recovered by the fund

- ▶ FY2018 costs = approximately \$30.0M of which \$28M is land. These costs will be amortized over five years
- ▶ FY2019-2021 costs will be recovered in the year incurred

2018	2019	2020	2021
\$30.0 M	\$21.3 M	\$9.8 M	\$4.1 M

Summary

- ▶ JEA staff is recommending that the Board approve and adopt Resolution No. 2019-12 authorizing the use of the Electric System Environmental Stabilization Fund to fund the stated projects
- ▶ To authorize the Managing Director and CEO of JEA transfer such funds as necessary

Resolution 2019-12

A RESOLUTION AUTHORIZING THE USE OF THE ELECTRICAL ENVIRONMENTAL STABILIZATION FUND TO FUND THE SOLAR ENERGY GENERATION PROJECTS

Whereas, the JEA Pricing Policy Section V states the Environmental Charge, which funds the Environmental Stabilization Fund (the “Fund”) was designed to recover from customers costs of environmental remediation, environmental projects and compliance with new and existing environmental regulations; and

Whereas, the JEA Pricing Policy Section VIII states that withdrawals from the Fund are limited to potential environmental expenditures approved by the Board, and may include initiatives such as the cost of acquisition of renewable energy capacity. Costs directly required to operate and maintain the environmentally driven or regulatory required assets can also be funded from this revenue source; and

Whereas, the Solar Energy Generation Projects comply with Section VIII of the JEA Pricing Policy; and

Whereas, the Fund has an available balance in excess of the project totals; and

BE IT RESOLVED by the Board that:

The JEA Board of Directors hereby supports the use of the Environmental Stabilization Fund to fund prior period, current period and future period costs associated with the Solar Energy Generation Projects and authorizes the Managing Director and Chief Executive Officer of JEA to transfer such funds as necessary.

Dated this ____ day of September 2019.

JEA

By: _____
April Green, Chair

Secretary

Form Approved:

Office of General Counsel

Project Description	Prior Year Actuals	FY19 Proposed Expenditures	FY20 Proposed Expenditures	FY21 Proposed Expenditures
RES - Solar Farm Land Acquisition	\$ 28,008,814.83	\$ 7,600,000.00	\$ -	\$ -
Brandy Branch Solar Feeders 356, 357	-	211,000.00	1,209,000.00	835,000.00
Brandy Branch Sub Solar T2 Addition - SPCP	-	534,000.00	33,000.00	5,000.00
Brandy Branch Sub Solar T2 Addition - Substation Project	177,548.27	3,861,000.00	584,000.00	-
Cecil Commerce Center North Solar - SPCP	-	453,000.00	31,000.00	-
Cecil Commerce Center North Solar Feeders 371, 372	-	267,000.00	1,200,000.00	859,000.00
Cecil Commerce Center North Solar T2 Addition - Substation Project	86,773.95	1,419,000.00	1,282,000.00	-
Garden City 498: Newcomb Road Solar Center - SPCP	-	100,000.00	-	-
Newcomb Rd Solar Center	8,022.45	238,000.00	-	-
Normandy 361 Extension: Blair Rd to Blair Rd Solar Center Electric and Fiber - SPCP	64,835.08	-	-	-
Old Kings Rd Solar Farm	87,232.45	4,100.00	-	-
Old Kings Rd Solar Farm - SPCP	904.04	-	-	-
Steelbald Solar Center - SPCP	-	717,000.00	45,000.00	-
Steelbald Solar Feeders 344, 345	-	200,000.00	525,000.00	85,000.00
Steelbald Sub Solar T3 Replacement - Substation Project	140,494.63	2,604,000.00	382,000.00	-
Westlake Solar Center - SPCP	-	717,000.00	45,000.00	-
Westlake Solar Feeders 339, 340	-	60,000.00	2,087,000.00	-
Westlake Sub Solar T3 Addition - Substation Project	105,687.80	2,277,000.00	292,000.00	-
Blair Rd Solar Center Project	127,282.48	-	-	-
Staratt 365 Extension: Webb Rd from Staratt Rd to Staratt Solar Center	415,367.85	-	-	-
Normandy 360 Extension: Beaver to Old Plank Solar - Electric Distribution	219,780.01	-	-	-
COX Old Plank Rd Solar Center - SPCP	13,871.18	-	-	-
Simmons Rd Solar Center - Electric Distribution	76,174.52	-	-	-
Beehly 393 Reconductor - Pecan Park - Main to GroSolar Montgomery Solar Farm	412,246.45	-	-	-
Beehly Heights Substation - GroSolar Montgomery Solar Center	60,813.41	-	-	-
Dinsmore Solar Feeders 423, 424	-	60,000.00	2,130,000.00	2,340,000.00
	\$ 30,005,849.40	21,322,100.00	\$ 9,845,000.00	\$ 4,124,000.00