

**JEA
BOARD AGENDA**

DATE: March 15, 2016
TIME: 9:30 AM
PLACE: JEA
21 West Church Street
19th Floor

I. WELCOME

- A. Call to Order
- B. Time of Reflection
- C. Pledge to Flag
- D. [Adoption of the Agenda](#)
- E. Safety Briefing
- F. [Sunshine Law/Public Records Statement](#) – Office of General Counsel (OGC)

Meeting participants are asked to turn their cell phones completely off

II. PRESENTATIONS AND COMMENTS

- A. Comments from the Public
- B. Council Liaison's Comments – The Honorable Bill Gulliford
- C. Office of the Mayor Liaison's Comments – Dr. Johnny Gaffney
- D. Nassau County's Ex-Officio Representative – Mike Mullin

III. FOR BOARD CONSIDERATION

- A. Consent Agenda – The Consent Agenda consists of agenda items that require Board approval but are routine in nature, or have been discussed during previous public meetings of the Board. The Consent Agenda items require no explanation, discussion or presentation, and are approved by one motion and vote.
 - 1. [Approval of Board Meeting Minutes February 16, 2016](#) – action

2. [Annual Report on JEA’s Jacksonville Small and Emerging Business \(JSEB\) Program](#) – information
3. [Monthly JEA Financial Review & Statements](#) – information
4. [Monthly FY16 Communications & Engagement Calendar and Plan Update](#) – information

B. Strategic Discussions/Action

1. [Postponement of JEA Board of Directors Workshop on Solar Strategies](#) – Paul McElroy, Chief Executive Officer – presentation/action
2. [Electric System – Ten Year Site Plan](#) – Steve McInall, Director Electric Production Resource Planning – presentation/information
3. [Clean Power Plan \(CPP\) Update](#) – Jay Worley, Senior Executive – presentation/information
4. [Bi-Monthly Operations Presentation](#) – Mike Brost, Vice-President/General Manager, Electric Systems, Brian Roche, Vice-President/General Manager, Water/Wastewater Systems, and Monica Whiting, Chief Customer Officer – presentation/information
5. [JEA Charter Changes and Inter-Governmental Agreement](#) – Melissa Dykes, Chief Financial Officer – presentation/action
6. [JEA Annual Disclosure Reports](#) – Melissa Dykes, Chief Financial Officer – presentation/information

C. Other New Business

D. Old Business – none

IV. REPORTS

A. [Finance & Audit Committee Report](#) – Kelly Flanagan, Committee Chair

1. [Approval of Minutes from August 10, 2015 Meeting](#) – action
2. [FY2017 Budget Assumptions](#) – information
3. [Audit Services & Enterprise Risk Management \(ERM\) Report](#) – information
4. [External Auditors Contract Extension](#) – action
5. [Report from COJ Auditors Regarding JEA GERP Pension Liability](#) – information
6. [Resolution Determining the Sufficiency of Revenues](#) – St. Johns River Power Park – action
7. [JEA Annual Disclosure Policy Report](#) – information
8. [Ethics Officer Report](#) – information

- 9. [JEA Energy Market Risk Management Policy Report](#) – information
- 10. Treasury Services Activities – information
 - a. [Electric System and Water and Sewer System Reserve Fund Quarterly Report](#)
- 11. Announcements
 - a. Next Meeting – May 9, 2016, 8:00-10:00 AM
- 12. Committee Discussion Sessions
 - a. Ernst & Young – information
 - b. Director, Audit Services – information
 - c. Council Auditor’s Office – information
- B. Managing Director/CEO’s Report
 - 1. One-Stop Pole Attachment
 - 2. Solar – Update
 - 3. Ethics Training for Board Members
- C. Chair’s Report

V. CLOSING CONSIDERATIONS

- A. Announcements – Next Board Meeting – April 19, 2016
- B. Adjournment

Board Calendar		
Board Meeting:	9:30 AM – Third Tuesday of Every Month	
Board Workshop	April 7, 2016 12:00 PM Lunch / 1:00 – 3:00 PM Workshop	
<u>Committees</u>		
Finance & Audit Committee:	March 2, 2016	8:00 – 10:00 AM
	May 9, 2016	8:00 – 10:30 AM
	August 8, 2016	8:00 – 10:00 AM
	December 14, 2016	8:00 – 10:00 AM
Compensation Committee:	TBD	
Government Affairs Committee:	TBD	

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.



INTER-OFFICE CORRESPONDENCE
March 1, 2016

SUBJECT: BOARD MEETING AGENDA

FROM: Melissa Charleroy and Cheryl Mock, JEA Executive Assistants

TO: All Members, JEA Board of Directors

Scheduled times and locations for JEA meetings to be held **Tuesday, March 15, 2016**, are as follows:

9:30 AM **Board Meeting**
 19th Floor, JEA Tower

We are looking forward to seeing you on the **15th**. Please call Melissa Charleroy at 665-7313 or Cheryl Mock at 665-4202 if you require additional information.

/mmc

Cc:

- | | | | | |
|--------------|------------|---------------|-----------------|-----------|
| P. McElroy | T. Hobson | S. Tuten | W. Stanford | J. Bryant |
| M. Brost | B. Roche | M. Charleroy | M. Evans | V. Wright |
| P. Cosgrave | M. Whiting | S. Kluszewski | J. Brooks, OGC | |
| M. Dykes | J. Upton | C. Mock | J. Gabriel, OGC | |
| A. Hiers | G. Boyce | N. NesSmith | C. Edgar | |
| M. Hightower | J. Gutos | M. Ruiz-Adams | B. Fore | |

e-copy:

Patrick Maginnis
Security Desk
Security Office
Brandi Sneed
Russell Park
Ted Delay



JEA Board of Directors 2016 Calendar

Board Members

Tom Petway, Board Chair
Ed Burr, Board Vice Chair
Delores Kesler, Board Secretary

Husein Cumber
Kelly Flanagan
Alan Howard
Warren Jones

Board Meeting Dates (Third Tuesday of Every Month)

January 19, 2016	12:00 pm	July 19, 2016	9:30 am
February 16, 2016	9:30 am	August 16, 2016	9:30 am
March 15, 2016	9:30 am	September 20, 2016	9:30 am
April 19, 2016	9:30 am	October 18, 2016	9:30 am
May 17, 2016	9:30 am	November 15, 2016	9:30 am
June 21, 2016	9:30 am	December 20, 2016	9:30 am

Board Workshop

April 7, 2016 1:00 pm

Finance & Audit Committee

Members

Kelly Flanagan, Committee Chair
Tom Petway
Ed Burr
Husein Cumber

Dates

March 2, 2016 8:00 – 10:00 am
May 9, 2016 8:00 – 10:30 am
August 8, 2016 8:00 – 10:00 am
December 14, 2016 8:00 – 10:00 am

Compensation Committee

Members

Delores Kesler, Committee Chair
Tom Petway
Kelly Flanagan
Warren Jones

Dates

January 5, 2016 11:00 am
February 10, 2016 1:00 pm

Government Affairs Committee

Members

Alan Howard, Committee Chair
Tom Petway
Ed Burr
Warren Jones

Dates - TBD

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

This meeting is being held in compliance with Florida's Government in the Sunshine Law, §286.011, Florida Statutes, and shall be open to the public at all times. Official acts of the JEA Board may be conducted at this meeting that will be considered binding on the JEA. Reasonable notice has been provided and minutes of this meeting shall be taken and promptly recorded.

JEA
BOARD MINUTES
February 16, 2016

The JEA Board met in regular session on Tuesday, February 19, 2016, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Tom Petway, Ed Burr, Delores Kesler, Husein Cumber, Kelly Flanagan, Warren Jones and Alan Howard.

Agenda Item I – Welcome

- A. The meeting was **called to order** at 9:30 AM by Chair Petway.
- B. A **Moment of Reflection** was observed by all.
- C. The **Pledge of Allegiance** was led by Chair Petway.
- D. **Adoption of Agenda** – The agenda was approved on **motion** by Ms. Kesler and second by Mr. Jones.
- E. The **Safety Briefing** was given by Paul McElroy, Managing Director/Chief Executive Officer.

Agenda Item II – Presentations and Comments

A. Comments from the Public –

- 1. Lemue White, 10418 New Berlin Road, Jacksonville, FL 32226, addressed the Board regarding solar.
- 2. Tom Larson, 887 Marshside Court, Jacksonville Beach, FL 32250, addressed the Board regarding solar.
- 3. Earl Benton, 5571 Florida Mining Boulevard, Jacksonville, FL 32257, addressed the Board regarding solar.
- 4. Barry Jacobson, 4509 NW 23rd Avenue, Suite 26, Gainesville, FL 32606, addressed the Board regarding solar.
- 5. Patrick Altier, 202 SW 23rd Avenue, Ocala, FL 34474, addressed the Board regarding solar.
- 6. Robert McAlister, 3781 Crossview Drive, Jacksonville, FL 32224, addressed the Board regarding solar.
- 7. J. Peter Wilking, 1551 Lisa Avenue, Fernandina Beach, FL 32034, addressed the Board regarding economics related to solar.
- 8. Andy Moslack, 3999-1 Starratt Road, Jacksonville, FL 32226, addressed the Board regarding solar.
- 9. Melody Shacter, 1321 North Main Street, Jacksonville, FL 32206, addressed the Board regarding solar.
- 10. David Shacter, 1321 N. Main Street, Jacksonville, FL 32206, addressed the Board regarding solar.
- 11. Kim Jowers, 463688 SR 200 #1-446, Yulee, FL 32097, addressed the Board regarding solar.
- 12. John Culver, 7220 Financial Way, Jacksonville FL 32256, addressed the Board regarding solar.

13. Mike Antheil, address not provided, addressed the Board regarding solar.
14. David E. Bruderly, 1221 Molokai Road, Jacksonville, FL 32256, addressed the Board regarding solar.
15. Paul Nicholson, 222 Oleander Street, Neptune Beach, FL 32256, addressed the Board regarding solar.
16. George Cavalos, 120 East Oakland Park Boulevard, Ft. Lauderdale, FL 33334, addressed the Board regarding solar.

Chair Petway addressed the public and stated the Board will make an informed decision regarding JEA's solar strategies at an upcoming Board Meeting. The information presented today will be for information only. The action taking place today is to call a public hearing during the March 15, 2016 JEA Board Meeting.

Mr. Burr stepped out at 10:26 AM.

Mr. McElroy noted that JEA received a number of comments in writing from a variety of constituents serving the solar and environmental communities. Staff will categorize the comments, review and identify all issues, and ensure the Board is kept apprised.

- B. Council Liaison's Comments** – The Honorable Bill Gulliford was not in attendance due to City Council business. Chair Petway thanked Council Member Gulliford for his work on the JEA Contribution Agreement.
- C. Office of the Mayor Liaison's Comment** – Dr. Johnny Gaffney reiterated that Mayor Curry cares about the Board's concerns and commended the Board for their professionalism.
- D. Nassau County's Ex-Officio Representative – Mike Mullin** – Chair Petway introduced Mr. Mike Mullin, Nassau County Ex-Officio Representative. Mr. Mullin stated he looked forward to working with the JEA Board.
- E. Sunshine Law/Public Records Statement** – Jody Brooks, 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 II. E. of the Board package.

Agenda Item III – For Board Consideration

- 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 Kesler and second by Ms. Flanagan, item 1 on the Consent Agenda was unanimously approved and items 2 through 4 were received for information.

1. Approval of Board Meeting Minutes January 19, 2016 – approved
2. Monthly JEA Financial Statements – received for information

Vice Chair Burr returned at 10:29 AM.

3. Monthly FY16 Communications & Engagement Calendar and Plan Update – received for information
4. Monthly JEA Operations Report – received for information

B. Strategic Discussions/Action

1. Real Estate Purchase & Sale Agreement for Southside Generating Station (SGS) Property – Update & Time Extension Request – Nancy Kilgo, Director Government Affairs, presented JEA entered into a Purchase and Sale Agreement for the Southside Generating Station site in February 2015 with Elements Development of Jacksonville, LLC. Ms. Kilgo stated Elements has demonstrated much progress on the due diligence over the last year. Elements is requesting an extension of the contract length to December 2016. This extension is due to the need to complete the remaining entitlements for the development of the property, including a development agreement with the City of Jacksonville for the overall development. Ms. Kilgo stated Elements has indicated the approval of the full entitlements is essential to closing. The additional time also allows JEA and the purchaser to work with the Florida Department of Environmental Protection on the transfer of the Brownfield responsibilities to the purchaser for the development site. There was discussion about the level of binder deposits for the contract. The developer has paid a \$200,000 binder which may be applied to the purchase price upon closing or refunded in certain circumstances. There is also an extension fee of \$50,000 payable for the extension of time which is non-refundable if the purchaser elects not to close, but also applicable to the purchase price upon closing. Mr. Cumber declared a conflict of interest and filed Form 8B Memorandum of Voting Conflict for County, Municipal, and other Local Public Officers. A signed copy is in the meeting file. On **motion** by Vice Chair Burr and second by Secretary Kesler, the Board approved the extension of the purchase and sale agreement due diligence period to November 30, 2016 with closing by the end of December 2016. Also in attendance were Michael Munz, Peter Rummel, Michael Balanky, Elements Development of Jacksonville, LLC, Rick Hawthorne, counsel for Elements, along with David Edwards, JEA's counsel.
2. JEA SolarSmart and Integration of Solar Resources – Melissa Dykes, Chief Financial Officer, provided an overview of JEA's history with solar, the current state, and the desire for a lower carbon future. Ms. Dykes stated JEA's goal is to provide reliable, affordable, and environmentally responsible utility services. Ms. Dykes provided information on how solar behaves as a resource for Northeast Florida, as well as the contrast with the load serving obligations JEA has as a utility. Ms. Dykes stated JEA has supported the development of solar technologies since 1999 by piloting photovoltaic (PV) panel deployments at various locations within the City of Jacksonville. Board Members were provided a handout and Ms. Dykes presented an overview of Net Metering. A copy is located in the meeting file. Ms. Dykes stated the cost of solar has substantially declined and growth of JEA customer-owned systems is accelerating. Since 2009, the cost of installed solar has declined more than 70%, which indicates the beginning of a transformation in the solar market. Ms. Dykes stated the combination of these two factors presents a great time for JEA to align its policies, procedures, and pricing with the market. JEA proactively sought feedback regarding the proposed strategies from almost 40 environmental advocacy and solar industry stakeholder groups. Ms. Dykes reviewed the objectives of JEA's new solar programs which include: 1) grow JEA's solar resources by increasing the number and diversity of new utility scale solar installations in the JEA service territory; 2) expand customer offerings by identifying and implementing new value-added products made available as a result of JEA's new solar resources; and 3) align customer-owned solar pricing policies to current

market conditions and ensure that JEA treats all customers fairly. JEA will continue to engage the community and Board Members. Mr. McElroy stated the next step is to call a public hearing to occur at the March 15, 2016 JEA Board Meeting. Additional information provided by Mr. McElroy and Ms. Dykes included solar costs and value.

3. Recommendation to Call a Public Hearing to Add New Customer Rate Options and Implement Administrative Changes to the Electric Tariff Documentation – Melissa Dykes, Chief Financial Officer, stated in addition to the new SolarSmart option for customers, JEA is proposing additional street lighting services, administrative changes to the electric tariff document including a Distributed Generation application fee, and a modification to the Economic Development Program Rider to allow these customers to participate in SolarSmart. On **motion** by Mr. Howard and second by Mr. Cumber, Board Members held discussions regarding a Board workshop and community engagement forums. After Board Members unanimously approved to call a public hearing, Jody Brooks, Office of General Counsel, requested the Board to clarify the action taken. Mr. Jones revised the motion to state the public hearing would occur at the March 15, 2016 Board Meeting, with the Board taking action at the April 19, 2016 JEA Board Meeting; a second motion was not provided. Mr. Cumber clarified that the public hearing and vote are required to occur at the same meeting and revised the **motion**, with a second by Mr. Jones, to hold a workshop on solar at the March 15, 2016 Board Meeting, with a public hearing to take place at the April 19, 2016 Board Meeting, which will require Board action. With a vote, the Board unanimously approved.
4. JEA Strategic Planning Update – Vickie Cavey, Director, Strategy Development and Execution, provided a review of JEA’s strategic plan and implementation. This strategic plan was launched in October 2013 and is revised and relaunched each year. This item was provided for information only.

Ms. Flanagan departed the meeting at 11:47 AM.

5. Bi-Monthly Finance Presentation – Melissa Dykes, Chief Financial Officer provided a presentation highlighting key financial metrics and results of JEA’s Electric and Water and Sewer systems ending January 31, 2016.

In the interest of time, the Compensation Committee Report was provided by Committee Chair Kesler; however, the minutes reflect the original order of the agenda.

- C. **Other New Business** – Mr. Jones reviewed recent media reports regarding JEA employees parking in downtown parking spaces. Mr. McElroy reviewed JEA’s historical plan and processes for JEA vehicles when parking downtown. Mr. McElroy advised the Board JEA is looking into acquiring additional parking spaces. Chair Petway advised that staff will be seeking parking opportunities, along with discussions on facilities. Chair Petway requested Vice Chair Burr to meet with Mr. McElroy regarding the JEA facilities and provide a report at an upcoming Board Meeting.
- D. **Old Business** – none

Agenda Item IV – Reports

- A. Compensation Committee Report – Delores Kesler, Committee Chair stated the Compensation Committee met on February 10, 2016.
 1. Minutes from January 5, 2016 – received for information

2. FY2016 CEO Scorecard – Paul McElroy, Chief Executive Officer – Committee Chair Kesler presented the Committee reviewed the CEO goals for gradation and stated the goals have been weighted based on the emphasis on each area. Based on feedback received at the February 10, 2016 Compensation Committee, the weights have been amended to a points system instead of a percentage. Committee Chair Kesler stated all goals are objective with the exception of “Maintain Positive and Constructive Relationships with All Key Stakeholders”, which is a subjective goal. The scoring technique will allow the Board to rate the CEO’s performance in an objective manner and place emphasis on key objectives and goals. Mr. McElroy provided additional information regarding the net revenues goal, excluding weather contingency. On **motion** by Mr. Cumber and second by Mr. Jones, the Board unanimously approved the FY2016 CEO Scorecard with the amended gradation of each goal.
- B.** Managing Director/CEO’s Report – Mr. McElroy reviewed the following items:
1. Changes in Bargaining Unit Legislative Body and Related Process Changes
 2. JEA Charter changes
 3. Update on the Clean Power Plan
 4. Other
 - a. Media requests to be directed to the Board Chair
 - b. Recent media reports regarding the water quality in Jacksonville
 - c. JEA received 904 magazine’s 2016 Companies with Heart award
- C.** Chair’s Report – Chair Petway reviewed the following items:
1. Welcomed Board Member Alan Howard
 2. Outlined JEA Committee structure as follows:
 - a. Compensation Committee: Kesler (Chair), Petway, Flanagan, Jones
 - b. Finance & Audit Committee: Flanagan (Chair), Petway, Burr, and Cumber
 - c. Government Affairs: Howard (Chair), Petway, Burr, and Jones

Agenda Item V – Closing Considerations

- A. Announcements** – Next Board Meeting – March 15, 2016 at 9:30 AM
- B. Adjournment**

With no further business claiming the attention of the Board, Chair Petway adjourned the meeting at 12:18PM.

APPROVED BY:

SECRETARY
DATE: _____

Board Meeting recorded by:

Melissa M. Charleroy
Executive Assistant



JEA
Building Community
AGENDA ITEM SUMMARY

February 25, 2016

SUBJECT:	ANNUAL REPORT ON JEA'S JACKSONVILLE SMALL AND EMERGING BUSINESS (JSEB) PROGRAM
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Purpose:	<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: JEA has adopted, through its Procurement Code, the City of Jacksonville's JSEB program. An annual report on the program's performance is required by the ordinance.

Significance: Full transparency of these procurement actions is necessary to maintain public confidence in JEA's bidding process and to ensure JSEB program goals are achieved.

Effect: JEA's Procurement Department is responsible for maintaining these records and reporting to the Board.

Cost or Benefit: Minimal

Recommended Board action: No action is required by the Board. This item is presented for information only.

For additional information, contact: John McCarthy, Director Supply Chain Management (904) 665-5544

Submitted by: PEM/ MHD/ GNC



MISSION
Energizing our community through high-value energy and water solutions.

VISION
JEA is a premier service provider, valued asset and vital partner in advancing our community.

VALUES
• Safety
• Service
• Growth
• Accountability
• Integrity

Commitments to Action

- 1 Earn Customer Loyalty
- 2 Deliver Business Excellence
- 3 Develop an Unbeatable Team



INTER-OFFICE MEMORANDUM

February 25, 2016

SUBJECT: ANNUAL REPORT ON JEA'S JACKSONVILLE SMALL AND EMERGING BUSINESS (JSEB) PROGRAM

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

JEA has previously adopted, through its Procurement Code, the City's Jacksonville Small and Emerging Business Program (JSEB), which was implemented in October 2004 under City Ordinance 2004-602. An annual report on the program's performance is required by the Ordinance.

DISCUSSION:

The City Ordinance requires companies to spend an overall goal of at least 20% of their available spending budget with local small businesses to meet the program requirements. JEA set an overall goal of 21% for FY15. Goals were also established for the four Minority Business Enterprise (MBE) categories.

JEA FY15 performance under the JSEB Program is summarized below:

JSEB/MBE Category	JSEB % Goal	JSEB % Actual
African American	7.00%	6.49%
Women Business Owned	8.00%	6.57%
Hispanic American	2.00%	2.00%
Asian American/Native American	2.00%	4.94%
Others (non MBE)	2.00%	6.49%
TOTAL	21.00%	24.52%

Note: JEA's FY15 available spending budget was \$38M.

JEA's Small Business Program's performance has been strong over the past fourteen years, achieving in excess of 20% of JEA's annual available spending. Moving forward, JEA will continue to pursue process improvements and success with regard to this Ordinance.

JEA will also continue to support the larger Minority Business Enterprise (MBE) business community. During FY15, JEA spent an additional \$1.9M with Women and Minority firms who did not qualify for the JSEB program.

RECOMMENDATION:

No action is required by the Board. This item is presented for information only.

Paul E. McElroy, Managing Director/CEO

PEM/MHD/GNC

March 15, 2016 JEA Board of Directors Meeting - III. For Board Consideration

FY15 TOTALS

<u>JEA JSEB SPEND</u> OCTOBER 1, 2014 through SEPTEMBER 30, 2015		Prime Contractor Invoiced	Sub Contractor Invoiced	Total Invoiced as % of Available Spend	FY 15 Goal as % of Available Spend	# of JSEB Firms (Prime)	# of JSEB Firms (Sub)	Total # of JSEB Firms
Construction					\$17,480,000			
AA	=	\$1,190,902	\$40,679	\$1,231,581	\$1,223,600	5	3	8
%	=			7.05%	7.00%			
WBE	=	\$21,962	\$1,037,753	\$1,059,715	\$1,398,400	2	3	5
%	=			6.06%	8.00%			
HANA	=	\$42,331	\$0	\$42,331	\$699,200	2	0	2
%	=			0.24%	4.00%			
OTHER	=	\$1,511,942	\$352,342	\$1,864,285		7	3	10
Services					\$17,480,000			
AA	=	\$1,025,372	\$209,050	\$1,234,421	\$1,223,600	6	4	10
%	=			7.06%	7.00%			
WBE	=	\$560,508	\$334,952	\$895,460	\$1,398,400	8	8	16
%	=			5.12%	8.00%			
HANA	=	\$1,314,615	\$530,359	\$1,844,975	\$699,200	7	1	8
%	=			10.55%	4.00%			
OTHER	=	\$530,685	\$74,900	\$605,585.07		6	2	8
Supplies					\$3,040,000			
AA	=	\$0	\$0	\$0	\$212,800	0	0	0
%	=			0.00%	7.00%			
WBE	=	\$227,143	\$312,686	\$539,829	\$243,200	5	1	6
%	=			17.76%	8.00%			
HANA	=	\$0	\$0	\$0	\$121,600	0	0	0
%	=			0.00%	4.00%			
OTHER	=	\$0	\$0	\$0		0	0	0
%	=							
Total					\$38,000,000			
AA	=	\$2,216,273	\$249,729	\$2,466,002	\$2,660,000	11	7	18
%	=			6.49%	7.00%			
WBE	=	\$809,613	\$1,685,391	\$2,495,005	\$3,040,000	15	12	27
%	=			6.57%	8.00%			
HANA	=	\$1,356,946	\$530,359	\$1,887,305	\$1,520,000	9	1	10
%	=			4.97%	4.00%			
OTHER	=	\$2,042,628	\$427,242	\$2,469,870		13	5	18
Summary Total								
%	=			24.52%	21.00%			

March 15, 2016 JEA Board of Directors Meeting - III. For Board Consideration

JSEB Prime Spend (October 1, 2014 - September 30, 2015)

Prime Vendor Names	MBE Code	JSEB	TYPE	Invoice Amount
A NORMAN FENCE CO INC	AA	YES	CONSTRUCTION	\$6,945.00
A NORMAN FENCE CO INC	AA	YES	CONSTRUCTION	\$14,320.00
H TRENT ELSON UNDERGROUND SPRINKLER SYS	AA	YES	CONSTRUCTION	\$966,097.03
H TRENT ELSON UNDERGROUND	AA	YES	CONSTRUCTION	\$32,600.51
MCCLENDONS PORTABLE TOILETS INC	AA	YES	CONSTRUCTION	\$1,785.00
MCCLENDONS PORTABLE TOILETS INC	AA	YES	CONSTRUCTION	\$2,382.00
WATAKE, INC	AA	YES	CONSTRUCTION	\$160,982.16
THE ROSE GROUP	AA	YES	CONSTRUCTION	\$5,790.00
			Subtotal	\$1,190,901.70
AQUINO CONSTRUCTION	AI	YES	CONSTRUCTION	\$41,134.12
			Subtotal	\$41,134.12
ARKEST LLC	HA	YES	CONSTRUCTION	\$1,196.64
			Subtotal	\$1,196.64
M & J STRIPING INC	WBE	YES	CONSTRUCTION	\$8,341.71
MAIN STREET SITE & UTILITY, LLC	WBE	YES	CONSTRUCTION	\$6,332.02
MAIN STREET SITE & UTILITY, LLC	WBE	YES	CONSTRUCTION	\$7,288.36
			Subtotal	\$21,962.09
ABC CUTTING CONTRACTORS OF JACKSONVILLE	OTHER	YES	CONSTRUCTION	\$1,204.00
AMERICAN CONSTRUCTION ENTERPRISES OF NE	OTHER	YES	CONSTRUCTION	\$244,274.15
AMERICAN CONSTRUCTION ENTERPRISES OF NE	OTHER	YES	CONSTRUCTION	\$94,052.94
BECC CONTRACTING INC	OTHER	YES	CONSTRUCTION	\$13,030.00
COMPLETE COATINGS INC	OTHER	YES	CONSTRUCTION	\$179,231.50
COMPLETE COATINGS INC	OTHER	YES	CONSTRUCTION	\$182,874.35
COMPLETE SERVICES WELL DRILING INC	OTHER	YES	CONSTRUCTION	\$344,068.08
COMPLETE SERVICES WELL DRILING INC	OTHER	YES	CONSTRUCTION	\$112,370.00
COUNTRY BOY FENCE	OTHER	YES	CONSTRUCTION	\$24,336.75
COUNTRY BOY FENCE	OTHER	YES	CONSTRUCTION	\$38,518.00
KIRBY DEVELOPMENT INC	OTHER	YES	CONSTRUCTION	\$277,982.70
			Subtotal	\$1,511,942.47
			Total Construction	\$2,767,137.02
BABYBOYY PRODUCTIONS	AA	YES	SERVICES	\$17,875.00
BALDWIN'S QUALITY PLUMBING	AA	YES	SERVICES	\$210,327.66
CIVIL SERVICES INC	AA	YES	SERVICES	\$14,100.00
EVERSAFE BUILDING MAINTENANCE CORP.	AA	YES	SERVICES	\$555,174.88
EVERSAFE BUILDING MAINTENANCE CORP.	AA	YES	SERVICES	\$4,700.00
EVERSAFE JANITORIAL SERVICES	AA	YES	SERVICES	\$56,613.00
FLEET PRESSURE WASHING INC	AA	YES	SERVICES	\$57,201.00
MISTER GENE CLEAN JANITORIAL SERVICES	AA	YES	SERVICES	\$108,540.00
MISTER GENE CLEAN JANITORIAL SERVICES	AA	YES	SERVICES	\$840.00
			Subtotal	\$1,025,371.54
ADVANCED TECHNOLOGY MANAGEMENT, INC	AI	YES	SERVICES	\$123,347.19
ENG ENGINEERING INC	AI	YES	SERVICES	\$136,450.00

March 15, 2016 JEA Board of Directors Meeting - III. For Board Consideration

JSEB Prime Spend (October 1, 2014 - September 30, 2015)

I-TECH RESOURCES INC	AI	YES	SERVICES	\$729,506.48
SGS TECHNOLOGIE, LLC	AI	YES	SERVICES	\$222,879.63
VIA CONCEPTS, LLC	AI	YES	SERVICES	\$74,247.00
			Subtotal	\$1,286,430.30
PQH ARCHITECTS INC	HA	YES	SERVICES	\$8,185.00
			Subtotal	\$8,185.00
ALMOND ENGINEERING PA	WBE	YES	SERVICES	\$219,491.46
EAGLE LAWN CARE OF N. E. FLORIDA, INC.	WBE	YES	SERVICES	\$113,184.00
ENVIRONMENTAL RESOURCE SOLUTION INC	WBE	YES	SERVICES	\$690.00
FOUR WATERS ENGINEERING INC	WBE	YES	SERVICES	\$11,402.50
GARMON TRUCKING, INC.	WBE	YES	SERVICES	\$135,346.00
INSIGHT2TALENT, LLC	WBE	YES	SERVICES	\$1,162.50
MESKEL & ASSOCIATES ENGINEERING PLLC	WBE	YES	SERVICES	\$10,100.00
MICHAEL LLOYD HAULING INC	WBE	YES	SERVICES	\$69,132.00
				\$0.00
			Subtotal	\$560,508.46
JOHN R BARNARD & ASSOCIATES	NA	YES	SERVICES	\$20,000.00
			Subtotal	\$20,000.00
ACCESS ELECTRICAL CONTRACTORS	OTHER	YES	SERVICES	\$111,004.86
EVANS BROTHERS MAINTENANCE AND SRVS	OTHER	YES	SERVICES	\$62,525.00
J COLLINS ENGINEERING ASSOCIATES	OTHER	YES	SERVICES	\$208,846.00
JACKSONVILLE LAWN CARE INC	OTHER	YES	SERVICES	\$41,697.00
JOHNSON SURVEYING AND MAPPING	OTHER	YES	SERVICES	\$48,062.50
JOHNSON SURVEYING AND MAPPING	OTHER	YES	SERVICES	\$975.00
MECHLING ENGINEERING & CONSULTING INC	OTHER	YES	SERVICES	\$57,574.91
			Subtotal	\$530,685.27
			Total Services	\$3,431,180.57
AMERICAN RAG & WIPERS	WBE	YES	SUPPLIES	\$36,484.50
FIRST COAST INDUSTRIAL SUPPLY	WBE	YES	SUPPLIES	\$10,977.39
FIRST COAST INDUSTRIAL SUPPLY	WBE	YES	SUPPLIES	\$6,228.00
INDCOM SALES AND SERVICES	WBE	YES	SUPPLIES	\$7,196.98
MACS INDUSTRIAL SUPPLY	WBE	YES	SUPPLIES	\$2,799.75
MACS INDUSTRIAL SUPPLY	WBE	YES	SUPPLIES	\$157,434.97
SHIMP SIGN AND DESIGN INC				\$3,077.66
SHIMP SIGN AND DESIGN INC	WBE	YES	SUPPLIES	\$2,943.68
			Subtotal	\$227,142.93
			Total Supplies	\$227,142.93

GRAND TOTAL

\$6,425,460.52

JSEB Subcontractor Worksheet (October 1, 2014 - September 30, 2015)

Project	Award Date	Contractor	Prime Award Amount	Totals	JSEB CAT
005-11-Engineering Services - Electric Transmission and Substation Projects	1/13/2011	FRED WILSON & ASSOCIATES	\$1,750,000.00		
		Meskel & Associates Engineering		\$8,500.00	WBE
098-11-Mobile Fleet Maintenance Services	2/12/2012	Dickinson Fleet Services	\$16,422,729.00		
		E Bartley Enterprises		\$112,843.00	AA
118-11-Buckman Water Reclamation Facility Improvements	11/3/2011	WPC Industrial Contractors	\$16,485,700.00		
		ABC Concrete Cutting		\$65,835.90	Other
		All Pro Asphalt		\$47,605.02	Other
127-11-Restore Disturbed Asphalt Paved Areas	12/15/2011	WARREN ASPHALT INC	\$6,000,000.00		
		All Pro Asphalt		\$70,063.35	Other
		National Tire Solutions		\$10,107.60	WBE
		D.J. Contracting of Jacksonville		\$33,711.89	WBE
		Donna Hamilton		\$312,686.20	WBE
007-12-Engineering & Design Services, Groundwater Wells	12/15/2011	CDM	\$967,000.00		
		R E Holland		\$14,825.00	Other
		C&ES		\$5,000.00	AA
		Meskel		\$10,464.00	WBE
007-12-Engineering & Design Services, Groundwater Wells	12/15/2011	CH2MHILL	\$752,000.00		
		Almond Engineering		\$4,931.40	WBE
016-12-Modified Bitumen Roofing Installation and Repair	12/15/2011	Barber & Associates, Inc.	\$2,850,000.00		
		JDH Hauling		\$1,456.04	WBE
079-12-Professional Engineering Services - Point Meadows Substation	9/27/12	Fred Wilson & Associates, Inc (FW&A)	\$344,254.00		
		Peacock Consulting		\$2,980.00	WBE
091-12-Public Education Campaign	10/4/2012	St. Johns & Partners	\$7,650,000.00		
		Armstrong Design Group d/b/a ADG Marketing		\$52,435.00	AA
MPA-0093 - Vegetation Management	1/31/2013	Trees, Inc.			
		K & J Lawncare (mowing)		\$166,711.80	WBE
		Bug Pro Florida (spraying)		\$125,582.14	WBE
010-14 General Construction Services	6/26/2014	WW Gay	\$8,000,000.00		
		H Trent		\$9,500.00	AA
010-14 General Construction Services	6/26/2014	Williams Industrial Services	\$8,000,000.00		
		C&ES Consultants, Inc.		\$22,455.28	AA
		Complete Coatings		\$143,200.00	Other
		First Coast Scaffolding		\$321.00	WBE
		McClendons Portable Toilet		\$13,986.37	AA

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		A C Concrete		\$17,192.50	AA
		R.E. Holland & Associates		\$3,430.00	Other
		ABC Concrete		\$25,637.80	Other
010-14 General Construction Services	6/26/2014	W.G. Yates & Sons Construction	\$8,000,000.00		
		R.E. Holland & Associates, Inc.		\$475.00	Other
030-14 Technology Services - Professional and Technical Resources	3/27/2014	Randstad North America, LP	\$6,653,086.30		
		I-TECH Personnel		\$530,359.24	AI
114-14 Northwest Regional WTP	1/15/2015	CH2M HILL	\$896,065.00		
		CSI Geo Inc		\$16,316.50	AA
		Almond Engineering		\$815.00	WBE
		R E Holland & Associates		\$4,869.80	Other
017-15 Fairfax & McDuff WTP Wellfield Rehab	6/11/2015	CH2M HILL	\$4,120,215.00		
		Complete Services		\$51,300.00	Other
021-15 Cecil Commerce Center North Substation and Transmission Circuits Interconnect	1/23/2015	Reliable Substation Services	\$5,230,000.00		
		Vallencourt Inc.		\$1,003,720.17	WBE
Total				\$2,892,721.00	

MBE-WBE Not JSEB Certified (Oct 14 - Sep 15)

Vendor	MBE/WBE Code	Invoice Amount
1000BULBS.COM	WBE	\$2,652.54
AA BOTTLED GAS AND FUEL	WBE	\$1,590.28
ABC LASER USA	AI	\$2,897.00
ACCUTECH INSTRUMENTATION	WBE	\$13,858.40
AEROSTAR ENVIRONMENTAL SERVICES INC	WBE	\$32,407.30
AGGRESSIVE SIGNS	WBE	\$208.15
ALLEN'S CULVERTS, INC	WBE	\$12,239.00
ALRO STEEL CORPORATION	WBE	\$1,819.11
AMERICAN ASSOCIATIONS OF BLACK ACCOUNTANTS	AA	\$775.00
AMERICAN WOOD FIBERS INC	WBE	\$2,489.51
APEX CONTROLS	WBE	\$1,554.70
APPLIED SPECIALTIES INC	WBE	\$62,864.33
ARROYO PROCESS EQUIPMENT INC	HA	\$13,620.95
ARWOOD WASTE INC	NA	\$532,608.35
ATCO MANUFACTURING COMPAN	NA	\$14,801.75
BARNES INDUSTRIAL PIPE	WBE	\$9,349.87
BARLETT BEARING CO	WBE	\$3,947.66
BENNETT'S ACE HARDWARE	WBE	\$159.91
BETTERWAY, INC	WBE	\$337.52
BIG CITY MFG. INC	WBE	\$676.00
BIRD-B-GONE	WBE	\$241.46
BISCOTTI'S	WBE	\$2,160.39
BLACK PAGES USA	AA	\$3,500.00
BLINK ELECTRIC MOTORS	WBE	\$93.80
CABLE WHOLESALE COM	WBE	\$1,473.86
CAMAC VALVES & CONTROLS	HI	\$15,537.56
CAROLINA BIOLOGICAL SUPPLY	WBE	\$700.92
CHANNEL SUPPLIES	WBE	\$63.87
COLLABORATION SOLUTIONS	HI	\$6,636.43
COMPLIANCE SIGNS.COM	WBE	\$1,984.50
CONNECTION TECHNOLOGY	WBE	\$3,271.80
CONSTRUCTION MANAGEMENT TECHNICAL SERVICES (CMTS)	AA	\$20,124.00
CORNER BAKERY	WBE	\$290.00
CORNERSTONE SUPPLY	HI	\$4,895.35
CRESENT CHEMICAL CO	WBE	\$840.35
DG CUSTOM GOLF	WBE	\$1,303.00
DANA SAFETY SUPPLY	WBE	\$13,324.27
DICA MARKETING COMPANY	WBE	\$2,169.40

MBE-WBE Not JSEB Certified (Oct 14 - Sep 15)

DOOR CONTROL	WBE	\$2,302.72
DUMONT COMPANY	WBE	\$3,291.00
DUSTSTOP FILTERS	WBE	\$901.90
DUVAL ELECTRICAL AND B	HI	\$9,993.00
DYNAMIC CORPORATE SOLUTIONS	WBE	\$14,484.00
EASTERN INDUSTRIAL SUPPLI	HI	\$269,397.15
ELECTRICMOTORWHOLESALE	WBE	\$299.83
EJCON CORPORATION	HI	\$35,242.40
ELEMENTAR AMERICAS INC	WBE	\$3,938.84
ERGODIRECT INC.	WBE	\$771.94
EXPRESS MOWER PARTS	WBE	\$3,014.15
F R ALEMAN & ASSOCIATES INC	HA	\$36,297.75
FERBER SHEET METAL WORK	WBE	\$16,874.13
FIBERTRONICS INC.	WBE	\$5,417.36
FORESTRY SUPPLIERS	WBE	\$1,788.25
GE DIGITAL ENERGY	WBE	\$2,561.14
GEORGE A. ISRAEL JR., INC	WBE	\$5,422.60
GRAPHIC PRODUCTS INC	WBE	\$1,884.60
HARBOR FREIGHT TOOLS 213	WBE	\$385.71
INCRYO SYSTEMS, INC.	WBE	\$3,242.90
J WALKER TRUCKING INC	AA	\$46,840.00
KEN BLANCHARD COMPANIES	HI	\$4,920.82
KSI	WBE	\$191,567.75
LAINÉ INDUSTRIES INC	WBE	\$54,429.46
LECO CORPORATION	WBE	\$1,019.31
LUDECA INC	WBE	\$9,792.57
MAC PAPERS INC	WBE	\$3,949.69
MATERIAL HANDLING	WBE	\$10,610.04
MIKE DAVIDSON FORD	WBE	\$514.64
NORTHSIDE LOCK AND KEY	WBE	\$3,818.33
POWER & PUMPS	WBE	\$63,204.03
PRO CHEM INC	WBE	\$69,167.49
ROLLED ALLOYS	WBE	\$4,922.78
RUBBER AND GASKET SPECTS	HI	\$15,469.54
SOUTHEASTERN PUMP	HA	\$40,446.97
STANDARD PRECAST	WBE	\$11,937.00
THE DANBY GROUP LLP	WBE	\$222.00
THE UPS STORE #2383	HI	\$285.61
TOWN AND COUNTRY	WBE	\$51,782.34

MBE-WBE Not JSEB Certified (Oct 14 - Sep 15)

TTV ARCHITECTS INC	AI	\$14,465.00
UNITED LABORATORIES	WBE	\$5,702.93
VIGNEAUX CORPORATION	WBE	\$5,651.12
W W GAY FIRE & INTEGRATED SYSTEMS INC	AI	\$24,672.46
WWW.NEWEGG.COM	WBE	\$557.33
ZABATT INC	HI	\$119.26
ZEPHYRHILLS WATER	AP	\$41,464.66
Non - JSEB Minority/ Women Totals		\$1,884,512.79

MBE-WBE Not JSEB Certified (Oct 14 - Sep 15)

| |



JEA Monthly Financial Summary

as of February 29, 2016

Board of Directors

March 15, 2016



Key Financial Metrics

Electric System	Year-to-Date		FY2016 Full Year		Result
	FY2016	FY2015	Forecast	Target	
Debt Service Coverage	2.6x	2.5x	2.5x	≥ 2.2x	✓
Days Liquidity	324	259	326	150 to 250 days ¹	✓
<i>Days Cash on Hand</i>	<i>199</i>	<i>159</i>	206		✓
Debt to Asset %	68%	72%	66%	72% ²	✓

Water and Sewer System	Year-to-Date		FY2016 Full Year		Result
	FY2016	FY2015	Forecast	Target	
Debt Service Coverage	2.8x	2.6x	2.7x	≥ 1.8x	✓
Days Liquidity	298	240	270	≥ 100 days	✓
<i>Days Cash on Hand</i>	<i>173</i>	<i>131</i>	149		✓
Debt to Asset %	54%	55%	53%	55% ³	✓

¹ Moody's Aa benchmark: 150 to 250 days

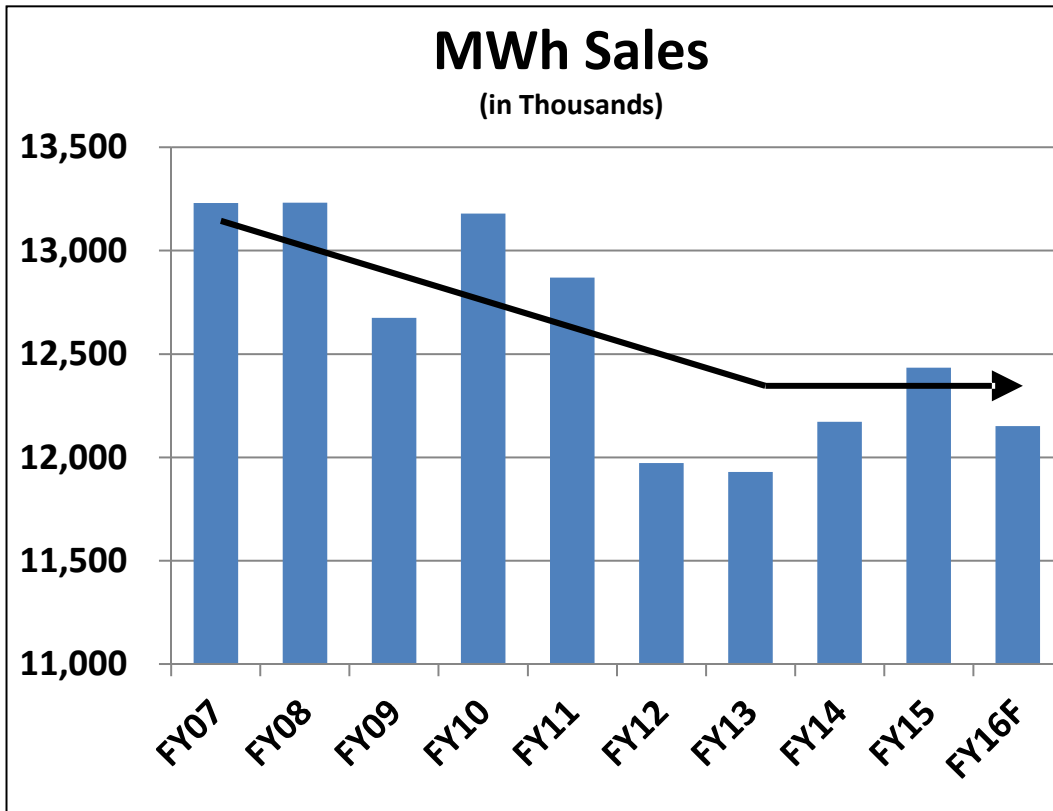
² Long-term target is 52%: per Moody's Sector In-Depth Report "Top 30 City Owned Utilities (by debt outstanding)", Sept. 2015

³ Long-term target is 50%: calculated peer group from Moody's 214 Aa rated public water-sewer utilities, Dec. 2015



JEA Electric System

MWh Sales



Month	FY15	FY16	% Change
Oct	971,595	952,515	(2.0%)
Nov	895,617	923,705	3.1%
Dec	943,753	922,956	(2.2%)
Jan	1,035,621	1,049,897	1.4%
Feb	934,102	894,563	(4.2%)
Year-to-Date	4,780,688	4,743,636	(0.8%)
Mar	898,524		
Apr	954,803		
May	1,062,459		
Jun	1,187,741		
Jul	1,254,252		
Aug	1,212,295		
Sep	1,083,446		
Total/Forecast	12,434,208	12,151,552	

Unit Sales Driver: Degree days 7% lower than last year.

YTD Degree Days		
30-yr. Avg.	FY15	FY16
1,441	1,485	1,375

Total System	(0.8%)
Residential	(3.2%)
Comm./Industrial	1.6%
Interruptible	(2.1%)
Wholesale (FPU)	(2.4%)



JEA Electric System

Financial Results and Cost Metrics

(\$ in thousands)

Revenues	FY16 Forecast	FY15 Actual	FY16 Budget	FY16F vs FY15 (\$)	Variance (%)
Fuel Revenue	\$ 413,833 ¹	\$ 486,362 ²	\$ 485,631	\$ (72,529)	-14.9%
Base Revenue	723,182	741,411	711,502	(18,229)	-2.5%
Other Revenue	44,575	38,183	51,716	6,392	16.7%
Total Revenues	\$ 1,181,590	\$ 1,265,956	\$ 1,248,849	\$ (84,366)	-6.7%
<div style="border: 1px solid black; padding: 2px; display: inline-block;">\$(67M)</div>					
Select Expenses					
Fuel Expense	\$ 379,326	\$ 441,076	\$ 460,315	\$ 61,750	14.0%
Fuel Fund Transfers	34,508	45,286	25,255	10,778	
O & M Expense	209,707	191,764	222,827	(17,943)	-9.4%
Non-fuel Purchased Power	98,385	114,804	113,015	16,419	14.3%
Net Revenues	\$ 447,055	\$ 461,604	\$ 405,311	\$ (14,549)	-3.2%
<div style="border: 1px solid black; padding: 2px; display: inline-block;">\$42M</div>					
Capital Expenditures	\$ 148,762	\$ 116,728	\$ 153,200 ³	\$ (32,034)	-27.4%
Debt Service	\$ 181,397	\$ 175,779	\$ 185,614	\$ (5,618)	-3.2%

Electric Costs / MWh	Non-Fuel
Target	\$ 49.44
Forecast	<u>53.27</u>
Difference	\$ (3.83)

Fuel Fund (\$ in millions)	
Beginning Balance	\$ 151
Surplus/(Deficit)	91
Fuel Credit	<u>(57)</u>
Ending Balance	\$ 185

¹ Net of \$57 million fuel credit in October bill and fuel rate reduction in February

² Net of \$50 million fuel credit in FY15

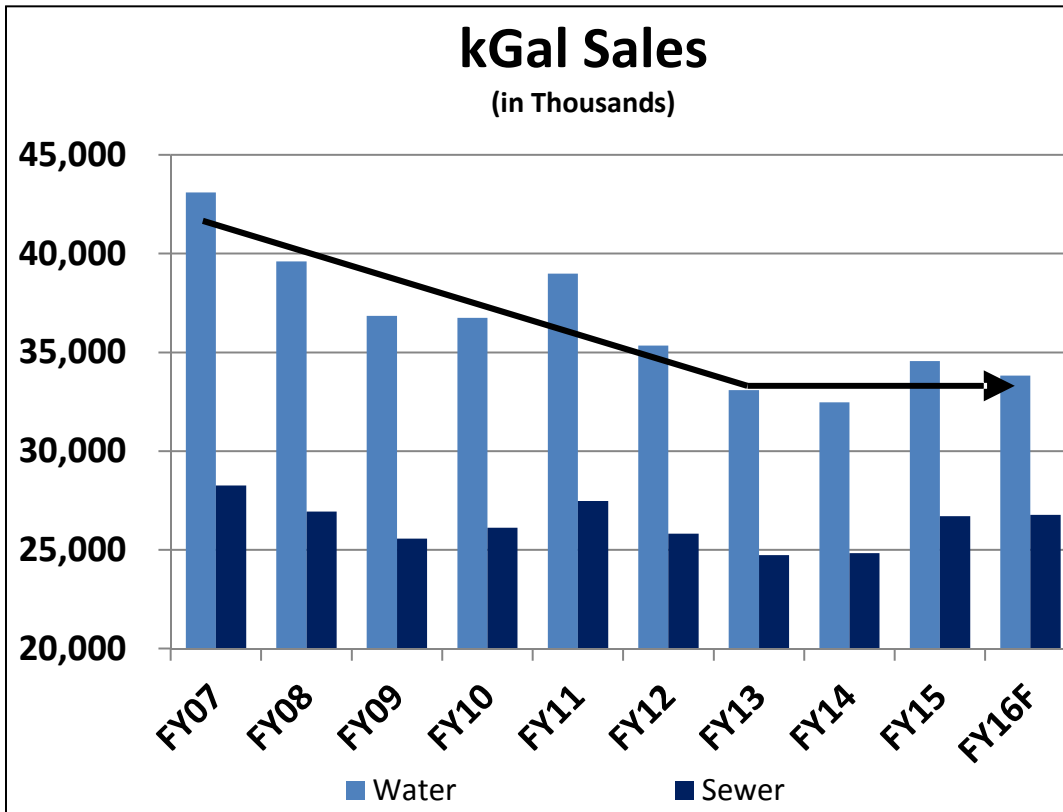
³ Council approved limit for capital expenditures in FY15 is \$170 million



JEA Water and Sewer System

kGal Sales

(in Thousands)



Month	FY15	FY16	% Change
Oct	3,052	3,120	2.2%
Nov	2,597	2,641	1.7%
Dec	2,708	2,758	1.8%
Jan	2,502	2,527	1.0%
Feb	2,239	2,479	10.8%
Year-to-Date	13,096	13,525	3.3%
Mar	2,732		
Apr	2,765		
May	3,509		
Jun	3,382		
Jul	3,300		
Aug	3,062		
Sep	2,712		
Total/Forecast	34,558	33,824	

Unit Sales Driver: Rainfall down 4 inches; rain days up 6.

YTD Rain			
	30-Yr. Avg.	FY15	FY16
Inches	15	16	12
Days	38	30	36

Total System	3.3%
Residential	2.2%
Comm./Industrial	6.3%
Irrigation	(1.5%)



JEA Water and Sewer System

Financial Results and Cost Metrics

(\$ in thousands)

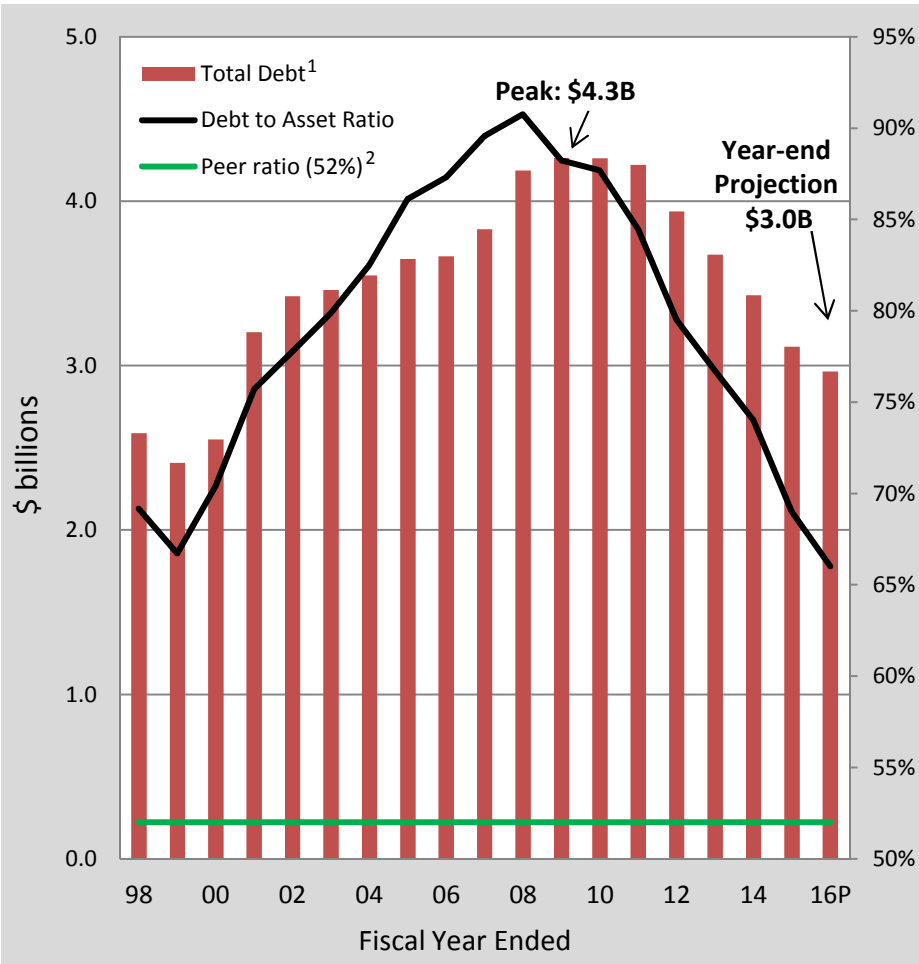
Revenues	FY16 Forecast	FY15 Actual	FY16 Budget	FY16F vs FY15 (\$)	Variance (%)
Water & Sewer Revenues	\$ 390,156	\$ 393,167	\$ 383,162	\$ (3,011)	-0.8%
Other Revenue	34,583	43,750	34,529	(9,167)	-21.0%
Total Revenues	\$ 424,739	\$ 436,917	\$ 417,691	\$ (12,178)	-2.8%
Select Expenses					
O & M Expense	\$ 136,165	\$ 127,174	\$ 138,368	\$ (8,991)	-7.1%
Net Revenues	\$ 263,195	\$ 278,471	\$ 254,266	\$ (15,276)	-5.5%
Capital Expenditures	\$ 158,381	\$ 100,806	\$ 175,000	\$ (57,575)	-57.1%
Debt Service	\$ 99,141	\$ 101,108	\$ 105,370	\$ 1,967	1.9%

Cost / KGal	Water	Sewer
Target	\$ 3.98	\$ 7.26
Forecast	<u>4.64</u>	<u>8.00</u>
Difference	\$ (0.66)	\$ (0.74)

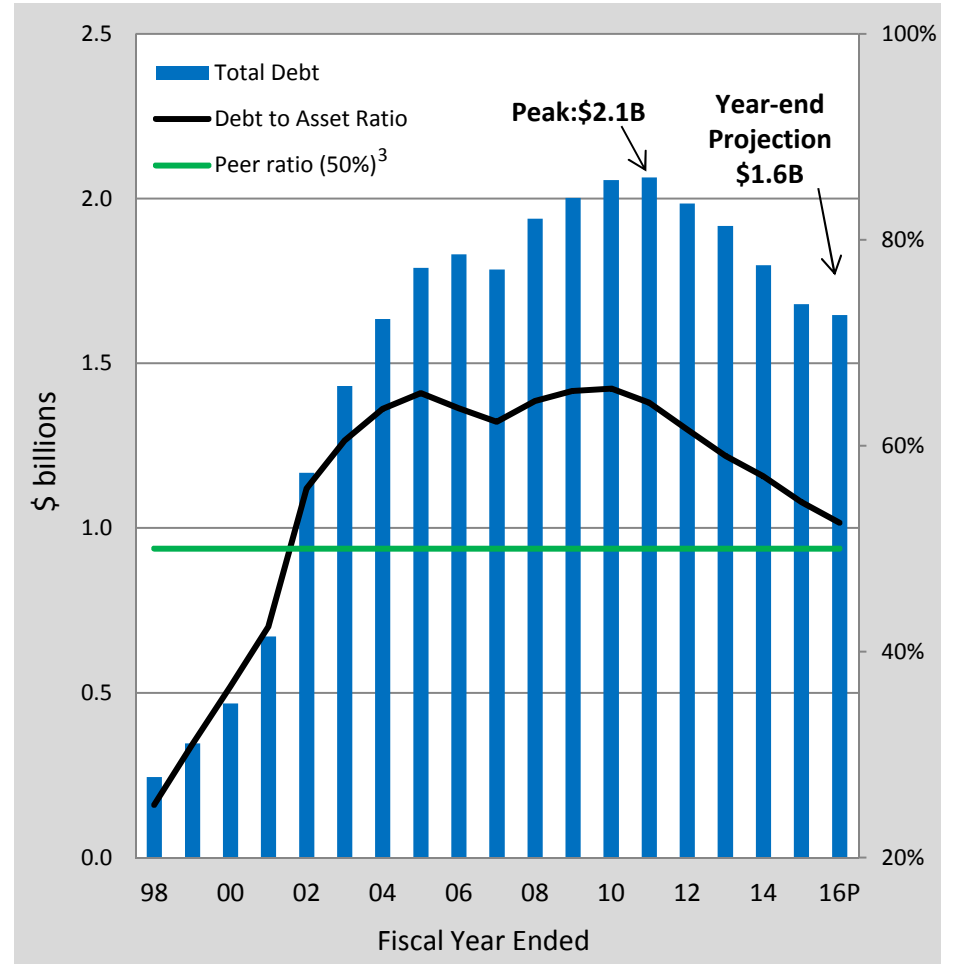


JEA Debt and Debt to Asset Ratios

Electric System



Water and Sewer System



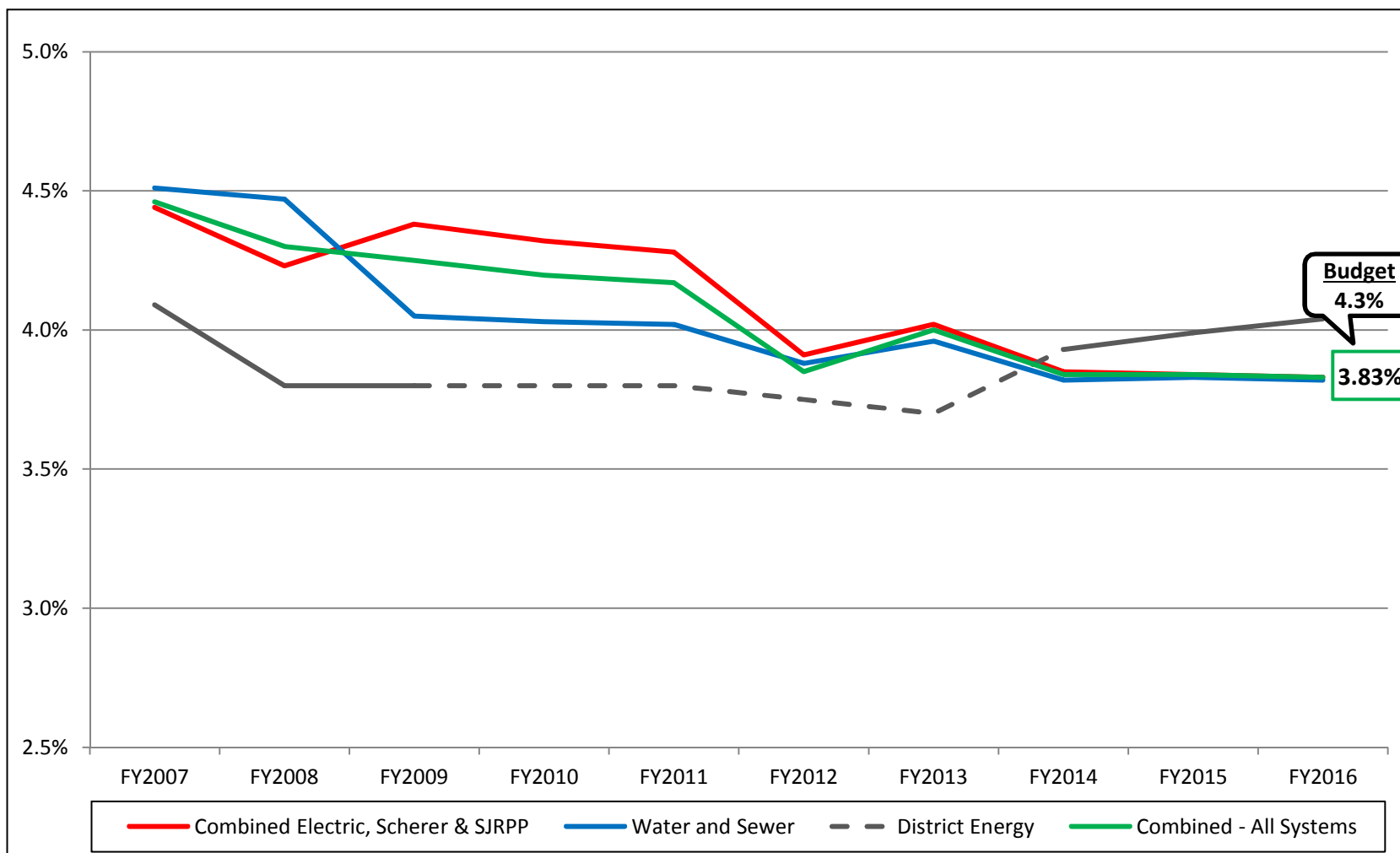
¹ Includes JEA, Scherer and SJRPP

² Per "Top 30 City Owned Utilities (By Debt Outstanding)" reported in Moody's Sector In-Depth Report, Sept. 8, 2015

³ Calculated from Moody's Municipal Financial Ratio Analysis database of 214 Aa rated public water-sewer utilities, Dec. 17, 2015



Combined Debt Outstanding Weighted Average Interest Rates*

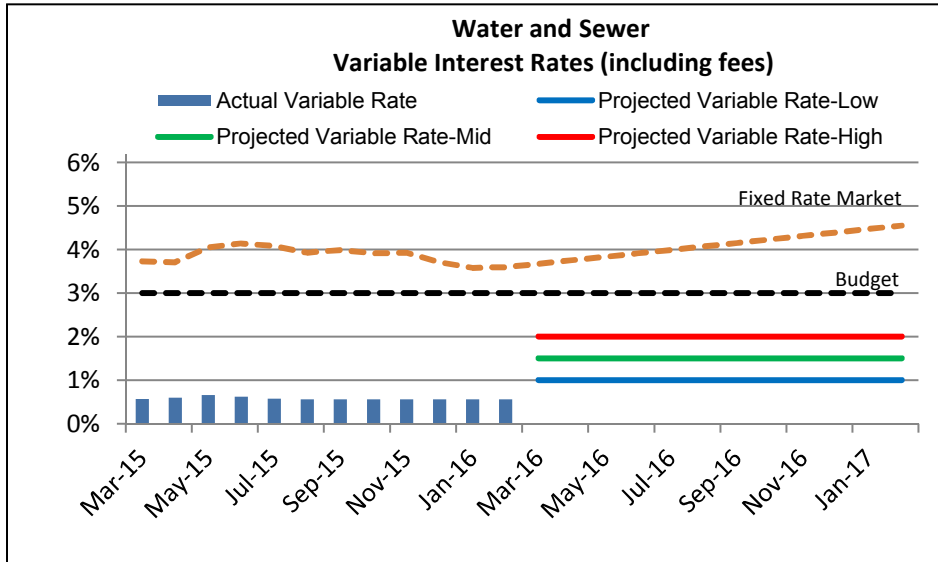
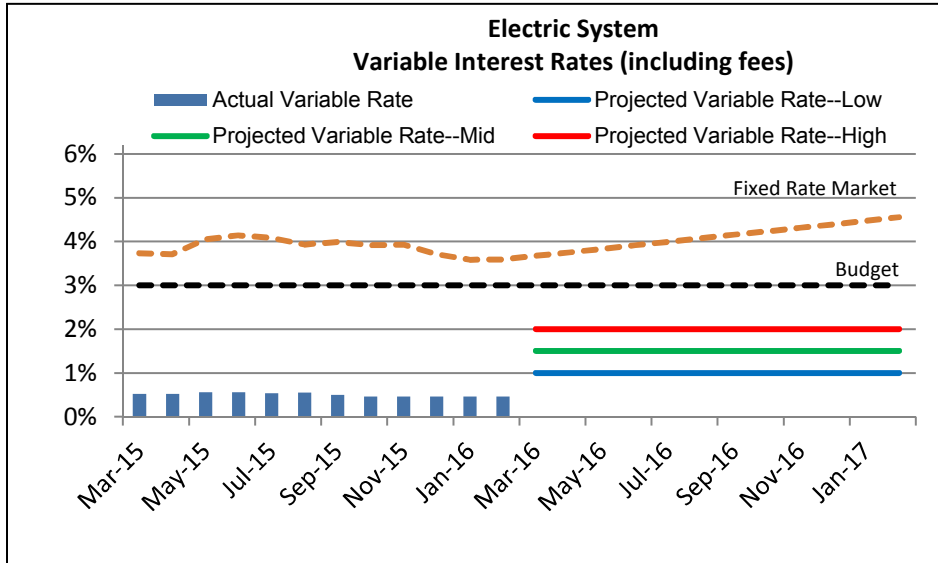


- Fiscal year end interest rates are net of BABs subsidy, original issue premiums / discounts and includes variable debt liquidity / remarketing fees and interest rate swap payments.
- - - - During FY2008 – FY2013 DES was funded with variable rate debt at an average of 1 percent.



Variable Rate Debt Risk Analysis

(\$ in millions)



Total variable rate debt of \$890 with \$532 swapped to fixed rate

Liquidity Facilities and Direct Purchase Bonds (DPBs)			
Bank	Long-Term Ratings Moody's/S&P/Fitch	\$ (in millions)	%
Wells Fargo Bank N.A. (100% DPBs)	Aa2/AA-/AA	\$225	26
JP Morgan Chase Bank N.A.	Aa3/A+/AA-	199	23
Royal Bank of Canada	Aa3/AA-/AA	193	23
US Bank, N.A.	A1/AA-/AA	149	18
Sumitomo	A1/A/A	52	6
State Street Bank	A1/AA-/AA	31	4
Total		\$849	

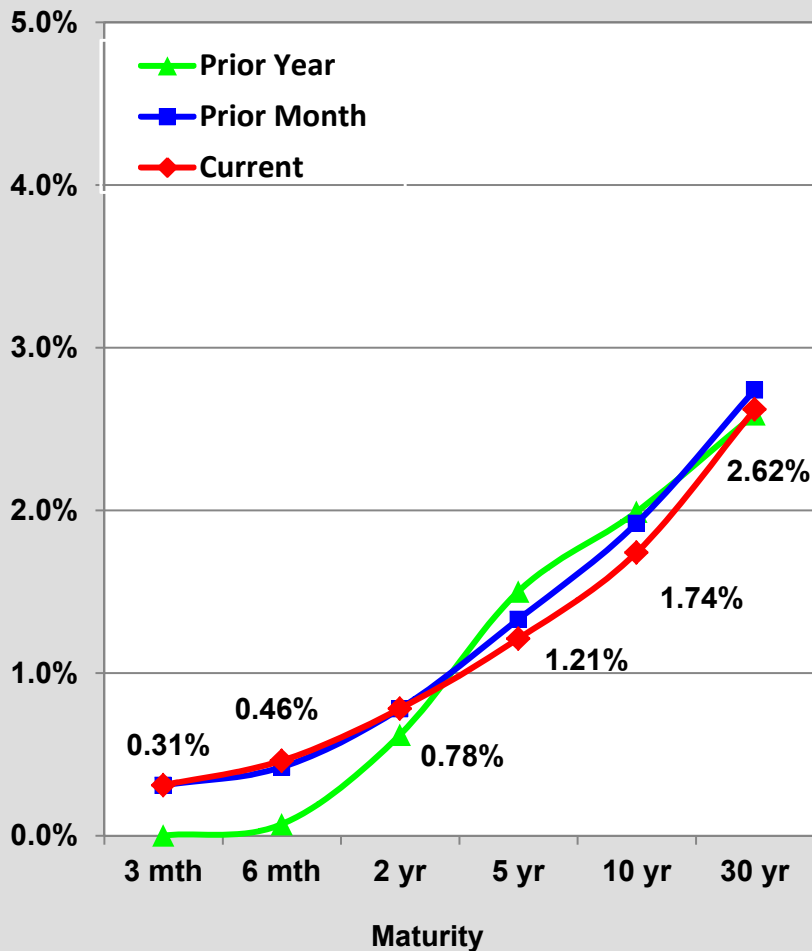
Swap Providers			
Bank	Long-Term Ratings Moody's/S&P/Fitch	\$ (in millions)	%
Morgan Stanley Capital Services	A3/BBB+/A	\$184	35
Goldman Sachs Mitsui Marine Derivative Products	Aa2/AA+ /NR	136	25
JP Morgan Chase Bank N.A.	Aa3/A+/AA-	127	24
Merrill Lynch	Baa1/BBB+/A	85	16
Total		\$532	

- Items of Interest**
- Variable debt as a percentage of total debt:
 - Unhedged variable at 6% for Electric and 10% for Water and Sewer.
 - Hedged variable at 14% for Electric and 7% for Water and Sewer.
 - Liquidity facilities / direct purchase bonds are with highly rated providers.
 - No change in swap counterparty credit quality.
 - Wells Fargo direct purchase bonds - three year renewal in Sep 2015.
 - State Street liquidity facility renewed in Feb 2015 through March 2018.
 - Variable rate reserve to mitigate risk of higher rates – \$62 million.

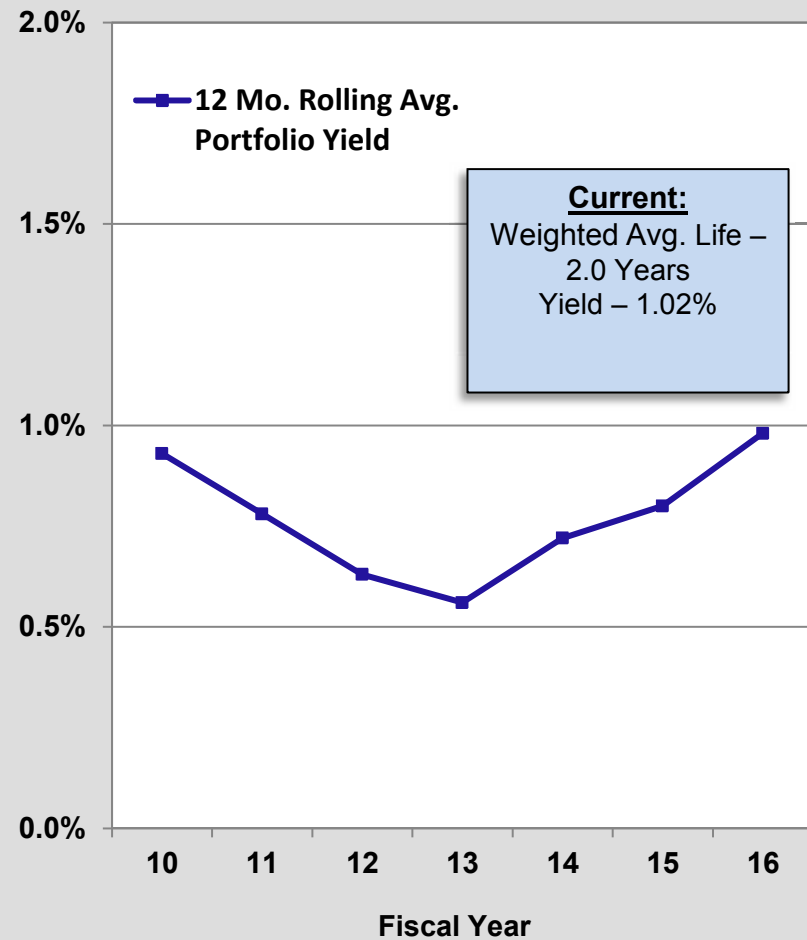


JEA Combined Investments Outstanding

U. S. Treasury Yield Curve

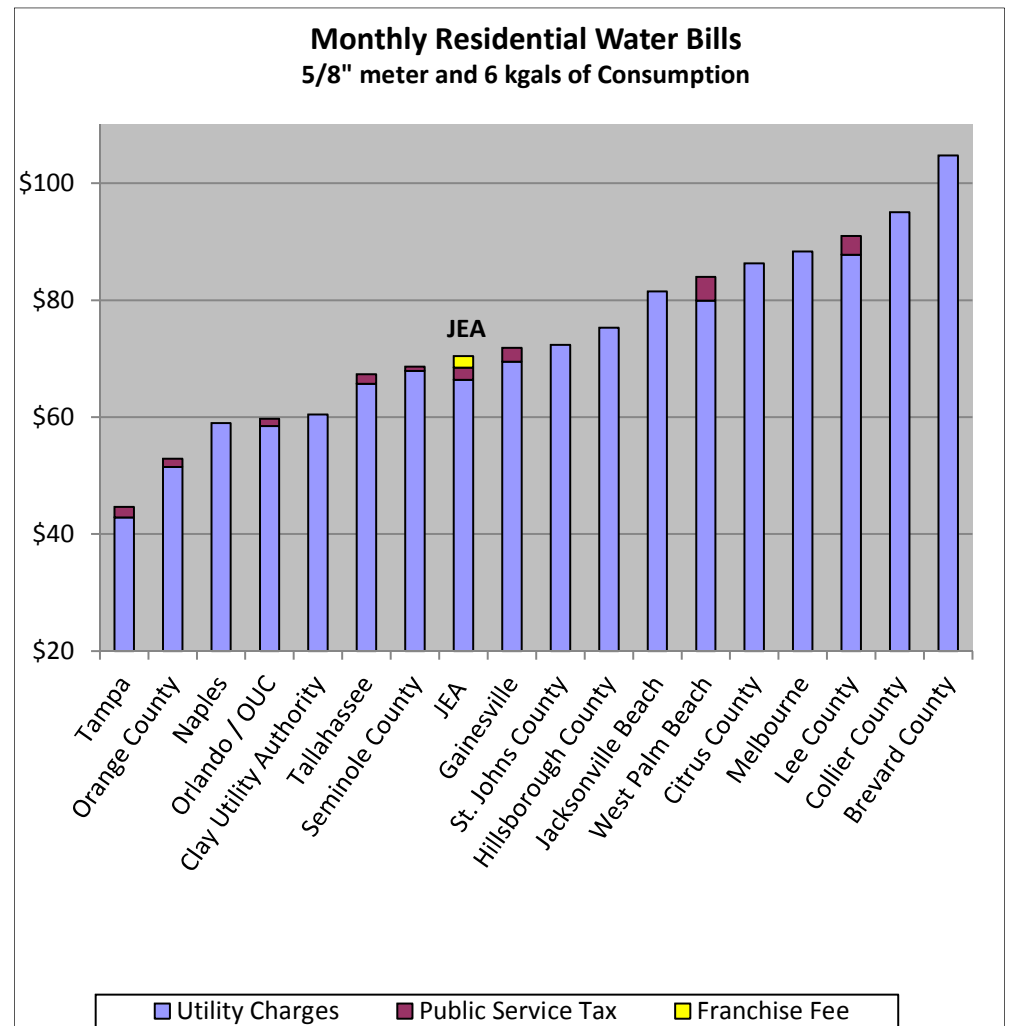
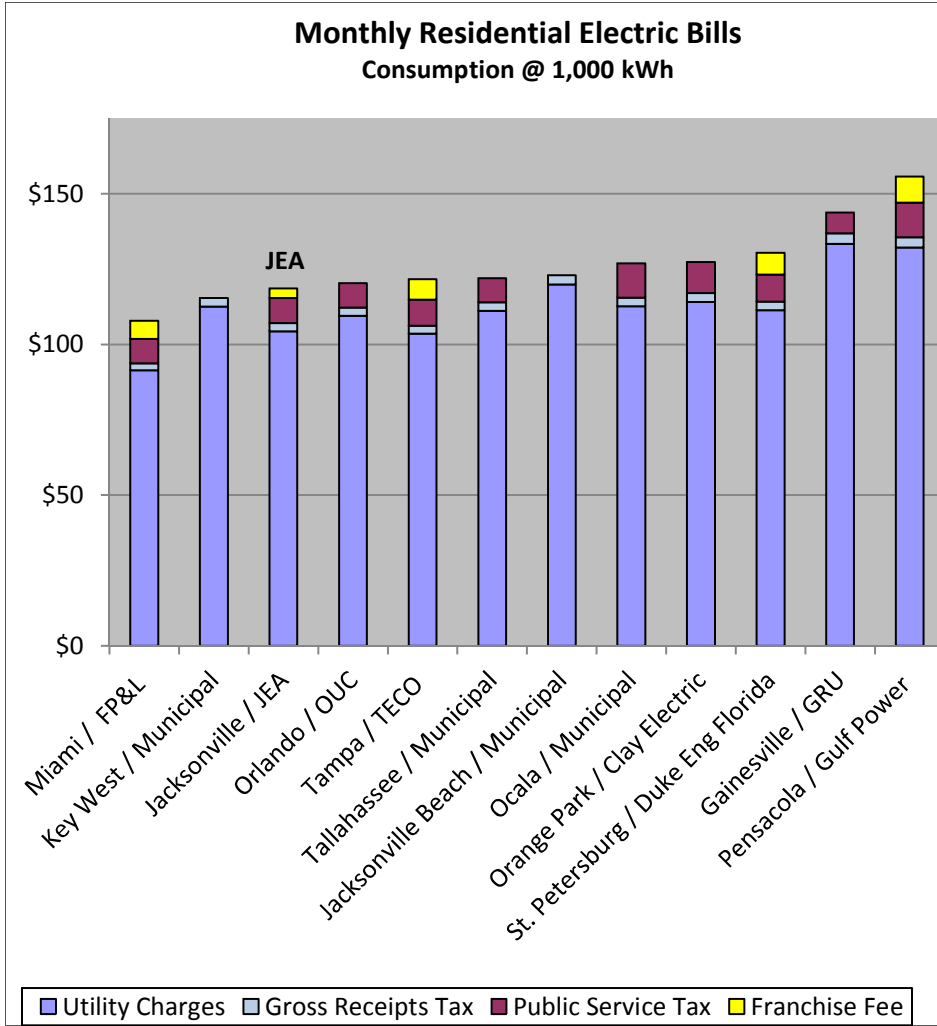


Investment Portfolio Yield





Florida Utilities Monthly Bill Comparison





Monthly Financial Statements

February 2016

March 15, 2016 JEA Board of Directors Meeting - III. For Board Consideration

Monthly Financial Statements

February 2016

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Statements of Net Position**(in thousands - unaudited) February 2016 and 2015 restated**

	2016	2015 restated
Assets		
Current assets:		
Cash and cash equivalents	\$ 173,615	\$ 143,504
Investments	348,248	327,278
Customer accounts receivable, less allowance for doubtful accounts of \$4,182 in 2016 and \$4,399 in 2015 restated	179,936	192,304
Miscellaneous accounts receivable	29,614	30,581
Interest receivable	2,410	1,954
Inventories, less reserve of \$151 in 2016 and \$1,072 in 2015 restated:		
Fuel inventory - Electric System	72,613	51,445
Fuel inventory - Plant Scherer	5,489	4,331
Materials and supplies - Water and Sewer	43,406	46,443
Materials and supplies - Electric System	20,160	19,084
Materials and supplies - Plant Scherer	2,079	2,093
Total current assets	<u>877,570</u>	<u>819,017</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	25,020	79,659
Investments	853,614	849,629
Accounts and interest receivable	3,980	4,286
Total restricted assets	<u>882,614</u>	<u>933,574</u>
Costs to be recovered from future revenues	458,413	375,807
Investment in The Energy Authority	7,015	8,024
Notes receivable - City of Jacksonville	-	189
Other assets	17,588	20,249
Total noncurrent assets	<u>1,365,630</u>	<u>1,337,843</u>
Capital assets:		
Land and easements	164,153	160,275
Plant in service	10,732,378	10,591,050
Less accumulated depreciation	<u>(5,230,847)</u>	<u>(4,763,024)</u>
Plant in service, net	5,665,684	5,988,301
Construction work in progress	203,810	129,745
Net capital assets	<u>5,869,494</u>	<u>6,118,046</u>
Total assets	<u>8,112,694</u>	<u>8,274,906</u>
Deferred outflows of resources		
Unamortized losses on refundings	149,171	162,636
Accumulated decrease in fair value of interest swaps derivatives	141,958	134,539
Unrealized pension contributions and losses	83,969	39,131
Accumulated decrease in fair value of fuel hedging derivatives	4,435	-
Total deferred outflows of resources	<u>379,533</u>	<u>336,306</u>
Total assets and deferred outflows of resources	<u>\$ 8,492,227</u>	<u>\$ 8,611,212</u>

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Statements of Net Position**(in thousands - unaudited) February 2016 and 2015 restated**

	2016	2015 restated
Liabilities		
Current liabilities:		
Accounts and accrued expenses payable	\$ 76,490	\$ 72,430
Customer deposits	55,579	55,782
City of Jacksonville payable	9,533	9,335
Compensated absences due within one year	4,534	6,152
State utility taxes payable	2,511	2,488
Total current liabilities	<u>148,647</u>	<u>146,187</u>
Current liabilities payable from restricted assets:		
Revenue bonds and line of credit due within one year	181,525	188,510
Renewal and replacement reserve	81,950	88,588
Interest payable	72,504	78,466
Construction contracts and accounts payable	8,087	6,527
Total current liabilities payable from restricted assets	<u>344,066</u>	<u>362,091</u>
Noncurrent liabilities:		
Net pension liability	408,628	395,990
Compensated absences due after one year	23,503	20,074
Environmental liabilities	18,662	18,662
OPEB liability	851	2,560
Other liabilities	8,279	2,787
Total noncurrent liabilities	<u>459,923</u>	<u>440,073</u>
Long-term debt:		
Bonds payable, less current portion	4,470,195	4,783,425
Unamortized premium	157,314	179,996
Fair value of debt management strategy instruments	141,958	134,538
Commercial paper notes payable	-	40,800
Total long-term debt	<u>4,769,467</u>	<u>5,138,759</u>
Total liabilities	<u>5,722,103</u>	<u>6,087,110</u>
Deferred inflows of resources		
Revenues to be used for future costs	509,062	469,684
Unrealized pension gains	29,796	-
Total deferred inflows of resources	<u>538,858</u>	<u>469,684</u>
Net position		
Net investment in capital assets	1,430,091	1,176,681
Restricted	438,942	478,500
Unrestricted	362,233	399,237
Total net position	<u>2,231,266</u>	<u>2,054,418</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 8,492,227</u>	<u>\$ 8,611,212</u>

JEA
Combining Statement of Net Position
(in thousands - unaudited) February 2016

	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	\$ 94,105	\$ 35,339	\$ -	\$ 129,444	\$ 39,936	\$ 4,235	\$ 173,615
Investments	302,494	18,658	-	321,152	27,096	-	348,248
Customer accounts receivable, less allowance for doubtful accounts of \$4,182	147,652	-	-	147,652	31,871	413	179,936
Miscellaneous accounts receivable	23,685	22,115	(17,609)	28,191	1,423	-	29,614
Interest receivable	1,578	84	-	1,662	748	-	2,410
Inventories, less reserve of \$151:							
Fuel inventory - Electric System	30,336	42,277	-	72,613	-	-	72,613
Fuel inventory - Plant Scherer	5,489	-	-	5,489	-	-	5,489
Materials and supplies - Water and Sewer	-	-	-	-	43,406	-	43,406
Materials and supplies - Electric System	-	20,160	-	20,160	-	-	20,160
Materials and supplies - Plant Scherer	2,079	-	-	2,079	-	-	2,079
Total current assets	607,418	138,633	(17,609)	728,442	144,480	4,648	877,570
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	141	20,260	-	20,401	751	3,868	25,020
Investments	314,581	216,216	-	530,797	322,817	-	853,614
Accounts and interest receivable	1,305	950	-	2,255	1,725	-	3,980
Total restricted assets	316,027	237,426	-	553,453	325,293	3,868	882,614
Costs to be recovered from future revenues	228,841	6,908	-	235,749	222,664	-	458,413
Investment in The Energy Authority	7,015	-	-	7,015	-	-	7,015
Other assets	10,083	-	-	10,083	7,505	-	17,588
Total noncurrent assets	561,966	244,334	-	806,300	555,462	3,868	1,365,630
Capital assets:							
Land and easements	95,177	6,660	-	101,837	59,265	3,051	164,153
Plant in service	5,139,800	1,358,652	-	6,498,452	4,180,308	53,618	10,732,378
Less accumulated depreciation	(2,577,177)	(828,898)	-	(3,406,075)	(1,804,293)	(20,479)	(5,230,847)
Plant in service, net	2,657,800	536,414	-	3,194,214	2,435,280	36,190	5,665,684
Construction work in progress	87,144	15,281	-	102,425	101,320	65	203,810
Net capital assets	2,744,944	551,695	-	3,296,639	2,536,600	36,255	5,869,494
Total assets	3,914,328	934,662	(17,609)	4,831,381	3,236,542	44,771	8,112,694
Deferred outflows of resources							
Unamortized losses on refundings	83,015	18,034	-	101,049	47,906	216	149,171
Accumulated decrease in fair value of interest swaps derivatives	114,992	-	-	114,992	26,966	-	141,958
Unrealized pension contributions and losses	48,712	4,114	-	52,826	31,143	-	83,969
Accumulated decrease in fair value of fuel hedging derivatives	4,435	-	-	4,435	-	-	4,435
Total deferred outflows of resources	251,154	22,148	-	273,302	106,015	216	379,533
Total assets and deferred outflows of resources	\$ 4,165,482	\$ 956,810	\$ (17,609)	\$ 5,104,683	\$ 3,342,557	\$ 44,987	\$ 8,492,227

JEA
Combining Statement of Net Position
(in thousands - unaudited) February 2016

	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	\$ 47,388	\$ 20,655	\$ (948)	\$ 67,095	\$ 9,161	\$ 234	\$ 76,490
Customer deposits	41,813	-	-	41,813	13,766	-	55,579
City of Jacksonville payable	7,643	-	-	7,643	1,890	-	9,533
Compensated absences due within one year	1,824	1,486	-	3,310	1,217	7	4,534
State utility taxes payable	2,511	-	-	2,511	-	-	2,511
Total current liabilities	101,179	22,141	(948)	122,372	26,034	241	148,647
Current liabilities payable from restricted assets:							
Revenue bonds and line of credit due within one year	102,240	43,785	-	146,025	33,875	1,625	181,525
Renewal and replacement reserve	-	81,950	-	81,950	-	-	81,950
Interest payable	36,331	8,881	-	45,212	26,709	583	72,504
Construction contracts and accounts payable	3,255	17,912	(16,661)	4,506	3,517	64	8,087
Total current liabilities payable from restricted assets	141,826	152,528	(16,661)	277,693	64,101	2,272	344,066
Noncurrent liabilities:							
Net pension liability	246,724	4,162	-	250,886	157,742	-	408,628
Compensated absences due after one year	16,372	1,009	-	17,381	6,081	41	23,503
Environmental liabilities	18,662	-	-	18,662	-	-	18,662
OPEB liability	536	-	-	536	315	-	851
Other liabilities	4,435	-	-	4,435	3,844	-	8,279
Total noncurrent liabilities	286,729	5,171	-	291,900	167,982	41	459,923
Long-term debt:							
Bonds payable, less current portion	2,369,215	450,215	-	2,819,430	1,612,640	38,125	4,470,195
Unamortized premium (discount)	77,498	21,185	-	98,683	58,677	(46)	157,314
Fair value of debt management strategy instruments	114,992	-	-	114,992	26,966	-	141,958
Total long-term debt	2,561,705	471,400	-	3,033,105	1,698,283	38,079	4,769,467
Total liabilities	3,091,439	651,240	(17,609)	3,725,070	1,956,400	40,633	5,722,103
Deferred inflows of resources							
Revenues to be used for future costs	314,740	166,547	-	481,287	27,775	-	509,062
Unrealized pension gains	16,446	2,835	-	19,281	10,515	-	29,796
Total deferred inflows of resources	331,186	169,382	-	500,568	38,290	-	538,858
Net position							
Net investment in capital assets	308,313	9,185	-	317,498	1,115,890	(3,297)	1,430,091
Restricted	214,264	7,495	16,661	238,420	197,237	3,285	438,942
Unrestricted	220,280	119,508	(16,661)	323,127	34,740	4,366	362,233
Total net position	742,857	136,188	-	879,045	1,347,867	4,354	2,231,266
Total liabilities, deferred inflows of resources, and net position	\$ 4,165,482	\$ 956,810	\$ (17,609)	\$ 5,104,683	\$ 3,342,557	\$ 44,987	\$ 8,492,227

JEA
 Combining Statement of Net Position
 (in thousands - unaudited) February 2015 restated

	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	\$ 51,781	\$ 40,116	\$ -	\$ 91,897	\$ 47,655	\$ 3,952	\$ 143,504
Investments	283,069	44,209	-	327,278	-	-	327,278
Customer accounts receivable, less allowance for doubtful accounts of \$4,399	158,592	-	-	158,592	33,136	576	192,304
Miscellaneous accounts receivable	22,559	21,400	(14,792)	29,167	1,414	-	30,581
Interest receivable	1,143	-	-	1,143	811	-	1,954
Inventories, less reserve of \$1,072:							
Fuel inventory - Electric System	31,971	19,474	-	51,445	-	-	51,445
Fuel inventory - Plant Scherer	4,331	-	-	4,331	-	-	4,331
Materials and supplies - Water and Sewer	-	-	-	-	46,443	-	46,443
Materials and supplies - Electric System	-	19,084	-	19,084	-	-	19,084
Materials and supplies - Plant Scherer	2,093	-	-	2,093	-	-	2,093
Total current assets	555,539	144,283	(14,792)	685,030	129,459	4,528	819,017
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	115	51,583	-	51,698	23,954	4,007	79,659
Investments	321,415	217,842	-	539,257	310,372	-	849,629
Accounts and interest receivable	1,586	785	-	2,371	1,915	-	4,286
Total restricted assets	323,116	270,210	-	593,326	336,241	4,007	933,574
Costs to be recovered from future revenues	228,793	9,755	-	238,548	137,259	-	375,807
Investment in The Energy Authority	8,024	-	-	8,024	-	-	8,024
Notes receivable - City of Jacksonville	-	-	-	-	189	-	189
Other assets	9,488	-	-	9,488	10,761	-	20,249
Total noncurrent assets	569,421	279,965	-	849,386	484,450	4,007	1,337,843
Capital assets:							
Land and easements	88,310	6,660	-	94,970	62,254	3,051	160,275
Plant in service	5,055,187	1,386,889	-	6,442,076	4,096,558	52,416	10,591,050
Less accumulated depreciation	(2,391,349)	(799,762)	-	(3,191,111)	(1,553,725)	(18,188)	(4,763,024)
Plant in service, net	2,752,148	593,787	-	3,345,935	2,605,087	37,279	5,988,301
Construction work in progress	59,870	9,291	-	69,161	60,383	201	129,745
Capital assets, net	2,812,018	603,078	-	3,415,096	2,665,470	37,480	6,118,046
Total assets	3,936,978	1,027,326	(14,792)	4,949,512	3,279,379	46,015	8,274,906
Deferred outflows of resources							
Unamortized losses on refundings	88,512	23,412	-	111,924	50,488	224	162,636
Accumulated decrease in fair value of interest swaps derivatives	109,616	-	-	109,616	24,923	-	134,539
Unamortized pension contributions and losses	21,157	4,447	-	25,604	13,527	-	39,131
Total deferred outflows of resources	219,285	27,859	-	247,144	88,938	224	336,306
Total assets and deferred outflows of resources	\$ 4,156,263	\$ 1,055,185	\$ (14,792)	\$ 5,196,656	\$ 3,368,317	\$ 46,239	\$ 8,611,212

JEA
Combining Statement of Net Position
(in thousands - unaudited) February 2015 restated

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompan y transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	\$ 47,580	\$ 15,423	\$ (442)	\$ 62,561	\$ 9,801	\$ 68	\$ 72,430
Customer deposits	42,948	-	-	42,948	12,834	-	55,782
City of Jacksonville payable	7,509	-	-	7,509	1,826	-	9,335
Compensated absences due within one year	3,950	1,486	-	5,436	710	6	6,152
State utility taxes payable	2,488	-	-	2,488	-	-	2,488
Total current liabilities	104,475	16,909	(442)	120,942	25,171	74	146,187
Current liabilities payable from restricted assets:							
Revenue bonds and line of credit due within one year	99,905	50,815	-	150,720	36,180	1,610	188,510
Renewal and replacement reserve	-	88,588	-	88,588	-	-	88,588
Interest payable	38,872	10,551	-	49,423	28,456	587	78,466
Construction contracts and accounts payable	1,244	15,613	(14,350)	2,507	4,020	-	6,527
Total current liabilities payable from restricted assets	140,021	165,567	(14,350)	291,238	68,656	2,197	362,091
Noncurrent liabilities:							
Net pension liability	235,941	9,201	-	245,142	150,848	-	395,990
Compensated absences due after one year	12,681	1,203	-	13,884	6,137	53	20,074
Environmental liabilities	18,662	-	-	18,662	-	-	18,662
OPEB liability	1,622	-	-	1,622	938	-	2,560
Other liabilities	-	-	-	-	2,787	-	2,787
Total noncurrent liabilities	268,906	10,404	-	279,310	160,710	53	440,073
Long-term debt:							
Bonds payable, less current portion	2,498,500	528,295	-	3,026,795	1,716,880	39,750	4,783,425
Unamortized premium	91,155	22,212	-	113,367	66,680	(51)	179,996
Fair value of debt management strategy instruments	109,616	-	-	109,616	24,922	-	134,538
Commercial paper notes payable	40,800	-	-	40,800	-	-	40,800
Total long-term debt	2,740,071	550,507	-	3,290,578	1,808,482	39,699	5,138,759
Total liabilities	3,253,473	743,387	(14,792)	3,982,068	2,063,019	42,023	6,087,110
Deferred inflows of resources							
Revenues to be used for future costs	267,012	175,835	-	442,847	26,837	-	469,684
Total deferred inflows of resources	267,012	175,835	-	442,847	26,837	-	469,684
Net position							
Net investment in capital assets	201,251	(29,702)	-	171,549	1,008,737	(3,605)	1,176,681
Restricted	214,799	39,494	14,350	268,643	206,437	3,420	478,500
Unrestricted	219,728	126,171	(14,350)	331,549	63,287	4,401	399,237
Total net position	635,778	135,963	-	771,741	1,278,461	4,216	2,054,418
Total liabilities, deferred inflows of resources, and net position	\$ 4,156,263	\$ 1,055,185	\$ (14,792)	\$ 5,196,656	\$ 3,368,317	\$ 46,239	\$ 8,611,212

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**Schedule of Cash and Investments
(in thousands - unaudited) February 2016**

	Electric System and Bulk Power Supply System	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Unrestricted cash and investments						
Operations	\$ 59,134	\$ 26,588	\$ 85,722	\$ 25,492	\$ 1,498	\$ 112,712
Rate stabilization:						
Fuel	148,954	-	148,954	-	-	148,954
Debt management	42,126	-	42,126	20,290	2,737	65,153
Environmental	26,266	-	26,266	7,485	-	33,751
Purchased Power	38,000	-	38,000	-	-	38,000
DSM/Conservation	3,110	-	3,110	-	-	3,110
Total rate stabilization funds	258,456	-	258,456	27,775	2,737	288,968
General reserve	-	27,409	27,409	-	-	27,409
Customer deposits	41,642	-	41,642	13,765	-	55,407
Self insurance reserve funds:						
Self funded health plan	8,705	-	8,705	-	-	8,705
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	18,705	-	18,705	-	-	18,705
Environmental liability reserve	18,662	-	18,662	-	-	18,662
Total unrestricted cash and investments	\$ 396,599	\$ 53,997	\$ 450,596	\$ 67,032	\$ 4,235	\$ 521,863
Restricted assets						
Renewal and replacement funds	\$ 169,318	\$ 81,811	\$ 251,129	\$ 170,650	\$ 2,608	\$ 424,387
Debt service reserve account	65,432	138,212	203,644	108,086	-	311,730
Debt service funds	77,665	19,079	96,744	40,084	1,260	138,088
Construction funds	-	77	77	681	-	758
Environmental funds	-	-	-	187	-	187
Subtotal	312,415	239,179	551,594	319,688	3,868	875,150
Unrealized holding gain (loss) on investments	2,166	(2,151)	15	3,809	-	3,824
Other funds	141	(552)	(411)	71	-	(340)
Total restricted cash and investments	\$ 314,722	\$ 236,476	\$ 551,198	\$ 323,568	\$ 3,868	\$ 878,634

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**Schedule of Cash and Investments
(in thousands - unaudited) February 2015 restated**

	Electric System and Bulk Power Supply System	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Unrestricted cash and investments						
Operations	\$ 47,884	\$ 17,948	\$ 65,832	\$ 14,531	\$ 1,215	\$ 81,578
Rate stabilization:						
Fuel	127,809	-	127,809	-	-	127,809
Debt management	42,126	-	42,126	20,290	2,737	65,153
Environmental	19,320	-	19,320	-	-	19,320
Purchased Power	12,000	-	12,000	-	-	12,000
DSM/Conservation	3,477	-	3,477	-	-	3,477
Total rate stabilization funds	204,732	-	204,732	20,290	2,737	227,759
General reserve	-	66,377	66,377	-	-	66,377
Customer deposits	42,749	-	42,749	12,834	-	55,583
Self insurance reserve funds:						
Self funded health plan	10,823	-	10,823	-	-	10,823
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	20,823	-	20,823	-	-	20,823
Environmental liability reserve	18,662	-	18,662	-	-	18,662
Total unrestricted cash and investments	\$ 334,850	\$ 84,325	\$ 419,175	\$ 47,655	\$ 3,952	\$ 470,782
Restricted assets						
Renewal and replacement funds	\$ 169,071	\$ 88,437	\$ 257,508	\$ 163,703	\$ 2,749	\$ 423,960
Debt service reserve account	69,446	130,881	200,327	114,182	-	314,509
Debt service funds	79,203	23,495	102,698	43,086	1,258	147,042
Environmental funds	-	-	-	8,490	-	8,490
Construction funds	7	44	51	664	-	715
Subtotal	317,727	242,857	560,584	330,125	4,007	894,716
Unrealized holding gain (loss) on investments	3,712	(1,365)	2,347	4,020	-	6,367
Other funds	91	27,933	28,024	181	-	28,205
Total restricted cash and investments	\$ 321,530	\$ 269,425	\$ 590,955	\$ 334,326	\$ 4,007	\$ 929,288

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Regulatory Accounting Balances

(in thousands - unaudited) February 2016

DESCRIPTION	Electric System and Bulk Power Supply System	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	Total JEA
Pension	214,133	2,883	217,016	136,905	353,921
Environmental	-	-	-	85,512	85,512
Scherer	12,424	-	12,424	-	12,424
Bond issue costs	2,284	4,025	6,309	247	6,556
Costs to be recovered from future revenues	228,841	6,908	235,749	222,664	458,413
SJRPP	-	166,547	166,547	-	166,547
Fuel	148,954	-	148,954	-	148,954
Debt management	42,126	-	42,126	20,290	62,416
Scherer	47,578	-	47,578	-	47,578
Purchased power	38,000	-	38,000	-	38,000
Environmental	26,266	-	26,266	7,485	33,751
Health self-insurance	8,706	-	8,706	-	8,706
DSM	3,110	-	3,110	-	3,110
Revenues to be used for future costs	314,740	166,547	481,287	\$ 27,775	509,062

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Regulatory Accounting Balances

(in thousands - unaudited) February 2015 restated

DESCRIPTION	Electric System and Bulk Power Supply System	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	Total JEA
Pension	214,459	4,754	219,213	137,113	356,326
Scherer	13,321	-	13,321	-	13,321
Bond issue costs	1,013	5,001	6,014	146	6,160
Costs to be recovered from future revenues	228,793	9,755	238,548	137,259	375,807
SJRPP	-	175,835	175,835	-	175,835
Fuel	127,809	-	127,809	-	127,809
Debt management	42,126	-	42,126	-	42,126
Scherer	51,456	-	51,456	-	51,456
Purchased power	12,000	-	12,000	-	12,000
Environmental	19,320	-	19,320	26,837	46,157
Health self-insurance	10,824	-	10,824	-	10,824
DSM	3,477	-	3,477	-	3,477
Revenues to be used for future costs	267,012	175,835	442,847	\$ 26,837	469,684

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

	Month February		Year-To-Date February	
	2016	2015 restated	2016	2015 restated
Operating revenues				
Electric - base	\$ 58,588	\$ 60,806	\$ 301,469	\$ 307,709
Electric - fuel and purchased power	35,536	43,051	188,740	232,921
Water and sewer	30,419	28,075	155,198	150,707
District energy system	613	598	3,425	3,462
Other	3,262	3,384	13,689	16,057
Total operating revenues	128,418	135,914	662,521	710,856
Operating expenses				
Operations:				
Fuel	26,691	35,986	151,107	196,018
Purchased power	5,465	3,656	21,807	19,976
Other	23,438	19,933	108,244	100,179
Maintenance	8,440	7,344	39,158	46,071
Depreciation	31,017	30,314	153,810	153,045
State utility and franchise taxes	5,973	5,823	27,019	29,614
Recognition of deferred costs and revenues, net	(1,193)	(893)	(6,020)	(4,467)
Total operating expenses	99,831	102,163	495,125	540,436
Operating income	28,587	33,751	167,396	170,420
Nonoperating revenues (expenses)				
Interest on debt	(13,318)	(14,467)	(67,708)	(74,061)
Debt management strategy	(1,635)	(1,605)	(8,241)	(8,008)
Net increase (decrease) in fair value of investments	-	-	(2,125)	823
Investment income	992	816	5,226	4,369
Other revenue	827	657	4,812	3,076
Allowance for funds used during construction	606	368	3,322	1,840
Loss on sale of asset	-	-	-	(78)
Earnings from The Energy Authority	368	(98)	1,258	(24)
Other interest, net	(5)	(2)	(254)	(28)
Other expense	(64)	-	(165)	-
Total nonoperating expenses, net	(12,229)	(14,331)	(63,875)	(72,091)
Income before contributions and special item	16,358	19,420	103,521	98,329
Contributions (to) from				
General Fund, City of Jacksonville, Florida	(9,515)	(9,307)	(47,578)	(46,536)
Developers and other	7,521	4,392	25,142	20,543
Reduction of plant cost through contributions	(5,562)	(2,707)	(16,728)	(13,309)
Total contributions	(7,556)	(7,622)	(39,164)	(39,302)
Special Item				
	-	-	-	151,490
Change in net position	8,802	11,798	64,357	210,517
Net position, beginning of period	2,222,464	2,042,620	2,166,909	1,843,901
Net position, end of period	\$ 2,231,266	\$ 2,054,418	\$ 2,231,266	\$ 2,054,418

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Combining Statement of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited) for the month ended February 2016

	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	\$ 58,849	\$ -	\$ -	\$ 58,849	\$ -	\$ -	\$ (261)	\$ 58,588
Electric - fuel and purchased power	27,936	16,731	(8,150)	36,517	-	-	(981)	35,536
Water and sewer	-	-	-	-	30,461	-	(42)	30,419
District energy system	-	-	-	-	-	613	-	613
Other	2,697	-	-	2,697	745	-	(180)	3,262
Total operating revenues	89,482	16,731	(8,150)	98,063	31,206	613	(1,464)	128,418
Operating expenses								
Operations:								
Fuel	18,830	7,861	-	26,691	-	-	-	26,691
Purchased power	13,615	-	(8,150)	5,465	-	-	-	5,465
Other	12,837	2,176	-	15,013	9,689	200	(1,464)	23,438
Maintenance	5,342	1,648	-	6,990	1,183	267	-	8,440
Depreciation	16,071	3,563	-	19,634	11,192	191	-	31,017
State utility and franchise taxes	5,186	-	-	5,186	787	-	-	5,973
Recognition of deferred costs and revenues, net	(218)	(970)	-	(1,188)	(5)	-	-	(1,193)
Total operating expenses	71,663	14,278	(8,150)	77,791	22,846	658	(1,464)	99,831
Operating income	17,819	2,453	-	20,272	8,360	(45)	-	28,587
Nonoperating revenues (expenses)								
Interest on debt	(6,245)	(2,211)	-	(8,456)	(4,744)	(118)	-	(13,318)
Debt management strategy	(1,266)	-	-	(1,266)	(369)	-	-	(1,635)
Investment income	432	344	-	776	215	1	-	992
Other revenue	389	34	-	423	404	-	-	827
Allowance for funds used during construction	280	-	-	280	326	-	-	606
Earnings from The Energy Authority	368	-	-	368	-	-	-	368
Other interest, net	(5)	-	-	(5)	-	-	-	(5)
Other expense	(32)	-	-	(32)	(32)	-	-	(64)
Total nonoperating expenses, net	(6,079)	(1,833)	-	(7,912)	(4,200)	(117)	-	(12,229)
Income before contributions and special item	11,740	620	-	12,360	4,160	(162)	-	16,358
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,643)	-	-	(7,643)	(1,872)	-	-	(9,515)
Developers and other	-	-	-	-	7,521	-	-	7,521
Reduction of plant cost through contributions	-	-	-	-	(5,562)	-	-	(5,562)
Total contributions	(7,643)	-	-	(7,643)	87	-	-	(7,556)
Change in net position	4,097	620	-	4,717	4,247	(162)	-	8,802
Net position, beginning of period	738,760	135,568	-	874,328	1,343,620	4,516	-	2,222,464
Net position, end of period	\$ 742,857	\$ 136,188	\$ -	\$ 879,045	\$ 1,347,867	\$ 4,354	\$ -	\$ 2,231,266

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Combining Statement of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited) for the month ended February 2015 restated

	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	\$ 61,081	\$ -	\$ -	\$ 61,081	\$ -	\$ -	\$ (275)	\$ 60,806
Electric - fuel and purchased power	34,797	20,755	(11,469)	44,083	-	-	(1,032)	43,051
Water and sewer	-	-	-	-	28,123	-	(48)	28,075
District energy system	-	-	-	-	-	598	-	598
Other	2,944	-	-	2,944	650	-	(210)	3,384
Total operating revenues	98,822	20,755	(11,469)	108,108	28,773	598	(1,565)	135,914
Operating expenses								
Operations:								
Fuel	24,879	11,107	-	35,986	-	-	-	35,986
Purchased power	15,125	-	(11,469)	3,656	-	-	-	3,656
Other	10,618	1,673	-	12,291	8,979	228	(1,565)	19,933
Maintenance	4,361	1,920	-	6,281	955	108	-	7,344
Depreciation	15,600	3,563	-	19,163	10,961	190	-	30,314
State utility and franchise taxes	5,084	-	-	5,084	739	-	-	5,823
Recognition of deferred costs and revenues, net	(312)	(573)	-	(885)	(8)	-	-	(893)
Total operating expenses	75,355	17,690	(11,469)	81,576	21,626	526	(1,565)	102,163
Operating income	23,467	3,065	-	26,532	7,147	72	-	33,751
Nonoperating revenues (expenses)								
Interest on debt	(6,685)	(2,670)	-	(9,355)	(4,993)	(119)	-	(14,467)
Debt management strategy	(1,296)	-	-	(1,296)	(309)	-	-	(1,605)
Investment income	316	256	-	572	244	-	-	816
Other revenue	363	34	-	397	260	-	-	657
Allowance for funds used during construction	182	-	-	182	185	1	-	368
Earnings from The Energy Authority	(98)	-	-	(98)	-	-	-	(98)
Other interest, net	(2)	-	-	(2)	-	-	-	(2)
Total nonoperating expenses, net	(7,220)	(2,380)	-	(9,600)	(4,613)	(118)	-	(14,331)
Income before contributions	16,247	685	-	16,932	2,534	(46)	-	19,420
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,509)	-	-	(7,509)	(1,798)	-	-	(9,307)
Developers and other	-	-	-	-	4,392	-	-	4,392
Reduction of plant cost through contributions	-	-	-	-	(2,707)	-	-	(2,707)
Total contributions	(7,509)	-	-	(7,509)	(113)	-	-	(7,622)
Change in net position	8,738	685	-	9,423	2,421	(46)	-	11,798
Net position, beginning of period	627,040	135,278	-	762,318	1,276,040	4,262	-	2,042,620
Net position, end of period	\$ 635,778	\$ 135,963	\$ -	\$ 771,741	\$ 1,278,461	\$ 4,216	\$ -	\$ 2,054,418

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Combining Statement of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited) for the five months ended February 2016

	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	\$ 302,719	\$ -	\$ -	\$ 302,719	\$ -	\$ -	\$ (1,250)	\$ 301,469
Electric - fuel and purchased power	147,100	88,456	(42,117)	193,439	-	-	(4,699)	188,740
Water and sewer	-	-	-	-	155,425	-	(227)	155,198
District energy system	-	-	-	-	-	3,425	-	3,425
Other	10,521	-	-	10,521	4,069	-	(901)	13,689
Total operating revenues	460,340	88,456	(42,117)	506,679	159,494	3,425	(7,077)	662,521
Operating expenses								
Operations:								
Fuel	103,872	47,235	-	151,107	-	-	-	151,107
Purchased power	63,924	-	(42,117)	21,807	-	-	-	21,807
Other	56,035	9,609	-	65,644	48,423	1,254	(7,077)	108,244
Maintenance	26,255	6,318	-	32,573	5,978	607	-	39,158
Depreciation	79,803	17,814	-	97,617	55,238	955	-	153,810
State utility and franchise taxes	22,927	-	-	22,927	4,092	-	-	27,019
Recognition of deferred costs and revenues, net	(1,090)	(4,848)	-	(5,938)	(82)	-	-	(6,020)
Total operating expenses	351,726	76,128	(42,117)	385,737	113,649	2,816	(7,077)	495,125
Operating income	108,614	12,328	-	120,942	45,845	609	-	167,396
Nonoperating revenues (expenses)								
Interest on debt	(32,091)	(11,057)	-	(43,148)	(23,972)	(588)	-	(67,708)
Debt management strategy	(6,398)	-	-	(6,398)	(1,843)	-	-	(8,241)
Investment income	2,299	1,658	-	3,957	1,260	9	-	5,226
Other revenue	1,898	171	-	2,069	2,743	-	-	4,812
Allowance for funds used during construction	1,667	-	-	1,667	1,648	7	-	3,322
Net decrease in fair value of investments	(1,068)	(907)	-	(1,975)	(150)	-	-	(2,125)
Earnings from The Energy Authority	1,258	-	-	1,258	-	-	-	1,258
Other interest, net	(209)	-	-	(209)	(45)	-	-	(254)
Other expense	(131)	-	-	(131)	(34)	-	-	(165)
Total nonoperating expenses, net	(32,775)	(10,135)	-	(42,910)	(20,393)	(572)	-	(63,875)
Income before contributions	75,839	2,193	-	78,032	25,452	37	-	103,521
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(38,217)	-	-	(38,217)	(9,361)	-	-	(47,578)
Developers and other	-	-	-	-	25,142	-	-	25,142
Reduction of plant cost through contributions	-	-	-	-	(16,728)	-	-	(16,728)
Total contributions	(38,217)	-	-	(38,217)	(947)	-	-	(39,164)
Change in net position	37,622	2,193	-	39,815	24,505	37	-	64,357
Net position, beginning of year	705,235	133,995	-	839,230	1,323,362	4,317	-	2,166,909
Net position, end of period	\$ 742,857	\$ 136,188	\$ -	\$ 879,045	\$ 1,347,867	\$ 4,354	\$ -	\$ 2,231,266

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Combining Statement of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited) for the five months ended February 2015 restated

	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	\$ 309,153	\$ -	\$ -	\$ 309,153	\$ -	\$ -	\$ (1,444)	\$ 307,709
Electric - fuel and purchased power	185,559	121,770	(68,976)	238,353	-	-	(5,432)	232,921
Water and sewer	-	-	-	-	150,925	-	(218)	150,707
District energy	-	-	-	-	-	3,462	-	3,462
Other	13,614	-	-	13,614	3,492	-	(1,049)	16,057
Total operating revenues	508,326	121,770	(68,976)	561,120	154,417	3,462	(8,143)	710,856
Operating expenses								
Operations:								
Fuel	121,452	74,566	-	196,018	-	-	-	196,018
Purchased power	88,952	-	(68,976)	19,976	-	-	-	19,976
Other	51,960	9,569	-	61,529	45,340	1,453	(8,143)	100,179
Maintenance	32,519	7,582	-	40,101	5,558	412	-	46,071
Depreciation	79,779	17,814	-	97,593	54,502	950	-	153,045
State utility and franchise taxes	25,626	-	-	25,626	3,988	-	-	29,614
Recognition of deferred costs and revenues, net	(1,562)	(2,863)	-	(4,425)	(42)	-	-	(4,467)
Total operating expenses	398,726	106,668	(68,976)	436,418	109,346	2,815	(8,143)	540,436
Operating income	109,600	15,102	-	124,702	45,071	647	-	170,420
Nonoperating revenues (expenses)								
Interest on debt	(34,308)	(13,349)	-	(47,657)	(25,811)	(593)	-	(74,061)
Debt management strategy	(6,467)	-	-	(6,467)	(1,541)	-	-	(8,008)
Investment income	1,625	1,501	-	3,126	1,241	2	-	4,369
Other revenue	1,816	170	-	1,986	1,090	-	-	3,076
Allowance for funds used during construction	810	-	-	810	1,026	4	-	1,840
Net increase (decrease) in fair value of investments	513	(179)	-	334	489	-	-	823
Loss on sale of asset	(78)	-	-	(78)	-	-	-	(78)
Earnings from The Energy Authority	(24)	-	-	(24)	-	-	-	(24)
Other interest, net	(28)	-	-	(28)	-	-	-	(28)
Total nonoperating expenses, net	(36,141)	(11,857)	-	(47,998)	(23,506)	(587)	-	(72,091)
Income before contributions and special item	73,459	3,245	-	76,704	21,565	60	-	98,329
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(37,545)	-	-	(37,545)	(8,991)	-	-	(46,536)
Developers and other	-	-	-	-	20,543	-	-	20,543
Reduction of plant cost through contributions	-	-	-	-	(13,309)	-	-	(13,309)
Total contributions	(37,545)	-	-	(37,545)	(1,757)	-	-	(39,302)
Special Item								
	34,667	-	-	34,667	116,823	-	-	151,490
Change in net position	70,581	3,245	-	73,826	136,631	60	-	210,517
Net position, beginning of year	565,197	132,718	-	697,915	1,141,830	4,156	-	1,843,901
Net position, end of period	\$ 635,778	\$ 135,963	\$ -	\$ 771,741	\$ 1,278,461	\$ 4,216	\$ -	\$ 2,054,418

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Statement of Cash Flows
(in thousands - unaudited)

	Year-To-Date	
	February	
	2016	2015 restated
Operating activities		
Receipts from customers	\$ 696,340	\$ 751,193
Payments to suppliers	(292,422)	(327,709)
Payments to employees	(98,065)	(93,838)
Other receipts	17,457	16,235
Net cash provided by operating activities	323,310	345,881
Noncapital and related financing activities		
Contribution to General Fund, City of Jacksonville, Florida	(47,391)	(46,350)
Net cash used in noncapital financing activities	(47,391)	(46,350)
Capital and related financing activities		
Repayment of debt principal	(187,500)	(256,630)
Interest paid on debt	(97,337)	(102,574)
Acquisition and construction of capital assets	(93,952)	(72,309)
Contribution from developers and others	8,415	7,234
Proceeds from issuance of debt	3,000	-
Proceeds from disposal of assets	369	523
Debt issue costs and discounts	(17)	(256)
Defeasance of debt	-	3
Net cash used in capital and related financing activities	(367,022)	(424,009)
Investing activities		
Purchase of investments	(897,740)	(728,903)
Proceeds from sale and maturities of investments	545,121	482,807
Investment income	4,549	4,092
Distributions from The Energy Authority	1,734	23
Net cash used in investing activities	(346,336)	(241,981)
Net change in cash and cash equivalents	(437,439)	(366,459)
Cash and cash equivalents, beginning of year	636,074	589,622
Cash and cash equivalents, end of period	\$ 198,635	\$ 223,163
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 167,396	\$ 170,420
Adjustments:		
Depreciation and amortization	156,178	153,669
Recognition of deferred costs and revenues, net	(6,020)	(4,467)
Gain on sale of noncore assets	1,640	53
Changes in noncash assets and noncash liabilities:		
Accounts receivable	35,583	13,221
Accounts receivable, restricted	2,128	57
Inventories	(14,172)	13,493
Other assets	(1,989)	(1,250)
Accounts and expenses payable	(24,491)	(7,034)
Liabilities payable, restricted	(3,063)	(439)
Other noncurrent liabilities and deferred inflows	10,120	8,158
Net cash provided by operating activities	\$ 323,310	\$ 345,881
Noncash activity		
Contribution of capital assets from developers	\$ 16,728	\$ 13,309

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Combining Statement of Cash Flows
(in thousands - unaudited) for the five months ended February 2016

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	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	\$ 484,755	\$ 88,456	\$ (41,744)	\$ 531,467	\$ 167,072	\$ 3,977	\$ (6,176)	\$ 696,340
Payments to suppliers	(232,491)	(73,175)	41,744	(263,922)	\$ (34,117)	(1,460)	7,077	(292,422)
Payments to employees	(64,237)	(10,406)	-	(74,643)	\$ (23,213)	(209)	-	(98,065)
Other receipts	11,935	-	-	11,935	\$ 6,423	-	(901)	17,457
Net cash provided by operating activities	199,962	4,875	-	204,837	116,165	2,308	-	323,310
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(38,083)	-	-	(38,083)	(9,308)	-	-	(47,391)
Net cash used in noncapital financing activities	(38,083)	-	-	(38,083)	(9,308)	-	-	(47,391)
Capital and related financing activities								
Repayment of debt principal	(98,765)	(50,945)	-	(149,710)	(36,180)	(1,610)	-	(187,500)
Interest paid on debt	(51,229)	(11,438)	-	(62,667)	(33,965)	(705)	-	(97,337)
Acquisition and construction of capital assets	(50,201)	-	-	(50,201)	(43,578)	(173)	-	(93,952)
Contribution from developers and others	-	-	-	-	8,415	-	-	8,415
Proceeds from issuance of debt	-	-	-	-	3,000	-	-	3,000
Proceeds from disposal of assets	269	-	-	269	100	-	-	369
Debt issue costs and discounts	(17)	-	-	(17)	-	-	-	(17)
Net cash used in capital and related financing activities	(199,943)	(62,383)	-	(262,326)	(102,208)	(2,488)	-	(367,022)
Investing activities								
Purchase of investments	(460,969)	(200,935)	-	(661,904)	(235,836)	-	-	(897,740)
Proceeds from sale and maturities of investments	273,757	172,462	-	446,219	98,902	-	-	545,121
Investment income	1,709	1,662	-	3,371	1,169	9	-	4,549
Distributions from The Energy Authority	1,734	-	-	1,734	-	-	-	1,734
Net cash used in investing activities	(183,769)	(26,811)	-	(210,580)	(135,765)	9	-	(346,336)
Net change in cash and cash equivalents	(221,833)	(84,319)	-	(306,152)	(131,116)	(171)	-	(437,439)
Cash and cash equivalents, beginning of year	316,079	139,918	-	455,997	171,803	8,274	-	636,074
Cash and cash equivalents, end of period	\$ 94,246	\$ 55,599	\$ -	\$ 149,845	\$ 40,687	\$ 8,103	\$ -	\$ 198,635
Reconciliation of operating income to net cash provided by operating activities								
Operating income	\$ 108,614	\$ 12,328	\$ -	\$ 120,942	\$ 45,845	\$ 609	\$ -	\$ 167,396
Adjustments:								
Depreciation and amortization	79,803	17,814	-	97,617	57,606	955	-	156,178
Recognition of deferred costs and revenues, net	(1,090)	(4,848)	-	(5,938)	(82)	-	-	(6,020)
Gain on sale of noncore assets	(27)	-	-	(27)	1,667	-	-	1,640
Changes in noncash assets and noncash liabilities:								
Accounts receivable	33,665	(1,425)	-	32,240	2,791	552	-	35,583
Accounts receivable, restricted	1,441	-	-	1,441	687	-	-	2,128
Inventories	500	(14,032)	-	(13,532)	(640)	-	-	(14,172)
Other assets	(1,689)	-	-	(1,689)	(300)	-	-	(1,989)
Accounts and expenses payable	(22,280)	(1,579)	-	(23,859)	(840)	208	-	(24,491)
Liabilities payable, restricted	-	(3,063)	-	(3,063)	-	-	-	(3,063)
Other noncurrent liabilities and deferred inflows	1,025	(320)	-	705	9,431	(16)	-	10,120
Net cash provided by operating activities	\$ 199,962	\$ 4,875	\$ -	\$ 204,837	\$ 116,165	\$ 2,308	\$ -	\$ 323,310
Noncash activity								
Contribution of capital assets from developers	\$ -	\$ -	\$ -	\$ -	\$ 16,728	\$ -	\$ -	\$ 16,728

March 15, 2016 JEA Board of Directors Meeting - III. For Board Consideration

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Combining Statement of Cash Flows

(in thousands - unaudited) for the five months ended February 2015 restated

	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	\$ 538,559	\$ 121,770	\$ (68,707)	\$ 591,622	\$ 162,879	\$ 3,786	\$ (7,094)	\$ 751,193
Payments to suppliers	(277,237)	(93,209)	68,707	(301,739)	(32,524)	(1,589)	8,143	(327,709)
Payments to employees	(60,587)	(10,640)	-	(71,227)	(22,386)	(225)	-	(93,838)
Other receipts	13,237	-	-	13,237	4,047	-	(1,049)	16,235
Net cash provided by operating activities	213,972	17,921	-	231,893	112,016	1,972	-	345,881
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(37,313)	-	-	(37,313)	(9,037)	-	-	(46,350)
Net cash used in noncapital financing activities	(37,313)	-	-	(37,313)	(9,037)	-	-	(46,350)
Capital and related financing activities								
Repayment of debt principal	(78,615)	(132,085)	-	(210,700)	(44,325)	(1,605)	-	(256,630)
Interest paid on debt	(54,445)	(14,585)	-	(69,030)	(32,836)	(708)	-	(102,574)
Acquisition and construction of capital assets	(39,925)	382	-	(39,543)	(32,734)	(32)	-	(72,309)
Contribution from developers and others	-	-	-	-	7,234	-	-	7,234
Proceeds from disposal of assets	396	-	-	396	127	-	-	523
Debt issue costs and discounts	(2)	(106)	-	(108)	(148)	-	-	(256)
Defeasance of debt	-	1	-	1	2	-	-	3
Net cash used in capital and related financing activities	(172,591)	(146,393)	-	(318,984)	(102,680)	(2,345)	-	(424,009)
Investing activities								
Purchase of investments	(299,043)	(255,563)	-	(554,606)	(174,297)	-	-	(728,903)
Proceeds from sale and maturities of investments	167,978	206,163	-	374,141	108,666	-	-	482,807
Investment income	1,438	1,631	-	3,069	1,021	2	-	4,092
Distributions from The Energy Authority	23	-	-	23	-	-	-	23
Net cash used in investing activities	(129,604)	(47,769)	-	(177,373)	(64,610)	2	-	(241,981)
Net change in cash and cash equivalents	(125,536)	(176,241)	-	(301,777)	(64,311)	(371)	-	(366,459)
Cash and cash equivalents, beginning of year	177,432	267,940	-	445,372	135,920	8,330	-	589,622
Cash and cash equivalents, end of period	\$ 51,896	\$ 91,699	\$ -	\$ 143,595	\$ 71,609	\$ 7,959	\$ -	\$ 223,163
Reconciliation of operating income to net cash provided by operating activities								
Operating income	\$ 109,600	\$ 15,102	\$ -	\$ 124,702	\$ 45,071	\$ 647	\$ -	\$ 170,420
Adjustments:								
Depreciation and amortization	79,779	17,814	-	97,593	55,126	950	-	153,669
Recognition of deferred costs and revenues, net	(1,562)	(2,863)	-	(4,425)	(42)	-	-	(4,467)
Gain on sale of noncore assets	-	-	-	-	53	-	-	53
Changes in noncash assets and noncash liabilities:								
Accounts receivable	18,906	(9,430)	-	9,476	3,421	324	-	13,221
Accounts receivable, restricted	(386)	-	-	(386)	443	-	-	57
Inventories	2,780	11,384	-	14,164	(671)	-	-	13,493
Other assets	(910)	-	-	(910)	(340)	-	-	(1,250)
Accounts and expenses payable	7,090	(13,524)	-	(6,434)	(646)	46	-	(7,034)
Liabilities payable, restricted	-	(439)	-	(439)	-	-	-	(439)
Other noncurrent liabilities and deferred inflows	(1,325)	(123)	-	(1,448)	9,601	5	-	8,158
Net cash provided by operating activities	\$ 213,972	\$ 17,921	\$ -	\$ 231,893	\$ 112,016	\$ 1,972	\$ -	\$ 345,881
Noncash activity								
Contribution of capital assets from developers	\$ -	\$ -	\$ -	\$ -	\$ 13,309	\$ -	\$ -	\$ 13,309

JEA

Electric System

Changes in Debt Service, R & R and Construction Funds

(in thousands - unaudited) for the five months ended February 2016 and February 2015 restated

	February 2016			February 2015 restated		
	Debt service funds	Renewal and replacement funds	Construction funds	Debt service funds	Renewal and replacement funds	Construction funds
Beginning balance	\$ 211,749	\$ 148,458	\$ 4	\$ 194,776	\$ 148,110	\$ 43
Transfer from:						
Revenue fund	78,003	69,074	-	79,761	61,979	-
R & R fund	-	-	2	-	-	-
Proceeds from property sales	-	269	-	-	474	-
Total additions	78,003	69,343	2	79,761	62,453	-
Deductions:						
Interest/principal payments from sinking funds	142,641	-	-	125,642	-	-
Increase in utility plant	-	33,952	2	-	32,929	24
Decrease in accounts payable	-	13,224	4	-	6,978	11
Transfer to:						
Revenue fund	4,014	-	-	246	-	-
Construction fund	-	2	-	-	-	-
Total deductions	146,655	47,178	6	125,888	39,907	35
Ending balance	\$ 143,097	\$ 170,623	\$ -	\$ 148,649	\$ 170,656	\$ 8
Renewal and replacement fund:						
Cash & investments		\$ 169,318			\$ 169,071	
Accounts / notes receivable:						
Accounts receivable		1,203			1,428	
Street light & other customer loans		102			157	
		<u>\$ 170,623</u>			<u>\$ 170,656</u>	
Construction fund:						
Generation projects			\$ -			\$ 4
T& D and other capital projects			-			3
Accounts receivable			-			1
			<u>\$ -</u>			<u>\$ 8</u>

JEA
Water and Sewer System

Changes in Debt Service, R & R and Construction Funds
(in thousands - unaudited) for the five months ended February 2016 and February 2015 restated

	February 2016				February 2015 restated			
	Debt service funds	Renewal and replacement funds	Construction funds	Environmental funds	Debt service funds	Renewal and replacement funds	Construction funds	Environmental funds
Beginning balance	\$ 176,569	\$ 149,130	\$ 664	\$ -	\$ 191,848	\$ 142,417	\$ 670	\$ -
Additions:								
Transfer from:								
Revenue fund	40,102	55,099	-	-	43,122	47,492	-	8,532
Proceeds from property sales	-	100	-	-	-	127	-	-
Contribution in aid of construction	-	8,415	-	-	-	7,234	-	-
Increase in accounts payable	-	-	17	187	-	-	-	-
Total additions	40,102	63,614	17	187	43,122	54,853	-	8,532
Deductions:								
Increase in utility plant	-	26,480	-	-	-	23,060	-	-
Interest/principal payments from sinking funds	67,737	-	-	-	75,055	-	-	-
Transfer to:								
Revenue fund	764	-	-	-	2,647	-	-	42
Decrease in accounts payable	-	14,661	-	-	-	9,667	6	-
Total deductions	68,501	41,141	-	-	77,702	32,727	6	42
Ending balance	\$ 148,170	\$ 171,603	\$ 681	\$ 187	\$ 157,268	\$ 164,543	\$ 664	\$ 8,490

Recap:

Renewal and replacement fund:

Cash & investments
Accounts / notes receivable:
Accounts receivable
Notes receivable

\$ 170,650
933
20
\$ 171,603

\$ 163,703
815
25
\$ 164,543

Construction fund:

Construction reserves
Accounts receivable
Project funds

\$ -
-
681
\$ 681

\$ -
-
664
\$ 664

Environmental fund

Cash & investments

187
\$ 187

8,490
\$ 8,490

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Electric System	Month				Prior Year Month	
Budget vs. Actual	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
February 2016 and 2015 restated	2015-16	2015-16	2015-16	%	2014-15	%
Fuel Related Revenues & Expenses						
Fuel Rate Revenues	\$ 509,884,201	\$ 35,872,363	\$ 35,544,597	-0.91%	\$ 40,292,095	-11.78%
Fuel Expense and Purchased Power:						
Fuel Expense - Electric System	288,573,382	19,937,728	16,132,198		22,078,253	
Fuel Expense - SJRPP	114,020,023	7,652,400	4,606,699		6,932,130	
Other Purchased Power	81,016,238	4,722,042	7,176,485		5,059,535	
Subtotal Energy Expense	483,609,643	32,312,170	27,915,382	13.61%	34,069,917	18.06%
Transfer to (from) Rate Stabilization, Net	25,254,789	-	7,561,605		6,353,146	
Fuel Related Uncollectibles	1,019,769	84,981	67,610		61,528	
Total	509,884,201	32,397,151	35,544,597	-9.72%	40,484,591	12.20%
Fuel Balance	-	3,475,212	-		(192,495)	
Nonfuel Related Revenues						
Base Rate Revenues	738,360,001	51,946,537	53,829,247		55,972,532	
Conservation Charge Revenue	989,059	69,584	68,412		75,038	
Environmental Charge Revenue	7,686,000	540,740	547,249		568,653	
Investment Income	3,776,585	314,715	427,889		311,016	
Natural Gas Revenue Pass Through	12,491,417	1,040,951	17,843		-	
Other Revenues	35,447,663	2,953,972	3,009,593		3,248,406	
Total	798,750,725	56,866,499	57,900,233	1.82%	60,175,646	-3.78%
Nonfuel Related Expenses						
Non-Fuel O&M	200,570,314	15,676,148	13,840,206		12,838,115	
DSM / Conservation O&M	8,073,925	982,127	497,388		693,768	
Environmental O&M	2,442,000	203,500	54,266		10,208	
Net Transfer to Rate Stabilization - DSM	(784,866)	(421,403)	69,903		(136,594)	
Transfer to Environmental Fund/RSF	5,244,000	437,000	492,983		558,446	
Natural Gas Expense Pass Through	12,140,876	1,010,434	31,123		8,121	
Debt Principal - Electric System	89,845,000	7,487,083	8,016,250		7,912,917	
Debt Interest - Electric System	107,287,899	8,940,658	7,967,253		8,532,368	
R&R - Electric System	66,155,208	5,512,934	5,197,867		5,460,179	
Operating Capital Outlay	96,337,682	8,028,140	8,028,140		8,892,829	
City Contribution Expense	91,720,182	7,643,348	7,643,348		7,509,050	
Taxes & Uncollectibles	1,703,452	141,954	117,790		102,772	
Emergency Reserve	5,000,000	-	-		-	
<i>Nonfuel Purchased Power:</i>						
* SJRPP D/S Principal	37,568,750	3,130,729	2,331,563		2,958,177	
* SJRPP D/S Interest	19,174,301	1,597,858	1,430,297		1,695,584	
** Other Non-Fuel Purchased Power	56,272,002	4,689,334	4,750,851		2,466,988	
Total Nonfuel Expenses	798,750,725	65,059,844	60,469,228	7.06%	59,502,928	-1.62%
Non-Fuel Balance	-	(8,193,345)	(2,568,995)		672,718	
Total Balance	-	(4,718,133)	(2,568,995)		480,223	
Total Revenues	1,308,634,926	92,738,862	93,444,830	0.76%	100,467,741	-6.99%
Total Expenses	1,308,634,926	97,456,995	96,013,825	1.48%	99,987,518	3.97%
KWH Sold - Territorial	12,600,000,000	886,459,669	894,563,000	0.91%	934,102,000	-4.23%
KWH Sold - Off System	-	-	453,000		23,235,000	
	12,600,000,000	886,459,669	895,016,000	0.97%	957,337,000	-6.51%

* Gross debt service

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

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Electric System		Year-To-Date				Prior Year-To-Date		
Budget vs. Actual	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance		
February 2016 and 2015 restated	2015-16	2015-16	2015-16	%	2014-15	%		
Fuel Related Revenues & Expenses								
Fuel Rate Revenues	\$ 509,884,201	\$ 195,154,828	\$ 145,131,643	-25.63%	\$ 206,103,698	-29.58%		
Fuel Expense and Purchased Power:								
Fuel Expense - Electric System	288,573,382	98,748,227	91,312,266		106,615,532			
Fuel Expense - SJRPP	114,020,023	51,855,423	25,650,000		46,864,005			
Other Purchased Power	81,016,238	31,694,983	29,716,298		29,959,221			
Subtotal Energy Expense	483,609,643	182,298,633	146,678,564	19.54%	183,438,759	20.04%		
Transfer to (from) Rate Stabilization, Net	25,254,789	-	(1,788,095)		22,352,828			
Fuel Related Uncollectibles	1,019,769	424,903	241,174		312,112			
Total	509,884,201	182,723,536	145,131,643	20.57%	206,103,699	29.58%		
Fuel Balance	-	12,431,292	-		(0)			
Nonfuel Related Revenues								
Base Rate Revenues	738,360,001	282,602,440	280,818,114		283,917,526			
Conservation Charge Revenue	989,059	378,556	212,810		238,152			
Environmental Charge Revenue	7,686,000	2,941,766	2,906,983		2,914,801			
Investment Income	3,776,585	1,573,577	2,279,556		1,595,911			
Natural Gas Revenue Pass Through	12,491,417	5,204,757	59,282		-			
Other Revenues	35,447,663	14,769,860	12,068,511		14,971,739			
Total	798,750,725	307,470,956	298,345,256	-2.97%	303,638,130	-1.74%		
Nonfuel Related Expenses								
Non-Fuel O&M	200,570,314	80,628,841	71,234,557		75,960,611			
DSM / Conservation O&M	8,073,925	3,349,835	2,391,646		2,724,277			
Environmental O&M	2,442,000	1,017,500	71,411		233,983			
Net Transfer to Rate Stabilization - DSM	(784,866)	(507,016)	223,776		(92,296)			
Transfer to Environmental Fund/RSF	5,244,000	2,185,000	2,835,571		2,680,818			
Natural Gas Expense Pass Through	12,140,876	5,061,625	128,076		45,192			
Debt Principal - Electric System	89,845,000	37,435,417	40,081,250		39,564,583			
Debt Interest - Electric System	107,287,899	44,703,291	40,767,875		43,533,312			
R&R - Electric System	66,155,208	27,564,670	25,989,333		27,300,896			
Operating Capital Outlay	96,337,682	43,084,420	43,084,420		34,678,487			
City Contribution Expense	91,720,182	38,216,743	38,216,742		37,545,249			
Taxes & Uncollectibles	1,703,452	709,772	574,580		516,115			
Emergency Reserve	5,000,000	-	-		-			
<i>Nonfuel Purchased Power:</i>								
* SJRPP D/S Principal	37,568,750	15,653,646	11,657,813		14,790,885			
* SJRPP D/S Interest	19,174,301	7,989,292	7,151,487		8,477,922			
** Other Non-Fuel Purchased Power	56,272,002	23,446,667	13,650,398		11,774,872			
Total Nonfuel Expenses	798,750,725	330,539,703	298,058,935	9.83%	299,734,907	0.56%		
Non-Fuel Balance	-	(23,068,747)	286,321		3,903,223			
Total Balance	-	(10,637,455)	286,321		3,903,223			
Total Revenues	1,308,634,926	502,625,784	443,476,899	-11.77%	509,741,829	-13.00%		
Total Expenses	1,308,634,926	513,263,239	443,190,578	13.65%	505,838,606	12.38%		
KWH Sold - Territorial	12,600,000,000	4,822,567,230	4,743,636,000	-1.64%	4,780,688,000	-0.78%		
KWH Sold - Off System	-	-	15,366,000		60,276,000			
	12,600,000,000	4,822,567,230	4,759,002,000	-1.32%	4,840,964,000	-1.69%		

* Gross debt service

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

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Water and Sewer System Budget vs. Actual February 2016 and 2015 restated	Month				Prior Year Month	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
	2015-16	2015-16	2015-16	%	2014-15	%
REVENUES						
Water & Sewer Revenues	\$ 393,928,271	\$ 29,681,759	\$ 31,345,040		\$ 28,957,525	
Capacity & Extension Fees	17,000,000	1,416,667	1,939,948		1,685,261	
Capital Contributions	-	-	19,022		-	
Investment Income	2,759,926	229,994	211,906		240,134	
Other Income	14,769,077	771,439	1,152,419		914,728	
Total	428,457,274	32,099,859	34,668,335	8.00%	31,797,648	9.03%
EXPENSES						
O & M Expenses	138,367,616	11,016,925	10,574,823		9,731,427	
Debt Principal - Water & Sewer	33,875,000	2,822,917	2,822,916		3,015,000	
Debt Interest - Water & Sewer	75,780,149	6,315,012	5,600,590		5,626,610	
R&R - Water & Sewer	20,825,400	1,735,450	1,735,450		1,722,504	
Operating Capital Outlay	97,524,604	8,130,944	8,130,944		6,863,176	
Operating Capital Outlay - Capacity/Extension	17,000,000	1,416,667	1,939,948		1,685,261	
Operating Capital Outlay - Contributions	-	-	19,022		-	
Operating Capital Outlay - Environmental	20,758,150	1,729,846	1,615,883		1,518,913	
City Contribution Expense	22,467,356	1,872,280	1,872,280		1,798,245	
Uncollectibles & Fees	858,999	71,583	50,000		47,000	
Emergency Reserve	1,000,000	-	-		-	
Total Expenses	428,457,274	35,111,624	34,361,856	2.14%	32,008,136	-7.35%
Total Balance	\$ -	\$ (3,011,765)	\$ 306,479		\$ (210,488)	
Sales kgals						
Water	34,650,000	2,337,831	2,478,523	6.02%	2,237,976	10.75%
Sewer	26,985,000	1,821,595	2,181,851	19.78%	1,845,423	18.23%
Total	61,635,000	4,159,426	4,660,374	12.04%	4,083,399	14.13%

Budget vs. Actual February 2016 and 2015 restated	Year-To-Date				Prior Year to Date	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
	2015-16	2015-16	2015-16	%	2014-15	%
REVENUES						
Water & Sewer Revenues	\$ 393,928,271	\$ 158,347,452	\$ 160,457,537		\$ 155,737,893	
Capacity & Extension Fees	17,000,000	7,083,333	8,035,776		7,047,845	
Capital Contributions	-	-	378,795		186,160	
Investment Income	2,759,926	1,149,969	1,242,507		1,216,639	
Other Income	14,769,077	8,096,418	6,829,282		4,593,534	
Total	428,457,274	174,677,172	176,943,897	1.30%	168,782,071	4.84%
EXPENSES						
O & M Expenses	138,367,616	55,851,386	51,909,009		50,589,587	
Debt Principal - Water & Sewer	33,875,000	14,114,583	14,114,582		15,075,000	
Debt Interest - Water & Sewer	75,780,149	31,575,062	28,253,902		29,736,772	
R&R - Water & Sewer	20,825,400	8,677,250	8,677,250		8,612,521	
Operating Capital Outlay	97,524,604	46,422,141	46,422,139		38,880,721	
Operating Capital Outlay - Capacity/Extension	17,000,000	7,083,333	8,035,776		7,047,845	
Operating Capital Outlay - Contributions	-	-	378,795		186,160	
Operating Capital Outlay - Environmental	20,758,150	8,649,229	8,774,089		8,489,615	
City Contribution Expense	22,467,356	9,361,398	9,361,398		8,991,225	
Uncollectibles & Fees	858,999	357,916	267,847		268,924	
Emergency Reserve	1,000,000	-	-		-	
Total Expenses	428,457,274	182,092,298	176,194,787	3.24%	167,878,370	-4.95%
Total Balance	\$ -	\$ (7,415,126)	\$ 749,110		\$ 903,701	
Sales kgals						
Water	34,650,000	13,381,449	13,525,069	1.07%	13,096,687	3.27%
Sewer	26,985,000	10,431,246	10,994,687	5.40%	10,371,952	6.00%
Total	61,635,000	23,812,695	24,519,756	2.97%	23,468,639	4.48%

JEA							Page 23
District Energy System		Month				Prior Year Month	
Budget vs. Actual	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance	
February 2016 and 2015 restated	2015-16	2015-16	2015-16	%	2014-15	%	

REVENUES								
Revenues	\$	9,089,118	\$	570,808	\$	613,345	\$	597,839
Investment Income		-		-		1,191		496
Total		9,089,118		570,808		614,536	7.66%	598,335
EXPENSES								
O & M Expenses		5,175,137		318,325		466,756		334,032
Debt Principal - DES		1,625,000		135,417		135,417		134,167
Debt Interest - DES		1,398,980		116,582		116,582		117,442
R&R - DES		457,185		38,099		36,596		36,229
Operating Capital Outlay		432,816		-		-		-
Total Expenses		9,089,118		608,423		755,351	-24.15%	621,870
Total Balance	\$	-	\$	(37,615)	\$	(140,815)		(23,535)

Year-To-Date								
Budget vs. Actual	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance		
February 2016 and 2015 restated	2015-16	2015-16	2015-16	%	2014-15	%		
REVENUES								
Revenues	\$	9,089,118	\$	3,589,009	\$	3,425,655	\$	3,462,317
Investment Income		-		-		8,855		2,236
Total		9,089,118		3,589,009		3,434,510	-4.30%	3,464,553
EXPENSES								
O & M Expenses		5,175,137		1,857,992		1,874,715		1,863,883
Debt Principal - DES		1,625,000		677,083		677,083		670,833
Debt Interest - DES		1,398,980		582,908		582,908		587,208
R&R - DES		457,185		190,494		182,979		181,146
Operating Capital Outlay		432,816		-		-		-
Total Expenses		9,089,118		3,308,477		3,317,685	-0.28%	3,303,070
Total Balance	\$	-	\$	280,532	\$	116,825		161,483

JEA

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**Electric System
Schedules of Debt Service Coverage
(in thousands - unaudited)**

	Month February		Year-To-Date February	
	2016	2015 restated	2016	2015 restated
Revenues				
Electric	\$ 86,785	\$ 95,878	\$ 449,819	\$ 494,712
Investment income (1)	299	195	1,650	975
Earnings from The Energy Authority	368	(98)	1,258	(24)
Other, net (2)	2,692	2,944	10,480	13,614
Total revenues	90,144	98,919	463,207	509,277
Operating expenses (3)				
Fuel	16,133	22,078	91,312	106,615
Purchased power (4)	20,671	19,920	89,503	113,889
Other operations and maintenance	14,744	13,820	73,961	78,526
State utility taxes and franchise fees	5,097	5,002	22,412	25,244
Total operating expenses	56,645	60,820	277,188	324,274
Net revenues	\$ 33,499	\$ 38,099	\$ 186,019	\$ 185,003
Debt service	\$ 6,522	\$ 6,930	\$ 32,635	\$ 34,719
Less: investment income on sinking fund	(133)	(121)	(649)	(650)
Less: Build America Bonds subsidy	(126)	(126)	(632)	(629)
Debt service requirement	\$ 6,263	\$ 6,683	\$ 31,354	\$ 33,440
Senior debt service coverage (5), (min 1.20x)	5.35 x	5.70 x	5.93 x	5.53 x
Net revenues (from above)	\$ 33,499	\$ 38,099	\$ 186,019	\$ 185,003
Debt service requirement (from above)	\$ 6,263	\$ 6,683	\$ 31,354	\$ 33,440
Plus: aggregate subordinated debt service on outstanding subordinated bonds	8,177	8,190	40,886	40,959
Less: Build America Bonds subsidy	(174)	(174)	(869)	(869)
Total debt service requirement and aggregate subordinated debt service	\$ 14,266	\$ 14,699	\$ 71,371	\$ 73,530
Senior and subordinated debt service coverage (6), (min 1.15x)	2.35 x	2.59 x	2.61 x	2.52 x
Fixed charge coverage (7)	1.61 x	1.79 x	1.81 x	1.74 x

(1) Excludes investment income on sinking funds.

(2) Excludes the Build America Bonds subsidy.

(3) Excludes depreciation.

(4) In accordance with the requirements of the Electric System Resolution, all the contract debt payments from the Electric System to the SJRPP and Bulk Power Supply System with respect to the use by the Electric System of the capacity and output of the SJRPP and Bulk Power Systems are reflected as a purchased power expense on these schedules. These schedules do not include revenues of the SJRPP and Bulk Power Supply System, except that the purchased power expense is net of interest income on funds maintained under the SJRPP and Bulk Power Supply System resolutions.

(5) Net revenues divided by debt service requirement. Minimum annual coverage is 1.20x.

(6) Net revenues divided by total debt service requirement and aggregate subordinated debt service. Minimum annual coverage is 1.15x.

(7) Net revenues plus JEA's share of SJRPP's and Bulk Power Supply System's debt service less city contribution divided by the sum of the adjusted debt service requirement and JEA's share of SJRPP's and Bulk Power Supply System's debt service.

JEA
Bulk Power Supply System
Schedules of Debt Service Coverage
(in thousands - unaudited)

	Month February		Year-To-Date February	
	2016	2015 restated	2016	2015 restated
Revenues				
JEA	\$ 7,057	\$ 4,795	\$ 25,580	\$ 24,938
Investment income	10	9	51	45
Other, net (1)	-	-	-	-
Total revenues	7,067	4,804	25,631	24,983
Operating expenses (1)				
Fuel	2,697	2,801	12,560	14,837
Other operations and maintenance	1,458	1,147	6,017	5,801
Total operating expenses	4,155	3,948	18,577	20,638
Net revenues	\$ 2,912	\$ 856	\$ 7,054	\$ 4,345
Aggregate debt service	\$ 897	\$ 817	\$ 4,483	\$ 4,084
Less: Build America Bonds subsidy	(61)	(64)	(307)	(318)
Aggregate debt service	\$ 836	\$ 753	\$ 4,176	\$ 3,766
Debt service coverage (2)	3.48 x	1.14 x	1.69 x	1.15 x

(1) Excludes all current expenses paid or accrued to the extent that such expenses are to be paid from revenues.

(2) Net revenues divided by aggregate debt service. Minimum annual coverage is 1.15x.

JEA
St. Johns River Power Park System
Schedule of Debt Service Coverage - 1st Resolution
(in thousands - unaudited)

	Month February		Year-To-Date February	
	2016	2015 restated	2016	2015 restated
Revenues				
JEA	\$ 7,103	\$ 9,577	\$ 38,512	\$ 61,172
FPL	8,581	9,286	46,339	52,794
Investment income	344	256	1,658	1,501
Total revenues	16,028	19,119	86,509	115,467
Operating expenses (1)				
Fuel	7,861	11,107	47,235	74,566
Other operations and maintenance	3,281	3,042	13,211	14,390
Total operating expenses	11,142	14,149	60,446	88,956
Net revenues	\$ 4,886	\$ 4,970	\$ 26,063	\$ 26,511
Aggregate debt service	\$ 4,344	\$ 4,419	\$ 21,718	\$ 22,094
Debt service coverage (2)	1.12 x	1.12 x	1.20 x	1.20 x

(1) Excludes depreciation.

(2) Net revenues divided by aggregate debt service. Semiannual minimum coverage is 1.25x.

JEA
St. Johns River Power Park System
Schedule of Debt Service Coverage - 2nd Resolution
(in thousands - unaudited)

	Month February		Year-To-Date February	
	2016	2015 restated	2016	2015 restated
Revenues				
JEA	\$ 1,047	\$ 1,892	\$ 5,722	\$ 10,326
Total revenues	1,047	1,892	5,722	10,326
Operating expenses	-	-	-	-
Net revenues	\$ 1,047	\$ 1,892	\$ 5,722	\$ 10,326
Aggregate debt service	\$ 1,081	\$ 1,926	\$ 5,406	\$ 9,629
Less: Build America Bonds subsidy	(34)	(34)	(171)	(170)
Aggregate debt service	\$ 1,047	\$ 1,892	\$ 5,235	\$ 9,459
Debt service coverage (1)	1.00 x	1.00 x	1.09 x	1.09 x

(1) Net revenues divided by aggregate debt service. Semiannual minimum coverage is 1.15x.

JEA
Water and Sewer System
Schedule of Debt Service Coverage
(in thousands - unaudited)

	Month February		Year-To-Date February	
	2016	2015 restated	2016	2015 restated
Revenues				
Water	\$ 11,326	\$ 10,795	\$ 60,093	\$ 58,866
Water capacity fees (1)	678	585	2,854	2,530
Sewer	19,135	17,328	95,332	92,059
Sewer capacity fees (1)	1,262	1,100	5,182	4,518
Investment Income	215	244	1,260	1,241
Other (2)	940	703	5,770	3,545
Total revenues	33,556	30,755	170,491	162,759
Operating expenses				
Operations and maintenance (3)	11,659	10,671	58,493	54,885
Total operating expenses	11,659	10,671	58,493	54,885
Net revenues	\$ 21,897	\$ 20,084	\$ 111,998	\$ 107,874
Aggregate debt service	\$ 7,083	\$ 7,640	\$ 35,415	\$ 38,208
Less: Build America Bonds subsidy	(209)	(207)	(1,043)	(1,037)
Aggregate debt service	\$ 6,874	\$ 7,433	\$ 34,372	\$ 37,171
Senior debt service coverage (4), (min 1.25x)	3.19 x	2.70 x	3.26 x	2.90 x
Net revenues (from above)	\$ 21,897	\$ 20,084	\$ 111,998	\$ 107,874
Aggregate debt service (from above)	\$ 6,874	\$ 7,433	\$ 34,372	\$ 37,171
Plus: aggregate subordinated debt service on outstanding subordinated debt	1,028	1,015	5,142	5,083
Total aggregate debt service and aggregate subordinated debt service	\$ 7,902	\$ 8,448	\$ 39,514	\$ 42,254
Senior and subordinated debt service coverage (5)	2.77 x	2.38 x	2.83 x	2.55 x
Fixed charge coverage	2.53 x	2.16 x	2.60 x	2.34 x

- (1) Effective October 1, 2001, the Water and Sewer Bond Resolution was amended to include capacity fees in total revenues. Had such capacity fees not been included in the calculation for the year-to-date periods ending February 2016 and 2015, then the debt service coverage would have been 2.63x and 2.39x.
- (2) Excludes the Build America Bonds subsidy.
- (3) Excludes depreciation.
- (4) Net revenues divided by aggregate debt service. Minimum annual coverage is 1.25x.
- (5) Net revenues divided by total aggregate debt service and aggregate subordinated debt service. Minimum annual 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). Based on the first requirement, minimum annual coverage is 2.63x and 2.39x. Based on the second requirement, net revenues must exceed 100% of aggregate debt service and 120% of aggregate subordinated debt service, or \$40,542 and \$43,271 for the year-to-date period ending February 2016 and 2015.

JEA
District Energy System
Schedule of Debt Service Coverage
(in thousands - unaudited)

	Month February		Year-To-Date February	
	2016	2015 restated	2016	2015 restated
Revenues				
Service revenues	\$ 613	\$ 598	\$ 3,425	\$ 3,462
Investment income	1	-	9	2
Total revenues	614	598	3,434	3,464
Operating expenses (1)				
Operations and maintenance	467	336	1,861	1,865
Total operating expenses	467	336	1,861	1,865
Net revenues	\$ 147	\$ 262	\$ 1,573	\$ 1,599
Aggregate debt service (2)	\$ 252	\$ 252	\$ 1,260	\$ 1,258
Debt service coverage (3) (min 1.15x)	0.58 x	1.04 x	1.25 x	1.27 x

- (1) Excludes depreciation.
- (2) On June 19, 2013, the closing date of the District Energy System Refunding Revenue Bonds, 2013 Series A, the JEA covenanted to deposit into the 2013 Series A Bonds Subaccount from Available Water and Sewer System Revenues an amount equal to the Aggregate DES Debt Service Deficiency that exists with respect to the 2013 Series A Bonds, in the event that the amount on deposit in the Debt Service Account in the Debt Service Fund in accordance with the District Energy System Resolution is less than Accrued Aggregate Debt Service as of the last Business Day of the then current month.
- (3) Net Revenues divided by aggregate debt service. Minimum annual coverage is 1.15x.

March 15, 2016 JEA Board of Directors Meeting - III. For Board Consideration

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Electric System, St. Johns River Power Park System and Scherer
Principal Amount of Debt Outstanding and Average Interest Rates
February 2016

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 C	5.000%	2016-2017	15,730,000	12,375,000
Series Three 2009 D	6.056%	2033-2044	45,955,000	-
Series Three 2010 A	4.000%	2016-2020	24,960,000	4,835,000
Series Three 2010 C	4.000 - 4.500%	2021-2031	11,420,000	-
Series Three 2010 D	4.000 - 5.000%	2016-2038	92,100,000	5,265,000
Series Three 2010 E	5.350 - 5.482%	2028-2040	34,255,000	-
Series Three 2012 A	4.000 - 4.500%	2023-2033	60,750,000	-
Series Three 2012 B	2.000 - 5.000%	2016-2039	133,390,000	620,000
Series Three 2013 A	2.500 - 5.000%	2016-2026	111,130,000	7,860,000
Series Three 2013 B	1.875 - 5.000%	2021-2038	7,600,000	-
Series Three 2013 C	3.000 - 5.000%	2016-2030	30,940,000	2,255,000
Series Three 2014 A	2.600 - 5.000%	2016-2034	47,565,000	1,855,000
Series Three 2015 A	2.500 - 5.000%	2016-2041	81,810,000	135,000
Series Three 2015 B	2.000 - 5.000%	2016-2031	42,355,000	6,350,000
Total Fixed Rate Senior Bonds			740,065,000	41,550,000
2009 Series A	5.625%	2029-2032	21,140,000	-
2009 Series D	5.000%	2017-2018	23,925,000	-
2009 Series E	4.000%	2016-2018	4,065,000	1,850,000
2009 Series F	4.125 - 6.406%	2016-2034	65,600,000	930,000
2009 Series G	4.000 - 5.000%	2016-2021	22,975,000	4,675,000
2010 Series A	3.000 - 5.000%	2016-2017	4,960,000	4,250,000
2010 Series B	3.000 - 5.000%	2016-2024	35,380,000	855,000
2010 Series C	3.125 - 4.000%	2020-2027	15,925,000	-
2010 Series D	3.500 - 5.582%	2017-2027	45,575,000	-
2010 Series E	4.000%	2016	4,505,000	4,505,000
2012 Series A	3.000 - 5.000%	2016-2033	110,780,000	2,715,000
2012 Series B	2.250 - 5.000%	2016-2037	105,800,000	2,355,000
2013 Series A	2.500 - 5.000%	2017-2030	59,330,000	-
2013 Series B	2.500 - 5.000%	2016-2026	41,215,000	10,085,000
2013 Series C	1.375 - 5.000%	2016-2038	88,605,000	590,000
2013 Series D	2.625 - 5.250%	2016-2035	145,055,000	9,360,000
2014 Series A	3.000 - 5.000%	2016-2039	223,770,000	9,330,000
Total Fixed Rate Subordinated Bonds			1,018,605,000	51,500,000
Total Fixed Rate Electric System Bonds/4.561%			1,758,670,000	93,050,000
Electric System - Variable Rate Bonds				
Current Interest Rates (1)				
Series Three 2008 A	0.010%	2027-2036	51,680,000	-
Series Three 2008 B-1	0.410%	2016-2040	60,745,000	350,000
Series Three 2008 B-2	0.010%	2025-2040	41,900,000	-
Series Three 2008 B-3	0.010%	2024-2036	37,000,000	-
Series Three 2008 B-4	0.410%	2016-2036	50,185,000	375,000
Series Three 2008 C-1	0.010%	2024-2034	44,145,000	-
Series Three 2008 C-2	0.010%	2024-2034	43,900,000	-
Series Three 2008 C-3	0.050%	2030-2038	25,000,000	-
Series Three 2008 D-1	0.410%	2016-2036	113,840,000	2,420,000
Total Variable Rate Senior Bonds			468,395,000	3,145,000
Series 2000 A	0.030%	2021-2035	30,965,000	-
Series 2000 F-1	0.023%	2026-2030	37,200,000	-
Series 2000 F-2	0.035%	2026-2030	24,800,000	-
Series 2008 D	0.010%	2024-2038	39,455,000	-
Total Variable Rate Subordinated Bonds			132,420,000	-
Total Variable Rate Bonds			600,815,000	3,145,000
Total Electric System Bonds			2,359,485,000	96,195,000
St. Johns River Power Park - Fixed Rate Bonds				
Issue 2 Series 17	4.700%	2019	100,000	-
Issue 2 Series 18	4.500%	2018	50,000	-
Issue 2 Series 19	4.600%	2017	100,000	-
Issue 2 Series 20	4.500%	2021	100,000	-
Issue 2 Series 21	5.000%	2021	5,000	-
Issue 2 Series 22	4.000%	2019	5,000	-
Issue 2 Series 23	3.000 - 5.000%	2017-2021	64,910,000	-
Issue 2 Series 24	4.000%	2017-2021	29,625,000	-
Issue 2 Series 25	3.000 - 5.000%	2016-2021	42,195,000	42,150,000
Issue 2 Series 26	2.000 - 5.000%	2019-2021	65,970,000	-
Issue 2 Series 27	1.888 - 2.505%	2019-2021	7,025,000	-
Issue 3 Series 1	4.500%	2037	100,000	-
Issue 3 Series 2	5.000%	2034-2037	29,370,000	-
Issue 3 Series 4	3.875 - 5.450%	2016-2028	25,720,000	1,635,000
Issue 3 Series 6	2.375 - 5.000%	2019-2037	91,330,000	-
Issue 3 Series 7	2.000 - 5.000%	2019-2033	79,500,000	-
Issue 3 Series 8	2.000 - 5.000%	2019-2039	57,895,000	-
Total Fixed Rate St. Johns River Power Park Bonds/4.120%			494,000,000	43,785,000
Bulk Power Supply System, Scherer 4 Project - Fixed Rate Bonds				
Series 2010A	3.900 - 5.920%	2016-2030	42,785,000	2,910,000
Series 2014A	2.000 - 5.000%	2016-2038	69,185,000	3,135,000
Total Fixed Rate Bulk Power Supply System Bonds/4.293%			111,970,000	6,045,000
Weighted Average Cost(2) / Total Outstanding Debt			3.263%	\$ 2,965,455,000 \$ 146,025,000

(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/remarking fees and interest rate swap payments.

	Electric System	Power Park	Issue Three
• Remaining New Money Authorization	\$ 465,160,992	\$ 103,865,000	
• Remaining Senior Refunding Authorization	\$ 1,239,602,381	\$ 250,810,000	
• Remaining Subordinated Refunding Authorization	\$ 892,378,000	n/a	

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Water and Sewer System

Principal Amount of Debt Outstanding and Average Interest Rates

February 2016

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	3.750 - 5.000%	2017-2019	\$ 25,565,000	\$ -
2010 Series A	6.210 - 6.310%	2026-2044	83,115,000	-
2010 Series B	4.300 - 5.700%	2016-2025	17,300,000	1,730,000
2010 Series C	4.000 - 5.000%	2016-2020	10,650,000	1,105,000
2010 Series D	4.000 - 5.000%	2017-2039	101,850,000	-
2010 Series E	4.000 - 5.000%	2021-2039	60,990,000	-
2010 Series F	3.200 - 5.887%	2017-2040	45,520,000	-
2010 Series G	3.000%	2016	785,000	785,000
2012 Series A	3.000 - 5.000%	2017-2041	317,935,000	-
2012 Series B	2.000 - 5.000%	2016-2041	131,765,000	1,680,000
2013 Series A	4.000 - 5.000%	2016-2027	91,085,000	1,345,000
2013 Series B	1.286 - 1.882%	2016-2017	16,730,000	12,900,000
2014 Series A	2.000 - 5.000%	2016-2040	289,565,000	4,970,000
Total Fixed Rate Senior Bonds			1,192,855,000	24,515,000
2010 Series A	3.000 - 5.000%	2016-2022	14,065,000	915,000
2010 Series B	3.000 - 5.000%	2020-2025	12,770,000	-
2012 Series A	3.000 - 4.000%	2021-2033	20,320,000	-
2012 Series B	3.250 - 5.000%	2030-2043	41,640,000	-
2013 Series A	2.125 - 5.000%	2016-2029	76,040,000	3,790,000
Total Fixed Rate Subordinated Bonds			164,835,000	4,705,000
Total Fixed Rate Bonds/4.618%			1,357,690,000	29,220,000
Variable Rate Bonds		Current Interest Rates (1)		
2006 Series B - CPI Bonds	1.126% (2)	2016-2022	38,730,000	4,105,000
2008 Series A-2	0.010%	2028-2042	51,820,000	-
2008 Series B	0.010%	2023-2041	85,290,000	-
Total Variable Rate Senior Bonds			175,840,000	4,105,000
2008 Series A-1	0.010%	2016-2038	53,500,000	550,000
2008 Series A-2	0.010%	2030-2038	25,600,000	-
2008 Series B-1	0.020%	2030-2036	30,885,000	-
Total Variable Rate Subordinated Bonds			109,985,000	550,000
Total Variable Rate Bonds			285,825,000	4,655,000
Other Obligations				
Revolving Credit Agreement	1.482%	2018	3,000,000	-
Total Other Obligations			3,000,000	-
Weighted Average Cost(3) / Total Outstanding Debt		3.555%	\$ 1,646,515,000	\$ 33,875,000

(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/restructuring fees and interest rate swap payments.

• Remaining New Money Authorization	\$	218,078,023
• Remaining Refunding Authorization	\$	1,231,973,942

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District Energy System

Principal Amount of Debt Outstanding and Average Interest Rates

February 2016

Issue/Average Coupon	Interest Rates	Principal Payment Dates	Par Amount Principal Outstanding	Current Portion of Long-Term Debt
Fixed Rate Bonds				
2013 Series A/4.036%	1.017 - 4.538%	2016-2034	\$ 39,750,000	\$ 1,625,000
Weighted Average Cost(1) / Total Outstanding Debt			4.041%	\$ 39,750,000

(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

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INVESTMENT PORTFOLIO REPORT
February 2016
All Funds

INVESTMENT	BOOK VALUE	YIELD	% OF TOTAL	LAST MONTH	6 MONTH AVERAGE
* Treasuries	\$ 3,298,969	1.01%	0.24%	0.25%	0.25%
<u>Agencies</u>					
Federal Farm Credit Bank	264,274,031	0.75%	18.84%	18.31%	17.74%
Federal Home Loan Bank	402,575,257	0.98%	28.70%	27.36%	25.66%
Federal Home Loan Mortgage Corp.	7,991,808	0.37%	0.57%	0.61%	0.29%
Total	<u>674,841,096</u>	<u>0.89%</u>	<u>48.11%</u>	<u>46.28%</u>	<u>43.69%</u>
Municipal Bonds	<u>277,266,170</u>	<u>2.08%</u>	<u>19.77%</u>	<u>21.35%</u>	<u>20.51%</u>
Commercial Paper	<u>368,872,012</u>	<u>0.53%</u>	<u>26.30%</u>	<u>22.85%</u>	<u>22.01%</u>
U.S. Treasury Money Market Funds (1)	<u>4,769,930</u>	<u>0.22%</u>	<u>0.34%</u>	<u>0.92%</u>	<u>1.63%</u>
Agency Money Market Funds (2)	<u>12,425,000</u>	<u>0.24%</u>	<u>0.89%</u>	<u>1.72%</u>	<u>1.47%</u>
Wells Fargo Bank Accounts (3)					
Electric, Scherer	<u>28,853,685</u>	<u>0.17%</u>	<u>2.06%</u>	<u>2.59%</u>	<u>4.71%</u>
SJRPP	<u>20,007,069</u>	<u>0.17%</u>	<u>1.43%</u>	<u>2.71%</u>	<u>3.45%</u>
Water & Sewer, DES	<u>12,434,874</u>	<u>0.17%</u>	<u>0.89%</u>	<u>1.33%</u>	<u>1.90%</u>
Total Portfolio	<u>\$ 1,402,768,804</u>	<u>1.02%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

* Backed by Full Faith and Credit of U. S. Government
 Weighted Avg. Annual Yield for February 2016, Excluding Bank & Money Market Funds: 1.04%

Weighted Avg. Annual Yield for February 2016, Including Bank & Money Market Funds: 1.02%

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

- (1) Morgan Stanley Treasury Fund; Fidelity Treasury Fund; Federated Treasury Fund
- (2) Morgan Stanley Government Fund, Wells Fargo Government Fund
- (3) Month-end bank balances

JEA
Interest Rate Swap Position Report
February 2016

JEA Debt Management Swaps Variable to Fixed

ID	Dealer	Effective Date	Terminat'n 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	0.290	3.427	n/a	68% 1 mth Libor
3	Morgan Stanley	1/27/2005	10/1/2039	82,575,000	-	4.351	0.010	4.341	n/a	SIFMA
4	JPMorgan	1/27/2005	10/1/2035	86,375,000	-	3.661	0.290	3.371	n/a	68% 1 mth Libor
6	JPMorgan	1/27/2005	10/1/2037	39,175,000	-	3.716	0.290	3.426	n/a	68% 1 mth Libor
7	Morgan Stanley	10/31/2006	10/1/2022	-	38,730,000	3.996	1.126	2.870	n/a	CPI
8	Morgan Stanley	1/31/2007	10/1/2031	62,980,000	-	3.907	0.010	3.897	n/a	SIFMA
9	Merrill Lynch	3/8/2007	10/1/2041	-	85,290,000	3.895	0.010	3.885	n/a	SIFMA
10	Goldman Sachs	1/31/2008	10/1/2036	51,680,000	-	3.836	0.010	3.826	n/a	SIFMA
Total				<u>\$ 407,585,000</u>	<u>\$ 124,020,000</u>	Wtd Avg Spread		3.687		

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

JEA
Electric System
Operating Statistics

	Month February			Year-To-Date February		
	2016	2015 restated	Variance	2016	2015 restated	Variance
Electric revenue sales (000's omitted):						
Residential	\$ 48,214	\$ 51,723	-6.78%	\$ 211,242	\$ 243,172	-13.13%
Commercial	28,518	29,665	-3.87%	148,672	164,547	-9.65%
Industrial	14,724	16,562	-11.10%	75,650	92,928	-18.59%
Public street lighting	1,140	981	16.21%	5,525	5,279	4.66%
Sales for resale - territorial	2,474	2,963	-16.50%	10,312	12,406	-16.88%
Electric revenues - territorial	95,070	101,894	-6.70%	451,401	518,332	-12.91%
Sales for resale - off system	9	906	-99.01%	422	2,049	-79.40%
Electric revenues	95,079	102,800	-7.51%	451,823	520,381	-13.17%
Less: rate stabilization & recovery	(8,124)	(6,775)	19.91%	(1,271)	(24,941)	-94.90%
Less: allowance for doubtful accounts	(170)	(147)	15.65%	(733)	(728)	0.69%
Net electric revenues	86,785	95,878	-9.48%	449,819	494,712	-9.07%
MWh sales						
Residential	406,147	424,718	-4.37%	1,924,273	1,987,592	-3.19%
Commercial	264,880	272,610	-2.84%	1,567,792	1,519,726	3.16%
Industrial	189,139	200,706	-5.76%	1,091,189	1,105,380	-1.28%
Public street lighting	6,500	7,095	-8.39%	34,044	38,599	-11.80%
Sales for resale - territorial	27,897	28,973	-3.71%	126,338	129,391	-2.36%
Total MWh sales - territorial	894,563	934,102	-4.23%	4,743,636	4,780,688	-0.78%
Sales for resale - off system	453	23,235	-98.05%	15,366	60,276	-74.51%
Total MWh sales	895,016	957,337	-6.51%	4,759,002	4,840,964	-1.69%
Number of accounts (1)						
Residential	395,656	388,381	1.87%	394,451	386,804	1.98%
Commercial	51,175	50,606	1.12%	51,058	50,437	1.23%
Industrial	202	210	-3.81%	203	211	-3.79%
Public street lighting	3,633	3,540	2.63%	3,622	3,522	2.84%
Sales for resale	2	2	0.00%	2	2	0.00%
Total average accounts	450,668	442,739	1.79%	449,336	440,976	1.90%
Residential averages						
Revenue per account - \$	121.86	133.18	-8.50%	535.53	628.67	-14.82%
kWh per account	1,027	1,094	-6.12%	4,878	5,138	-5.06%
Revenue per kWh - ¢	11.87	12.18	-2.55%	10.98	12.23	-10.22%
Degree days						
Heating degree days	284	374	(90)	848	1,248	(400)
Cooling degree days	24	-	24	527	237	290
Total degree days	308	374	(66)	1,375	1,485	(110)
Degree days - 30 year average	275			1,441		

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

JEA
Water and Sewer System
Operating Statistics

	Month			Year-To-Date		
	February 2016	February 2015 restated	Variance	February 2016	February 2015 restated	Variance
Water						
<i>Revenues (000's omitted):</i>						
Residential	\$ 6,762	\$ 6,441	4.98%	\$ 34,983	\$ 34,159	2.41%
Commercial and industrial	3,750	3,502	7.08%	18,967	18,339	3.42%
Irrigation	1,760	1,747	0.74%	11,435	11,491	-0.49%
Total water revenues	12,272	11,690	4.98%	65,385	63,989	2.18%
Less: rate stabilization environmental	(926)	(876)	5.71%	(5,185)	(5,015)	3.39%
Less: allowance for doubtful accounts	(20)	(19)	5.26%	(107)	(108)	-0.93%
Net water revenues	\$ 11,326	\$ 10,795	4.92%	\$ 60,093	\$ 58,866	2.08%
<i>Kgal sales (000s omitted)</i>						
Residential	1,203,501	1,092,121	10.20%	6,377,688	6,243,637	2.15%
Commercial and industrial	1,055,136	929,780	13.48%	5,418,707	5,098,639	6.28%
Irrigation	219,886	216,075	1.76%	1,728,674	1,754,411	-1.47%
Total kgal sales	2,478,523	2,237,976	10.75%	13,525,069	13,096,687	3.27%
<i>Number of accounts (1):</i>						
Residential	271,114	264,471	2.51%	269,996	263,336	2.53%
Commercial and industrial	24,490	23,914	2.41%	24,321	23,869	1.89%
Irrigation	36,107	35,873	0.65%	36,144	35,887	0.72%
Total average accounts	331,711	324,258	2.30%	330,461	323,092	2.28%
<i>Residential averages:</i>						
Revenue per account - \$	24.94	24.35	2.41%	129.57	129.72	-0.11%
kgals per account	4.44	4.13	7.50%	23.62	23.71	-0.37%
Revenue per kgals - \$	5.62	5.90	-4.73%	5.49	5.47	0.26%
Reuse						
<i>Revenues (000's omitted):</i>						
Reuse revenues	\$ 540	\$ 393	37.40%	\$ 3,037	\$ 2,404	26.33%
<i>Kgal sales (000s omitted)</i>						
Reuse sales (kgals)	141,429	68,287	107.11%	817,353	572,623	42.74%
<i>Number of accounts (1):</i>						
Reuse accounts	7,241	5,704	26.95%	6,962	5,507	26.42%
Sewer						
<i>Revenues (000's omitted):</i>						
Residential	\$ 10,578	\$ 9,679	9.29%	\$ 52,957	\$ 51,761	2.31%
Commercial and industrial	8,741	7,935	10.16%	43,170	41,572	3.84%
Total sewer revenues	19,319	17,614	9.68%	96,127	93,333	2.99%
Less: rate stabilization environmental	(694)	(651)	6.61%	(3,671)	(3,517)	4.38%
Less: allowance for doubtful accounts	(30)	(28)	7.14%	(161)	(161)	0.00%
Net sewer revenues	18,595	16,935	9.80%	92,295	89,655	2.94%
<i>Kgal sales (000s omitted)</i>						
Residential	1,084,463	944,985	14.76%	5,482,545	5,364,762	2.20%
Commercial and industrial	955,959	832,151	14.88%	4,694,789	4,434,567	5.87%
Total kgal sales	2,040,422	1,777,136	14.82%	10,177,334	9,799,329	3.86%
<i>Number of accounts (1):</i>						
Residential	238,733	232,324	2.76%	237,676	231,203	2.80%
Commercial and industrial	17,943	17,744	1.12%	17,905	17,711	1.10%
Total average accounts	256,676	250,068	2.64%	255,581	248,914	2.68%
<i>Residential averages:</i>						
Revenue per account - \$	44.31	41.66	6.35%	222.81	223.88	-0.48%
kgals per account	4.54	4.07	11.68%	23.07	23.20	-0.59%
Revenue per kgals - \$	9.75	10.24	-4.77%	9.66	9.65	0.11%
Rainfall						
			Diff in Inches			Diff in Inches
Normal	3.19	3.19		15.33	15.33	
Actual	4.82	3.32	1.50	12.33	15.97	(3.64)
Rain Days	7	8		36	30	

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

March 15, 2016 JEA Board of Directors Meeting - III. For Board Consideration

JEA
Electric System
Production Statistics

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	Month			Year-To-Date		
	2016	2015 restated	Variance	2016	2015 restated	Variance
Generated power:						
Steam:						
<i>Fuel oil</i>						
Fuel expense	\$ 420,262	\$ 1,047,528	-59.88%	\$ 2,737,043	\$ 961,483	184.67%
Barrels #6 oil consumed	3,886	9,688	-59.89%	25,724	8,892	189.29%
\$/ per barrel consumed	\$ 108.15	108.13	0.02%	\$ 106.40	\$ 108.13	-1.60%
kWh oil generated (1)	2,172,181	3,482,087	-37.62%	14,300,317	3,482,087	310.68%
Cost per MWh - oil	\$ 193.47	\$ 300.83	-35.69%	\$ 191.40	\$ 276.12	-30.68%
<i>Natural gas units #1-3</i>						
Gas expense - variable	\$ 1,384,285	\$ 1,021,885	35.46%	\$ 11,351,240	\$ 4,644,514	144.40%
MMBTU's consumed	533,487	357,442	49.25%	4,588,237	1,318,905	247.88%
\$/ per MMBTU consumed	\$ 2.59	2.86	-9.44%	\$ 2.47	\$ 3.52	-29.83%
kWh - gas generated (1)	45,093,379	22,289,472	102.31%	424,747,333	94,165,792	351.06%
Cost per MWh - gas	\$ 30.70	\$ 45.85	-33.04%	\$ 26.72	\$ 49.32	-45.82%
Cost per MWh - gas & oil - steam	\$ 38.18	\$ 80.30	-52.45%	\$ 32.09	\$ 57.41	-44.10%
<i>Coal</i>						
Coal expense	\$ 1,619,928	\$ 3,491,888	-53.61%	\$ 8,761,936	\$ 23,123,168	-62.11%
kWh generated	67,720,585	112,093,762	-39.59%	379,134,333	699,152,609	-45.77%
Cost per MWh - coal	\$ 23.92	\$ 31.15	-23.21%	\$ 23.11	\$ 33.07	-30.12%
<i>Pet coke and limestone</i>						
Expense	\$ 2,475,704	\$ 5,535,116	-55.27%	\$ 15,582,145	\$ 14,452,186	7.82%
kWh generated	125,867,870	171,677,935	-26.68%	674,046,782	442,560,059	52.31%
Cost per MWh - pet coke and limestone	\$ 19.67	\$ 32.24	-38.99%	\$ 23.12	\$ 32.66	-29.21%
Cost per MWh - coal & petcoke - steam	\$ 21.16	\$ 31.81	-33.48%	\$ 23.11	\$ 32.91	-29.78%
Combustion turbine:						
<i>Fuel oil</i>						
Fuel expense	\$ 16,675	\$ 162,857	-89.76%	\$ 218,023	\$ 311,263	-29.96%
Barrels #2 oil consumed	(66)	1,995	-103.31%	888	2,579	-65.57%
\$/ per barrel consumed	\$ (252.65)	\$ 81.63	-409.51%	\$ 245.52	\$ 120.69	103.43%
kWh - oil generated	8,050	668,777	-98.80%	249,164	775,461	-67.87%
Cost per MWh - oil	\$ 2,071.43	\$ 243.51	750.66%	\$ 875.02	\$ 401.39	118.00%
<i>Natural gas (includes landfill)</i>						
Gas expense Kennedy & landfill - variable	\$ 5,510	\$ 59,633	-90.76%	\$ 379,409	\$ 409,752	-7.41%
MMBTU's consumed	2,000	20,864	-90.41%	157,371	108,223	45.41%
\$/ per MMBTU consumed	\$ 2.76	\$ 2.86	-3.50%	\$ 2.41	\$ 3.79	-36.41%
kWh - gas generated (1)	(205,073)	1,508,579	-113.59%	12,091,802	7,142,611	69.29%
Cost per MWh - gas	\$ (26.87)	\$ 39.53	-167.97%	\$ 31.38	\$ 57.37	-45.30%
Gas expense BB simple - variable	\$ 93,449	\$ 23,104	304.47%	\$ 730,487	\$ 215,940	238.28%
MMBTU's consumed	45,449	8,446	438.11%	342,981	65,878	420.63%
\$/ per MMBTU consumed	\$ 2.06	\$ 2.74	-24.82%	\$ 2.13	\$ 3.28	-35.06%
kWh - gas generated (1)	3,999,858	579,869	589.79%	30,257,694	4,909,569	516.30%
Cost per MWh - gas simple	\$ 23.36	\$ 39.84	-41.37%	\$ 24.14	\$ 43.98	-45.11%
Gas expense BB combined - variable	\$ 5,190,971	\$ 6,241,089	-16.83%	\$ 25,751,485	\$ 38,138,329	-32.48%
MMBTU's consumed	2,158,039	2,211,806	-2.43%	11,110,266	10,687,514	3.96%
\$/ per MMBTU consumed	\$ 2.41	\$ 2.82	-14.54%	\$ 2.32	\$ 3.57	-35.01%
kWh - gas generated (1)	323,351,391	312,179,023	3.58%	1,623,523,890	1,502,939,226	8.02%
Cost per MWh - gas combined	\$ 16.05	\$ 19.99	-19.71%	\$ 15.86	\$ 25.38	-37.51%
Gas expense GEC simple - variable	\$ 23,823	\$ 42,961	-44.55%	\$ 970,769	\$ 458,067	111.93%
MMBTU's consumed	13,763	11,852	16.12%	421,246	175,917	139.46%
\$/ per MMBTU consumed	\$ 1.73	\$ 3.62	-52.21%	\$ 2.30	\$ 2.60	-11.54%
kWh - gas generated	770,889	737,956	4.46%	36,072,873	13,321,997	170.78%
Cost per MWh - gas simple	\$ 30.90	\$ 58.22	-46.93%	\$ 26.91	\$ 34.38	-21.73%
Cost per MWh - gas & oil ct	\$ 16.26	\$ 20.68	-21.37%	\$ 16.48	\$ 25.85	-36.25%
Natural gas expense - fixed	\$ 2,443,553	\$ 2,018,562	21.05%	\$ 12,904,125	\$ 13,246,328	-2.58%
Total generated power:						
Fuels expense	\$ 13,674,160	\$ 19,644,623	-30.39%	\$ 79,386,662	\$ 95,961,030	-17.27%
kWh generated	568,779,130	625,217,460	-9.03%	3,194,424,188	2,768,449,411	15.39%
Cost per MWh	\$ 24.04	\$ 31.42	-23.49%	\$ 24.85	\$ 34.66	-28.30%

(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	\$ 420,262	\$ 1,047,528		\$ 2,737,043	\$ 961,483
Natural gas units #1-3 with landfill - variable	1,384,285	1,021,885		11,351,240	4,644,514
Coal	1,619,928	3,491,888		8,761,936	23,123,168
Petcoke	2,475,704	5,535,116		15,582,145	14,452,186
Fuel oil #2	16,675	162,857		218,023	311,263
Natural gas - simple cycle (BB & GEC) - variable	122,782	125,698		2,080,665	1,083,759
Natural gas - combined (BB) - variable	5,190,971	6,241,089		25,751,485	38,138,329
Natural gas - fixed	2,443,553	2,018,562		12,904,125	13,246,328
Total	\$ 13,674,160	\$ 19,644,623		\$ 79,386,662	\$ 95,961,030

JEA
Electric System
Production Statistics (Con't.)

	Month February			Year-To-Date February		
	2016	2015 restated	Variance	2016	2015 restated	Variance
Production Statistics (Con't.)						
Purchased power:						
<i>Plant Scherer</i>						
Purchases	\$ 6,222,324	\$ 4,042,095	53.94%	\$ 21,404,264	\$ 21,172,667	1.09%
kWh purchased	99,703,000	112,469,000	-11.35%	470,637,000	509,672,000	-7.66%
Cost per MWh	\$ 62.41	\$ 35.94	73.65%	\$ 45.48	\$ 41.54	9.48%
<i>TEA & other</i>						
Purchases	\$ 5,464,943	\$ 3,656,542	49.46%	\$ 21,806,832	\$ 19,976,116	9.16%
kWh purchased	162,645,465	78,495,143	107.20%	610,167,033	401,482,534	51.98%
Cost per MWh	\$ 33.60	\$ 46.58	-27.87%	\$ 35.74	\$ 49.76	-28.17%
<i>SJRPP</i>						
Purchases	\$ 8,150,405	\$ 11,468,735	-28.93%	\$ 42,117,445	\$ 68,976,336	-38.94%
kWh purchased	122,117,000	193,852,000	-37.01%	676,100,000	1,316,905,000	-48.66%
Cost per MWh	\$ 66.74	\$ 59.16	12.81%	\$ 62.29	\$ 52.38	18.93%
Total purchased power:						
Purchases	\$ 19,837,672	\$ 19,167,372	3.50%	\$ 85,328,541	\$ 110,125,119	-22.52%
kWh purchased	384,465,465	384,816,143	-0.09%	1,756,904,033	2,228,059,534	-21.15%
Cost per MWh	\$ 51.60	\$ 49.81	3.59%	\$ 48.57	\$ 49.43	-1.74%
Subtotal - generated and purchased power:	\$ 33,511,832	\$ 38,811,995	-13.66%	\$ 164,715,203	\$ 206,086,149	-20.07%
Fuel interchange sales	(8,704)	(906,065)	-99.04%	(421,756)	(2,048,680)	-79.41%
Earnings of The Energy Authority	(368,396)	98,053	-475.71%	(1,257,700)	24,406	-5253.24%
Realized and Unrealized (Gains) Losses:	369,000	-		1,626,600	-	
Fuel procurement and handling	902,282	510,283	76.82%	4,409,524	5,114,342	-13.78%
By product reuse	1,186,755	1,923,346	-38.30%	5,889,481	5,540,158	6.31%
Total generated and net purchased power:						
Cost, net	35,592,769	40,437,612	-11.98%	174,961,352	214,716,375	-18.52%
kWh generated and purchased	953,244,595	1,010,033,603	-5.62%	4,951,328,221	4,996,508,945	-0.90%
Cost per MWh	\$ 37.34	\$ 40.04	-6.74%	\$ 35.34	\$ 42.97	-17.77%
Reconciliation:						
Generated and purchased power per above	\$ 35,592,769	\$ 37.34		\$ 174,961,352	\$ 35.34	
SJRPP operating expenses:						
SJRPP O & M	(2,046,801)	(2.15)		(8,196,445)	(1.66)	
SJRPP debt service	(3,363,673)	(3.53)		(16,980,545)	(3.43)	
SJRPP R & R	1,866,767	1.96		8,709,545	1.76	
SCHERER operating expenses:						
Scherer power production	(912,741)	(0.96)		(3,331,225)	(0.67)	
Scherer R & R	(2,066,380)	(2.17)		(2,826,989)	(0.57)	
Scherer transmission	(456,383)	(0.48)		(2,171,021)	(0.44)	
Scherer taxes	(89,371)	(0.09)		(514,861)	(0.10)	
Southern capacity	(608,805)	(0.64)		(2,971,247)	(0.60)	
	\$ 27,915,382	\$ 29.28		\$ 146,678,564	\$ 29.62	

JEA
Electric System
SJRRP Sales and Purchased Power

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	Month		Year-To-Date	
	February		February	
	2016	2015 restated	2016	2015 restated
MWh sales				
JEA	122,117	193,852	676,100	1,316,905
FPL saleback	85,865	116,702	569,330	776,912
FPL direct portion	51,996	77,639	311,358	523,454
Total MWh sales	<u>259,978</u>	<u>388,193</u>	<u>1,556,788</u>	<u>2,617,271</u>
Fuel costs	\$ 4,613,591	\$ 6,934,231	\$ 25,670,967	\$ 46,874,541
(Includes fuel handling expenses)				
Less interest credits: inventory bank	(6,709)	(2,089)	(21,689)	(10,594)
Plus (less): true-up interest	(184)	(12)	722	59
Total	<u>4,606,698</u>	<u>6,932,130</u>	<u>25,650,000</u>	<u>46,864,006</u>
Cost per MWh	\$ 37.72	\$ 35.76	\$ 37.94	\$ 35.59
Operating and maintenance expenses	2,044,258	1,900,623	8,195,807	9,002,550
Less: operations bank interest	(496)	(353)	(2,402)	(2,183)
Less: annual variable o & m true-up	3,039	-	3,039	(1,184)
Total	<u>2,046,801</u>	<u>1,900,270</u>	<u>8,196,444</u>	<u>8,999,183</u>
Cost per MWh	\$ 16.76	\$ 9.80	\$ 12.12	\$ 6.83
Debt service contribution				
Principal	2,331,562	2,958,177	11,657,813	14,790,885
Interest	1,464,487	1,729,591	7,322,439	8,647,956
Less credits:				
Reserve units 1 & 2	(269,776)	(229,276)	(1,328,704)	(1,221,635)
Debt service units 1 & 2	(40)	(461)	(111)	(17,995)
Bond proceeds COB	-	(1,353)	(2,137)	(6,335)
General reserve	(20,426)	(2,584)	(85,148)	(18,050)
Build America Bonds subsidy	(34,190)	(34,007)	(170,951)	(170,034)
Inventory carrying costs	(61,192)	(54,555)	(296,752)	(286,346)
Total	<u>3,410,425</u>	<u>4,365,532</u>	<u>17,096,449</u>	<u>21,718,446</u>
Cost per MWh	\$ 27.93	\$ 22.52	\$ 25.29	\$ 16.49
R & R contribution	339,343	345,221	1,696,715	1,726,107
Less: interest credit	(46,752)	(20,075)	(216,053)	(222,720)
Less: cumulative capital recovery amount	(2,206,110)	(2,054,343)	(10,306,110)	(10,108,686)
Total	<u>(1,913,519)</u>	<u>(1,729,197)</u>	<u>(8,825,448)</u>	<u>(8,605,299)</u>
Cost per MWh	\$ (15.67)	\$ (8.92)	\$ (13.05)	\$ (6.53)
Debt service coverage	-	-	2,117,000	2,522,000
Transfer to JEA	-	-	(2,117,000)	(2,522,000)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cost per MWh	-	-	-	-
Total	<u>\$ 8,150,405</u>	<u>\$ 11,468,735</u>	<u>\$ 42,117,445</u>	<u>\$ 68,976,336</u>
kWh purchased	122,117,000	193,852,000	676,100,000	1,316,905,000
Cost per MWh	\$ 66.74	\$ 59.16	\$ 62.29	\$ 52.38

JEA Community Engagement Calendar - February - June 2016

(Events highlighted in blue are either JEA sponsored or corporate events)

	A	B	C	D	E	F
1	Date	Event/Activity	Location	Time	Type	Opportunity for Public to Attend or Participate
2	Feb-16					
3	2/2/2016	JEA Power Pals	SP Livingston Elem.	11am	Ambassador Instructor	No
4	2/2/2016	JEA Power Pals	RV Daniels Elem.	2pm	Ambassador Instructor	No
5	2/3/2016	UNF Environmental Center	Main St Lab Tour	1:30pm	Ambassador Facility Tour	No
6	2/5/2016	Woman's Writing Group	1610 Osceola St	6pm	Ambassador Speaker	Yes
7	2/5/2016	CEA Group	UNF	2pm	Ambassador Instructor	No
8	2/6/2016	2016 EPB Water Education Festival	MOSH	10am	Ambassador Event	Yes
9	2/6/2016	Tree Planting	Boone Park	11am	Ambassador Event	Yes
10	2/8/2016	Regional Science Fair		10am	Ambassador Event	Yes
11	2/9/2016	JEA Power Pals	SP Livingston Elem.	11am	Ambassador Instructor	No
12	2/9/2016	JEA Power Pals	RV Daniels Elem.	2pm	Ambassador Instructor	No
13	2/10/2016	Fl Urban Forestry Council	SECO - Sumpterville, FL	9am	Ambassador Speaker	Yes
14	2/13/2016	RealSense Tax Kickoff	Normandy Mall - Potter's House	9am - 2pm	Ambassador Event	Yes
15	2/13/2016	Media Career Day	Frank Peterson Career Academy	11:30am	Ambassador Speaker	No
16	2/16/2016	JEA Power Pals	SP Livingston Elem.	11am	Ambassador Instructor	No
17	2/16/2016	Trade Ally Meet & Greet	6602 SouthPOint Drive South Nexant Headquarters	6pm	Ambassador Speaker	Yes
18	2/17/2016	Annunciation Catholic Church	1610 Blanding Blvd, Middleburg, FL	9am	Ambassador Speaker	No
19	2/19 - 21/2016	Jax Auto Show	Prime Osborn	10am	Ambassador Event	Yes
20	2/22/2016	Junior Achievement Girls Inc	Girls Inc.	8am	Ambassador Instructor	No
21	2/23/2016	Chargewell	JEAs Tower	10am	Ambassador Event	Yes
22	2/25/2016	Environmental Summit	Florida Coastal School of Law	10am	Ambassador Event	Yes
23	2/25/2016	Bryceville Elem. STEM Night	Brycevill Elem.	6pm	Ambassador Event	Yes

JEA Community Engagement Calendar - February - June 2016

(Events highlighted in blue are either JEA sponsored or corporate events)

	A	B	C	D	E	F
24	2/25/2016	A Philip Randolph Academy of Technology	1157 Golfair Blvd	3:30pm	Ambassador Speaker	No
25	2/26 - 27/2016	Greenscape Annual Flower & Tree Sale	Emerson/Phillips Hwy	All Day	Ambassador Event	Yes
26	2/27/2016	Jax Science Festival	MOSH	10am	Ambassador Event	Yes
27	Mar-16					
28	3/1/2016	Lunch & Learn - Jax Airport Management Council	JIA	10am	Ambassador Speaker	No
29	3/3 - 6/2016	Spring Home & Patio Show	Prime Osborn Convention Center	10am - 9pm	Ambassador Event	Yes
30	3/5/2016	Komen North FL Race for the Cure	120 Marketside Ave.	6am - Noon	Volunteer Event	Yes
31	3/9 - 12/2016	Gate River Run	Jax Fairgrounds	Various	Volunteer Event	yes
32	3/13/2016	Natural Life Music & Arts Festival	Met Park	10am - 6pm	Volunteer Event	Yes
33	3/13/2016	Walk to End Lupus	Riverside Arts Market	12 - 6pm	Volunteer Event	Yes
34	3/17/2016	John Love Elem. Career day	1531 Winthrop St	9am	Ambassador Event	No
35	3/17, 24, 31/2016	Habijax	New Town Success Zone	7:45am - 3:45pm	Volunteer Project	Yes
36	3/18/2016	Dignity U Wear	136 Myrtle Ave	9am - Noon	Volunteer Project	Yes
37	3/18/2016	TWS Welding	Solar Farm	9am	Ambassador Tour	Yes
38	3/18 & 19/2016	River Clean Up	TBA	9am	Volunteer Project	Yes
39	3/31/2016	Feeding NE FL Food Bank	1116 Edgewood Ave.	12:30pm - 3:30pm	Volunteer Event	Yes
40	Apr-16					
41	4/1, 7, 8, 21 & 22/2016	Habijax	New Town Success Zone	7:45am - 3:45pm	Volunteer Project	Yes
42	4/2/2016	Hubbard House Awareness Walk	Unity Plaza	7am	Volunteer Project	Yes
43	4/5/2016	CEO Pastor's Lunch	JEA Tower	11:30am	Ambassador Event	Yes
44	4/9/2016	Specila Olympics	Atlantic Coast High	7am - 4pm	Volunteer Project	Yes
45	4/16/2016	Magnolia Gardens Community Fair	5803 Begonia Road	12pm	Ambassador Event	Yes
46	4/16/2016	MDA Muscle Walk	Jax Landing	7am - Noon	Volunteer Project	Yes
47	4/22/2016	Feeding NE FL Food Bank	1116 Edgewood Ave	8:30am	Volunteer Project	Yes
48	4/23 - 24/2016	COJ World of Nations	Metropolitan Park	All Day	Ambassador Event	Yes

JEA Community Engagement Calendar - February - June 2016

(Events highlighted in blue are either JEA sponsored or corporate events)

	A	B	C	D	E	F
49	4/23/2016	Earth Day at the Landing	Jax Landing	10am - 3pm	Ambassador Event	Yes
50	4/23/2016	Walk MS	Unity Plaza	7am	Volunteer Project	Yes
51	4/30/2016	Butterfly Festival	Tree Hill Nature Center	10am- 4pm	Volunteer Project	Yes
52	May-16					
53	5/6, 7, 19 & 20/2016	Habijax	New Town Success Zone	7:45am - 3:45pm	Volunteer Project	Yes
54	5/7/2016	Tour de Cure	World Golf Village	Various	Volunteer Project	Yes
55	5/20/2016	Miracle on Ashley St	Clara White Mission	10am - 1pm	Volunteer Project	Yes
56	5/20 - 21/2016	Kids Triathlon	EverBank Field	Various	Volunteer Project	Yes
57	5/21/2016	FL Stem & Health Expo	River City Science Academy	11am - 3pm	Ambassador Event	Yes
58	5/26 - 29/2016	Jax Jazz Festival	Downtown Jax	Various	Volunteer Project	Yes
59	5/27/2016	Feeding NE FL Food Bank	1116 Edgewood Ave	8:30am - 3:30pm	Volunteer Project	Yes
60						
61	Jun-16					
62	6/6 - 11/2016	Habijax Home Blitz Build	TBA	Various	Volunteer Project	Yes
63						
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FY16 Communications & Community Engagement Overview and February/March Update

Overview: Each month we update the board on communications and community engagement activities for the previous and current months. The purpose is to keep you informed about these activities so that you are knowledgeable about JEA's efforts to keep our customers informed, to assist them in the management of their utility services and to be a good corporate citizen.

Communications: In February, we continued our JEA MyBudget campaign and ended the month surpassing our campaign goal by 237 enrollments. We are now roughly 200 away from reaching our FY16 goal of 20,186 enrollments for MyBudget. Enrollments in JEA eBill continue to steadily climb. The number of customers with jea.com accounts has reached 69% which is cited by J.D. Power as well above the industry average. We continue to promote our new outage map and sign-ups for alerts on jea.com as well as the use of jea.com as a convenient way to interact with JEA. We also maintain our billing and payment product options in the mix of messages. All paid and owned messaging are supported by social media, using Twitter, Facebook, LinkedIn, Google+ and YouTube to provide additional timely, relevant information.

Community Engagement: JEA employees are actively involved in our community engagement efforts. JEA Ambassadors participate in activities where we have an opportunity to help customers manage their utility services and/or to educate customers about how JEA provides critical utility services to our community. These employees are trained and certified ahead of time to help JEA deliver on our mission. On the other hand, JEA Volunteers go out into the community to assist nonprofits accomplish their goals by offering their time and talents to help the nonprofit deliver their mission. Volunteers do not have to have any special training or talent; they just have a caring heart.

In February, Ambassador activities included participation in 56 speaking engagements and community events/activities in support of the Woman's Writing Group, FL Urban Forestry Council, Media Career Day – John Peterson Academy, Trade Ally Meet & Greet, Annunciation Catholic Church, A. Philip Randolph Academy of Technology, 2016 Environmental Protection Board Water Education Festival, Tree Planting – Boone Park, Regional Science Fair, United Way RealSense Tax Season Kickoff, Jax Auto Show, ChargeWell Exhibits, Environmental Summit, Bryceville Elementary STEM Night, Greenscape Flowering Tree Sale, Jax Science Festival, JEA Power Pals – RV Daniels Elementary, JEA Power Pals – SP Livingston Elem., and Jr. Achievement – Girls Inc.

Our biggest Ambassador event in March was our booth at the Home and Patio show. Over the course of four days, Ambassadors answer questions about all things JEA—irrigation meters, the best light bulbs to

buy, JEA rebates, and much more. It is a great opportunity for us to come face to face with our customers, answer their questions and build mutual trust and respect.



In February, JEA volunteers assisted with NE Florida Regional Science Fair, DLC Nurse and Learn Center, 26.2 with Donna to Finish Breast Cancer, MathCounts, and Feeding NE Florida Food Bank to help citizens across our community.



NE Florida Regional Science Fair



DLC Nurse and Learn Center



26.2 With Donna to Finish Breast Cancer

In March, JEA volunteers came out in support of Komen Race for the Cure, Gate River Run, Walk to End Lupus, Natural Life Music Festival, HabiJax, Dignity U Wear, St. Johns River Clean-up, and Feeding NE Florida Food Bank.

As a community-owned utility, JEA employees take a great pride in the Ambassador and Volunteer programs and these programs go a long way to tangibly demonstrate to customers and the community the incredible “Heart of JEA.”

Communications Contacts* Generated Year to Date	103,839,447
• Number of Paid Communications Contacts (Radio, Television, Out of Home, Online, Print)	83,489,237
• Number of Other Communications Contacts (Bill Insert, Bill Envelop, Brochure, etc.)	5,413,380
• Number of E-communications Contacts (jea.com Visitors, Email, Social Media, Videos)	14,769,239
• Number of Community Engagement Communications Contacts (Events, Public Speaking, Presentations, Training, Workshops, etc.)	167,591

*Communications Contacts are the opportunities we have to communication information to our customers.



JEA
Building Community
AGENDA ITEM SUMMARY

March 1, 2016

SUBJECT:	POSTPONEMENT OF JEA BOARD OF DIRECTORS WORKSHOP ON SOLAR STRATEGIES
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Purpose:	<input type="checkbox"/> Information Only	<input checked="" type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
-----------------	---	---	---

Issue: During the February 16, 2016 JEA Board Meeting, agenda item III. B. 3. Recommendation to Call a Public Hearing to Add New Customer Rate Options and Implement Administrative Changes to the Electric Tariff Documentation, the Board unanimously approved staff to conduct a workshop on solar strategies at the March 15, 2016 JEA Board Meeting.

Significance: N/A

Effect: Due to scheduling conflicts, postponing the Board Workshop to April 7, 2016 will allow for increased participation by Board Members and will allow staff to provide additional information.

Cost or Benefit: N/A

Recommended Board action: Staff recommends the Board approve the postponement of the JEA Board Workshop on solar strategies from March 15, 2016 to April 7, 2016.

For additional information, contact: **Melissa Dykes**

Submitted by: PEM/MHD/MMC



Commitments to Action

- 1 Earn Customer Loyalty**
- 2 Deliver Business Excellence**
- 3 Develop an Unbeatable Team**



JEA
Building Community
AGENDA ITEM SUMMARY

March 3, 2016

SUBJECT:	ELECTRIC SYSTEM - TEN YEAR SITE PLAN
-----------------	---

Purpose: Information Only Action Required Advice/Direction

Issue: The Florida Public Service Commission (FPSC) requires all Florida electric utilities to file an annual Ten Year Site Plan (TYSP) addressing their respective long term electric system generation plans.

Significance: The FPSC uses this information to ensure that the state has sufficient generation to meet native load, that utilities are prudently planning their systems, and that the state maintains an adequate reserve margin of generation to ensure the reliable supply of electricity.

Effect: Continued, long term supply of reliable and affordable electricity to our customers is a primary goal of this planning effort. Electric System debt is required to fund capital expenditures for new generation projects recommended in the Ten Year Site Plan.

Cost or Benefit: Included in the Capital Investment Plan.

Recommended Board action: No action is required by the Board; this item is submitted for information. Staff is available to answer any questions on the TYSP.

For additional information, contact: Steve McInall, (904) 665-4309

Submitted by: PEM/ MJB/SGM



MISSION
Energizing our community through high-value energy and water solutions.

VISION
JEA is a premier service provider, valued asset and vital partner in advancing our community.

VALUES
• Safety
• Service
• Growth
• Accountability
• Integrity

Commitments to Action

- 1 Earn Customer Loyalty
- 2 Deliver Business Excellence
- 3 Develop an Unbeatable Team

INTER-OFFICE MEMORANDUM

March 3, 2016

SUBJECT: ELECTRIC SYSTEM - TEN YEAR SITE PLAN

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

Each year JEA prepares a Ten Year Site Plan (TYSP) as a required filing of the Florida Public Service Commission (FPSC). The FPSC uses this information to ensure that the state has sufficient generation to meet native load, that utilities are prudently planning their systems, and that the state maintains an adequate reserve margin of generation to ensure the reliable supply of electricity.

DISCUSSION:

One of the key drivers for additional electric system capacity is load growth. JEA annually prepares a peak demand and energy forecast for a ten year planning horizon. On average, JEA peak demand and energy is projected to grow at reduced levels around 0.4 - 0.6% annually over the next ten years. Depending on the strength of the local economic recovery, these projected demand levels could conceivably be even lower.

With our relatively low projected load growth and the resource plan in place from last year, no new generation resources are recommended in this 2016 TYSP. This year's resource plan includes the planned reserve storage (2017) and retirement (2019) of Northside Unit 3, seasonal purchases from The Energy Authority (TEA), the St. John's River Power Park (SJRPP) sales suspension in summer 2019 and the nuclear power purchase agreement with the Municipal Electric Authority of Georgia (MEAG) for our portion of the new Plant Vogtle Units 3 and 4 currently under construction. This plan does not address any system changes that may be required to comply with the EPA Clean Power Plan. The Board approved a Solar Policy in December 2014 calling for an additional 38 MW Solar Photovoltaic (PV). Included in this plan is the 26 MW of additional Solar PV which represents the signed purchased power agreements to-date. Additional proposals to supply the remaining Solar PV are being negotiated.

RECOMMENDATION:

No action is required by the Board; this item is submitted for information. Staff is available to answer any questions on the TYSP.

Paul E. McElroy, Managing Director/CEO

PEM/MJB/SGM



Electric System Ten Year Site Plan 2016 - 2025

Board of Directors Meeting March 15, 2016



Background

TYSP data is due annually to Florida Reliability Coordinating Council (FRCC) in March and is the basis for studies conducted for the state.

TYSP reports from utilities throughout the state are due annually to FPSC on April 1.

- The Florida Public Service Commission (FPSC) is responsible for ensuring that Florida's electric utilities plan, develop, and maintain a coordinated electric power grid throughout the state that ensures electric system reliability and integrity is maintained at a reasonable cost.
- The Ten Year Site Plan (TYSP) provides information and data that will facilitate the FPSC's review.
- JEA's 2016 TYSP provides information related to JEA's power supply strategy to adequately meet the forecasted needs of our customers for the ten year planning period from January 1, 2016 to December 31, 2025.



Ten Year Site Plan Contents

The 2016 TYSP does not address any system changes that may be required in order to comply with EPA's Clean Power Plan (CPP) Rule.

Forward movement of the CPP is delayed due to the Supreme Court's stay which sets in motion a judicial review of the plan.

The TYSP addresses the following topics:

- Existing and Committed Facilities
 - Power Supply System Description
 - Transmission and Distribution
 - Demand Side Management
 - Clean Power and Renewable Energy
- Forecasts and Planning Assumptions
 - Electric Demand and Energy Forecast
 - Plug-in Electric Vehicle (PEV) Forecast
 - Energy Efficiency Forecast
 - Fuel Price Forecast
 - Economic Parameters
- Future Resource Needs



2016 Peak Demand & Energy

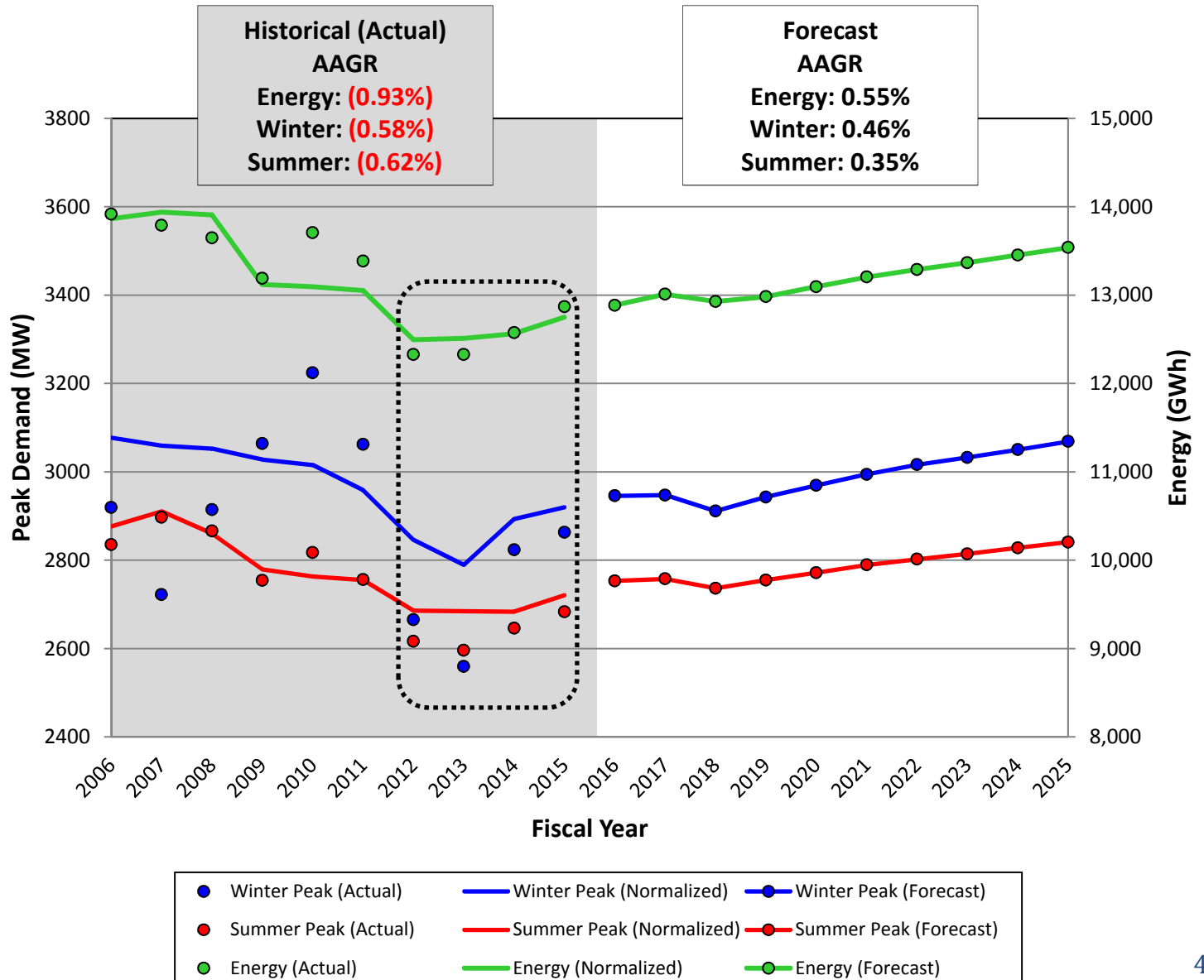
JEA has experienced decline since 2007.

JEA began experiencing a slow recovery starting 2012.

Normalized AAGR*
from 2012 to 2015
Energy: 0.67%
Winter: 0.85%
Summer: 0.43%

The Florida Public Utilities (FPU) wholesale power agreement ends December 2017. Per this agreement, JEA sold 332 GWh and served a peak demand of 92 MW in CY 2015.

*AAGR = Annual Average Growth Rate

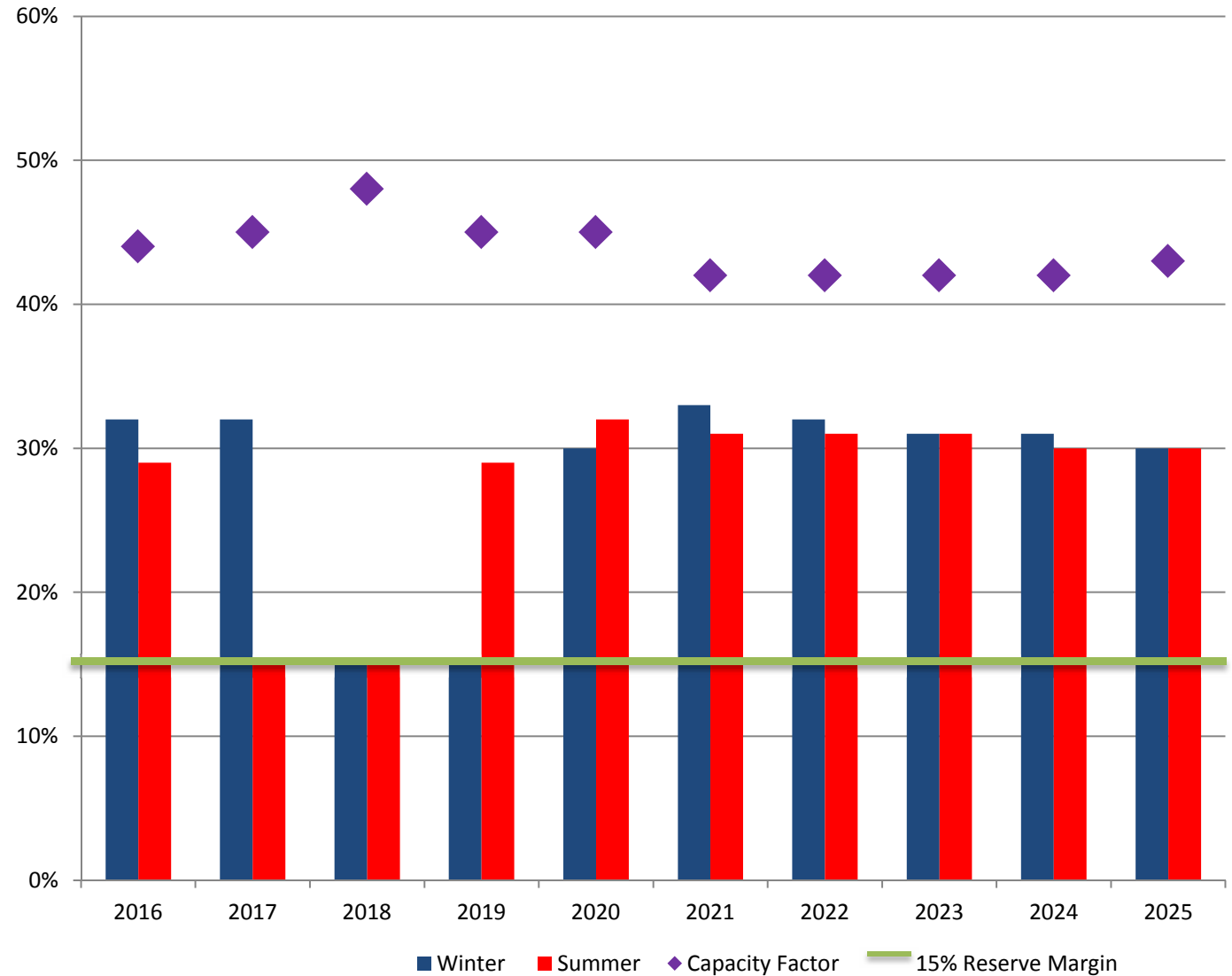




Reserve Margin

Minimum 15 percent reserve margin maintained throughout 10 year planning horizon with seasonal purchases, summers 2017-2018.

No new generation needed to meet load and reserve requirements.

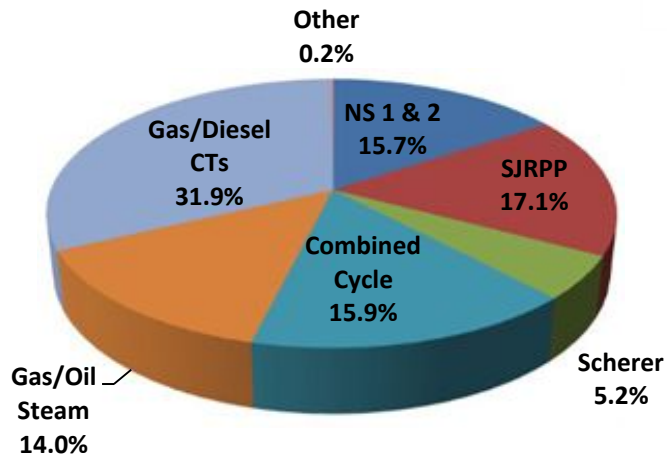




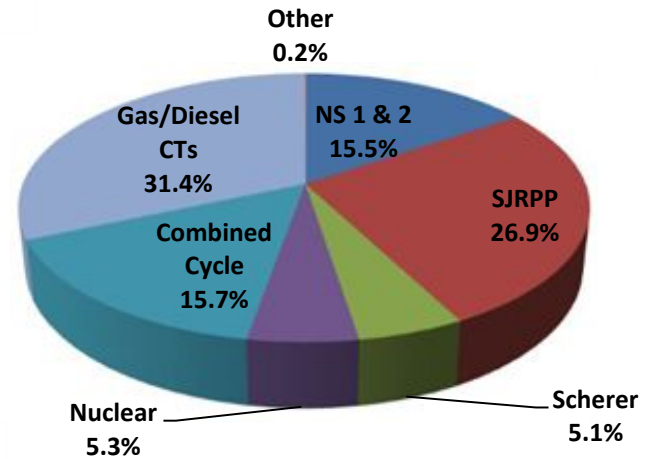
Fuel Mix for Electricity Production

Capacity

2015

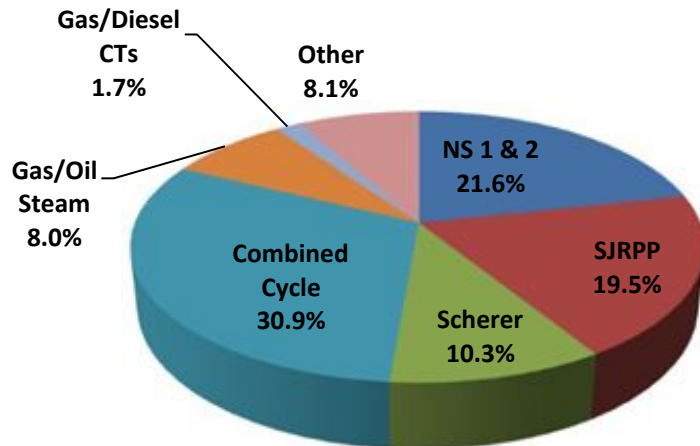


2025

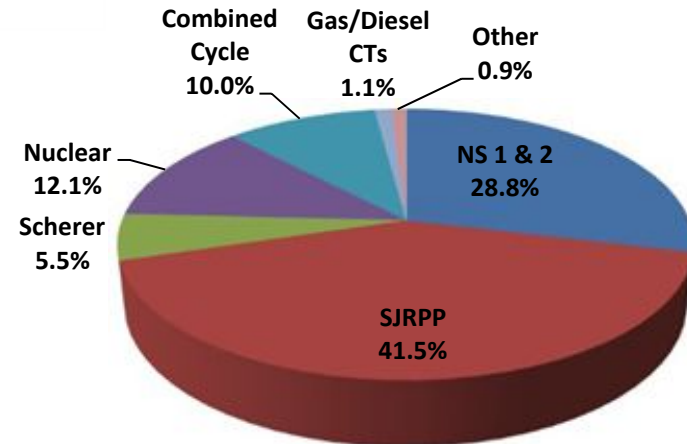


Energy

2015



2025





Generation Reference Plan

<u>Notes</u>	Year	Season	Resource ⁽¹⁾⁽⁵⁾
<p>(1) Continued negotiation of Solar PV proposals; 26 of the 38 MW included in this plan.</p> <p>(2) Northside Unit 3 placed in reserve storage in 2017 & retired in 2019.</p> <p>(3) JEA expects to receive 100 MW in June 2019 & 2020 for a total of 200 MW of net firm nuclear capacity from the units under construction.</p> <p>(4) SJRPP sales return based on JEA's forecast estimates.</p> <p>(5) No changes after 2020 for the balance of the TYSP period.</p>	2016	Winter	
		Summer	
	2017	Winter	
		Summer	Northside Unit 3 Reserve Storage (- 524 MW) ⁽²⁾ TEA Seasonal (3-mo) Purchase (150MW)
	2018	Winter	
		Summer	TEA Seasonal (3-mo) Purchase (100MW)
	2019	Winter	Trail Ridge Contract Expires (- 9 MW)
		Summer	MEAG Plant Vogtle 3 Purchase (100 MW) ⁽³⁾ SJRPP Sale to FPL Suspended (383 MW) ⁽⁴⁾ Northside Unit 3 Retired ⁽²⁾
	2020	Winter	
		Summer	MEAG Plant Vogtle 4 Purchase (100 MW) ⁽³⁾



TEN YEAR SITE PLAN

April 2016

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List of Abbreviations

Type of Generation Units

CA	Combined Cycle – Steam Turbine Portion, Waste Heat Boiler (only)
CC	Combined Cycle
CT	Combined Cycle – Combustion Turbine Portion
GT	Combustion Turbine
FC	Fluidized Bed Combustion
IC	Internal Combustion
ST	Steam Turbine, Boiler, Non-Nuclear

Status of Generation Units

FC	Existing generator planned for conversion to another fuel or energy source
M	Generating unit put in deactivated shutdown status
P	Planned, not under construction
RT	Existing generator scheduled to be retired
RP	Proposed for repowering or life extension
TS	Construction complete, not yet in commercial operation
U	Under construction, less than 50% complete
V	Under construction, more than 50% complete

Types of Fuel

BIT	Bituminous Coal
FO2	No. 2 Fuel Oil
FO6	No. 6 Fuel Oil
MTE	Methane
NG	Natural Gas
SUB	Sub-bituminous Coal
PC	Petroleum Coke
WH	Waste Heat

Fuel Transportation Methods

PL	Pipeline
RR	Railroad
TK	Truck
WA	Water

Introduction

The Florida Public Service Commission (FPSC) is responsible for ensuring that Florida's electric utilities plan, develop, and maintain a coordinated electric power grid throughout the state. The FPSC must also ensure that electric system reliability and integrity is maintained, that adequate electricity at a reasonable cost is provided, and that plant additions are cost-effective. In order to carry out these responsibilities, the FPSC must have information sufficient to assure that an adequate, reliable, and cost-effective supply of electricity is planned and provided.

The Ten-Year Site Plan (TYSP) provides information and data that will facilitate the FPSC's review. This TYSP provides information related to JEA's power supply strategy to adequately meet the forecasted needs of our customers for the planning period from January 1, 2016 to December 31, 2025. This power supply strategy maintains a balance of reliability, environmental stewardship, and low cost to the consumers.

This TYSP does not address any system changes that may be required in order to comply with EPA's Clean Power Plan (CPP) Rule.

1 Description of Existing Facilities

1.1 Power Supply System Description

1.1.1 System Summary

JEA is the eighth largest municipally owned electric utility in the United States in terms of number of customers. JEA's electric service area covers most of Duval County and portions of Clay and St. Johns Counties. JEA's service area covers approximately 900 square miles and serves approximately 450,000 customers.

JEA consists of three financially separate entities: the JEA Electric System, the St. Johns River Power Park bulk power system, and the Robert W. Scherer bulk power system. The total projected net capability of JEA's generation system for 2016 is 4,110 MW for winter and 3,769 MW for summer. Details of the existing facilities are displayed in TYSP Schedule 1.

1.1.1.1 The JEA Electric System

The JEA Electric System consists of generating facilities located on four plant sites within the City of Jacksonville (The City); the J. Dillon Kennedy Generating Station (Kennedy), the Northside Generating Station (Northside), the Brandy Branch Generating Station (Brandy Branch), and the Greenland Energy Center (GEC).

Collectively, these plants consist of two dual-fired (petroleum coke/coal) Circulating Fluidized Bed steam turbine-generator units (Northside steam Units 1 and 2); one dual-fired (oil/gas) steam turbine-generator unit (Northside steam Unit 3); five dual-fired (gas/diesel) combustion turbine-generator units (Kennedy GT7 and GT8, and Brandy Branch GT1, CT2, and CT3); two natural gas-fired combustion turbine-generator units (GEC GT1 and GT2); four diesel-fired combustion turbine-generator units (Northside GTs 3, 4, 5, and 6); and one combined cycle heat recovery steam generator unit (Brandy Branch steam Unit 4). Northside Unit 3 is planned to be placed into reserve storage April 2017 and retired June 2019.

1.1.1.2 The Bulk Power Systems

1.1.1.2.1 St. John's River Power Park

The St. Johns River Power Park (SJRPP) is jointly owned by JEA (80 percent) and Florida Power and Light (20 percent). SJRPP consists of two nominal 638 MW bituminous coal fired units located north of the Northside Generating Station in Jacksonville, Florida. Unit 1 began commercial operation in March 1987 and Unit 2 followed in May 1988. The two units have operated efficiently since commercial operation.

Although JEA is the majority owner of SJRPP, both owners are entitled to 50 percent of the output of SJRPP. Since Florida Power and Light (FPL) ownership is only 20 percent,

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JEA has agreed to sell, and FPL has agreed to purchase, on a “take-or-pay” basis, 37.5 percent of JEA’s 80 percent share of the generating capacity and related energy of SJRPP. This sale will continue until the earlier of the Joint Ownership Agreement expiration in October 2021 or the realization of the sale limits. For the purposes of this Ten Year Site Plan, the 37.5 percent sale to FPL is forecasted to suspend June 2019 based on realization of the sale limits.

1.1.1.2.2 Robert W. Scherer Generating Station

Robert W. Scherer Unit 4 is a coal-fired generating unit with a net output of 846 MW located in Monroe County, Georgia. JEA and FPL have purchased an undivided interest of this unit from Georgia Power Company. JEA has a 23.6 percent ownership interest in Unit 4 (200 net MW) and proportionate ownership interests in associated common facilities and the associated coal stockpile. JEA has firm transmission service for delivering the energy output from this unit to JEA’s system.

1.1.2 Purchased Power

1.1.2.1 Trail Ridge Landfill

In 2006, JEA entered into a purchase power agreement (PPA) with Trail Ridge Energy, LLC (TRE) to receive up to 9 net MW of firm renewable generation capacity utilizing the methane gas from the City’s Trail Ridge landfill located in western Duval County (the “Phase One Purchase”). The TRE gas-to-energy facility began commercial operation December 6, 2008 for a ten year term ending December 2018.

JEA and TRE executed an amendment to this purchase power agreement on March 9, 2011 to include additional capacity. The “Phase Two Purchase” amendment included up to 9 additional net MW. Landfill Energy Systems (LES) has developed the Sarasota County Landfill in Nokomis, Florida (up to 6 net MW) to serve part of this Phase Two agreement. This portion of the Phase Two purchase began February 2015.

1.1.2.2 Jacksonville Solar

In May 2009, JEA entered into a purchase power agreement with Jacksonville Solar, LLC (Jax Solar) to receive up to 15 MW (DC rating) of as-available renewable energy from the solar plant located in western Duval County. The Jacksonville Solar facility consists of approximately 200,000 photovoltaic panels on a 100 acre site and was forecasted to produce an average of 22,340 megawatt-hours (MWh) of electricity per year. The Jacksonville Solar plant began commercial operation at full designed capacity September 30, 2010. Statistics show that approximately half of Jax Solar’s capacity (6 MW – AC rating) can be utilized as a firm contribution to meet JEA’s coincident summer peak demand. Jax Solar generated 20,132 MWh in calendar year 2015.

1.1.2.3 Nuclear Generation

JEA's Board has established targets to acquire 10 percent of JEA's energy requirements from nuclear sources by 2018 and up to 30 percent by 2030. In March 2008, the JEA Board of Directors approved the pursuit of nuclear energy partnerships as part of a strategy for greater regulatory and fuel diversification. Meeting these targets will result in a smaller carbon footprint for JEA's customers.

In June 2008, JEA entered into a 20 year purchase power agreement (PPA) with the Municipal Electric Authority of Georgia (MEAG) for a portion of MEAG's entitlement to Vogtle Units 3 and 4. These two new nuclear units are under construction at the existing Plant Vogtle location in Burke County, GA. Under this PPA, JEA is entitled to a total of 206 MW of firm capacity from these units. After accounting for transmission losses, JEA is anticipating to receive a total of 200 MW of net firm capacity from these units. The current schedule makes available to JEA 100 net MW of capacity beginning June 1, 2019 from Unit 3 and an additional 100 net MW beginning June 1, 2020 from Unit 4. Table 1 lists JEA's current purchased power contracts.

Table 1: JEA Purchased Power Schedule

Contract		Start Date	End Date	MW ⁽¹⁾	Product Type
LES Trail Ridge	I	December 6, 2008	December 5, 2018	9	Annual
	II	February 1, 2014	November 30, 2026	6	Annual
MEAG Plant Vogtle	Unit 3	June 1, 2019	June 1, 2039	100	Annual
	Unit 4	June 1, 2020	June 1, 2040	100	Annual
Jacksonville Solar		September 30, 2010	September 30, 2040	15 ⁽²⁾	Annual

¹ Capacity level may vary over contract term.

² Direct Current (DC) rating.

1.1.2.4 Cogeneration

Cogeneration facilities help meet the energy needs of JEA's system on an as-available, non-firm basis. Since these facilities are considered energy only resources, they are not forecasted to contribute firm capacity to JEA's reserve margin requirements.

Currently, JEA has contracts with one customer-owned qualifying facility (QF), as defined in the Public Utilities Regulatory Policy Act of 1978. Anheuser Busch has a total installed summer rated capacity of 8 MW and winter rated capacity of 9 MW.

In 2014, JEA established a Distributed Generation (DG) Policy which provides requirements for customer-owned electric generators connecting to the JEA electric grid. This policy is applicable to all nonrenewable customer-owned generation, and to all renewable customer-owned generation that does not qualify under the JEA Net Metering

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Policy. All systems under this policy will fall into one of the following gross power rating categories:

- DG-1 – Nonrenewable < 50 kW
- DG-2 – Nonrenewable 50 kW ≤ DG ≤ 2 MW
- DG-3D – All over 2 MW with distribution level connection to JEA
- DG-3T – All DG over 2 MW with transmission level connection to JEA

Purchase power agreements are required to connect to JEA under this policy and pricing is based on the category of subscription which is also defined in this policy.

1.1.3 Power Sales Agreements

1.1.3.1 Florida Public Utilities Company

JEA furnishes wholesale power to Florida Public Utilities Company (FPU) for resale to the City of Fernandina Beach in Nassau County, north of Jacksonville. In September 2006, JEA and FPU entered into a 10 year agreement for JEA to supply FPU all of their system energy requirements which began January 1, 2008. This agreement will end December 31, 2017. Calendar year 2015 sales to FPU totaled 332 GWh, 2.6 percent of JEA's total system energy requirement.

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Schedule 1: Existing Generating Facilities

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Plant Name	Unit Number	Location	Unit Type	Fuel Type		Fuel Transport		Commercial In-Service	Expected Retirement	Gen Max Nameplate (b) kW	Net MW Capability		Ownership	Status
				Primary	Alt.	Primary	Alt.	Mo/Yr	Mo/Yr		Summer	Winter		
Kennedy										<u>407,600</u>	<u>300</u>	<u>382</u>		
	7	12-031	GT	NG	FO2	PL	WA	6/2000	(a)	203,800	150	191	Utility	
	8	12-031	GT	NG	FO2	PL	WA	6/2009	(a)	203,800	150	191	Utility	
Northside										<u>1,512,100</u>	<u>1,322</u>	<u>1,356</u>		
	1	12-031	ST	PC	BIT	WA	RR	5/2003	(a)	350,000	293	293	Utility	
	2	12-031	ST	PC	BIT	WA	RR	4/2003	(a)	350,000	293	293	Utility	
	3	12-031	ST	NG	FO6	PL	WA	7/1977	06/01/2019	563,700	524	524	Utility	(c)
	33-36	12-031	GT	FO2		WA	TK	1/1975	(a)	248,400	212	246	Utility	
Brandy Branch										<u>879,800</u>	<u>651</u>	<u>786</u>		
	1	12-031	GT	NG	FO2	PL	TK	5/2001	(a)	203,800	150	191	Utility	
	2	12-031	CT	NG	FO2	PL	TK	5/2001	(a)	203,800	150	186	Utility	
	3	12-031	CT	NG	FO2	PL	TK	10/2001	(a)	203,800	150	186	Utility	
	4	12-031	CA	WH				1/2005	(a)	268,400	201	223	Utility	
Greenland Energy Center										<u>406,600</u>	<u>300</u>	<u>372</u>		
	1	12-031	GT	NG		PL		6/2011	(a)	203,800	150	186	Utility	
	2	12-031	GT	NG		PL		6/2011	(a)	203,800	150	186	Utility	
St. Johns River Power Park										<u>1,359,200</u>	<u>1,002</u>	<u>1,020</u>		
	1	12-031	ST	BIT	PC	RR	WA	3/1987	(a)	679,600	501	510	Joint	(d)
	2	12-031	ST	BIT	PC	RR	WA	5/1988	(a)	679,600	501	510	Joint	(d)
Scherer														
	4	13-207	ST	BIT		RR		2/1989	(a)	990,000	194	194	Joint	(e)
JEA System Total											3,769	4,110		(f)

Notes:

- (a) Units expected to be maintained throughout the TYSP period.
- (b) Generator Max Nameplate is total unit not ownership.
- (c) Scheduled for reserve storage April 2017 and then retirement June 2019.
- (d) Net capability reflects JEA's 80% ownership of Power Park.
- (e) Net capability reflects JEA's 23.64% ownership in Scherer 4.
- (f) Numbers may not add due to rounding.

1.2 Transmission and Distribution

1.2.1 Transmission and Interconnections

The JEA transmission system consists of 745 circuit-miles of bulk power transmission facilities operating at four voltage levels: 69 kV, 138 kV, 230 kV, and 500 kV.

The 500 kV transmission lines are jointly owned by JEA and FPL and complete the path, from FPL's Duval substation (to the west of JEA's system) to the Florida interconnect at the Georgia Integrated Transmission System (ITS). Along with JEA and FPL, Duke Energy Florida, and the City of Tallahassee each own transmission interconnections with the Georgia ITS. JEA's import entitlement over these transmission lines is 1,228 MW out of 3,700 MW.

The 230 kV and 138 kV transmission system provides a backbone around JEA's service territory, with one river crossing in the north and no river crossings in the south, leaving an open loop. The 69 kV transmission system extends from JEA's core urban load center to the northwest, northeast, east, and southwest to fill in the area not covered by the 230 kV and 138 kV transmission backbone.

JEA owns and operates four 230 kV tie-lines terminating at FPL's Duval substation in Duval County, one 230 kV tie-line terminating at FPL's Sampson substation (FPL metered tie-line) in St. Johns County, one 230 kV tie-line terminating at Seminole Electric Cooperative Incorporated's (SECI) Black Creek substation in Clay County, one 138 kV tie-line connecting Cedar Bay, an IPP located within JEA's bulk electric system, and one 138 kV interconnection with Beaches Energy Services' at JEA's Neptune Substation. This tie-line is owned and operated by Beaches Energy.

JEA also owns and operates a 138 kV transmission loop that extends from the 138 kV backbone north to the Nassau substation, where JEA delivers wholesale power to FPU for resale within the City of Fernandina Beach, Nassau County, Florida.

1.2.2 Transmission System Considerations

JEA continues to evaluate and upgrade the bulk power transmission system as necessary to provide reliable electric service to its customers. In compliance with North American Electric Reliability Corporation (NERC) and Florida Reliability Coordinating Council's (FRCC) standards, JEA continually assesses the needs and options for increasing the capability of the transmission system.

JEA performs system assessments using JEA's published Transmission Planning Process in conjunction with and as an integral part of the FRCC's published Regional Transmission Planning Process. FRCC's published Regional Transmission Planning Process facilitates coordinated planning by all transmission providers, owners, and

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stakeholders within the FRCC Region. FRCC’s members include investor owned utilities, municipal utilities, a federal power agency, power marketers, and independent power producers. The FRCC Board of Directors has the responsibility to ensure that the FRCC Regional Transmission Planning Process is fully implemented. The FRCC Planning Committee, which includes representation by all FRCC members, directs the FRCC Transmission Working Group, in conjunction with the FRCC Staff, to conduct the necessary studies to fully implement the FRCC Regional Transmission Planning Process. The FRCC Regional Transmission Planning Process meets the principles of the Federal Energy Regulatory Commission (FERC) Final Rule in Docket No. RM05-35-000 for: (1) coordination, (2) openness, (3) transparency, (4) information exchange, (5) comparability, (6) dispute resolution, (7) regional coordination, (8) economic planning studies, and (9) cost allocation for new projects.

1.2.3 Transmission Service Requirements

In addition to the obligation to serve native retail territorial load, JEA also has contractual obligations to provide transmission service for:

- the delivery of FPL’s share of SJRPP energy output from the plant to FPL’s interconnections
- the delivery of Cedar Bay’s energy output from the plant to FPL’s interconnections; FPL has purchased Cedar Bay and will retire the generation after winter 2016/2017
- the delivery of backup, non-firm, as-available tie capability for the Beaches Energy System

JEA also engages in market transmission service obligations via the Open Access Same-time Information System (OASIS) where daily, weekly, monthly, and annual firm and non-firm transmission requests are submitted by potential transmission service subscribers.

1.2.4 Distribution

The JEA distribution system operates at three primary voltage levels (4.16 kV, 13.2 kV, and 26.4 kV). The 26.4 kV system serves approximately 86 percent of JEA’s load, including 75 percent of the 4.16 kV substations. The current standard is to serve all new distribution loads, except loads in the downtown network, with 26.4 kV systems. JEA has approximately 6600 miles of distribution circuits of which more than half is underground.

1.3 Demand Side Management

1.3.1 Interruptible Load

JEA currently offers Interruptible and Curtailable Service to eligible industrial class customers with peak demands of 750 kW or higher. Customers who subscribe to the Interruptible Service are subject to interruption of their full nominated load during times of system emergencies, including supply shortages. Customers who subscribe to the Curtailable Service may elect to voluntarily curtail portions of their nominated load based on economic incentives. For the purposes of JEA's planning reserve requirements, only customer load nominated for Interruptible Service is treated as non-firm. This non-firm load reduces the need for capacity planning reserves to meet peak demands. JEA forecasts 109 MW and 110 MW of interruptible peak load in the summer and winter, respectively, and remains constant throughout the study period. For 2016, the interruptible load represents 3.7 percent of the total peak demand in the winter and 3.9 percent of the forecasted total peak demand in the summer.

1.3.2 Demand-Side Management Programs

JEA continues to pursue a greater implementation of demand-side management programs where economically beneficial and to meet JEA's Florida Energy Efficiency and Conservation Act (FEECA) goals. JEA's demand-side management programs focus on improving the efficiency of customer end uses as well as improving the system load factor. To encourage efficient customer usage, JEA offers customers both education and economic incentives on more efficient end use technologies. For load factor improvement, JEA is in the planning stage of a Demand Rate Pilot program with the intent of reducing peaks for both residential and small commercial customers. Electrification programs include on-road and off-road vehicles, forklifts, cranes and other industrial process technologies. JEA's forecast of annual incremental demand and energy reductions due to its current DSM energy efficiency programs is shown in Table 2. The Demand Rate Pilot program is in early development, and as such impacts are not reflected in Table 2. JEA's current and planned DSM programs are summarized by commercial and residential programs in Table 3.

Table 2: DSM Portfolio – Energy Efficiency Programs

ANNUAL INCREMENTAL		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual Energy (GWh)	Residential	13.1	13.1	13.1	13.1	13.1	13.1	13.1	13.1	13.1	13.1
	Commercial	13.3	13.3	13.3	13.3	13.3	13.3	13.3	13.3	13.3	13.3
	Total	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4	26.4
Summer Peak (MW)	Residential	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
	Commercial	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
	Total	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Winter Peak (MW)	Residential	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
	Commercial	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
	Total	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7

Table 3: DSM Programs

Commercial Programs	Residential Programs
Commercial Energy Audit Program	Residential Energy Audit Program
Commercial Energy Efficient Products	Residential Energy Efficient Products
Commercial Prescriptive Program	Residential New Build
Custom Commercial Program	Residential Solar Water Heating
Commercial Solar Net Metering	Residential Solar Net Metering
Small Business Direct Install Program	Neighborhood Efficiency Program
Off-Road Electrification	Residential Efficiency Upgrade
Demand Rate Pilot (In Planning)	Electric Vehicles
	Demand Rate Pilot (In Planning)

1.4 Clean Power and Renewable Energy

JEA continues to investigate economic opportunities to incorporate clean power and renewable energy into JEA's power supply portfolio. To that end, JEA has implemented several clean power and renewable energy initiatives and continues to evaluate potential new initiatives.

1.4.1 Clean Power Program

Since 1999, JEA has worked with the Sierra Club of Northeast Florida (Sierra Club), the American Lung Association (ALA), and local environmental groups through routine Clean Power Program meetings, as established in JEA's "Clean Power Action Plan". The

“Clean Power Action Plan” has an Advisory Panel which is comprised of participants from the Jacksonville community. These local members provide guidance and recommendations to JEA in the development and implementation of the Clean Power Program.

JEA has made considerable progress related to clean power initiatives. This progress includes installation of clean power systems, unit efficiency improvements, commitment to purchase power agreements (including nuclear power), legislative and public education activities, and research into and development of clean power technologies.

1.4.2 Renewable Energy

In 2005, JEA received a Sierra Club Clean Power Award for its voluntary commitment to increasing the use of solar, wind and other renewable or green power sources. Since that time, JEA has implemented new renewable energy projects and continues to explore additional opportunities to increase its utilization of renewable energy. In addition, JEA has issued several Requests for Proposals (RFPs) for renewable energy resources that have resulted in new resources for JEA’s portfolio. As further discussed below, JEA’s existing renewable energy sources include installation of solar photovoltaic (PV), solar thermal, and landfill and wastewater treatment biogas capacity.

1.4.2.1 Solar and the Solar Incentive

JEA has installed 35 solar PV systems, totaling 222 kW, on public high schools in Duval County, as well as many of JEA’s facilities, and the Jacksonville International Airport. To further promote the acceptance and installation of solar energy systems, JEA implemented the Solar Incentive Program in early 2002. This program continues to provide rebates for the installation of solar thermal systems.

In addition to the solar thermal system incentive program, JEA established a residential net metering program to encourage the use of customer-sited solar PV systems, which was revised as the Tier 1 & 2 Net Metering policy in 2009, to include all customer-owned renewable generation systems up to and equal to 100 kW. In 2011, JEA established the Tier 3 Net Metering Policy for customer-owned renewable generation systems greater than 100 kW up to 2 MW. The 2014 updated policy defines Tier 1 as 10 kW or less, Tier 2 as greater than 10 kW – 100 kW, and Tier 3 as greater than 100 kW – 2 MW. All customer-owned generation in excess of 2 MW is addressed in JEA’s Distributed Generation Policy (see Section 1.1.2.4 Cogeneration).

JEA signed a purchase power agreement with Jacksonville Solar, LLC in May 2009 to provide energy from a 15.0 MW DC rated solar farm, which began operation in summer 2010 (see Section 1.1.2.2 Jacksonville Solar).

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In 2014, JEA’s Board approved a Solar Photovoltaic Policy that supports up to 38 additional MW (AC) by the end of calendar year 2016. When fully subscribed, this will bring JEA’s solar portfolio to 50 MW. The additional energy will be acquired through Purchase Power Agreements.

In December 2014, JEA issued a Solar PV Request for Proposal (RFP) and received bids in February 2015. In 2015, JEA awarded a total of 31.5 MW of solar PV power purchase contracts with terms of 20-25 years to various vendors. Agreements have been finalized for five projects for a total of 25.5 MW. JEA is still in contract negotiations over two projects from this RFP for 6 MWs total. Other projects are also under review.

Project	MW_{AC}
Blair Site Solar	4
Imeson Solar Farm	5
Montgomery Solar Farm	7
Old Plank Road Solar Farm	3
Simmons Road Solar	2
Soutel Solar	1
Starratt Solar	5
SunE Solar Farm	4.5

1.4.2.2 Landfill Gas and Biogas

JEA owned three internal combustion engine generators located at the Girvin Road landfill. This facility was placed into service in July 1997, and has been fueled by the methane gas produced by the landfill. The facility originally had four generators, with an aggregate net capacity of 3 MW. Since that time, gas generation has declined and one generator was removed and placed into service at the Buckman Wastewater Treatment facility and Girvin was decommissioned in 2014.

The JEA Buckman Wastewater Treatment Plant previously dewatered and incinerated the sludge from the treatment process and disposed of the ash in a landfill. The current facility manages the sludge using three anaerobic digesters and one sludge dryer to produce a pelletized fertilizer product. The methane gas from the digesters can be used as a fuel for the sludge dryer and for the on-site 800 kW generator.

JEA signed a Power Purchase Agreement with Trail Ridge Energy, LLC (TRE) in 2006 (Phase One) and executed an amendment to the Power Purchase Agreement in 2011 (Phase Two) to purchase 9 net MW each phase from a gas-to-energy facility. LES has developed the Sarasota County Landfill in Nokomis, Florida (up to 6 net MW) to serve

part of this Phase Two agreement. This portion of the Phase Two purchase began February 2015 (see Section 1.1.2.1 Trail Ridge Landfill).

1.4.2.3 Wind

As part of its ongoing effort to utilize more sources of renewable energy, in 2004 JEA entered into a 20 year agreement with Nebraska Public Power District (NPPD) to participate in a wind generation project located in Ainsworth, Nebraska. JEA's participation in NPPD's wind generation project allows JEA to receive environmental credits (green tags) associated with this green power project. Under the wind generation agreement, JEA purchases 10 MW of capacity from NPPD's wind generation facility. In turn, NPPD buys back the energy at specified on and off peak charges. With the expansion of JEA's renewable portfolio within the State of Florida, additional landfill gas generation and new solar facilities, JEA exercised its right and sole discretion to terminate this contract pursuant to the Wind Generation Agreement between NPPD and JEA dated October 28, 2004. JEA's formal notice of an April 30, 2017 termination was issued and accepted by NPPD.

1.4.2.4 Biomass

In a continuing effort to obtain cost-effective biomass generation, JEA completed a detailed feasibility study of both self-build stand-alone biomass units and the co-firing of biomass in Northside 1 and 2. The JEA self-build projects would not have been eligible for the federal tax credits afforded to developers. The co-firing alternative for Northside 1 and 2 considered potential reliability issues associated with both of those units. Even though the price of petroleum coke has been volatile in recent past, petroleum coke prices are still forecasted to be lower than the cost of biomass on an as-fired basis. In addition, JEA conducted an analytical evaluation of specific biomass fuel types to determine the possibility of conducting a co-firing test in Northside 1 or 2.

In 2011, JEA commenced co-firing biomass in the Northside Units 1 and 2, utilizing wood chips from JEA tree trimming activities as a biomass energy source. Northside 1 and 2 produced a total of 2,154 MWh of energy from wood chips during 2011 and 2012. JEA has received bids from local sources to provide sized biomass for potential use for Northside Units 1 and 2. Currently, no biomass is being co-fired in Northside Units 1 and 2.

1.4.2.5 Research Efforts

Many of Florida's renewable resources such as offshore wind, tidal, and energy crops require additional research and development before they can be implemented as large-scale power generating technologies. JEA's renewable energy research efforts have focused on the development of these technologies through a partnership with the

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University of North Florida's (UNF) Engineering Department. In the past, UNF and JEA have worked on the following projects:

- JEA has worked with the UNF to quantify the winter peak reductions of solar hot water systems.
- UNF, in association with the University of Florida, has evaluated the effect of biodiesel fuel in a utility-scale combustion turbine. Biodiesel has been extensively tested on diesel engines, but combustion turbine testing has been very limited.
- UNF has evaluated the tidal hydro-electric potential for North Florida, particularly in the Intracoastal Waterway, where small proto-type turbines have been tested.
- JEA, UNF, and other Florida municipal utilities partnered on a grant proposal to the Florida Department of Environmental Protection to evaluate the potential for offshore wind development in Florida.
- JEA has also provided solar PV equipment to UNF for installation of a solar system at the UNF Engineering Building to be used for student education.

In addition,

- JEA developed a 15 acre biomass energy farm where the energy yields of various hardwoods and grasses were evaluated over a 3 year period.
- JEA participated in the research of a high temperature solar collector that has the potential for application to electric generation or air conditioning.
- Through Florida State University (FSU), JEA participated in The Sunshine State Solar Grid Initiative (SUNGRIN) which was a five-year project (2010-2015) funded under the DOE Solar Energy Technologies Program (SETP), Systems Integration (SI) Subprogram, High Penetration Solar Deployment Projects. The goal of the SUNGRIN project, which started in Spring 2010, was to gain significant insight into effects of high-penetration levels of solar PV systems in the power grid, through simulation-assisted research and development involving a technically varied and geographically dispersed set of real-world test cases within the Florida grid. JEA provided FSU with data from the output of Jacksonville Solar project.

1.4.2.6 Generation Efficiency and New Natural Gas Generation

In the late 1990's, JEA began to modernize its natural gas/oil fleet of generating units by replacing inefficient steam units and inefficient combustion turbine units with more efficient natural gas fired combustion turbines and combined cycle units. The retirement of units and their replacement with an efficient combined cycle unit and efficient simple cycle combustion turbines at Brandy Branch, Kennedy, and Greenland Energy Center significantly reduces CO₂ emissions.

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1.4.2.7 Renewable Energy Credits

JEA makes all environmental attributes from renewable facilities available to sell in order to lower rates for our customers. JEA has sold environmental credits for specified periods.

2 Forecast of Electric Power Demand and Energy Consumption

Annually, JEA develops forecasts of seasonal peaks demand, net energy for load (NEL), interruptible customer demand, demand-side management (DSM), and the impact of plug-in electric vehicles (PEVs). JEA removes from the total load forecast all seasonal, coincidental non-firm sources and adds sources of additional demand to derive a firm load forecast.

JEA uses National Oceanic and Atmospheric Administration (NOAA) Weather Station - Jacksonville International Airport for the weather parameters, Moody's Analytics' economic parameters for Duval County, JEA's existing and new applications for residential meters to determine Residential vacancy rates and CBRE Jacksonville for Commercial and Industrial (C&I) vacancy rates. JEA develops its annual forecast using SAS and Microsoft Office Excel.

JEA uses 2006 as the starting point for the forecast model. In 2006, unemployment rate and vacancy rate in Duval County were at their lowest. JEA's 2015 baseline forecast uses 10-years of historical data (2006 to 2015), which captures the time period before, during and after the 2008/09 economic recession. JEA uses shorter periods to capture more of the recent trends in customer behavior, energy efficiency and conservation. These trends are captured in the actual data and used to forecast projections.

2.1 Peak Demand Forecast

JEA normalizes its historical seasonal peaks using historical maximum and minimum temperatures, 97°F for the summer peak and 24°F as the normal temperature for the winter peak. JEA develops the seasonal peak forecasts using multiple regression analysis of normalized historical seasonal peaks, residential and C&I historical and forecasted energy for Winter/Summer peak months, last 72 heating degree hours leading to the winter peak and last 48 cooling degree hours leading to the summer peak. JEA's forecasted Average Annual Growth Rate (AAGR) for total peak demand during the TYSP period is 0.41 percent for summer and 0.48 percent for winter, which reflects the expiration of FPU's wholesale agreement beginning 2018.

2.2 Energy Forecast

JEA develops its energy forecast using 20-year historical average heating and cooling degree days. The residential energy forecast was modeled using multiple regression analysis of weather-adjusted historical residential energy consumption, medium household income, disposable income, labor force, unemployment rate for Duval County, residential vacancy rate and residential electric rate. Similarly, the commercial energy forecast was modeled using multiple regression analysis of weather-adjusted historical commercial energy consumption, total number of commercial industries employment, total retail sales, gross product, commercial vacancy rate and commercial electric rates. Industrial energy forecast was modeled using

multiple regression analysis of weather-adjusted historical industrial energy consumption, total number of industrial employment, proprietors' profits, total retail sales, gross product, industrial vacancy rates and industrial electric rates. JEA's forecasted AAGR for net energy for load during the TYSP period is 0.35 percent, which reflects the expiration FPU's wholesale agreement beginning 2018.

Figure 1: Summer Peak Demand History & Forecast

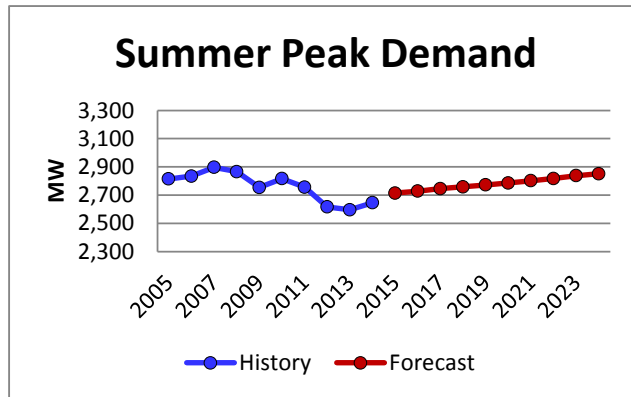


Figure 2: Winter Peak Demand History & Forecast

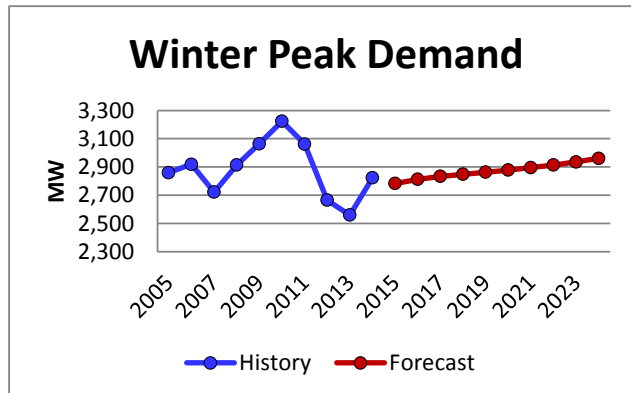
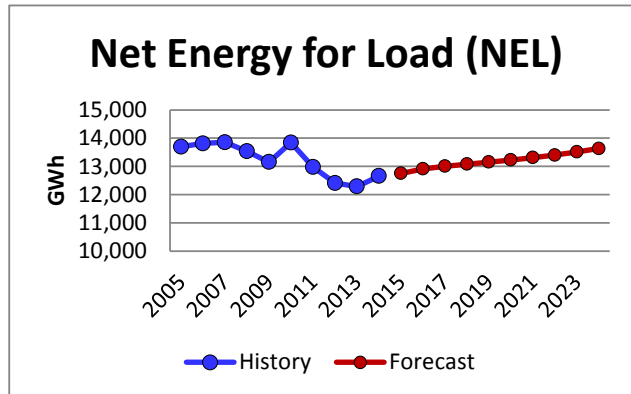


Figure 3: Net Energy for Load History & Forecast

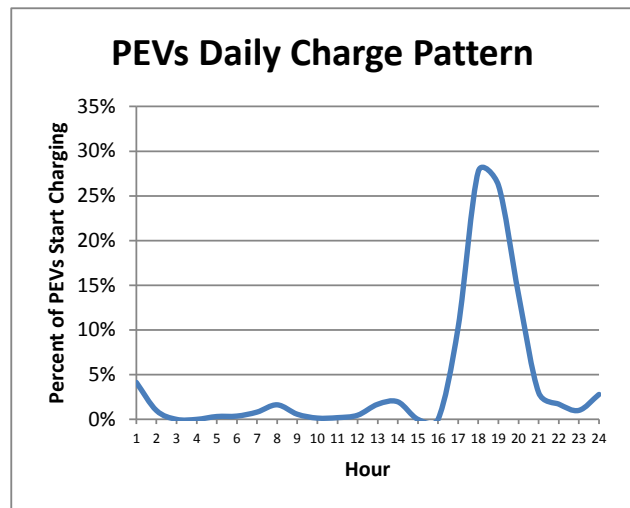


2.3 Plug-in Electric Vehicle Peak Demand and Energy

The PEV demand and energy forecast is developed using the historical number of PEVs in Duval County obtained from Florida Department of Highway Safety and Motor Vehicles (DHSMV) and the historical number of vehicles in Duval County from the U.S. Census Bureau.

JEA forecasted the numbers of vehicles in Duval County using regression analysis of historical and forecasted Duval Population, Medium Household Income and Disposable Income from Moody's Analytics. The forecasted number of PEVs is modeled by using regression analysis of the number of vehicles and the U.S. Energy Information Administration (EIA) Annual Energy Outlook (AEO) 2015 average motor gasoline price.

The usable battery capacity per vehicle were developed based on the current plug-in vehicle models in Duval County, such as from BMW, General Motors' Chevrolet and Cadillac, Fisker Ford, Mitsubishi, Nissan, Porsche, Tesla and Toyota. The usable battery capacity is calculated using the average of each brand's vehicle. The forecast assumes the usable battery capacity per vehicle grows by 1 kWh per year thereafter. Similarly, the peak capacity is determined based on the average on-board charging rate of each brand's vehicle. The forecasted peak capacity per vehicle grows by 0.35 kW per year.



JEA developed the PEV daily charge pattern based on the U.S. Census 2013 American Community Survey (ACS-13) for time of arrival to work and travel time to work for Duval County. The baseline forecast assumes that charging will be once per day and uncontrolled charging.

The PEV peak demand forecast is developed using the on-board charge rate for each model, the PEV daily charge pattern and the total number of PEVs each year. Whereas, the PEV energy forecast is the annual summation of hourly demand.

JEA's forecasted AAGR for PEV winter, coincidental peak demand is 27.5 percent and summer, coincidental peak demand is 27.5 percent and total energy is 26.9 percent during the TYSP period.

**JEA
2016 Ten Year Site Plan**

Forecast of Electric Power & Energy Consumption

Schedule 2.1: History and Forecast of Energy Consumption and Number of Customers by Class

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Year	Rural and Residential			Commercial			Industrial		
	GWH Sales	Average Number of Customers	Average kWh/ Customer	GWH Sales	Average Number of Customers	Average kWh/ Customer	GWH Sales	Average Number of Customers	Average kWh/ Customer
2006	5,596	358,918	15,591	4,060	42,119	96,392	2,849	222	12,855,251
2007	5,507	365,363	15,072	4,399	44,489	98,887	2,630	225	11,671,666
2008	5,307	365,872	14,506	4,040	45,093	89,591	2,948	231	12,776,809
2009	5,319	368,111	14,448	4,024	45,748	87,957	2,643	226	11,692,820
2010	5,747	369,051	15,572	4,071	46,192	88,137	2,720	223	12,192,004
2011	5,237	369,761	14,163	3,927	46,605	84,255	2,682	215	12,468,380
2012	4,880	372,430	13,102	3,852	47,127	81,735	2,598	218	11,906,357
2013	4,852	377,326	12,860	3,777	47,691	79,204	2,589	219	11,812,944
2014	5,162	383,998	13,443	3,882	49,364	78,642	2,564	215	11,951,824
2015	5,197	391,219	13,285	4,001	50,821	78,733	2,579	207	12,438,487
2016	5,202	398,245	13,062	4,020	51,744	77,688	2,619	203	12,903,431
2017	5,231	404,806	12,923	4,053	52,561	77,104	2,658	204	13,029,816
2018	5,281	410,842	12,853	4,090	53,379	76,620	2,685	204	13,161,505
2019	5,324	416,636	12,779	4,123	54,197	76,077	2,691	205	13,127,824
2020	5,376	422,775	12,716	4,152	55,015	75,464	2,692	205	13,132,752
2021	5,432	429,301	12,653	4,176	55,833	74,796	2,685	205	13,096,826
2022	5,485	435,959	12,581	4,193	56,652	74,014	2,668	204	13,076,970
2023	5,538	442,555	12,514	4,206	57,471	73,192	2,650	204	12,991,725
2024	5,594	448,831	12,462	4,221	58,290	72,421	2,634	203	12,977,666
2025	5,650	454,682	12,426	4,236	59,109	71,671	2,619	203	12,902,529

**JEA
2016 Ten Year Site Plan**

Forecast of Electric Power & Energy Consumption

Schedule 2.2: History and Forecast of Energy Consumption and Number of Customers by Class

Year	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
	Street & Highway Lighting	Other Sales to Ultimate Customers	Total Sales to Ultimate Customers	Sales For Resale	Utility Use & Losses	Net Energy For Load	Other Customers	Total Number of Customers
	GWH	GWH	GWH	GWH	GWH	GWH	(Avg. Number)	
2006	111	0	12,616	701	494	13,811	2	401,261
2007	113	0	12,649	673	531	13,854	6	410,083
2008	117	0	12,413	619	499	13,531	5	411,200
2009	120	0	12,105	591	458	13,155	2	414,086
2010	122	0	12,660	617	569	13,846	2	415,468
2011	123	0	11,968	500	512	12,980	2	416,583
2012	123	0	11,452	423	537	12,411	2	419,777
2013	122	0	11,340	395	550	12,286	2	425,238
2014	105	0	11,713	472	472	12,656	2	433,578
2015	87	0	11,864	392	612	12,868	2	442,249
2016	89	0	11,930	397	555	12,883	2	450,194
2017	89	0	12,031	401	560	12,993	2	457,573
2018	90	0	12,145	111	557	12,813	1	464,426
2019	90	0	12,229	111	561	12,901	1	471,039
2020	90	0	12,310	112	565	12,987	1	477,996
2021	90	0	12,383	113	569	13,065	1	485,340
2022	90	0	12,436	113	573	13,122	1	492,816
2023	90	0	12,485	114	576	13,175	1	500,231
2024	90	0	12,540	114	579	13,233	1	507,325
2025	91	0	12,596	115	583	13,294	1	513,995

Schedule 3.1: History and Forecast of Summer Peak Demand

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)				(12)
Calendar Year	Total Demand	Interruptible Load	PEV & Electrification	Load Management		QF Load Served by QF Generation	Cumulative Conservation		Net Firm Peak Demand	Time Of Peak				
				Residential	Comm/Ind.		Residential	Comm/Ind.		Month	Day	H.E.	Temp	
2006	2,835	0	0	0	0	0	0	0	2,835	8	4	1700	97	
2007	2,897	0	0	0	0	0	0	0	2,897	8	7	1700	97	
2008	2,866	0	0	0	0	0	0	0	2,866	8	7	1600	96	
2009	2,754	0	0	0	0	0	0	0	2,754	6	22	1600	98	
2010	2,817	0	0	0	0	0	0	0	2,817	6	18	1700	102	
2011	2,756	0	0	0	0	0	0	0	2,756	8	11	1700	98	
2012	2,616	0	0	0	0	0	0	0	2,616	7	25	1700	95	
2013	2,596	0	0	0	0	0	0	0	2,596	8	14	1600	93	
2014	2,646	0	0	0	0	0	0	0	2,646	8	22	1600	99	
2015	2,683	0	0	0	0	0	0	0	2,683	6	17	1600	97	
2016	2,748	109	5	0	0	0	4	3	2,638	---	---	---	----	
2017	2,749	109	8	0	0	0	7	5	2,636	---	---	---	----	
2018	2,725	109	11	0	0	0	11	8	2,609	---	---	---	----	
2019	2,742	109	13	0	0	0	14	10	2,622	---	---	---	----	
2020	2,757	109	14	0	0	0	18	13	2,632	---	---	---	----	
2021	2,774	109	15	0	0	0	21	15	2,644	---	---	---	----	
2022	2,786	109	16	0	0	0	25	18	2,651	---	---	---	----	
2023	2,797	109	17	0	0	0	28	20	2,657	---	---	---	----	
2024	2,811	109	18	0	0	0	32	23	2,664	---	---	---	----	
2025	2,824	109	19	0	0	0	36	26	2,671	---	---	---	----	

Note: All projections coincident at time of peak.

Schedule 3.2: History and Forecast of Winter Peak Demand

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)				(12)
Calendar Year	Total Demand	Interruptible Load	PEV & Electrification	Load Management		QF Load Served by QF Generation	Cumulative Conservation		Net Firm Peak Demand	Time Of Peak				
				Residential	Comm/Ind.		Residential	Comm/Ind.		Month	Day	H.E.	Temp	
2006	2,919	0	0	0	0	0	0	0	2,919	2	14	800	26	
2007	2,722	0	0	0	0	0	0	0	2,722	1	30	800	28	
2008	2,914	0	0	0	0	0	0	0	2,914	1	3	800	25	
2009	3,064	0	0	0	0	0	0	0	3,064	2	6	800	23	
2010	3,224	0	0	0	0	0	0	0	3,224	1	11	800	20	
2011	3,062	0	0	0	0	0	0	0	3,062	1	14	800	23	
2012	2,665	0	0	0	0	0	0	0	2,665	1	4	800	22	
2013	2,559	0	0	0	0	0	0	0	2,559	2	18	800	24	
2014	2,823	0	0	0	0	0	0	0	2,823	1	7	800	22	
2015	2,863	0	0	0	0	0	0	0	2,863	2	20	800	24	
2016	2,942	110	3	0	0	0	2	2	2,831	---	---	---	----	
2017	2,941	110	6	0	0	0	5	3	2,829	---	---	---	----	
2018	2,904	110	7	0	0	0	7	5	2,788	---	---	---	----	
2019	2,934	110	8	0	0	0	10	7	2,816	---	---	---	----	
2020	2,960	110	9	0	0	0	12	8	2,838	---	---	---	----	
2021	2,984	110	10	0	0	0	15	10	2,859	---	---	---	----	
2022	3,006	110	10	0	0	0	17	12	2,877	---	---	---	----	
2023	3,022	110	11	0	0	0	20	13	2,889	---	---	---	----	
2024	3,039	110	11	0	0	0	22	15	2,903	---	---	---	----	
2025	3,057	110	11	0	0	0	25	17	2,917	---	---	---	----	

Note: All projections coincident at time of peak.

Schedule 3.3: History and Forecast of Annual Net Energy For Load

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Calendar Year	Total Energy For Load	Interruptible Load	PEV & Electrification	Load Management		QF Load Served by QF Generation	Cumulative Conservation		Net Energy For Load	Load Factor
				Residential	Comm/Ind.		Residential	Comm/Ind.		
2006	13,811	0	0	0	0	0	0	0	13,811	54%
2007	13,854	0	0	0	0	0	0	0	13,854	55%
2008	13,531	0	0	0	0	0	0	0	13,531	53%
2009	13,155	0	0	0	0	0	0	0	13,155	49%
2010	13,846	0	0	0	0	0	0	0	13,846	49%
2011	12,980	0	0	0	0	0	0	0	12,980	48%
2012	12,411	0	0	0	0	0	0	0	12,411	53%
2013	12,285	0	1	0	0	0	0	0	12,286	54%
2014	12,654	0	2	0	0	0	0	0	12,656	51%
2015	12,865	0	2	0	0	0	0	0	12,868	51%
2016	12,885	0	24	0	0	0	13	13	12,883	52%
2017	13,005	0	40	0	0	0	26	27	12,993	52%
2018	12,840	0	52	0	0	0	39	40	12,813	52%
2019	12,946	0	61	0	0	0	52	53	12,901	52%
2020	13,051	0	69	0	0	0	66	67	12,987	52%
2021	13,148	0	75	0	0	0	79	80	13,065	52%
2022	13,225	0	81	0	0	0	92	93	13,122	52%
2023	13,299	0	87	0	0	0	105	106	13,175	52%
2024	13,378	0	93	0	0	0	118	120	13,233	52%
2025	13,458	0	100	0	0	0	131	133	13,294	52%

Note: All projections are coincident at time of peak.

Schedule 4: Previous Year Actual and Two Year Forecast of Peak Demand and Net Energy for Load By Month

(1)	(2)	(3)	(2)	(3)	(4)	(5)	(6)	(7)
Month	Actual 2014		Actual 2015		Forecast 2016		Forecast 2017	
	Peak Demand (MW)	Net Energy For load (GWH)	Peak Demand (MW)	Net Energy For load (GWH)	Peak Demand (MW)	Net Energy For load (GWH)	Peak Demand (MW)	Net Energy For load (GWH)
January	2,823	1,165	2,554	1,049	2,831	1,053	2,828	1,062
February	2,424	884	2,863	982	2,608	909	2,606	916
March	1,949	917	1,778	942	2,017	952	2,015	960
April	2,164	917	2,094	972	1,991	932	1,989	940
May	2,417	1,066	2,438	1,111	2,401	1,100	2,401	1,108
June	2,521	1,166	2,683	1,231	2,531	1,192	2,529	1,201
July	2,555	1,259	2,648	1,307	2,599	1,297	2,598	1,307
August	2,646	1,289	2,616	1,264	2,638	1,278	2,636	1,288
September	2,411	1,108	2,453	1,123	2,475	1,150	2,475	1,158
October	2,110	988	2,075	990	2,286	1,029	2,313	1,040
November	2,648	935	2,153	946	2,192	956	2,218	966
December	2,148	963	1,806	952	2,378	1,035	2,407	1,046
Annual Peak/Total Energy	2,823	12,656	2,863	12,868	2,831	12,883	2,828	12,993

3 Forecast of Facilities Requirements

3.1 Future Resource Needs

JEA evaluates future supply capacity needs for the electric system based on peak demand and energy forecasts, existing supply resources and contracts, transmission considerations, existing unit capacity changes, and future committed resources as well as other planning assumptions. The base capacity plan includes as committed units the addition of the purchased power agreement with MEAG for the future Vogtle Units 3 and 4 and the return of the SJRPP capacity and energy sale from FPL. Additionally, Northside Unit 3 is currently planned to be placed in reserve storage April 2017 and retired June 2019 and FPU's agreement for wholesale power expires at the end of 2017. With these baseline assumptions, seasonal capacity purchases are needed for winters 2017 and 2019 and summers of 2016-2018 in amounts less than 35 MW and 100-150 MW, respectively (see Table 4).

JEA's Planning Reserve Policy defines the planning reserve requirements that are used to develop the resource portfolio through the Integrated Resource Planning process. These guidelines set forth the planning criteria relative to the planning reserve levels and the constraints of the resource portfolio.

JEA's system capacity is planned with a targeted 15 percent generation reserve level for forecasted wholesale and retail firm customer coincident one hour peak demand, for both winter and summer seasons. This reserve level has been determined to be adequate to meet and exceed the industry standard Loss of Load Probability of 0.1 days per year. This level has been used by the Florida Public Service Commission (FPSC) for municipalities in the consideration of need for additional generation additions.

JEA's Planning Reserve Policy establishes a guideline that provides an allowance to meet the 15 percent reserve margin with up to 3 percent of forecasted firm peak demand in any season from purchases acquired in the operating horizon. JEA's winter seasonal needs meet this criterion and therefore will be met within the operating horizon in those years. The Energy Authority (TEA), JEA's affiliated energy market services company, typically acquires short-term seasonal market purchases for JEA the season prior to the need. TEA actively trades energy with a large number of counterparties throughout the United States, and is generally able to acquire capacity and energy from other market participants when any of its members require additional resources.

Table 4: Resource Needs after Committed Units

Summer										
Year	Installed Capacity	Firm Capacity		QF	Available Capacity	Firm Peak Demand	Reserve Margin Before Maintenance		Reserve Margin After Maintenance	
		Import	Export				MW	Percent	MW	Percent
	MW	MW	MW	MW	MW	MW	MW	Percent	MW	Percent
2016	3,769	21	376	0	3,414	2,638	776	29%	776	29%
2017	3,245	28	376	0	2,897	2,636	261	10%	261	10%
2018	3,245	34	376	0	2,903	2,609	294	11%	294	11%
2019	3,245	125	0	0	3,370	2,622	748	29%	748	29%
2020	3,245	225	0	0	3,470	2,632	837	32%	837	32%
2021	3,245	225	0	0	3,470	2,644	826	31%	826	31%
2022	3,245	225	0	0	3,470	2,651	819	31%	819	31%
2023	3,245	225	0	0	3,470	2,657	813	31%	813	31%
2024	3,245	225	0	0	3,470	2,664	805	30%	805	30%
2025	3,245	225	0	0	3,470	2,671	798	30%	798	30%
Winter										
Year	Installed Capacity	Firm Capacity		QF	Available Capacity	Firm Peak Demand	Reserve Margin Before Maintenance		Reserve Margin After Maintenance	
		Import	Export				MW	Percent	MW	Percent
	MW	MW	MW	MW	MW	MW	MW	Percent	MW	Percent
2015 / 16	4,110	15	383	0	3,743	2,831	911	32%	911	32%
2016 / 17	4,110	15	383	0	3,743	2,829	914	32%	914	32%
2017 / 18	3,586	15	383	0	3,219	2,788	431	15%	431	15%
2018 / 19	3,586	6	383	0	3,210	2,816	394	14%	394	14%
2019 / 20	3,586	106	0	0	3,692	2,838	854	30%	854	30%
2020 / 21	3,586	206	0	0	3,792	2,859	933	33%	933	33%
2021 / 22	3,586	206	0	0	3,792	2,877	916	32%	916	32%
2022 / 23	3,586	206	0	0	3,792	2,889	903	31%	903	31%
2023 / 24	3,586	206	0	0	3,792	2,903	890	31%	890	31%
2024 / 25	3,586	206	0	0	3,792	2,917	875	30%	875	30%

Note: Committed Capacity Additions:
 • Vogtle Unit 3 – June 2019
 • Vogtle Unit 4 – June 2020

3.2 Resource Plan

To develop the resource plan outlined in this TYSP submittal, JEA included a review of existing electric supply resources, forecasts of customer energy requirements and peak demands, forecasts of fuel prices and fuel availability, and committed unit additions and capacity changes. All these factors considered collectively provide JEA with sufficient capacity to cover customer demand and reserves during this ten year period. Table 5 presents the ten year resource plan which meets JEA's strategic goals. Schedules 5-10 provide further detail on this plan.

Table 5: Resource Plan

Year	Season	Resource Plan ⁽¹⁾⁽²⁾⁽³⁾
2016	Winter	
	Summer	
2017	Summer	Northside Unit 3 Reserve Storage (- 524 MW) TEA Seasonal Purchase (150 MW)
2018	Summer	TEA Seasonal Purchase (100 MW)
2019	Winter	Trail Ridge Contract Expires (- 9 MW)
	Summer	MEAG Plant Vogtle 3 Purchase (100 MW) ⁽⁴⁾
		SJRPP Sale to FPL Suspended (383 MW) ⁽⁵⁾
		Northside Unit 3 Retired
2020	Summer	MEAG Plant Vogtle 4 Purchase (100 MW) ⁽⁴⁾
2021		
2022		
2023		
2024		
2025		

Notes:

- ⁽¹⁾ Cumulative DSM addition of 42 MW Winter and 62 MW Summer at time of peak by 2025.
- ⁽²⁾ PEV addition of 0.75 MW Winter and 3.05 MW Summer by 2025.
- ⁽³⁾ New Solar addition of 26 MW per signed agreements as of this update. Fifty percent counted as summer capacity.
- ⁽⁴⁾ After accounting for transmission losses, JEA expects to receive 100 MW June 2019 and 100 MW June 2020 for a total of 200 MW of net firm capacity from the Vogtle units under construction.
- ⁽⁵⁾ SJRPP sales return based on JEA's forecast estimates.

**JEA
2016 Ten Year Site Plan**

Forecast of Facilities Requirements

Schedule 5: Fuel Requirements

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	Fuel	Type	Units	Actual		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
				2014	2015										
(1)	NUCLEAR														
	TOTAL	TRILLION BTU	0	0	0	0	0	0	0	0	0	0	0	0	0
(2)	COAL⁽¹⁾														
	TOTAL	1000 TON	3,228	2,479	2,046	2,541	3,230	3,492	2,910	2,654	2,925	2,855	3,536	3,539	
(3)	RESIDUAL														
(4)	STEAM	1000 BBL	14	10	0	0	0	0	0	0	0	0	0	0	0
(5)	CC	1000 BBL	0	0	0	0	0	0	0	0	0	0	0	0	0
(6)	CT/GT	1000 BBL	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL	1000 BBL	14	10	0	0	0	0	0	0	0	0	0	0	0
(7)	DISTILLATE														
(8)	STEAM	1000 BBL	2	0	1	1	1	1	1	1	1	2	1	1	
(9)	CC	1000 BBL	0	0	0	0	0	0	0	0	0	0	0	0	
(10)	CT/GT	1000 BBL	6	5	5	26	14	16	3	5	12	5	4	0	
	TOTAL	1000 BBL	8	5	6	27	15	17	4	6	13	7	5	1	
(12)	NATURAL GAS														
(13)	STEAM	1000 MCF	4,794	12,104	20,640	3,761	60	65	105	88	93	90	69	77	
(14)	CC	1000 MCF	24,284	26,876	24,042	26,789	17,848	13,038	23,623	23,881	20,959	22,923	9,888	9,014	
(15)	CT/GT	1000 MCF	1,441	2,400	2,097	6,714	5,309	4,895	1,828	2,701	2,669	1,795	2,253	1,748	
	TOTAL	1000 MCF	30,519	41,380	46,780	37,264	23,217	17,998	25,556	26,671	23,721	24,808	12,209	10,839	
(16)	PETROLEUM COKE														
	TOTAL	1000 TON	492	584	929	887	872	838	663	692	670	668	830	839	
(17)	OTHER (SPECIFY)														
	TOTAL	TRILLION BTU	0	0	0	0	0	0	0	0	0	0	0	0	

Note: ⁽¹⁾ Coal includes JEA's share of SJRPP, JEA's share of Scherer 4, and Northside Coal.

**JEA
2016 Ten Year Site Plan**

Forecast of Facilities Requirements

Schedule 6.1: Energy Sources (GWh)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	Fuel	Type	Units	Actual		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
(1)	Firm Inter-Region Intchg.		GWH	477	935	0	0	0	488	1,323	1,665	1,665	1,665	1,610	1,606
(2)	NUCLEAR		GWH	0	0	0	0	0	0	0	0	0	0	0	0
(3)	COAL⁽¹⁾		GWH	7,012	5,132	4,363	5,400	7,116	7,603	6,065	5,604	6,154	6,020	7,565	7,782
(4)		STEAM		7	13	0	0	0	0	0	0	0	0	0	0
(5)		CC		0	0	0	0	0	0	0	0	0	0	0	0
(6)		CT		0	0	0	0	0	0	0	0	0	0	0	0
(7)	RESIDUAL	TOTAL	GWH	7	13	0	0	0	0	0	0	0	0	0	0
(8)		STEAM		0	0	0	0	0	0	0	0	0	0	0	0
(9)		CC		0	0	0	0	0	0	0	0	0	0	0	0
(10)		CT		2	1	2	11	6	7	1	2	5	2	2	0
(11)	DISTILLATE	TOTAL	GWH	2	1	2	11	6	7	1	2	5	2	2	0
(12)		STEAM		346	1,011	2,027	336	0	0	0	0	0	0	0	0
(13)		CC		3,533	3,983	3,604	4,020	2,625	1,936	3,516	3,555	3,118	3,401	1,458	1,334
(14)		CT		114	215	185	613	475	446	165	241	243	158	204	152
(15)	NATURAL GAS	TOTAL	GWH	3,993	5,209	5,815	4,970	3,101	2,382	3,681	3,796	3,361	3,559	1,663	1,486
(16)	NUG		GWH	0	0	0	0	0	0	0	0	0	0	0	0
(17)	RENEWABLES	HYDRO		0	0	0	0	0	0	0	0	0	0	0	0
(18)		LANDFILL GAS		69	81	130	130	123	52	52	52	52	52	52	52
(19)		SOLAR		21	20	23	51	77	77	76	76	76	75	75	74
(20)		TOTAL	GWH	91	101	154	181	200	128	128	128	127	127	127	126
(21)	Petroleum Coke		GWH	1,075	1,475	2,549	2,432	2,390	2,293	1,790	1,871	1,809	1,802	2,268	2,294
(22)	OTHER (SPECIFY)		GWH	0	0	0	0	0	0	0	0	0	0	0	0
(23)	NET ENERGY FOR LOAD⁽²⁾		GWH	12,656	12,868	12,883	12,993	12,813	12,901	12,987	13,065	13,122	13,175	13,233	13,294

Note: ⁽¹⁾ Nuclear PPA from MEAG beginning 2019 included in Firm Inter-Regional Interchange.
⁽²⁾ Coal includes JEA's share of SJRPP, Scherer 4 and Northside Coal. SJRPP sale suspends summer 2019.
⁽³⁾ May not add due to rounding.

Schedule 6.2: Energy Sources (Percent)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
	Fuel	Type	Units	Actual		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
				2014	2015											
(1)	Firm Inter-Region Intchg.		%	3.8	7.3	0.0	0.0	0.0	3.8	10.2	12.7	12.7	12.6	12.2	12.1	
(2)	NUCLEAR		%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
(3)	COAL⁽¹⁾		%	55.4	39.9	33.9	41.6	55.5	58.9	46.7	42.9	46.9	45.7	57.2	58.5	
(4)		STEAM		0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
(5)		CC		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(6)		CT		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(7)		RESIDUAL		TOTAL	%	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(8)		STEAM		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
(9)		CC		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
(10)		CT		0.0	0.0	0.1	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	
(11)		DISTILLATE		TOTAL	%	0.0	0.0	0.1	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0
(12)		STEAM		2.7	7.9	15.7	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
(13)		CC		27.9	31.0	28.0	30.9	20.5	15.0	27.1	27.2	23.8	25.8	11.0	10.0	
(14)		CT		0.9	1.7	1.4	4.7	3.7	3.5	1.3	1.8	1.9	1.2	1.5	1.1	
(15)		NATURAL GAS		TOTAL	%	31.5	40.5	45.1	38.2	24.2	18.5	28.3	29.1	25.6	27.0	12.6
(16)	NUG		%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
(17)	RENEWABLES	HYDRO		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
(18)		LANDFILL GAS		0.5	0.6	1.0	1.0	1.0	0.4	0.4	0.4	0.4	0.4	0.4		
(19)		SOLAR		0.2	0.2	0.2	0.4	0.6	0.6	0.6	0.6	0.6	0.6	0.6		
(20)		TOTAL		%	0.7	0.8	1.2	1.4	1.6	1.0	1.0	1.0	1.0	1.0	1.0	0.9
(21)	Petroleum Coke		%	8.5	11.5	19.8	18.7	18.7	17.8	13.8	14.3	13.8	13.7	17.1	17.3	
(22)	OTHER (SPECIFY)		%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
(23)	NET ENERGY FOR LOAD		%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	

Note: ⁽¹⁾ Nuclear PPA with MEAG beginning 2019 included in Firm Inter-Regional Interchange.
⁽²⁾ Coal includes JEA's share of SJRPP, Scherer 4 and Northside Coal. SJRPP sale suspends summer 2019.
⁽³⁾ May not add due to rounding.

Schedule 7.1: Summer Forecast of Capacity, Demand, and Scheduled Maintenance at Time of Peak

Year	Installed Capacity	Firm Capacity		QF	Available Capacity	Firm Peak Demand	Reserve Margin Before Maintenance		Scheduled Maintenance	Reserve Margin After Maintenance	
		Import	Export				MW	Percent		MW	Percent
	MW	MW	MW	MW	MW	MW	MW	Percent	MW	MW	Percent
2016	3,769	21	376	0	3,414	2,638	776	29%	0	776	29%
2017	3,245	178	376	0	3,047	2,636	411	16%	0	411	16%
2018	3,245	134	376	0	3,003	2,609	394	15%	0	394	15%
2019	3,245	125	0	0	3,370	2,622	748	29%	0	748	29%
2020	3,245	225	0	0	3,470	2,632	837	32%	0	837	32%
2021	3,245	225	0	0	3,470	2,644	826	31%	0	826	31%
2022	3,245	225	0	0	3,470	2,651	819	31%	0	819	31%
2023	3,245	225	0	0	3,470	2,657	813	31%	0	813	31%
2024	3,245	225	0	0	3,470	2,664	805	30%	0	805	30%
2025	3,245	225	0	0	3,470	2,671	798	30%	0	798	30%

Schedule 7.2: Winter Forecast of Capacity, Demand, and Scheduled Maintenance at Time of Peak

Year	Installed Capacity	Firm Capacity		QF	Available Capacity	Firm Peak Demand	Reserve Margin Before Maintenance		Scheduled Maintenance	Reserve Margin After Maintenance	
		Import	Export				MW	Percent		MW	Percent
		MW	MW				MW	MW		MW	Percent
2016	4,110	15	383	0	3,743	2,831	911	32%	0	911	32%
2017	4,110	15	383	0	3,743	2,829	914	32%	0	914	32%
2018	3,586	15	383	0	3,219	2,788	431	15%	0	431	15%
2019	3,586	36	383	0	3,240	2,816	424	15%	0	424	15%
2020	3,586	106	0	0	3,692	2,838	854	30%	0	854	30%
2021	3,586	206	0	0	3,792	2,859	933	33%	0	933	33%
2022	3,586	206	0	0	3,792	2,877	916	32%	0	916	32%
2023	3,586	206	0	0	3,792	2,889	903	31%	0	903	31%
2024	3,586	206	0	0	3,792	2,903	890	31%	0	890	31%
2025	3,586	206	0	0	3,792	2,917	875	30%	0	875	30%

Schedule 8: Planned and Prospective Generating Facility Additions and Changes

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Plant Name	Unit No.	Location	Unit Type	Fuel Type		Fuel Transport		Construction Start Date	Commercial/ In-Service or Change Date	Expected Retirement/ Shutdown Date	Gen Max Nameplate	Net Capability		Status
				Primary	Alternate	Primary	Alternate					Summer	Winter	
											kW	MW	MW	
SJRPP	1	12-031	ST	BIT	PC	RR	WA		06/2019	(a)	679,600	188	191	Sale To FPL Ends
SJRPP	2	12-031	ST	BIT	PC	RR	WA		06/2019	(a)	679,600	188	191	
Northside	3	12-031	ST	NG	FO6	PL	WA			04/2017	563,700	- 524	- 524	Reserve Storage
Northside	3	12-031	ST	NG	FO6	PL	WA			06/2019	563,700	0	0	Retired

Notes:

(a) Units expected to be maintained throughout the TYSP period.

**Schedule 9: Status Report and Specifications of
Proposed Generating Facilities
2016 Dollars**

1	Plant Name and Unit Number:	None to Report
2	Capacity:	
3	Summer MW	
4	Winter MW	
5	Technology Type:	
6	Anticipated Construction Timing:	
7	Field Construction Start-date:	
8	Commercial In-Service date:	
9	Fuel:	
10	Primary	
11	Alternate	
12	Air Pollution Control Strategy:	
13	Cooling Method:	
14	Total Site Area:	
15	Construction Status:	
16	Certification Status:	
17	Status with Federal Agencies:	
18	Projected Unit Performance Data:	
19	Planned Outage Factor (POF):	
20	Forced Outage Factor (FOF):	
21	Equivalent Availability Factor (EAF):	
22	Resulting Capacity Factor (%):	
23	Average Net Operating Heat Rate (ANOHR):	
24	Projected Unit Financial Data:	
25	Book Life:	
26	Total Installed Cost (In-Service year \$/kW):	
27	Direct Construction Cost (\$/kW):	
28	AFUDC Amount (\$/kW):	
29	Escalation (\$/kW):	
30	Fixed O&M (\$/kW-yr):	
31	Variable O&M (\$/MWh):	

**Schedule 10: Status Report and Specification of
Proposed Directly Associated Transmission Lines**

1	Point of Origin and Termination	None To Report
2	Number of Lines	
3	Right of Way	
4	Line Length	
5	Voltage	
6	Anticipated Construction Time	
7	Anticipated Capital Investment	
8	Substations	
9	Participation with Other Utilities	

4 Other Planning Assumptions and Information

4.1 Fuel Price Forecast

JEA uses a diverse mix of fuels in its generating units. The fuel price projections include natural gas, coal, petroleum coke, uranium, residual fuel oil and diesel fuel.

The fuel price projections for natural gas, coal, and petroleum coke used in this forecast were developed based on long-term price forecasts from PIRA Energy Group. PIRA is an international consulting firm that specializes in global energy market research and intelligence. PIRA provides long-term price projections for fuels, power, freight and emissions in its Energy Price Portal through 2035.

The fuel price projections for diesel fuel used in this TYSP were developed based on those included in the U.S. Energy Information Administration (EIA) Annual Energy Outlook 2015 (AEO2015). AEO2015 presents projections of energy supply, demand, and prices through 2040. The AEO2015 projections are based on results from the EIA's National Energy Modeling System (NEMS). NEMS is a computer based energy-economy modeling system of U.S. energy markets. NEMS projects the production, imports, conversion, consumption, and prices of energy, subject to a variety of assumptions related to macroeconomic and financial factors, world energy markets, resource availability and costs, behavioral and technological choice criteria, technology characteristics, and demographics.

The price projections for emissions allowances are derived from JD Energy's most recent outlook. JD Energy is an independent energy and environmental price forecasting firm. JD Energy uses a proprietary Generation and Emissions Modeling System (GEMS) methodology that integrates independent macroeconomic, energy and emissions pricing projections to deliver forecasts and perspectives on the outlook for fuel, power and emissions markets.

Scherer 4 burns Powder River Basin (PRB) coal. Projections of the commodity price for PRB coal are based on current contracted prices and PIRA's long-term projections for PRB coal. The transportation component of the delivered price projection was derived from existing contracts.

SJRPP currently burns a blend of Illinois Basin (IB) and Colombian coals. For the purposes of this study, it has been assumed that 100 percent Colombian coal will be burned by the SJRPP units beginning in 2017. Projections of the commodity price for Colombian coal are based on current contracted prices and PIRA's long-term projections for Colombian coal. Current freight rates for 2016 waterborne delivery of Colombian coal were escalated using the assumed inflation rate to project transportation costs

JEA**2016 Ten Year Site Plan****Other Planning Assumptions and Information**

beyond 2016. SJRPP has the ability to burn up to 30 percent petroleum coke, but there are currently no plans to reintroduce petroleum coke at SJRPP.

Northside Units 1 and 2 currently burn a blend of petroleum coke and coal. These units are projected to burn 60 percent petroleum coke and 40 percent coal during the forecast period. The Northside coal and petroleum coke price projections are based on PIRA's long-term Colombian coal forecast with a three year historical petroleum coke to coal price ratio applied to derive the petroleum coke price. As with the transportation projections for SJRPP, the same methodology was used to project transportation costs to Northside Generating Station with additional price consideration given to the shallower draft available at its offloading facility.

JEA currently operates eight units utilizing natural gas as a primary fuel. These units are GEC GT1 and GT2, Brandy Branch GT1, CT2 and CT3, Northside 3, and Kennedy GT7 and GT8. The natural gas price projection reflects delivery to a Florida city gate is based on PIRA's long-term Henry Hub price forecast and expected variable transportation costs on Florida Gas Transmission.

Northside 3 is capable of operating on residual fuel oil as an alternative to natural gas. In April 2017, Northside 3 is planned to go into reserve storage. For 2015, the projected price for residual fuel oil is based on current market prices.

The 1970's-vintage combustion turbine units at Northside Generating Station (GT3, GT4, GT5, and GT6) burn diesel fuel as the primary fuel type. Five JEA units utilize diesel fuel as an alternative to natural gas: Kennedy GT7 and GT8 and Brandy Branch GT1, CT2, and CT3. GEC GT1 and GEC GT2 are capable of using diesel fuel as a backup fuel. Projections for the price of diesel fuel are based on current ultra-low sulfur diesel pricing and AEO2015 oil growth rate.

JEA has executed a power purchase agreement with MEAG for power and capacity from Vogtle Units 3 and 4 currently under construction in Georgia with planned in-service dates of 2019 and 2020. The fuel price forecast accounts for the costs of mine-mouth uranium, enrichment and fabrication.

4.2 Economic Parameters

This section presents the parameters and methodology used for economic evaluations as part of JEA's least-cost expansion plan to satisfy forecast capacity requirements throughout the TYSP period.

4.2.1 Inflation and Escalation Rates

The general inflation rate, construction cost escalation rate, fixed O&M escalation rate, and nonfuel variable O&M escalation rate are each assumed to be 2.5 percent.

4.2.2 Municipal Bond Interest Rate

JEA performs sensitivity assessments of project cost to test the robustness of JEA’s resource plan. Project cost includes forecast of direct cost of construction, indirect cost, and financing cost. Financing cost includes the forecast of long term tax exempt municipal bond rates, issuance cost, and insurance cost. For JEA’s plan development, the long term tax exempt municipal bond rate is assumed to be 4.50 percent. This rate is based on JEA’s judgment and expectation that the long term financial markets will return to historical stable behavior under more stable economic conditions.

4.2.3 Present Worth Discount Rate

The present worth discount rate is assumed to be equal to the tax exempt municipal bond interest rate of 4.50 percent.

4.2.4 Interest During Construction Interest Rate

The interest during construction rate, or IDC, is assumed to be 4.50 percent.

4.2.5 Levelized Fixed Charge Rate

The fixed charge rate (FCR) represents the sum of a project’s fixed charges as a percent of the initial investment cost. When the FCR is applied to the initial investment, the product equals the revenue requirements needed to offset the fixed charges during a given year. A separate FCR can be calculated and applied to each year of an economic analysis, but it is common practice to use a single, levelized FCR (LFCR) that has the same present value as the year-by-year fixed charge rate.

Different generating technologies are assumed to have different economic lives and therefore different financing terms. Simple cycle combustion turbines are assumed to have a 20 year financing term; while natural gas fired combined cycle units are assumed to be financed over 25 years. Given the various economic lives and corresponding financing terms, different LFCRs were developed.

All LFCR calculations assume the 4.50 percent tax exempt municipal bond interest rate, a 1.00 percent bond issuance fee, and a 0.50 percent annual property insurance cost. The resulting 20 year fixed charge rate is 8.265 percent and the 25 year fixed charge rate is 7.312 percent.

5 Environmental and Land Use Information

JEA does not have any capacity build projects underway or planned for the term of this Ten Year Site Plan. Therefore, there are no potential sites in which to report environmental and land use information.



JEA
Building Community
AGENDA ITEM SUMMARY

March 3, 2016

SUBJECT:	CLEAN POWER PLAN (CPP) UPDATE
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Purpose:	<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: The Clean Power Plan (CPP) was first proposed by the Environmental Protection Agency (EPA) in June 2014 and is a policy aimed at reducing the amount of carbon emissions from the electric sector. The final rule was published on October 23, 2015. As a result of litigation, the U.S. Supreme Court granted a stay on February 9, 2016. Staff is providing background information on the CPP and an update on how the stay impacts our organization.

Significance: The Clean Power Plan will have significant impacts on JEA and other North Florida utilities due to the reliance on coal and solid fuel for electric production.

Effect: While the stay will have an impact on the state’s implementation timeline, due to the recentness of the stay, those impacts are not yet known.

Cost or Benefit: Significant potential economic impacts of the CPP on JEA, including asset write-offs or potential new asset investments.

Recommended Board action: No Board action is required. This item is presented for information only.

For additional information, contact: Ted Hobson

Submitted by: PEM/THE/CWM



<p>MISSION</p> <p>Energizing our community through high-value energy and water solutions.</p>	<p>VISION</p> <p>JEA is a premier service provider, valued asset and vital partner in advancing our community.</p>	<p>VALUES</p> <ul style="list-style-type: none"> • Safety • Service • Growth? • Accountability • Integrity
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Commitments to Action

- 1 Earn Customer Loyalty
- 2 Deliver Business Excellence
- 3 Develop an Unbeatable Team



Clean Power Plan Update

JEA Board Meeting
March 15, 2016
Jay Worley

Clean Power Plan - Background & Update

- Reduction of carbon emissions from the electric sector
- Proposed rule published on June 2, 2014
- Final Rule published on October 23, 2015
 - State Plan to be developed by Florida Department of Environmental Protection (FDEP)
 - A State's "Interim Goal" must be met on average during the years 2022 – 2029, and a "Final Goal" for 2030 and beyond.
- D.C. Circuit Court – Denial of Stay on January 21, 2016
- Supreme Court – Grants Stay on February 9, 2016 in a vote of 5 to 4 (with the 5th vote from Justice Scalia)
 - The Stay: A "Pause" not a "Stop"

Clean Power Plan - Background & Update

- The Stay – Judicial Review of the CPP
 - Judge Scalia’s replacement – When and Who??
 - D.C. Circuit decision expected September 2016
 - Supreme Court decision expected – First Quarter 2018

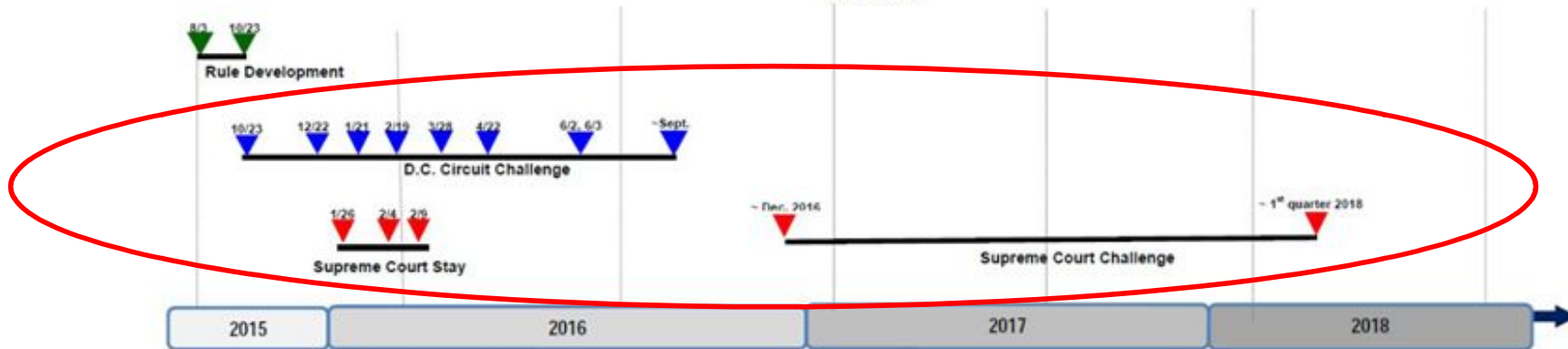
During “Stay” - JEA to continue to interface closely with the Florida Department of Environmental Protections (FDEP) and with State utility companies and utility organizations to remain positioned through the judicial review to promote a fair and equitable plan throughout the State

Anticipated CPP Regulatory Timeline

Privileged and Confidential; Attorney Work Product; Attorney-Client Communication
DRAFT

Anticipated CPP Regulatory Timeline Litigation

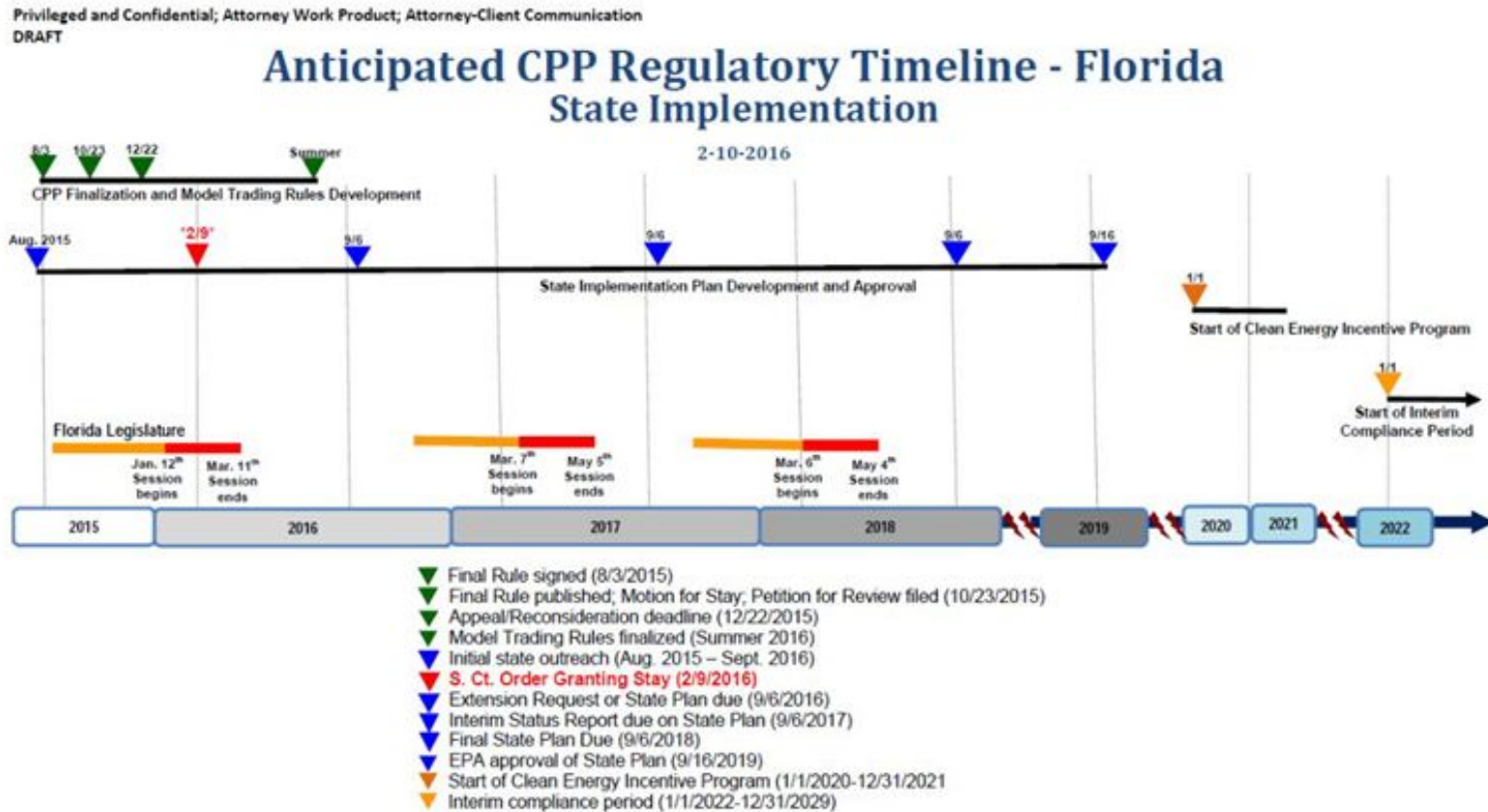
2-10-2016



- Final Rule Signed (8/3/2015)
- Final Rule Published (10/23/2015)
- Motion for Stay, Petition for Review filed (10/23/2015)
- Appeal/Reconsideration deadline (12/22/2015)
- D.C. Cir. Denial of Stay, Federal Plan comments due (1/21/2016)
- D.C. Cir. Briefs for Petitioners (2/19/2016)
- D.C. Cir. Briefs for Respondents (3/28/2016)
- D.C. Cir. D.C. Cir. Reply Briefs for Petitioners (4/15/2016); Final Briefs (4/22/2016)
- D.C. Cir. Oral Argument (6/2/2016, maybe 6/3 too)
- D.C. Cir. CPP Decision (~ September 2016)
- Petitioner's Application for Stay filed (1/26/2016)
- EPA's Response to Stay Request (2/4/2016)
- S. Ct. Order Granting Stay (2/9/2016)¹
- Petition for S. Ct. Review (due 90 days after D.C. Cir. Decision)
- S. Ct. Decision (~ 1st quarter 2018)

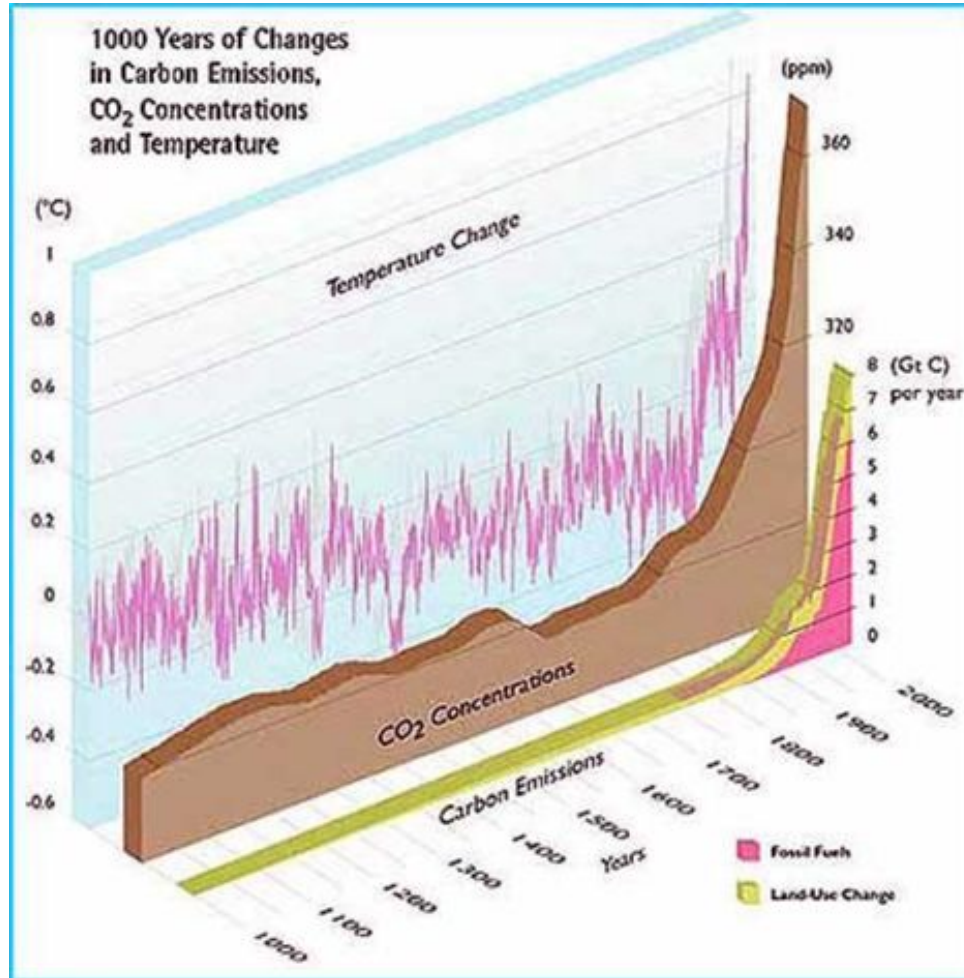
¹This reflects the anticipated litigation timeline before the Supreme Court Order Granting Stay. It does not appear likely that the Stay will impact the litigation timeline at this point, but it may in the future.

Anticipated CPP Regulatory Timeline



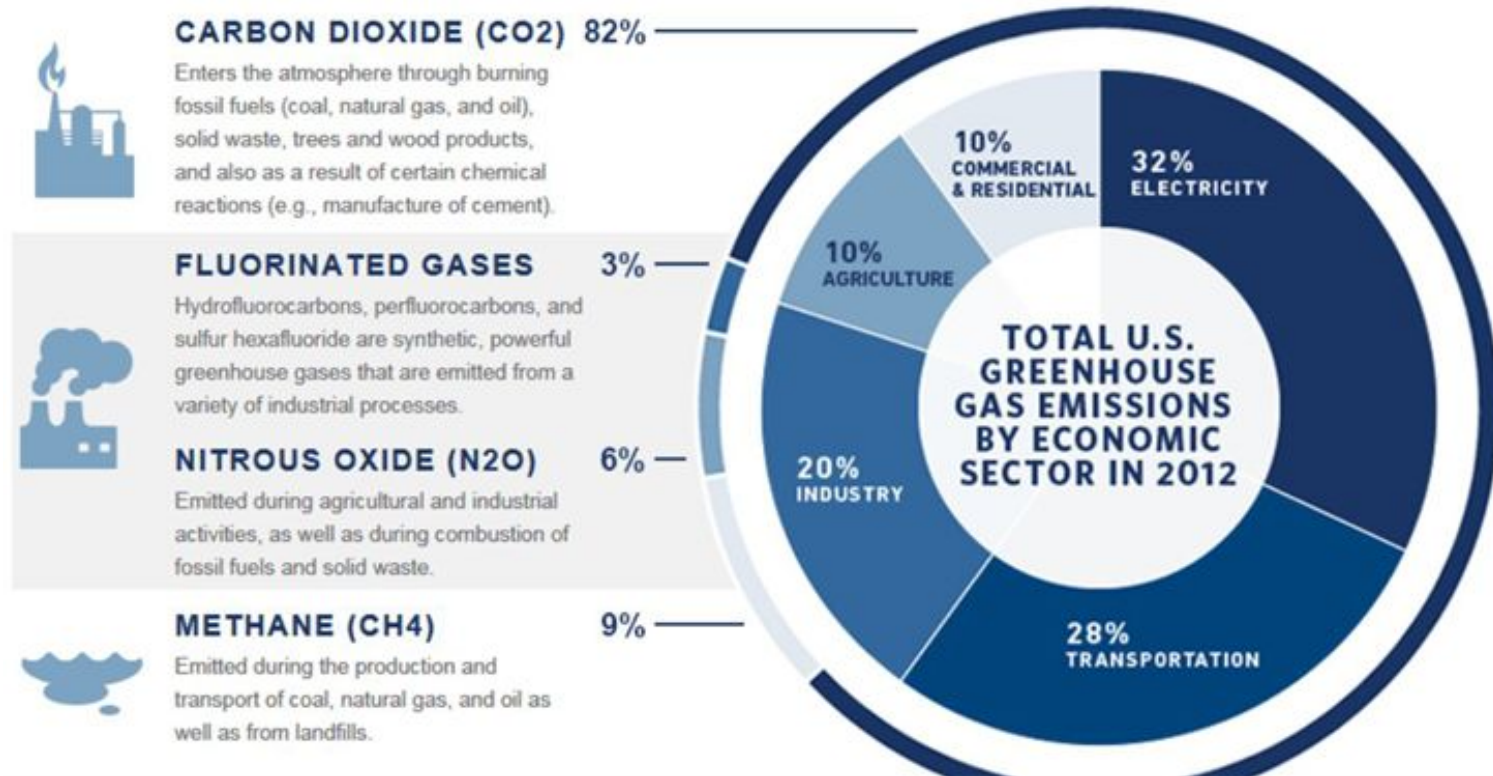
This reflects the anticipated state implementation timeline before the Supreme Court's Order Granting Stay. The Stay will impact the state implementation timeline, but the changes are not yet known.

Global Climate Change Perspective

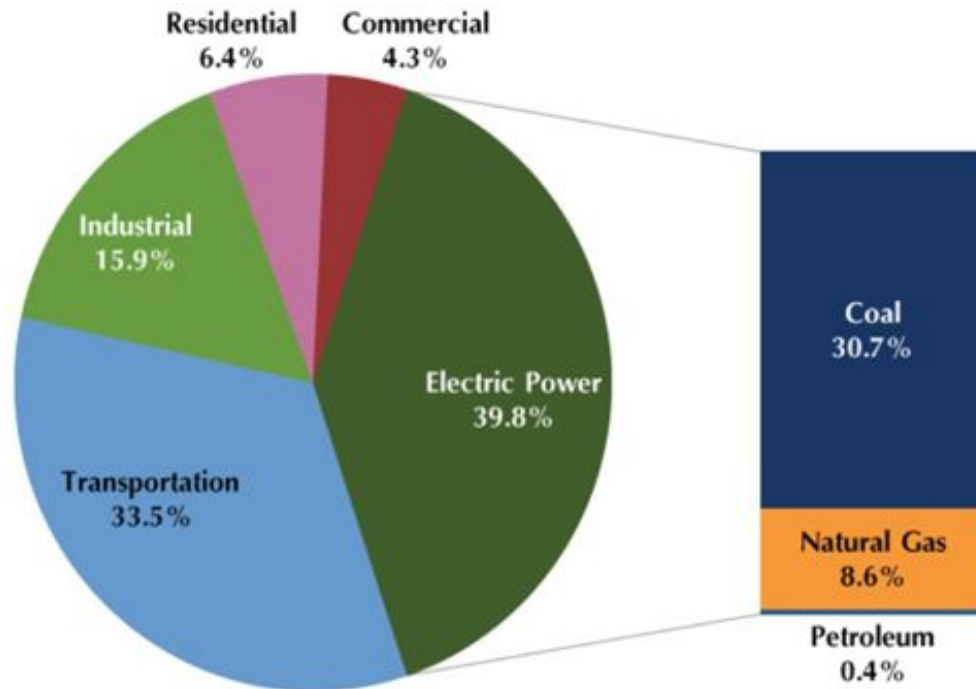


U. S. Greenhouse Gas Pollution

U.S. GREENHOUSE GAS POLLUTION INCLUDES:

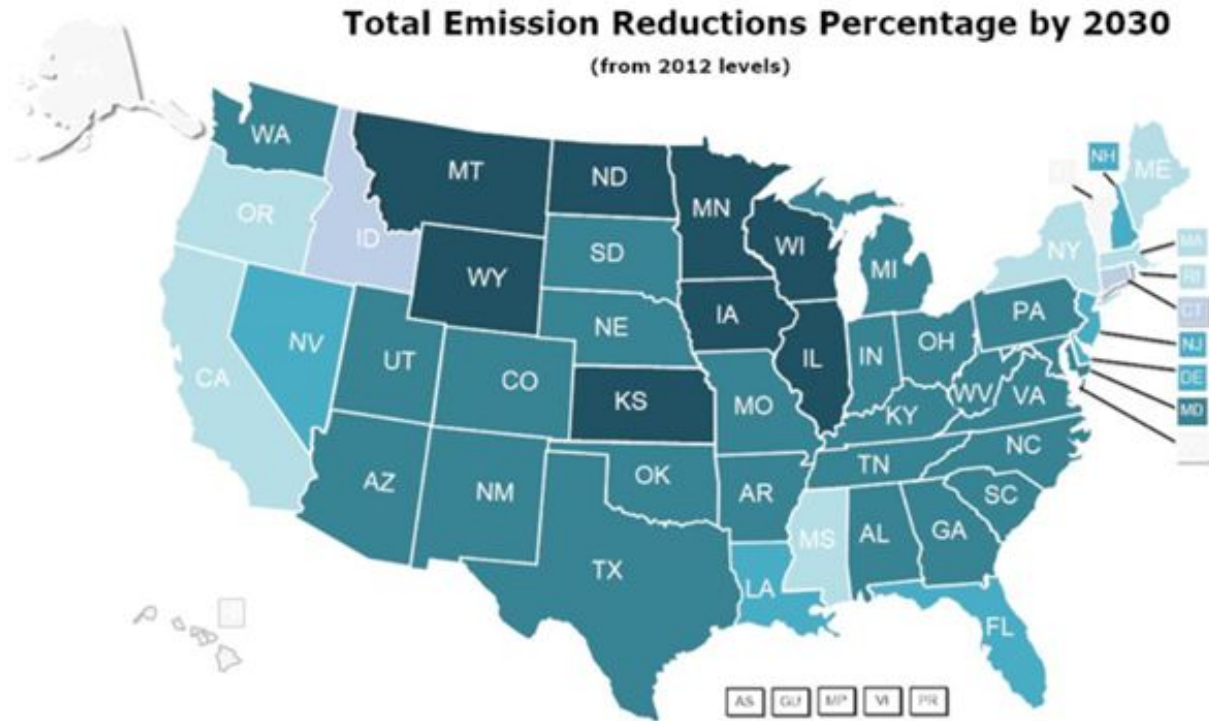


U.S. CO₂ Output by Sector

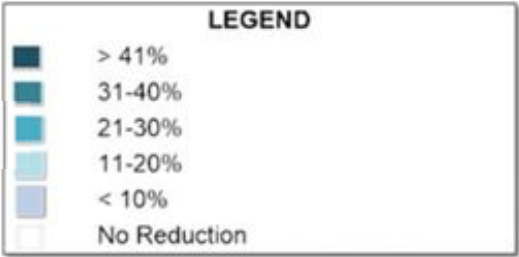


Approximately half of JEA's, as well as other North Florida utilities', electric production capability or generating assets are based on coal and solid fuel

EPA Clean Power Plan



Florida “goal” 26% reduction in CO₂



Clean Power Plan directs individual states to develop “State Implementation Plans”, JEA is actively working through the Florida Coordinating Group with Florida Department of Environmental Protection. However, the state is split on implementation methodologies.



JEA Operations Report

as of February 29, 2016

Board of Directors Meeting

March 15, 2016



JEA Safety

(February 29, 2016)

FY2015

- RIR = 1.65
- # of Recordables = 34
- February YTD Recordables = 13

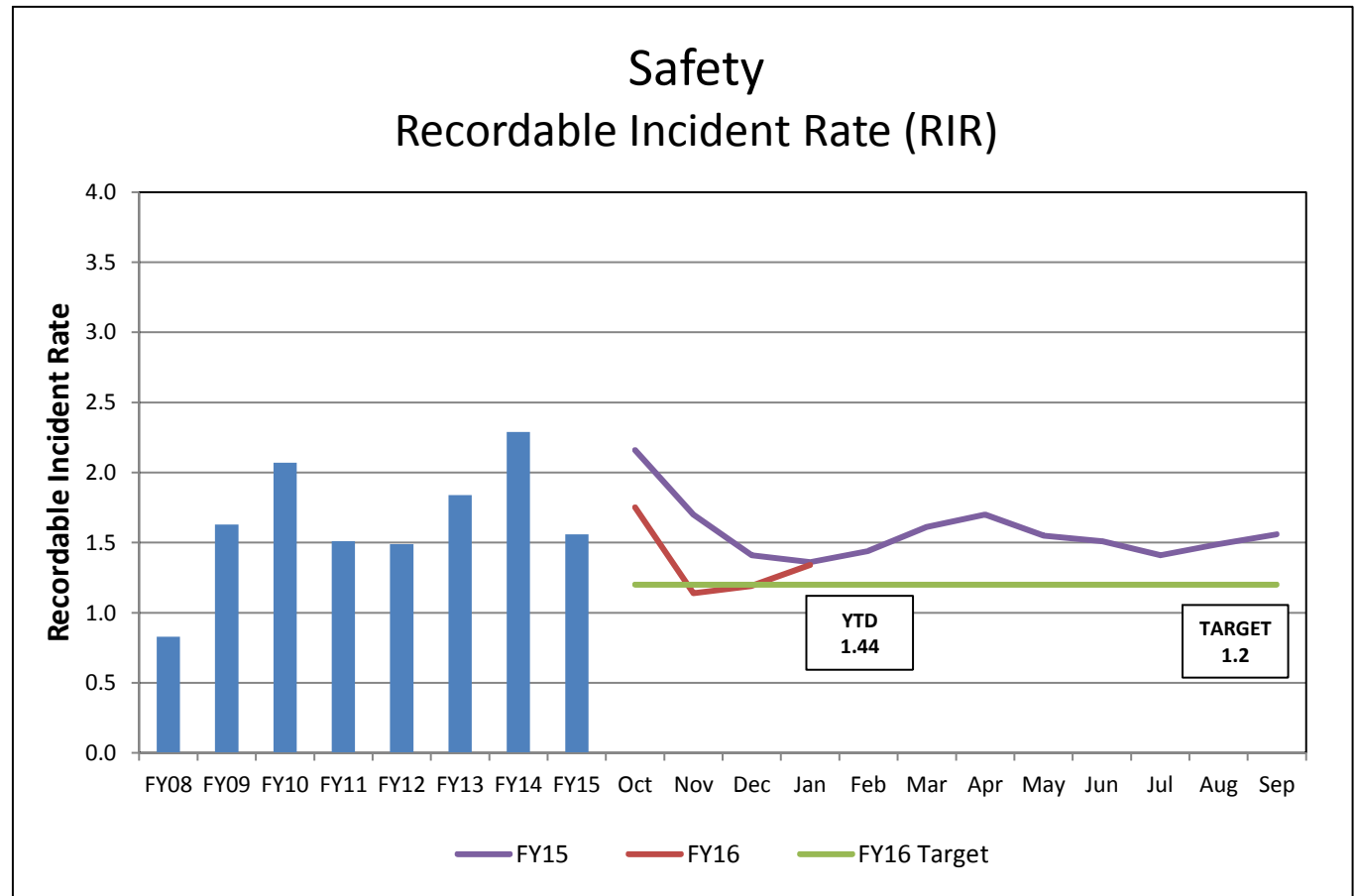
FY2016

- February Recordables = 2
- Year to Date Recordables = 12
- 4 (33%) were lost time
 - Electric Systems = 8
 - Water/WW Systems = 2
 - Customer Service = 1
 - Finance/Shared Services = 1
- Continuing to “Plan for Zero”
- Increased focus on:
 - Complacency
 - Hand/Finger
 - Strains, Sprains, Slip/Trip/Fall
 - 0-5 Year Employees
 - PPE Use

Industry Benchmark*

Average Municipal Utility RIR is 6.3

Units	FY2016 YTD	FY2016 Target	FY2015	FY2014
RIR	1.44	1.20	1.65	2.29



*Provided by Bureau of Statistics

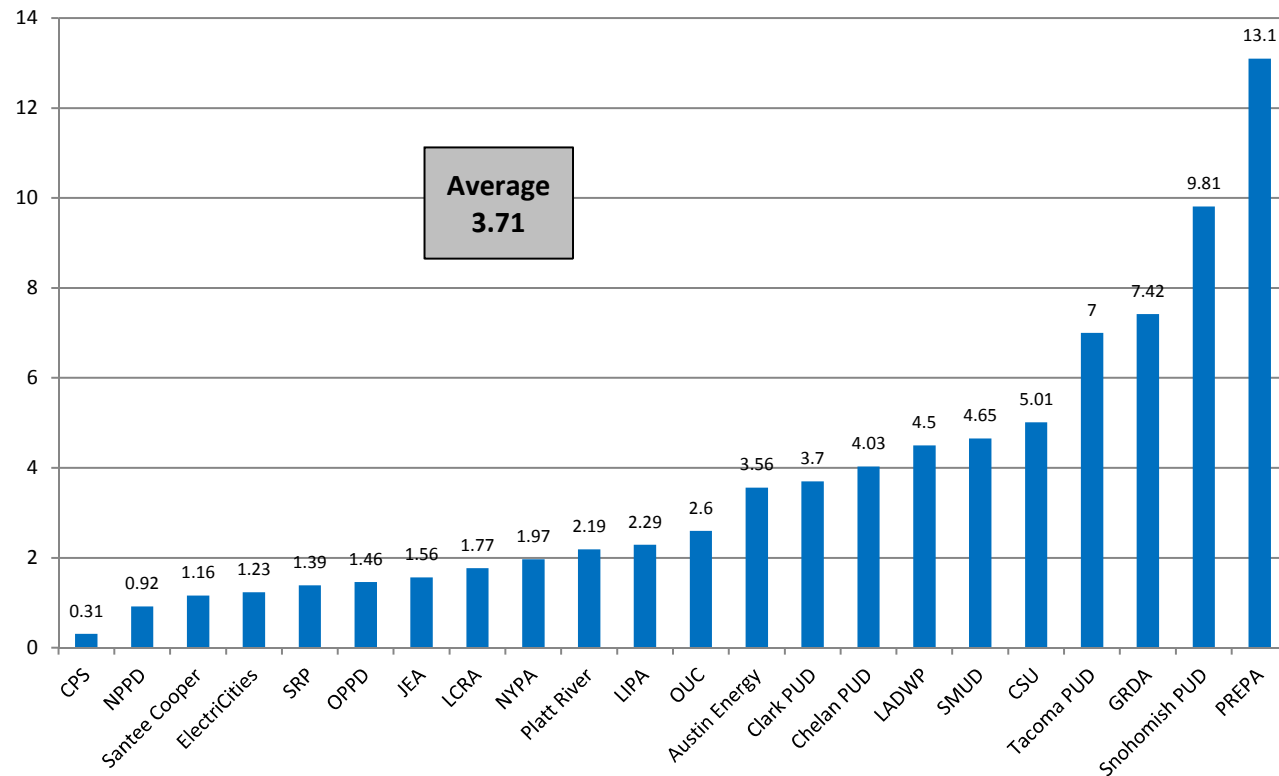


Building Community

2015 Recordable Incident Rates For LPPC Utilities

- JEA led a benchmark survey effort with the Large Public Power Council (LPPC) Utilities
- Most of the Utilities responded to the survey and provided a contact for the safety lead in their organization.
- The survey covered the most recent RIR numbers from each of the Utilities.
- The average RIR rate is 3.71
- JEA is 7th from the top and sits above the average at 1.56.

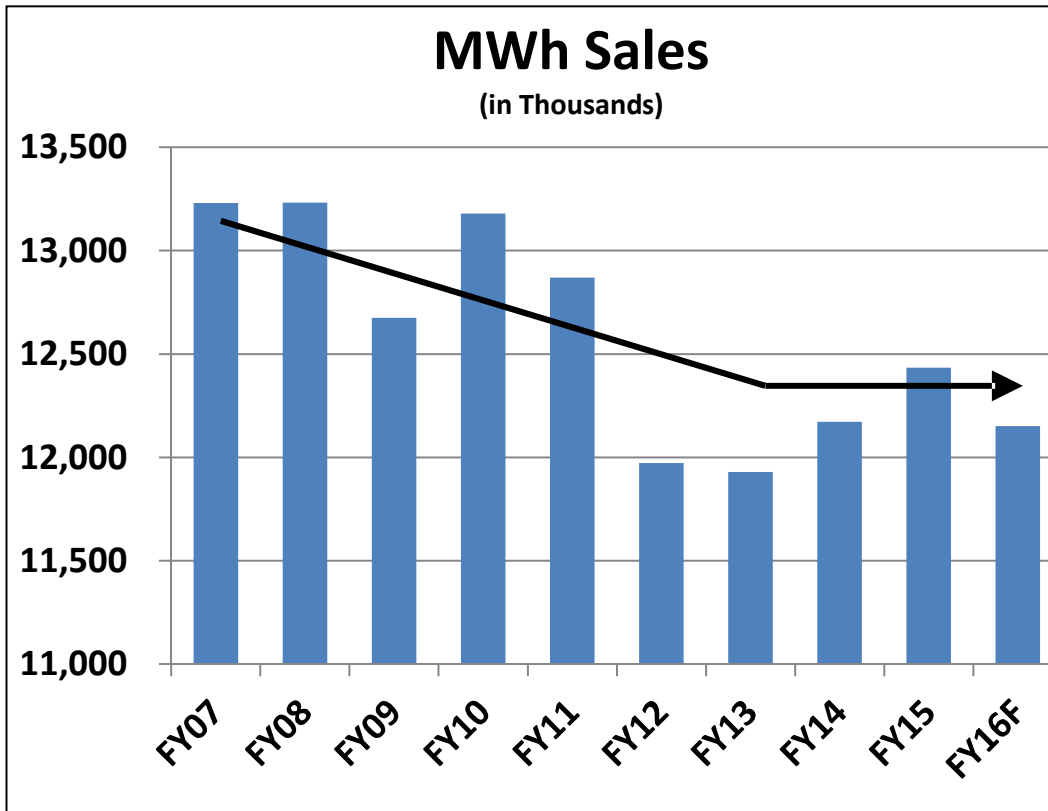
**2015 Recordable Incident Rates
for LPPC Utilities**





JEA Electric System

MWh Sales



Month	FY15	FY16	% Change
Oct	971,595	952,515	(2.0%)
Nov	895,617	923,705	3.1%
Dec	943,753	922,956	(2.2%)
Jan	1,035,621	1,049,897	1.4%
Feb	934,102	894,563	(4.2%)
Year-to-Date	4,780,688	4,743,636	(0.8%)
Mar	898,524		
Apr	954,803		
May	1,062,459		
Jun	1,187,741		
Jul	1,254,252		
Aug	1,212,295		
Sep	1,083,446		
Total/Forecast	12,434,208	12,151,552	

Unit Sales Driver: Degree days 7% lower than last year.

YTD Degree Days		
30-yr. Avg.	FY15	FY16
1,441	1,485	1,375

Total System	(0.8%)
Residential	(3.2%)
Comm./Industrial	1.6%
Interruptible	(2.1%)
Wholesale (FPU)	(2.4%)



JEA FY2016 Performance Objectives

Electric System Reliability Metrics

T&D Grid Performance	Metric	FY2016 YTD	FY2016 Target	FY2015	FY2014
Customer Outage Frequency	# of Outages per Year	1.7	1.8	1.7	1.7
Electric Outage Duration	# of Minutes out per Year	84	80	99	71
Transmission Line Faults	# of Faults per 100 miles	2.5	3.0	1.7	2.4
CEMI ₅	% Customers > 5 outages per yr	1.5	1.25	2.1	2.34

Electric Service Reliability

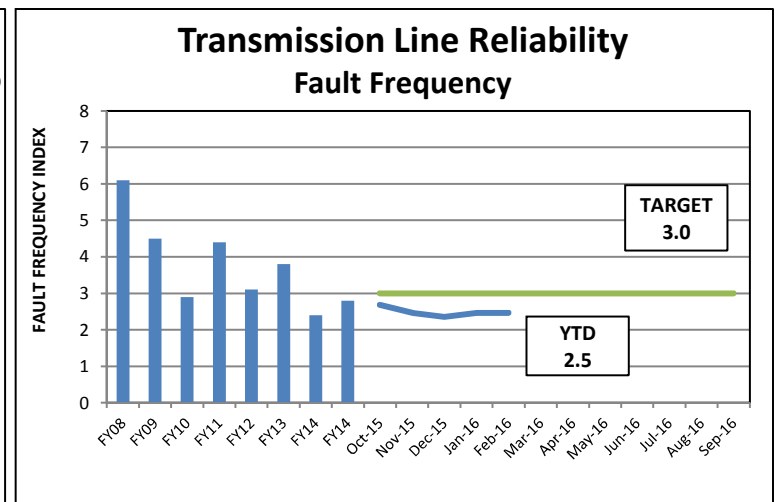
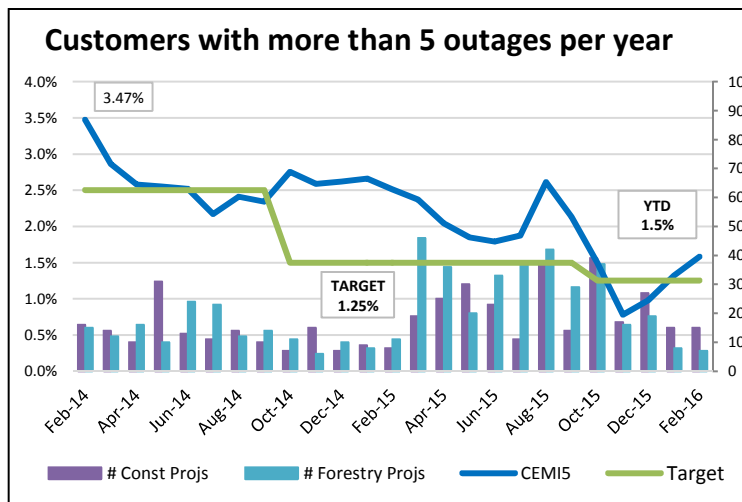
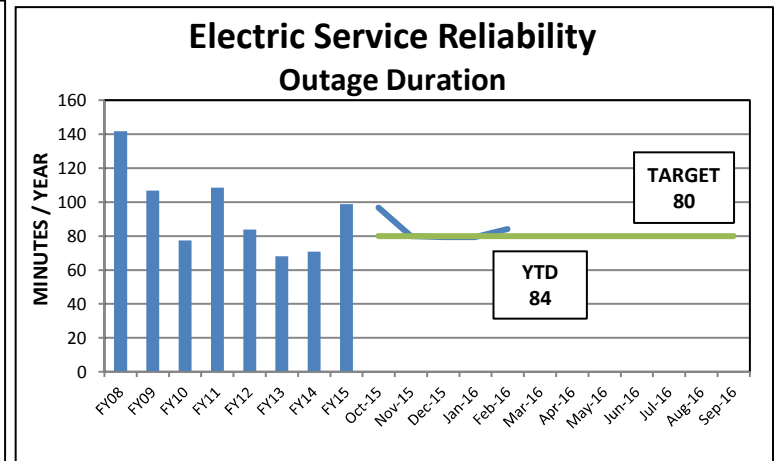
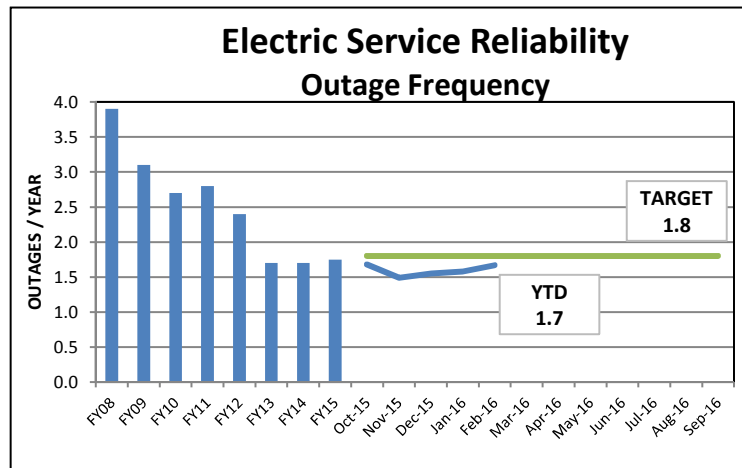
- Outage frequency and duration have been reduced significantly over the last 8 years; running flat this year and near the FY2016 targets.
- The typical JEA customer sees 1.7 outages per year and a total outage duration of 84 minutes
- CEMI₅: 7,252 (1.5%) of our customers have experienced more than 5 outages in the past 12 months

Transmission Line Reliability

- Overall downward trend over the last eight years
- YTD (2.5) running below the FY16 target

Other Operational Metrics

- Continue showing favorable trends over time



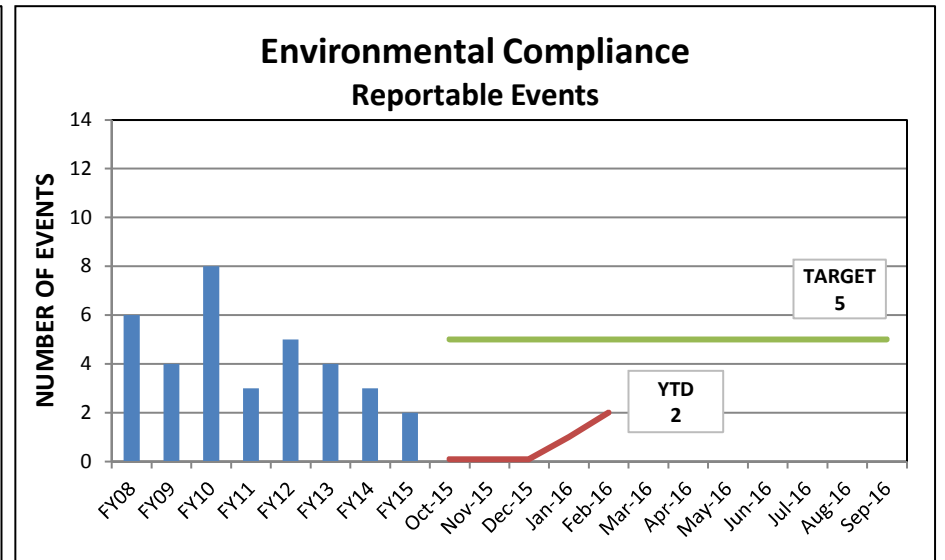
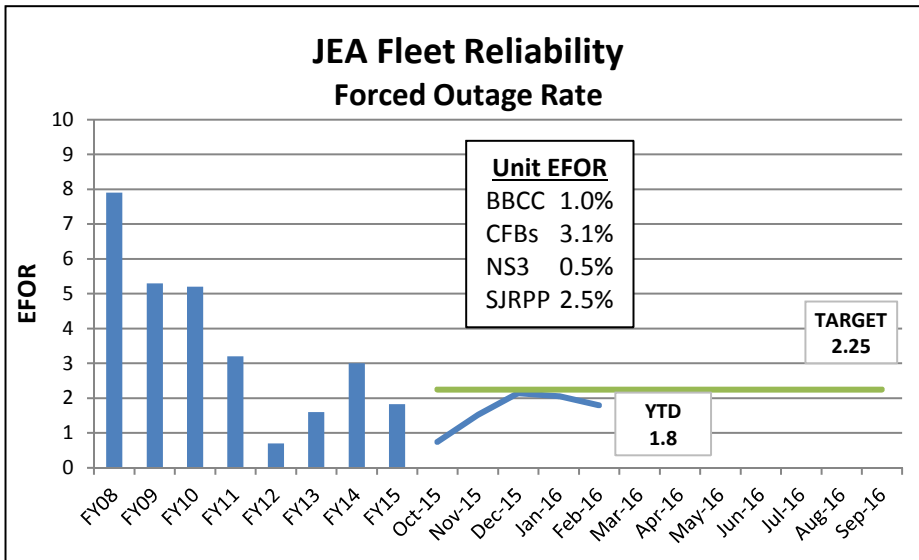


Building Community

JEA FY2016 Performance Objectives

Electric System Reliability Metrics

Generating Plant Performance	Metric	FY2016 YTD	FY2016 Target	FY2015	FY2014
Generation Fleet Reliability	Forced Outages Rate	1.8	2.25	1.8	3.0
Environmental Compliance	Permit Exceedances	2	5	2	3



- #### Generating Fleet Reliability
- The JEA fleet Forced Outage Rate is in line with prior 5-year performance and under FY2016 target of 2.25
 - Successful outages completed last fall on three Northside Units. A major 6 week outage currently underway at Brandy Branch on the combined cycle unit and an additional outage on SJRPP Unit 2 is also planned this spring.
 - High unit reliability contributes to lower fuel and non-fuel expenses
- #### Environmental Compliance
- Excellent environmental performance in prior years.
 - There are two reportable event for FY2016.
 - JEA is actively engage in and preparing for all new and emerging environmental regulations.



JEA Electric System

Financial Results and Cost Metrics

(\$ in thousands)

Revenues	FY16 Forecast	FY15 Actual	FY16 Budget	FY16 vs FY15 (\$)	Variance (%)
Fuel Revenue	\$ 413,833 ¹	\$ 486,362 ²	\$ 485,631	\$ (72,529)	-14.9%
Base Revenue	723,182	741,411	711,502	(18,229)	-2.5%
Other Revenue	44,575	38,183	51,716	6,392	16.7%
Total Revenues	\$ 1,181,590	\$ 1,265,956	\$ 1,248,849	\$ (84,366)	-6.7%

\$ (67M)

Select Expenses	FY16 Forecast	FY15 Actual	FY16 Budget	FY16 vs FY15 (\$)	Variance (%)
Fuel Expense	\$ 379,326	\$ 441,076	\$ 460,315	\$ 61,750	14.0%
Fuel Fund Transfers	34,508	45,286	25,255	10,778	
O & M Expense	209,707	191,764	222,827	(17,943)	-9.4%
Non-fuel Purchased Power	98,385	114,804	113,015	16,419	14.3%
Net Revenues	\$ 447,055	\$ 461,604	\$ 405,311	\$ (14,549)	-3.2%

\$42M

Capital Expenditures	\$ 148,762	\$ 116,728	\$ 153,200 ³	\$ (32,034)	-27.4%
Debt Service	\$ 181,397	\$ 175,779	\$ 185,614	\$ (5,618)	-3.2%

Financial Metrics	FY16 Forecast
Coverage:	2.5x
Days Cash/Liquidity:	206 / 326
Debt/Asset:	66% (2% lower)
Total Debt:	\$3.0B (\$150M lower)

Electric Costs / MWh	Non-Fuel
Target	\$ 49.44
Actual	<u>53.27</u>
Difference	\$ (3.83)

Fuel Fund	(\$ in millions)
Beginning Balance	\$ 151
Surplus/(Deficit)	91
Fuel Credit	<u>(57)</u>
Ending Balance	\$ 185

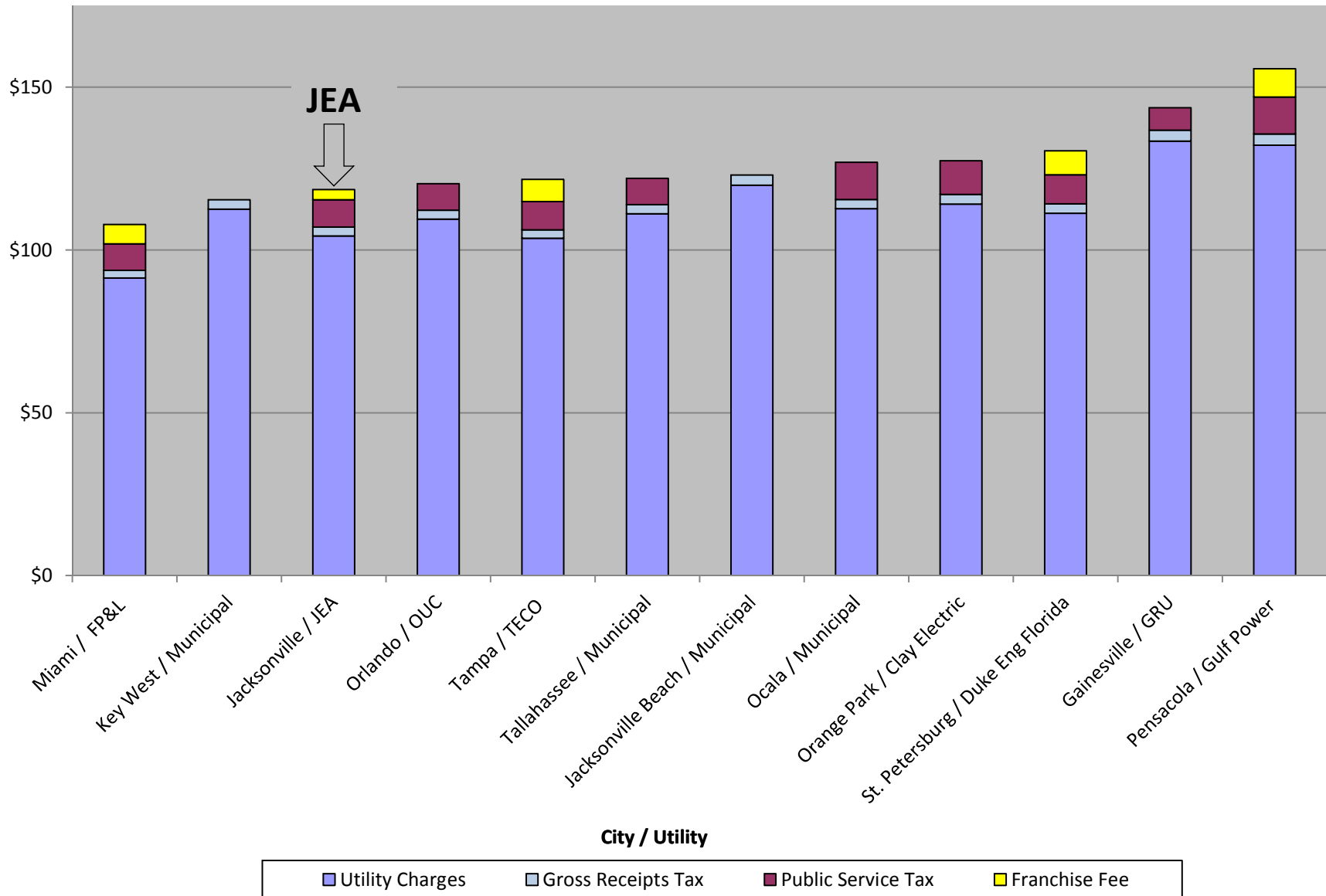
¹ Net of \$57 million fuel credit in October bill and fuel rate reduction in February

² Net of \$50 million fuel credit in FY15

³ Council approved limit for capital expenditures in FY15 is \$170 million

Florida Utilities Monthly Residential Electric Bill Comparison

(Consumption @ 1,000 kWh)
Residential Rates as of March 2016

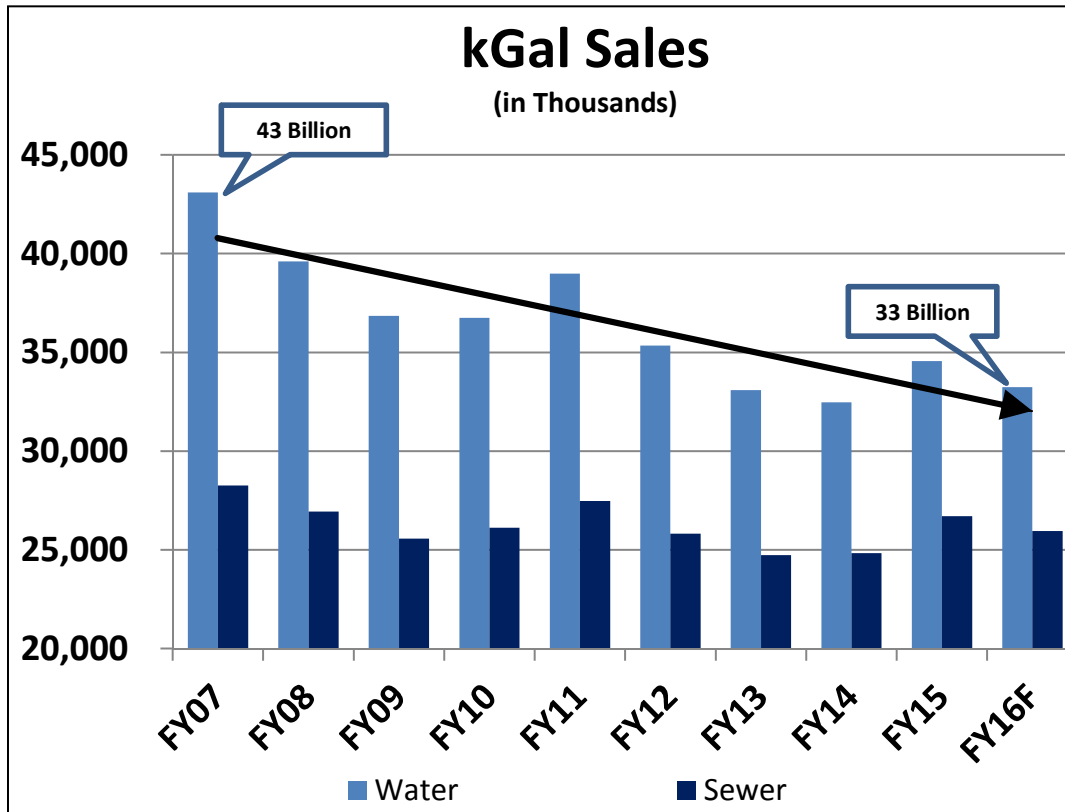




JEA Water and Sewer System

kGal Sales

(in Thousands)



Month	FY15	FY16	% Change
Oct	3,052	3,120	2.2%
Nov	2,597	2,641	1.7%
Dec	2,708	2,758	1.8%
Jan	2,502	2,527	1.0%
Feb	2,239	2,479	10.8%
Year-to-Date	13,096	13,525	3.3%
Mar	2,732		
Apr	2,765		
May	3,509		
Jun	3,382		
Jul	3,300		
Aug	3,062		
Sep	2,712		
Total/Forecast	34,558	33,824	

Unit Sales Driver: Rainfall down 4 inches; rain days up 6.

YTD Rain			
	30-Yr. Avg.	FY15	FY16
Inches	15	16	12
Days	38	30	36

Total System	3.3%
Residential	2.2%
Comm./Industrial	6.3%
Irrigation	(1.5%)

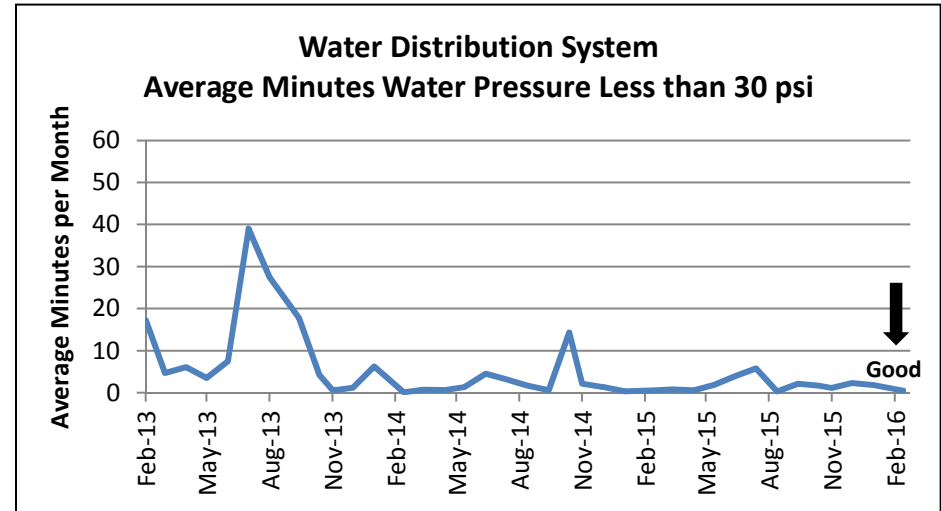
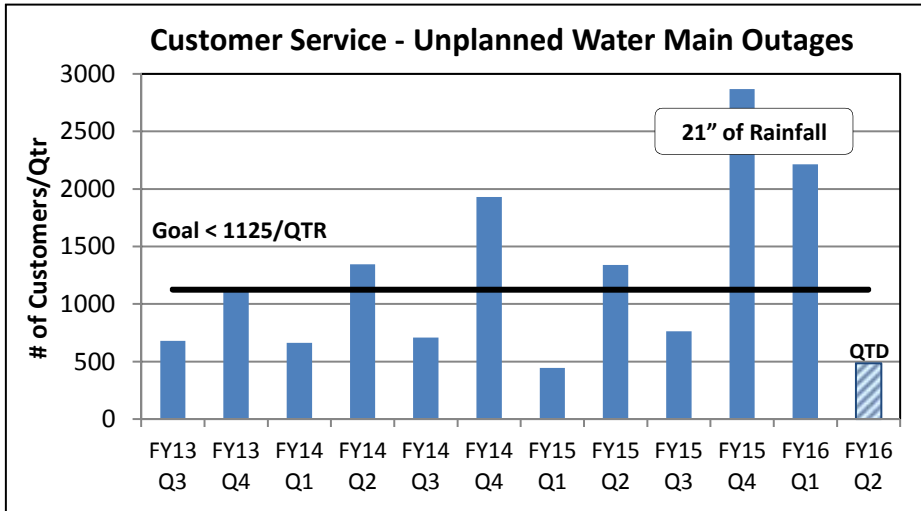


Building Community

Customer Reliability Objectives

Water and Wastewater System

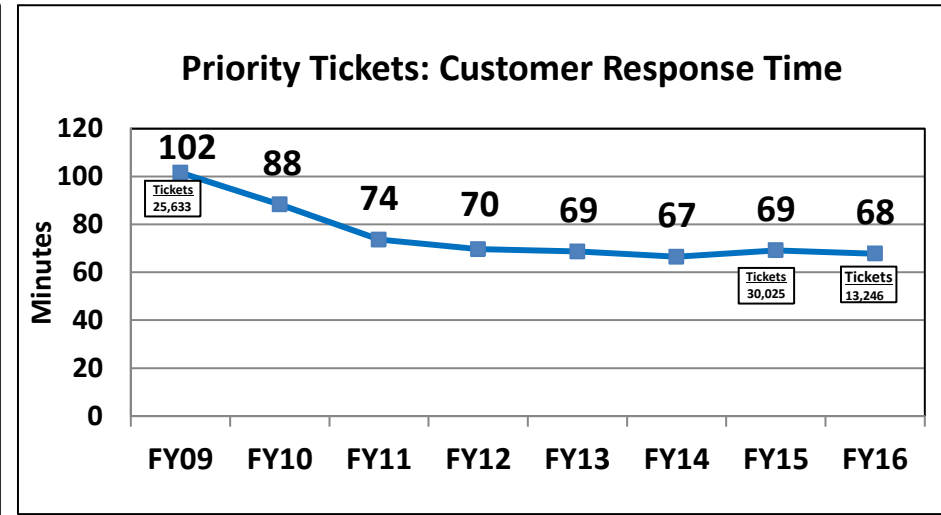
Water Grid Performance	Metric	FY2016 YTD	FY2016 Target	FY2015	FY2014
Water Main Outages	# of Customers per Year	2,699	4,500	5,659	4,645



Unplanned Water Outages
 # of Customers Affected by Unplanned Outages has increased due to rainfall and ground saturation

Water Pressure (minutes per month <math>< 30\text{ psi}</math>)
 Measured by 110 pressure monitoring stations in the distribution system. Pressure must be greater than 20 psi, and is expected to be greater than 50 psi.

Customer Response Time
 Average time from a customer call to the ticket completion or transfer to a field crew for a more extensive repair



QTD: Quarter to date

Note: Priority Tickets are defined as an interruption of water or sewer service

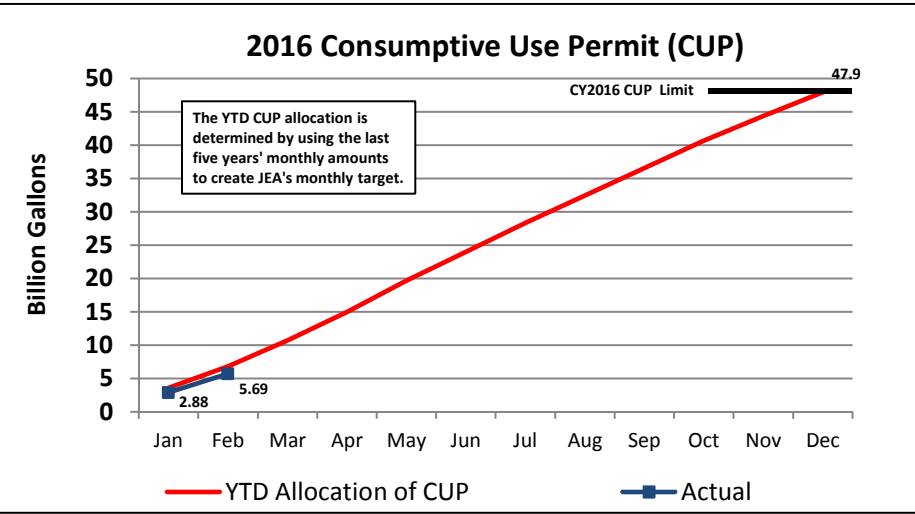


Building Community

Environmental Compliance

Water System – Consumptive Use Permit (CUP)

Compliance	Metric – CY Basis	2016 YTD	2016 Target	2015	2014
Water	CUP Limits (MGD)	95	131 limit	107 (129 limit)	104 (127 limit)
South Grid	Wellfield Allocation (MGD)	40.77	< 50.23 limit	47.50 (<50.23 limit)	51.37 (<61.23 limit)
Reclaim	Usage (MGD)	8	15	13	12



CUP Condition 44: South Grid Wellfield Allocation Limits

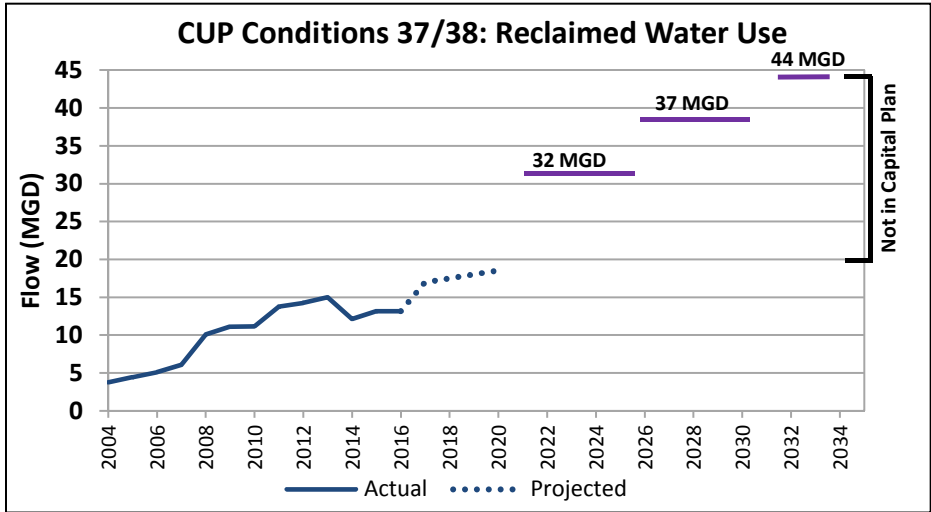
Critical Wellfields	Actuals				YTD 2016	Post Sep-14 Limit
	2013	2014	2015	2016		
Deerwood III	6.96	7.01	6.67	4.68	7.00	
Ridenour	5.97	6.39	6.66	6.28	6.85	
Oakridge	8.78	6.23	4.99	5.09	5.65	
Greenland		1.53	4.27	3.93	4.53	
Brierwood	5.58	4.53	2.84	1.42	3.02	
Subtotal	27.29	25.69	25.43	21.40	27.05	
Other Wellfields	22.21	20.92	22.07	19.37	23.18	
Total South Grid	49.50	46.61	47.50	40.77	50.23	
Total System	MGD 100	104	107	95	131	

St. Johns River Water Management District CUP

Condition 12: YTD average daily flow is 28% below CY limit of 131 MGD

Condition 44: South Grid Wellfields have annual operational flexibility of 20% above the allocation limits

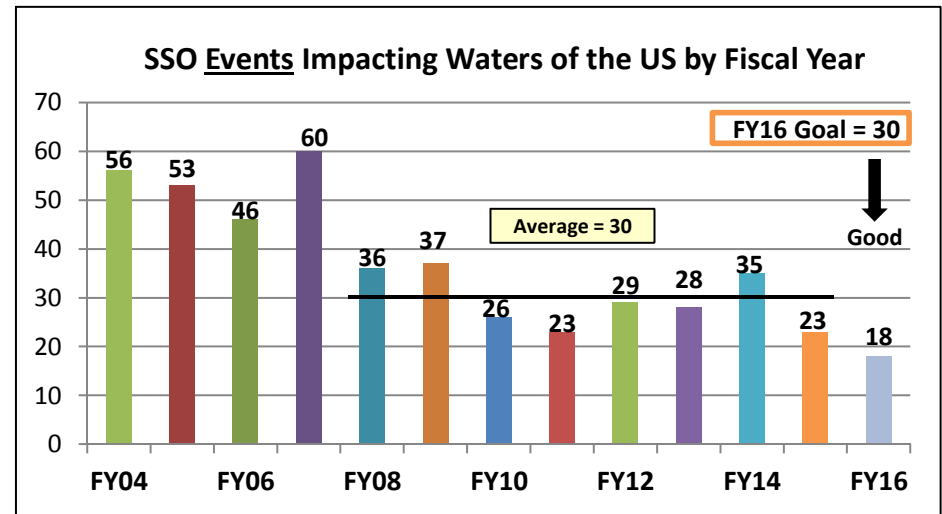
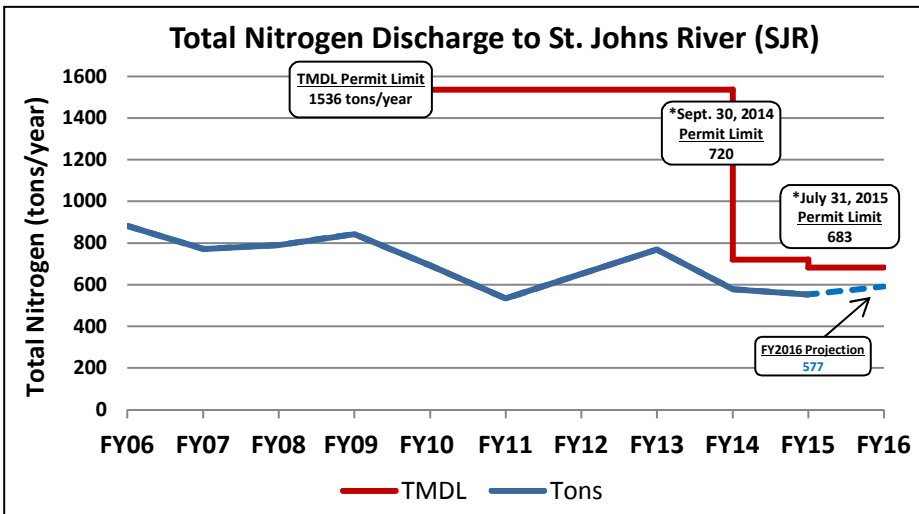
Conditions 37/38: Use of reclaimed water “to the maximum extent technologically, economically, and environmentally feasible”. The annual CUP limit continues to increase beginning in FY21 if 32 MGD is achieved.





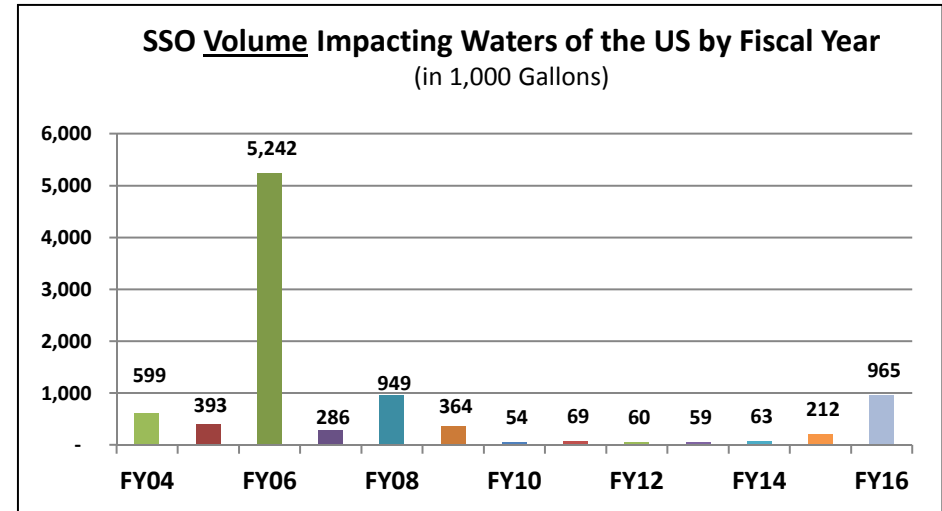
Environmental Compliance Wastewater System

Compliance	Metric	FY2016 YTD	FY2016 Target	FY2015	FY2014
Sewer	Nitrogen (N) Tons – FY basis	237	600	553 (TMDL of 683*)	577 (TMDL of 720*)



Nitrogen Discharge to St. Johns River
 Florida Department of Environmental Protection (FDEP) has reduced the Total Maximum Daily Load (TMDL) to 683 tons with Water Quality Trading Credits allocated to the COJ

Sanitary Sewer Overflows (SSOs)
 FY15 SSO achievement of 23 events matches the lowest annual total. A single event in October 2015 has elevated the SSO volume for FY16.





JEA Water and Sewer System

Financial Results and Cost Metrics

(\$ in thousands)

Revenues	FY16 Forecast	FY15 Actual	FY16 Budget	FY16F vs FY15 (\$)	Variance (%)
Water & Sewer Revenues	\$ 390,156	\$ 393,167	\$ 383,162	\$ (3,011)	-0.8%
Other Revenue	34,583	43,750	34,529	(9,167)	-21.0%
Total Revenues	\$ 424,739 ①	\$ 436,917	\$ 417,691	\$ (12,178)	-2.8%
Select Expenses					
O & M Expense	\$ 136,165 ②	\$ 127,174	\$ 138,368	\$ (8,991)	-7.1%
Net Revenues	\$ 263,195	\$ 278,471	\$ 254,266	\$ (15,276)	-5.5%
Capital Expenditures	\$ 158,381 ③	\$ 100,806	\$ 175,000	\$ (57,575)	-57.1%
Debt Service	\$ 99,141	\$ 101,108	\$ 105,370	\$ 1,967	1.9%

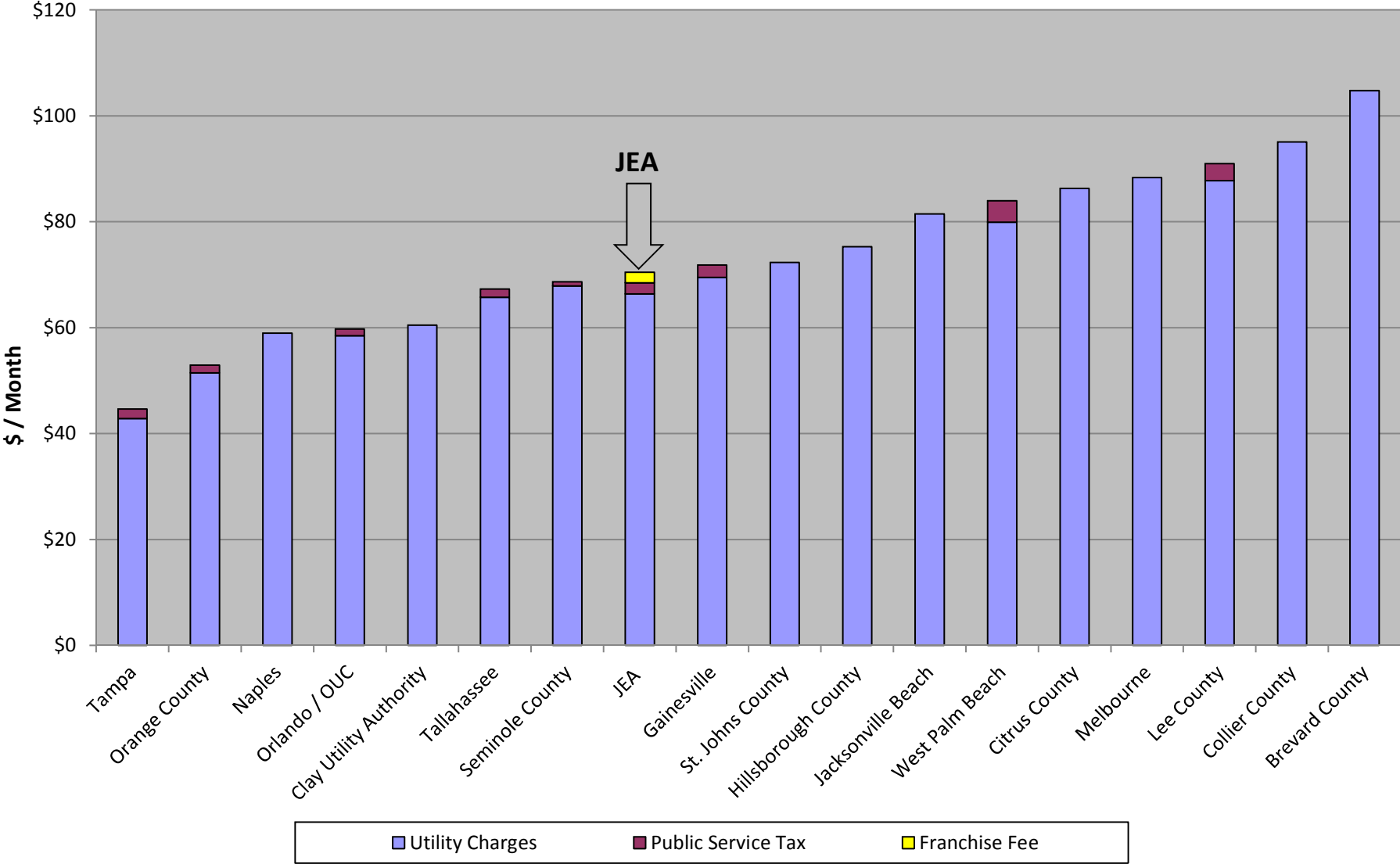
Depreciation
\$132 million

Metrics	FY16 Forecast
Coverage:	2.7x
Days Cash/Liquidity:	149 / 270
Debt/Asset:	53% (2% lower)
Total Debt:	\$1.6B (\$33M lower)

Cost / KGal	Water	Sewer
Target	\$ 3.98	\$ 7.26
Forecast	<u>4.64</u>	<u>8.00</u>
Difference	\$ (0.66)	\$ (0.74)

Water & Sewer Rates in Florida

Residential Service with a 5/8" meter and 6 kgal of Consumption
Residential Rates as of March 2016





JEA Operations Report

Customer Experience

Presenter: Monica Whiting

Date: March 2016

FY16 Customer Satisfaction Goal

Achieve 1st Quartile Ranking for JD Power Customer Satisfaction Index for both Residential and Business Studies

Residential (R)

FY14	FY15	Wave 1	Wave 2	Wave 3	Wave 4	FY16 YTD
3Q 647	1Q 692	2Q 698	2Q 700			2Q 699

Business (B)

FY14	FY15	FY16 YTD
1Q 682	1Q 705	1Q 754

"Highest Customer Satisfaction with Business Electric Service in the South among Midsize Utilities."



Residential



Business



2016 Residential # of companies ranked: 137
 2016 Business # of companies ranked: 86

1Q= 1st quartile 2Q= 2nd quartile 3Q= 3rd quartile 4Q= 4th quartile

Achieve 1st Quartile Ranking on All Drivers

Be Easy to Do Business With

Customer Service

	FY15	Wave 1	Wave 2	Wave 3	Wave 4	FY16 YTD
R	1Q 775	1Q 777	1Q 777			1Q 777
B	1Q 754	1Q 798	2Q 767			1Q 782

Power Quality & Reliability

	FY15	Wave 1	Wave 2	Wave 3	Wave 4	FY16 YTD
R	2Q 736	2Q 744	2Q 751			2Q 747
B	2Q 736	1Q 813	1Q 774			1Q 794

Empower Customers to Make Informed Decisions

Billing & Payment

	FY15	Wave 1	Wave 2	Wave 3	Wave 4	FY16 YTD
R	1Q 755	2Q 753	1Q 770			1Q 762
B	1Q 756	1Q 809	2Q 762			1Q 785

Communication

	FY15	Wave 1	Wave 2	Wave 3	Wave 4	FY16 YTD
R	1Q 653	2Q 660	2Q 654			2Q 657
B	1Q 648	1Q 741	1Q 701			1Q 721

Price

	FY15	Wave 1	Wave 2	Wave 3	Wave 4	FY16 YTD
R	2Q 615	2Q 619	2Q 620			2Q 620
B	1Q 650	1Q 728	2Q 674			1Q 701

Demonstrate Community Responsibility

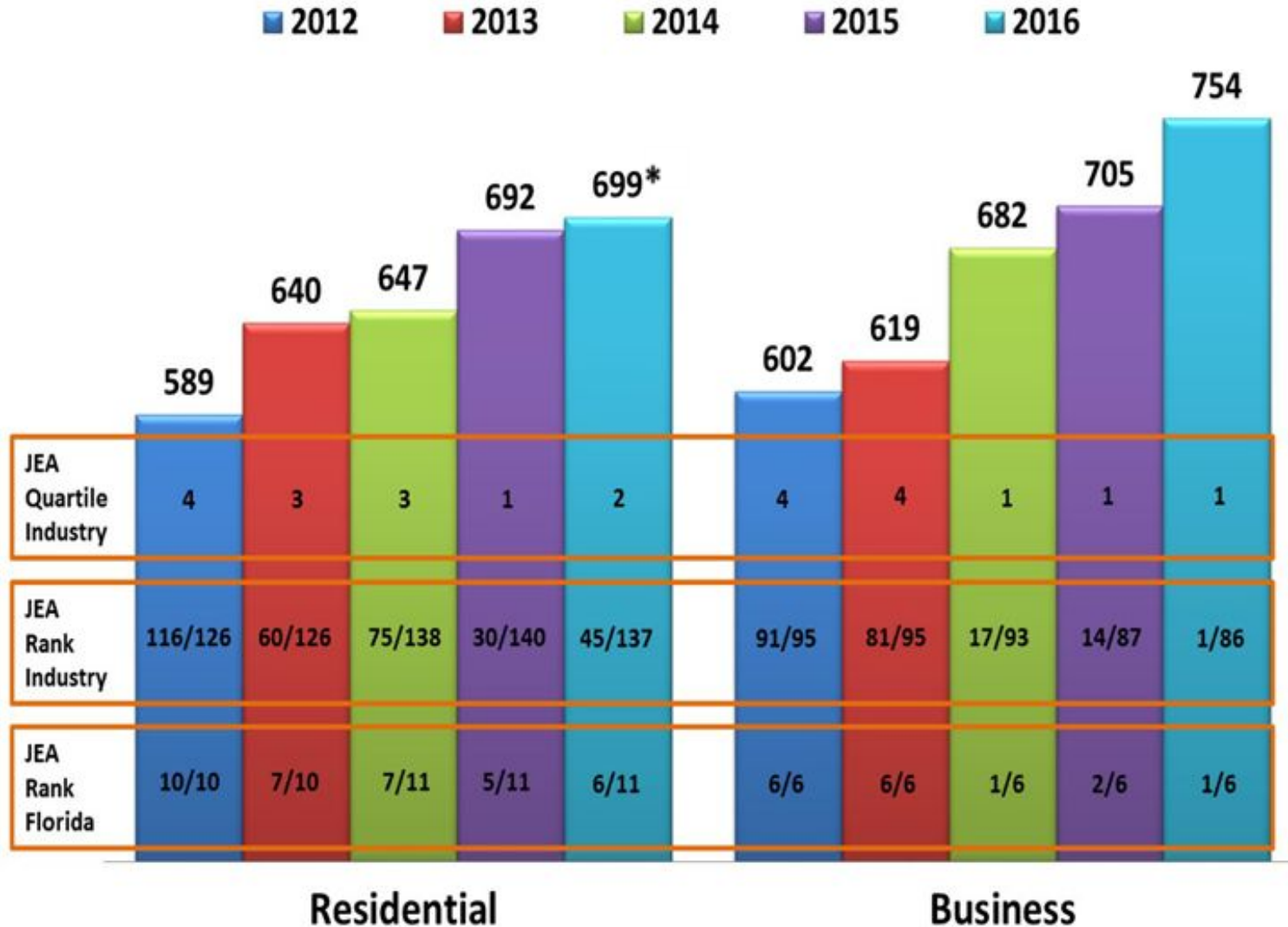
Corporate Citizenship

	FY15	Wave 1	Wave 2	Wave 3	Wave 4	FY16 YTD
R	2Q 634	2Q 655	2Q 635			2Q 645
B	1Q 673	1Q 736	1Q 727			1Q 731



Building Community

Customer Satisfaction Index Scores



* Data for residential is YTD with the recent Wave 2 survey results. Business is final for 2016.

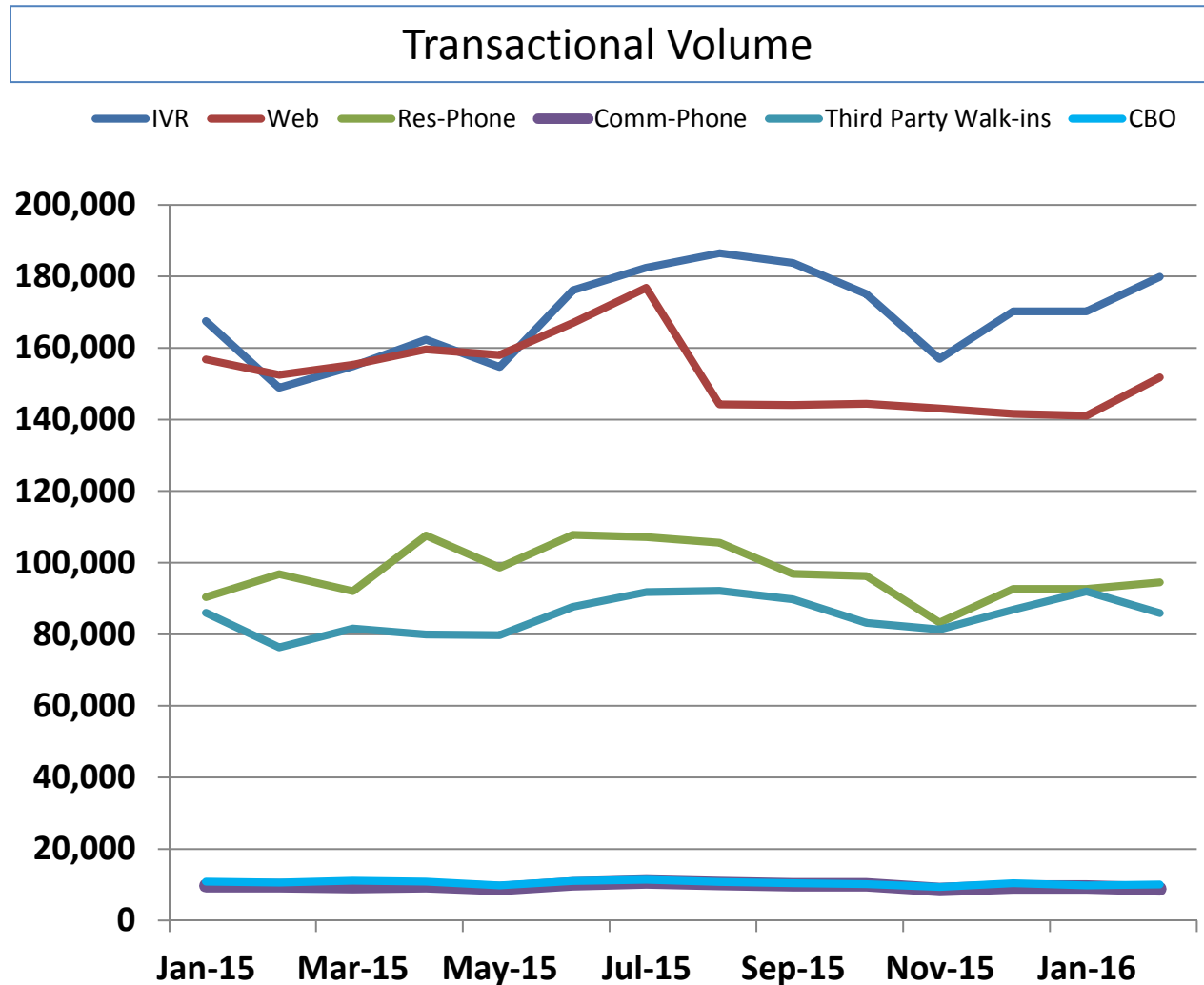


Easy to do Business With Customer Service

Providing multiple contact channels allows the customer to interact with JEA in a way that's easiest for them.

Customer Satisfaction
Rating: 8s-10s by Channel - JDP

	FY15	FY16	Ind.
Phone	60.8%	63.1%	58.7%
IVR	68.5%	75.2%	58.7%
Web	74.0%	63.2%	61.7%





Easy to do Business With Customer Service

Accurately addressing a customer's needs the first time produces a positive customer experience

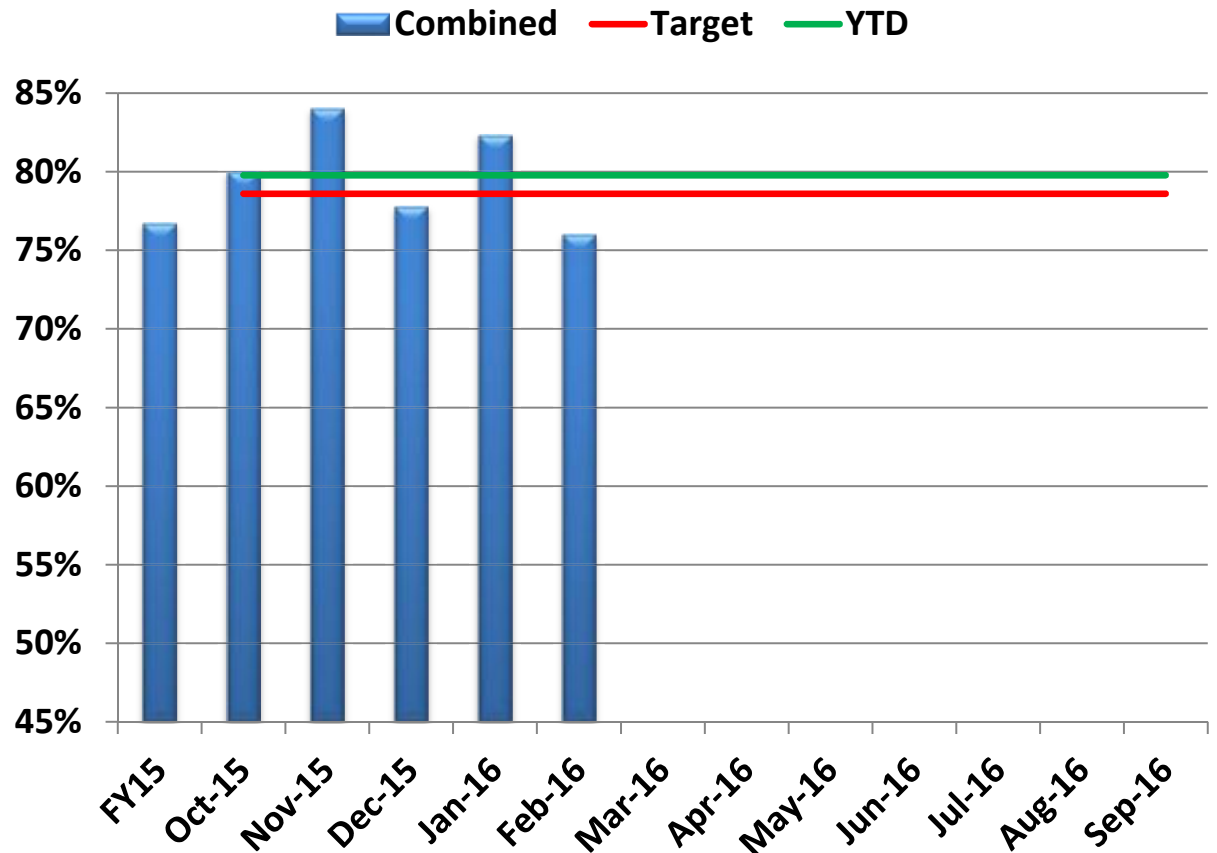
FY2016 YTD

Residential CC	77.4%
Branches	84.4%
Commercial CC	76.4%
IVR	82.9%
jea.com	77.8%
Overall	79.8%

JD Power FCR

	FY15	FY16	Ind.
Res CC/IVR	74.3%	75.6%	73.2%
Jea.com	80.2%	76.0%	74.6%
Bus CC/IVR	73.8%	71.4%	67.8%

First Contact Resolution Branches, Call Centers, and jea.com





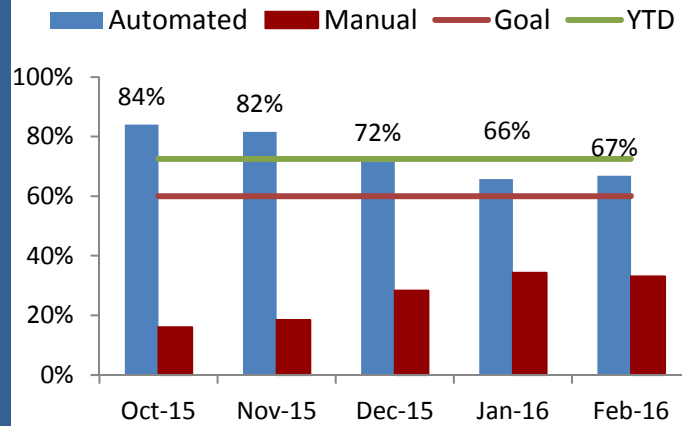
Easy to do Business With Power Quality & Reliability

Customers are more satisfied when receiving additional information when reporting an outage and when given updates when power is restored

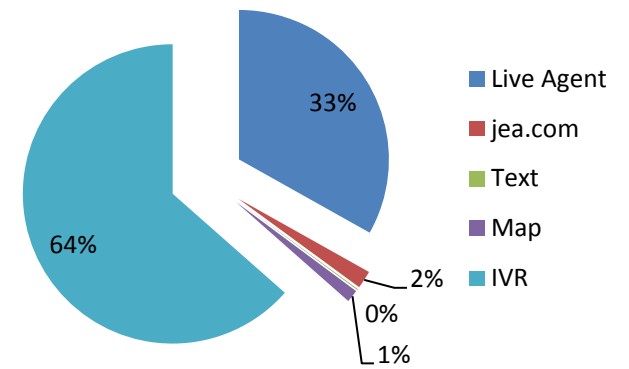
JD Power
"Keeping you informed about outage"

Score	FY15	FY16	Ind.
8 – 10	36.1%	38.7%	34.3%
< 5	24.1%	20.9%	20.8%

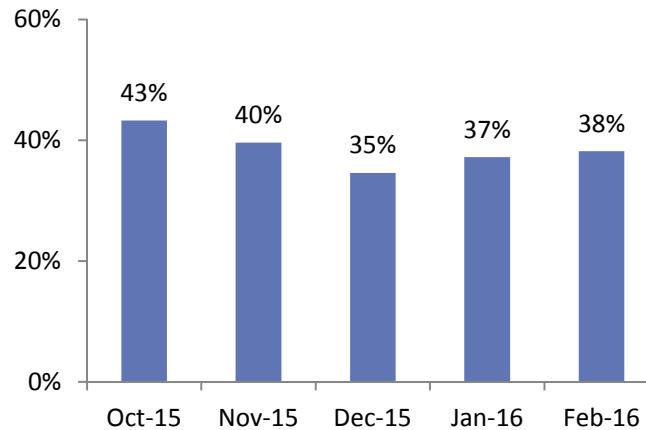
Automated Outage Reporting



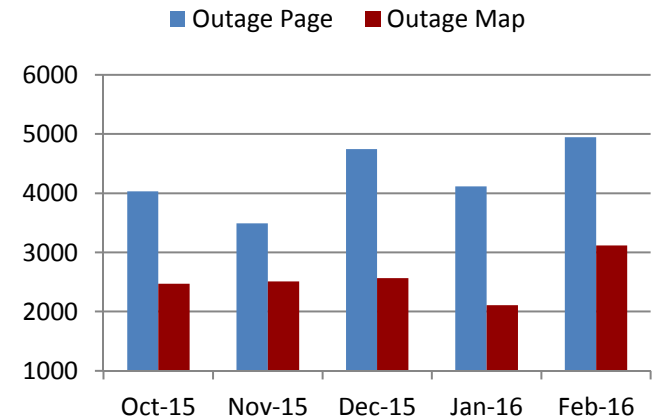
Outage Reporting by Channel



Outage Updates Requested



jea.com Outage Page Volume





Empowering Customers to Make Informed Decisions Billing & Payment: Customer Solutions

Customer Solution Participation	FY16 Goal	FY16 YTD
e-Billing Participation	72,600	64,568
Levelized Bill Participation	20,186	19,991
AutoPay Participation	36,640	31,796
JEA MyWay Participation	11,235	10,565

JEA MyWay surpassed 10K enrollment mark and recovered nearly \$200K in write-offs in FY15

Promotional campaign for JEA MyBudget – January & February

e-Bill promotional campaign scheduled for April & May

	FY16 YTD	Industry Benchmark*
e-Bill	16.4%	18.5%
Budget Bill	5.1%	9.0%
Auto Pay	8.1%	13.0%
*2015 IOU Benchmark Average		



Empowering Customers to Make Informed Decisions Communications

Communicating with customers is a key driver of satisfaction and impacts all drivers

JDP Frequency of Comm

Received

FY16 YTD

Not enough	13%
Just right	82%
Too much	5%

JDP Comm Awareness

Residential

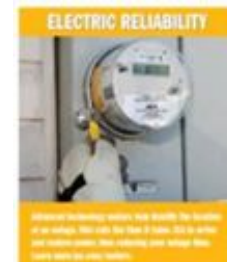
FY13	48.8%
FY14	51.9%
FY15	54.6%
FY16 YTD	52.0%

Commercial

FY13	53.4%
FY14	55.7%
FY15	70.4%
FY16 YTD	54.8%



Anatomy of a Power Outage from a JEA Customer's Point of View



Communication Channels FY16
Volume: 103,839,447

- e-Com (jea.com, email, social) 14,769,239
- Paid Media (Radio, TV, Print) 83,489,237
- Community Engagement (Events, Workshops) 167,591
- Other Communication (Bill Inserts, Brochures) 5,413,380





Empowering Customers to Make Informed Decisions Corporate Citizenship

JEA Employee Volunteer Participation

Giving back to our community through volunteering is foundational as a community-owned utility

FY16 YTD Volunteers—305

February— 87 Volunteers

NE FL Regional Science Fair

DLC Nurse and Learn Ctr

26.2 with Donna

MathCounts

Feeding NE FL Food Bank

March—Vol. Events

Komen Race for the Cure – 5

Gate River Run – 9, 10, 11 and 12

Walk to End Lupus – 13

Natural Life Music Festival –13

HabiJax – 17, 24 and 31

Dignity U Wear –18

St. Johns River Clean-up – 18 and 19

Feeding NE Florida Food Bank --31



Gina Kyle
Downtown
Human
Resources

JEA Ambassadors are engaging customers throughout our community in a greatly expanded way.

FY16 Activities:

- Speakers Bureau—21
- Facility Tours—14
- Community Events—43
- Educational Partnership Activities—19



JEA Ambassadors participated in the Florida Coastal School of Law's Environmental Summit where over 100 attendees were able to ask questions and learn about JEA Environmental Programs.

JEA Ambassadors participated in the Jax Science Festival at MOSH & Friendship Fountain Park, the event was sponsored by the Foundation Academy and was well attended by both adults and children. Ambassadors shared information about conservation, JEA products and services.



JEA Ambassador Program



Demonstrating Community Responsibility

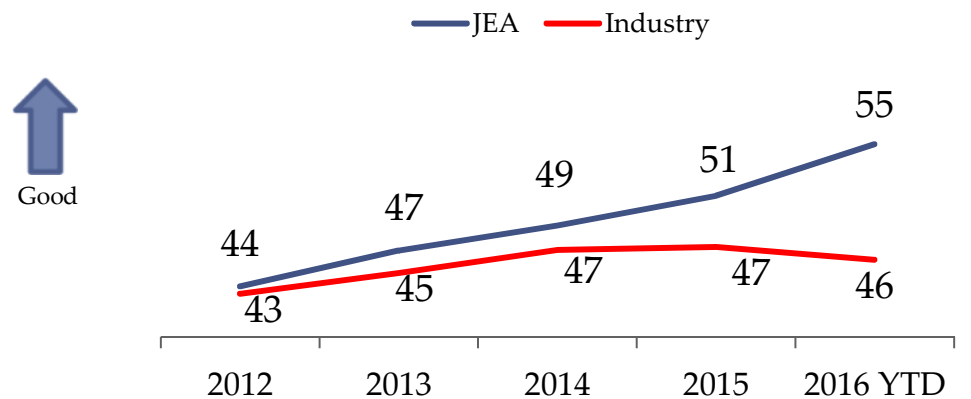
Corporate Citizenship: Environmental

DSM Programs & Participation	FY16 Goal	FY16 YTD
On-site Efficiency Assessment	N/A	2,470
Tracker Participation (Entering Site)	105,000	44,791
Invest Smart	350	92
Shop Smart	62,030	25,642
Neighborhood Energy Efficiency	1,274	504
Electric Vehicle Rebates	55	21
Charging Stations Installed	26	25

JEA at the Jacksonville International Auto Show:
JEA's Chevy Volt on display



Familiarity with Utility Energy Efficiency or Conservation Programs (%)





Demonstrating Community Responsibility

Corporate Citizenship: Environmental

Demonstrate Community Responsibility

- Public EV Charging Network Growing in Jacksonville
 - 25 of 26 Public ChargeWell charging stations are installed and operational
 - 400 charging sessions and 1.56 MWH to date
 - Working with Nissan/Novacharge to deploy additional DC Fast Chargers
 - Will add a Nissan Leaf to JEA Fleet, replacing gas engine vehicle



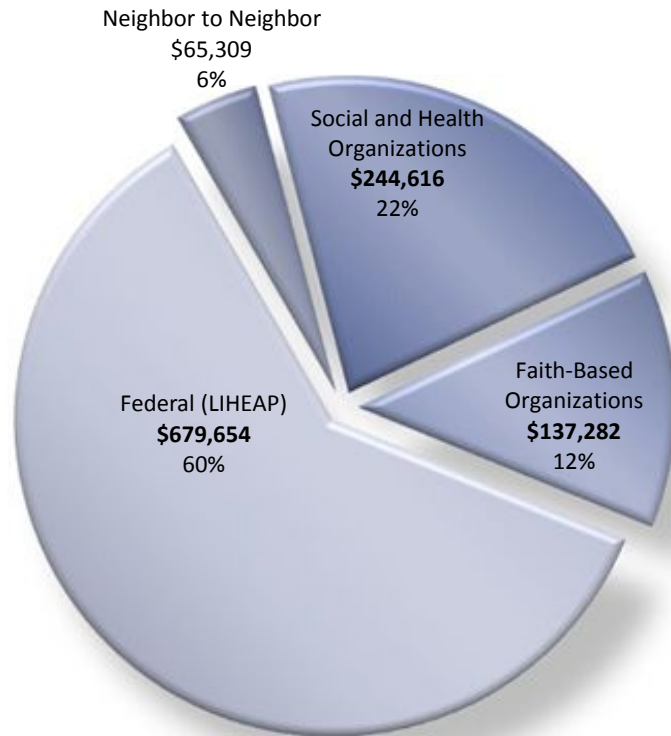
List of ChargeWell Stations:

1. UNF
2. Town of Orange Park
3. MOSH
4. San Marco Merchants Association
5. City of Jacksonville Library Garage
6. City of Jacksonville Yates Garage
7. JTA Kings Avenue Garage
8. JAX Chamber
9. A1A Solar Contracting
10. The 900 Building
11. Larry's Giant Subs HQ
12. Native Sun Baymeadows
13. Ramco Parkway (River City Marketplace)
14. Cummer Museum
15. Child's Place Montessori School
16. Environmental Services, Inc.
17. Bold City Brewery
18. Brooks Rehabilitation
19. Fidelity/ Black Knight
20. North Florida TPO
21. Jacksonville Zoo
22. Whole Foods Market
23. JAX Metro Credit Union
24. Native Sun Mandarin
25. Fairfield Inn & Suites





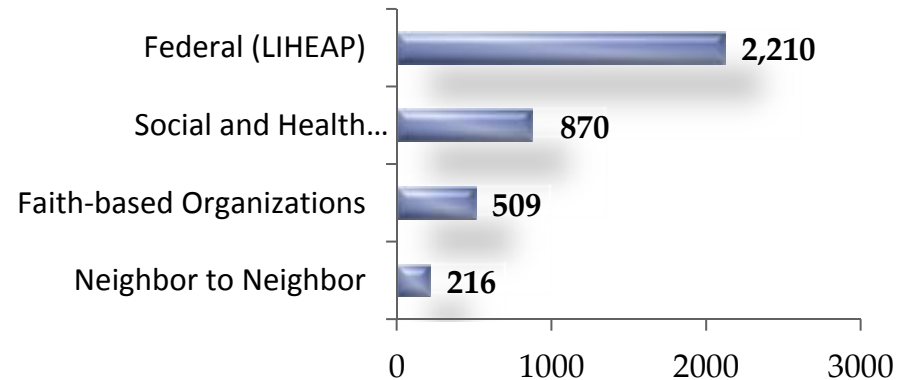
Demonstrating Community Responsibility Corporate Citizenship: Customer Assistance Funding



Agency & Federal
Customer Assistance
FY 16 YTD
\$1,126,861

28 agencies provided 766 utility payments on behalf of JEA customers in February 2016 totaling \$233,013

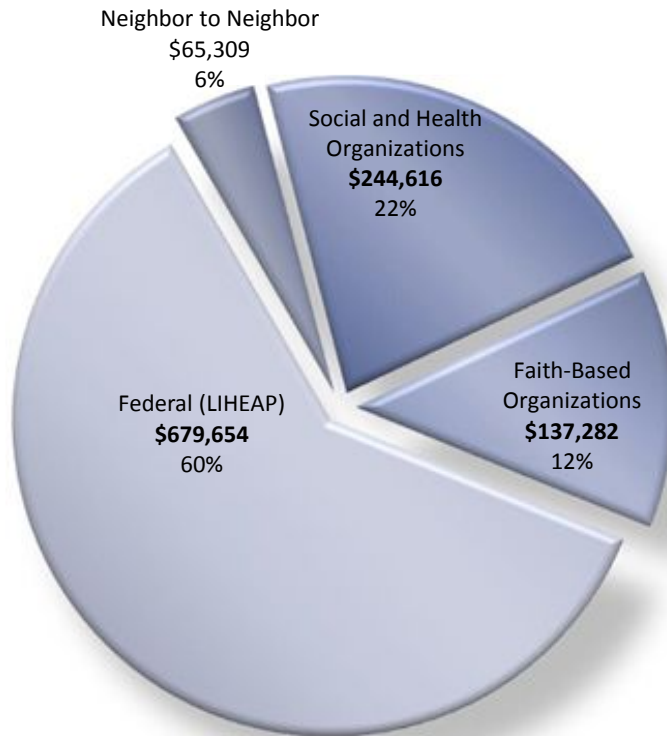
Customers Receiving Agency Assistance YTD



Number of Customers Receiving Agency & Federal Utility Assistance
FY 16 YTD
3,715



Demonstrating Community Responsibility Corporate Citizenship: Customer Assistance Funding



Agency & Federal
Customer Assistance
FY 16 YTD
\$1,126,861

28 agencies provided 766 utility payments on behalf of JEA customers in February 2016 totaling \$233,013

Senior Day at JEA welcomes new agency partner, Elder Source!

Elder Source is a UW Agency which administers federal funding for utility assistance and from the Delores Barr Weaver "Senior to Senior" fund

ElderSource would like to provide vouchers for the food service to seniors that are served during our Senior Day events.

This will support a 50% increase in appointments at each Senior Day.

Number of Customers Receiving
Agency & Federal Utility Assistance
FY 16 YTD
3,715



Building Community

AGENDA ITEM SUMMARY

March 3, 2016

SUBJECT:	JEA CHARTER CHANGES AND INTERAGENCY AGREEMENT
-----------------	--

Purpose:	<input type="checkbox"/> Information Only	<input checked="" type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: As part of the negotiations with the City of Jacksonville (“City”) to establish a revised calculation for the annual JEA contribution to the City, the City and representatives from JEA have met over the past year through a Special Committee. Upon completion of the negotiation process, the Special Committee recommended legislation and City Council has approved a bill that amends the City Charter Article 21-JEA (Ordinance 2015-764) and establishes a revised contribution calculation for the next five years, in addition to other language changes in Article 21. A copy of the legislation is attached to this agenda item, along with a summary of the Charter changes. In addition to the Charter changes, the City and JEA have negotiated terms to an Interagency Agreement that provides for a one-time additional contribution of \$15,000,000 from JEA to the City; the conveyance of Basin Management Action Plan (“BMAP”) water quality credits from JEA to the City until 2023; and cooperative efforts and responsibilities regarding City sewer projects.

Significance: High.

Effect: The Interagency Agreement sets forth the collective understanding and agreement of the City and JEA regarding additional contribution, BMAP water quality trade credits, and cooperative efforts and responsibilities regarding City sewer projects.

Cost or Benefit: Costs associated with the Interagency Agreement – one-time \$15,000,000 additional contribution; approximately \$2,086,767 per year through 2023 for BMAP water quality credits; \$1,650,000 per year for five years for qualified sewer projects.

Recommended Board action: JEA staff is recommending that the JEA Board approve the attached Interagency Agreement.

For additional information, contact: Melissa Dykes, 665-7054 or Jody Brooks, 630-1720.

Submitted by: PEM/ MHD



Commitments to Action

- 1 Earn Customer Loyalty
- 2 Deliver Business Excellence
- 3 Develop an Unbeatable Team

SUMMARY

**City of Jacksonville and JEA – Contribution Agreement
February 2016**

GENERAL:

**Ordinance with charter revisions (2015-764)
Interagency Agreement**

CONTRIBUTION:

1. Five Year Agreement

- a. The agreement term is 10/01/2016 through 9/30/2021.
- b. The terms of the agreement may be reconsidered after 10/01/2020 and changes, if any, will become effective 10/01/2021. Otherwise, the formulas and annual minimum increase of 1% will continue.

2. Contribution Floor of \$114,187,538 (Current level)

- a. The FY2015/2016 total contribution from the Electric System and the Water & Sewer System of \$114,187,538 will be the FLOOR used to compare the contribution in any fiscal year from 10/01/2016 through 9/30/2021.
- b. The contribution FLOOR will increase by 1% per year starting with the first year of this agreement, October 1, 2016 through September 30, 2017. Contribution to not be less than:

FY 2016/2017 –\$115,329,413
FY 2017/2018 - \$116,482,708
FY 2018/2019 - \$117,647,535
FY 2019/2020 - \$118,824,010
FY 2020/2021 - \$120,012,250

3. Millage Rates Reset

The millage rates have been recalculated by the Council Auditor for the Electric System millage rate (7.468 mills) and the Water & Sewer System millage rate (389.20/kgal) to reach the combined FLOOR of \$114,187,538.

4. Annual Increase

For fiscal year 2016/2017, and each fiscal year thereafter, the contribution will be the higher of:

- a. The Millage calculation based upon units (KWh and Kgals (1000 gallons)) sold the prior 12 months May through April or,
- b. The FLOOR as calculated in 2.b. but not less than:

5. Water Quality Trading Credits

- a. JEA will convey 30.34 metric tons Water Quality Credits, including those in the current agreement (2015-105-E), at no charge through September 30, 2023.

6. Additional One-Time Contribution of \$15,000,000

- a. JEA shall make a one-time additional contribution of \$15,000,000 within 3 business days after execution of the Interagency Agreement.

Other Changes to Charter:

1. Clarifies council review for taxability and revenue sharing on new utility system business lines
2. Adds option for JEA to collect charitable contributions for other utility service related programs
3. References Interagency Agreement for BMAP credits
4. Amendment to language in 21.08 Employees to provide generic references to city departments dealing with personnel

INTERAGENCY AGREEMENT:

Water Quality Trading Credits:

1. Incorporates and replaces current Water Quality Trading Agreement
2. Provides City 30.34 Metric Tons/Year Water Quality Credits through December 2023, including current year, at no charge
3. Provides for cooperation between COJ and JEA on credits

Additional Contribution:

1. Outlines additional \$15,000,000 one-time contribution

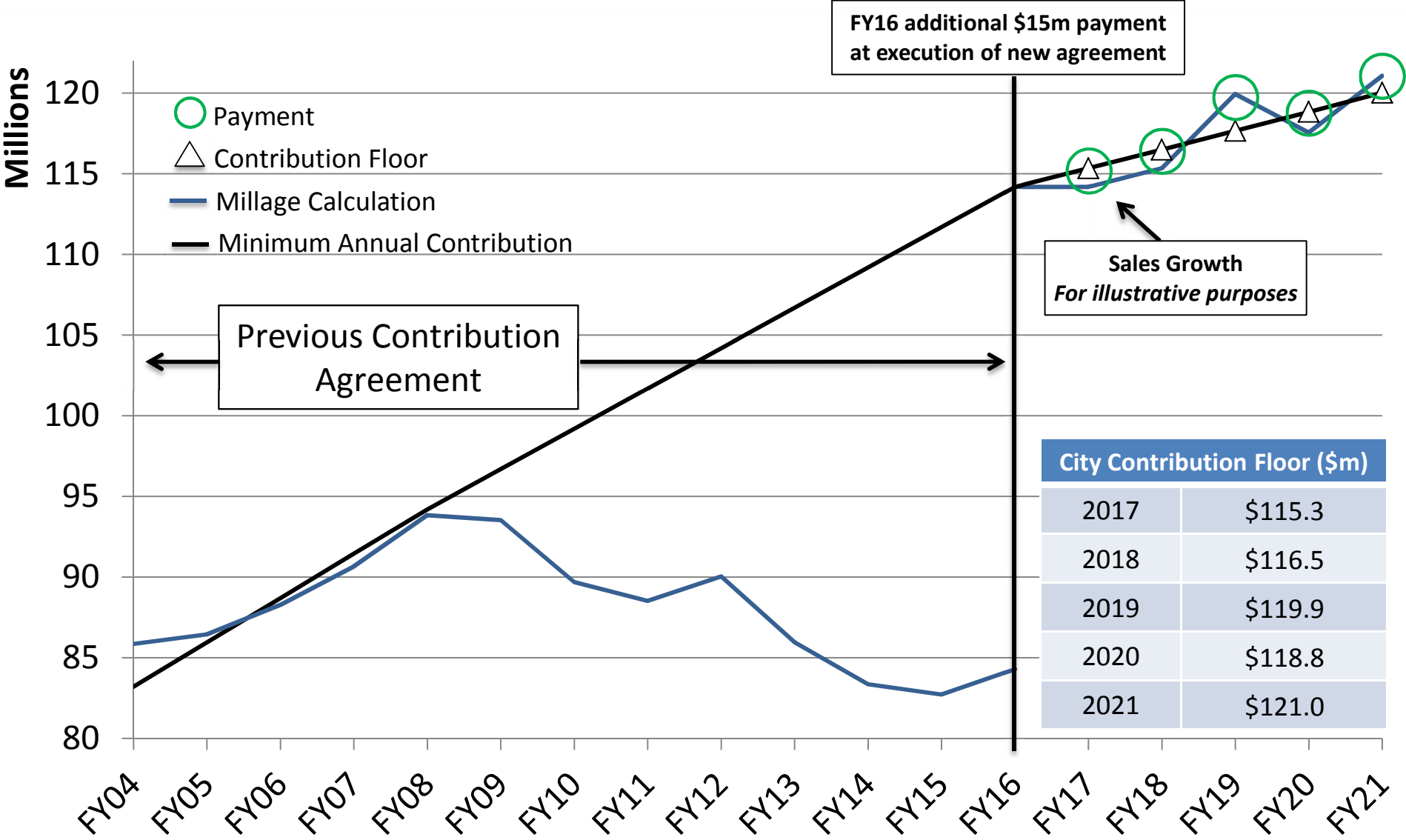
City Water and Sewer Projects

1. Outlines total of \$30,000,000 (\$15 M from City and \$15 M of one-time contribution) to provide water and sewer infrastructure
2. A working group will develop a plan to propose policies, procedures and laws to present to Council within 90 days of the effective date of agreement and provide recommendations to City Council

Cooperation on Qualified Sewer Projects:

1. Incorporates and replaces current Interagency Agreement for Sewer Projects
2. Continues JEA's engineering and project support of \$1M annually on environmental Qualified Sewer Projects (those where the City receives TMDL credit)
3. Provides for carry forward of funding not to exceed \$3M cumulative and not to extend more than 2 years past agreement term
4. Continues JEA's sewer capacity fee support of \$650,000 annually on the same environmental Qualified Sewer Project (those where the City receives TMDL credit)
5. Provides for carry forward of funding not to exceed \$2M cumulative and not to extend more than 2 years past agreement term

Example: JEA Contribution to the City of Jacksonville



FINANCE COMMITTEE AMENDMENT

The Finance Committee offers the following first amendment to File No. 2015-764:

(1) On **page 1, line 12**, after "PAYMENT;" insert "AMENDING SECTION 21.08 (EMPLOYEES), ARTICLE 21 (JEA) OF THE CITY CHARTER TO REMOVE SPECIFIC REFERENCE TO PERSONNEL DIVISION;"

(2) On **page 9, line 4½**, insert a new Section 3 to read as follows:

"Section 3. Amending Section 21.08 (Employees), Article 21 (JEA), of the City Charter. Section 21.08, of the Charter of the City of Jacksonville is hereby amended as to read as follows:

ARTICLE 21. JEA

*** * ***

Sec. 21.08. Employees.

All employees of the utilities system shall be employees of JEA and shall be subject to articles 16 and 17 unless otherwise provided by the council, which shall be and continue to be the legislative body as provided in section 447.203(10), Florida Statutes. JEA shall be fully responsible for the administration and operation of all utility services as set out in this article and in order to meet its administrative and operational responsibilities, JEA shall have full and independent authority to hire, transfer, promote, discipline, terminate and evaluate employees engaged to provide any and all of the utilities services for which it is responsible and accordingly, consistent with the provisions of article 17, JEA may

establish employment policies relating to hiring, promotion, discipline and termination, and other terms and conditions of employment, and enter into negotiations with employee organizations with respect to wages, hours and terms and conditions of employment and take such other employment related action as needed to assure effective and efficient administration and operation of the utilities system. In order to effectively implement the foregoing, JEA shall perform all functions with regard to its own employees that ~~prior to the effective date of the consolidation and expansion of its utility function, were performed by the Personnel Division of the Department of Intra-Governmental Services of the city~~ are performed by the City department or division which oversees city employees in regard to personnel matters. JEA, at its expense, shall provide accidental death benefits for all employees engaged in hazardous duty as determined by JEA, in the amount of \$50,000 payable to the beneficiary named by the employee, or as otherwise provided, in the event said employee dies as a result of an accident occurring to any employee in the course of his/her employment. Nothing contained in this section 21.08 shall be construed to supersede or repeal any provision of section 12 of Chapter 80-513, Laws of Florida, as amended.”;

- (3) Renumber remaining Sections accordingly;
- (4) On **page 1, line 1**, amend the introductory sentence to add that the bill was amended as reflected herein.

Form Approved:

Office of General Counsel

Legislation Prepared By: Margaret M. Sidman

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Substituted & Rereferred 2/23/16

1 Introduced by the Council President & Co-Sponsored by Council
2 Members Gulliford, Boyer, R. Brown, Lopez Brosche, and Schellenberg
3 and Substituted by the Finance Committee:
4
5

6 **ORDINANCE 2015-764**

7 AN ORDINANCE AMENDING ARTICLE 21 (JEA) OF THE
8 CITY CHARTER, SECTION 21.02 RELATING TO
9 DEFINITIONS, SECTION 21.04, RELATING TO
10 CERTAIN POWERS GRANTED TO JEA AND SECTION
11 21.07, RELATING TO THE ASSESSMENT CALCULATION
12 FOR JEA'S ANNUAL CONTRIBUTION PAYMENT;
13 APPROVING AN INTERAGENCY AGREEMENT BETWEEN THE
14 CITY OF JACKSONVILLE AND JEA AND AUTHORIZING
15 THE MAYOR, OR HIS DESIGNEE, AND CORPORATION
16 SECRETARY TO EXECUTE THE INTERAGENCY
17 AGREEMENT; PROVIDING AN EFFECTIVE DATE.
18

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

23 **WHEREAS**, Section 21.02 defines certain terms in Article 21;
24 and

25 **WHEREAS**, Section 21.04 enumerates the various powers granted
26 to JEA; and

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

29 **WHEREAS**, the City and JEA desire to amend certain language in
30 Section 21.02, Section 21.04 and Section 21.07; and

31 **WHEREAS**, the City and JEA desire to enter into an Interagency

Substituted & Rereferred 2/23/16

1 Agreement to set forth the collective understanding and agreement
2 of the City and JEA regarding additional contribution in 2015-2016
3 fiscal year of \$15,000,000 from JEA to the City; the conveyance of
4 Basin Management Action Plan ("BMAP") water quality credits from
5 JEA to the City; and cooperative efforts and responsibilities
6 regarding City sewer projects; now therefore

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

8 **Section 1. Recitals.** The recitals above are true and
9 correct and incorporated herein by reference.

10 **Section 2. Amending Article 21 (JEA), Section 21.02,**
11 **Section 21.04 and Section 21.07 of the City Charter.** Section 21.02,
12 Section 21.04 and Section 21.07 of the Charter of the City of
13 Jacksonville is hereby amended as follows:

14 **ARTICLE 21. JEA**

15 * * *

16 **Sec. 21.02. Definitions.**

17 (a) The term "utilities systems" means the electric
18 utility system and the water and sewer utility system now
19 operated by JEA which shall include, except where
20 inconsistent with Chapter 80-513, Laws of Florida, as
21 amended, or where the context otherwise requires, any
22 "system" or "project" authorized pursuant to the
23 provisions of Chapter 80-513, Laws of Florida, as amended
24 and any natural gas utility system to be operated in the
25 future by JEA together with any other additional utility
26 systems as may be hereafter designated as a part of the
27 utilities systems operated by JEA as provided in section
28 21.04~~(w)~~(v) herein.

29 * * *

30 **Sec. 21.04. Powers.**

31 JEA shall have the following powers otherwise conferred:

32 * * *

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1 (k) To borrow money from the city, for any period not to
2 exceed one year, to provide JEA with working capital to
3 meet routine or emergency cash requirements and to
4 maintain adequate inventories, at such interest rates and
5 upon such conditions concerning the method of borrowing,
6 the time and manner of payment and the maximum amount
7 that may be on loan at any time, as are determined by
8 ordinance of the council; to lend money from one of its
9 utilities operations to another of its utilities
10 operations for such period, at such interest rates and
11 upon such other conditions concerning the method of
12 borrowing, the time and manner of payment and the maximum
13 amount that may be on loan at any time, all as determined
14 by JEA; and to borrow money from lending institutions,
15 including, without limitation, borrowing as part of a
16 commercial paper or other short-term note financing
17 program which may include provision for payment upon
18 demand by the purchaser or purchasers, as authorized by
19 resolution of JEA. When authorized by resolution of JEA,
20 such notes, including renewals thereof, may be sold or
21 placed by officers of JEA at public or private sale and
22 delivered by such officers to the purchaser or purchasers
23 thereof within the limitations and restrictions contained
24 in such resolution. Such loans between utility systems
25 and such borrowings from lending institutions, or between
26 one or more of the utility systems, including borrowing
27 as part of a commercial paper or other short-term note
28 financing program, will not require the approval of the
29 council.

30 * * *

31 (q) (1) To ~~voluntarily~~ collect from customers and

Substituted & Rereferred 2/23/16

1 ratepayers ~~the sum of one dollar (\$1.00) or more per~~
2 ~~month~~ monthly or one-time voluntary contributions to be
3 deposited into an elderly and/or handicapped or low
4 income customer emergency trust fund administered by JEA.
5 The proceeds of such trust fund may be expended
6 periodically by JEA for the purpose of providing
7 financial assistance to elderly and/or handicapped or
8 otherwise needy low income residents living within the
9 service area of JEA for the payment of their utilities
10 needs. The method of administration of such trust fund,
11 including the collection and distribution thereof, shall
12 be as provided by ordinance of the council.

13 (2) Upon the unanimous approval of the Board, and
14 a two-thirds vote of the City Council, to collect ~~the sum~~
15 ~~of one dollar (\$1.00) or more per month in~~ monthly or
16 one-time voluntary contributions from customers and
17 ratepayers, for a charitable, scholastic, or public
18 service community giving program. - Contributions from
19 any such program shall be passed through to an
20 appropriate non-profit entity for administration and
21 distribution and shall not be administered by JEA. ~~No~~
22 ~~additional programs shall be initiated except by future~~
23 ~~discontinuation of the program authorized in this item~~
24 ~~(2).~~ The results of such giving program shall be reported
25 annually each July 1st to the Council.

26 (3) Upon approval of the Board, to collect monthly
27 or one-time voluntary contributions from customers,
28 ratepayers or other contributors for other customer
29 assistance programs directly related to services or
30 utilities provided by JEA. The results of such giving
31 program(s) shall be reported annually each July 1st to

Substituted & Rereferred 2/23/16

1 the Council. Contributions from any such program shall
2 be passed through to an appropriate non-profit entity for
3 administration and distribution and shall not be
4 administered by JEA.

5 * * *

6 (v) If JEA determines that it is necessary or appropriate
7 for it to provide, operate or maintain any other utility
8 system or function other than electric, water wastewater
9 and natural gas, JEA shall by resolution identify such
10 additional utility system or systems or function or
11 functions and indicate its desire to provide such utility
12 service or services or function or functions to the
13 council. The JEA resolution to be provided to council for
14 adoption and approval shall address relative real
15 property tax treatment of JEA providing, operating or
16 maintaining the additional utility system. Upon the
17 adoption and approval of this resolution by JEA and the
18 council, voting as separate entities, JEA, with respect
19 to the specified system or systems, shall be vested with
20 all powers set forth herein or in general law that would,
21 but for the provisions of this article, apply to such
22 specified utility system or systems.

23 * * *

24 **Sec. 21.07. Fiscal and budgetary functions.**

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

27 * * *

28 (c) As consideration for the unique relationship between
29 the City of Jacksonville and JEA, as a tax-exempt entity
30 within the consolidated government, and in recognition of
31 the shared attributes with the consolidated City of

Substituted & Rereferred 2/23/16

1 Jacksonville in connection with its electric, water, and
2 sewer distribution systems, there shall be assessed upon
3 JEA in each fiscal year, for the uses and purposes of the
4 city, from the revenues of the electric system and the
5 water and sewer system operated by JEA available after
6 the payment of all costs and expenses incurred by JEA in
7 connection with the operation of such electric system and
8 water and sewer system (including, without limitation,
9 all costs of operation and maintenance, debt service on
10 all obligations issued by JEA in connection with such
11 electric system and water and sewer system and required
12 reserves therefore and the annual deposit to the
13 depreciation and reserve account required pursuant to
14 section 21.07(g)), an amount as provided herein.
15 Effective October 1, 200~~8~~16, consistent with the
16 provisions of this section 21.07(c), JEA shall pay the
17 city combined assessment for the electric system and the
18 water and sewer system. The combined assessment for the
19 electric system and the water and sewer system shall
20 equal, but not exceed the greater of (A) the sum of (i)
21 the amount calculated by multiplying ~~5.513~~7.468 mills by
22 the gross kilowatt-hours delivered by JEA to retail users
23 of electricity in JEA's service area and to wholesale
24 customers under firm contracts having an original term of
25 more than one year (other than sales of energy to Florida
26 Power and Light Company from JEA's St. Johns River Power
27 Park System) during the twelve-month period ending on
28 April 30 of the fiscal year immediately preceding the
29 fiscal year for which such assessment is applicable plus
30 (ii) the amount calculated by multiplying ~~2.149~~389.20
31 mills by the number of ~~cubic feet~~ of K-Gals (1=1000
32 gallons) potable water and ~~cubic feet~~ of sewer

Substituted & Rereferred 2/23/16

1 service, excluding reclaimed water service, provided to
2 consumers during the twelve-month period ending on April
3 30 of the fiscal year immediately preceding the fiscal
4 year for which such assessment is applicable.
5 ~~Notwithstanding the foregoing not to exceed amount for~~
6 ~~the combined assessment, JEA shall pay the city each~~
7 ~~fiscal year, from~~ or (B) a minimum calculated amount
8 which increases by 1% per year from fiscal year 200816-
9 200917 through fiscal year 201520-201621 using the fiscal
10 year 2015-16 combined assessment of \$114,187,538, an
11 ~~additional amount, if necessary, to ensure a minimum~~
12 ~~annual increase of \$ \$2,500,000, using the fiscal year~~
13 ~~2007-2008 combined assessment of \$94,187,538 as the base~~
14 ~~year. The amounts applicable to clause (B) above are: for~~
15 fiscal year 2016-2017 - \$115,329,413; for fiscal year
16 2017-2018 - \$116,482,708; for fiscal year 2018-2019 -
17 \$117,647,535; for fiscal year 2019-2020 - \$118,824,010;
18 and for fiscal year 2020-2021 - \$120,012,250.

19 (d) The assessment calculations for the electric system
20 and the water and sewer system shall be in effect until
21 September 30, 201321, ~~when t~~The council may reconsider
22 the assessment calculations after October 1, 2020 and
23 changes, if any, shall become effective October 1, 2021.
24 ~~The council may reconsider the assessment calculations~~
25 ~~every fifth year thereafter.~~The council may change the
26 assessment calculations by ordinance within the
27 provisions of this section 21.07. Should the council not
28 reconsider the assessment calculations, the assessments
29 shall be calculated using the existing formulas specified
30 in Section 21.07(c), including a minimum calculated
31 amount in clause (B) therein, which increases by one
32 percent per year for each _ 7 _ fiscal year computed as

Substituted & Rereferred 2/23/16

1 provided in Section 21.07(c). In addition to the annual
2 assessment as calculated in Section 21.07(c), JEA
3 pursuant to the terms of an Interagency Agreement with
4 the City, agreed to provide total nitrogen water quality
5 credit to the City to assist the City in meeting its
6 Basin Management Action Plan load reduction goal (BMAP
7 Credit). If JEA cannot provide the BMAP Credit pursuant
8 to the terms of the Interagency Agreement, council and
9 JEA shall work cooperatively to address the BMAP Credit
10 shortfall or council may reconsider the assessment
11 calculations. If either federal or state laws are enacted
12 or regulatory actions are taken that adversely impact
13 JEA's financial position for the electric utility system
14 or the water and sewer utility system, the council shall
15 promptly consider enacting such changes to this section
16 21.07 as may be negotiated by JEA and the council to
17 mitigate such adverse impact.

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

Substituted & Rereferred 2/23/16

* * *

1

2 **Section 3. Interagency Agreement approved and execution**

3 **authorized.** The Interagency Agreement that sets forth the

4 collective understanding and agreement of the City and JEA

5 regarding additional contribution in 2015-2016 fiscal year of

6 \$15,000,000 from JEA to the City; the conveyance of Basin

7 Management Action Plan ("BMAP") water quality credits from JEA to

8 the City; and cooperative efforts and responsibilities regarding

9 City sewer projects is hereby approved, and the Mayor, or his

10 designee, and the Corporation Secretary are hereby authorized to

11 execute and deliver, for and on behalf of the City, the Interagency

12 Agreement between the City and JEA, in substantially the same form

13 as has been placed **On File** with the Office of Legislative Services

14 and incorporated herein by this reference (the "Interagency

15 Agreement").

16 **Section 4. Providing for construction.** The provisions of

17 this Ordinance shall be construed in such a manner to affect its

18 purposes and shall be deemed cumulative, supplemental and

19 alternative for the exercise of the powers provided herein.

20 **Section 5. Effective Date.** This Ordinance shall

21 become effective upon signature by the Mayor or upon becoming

22 effective without the Mayor's signature.

23

24 Form Approved:

25

26 _____

27 Office of General Counsel

28 Legislation Prepared by: Jody L. Brooks

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**INTERAGENCY AGREEMENT
BY AND BETWEEN
THE CITY OF JACKSONVILLE AND JEA**

This Interagency Agreement (“Agreement”) is made and entered into this ____ day of _____, 2016, by and between the **CITY OF JACKSONVILLE**, a Florida municipal corporation (“City”), whose address is 117 West Duval Street, Jacksonville, Florida 32202 and **JE A**, a body politic and corporate organized and existing under the laws of the State of Florida, whose address is 21 West Church Street, Jacksonville, Florida 32202.

RECITALS

WHEREAS, the City and JEA maintain a unique relationship and as consideration for the unique relationship and in recognition of the shared attributes in connection with its electric, water, and sewer distribution systems, JEA pays an annual assessment to the City in accordance with the assessment calculations contained within Section 21.07 of Article 21 of the Charter of the City, as amended and readopted by Chapter 80-515, Laws of Florida, Special Acts of 1980, as subsequently amended by Chapter 92-341, Laws of Florida, Special Acts of 1992 and as thereafter amended in accordance with the terms thereof prior to the date hereof (“City Charter”); and

WHEREAS, in addition to the annual assessment, JEA and the City desire to work cooperatively with one another to provide efficient services to the community; and

WHEREAS, the City and JEA desire to enter into this Agreement to set forth the collective understanding and agreement of the City and JEA regarding additional contribution in 2015-2016 fiscal year of \$15,000,000 from JEA to the City; the conveyance of Basin Management Action Plan (“BMAP”) water quality credits from JEA to the City; and cooperative efforts and responsibilities regarding City sewer projects.

NOW, THEREFORE, in consideration of the mutual covenants, promises and conditions contained herein, the City and JEA mutually agree to enter into this Agreement as follows:

Section 1 – Recitals

1.1 The City and JEA acknowledge that the recitals contained above are true and accurate, to best of their knowledge, and are hereby incorporated herein by reference.

Section 2 – Term

2.1 This Agreement shall be for a five year term beginning on October 1, 2016 through September 30, 2021 (“Term”).

Section 3 – Definitions

For purposes of this Agreement, the terms below are defined as follows:

3.1 “BMAP” shall mean the Basin Management Action Plan for the Lower St. Johns River Basin. The BMAP’s purpose is to implement load reductions to achieve the nutrient TMDLs for the Lower St. Johns River Basin. This Agreement shall concern only those portions of the BMAP that apply to the City.

3.2 “City” shall mean the City of Jacksonville.

3.3 “Director” shall mean the Director of Public Works for the City.

3.4 “EPA” shall mean the United States Environmental Protection Agency.

3.5 “FDEP” shall mean the Florida Department of Environmental Protection.

3.6 “Fiscal Year” means the Fiscal Year of both the City and JEA, which runs from October 1 to September 30.

3.7 “LSJR” shall mean the Lower St. Johns River and its tributaries.

3.8 “Marine Portion of the LSJR” shall mean the portion of the LSJR extending from Black Creek to the mouth of the LSJR.

3.9 “Nonpoint Source” shall mean any source of nitrogen or other constituents that is not a Point Source.

3.10 “PLRG” shall mean the pollution load reduction goal for the City which for this Agreement shall mean the amount of total nitrogen reduction the City must achieve to reach load allocation for the Marine Portion of the LSJR. At this time, the PLRG for the City is 324,328 lb/yr (147,422 kg/yr) of total nitrogen.

3.11 “Point Source” shall mean any source of nitrogen or other constituents that constitutes a discernible, confined, and discrete conveyance, including, but not limited to, any pipe, ditch, channel, tunnel, conduit, well, discrete fissure, container, rolling stock, concentrated animal feeding operation, landfill leachate collection system, vessel or other floating craft from which constituents are or may be discharged. This term does not include flows from irrigated agriculture or agricultural stormwater runoff.

3.12 “Qualified Sewer Project” means a specifically identified qualified septic tank phase out action for an environmental purpose project in which the City and JEA have agreed to work together and have drafted a Task Authorization.

3.13 “Sewer Capacity Fee(s)” means the fee established by the JEA tariff which establishes the cost for connection to the JEA sewer system.

3.14 “Task Authorization” or “TA” means a document mutually agreed upon and executed by the City and JEA which recites the duties and obligations of each party for a particular Sewer Project.

3.15 “TMDL” shall mean the total maximum daily load of nutrients for a receiving water body, such as the LSJR, which is the sum of the individual wasteload allocations for Point Sources and the load allocations for Nonpoint Sources and natural background. TMDL, when plural, shall be referred to herein as TMDLs.

3.16 “TN” shall mean total nitrogen.

3.17 “Tributary Remediation” means required surface water improvements to tributaries as proscribed by the State of Florida.

3.18 “Water Quality Credits” shall mean the point source load reduction or nonpoint source load reduction that is generated when Total Nitrogen loads are reduced below the baseline load allowable under an adopted TMDL or BMAP and may be used or traded in accordance with section 403.067(8), Florida Statutes, and Rule 62-306, Florida Administrative Code. For purposes of calculating the number of Water Quality Credits under this agreement, the base unit shall be measured in metric tons per year (MT/yr).

3.19 “Work” shall mean the actions, products, documentation, electronic programs, reports, testing, transport, administration, management, services, materials, tools, equipment, and responsibilities to be furnished or performed by the City and JEA under this Agreement, together

with all other additional requirements that are not specifically recited in this Agreement, but can be reasonably inferred as necessary to complete all obligations and fully satisfy the intent of this Agreement.

Section 4 - BMAP Water Quality Credits

4.1 The City and JEA entered into that certain Agreement Between the City of Jacksonville and JEA Regarding the Transfer of Water Quality Credits dated May 7, 2015 (Ordinance 2015-198-E) (“Water Quality Trade Agreement”). This Agreement shall replace the Water Quality Trade Agreement in its entirety and the Water Quality Trade Agreement shall become null and void upon adoption and execution of this Agreement.

4.2 Section 6.1 of the former Water Quality Trade Agreement required a payment by the City to JEA in the amount of \$2,086,767 for the transfer period of January 1, 2016 through December 31, 2016. JEA has agreed to not charge the City for the Water Quality Credits for 2016. Any payment received by JEA for the 2016 period shall be refunded to the City upon adoption and execution of this Agreement.

4.3 JEA shall provide the annual Water Quality Credits, as more fully defined below, to the City for no compensation through December 31, 2023. This obligation to provide the Water Quality Credits to the City through December 31, 2023, shall survive the Term of this Agreement.

4.4 At no cost to the City, JEA agrees to transfer Water Quality Credits to the City that equate to 30.34 MT/yr of TN (“Transfer Amount”).

4.5 If required by FDEP, the City shall amend its MS4 permit to reflect the Transfer Amount of Water Quality Credits pursuant to this Agreement.

4.6 The City agrees to cooperate and fully support the modification and renewal of JEA’s NPDES permit in accordance with this Agreement, including opposition to any effort to impede or challenge the issuance of an amended permit in response to JEA’s application in accordance with this Agreement, including through litigation, if necessary, in administrative, state, and federal court.

4.7 JEA does not, by entering into this Agreement, make any representation, warranty, or guaranty, or otherwise make or provide any assurance(s) that a transfer of the Water

Quality Credits described herein shall permit, allow, or assist the City in meeting its PLRG. JEA does not, by entering into this Agreement, make any representation, warranty, or guaranty, or otherwise make or provide any assurance(s) that a transfer of the Water Quality Credits described herein shall limit or eliminate the necessity for the City to pursue additional stormwater and/or drainage projects to meet its PLRG.

4.8 No cause of action shall be hereby created for the failure of the Water Quality Credits described herein to assist the City in meeting its PLRG.

4.9 As the regulatory reduction of TN in the LSJR is an ongoing annualized requirement both the City and JEA will be required to meet beyond December 31, 2023, the parties agree to engage in discussions and working on a plan for meeting the future needs of both parties beyond December 31, 2023.

4.10 The parties acknowledge that Water Quality Credits may be eliminated, rescinded, reduced, or otherwise affected by the Florida Legislature, FDEP, or EPA. If JEA cannot provide the Water Quality Credit pursuant to regulatory changes that are of no fault of JEA, the City and JEA shall work cooperatively to address any Water Quality Credit shortfall or the City may reconsider the annual contribution assessment calculation in Section 21.07(c) of the Charter.

4.11 With respect to the reservation and transfer of the Water Quality Credits to the City, JEA shall execute, or cause to be executed, any and all documents necessary to cause the reservation and transfer of the Water Quality Credits from JEA to the City consistent with the terms of this Agreement.

4.12 With respect to the reservation and transfer of the Water Quality Credits by JEA, the City shall utilize the Water Quality Credits in a manner that may allow the City to attain its PLRG and shall execute, or cause to be executed, any and all documents necessary to cause the reservation and transfer of the Water Quality Credits from JEA to the City consistent with the terms of this Agreement.

4.13 This Agreement and any documents referenced herein collectively embody the entire agreement and understanding between the Parties and there are no other agreements or

understandings with reference to this Agreement that are not merged into and superseded by the Agreement.

Section 5 - Additional Contribution

5.1 The City and JEA have had extensive negotiations relative to establishing the annual contribution paid by JEA to the City. In recognition of agreement to the City Charter amendments made to the annual contribution formula and other terms adopted and approved through Ordinance 2015-764, JEA has agreed to pay to the City additional contribution in 2015-2016 fiscal year of Fifteen Million Dollars (\$15,000,000) (“Additional Contribution”).

5.2 The City and JEA acknowledge that the Additional Contribution is a one-time payment to the City.

5.3 JEA shall pay the Additional Contribution to the City within three business days of execution of this Agreement.

Section 6 – City Water and Sewer Projects

6.1 The City has committed to provide \$30,000,000, of which \$15,000,000 is the JEA Additional Contribution, during the Term of this Agreement for City water and sewer infrastructure.

6.2 The City and JEA will form a working committee to develop a plan that proposes policies, procedures, and laws for water and sewer infrastructure and on or before 90 days from the effective date of this Agreement shall provide written water and sewer plan recommendations to City Council (the “Plan”).

Section 7 – Qualified Sewer Projects

7.1 The Plan described in Section 6 is intended to broadly address both water and sewer infrastructure needs in Jacksonville. Once the Plan is developed, it may include, but is not limited to, identification of areas that will provide TMDL credit for septic tank removal, identification of urban fill areas, and areas where adding water service to sewer projects would provide cost efficiencies and economies of scale. As provided in this Section 7, JEA has committed additional assistance only with respect to environmentally sensitive Qualified Sewer Projects which are undertaken as part of the Plan to be developed. The balance of the projects executed under the Plan will be funded as described in Section 6.

7.2 The City and JEA entered into that certain Interagency Agreement for Cooperation By and Between the City of Jacksonville and JEA dated June 30, 2011 (Ordinance 2011-133-E). That agreement provided for the cooperative efforts of the City and JEA in implementing City sewer projects (“Sewer Projects Agreement”). This Agreement shall replace the Sewer Projects Agreement in its entirety and the Sewer Projects Agreement shall become null and void.

Joint Program Contribution and Payments

7.3 JEA shall contribute a maximum annual amount of \$1,000,000 (“Maximum Annual Contribution”), including all costs relating to JEA internal support and external consulting as itemized in Section 7.5 below for such Qualified Sewer Projects that the City undertakes to meet its environmental obligations and that are funded with capital dollars provided directly from the City. Any of the Maximum Annual Contribution not spent during the year shall carry-over each year, but at no time during the Term of this Agreement shall the total exceed \$3,000,000. Any of the carry-over Maximum Annual Contribution not expended at the end of the Term of this Agreement shall be used within 2 years of the end of the Term or forfeited and returned to JEA. JEA’s payment of Sewer Capacity Fees shall not be included in JEA’s Maximum Annual Contribution.

7.4 After consultation between the City and JEA regarding the annual funding, and a concurrence of the Director and JEA regarding the Qualified Sewer Projects to be funded that year, the parties will issue a Task Authorization (TA) which will identify a specific Scope of Services to be performed to complete the Qualified Sewer Project.

7.5 For those Qualified Sewer Projects where a TA is issued to JEA to complete the project scope, JEA agrees to provide the following services, as specified in the TA:

- a. Design and engineering,
- b. Procurement,
- c. Construction Management,
- d. Community Outreach,
- e. Permitting,
- f. Surveying and Mapping,
- g. Utility Locates,

- h. Scheduling,
- i. Project Accounting, and
- j. Project Document Management

7.6 The above services shall be provided by JEA at no cost to the City for approved Qualified Sewer Projects in an amount up to the Maximum Annual Contribution. All design and engineering plans prepared by JEA and/or its contractors associated with a Qualified Sewer Project shall be reviewed and approved by the Director, in its sole discretion, prior to the commencement of any Work on a Qualified Sewer Project.

7.7 Where one or more such services are to be provided by other third parties, JEA shall have no liability to reimburse the City for such costs, unless specifically agreed to between the parties. For those projects which the City elects to manage, JEA will reimburse the City for the engineering and design related portions of the work tied directly to specific Qualified Sewer Projects. Reimbursement would not include construction project management or city staff time for project management.

7.8 JEA shall pay the Sewer Capacity Fees for those sewer systems that are funded by the City, from JEA's sewer environmental fund for such projects that the City undertakes to meet its environmental obligations (TMDL and Tributary Remediation), up to an annual cap of \$650,000 ("Sewer Capacity Fee Funds"). Any of the Sewer Capacity Fee Funds not spent during the year shall carry-over each year, but at no time during the Term of this Agreement shall the total exceed \$2,000,000. Any of the carry-over Sewer Capacity Fee Funds that are not expended at the end of the Term of this Agreement shall be used within 2 years of the end of the Term or forfeited and returned to JEA. All other customer side connection fees will be paid from the City's project funding or customer.

7.9 If a TA is issued to JEA which requires real estate acquisition in order to complete the TA, all real estate acquisition services will be performed by the City of Jacksonville's Real Estate Division in accordance with the City's Code. The City will be responsible for all associated real estate acquisition costs and fees.

7.10 If a TA is issued which requires JEA to enter into contracts for construction services, material purchases, or otherwise incurs costs not specified as being paid for by JEA in

this Agreement, JEA shall invoice the City on a timely basis and shall include with each invoice sufficient detail for proper pre-audit and post-audit review. If necessary for audit purposes, the City may require and JEA shall provide additional supporting information to document invoices, procurement processes and to support diversity reporting.

7.10.1 The City shall pay JEA one hundred percent (100%) of each approved invoice. The City may withhold payment to JEA until such time as (1) project documentation submitted by JEA is deemed acceptable to the City, and (2) invoices are properly documented as stated herein. The City shall not be liable to pay JEA for JEA project-related expenses that were not otherwise authorized through this Agreement. Amounts withheld shall not be considered due and shall not be paid until the ground(s) for withholding payment have been remedied.

7.11 Where JEA may be required to reimburse the City for payments made by the City to its suppliers, the Director shall invoice JEA on a timely basis and shall include with each invoice sufficient detail for proper pre-audit and post-audit review. If necessary for audit purposes, JEA may require and Director shall provide additional supporting information to document invoices, procurement processes and to support diversity reporting.

7.11.1 JEA shall pay the City one hundred percent (100%) of each approved invoice. JEA may withhold payment to the City until such time as (1) project documentation submitted by the Director is deemed acceptable to JEA, and (2) invoices are properly documented as stated herein. JEA shall not be liable to pay the City for City project-related expenses that were not otherwise authorized through this Agreement. Amounts withheld shall not be considered due and shall not be paid until the ground(s) for withholding payment have been remedied.

7.12 In the event that JEA provides ancillary work during authorized TA Work, including, but not limited to, stormwater drainage work for the City, JEA shall receive written approval for the additional work from the Director and shall provide the Director with a written cost estimate prior to commencement of the additional work and upon completion of the additional work shall submit invoice and seek payment in accordance with provision to the City herein.

7.13 As appropriate, each TA shall include the provisions of 7.9, 7.10 and 7.11.

Creation and Agreement on the Task Authorization (TA)

7.14 In order to provide specific project assignments, the parties agree that they will mutually agree and jointly create a Task Authorization (TA). The TA may include all activities necessary to install and connect properties to central sewer service, central water service and perform supplemental storm water improvements, including such activities as roadway improvements, utility relocations, and restoration as necessary to accomplish the Project scope. Each TA, when executed, shall be made a part of this Agreement.

7.15 Each Task Authorization shall be executed by the Director and by the Vice President of Water and Wastewater for JEA, or their approved delegates.

Ownership of Assets

7.16 JEA shall own the physical water and sewer assets located in the public or specific utility rights of way at the time that the work is accepted. Water and sewer assets located outside of the utility rights of way, such as the connections from the central system to specific properties, shall be owned at that time by the then current property owner.

Upon Termination

7.17 For any TA which is active at the time of termination of this Agreement, the parties agree that they shall take the following actions:

7.18 Any active TA shall remain in effect and the project authorized by an active TA shall be completed within two years of the termination of this Agreement unless the TA is otherwise terminated by the Director. All joint program contribution and payment responsibilities shall be in affect during this two year completion period for active TAs.

7.19 Provide an equitable adjustment to provide for payment of all services, materials, and costs actually performed, incurred or rendered up to the termination date, and also including prior written contractual commitments incurred by the non-terminating party up to the date of such notice of termination, in accordance with the joint program contribution and payment responsibilities defined in this Agreement.

General Provisions

7.20 The Director shall have control over the prioritization and scopes of Work with respect to each Sewer Project. Work shall not commence on a Sewer Project until it has been approved by the Director.

7.21 This Agreement in no way requires or in any other way obligates the City or JEA to create any Task Authorizations for Work, nor does it place a requirement for JEA to perform Work defined in the City's program plan.

7.22 This Agreement in no way obligates JEA to agree to TAs it deems to not be in its best interest. In the event that Director and JEA are unable to reach mutually beneficial terms, JEA shall notify City in writing that it will not accept the TA. Such refusal shall not prejudice the City in considering JEA for future TAs.

7.23 The Director may solely determine on any basis (e.g. project-by-project basis, funding source-by-funding source basis) how and with whom it will enter into contracts for Work and which tasks, if any, are to be performed by JEA. Further, the Director may choose to split Work among several parties including JEA. The Director has the right to obtain preliminary, informal, or formal quotes, bids and proposals for projects from third parties prior to issuing TAs. JEA may or may not be included on such solicitations.

7.24 The Director has authority and rights to approve all project designs.

Limitations of Liability and Insurance

7.25 Subject to the provisions and limitations of Section 768.28, Florida Statutes, which provisions are not expanded, altered or waived, each party to this Agreement shall indemnify the other party from and against all claims, actions, causes of action or liabilities, including reasonable attorney's fees, which are caused by the negligent acts or omissions of the other party, its agents or employees, in the performance of its obligations under this Agreement. Nothing in this Agreement shall be construed as a waiver of sovereign immunity by either party.

7.26 Each party acknowledges that the other may enter into contracts with engineers and contractors for the actual performance of the construction projects, and that the contractor shall maintain such general liability, automobile insurance, and workers' compensation insurance as required by their current rules and regulations. Each party shall be named as additional insured on the other party's subcontractor insurance policies except Workers' Compensation and

Employer's Liability. Insurance certificates to this effect shall be sent to JEA Procurement Services, 21 West Church Street, CC6, Jacksonville, Florida 32202 for JEA and to the City's Risk Management Division, Yates Building, 231 E. Forsyth St., Room 440, Jacksonville, FL 32202.

Third-Party Indemnification

7.27 Each party shall ensure that each subcontract contains a provision with substantially the same language as shown below, where "Company" refers to subcontractor:

7.27.1 The Company shall indemnify and hold harmless, the City (or JEA in the case of a City issued subcontract), its officers and employees, from liabilities, damages, losses and costs, including, but not limited to, reasonable attorney's fees, arising out of injury (whether mental or corporeal) to persons including death, or damage to property including arising out of or incidental to the performance of the Work, to the extent caused by the negligence, recklessness or intentional wrongful misconduct or breach of contract by the Company and persons employed or utilized by the Company in the performance of the Work. This indemnification shall survive the term of the Contract, for events that occurred during the Contract term. Indemnification is not limited in any way by insurance amounts.

7.27.2 The Company shall indemnify and hold harmless City (or JEA in the case of a City issued subcontract), its officers, directors, agents and employees from any damage, liability, claim or judgment arising out of its breach of Contract with JEA (or City in the case of a JEA issue subcontract).

7.27.3 Company's indemnification of City (or JEA in the case of a City issued subcontract) shall include any loss or damage to persons or property consequent upon the use, misuse, or failure of any items used by the Company or any of its subcontractors, even though the same items may be furnished or lent to Company or any of its subcontractors by City, JEA or by other companies. Company's, or its subcontractor's, acceptance or use of any items shall be construed to mean that Company accepts all responsibility for any claims for damages whatsoever resulting from the use, misuse, or

failure of such items whether such injury or damage be to its own employees or property, or to the employees or property of the JEA, its subcontractors, City, or otherwise.

Right To Audit Records

7.28 Each party agrees that the other or its duly authorized representatives shall have access to examine any of its books, documents, papers, and other records involving transactions related to this Agreement. Each party shall preserve all such records relating to each TA for a period of not less than three years after completion and Acceptance of each TA. In the event an audit is initiated within three years, all required records shall be maintained until the audit has been completed and all questions arising from it are resolved. Each party shall provide proper facilities for access to and inspection of all required records.

Force Majeure

7.29 No party shall be liable for any default or delay in the performance of its obligations under this Agreement due to an act of God or other event to the extent that: (a) the non-performing party is without fault in causing such default or delay; (b) such default or delay could not have been prevented by reasonable precautions; and (c) such default or delay could not have been reasonably circumvented by the non-performing party through the use of alternate sources, work-around plans or other means. Such causes include, but are not limited to: act of civil or military authority (including but not limited to courts or administrative agencies); acts of God; war; terrorist attacks; riot; insurrection; blockades; embargoes; sabotage; epidemics; fires; hurricanes, tornados, floods; or strikes.

7.30 In the event of any delay resulting from such causes, the time for performance of each of the parties hereunder (including the payment of monies if such event actually prevents payment) shall be extended for a period of time reasonably necessary to overcome the effect of such delay, except as provided for elsewhere in this Agreement.

7.31 In the event of any delay or nonperformance resulting from such causes, the party affected shall promptly notify the other in writing within three business days of the nature, cause, date of commencement and the anticipated impact of such delay or nonperformance. Such written notice, including change orders, shall indicate the extent, if any, to which it is anticipated that any delivery or completion dates will be thereby affected.

Procurement Code

7.32 As required by Section 126.108, *Ordinance Code*, in its performance of this Agreement, JEA must comply with any and all applicable federal, state and local laws, rules, regulations and ordinances (hereinafter collectively referred to as the “*Laws*”), with respect to the Work, as such Laws exist and may be amended from time to time. Such Laws shall include, but are not limited to, Chapter 119, Florida Statutes, (the Florida Public Records Law) and Section 286.011, Florida Statutes (the Florida Sunshine Law).

Records Retention

7.33 In addition to other requirements in this Agreement, JEA and its subcontractors must establish and maintain books, records, contracts, subcontracts, papers, financial records, supporting documents, statistical records, goods, services and all other documents, in whatsoever form or format including, but not limited to electronic storage media, (for purposes of this Section 7, hereinafter referred to as the “*Records*”) sufficient to reflect all receipt and expenditures of funds provided by City under this Agreement.

7.34 JEA must retain all Project Records pertinent to this Agreement for a period of five (5) years after completion of the Project. If an audit has been initiated and audit findings have not been resolved at the end of five (5) years, the Records shall be retained until resolution of the audit findings or any litigation which may be based on the terms of this Agreement, at no additional cost to City. Records shall be retained for longer periods when the retention period exceeds the time frames required by law or ordinance.

7.35 To the extent that JEA uses subcontractors in the performance of the Work under this Agreement, or assigns this Agreement with prior City consent, JEA must include the aforementioned audit, inspections, investigations and record keeping requirements in all subcontracts and assignments.

7.36 JEA shall maintain financial and accounting records and conduct transactions in accordance with generally accepted accounting principles and Florida Statutes. These financial records shall be maintained in such a manner so as to permit positive and ready identification at all times of any funds received by JEA from City.

Conflicting Provisions

7.37 If any provision hereof is found to be in conflict with any TAs or other or attachments hereto, the order of precedence shall be as follows: this Agreement as most recently amended; the TA authorizing the Work at issue as most recently amended; other TAs with the most recent TA having more weight than earlier TAs; then other relevant attachments.

Section 8 -Miscellaneous Provisions

Assignment of Agreement

8.1 Each party agrees that it shall not, assign, delegate, or otherwise dispose of this Agreement, the duties to be performed under this Agreement, or the monies to become due under this Agreement without the other party's prior written consent.

Survival

8.2 The obligations of City and JEA under this Agreement that are not, by the express terms of this Agreement, fully to be performed during the Term, shall survive the termination of this Agreement.

Cumulative Remedies

8.3 Except as otherwise expressly provided in this Contract, all remedies provided for in this Contract shall be cumulative and in addition to and not in lieu of any other remedies available to either party at law, in equity or otherwise.

Nonwaiver

8.4 Failure by either party to insist upon strict performance of any of the provisions of the Contract will not release either party from any of its obligations under this Agreement.

Notices and Correspondence

8.5 All notices required or permitted under this Contract shall be in writing and shall be deemed received if sent by one of the following means: (a) upon receipt if delivered by hand; (b) one day after being sent by an express courier with a reliable system for tracking delivery; (c) three days after being sent by certified or registered first class mail, postage prepaid and return

receipt requested; or (d) upon confirmed facsimile transmission provided that a copy shall be sent by another of the foregoing means. All notices shall be addressed by a party to the other party as follows:

If to JEA, such notice shall be addressed to JEA at:

JEA
Attention: Nancy A. Kilgo, Director, Government Relations
21 West Church Street, T-16
Jacksonville, FL 32202
KilgNA@jea.com

JEA
Attention: Brian Roche, VP/GM Water and Wastewater
21 West Church Street, T-16
Jacksonville, FL 32202
RochBJ@jea.com

Office of General Counsel
Attention: Government Operations
117 West Duval Street, Suite 480
Jacksonville, FL 32202
JodyB@coj.net

If to the City, such notice shall be addressed to the City at:

City of Jacksonville
Office of the Mayor
Attention: Chief Administrative Officer
117 West Duval Street, Suite 400
Jacksonville, FL 32202
SMousa@coj.net

City of Jacksonville
Attention: John Pappas
214 Hogan Street North, Suite 1026
Jacksonville, FL 32202
Pappas@coj.net

with a copy to:

City of Jacksonville
Office of General Counsel

Attention: Government Operations
117 West Duval Street, Suite 480
Jacksonville, FL 32202
JodyB@coj.net

Either party may change its address from time to time upon prior written notice to the other specifying the effective date of the new address.

Headings

8.6 The headings used are for convenience only and they shall be disregarded in the construction and interpretation of this Agreement.

Governing Law

8.7 This Agreement shall be construed and interpreted according to the laws of the state of Florida.

Entire Agreement

8.8 This Agreement, upon execution by City and JEA, constitutes the entire agreement of the parties. The parties are not bound by any stipulations, representations, agreements, or promises, oral or otherwise, not printed or inserted herein. If any part of this Agreement shall be determined to be invalid or unenforceable by a court of competent jurisdiction, or by any other legally constituted body having jurisdiction to make such determination, the remainder of this Agreement shall remain in full force and effect provided that the part of this Agreement thus invalidated or declared unenforceable is not material to the intended operation of this Agreement.

[Signatures on next page.]

IN WITNESS WHEREOF, the City of Jacksonville, Florida has caused this Agreement to be executed on the day and year written below in its name by the Mayor, and JEA has caused this Agreement to be executed on the day and year written below in its have by its duly authorized representative.

CITY OF JACKSONVILLE

Lenny Curry, Mayor

Date _____

ATTEST:

James B. McCain, Corporation Secretary

In accordance with the *Ordinance Code*, of the City of Jacksonville, I do hereby certify that there is an unexpended, unencumbered, and unimpounded balance in the appropriation sufficient to cover the foregoing agreement; and that provision has been made for the payment of monies provided therein to be paid.

Director of Finance
CITY Contract Number: _____

FORM APPROVED FOR CITY:

By _____
Office of General Counsel

JEA

Tom Petway, Chair

Date _____

Delores Kesler, Secretary

Date _____

FORM APPROVED FOR JEA:

By: _____
Office of General Counsel



JEA
Building Community
AGENDA ITEM SUMMARY

March 1, 2016

SUBJECT:	JEA FY2015 ANNUAL DISCLOSURE REPORTS
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Purpose:	<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: At the March 15, 2016 Board meeting, JEA staff will provide the Board drafts of the Annual Disclosure Reports for the fiscal year ended September 30, 2015 for the (i) Electric Utility System and (ii) Water and Sewer System and District Energy System for comment prior to requesting authorization and approval of the reports at the April Board meeting. Such filing and use of the Annual Disclosure Reports is required in order to comply with JEA's continuing disclosure undertakings for its bonds and various credit agreements.

Significance: High. JEA, acting through its governing Board, is primarily responsible for the content of the Annual Disclosure Reports and is subject to the provisions of the federal securities laws prohibiting false and misleading information in its disclosure documents.

Effect: To fulfill the Board's responsibility under federal securities laws prohibiting false and misleading information in JEA's disclosure documents.

Cost or Benefit: To continue compliance with JEA's continuing disclosure agreements.

Recommended Board action: No Board action is required. This item is presented for information only at the March 15, 2016 Board meeting. Board approval will be requested at the April 19, 2016 meeting.

For additional information, contact: Melissa Dykes, 665-7054

Submitted by: PEM/ MHD/ JEO/ RLH



<p>MISSION</p> <p>Energizing our community through high-value energy and water solutions.</p>	<p>VISION</p> <p>JEA is a premier service provider, valued asset and vital partner in advancing our community.</p>	<p>VALUES</p> <ul style="list-style-type: none"> • Safety • Service • Growth • Accountability • Integrity
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Commitments to Action

- 1 Earn Customer Loyalty
- 2 Deliver Business Excellence
- 3 Develop an Unbeatable Team



INTER-OFFICE MEMORANDUM

March 1, 2016

SUBJECT: JEA FY2015 ANNUAL DISCLOSURE REPORTS

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

Each year, JEA files with the Municipal Securities Rulemaking Board (the “MSRB”) through the Electronic Municipal Market Access (“EMMA”) website Annual Disclosure Reports in compliance with JEA’s continuing disclosure undertakings for certain of its bonds and various credit agreements. EMMA is the “central post office” recognized by the United States Securities and Exchange Commission (“SEC”) as the single national depository for continuing disclosure information that is required to be prepared and disseminated by issuers of municipal securities. Annual Disclosure Reports have been prepared for the Electric Utility System and separately for the Water and Sewer System and District Energy System, (together, the “Systems”), and will be incorporated by reference in official statements and reoffering memoranda subsequently used by JEA for its respective Systems’ bond offerings and reofferings.

JEA, acting through its governing Board, is primarily responsible for the content of the Annual Disclosure Reports and is subject to the provisions of the federal securities laws prohibiting false and misleading information in its disclosure documents. The antifraud provisions of the federal securities laws govern Board Member disclosure responsibilities. The requirements of the federal securities laws essentially require that disclosure documents of issuers such as JEA not contain an “untrue statement of a material fact” or omit to state a “material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.” “Materiality” under the federal securities laws means whether there is a substantial likelihood that a reasonable investor would consider the facts at issue to be important to an investment decision.

Public officials (including Board Members) who have the ultimate responsibility to approve the issuance of debt securities and related disclosure documents have a duty under the federal securities laws and may not authorize disclosure he or she knows to be false or misleading or while recklessly disregarding facts that indicate there is a risk that the disclosure may be misleading. The SEC has stated that Board Members may reasonably rely on the work of governmental employees in the disclosure context. Nothing in the SEC’s position mandates that a Board Member needs to read each page of every disclosure document before approving it. Reasonable reliance can be established when the Board Member:

- is satisfied that the disclosure process is reasonably designed to produce accurate and reliable information;
- has a reasonable basis to have confidence in the integrity and competence of the staff and financing team; and
- does not know of anything that would cause such Board Member to question the accuracy of the disclosures or that would indicate that they are misleading or know of any potentially material issues that should be brought to the attention of staff and the financing team for further explanation.

In accordance with existing practices, each Annual Disclosure Report presented for your approval has been prepared by staff with the assistance of JEA's outside bond counsel in a manner which we believe is reasonably designed to produce disclosure documents meeting the requirements of the federal securities laws.

DISCUSSION:

Each Annual Disclosure Report prepared for the Systems, as referred to above, contains updated disclosure information regarding each of JEA's Systems and JEA's most recently completed fiscal year and will be used (a) to provide that information to all participants in the municipal securities market regarding JEA's outstanding debt and (b) as a basis for the disclosure information regarding JEA that is required to be given by JEA in connection with its issuances from time to time of refunding or additional debt. Among other things, the Annual Disclosure Reports contain JEA's audited financial statements for its fiscal year ended September 30, 2015, as Appendix A thereto. Official Statements and reoffering memoranda prepared by JEA in connection with its respective Systems' debt offerings and reofferings, subsequent to the date of the Annual Disclosure Reports for the Systems, incorporate by reference the relevant disclosure information contained in the respective Annual Disclosure Report and, if necessary, contain a "recent developments" section with respect to material changes in JEA's business and condition that have occurred after the date of the respective Annual Disclosure Report.

Draft Annual Disclosure Reports for the Systems for the fiscal year ended September 30, 2015, will be distributed to Members at the Board's March 15, 2016, meeting. A summary sheet outlining the main topics covered in each of the Systems' Annual Disclosure Reports will be attached to the respective report.

As the Board has previously requested, staff is providing these drafts one month prior to requesting approval at the April 19, 2016 Board meeting. The Chief Financial Officer and Treasurer will also be available during the following dates/times to set up meetings or calls for any questions or discussion on the Annual Disclosure Reports prior to that meeting, should those be helpful to Members in their review:

Monday, March 28: 9:00 am – 11:00 am

Thursday, March 31: 9:00 am – 11:00 am

Friday, April 1: 9:00 am – 11:00 am

If these times are not convenient, alternative availability that better meets the Members' needs can be addressed.

Please note that certain areas in the draft Annual Disclosure Reports remain under review for further developments to potentially be included in the final versions to be filed, including but not limited to:

- latest available the City's General Employees' Pension Plan actuarial study information
- latest available service territory demographic and employment information
- Plant Vogtle
- certain swap valuations as of March 31, 2016
- further City contribution and Interagency Agreement developments

RECOMMENDATION:

No Board action is required. This item is presented for information only at the March 15, 2016 Board meeting.

Staff will request that the Board at its April 19, 2016 meeting authorize and approve (i) the Annual Disclosure Reports in substantially the forms distributed to Members at its March 15, 2016 meeting, with such changes as are approved by the Managing Director and Chief Executive Officer of JEA and (ii) the filing and use of the Annual Disclosure Reports as described above.

Paul E. McElroy, Managing Director/CEO

PEM/MHD/JEO/RLH

March 1, 2016

Drafts of the JEA FY2015 Annual Disclosure Reports for (i) Electric Utility System and (ii) Water and Sewer System and District Energy System will be provided on the Board dais for review at the March 15, 2016 Board Meeting.

These reports will then be placed in your individual offices upon the conclusion of the meeting. Please contact Melissa Charleroy, Executive Assistant, at 904-665-7313 or Cheryl Mock, Executive Assistant at 904-665-4202, if additional information is needed.

**JEA
FINANCE & AUDIT COMMITTEE AGENDA**

DATE: March 2, 2016
TIME: 8:00 – 10:00 AM (Proposed)
PLACE: 21 W. Church Street
 8th Floor

Committee Members will meet on the 8th Floor
 Other Board Members may join via conference call
 by dialing 904-665-7100 - No password is needed.

			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 - August 10, 2015	Melissa Charleroy	A	
II.	NEW BUSINESS				
	A.	FY2017 Budget Assumptions	Melissa Dykes	I	30 mins.
	B.	Audit Services & Enterprise Risk Management (ERM) Report	Steve Tuten	I	10 mins.
	C.	External Auditors Contract Extension	Janice Nelson	A	10 mins.
	D.	Report From COJ Auditors Regarding JEA GERP Pension Liability	Janice Nelson	I	10 mins.
	E.	Resolution Determining the Sufficiency of Revenues – St. Johns River Power Park	Joe Orfano	A	10 mins.
	F.	JEA Annual Disclosure Policy Report	Melissa Dykes	I	10 mins.
	G.	Ethics Officer Report	Walette Stanford	I	10 mins.
	H.	JEA Energy Market Risk Management Policy Report	Mike Brost	I	5 mins.
	I.	Treasury Services Activities			
	1.	Electric System and Water and Sewer System Reserve Fund Quarterly Report	Joe Orfano	I	10 mins.
	J.	Announcements			
	1.	Next Meeting, May 9, 2016, 8:00 – 10:00 AM			
	K.	Committee Discussion Sessions			
	1.	Ernst & Young	Mike Pattillo	I	5 mins.
	2.	Director, Audit Services	Steve Tuten	I	5 mins.
	3.	Council Auditor's Office	Robert Campbell	I	5 mins.
	L.	Adjournment			

JEA FINANCE & AUDIT COMMITTEE MINUTES
August 10, 2015

The Finance & Audit Committee of JEA met on Monday, August 10, 2015, in the 8th Floor Conference Room, JEA Plaza Tower, 21 W. Church Street, Jacksonville, Florida.

Agenda Item I – Opening Considerations

- A. Call to Order – Chair Peter Bower called the meeting to order at 8:00 AM with Members John Hirabayashi, Robert Heekin, and Husein Cumber in attendance. Others in attendance were Paul McElroy, Melissa Dykes, Mike Brost, Brian Roche, Ted Hobson, Paul Cosgrave, Monica Whiting, Janice Nelson, Doris Champ, Walette Stanford, Joe Orfano, Ryan Wannemacher, Hamid Zahir, Richard Vento, Steve McInall, Gerri Boyce, Judi Spann, and Jane Upton. Jody Brooks, Office of General Counsel, Mike Pattillo, John Di Santo, and Chris Edmunds, Ernst & Young, and Jeff Buxton and Jeremy Klingel, Black & Veatch, Max Marbut, Financial News and Daily Record, and Nate Monroe, Florida Times-Union, were also in attendance. Board Members Wyman Winbush and Lisa Weatherby attended as observers.
- B. Adoption of Agenda – The agenda was adopted on **motion** by Mr. Heekin and second by Mr. Cumber.
- C. Approval of Minutes – The May 11, 2015 Minutes were unanimously approved on **motion** by Mr. Heekin and second by Mr. Cumber.

Agenda Item II – New Business

- A. Audit/ERM Annual Approvals & Quarterly Update
 - 1. Audit Services Quality Assessment Review – Doris Champ, Director Audit Services, provided a presentation on the recent external Quality Assurance Review conducted by Honkamp Krueger & Co, P.C. Ms. Champ stated the Institute of Internal Auditors (IIA) requires that every internal audit department be evaluated by an external Quality Assurance Review team every five years. Three ratings are available from these reviews: Generally Conforms, Partially Conforms, and Does Not Conform. JEA’s Audit Services received the highest rating, Generally Conforms, in all categories. This presentation was received for information.
 - 2. Annual Statement of Auditor Independence – Doris Champ, Director Audit Services, provided the Committee with a Statement of Independence and stated this will be provided to the Committee annually as required by the IIA. This report was received for information.
 - 3. Adoption of Changes to the Finance & Audit Committee Policy – On **motion** by Mr. Heekin and second by Mr. Hirabayashi, the Committee unanimously recommends that the Board adopt the revised Finance and Audit Committee Policy to reflect the following revisions: 1) the Finance & Audit Committee Chair and Committee Members will be appointed by the Board Chair, 2) The City of Jacksonville Inspector General’s Office is added for the Finance & Audit Committee to use as an alternate source for performing investigations, and 3) the Finance & Audit Committee Chair, JEA’s CEO and/or JEA’s Chief Risk and Compliance Officer will have an annual discussion about the compensation and performance of the Director, Audit Services.
 - 4. Approval of Annual Internal Audit Plan – On **motion** by Mr. Hirabayashi and second by Mr. Heekin, the Committee unanimously recommends the Board approve the Annual Internal Audit Plan for FY2016.

5. Annual Approval of Audit Services Charter – Doris Champ, Director Audit Services, presented the Audit Services Charter which is in compliance with the Institute of Internal Auditors (IIA) standards per the recent Quality Assessment Review; however, since the review, the IIA has released a new mission statement for Internal Audit. The new mission statement has now been incorporated into the mission statement of JEA’s Audit Services Charter. On **motion** by Mr. Cumber and second by Mr. Heekin, the Committee unanimously approved the Audit Services Charter and recommends Board approval.
 6. ERM and Audit Quarterly Update – The quarterly Enterprise Risk Management (ERM) and Audit update, reviewed by Doris Champ, Director Audit Services, was received for information. Ms. Champ provided information on the ERM Trending Report, ERM Board Report, Audit Project Report, Summary of Audits Quality Indicators, Ethics Hotline Reports, and the Action Plan Status.
 7. Finance & Audit Committee Self-Assessment – Doris Champ, Director of Audit Services, reviewed the process for completion of the Finance and Audit Committee Annual Self-Assessment Questionnaire. Questionnaires will be emailed to Committee Members and returned to Ms. Champ for compilation. The results will be reviewed at the next Finance and Audit Committee. The review was received for information.
- B. Director of Audit Services Succession Plan – Ted Hobson, Chief Compliance Officer, stated interviews have been conducted for the Director of Audit Services position since early in the calendar year. Interviews with the final candidates will take place this week. Mr. Hobson will meet with the Finance & Audit Committee Chair and Paul McElroy for concurrence of the selected candidate.
- C. Ethics Officer Quarterly Report – The Ethics Officer Quarterly Report, reviewed by Walette Stanford, Ethics Officer and Director Workforce Strategies, was received for information. Ms. Stanford stated that JEA met its Corporate Commitment to Action (CTA) goal of 100% compliance with ethics standards and training requirements for FY15. Staff is currently working to develop the FY16 ethics refresher Computer Based Training (CBT). Ms. Stanford stated she will soon begin meeting with the new City of Jacksonville Inspector General, Thomas Cline, Jr. Ms. Stanford reviewed the FY14/FY15 comparison of ethics inquiries, as well as the results for the FY15 gift registry.
- D. External Auditors
1. Schedule of Expenditures of Federal Awards – Mike Pattillo, Ernst and Young (E&Y) introduced John DiSanto, Executive Director, and Chris Edmunds, Senior Manager. Mr. Pattillo reviewed the Schedule of Expenditures of Federal Awards, which was received for information. The audit found no control deficiencies and was submitted by the deadline.
 2. FY2015 E&Y Financial Statements Audit Plan was reviewed by Mike Pattillo and John DiSanto, Ernst and Young, and was received for information.
- E. Regulatory Actions Approval and Policy Revisions – Melissa Dykes, Chief Financial Officer, reviewed that at the March 2015 meeting, the Board approved implementation of the Governmental Accounting Standards Board’s (GASB) alternative accounting methods called “Regulatory Accounting”, and approved changes to the Pricing Policy. Regulatory accounting actions better align with the Generally Accepted Accounting Principals (GAAP) reporting with debt service, coverage calculations, reporting, and Utility Basis methodology for establishing revenue requirements. As outlined in the Pricing Policy, Ms. Dykes reviewed regulatory items with the Finance and Audit Committee. On **motion** by Mr. Hirabayashi and second by Mr. Cumber, the Committee unanimously approved staff’s recommendations, and recommends the Board to approve the regulatory items and changes to the Pricing Policy as follows:

1. Depositing \$26 million of current year revenues in the Non-Fuel Purchased Power rate stabilization fund.
2. The annual amortization of prior year bond refunding gains and losses to be included as a cost in developing the annual revenue requirements. Also, any gains or losses on future debt refunding to be included in setting revenue requirements for the establishment of customer rates.
3. The deferral and amortization of debt issuance costs incurred in fiscal year 2015 and any future debt issuance costs. In addition, staff recommends that the amortization of debt issuance costs be included in determining future revenue requirements as they are incurred.
4. Recovery through the Environmental Charge, the cost of certain projects (in the attached project list) that had costs incurred prior to the current fiscal year net of monies already collected through the Environmental Charge over a 10-year period beginning in fiscal year 2016.
5. Deferral of changes in the related Net Pension Liability (NPL) and that the annual pension contributions (funding) be included as a cost in developing the annual revenue requirements for the establishment of customer rates.

At 9:13 AM, the Committee took a brief break and reconvened at 9:19 AM.

- F. Rate Structure Project Plan – Melissa Dykes, Chief Financial Officer, led a review and discussion on JEA’s initiative to continually update and realign its rate structure and options, providing customers new and enhanced rate options, providing JEA and in turn its customers long-term rate stability, and to help drive system efficiencies. JEA’s rate strategy team has continued this initiative and has committed to develop, implement, and evaluate a demand rate pilot program to recognize each customer’s unique load and cost characteristics. Staff has engaged Black and Veatch to assist in planning, developing, and executing this pilot. Ms. Dykes provided a presentation that illustrated the potential process, deliverables, and timeline. It was noted that this Rate Structure Pilot Plan is designed to be revenue neutral and does not include a rate increase. Staff recommends that the Finance and Audit Committee brief the full Board at the August 18, 2015 meeting. This report was received for information.
- G. Downtown Campus Comprehensive Plan - Melissa Dykes, Chief Financial Officer, presented the Downtown Campus Comprehensive Plan. Ms. Dykes stated the downtown campus has been on the list for major upgrades; however, in the past, other priorities have taken a higher rank for capital investments. Ms. Dykes stated it is critical to address the downtown campus and make it a higher priority due to the condition of the buildings and building systems. On **motion** by Mr. Cumber and second by Mr. Heekin, the Finance and Audit Committee unanimously approved and recommends to the Board an authorization to proceed with development of a comprehensive plan for the downtown campus, with a spending authorization of up to \$3 million. As requested by Mr. Cumber, staff will return to the Finance & Audit Committee with a conceptual plan prior to proceeding with work or with development of procurement specifications.
- H. Chief Information Officer Report was reviewed by Paul Cosgrave, Chief Information Officer, and was received for information. Mr. Cosgrave provided a brief biographical history of his experience, an overview of services provided, FY 2016 budget, staffing, major service goals, and key performance metrics.

I. Treasury

1. Electric System and Water and Sewer System Reserve Fund Quarterly Report – Joe Orfano, Treasurer, reviewed the Electric System, Water and Sewer System Reserve Fund Quarterly Report, which was received for information.
2. Recap of Recent St. Johns River Power Park Fixed Rate Debt Refunding Delegated Transactions – Joe Orfano, Treasurer, provided a Recap of Recent JEA Electric System Fixed Rate Debt Refunding Delegated Transactions, which was received for information.
3. Resolutions Amendment for Electrical System 2008B and 2008D Direct Purchase Variable Rate Index Bonds – **On motion** by Mr. Heekin and second by Mr. Cumber, the Committee unanimously recommends the Board approve Resolution No. 2015-04 modifying Section 503.1 of Resolutions No. 2010-11 and No. 2010-12. This modification clarifies terms with the potential renewal of JEA’s existing Continuing Covenants Agreements (CCAs) with Wells Fargo Bank, N.A. relating to the direct purchase of certain variable rate Electric System bonds under authorization provided by Resolution No. 2010-20.

J. JEA Energy Market Risk Management Policy Report – Mike Brost, VP/GM Electric Systems, reviewed the JEA Energy Market Risk Management Policy Report, which was received for information.

K. Office of General Counsel Legal Brief – Jody Brooks, Office of General Counsel, distributed and reviewed a summary of legal issues pertaining to JEA, which was received for information. A copy is on file.

L. Announcements

1. The next Finance and Audit Committee meeting will be held in January 2016. Staff will coordinate and provide a firm date.

M. Committee Discussion Sessions

1. Director, Audit Services – At 10:27 AM, Mr. Bower dismissed staff and the Committee held a general conversation with Doris Champ, Director Audit Services.

Mr. Cumber stepped out of the Committee Meeting at 10:34 AM.

2. Ernst & Young – At 10:34 AM, the Committee held a general conversation with Mike Pattillo, John DiSanto, and Chris Edmunds.
3. Council Auditor’s Office – Mr. Campbell was not present.

Closing Considerations

With no further business claiming the attention of this Committee, the meeting was declared adjourned at 10:36 AM.

APPROVED BY:

Kelly Flanagan, Committee Chair

Date: _____

Submitted by:

Melissa Charleroy
Executive Assistant



JEA
Building Community
AGENDA ITEM SUMMARY

February 18, 2016

SUBJECT:	FY2017 BUDGET ASSUMPTIONS
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Purpose: Information Only Action Required Advice/Direction

Issue: Present the key strategic issues, risks, major challenges and assumptions for the FY2017 Budget, to the Finance and Audit Committee for feedback and direction.

Significance: High. Key strategic issues and risks, major challenges, and assumptions significantly impact the FY2017 Budget.

Effect: The budget process is integral to JEA's strategic planning, financial performance and resulting metrics.

Cost or Benefit: The Committee provide feedback and direction regarding the key strategic issues, risks, major challenges, and assumptions for the FY2017 budget covering: revenue, fuel, O&M expense, interest rates, capital expenditures, financing plans, and financial metrics.

Recommended Board action: The Committee receive the presentation for consideration and provide staff feedback and direction regarding the FY2017 Budget.

For additional information, contact: Melissa Dykes

Submitted by: PEM/ MHD/ DRJ



MISSION
Energizing our community through high-value energy and water solutions.

VISION
JEA is a premier service provider, valued asset and vital partner in advancing our community.

VALUES
• Safety
• Service
• Growth
• Accountability
• Integrity

Commitments to Action

- 1 Earn Customer Loyalty
- 2 Deliver Business Excellence
- 3 Develop an Unbeatable Team

FY2017 Budget

Review of Key Issues, Risks, Challenges and Assumptions

Finance & Audit Committee

March 2, 2016



Agenda

Strategic Issues, Risks and Key Assumptions

Electric System Budget Assumptions

Water and Sewer System Budget Assumptions

Government Transfers via the JEA Bill

Timeline and Summary



FY2017 Budget: Strategic Issues and Risks

Strategic Plan Implementation – Emphasizing Business Excellence Opportunities

Continue to seek out opportunities to drive business excellence
Remain focused on customer loyalty
Build on momentum toward building and unbeatable team

Workforce Readiness

Succession Planning
Performance Management

Financial Performance and Flexibility

Fuel supply and pricing flexibility
Strong focus on expense management – strategic opportunities
Pension cost

Future Environmental Constraints on Electric Generation

Customer Benefit Programs and rate structures
Renewable electricity and nuclear generation investment
Carbon reduction requirements

Water Resource Management and Health of the St. Johns River

CUP¹ Compliance – Reclaim, Conservation Programs, Minimum Flow and Levels (MFL)
TMDL² goal attainment

¹ CUP - Consumptive Use Permit

² TMDL - Total Maximum Daily Load - Nitrogen discharge to St. Johns River

FY2017 Budget: Key Assumptions

Revenue Projections

- Economic activity remains stable or improves slightly
- Net customer account annual growth at 2%
- Annual Electric unit sales projected to be 12.4 million MWhs, up from 12.0 million MWhs budgeted in FY2016. Water sales budgeted to be 35 million kgals, up from 33 million kgal sales budgeted in FY2016

Fuel and Purchased Power Costs

- FY2017 projection reflects higher solid fuel prices and higher natural gas prices
 - Coal – solid fuel costs increase in FY2017 but are attributable to higher budgeted MWhs
 - Natural gas – increased costs due to higher prices and start of transportation pipeline contract
- FY2017 year-end fuel reserve balances projected to be 15% of target expense after fuel credit

Labor Costs

- Budgeted FY2017 payroll expense is only 5.8% above FY2008 levels as a result of constrained hiring and multiple years of no general wage or salary increases
- Bargaining unit wages
- Benefits, specifically pension and long-term medical costs
- Staffing risks mitigated with continuation of Workforce Readiness and Succession Planning initiative

Agenda

Strategic Issues, Risks and Key Assumptions

Electric System Budget Assumptions

- ✓ Customer Electric Bill by Expense Category
- ✓ Revenue Drivers
- ✓ Fuel Rate
- ✓ Operating Expenses
- ✓ Capital Funding - Debt Service, Oper. Capital Outlay and Renewal & Replacement
- ✓ Debt Service

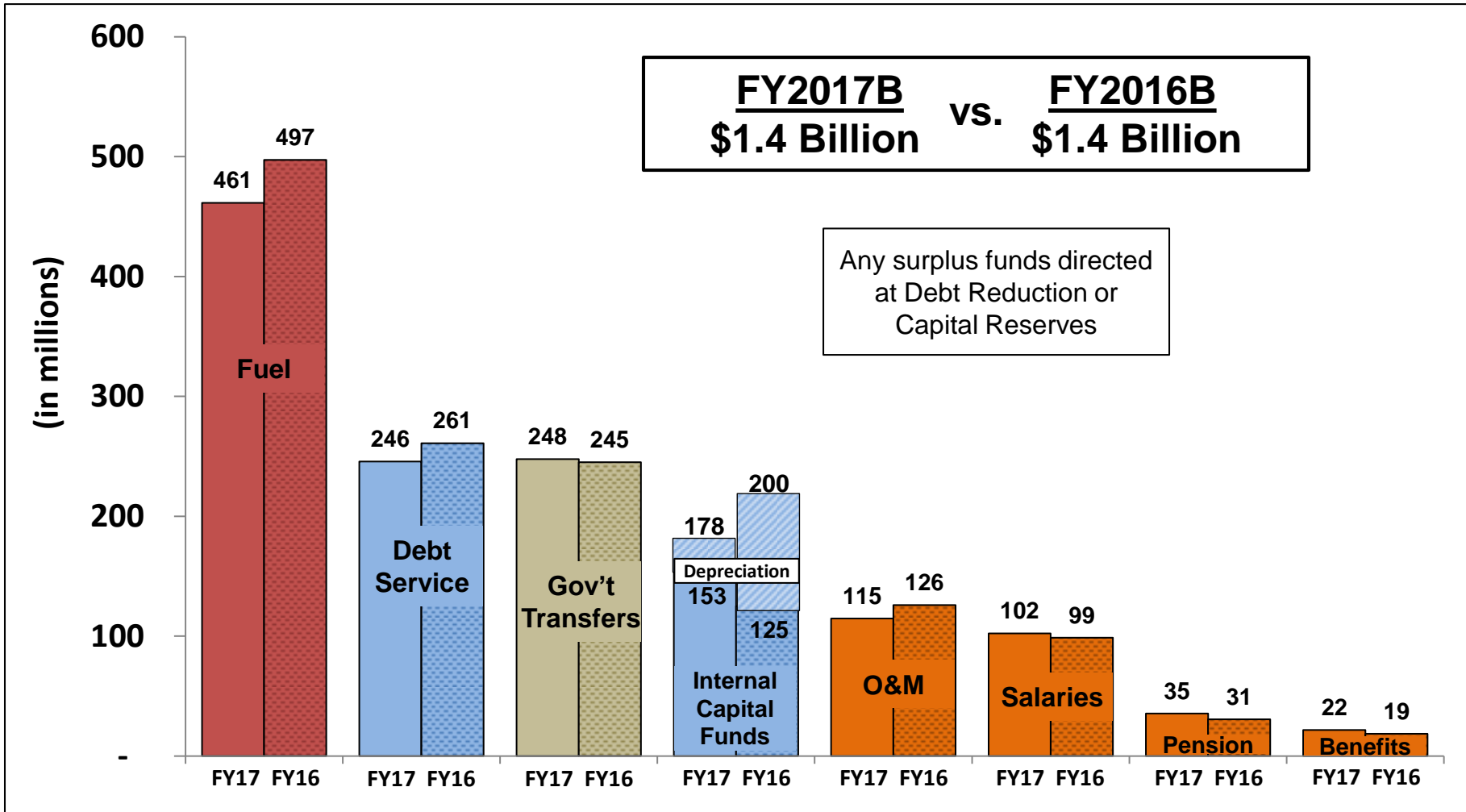
Water and Sewer System Budget Assumptions

Government Transfers via the JEA Bill

Timeline and Summary



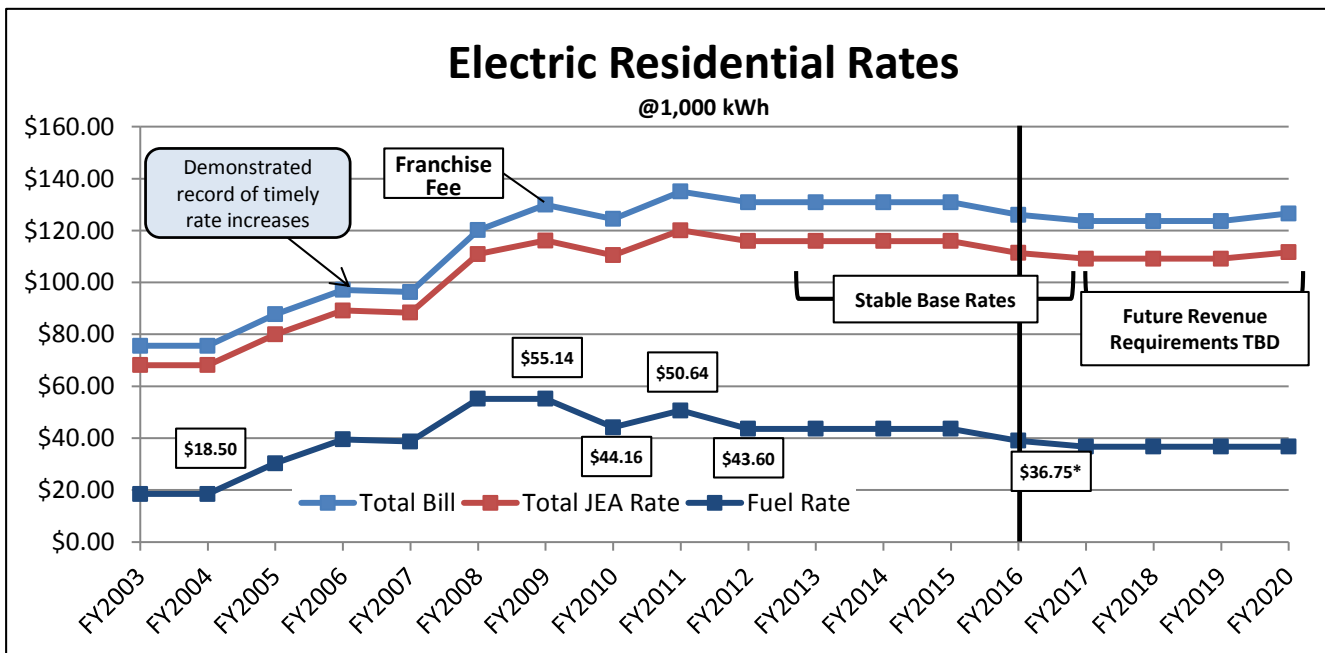
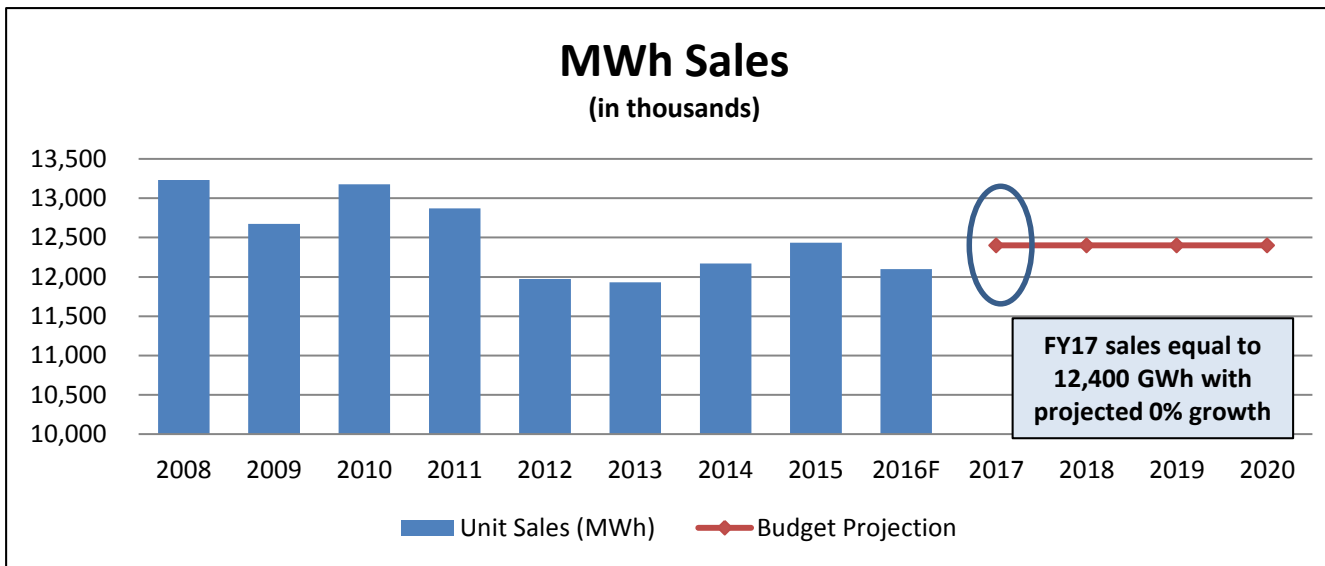
FY2017 Budget: Customer Electric Bill by Expense Category



Notes:

1. Fuel includes Scherer transmission and capacity expenses
2. SJRPP and Scherer non-fuel purchase power expenses included in Debt Service, Internal Capital and O&M
3. Government Transfers include City Contribution, COJ Public Service Tax, COJ Franchise Fee, State Gross Receipt Tax, and State and COJ Sales Tax (Commercial customers only)
4. O&M Salaries, Benefits, and Pension are net of capital
5. FY2017 O&M includes \$7M Natural Gas retail sale operations
6. Internal Capital Funds include JEA Electric System R&R and OCO, SJRPP R&R, and Scherer R&R, no new debt is required
7. Debt Service reduction in FY2017 reflects the drop in SJRPP Debt Service Requirement

FY2017 Electric System Budget: Revenue Drivers



* Board approved a decrease in the Variable Fuel Rate to \$36.75/MWh effective Feb-2016.

Fuel Rate per MWh

	<u>FY2015</u>	<u>FY2016F</u>	<u>FY2017B</u>	<u>FY2018</u>
<u>Variable Fuel Rate per MWh</u>				
Rate for Budgeted Fuel Cost	\$43.60	\$41.00	\$36.75	\$36.75
Fuel Rate Change per \$/MWh	-	\$36.75	-	-
Reserve as a % of Target Expense	24%	15%	15%	15%
Annual Fuel Cost (millions)	\$441	\$394	\$436	\$403

Discussion and Analysis

- The Fuel Fund Rate Stabilization Reserve is currently at 26% of the historical maximum 12-month fuel expense
- Current projections are based on the PIRA and NYMEX natural gas price forecasts and assume no major market disruption due to regulations

Note: Variable Fuel Rate decreased to \$36.75/MWh per Board approval in January 2016. New rate effective February 1, 2016.



FY2017 Electric System Budget: Operating Expenses

(\$ in millions)	<u>FY2016</u>	<u>-----FY2017-----</u>	
	<u>Budget¹</u>	<u>Budget¹</u>	<u>Rating Agency</u>
Salaries & Benefits	\$174.7*	\$183.0*	
Other Services	96.0	96.1	
Material & Supplies	15.8	15.8	
Other	15.6	15.5	
Credits	(101.5)	(100.8)	
Total	\$200.6	\$209.6	\$198.9

4.5%

Funding for Strategic and Major Projects Included in Operating Budget			
	<u>FY2016</u>		<u>FY2017</u>
Generating Unit Outages	\$10.7	Generating Unit Outages	\$8.0
Succession Planning Staffing Risks	2.6	Succession Planning Staffing Risks	2.6
Climate Change	1.0	Climate Change	1.0
New Business Development	2.0	New Business Development	2.0
Net Pension Increase	3.5	Net Pension Increase	4.3
Compensation	*	Compensation	*
Total	\$19.8	Total	\$17.9

¹Excludes Customer Benefit, Environmental, and Retail Natural Gas

Electric System: Capital Funding

No New Debt



FY2017 – Electric System Capital Budget: \$167 Million

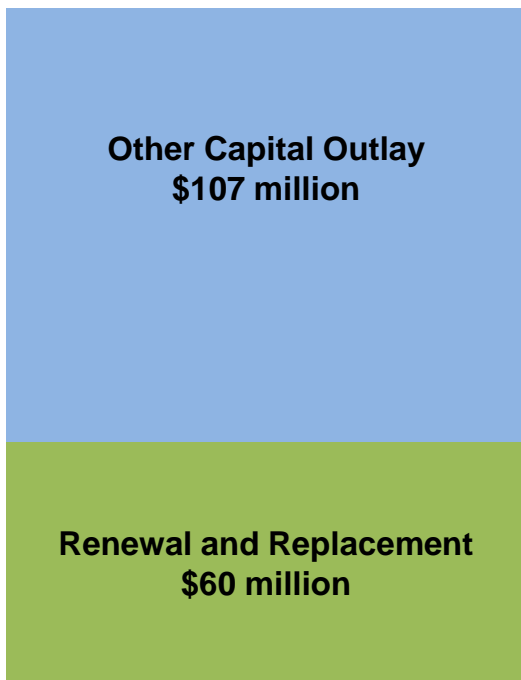
System Maintenance: \$135 Million

System Expansion: \$32 Million

- Renewal and Replacement
- Distribution
- Facilities, Fleet, Technology

- New or Expanded Generation
- New Transmission lines
- New or Expanded Substations

Source of Capital Funding



Discussion and Analysis

- FY2017 capital funding plan utilizes existing capital cash balances to fund the “long-term eligible funds” qualified projects, resulting in no new debt issuance for FY2017
- FY2016 capital plan budget was \$153 million, current forecast is \$152 million
- December 2015 rating agency FY2017 capital program was projected to be \$169 million

FY2017 Electric System Budget: Debt Service

	<u>FY2015</u>	<u>-----FY2016-----</u>		<u>-----FY2017-----</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>	<u>Rating Agency</u>
Debt Service – Principal	\$95.0	\$89.7	\$96.2	\$90.0	\$90.0
Debt Service – Prepayment	65.8	---	17.5	14.7	---
Debt Service – Interest	<u>104.3</u>	<u>108.2</u>	<u>102.8</u>	<u>100.9</u>	<u>100.9</u>
Total (see note below)	<u>\$265.1</u>	<u>\$197.9</u>	<u>\$216.5</u>	<u>\$205.6</u>	<u>\$190.9</u>
Debt Service Coverage	2.6x	2.2x	2.4x	2.5x	2.5x
Debt to Asset %	69%	71%	66%	64%	64%
Variable Rate Debt %					
Gross	19%	21%	20%	21%	21%
Net of Swaps	6%	8%	7%	7%	7%
Variable Interest Rate %	0.7%	3.0%	2.2%	3.0%	3.0%
Liquidity – days cash	182	145	195	182	182

Discussion and Analysis

- Compared to FY2016F, lower FY2017 budgeted debt service is due to lower principal repayment
- JEA's senior lien credit ratings of AA- for S&P, Aa2 for Moody's, and AA for Fitch are stable

Note: Includes scheduled interest and principal payments to bondholders, variable rate financing costs, and swap payments

Agenda

Strategic Issues, Risks and Key Assumptions

Electric System Budget Assumptions

Water and Sewer System Budget Assumptions

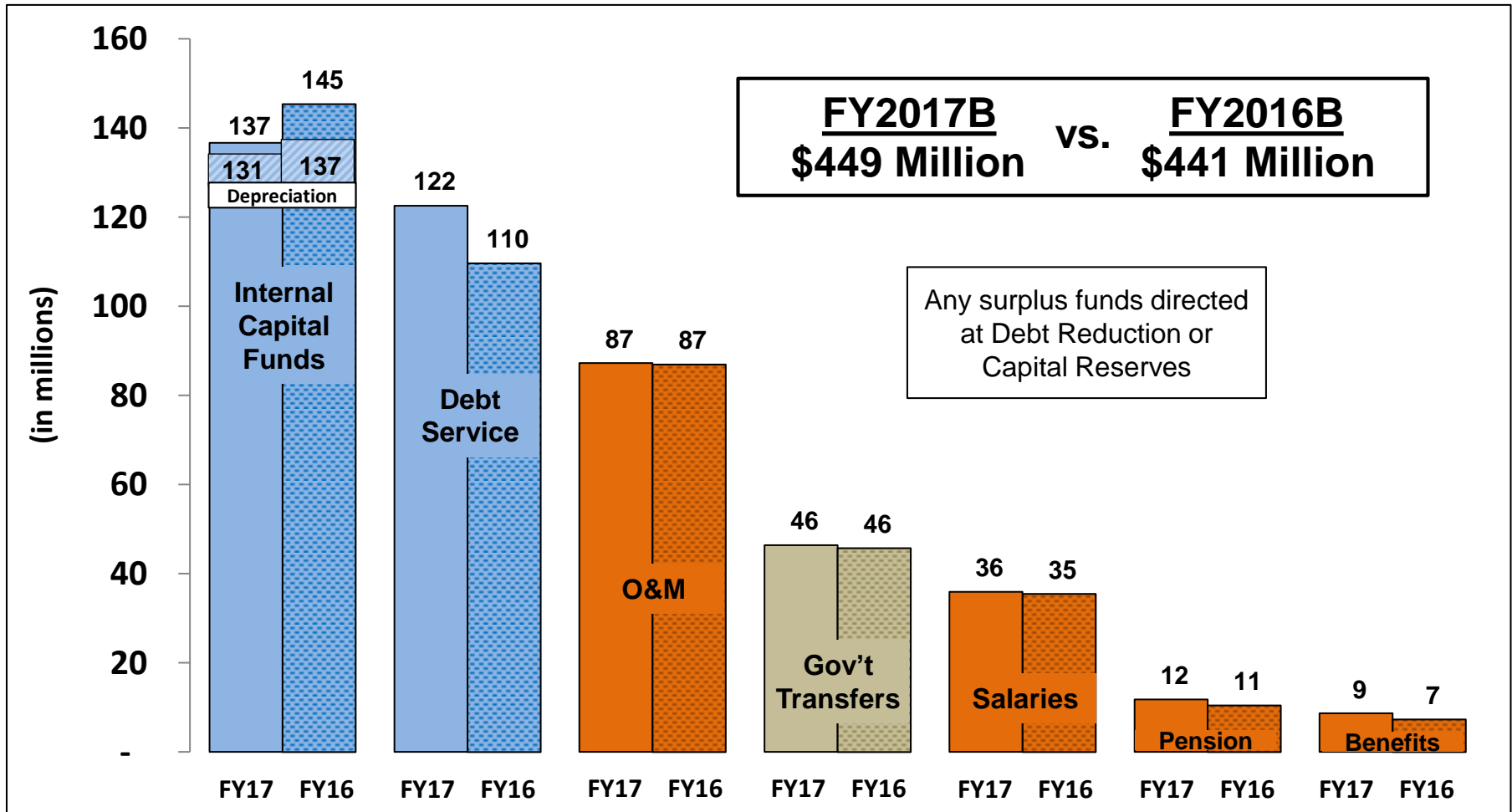
- ✓ **Customer Electric Bill by Expense Category**
- ✓ **Revenue Drivers**
- ✓ **Fuel Rate**
- ✓ **Operating Expenses**
- ✓ **Capital Funding - Debt Service, Oper. Capital Outlay and Renewal & Replacement**
- ✓ **Debt Service**

Government Transfers via the JEA Bill

Timeline and Summary



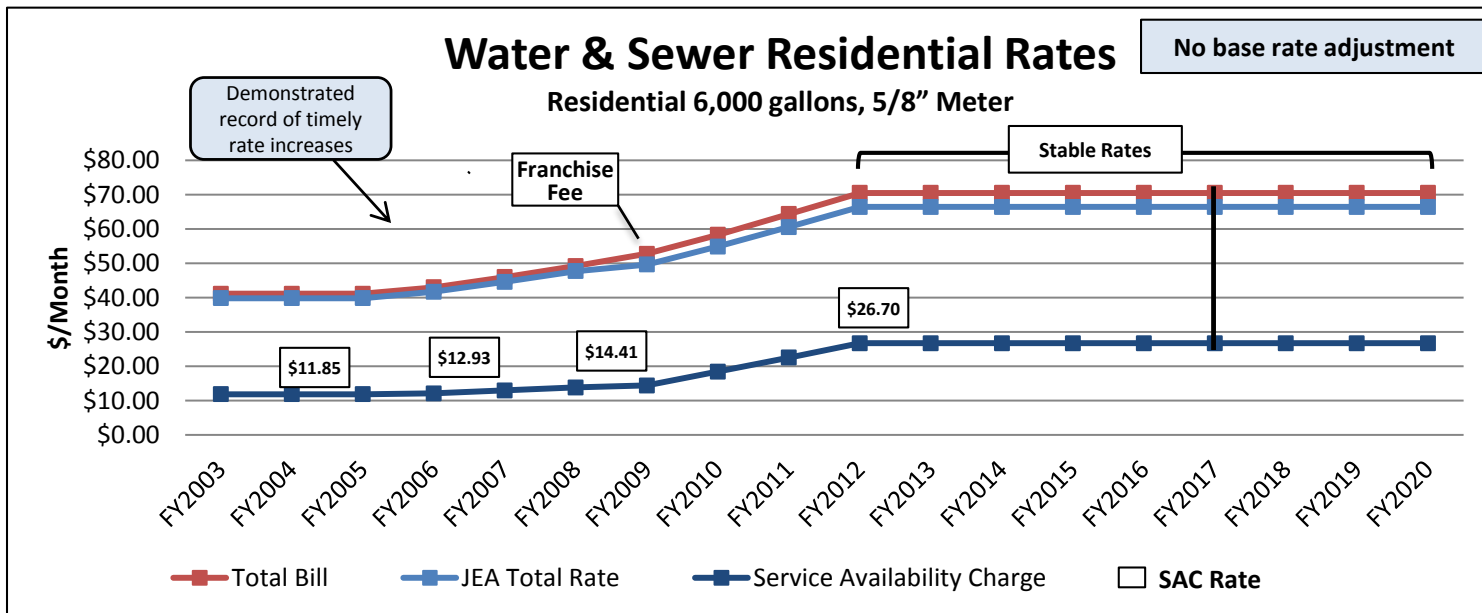
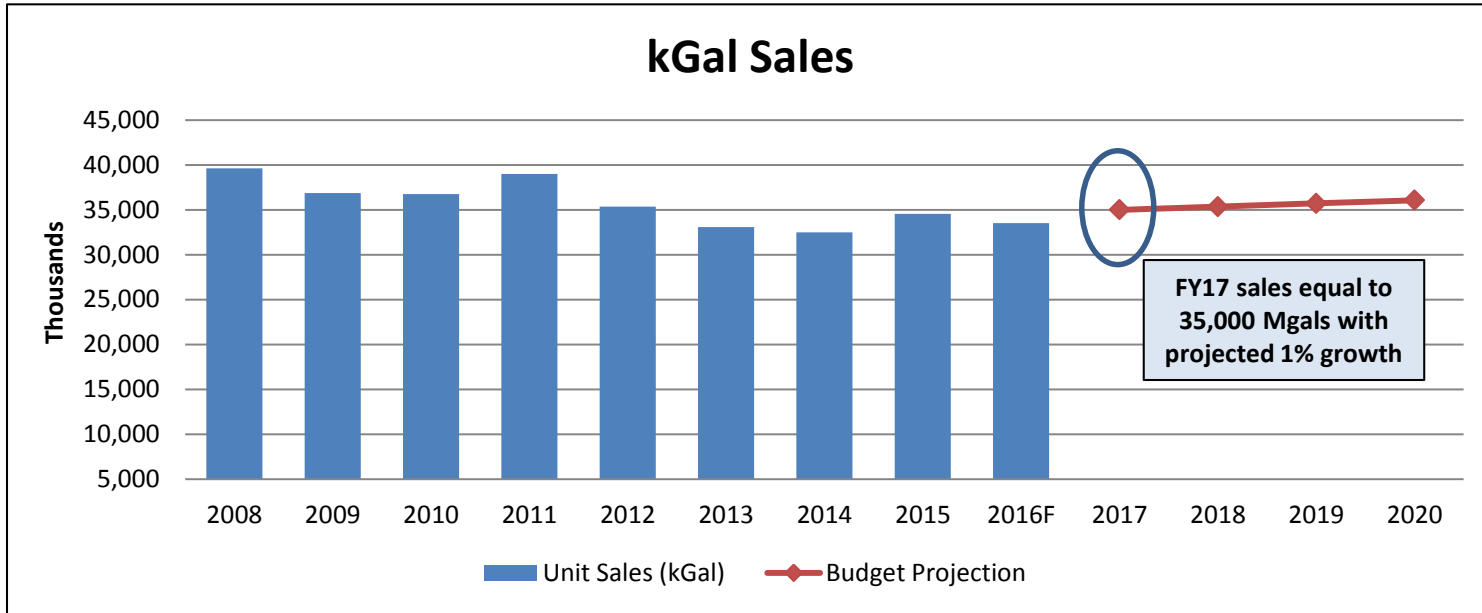
FY2017 Budget: Customer Water and Sewer Bill by Expense Category



Notes:

1. Government Transfers include City Contribution, COJ Public Service Tax, and COJ Franchise Fee
2. O&M Salaries, Benefits, and Pension are net of capital
3. The FY2017 capital program is funded by Internal Capital, no new debt is required
4. FY2017 Debt Service increase reflects higher principal payments
5. Internal capital funds for FY2017 are greater than annual depreciation but less than the annual capital plan for FY2017. The capital budget for FY2017 is estimated at \$205m.

FY2017 Water and Sewer System Budget: Revenue Drivers



FY2017 Water and Sewer System Budget: Operating Expenses

(\$ in millions)	<u>FY2016</u>	<u>-----FY2017-----</u>	
	<u>Budget¹</u>	<u>Budget¹</u>	<u>Rating Agency</u>
Salaries & Benefits	\$64.0*	\$67.9*	
Other Services	24.8	24.8	
Material & Supplies	12.6	12.6	
Shared Services	48.1	49.2	
Other	3.4	3.4	
Credits	(16.6)	(17.1)	
Total	<u>\$136.3</u>	<u>\$140.8</u>	<u>\$139.7</u>

3.3%

Funding for Strategic and Major Projects Included in Operating Budget			
<u>FY2016</u>		<u>FY2017</u>	
Total Water Resource Plan	\$1.0	Total Water Resource Plan	\$1.0
Succession Planning Staffing Risks	0.5	Succession Planning Staffing Risks	0.5
Net Pension Increase	1.0	Net Pension Increase	1.3
Compensation	*	Compensation	*
Total	<u>\$2.5</u>	Total	<u>\$2.8</u>



¹Excludes Customer Benefit and Environmental

Water and Sewer System: Capital Funding



FY2017 – Water and Sewer System Capital Budget: \$205 Million

Environmental: \$14 Million

- BMAP*/ TMDL*/ Reclaim
- Total Water Management Plan
- Major Environmental Initiatives
- Support COJ Septic Tank Phase-Out

System Maintenance: \$105 Million

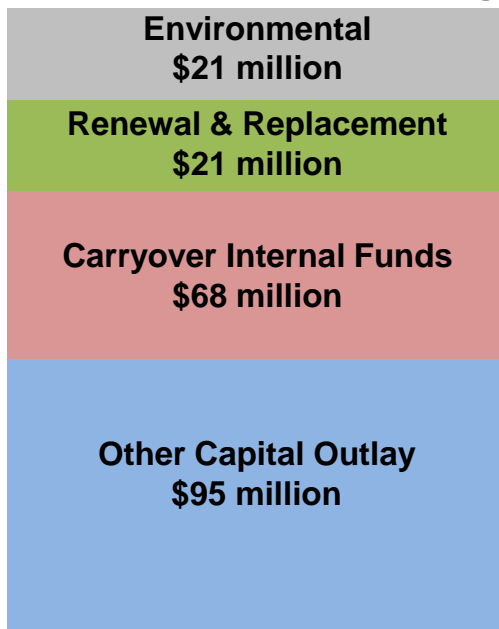
- Renewal and Replacement
- Distribution
- Facilities, Fleet, Technology

System Expansion: \$86 Million

- New or Expanded Treatment
- New Transmission lines
- New or Expanded Master Pump Stations

- Basin Management Action Plan
- Total Maximum Daily Limit of Nitrogen

Source of Capital Funding



Discussion and Analysis

- FY2017 capital funding plan utilizes existing capital cash balances to fund the “long-term eligible funds” qualified projects, resulting in no new debt issuance for FY2017
- FY2016 capital plan budget was \$175 million, current forecast is \$172 million
- December 2015 rating agency FY2017 capital program was projected to be \$205 million

FY2017 Water and Sewer System Budget: Debt Service

	<u>FY2015</u>	<u>-----FY2016-----</u>		<u>-----FY2017-----</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>	<u>Rating Agency</u>
Debt Service - Principal	\$36.2	\$33.9	\$33.9	\$51.0	\$ 51.0
Debt Service - Prepayment	73.7	---	7.4	---	---
Debt Service - Interest	<u>72.0</u>	<u>75.8</u>	<u>71.0</u>	<u>71.6</u>	<u>71.5</u>
Total (see note below)	<u>\$181.9</u>	<u>\$109.7</u>	<u>\$112.3</u>	<u>\$122.6</u>	<u>\$122.5</u>
Debt Service Coverage	2.8x	2.5x	2.6x	2.2x	2.2x
Debt to Asset %	55%	53%	53%	50%	50%
Variable Rate Debt %					
Gross	17%	17%	17%	18%	18%
Net of Swaps	10%	10%	10%	10%	10%
Variable Interest Rate %	0.7%	3.0%	2.2%	3.0%	3.0%
Liquidity – days cash	149	105	151	138	138

Discussion and Analysis

- Compared to FY2016F, higher FY2017 budgeted debt service is due to increased principal repayment
- Debt to Asset and Liquidity metrics are expected to remain within current targeted objectives
- JEA credit ratings of AA for S&P, Aa2 for Moody's, and AA for Fitch are stable

Note: Includes scheduled interest and principal payments to bondholders, variable rate financing costs, swap payments, and Revolving Credit Agreement payments

Agenda

Strategic Issues, Risks and Key Assumptions

Electric System Budget Assumptions

Water and Sewer System Budget Assumptions

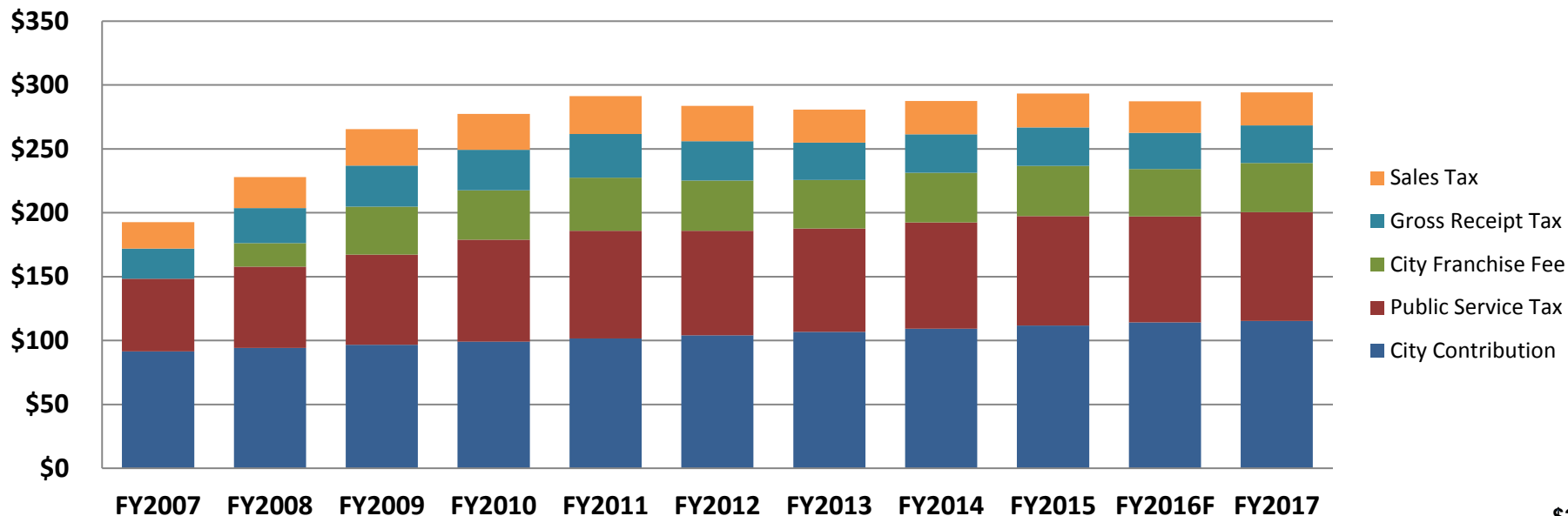
Government Transfers via the JEA Bill

Timeline and Summary



Government Transfers via the JEA Bill

(\$ in millions)



Description	Paid To	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016F	FY2017
City Contribution	COJ	\$91.4	\$94.2	\$96.7	\$99.2	\$101.7	\$104.2	\$106.7	\$109.2	\$111.7	\$114.2	\$115.3
Public Service Tax	COJ	56.9	63.6	70.5	79.7	84.2	81.8	80.9	83.1	85.6	83.0	85.2
City Franchise Fee	COJ	-	18.3	37.5	38.6	41.7	39.3	38.1	39.0	39.4	36.9	38.4
Gross Receipt Tax	State	23.7	27.6	32.1	31.7	34.1	30.8	29.3	30.2	30.2	28.3	29.5
Sales Tax	State and COJ	20.6	24.1	28.5	28.1	29.7	27.7	25.8	26.1	26.4	24.7	25.7
Total		\$192.6	\$227.8	\$265.3	\$277.3	\$291.4	\$283.8	\$280.8	\$287.6	\$293.3	\$287.1	\$294.1
Percent increase from FY2007			18%	38%	44%	51%	47%	46%	49%	52%	49%	53%

\$234¹ (FY2015)
 \$239 COJ (FY2017)

Discussion and Analysis

- JEA transfers to the City of Jacksonville have increased to \$239 million



¹Excludes \$15m additional one-time payment to the City of Jacksonville for Water & Sewer infrastructure expansion.

Agenda

Strategic Issues, Risks and Key Assumptions

Electric System Budget Assumptions

Water and Sewer System Budget Assumptions

Government Transfers via the JEA Bill

Timeline and Summary



Board Review and Approval Schedule: FY2017 Budget and Rate Discussion

Date	Meeting	Activity / Objective
March 2, 2016	Finance & Audit Committee	Review Budget and Rate Assumptions
March 15, 2016	Board	Finance and Audit Committee Report
May 9, 2016	Finance & Audit Committee	Final review of FY2017 Budget
May 17, 2016	Board	Budget Review with full Board
June 21, 2016	Board	Board to approve the FY2017 Budget
July 1, 2016	-----	Transmit JEA Board approved Budget with cover letter to City Council President



Finance and Audit Committee Action

- Provide feedback and direction regarding the key strategic issues and risks for the FY2017 Budget specifically covering:
 - Revenue
 - O&M Expense Levels
 - Interest Rates and Debt Structure
 - Financial Metrics
 - Workforce Readiness and Succession Planning

Staff

- Prepare Draft Budget, as well as related agenda items for review at the May Finance and Audit Committee meeting
- Prepare Draft Budget Summary for presentation at the May Board meeting
- Prepare budget package for approval at the June Board meeting
- Begin communication process with the Council Auditor
- Begin communication plan for other key stakeholders

Electric Credits		
	<u>Estimated FY 17</u>	<u>Budget 16</u>
Water Billing Credit	(49,226,780)	(48,186,338)
Capitalization	(35,099,338)	(36,902,809)
Fuel Procurement	(13,875,490)	(13,823,350)
SJRPP Service Fees	(2,556,153)	(2,549,417)
	(100,757,761)	(101,461,914)

Water Credits		
	<u>Estimated FY 17</u>	<u>Budget 16</u>
Capitalization	(15,778,523)	(14,927,637)
Motor Pool Credits (Capital)	(900,000)	(1,200,000)
Fuel Procurement & Handling (LAB)	(500,000)	(500,000)
	(17,178,523)	(16,627,637)

Audit Services Overview

Steve Tuten
Director, Audit Services



Audit Services Overview – Table of Contents

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• Internal Audit	10-11
• Enterprise Risk Management (ERM)	12-20
• Ethics Hotline (EHL)	21-24



Audit Services - Purpose & Mission

- Purpose : “Determining if enterprise-wide internal controls are in place and operating effectively to achieve management’s business objectives, and to ensure compliance with legal & regulatory requirements, as well as Management Directives & operating procedures.”
- Mission: “To enhance and protect organizational value by providing risk-based and objective assurance, advice and insight.”
- Responsibilities include both assurance and consulting services.

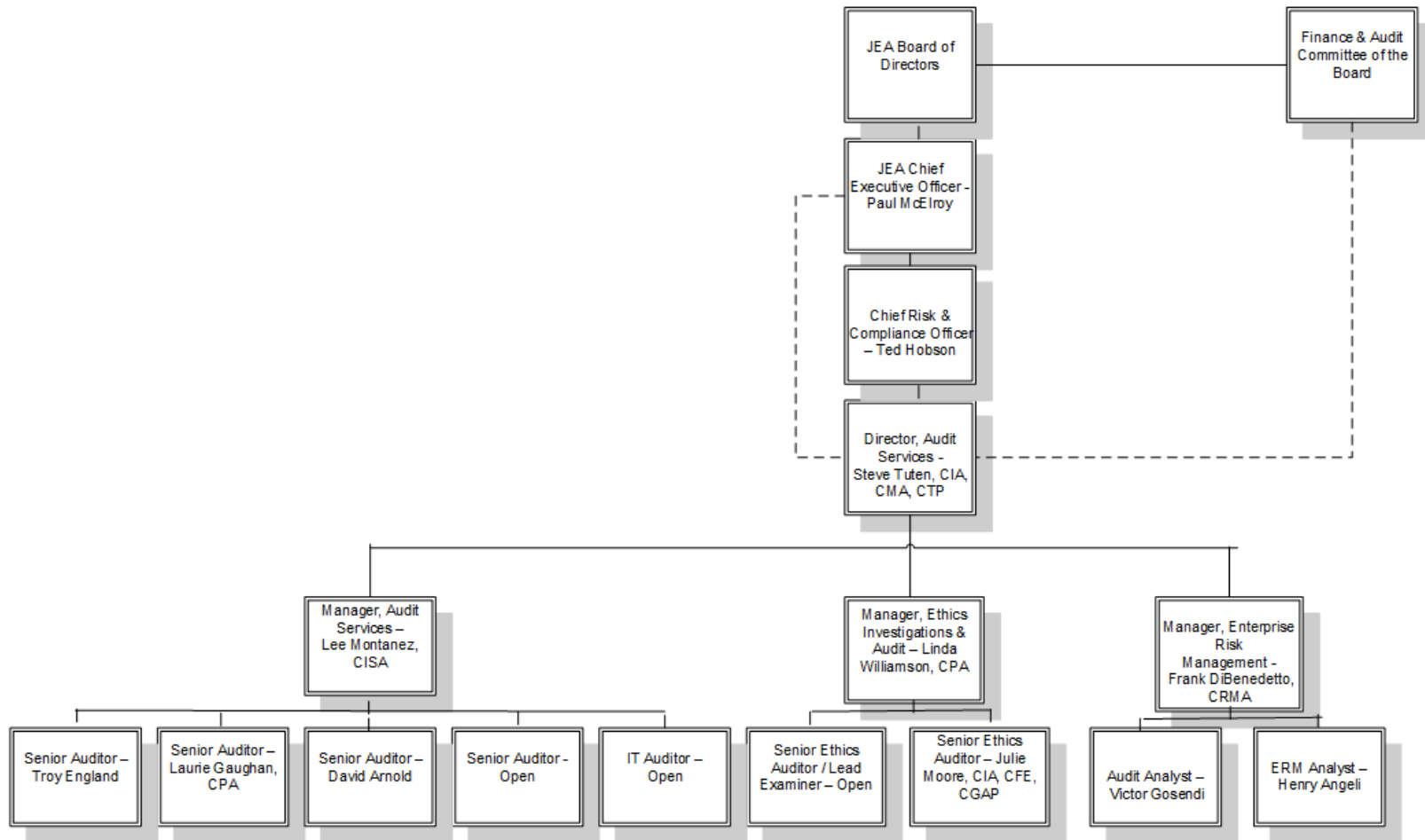
(Excerpted from JEA Audit Services Charter, last approved by F&AC, August 10, 2015)



Who We Are

- Three teams (Staff complement of 13):
 - Internal Audit (Operational Audit) – 6 total, 2 currently open
 - Ethics & Investigations Audit – 3 total, 1 currently open
 - Enterprise Risk Management (ERM) - 3
- Separation / independence of Audit and ERM functions, but regular sharing of information and collaboration.

Audit Services Organization Chart



Audit Services Team Profiles

Name / Title	Experience, Education & Professional Certifications
Steve Tuten Director, Audit Services	Joined JEA in November 2015. 10 years as Audit Director at EverBank, and 14 years in General Auditor & other audit management positions for other banks such as Southern National (BB&T) & NCNB (Bank of America). BA, Accounting, & Audit Major, School of Bank Administration; CIA (Certified Internal Auditor), CMA (Certified Management Accountant), & CTP (Certified Treasury Professional).
Internal Audit	
Lee Montanez Manager, Audit Services	4+ years at JEA. 17 years of experience in audit, finance, and IT at Fidelity, Rayonier, and the government of Puerto Rico. BS in Accounting, MBA, Finance; Certified Information Systems Auditor (CISA), pursuing the CIA designation.
Troy England Senior Auditor	2 years at JEA. 12 years audit experience at Blue Cross and Diversified Service Options. BS, Business Administration; pursuing the CIA designation.
Laurie Gaughan Senior Auditor	1 year at JEA. 5 years audit experience at EverBank. 22 years as a CPA at various companies, including the Office of the Auditor General. BBA, Accounting & BA in Economics; Certified Public Accountant (CPA).
David Arnold Senior Auditor	Joined JEA in November 2015. 13 years audit experience at EverBank, Bank of America, & CSX. MBA; BA, Business Administration; pursuing the CIA designation, CRP (Certified Risk Professional (<i>inactive</i>)).
Ethics Investigations & Audit	
Linda Williamson Manager, Ethics Investigations & Audit	3+ years with JEA. 25+ years audit/accounting experience, including the City's Inspector General's Office, Jacksonville Sheriff's Office, Barnett Bank, and Peat Marwick Mitchell & Co. (KPMG). Master's Degree; BBA in Accounting; CPA.
Julie Moore Senior Ethics Auditor	1 year at JEA. 14 years audit experience at the Federal Reserve Bank of Atlanta & the Jacksonville Sheriff's Office. BBA in Accounting, CFE, CIA, & CGAP (Certified Government Audit Professional).
Enterprise Risk Management (ERM)	
Frank DiBenedetto Manager, Enterprise Risk Management	12 years at JEA. 25+ years financial management, audit and risk management, including Prudential Securities, Dean Witter, and Kidder Peabody. BS in Financial Business Management; CRMA (Certification in Risk Management Assurance); CFA (Certified Financial Analyst: Series 7, 63 and 5 registered (<i>inactive</i>)).
Victor Gosendi Audit Services Analyst	17+ years at JEA. 25+ years of experience in technology including Plaskolite, Inc. 8 years' experience in internal auditing & continuous auditing/monitoring. Computer Science degree.
Henry Angeli ERM Analyst	Joined Audit Services in October 2015; 9 years at JEA with 1 year in operations and 8 as an Instrumentation & Controls Technician at NGS. Previously in the Navy for 5 years. MBA; BA in Technology Management.



FY15 Highlights

- Top rating earned for external Quality Assurance Review (conducted in 2015 and every five years).
- Rollout of new automated exception reporting for identifying key transaction errors & potential fraudulent activities.
- Established new Technology Risk subcommittee for better Tech/Ops coordination and identifying any cybersecurity threats.

FY15 Highlights (cont.)

- Key audit recommendations included:
 - Comprehensive contractual agreements for third-party technology services
 - Security measures to reduce loss of materials or scrap metals
 - Standardizing processes for Enterprise Asset Management (EAM) initiative.
- Investigative case results & recommendations included:
 - Revision of JEA Line Locate Standards
 - Safety enhancements, including training & monitoring
 - Cost recoveries related to stolen metals/scrap
 - More reliance on formal Procurement bid process in lieu of corporate credit card (“P Card”) usage



Challenges / Looking Ahead

- Two Auditor positions to fill (Senior Operational & IT).
- Execution of annual audit plan – strive for more optimal audit / project mix for Internal Audit team.
- Managing investigative caseload flow from Ethics Hotline and other sources.
- More reliance on automated functionality provided by ACL Services Ltd. (exception reporting & data analytics) and Auto Audit (audit workpapers) systems.
- Develop Key Risk Indicators (KRI) to better monitor potential shifts in risk conditions or new emerging risks.
- Migrate toward real-time risk assessment approach.

FY 2016 Internal Audit Plan - Timeline

Audit /Project	Budgeted Hours	Auditor-in-Charge	Estimated Draft Report Date	FY 2016 Hours												
				Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	
2015 Neighbor to Neighbor Program Review (<i>carryover</i>)	5	Doris Champ	11/23/15													
2015 TEA (<i>carryover</i>)	75	Troy England (TE)	Completed (No Report)													
2015 HIPAA (<i>carryover</i>)	20	Laurie Gaughan (LG)	11/18/15													
2016 FY15 Performance Pay Review	150	TE	12/02/15													
2016 SJRPP Fuels	400	LG	12/21/15													
2015 Investment Recovery (Limited Scope) (<i>carryover</i>)	230	TE	2/15/16													
2016 P-Cards	375	David Arnold (DA)	3/30/16													
2015 Fleet Services (<i>carryover</i>)	130	Julie Moore (JM)	TBD													
2016 JEA Fuels	450	LG	4/15/16													
2015 Customer Billing & Payment Processing (<i>carryover</i>)	295	DA	6/15/16													
2016 Debt Management	500	TE	6/30/16													
2016 System Protection & Controls	500	LG	8/30/16													
2016 Distribution, Development & Joint Projects	400	TE	10/15/16													
2016 Facilities Management	550	DA	11/30/16													
2016 Emerging Workforce Strategies	200	LG	11/30/16													
2016 SJRPP Electric Production, Operations, & Bulk Material Handling	350	New Hire	TBD													
2016 SJRPP Electric Production Maintenance	350	New Hire	TBD													
2016 Information Security	400	New IT Hire	TBD													
2016 Disaster Recovery	375	New IT Hire	TBD													
2016 Project Management Office (PMO)	550	New IT Hire	TBD													
New Auditor Training	300	DA	N/A													
2016 Action Plan Follow-Up	800	TE	N/A													
2017 Annual Risk Assessments	375	DA / LG / TE	N/A													

- Completed Audit
- In-Progress Audit
- Scheduled Audit
- Pending Audit
- Administrative



Internal Audit – Execution of Plan

- Historically, close to 50/50 split of audit and special project hours for JEA Internal Audit; goal is to be closer to 80/20.
- Completing FY16 internal audit plan primarily contingent on:
 - Timing of filling two open positions (*likely early 3Q start dates*)
 - Assigning more new special projects to Ethics Investigations & Audit team
 - Streamlining annual risk assessment process
- Full impact of these changes expected for FY17 audit plan.

Enterprise Risk Management (ERM)

- Now in its eleventh year, JEA's ERM program identifies, assesses, measures, monitors and actively manages risk, including mitigation strategies and actions. Top corporate risks are reviewed monthly by the ECRC & quarterly with the Board.

- Enterprise Compliance & Risk Committee (ECRC) and Subcommittees

- Electric Risk
- FERC/NERC/CIP Electric Compliance
- Fuel and Purchased Power Risk
- Debt and Investment
- Revenue and Expense Management
- Technology Projects
- Technology Risk
- Compliance Oversight
- Water and Wastewater Regulatory Compliance



ECRC & Subcommittee Structure

ECRC

- Primarily comprised of Senior Leadership Team
- Makes all major risk & compliance decisions
- Approves risk score changes and additions/removal of risks

Subcommittees

- Led by business executives
- Coordinate mitigation efforts across functions
- Make recommendations to ECRC on major risk decisions
- Evaluate & monitor risk levels, gaps, & mitigation efforts
- Approve less significant risk decisions
- Identify & evaluate top corporate risks

Risk Working Groups

- Subject Matter Experts supporting subcommittees
- Assist in determining mitigation strategies
- Implement and assess mitigation effectiveness & challenges



Corporate Risk Heat Map

Top Corporate Risk Score
 Tier 1 10-25
 Tier 2 5-9
 Tier 3 1-4

Impact x Likelihood Score

Likelihood	Almost Certain >90%	5	5	10	15	20	25	15-25	Red
	Likely 65-90%	4	4	8	12	16	20	10-12	Orange
	Possible 35-65%	3	3	6	9	12	15	8-9	Yellow
	Unlikely 5-35%	2	2	4	6	8	10	4-6	Light Green
	Rare <5%	1	1	2	3	4	5	1-3	Dark Green
			1	2	3	4	5		
			Minor	Moderate	Significant	Major	Severe		
Impact									



ERM – Top Corporate Risk (Tier 1) Trends

Risk	FY2012		FY2013				FY2014				FY2015				FY2016		Change
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	
Electric Risks																	
E01 - Carbon Emission Mitigation	20	20	20	20	20	20	20	20	25	25	25	25	25	25	25	25	
E02 - Effluent Limit Guidelines for Steam Units	8	8	8	12	12	16	16	16	16	16	16	16	16	16	16	16	
E04 - Adverse Electric Commodity Supply and Pricing	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	
E03 - Coal Combustion Residual Rule (CCR)	10	10	10	15	15	15	15	15	15	15	15	15	10	10	10	10	
E05 - Cooling Water Intake Structures 316(b)	16	12	12	12	10	10	10	10	10	10	10	10	10	10	10	10	
E06 - Long-term Planning/Load Forecast - Electric	6	6	6	6	6	6	6	6	10	10	10	10	10	10	10	10	
E07 - Critical Infrastructure Protection (CIP) Compliance	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	
Water/Wastewater Risks																	
W01 - Water Supply Management/Long Term Planning	9	9	8	12	12	12	12	12	12	15	15	15	15	15	15	15	
Corporate Wide Risks																	
H01 - Pensions	12	20	16	16	20	20	20	20	20	20	20	20	20	20	20	20	
F01 - Revenues and Expenses Management	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	
C16 - Weather Impact																15	
C01 - Customer Relationship Management	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	
C02 - Physical Security (Facilities Infrastructure Security and Regulatory Compliance)	9	9	9	9	9	9	9	12	12	12	12	12	12	12	12	12	
C03 - New Technology									12	12	12	12	12	12	12	12	
C04 - External Influence on Policy	9	9	9	9	9	9	9	10	10	10	10	10	10	10	10	10	



E= Electric, W= Water/Wastewater, F= Financial, H= Human Resources, T= Technology, C= Corporate-wide. Risks are in order by risk score within Business Function.

ERM – Top Corporate Risk (Tier 1) Trends (cont.)

E01	Carbon regulations (Clean Power Plant –CPP) could require very expensive mitigations such as building new gas plants, more purchase power, decommissioning existing solid fuel plants, etc. Rule expected to be finalized August, 2015, with state specific plans expected by 2016, although implementation is expected in 5-10 years. The expansion of solar power generation, the new Distributed Generation Policy and the revised Net Metering Policy allow JEA to effectively address and mitigate customer-side generation issues.
E02	The final regulation was issued on November 3, 2015, with a compliance date of 2017-2023. JEA is developing a strategy for compliance with the rule. Risk impact is based on cost estimates for potential biological treatment of power plant effluent.
E04	In progress mitigations focus on continuing to maximize dispatch of natural gas and solid fuels as economically as possible, to minimize the impact of future regulations, and improve the deliverability of gas to JEA's units.
E03	The published rule treats CCR as a non-hazardous material but increases the operational processes, monitoring, recordkeeping, notification, and internet posting requirements. Since SJRPP costs (approx. \$25M) are known and will be funded as part of the annual budget process, this cost is no longer included in the risk score. The score reflects the estimated (approx. \$15.9 M) but still unknown cost of compliance at Plant Scherer. \$15.9 million represents only JEA's portion.
E05	The rule was finalized on 5/19/14. Although additional studies are required, it is expected that JEA can comply utilizing fish screens, which are less expensive than building cooling towers.
E06	Environmental mandates and difficulty in forecasting the various scenarios impacting demand, raise the inherent risk impact. Other top corporate risks both increase and help mitigate this risk. The inability to effectively manage this risk remains unlikely.
E07	JEA has implemented processes to comply with CIP V5 Cyber Security regulations. The CIP V5 standards have been expanded to include certain power plants and substations. The first FERC audit of CIP V5 is expected in 2017.
W01	Compliance with the Consumptive Use Permit (CUP) provisions may be costly depending on weather conditions and the need to address minimum flow levels (MFL's), alternate water sources, and expansion of reuse. The Water Management Districts may also require participation in regional MFL and other projects, which may be costly. Mitigation efforts focus on developing a Water Management plan to meet long-term water needs and expand reclaimed and alternative water sources.
H01	The cost of funding the current pension program may result in a significant increase in employee contributions, and/or a reduction in benefits, which could negatively affect employee morale and retention. JEA's contribution continues to increase to cover the unfunded liability in the COJ pension plan. Further reductions to the pension fund rate of return assumptions may significantly increase costs. JEA is working on a strategy to address this risk.
F01	Insufficient revenues and inadequately controlled expenses may result in a reduced credit rating, increased cost of debt, deterioration of the financial and structural health of the organization, AND inability to adequately serve our customers.
C01	Customers may have a negative opinion of JEA caused by past, present and future pricing actions, customer service policies/practices and negative press. The risk covers relationships with the ratepayers. Managing relationships with other external stakeholders is covered in risk R3. JEA continued its strong performance, finishing in the first quartile nationally and ranked 30th out of the 140 utilities participating. Among Florida utilities, JEA ranked 2nd overall. The second quarterly 2015 Residential Customer Satisfaction Study indicated a score that put us higher in the first quartile.
C02	Additional security measures were implemented to comply with ever-increasing regulatory requirements, including aspects of CIP V5 and 14 and to better safeguard company assets and employees. Other initiatives are underway to improve JEA's overall security infrastructure, including an active shooter policy, increased access security and enhanced security at substations. The risk also reflects the inherent risk associated with ensuring effective security protocols, and the reliance on employees to follow established safety practices.
C03	Emerging new technologies are providing customers with an increasing number of options in terms of distributed generation, increasingly efficient appliances, as well as alternate energy providers, such as natural gas and propane. The Net Metering policy was modified in 2014 to credit avoided cost to customers who put energy on the grid instead of the full retail rate. This helps protect against subsidization of net metering customers by non-net metering customers, and helps protect against raising rates
C04	External parties (e.g., COJ, water management districts) continue to increase demands on JEA's resources, which may significantly impact JEA's finances.



E= Electric, W= Water/Wastewater, F= Financial, H= Human Resources, T= Technology, C= Corporate-wide. Risks are in order by risk score within Business Function.

ERM – Tier 2 Corporate Risk Trends

Risk	FY2012		FY2013				FY2014				FY2015				FY2016		Change
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	
Electric Risks																	
E08 - SJRPP	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	
E09 - FERC/NERC (Section 693) O&P Reliability & Compliance	9	9	9	9	9	9	9	9	9	8	8	8	8	8	8	8	
E10 - Nuclear Power Portfolio	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	
E21 - Natural Gas Sales - Commercial Customers													6	6	6	6	
E11 - Infrastructure Maintenance - Electric Systems Assets	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	
E20 - Operations Technology Management - Electric	4	4	4	4	4	4	4	4	4	4	4	6	6	6	6	6	
E12 – By-Product Management	9	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	
E13 - Infrastructure Destruction Due to Severe Weather	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	
Water/Wastewater Risks																	
W02 - Operations Technology Management - Water/Wastewater Systems	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	
W03 - Sanitary Sewer Overflow Management	6	6	6	6	6	6	6	6	6	6	6	8	8	8	8	8	
W04 - Infrastructure Maintenance - Water/Wastewater Systems	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	
Corporate Wide Risks																	
C05 - Records Management	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	
C06 - Fraud Risk Management	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	
T02 - Cyber Security Information Protection						9	9	9	9	9	9	9	9	9	9	9	
T05 - Technology Services Resource Optimization																9	X
H02 - Staffing	16	16	16	16	16	12	12	9	9	9	9	9	9	9	9	9	
H03 - Public and Employee Safety	6	6	6	6	6	6	6	6	9	9	9	9	9	9	9	9	
T01 - Technology Infrastructure Reliability	12	12	12	12	12	12	12	12	12	12	12	4	4	4	4	8	X
T03 - Cyber Security Business Disruption												8	8	8	8	8	
T04 - Technology Services Disaster Recovery/Business Continuity												8	8	8	8	8	
C07 - Disaster Recovery/Business Continuity	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	
C08 - Black Swan (High Impact - Low Probability event)	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	
F03 - Credit Availability/Cost	9	9	9	6	6	6	6	6	6	6	6	6	6	6	6	6	
C09 - Other Regulatory Compliance	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	
F04 - Counterparty Risk	6	6	10	10	5	5	5	5	5	5	5	5	5	5	5	5	



E= Electric, W= Water/Wastewater, F= Financial, H= Human Resources, T= Technology, C= Corporate-wide. Risks are in order by risk score within Business Function.

ERM – Tier 2 Corporate Risk Trends (cont.)

E08	Eventual changes to JEA’s power sharing agreement may require more integration of operational and financial processes.
E09	While an effective compliance program is in place, the score is based on the need to continue to strengthen our compliance efforts as regulations continue to tighten, and to meet regulatory requirements to implement an internal control infrastructure instead of just a “check the box” approach. The inherent risk remains that a serious reliability event could occur despite documented compliance with FERC/NERC regulatory requirements, although the likelihood of such an event occurring is low.
E10	This risk is associated with JEA’s current 20-year PPA with MEAG for 206 MW from Vogtle units 3 and 4, primarily relating to potential cost overruns, loss of power due to schedule delays, as well as potential misallocation of costs.
E21	JEA’s entry into the Natural Gas sales market potentially poses some operational, financial and reputational risks that could result in negative media coverage and/or reduced commercial customer satisfaction.
E11- W04	Physical inspections have noted no major structural issues. Enterprise Asset Management systems are in the process of being implemented. Additional mitigations are noted as part of the Tier 1 Physical Security Risk which address the risk of internal/external tampering or terrorist activities.
E20	The likelihood of a disruption to our electric systems from cyber security breaches has increased.
W2	Although water/wastewater mechanical processes can function manually for some time if the computer systems (primarily the SCADA system) go down, the impact of a cyber and/or physical intrusion could result in the inability to properly monitor the infrastructure, causing significant operational and reputational risk. Additional mitigations are noted as part of the Tier 1 Physical Security Risk.
W03	Although ongoing infrastructure maintenance makes it unlikely a non-weather related significant SSO event will occur, a major SSO event could have a major impact.
C05	The risk focuses on effective records retention policies and managing public records requests.
T02	Unauthorized intrusion into JEA’s critical systems could cause a loss of sensitive data and may occur without effective, fully-functioning cyber security protections in place. This risk focuses on protecting information. The risk of preventing business disruptions (e.g., DOS attack) is covered under risk T3 below.
T05	High demand from business units exceeds Technology Services’ capabilities to provide timely service; resulting in outsourcing work to meet business needs. This leaves JEA resources without the knowledge to effectively support these efforts (New Risk).
H02	Critical employees may be eligible for retirement or could be recruited away mid-career, impacting business objectives and service levels. Retirement impact is reduced as the average age of employees decreases, but flight risk may increase. In addition, current practices may not maximize the staffing flexibility, and/or utilize the full skillsets of the workforce. A process is in place to identify at-risk positions and recruit/train in time to mitigate retirements and loss of critical staff.
H03	Additional safety-related initiatives are being implemented to further reduce both the number and severity/impact of the incidents.
T01	Although unlikely, the impact of a significant disruption of the technology infrastructure would have a major impact on JEA’s ability to provide essential services. As such, this risk was reduced from a 2/2 to a 4/2. Moving it from a Tier3 to a Tier 2 risk.
C08	Although deemed extremely unlikely, high impact events that are out of JEA’s control may pose significant risks to JEA, and require mitigation strategies. Examples of Black Swan events include: 1. Pandemic/Reduced workforce; 2. Hurricanes greater than Cat 1; 3. River crossing transmission line failure; 4. the Loss of the Downtown Substation; and 5. Electromagnetic Pulse(EMP) and Geomagnetic Disturbances(GMD).
T03	Cyber intrusion can be in the form of a Denial of Service (DOS) attack or Grid disruption, causing disruption of services and the inability to meet operational and customer needs.
T04	The inability to recover our technology services timely, in an event of a loss of an application(s) or the Data Center, impacts our ability to meet operational and customer needs.
F03	JEA continues to convert increasing amounts of variable debt to fixed. Historical trending from the Interest Rate risk is used in the trending above, as it better reflects market volatility.
F04	Current efforts focus on increasing committed funding positions, increased diversification of JEA’s counterparties, and monitoring available lines of credit.



E= Electric, W= Water/Wastewater, F= Financial, H= Human Resources, T= Technology, C= Corporate-wide. Risks are in order by risk score within Business Function.

ERM – Tier 3 Corporate Risk Trends

Risk	FY2012		FY2013				FY2014				FY2015				FY2016		Change
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q1	
Electric Risks																	
E15 - TEA Activities Risk Management	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	
E16 - Air Emissions Reduction Regulatory Initiatives	12	12	12	20	20	20	20	20	4	4	4	4	4	4	4	4	
E17 - Mercury and Air Toxics Standards (MATS)					15	15	15	15	15	4	4	4	4	4	4	4	
E18 - Renewable Energy Standards	20	20	20	20	20	20	3	3	3	3	3	3	3	3	3	3	
E19 - Plant Scherer Environmental Lawsuit						6	6	6	4	1	1	1	1	1	1	1	
Water/Wastewater Risks																	
W05 - Numeric Nutrient Criteria Mandates	12	12	12	12	10	4	4	4	4	4	4	4	4	4	4	4	
Corporate Wide Risks																	
C10 - Project Risk Assessment and Capital Allocation	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	
C12 - Capacity Plan Land Acquisition	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	
C13 - Key Customer Accounts Management	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	
F02 - Financial Regulatory Compliances (e.g. Dodd-Frank Bill)	9	9	9	9	9	9	9	9	9	9	9	9	4	4	4	4	
F05 - IRS Bond Audit Records Requirements	9	9	9	3	3	3	3	3	3	3	3	3	3	3	3	3	
H04 - Benefits	6	6	6	6	6	6	6	6	6	6	6	6	4	4	4	4	
C14 - Environmental Compliance Management	1	1	1	1	1	1	1	1	1	4	4	4	4	4	4	4	

E= Electric, W= Water/Wastewater, F= Financial, H= Human Resources, T= Technology, C= Corporate-wide. Risks are in order by risk score within Business Function.



ERM – Tier 3 Corporate Risk Trends (cont.)

Note: These risks are deemed to be effectively mitigated and are no longer being monitored by the Enterprise Compliance and Risk Committee (ECRC). However, they will continue to be monitored by ERM staff and the risk owners.

E16	The Carbon and Mercury and Air Toxic Standards (MATS) risks have been separated from the Air Emissions risk, as they made up the bulk of the financial impact driving the overall score. The remaining Air Emissions impact is <\$1M.
E17	Rule has been finalized and will become effective in April, 2015. JEA is in compliance with the regulatory requirement through the burning of lower sulfur coal. The risk of increasing cost and possible unavailability of the lower sulfur coal is reflected in the Adverse Electric Commodity Supply & Pricing (Fuels) risk
E18	Although potential Renewable Energy Requirements can be somewhat costly, the likelihood of either the Federal or State governments passing any significant legislation is deemed rare within the foreseeable future.
E19	As of March 2014, the Plaintiffs' counsel withdrew all of the Plant Scherer cases without prejudice. Although the plaintiffs have an option to refile the lawsuit, the likelihood of this occurring, and/or the plaintiffs being successful is considered rare.
W05	EPA has acknowledged JEA's TMDL program meets NNC criteria, which JEA can easily meet with no additional mitigations.
T01	Service reliability may be compromised if critical technology applications become unavailable and may result in the inability to meet service needs, increased costs, non-compliance with regulatory requirements, and negative reputational impact.
F02	Processes to identify, monitor, and verify compliance with current and proposed legislative regulations appear to be in place and functioning effectively. JEA has successfully met all provisions of the Dodd-Frank bill and the new MSRB disclosure requirements.
H04	JEA's benefits are deemed competitive and, with the exception of pension benefits, have no significant negative impact on recruiting and/or retaining employees. Pension benefits are covered under a separate risk and are not included as part of this risk. Risks associated with increased GASB Statement 45, financial reporting requirements, or liabilities associated with other (than pension) postemployment benefits (OPEB) are included as part of the Credit Availability Risk.
The following risks were eliminated and will no longer be reported as individual stand-alone risks:	
•The National Emissions Standards for Hazardous Air Pollution (NESHAP) and Other Air Emissions Requirements risks were consolidated into the Air Emissions Reduction Regulatory Initiatives risk.	
•The Transmission and Distribution Restoration Reserves risk has been deemed to be mitigated.	
•The Wastewater Regulations risk was consolidated into the Numeric Nutrient Criteria risk.	
•The Interest Rates risk was consolidated with the Credit Availability Cost due to the similarity of the risks and overlap of the mitigations.	
•The Conservation Efforts risk has been consolidated with the Customer Relationship Management risk, as the focus of the program is to expand customer benefits and not solely focus on conservation.	
•The Water Long-Term Planning risk was combined with the Water Supply Management Risk.	
•The Pandemic Reduced Workforce Risk was included as a scenario in the Black Swan risk, and will no longer be tracked as a separate risk.	
•The Loss of the Downtown Substation risk is now included as a Black Swan event, based on its similarity in nature to other Black Swan events.	
•As part of the FY2013 reorganization, the Project Management function is now performed within each of the Electric and Water/Wastewater operations. The risk has been incorporated as part of the respective Infrastructure Maintenance risks	



E= Electric, W= Water/Wastewater, F= Financial, H= Human Resources, T= Technology, C= Corporate-wide. Risks are in order by risk score within Business Function.

Ethics Hotline

- Ethics Hotline (EHL) established at JEA in 2006.
- NAVEX Global is our third-party provider of hotline reporting and incident management software.
- System allows anonymous reporting of unethical behavior within JEA / SJRPP.
- Direct use of EHL is only one of several sources, internal and external to JEA, for reporting. No matter the source, EHL is used to track all incidents to their final resolution.
- As of 12/31/15, 213 cases have been handled through EHL.



FY15 Ethics Hotline (EHL) Cases

Open Cases - 10/1/2014	Cases Opened During FY15	Cases Closed During FY15	Open Cases - 9/30/2015
13	48	43	18

Categories For Cases Opened During FY15	
Alleged Misuse of Resources	26
Alleged Fraud/Theft	11
Alleged Discrimination/Harassment	8
Conflict of Interest/Ethics Matters	2
Other (Request for Information)	1
Total	48

1Q FY16 Ethics Hotline (EHL) Cases

Open Cases - 10/1/2015	Cases Opened During FY16	Cases Closed During FY16	Open Cases - 12/31/2015
18	5	7	16

Categories For Cases Opened During 1Q FY16	
Alleged Misuse of Resources	2
Alleged Discrimination/Harassment	2
Other (Regulatory Compliance)	1
Total	5

Summary of Closed EHL Cases - 1Q FY16

Reporting Source	Allegation	Investigation Results
Internal	14-12-0002 - There were two fraudulent charges and other usage attempts on a JEA P-Card assigned to Audit Services.	The P-Card account was credited by the bank for the fraudulent charges, and the account was closed. The other fraudulent usage attempts were denied based on JEA's P-Card preventive controls. A review was also performed of other JEA P-Card transactions, of which it was determined this fraud was isolated to this P-Card.
Internal (1 case) & EHL (2 cases)	15-04-0007/0008 & 15-05-0001 - The Recruitment Services Manager received feedback from several applicants that there "may" have been some improprieties with a recent recruitment. There was a perception/concern that the successful incumbent may have received insider information because a close family member was a manager in the same line of work at JEA.	We did not find evidence that anyone on the exam committee provided insider information related to the preparation of the exam. No JEA recruitment policies/procedures were compromised during this recruitment.
External	15-05-0002 - The JEA Ethics Officer received an anonymous letter that provided dates and times where a department's employees allegedly took extended lunches and were paid a full 8 hours. Also, it was alleged that the department management does not follow protocol when offering overtime to employees.	Evidence was found that the employees in question took extended lunches, including participating in an on-site yoga class during the lunch break. The employees received Letters of Counseling. There was no evidence to support that the Overtime Policy was not being followed; however, for transparency purposes there were opportunities for process improvement to which management agreed.
EHL	15-08-0001 - It was alleged that an employee was stealing time and materials, including lumber left by a contractor.	No evidence was found to conclude the employee was involved in the theft of JEA time, materials or contractor property.
External	15-08-0003 - A customer reported that seven JEA e-mail accounts were identified in relation to a recent social website breach.	A comprehensive review of e-mails indicated the employees received what appeared to be only solicitation e-mails, and no evidence was found that the employees used their JEA accounts to communicate with this social website. HR was notified and recommendations were made to strengthen controls, with full agreement of management.





JEA
Building Community
AGENDA ITEM SUMMARY

February 19, 2016

SUBJECT:	EXTERNAL AUDITORS CONTRACT EXTENSION
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Purpose:	<input type="checkbox"/> Information Only	<input checked="" type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: The current contract with Ernst and Young (E&Y) expires on June 30, 2016. At its meeting on January 19, 2016, the Board approved a one-year extension of the contract with E&Y. The duration of the contract extension will be from July 1, 2016 through June 30, 2017.

Significance: The fiduciary responsibilities of JEA and the Board include the engagement of an external auditor.

Effect: Not having a nationally qualified firm in place could leave room for exposure in such a highly regulated environment.

Cost or Benefit: The extension will increase the contract amount by approximately \$427,000 for the period included above. The proposed Fee Schedule is attached.

Recommended Board action: Staff recommends the Finance and Audit Committee recommend Board approval of the audit fee schedule and scope for the one-year E&Y contract extension (approved at the January 19, 2016 Board meeting), as outlined in this agenda item and attached schedule.

For additional information, contact: Janice Nelson

Submitted by: PEM/MHD/JRN



MISSION
Energizing our community through high-value energy and water solutions.

VISION
JEA is a premier service provider, valued asset and vital partner in advancing our community.

VALUES
• Safety
• Service
• Growth
• Accountability
• Integrity

Commitments to Action

- 1 Earn Customer Loyalty
- 2 Deliver Business Excellence
- 3 Develop an Unbeatable Team



INTER-OFFICE MEMORANDUM

February 19, 2016

SUBJECT: EXTERNAL AUDITORS CONTRACT EXTENSION

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Finance and Audit Committee

Kelly Flanagan, Chair
Tom Petway
Ed Burr
Husein Cumber

BACKGROUND:

The current contract with Ernst and Young (E&Y) expires on June 30, 2016. At its meeting on January 19, 2016, the Board approved a one-year extension of the contract with E&Y. The duration of the contract extension will be from July 1, 2016 through June 30, 2017.

DISCUSSION:

Staff has completed the contract negotiations with E&Y. E&Y's fees for the FY2015 audit were \$384,703 (including both the original audit scope and additional scope due to implementation of accounting changes). The negotiated fee for the FY2016 audit is \$355,000, and includes:

- First year of comparative financials for the changes implemented in FY2015
- Complete audit of JEA financial statements
- Implementation of GASB 72, Fair Value Measurement and Application
- Continued emphasis on auditing IT controls in order to achieve a controls base audit approach

The proposed fee for the St. Johns River Power Park (SJRPP) Pension Audit is \$18,500, a \$2,602 increase over the 2015 audit. The primary driver for the increase is additional audit hours related to GASB 68, Accounting for Pension. The proposed audit fee for the Single Audit is \$20,000, a \$4,102 increase over 2015 audit. The increase is due to new uniform Office of Management and Budget (OMB) grant guidance, effective for fiscal year 2016. Fees for all other services remained unchanged from 2015. All other terms and conditions of the contract remained the same. See the attached Proposed Fee Schedule.

RECOMMENDATION:

Staff recommends the Finance and Audit Committee recommend Board approval of the audit fee schedule and scope for the one-year E&Y contract extension (approved at the January 19, 2016 Board meeting), as outlined in this agenda item and attached schedule.

Paul E. McElroy, Managing Director/CEO

PEM/MHD/JRN

Independent Audit Services
Ernst & Young
Fee Schedule

Service	FY'15 Fees	FY'16 Fees	Estimated Quantity	Estimated Cost FY 2016	Notes
JEA financial statement audit					
Option A (with opinions of Debt Service schedules)	\$ 292,772	\$ 355,000	1	\$ 355,000	Base audit fee includes continuing effort related to GASB 68/71, and implementation of GASB 72 in FY '16
Option B (in relation to opinions on Debt Service schedules)		\$ 325,000			
Federal/Florida Single Audit	15,898	20,000	1	\$ 20,000	Assumes 1 major program † (if required) and new OMB Uniform Guidance
Debt issuance AUP report	10,915	10,915	0	\$ -	Per bond issue, issued at closing (as required)
Consent letter	10,364	10,364	0	\$ -	Per bond issue, issued at closing (as required)
Debt covenant compliance reports	1,348	1,348	16	\$ 21,568	Per report (approximately 15 per year), in connection with financial statement audit
Report on compliance with debt management policy	11,356	11,356	0	\$ -	Per report (if required) - Has not been required for several years
SURPP pension plan audit	15,898	18,500	1	\$ 18,500	FY 15 plan financial statements
DEP certificate	2,384	2,384	5	\$ 11,920	Per report
				<u>\$ 426,988</u>	

Additional services, as requested, per hour:

Partner	580
Senior Manager	435
Manager	345
Senior	240
Staff	160

† Each additional major program will be billed at 50% of the stated fee.

* - Services provided by KBLD, LLP

March 15, 2016 JEA Board of Directors Meeting - IV. Reports

Independent Audit Services
Ernst & Young
Fee Schedule

Service	FY'15 Fees	FY '16 Fees	Estimated Quantity	Estimated Cost FY 2016	Notes
FY 15 financial statement audit fee (with opinions on Debt Service schedules)	\$ 292,772				
FY 15 financial statement audit additional scope (billed hourly)	\$ 91,931				
Total financial statement audit fee	\$ 384,703	\$ 355,000	1	\$ 355,000	Base audit fee includes continuing effort related to GASB 68/71, and implementation of GASB 72 in FY '16
Federal/Florida Single Audit	15,898	20,000 †	1	\$ 20,000	Assumes 1 major program † (if required) and new OMB Uniform Guidance
Debt issuance AUP report	10,915	10,915	0	\$ -	Per bond issue, issued at closing (as required)
Consent letter	10,364	10,364	0	\$ -	Per bond issue, issued at closing (as required)
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Report on compliance with debt management policy	11,356	11,356	0	\$ -	Per report (if required) - Has not been required for several years
SJRPP pension plan audit	15,898	18,500 *	1	\$ 18,500	FY 15 plan financial statements
DEP certificate	2,384	2,384 *	5	\$ 11,920	Per report
				<u>\$ 426,988</u>	
Additional services, as requested, per hour:					
Partner	580 \$	580			
Senior Manager	435 \$	435			
Manager	345 \$	345			
Senior	240 \$	240			
Staff	160 \$	160			

† Each additional major program will be billed at 50% of the stated fee.

* Services provided by KBLD, LLP



Building Community

AGENDA ITEM SUMMARY

February 19, 2016

SUBJECT:	REPORT FROM COJ AUDITORS REGARDING JEA GERP PENSION LIABILITY
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Purpose:	<input checked="" type="checkbox"/> Information Only <input type="checkbox"/> Action Required <input type="checkbox"/> Advice/Direction
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Issue: With the implementation of Governmental Accounting Standards Board (GASB) 68 Accounting and Financial Reporting for Pensions, all component unit auditors are required to obtain audit evidence from the primary government on the allocation of employer allocations and net pension liability. As a result, Carr Riggs & Ingram (CRI), the auditors for the City of Jacksonville and General Employees Retirement Plan (GERP), audited the employer allocations and net pension liability allocations to support the financial audit of JEA performed by Ernst & Young for the fiscal year FY15 that ended September 30, 2015. A copy of the Audit Report is attached.

Significance: This report summarizes the results of the audit and also contains communications required by professional auditing standards.

Effect: Without such audit, it is unlikely that Ernst & Young, as JEA’s auditors, would have been able to provide an unmodified opinion on the separately issued financial statements due to the materiality of the allocated pension amounts.

Cost or Benefit: Auditing standards require the auditors to communicate certain matters to the Governing Board that may assist the Board in overseeing management’s financial reporting process. Board oversight is a critical component of the financial reporting provided to investors, ultimately lowering JEA’s borrowing costs.

Recommend Board action: No action by the Committee is required. This item is submitted for information only.

For additional information, contact: Janice Nelson

Submitted by: PEM/ MHD/ JRN

MISSION	VISION	VALUES
 Energizing our community through high-value energy and water solutions.	 JEA is a premier service provider, valued asset and vital partner in advancing our community.	 <ul style="list-style-type: none"> • Safety • Service • Growth • Accountability • Integrity

Commitments to Action

- 1** Earn Customer Loyalty
- 2** Deliver Business Excellence
- 3** Develop an Unbeatable Team



INTER-OFFICE MEMORANDUM

February 19, 2016

SUBJECT: **REPORT FROM COJ AUDITORS REGARDING JEA GERP PENSION LIABILITY**

FROM: Paul McElroy, Managing Director/CEO

TO: JEA Finance and Audit Committee

Kelly Flanagan, Chair
Tom Petway
Ed Burr
Husein Cumber

BACKGROUND:

With the implementation of Governmental Accounting Standards Board (GASB) 68 Accounting and Financial Reporting for Pensions requires component unit auditors to obtain audit evidence from the primary government on the allocation of employer allocations and net pension liability in situations where a primary government allocates pension amounts to component units that issue separate financial statements. As a result, Carr Riggs & Ingram (CRI), the auditors for the City of Jacksonville and General Employees Retirement Plan (GERP), audited the employer allocations and net pension liability allocations to support the financial audit of JEA performed by Ernst & Young (E&Y) for the fiscal year that ended September 30, 2015.

DISCUSSION:

Attached is a copy of the Audit Report on the Allocation of Net Pension Liability of the City of Jacksonville GERP performed by CRI. This report summarizes the results of the audit and also contains communications required by auditing professional standards.

RECOMMENDATION:

No action by the Committee is required. This item is submitted for information only.

Paul McElroy, Managing Director/CEO

PEM/MHD/JRN

City of Jacksonville General Employees Retirement Plan

Audit Report on the Allocation of Net Pension Liability

September 30, 2014
and September 30, 2013





City of Jacksonville General Employees Retirement Plan

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September 30, 2014 and September 30, 2013

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Carr, Riggs & Ingram, LLC
4010 N.W. 25th Place
Gainesville, Florida 32606
P.O. Box 13494
Gainesville, Florida 32604

(352) 372-6300
(352) 375-1583 (fax)
www.cricpa.com

INDEPENDENT AUDITOR’S REPORT

Jacksonville City Council
Board of Directors, Jacksonville Electric Authority

We have audited the accompanying schedule of employer allocations and net pension liability of the City of Jacksonville Retirement System’s General Employees Retirement Plan (the “Plan”) as of September 30, 2014 and September 30, 2013, (the “Schedule”) and the related notes. We have also audited the columns titled net pension liability at September 30, 2014, net pension liability at September 30, 2013, total deferred outflows of resources, total deferred inflows of resources, and pension plan expense (“Specified Column Totals”) included in the accompanying schedule of collective pension amounts of the Plan as of and for the year ended September 30, 2014, and the related notes.

Management’s Responsibility for the Schedules

Management is responsible for the preparation and fair presentation of these schedules in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express opinions on the Schedule and the Specified Column Totals included in the schedule of collective pension amounts based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule and Specified Column Totals included in the schedule of collective pension amounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule and Specified Column Totals included in the schedule of collective pension amounts. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Schedule and Specified Column Totals included in the schedule of collective pension amounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the Schedule and Specified Column Totals included in the schedule of collective pension amounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion

on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedule and Specified Column Totals included in the schedule of collective pension amounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion the Schedule and Specified Column Totals included in the schedule of collective pension amounts referred to above present fairly, in all material respects, the employer allocations and net pension liability as of September 30, 2014 and September 30, 2013, and the total deferred outflows of resources, total deferred inflows of resources, and pension expense for the Plan as of and for the year ended September 30, 2014, in accordance with accounting principles generally accepted in the United States of America.

Restriction on Use

This report is intended solely for the information and use of the City of Jacksonville, Jacksonville Electric Authority (JEA), Jacksonville Housing Authority (JHA), North Florida Transportation Planning Organization and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

Car, Riggs & Ingram, L.L.C.

Gainesville, Florida
December 7, 2015

City of Jacksonville General Employees Retirement Plan

**Schedule of Employer Allocations and Net Pension Liability
September 30, 2014
and September 30, 2013**

Entity	Present Value of Future Benefits (2014)	Proportion of Net Pension Liability (2014 and 2013)	Net Pension Liability (2014)	Net Pension Liability (2013)
City of Jacksonville	\$ 1,478,143,941	49.72%	\$ 411,669,271	\$ 393,677,253
JEA	1,452,390,441	48.85%	404,465,888	386,788,692
Jacksonville Housing Authority	39,692,750	1.34%	11,094,868	10,609,966
North Florida Transportation Planning Organization	2,804,834	0.09%	745,178	712,610
Total	\$ 2,973,031,966	100.00%	\$ 827,975,205	\$ 791,788,521

See accompanying notes.

City of Jacksonville General Employees Retirement Plan

Schedule of Collective Pension Amounts
As of September 30, 2014 and 2013 and for
the year ended September 30, 2014

Entity	Deferred Outflows of Resources				Deferred Inflows of Resources				Pension Plan Expense	
	Net Pension Liability September 30, 2013	Net Pension Liability September 30, 2014	Differences Between Expected and Actual Experience	Changes of Assumptions	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Differences Between Projected and Actual Investments Earnings on Pension Plan	Changes of Assumptions		Total Deferred Inflows of Resources
City of Jacksonville	\$ 393,677,253	\$ 411,669,271	\$ -	\$ 40,382,859	\$ 40,382,859	\$ 2,130,540	\$ 25,310,083	\$ -	\$ 27,440,623	\$ 40,350,985
JE A	386,788,692	404,465,888	-	39,676,240	39,676,240	2,093,260	24,867,208	-	26,960,468	39,644,923
Jacksonville Housing Authority	10,609,966	11,094,868	-	1,088,355	1,088,355	57,420	682,130	-	739,550	1,087,496
North Florida Transportation Planning Organization	712,610	745,178	-	73,098	73,098	3,857	45,815	-	49,672	73,041
Total	\$ 791,788,521	\$ 827,975,205	\$ -	\$ 81,220,552	\$ 81,220,552	\$ 4,285,077	\$ 50,905,236	\$ -	\$ 55,190,313	\$ 81,156,445

See accompanying notes.

City of Jacksonville General Employees Retirement Plan

Notes to Schedules

NOTE 1 – SUMMARY OF THE PLAN

The City of Jacksonville sponsors the City of Jacksonville Retirement System (JRS) which includes the General Employees Retirement Plan (GERP). The JRS arises out of Chapter 16 of the City Charter, Chapter 120 of Ordinance Code of the City of Jacksonville, and Chapter 112, Part VII, Florida Statutes. Provided other criteria are met, the GERP is available to City employees who are employed by one of the following entities: City of Jacksonville, JEA, Jacksonville Housing Authority (JHA), and North Florida Transportation Planning Organization (TPO). Effective October 1, 2009, the City added an employee choice defined contribution alternative to the defined benefit plan for all members of the GERP. The City hired a third party administrator to assist employees with the management of their individual accounts within a number of investment options including model portfolios. All full-time City employees, the employees of JEA, JHA and the employees of TPO are eligible to participate in the GERP upon employment.

General Employees Retirement Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	4,896
Terminated employees vested, not yet receiving benefits	78
Active employment plan members:	
Vested	3,339
Non-vested	<u>1,800</u>
Total plan membership	10,113

The GERP is open to employees of the JEA, JHA, TPO, and City of Jacksonville, other than police officers and firefighters. Appointed officials and permanent employees not in the civil service system may opt to become members of the Retirement System. Elected officials are members of the Florida Retirement System Elected Officer Class. Participation in the Retirement System is mandatory for all full time employees of the City who otherwise meet the requirements for participation. Members of the GERP are eligible to retire with a normal pension benefit upon achieving one of the following:

- (a) Completing thirty (30) years of credited service, regardless of age;
- (b) Attaining age fifty-five (55) with twenty (20) years of credited service; or
- (c) Attaining age sixty-five (65) with five (5) years of credited service.
- (d) There is no mandatory retirement age.

Upon reaching one of the three conditions for retirement described above, a member is entitled to a retirement benefit of two and one-half (2.5) percent of final average compensation, multiplied by the number of years of credited service, up to a maximum benefit of eighty (80) percent of final monthly compensation. A time service retirement benefit is payable bi-weekly to commence upon the first



City of Jacksonville General Employees Retirement Plan

Notes to Schedules

NOTE 1 – SUMMARY OF THE PLAN (CONTINUED)

payday coincident with or next payday following the member's actual retirement and will continue until death, or the death of their surviving beneficiary, if this option is selected.

Each member and survivor is entitled to a cost of living adjustment ("COLA"). The COLA consists of a three (3) percent increase of the retiree's or survivor's pension benefits, which compounds annually. The COLA commences in the first full pay period of April occurring at least 4.5 years (and no more than 5.5 years) after retirement. In addition, there is a supplemental benefit. The supplemental benefit is equal to five dollars (\$5) multiplied by the number of years of credited service. This benefit may not exceed one-hundred and fifty dollars (\$150) per month.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Governmental Accounting Standards Board (GASB) Statement No. 67

The Plan is required to report pension information in its financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*.

The accompanying schedules were prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Plan, adheres to the reporting requirements established by the GASB.

Basis of Accounting

The Plan prepares its financial statements using the accrual basis of accounting.

Proportionate Share Allocation Methodology

The basis for each entity's proportion is actuarially determined by comparing the entity's present value of all future benefits calculated. This basis is intended to measure the proportion of each entity's long term funding requirements.

Use of Estimates in the Preparation of the Schedules

The preparation of these schedules in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect certain amounts and disclosures. Actual results could differ from those estimates.

City of Jacksonville General Employees Retirement Plan

Notes to Schedules

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Relationship to the Basic Financial Statements

Deferred outflows of resources and deferred inflows of resources relating to differences between actual employer contributions and the employer’s proportionate share of contributions reported in the Schedule of Collective Pension Amounts are based on entity contributions reported in the Plan’s September 30, 2014 Statement of Changes in Fiduciary Net Position. Contributions do not include payments toward separately financed employer liabilities.

NOTE 3 – NET PENSION LIABILITY AND ACTUARIAL ASSUMPTIONS AND METHODS

The components of the net pension liability are as follows:

Total pension liability	\$ 2,676,164,205
Plan fiduciary net position	1,848,189,000
<hr/>	
Net pension liability	\$ 827,975,205

The total pension liability was determined by an actuarial valuation as of September 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases assumption	3.00% - 6.00%, of which 2.75% is the Plan's long-term payroll inflation.
Investment rate of return	7.50%, net of pension plan investment expense, including inflation.
Pre-retirement mortality rates	RP-2014 Employee Mortality Table, set forward four years for males and three years for females, projected generationally with Scale MP-2014.
Healthy annuitant mortality rates	RP-2014 Healthy Annuitant Mortality Table, set forward four years for males and three years for females, projected generationally with Scale MP-2014.
Disabled annuitant mortality rates	RP-2014 Disabled Retiree Mortality Table, set forward four years, projected generationally with Scale MP-2014.

City of Jacksonville General Employees Retirement Plan

Notes to Schedules

NOTE 3 – NET PENSION LIABILITY AND ACTUARIAL ASSUMPTIONS AND METHODS (CONTINUED)

The actuarial assumptions used in the October 1, 2014 valuation were based on the results of an experience study for the period October 1, 2007 to September 30, 2012, with additional changes based on an interim study of mortality experience through September 30, 2014.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return by the target asset allocation as of September 30, 2014 are summarized in the following table. The long-term expected real rates of return are based on 20-year projections of capital market assumptions provided by Segal Rogerscasey.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	35%	6.57%
International equity	20%	7.27%
Fixed income	19%	1.47%
Real estate	25%	4.37%
Cash	1%	0.87%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability is 7.50%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at their applicable contribution rates and that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the Plan’s investments was applied to all periods of projected benefit payments to determine the total pension liability. Cash flow projections were run for a 120-year period.

City of Jacksonville General Employees Retirement Plan

Notes to Schedules

NOTE 3 – NET PENSION LIABILITY AND ACTUARIAL ASSUMPTIONS AND METHODS (CONTINUED)

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

Proportional share of the Net Pension Liability	1% Decrease (6.50%)	Current Discount (7.50%)	1% Increase (8.50%)
City of Jacksonville	\$ 568,214,816	\$ 411,669,271	\$ 281,027,938
JEA	\$ 558,272,200	\$ 404,465,888	\$ 276,110,514
Jacksonville Housing Authority	\$ 15,313,915	\$ 11,094,868	\$ 7,573,963
North Florida Transportation Planning Organization	\$ 1,028,547	\$ 745,178	\$ 508,699

NOTE 4 – SUBSEQUENT EVENTS

The investments of the General Employees Retirement Plan are pooled within the Jacksonville Retirement System. At September 30, 2014 these pooled investments were valued at \$1,985,077,425. Since this time the values have changed and at October 31, 2015 they were valued at \$1,944,559,317.



Carr, Riggs & Ingram, LLC
4010 N.W. 25th Place
Gainesville, Florida 32606
P.O. Box 13494
Gainesville, Florida 32604

(352) 372-6300
(352) 375-1583 (fax)
www.cricpa.com

December 7, 2015

To the Jacksonville City Council
Board of Directors, Jacksonville Electric Authority

We are pleased to present the results of our audit of the schedule of employer allocations and net pension liability and the schedule of collective pension amounts (the "Schedules") of the City of Jacksonville Retirement System's General Employees Retirement Plan.

This communication summarizes our audit, the report issued and various analyses and observations related to the financial accounting and reporting practices followed. The document also contains the communications required by our professional standards.

The audit was designed, primarily, to express an opinion on the Schedules. We considered an assessment of risks that could materially affect the Schedules and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you expect. We received the full support and assistance of your personnel.

At Carr, Riggs & Ingram, LLC ("CRI"), we are continually evaluating the quality of our professionals' work in order to deliver audit services of the highest quality that will meet or exceed your expectations. We encourage you to provide any feedback you believe is appropriate to ensure that we do not overlook a single detail as it relates to the quality of our services.

This information is intended solely for the information and use of you and management and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate this opportunity to work with you. If you have any questions or comments, please contact us.

Very truly yours,

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, LLC". The signature is written in a cursive, flowing style.

CARR, RIGGS & INGRAM, LLC
CERTIFIED PUBLIC ACCOUNTANTS



Required Communications

Our audit plan represented an approach responsive to the assessment of risk. Specifically, we planned and performed our audit to:

- Perform audit services in accordance with auditing standards generally accepted in the United States of America, in order to express an opinion on the Schedules as of and for the year ended September 30, 2014 and as of September 30, 2013;
- Communicate directly with you and management regarding the results of our procedures;
- Address with you and management any accounting and financial reporting issues;
- Anticipate and respond to your concerns and those of management; and
- Address other audit-related projects as they arise and upon request.

Required Communications

We have audited the Schedules as of and for the year ended September 30, 2014 and as of September 30, 2013, and have issued our report thereon dated December 7, 2015. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
Auditor's responsibility under Generally Accepted Auditing Standards	Professional standards require that we provide you with information about our responsibilities, as well as certain information related to the planned scope and timing of our audit. We have previously communicated such information in our engagement letter.
Management's responsibility	Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation of the Schedules in conformity with GAAP. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud.
Management's judgments and accounting estimates	Accounting estimates are an integral part of the Schedules prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are sometimes particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ from those expected. Significant estimates were made in determining the actuarial assumptions which are used to compute the total pension liability.
Disclosures	Certain Schedules disclosures are sometimes particularly sensitive because of their significance to Schedules users. There were no particularly sensitive disclosures significantly affecting the Schedules. The financial statement disclosures are neutral, consistent and clear.

Required Communications

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditor's judgment about the quality of accounting principles</p>	<p>Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 2 of the Schedules. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the Schedules in the proper period.</p> <p>It was noted that during FY14 the plan elected to reassess and revise the actuarial assumptions used to compute the pension liability. During this reassessment the plan elected to release some of the net gains/losses on the investments with the remainder of the net gains/losses being released over the subsequent four years. After all of the net gains/losses have been released the investment values as recorded in the pension plan will align with the fair market values of the investments. This election caused \$78,846,382 of net gains to be released in FY14 and \$96,300,490 of net gains were deferred and will be released over the subsequent four years. The release of these net gains does not impact the net pension liability as it is calculated using the market value of investments. It does however impact some items which are not related to the audit we performed. These include the Actuarially Determined Contribution when it is disclosed in the FY16 Comprehensive Annual Financial Report, and the reporting which is provided to the State Division of Retirement. A generally accepted smoothing method would offset assets and liabilities over time and should not contain systematic bias. The method used and the approach to releasing the net investment gains/losses appears reasonable.</p> <p>It was noted that the net pension liability was allocated to the participating entities based on each entities proportional share of the total present value of future benefits. While GASB 68 does not disallow this method it does indicate that an allocation method using contributions is preferred. The impact on the net pension liability of using the different methods is immaterial.</p>

Required Communications

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
Significant difficulties encountered in the audit	We encountered no significant difficulties in performing our audit.
Disagreements with management	We are pleased to report that no such disagreements arose during the course of our audit.
Other findings or issues	We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Corrected and uncorrected misstatements	No misstatements were detected as a result of our audit procedures.
Consultations with other accountants	We are aware that management had consultations with other accountants (Ernst & Young – JEA auditors).
Written representations	We have requested certain representations from management that are included in the management representation letter.

Required Communications

The following legend should be used in conjunction with reviewing the “Rating” of each of the identified internal control items:

IP = Improvement Point	D = Control Deficiency	SD = Significant Deficiency	MW = Material Weakness
---	---	--	---

ITEM	RATING	AREA	ITEM NOTED	SUGGESTION
1	D	Census data	When testing the September 30, 2014 year-end census data errors were noted relating to: beneficiary’s dates of birth, the adjusted pension start date, the monthly pension benefit amount, and the entity with which the participant is employed. The impact of these errors was not material.	The census data should be periodically reviewed by the pension office to ensure it is accurate and has been updated for all changes which have been communicated by the participants.
2	D	Census data	When testing the changes which had been made to the census data during the year ended September 30, 2014, we noted that some of the individuals listed as new active participants from JEA were not new active participants of the defined benefit General Employees Retirement Plan as they had joined the City’s defined contribution plan but had been miscoded in the system. This means that inaccurate information was provided to the actuary on which to compute the net pension liability.	Controls should be put in place to ensure that the system coding of new joiners is reviewed after it is entered.
3	D	Employee records	We noted that copies of pension election forms are not maintained by JEA for their staff and all originals are sent to the pension office. This made it difficult to locate the required documentation and it increases the risk that it could be lost.	JEA should maintain copies of key employee documents.

JEA Management Responses

Audit of GERP Net Pension Liability

Item Noted	Suggestion	Management Response
<p>When testing the September 30, 2014 year-end census data errors were noted relating to: beneficiary's dates of birth, the adjusted pension start date, the monthly pension benefit amount, and the entity with which the participant is employed. The impact of these errors was not material.</p>	<p>The census data should be periodically reviewed by the pension office to ensure it is accurate and has been updated for all changes which have been communicated by the participants.</p>	<p>The item is being addressed by the City's Pension Office.</p>
<p>When testing the changes which had been made to the census data during the year ended September 30, 2014, we noted that some of the individuals listed as new active participants from JEA were not new active participants of the defined benefit General Employees Retirement Plan as they had joined the City's defined contribution plan but had been miscoded in the system. This means that inaccurate information was provided to the actuary on which to compute the net pension liability.</p>	<p>Controls should be put in place to ensure that the system coding of new joiners is reviewed after it is entered.</p>	<p>Employee Services Department has established an audit process of the data submitted to Pension Office to ensure information provided is accurate.</p>
<p>We noted that copies of pension election forms are not maintained by JEA for their staff and all originals are sent to the pension office. This made it difficult to locate the required documentation and it increases the risk that it could be lost.</p>	<p>JEA should maintain copies of key employee documents.</p>	<p>The documents will be scanned into the HRIS System and a copy maintained in Benefits area. This process will begin immediately.</p>



Building Community

AGENDA ITEM SUMMARY

February 18, 2016

SUBJECT: RESOLUTION DETERMINING THE SUFFICIENCY OF REVENUES - ST. JOHNS RIVER POWER PARK

Purpose: Information Only Action Required Advice/Direction

Issue: An annual requirement under the St. Johns River Power Park Bond Resolution (the "Bond Resolution") for JEA to determine that for the upcoming fiscal year the Electric System's revenues will be sufficient to make all required payments under the Bond Resolution.

Significance: High. The completion of this requirement is needed to be in compliance with the Bond Resolution.

Effect: The ability of the Electric System to make all required payments under the Bond Resolution.

Cost or Benefit: Failure to make the determination could result in revenues that are insufficient to meet all the requirements under the Bond Resolution, potentially affecting both JEA's credit ratings and reputation in the bond market.

Recommended Board action: JEA staff is recommending that the Board approve and adopt Resolution No. 2016-8 determining that the estimated revenues for the Fiscal Year ending September 30, 2017, will be sufficient for their intended purposes.

For additional information, contact: Joe Orfano, Treasurer, 665-4541

Submitted by: PEM/MHD/JEO/LMB

Handwritten initials: JEO, MHD

MISSION		VISION		VALUES	
Energizing our community through high-value energy and water solutions.		JEA is a premier service provider, valued asset and vital partner in advancing our community.		<ul style="list-style-type: none"> • Safety • Service • Growth • Accountability • Integrity 	

Commitments to Action

- 1 Earn Customer Loyalty**
- 2 Deliver Business Excellence**
- 3 Develop an Unbeatable Team**



INTER-OFFICE MEMORANDUM

February 18, 2016

SUBJECT: **RESOLUTION DETERMINING THE SUFFICIENCY OF REVENUES –
ST. JOHNS RIVER POWER PARK**

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Finance and Audit Committee

Kelly Flanagan, Chair
Tom Petway
Ed Burr
Husein Cumber

BACKGROUND:

JEA's St. Johns River Power Park System Bond Resolution contains various covenants that JEA is obligated to its bondholders to perform. Two of such covenants require JEA to make an annual determination by resolution, at least six months prior to the beginning of the next fiscal year, that the estimated revenues for the next fiscal year will be sufficient to cover the required expenditures for such fiscal year.

DISCUSSION:

JEA staff has made the determination required.

RECOMMENDATION:

JEA staff is recommending that the Board approve and adopt Resolution No. 2016-8 determining that the estimated revenues for the Fiscal Year ending September 30, 2017, will be sufficient for their intended purposes.

Paul E. McElroy, Managing Director/CEO

PEM/MHD/JEO/LMB

Resolution No. 2016-8

A RESOLUTION MAKING A DETERMINATION AS TO THE SUFFICIENCY OF ESTIMATED REVENUES OF THE ELECTRIC SYSTEM TO PROVIDE FOR THE PAYMENTS AND OTHER REQUIREMENTS OF SECTION 721 AND SECTION 713 OF JEA ST. JOHNS RIVER POWER PARK SYSTEM REVENUE BOND RESOLUTION

WHEREAS, Sections 721 and 713 of JEA St. Johns River Power Park System Revenue Bond Resolution (the "Resolution") require that JEA no less than six months prior to the beginning of each fiscal year complete a review of its financial condition for the purpose of estimating whether the rates, fees, charges and other income and receipts from the operation of the Electric System, including investment income included as revenues, for such fiscal year, will be sufficient to provide all of the payments and meet all other requirements in accordance with Section 721 and Section 713 of the Resolution; and

WHEREAS, such a review of JEA's financial condition has been made resulting in a determination that the estimated rates, fees, charges and other income and receipts from the operation of the Electric System, including investment income included as revenues, during the Fiscal Year ending September 30, 2017, will be sufficient to provide all of the payments and meet all other requirements for the Fiscal Year ending September 30, 2017 in accordance with Section 721 and Section 713 of the Resolution now, therefore,

BE IT RESOLVED by JEA that a determination has been made that the estimated rates, fees, charges and other income and receipts from the operation of the Electric System, including investment income included as revenues, during the Fiscal Year ending September 30, 2017, will be sufficient to provide all of the payments and meet all other requirements for the Fiscal Year ending September 30, 2017 in accordance with Section 721 and Section 713 of the Resolution.

JEA Chair

Form Approved:



Assistant General Counsel

JEA St. Johns River Power Park System

Schedule of Debt Service Coverage – 1st Resolution
(In Thousands)

Year Ended September 30, 2015

Revenues:	
JEA	\$ 144,607
FPL	128,476
Investment income	3,693
Total revenues	<u>276,776</u>
Operating expenses ⁽¹⁾ :	
Fuel	169,417
Other operation and maintenance	41,612
Total operating expenses	<u>211,029</u>
Net revenues	<u>\$ 65,747</u>
Aggregate debt service	<u>\$ 52,601</u>
Debt service coverage ⁽²⁾	<u>1.25x</u>

⁽¹⁾Excludes depreciation.

⁽²⁾Net revenues divided by aggregate debt service. Semiannual minimum coverage is 1.25x.

JEA St. Johns River Power Park System
Schedule of Debt Service Coverage – 2nd Resolution
(In Thousands)
Year Ended September 30, 2015

Revenues:	
JEA	\$ 26,024
Total revenues	<u>26,024</u>
Operating expenses ⁽¹⁾	<u> </u>
Total operating expenses	<u> </u>
Net revenues	<u>\$ 26,024</u>
Aggregate debt service	\$ 22,984
Less: Build America Bonds subsidy	(408)
Aggregate debt service⁽²⁾	<u>\$ 22,576</u>
Debt service coverage⁽³⁾⁽⁴⁾	<u>1.15x</u>

⁽¹⁾ Excludes all current expenses paid or accrued to the extent that such expenses are to be paid from revenues under the 1st Resolution.

⁽²⁾ Effective July 14, 2014, the St. Johns River Power Park System Second Revenue Bond Resolution was amended to exclude from interest in aggregate debt service the subsidy related to Build America Bonds.

⁽³⁾ Net revenues divided by aggregate debt service. Semiannual minimum coverage is 1.15x.

⁽⁴⁾ Had the Build America Bonds subsidy not been excluded from revenues and not been excluded from interest in aggregate debt service, current year-to-date debt service coverage would have been 2.19x.



JEA
Building Community
AGENDA ITEM SUMMARY

February 19, 2016

SUBJECT:	JEA ANNUAL DISCLOSURE POLICY REPORT
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Purpose:	<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: JEA’s Disclosure Policies and Procedures require that the Chief Financial Officer shall provide the Finance and Audit Committee each year a report regarding compliance with those policies, to report any issues or problems complying with those policies in the preceding twelve-month period and to present recommendations, if any, for changes to those policies.

Significance: High. JEA is responsible for the content of its market disclosures and is subject to the provisions of the federal securities laws prohibiting making material misstatements or omissions of material facts if necessary to avoid a misleading statement in its disclosure documents.

Effect: To support continued compliance with JEA’s continuing disclosure agreements and federal securities antifraud laws through adherence with JEA’s Disclosure Policies and Procedures.

Cost or Benefit: To reduce potential exposure to civil or criminal liability that could result from non-compliance with JEA’s continuing disclosure agreements and federal securities laws.

Recommended Board action: No Board action is required. For information only.

For additional information, contact: Joe Orfano, Treasurer, 665-4541

Submitted by: PEM/ MHD/ JEO/ RLH



MISSION
Energizing our community through high-value energy and water solutions.

VISION
JEA is a premier service provider, valued asset and vital partner in advancing our community.

VALUES
• Safety
• Service
• Growth
• Accountability
• Integrity

Commitments to Action

- 1 Earn Customer Loyalty
- 2 Deliver Business Excellence
- 3 Develop an Unbeatable Team



INTER-OFFICE MEMORANDUM

February 19, 2016

SUBJECT: JEA ANNUAL DISCLOSURE POLICY REPORT

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Finance and Audit Committee

Kelly Flanagan, Chair
Tom Petway
Ed Burr
Husein Cumber

BACKGROUND:

Federal securities laws require that disclosure documents of issuers such as JEA not contain an “untrue statement of a material fact” or omit a “material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.” “Materiality” under the federal securities laws means whether there is a substantial likelihood that a reasonable investor would consider the facts at issue to be important to an investment decision.

The SEC has further stated that public entities that issue securities are primarily liable for the content of their disclosure documents and are subject to federal securities laws prohibiting false and misleading information in their disclosure documents. Under certain federal antifraud laws, it is not necessary that an entity act recklessly or with intent or knowledge of wrongdoing; an entity may also be found liable even if found to be negligent.

In early 2015, staff worked with JEA’s bond counsel firm, Nixon Peabody LLP, to document JEA’s ongoing processes and procedures for monitoring and assessing operational, financial, regulatory, governmental and other developments within and outside JEA that need to be considered when preparing information that could reasonably be expected to find its way to investors, potential investors or other stakeholders in JEA securities. Nixon Peabody provided input from experience they gained through working with other public entities. Lessons learned from those experiences and industry best practices were combined with JEA’s procedures and specific requirements to formulate the JEA Disclosure Policies and Procedures (“Disclosure Policies”).

DISCUSSION:

In March 2015, Nixon Peabody conducted disclosure training sessions with the Board, senior leadership team and staff involved with the preparation and review of JEA’s disclosure documents. Staff presented the Board draft revised Disclosure Policies for information at its April 21, 2015 meeting, and on May 19, 2015, the Board approved those Disclosure Policies.

Among actions required under the Disclosure Policies, the Chief Financial Officer shall provide a report to the Finance and Audit Committee each year, at the meeting of the Finance and Audit Committee immediately preceding the public dissemination of the Annual Disclosure Reports, regarding compliance with the Disclosure Policies during the preceding twelve month period. This report shall (i) state whether the Annual Disclosure Reports for the current year are being prepared in compliance with these Disclosure Policies and whether all disclosure documents prepared during the prior twelve month period

were prepared in accordance with the Disclosure Policies, (ii) describe any issues or problems which arose in connection with compliance with the Disclosure Policies during such period and (iii) present any recommendations for changes to the Disclosure Policies.

Staff is in the process of preparing the Annual Disclosure Reports for the fiscal year ended September 30, 2015, and plans to seek the Board's approval and authorization to disseminate those reports at its April 19, 2016 meeting. In accordance with past practice and prior Boards' requests, staff intends to provide Board members with substantially final drafts for their review at the March 15, 2016 Board meeting.

RECOMMENDATION:

No Board action is required. For information only.

Paul E. McElroy, Managing Director/CEO

PEM/MHD/JEO/RLH

To: Finance & Audit Committee
From: Melissa H. Dykes, Chief Financial Officer
Date: February 19, 2016
Re: Report delivered pursuant to Section 7.5 of JEA’s Disclosure Policies and Procedures

In accordance with Section 7.5 of JEA’s Disclosure Policies and Procedures, dated May 19, 2015 (the “Disclosure Policies”), which requires the Chief Financial Officer to report to the Finance and Audit Committee regarding compliance with the Disclosure Policies during the preceding twelve-month period, I hereby report the following:

1. All Annual Disclosure Reports and Disclosure Documents prepared during the prior twelve-month period were prepared in accordance with the Disclosure Policies.
2. No issues or problems have arisen in connection with compliance with the Disclosure Policies during the prior twelve-month period.
3. At this time, there are no recommendations to make changes to the Disclosure Policies. A copy of the Disclosure Policies is attached to this report.
4. A copy of the Disclosure Policies has been distributed to all Board members and to all Finance Staff and Staff participating in the disclosure process.
5. A printed copy of the final Annual Disclosure Reports for fiscal year ending September 30, 2014 were provided to all members of the JEA Board on April 23, 2015.
6. The Annual Disclosure Reports for the fiscal year ending September 30, 2015 are being prepared in compliance with the Disclosure Policies. Informational copies of the current drafts of the Annual Disclosure Reports are available to any Finance and Audit Committee member who requests copies of such draft Reports. Near-final drafts of the Annual Disclosure Reports will be provided to Board members at the March 15, 2016 Board meeting with a request to approve the documents at the April 19, 2016 Board meeting.

JE A
DISCLOSURE POLICIES AND PROCEDURES

DATED: May 19, 2015

INTRODUCTION

JE A is committed to ensuring that its disclosures made in connection with its municipal bond offerings and required periodic filings related thereto are fair, accurate, and comply with applicable federal and state securities laws including common law antifraud provisions under state law and any other applicable laws. Further, it is the policy of JE A to satisfy in a timely manner its contractual obligations undertaken pursuant to Continuing Disclosure Undertakings (as defined herein) entered into in connection with municipal bond offerings.

These disclosure policies and procedures (“Disclosure Policies”) have been established by JE A and are intended to (a) ensure that JE A’s Disclosure Documents (as defined herein) are accurate and complete, and comply with all applicable federal and state securities laws; and (b) promote best practices regarding the preparation of JE A’s Disclosure Documents.

The failure to comply with these Disclosure Policies shall not affect the authorization or the validity or enforceability of any Bonds that are issued by JE A in accordance with applicable law nor imply a failure to comply with federal or state securities laws.

Section 1.0 Definitions

Capitalized terms used in these Disclosure Policies shall have the meanings set forth below:

“Annual Disclosure Report” means the Electric System Annual Disclosure Report or the Water and Sewer System Annual Disclosure Report, as applicable.

“Authorized Officer” means the Managing Director and Chief Executive Officer and the Chief Financial Officer.

“Board” shall mean the Board of JE A.

“Bond Counsel” shall mean any attorney or firm of attorneys of nationally recognized standing in the field of law relating to the issuance of Bonds by state and municipal entities selected by JE A. At any time JE A retains more than one bond counsel, all references to bond counsel shall be deemed to include one or more bond counsel, as deemed appropriate by an Authorized Officer of JE A.

“Bonds” shall refer to any bonds, notes or other securities offered by JE A, the disclosure relating to which is subject to the requirements of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934, including Rule 10b-5 thereunder, and Securities Exchange Commission Rule 15c2-12.

“Continuing Disclosure Undertakings” means JEA’s contractual obligations entered into by JEA in connection with each issuance of Bonds.

“Disclosure Documents” means JEA’s documents and materials specifically prepared, issued, and distributed in connection with JEA’s disclosure obligations under applicable federal securities laws or that otherwise could potentially subject JEA to liability under such laws, and shall include, but not be limited to the following:

- Annual Disclosure Reports;
- Official Statements;
- Any filing made by JEA pursuant to a Continuing Disclosure Undertaking, including material event notices;
- Any voluntary filing made by JEA that is posted on EMMA;
- Any document or other communication from JEA that could be viewed as reasonably expected to reach investors and the trading market for JEA’s Bonds; and
- Any other document that is reviewed and approved in accordance with these Disclosure Policies.

“Electric System Annual Disclosure Report” means the Annual Disclosure Report for Electric Utility System containing financial information and operating data required to be filed pursuant to JEA’s Continuing Disclosure Undertakings relating to its Electric System, including the audited financial statements of JEA, which are incorporated by specific reference in certain other JEA Disclosure Documents. The information includes narrative information relating to JEA as well as information that JEA has specifically contracted with bondholders to update on an annual basis in accordance with Rule 15c2-12

“EMMA” means the Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board.

“Finance Staff” means the Treasurer, Manager Debt, Bond Administration Specialist, Bond Compliance Specialist and Debt Financial Analyst.

“Financial Accounting and Reporting Staff” means the Controller, the Manager Financial Reporting and Accounting and Certified Public Accountants of JEA.

“Official Statements” means, collectively, preliminary and final Official Statements, remarketing circulars or offering memoranda used in connection with the offering or remarketing of Bonds. The Official Statements do not attempt to repeat the information in the Annual Disclosure Reports, but instead generally include such information by specific cross-reference, as expressly authorized by Rule 15c2-12, and update only the information that has materially changed.

“Rule 15c2-12” means Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, including any official interpretations thereof.

“Staff” means employees of JEA.

“Water and Sewer System Annual Disclosure Report” means the Annual Disclosure Report for Water and Sewer System and District Energy System containing financial information and operating data required to be filed pursuant to JEA’s Continuing Disclosure Undertakings relating to its Water and Sewer System and District Energy System, including the audited financial statements of JEA, which are incorporated by specific reference in certain other JEA Disclosure Documents. The information includes narrative information relating to JEA as well as information that JEA has specifically contracted with bondholders to update on an annual basis in accordance with Rule 15c2-12.

Section 2.0 General Disclosure Practices

2.1 The Board, pursuant to supplemental resolutions adopted periodically by such Board, shall directly authorize or delegate authority and responsibility to Finance Staff to prepare and distribute Official Statements, and any updates thereto in the case of securities subject to remarketings, which will be prepared in accordance with these Disclosure Policies unless the Board otherwise directs.

2.2 The Treasurer, with the assistance of Finance Staff, is primarily responsible for the preparation of Disclosure Documents, with the assistance of Bond Counsel, the Office of General Counsel, and any other Staff with specific expertise as may be deemed necessary by the Treasurer and shall prepare all Disclosure Documents, including the Annual Disclosure Reports and Official Statements, and shall prepare and submit any other disclosure filings that may be required throughout the year. All Disclosure Documents and any other disclosure filings shall be prepared in accordance with these Disclosure Policies unless the Board otherwise directs.

2.3 The Board shall directly approve and authorize the dissemination and use of the Annual Disclosure Reports by voting to accept a Board meeting agenda item annually. Such approval may be obtained without the Board formally adopting a resolution.

Section 3.0 Preparation of Annual Disclosure Reports

3.1 Finance staff shall review the Annual Disclosure Reports filed for the previous fiscal year ended as updated by any recent developments included in Official Statements prepared since the date of such Annual Disclosure Reports and incorporating any changes into the Annual Disclosure Reports as the “most recent” disclosure and distribute sections to Staff with subject matter expertise in each topical area. Staff shall review their respective sections to ensure disclosures contained therein are accurate and

complete. Staff shall also make any necessary changes and provide them to Finance Staff to incorporate such changes into updated drafts of the Annual Disclosure Reports. The initial distribution of the sections of the Annual Disclosure Reports to Staff described in the preceding sentences shall be made no later than February 28th of each calendar year.

3.2 Finance Staff shall be responsible for directly researching any updates for certain information included in the Annual Disclosure Reports, e.g., service area/demographic information as reported in U.S. Census Bureau and State of Florida economic websites and operational statistics and financial results as reported in the fiscal year's audited financial statements and published annual report ("Annual Report") of JEA.

3.3 External sources shall be contacted to provide input and any necessary updates with respect to certain other subject areas of each Annual Disclosure Report, e.g., The Energy Authority and their counsel, City of Jacksonville with respect to pension, city contributions, etc., the Office of General Counsel with respect to litigation issues, the local Chamber of Commerce with respect to some service area information and surveys, etc. Finance Staff shall keep written records of the request and transmittal of the information reviewed and submitted by such parties.

3.4 Information in each Annual Disclosure Report of the type contained under the captions "Schedules of Debt Service Coverage" and "Management's Discussion of Electric System Operations," "Management's Discussion of Water and Sewer System Operations" and "Management's Discussion of District Energy System Operations", as applicable (collectively, the "Coverage and Operating Information"), shall be prepared by the Finance Staff and reviewed by the Financial Accounting and Reporting Staff and the Chief Financial Officer. The Financial Accounting and Reporting Staff and Finance Staff shall consult with Staff with specific knowledge of various elements of the Coverage and Operating Information and Bond Counsel as they deem appropriate.

3.5 Once revised in accordance with the procedures described in Sections 3.1 through 3.4 above, drafts of the Annual Disclosure Reports shall be distributed to Staff, including the Managing Director and Chief Executive Officer and senior leadership team for review and comment, particularly with the Chief Financial Officer, Vice President/General Manager Electric Systems, Vice President/General Manager Water-Sewer and District Energy Systems and Chief Public Affairs Officer reviewing the entire documents and certain other members of the JEA senior leadership team (e.g., Chief Compliance Officer, Chief Human Resources Officer) as determined by the Chief Financial Officer focusing on particular areas assigned to them. Finance Staff and Staff shall review multiple drafts of the Annual Disclosure Reports and the Managing Director and Chief Executive Officer, Chief Financial Officer, Vice President/General Manager Electric Systems, Vice President/General Manager Water-Sewer and District Energy Systems and Chief Public Affairs Officer shall provide their signoff via email or in another writing.

3.6 The audited financial statements of JEA shall be included in the Annual Disclosure Reports in accordance with JEA's Continuing Disclosure Undertakings and as required by Rule 15c2-12.

3.7 After completing the procedures outlined in Section 3.1 through 3.6 above, drafts of the Electric System Annual Disclosure Report and the Water and Sewer System Annual Disclosure Report shall be provided to Board members at or prior to the regularly scheduled Board meeting that is one month prior to the meeting at which they will be asked to authorize the dissemination and use of the Annual Disclosure Reports. These drafts include the audited financial statements and all appendices. The Chief Financial Officer and Finance Staff will schedule times within this period when Board members may discuss any questions or comments to such Annual Disclosure Reports.

3.8 The Chair, Vice Chair or Secretary of the Board and the Managing Director and Chief Executive Officer shall approve the Annual Disclosure Reports and authorize their use and public dissemination by Finance Staff in writing.

3.9 JEA's Bond Counsel shall file each of the Electric System Annual Disclosure Report and the Water and Sewer System Annual Disclosure Report on EMMA upon the written direction of Finance Staff which direction may be provided to Bond Counsel via email. JEA staff shall then post each of the Annual Disclosure Reports on JEA's website and remove the previous year's Annual Disclosure Reports from JEA's website. While it is the intent of Finance Staff to file the Electric System Annual Disclosure Report and the Water and Sewer System Annual Disclosure Report simultaneously, such Annual Disclosure Reports may be filed as soon as they are completed as determined by the Chief Financial Officer, but in any event before June 1 of each year as required by the Continuing Disclosure Undertakings.

Section 4.0 Official Statement Review and Disclosure Processes

4.1 The Treasurer, with the assistance of Finance Staff, shall identify those persons who, for a particular financing, are appropriate to assist Bond Counsel, the underwriter(s), underwriters' counsel, JEA's financial advisor (collectively, the "Working Group") and appropriate Staff in the preparation and review of the related Disclosure Documents.

4.2 The Treasurer, Finance Staff or a member of the Working Group, as applicable, shall prepare a timeline in connection with the preparation and review of the Disclosure Documents. Such timeline shall be delivered by the Treasurer or Finance Staff to the Working Group and JEA's outside auditors so that they are apprised of the JEA's schedule for publishing such Disclosure Documents. The timeline for any particular bond financing for which Official Statements will be prepared shall vary depending on the type of Bonds being offered, the security for the Bonds, the purpose for the financing, and other factors unique to each bond financing.

4.3 The Treasurer, or a member of the Finance Staff designated by the Treasurer, shall be responsible for soliciting material information from JEA

departments, other necessary entities or other governmental officials (i.e., City of Jacksonville, Office of General Counsel, etc.) for inclusion in the applicable Disclosure Documents, and shall identify Staff and any other governmental officials who may have information necessary to prepare or who should review portions of the Official Statements. Staff and other governmental officials should be timely contacted in writing and informed that their assistance will be needed for the preparation of the Official Statements.

4.4 Updated Coverage and Operating Information for the Official Statements, if available, shall be prepared by the Finance Staff and reviewed by the Financial Accounting and Reporting Staff and the Chief Financial Officer. The Financial Accounting and Reporting Staff and Finance Staff shall consult with Staff with specific knowledge of various elements of the Coverage and Operating Information and Bond Counsel as they deem appropriate.

4.5 Staff and other governmental officials shall be contacted by the Treasurer or a member of the Finance Staff designated by the Treasurer as soon as reasonably practical in order to provide adequate time for such individuals to perform a thoughtful and critical review or draft of those portions of the Disclosure Document assigned to them.

4.6 The written request for information shall include, but not be limited to, the description of any item or event of which Finance Staff is aware which could be material for review by such individuals, departments, other necessary entities or other governmental officials and potential inclusion in the Disclosure Document.

4.7 The Treasurer or a member of Finance Staff designated by the Treasurer shall maintain or cause to be maintained an accurate log of all individuals, departments, other necessary entities or other governmental officials that were requested to review or draft information in connection with a Disclosure Document, as well as an accurate log of responses to such requests, including what sections such individuals or entities listed above prepared or reviewed and shall also be responsible for collecting all transmittal letters, certifications, and lists of sources for incorporation into the records to be maintained by the Finance Staff or Treasurer. Such information may be maintained by the filing of electronic communications or emails filed for each offering of Bonds.

4.8 The Treasurer, Finance Staff and Bond Counsel shall hold a due diligence conference call with the underwriter(s) and underwriters' counsel, prior to the printing or posting of a preliminary Official Statement.

4.9 The Chief Financial Officer, Finance Staff, Vice President/General Manager Electric Systems or Vice President/General Manager Water-Sewer and District Energy Systems, as applicable, and Chief Public Affairs Officer shall provide their signoff on the preliminary Official Statement via email or in another writing prior to the printing or posting of a preliminary Official Statement.

4.10 Underwriters' Counsel shall provide written discussion topics or questions in advance of the due diligence conference call, to the extent practical, to permit Finance Staff time for response from required Staff, to prepare for the due diligence session and to consider additional matters they deem material to the offering. The due diligence session shall not be limited to the list of written topics or questions or other questions solely from Underwriters' Counsel and may include any other topics deemed relevant by Finance Staff, JEA's financial advisor, Bond Counsel, underwriters counsel or the underwriters. Bond Counsel, JEA's financial advisor and the underwriters and underwriters' counsel shall participate in such due diligence session. Copies of the questions and the responses should be included by the Finance Staff in the files relating to the bond transaction.

4.11 If required by Rule 15c2-12 or otherwise, the Treasurer shall sign a certificate to the effect that the preliminary offering document or other disclosure document is deemed final as of its date other than information allowed to be omitted under Rule 15c2-12(b)(1).

4.12 At the time of the sale of the Bonds the Treasurer, in conjunction with Finance Staff and Bond Counsel, shall prepare a final Official Statement and satisfy themselves that based on the information provided to them in accordance with these Disclosure Policies at the time of sale such Official Statement is in satisfactory form and that no additional disclosure is required.

4.13 Annual audited JEA financial statements shall be incorporated by reference or included into the Disclosure Documents. Management's Discussion of Operations with respect to the Electric System's or the Water and Sewer System's Schedules of Debt Service Coverage, as applicable, for the most recent JEA unaudited quarterly reporting period shall be included in the Official Statements if available and deemed by JEA, Bond Counsel and the underwriter(s) and underwriters' counsel to be material.

4.14 Before the printing of any preliminary or final Official Statement the Treasurer or a member of Finance Staff designated by the Treasurer and Bond Counsel shall obtain confirmations from the Office of General Counsel, by e-mail or otherwise, that they know of no material litigation that has been filed (or threatened with a reasonable likelihood of being filed) against JEA since the diligence session and know of no material change that is required to be reflected in the Recent Developments or any other heading of the Disclosure Document.

4.15 The Board shall approve any preliminary or final Official Statement prior to its use and public dissemination. The Board may do so by approving a form of preliminary or final Official Statement and delegate to the Managing Director and Chief Executive Officer the authority to make any additions, modifications or changes as may be necessary to comply with the standard for accuracy and completeness described in Section 7.5 below.

4.16 Bond Counsel may, but are not required to be, invited to attend any JEA presentations to rating agencies and investors made in connection with the offering of Bonds. The Treasurer and Finance Staff shall review any materials used in presentations, meetings or telephone conferences with rating agencies or investors for consistency with the appropriate Disclosure Document. Appropriate records of meetings and telephone conferences with rating agencies and investors will be kept by the Treasurer or a member of Finance Staff designated by the Treasurer.

Section 5.0 On-Going Disclosure

5.1 The Chief Financial Officer, Treasurer, Finance Staff and Bond Counsel shall monitor State and national markets generally and, determine whether there is a need for additional disclosure by way of additional periodic filings with EMMA or any recommended supplement to any Disclosure Document.

5.2 The annual and quarterly Management’s Discussion and Analysis and the Notes with respect to the general purpose financial statements (collectively, the “MD&A”) shall be prepared by Financial Accounting and Reporting Staff and reviewed by Finance Staff. The Financial Accounting and Reporting Staff and Finance Staff shall consult with Staff with specific knowledge of various elements of the MD&A and Bond Counsel as they deem appropriate.

5.3 The MD&A shall be reviewed by the Chief Financial Officer prior to being finalized. The Chief Financial Officer shall signoff and approve the MD&A via email or another writing prior to the posting of the MD&A on JEA’s website.

Section 6.0 Training

6.1 Training for Board members and Staff shall be conducted by either Bond Counsel or their designee(s) regarding disclosure practices under applicable state and federal law. It is intended that this training shall assist these individuals in (1) understanding their responsibilities; (2) identifying significant items which may need to be included in the Disclosure Documents; and (3) reporting issues and concerns relating to disclosure. A refresher training program shall be conducted not less than once every two years.

A. Board Members

a. Board Members shall be advised of their general disclosure responsibilities and the extent they may delegate to and rely on Staff’s preparation of Disclosure Documents.

b. Board Members shall be advised of their fiduciary duties under Florida State law.

c. Specialized training regarding JEA disclosure responsibilities shall be conducted for the members of the Finance and Audit Committee of the Board.

B. Finance Staff

a. Staff with responsibility for collecting, preparing or reviewing information that is provided for inclusion in a Disclosure Document or for certifying or confirming its accuracy in accordance with these Policies and Procedures, and those persons responsible for executing them, shall attend disclosure training sessions.

b. The determination as to whether or not an employee or group of employees shall receive such training shall be made by the Treasurer in consultation with Bond Counsel and the Chief Financial Officer.

C. Staff

a. In addition to the Finance Staff identified above, information from various Electric System and Water and Sewer System level departments may be relevant in the disclosure update process. These System departments include:

- Electric Production Resource Planning
- Electric Transmission and Distribution Planning
- Electric Systems Operations
- Electric Transmission and Distribution Projects
- Electric Production
- Water and Wastewater Planning and Treatment Project Engineering
- Environmental Programs
- Permitting and Regulatory Conformance
- Government Affairs
- Emerging Workforce Strategies.

Section 7.0 General Principles

7.1. Each Staff member participating in the disclosure process shall be responsible for raising potential disclosure items at all times in the process.

7.2 Each Staff member participating in the disclosure process should raise any issue regarding disclosure with the Treasurer or Chief Financial Officer at any time.

7.3 Recommendations for improvement of these Disclosure Policies shall be solicited and considered by the Treasurer and if revision is deemed to be appropriate will be reviewed by the Bond Counsel and the Chief Financial Officer.

7.4 The process of revising and updating Disclosure Documents by each Staff member should not be viewed as mechanical insertions of more current information; everyone involved in the process should consider the need for revisions in the form and content of the sections for which they are responsible.

7.5 The standard for accuracy and completeness is that there shall be **no untrue statement of material fact and no omission of a statement necessary to make the statements made, in light of the circumstances under which they were made, not misleading.** All participants in the process should keep this standard in mind.

The Chief Financial Officer shall provide a report to the Finance and Audit Committee each year, at the time of the meeting of the Finance and Audit Committee immediately preceding the public dissemination of the Annual Disclosure Reports, regarding compliance with these Disclosure Policies during the preceding twelve month period. Such report shall (i) state whether the Annual Disclosure Reports for the current year are being prepared in compliance with these Disclosure Policies and whether all Disclosure Documents prepared during the prior twelve month period were prepared in accordance with the Disclosure Policies, (ii) describe any issues or problems which arose in connection with compliance with the Disclosure Policies during such period, (iii) present any recommendations for changes to the Disclosure Policies; (iv) provide an informational copy of the then current draft of the Annual Disclosure Reports to any Finance and Audit Committee member who requests one; and (v) provide a printed copy of the final Annual Disclosure Reports to all Board members.

A copy of these Disclosure Policies shall be distributed annually to Board members and all Finance Staff and Staff participating in the disclosure process. Any updates to these Disclosure Policies shall be distributed to such groups upon their issuance.

Section 8.0 Disclosure-Related Document Retention Practices.

8.1 Consistent with JEA's Continuing Disclosure Undertakings, the following documents shall be maintained for the later of five years or the period of time required by JEA's records management or records retention program:

- Annual Continuing Disclosure Filings
- Bond Issue Bound Books or CD-ROMs containing bond issue documents
- Bond Issue Executed Documents
- Disclosure Documents
- Investor Materials
- JEA Financial Statements related to bonds
- Note Issue Bound Books or CD-ROMs containing note issue documents
- Note Issue Executed Documents
- Rating Agency Presentation Materials
- Records of all disclosure activities, including but not limited to telephone calls, emails and other inquiries from investors
- Unaudited Quarterly and Annual Financial Statements Audited by Outside Auditing Firm

Section 9.0 Role of Bond Counsel

9.1 JEA will require Bond Counsel to perform the following services in connection with the preparation of its Disclosure Documents:

- a. review and comment on JEA's Disclosure Documents;
- b. participate in the due diligence process conducted by the underwriters and their counsel;

- c. review presentations, if requested and, if requested, attend and/or listen to rating agency or investor presentations related to JEA's bonds, notes and other securities;
- d. advise JEA regarding:
 - (i) specific disclosure issues relating to JEA's financial operations, operating performance and capital program development, including funding, progress and problems;
 - (ii) standards of disclosure under applicable securities laws;
 - (iii) adequacy of JEA's disclosure in any Disclosure Document;
 - (iv) completeness and clarity of the information provided by the City in any Disclosure Document; and
 - (v) other matters as directed by JEA;
- e. interface with the Treasurer and Finance Staff with respect to any Disclosure Document;
- f. provide a securities law supplemental opinion for each financing transaction;
- g. participate in the preparation, review and approval of the Annual Disclosure Reports; and
- h. conduct periodic training of Board members, Finance Staff and Staff on the disclosure process contemplated by the Disclosure Policies and Procedures set forth herein as may be requested from time to time by the Treasurer.

JEA

Finance and Audit Committee Report

March 2, 2016

Creating an Ethical Culture



Business Ethics Update and What's Next

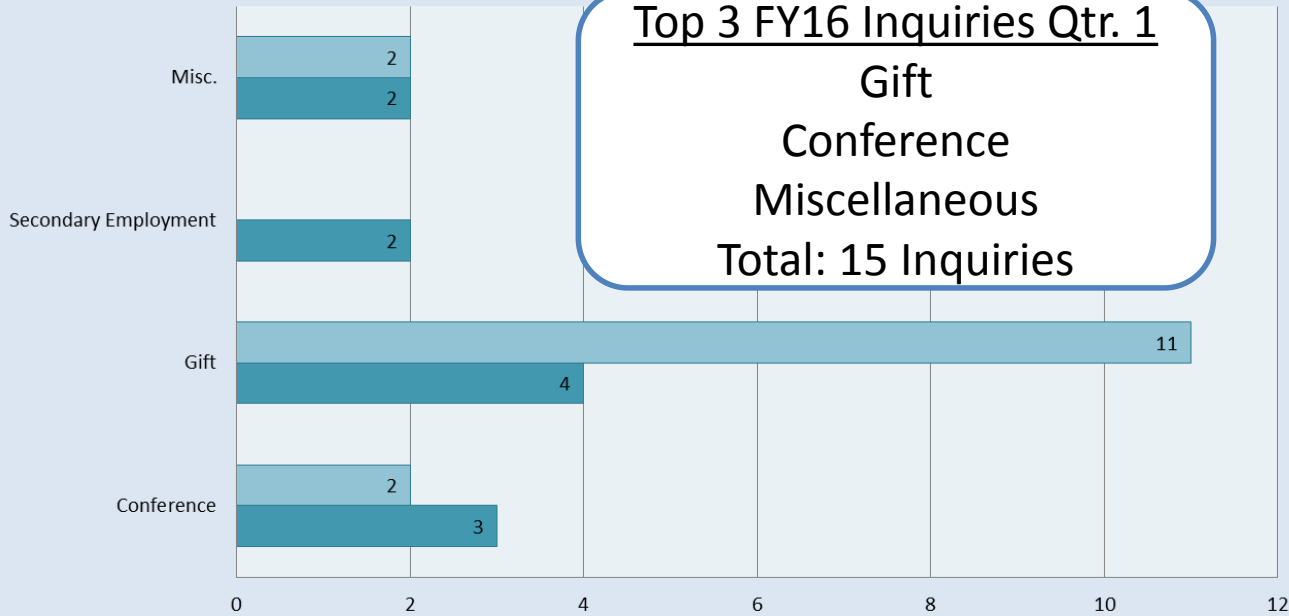
- **100% Compliant with established dates and deadlines for Ethics standards and training requirements in FY16**
- **Finalize the SharePoint database to store previous ethics rulings and training materials for future archiving**
- **FY16 Ethics Refresher Computer-Based Training will roll out on March 1st**
- **Implement new Business Ethics tools for New Hires in April**



FY15/16 Comparison

**Ethics Inquiries Comparison FY15/FY16
1st Quarter**

Top 3 FY16 Inquiries Qtr. 1
 Gift
 Conference
 Miscellaneous
 Total: 15 Inquiries



	Conference	Gift	Secondary Employment	Misc.
FY16	2	11	2	2
FY15	3	4	2	2

1 Gift

- Most gift inquiries are acceptance of food items or meals
Gift cards \$10 or less
- Invitations to charity events where a vendor paid for seating

2 Conference

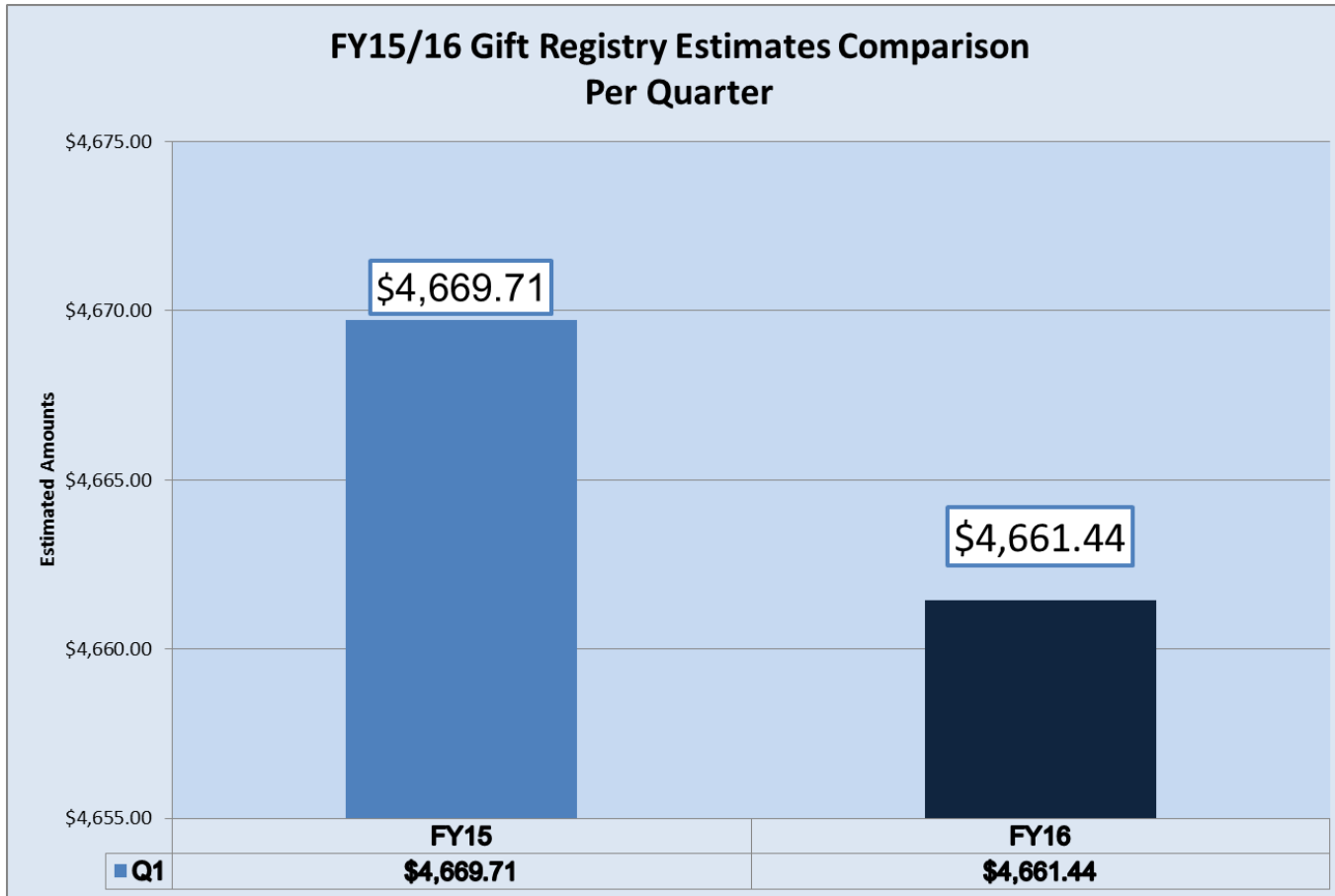
- Some JEA personnel are considered experts in their field and are requested as speakers, most conference hosts pay some or all of the cost of each speaker
- Vendors may pay registration for a certain amount of attendees within their field
- Vendors may offer complimentary passes to all companies who have agreements with them, provided a certain number of registrations are paid by the company

3 Miscellaneous

- Is it ethical to allow JEA employee discounts for Nissan vehicle purchases
- Can a company owned by someone running for a City Council position also apply to be a vendor
- Is it ok to set up a special account for a JEA family who has suffered a loss



FY15 Gift Registry



- E Food Items: lunch or dinners during meetings or trainings, jar of mints, assorted candies and cookies
- X
- A
- M Promotional items: ball caps, t-shirts, pens, Star Trek figurines
- P
- L
- E Misc. : golf, door prizes, bottles of wine at Christmas
- S
- Registration fees





JEA
Building Community
AGENDA ITEM SUMMARY

February 19, 2016

SUBJECT:	JEA ENERGY MARKET RISK MANAGEMENT POLICY REPORT
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Purpose:	<input type="checkbox"/> Information Only	<input checked="" type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: 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 greater than one year and all financial transactions. As additional information, graphs are included for JEA's historical dispatch costs, along with power and natural gas market prices. In addition, a minor administrative change to the Policy is presented at this time for Board review and approval.

Significance: High. 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.

Effect: Financial and physical transactions allow JEA to manage the risks inherent in the wholesale fuel and energy markets. The attached Finance and Audit Committee report summarizes JEA's current positions.

Cost or Benefit: The costs of financial transactions are reflected in comparison to market indices. The benefits include the establishment of a stable fuel price for the future in line with targets.

Recommended Board action: Staff recommends the Finance and Audit Committee approval of the administrative change to the EMRM Policy reassigning responsibility for the informational report required by the Policy from the Chief Financial Officer to the Vice President/General Manager, Electric Systems.

For additional information, contact: Steve McInall, 665-4309

Submitted by: PEM/MJB/SGM



MISSION	VISION	VALUES
 Energizing our community through high-value energy and water solutions.	 JEA is a premier service provider, valued asset and vital partner in advancing our community.	 <ul style="list-style-type: none"> • Safety • Service • Growth • Accountability • Integrity

Commitments to Action

- 1** Earn Customer Loyalty
- 2** Deliver Business Excellence
- 3** Develop an Unbeatable Team

Physical Fuel and Purchase Power Positions as of 2/1/16

Table 1: JEA Generation Fleet Summary

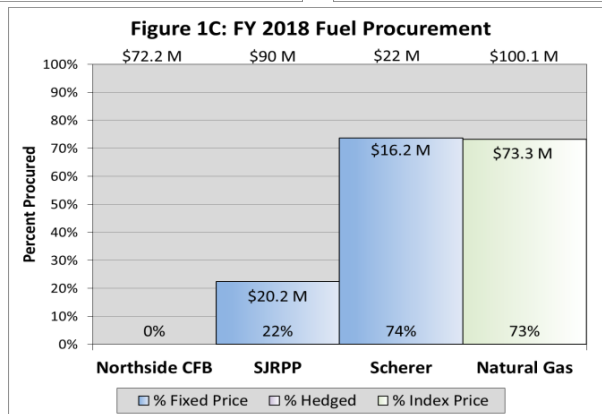
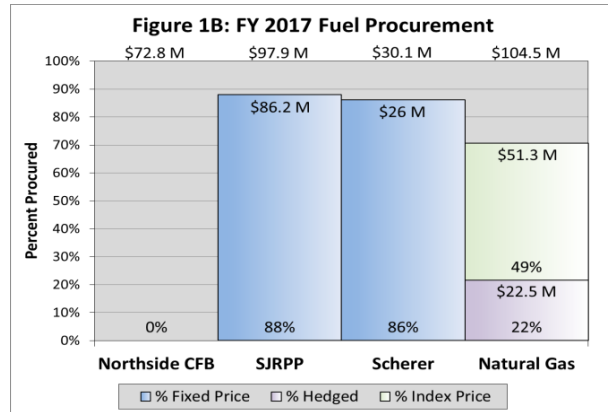
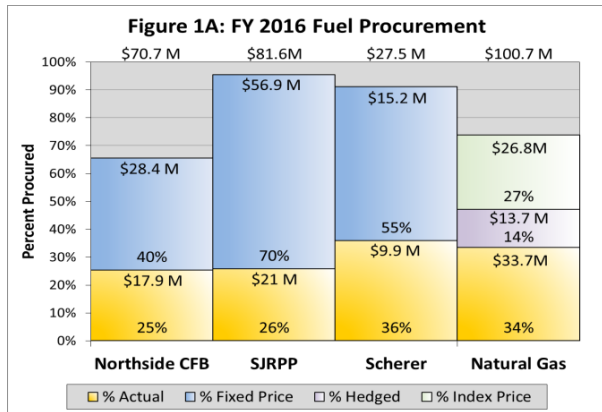
Units	Primary Fuel Type	Contract Schedule
Northside 1 and 2	Petcoke, Coal	Quarterly; 1 Quarter in Advance
Northside 3	Natural Gas, Residual Oil	Market and Hedged; Stored Residual Oil
SJRPP 1 and 2	Coal	Contract Through 2017 and Partial 2018
Scherer 4	Coal	Contract through 2017
Brandy Branch	Natural Gas, Diesel	Market and Hedged /As Needed
Kennedy CT7 and 8	Natural Gas, Diesel	Market and Hedged /As Needed
Greenland CT1 and 2	Natural Gas	Market and Hedged

Table 2: Physical Positions

Plant	Energy Fixed Price (MWh)	Energy Fixed Price (%)	Expense Fixed Price (\$)	Expense Fixed Price (%)
Northside CFB				
FY16	1,826,280	67%	28,413,276	54%
FY17	-	0%	-	0%
FY18	-	0%	-	0%
SJRPP				
FY16	1,611,686	94%	56,893,098	94%
FY17	2,484,804	88%	86,186,317	88%
FY18	569,496	17%	20,150,299	22%
Scherer 4				
FY16	524,195	81%	15,224,072	86%
FY17	890,034	83%	25,946,784	86%
FY18	220,725	29%	16,217,637	74%
Renewable Purchase Power (Not Including New Solar)				
FY16	132,045	100%	8,672,842	100%
FY17	161,963	100%	11,232,328	100%
FY18	143,568	100%	10,888,136	100%
Other Purchase Power				
FY16	-	0%	-	0%
FY17	-	0%	-	0%
FY18	-	0%	-	0%

Table 3: Physical Counterparties (Contracts One Year or Greater)

Supplier/ Counterparty	Fuel Type	Contract Type	Generating Unit	Original Contract Volume	Remaining Contract Volume	Units	Original Contract Term	Remaining Contract Term
Coal Marketing Company	Coal	Index w/ Collar	SJRPP	1,500,000	585,000	Tons	1/1/14 - 12/31/16	2/1/16 - 12/31/16
Sunrise Coal	Coal	Fixed Price	SJRPP	250,000	114,325	Tons	1/1/15 - 12/31/16	2/1/16 - 12/31/16
Coal Marketing Company	Coal	Fixed Price	SJRPP	2,000,000	1,462,500	Tons	1/1/15 - 12/31/17	2/1/16 - 12/31/17
Coal Sales, LLC	Coal	Fixed Price	Scherer 4	452,300	142,098	Tons	1/1/14 - 12/31/16	2/1/16 - 12/31/16
Alpha- Eagle Butte	Coal	Fixed Price	Scherer 4	940,900	683,912	Tons	1/1/15 - 12/31/17	2/1/16 - 12/31/17
Arch Coal Sales Company, Inc	Coal	Fixed Price	Scherer 4	7,217	7,007	Tons	1/1/16 - 12/31/16	2/1/16 - 12/31/16
Coal Sales, LLC	Coal	Fixed Price	Scherer 4	250,000	246,485	Tons	1/1/16 - 12/31/17	2/1/16 - 12/31/16
BG	Natural Gas	Index w/Fixed Price Option	NG Fleet	445.6	118.8	Bcf (Billion Cubic Feet)	6/1/01 - 5/31/21	2/1/16 - 5/31/21



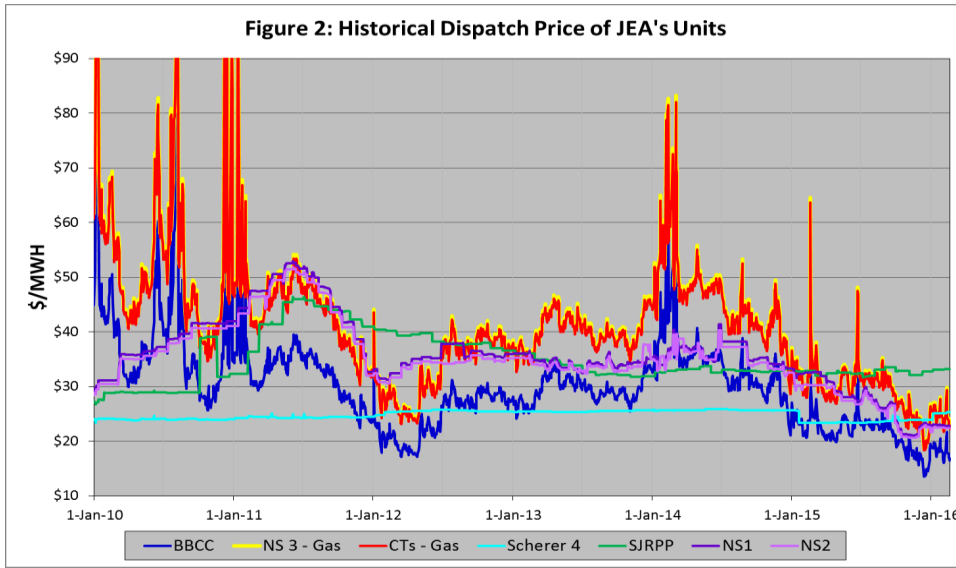


Figure 3: SOCO Power Market Review
 Historical & Forward SOCO 7x24 Prices, (\$/MWh)

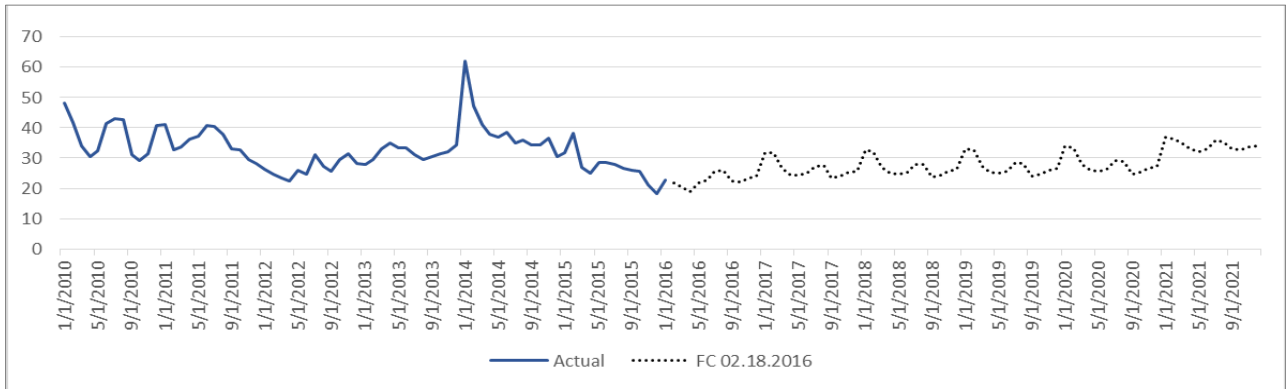


Figure 4: Natural Gas Market Review
 Historical & Forward Henry Hub Prices, (\$/MMBtu)

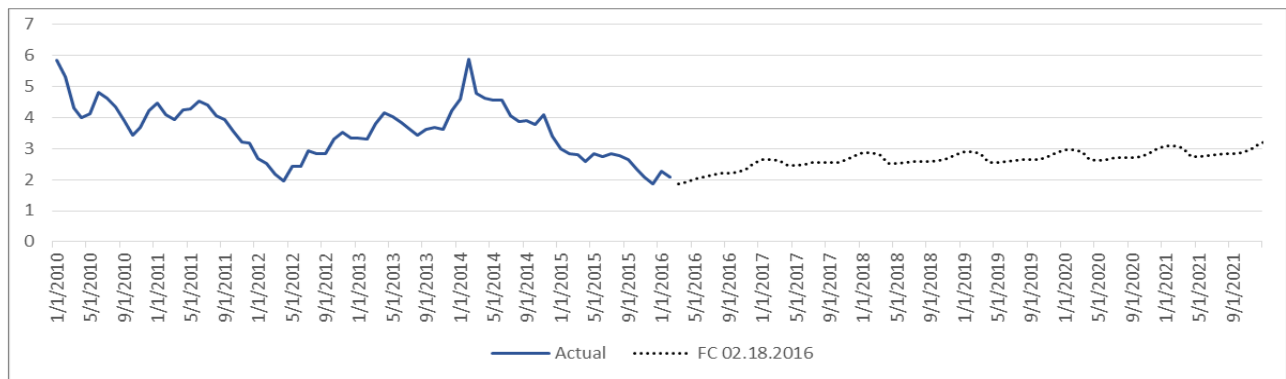


Table 4A: Financial Natural Gas Positions as of 2/1/2016

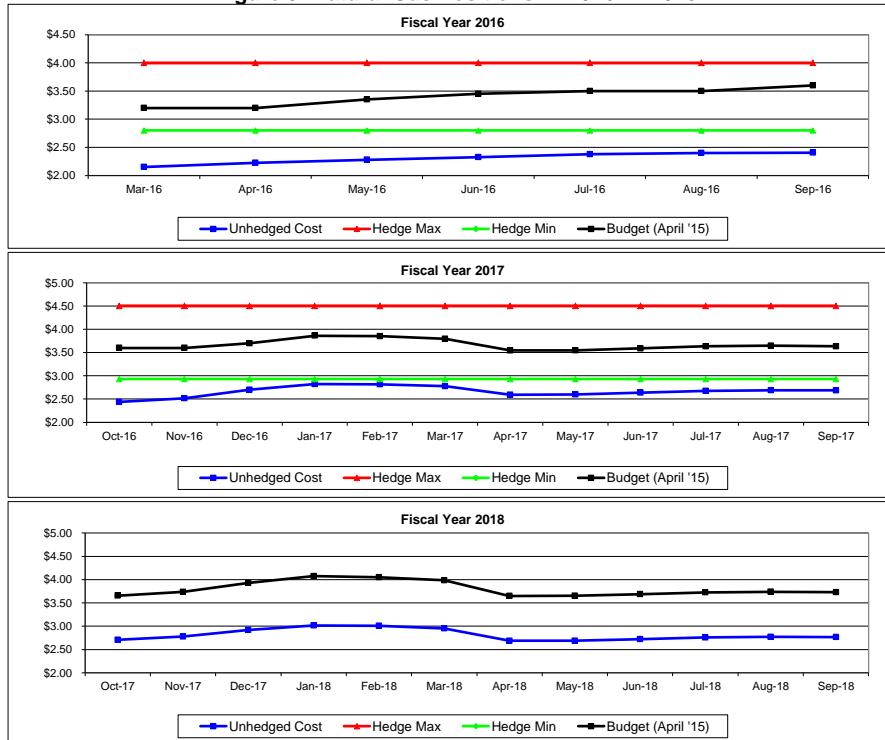
Month	Physical Volume	Hedged Volume	Percent Hedged	Unhedged Cost	Hedge Type	Hedge Price	Forecast at Time of Hedge	Mark-to-Market Value
Mar-16	2,753,000	600,000	21.8%	\$2.15	Collar	\$2.80 / \$4.00	\$3.92	\$388,320
Apr-16	2,809,100	600,000	21.4%	\$2.23	Collar	\$2.80 / \$4.00	\$3.76	\$349,320
May-16	3,437,100	600,000	17.5%	\$2.28	Collar	\$2.80 / \$4.00	\$3.77	\$324,420
Jun-16	3,621,500	600,000	16.6%	\$2.33	Collar	\$2.80 / \$4.00	\$3.80	\$305,790
Jul-16	4,094,400	600,000	14.7%	\$2.38	Collar	\$2.80 / \$4.00	\$3.85	\$288,300
Aug-16	4,281,700	600,000	14.0%	\$2.40	Collar	\$2.80 / \$4.00	\$3.86	\$283,890
Sep-16	3,384,100	600,000	17.7%	\$2.41	Collar	\$2.80 / \$4.00	\$3.84	\$288,480
FY16 Total	24,380,900	4,200,000	17.2%	\$2.32			\$3.83	\$2,228,520
Oct-16	3,007,200	600,000	20.0%	\$2.44	Collar	\$2.93 / \$4.50	\$3.87	\$343,620
Nov-16	2,616,900	600,000	22.9%	\$2.52	Collar	\$2.93 / \$4.50	\$3.98	\$316,200
Dec-16	2,772,100	600,000	21.6%	\$2.70	Collar	\$2.93 / \$4.50	\$4.20	\$247,320
Jan-17	2,905,700	600,000	20.6%	\$2.82	Collar	\$2.93 / \$4.50	\$4.39	\$204,270
Feb-17	2,485,700	600,000	24.1%	\$2.82	Collar	\$2.93 / \$4.50	\$4.38	\$211,020
Mar-17	2,791,800	600,000	21.5%	\$2.78	Collar	\$2.93 / \$4.50	\$4.32	\$230,490
Apr-17	2,236,100	600,000	26.8%	\$2.59	Collar	\$2.93 / \$4.50	\$4.11	\$290,430
May-17	2,983,900	600,000	20.1%	\$2.60	Collar	\$2.93 / \$4.50	\$4.11	\$287,970
Jun-17	3,685,800	600,000	16.3%	\$2.64	Collar	\$2.93 / \$4.50	\$4.15	\$275,940
Jul-17	4,220,400	600,000	14.2%	\$2.68	Collar	\$2.93 / \$4.50	\$4.19	\$264,420
Aug-17	4,304,000	600,000	13.9%	\$2.69	Collar	\$2.93 / \$4.50	\$4.20	\$261,540
Sep-17	3,083,300	600,000	19.5%	\$2.69	Collar	\$2.93 / \$4.50	\$4.19	\$265,890
FY17 Total	37,092,900	7,200,000	19.4%	\$2.66			\$4.18	\$3,199,110
Oct-17	3,431,700	-	0.0%	\$2.71	N/A	N/A	\$4.22	-
Nov-17	3,587,900	-	0.0%	\$2.78	N/A	N/A	\$4.32	-
Dec-17	2,839,000	-	0.0%	\$2.92	N/A	N/A	\$4.52	-
Jan-18	2,881,100	-	0.0%	\$3.02	N/A	N/A	\$4.70	-
Feb-18	2,957,300	-	0.0%	\$3.01	N/A	N/A	\$4.68	-
Mar-18	3,123,300	-	0.0%	\$2.95	N/A	N/A	\$4.61	-
Apr-18	2,256,000	-	0.0%	\$2.69	N/A	N/A	\$4.33	-
May-18	3,094,500	-	0.0%	\$2.69	N/A	N/A	\$4.33	-
Jun-18	3,689,500	-	0.0%	\$2.72	N/A	N/A	\$4.37	-
Jul-18	4,211,100	-	0.0%	\$2.76	N/A	N/A	\$4.41	-
Aug-18	4,295,000	-	0.0%	\$2.77	N/A	N/A	\$4.42	-
Sep-18	3,142,600	-	0.0%	\$2.77	N/A	N/A	\$4.42	-
FY18 Total	39,509,000	-	0.0%	\$2.81			\$4.44	-

Volume - mmBtu
Cost - \$/mmBtu

Table 4B: Counterparty Exposure

Supplier/Counterparty	Fuel Type	Contract Type	Hedged Volume	Mark-to-Market Value
Wells Fargo Bank, N.A.				
FY16	Natural Gas	Puts and Calls	4,200,000	\$2,228,520
FY17	Natural Gas	Puts and Calls	7,200,000	\$3,199,110
FY18	Natural Gas	Puts and Calls	---	---
Royal Bank of Canada				
FY16	Natural Gas	Swaps, Puts, Calls	---	---
FY17	Natural Gas	Swaps, Puts, Calls	---	---
FY18	Natural Gas	Swaps, Puts, Calls	---	---

Figure 5: Natural Gas Positions FY2016-FY2018



JEA

Energy Market Risk Management Policy

Approved by the Board of Directors

3/18/2014



Strictly Confidential

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Policy Introduction

During the course of business, JEA is exposed to volatility in electric energy and fuel prices, uncertainty in load and resource availability, the creditworthiness of its counterparties, and the risks associated with transacting in wholesale energy markets. To manage these risks and others in the wholesale energy markets, JEA has developed an Energy Market Risk Management (“EMRM”) Policy (the “Policy”).

Objectives of the Policy

The objectives of the Policy are the following:

1. Identify and discuss categorical risks inherent in operating in wholesale energy markets;
2. Establish the governance structure for EMRM activity;
3. Delineate the roles and oversight responsibilities of the groups and individuals responsible for implementing an EMRM program;
4. State required business practices;
5. Set exposure limits based on position, tenor, and notional dollar amounts;
6. Define Credit Policy;
7. Set forth the monitoring and reporting requirements for the EMRM Program;
8. Define the products that may be used to manage the exposures.

Scope of the Policy

This Policy identifies risks inherent in operating in wholesale energy markets. Specifically, the Policy addresses Market Risk, Counterparty Risk, Volumetric Risk, Budget Risk, Collateralization Risk, Regulatory Risk, and Operative Risk arising from JEA’s generating assets, load obligations, wholesale energy contracts, fuel supply contracts, and Financial and Physical Transactions. With respect to Financial and Physical Transactions, the Policy covers the Credit Risk associated with execution, as well as the recording, monitoring, and risk reporting associated with these transactions.

Policy Establishment, Authority, Approval and Revision

JEA’s Board of Directors must approve this Policy, as well as any future changes to the Policy. Board approval shall not be required to amend, supplement or update the Policy appendices. On an annual basis, the Chief Financial Officer (CFO), Chief Risk & Compliance Officer (CRCO) and Vice President/General Manager, Electric Systems will review this Policy and determine if it should be amended, supplemented or updated to account for business developments or for other appropriate business reasons.

Additional policies and procedures that may be developed to fully implement this Policy do not require Board approval provided that such policies and procedures do not conflict with this Policy. In the event that any policies or procedures conflict with this Policy, this Policy shall prevail.

Discussion of Risks

JEA is subjected to risk inherent in the business environment in which it operates. Exposure to risks inherent in the energy markets could result in a multitude of diverse positive or negative consequences for JEA. Market risk, Counterparty risk, Volumetric risk, Budget risk, Collateralization risk, Operative risk and Regulatory risk are among the most critical and identifiable of the risks relevant to JEA, as they pertain to the scope of this Policy.

Market Risk

Market Risk is the exposure JEA faces due to changes in the value of market variables. Specifically Market Risk includes:

Price Risk

Price Risk is the exposure JEA faces as a result of changes in the market price for power, fuel, and emissions allowances. Price Risk is typically the largest source of exposure and is managed by implementing a comprehensive EMRM Program that includes risk identification and measurement, strategy development and execution, and risk monitoring and reporting.

Basis Risk

Basis Risk is the exposure JEA faces as a result of less-than-perfect correlation between the underlying asset or item being hedged and the product/instrument used to hedge the asset or item. Basis risk is managed by ensuring there is a reasonable degree of correlation between the hedging product/instrument and the underlying asset/item being hedged. Basis Risk can result from difference in price changes due to differences in:

- Location – An example is using the NYMEX natural gas Futures contract which is priced at the Henry Hub to hedge an underlying exposure on the FGT pipeline;
- Products – An example is using the NYMEX WTI crude oil Futures contract to hedge an underlying exposure arising from the need to purchase fuel oil;
- Timing – An example is using the January NYMEX natural gas Future contract to hedge exposures to daily intra-month natural gas price swings in December.

Liquidity Risk

Liquidity Risk is the exposure caused by lack of marketability of a financial instrument or physical product at the prices consistent with recent sales. Liquidity Risk may be a problem because a given position is very large relative to typical trading volumes or because market conditions are unsettled. Liquidity Risk can be identified by a wide bid-ask spread and large price movements in response to any attempt to buy or sell. Liquidity Risk is managed by ensuring there is a reasonable degree of liquidity in the hedging product/instrument, by monitoring the concentration of exposure in product/instruments at locations that are illiquid, and by adjusting the process used in risk measurement and strategy analysis to incorporate the illiquidity.

Counterparty Risk

Counterparty Risk is the risk associated with potential losses JEA could incur due to a counterparty not fulfilling contractual obligations. This risk can be realized through a physical or financial nonperformance by a counterparty. Although JEA is exposed to Counterparty Risk from a number of sources, for purposes of this Policy, Counterparty Risk will be restricted to the management of Counterparty Risk associated with Transactions in the wholesale energy market. Counterparty Risk will be managed by the limits and control set forth in this Policy.

Volumetric Risk

Volumetric Risk is the exposure JEA faces due to deviation from expected levels in the amount of energy delivered or generated. It includes deviations in load (which could be caused by economic conditions, weather, etc.) as well as deviations caused by Operations Risk. Volumetric Risk is managed by identifying the impact it could have on JEA's financial and operating performance and developing strategies to manage the risk if warranted.

Budget Risk

Budget Risk is the risk associated with not collecting a budgeted variable fuel rate that is sufficient to cover JEA's fuel and purchase power cost of operation. This risk can be managed

by monitoring the market uncertainty and the impact to the JEA portfolio. JEA manages this risk through the limit structure in this Policy.

Collateralization Risk

Collateralization Risk is the exposure JEA faces from the potential mismatch that can occur between the timing in cash flow associated with the underlying item being hedged and the timing requirements for posting collateral. For example, if JEA were to hedge its need to purchase natural gas two years out by purchasing NYMEX natural gas Futures and the price of natural gas were to drop substantially before the gas was consumed, JEA would need to post additional collateral with its Futures broker prior to receiving revenue from the sale of the power generated at its natural gas-fired facilities.

Operative Risk

Operative Risk is the exposure JEA faces due to daily activity at the organization. Specifically Operative Risk includes:

Operations Risk

Operations Risk is the exposure JEA faces due to failure of its assets to perform as expected. This risk includes exposure caused by unplanned outages, inaccurate load forecasts, delays in construction, failure of transmission or transportation systems, etc. Operations Risk is managed by proper maintenance and construction programs, proper operational planning and by quantifying the impact this risk could have on JEA's financial and operating condition and taking steps to manage the risk if warranted.

Implementation Risk

Implementation Risk is the exposure that JEA faces from failed or inadequate management of processes, people, and systems related to its EMRM Program. Implementation Risk is managed by developing and enforcing policies and procedures, addressing transaction execution and processing, and by maintaining a segregation of responsibilities between transaction authorization/execution, risk monitoring, and reporting.

Regulatory Risk

Regulatory Risk is the risk associated with participating in regulated markets. With the Dodd-Frank Wall Street Reform Act and other applicable laws and regulations, JEA has the potential to transact products regulated by the Commodity Futures Trading Commission or other regulatory bodies within and outside of the United States. To ensure compliance with applicable regulators and regulations, JEA:

- Requires all employees participating in activities within the scope of this document to participate in annual compliance training, and
- Actively monitors regulatory bodies for regulations applicable to JEA.

Oversight Responsibilities and Organization Structure

Organizational Structure and Reporting Relationships

The JEA Board has delegated the responsibility to the Managing Director/CEO (MD/CEO) to develop and implement JEA's EMRM Program. The Board's responsibilities with respect to JEA's EMRM Program include:

- Reviewing and approving this Policy and all revisions to this Policy.
- Understanding JEA's major financial energy market risk exposures.
- Delegating the oversight and maintenance of the Policy to JEA's Fuel and Purchase Power Committee (FPPC).

- Approving all Transactions outside of FPPC authorization limits.

FPPC

The FPPC is responsible for risk oversight for all energy market risk management activities for JEA. Additionally, the FPPC is responsible for ensuring all energy market risk management activities are in accordance with this Policy.

The MD/CEO shall appoint the core members of the FPPC. The list of core members shall include the Chief Risk & Compliance Officer who is responsible for ensuring compliance with this Policy. The complete list of the core FPPC members is set forth in Appendix B. The FPPC shall meet monthly and additionally as needed to review the performance and appropriateness of the energy market risk management activities given the current and anticipated future market and business environment. Decisions of the FPPC will be made by consensus and will be retained by JEA consistent with JEA Records Management Policies. Hedge recommendations and resulting Transactions will be documented in presentation materials and posted on the Fuel Management Services web page on the JEA intranet. Any materials used in the analysis or decision to enter into a swap, as defined by the CFTC, including confirmation documents will be retained as specified by the CFTC.

The responsibilities of the FPPC relative to energy market risk management shall include:

- Keeping abreast of industry, market and legislative developments that affect JEA's risk exposure.
- Monitoring energy market risk exposures on an aggregate level.
- Developing and approving the major strategies employed to manage energy market risk.
- Approving all energy market financial transactions.
- Approving all strategies used by JEA to manage energy market risk.
- Approving the policies and procedures needed to implement this Policy, including amendments and updates to the appendices.
- Reviewing all exceptions to the Policy and exceedances of market and credit limits.
- Designating the individuals for whom this Policy applies and ensuring these individuals are aware of and understand their individual responsibilities for compliance with this Policy.
- Authorizing specific individuals to commit JEA to energy market Transactions and ensuring that such individuals are appropriately trained. A list of individuals authorized by the FPPC is contained in Appendix C.
- Approving any changes to the list of approved energy market risk management products contained in Appendix D.
- Approving methodologies, models, metrics and assumptions for valuation and risk measurement for energy market risk.
- Reviewing the performance of the Qualified Independent Representative (QIR) annually over the preceding 12-months and arriving at a recommendation to either continue using the current QIR or select a replacement. Current JEA QIR selection is provided in Appendix E.
- Ensuring documentation of Transactions is maintained.
- Reviewing Transactions and risk reports furnished by TEA.

Business Practices

Business Practices are set forth to help manage the Implementation Risk and are required for an effective EMRM Program. JEA has adopted the following business practices:

Standards of Conduct and Compliance

No employee of JEA shall use non-public information to the benefit of his or her own account.

Subject to existing and future laws and regulations and to the extent possible, employees shall refrain from disclosing pricing terms of Transactions with third parties.

JEA employees shall follow:

- JEA's Code of Ethics as set forth in JEA/SJRPP Ethical Business Conduct Guidelines.
- FERC Standards of Conduct.
- Any compliance documents that may be developed under the EMRM Program.

Training

It is the responsibility of the FPPC to ensure employees that are able to commit JEA to energy market risk management strategies and execute Transactions have received adequate training and understand the implications of their commitments.

Trading Practices

All Transactions authorized or entered into by an employee of JEA must be entered into with the intent to manage risk and not with the intent to inflate volumes, revenues, or otherwise present a distorted representation of JEA's financial position.

No JEA employee or representative shall execute or authorize the execution of any Transaction if the purpose of the Transaction is to generate income by anticipating market movements. If any questions arise as to whether a particular Transaction constitutes speculation, the FPPC shall review the Transaction(s) to determine whether the Transaction would constitute speculation.

All Transactions will be executed in a timely manner after FPPC authorization.

All physical Transactions executed by JEA shall follow the Board of Directors approved Fuel Management Services Procurement Directive.

JEA's relationship with TEA is governed by the Operating Agreement and any policies referenced in the Operating Agreement. JEA personnel authorizing or directing TEA to enter into Transactions will understand the relevant provisions of these documents. After directing a representative of TEA to execute a financial transaction on behalf of JEA, a representative of JEA will participate in the execution of the financial transaction with the TEA representative and the JEA counterparty to actively monitor each financial transaction. JEA shall comply with ***Swap Policies and Procedures for New Swap Regulations*** in regards to consent to recording by the JEA counterparty.

Individual Authorities

Only employees approved by the FPPC as listed in Appendix C can commit JEA to energy market Transactions. Approved employees can only authorize TEA to execute Transactions for products for which they have approval and within the limits set forth in Appendix F of this EMRM Policy.

Transaction Methods

All Transactions must be confirmed over a recorded phone line, recorded via an instant messaging program, or documented through a signed confirmation from both parties that meets state record retention statutes. All physical Transactions are executed under JEA's Fuel

Management Procurement Directive with counterparties that are part of the Responsible Bidders List.

Authorized Products

All Transactions must be for products on the Authorized Product List which is included in Appendix D. The FPPC will be responsible for authorizing all products and commodity types to be executed under a Master Agreement, Participation Agreement or some other non-industry standard Agreement. JEA will work to ensure risks associated with transacting the product are understood and communicated and to make recommendations to the FPPC for approving products.

- New products will be recommended and must first be approved by the FPPC before trade execution.
- There will be a justification for the new product stating the business rationale and value to JEA.
- An identification of potential risks associated with the product and the risks the product creates.
- The FPPC will review new product justification and approve the product and quantitative and/or qualitative limits for use of the product if deemed desirable.

Authorized Counterparties

All Transactions must be executed under a Master Agreement, Participation Agreement or some other non-industry standard Agreement with an approved counterparty. The Treasurer will maintain all signed agreements with all counterparties approved for financial transactions. Specifically, for Transactions executed by JEA for physical fuel supply needs, the potential supplier is required to have been accepted by Fuel Management Services on JEA's Responsible Bidders List.

Confirmations of Executed Transactions

Written confirmations will be required from counterparties, as defined in the agreement governing the Transaction between JEA and counterparty, for all EMRM Transactions. Contemporaneous with any commitments and prior to receipt of written confirmations, verbal commitments shall be memorialized as to instrument structure, quantity, time horizon, price and any other relevant terms; such internal documentation shall be time stamped and correlated to the ultimate written confirmation to or from the counterparty.

Trade Recordkeeping

A paper or electronic trade ticket will be filled out for every trade executed. A trade ticket will contain, if applicable, the following information:

- Date of transaction;
- Counterparty;
- Transaction capacity (e.g., MW/hour or mmBtu/day) or volume;
- Buy or sell;
- Transaction price;
- Delivery point;
- For options, option type, strike and execution instructions;
- For financial swaps, the reference index;
- Starting/Ending delivery date and hour or schedule;
- Product type;
- Any other date, hour and/or capacity data needed to define a shaped product;
- Broker or electronic trading site and fee, if applicable;

- If the transaction is a swap;
- The reporting counterparty, if the trade is a swap and there is not a prearranged reporting relationship;
- If the trade qualifies for the trade option exemption or exception to clearing for end user, if the trade is a swap.

Qualified Independent Representative (QIR)

JEA shall comply with *Swap Policies and Procedures for New Swap Regulations* in regards to the selection and use of JEA's Qualified Independent Representative.

Exposures and Limits

A risk limit structure is essential for ensuring that JEA manages its risk exposure within tolerances approved by the Board. The limit structure put forth in this document sets the exposures that JEA is willing to take when entering into Transactions covered under the Policy. JEA will manage its exposures by using locational and volume limits.

Volume Limits

The net delta volume of hedge transactions may not exceed the expected volume of the hedged commodity at the time hedges are executed.

Locational Limits

Electric transmission and fuels transportation Transactions must support the requirement of one of JEA's generation units, native load or transaction locations.

Swap Threshold Limits

JEA manages its swap exposure within the limit structures set forth by the CFTC. If the swap exposure reaches 75% of the swap exposure limit, the CFO will notify the FPPC.

Exceedance of Limits

In the event a limit is exceeded, unless specified elsewhere in this Policy, FPPC will be notified as soon as possible. The CFO will report all exceptions to the Board quarterly.

Credit Policy

It is the intent of the Credit Policy to identify, measure, manage, monitor and report on the Credit Risk associated with Transactions that subject JEA to financial exposure from the contractual default of a counterparty.

JEA determines the credit quality of counterparties based upon various credit evaluation factors, including collateral requirements under certain circumstances.

In order to manage credit risk, JEA has established the following policies:

- Commodity Transactions will be entered into only with approved counterparties, approved by the CFO, that have sufficient unutilized credit to support the transaction.
- JEA counterparties will be reassessed at least annually or in the event of a material credit event for the counterparty.

- The status of credit risk will be tracked by counterparty at the agreement level and the information made available to FPPC on a monthly basis for risk oversight and more frequently when there is a material credit event for the contracted counterparty, the counterparty credit limit for an individual credit limit for a counterparty is exceeded or a material market event that causes credit exposure to increase significantly.

Measuring Credit Risk

Credit Risk measurement defines the process that will be used to determine credit exposure. In general, credit exposure is comprised of three components:

- The billed receivable and payable balance.
- The delivered and not yet billed receivable and payable balance.
- The value of the position against the market, i.e. the mark-to-market exposure.

The mark-to-market exposure measures the cost JEA would incur were the counterparty to default on the Transaction and JEA were to replace the Transaction at current market prices.

A credit report will be produced and made available for review on a daily basis. This credit report provides detail at an agreement level by counterparty. The FPPC will monitor overall credit risk and any credit exceptions at least monthly.

Until and unless a master netting and setoff agreement is in place with a counterparty, separate credit exposures for each counterparty will be calculated for each Master Agreement and will be added together to derive the total credit exposures. Negative exposures under one Master Agreement will not offset a positive exposure under another Master Agreement.

Analysis and Extension of Credit Limits

The creditworthiness of a counterparty will be determined by both qualitative and quantitative factors. Factors shall include, but are not limited to:

- A company's debt credit ratings provided by the rating agencies.
- Financial data such as an analysis of the liquidity, leverage, profitability, and size.
- Subjective factors such as company's fuel diversity, overall size, energy market risk management policy and internal controls, geographic diversity, and market intelligence.

A credit limit is the amount of unsecured credit granted to a counterparty. Unsecured credit exposure includes amounts owed by the counterparty, whether billed or not, and the mark to market differences in value of any collateral which the counterparty has provided JEA. Any net exposure above the collateral threshold, if any, will require the posting of collateral by a counterparty. Current unsecured counterparty credit limits are maintained by the Treasurer.

JEA's maximum counterparty credit limit for energy Transactions is \$100,000,000 and applies to Transactions with maturity greater than one year.

Credit Exceptions

All personnel executing Transactions are constrained by these credit limits. If trading activity exceeds a counterparty's credit limit, trading that increases exposure will be suspended until the FPPC can review and make a determination regarding the counterparty.

All credit exceptions will be documented and reported to the FPPC and the Board as Policy Exceptions.

Reporting

The following reports will be developed by TEA and made available to FPPC at the frequency listed below, and more frequently when there is a material credit event for the contracted counterparty; when the credit limit for an individual counterparty is exceeded; or when a material market event occurs that causes credit exposure to increase significantly.

- Transaction Activity – This report shows all transactions executed for a trade day; made available daily.
- Mark-to-market – This report shows all positions with volumes in the future against the current market value; made available daily.
- Policy Exceptions – This report details any exceptions to the Policy; available when needed.
- Counterparty Credit Exposure Report – This report shows exposures resulting from the transactions covered under this Policy and includes counterparty credit ratings; available daily.
- Risk Metric/Transaction Compliance Report – This report shows all exposures against Policy limits set forth in the Policy; available monthly or at FPPC request.
- Swap Exposure Report – This report measures JEA energy swap exposures against the CFTC threshold limits for Swap Dealer Registration, available monthly or at FPPC request.
- Finance and Audit Committee Report – The Vice President/General Manager, Electric Systems will report JEA’s financial and physical fuel and power transactions on a quarterly basis. This report will include physical transactions greater than one year and all financial transactions.

Policy Acknowledgement and Distribution

Policy Acknowledgement

All JEA employees participating in activities or Transactions covered by this Policy shall sign, on an annual basis or upon any revision to this Policy, a statement approved by the FPPC that they

- i. have read this Policy and any other applicable policies, processes, or procedures approved by JEA,
- ii. understand this Policy and the related policies, processes, and procedures, and
- iii. have and will continue to comply with this Policy and the related policies, processes, and procedures.

Signed acknowledgement by all affected JEA employees will be maintained by the CRCO.

Policy Distribution

JEA’s EMRM Policy may be distributed outside JEA with the consent of the MD/CEO or CFO provided that such persons or entities receiving this Policy agree to keep this Policy confidential and not disclose it to other parties.

Designated Counsel

Questions about the interpretation of any matters relating to this Policy should be referred to the CFO or CRCO. The CFO and/or or the CRCO will provide clarification and explanation on any updates to this Policy.

All Legal matters stemming from this Policy will be referred to JEA’s legal counsel.

Appendices

A. Definitions

Basis Risk – The exposure an organization faces as a result of less-than-perfect correlation between the underlying asset or item being hedged and the product/instrument used to hedge the asset or item.

Bilateral Transaction - Any physical or financial transaction between two counterparties, neither of whom is an Exchange or market entity (e.g. MISO).

Budget Risk – The risk associated with not hitting or falling outside a tolerance band of an organization’s budget.

Capacity – The real power output rating of a generator or system, typically in megawatts, measured on an instantaneous basis.

Commodity - A basic good used in commerce that is interchangeable with other commodities of the same type. Commodities are most often used as inputs in the production of other goods or services. The quality of a given commodity may differ slightly, but it is essentially uniform across producers. When they are traded on an exchange, commodities must also meet specified minimum standards, also known as a basis grade.

Collateralization Risk – The exposure an organization faces from the potential mismatching in timing that can occur between the timing in cash flow associated with the underlying item being hedged and the timing requirements for posting collateral.

Counterparty Risk – The risk associated with potential losses JEA could incur due to a counterparty not fulfilling contractual obligations.

Credit Risk - The financial exposure JEA faces from a counterparty’s refusal or inability to perform its contractual obligations.

FGT Pipeline – Florida Gas Transmission Pipeline

Financial Product – Any Future, Swap or Options contract, or any combination thereof, with any approved physical or Financial Product as the underlying commodity or instrument, which customarily settles financially and in which the primary intent is to settle the transaction financially.

Financial Transaction – Any contract with a Financial Product as the underlying instrument.

Future - A standardized contract which is traded on an organized exchange for delivery in the future of a specified underlying asset.

Hedging Transaction - A transaction designed to reduce the exposure of a specific outstanding position or portfolio; “fully hedged” equates to complete elimination of the targeted risk and “partially hedged” implies a risk reduction of less than 100%.

Implementation Risk – The exposure that an organization faces from failed or inadequate management of processes, people, and systems related to its EMRM Program.

Liquidity Risk - The exposure caused by lack of marketability of a financial instrument or physical product at the prices in line with recent sales.

Major Swap Participant – A swap market participant that maintains substantial positions in swaps such that the level of swap activity creates substantial counterparty exposure. The term

“Major Swap Participant” is further defined in 7 U.S.C. 1a(33) and further interpreted in 17 C.F.R. 1.3(hhh).

Mark-to-Market – A measure of the current value of unrealized positions; includes both Open Positions and Closed Positions.

Market Risk – The exposure an organization faces due to changes in the value of market variables.

Master Agreement - An agreement reached between two parties that outlines agreed to terms and conditions that will govern transactions made pursuant to it. The document includes but is not limited to billing, deal confirmation, credit and collateral terms. Examples of types of Master Agreements include EEI, ISDA, GISB, Power, NAESB and WSPP.

Maturity - The time between the date on which a transaction is executed to the last date that power or gas will flow (in the case of physical transactions) or be settled financially (in the case of financial transactions).

NYMEX – Abbreviation for the New York Mercantile Exchange which is an exchange platform for commodity futures.

NYMEX Natural Gas – A natural gas futures traded on the NYMEX Exchange.

NYMEX WTI – Abbreviation for West Texas Intermediate, a light, sweet crude oil futures traded on the NYMEX Exchange.

Operating Agreement – The agreement between JEA and TEA that defines the relationship between the two entities.

Operations Risk – The exposure an organization faces due to failure of its assets to perform as expected.

Operative Risk – Operations or Implementation Risk.

Option - The right but not the obligation to buy or sell the underlying asset at a specified price for a specified period of time.

Call Option – An option that gives the buyer of the option the right, but not the obligation, to buy the underlying asset at a specified price at a specified time in the future. The option seller has the obligation to provide the underlying asset if the option is exercised.

Put Option – An option that gives the buyer of the option the right, but not the obligation, to sell the underlying asset at a specified price at a specified time in the future. The option seller has the obligation to take the underlying asset if the option is exercised.

Participation Agreement - a document used by an exchange or service provider to describe the terms and conditions by which such provider has agreed to provide the service to its members/participants.

Physical Product – Any commodity that has been approved by the FPPC.

Physical Transaction – Any contract or agreement for the purchase or sale of a commodity which customarily is delivered physically and in which the primary intent is to deliver the transaction physically.

Policy – JEA’s Energy Market Risk Management (“EMRM”) Policy.

Portfolio – A collection of transactions.

Price Risk – The exposure an organization faces as a result of changes in the market price for power, fuel and emissions allowances.

Principal – Execution of a Transaction under an Agreement where the executer is also a party on the agreement

Qualified Independent Representative (QIR) – a representative required of Special Entities before transacting swaps with Swap Dealers or Major Swap Participants. Among other tasks, the representative is required to evaluate fair pricing for the swap transaction, make timely disclosures to the Special Entity and act in the best interest of the Special Entity. An exhaustive list of the requirements for the representative can be found in 17 C.F.R. 23.450(b).

Regulatory Risk – The risk of increased regulatory burden associated with participating in regulated markets.

Responsible Bidders List – Responsible fuel suppliers acceptable to Fuel Management Services and targeted by JEA in its fuel supply bid solicitations.

Special Entity – A swap transaction counterparty that includes a state agency, city, county, municipality or other political subdivision of a state, or any instrumentality, department, or a corporation of or established by a State or political subdivision of a State. The term “Special Entity” is further defined in 7 U.S.C. 6s(h)(2)(C) and further interpreted in 17 C.F.R. 23.401(C).

Swap – In general terms, a swap includes most financially settled transactions not including futures or options on futures. The term “Swap” is further defined in 7 U.S.C. 1a(47) and further interpreted in 17 C.F.R. 1.3(xxx).

Swap Dealer – A swap market participant that acts as a dealer in commodity swaps. The term “Swap Dealer” is further defined in 7 U.S.C. 1a(49) and further interpreted in 17 C.F.R. 1.3(ggg).

Term – The total duration of a contract, defined as the number of days between the beginning flow date and ending flow date, inclusive.

Trade Option Exemption – An exemption from most Dodd-Frank swap regulations granted to certain physical commodity options. Recordkeeping and reporting requirement still apply. The requirements for the trade option exemption can be found in 17 C.F.R. 32.3.

Transaction – A Physical or Financial Transaction.

Value – An amount that represent the dollar magnitude of the Transaction.

Volumetric Risk – The exposure an organization faces due to deviation from expected levels in the amount of energy delivered or generated.

B. Composition of the Fuel and Purchase Power Committee

Core Members

Paul McElroy – Managing Director/CEO

Melissa Dykes - Chief Financial Officer

Mike Brost - Vice President/General Manager, Electric Systems

Ted Hobson - Chief Risk & Compliance Officer

Steve McInall - Director, Electric Production Resource Planning

Jim Myers - Manager, Fuel Management Services

C. Authorized Personnel

Authorized Personnel List is maintained by Fuel Management Services (FMS) and is available on the FMS Sharepoint page. The following is the Authorized Personnel List as of December 10, 2015.

	Managing Director CEO	Chief Financial Officer	VP/GM Electric Systems	Dir. Electric Production Resource Planning	Manager Fuel Management Services	Director Electric Systems Operations	Manager Bulk Power Operations	Electric Systems Engineer, BPO	Electric Systems Operations Specialist	Certified/Associate System Operator	Fuels Administrator, Senior	Fuels Administrator	Fuels Electric Systems Engineer	Fuels Staff/Associate Engineer
Physical Products														
Power Products														
Fixed Price Energy Commodity	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Indexed Price Energy Commodity	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Power Capacity	x	x	x	x		x	x	x	x	x				
Transmission	x	x	x	x		x	x	x	x	x				
Physical OTC Commodity Options	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Natural Gas Products														
Fixed Price Natural Gas Commodity	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Indexed Price Natural Gas Commodity	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Natural Gas Storage	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Transportation	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Physical OTC Commodity Options	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Crude Oil and Refined Products														
Fixed Price Distillate Fuel Oil Products	x	x	x	x	x						x	x	x	x
Indexed Price Distillate Fuel Oil Products	x	x	x	x	x						x	x	x	x
Fixed Price Residual Fuel Oil Products	x	x	x	x	x						x	x	x	x
Indexed Price Residual Fuel Oil Products	x	x	x	x	x						x	x	x	x
Fixed Price Petroleum Coke Products	x	x	x	x	x						x	x	x	x
Indexed Price Petroleum Coke Products	x	x	x	x	x						x	x	x	x
Coal Products														
Fixed Price Coal Commodity	x	x	x	x	x						x	x	x	x
Indexed Price Coal Commodity	x	x	x	x	x						x	x	x	x
Environmental Products														
Air Emissions Allowances	x	x	x	x	x						x	x	x	x
Fixed Price Limestone	x	x	x	x	x						x	x	x	x
Indexed Price Limestone	x	x	x	x	x						x	x	x	x
Financial Products														
Power Products														
Fixed for Floating Swap	x	x	x	x	x	x	x							
Heat Rate Swap	x	x	x	x	x	x	x							
Financial OTC Option	x	x	x	x	x	x	x							
Natural Gas Products														
Fixed for Floating Swap	x	x	x	x	x									
Swing-Swap	x	x	x	x	x									
Financial OTC Option	x	x	x	x	x									
Crude Oil and Refined Products														
Fixed for Floating Swap	x	x	x	x	x									
Financial OTC Option	x	x	x	x	x									
Coal Products														
OTC Swap	x	x	x	x	x									
Financial OTC Option	x	x	x	x	x									

D. Authorized Product List

The purpose of the Authorized Product List is to ensure proper controls are in place to minimize risk when transacting under Master Agreements, Participation Agreements or some other non-standard industry agreement

Approved products will be limited to purchases to meet load and/or sales incidental to load for the following:

Physical Products

Physical Power Products

1. Fixed Price Energy Commodity
2. Indexed Price Energy Commodity
3. Power Capacity
4. Transmission
5. Physical OTC Commodity Options

Physical Natural Gas Products

1. Fixed Price Natural Gas Commodity
2. Indexed Price Natural Gas Commodity
3. Natural Gas Storage
4. Transportation
5. Physical OTC Commodity Options

Physical Crude Oil and Refined Products

1. Fixed Price Distillate Fuel Oil Products
2. Indexed Price Distillate Fuel Oil Products
3. Fixed Price Residual Fuel Oil Products
4. Indexed Price Residual Fuel Oil Products
5. Fixed Price Petroleum Coke Products
6. Indexed Price Petroleum Coke Products

Physical Coal Products

1. Fixed Price Coal Commodity
2. Indexed Price Coal Commodity

Physical Environmental Products

1. Air Emission Allowances
2. Fixed Price Limestone
3. Indexed Price Limestone

Financial Products

Financial Power Products

Any of the instruments listed below or any combination thereof that has electric energy as the underlying commodity, and which: (a) is customarily settled financially, and (b) the

primary intent of which is to settle financially. This excludes MISO Products and RTO Bilateral Transactions.

1. Fixed for Floating Swap
2. Heat Rate Swap
3. Financial OTC Option

Financial Natural Gas Products

Any of the instruments listed below or any combination thereof that has natural gas as the underlying commodity, and which: (a) is customarily settled financially, and (b) the primary intent of which is to settle financially.

1. Fixed for Floating Swap
2. Swing-Swap
3. Financial OTC Option

Financial Crude Oil and Refined Products

Any of the instruments listed below or any combination thereof, that has crude oil, residual fuel, or distillate as the underlying commodity, which: (a) is customarily settled financially, and (b) the primary intent of which is to settle the transaction financially.

1. Fixed for Floating Swap
2. Financial OTC Option

Financial Coal Products

Any of the instruments listed below or any combination thereof, that has coal as the underlying commodity, which: (a) is customarily settled financially, and (b) the primary intent of which is to settle the transaction financially.

1. OTC Swap
2. Financial OTC Option

E. Special Entity Representation Selection

JEA, a Special Entity under the Dodd-Frank Financial Reform Act, has selected The Energy Authority as its Qualified Independent Representative (QIR) to provide advice and guidance when entering into swap transactions with Swap Dealers or Major Swap Participants.

F. Term, Maturity and Notional Dollar Limits

JEA employees shall not approve TEA to execute a Transaction beyond the maturity, term and notional dollar limits set for their position below.

Position	Maturity Limit (Days)	Term Limit (Days)	Notional Dollar Limit (\$)
Chief Executive Officer	7,350	7,300	\$100,000,000
Chief Financial Officer	3,725	3,675	\$75,000,000
Vice President/General Manager, Electric System	3,725	3,675	\$75,000,000
Director, Electric System Operations	2,970	2,920	\$35,000,000
Director, Electric Production Resource Planning	2,970	2,920	\$35,000,000
Manager, Bulk Power Operations (BPO)	2,970	2,920	\$35,000,000
Manager, Fuel Management Services	2,970	2,920	\$35,000,000
Electric Systems Engineer, BPO	1,875	1,825	\$25,000,000
Electric Systems Operations Specialist	1,875	1,875	\$25,000,000
Fuels Administrator, Senior	1,875	1,825	\$25,000,000
Fuels Administrator	1,875	1,825	\$25,000,000
Fuels Electric Systems Engineer	1,875	1,825	\$25,000,000
Fuels Staff/Associate Engineer	1,875	1,825	\$25,000,000
Certified System Operator On Duty	balance of the month	balance of the month	\$750,000
Associate System Operator On Duty	balance of the month	balance of the month	\$750,000



JEA
Building Community
AGENDA ITEM SUMMARY

February 18, 2016

SUBJECT:	ELECTRIC SYSTEM AND WATER AND SEWER SYSTEM RESERVE FUND QUARTERLY REPORT
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Purpose:	<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: Electric System and Water and Sewer System Reserve Fund Quarterly Report as of December 31, 2015.

Significance: Low

Effect: JEA Board

Cost or Benefit: None

Recommended Board action: No action required; provided for information only.

For additional information, contact: Joe Orfano, Treasurer, 665-4541

Submitted by: PEM/MHD/JEO/BHG

MISSION		VISION		VALUES	
Energizing our community through high-value energy and water solutions.		JEA is a premier service provider, valued asset and vital partner in advancing our community.		<ul style="list-style-type: none"> • Safety • Service • Growth • Accountability • Integrity 	

Commitments to Action

- 1 Earn Customer Loyalty**
- 2 Deliver Business Excellence**
- 3 Develop an Unbeatable Team**



INTER-OFFICE MEMORANDUM

February 18, 2016

SUBJECT: **ELECTRIC SYSTEM AND WATER AND SEWER SYSTEM RESERVE
FUND QUARTERLY REPORT**

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

Kelly Flanagan, Chair
Tom Petway
Ed Burr
Husein Cumber

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 resolution 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 December 31, 2015.

RECOMMENDATION:

No action required; provided for information only.

Paul E. McElroy, Managing Director/CEO

PEM/MHD/JEO/BHG

Electric System and Water & Sewer System Reserve and Fund Balances (1)

For the Fiscal Quarter Ending December 31, 2015
(In Thousands of Dollars)

Electric System	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Detail
	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>Page #</u>
Unrestricted					
Operations/Revenue Fund	\$ 46,588	\$ 43,178	\$ 46,624	\$ 51,626	
Debt Management Strategy Reserve	-	-	-	-	3
Self Insurance Reserve Fund					
• Property	10,000	10,000	10,000	10,000	4
• Employee health insurance	15,914	10,749	10,937	9,578	5
Rate Stabilization					
• Fuel	108,289	105,457	150,742	165,966	6
• DSM/conservation	3,891	3,570	2,886	2,711	7
• Environmental	10,023		23,430	29,179	8
• Debt Management	42,126	42,126	42,126	42,126	9
• Non-Fuel Purchased Power	-	12,000	38,000	34,398	10
Environmental	18,662	18,662	18,662	18,662	11
Customer Deposits	44,882	42,688	42,389	41,724	12
Total Unrestricted	300,375	288,430	385,796	405,970	
Unrestricted Days of Cash on Hand	129	123	182	194	
Restricted					
Debt Service Funds (Sinking Funds)	101,305	120,458	134,927	135,822	13
Debt Service Reserve Funds	64,841	64,841	64,595	60,582	14
Renewal and Replacement Funds/OCO (2)	140,486	146,910	145,711	131,454	15
Construction Funds	5,184	42	-	-	16
Total Restricted	311,816	332,251	345,233	327,858	
Total Electric System	\$ 612,191	\$ 620,681	\$ 731,029	\$ 733,828	

Water and Sewer System

Unrestricted					
Operations/Revenue Fund	\$ 5,886	\$ 9,227	\$ 22,588	\$ 25,317	
Debt Management Strategy Reserve	304	304	-	-	17
Rate Stabilization					
• Debt Management	20,290	20,291	20,290	20,290	18
• Environmental				-	19
Customer Deposit	13,860	12,787	13,255	13,793	20
Total Unrestricted	40,340	42,609	56,133	59,400	
Unrestricted Days of Cash on Hand	110	118	149	151	
Restricted					
Debt Service Funds (Sinking Funds)	80,317	75,019	67,720	66,208	21
Debt Service Reserve Funds	119,915	116,829	108,849	108,086	22
Renewal and Replacement Funds					
• R&R/OCO (3)	78,689	59,295	37,337	25,218	23
• Capacity Fees/State Revolving Loans	60,360	76,887	90,912	86,106	24
• Environmental	(9,857)	5,299	19,245	-	25
Construction Funds	2,305	326	664	664	26
Total Restricted	331,729	333,655	324,727	286,282	
Total Water & Sewer System	\$ 372,069	\$ 376,264	\$ 380,860	\$ 345,682	

(1) This report does not include Scherer, SJRPP, DES or funds held on behalf of the City of Jacksonville.
 (2) Balance includes \$47,000 of Electric System Renewal and Replacement Reserve for MADS calculation.
 (3) 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 Debt Management Reserve

For the Fiscal Quarter Ending December 31, 2015

Reserve/Fund Authorization: Debt Management Policy

Metric: One-half percent of the par amount of outstanding variable debt (adjusted for variable to fixed rate long term swaps). Capped at 3% of the par amount of outstanding variable debt

Definitions and Goals: For the period FY 04 through FY 09, an annual budgeted reserve contribution for variable rate debt was made. The calculation was based upon one half percent of the par amount of outstanding variable rate debt (adjusted for variable rate to fixed rate long term swaps). The budget reserve was capped at three percent of the par amount of the outstanding variable rate debt. The 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.

	Actual as of 12/31/2015		Full Year			Projection		
	Current Quarter	Year -to-Date	2016 Forecast	2016 Budget	Prior Year Actual	2017	2018	2019
<i>(In Thousands)</i>								
Opening Balance	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	\$ -	\$ -
Additions:								
Contributions				N/A	-			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deductions:								
Withdrawals			-	N/A	-			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	\$ -	\$ -

	Historical					Statistical			
	2011	2012	2013	2014	2015	Low	Median	Mean	High
Opening Balance	\$ 12,257	\$ 12,257	\$ 12,257	\$ -	\$ -	\$ -	\$ 12,257	\$ 7,354	\$ 12,257
Additions:									
Contributions	-	-	-	-	-	-	-	-	-
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-
Withdrawals	-	-	12,257	-	-	-	-	4,086	12,257
Sub-total	\$ -	\$ -	\$ 12,257	\$ -	\$ -	-	-	-	-
Ending balance	\$ 12,257	\$ 12,257	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,903	\$ 12,257

Observations:

- This reserve fund discontinued contributions in FY 2009 due to adoption of new policy. Reserve activity reflected in RSF - Debt Management for that year.
- A portion of this reserve was used to pay on interest rate swap terminations in connection with a refunding of variable rate debt in February 2013, and the remainder was used in Sept 2013 for a defeasance.

Electric System Self Insurance - Property

For the Fiscal Quarter Ending December 31, 2015

Reserve/Fund Authorization: Budget Appropriation

Metric: Budgeted Deposit = \$10 million

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.

	Actual as of 12/31/2015		Full Year			Projection		
	Current Quarter	Year -to-Date	2016 Forecast	2016 Budget	Prior Year Actual	2017	2018	2019
<i>(In Thousands)</i>								
Opening Balance	\$ 10,000	\$ 10,000	\$ 10,000	N/A	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Additions:								
Reserve Contribution				N/A	-			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deductions:								
Reserve Withdrawal				N/A				
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ 10,000	\$ 10,000	\$ 10,000	N/A	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000

	Historical					Statistical			
	2011	2012	2013	2014	2015	Low	Median	Mean	High
Opening Balance	\$ 3,500	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 3,500	\$ 10,000	\$ 8,700	\$ 10,000
Additions:									
Reserve Contribution	6,500					6,500	6,500	6,500	6,500
Sub-total	\$ 6,500	\$ -	\$ -	\$ -	\$ -	-	-	-	-
Reserve Withdrawal						-	-	-	-
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-
Ending balance	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000

Electric System Self Insurance - Employee Health Insurance

For the Fiscal Quarter Ending December 31, 2015

Reserve/Fund Authorization: Florida Statute for self insured government plans

Metric: An actuary calculates amount annually

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)	Actual as of 12/31/2015		Full Year			Projection		
	Current Quarter	Year -to-Date	2016 Forecast	2016 Budget	Prior Year Actual	2017	2018	2019
Opening Balance	\$ 10,937	\$ 10,937	\$ 10,937	N/A	\$ 10,749	\$ 9,578	\$ 9,578	\$ 9,578
Additions:								
Employee Contributions	1,342	1,342	5,368	N/A	5,447	5,997	6,477	6,995
Retiree & Other Contributions	1,050	1,050	4,200		5,141	6,136	6,627	7,157
Employer Contributions	4,944	4,944	19,776		22,220	22,744	24,564	26,529
Sub-total	\$ 7,336	\$ 7,336	\$ 29,344	\$ -	\$ 32,808	\$ 34,877	\$ 37,667	\$ 40,681
Deductions:								
Payments for Claims	8,001	8,001	27,927	N/A	30,408	31,879	34,429	37,184
Actuary & Other Payments	694	694	2,776		2,212	2,998	3,238	3,497
Sub-total	\$ 8,695	\$ 8,695	\$ 30,703	\$ -	\$ 32,620	\$ 34,877	\$ 37,667	\$ 40,681
Ending Balance	\$ 9,578	\$ 9,578	\$ 9,578	N/A	\$ 10,937	\$ 9,578	\$ 9,578	\$ 9,578

(In Thousands)	Historical					Statistical			
	2011	2012	2013	2014	2015	Low	Median	Mean	High
Opening Balance	\$ 8,227	\$ 12,505	\$ 15,440	\$ 15,914	\$ 10,749	\$ 8,227	\$ 12,505	\$ 12,567	\$ 15,914
Additions:									
Employee Contributions	5,926	6,147	5,893	4,573	5,447	4,573	5,893	5,597	6,147
Retiree & Other Contributions	4,725	6,910	5,701	5,188	5,141	4,725	5,188	5,533	6,910
Employer Contributions	20,484	21,155	20,629	14,252	22,220	14,252	20,629	19,748	22,220
Sub-total	\$ 31,135	\$ 34,212	\$ 32,223	\$ 24,013	\$ 32,808				
Deductions:									
Payments for Claims	24,699	29,220	29,354	27,157	30,408	24,699	29,220	28,168	30,408
Actuary & Other Payments	2,158	2,057	2,395	2,021	2,212	2,021	2,158	2,169	2,395
Sub-total	\$ 26,857	\$ 31,277	\$ 31,749	\$ 29,178	\$ 32,620				
Ending balance	\$ 12,505	\$ 15,440	\$ 15,914	\$ 10,749	\$ 10,937	\$ 10,749	\$ 12,505	\$ 13,109	\$ 15,914

Observations:

- Self Insurance for Employee Health Insurance began in July 2009.
- Projections are using the 8% rate of increase based on information obtained from the Actuarial Memorandum and Report. Calendar year data is presented above in fiscal year format.

Electric System Rate Stabilization - Fuel Management

For the Fiscal Quarter Ending December 31, 2015

Reserve/Fund Authorization: Bond Resolution and Pricing Policy

Metric: Targeted 15% of total annual projected energy costs

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 (a) the maximum 12-month historical fuel cost or (b) the projected 12-month 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.

	Actual as of 12/31/2015		Full Year			Projection		
	Current Quarter	Year -to-Date	2016 Forecast	2016 Budget	Prior Year Actual	2017	2018	2019
<i>(In Thousands)</i>								
Opening Balance	\$ 150,742	\$ 150,742	\$ 150,742	N/A	\$ 105,457	\$ 165,966	\$ 165,966	\$ 165,966
Additions:								
Contributions	35,294	35,294	71,830	25,285	95,224			
Sub-total	\$ 35,294	\$ 35,294	\$ 71,830	\$ 25,285	\$ 95,224	\$ -	\$ -	\$ -
Deductions:								
Withdrawals					-			
Customer Fuel Rebate Credit	56,606	56,606	56,606	-	49,939			
Sub-total	\$ 56,606	\$ 56,606	\$ 56,606	\$ -	\$ 49,939	\$ -	\$ -	\$ -
Ending Balance	\$ 129,430	\$ 129,430	\$ 165,966	N/A	\$ 150,742	\$ 165,966	\$ 165,966	\$ 165,966

	Historical					Statistical			
	2011	2012	2013	2014	2015	Low	Median	Mean	High
Opening Balance	\$ 55,935	\$ 24,990	\$ 92,362	\$ 108,289	\$ 105,457	\$ 24,990	\$ 92,362	\$ 77,407	\$ 108,289
Additions:									
Contributions	53,465	76,763	52,523	22,496	95,224	22,496	53,465	60,094	95,224
Sub-total	\$ 53,465	\$ 76,763	\$ 52,523	\$ 22,496	\$ 95,224	-	-	-	-
Deductions:									
Withdrawals	84,410	9,391				9,391	46,901	46,901	84,410
Customer Fuel Rebate Credit			36,596	25,328	49,939	25,328	36,596	37,288	49,939
Sub-total	\$ 84,410	\$ 9,391	\$ 36,596	\$ 25,328	\$ 49,939	-	-	-	-
Ending balance	\$ 24,990	\$ 92,362	\$ 108,289	\$ 105,457	\$ 150,742	\$ 24,990	\$ 105,457	\$ 96,368	\$ 150,742

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 Fiscal Quarter Ending December 31, 2015

Reserve/Fund Authorization: Bond Resolution and Pricing Policy

Metric: \$0.50 per 1,000 kWh plus \$0.01 per kWh residential conservation charge for consumption greater than 2,750 kWh monthly

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.

	Actual as of 12/31/2015		Full Year			Projection		
	Current Quarter	Year -to-Date	2016 Forecast	2016 Budget	Prior Year Actual	2017	2018	2019
<i>(In Thousands)</i>								
Opening Balance	\$ 2,886	\$ 2,886	\$ 2,886	N/A	\$ 3,570	\$ 2,711	\$ 2,711	\$ 2,711
Additions:								
Contributions	1,509	1,509	6,843	6,942	7,059	6,839	6,844	6,844
Other								
Sub-total	\$ 1,509	\$ 1,509	\$ 6,843	\$ 6,942	\$ 7,059	\$ 6,839	\$ 6,844	\$ 6,844
Deductions:								
Withdrawals	1,165	1,165	7,018	7,674	7,743	6,839	6,844	6,844
Sub-total	\$ 1,165	\$ 1,165	\$ 7,018	\$ 7,674	\$ 7,743	\$ 6,839	\$ 6,844	\$ 6,844
Ending Balance	\$ 3,230	\$ 3,230	\$ 2,711	N/A	\$ 2,886	\$ 2,711	\$ 2,711	\$ 2,711

	Historical					Statistical			
	2011	2012	2013	2014	2015	Low	Median	Mean	High
Opening Balance	\$ 10,813	\$ 10,703	\$ 6,912	\$ 3,891	\$ 3,570	\$ 3,570	\$ 6,912	\$ 7,178	\$ 10,813
Additions:									
Contributions	7,978	6,657	6,683	6,929	7,059	6,657	6,929	7,061	7,978
Transfer from Rev Fd						-	-	-	-
Sub-total	\$ 7,978	\$ 6,657	\$ 6,683	\$ 6,929	\$ 7,059				
Deductions:									
Withdrawals	8,088	10,448	9,704	7,250	7,743	7,250	8,088	8,647	10,448
Sub-total	\$ 8,088	\$ 10,448	\$ 9,704	\$ 7,250	\$ 7,743				
Ending balance	\$ 10,703	\$ 6,912	\$ 3,891	\$ 3,570	\$ 2,886	\$ 2,886	\$ 3,891	\$ 5,592	\$ 10,703

Observations:

- Rate Stabilization Fund for Demand Side Management began in April 2009.

Electric System Rate Stabilization - Environmental

For the Fiscal Quarter Ending December 31, 2015

Reserve/Fund Authorization: Bond Resolution and Pricing Policy

Metric: \$0.62 per 1,000 kWh

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)	Actual as of 12/31/2015		Full Year			Projection		
	Current Quarter	Year -to-Date	2016 Forecast	2016 Budget	Prior Year Actual	2017	2018	2019
Opening Balance	\$ 23,430	\$ 23,430	\$ 23,430	N/A	\$ 16,639	\$ 29,179	\$ 32,179	\$ 35,179
Additions:								
Contributions	1,724	1,724	7,394	7,320	7,586	3,000	3,000	3,000
Sub-total	\$ 1,724	\$ 1,724	\$ 7,394	\$ 7,320	\$ 7,586	\$ 3,000	\$ 3,000	\$ 3,000
Deductions:								
Withdrawals			1,645	2,442	795			
Sub-total	\$ -	\$ -	\$ 1,645	\$ 2,442	\$ 795	\$ -	\$ -	\$ -
Ending Balance	\$ 25,154	\$ 25,154	\$ 29,179	N/A	\$ 23,430	\$ 32,179	\$ 35,179	\$ 38,179

	Historical					Statistical			
	2011	2012	2013	2014	2015	Low	Median	Mean	High
Opening Balance	\$ 2,467	\$ 4,232	\$ 5,343	\$ 10,023	\$ 16,639	\$ 2,467	\$ 5,343	\$ 7,741	\$ 16,639
Additions:									
Contributions	6,583	2,436	5,650	7,395	7,586	2,436	6,583	5,930	7,586
Sub-total	\$ 6,583	\$ 2,436	\$ 5,650	\$ 7,395	\$ 7,586	-	-	-	-
Deductions:									
Withdrawals	4,818	1,325	970	779	795	779	970	1,737	4,818
Sub-total	\$ 4,818	\$ 1,325	\$ 970	\$ 779	\$ 795	-	-	-	-
Ending balance	\$ 4,232	\$ 5,343	\$ 10,023	\$ 16,639	\$ 23,430	\$ 4,232	\$ 10,023	\$ 11,933	\$ 23,430

Observations:

- Rate Stabilization Fund for Environmental began in June 2010.

Electric System Rate Stabilization - Debt Management

For the Fiscal Quarter Ending December 31, 2015

Reserve/Fund Authorization: Bond Resolution and Pricing Policy

Metric: Difference in actual interest rates for interest expense on the unhedged variable rate debt as compared to the budgeted assumptions for interest expense on unhedged variable rate debt

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 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)	Actual as of 12/31/2015		2016 Forecast	Full Year		Projection		
	Current Quarter	Year -to-Date		2016 Budget	Prior Year Actual	2017	2018	2019
Opening Balance	\$ 42,126	\$ 42,126	\$ 42,126	N/A	\$ 42,126	\$ 42,126	\$ 42,126	\$ 42,126
Additions:								
Contributions				N/A	-			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deductions:								
Withdrawals					-			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ 42,126	\$ 42,126	\$ 42,126	N/A	\$ 42,126	\$ 42,126	\$ 42,126	\$ 42,126

	Historical					Statistical			
	2011	2012	2013	2014	2015	Low	Median	Mean	High
Opening Balance	\$ 19,213	\$ 35,930	\$ 41,611	\$ 42,126	\$ 42,126	\$ 19,213	\$ 41,611	\$ 36,201	\$ 42,126
Additions:									
Contributions	16,717	5,681	6,581			5,681	6,581	9,660	16,717
Sub-total	\$ 16,717	\$ 5,681	\$ 6,581	\$ -	\$ -	-	-	-	-
Deductions:									
Withdrawals	-	-	6,066			-	-	2,022	6,066
Sub-total	\$ -	\$ -	\$ 6,066	\$ -	\$ -	-	-	-	-
Ending balance	\$ 35,930	\$ 41,611	\$ 42,126	\$ 42,126	\$ 42,126	\$ 35,930	\$ 42,126	\$ 40,784	\$ 42,126

Observations:

- Rate Stabilization Fund for Debt Management began in May 2009.

Electric System Rate Stabilization - Non-Fuel Purchased Power

For the Fiscal Quarter Ending December 31, 2015

Reserve/Fund Authorization: Bond Resolution and Pricing Policy

Metric: Difference in actual interest rates for interest expense on the unhedged variable rate debt as compared to the budgeted assumptions for interest expense on unhedged variable rate debt

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.

	Actual as of 12/31/2015		Full Year			Projection		
	Current Quarter	Year -to-Date	2016 Forecast	2016 Budget	Prior Year Actual	2017	2018	2019
<i>(In Thousands)</i>								
Opening Balance	\$ 38,000	\$ 38,000	\$ 38,000	N/A	\$ 12,000	\$ 34,398	\$ 25,166	\$ 13,421
Additions:								
Contributions					26,000			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ 26,000	\$ -	\$ -	\$ -
Deductions:								
Withdrawals			3,602	-	-	9,232	11,745	9,937
Sub-total	\$ -	\$ -	\$ 3,602	\$ -	\$ -	\$ 9,232	\$ 11,745	\$ 9,937
Ending Balance	\$ 38,000	\$ 38,000	\$ 34,398	N/A	\$ 38,000	\$ 25,166	\$ 13,421	\$ 3,484

	Historical					Statistical			
	2011	2012	2013	2014	2015	Low	Median	Mean	High
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ 12,000	\$ -	\$ -	\$ 2,400	\$ 12,000
Additions:									
Contributions				12,000	26,000	12,000	19,000	19,000	26,000
Sub-total	\$ -	\$ -	\$ -	\$ 12,000	\$ 26,000				
Deductions:									
Withdrawals						-	-	-	-
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -				
Ending balance	\$ -	\$ -	\$ -	\$ 12,000	\$ 38,000	\$ -	\$ -	\$ 10,000	\$ 38,000

Observations:

- The Non-Fuel Purchased Power Rate Stabilization Fund began in FY 2014.

Electric System Environmental Reserve

For the Fiscal Quarter Ending December 31, 2015

Reserve/Fund Authorization: Pricing Policy

Metric: Target equals the balance in the environmental liability account

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)	Actual as of 12/31/2015		Full Year			Projection		
	Current Quarter	Year -to-Date	2016 Forecast	2016 Budget	Prior Year Actual	2017	2018	2019
Opening Balance	\$ 18,662	\$ 18,662	\$ 18,662	N/A	\$ 18,662	\$ 18,662	\$ 18,662	\$ 18,662
Additions:								
Contributions			-	N/A	-			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deductions:								
Withdrawals			-	N/A	-			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ 18,662	\$ 18,662	\$ 18,662	N/A	\$ 18,662	\$ 18,662	\$ 18,662	\$ 18,662

	Historical					Statistical			
	2011	2012	2013	2014	2015	Low	Median	Mean	High
Opening Balance	\$ 16,946	\$ 20,899	\$ 18,359	\$ 18,662	\$ 18,662	\$ 16,946	\$ 18,662	\$ 18,706	\$ 20,899
Additions:									
Contributions	3,953		970			970	2,462	2,462	3,953
Sub-total	\$ 3,953	\$ -	\$ 970	\$ -	\$ -	-	-	-	-
Deductions:									
Withdrawals		2,540	667			667	1,604	1,604	2,540
Sub-total	\$ -	\$ 2,540	\$ 667	\$ -	\$ -	-	-	-	-
Ending balance	\$ 20,899	\$ 18,359	\$ 18,662	\$ 18,662	\$ 18,662	\$ 18,359	\$ 18,662	\$ 19,049	\$ 20,899

Observations:

- The Environmental Reserve began in FY 2008.

Electric System Customer Deposits

For the Fiscal Quarter Ending December 31, 2015

Reserve/Fund Authorization: Management Directive 302 Credit and Collections and Internal Procedure CR40400 MBC302

Metric: Internal procedure CR40400 MBC302 Credit and Collections

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.

	Actual as of 12/31/2015		Full Year		Projection			
	Current Quarter	Year-to-Date	2016 Forecast	2016 Budget	Prior Year Actual	2017	2018	2019
<i>(In Thousands)</i>								
Opening Balance	\$ 42,389	\$ 42,389	\$ 42,389	N/A	\$ 42,688	\$ 41,724	\$ 41,724	\$ 41,724
Additions:								
Net Customer Activity			-	N/A	-			
Loan Repayment to ES Revenue Fund					-			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deductions:								
Net Customer Activity	665	665	665		299			
Loan to ES Revenue Fund				N/A	-			
Sub-total	\$ 665	\$ 665	\$ 665	\$ -	\$ 299	\$ -	\$ -	\$ -
Ending Balance	\$ 41,724	\$ 41,724	\$ 41,724	N/A	\$ 42,389	\$ 41,724	\$ 41,724	\$ 41,724

	Historical					Statistical			
	2011	2012	2013	2014	2015	Low	Median	Mean	High
Opening Balance	\$ 38,801	\$ 42,767	\$ 43,454	\$ 44,882	\$ 42,688	\$ 38,801	\$ 42,767	\$ 42,518	\$ 44,882
Additions:									
Net Customer Activity	5,011	905	1,430			905	1,430	2,449	5,011
Loan Repayment to ES Revenue Fund	16,000					16,000	16,000	16,000	16,000
Sub-total	\$ 21,011	\$ 905	\$ 1,430	\$ -	\$ -	-	-	-	-
Deductions:									
Net Customer Activity	1,045	218	2	2,194	299	2	299	752	2,194
Loan to ES Revenue Fund	16,000					16,000	16,000	16,000	16,000
Sub-total	\$ 17,045	\$ 218	\$ 2	\$ 2,194	\$ 299				
Ending balance	\$ 42,767	\$ 43,454	\$ 44,882	\$ 42,688	\$ 42,389	\$ 42,389	\$ 42,767	\$ 43,236	\$ 44,882

Observations:

- JEA is in the process of implementing a prepaid meter program which could reduce customer deposits starting in Fiscal Year 2014.

Electric System Debt Service Sinking Fund

For the Fiscal Quarter Ending December 31, 2015

Reserve/Fund Authorization: Bond Resolution

Metric: Accrued interest and principal currently payable on fixed and variable rate bonds pursuant to the Bond Resolutions

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)	Actual as of 12/31/2015		Full Year			Projection		
	Current Quarter	Year -to-Date	2016 Forecast	2016 Budget	Prior Year Actual	2017	2018	2019
Opening Balance	\$ 134,927	\$ 134,927	\$ 134,927	N/A	\$ 120,458	\$ 135,822	\$ 128,131	\$ 130,512
Additions:								
Revenue Fund Deposits	44,116	44,116	174,392		181,006	183,251	189,153	186,306
Bond funded interest					-			
Sub-total	\$ 44,116	\$ 44,116	\$ 174,392	\$ -	\$ 181,006	\$ 183,251	\$ 189,153	\$ 186,306
Deductions:								
Principal and Int Payments	135,095	135,095	173,497	N/A	166,537	190,942	186,772	186,908
Sub-total	\$ 135,095	\$ 135,095	\$ 173,497	\$ -	\$ 166,537	\$ 190,942	\$ 186,772	\$ 186,908
Ending Balance	\$ 43,948	\$ 43,948	\$ 135,822	N/A	\$ 134,927	\$ 128,131	\$ 130,512	\$ 129,910

	Historical					Statistical			
	2011	2012	2013	2014	2015	Low	Median	Mean	High
Opening Balance	\$ 86,769	\$ 125,988	\$ 107,754	\$ 101,305	\$ 120,458	\$ 86,769	\$ 107,754	\$ 108,455	\$ 125,988
Additions:									
Revenue Fund Deposits	187,629	159,724	159,072	167,340	181,006	159,072	167,340	170,954	187,629
Bond funded interest	1,726					1,726	1,726	1,726	1,726
Sub-total	\$ 189,355	\$ 159,724	\$ 159,072	\$ 167,340	\$ 181,006	-	-	-	-
Deductions:									
Principal and Int Payments	150,136	177,958	165,521	148,187	166,537	148,187	165,521	161,668	177,958
Sub-total	\$ 150,136	\$ 177,958	\$ 165,521	\$ 148,187	\$ 166,537	-	-	-	-
Ending balance	\$ 125,988	\$ 107,754	\$ 101,305	\$ 120,458	\$ 134,927	\$ 101,305	\$ 120,458	\$ 118,086	\$ 134,927

Observations:

- September 30th ending balances are used to pay the October 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 October 1st of the following fiscal year).

Electric System Debt Service Reserve Account

For the Fiscal Quarter Ending December 31, 2015

Reserve/Fund Authorization: Bond Resolution

Metric: Maximum interest payable on outstanding senior Electric System bonds as required by the Bond Resolutions

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)	Actual as of 12/31/2015		Full Year Budget Amounts			Projection		
	Current Quarter	Year-to-Date	2016 Forecast	2016 Budget	Prior Year Actual	2017	2018	2019
Opening Balance	\$ 64,595	\$ 64,595	\$ 64,595	N/A	\$ 64,841	\$ 60,582	\$ 60,582	\$ 60,582
Additions:								
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deductions:								
Release to Revenue Fund	4,013	4,013	4,013	N/A	246			
Sub-total	\$ 4,013	\$ 4,013	\$ 4,013	\$ -	\$ 246	\$ -	\$ -	\$ -
Ending Balance	\$ 60,582	\$ 60,582	\$ 60,582	N/A	\$ 64,595	\$ 60,582	\$ 60,582	\$ 60,582

	Historical Actuals					Statistical			
	2011	2012	2013	2014	2015	Low	Median	Mean	High
Opening Balance	\$ 72,226	\$ 72,226	\$ 72,226	\$ 64,841	\$ 64,841	\$ 64,841	\$ 72,226	\$ 69,272	\$ 72,226
Additions:									
Proceeds from Bonds	-	-	-	-	-	-	-	-	-
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-
Deductions:									
Defeasance			7,385		246	246	3,816	3,816	7,385
Sub-total	\$ -	\$ -	\$ 7,385	\$ -	\$ 246	-	-	-	-
Ending balance	\$ 72,226	\$ 72,226	\$ 64,841	\$ 64,841	\$ 64,595	64,595	64,841	67,746	72,226

Observations:

- In FY 2007, the debt service reserve requirement was satisfied 100% by the use of debt service reserve surety policies. In accordance with the bond resolution, beginning in FY 2008, cash/investments replaced the downgraded sureties due to their downgrade by the rating agencies. Sureties of \$67.6 million are still outstanding but are not eligible to be utilized as debt service reserve deposits per the Bond Resolutions.
- The debt service reserve account balance is currently in excess of the the debt service reserve requirement under the bond resolution by \$3.0 million. The excess will be used, if needed, to (1) fund an increase in the reserve requirement caused by a future issuance of new money bonds and/or variable to fixed refunding bonds, (2) help satisfy cash reserve targets instituted by the rating agencies, and/or (3) redeem bonds, in accordance with applicable tax laws.

March 15, 2016 JEA Board of Directors Meeting - IV. Reports

Electric Renewal and Replacement (R&R) / Operating Capital Outlay (OCO)

For the Fiscal Quarter Ending December 31, 2015

Reserve/Fund Authorization: Bond Resolution, Article 21 of the City of Jacksonville Charter and Pricing Policy

Metric: Renewal and Replacement required to deposit from the revenue fund annually an amount equal to the greater of 10% of the prior year defined annual net revenues or 5% of the prior year defined gross revenues per JEA's Electric System bond resolutions. Operating Capital Outlay - by 2013 the goal is to fund all non-capacity capital expenditures.

Definitions and Goals: Pursuant to the Electric System 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 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 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)	Actual as of 12/31/2015		Full Year			Projection		
	Current Quarter	Year -to-Date	2016 Forecast	2016 Budget	Prior Year Actual	2017	2018	2019
Opening Balance	\$ 145,711	\$ 145,711	\$ 145,711	N/A	\$ 146,910	\$ 131,454	\$ 133,609	\$ 161,596
Additions:								
R&R/OCO Contribution	36,650	36,650	124,033	-	110,351	177,882	169,237	151,509
Loans betw Capital Fds	-	-	-	-	-	-	-	-
Other	1,743	1,743	20,271	-	970	-	-	-
Sub-total	\$ 38,393	\$ 38,393	\$ 144,304	\$ -	\$ 111,321	\$ 177,882	\$ 169,237	\$ 151,509
Deductions:								
Capital Expenditures	32,243	32,243	158,561	-	112,483	175,727	141,250	136,542
Transfers betw Capital Fds	-	-	-	-	37	-	-	-
R&R/OCO Contribution	-	-	-	-	-	-	-	-
Transfer to Scherer	-	-	-	-	-	-	-	-
Sub-total	\$ 32,243	\$ 32,243	\$ 158,561	\$ -	\$ 112,520	\$ 175,727	\$ 141,250	\$ 136,542
Ending Balance	\$ 151,861	\$ 151,861	\$ 131,454	N/A	\$ 145,711	\$ 133,609	\$ 161,596	\$ 176,563

	Historical					Statistical			
	2011	2012	2013	2014	2015	Low	Median	Mean	High
Opening Balance	\$ 48,626	\$ 73,727	\$ 105,235	\$ 140,486	\$ 146,910	\$ 48,626	\$ 105,235	\$ 102,997	\$ 146,910
Additions:									
R&R/OCO Contribution	156,406	142,822	124,630	85,639	110,351	85,639	124,630	123,970	156,406
Loans betw Capital Fds	-	-	-	-	-	-	-	-	-
Other	2,876	943	2,423	4,014	970	943	2,423	2,245	4,014
Sub-total	\$ 159,282	\$ 143,765	\$ 127,053	\$ 89,653	\$ 111,321				
Deductions:									
Capital Expenditures	115,181	112,257	91,802	82,889	112,483	82,889	112,257	102,922	115,181
Bond Buy Back	-	-	-	-	-	-	-	-	-
Transfer to Scherer	19,000	-	-	-	-	-	-	-	-
Loans betw Capital Fds	-	-	-	340	37	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Sub-total	\$ 134,181	\$ 112,257	\$ 91,802	\$ 83,229	\$ 112,520				
Ending balance	\$ 73,727	\$ 105,235	\$ 140,486	\$ 146,910	\$ 145,711	\$ 73,727	\$ 140,486	\$ 122,414	\$ 146,910

Observations:

- Other includes the Oracle Financing and Sale of Property.
- Includes \$47 million for Maximum Annual Debt Service calculation.

Electric Construction / Bond Fund

For the Fiscal Quarter Ending December 31, 2015

Reserve/Fund Authorization: Bond Resolution

Metric: Target = Capital expenditures per year minus internal funding available

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)	Actual as of 12/31/2015		Full Year			Projection		
	Current Quarter	Year -to-Date	2016 Forecast	2016 Budget	Prior Year Actual	2017	2018	2019
Opening Balance	\$ 4	\$ 4	\$ 4	N/A	\$ 42	\$ -	\$ -	\$ -
Additions:								
Bond Proceeds					-			
Line of Credit					-			
Transfers b/w Capital Fds	-				-			
Other					37			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ 37	\$ -	\$ -	\$ -
Deductions:								
Capital Expenditures			4	4	75	-	-	-
Bond Funded Interest					-			
Transfers betw Capital Fds	4	4	-		-			
Other					-			
Sub-total	\$ 4	\$ 4	\$ 4	\$ 4	\$ 75	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	N/A	\$ 4	\$ -	\$ -	\$ -

(In Thousands)	Historical					Statistical			
	2011	2012	2013	2014	2015	Low	Median	Mean	High
Opening Balance	\$ 36,981	\$ 63,915	\$ 40,034	\$ 5,184	\$ 42	\$ -	\$ 21,083	\$ 24,359	\$ 63,915
Additions:									
Bond Proceeds	91,545		1,550			1,550	46,548	46,548	91,545
Line of Credit						-	-	-	-
Transfers b/w Capital Fds				3,091		3,091	3,091	3,091	3,091
Other	562		34	340	37	34	189	243	562
Sub-total	\$ 92,107	\$ -	\$ 1,584	\$ 3,431	\$ 37				
Deductions:									
Capital Expenditures	63,371	23,385	35,253	4,821	75	75	23,385	25,381	63,371
Bond Funded Interest	1,802					1,802	1,802	1,802	1,802
Line of Credit									
Transfers b/w Capital Fds			35	3,091		35	1,563	1,563	3,091
Other		496	1,146	661		496	661	768	1,146
Sub-total	\$ 65,173	\$ 23,881	\$ 36,434	\$ 8,573	\$ 75				
Ending balance	\$ 63,915	\$ 40,034	\$ 5,184	\$ 42	\$ 4	\$ 4	\$ 5,184	\$ 21,836	\$ 63,915

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 for the FY 2013 - 2015 projection period.

Water and Sewer Debt Management Reserve

For the Fiscal Quarter Ending December 31, 2015

Reserve/Fund Authorization: Debt Management Policy

Metric: One-half percent of the par amount of outstanding variable debt (adjusted for variable to fixed rate long term swaps). Capped at 3% of the par amount of outstanding variable debt.

Definitions and Goals: For the period FY 04 through FY 09, an annual budgeted reserve contribution for variable rate debt was made. The calculation was based upon one half percent of the par amount of outstanding variable rate debt (adjusted for variable rate to fixed rate long term swaps). The budget reserve was capped at three percent of the par amount of the outstanding variable rate debt. The 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.

	Actual as of 12/31/2015		Full Year			Projection		
	Current Quarter	Year -to-Date	2016 Forecast	2016 Budget	Prior Year Actual	2017	2018	2019
(In Thousands)								
Opening Balance	\$ -	\$ -	\$ -	N/A	\$ 304	\$ -	\$ -	\$ -
Additions:								
Contributions					-			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deductions:								
Withdrawals					304			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ 304	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	\$ -	\$ -

	Historical					Statistical			
	2011	2012	2013	2014	2015	Low	Median	Mean	High
Opening Balance	\$ 6,458	\$ 6,458	\$ 6,458	\$ 304	\$ 304	\$ 304	\$ 6,458	\$ 3,996	\$ 6,458
Additions:									
Contributions						-	-	-	-
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-
Deductions:									
Withdrawals			6,154		304	304	3,229	3,229	6,154
Sub-total	\$ -	\$ -	\$ 6,154	\$ -	\$ 304	-	-	-	-
Ending balance	\$ 6,458	\$ 6,458	\$ 304	\$ 304	\$ -	\$ -	\$ 304	\$ 2,705	\$ 6,458

Observations:

- This reserve fund discontinued contributions in FY 2009 due to adoption of new policy. Reserve activity reflected in RSF - Debt Management for that year.
- \$6 million was used in Sept 2013 for a defeasance.

Water and Sewer Rate Stabilization Debt Management

For the Fiscal Quarter Ending December 31, 2015

Reserve/Fund Authorization: Bond Resolution and Pricing Policy

Metric: Difference in actual interest rates for interest expense on the unhedged variable rate debt as compared to the budgeted assumptions for interest expense on unhedged variable rate debt.

Definitions and Goals: The Water & Sewer 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 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.

	Actual as of 12/31/2015		Full Year			Projection		
	Current	Year -to-Date	2016	2016	Prior Year	2017	2018	2019
	Quarter		Forecast	Budget	Actual			
<i>(In Thousands)</i>								
Opening Balance	\$ 20,290	\$ 20,290	\$ 20,290	N/A	\$ 20,290	\$ 20,290	\$ 20,290	\$ 20,290
Additions:								
Contributions	-	-	-	N/A	-			
Financial Statement Rounding								
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deductions:								
Withdrawals								
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ 20,290	\$ 20,290	\$ 20,290	N/A	\$ 20,290	\$ 20,290	\$ 20,290	\$ 20,290

	Historical					Statistical			
	2011	2012	2013	2014	2015	Low	Median	Mean	High
Opening Balance	\$ 9,514	\$ 17,560	\$ 20,290	\$ 20,290	\$ 20,290	\$ 9,514	\$ 20,290	\$ 17,589	\$ 20,290
Additions:									
Contributions	8,046	2,730				-	-	-	-
Sub-total	\$ 8,046	\$ 2,730	\$ -	\$ -	\$ -	-	-	-	-
Deductions:									
Withdrawals						-	-	-	-
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-
Ending balance	\$ 17,560	\$ 20,290	\$ 20,290	\$ 20,290	\$ 20,290	\$ 17,560	\$ 20,290	\$ 19,744	\$ 20,290

Observations:
 • Contributions began in June 2009.

Water & Sewer System Rate Stabilization - Environmental

For the Fiscal Quarter Ending December 31, 2015

Reserve/Fund Authorization: Bond Resolution and Pricing Policy

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 fuel, debt management and regulatory requirements or initiatives.

<i>(In Thousands)</i>	Actual as of 12/31/2015		Full Year			Projection		
	Current Quarter	Year -to-Date	2016 Forecast	2016 Budget	Prior Year Actual	2017	2018	2019
Opening Balance	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	\$ -	\$ -
Additions:								
Contributions	5,490	5,490	21,059		-	22,252	22,538	22,832
Sub-total	<u>\$ 5,490</u>	<u>\$ 5,490</u>	<u>\$ 21,059</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,252</u>	<u>\$ 22,538</u>	<u>\$ 22,832</u>
Deductions:								
Withdrawals	554	554	21,059		-	22,252	22,538	22,832
Sub-total	<u>\$ 554</u>	<u>\$ 554</u>	<u>\$ 21,059</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,252</u>	<u>\$ 22,538</u>	<u>\$ 22,832</u>
Ending Balance	<u>\$ 4,936</u>	<u>\$ 4,936</u>	<u>\$ -</u>	N/A	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	Historical					Statistical			
	2011	2012	2013	2014	2015	Low	Median	Mean	High
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additions:									
Contributions						-	-	-	-
Sub-total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deductions:									
Withdrawals						-	-	-	-
Sub-total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Observations:

- Rate Stabilization Fund for Environmental began in June 2010.

Water and Sewer System Customer Deposits

For the Fiscal Quarter Ending December 31, 2015

Reserve/Fund Authorization: Management Directive 302 Credit and Collections and Internal Procedure CR40400 MBC302

Metric: Internal procedure CR40400 MBC302 Credit and Collections

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)	Actual as of 12/31/2015		Full Year			Projection		
	Current Quarter	Year -to-Date	2016 Forecast	2016 Budget	Prior Year Actual	2017	2018	2019
Opening Balance	\$ 13,255	\$ 13,255	\$ 13,255	N/A	\$ 12,787	\$ 13,793	\$ 13,793	\$ 13,793
Additions:								
Allocated from Electric Loan Repayment	538	538	538	N/A	468			
Sub-total	\$ 538	\$ 538	\$ 538	\$ -	\$ 468	\$ -	\$ -	\$ -
Deductions:								
Allocated from Electric Loan to W&S Operations			-	N/A	-			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ 13,793	\$ 13,793	\$ 13,793	N/A	\$ 13,255	\$ 13,793	\$ 13,793	\$ 13,793

	Historical					Statistical			
	2011	2012	2013	2014	2015	Low	Median	Mean	High
Opening Balance	\$ 8,517	\$ 9,727	\$ 12,627	\$ 13,860	\$ 12,787	\$ 8,517	\$ 12,627	\$ 11,504	\$ 13,860
Additions:									
Allocated from Electric Loan Repayment	1,210	2,900	1,233		468	468	851	851	1,233
Sub-total	\$ 1,210	\$ 3,900	\$ 1,233	\$ -	\$ 468	-	-	-	-
Deductions:									
Allocated from Electric Loan to W&S Operations		1,000		1,073		1,073	1,073	1,073	1,073
Sub-total	\$ -	\$ 1,000	\$ -	\$ 1,073	\$ -	-	-	-	-
Ending balance	\$ 9,727	\$ 12,627	\$ 13,860	\$ 12,787	\$ 13,255	\$ 9,727	\$ 12,787	\$ 12,451	\$ 13,860

Observations:

- JEA is in the process of implementing a prepaid meter program which could reduce customer deposits at some future date.

Water and Sewer Debt Service Sinking Fund

For the Fiscal Quarter Ending December 31, 2015

Reserve/Fund Authorization: Bond Resolution

Metric: Accrued interest and principal currently payable on fixed and variable rate bonds pursuant to the Bond Resolutions

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)	Actual as of 12/31/2015		Full Year			Projection		
	Current Quarter	Year -to-Date	2016 Forecast	2016 Budget	Prior Year Actual	2017	2018	2019
Opening Balance	\$ 67,720	\$ 67,720	\$ 67,720	N/A	\$ 75,019	\$ 66,208	\$ 83,075	\$ 82,929
Additions:								
Revenue fund deposits	24,056	24,056	102,263		102,789	120,883	121,878	122,454
Sub-total	\$ 24,056	\$ 24,056	\$ 102,263	\$ -	\$ 102,789	\$ 120,883	\$ 121,878	\$ 122,454
Deductions:								
Principal and interest payments	67,725	67,725	103,775	N/A	110,088	104,016	122,024	120,638
Sub-total	\$ 67,725	\$ 67,725	\$ 103,775	\$ -	\$ 110,088	\$ 104,016	\$ 122,024	\$ 120,638
Ending Balance	\$ 24,051	\$ 24,051	\$ 66,208	N/A	\$ 67,720	\$ 83,075	\$ 82,929	\$ 84,745

(In Thousands)	Historical					Statistical			
	2011	2012	2013	2014	2015	Low	Median	Mean	High
Opening Balance	\$ 71,496	\$ 80,936	\$ 81,675	\$ 80,317	\$ 75,019	\$ -	\$ 77,668	\$ 64,907	\$ 81,675
Additions:									
Revenue fund deposits	120,846	125,160	119,535	117,444	102,789	102,789	119,535	117,155	125,160
Bond funded interest						-	-	-	-
Sub-total	\$ 120,846	\$ 125,160	\$ 119,535	\$ 117,444	\$ 102,789	-	-	-	-
Deductions:									
Principal and interest payments	111,406	124,421	120,893	122,742	110,088	110,088	120,893	117,910	124,421
Sub-total	\$ 111,406	\$ 124,421	\$ 120,893	\$ 122,742	\$ 110,088	-	-	-	-
Ending balance	\$ 80,936	\$ 81,675	\$ 80,317	\$ 75,019	\$ 67,720	\$ 67,720	\$ 80,317	\$ 77,133	\$ 81,675

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).

Water and Sewer Debt Service Reserve Account

For the Fiscal Quarter Ending December 31, 2015

Reserve/Fund Authorization: Bond Resolution

Metric: 125% of average annual debt service on outstanding senior fixed and variable rate bonds plus subordinated fixed rate bonds as required by the Bond Resolutions

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)	Actual as of 12/31/2015		Full Year			Projection		
	Current Quarter	Year -to-Date	2016 Forecast	2016 Budget	Prior Year Actual	2017	2018	2019
Opening Balance	\$ 108,849	\$ 108,849	\$ 108,849	N/A	\$ 116,829	\$ 108,086	\$ 108,086	\$ 108,086
Additions:								
Construction reserve fund/bond issues			-	N/A	-			
Revenue fund			-	N/A	-			
Rounding			-					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deductions:								
Revenue fund	763	763	763		7,980			
Sub-total	\$ 763	\$ 763	\$ 763	\$ -	\$ 7,980	\$ -	\$ -	\$ -
Ending Balance	\$ 108,086	\$ 108,086	\$ 108,086	N/A	\$ 108,849	\$ 108,086	\$ 108,086	\$ 108,086

	Historical					Statistical			
	2011	2012	2013	2014	2015	Low	Median	Mean	High
Opening Balance	\$ 91,239	\$ 102,214	\$ 119,131	\$ 119,915	\$ 116,829	\$ 91,239	\$ 116,829	\$ 109,866	\$ 119,915
Additions:									
Construction reserve fund/bond issues	10,975	10,917	784			784	10,917	7,559	10,975
Revenue fund	-	6,000	3,821			-	3,821	3,274	6,000
Sub-total	\$ 10,975	\$ 16,917	\$ 4,605	\$ -	\$ -	-	-	-	-
Deductions:									
Revenue fund			3,821	3,086	7,980	3,086	3,821	4,962	7,980
Sub-total	\$ -	\$ -	\$ 3,821	\$ 3,086	\$ 7,980	-	-	-	-
Ending balance	\$ 102,214	\$ 119,131	\$ 119,915	\$ 116,829	\$ 108,849	\$ 102,214	\$ 116,829	\$ 113,388	\$ 119,915

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.

March 15, 2016 JEA Board of Directors Meeting - IV. Reports

Water and Sewer Renewal and Replacement (R&R) / Operating Capital Outlay (OCO)

For the Fiscal Quarter Ending December 31, 2015

Reserve/Fund Authorization: Bond Resolution, Article 21 of the City of Jacksonville Charter and Pricing Policy

Metric: Renewal and Replacement required to deposit from the revenue fund annually an amount equal to the greater of 10% of the prior year defined annual net revenues or 5% of the prior year defined gross revenues per JEA's Water and Sewer System bond resolutions. Operating Capital Outlay - by 2013 the goal is to fund all non-capacity capital expenditures.

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.

(In Thousands)	Actual as of 12/31/2015		Full Year			Projection		
	Current Quarter	Year -to-Date	2016 Forecast	2016 Budget	Prior Year Actual	2017	2018	2019
Opening Balance	\$ 37,337	\$ 37,337	\$ 37,337	N/A	\$ 59,295	\$ 25,218	\$ (16,767)	\$ (37,643)
Additions:								
R&R/OCO Contribution	35,365	35,365	99,893	-	62,793	102,449	105,053	107,316
Loans betw Capital Fds	-	-	-	-	22	-	-	-
Other	19,255	19,255	23,398	-	653	3,594	11,875	10,200
Sub-total	\$ 54,620	\$ 54,620	\$ 123,291	\$ -	\$ 63,468	\$ 106,043	\$ 116,928	\$ 117,516
Deductions:								
Capital Expenditures	24,752	24,752	134,760	-	85,426	147,378	137,154	128,277
Transfer to Capacity Fund	13	13	650	-	-	650	650	650
Transfer to Construction Fund	-	-	-	-	-	-	-	-
R&R/OCO Contribution	-	-	-	-	-	-	-	-
Sub-total	\$ 24,765	\$ 24,765	\$ 135,410	\$ -	\$ 85,426	\$ 148,028	\$ 137,804	\$ 128,927
Ending Balance	\$ 67,192	\$ 67,192	\$ 25,218	N/A	\$ 37,337	\$ (16,767)	\$ (37,643)	\$ (49,054)

	Historical					Statistical			
	2011	2012	2013	2014	2015	Low	Median	Mean	High
Opening Balance	\$ 11,539	\$ 28,840	\$ 64,260	\$ 78,689	\$ 59,295	\$ 11,539	\$ 59,295	\$ 48,525	\$ 78,689
Additions:									
R&R/OCO Contribution	49,946	76,157	91,245	48,373	62,793	48,373	62,793	65,703	91,245
Loans betw Capital Fds	-	-	-	-	22	-	-	6	22
Other (incl septic tank)	1,067	5,771	1,539	1,614	653	653	1,539	2,129	5,771
Sub-total	\$ 51,013	\$ 81,928	\$ 92,784	\$ 49,987	\$ 63,468				
Deductions:									
Capital Expenditures	33,712	46,508	68,355	67,488	85,426	33,712	67,488	60,298	85,426
Loan Repayment	-	-	-	-	-	-	-	-	-
Transfer to Constr. Fund	-	-	10,000	1,893	-	-	947	2,973	10,000
Other (incl septic tank)	-	-	-	-	-	-	-	-	-
Sub-total	\$ 33,712	\$ 46,508	\$ 78,355	\$ 69,381	\$ 85,426				
Ending balance	\$ 28,840	\$ 64,260	\$ 78,689	\$ 59,295	\$ 37,337	\$ 28,840	\$ 59,295	\$ 53,684	\$ 78,689

Observations:

- Other includes the Septic Tank Phase-out project and Sale of Property.
- Includes \$20 million for Maximum Annual Debt Service calculation.
- No new debt issues for the FY 2013-2015 projection period which creates the need to make permanent transfers from the R&R/OCO Fund to the Construction Fund (page 26).
- \$35 million is projected to be withdrawn from this capital balance in FY 2016-2017 to support the capital program with lower Net Revenues as planned with the June 2012 approved reduction in the October 1, 2012 rate increase.

Water and Sewer Capacity Fees / State Revolving Fund Loans

For the Fiscal Quarter Ending December 31, 2015

Reserve/Fund Authorization: Florida Statute and Rate Tariff

Metric: Tariff rate

Definitions and Goals: 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 addition, the Water and Sewer System has received funds from the State Revolving Fund (SRF) program for the construction of water and wastewater treatment facilities. SRF loans are subordinated to all Water and Sewer System Revenue Bonds and Water and Sewer System Subordinated Revenue Bonds.

(In Thousands)	Actual as of 12/31/2015		Full Year			Projection		
	Current Quarter	Year -to-Date	2016 Forecast	2016 Budget	Prior Year Actual	2017	2018	2019
Opening Balance	\$ 90,912	\$ 90,912	\$ 90,912	N/A	\$ 76,887	\$ 86,106	\$ 41,932	\$ 46,677
Additions:								
Capacity Fees	4,583	4,583	17,333	-	19,579	17,491	17,686	17,842
State Revolving Fd Loan				-	-			
Transfer from R&R/OCO Fund	13	13	650	-	246	650	650	650
Other				-	-			
Sub-total	\$ 4,596	\$ 4,596	\$ 17,983	\$ -	\$ 19,825	\$ 18,141	\$ 18,336	\$ 18,492
Deductions:								
Capital Expenditures	1,292	1,292	22,789	-	5,805	62,315	13,591	15,649
Other				-	-			
Sub-total	\$ 1,292	\$ 1,292	\$ 22,789	\$ -	\$ 5,805	\$ 62,315	\$ 13,591	\$ 15,649
Ending Balance	\$ 94,216	\$ 94,216	\$ 86,106	N/A	\$ 90,907	\$ 41,932	\$ 46,677	\$ 49,520

(In Thousands)	Historical					Statistical			
	2011	2012	2013	2014	2015	Low	Median	Mean	High
Opening Balance	\$ 21,463	\$ 41,025	\$ 45,454	\$ 60,360	\$ 76,887	\$ 21,463	\$ 45,454	\$ 49,038	\$ 76,887
Additions:									
Capacity Fees	10,311	10,820	17,394	18,298	19,579	10,311	17,394	15,280	19,579
State Revolving Fd Loan	14,667	3,798	-	-	-	-	1,899	4,616	14,667
Loan Repayments	-	-	-	-	246	-	-	49	246
Other	-	-	12	-	5	-	-	3	12
Sub-total	\$ 24,978	\$ 14,618	\$ 17,406	\$ 18,298	\$ 19,830				
Deductions:									
Capital Expenditures	5,268	7,096	2,270	1,758	5,805	1,758	5,268	4,439	7,096
Loans betw Capital Fds	-	-	-	-	-	-	-	-	-
Other	148	3,093	230	13	-	13	189	871	3,093
Sub-total	\$ 5,416	\$ 10,189	\$ 2,500	\$ 1,771	\$ 5,805				
Ending balance	\$ 41,025	\$ 45,454	\$ 60,360	\$ 76,887	\$ 90,912	\$ 41,025	\$ 60,360	\$ 62,928	\$ 90,912

Observations:

- Other includes funds received from the River Accord and Department of Environmental Protection.

Water and Sewer Environmental

For the Fiscal Quarter Ending December 31, 2015

Reserve/Fund Authorization: Pricing Policy

Metric: Unit tariff rates times consumption

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)	Actual as of 12/31/2015		Full Year			Projection		
	Current Quarter	Year -to-Date	2016 Forecast	2016 Budget	Prior Year Actual	2017	2018	2019
Opening Balance	\$ 19,245	\$ 19,245	\$ 19,245	N/A	\$ 5,299	\$ -	\$ -	\$ -
Additions:								
Environmental Contributions	415	415	13,849	-	22,056	16,302	8,301	10,265
Loans betw Capital Fds	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Sub-total	\$ 415	\$ 415	\$ 13,849	\$ -	\$ 22,056	\$ 16,302	\$ 8,301	\$ 10,265
Deductions:								
Capital Expenditures	312	312	13,849	-	7,318	16,302	8,301	10,265
Septic Tank Phase Out	-	-	-	-	203	-	-	-
Other	19,245	19,245	19,245	-	589	-	-	-
Sub-total	\$ 19,557	\$ 19,557	\$ 33,094	\$ -	\$ 8,110	\$ 16,302	\$ 8,301	\$ 10,265
Ending Balance	\$ 103	\$ 103	\$ -	N/A	\$ 19,245	\$ -	\$ -	\$ -

(In Thousands)	Historical					Statistical			
	2011	2012	2013	2014	2015	Low	Median	Mean	High
Opening Balance	\$ 5,920	\$ 9,795	\$ (8,158)	\$ (9,857)	\$ 5,299	\$ (9,857)	\$ 5,299	\$ 600	\$ 9,795
Additions:									
Environmental Contributions	14,577	21,747	21,193	21,018	22,056	14,577	21,193	20,118	22,056
Loans betw Capital Fds	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Sub-total	\$ 14,577	\$ 21,747	\$ 21,193	\$ 21,018	\$ 22,056				
Deductions:									
Capital Expenditures	10,702	39,700	22,892	5,862	7,318	5,862	10,702	17,295	39,700
Septic Tank Phase Out	-	-	-	-	203	203	203	203	203
Other	-	-	-	-	589	589	589	589	589
Sub-total	\$ 10,702	\$ 39,700	\$ 22,892	\$ 5,862	\$ 8,110				
Ending balance	\$ 9,795	\$ (8,158)	\$ (9,857)	\$ 5,299	\$ 19,245	\$ (9,857)	\$ 5,299	\$ 3,265	\$ 19,245

Observations:

- Currently this fund is combined on the balance sheet with the R&R fund (page 22).

March 15, 2016 JEA Board of Directors Meeting - IV. Reports

Water and Sewer Construction / Bond Fund

For the Fiscal Quarter Ending December 31, 2015

Reserve/Fund Authorization: Bond Resolution

Metric: Capital expenditures per year minus internal funding available

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)	Actual as of 12/31/2015		Full Year			Projection		
	Current Quarter	Year -to-Date	2016 Forecast	2016 Budget	Prior Year Actual	2017	2018	2019
Opening Balance	\$ 664	\$ 664	\$ 664	N/A	\$ 326	\$ 664	\$ -	\$ -
Additions:								
Bond Proceeds			-	-	-			
Line of Credit			-	-	-			
Transfer from R&R/OCO Fund								
Other	-				344			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ 344	\$ -	\$ -	\$ -
Deductions:								
Capital Expenditures					6			
Bond Proceeds					-			
Other	-		-	-	-	664		
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ 6	\$ 664	\$ -	\$ -
Ending Balance	\$ 664	\$ 664	\$ 664	N/A	\$ 664	\$ -	\$ -	\$ -

(In Thousands)	Historical					Statistical			
	2011	2012	2013	2014	2015	Low	Median	Mean	High
Opening Balance	\$ 18,708	\$ 29,622	\$ 7,419	\$ 2,305	\$ 326	\$ 326	\$ 7,419	\$ 11,676	\$ 29,622
Additions:									
Bond Proceeds	45,662	-	486	-	-	-	243	11,537	45,662
Line of Credit	-	-	-	-	-	-	-	-	-
Loans/trnsf btw CapFds	-	-	10,000	1,893	-	-	947	2,973	10,000
Other	-	-	3	476	344	-	3	165	476
Sub-total	\$ 45,662	\$ -	\$ 10,489	\$ 2,369	\$ 344				
Deductions:									
Capital Expenditures	34,172	20,243	14,855	3,784	6	6	14,855	14,612	34,172
Bond Proceeds	-	-	411	48	-	-	24	115	411
Line of Credit	-	-	-	-	-	-	-	-	-
Loans/trnsf btw CapFds	-	-	337	516	-	-	169	213	516
Other	576	1,960	-	-	-	-	288	634	1,960
Sub-total	\$ 34,748	\$ 22,203	\$ 15,603	\$ 4,348	\$ 6				
Ending balance	\$ 29,622	\$ 7,419	\$ 2,305	\$ 326	\$ 664	\$ 326	\$ 2,305	\$ 8,067	\$ 29,622

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 for the FY 2013-2015 projection period which creates the need to make permanent transfers from the R&R/OCO Fund (page 23) to the Construction Fund.