

1 Introduced by Council Members Crescimbeni and Dennis and Co-  
2 Sponsored by Council Members Wilson, Brosche, Ferraro and Morgan:

3  
4 **ORDINANCE 2018-142-E**

5 AN ORDINANCE RELATING TO THE CITY COUNCIL'S  
6 POWER TO SELL THE JEA; AMENDING SECTION 21.04  
7 (POWERS), ARTICLE 21 (JEA), CITY OF  
8 JACKSONVILLE CHARTER, TO PROVIDE THAT ANY  
9 APPROVAL BY THE COUNCIL OF THE SALE OF 10% OR  
10 MORE OF JEA MUST INCLUDE THE CALL FOR A  
11 SUBSEQUENT REFERENDUM APPROVING THE TERMS AND  
12 CONDITIONS OF THE SALE; PROVIDING AN EFFECTIVE  
13 DATE.

14  
15 **WHEREAS**, JEA was created by the Florida Legislature to serve  
16 the citizens of Jacksonville and its surrounding communities with  
17 the sole purpose of owning, managing an operating an electric  
18 utilities system which over time expanded to include water and  
19 sewer utility systems as well; and

20 **WHEREAS**, the JEA Board has begun to explore the possibility of  
21 privatization of the publicly-owned utility and is undertaking a  
22 valuation of JEA to consider financial impacts of privatizing; and

23 **WHEREAS**, the Public Financial Management Report, dated  
24 February 14, 2018, estimated the value of JEA between approximately  
25 \$4-\$6 billion, an amount which could be modified based on the  
26 conditions of the sale, including employees retirement obligations,  
27 the retention of employees, rate freezes and/or other City  
28 obligations; and

29 **WHEREAS**, according the Office of General Counsel, a referendum  
30 of the voters is not required to sell JEA, rather it could be a  
31 decision to be made by the Mayor and the City Council; and

1           **WHEREAS**, several stakeholders believe that the decision to  
2 sell the JEA should include the owners of the JEA, the citizens of  
3 Jacksonville; and

4           **WHEREAS**, pursuant to Article 21, Section 21.11, the  
5 Legislature granted unique powers to the City Council to amend or  
6 repeal provisions of Article 21; and

7           **WHEREAS**, amending Article 21 to return to the voters the  
8 referendum power otherwise granted by Article 3 of the Charter is  
9 consistent with the powers otherwise granted in the Charter and  
10 consistent with all other provisions of the Charter; and

11           **WHEREAS**, this Ordinance has been noticed as required in  
12 Section 21.11, Charter, now therefore

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

14           **Section 1. Charter Amended.** The Charter of the City of  
15 Jacksonville is hereby amended to read as follows:

16                                   **CHARTER AND RELATED LAWS**

17           **PART A - CHARTER LAWS CHARTER OF THE CITY OF JACKSONVILLE, FLORIDA**

18                                   \* \* \*

19                                   **ARTICLE 21. JEA**

20                                   \* \* \*

21           **Sec. 21.04. - Powers.**

22           JEA shall have the following powers, in addition to powers  
23 otherwise conferred:

24                                   \* \* \*

25           (p) To transfer, sell, finance, lease or otherwise provide services  
26 or products, or by-products, developed or used by JEA incident to  
27 the exercise of the powers conferred by this article, including but  
28 not limited to, energy performance contracting, water, sewer and  
29 natural gas (and any other utility service hereafter provided by  
30 JEA) contracting, power marketing services, the testing and  
31 maintenance of customer-owned facilities such as transformers,

1 capacitors, lighting, HVAC systems, water cooling and heating  
2 systems, energy management systems, etc.; the temporary leasing of  
3 JEA facilities such as oil storage tanks; the supply of steam or  
4 other thermal energy; the provision of specially conditioned power  
5 on the premises of customers and the provision of services or  
6 products to build, transfer, lease, finance, operate or sell  
7 cogeneration facilities, small power production facilities,  
8 specially conditioned power, energy conservation, energy efficiency  
9 and dispersed generation to other electric utilities both within  
10 and without the state or to any wholesale or retail customers of  
11 JEA, upon such terms and conditions as JEA shall by resolution fix  
12 and determine; and to transfer, sell, finance, lease or otherwise  
13 provide services, products or by-products developed or used by JEA  
14 incident to the exercise of the powers conferred by this article,  
15 in the delivery of water, wastewater and natural gas services,  
16 including but not limited to the financing, testing, maintenance  
17 and operation of customer owned facilities used in water,  
18 wastewater and natural gas functions; provided, however, that JEA  
19 will not enter into any activity pursuant to this section in  
20 addition to those activities listed herein without first providing  
21 written notice of such activities to the council auditor no less  
22 than 30 days before the commencement of such activity. Nothing in  
23 this article shall authorize or be construed to authorize JEA to  
24 transfer any function or operation which comprises more than ten  
25 percent of the total of the utilities system by sale, lease or  
26 otherwise to any other utility, public or private without approval  
27 of the council; provided, however, that no approval by the council  
28 shall become effective without subsequent referendum approval of  
29 the terms and conditions of the sale. So long as there are  
30 outstanding any of the city's "Capital Project Revenue Bonds" as  
31 originally authorized pursuant to Ordinance 97-1054-E, the council

1 may approve only such transfer which does not materially adversely  
2 affect future receipts of JEA contributions as defined therein.

3 \* \* \*

4 **Section 2. Effective Date.** Pursuant to Section 21.11,  
5 Charter, this ordinance shall become effective only upon approval  
6 of 2/3 of the membership of the council and upon signature by the  
7 Mayor or upon becoming effective without the Mayor's signature.

8  
9 Form Approved:

10  
11 \_\_\_/s/ Stephen M. Durden

12 Office of General Counsel

13 Legislation Prepared By: Stephen M. Durden

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