Introduced by Council Member Boylan and amended by the Rules Committee:

ORDINANCE 2025-188-E

AN ORDINANCE RELATING TO JEA AND ARTICLE 21 (JEA), CHARTER OF THE CITY OF JACKSONVILLE; AMENDING SECTION 21.07 (FISCAL AND BUDGETARY FUNCTIONS) OF ARTICLE 21 (JEA), CHARTER OF THE CITY OF JACKSONVILLE; PROVIDING FOR CODIFICATION INSTRUCTIONS; APPROVING AN AMENDED AND RESTATED INTERAGENCY AGREEMENT; PROVIDING FOR CONTINUED OVERSIGHT BY THE FINANCE DEPARTMENT; PROVIDING AN EFFECTIVE DATE.

WHEREAS, JEA, pursuant to Article 21 of the City Charter, has plenary authority regarding electric, water, sewer, natural gas and all other utility systems existing under JEA's control now or in the future; and

WHEREAS, Section 21.07(c) describes the method by which the JEA contribution to the City is calculated; and

WHEREAS, Section 21.07(d) describes the timing by which the assessment calculations are to be reconsidered by council; and

WHEREAS, the City and JEA desire to amend certain language in Section 21.07; and

WHEREAS, the City and JEA desire to amend and restate a March 22, 2016 Interagency Agreement, as approved by Ordinance 2015-764-E, and amended by Ordinances 2018-747-E, 2021-118-E and 2023-873-E; and

WHEREAS, the Amended and Restated Interagency Agreement will set forth the collective understanding and agreement between the City and JEA regarding JEA's annual assessment to the City which includes an additional contribution amount of \$15 million above the fiscal year

2022-2023 assessment amount in fiscal year 2024-2025 and an additional contribution of \$40 million in fiscal year 2025-2026; the transfer of Basin Management Action Plan ("BMAP") water quality credits from JEA to the City; and the transfer of additional water quality credits to the City subject to availability; now therefore

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

Section 1. Amending Article 21 (JEA), Charter of the City of Jacksonville. Article 21 (JEA), Charter of the City of Jacksonville is hereby amended to read as follows:

CHARTER AND RELATED LAWS

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

. . .

ARTICLE 21. JEA

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Sec. 21.07. - Fiscal and budgetary functions.

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

* * *

(c) As consideration for the unique relationship between the City of Jacksonville and JEA, as a tax-exempt entity within the consolidated government, and in recognition of the shared attributes with the consolidated City of Jacksonville in connection with its electric, water, and sewer distribution systems, there shall be assessed upon JEA in each fiscal year, for the uses and purposes of the City, from the revenues of the electric system and the water and sewer system operated by JEA available after the payment of all costs and expenses incurred by JEA in connection with the operation of such electric system and water and sewer system (including, without limitation, all costs of operation and maintenance, debt service on all

obligations issued by JEA in connection with such electric system and water and sewer system and required reserves therefore and the annual deposit to the depreciation and reserve account required pursuant to Section 21.07(g)), an amount as provided herein. Effective October 1, 20162024, consistent with the provisions of this Section 21.07(c), JEA shall pay the city combined assessment for the electric system and the water and sewer system. The combined assessment for the electric system and the water and sewer system shall equal, but not exceed the greater of (A) the sum of (i) the amount calculated by multiplying 7.468 mills by the gross kilowatt-hours delivered by JEA users of electricity in JEA's service area and to wholesale customers under firm contracts having an original term of more than one year (other than sales of energy to Florida Power and Light Company from JEA's St. Johns River Power Park System, exception ending December 31, 2017) during the twelve-month period ending on April 30 of the fiscal year immediately preceding the fiscal year for which such assessment is applicable plus (ii) the amount calculated by multiplying 389.20 mills by the number of K-Gals (1-1000 gallons) potable water and sewer service, excluding reclaimed water service, provided to consumers during the twelve-month period ending on April 30 of the fiscal year immediately preceding the fiscal year for which such assessment is applicable, or (B) a minimum calculated amount which increases by 1% per year from fiscal year 2016-2017 2024-2025 through fiscal year 2022-2023 the fiscal year 2015-16 combined assessment of \$114,187,538 year. The amounts applicable to above are: for fiscal year 2016-2017 - \$115,329,413;

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fiscal year 2017-2018- \$116,482,708; for fiscal year 2018-2019- \$117,647,535; for fiscal year 2019-2020-\$118,824,010; and for fiscal year 2020-2021- \$120,012,250; for fiscal year 2021-2022 - \$121,212,373; and for fiscal year 2022-2023 - \$122,424,496the following amounts: for fiscal year 2024-2025 - \$137,424,496; for fiscal year 2025-2026 - \$178,798,741; for fiscal year 2026-2027 - \$140,186,728; for fiscal year 2027-2028 - \$141,588,596; for fiscal year 2028-2029 - \$143,004,482.

(d) The assessment calculations amounts for the electric system and the water and sewer system shall be in effect until September 30, 20232029. The council may reconsider the assessment calculations amounts after October 1, 20222028 and changes, if any, shall become effective October 1, 20232029. The council may change the assessment amounts by ordinance within the provisions of this Section 21.07. Should the council not reconsider the assessment calculations—amounts, the assessments shall equal be calculated using the existing formulas specified in Section 21.07(c), including a minimum calculated amount in clause (B) therein, which increases by one percent (1%) per year using the combined assessment of \$143,004,482 as the base amount for each fiscal year computed as provided in Section 21.07(c). In addition to the annual assessment amounts provided in Section 21.07(c), JEA pursuant to the terms of an Amended and Restated Interagency Agreement (as amended) with the City, agreed to provide total nitrogen water quality credit to the City to assist the City in meeting its Basin Management Action Plan load reduction goal (BMAP Credit). If JEA cannot provide the BMAP Credit pursuant to the terms of the Amended and Restated Interagency Agreement

dated March 22, 2016 August 12, 2025 (as amended), council and JEA shall work cooperatively to address the BMAP Credit shortfall or council may reconsider the assessment calculations amounts.

* * *

Section 2. Amended and Restated Interagency Agreement approved and execution authorized. The Amended and Restated Interagency Agreement by and between the City of Jacksonville and JEA (the "Agreement") dated August 12, 2025, which sets forth the collective understanding and agreement of the City and JEA regarding the conveyance of additional future Basin Management Action Plan ("BMAP") water quality credits from JEA to the City and annual assessments paid by JEA to the City, is hereby approved, and the Mayor, or her designee, and the Corporation Secretary are hereby authorized to execute and deliver, for and on behalf of the City, the Agreement, in substantially the same form as attached hereto as Exhibit 1 and incorporated herein by this reference.

Section 3. Oversight. The Finance Department shall have oversight of the Agreement described herein.

Section 4. Codification Instructions. The Codifier and the Office of General Counsel are authorized and directed to make all changes set forth herein to Article 21 (JEA), Charter of the City of Jacksonville consistent with this legislation.

Section 5. Effective Date. This ordinance shall become effective upon signature by the Mayor or upon becoming effective without the Mayor's signature.

Form Approved:

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/s/ Mary E. Staffopoulos

Office of General Counsel

Legislation Prepared By: Dylan Reingold

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