

JEA BOARD MEETING AGENDA

March 26, 2019 • 9:00 a.m.

21 W. Church Street, 19th Floor



I.	WELCOME			
	A.	Call to Order		
	B.	Time of Reflection		
	C.	Pledge to Flag		
	D.	Adoption of the Agenda – Action		
	E.	Safety Briefing – Aaron Zahn, Managing Director/CEO		
	F.	Sunshine Law/Public Records Statement – Lawsikia Hodges, Office of General Counsel		
II.	PUBLIC HEARING			
	Item(s)		Speaker/Title	
	A.	Call to Order and Comments from the Chair	Chair Howard	
	B.	Staff Presentation and Board Discussion	Ryan Wannemacher, Chief Financial Officer	
	C.	Comments from the Public <i>Comments from the public at this time should only be related to the Public Hearing</i>	Public	
D.	Adjourn Public Hearing			
III.	ACTION ON PUBLIC HEARING			
	Item(s)		Speaker/Title	
A.	Public Hearing to Modify the Electric Tariff Documentation and Rate Document		Chair Howard	
IV.	COMMENTS / PRESENTATIONS			
	Item(s)		Speaker/Title	
	A.	Comments from the Public		
B.	Council Liaison's Comments		Council Member Matt Schellenberg	
V.	OPERATIONS (DISCUSSION / ACTION)			
	Definition: The "Operations" section of the Board Meeting is for business matters requiring Board discussion and action.			
	Item(s)		Speaker/Title	Discussion Action/Information
	A.	Consent Agenda – The Consent Agenda consists of agenda items that require Board approval but are routine in nature, or have been discussed in previous public meetings of the Board. The Consent Agenda items require no explanation, discussion or presentation, and are approved by one motion and vote.		
		Consent Agenda Reference Material (Provided in Appendices)		
		Appendix A:	Special Board Meeting Minutes February 5, 2019	Action
	Appendix B:	Board Meeting Minutes February 26, 2019	Action	

	Appendix C:	Monthly Financial Statements		Information
	Appendix D:	Water Conservation Month		Action
	Appendix E:	Monthly FY19 Communications & Engagement Calendar and Plan Update		Information
B.	Monthly Financials and Operations Dashboard		Melissa Dykes, Pres./COO	Information
C.	Annual Disclosure Report		Ryan Wannemacher, CFO	Information
D.	Fiscal Year 2019 Operating Budget Line Item Transfers		Ryan Wannemacher, CFO	Action

VI.	STRATEGY (DISCUSSION ONLY)			
	Definition: The “Strategy” section of the Board Meeting is <u>only</u> for discussion & feedback to management on strategic initiatives of and for JEA.			
	Item(s)		Speaker/Title	
	A.	JEA Real Estate Optimization Initiative	Steve McInall, VP & Chief Energy & Water Planning	

VII.	SUBJECT MATTER EXPLORATION (OPPORTUNITIES & RISKS – PRESENTATION)			
	Definition: The “Subject Matter Exploration” section of the Board Meeting will be used to brief the Board Members on market, environment, business or other generally important matters. Staff and/or 3 rd party experts will provide presentations on a specific subject and the Board will be afforded an opportunity for Q&A at the end.			
	Item(s)		Speaker/Title	
	A.	Year in Review	Aaron Zahn, Managing Director/CEO JEA Senior Leadership Team	

VIII.	COMMITTEE REPORTS			
	Item(s)		Speaker/Title	Discussion/Action/Information
	A.	Finance & Audit Committee	Kelly Flanagan, Committee Chair	
	1.	Adoption of Agenda		Action
	2.	Approval of Minutes – December 3, 2018		Action
	3.	FY2020 Budget Assumptions		Information
	4.	JEA Annual Disclosure Policy Report		Information
	5.	Quarterly Audit Services Update		Information
	6.	Ethics Officer Quarterly Report		Information
	7.	Electric System and Water and Sewer System Reserve Fund Quarterly Report		Information
	8.	STAR Plan Early Debt Retirement Phase 1 Update		Information
	9.	Investment Policy Revision		Action
	10.	JEA Energy Market Risk Management Policy Report		Information
	11.	Program Assessment		Action
12.	Next Meeting, May 20, 2019 8:00 – 10:00 AM		Information	
13.	Committee Discussion Session a. Governance Discussion – Aaron Zahn b. Ernst & Young – John DiSanto c. Director, Audit Services – Steve Tuten d. Council Auditor’s Office – Jeff Rodda		Information	

VIII. COMMITTEE REPORTS			
Item(s)		Speaker/Title	Discussion/Action/Information
B.	Nominating Committee	Alan Howard, Committee Chair	
1.	JEA Board of Directors – Slate of Officers		Action
2.	Next Meeting – Scheduled as Needed		

IX. OTHER BUSINESS		
Item(s)		Speaker/Title
A.	Old Business	
B.	Other New Business	
C.	Open Discussion	
D.	Managing Director/CEO’s Report	Aaron Zahn, Managing Director/CEO
E.	Chair’s Report	Alan Howard, Board Chair

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

Board Calendar	
Board Meetings:	9:00 a.m. – Fourth Tuesday of Every Month (exception(s): November 19, 2019 and December 17, 2019)
Committees:	Finance & Audit Committee: May 20, 2019
	Compensation Committee: April 16, 2019
	Government Affairs Committee:

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.

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.



INTER-OFFICE MEMORANDUM

March 8, 2019

SUBJECT: **PUBLIC HEARING TO MODIFY THE ELECTRIC TARIFF
DOCUMENTATION AND RATE DOCUMENT**

FROM: Aaron F. Zahn, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

JEA continues to review, update and, where possible, expand its rate options to provide customers more choices for their utility services. Similar to many other electric utilities across the industry, JEA's residential revenue is largely variable while its costs of establishing and maintaining the electric grid are largely fixed. The current residential rate structure has been widely used for the past 100 years. While some utilities have remedied a portion of the mismatch by increasing the fixed portion of customer rates, this rate structure does not differentiate between the impacts of individual customer behavior on JEA's fixed costs and does not provide an incentive for customers to use the grid more efficiently.

As an alternative to a general increase in the fixed portion of customer bills, JEA staff has implemented a pre-pilot for a residential demand rate called JEA SmartSavings. A demand rate is a more appropriate way to charge for electricity, by charging customers for the portion of the fixed grid infrastructure they are responsible for using. This rate structure also closely aligns with our cost of service. From the pre-pilot, JEA learned the following:

- Demand pricing is less impacted by weather and more stable than kWh
- Customers perceive more and longer demand intervals to be more fair
- Customers like the opportunity to save by avoiding peak periods
- Customers believe that technology (information and control) is needed to manage usage effectively

In response to these key findings, JEA proposes modifying the Residential Demand Rate from JEA SmartSavings with one option (a rate based on the two highest 15-minutes of usage during a peak and anytime demand period) to JEA Flex Pricing with two options. The two options would be a rate based on the two highest 60-minutes of usage during a peak and anytime demand period or a rate based on the average of the daily 60-minute anytime demand period. The Residential Demand Rate pilot will provide additional real and robust information about revenue stability, customer willingness to change behavior, and customer acceptance of the rates.

In addition, JEA proposes to remove the expiration date of the JEA SolarMax Rider to give large commercial customers a choice to have up to 100 percent of their business's energy needs met by solar power. Five new solar centers for JEA service territory are planned to be installed within the next three years, the first is scheduled to come online in 2021.

DISCUSSION:

During the public hearing, staff will present the following proposed changes:

- A. **JEA SmartSavings Rate, Residential Demand Pilot** – Staff recommends modifying the residential demand rate option.
- B. **JEA SolarMax Rider** – Staff recommends removal of the expiration date on the rate rider.

Staff has submitted all Electric Tariff Documentation changes to the Florida Public Service Commission.

RECOMMENDATION:

Staff recommends, pending the outcome of the public rate hearing, that the Board adopt the attached Resolution 2019-01 and its attachments (see Exhibits I through III) prepared by staff and approved by the Office of General Counsel, to document the action taken.

Aaron F. Zahn, Managing Director/CEO

AFZ/ RFW/JEC

RESOLUTION 2019-01

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

WHEREAS, notice of a public hearing on March 26, 2019, inviting the public to be present and heard concerning changes to the existing Electric Tariff Documentation to modify the rate schedule for JEA SmartSavings, a residential pilot program, and remove the expiration date on the JEA SolarMax Rider was published in a newspaper of general circulation in the City of Jacksonville, Florida, at least one (1) week in advance of such public hearing. A copy of the notice (“Public Hearing Notice”) and proof of publication of the notice for such public hearing is attached hereto as **Exhibit 1**; and

WHEREAS, following such published notice, JEA held a public hearing on March 26, 2019, to consider changes to the existing Electric Tariff Documentation to (i) modify the rate schedule for JEA SmartSavings as set forth on **Exhibit 2** attached hereto (“JEA SmartSavings Tariff Modification”) and (ii) remove the expiration date on the JEA SolarMax Rider as set forth on **Exhibit 3** attached hereto (“JEA SolarMax Rider Tariff Modification”); and

WHEREAS, at such public hearing JEA presented statements and documentation regarding the JEA SmartSavings Tariff Modification and the JEA SolarMax Rider Tariff Modification; and

WHEREAS, public testimony and/or comment, if any, was invited and heard by JEA at the public hearing; and

WHEREAS, JEA heard all presentations, reviewed all documentation and was fully advised of the aforementioned changes to the Electric Tariff Documentation at such public hearing; now therefore:

BE IT RESOLVED by JEA BOARD:

1. JEA finds the recitals above to be true and correct and incorporated herein by reference.
2. JEA hereby finds the JEA SmartSavings Tariff Modification set forth on **Exhibit 2** attached hereto and incorporated herein by reference, which modifies the rate schedule, to be reasonable and adopts the JEA SmartSavings Tariff Modification effective as of June 1, 2019.
3. JEA hereby finds the JEA SolarMax Rider Tariff Modification set forth on **Exhibit 3** attached hereto and incorporated herein by reference, which removes the expiration date, to be reasonable and adopts the JEA SolarMax Rider Tariff Modification effective as of June 1, 2019.
4. JEA hereby authorizes appropriate staff to take any and all necessary administrative actions to implement the above approved JEA Electric Tariff Documentation modifications.
5. This Resolution shall be effective immediately upon its adoption.

Dated this 26nd day of March, 2019.

JEA

By: _____
Alan Howard, Chair

Form Approved:

By: _____
Lawsikia J. Hodges, Office of General Counsel

Notice of Public Hearing

NOTICE IS HEREBY GIVEN, in accordance with Article 21, Section 21.04(f) of the City of Jacksonville Charter, that JEA will conduct a public hearing at 9:00 a.m., or as soon thereafter as the matter may be heard, on **Tuesday, March 26, 2019**, on the 19th Floor of the JEA Tower, 21 West Church St., Jacksonville, Florida 32202, during the regular publicly noticed JEA Board meeting, to consider the following:

- A. Modification of the Electric Tariff Documentation updating the rate schedule for JEA SmartSavings; and
- B. Modification of the Electric Tariff Documentation removing the expiration date on the JEA SolarMax Rider.

The public is invited to be present and heard. In accordance with the Americans with Disabilities Act, if any person with a disability requires reasonable accommodations to participate in the above hearing, please call (904) 665-7550 no later than three (3) days before the meeting.

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

Alan Howard
Chair



RSD

Revenue Code RES10DMD

RATE SCHEDULE RSD

JEA ~~SMARTSAVINGS-RESIDENTIAL DEMAND~~ (OPTIONAL-EXPERIMENTAL)

Available

In all territory served by JEA. ~~Initial participation in this rate schedule is limited to 2,000 residential customers.~~ Customers must be in good financial standing with JEA and maintain that standing while on this rate.

Applicable

To any residential customer in single family individual house, apartment or mobile home for domestic and non-commercial purposes who choose to participate in this optional and experimental rate. All service hereunder will be rendered through a single metering installation. Resale of energy purchased under this rate schedule is not permitted.

Character of Service

JEA's standard voltage levels.

Rate

Per Month

The charge per month shall consist of the total of basic monthly, demand, Fuel, Environmental, and Conservation charges as follows:

Dual Flex Pricing

~~————~~ Daily Flex Pricing

Basic Monthly Charge:

Basic Monthly Charge:

\$5.50 per month

\$5.50 per month

Demand Charge:

Demand Charge:

\$7.20 per kW of billing On-Peak demand

\$20.25 per kW of billing Average Daily NCP demand

\$5.55 per kW of billing NCP demand

Rate

Fuel Charge

~~\$5.50 Basic Monthly Charge, plus~~
As stated in the Fuel and Purchased Power Cost Recovery Charge Policy (Sheet No. 5.0)

Environmental Charge

As stated in the Environmental Charge (Sheet No. 5.1)

Per Month

~~\$4.90 per kW of On Peak Demand
\$3.75 per kW of Non Coincident Peak (NCP) Demand
plus applicable Fuel, Environmental, and Conservation Charges~~

Minimum Bill

\$5.50 Basic Monthly Charge.

EXHIBIT II

~~Definition of
Billing Periods~~ ~~On Peak periods shall be defined as follows:
6 a.m. - 9 a.m. - November through March
12 Noon - 7 p.m. - April through October~~

~~On Peak periods exclude weekends, New Year's Day, Memorial Day, July 4th,
Labor Day, Thanksgiving Day and Christmas Day.~~

[\(Continued to Sheet No. 6.2\)](#)

~~Definition
of On Peak Demand~~ ~~The maximum 15 minute metered kW demand during the
On Peak period in the billing period.~~

~~Definition of
NCP Demand~~ ~~The maximum 15 minute metered kW demand in the billing period.~~

~~Fuel Charge~~ ~~As stated in the Fuel and Purchased Power Cost Recovery Charge Policy
(Sheet No. 5.0)~~

~~Environmental
Charge~~ ~~As stated in the Environmental Charge (Sheet No. 5.1)~~

[\(Continued to Sheet No. 6.2\)](#)

EXHIBIT II

(Continued from Sheet No. 6.1)

Definition of
Billing Periods

On-Peak periods shall be defined as follows:
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Labor Day, Thanksgiving Day and Christmas Day.

Definition of

of On-Peak Demand The maximum 60-minute metered kW demand during the On-Peak period in
On-Peak period in the billing period.

Definition of
NCP Demand

The maximum 60-minute metered kW Non-Coincident Peak (NCP) demand in
the billing period.

Definition of
Average Daily
Demand

The average of the daily 60-minute metered Non-Coincident Peak (NCP)
demands in the billing period.

~~Minimum Bill \$5.50 Basic Monthly Charge.~~

Terms and
Conditions

- (a) Service under this rate will be made available at the option of the Residential Service customer, subject to the availability of advanced metering equipment and program constraints.
- (b) Customer has the option of terminating service under this rate schedule at any time.
- (c) Service hereunder is subject to the Rules and Regulations of JEA.
- (d) Conservation charge is a charge of 1.0 cent per kWh for all consumption above 2,750 kWh.

EXHIBIT II

JEA SOLARMAX RIDER
(Expires 9/30/2019)

AVAILABLE:

In all territory served by JEA

APPLICABLE:

Available upon request to any customer that enters into a JEA SolarMax Rate Agreement (Agreement) and meets the following conditions:

- a) Minimum 7,000,000 kWh of annual solar power purchases requested at time of Agreement execution
- b) No delinquent account balance
- c) Not taking service under a time of day rate schedule

RATE PER MONTH:

Charges per month shall consist of the basic monthly, demand, energy, fuel and environmental charges per the applicable rate schedule as modified below:

Fuel Charge: JEA SolarMax kWh will be billed at the price set forth in the Agreement

Remaining kWh not selected as JEA SolarMax will be billed at the Levelized Fuel Rate as stated in the Fuel and Purchased Power Cost Recovery Charge Policy (Sheet No. 5.0).

Environmental Charge: JEA SolarMax kWh are exempt from the Environmental Charge (Sheet No. 5.1)

of JEA SolarMax kWh: The elected percentage of total kWh per billing period rounded to the nearest kWh as set forth in the Agreement

TERMS AND CONDITIONS:

- (a) Customers may elect to receive up to 100% of their energy from JEA solar energy sources.
- (b) Customers may enroll at any time.
- (c) New solar installations are subject to JEA’s system limitations and operational limits of solar power within JEA’s service territory.
- (d) Energy produced from JEA solar sources may not be specifically delivered to the customer.
- (e) Any Fuel Credit, approved by JEA’s Board, will be calculated using the total kWh less JEA SolarMax kWh in the month a credit is given.

EXHIBIT III

RSD
 Revenue Code RES10DMD

RATE SCHEDULE RSD

JEA RESIDENTIAL DEMAND (OPTIONAL-EXPERIMENTAL)

<u>Available</u>	In all territory served by JEA. Customers must be in good financial standing with JEA and maintain that standing while on this rate.												
<u>Applicable</u>	To any residential customer in single family individual house, apartment or mobile home for domestic and non-commercial purposes who choose to participate in this optional and experimental rate. All service hereunder will be rendered through a single metering installation. Resale of energy purchased under this rate schedule is not permitted.												
<u>Character of Service</u>	JEA's standard voltage levels.												
<u>Rate Per Month</u>	The charge per month shall consist of the total of basic monthly, demand, Fuel, Environmental, and Conservation charges as follows: <table border="0" style="margin-left: 40px;"> <tr> <td style="text-align: center;"><u>Dual Flex Pricing</u></td> <td style="text-align: center;"><u>Daily Flex Pricing</u></td> </tr> <tr> <td style="text-align: center;">Basic Monthly Charge:</td> <td style="text-align: center;">Basic Monthly Charge:</td> </tr> <tr> <td style="text-align: center;">\$5.50 per month</td> <td style="text-align: center;">\$5.50 per month</td> </tr> <tr> <td style="text-align: center;">Demand Charge:</td> <td style="text-align: center;">Demand Charge:</td> </tr> <tr> <td style="text-align: center;">\$7.20 per kW of billing On-Peak demand</td> <td style="text-align: center;">\$20.25 per kW of billing Average Daily demand</td> </tr> <tr> <td style="text-align: center;">\$5.55 per kW of billing NCP demand</td> <td></td> </tr> </table>	<u>Dual Flex Pricing</u>	<u>Daily Flex Pricing</u>	Basic Monthly Charge:	Basic Monthly Charge:	\$5.50 per month	\$5.50 per month	Demand Charge:	Demand Charge:	\$7.20 per kW of billing On-Peak demand	\$20.25 per kW of billing Average Daily demand	\$5.55 per kW of billing NCP demand	
<u>Dual Flex Pricing</u>	<u>Daily Flex Pricing</u>												
Basic Monthly Charge:	Basic Monthly Charge:												
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Demand Charge:	Demand Charge:												
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\$5.55 per kW of billing NCP demand													
<u>Fuel Charge</u>	As stated in the Fuel and Purchased Power Cost Recovery Charge Policy (Sheet No. 5.0)												
<u>Environmental Charge</u>	As stated in the Environmental Charge (Sheet No. 5.1)												
<u>Minimum Bill</u>	\$5.50 Basic Monthly Charge.												

(Continued to Sheet No. 6.2)

(Continued from Sheet No. 6.1)

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On-Peak Demand

The maximum 60-minute metered demand during the On-Peak period in the billing period.

Definition of
NCP Demand

The maximum 60-minute metered Non-Coincident Peak (NCP) demand in the billing period.

Definition of
Average Daily
Demand

The average of the daily 60-minute metered Non-Coincident Peak (NCP) demands in the billing period.

Terms and
Conditions

- (a) Service under this rate will be made available at the option of the Residential Service customer, subject to the availability of advanced metering equipment and program constraints.
- (b) Customer has the option of terminating service under this rate schedule at any time.
- (c) Service hereunder is subject to the Rules and Regulations of JEA.
- (d) Conservation charge is a charge of 1.0 cent per kWh for all consumption above 2,750 kWh.

JEA SOLARMAX RIDER

AVAILABLE:

In all territory served by JEA

APPLICABLE:

Available upon request to any customer that enters into a JEA SolarMax Rate Agreement (Agreement) and meets the following conditions:

- a) Minimum 7,000,000 kWh of annual solar power purchases requested at time of Agreement execution
- b) No delinquent account balance
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RATE PER MONTH:

Charges per month shall consist of the basic monthly, demand, energy, fuel and environmental charges per the applicable rate schedule as modified below:

Fuel Charge: JEA SolarMax kWh will be billed at the price set forth in the Agreement

Remaining kWh not selected as JEA SolarMax will be billed at the Levelized Fuel Rate as stated in the Fuel and Purchased Power Cost Recovery Charge Policy (Sheet No. 5.0).

Environmental Charge: JEA SolarMax kWh are exempt from the Environmental Charge (Sheet No. 5.1)

of JEA SolarMax kWh: The elected percentage of total kWh per billing period rounded to the nearest kWh as set forth in the Agreement

TERMS AND CONDITIONS:

- (a) Customers may elect to receive up to 100% of their energy from JEA solar energy sources.
- (b) Customers may enroll at any time.
- (c) New solar installations are subject to JEA's system limitations and operational limits of solar power within JEA's service territory.
- (d) Energy produced from JEA solar sources may not be specifically delivered to the customer.
- (e) Any Fuel Credit, approved by JEA's Board, will be calculated using the total kWh less JEA SolarMax kWh in the month a credit is given.



PUBLIC HEARING TO MODIFY ELECTRIC TARIFF

JEA Board of Directors Meeting

March 26, 2019

JEA continues to review, update, and where possible, expand its rate options to provide customers more choices for their utility services.

Pursuing a pricing platform that provides Revenue Stability while promoting efficient System Utilization in the future is the objective.

March 2019



PUBLIC RATE HEARING

CURRENT STATUS

JEA SmartSavings, the residential demand pre-pilot, provided key findings:

- Demand pricing is less impacted by weather and more stable than kWh
- Customers prefer the idea of more and longer demand intervals
- Customers like the opportunity to save by avoiding peak periods

REQUEST

1. Program name modification:
 - Change the name from “SmartSavings” to “Flex Pricing”
2. In response to focus group feedback:
 - Change to demand interval period from 15 minutes to 60 minutes
 - Add a second rate structure to test during the next phase of the pilot

In April 2017, the residential demand rate pilot **JEA SmartSavings** was implemented:

- Rate based on the two highest 15-minutes of usage during a peak and anytime demand period

JEA recommends modifying the pilot name and offering **JEA Flex Pricing**:

- Dual Flex Pricing
Rate based on the two highest 60-minutes of usage during a peak and anytime demand period, and
- Daily Flex Pricing
Rate based on the average of the daily 60-minute anytime demand period

March 2019



Residential Demand Pilot Modification

Rate Name	Customer Charge	Energy Charge	Fuel Charge	On-Peak Demand Charge	Non-Peak Demand Charge
Existing Residential Demand Rate					
SmartSavings	\$5.50	\$0.00000	\$0.03250	\$4.90	\$3.75
Proposed Residential Demand Rate					
Dual Flex Pricing	\$5.50	\$0.00000	\$0.03250	\$7.20	\$5.55
Daily Flex Pricing	\$5.50	\$0.00000	\$0.03250	\$0.00	\$20.25

JEA is committed to further supporting high value utility services that boost the environmental health of our region. JEA recognizes the value in offering competitive and innovative utility services for business growth within the community.

March 2019



**PUBLIC
RATE HEARING**

CURRENT STATUS

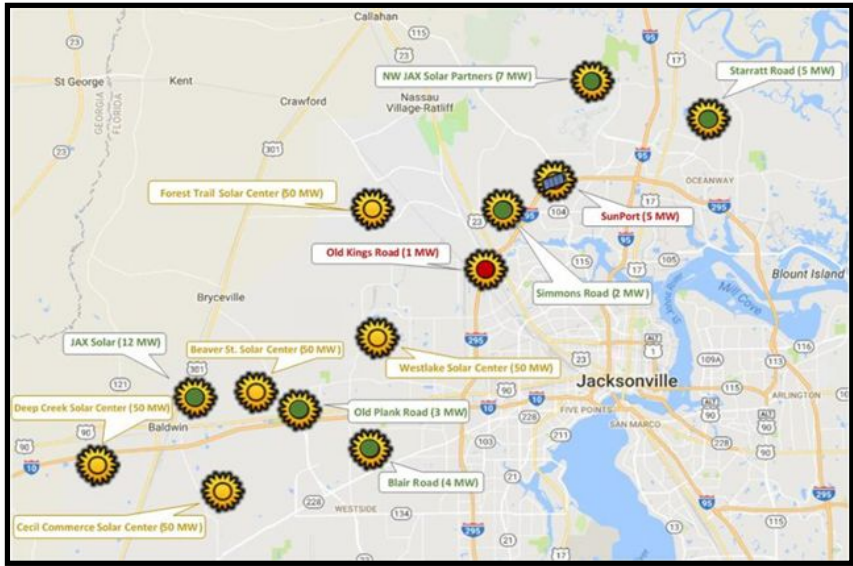
JEA SolarMax Rider is set to expire 9/30/2019

- This option provides large customers the ability to participate in solar development within the JEA service territory, making solar more available to all customers.

REQUEST

Staff requests to remove the expiration date, which will allow the rider to remain open for large corporate customers participation as the new solar centers come online. The first of the five centers is scheduled to be online by 2021

JEA SOLARMAX RIDER



The availability of solar energy to large customers will be extended for years as each solar center comes online

JEA SolarMax is available to customers requesting a minimum of 7,000,000 kWh of solar energy annually

The customer will enter into a five- or ten-year agreement with JEA to purchase a percent of their monthly energy from JEA solar sources

The customer will be billed at the applicable retail rate, and the elected SolarMax energy will be charged at the pass-through cost of energy associated with a specific installation in lieu of the levelized fuel charge

March 2019



PUBLIC RATE HEARING

RECOMMENDATION

Staff recommends, pending the outcome of the public rate hearing, that the Board adopt the attached Resolution 2019-01 and its attachments (Exhibits I, II, and III) prepared by staff and approved by the Office of General Counsel, to document the action taken.

All changes proposed to be effective June 1st 2019

**JEA BOARD MINUTES
February 5, 2019**

The JEA Board met in special session on Tuesday, February 5, 2019, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Alan Howard, Frederick Newbill, April Green and Camille Johnson. Kelly Flanagan and John Campion were absent and excused.

Agenda Item I – Welcome

- A. The meeting was **called to order** at 11:00 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 Ms. Green.
- E. The **Safety Briefing** was given by Aaron Zahn, Managing Director/Chief Executive Officer.
- F. **Sunshine Law/Public Records Statement** – Jody Brooks, Office of General Counsel (OGC), stated this Board Meeting is being held in compliance with Florida's Government in the Sunshine Law, §286.011. The complete statement can be found in section I. F. of the Board package. Ms. Brooks also read into the record the following statement.

This is a special meeting of the JEA Board that has been duly noticed. This meeting is an open, public meeting pursuant to Section §286.011 of the Florida statutes. This meeting is specifically excluded from policy 1110 of the JEA Procurement Code concerning the prohibition of ex parte communication. The prohibition of ex parte communication is still in effect after the meeting through the award of the contract. Ex parte communication is defined as oral or written communications relative to a solicitation that occurs outside of an advertised meeting which this one is one of those such advertised meetings. Just to remind each of the companies presenting today and the Board of Directors of the policy, I am going to read the policy verbatim from the Procurement Code.

Ex Parte Communication denies the companies submitting a bid or proposal fair, open and impartial consideration. Adherence to procedures that ensure fairness is essential to the maintenance of public confidence in the value and soundness of the important process of public Procurement. Therefore, any Ex Parte Communication between a Company (or its employees, agents or representatives) and the JEA (its members, Employees, agents, or representatives, other than the Chief Procurement Officer or Designee or JEA's legal counsel) is strictly prohibited.

In an effort to comply with the strict prohibition, we ask that any conversations between the proposing companies and the media, should the proposing companies choose to speak with the media or others that are not included within this policy prohibition, be conducted outside of JEA facilities. If anyone at JEA, including the Board of Directors members, receives written or oral communications from any of the proposing companies, outside of an open, public meeting, to declare ex parte communication with Office of General Counsel and JEA's Managing Director/CEO.

At this time, the Chair advised of the public comment process and asked that each of the Board of Directors verbally affirm no contact with the proposing companies. The Chair further advised of Ms. Flanagan's recusal on this matter due to her employment with one of the bidding companies.

Agenda Item II – Operations (Discussion / Action)

- A. Corporate Headquarters** – The Chair addressed the changed timeline and advised it became necessary due to the complexity of the process and the need for public input.

Process Timeline Update – Nancy Veasey advised of the details of the history of the project, the timeline and each phase of the process. Ms. Veasey provided information on the flow of today's meeting.

Presentations from Shortlist Candidates

- **Jacksonville I-C Parcel One Holding Company**
- **Kings Avenue Station, LLC**
- **Ryan Companies US, Inc.**

Ms. Veasey introduced the members of CBRE, the organization assisting JEA as buyer's representative.

Ms. Veasey introduced each of the three presenting companies, who were each given 30 minutes to present their plans to the Board.

The Board entered into a Q&A session with each of the presenting companies.

Agenda Item III – Comments/Presentations

- A. Comments from the Public –**
1. **Joe Carlucci** – address of file – addressed the Board regarding the corporate headquarters and the related term expirations of a couple of Board members
 2. **John Noony** – address of file – addressed the Board regarding the corporate headquarters

Agenda Item IV. – Closing Considerations

- A. Announcements** – Next Board Meeting February 26, 2019

B. Adjournment

With no further business claiming the attention of the Board, Chair Howard adjourned the meeting at 1:03 PM.

APPROVED BY:

SECRETARY

DATE: _____

Board Meeting recorded by:

Cheryl W. Mock, Executive Assistant

**JEA BOARD MINUTES
February 26, 2019**

The JEA Board met in regular session on Tuesday, February 26, 2019, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Alan Howard, Frederick Newbill, April Green and Camille Johnson. Kelly Flanagan appeared telephonically. John Campion was absent and excused.

Agenda Item I – Welcome

- A.** The meeting was **called to order** at 12:01 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 Ms. Green.
- E.** The **Safety Briefing** was given by Aaron Zahn, Managing Director/Chief Executive Officer.
- F.** **Sunshine Law/Public Records Statement** – Jody Brooks, Office of General Counsel (OGC), stated this Board Meeting is being held in compliance with Florida's Government in the Sunshine Law, §286.011. The complete statement can be found in section I. F. of the Board package.

Agenda Item II – Presentations and Comments

A. Comments from the Public

- 1. Aaron Simmons – address on file – spoke to the Board regarding the Bartram Springs project
- 2. Jay King – address on file – spoke to the Board regarding the Bartram Springs project
- 3. Shawn O'Neill – address of file – spoke to the Board regarding the Bartram Springs project
- 4. Jim Pons – address on file – spoke to the Board regarding the Bartram Springs project
- 5. Tina August – address on file – spoke to the Board regarding the Bartram Springs project
- 6. Cathy Messina – address on file – spoke to the Board regarding the Bartram Springs project
- 7. Larry Parker – address on file – spoke to the Board regarding concerns related to a service issue

Greg Corcoran, Mgr Community Involvement & Project Impact provided the Board and public with information related to previous outreach attempts and future

communication plans regarding the Bartram Springs project.

- B. Council Liaison's Comments** – Council Member Schellenberg thanked Mr. Zahn for his willingness to address the issue of a new business customer and brought to the attention of the Board a Wall Street article regarding nuclear power.

Agenda Item III – Operations (Discussion / Action)

- A. Consent Agenda** – used for items that require no explanation, discussion or presentation and are approved by one motion and vote. On **motion** by Ms. Johnson and second by Secretary Newbill, Appendix A was unanimously approved and Appendix B, C, and D were received for information.

Appendix A: Board Meeting Minutes January 22, 2019 – approved

Appendix B: Monthly Financial Statements – received for information

Appendix C: Monthly Financial and Operations Detail – received for information

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

- B. Monthly Financial and Operations Dashboard** – Melissa Dykes, President & Chief Operating Officer updated the Board on key metrics from JEA's four values:

Customer Value: Response time in Water/Wastewater currently in the red, however, it is an improving metric and could be met. CEMI-5 number is unusual due to being a rolling average, but we continue to see good performance from the grid.

Financial Value – Generational fleet reliability is down due to continued issues with one of the Northside units, metric will not be met. O&M goal will be a challenge due to a number of one time issues that have occurred.

Community Impact Value – our volunteer hours and JSEB spend are on track.

Environmental – nitrogen to the river way below goal due to process changes and SSOs are continuing to be a challenge due to the number, however the volume is down.

Agenda Item IV – Strategy (Discussion Only)

- A. Septic Tank Phase Out (STPO) Thought Leader** – Melissa Dykes, President & Chief Operating Officer advised the Board that she and Sam Mousa from the City of Jacksonville co-chair the steering committee for the septic tank phase out program. Ms. Dykes advised of the importance of the program for the city, the history of water and wastewater infrastructure and past steps to try to resolve issues, as well as JEA's support role in the process. Ms. Dykes discussed the current program and plans for the future and advised the Board that customer billing does not have expansion costs built into rate, the funds must come from other sources. Ms. Dykes provided a program overview and discussed the goals of the STPO program and the scoring/considerations that provide prioritization for the neighborhoods targeted for the program. Ms. Dykes discussed the three projects currently funded, Biltmore, Beverly Hills and Christobel and advised that at least 70% of the customers in the neighborhood had to sign an easement agreement in order for the neighborhood to be eligible for the funding for STPO. She further advised of the JSEB involvement in the program and the outreach program being utilized to sign up more vendors for the program to be sheltered for JSEB. Ms. Dykes introduced key players in the program and applauded their efforts to make this campaign successful. The Board discussed the project, hopes for innovation in technology to decrease cost and the use of local contractors.

- B. OHI Survey** – Angie Hiers, VP & Chief Human Resources Officer and Aaron Bielenberg from the McKinsey group discussed the Organizational Health Index (OHI) survey, which was conducted to obtain more in-depth information regarding the health of the organization, versus the employee engagement surveys, which looks at a totally different aspect of the organization. Ms. Hiers advised of the process of collecting data, which consisted of a JEA team of HR and Technology personnel, who deployed iPads in the field in order to ensure data was collected from as many employees as possible. Ms. Hiers further advised of the engagement of Senior Leadership Team in getting the message of the importance of the survey. Ms. Hiers provided an overview of the results, which indicate that JEA has great opportunity for improvement. Mr. Bielenberg then presented a framework and the tools used for assessment. Mr. Bielenberg discussed the importance of organizational health and its benefits to the bottom line of an organization. Mr. Bielenberg provided a brief overview of the survey, JEA's results, needs for focus, highlights, themes from the results and requirements for JEA's success in changing the culture.
- Aaron Zahn, Managing Director/CEO advised the Board of the reason for the survey and the path ahead. The Board further discussed the survey and Ms. Hiers discussed steps forward including the new 5-to-5 conversations and listening tours to pinpoint issues and build improvement plans.

Agenda Item V – Subject Matter Exploration (Opportunities & Risks – Presentation)

- A. WaterRevolution** – Jane Madden, CDM Smith, Deryle Calhoun Jr., VP Water Wastewater and Paul Steinbrecher, VP & Chief Environmental Services Officer delivered a presentation to the Board which covered the One Water concept. Mr. Calhoun provided an overview of JEA's efforts to protect the river by reducing nitrogen discharge and efforts to recover organics and energy in biosolids. Mr. Steinbrecher discussed the Governor's Executive Order, which focuses on surface water quality and the drinking water supply, as well as the regional supply issue and JEA's efforts on these issues. Mr. Steinbrecher introduced a new program, the Integrated Water Resource Plan. Ms. Madden provided additional information related to JEA's past initiatives and discussed potable reuse and how the integrated resource recovery of water drive corporate values. The team discussed new innovation related to organic recycling and water purification, which involves processing reclaimed water to drinking water. Mr. Steinbrecher advised of a demonstration testing facility, which would allow further research on potable water, as well as a conversation with the public. Mr. Steinbrecher further advised of the past, present and future investment in water revolution. Aaron Zahn, Managing Director/CEO, introduced Greg Strong, Director of the Florida Department of Environmental Protection's Northeast District, who provided the regulator's position of JEA's efforts and applauded JEA's efforts on septic tank phaseouts, reduced nitrogen discharge into the river and conservation, efficiency and innovation efforts.

Agenda Item VI – Committee Reports

- A.** N/A

Agenda Item VII – Other Business**A. Old Business – N/A****B. Other New Business – N/A**

C. Open Discussion – The Board discussed internal communications to employees to share important information and success news. Mr. Zahn shared different ideas currently being reviewed by JEA's leadership team to provide employees news and information.

D. Managing Director/CEO's Report – Aaron Zahn, Managing Director/CEO

Mr. Zahn advised the Board of the following:

- 1) He signed contracts for gas prepaids, which is part of the fuel strategy program, which will save customers over \$6 million over the next 5 years.
- 2) Over the last month, JEA signed contracts for 250 MW of solar for our community, which makes us one of the most installed cities relative to solar. It will save us over \$4 million a year in fuel and roughly \$60 million in net present value.
- 3) Significant ballot initiative of deregulation is being discussed in Tallahassee. This initiative is sometimes framed as customer choice. JEA is playing a leadership role and Mr. Zahn will be available to discuss what staff is doing to educate the public and others on this topic.
- 4) In an effort to provide a positive story for the media and the Board, Mr. Zahn read a letter from a customer who wrote about JEA employee, Joe Crockett and his efforts to assist the customer with a water meter issue. Joe went above and beyond to assist with broken pipes and in engaging with the customer.
- 5) February 6, 2019, please write this date down or commit it to memory, as a date on which one of our customers committed to going completely off the grid. This is a wake-up call to our energy business that requires us to commit to changing the culture, as the future is now.

E. Chair's Report – Chair Howard covered the following items:

- 1) JEA has a great culture and an opportunity to build on it
- 2) Introduction of the new Chief Innovation and Transformation Officer, Julio Romero Aguero
- 3) Commendations to the Brand team for the Fatberg campaign
- 4) Advised JEA will not be moving to the Landing spot
- 5) Appreciation for the monthly business video featuring Ryan Wannemacher's son
- 6) Thanked the staff and City Council for their work on the now approved city agreement
- 7) Acknowledged Jody Brooks on her last day with JEA and introduced Lawsikia Nelson as the interim legal representative for the Board

Agenda Item VIII – Closing Considerations

A. Announcements – Next Board Meeting – March 26, 2019

B. Adjournment

With no further business claiming the attention of the Board, Chair Howard adjourned the meeting at 11:06 AM.

APPROVED BY:

SECRETARY

DATE: _____

Board Meeting recorded by:

Cheryl W. Mock, Executive Assistant



Monthly Financial
Statements

February 2019

Monthly Financial Statements

February 2019

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Statements of Net Position**(in thousands - unaudited) February 2019 and 2018**

	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 162,554	\$ 251,822
Investments	303,429	248,695
Customer accounts receivable, net of allowance (\$1,624 in 2019 and \$1,747 in 2018)	170,146	179,270
Miscellaneous accounts receivable	22,828	23,043
Interest receivable	4,145	3,460
Inventories:		
Fuel - Electric System	32,925	51,483
Fuel - Plant Scherer	4,648	4,897
Materials and supplies - Water and Sewer	55,610	51,953
Materials and supplies - Electric System	383	23,966
Materials and supplies - Plant Scherer	2,283	2,198
Total current assets	<u>758,951</u>	<u>840,787</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	90,570	67,676
Investments	402,528	696,987
Accounts and interest receivable	40	230
Total restricted assets	<u>493,138</u>	<u>764,893</u>
Costs to be recovered from future revenues	793,937	832,002
Investment in The Energy Authority	7,220	6,384
Other assets	20,519	18,499
Total noncurrent assets	<u>1,314,814</u>	<u>1,621,778</u>
Capital assets:		
Land and easements	194,553	194,953
Plant in service	11,477,529	11,187,476
Less accumulated depreciation	<u>(6,653,569)</u>	<u>(6,326,871)</u>
Plant in service, net	5,018,513	5,055,558
Construction work in progress	<u>361,053</u>	<u>253,295</u>
Net capital assets	<u>5,379,566</u>	<u>5,308,853</u>
Total assets	<u>7,453,331</u>	<u>7,771,418</u>
Deferred outflows of resources		
Unrealized pension contributions and losses	171,367	177,704
Unamortized deferred losses on refundings	139,174	150,344
Accumulated decrease in fair value of hedging derivatives	100,884	120,543
Unrealized asset retirement obligation	27,944	51,894
Unrealized OPEB contributions and losses	4,078	5,240
Total deferred outflows of resources	<u>443,447</u>	<u>505,725</u>
Total assets and deferred outflows of resources	<u>\$ 7,896,778</u>	<u>\$ 8,277,143</u>

Statements of Net Position
(in thousands - unaudited) February 2019 and 2018

	2019	2018
Liabilities		
Current liabilities:		
Accounts and accrued expenses payable	\$ 86,686	\$ 87,605
Customer deposits	60,020	58,542
City of Jacksonville payable	24,971	9,733
Utility taxes and fees payable	7,204	4,856
Compensated absences due within one year	2,659	1,423
Total current liabilities	<u>181,540</u>	<u>162,159</u>
Current liabilities payable from restricted assets:		
Debt due within one year	192,555	185,790
Renewal and replacement reserve	51,558	89,373
Interest payable	54,438	53,390
Construction contracts and accounts payable	18,536	15,289
Total current liabilities payable from restricted assets	<u>317,087</u>	<u>343,842</u>
Noncurrent liabilities:		
Net pension liability	544,203	557,665
Asset retirement obligation	8,769	38,159
Compensated absences due after one year	27,303	28,298
Net OPEB liability	19,485	39,168
Environmental liabilities	16,818	17,647
Other liabilities	2,555	3,452
Total noncurrent liabilities	<u>619,133</u>	<u>684,389</u>
Long-term debt:		
Debt payable, less current portion	3,428,080	3,813,680
Unamortized premium, net	130,663	169,862
Fair value of debt management strategy instruments	100,884	120,543
Total long-term debt	<u>3,659,627</u>	<u>4,104,085</u>
Total liabilities	<u>4,777,387</u>	<u>5,294,475</u>
Deferred inflows of resources		
Revenues to be used for future costs	259,736	252,587
Unrealized pension gains	50,124	12,955
Unrealized OPEB gains	8,712	659
Accumulated increase in fair value of hedging derivatives	4,190	2,215
Total deferred inflows of resources	<u>322,762</u>	<u>268,416</u>
Net position		
Net investment in capital assets	2,240,680	1,859,557
Restricted for:		
Debt service	81,006	78,638
Other purposes	169,420	367,115
Unrestricted	305,523	408,942
Total net position	<u>2,796,629</u>	<u>2,714,252</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 7,896,778</u>	<u>\$ 8,277,143</u>

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

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Assets							
Current assets:							
Cash and cash equivalents	\$ 48,653	\$ 60,812	\$ -	\$ 109,465	48,849	\$ 4,240	\$ 162,554
Investments	246,593	6,904	-	253,497	49,932	-	303,429
Customer accounts receivable, net of allowance (\$1,624)	124,479	-	-	124,479	45,363	304	170,146
Miscellaneous accounts receivable	19,209	1,020	(2,809)	17,420	5,408	-	22,828
Interest receivable	2,567	8	-	2,575	1,570	-	4,145
Inventories:							
Fuel inventory - Electric System	32,925	-	-	32,925	-	-	32,925
Fuel inventory - Plant Scherer	4,648	-	-	4,648	-	-	4,648
Materials and supplies - Water and Sewer	-	-	-	-	55,610	-	55,610
Materials and supplies - Electric System	-	383	-	383	-	-	383
Materials and supplies - Plant Scherer	2,283	-	-	2,283	-	-	2,283
Total current assets	481,357	69,127	(2,809)	547,675	206,732	4,544	758,951
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	203	88,265	-	88,468	-	2,102	90,570
Investments	217,787	10,857	-	228,644	173,884	-	402,528
Accounts and interest receivable	7	24	-	31	9	-	40
Total restricted assets	217,997	99,146	-	317,143	173,893	2,102	493,138
Costs to be recovered from future revenues	297,259	255,360	-	552,619	241,291	27	793,937
Investment in The Energy Authority	7,220	-	-	7,220	-	-	7,220
Other assets	16,845	-	-	16,845	3,664	10	20,519
Total noncurrent assets	539,321	354,506	-	893,827	418,848	2,139	1,314,814
Capital assets:							
Land and easements	123,627	6,660	-	130,287	61,215	3,051	194,553
Plant in service	5,561,890	1,316,043	-	6,877,933	4,542,210	57,386	11,477,529
Less accumulated depreciation	(3,149,458)	(1,312,730)	-	(4,462,188)	(2,164,811)	(26,570)	(6,653,569)
Plant in service, net	2,536,059	9,973	-	2,546,032	2,438,614	33,867	5,018,513
Construction work in progress	125,869	-	-	125,869	234,859	325	361,053
Net capital assets	2,661,928	9,973	-	2,671,901	2,673,473	34,192	5,379,566
Total assets	3,682,606	433,606	(2,809)	4,113,403	3,299,053	40,875	7,453,331
Deferred outflows of resources							
Unrealized pension contributions and losses	83,649	34,238	-	117,887	53,480	-	171,367
Unamortized deferred losses on refundings	81,866	4,097	-	85,963	53,023	188	139,174
Accumulated decrease in fair value of hedging derivatives	81,235	-	-	81,235	19,649	-	100,884
Unrealized asset retirement obligation	-	27,944	-	27,944	-	-	27,944
Unrealized OPEB contributions and losses	2,488	-	-	2,488	1,590	-	4,078
Total deferred outflows of resources	249,238	66,279	-	315,517	127,742	188	443,447
Total assets and deferred outflows of resources	\$ 3,931,844	\$ 499,885	\$ (2,809)	\$ 4,428,920	\$ 3,426,795	\$ 41,063	\$ 7,896,778

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

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	\$ 54,861	\$ 20,220	\$ (603)	\$ 74,478	\$ 12,177	\$ 31	\$ 86,686
Customer deposits	44,167	-	-	44,167	15,853	-	60,020
City of Jacksonville payable	7,746	-	-	7,746	17,225	-	24,971
Utility taxes and fees payable	7,204	-	-	7,204	-	-	7,204
Compensated absences due within one year	1,622	-	-	1,622	1,014	23	2,659
Total current liabilities	115,600	20,220	(603)	135,217	46,269	54	181,540
Current liabilities payable from restricted assets:							
Debt due within one year	122,380	13,780	-	136,160	54,705	1,690	192,555
Renewal and replacement reserve	-	51,558	-	51,558	-	-	51,558
Interest payable	27,107	4,637	-	31,744	22,140	554	54,438
Construction contracts and accounts payable	6,273	2,897	(2,206)	6,964	11,566	6	18,536
Total current liabilities payable from restricted assets	155,760	72,872	(2,206)	226,426	88,411	2,250	317,087
Noncurrent liabilities:							
Net pension liability	321,885	16,523	-	338,408	205,795	-	544,203
Asset retirement obligation	-	8,769	-	8,769	-	-	8,769
Compensated absences due after one year	19,441	-	-	19,441	7,844	18	27,303
Net OPEB liability	11,873	-	-	11,873	7,612	-	19,485
Environmental liabilities	16,818	-	-	16,818	-	-	16,818
Other liabilities	2,332	-	-	2,332	223	-	2,555
Total noncurrent liabilities	372,349	25,292	-	397,641	221,474	18	619,133
Long-term debt:							
Debt payable, less current portion	1,796,880	265,105	-	2,061,985	1,332,960	33,135	3,428,080
Unamortized premium (discount), net	63,460	2,040	-	65,500	65,195	(32)	130,663
Fair value of debt management strategy instruments	81,235	-	-	81,235	19,649	-	100,884
Total long-term debt	1,941,575	267,145	-	2,208,720	1,417,804	33,103	3,659,627
Total liabilities	2,585,284	385,529	(2,809)	2,968,004	1,773,958	35,425	4,777,387
Deferred inflows of resources							
Revenues to be used for future costs	220,582	10,624	-	231,206	28,530	-	259,736
Unrealized pension gains	26,250	7,091	-	33,341	16,783	-	50,124
Unrealized OPEB gains	5,314	-	-	5,314	3,398	-	8,712
Accumulated increase in fair value of hedging derivatives	4,190	-	-	4,190	-	-	4,190
Total deferred inflows of resources	256,336	17,715	-	274,051	48,711	-	322,762
Net position							
Net investment in capital assets	791,774	(2,924)	-	788,850	1,452,248	(418)	2,240,680
Restricted for:							
Debt service	50,403	5,865	-	56,268	24,034	704	81,006
Other purposes	75,054	25,618	2,206	102,878	65,699	843	169,420
Unrestricted	172,993	68,082	(2,206)	238,869	62,145	4,509	305,523
Total net position	1,090,224	96,641	-	1,186,865	1,604,126	5,638	2,796,629
Total liabilities, deferred inflows of resources, and net position	\$ 3,931,844	\$ 499,885	\$ (2,809)	\$ 4,428,920	\$ 3,426,795	\$ 41,063	\$ 7,896,778

Combining Statement of Net Position
(in thousands - unaudited) February 2018

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Assets							
Current assets:							
Cash and cash equivalents	\$ 135,936	\$ 33,039	\$ -	\$ 168,975	\$ 78,660	\$ 4,187	\$ 251,822
Investments	223,194	251	-	223,445	25,250	-	248,695
Customer accounts receivable, net of allowance (\$1,747)	132,043	-	-	132,043	46,766	461	179,270
Miscellaneous accounts receivable	21,419	10,809	(11,697)	20,531	2,512	-	23,043
Interest receivable	1,963	1	-	1,964	1,496	-	3,460
Inventories:							
Fuel inventory - Electric System	29,200	22,283	-	51,483	-	-	51,483
Fuel inventory - Plant Scherer	4,897	-	-	4,897	-	-	4,897
Materials and supplies - Water and Sewer	-	-	-	-	51,953	-	51,953
Materials and supplies - Electric System	-	23,966	-	23,966	-	-	23,966
Materials and supplies - Plant Scherer	2,198	-	-	2,198	-	-	2,198
Total current assets	550,850	90,349	(11,697)	629,502	206,637	4,648	840,787
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	223	64,953	-	65,176	324	2,176	67,676
Investments	344,518	57,575	-	402,093	294,894	-	696,987
Accounts and interest receivable	21	198	-	219	11	-	230
Total restricted assets	344,762	122,726	-	467,488	295,229	2,176	764,893
Costs to be recovered from future revenues	290,616	303,080	-	593,696	238,279	27	832,002
Investment in The Energy Authority	6,384	-	-	6,384	-	-	6,384
Other assets	12,926	-	-	12,926	5,563	10	18,499
Total noncurrent assets	654,688	425,806	-	1,080,494	539,071	2,213	1,621,778
Capital assets:							
Land and easements	123,658	6,598	-	130,256	61,646	3,051	194,953
Plant in service	5,413,766	1,313,486	-	6,727,252	4,404,795	55,429	11,187,476
Less accumulated depreciation	(2,951,288)	(1,311,348)	-	(4,262,636)	(2,039,508)	(24,727)	(6,326,871)
Plant in service, net	2,586,136	8,736	-	2,594,872	2,426,933	33,753	5,055,558
Construction work in progress	77,057	-	-	77,057	174,730	1,508	253,295
Capital assets, net	2,663,193	8,736	-	2,671,929	2,601,663	35,261	5,308,853
Total assets	3,868,731	524,891	(11,697)	4,381,925	3,347,371	42,122	7,771,418
Deferred outflows of resources							
Unrealized pension contributions and losses	95,814	20,631	-	116,445	61,259	-	177,704
Unamortized deferred losses on refundings	90,040	4,308	-	94,348	55,796	200	150,344
Accumulated decrease in fair value of hedging derivatives	97,064	-	-	97,064	23,479	-	120,543
Unrealized asset retirement obligation	-	51,894	-	51,894	-	-	51,894
Unrealized OPEB contributions and losses	3,197	-	-	3,197	2,043	-	5,240
Total deferred outflows of resources	286,115	76,833	-	362,948	142,577	200	505,725
Total assets and deferred outflows of resources	\$ 4,154,846	\$ 601,724	\$ (11,697)	\$ 4,744,873	\$ 3,489,948	\$ 42,322	\$ 8,277,143

Combining Statement of Net Position
(in thousands - unaudited) February 2018

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	\$ 74,409	\$ 13,024	\$ (10,964)	\$ 76,469	\$ 11,066	\$ 70	\$ 87,605
Customer deposits	43,422	-	-	43,422	15,120	-	58,542
City of Jacksonville payable	7,623	-	-	7,623	2,110	-	9,733
Utility taxes and fees payable	4,856	-	-	4,856	-	-	4,856
Compensated absences due within one year	1,115	-	-	1,115	304	4	1,423
Total current liabilities	131,425	13,024	(10,964)	133,485	28,600	74	162,159
Current liabilities payable from restricted assets:							
Debt due within one year	130,690	1,720	-	132,410	51,720	1,660	185,790
Renewal and replacement reserve	-	89,373	-	89,373	-	-	89,373
Interest payable	27,664	4,669	-	32,333	20,491	566	53,390
Construction contracts and accounts payable	2,776	1,496	(733)	3,539	11,750	-	15,289
Total current liabilities payable from restricted assets	161,130	97,258	(733)	257,655	83,961	2,226	343,842
Noncurrent liabilities:							
Net pension liability	330,025	16,640	-	346,665	211,000	-	557,665
Asset retirement obligation	-	38,159	-	38,159	-	-	38,159
Compensated absences due after one year	19,970	-	-	19,970	8,281	47	28,298
Net OPEB liability	23,889	-	-	23,889	15,279	-	39,168
Environmental liabilities	17,647	-	-	17,647	-	-	17,647
Other liabilities	2,549	-	-	2,549	903	-	3,452
Total noncurrent liabilities	394,080	54,799	-	448,879	235,463	47	684,389
Long-term debt:							
Debt payable, less current portion	2,019,350	278,885	-	2,298,235	1,480,620	34,825	3,813,680
Unamortized premium (discount), net	86,297	3,081	-	89,378	80,520	(36)	169,862
Fair value of debt management strategy instruments	97,064	-	-	97,064	23,479	-	120,543
Total long-term debt	2,202,711	281,966	-	2,484,677	1,584,619	34,789	4,104,085
Total liabilities	2,889,346	447,047	(11,697)	3,324,696	1,932,643	37,136	5,294,475
Deferred inflows of resources							
Revenues to be used for future costs	228,806	-	-	228,806	23,781	-	252,587
Unrealized pension gains	4,867	4,976	-	9,843	3,112	-	12,955
Unrealized OPEB gains	402	-	-	402	257	-	659
Accumulated increase in fair value of hedging derivatives	2,215	-	-	2,215	-	-	2,215
Total deferred inflows of resources	236,290	4,976	-	241,266	27,150	-	268,416
Net position							
Net investment in capital assets	553,558	41,183	-	594,741	1,265,803	(987)	1,859,557
Restricted for:							
Debt service	53,562	813	-	54,375	23,571	692	78,638
Other purposes	198,103	16,645	733	215,481	150,716	918	367,115
Unrestricted	223,987	91,060	(733)	314,314	90,065	4,563	408,942
Total net position	1,029,210	149,701	-	1,178,911	1,530,155	5,186	2,714,252
Total liabilities, deferred inflows of resources, and net position	\$ 4,154,846	\$ 601,724	\$ (11,697)	\$ 4,744,873	\$ 3,489,948	\$ 42,322	\$ 8,277,143

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

	Electric System and Bulk Power Supply	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Unrestricted cash and investments						
Operations	\$ 39,667	\$ 48,510	\$ 88,177	\$ 54,398	\$ 1,503	\$ 144,078
Rate stabilization:						
Fuel	48,945	-	48,945	-	-	48,945
Debt management	29,884	-	29,884	14,209	2,737	46,830
Environmental	43,595	-	43,595	14,321	-	57,916
Purchased Power	48,580	-	48,580	-	-	48,580
DSM/Conservation	4,221	-	4,221	-	-	4,221
Total rate stabilization funds	175,225	-	175,225	28,530	2,737	206,492
Customer deposits	44,124	-	44,124	15,853	-	59,977
General reserve	-	19,206	19,206	-	-	19,206
Self insurance reserve funds:						
Self funded health plan	9,412	-	9,412	-	-	9,412
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	19,412	-	19,412	-	-	19,412
Environmental liability reserve	16,818	-	16,818	-	-	16,818
Total unrestricted cash and investments	\$ 295,246	\$ 67,716	\$ 362,962	\$ 98,781	\$ 4,240	\$ 465,983
Restricted assets						
Renewal and replacement funds	\$ 75,141	\$ 49,803	\$ 124,944	\$ 33,406	\$ 843	\$ 159,193
Debt service reserve account	65,433	11,444	76,877	63,442	-	140,319
Debt service funds	77,307	10,501	87,808	44,752	1,259	133,819
Environmental funds	-	-	-	348	-	348
Construction funds	203	-	203	31,243	-	31,446
Subtotal	218,084	71,748	289,832	173,191	2,102	465,125
Unrealized holding gain (loss) on investments	(94)	73	(21)	693	-	672
Other funds	-	27,301	27,301	-	-	27,301
Total restricted cash and investments	\$ 217,990	\$ 99,122	\$ 317,112	\$ 173,884	\$ 2,102	\$ 493,098

JEA

Schedule of Cash and Investments
(in thousands - unaudited) February 2018

	Electric System and Bulk Power Supply	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Unrestricted cash and investments						
Operations	\$ 99,192	\$ 16,508	\$ 115,700	\$ 65,009	\$ 1,450	\$ 182,159
Rate stabilization:						
Fuel	83,672	-	83,672	-	-	83,672
Debt management	29,884	-	29,884	14,209	2,737	46,830
Environmental	39,156	-	39,156	9,572	-	48,728
Purchased Power	20,457	-	20,457	-	-	20,457
DSM/Conservation	4,440	-	4,440	-	-	4,440
Total rate stabilization funds	177,609	-	177,609	23,781	2,737	204,127
Customer deposits	43,307	-	43,307	15,120	-	58,427
General reserve	-	16,782	16,782	-	-	16,782
Self insurance reserve funds:						
Self funded health plan	11,375	-	11,375	-	-	11,375
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	21,375	-	21,375	-	-	21,375
Environmental liability reserve	17,647	-	17,647	-	-	17,647
Total unrestricted cash and investments	\$ 359,130	\$ 33,290	\$ 392,420	\$ 103,910	\$ 4,187	\$ 500,517
Restricted assets						
Renewal and replacement funds	\$ 198,124	\$ 89,297	\$ 287,421	\$ 147,871	\$ 918	\$ 436,210
Debt service reserve account	65,432	11,204	76,636	102,850	-	179,486
Debt service funds	81,003	5,482	86,485	41,664	1,258	129,407
Construction funds	223	-	223	324	-	547
Environmental funds	-	-	-	739	-	739
Subtotal	344,782	105,983	450,765	293,448	2,176	746,389
Unrealized holding gain (loss) on investments	(41)	(414)	(455)	1,770	-	1,315
Other funds	-	16,959	16,959	-	-	16,959
Total restricted cash and investments	\$ 344,741	\$ 122,528	\$ 467,269	\$ 295,218	\$ 2,176	\$ 764,663

DESCRIPTION	Electric System and Bulk Power Supply System		Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
	Supply System	SJRPP System				
Unfunded pension costs	264,486	-	264,486	169,097	-	433,583
Scherer and SJRPP	4,538	253,306	257,844	-	-	257,844
Water environmental projects	-	-	-	56,296	-	56,296
Unfunded OPEB costs	14,316	-	14,316	9,153	-	23,469
Storm costs to be recovered	10,973	-	10,973	4,537	27	15,537
Debt issue costs	2,946	2,054	5,000	2,208	-	7,208
Costs to be recovered from future revenues	297,259	255,360	552,619	241,291	27	793,937
Fuel stabilization	48,945	-	48,945	-	-	48,945
Environmental	43,595	-	43,595	14,321	-	57,916
Nonfuel purchased power	48,580	-	48,580	-	-	48,580
Scherer	35,944	-	35,944	-	-	35,944
Debt management stabilization	29,884	-	29,884	14,209	-	44,093
Excess pension contributions	-	10,624	10,624	-	-	10,624
Self-insurance medical reserve	9,412	-	9,412	-	-	9,412
Customer benefit stabilization	4,222	-	4,222	-	-	4,222
Revenues to be used for future costs	220,582	10,624	231,206	28,530	-	259,736

DESCRIPTION	Electric System and Bulk Power Supply System		Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
	Supply System	SJRPP System				
Unfunded pension costs	239,078	985	240,063	152,853	-	392,916
Scherer and SJRPP	10,331	299,903	310,234	-	-	310,234
Water environmental projects	-	-	-	64,847	-	64,847
Unfunded OPEB costs	21,305	-	21,305	13,622	-	34,927
Storm costs to be recovered	16,407	-	16,407	4,595	27	21,029
Debt issue costs	3,495	2,192	5,687	2,362	-	8,049
Costs to be recovered from future revenues	290,616	303,080	593,696	238,279	27	832,002
Fuel stabilization	83,672	-	83,672	-	-	83,672
Environmental	39,156	-	39,156	9,572	-	48,728
Nonfuel purchased power	20,457	-	20,457	-	-	20,457
Scherer	39,822	-	39,822	-	-	39,822
Debt management stabilization	29,884	-	29,884	14,209	-	44,093
Self-insurance medical reserve	11,375	-	11,375	-	-	11,375
Customer benefit stabilization	4,440	-	4,440	-	-	4,440
Revenues to be used for future costs	228,806	-	228,806	\$ 23,781	-	252,587

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

	Month		Year-to-Date	
	February		February	
	2019	2018	2019	2018
Operating revenues				
Electric - base	\$ 53,350	\$ 51,196	\$ 315,483	\$ 329,721
Electric - fuel and purchased power	27,421	44,319	171,754	229,777
Water and sewer	32,935	33,375	175,272	170,418
District energy system	572	564	3,216	3,331
Other	2,638	1,650	13,553	67,358
Total operating revenues	116,916	131,104	679,278	800,605
Operating expenses				
Operations and maintenance:				
Fuel	23,541	38,183	142,812	189,557
Purchased power	7,689	10,289	49,127	43,414
Maintenance and other operating expenses	31,786	22,692	162,984	190,351
Depreciation	30,951	28,445	152,839	160,167
State utility and franchise taxes	5,322	5,321	29,321	29,561
Recognition of deferred costs and revenues, net	3,080	(32,445)	8,806	2,763
Total operating expenses	102,369	72,485	545,889	615,813
Operating income	14,547	58,619	133,389	184,792
Nonoperating revenues (expenses)				
Interest on debt	(12,195)	(11,264)	(59,481)	(68,973)
Debt management strategy	(966)	(1,226)	(4,693)	(6,023)
Investment income	2,507	1,453	16,237	5,168
Allowance for funds used during construction	1,203	851	5,805	3,951
Other nonoperating income, net	654	915	3,213	3,539
Earnings from The Energy Authority	116	(233)	756	2,678
Other interest, net	(203)	(105)	(830)	(649)
Total nonoperating expenses, net	(8,884)	(9,609)	(38,993)	(60,309)
Income before contributions	5,663	49,010	94,396	124,483
Contributions (to) from				
General Fund, City of Jacksonville, Florida	(24,959)	(9,717)	(64,175)	(48,591)
Developers and other	7,905	4,560	31,398	25,945
Reduction of plant cost through contributions	(6,002)	(3,181)	(20,299)	(16,407)
Total contributions, net	(23,056)	(8,338)	(53,076)	(39,053)
Change in net position	(17,393)	40,672	41,320	85,430
Net position, beginning of period	2,814,022	2,673,580	2,755,309	2,628,822
Net position, end of period	\$ 2,796,629	\$ 2,714,252	\$ 2,796,629	\$ 2,714,252

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

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 53,614	\$ -	\$ -	\$ 53,614	\$ -	\$ -	\$ (264)	\$ 53,350
Electric - fuel and purchased power	28,173	2,680	(2,441)	28,412	-	-	(991)	27,421
Water and sewer	-	-	-	-	32,971	-	(36)	32,935
District energy system	-	-	-	-	-	595	(23)	572
Other	1,743	69	-	1,812	1,103	-	(277)	2,638
Total operating revenues	83,530	2,749	(2,441)	83,838	34,074	595	(1,591)	116,916
Operating expenses								
Operations and maintenance:								
Fuel	22,906	635	-	23,541	-	-	-	23,541
Purchased power	10,130	-	(2,441)	7,689	-	-	-	7,689
Maintenance and other operating expenses	21,962	(1,522)	-	20,440	12,676	261	(1,591)	31,786
Depreciation	18,302	34	-	18,336	12,412	203	-	30,951
State utility and franchise taxes	4,519	-	-	4,519	803	-	-	5,322
Recognition of deferred costs and revenues, net	(132)	1,172	-	1,040	2,040	-	-	3,080
Total operating expenses	77,687	319	(2,441)	75,565	27,931	464	(1,591)	102,369
Operating income	5,843	2,430	-	8,273	6,143	131	-	14,547
Nonoperating revenues (expenses)								
Interest on debt	(6,671)	(869)	-	(7,540)	(4,543)	(112)	-	(12,195)
Debt management strategy	(792)	-	-	(792)	(174)	-	-	(966)
Investment income	1,324	261	-	1,585	909	13	-	2,507
Allowance for funds used during construction	422	-	-	422	779	2	-	1,203
Other nonoperating income, net	351	28	-	379	275	-	-	654
Earnings from The Energy Authority	116	-	-	116	-	-	-	116
Other interest, net	(201)	-	-	(201)	(2)	-	-	(203)
Total nonoperating expenses, net	(5,451)	(580)	-	(6,031)	(2,756)	(97)	-	(8,884)
Income before contributions	392	1,850	-	2,242	3,387	34	-	5,663
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,746)	-	-	(7,746)	(17,213)	-	-	(24,959)
Developers and other	434	-	-	434	7,471	-	-	7,905
Reduction of plant cost through contributions	(434)	-	-	(434)	(5,568)	-	-	(6,002)
Total contributions, net	(7,746)	-	-	(7,746)	(15,310)	-	-	(23,056)
Change in net position	(7,354)	1,850	-	(5,504)	(11,923)	34	-	(17,393)
Net position, beginning of period	1,097,578	94,791	-	1,192,369	1,616,049	5,604	-	2,814,022
Net position, end of period	\$ 1,090,224	\$ 96,641	\$ -	\$ 1,186,865	\$ 1,604,126	\$ 5,638	\$ -	\$ 2,796,629

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

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 51,837	\$ -	\$ -	\$ 51,837	\$ -	\$ -	\$ (641)	\$ 51,196
Electric - fuel and purchased power	42,425	14,370	(10,061)	46,734	-	-	(2,415)	44,319
Water and sewer	-	-	-	-	33,423	-	(48)	33,375
District energy system	-	-	-	-	-	587	(23)	564
Other	1,687	(697)	-	990	877	-	(217)	1,650
Total operating revenues	95,949	13,673	(10,061)	99,561	34,300	587	(3,344)	131,104
Operating expenses								
Operations and maintenance:								
Fuel	25,063	13,120	-	38,183	-	-	-	38,183
Purchased power	20,350	-	(10,061)	10,289	-	-	-	10,289
Maintenance and other operating expenses	17,517	(3,911)	-	13,606	12,157	273	(3,344)	22,692
Depreciation	16,333	42	-	16,375	11,879	191	-	28,445
State utility and franchise taxes	4,529	-	-	4,529	792	-	-	5,321
Recognition of deferred costs and revenues, net	(227)	(32,904)	-	(33,131)	686	-	-	(32,445)
Total operating expenses	83,565	(23,653)	(10,061)	49,851	25,514	464	(3,344)	72,485
Operating income	12,384	37,326	-	49,710	8,786	123	-	58,619
Nonoperating revenues (expenses)								
Interest on debt	(5,957)	(809)	-	(6,766)	(4,383)	(115)	-	(11,264)
Debt management strategy	(983)	-	-	(983)	(243)	-	-	(1,226)
Investment income	748	143	-	891	554	8	-	1,453
Allowance for funds used during construction	270	-	-	270	576	5	-	851
Other nonoperating income, net	360	347	-	707	208	-	-	915
Earnings from The Energy Authority	(233)	-	-	(233)	-	-	-	(233)
Other interest, net	(106)	-	-	(106)	1	-	-	(105)
Total nonoperating expenses, net	(5,901)	(319)	-	(6,220)	(3,287)	(102)	-	(9,609)
Income before contributions	6,483	37,007	-	43,490	5,499	21	-	49,010
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,622)	-	-	(7,622)	(2,095)	-	-	(9,717)
Developers and other	50	-	-	50	4,510	-	-	4,560
Reduction of plant cost through contributions	(50)	-	-	(50)	(3,131)	-	-	(3,181)
Total contributions, net	(7,622)	-	-	(7,622)	(716)	-	-	(8,338)
Change in net position	(1,139)	37,007	-	35,868	4,783	21	-	40,672
Net position, beginning of period, as restated	1,030,349	112,694	-	1,143,043	1,525,372	5,165	-	2,673,580
Net position, end of period	\$ 1,029,210	\$ 149,701	\$ -	\$ 1,178,911	\$ 1,530,155	\$ 5,186	\$ -	\$ 2,714,252

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

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 316,859	\$ -	\$ -	\$ 316,859	\$ -	\$ -	\$ (1,376)	\$ 315,483
Electric - fuel and purchased power	175,648	13,185	(11,905)	176,928	-	-	(5,174)	171,754
Water and sewer	-	-	-	-	175,519	-	(247)	175,272
District energy system	-	-	-	-	-	3,364	(148)	3,216
Other	9,407	384	-	9,791	5,154	1	(1,393)	13,553
Total operating revenues	501,914	13,569	(11,905)	503,578	180,673	3,365	(8,338)	679,278
Operating expenses								
Operations and maintenance:								
Fuel	138,788	4,024	-	142,812	-	-	-	142,812
Purchased power	61,032	-	(11,905)	49,127	-	-	-	49,127
Maintenance and other operating expenses	102,734	2,007	-	104,741	64,821	1,760	(8,338)	162,984
Depreciation	89,862	171	-	90,033	61,790	1,016	-	152,839
State utility and franchise taxes	25,000	-	-	25,000	4,321	-	-	29,321
Recognition of deferred costs and revenues, net	(768)	5,859	-	5,091	3,715	-	-	8,806
Total operating expenses	416,648	12,061	(11,905)	416,804	134,647	2,776	(8,338)	545,889
Operating income	85,266	1,508	-	86,774	46,026	589	-	133,389
Nonoperating revenues (expenses)								
Interest on debt	(31,986)	(4,349)	-	(36,335)	(22,585)	(561)	-	(59,481)
Debt management strategy	(3,855)	-	-	(3,855)	(838)	-	-	(4,693)
Investment income	8,965	1,706	-	10,671	5,506	60	-	16,237
Allowance for funds used during construction	1,981	-	-	1,981	3,807	17	-	5,805
Other nonoperating income, net	1,773	143	-	1,916	1,297	-	-	3,213
Earnings from The Energy Authority	756	-	-	756	-	-	-	756
Other interest, net	(763)	-	-	(763)	(67)	-	-	(830)
Total nonoperating expenses, net	(23,129)	(2,500)	-	(25,629)	(12,880)	(484)	-	(38,993)
Income before contributions	62,137	(992)	-	61,145	33,146	105	-	94,396
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(38,730)	-	-	(38,730)	(25,445)	-	-	(64,175)
Developers and other	1,981	-	-	1,981	29,417	-	-	31,398
Reduction of plant cost through contributions	(1,981)	-	-	(1,981)	(18,318)	-	-	(20,299)
Total contributions, net	(38,730)	-	-	(38,730)	(14,346)	-	-	(53,076)
Change in net position	23,407	(992)	-	22,415	18,800	105	-	41,320
Net position, beginning of year	1,066,817	97,633	-	1,164,450	1,585,326	5,533	-	2,755,309
Net position, end of period	\$ 1,090,224	\$ 96,641	\$ -	\$ 1,186,865	\$ 1,604,126	\$ 5,638	\$ -	\$ 2,796,629

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

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 331,513	\$ -	\$ -	\$ 331,513	\$ -	\$ -	\$ (1,792)	\$ 329,721
Electric - fuel and purchased power	203,922	77,947	(45,351)	236,518	-	-	(6,741)	229,777
Water and sewer	-	-	-	-	170,648	-	(230)	170,418
District energy system	-	-	-	-	-	3,472	(141)	3,331
Other	9,426	54,725	-	64,151	4,293	-	(1,086)	67,358
Total operating revenues	544,861	132,672	(45,351)	632,182	174,941	3,472	(9,990)	800,605
Operating expenses								
Operations and maintenance:								
Fuel	141,030	48,527	-	189,557	-	-	-	189,557
Purchased power	88,765	-	(45,351)	43,414	-	-	-	43,414
Maintenance and other operating expenses	90,542	47,470	-	138,012	60,545	1,784	(9,990)	190,351
Depreciation	88,046	10,774	-	98,820	60,358	989	-	160,167
State utility and franchise taxes	25,294	-	-	25,294	4,267	-	-	29,561
Recognition of deferred costs and revenues, net	(1,135)	2,506	-	1,371	1,392	-	-	2,763
Total operating expenses	432,542	109,277	(45,351)	496,468	126,562	2,773	(9,990)	615,813
Operating income	112,319	23,395	-	135,714	48,379	699	-	184,792
Nonoperating revenues (expenses)								
Interest on debt	(30,911)	(14,159)	-	(45,070)	(23,331)	(572)	-	(68,973)
Debt management strategy	(4,854)	-	-	(4,854)	(1,169)	-	-	(6,023)
Investment income	2,600	474	-	3,074	2,062	32	-	5,168
Allowance for funds used during construction	1,218	-	-	1,218	2,710	23	-	3,951
Other nonoperating income, net	1,796	470	-	2,266	1,273	-	-	3,539
Earnings from The Energy Authority	2,678	-	-	2,678	-	-	-	2,678
Other interest, net	(557)	-	-	(557)	(92)	-	-	(649)
Total nonoperating expenses, net	(28,030)	(13,215)	-	(41,245)	(18,547)	(517)	-	(60,309)
Income before contributions	84,289	10,180	-	94,469	29,832	182	-	124,483
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(38,113)	-	-	(38,113)	(10,478)	-	-	(48,591)
Developers and other	639	-	-	639	25,306	-	-	25,945
Reduction of plant cost through contributions	(639)	-	-	(639)	(15,768)	-	-	(16,407)
Total contributions, net	(38,113)	-	-	(38,113)	(940)	-	-	(39,053)
Change in net position	46,176	10,180	-	56,356	28,892	182	-	85,430
Net position, beginning of year, as restated	983,034	139,521	-	1,122,555	1,501,263	5,004	-	2,628,822
Net position, end of period	\$ 1,029,210	\$ 149,701	\$ -	\$ 1,178,911	\$ 1,530,155	\$ 5,186	\$ -	\$ 2,714,252

Statement of Cash Flows
(in thousands - unaudited)

	Year-to-Date February	
	2019	2018
Operating activities		
Receipts from customers	\$ 700,746	\$ 789,489
Payments to suppliers	(339,529)	(391,188)
Payments to employees	(104,685)	(129,826)
Other operating activities	13,077	62,292
Net cash provided by operating activities	<u>269,609</u>	<u>330,767</u>
Noncapital and related financing activities		
Contribution to General Fund, City of Jacksonville, Florida	(48,938)	(48,542)
Net cash used in noncapital financing activities	<u>(48,938)</u>	<u>(48,542)</u>
Capital and related financing activities		
Defeasance of debt	(195,045)	(993,690)
Proceeds received from debt	2,000	821,000
Acquisition and construction of capital assets	(181,861)	(144,325)
Interest paid on debt	(87,852)	(101,781)
Repayment of debt principal	(185,790)	(229,095)
Capital contributions	11,098	9,538
Other capital financing activities	(12,371)	38,204
Net cash used in capital and related financing activities	<u>(649,821)</u>	<u>(600,149)</u>
Investing activities		
Purchase of investments	(312,333)	(576,393)
Proceeds from sale and maturity of investments	428,573	595,059
Investment income	9,686	1,959
Distributions from The Energy Authority	566	2,763
Net cash provided by investing activities	<u>126,492</u>	<u>23,388</u>
Net change in cash and cash equivalents	(302,658)	(294,536)
Cash and cash equivalents, beginning of year	555,782	614,034
Cash and cash equivalents, end of period	<u>\$ 253,124</u>	<u>\$ 319,498</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 133,389	\$ 184,792
Adjustments:		
Depreciation and amortization	153,357	160,709
Recognition of deferred costs and revenues, net	8,806	2,763
Other nonoperating income, net	327	599
Changes in noncash assets and noncash liabilities:		
Accounts receivable	58,859	65,309
Inventories	227	7,997
Other assets	(1,952)	2,255
Accounts and accrued expenses payable	(56,020)	(36,893)
Current liabilities payable from restricted assets	(1,658)	(15,242)
Other noncurrent liabilities and deferred inflows	(25,726)	(41,522)
Net cash provided by operating activities	<u>\$ 269,609</u>	<u>\$ 330,767</u>
Noncash activity		
Contribution of capital assets from developers	\$ 20,299	\$ 16,407
Unrealized gains on fair value of investments, net	\$ 5,259	\$ 2,520

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

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating activities								
Receipts from customers	\$ 520,992	\$ 13,087	\$ (13,138)	\$ 520,941	\$ 182,830	\$ 3,920	\$ (6,945)	\$ 700,746
Payments to suppliers	(307,308)	(6,355)	13,138	(300,525)	(45,764)	(1,578)	8,338	(339,529)
Payments to employees	(75,425)	(12)	-	(75,437)	(28,991)	(257)	-	(104,685)
Other operating activities	10,954	384	-	11,338	3,130	2	(1,393)	13,077
Net cash provided by operating activities	149,213	7,104	-	156,317	111,205	2,087	-	269,609
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(38,607)	-	-	(38,607)	(10,331)	-	-	(48,938)
Net cash used in noncapital financing activities	(38,607)	-	-	(38,607)	(10,331)	-	-	(48,938)
Capital and related financing activities								
Defeasance of debt	(100,090)	-	-	(100,090)	(94,955)	-	-	(195,045)
Proceeds received from debt	-	-	-	-	2,000	-	-	2,000
Acquisition and construction of capital assets	(108,366)	-	-	(108,366)	(73,076)	(419)	-	(181,861)
Interest paid on debt	(47,460)	(5,603)	-	(53,063)	(34,109)	(680)	-	(87,852)
Repayment of debt principal	(130,690)	(1,720)	-	(132,410)	(51,720)	(1,660)	-	(185,790)
Capital contributions	-	-	-	-	11,098	-	-	11,098
Other capital financing activities	(8,148)	-	-	(8,148)	(4,223)	-	-	(12,371)
Net cash used in capital and related financing activities	(394,754)	(7,323)	-	(402,077)	(244,985)	(2,759)	-	(649,821)
Investing activities								
Purchase of investments	(173,765)	(70,425)	-	(244,190)	(68,143)	-	-	(312,333)
Proceeds from sale and maturity of investments	215,398	78,047	-	293,445	135,128	-	-	428,573
Investment income	4,991	1,721	-	6,712	2,914	60	-	9,686
Distributions from The Energy Authority	566	-	-	566	-	-	-	566
Net cash provided by investing activities	47,190	9,343	-	56,533	69,899	60	-	126,492
Net change in cash and cash equivalents	(236,958)	9,124	-	(227,834)	(74,212)	(612)	-	(302,658)
Cash and cash equivalents, beginning of year	285,814	139,953	-	425,767	123,061	6,954	-	555,782
Cash and cash equivalents, end of period	\$ 48,856	\$ 149,077	\$ -	\$ 197,933	\$ 48,849	\$ 6,342	\$ -	\$ 253,124
Reconciliation of operating income to net cash provided by operating activities								
Operating income	\$ 85,266	\$ 1,508	\$ -	\$ 86,774	\$ 46,026	\$ 589	\$ -	\$ 133,389
Adjustments:								
Depreciation and amortization	89,862	171	-	90,033	62,308	1,016	-	153,357
Recognition of deferred costs and revenues, net	(768)	5,859	-	5,091	3,715	-	-	8,806
Other nonoperating income, net	63	-	-	63	264	-	-	327
Changes in noncash assets and noncash liabilities:								
Accounts receivable	54,789	(98)	-	54,691	3,612	556	-	58,859
Inventories	(1,811)	1,298	-	(513)	740	-	-	227
Other assets	(1,604)	-	-	(1,604)	(338)	(10)	-	(1,952)
Accounts and accrued expenses payable	(49,983)	24	-	(49,959)	(6,013)	(48)	-	(56,020)
Current liabilities payable from restricted assets	-	(1,658)	-	(1,658)	-	-	-	(1,658)
Other noncurrent liabilities and deferred inflows	(26,601)	-	-	(26,601)	891	(16)	-	(25,726)
Net cash provided by operating activities	\$ 149,213	\$ 7,104	\$ -	\$ 156,317	\$ 111,205	\$ 2,087	\$ -	\$ 269,609
Noncash activity								
Contribution of capital assets from developers	\$ 1,981	\$ -	\$ -	\$ 1,981	\$ 18,318	\$ -	\$ -	\$ 20,299
Unrealized gains on fair value of investments, net	\$ 3,208	\$ 11	\$ -	\$ 3,219	\$ 2,040	\$ -	\$ -	\$ 5,259

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

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating activities								
Receipts from customers	\$ 554,491	\$ 84,199	\$ (22,229)	\$ 616,461	\$ 178,371	\$ 3,561	\$ (8,904)	\$ 789,489
Payments to suppliers	(290,035)	(83,875)	22,229	(351,681)	(47,960)	(1,537)	9,990	(391,188)
Payments to employees	(71,779)	(30,744)	-	(102,523)	(27,068)	(235)	-	(129,826)
Other operating activities	4,572	54,725	-	59,297	4,081	-	(1,086)	62,292
Net cash provided by operating activities	197,249	24,305	-	221,554	107,424	1,789	-	330,767
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(38,180)	-	-	(38,180)	(10,362)	-	-	(48,542)
Net cash used in noncapital financing activities	(38,180)	-	-	(38,180)	(10,362)	-	-	(48,542)
Capital and related financing activities								
Defeasance of debt	(405,105)	(128,280)	-	(533,385)	(460,305)	-	-	(993,690)
Proceeds received from debt	383,840	-	-	383,840	437,160	-	-	821,000
Acquisition and construction of capital assets	(76,265)	-	-	(76,265)	(67,898)	(162)	-	(144,325)
Interest paid on debt	(51,669)	(11,083)	-	(62,752)	(38,338)	(691)	-	(101,781)
Repayment of debt principal	(135,105)	(41,330)	-	(176,435)	(51,020)	(1,640)	-	(229,095)
Capital contributions	-	-	-	-	9,538	-	-	9,538
Other capital financing activities	21,869	(7,341)	-	14,528	23,676	-	-	38,204
Net cash used in capital and related financing activities	(262,435)	(188,034)	-	(450,469)	(147,187)	(2,493)	-	(600,149)
Investing activities								
Purchase of investments	(236,222)	(212,982)	-	(449,204)	(127,189)	-	-	(576,393)
Proceeds from sale and maturity of investments	130,427	356,116	-	486,543	108,516	-	-	595,059
Investment income	2,494	(2,440)	-	54	1,873	32	-	1,959
Distributions from The Energy Authority	2,763	-	-	2,763	-	-	-	2,763
Net cash provided by (used in) investing activities	(100,538)	140,694	-	40,156	(16,800)	32	-	23,388
Net change in cash and cash equivalents	(203,904)	(23,035)	-	(226,939)	(66,925)	(672)	-	(294,536)
Cash and cash equivalents, beginning of year	340,063	121,027	-	461,090	145,909	7,035	-	614,034
Cash and cash equivalents, end of period	\$ 136,159	\$ 97,992	\$ -	\$ 234,151	\$ 78,984	\$ 6,363	\$ -	\$ 319,498
Reconciliation of operating income to net cash provided by operating activities								
Operating income	\$ 112,319	\$ 23,395	\$ -	\$ 135,714	\$ 48,379	\$ 699	\$ -	\$ 184,792
Adjustments:								
Depreciation and amortization	88,046	10,774	-	98,820	60,900	989	-	160,709
Recognition of deferred costs and revenues, net	(1,135)	2,506	-	1,371	1,392	-	-	2,763
Other nonoperating income (loss), net	49	317	-	366	233	-	-	599
Changes in noncash assets and noncash liabilities:								
Accounts receivable	56,372	5,935	-	62,307	2,913	89	-	65,309
Inventories	3,885	7,729	-	11,614	(3,617)	-	-	7,997
Other assets	2,570	-	-	2,570	(306)	(9)	-	2,255
Accounts and accrued expenses payable	(20,288)	(9,556)	-	(29,844)	(7,034)	(15)	-	(36,893)
Current liabilities payable from restricted assets	-	(15,242)	-	(15,242)	-	-	-	(15,242)
Other noncurrent liabilities and deferred inflows	(44,569)	(1,553)	-	(46,122)	4,564	36	-	(41,522)
Net cash provided by operating activities	\$ 197,249	\$ 24,305	\$ -	\$ 221,554	\$ 107,424	\$ 1,789	\$ -	\$ 330,767
Noncash activity								
Contribution of capital assets from developers	\$ 639	\$ -	\$ -	\$ 639	\$ 15,768	\$ -	\$ -	\$ 16,407
Unrealized gains (losses) on fair value of investments, net	\$ (791)	\$ 3,674	\$ -	\$ 2,883	\$ (363)	\$ -	\$ -	\$ 2,520

Electric System and Plant Scherer

Changes in Debt Service, R & R and Construction Funds

(in thousands - unaudited) for the five months ended February 2019 and February 2018

	February 2019			February 2018		
	Debt service funds	Renewal and replacement funds	Construction funds	Debt service funds	Renewal and replacement funds	Construction funds
Beginning balance	\$ 232,915	\$ 212,051	\$ 203	\$ 239,961	\$ 225,985	\$ -
Additions:						
Revenue transfers for debt service	82,951	-	-	87,536	-	-
R & R and OCO	-	61,853	-	-	79,337	-
Proceeds from property sales	-	457	-	-	31	-
Debt issuance	-	-	-	-	-	805
Total additions	82,951	62,310	-	87,536	79,368	805
Deductions:						
Debt service payments	173,126	-	-	181,062	-	-
Increase in utility plant	-	98,040	-	-	62,811	-
Revenue transfers for debt service	-	70,000	-	-	-	-
Decrease in accounts payable	-	10,324	-	-	13,448	-
Debt issue costs and discounts	-	-	-	-	-	582
Total deductions	173,126	178,364	-	181,062	76,259	582
Ending balance	\$ 142,740	\$ 95,997	\$ 203	\$ 146,435	\$ 229,094	\$ 223
Recap:						
Renewal and replacement fund:						
Cash & investments	\$	75,141		\$	198,124	
Storm costs to be recovered		10,973			16,407	
Accounts / notes receivable:						
Accounts receivable		9,876			14,543	
Street light & other customer loans		7			20	
	\$	<u>95,997</u>		\$	<u>229,094</u>	
Construction fund:						
Generation projects		\$	100		\$	110
T&D and other capital projects			103			113
		\$	<u>203</u>		\$	<u>223</u>

Water and Sewer System
Changes in Debt Service, R & R, Construction, and Environmental Funds
(in thousands - unaudited) for the five months ended February 2019 and February 2018

	February 2019				February 2018			
	Debt service funds	Renewal and replacement funds	Construction funds	Environmental funds	Debt service funds	Renewal and replacement funds	Construction funds	Environmental funds
Beginning balance	\$ 184,091	\$ 146,728	\$ 284	\$ 1,160	\$ 189,696	\$ 155,284	\$ 15	\$ 1,838
Additions:								
R & R and OCO	-	47,323	-	-	-	53,260	-	-
Revenue transfers for debt service	47,874	-	-	-	47,304	-	-	-
Contribution in aid of construction	-	11,098	-	-	-	9,538	-	-
Bond proceeds	-	-	33,884	-	-	-	894	-
Increase in accounts payable	-	-	-	-	-	-	-	-
Proceeds from property sales	-	11	-	-	-	222	-	-
Total additions	47,874	58,432	33,884	-	47,304	63,020	894	-
Deductions:								
Debt service payments	84,363	-	-	-	87,848	-	-	-
Revenue transfers for debt service	-	99,189	-	-	-	-	-	-
Increase in utility plant	-	42,117	2,925	-	-	40,021	-	-
Debt service reserve releases	39,408	-	-	-	4,638	-	-	-
Decrease in accounts payable	-	23,508	-	812	-	25,385	-	1,099
Debt issue costs and discounts	-	-	-	-	-	-	585	-
Total deductions	123,771	164,814	2,925	812	92,486	65,406	585	1,099
Ending balance	\$ 108,194	\$ 40,346	\$ 31,243	\$ 348	\$ 144,514	\$ 152,898	\$ 324	\$ 739
Renewal and replacement fund:								
Cash & investments	\$ 33,406				\$ 147,871			
Storm costs to be recovered	4,537				4,595			
Accounts / notes receivable:								
Accounts receivable	2,395				420			
Notes receivable	8				12			
	\$ 40,346				\$ 152,898			
Construction fund:								
Project funds			\$ 31,243				\$ 324	
			\$ 31,243				\$ 324	
Environmental fund:								
Cash & investments			\$ 348				\$ 739	
			\$ 348				\$ 739	

Electric System Budget vs. Actual February 2019 and 2018	Month				Prior Year Month	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
	2018-19	2018-19	2018-19	%	2017-18	%
Fuel Related Revenues & Expenses						
Fuel Rate Revenues	\$ 422,782,362	\$ 30,599,425	\$ 24,405,445	-20.24%	\$ 23,596,588	3.43%
Fuel Expense and Purchased Power:						
Fuel Expense - Energy System	327,822,632	24,833,638	20,204,813		22,642,418	
Fuel Expense - SJRPP	1,554,666	-	-		8,199,760	
Other Purchased Power	108,921,904	7,610,246	7,920,583		11,572,486	
Subtotal Energy Expense	438,299,202	32,443,884	28,125,396	13.31%	42,414,664	33.69%
Transfer to (from) Rate Stabilization, Net	(16,151,013)	(1,897,307)	(3,744,401)		(18,825,785)	
Fuel Related Uncollectibles	634,173	52,848	24,450		7,709	
Total	422,782,362	30,599,425	24,405,445	20.24%	23,596,588	-3.43%
Fuel Balance	-	-	-		-	
Nonfuel Related Revenues						
Base Rate Revenues	812,153,353	58,780,658	47,932,185		46,378,156	
Conservation Charge Revenue	1,000,000	72,376	38,250		61,096	
Environmental Charge Revenue	8,039,817	581,892	464,740		447,895	
Investment Income	11,600,594	966,716	1,324,183		748,067	
Natural Gas Revenue Pass Through	2,464,374	205,365	59,241		54,344	
Other Revenues	136,958,120	111,050,104	110,729,943		2,257,941	
Total	972,216,258	171,657,111	160,548,542	-6.47%	49,947,499	221.43%
Nonfuel Related Expenses						
Non-Fuel O&M	221,286,372	16,027,031	21,350,791		17,865,752	
DSM / Conservation O&M	8,126,797	669,931	453,964		443,145	
Environmental O&M	3,071,529	161,292	357,051		120,686	
Rate Stabilization - DSM	(536,783)	(44,732)	33,370		65,949	
Rate Stabilization - Environmental	4,968,288	490,789	107,689		327,209	
Natural Gas Expense Pass Through	2,418,255	200,718	72,804		65,091	
Debt Principal - Energy System	116,230,000	9,685,833	9,685,833		10,433,929	
Debt Interest - Energy System	87,438,843	7,286,570	6,703,941		7,209,723	
Bond Buy-Back - Energy System	108,694,829	108,694,829	108,694,829		-	
R&R - Energy System	64,447,700	5,370,642	5,370,642		5,467,400	
Operating Capital Outlay	183,115,980	-	-		-	
City Contribution Expense	92,952,147	7,746,012	7,746,012		7,622,650	
Taxes & Uncollectibles	1,437,599	119,800	65,420		32,651	
Emergency Reserve	5,000,000	-	-		-	
<i>Nonfuel Purchased Power:</i>						
* SJRPP D/S Principal	13,780,000	1,148,333	1,148,333		143,333	
** SJRPP D/S Interest	11,127,870	927,323	898,688		903,151	
** Other Non-Fuel Purchased Power	48,656,831	4,054,736	5,609,119		4,884,409	
Total Nonfuel Expenses	972,216,258	162,539,107	168,298,486	-3.54%	55,585,078	-202.78%
Non-Fuel Balance	-	9,118,004	(7,749,944)		(5,637,579)	
Total Balance	-	9,118,004	(7,749,944)		(5,637,579)	
Total Revenues	1,394,998,620	202,256,536	184,953,987	-8.55%	73,544,087	151.49%
Total Expenses	1,394,998,620	193,138,532	192,703,931	0.23%	79,181,666	-143.37%
KWH Sold - Territorial	13,180,028,000	953,921,747	758,487,874	-20.49%	733,412,773	3.42%
KWH Sold - Off System	-	-	2,142,000		300,000	
	13,180,028,000	953,921,747	760,629,874	-20.26%	733,712,773	3.67%

* Gross debt service

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

Electric System Budget vs. Actual February 2019 and 2018	Year-to-Date				Prior Year-to-Date	
	ANNUAL BUDGET 2018-19	BUDGET 2018-19	ACTUAL 2018-19	Variance %	ACTUAL 2017-18	Variance %
Fuel Related Revenues & Expenses						
Fuel Rate Revenues	\$ 422,782,362	\$ 161,528,883	\$ 148,373,451	-8.14%	\$ 155,440,979	-4.55%
Fuel Expense and Purchased Power:						
Fuel Expense - Energy System	327,822,632	125,267,476	123,309,009		126,860,703	
Fuel Expense - SJRPP	1,554,666	1,554,666	-		30,140,506	
Other Purchased Power	108,921,904	43,066,157	50,308,738		46,379,856	
Subtotal Energy Expense	438,299,202	169,888,299	173,617,747	-2.20%	203,381,065	14.63%
Transfer to (from) Rate Stabilization, Net	(16,151,013)	(8,623,655)	(25,430,911)		(48,043,741)	
Fuel Related Uncollectibles	634,173	264,239	186,615		103,655	
Total	422,782,362	161,528,883	148,373,451	8.14%	155,440,979	4.55%
Fuel Balance	-	-	-		-	
Nonfuel Related Revenues						
Base Rate Revenues	812,153,353	310,292,567	287,082,043		302,437,519	
Conservation Charge Revenue	1,000,000	382,062	226,523		417,417	
Environmental Charge Revenue	8,039,817	3,071,705	2,820,564		2,957,592	
Investment Income	11,600,594	4,833,581	5,756,636		3,384,996	
Natural Gas Revenue Pass Through	2,464,374	1,026,823	304,721		229,519	
Other Revenues	136,958,120	120,471,200	119,563,878		10,918,606	
Total	972,216,258	440,077,938	415,754,365	-5.53%	320,345,649	29.78%
Nonfuel Related Expenses						
Non-Fuel O&M	221,286,372	99,823,631	90,045,620		78,124,956	
DSM / Conservation O&M	8,126,797	3,393,468	1,912,324		2,151,605	
Environmental O&M	3,071,529	1,606,458	1,388,404		218,751	
Rate Stabilization - DSM	(536,783)	(223,659)	751,312		745,309	
Rate Stabilization - Environmental	4,968,288	1,541,714	1,432,160		2,738,841	
Natural Gas Expense Pass Through	2,418,255	1,008,410	353,647		287,476	
Debt Principal - Energy System	116,230,000	48,429,167	48,429,167		51,942,500	
Debt Interest - Energy System	87,438,843	36,432,851	35,303,981		37,112,064	
Bond Buy-Back - Energy System	108,694,829	108,694,829	108,694,829		-	
R&R - Energy System	64,447,700	26,853,208	26,853,208		27,337,000	
Operating Capital Outlay	183,115,980	35,000,000	35,000,000		52,000,000	
City Contribution Expense	92,952,147	38,730,061	38,730,061		38,113,248	
Taxes & Uncollectibles	1,437,599	598,999	449,173		292,329	
Emergency Reserve	5,000,000	-	-		-	
Nonfuel Purchased Power:						
* SJRPP D/S Principal	13,780,000	5,741,667	5,741,667		6,809,635	
* SJRPP D/S Interest	11,127,870	4,636,613	4,493,438		5,460,552	
** Other Non-Fuel Purchased Power	48,656,831	20,273,679	23,403,327		22,094,051	
Total Nonfuel Expenses	972,216,258	432,541,096	422,982,318	2.21%	325,428,317	-29.98%
Non-Fuel Balance	-	7,536,842	(7,227,953)		(5,082,668)	
Total Balance	-	7,536,842	(7,227,953)		(5,082,668)	
Total Revenues	1,394,998,620	601,606,821	564,127,816	-6.23%	475,786,628	18.57%
Total Expenses	1,394,998,620	594,069,979	571,355,769	3.82%	480,869,296	-18.82%
KWH Sold - Territorial	13,180,028,000	5,035,582,072	4,607,348,765	-8.50%	4,827,955,259	-4.57%
KWH Sold - Off System	-	-	59,132,000	-7.33%	15,882,000	-3.66%
	13,180,028,000	5,035,582,072	4,666,480,765		4,843,837,259	

* Gross debt service

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

Water and Sewer System

Budget vs. Actual February 2019 and 2018	Month				Prior Year Month	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
	2018-19	2018-19	2018-19	%	2017-18	%
REVENUES						
Water & Sewer Revenues	\$ 457,315,688	\$ 34,143,690	\$ 31,042,640		\$ 32,984,412	
Capacity & Extension Fees	24,500,000	1,878,927	1,898,008		1,379,468	
Capital Contributions	-	-	4,960		-	
Investment Income	6,318,534	526,544	908,175		551,297	
Other Income	139,432,982	101,809,196	102,357,698		1,088,610	
Total	627,567,204	138,358,357	136,211,481	-1.55%	36,003,787	278.33%
EXPENSES						
O & M Expenses	161,824,556	12,734,861	12,359,352		11,944,531	
Debt Principal - Water & Sewer	54,705,000	4,558,750	4,558,750		4,310,000	
Debt Interest - Water & Sewer	65,430,545	5,452,545	5,091,151		5,311,044	
Bond Buy-Back - Water & Sewer	99,188,560	99,188,560	99,188,560		-	
Rate Stabilization - Environmental	-	-	(1,150,188)		309,317	
R&R - Water & Sewer	23,552,350	1,962,696	1,962,696		2,039,483	
Operating Capital Outlay	141,031,641	-	(7,236,776)		7,712,602	
Operating Capital Outlay - Capacity/Extension	24,500,000	2,041,666	1,898,008		1,379,468	
Operating Capital Outlay - Contributions	-	-	4,960		-	
Operating Capital Outlay - Environmental	15,431,798	1,283,056	2,040,478		686,113	
City Contribution Expense	24,695,388	2,057,949	2,057,949		2,095,668	
Uncollectibles & Fees	685,974	57,164	23,935		44,000	
Interlocal Agreements	15,521,392	15,521,392	15,155,000		-	
Emergency Reserve	1,000,000	-	-		-	
Total Expenses	627,567,204	144,858,639	135,953,875	6.15%	35,832,226	-279.42%
Total Balance	\$ -	\$ (6,500,282)	\$ 257,606		\$ 171,561	
Sales kgals						
Water	42,000,000	2,850,369	2,436,383	-14.52%	2,553,471	-4.59%
Sewer	34,650,000	2,463,452	2,072,031	-15.89%	2,281,357	-9.18%
Total	76,650,000	5,313,821	4,508,414	-15.16%	4,834,828	-6.75%

Budget vs. Actual February 2019 and 2018	Year-To-Date				Prior Year to Date	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
	2018-19	2018-19	2018-19	%	2017-18	%
REVENUES						
Water & Sewer Revenues	\$ 457,315,688	\$ 180,213,438	\$ 172,785,539		\$ 170,979,111	
Capacity & Extension Fees	24,500,000	8,673,850	11,068,414		9,523,465	
Capital Contributions	-	-	29,759		14,879	
Investment Income	6,318,534	2,632,722	3,464,138		2,408,551	
Other Income	139,432,982	113,131,578	115,372,409		5,582,577	
Total	627,567,204	304,651,588	302,720,259	-0.63%	188,508,583	60.59%
EXPENSES						
O & M Expenses	161,824,556	66,788,060	63,086,654		58,385,711	
Debt Principal - Water & Sewer	54,705,000	22,793,750	22,793,748		21,550,000	
Debt Interest - Water & Sewer	65,430,545	27,262,728	26,409,054		27,328,007	
Bond Buy-Back - Water & Sewer	99,188,560	99,188,560	99,188,560		-	
Rate Stabilization - Environmental	-	-	1,406,527		4,358,802	
R&R - Water & Sewer	23,552,350	9,813,479	9,813,479		10,197,417	
Operating Capital Outlay	141,031,641	44,745,963	37,509,187		43,063,010	
Operating Capital Outlay - Capacity/Extension	24,500,000	10,208,333	11,068,414		9,523,465	
Operating Capital Outlay - Contributions	-	-	29,759		14,879	
Operating Capital Outlay - Environmental	15,431,798	6,415,279	3,714,938		1,392,316	
City Contribution Expense	24,695,388	10,289,745	10,289,745		10,478,342	
Uncollectibles & Fees	685,974	285,822	180,271		239,000	
Interlocal Agreements	15,521,392	15,521,392	15,521,392		346,727	
Emergency Reserve	1,000,000	-	-		-	
Total Expenses	627,567,204	313,313,111	301,011,728	3.93%	186,877,676	-61.07%
Total Balance	\$ -	\$ (8,661,523)	\$ 1,708,531		\$ 1,630,907	
Sales kgals						
Water	42,000,000	15,972,534	14,027,535	-12.18%	14,255,031	-1.60%
Sewer	34,650,000	13,412,943	11,946,763	-10.93%	11,853,931	0.78%
Total	76,650,000	29,385,477	25,974,298	-11.61%	26,108,962	-0.52%

District Energy System

Budget vs. Actual February 2019 and 2018	Month				Prior Year Month	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
	2018-19	2018-19	2018-19	%	2017-18	%
REVENUES						
Revenues	\$ 9,256,655	\$ 605,296	\$ 594,975		\$ 587,120	
Investment Income	-	-	13,313		7,835	
Total	9,256,655	605,296	608,288	0.49%	594,955	2.24%
EXPENSES						
O & M Expenses	5,127,648	324,975	262,330		283,791	
Debt Principal - DES	1,690,000	140,833	140,833		138,333	
Debt Interest - DES	1,330,449	110,871	110,871		113,257	
R&R - DES	442,950	36,913	36,913		36,404	
Operating Capital Outlay	665,608	-	-		-	
Total Expenses	9,256,655	613,592	550,947	10.21%	571,785	3.64%
Total Balance	\$ -	\$ (8,296)	\$ 57,341		\$ 23,170	

Budget vs. Actual February 2019 and 2018	Year-To-Date				Prior-Year-to-Date	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
	2018-19	2018-19	2018-19	%	2017-18	%
REVENUES						
Revenues	\$ 9,256,655	\$ 3,664,606	\$ 3,365,451		\$ 3,472,380	
Investment Income	-	-	60,002		31,806	
Total	9,256,655	3,664,606	3,425,453	-6.53%	3,504,186	-2.25%
EXPENSES						
O & M Expenses	5,127,648	1,886,691	1,757,553		1,774,606	
Debt Principal - DES	1,690,000	704,167	704,167		691,667	
Debt Interest - DES	1,330,449	554,354	554,354		566,285	
R&R - DES	442,950	184,563	184,563		182,021	
Operating Capital Outlay	665,608	-	-		-	
Total Expenses	9,256,655	3,329,775	3,200,637	3.88%	3,214,579	0.43%
Total Balance	\$ -	\$ 334,831	\$ 224,816		\$ 289,607	

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

	Month		Year-to-Date	
	2019	2018	2019	2018
Revenues				
Electric	\$ 77,211	\$ 74,884	\$ 464,347	\$ 486,143
Investment income ⁽¹⁾	1,144	624	4,856	2,765
Earnings from The Energy Authority	116	(233)	756	2,678
Other, net ⁽²⁾	1,748	1,694	9,449	9,458
Plus: amount paid from the rate stabilization fund into the revenue fund	5,171	20,215	32,256	54,928
Less: amount paid from the revenue fund into the rate stabilization fund	(595)	(837)	(4,096)	(5,636)
Total revenues	84,795	96,347	507,568	550,336
Operating expenses ⁽³⁾				
Fuel	20,205	22,643	123,309	126,861
Purchased power ⁽⁴⁾	16,712	26,151	91,641	118,828
Other operations and maintenance	18,978	15,013	92,108	79,072
State utility taxes and fees	4,413	4,424	24,449	24,735
Total operating expenses	60,308	68,231	331,507	349,496
Net revenues	\$ 24,487	\$ 28,116	\$ 176,061	\$ 200,840
Debt service	\$ 6,796	\$ 5,859	\$ 34,366	\$ 29,649
Less: investment income on sinking fund	(180)	(125)	(901)	(627)
Less: Build America Bonds subsidy	(127)	(127)	(636)	(634)
Debt service requirement	\$ 6,489	\$ 5,607	\$ 32,829	\$ 28,388
Senior debt service coverage ⁽⁵⁾, (min 1.20x)	3.77 x	5.01 x	5.36 x	7.07 x
Net revenues (from above)	\$ 24,487	\$ 28,116	\$ 176,061	\$ 200,840
Debt service requirement (from above)	\$ 6,489	\$ 5,607	\$ 32,829	\$ 28,388
Plus: aggregate subordinated debt service on outstanding subordinated bonds	8,786	10,771	44,372	53,744
Less: Build American Bonds subsidy	(167)	(170)	(834)	(852)
Total debt service requirement and aggregate subordinated debt service	\$ 15,108	\$ 16,208	\$ 76,367	\$ 81,280
Senior and subordinated debt service coverage ⁽⁶⁾, (min 1.15x)	1.62 x	1.73 x	2.31 x	2.47 x
Fixed charge coverage ⁽⁷⁾	1.09 x	1.24 x	1.67 x	1.84 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.

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

	Month February		Year-to-Date February	
	2019	2018	2019	2018
Revenues				
Operating	\$ 6,582	\$ 5,801	\$ 30,609	\$ 30,062
Investment income	8	8	41	48
Total revenues	6,590	5,809	30,650	30,110
Operating expenses ⁽¹⁾				
Fuel	2,701	2,420	15,479	14,169
Other operations and maintenance	1,325	1,332	5,840	6,563
Total operating expenses	4,026	3,752	21,319	20,732
Net revenues	\$ 2,564	\$ 2,057	\$ 9,331	\$ 9,378
Aggregate debt service	\$ 842	\$ 829	\$ 4,212	\$ 4,143
Less: Build America Bonds subsidy	(52)	(56)	(260)	(278)
Aggregate debt service	\$ 790	\$ 773	\$ 3,952	\$ 3,865
Debt service coverage ⁽²⁾	3.25 x	2.66 x	2.36 x	2.43 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.

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

	Month February		Year-to-Date February	
	2019	2018	2019	2018
Revenues				
Operating	\$ 2,750	\$ 1,221	\$ 14,264	\$ 6,083
Investment income	261	32	1,694	188
Total revenues	3,011	1,253	15,958	6,271
Operating expenses	635	-	4,024	-
Net revenues	\$ 2,376	\$ 1,253	\$ 11,934	\$ 6,271
Aggregate debt service	\$ 2,076	\$ 1,077	\$ 10,378	\$ 5,386
Less: Build America Bonds subsidy	(29)	(31)	(143)	(153)
Aggregate debt service	\$ 2,047	\$ 1,046	\$ 10,235	\$ 5,233
Debt service coverage ⁽¹⁾	1.16 x	1.20 x	1.17 x	1.20 x

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

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

	Month February		Year-to-Date February	
	2019	2018	2019	2018
Revenues				
Water	\$ 12,253	\$ 12,822	\$ 68,811	\$ 68,671
Water capacity fees	738	509	3,875	3,297
Sewer	19,568	20,910	108,115	106,336
Sewer capacity fees	1,161	870	7,194	6,226
Investment Income	908	555	3,466	2,426
Other ⁽¹⁾	1,171	877	5,418	4,526
Plus: amounts paid from the rate stabilization fund into the revenue fund	2,796	1,439	8,038	5,134
Less: amounts paid from the revenue fund into the rate stabilization fund	(1,646)	(1,748)	(9,445)	(9,493)
Total revenues	36,949	36,234	195,472	187,123
Operating expenses				
Operations and maintenance ⁽²⁾	13,479	12,949	69,142	64,812
Total operating expenses	13,479	12,949	69,142	64,812
Net revenues	\$ 23,470	\$ 23,285	\$ 126,330	\$ 122,311
Aggregate debt service	\$ 7,977	\$ 7,924	\$ 40,377	\$ 39,996
Less: Build America Bonds subsidy	(207)	(208)	(1,033)	(1,040)
Aggregate debt service	\$ 7,770	\$ 7,716	\$ 39,344	\$ 38,956
Senior debt service coverage ⁽³⁾, (min 1.25x)	3.02 x	3.02 x	3.21 x	3.14 x
Net revenues (from above)	\$ 23,470	\$ 23,285	\$ 126,330	\$ 122,311
Aggregate debt service (from above)	\$ 7,770	\$ 7,716	\$ 39,344	\$ 38,956
Plus: aggregate subordinated debt service on outstanding subordinated debt	1,474	1,479	7,440	7,446
Total aggregate debt service and aggregate subordinated debt service	\$ 9,244	\$ 9,195	\$ 46,784	\$ 46,402
Senior and subordinated debt service coverage excluding capacity fees ⁽⁴⁾	2.33 x	2.38 x	2.46 x	2.43 x
Senior and subordinated debt service coverage including capacity fees ⁽⁴⁾	2.54 x	2.53 x	2.70 x	2.64 x
Fixed charge coverage	0.68 x	2.30 x	2.16 x	2.41 x

⁽¹⁾ Excludes the Build America Bonds subsidy.

⁽²⁾ Excludes depreciation and recognition of deferred costs and revenues, net.

⁽³⁾ Net revenues divided by aggregate debt service. Minimum annual coverage is 1.25x.

⁽⁴⁾ 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

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

	Month February		Year-to-Date February	
	2019	2018	2019	2018
Revenues				
Service revenues	\$ 595	\$ 587	\$ 3,364	\$ 3,472
Investment income	13	8	60	32
Total revenues	608	595	3,424	3,504
Operating expenses ⁽¹⁾				
Operations and maintenance	261	273	1,760	1,784
Total operating expenses	261	273	1,760	1,784
Net revenues	\$ 347	\$ 322	\$ 1,664	\$ 1,720
Aggregate debt service ⁽²⁾	\$ 252	\$ 252	\$ 1,259	\$ 1,258
Debt service coverage ⁽³⁾, (min 1.15x)	1.38 x	1.28 x	1.32 x	1.37 x

⁽¹⁾ Excludes depreciation.

⁽²⁾ On June 19, 2013, the closing date of the District Energy System Refunding Revenue Bonds, 2013 Series A, the JEA covenanted to deposit into the 2013 Series A Bonds Subaccount from Available Water and Sewer System Revenues an amount equal to the Aggregate DES Debt Service Deficiency that exists with respect to the 2013 Series A Bonds, in the event that the amount on deposit in the Debt Service Account in the Debt Service Fund in accordance with the District Energy System Resolution is less than Accrued Aggregate Debt Service as of the last business day of the then current month.

⁽³⁾ Net revenues divided by aggregate debt service. Minimum annual coverage is 1.15x.

Issue/Average Coupon Rate	Interest Rates	Principal Payment Dates	Par Amount Outstanding	Current Portion of Long-Term Debt
Electric System - Fixed Rate Bonds				
Series Three 2004 A	5.000%	2039	\$ 5,000	\$ -
Series Three 2005 B	4.750%	2033	100,000	-
Series Three 2009 D - BABs	6.056%	2033-2044	45,955,000	-
Series Three 2010 A	4.000%	2019	5,070,000	5,070,000
Series Three 2010 C	4.500%	2031	1,290,000	-
Series Three 2010 D	4.250 - 5.000%	2020-2038	1,205,000	-
Series Three 2010 E - BABs	5.350 - 5.482%	2028-2040	34,255,000	-
Series Three 2012A	4.000 - 4.500%	2027-2033	16,210,000	-
Series Three 2012B	2.000 - 5.000%	2019-2039	85,615,000	725,000
Series Three 2013A	3.000 - 5.000%	2019-2026	49,050,000	8,990,000
Series Three 2013B	3.000 - 5.000%	2026-2038	7,500,000	-
Series Three 2013C	4.600 - 5.000%	2019-2030	10,555,000	1,700,000
Series Three 2014A	3.500 - 5.000%	2019-2034	9,350,000	1,285,000
Series Three 2015A	3.000 - 5.000%	2019-2041	59,005,000	155,000
Series Three 2015B	3.375 - 5.000%	2019-2031	17,225,000	6,945,000
Series Three 2017A	5.000%	2019	18,670,000	18,670,000
Series Three 2017B	3.375 - 5.000%	2026-2039	198,095,000	-
Total Fixed Rate Senior Bonds			559,155,000	43,540,000
2009 Series F - BABs	4.900 - 6.406%	2019-2034	62,155,000	1,550,000
2009 Series G	4.000 - 5.000%	2019	14,665,000	14,665,000
2010 Series B	4.000 - 5.000%	2019-2020	3,115,000	960,000
2010 Series D - BABs	4.150 - 5.582%	2019-2027	42,050,000	2,705,000
2012 Series A	3.250 - 5.000%	2019-2033	55,515,000	2,655,000
2012 Series B	3.250 - 5.000%	2019-2037	50,030,000	2,215,000
2013 Series A	3.000 - 5.000%	2019-2030	37,330,000	2,780,000
2013 Series B	3.000 - 5.000%	2019-2026	17,165,000	2,870,000
2013 Series C	1.375 - 5.000%	2019-2038	74,750,000	885,000
2013 Series D	4.375 - 5.250%	2019-2035	50,115,000	20,830,000
2014 Series A	4.000 - 5.000%	2019-2039	94,265,000	14,635,000
2017 Series A	3.000%	2019	1,290,000	1,290,000
2017 Series B	3.375 - 5.000%	2019-2034	171,700,000	1,055,000
Total Fixed Rate Subordinated Bonds			674,145,000	69,095,000
Total Fixed Rate Electric System Bonds/4.558%			1,233,300,000	112,635,000
Electric System - Variable Rate Bonds				
	Current Interest Rates (1)			
Series Three 2008 A - Weekly	1.712%	2027-2036	51,680,000	-
Series Three 2008 B-1 - Weekly	2.114%	2019-2040	59,620,000	425,000
Series Three 2008 B-2 - Weekly	1.712%	2025-2040	41,900,000	-
Series Three 2008 B-3 - Weekly	1.712%	2024-2036	37,000,000	-
Series Three 2008 B-4 - Weekly	2.114%	2019-2036	49,010,000	425,000
Series Three 2008 C-1 - Weekly	1.720%	2024-2034	44,145,000	-
Series Three 2008 C-2 - Weekly	1.720%	2024-2034	43,900,000	-
Series Three 2008 C-3 - Flex	1.879%	2030-2038	25,000,000	-
Series Three 2008 D-1 - Weekly	2.114%	2019-2036	106,275,000	2,745,000
Total Variable Rate Senior Bonds			458,530,000	3,595,000
Series 2000 A - Flex	1.829%	2021-2035	30,965,000	-
Series 2000 F-1 - Flex	1.857%	2026-2030	37,200,000	-
Series 2000 F-2 - Flex	1.854%	2026-2030	24,800,000	-
Series 2008 D - Daily	1.717%	2024-2038	39,455,000	-
Total Variable Rate Subordinated Bonds			132,420,000	-
Total Variable Rate Bonds			590,950,000	3,595,000
Total Electric System Bonds			1,824,250,000	116,230,000
St. Johns River Power Park - Fixed Rate Bonds				
Issue 3 Series 1	4.500%	2037	100,000	-
Issue 3 Series 2	5.000%	2034-2037	29,370,000	-
Issue 3 Series 4 - BABs	4.700 - 5.450%	2019-2028	20,690,000	1,775,000
Issue 3 Series 6	2.375 - 5.000%	2019-2037	91,330,000	5,680,000
Issue 3 Series 7	2.000 - 5.000%	2019-2033	79,500,000	4,120,000
Issue 3 Series 8	2.000 - 5.000%	2019-2039	57,895,000	2,205,000
Total Fixed Rate St. Johns River Power Park Bonds/4.014%			278,885,000	13,780,000
Bulk Power Supply System, Scherer 4 Project - Fixed Rate Bonds				
Series 2010A - BABs	4.800 - 5.920%	2019-2030	34,355,000	2,140,000
Series 2014A	2.000 - 4.125%	2019-2038	60,655,000	4,010,000
Total Fixed Rate Bulk Power Supply System Bonds/4.324%			95,010,000	6,150,000
Weighted Average Cost(2) / Total Outstanding Debt		3.424%	\$ 2,198,145,000	\$ 136,160,000

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

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

	Current YTD	Prior YTD	Year End Target
• Debt Ratio - Electric Enterprise Func	67.8%	74.5%	63.9%
	Electric System	Power Park	Issue Three
• Remaining New Money Authorization	\$ 465,160,992	103,865,000	
• Remaining Senior Refunding Authorizator	\$ 1,022,837,381	250,810,000	
• Remaining Subordinated Refunding Authorizator	\$ 634,898,000	n/a	

Water and Sewer System
Principal Amount of Debt Outstanding and Average Interest Rates
February 2019

Issue/Average Coupon Rate	Interest Rates	Principal Payment Dates	Par Amount Outstanding	Current Portion of Long-Term Debt
Fixed Rate Bonds				
2009 Series B	3.7500%	2019	\$ 8,915,000	\$ 8,915,000
2010 Series A - BABs	6.210 - 6.310%	2026-2044	83,115,000	-
2010 Series B - Taxable	5.200 - 5.700%	2019-2025	12,110,000	1,730,000
2010 Series D	4.000 - 5.000%	2019-2039	24,125,000	5,015,000
2010 Series E	4.000 - 5.000%	2023-2039	8,570,000	-
2010 Series F - BABs	3.900 - 5.887%	2019-2040	42,095,000	2,395,000
2012 Series A	3.000 - 5.000%	2019-2041	153,175,000	1,070,000
2012 Series B	2.250 - 5.000%	2019-2037	73,270,000	1,280,000
2013 Series A	4.500 - 5.000%	2019-2027	17,575,000	12,580,000
2014 Series A	2.000 - 5.000%	2019-2040	212,960,000	5,625,000
2017 Series A	3.125 - 5.000%	2022-2041	360,775,000	-
Total Fixed Rate Senior Bonds			996,685,000	38,610,000
2010 Series A	5.000%	2019	2,790,000	2,790,000
2010 Series B	4.000 - 5.000%	2023-2025	2,060,000	-
2012 Series B	3.250 - 5.000%	2030-2043	29,685,000	-
2013 Series A	2.125 - 5.000%	2019-2029	25,210,000	5,365,000
2017 Series A	2.750 - 5.000%	2021-2034	58,940,000	-
Total Fixed Rate Subordinated Bonds			118,685,000	8,155,000
Total Fixed Rate Bonds/4.531%			1,115,370,000	46,765,000
Variable Rate Bonds		Current Interest Rates (1)		
2006 Series B - CPI Bonds	3.931% (2)	2019-2022	24,850,000	5,740,000
2008 Series A-2 - Weekly	1.627%	2028-2042	51,820,000	-
2008 Series B - Weekly	1.723%	2023-2041	85,290,000	-
Total Variable Rate Senior Bonds			161,960,000	5,740,000
2008 Series A-1 - Daily	1.629%	2019-2038	48,850,000	2,200,000
2008 Series A-2 - Weekly	1.635%	2030-2038	25,600,000	-
2008 Series B-1 - Weekly	1.704%	2030-2036	30,885,000	-
Total Variable Rate Subordinated Bonds			105,335,000	2,200,000
Total Variable Rate Bonds			267,295,000	7,940,000
Other Obligations				
Revolving Credit Agreement	3.649%	2021	5,000,000	-
Total Other Obligations			5,000,000	-
Weighted Average Cost(3) / Total Outstanding Debt		3.603%	\$ 1,387,665,000	\$ 54,705,000

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

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

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

	Current YTD	Prior YTD	Year End Target
• Debt Ratio - Water and Sewer	46.8%	51.6%	44.0%
• Remaining New Money Authorization	\$ 218,078,023		
• Remaining Refunding Authorization	\$ 794,813,942		

JEA
District Energy System
Principal Amount of Debt Outstanding and Average Interest Rates
February 2019

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

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

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

JEA
INVESTMENT PORTFOLIO REPORT
February 2019
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	\$ 142,471,085	2.26%	14.82%	14.62%	15.45%
<u>Agencies</u>					
Federal Farm Credit Bank	47,535,115	1.76%	4.95%	4.09%	4.70%
Federal Home Loan Bank	233,195,992	2.24%	24.26%	22.66%	21.45%
Total	280,731,107	2.16%	29.20%	26.75%	26.16%
Municipal Bonds	201,136,793	2.72%	20.92%	17.32%	17.97%
Commercial Paper	100,403,579	2.70%	10.45%	14.06%	13.04%
U.S. Treasury Money Market Funds (1)	40,584,573	2.31%	4.22%	6.59%	5.11%
Agency Money Market Funds (2)	38,825,000	2.34%	4.04%	3.29%	1.70%
FEITF Money Market Fund	7,500,000	2.60%	0.78%	0.65%	1.26%
Florida Prime Fund	126,120,000	2.66%	13.12%	14.03%	12.95%
<u>Wells Fargo Bank Accounts (3)</u>					
Electric, Scherer	16,057,181	2.40%	1.67%	1.89%	3.79%
SJRPP	5,878,458	2.40%	0.61%	0.73%	1.35%
Water & Sewer, DES	1,538,029	2.40%	0.16%	0.06%	1.23%
Total Portfolio	\$ 961,245,806	2.44%	100.00%	100.00%	100.00%

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

Weighted Avg. Annual Yield for February 2019, Excluding Bank & Money Market Funds: 2.41%

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

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
February 2019**

JEA Debt Management Swaps Variable to Fixed

ID	Dealer	Effective Date	Termination Date	Electric System Allocation	Water/Sewer Allocation	Fixed Rate	Floating Rate (1)	Spread	Rate Cap	Index
1	Goldman Sachs	9/18/2003	9/18/2033	\$ 84,800,000	\$ -	3.717	1.706	2.011	n/a	68% 1 mth Libor
3	Morgan Stanley	1/27/2005	10/1/2039	82,575,000	-	4.351	1.614	2.737	n/a	SIFMA
4	JPMorgan	1/27/2005	10/1/2035	85,200,000	-	3.661	1.706	1.955	n/a	68% 1 mth Libor
6	JPMorgan	1/27/2005	10/1/2037	39,175,000	-	3.716	1.706	2.010	n/a	68% 1 mth Libor
7	Morgan Stanley	10/31/2006	10/1/2022	-	24,850,000	4.039	3.931	0.108	n/a	CPI
8	Morgan Stanley	1/31/2007	10/1/2031	62,980,000	-	3.907	1.614	2.293	n/a	SIFMA
9	Merrill Lynch	3/8/2007	10/1/2041	-	85,290,000	3.895	1.614	2.281	n/a	SIFMA
10	Goldman Sachs	1/31/2008	10/1/2036	51,680,000	-	3.836	1.614	2.222	n/a	SIFMA
Total				<u>\$ 406,410,000</u>	<u>\$ 110,140,000</u>	Wtd Avg Spread		2.126		

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

	Month February			Year-to-Date February		
	2019	2018	Variance	2019	2018	Variance
Electric revenues sales (000's omitted):						
Residential	\$ 39,304	\$ 38,408	2.33%	\$ 231,573	\$ 244,168	-5.16%
Commercial	24,162	23,831	1.39%	148,562	151,934	-2.22%
Industrial	12,637	11,554	9.37%	77,037	80,434	-4.22%
Public street lighting	1,082	1,053	2.75%	5,442	5,348	1.76%
Sales for resale - territorial	-	-		-	3,775	-100.00%
Electric revenues - territorial	77,185	74,846	3.13%	462,614	485,659	-4.75%
Sales for resale - off system	99	55	80.00%	2,272	775	193.16%
Electric revenues	77,284	74,901	3.18%	464,886	486,434	-4.43%
Less: rate stabilization & recovery	4,576	19,378	76.39%	28,160	49,292	42.87%
Less: allowance for doubtful accounts	(73)	(17)	329.41%	(539)	(291)	85.22%
Net electric revenues	81,787	94,262	-13.23%	492,507	535,435	-8.02%
MWh sales						
Residential	340,110	328,957	3.39%	2,015,001	2,132,313	-5.50%
Commercial	241,745	235,761	2.54%	1,509,974	1,544,713	-2.25%
Industrial	172,050	164,055	4.87%	1,058,018	1,087,320	-2.69%
Public street lighting	4,583	4,640	-1.23%	24,356	24,970	-2.46%
Sales for resale - territorial	-	-		-	38,640	-100.00%
Total MWh sales - territorial	758,488	733,413	3.42%	4,607,349	4,827,956	-4.57%
Sales for resale - off system	2,142	300	614.00%	59,132	15,882	272.32%
Total MWh sales	760,630	733,713	3.67%	4,666,481	4,843,838	-3.66%
Number of accounts (1)						
Residential	417,655	408,742	2.18%	416,072	407,794	2.03%
Commercial	52,894	52,269	1.20%	52,784	52,186	1.15%
Industrial	195	197	-1.02%	196	198	-1.01%
Public street lighting	3,834	3,755	2.10%	3,824	3,758	1.76%
Sales for resale - territorial	-	-		-	1	-100.00%
Total average accounts	474,578	464,963	2.07%	472,876	463,937	1.93%
Residential averages						
Revenue per account - \$	94.11	93.97	0.15%	556.57	598.75	-7.04%
kWh per account	814	805	1.12%	4,843	5,229	-7.38%
Revenue per kWh - ¢	11.56	11.68	-1.03%	11.49	11.45	0.35%
Degree days						
Heating degree days	83	68	15	803	866	(63)
Cooling degree days	74	105	(31)	526	550	(24)
Total degree days	157	173	(16)	1,329	1,416	(87)
Degree days - 30 year average	275		1,441			

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

	Month February			Year-to-Date February		
	2019	2018	Variance	2019	2018	Variance
Water						
<i>Revenues (000's omitted):</i>						
Residential	\$ 6,644	\$ 7,035	-5.56%	\$ 37,679	\$ 37,057	1.68%
Commercial and industrial	3,657	3,916	-6.61%	19,319	19,518	-1.02%
Irrigation	1,960	1,889	3.76%	11,884	12,192	-2.53%
Total water revenues	12,261	12,840	-4.51%	68,882	68,767	0.17%
Less: rate stabilization	(944)	(994)	-5.03%	(5,554)	(5,601)	-0.84%
Less: allowance for doubtful accounts	(8)	(18)	-55.56%	(71)	(96)	-26.04%
Net water revenues	\$ 11,309	\$ 11,828	-4.39%	\$ 63,257	\$ 63,070	0.30%
<i>Kgal sales (000s omitted)</i>						
Residential	1,134,836	1,186,363	-4.34%	6,660,893	6,659,486	0.02%
Commercial and industrial	1,029,365	1,118,786	-7.99%	5,556,597	5,694,481	-2.42%
Irrigation	272,182	248,322	9.61%	1,810,045	1,901,064	-4.79%
Total kgal sales	2,436,383	2,553,471	-4.59%	14,027,535	14,255,031	-1.60%
<i>Number of accounts (1):</i>						
Residential	291,400	284,098	2.57%	290,359	283,285	2.50%
Commercial and industrial	25,929	25,650	1.09%	25,866	25,607	1.01%
Irrigation	37,072	36,955	0.32%	37,098	36,962	0.37%
Total average accounts	354,401	346,703	2.22%	353,323	345,854	2.16%
<i>Residential averages:</i>						
Revenue per account - \$	22.80	24.76	-7.92%	129.77	130.81	-0.80%
Kgals per account	3.89	4.18	-6.94%	22.94	23.51	-2.42%
Revenue per kgals - \$	5.85	5.93	-1.35%	5.66	5.56	1.80%
Sewer						
<i>Revenues (000's omitted):</i>						
Residential	\$ 10,099	\$ 10,609	-4.81%	\$ 57,138	\$ 56,184	1.70%
Commercial and industrial	8,651	9,460	-8.55%	45,244	45,308	-0.14%
Total sewer revenues	18,750	20,069	-6.57%	102,382	101,492	0.88%
Less: rate stabilization	2,094	685	205.69%	4,147	1,242	233.90%
Less: allowance for doubtful accounts	(14)	(26)	-46.15%	(108)	(143)	-24.48%
Net sewer revenues	20,830	20,728	0.49%	106,421	102,591	3.73%
<i>Kgal sales (000s omitted)</i>						
Residential	990,673	1,036,360	-4.41%	5,862,053	5,773,625	1.53%
Commercial and industrial	934,683	1,024,969	-8.81%	4,884,915	4,922,163	-0.76%
Total kgal sales	1,925,356	2,061,329	-6.60%	10,746,968	10,695,788	0.48%
<i>Number of accounts (1):</i>						
Residential	258,302	251,282	2.79%	257,277	250,497	2.71%
Commercial and industrial	18,474	18,315	0.87%	18,440	18,294	0.80%
Total average accounts	276,776	269,597	2.66%	275,717	268,791	2.58%
<i>Residential averages:</i>						
Revenue per account - \$	39.10	42.22	-7.39%	222.09	224.29	-0.98%
kgals per account	3.84	4.12	-6.80%	22.78	23.05	-1.17%
Revenue per kgals - \$	10.19	10.24	-0.49%	9.75	9.73	0.21%
Reuse						
<i>Revenues (000's omitted):</i>						
Reuse revenues	\$ 832	\$ 867	-4.04%	\$ 5,841	\$ 4,987	17.12%
<i>Kgal sales (000s omitted)</i>						
Reuse sales (kgals)	146,675	220,028	-33.34%	1,199,795	1,158,143	3.60%
<i>Number of accounts (1):</i>						
Reuse accounts	13,932	11,156	24.88%	13,434	10,812	24.25%
Rainfall						
	Diff in inches			Diff in inches		
Normal	3.19	3.19		15.33	15.33	
Actual	1.83	1.73	0.10	17.67	14.41	3.26
Rain Days	12	5	7	47	35	12

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

	Month			Year-to-Date		
	2019	February 2018	Variance	2019	February 2018	Variance
Generated power:						
Steam:						
<i>Fuel oil</i>						
Fuel expense	\$ -	\$ -		\$ 136,403	\$ 4,279,702	-96.81%
Barrels #6 oil consumed	-	-		1,214	39,555	-96.93%
\$/ per barrel consumed	\$ -	\$ -		\$ 112.36	\$ 108.20	3.85%
kWh oil generated (1)	8,167	82,898	-90.15%	1,092,734	23,686,188	-95.39%
Cost per MWh - oil	\$ -	\$ -		\$ 124.83	\$ 180.68	-30.91%
<i>Natural gas units #1-3</i>						
Gas expense - variable	\$ 2,056,567	\$ 3,163,675	-34.99%	\$ 21,870,163	\$ 12,805,214	70.79%
MMBTU's consumed	595,056	955,426	-37.72%	5,765,407	3,794,658	51.93%
\$/ per MMBTU consumed	\$ 3.46	\$ 3.31	4.37%	\$ 3.79	\$ 3.37	12.41%
kWh - gas generated (1)	55,455,268	86,624,507	-35.98%	527,512,701	345,806,314	52.55%
Cost per MWh - gas	\$ 37.09	\$ 36.52	1.54%	\$ 41.46	\$ 37.03	11.96%
Cost per MWh - gas & oil - steam	\$ 37.08	\$ 36.49	1.62%	\$ 41.63	\$ 46.24	-9.96%
<i>Coal</i>						
Coal expense	\$ 2,367,274	\$ 2,579,713	-8.23%	\$ 11,211,250	\$ 11,159,068	0.47%
kWh generated	72,967,812	76,865,245	-5.07%	267,254,427	320,850,622	-16.70%
Cost per MWh - coal	\$ 32.44	\$ 33.56	-3.33%	\$ 41.95	\$ 34.78	20.62%
<i>Pet coke and limestone</i>						
Expense	\$ 3,499,534	\$ 4,720,061	-25.86%	\$ 18,248,717	\$ 22,368,078	-18.42%
kWh generated	130,564,695	128,348,242	1.73%	496,024,020	606,236,560	-18.18%
Cost per MWh - pet coke and limestone	\$ 26.80	\$ 36.78	-27.12%	\$ 36.79	\$ 36.90	-0.29%
Cost per MWh - coal & petcoke - steam	\$ 28.82	\$ 35.57	-18.97%	\$ 38.60	\$ 36.16	6.73%
Combustion turbine:						
<i>Fuel oil</i>						
Fuel expense	\$ 95,566	\$ 63,751	49.91%	\$ 837,435	\$ 2,867,836	-70.80%
Barrels #2 oil consumed	446	361	23.55%	6,411	31,707	-79.78%
\$/ per barrel consumed	\$ 214.27	\$ 176.60	21.34%	\$ 130.62	\$ 90.45	44.42%
kWh - oil generated	116,278	197,345	-41.08%	2,302,385	12,812,487	-82.03%
Cost per MWh - oil	\$ 821.88	\$ 323.04	154.42%	\$ 363.73	\$ 223.83	62.50%
<i>Natural gas (includes landfill)</i>						
Gas expense Kennedy & landfill - variable	\$ 150,883	\$ 10,952	1277.68%	\$ 1,640,365	\$ 1,146,227	43.11%
MMBTU's consumed	44,078	9,175	380.41%	409,014	339,503	20.47%
\$/ per MMBTU consumed	\$ 3.42	\$ 1.19	186.77%	\$ 4.01	\$ 3.38	18.79%
kWh - gas generated (1)	3,438,908	445,659	671.65%	33,666,623	27,878,304	20.76%
Cost per MWh - gas	\$ 43.88	\$ 24.57	78.54%	\$ 48.72	\$ 41.12	18.50%
Gas expense BB simple - variable	\$ 117,517	\$ 241,259	-51.29%	\$ 2,108,976	\$ 1,102,823	91.23%
MMBTU's consumed	\$ 34,777	\$ 72,989	-52.35%	\$ 561,787	\$ 330,567	69.95%
\$/ per MMBTU consumed	\$ 3.38	\$ 3.31	2.23%	\$ 3.75	\$ 3.34	12.53%
kWh - gas generated (1)	3,029,150	5,864,859	-48.35%	49,355,403	27,612,076	78.75%
Cost per MWh - gas simple	\$ 38.80	\$ 41.14	-5.69%	\$ 42.73	\$ 39.94	6.99%
Gas expense BB combined - variable	\$ 6,406,625	\$ 4,718,349	35.78%	\$ 44,239,252	\$ 37,771,184	17.12%
MMBTU's consumed	1,869,829	1,445,474	29.36%	11,841,858	11,804,397	0.32%
\$/ per MMBTU consumed	\$ 3.43	\$ 3.26	4.97%	\$ 3.74	\$ 3.20	16.75%
kWh - gas generated (1)	278,392,298	208,468,055	33.54%	1,729,691,051	1,680,292,987	2.94%
Cost per MWh - gas combined	\$ 23.01	\$ 22.63	1.68%	\$ 25.58	\$ 22.48	13.78%
Gas expense GEC simple - variable	\$ 185,546	\$ (17,516)	-1159.29%	\$ 3,146,563	\$ 5,442,144	-42.18%
MMBTU's consumed	3,151	9,597	-67.17%	1,023,752	1,038,295	-1.40%
\$/ per MMBTU consumed	\$ 58.88	\$ (1.83)	-3326.29%	\$ 3.07	\$ 5.24	-41.36%
kWh - gas generated	(219,642)	336,513	-165.27%	89,659,012	92,044,886	-2.59%
Cost per MWh - gas simple	\$ (844.77)	\$ (52.05)	1522.94%	\$ 35.09	\$ 59.12	-40.64%
Cost per MWh - gas & oil ct	\$ 24.43	\$ 23.30	4.84%	\$ 27.29	\$ 26.26	3.92%
Natural gas expense - fixed	\$ 2,547,574	\$ 3,162,866	-19.45%	\$ 16,194,892	\$ 16,356,740	-0.99%
Total generated power:						
Fuels expense	\$ 17,427,086	\$ 18,643,110	-6.52%	\$ 119,634,016	\$ 115,299,016	3.76%
kWh generated	543,752,934	507,233,323	7.20%	3,196,558,356	3,137,220,370	1.89%
Cost per MWh	\$ 32.05	\$ 36.75	-12.80%	\$ 37.43	\$ 36.75	1.83%

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

Cost of fuels

Fuel oil #6	\$ -	\$ -		\$ 136,403	\$ 4,279,702
Natural gas units #1-3 with landfill - variable	2,056,567	3,163,675		21,870,163	12,805,214
Coal	2,367,274	2,579,713		11,211,250	11,159,068
Petcoke	3,499,534	4,720,061		18,248,717	22,368,078
Fuel oil #2	95,566	63,751		837,435	2,867,836
Natural gas - simple cycle (BB & GEC) - variable	453,946	234,695		6,895,904	7,691,194
Natural gas - combined (BB) - variable	6,406,625	4,718,349		44,239,252	37,771,184
Natural gas - fixed	2,547,574	3,162,866		16,194,892	16,356,740
Total	\$ 17,427,086	\$ 18,643,110		\$ 119,634,016	\$ 115,299,016

	Month February			Year-to-Date February		
	2019	2018	Variance	2019	2018	Variance
Production Statistics (Continued)						
Purchased power:						
<i>Plant Scherer</i>						
Purchases	\$ 5,790,865	\$ 5,028,108	15.17%	\$ 26,656,445	\$ 26,197,612	1.75%
kWh purchased	92,662,000	97,819,000	-5.27%	580,628,000	553,306,000	4.94%
Cost per MWh	\$ 62.49	\$ 51.40	21.58%	\$ 45.91	\$ 47.35	-3.04%
<i>TEA & other</i>						
Purchases	\$ 7,689,158	\$ 10,288,414	-25.26%	\$ 49,126,673	\$ 43,414,347	13.16%
kWh purchased	188,911,194	230,799,811	-18.15%	1,112,847,099	809,800,107	37.42%
Cost per MWh	\$ 40.70	\$ 44.58	-8.69%	\$ 44.15	\$ 53.61	-17.66%
<i>SJRPP</i>						
Purchases	\$ 2,441,194	\$ 10,061,351	-75.74%	\$ 11,905,476	\$ 45,351,104	-73.75%
kWh purchased	-	-		-	539,759,000	-100.00%
Cost per MWh				\$	84.02	
Total purchased power:						
Purchases	\$ 15,921,217	\$ 25,377,873	-37.26%	\$ 87,688,594	\$ 114,963,063	-23.72%
kWh purchased	281,573,194	328,618,811	-14.32%	1,693,475,099	1,902,865,107	-11.00%
Cost per MWh	\$ 56.54	\$ 77.23	-26.78%	\$ 51.78	\$ 60.42	-14.29%
Subtotal - generated and purchased power:	\$ 33,348,303	\$ 44,020,983	-24.24%	\$ 207,322,610	\$ 230,262,079	-9.96%
Fuel interchange sales	(46,669)	(5,099)	815.26%	(2,022,059)	(524,436)	285.57%
Earnings of The Energy Authority	(115,736)	503,141	-123.00%	(758,414)	(2,686,505)	-71.77%
Realized and Unrealized (Gains) Losses	796,320	1,794,520	-55.62%	(4,638,200)	1,963,780	-336.19%
Fuel procurement and handling	1,357,326	810,708	67.42%	5,446,533	4,158,381	30.98%
By product reuse	624,083	1,394,080	-55.23%	2,866,661	5,439,527	-47.30%
Total generated and net purchased power:						
Cost, net	35,963,627	48,518,333	-25.88%	208,217,131	238,612,826	-12.74%
kWh generated and purchased	825,326,128	835,852,134	-1.26%	4,890,033,455	5,040,085,477	-2.98%
Cost per MWh	\$ 43.58	\$ 58.05	-24.93%	\$ 42.58	\$ 47.34	-10.06%
Reconciliation:						
Generated and purchased power per above	\$ 35,963,627	\$ 43.58		\$ 208,217,131	\$ 42.58	
SJRPP operating expenses:						
SJRPP O & M	(395,663)	(0.48)		(2,049,505)	(0.42)	
SJRPP debt service	(1,789,903)	(2.17)		(8,577,825)	(1.75)	
SJRPP R & R	(255,630)	(0.31)		(1,278,147)	(0.26)	
SCHERER operating expenses:						
Scherer power production	(715,396)	(0.87)		(2,863,920)	(0.59)	
Scherer R & R	(1,764,780)	(2.14)		(5,337,425)	(1.09)	
Scherer transmission	(503,815)	(0.61)		(2,424,503)	(0.50)	
Scherer taxes	(105,624)	(0.13)		(551,280)	(0.11)	
Florida and other capacity	(1,334,888)	(1.62)		(6,603,618)	(1.35)	
MEAG	(972,532)	(1.18)		(4,913,161)	(1.00)	
Rounding	-	-		-	-	
Energy expense per budget page	\$ 28,125,396	\$ 34.08		\$ 173,617,747	\$ 35.50	

	Month		Year-to-Date	
	2019	2018	2019	2018
MWh sales				
JEA	-	-	-	539,759
FPL saleback	-	-	-	332,467
FPL direct portion	-	-	-	218,056
Total MWh sales	-	-	-	1,090,282
Fuel costs	\$ 396,785	\$ 8,199,760	\$ 2,056,059	\$ 30,175,685
(Includes fuel handling expenses)				
Less interest credits: inventory bank	(866)	-	(9,208)	(41,170)
Plus (less): true-up interest	(257)	-	(1,746)	5,992
Total	395,662	8,199,760	2,045,105	30,140,507
Cost per MWh				\$ 55.84
Operating and maintenance expenses	-	830,364	4,399	5,444,863
Less: operations bank interest	-	(524)	-	(7,903)
Less: annual variable o & m true-up	-	-	-	3,444
Total	-	829,840	4,399	5,440,404
Cost per MWh				\$ 10.08
Debt service contribution				
Principal	1,148,333	143,333	5,741,667	6,809,635
Interest	927,323	933,773	4,636,613	5,613,658
Less credits:				
Reserve Issue 2	-	-	-	4,082,537
Reserve Issue 3	(20,598)	(9,171)	(108,962)	(126,411)
Debt service Issue 2	-	-	-	43,365
Debt service Issue 3	(229)	(2,348)	(5,261)	(5,217)
Bond proceeds COB	(36,635)	-	(296,710)	(23,091)
General reserve Issue 2	(91,603)	(11,348)	(93,544)	(84,717)
General reserve Issue 3	(4,095)	(851)	(638,102)	(28,297)
Build America Bonds subsidy	(28,635)	(30,621)	(143,174)	(153,106)
Inventory carrying costs	-	(66,105)	-	(323,456)
Total	1,893,861	956,662	9,092,527	15,804,900
Cost per MWh				\$ 29.28
R & R contribution	255,629	75,089	1,278,147	998,197
Less: interest credit	(103,958)	-	(514,702)	(346,170)
Less: cumulative capital recovery amount	-	-	-	(6,686,734)
Total	151,671	75,089	763,445	(6,034,707)
Cost per MWh				\$ (11.18)
Debt service coverage	-	-	-	2,022,000
Transfer to JEA	-	-	-	(2,022,000)
Total	-	-	-	-
Cost per MWh				\$ -
Total	\$ 2,441,194	\$ 10,061,351	\$ 11,905,476	\$ 45,351,104
kWh purchased	-	-	-	539,759,000
Cost per MWh				\$ 84.02



INTER-OFFICE MEMORANDUM

March 5, 2019

SUBJECT: WATER CONSERVATION MONTH

FROM: Aaron F. Zahn, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

The state designates April as Florida's Water Conservation Month. JEA partners with the State and Water Management District in joint messaging to promote conservation.

DISCUSSION:

The Floridian Aquifer is our source of water. Conservation is a key component to ensure sustainability of the aquifer, and JEA supports and promotes these efforts through messaging such as Water Conservation Month.

RECOMMENDATION:

Staff recommends that Resolution 2019-02 be adopted by the Board to highlight and support April as Florida's Water Conservation Month.

Aaron F. Zahn, Managing Director/CEO

AFZ/PKS/

Resolution 2019-02

A RESOLUTION OF THE JEA BOARD OF DIRECTORS TO
HIGHLIGHT AND SUPPORT APRIL AS FLORIDA'S WATER
CONSERVATION MONTH

WHEREAS, The State of Florida, Water Management Districts, local governments and JEA are working together to increase awareness about the importance of water conservation; and

WHEREAS, the State of Florida has designated April, typically a dry month when water demands are most acute, Florida's Water Conservation Month, to educate citizens about how they can help save Florida's precious water resources; and

WHEREAS, JEA is responsible for delivering clean, safe water to its customers while helping ensure our water supply is sustainable for the future; and

WHEREAS, JEA encourages and supports water conservation through various educational programs and special events and the One Water campaign; and

WHEREAS, JEA and every business, industry, school and citizen can make a difference when it comes to conserving water; and

WHEREAS, JEA and every business, industry, school and citizen can help by saving water and thus promote a healthy economy and community; and

NOW, THEREFORE, be it resolved that by virtue of the authority vested in me as Chair of the Board of Directors of JEA do hereby highlight and support the month of April as:

Water Conservation Month

JEA encourages its employees, customers, and area citizens to help protect our precious resource by practicing water saving measures and becoming more aware of the need to save and use water wisely.

Adopted this 26th day of March, 2019.

JEA

G. Alan Howard, Chair

Form Approved:

Lawsikia Hodges



Customer & Community Engagement Overview and Update March FY19

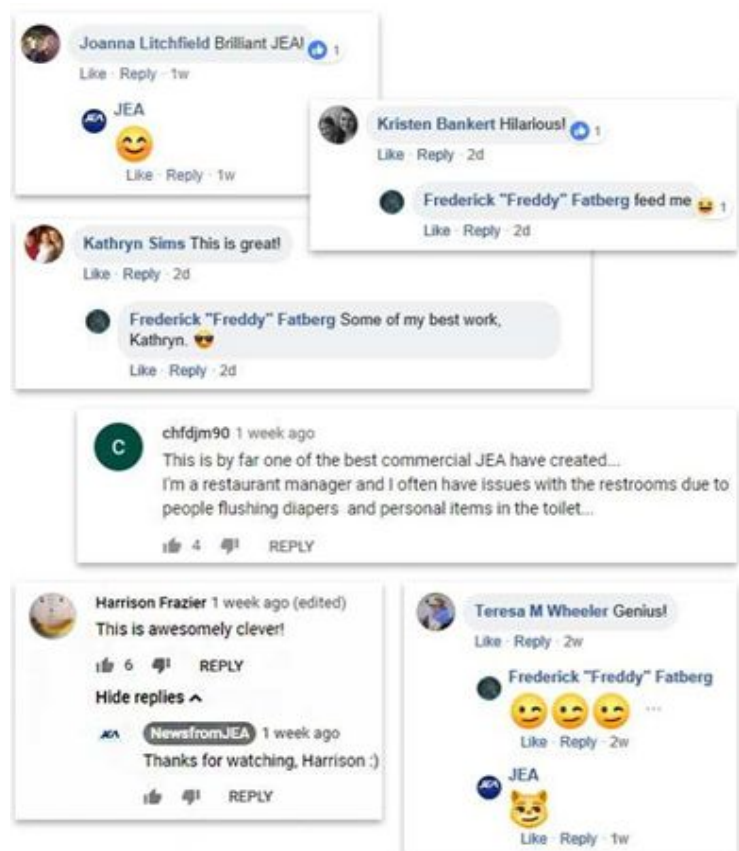
Each month, we update the board on Customer & Community Engagement activities for the previous and current months. The purpose is to keep you apprised on these activities so that you are knowledgeable about JEA's efforts to keep our customers informed, to assist them in the management of their utility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

Customer Communications

In February, JEA rolled out the full Invasion of the Fatbergs digital marketing campaign. The month-long Fatberg Invasion campaign officially kicked off on January 28th with teasers beginning the week prior. The campaign's purpose was to educate customers about what fatbergs are and how to stop them. JEA's Wastewater Treatment System is designed to dispose of human waste and toilet paper only. Many other commonly flushed items lead to the formation of fatbergs which cause damage to JEA's wastewater collection system and the treatment process.

The main feature of the campaign was the Invasion of the Fatberg trailer which was shared on YouTube and Facebook. We also promoted the video through JEA social media, email, jea.com, digital billboards, and signage around JEA facilities. JEA employees around the company also joined the fight against fatbergs by sharing the video with family, friends, and colleagues. The Key Accounts team worked directly with their business accounts to promote the video and to educate them on the problems with flushing items that are non-biodegradable. They even distributed Invasion of the Fatbergs posters to many of their accounts to hang around their facilities.

Overall the campaign was a huge success. Fatberginvasion.com has been visited by people in 48 states and 61 countries. The Fatberg Invasion videos were viewed over one million times between Facebook and YouTube and customers, wastewater utilities and other organizations around the country have viewed and shared the campaign with their networks.



Community Engagement

JEA employees participated in numerous Ambassador events and Volunteer activities throughout the month of February, with Ambassadors participating in 29 activities and volunteers serving 836 hours in the community.

JEA Ambassadors

February was a busy month for Ambassadors with the kick-off of the spring Power Pals Program and multiple community events. Through the JEA Power Pals Programs, first graders are taught the importance of electric safety and how to identify potential dangers in their home by JEA Ambassadors. Throughout the month JEA Ambassadors also participated in the Manatee Fest, FL Robotics Competition, World of Nations and the Spring Home & Patio Show.

Facility tours were conducted for the City of Jacksonville Beach wastewater treatment staff, Tulsa Welding School, and the BOMA Group. Ambassadors were requested to speak to several groups which included SP Livingston Elementary and SOS Academy.

Employee Volunteerism

In February, 151 JEA employees volunteered 836 hours in the community, connecting with customers and assisting with numerous nonprofit projects and activities. From volunteering at the PACE Center for Girls to assisting the Catholic Charities Food Pantry, JEA employees gave generously of their time and talents for the benefit of our community.

JEA employees also volunteered time at USO No Dough Dinner, Farm Share, Catty Shack Ranch, Cathedral Terrace Café, HabiJax Builds, Callahan Food Distribution, Barkin' Biscuits at Berry Good Farms, the Donna Marathon, NE FL Regional Science & Engineering Fair, DLC N&L Valentines Dance, Eden Gardens, MATHCOUNTS, Big Talbot Island Cleanup, NE FL Construction Career Days, Dr. Seuss Reading Day, ER Preparedness Exercise at JIA, and PACE Family Event.

JEA employees take great pride in the Ambassador and Volunteer programs, which are a tangible demonstration for our customers and our community of the "Heart of JEA."

JEA Community Engagement Calendar - February - April 2019

Date	Event/Activity	Location	Time	Type
Feb-19				
2/1/2019	Water Contractor	Main St Lab Tour	9am	Ambassador Facility Tour
2/5/2019	SP Livingston STEM Career	1128 Barber St	9am	Ambassador Speakers
2/6 - 2/7/2019	PACE Center for Girls	University Blvd.	9am	Volunteer Activity
2/6/2019	Waverly Academy Career Day	5701 Wesconnet Blvd	9am	Ambassador Event
2/8/2019	Barkin' Biscuits	Berry Good Farms	9am	Volunteer Activity
2/8/2019	Hyde Park Elem. Career Day	5300 Park St.	9am	Ambassador Event
2/8/2019	Chappell School	3951 Emerson St.	10am	Ambassador Instructors
2/8 - 2/9/2019	Donna Marathon Expo	Old K-Mart, Neptune Bch.	8:30am	Volunteer Activity
2/9/2019	FL STEM Expo	River City Science Academy	10am - 2pm	Ambassador Event
2/10/2019	Donna Marathon	Seahorse Inn	8am	Volunteer Activity
2/11/2019	Callahan Food Distribution	Nassau County Extension Ofc.	12:30pm	Volunteer Activity
2/11/2019	JEA Power Pals	Rufus Payne Elem.	1:45pm	Ambassador Instructors
2/11/2019	NEFRSEF	Morocco Shrine	7:30am	Volunteer Activity
2/12/2019	SP Livingston STEM Career	1128 Barber St	9am	Ambassador Speakers
2/13/2019	Catholic Charities	Church St.	9:30am	Volunteer Activity
2/13/2019	DLC N & L Valentines Dance	College St.	9am	Volunteer Activity
2/14/2019	Waterleak Elem. Career Day	450 Kernan Blvd.	8:30am	Ambassador Event
2/15/2019	Catty Shack	1860 Starratt Rd.	10am	Volunteer Activity
2/15/2019	COJ Senior Serv.	117 W Duval St	10am	Ambassador Speaker
2/16/2019	Eden Gardens	9179 Gardens St.	8am	Volunteer Activity
2/16/2019	Manatee Fest	Jax Zoo	10am - 2pm	Ambassador Event
2/19/2019	SP Livingston STEM Career	1128 Barber St	9am	Ambassador Speakers
2/20/2019	JEA Power Pals	North Shore Elem.	10am	Ambassador Instructor
2/20/2019	JEA Senior Day	JEA Lobby	1pm	Ambassador Event
2/21/2019	Farm Share	Jessie St.	9am - 12pm	Volunteer Activity

JEA Community Engagement Calendar - February - April 2019

Date	Event/Activity	Location	Time	Type
2/21/2019	Cathedral Terrace Café	Newnan St.	11am - 1pm	Volunteer Activity
2/21/2019	Ed White Career fair	1700 Old Middleburg Rd	8am	Ambassador Event
2/22/2019	HabiJax Builds	Hubbard St.	7:30am	Volunteer Activity
2/22/2019	Tulsa Welding	NW Jax Solar Tour	9:30am	Ambassador facility Tour
2/22/2019	MATHCOUNTS	UNF	7:30am	Volunteer Activity
2/22/2019	SOS Academy Career day	6974 Wilson Blvd	8am	Ambassador Event
2/23/2019	Big Talbot Island Cleanup	Big Talbot Island State Park	9am	Volunteer Activity
2/23 - 24/2019	World of Nations	Met Park	10am - 6pm	Ambassador Event
2/25/2019	Callahan Food Distribution	Nassau County Extension Ofc.	12:30pm	Volunteer Activity
2/25/2019	JEA Power Pals	Rufus Payne Elem.	1:45pm	Ambassador Instructor
2/25/2019	USO No Dough Dinner	Mayport Blvd.	10am	Volunteer Activity
2/26/2019	SP Livingston STEM Career	1128 Barber St	9am	Ambassador Speakers
2/26 - 2/28/2019	Construction Career Days	Equestrian Center	7am	Volunteer Activity
2/26 - 2/28/2019	Construction Career Days	Equestrian Center	7am	Ambassador Event
2/27/2019	JEA Power Pals	North Shore Elem.	10am	Ambassador Instructor
2/27/2019	Dr. Seuss Reading Day	Love Grove Elem	9:30am	Volunteer Activity
2/28/2019	PACE Family Night	2933 University Blvd.	9am	Volunteer Activity
2/28/2019	PACE Family Night	2933 University Blvd.	5:30pm	Ambassador Event
2/28/2019	ER Prep Exercise JAA	JIA	10pm	Volunteer Activity
2/28 - 3/3/2019	Spring Home & Patio Show	Prime Osborn	10am - 9pm	Ambassador Event
Mar-19				
3/1/2019	City of Jax Beach WWTP	Mandarin Plant	9am	Ambassador Facility Tour
3/1/2019	Buckman Bridge Unitarian Church	8447 Manresa Ave.	7pmn	Ambassador Speaker
3/2/2019	Eden Gardens	9179 Gardens St.	8am	Volunteer Activity
3/2/2019	Jax Science Fest	Seawalk Pavilion	10am - 2pm	Ambassador Event
3/4/2019	JEA Power Pals	Rufus Payne Elem.	1:45pm	Ambassador Instructor
3/4/2019	IEEE IAS Electrical Safety Group	NGS Tour	8am	Ambassador Facility Tour
3/4/2019	Twin Lakes Middle	Main St Lab	10:30am	Ambassador Facility Tour

JEA Community Engagement Calendar - February - April 2019

Date	Event/Activity	Location	Time	Type
3/6/2019	JEA Power Pals	North Shore Elem.	10am	Ambassador Instructor
3/7/2019	JEA Power Pals	St Clair Evans Elem.	10am	Ambassador Instructor
3/7/2019	St Johns Tech High	Mandarin Plant Tour	10am	Ambassador facility Tour
3/7 - 3/8/2019	GATE River Run Expo	Jax. Fairgrounds	Multiple Shifts	Volunteer Activity
3/8/2019	Barkin' Biscuits	Berry Good Farms	9am	Volunteer Activity
3/9/2019	JEA Water Station GATE Run	2 mi. mark Riverplace Blvd.	6am	Volunteer Activity
3/11/2019	Callahan Food Distribution	Nassau County Extension Ofc.	12:30pm	Volunteer Activity
3/11/2019	JEA Power Pals	Rufus Payne Elem.	1:45pm	Ambassador Instructor
3/11/2019	Hope at Hand	3886 Atlantic Blvd.	1pm	Volunteer Activity
3/11/2019	USO No Dough Dinner	Mayport Blvd.	10am	Volunteer Activity
3/13/2019	Catholic Charities	134 E. Church St.	9:30am	Volunteer Activity
3/13/2019	JEA Power Pals	North Shore Elem.	10am	Ambassador Instructor
3/14/2019	BEAM Food Bank	6th Ave.	1pm	Volunteer Activity
3/14/2019	Brentwood Neighborhood Job Fair	3465 Village Center Dr.	10am	Ambassador Event
3/15/2019	Catty Shack	1860 Starratt Rd.	10am	Volunteer Activity
3/15/2019	Girls Inc. Career fair	900 Scorn St	12pm	Ambassador Event
3/15 - 3/16/2019	St. Johns River Cleanup	Northside & Northwest JAX	9am	Volunteer Activity
3/18/2019	JEA Power Pals	Rufus Payne Elem.	1:45pm	Ambassador Instructor
3/19/2019	Pizza w/ a Professional	Terry Parker	11am	Volunteer Activity
3/19/2019	Moosehaven Lodge	1701 Park St	11am	Ambassador Speaker
3/20/2019	Sulzbacher Ctr. Breakfast	E. Adams St.	6am	Volunteer Activity
3/20/2019	JEA Power Pals	North Shore Elem.	10am	Ambassador Instructor
3/20/2019	Mayport Middle Career fair	2900 Mayport Rd.	10am	Ambassador Event
3/21/2019	Eden Gardens	9179 Gardens St.	8am	Volunteer Activity
3/21/2019	Farm Share	1502 Jessie St.	9am	Volunteer Activity
3/22/2019	Fish-A-Thon	Hanna Park	8am	Volunteer Activity
3/22/2019	Feeding NE FL Food Bank	Edgewood Ave.	8:30am	Volunteer Activity
3/25/2019	Callahan Food Distribution	Nassau County Extension Ofc.	12:30pm	Volunteer Activity

JEA Community Engagement Calendar - February - April 2019

Date	Event/Activity	Location	Time	Type
3/25/2019	USO No Dough Dinner	Mayport Blvd.	10am	Volunteer Activity
3/26/2019	Pizza w/ a Professional	Terry Parker	11am	Volunteer Activity
3/28/2019	Cathedral Terrace Café	Newnan St.	11am	Volunteer Activity
3/28/2019	Pizza w/ a Professional	Terry Parker	11am	Volunteer Activity
3/29/2019	Abess Park Elem. Career Day	12731 Abess Blvd.	9am	Ambassador Speaker
3/29/2019	UNF Engineering Class	Ridenour Plant	10am	Ambassador facility Tour
3/29/2019	Habijax Builds	Hubbard St.	7:30am	Volunteer Activity
3/29/2019	Disco Spring Fling for Seniors	Morocco Shrine	9am	Volunteer Activity
Apr-19				
4/3/2019	Health & Wellness Fair	John E Ford Elem.	6pm	Ambassador Event
4/5 - 4/6/2019	Arbor Day Festival & Greenscape Tree Giveaway	Jessie Ball DuPont Park under the Treaty Oak	9am	Volunteer Activity
4/5/2019	Neptune Bch Elem Career Day	1515 Florida Ave.	8:30am	Ambassador Event
4/6/2019	Eden Gardens	9179 Gardens St.	8:30am	Volunteer Activity
4/8/2019	Callahan Food Distribution	Nassau County Extension Ofc.	12:30pm	Volunteer Activity
4/9/2019	Pizza w/ a Professional	Terry Parker	11am	Volunteer Activity
4/10/2019	Catholic Charities	2110 Blue Ave., 32209	9:30am	Volunteer Activity
4/10/2019	HR Team Project	Theodore Roosevelt National Park	8:30am	Volunteer Activity
4/11/2019	BEAM Food Bank	6th Ave.	1:00pm	Volunteer Activity
4/11/2019	Pizza w/ a Professional	Terry Parker	11am	Volunteer Activity
4/12/2019	Senior Walk for Wellness	TIAA Field	8am	Volunteer Activity
4/12/2019	Catty Shack Team Activity	Starratt Rd.	10am	Volunteer Activity
4/12/2019	UNF Engineering Class	Buckman Plant	10am	Ambassador facility Tour
4/13/2019	FCNMHP Pet Food Bank	Cassat Ave.	9am	Volunteer Activity
4/13/2019	Int'l Migratory Bird Day	Ft. Caroline National Park	9am	Volunteer Activity
4/16/2019	Pizza w/ a Professional	Terry Parker	11am	Volunteer Activity
4/17/2019	DLC N&L Easter Egg Hunt	Edgewood Ave.	9:30am	Volunteer Activity

JEA Community Engagement Calendar - February - April 2019

Date	Event/Activity	Location	Time	Type
4/18/2019	Berry Good Farms Spring Fling JEA Team Project	Millcoe Rd.	9am	Volunteer Activity
4/18/2019	Farm Share	1502 Jessie St.	9am	Volunteer Activity
4/19/2019	FSCJ Environmental Workforce Group	Main St Lab	10:30am	Ambassador facility Tour
4/21/2019	Callahan Food Distribution	Nassau County Extension Ofc.	12:30pm	Volunteer Activity
4/22 - 4/25/2019	PACE Center for Girls	University Blvd.	9am	Volunteer Activity
4/24 - 4/25/2019	Eden Gardens	9179 Gardens St.	8:30am	Volunteer Activity
4/26-4/27/2019	Tree Hill Butterfly Festival	Tree Hill Center	9am	Volunteer Activity
4/26/2019	HabiJax Builds	Hubbard St.	7:30am	Volunteer Activity
4/26/2019	Feeding NE FL Food Bank	Edgewood Ave.	8:30am	Volunteer Activity
4/26/2019	Catty Shack	Starratt Rd.	10am	Volunteer Activity
4/27/2019	8th Annual JASMYN Strides for Pride	Riverside Area	8am	Volunteer Activity



Corporate Metrics Dashboard

As of February 28, 2019

Metrics for FY19 Goals	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual
Customer Value							
JDP Customer Satisfaction Index - Residential	4th Quartile	3rd Quartile	3rd Quartile	1st Quartile	2nd Quartile	1st Quartile	2nd Quartile
JDP Customer Satisfaction Index - Business	4th Quartile	4th Quartile	1st Quartile	1st Quartile	1st Quartile	1st Quartile	1st Decile
Customer Response Time (min.): W/WW System	70	69	67	69	67	68	76
Overall First Contact Resolution	N/A	N/A	78.5%	80.9%	79.4%	79.4%	79.0%
Estimated Time of Restoration Accuracy	-	-	88%	85%	89%	82%	80%
Grid Performance: Frequency (outages/year)	2.4	1.7	1.7	1.7	1.4	1.6	1.4
Grid Performance: Outage Duration (minutes/year)	84	68	71	99	71	99.5	67
Grid Performance: CEMIS (% cust. > 5 outages/year)	n/a	n/a	2.34	2.10	1.40	1.07	0.40
Water Unplanned Outages (% cust.)	2%	1%	1%	2%	4%	1%	5%
Water Distribution System Pressure (avg min < 30 psi)	34.9	20.0	2.1	2.8	2.1	3.7	1.8
Financial Value							
Net Write-Offs	0.19%	0.15%	0.15%	0.16%	0.14%	0.14%	0.13%
Generation Fleet Reliability (forced outages rate)	0.7%	1.6%	3.0%	1.8%	2.0%	2.2%	2.1%
Percent of Net O&M Budget	92%	90%	88%	93%	93%	93%	93%
Cost Reduction Metric (\$000)	n/a	n/a	n/a	n/a	\$25,156	\$10,087	\$10,495
Community Impact Value							
Capital Invested (\$000)	\$273,774	\$234,718	\$158,392	\$204,708	\$298,045	\$307,918	\$374,456
Safety (RIIR)	1.48	1.84	2.38	1.65	1.82	2.10	1.48
JEA Volunteers	237 Activities	465 Activities	670 Activities	753 Activities	985 Activities	913 Activities	1,050 Activities
JSEB Spend (\$000)	\$9,168	\$10,121	\$7,302	\$9,318	\$9,983	\$13,365	\$15,760
Environmental Value							
Electric System Environmental Compliance (permit exceedances)	5	4	3	2	4	6	2
Consumptive Use Permit Compliance	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Nitrogen to the River (tons)	650	767	579	553	527	558	550
Sanitary Sewer Overflows (SSO's) (per 100 miles of pipe)	0.62	0.60	0.74	0.56	0.66	1.16	0.68

2019 YTD	2019 Goal	Variance
1st Quartile	1st Quartile	-
3rd Quartile	Top Decile	-
66	65	-2%
80.1%	80.0%	0%
89%	80%	12%
1.16	1.6	28%
53	75	30%
0.18	0.80	78%
0.44%	2%	78%
0.34	2.0	83%
0.14%	0.18%	22%
4.4%	2.0%	-120%
98%	95%	-3%
\$6,753	\$9,100	TBD
\$161,726	\$437,774 - \$574,578	TBD
1.48	1.40	-6%
2,660 Hours	4,800 Hours	TBD
\$7,234	\$15,000	TBD
0	4	TBD
Yes	Yes	Yes
194	616	TBD
0.36	0.58	TBD

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

2019 Forecast
\$186,310
54%
\$132,648
12,144
35,608
26,470
3,232
66
10% Complete
12
100%
2
24%

Strategic Metrics - Long Term Influence	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual
Customer Value							
Residential Electric Bill in FL (% of State Median)	101%	101%	99%	99.5%	101%	100%	98%
Residential Water/Sewer Bill in FL (% of State Median)	110%	104%	102%	100%	96%	94%	92%
Financial Value							
Consolidated Return on Equity	13%	8%	10%	12%	13%	13%	9%
Return on Net Assets	\$606,131	\$532,872	\$632,212	\$591,925	\$547,897	\$573,259	\$367,007
Unlevered Free Cash Flow: EBITDA less CAPEX (\$000)	\$1,991,311	\$2,071,286	\$2,196,006	\$2,166,909	\$2,376,928	\$2,631,545	\$2,755,310
City Contribution NPV	-	-	-	-	-	-	\$1,998,311
Electric Credit Ratings	Ao2/AA-/AA-	Ao2/AA-/AA	Ao2/AA-/AA	Ao2/AA-/AA	Ao2/AA-/AA	Ao2/AA-/AA	Ao2/A+/AA
W/WW Credit Ratings	Ao2/AA/AA	Ao2/AA/AA	Ao2/AA/AA	Ao2/AA/AA	Ao2/AAA/AA	Ao2/AAA/AA	Ao2/AAA/AA
Community Impact Value							
Employee engagement (survey)	-	71%	-	74%	72%	79%	81%
Environmental Value							
CO ₂ Emissions (lbs/MWh), net basis, w/ Scherer	1,631	1,828	1,851	1,731	1,799	1,593	1,478
Aquifer Withdrawal Limit	104	100	103	107	112	114	112
Residential Water Use Efficiency (gal. per capita per day)	88	80	75	79	81	82	75

*May contain included customers temporarily supplied with potable water

MANAGEMENT DISCUSSION

Financial

Electric Enterprise:

- FY19 sales down 4.6% compared to Feb FY18 YTD
- Sales per customer are down 6.4% compared to Feb FY18 YTD
- Degree days are down 6.1% compared to Feb FY18 YTD
- Total customers are up 1.9% compared to Feb FY18 YTD
- Revenues decreased \$73m vs. FY18 driven by SJRPP decreases, lower sales, and lower fuel stabilization transfers.
- Expenses decreased \$80m vs. FY18 with decreases in SJRPP and fuel and purchased power, partially offset by higher O&M (professional services, compensation, maintenance, industrial svcs) and depreciation due to increase in depreciable base. Decrease in fuel and purchased power was driven by lower costs and net lower volume.

Water and Sewer:

- Water sales are down 1.60% compared to Feb FY18 YTD
- Sewer sales are up 0.5% compared to Feb FY18 YTD
- Reclaimed sales are up 3.6% compared to Feb FY18 YTD
- Sales per customer down 3.2% compared to Feb FY18 YTD
- Rain days are up 34.3% (12 days) compared to Feb FY18 YTD, irrigation down 4.8% versus Feb FY18 YTD
- Total customers are up 2.7% compared to Feb FY18 YTD
- Revenues increased by \$5m vs. FY18 due to increased customer accounts, higher enviro stabilization transfers, partially offset by lower sales.
- Expenses increased \$10m vs. FY18 driven by an increase in O&M (industrial and professional services, compensation), higher environmental regulatory expenses, and depreciation due to increase in depreciable base.

DES

- Stable, minimal change from FY18

FEMA reimbursement:

- Matthew - \$5.4m of \$8.8m received
- Irra - \$0.07m of \$19m received

Operations

Two (3) OSHA recordables safety incidents for JEA in the month of February.

Electric:

- The JEA fleet Forced Outage Rate is running higher than target due to NS Unit 2 having to be derated and held at 215 mw due to a cyclone return joint rupture which is requiring the unit to be held steady at a constant temperature. NS Units 1 and 3, continue to operate with minimal issues during February.
- CEMI-5, ETR, Frequency, and Duration all performing better than goal.

Water/Sewer:

- Unplanned Water Main Outages: 157 customers experienced an outage in the month of February
- CUP: Average daily flow of 101 MGD was 25% below CY19 limit of 135 MGD; reclaimed usage at 14 MGD
- Nitrogen to River: FY19 Forecast is 491 tons this includes the deletion of 45 additional tons possible during the aeration basin project at Buckman, the project has been deferred. JEA has a limit of 683 tons per year and provides the COJ with 37 tons.



INTER-OFFICE MEMORANDUM

March 14, 2019

SUBJECT: JEA FY2018 ANNUAL DISCLOSURE REPORTS

FROM: Aaron F. Zahn, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

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

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

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

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

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

DISCUSSION:

Each Annual Disclosure Report prepared for the Systems, as referred to above, contains updated disclosure information regarding each of JEA's Systems and JEA's most recently completed fiscal year and will be used (a) to provide that information to all participants in the municipal securities market regarding JEA's outstanding debt and (b) as a basis for the disclosure information regarding JEA that is required to be given by JEA in connection with its issuances from time to time of refunding or additional debt. Among other things, the Annual Disclosure Reports contain JEA's audited financial statements for its fiscal year ended September 30, 2018, as Appendix A thereto. Official Statements and reoffering memoranda prepared by JEA in connection with its respective Systems' debt offerings and reofferings, subsequent to the date of the Annual Disclosure Reports for the Systems, incorporate by reference the relevant disclosure information contained in the respective Annual Disclosure Report and, if necessary, contain a "recent developments" section with respect to material changes in JEA's business and condition that have occurred after the date of the respective Annual Disclosure Report.

Draft Annual Disclosure Reports for the Systems for the fiscal year ended September 30, 2018, will be distributed to Members electronically following the Board's March 26, 2019 meeting. A summary sheet outlining the main topics covered in each of the Systems' Annual Disclosure Reports will be included with the respective report.

As the Board has previously requested, staff is providing these drafts one month prior to requesting approval at the April 23, 2019 Board meeting. The Chief Financial Officer and Treasurer will also be available during the following dates/times to set up meetings or calls for any questions or discussion on the Annual Disclosure Reports prior to that meeting, should those be helpful to Members in their review:

Tuesday, April 9: 9:00 am – 11:00 am

Thursday, April 11: 1:00 pm – 3:00 pm

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

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

- latest available service territory demographic and employment information
- potential Plant Vogtle developments
- potential regulatory or litigation developments
- certain swap valuations as of March 31, 2019

RECOMMENDATION:

No Board action is required. For information only at the March 26, 2019 Board meeting.

Staff will request that the Board, at its April 23, 2019 meeting, authorize and approve (i) the Annual Disclosure Reports in substantially the forms distributed to Members at its March 26, 2019 meeting, with such changes as are approved by the Managing Director/Chief Executive Officer of JEA and (ii) the filing and use of the Annual Disclosure Reports as described above.

Aaron F. Zahn, Managing Director/CEO

AFZ/RFW/JEO/RLH



INTER-OFFICE MEMORANDUM
March 11, 2019

SUBJECT: FISCAL YEAR 2019 OPERATING BUDGET LINE ITEM TRANSFERS
FROM: Aaron F. Zahn, Managing Director/CEO
TO: JEA Board of Directors

BACKGROUND

In October 2018, the Board of Directors approved the agenda item for FY19 Budgetary Transfers authorizing the Managing Director/CEO to make certain transfers within the budget. Resolution No. 2018-11 allows the Managing Director/CEO to make transfers up to \$5.0 million during a budget year. Transfers in excess of \$5.0 million during the fiscal year are brought to the Board of Directors for authorization after the fact. This agenda item requests authorization from the Board of Directors for transfers supporting JEA's financial objectives and to obtain a balanced budget.

JEA provides the Council Auditor a revised budget with supporting Funds Transfer Requests by the following month after the transfer.

DISCUSSION

Opportunities existed to transfer funds to budget line items to support JEA's financial objectives. A transfer from prior period cash balances was completed to reduce debt outstanding on both the Energy and Water and Sewer Systems. In addition, the Water and Sewer Systems transferred a one-time contribution for Septic Tank Phase Out to the City of Jacksonville and an annual true-up for the St. Johns County Interlocal Agreement.

RECOMMENDATION

Staff recommends that the Board ratify the FY2019 the budget line item transfers of:

Energy System

- \$109 million to Debt Service – Bond Buyback from Other Revenues – Energy. This entry utilizes prior period cash reserves to reduce outstanding debt. The Revenues and Appropriations for FY19 will increase by \$109 million.

Water and Sewer System

- \$99 million to Debt Service – Bond Buyback from Other Revenues – Water. This entry utilizes prior period cash reserves to reduce outstanding debt. The Revenues and Appropriations for FY19 will increase by \$99 million.
- \$16 million to Interlocal Agreements from Operating Capital Outlay. This includes the one-time contribution for Septic Tank Phase Out and annual true-up for the St. Johns County Interlocal Agreement.

Aaron F. Zahn, Managing Director/CEO

AFZ/RFW/KMQ

**JEA
FY 18/19 FUNDS TRANSFER**

Energy System
Operating Budget

TRANSFER FROM ACCOUNT	DESCRIPTION	AMOUNT
Credit		
021-Z0000-8023	Other Revenues - Energy	\$ 108,694,829
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total		\$ 108,694,829

TRANSFER TO ACCOUNT	DESCRIPTION	AMOUNT
Debit		
021-Z0000-5103	Debt Service - Bond Buyback	\$ 108,694,829
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total		\$ 108,694,829

JUSTIFICATION: Utilization of prior year balances to defease debt.

APPROVALS:

APPROVED: Julie Crawford 3/5/19
Director, Financial Planning and Analysis DATE

APPROVED: [Signature] 3/8/19
Chief Financial Officer DATE

APPROVED: [Signature] 3/8/19
Managing Director/CEO DATE

Forwarded to Council Auditor: Date: _____

**JEA
FY 18/19 FUNDS TRANSFER**

**Water and Sewer System
Operating Budget**

TRANSFER FROM ACCOUNT	DESCRIPTION	AMOUNT
Credit		
071-Z0000-8023	Other Revenues - Water	\$ 99,188,560
071-Z0000-5501	Operating Capital Outlay	15,521,392
Total		\$ 114,709,952

TRANSFER TO ACCOUNT	DESCRIPTION	AMOUNT
Debit		
071-Z0000-5103	Debt Service - Bond Buyback	\$ 99,188,560
071-Z0000-5615	Interlocal Agreements	15,521,392
Total		\$ 114,709,952

JUSTIFICATION: Utilization of prior year balances to defease debt. Also, funding of the one-time payment to the City of Jacksonville per terms of the extended City Contribution Agreement and the annual true-up for St. John's County.

APPROVALS:

APPROVED: Julie Crawford 3/5/19
Director, Financial Planning and Analysis DATE

APPROVED: [Signature] 3/8/19
Chief Financial Officer DATE

APPROVED: [Signature] 3/8/19
Managing Director/CEO DATE

Forwarded to Council Auditor: Date: _____



INTER-OFFICE MEMORANDUM

March 6, 2019

SUBJECT: JEA REAL ESTATE OPTIMIZATION INITIATIVE

FROM: Aaron F. Zahn, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

The purpose of this item is to brief the JEA Board of Directors on a proposal to optimize JEA's real estate portfolio. This optimization strategy includes leasing headquarters space coupled with liquidating non-core assets.

DISCUSSION:

PROPERTIES:

On April 2nd, the JEA Board will consider proposals for our downtown headquarters. In the meantime, staff has identified four initial properties to be sold through the process discussed on the following page. The estimated sales value of these properties is \$40-\$65 million, compared with a book value of \$32.5 million, a gain of at least \$17.5 million. The sale proceeds largely offset the cost of the new downtown headquarters, allowing us to build the headquarters with no impact on rates. In addition to the sale price, JEA will see a savings of more than \$1 million per year from reduction of O&M expenses at each of the properties, such as landscaping and security. The four properties are:

9201 Atlantic Boulevard

The parcel located at the northeast corner of the intersection of Southside Boulevard and Atlantic Boulevard was acquired for the construction mobilization and pipeline installation of the Total Water Management Plan (TWMP). The parcel contains 5+/- acres and is improved with a concrete block building and a metal building. The site is paved and was previously a car dealership. The project has been completed and JEA has no need to retain ownership of the property. A perimeter easement will be retained for the underground utilities.

13601 Normandy Boulevard

This parcel is located in the Cecil Commerce Center development. The parcel contains 305 acres and is improved with an electric substation, electric transmission corridor, water treatment plant, wells and interconnecting piping. The site has approximately 60 acres encumbered with a wetlands mitigation easement. Following an analysis of existing and future real property needs, a reduction in the gross acreage will result in the marketability of a prime commercial/industrial parcel.

21 West Church Street/421 Laura Street/21 East Church Street

These parcels are JEA's downtown office location and parking. The properties may be sold and leased back by JEA pending construction of a new HQ campus.

4215 Talleyrand Avenue

This parcel is located on the east side of Talleyrand Avenue with frontage on the St. Johns River. The gross site is approximately 48 acres. The site is improved with two combustion turbine generators and two substations. A retention for the improvements may provide for the marketing of approximately 36 acres of prime riverfront property with industrial maritime development benefits.

The potential sale and book values for each property are shown in the following table.

Location	Estimated Sales Price	Book Value
9201 Atlantic Blvd	\$5,000,000 - \$7,800,000	\$ 5,154,835
13601 Normandy Blvd	\$4,000,000 - \$6,500,000	\$ 1,990,691
JEA Downtown Campus:		
21 W. Church	\$15,000,000 - \$26,000,000	\$ 20,863,637
421 Laura	\$4,200,000 - \$7,800,000	\$ 2,932,089
21 E. Church St	\$800,000 - \$1,300,000	\$ 92,692
	\$20,000,000 - \$35,100,000	\$ 23,888,417
Talleyrand/Kennedy	\$11,000,000 - \$15,600,000	\$ 1,512,681
Total:	\$40,000,000 - \$65,000,000	\$ 32,546,625

PROCESS:

Staff initially analyzed leasing or other commercial development opportunities at each property compared to a sale to optimize economic value to JEA. This analysis yielded the conclusion that a sale of the properties is economically optimal.

The following is the sale process that would be followed for each of the properties:

1. Appraise Property
2. Offer to other governmental agencies at appraised value
3. Sell to other governmental agencies at appraised value, if there is agency interest
4. If no governmental agency need, a public bid process will be conducted
5. The bid process includes a formal opening and award
6. Board approval for sale of property over \$500K
7. Board and City Council approval required, if sale price is lower than assessed value
8. Finalize sale of property

An appraisal is underway for the 9201 Atlantic Boulevard Property, following the recording of required easements. Appraisals of the other properties will take place after recording any boundary changes for retained assets.

In addition to these four clusters, JEA will continue the optimization by evaluating its approximately two dozen small surplus properties, 2,000 acres at the former SJRPP, and surplus areas in existing tracts that will be subdivided and evaluated (e.g., excess property at the new solar facilities). Disposition of these properties will follow the same general process. Preliminary estimates of aggregate value of additional non-core assets is >\$100 million.

RECOMMENDATION:

No action is required at this time. Once appraisals have been completed, staff will return to the Board for authorization to sell the subject properties.

Aaron F. Zahn, Managing Director/CEO

AFZ/MHD/SGM/DLB



JEA Real Estate Optimization Initiative



Real Estate



In 2018, JEA Real Estate acquired the property for the 5x50 MW solar project with EDF.

March 2019



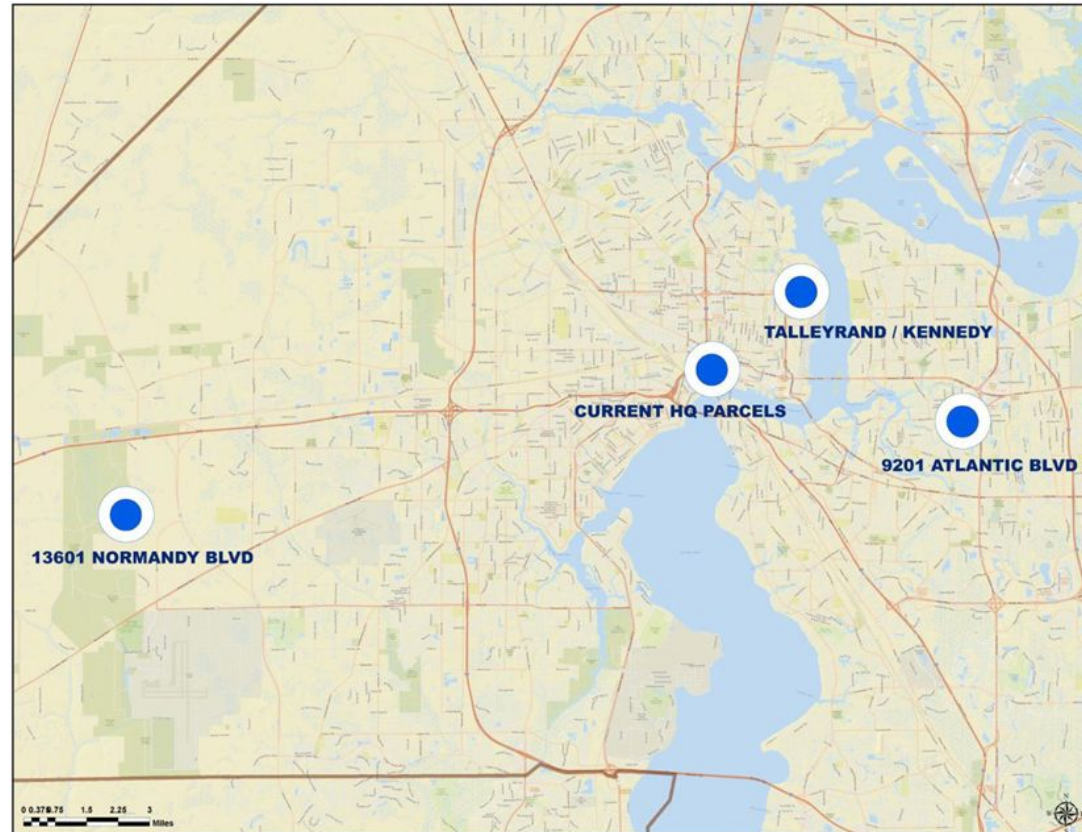
Real Estate Strategy

- Identify JEA-owned properties with no associated current or anticipated need.
- Sell, lease, partner or develop property in order to maximize return.
- Continue to acquire new properties, easements and rights-of-way in support of JEA's core missions.

- Four initial properties under consideration
- Additional properties will be available at the former SJRPP property, portions of the newly acquired solar properties, and smaller surplus properties.

March 2019

Surplus Real Estate Locations



Location	Estimated Sales Price	Book Value
9201 Atlantic Blvd	\$5,000,000 - \$7,800,000	\$5,154,835
13601 Normandy Blvd	\$4,000,000 - \$6,500,000	\$1,990,691
JEA Downtown Campus:		
21 W. Church	\$15,000,000 - \$26,000,000	\$20,863,637
421 Laura	\$4,200,000 - \$7,800,000	\$2,932,089
21 E. Church St	\$800,000 - \$1,300,000	\$92,692
	\$20,000,000 - \$35,100,000	\$23,888,417
Talleyrand/Kennedy	\$11,000,000 - \$15,600,000	\$1,512,681
Total:	\$40,000,000 - \$65,000,000	\$ 32,546,625

- Sale of these properties reduces JEA's expenses for carrying costs, security, landscaping and other maintenance by more than \$1 million per year
- JEA is additionally evaluating more than 20 smaller surplus properties and 2,000 acres at the former SJRPP, which could yield \$100 million in sale value

March 2019



Estimated Value - Sale

Surplus Property Sales Process

1. Appraise Property
2. Offer to other governmental agencies at appraised value
3. Sell to other governmental agencies at appraised value, if they are interested
4. If no governmental agency need, public bid process
5. Formal Opening and Award
6. Board approval for sale of property over \$500K
7. Board and City Council approval required, if sale price is lower than assessed value.

March 2019



Sale Process

- Former Coggin Automotive dealership
- Acquired in 2011 for laydown for TWMP project
- Approximately 5.4 Acres

March 2019



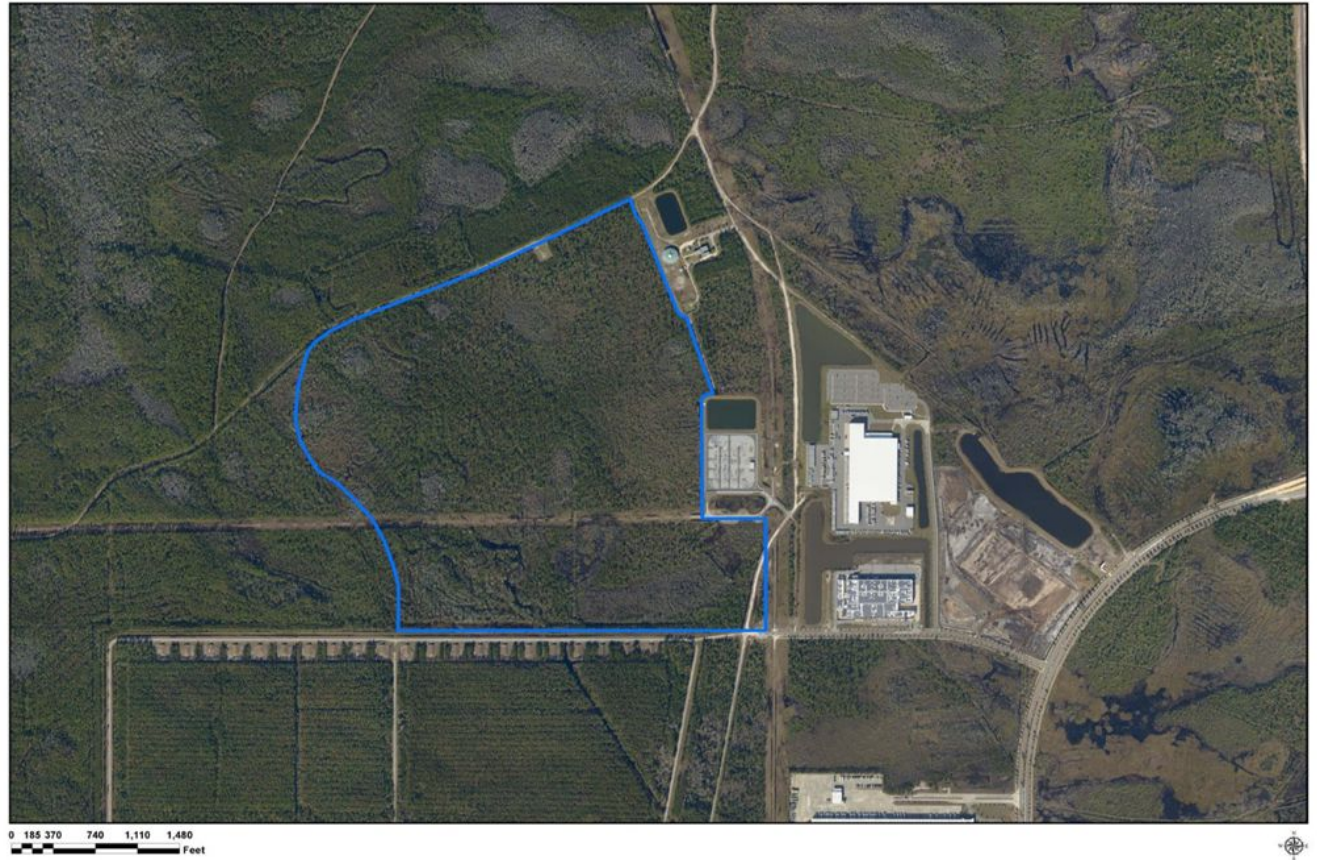
9201 Atlantic Boulevard

- Approximately 250 Acres in Cecil Commerce Center
- 60 Acres conservation easement
- Adjacent to substation and water treatment plant

March 2019



13601 Normandy Boulevard

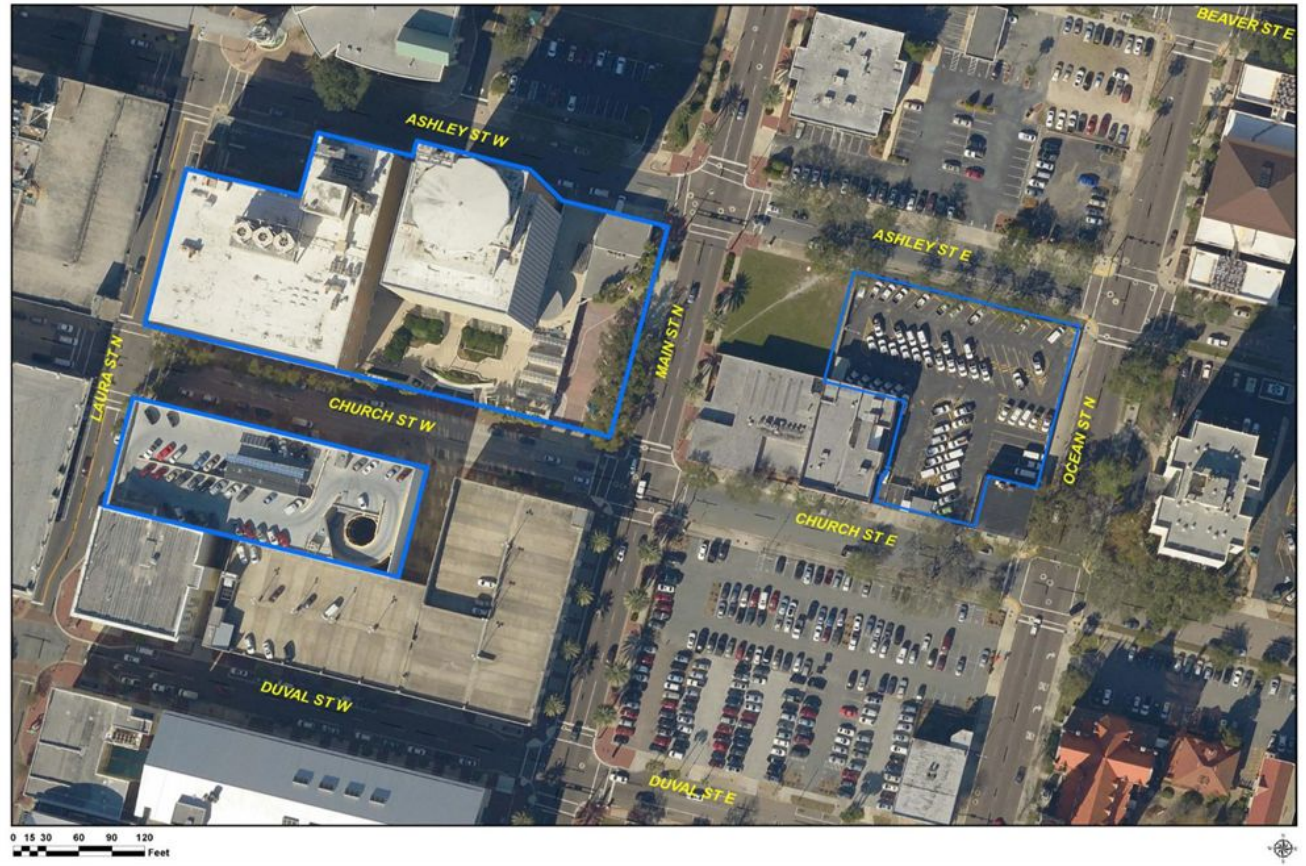


- 21 West Church Street
- 421 Laura Street
- 21 East Church Street (Motor Pool)
- Sell and Lease back until new HQ constructed

March 2019



Current HQ Properties



- Southern section of Kennedy Generating Station
- Water Access
- Rail Access
- Approximately 30 acres



March 2019



Talleyrand/Kennedy

Conclusion

- 1) JEA Real Estate Optimization Initiative will generate more than \$100 million from non-core unutilized assets
 - Offsets the cost of downtown headquarters
- 2) JEA Real Estate Optimization Initiative will reduce annual O&M/cost of carry by more than \$1 million
- 3) JEA Real Estate Optimization Initiative will generate a simple return on assets of >25% relative to book value

March 2019



Conclusion

Questions?

JEA[®]





THE YEAR IN REVIEW

2018-2019



Table of Contents

- ▶ **Part 1** WHO WE ARE
- ▶ **Part 2** WHAT WE'VE DONE
- ▶ **Part 3** WHERE WE ARE GOING

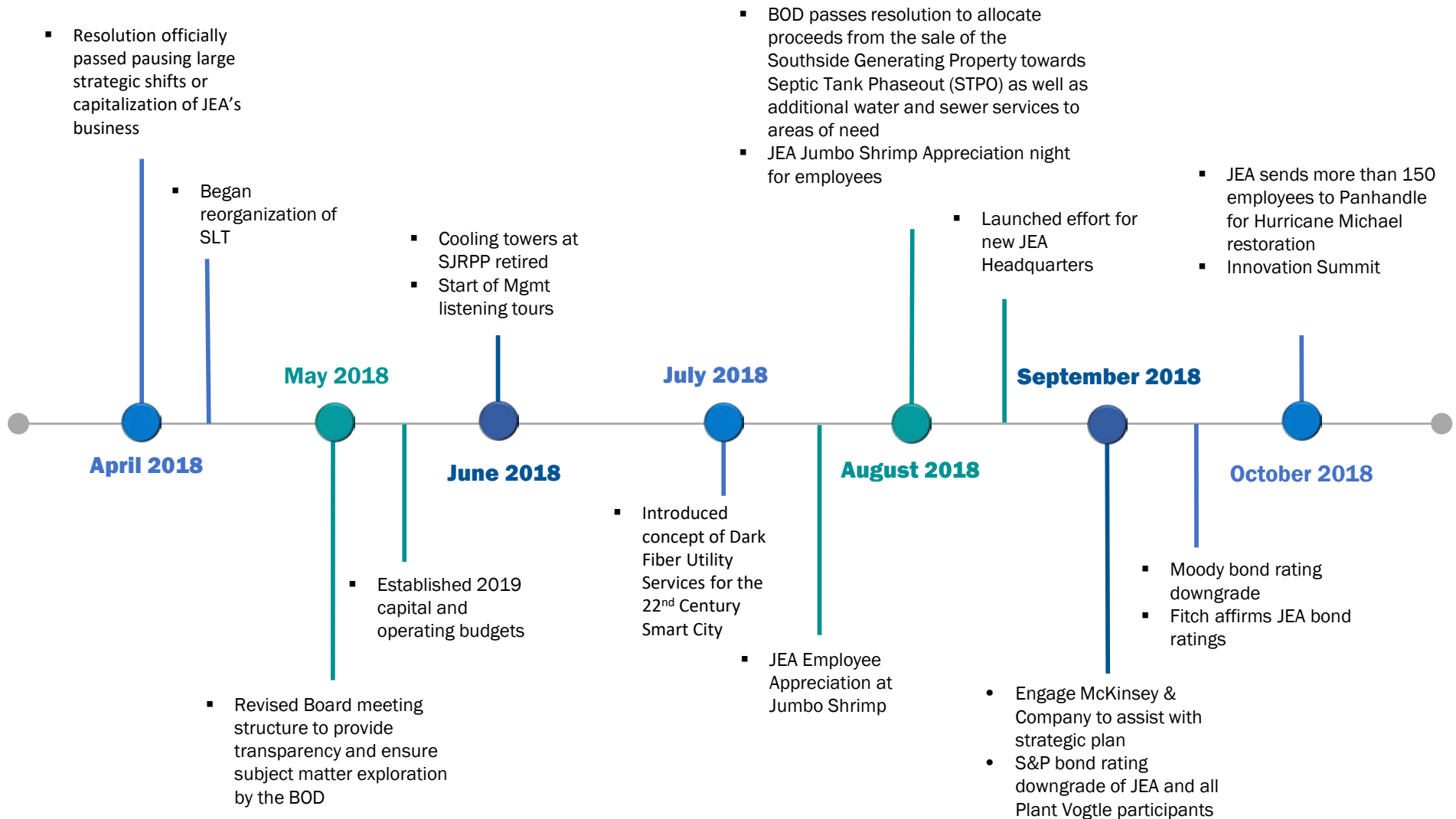
A YEAR OF ACCELERATING INNOVATION



PART 1.....

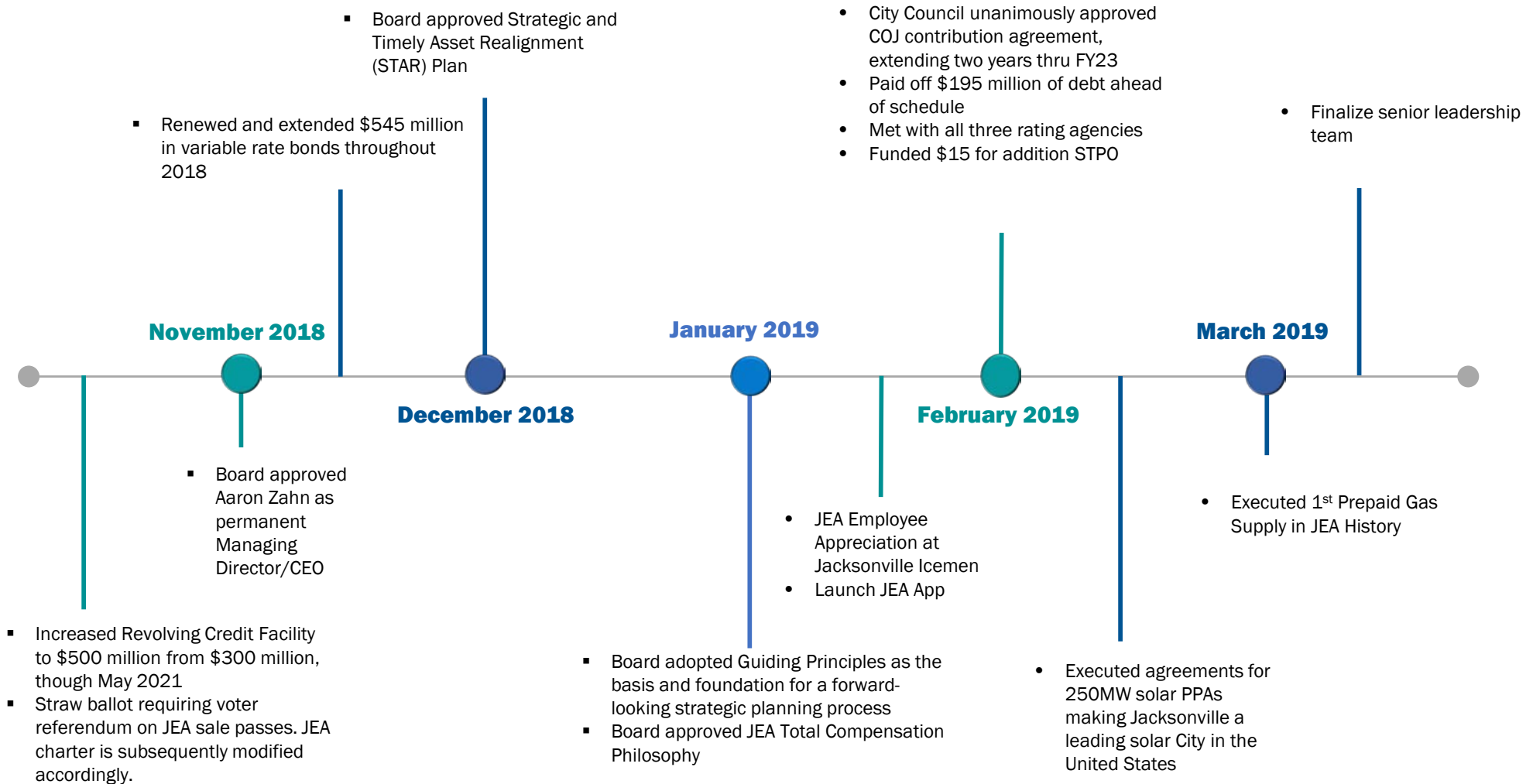
Who We Are: We Do What We Say

April 2018 – October 2018 Transition



EXECUTING AT A HIGH LEVEL

November 2018 – March 2019 *Set Foundation, Direction and Team*



JEA is a Superior Energy Utility

Since April 2018

- Maintained excellent financial and operational metrics
- Repaid \$326 million of debt in FY2018 for a total reduction of \$1.9 billion since 2009
 - Accelerated \$100 million of debt reduction with February 2019 defeasance and plan to drive debt to a 40-year low
- Continued to strategically plan to absorb the cost of Plant Vogtle
- Accelerating nearly all principal due before 2028
- Capital program includes \$897 million of projects over the next five years
- Rates are at the median in the state
- Closed the St. Johns River Power Park, reducing JEA carbon emissions by 30% and saving \$50 million in operating expenses per year starting in 2020

**Management driving financial metrics
for to position for the future**

JEA is a Superior Water Utility

Since April 2018

- All financial metrics are a fortress:
 - Strong balance sheet
 - Ample liquidity
 - Superior debt service coverage
- Debt service coverage expected to be 3.5x to 4x over the next five years
- Paid down \$74 million debt in FY2018 for a total reduction of \$532 million since 2011 projected to total \$827 over the next five years
- Accelerated \$95 million of debt reduction with February 2019 defeasance
- Robust \$1 billion capital program over the next five years
- Launched integrated water resource plan

**Superior performance drives JEA's
long-term water leadership in FL**



PART 2.....

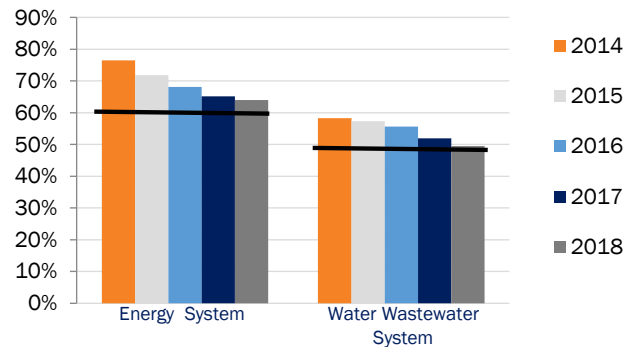
What We've Done: A Year of Results

Historical Financial Metrics

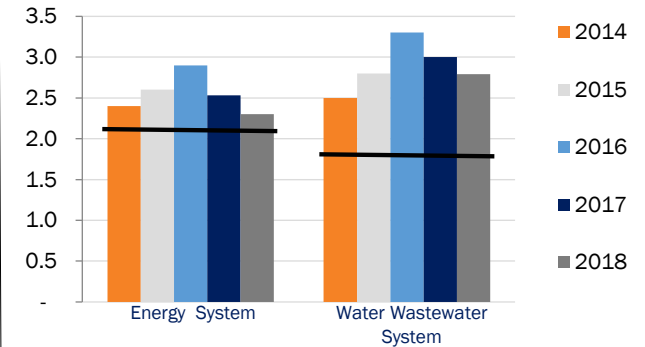
FY2018 RESULTS DEMONSTRATE STRONG PERFORMANCE ACROSS ALL KEY FINANCIAL METRICS

- FY2018 Debt Service Coverage remains strong and provides financial flexibility to respond to industry challenges
- Debt to Asset % continues to improve and approach long-term targets
- Days Liquidity and Days Cash metrics continue to be strong and provide the ability to invest in infrastructure in both systems without new debt

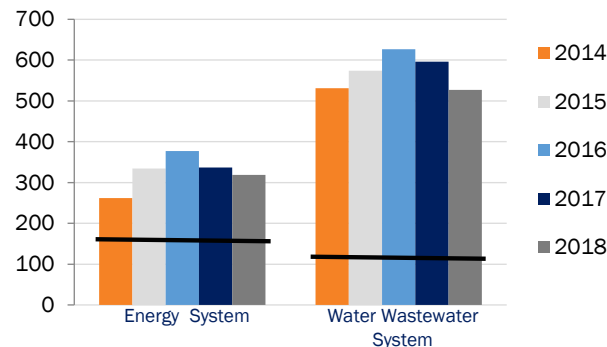
Debt to Asset %



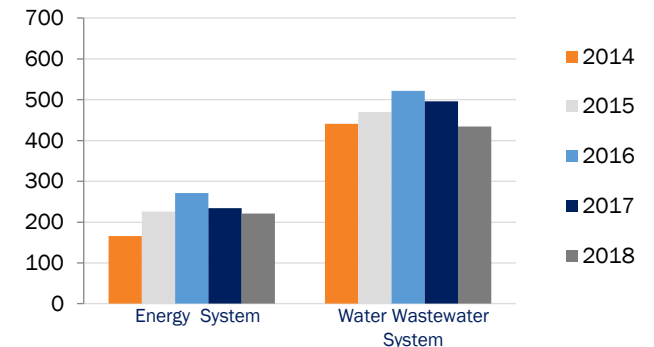
Debt Service Coverage



Days Liquidity



Days Cash



— Long Term targets per JEA pricing policy

Energy System Key Metrics

WHAT WE SAID DECEMBER 2017

- 2.2x combined debt service coverage
Days of cash on hand: 180 days
- Days of liquidity: 280 days
- Net funded debt reduction: \$135 million
- Debt to Asset ratio: 71.8%
- Capital Expenditures: \$166 million
- Decrease in system MWh sales of (0.4%)
- Base revenue reduction of (0.4%)

WHAT WE DID FY2018

- 2.3x combined debt service coverage
- Days of cash on hand: 221 days
- Days of liquidity: 320 days
- Net funded debt reduction: \$154 million
- Debt to Asset ratio: 71.0%
- Capital Expenditures: \$174 million
- Increase in System MWh sales of 2.6%
- Base revenue increase of 2.9%

Water System Key Metrics

WHAT WE SAID DECEMBER 2017

- 2.7x combined debt service coverage
- Days of cash on hand: 404 days
- Days of liquidity: 502 days
- Net funded debt reduction: \$50 million
- Debt to Asset ratio: 49.6%
- Capital Expenditures: \$215 million
- 2.0% increase in Water kgal sales
- Total system revenue decrease of (2.9%)

WHAT WE DID FY2018

- 2.8x combined debt service coverage
- Days of cash on hand: 434 days
- Days of liquidity: 529 days
- Net funded debt reduction: \$70 million
- Debt to Asset ratio: 49.5%
- Capital Expenditures: \$199 million
- (2.8%) decrease in Water kgal sales
- Total system revenue decrease of (3.8%)



PART 3.....

Where We Are Going: Goals and Priorities

IT'S TIME TO PIVOT



New Strategic Framework



Our mission will be guided by and evaluated against how well we as employees drive these four basic corporate measures of JEA's value:

Customer Value
Financial Value
Community Impact Value
Environmental Value

Guiding Principles

“Improve Lives”

OUR VISION

Improve lives by accelerating innovation

OUR MISSION

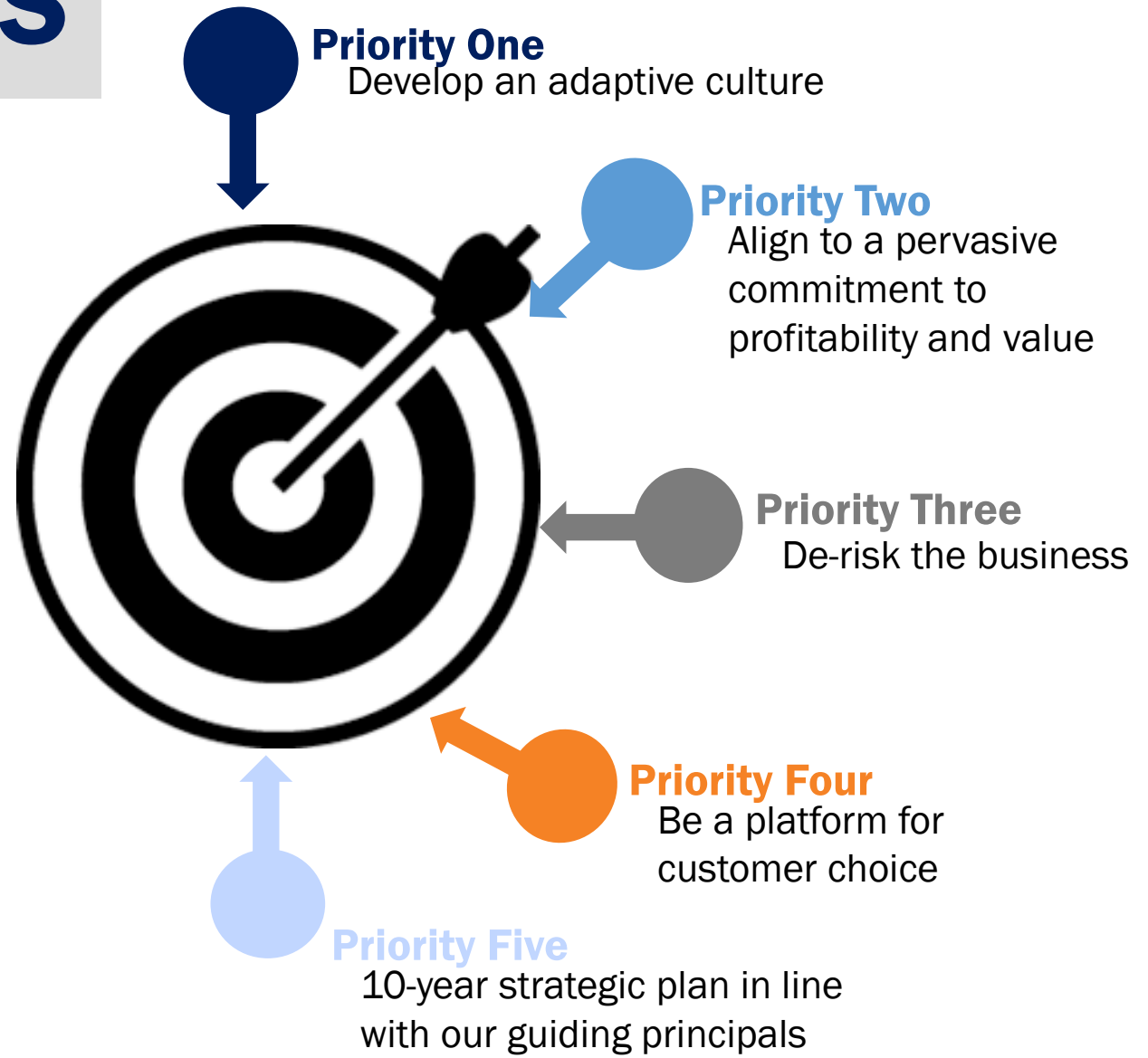
Provide the best service by becoming the center of our customers’ energy and water experience

OUR CORE COMPETENCIES

- Deliver an unparalleled customer experience
- Work together to elevate the entire team
- Innovate and evolve to match our customers’ needs with market trends

FY19 GOALS

**Our Five
Focus Areas
That Are
Necessary
For Future
Success**



Points of Concern

- Maintaining alignment of Stakeholders and focus on corporate measures will be critical
- Time to 'pivot' is critical for JEA in updating business strategy and plan
- Culture
- Capital
- City Council and Community engagement on future of JEA will be necessary to migrate business
- Vogtle will weigh on JEA and our customers

Priority One:

Develop an adaptive culture.

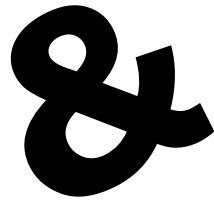
Our Cultural Values

Safety
Service
Growth²
Accountability
Integrity
Ideas

STOP

Working Not To Fail

A culture where individuals are motivated by risk aversion striving not to fail rather than to succeed



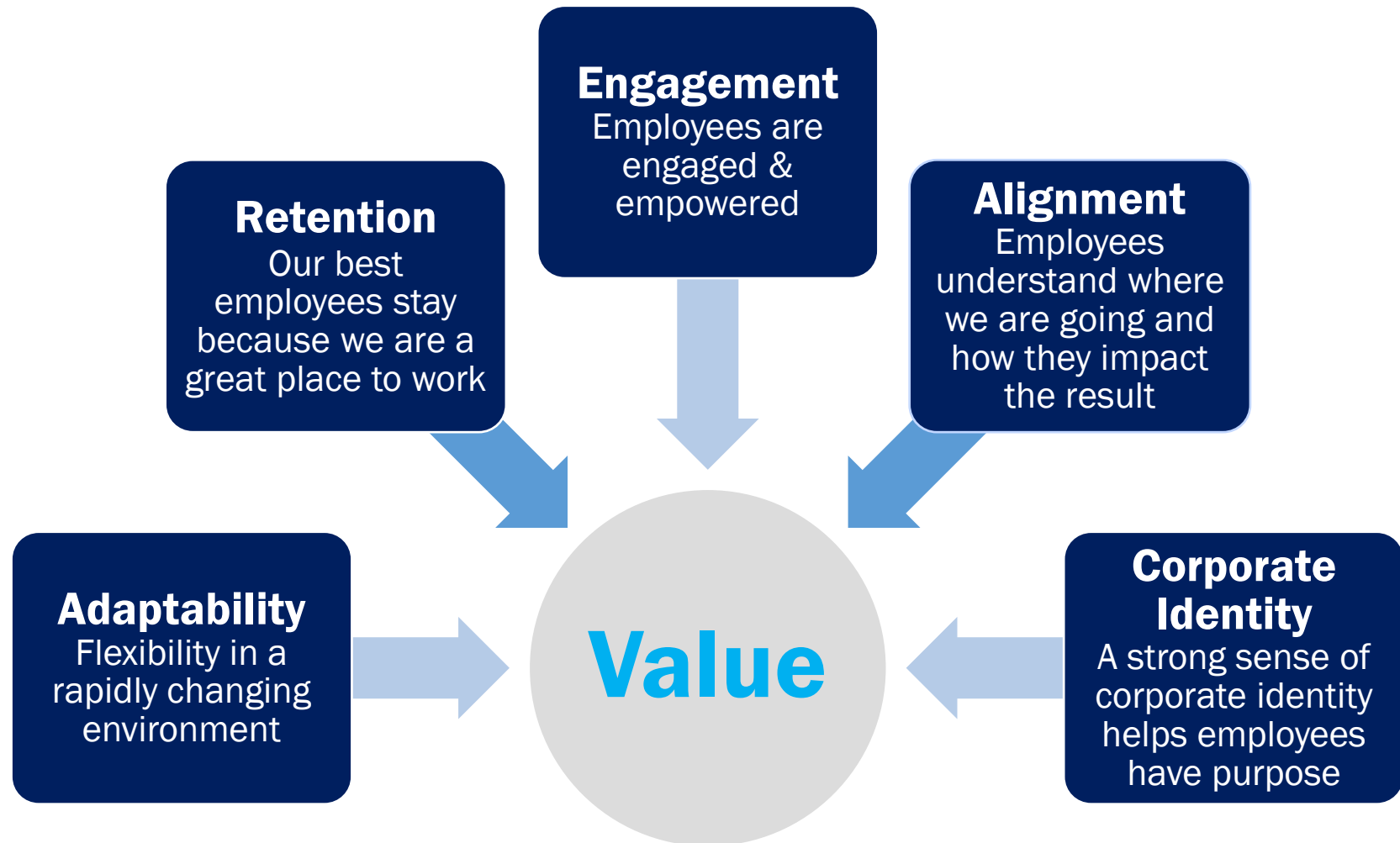
START

Driving Towards Success

Be willing to take appropriate and calculated risks to achieve extraordinary results

**Our Mantra
To Realize An
Adaptive
Culture**

Why An Adaptive Culture Matters






Priority Two:



Align to a pervasive commitment to
profitability & value.

Maximize Each of the Four Corporate Measures of Value






Customer Value

-  Provide JEA customers with safe and reliable electric, water and wastewater **services at a rate structure equal to or less than industry average**
-  Maintain **customer service standards and experience** within the top quartile of the industry
-  Expand our trusted partner **relationship with our customers**

Financial Value

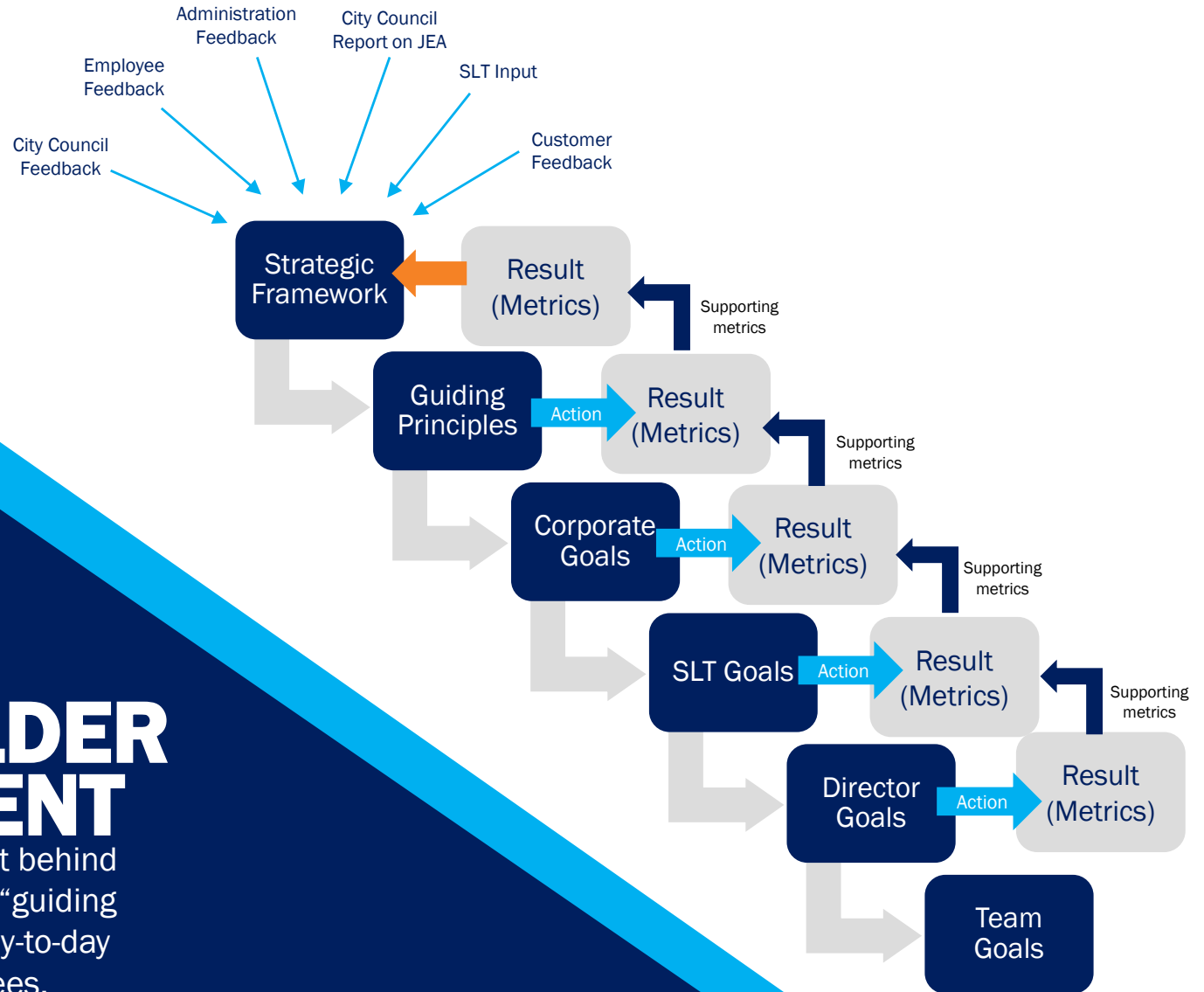
-  **Maintain financial performance metrics** necessary to preserve aa3 / AA- ratings, or similar comparable risk measures as adopted and deemed appropriate by JEA
-  **Establish growth initiatives** to drive values and efficiencies with respect to electric, water, sewer, natural gas and other utility services, systems and/or products

Community Impact Value

-  Establish and maintain **open, transparent communication** with employee, customer and all our stakeholders
-  Continue investment and leadership of **economic development within Jacksonville**
-  Continue and drive **employment within the region**
-  Foster an environment of **engaged employees** that treat JEA as owners
-  Preserve the level of **financial contribution of JEA to the city**

Environmental Value

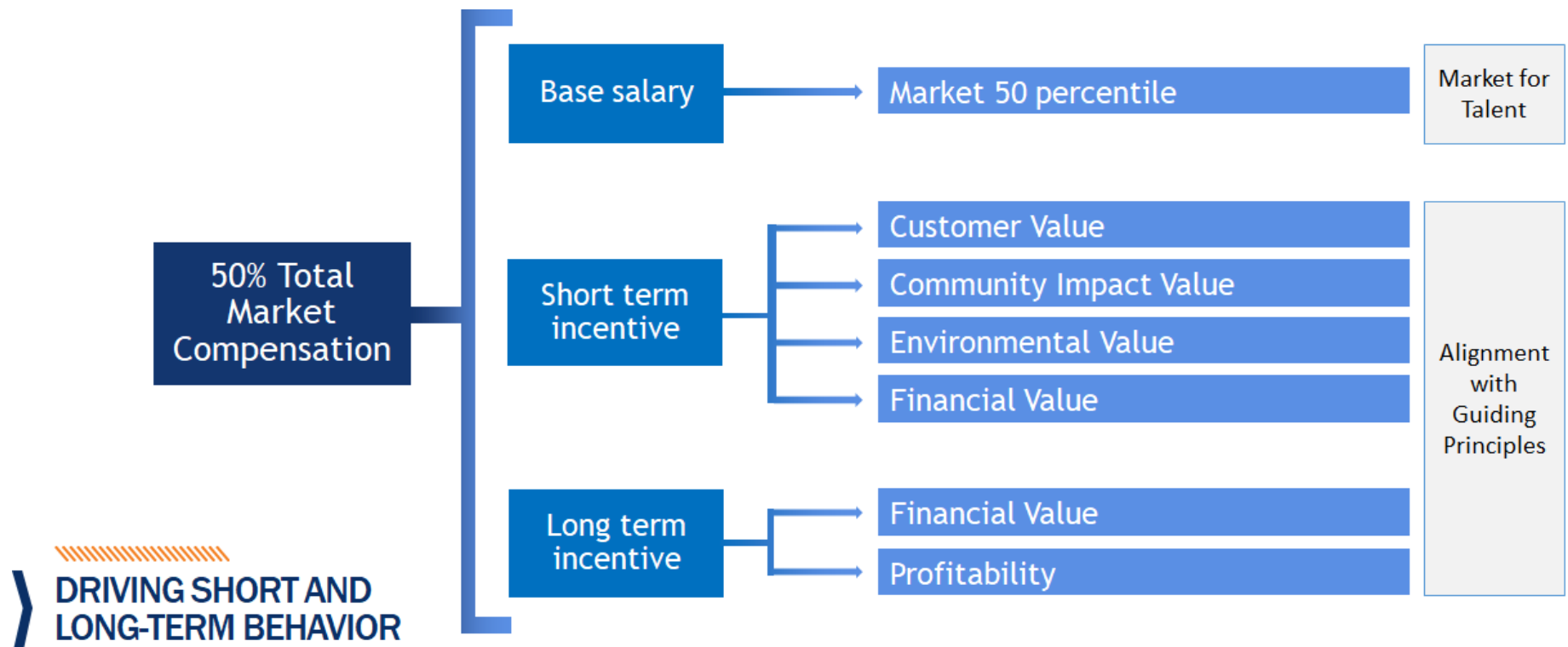
-  Maintain **compliance with all regulations** and meet or exceed industry standards that impact the environment
-  Establish and lead a **sustainability program** for the benefit of the region
-  Set an example of **environmental stewardship**



STAKEHOLDER ALIGNMENT

Basic logic of alignment behind “strategic framework,” “guiding principles,” through day-to-day actions of employees.

Company Culture and Corporate Measures (Customer, Financial, Community Impact and Environmental) will be driven by "Total Compensation Program"



Priority Three:

De-risk the business.

- Develop the STAR plan
- Hedge our fuel expenses
- Strengthen our PPAs
- Extend our city contribution plan
- Reevaluate our risks for future



Strategic & Timely Asset Realignment (STAR) Plan

**JEA's Financial
Strength Revised**

Approved Plan that increases operating efficiency and reduces corporate risk includes:

- Increased revolver by \$200 million at same pricing / terms and conditions ✓
- Maintaining solid AA financial credit metrics ✓
- Increase cash flow by an average of ~\$80 million annually through 2023
- Pay off ~\$1 billion of debt by 2023 – all debt maturing before 2028
- Cash funding ~\$1.9 billion in CAPEX for next 5 years
- Increase CAPEX by over 40% over the next 5 years vs. the last 5 years
- No projected base rate increases necessary to execute on plan

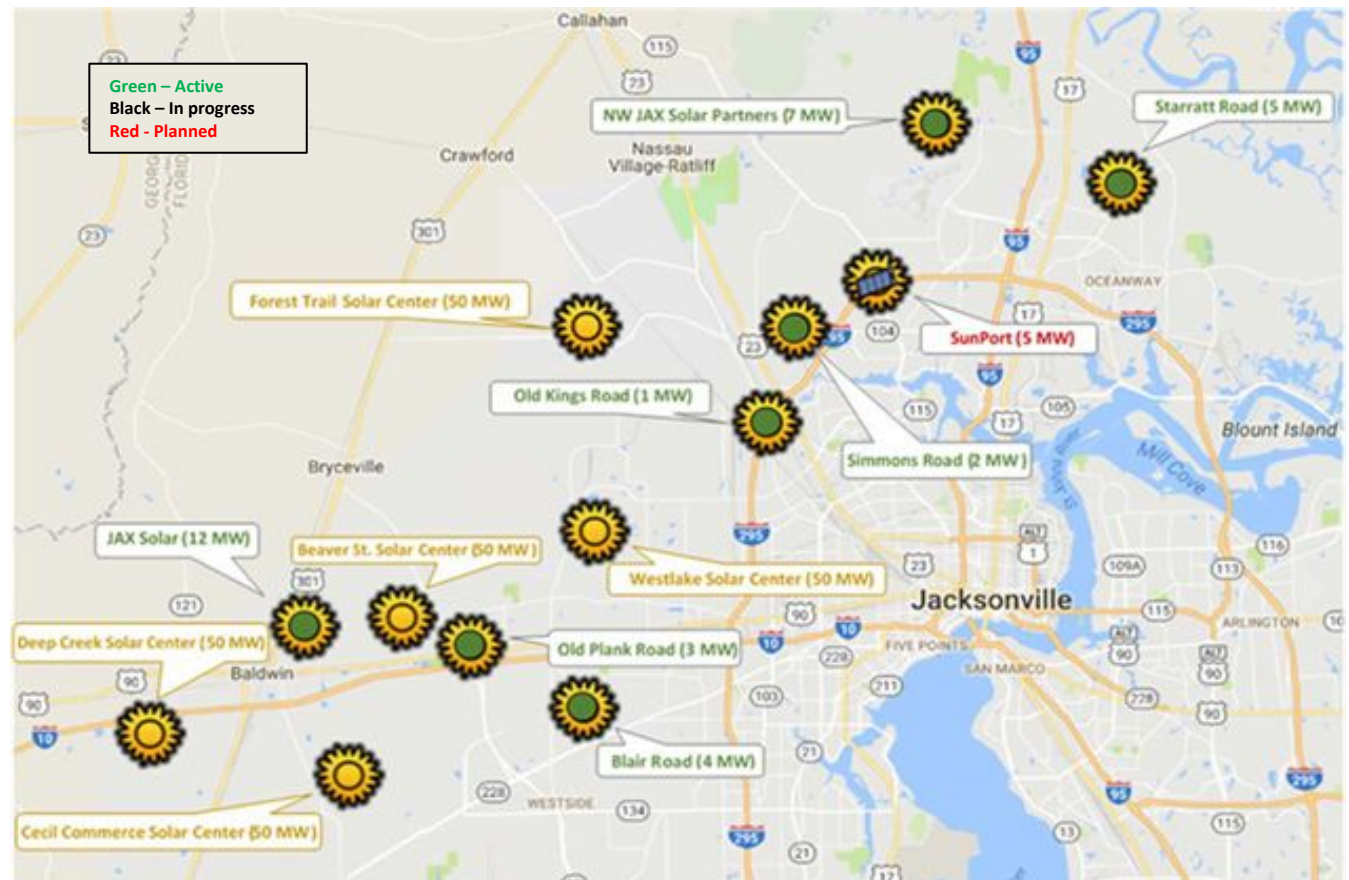
JEA Current & Future PV Solar Sites

JEA IS PURSUING A SUBSTANTIAL INCREASE IN SOLAR GENERATION

We have contracted to add up to 250 MW of universal solar by 2022, in addition to 34 MW installed, and 5 MW currently in progress making Jacksonville the largest solar city in the U.S.

WHAT THIS LOOKS LIKE:

- New sites, land owned by JEA
- Reduces exposure to fossil fuel volatility
- PPA prices below current fuel rate with no escalator providing a 20+ year fuel hedge



Contribution Agreement Extension

- Extends the terms & conditions of the current agreement through 2023
- Contribution rate stays stable at a rate of prior year plus 1%
- Continue JEA's contribution to COJ of 30.34 metric tons in water quality credits plus an additional 13.6 metric tons in water quality credits each year in perpetuity (the additional 13.6 metric tons comes from the decommissioning of SJRPP)
- Provide an additional \$15 million contribution to the COJ/JEA Septic Tank Phase Out Program. This brings the total COJ and JEA contribution towards the septic tank phase out program to over \$45 million since 2016.
- Provide a one-time \$155,000 contribution for river level monitoring equipment that was damaged during recent hurricanes.
- City Council approved on February 12, 2019
- To be executed February 2019

This creates a stable operating environment through 2023

Enterprise Risk Management



JEA's Enterprise Risk Management (ERM) program identifies, assesses, measures, and actively manages risk, including mitigation strategies and actions.

Our methodology has been modified to better prioritize risks, relative to each other, and better assess reputation impact of a risk event.

We have developed a new scoring metric and updated our tier one risks.

Priority Four:

Be a platform for customer choice.

Become a platform for customer choice: Demand Rate Study

Our First Step:

Create a pricing platform for the future that provides *Revenue Stability* that delivers positive *Customer Impact* while promoting efficient *System Utilization*.

We believe our cost of service should align with our customers use of the electric system. As they reduce usage, we can equally reduce costs to match.

What We've Learned So Far:

- Demand pricing is less impacted by weather and more stable than kWh
- Customers perceive more and longer demand intervals to be more fair
- Customers like the opportunity to save by avoiding peak periods
- Customers believe that technology (information and control) is needed to manage usage effectively

Jan 2014
Rate Design
Working Group

April 2016
JEA Demand
Rate Opt-In
Pilot

June 2018
Alternate Rate
Design
Analysis

Aug 2018
Focus Group
Test

Nov 2018
Weather
Stress Test

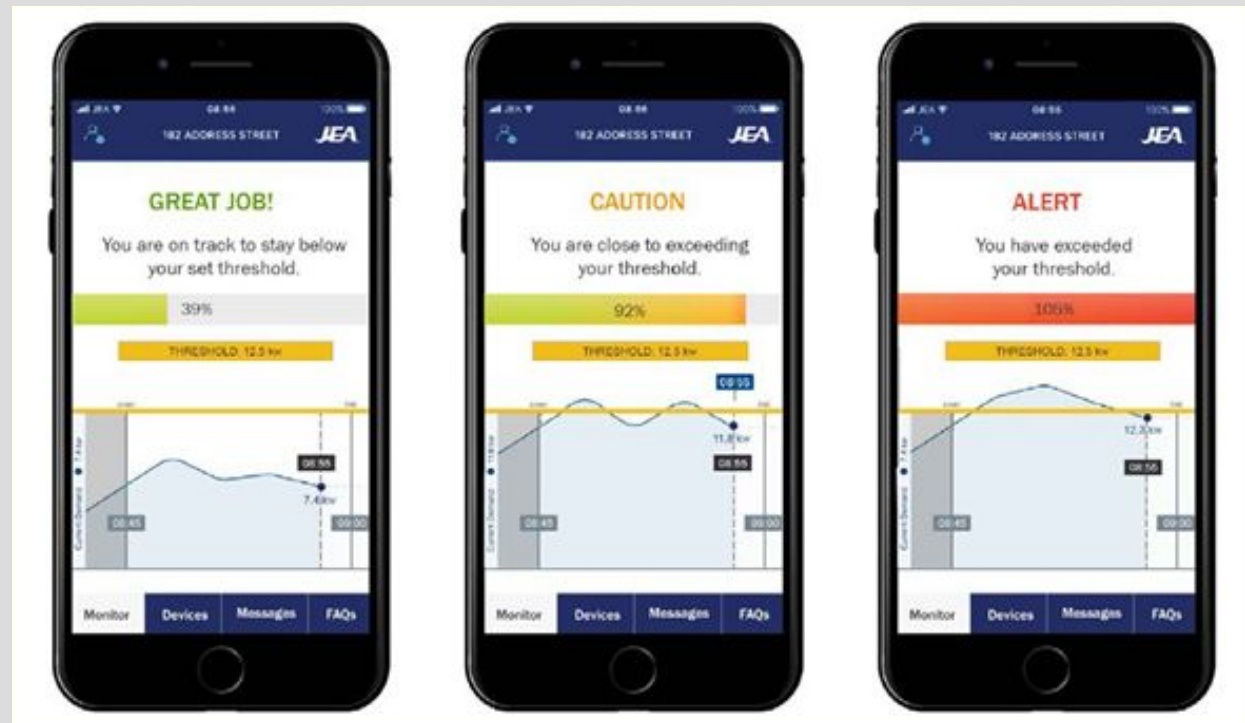
Enabling Technology Customer Home Energy Management Tool Pilot

We are in the midst of conducting research and development into the enabling technology we feel is necessary to support the customer in a demand pricing scenario.

Our current 250 customer and employee pilot is testing a state-of-the-art Customer Home Energy Management (HEM) tool.

Our HEM technology includes:

- Cellular gateway that provides 1 minute data off the meter
- A JEA app that will monitor energy usage and provide threshold alerts
- Appliance (HVAC and Water Heater) control
 - Fun gamification that encourages education thru entertainment



Become a platform for customer choice: Electrification

What is electrification?

Electrification is the shift from any non-electric source of energy to electricity at the point of final consumption.

- National Renewable Energy Lab

How is it beneficial?

Beneficial Electrification requires that it be cost-effective for JEA, good for all customers (whether they participate in the program or not), and good or neutral for the environment.

-ICF

Transportation

- Public Charging Stations
- Electric Vehicles
- Fleet Electrification



Residential

- In-Home Charging Stations
- Air-source Heat Pumps
- Lawn maintenance equipment (mower, trimmer, hedger, blower, etc.)



Aviation

- Pushbacks
- Belt Loaders
- Baggage Tugs



Commercial and Industrial

- Heat recovery chillers
- Replace pneumatic equipment with electric
- Install induction furnaces for non-ferrous metal melting

Heavy Duty Off-Road

- Replace propane/gas forklifts with electric
- Eliminate Truck Stop idling
- Convert rail yard cargo handling equipment to electric



Agriculture

- Retrofit Diesel Irrigation Pumps to Electric
- Indoor agriculture (controlled lighting, and space-conditioning)
- Infrared drying and peeling of vegetables



There exists an opportunity to increase the scale and scope of both the on-road and non-road program. By adding additional technologies, program design elements, and budget, JEA may be able to:

- Significantly increase the revenue and values from the programs
- Put downward pressure on rates
- Provide a more flexible and efficient JEA load shape
- Significantly reduce JEA's (and its customers') environmental footprint

JEA is currently conducting a study with ICF to quantify the costs and risks of pursuing this opportunity. The study will be complete in 2019.

JEA's Electrification Future

Become a platform for customer choice: Integrated Water Resource Plan (IWRP)

- Water Resources
- Water Supply
 - Quality
 - Quantity
- Water Resources Recovery Facilities



PUBLIC-PRIVATE PARTNERSHIP FOR ORGANIC RECYCLING

**Merchant Organics Recycling Facility (MORF)
replaces Buckman's pelletizer as the next
generation in beneficial use**

- Reduces energy demand and landfill waste
- Greater market opportunity due to type of fertilizer produced
- Lower cost to customers and to City of Jacksonville



Renewable Natural Gas

- Biogas Credit Feasibility Study underway
- Upgrade biogas from Buckman WRF to a purified Renewable Natural Gas (RNG)
- Evaluate injecting RNG into commercial natural gas pipeline
- Optimize production of RNG from WRF digestion processes



By capturing waste gas produced by wastewater treatment, JEA reduces greenhouse gas emissions and increases financial value

Water Purification

One Potential Alternative Water Supply Option



PHASE 1 RESEARCH & DEVELOPMENT

- Tested two leading technologies at 2 Water
- Reclamation Facilities Report Completion Feb 2019



PHASE 2 DEMONSTRATION TESTING

- Selected best technology from Phase 1 for optimization
- Immersive public engagement at Demonstration Facility



PHASE 3 COMMERCIAL IMPLEMENTATION

- Dependent upon Integrated Water Resource Plan insights
- Can be expanded as needed to meet demands

Priority Five:

10-year strategic plan.

Step 1: “Agree on how to measure success”

(Measure what matters to JEA and the Community)



Our mission will be **guided by and evaluated** against how we as **employees drive** these four basic Corporate measures of JEA's **value**

The fundamental **goal is to maximize** each value both now and in the future.

Step 2: “Get the right team for the job”

(Senior Leadership Transformation)

John McCarthy named VP
& Chief Supply Chain
Officer

Paul Steinbrecher named
VP & Chief Environmental
Services Officer

Deryle Calhoun named
VP/ General Manager
Water & Wastewater
Systems

Aaron Zahn named
permanent Chief
Executive Officer

Steve McInall named VP
of Energy & Water
Planning

Herschel Vineyard named
Chief Administrative Officer

Shawn Eads named
Chief Information Officer



Melissa Dykes named
President & Chief
Operating Officer

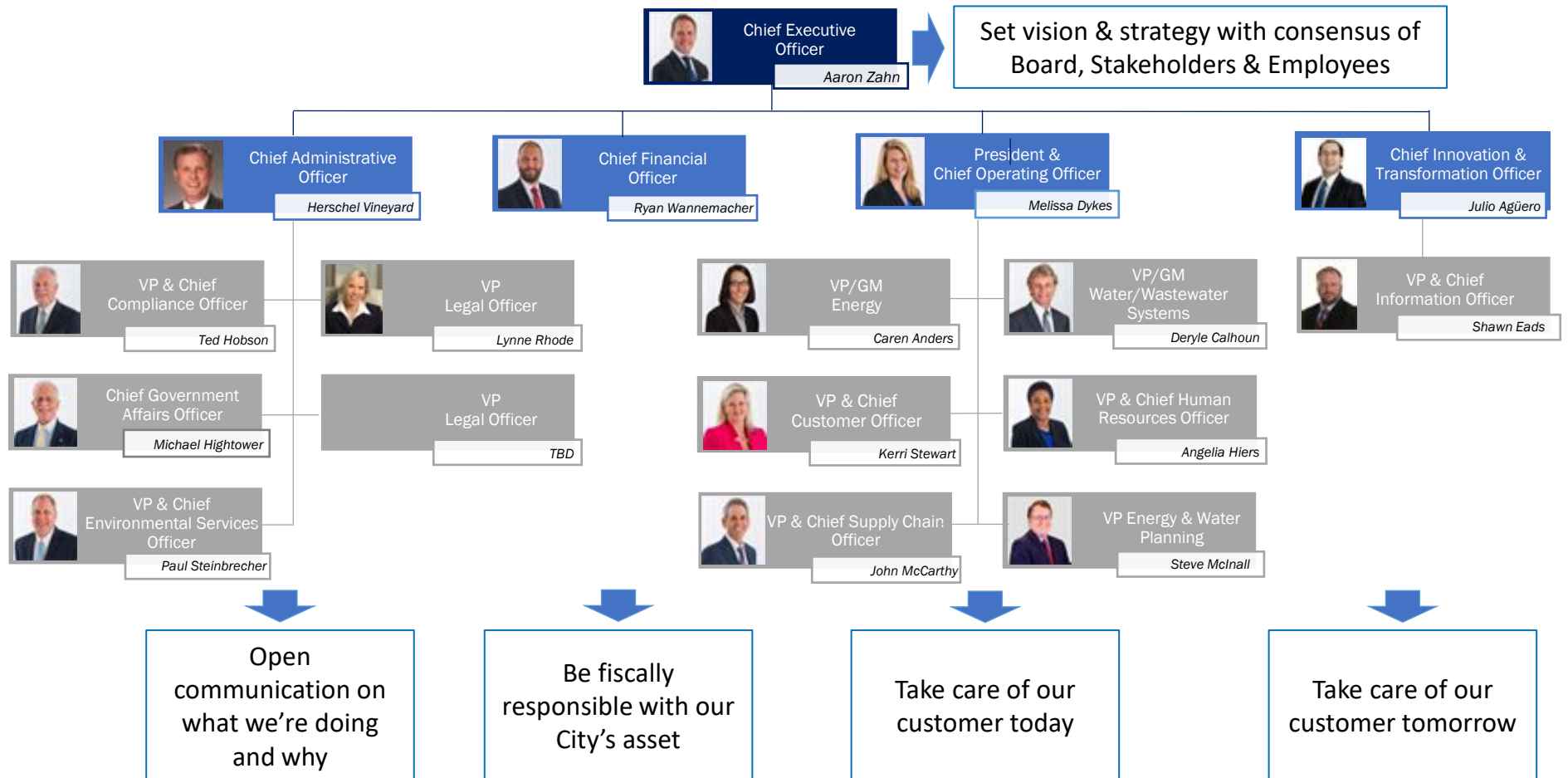
Ryan Wannemacher
promoted from Interim
Chief Financial Officer to
permanent Chief
Financial Officer

Caren Anders named
VP/General Manager of
Energy

Julio Agüero named JEA's
first Chief Innovation &
Transformation Officer

Step 3: “Organize for success”

(Leadership Designed to Accelerate Innovation)



Step 4: “Agree on path forward”

(Transparent, Inclusive and Thoughtful Process)



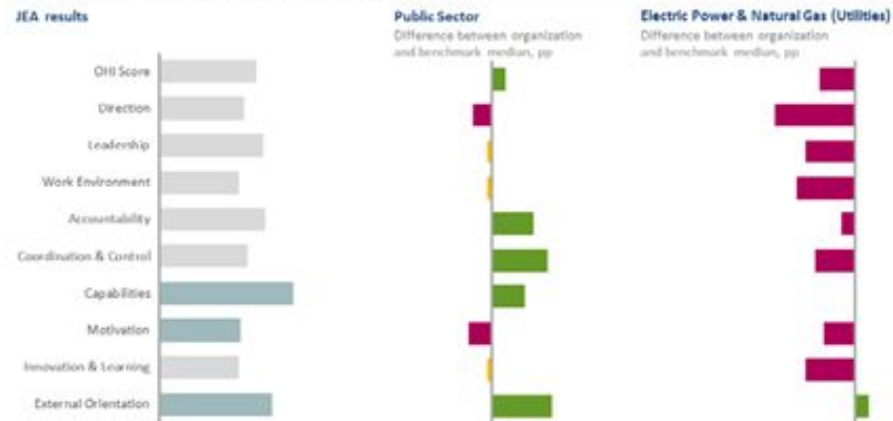
Step 5: “Measure the baseline”

(Where are we now? What does future look like absent action?)

PHASE 2a Organizational Health (Complete)

When compared with peers groups who also tend to have weaker health, JEA’s health is still low – especially relative to other utilities

Percentage of respondents who selected 'agree' or 'strongly agree'

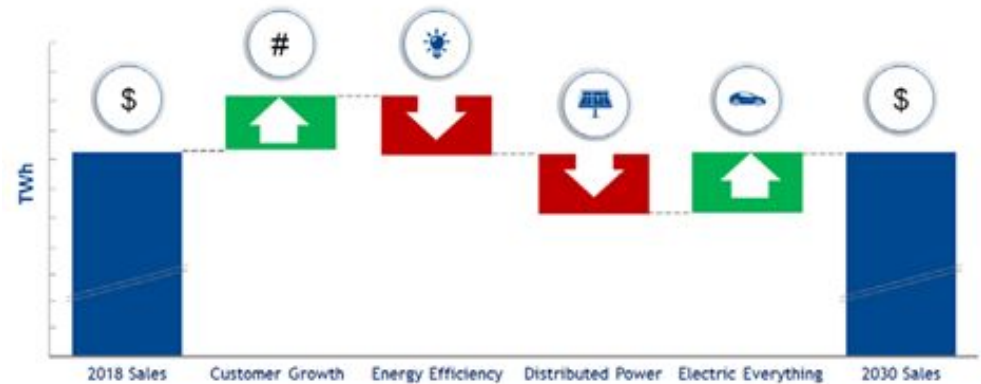


Benchmark: ■ Top Decile ■ Top Quartile ■ Second Quartile ■ Third Quartile ■ Bottom Quartile
 Peer Group Difference: ■ Significantly Stronger¹ ■ Comparable ■ Significantly Weaker¹
1. The significance levels at p < .05. Statistical significance is calculated based on practice distribution, size of population and size of peer difference.
 SOURCE: JEA (2016) Organizational Health Index Global Database, McKinsey & Company

PHASE 2b Status Quo Baseline (In Progress)

National Trends Impact On JEA By 2030

2030 JEA Energy Sales Drivers



Step 6: “Establish long-term goals”

(Where do we want to be in 2030 and 2050?)

ACCELERATING ENERGY INNOVATION



ACCELERATING WATER INNOVATION



Step 7: “Publish Plan and Steps to Future”

(What do we need to do first to ensure success?)



AN EFFECTIVE
STRATEGY
REQUIRES

- ✓ A strategic plan responsive to trends
- ✓ A clearly articulated vision for the future
- ✓ Defined goals and metrics for success
- ✓ An aligned organization
- ✓ Discrete initiatives, clearly prioritized
- ✓ Owners accountable for driving each initiative
- ✓ A clear process to track and measure progress

Strategic Planning Deliverables



Fully vetted financial forecasts for status quo scenario and alignment around implication and case for change

Understanding of JEA current state organizational health and implications for current and future state performance

Specific, measurable, achievable targets for JEA performance and health aligned against JEA's existing strategic framework

Pipeline of initiatives with initial estimate of value that exceeds strategic targets including **"quick win" initiatives** with short implementation timelines

Identification of risks and constraints that may impact JEA's execution on its Strategic Plan with clear **mitigation plan**

Fully executable strategic plan for JEA



IMPROVING LIVES BY ACCELERATING INNOVATION



Accelerating innovation to improve the lives of each and every customer for the benefit of the community as a whole

JEA
FINANCE & AUDIT COMMITTEE AGENDA

DATE: March 18, 2019
TIME: 8:00 – 10:00 AM
PLACE: 21 W. Church Street
 8th Floor Conference Room

			Responsible Person	Action (A) Info (I)	Total Time
I.	OPENING CONSIDERATIONS		Kelly Flanagan		
	A.	Call to Order			
	B.	Adoption of Agenda		A	
	C.	Approval of Minutes – December 3, 2018	La'Trece Bartley	A	
II.	NEW BUSINESS				
	A.	FY2020 Budget Assumptions	Juli Crawford	I	30 mins.
	B.	JEA Annual Disclosure Policy Report	Ryan Wannemacher	I	10 mins.
	C.	Quarterly Audit Services Update	Steve Tuten	I	5 mins.
	D.	Ethics Officer Quarterly Report	Walette Stanford	I	5 mins.
	E.	Treasury			
	1.	Electric System and Water and Sewer System Reserve Fund Quarterly Report	Joe Orfano	I	5 mins.
	2.	STAR Plan Early Debt Retirement Phase 1 Update	Joe Orfano	I	5 mins.
	F.	Investment Policy Revision	Joe Orfano	A	10 mins.
	G.	JEA Energy Market Risk Management Policy Report	Caren Anders	I	5 mins.
	H.	Program Assessment	Ted Hobson	I	10 mins.
	I.	Announcements			
	1.	Next Meeting, May 20, 2019, 8:00 – 10:00am			
	J.	Committee Discussion Sessions			
	1.	Governance Discussion	Aaron Zahn	I	5 mins.
	2.	Ernst & Young	John DiSanto	I	5 mins.
	3.	Director, Audit Services	Steve Tuten	I	5 mins.
	4.	Council Auditor's Office	Jeff Rodda	I	5 mins.
	K.	Adjournment			

JEA FINANCE & AUDIT COMMITTEE MINUTES
December 3, 2018

The Finance & Audit Committee of JEA met on Monday, December 3, 2018, in the 8th Floor Conference Room, JEA Plaza Tower, 21 W. Church Street, Jacksonville, Florida.

Agenda Item I – Opening Considerations

- A. Call to Order – Committee Chair Kelly Flanagan attended telephonically and called the meeting to order at 8:00 AM. Vice Chair Husein Cumber and Board Chair Alan Howard were in attendance. Others in attendance were Aaron Zahn, Melissa Dykes, Mike Brost, Angie Hiers, Ted Hobson, Kerri Stewart, Frank DiBenedetto, Dan Mishra, Paul Steinbrecher, Sheila Pressley, Jody Brooks, Steve Tuten, Joe Orfano, Gina Kyle, Walette Stanford, Janice Nelson, Ryan Wannemacher, Steve McInall, Kristina Quarterman, Juli Crawford, Laure Whitmer, John DiSanto and Russ Jeans, Ernst & Young.

Due to a lack of quorum physically present, agenda items were received for information only. Action items will be brought before the December 11, 2018 full Board for action.

- B. Adoption of Agenda – Due to a lack of quorum, the agenda was received for information
- C. Approval of Minutes – Due to a lack of quorum, the August 13, 2018 Minutes were received for information.

Agenda Item II – New Business

- A. Quarterly Audit Services Update – Steve Tuten, Director, Audit Services, provided an update to the Committee regarding the progress of the FY18 Internal Audit Plan, and open audit and investigation report issues, Enterprise Risk Management (ERM) highlights, risks and trend report, and the Ethics Hotline Report. The Committee held discussions regarding Top Corporate Risks. This presentation was received for information.
- B. JEA Identity Theft Protection Program Fair and Accurate Credit Transactions Act (FACTA) Annual Risk Assessment - Dan Mishra, Director, CIP Compliance, provided the annual report to the Committee as mandated by federal regulations governing identity theft. Mr. Mishra stated the primary objective of JEA’s Identity Theft Protection Program (PII) is to prevent identity fraud involving JEA customers. This presentation was provided for information.
- C. Ethics Officer Quarterly Report – Walette Stanford, Ethics Officer and Director, Workforce Strategies, provided an update regarding ethics inquiries, FY18/19 gift registry, Business Ethics Training and information on a new ordinance to the City Council, through the Ethics Coordination Council, to make minor changes to the gift log. The change would allow each independent agency to structure their own policies. This presentation was received for information.
- D. Treasury
1. Electric System and Water and Sewer System Reserve Fund Quarterly Report – Joe Orfano, Treasurer, reviewed the Electric System and Water and Sewer System Reserve Fund Quarterly Report, which was received for information.
 2. JEA Calendar Years 2019 and 2020 Fixed Rate Refunding Debt Parameter Resolutions for Electric, Water and Sewer, St. Johns River Power Park and Bulk Power Supply Systems – Joe

Orfano, Treasurer, presented and recommended that the Committee approve and adopt Resolutions No. 2018-15, 2018-16, 2018-17, 2018-18, 2018-19 and 2018-20 and the related forms of Bond Purchase Agreement, Preliminary Official Statement, Escrow Deposit Agreement and Bond that will provide the Managing Director/CEO the authorization to price and execute Electric System, Subordinated Electric System, Water and Sewer System, Subordinated Water and Sewer System, St. Johns River Power Park System Issue Three and Bulk Power Supply System fixed rate refunding transactions, respectively, within the stated parameters.

Due to a lack of quorum, this item was received for information and will be presented at the December 11, 2018 Board Meeting for action.

- E. JEA Energy Market Risk Management Policy Report – Steve McNall, Director, Electric Production Resource Planning, reviewed the Energy Market Risk Management Policy Report, which was received for information.
- F. Ernst & Young FY2018 External Audit Report – John DiSanto, Partner, Ernst & Young (EY) introduced Mr. Russ Jeans, Senior Manager, EY. Mr. DiSanto presented an overview of the 2018 Audit Report and Management Letter, copies of which were provided to Committee Members, along with a draft copy of JEA’s Audited Financial Statements. Mr. DiSanto extended appreciation for outstanding the cooperation and communication between JEA staff, EY, and the City of Jacksonville auditors. Committee Chair Flanagan and Mr. Cumber extended their appreciation to JEA management and EY staff.
- G. Announcements
 - 1. The next Finance and Audit Committee meeting will be held on March 18, 2019, at 8:00 AM.
- H. Committee Discussion Sessions
 - 1. Ernst & Young – At 9:55 AM, Committee Chair Flanagan dismissed staff and the Committee held a general conversation with John DiSanto.
 - 2. Council Auditor’s Office – The Council Auditor’s Office was not in attendance.
 - 3. Director, Audit Services – At 10:05 AM, Committee Chair Flanagan and the Committee held a general conversation with Steve Tuten, Director, Audit Services.

Closing Considerations

With no further business claiming the attention of this Committee, the meeting was declared adjourned at 10:06 AM.

APPROVED BY:

Kelly Flanagan, Committee Chair
Date: _____

Submitted by:

La'Trece Bartley
Manager, Executive Administration



INTER-OFFICE MEMORANDUM

March 6, 2019

SUBJECT: FY2020 BUDGET ASSUMPTIONS

FROM: Aaron F. Zahn, Managing Director/CEO

TO: JEA Finance and Audit Committee

Kelly Flanagan, Chair
John Campion

BACKGROUND:

Budget assumptions are established to address key strategic issues, risks, major challenges and assumptions for the upcoming fiscal year, and are presented to the Finance and Audit Committee for feedback and direction.

DISCUSSION:

Staff will provide the FY2020 Budget assumptions for the JEA operating and maintenance budget and the capital budget for both the Energy and Water and Wastewater systems.

Assumptions include:

- Revenue
- Fuel Revenue & Expenses
- O&M Expense levels
- Financial Metrics
- Capital Expenditures
- Financing Plan

RECOMMENDATION:

Staff is providing this presentation for the Committee's consideration and requests feedback and direction regarding the FY2020 Budget.

Aaron F. Zahn, Managing Director/CEO

AFZ/RFW/KMQ



JEA[®]



FY2020 Budget



FY2020 BUDGET AGENDA

- 1 Strategic Issues & Risks
- 2 Key Assumptions
- 3 Electric System Budget Assumptions
- 4 Water & Sewer System Budget Assumptions
- 5 Government Transfer via the JEA Bill
- 6 Budget Timeline & Action Items

1

**STRATEGIC
ISSUES & RISKS**

FY2020 BUDGET
STRATEGIC
ISSUES & RISKS

**Financial Performance
& Flexibility**

- ▶ Our fundamental goal is to maximize each of our corporate measures of value: customer value, financial value, community impact value, & environmental value

**Water Resource
Management**

- ▶ CUP1 Compliance – Reclaim, conservation programs, minimum flow and levels (MFL)
- ▶ Driving Net Zero
- ▶ Sewer system resiliency
- ▶ Water Purification

STAR Plan

- ▶ Increased revolver by \$200 million at same pricing, terms, and conditions
- ▶ Pay off ~\$1 billion of debt by 2023
- ▶ Cash funding ~\$1.6 billion in CAPEX for the next four years
- ▶ No projected base rate increases necessary to execute plan

**Workforce
Readiness**

- ▶ Adaptability
- ▶ Retention
- ▶ Engagement
- ▶ Alignment
- ▶ Corporate Identity
- ▶ Workforce Diversity

**Strategic Plan
Implementation**

- ▶ Drive an adaptive culture
- ▶ Align to a pervasive commitment to profitability and value
- ▶ De-risk the business
- ▶ Be a platform for customer choice

2 KEY ASSUMPTIONS

KEY FY2020 BUDGET ASSUMPTIONS



REVENUE PROJECTIONS

- ▶ Electric net customer account annual growth at 1.7%
- ▶ Water net customer account growth at 2.5%
- ▶ Annual Electric unit sales projected at 12,200,000 MWh (2.8% below the FY2019 assumption)
- ▶ Annual Water unit sales projected to be 69,600,000 kgals (4.7% below the FY2019 assumption)

FUEL & PURCHASED POWER COSTS

- ▶ FY2020 projection reflects lower solid fuel and lower byproduct disposal
- ▶ FY2020 year-end fuel reserve balances projected to be 12% of target expense
- ▶ Fuel Hedges for Natural Gas in place through Calendar Year 2021
- ▶ Will continue to monitor projected fuel reserve balance

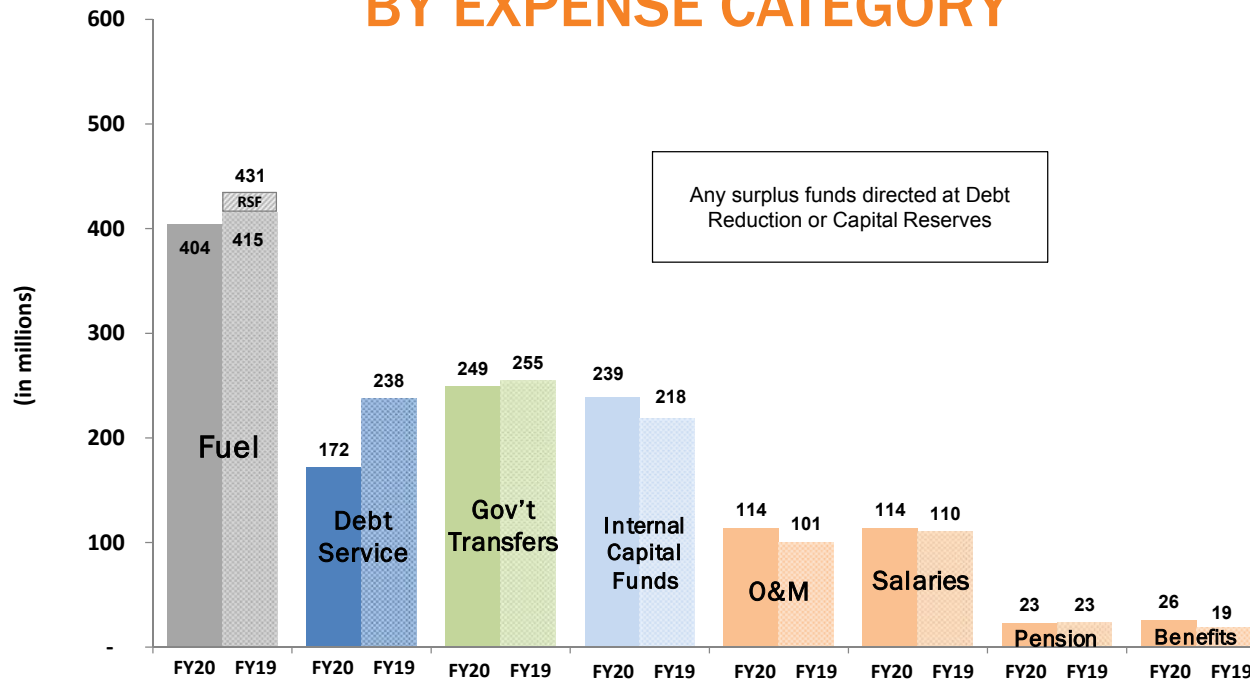


LABOR COSTS

- ▶ Bargaining unit wages reflect negotiated contracts through FY2019
- ▶ Pension costs set equal to FY2019 levels as pension reform was completed in FY2017
- ▶ Staffing risks mitigated with continuation of Workforce Readiness and Succession Planning initiative
- ▶ In Q3 FY2019 we will introduce a Total Market Compensation Philosophy in order to align compensation to results and value

3 ENERGY SYSTEM BUDGET ASSUMPTIONS

ENERGY SYSTEM BY EXPENSE CATEGORY



FY2020B
\$1.3 Billion

VS

FY2019B
\$1.4 Billion

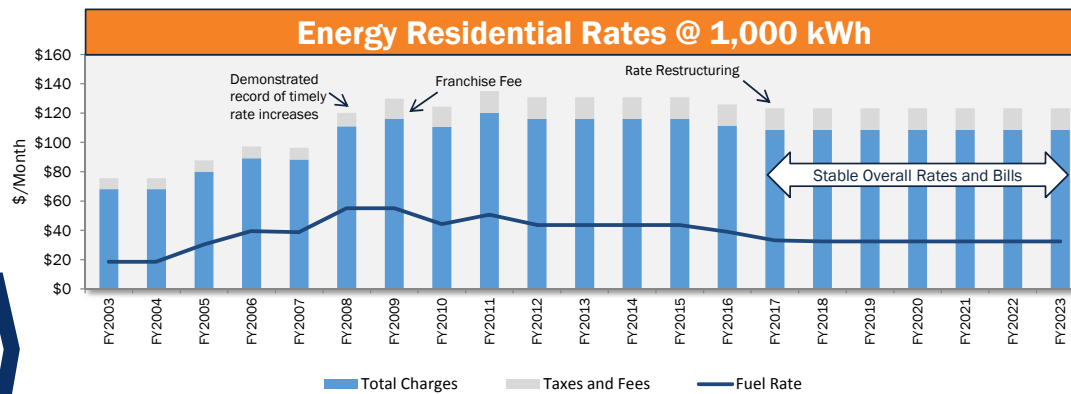
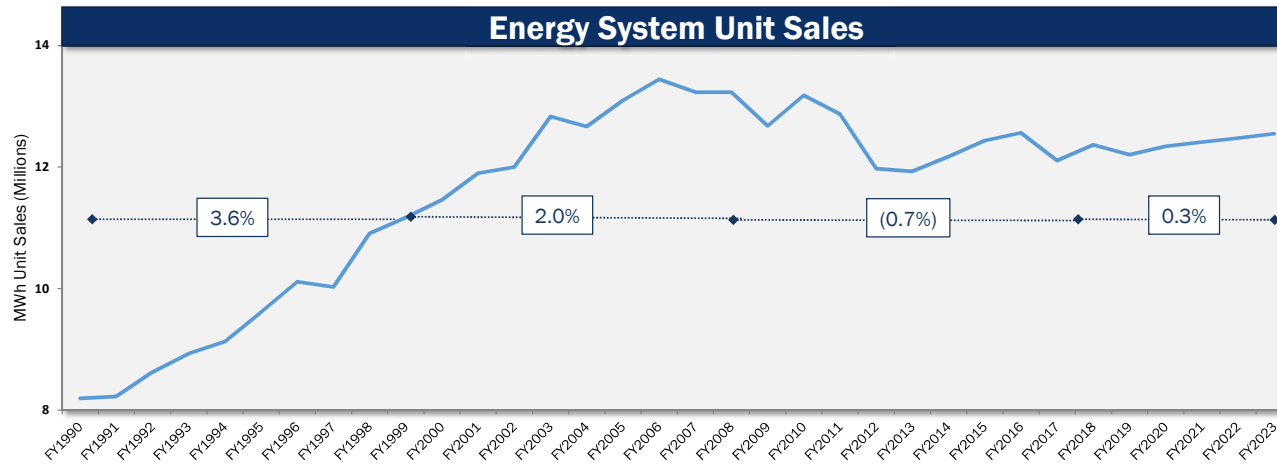
OF NOTE

- Fuel includes Scherer transmission and capacity expenses
- SJRPP and Scherer non-fuel purchase power expenses included in Debt Service and Internal Capital. Scherer also included in O&M
- O&M Salaries, Benefits, and Pension are net of capital
- FY2020 O&M includes \$2M Natural Gas retail sale operations
- Internal Capital Funds include JEA Electric System R&R and OCO, SJRPP R&R, and Scherer R&R, no new debt is required
- Lower principal and interest due to debt restructuring in FY2017
- Internal capital funds for FY2020 are greater than annual depreciation but less than the estimated budget for FY20 of \$232m
- Any surplus funds directed at debt reduction or capital reserves

FY2020 BUDGET
ENERGY SYSTEM
OPERATING BUDGET



Energy Assumptions



**FY2020 BUDGET
ENERGY SYSTEM
OPERATING BUDGET**



Energy System Operating Expenses

(\$ in millions)	FY2019 Budget ¹	FY2020 Budget ¹	Variance	Explanation
Salaries & Benefits	\$179.9*	\$190.2*	\$10.3	Step increases, market adjustments and bargaining unit agreements
Other Services	114.6	122.9	8.3	Outage and 5 to 5 Incentive Program
Materials & Supplies	17.1	20.4	3.3	Outage and increased cost of supplies and materials
Other	18.9	21.0	2.1	Insurance Premium Increase, Interest on Customer Deposits
Credits – Shared Services	(53.9)	(59.1)	(5.2)	Increase to Water Billing Credit due to increased W/WW expenses
Credits – Capitalization	(40.3)	(38.8)	1.5	Lower overall capitalization percentages
Credits – Other	(15.2)	(14.6)	0.6	Decrease in SJRPP Service Level Agreement
Total	\$221.1	\$242.0	\$20.9	

Key Strategic Issues <u>Included</u> in Budget			
FY2019		FY 2020	
Generating Unit Outages	16.2	Generating Unit Outages	20.6
Succession Planning Staffing Risks	2.6	Succession Planning Staffing Risks	2.6
Enterprise Asset Management	3.0	Enterprise Asset Management	3.0
		5 to 5 Innovation Incentive Program	2.8
Compensation	*	Compensation	*
Total	\$21.8	Total	\$29.0

¹Excludes Customer Benefit, Environmental, and Retail Natural Gas

SOURCES OF FUNDS

\$168
MILLION OTHER CAPITAL OUTLAY

\$64
MILLION RENEWAL & REPLACEMENT

USES OF FUNDS

\$205
MILLION SYSTEM MAINTENANCE

- ▶ Renewal & Replacement
- ▶ Distribution
- ▶ Facilities, Fleet, & Technology

\$27
MILLION SYSTEM EXPANSION

- ▶ New or Expanded Generation
- ▶ New Transmission Lines
- ▶ New or Expanded Substations

FY2020 BUDGET
ENERGY SYSTEM
CAPITAL FUNDING

FY2020 ENERGY SYSTEM CAPITAL BUDGET
\$232 MILLION



FY2019 capital plan budget was \$334.5 million, current forecast is \$275 million



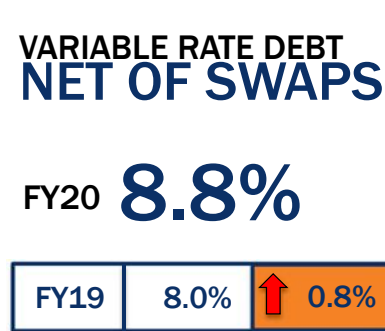
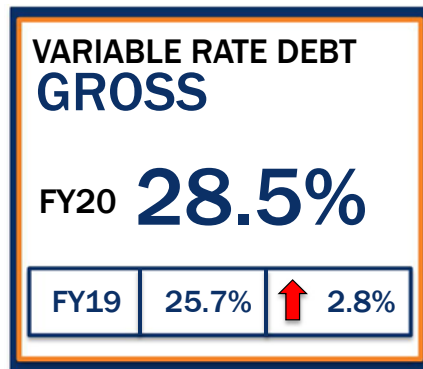
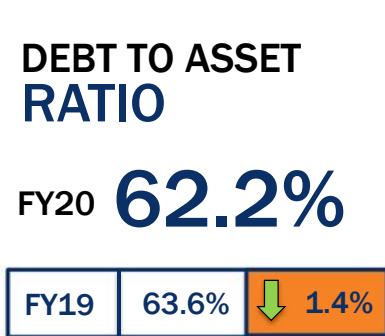
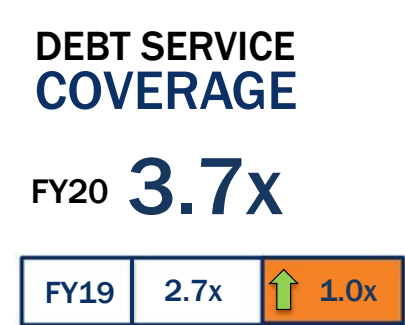
FY2020 capital program is projected to be \$232 million

FY2020 capital funding plan utilizes existing capital cash balances to fund qualifying projects, resulting in no new debt issuance for FY2020



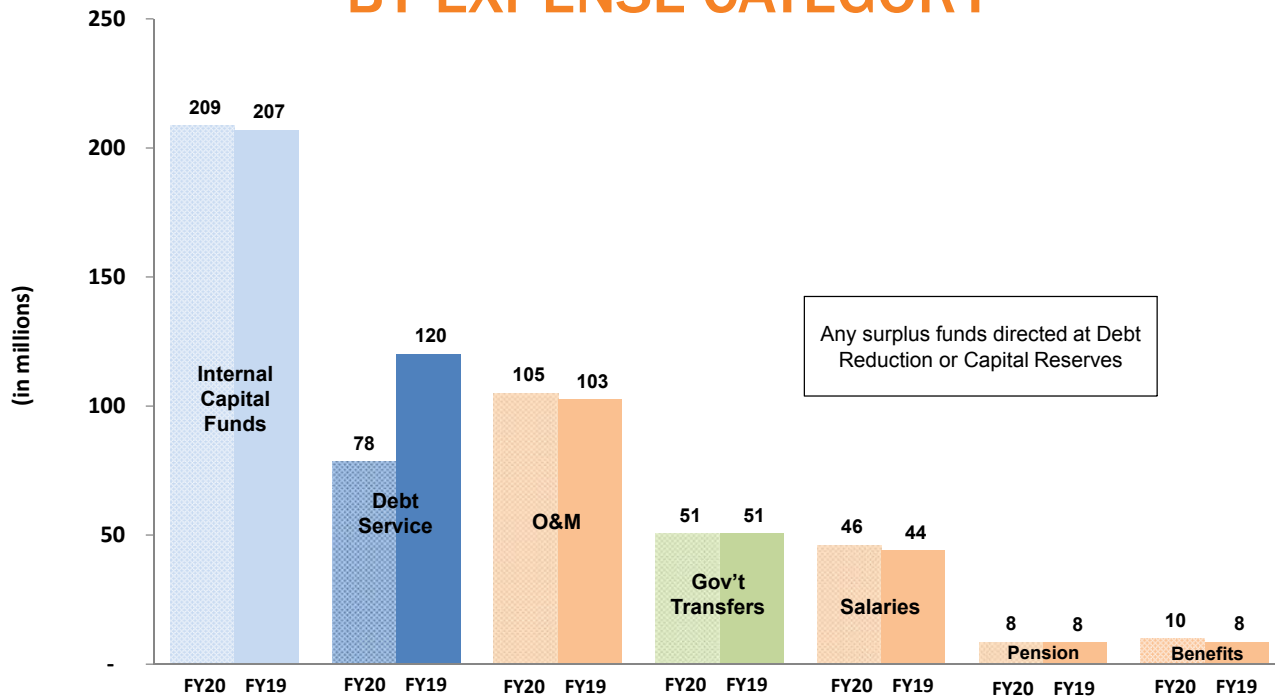
Focus on FY2020 key initiatives related to technology with a \$20 million 2-Way Meter Conversion and \$9.5 million on SAIDI improvement plan





4 WATER & WASTEWATER SYSTEM BUDGET ASSUMPTIONS

WATER & WASTEWATER SYTEM BY EXPENSE CATEGORY



FY2020B
\$507 Million

VS

FY2019B
\$541 Million

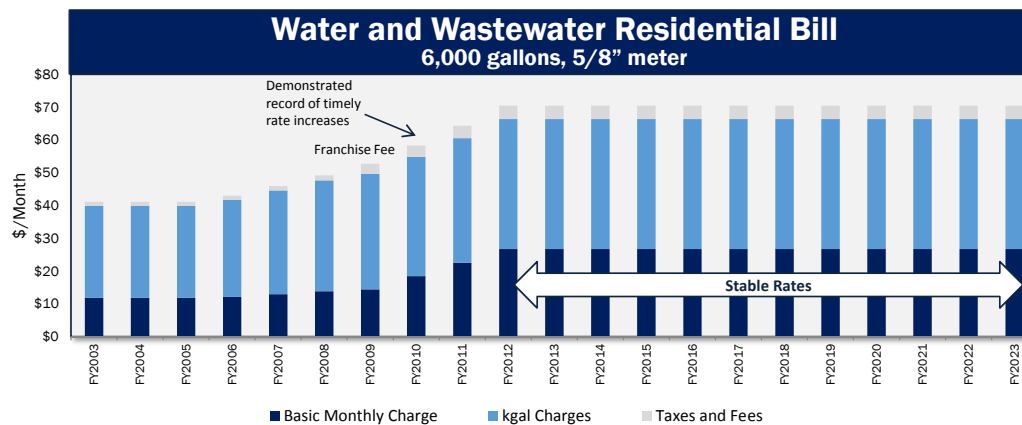
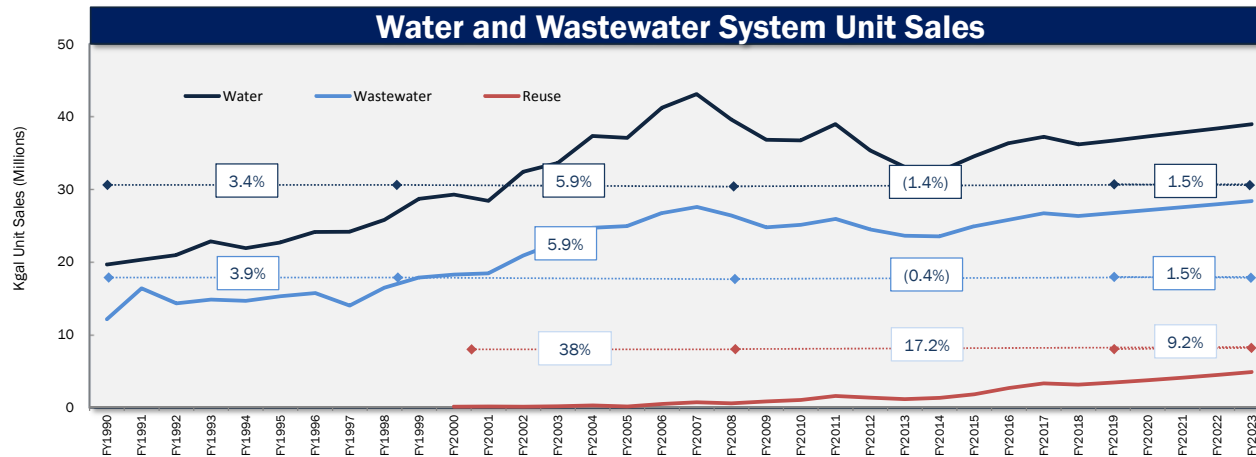
OF NOTE

- Government Transfers include City Contribution, COJ Public Service Tax, and COJ Franchise Fee
- O&M Salaries, Benefits, and Pension are net of capital
- The FY2020 capital program is partially funded by \$209m in internal capital funds
- FY2020 Debt Service decrease reflects the defeasance of \$95m in debt, approximately \$42m of which impacts FY2020
- Internal capital funds for FY2020 are greater than annual depreciation but less than the estimated budget for FY2020 of \$260m
- Any surplus funds directed at debt reduction or capital reserves

FY2020 BUDGET
W/WW
OPERATING BUDGET



Water/Wastewater Assumptions



FY2020 BUDGET
W/WW
OPERATING BUDGET



Water and Wastewater Operating Expenses

(\$ in millions)	FY2019 Budget ¹	FY2020 Budget ¹	Variance	Explanation
Salaries & Benefits	\$74.2*	\$76.9*	\$2.7	Bargaining unit agreements, additional headcount, and increased benefit costs
Other Services	31.8	33.0	1.2	Includes storm generator lease, water/sewer resiliency assessment
Materials & Supplies	14.6	15.2	0.6	Increased cost of supplies and materials
Shared Services	53.8	55.2	1.4	Increase to Water Billing Credit Expense
Other	3.6	3.7	0.1	Insurance premium increase
Credits – Capitalization	(20.5)	(19.0)	1.5	Lower capitalization
Total	\$157.5	\$165.0	\$7.5	

Key Strategic Issues <u>Included</u> in Budget			
FY2019		FY 2020	
Integrated Water Resource Plan/Water Purification	\$0.8	Integrated Water Resource Plan/Water Purification	\$0.8
Succession Planning Staffing Risks	1.0	Succession Planning Staffing Risks	1.0
Enterprise Asset Management	1.0	Enterprise Asset Management	1.0
Storm Generators and Pumps	1.5	Storm Generators and Pumps	1.3
Storm Resiliency Assessment	1.6	Storm Resiliency Assessment	1.2
Compensation	*	Compensation	*
Total	\$5.9	Total	\$5.3

¹Excludes Customer Benefit and Environmental funding

SOURCES OF FUNDS

\$ 51
MILLION CARRYOVER INTERNAL FUNDS

\$ 171
MILLION OTHER CAPITAL OUTLAY

\$ 25
MILLION RENEWAL & REPLACEMENT

\$ 13
MILLION ENVIRONMENTAL

USES OF FUNDS

\$ 186
MILLION **SYSTEM MAINTENANCE**

- ▶ Renewal & Replacement
- ▶ Distribution
- ▶ Facilities, Fleet, & Technology

\$ 59
MILLION **SYSTEM EXPANSION**

- ▶ New or Expanded Treatment
- ▶ New Transmission Lines
- ▶ New or Expanded Master Pumps

\$ 15
MILLION **ENVIRONMENTAL**

- ▶ BMAP*/TMDL**/Reclaim
- ▶ Total Water Management Plan
- ▶ Major Environmental Initiatives

*Basin Management Action Plan

**Total Maximum Daily Limit of Nitrogen

FY2020 BUDGET
W/WW SYSTEM
CAPITAL FUNDING

FY2020 WATER & WASTEWATER SYSTEM CAPITAL BUDGET
\$260 MILLION



FY2019 capital plan budget was \$248.5 million, current forecast is \$197 million



FY2020 capital program is projected to be \$260 million

FY2020 capital funding plan utilizes existing capital cash balances to fund qualifying projects, resulting in no new debt issuance for FY2020



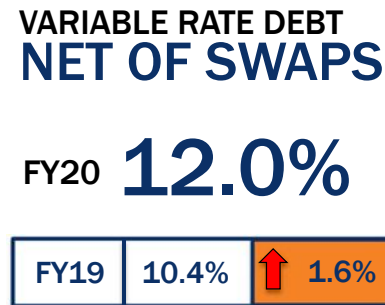
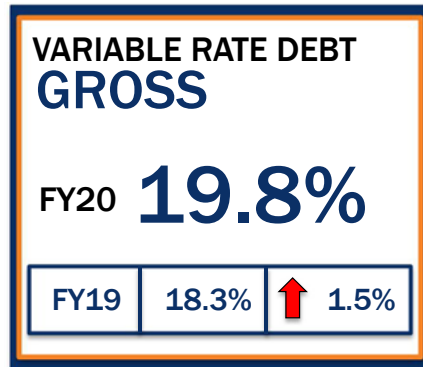
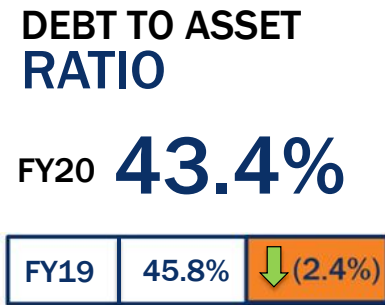
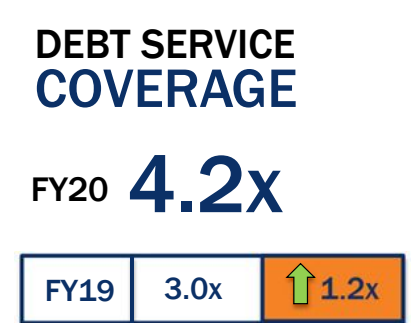
FY2020 \$48m in resiliency work which will include storm hardening improvements



Engineering on the Greenland WRF is underway. Overall project budget is \$83 million, FY20 budget is \$14.5 million

FY2020 BUDGET
W/WW SYSTEM
CAPITAL FUNDING

DISCUSSION & ANALYSIS



FY2020 BUDGET
**W/WW SYSTEM
 CAPITAL FUNDING**



BOND RATING: A2/AAA/AA



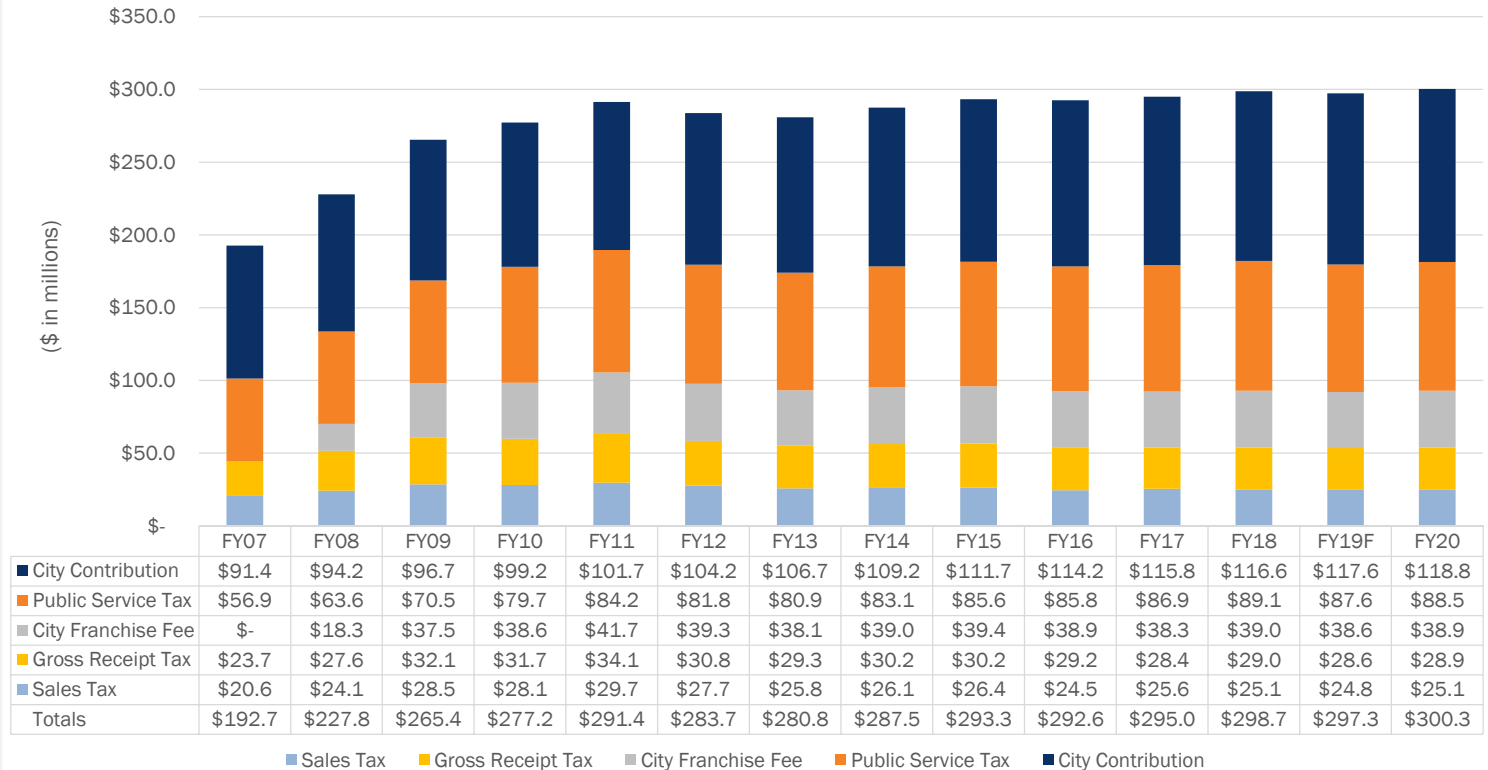
5

**GOVERNMENT TRANSFERS
VIA THE JEA BILL**

OF NOTE

- Paid to COJ:
 - City Contribution
 - Public Service Tax
 - City Franchise Fee
- Paid to State of Florida:
 - Gross Receipt Tax
- Paid to COJ & State:
 - Sales Tax
- JEA transfers to the City of Jacksonville have increased to \$246 million
- FY2020 shows a 56% increase in total contributions as compared to FY2007
- The City Contribution Agreement has been extended through FY2023

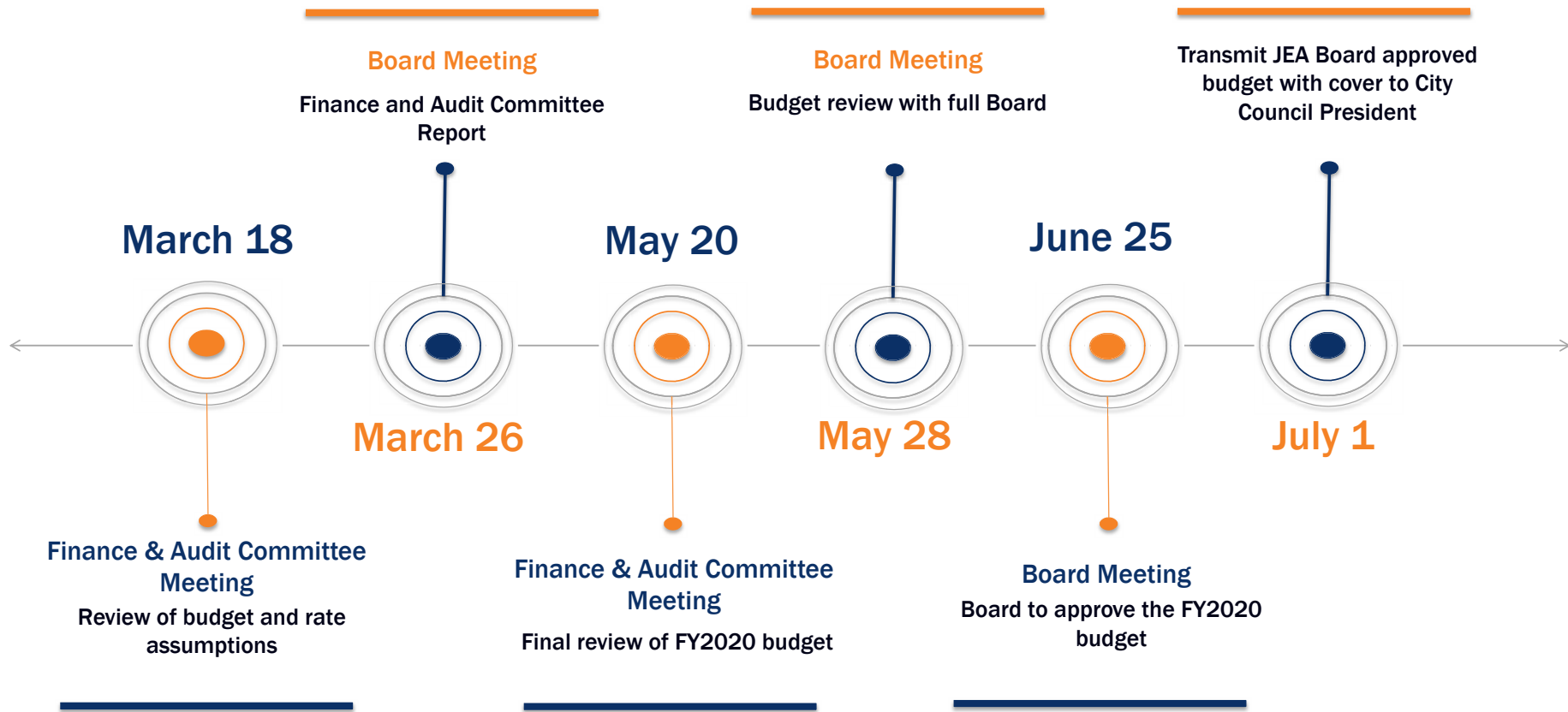
GOVERNMENT TRANSFERS VIA THE JEA BILL



FY2020 BUDGET GOVERNMENT TRANSFERS VIA THE JEA BILL



6 BUDGET TIMELINE & ACTION ITEMS



**FY2020 BUDGET
BOARD REVIEW &
APPROVAL SCHEDULE**



FY2020 SUMMARY

Finance and Audit Committee Action

- Provide feedback and direction regarding the key strategic issues and risks for the FY2020 Budget specifically covering:
 - Revenue
 - O&M Expense Levels
 - Debt Structure
 - Financial Metrics
- Provide feedback and direction for staff to present the Proposed Budget to the full Board

STAFF

- Prepare Draft Budget, as well as related agenda items for review at the May Board Meeting
- Prepare budget package for approval at the June Board meeting
- Communicate with the Council Auditor
- Begin communication plan for other key stakeholders

THANK
YOU



INTER-OFFICE MEMORANDUM

February 21, 2019

SUBJECT: JEA ANNUAL DISCLOSURE POLICY REPORT

FROM: Aaron F. Zahn, Managing Director and CEO

TO: JEA Finance and Audit Committee

Kelly Flanagan, Chair
John Campion

BACKGROUND:

Federal securities laws require that disclosure documents of issuers such as JEA not contain an “untrue statement of a material fact” or omit a “material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.” “Materiality” under the federal securities laws means whether there is a substantial likelihood that a reasonable investor would consider the facts at issue to be important to an investment decision.

The SEC has further stated that public entities that issue securities are primarily liable for the content of their disclosure documents and are subject to federal securities laws prohibiting false and misleading information in their disclosure documents. Under certain federal antifraud laws, it is not necessary that an entity act recklessly or with intent or knowledge of wrongdoing; an entity may also be found liable even if found to be negligent.

In early 2015, staff worked with JEA’s bond counsel firm, Nixon Peabody LLP, to document JEA’s ongoing processes and procedures for monitoring and assessing operational, financial, regulatory, governmental and other developments within and outside JEA that need to be considered when preparing information that could reasonably be expected to find its way to investors, potential investors or other stakeholders in JEA securities. Nixon Peabody provided input from experience they gained through working with other public entities. Lessons learned from those experiences and industry best practices were combined with JEA’s procedures and specific requirements to formulate the JEA Disclosure Policies and Procedures (“Disclosure Policies”).

DISCUSSION:

In March 2015, Nixon Peabody conducted disclosure training sessions with the Board, senior leadership team and staff involved with the preparation and review of JEA’s disclosure documents. Staff presented the Board draft revised Disclosure Policies for information at its April 21, 2015 meeting, and on May 19, 2015, the Board approved those Disclosure Policies. Those Board training materials and the Disclosure Policies are included in the orientation materials for all new members.

Among actions required under the Disclosure Policies, the Chief Financial Officer shall provide a report to the Finance and Audit Committee each year, at the meeting of the Finance and Audit Committee immediately preceding the public dissemination of the Annual Disclosure Reports, regarding compliance with the Disclosure Policies during the preceding twelve month period. This report shall (i) state whether the Annual Disclosure Reports for the current year are being prepared in compliance with these Disclosure Policies and whether all disclosure documents prepared during the prior twelve month period were prepared in accordance with the Disclosure Policies, (ii) describe any issues or problems which arose in connection with compliance with the Disclosure Policies during such period and (iii) present any recommendations for changes to the Disclosure Policies. In accordance with Section 7.3 of the

Disclosure Policies, recommendations for improvement of these Disclosure Policies shall be solicited and considered by the Treasurer and if revision is deemed to be appropriate will be reviewed by the Bond Counsel and the Chief Financial Officer. Attached are a clean copy together with marked pages of the Disclosure Policies reflecting changes to Sections 3.5 and 4.9 as a result of recent Senior Leadership Team changes.

Staff is in the process of preparing the Annual Disclosure Reports for the fiscal year ended September 30, 2018, and plans to seek the Board's approval and authorization to disseminate those reports at its April 23, 2019 meeting. In accordance with past practice and prior Boards' requests, staff intends to provide Board members with substantially final drafts for their review at the March 26, 2019 Board meeting.

RECOMMENDATION:

No Board action is required. For information only.

Aaron F. Zahn, Managing Director and CEO

AFZ/RFW/JEO/

To: Finance & Audit Committee
From: Ryan F. Wannemacher, Chief Financial Officer
Date: March 6, 2019
Re: Report delivered pursuant to Section 7.5 of JEA's Disclosure Policies and Procedures

In accordance with Section 7.5 of JEA's Disclosure Policies and Procedures, dated May 19, 2015 (the "Disclosure Policies"), which requires the Chief Financial Officer to report to the Finance and Audit Committee regarding compliance with the Disclosure Policies during the preceding twelve-month period, I hereby report the following:

1. All Annual Disclosure Reports and Disclosure Documents prepared during the prior twelve-month period were prepared in accordance with the Disclosure Policies.

2. No issues or problems have arisen in connection with compliance with the Disclosure Policies during the prior twelve-month period with the exception of the following:

Subsequent to the JEA senior and subordinated bond rating downgrades by Moody's Investors Service on October 11, 2018, Treasury Staff and Bond Counsel, Nixon Peabody LLC, failed to file mandatory notices of the rating actions on MSRB's EMMA website within the ten business days required by its various Continuing Disclosure Agreements and Continuing Covenant Agreements. While the notices were filed five business days later, JEA will be required to disclose the late filings in its Annual Disclosure Reports and Official Statements for a period of five years.

It should be noted that JEA's failure to comply with the above provision did not constitute a default under any of its senior or subordinated bond resolutions.

JEA Treasury Staff and Bond Counsel have implemented an electronic notification procedure to ensure that such mandatory notice requirements are adhered to prospectively.

3. At this time, there are recommendations to make minor revisions to the Disclosure Policies to reflect changes to the Senior Leadership Team. A clean copy together with marked pages of the revised Disclosure Policies are attached to this report.

4. A copy of the Disclosure Policies has been provided to all Board members as part of their orientation package and has been distributed to all Finance Staff and Staff participating in the disclosure process.

5. A printed copy of each final Annual Disclosure Report for fiscal year ended September 30, 2017 was provided to all members of the JEA Board at their offices on T-8 of the

JEA tower on August 29, 2018. An electronic version may be prospectively provided upon request.

6. The Annual Disclosure Reports for the fiscal year ended September 30, 2018 are being prepared in compliance with the Disclosure Policies. Informational copies of the current drafts of the Annual Disclosure Reports are available to any Finance and Audit Committee member who requests copies of such draft Reports. Near-final drafts of the Annual Disclosure Reports will be provided to Board members at the March 26, 2019 Board meeting with a request to approve the documents at the April 23, 2019 Board meeting.

JEA
DISCLOSURE POLICIES AND PROCEDURES

DATED: May 19, 2015

AMENDED: March 18, 2019

INTRODUCTION

JEA is committed to ensuring that its disclosures made in connection with its municipal bond offerings and required periodic filings related thereto are fair, accurate, and comply with applicable federal and state securities laws including common law antifraud provisions under state law and any other applicable laws. Further, it is the policy of JEA to satisfy in a timely manner its contractual obligations undertaken pursuant to Continuing Disclosure Undertakings (as defined herein) entered into in connection with municipal bond offerings.

These disclosure policies and procedures (“Disclosure Policies”) have been established by JEA and are intended to (a) ensure that JEA’s Disclosure Documents (as defined herein) are accurate and complete, and comply with all applicable federal and state securities laws; and (b) promote best practices regarding the preparation of JEA’s Disclosure Documents.

The failure to comply with these Disclosure Policies shall not affect the authorization or the validity or enforceability of any Bonds that are issued by JEA in accordance with applicable law nor imply a failure to comply with federal or state securities laws.

Section 1.0 Definitions

Capitalized terms used in these Disclosure Policies shall have the meanings set forth below:

“**Annual Disclosure Report**” means the Electric System Annual Disclosure Report or the Water and Sewer System Annual Disclosure Report, as applicable.

“**Authorized Officer**” means the Managing Director and Chief Executive Officer and the Chief Financial Officer.

“**Board**” shall mean the Board of JEA.

“**Bond Counsel**” shall mean any attorney or firm of attorneys of nationally recognized standing in the field of law relating to the issuance of Bonds by state and municipal entities selected by JEA. At any time JEA retains more than one bond counsel, all references to bond counsel shall be deemed to include one or more bond counsel, as deemed appropriate by an Authorized Officer of JEA.

“**Bonds**” shall refer to any bonds, notes or other securities offered by JEA, the disclosure relating to which is subject to the requirements of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934,

including Rule 10b-5 thereunder, and Securities Exchange Commission Rule 15c2-12.

“Continuing Disclosure Undertakings” means JEA’s contractual obligations entered into by JEA in connection with each issuance of Bonds.

“Disclosure Documents” means JEA’s documents and materials specifically prepared, issued, and distributed in connection with JEA’s disclosure obligations under applicable federal securities laws or that otherwise could potentially subject JEA to liability under such laws, and shall include, but not be limited to the following:

- Annual Disclosure Reports;
- Official Statements;
- Any filing made by JEA pursuant to a Continuing Disclosure Undertaking, including material event notices;
- Any voluntary filing made by JEA that is posted on EMMA;
- Any document or other communication from JEA that could be viewed as reasonably expected to reach investors and the trading market for JEA’s Bonds; and
- Any other document that is reviewed and approved in accordance with these Disclosure Policies.

“Electric System Annual Disclosure Report” means the Annual Disclosure Report for Electric Utility System containing financial information and operating data required to be filed pursuant to JEA’s Continuing Disclosure Undertakings relating to its Electric System, including the audited financial statements of JEA, which are incorporated by specific reference in certain other JEA Disclosure Documents. The information includes narrative information relating to JEA as well as information that JEA has specifically contracted with bondholders to update on an annual basis in accordance with Rule 15c2-12

“EMMA” means the Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board.

“Finance Staff” means the Treasurer, Manager Debt, Bond Administration Specialist, Bond Compliance Specialist and Debt Financial Analyst.

“Financial Accounting and Reporting Staff” means the Controller, the Manager Financial Reporting and Accounting and Certified Public Accountants of JEA.

“Official Statements” means, collectively, preliminary and final Official Statements, remarketing circulars or offering memoranda used in connection with the offering or remarketing of Bonds. The Official Statements do not attempt to repeat the information in the Annual Disclosure Reports, but instead generally

include such information by specific cross-reference, as expressly authorized by Rule 15c2-12, and update only the information that has materially changed.

“Rule 15c2-12” means Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, including any official interpretations thereof.

“Staff” means employees of JEA.

“Water and Sewer System Annual Disclosure Report” means the Annual Disclosure Report for Water and Sewer System and District Energy System containing financial information and operating data required to be filed pursuant to JEA’s Continuing Disclosure Undertakings relating to its Water and Sewer System and District Energy System, including the audited financial statements of JEA, which are incorporated by specific reference in certain other JEA Disclosure Documents. The information includes narrative information relating to JEA as well as information that JEA has specifically contracted with bondholders to update on an annual basis in accordance with Rule 15c2-12.

Section 2.0 General Disclosure Practices

2.1 The Board, pursuant to supplemental resolutions adopted periodically by such Board, shall directly authorize or delegate authority and responsibility to Finance Staff to prepare and distribute Official Statements, and any updates thereto in the case of securities subject to remarketings, which will be prepared in accordance with these Disclosure Policies unless the Board otherwise directs.

2.2 The Treasurer, with the assistance of Finance Staff, is primarily responsible for the preparation of Disclosure Documents, with the assistance of Bond Counsel, the Office of General Counsel, and any other Staff with specific expertise as may be deemed necessary by the Treasurer and shall prepare all Disclosure Documents, including the Annual Disclosure Reports and Official Statements, and shall prepare and submit any other disclosure filings that may be required throughout the year. All Disclosure Documents and any other disclosure filings shall be prepared in accordance with these Disclosure Policies unless the Board otherwise directs.

2.3 The Board shall directly approve and authorize the dissemination and use of the Annual Disclosure Reports by voting to accept a Board meeting agenda item annually. Such approval may be obtained without the Board formally adopting a resolution.

Section 3.0 Preparation of Annual Disclosure Reports

3.1 Finance staff shall review the Annual Disclosure Reports filed for the previous fiscal year ended as updated by any recent developments included in Official Statements prepared since the date of such Annual Disclosure Reports and incorporating any changes into the Annual Disclosure Reports as the “most recent” disclosure and distribute sections to Staff with subject matter expertise in each topical area. Staff shall review their respective sections to ensure disclosures contained therein are accurate and

complete. Staff shall also make any necessary changes and provide them to Finance Staff to incorporate such changes into updated drafts of the Annual Disclosure Reports. The initial distribution of the sections of the Annual Disclosure Reports to Staff described in the preceding sentences shall be made no later than February 28th of each calendar year.

3.2 Finance Staff shall be responsible for directly researching any updates for certain information included in the Annual Disclosure Reports, e.g., service area/demographic information as reported in U.S. Census Bureau and State of Florida economic websites and operational statistics and financial results as reported in the fiscal year's audited financial statements and published annual report ("Annual Report") of JEA.

3.3 External sources shall be contacted to provide input and any necessary updates with respect to certain other subject areas of each Annual Disclosure Report, e.g., The Energy Authority and their counsel, City of Jacksonville with respect to pension, city contributions, etc., the Office of General Counsel with respect to litigation issues, the local Chamber of Commerce with respect to some service area information and surveys, etc. Finance Staff shall keep written records of the request and transmittal of the information reviewed and submitted by such parties.

3.4 Information in each Annual Disclosure Report of the type contained under the captions "Schedules of Debt Service Coverage" and "Management's Discussion of Electric System Operations," "Management's Discussion of Water and Sewer System Operations" and "Management's Discussion of District Energy System Operations", as applicable (collectively, the "Coverage and Operating Information"), shall be prepared by the Finance Staff and reviewed by the Financial Accounting and Reporting Staff and the Chief Financial Officer. The Financial Accounting and Reporting Staff and Finance Staff shall consult with Staff with specific knowledge of various elements of the Coverage and Operating Information and Bond Counsel as they deem appropriate.

3.5 Once revised in accordance with the procedures described in Sections 3.1 through 3.4 above, drafts of the Annual Disclosure Reports shall be distributed to Staff, including the Managing Director and Chief Executive Officer and senior leadership team for review and comment, particularly with the President and Chief Operating Officer, Chief Financial Officer, Vice President and General Manager, Energy, Vice President and General Manager, Water and Wastewater Systems, Vice President Energy and Water Planning, Chief Public and Shareholder Affairs Officer and Office of General Counsel representative reviewing the entire documents and certain other members of the JEA senior leadership team (e.g., Vice President and Chief Compliance Officer, Vice President and Chief Human Resources Officer) as determined by the Chief Financial Officer focusing on particular areas assigned to them. Finance Staff and Staff shall review multiple drafts of the Annual Disclosure Reports and the Managing Director and Chief Executive Officer, President and Chief Operating Officer, Chief Financial Officer, Vice President and General Manager, Energy, Vice President and General Manager, Water and Wastewater Systems, Vice President Energy and Water Planning, Chief Public and Shareholder Affairs Officer

and Office of General Counsel representative shall provide their signoff via email or in another writing.

3.6 The audited financial statements of JEA shall be included in the Annual Disclosure Reports in accordance with JEA's Continuing Disclosure Undertakings and as required by Rule 15c2-12.

3.7 After completing the procedures outlined in Section 3.1 through 3.6 above, drafts of the Electric System Annual Disclosure Report and the Water and Sewer System Annual Disclosure Report shall be provided to Board members at or prior to the regularly scheduled Board meeting that is one month prior to the meeting at which they will be asked to authorize the dissemination and use of the Annual Disclosure Reports. These drafts include the audited financial statements and all appendices. The Chief Financial Officer and Finance Staff will schedule times within this period when Board members may discuss any questions or comments to such Annual Disclosure Reports.

3.8 The Chair, Vice Chair or Secretary of the Board and the Managing Director and Chief Executive Officer shall approve the Annual Disclosure Reports and authorize their use and public dissemination by Finance Staff in writing.

3.9 JEA's Bond Counsel shall file each of the Electric System Annual Disclosure Report and the Water and Sewer System Annual Disclosure Report on EMMA upon the written direction of Finance Staff which direction may be provided to Bond Counsel via email. JEA staff shall then post each of the Annual Disclosure Reports on JEA's website and remove the previous year's Annual Disclosure Reports from JEA's website. While it is the intent of Finance Staff to file the Electric System Annual Disclosure Report and the Water and Sewer System Annual Disclosure Report simultaneously, such Annual Disclosure Reports may be filed as soon as they are completed as determined by the Chief Financial Officer, but in any event before June 1 of each year as required by the Continuing Disclosure Undertakings.

Section 4.0 Official Statement Review and Disclosure Processes

4.1 The Treasurer, with the assistance of Finance Staff, shall identify those persons who, for a particular financing, are appropriate to assist Bond Counsel, the underwriter(s), underwriters' counsel, JEA's financial advisor (collectively, the "Working Group") and appropriate Staff in the preparation and review of the related Disclosure Documents.

4.2 The Treasurer, Finance Staff or a member of the Working Group, as applicable, shall prepare a timeline in connection with the preparation and review of the Disclosure Documents. Such timeline shall be delivered by the Treasurer or Finance Staff to the Working Group and JEA's outside auditors so that they are apprised of the JEA's schedule for publishing such Disclosure Documents. The timeline for any particular bond financing for which Official Statements will be prepared shall vary depending on the type of Bonds being offered, the security for the Bonds, the purpose for the financing, and other factors unique to each bond financing.

4.3 The Treasurer, or a member of the Finance Staff designated by the Treasurer, shall be responsible for soliciting material information from JEA departments, other necessary entities or other governmental officials (i.e., City of Jacksonville, Office of General Counsel, etc.) for inclusion in the applicable Disclosure Documents, and shall identify Staff and any other governmental officials who may have information necessary to prepare or who should review portions of the Official Statements. Staff and other governmental officials should be timely contacted in writing and informed that their assistance will be needed for the preparation of the Official Statements.

4.4 Updated Coverage and Operating Information for the Official Statements, if available, shall be prepared by the Finance Staff and reviewed by the Financial Accounting and Reporting Staff and the Chief Financial Officer. The Financial Accounting and Reporting Staff and Finance Staff shall consult with Staff with specific knowledge of various elements of the Coverage and Operating Information and Bond Counsel as they deem appropriate.

4.5 Staff and other governmental officials shall be contacted by the Treasurer or a member of the Finance Staff designated by the Treasurer as soon as reasonably practical in order to provide adequate time for such individuals to perform a thoughtful and critical review or draft of those portions of the Disclosure Document assigned to them.

4.6 The written request for information shall include, but not be limited to, the description of any item or event of which Finance Staff is aware which could be material for review by such individuals, departments, other necessary entities or other governmental officials and potential inclusion in the Disclosure Document.

4.7 The Treasurer or a member of Finance Staff designated by the Treasurer shall maintain or cause to be maintained an accurate log of all individuals, departments, other necessary entities or other governmental officials that were requested to review or draft information in connection with a Disclosure Document, as well as an accurate log of responses to such requests, including what sections such individuals or entities listed above prepared or reviewed and shall also be responsible for collecting all transmittal letters, certifications, and lists of sources for incorporation into the records to be maintained by the Finance Staff or Treasurer. Such information may be maintained by the filing of electronic communications or emails filed for each offering of Bonds.

4.8 The Treasurer, Finance Staff and Bond Counsel shall hold a due diligence conference call with the underwriter(s) and underwriters' counsel, prior to the printing or posting of a preliminary Official Statement.

4.9 The Chief Financial Officer, Finance Staff, Vice President and General Manager, Energy or Vice President and General Manager, Water and Wastewater Systems, as applicable, and Chief Public and Shareholder Affairs Officer shall provide

their signoff on the preliminary Official Statement via email or in another writing prior to the printing or posting of a preliminary Official Statement.

4.10 Underwriters' Counsel shall provide written discussion topics or questions in advance of the due diligence conference call, to the extent practical, to permit Finance Staff time for response from required Staff, to prepare for the due diligence session and to consider additional matters they deem material to the offering. The due diligence session shall not be limited to the list of written topics or questions or other questions solely from Underwriters' Counsel and may include any other topics deemed relevant by Finance Staff, JEA's financial advisor, Bond Counsel, underwriters counsel or the underwriters. Bond Counsel, JEA's financial advisor and the underwriters and underwriters' counsel shall participate in such due diligence session. Copies of the questions and the responses should be included by the Finance Staff in the files relating to the bond transaction.

4.11 If required by Rule 15c2-12 or otherwise, the Treasurer shall sign a certificate to the effect that the preliminary offering document or other disclosure document is deemed final as of its date other than information allowed to be omitted under Rule 15c2-12(b)(1).

4.12 At the time of the sale of the Bonds the Treasurer, in conjunction with Finance Staff and Bond Counsel, shall prepare a final Official Statement and satisfy themselves that based on the information provided to them in accordance with these Disclosure Policies at the time of sale such Official Statement is in satisfactory form and that no additional disclosure is required.

4.13 Annual audited JEA financial statements shall be incorporated by reference or included into the Disclosure Documents. Management's Discussion of Operations with respect to the Electric System's or the Water and Sewer System's Schedules of Debt Service Coverage, as applicable, for the most recent JEA unaudited quarterly reporting period shall be included in the Official Statements if available and deemed by JEA, Bond Counsel and the underwriter(s) and underwriters' counsel to be material.

4.14 Before the printing of any preliminary or final Official Statement the Treasurer or a member of Finance Staff designated by the Treasurer and Bond Counsel shall obtain confirmations from the Office of General Counsel, by e-mail or otherwise, that they know of no material litigation that has been filed (or threatened with a reasonable likelihood of being filed) against JEA since the diligence session and know of no material change that is required to be reflected in the Recent Developments or any other heading of the Disclosure Document.

4.15 The Board shall approve any preliminary or final Official Statement prior to its use and public dissemination. The Board may do so by approving a form of preliminary or final Official Statement and delegate to the Managing Director and Chief Executive Officer the authority to make any additions, modifications or changes

as may be necessary to comply with the standard for accuracy and completeness described in Section 7.5 below.

4.16 Bond Counsel may, but are not required to be, invited to attend any JEA presentations to rating agencies and investors made in connection with the offering of Bonds. The Treasurer and Finance Staff shall review any materials used in presentations, meetings or telephone conferences with rating agencies or investors for consistency with the appropriate Disclosure Document. Appropriate records of meetings and telephone conferences with rating agencies and investors will be kept by the Treasurer or a member of Finance Staff designated by the Treasurer.

Section 5.0 On-Going Disclosure

5.1 The Chief Financial Officer, Treasurer, Finance Staff and Bond Counsel shall monitor State and national markets generally and, determine whether there is a need for additional disclosure by way of additional periodic filings with EMMA or any recommended supplement to any Disclosure Document.

5.2 The annual and quarterly Management's Discussion and Analysis and the Notes with respect to the general purpose financial statements (collectively, the "MD&A") shall be prepared by Financial Accounting and Reporting Staff and reviewed by Finance Staff. The Financial Accounting and Reporting Staff and Finance Staff shall consult with Staff with specific knowledge of various elements of the MD&A and Bond Counsel as they deem appropriate.

5.3 The MD&A shall be reviewed by the Chief Financial Officer prior to being finalized. The Chief Financial Officer shall signoff and approve the MD&A via email or another writing prior to the posting of the MD&A on JEA's website.

Section 6.0 Training

6.1 Training for Board members and Staff shall be conducted by either Bond Counsel or their designee(s) regarding disclosure practices under applicable state and federal law. It is intended that this training shall assist these individuals in (1) understanding their responsibilities; (2) identifying significant items which may need to be included in the Disclosure Documents; and (3) reporting issues and concerns relating to disclosure. A refresher training program shall be conducted not less than once every two years.

A. Board Members

a. Board Members shall be advised of their general disclosure responsibilities and the extent they may delegate to and rely on Staff's preparation of Disclosure Documents.

b. Board Members shall be advised of their fiduciary duties under Florida State law.

c. Specialized training regarding JEA disclosure responsibilities shall be conducted for the members of the Finance and Audit Committee of the Board.

B. Finance Staff

a. Staff with responsibility for collecting, preparing or reviewing information that is provided for inclusion in a Disclosure Document or for certifying or confirming its accuracy in accordance with these Policies and Procedures, and those persons responsible for executing them, shall attend disclosure training sessions.

b. The determination as to whether or not an employee or group of employees shall receive such training shall be made by the Treasurer in consultation with Bond Counsel and the Chief Financial Officer.

C. Staff

a. In addition to the Finance Staff identified above, information from various Electric System and Water and Sewer System level departments may be relevant in the disclosure update process. These System departments include:

- Electric Production Resource Planning
- Electric Transmission and Distribution Planning
- Electric Systems Operations
- Electric Transmission and Distribution Projects
- Electric Production
- Water and Wastewater Planning and Treatment Project Engineering
- Environmental Programs
- Permitting and Regulatory Conformance
- Government Affairs
- Emerging Workforce Strategies.

Section 7.0 General Principles

7.1. Each Staff member participating in the disclosure process shall be responsible for raising potential disclosure items at all times in the process.

7.2 Each Staff member participating in the disclosure process should raise any issue regarding disclosure with the Treasurer or Chief Financial Officer at any time.

7.3 Recommendations for improvement of these Disclosure Policies shall be solicited and considered by the Treasurer and if revision is deemed to be appropriate will be reviewed by the Bond Counsel and the Chief Financial Officer.

7.4 The process of revising and updating Disclosure Documents by each Staff member should not be viewed as mechanical insertions of more current information; everyone involved in the process should consider the need for revisions in the form and content of the sections for which they are responsible.

7.5 The standard for accuracy and completeness is that there shall be **no untrue statement of material fact and no omission of a statement necessary to make the statements made, in light of the circumstances under which they were made, not misleading**. All participants in the process should keep this standard in mind.

The Chief Financial Officer shall provide a report to the Finance and Audit Committee each year, at the time of the meeting of the Finance and Audit Committee immediately preceding the public dissemination of the Annual Disclosure Reports, regarding compliance with these Disclosure Policies during the preceding twelve month period. Such report shall (i) state whether the Annual Disclosure Reports for the current year are being prepared in compliance with these Disclosure Policies and whether all Disclosure Documents prepared during the prior twelve month period were prepared in accordance with the Disclosure Policies, (ii) describe any issues or problems which arose in connection with compliance with the Disclosure Policies during such period, (iii) present any recommendations for changes to the Disclosure Policies; (iv) provide an informational copy of the then current draft of the Annual Disclosure Reports to any Finance and Audit Committee member who requests one; and (v) provide a printed copy of the final Annual Disclosure Reports to all Board members.

A copy of these Disclosure Policies shall be distributed annually to Board members and all Finance Staff and Staff participating in the disclosure process. Any updates to these Disclosure Policies shall be distributed to such groups upon their issuance.

Section 8.0 Disclosure-Related Document Retention Practices.

8.1 Consistent with JEA's Continuing Disclosure Undertakings, the following documents shall be maintained for the later of five years or the period of time required by JEA's records management or records retention program:

- Annual Continuing Disclosure Filings
- Bond Issue Bound Books or CD-ROMs containing bond issue documents
- Bond Issue Executed Documents
- Disclosure Documents
- Investor Materials
- JEA Financial Statements related to bonds
- Note Issue Bound Books or CD-ROMs containing note issue documents
- Note Issue Executed Documents
- Rating Agency Presentation Materials
- Records of all disclosure activities, including but not limited to telephone calls, emails and other inquiries from investors
- Unaudited Quarterly and Annual Financial Statements Audited by Outside Auditing Firm

Section 9.0 Role of Bond Counsel

9.1 JEA will require Bond Counsel to perform the following services in connection with the preparation of its Disclosure Documents:

- a. review and comment on JEA's Disclosure Documents;
- b. participate in the due diligence process conducted by the underwriters and their counsel;
- c. review presentations, if requested and, if requested, attend and/or listen to rating agency or investor presentations related to JEA's bonds, notes and other securities;
- d. advise JEA regarding:
 - (i) specific disclosure issues relating to JEA's financial operations, operating performance and capital program development, including funding, progress and problems;
 - (ii) standards of disclosure under applicable securities laws;
 - (iii) adequacy of JEA's disclosure in any Disclosure Document;
 - (iv) completeness and clarity of the information provided by the City in any Disclosure Document; and
 - (v) other matters as directed by JEA;
- e. interface with the Treasurer and Finance Staff with respect to any Disclosure Document;
- f. provide a securities law supplemental opinion for each financing transaction;
- g. participate in the preparation, review and approval of the Annual Disclosure Reports; and
- h. conduct periodic training of Board members, Finance Staff and Staff on the disclosure process contemplated by the Disclosure Policies and Procedures set forth herein as may be requested from time to time by the Treasurer.

JEA
DISCLOSURE POLICIES AND PROCEDURES

DATED: May 19, 2015

AMENDED: March 18, 2019

INTRODUCTION

JEA is committed to ensuring that its disclosures made in connection with its municipal bond offerings and required periodic filings related thereto are fair, accurate, and comply with applicable federal and state securities laws including common law antifraud provisions under state law and any other applicable laws. Further, it is the policy of JEA to satisfy in a timely manner its contractual obligations undertaken pursuant to Continuing Disclosure Undertakings (as defined herein) entered into in connection with municipal bond offerings.

These disclosure policies and procedures (“Disclosure Policies”) have been established by JEA and are intended to (a) ensure that JEA’s Disclosure Documents (as defined herein) are accurate and complete, and comply with all applicable federal and state securities laws; and (b) promote best practices regarding the preparation of JEA’s Disclosure Documents.

The failure to comply with these Disclosure Policies shall not affect the authorization or the validity or enforceability of any Bonds that are issued by JEA in accordance with applicable law nor imply a failure to comply with federal or state securities laws.

Section 1.0 Definitions

Capitalized terms used in these Disclosure Policies shall have the meanings set forth below:

“Annual Disclosure Report” means the Electric System Annual Disclosure Report or the Water and Sewer System Annual Disclosure Report, as applicable.

“Authorized Officer” means the Managing Director and Chief Executive Officer and the Chief Financial Officer.

“Board” shall mean the Board of JEA.

“Bond Counsel” shall mean any attorney or firm of attorneys of nationally recognized standing in the field of law relating to the issuance of Bonds by state and municipal entities selected by JEA. At any time JEA retains more than one bond counsel, all references to bond counsel shall be deemed to include one or more bond counsel, as deemed appropriate by an Authorized Officer of JEA.

“Bonds” shall refer to any bonds, notes or other securities offered by JEA, the disclosure relating to which is subject to the requirements of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934,

review their respective sections to ensure disclosures contained therein are accurate and complete. Staff shall also make any necessary changes and provide them to Finance Staff to incorporate such changes into updated drafts of the Annual Disclosure Reports. The initial distribution of the sections of the Annual Disclosure Reports to Staff described in the preceding sentences shall be made no later than February 28th of each calendar year.

3.2 Finance Staff shall be responsible for directly researching any updates for certain information included in the Annual Disclosure Reports, e.g., service area/demographic information as reported in U.S. Census Bureau and State of Florida economic websites and operational statistics and financial results as reported in the fiscal year's audited financial statements and published annual report ("Annual Report") of JEA.

3.3 External sources shall be contacted to provide input and any necessary updates with respect to certain other subject areas of each Annual Disclosure Report, e.g., The Energy Authority and their counsel, City of Jacksonville with respect to pension, city contributions, etc., the Office of General Counsel with respect to litigation issues, the local Chamber of Commerce with respect to some service area information and surveys, etc. Finance Staff shall keep written records of the request and transmittal of the information reviewed and submitted by such parties.

3.4 Information in each Annual Disclosure Report of the type contained under the captions "Schedules of Debt Service Coverage" and "Management's Discussion of Electric System Operations," "Management's Discussion of Water and Sewer System Operations" and "Management's Discussion of District Energy System Operations", as applicable (collectively, the "Coverage and Operating Information"), shall be prepared by the Finance Staff and reviewed by the Financial Accounting and Reporting Staff and the Chief Financial Officer. The Financial Accounting and Reporting Staff and Finance Staff shall consult with Staff with specific knowledge of various elements of the Coverage and Operating Information and Bond Counsel as they deem appropriate.

3.5 Once revised in accordance with the procedures described in Sections 3.1 through 3.4 above, drafts of the Annual Disclosure Reports shall be distributed to Staff, including the Managing Director and Chief Executive Officer and senior leadership team for review and comment, particularly with the President and Chief Operating Officer, Chief Financial Officer, Vice President/and General Manager ~~Electric, Energy, Vice President and General Manager, Water and Wastewater~~ Systems, Vice President/~~General Manager Water Sewer and District Energy Systems and Water Planning~~, Chief Public and Shareholder Affairs Officer and Office of General Counsel representative reviewing the entire documents and certain other members of the JEA senior leadership team (e.g., Vice President and Chief Compliance Officer, Vice President and Chief Human Resources Officer) as determined by the Chief Financial Officer focusing on particular areas assigned to them. Finance Staff and Staff shall review multiple drafts of the Annual Disclosure Reports and the Managing Director and Chief Executive Officer, President and Chief Operating Officer, Chief Financial Officer, Vice President/and General Manager ~~Electric,~~

Energy, Vice President and General Manager, Water and Wastewater Systems, Vice President/~~General Manager Water Sewer and District~~ Energy Systems and ~~Water Planning,~~ Chief Public ~~and Shareholder~~ Affairs Officer ~~and Office of General Counsel representative~~ shall provide their signoff via email or in another writing.

3.6 The audited financial statements of JEA shall be included in the Annual Disclosure Reports in accordance with JEA's Continuing Disclosure Undertakings and as required by Rule 15c2-12.

3.7 After completing the procedures outlined in Section 3.1 through 3.6 above, drafts of the Electric System Annual Disclosure Report and the Water and Sewer System Annual Disclosure Report shall be provided to Board members at or prior to the regularly scheduled Board meeting that is one month prior to the meeting at which they will be asked to authorize the dissemination and use of the Annual Disclosure Reports. These drafts include the audited financial statements and all appendices. The Chief Financial Officer and Finance Staff will schedule times within this period when Board members may discuss any questions or comments to such Annual Disclosure Reports.

3.8 The Chair, Vice Chair or Secretary of the Board and the Managing Director and Chief Executive Officer shall approve the Annual Disclosure Reports and authorize their use and public dissemination by Finance Staff in writing.

3.9 JEA's Bond Counsel shall file each of the Electric System Annual Disclosure Report and the Water and Sewer System Annual Disclosure Report on EMMA upon the written direction of Finance Staff which direction may be provided to Bond Counsel via email. JEA staff shall then post each of the Annual Disclosure Reports on JEA's website and remove the previous year's Annual Disclosure Reports from JEA's website. While it is the intent of Finance Staff to file the Electric System Annual Disclosure Report and the Water and Sewer System Annual Disclosure Report simultaneously, such Annual Disclosure Reports may be filed as soon as they are completed as determined by the Chief Financial Officer, but in any event before June 1 of each year as required by the Continuing Disclosure Undertakings.

Section 4.0 Official Statement Review and Disclosure Processes

4.1 The Treasurer, with the assistance of Finance Staff, shall identify those persons who, for a particular financing, are appropriate to assist Bond Counsel, the underwriter(s), underwriters' counsel, JEA's financial advisor (collectively, the "Working Group") and appropriate Staff in the preparation and review of the related Disclosure Documents.

4.2 The Treasurer, Finance Staff or a member of the Working Group, as applicable, shall prepare a timeline in connection with the preparation and review of the Disclosure Documents. Such timeline shall be delivered by the Treasurer or Finance Staff to the Working Group and JEA's outside auditors so that they are apprised of the JEA's schedule for publishing such Disclosure Documents. The timeline for any particular bond financing for which Official Statements will be prepared shall vary

4.9 The Chief Financial Officer, Finance Staff, Vice President/ and General Manager ~~Electric Systems, Energy~~ or Vice President/ and General Manager, ~~Water-Sewer~~ and ~~District Energy~~ Wastewater Systems, as applicable, and Chief Public and Shareholder Affairs Officer shall provide their signoff on the preliminary Official Statement via email or in another writing prior to the printing or posting of a preliminary Official Statement.

4.10 Underwriters' Counsel shall provide written discussion topics or questions in advance of the due diligence conference call, to the extent practical, to permit Finance Staff time for response from required Staff, to prepare for the due diligence session and to consider additional matters they deem material to the offering. The due diligence session shall not be limited to the list of written topics or questions or other questions solely from Underwriters' Counsel and may include any other topics deemed relevant by Finance Staff, JEA's financial advisor, Bond Counsel, underwriters counsel or the underwriters. Bond Counsel, JEA's financial advisor and the underwriters and underwriters' counsel shall participate in such due diligence session. Copies of the questions and the responses should be included by the Finance Staff in the files relating to the bond transaction.

4.11 If required by Rule 15c2-12 or otherwise, the Treasurer shall sign a certificate to the effect that the preliminary offering document or other disclosure document is deemed final as of its date other than information allowed to be omitted under Rule 15c2-12(b)(1).

4.12 At the time of the sale of the Bonds the Treasurer, in conjunction with Finance Staff and Bond Counsel, shall prepare a final Official Statement and satisfy themselves that based on the information provided to them in accordance with these Disclosure Policies at the time of sale such Official Statement is in satisfactory form and that no additional disclosure is required.

4.13 Annual audited JEA financial statements shall be incorporated by reference or included into the Disclosure Documents. Management's Discussion of Operations with respect to the Electric System's or the Water and Sewer System's Schedules of Debt Service Coverage, as applicable, for the most recent JEA unaudited quarterly reporting period shall be included in the Official Statements if available and deemed by JEA, Bond Counsel and the underwriter(s) and underwriters' counsel to be material.

4.14 Before the printing of any preliminary or final Official Statement the Treasurer or a member of Finance Staff designated by the Treasurer and Bond Counsel shall obtain confirmations from the Office of General Counsel, by e-mail or otherwise, that they know of no material litigation that has been filed (or threatened with a reasonable likelihood of being filed) against JEA since the diligence session and know of no material change that is required to be reflected in the Recent Developments or any other heading of the Disclosure Document.



INTER-OFFICE MEMORANDUM

February 22, 2019

SUBJECT: QUARTERLY AUDIT SERVICES UPDATE

FROM: Aaron F. Zahn, Managing Director/CEO

TO: JEA Finance and Audit Committee

Kelly Flanagan, Chair
John Campion

BACKGROUND:

The Quarterly Audit Services Update provides the JEA Board of Directors with information on the current activities of the three groups within Audit Services: (1) Internal Audit; (2) Enterprise Risk Management and (3) Forensic Audit and Investigations. The Internal Audit Group reviews internal control processes and ensures that departments maintain compliance with operating procedures and regulations. JEA's Enterprise Risk Management (ERM) Program identifies, assesses, measures, monitors and actively manages risk. The Forensic Audit and Investigations Group conducts internal investigations of confidential reports into JEA's Ethics Hotline (EHL) and from other sources.

DISCUSSION:

This update will provide an assessment of how JEA is managing risk and monitoring controls to reduce and/or prevent adverse impact to its business operations.

RECOMMENDATION:

No action required, as this update is for information only.

Aaron F. Zahn, Managing Director/CEO

AFZ/TEH/SVT



JEA[®]



Audit Services Quarterly Update

Audit Services Groups

- **Enterprise Risk Management (ERM) - pp. 3-6**
- **Internal Audit – pp. 7-12**
- **Forensic Audit & Investigations – pp. 13-16**

MARCH 2019

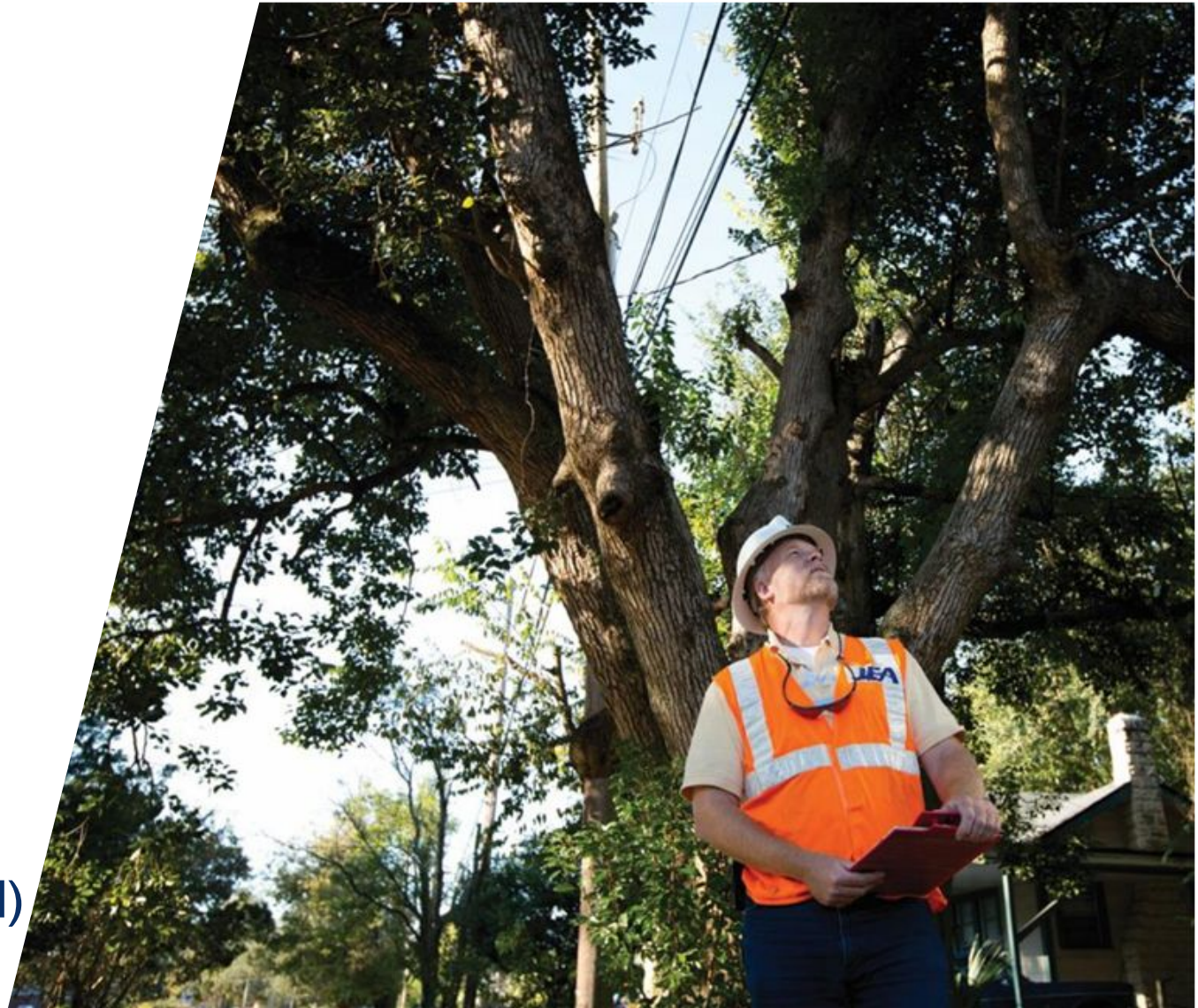


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Enterprise Risk Management (ERM)



Elements of a Successful Risk Management Program

- Understanding the concept of risk
- Integration and tone at the top
- Meaningful business discussions
- Collaboration and teamwork
- Emphasis on culture
- Relatively simple process

What Has Worked for Us?

- Mature process (12+ years); highly regarded
- Identification & development of TCRs
- Solid tone at the top
- Demonstrated business success

Next Generation

- Program refreshed to consider both relative and absolute scoring
- Relative scoring analysis resulted in new scoring
- With rescoring complete, next efforts will focus on integration with financial modeling
- Employing Key Risk Indicators

MARCH 2019



The Future of ERM

Top Corporate Risks (TCRs)

Tier One Risks	
Risk Name	Risk Score
E10 - Nuclear Power Portfolio	50
F01 - Revenues and Expenses Management	28
C02 - Physical Security (Facilities Infrastructure Security and Regulatory Compliance)	27
C03 - Disruptive Technologies/Electric Systems	26
F03 - Credit Availability/Cost	25
E13 - Infrastructure Destruction Due to Severe Weather	24
H02 Staffing	24
E06 - Long-term Planning/Load Forecast - Electric	21
W01 - Water Supply Management/Long Term Planning	21
T02 - Cyber Security Information Protection	21

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**Enterprise Risk
Management (ERM)**

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Internal Audit



Internal Audit Highlights

- This year, JEA's Internal Audit team is leading The Energy Authority (TEA) Member Review for the first time; it is a three-year lead assignment. With the collaboration of nine audit representatives from TEA's member companies, delivered the first draft to TEA Management on February 12, 2019.
- If there are scope/access restrictions as we are planning the Vogtle Plant review, Internal Audit will replace this project in our FY19 work plan with a review of JEA's GPS/fleet vehicle processes.

MARCH 2019



Internal Audit

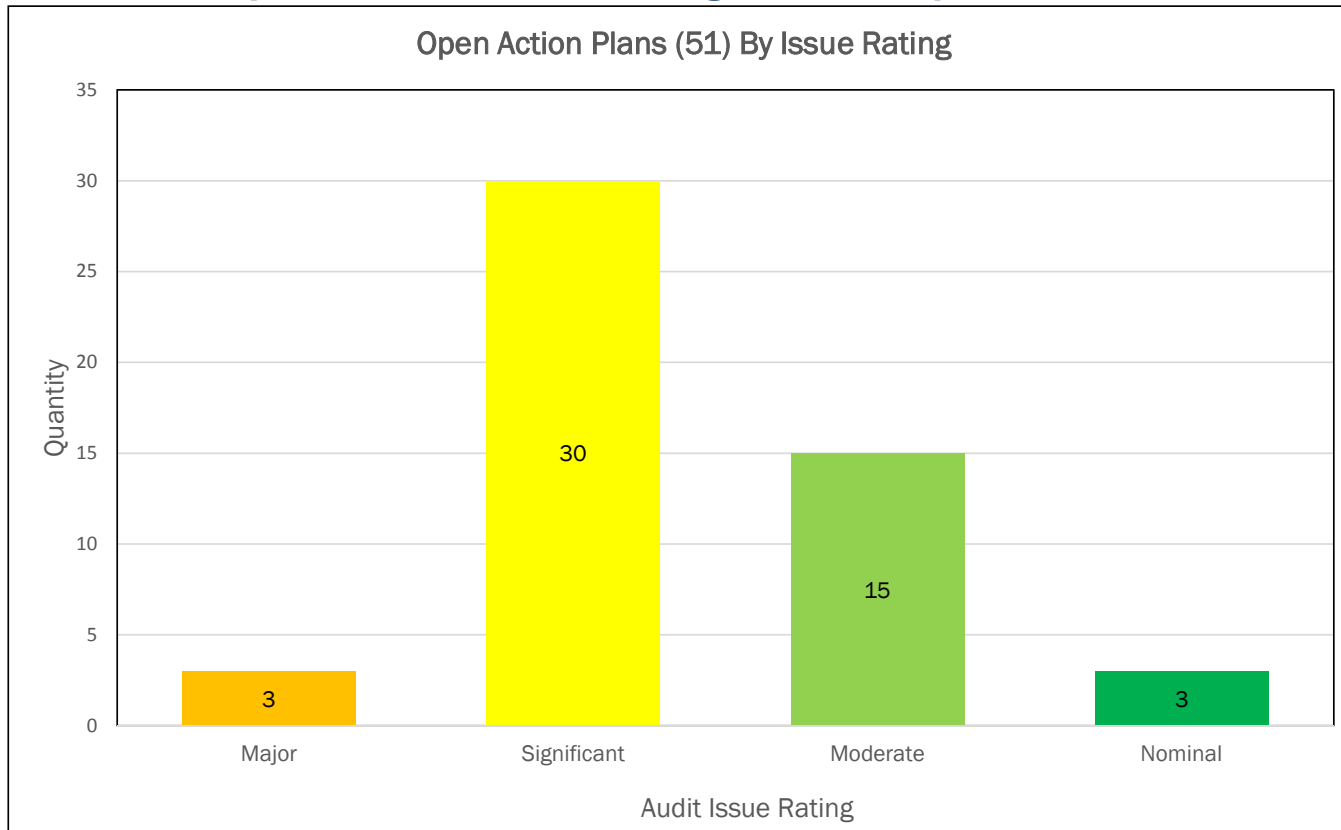
FY19 Internal Audit Plan Status

Audit/Project	Auditor-in-Charge	Status	FY 2019 Hours			First Draft Report			Comments	Final Draft Report Date	Audit Report Rating	2019 Audit Timeline			
			Budgeted Hours (adjusted)	Actual Hours	Will Meet/Met Budget	Audit Estimate due date (indicates if updated)	Actual Date	Will Meet/Met Due Date				Jan	Feb	Mar	Apr
2018 Utility Locate/3rd Party Claims	Troy England (TE)	Final Report Issued	0	24	●	8/7/2018	10/12/2018	●	Challenges in an unrelated FY18 audit extended some work into FY2019. Overall time estimate was 360 hours, actual hours totalled 464 between FY18 and 19.	11/14/2018	Satisfactory				
2018 Tax Administration	Andrew Shelley (AS)	Final Draft Issued	0	56	●	10/16/2018	10/26/2018	●	Challenges in an unrelated FY18 audit extended some work into FY2019. Overall time estimate was 340 hours, actual hours totalled 280 between FY18 and 19.	12/5/2018	Excellent				
2018 Technology Infrastructure	Rashid Britain (RB)	Final Draft Issued	20	38	●	8/2/2018	11/20/2018	●	Adjusted due to additional TEA Audit work completed in FY2018. Complex audit with approximately twelve (12) issues. Overall time estimate was 410 hours, actual hours totalled 524 between FY18 and 19.	1/14/2019	Satisfactory				
2018 Electric Production Engineering and Outages	Laurie Gaughan (LG)	Final Draft Issued	20	196	●	11/9/2018	12/4/2018	●	Adjusted due to additional TEA audit planning during FY2018. Overall, audit time estimate was 400 hours, actual hours totalled 433 between FY18 and 19.	1/3/2019	Satisfactory				
2018 Disaster Recovery Follow-Up	RB	Final Draft Issued	50	90	●	9/24/2018	12/3/2018	●	Adjusted due to additional TEA Audit work completed in FY2018. Overall, audit time estimate was 204 hours, actual hours totalled 216 between FY18 and FY19.	1/14/2019	Excellent				
2018 W/W Reuse and Treatment	David Arnold (DA)	First Draft Issued	115	261	●	11/13/2018	12/18/2018	●	Audit over budget due to new W/W Director needing additional time to provide answers and documentation. Some retesting was necessary based on new documentation provided. Overall, audit time estimate was 445 hours, actual hours totalled 474 between FY18 and FY19.		Satisfactory				
2018 Response and Environmental Programs	TE	First Draft Issued	160	303	●	12/12/2018	1/22/2019	●	Audit over budget due to new additional work needed to validate extent of audit issue. Overall, audit time estimate was 315 hours, actual hours totalled 374 between FY18 and FY19.		Satisfactory				
2018 Information Security Follow-Up	RB	Reporting	160	167	●	12/17/2018		●	Auditor concurrently worked on two additional audits. Overall, audit time estimate was 234 hours, actual hours totalled 171 between FY18 and 19.						
JEA FY2018 Performance Pay Audit	TE	Completed	100	74	●	N/A	N/A	N/A	Memo issued for JEA Performance Pay review on November 7, 2018.	11/7/2018	N/A				
Branch Follow-Up	AS	First Draft Issued	330	324	●	1/7/2019	1/29/2019	●	Report delay due to additional unrelated audit work.		Satisfactory				
TEA Audit	LG, RB & TE	First Draft Issued	65	346	●	1/31/2019	2/12/2019	●	Slight delay with report issuance due to issue rework and member auditor report review.		Excellent				
Customer Solutions & Market Development	DA	Testing	400	85	●	3/30/2019									
Talent Acquisition	AS	Testing	400	59	●	4/17/2019									
Byproducts	LG	Planning	400	17	●										
Project Management Office	RB	Planning	400	7	●										
District Energy Operations	TE	Planning	400	17	●										
Meter Operations Follow-Up	DA	Planning	300	7	●										
FY2019 Action Plan Follow-Up	All Staff	Ongoing	470	320	●				Action Plans are updated quarterly.						

●	No negative variance in hours or report completion date.
●	Variance within 10% of hours or 10 workdays from estimate.
●	>10% variance in hours from estimate or >10 workdays from estimate.

Completed Audit
In-Progress Audit

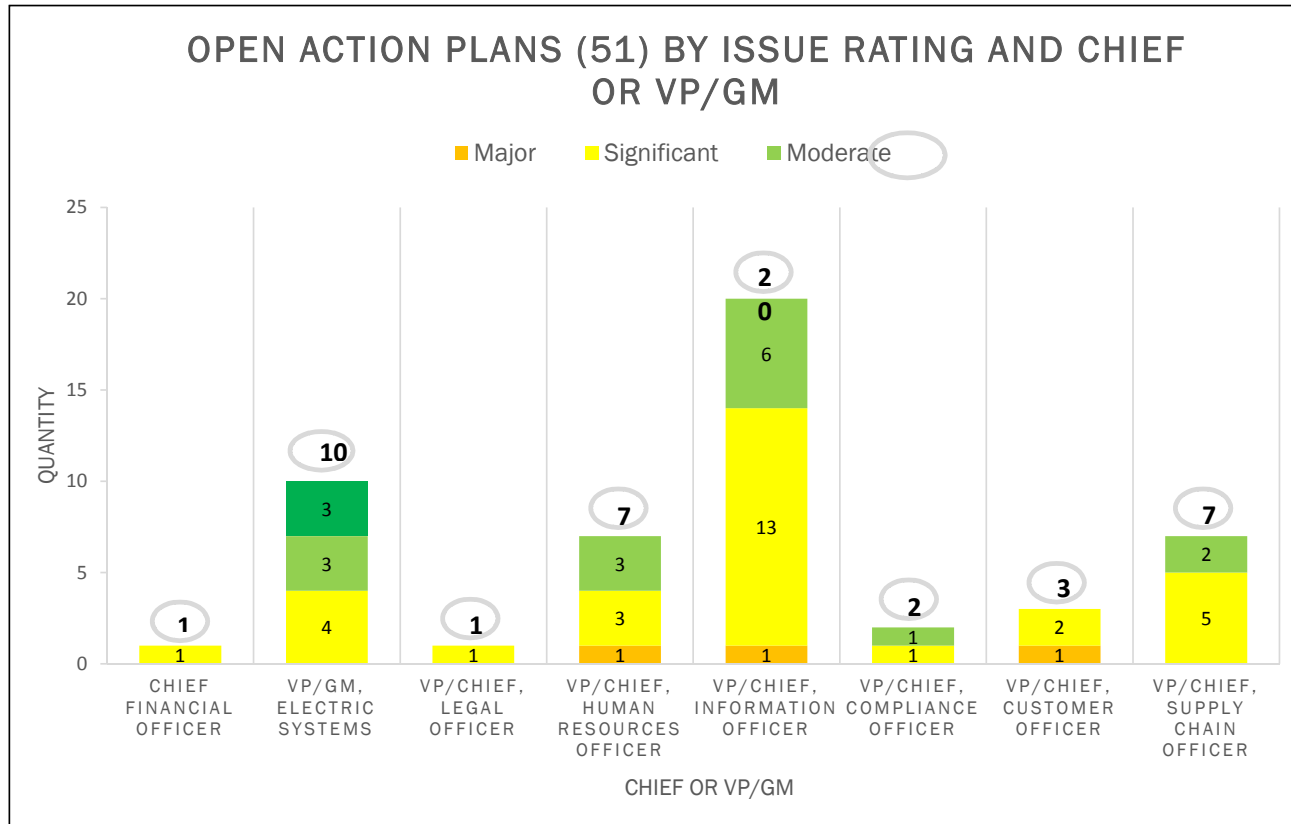
Open Audit and Investigations Report Issues



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Open Audit and Investigations Report Issues



MARCH 2019



Open Audit and Investigations Report Issues – Major Rating

VP/Chief	Director / (Audit Name)	Issue Observation	Action Plan	Current Due Date	Action Plan Status Comments
VP/Chief, Information Officer	Director, Enterprise Architecture (Information Security)	Audit noted that a Data Management Policy and Plan currently do not exist to guide the storage, protection and destruction of sensitive information.	Audit recommends that a Data Management Policy and Plan be created based on the findings of the current data classification project.	9/30/19	With the assistance of an outside vendor, Management will complete a Data Governance readiness assessment. An implementation plan will be created based on the results of the assessment.
VP/Chief, Customer Officer	Director, Customer Field & Meter Services (Meter Operations)	Audit reviewed sewer flow metering operations and noted the following: 1-4 (Mitigations Completed). 5. Meter Specialists are not trained in the calibration and operation of sewer flow meters.	Management will complete the following: 1-4 (Mitigations Completed). 5. Revision of Job Specs and Training.	2/15/19	Extension granted for new timeline regarding meter technicians training on sewer flow meter calibration.
VP/ Chief Human Resources Officer	Director, Organizational Effectiveness & Payroll (Personnel Out Process)	Audit noted a lack of an overall monitoring and oversight process to ensure that the POP process is working as intended, and to confirm that sub-processes related to physical and information security are completed.	Management will: (1) Create and manage an automated report to security that details employees who are running out leave. (2) Create and manage POP Scorecard that details POP accuracy to share with SLT on a quarterly basis.	3/31/19	Organizational Effectiveness sent out a communication to all employees via Compass with a POP Scorecard detailing POP accuracy. Extension was granted to verify the sustainability of the new process.

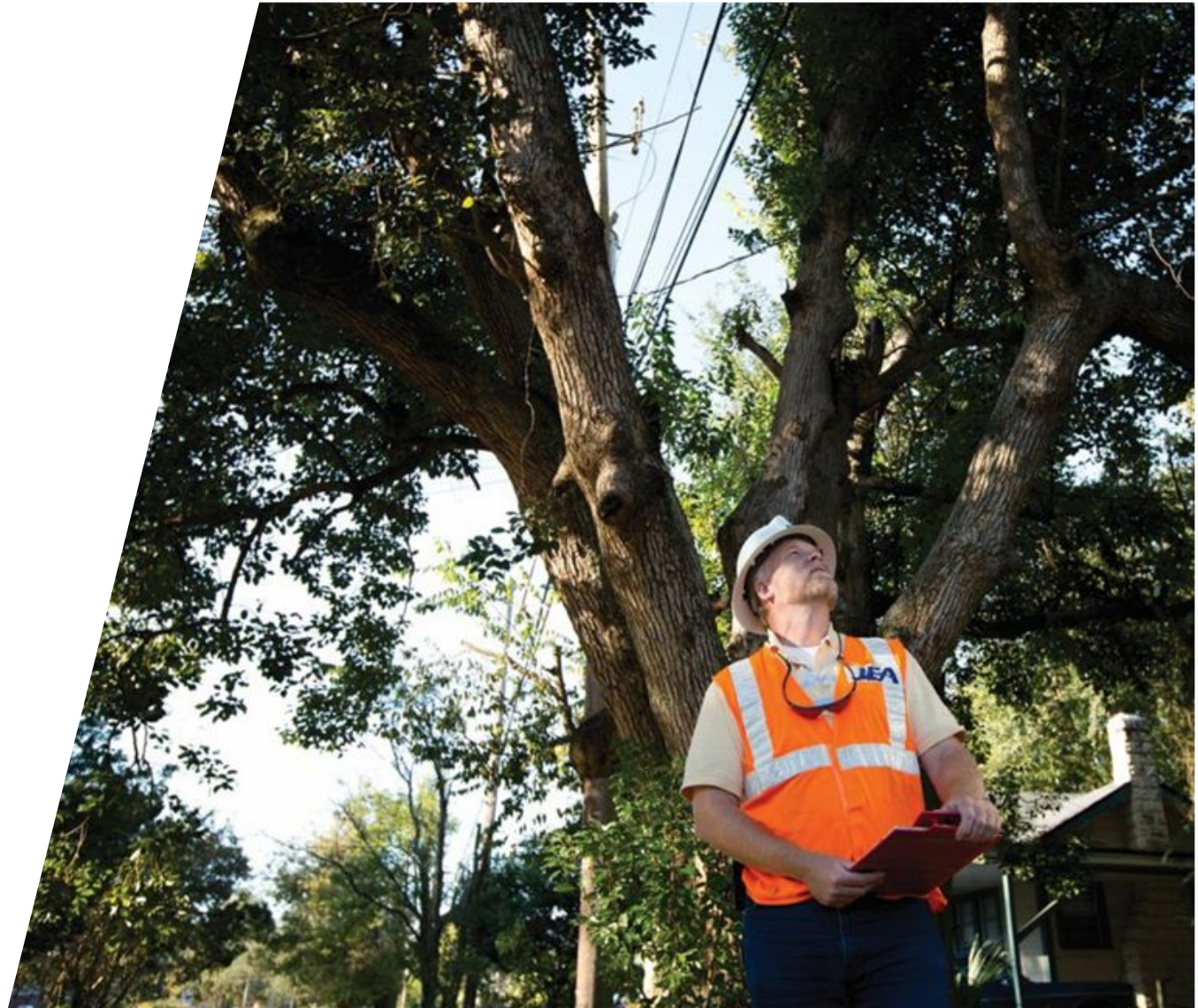
MARCH 2019



MARCH 2019



Forensic Audit & Investigations



Highlights

- New group name replaces Ethics Investigations & Audit, and more closely correlates with the group's analyses of financial and operational evidence.
- We have begun tracking management's action plans for open Office of the Inspector General (OIG) report recommendation action items, similar to Internal Audit's approach.

Investigative Case Statistics – 1Q19

Open Cases 9/30/2018	Cases Opened Q1 FY19	Cases Closed Q1 FY19	Open Cases 12/31/2018
12	10	6	16
Categories For Cases Opened During Q1 FY19			
Discrimination/Harassment			4
General Inquiries			3
Fraud/Waste/Abuse			2
Conflict of Interest/Ethics Matters			1
Total			10

Summary of Closed Cases – 1Q19

Reporting Source	Allegation	Investigation Results
Internal / Ethics Hotline (EHL)	JEA-17-03-0004/JEA-17-04-0002–Complaints were received alleging an employee was conducting a personal secondary business while at work. Additionally, the employee may not be working the required number of hours. One of the complainants also indicated this employee was involved in overseeing the employee gym, and an audit should be conducted for the sales that occur at the gym.	The investigation concluded the employee violated JEA’s Secondary Employment and Acceptable Use Policies. The allegation the employee may not be working the required hours was unsubstantiated. An investigation into the use of gym funds determined the employee used the funds for personal use, for which the employee was subsequently arrested.
External	JEA-18-06-0003/JEA-06-0004–The caller reported a JEA vehicle was routinely parked during the day in a “no parking” area downtown with two employees going into JEA’s building where the parking garage and gym are located. The caller was concerned these employees may not be working their required hours.	A thorough review found numerous instances where these employees were not working during their scheduled work hours. As a result, both employees resigned and agreed to forfeit annual leave hours to repay restitution owed to JEA.
EHL	JEA-18-07-0003 – An anonymous complainant alleged discrimination, retaliation, harassment and bullying by management and a supervisor.	Due to the nature of the claims, Labor Relations was contacted to assist with this case. A full investigation concluded the allegations could not be substantiated; however, there was an opportunity for improvement relating to the business unit providing clear, concise and well communicated procedures. Additionally, it was recommended a third party vendor be engaged to conduct focus groups to ascertain the overall workplace environment and provide insights related to addressing employee concerns and productivity of the unit.
EHL	JEA-18-10-0004 – An anonymous caller alleged Procurement awarded a contract to an unqualified bidder.	The investigation concluded with no evidence to indicate unethical behavior by Procurement related to the informal bid.

MARCH 2019





INTER-OFFICE MEMORANDUM

February 5, 2019

SUBJECT: ETHICS OFFICER QUARTERLY REPORT

FROM: Aaron F. Zahn, Managing Director/CEO

TO: JEA Finance and Audit Committee

Kelly Flanagan, Chair
John Campion

BACKGROUND:

Per Ordinance 2011-197-E, JEA is required to appoint an Ethics Officer to represent the agency on ethics matters and to participate in a city-wide Ethics Coordination Council. The Finance and Audit Committee receive a quarterly update from the Ethics Officer.

DISCUSSION:

JEA Ethics Officer ensures information is shared and advice given regarding issues and questions. This role manages ethical concerns for the organization, ensuring compliance with business and governmental regulations.

RECOMMENDATION:

This item is for information only.

Aaron F. Zahn, Managing Director/CEO

AFZ/TEH/WMS



Ethics Officer Report
Walette Stanford
March 2019



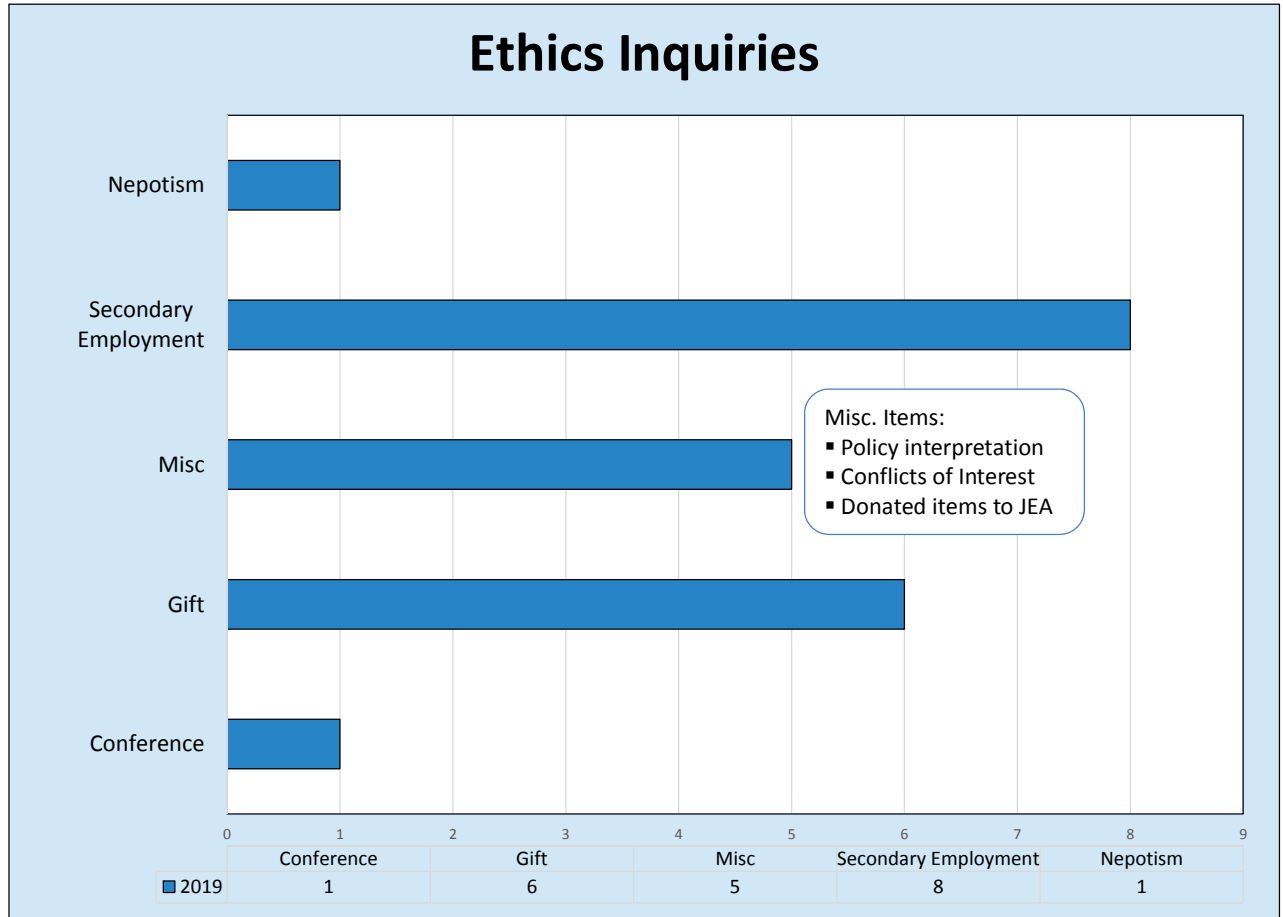
“Whenever you do a thing,
act as if all the world were
watching.”

- Thomas Jefferson

March 2019



Ethics Officer Cases





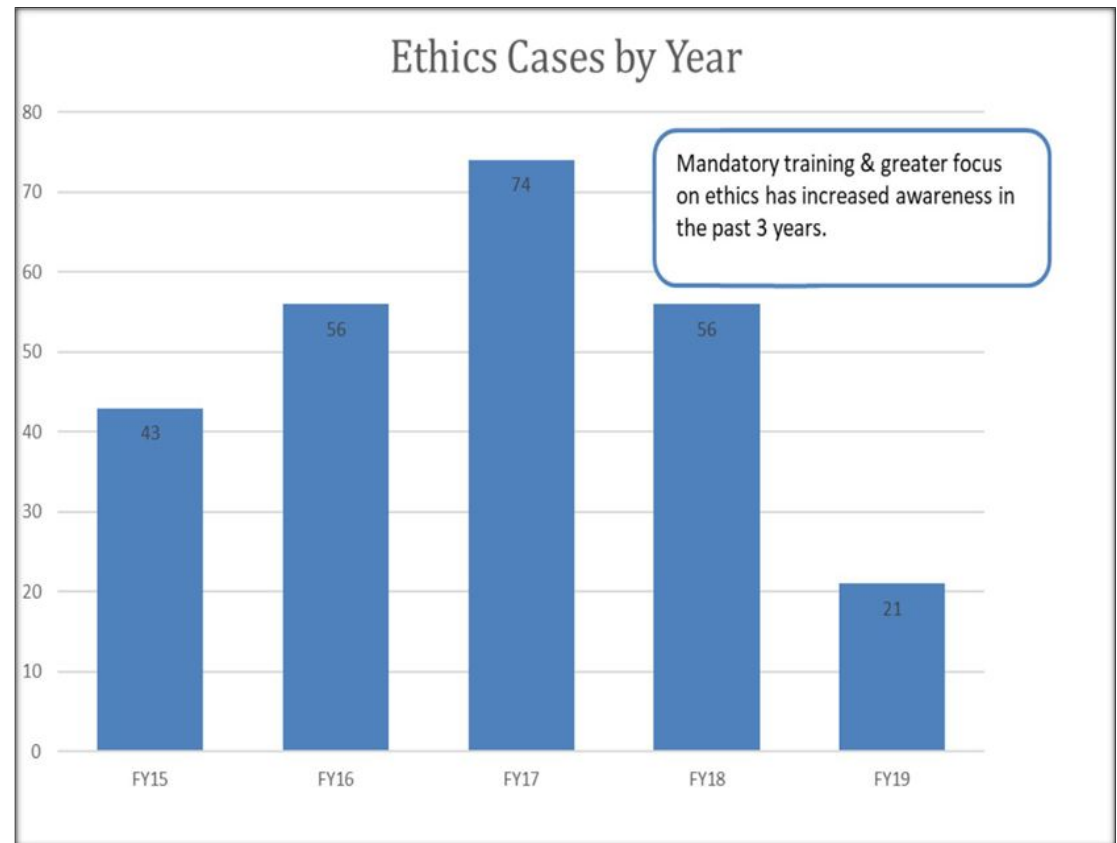
“It takes 20 years to build a reputation and five minutes to ruin it”

- Warren Buffet

March 2019



Ethics Officer Cases



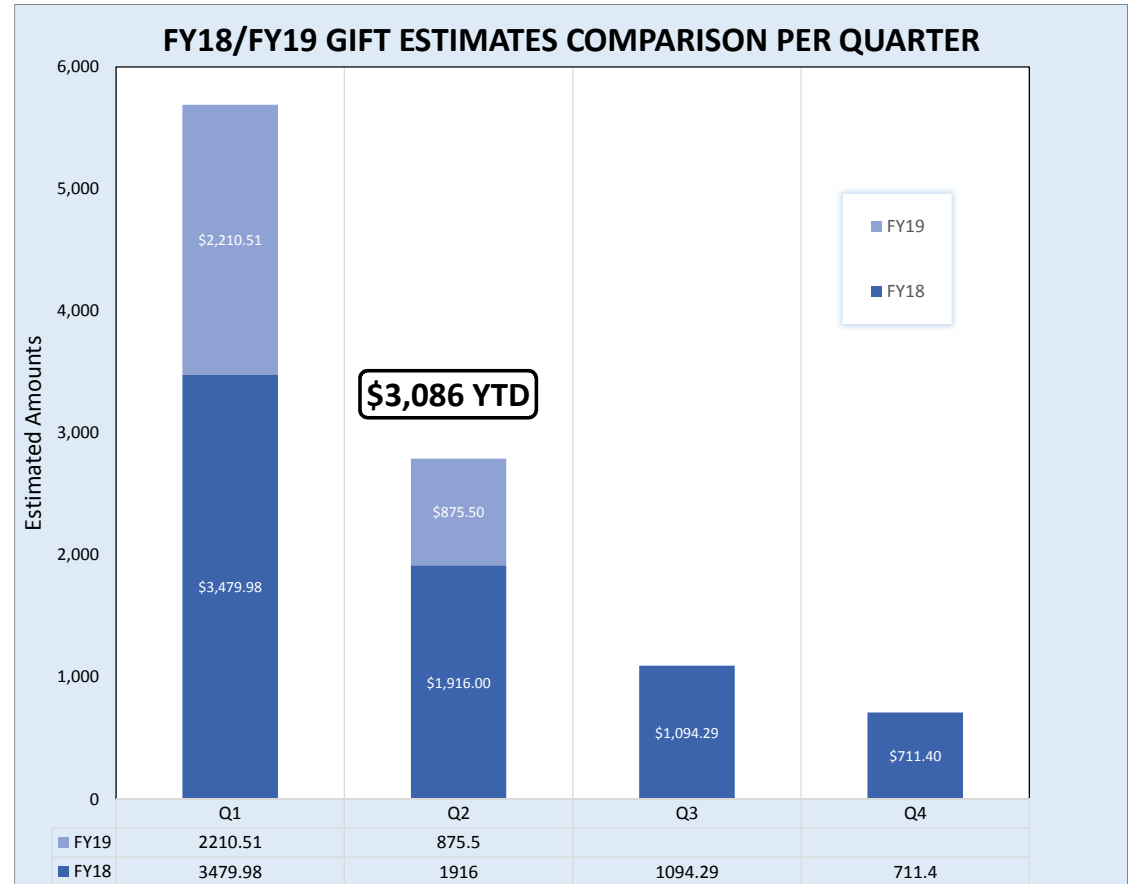


JEA's Corporate Ethics Policy and the City of Jacksonville (COJ) Ethics Ordinance prohibit employees from accepting gifts valued over \$100 from service providers and vendors.

March 2019



Gift Registry





“What you do makes a difference,
and you have to decide what kind
of difference you want to make”

- Jane Goodall

March 2019



FY19 update



- Companywide Annual Business Ethics Training rolled out on March 1st
- Revamping the Ethics tracking database on SharePoint.
- Conducting a nepotism review in March based on procedure compliance.
- Updating JEA Gifts and Secondary Employment policies based on city ordinance updates.



INTER-OFFICE MEMORANDUM

February 14, 2019

SUBJECT: ELECTRIC SYSTEM AND WATER AND SEWER SYSTEM RESERVE
FUND QUARTERLY REPORT

FROM: Aaron F. Zahn, Managing Director/CEO

TO: JEA Finance and Audit Committee

Kelly Flanagan, Chair
John Campion

BACKGROUND:

At the May 7, 2012 Finance and Audit Committee meeting, JEA staff presented schedules reflecting historical and projected activity in JEA's Electric System and Water and Sewer System unrestricted and restricted fund balances. Many of these reserves are required under the respective System's bond resolutions or under Board approved policies such as Pricing Policy or Debt Management Policy. JEA staff also stated that these schedules would be provided to the JEA Board on a quarterly basis beginning in August 2012.

DISCUSSION:

Attached are the reserve fund schedules referenced above for the period ending December 31, 2018.

RECOMMENDATION:

No action required; provided for information only.

Aaron F. Zahn, Managing Director/CEO

AFZ/RFW/JEO/BHG



Quarterly Reserve Report

**For the First Quarter Ending
December 2018**



Electric System and Water & Sewer System Reserve and Fund Balances (1)

For the Years Ending September 30
(In Thousands of Dollars)

Electric System

	<u>Actual</u> <u>Fiscal Year</u> <u>2016</u>	<u>Actual</u> <u>Fiscal Year</u> <u>2017</u>	<u>Actual</u> <u>Fiscal Year</u> <u>2018</u>	<u>Projected</u> <u>Fiscal Year</u> <u>2019</u>	<u>Detail</u> <u>Page #</u>
Unrestricted					
Operations/Revenue Fund	\$ 56,665	\$ 54,800	\$ 85,482	\$ 43,854	
Debt Management Strategy Reserve	-	-	-	-	
Self Insurance Reserve Fund					
• Property	10,000	10,000	10,000	10,000	3
• Employee health insurance	11,179	9,214	8,138	8,138	4
Rate Stabilization					
• Fuel	180,115	131,716	74,376	47,779	5
• DSM/conservation	3,515	3,695	3,470	3,646	6
• Environmental	29,975	36,417	42,163	47,375	7
• Debt Management	42,126	29,884	29,884	29,884	8
• Non-Fuel Purchased Power	34,400	25,189	53,493	57,348	9
Environmental	18,556	17,672	16,818	16,818	10
Customer Deposits	41,084	42,105	44,242	44,218	11
Total Unrestricted	427,615	360,692	368,066	309,060	
Days of Cash on Hand (2)	270	234	219	127	
Restricted					
Debt Service Funds (Sinking Funds)	136,232	167,087	159,656	148,745	12
Debt Service Reserve Funds	60,582	60,582	60,582	60,582	13
Renewal and Replacement Funds/OCO (3)	192,179	201,368	189,922	49,680	14
Construction Funds	-	-	203	-	15
Total Restricted	388,993	429,037	410,363	259,007	
Total Electric System	\$ 816,608	\$ 789,729	\$ 778,429	\$ 568,067	

Water and Wastewater System

Unrestricted					
Operations/Revenue Fund	\$ 42,948	\$ 69,232	\$ 43,461	\$ 16,963	
Rate Stabilization					
• Debt Management	20,290	14,209	14,209	14,209	16
• Environmental	1,699	5,214	12,914	13,397	17
Customer Deposit	13,910	15,086	15,616	15,559	18
Total Unrestricted	78,847	103,741	86,200	60,128	
Days of Cash on Hand (2)	528	496	454	106	
Restricted					
Debt Service Funds (Sinking Funds)	65,410	82,208	81,241	83,293	19
Debt Service Reserve Funds	108,086	107,488	102,850	68,648	20
Renewal and Replacement Funds	179,431	150,319	141,415	10,578	21
Environmental Fund [Capital Projects]	2,659	1,839	1,159	1,211	22
Construction Funds	152	15	284	17,754	23
Total Restricted	355,738	341,869	326,949	181,484	
Total Water & Sewer System	\$ 434,585	\$ 445,610	\$ 413,149	\$ 241,612	

(1) This report does not include Scherer, SJRPP, DES or funds held on behalf of the City of Jacksonville.

(2) Days of Cash on Hand includes R&R Fund in the cash balances, and includes the Contribution to the City of Jacksonville General Fund with the Operating Expenses net of Depreciation.

(3) Balance includes \$47,000 of Electric System Renewal and Replacement Reserve for MADS calculation.

(4) Balance includes \$20,000 of Water & Sewer System Renewal and Replacement Reserve for MADS calculation.

Funds Established Per the Bond Resolutions

Fund/Account Description	Electric System	Water and Sewer System
Revenue Fund	Net Revenues (i.e. Revenues minus Cost of Operation and Maintenance), pledged to bondholders, balance available for any lawful purpose after other required payments under the bond resolution have been made.	Pledged to bondholders; balance available for any lawful purpose after other required payments under the bond resolution have been made, however, revenues representing impact fees may only be used to finance costs of expanding the system or on the debt service on bonds issued for such expansion purposes.
Rate Stabilization Fund	Not pledged to bondholders; available for any lawful purpose.	Pledged to bondholders; able to transfer to any other fund or account established under the resolution or use to redeem Bonds.
Subordinated Rate Stabilization Fund	Pledged to bondholders; available for any lawful purpose.	Pledged to bondholders; available for any lawful purpose.
Debt Service Account	Pledged to bondholders; used to pay debt service on bonds.	Pledged to bondholders; used to pay debt service on bonds.
Debt Service Reserve Account	Pledged to bondholders; used to pay debt service on bonds in the event revenues were insufficient to make such payments.	Pledged to bondholders; used to pay debt service on bonds in the event revenues were insufficient to make such payments.
Renewal and Replacement Fund	Not pledged to bondholders but required amounts deposited into this Fund pursuant to the bond resolution are limited as to what they can be spent on (e.g. capital expenditures and, bond redemptions) .	Pledged to bondholders; but required amounts deposited into this Fund pursuant to the bond resolution are limited as to what they can be spent on (e.g. capital expenditures and, bond redemptions).
Construction Fund	Pledged to bondholders; applied to the payment of costs of the system.	Pledged to bondholders; applied to the payment of costs of the system.
Subordinated Construction Fund	Pledged to bondholders; applied to the payment of costs of the system	Pledged to bondholders; applied to the payment of costs of the system
Construction Fund - Construction Reserve Account	Pledged to bondholders; applied to fund downgraded reserve fund sureties.	Pledged to bondholders; applied to fund downgraded debt service reserve fund sureties.
General Reserve Fund	Not pledged to bondholders; available for any lawful purpose.	n/a

Regardless of whether the Funds/Accounts are designated as pledged, in the event that monies in the Debt Service Account are insufficient to pay debt service on the bonds, pursuant to the respective bond resolutions, amounts in the various Funds/Accounts are required to be transferred to the respective Debt Service Accounts and used to pay debt service.

Electric System Self Insurance - Property

For the First Quarter Ending December 31, 2018

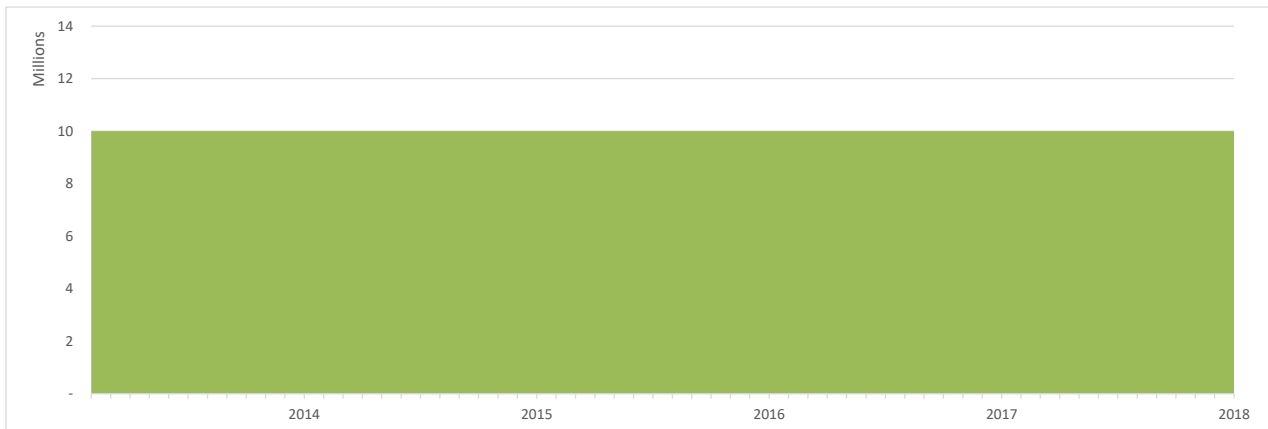
Definitions and Goals

JEA's self-insurance fund is for catastrophic damage to JEA's electric lines (transmission and distribution) caused by the perils of hurricanes, tornadoes, and ice storms. This fund was established in October, 1992, as an alternative to JEA's procurement of commercial property insurance.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	<u>2019</u>	<u>2020</u>	<u>2021</u>
Opening Balance	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Additions:					
Contributions					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals					
Ending Balance	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>

Historical Activity

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Opening Balance	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Additions:					
Contributions	-	-	-	-	-
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Ending balance	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>



Observations

- Reserve/Fund Authorization: Budget Appropriation.

Electric System Self Insurance - Employee Health Insurance

For the First Quarter Ending December 31, 2018

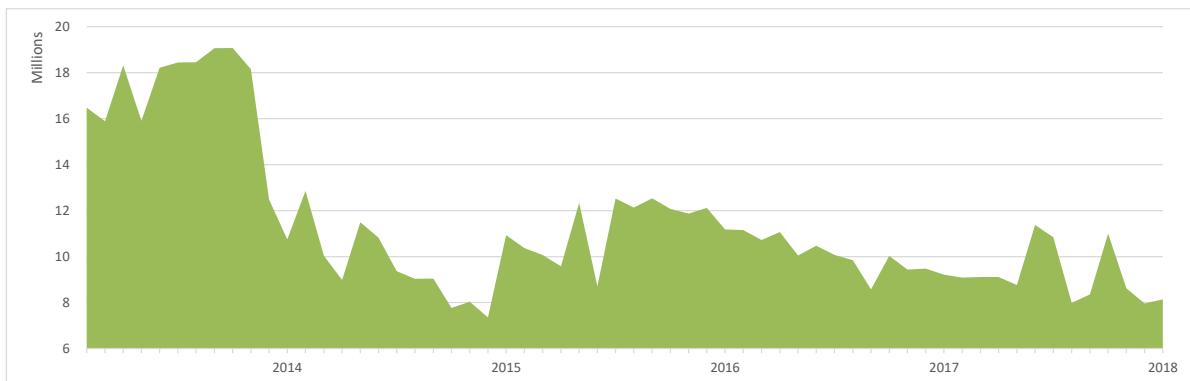
Definitions and Goals

This reserve fund is a requirement under Florida Statute 112.08 that requires self insured government plans to have enough money in a reserve fund to cover the Incurred But Not Reimbursed (IBNR) claims and a 60 day surplus of claims. The IBNR claims are claims that would still need to be paid if the company went back to a fully insured plan or dropped coverage all together. An actuary calculates this amount annually.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2019	2020	2021
Opening Balance	\$ 8,138	\$ 8,138	\$ 8,138	\$ 8,138	\$ 8,138
Additions:					
Employee Contributions	1,520	1,520	1,596	1,676	1,760
Retiree & Other Contributions	1,653	1,653	1,752	1,857	1,968
Employer Contributions	6,509	6,509	32,168	34,667	37,372
Sub-total	<u>\$ 9,682</u>	<u>\$ 9,682</u>	<u>\$ 35,516</u>	<u>\$ 38,200</u>	<u>\$ 41,100</u>
Withdrawals:					
Payments for Claims	8,297	8,297	33,408	36,029	38,863
Actuary & Other Payments	699	699	2,108	2,171	2,237
Sub-total	<u>\$ 8,996</u>	<u>\$ 8,996</u>	<u>\$ 35,516</u>	<u>\$ 38,200</u>	<u>\$ 41,100</u>
Ending Balance	<u>\$ 8,824</u>	<u>\$ 8,824</u>	<u>\$ 8,138</u>	<u>\$ 8,138</u>	<u>\$ 8,138</u>

Historical Activity

	2014	2015	2016	2017	2018
Opening Balance	\$ 15,914	\$ 10,749	\$ 10,937	\$ 11,179	\$ 9,214
Additions:					
Employee Contributions	4,573	5,447	5,460	5,862	6,158
Retiree & Other Contributions	5,188	5,141	5,694	6,443	7,273
Employer Contributions	14,252	22,220	24,231	19,004	18,378
Sub-total	<u>\$ 24,013</u>	<u>\$ 32,808</u>	<u>\$ 35,385</u>	<u>\$ 31,309</u>	<u>\$ 31,809</u>
Withdrawals:					
Payments for Claims	27,157	30,408	32,946	30,994	30,933
Actuary & Other Payments	2,021	2,212	2,197	2,280	1,952
Sub-total	<u>\$ 29,178</u>	<u>\$ 32,620</u>	<u>\$ 35,143</u>	<u>\$ 33,274</u>	<u>\$ 32,885</u>
Ending balance	<u>\$ 10,749</u>	<u>\$ 10,937</u>	<u>\$ 11,179</u>	<u>\$ 9,214</u>	<u>\$ 8,138</u>



Maximum Balance: 19,072
Minimum Balance: 7,359

Average Balance: 11,382

Observations

- Self Insurance for Employee Health Insurance began in July 2009.

Electric System Rate Stabilization - Fuel Management

For the First Quarter Ending December 31, 2018

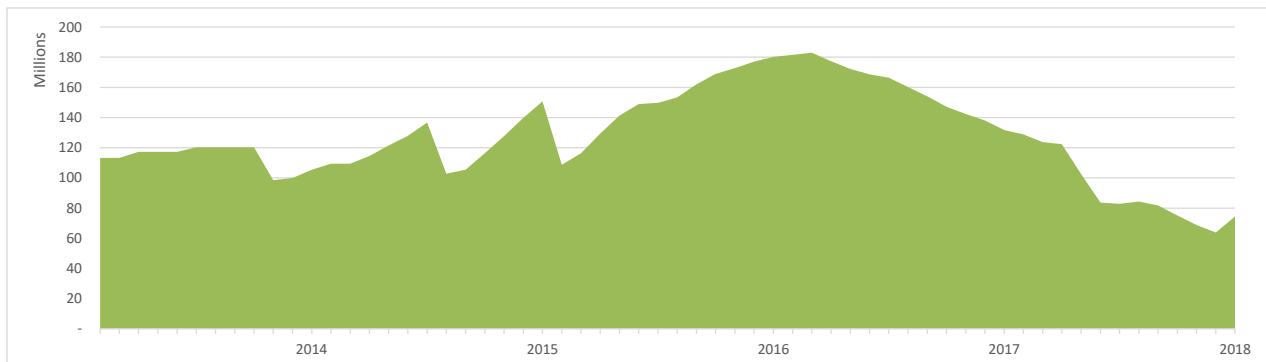
Definitions and Goals

The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which contributions or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Fund provides a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as fuel, debt management and regulatory requirements or initiatives. Established pursuant to the section VII and Section IX of the Pricing Policy, the Fuel Reserve target is 15% of the greater of (a) the maximum 12-month historical fuel cost or (b) the projected 12-month fuel cost. Withdrawals from the Rate Stabilization Fund for fuel stabilization are limited to the following purposes: (a) to reduce the variable fuel rate charge to the customers for a determined period of time; (b) to reduce the excess of the actual fuel and purchased power expense for the fiscal year over the variable fuel rate revenues; (c) to be rebated back to the customers as a credit against the electric bill; and/or (d) to reimburse the costs associated with any energy risk management activities.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2019	2020	2021
Opening Balance	\$ 74,376	\$ 74,376	\$ 74,376	\$ 47,779	\$ 60,377
Additions:					
Contributions				12,598	13,754
Sub-total	\$ -	\$ -	\$ -	\$ 12,598	\$ 13,754
Withdrawals:					
Withdrawals	13,876	13,876	26,597		
Sub-total	\$ 13,876	\$ 13,876	\$ 26,597	\$ -	\$ -
Ending Balance	\$ 60,500	\$ 60,500	\$ 47,779	\$ 60,377	\$ 74,131

Historical Activity

	2014	2015	2016	2017	2018
Opening Balance	\$ 108,289	\$ 105,457	\$ 150,742	\$ 180,115	\$ 131,716
Additions:					
Contributions	22,496	95,224	85,979	2,845	
Sub-total	\$ 22,496	\$ 95,224	\$ 85,979	\$ 2,845	\$ -
Withdrawals:					
Withdrawals				51,244	57,340
Fuel Rebate Credit	25,328	49,939	56,606		
Sub-total	\$ 25,328	\$ 49,939	\$ 56,606	\$ 51,244	\$ 57,340
Ending balance	\$ 105,457	\$ 150,742	\$ 180,115	\$ 131,716	\$ 74,376



Maximum Balance: 182,960 Average Balance: 127,473
 Minimum Balance: 63,814

Observations

- Actual and historical numbers reflect fuel recovery contributions and withdrawals on a gross basis. Forecast and projected numbers reflected on a net basis. The fuel recovery charge ended 12/31/11.

Electric System Rate Stabilization - Demand Side Management (DSM)

For the First Quarter Ending December 31, 2018

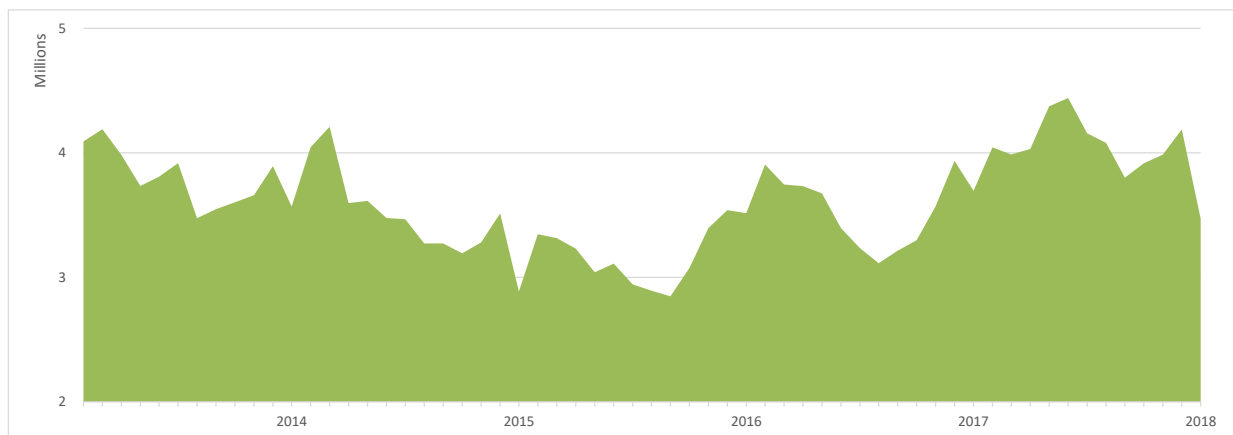
Definitions and Goals

The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which contributions or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Fund provides a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as fuel, debt management and regulatory requirements or initiatives. Pursuant to section VII of the Pricing Policy, \$0.50 per 1,000 kWh plus \$0.01 per kWh residential conservation charge for consumption greater than 2,750 kWh monthly. These revenue sources are to fund demand side management and conservation programs.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2019	2020	2021
Opening Balance	\$ 3,470	\$ 3,470	\$ 3,470	\$ 3,646	\$ 3,631
Additions:					
Contributions	1,573	1,573	7,203	6,847	6,847
Sub-total	\$ 1,573	\$ 1,573	\$ 7,203	\$ 6,847	\$ 6,847
Withdrawals:					
Withdrawals	953	953	7,027	6,862	6,862
Sub-total	\$ 953	\$ 953	\$ 7,027	\$ 6,862	\$ 6,862
Ending Balance	\$ 4,090	\$ 4,090	\$ 3,646	\$ 3,631	\$ 3,616

Historical Activity

	2014	2015	2016	2017	2018
Opening Balance	\$ 3,891	\$ 3,570	\$ 2,886	\$ 3,515	\$ 3,695
Additions:					
Contributions	6,929	7,059	7,232	6,685	7,088
Sub-total	\$ 6,929	\$ 7,059	\$ 7,232	\$ 6,685	\$ 7,088
Withdrawals:					
Withdrawals	7,250	7,743	6,603	6,505	7,313
Sub-total	\$ 7,250	\$ 7,743	\$ 6,603	\$ 6,505	\$ 7,313
Ending balance	\$ 3,570	\$ 2,886	\$ 3,515	\$ 3,695	\$ 3,470



Maximum Balance:	4,441	Average Balance:	3,609
Minimum Balance:	2,848		

Observations

- Rate Stabilization Fund for Demand Side Management began in April 2009.

Electric System Rate Stabilization - Environmental

For the First Quarter Ending December 31, 2018

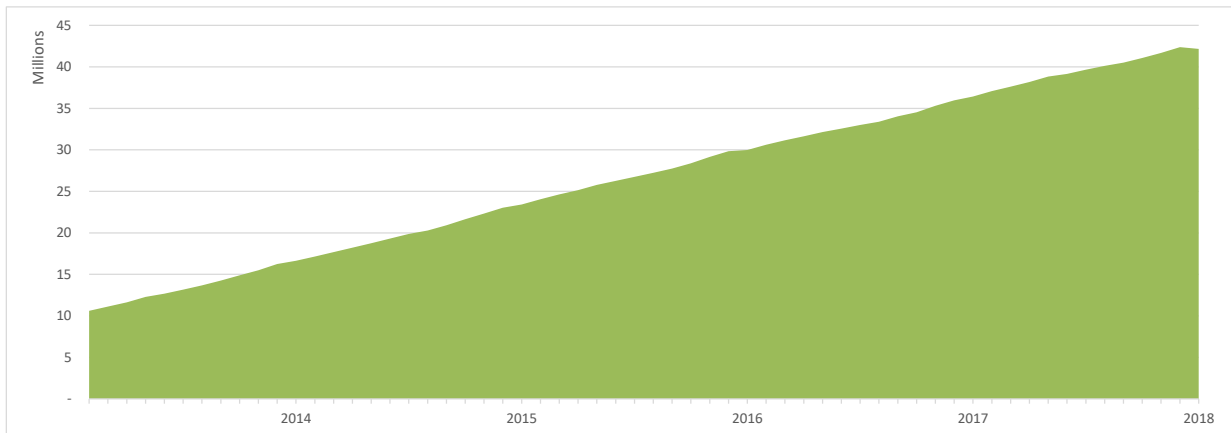
Definitions and Goals

The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which contributions or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Fund provides a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as fuel, debt management and regulatory requirements or initiatives. Deposits to this fund began in fiscal year 2010 for amounts representing the Electric System Environmental Charge (\$0.62 per 1000 kWh). Withdrawals from this reserve will represent payments for regulatory initiatives such as the premium cost of renewable energy generation which is considered available for JEA's capacity plans.

	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2019	2020	2021
<i>(In Thousands)</i>					
Opening Balance	\$ 42,163	\$ 42,163	\$ 42,163	\$ 47,375	\$ 52,375
Additions:					
Contributions	1,748	1,748	7,672	7,500	7,500
Sub-total	\$ 1,748	\$ 1,748	\$ 7,672	\$ 7,500	\$ 7,500
Withdrawals:					
Withdrawals	875	875	2,460	2,500	2,500
Ending Balance	\$ 43,036	\$ 43,036	\$ 47,375	\$ 52,375	\$ 57,375

Historical Activity

	2014	2015	2016	2017	2018
Opening Balance	\$ 10,023	\$ 16,639	\$ 23,430	\$ 29,975	\$ 36,417
Additions:					
Contributions	7,395	7,586	7,700	7,384	7,572
Sub-total	\$ 7,395	\$ 7,586	\$ 7,700	\$ 7,384	\$ 7,572
Withdrawals:					
Withdrawals	779	795	1,155	942	1,827
Sub-total	\$ 779	\$ 795	\$ 1,155	\$ 942	\$ 1,827
Ending balance	\$ 16,639	\$ 23,430	\$ 29,975	\$ 36,417	\$ 42,163



Maximum Balance:	42,378	Average Balance:	26,826
Minimum Balance:	10,602		

Observations

- Rate Stabilization Fund for Environmental began in June 2010.

Electric System Rate Stabilization - Debt Management

For the First Quarter Ending December 31, 2018

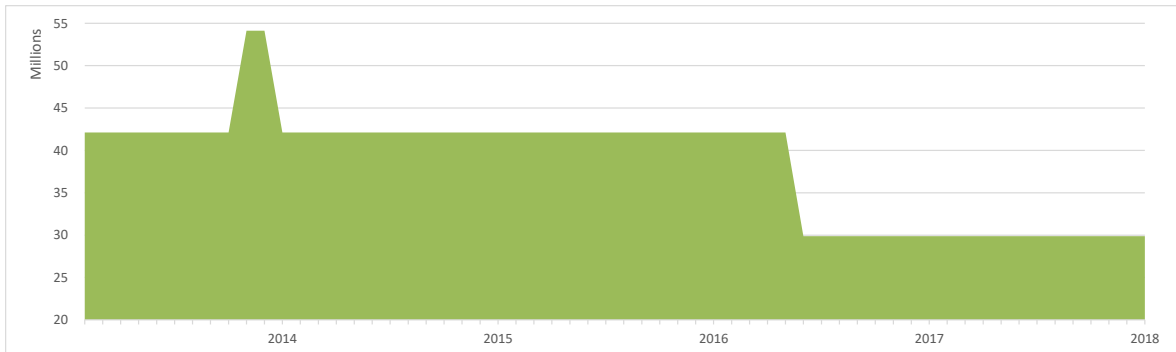
Definitions and Goals

The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which deposits or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. Deposits are made to this Rate Stabilization Fund for the purpose of managing JEA's debt portfolio. Deposits to this reserve reflect the difference in the actual interest rates for interest expense on the unhedged variable rate debt as compared to the budgeted assumptions for interest expense on the unhedged variable rate debt. Additionally, deposits can be made from excess debt service budget over the actual debt service expense for any fiscal year. However, the total amounts deposited (in addition to actual debt service costs for the fiscal year) cannot exceed the total amount of the budgeted debt service for any fiscal year. At a minimum, 50% of the calculated reserve contribution, if any, will be recorded and deposited each fiscal year. Debt and Investment Committee will review and record at their option an additional contribution amount, up to the full value of the calculated reserve contribution (the remaining 50%). The reserve contributions will be calculated on a system by system basis; however, based on the calculation, any mandatory deposit will exclude the District Energy System. The reserve contributions shall cease in the event the reserve balance exceeds the cap of five percent of the par amount of the total outstanding variable rate debt of all systems. Withdrawals from the Rate Stabilization Fund for Debt Management Strategy can be made for expenses related to market disruption in the capital markets, disruption in availability of credit or unanticipated credit expenses, or to fund variable interest costs in excess of budget.

	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2019	2020	2021
<i>(In Thousands)</i>					
Opening Balance	\$ 29,884	\$ 29,884	\$ 29,884	\$ 29,884	\$ 29,884
Additions:					
Contributions					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ 29,884	\$ 29,884	\$ 29,884	\$ 29,884	\$ 29,884

Historical Activity

	2014	2015	2016	2017	2018
Opening Balance	\$ 42,126	\$ 42,126	\$ 42,126	\$ 42,126	\$ 29,884
Additions:					
Contributions					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals				12,242	
Sub-total	\$ -	\$ -	\$ -	\$ 12,242	\$ -
Ending balance	\$ 42,126	\$ 42,126	\$ 42,126	\$ 29,884	\$ 29,884



Maximum Balance:	54,126	Average Balance:	38,445
Minimum Balance:	29,884		

Observations

- Rate Stabilization Fund for Debt Management began in May 2009.

Electric System Rate Stabilization - Non-Fuel Purchased Power

For the First Quarter Ending December 31, 2018

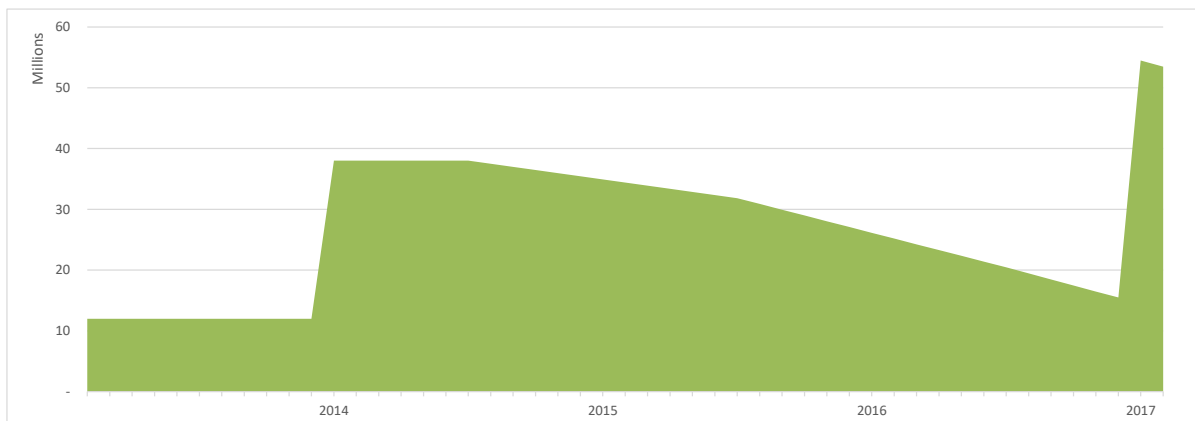
Definitions and Goals

The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which deposits or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Funds provide a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as fuel, debt management and regulatory requirements or initiatives. Deposits to the Rate Stabilization Fund for Non-Fuel Purchased Power Stabilization during the fiscal year are made with the approval of the CEO or CFO, provided such deposits are not in excess of JEA's total operating budget for the current fiscal year. Withdrawals from the Rate Stabilization Fund for Non-Fuel Purchased Power are to reimburse the costs associated with any non-fuel purchased power activities. Withdrawals can be made as necessary during the fiscal year and requires the approval of the CEO or the CFO.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2019	2020	2021
Opening Balance	\$ 53,493	\$ 53,493	\$ 53,493	\$ 57,348	\$ 35,740
Additions:					
Contributions			17,566		
Sub-total	\$ -	\$ -	\$ 17,566	\$ -	\$ -
Withdrawals:					
Withdrawals	2,966	2,966	13,711	21,608	34,325
Ending Balance	<u>\$ 50,527</u>	<u>\$ 50,527</u>	<u>\$ 57,348</u>	<u>\$ 35,740</u>	<u>\$ 1,415</u>

Historical Activity

	2014	2015	2016	2017	2018
Opening Balance	\$ -	\$ 12,000	\$ 38,000	\$ 34,400	\$ 25,189
Additions:					
Contributions	12,000	26,000			40,000
Sub-total	<u>\$ 12,000</u>	<u>\$ 26,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,000</u>
Withdrawals:					
Withdrawals			3,600	9,211	11,696
Sub-total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,600</u>	<u>\$ 9,211</u>	<u>\$ 11,696</u>
Ending balance	<u>\$ 12,000</u>	<u>\$ 38,000</u>	<u>\$ 34,400</u>	<u>\$ 25,189</u>	<u>\$ 53,493</u>



Maximum Balance:	54,488	Average Balance:	26,883
Minimum Balance:	12,000		

Observations

- The Non-Fuel Purchased Power Rate Stabilization Fund began in FY 2014.

Electric System Environmental Reserve

For the First Quarter Ending December 31, 2018

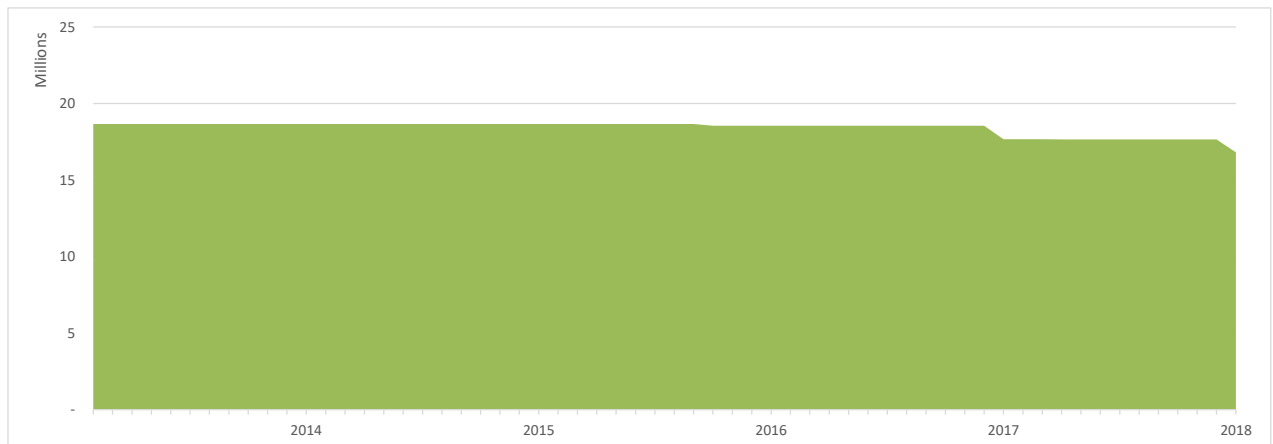
Definitions and Goals

This reserve represents the initial amounts collected from the Electric System Environmental Charge and will be deposited until the balance in this reserve equals the balance in the environmental liability account. Withdrawals from this account will represent payments for these liabilities.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	<u>2019</u>	<u>2020</u>	<u>2021</u>
Opening Balance	\$ 16,818	\$ 16,818	\$ 16,818	\$ 16,818	\$ 16,818
Additions:					
Contributions					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals					
Ending Balance	<u>\$ 16,818</u>	<u>\$ 16,818</u>	<u>\$ 16,818</u>	<u>\$ 16,818</u>	<u>\$ 16,818</u>

Historical Activity

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Opening Balance	\$ 18,662	\$ 18,662	\$ 18,662	\$ 18,556	\$ 17,672
Additions:					
Contributions					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals			106	884	854
Sub-total	\$ -	\$ -	\$ 106	\$ 884	\$ 854
Ending balance	<u>\$ 18,662</u>	<u>\$ 18,662</u>	<u>\$ 18,556</u>	<u>\$ 17,672</u>	<u>\$ 16,818</u>



Maximum Balance: 18,662
Minimum Balance: 16,818

Average Balance: 18,403

Observations

- The Environmental Reserve began in FY 2008.

Electric System Customer Deposits

For the First Quarter Ending December 31, 2018

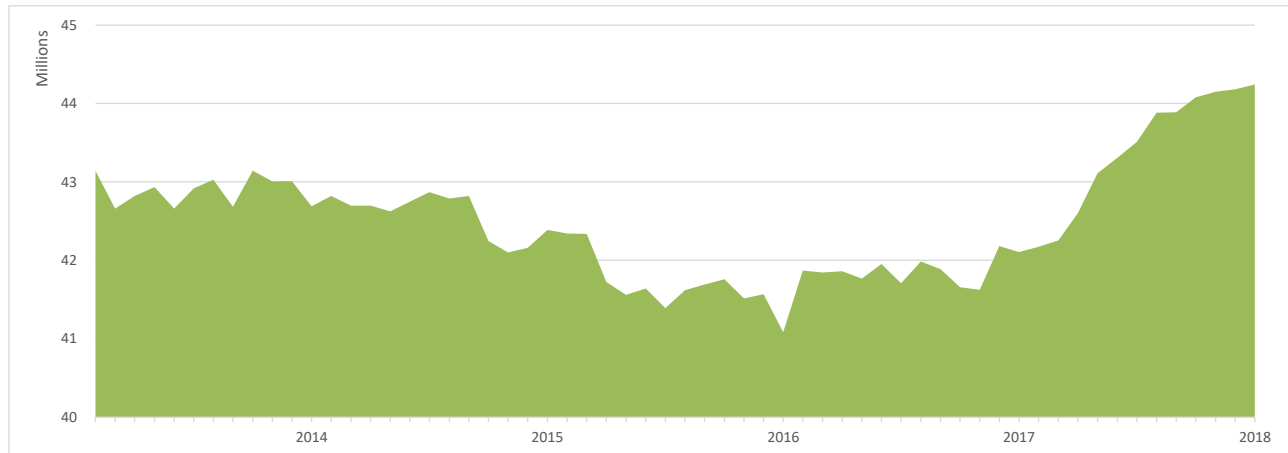
Definitions and Goals

Pursuant to internal procedure CR40400 MBC302 Credit and Collections, JEA accesses customers a deposit that may be used to offset any future unpaid amounts during the course of providing utility service to a customer.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	<u>2019</u>	<u>2020</u>	<u>2021</u>
Opening Balance	\$ 44,242	\$ 44,242	\$ 44,242	\$ 44,218	\$ 44,218
Additions:					
Net Customer Activity					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Net Customer Activity	24	24	24		
Ending Balance	<u>\$ 44,218</u>	<u>\$ 44,218</u>	<u>\$ 44,218</u>	<u>\$ 44,218</u>	<u>\$ 44,218</u>

Historical Activity

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Opening Balance	\$ 44,882	\$ 42,688	\$ 42,389	\$ 41,084	\$ 42,105
Additions:					
Net Customer Activity				1,021	2,137
Sub-total	\$ -	\$ -	\$ -	\$ 1,021	\$ 2,137
Withdrawals:					
Net Customer Activity	2,194	299	1,305		
Sub-total	\$ 2,194	\$ 299	\$ 1,305	\$ -	\$ -
Ending balance	<u>\$ 42,688</u>	<u>\$ 42,389</u>	<u>\$ 41,084</u>	<u>\$ 42,105</u>	<u>\$ 44,242</u>



Maximum Balance:	44,242	Average Balance:	42,495
Minimum Balance:	41,084		

Observations

Electric System Debt Service Sinking Fund

For the First Quarter Ending December 31, 2018

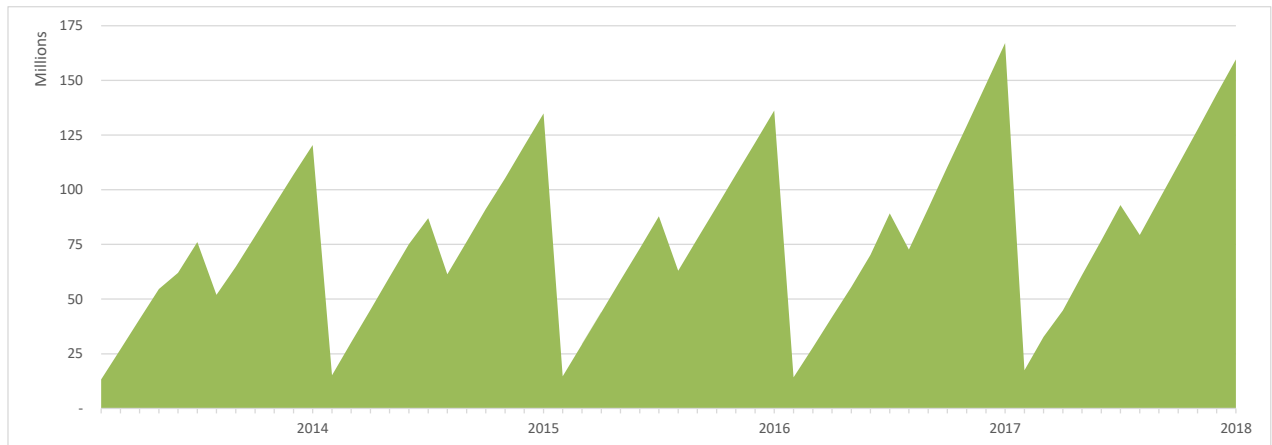
Definitions and Goals

JEA is required monthly to fund from revenues an amount equal to the aggregate of the Debt Service Requirement for senior and subordinated bonds for such month into this account. On or before such interest payment date, JEA shall pay out of this account to the paying agents the amount required for the interest and principal due on such date.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2019	2020	2021
Opening Balance	\$ 159,656	\$ 159,656	\$ 159,656	\$ 148,745	\$ 90,768
Additions:					
Revenue Fund Deposits	47,418	47,418	194,443	135,183	136,439
Sub-total	<u>\$ 47,418</u>	<u>\$ 47,418</u>	<u>\$ 194,443</u>	<u>\$ 135,183</u>	<u>\$ 136,439</u>
Withdrawals:					
Principal and Int Payments	161,610	161,610	205,354	193,160	138,975
Ending Balance	<u>\$ 45,464</u>	<u>\$ 45,464</u>	<u>\$ 148,745</u>	<u>\$ 90,768</u>	<u>\$ 88,232</u>

Historical Activity

	2014	2015	2016	2017	2018
Opening Balance	\$ 101,305	\$ 120,458	\$ 134,927	\$ 136,232	\$ 167,087
Additions:					
Revenue Fund Deposits	167,340	181,006	177,847	209,450	201,359
Sub-total	<u>\$ 167,340</u>	<u>\$ 181,006</u>	<u>\$ 177,847</u>	<u>\$ 209,450</u>	<u>\$ 201,359</u>
Withdrawals:					
Principal and Int Payments	148,187	166,537	176,542	178,595	208,790
Sub-total	<u>\$ 148,187</u>	<u>\$ 166,537</u>	<u>\$ 176,542</u>	<u>\$ 178,595</u>	<u>\$ 208,790</u>
Ending balance	<u>\$ 120,458</u>	<u>\$ 134,927</u>	<u>\$ 136,232</u>	<u>\$ 167,087</u>	<u>\$ 159,656</u>



Maximum Balance: 167,087
Minimum Balance: 13,302

Average Balance: 77,616

Observations

- September 30th ending balances are used to pay the October 1st interest and principal payments.
- This report does not include any Scherer debt service sinking funds.
- Timing differences occur due to the accrual of debt service during one fiscal year and the payment in the following fiscal year (primarily fixed rate principal and interest on October 1st of the following fiscal year).
- Projections are based on the debt outstanding as of December 31, 2018.

Electric System Debt Service Reserve Account

For the First Quarter Ending December 31, 2018

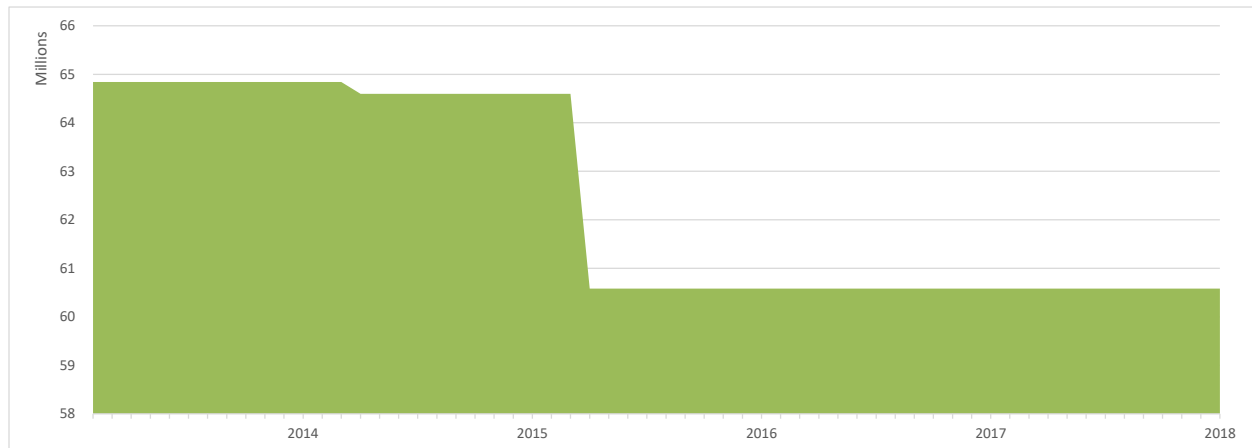
Definitions and Goals

This reserve will be funded, maintained and held for the benefit of bondholders as specified in the Supplemental Resolution authorizing the sale of the bonds to pay principal and/or interest on the bonds should revenues from operations not be sufficient for such purpose in accordance with the appropriate bond resolution. It is JEA's current practice to fund this reserve account with cash from the sale of bonds; however, revenues may be utilized to fund this reserve if necessary.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	<u>2019</u>	<u>2020</u>	<u>2021</u>
Opening Balance	\$ 60,582	\$ 60,582	\$ 60,582	\$ 60,582	\$ 60,582
Additions:					
Proceeds from Bonds					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Release to Revenue Fund					
Ending Balance	<u>\$ 60,582</u>	<u>\$ 60,582</u>	<u>\$ 60,582</u>	<u>\$ 60,582</u>	<u>\$ 60,582</u>

Historical Activity

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Opening Balance	\$ 64,841	\$ 64,841	\$ 64,595	\$ 60,582	\$ 60,582
Additions:					
Proceeds from Bonds					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Release to Revenue Fund		246	4,013		
Sub-total	\$ -	\$ 246	\$ 4,013	\$ -	\$ -
Ending balance	<u>\$ 64,841</u>	<u>\$ 64,595</u>	<u>\$ 60,582</u>	<u>\$ 60,582</u>	<u>\$ 60,582</u>



Maximum Balance:	64,841	Average Balance:	62,378
Minimum Balance:	60,582		

Observations

- This report does not include any Scherer debt service reserves.

Electric System Renewal and Replacement (R&R) / Operating Capital Outlay (OCO)

For the First Quarter Ending December 31, 2018

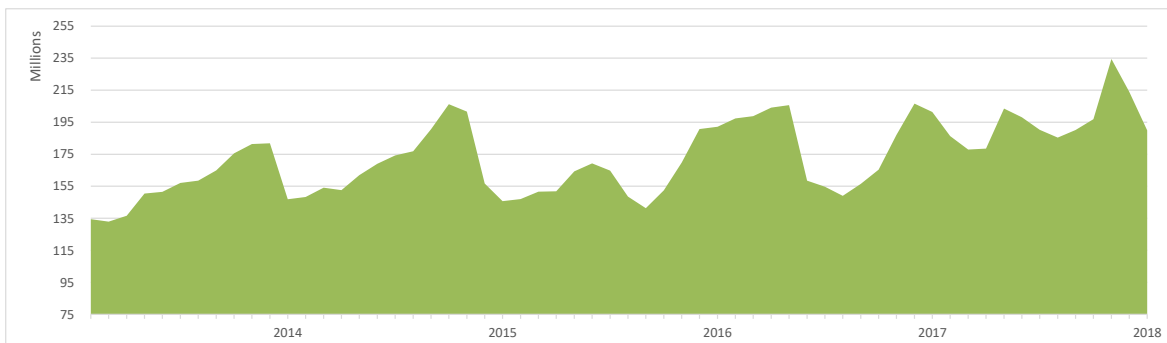
Definitions and Goals

Pursuant to the bond resolution and Article 21 of the City of Jacksonville Charter, JEA is required to deposit from the revenue fund annually an amount for Renewal and Replacement of system assets. According to the bond resolutions the amount is equal to the greater of 10% of the prior year defined annual net revenues or 5% of the prior year defined gross revenues. The funds shall be used for the purposes of paying the cost of extensions, enlargements or additions to, or the replacement of capital assets. In addition, as a portion of the base rate, JEA will recover from current revenue a formula driven amount for capital expenditures known as Operating Capital Outlay. This amount is calculated separately from the R&R deposit and may be allocated for use between capacity or non-capacity related expenditures based on the most beneficial economic and tax related financing structure incorporating the use of internal and bond funding.

	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2019	2020	2021
<i>(In Thousands)</i>					
Opening Balance	\$ 189,922	\$ 189,922	\$ 189,922	\$ 49,680	\$ 44,979
Additions:					
R&R/OCO Contribution	43,113	43,113	205,309	259,100	310,117
Loans betw Capital Fds			202		
Other	10,511	10,511	16,751	5,500	2,000
Sub-total	\$ 53,624	\$ 53,624	\$ 222,262	\$ 264,600	\$ 312,117
Withdrawals:					
Capital Expenditures	95,290	95,290	269,504	269,301	325,605
Transfers betw Capital Fds					
Debt Defeasance			93,000		
Other					
Sub-total	\$ 95,290	\$ 95,290	\$ 362,504	\$ 269,301	\$ 325,605
Ending Balance	\$ 148,256	\$ 148,256	\$ 49,680	\$ 44,979	\$ 31,491

Historical Activity

	2014	2015	2016	2017	2018
Opening Balance	\$ 140,486	\$ 146,910	\$ 145,711	\$ 192,179	\$ 201,368
Additions:					
R&R/OCO Contribution	85,639	110,351	200,692	196,589	148,105
Loans betw Capital Fds	-				
Other	4,014	970	3,744	5,074	35,675
Sub-total	\$ 89,653	\$ 111,321	\$ 204,436	\$ 201,663	\$ 183,780
Withdrawals:					
Capital Expenditures	82,889	112,483	157,201	113,987	181,263
Transfers/loans b/w Capital Fds	340	37	765	37,200	
Debt Defeasance					
Other			2	41,287	13,963
Sub-total	\$ 83,229	\$ 112,520	\$ 157,968	\$ 192,474	\$ 195,226
Ending balance	\$ 146,910	\$ 145,711	\$ 192,179	\$ 201,368	\$ 189,922



Maximum Balance: 234,504
Minimum Balance: 132,931

Average Balance: 173,065

Observations

- Other includes Sale of Property.
- Includes \$47 million for Maximum Annual Debt Service calculation.

Electric System Construction / Bond Fund

For the First Quarter Ending December 31, 2018

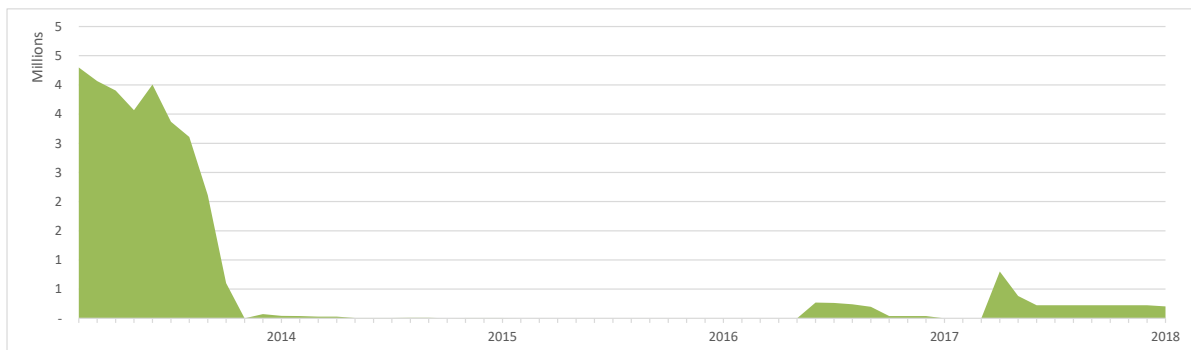
Definitions and Goals

JEA maintains a senior and subordinated construction fund of which bonds proceeds are deposited and used for the payment of the costs of additions, extensions and improvements to the Electric System. The senior construction fund is limited to the costs of additions, extension and improvements relating to non-generation capital expenditures. The subordinated construction fund is used for capital projects relating to all categories of capital expenditures but primarily targeted to fund generation capital expenditures.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2019	2020	2021
Opening Balance	\$ 203	\$ 203	\$ 203	\$ -	\$ -
Additions:					
Bond Proceeds					
Loans betw Capital Fds					
Other					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Transfers betw Capital Fds			203		
Other					
Sub-total	\$ -	\$ -	\$ 203	\$ -	\$ -
Ending Balance	\$ 203	\$ 203	\$ -	\$ -	\$ -

Historical Activity

	2014	2015	2016	2017	2018
Opening Balance	\$ 5,184	\$ 42	\$ 4	\$ -	\$ -
Additions:					
Bond Proceeds				429	805
Loans betw Capital Fds	3,091				
Other	340	37	2		
Sub-total	\$ 3,431	\$ 37	\$ 2	\$ 429	\$ 805
Withdrawals:					
Capital Expenditures	4,821	75	6		
Transfers/loans b/w Capital Fds	3,091				
Other	661			429	602
Sub-total	\$ 8,573	\$ 75	\$ 6	\$ 429	\$ 602
Ending balance	\$ 42	\$ 4	\$ -	\$ -	\$ 203



Maximum Balance: 4,299 Average Balance: 555
 Minimum Balance: -

Observations

- JEA's philosophy has been to borrow bond funds on a "just-in-time" basis. Staff has used line of credit borrowings and loans between capital funds to decrease borrowing costs.
- No new debt issues projected for FY 2019.

Water and Sewer System Rate Stabilization - Debt Management

For the First Quarter Ending December 31, 2018

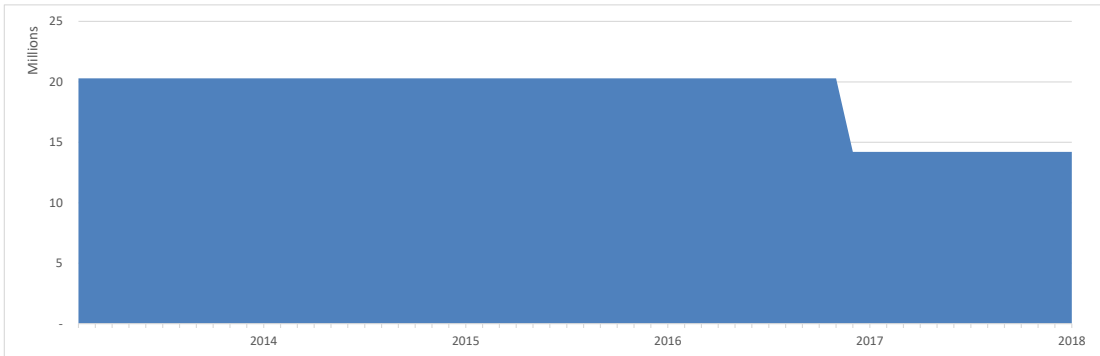
Definitions and Goals

The Water & Sewer System Bond Resolution authorizes the establishment of a Rate Stabilization Fund ("RSF") in which deposits or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Funds provide a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as fuel, debt management and regulatory requirements or initiatives. Deposits are made to this RSF for the purpose of managing JEA's debt portfolio. Deposits to this reserve reflect the difference in the actual interest rates for interest expense on the unhedged variable rate debt as compared to the budgeted assumptions for interest expense on the unhedged variable rate debt. Additionally, deposits can be made from excess debt service budget over the actual debt service expense for any fiscal year. However, the total amounts deposited (in addition to actual debt service costs for the fiscal year) cannot exceed the total amount of the budgeted debt service for any fiscal year. At a minimum, 50% of the calculated reserve contribution, if any, will be recorded and deposited each fiscal year. Debt and Investment Committee will review and record at their option an additional contribution amount, up to the full value of the calculated reserve contribution (the remaining 50%). The reserve contributions will be calculated on a system by system basis; however, based on the calculation, any mandatory deposit will exclude the District Energy System. The reserve contributions shall cease in the event the reserve balance exceeds the cap of five percent of the par amount of the total outstanding variable rate debt of all systems. Withdrawals from the Rate Stabilization Fund for Debt Management Strategy can be made for expenses related to market disruption in the capital markets, disruption in availability of credit or unanticipated credit expenses, or to fund variable interest costs in excess of budget.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2019	2020	2021
Opening Balance	\$ 14,209	\$ 14,209	\$ 14,209	\$ 14,209	\$ 14,209
Additions:					
Contributions					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ 14,209	\$ 14,209	\$ 14,209	\$ 14,209	\$ 14,209

Historical Activity

	2014	2015	2016	2017	2018
Opening Balance	\$ 20,290	\$ 20,290	\$ 20,290	\$ 20,290	\$ 14,209
Additions:					
Contributions					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals				6,081	
Sub-total	\$ -	\$ -	\$ -	\$ 6,081	\$ -
Ending balance	\$ 20,290	\$ 20,290	\$ 20,290	\$ 14,209	\$ 14,209



Maximum Balance:	20,290	Average Balance:	18,871
Minimum Balance:	14,209		

Observations

- Contributions began in June 2009.

Water & Sewer System Rate Stabilization - Environmental

For the First Quarter Ending December 31, 2018

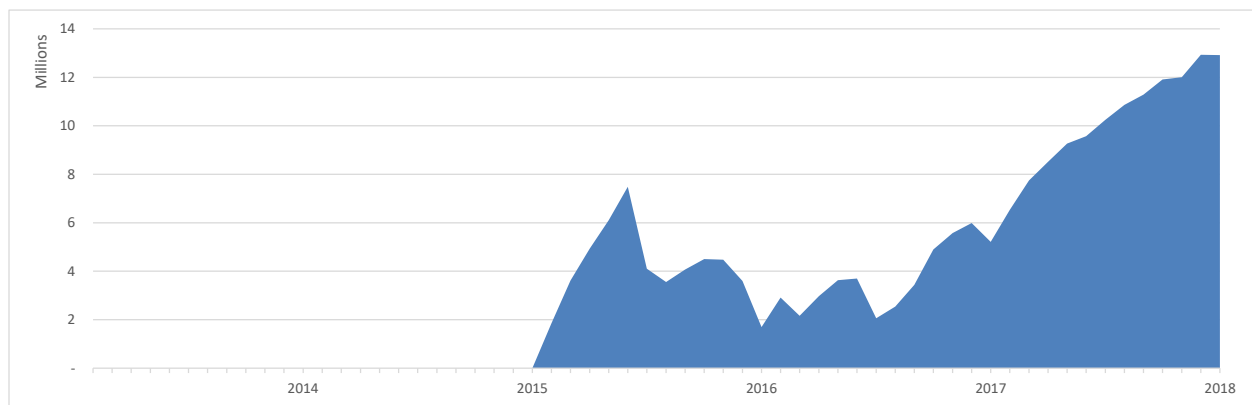
Definitions and Goals

The Water & Sewer System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which contributions or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Fund provides a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as debt management and regulatory requirements or initiatives.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	<u>2019</u>	<u>2020</u>	<u>2021</u>
Opening Balance	\$ 12,914	\$ 12,914	\$ 12,914	\$ 13,397	\$ 13,397
Additions:					
Contributions	5,937	5,937	26,423	26,687	26,954
Sub-total	\$ 5,937	\$ 5,937	\$ 26,423	\$ 26,687	\$ 26,954
Withdrawals:					
Withdrawals	3,633	3,633	25,940	26,687	26,954
Sub-total	\$ 3,633	\$ 3,633	\$ 25,940	\$ 26,687	\$ 26,954
Ending Balance	<u>\$ 15,218</u>	<u>\$ 15,218</u>	<u>\$ 13,397</u>	<u>\$ 13,397</u>	<u>\$ 13,397</u>

Historical Activity

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Opening Balance	\$ -	\$ -	\$ -	\$ 1,699	\$ 5,214
Additions:					
Contributions			23,635	24,362	23,829
Sub-total	\$ -	\$ -	\$ 23,635	\$ 24,362	\$ 23,829
Withdrawals:					
Withdrawals			21,936	20,847	16,129
Sub-total	\$ -	\$ -	\$ 21,936	\$ 20,847	\$ 16,129
Ending balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,699</u>	<u>\$ 5,214</u>	<u>\$ 12,914</u>



Maximum Balance:	12,930	Average Balance:	6,079
Minimum Balance:	1,699		

Observations

- Rate Stabilization Fund for Environmental began in June 2010.

Water and Sewer System Customer Deposits

For the First Quarter Ending December 31, 2018

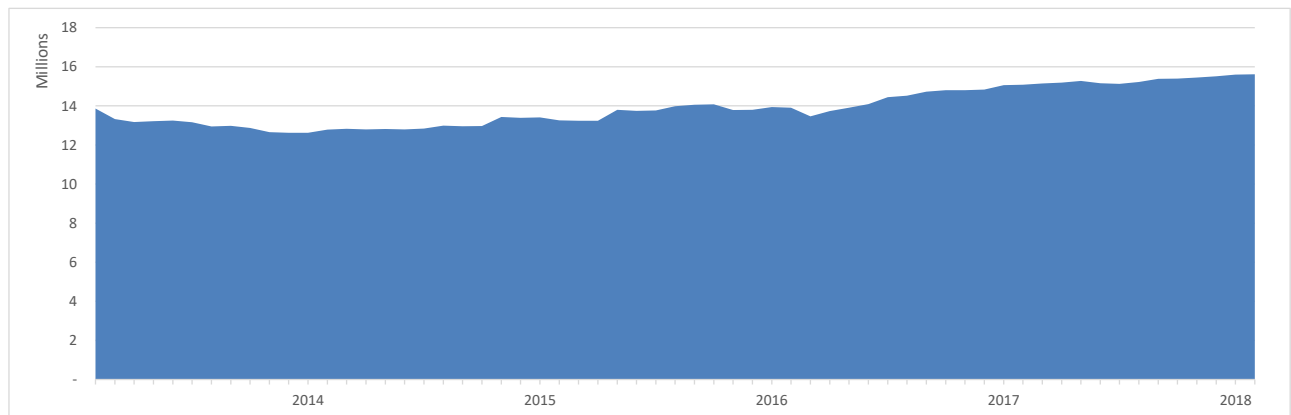
Definitions and Goals

Pursuant to internal procedure CR40400 MBC302 Credit and Collections, JEA accesses customers a deposit that may be used to offset any future unpaid amounts during the course of providing utility service to a customer.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	<u>2019</u>	<u>2020</u>	<u>2021</u>
Opening Balance	\$ 15,616	\$ 15,616	\$ 15,616	\$ 15,559	\$ 15,559
Additions:					
Allocated from Electric					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Allocated from Electric	57	57	57		
Sub-total	\$ 57	\$ 57	\$ 57	\$ -	\$ -
Ending Balance	<u>\$ 15,559</u>	<u>\$ 15,559</u>	<u>\$ 15,559</u>	<u>\$ 15,559</u>	<u>\$ 15,559</u>

Historical Activity

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Opening Balance	\$ 13,860	\$ 12,787	\$ 13,255	\$ 13,910	\$ 15,086
Additions:					
Allocated from Electric		468	655	1,176	530
Sub-total	\$ -	\$ 468	\$ 655	\$ 1,176	\$ 530
Withdrawals:					
Allocated from Electric	1,073				
Sub-total	\$ 1,073	\$ -	\$ -	\$ -	\$ -
Ending balance	<u>\$ 12,787</u>	<u>\$ 13,255</u>	<u>\$ 13,910</u>	<u>\$ 15,086</u>	<u>\$ 15,616</u>



Maximum Balance: 15,616
Minimum Balance: 12,619

Average Balance: 13,915

Observations

Water and Sewer System Debt Service Sinking Fund

For the First Quarter Ending December 31, 2018

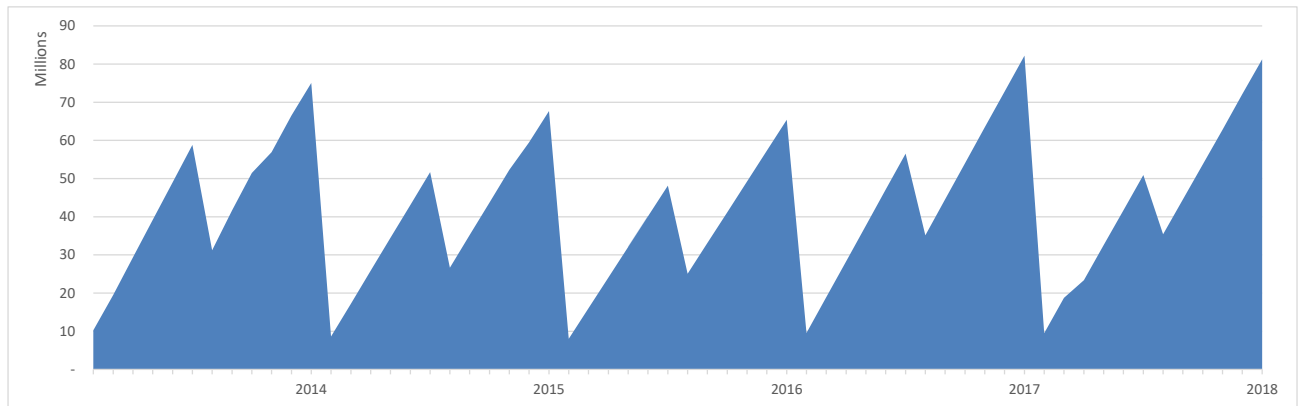
Definitions and Goals

JEA is required monthly to fund from revenues an amount equal to the aggregate of the Debt Service Requirement for senior and subordinated bonds for such month into this account. On or before such interest payment date, JEA shall pay out of this account to the paying agents the amount required for the interest and principal due on such date.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2019	2020	2021
Opening Balance	\$ 81,241	\$ 81,241	\$ 81,241	\$ 83,293	\$ 83,820
Additions:					
Revenue fund deposits	28,842	28,842	115,563	117,895	120,497
Sub-total	\$ 28,842	\$ 28,842	\$ 115,563	\$ 117,895	\$ 120,497
Withdrawals:					
Principal and interest payments	81,964	81,964	113,511	117,368	118,853
Sub-total	\$ 81,964	\$ 81,964	\$ 113,511	\$ 117,368	\$ 118,853
Ending Balance	\$ 28,119	\$ 28,119	\$ 83,293	\$ 83,820	\$ 85,464

Historical Activity

	2014	2015	2016	2017	2018
Opening Balance	\$ 80,317	\$ 75,019	\$ 67,720	\$ 65,410	\$ 82,208
Additions:					
Revenue fund deposits	117,444	102,789	97,077	114,873	113,636
Sub-total	\$ 117,444	\$ 102,789	\$ 97,077	\$ 114,873	\$ 113,636
Withdrawals:					
Principal and interest payments	122,742	110,088	99,387	98,075	114,603
Sub-total	\$ 122,742	\$ 110,088	\$ 99,387	\$ 98,075	\$ 114,603
Ending balance	\$ 75,019	\$ 67,720	\$ 65,410	\$ 82,208	\$ 81,241



Maximum Balance:	82,208	Average Balance:	41,856
Minimum Balance:	8,019		

Observations

- September 30th ending balances are used to pay Oct 1st interest and principal payments.
- Timing differences occur due to the accrual of debt service during one fiscal year and the payment in the following fiscal year (primarily fixed rate principal and interest on Oct 1st of the following fiscal year).
- Projections are based on the debt outstanding as of December 31, 2018.

Water and Sewer System Debt Service Reserve Account

For the First Quarter Ending December 31, 2018

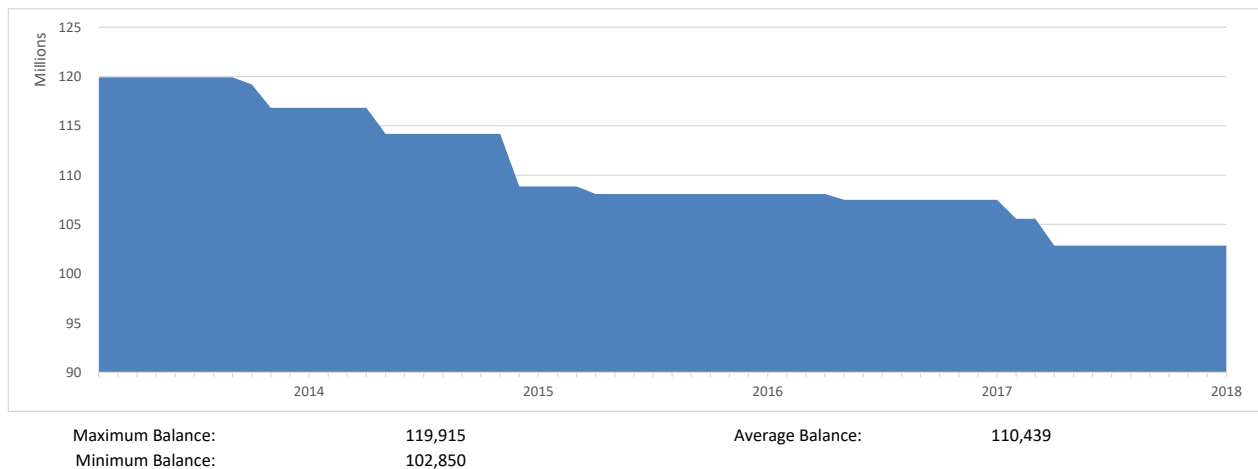
Definitions and Goals

This reserve will be funded, maintained and held for the benefit of bondholders as specified in the Supplemental Resolution authorizing the sale of the bonds to pay principal and/or interest on the bonds should revenues from operations not be sufficient for such purpose in accordance with the appropriate bond resolution. It is JEA's current practice to fund this reserve account with cash from the sale of bonds; however, revenues may be utilized to fund this reserve if necessary.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2019	2020	2021
Opening Balance	\$ 102,850	\$ 102,850	\$ 102,850	\$ 68,648	\$ 68,648
Additions:					
Construction reserves/bond issues					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Revenue fund	318	318	318		
Construction fund	33,884	33,884	33,884		
Sub-total	\$ 34,202	\$ 34,202	\$ 34,202	\$ -	\$ -
Ending Balance	<u>\$ 68,648</u>	<u>\$ 68,648</u>	<u>\$ 68,648</u>	<u>\$ 68,648</u>	<u>\$ 68,648</u>

Historical Activity

	2014	2015	2016	2017	2018
Opening Balance	\$ 119,915	\$ 116,829	\$ 108,849	\$ 108,086	\$ 107,488
Additions:					
Construction reserves/bond issues					
Revenue fund					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Revenue fund	3,086	7,980	763	598	4,638
Sub-total	\$ 3,086	\$ 7,980	\$ 763	\$ 598	\$ 4,638
Ending balance	<u>\$ 116,829</u>	<u>\$ 108,849</u>	<u>\$ 108,086</u>	<u>\$ 107,488</u>	<u>\$ 102,850</u>



Observations

- In 2008, debt service reserve sureties downgraded and JEA began replacing those downgraded sureties with cash/investments as required by the bond resolutions. Sureties of \$149.8 million are still outstanding but are not eligible to be utilized as debt service reserve deposits per the Bond Resolutions.
- 2018 Bond Resolution amendment will allow the use of \$33 million AA+ rated Berkshire Hathaway Assurance surety policy to be included in Debt Service Reserve Fund funding calculation which allowed the release of \$33.8 million to the Construction Fund.

Water and Sewer System Renewal and Replacement (R&R) / Operating Capital Outlay (OCO)

For the First Quarter Ending December 31, 2018

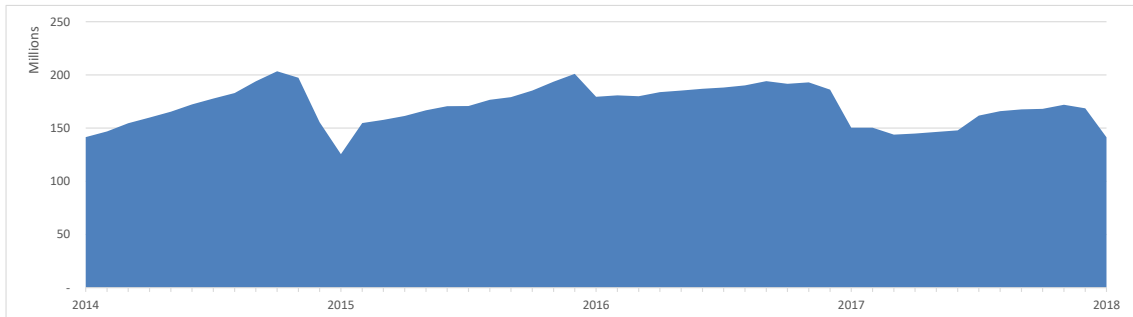
Definitions and Goals

Pursuant to the Water and Sewer System bond resolutions and Article 21 of the City of Jacksonville Charter, JEA is required to deposit from the revenue fund annually an amount for Renewal and Replacement of system assets. According to the bond resolutions the amount is equal to the greater of 10% of the prior year defined annual net revenues or 5% of the prior year defined gross revenues. The funds shall be used for the purposes of paying the cost of extensions, enlargements or additions to, or the replacement of capital assets of the Electric System. In addition, as a portion of the base rate, JEA will recover from current revenue a formula driven amount for capital expenditures which is referred to as Operating Capital Outlay. This amount is calculated separately from the R&R deposit. In accordance with the Pricing Policy, by 2013, the objective is to fund an amount equal to all non-capacity capital expenditures with current year internally generated funds. Capacity fees are charged to customers as a one-time fee for a new connection to the Water System and a one-time fee for a new connection to the Sewer System. Capacity charges may be used and applied for the purpose of paying costs of expansion of the Water and Sewer System or paying or providing for the payment of debt that was issued for the same purpose.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2019	2020	2021
Opening Balance	\$ 141,415	\$ 141,415	\$ 141,415	\$ 10,578	\$ 11,907
Additions:					
R&R/OCO Contribution	33,289	33,289	137,234	153,849	163,825
Capacity Fees	7,143	7,143	26,554	25,122	25,056
Transfer from Capital Fds					
Other	8,138	8,138	37,306	9,151	9,051
Sub-total	\$ 48,570	\$ 48,570	\$ 201,094	\$ 188,122	\$ 197,932
Withdrawals:					
Capital Expenditures	42,219	42,219	175,331	186,793	181,929
Debt Defeasance			156,600		
Other					
Sub-total	\$ 42,219	\$ 42,219	\$ 331,931	\$ 186,793	\$ 181,929
Ending Balance	\$ 147,766	\$ 147,766	\$ 10,578	\$ 11,907	\$ 27,910

Historical Activity

	2014	2015	2016	2017	2018
Opening Balance	\$ 139,049	\$ 136,182	\$ 128,249	\$ 179,431	\$ 150,319
Additions:					
R&R/OCO Contribution	48,373	62,793	124,574	108,119	153,372
Capacity Fees	18,298	19,579	21,995	24,777	28,002
Loans betw Capital Fds		22		137	
Other (incl septic tank)	1,614	904	31,041	8,050	6,383
Sub-total	\$ 68,285	\$ 83,298	\$ 177,610	\$ 141,083	\$ 187,757
Withdrawals:					
Capital Expenditures	69,246	91,231	126,322	165,242	196,637
Loan Repayment	-	-	-	-	-
Transfer to Constr. Fund	1,893		106		
Other (incl septic tank)	13	-	-	4,953	24
Sub-total	\$ 71,152	\$ 91,231	\$ 126,428	\$ 170,195	\$ 196,661
Ending balance	\$ 136,182	\$ 128,249	\$ 179,431	\$ 150,319	\$ 141,415



Maximum Balance: 203,406
Minimum Balance: 125,438

Average Balance: 167,667

Observations

- Other includes the Septic Tank Phase-out project, Sale of Property, and the transfer of RSF - Environmental in FY 2016 - 2019.

Water and Sewer System - Environmental Fund [Capital Projects]

For the First Quarter Ending December 31, 2018

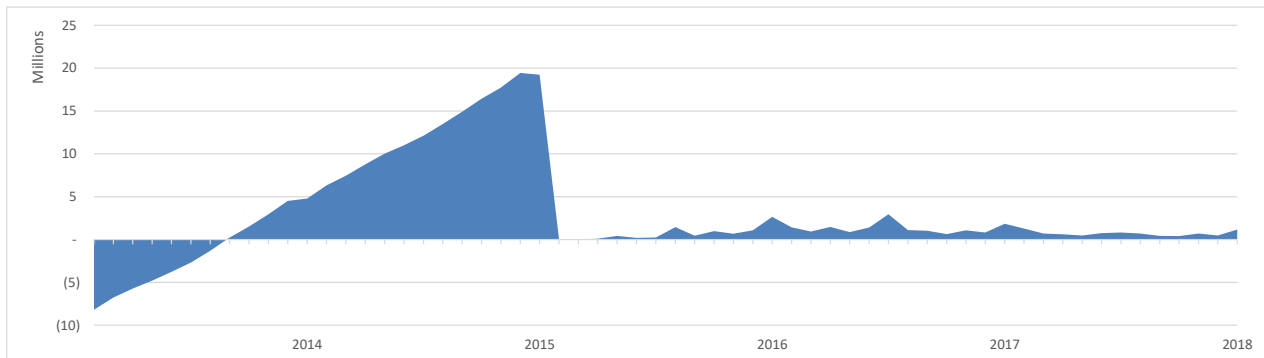
Definitions and Goals

The Environmental Charge will be applied to all water, sewer, irrigation and non bulk user reclaimed consumption. The environmental charge revenue will be collected from customers to partially offset current and future environmental and regulatory needs as specified in the Pricing Policy for specific environmental and regulatory programs.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2019	2020	2021
	Opening Balance	\$ 1,159	\$ 1,159	\$ 1,159	\$ 1,211
Additions:					
Environmental Contributions	1,183	1,183	10,954	15,601	9,192
Loans betw Capital Fds					
Other					
Sub-total	<u>\$ 1,183</u>	<u>\$ 1,183</u>	<u>\$ 10,954</u>	<u>\$ 15,601</u>	<u>\$ 9,192</u>
Withdrawals:					
Capital Expenditures	1,977	1,977	10,902	15,812	9,192
Other					
Sub-total	<u>\$ 1,977</u>	<u>\$ 1,977</u>	<u>\$ 10,902</u>	<u>\$ 15,812</u>	<u>\$ 9,192</u>
Ending Balance	<u>\$ 365</u>	<u>\$ 365</u>	<u>\$ 1,211</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>

Historical Activity

	2014	2015	2016	2017	2018
Opening Balance	\$ (9,857)	\$ 5,299	\$ -	\$ 2,659	\$ 1,839
Additions:					
Environmental Contributions	21,018	22,056	15,539	12,394	6,691
Loans betw Capital Fds					
Other					
Sub-total	<u>\$ 21,018</u>	<u>\$ 22,056</u>	<u>\$ 15,539</u>	<u>\$ 12,394</u>	<u>\$ 6,691</u>
Withdrawals:					
Capital Expenditures	5,862	7,318	12,880	13,214	7,370
Septic Tank Phase Out		203			
Other		19,834			1
Sub-total	<u>\$ 5,862</u>	<u>\$ 27,355</u>	<u>\$ 12,880</u>	<u>\$ 13,214</u>	<u>\$ 7,371</u>
Ending balance	<u>\$ 5,299</u>	<u>\$ -</u>	<u>\$ 2,659</u>	<u>\$ 1,839</u>	<u>\$ 1,159</u>



Maximum Balance: 19,439
Minimum Balance: (8,192)

Average Balance: 2,832

Observations

Water and Sewer System - Construction / Bond Fund

For the First Quarter Ending December 31, 2018

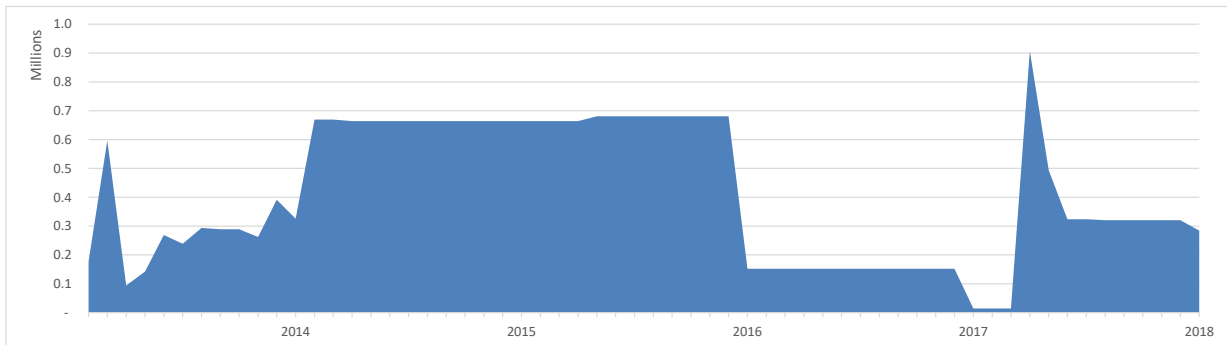
Definitions and Goals

JEA maintains a senior and subordinated construction fund of which bonds proceeds are deposited and used for the payment of the costs of additions, extensions and improvements to the Water and Sewer System.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	<u>2019</u>	<u>2020</u>	<u>2021</u>
Opening Balance	\$ 284	\$ 284	\$ 284	\$ 17,754	\$ -
Additions:					
Bond Proceeds	33,884	33,884	33,884		
Line of Credit					
Other					
Sub-total	<u>\$ 33,884</u>	<u>\$ 33,884</u>	<u>\$ 33,884</u>	<u>\$ -</u>	<u>\$ -</u>
Withdrawals:					
Capital Expenditures / Bond Issue Costs	2,577	2,577	16,367	17,754	
Other			47		
Ending Balance	<u>\$ 31,591</u>	<u>\$ 31,591</u>	<u>\$ 17,754</u>	<u>\$ -</u>	<u>\$ -</u>

Historical Activity

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Opening Balance	\$ 2,305	\$ 326	\$ 664	\$ 152	\$ 15
Additions:					
Bond Proceeds	-				894
Line of Credit	-				
Loans/transfers b/w Capital Fds	1,893				
Other	476	344	17		
Sub-total	<u>\$ 2,369</u>	<u>\$ 344</u>	<u>\$ 17</u>	<u>\$ -</u>	<u>\$ 894</u>
Withdrawals:					
Capital Expenditures	3,784	6			623
Bond Proceeds	48				
Loans/trnsf btw CapFds	516				
Other			529	137	2
Sub-total	<u>\$ 4,348</u>	<u>\$ 6</u>	<u>\$ 529</u>	<u>\$ 137</u>	<u>\$ 625</u>
Ending balance	<u>\$ 326</u>	<u>\$ 664</u>	<u>\$ 152</u>	<u>\$ 15</u>	<u>\$ 284</u>



Maximum Balance:	907	Average Balance:	410
Minimum Balance:	15		

Observations

- JEA's philosophy has been to borrow bond funds on a "just-in-time" basis. Staff has used line of credit borrowings and loans between capital funds to decrease borrowing costs.



INTER-OFFICE MEMORANDUM

February 21, 2019

SUBJECT: STAR PLAN EARLY DEBT RETIREMENT PHASE 1 UPDATE

FROM: Aaron F. Zahn, Managing Director/CEO

TO: JEA Finance and Audit Committee

Kelly Flanagan, Chair
John Campion

BACKGROUND:

As part of JEA's ongoing debt management program, when desiring to retire debt early, JEA has historically utilized various sources of funds for defeasing debt, calling bonds for early redemption or purchasing bonds on the secondary market. Typically, an escrow is used when calling bonds or defeasing debt prior to maturity.

On June 15, 2004, the Board approved a defeasance agenda item that delegated to the Managing Director & CEO, the Vice President & COO and the Vice President Financial Services the authority, in regard to a specific defeasance transaction in 2004 and future defeasance transactions for the Water and Sewer System and the Electric System. At its May 21, 2013 meeting, the Board broadened the 2004 authorization to i) expand the Systems to include St. Johns River Power Park System ("SJRPP System"), the Bulk Power Supply System and District Energy System, ii) clarify that early debt retirement is defined as defeasing debt, calling bonds for early redemption and purchasing bonds on the secondary market and iii) delegate to the Managing Director & CEO and the Chief Financial Officer the authority to approve and execute all related actions necessary for the early retirement of debt for the Electric System, SJRPP System, Bulk Power Supply System, Water and Sewer System and District Energy System, subject to the Annual Budget and related Budget Ordinance.

At that meeting, staff indicated it would provide the Board, at least annually, an Early Debt Retirement Schedule showing completed transactions for the fiscal year beginning with fiscal year 2013. The Schedule will not be provided in any year where no transactions occurred. Consistent with the May 21, 2013 agenda item, this agenda item and attached Schedule provide a summary of early debt retirements completed consistent with the Strategic & Timely Asset Realignment ("STAR") Plan Early Debt Retirement Phase 1, approved by the Board on December 11, 2018.

DISCUSSION:

On February 21, 2019, staff utilized Electric System Revenue Funds and Renewal and Replacement Funds to defease \$34,930,000 in Electric System bonds and \$65,160,000 in Subordinated Electric System bonds and Water and Sewer Renewal and Replacement Funds to defease \$82,970,000 in Water and Sewer System bonds and \$11,985,000 in Subordinated Water and Sewer System bonds for combined early debt retirements totaling \$195,045,000.

RECOMMENDATION:

No action by the Board is required: This item is submitted for information only as part of staff's responsibility to periodically report early debt retirement activities to the Board.

Aaron F. Zahn, Managing Director/CEO

AFZ/RFW/JEO/CTC

STAR Plan Early Debt Retirement Phase 1

System	Lien	Par	Primary Purpose	Impacts	Source of Funds
Electric	Senior/Sub	\$100,090,000	Debt Reduction	Lower future debt service, lower unrestricted & restricted cash	Renewal & Replacement Funds and Revenue Funds
W&S	Senior/Sub	\$94,955,000	Debt Reduction	Lower future debt service & lower restricted cash	Renewal & Replacement Funds
	Total	\$195,045,000			



INTER-OFFICE MEMORANDUM

March 11, 2019

SUBJECT: JEA INVESTMENT POLICY - REVISION TO AUTHORIZED INVESTMENTS

FROM: Aaron F. Zahn, Managing Director and CEO

TO: JEA Finance and Audit Committee

Kelly Flanagan, Chair
John Campion

BACKGROUND:

Section 218.415 of the Florida Statutes requires that investment activity by a unit of local government be consistent with a written policy adopted by the governing body of such unit of local government. In September 1995, the JEA Board approved an Investment Policy that satisfied this statutory requirement. Since that time, on several occasions the JEA Board has amended the JEA Investment Policy to take into account revisions to the statute, changes to JEA system bond resolutions, and to incorporate current industry practices. The most recent revisions to the Policy were approved by the JEA Board at the August 2018 Board meeting.

DISCUSSION:

Section 7.0, Authorized Investments, refers to Table 1, Investment Limitations. This Table lists the percentage limitations for the various investment types held in the investment portfolio. The eligible investments are based primarily on the investments allowed per each system's bond resolution.

Staff is proposing an increase to the percentage limit for intergovernmental pools from 15% to 20% of the investment portfolio. The intergovernmental pools provide the highest yield among the options available to JEA to meet overnight liquidity needs. As the investment portfolio has decreased in size, increasing the percentage limit would help maintain the dollar amount allowed to be invested in the intergovernmental pools. The pools include the Florida Education Investment Trust Fund ("FEITF") managed by PFM, and Florida Prime, managed by Federated Investors and administered by the Florida State Board of Administration. Both pools are rated AAA by Standard and Poor's.

RECOMMENDATION:

Staff recommends that the Finance and Audit Committee and the Board approve the attached revision to Table 1 of the Investment Policy.

Aaron F. Zahn, Managing Director and CEO

AFZ/RFW/JEO/TPD

Table 1 – JEA Investment Limitations

Option	Allowable Range (% of total investments and/or \$ amount)	Comments
Bank NOW Account	Up to 25%, except for 3/31 and 9/30 at which time the limit is 30%	Federal or state insured financial institutions designated as Qualified Public Depositories by the State of Florida
Triparty Repo	Up to 15% with any one dealer; up to 25% in aggregate	102% collateral. Collateral can include Treasuries and/or Agencies and is held by a 3 rd party custodian. Dealers rated AA by two rating agencies.
U.S. Treasuries or Treasury-only Money Market Funds	Up to 100%	Fund must be rated AAA or Aaa and registered with SEC.
U.S. Agencies (Fannie Mae, Federal Home Loan Bank, Freddie Mac, etc.)	Less than 35% in any one issuer and up to 75% in aggregate, including repo collateral	Electric/Water/DES: No ratings requirement Other Systems: AAA rated All Systems: Not backed by mortgage loans.
Commercial Paper	Up to 25% of portfolio; maximum of \$12.5 million in any one issuer	Must be in Fortune 500/Global 500, or governments of Canada or Canadian provinces (U.S. dollar-denominated); rated at least A-1/P-1 with stable or positive outlook
Municipal Bonds	Up to 30% non-JEA debt; 50% including JEA debt	Non-JEA debt must be rated AA by two rating agencies
Government Agency Money Market Mutual Funds	Up to 10% in any one fund; up to 25% in aggregate	AAA or Aaa rating required. Registered with SEC.
Intergovernmental Investment Pool	Up to 15% <u>20%</u>	Authorized by Florida statutes. Includes Florida Prime Fund and PFM's Florida Education Income Trust Fund.

Table 1 – JEA Investment Limitations

Option	Allowable Range (% of total investments and/or \$ amount)	Comments
Bank NOW Account	Up to 25%, except for 3/31 and 9/30 at which time the limit is 30%	Federal or state insured financial institutions designated as Qualified Public Depositories by the State of Florida
Triparty Repo	Up to 15% with any one dealer; up to 25% in aggregate	102% collateral. Collateral can include Treasuries and/or Agencies and is held by a 3 rd party custodian. Dealers rated AA by two rating agencies.
U.S. Treasuries or Treasury-only Money Market Funds	Up to 100%	Fund must be rated AAA or Aaa and registered with SEC.
U.S. Agencies (Fannie Mae, Federal Home Loan Bank, Freddie Mac, etc.)	Less than 35% in any one issuer and up to 75% in aggregate, including repo collateral	Electric/Water/DES: No ratings requirement Other Systems: AAA rated All Systems: Not backed by mortgage loans.
Commercial Paper	Up to 25% of portfolio; maximum of \$12.5 million in any one issuer	Must be in Fortune 500/Global 500, or governments of Canada or Canadian provinces (U.S. dollar-denominated); rated at least A-1/P-1 with stable or positive outlook
Municipal Bonds	Up to 30% non-JEA debt; 50% including JEA debt	Non-JEA debt must be rated AA by two rating agencies
Government Agency Money Market Mutual Funds	Up to 10% in any one fund; up to 25% in aggregate	AAA or Aaa rating required. Registered with SEC.
Intergovernmental Investment Pool	Up to 20%	Authorized by Florida statutes. Includes Florida Prime Fund and PFM's Florida Education Income Trust Fund.



INTER-OFFICE MEMORANDUM

February 14, 2019

SUBJECT: JEA ENERGY MARKET RISK MANAGEMENT POLICY REPORT

FROM: Caren Anders, Vice President/General Manager Energy

TO: JEA Finance and Audit Committee

Kelly Flanagan, Chair
John Campion

BACKGROUND:

The JEA Board approved the Energy Market Risk Management (EMRM) Policy in March 2014. The Policy was developed to codify the risk, governance, limits, and criteria associated with managing energy market exposure, and to comply with requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The reporting section of the Policy requires a quarterly report on JEA's financial and physical fuel and power transactions. This report includes physical transactions one year or greater and all financial transactions.

DISCUSSION:

The Policy governs JEA's wholesale energy market risk management and allows JEA to execute certain physical and financial transactions. The attached report is provided to the Board Finance and Audit Committee and satisfies the requirements of the reporting section of the EMRM Policy. The costs of financial transactions are reflected in comparison to market indices. The benefits include establishment of a stable fuel price for the future.

RECOMMENDATION:

None required. The report is required by the EMRM Policy and is provided as information.

Caren Anders, VP/GM Energy

AFZ/CBA/WGB

Energy Market Risk Management: Physical and Financial Positions

Summary as of 2/1/2019		
Projected FY19 Expense (Budget = \$418M)	\$415M	😊
Projected FY19 Fuel Fund Ending Balance (Target = \$75M)	\$48M	😞
EMRM Compliance	Yes	😊
Counterparty Credit Limit Exceptions	No	😊
Any Issues of Concern	No	😊

Table 1: Physical Counterparties (Contracts One Year or Greater) as of 2/1/2019

Generating Unit	Fuel Type	Supplier/Counterparty	Contract Type	Remaining Contract Value	Remaining Contract Term
Scherer 4	Coal	CY19 Blackjewel - Eagle Butte - 001	Fixed Price	\$2,666,246	11 months
Scherer 4	Coal	CY19 Blackjewel - Eagle Butte - 004	Fixed Price	\$761,315	11 months
Scherer 4	Coal	CY19 Peabody Caballo -005	Fixed Price	\$2,128,583	11 months
Scherer 4	Coal	CY20 Blackjewel - Eagle Butte - 001	Fixed Price	\$3,018,716	12 months
Scherer 4	Coal	CY20 Peabody Caballo - 003	Fixed Price	\$750,800	12 months
Scherer 4	Coal	CY21 Blackjewel - Eagle Butte - 002	Fixed Price	\$691,264	12 months
Scherer 4	Coal	CY21 Peabody Caballo - 003	Fixed Price	\$770,250	12 months
Scherer 4	Coal	CY22 Blackjewel - Eagle Butte - 001	Fixed Price	\$426,657	12 months
Scherer 4	Coal	CY22 Peabody Caballo - 002	Fixed Price	\$315,968	12 months
NG Fleet	Natural Gas	Shell Energy	Index w/Fixed Price Option	\$143,627,733	2.25 years

Table 2: Financial Positions as of 2/1/2019

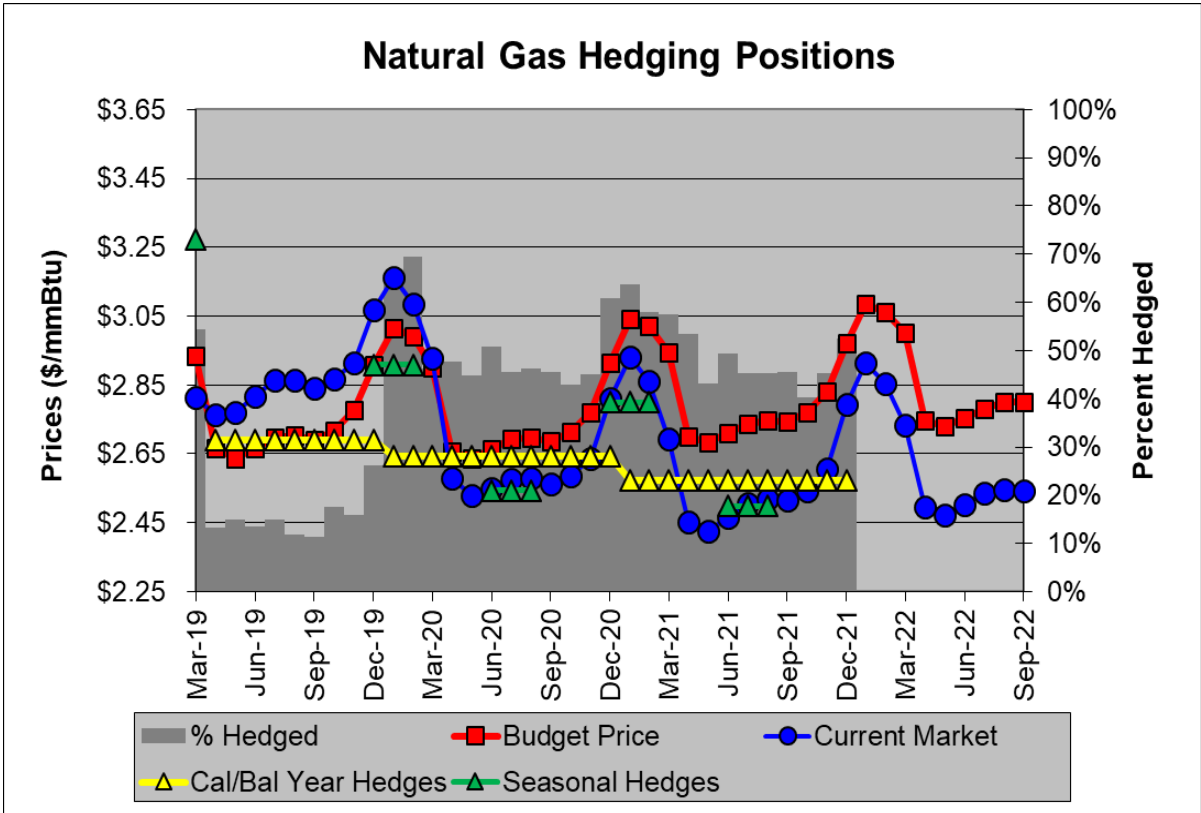
Year	Commodity	Physical Volume (mmBtu)	Hedged Volume (mmBtu)	Percent Hedged	Unhedged Cost (\$/mmBtu)	Hedge Type	Hedge Price	Mark-to-Market Value	Counter Party
FY19	Natural Gas	31,266,700	5,520,000	17.7%	\$ 2.82	Swap	\$ 2.89	\$ 371,640	Wells Fargo
FY20	Natural Gas	47,378,500	20,110,000	42.4%	\$ 2.78	Swap	\$ 2.65	\$ (2,047,240)	Wells Fargo & RBC
FY21	Natural Gas	48,131,600	23,720,000	49.3%	\$ 2.62	Swap	\$ 2.60	\$ (595,510)	Wells Fargo & RBC
FY22	Natural Gas	51,690,200	5,520,000	10.7%	\$ 2.63	Swap	\$ 2.57	\$ (409,040)	RBC

Table 3: Fuel Procurement as of 2/1/2019

Fuel Type	Natural Gas	Coal	Petcoke	Purchased Power	Oil/Diesel	Renewables
FY19 Remaining / Energy Mix	47%	19%	15%	17%	0%	2%
Expected Spend (\$)	95.4M	50.4M	36.5M	37.2M	0.4M	12.5M
% Procured	44%	77%	44%	62%	100%	100%
% Hedged	17%	77%	28%	7%	100%	100%
FY20 Budget / Energy Mix	49%	17%	15%	14%	0%	5%
Expected Spend (\$)	130.7M	67.6M	50.9M	46.3M	1.1M	29.3M
% Procured	47%	44%	9%	17%	100%	100%
% Hedged	41%	44%	9%	2%	100%	100%
FY21 Projection / Energy Mix	49%	17%	15%	13%	0%	6%
Expected Spend (\$)	127.9M	68.7M	51.8M	40.8M	4.2M	32.2M
% Procured	46%	40%	10%	0%	100%	100%
% Hedged	48%	40%	10%	0%	100%	100%

Supporting Notes:

- Renewable purchase power agreements are not included in Table 1
- Natural Gas Transportation is 100% fixed capacity and price
- Solid fuel procurement - annually and quarterly at Northside; CY2019-2022 for Scherer
- Table 3: FY Energy Mix based on MWH
- In Table 3, the procured percent relates to inventory on hand, or contracted and the percent hedged is inventory on hand or contracted with fixed pricing or financial hedges
- Renewables in Table 3 represent signed agreements and an estimated cost for pending contracts





INTER-OFFICE MEMORANDUM

March 19, 2019

SUBJECT: PROGRAM ASSESSMENT

FROM: Aaron F. Zahn, Managing Director/CEO

TO: JEA Board

BACKGROUND:

Last fall, at the Finance and Audit Committee meeting, staff was requested to facilitate the performance of an Independent Cybersecurity Program Assessment for JEA, using the services of Ernst and Young. In December the Compliance group in cooperation with Technology Services began discussions with E&Y on a scope of services for this assessment.

DISCUSSION:

JEA has concluded the discussions and has a draft Statement of Work ("SOW") with E&Y. This SOW encompasses a broad scope of work which will provide a comprehensive, independent and detailed assessment of JEA's cybersecurity program in the form of a written report. The SOW also includes a timeline for the work, and a proposed fixed fee for the services.

RECOMMENDATION:

This item is being presented for discussion and action by the JEA Board. The form of action is for the Board to authorize the Board Chair to finalize and approve a direct contract with E&Y to provide a written report consisting of a comprehensive, independent and detailed assessment of JEA's cybersecurity program, inclusive of such terms, services and conditions as deemed appropriate by the Board Chair in consultation with JEA staff, for a fixed cost not to exceed the amount of \$475,000 plus 15% (i.e., \$71,250) for direct expenses.

Aaron F. Zahn, Managing Director/CEO

AFZ/MHD/TEH