

JEA
BOARD AGENDA

DATE: November 28, 2017

TIME: 12:00 PM

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 – Jody Brooks, Chief Legal Officer

II. PRESENTATIONS AND COMMENTS

- A. Comments from the Public
- B. Council Liaison's Comments – Matt Schellenberg
- C. Office of the Mayor Liaison's Comments – Dr. Johnny Gaffney
- D. MOSH Power Play Exhibit – Kerri Stewart, Chief Customer Officer

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 Workshop Minutes October 17, 2017 – action
 - 2. Approval of Board Meeting Minutes October 17, 2017 – action
 - 3. 2018 Proposed Board of Directors Meeting Schedule – information
 - 4. Monthly JEA Financial Statements – information
 - 5. Monthly JEA Operations Report – information

6. Monthly FY18 Communications & Engagement Calendar and Plan Update – information

B. Strategic Discussions/Action

1. St. Johns River Power Park System Employees' Retirement Plan Restatement – Amendment #1 to the Restated Plan Document – Angie Hiers, Chief Human Resources Officer – 10 minutes – presentation/**action**
2. Fiscal Year 2017 Operating Budget Line Item Transfers – Melissa Dykes, Chief Financial Officer – 5 minutes – presentation/**action**
3. Amendments to Prior Board Authorizations for Fixed Rate Debt Refundings for Electric System and Water and Sewer System – Melissa Dykes, Chief Financial Officer – 5 minutes – presentation/**action**
4. Annual Financial and Operational Review with the Rating Agencies – Melissa Dykes, Chief Financial Officer – 10 minutes – presentation/information
5. Fiscal Year 2017 Year-End Financial Results – Melissa Dykes, Chief Financial Officer – 10 minutes – presentation/information

C. Open Discussion

D. Other New Business

E. Old Business – none

IV. REPORTS

A. Compensation Committee – Delores Kesler, Committee Chair

1. Approval of Minutes – January 6, 2017 – **action**
2. Fiscal Year 2017 Pay for Performance Program – **action**
3. Fiscal Year 2017 CEO Performance – **action**
4. Fiscal Year 2018 and Beyond Employee Compensation Discussion – discussion and direction
5. Fiscal Year 2018 and Beyond CEO Contract Discussion – discussion
6. Fiscal Year 2018 CEO Goals – **action**
7. Announcements
 - a. Next Meeting, Schedule Next Meeting as Appropriate

B. Government, Legal and Real Estate Committee – Tom Petway, Committee Chair

1. Approval of Minutes – May 11, 2017 – **action**
2. Real Estate Project Reports

- a. Real Estate Purchase & Sale Agreement for Southside Generating Station (SGS) Property – Update and Request for Third Time Extension – **action**
 - b. JEA Headquarters Building – information
- 3. Real Estate Easement Condemnation Resolution: Judith Avenue Force Main Improvement Project – **action**
- 4. Real Estate Acquisition Status Report – information
- 5. JEA Government Relations Local, State and Federal Update – information
- 6. Litigation Update – information
- 7. Other New Business
- 8. Announcements
 - a. Next Meeting, Schedule Next Meeting as Appropriate
- C. Managing Director/CEO’s Report
- D. Chair’s Report

V. CLOSING CONSIDERATIONS

- A. Announcements – Next Board Meeting December 12, 2017
- B. Adjournment

Board Calendar	
<u>Board Meetings:</u>	12:00 PM – Third Tuesday of Every Month
	Exceptions: December 12, 2017
<u>Committees:</u>	
Finance & Audit Committee:	December 5, 2017 – 12:00 PM
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

November 15, 2017

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, November 28, 2017**, are as follows:

12:00 PM Board Meeting 19th Floor, JEA Tower

We are looking forward to seeing you on the 28th. Please call Melissa Charleroy at 665-7313 or Cheryl Mock at 665-4202 if you require additional information.

/mmc

cc:

P. McElroy	M. Hightower	S. Tuten	W. Stanford
J. Brooks	T. Hobson	M. Charleroy	M. Evans
M. Brost	B. Roche	C. Mock	J. Gutos
P. Cosgrave	K. Stewart	B. Taylor	L. Bartley
M. Dykes	J. Bryant	M. Ruiz-Adams	S. Datz
A. Hiers	G. Boyce	D. Swain	J. Gabriel, OGC

e-copy:

Brandon Edwards
Security Desk
Security Office
Brandi Sneed
Russell Park
Ted Delay
Timothy Chrisp

I. F.

Sunshine Law/Public Records Statement

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.

III. A. 1.

Approval of Board Workshop Minutes
October 17, 2017

JEA
Board Workshop Minutes
October 17, 2017

The JEA Board met for a workshop on Tuesday, October 17, 2017, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida 32202. Members in attendance were Chair Alan Howard, Secretary Frederick Newbill, Kelly Flanagan and Tom Petway. Others in attendance were Paul McElroy, Mike Brost, Jay Worley, Steve McInall and Jody Brooks, Chief Legal Officer. Vice Chair Delores Kesler attended telephonically. Husein Cumber was absent and excused.

1. Safety Briefing – Paul McElroy, Managing Director and Chief Executive Officer provided the Safety Briefing.
2. Sunshine Law/Public Records Statement – Jody Brooks, Chief Legal Officer, stated that this Board Workshop is being held in compliance with Florida’s Government in the Sunshine Law, §286.011.
3. Vision for a Brighter Energy Future – Mike Brost, Vice President/General Manager, Electric Systems, Jay Worley, Worley & Associates LLC, Consultant and Steve McInall, Director, Electric Production Resource Planning – Mr. Brost provided an overview of the agenda and provided key definitions for the subjects to be discussed.

Mr. Brost introduced JEA’s Vision for the Future, including a new Energy Mix Policy and the Universal Solar Expansion.

Mr. Worley discussed the impact of the stakeholder meetings, provided a discussion of net metering and advised of the past and current subscription rates of solar. Mr. Worley also provided the stakeholder recommendations.

Mr. McInall highlighted new incentives available to JEA customers, including continued net metering and a battery incentive program, as well as benefits to customers. Mr. McInall recapped the energy strategy benefits and related the Board meeting action items.

4. Chair Howard thanked Mr. Brost, Mr. Worley and Mr. McInall and teams for their efforts. The Board held discussions on the various items covered in the workshop.

With no further business claiming the attention of the Board, the workshop was adjourned at 12:55 PM.

APPROVED BY:

SECRETARY

DATE: _____

Prepared by:

Cheryl Mock
Executive Assistant

III. A. 2.

Approval of Board Meeting Minutes
October 17, 2017

JEA
BOARD MINUTES
October 17, 2017

The JEA Board met in regular session on Tuesday, October 17, 2017, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Chair Alan Howard, Secretary Frederick Newbill, Kelly Flanagan and Tom Petway. Delores Kesler attended telephonically. Husein Cumber was absent and excused.

Agenda Item I – Welcome

- A.** The meeting was **called to order** at 1:02 PM by Chair Howard.
- B.** A **Moment of Reflection** was observed by all.
- C.** The **Pledge of Allegiance** was led by Chair Howard.
- D.** **Adoption of Agenda** – The agenda was approved on **motion** by Secretary Newbill and second by Tom Petway.
- E.** The **Safety Briefing** was given by Paul McElroy, Managing Director/Chief Executive Officer.
- F.** **Sunshine Law/Public Records Statement** – Jody Brooks, Chief Legal Officer, stated this Board Meeting is being held in compliance with Florida’s Government in the Sunshine Law, §286.011. The complete statement can be found in section I. F. of the Board package.

Agenda Item II – Public Hearing

Public Hearing to Modify the Electric Tariff Documentation and the Water and Sewer Rate Document

Chair Howard suspended the JEA regular Board Meeting at 1:15 PM.

The JEA Board held a public hearing on October 17, 2017, as duly noticed in the Florida Times-Union to consider, as advertised:

- 1. Modifications to the JEA Electric Tariff Documentation creating the SolarMax Rider and;
 - 2. Modifications to the Water and Sewer Rate Document creating a new rate for leachate waste.
- A.** **Call to Order and Comments from the Chair – The Public Hearing was called to order** at 1:18 PM by Chair Howard.
 - B.** **Staff Presentation and Board Discussion** – Melissa Dykes, Chief Financial Officer, presented a summary of the JEA SolarMax Rider, a program that allows JEA customers using 7 million kW hours of electricity each year to receive solar energy from a specific project location, including the ability to co-brand with JEA for that project site. Ms. Dykes provided a letter from Amazon in support of the program.

Ms. Dykes also re-introduced the leachate tariff proposed changes, previously presented at the August Board meeting. Ms. Dykes advised that JEA currently treats leachate from the city and JEA needs to increase the charge in order to meet JEA's cost. The proposed rate changes correct a portion of the undercorrection in the tariff. JEA staff will be working at the Buckman Wastewater Treatment Facility to determine capital needs for treatment options in the future and will correct the remainder of the undercollection with a proposed change to the tariff.

C. Comments from the Public –

1. Dave Brudderly, addressed the Board regarding SolarMax.

Chair Howard adjourned the Public Hearing at 1:30 PM.

Agenda Item III – Action on Public Hearing

- A. Public Hearing to Modify the Electric Tariff Documentation and the Water and Sewer Rate Document –** On motion by Mr. Petway and second by Vice Chair Kesler, the Board unanimously adopted Resolution 2017–33 and its attachments to modify the JEA Electric Tariff Documentation to create the SolarMax Rider, modify the water and sewer service charges to create a new rate for leachate waste and authorize staff to take any necessary administrative actions to implement the approved modifications.

RESOLUTION 2017-33

A RESOLUTION REGARDING RATE SCHEDULE CHANGES AND ADDITIONS TO THE EXISTING ELECTRIC TARIFF DOCUMENTATION AND WATER AND SEWER RATE DOCUMENT; CONDUCTING A PUBLIC HEARING AND FINDING THE MODIFICATIONS OF THE TARIFF DOCUMENTATION AND RATE DOCUMENT TO BE REASONABLE; IMPOSING THESE MODIFICATIONS FOLLOWING THE PUBLIC HEARING; PROVIDING FOR THE IMPLEMENTATION OF THESE MODIFICATIONS, AND PROVIDING FOR AN EFFECTIVE DATE.

Agenda Item IV – Presentations and Comments

A. Comments from the Public –

1. Todd Irion, addressed the Board regarding the battery incentive program.
2. Scott Carr, addressed the Board regarding solar.
3. Kevin Doyle, addressed the Board regarding solar.
4. Alan Mosley, addressed the Board regarding solar.
5. David Brudderly, addressed the Board regarding solar.
6. Sarah Boren, addressed the Board regarding a brighter energy future.
7. David Schacter, addressed the Board regarding solar.
8. Pete Wilking, addressed the Board regarding solar.

9. George Cavros, addressed the Board regarding solar.
 10. Greg Haynes, addressed the Board regarding solar.
 11. Tom Larson, addressed the Board regarding solar.
- B. Council Liaison's Comments** – Council Member Schellenberg had no comments.
- C. Office of the Mayor Liaison's Comments** – Dr. Gaffney was present, but due to a prior commitment, departed prior to the comment period. Chair Howard stated on behalf of Dr. Gaffney, that the Mayor is available to the Board if assistance is needed.
- D. Nassau County's Ex-Officio Representative's Comments** – Mr. Mullin was not in attendance.
- E. Customer Experience – Lessons Learned from Hurricane Irma** – Kerri Stewart, Chief Customer Officer, introduced the Customer Experience Outage Vision, providing the Board an overview of a typical outage process. Ms. Stewart advised the Board of the top three communication concerns during Hurricane Irma, the details related to each of these and the resolutions being put into place.
- F. MOSH Power Play Exhibit** – At the Chair's discretion, this item was deferred to the November Board meeting.

Agenda Item V – 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 Newbill and second by Ms. Flanagan, items 1 and 2 on the Consent Agenda was unanimously approved and items 3 through 10 were received for information.
1. Approval of Board Meeting Minutes August 15, 2017 – approved
 2. Approval of Board Meeting Minutes September 19, 2017 – approved
 3. JEA Early Debt Retirement Update – received for information
 4. Sole Source and Emergency Procurement/Procurement Appeals Board Report – received for information
 5. Directors' & Officers' Liability Insurance – received for information
 6. JEA Economic Impact Analysis – received for information
 7. Monthly JEA Financial Review & Statements – received for information
 8. Monthly JEA Operations Report – received for information
 9. J. D. Power Wave 1 Business Customer Satisfaction Results – received for information
 10. Monthly FY17 Communications & Engagement Calendar and Plan Update – received for information
- B. Strategic Discussions/Action**
1. JEA Energy Mix Policy – Mike Brost, Vice President/General Manager, Electric Systems, advised the Energy Mix Policy was discussed in the workshop prior to the Board Meeting. On **motion** by Mr. Petway and second by Vice Chair Kesler, the Board unanimously approved a modification to the 2010 Resolution allowing for up to 30 percent of JEA's energy to be provided by carbon-neutral projects by 2030.

Projects powered by nuclear, solar, biomass, landfill gas, wind or other clean source would qualify under this policy.

2. Universal Solar Expansion and Land Acquisition – Mike Brost, Vice President/General Manager, Electric Systems, advised the item was discussed in the workshop earlier today. On **motion** by Mr. Petway and second by Secretary Newbill, the Board approved Resolution 2017–36 delegating authorization to the Managing Director/Chief Executive Officer to execute the land purchases needed for JEA’s solar developments.
3. Distributed Generation Policy and Proposed Battery Incentive Program – Steve McInall, Director, Electric Production Resource Planning, stated that the policy and proposed program changes were covered in the workshop addressed some of the concerns presented during the public comment period. Upon **motion** by Mr. Petway and second by Ms. Flanagan, the Board discussed the recommendation of staff to approve the changes to the Distributed Generation Policy. Upon **motion** by Vice Chair Kesler and second by Secretary Newbill, the Board unanimously approved the grandfathered status to extend to all customers currently enrolled in net metering, as well as all customers who have a contract for an integrated system in new construction as of December 31, 2017, and extended to June 30, 2018. Upon **motion** by Ms. Flanagan and second by Mr. Petway, the Board amended the recommendation to make the effective date of the new Distributed Generation Policy effective April 1, 2018. The Board unanimously approved the Distributed Generation Policy as amended.
4. Approval of Resolution: FY2018 Budgetary Transfers – Melissa Dykes, Chief Financial Officer, provided a review of past practices and Board delegation of authority allowing the Managing Director to approve FY2018 budget transfers up to \$5.0 million. On **motion** by Mr. Petway and second by Ms. Flanagan, the Board approved Resolution 2017–35, allowing the Managing Director to process budget transfers within JEA budget for FY2018. This authorization is limited to \$5.0 million per transfer, except in the event of emergency or year-end adjustments, where transfers over \$5.0 million will be brought to the Board for ratification.
5. JEA Sewer System: Framework to Resiliency Update – Brian Roche, Vice President/General Manager, Water/Wastewater Systems, Paul Steinbrecher, Director Permitting & Regulatory Conformance and Jim Peters, Professional Engineer, JAKAP Consulting, LLC, provided the Board an update on the multi-step JEA Sewer System: Framework to Resiliency plan, focusing on the Capacity, Management, Operation and Maintenance (CMOM) Assessment Report. Mr. Roche advised that JEA fully concurs with all of the recommendations from the CMOM assessment and that discussion of additional steps for the overall plan are scheduled for future Board Meetings during calendar year 2018. Mr. Roche further advised that the next milestone will be in three phases: immediate opportunities such as the CMOM assessment, mid-range defensive actions and longer–term building to new resiliency standards. This item was received for information.
6. JEA Five–Year Financial Assumptions and Projections FY2018–FY2022 – Melissa Dykes, Chief Financial Officer, provided an overview of JEA’s financial assumptions for the next five–year period. Ms. Dykes advised the Board that staff recommends the Board consider the presentation and provide staff with any feedback or direction regarding the assumptions and projections. This item was received for information.

7. Monthly Operational and Financial Review – Melissa Dykes, Chief Financial Officer, reviewed the operational and financial results for the period ending September 30, 2017. This item was received for information.

Due to technical difficulties, Vice Chair Kesler dropped off the phone at 2:55 PM.

- C. Open Discussion** – none
- D. Other New Business** – Chair Howard thanked Mr. McElroy and team for assisting in the restoration efforts in Puerto Rico and for ensuring the protection of JEA workers and ensuring sound financial decisions were made in setting up the agreement.
- E. Old Business** – none

Agenda Item IV – Reports

- A. Managing Director/CEO’s Report** – Paul McElroy, Managing Director/CEO provided an update on the following items:
1. Recognition of renewable energy work from T&D World.
 2. Cybersecurity Leadership & Innovation Awards – JEA was recognized by the Center for Digital Government with the 2017 Cybersecurity Leadership & Innovation Award. Mr. McElroy recognized Garry Baker, Andy Meyer, and Dan Mishra for their work.
 3. Northside 1 is in an outage and it is a good time to tour and see a turbine fully opened up.
 4. Puerto Rico video footage was shown and Mr. McElroy provided an update on JEA crews.
- B. Chair’s Report** – Chair Howard requested information on JEA’s prior research on undergrounding.

Agenda Item V – Closing Considerations

- A. Announcements** – Next Board Meeting – November 28, 2017
- B. Adjournment**

With no further business claiming the attention of the Board, Chair Howard adjourned the meeting at 3:20 PM.

APPROVED BY:

SECRETARY

DATE: _____

Board Meeting recorded by:

Cheryl W. Mock
Executive Assistant

III. A. 3.

2018 Proposed Board of Directors Meeting Schedule



2018 Proposed JEA Board Meeting Schedule

January 16
February 20
March 20
April 17
May 15
June 19
July 17
August 21
September 18
October 16
November 20 (Thanksgiving week- Propose new date)
December 11

**All Board Meetings are scheduled the 3rd Tuesday of the month, with the exception of December, which will be held on the 2nd Tuesday of the month.*

2018 JEA Board Committee Meeting Schedule

Finance & Audit Committee

March 12
May 7
August 13
December 3

Compensation Committee

Schedule as necessary

Government, Legal and Real Estate Affairs Committee

Schedule as necessary

III. A. 4.

Monthly JEA Financial Statements



Monthly Financial Statements

October 2017

Monthly Financial Statements

October 2017

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Statements of Net Position

(in thousands - unaudited) October 2017 and 2016

	2017	2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 273,799	\$ 338,165
Investments	256,348	244,446
Customer accounts receivable, net of allowance (\$2,007 in 2017 and \$3,523 in 2016)	198,654	184,485
Miscellaneous accounts receivable	17,275	10,773
Interest receivable	2,113	1,569
Inventories:		
Fuel inventory - Electric System	66,931	51,994
Fuel inventory - Plant Scherer	4,119	2,538
Materials and supplies - Water and Sewer	49,837	46,698
Materials and supplies - Electric System	19,726	20,953
Materials and supplies - Plant Scherer	2,112	2,136
Other current assets	27,999	-
Total current assets	<u>918,913</u>	<u>903,757</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	41,285	72,830
Investments	721,688	759,894
Accounts and interest receivable	1,675	1,684
Total restricted assets	<u>764,648</u>	<u>834,408</u>
Costs to be recovered from future revenues	477,214	462,795
Investment in The Energy Authority	6,307	6,370
Other assets	18,636	21,997
Total noncurrent assets	<u>1,266,805</u>	<u>1,325,570</u>
Capital assets:		
Land and easements	194,580	190,660
Plant in service	11,167,041	10,815,211
Less accumulated depreciation	<u>(5,765,101)</u>	<u>(5,456,723)</u>
Plant in service, net	5,596,520	5,549,148
Construction work in progress	212,215	306,339
Net capital assets	<u>5,808,735</u>	<u>5,855,487</u>
Total assets	<u>7,994,453</u>	<u>8,084,814</u>
Deferred outflows of resources		
Unrealized pension contributions and losses	173,577	137,010
Unamortized deferred losses on refundings	132,229	140,723
Accumulated decrease in fair value of hedging derivatives	125,269	182,706
Total deferred outflows of resources	<u>431,075</u>	<u>460,439</u>
Total assets and deferred outflows of resources	<u>\$ 8,425,528</u>	<u>\$ 8,545,253</u>

Statements of Net Position**(in thousands - unaudited) October 2017 and 2016**

	2017	2016
Liabilities		
Current liabilities:		
Accounts and accrued expenses payable	\$ 98,303	\$ 85,318
Customer deposits	57,414	55,469
City of Jacksonville payable	9,759	9,707
Compensated absences due within one year	2,221	3,527
State utility taxes payable	2,650	2,561
Total current liabilities	<u>170,347</u>	<u>156,582</u>
Current liabilities payable from restricted assets:		
Debt due within one year	223,990	189,150
Renewal and replacement reserve	82,772	81,187
Interest payable	14,586	15,523
Construction contracts and accounts payable	29,059	18,114
Total current liabilities payable from restricted assets	<u>350,407</u>	<u>303,974</u>
Noncurrent liabilities:		
Net pension liability	554,337	493,346
Compensated absences due after one year	31,146	27,019
Environmental liabilities	17,672	18,556
Other liabilities	4,396	2,756
Total noncurrent liabilities	<u>607,551</u>	<u>541,677</u>
Long-term debt:		
Bonds payable, less current portion	3,948,170	4,281,045
Unamortized premium, net	110,429	136,388
Fair value of debt management strategy instruments	125,269	181,793
Total long-term debt	<u>4,183,868</u>	<u>4,599,226</u>
Total liabilities	<u>5,312,173</u>	<u>5,601,459</u>
Deferred inflows of resources		
Revenues to be used for future costs	441,770	530,065
Unrealized pension gains	11,960	12,683
Total deferred inflows of resources	<u>453,730</u>	<u>542,748</u>
Net position		
Net investment in capital assets	1,884,741	1,616,707
Restricted	372,353	442,132
Unrestricted	402,531	342,207
Total net position	<u>2,659,625</u>	<u>2,401,046</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 8,425,528</u>	<u>\$ 8,545,253</u>

	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	\$ 143,300	\$ 47,918	\$ -	\$ 191,218	78,413	\$ 4,168	\$ 273,799
Investments	225,071	4,493	-	229,564	26,784	-	256,348
Customer accounts receivable, net of allowance (\$2,007)	148,718	-	-	148,718	49,617	319	198,654
Miscellaneous accounts receivable	24,294	8,442	(16,984)	15,752	1,523	-	17,275
Interest receivable	1,094	11	-	1,105	1,008	-	2,113
Inventories:							
Fuel inventory - Electric System	32,539	34,392	-	66,931	-	-	66,931
Fuel inventory - Plant Scherer	4,119	-	-	4,119	-	-	4,119
Materials and supplies - Water and Sewer	-	-	-	-	49,837	-	49,837
Materials and supplies - Electric System	-	19,726	-	19,726	-	-	19,726
Materials and supplies - Plant Scherer	2,112	-	-	2,112	-	-	2,112
Other current assets	23,377	-	-	23,377	4,595	27	27,999
Total current assets	604,624	114,982	(16,984)	702,622	211,777	4,514	918,913
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	-	40,087	-	40,087	15	1,183	41,285
Investments	269,932	182,877	-	452,809	268,879	-	721,688
Accounts and interest receivable	20	899	-	919	756	-	1,675
Total restricted assets	269,952	223,863	-	493,815	269,650	1,183	764,648
Costs to be recovered from future revenues	252,424	4,009	-	256,433	220,781	-	477,214
Investment in The Energy Authority	6,307	-	-	6,307	-	-	6,307
Other assets	12,179	-	-	12,179	6,442	15	18,636
Total noncurrent assets	540,862	227,872	-	768,734	496,873	1,198	1,266,805
Capital assets:							
Land and easements	123,611	6,660	-	130,271	61,258	3,051	194,580
Plant in service	5,396,616	1,316,279	-	6,712,895	4,398,381	55,765	11,167,041
Less accumulated depreciation	(2,884,917)	(854,334)	-	(3,739,251)	(2,001,560)	(24,290)	(5,765,101)
Plant in service, net	2,635,310	468,605	-	3,103,915	2,458,079	34,526	5,596,520
Construction work in progress	61,062	1,881	-	62,943	147,809	1,463	212,215
Net capital assets	2,696,372	470,486	-	3,166,858	2,605,888	35,989	5,808,735
Total assets	3,841,858	813,340	(16,984)	4,638,214	3,314,538	41,701	7,994,453
Deferred outflows of resources							
Unrealized pension contributions and losses	95,814	16,505	-	112,319	61,258	-	173,577
Unamortized deferred losses on refundings	77,873	10,519	-	88,392	43,634	203	132,229
Accumulated decrease in fair value of hedging derivatives	101,350	-	-	101,350	23,919	-	125,269
Total deferred outflows of resources	275,037	27,024	-	302,061	128,811	203	431,075
Total assets and deferred outflows of resources	\$ 4,116,895	\$ 840,364	\$ (16,984)	\$ 4,940,275	\$ 3,443,349	\$ 41,904	\$ 8,425,528

	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	\$ 68,635	\$ 16,781	\$ (3,782)	\$ 81,634	\$ 16,589	\$ 80	\$ 98,303
Customer deposits	42,265	-	-	42,265	15,149	-	57,414
City of Jacksonville payable	7,623	-	-	7,623	2,136	-	9,759
Compensated absences due within one year	1,115	798	-	1,913	304	4	2,221
State utility taxes payable	2,650	-	-	2,650	-	-	2,650
Total current liabilities	122,288	17,579	(3,782)	136,085	34,178	84	170,347
Current liabilities payable from restricted assets:							
Debt due within one year	129,895	40,715	-	170,610	51,720	1,660	223,990
Renewal and replacement reserve	-	82,772	-	82,772	-	-	82,772
Interest payable	7,630	1,438	-	9,068	5,405	113	14,586
Construction contracts and accounts payable	6,317	13,623	(13,202)	6,738	22,207	114	29,059
Total current liabilities payable from restricted assets	143,842	138,548	(13,202)	269,188	79,332	1,887	350,407
Noncurrent liabilities:							
Net pension liability	330,025	13,312	-	343,337	211,000	-	554,337
Compensated absences due after one year	21,024	1,346	-	22,370	8,734	42	31,146
Environmental liabilities	17,672	-	-	17,672	-	-	17,672
Other liabilities	3,140	-	-	3,140	1,256	-	4,396
Total noncurrent liabilities	371,861	14,658	-	386,519	220,990	42	607,551
Long-term debt:							
Bonds payable, less current portion	2,041,410	368,170	-	2,409,580	1,503,765	34,825	3,948,170
Unamortized premium (discount), net	54,479	10,794	-	65,273	45,194	(38)	110,429
Fair value of debt management strategy instruments	101,350	-	-	101,350	23,919	-	125,269
Total long-term debt	2,197,239	378,964	-	2,576,203	1,572,878	34,787	4,183,868
Total liabilities	2,835,230	549,749	(16,984)	3,367,995	1,907,378	36,800	5,312,173
Deferred inflows of resources							
Revenues to be used for future costs	274,299	146,732	-	421,031	20,739	-	441,770
Unrealized pension gains	4,867	3,981	-	8,848	3,112	-	11,960
Total deferred inflows of resources	279,166	150,713	-	429,879	23,851	-	453,730
Net position							
Net investment in capital assets	579,810	45,550	-	625,360	1,259,750	(369)	1,884,741
Restricted	196,889	(1,706)	13,202	208,385	162,898	1,070	372,353
Unrestricted	225,800	96,058	(13,202)	308,656	89,472	4,403	402,531
Total net position	1,002,499	139,902	-	1,142,401	1,512,120	5,104	2,659,625
Total liabilities, deferred inflows of resources, and net position	\$ 4,116,895	\$ 840,364	\$ (16,984)	\$ 4,940,275	\$ 3,443,349	\$ 41,904	\$ 8,425,528

Combining Statement of Net Position
(in thousands - unaudited) October 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	\$ 217,011	\$ 39,381	\$ -	\$ 256,392	\$ 77,687	\$ 4,086	\$ 338,165
Investments	234,247	10,199	-	244,446	-	-	244,446
Customer accounts receivable, net of allowance (\$3,523)	147,504	-	-	147,504	36,575	406	184,485
Miscellaneous accounts receivable	15,620	8,205	(13,787)	10,038	735	-	10,773
Interest receivable	802	16	-	818	751	-	1,569
Inventories:							
Fuel inventory - Electric System	32,072	19,922	-	51,994	-	-	51,994
Fuel inventory - Plant Scherer	2,538	-	-	2,538	-	-	2,538
Materials and supplies - Water and Sewer	-	-	-	-	46,698	-	46,698
Materials and supplies - Electric System	-	20,953	-	20,953	-	-	20,953
Materials and supplies - Plant Scherer	2,136	-	-	2,136	-	-	2,136
Total current assets	651,930	98,676	(13,787)	736,819	162,446	4,492	903,757
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	-	39,489	-	39,489	31,357	1,984	72,830
Investments	280,810	205,320	-	486,130	273,764	-	759,894
Accounts and interest receivable	48	864	-	912	772	-	1,684
Total restricted assets	280,858	245,673	-	526,531	305,893	1,984	834,408
Costs to be recovered from future revenues	240,361	7,005	-	247,366	215,429	-	462,795
Investment in The Energy Authority	6,370	-	-	6,370	-	-	6,370
Other assets	14,186	-	-	14,186	7,799	12	21,997
Total noncurrent assets	541,775	252,678	-	794,453	529,121	1,996	1,325,570
Capital assets:							
Land and easements	121,235	6,660	-	127,895	59,714	3,051	190,660
Plant in service	5,151,176	1,344,631	-	6,495,807	4,264,948	54,456	10,815,211
Less accumulated depreciation	(2,702,277)	(843,013)	-	(3,545,290)	(1,889,427)	(22,006)	(5,456,723)
Plant in service, net	2,570,134	508,278	-	3,078,417	2,435,235	35,501	5,549,148
Construction work in progress	171,038	10,143	-	181,181	124,344	814	306,339
Capital assets, net	2,741,172	518,421	-	3,259,593	2,559,579	36,315	5,855,487
Total assets	3,934,877	869,775	(13,787)	4,790,865	3,251,146	42,803	8,084,814
Deferred outflows of resources							
Unrealized pension contributions and losses	77,673	11,731	-	89,404	47,606	-	137,010
Unamortized deferred losses on refundings	79,352	14,977	-	94,329	46,183	211	140,723
Accumulated decrease in fair value of hedging derivatives	146,720	-	-	146,720	35,986	-	182,706
Total deferred outflows of resources	303,745	26,708	-	330,453	129,775	211	460,439
Total assets and deferred outflows of resources	\$ 4,238,622	\$ 896,483	\$ (13,787)	\$ 5,121,318	\$ 3,380,921	\$ 43,014	\$ 8,545,253

Combining Statement of Net Position
(in thousands - unaudited) October 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	\$ 54,916	\$ 21,150	\$ (3,819)	\$ 72,247	\$ 13,058	\$ 13	\$ 85,318
Customer deposits	42,010	-	-	42,010	13,459	-	55,469
City of Jacksonville payable	7,689	-	-	7,689	2,018	-	9,707
Compensated absences due within one year	2,025	660	-	2,685	811	31	3,527
State utility taxes payable	2,561	-	-	2,561	-	-	2,561
Total current liabilities	109,201	21,810	(3,819)	127,192	29,346	44	156,582
Current liabilities payable from restricted assets:							
Debt due within one year	95,160	41,330	-	136,490	51,020	1,640	189,150
Renewal and replacement reserve	-	81,187	-	81,187	-	-	81,187
Interest payable	8,237	1,596	-	9,833	5,575	115	15,523
Construction contracts and accounts payable	3,102	10,288	(9,968)	3,422	14,679	13	18,114
Total current liabilities payable from restricted assets	106,499	134,401	(9,968)	230,932	71,274	1,768	303,974
Noncurrent liabilities:							
Net pension liability	297,819	12,993	-	310,812	182,534	-	493,346
Compensated absences due after one year	17,917	1,982	-	19,899	7,104	16	27,019
Environmental liabilities	18,556	-	-	18,556	-	-	18,556
Other liabilities	1,189	-	-	1,189	1,567	-	2,756
Total noncurrent liabilities	335,481	14,975	-	350,456	191,205	16	541,677
Long-term debt:							
Bonds payable, less current portion	2,274,055	408,885	-	2,682,940	1,561,620	36,485	4,281,045
Unamortized premium (discount), net	66,978	16,372	-	83,350	53,081	(43)	136,388
Fair value of debt management strategy instruments	145,808	-	-	145,808	35,985	-	181,793
Total long-term debt	2,486,841	425,257	-	2,912,098	1,650,686	36,442	4,599,226
Total liabilities	3,038,022	596,443	(13,787)	3,620,678	1,942,511	38,270	5,601,459
Deferred inflows of resources							
Revenues to be used for future costs	348,224	158,640	-	506,864	23,201	-	530,065
Unrealized pension gains	6,545	2,126	-	8,671	4,012	-	12,683
Total deferred inflows of resources	354,769	160,766	-	515,535	27,213	-	542,748
Net position							
Net investment in capital assets	415,337	40,264	-	455,601	1,162,675	(1,569)	1,616,707
Restricted	207,188	24,126	9,968	241,282	198,981	1,869	442,132
Unrestricted	223,306	74,884	(9,968)	288,222	49,541	4,444	342,207
Total net position	845,831	139,274	-	985,105	1,411,197	4,744	2,401,046
Total liabilities, deferred inflows of resources, and net position	\$ 4,238,622	\$ 896,483	\$ (13,787)	\$ 5,121,318	\$ 3,380,921	\$ 43,014	\$ 8,545,253

JEA
Schedule of Cash and Investments
(in thousands - unaudited) October 2017

	Electric System and Bulk Power Supply	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Unrestricted cash and investments						
Operations	\$ 65,340	\$ 27,558	\$ 92,898	\$ 69,309	\$ 1,431	\$ 163,638
Rate stabilization:						
Fuel	128,842	-	128,842	-	-	128,842
Debt management	29,884	-	29,884	14,209	2,737	46,830
Environmental	37,087	-	37,087	6,530	-	43,617
Purchased Power	24,241	-	24,241	-	-	24,241
DSM/Conservation	4,043	-	4,043	-	-	4,043
Total rate stabilization funds	224,097	-	224,097	20,739	2,737	247,573
Customer deposits	42,174	-	42,174	15,149	-	57,323
General reserve	-	24,853	24,853	-	-	24,853
Self insurance reserve funds:						
Self funded health plan	9,088	-	9,088	-	-	9,088
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	19,088	-	19,088	-	-	19,088
Environmental liability reserve	17,672	-	17,672	-	-	17,672
Total unrestricted cash and investments	\$ 368,371	\$ 52,411	\$ 420,782	\$ 105,197	\$ 4,168	\$ 530,147
Restricted assets						
Renewal and replacement funds	\$ 186,303	\$ 82,621	\$ 268,924	\$ 150,420	\$ 932	\$ 420,276
Debt service reserve account	65,433	140,610	206,043	105,574	-	311,617
Debt service funds	17,446	3,808	21,254	9,471	251	30,976
Environmental funds	-	-	-	1,281	-	1,281
Construction funds	-	-	-	15	-	15
Subtotal	269,182	227,039	496,221	266,761	1,183	764,165
Unrealized holding gain (loss) on investments	750	(4,082)	(3,332)	2,133	-	(1,199)
Other funds	-	7	7	-	-	7
Total restricted cash and investments	\$ 269,932	\$ 222,964	\$ 492,896	\$ 268,894	\$ 1,183	\$ 762,973

JEA
Schedule of Cash and Investments
(in thousands - unaudited) October 2016

	Electric System and Bulk Power Supply	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Unrestricted cash and investments						
Operations	\$ 77,601	\$ 19,349	\$ 96,950	\$ 41,027	\$ 1,349	\$ 139,326
Rate stabilization:						
Fuel	181,546	-	181,546	-	-	181,546
Debt management	42,126	-	42,126	20,290	2,737	65,153
Environmental	30,615	-	30,615	2,911	-	33,526
Purchased Power	33,886	-	33,886	-	-	33,886
DSM/Conservation	3,906	-	3,906	-	-	3,906
Total rate stabilization funds	292,079	-	292,079	23,201	2,737	318,017
Customer deposits	41,869	-	41,869	13,459	-	55,328
General reserve	-	30,231	30,231	-	-	30,231
Self insurance reserve funds:						
Self funded health plan	11,153	-	11,153	-	-	11,153
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	21,153	-	21,153	-	-	21,153
Environmental liability reserve	18,556	-	18,556	-	-	18,556
Total unrestricted cash and investments	\$ 451,258	\$ 49,580	\$ 500,838	\$ 77,687	\$ 4,086	\$ 582,611
Restricted assets						
Renewal and replacement funds	\$ 197,386	\$ 81,080	\$ 278,466	\$ 180,816	\$ 1,732	\$ 461,014
Debt service reserve account	65,433	138,007	203,440	108,086	-	311,526
Debt service funds	15,047	3,745	18,792	9,543	252	28,587
Construction funds	-	-	-	152	-	152
Environmental funds	-	-	-	1,431	-	1,431
Subtotal	277,866	222,832	500,698	300,028	1,984	802,710
Unrealized holding gain (loss) on investments	2,944	(1,518)	1,426	5,093	-	6,519
Other funds	-	23,495	23,495	-	-	23,495
Total restricted cash and investments	\$ 280,810	\$ 244,809	\$ 525,619	\$ 305,121	\$ 1,984	\$ 832,724

JEA
Regulatory Accounting Balances
(in thousands - unaudited) October 2017

DESCRIPTION	Electric System and Bulk Power	SJRPP System	Total Electric	Water and Sewer	Total JEA
	Supply System		Enterprise Fund	Enterprise Fund	
Unfunded pension costs	239,078	788	239,866	152,853	392,719
Water environmental projects	-	-	-	67,697	67,697
Scherer	10,731	-	10,731	-	10,731
Debt issue costs	2,615	3,221	5,836	231	6,067
Costs to be recovered from future revenues	252,424	4,009	256,433	220,781	477,214
SJRPP and Scherer	41,115	146,732	187,847	-	187,847
Fuel stabilization	128,841	-	128,841	-	128,841
Debt management stabilization	29,884	-	29,884	14,209	44,093
Environmental	37,087	-	37,087	6,530	43,617
Nonfuel purchased power	24,241	-	24,241	-	24,241
Self-insurance medical reserve	9,088	-	9,088	-	9,088
Customer benefit stabilization	4,043	-	4,043	-	4,043
Revenues to be used for future costs	274,299	146,732	421,031	\$ 20,739	441,770

JEA
Regulatory Accounting Balances
(in thousands - unaudited) October 2016

DESCRIPTION	Electric System and Bulk Power	SJRPP System	Total Electric	Water and Sewer	Total JEA
	Supply System		Enterprise Fund	Enterprise Fund	
Unfunded pension costs	226,691	3,388	230,079	138,940	369,019
Water environmental projects	-	-	-	76,248	76,248
Scherer	11,470	-	11,470	-	11,470
Debt issue costs	2,200	3,617	5,817	241	6,058
Costs to be recovered from future revenues	240,361	7,005	247,366	215,429	462,795
SJRPP and Scherer	44,993	158,640	203,633	-	203,633
Fuel stabilization	181,546	-	181,546	-	181,546
Debt management stabilization	42,126	-	42,126	20,290	62,416
Environmental	30,615	-	30,615	2,911	33,526
Nonfuel purchased power	33,886	-	33,886	-	33,886
Self-insurance medical reserve	11,152	-	11,152	-	11,152
Customer benefit stabilization	3,906	-	3,906	-	3,906
Revenues to be used for future costs	348,224	158,640	506,864	\$ 23,201	530,065

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

	Month and Year-to-Date October	
	2017	2016
Operating revenues		
Electric - base	\$ 71,803	\$ 62,726
Electric - fuel and purchased power	47,652	44,294
Water and sewer	36,086	34,643
District energy system	812	874
Other	2,727	2,109
Total operating revenues	159,080	144,646
Operating expenses		
Operations and maintenance:		
Fuel	40,401	37,713
Purchased power	5,570	3,036
Maintenance and other operating expenses	26,199	23,221
Depreciation	34,330	31,367
State utility and franchise taxes	6,536	6,164
Recognition of deferred costs and revenues, net	(1,187)	(1,287)
Total operating expenses	111,849	100,214
Operating income	47,231	44,432
Nonoperating revenues (expenses)		
Interest on debt	(13,021)	(13,568)
Debt management strategy	(1,252)	(1,404)
Investment income	1,461	1,104
Allowance for funds used during construction	873	989
Other nonoperating income, net	601	590
Earnings from The Energy Authority	280	446
Other interest, net	(362)	(139)
Total nonoperating expenses, net	(11,420)	(11,982)
Income before contributions	35,811	32,450
Contributions (to) from		
General Fund, City of Jacksonville, Florida	(9,719)	(9,652)
Developers and other	4,694	3,483
Reduction of plant cost through contributions	(2,707)	(2,160)
Total contributions	(7,732)	(8,329)
Change in net position	28,079	24,121
Net position, beginning of period	2,631,546	2,376,925
Net position, end of period	\$ 2,659,625	\$ 2,401,046

Combining Statement of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited) for the month ended October 2017

	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	\$ 72,106	\$ -	\$ -	\$ 72,106	\$ -	\$ -	\$ (303)	\$ 71,803
Electric - fuel and purchased power	37,474	23,974	(12,655)	48,793	-	-	(1,141)	47,652
Water and sewer	-	-	-	-	36,117	-	(31)	36,086
District energy system	-	-	-	-	-	853	(41)	812
Other	2,146	-	-	2,146	798	-	(217)	2,727
Total operating revenues	111,726	23,974	(12,655)	123,045	36,915	853	(1,733)	159,080
Operating expenses								
Operations and maintenance:								
Fuel	23,630	16,771	-	40,401	-	-	-	40,401
Purchased power	18,225	-	(12,655)	5,570	-	-	-	5,570
Maintenance and other operating expenses	14,927	2,815	-	17,742	9,741	449	(1,733)	26,199
Depreciation	18,082	3,563	-	21,645	12,487	198	-	34,330
State utility and franchise taxes	5,646	-	-	5,646	890	-	-	6,536
Recognition of deferred costs and revenues, net	(227)	(900)	-	(1,127)	(60)	-	-	(1,187)
Total operating expenses	80,283	22,249	(12,655)	89,877	23,058	647	(1,733)	111,849
Operating income	31,443	1,725	-	33,168	13,857	206	-	47,231
Nonoperating revenues (expenses)								
Interest on debt	(6,310)	(1,786)	-	(8,096)	(4,811)	(114)	-	(13,021)
Debt management strategy	(1,008)	-	-	(1,008)	(244)	-	-	(1,252)
Investment income	594	411	-	1,005	453	3	-	1,461
Allowance for funds used during construction	280	-	-	280	588	5	-	873
Other nonoperating income, net	362	31	-	393	208	-	-	601
Earnings from The Energy Authority	280	-	-	280	-	-	-	280
Other interest, net	(269)	-	-	(269)	(93)	-	-	(362)
Total nonoperating expenses, net	(6,071)	(1,344)	-	(7,415)	(3,899)	(106)	-	(11,420)
Income before contributions	25,372	381	-	25,753	9,958	100	-	35,811
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,623)	-	-	(7,623)	(2,096)	-	-	(9,719)
Developers and other	89	-	-	89	4,605	-	-	4,694
Reduction of plant cost through contributions	(89)	-	-	(89)	(2,618)	-	-	(2,707)
Total contributions	(7,623)	-	-	(7,623)	(109)	-	-	(7,732)
Change in net position	17,749	381	-	18,130	9,849	100	-	28,079
Net position, beginning of period	984,750	139,521	-	1,124,271	1,502,271	5,004	-	2,631,546
Net position, end of period	\$ 1,002,499	\$ 139,902	\$ -	\$ 1,142,401	\$ 1,512,120	\$ 5,104	\$ -	\$ 2,659,625

Combining Statement of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited) for the month ended October 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	\$ 63,022	\$ -	\$ -	\$ 63,022	\$ -	\$ -	\$ (296)	\$ 62,726
Electric - fuel and purchased power	34,061	25,086	(13,739)	45,408	-	-	(1,114)	44,294
Water and sewer	-	-	-	-	34,682	-	(39)	34,643
District energy system	-	-	-	-	-	888	(14)	874
Other	1,436	-	-	1,436	863	-	(190)	2,109
Total operating revenues	98,519	25,086	(13,739)	109,866	35,545	888	(1,653)	144,646
Operating expenses								
Operations and maintenance:								
Fuel	21,249	16,464	-	37,713	-	-	-	37,713
Purchased power	16,775	-	(13,739)	3,036	-	-	-	3,036
Maintenance and other operating expenses	12,391	3,904	-	16,295	8,168	411	(1,653)	23,221
Depreciation	16,039	3,563	-	19,602	11,574	191	-	31,367
State utility and franchise taxes	5,312	-	-	5,312	852	-	-	6,164
Recognition of deferred costs and revenues, net	(279)	(1,008)	-	(1,287)	-	-	-	(1,287)
Total operating expenses	71,487	22,923	(13,739)	80,671	20,594	602	(1,653)	100,214
Operating income	27,032	2,163	-	29,195	14,951	286	-	44,432
Nonoperating revenues (expenses)								
Interest on debt	(6,544)	(2,012)	-	(8,556)	(4,896)	(116)	-	(13,568)
Debt management strategy	(1,120)	-	-	(1,120)	(284)	-	-	(1,404)
Investment income	409	289	-	698	404	2	-	1,104
Allowance for funds used during construction	553	-	-	553	432	4	-	989
Other nonoperating income, net	351	32	-	383	207	-	-	590
Earnings from The Energy Authority	446	-	-	446	-	-	-	446
Other interest, net	(115)	-	-	(115)	(24)	-	-	(139)
Total nonoperating expenses, net	(6,020)	(1,691)	-	(7,711)	(4,161)	(110)	-	(11,982)
Income before contributions	21,012	472	-	21,484	10,790	176	-	32,450
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,689)	-	-	(7,689)	(1,963)	-	-	(9,652)
Developers and other	130	-	-	130	3,353	-	-	3,483
Reduction of plant cost through contributions	(130)	-	-	(130)	(2,030)	-	-	(2,160)
Total contributions	(7,689)	-	-	(7,689)	(640)	-	-	(8,329)
Change in net position	13,323	472	-	13,795	10,150	176	-	24,121
Net position, beginning of period	832,508	138,802	-	971,310	1,401,047	4,568	-	2,376,925
Net position, end of period	\$ 845,831	\$ 139,274	\$ -	\$ 985,105	\$ 1,411,197	\$ 4,744	\$ -	\$ 2,401,046

Statement of Cash Flows
(in thousands - unaudited)

	Year-to-Date October	
	2017	2016
Operating activities		
Receipts from customers	\$ 207,593	\$ 204,819
Payments to suppliers	(99,809)	(90,281)
Payments to employees	(18,201)	(17,511)
Other operating activities	(1,273)	1,026
Net cash provided by operating activities	<u>88,310</u>	<u>98,053</u>
Noncapital and related financing activities		
Contribution to General Fund, City of Jacksonville, Florida	(9,643)	(9,498)
Build America Bonds subsidies	350	-
Net cash used in noncapital financing activities	<u>(9,293)</u>	<u>(9,498)</u>
Capital and related financing activities		
Acquisition and construction of capital assets	(53,896)	(31,672)
Interest paid on debt	(82,375)	(87,122)
Repayment of debt principal	(229,095)	(181,525)
Developer and other contributions	1,987	1,323
Other capital financing activities	(48)	(18)
Net cash used in capital and related financing activities	<u>(363,427)</u>	<u>(299,014)</u>
Investing activities		
Purchase of investments	(95,050)	(65,702)
Proceeds from sale and maturities of investments	78,843	89,051
Investment income	1,415	943
Distributions from The Energy Authority	252	242
Net cash used in investing activities	<u>(14,540)</u>	<u>24,534</u>
Net change in cash and cash equivalents	(298,950)	(185,925)
Cash and cash equivalents, beginning of year	614,034	596,920
Cash and cash equivalents, end of period	<u>\$ 315,084</u>	<u>\$ 410,995</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 47,231	\$ 44,432
Adjustments:		
Depreciation and amortization	34,440	31,482
Recognition of deferred costs and revenues, net	(1,187)	(1,287)
Other nonoperating income, net	3	(6)
Changes in noncash assets and noncash liabilities:		
Accounts receivable	37,989	47,676
Accounts receivable, restricted	1	11
Inventories	(229)	(6,516)
Other assets	(2,253)	(3,966)
Accounts and accrued expenses payable	(18,693)	(8,439)
Current liabilities payable from restricted assets	(10,574)	(10,687)
Other noncurrent liabilities and deferred inflows	1,582	5,353
Net cash provided by operating activities	<u>\$ 88,310</u>	<u>\$ 98,053</u>
Noncash activity		
Contribution of capital assets from developers	\$ 2,707	\$ 2,160
Unrealized gains (losses) on fair value of investments, net	\$ -	\$ -

Electric System and Plant Scherer

Changes in Debt Service, R & R and Construction Funds

(in thousands - unaudited) for the month ended October 2017 and October 2016

	October 2017			October 2016		
	Debt service funds	Renewal and replacement funds	Construction funds	Debt service funds	Renewal and replacement funds	Construction funds
Beginning balance	\$ 239,961	\$ 225,985	\$ -	\$ 210,066	\$ 193,947	\$ -
Transfer from:						
Revenue fund	17,430	25,467	-	15,056	20,183	-
Proceeds from property sales	-	(48)	-	-	(18)	-
Total additions	17,430	25,419	-	15,056	20,165	-
Deductions:						
Interest/principal payments from sinking funds	174,512	-	-	144,642	-	-
Increase in utility plant	-	26,890	-	-	8,813	-
Decrease in accounts payable	-	9,906	-	-	6,813	-
Total deductions	174,512	36,796	-	144,642	15,626	-
Ending balance	\$ 82,879	\$ 214,608	\$ -	\$ 80,480	\$ 198,486	\$ -
Renewal and replacement fund:						
Cash & investments		\$ 186,303			\$ 197,386	
Accounts / notes receivable:						
Accounts receivable		4,908			1,052	
Street light & other customer loans		20			48	
Other current assets		23,377			-	
		<u>\$ 214,608</u>			<u>\$ 198,486</u>	
Construction fund:			\$ -			\$ -
Generation projects			-			-
			<u>\$ -</u>			<u>\$ -</u>

Water and Sewer System

Changes in Debt Service, R & R and Construction Funds

(in thousands - unaudited) for the month ended October 2017 and October 2016

	October 2017				October 2016			
	Debt service funds	Renewal and replacement funds	Construction funds	Environmental funds	Debt service funds	Renewal and replacement funds	Construction funds	Environmental funds
Beginning balance	\$ 189,696	\$ 155,284	\$ 15	\$ 1,838	\$ 173,496	\$ 179,513	\$ 152	\$ 2,659
Additions:								
Transfer from:								
Revenue fund	9,483	14,752	-	-	9,557	14,665	-	-
Contribution in aid of construction	-	1,987	-	-	-	1,323	-	-
Total additions	9,483	16,739	-	-	9,557	15,988	-	-
Deductions:								
Increase in utility plant	-	1,125	-	-	-	1,766	-	-
Interest/principal payments from sinking fund:	82,220	-	-	-	65,424	-	-	-
Transfer to:								
Revenue fund	1,914	-	-	-	-	-	-	-
Decrease in accounts payable	-	15,471	-	557	-	12,837	-	1,228
Total deductions	84,134	16,596	-	557	65,424	14,603	-	1,228
Ending balance	\$ 115,045	\$ 155,427	\$ 15	\$ 1,281	\$ 117,629	\$ 180,898	\$ 152	\$ 1,431

Recap:

Renewal and replacement fund:

Cash & investments	\$ 150,420	\$ 180,816
Accounts / notes receivable:		
Accounts receivable	400	66
Notes receivable	12	16
Other current assets	4,595	-
	<u>\$ 155,427</u>	<u>\$ 180,898</u>

Construction fund:

\$ 15	\$ 152
<u>\$ 15</u>	<u>\$ 152</u>

Environmental fund:

\$ 1,281	\$ 1,431
<u>\$ 1,281</u>	<u>\$ 1,431</u>

Electric System	Month and Year-To-Date				Prior Month and Year-to-Date					
	Budget vs. Actual October 2017 and 2016	ANNUAL BUDGET 2017-18	BUDGET 2017-18	ACTUAL 2017-18	Variance %	ACTUAL 2016-17	Variance %			
Fuel Related Revenues & Expenses										
Fuel Rate Revenues	\$	417,649,053	\$	33,913,472	\$	34,324,697	1.21%	\$	34,638,062	-0.90%
Fuel Expense and Purchased Power:										
Fuel Expense - Electric System		315,411,659		21,211,980		20,421,446			17,865,166	
Fuel Expense - SJRPP		37,886,015		10,306,000		10,146,982			10,207,323	
Other Purchased Power		96,315,996		5,977,011		6,625,873			5,134,875	
Subtotal Energy Expense		449,613,670		37,494,991		37,194,301	0.80%		33,207,364	-12.01%
Transfer to (from) Rate Stabilization, Net		(32,799,915)		-		(2,873,047)			1,430,698	
Fuel Related Uncollectibles		835,298		52,206		3,443			-	
Total		417,649,053		37,547,197		34,324,697	8.58%		34,638,062	0.90%
Fuel Balance		-		(3,633,725)		-			-	
Nonfuel Related Revenues										
Base Rate Revenues		802,292,405		65,146,851		65,979,168			57,606,118	
Conservation Charge Revenue		1,000,000		81,203		59,339			55,432	
Environmental Charge Revenue		7,942,200		644,914		653,307			582,130	
Investment Income		6,714,534		559,544		592,502			406,167	
Natural Gas Revenue Pass Through		2,383,913		198,659		31,239			37,639	
Other Revenues		30,551,894		2,545,991		2,437,548			2,459,117	
Total		850,884,946		69,177,162		69,753,103	0.83%		61,146,603	14.08%
Nonfuel Related Expenses										
Non-Fuel O&M		216,333,937		12,600,915		13,006,177			10,413,219	
DSM / Conservation O&M		7,892,054		651,385		258,690			185,288	
Environmental O&M		2,050,500		170,875		(16,250)			(58,237)	
Rate Stabilization - DSM		(382,054)		(31,838)		348,095			391,185	
Rate Stabilization - Environmental		5,891,700		490,975		669,557			640,367	
Natural Gas Expense Pass Through		2,290,414		190,086		39,804			43,864	
Debt Principal - Electric System		124,185,000		10,348,750		10,348,750			7,496,250	
Debt Interest - Electric System		94,262,937		7,855,245		7,375,076			7,949,416	
Bond Buy-Back Principal - Electric System		10,110,614		842,551		-			-	
R&R - Electric System		65,608,800		5,467,400		5,467,400			5,183,192	
Operating Capital Outlay		139,586,200		20,000,000		20,000,000			15,000,000	
City Contribution Expense		91,471,795		7,622,650		7,622,650			7,689,224	
Taxes & Uncollectibles		1,210,993		118,318		22,519			16,400	
Emergency Reserve		5,000,000		-		-			-	
<i>Nonfuel Purchased Power:</i>										
* SJRPP D/S Principal		7,812,969		651,081		2,174,323			2,208,073	
* SJRPP D/S Interest		12,150,065		1,012,505		1,218,083			1,317,009	
** Other Non-Fuel Purchased Power		65,409,021		4,733,752		963,470			2,244,695	
Total Nonfuel Expenses		850,884,946		72,724,650		69,498,344	4.44%		60,719,945	-14.46%
Non-Fuel Balance		(0)		(3,547,488)		254,759			426,658	
Total Balance		(0)		(7,181,213)		254,759			426,658	
Total Revenues		1,268,533,999		103,090,634		104,077,800	0.96%		95,784,665	8.66%
Total Expenses		1,268,533,999		110,271,847		103,823,041	5.85%		95,358,007	-8.88%
KWH Sold - Territorial		13,020,000,000		1,057,235,492		1,065,925,000	0.82%		951,425,000	12.03%
KWH Sold - Off System		-		-		7,579,000			26,438,000	
		13,020,000,000		1,057,235,492		1,073,504,000	1.54%		977,863,000	9.78%

* Gross debt service

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

Water and Sewer System

Budget vs. Actual October 2017 and 2016	Month and Year-To-Date				Prior Month and Year-to-Date	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
	2017-18	2017-18	2017-18	%	2016-17	%
REVENUES						
Water & Sewer Revenues	\$ 456,850,720	\$ 38,703,563	\$ 36,594,426		\$ 35,041,125	
Capacity & Extension Fees	21,000,000	1,596,017	1,977,069		1,323,300	
Capital Contributions	-	-	9,920		-	
Investment Income	4,854,301	404,525	449,718		400,171	
Other Income	34,091,486	1,950,896	1,009,409		1,075,070	
Total	516,796,507	42,655,001	40,040,542	-6.13%	37,839,666	5.82%
EXPENSES						
O & M Expenses	153,394,059	12,531,909	9,215,646		7,868,595	
Debt Principal - Water & Sewer	51,720,000	4,310,000	4,310,000		4,251,667	
Debt Interest - Water & Sewer	69,402,632	5,783,552	5,461,557		5,633,809	
Bond Buy-Back Principal - Water & Sewer	-	-	-		-	
Rate Stabilization - Debt Management	-	-	-		-	
Rate Stabilization - Environmental	-	-	1,316,684		1,156,462	
R&R - Water & Sewer	24,473,800	2,039,483	2,039,483		1,897,242	
Operating Capital Outlay	151,801,519	12,712,602	12,712,602		12,712,602	
Operating Capital Outlay - Capacity/Extension	21,000,000	1,750,000	1,977,069		1,323,300	
Operating Capital Outlay - Contributions	-	-	9,920		-	
Operating Capital Outlay - Environmental	18,171,200	1,514,267	(59,800)		55,588	
City Contribution Expense	25,148,020	2,095,668	2,095,668		1,962,688	
Uncollectibles & Fees	685,277	57,106	50,000		-	
Interlocal Agreements	-	-	-		-	
Emergency Reserve	1,000,000	-	-		-	
Total Expenses	516,796,507	42,794,587	39,128,829	8.57%	36,861,953	-6.15%
Total Balance	\$ -	\$ (139,586)	\$ 911,713		\$ 977,713	
Sales kials						
Water	42,000,000	3,650,568	2,992,215	-18.03%	3,128,845	-4.37%
Sewer	34,650,000	3,069,756	2,397,983	-21.88%	2,517,077	-4.73%
Total	76,650,000	6,720,324	5,390,198	-19.79%	5,645,922	-4.53%

JEA

District Energy System

Budget vs. Actual October 2017 and 2016	Month and Year-To-Date				Prior Month and Year-to-Date	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
	2017-18	2017-18	2017-18	%	2016-17	%
REVENUES						
Revenues	\$ 9,125,828	\$ 870,363	\$ 853,343		\$ 888,137	
Investment Income	-	-	3,340		2,067	
Total	9,125,828	870,363	856,683	-1.57%	890,204	-3.77%
EXPENSES						
O & M Expenses	5,139,991	436,189	445,082		409,074	
Debt Principal - DES	1,660,000	138,333	138,333		136,667	
Debt Interest - DES	1,359,084	113,257	113,257		115,204	
R&R - DES	440,362	36,697	36,404		36,471	
Operating Capital Outlay	526,391	43,866	-		-	
Total Expenses	9,125,828	768,342	733,076	4.59%	697,416	-5.11%
Total Balance	\$ -	\$ 102,021	\$ 123,607		\$ 192,788	

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

	Month and Year-to-Date October	
	2017	2016
Revenues		
Electric	\$ 106,779	\$ 99,032
Investment income (1)	469	311
Earnings from The Energy Authority	280	446
Other, net (2)	2,157	1,430
Plus: amount paid from the rate stabilization fund into the revenue fund	4,080	699
Less: amount paid from the revenue fund into the rate stabilization fund	(1,279)	(2,648)
Total revenues	112,486	99,270
Operating expenses (3)		
Fuel	20,421	17,865
Purchased power (4)	22,640	22,204
Other operation and maintenance	14,640	11,094
State utility taxes and franchise fees	5,500	5,312
Total operating expenses	63,201	56,475
Net revenues	\$ 49,285	\$ 42,795
Debt service	\$ 5,886	\$ 6,013
Less: investment income on sinking fund	(125)	(98)
Less: Build America Bonds subsidy	(127)	(126)
Debt service requirement	\$ 5,634	\$ 5,789
Senior debt service coverage (5), (min 1.20x)	8.75 x	7.39 x
Net revenues (from above)	\$ 49,285	\$ 42,795
Debt service requirement (from above)	\$ 5,634	\$ 5,789
Plus: aggregate subordinated debt service on outstanding subordinated bonds	10,715	8,236
Less: Build American Bonds subsidy	(170)	(172)
Total debt service requirement and aggregate subordinated debt service	\$ 16,179	\$ 13,853
Senior and subordinated debt service coverage (6), (min 1.15x)	3.05 x	3.09 x
Fixed charge coverage (7)	2.25 x	2.17 x

(1) Excludes investment income on sinking funds.

(2) Excludes the Build America Bonds subsidy.

(3) Excludes depreciation and recognition of deferred costs and revenues, net.

(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.

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

	Year-to-Date October	
	2017	2016
Revenues		
JEA	\$ 4,415	\$ 5,430
Investment Income	11	10
Total revenues	4,426	5,440
Operating expenses (1)		
Fuel	3,209	3,384
Other operations and maintenance	1,061	993
Total operating expenses	4,270	4,377
Net revenues	\$ 156	\$ 1,063
Aggregate debt service	\$ 829	\$ 807
Less: Build America Bonds subsidy	(56)	(58)
Aggregate debt service	\$ 773	\$ 749
Debt service coverage (2)	0.20 x	1.42 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)

	Year-to-Date October	
	2017	2016
Revenues		
JEA	\$ 11,609	\$ 12,692
FPL	11,319	11,348
Investment income	391	274
Total revenues	<u>23,319</u>	<u>24,314</u>
Operating expenses (1)		
Fuel	16,771	16,464
Other operations and maintenance	2,346	3,409
Total operating expenses	<u>19,117</u>	<u>19,873</u>
Net revenues	<u>\$ 4,202</u>	<u>\$ 4,441</u>
Aggregate debt service	<u>\$ 3,753</u>	<u>\$ 3,960</u>
Debt service coverage (2)	<u>1.12 x</u>	<u>1.12 x</u>

(1) Excludes depreciation and recognition of deferred costs and revenues, net

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

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

	Year-to-Date October	
	2017	2016
Revenues		
JEA	\$ 1,046	\$ 1,047
Investment income	20	15
Total revenues	<u>1,066</u>	<u>1,062</u>
Operating expenses	-	-
Net revenues	<u>\$ 1,066</u>	<u>\$ 1,062</u>
Aggregate debt service	<u>\$ 1,077</u>	<u>\$ 1,079</u>
Less: Build America Bonds subsidy	(31)	(32)
Aggregate debt service	<u>\$ 1,046</u>	<u>\$ 1,047</u>
Debt service coverage (1)	<u>1.02 x</u>	<u>1.01 x</u>

(1) Effective July 14, 2014, the St. Johns River Power Park System Second Revenue Bond Resolution was amended to exclude from revenues the subsidy related to Build America Bonds.

(2) Excludes all current expenses paid or accrued to the extent that such expenses are to be paid from revenues under the 1st resolution

(3) 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.

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

(5) 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 1.15x.

	Month and Year-to-Date	
	October	
	2017	2016
Revenues		
Water	\$ 15,183	\$ 14,520
Water capacity fees (1)	700	482
Sewer	22,251	21,373
Sewer capacity fees (1)	1,278	841
Investment Income	453	404
Other (2)	798	863
Plus: amounts paid from the rate stabilization fund into the revenue fund	662	719
Less: amounts paid from the revenue fund into the rate stabilization fund	(1,979)	(1,930)
Total revenues	<u>39,346</u>	<u>37,272</u>
Operating expenses		
Operations and maintenance (3)	10,631	9,020
Total operating expenses	<u>10,631</u>	<u>9,020</u>
Net revenues	<u>\$ 28,715</u>	<u>\$ 28,252</u>
Aggregate debt service	\$ 8,036	\$ 8,149
Less: Build America Bonds subsidy	(208)	(208)
Aggregate debt service	<u>\$ 7,828</u>	<u>\$ 7,941</u>
Senior debt service coverage (4), (min 1.25x)	<u>3.67 x</u>	<u>3.56 x</u>
Net revenues (from above)	<u>\$ 28,715</u>	<u>\$ 28,252</u>
Aggregate debt service (from above)	\$ 7,828	\$ 7,941
Plus: aggregate subordinated debt service on outstanding subordinated debt	1,475	1,468
Total aggregate debt service and aggregate subordinated debt service	<u>\$ 9,303</u>	<u>\$ 9,409</u>
Senior and subordinated debt service coverage (5)	<u>3.09 x</u>	<u>3.00 x</u>
Fixed charge coverage	<u>2.86 x</u>	<u>2.79 x</u>

- (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 October 2017 and 2016, then the debt service coverage would have been 2.87x and 2.86x.
- (2) Excludes the Build America Bonds subsidy.
- (3) Excludes depreciation and recognition of deferred costs and revenues, net.
- (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 2.87x and 2.86x. Based on the second requirement, net revenues must exceed 100% of aggregate debt service and 120% of aggregate subordinated debt service, or \$9,598 and \$9,703 for the year-to-date periods ending October 2017 and 2016.

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

	Month and Year-to-Date	
	October	
	2017	2016
Revenues		
Service revenues	\$ 853	\$ 888
Investment income	3	2
Total revenues	<u>856</u>	<u>890</u>
Operating expenses (1)		
Operations and maintenance	449	411
Total operating expenses	<u>449</u>	<u>411</u>
Net revenues	<u>\$ 407</u>	<u>\$ 479</u>
Aggregate debt service (2)	<u>\$ 252</u>	<u>\$ 252</u>
Debt service coverage (3) (min 1.15x)	<u>1.62 x</u>	<u>1.90 x</u>

- (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.

Electric System, St. Johns River Power Park System and Scherer
Principal Amount of Debt Outstanding and Average Interest Rates
October 2017

Issue/Average Coupon Rate	Interest Rates	Principal Payment Dates	Par Amount Principal Outstanding	Current Portion of Long-Term Debt
Electric System - Fixed Rate Bonds				
Series Three 2004 A	5.000%	2039	\$ 5,000	\$ -
Series Three 2005 B	4.750%	2033	100,000	-
Series Three 2009 D - BABs	6.056%	2033-2044	45,955,000	-
Series Three 2010 A	4.000%	2018-2019	10,065,000	4,995,000
Series Three 2010 C	4.125 - 4.500%	2026-2031	8,975,000	-
Series Three 2010 D	4.000 - 5.000%	2018-2038	74,835,000	6,005,000
Series Three 2010 E - BABs	5.350 - 5.482%	2028-2040	34,255,000	-
Series Three 2012A	4.000 - 4.500%	2023-2033	60,750,000	-
Series Three 2012B	2.000 - 5.000%	2019-2039	127,635,000	-
Series Three 2013A	3.000 - 5.000%	2018-2026	85,190,000	9,100,000
Series Three 2013B	3.000 - 5.000%	2026-2038	7,500,000	-
Series Three 2013C	4.000 - 5.000%	2018-2030	26,225,000	4,295,000
Series Three 2014A	3.400 - 5.000%	2018-2034	30,255,000	2,060,000
Series Three 2015A	2.750 - 5.000%	2018-2041	79,355,000	145,000
Series Three 2015B	3.375 - 5.000%	2018-2031	29,525,000	6,675,000
Series Three 2017A	5.000%	2019	18,670,000	-
Total Fixed Rate Senior Bonds			639,295,000	33,275,000
2009 Series A	5.625%	2029-2032	21,140,000	-
2009 Series D	5.000%	2018	11,660,000	11,660,000
2009 Series E	4.000%	2018	295,000	295,000
2009 Series F - BABs	4.800 - 6.406%	2018-2034	63,670,000	1,515,000
2009 Series G	4.000 - 5.000%	2018-2019	16,090,000	1,425,000
2010 Series B	4.000 - 5.000%	2018-2024	6,635,000	925,000
2010 Series C	4.000%	2025-2027	4,385,000	-
2010 Series D - BABs	4.000 - 5.582%	2018-2027	44,125,000	2,075,000
2012 Series A	3.250 - 5.000%	2018-2033	83,910,000	5,950,000
2012 Series B	3.000 - 5.000%	2018-2037	89,780,000	2,580,000
2013 Series A	3.000 - 5.000%	2018-2030	53,815,000	1,530,000
2013 Series B	3.000 - 5.000%	2018-2026	22,760,000	2,740,000
2013 Series C	1.375 - 5.000%	2018-2038	78,330,000	1,175,000
2013 Series D	4.000 - 5.250%	2018-2035	113,635,000	14,125,000
2014 Series A	4.000 - 5.000%	2018-2039	194,895,000	10,990,000
2017 Series A	3.000 - 5.000%	2018-2019	31,790,000	30,500,000
Total Fixed Rate Subordinated Bonds			836,915,000	87,485,000
Total Fixed Rate Electric System Bonds/4.631%			1,476,210,000	120,760,000
Electric System - Variable Rate Bonds				
	Current Interest Rates (1)			
Series Three 2008 A	0.917%	2027-2036	51,680,000	-
Series Three 2008 B-1	1.318%	2018-2040	60,020,000	400,000
Series Three 2008 B-2	0.917%	2025-2040	41,900,000	-
Series Three 2008 B-3	0.917%	2024-2036	37,000,000	-
Series Three 2008 B-4	1.318%	2018-2036	49,410,000	400,000
Series Three 2008 C-1	0.915%	2024-2034	44,145,000	-
Series Three 2008 C-2	0.915%	2024-2034	43,900,000	-
Series Three 2008 C-3	0.860%	2030-2038	25,000,000	-
Series Three 2008 D-1	1.318%	2018-2036	108,900,000	2,625,000
Total Variable Rate Senior Bonds			461,955,000	3,425,000
Series 2000 A	0.946%	2021-2035	30,965,000	-
Series 2000 F-1	0.860%	2026-2030	37,200,000	-
Series 2000 F-2	0.959%	2026-2030	24,800,000	-
Series 2008 D	0.859%	2024-2038	39,455,000	-
Total Variable Rate Subordinated Bonds			132,420,000	-
Total Variable Rate Bonds			594,375,000	3,425,000
Total Electric System Bonds			2,070,585,000	124,185,000
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	50,000
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%	2018-2021	41,705,000	32,285,000
Issue 2 Series 24	4.000%	2018-2021	13,275,000	6,660,000
Issue 2 Series 25	3.000%	2021	45,000	-
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 - BABs	4.200 - 5.450%	2018-2028	22,410,000	1,720,000
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/4.072%			408,885,000	40,715,000
Bulk Power Supply System, Scherer 4 Project - Fixed Rate Bonds				
Series 2010A - BABs	4.250 - 5.920%	2018-2030	37,400,000	3,045,000
Series 2014A	2.000 - 5.000%	2018-2038	63,320,000	2,665,000
Total Fixed Rate Bulk Power Supply System Bonds/4.311%			100,720,000	5,710,000
Weighted Average Cost(2) / Total Outstanding Debt		3.411%	\$ 2,580,190,000	\$ 170,610,000

(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/restructuring 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	\$ 1,220,932,381	\$ 250,810,000	
• Remaining Subordinated Refunding Authorization	\$ 820,643,000	n/a	

Water and Sewer System

Principal Amount of Debt Outstanding and Average Interest Rates
October 2017

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%	2018-2019	\$ 18,295,000	\$ 9,380,000
2010 Series A - BABs	6.210 - 6.310%	2026-2044	83,115,000	-
2010 Series B - Taxable	4.700 - 5.700%	2018-2025	13,840,000	1,730,000
2010 Series C	5.000%	2020	9,545,000	-
2010 Series D	4.000 - 5.000%	2018-2039	97,725,000	3,900,000
2010 Series E	4.000 - 5.000%	2021-2039	60,990,000	-
2010 Series F - BABs	3.750 - 5.887%	2018-2040	44,275,000	2,180,000
2012 Series A	3.000 - 5.000%	2019-2041	316,400,000	-
2012 Series B	2.000 - 5.000%	2018-2041	128,360,000	1,780,000
2013 Series A	4.500 - 5.000%	2018-2027	78,790,000	11,940,000
2014 Series A	2.000 - 5.000%	2018-2040	280,175,000	4,830,000
Total Fixed Rate Senior Bonds			1,131,510,000	35,740,000
2010 Series A	5.000%	2018-2022	10,625,000	2,655,000
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	35,505,000	-
2013 Series A	2.125 - 5.000%	2018-2029	66,840,000	5,705,000
Total Fixed Rate Subordinated Bonds			146,060,000	8,360,000
Total Fixed Rate Bonds/4.628%			1,277,570,000	44,100,000
Variable Rate Bonds		Current Interest Rates (1)		
2006 Series B - CPI Bonds	2.696% (2)	2018-2022	30,370,000	5,520,000
2008 Series A-2	0.939%	2028-2042	51,820,000	-
2008 Series B	0.914%	2023-2041	85,290,000	-
Total Variable Rate Senior Bonds			167,480,000	5,520,000
2008 Series A-1	0.859%	2018-2038	50,950,000	2,100,000
2008 Series A-2	0.921%	2030-2038	25,600,000	-
2008 Series B-1	0.942%	2030-2036	30,885,000	-
Total Variable Rate Subordinated Bonds			107,435,000	2,100,000
Total Variable Rate Bonds			274,915,000	7,620,000
Other Obligations				
Revolving Credit Agreement	2.292%	2018	3,000,000	-
Total Other Obligations			3,000,000	-
Weighted Average Cost(3) / Total Outstanding Debt		3.702%	\$ 1,555,485,000	\$ 51,720,000

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

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

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

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

JEA

District Energy System

Principal Amount of Debt Outstanding and Average Interest Rates
October 2017

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%	1.725 - 4.538%	2018-2034	\$ 36,485,000	\$ 1,660,000
Weighted Average Cost(1) / Total Outstanding Debt		4.141%	\$ 36,485,000	\$ 1,660,000

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

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

JEA
INVESTMENT PORTFOLIO REPORT
October 2017
All Funds

<u>INVESTMENT</u>	<u>BOOK VALUE</u>	<u>YIELD</u>	<u>% OF TOTAL</u>	<u>LAST MONTH</u>	<u>6 MONTH AVERAGE</u>
* Treasuries	\$ 3,298,969	1.01%	0.25%	0.97%	0.90%
<u>Agencies</u>					
Federal Farm Credit Bank	172,379,659	1.25%	13.27%	10.90%	13.16%
Federal Home Loan Bank	329,854,671	1.27%	25.39%	22.39%	25.64%
Total	502,234,330	1.26%	38.67%	33.29%	38.80%
Municipal Bonds	313,821,656	2.13%	24.16%	20.29%	21.49%
Commercial Paper	237,441,061	1.29%	18.28%	10.81%	18.85%
U.S. Treasury Money Market Funds (1)	48,119,731	0.97%	3.70%	3.13%	3.68%
Agency Money Market Funds (2)	1,825,000	0.96%	0.14%	0.12%	0.46%
PFM Money Market Fund	45,000,000	1.22%	3.46%	4.11%	4.12%
Florida Prime Fund	73,000,000	1.37%	5.62%	4.62%	4.14%
<u>Wells Fargo Bank Accounts (3)</u>					
Electric, Scherer	47,396,281	0.85%	3.65%	12.90%	4.29%
SJRPP	25,847,289	0.85%	1.99%	2.84%	1.93%
Water & Sewer, DES	941,214	0.85%	0.07%	6.93%	1.33%
Total Portfolio	\$1,298,925,530	1.47%	100.00%	100.00%	100.00%

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

Weighted Avg. Annual Yield for October 2017, Excluding Bank & Money Market Funds: 1.53%

Weighted Avg. Annual Yield for October 2017, Including Bank & Money Market Funds: 1.47%

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

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

**JEA
Interest Rate Swap Position Report
October 2017**

JEA Debt Management Swaps Variable to Fixed

ID	Dealer	Effective Date	Termination Date	Electric System Allocation	Water/Sewer Allocation	Fixed Rate	Floating Rate (1)	Spread	Rate Cap	Index
1	Goldman Sachs	9/18/2003	9/18/2033	\$ 84,800,000	\$ -	3.717	0.840	2.877	n/a	68% 1 mth Libor
3	Morgan Stanley	1/27/2005	10/1/2039	82,575,000	-	4.351	0.918	3.433	n/a	SIFMA
4	JPMorgan	1/27/2005	10/1/2035	85,600,000	-	3.661	0.840	2.821	n/a	68% 1 mth Libor
6	JPMorgan	1/27/2005	10/1/2037	39,175,000	-	3.716	0.840	2.876	n/a	68% 1 mth Libor
7	Morgan Stanley	10/31/2006	10/1/2022	-	30,370,000	4.025	2.696	1.329	n/a	CPI
8	Morgan Stanley	1/31/2007	10/1/2031	62,980,000	-	3.907	0.918	2.989	n/a	SIFMA
9	Merrill Lynch	3/8/2007	10/1/2041	-	85,290,000	3.895	0.918	2.977	n/a	SIFMA
10	Goldman Sachs	1/31/2008	10/1/2036	51,680,000	-	3.836	0.918	2.918	n/a	SIFMA
Total				<u>\$ 406,810,000</u>	<u>\$ 115,660,000</u>	Wtd Avg Spread		2.900		

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

	Month and Year-to-Date October		
	2017	2016	Variance
Electric revenues sales (000's omitted):			
Residential	\$ 52,834	\$ 46,533	13.54%
Commercial	33,678	32,599	3.31%
Industrial	17,636	16,245	8.56%
Public street lighting	1,074	1,121	-4.19%
Sales for resale - territorial	1,281	1,679	-23.70%
Electric revenues - territorial	106,503	98,177	8.48%
Sales for resale - off system	276	854	-67.68%
Electric revenues	106,779	99,031	7.82%
Less: rate stabilization & recovery	2,801	(1,948)	243.79%
Net electric revenues	109,580	97,083	12.87%
MWh sales			
Residential	462,228	402,255	14.91%
Commercial	342,648	321,201	6.68%
Industrial	243,993	205,486	18.74%
Public street lighting	5,033	5,895	-14.62%
Sales for resale - territorial	12,023	16,588	-27.52%
Total MWh sales - territorial	1,065,925	951,425	12.03%
Sales for resale - off system	7,579	26,438	-71.33%
Total MWH sales	1,073,504	977,863	9.78%
Number of accounts (1)			
Residential	406,549	400,115	1.61%
Commercial	52,077	51,667	0.79%
Industrial	199	202	-1.49%
Public street lighting	3,753	3,700	1.43%
Sales for resale	2	2	0.00%
Total average accounts	462,580	455,686	1.51%
Residential averages			
Revenue per account - \$	129.96	116.30	11.75%
kWh per account	1,137	1,005	13.13%
Revenue per kWh - ¢	11.43	11.57	-1.21%
Degree days			
Heating degree days	32	15	17
Cooling degree days	318	228	90
Total degree days	350	243	107
Degree days - 30 year average	225		

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

	Month and Year-to-Date		
	October		Variance
	2017	2016	
Water			
<i>Revenues (000's omitted):</i>			
Residential	\$ 8,157	\$ 7,586	7.53%
Commercial and industrial	4,068	3,939	3.27%
Irrigation	2,978	2,995	-0.57%
Total water revenues	15,203	14,520	4.70%
Less: rate stabilization	(1,202)	(1,167)	3.00%
Less: allowance for doubtful accounts	(20)	-	
Net water revenues	\$ 13,981	\$ 13,353	4.70%
<i>Kgal sales (000s omitted)</i>			
Residential	1,366,487	1,458,541	-6.31%
Commercial and industrial	1,134,700	1,152,110	-1.51%
Irrigation	491,028	518,194	-5.24%
Total kgal sales	2,992,215	3,128,845	-4.37%
<i>Number of accounts (1):</i>			
Residential	282,350	275,659	2.43%
Commercial and industrial	25,560	25,316	0.96%
Irrigation	36,971	36,558	1.13%
Total average accounts	344,881	337,533	2.18%
<i>Residential averages:</i>			
Revenue per account - \$	28.89	27.52	4.98%
Kgals per account	4.84	5.29	-8.51%
Revenue per kgals - \$	5.97	5.20	14.81%
Sewer			
<i>Revenues (000's omitted):</i>			
Residential	\$ 11,907	\$ 11,649	2.21%
Commercial and industrial	9,146	8,817	3.73%
Total sewer revenues	21,053	20,466	2.87%
Less: rate stabilization	(115)	(44)	161.36%
Less: allowance for doubtful accounts	(30)	-	
Net sewer revenues	20,908	20,422	2.38%
<i>Kgal sales (000s omitted)</i>			
Residential	1,161,000	1,275,629	-8.99%
Commercial and industrial	964,880	1,001,286	-3.64%
Total kgal sales	2,125,880	2,276,915	-6.63%
<i>Number of accounts (1):</i>			
Residential	249,600	243,128	2.66%
Commercial and industrial	18,256	18,101	0.86%
Total average accounts	267,856	261,229	2.54%
<i>Residential averages:</i>			
Revenue per account - \$	47.70	47.91	-0.44%
kgals per account	4.65	5.25	-11.43%
Revenue per kgals - \$	10.26	9.13	12.38%
Reuse			
<i>Revenues (000's omitted):</i>			
Reuse revenues	\$ 1,228	\$ 907	35.39%
<i>Kgal sales (000s omitted)</i>			
Kgal sales (000s omitted)	272,103	240,162	13.30%
<i>Number of accounts (1):</i>			
Reuse accounts	10,468	8,506	23.07%
Rainfall			
			Diff in inches
Normal	3.93	3.93	
Actual	4.01	9.51	(5.50)
Rain Days	10	8	

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

	Month and Year-to-Date			Variance
	2017	October	2016	
Generated power:				
Steam:				
<i>Natural gas units #1-3</i>				
Gas expense - variable	\$ 3,117,925	\$	1,756,210	77.54%
MMBTU's consumed	907,397		534,334	69.82%
\$/ per MMBTU consumed	\$ 3.44	\$	3.29	4.55%
kWh - gas generated (1)	80,279,591		44,171,250	81.75%
Cost per MWh - gas	\$ 38.84	\$	39.76	-2.32%
Cost per MWh - gas & oil - steam	\$ 38.84	\$	39.76	-2.32%
<i>Coal</i>				
Coal expense	\$ 1,676,655	\$	1,335,674	25.53%
kWh generated	54,632,772		53,090,996	2.90%
Cost per MWh - coal	\$ 30.69	\$	25.16	21.99%
<i>Pet coke and limestone</i>				
Expense	\$ 3,406,146	\$	2,400,933	41.87%
kWh generated	101,045,839		94,384,229	7.06%
Cost per MWh - pet coke and limestone	\$ 33.71	\$	25.44	32.51%
Cost per MWh - coal & petcoke - steam	\$ 32.65	\$	25.34	28.86%
Combustion turbine:				
<i>Fuel oil</i>				
Fuel expense	\$ 51,234	\$	50,384	1.69%
Barrels #2 oil consumed	173		315	-45.08%
\$/ per barrel consumed	\$ 296.15	\$	159.95	85.15%
kWh - oil generated	48,481		65,666	-26.17%
Cost per MWh - oil	\$ 1,056.79	\$	767.28	37.73%
<i>Natural gas (includes landfill)</i>				
Gas expense Kennedy & landfill - variable	\$ 105,605	\$	94,772	11.43%
MMBTU's consumed	32,100		28,674	11.95%
\$/ per MMBTU consumed	\$ 3.29	\$	3.31	-0.46%
kWh - gas generated (1)	2,337,018		2,162,458	8.07%
Cost per MWh - gas	\$ 45.19	\$	43.83	3.11%
Gas expense BB simple - variable	\$ 141,943	\$	261,638	-45.75%
MMBTU's consumed	47,698		86,359	-44.77%
\$/ per MMBTU consumed	\$ 2.98	\$	3.03	-1.78%
kWh - gas generated (1)	4,157,764		7,679,438	-45.86%
Cost per MWh - gas simple	\$ 34.14	\$	34.07	0.20%
Gas expense BB combined - variable	\$ 6,890,193	\$	7,340,669	-6.14%
MMBTU's consumed	2,431,620		2,431,561	0.00%
\$/ per MMBTU consumed	\$ 2.83	\$	3.02	-6.14%
kWh - gas generated (1)	346,661,864		347,912,826	-0.36%
Cost per MWh - gas combined	\$ 19.88	\$	21.10	-5.80%
Gas expense GEC simple - variable	\$ 661,016	\$	445,507	48.37%
MMBTU's consumed	298,460		162,732	83.41%
\$/ per MMBTU consumed	\$ 2.21	\$	2.74	-19.10%
kWh - gas generated	27,284,261		14,960,128	82.38%
Cost per MWh - gas simple	\$ 24.23	\$	29.78	-18.65%
Cost per MWh - gas & oil ct	\$ 20.63	\$	21.98	-6.13%
Natural gas expense - fixed	\$ 3,136,054	\$	2,383,564	31.57%
Total generated power:				
Fuels expense	\$ 19,186,771	\$	16,069,351	19.40%
kWh generated	616,447,590		564,426,991	9.22%
Cost per MWh	\$ 31.12	\$	28.47	9.32%
Cost of fuels				
Natural gas units #1-3 with landfill - variable	\$ 3,117,925	\$	1,756,210	
Coal	1,676,655		1,335,674	
Petcoke	3,406,146		2,400,933	
Fuel oil #2	51,234		50,384	
Natural gas - simple cycle (BB & GEC) - variable	908,564		801,917	
Natural gas - combined (BB) - variable	6,890,193		7,340,669	
Natural gas - fixed	3,136,054		2,383,564	
Total	\$ 19,186,771	\$	16,069,351	

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

	Month and Year-to-Date		
	October		Variance
	2017	2016	
Production Statistics (Continued)			
Purchased power:			
<i>Plant Scherer</i>			
Purchases	\$ 3,642,297	\$ 4,681,386	-22.20%
kWh purchased	120,317,000	122,838,000	-2.05%
Cost per MWh	\$ 30.27	\$ 38.11	-20.57%
<i>TEA & other</i>			
Purchases	\$ 5,569,401	\$ 3,036,068	83.44%
kWh purchased	112,885,383	59,762,335	88.89%
Cost per MWh	\$ 49.34	\$ 50.80	-2.88%
<i>SJRPP</i>			
Purchases	\$ 12,655,426	\$ 13,738,857	-7.89%
kWh purchased	242,259,000	266,421,000	-9.07%
Cost per MWh	\$ 52.24	\$ 51.57	1.30%
Total purchased power:			
Purchases	\$ 21,867,124	\$ 21,456,311	1.91%
kWh purchased	475,461,383	449,021,335	5.89%
Cost per MWh	\$ 45.99	\$ 47.78	-3.75%
Subtotal - generated and purchased power:	\$ 41,053,895	\$ 37,525,662	9.40%
Fuel interchange sales	(275,656)	(853,710)	-67.71%
Earnings of The Energy Authority	(287,967)	274,944	-204.74%
Fuel procurement and handling	564,579	628,050	-10.11%
By product reuse	670,096	1,167,765	-42.62%
Total generated and net purchased power:			
Cost, net	41,724,947	38,742,711	7.70%
kWh generated and purchased	1,091,908,973	1,013,448,326	7.74%
Cost per MWh	\$ 38.21	\$ 38.23	-0.04%
Reconciliation:			
Generated and purchased power per above	\$ 41,724,947	\$ 38.21	
SJRPP operating expenses:			
SJRPP O & M	(1,487,596)	(1.36)	
SJRPP debt service	(2,937,608)	(2.69)	
SJRPP R & R	1,916,760	1.76	
SCHERER operating expenses:			
Scherer power production	(443,296)	(0.41)	
Scherer R & R	627,312	0.57	
Scherer transmission	(471,518)	(0.43)	
Scherer taxes	(145,979)	(0.13)	
Florida and other capacity	(640,992)	(0.59)	
MEAG	(947,729)	(0.87)	
	\$ 37,194,301	\$ 34.06	

	Month and Year-to-Date	
	October	
	2017	2016
MWh sales		
JEA	242,259	266,421
FPL saleback	157,604	163,085
FPL direct portion	99,966	107,376
Total MWh sales	499,829	536,882
Fuel costs	\$ 10,161,074	\$ 10,213,709
(Includes fuel handling expenses)		
Less interest credits: inventory bank	(12,648)	(6,175)
Plus (less): true-up interest	(1,444)	(211)
Total	10,146,982	10,207,323
Cost per MWh	\$ 41.88	\$ 38.31
Operating and maintenance expenses	1,491,141	2,129,334
Less: operations bank interest	(3,544)	(1,037)
Total	1,487,597	2,128,297
Cost per MWh	\$ 6.14	\$ 7.99
Debt service contribution		
Principal	2,174,323	2,208,073
Interest	1,248,704	1,349,442
Less credits:		
Reserve Issue 2	(196,521)	(194,086)
Reserve Issue 3	(16,674)	(13,219)
Debt service Issue 2	(5,456)	(1,873)
Bond proceeds COB	-	(6,208)
General reserve Issue 2	(16,182)	(13,914)
General reserve Issue 3	(3,584)	(1,845)
Build America Bonds subsidy	(30,621)	(32,433)
Inventory carrying costs	(61,822)	(70,476)
Total	3,092,167	3,223,461
Cost per MWh	\$ 12.76	\$ 12.10
R & R contribution	293,240	309,387
Less: interest credit	(154,560)	(49,611)
Less: cumulative capital recovery amount	(2,210,000)	(2,080,000)
Total	(2,071,320)	(1,820,224)
Cost per MWh	\$ (8.55)	\$ (6.83)
Total	\$ 12,655,426	\$ 13,738,857
kWh purchased	242,259,000	266,421,000
Cost per MWh	\$ 52.24	\$ 51.57

III. A. 5.

Monthly JEA Operations Report

[Return to Agenda](#)

III. A. 5.
11/28/2017

Board of Directors Meeting November 28, 2017



FY2017

- RIR = 2.0
- # of Recordables = 43
- October YTD Recordables = 5

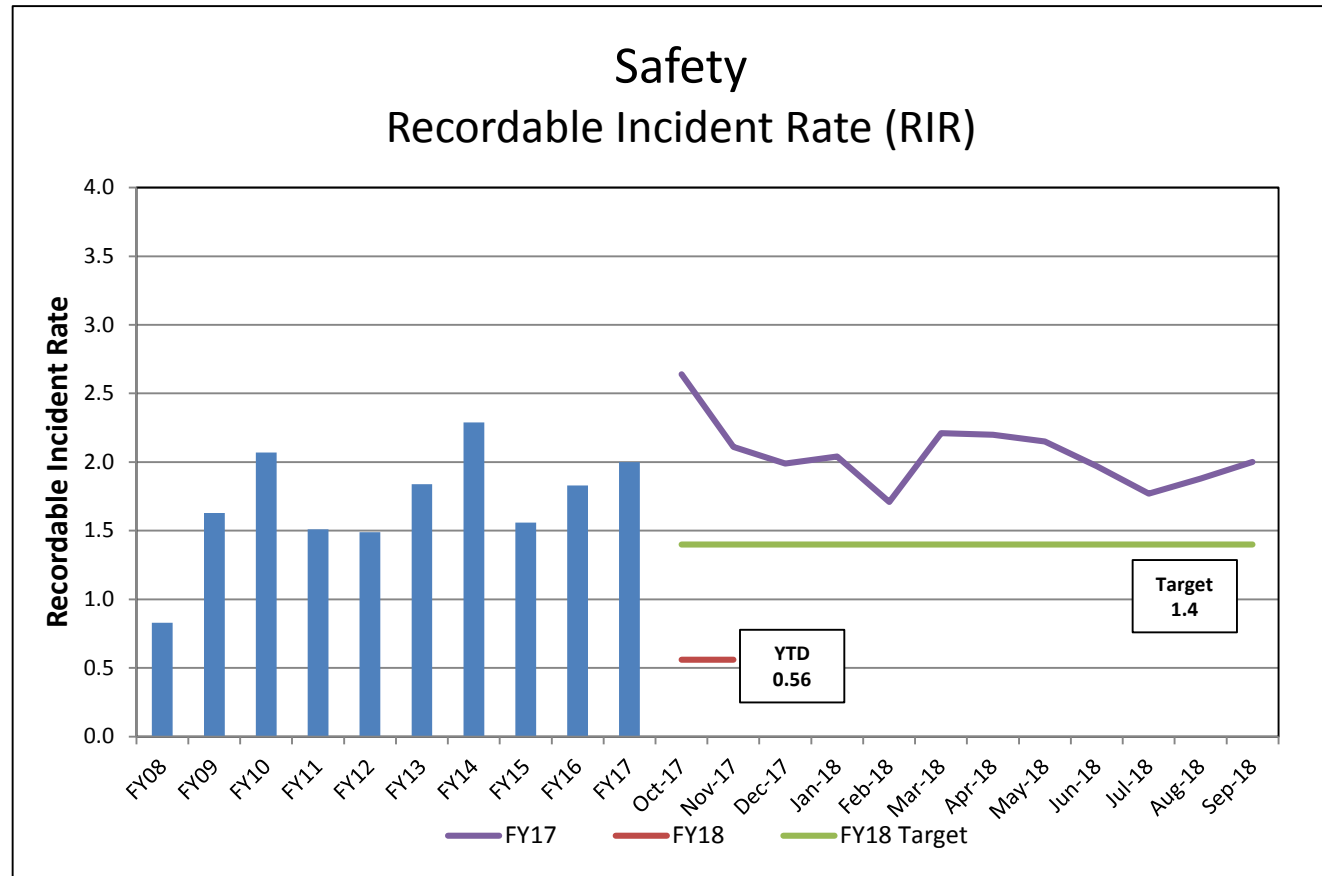
FY2018

- October Recordables = 1
- October YTD Recordables = 1
- 9 (29%) was lost time
 - Electric Systems = 1
- Continuing to “Plan for Zero”
- Increased focus on:
 - Complacency
 - Hand/Finger
 - 0-5 Year Employees
 - PPE Use
 - Strains, Sprains, Slip/Trip/Fall
 - Repeat Occurrences

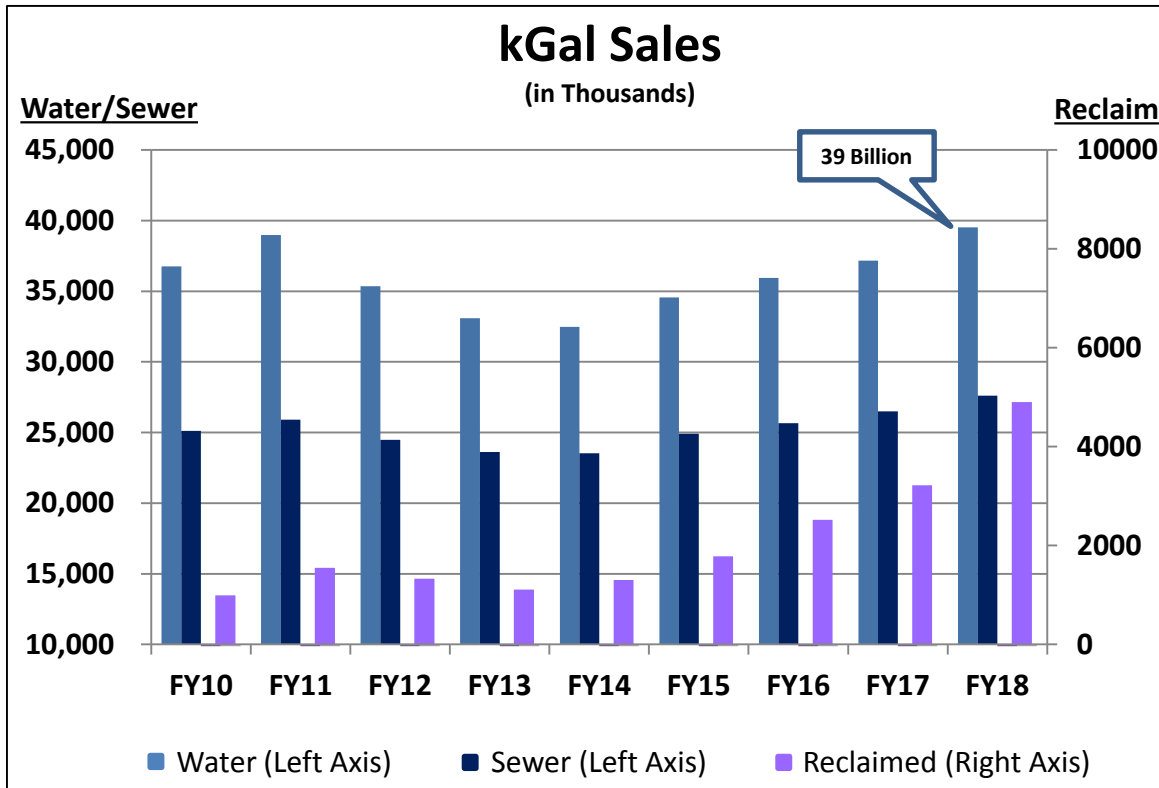
Industry Benchmark*

Average Municipal Utility RIR is 6.3
Average LPPC RIR is 3.7

Units	FY2018	FY2018 Target	FY2017	FY2016
RIR	0.56	1.4	2.0	1.82



Water and Sewer System: kGal Sales



Month	FY18	FY17	%
Oct	2,992	3,129	-4.4%
YTD	2,992	3,129	-4.4%
Nov		3,068	
Dec		2,923	
Jan		2,768	
Feb		2,624	
Mar		3,168	
Apr		3,476	
May		3,736	
Jun		2,833	
Jul		3,480	
Aug		3,043	
Sep		2,998	
Forecast/Total	39,534	37,245	

Unit Sales Driver: FY18 rainfall down 5.5 inches; rain days up 2.0 days.
Irrigation for October FY18 down 5.4% versus October FY17.

YTD Customer Accounts			
	FY18	FY17	%
Water	336,881	337,533	2.2%
Sewer	267,856	261,229	2.5%
Reclaimed	10,468	8,506	23.1%

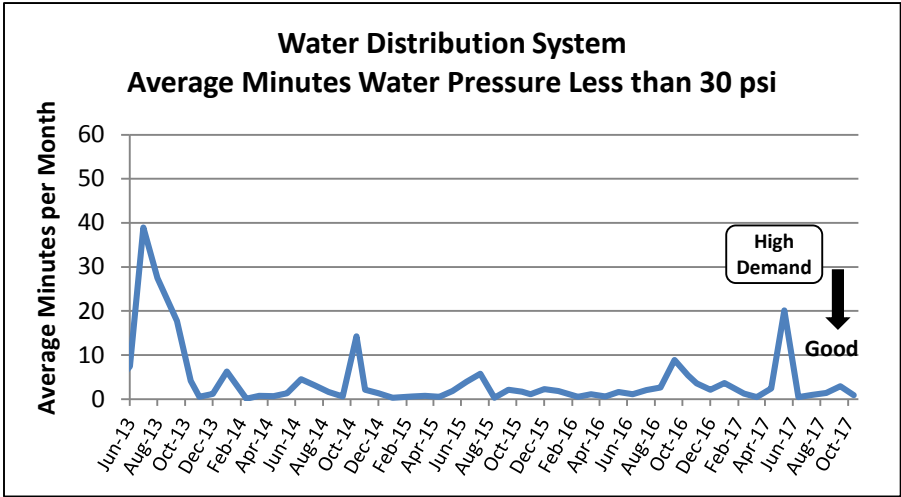
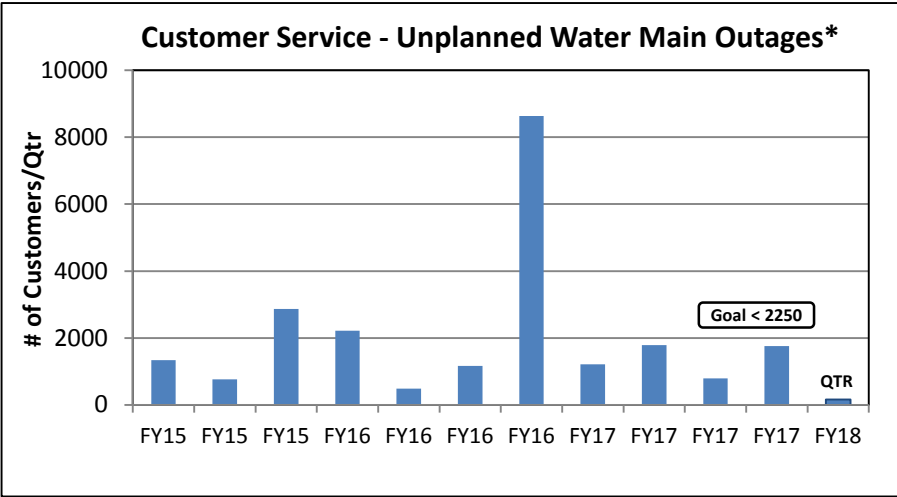
YTD Rainfall			
	30-Yr. Avg.	FY18	FY17
Inches	3.9	4.0	9.5
Days	8.2	10.0	8.0

Total System		-4.4%
Residential		-6.3%
Comm./Industrial		-1.5%
Irrigation		-5.4%

Customer Reliability

Water and Wastewater System

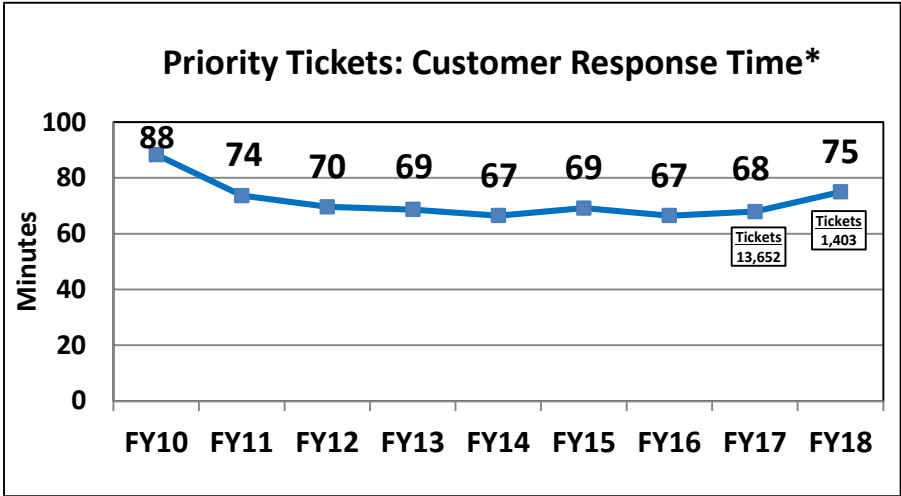
Water Grid Performance	Metric	FY2018	FY2018 Target	FY2017	FY2016
Water Main Outages	# of Customers per Year	164	9,000	4,893	12,735



Unplanned Water Outages
of Customers Affected by Unplanned Outages has increased due to 3rd Party Damages

Water Pressure (minutes per month < 30 psi)
Measured by 115 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

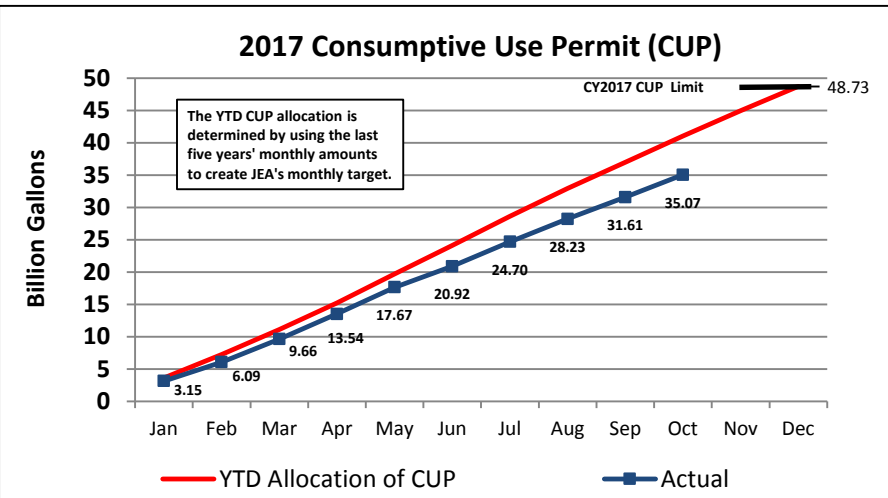


*Aligned with the PSC Rule for Electric Reliability Reporting, the Operational Metrics will exclude the impact of all service interruptions associated with a storm named by the National Hurricane Center.

Environmental Compliance

Water System – Consumptive Use Permit (CUP)

Compliance	Metric – CY Basis	FY2017	2017 Target	2016	2015
Water	CUP Limits (MGD)	115	133 limit	112 (131 limit)	107 (131 limit)
South Grid	Wellfield Allocation (MGD)	49.27	< 50.23 limit	52.95 (<50.23 limit)	47.50 (<50.23 limit)
Reclaim	Usage (MGD)	19	15	16	13



CUP Condition 44: South Grid Wellfield Allocation Limits

Critical Wellfields	Actuals					CYTD	Post Sep -14 Limit
	2013	2014	2015	2016	2017		
Deerwood III	6.96	7.01	6.67	7.88	7.81	7.00	
Ridenour	5.97	6.39	6.66	7.64	6.77	6.85	
Oakridge	8.78	6.23	4.99	5.79	5.43	5.65	
Greenland		1.53	4.27	4.16	3.96	4.53	
Brierwood	5.58	4.53	2.84	3.36	3.05	3.02	
Subtotal	27.29	25.69	25.43	28.83	27.02	27.05	
Other Wellfields	22.21	20.92	22.07	24.12	22.25	23.18	
Total South Grid	49.50	46.61	47.50	52.95	49.27	50.23	
Total System MGD	100	104	107	112	115	133	

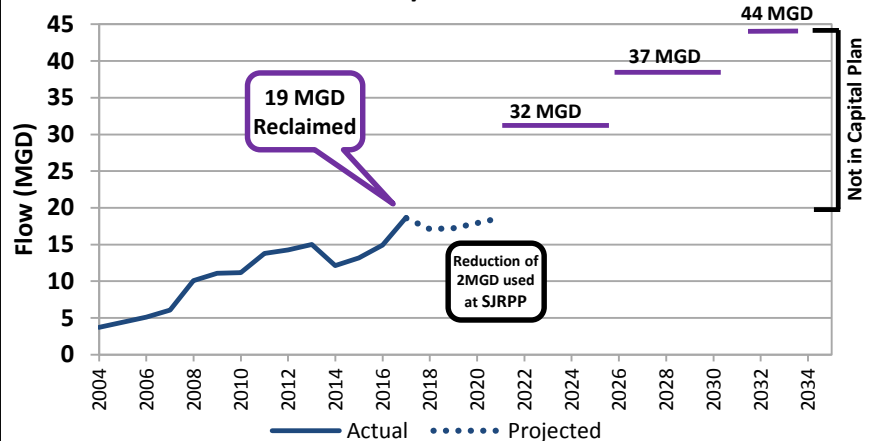
St. Johns River Water Management District CUP

Condition 12: YTD average daily flow is 14% below CY limit of 133 MGD

Condition 44: South Grid Wellfields are 2% below the base limit in CY17, and have annual operational flexibility of 20% above 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.

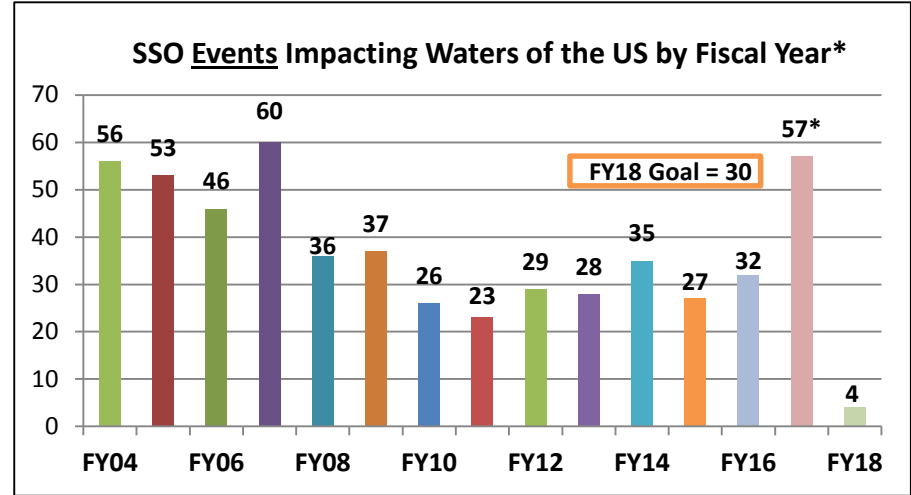
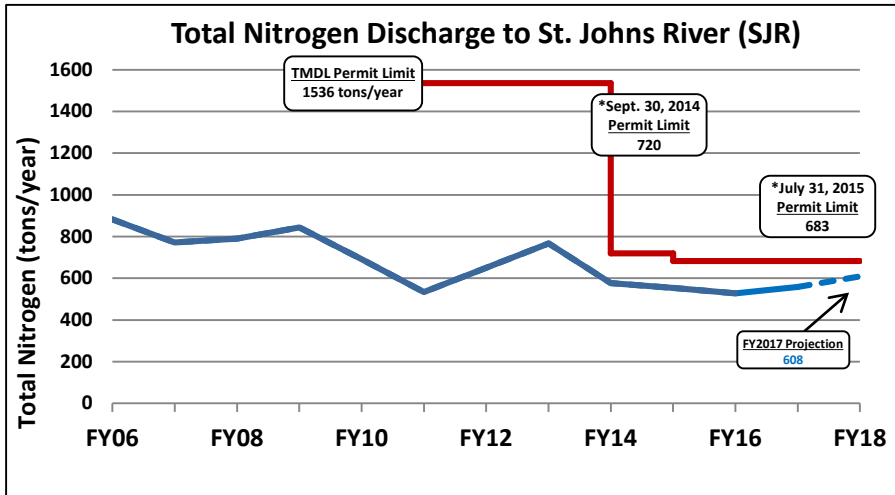
CUP Conditions 37/38: Reclaimed Water Use



Environmental Compliance

Wastewater System

Compliance	Metric	FY2018	FY2018 Target	FY2017	FY2016
Sewer	Nitrogen (N) Tons – FY basis	60	550	556 (TMDL of 683*)	527 (TMDL of 683*)

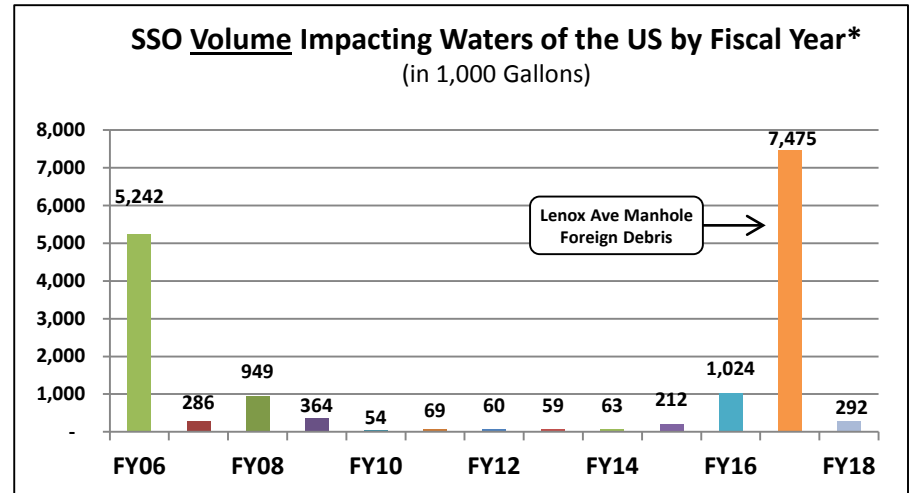


Nitrogen Discharge to St. Johns River

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 to US Waters)

FY08 - FY16 SSO's averaged 30 per year. Four (4) SSO's year-to-date impacting US Waters.



*Aligned with the PSC Rule for Electric Reliability Reporting, the Operational Metrics will exclude the impact of all service interruptions associated with a storm named by the National Hurricane Center.

Water and Sewer System: Financial Results and Cost Metrics

(\$ in thousands)

Revenues	FY18 Forecast	FY17 Actual	FY18 Budget	FY18 vs FY17 (\$)	Variance (%)
Water & Sewer Revenues	\$ 438,045	\$ 424,594	\$ 438,619	\$ 13,451	3.2%
Other Revenue	59,440	43,203	59,946	16,237	37.6%
Total Revenues	\$ 497,485 ①	\$ 467,797	\$ 498,565	\$ 29,688	6.3%
↑ (\$1M) ↑					
Select Expenses					
O & M Expense	\$ 151,078 ②	\$ 139,447	\$ 153,394	\$ (11,631)	-8.3%
Net Revenues	\$ 345,754	\$ 337,469	\$ 342,030	\$ 8,285	2.5%
↑ \$4M ↑					
Capital Expenditures	\$ 223,348 ③	\$ 187,593	\$ 215,000 ¹	\$ 35,754	19.1%
Debt Service	\$ 116,271	\$ 112,791	\$ 116,948	\$ (3,480)	-3.1%

Cost / Kgal	Water	Sewer
Target	\$ 4.40	\$ 9.85
Forecast	<u>4.48</u>	<u>9.76</u>
Difference	\$ (0.08)	\$ 0.09

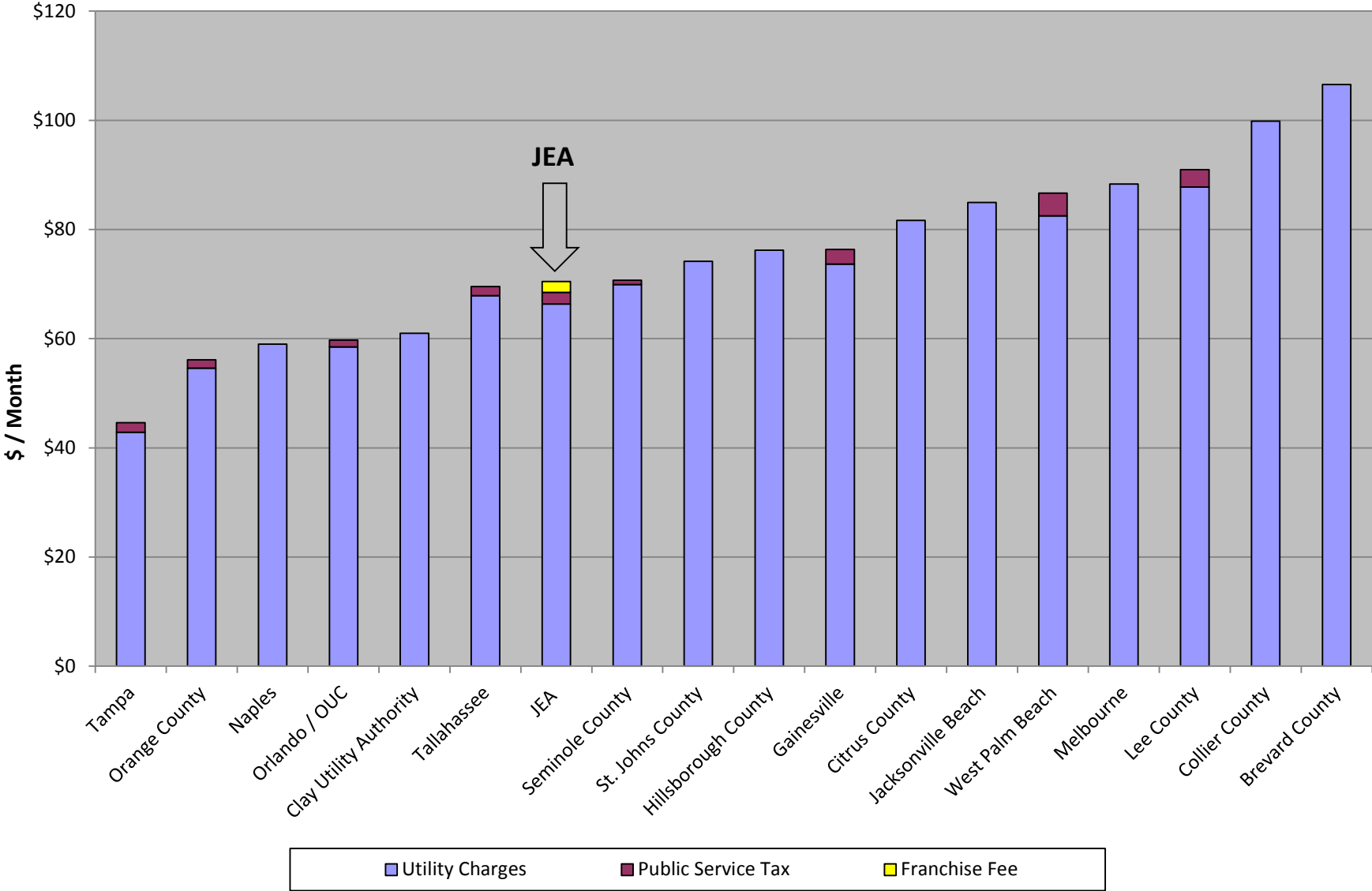
Metrics	FY18 Forecast
Coverage:	3.0x
Days Liquidity/Cash:	502 / 407
Debt/Asset:	50%
Total Debt:	\$1.6B (\$51M lower)



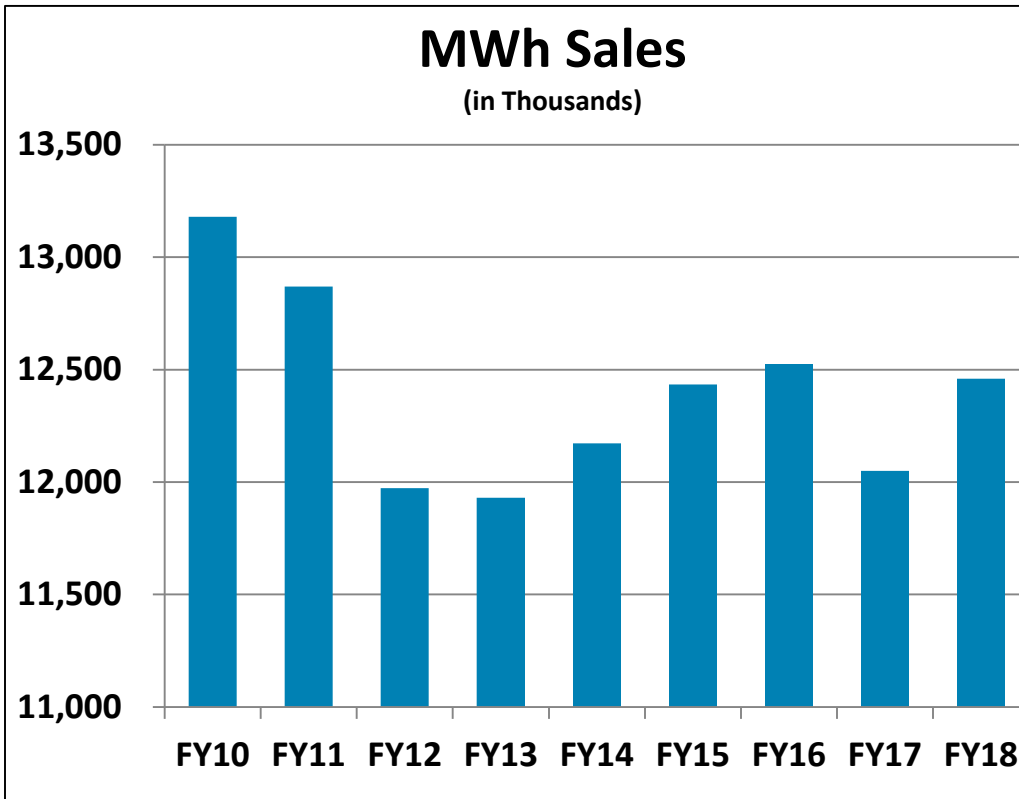
¹ Council approved limit for capital expenditures in FY18 is \$237 million

Water & Sewer Rates in Florida

Residential Service with a 5/8" meter and 6 kgals of Consumption
Residential Rates as of October 2017



Electric System: MWh Sales



Month	FY18	FY17	%
Oct	1,065,925	951,425	12.0%
YTD	1,065,925	951,425	12.0%
Nov		863,238	
Dec		905,219	
Jan		932,807	
Feb		759,141	
Mar		914,242	
Apr		933,563	
May		1,084,832	
Jun		1,094,475	
Jul		1,298,608	
Aug		1,260,217	
Sep		1,052,365	
Forecast/Total	12,459,004	12,050,133	

Unit Sales Driver: FY18 MWh increase due to warmer weather, evidenced by 44% increase in Degree Days.

YTD Degree Days		
30-yr. Avg.	FY18	FY17
225	350	243

YTD Customer Accounts		
FY18	FY17	%
462,580	455,686	1.5%

Total System	12.0%
Residential	14.9%
Comm./Industrial	7.6%
Interruptible	35.8%
Wholesale (FPU)	(27.5%)



FY 2017 Performing Objectives

Electric Systems Reliability Metrics

T&D Grid Performance	Metric	FY2018	FY2018 Target	FY2017	FY2016
Customer Outage Frequency	# of Outages per Year	1.66	1.8	1.55	1.4
Electric Outage Duration	# of Minutes out per Year	107.6	80	99.5	71
Transmission Line Faults	# of Faults per 100 miles	1.9	2.5	1.9	0.7
CEMI ₅	% Customers > 5 outages per yr	1.80	1.0	1.07	1.4

Electric Service Reliability

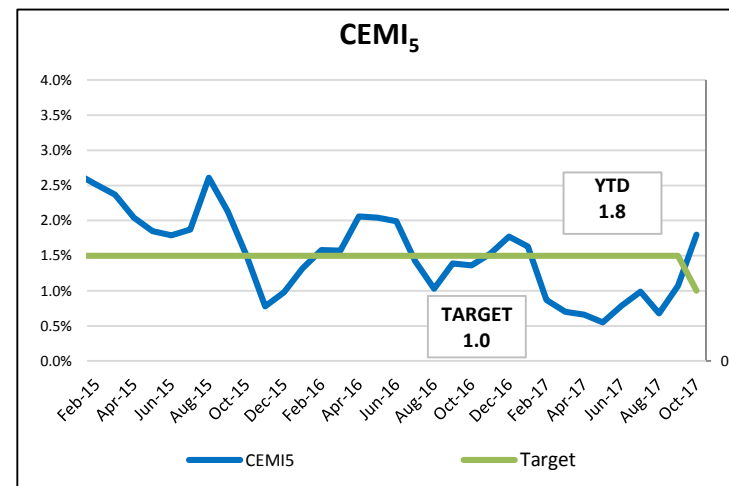
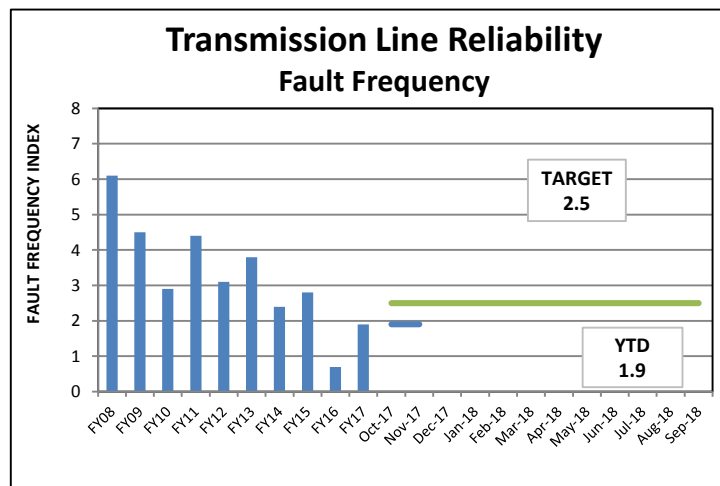
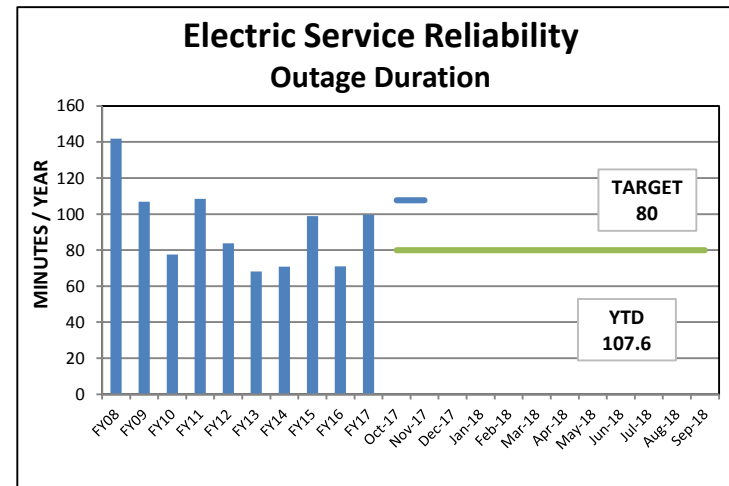
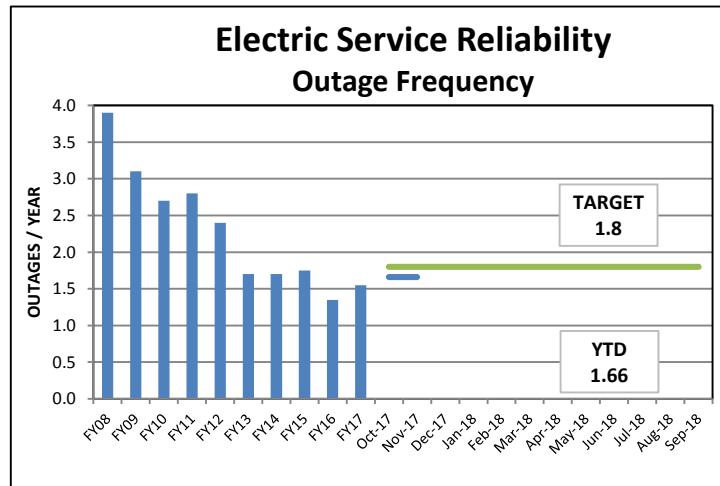
- Outage frequency and duration have been reduced significantly over the last 8 years; running flat over last several years
- The typical JEA customer sees 1.7 outages per year and a total outage duration of about 108 minutes
- Improvement trend over past three years for CEMI₅. 8,554 (1.80 %) of our customers have experienced more than 5 outages in the past 12 months

Transmission Line Reliability

- Overall downward trend over the last eight years
- FY18 (1.9) better than target.

Other Operational Metrics

- Continue showing favorable trends over time

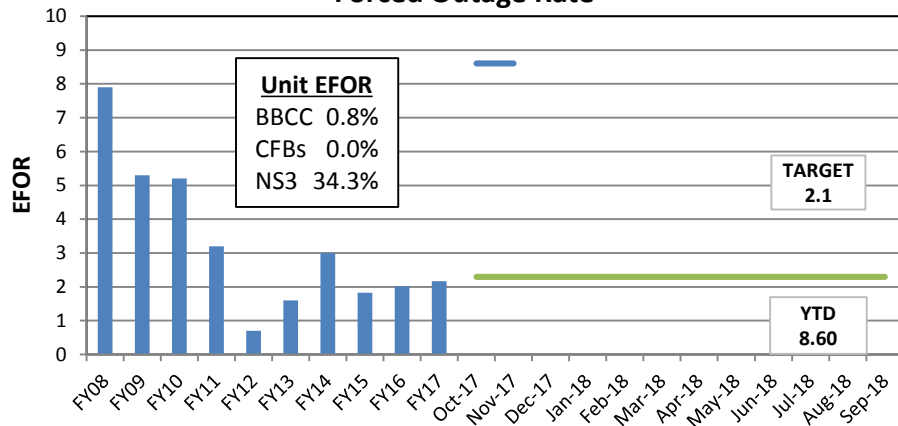


JEA FY 2017 Performing Objectives

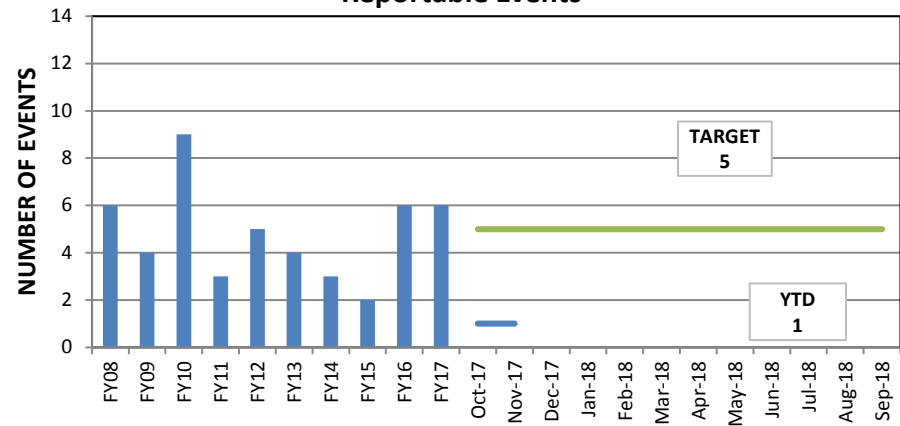
Electric Systems Reliability Metrics

Generating Plant Performance	Metric	FY2018 YTD	FY2018 Target	FY2017	FY2016
Generation Fleet Reliability	Forced Outages Rate	8.60	2.1	2.17	2.0
Environmental Compliance	Permit Exceedances	1	5	6	6

JEA Fleet Reliability
Forced Outage Rate



Environmental Compliance
Reportable Events



Generating Fleet Reliability

- The JEA fleet Forced Outage Rate has been running in line with prior 6-year performance though ended slightly above the FY2018 target.
- In October, we had an extended 50% derate on Northside Unit 3 due to damage from Hurricane Irma, along with several other boiler issues.
- High unit reliability contributes to lower fuel and non-fuel expenses.

Environmental Compliance

- Excellent environmental performance in prior years. No air permit exceedances occurred in FY16 or FY17.
- We experienced 1 reportable events at Northside thus far during FY2018.
- JEA remains actively engaged in and preparing for all new and emerging environmental regulations.

Electric System: Financial Results and Cost Metrics

(\$ in thousands)

Revenues	FY18 Forecast	FY17 Actual	FY18 Budget	FY18 vs FY17 (\$)	Variance (%)
Fuel Revenue	\$ 399,786	\$ 394,189 ¹	\$ 397,761	\$ 5,597	1.4%
Base Revenue	776,602	750,329 ¹	772,652	26,273	3.5%
Other Revenue	39,407	45,937	39,650	(6,530)	-14.2%
Total Revenues	\$ 1,215,795	\$ 1,190,455	\$ 1,210,063	\$ 25,340	-2.1%
Select Expenses					
Fuel Expense	\$ 442,935	\$ 442,588	\$ 430,561	\$ (347)	-0.1%
Fuel Fund Transfers	(43,149)	(48,400)	(32,800)	(5,251)	
O & M Expense	228,242	199,470	228,801	(28,772)	-14.4%
Non-fuel Purchased Power	83,331	76,260	85,372	(7,071)	-9.3%
Net Revenues	\$ 493,845	\$ 517,074	\$ 492,947	\$ (23,229)	-4.5%
Capital Expenditures	\$ 205,195 ³	\$ 134,782	\$ 205,195 ²	\$ 70,413	52.2%
Debt Service	\$ 205,973	\$ 204,477	\$ 204,971	\$ (1,496)	-0.7%

Electric Costs / MWh	Non-Fuel
Target	\$ 56.88
Actual	59.04
Difference	\$ (2.16)

Fuel Fund (\$ in millions)	
Beginning Balance	\$ 132
Surplus/(Deficit)	(43)
Ending Balance	\$ 89

Financial Metrics	FY18 Forecast
Coverage:	3.1x
Days Liquidity/Cash:	296 / 198
Debt/Asset:	65%
Total Debt:	\$2.6B (\$176M lower)



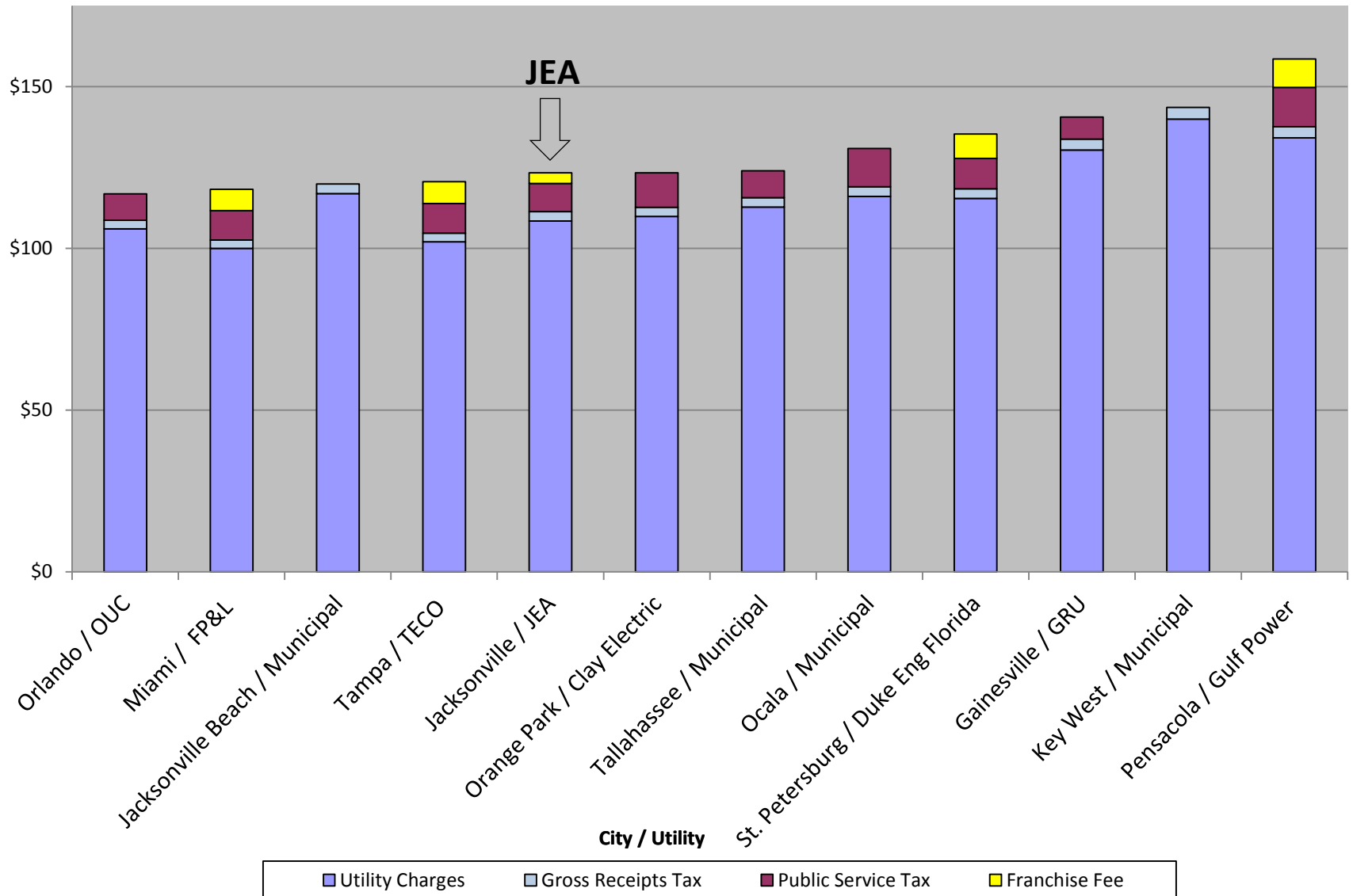
¹ Includes rate change in December 2016

² Council approved limit for capital expenditures in FY18 is \$205 million

³ Includes \$18 million for Solar Land purchase

Florida Utilities Monthly Residential Electric Bill Comparison

(Consumption @ 1,000 kWh)
Residential Rates as of October 2017



Customer Experience

Date: November 2017



FY18 Customer Satisfaction Goal

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

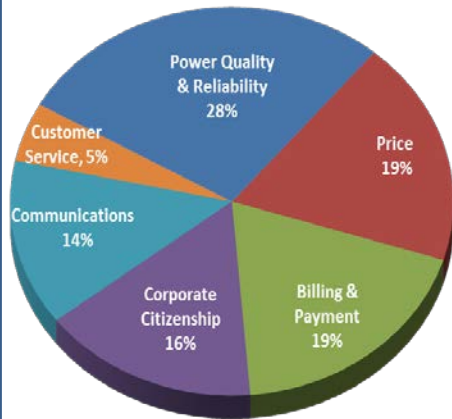
Residential (R)

FY16	FY17	Wave 1	Wave 2	Wave 3	Wave 4	FY18
2Q 703	1Q 747	1Q 753				1Q 753

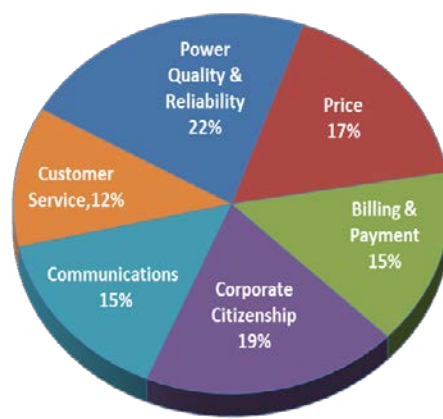
Business (B)

FY16	FY17	Wave 1	Wave 2	FY18
1Q 754	1Q 780	1Q 787		1Q 787

Residential



Business



FY18 Residential # of companies ranked: 139
 FY18 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

	FY17	Wave 1	Wave 2	Wave 3	Wave 4	FY18
R	1Q 800	1Q 824				1Q 824
B	1Q 829	3Q 790				3Q 790

Power Quality & Reliability

	FY17	Wave 1	Wave 2	Wave 3	Wave 4	FY18
R	1Q 792	2Q 781				2Q 781
B	1Q 816	1Q 823				1Q 823

Empower Customers to Make Informed Decisions

Billing & Payment

	FY17	Wave 1	Wave 2	Wave 3	Wave 4	FY18
R	1Q 807	1Q 807				1Q 807
B	2Q 803	1Q 830				1Q 830

Communication

	FY17	Wave 1	Wave 2	Wave 3	Wave 4	FY18
R	1Q 712	1Q 716				1Q 716
B	1Q 757	1Q 766				1Q 766

Price

	FY17	Wave 1	Wave 2	Wave 3	Wave 4	FY18
R	2Q 679	1Q 708				1Q 708
B	1Q 735	2Q 730				2Q 730

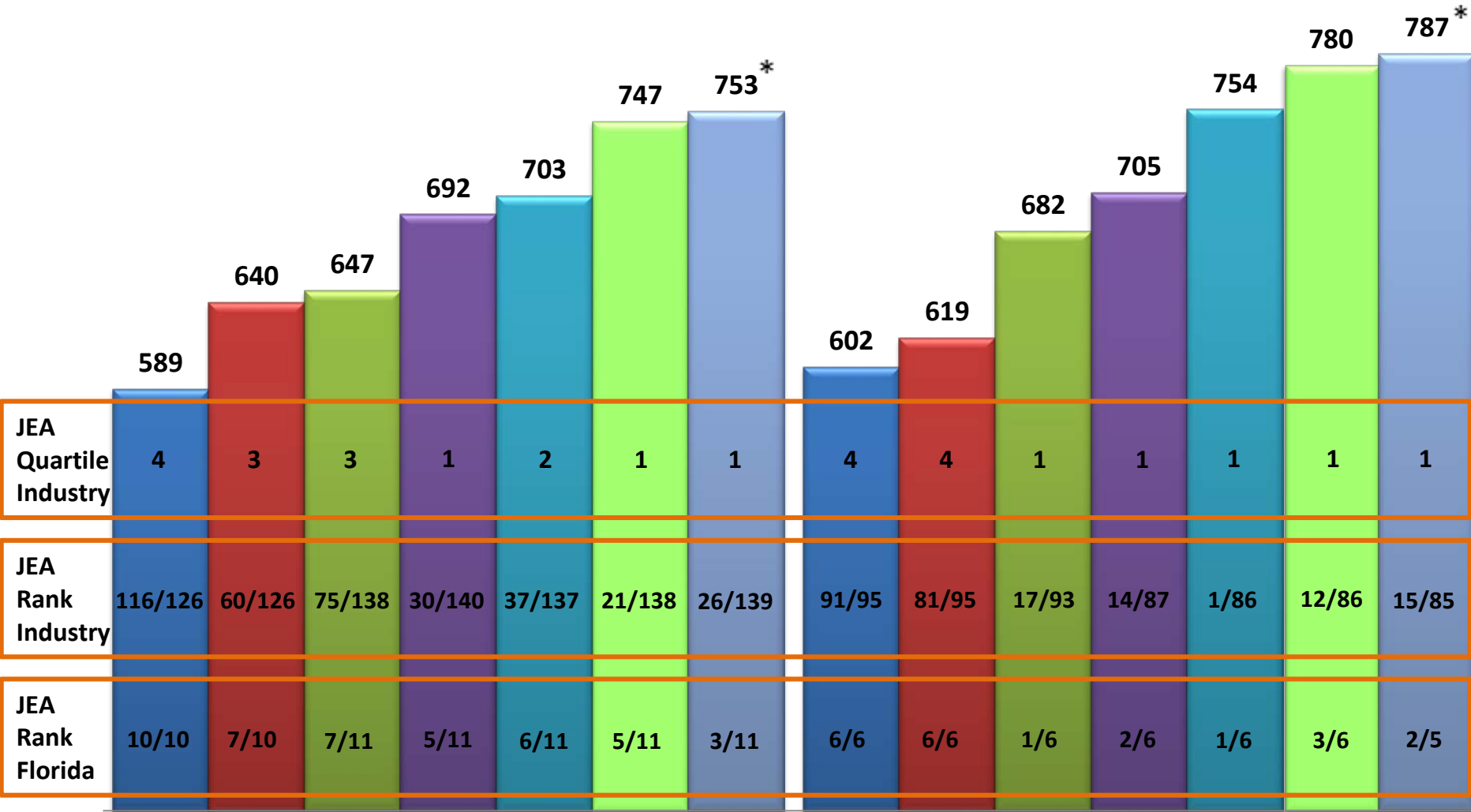
Demonstrate Community Responsibility

Corporate Citizenship

	FY17	Wave 1	Wave 2	Wave 3	Wave 4	FY18
R	1Q 685	1Q 700				1Q 700
B	1Q 748	1Q 762				1Q 762

Customer Satisfaction Index Scores

2012 2013 2014 2015 2016 2017 2018

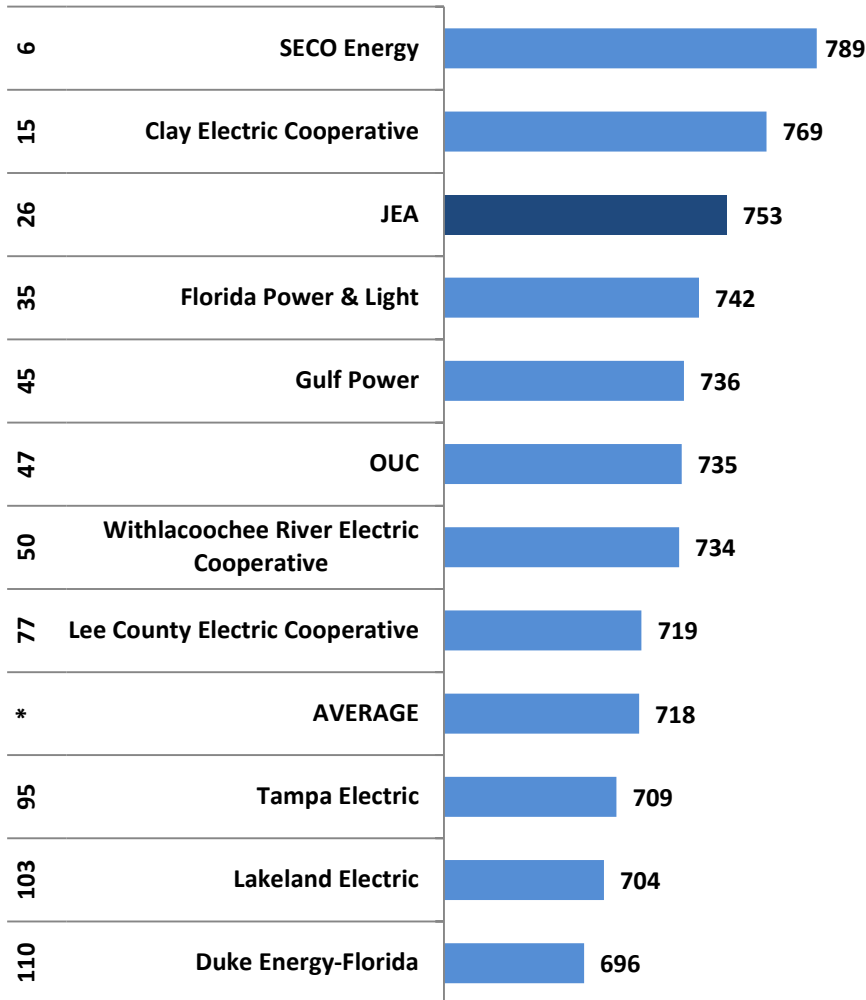


Residential

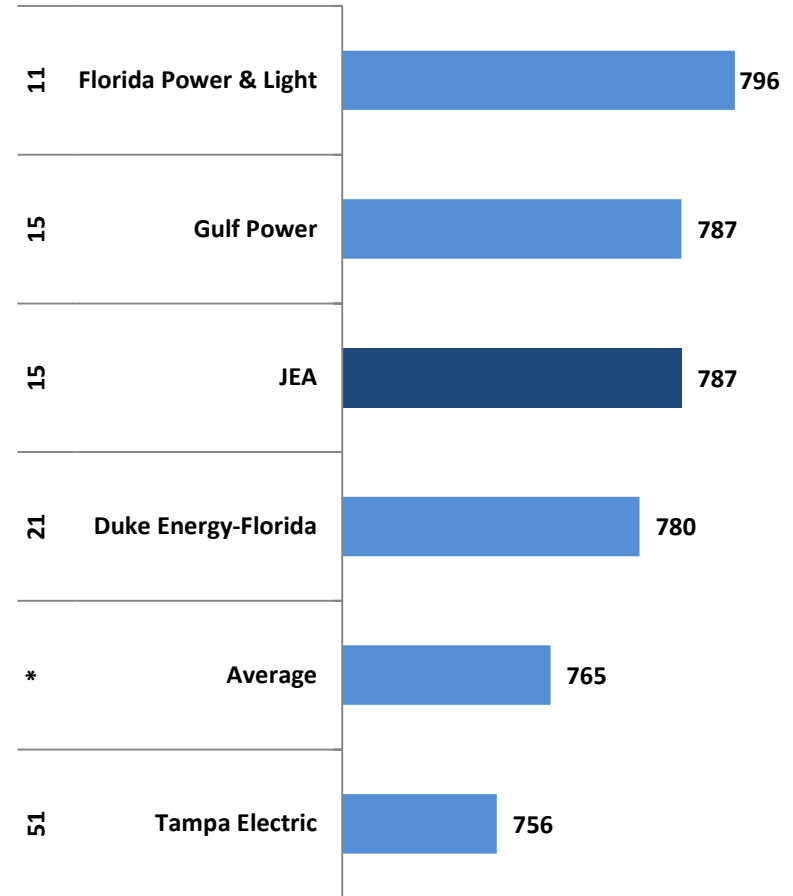
Business

Customer Satisfaction Index Scores – Florida Utilities

Residential FY18 YTD



Business FY18 YTD



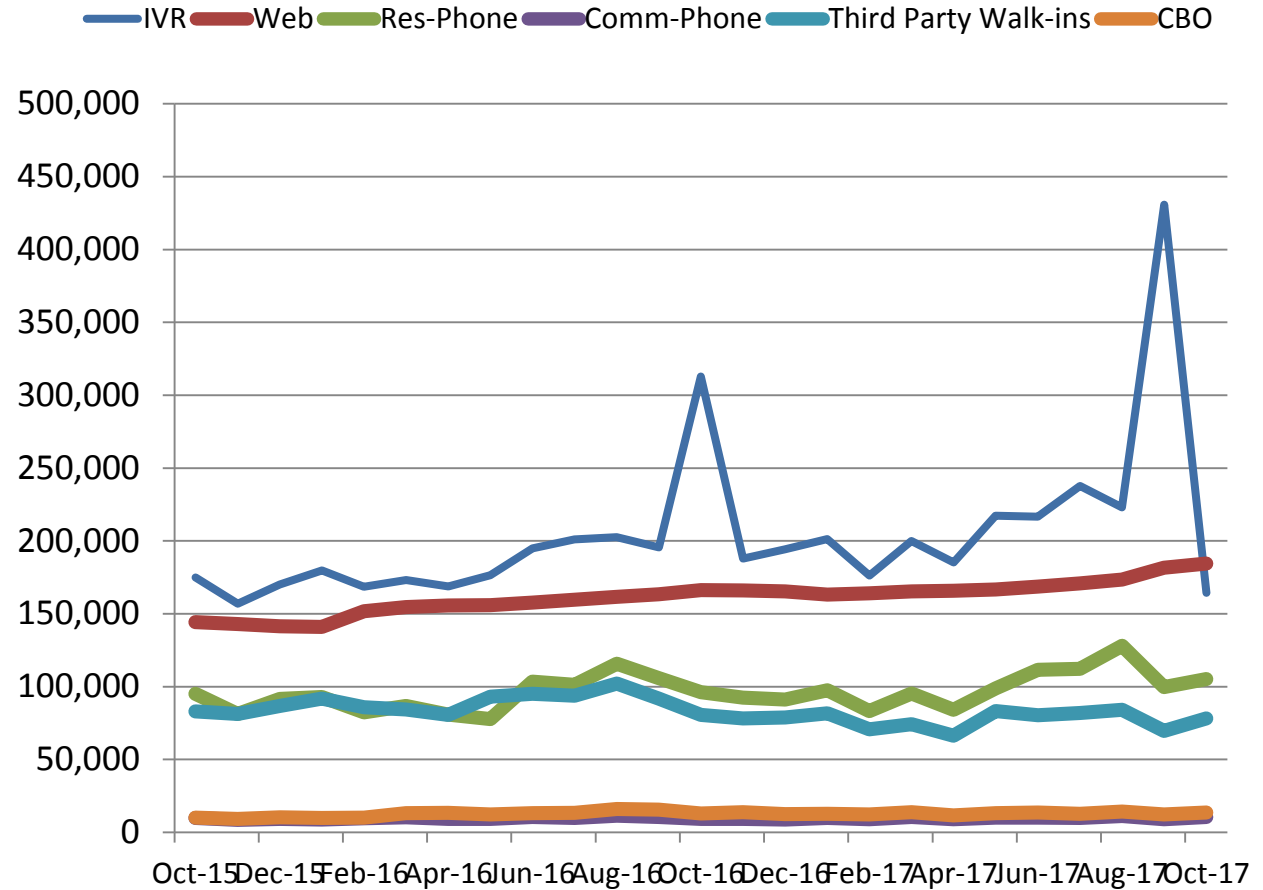
Easy to do Business With

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

	JEA FY16	JEA FY17	Industry FY17
Phone - CCC	57.0%	76.6%	69.0%
IVR	79.6%	74.7%	69.1%
Web	76.2%	76.2%	80.1%

Transactional Volume



Customer Service Easy to do Business With

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

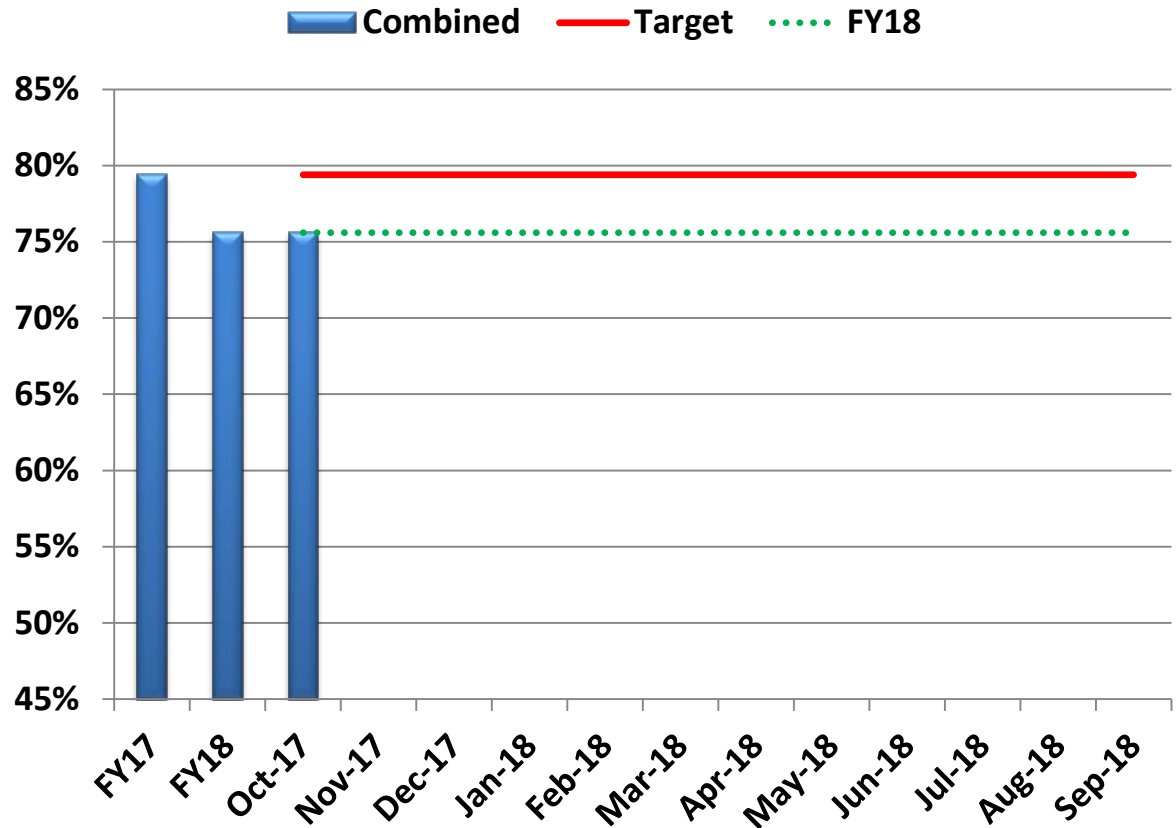
FY18 Transactional Study

Residential CC	72.1%
Branches	75.0%
Commercial CC	81.8%
IVR	75.5%
jea.com	77.5%
Overall	75.6%

JD Power FCR

	JEA FY17	JEA FY18 YTD	Industry FY18 YTD
Res CC/IVR	70.3%	74.8%	74.1%
Jea.com	72.6%	88.8%	78.1%
Bus CC/IVR	82.1%	63.5%	69.4%

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



Power Quality & Reliability Easy to do Business With

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

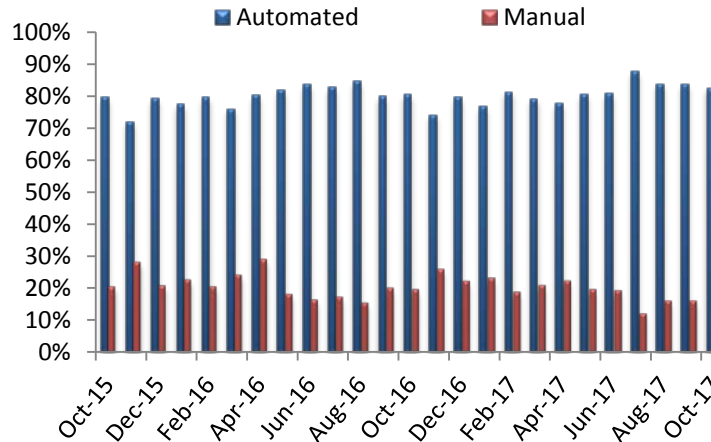
JD Power
“Keeping you informed about outage”

Score	JEA FY17	JEA FY18 YTD	Ind FY18 YTD
8 – 10	55.3%	51.2%	46.5%
< 5	14.0%	13.6%	16.4%

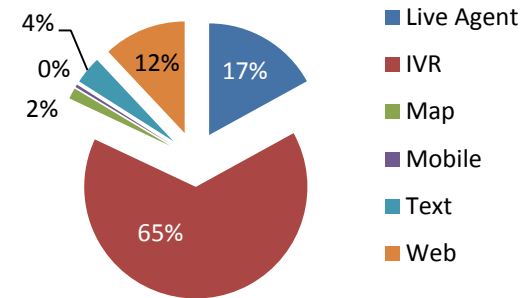
Outage Information Points

	FY16	FY17	FY18 YTD
JEA	2.3	2.6	2.6
Industry	2.1	2.3	2.3

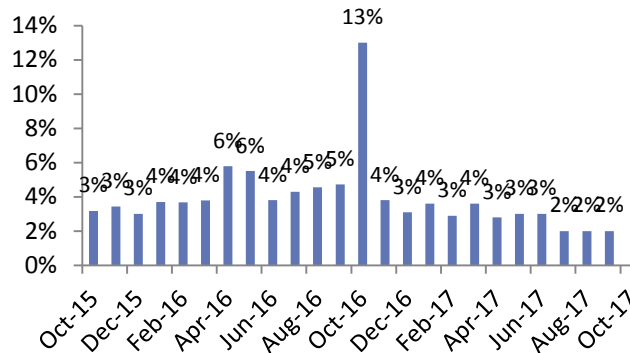
Outage Reporting



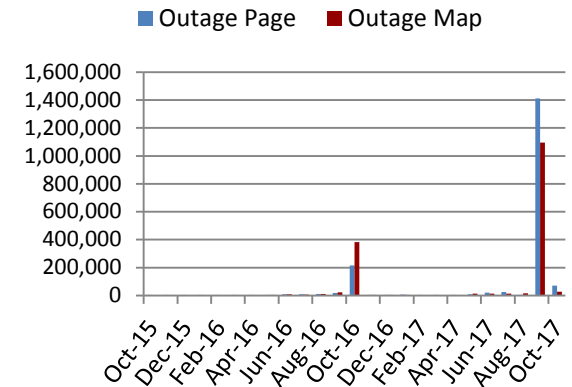
Outage Reporting by Channel



% Customers Receiving Outage Updates



jea.com Outage Page Volume



Billing & Payment: Customer Solutions

Empowering Customers to Make Informed Decisions

Customer Solution Participation	FY17	FY18 YTD
e-Billing Participation	94,579	96,815
Levelized Bill Participation	21,050	21,073
AutoPay Participation	39,011	39,318
JEA MyWay Participation	17,883	18,323



Our Power of Thanks Giveaway began Oct. 1st !

Every customer enrolled in JEA MyBudget, AutoPay or eBill by 11/30 will be entered to win their choice of a Jacksonville Jaguars ticket package or a \$500 Amazon gift card.

It's our way of showing how much we appreciate our JEA customers!

	FY18 YTD	Industry Benchmark*
e-Bill	24.3%	18.5%
Budget Bill	5.3%	9.0%
Auto Pay	9.9%	13.0%
*2015 IOU Benchmark Average		

Empowering Customers to Make Informed Decisions

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

JDP Frequency of Received Communication

FY18 W1

Not enough	1%
Just right	93%
Too much	6%

JDP Comm Awareness

Residential

FY14	51.9%
FY15	54.6%
FY16	54.4%
FY17	58.2%
FY18 W1	46.1%

Commercial

FY14	55.7%
FY15	68.7%
FY16	55.4%
FY17	64.2%
FY18 W1	44.6%



NEWS FROM JEA

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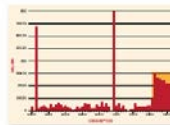
Three JEA Programs You May Not Know About

Three JEA Programs You May Not Know About

From high usage alerts to economic development to electric safety, JEA is working hard to provide programs that bring value to you and our city. Below: three programs that help build and energize our community.

JEA's High Water Usage Alert Program

Sometimes a water customer develops a leaky toilet, leaves a hose running or has a broken pipe and does not even know it. This can damage property, cause very high bills and waste a precious resource. Instead of learning about the problem when your bill arrives, JEA's Utility Analytics team developed an analytics algorithm that identifies potential leaks and sends an email notification to the customer before the bill arrives. For very large leaks, we send someone to view the problem firsthand. One customer insisted she did not have a leak after we sent her an alert. We sent her a graph of her usage and asked her to look again and, sure enough, she located a hard-to-find broken pipe underneath her home's air handler. Right now, almost half our water customers have the necessary meter to provide these advanced analytics. JEA is in the process of upgrading the other half of the meters over the next few years so all our water customers can benefit from this program. For more on the program go to jea.com/alerts.



JEA's Economic Development Incentive Program

JEA started this program four years ago to support the City of Jacksonville and Jacksonville in their efforts to promote economic development. The program provides a financial incentive to Commercial and Industrial customers (C&I) for creating jobs and electric usage in Jacksonville. Customers who qualify get a discount on demand, energy and environmental charges for up to eight years. The discount starts at up to 35 percent and de-escalates by five percent a year until it gets to zero. Two C&I customers applied for the program early on. Four more will be taking advantage of it soon. Learn more at jea.com/business_resources/.

JEA Power Pals Program

We are big believers in teaching electric safety, especially to children. With the JEA Power Pals Program, JEA Ambassadors travel to schools, day care centers and summer camps to teach kids how to be safe around electricity. Children learn that electricity and water should never mix. They learn the dangers of playing around substations and electric wires, and they learn how overloaded electric plugs in their homes can cause fires. Would you like to bring this program to your child's school or classroom? Fill out the form at jea.com/powerpals.



ELECTRIC RELIABILITY



JEA troubleshooters are the first line of reliability. These heroes ensure electrical problems are resolved as quickly as possible. For more on JEA's efforts to repair and maintain electric infrastructure, visit jea.com/reliability.



COMMUNITY INVESTMENT



Autumn finds JEA employees gearing up for holiday food drives. This year, for the first time, we will send our Ambassadors to the Duane Street Veterans Vets Downtown, part of the Clara White Mission, and the First Star Veterans Center. Learn more at jea.com/employeeengag.

ELECTRIC SAFETY

Overexposed connections on wall outlets can overload circuits, causing sparks and fires. For more electric safety tips, go to jea.com/electric-safety.

Protecting The Environment

JEA's Continuous Emissions Monitoring team uses state-of-the-art equipment to collect data every minute on power plant stack emissions. This means it collects and reviews over 120,000 data points every day to help ensure Jacksonville's air quality. To learn more about JEA's environmental efforts, visit jea.com/emf/environem.

Communication Channels FY18

Volume: 16,426,373

- e-Com (jea.com, email, social) 5,137,974
- Paid Media (Radio, TV, Print) 9,873,542
- Community Engagement (Events, Workshops) 332,182
- Other Communication (Bill Inserts, Brochures, 1,082,675)



Empowering Customers to Make Informed Decisions

JEA Employee Volunteer Participation

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

FY18 Activities:

- Speakers Bureau—4
- Facility Tours—8
- Community Events—12
- Educational Partnership Activities—9



JEA Ambassadors participated in the 2017 Southern Women Show where they spent time interacting with customers and received a lot of appreciation for how the organization handled Hurricane Irma and the aftermath.

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

FY18 Total Volunteers - 56

October — 56 Volunteers

- First Coast No More Homeless Pets Adoption — October 2, 3, 4, 5, 6, 7, and 8
- Catty Shack Wildlife Reserve — October 6, 7, 9 and 10
- United Way Days of Caring — October 24 and 26
- Feeding NE Florida Food Bank — October 27
- DLC Nurse and Learn — Fall Festival — October 27
- Right Whale Festival & Litter Clean-up — October 29

November — Volunteer Events

- America Recycles Day — November 15
- Salvation Army Thanksgiving Food Distribution — November 17
- Clara White's Feed the City — November 18
- Feeding NE Florida Food Bank — November 30



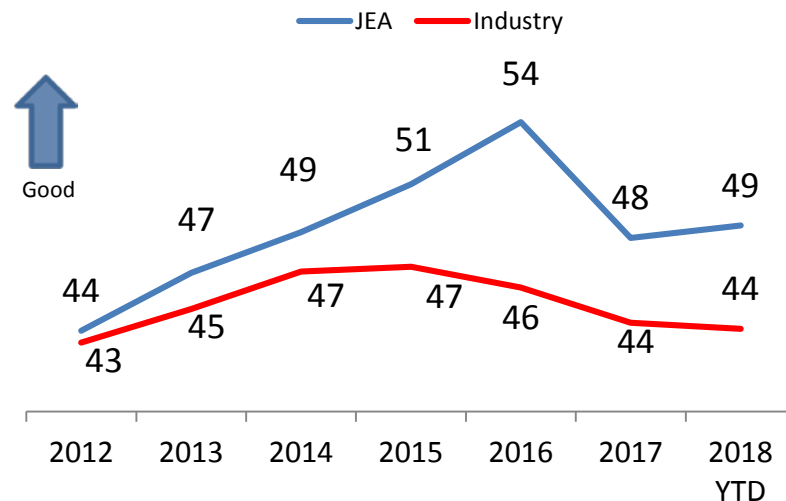
Demonstrating Community Responsibility

DSM Programs & Participation	FY17	FY18 YTD
Tracker Participation (Entering Site)	114,993	11,270
Invest Smart	620	79
Shop Smart	103,576	1,897
Neighborhood Energy Efficiency	1,250	95
Electric Vehicle Rebates	75	5

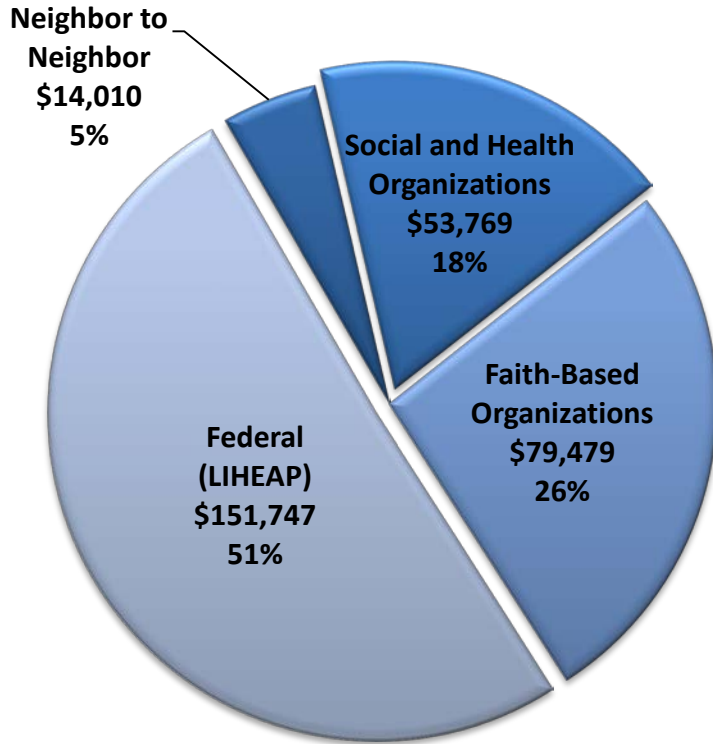
Customer Solutions and Market Development highlights:

- At the start of our fiscal year, our efforts are focused on measuring our Program achievements and needs for 2017, kicking off numerous 2018 continuing DSM Programs and engaging in elevated strategic planning to refine new market strategies.
- JEA has begun our Market Potential Study to analyze the cost effectiveness of potential demand side measures, such as energy efficient products, that can help reduce JEA’s supply side costs. The significant study is in accordance with the state Florida Energy Efficiency Conservation Act and is conducted every 5 years. JEA is working with other Florida utilities such as FP&L & Duke to leverage knowledge and reduce the cost of the study.

Familiarity with Utility Energy Efficiency or Conservation Programs (%)



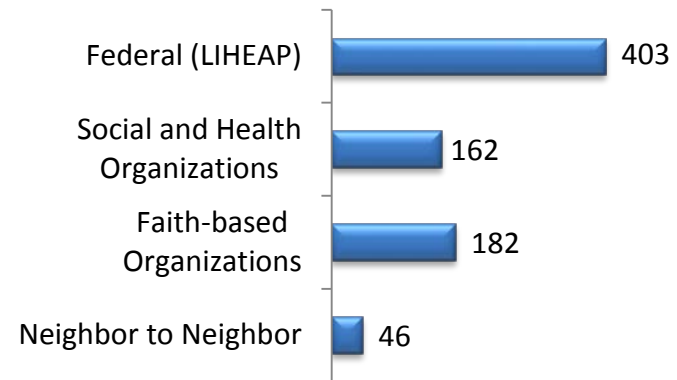
Demonstrating Community Responsibility



Agency & Federal
Customer Assistance
FY 18
\$299,005

24 agencies provided 793 utility payments on behalf of JEA customers in **October 2017** totaling **\$ 299,005**

Customers Receiving Agency Assistance FY 18



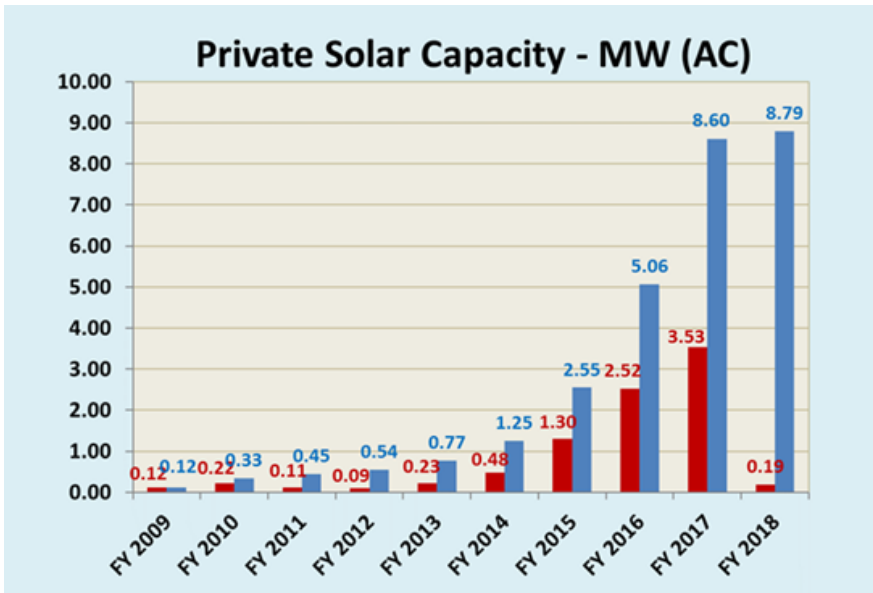
Number of Customers Receiving Agency & Federal Utility Assistance
FY 18
793



Private Solar Program Status (Net-Metered Solar)

- The installation of private solar on the JEA system is growing
- Private solar capacity added in October was 0.19 MW.
- Total aggregate capacity is 8.79 MW.

- The annualized expense for the current 8.79 MW of installed private solar is \$812,000 annually
- The table below reflects the current and future expense levels associated with private solar:



	Current MW	10 MW Policy Limit	Each Future MW
Energy	\$427,000	\$500,000	\$50,000
Capacity	\$297,000	\$330,000	\$33,000
Taxes & Fees	\$88,000	\$98,000	\$9,800
Total	\$812,000	\$928,000	\$92,800
20-yr NPV	\$10,600,000	\$12,100,000	\$1,210,000









[Return to Agenda](#)

III. A. 5.
11/28/2017

Board of Directors Meeting November 28, 2017











Water & Wastewater Monthly Operations Scorecard

Water & Wastewater	FY2017	FY2018 Goal	FY2018 YTD	Status
JEA Safety RIR	2.0	1.40	0.56	
Sales Forecast (kGals in 1000's)	37,245	37,615	39,534	
Water Unplanned Outages (# cust.)	4,893	9,000	164	
CUP Compliance	Yes	Yes	Yes	
Nitrogen to the River (tons)	556	550	60	
Sanitary Sewer Overflows (SSO's)	57*	30	4	

Significant Occurrences or Concerns This Month

- Four (4) OSHA recordable safety incidents for JEA in October
- Unplanned Water Main Outages: 164 customers well below target, even communication enhancements ongoing into FY18
- CUP: Average daily flow of 115 MGD is 14% below CY limit of 133 MGD; reclaim usage at 19 MGD
- Nitrogen to River: 60 tons YTD, due to high flows in October and construction at Buckman; JEA provides 37 tons to City of Jacksonville
- SSO's Impacting Waters of the US: 4 YTD, root cause analysis is performed on each SSO

Electric Monthly Operations Scorecard

Electric System	FY2017	FY2018 Goal	FY2018 YTD	Status
JEA Safety RIR	2.0	1.40	0.56	
Sales Forecast (million MWh)	12.1	12.4	12.4	
T&D Grid Performance Customer Outage				
<i>Frequency (outages/year)</i>	1.6	1.8	1.7	
<i>Electric Outage Duration (minutes/year)</i>	99.5	80	107.6	
<i>Transmission Line Faults (# per 100 miles)</i>	1.9	2.5	1.9	
<i>CEMI₅ (% cust. > 5 outages/year)</i>	1.07	1.0	1.8	
Generating Plant Performance				
<i>Generation Fleet Reliability (forced outages rate)</i>	2.17	2.3	8.6	
<i>Environmental Compliance (permit exceedances)</i>	6	5	1	

Significant Occurrences or Concerns This Month

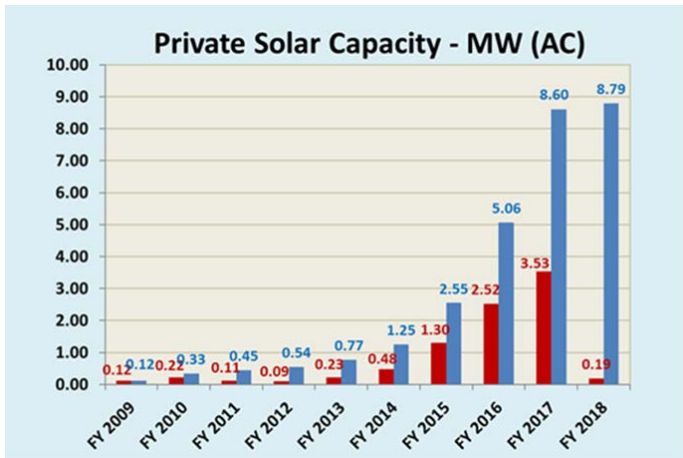
- The JEA fleet Forced Outage Rate has been running in line with prior 6-year performance though ended slightly above the FY2018 target.
- In October, we had an extended 50% derate on Northside Unit 3 due to damage from Hurricane Irma, along with several other boiler issues.



Customer Experience Monthly Operations Scorecard

Customer Experience	FY2016	FY2017	FY2018 YTD	Status
JDP Customer Satisfaction Index - Residential	2 nd Q	1 st Q	1 st Q	●
JDP Customer Satisfaction Index - Business	1 st Q	1 st Q	1 st Q	●
Overall First Contact Resolution Index	79.4%	79.4%	75.6%	●
Self Service Utilization	76.0%	78.4%	80.5%	●
Net Write-Offs	0.14%	0.15%	0.13%	●

Significant Occurrences or Concerns This Month



- The installation rate of net-metered private solar on the JEA system is growing.
- Private solar capacity added in October was 0.19 MW. Total aggregate capacity is 8.79 MW.
- The annualized expense for the current 8.79 MW of installed private solar is \$812,000 annually.



Financial Results and Cost Metrics

Electric System Metrics

	Rating Agency/ Perform. Goal	Forecast	Score
System Sales (GWh)	12,000	12,459	
Base Revenue Growth	0.5%	3.5%	
Debt Svc. Coverage	2.2x	2.4x	
Days Liquidity (Cash)	280 (180)	296 (198)	
Debt/Asset %	65%	65%	
Non-Fuel/MWh	\$56.88	\$59.04	
Net Funded Debt Reduction	\$135m	\$135m	
Capital Expenditures	\$205m	\$205m	
Moody's/S&P/Fitch Ratings	Aa2/AA-/AA	Aa2/AA-/AA	

Water and Sewer Systems Metrics

	Rating Agency/ Perform. Goal	Forecast	Score
Water System Sales (kGals)	37,615	39,534	
Base Revenue Growth	1.5%	3.2%	
Debt Svc. Coverage	2.7x	3.0x	
Days Liquidity (Cash)	502 (404)	502 (407)	
Debt/Asset %	48%	50%	
Water Cost/kgal	\$4.40	\$4.48	
Sewer Cost/kgal	\$9.85	\$9.76	
Net Funded Debt Reduction	\$50m	\$50m	
Capital Expenditures	\$215m	\$223m	
Moody's/S&P/Fitch Ratings	Aa2/AA/AA	Aa2/AAA/AA	

Significant Occurrences or Concerns This Month

- Electric System Sales were 12% higher in October FY18 compared to October FY17 due to 44% increase in Degree Days.
- Water System Sales were 4% under 2017, due primarily to the significant rainfall in October 2017.

III. A. 6.

Monthly FY18 Communications & Engagement Calendar and Plan Update

JEA Community Engagement Calendar - October - December 2017

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

	A	B	C	D	E	F
1	Date	Event/Activity	Location	Time	Type	Opportunity for Public to Attend or Participate
2	Oct-17					
3	10/2/2017	Kiwanis Club	Doubletree	1pm	Ambassador Speaker	No
4	10/4/2017	Girl Scout Troop 2273	Jax Beach Elem.	6pm	Ambassador Speaker	No
5	10/5/2017	Environmental Symposium	UNF	9am	Ambassador Event	Yes
6	10/5/2017	Jax Chamber Health Council	Deerwood Country Club	9am	Ambassador Speaker	Yes
7	10/5/2017	James Weldon Johnson Middle	Main St Lab Tour	3:30pm	Ambassador Facility Tour	No
8	10/5/2017	Black Expo Vendor Kick Off	Ritz Theater	6pm	Ambassador Event	Yes
9	10/6/2017	Black Expo Set Up	Prime Osborn	1pm	Ambassador Event	Yes
10	10/6/2017	Web.com Employee Fair	12808 Gran Bay Parkway	10:30am	Ambassador Event	Yes
11	10/6/2017	Lighthouse Christian School	6801 Merrill Rd	9am	Ambassador Event	No
12	10/7/2017	2017 Black Expo	Prime Osborn	10am - 7pm	Ambassador Event	Yes
13	10/10/2017	Employee Plant Tour	Buckman Plant	9am	Ambassador Facility Tour	No
14	10/17/2017	Southern Women Show Set Up	Prime Osborn	1pm	Ambassador Event	Yes
15	10/17/2017	American Assoc. of Civil Engineers	UNF	12pm	Ambassador Speaker	No
16	10/18/2017	JEA Senior Day	Customer Center	9am	Ambassador Event	Yes
17	10/19 - 22/2017	2017 Southern Womens Show	Prime Osborn	10am - 9pm	Ambassador Event	Yes
18	10/23/2017	Tulsa Welding School	Solar Plant	10am	Ambassador Facility Tour	No
19	10/25/2017	CH2M Stem Tour	Main St Lab Tour	8am	Ambassador Facility Tour	No
20	10/26/2017	Energy Awareness Event	NAS JAX	10am	Ambassador Event	No
21	10/26/2017	Non-Profit Breakfast	JEA Tower	8am	Ambassador Event	Yes
22	10/27/2017	UNF History Class	Buckman Plant	9am	Ambassador Facility Tour	No
23	10/27/2017	Power Pals Materials Prep	Tower 12	11am	Ambassador Event	Yes
24	10/27/2017	FSCJ Class	Main St Lab Tour	9am	Ambassador Facility Tour	No
25	10/28/2017	Girl Scout Robotics Team	Main St Lab Tour	10am	Ambassador Facility Tour	No

JEA Community Engagement Calendar - October - December 2017

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

	A	B	C	D	E	F
26	10/30/2017	JEA Power Pals	St Claire Evans Academy	12:30pm	Ambassador Instructor	No
27	10/31/2017	JEA Power Pals	North Shore Elem.	9:30am	Ambassador Instructor	No
28	10/31/2017	JEA VIP Turbine Tour	NGS	9am	Ambassador Facility Tour	No
29						
30						
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32						
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34						
35	Nov-17					
36	11/1/2017	Shiva Robotics Club	7044 Beach Blvd.	5pm	Ambassador Speaker	No
37	11/2/2017	Riverside Presb. Lego Club	Main St Lab Tour	3:30pm	Ambassador Facility Tour	No
38	11/6/2017	JEA Power Pals	St Claire Evans Elem.	12:30pm	Ambassador Instructor	No
39	11/7/2017	JEA Power Pals	North Shore Elem.	9:30am	Ambassador Instructor	No
40	11/8/2017	Greenwood School	Main St Lab Tour	10am	Ambassador Facility Tour	No
41	11/9/2017	Greenwood School Career Fair	9920 Regency Square Blvd.	1pm	Ambassador Event	No
42	11/9/2017	St Claire Evans Community Night	5443 Moncrief Rd	5pm	Ambassador Event	Yes
43	11/11/2017	Veterans Day Parade	Downtown Jax	11:01am	Ambassador Event	Yes
44	11/13/2017	JEA Power Pals	St Claire Evans Elem.	12:30pm	Ambassador Instructor	No
45	11/13/2017	UNF Environmental Class	Buckman Plant	8:30am	Ambassador Facility Tour	No
46	11/13/2017	Ribault Hills Assoc.	Legends Center	6pm	Ambassador Speaker	Yes
47	11/14/2017	JEA Power Pals	North Shore Elem.	9:30am	Ambassador Instructor	No
48	11/15/2017	Jr. Achievement School Takerover	Henry Kite Elem. - 9430 Lem Turner Rd.	9am	Ambasador Instructor	No
49	11/15/2017	Duval Soil & Water Conservation	IFAS - 7474 McDuff Ave	8am	Ambassador Speaker	No
50	11/15/2017	UNF College of Business	UNF	6pm	Ambassador Speaker	No
51	11/18/2017	Girl Scout Troop 869	Main St Lab Tour	10am	Ambassador Facility Tour	No
52	11/18/2017	Shiva Robotics Club	Main St Lab Tour	10am	Ambassador Facility Tour	No
53	11/20/2017	JEA Power Pals	St Claire Evans Elem.	12:30pm	Ambassador Instructor	NO
54	11/21/2017	JEA Power Pals	North Shore Elem.	9:30am	Ambassador Instructor	No

JEA Community Engagement Calendar - October - December 2017

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

	A	B	C	D	E	F
55	11/25/2017	Big Talbot Island Residents	123 Houston Ave	12pm	Ambassador Speaker	No
56	11/28/2017	FSCJ Class	Main St Lab Tour	10am	Ambassador Facility Tour	No
57	11/30/2017	FSCJ GED Class	Main St Lab Tour	9:30am	Ambassador Facility Tour	No
58	Dec-17					
59	12/2/2017	Brook YMCA	Main St Lab Tour	10am	Ambassador Facility Tour	No
60	12/5/2017	Girl Scouts 1 Hour Power Pals	Ed White High School	6:30pm	Ambassador Instructor	No
61	12/15/2017	West Riverside Elem. Career Fair	2801 Herschel St	9am	Ambassador Event	Yes
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FY18 Communications & Community Engagement Overview and October/November 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: Beginning October 1st, our JEA Power of Thanks Giveaway began. During this giveaway all customers who are enrolled in one of our billing and payment programs by 11/30 will automatically be entered to win their choice of a Jacksonville Jaguars game day ticket package or a \$500 Amazon gift card. On October 10th we began the Puerto Rico Power Diary on jea.com which is a daily recap of JEA's efforts to restore power to the people of Puerto Rico. Complete with photos, videos and reports from our workers on the ground, the Puerto Rico Power Diary has garnered praise from both family members and the media for providing detailed updates on JEA's participation in Puerto Rico's power restoration efforts. On October 27th we participated in the Feeding NE Florida Food Bank. At this event JEA volunteers had the chance to sort and distribute food for those in need. Otherwise we continued all key messages that were identified by J.D. Power as critical to customers. All paid and owned messaging is 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 October, Ambassadors were requested to speak to several groups including the Kiwanis Club and a Girl Scout Troop. Ambassadors conducted several facility tours for groups such as the Girl Scouts Robotics Team, a UNF History Class and CH2 group. Ambassadors also participated in several community events including; Fall Home & Patio Show, 2017 Black Expo, Environmental Symposium and the 2017 Southern Women Show.

Below, JEA Ambassadors participated in the Web.com Employee Resource Fair where they engaged employees/customers while providing conservation and energy efficient information



In October, JEA volunteers came out in support of First Coast No More Homeless Pets Adoption, Catty Shack Wildlife Reserve, United Way Days of Caring, Feeding NE Florida Food Bank, DLC Nurse and Learn, and the Right Whale Festival & Litter Clean-up.

Sulzbacher Center



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	16,426,373
• Number of Paid Communications Contacts (Radio, Television, Out of Home, Online, Print)	9,873,542
• Number of Other Communications Contacts (Bill Insert, Bill Envelop, Brochure, etc.)	1,082,675
• Number of E-communications Contacts (jea.com Visitors, Email, Social Media, Videos)	5,137,974
• Number of Community Engagement Communications Contacts (Events, Public Speaking, Presentations, Training, Workshops, etc.)	332,182

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

III. B. 1.

St. Johns River Power Park System Employees' Retirement Plan Restatement – Amendment #1 to the Restated Plan Document



Building Community

AGENDA ITEM SUMMARY

November 7, 2017

SUBJECT:	ST. JOHNS RIVER POWER PARK SYSTEM EMPLOYEES' RETIREMENT PLAN RESTATEMENT - AMENDMENT #1 TO THE RESTATED PLAN DOCUMENT
-----------------	--

Purpose:	<input type="checkbox"/> Information Only <input checked="" type="checkbox"/> Action Required <input type="checkbox"/> Advice/Direction
-----------------	---

Issue: The Board approved the adoption of five amendments and the restatement of the St. Johns River Power Park System Employees' Retirement Plan ("Plan") on January 19, 2016 in order to obtain a Letter of Determination on the tax-qualified status of the Plan from the Internal Revenue Service ("IRS"). The IRS recently issued a favorable Letter of Determination concerning the tax-qualified status of the Plan, conditioned upon the adoption of a compliance amendment.

Significance: JEA Board Resolution 2017-34 will approve Amendment #1(2015 Plan document), which includes the IRS compliance provisions related to the restatement of the Plan and the Letter of Determination.

Effect: The Plan document will include the language as prescribed by the IRS to ensure compliance with applicable IRS code.

Cost or Benefit: The resolution will allow JEA to comply with the conditions set forth by the IRS, thereby maintaining the tax-exempt status.

Recommended Board action: Staff recommends the Board approve Resolution 2017-34 for Amendment #1 of the 2015 Plan to ensure compliance with provisions set forth by the IRS.

For additional information, contact:

Submitted by: PEM/ARH/PM

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**

November 7, 2017

SUBJECT: **ST JOHNS RIVER POWER PARK SYSTEM EMPLOYEES'
RETIREMENT PLAN RESTATEMENT– AMENDMENT #1 TO THE
RESTATED PLAN DOCUMENT**

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

The St. Johns River Power Park System Employees' Retirement Plan ("Plan") was originally established in 1984 for the purpose of providing retirement benefits – on a tax-qualified basis – to eligible St. Johns River Power Park System ("SJRPP") employees (and/or their surviving beneficiaries) after they retire. The Plan benefits have been, and currently are, bargained with the International Brotherhood of Electrical Workers Local Union 1618 bargaining unit ("IBEW") and are also provided to a small number of SJRPP non-bargaining unit employees.

SJRPP and the IBEW previously entered into an approved and ratified Collective Bargaining Agreement ("CBA") for the period October 1, 2015 through September 30, 2018. The CBA describes certain terms of the Plan. In addition, amendments and a restatement of the Plan document were previously prepared to include previously approved amendments between 2003 – 2015, changes in the law (technical amendments), and codification of current Plan administrative practices (collectively, the "Restated Plan").

DISCUSSION:

Periodically, to maintain any retirement plan's tax-qualified status, it is necessary or advisable to amend the retirement plan's written plan documents to reflect updates in the law and/or plan design changes. Periodically, it is also beneficial to restate (i.e., re-write) the plan documents in a single written plan document to reflect all prior amendments and to achieve consistency and legal compliance. Once plan amendments and/or amended and restated plan documents have been prepared, it is advisable to submit the items to the Internal Revenue Service ("IRS") for a letter of determination on the tax-qualified status of the plan.

The Restated Plan was submitted to the IRS for such a letter of determination on the tax-qualified status of the plan. The IRS recently issued a favorable determination letter for the Restated Plan, conditioned upon the adoption of a compliance amendment ("Compliance Amendment #1"). Compliance Amendment #1 does not change the benefits or operations of the Plan. A summary of its terms is as follows:

- In the definition of "Leased Employees," the Plan has historically cross-referenced Internal Revenue Code ("Code") section 414(n)(2). Instead of cross-referencing the Code section, the IRS requested that the terms of the Code section be written directly into the Restated Plan. This has no impact on Plan benefits or operations.

- In the definition of "Required Beginning Date," the IRS requested that the clause "terminates employment" be replaced with the word "retires." This has no impact on Plan benefits or operations.
- In the definition of "Designated Beneficiary," the Restated Plan contained a reference to Code section 401(a)(9) and Treasury Regulation 1.401(a)(9)-1, Q&A-4. These references mirrored those contained in an IRS model amendment. However, the IRS determined that it had made a mistake in its model amendment and only wanted plan documents to refer to Treasury Regulation 1.401(a)(9)-4. This change in the legal citation has no impact on Plan benefits or operation.
- The IRS requested that the Restated Plan contain additional description about how the existing BackDROP distribution option works. The IRS did not require any changes to the existing design or existing operation of the BackDROP. The additional descriptive detail has no impact on Plan benefits or operations.

Compliance Amendment #1 is consistent with, and does not alter, the existing CBA. Compliance Amendment #1 has been submitted to IBEW for information, as is required.

Compliance Amendment #1 has been reviewed by the Plan's actuaries, who have determined that Compliance Amendment #1 has no financial impact on the Plan.

Attached to this Memorandum are the following items:

- Exhibit "A" – Copy of the favorable IRS determination letter on the tax-qualified status of the Plan, conditioned on the adoption of the above-described compliance terms
- Exhibit "B" – Proposed Compliance Amendment #1
- Exhibit "C" – Actuarial Impact Statement opining on the actuarial effect (none) of Compliance Amendment #1 on the Plan
 - A copy of Compliance Amendment #1 and the Actuarial Impact Statement have been provided to the Florida Bureau of Local Retirement Systems in the Department of Management Services' Division of Retirement, as required by Florida law.
- Exhibit "D" – Copy of communication from IBEW's legal counsel, confirming that IBEW has no questions about Compliance Amendment #1

RECOMMENDATION:

Staff recommends the Board approve Resolution 2017-34 for Amendment #1 of the 2015 Plan to ensure compliance with provisions set forth by the IRS.

Paul E. McElroy, Managing Director/CEO

PEM/ARH

JEA Board Resolution No. 2017-34

RESOLUTION APPROVING AMENDMENT #1 TO ST. JOHNS RIVER POWER PARK SYSTEM EMPLOYEES' RETIREMENT PLAN AS AMENDED AND RESTATED EFFECTIVE OCTOBER 1, 2015

WHEREAS, the St. Johns River Power Park System ("Employer") previously adopted the St. Johns River Power Park System Employees' Retirement Plan ("Plan"), which Plan has subsequently been amended and restated several times in the past, with the latest restatement effective October 1, 2015; and

WHEREAS, Section 10.16 of the Plan requires the Employer to adopt amendments to the Plan necessary to maintain compliance with the Internal Revenue Code provisions applicable to tax-qualified governmental retirement plans; and

WHEREAS, the Internal Revenue Service ("IRS") recently issued a favorable determination letter concerning the tax-qualified status of the Plan, conditioned upon the adoption of a compliance amendment; and

WHEREAS, the compliance amendment terms requested by the IRS do not change the benefits or operations of the Plan nor have any financial impact upon the Plan; and

WHEREAS, Section 9.01 of the Plan grants the authority to amend the Plan to the Employer; and

WHEREAS, the Employer's obligation and power to amend the Plan is exercisable by action of JEA; and

WHEREAS, it has been proposed that the JEA Board of Directors, acting for and on behalf of the Employer, approve and adopt the document attached hereto entitled "Amendment #1 to St. Johns River Power Park System Employees' Retirement Plan as Amended and Restated Effective October 1, 2015" ("Amendment") to amend the Plan's governing document to incorporate the compliance terms requested by the IRS; and

WHEREAS, the JEA Board of Directors has reviewed the Amendment and has been advised that all necessary prerequisites to adoption of the Amendment have been completed.

NOW, THEREFORE, BE IT RESOLVED that the JEA Board of Directors hereby approves and adopts the "Amendment #1 to St. Johns River Power Park System Employees' Retirement Plan as Amended and Restated Effective October 1, 2015" attached hereto, for and on behalf of the St. Johns River Power Park System; and

BE IT FURTHER RESOLVED that the JEA Board Chair is hereby authorized to execute the "Amendment #1 to St. Johns River Power Park System Employees' Retirement Plan as Amended and Restated Effective October 1, 2015" attached hereto, for and on behalf of the St. Johns River Power Park System; and

BE IT FURTHER RESOLVED that the JEA Board Chair is hereby authorized to take all actions and steps and to execute any and all other instruments, documents, and certificates necessary to effectuate this resolution; and

BE IT FURTHER RESOLVED that the JEA Managing Director/CEO is also hereby authorized to execute all implementing documents necessary to effectuate this resolution.

IN WITNESS WHEREOF, the JEA Board of Directors has caused this Resolution to be duly executed by its duly authorized officer this ____ day of _____, 2017.

JEA

By: _____
Alan Howard, JEA Board Chair

ATTEST:

Frederick Newbill, JEA Board Secretary

Form Approved

Cindy Laquidara, SJRPP Pension Committee Counsel
Akerman, LLP

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: JUN 01 2017

ST JOHNS RIVER POWER PARK SYSTEM OF
JACKSONVILLE FLORIDA
C/O AKERMAN LLP
CAROLYN M KERSHNER
350 E LAS OLAS BLVD STE 1600
FT LAUDERDALE, FL 33301

Employer Identification Number:
59-2315813
DLN:
17007032097006
Person to Contact:
RUTH CHEN ID# 95048
Contact Telephone Number:
(626) 927-1423
Plan Name:
ST JOHNS RIVER POWER PARK SYSTEM
EMPLOYEES RETIREMENT PLAN
Plan Number: 001

Dear Applicant:

Based on the information you provided, we are issuing this favorable determination letter for your plan listed above. However, our favorable determination only applies to the status of your plan under the Internal Revenue Code and is not a determination on the effect of other federal or local statutes. To use this letter as proof of the plan's status, you must keep this letter, the application forms, and all correspondence with us about your application.

Your determination letter does not apply to any qualification changes that become effective, any guidance issued, or any statutes enacted after the dates specified in the Cumulative List of Changes in Plan Requirements (the Cumulative List) for the cycle you submitted your application under, unless the new item was identified in the Cumulative List.

Your plan's continued qualification in its present form will depend on its effect in operation (Section 1.401-1(b)(3) of the Income Tax Regulations). We may review the status of the plan in operation periodically.

You can find more information on favorable determination letters in Publication 794, Favorable Determination Letter, including:

- The significance and scope of reliance on this letter,
- The effect of any elective determination request in your application materials,
- The reporting requirements for qualified plans, and
- Examples of the effect of a plan's operation on its qualified status.

You can get a copy of Publication 794 by visiting our website at www.irs.gov/formspubs or by calling 1-800-TAX-FORM (1-800-829-3676) to request a copy.

This letter considered the 2014 Cumulative List of Changes in Plan Qualification Requirements.

This determination letter applies to the amendments dated on

Letter 5274

ST JOHNS RIVER POWER PARK SYSTEM OF

2-19-13 & 5-19-15.

This determination letter also applies to the amendments dated on 1-19-16.

We made this determination on the condition that you adopt the proposed amendments you submitted in your letter dated 12-28-16, on or before the date the Income Tax Regulations provide under Section 401(b) of the Internal Revenue Code.

We based this determination letter solely on your claim that the plan meets the requirements of a governmental plan under Section 414(d) of the Internal Revenue Code.

This determination letter expresses no opinion as to the federal tax consequences of the replacement, or proposed replacement, of any joint and survivor, single life or other annuity being paid with a lump sum payment or other accelerated form of distribution.

The information on the enclosed addendum is an integral part of this determination. Please be sure to read it and keep it with this letter.

If you submitted a Form 2848, Power of Attorney and Declaration of Representative, or Form 8821, Tax Information Authorization, with your application and asked us to send your authorized representative or appointee copies of written communications, we will send a copy of this letter to him or her.

If you have any questions, you can contact the person listed at the top of this letter.

Sincerely,

Khin M Chow

Director, EP Rulings & Agreements

Addendum

ST JOHNS RIVER POWER PARK SYSTEM OF

This determination letter does not apply to any portions of the document that incorporate the terms of an auxiliary agreement (collective bargaining, reciprocity, or participation agreement), unless you append to the plan document the exact language of the sections that you incorporated by reference.

This determination letter also applies to the trust amendment dated on 10-1-15.

**AMENDMENT #1
TO
ST. JOHNS RIVER POWER PARK SYSTEM
EMPLOYEES' RETIREMENT PLAN
AS AMENDED AND RESTATED EFFECTIVE OCTOBER 1, 2015**

WHEREAS, St. Johns River Power Park System ("SJRPP"), as Sponsor, previously adopted the St. Johns River Power Park System Employees' Retirement Plan ("Plan"), which Plan has subsequently been amended and restated effective October 1, 2015, and is currently in effect; and

WHEREAS, SJRPP wishes to retroactively amend the Plan to implement certain compliance-related changes necessary to preserve the Plan's tax-qualified status; and

WHEREAS, Sections 9.01 and 10.16 of the Plan grant the authority to amend the Plan to SJRPP, which authority is exercisable by action of JEA; and

WHEREAS, JEA has approved and authorized the Plan amendment embodied herein.

NOW, THEREFORE, in consideration of the premises and acting pursuant to the reserved powers in the Plan, SJRPP hereby amends the Plan, retroactively to October 1, 2015, as follows:

- 1. Leased Employees:** The second paragraph of Section 1.20 (Employee) of the Plan is amended in its entirety to read:

Leased employees who are not employees of the recipient Employer and who provide services to the recipient Employer:

- (1) pursuant to an agreement between the recipient Employer and any other person ("leasing organization"); and
- (2) on a substantially full-time basis for a period of at least 1 year; and
- (3) under the primary direction or control of the recipient Employer

shall be treated as Employees of the recipient Employer, unless:

- (a) such individual is covered by a money purchase pension plan providing:
 - (i) a nonintegrated employer contribution rate of at least ten percent (10%) of compensation; and
 - (ii) immediate participation (except for individuals whose compensation from the leasing organization in each plan year during the four (4) year period ending with the plan year is less than \$1,000); and

(iii) full and immediate vesting; and

(b) leased employees do not constitute more than twenty percent (20%) of the recipient Employer's nonhighly compensated workforce.

2. **Required Beginning Date:** Section 5.05(2)(a) of the Plan is amended in its entirety to read:

(a) Required Beginning Date:

For purposes of this Section 5.05(2), the required beginning date of a Participant is the April 1 of the calendar year following the calendar year in which the later of the following two events occurs: (i) the Participant attains age 70½; or (ii) the Participant retires.

3. **Designated Beneficiary:** Section 5.05(2)(f)(i) of the Plan is amended in its entirety to read:

(i) Designated Beneficiary:

The designated Beneficiary is the individual who is designated as the Beneficiary under the Plan and is the designated beneficiary within the meaning of section 1.401(a)(9)-4 of the Treasury regulations.

4. **BACKDROP:** Section 5.07 of the Plan is amended in its entirety to read:

5.07 **BACKDROP.**

(1) There is hereby created a BACKDROP retirement option (the "BACKDROP") to the Plan, which shall allow any Participant with Tier One Benefits who is a Group A Employee and who has worked beyond Normal Retirement Date to retire and elect retirement benefits calculated as if the Participant had actually retired at an earlier date specified by the Participant in accordance with Section 5.07(4) (describing the BACKDROP Period). The Employer has no discretion to change the Participant's choice of the BACKDROP Period.

(2) A Participant shall forgo the accrual of additional benefits under the Plan after the commencement of the BACKDROP Period in exchange for the BACKDROP benefit.

(3) An eligible Participant may elect to participate in the BACKDROP by submitting the following: (i) a signed and dated letter of resignation, and (ii) a properly completed BACKDROP retirement application that specifies the BACKDROP Period chosen by the Participant.

- (a) Upon receipt of a properly completed BACKDROP retirement application, the Committee will submit an order to the Plan's actuary for preparation of an actuarial retirement benefit calculation for the Participant, which will include a computation of the Participant's BACKDROP Benefit based on the BACKDROP Period selected by the Participant and the provisions of Section 5.07(5) below. The computation of the BACKDROP Benefit will show the principal amount of the BACKDROP Benefit and will show the interest amounts credited for the BACKDROP Period.
 - (b) The Employer shall have no discretion as to the calculation of the principal amount of the BACKDROP Benefit or the amount or the timing of the crediting of interest in the calculation of the BACKDROP Benefit.
 - (c) The Participant shall be provided with the BACKDROP Benefit computation for the Participant's review and approval. The Participant is not required to proceed with the BACKDROP Benefit and may, in his or her sole discretion, decline it and instead elect to receive his or her Plan benefits purely in one of the forms of benefit available under Section 5.03.
- (4) A Participant's "BACKDROP Period" shall not (i) commence at any date earlier than the Normal Retirement Date and (ii) exceed sixty (60) months, and shall end on the date of retirement.
- (5) BACKDROP Benefit
- (a) The Participant's BACKDROP benefit is equal to the accumulation of retirement benefits the Participant would have received over the BACKDROP Period had the Participant actually retired at the commencement of the BACKDROP Period, plus the amount of interest to be credited pursuant to Section 5.07(5)(b) and (c) below.
 - (b) The Participant's BACKDROP accumulations shall be credited with interest at the Plan's earned actuarial rate of return:
 - (i) at the conclusion of each Plan Year in the BACKDROP Period; and
 - (ii) on the date the Participant actually retires from the employ of the Employer.

- (c) The Plan's earned actuarial rate of return is determined on an annual basis at the conclusion of each Plan Year pursuant to the actuarial report which is prepared by the Plan's independent actuary at the direction of the Committee, in accordance with Chapter 112, Part VII, Florida Statutes. The earned actuarial rate of return for the prior Plan Year remains in effect until such time that the rate is updated by the actuarial report produced for the subsequent Plan Year.

Notwithstanding the preceding paragraph, in no event shall any rate of return utilized in the BACKDROP Benefit calculation be less than a negative four percent (-4%) rate of return per annum or more than a positive four percent (+4%) rate of return per annum. Therefore, to the extent that the Plan's earned actuarial rate of return to be applied for a year in the BACKDROP Period would be less than a negative four percent (-4%), an earned actuarial rate of return of negative four percent (-4%) will be utilized in the BACKDROP Benefit calculation for that year or any portion thereof. Similarly, to the extent that the Plan's earned actuarial rate of return to be applied for a year in the BACKDROP Period would be more than a positive four percent (+4%), an earned actuarial rate of return of positive four percent (+4%) will be utilized in the BACKDROP Benefit calculation for that year or any portion thereof.

The Employer shall have no discretion to change the BACKDROP Benefit interest rates or the timing of the interest adjustment of the BACKDROP Benefit, both of which are established pursuant to this Section 5.07(5).

- (6) Provided the Participant has satisfied all requirements set forth in this Section, and has approved the computation of his or her BACKDROP Benefit as provided in accordance with this Section 5.07, the Plan shall disburse the accumulated amount of the Participant's BACKDROP benefits to the Participant in a single sum amount, either through a cash payment or direct rollover, less any taxes required to be remitted to the Internal Revenue Service, within ninety (90) days from the date of retirement or as soon as practical thereafter.

- 5. Except as specifically amended herein, all other provisions of the Plan remain in full force and effect.

IN WITNESS WHEREOF, SJRPP has caused this Amendment #1 to be duly executed by its duly authorized officer this ___ day of _____, 2017, effective as of October 1, 2015.

ST. JOHNS RIVER POWER PARK

By: _____
Alan Howard, JEA Board Chair

ATTEST:

Frederick Newbill, JEA Board Secretary

Form Approved

Legal Counsel

June 13, 2017

Pension Committee
JEA
St. John's River Power Park System
Employees' Retirement Plan

Dear Committee Members:

As requested, we have reviewed the proposed Amendment 1 for the St. John's River Power Park System Employees' Retirement Plan ("Plan").

We have reviewed the proposed amendment from an actuarial perspective. We did not review it from a legal or compliance perspective. It would amend the St. John's River Power Park System Employees' Retirement Plan as follows:

- Amend Section 1.20 to explicitly define the "Leased Employee" without referencing the Internal Revenue Code
- Amend Section 5.05(2)(a) to revise the definition of the "Required Beginning Date" by referencing the retirement date rather than the termination of employment
- Amend Section 5.05(2)(f)(i) to reference section 1.401(a)(9)-4 of the Treasury Regulations
- Amend Section 5.07 to clarify and describe procedures applicable to members applying for BACKDROP benefits.

It is our understanding that the purpose of this amendment is to conform with IRS regulations and/or to clarify the definitions above. We have determined that the plan provisions in the amendment would have no measurable cost effect to the plan benefits.

A draft of the Plan amendment is attached to this letter.

The Statement must be filed with the Division of Retirement before the final public hearing on the amendments. Please have a Chairman of the Committee sign the Statement. Then send the Statement along with copies of the proposed plan amendments to:

LOCAL RETIREMENT SECTION
DIVISION OF RETIREMENT
P.O. BOX 9000
TALLAHASSEE, FL 32315-9000.
Email: local_ret@dms.myflorida.com

Additional Disclosures

This communication was prepared at the request of the St. Johns River Power Park System Employees' Retirement Plan Pension Committee, and is intended for use by the St. Johns River Power Park System Employees' Retirement Plan Pension Committee, JEA and those designated or approved by the St. Johns River Power Park System Employees' Retirement Plan Pension Committee or JEA. This statement may be provided to other parties only in its entirety and only with the permission of the St. Johns River Power Park System Employees' Retirement Plan Pension Committee or JEA.

The purpose of this statement is to describe the effect of the proposed plan changes on plan funding in compliance with the state constitution, statutes and administrative regulations. This impact statement should not be relied on for any purpose other than the purpose described above.

Our opinion is based on the assumptions and plan provisions used in the October 1, 2016 actuarial valuation with results presented in the report dated February 15, 2017.

James Rizzo and Piotr Krekora are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

The undersigned actuaries are independent of the plan sponsor.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

We welcome your questions and comments.

Sincerely yours,



James J. Rizzo, ASA, MAAA, FCA
Senior Consultant & Actuary



Piotr Krekora, ASA, MAAA
Consultant & Actuary

JJR/tnr
Enclosures

ST. JOHN'S RIVER POWER PARK SYSTEM – EMPLOYEES' RETIREMENT PLAN

Actuarial Impact Statement – June 9, 2017

Attached draft of the proposed amendment incorporates language intended to clarify the definition of a "Leased Employee", revise the definition of "Required Beginning Date", revise the definition of "Designated Beneficiary", and to clarify the application Plan provisions affecting the BACKDROP.

There is no measurable actuarial cost effect to the Plan by this Plan amendment.

ACTUARY, Gabriel, Roeder, Smith & Company

By: James J. Rizzo

Date: June 13, 2017

The proposed changes are in compliance with section 14, Article X of the State Constitution and Section 112.64, Florida Statutes.

PLAN ADMINISTRATOR,
St. Johns River Power Park System Employees' Retirement Plan Pension Committee

By: _____
Mike Brost, Chairman

Date: _____



**AMENDMENT #1
TO
ST. JOHNS RIVER POWER PARK SYSTEM
EMPLOYEES' RETIREMENT PLAN
AS AMENDED AND RESTATED EFFECTIVE OCTOBER 1, 2015**

WHEREAS, St. Johns River Power Park System ("SJRPP"), as Sponsor, previously adopted the St. Johns River Power Park System Employees' Retirement Plan ("Plan"), which Plan has subsequently been amended and restated effective October 1, 2015, and is currently in effect; and

WHEREAS, SJRPP wishes to retroactively amend the Plan to implement certain compliance-related changes necessary to preserve the Plan's tax-qualified status; and

WHEREAS, Sections 9.01 and 10.16 of the Plan grant the authority to amend the Plan to SJRPP, which authority is exercisable by action of JEA; and

WHEREAS, JEA has approved and authorized the Plan amendment embodied herein.

NOW, THEREFORE, in consideration of the premises and acting pursuant to the reserved powers in the Plan, SJRPP hereby amends the Plan, retroactively to October 1, 2015, as follows:

- 1. Leased Employees:** The second paragraph of Section 1.20 (Employee) of the Plan is amended in its entirety to read:

Leased employees who are not employees of the recipient Employer and who provide services to the recipient Employer:

- (1) pursuant to an agreement between the recipient Employer and any other person ("leasing organization"); and
- (2) on a substantially full-time basis for a period of at least 1 year; and
- (3) under the primary direction or control of the recipient Employer

shall be treated as Employees of the recipient Employer, unless:

- (a) such individual is covered by a money purchase pension plan providing:
 - (i) a nonintegrated employer contribution rate of at least ten percent (10%) of compensation; and
 - (ii) immediate participation (except for individuals whose compensation from the leasing organization in each

plan year during the four (4) year period ending with the plan year is less than \$1,000); and
(iii) full and immediate vesting; and

(b) leased employees do not constitute more than twenty percent (20%) of the recipient Employer's nonhighly compensated workforce.

2. Required Beginning Date: Section 5.05(2)(a) of the Plan is amended in its entirety to read:

(a) Required Beginning Date:

For purposes of this Section 5.05(2), the required beginning date of a Participant is the April 1 of the calendar year following the calendar year in which the later of the following two events occurs: (i) the Participant attains age 70½; or (ii) the Participant retires.

3. Designated Beneficiary: Section 5.05(2)(f)(i) of the Plan is amended in its entirety to read:

(i) Designated Beneficiary:

The designated Beneficiary is the individual who is designated as the Beneficiary under the Plan and is the designated beneficiary within the meaning of section 1.401(a)(9)-4 of the Treasury regulations.

4. BACKDROP: Section 5.07 of the Plan is amended in its entirety to read:

5.07 **BACKDROP.**

(1) There is hereby created a BACKDROP retirement option (the "BACKDROP") to the Plan, which shall allow any Participant with Tier One Benefits who is a Group A Employee and who has worked beyond Normal Retirement Date to retire and elect retirement benefits calculated as if the Participant had actually retired at an earlier date specified by the Participant in accordance with Section 5.07(4) (describing the BACKDROP Period). The Employer has no discretion to change the Participant's choice of the BACKDROP Period.

(2) A Participant shall forgo the accrual of additional benefits under the Plan after the commencement of the BACKDROP Period in exchange for the BACKDROP benefit.

(3) An eligible Participant may elect to participate in the BACKDROP by submitting the following: (i) a signed and

dated letter of resignation, and (ii) a properly completed BACKDROP retirement application that specifies the BACKDROP Period chosen by the Participant.

- (a) Upon receipt of a properly completed BACKDROP retirement application, the Committee will submit an order to the Plan's actuary for preparation of an actuarial retirement benefit calculation for the Participant, which will include a computation of the Participant's BACKDROP Benefit based on the BACKDROP Period selected by the Participant and the provisions of Section 5.07(5) below. The computation of the BACKDROP Benefit will show the principal amount of the BACKDROP Benefit and will show the interest amounts credited for the BACKDROP Period.
 - (b) The Employer shall have no discretion as to the calculation of the principal amount of the BACKDROP Benefit or the amount or the timing of the crediting of interest in the calculation of the BACKDROP Benefit.
 - (c) The Participant shall be provided with the BACKDROP Benefit computation for the Participant's review and approval. The Participant is not required to proceed with the BACKDROP Benefit and may, in his or her sole discretion, decline it and instead elect to receive his or her Plan benefits purely in one of the forms of benefit available under Section 5.03.
- (4) A Participant's "BACKDROP Period" shall not (i) commence at any date earlier than the Normal Retirement Date and (ii) exceed sixty (60) months, and shall end on the date of retirement.
- (5) BACKDROP Benefit
- (a) The Participant's BACKDROP benefit is equal to the accumulation of retirement benefits the Participant would have received over the BACKDROP Period had the Participant actually retired at the commencement of the BACKDROP Period, plus the amount of interest to be credited pursuant to Section 5.07(5)(b) and (c) below.
 - (b) The Participant's BACKDROP accumulations shall be credited with interest at the Plan's earned actuarial rate of return:

- (i) at the conclusion of each Plan Year in the BACKDROP Period; and
 - (ii) on the date the Participant actually retires from the employ of the Employer.
- (c) The Plan's earned actuarial rate of return is determined on an annual basis at the conclusion of each Plan Year pursuant to the actuarial report which is prepared by the Plan's independent actuary at the direction of the Committee, in accordance with Chapter 112, Part VII, Florida Statutes. The earned actuarial rate of return for the prior Plan Year remains in effect until such time that the rate is updated by the actuarial report produced for the subsequent Plan Year.

Notwithstanding the preceding paragraph, in no event shall any rate of return utilized in the BACKDROP Benefit calculation be less than a negative four percent (-4%) rate of return per annum or more than a positive four percent (+4%) rate of return per annum. Therefore, to the extent that the Plan's earned actuarial rate of return to be applied for a year in the BACKDROP Period would be less than a negative four percent (-4%), an earned actuarial rate of return of negative four percent (-4%) will be utilized in the BACKDROP Benefit calculation for that year or any portion thereof. Similarly, to the extent that the Plan's earned actuarial rate of return to be applied for a year in the BACKDROP Period would be more than a positive four percent (+4%), an earned actuarial rate of return of positive four percent (+4%) will be utilized in the BACKDROP Benefit calculation for that year or any portion thereof.

The Employer shall have no discretion to change the BACKDROP Benefit interest rates or the timing of the interest adjustment of the BACKDROP Benefit, both of which are established pursuant to this Section 5.07(5).

- (6) Provided the Participant has satisfied all requirements set forth in this Section, and has approved the computation of his or her BACKDROP Benefit as provided in accordance with this Section 5.07, the Plan shall disburse the accumulated amount of the Participant's BACKDROP benefits to the Participant in a single sum amount, either through a cash payment or direct rollover, less any taxes required to be remitted to the Internal

Revenue Service, within ninety (90) days from the date of retirement or as soon as practical thereafter.

5. Except as specifically amended herein, all other provisions of the Plan remain in full force and effect.

IN WITNESS WHEREOF, SJRPP has caused this Amendment #1 to be duly executed by its duly authorized officer this ____ day of _____, 2017, effective as of October 1, 2015.

ST. JOHNS RIVER POWER PARK

By: _____
Alan Howard, JEA Board Chair

ATTEST:

Frederick Newbill, JEA Board Secretary

Form Approved

Legal Counsel



Cindy Laquidara

Akerman LLP
50 North Laura Street
Suite 3100
Jacksonville, FL 32202-3646
Tel: 904.798.3700
Fax: 904.798.3730

August 14, 2017

VIA E-MAIL (mailpl@jea.com)

Patricia L. Maillis
Director Employee Services
JEA
21 Church Street, 6th Floor
Jacksonville, FL 32202

RE: IRS Compliance Amendment #1 to the 2015 SJRPP Employee Retirement Plan

Dear Ms. Maillis:

This letter confirms that I have authority from IBEW's legal counsel, Kirsten Doolittle, to represent that the Union has no objection to the above-referenced amendment. We have sufficiently addressed the questions raised by the Union, and have confirmed with them that there is no financial impact on Union members.

Please let me know if you have any questions.

Very truly yours,

Cindy Laquidara
Attorney

cc: K. Doolittle, Esq. (via email)
C. Kershner, Esq. (via email)

akerman.com

III. B. 2.

Fiscal Year 2017 Operating Budget Line Item Transfers



Building Community

AGENDA ITEM SUMMARY

October 30, 2017

SUBJECT:	FISCAL YEAR 2017 OPERATING BUDGET LINE ITEM TRANSFERS
-----------------	--

Purpose:	<input type="checkbox"/> Information Only	<input checked="" type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: By ordinance, JEA is required to have a balanced budget and ensure at year-end actual individual expenditure line items do not exceed their respective budgeted line item amounts. Under the delegated authority guidelines, the Managing Director/CEO is authorized to make transfers up to \$5.0 million per transfer, and has the authority to approve budget transfers exceeding \$5.0 million, in the event of an emergency, or year-end adjustments, which are then brought to the Board for ratification.

Significance: High. The dollar amounts and the corresponding budget line item funding transferred at year-end exceeded the Board delegated \$5.0 million amount, requiring Board ratification.

Effect: The transfers will provide balanced budgets in FY2017 for the Electric System and Water and Sewer Systems, as required by city ordinance.

Cost or Benefit: N/A

Recommended Board action: Staff recommends that the Board ratify the FY2017 year-end budget line item transfers of:

- \$40 million to Debt Service – Principal and \$26 million to Operating Capital Outlay from Debt Service – Bond Buyback, Operations and Maintenance, Non-Fuel Purchased Power, and Emergency Reserve in the Electric System Operating Budget; and
- \$6 million to Capacity Fees expense and \$0.1 million to Debt Service – Bond Buyback from Debt Service - Interest, Operations & Maintenance, Emergency Reserve, Non-Fuel Uncollectibles & PSC Tax, and Operating Capital Outlay budget lines in the Water and Sewer Operating Budget.

For additional information, contact: Melissa Dykes

Submitted by: PEM/ MHD/ KMQ

MISSION	VISION	VALUES
 <p>Energizing our community through high-value energy and water solutions.</p>	 <p>JEA is a premier service provider, valued asset and vital partner in advancing our community.</p>	 <ul style="list-style-type: none"> • Safety • Service • Growth² • Accountability • Integrity

Commitments to Action

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



INTER-OFFICE MEMORANDUM

October 30, 2017

SUBJECT: FISCAL YEAR 2017 OPERATING BUDGET LINE ITEM TRANSFERS

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND

JEA provides the Council Auditor a final end-of-year revised budget by November 30th of each year. The revised budget includes budget transfers necessary to ensure JEA maintains a balanced budget and that line item expenditures do not exceed their respective budget. Under the delegated authority guidelines, the Managing Director/CEO is authorized to make budget line item transfers up to \$5.0 million per transfer, and has the authority to approve budget line item transfers exceeding \$5.0 million in the event of an emergency, or year-end adjustments. Budget line item transfers exceeding \$5.0 million are brought to the Board of Directors for ratification.

DISCUSSION

Opportunities existed in FY2017 to transfer funds to budget line items to support JEA's financial objectives, to reduce debt outstanding and to reduce the need for additional debt by funding current year capital requirements with current year revenues on both the Electric and Water and Sewer Systems. The following end-of-year budget line item transfers for FY2017 support JEA's financial objectives and maintains a balanced budget.

Electric System

Lower than budgeted expenses for Debt Service – Bond Buyback, Operations & Maintenance, Non-Fuel Purchased Power and coupled with an unused portion of Emergency Reserve generated the ability to deposit an additional \$40 million to Debt Service – Principal and \$26 million to Operating Capital Outlay. The budget transfer increased the Electric Operating Capital Outlay budget to \$134 million and will allow JEA to reduce Electric System debt in FY2018. The increase of \$40 million to Debt Service – Principal to \$130 million was planned as part of the rate restructuring last December and allowed JEA to reduce Electric System debt in FY2017.

Electric System			
<u>Transfer From</u>		<u>Transfer To</u>	
Debt Service – Bond Buyback	\$ 38.9	Debt Service - Principal	\$ 39.9
Operations & Maintenance	19.4	Operating Capital Outlay	26.0
Non-Fuel Purchased Power	6.7		
Emergency Reserve	0.9		
	<u>\$ 65.9</u>		<u>\$ 65.9</u>

Water and Sewer System

Lower than budgeted expenses for Debt Service – Interest, Operations & Maintenance, Non-Fuel Uncollectibles & Public Service Commission Tax, and Operating Capital Outlay expenses coupled with an unused Emergency Reserve generated the ability to deposit an additional \$6 million into Capacity Fees.

The FY2017 Water and Sewer System budget for Capacity Fees was \$19 million. However, Capacity Fee revenue was \$25 million, which required additional funds be transferred to the Capacity Fee budget line item.

Water and Sewer System			
<u>Transfer From</u>		<u>Transfer To</u>	
Debt Service - Interest	\$ 3.0	Capacity Fees	\$ 5.8
Operations & Maintenance	1.2	Debt Service – Bond Buyback	0.1
Emergency Reserve	1.0		
Non-Fuel Uncollectibles & PSC Tax	0.6		
Operating Capital Outlay	0.1		
	<u>\$ 5.9</u>		<u>\$ 5.9</u>

RECOMMENDATION

Staff recommends that the Board ratify the FY2017 year-end budget line item transfers of:

- \$40 million to Debt Service – Principal and \$26 million to Operating Capital Outlay from Debt Service – Bond Buyback, Operations and Maintenance, Non-Fuel Purchased Power, and Emergency Reserve in the Electric System Operating Budget; and
- \$6 million to Capacity Fees expense and \$0.1 million to Debt Service – Bond Buyback from Debt Service - Interest, Operations & Maintenance, Emergency Reserve, Non-Fuel Uncollectibles & PSC Tax, and Operating Capital Outlay budget lines in the Water and Sewer Operating Budget.

PEM/MHD/KMQ

Paul E. McElroy, Managing Director/CEO

JEA
FY 16/17 FUNDS TRANSFER

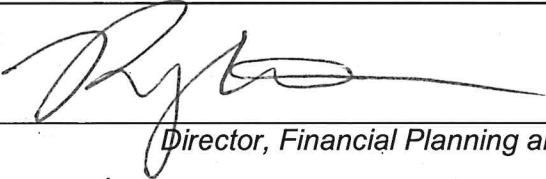
Electric System
Operating Budget

TRANSFER FROM ACCOUNT	DESCRIPTION	AMOUNT
Credit		
021-Z0000-5103	Debt Service - Bond Buyback	\$ 38,949,702
021-Z0000-3001	Emergency Reserve	867,320
021-Z0000-2001	Operating & Maintenance	19,366,366
021-Z0000-Various	Non-Fuel Purchased Power	6,745,544
Total		\$ 65,928,932

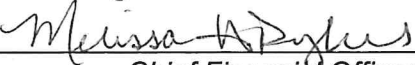
TRANSFER TO ACCOUNT	DESCRIPTION	AMOUNT
Debit		
021-Z0000-5501	Operating Capital Outlay	\$ 25,983,932
021-Z0000-5101	Debt Service - Principal	39,945,000
Total		\$ 65,928,932

JUSTIFICATION: Year-end budget adjustments to contribute to the Capital Fund and Debt Service - Principal by utilizing savings in reduced Debt Service - Bond Buyback, Emergency Reserve, Operating & Maintenance, and Non-Fuel Purchased Power.

APPROVALS:

APPROVED:  10/30/17
DATE

Director, Financial Planning and Analysis

APPROVED:  11/1/17
DATE

Chief Financial Officer

APPROVED: _____ _____
DATE

Chief Executive Officer

Forwarded to Council Auditor: Date: _____

JEA
FY 16/17 FUNDS TRANSFER


**Water and Sewer System
Operating Budget**

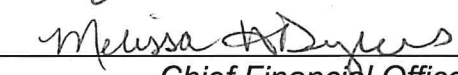
TRANSFER FROM ACCOUNT	DESCRIPTION	AMOUNT
Credit		
<u>071-Z0000-5501</u>	<u>Operating Capital Outlay</u>	<u>\$ 100,220</u>
<u>071-Z0000-5302</u>	<u>Non- Fuel Uncollectibles & PSC Tax</u>	<u>\$ 577,169</u>
<u>071-Z0000-3001</u>	<u>Emergency Reserve</u>	<u>\$ 1,000,000</u>
<u>071-Z0000-2001</u>	<u>Operating & Maintenance</u>	<u>\$ 1,186,925</u>
<u>071-Z0000-5102</u>	<u>Debt Service - Interest</u>	<u>\$ 3,015,595</u>
Total		<u>\$ 5,879,909</u>

TRANSFER TO ACCOUNT	DESCRIPTION	AMOUNT
Debit		
<u>071-Z0000-5103</u>	<u>Debt Service - Bond Buyback</u>	<u>\$ 74,451</u>
<u>071-Z0000-5503</u>	<u>Capacity Fees</u>	<u>\$ 5,805,458</u>
Total		<u>\$ 5,879,909</u>

JUSTIFICATION: Adjustment of operating expense budget due to savings in Operating Capital Outlay, Uncollectibles, Emergency Reserve, Operating & Maintenance, and Debt Service Interest. These savings will offset increases in Capacity Fees and Debt Service - Bond Buyback.

APPROVALS:

APPROVED:  Director, Financial Planning and Analysis 10/30/17
DATE

APPROVED:  Chief Financial Officer 11/1/17
DATE

APPROVED: _____ Chief Executive Officer _____
DATE

Forwarded to Council Auditor: Date: _____

**JEA
FY 16/17 FUNDS TRANSFER**

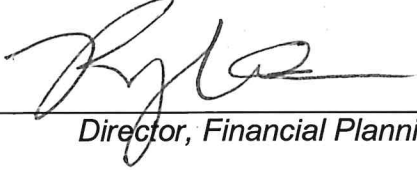
**DES
Operating Budget**


TRANSFER FROM ACCOUNT	DESCRIPTION	AMOUNT
Credit		
091-Z0000-2001	Operating & Maintenance	\$ 167,665
Total		\$ 167,665

TRANSFER TO ACCOUNT	DESCRIPTION	AMOUNT
Debit		
091-Z0000-5501	Operating Capital Outlay	\$ 167,665
Total		\$ 167,665

JUSTIFICATION: Year-end budget adjustment to contribute to the Capital Fund utilizing savings in Operating & Maintenance Expenses.

APPROVALS:

APPROVED:  10/30/17
Director, Financial Planning and Analysis DATE

APPROVED:  11/1/17
Chief Financial Officer DATE

APPROVED: _____ _____
Chief Executive Officer DATE

Forwarded to Council Auditor: Date: _____

JEA
FY 17/18 FUNDS TRANSFER

Electric System
Operating Budget

TRANSFER FROM ACCOUNT	DESCRIPTION	AMOUNT
Credit		
021-Z0000-5501	Operating Capital Outlay	\$ 1,071,392
	Total	\$ 1,071,392

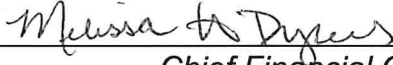
TRANSFER TO ACCOUNT	DESCRIPTION	AMOUNT
Debit		
021-Z0000-5201	Renewal and Replacement	\$ 1,071,392
	Total	\$ 1,071,392

JUSTIFICATION: Adjustment of Renewal and Replacement deposit based on FY17 actual revenues.

APPROVALS:

APPROVED:  10/30/17
DATE

Director, Financial Planning and Analysis

APPROVED:  11/1/17
DATE

Chief Financial Officer

APPROVED: _____ _____
DATE

Chief Executive Officer

Forwarded to Council Auditor: Date: _____

JEA
FY 17/18 FUNDS TRANSFER


**Water and Sewer System
Operating Budget**


TRANSFER FROM ACCOUNT	DESCRIPTION	AMOUNT
Credit		
071-Z0000-5501	Operating Capital Outlay	\$ 523,242
	Total	\$ 523,242

TRANSFER TO ACCOUNT	DESCRIPTION	AMOUNT
Debit		
071-Z0000-5201	Renewal and Replacement	\$ 523,242
	Total	\$ 523,242

JUSTIFICATION: Adjustment of Renewal and Replacement deposit based on FY17 actual revenues.

APPROVALS:

APPROVED:  10/30/17
DATE
Director, Financial Planning and Analysis

APPROVED:  11/1/17
DATE
Chief Financial Officer

APPROVED: _____ _____
DATE
Chief Executive Officer

Forwarded to Council Auditor: Date: _____

III. B. 3.

Amendments to Prior Board Authorizations for Fixed Rate Debt Refundings for Electric System and Water and Sewer System



Building Community

AGENDA ITEM SUMMARY

November 17, 2017

SUBJECT: AMENDMENTS TO PRIOR BOARD AUTHORIZATIONS FOR FIXED RATE DEBT REFUNDINGS FOR ELECTRIC SYSTEM AND WATER AND SEWER SYSTEM

Purpose: Information Only Action Required Advice/Direction

Issue: Staff is requesting Board approval of increases to not-to-exceed limits to delegated fixed rate debt refunding parameters for the Electric System and Water and Sewer System approved by the Board December 13, 2016.

Significance: High. Potential refunding transactions currently being evaluated require Board authorization.

Effect: Using the bond issuance delegation process makes better use of the Board's time and provides greater flexibility in meeting the fluctuating demands of the financial market.

Cost or Benefit: Potential debt service savings from lower interest rates if refundings can be executed in a timely manner based on favorable market conditions.

Recommended Board action: JEA staff is recommending that the Board approve and adopt Resolutions No. 2017-38, 2017-39, 2017-40 and 2017-41 increasing the authorization levels for refunding bond transactions previously authorized by the Board under the December 2016 Resolutions.

For additional information, contact: Joe Orfano, 665-4541

Submitted by: PEM/ MHD/ JEO/ rlh

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 • Growth² • Accountability • Integrity

Commitments to Action

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



INTER-OFFICE MEMORANDUM

November 17, 2017

SUBJECT: AMENDMENTS TO PRIOR BOARD AUTHORIZATIONS FOR FIXED RATE DEBT REFUNDINGS FOR ELECTRIC SYSTEM AND WATER AND SEWER SYSTEM

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

Since FY2010, JEA staff has utilized a debt financing approval process in which the Board delegated parameters, consistent with the current year budget, within which the Managing Director/CEO is authorized to price and execute future fixed rate bond issues. This process provides staff with additional flexibility to move quickly and take advantage of market-related opportunities in the post financial crisis marketplace.

On December 13, 2016, the Board adopted Resolutions No. 2016-21, 2016-22, 2016-23 and 2016-24 (the "December 2016 Resolutions") providing authorization to refund existing variable rate and/or fixed rate Electric System bonds and Water and Sewer System bonds under delegated parameters. The December 2016 Resolutions provide for the delegation of such authorization to refund existing bonds with tax-exempt fixed rate bonds for a period through December 31, 2018.

DISCUSSION:

The United States House of Representatives and Senate are working on tax reform legislation with the objective of having a bill available for the President's signature before the end of 2017. Both the Senate and House proposals eliminate the ability to issue tax-exempt advance refunding bonds. Like the House bill, the Senate bill would apply to bonds issued after December 31, 2017; and no transitional rules are currently provided. Staff intends to issue tax-exempt advance refunding bonds in order to realize debt service savings before that option is potentially permanently removed.

Under the December 2016 Resolution parameters, JEA may issue fixed-to-fixed rate advance refunding bonds as long as the present value savings are not less than 7.5%, measured on an aggregate basis. The par amounts of candidate bonds potentially meeting that savings threshold exceed the limits the Board authorized in the December 2016 Resolutions, and staff is requesting an increase in those limits.

Bond counsel has prepared Resolutions No. 2017-38, 2017-39, 2017-40 and 2017-41 for the Electric System (Senior and Subordinated) and Water and Sewer System (Senior and Subordinated), respectively, to increase the limits to the following:

	Aggregate Refunding Authorization Level under the December 2016 Resolutions	Revised Aggregate Refunding Authorization Level
Electric System – Senior	\$571 million	\$771 million
Electric System – Subordinated	\$333 million	\$533 million
Water and Sewer System – Senior	\$253 million	\$603 million
Water and Sewer System – Subordinated	\$165 million	\$265 million

	Fixed-to-Fixed Rate Refunding Authorization Level under the December 2016 Resolutions	Revised Fixed-to-Fixed Rate Refunding Authorization Level
Electric System – Senior	\$105 million	\$305 million
Electric System – Subordinated	\$200 million	\$400 million
Water and Sewer System – Senior	\$115 million	\$465 million
Water and Sewer System – Subordinated	\$55 million	\$155 million

All other parameters authorized under the December 2016 Resolutions remain unchanged and in effect. For Electric System (Senior and Subordinated) and Water and Sewer System (Senior and Subordinated) bonds those are:

- Weighted average life no greater than the weighted average life of the refunded bonds plus one year.
- For fixed-to-fixed refunding bonds, bonds maturing on the October 1 next following the delivery date must have net present value savings, on an October 1 occurring at least one year and less than three years after the delivery date at least 3% present value savings, on an October 1 occurring at least three years and less than nine years after the delivery date at least 4% present value savings, and at least 5% present value savings thereafter. In lieu of this, present value savings for fixed-to-fixed rate current refundings shall not be less than 5%, measured on an aggregate basis.
- Present value savings for any fixed-to-fixed rate advance refundings shall not be less than 7.5%, measured on an aggregate basis.
- For variable rate bonds being refunded by fixed bonds, true interest cost for the fixed rate bonds shall not exceed 5%.
- If subject to optional redemption, optional redemption price shall not exceed 101% of the principal amount and the optional redemption date shall not be less than four years nor more than ten years from the date of issuance.
- Semiannual interest payments commencing on either the April 1 or October 1 next following the delivery date, as determined by the Managing Director/CEO.

Board members will continue to have the opportunity to review and provide comments to staff, which is appropriate practice under federal securities laws, regarding all preliminary and final Official Statements prior to posting. These documents will be distributed to members electronically throughout the term of this delegated authorization, outside of regularly scheduled Board meetings, as specific bond issues are sold. The results of all bond issues sold will be reported back to the Board through quarterly reports to the Finance and Audit Committee.

Staff will report back to the Finance and Audit Committee the results of any transaction(s) pursuant to authorizations at the next regularly scheduled meeting following the closing date of the refunding bonds.

RECOMMENDATION:

JEA staff is recommending that the Board approve and adopt Resolutions No. 2017-38, 2017-39, 2017-40 and 2017-41 increasing the authorization levels for refunding bond transactions previously authorized by the Board under the December 2016 Resolutions.

Paul E. McElroy, Managing Director/CEO

PEM/MHD/JEO/rjh

RESOLUTION NO. 2017-38

A RESOLUTION OF JEA SUPPLEMENTING AND AMENDING RESOLUTION NO. 2016-21 OF JEA FOR THE PURPOSE OF, AMONG OTHER THINGS, REVISING THE DELEGATION AUTHORITY TO (I) INCREASE THE NOT TO EXCEED AGGREGATE PRINCIPAL AMOUNT OF ELECTRIC SYSTEM REVENUE BONDS, SERIES THREE 2017/8X THAT JEA IS AUTHORIZED TO ISSUE FOR THE PURPOSE OF CURRENT AND/OR ADVANCE REFUNDING OUTSTANDING JEA ELECTRIC SYSTEM REVENUE BONDS, SERIES THREE (“SERIES THREE BONDS”) TO \$771,000,000, (II) INCREASE THE NOT TO EXCEED AGGREGATE PRINCIPAL AMOUNT OF ELECTRIC SYSTEM REVENUE BONDS, SERIES THREE 2017/8X THAT JEA IS AUTHORIZED TO ISSUE FOR THE PURPOSE OF CURRENT AND/OR ADVANCE REFUNDING FIXED RATE SERIES THREE BONDS REFUNDED BONDS TO \$305,000,000; (III) REVISING CERTAIN DELEGATION AUTHORITY TO MAKE CERTAIN OTHER CONFORMING AMENDMENTS WITH RESPECT TO SUCH AUTHORIZATION, (IV) RATIFYING RESOLUTION 2016-21, AND (V) PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED by JEA as follows:

SECTION 1. DEFINITIONS. Unless otherwise defined herein, or unless the context otherwise requires, all terms used herein shall have the meanings ascribed to them pursuant to Resolution 2016-21 of JEA.

SECTION 2. AUTHORITY FOR THIS RESOLUTION. This resolution is adopted pursuant to the provisions of the Act, as amended prior to the date hereof, and the Electric System Resolution, and is supplemental to the Series Three Resolution and the Electric System Resolution.

SECTION 3. FINDINGS. It is hereby ascertained, determined and declared that:

(A) Pursuant to Resolution 2016-21 of JEA, among other things, authorized the issuance of Series Three 2017/8X Bonds in one or more installments in an aggregate principal amount not to exceed \$571,000,000 for the purpose of current and/or advance refunding JEA’s Outstanding Series Three Bonds and providing that not to exceed \$105,000,000 principal amount of the Series Three 2017/8X Bonds may be issued for the purpose of refunding fixed rate Refunded Bonds.

(B) As of the date hereof, there is legislation currently pending in Congress which, if enacted, would repeal the exclusion from gross income for federal income tax purposes of interest on any bond issued to advance refund another bond after December 31, 2017 (“Tax-Exempt Advance Refunding Bonds”) effectively eliminating the ability of JEA to issue Tax-Exempt Advance Refunding Bonds after December 31, 2017 and reducing the potential debt service savings resulting therefrom.

(C) It is in the best interests of JEA to increase the not to exceed aggregate principal amount of Series Three 2017/8X Bonds that may be issued in accordance with the terms and conditions of Resolution 2016-21 in order to permit JEA to issue the maximum amount of Tax-Exempt Advance Refunding Bonds that may be issued on or prior to December 31, 2017 to refund fixed rate bonds and/or variable rate bonds at favorable fixed interest rates.

(D) JEA now therefore desires to supplement and amend Resolution No. 2016-21 to increase the not to exceed aggregate principal amount of Series Three 2017/8X Bonds that are authorized to be issued in one or more installments for the purpose of current and/or advance refunding JEA's Outstanding Series Three Bonds to \$771,000,000 and to increase the not to exceed aggregate principal amount of Series Three 2017/8X Bonds that are authorized to be issued in one or more installments for the purpose of refunding fixed rate Refunded Bonds to \$305,000,000.

SECTION 4. AMENDMENT OF SECTION 4 OF RESOLUTION 2016-21. The first paragraph of Section 4 of Resolution 2016-21 is hereby amended in its entirety to read as follows:

“Not to exceed \$771,000,000 aggregate principal amount of the Series Three 2017/8X Bonds are hereby authorized to be issued in one or more installments; *provided*, that not to exceed \$305,000,000 principal amount of the Series Three 2017/8X Bonds may be issued for the purpose of refunding fixed rate Refunded Bonds and not to exceed \$466,000,000 principal amount of Series Three 2017/8X Bonds may be issued for the purpose of refunding variable rate Refunded Bonds. Such Series Three Bonds shall be designated as the “Electric System Revenue Bonds, Series Three 2017/8X”; *provided*, that the Managing Director/CEO may alter the year and letter designation, all as he deems appropriate to reflect the year of issue or sale of the Series Three 2017/8X Bonds of an installment, the designation of Series Three Bonds previously issued and JEA's custom in identifying Series Three Bonds or as he otherwise deems desirable, such determination to be set forth in the certificate referred to in Section 5 hereof. Notwithstanding any such alteration of the designation for installments of the Series Three 2017/8X Bonds, references in this resolution to “Series Three 2017/8X Bonds” shall include all Series Three Bonds issued pursuant to the authority contained in this Section 4.”

SECTION 5. AMENDMENT OF SECTION 5 OF RESOLUTION 2016-21. Clause (a) of Section 5 of Resolution 2016-21 is hereby amended in its entirety to read as follows:

“(a) the aggregate principal amount of the Series Three 2017/8X Bonds of such installment; *provided*, that the aggregate principal amount of all Series Three 2017/8X Bonds shall not exceed \$771,000,000, the aggregate principal amount of Series Three 2017/8X Bonds issued to refund fixed rate Refunded Bonds shall not exceed \$305,000,000 and the aggregate principal amount of Series Three 2017/8X Bonds issued to refund variable rate Refunded Bonds shall not exceed \$466,000,000;”.

SECTION 6. RATIFICATION OF RESOLUTION NO. 2016-21. Resolution No. 2016-21, as supplemented and amended as provided herein, is hereby ratified and confirmed and shall remain in full force and effect.

[Remainder of page intentionally left blank]

SECTION 7. EFFECTIVE DATE. This resolution shall take effect immediately upon its adoption.

ADOPTED THIS 28TH DAY OF NOVEMBER, 2017.



JEA

By: _____
Name:
Title:

ATTEST:

By: _____
Secretary

Approved as to Form:

By: _____
Office of General Counsel

RESOLUTION NO. 2017-39

A RESOLUTION OF JEA SUPPLEMENTING AND AMENDING THE FIFTY-FIFTH SUPPLEMENTAL SUBORDINATED ELECTRIC SYSTEM RESOLUTION OF JEA FOR THE PURPOSE OF, AMONG OTHER THINGS, REVISING THE DELEGATION AUTHORITY TO (I) INCREASE THE NOT TO EXCEED AGGREGATE PRINCIPAL AMOUNT OF ELECTRIC SYSTEM SUBORDINATED REVENUE BONDS, 2017/8 SERIES X THAT JEA IS AUTHORIZED TO ISSUE FOR THE PURPOSE OF CURRENT AND/OR ADVANCE REFUNDING OUTSTANDING JEA ELECTRIC SYSTEM SUBORDINATED REVENUE BONDS (“2017/8 SERIES X SUBORDINATED BONDS”) TO \$533,000,000, (II) INCREASE THE NOT TO EXCEED AGGREGATE PRINCIPAL AMOUNT OF ELECTRIC SYSTEM SUBORDINATED REVENUE BONDS, 2017/8 SERIES X THAT JEA IS AUTHORIZED TO ISSUE FOR THE PURPOSE OF CURRENT AND/OR ADVANCE REFUNDING FIXED RATE REFUNDED SUBORDINATED BONDS TO \$400,000,000; (III) REVISING CERTAIN DELEGATION AUTHORITY TO MAKE CERTAIN OTHER CONFORMING AMENDMENTS WITH RESPECT TO SUCH AUTHORIZATION, (IV) RATIFYING THE FIFTY-FIFTH SUPPLEMENTAL SUBORDINATED ELECTRIC SYSTEM RESOLUTION OF JEA, AND (V) PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED by JEA as follows:

SECTION 1. DEFINITIONS. Unless otherwise defined herein, or unless the context otherwise requires, all terms used herein shall have the meanings ascribed to them pursuant to the Fifty-Fifth Supplemental Subordinated Electric System Resolution.

SECTION 2. AUTHORITY FOR THIS RESOLUTION. This resolution is adopted pursuant to the provisions of the Act, as amended prior to the date hereof, the Electric System Resolution, and the Subordinated Resolution, and is supplemental to the Electric System Subordinated Resolution and the Fifty-Fifth Supplemental Subordinated Electric System Resolution.

SECTION 3. FINDINGS. It is hereby ascertained, determined and declared that:

(A) Pursuant to the Fifty-Fifth Supplemental Subordinated Electric System Resolution, JEA, among other things, authorized the issuance of 2017/8 Series X Subordinated Bonds in an aggregate principal amount not to exceed \$333,000,000 for the purpose of current and/or advance refunding JEA’s Outstanding Subordinated Bonds and providing that not to exceed \$200,000,000 principal amount of the 2017/8 Series X Subordinated Bonds may be issued for the purpose of refunding fixed rate Refunded Bonds.

(B) As of the date hereof, there is legislation currently pending in Congress which, if enacted, would repeal the exclusion from gross income for federal income tax purposes of interest on any bond issued to advance refund another bond after December 31, 2017 (“Tax-Exempt Advance Refunding Bonds”) effectively eliminating the ability of JEA to issue

Tax-Exempt Advance Refunding Bonds after December 31, 2017 and reducing the potential debt service savings resulting therefrom.

(C) It is in the best interests of JEA to increase the not to exceed aggregate principal amount of the 2017/8 Series X Subordinated Bonds that may be issued in accordance with the terms and conditions of the Fifty-Fifth Supplemental Subordinated Electric System Resolution in order to permit JEA to issue the maximum amount of Tax-Exempt Advance Refunding Bonds that may be issued on or prior to December 31, 2017 to refund fixed rate bonds and/or variable rate bonds at favorable fixed interest rates.

(D) JEA now therefore desires to supplement and amend the Fifty-Fifth Supplemental Subordinated Electric System Resolution to increase the not to exceed aggregate principal amount of the 2017/8 Series X Subordinated Bonds that are authorized to be issued for the purpose of current and/or advance refunding JEA's Outstanding Subordinated Bonds to \$533,000,000 and to increase the not to exceed aggregate principal amount of 2017/8 Series X Subordinated Bonds that are authorized to be issued for the purpose of refunding fixed rate Refunded Subordinated Bonds to \$400,000,000.

SECTION 4. AMENDMENT OF SECTION 201 OF FIFTY-FIFTH SUPPLEMENTAL SUBORDINATED ELECTRIC SYSTEM RESOLUTION OF JEA. The first sentence of Section 201 of the Fifty-Fifth Supplemental Subordinated Electric System Resolution is hereby amended in its entirety to read as follows:

“Pursuant to the provisions of the Electric System Resolution and the Subordinated Resolution one or more Series of Subordinated Bonds entitled to the benefit, protection and security of the Subordinated Resolution are hereby authorized in an aggregate principal amount not to exceed \$533,000,000; *provided*, that not to exceed \$400,000,000 principal amount of the 2017/8X Subordinated Bonds may be issued for the purpose of refunding fixed rate Refunded Subordinated Bonds and not to exceed \$133,000,000 principal amount of the 2017/8 Series X Subordinated Bonds may be issued for the purpose of refunding variable rate Refunded Subordinated Bonds.”

SECTION 5. AMENDMENT OF SECTION 203 OF FIFTY-FIFTH SUPPLEMENTAL SUBORDINATED ELECTRIC SYSTEM RESOLUTION OF JEA. Clause (a) of Section 203 of the Fifty-Fifth Supplemental Subordinated Electric System Resolution is hereby amended in its entirety to read as follows:

“(a) the aggregate principal amount of the 2017/8 Series X Subordinated Bonds of such Series; *provided*, that, the aggregate principal amount of all 2017/8 Series X Subordinated Bonds shall not exceed \$533,000,000, the aggregate principal amount of 2017/8 Series X Subordinated Bonds issued to refund fixed rate Refunded Subordinated Bonds shall not exceed \$400,000,000, and the aggregate principal amount of the 2017/8 Series X Subordinated Bonds issued to refund variable rate Refunded Subordinated Bonds shall not exceed \$133,000,000;”.

SECTION 6. RATIFICATION OF THE FIFTY-FIFTH SUPPLEMENTAL SUBORDINATED ELECTRIC SYSTEM RESOLUTION OF JEA. The Fifty-Fifth Supplemental Subordinated Electric System Resolution of JEA , as supplemented and amended as provided herein, is hereby ratified and confirmed and shall remain in full force and effect.

[Remainder of page intentionally left blank]

SECTION 7. EFFECTIVE DATE. This resolution shall take effect immediately upon its adoption.

ADOPTED THIS 28TH DAY OF NOVEMBER, 2017.



JEA

By: _____
Name:
Title:

ATTEST:

By: _____
Secretary

Approved as to Form:

By: _____
Office of General Counsel

RESOLUTION NO. 2017-40

A RESOLUTION OF JEA SUPPLEMENTING AND AMENDING THE FORTY-THIRD SUPPLEMENTAL WATER AND SEWER SYSTEM REVENUE BOND RESOLUTION OF JEA FOR THE PURPOSE OF, AMONG OTHER THINGS, REVISING THE DELEGATION AUTHORITY TO (I) INCREASE THE NOT TO EXCEED AGGREGATE PRINCIPAL AMOUNT OF WATER AND SEWER SYSTEM REVENUE BONDS, 2017/8 SERIES X THAT JEA IS AUTHORIZED TO ISSUE FOR THE PURPOSE OF CURRENT AND/OR ADVANCE REFUNDING OUTSTANDING JEA WATER AND SEWER SYSTEM REVENUE BONDS TO \$603,000,000, (II) INCREASE THE NOT TO EXCEED AGGREGATE PRINCIPAL AMOUNT OF WATER AND SEWER SYSTEM REVENUE BONDS, 2017/8 SERIES X THAT JEA IS AUTHORIZED TO ISSUE FOR THE PURPOSE OF CURRENT AND/OR ADVANCE REFUNDING FIXED RATE REFUNDED BONDS TO \$465,000,000; (III) REVISING CERTAIN DELEGATION AUTHORITY TO MAKE CERTAIN OTHER CONFORMING AMENDMENTS WITH RESPECT TO SUCH AUTHORIZATION, (IV) RATIFYING THE FORTY-THIRD SUPPLEMENTAL WATER AND SEWER SYSTEM REVENUE BOND RESOLUTION, AND (V) PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED by JEA as follows:

SECTION 1. DEFINITIONS. Unless otherwise defined herein, or unless the context otherwise requires, all terms used herein shall have the meanings ascribed to them pursuant to the Forty-Third Supplemental Water and Sewer System Revenue Bond Resolution.

SECTION 2. AUTHORITY FOR THIS RESOLUTION. This resolution is adopted pursuant to the provisions of the Act, as amended prior to the date hereof, and the Bond Resolution in accordance with Article II and Article X of the Bond Resolution.

SECTION 3. FINDINGS. It is hereby ascertained, determined and declared that:

(A) Pursuant to the Forty-Third Supplemental Water and Sewer System Revenue Bond Resolution, among other things, JEA authorized the issuance of 2017/8 Series X Bonds in one or more Series in an aggregate principal amount not to exceed \$253,000,000 for the purpose of current and/or advance refunding JEA's Outstanding Water and Sewer System Revenue Bonds and providing that not to exceed \$115,000,000 principal amount of the 2017/8 Series X Bonds may be issued for the purpose of refunding fixed rate Refunded Bonds.

(B) As of the date hereof, there is legislation currently pending in Congress which, if enacted, would repeal the exclusion from gross income for federal income tax purposes of interest on any bond issued to advance refund another bond after December 31, 2017 ("Tax-Exempt Advance Refunding Bonds") effectively eliminating the ability of JEA to issue

Tax-Exempt Advance Refunding Bonds after December 31, 2017 and reducing the potential debt service savings resulting therefrom.

(C) It is in the best interests of JEA to increase the not to exceed aggregate principal amount of 2017/8 Series X Bonds that may be issued in accordance with the terms and conditions of the Forty-Third Supplemental Water and Sewer System Revenue Bond Resolution in order to permit JEA to issue the maximum amount of Tax-Exempt Advance Refunding Bonds that may be issued on or prior to December 31, 2017 to refund fixed rate bonds and/or variable rate bonds at favorable fixed interest rates.

(D) JEA now therefore desires to supplement and amend the Forty-Third Supplemental Water and Sewer System Revenue Bond Resolution to increase the not to exceed aggregate principal amount of 2017/8 Series X Bonds that are authorized to be issued in one or more Series for the purpose of current and/or advance refunding JEA's Outstanding Water and Sewer System Revenue Bonds to \$603,000,000 and to increase the not to exceed aggregate principal amount of 2017/8 Series X Bonds that are authorized to be issued in one or more Series for the purpose of refunding fixed rate Refunded Bonds to \$465,000,000.

SECTION 4. AMENDMENT OF SECTION 4 OF THE FORTY-THIRD SUPPLEMENTAL WATER AND SEWER SYSTEM REVENUE BOND RESOLUTION. The first sentence of Section 4 of the Forty-Third Supplemental Water and Sewer System Revenue Bond Resolution is hereby amended in its entirety to read as follows:

“Pursuant to the provisions of the Bond Resolution, one or more Series of Additional Obligations entitled to the benefit, protection and security of the Bond Resolution are hereby authorized to be issued in an aggregate principal amount not to exceed \$603,000,000; *provided*, that not to exceed \$465,000,000 principal amount of the 2017/8 Series X Bonds may be issued for the purpose of refunding fixed rate Refunded Bonds and not to exceed \$138,000,000 principal amount of the 2017/8 Series X Bonds may be for the purpose of refunding variable rate Refunded Bonds.”

SECTION 5. AMENDMENT OF SECTION 5 OF THE FORTY-THIRD SUPPLEMENTAL WATER AND SEWER SYSTEM REVENUE BOND RESOLUTION. Clause (a) of Section 5 of Resolution 2016-23 is hereby amended in its entirety to read as follows:

“(a) the aggregate principal amount of the 2017/8 Series X Bonds of such Series; *provided*, that the aggregate principal amount of all 2017/8 Series X Bonds shall not exceed \$603,000,000, not to exceed \$465,000,000 aggregate principal amount of 2017/8 Series X Bonds shall be issued to refund fixed rate Refunded Bonds and not to exceed \$138,000,000 aggregate principal amount of 2017/8 Series X Bonds shall be issued to refund variable rate Refunded Bonds;”.

SECTION 6. RATIFICATION OF THE FORTY-THIRD SUPPLEMENTAL WATER AND SEWER SYSTEM REVENUE BOND RESOLUTION. The Forty-Third Supplemental Water and Sewer System Revenue Bond Resolution, as supplemented and amended as provided herein, is hereby ratified and confirmed and shall remain in full force and effect.

[Remainder of page intentionally left blank]

SECTION 7. EFFECTIVE DATE. This resolution shall take effect immediately upon its adoption.

ADOPTED THIS 28TH DAY OF NOVEMBER, 2017.



JEA

By: _____
Name:
Title:

ATTEST:

By: _____
Secretary

Approved as to Form:

By: _____
Office of General Counsel

RESOLUTION NO. 2017-41

A RESOLUTION OF JEA SUPPLEMENTING AND AMENDING THE EIGHTEENTH SUPPLEMENTAL WATER AND SEWER SYSTEM SUBORDINATED REVENUE BOND RESOLUTION OF JEA FOR THE PURPOSE OF, AMONG OTHER THINGS, REVISING THE DELEGATION AUTHORITY TO (I) INCREASE THE NOT TO EXCEED AGGREGATE PRINCIPAL AMOUNT OF WATER AND SEWER SYSTEM SUBORDINATE REVENUE BONDS, 2017/8 SERIES X THAT JEA IS AUTHORIZED TO ISSUE FOR THE PURPOSE OF CURRENT AND/OR ADVANCE REFUNDING OUTSTANDING JEA WATER AND SEWER SYSTEM SUBORDINATED REVENUE BONDS TO \$265,000,000, (II) INCREASE THE NOT TO EXCEED AGGREGATE PRINCIPAL AMOUNT OF WATER AND SEWER SYSTEM SUBORDINATED REVENUE BONDS, 2017/8 SERIES X THAT JEA IS AUTHORIZED TO ISSUE FOR THE PURPOSE OF CURRENT AND/OR ADVANCE REFUNDING FIXED RATE REFUNDED SUBORDINATED BONDS TO \$155,000,000; (III) REVISING CERTAIN DELEGATION AUTHORITY TO MAKE CERTAIN OTHER CONFORMING AMENDMENTS WITH RESPECT TO SUCH AUTHORIZATION, (IV) RATIFYING THE EIGHTEENTH SUPPLEMENTAL WATER AND SEWER SYSTEM SUBORDINATED REVENUE BOND RESOLUTION, AND (V) PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED by JEA as follows:

SECTION 1. DEFINITIONS. Unless otherwise defined herein, or unless the context otherwise requires, all terms used herein shall have the meanings ascribed to them pursuant to the Eighteenth Supplemental Water and Sewer System Subordinated Revenue Bond Resolution.

SECTION 2. AUTHORITY FOR THIS RESOLUTION. This resolution (i) is adopted pursuant to the provisions of the Act, as amended prior to the date hereof, and in accordance with (A) Article X of the Resolution and (B) Article II and Article X of the Subordinated Resolution and (ii) supplements the Resolution, the Subordinated Resolution and the Eighteenth Supplemental Water and Sewer System Subordinated Revenue Bond Resolution.

SECTION 3. FINDINGS. It is hereby ascertained, determined and declared that:

(A) Pursuant to the Eighteenth Supplemental Water and Sewer System Subordinated Revenue Bond Resolution, among other things, JEA authorized the issuance of 2017/8 Series X Subordinated Bonds in one or more Series in an aggregate principal amount not to exceed \$165,000,000 for the purpose of current and/or advance refunding JEA's Outstanding Water and Sewer System Subordinated Revenue Bonds and providing that not to exceed \$55,000,000 principal amount of the 2017/8 Series X Subordinated Bonds may be issued for the purpose of refunding fixed rate Refunded Subordinated Bonds.

(B) As of the date hereof, there is legislation currently pending in Congress which, if enacted, would repeal the exclusion from gross income for federal income tax purposes of interest on any bond issued to advance refund another bond after December 31, 2017 (“Tax-Exempt Advance Refunding Bonds”) effectively eliminating the ability of JEA to issue Tax-Exempt Advance Refunding Bonds after December 31, 2017 and reducing the potential debt service savings resulting therefrom.

(C) It is in the best interests of JEA to increase the not to exceed aggregate principal amount of 2017/8 Series X Subordinated Bonds that may be issued in accordance with the terms and conditions of the Eighteenth Supplemental Water and Sewer System Subordinated Revenue Bond Resolution in order to permit JEA to issue the maximum amount of Tax-Exempt Advance Refunding Bonds that may be issued on or prior to December 31, 2017 to refund fixed rate bonds and/or variable rate bonds at favorable fixed interest rates.

(D) JEA now therefore desires to supplement and amend the Eighteenth Supplemental Water and Sewer System Subordinated Revenue Bond Resolution to increase the not to exceed aggregate principal amount of 2017/8 Series X Subordinated Bonds that are authorized to be issued in one or more Series for the purpose of current and/or advance refunding JEA’s Outstanding Water and Sewer System Subordinated Revenue Bonds to \$265,000,000 and to increase the not to exceed aggregate principal amount of 2017/8 Series X Subordinated Bonds that are authorized to be issued in one or more Series for the purpose of refunding fixed rate Refunded Subordinated Bonds to \$155,000,000.

SECTION 4. AMENDMENT OF SECTION 4 OF THE EIGHTEENTH SUPPLEMENTAL WATER AND SEWER SYSTEM SUBORDINATED REVENUE BOND RESOLUTION. The first sentence of Section 4 of the Eighteenth Supplemental Water and Sewer System Subordinated Revenue Bond Resolution is hereby amended in its entirety to read as follows:

“Pursuant to the provisions of the Subordinated Resolution, one or more Series of Subordinated Bonds entitled to the benefit, protection and security of the Subordinated Resolution are hereby authorized to be issued in an aggregate principal amount not to exceed \$265,000,000; *provided*, that not to exceed \$155,000,000 principal amount of the 2017/8 Series X Subordinated Bonds may be issued for the purpose of refunding fixed rate Refunded Subordinated Bonds and not to exceed \$110,000,000 principal amount of the 2017/8 Series X Subordinated Bonds may be for the purpose of refunding variable rate Refunded Subordinated Bonds.”

SECTION 5. AMENDMENT OF SECTION 5 OF THE EIGHTEENTH SUPPLEMENTAL WATER AND SEWER SYSTEM SUBORDINATED REVENUE BOND RESOLUTION. Clause (a) of Section 5 of the Eighteenth Supplemental Water and Sewer System Subordinated Revenue Bond Resolution is hereby amended in its entirety to read as follows:

“(a) the aggregate principal amount of the 2017/8 Series X Subordinated Bonds of such Series; *provided*, that the aggregate principal amount of all 2017/8 Series X Subordinated Bonds shall not exceed \$265,000,000, the aggregate principal amount of 2017/8 Series X Subordinated Bonds issued to refund fixed rate Refunded Subordinated Bonds shall not exceed \$155,000,000, and the aggregate principal amount of the 2017/8 Series X Subordinated Bonds issued to refund variable rate Refunded Subordinated Bonds shall not exceed \$110,000,000;”.

SECTION 6. RATIFICATION OF THE EIGHTEENTH SUPPLEMENTAL WATER AND SEWER SYSTEM SUBORDINATED REVENUE BOND RESOLUTION.

The Eighteenth Supplemental Water and Sewer System Subordinated Revenue Bond Resolution, as supplemented and amended as provided herein, is hereby ratified and confirmed and shall remain in full force and effect.

[Remainder of page intentionally left blank]

SECTION 7. EFFECTIVE DATE. This resolution shall take effect immediately upon its adoption.

ADOPTED THIS 28TH DAY OF NOVEMBER, 2017.



JEA

By: _____
Name:
Title:

ATTEST:

By: _____
Secretary

Approved as to Form:

By: _____
Office of General Counsel

III. B. 4.

Annual Financial and Operational Review with the Rating Agencies



Building Community

AGENDA ITEM SUMMARY

November 7, 2017

SUBJECT:	ANNUAL FINANCIAL AND OPERATIONAL REVIEW WITH THE RATING AGENCIES
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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: On December 7 and 8, 2017 JEA's Senior Leadership Team, the City Council President, and a representative from JEA's Board of Directors will meet with the credit rating agencies in New York City.

Significance: The maintenance of its AA credit ratings provides JEA access to the debt capital markets at a reduced cost relative to lower rated municipal debt issuers.

Effect: See above

Cost or Benefit: According to the Public Financial Management (PFM) analysis updated September 2017, a downgrade in JEA's rating from AA to A would cost customers approximately \$90 million over the next 10 years.

Recommended Board action: Provided for information only; no action is required by the Board.

For additional information, contact: Joe Orfano, Treasurer, 665-4541

Submitted by: PEM/MHD/JEO/

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 • Growth² • Accountability • Integrity

Commitments to Action

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

Annual Financial and Operational Review with the Rating Agencies

November 28, 2017

Rating Agency Meeting Objectives

- JEA meets with each of the three credit rating agencies, Moody's, Standard & Poor's, and Fitch, in December of each year
- Timing of the meeting coincides with the release of JEA's audited financial statements
 - Audit completion expected the first week of December
 - Meetings scheduled for December 7 – 8 in New York
- The meetings provide an opportunity for the rating agency analysts to meet with JEA's Leadership team, City leadership, and a representative from JEA's Board of Directors
- The primary focus of the meeting is to update the analysts on financial health, operations, current events, and governance

Agenda for Meetings

- I. Introduction
- II. FY17 Financial Results
- III. Electric System Overview
- IV. SJRPP Decommissioning
- V. JEA Solar Energy
- VI. Plant Vogtle
- VII. Water & Sewer System Overview
- VIII. Hurricanes Matthew & Irma
- IX. Enterprise Risk Management
- X. Enterprise Asset Management
- XI. Conclusion
- XII. Supplemental Information
- XIII. Supplemental Financial Information







Agenda

Review of Forecast Assumptions

Assumptions and Projections

1. Unit Sales Growth
2. Residential Bills
3. Capital Expenditures and Internal Funding
4. Total Debt and Variable Debt
5. Other – O&M and City Contribution
6. Financial Metrics – Coverage, Liquidity, and Debt

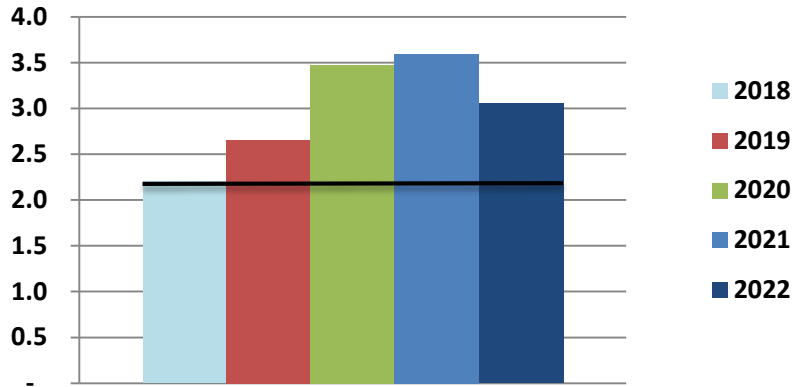
Projected Results

- | | |
|------------------------------------|---|
| Electric 0%, Water 1% |  |
| Stable Base Rates |  |
| PAY-GO with no new debt |  |
| \$0.9 Billion Reduction |  |
| Stable with Year-to-Year Variances |  |
| Stable Liquidity and Coverage |  |

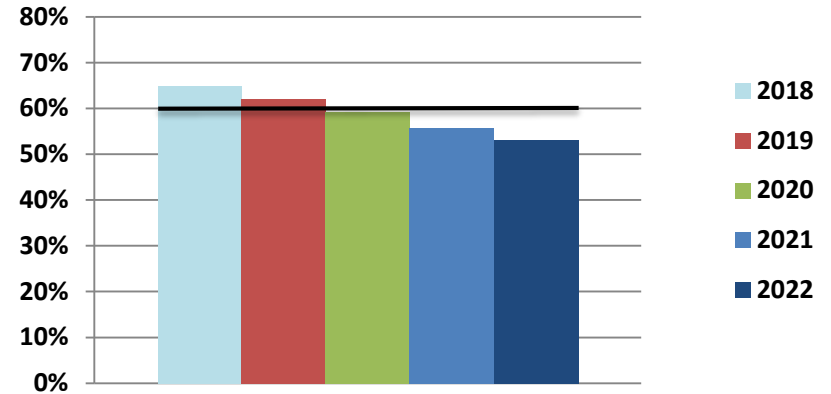
- JEA's Five Year Financial Plan includes accelerated debt retirement and scheduled principal repayments of \$0.9 billion, stable year-to-year variances in O&M and City Contribution expenditures, and stable Liquidity and Debt financial metrics to support JEA's strong credit ratings.
- The resulting objectives are to maintain long-term competitive rates, operational excellence, and environmental stewardship, while improving the overall customer experience.

Electric System Financial Projections

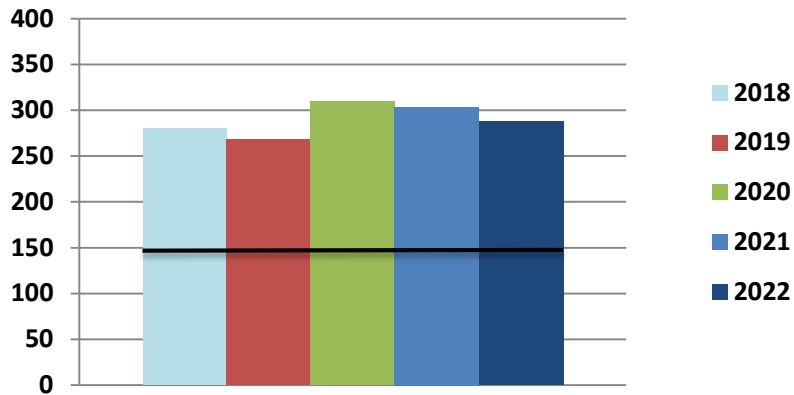
Debt Service Coverage



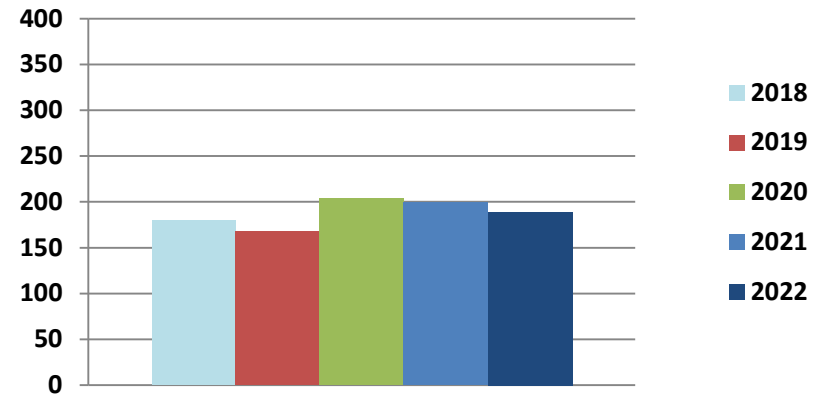
Debt to Asset %



Days Liquidity

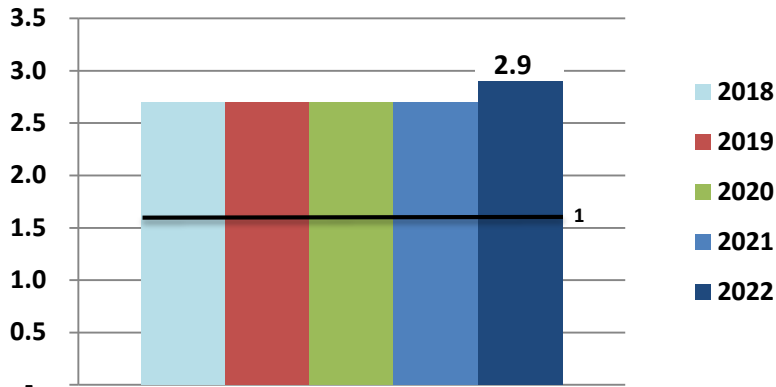


Days Cash

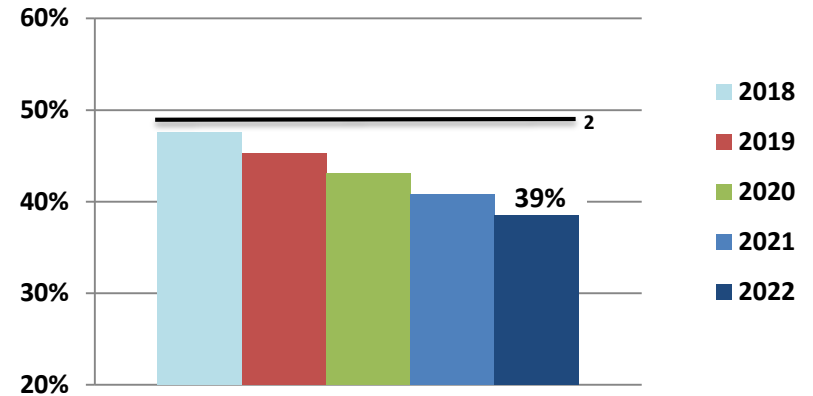


Water & Sewer System Financial Projections

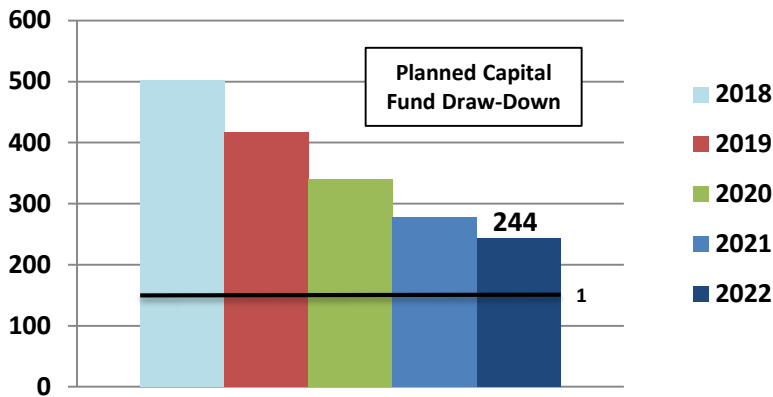
Debt Service Coverage



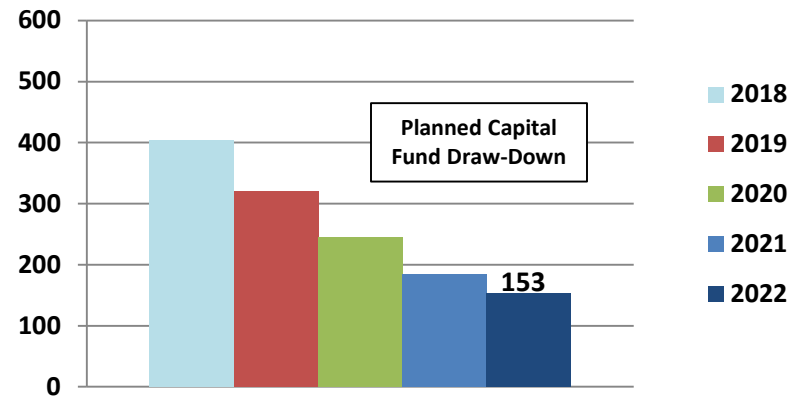
Debt to Asset %



Days Liquidity



Days Cash



1 Long Term minimum per JEA's pricing policy

2 Debt to Asset Ratio calculated from Moody's Municipal Financial Ratio Analysis database of 209 Aa rated public water-sewer utilities, Jan. 10, 2017

Value of JEA's Credit Rating

- Public Financial Management, JEA's independent financial advisor, prepared an analysis of the value of JEA's credit rating to the utility
- JEA frequently accesses the capital markets to refinance debt, procure credit facilities, and through the continuous remarketing of its variable rate debt instruments
- According to PFM's analysis updated September 2017, a downgrade in JEA's rating from AA to A would cost customers approximately \$90 million over the next 10 years

III. B. 5.

Fiscal Year 2017 Year-End Financial Results

JEA Fiscal Year 2017 Year-End Financial Results as of September 30, 2017

Board of Directors November 28, 2017



Financial Results and Cost Metrics

Electric System Metrics

	Rating Agency/ Perform. Goal	FY2017	Score
System Sales (GWh)	12,000	12,050	
Base Revenue Growth	(0.1%)	0.0%	
Debt Svc. Coverage	2.3x	2.5x	
Days Liquidity (Cash)	318 (215)	337 (234)	
Debt/Asset %	62%	62%	
Non-Fuel/MWh	\$53.94	\$52.50	
Net Funded Debt Reduction	\$216m	\$224m	
Capital Expenditures	\$166m	\$135m	
Moody's/S&P/Fitch Ratings	Aa2/AA-/AA	Aa2/AA-/AA	

Water and Sewer Systems Metrics

	Rating Agency/ Perform. Goal	FY2017	Score
Water System Sales (kGals)	35,000	37,245	
Base Revenue Growth	(1.3%)	3.6%	
Debt Svc. Coverage	2.5x	3.0x	
Days Liquidity (Cash)	507 (405)	596 (496)	
Debt/Asset %	50%	50%	
Water Cost/kgal	\$4.75	\$4.57	
Sewer Cost/kgal	\$10.27	\$9.20	
Net Funded Debt Reduction	\$56m	\$56m	
Capital Expenditures	\$205m	\$188m	
Moody's/S&P/Fitch Ratings	Aa2/AA/AA	Aa2/AAA/AA	

Significant Occurrences or Concerns This Month

- Despite significant rainfall in FY17, Water System Sales were 2% over FY16 YTD.
- Due to mild weather, Electric System Sales were 4% below FY16 YTD, despite 2% growth in accounts.

Key Financial Metrics

Year End Financial Metrics

Electric System	FY2017	FY2016	Target	Result
Debt Service Coverage	2.5x	2.9x	≥ 2.2x	✓
Days Liquidity	337	377	150 to 250 days ¹	✓
<i>Days Cash on Hand</i>	234	270		✓
Debt to Asset %	62%	65%	52.1% ²	✓

Water and Sewer System	FY2017	FY2016	Target	Result
Debt Service Coverage	3.0x	3.3x	≥ 1.8x	✓
Days Liquidity	596	632	150 to 250 days ¹	✓
<i>Days Cash on Hand</i>	496	528		✓
Debt to Asset %	50%	53%	49% ³	✓

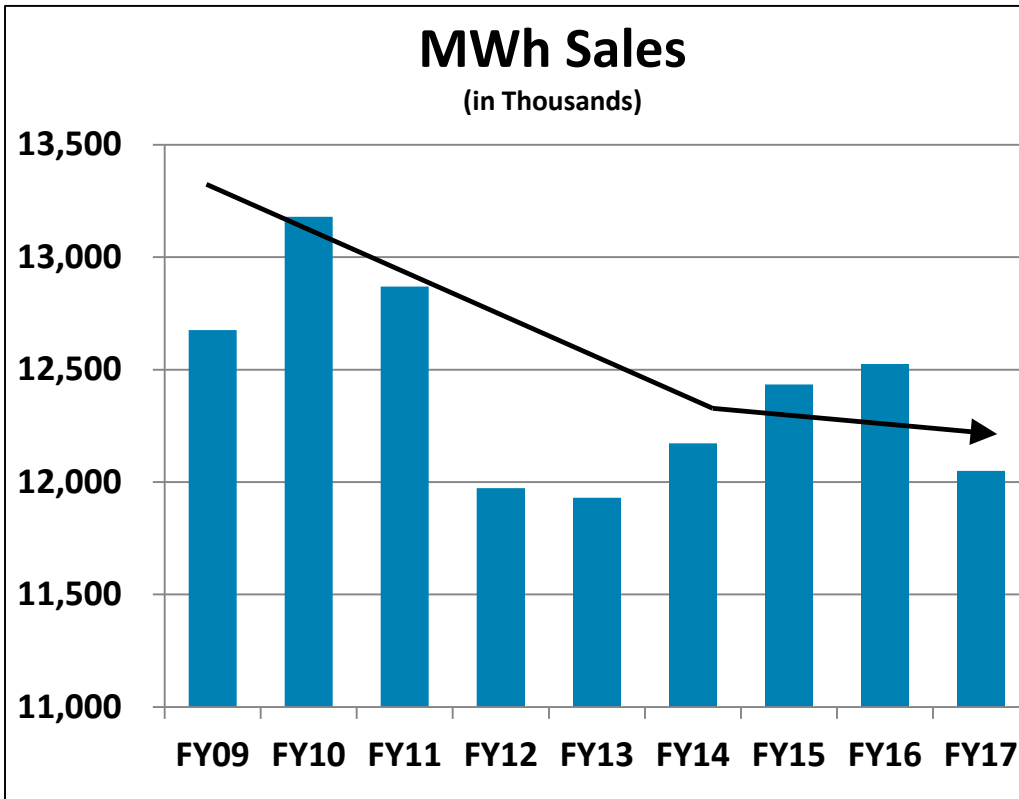


¹ Moody's Aa benchmark: 150 to 250 days

² Long-term target is 52.1%: per Moody's Sector In-Depth Report "Public Power Medians – Sound metrics signal stability as carbon challenges loom", Sept. 2017

³ Long-term target is 49%: calculated peer group from Moody's 214 Aa rated public water-sewer utilities, Dec. 2016

Electric System: MWh Sales



Month	FY16	FY17	%
Oct	952,515	951,425	(0.1%)
Nov	923,705	863,238	(6.5%)
Dec	922,956	905,219	(1.9%)
Jan	1,049,897	932,807	(11.2%)
Feb	894,563	759,141	(15.1%)
Mar	893,954	914,242	2.3%
Apr	900,013	933,563	3.7%
May	1,089,555	1,084,832	(0.4%)
Jun	1,231,251	1,094,475	(11.1%)
Jul	1,336,835	1,298,608	(2.9%)
Aug	1,254,240	1,260,217	0.5%
Sep	1,111,769	1,052,365	(5.3%)
Total	12,561,253	12,050,133	(4.1%)

Unit Sales Driver: FY17 MWh reduction due to moderate weather and decrease in FPU demand of 155,047 MWh.

YTD Degree Days		
30-yr. Avg.	FY16	FY17
4,014	4,117	3,737

YTD Customer Accounts		
FY16	FY17	%
455,373	462,013	1.5%

Total System	(4.1%)
Residential	(4.1%)
Comm./Industrial	(2.6%)
Interruptible	(1.9%)
Wholesale (FPU)	(50.8%)



Electric System: Financial Results and Cost Metrics

(\$ in thousands)

Revenues	FY17 Actual	FY16 Actual	FY17 Budget	FY17 vs FY16 (\$)	Variance (%)
Fuel Revenue	\$ 394,189 ¹	\$ 426,653 ²	\$ 449,776	\$ (32,464)	-7.6% ¹
Base Revenue	750,329 ¹	750,038	735,204	291	0.0%
Other Revenue	45,937	37,904	41,787	8,033	21.2%
Total Revenues	\$ 1,190,455	\$ 1,214,595	\$ 1,226,767	\$ (24,140)	-2.0%
		↑ (\$36M) ↑			
Select Expenses					
Fuel Expense	\$ 442,588	\$ 397,280	\$ 411,903	\$ (45,308)	-11.4%
Fuel Fund Transfers	(48,400)	29,373	37,705	77,773	
O & M Expense	199,470	192,527	226,180	(6,943)	-3.6%
Non-fuel Purchased Power	76,260	87,426	83,394	11,166	12.8%
Net Revenues	\$ 517,074	\$ 496,092	\$ 454,939	\$ 20,982	4.2%
		↑ \$62M ↑			
Capital Expenditures	\$ 134,782	\$ 150,926	\$ 153,200 ³	\$ 16,144	10.7%
Debt Service	\$ 204,477 ⁴	\$ 171,506	\$ 179,654	\$ (32,971)	-19.2%

Electric Costs / MWh	Non-Fuel
Target	\$ 53.94
Actual	<u>52.50</u>
Difference	\$ 1.44

Fuel Fund (\$ in millions)	
Beginning Balance	\$ 180
Surplus/(Deficit)	<u>(48)</u>
Ending Balance	\$ 132



¹ Includes rate change in December 2016

² Net of \$57 million fuel credit and fuel rate reduction

³ Council approved limit for capital expenditures in FY17 is \$170 million

⁴ Includes additional \$40 million related to advanced debt refunding approved by Board in November 2016

Electric System: Financial Results and Cost Metrics

(\$ in thousands)

Revenues	FY17 Actual	FY16 Actual	FY17 Budget	FY17 vs FY16 (\$)	Variance (%)
Fuel Revenue	\$ 394,189 ¹	\$ 426,653 ²	\$ 449,776	\$ (32,464)	-7.6% ¹
Base Revenue	750,329 ¹	750,038	735,204	291	0.0%
Other Revenue	45,937	37,904	41,787	8,033	21.2%
Total Revenues	\$ 1,190,455	\$ 1,214,595	\$ 1,226,767	\$ (24,140)	-2.0%

↑ \$(36M) ↑

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O & M Expense	199,470	192,527	226,180	(6,943)	-3.6%
Non-fuel Purchased Power	76,260	87,426	83,394	11,166	12.8%
Net Revenues	\$ 517,074	\$ 496,092	\$ 454,939	\$ 20,982	4.2%

↑ \$62M ↑

Capital Expenditures	\$ 134,782	\$ 150,926	\$ 153,200 ³	\$ 16,144	10.7%
Debt Service	\$ 204,477 ⁴	\$ 171,506	\$ 179,654	\$ (32,971)	-19.2%

Electric Costs / MWh	Non-Fuel
Target	\$ 53.94
Actual	<u>52.50</u>
Difference	\$ 1.44

Fuel Fund (\$ in millions)	
Beginning Balance	\$ 180
Surplus/(Deficit)	<u>(48)</u>
Ending Balance	\$ 132

Financial Metrics	FY17 Actual
Coverage:	2.5x
Days Liquidity/Cash:	337 / 234
Debt/Asset:	62% (3% lower)
Total Debt:	\$2.8B (\$209M lower)



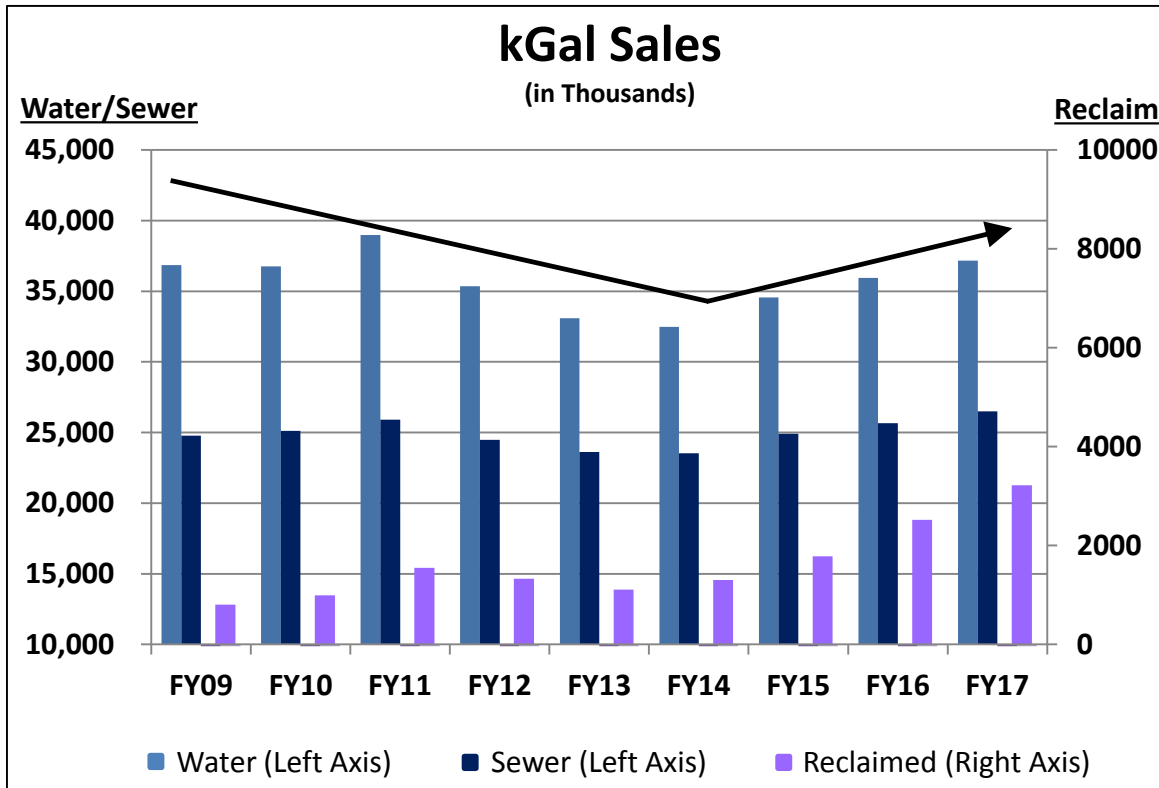
¹ Includes rate change in December 2016

² Net of \$57 million fuel credit and fuel rate reduction

³ Council approved limit for capital expenditures in FY17 is \$170 million

⁴ Includes additional \$40 million related to advanced debt refunding approved by Board in November 2016

Water and Sewer System: kGal Sales



Month	FY16	FY17	%
Oct	3,120	3,129	0.3%
Nov	2,641	3,068	16.2%
Dec	2,758	2,923	6.0%
Jan	2,527	2,768	9.6%
Feb	2,479	2,624	5.9%
Mar	2,825	3,168	12.1%
Apr	2,914	3,476	19.3%
May	3,523	3,736	6.1%
Jun	3,290	2,833	(13.9%)
Jul	3,736	3,480	(6.9%)
Aug	3,451	3,043	(11.8%)
Sep	3,094	2,998	(3.1%)
Total	36,358	37,245	2.4%

Unit Sales Driver: FY17 rainfall up 42 inches; rain days level. Warm and dry conditions through Spring were mitigated by a wet Summer.
Irrigation for FY17 up 5% versus FY16.

YTD Customer Accounts			
	FY16	FY17	%
Water	337,217	344,445	2.1%
Sewer	260,937	267,381	2.5%
Reclaimed	8,361	10,283	23.0%

YTD Rainfall			
	30-Yr. Avg.	FY16	FY17
Inches	52.4	31	73
Days	114	98	98

Total System		2.4%
Residential		3.2%
Comm./Industrial		0.4%
Irrigation		4.9%

Water and Sewer System: Financial Results and Cost Metrics

(\$ in thousands)

Revenues	FY17 Actual	FY16 Actual	FY17 Budget	FY17 vs FY16 (\$)	Variance (%)
Water & Sewer Revenues	\$ 424,594	\$ 409,889	\$ 394,430	\$ 14,705	3.6%
Other Revenue	43,203	40,070	33,792	3,133	7.8%
Total Revenues	\$ 467,797	\$ 449,959	\$ 428,222	\$ 17,838	4.0%
Select Expenses					
O & M Expense	\$ 139,447	\$ 130,296	\$ 144,149	\$ (9,151)	-7.0%
Net Revenues	\$ 337,469	\$ 313,130	\$ 280,753	\$ 24,339	7.8%
Capital Expenditures	\$ 187,593	\$ 147,363	\$ 205,000 ¹	\$ (40,230)	-27.3%
Debt Service	\$ 112,791	\$ 95,418	\$ 118,375	\$ (17,373)	-18.2%

Cost / Kgal	Water	Sewer
Target	\$ 4.75	\$ 10.27
Actual	4.57	9.20
Difference	\$ 0.18	\$ 1.07



¹ Council approved limit for capital expenditures in FY17 is \$225.5 million

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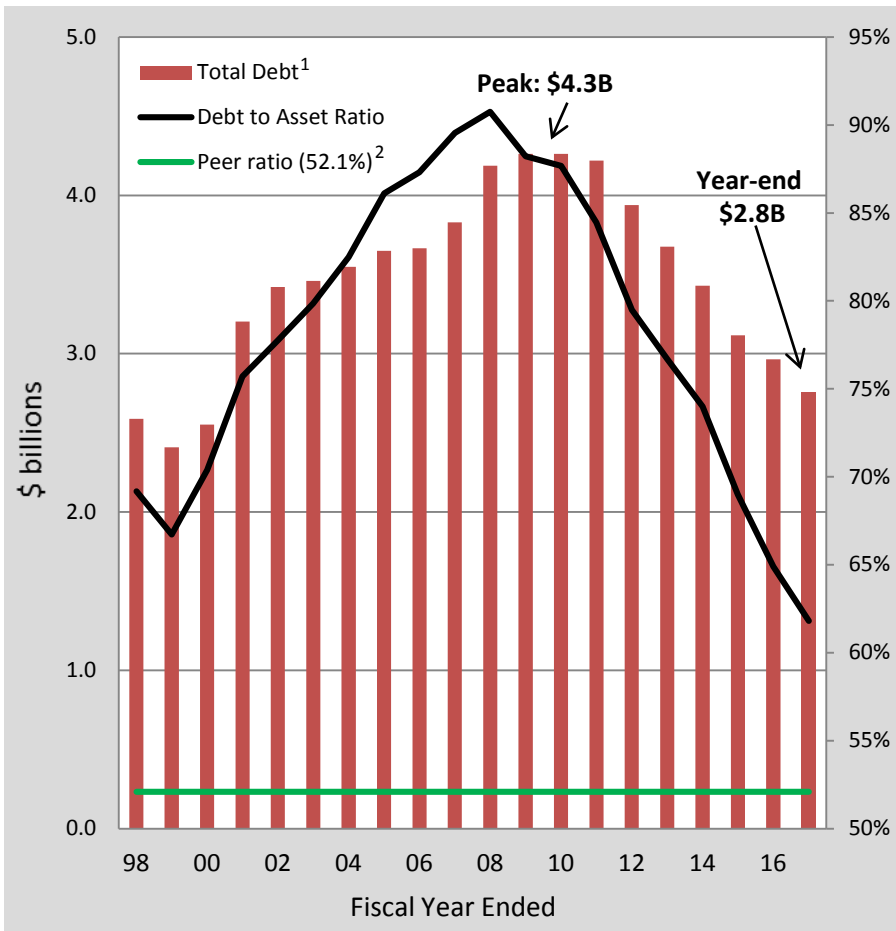
Metrics	FY17 Actual
Coverage:	3.0x
Days Liquidity/Cash:	596 / 496
Debt/Asset:	50% (3% lower)
Total Debt:	\$1.6B (\$40M lower)



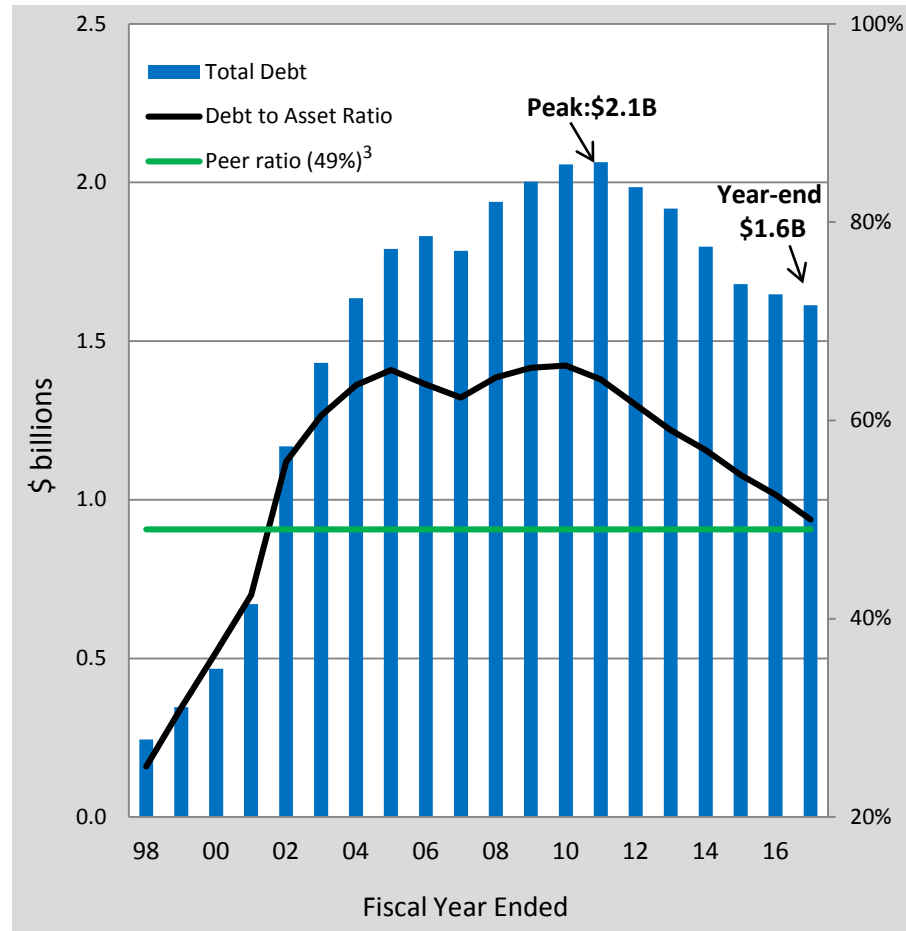
¹ Council approved limit for capital expenditures in FY17 is \$225.5 million

Debt and Debt to Asset Ratios

Electric System



Water and Sewer System

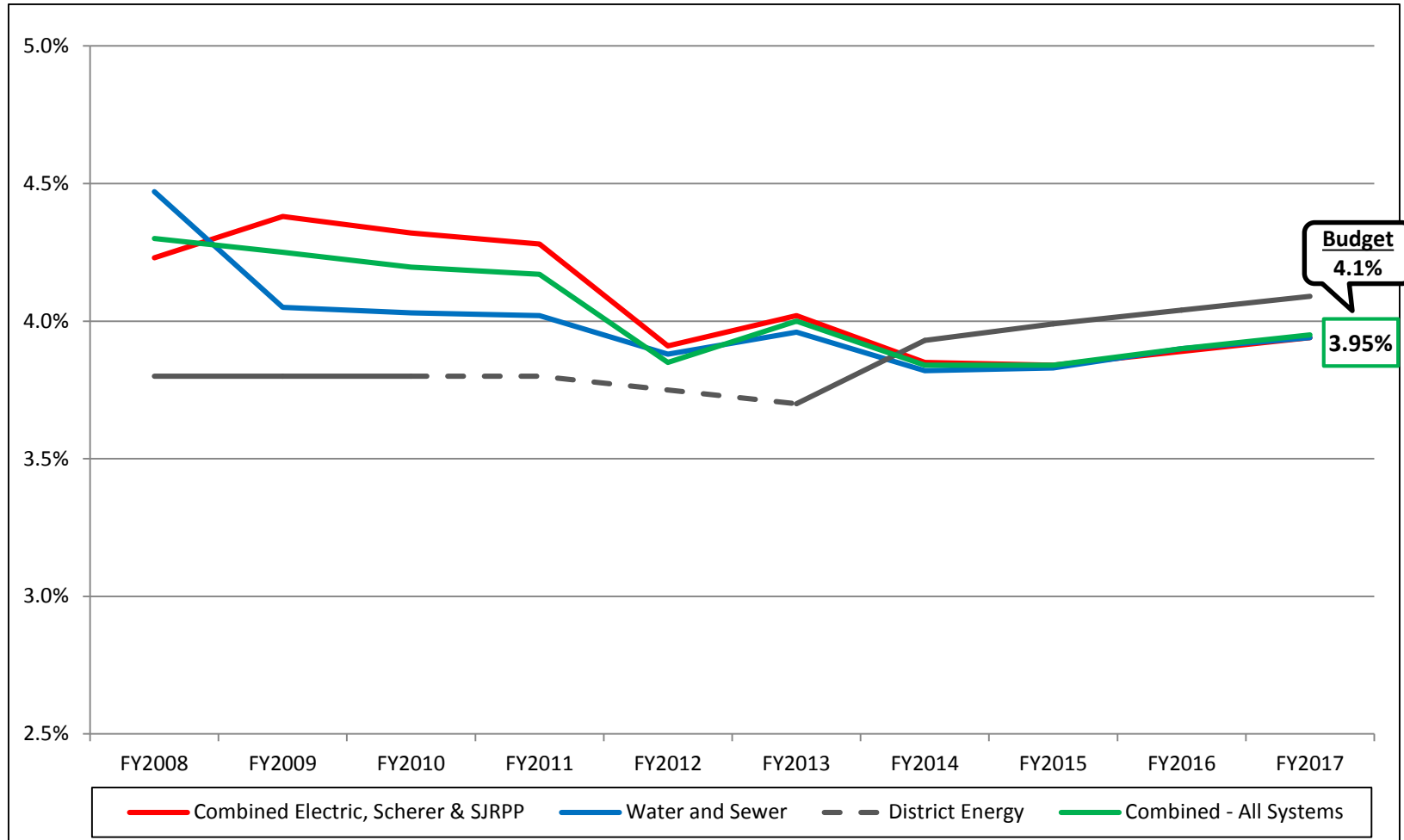


¹ Includes JEA, Scherer and SJRPP

² Per Moody's Sector In-Depth Report "Public Power Medians – Sound metrics signal stability as carbon challenges loom", Sept. 2017

³ As calculated from Moody's Municipal Financial Ratio Analysis database of 209 Aa rated public water-sewer utilities, Jan. 10, 2017

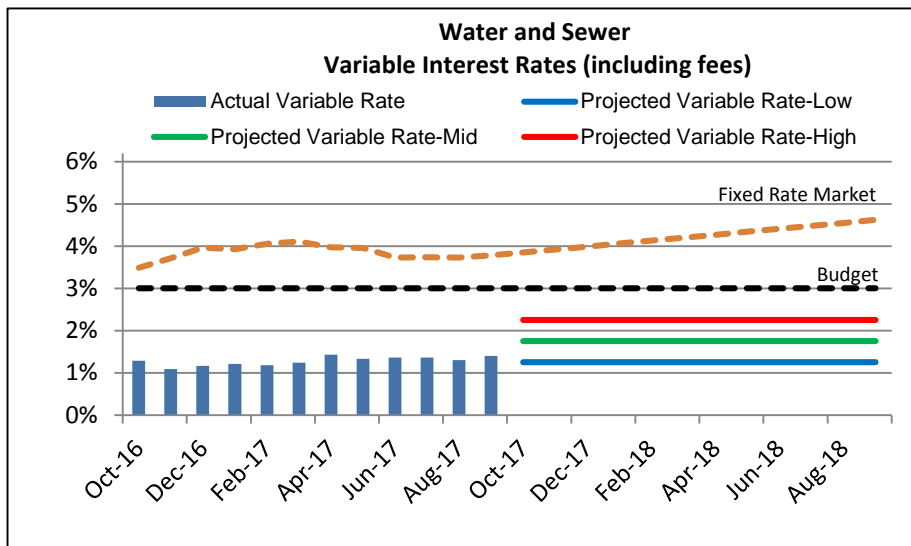
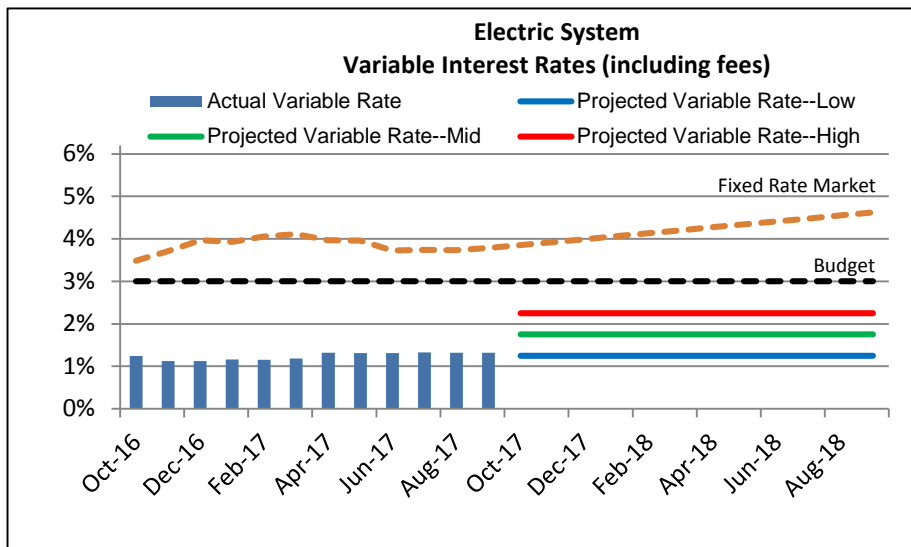
Combined Debt Outstanding: Weighted Average Interest Rates



- 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



Liquidity Facilities and Direct Purchase Bonds (DPBs)			
Bank	Moody's/S&P/Fitch	\$ (in millions)	%
Wells Fargo Bank N.A. (100% DPBs)	Aa2/AA-/AA	\$221	25
JP Morgan Chase Bank N.A.	Aa3/A+/AA-	199	24
Royal Bank of Canada	A1/AA-/AA	193	23
US Bank, N.A.	A1/AA-/AA	148	18
Sumitomo	A1/A/A	52	6
State Street Bank	Aa3/AA-/AA	31	4
Total		\$844	

Swap Providers			
Bank	Moody's/S&P/Fitch	\$ (in millions)	%
Morgan Stanley Capital Services	A3/BBB+/A	\$180	34
Goldman Sachs Mitsui Marine Derivative Products	Aa2/AA-/NR	137	26
JP Morgan Chase Bank N.A.	Aa3/A+/AA-	125	24
Merrill Lynch	Baa1/BBB+/A	85	16
Total		\$527	

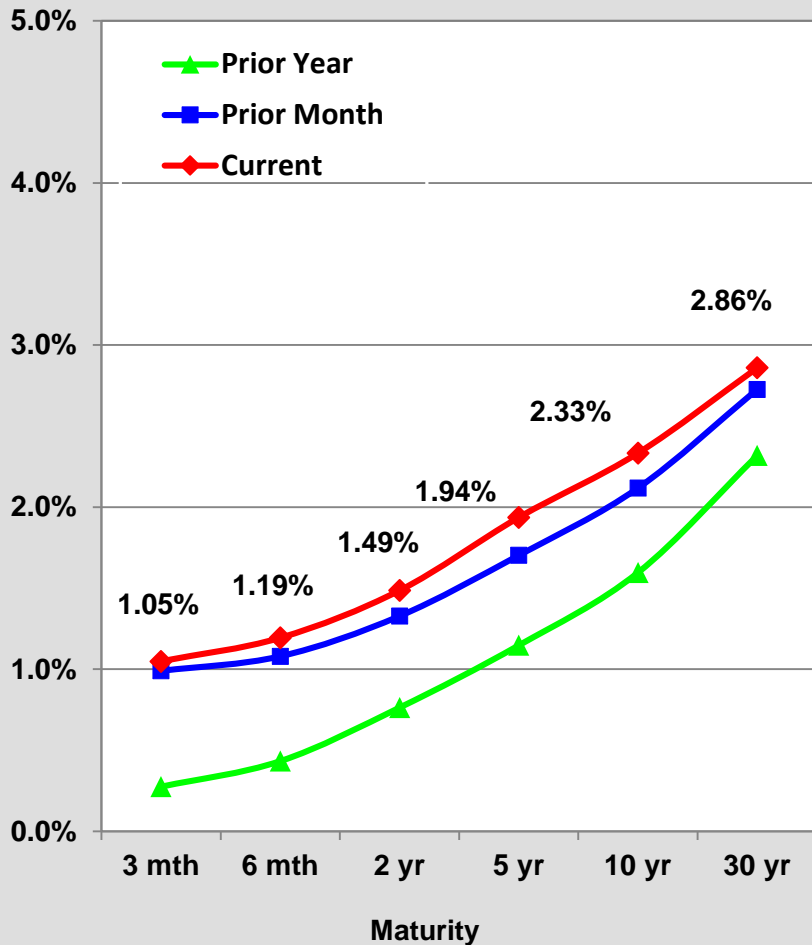
Items of Interest

- Variable debt as a percentage of total debt:
 - Unhedged variable at 7% for Electric and 10% for Water and Sewer.
 - Hedged variable at 15% for Electric and 7% for Water and Sewer.
- Liquidity facilities / direct purchase bonds are with highly rated providers.
- No change in swap provider credit quality.
- JP Morgan liquidity facilities renewed in April 2017.
- US Bank liquidity facility renewed in Oct 2017.
- 2018 liquidity facility renewals include: Wells Fargo Bank, Royal Bank of Canada, State Street Bank, Sumitomo and remaining US Bank.
- Variable rate reserve to mitigate risk of higher rates – \$44 million.
- Used \$18 million of variable rate reserve on 2017 debt defeasances.

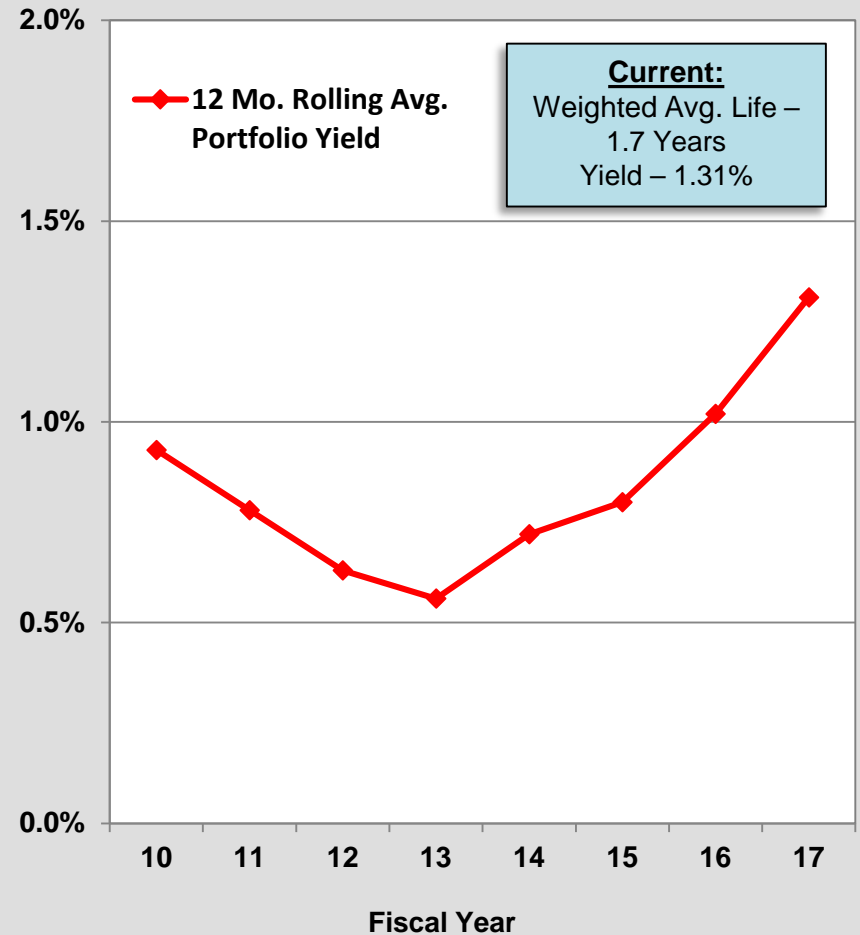
Total variable rate debt of \$882 with \$527 swapped to fixed rate

Combined Investments Outstanding

U. S. Treasury Yield Curve



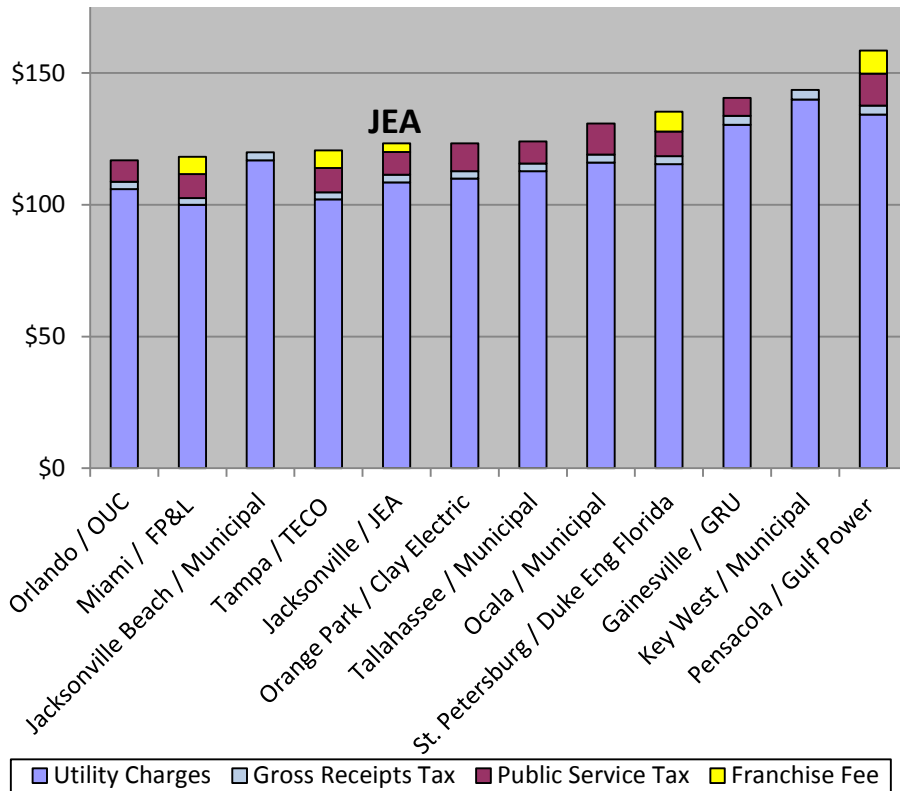
Investment Portfolio Yield



Florida Utilities Monthly Bill Comparison

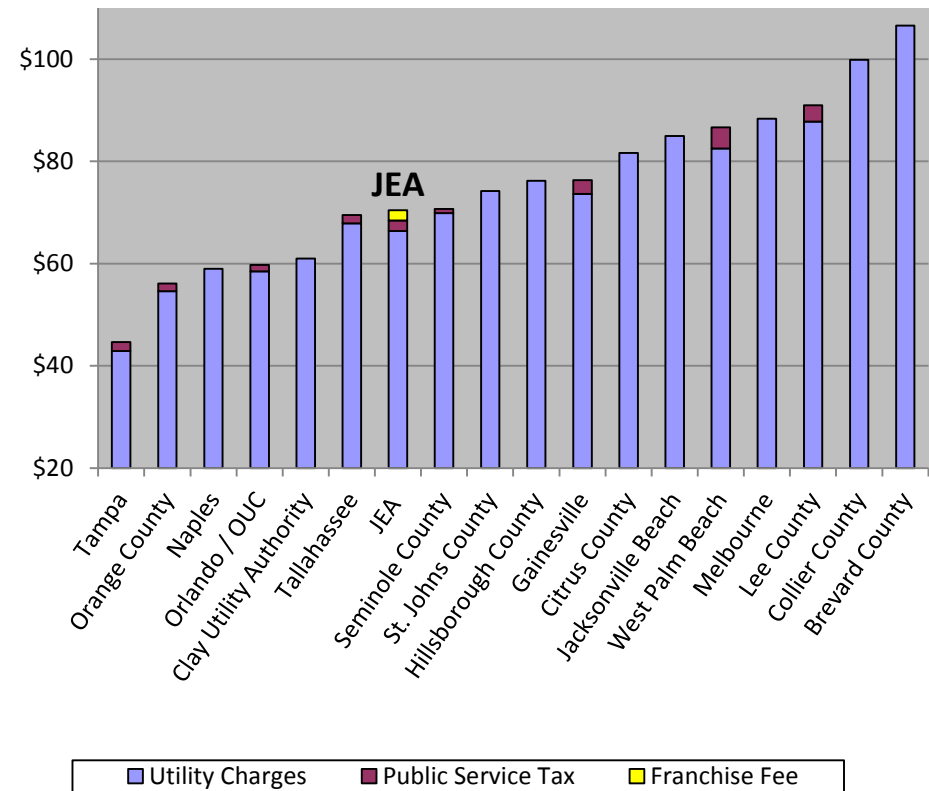
Monthly Residential Electric Bills

Consumption @ 1,000 kWh



Monthly Residential Water Bills

5/8" meter and 6 k/gals of Consumption



Electric System Fiscal Year 2017 Key Financial Metrics

What we said in December 2016

2.3x combined debt service coverage
Days of cash on hand: 215 days
Days of liquidity: 318 days
Net funded debt reduction: \$216 million
Debt to Asset ratio: 63.0%
Capital Expenditure: \$166 million
Decrease in system MWh sales of (4.5%)
Base revenue reduction of (.94%)

What we did in Fiscal Year 2017

2.5x combined debt service coverage
Days of cash on hand: 234 days
Days of liquidity: 337 days
Net funded debt reduction: \$224 million
Debt to Asset ratio: 61.8%
Capital Expenditure: \$135 million
Decrease in System MWh sales of (4.1%)
Base revenue reduction of (.12%)

Water & Sewer System Fiscal Year 2017 Key Financial Metrics

What we said in December 2016

2.5x combined debt service coverage
Days of cash on hand: 405 days
Days of liquidity: 507 days
Net funded debt reduction: \$56 million
Debt to Asset ratio: 50.0%
Capital Expenditure: \$205 million
(3.7%) decrease in Water Regal sales
Total system revenue decrease of (.22%)

What we did in Fiscal Year 2017

3.0x combined debt service coverage
Days of cash on hand: 496 days
Days of liquidity: 596 days
Net funded debt reduction: \$56 million
Debt to Asset ratio: 49.8%
Capital Expenditure: \$188 million
2.4% increase in Water Regal sales
Total system revenue growth of 7.5%

IV. A.
Compensation Committee



COMPENSATION COMMITTEE AGENDA

DATE: November 27, 2017
TIME: 11:30 AM – 1:00 PM
PLACE: 21 W. Church Street
 8th Floor

	Responsible Person	Action (A) Info (I) Direction (D)	Total Time
I. OPENING CONSIDERATIONS	Delores Kesler		
A. Call to Order			
B. Adoption of Agenda		A	
C. Approval of Minutes – January 6, 2017	Cheryl Mock	A	
II. NEW BUSINESS			
A. Fiscal Year 2017 Pay for Performance Program	Angie Hiers	A	10 mins.
B. Fiscal Year 2017 CEO Performance	Jody Brooks	A	10 mins.
C. Fiscal Year 2018 and Beyond Employee Compensation Discussion	Angie Hiers	D	15 mins.
D. Fiscal Year 2018 and Beyond CEO Contract Discussion	Jody Brooks	D	15 mins.
E. Fiscal Year 2018 CEO Goals	Jody Brooks	A	10 mins.
F. Open Discussion			15 mins.
G. Announcements			
1. Schedule Next Meeting as Appropriate			
H. Adjournment			

JEA COMPENSATION COMMITTEE MINUTES
January 6, 2017

The Compensation Committee of JEA met on Friday, January 6, 2017, in the 8th Floor Conference Room, JEA Plaza Tower, 21 W. Church Street, Jacksonville, Florida.

Agenda Item I – Opening Considerations

- A. Call to Order – Committee Chair Kesler called the meeting to order at 1:00 PM with Members Tom Petway and Kelly Flanagan in attendance. Also present were Paul McElroy, Angie Hiers, Melissa Dykes, Mike Hightower, Jody Brooks, Judi Spann and Gerri Boyce.
- B. Adoption of Agenda – The Agenda was adopted on **motion** by Mr. Petway and second by Ms. Flanagan.
- C. Approval of Minutes – The November 8, 2016 minutes were approved on **motion** by Ms. Flanagan and second by Mr. Petway.

Agenda Item II – New Business

- A. Weighting of Fiscal Year 2017 CEO Goals – Angie Hiers, Chief Human Resources Officer, at the request from the Board, Ms. Hiers reviewed the methodology and recommended weights for the FY2017 CEO Goals. Upon **motion** by Ms. Flanagan and second by Mr. Petway, the Committee held discussions. Ms. Flanagan motioned to modify the weighting of the first quartile rankings for Residential and Commercial J.D. Power Customer Satisfaction Ratings to 1% for residential and 1% for commercial. Upon a unanimous vote, the Committee approved the revised weights for the FY2017 CEO Goals as amended. This item will be presented to the full Board for approval at the January 17, 2017 meeting.
- B. Performance Management and Pay Practices – Paul McElroy, Managing Director/CEO, discussed the current Pay for Performance Program. The Committee held discussions and requested assistance to procure a consultant to review the compensation practices and provide an update to the Committee at a later date.
- C. Other New Business – none
- D. Announcements – The next meeting will be scheduled as appropriate.
- E. Adjournment – With no further business claiming the attention of this Committee, the meeting was adjourned at 1:50 PM.

APPROVED BY:

Delores Kesler, Committee Chair
Date: _____

Submitted by:

Cheryl Mock
Executive Assistant



Building Community

AGENDA ITEM SUMMARY

November 3, 2017

SUBJECT:	FISCAL YEAR 2017 PAY FOR PERFORMANCE PROGRAM
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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 FY2017 Pay for Performance Program was approved by the Board of Directors at its November 15, 2016 meeting. FY2017 Pay for Performance results are final, pending the external auditors sign-off on JEA's FY2017 financial results.

Significance: The JEA Pay for Performance Program was introduced in 1990. JEA's program is modeled to combine both company and individual performance metrics that incent and recognize a highly engaged, high performing workforce.

Effect: The entire JEA workforce is eligible to qualify for this program.

Cost or Benefit: JEA's program delivers an incentive when goals are achieved and O&M cost savings are realized to pay for the program. This program is designed to incent employees to achieve and exceed established goals, as well as to focus on being "good stewards" of resources, which in turn maximizes value to customers. The FY2017 estimated O&M cost savings was \$17.5M. The earned incentive for FY2017 is currently projected to be \$4.7M or 3.2% of FY2017 salaries.

Recommended Board action: JEA achieved a total O&M savings for FY2017 of \$17.5 million, this item is submitted to the Board for consideration of approval of the payout for the FY2017 Pay for Performance Program of 3.2% of total base salaries totaling \$4.7 Million.

For additional information, contact: Angelia R. Hiers 665-4747

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

November 3, 2017

SUBJECT: FISCAL YEAR 2017 PAY FOR PERFORMANCE PROGRAM

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

Pay for Performance Programs were introduced at JEA in 1990. The program has successfully served to focus employees and managers on key corporate measures and objectives, as well as to push the organization toward a continuous improvement culture with resulting operational excellence. Due to the economic downturn and subsequent austerity measures taken, JEA's performance pay program was suspended in 2007 until 2012 when it was reinstated.

DISCUSSION:

JEA had an excellent performance year in 2017. At the November 2016 Board of Directors meeting, the Board approved a Pay for Performance Program for the 2017 fiscal year, including corporate-wide stretch goals for the company. The following is a review of 2017 performance related to each of these goals.

➤ **Customer Satisfaction**

JEA measures customer satisfaction using the J.D. Power survey. JEA has continued its company-wide focus on customer satisfaction, which has been a strategic goal since 2012. In 2012, JEA's customer satisfaction scores were among the lowest in the nation, and JEA has consistently had the highest year-over-year improvements in customer satisfaction scores since 2012. During FY2017, JEA reached a new record performance level on the J.D. Power Residential Electric Customer Satisfaction study in 2017. JEA customers' overall satisfaction improved for the fifth consecutive year to a score of 747 – the highest Overall Customer Satisfaction score since 2013. Our customers scored JEA 44 points above our 2016 results and 28 points above the national average. JEA placed in the 1st Quartile for five of the six drivers of customer satisfaction. The scores for J.D. Power Commercial Customer Satisfaction were added to the corporate metrics this year. JEA did not achieve its goal of Top Decile with a ranking of #12.

➤ **Safety**

JEA believes that our employees are our greatest asset. We emphasize safety as a part of everything we do. This continued focus on safety has resulted in JEA maintaining an OSHA recordable incident rate (RIR) for FY2017 well below the average for Public Sector Utilities of 6.1 injuries per 100 employees. However, in setting corporate goals for the fiscal year – and most especially in the area of safety – “good” is not good enough. We set a best-in-class safety goal with a baseline of 1.4 RIR and a 1.2 RIR rate as an excellent ranking for the fiscal year. JEA achieved a final RIR for FY2017 of 2.01 RIR, which does not meet the corporate safety goal for the fiscal year.

➤ **Cost Control**

JEA is committed to holding firm on costs as the cornerstone of our ability to provide affordable service to our community. Cost control goals require each and every employee to manage our customers' money wisely, working more effectively and efficiently and using materials prudently. JEA staff worked diligently throughout the year to deliver excellence to our customers and community. The total possible payout to employees under the Pay for Performance Plan authorized by the Board in November 2016 was \$6.7 million, if all metrics were exceeded. Based on the performance described above, the actual payout to employees is \$4.7 million, or 3.2% of the total base salaries as of October 1, 2017. JEA total O&M savings for FY2017 was \$17.5 million.

RECOMMENDATION:

JEA achieved a total O&M savings for FY2017 of \$17.5 million. This item is submitted to the Board for consideration of approval of the payout for the FY2017 Pay for Performance Program of 3.2% of total base salaries totaling \$4.7 Million.

PEM/ARH

Paul E. McElroy, Managing Director/CEO

FY 17 Pay for Performance Program Summary



Summary of Corporate Performance Results as of 11/9/2017

Safety

OSHA Recordable Incident Rate (RIR)

FY12 Results: 1.48 RIR
 FY13 Results: 1.78 RIR
 FY14 Results: 2.4 RIR
 FY15 Results: 1.56 RIR
 FY 16 Results: 1.82 RIR

FY 17 Goal: RIR < 1.4

FY17 Results: 2.01 RIR

RIR		Incentive Opportunity					
		Non-Appointed	Appointed / Managerial				
		All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
RIR > 1.4	Does Not Meet	\$0	\$0	\$0	\$0	\$0	\$0
RIR < 1.4	Meets	\$300	\$600	\$850	\$1,000	\$1,375	\$1,625
RIR < 1.2	Exceeds	\$500	\$1,000	\$1,410	\$1,700	\$2,290	\$2,705

Customer Satisfaction - Residential Electric

JD Power Residential Electric Industry Customer Satisfaction Survey: Total Industry

FY12 Results: No Metric for Customer Satisfaction
 FY13 Results: Top of the Third Quartile
 FY14 Results: Top 25% of the Third Quartile
 FY15 Results: First Quartile; Residential Score of 692; Position 30
 FY16 Results: Top 25% of Second Quartile/ Residential Score of 703; Position 37

FY17 Goal: 1st Quartile Nationally

FY17 Results: 1st Quartile Nationally; Position 21

SURVEY RANKING		Incentive Opportunity					
		Non-Appointed	Appointed / Managerial				
		All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
Below 1st Quartile	Does Not Meet	\$0	\$0	\$0	\$0	\$0	\$0
1st Quartile Nationally	Meets	\$150	\$300	\$425	\$500	\$690	\$815
1st Quartile Nationally & 10 positions or better than 2015 performance	Exceeds	\$250	\$500	\$705	\$835	\$1,150	\$1,355

Customer Satisfaction - Commercial Electric

FY17 Goal: Top Decile Nationally

FY17 Results: #12

SURVEY RANKING		Incentive Opportunity					
		Non-Appointed	Appointed / Managerial				
		All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
Below Top Decile	Does Not Meet	\$0	\$0	\$0	\$0	\$0	\$0
Top Decile Nationally	Meets	\$150	\$300	\$425	\$500	\$690	\$815
#3 Nationally or #1 South Midsize	Exceeds	\$250	\$500	\$705	\$835	\$1,150	\$1,355

Cost Control: Electric Mwh

Cost per Mwh

FY12 Baseline: \$54.73
 FY13 Results: \$53.92
 FY14 Results: \$49.81
 FY15 Results: \$49.44
 FY16 Results: \$48.35

FY17 Goal: ≤ \$53.94

FY17 Results: \$52.50

COST/Mwh		Incentive Opportunity					
		Non-Appointed	Appointed / Managerial				
		All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
Cost > \$53.94	Does Not Meet	\$0	\$0	\$0	\$0	\$0	\$0
Cost ≤ \$53.94	Meets	\$300	\$600	\$850	\$1,000	\$1,375	\$1,625
Cost ≤ \$52.72	Exceeds	\$500	\$1,000	\$1,410	\$1,700	\$2,290	\$2,705

Cost Control: Water Kgal

Cost per Kgal

FY12 Baseline: \$4.47
 FY13 Results: \$4.49
 FY14 Results: \$4.07
 FY15 Results: \$3.98
 FY16 Results: \$4.08

FY17 Goal: \$4.75

FY17 Results: \$4.57

COST/KGL		Incentive Opportunity					
		Non-Appointed	Appointed / Managerial				
		All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
Cost > \$4.75	Does Not Meet	\$0	\$0	\$0	\$0	\$0	\$0
Cost ≤ \$4.75	Meets	\$150	\$300	\$425	\$500	\$690	\$815
Cost ≤ \$4.64	Exceeds	\$250	\$500	\$705	\$835	\$1,150	\$1,355

Cost Control: Wastewater Kgal

Cost per Kgal

FY12 Baseline: \$7.96
 FY13 Results: \$7.53
 FY14 Results: \$7.34
 FY15 Results: \$7.26
 FY 16 Results: \$7.12

FY17 Goal: \$10.27

FY17 Results: \$9.20

COST/KGL		Incentive Opportunity					
		Non-Appointed	Appointed / Managerial				
		All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
cost > \$10.27	Does Not Meet	\$0	\$0	\$0	\$0	\$0	\$0
cost ≤ \$10.27	Meets	\$150	\$300	\$425	\$500	\$690	\$815
cost ≤ \$9.87	Exceeds	\$250	\$500	\$705	\$835	\$1,150	\$1,355

Example Overall Payout for FY 2017

Example of FY 17 Payout: Company Performance¹

JEA Actual Payout	All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
Safety	\$0	\$0	\$0	\$0	\$0	\$0
Customer Satisfaction: Residential Electric	\$150	\$300	\$425	\$500	\$690	\$815
Customer Satisfaction: Commercial Electric	\$0	\$0	\$0	\$0	\$0	\$0
Cost Control: Electric	\$500	\$1,000	\$1,410	\$1,700	\$2,290	\$2,705
Cost Control: Water	\$250	\$500	\$705	\$835	\$1,150	\$1,355
Cost Control: Wasterwater	\$250	\$500	\$705	\$835	\$1,150	\$1,355
Total Estimated Payout for Corporate Results	\$1,150	\$2,300	\$3,245	\$3,870	\$5,280	\$6,230

¹Corporate Results for Managerial / Appointed employees comprises of actual performance as of October 10, 2017

Appointed / Managerial:

Example of FY 17 Appointed / Managerial Individual Performance Opportunity²

Employee Performance	Grade E	Grade F	Grade G	Grade H	Grade I	Grade J	Grade K
Does Not Meet	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Meets	\$2,400	\$2,400	\$2,400	\$3,400	\$4,000	\$5,510	\$6,510
Exceeds	\$4,000	\$4,000	\$4,000	\$5,640	\$6,740	\$9,180	\$10,830

²Individual Performance Results for Appointed / Managerial employees vary by individual

Total Estimated Cost for FY 2017 Pay for Performance Program

Corporate Results:

SLT*:	No. Emp.	9	\$	73,912
Appointed:		374	\$	1,282,815
Non appointed:		1541	\$	1,719,633
Total:		1928	\$	3,076,361

Individual Performance Results:

SLT:	No. Emp.	9	\$	134,254
Appointed:		374	\$	1,523,491
Total:		383	\$	1,657,745

Total FY17 Pay for Performance Estimated Payout:

SLT:	No. Emp.	9	\$	208,166	The total amount represents 3.2% of salaries
Appointed:		374	\$	2,806,306	
Non appointed:		1541	\$	1,719,633	
Total:		1928	\$	4,734,106	

*1 SLT member retired at end of FY2017



Building Community

AGENDA ITEM SUMMARY

November 15, 2017

SUBJECT:	FISCAL YEAR 2017 CEO PERFORMANCE
-----------------	---

Purpose:	<input type="checkbox"/> Information Only	<input checked="" type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
-----------------	---	---	---

Issue: The Board approved the CEO FY2017 goals at the November 2016 meeting and finalized the scoring at the January 17, 2017 meeting. With Board direction and feedback, a prescriptive CEO scorecard was developed and approved (copy attached). The final scorecard includes goals, performance metrics, objectives and results.

Significance: Consistent with prior years, the CEO FY2017 goals primarily focused on executing JEA's strategic plan. In addition to providing leadership for JEA to achieve its mission, strive for its vision, and adhere to its values, the CEO will continue efforts to foster a cultural shift towards a more flexible organization.

Effect: The CEO leads the eighth largest community-owned electric utility in the U.S. and the largest in Florida, as well as the second largest water and wastewater system in the State with total assets of \$8.2 billion, operating revenues of \$1.9 billion and 2,200 JEA/SJRPP employees.

Cost or Benefit: By contract, "the CEO is eligible for performance compensation of up to 15% of base pay which is on (i) annual goals and objectives established by the Board of Directors, and (ii) an annual overall evaluation by the Board.

Recommended Board action: It is requested the Board evaluate and discuss the CEO's performance, provide feedback for improvement and consider appropriate action regarding performance compensation.

For additional information, contact: Jody L. Brooks 904-665-6383

Submitted by: PEM/JLB

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 • Growth² • Accountability • Integrity

Commitments to Action

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



TO: JEA Board of Directors, Compensation Committee

FROM: Jody Brooks, Chief Legal Officer

DATE: November 15, 2017

SUBJECT: Fiscal Year 2017 CEO Performance

Pursuant to Section 2.2 of the three year Employment Agreement for Chief Executive Officer/Managing Director, executed on August 21, 2015, which states:

“Employee will be eligible to receive annual Performance Compensation of up to fifteen percent (15%) of his Base Salary based on (i) annual goals and objectives to be established by the Board, and (ii) an annual overall evaluation by the Board. The Board’s annual evaluation shall be based upon each fiscal year’s established goals and objectives. The evaluation period for the annual Performance Compensation shall begin with the fiscal year beginning October 1, 2015. The evaluation shall be completed and any Performance Compensation shall be paid within ninety (90) days of the end of the fiscal year.”

The following documents are for your review and consideration.

- FY2017 CEO Goals: Final Scorecard. The Board approved the CEO FY2017 goals at the November 2016 meeting and finalized the scoring at the January 17, 2017 meeting.
- FY2017 CEO Goals: Final Scorecard includes a self-evaluation by the CEO which is summarized as follows:

Objective	Total Points/ Percentage Available	Total Points/ Percentage Awarded	Evaluation
Annual Net Revenues	2.14	2.14	Exceeds
Capital Investment Plan	2.14	2.14	Exceeds
Reliability and Environmental	2.16	0	Failed to Meet
Customer Satisfaction			
Residential	1.07	.53	Meets-Low
Commercial	1.07	0	Failed to Meet
Employee Satisfaction	2.14	2.14	Exceeds
Sewer System Framework to Resiliency	2.14	1.60	Meets-High
Key Stakeholder Relationships	2.14	1.60	Meets-High
Total % Base Salary Performance Compensation	15%	10.15%	

RECOMMENDATION:

It is requested the Board evaluate and discuss the CEO's performance, provide feedback for improvement and consider appropriate action regarding performance compensation.

Jody L. Brooks, Chief Legal Officer

PEM/JLB



FY2017 CEO Goals: Final Scorecard

GOAL	WEIGHT	NEEDS IMPROVEMENT	MEETS REQUIREMENTS	MEETS REQUIREMENTS	EXCEEDS REQUIREMENTS	FY16 RESULTS	FY17 GOAL		FY17 RESULTS	FY17 RATING	FY17 WEIGHT
Scale	%	0	50	75	100						
Exceed budgeted combined ¹ annual net revenues (excluding weather contingency), per the "Schedules of Debt Service Coverage", this is a proxy for EBITDA (schedule and source documents attached)	2.14%	X < \$739	X > \$739	X > \$747	X > \$754	\$813	\$754		\$859	Exceeds	2.14%
Effectively execute the Capital Investment Plan or Capital Budget (schedule attached)	2.14%	X > \$373	X < \$373	X < \$354	X < \$336	\$300	\$373		\$324	Exceeds	2.14%
Improve utility reliability and environmental metrics, per the attached schedule and reported to the Board monthly	2.16%	X < 8	X = 9	X = 10/11	X = 12	7	9		2	Failed	0%
Achieve first quartile rankings for Residential and Commercial J.D. Power Customer Satisfaction Ratings	2.14%										
Residential		X < 2016	X = 2016 + 1	X = 2016 + 10	X = top half first quartile	2Q FY15 = 30/140 FY16 = 37/137	1Q		1Q	Meets-Low	0.53%
Commercial		X < 2016 - 10	X = 2016 - 10	X = 2016 - 5	X = 2016	1Q FY15 = 14/87 FY16 = 1/86	Top Ten		#12	Failed	0%
Improve employee satisfaction and engagement, as measured by an independent employee survey	2.14%	X < 73.0%	X > 73.0%	X > 74.0%	X > 75.0%	71.7%	73.0%		78.8%	Exceeds	2.14%
Fully implement Sewer Systems Framework to Resiliency	2.14%					TBD	Scheduled Performance		Scheduled Performance	Meets-High	1.60%
Maintain positive and constructive relationships with all key stakeholders	2.14%					TBD			TBD	Meets-High	1.60%
Total	15%										10.15%

¹ Combined = Electric System plus Water and Sewer System plus District Energy

FY2017 JEA Net Revenues Goal - Excluding Weather Contingency

\$ in Millions	FY17	FY17	FY17	FY2016	FY2015	FY2014	FY2013
	<u>Actual</u>	<u>Goal</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
Electric System	\$517.0	\$460.0	\$454.9	\$496.1	\$461.6	\$389.6	\$397.0
Water and Sewer System	\$337.5	\$290.0	\$280.7	\$313.1	\$278.5	\$281.7	\$276.8
District Energy System	\$4.2	\$4.0	\$3.7	\$3.9	\$3.9	\$3.9	\$3.4
Total	\$858.7	\$754.0	\$739.4	\$813.2	\$744.0	\$675.2	\$677.2

FY2017 JEA Capital Investment Plan/Budget Execution

\$ in Millions	FY17	FY17	FY17	FY2016	FY2015	FY2014
	<u>Actual</u>	<u>Goal</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
Electric System	\$134.8	\$160.0	\$170.0	\$150.9	\$116.7	\$86.2
Water and Sewer System	\$187.6	\$210.0	\$225.5	\$147.4	\$100.8	\$76.9
District Energy System	\$2.0	\$3.0	\$3.1	\$1.8	\$0.9	\$0.5
Total	\$324.3	\$373.0	\$398.6	\$300.1	\$218.4	\$163.6

FY2017 JEA Reliability and Environmental Metrics Goals

<u>Electric System</u>	<u>Actual</u>		<u>Goal</u>	<u>Actual</u>		<u>Improvement</u>		<u>Water and Sewer System</u>	<u>Actual</u>		<u>Goal</u>	<u>Actual</u>		<u>Improvement</u>				
	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY17</u>	<u>FY17</u>				<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY17</u>	<u>FY15</u>			<u>FY16</u>	<u>FY17</u>	<u>FY17</u>
			<u>Yes</u>	<u>No</u>					<u>Yes</u>	<u>No</u>								
Customer Outage Frequency*	1.7	1.4	1.5	1.55	x			Unplanned Water Main Outages*	5,629	12,735	9,000	4,893	x					
Experiencing More than 5 Outages in the Previous Year (CEMIS)*	2.1	1.4	1.5	1.96		x		Water Distribution System Pressure*	2.83	2.11	2.47	3.73		x				
Customer Outage Duration*	99	71	85	99.5		x		Customer Response Time*	69	67	67	68		x				
Transmission Fault Frequency Index	1.7	0.7	1.2	2.0		x		Consumptive Use Permits	107	113	110	116		x				
Fleet Forced Outage Rate	1.8	2.0	2.0	2.17		x		Total Nitrogen Discharge	553	524	550	558		x				
Reportable Environmental Events	2	4	4	6		x		Sanitary Sewer Overflows*	23	32	27	57		x				

Note: Assuming general reliability performance will remain consistent with the previous three years, CEMIS is perhaps the reliability index with the greatest impact on customer satisfaction.

* Aligned with the PSC Rule for Electric Reliability Reporting, the Operational Metrics* will exclude the impact of all service interruptions associated with a storm named by the National Hurricane Center.

Electric Systems Reliability

Customer Outage Frequency – The number of extended outages (one minute or longer) experienced by the average JEA customer per year.

Service Reliability – The cumulative number of outage minutes experienced by the average JEA customer per year.

CEMIS – The percentage of JEA’s customers experiencing more than 5 extended outages (one minute or longer) in the last 12 months.

Transmission Fault Frequency Index – The number of transmission line faults experienced per 100 line miles in the last 12 months.

Fleet Forced Outage Rate - The amount of hours as a percentage of total hours, fiscal year-to-date, that JEA generators are not available and running when needed.

Reportable Environmental Events REEs - The number of environmental events that have occurred at power plants, fiscal year-to-date, that are reportable permit violations to FDEP and the EPA.

Water and Sewer Systems Reliability

Unplanned Water Main Outages- # of Customers affected by unplanned water outages per year

Water Distribution System Pressure - Average minutes per month less than 30 psi across a total of 110 monitoring stations across the service area

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

Consumptive Use Permit (CUP) - Meeting annual CY basis CUP requirements including Total System Limit and South Grid Wellfield Allocation Limits

Total Nitrogen Discharge - Amount of tons of Nitrogen discharged annually to the St. Johns River

Sanitary Sewer Overflow - # of annual sanitary sewer overflow events

IV. A. 4.

Fiscal Year 2018 and Beyond Employee Compensation Discussion

Information will be provided at the Board Meeting.

IV. A. 5.

Fiscal Year 2018 and Beyond CEO Contract Discussion

Information will be provided at the Board Meeting.

[Return to Agenda](#)

IV. A. 6.

Fiscal Year 2018 CEO Goals



Building Community

AGENDA ITEM SUMMARY

November 15, 2017

SUBJECT:	FY2018 CEO GOALS
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Purpose:	<input type="checkbox"/> Information Only	<input checked="" type="checkbox"/> Action Required	<input checked="" type="checkbox"/> Advice/Direction
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Issue: The FY2018 CEO goals are being presented to the Board for feedback, direction and approval, with the knowledge it may be amended by future Board action.

Significance: Consistent with prior years, the FY2018 CEO goals are primarily focused on executing JEA's strategic plan. In addition to providing leadership for JEA to achieve its mission, strive for its vision, and adhere to its values, the CEO will continue efforts to foster a cultural shift towards a more flexible organization.

Effect: The CEO's performance will be measured by the organization's performance in the strategic plan's three areas of focus: develop an unbeatable team, earn customer loyalty, and deliver business excellence.

Cost or Benefit: The CEO's goals provide a framework for the overall goals of the organization.

Recommended Board action: It is requested that the Compensation Committee recommend the Board provide feedback, direction and approve the attached FY2018 CEO goals.

For additional information, contact: Jody Brooks 904-665-6383

Submitted by: PEM/JLB

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



FY2018 CEO Goals

GOAL	WEIGHT	NEEDS IMPROVEMENT	MEETS REQUIREMENTS	MEETS REQUIREMENTS	EXCEEDS REQUIREMENTS	FY17 RESULTS	FY18 GOAL
Scale	%	0	50	75	100		
Exceed budgeted combined ¹ annual net revenues (excluding weather contingency), per the "Schedules of Debt Service Coverage", this is a proxy for EBITDA (schedule and source documents attached)	2.14%	X < \$839	X > \$839	X > \$846	X > \$854	\$859	\$854
Effectively execute the Capital Investment Plan or Capital Budget (schedule attached)	2.14%	X > \$445	X < \$445	X < \$422	X < \$400	\$324	\$445
Improve utility reliability and environmental metrics, per the attached schedule and reported to the Board monthly	2.16%	X < 8	X = 9	X = 10/11	X = 12	2	9
Achieve first quartile rankings for Residential and Commercial J.D. Power Customer Satisfaction Ratings	2.14%						
Residential		X < 2016	X = 2016 + 1	X = 2016 + 10	X = top half first quartile	1Q	1Q
Commercial		X < 2016 - 10	X = 2016 - 10	X = 2016 - 5	X = 2016	#12	Top Ten
Improve employee satisfaction and engagement, as measured by an independent employee survey	2.14%	X < 76.0%	X > 76.0%	X > 77.0%	X > 78.0%	78.8%	76.0%
Fully implement Sewer Systems Framework to Resiliency	2.14%					Scheduled Performance	Scheduled Performance
Maintain positive and constructive relationships with all key stakeholders	2.14%					TBD	
Total	15%						

¹ Combined = Electric System plus Water and Sewer System plus District Energy

FY2018 JEA Net Revenues Goal - Excluding Weather Contingency

\$ in Millions	FY18	FY18	FY17	FY17	FY17	FY2016	FY2015	FY2014	FY2013
	<u>Goal</u>	<u>Budget</u>	<u>Actual</u>	<u>Goal</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
Electric System	\$500.0	\$492.9	\$517.0	\$460.0	\$454.9	\$496.1	\$461.6	\$389.6	\$397.0
Water and Sewer System	\$350.0	\$342.0	\$337.5	\$290.0	\$280.7	\$313.1	\$278.5	\$281.7	\$276.8
District Energy System	\$4.0	\$3.8	\$4.2	\$4.0	\$3.7	\$3.9	\$3.9	\$3.9	\$3.4
Total	\$854.0	\$838.7	\$858.7	\$754.0	\$739.4	\$813.2	\$744.0	\$675.2	\$677.2

FY2018 JEA Capital Investment Plan/Budget Execution

\$ in Millions	FY18	FY18	FY17	FY17	FY17	FY2016	FY2015	FY2014
	<u>Goal</u>	<u>Budget</u>	<u>Actual</u>	<u>Goal</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
Electric System	\$205.2	\$205.2	\$134.8	\$160.0	\$170.0	\$150.9	\$116.7	\$86.2
Water and Sewer System	\$236.5	\$236.5	\$187.6	\$210.0	\$225.5	\$147.4	\$100.8	\$76.9
District Energy System	\$3.2	\$3.2	\$2.0	\$3.0	\$3.1	\$1.8	\$0.9	\$0.5
Total	\$444.9	\$444.9	\$324.3	\$373.0	\$398.6	\$300.1	\$218.4	\$163.6

FY2018 JEA Reliability and Environmental Metrics Goals

<u>Electric System</u>	<u>Actual</u>				<u>Goal</u>	<u>Actual</u>		<u>Water and Sewer System</u>	<u>Actual</u>				<u>Goal</u>	<u>Actual</u>	
	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY18</u>	<u>Improvement</u>			<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY18</u>	<u>Improvement</u>	
						<u>Yes</u>	<u>No</u>							<u>Yes</u>	<u>No</u>
Customer Outage Frequency*	1.7	1.4	1.55	1.5				Unplanned Water Main Outages*	5,629	12,735	4,893	9,000			
Experiencing More than 5 Outages in the Previous Year (CEMIS)*	2.1	1.4	1.96	1.5				Water Distribution System Pressure*	2.83	2.11	3.73	2.47			
Customer Outage Duration*	99	71	99.5	85				Customer Response Time*	69	67	68	67			
Transmission Fault Frequency Index	1.7	0.7	2.0	1.2				Consumptive Use Permits	107	113	116	110			
Fleet Forced Outage Rate	1.8	2.0	2.17	2.0				Total Nitrogen Discharge	553	524	558	550			
Reportable Environmental Events	2	4	6	4				Sanitary Sewer Overflows*	23	32	57	30			

Note: Assuming general reliability performance will remain consistent with the previous three years, CEMIS is perhaps the reliability index with the greatest impact on customer satisfaction.

* Aligned with the PSC Rule for Electric Reliability Reporting, the Operational Metrics* will exclude the impact of all service interruptions associated with a storm named by the National Hurricane Center.

Electric Systems Reliability

Customer Outage Frequency – The number of extended outages (one minute or longer) experienced by the average JEA customer per year.

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Consumptive Use Permit (CUP) - Meeting annual CY basis CUP requirements including Total System Limit and South Grid Wellfield Allocation Limits

Total Nitrogen Discharge - Amount of tons of Nitrogen discharged annually to the St. Johns River

Sanitary Sewer Overflow - # of annual sanitary sewer overflow events



**JEA
GOVERNMENT, LEGAL AND REAL ESTATE AFFAIRS COMMITTEE AGENDA**

DATE: November 27, 2017
TIME: 10:30 AM
PLACE: 21 W. Church Street
8th Floor Conference Room

	Responsible Person	Action (A) Info (I)
I. OPENING CONSIDERATIONS	Tom Petway	
A. Call to Order		
B. Adoption of Agenda		A
C. Approval of Minutes – May 11, 2017		A
II. NEW BUSINESS		
A. Real Estate Project Reports	Nancy Kilgo	
1. Real Estate Purchase & Sale Agreement for Southside Generating Station (SGS) Property – Update and Request for Third Time Extension		A
2. JEA Headquarters Building		I
B. Real Estate Easement Condemnation Resolution: Judith Avenue Force Main Improvement Project	John McCarthy	A
C. Real Estate Acquisition Status Report	John McCarthy	I
D. JEA Government Relations Local, State and Federal Update	Mike Hightower/ Nancy Kilgo	I
E. Litigation Update	Jody Brooks	I
F. Other New Business	Paul McElroy	I
G. Announcements	Tom Petway	I
1. Schedule Next Meeting as Appropriate		
H. Adjournment		

IV. B.

Government, Legal and Real Estate Committee

Information will be provided at the Board Meeting.