

JEA
FINANCE & AUDIT COMMITTEE AGENDA

DATE: May 18, 2020
TIME: 8:00 – 10:00 AM
PLACE: WebEx (No physical location was provided for this meeting.)

			Responsible Person	Action (A) Info (I)	Total Time
I.	OPENING CONSIDERATIONS		Marty Lanahan		
	A.	Call to Order			
	B.	Adoption of Agenda		A	
	C.	Approval of Minutes – December 9, 2019	Melissa Perez	A	
II.	NEW BUSINESS				
	A.	FY2021 Budget Presentation	Juli Crawford	I	45 min.
	B.	Quarterly Audit Services Update	Steve Tuten	I	5 min.
	C.	Ethics Officer Quarterly Report	Walette Stanford	I	5 min.
	D.	Electric System and Water and Sewer System Reserve Fund Quarterly Report	Joe Orfano	I	5 min.
	E.	Municipal Capital Market Update	Joe Orfano	I	5 min.
	F.	JEA Energy Market Risk Policy Report	Caren Anders	I	5 min.
	G.	Announcements			
	1.	Next Meeting, August 17, 2020, 8:00 AM – 10:00 AM			
	H.	Committee Discussion Sessions			
	1.	Ernst & Young	John DiSanto	I	5 min.
	2.	Director, Audit Services	Steve Tuten	I	5 min.
	3.	Council Auditor’s Office	Jeff Rodda	I	5 min.
	I.	Adjournment			

JEA FINANCE & AUDIT COMMITTEE MINUTES
December 9, 2019

The Finance & Audit Committee of JEA met on Monday, December 9, 2019 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 called the meeting to order at 2:05pm. Board Chair April Green also in attendance. Others in attendance were Aaron Zahn, Ted Hobson, Ryan Wannemacher, Miriam Hill, Steve Tuten, Walette Stanford, Dan Mishra, Julie Moore, Joe Orfano, Caren Anders, Valerie Gutterao, Gina Kyle, Laura Gutteridge and Russell Caffey. John DiSanto and Russ Jeans, Ernst & Young, were also in attendance.
- B. Adoption of Agenda – The agenda was adopted on motion by Board Member Flanagan and second by Board Chair Green.
- C. Approval of Minutes – Due to lack of quorum, the August 19, 2019 Minutes were deferred to Board.

Agenda Item II – New Business

- A. Ernst & Young FY2019 External Audit Report - John DiSanto, Managing Director, Ernst & Young, presented the results of the September 30, 2019 financial statement audit. Mr. DiSanto highlighted the key points of the 2019 audit results which are outlined in the Executive Summary. This presentation was received for information.
- B. Audit Services – Quarterly Audit Services Update – Steve Tuten, Director, Audit Services, introduced Julie Moore, Manager, Forensic Audit & Investigations (FAI). Mr. Tuten discussed the corporate objective for the reduction of the Enterprise Risk Management Top Corporate Risk financial exposure, including the use of key risk and process indicators, and also presented internal audit highlights, a summary of completed audits and projects, and open audit report issues. Ms. Moore highlighted new FAI initiatives and reporting, and historical trend analyses of investigative cases. This presentation was received for information.
- C. JEA Identity Theft Protection Program Annual Risk Assessment – Dan Mishra, Director, CIP Compliance, provided an overview of the JEA Identity Theft Protection Program and of the Annual Risk Assessment, highlights of the 2018 identity theft summary results, data loss prevention and process improvements. This presentation was received for information.
- D. Ethics Officer Quarterly Report – Walette Stanford, Ethics Officer provided highlights of 2019 year in review, ethics cases and inquiries, quarterly newsletters, business ethics updates, annual business ethics training and the use of Policy Tech. This presentation was received for information.
- E. Treasury
 - 1. Electric System and Water and Sewer Reserve Fund Quarterly Report – Joe Orfano, Treasurer, stated this report is provided for full disclosure about all of JEA’s reserve funds. Mr. Orfano provided highlights from the Electric System and Water and Sewer Reserve Fund Quarterly Report, which was received for information.
 - 2. STAR Plan Early Debt Retirement Phase 2 Update – Joe Orfano, Treasurer, provided highlights for the STAR Plan Early Debt Retirement Phase 2 Update, which was received

for information. Phase 2 of the STAR plan early debt retirement was completed on October 11th and total JEA debt was reduced by approximately 48% since FY2010. Mr. Orfano stated that there are currently no additional defeasances scheduled for 2020 and cash balances will continue to be monitored for further opportunities, particularly at St. Johns River Power Park.

3. Investment Policy Revision – Joe Orfano, Treasurer, reviewed the highlights of the Investment Policy Revision. Mr. Orfano stated that JEA fell out of compliance for one day, and recommends eliminating the 30% requirement on March 30th and September 30th due to the funding of the debt service payments. The recommendation will be presented to the Board for action.

F. JEA Energy Market Risk Management Policy Report – Caren Anders, Vice President/General Manager, Energy, reviewed highlights of the Energy Market Risk Management Policy Report.

G. Announcements

1. The next Finance and Audit Committee meeting will be held on March 16, 2020, at 8AM.

H. Committee Discussion Sessions

1. Ernst & Young – At 3:16 PM, Committee Chair Flanagan dismissed staff and the Committee held a general conversation with Mr. DiSanto.
2. Director, Audit Services – At 3:32 PM, Committee Chair Flanagan and the Committee held a general conversation with Steve Tuten, Director, Audit Services.
3. Council Auditor’s Office – There was no discussion with the Council Auditor.

Closing Considerations

With no further business claiming the attention of this Committee, the meeting was declared adjourned at 3:43 PM.

APPROVED BY:

Kelly Flanagan, Committee Chair
Date: _____

Submitted by:

Melissa Perez
Executive Assistant



INTER-OFFICE MEMORANDUM

May 5, 2020

SUBJECT: FY2021 BUDGET PRESENTATION

FROM: Paul E. McElroy, Interim Managing Director/CEO

TO: JEA Finance and Audit Committee

Marty Lanahan, Chair
John Baker
Robert Stein

BACKGROUND:

Annually, JEA staff recommends and, after the JEA Board's review and action, transmits JEA's recommended Energy System, Water and Wastewater System, and District Energy System operating and capital budgets to the Jacksonville City Council for final action. By charter, JEA must submit its proposed budget to the City Council by July 1, 2020.

DISCUSSION:

Staff will present key strategic initiatives and major budget assumptions for the FY2021 operating and capital budgets. Budget assumptions include: no rate adjustments for Energy or Water and Wastewater systems; and financial metrics that are within Pricing Policy targets. The proposed budgets include considerable internal funding for the capital programs with potential issuance of new bonds and/or utilization of the revolving credit facility advance for the Water Wastewater System. The Energy System capital programs will continue to support the "pay-go" philosophy for all recurring capital expenditures. The proposed budgets address key strategic initiatives that support the quality of service delivery, regulatory compliance, workforce readiness, communications, conservation, sewer resiliency, septic tank phase-out, and customer satisfaction initiatives. In addition, the budget includes a record high contribution to the City of Jacksonville General Fund in the amount of \$120.0 million. The operating and capital budget schedules that will be transmitted to the City Council upon JEA Board approval are attached as Schedules A and B. As required by the City of Jacksonville, JEA transmits its Five-Year Capital Improvement Program during the annual budget process and is attached as Schedule C.

The proposed budgets include the following:

1. Consolidated Operating Budget and Capital Budget Schedules

The proposed budgets include considerable internal funding for the capital program. The Energy System decreased \$12.3 million from FY2020 and will continue to support the "pay-go" philosophy for all recurring capital expenditures. The Water and Wastewater System increased \$140.0 million from FY2020 and will utilize internal funding and issue new bonds and/or utilize the revolving credit facility advance if needed.

2. Energy System

There are no planned rate increases in FY2021. The FY2021 operating budget includes a \$2.4 million decrease from FY2020. Budget assumptions include a \$15.9 million decrease in Operating and Maintenance along with stable Non-Fuel Purchased Power.

3. Water and Wastewater System

There are no planned rate increases in FY2021. The FY2021 operating budget includes a \$17.9 million increase from FY2020. Operating revenues and expenses have increased due to an estimated higher volume of sales for the Water, Wastewater, and Reclaimed Water Systems.

4. Government Transfers

The budget includes a record high contribution to the City of Jacksonville General Fund in the amount of \$120.0 million.

5. Regulatory Accounting

In connection with the Pricing Policy, the budget was prepared using the Utility Basis, resulting in the inclusion of regulatory accounting items such as Pension, Demand-side Management (DSM)/ Conservation, Debt Management, Environmental, Fuel, Purchased Power and Self-Funded Health Plan.

On January 5, 2018 the St. Johns River Power Park (SJRPP) was decommissioned. The JEA Board will continue to approve the annual operating budget for JEA's ownership interest in SJRPP. The SJRPP budget is not approved by the City Council. Schedule D, attached, summarizes JEA's share of the proposed FY2021 operating budget for SJRPP, which includes debt service costs.

JEA owns a 23.64 percent interest in Unit 4 of the Robert W. Scherer Electric Generating Plant (Scherer Unit 4). As with SJRPP, JEA's share of the operating and capital budgets for this unit is a component of the JEA Energy System fuel and purchased power expense. Decisions regarding the operation of Unit 4 are made by majority vote of the co-owners. The JEA Board approves JEA's share of the annual budget for Scherer Unit 4, but the City Council does not review or approve the Plant Scherer budget. Schedule D, attached, summarizes JEA's share of the FY2021 operating and capital budgets for Plant Scherer. Note that this budget is subject to approval by the other co-owners.

RECOMMENDATION:

Staff recommends that the Finance and Audit Committee provide feedback and direction regarding the key strategic issues and major budget assumptions used in preparing the FY2021 operating and capital budgets including revenue, O&M expense levels, interest rates and debt structure, financial metrics, and regulatory accounting items. Staff also recommends that the Finance and Audit Committee provide feedback and direction, in its report or staff presentation to the Board, at the May 2020 meeting for final Board approval at the June 2020 meeting.

Paul E. McElroy, Interim Managing Director/CEO

PEM/JEO/JEC



JEA[®]
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FY2021 Budget

FY2021 BUDGET AGENDA

Part One: Budget Process Summary

Part Two: Budget Summary & Consolidated Schedules

Part Three: Energy System Budget Assumptions

Part Four: Water/Wastewater Budget Assumptions

Part Five: District Energy Budget Assumptions

Part Six: Rate Stabilization Funds

Part Seven: Budget Timeline & Action Items

Part Eight: Supplemental Schedules

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BUDGET
PROCESS SUMMARY

Budget Process Summary:

Overview

- ▶ JEA budget development is a continuous process where the annual budget is constructed for the following fiscal year beginning each fall, a full year prior to the budget being in effect
- ▶ The annual budget process follows the timeline to the right, with many ongoing activities occurring intermittently throughout the process
- ▶ JEA's CEO, CFO, Legislative Affairs Team and Director of Financial Planning and Analysis meet individually with the Council Finance Committee members to review JEA's Financial Plan and proposed JEA Board approved budget



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BUDGET SUMMARY
& CONSOLIDATED SCHEDULES

FY2021 Budget Snapshot

Energy System					
Revenue	FY2021B	FY2020B	Δ	FY20F	
(in millions)	\$1,247	\$1,250	-\$3	\$1,166 [^]	
Unit Sales Growth					
<ul style="list-style-type: none"> ▶ Flat system sales from FY2020B to keep sales aligned with growth assumptions and trends ▶ 5.0% weather contingency 					
COJ Transfer	FY08	FY18	FY19	FY20F	FY21P
Total (\$ in millions)	\$121	\$195	\$198	\$197	\$198
O&M Expenses					
Decreases by \$15.1m or 5% versus prior year's budget					
<ul style="list-style-type: none"> ▶ Includes bargaining unit step increases per contractual agreements and estimated general increases. ▶ Includes funding for strategic initiatives and enterprise risk management 					
Capital (millions)	FY20F	FY21*	FY22	FY23	
Depreciation	\$198	\$198	\$205	\$212	
Expenditures	\$237	\$249	\$178	\$156	
Funding	FY20F	FY21*			
R&R	\$66	\$64			
OCO	\$165	\$203			
Environmental OCO	\$13	\$10			
Prior	-\$7	-\$28			
Debt	<u>\$0</u>	<u>\$0</u>			
	\$237	\$249			
*FY21 Budget Includes 10% budget reserve					
Metrics	FY21B	Pricing Policy			
Coverage	4.3x	≥ 2.2x			
Debt to Asset	54.9%	≤ 60%			
Days of Liquidity	300	150-250 days			
Total Debt**	\$1.83bn	--			
Change in Debt**	(\$232m)	--			

[^]Does not include \$25m net bond buyback revenue adjustment

**Total debt and change in debt assumes \$100m defeasance of SJRPP Issue 3 debt

Water/Wastewater System					
Revenue	FY2021B	FY2020B	Δ	FY20F	
(in millions)	\$499	\$494	\$5	\$497 [^]	
Unit Sales Growth					
<ul style="list-style-type: none"> ▶ 2.7% unit sales increase to properly align sales with growth assumptions and trends ▶ 5.0% weather contingency 					
COJ Transfer	FY07	FY18	FY19	FY20F	FY21P
Total (\$ in millions)	\$27	\$50	\$50	\$51	\$52
O&M Expenses					
Decreases by \$2.9m or 1.5% versus prior year's budget					
<ul style="list-style-type: none"> ▶ Includes bargaining unit step increases per contractual agreements and estimated general increases. ▶ Includes funding for strategic initiatives and DSM/Environmental 					
Capital (millions)	FY20F	FY21*	FY22	FY23	
Depreciation	\$155	\$156	\$162	\$170	
Expenditures	\$236	\$400	\$377	\$294	
Funding	FY20F	FY21*			
R&R	\$25	\$27			
OCO/Capacity	\$185	\$195			
Environmental	\$11	\$16			
Prior	\$15	\$12			
Debt**	<u>\$0</u>	<u>\$150</u>			
	\$236	\$400			
*FY21 Budget Includes 10% budget reserve					
Metrics	FY21B	Pricing Policy			
Coverage	5.2x	≥ 1.8 x			
Debt to Asset	43.4%	≤ 50%			
Days of Liquidity	250	--			
Total Debt	\$1.27bn	--			
Change in Debt	(\$65m)	--			

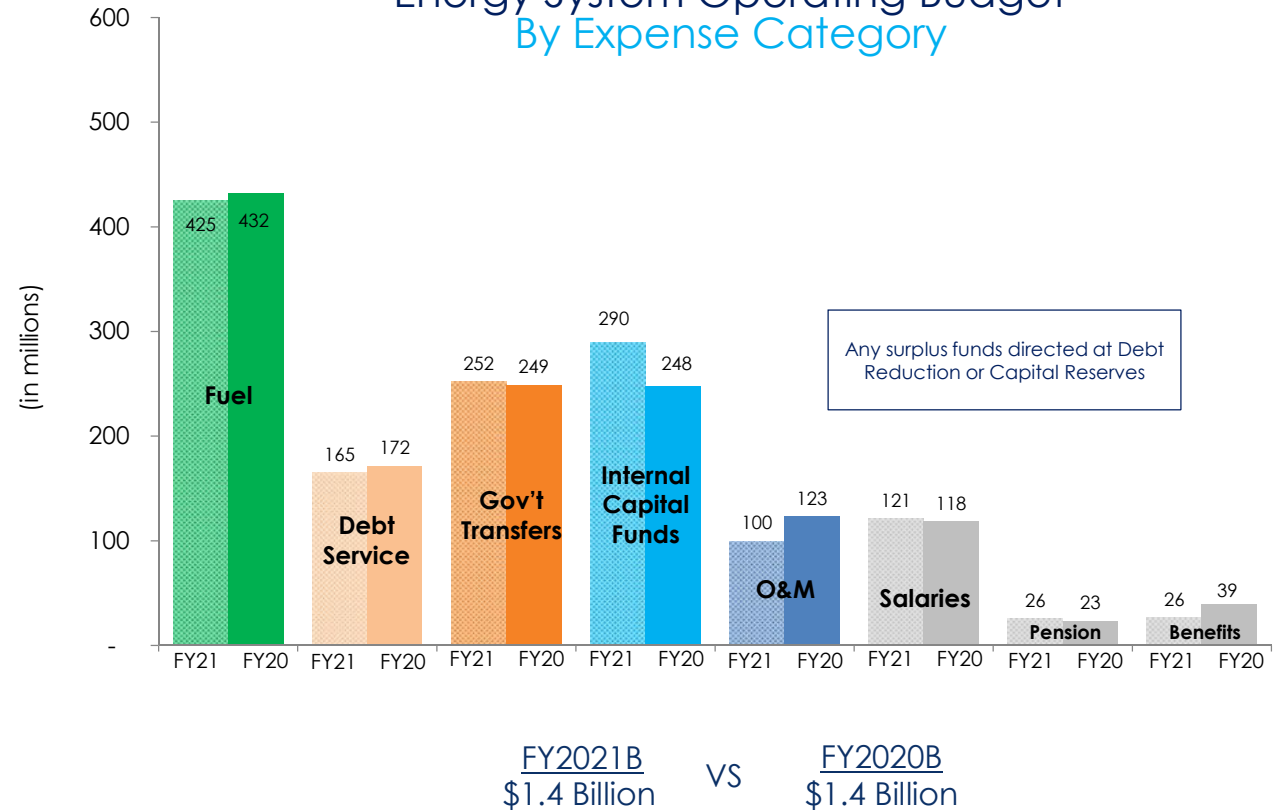
[^]Does not include \$34m net bond buyback revenue adjustment

**New money debt requirement from either revolving credit facility advance or new bond proceeds

FY2021 Budget: Energy System Operating Budget

- ▶ Fuel includes Scherer transmission and capacity expenses
- ▶ SJRPP and Scherer non-fuel purchased 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
- ▶ FY2021 O&M includes \$1M Natural Gas retail sale operations
- ▶ Internal Capital Funds include JEA Energy System R&R and OCO, SJRPP R&R, and Scherer R&R, no new debt is required
- ▶ Internal capital funds for FY2021 are greater than annual depreciation but less than the estimated capital budget for FY21 of \$249m
- ▶ Any surplus funds directed at debt reduction or capital reserves

Energy System Operating Budget By Expense Category



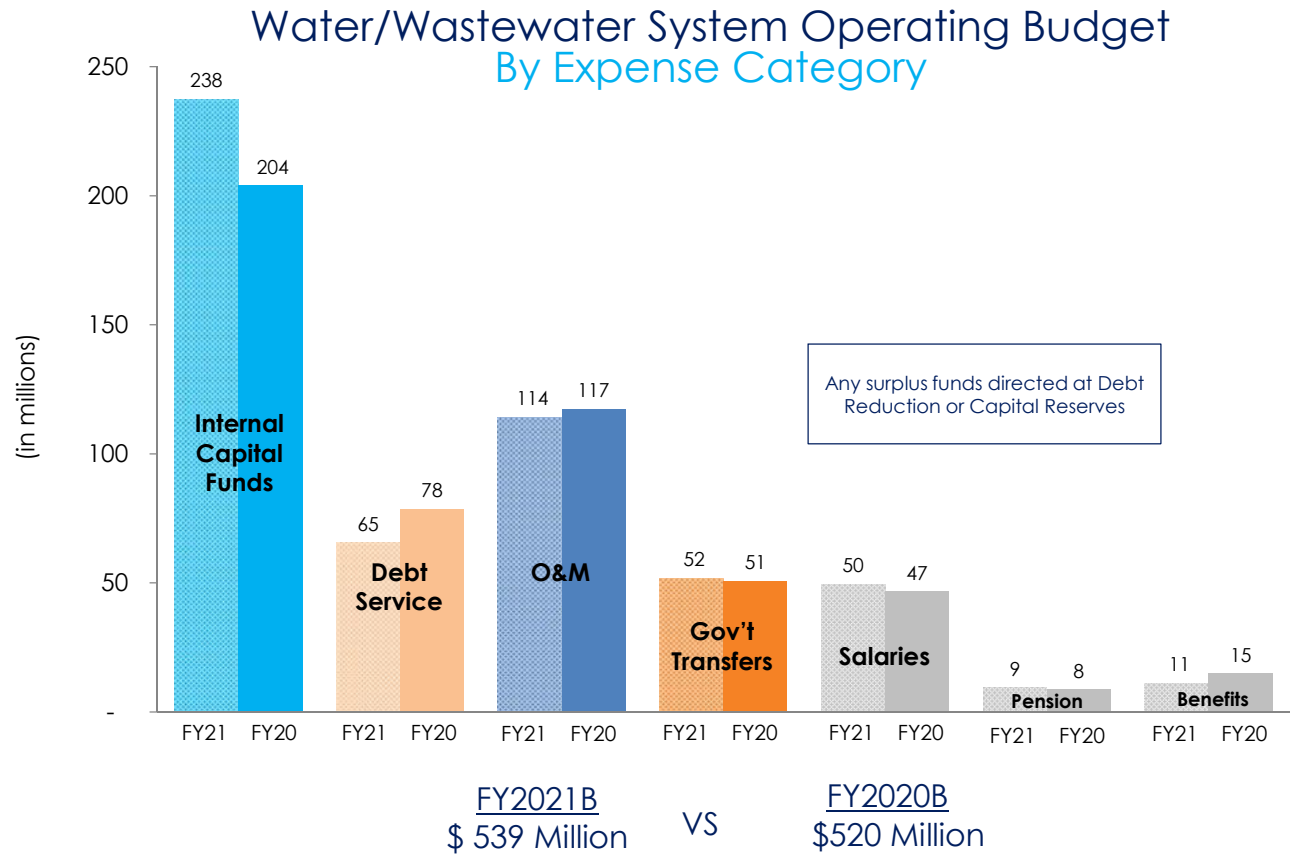
FY2021 ENERGY SYSTEM BUDGET

Non-Fuel Purchased Power

SJRPP (Shut down 1/5/18)	FY2021	FY2020	Variance	Explanation
Debt Service	\$23,780,931	\$23,467,292	\$313,639	
R&R	2,972,616	2,933,411	\$39,205	
<i>Subtotal SJRPP</i>	<i>\$26,753,547</i>	<i>\$26,400,703</i>	<i>\$352,844</i>	
Scherer	FY2021	FY2020	Variance	Explanation
O&M	\$7,509,000	\$11,867,990	-\$4,358,990	Decreased outage costs
Debt Service	10,029,775	10,099,696	-\$69,921	
R&R	9,450,249	4,436,000	5,014,249	Increased capital costs
Transmission	6,100,000	5,500,000	\$600,000	
<i>Subtotal Scherer</i>	<i>\$33,089,024</i>	<i>\$31,903,686</i>	<i>\$1,185,338</i>	
Other	FY2021	FY2020	Variance	Explanation
Other Capacity	\$7,800,000	\$15,434,000	-\$7,634,000	Expired Wansley PPA
Vogtle Administration	5,000,000	0	5,000,000	Vogtle legal costs
Vogtle Debt Service	36,501,372	21,607,556	14,893,816	Planned D/S payment
Rate Stabilization	-36,501,372	-21,607,556	-14,893,816	
<i>Subtotal Other</i>	<i>\$12,800,000</i>	<i>\$15,434,000</i>	<i>-\$2,634,000</i>	
Total	\$72,642,571	\$73,738,389	-\$1,095,818	

FY2021 Budget: Water/Wastewater System Operating Budget

- ▶ Government Transfers include City Contribution, COJ Public Service Tax, and COJ Franchise Fee
- ▶ O&M Salaries, Benefits, and Pension are net of capital
- ▶ The FY2021 capital program is partially funded by \$238m in internal capital funds
- ▶ Internal capital funds for FY2021 are greater than annual depreciation but less than the estimated capital budget for FY2021 of \$400m
- ▶ Any surplus funds directed at debt reduction or capital reserves



FY2021 Budget: Total JEA Labor Costs

Discussion & Analysis

- ▶ Base payroll expense for FY2021 increases 10.2% vs FY2020 budget
- ▶ Benefits includes \$15m in decreases for total market compensation
- ▶ Payroll Expense includes Bargaining Unit step increases per contractual agreements and estimated general increases
 - Bargaining union contracts have currently been negotiated through FY2022

(\$ in millions)	FY2019	Budget FY2020	Budget FY2021	Budget FY2021 vs FY2020
Payroll Expense ¹	\$189.2	\$193.3	\$213.1	10.2 % ²
Benefits ³	39.9	58.9	40.8	-30.7 %
Subtotal	\$229.1	\$252.2	\$253.9	0.7 %
Pension	37.2	36.3	40.4	11.3 %
<i>Subtotal</i>	<i>\$266.3</i>	<i>\$288.5</i>	<i>\$294.3</i>	<i>2.0 %</i>

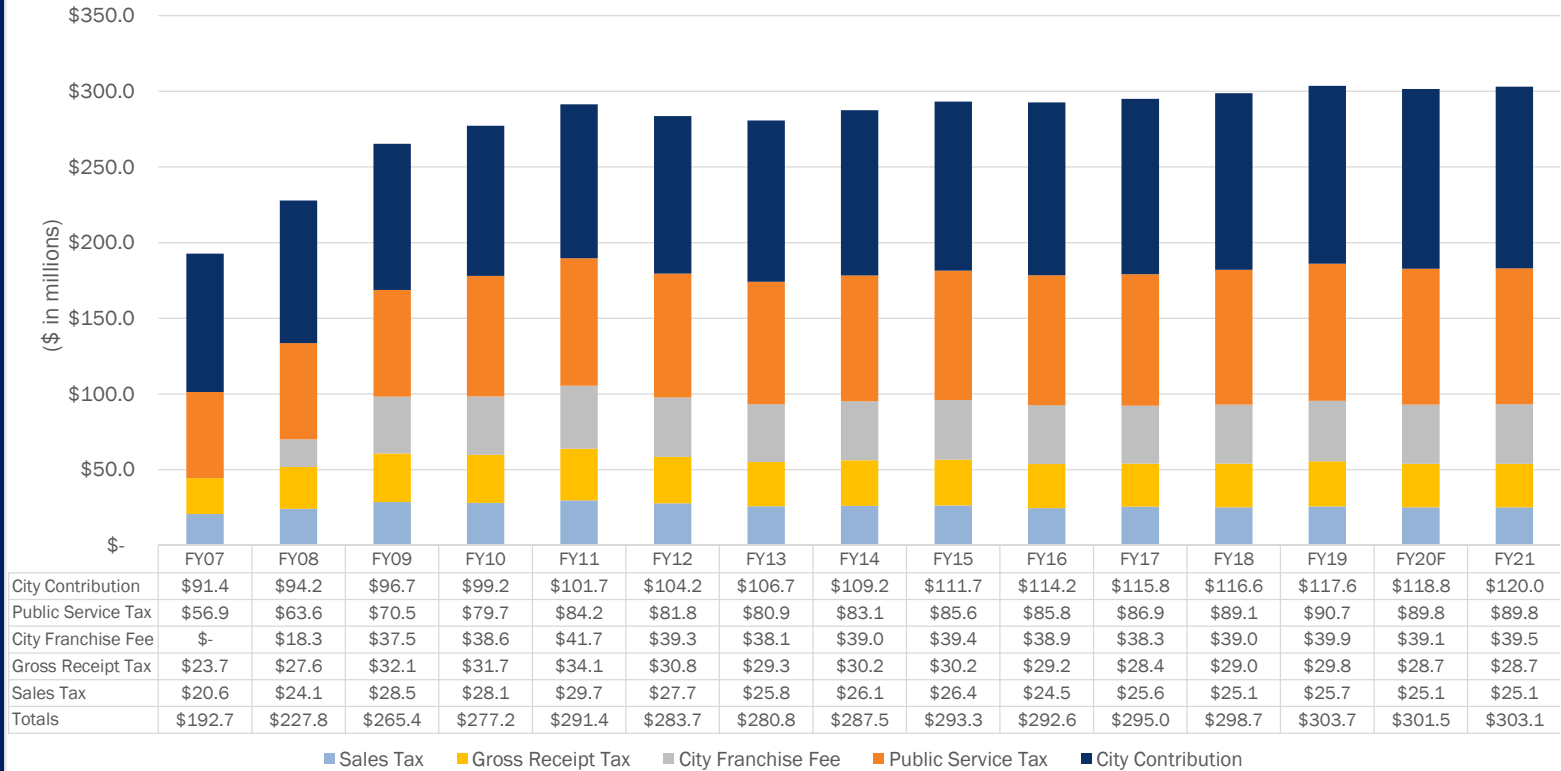
Current JEA Salary Adjustment Summary ⁴						
Unit	General Increase – Prior Period			General Increase – Current Contract		
	FY17	FY18	FY19	FY20	FY21	FY22
IBEW	4.5%	4.5%	4.5%	3.5%	3.5%	3.5%
JSA	3.0%	3.0%	3.0%	3.5%	3.5%	3.5%
LIUNA	4.5%	5.0%	4.5%	3.5%	3.5%	3.5%
AFSCME	2.5%	2.5%	3.0%	3.5%	3.5%	3.5%
M&C	3.0%	3.0%	2.5%	2.9%	3.0%	3.0%
PEA	5.0%	3.0%	3.0%	2.0%	2.0%	2.0%
Appointed	0.0%-5.0%, avg 3.0%	0.0%-4.3%, avg 3.0%	0.0%-5.5%, avg 2.7%	0.0%-5.0%, avg 3.35%	3.0%	3.0%

Notes

- 1) Payroll expense includes salary, wages, temporary and contract for the Energy, Water and DES systems. Does not include Succession Planning of \$3.1m FY2016; and \$3.6m in FY2017 through FY2021
- 2) At the time of budget approval for FY2020, bargaining unit contracts had not been settled. The increase reflects both retroactive FY2020 and contracted FY2021 general increases
- 3) Benefits includes a \$15m reduction in total market compensation, \$10.3m was on the Energy side, while \$4.7m was Water/Wastewater
- 4) Total JEA salary adjustments are for both Energy and Water/Wastewater Systems, appointed adjustments per market study. Percentage increases for M&C and Appointed are estimated for FY2021 and FY2022

FY2021 Budget Government Transfers Via the JEA Bill

- ▶ 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 \$249 million
- ▶ FY2021 shows a 57% increase in total contributions as compared to FY2007
- ▶ The City Contribution Agreement has been extended through FY2023



3 ENERGY SYSTEM BUDGET ASSUMPTIONS

**JEA
ENERGY SYSTEM
OPERATING BUDGET**

	FY2021 Budget	FY2020 Budget	Change	FY2020 Forecast
FUEL RELATED REVENUES & EXPENSES:				
FUEL REVENUES:				
Fuel Revenues	\$ 410,912,768	\$ 410,912,768	\$ -	\$ 364,810,763
FUEL EXPENSES:				
Fuel & Purchased Power	\$ 410,912,768	\$ 410,912,768	\$ -	\$ 364,810,763
FUEL SURPLUS/(DEFICIT)	\$ -	\$ -	\$ -	\$ -
BASE RELATED REVENUES & EXPENSES				
BASE OPERATING REVENUES:				
Base Rate Revenues	\$ 793,579,491	\$ 791,145,587	\$ 2,433,904	\$ 756,954,893
Environmental Charge Revenue	7,814,100	7,814,100	-	7,450,260
Conservation Charge & Demand Side Revenue	768,600	768,600	-	586,676
Other Revenues	25,141,212	26,509,115	-1,367,903	50,990,785
Natural Gas Pass Through Revenue	967,784	1,000,000	-32,216	862,176
Total Base Related Revenues	\$ 828,271,187	\$ 827,237,402	\$ 1,033,785	\$ 816,844,790
BASE OPERATING EXPENSES:				
Operating and Maintenance	\$ 253,940,017	\$ 269,858,935	\$ -15,918,918	\$ 242,622,803
Environmental	1,891,598	2,019,444	-127,846	1,460,448
Conservation & Demand-side Management	8,910,045	8,034,640	875,405	6,842,350
Natural Gas Pass Through Expense	1,057,344	960,991	96,353	886,048
Non-Fuel Purchased Power	72,642,571	73,738,390	-1,095,819	77,089,431
Non-Fuel Uncollectibles & PSC Tax	1,242,354	1,399,517	-157,163	1,031,615
Emergency Contingency	5,000,000	5,000,000	-	5,000,000
Total Base Related Expenses	\$ 344,683,929	\$ 361,011,917	\$ -16,327,988	\$ 334,932,695
BASE OPERATING INCOME:	\$ 483,587,258	\$ 466,225,485	\$ 17,361,773	\$ 481,912,095

**JEA
ENERGY SYSTEM
OPERATING BUDGET**

	FY2021 Budget	FY2020 Budget	Change	FY2020 Forecast
NON-OPERATING REVENUE:				
Investment Income	7,962,574	11,378,365	-3,415,791	9,663,694
Total Non Operating Revenues	\$ 7,962,574	\$ 11,378,365	\$ -3,415,791	\$ 9,663,694
NON-OPERATING EXPENSES:				
Debt Service	131,173,417	138,049,892	-6,876,475	160,741,628
Demand-side Management - Rate Stabilization	-1,736,445	-861,040	-875,405	-78,097
Environmental - Rate Stabilization	-9,782,967	5,794,656	-15,577,623	-6,866,402
Total Non Operating Expenses	\$ 119,654,005	\$ 142,983,508	\$ -23,329,503	\$ 153,797,129
BASE INCOME BEFORE TRANSFERS	\$ 371,895,827	\$ 334,620,342	\$ 37,275,486	\$ 337,778,660
City Contribution Expense	94,809,678	93,870,968	938,710	93,870,968
Interlocal Payments	-	-	-	-
Renewal and Replacement Fund	64,012,472	64,000,000	12,472	65,623,650
Operating Capital Outlay	203,073,677	176,749,374	26,324,303	165,427,831
Environmental Capital Outlay	10,000,000	-	10,000,000	12,856,211
Contingencies & Working Capital	-	-	-	-
Total Non-Fuel Expenses	\$ 371,895,827	\$ 334,620,342	\$ 37,275,485	\$ 337,778,660
SURPLUS/(DEFICIT)	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 1,247,146,529	\$ 1,249,528,535	\$ -2,382,006	\$ 1,191,319,247
TOTAL APPROPRIATIONS	\$ 1,247,146,529	\$ 1,249,528,535	\$ -2,382,006	\$ 1,191,319,247
BUDGETED EMPLOYEE POSITIONS	1,527	1,527	-	1,527
BUDGETED TEMPORARY HOURS	104,000	104,000	-	104,000

**JEA
ENERGY SYSTEM
CAPITAL BUDGET**

	FY2021 Budget	FY2020 Budget	Change	FY2020 Forecast
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CAPITAL FUNDS:

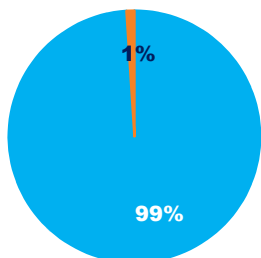
Renewal & Replacement Deposits	\$ 64,012,472	\$ 64,000,000	\$ 12,472	\$ 65,623,650
Operating Capital Outlay	203,073,677	176,749,374	26,324,303	165,427,831
Environmental Capital Outlay	10,000,000	-	10,000,000	12,856,211
Debt Proceeds	-	-	-	-
Other Proceeds	-28,413,149	20,250,626	-48,663,775	-6,607,692
Total Capital Funds	\$ 248,673,000	\$ 261,000,000	\$ -12,327,000	\$ 237,300,000

CAPITAL PROJECTS:

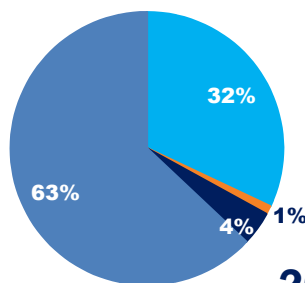
Generation Projects	\$ 35,952,000	\$ 68,740,000	\$ -32,788,000	\$ 55,000,000
Transmission and Distribution Projects	150,954,000	140,556,000	10,398,000	132,300,000
Other Projects	61,767,000	51,704,000	10,063,000	50,000,000
Total Capital Projects	\$ 248,673,000	\$ 261,000,000	\$ -12,327,000	\$ 237,300,000

Energy Fuel Mix

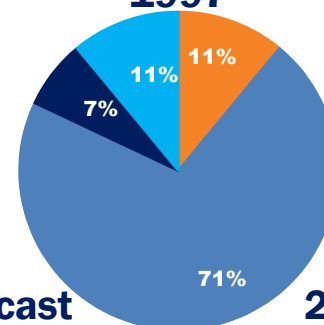
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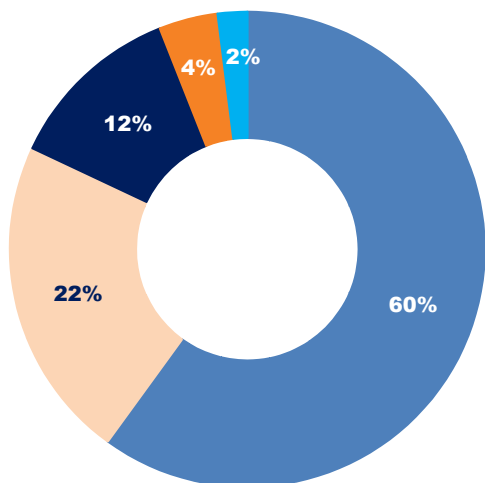
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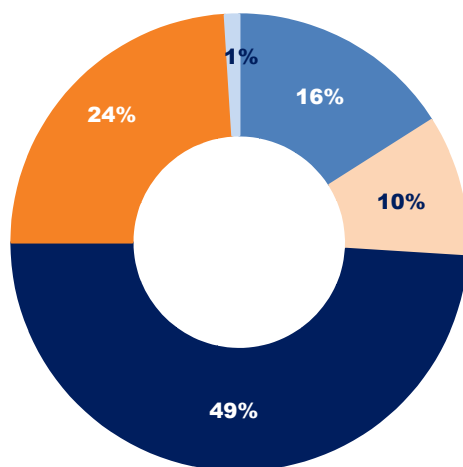
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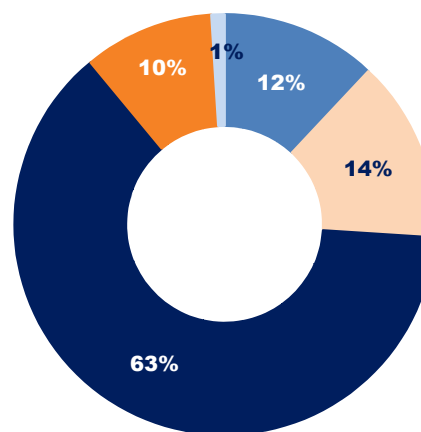
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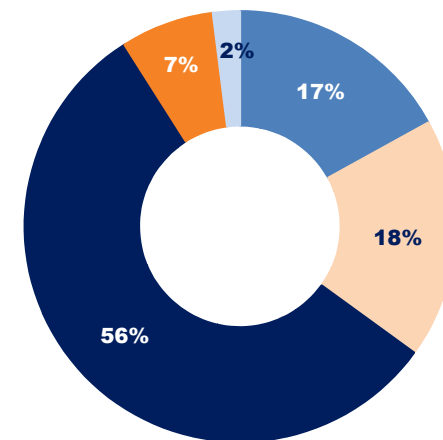
2019



2020 Forecast



2021 Budget



■ Coal
 ■ Pet Coke
 ■ Purchased Power
 ■ Renewables
 ■ Gas
 ■ Oil

Fuel Rate per MWh

Variable Fuel Rate per MWh	FY2019	FY2020F	FY2021B
Fuel Rate Budgeted per \$/MWh	\$32.50	\$32.50	\$32.50
Reserve as a % of Target Expense	9%	17%	25%
Annual Fuel Cost (millions)	\$426	\$334	\$375

Discussion and Analysis

- ▶ The Fuel Fund Rate Stabilization Reserve is currently at 15% of the maximum fiscal year fuel cost in the preceding five fiscal years. The FY20 forecasted Fuel Fund Rate Stabilization Reserve is 17%.
- ▶ Fuel expense projections are based on market price forecasts that have taken into account the current state of pandemic-related effects on the economy.

ENERGY SYSTEM Operating Expenses

Strategic Issues Included in Budget:

FOR FY2021

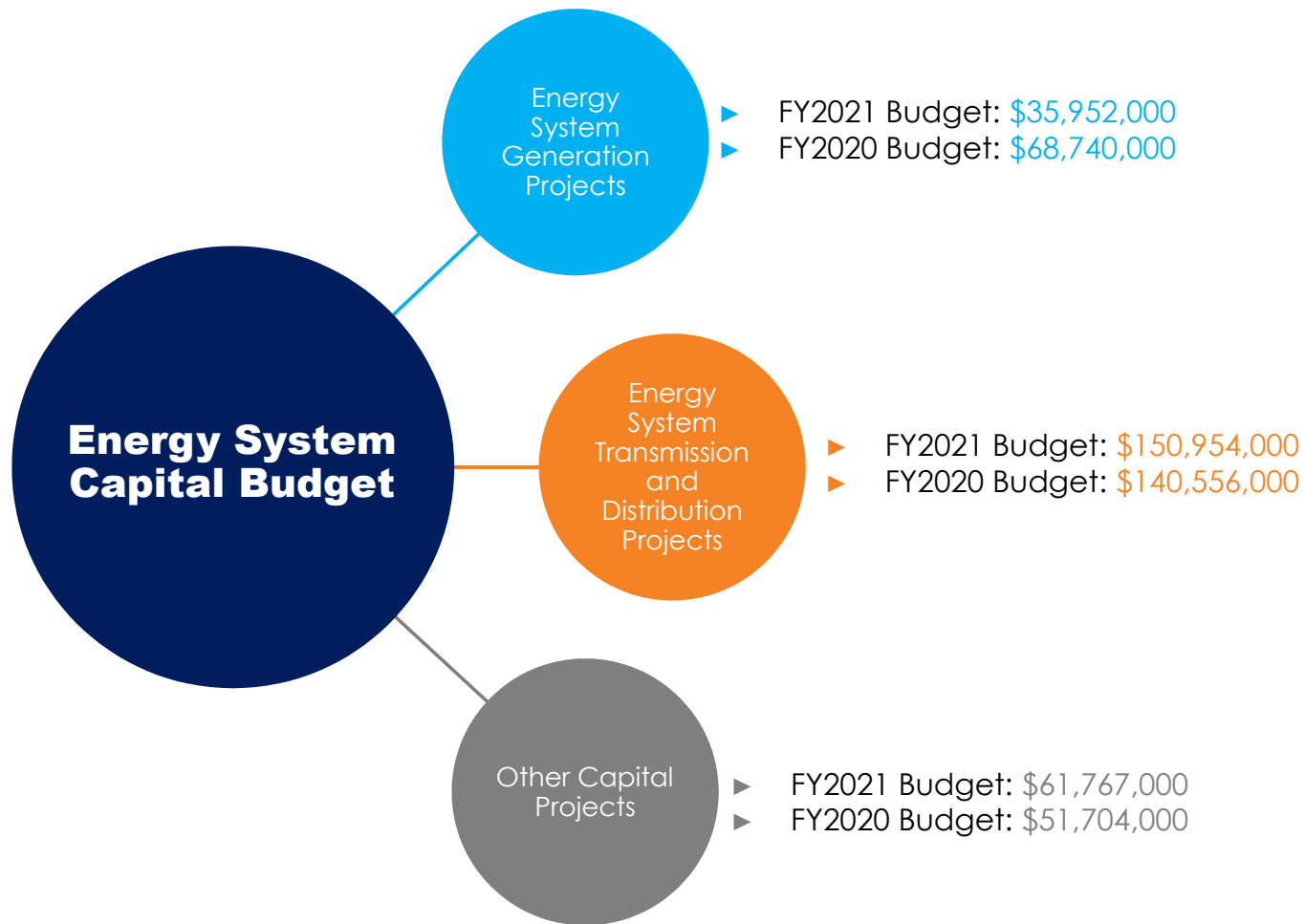
Generating Unit Outages	6.1
Succession Planning Staffing Risks	2.6
Enterprise Risk Management Initiatives	3.0
5 to 5 Innovation Incentive Program	1.5
Enterprise Asset Management	1.0
Total	\$14.2

FOR FY2020

Generating Unit Outages	14.0
Succession Planning Staffing Risks	2.6
Enterprise Asset Management	3.0
5 to 5 Innovation Incentive Program	1.5
Corporate Strategy and Innovation	3.6
Total Market Compensation Strategy	10.3
Total	\$35.0

(\$ in millions)	FY2021 Budget ¹	FY2020 Budget ¹	Variance	Explanation
Salaries	\$141.8	\$135.2	\$6.6	Includes bargaining unit step increases per contractual agreements and estimated general increases.
Benefits	60.1	69.3	-9.2	Removal of \$10.3m in long-term compensation for FY21
Other Services	133.9	140.5	-6.6	Decrease in legal costs, decrease in outage costs
Materials & Supplies	18.8	17.1	1.7	Increases in Fleet fuels costs, reductions in Returns to Inventory credit
Other	18.9	20.8	-1.9	Decrease in Interest on Customer Deposits
Credits – Shared Services	-63.9	-63.6	-0.3	Increase to Motor Pool credits
Credits – Capitalization	-43.6	-34.6	-9.0	Higher overall capitalization percentages
Credits – Other	-12.1	-14.8	2.7	No SJRPP Service Level Agreement, Decrease in Fuel Procurement and Handling credit, Decrease in miscellaneous credits
Total	\$253.9	\$269.9	-\$16.0	

¹Excludes Customer Benefit, Environmental, and Retail Natural Gas.



Note: Detailed FY2021 project list is included in the Supplemental Schedules section

ENERGY SYSTEM

FY2021 Capital Budget

Sources of Funds

- ▶ **\$175**
MILLION OTHER CAPITAL OUTLAY
- ▶ **\$64**
MILLION RENEWAL & REPLACEMENT
- ▶ **\$10**
MILLION ENVIRONMENTAL RATE
STABILIZATION

Uses of Funds

- ▶ **\$212**
MILLION SYSTEM MAINTENANCE
 - Renewal & Replacement
 - Distribution
 - Facilities, Fleet, & Technology
- ▶ **\$27**
MILLION SYSTEM EXPANSION
 - New or Expanded Generation
 - New Transmission Lines
 - New or Expanded Substations
- ▶ **\$10**
MILLION ENVIRONMENTAL
 - Solar Projects
 - Nox Emissions Reductions

Total FY2021 Budget: \$249 Million

ENERGY SYSTEM

Capital Budget Discussion & Analysis



FY2020 capital plan budget was \$261.0 million, current forecast is \$237.3 million

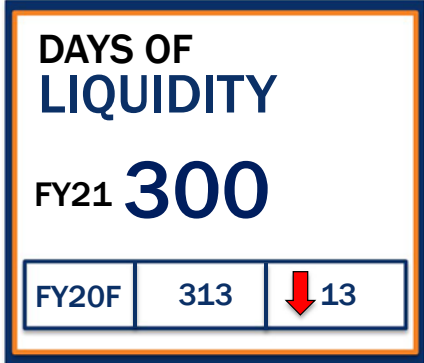
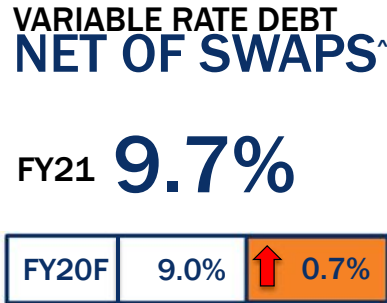
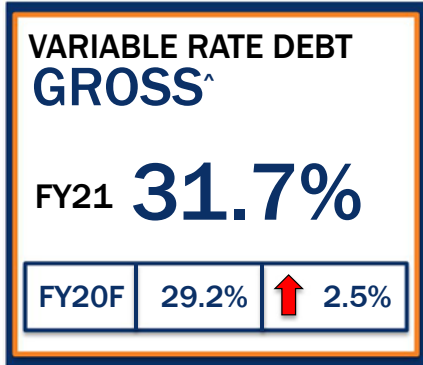
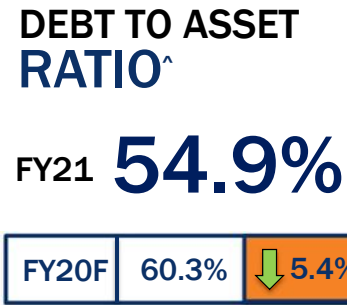
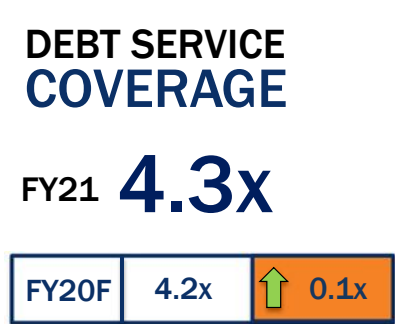
FY2021 capital funding plan utilizes existing capital cash balances to fund qualifying projects, resulting in no new debt issuance for FY2021



FY2021 capital program is projected to be \$249 million

FY2021 key projects include \$11.3m for a 69 kV – 663 line rebuild, \$9.2m for the General Administration Building, and \$8.8m for the Eagle Substation





[^]Assumes \$100m defeasance of SJRPP Issue 3 debt

Energy System Bond Rating: A2/A+/AA

4 WATER/WASTEWATER SYSTEM BUDGET ASSUMPTIONS

JEA
WATER AND WASTEWATER SYSTEM
OPERATING BUDGET

FY2021 Budget FY2020 Budget Change FY2020 Forecast

BASE RELATED REVENUES & EXPENSES

BASE OPERATING REVENUES:

Base Rate Revenues	\$ 437,545,588	\$ 423,697,334	\$ 13,848,254	\$ 421,427,115
Environmental Charge Revenue	27,777,750	27,039,600	738,150	26,108,548
Other Revenues	14,600,000	11,806,041	2,793,959	47,182,194
Total Base Related Revenues	\$ 479,923,338	\$ 462,542,975	\$ 17,380,363	\$ 494,717,857

BASE OPERATING EXPENSES:

Operating and Maintenance	\$ 179,484,736	\$ 180,791,924	\$ -1,307,188	\$ 165,018,569
Environmental CUP - DSM	3,267,638	4,829,231	-1,561,593	3,274,968
Non-Fuel Uncollectibles & PSC Tax	558,388	540,884	17,504	690,333
Emergency Contingency	1,000,000	1,000,000	-	-
Total Base Related Expenses	\$ 184,310,762	\$ 187,162,039	\$ -2,851,277	\$ 168,983,870

BASE OPERATING INCOME:

	\$ 295,612,576	\$ 275,380,936	\$ 20,231,640	\$ 325,733,987
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NON-OPERATING REVENUE:

Investment Income	2,975,171	4,308,356	-1,333,185	3,930,572
Capacity Fees	29,388,151	27,600,000	1,788,151	32,377,300
Total Non Operating Revenues	\$ 32,363,322	\$ 31,908,356	\$ 454,966	\$ 36,307,872

JEA
WATER AND WASTEWATER SYSTEM
OPERATING BUDGET

	FY2021 Budget	FY2020 Budget	Change	FY2020 Forecast
NON-OPERATING EXPENSES:				
Debt Service	65,436,531	78,536,036	-13,099,505	109,350,097
Demand-side Management - Rate Stabilization	-	-	-	-
Environmental - Rate Stabilization	-	-	-	-
Total Non Operating Expenses	\$ 65,436,531	\$ 78,536,036	\$ -13,099,505	\$ 109,350,097
BASE INCOME BEFORE TRANSFERS	\$ 262,539,367	\$ 228,753,256	\$ 33,786,111	\$ 252,691,762
City Contribution Expense	25,202,572	24,953,042	249,530	24,953,042
Interlocal Payments	-	-	-	536,771
Renewal and Replacement Fund	26,551,286	25,263,781	1,287,505	25,138,950
Operating Capital Outlay	165,487,246	137,326,064	28,161,182	152,815,572
Operating Capital Outlay - Environmental	15,910,112	13,610,369	2,299,743	14,282,360
Capacity Fees	29,388,151	27,600,000	1,788,151	32,377,300
Contingencies & Working Capital	-	-	-	-
Total Non-Fuel Expenses	\$ 262,539,367	\$ 228,753,256	\$ 33,786,111	\$ 250,103,995
SURPLUS/(DEFICIT)	\$ -	\$ -	\$ -	\$ 2,587,767
TOTAL REVENUES	\$ 512,286,660	\$ 494,451,331	\$ 17,835,329	\$ 531,025,729
TOTAL APPROPRIATIONS	\$ 512,286,660	\$ 494,451,331	\$ 17,835,329	\$ 528,437,962
BUDGETED EMPLOYEE POSITIONS	625	599	26	625
BUDGETED TEMPORARY HOURS	20,800	20,800	0	20,800

JEA
WATER AND WASTEWATER SYSTEM
CAPITAL BUDGET

	FY2021 Budget	FY2020 Budget	Change	FY2020 Forecast
CAPITAL FUNDS:				
Renewal & Replacement Deposits	\$ 26,551,286	\$ 25,263,781	\$ 1,287,505	\$ 25,138,950
Operating Capital Outlay	165,487,245	137,326,064	28,161,181	152,815,572
Environmental Capital Outlay	15,910,112	13,610,369	2,299,743	10,492,522
Capacity Fees	29,388,151	27,600,000	1,788,151	32,377,300
Debt Proceeds	150,000,000	-	150,000,000	-
Other Proceeds	12,663,206	56,199,786	-43,536,580	15,575,656
Total Capital Funds	<u>\$ 400,000,000</u>	<u>\$ 260,000,000</u>	<u>\$ 140,000,000</u>	<u>\$ 236,400,000</u>
CAPITAL PROJECTS:				
Water Projects	116,523,000	74,581,000	41,942,000	77,000,000
Sewer Projects	255,982,000	161,716,000	94,266,000	133,400,000
Other Projects	27,495,000	23,703,000	3,792,000	26,000,000
Total Capital Projects	<u>\$ 400,000,000</u>	<u>\$ 260,000,000</u>	<u>\$ 140,000,000</u>	<u>\$ 236,400,000</u>

Water/Wastewater System Operating Expenses

Strategic Issues Included in Budget:

FOR FY2021

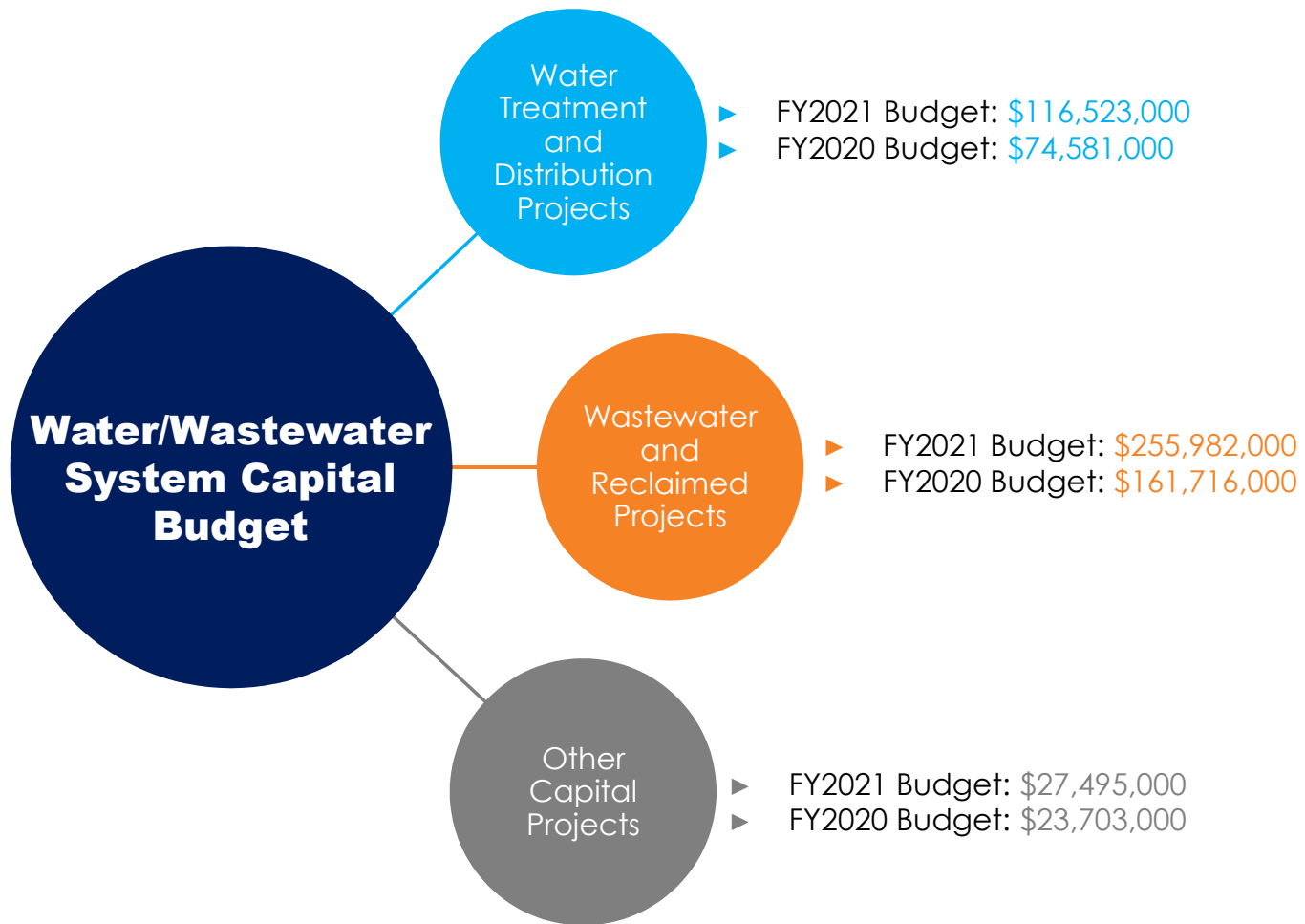
Storm Generators and Pumps	\$1.3
Succession Planning Staffing Risks	1.0
Innovative Wastewater Treatment Program	0.6
Sewer Preventive Maintenance Cleaning	0.3
Septic Tank Phase Out Engineering	0.8
Total	\$4.0

FOR FY2020

Integrated Water Resource Plan/Water Purification	\$0.8
Succession Planning Staffing Risks	1.0
Enterprise Asset Management	1.0
Storm Generators and Pumps	1.3
Storm Resiliency Assessment	1.2
Total Market Compensation Strategy	4.7
Total	\$10.0

(\$ in millions)	FY2021 Budget ¹	FY2020 Budget ¹	Variance	Explanation
Salaries	\$58.5	\$54.7	\$3.8	Includes bargaining unit step increases per contractual agreements and estimated general increases.
Benefits	23.7	27.9	-4.2	Primarily due to a reduction of total market compensation strategy
Other Services	32.4	34.5	-2.1	Includes reduction of storm resiliency program costs
Materials & Supplies	15.7	15.1	0.6	Increased cost of supplies and materials
Shared Services	63.8	63.5	0.3	Increase to Water Billing Credit Expense
Other	4.5	4.0	0.5	Insurance premium increase
Credits – Capitalization	-19.1	-18.9	-0.2	Greater capitalization
Total	\$179.5	\$180.8	-\$1.3	

¹Excludes Customer Benefit, Environmental, and Retail Natural Gas



WATER/WASTEWATER SYSTEM

FY2021 Capital Budget

Sources of Funds

▶ \$12 MILLION	CARRYOVER INTERNAL FUNDS
▶ \$150 MILLION	DEBT PROCEEDS
▶ \$195 MILLION	OTHER CAPITAL OUTLAY
▶ \$27 MILLION	RENEWAL & REPLACEMENT
▶ \$16 MILLION	ENVIRONMENTAL

Uses of Funds

▶ \$195 MILLION	SYSTEM MAINTENANCE <ul style="list-style-type: none">• Renewal & Replacement• Distribution• Facilities, Fleet, & Technology
▶ \$169 MILLION	SYSTEM EXPANSION <ul style="list-style-type: none">• New or Expanded Treatment• New Transmission Lines• New or Expanded Master Pumps
▶ \$36 MILLION	ENVIRONMENTAL <ul style="list-style-type: none">• BMAP*/TMDL**/Reclaim• Total Water Management Plan• Major Environmental Initiatives

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

Total FY2021 Budget: \$400 Million

WATER/WASTEWATER SYSTEM

Capital Budget Discussion & Analysis



FY2020 capital plan budget was \$260.0 million, current forecast is \$236.4 million

FY2021 capital funding plan utilizes existing capital cash balances to fund qualifying projects, but may also require up to \$150m in new debt issuance for FY2021



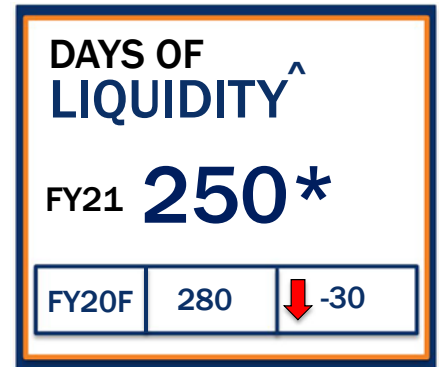
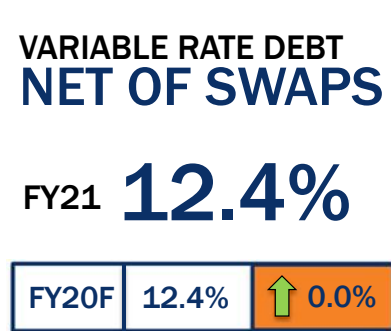
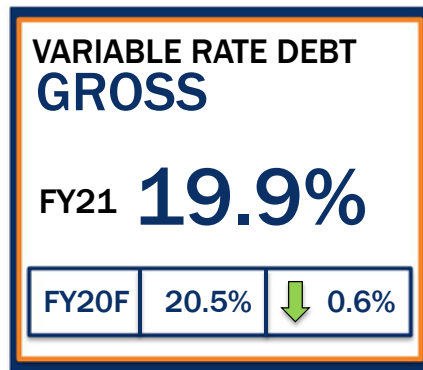
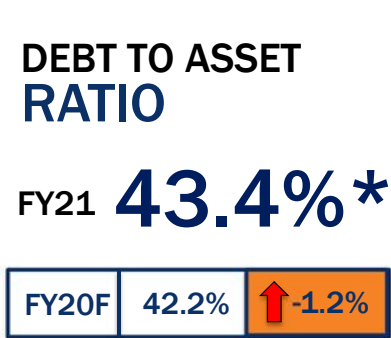
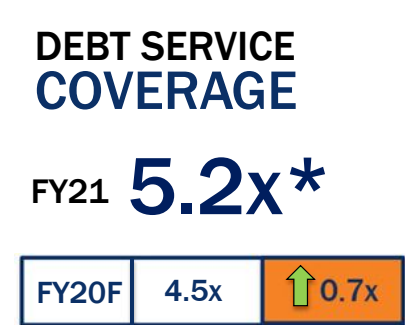
FY2021 includes \$42.7m in funding for the Greenland Water Reclamation Facility (WRF)

Funding is also included for the Buckman and Southwest WRFs, at \$21.2 and \$18.5m, respectively



FY2021 capital program is projected to be \$400 million





[^]Days of liquidity is being positively impacted by revolver

W/WW System Bond Rating: A2/AA+/AA

*Based on FY21 budget Mgal sales of 40,425 water, 29,925 wastewater, and 4,725 reuse

5 DISTRICT ENERGY SYSTEM BUDGET ASSUMPTIONS

**JEA
DISTRICT ENERGY SYSTEM
OPERATING BUDGET**

	FY2021 Budget	FY2020 Budget	Change	FY2020 Forecast
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BASE RELATED REVENUES & EXPENSES

BASE OPERATING REVENUES:

Base Rate Revenues	\$ 9,328,327	\$ 9,044,699	\$ 283,628	\$ 8,746,267
Total Base Related Revenues	\$ 9,328,327	\$ 9,044,699	\$ 283,628	\$ 8,746,267

BASE OPERATING EXPENSES:

Operating and Maintenance	\$ 5,267,217	\$ 5,164,460	\$ 102,757	\$ 4,677,942
Total Base Related Expenses	\$ 5,267,217	\$ 5,164,460	\$ 102,757	\$ 4,677,942

BASE OPERATING INCOME:

	\$ 4,061,110	\$ 3,880,239	\$ 180,871	\$ 4,068,325
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NON-OPERATING EXPENSES:

Debt Service	3,023,891	3,020,550	3,341	3,020,550
Demand-side Management - Rate Stabilization	-	-	-	-
Environmental - Rate Stabilization	-	-	-	-

Total Non Operating Expenses	\$ 3,023,891	\$ 3,020,550	\$ 3,341	\$ 3,020,550
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BASE INCOME BEFORE TRANSFERS

	\$ 1,037,219	\$ 859,689	\$ 177,530	\$ 1,047,774
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City Contribution Expense	-	-	-	-
Renewal and Replacement Fund	437,313	435,426	1,887	589,200
Operating Capital Outlay	599,906	424,263	175,643	458,574
Total Non-Fuel Expenses	\$ 1,037,219	\$ 859,689	\$ 177,530	\$ 1,047,774

SURPLUS/(DEFICIT)

	\$ -	\$ -	\$ -	\$ -
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TOTAL REVENUES

	\$ 9,328,327	\$ 9,044,699	\$ 283,628	\$ 8,746,267
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TOTAL APPROPRIATIONS

	\$ 9,328,327	\$ 9,044,699	\$ 283,628	\$ 8,746,267
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BUDGETED EMPLOYEE POSITIONS	6	6	0	6
BUDGETED TEMPORARY HOURS	0	0	0	0

**JEA
DISTRICT ENERGY SYSTEM
CAPITAL BUDGET**

	FY2021 Budget	FY2020 Budget	Change	FY2020 Forecast
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CAPITAL FUNDS:

Renewal & Replacement Deposits	\$ 437,313	\$ 435,426	\$ 1,887	\$ 589,200
Operating Capital Outlay	599,906	424,263	175,643	458,574
Other Proceeds	1,538,925	2,970,311	-1,431,386	2,114,991
Total Capital Funds	\$ 2,576,144	\$ 3,830,000	\$ -1,253,856	\$ 3,162,766

CAPITAL PROJECTS:

District Energy Projects	2,576,144	3,830,000	-1,253,856	3,162,766
Total Capital Projects	\$ 2,576,144	\$ 3,830,000	\$ -1,253,856	\$ 3,162,766

6

RATE STABILIZATION
FUNDS

Rate Stabilization Funds

	FY2019	Forecast FY2020			Budget FY2021		
(\$ in thousands)	Ending Balance	Deposits	Withdrawals	Ending Balance	Deposits	Withdrawals	Ending Balance
Energy System							
DSM/Conservation	\$4,363	\$6,729	-\$6,807	\$4,285	\$7,174	-\$8,910	\$2,549
Debt Management	29,884	-	-29,884	-	-	-	-
Environmental ¹	25,632	7,450	-14,317	18,765	7,814	-17,597	8,982
Fuel	47,152	51,293	-20,681	77,764	36,205	-	113,969
Purchased Power	56,870	-	-20,158	36,712	-	-36,501	211
Self Funded Health Plan	11,210	32,053	-32,411	10,852	32,031	-34,105	8,778
Water Wastewater System							
Debt Management	\$14,209	\$ -	-\$14,209	\$ -	\$ -	\$ -	\$ -
Environmental ²	12,914	26,108	-\$19,122	\$19,900	27,778	-27,778	\$19,900

¹Includes \$1.9m million in Environmental O&M costs, \$10m in Environmental capital project costs, and \$5.7m in Environmental payback

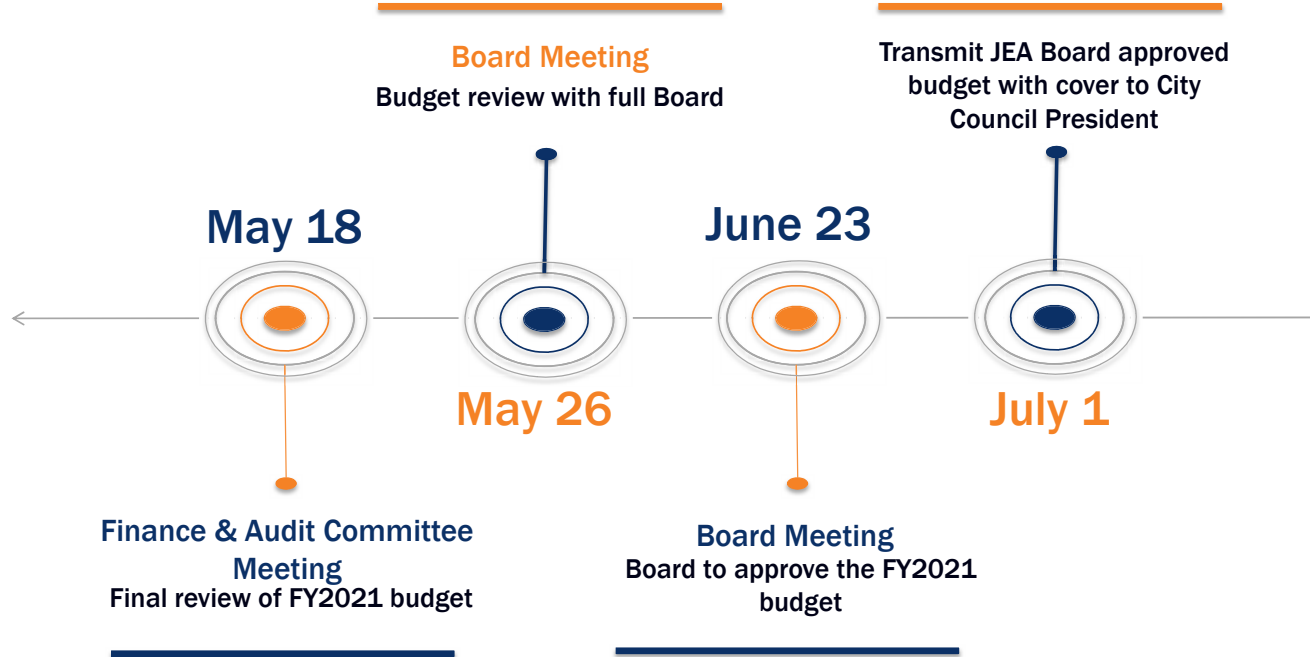
²Includes \$19.4 million in Environmental O&M and capital projects and \$8.6 million in funds repaid to the Water/Wastewater System R&R fund

7

BUDGET TIMELINE
& ACTION ITEMS

FY2021 Budget Timeline

Board Review & Approval Schedule



Next Step Action Items

Finance and Audit Committee

- ▶ Provide feedback and direction regarding the FY2021 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

JEA Staff

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



SUPPLEMENTAL
SCHEDULES

Energy Project Title	FY21 Proposed ('000)	FY22 Proposed ('000)	FY23 Proposed ('000)	FY24 Proposed ('000)	FY25 Proposed ('000)	FY21-FY25 Total ('000)
GENERATION						
Greenland Energy - CT1 - Hot Gas Path Inspection #1	5,850	0	0	0	0	5,850
Northside Generating - Energy Project Management Capital Improvement Projects	5,750	6,000	6,000	6,000	6,000	29,750
Northside Generating - Generation Support Capital Improvements	4,000	4,000	4,000	4,000	4,000	20,000
Northside Generating - CT3 Major Inspection	3,200	0	0	0	0	3,200
Potential Gas Line Capacity Upgrades	2,000	3,000	0	0	0	5,000
Brandy Branch Generating - General Capital Improvements	2,000	2,000	2,000	2,000	2,000	10,000
Brandy Branch Generating - B52, B53 Transition Duct Liner	1,995	0	0	0	0	1,995
Brandy Branch Generating - B50 Personnel Elevators	1,525	0	0	0	0	1,525
Compression Upgrade to Baldwin-Brandy Branch	1,500	6,000	0	0	0	7,500
Northside Generating - N00 Chain, Buckets, and Sprocket Replacement	1,011	0	0	0	0	1,011
Greenland Energy - MarkVIe Full Migration and Security Software	864	0	0	0	0	864
Northside Generating - N01, N02, N03 Control System Server Replacement and Software Upgrade	795	0	0	0	0	795
Northside Generating - N01 Impulse Cleaning System Installation	663	0	0	0	0	663
Kennedy Generating - Control Room Upgrade	657	0	0	0	0	657
Northside Generating - N03 Circulating Water Pump Replacement	620	0	0	0	0	620
Northside Generating - N03 River Water Booster Pump Replacement	448	0	0	0	0	448
Northside Generating - N33, N34, N35, N36 Control System Upgrade	424	392	392	455	0	1,663
Northside Generating - N33, N34, N35, N36 Electrical Equipment Upgrades	382	380	310	0	0	1,072
Northside Generating - N01, N02 Fan Silencer Replacement	366	670	0	0	0	1,036
Northside Generating - N01, N02 Expansion Joints Installation	352	0	0	0	0	352
Northside Generating - N01 N02 UPS Replacement	334	73	0	0	0	407
Northside Generating - N03 Turbine Inspection	295	3,090	0	0	0	3,385
Northside Generating - N02 INTREX East Wall Refractory Replacement	290	0	0	0	0	290
Northside Generating - N02 Valve Actuator Overhaul	271	0	0	0	0	271
Kennedy Generating - CT7 - Hot Gas Path Inspection #3	250	5,318	0	0	0	5,568
Northside Generating - N03 Turbine Valve Inspection	60	1,246	0	0	0	1,306
Northside Generating - N03 Turbine Inspection	50	850	0	0	0	900
Kennedy Generating - CT7 - Rotor Replacement	0	10,000	0	0	0	10,000
Northside Generating - CT4 Major Inspection	0	2,000	0	0	0	2,000

Energy Project Title	FY21 Proposed ('000)	FY22 Proposed ('000)	FY23 Proposed ('000)	FY24 Proposed ('000)	FY25 Proposed ('000)	FY21-FY25 Total ('000)
TRANSMISSION AND DISTRIBUTION						
Underground Network Improvement Plan	1,988	1,988	1,988	1,988	1,988	9,940
Electric Meters - Growth	1,760	1,760	1,760	1,760	1,760	8,800
Electric Distribution System Improvements	1,650	1,664	1,664	1,664	1,664	8,306
Normandy Substation Protection Improvement	1,614	0	0	0	0	1,614
230kV Breaker Replacement	1,600	1,600	800	0	0	4,000
Transmission Circuit 832/835/836/839 Angle Pole Replacement	1,596	0	0	0	0	1,596
Cecil Commerce Center North Solar Feeders 371, 372	1,587	0	0	0	0	1,587
Substation Repair and Replace Projects - Transformer Replacements	1,400	1,400	1,400	1,400	1,400	7,000
Church St Feeders 181-186 13kV Reconductor from Substation to Riverside Ave	1,340	0	0	0	0	1,340
Kennedy Substation Control Cable and Protection System Replacement	1,224	0	0	0	0	1,224
Nocatee 230 - 26 kV Substation	1,219	0	0	0	0	1,219
Pipe-Type Cable Pothead Replacements – Kennedy Circuit 682 and Hunter Rd. Circuit 688	1,179	0	0	0	0	1,179
230kV Circuit 915 Partial Rebuild	1,054	0	0	0	0	1,054
St Johns 4kV Substation Rebuild	1,000	1,500	500	0	0	3,000
Distribution System - Pole Removal	1,000	1,000	1,000	1,000	1,000	5,000
Eagle LNG 138-13.8 kV Substation - Protection and Controls	900	100	0	0	0	1,000
Fulton Cut Crossing- Feasibility Study	900	0	0	0	0	900
Transmission Line Relay Replacement Project	885	0	0	0	0	885
Northside Substation Improvements	870	0	0	0	0	870
26kV Feeder Circuit Breaker Replacement	854	754	754	754	754	3,870
Greenland Energy to Bartram 230 kV Circuit 909 Addition	853	0	0	0	0	853
Transmission Circuit 692 Underground Cable Replacement - Part A	820	2,780	0	0	0	3,600
Nocatee 230 kV Circuit 909/917 SS Interconnect	815	0	0	0	0	815
Westlake Solar Feeders 339, 340	800	0	0	0	0	800
Circuit 679 Underground Cable Reconductor	800	0	0	0	0	800
General Distribution Improvements	750	750	750	750	750	3,750
Transmission and Substation Class Circuit Breaker Replacement Program	750	750	750	750	750	3,750
Transmission Capacitor Bank Controls Replacement	746	0	0	0	0	746
Transmission Outdoor Potential Device Replacement	741	541	541	541	541	2,905

Energy Project Title	FY21 Proposed ('000)	FY22 Proposed ('000)	FY23 Proposed ('000)	FY24 Proposed ('000)	FY25 Proposed ('000)	FY21-FY25 Total ('000)
TRANSMISSION AND DISTRIBUTION						
Electric Meters - Replacement	740	740	740	740	740	3,700
853 Pole Replacement	729	850	0	0	0	1,579
General Substation Improvements	700	700	700	700	700	3,500
Transmission Circuit 838 Structures 5 - 11 Replacement	699	0	0	0	0	699
Circuit 649 Underground 69kV Reconductor Project	672	796	0	0	0	1,468
West Jax Substation Protection Improvement	666	0	0	0	0	666
Transmission Circuit 677 Structure 45 and 62 Replacement	657	0	0	0	0	657
Transmission Circuit 830 Structures 30, 31, 32, 42, 43, and 44 Replacement	653	0	0	0	0	653
230kV Breaker Replacement - Protection and Controls	650	450	225	0	0	1,324
Preliminary Study - Durbin 230-26KV Substation Property	600	0	0	0	0	600
Nocatee Substation Distribution Feeders	600	0	0	0	0	600
Nocatee 230 - 26 kV Substation - Protection and Controls	589	0	0	0	0	589
69kv - 663 line rebuild - Protection and Controls	566	46	0	0	0	612
Eagle Liquid Natural Gas 138kV Circuit 847 Interconnect	558	50	0	0	0	608
Park and King 4kV Distribution Feeder Getaway Rebuild	558	2	0	0	0	560
Bartram 298: Feeder Extension in Transmission Right-Of-Way from Substation to Bartram Park Bv	530	0	0	0	0	530
Church Street - Pipe Type Cable Pump Replacement	523	0	0	0	0	523
Steelbald Solar Center - Protection and Controls	522	0	0	0	0	522
Mill Cove - Pipe Type Cable Pump Replacement	521	0	0	0	0	521
Underground Cable Replacement Program - Existing Developments	500	500	500	500	500	2,500
4kV Rehabilitation – Distribution Projects	500	500	500	500	500	2,500
230KV-138KV-69kV Insulator Refurbishment	500	500	500	500	500	2,500
230KV-138KV-69kV Pole Refurbishment	500	300	300	300	300	1,700
Energy Management System - Base Upgrade Project	335	240	200	130	130	1,035
General Transmission Improvements	300	300	300	300	300	1,500
Park and King 4kV Substation Rebuild - Protection and Controls	300	100	0	0	0	400
Westlake Solar Center - Protection and Controls	300	0	0	0	0	300
Bartram 230 kV Circuit 909 Interconnect	300	0	0	0	0	300
Cecil Commerce Center North Solar- Protection and Controls	280	0	0	0	0	280

Energy Project Title	FY21 Proposed ('000)	FY22 Proposed ('000)	FY23 Proposed ('000)	FY24 Proposed ('000)	FY25 Proposed ('000)	FY21-FY25 Total ('000)
TRANSMISSION AND DISTRIBUTION						
Automatic Recloser Deployment	235	235	235	235	235	1,175
Capital Tools and Equipment - Underground Network and Service Centers	220	220	220	220	220	1,100
Brandy Branch Sub Solar T2 Addition - Protection and Controls	206	0	0	0	0	206
St Johns 4kV Substation Rebuild - Protection and Controls	200	200	100	0	0	500
Steelbald Solar Feeders 344, 345	185	0	0	0	0	185
Bartram 230 kV Bay and Breaker Addition for Circuit 909 - Protection and Controls	176	0	0	0	0	176
Ortega Bv North - Overhead to Underground - Electric Conversion	171	0	0	0	0	171
Circuit 679 Underground Cable Reconductor - Protection and Controls	165	0	0	0	0	165
Energy Management System - RTU Upgrade Project	155	50	50	50	50	355
Dinsmore 230 - 26 kV Substation - Protection and Controls	152	0	0	0	0	152
General Protection System Improvements Transmission	150	150	150	150	150	750
Southside GIS 69kV Controller Replacement	150	0	0	0	0	150
Center Park Substation Protection Improvements	150	0	0	0	0	150
General Transmission Improvements	100	100	100	100	100	500
GEC 230 kV Bay and Breaker Addition for Circuit 909	84	0	0	0	0	84
Capital Tools and Equipment - Transmission and Substation Maintenance	80	80	80	80	80	400
Bartram 230 kV Bay and Breaker Addition for Circuit 909	80	0	0	0	0	80
Westlake Sub Solar T3 Addition - Substation Project	76	0	0	0	0	76
Mayo Clinic 230 - 26kV Substation Property	70	0	0	0	0	70
Dinsmore 230 - 26 kV Substation	65	0	0	0	0	65
Overhead to Underground Conversion in Neighborhoods	60	60	60	60	60	300
Electric Customer Service Response Tools and Equipment	55	55	55	55	55	275
St Johns 4kV Distribution Feeder Getaway Rebuild	50	100	50	0	0	200
Forest Sub 217 Feeder - Protection and Controls	29	0	0	0	0	29
Transmission Circuit 692 Underground Cable Replacement- Part B - Protection and Controls	20	70	0	0	0	90
Grid Overhead and Underground Unit Price	1	1	1	1	1	5
Substation Repair and Replace Projects	0	3,000	3,000	3,000	3,000	12,000
Transmission Repair and Replace Projects	0	2,500	2,500	2,500	2,500	10,000
Energy Management System - Outage Management System Integration	0	1,300	200	0	0	1,500

Energy Project Title	FY21 Proposed ('000)	FY22 Proposed ('000)	FY23 Proposed ('000)	FY24 Proposed ('000)	FY25 Proposed ('000)	FY21-FY25 Total ('000)
TRANSMISSION AND DISTRIBUTION						
Mayo Clinic 230 - 26kV Substation	0	995	6,000	4,000	0	10,995
Greenland Energy to Mayo 230kV Circuit 908 Addition	0	300	6,500	8,500	900	16,200
Mayo Clinic 230/138/26kV Substation - Protection and Controls	0	150	700	50	0	900
Greenland Energy 230kV Bay and Breaker Addition for Circuit 908	0	100	300	700	100	1,200
Mayo Substation Distribution Feeders	0	50	200	50	0	300
Mayo Substation 138kV Transmission Interconnects	0	12	288	200	0	500
Greenland Energy 230kV Bay and Breaker Addition for Circuit 908 - Protection and Controls	0	10	180	300	10	500
SouthWest Substation - Transmission	0	0	0	5,000	5,000	10,000
SouthWest Substation - Substation	0	0	0	2,000	7,000	9,000
SJRPP Substation - 26 kV Substation	0	0	0	1,500	3,500	5,000
New Nocatee T-2 TX	0	0	0	1,500	1,000	2,500
69kv - 665 line rebuild	0	0	0	1,000	2,000	3,000
SJRPP Substation Distribution Feeders	0	0	0	600	1,400	2,000
SouthWest Substation - Distribution	0	0	0	300	400	700
Pecan Park Area Transmission	0	0	0	0	5,000	5,000
Pecan Park Area Substation	0	0	0	0	1,000	1,000
Pecan Park Area Distribution	0	0	0	0	500	500
TRANSMISSION AND DISTRIBUTION SUBTOTAL	150,954	81,127	83,291	93,878	96,988	506,237
ENERGY OTHER						
Technology Services Projects	18,493	8,945	12,075	13,025	12,875	65,413
Capital Administrative Overhead	11,400	11,400	11,400	11,400	11,400	57,000
Facilities - General Administration Office Building	9,200	11,000	0	0	0	20,200
Fleet - Replacement	7,799	7,800	8,800	7,900	8,100	40,399
Streetlight Improvements - Phase 3	4,400	0	0	0	0	4,400
Facilities - Southside Service Center Renovations - Phase II	2,749	751	0	0	0	3,500
Facilities - Industrial Training Center	1,432	0	0	0	0	1,432
Facilities - Southside Service Center - Asphalt Pavement Upgrade	1,200	300	0	0	0	1,500
Fleet - Expansion	880	600	600	600	600	3,280

Energy Project Title	FY21 Proposed ('000)	FY22 Proposed ('000)	FY23 Proposed ('000)	FY24 Proposed ('000)	FY25 Proposed ('000)	FY21-FY25 Total ('000)
ENERGY OTHER						
Security - General improvements	690	650	650	650	650	3,290
Security - Operation and Controls Center - Security Enhancements	592	0	0	0	0	592
Facilities - Westside Service Center - Building 5 Glove Lab Upgrades	475	0	0	0	0	475
Facilities - Roof Replacements	450	450	450	450	450	2,250
Facilities - Heating, Ventilation, and Air	430	430	430	430	430	2,150
Facilities - Commonwealth Service Center - Admin Upgrades	300	4,500	0	0	0	4,800
Security - Fencing	260	260	260	260	260	1,300
Facilities - Paving and Site Improvements	250	250	250	250	250	1,250
Facilities - DCPS Photovoltaic System Removal	250	0	0	0	0	250
Facilities - General Building Upgrades	200	200	200	200	200	1,000
Facilities - Plumbing and Fire System Upgrades	100	100	100	100	100	500
Facilities - Lighting	100	100	100	100	100	500
Facilities - Brandy Branch and Greenland Energy Ops and DC Power Generator Backup Units	62	1,213	0	0	0	1,275
Utility Locate Group - Capital Equipment	50	50	50	50	50	250
Facilities - Generators	1	200	150	250	1	602
Laboratory Equipment Upgrades	1	75	75	75	75	301
Facilities - Elevators	1	1	1	1	1	5
Security - Fire System Sprinklers	1	1	1	1	1	5
Facilities - Kennedy Generating - Pump Shop Building Demolition	1	250	0	0	0	251
ENERGY OTHER SUBTOTAL	61,767	49,526	35,592	35,742	35,543	218,170
ENERGY GRAND TOTAL	248,673	177,973	155,680	161,721	168,843	912,889

Water/Wastewater Project Title	FY21 Proposed ('000)	FY22 Proposed ('000)	FY23 Proposed ('000)	FY24 Proposed ('000)	FY25 Proposed ('000)	FY21-FY25 Total ('000)
WATER						
Main Extensions and Taps	1,000	825	825	825	825	4,300
Owens Rd - Ranch Rd to Max Leggett Pkwy - New	803	0	0	0	0	803
Water Treatment Plants - Capital Renewal and Replacement	750	750	750	750	750	3,750
Well Field Repair and Replace	700	700	700	700	700	3,500
Joint Participation Projects	700	700	700	700	700	3,500
St Johns Forest Wells	550	1,000	0	0	0	1,550
New World Av - Waterworks Ave to Chaffee Rd - Transmission - New	507	4,050	243	0	0	4,800
Hampton Falls Dr Electrical Easement - San Pablo to Suni Pines Connection - Replacement	465	0	0	0	0	465
Harbor Island Drive Water Main Replacement	400	0	0	0	0	400
Pritchard Rd - Old Plank Rd to Cisco Dr W - Transmission - New	358	1,240	1,073	0	0	2,671
Water Treatment Plants - Sodium Hypochlorite Storage Tank Upgrades	250	250	200	200	100	1,000
Mandarin Road Loop Connection - Transmission	212	0	0	0	0	212
Nocatee South Water Repump	200	800	3,000	1,000	0	5,000
Well Rehabilitation and Maintenance - McDuff Wells	144	0	0	0	0	144
Water Treatment Plant Reservoir Repair and Replace	100	100	100	100	100	500
Grid - Cost Participation - New	100	100	100	100	100	500
Lovegrove Well #1 - Well Rehabilitation Project	84	0	0	0	0	84
Integrated Water Supply Testing Evaluation and Rehabilitation (iWATER)	78	0	0	0	0	78
McDuff Water Treatment Plant - Refurbishment Project	62	2,216	1,976	0	0	4,254
Norwood Water Treatment Plant - Rehabilitation	62	2,048	1,343	0	0	3,453
Southeast Well #1 - Well Rehabilitation Project	57	0	0	0	0	57
JTA - San Pablo Rd - Beach Blvd to Atlantic Blvd	55	0	0	0	0	55
Royal Lakes Well #3B - Well Rehabilitation Project	55	0	0	0	0	55
FDOT - 103rd St. (SR134) - Firestone to Wesconnett - Water Main Improvements	44	0	0	0	0	44
Nassau Regional Water Treatment Plant - Well #3	21	0	0	0	0	21
Royal Lakes Well #2A - Well Rehabilitation Project	20	0	0	0	0	20
Oakridge Well #6 - Well Rehabilitation Project	20	0	0	0	0	20
JTA - 5th St - Huron Ave to Melson Ave	20	0	0	0	0	20
Deerwood Well #7 - Well Rehabilitation Project	19	0	0	0	0	19

Water/Wastewater Project Title	FY21 Proposed ('000)	FY22 Proposed ('000)	FY23 Proposed ('000)	FY24 Proposed ('000)	FY25 Proposed ('000)	FY21-FY25 Total ('000)
WATER						
JTA - 8th St Water Main Replacement - Mt Herman St to Boulevard St	10	0	0	0	0	10
JTA - Alta Drive Roadway Improvements	8	0	0	0	0	8
Water Pipeline Crossings Resiliency	1	1	1	1	1	5
Water Treatment Plants - Large Capital Improvements	0	2,470	12,700	7,500	7,425	30,095
FDOT - Chaffee Rd - Westmeadows Dr S to Samaritan Way - Transmission - New	0	730	1,987	0	0	2,717
Lakeshore Water Treatment Plant - Reservoir Rehabilitation	0	610	2,028	0	0	2,638
FDOT - I95 and MLK Interchange - Replacement	0	480	0	0	0	480
Ft. Caroline Rd - McCormick Rd to Fulton Rd - Distribution - New	0	210	805	1,695	0	2,710
Main St Water Treatment Plant - Ozone Generator - Addition	0	200	2,800	0	0	3,000
Southeast Water Treatment Plant - Ground Storage Tank	0	50	2,000	500	0	2,550
Oakridge Water Treatment Plant - High Service Pump Expansion	0	50	300	1,500	0	1,850
Royal Lakes Water Treatment Plant High Service Pump Expansion	0	50	300	1,500	0	1,850
Lovegrove Water Treatment Plant - High Service Pump and Building Replacement - Expansion	0	50	40	2,500	500	3,090
Water Transmission Replacement	0	0	3,766	2,000	2,000	7,766
Julington Creek Water Treatment Plant - Storage Tank Rehabilitation	0	0	400	0	0	400
Jones Rd - Teague Rd to Prichard Rd - Transmission - New	0	0	250	1,000	4,050	5,300
Cisco Dr - Westlake Water Treatment Plant to Garden St - Transmission - New	0	0	220	850	1,895	2,965
Beacon Hills Water Treatment Plant - Ground Storage Tank	0	0	50	530	5,500	6,080
Oakridge - Saints Rd - St Johns Bluff to Oakridge Water Treatment Plant	0	0	0	560	5,800	6,360
N Main St Dr - Setzer Rd to Gun Club Rd - Transmission - New	0	0	0	280	1,100	1,380
Westlake Water Treatment Plant - Well #4 and Raw Water Main	0	0	0	276	2,003	2,279
Trout River Blvd - US1 to Sibald Ave - Transmission - New	0	0	0	150	580	730
Brierwood Water Treatment Plant - High Service Pump Expansion	0	0	0	50	300	350
Westlake Water Treatment Plant - Expansion from 3.0 to 7.0 MGD	0	0	0	50	150	200
Blount Island Fire Protection System - Repair and Replace	0	0	0	0	4,300	4,300
Ridenour - Cortez to Ridenour Water Treatment Plant - New	0	0	0	0	840	840
Southeast - T-Line to Southeast Water Treatment Plant	0	0	0	0	840	840
103rd St - Pressure Sustaining Valve - Addition	0	0	0	0	562	562
WATER SUBTOTAL	116,523	88,347	108,498	83,901	69,351	466,619

Water/Wastewater Project Title	FY21 Proposed ('000)	FY22 Proposed ('000)	FY23 Proposed ('000)	FY24 Proposed ('000)	FY25 Proposed ('000)	FY21-FY25 Total ('000)
SEWER						
Greenland Water Reclamation Facility - 6.0 MGD	42,716	70,833	29,345	0	0	142,894
Buckman Water Reclamation Facility - Biosolids Conversion - Process Facility	21,203	25,760	17,986	158	0	65,107
Southwest Water Reclamation Facility - Expansion from 14 to 18 MGD	18,500	25,000	17,000	0	0	60,500
US1 - Greenland Water Reclamation Facility to CR 210 - Transmission - New	13,835	10,743	665	0	0	25,243
Nocatee South - Reclaim Water Storage Tank and Booster Pump Station	9,950	126	0	0	0	10,076
Southwest - 5104 118th St - Class III/IV - Pump Upgrades	9,904	95	0	0	0	9,999
Buckman Water Reclamation Facility - Biosolids Conversion - Renewable Natural Gas	9,218	1,544	0	0	0	10,762
5th St W - Imeson Rd to Melson Ave - Transmission - New	8,604	3,598	0	0	0	12,202
Greenland - Burnt Mill Pump Station to Greenland Energy - Transmission	7,954	6,719	429	0	0	15,102
Arlington East Water Reclamation Facility Upgrades - Odor Control	6,536	0	0	0	0	6,536
Nassau Regional Water Reclamation Facility - Expansion to 4 MGD	5,758	14,815	14,374	6,000	0	40,947
Buckman Water Reclamation Facility - Blower System Improvements	5,566	4,566	0	0	0	10,132
Twin Creeks - Reclaim Water Storage Tank and Booster Pump Station	5,509	1,193	0	0	0	6,702
Southwest - 6217 Wilson Bv - Class III/IV - Pump Upgrades	4,600	78	0	0	0	4,678
Pumping Stations - Capital Equipment Replacement	4,500	4,500	4,500	4,500	4,500	22,500
Arlington East Water Reclamation Facility Upgrades - Aeration Basin and Blowers	4,394	8,489	722	0	0	13,605
Walnut St Trunkline Replacement: 32nd St Pump Station to 16th St E	4,120	0	0	0	0	4,120
Sewer Collection System Repair and Replace	4,000	4,000	4,000	4,000	4,500	20,500
Arlington East Water Reclamation Facility Upgrades - Influent Structure	3,914	8,721	1,431	0	0	14,066
Nassau - Radio Av - Reclaim Water Storage Tank and Booster Pump Station	3,168	400	0	0	0	3,568
Cedar Bay Backup Power System	3,100	0	0	0	0	3,100
4511 Spring Park Rd Lift Station	3,067	2,749	0	0	0	5,815
Sewer Collection System Trenchless Repair and Replace	3,000	3,000	3,000	3,000	3,000	15,000
Southwest - 4881 Timuquana Rd - Class III/IV - Pump Upgrades	2,979	0	0	0	0	2,979
Arlington East Water Reclamation Facility - Sludge Line and Appurtenances	2,700	4,600	4,600	500	0	12,400
District II - Robena Rd Booster Pump Station	2,565	911	0	0	0	3,476
Gate Parkway to Burnt Mill Rd - Transmission	2,515	0	0	0	0	2,515
Water Reclamation Facilities - Capital Equipment Replacement	2,500	2,500	2,500	2,500	2,500	12,500
Buckman - 5307 Buffalo Ave - Class III/IV - Pump Rehabilitation	2,478	0	0	0	0	2,478

Water/Wastewater Project Title	FY21 Proposed ('000)	FY22 Proposed ('000)	FY23 Proposed ('000)	FY24 Proposed ('000)	FY25 Proposed ('000)	FY21-FY25 Total ('000)
SEWER						
Davis - Gate Pkwy to RG Skinner - Transmission	2,050	5,993	1,107	0	0	9,150
Bradley Road Pump Station Improvements	2,016	0	0	0	0	2,016
Arlington East Water Reclamation Facility - Secondary MCC Replacement	1,841	0	0	0	0	1,841
Holiday Road Master Pump Station Rehabilitation - Phases 1 and 2	1,762	0	0	0	0	1,762
Monterey Water Reclamation Facility Improvements	1,707	3,580	7,433	768	0	13,488
Monterey - 3254 Townsend Rd - Class III/IV - Pump Rehabilitation	1,656	1,687	0	0	0	3,343
Nassau - Radio Ave - Class III/IV - New Pump Station	1,503	1,400	0	0	0	2,903
District II - 10800 Key Haven Bv - Class III/IV - Reconstruction to Submersible	1,473	2,410	0	0	0	3,883
Nicholson Rd Cured in Place Piping: Olive St to Utah Ave	1,425	0	0	0	0	1,425
SJC - CR210 - South Hampton to Ashford Mills - Transmission	1,275	1,858	0	0	0	3,132
Talleyrand Pump Station - Valves and Screens	1,221	0	0	0	0	1,221
Monterey - 5838 Pompano - Class III/IV - Pump Upgrade	1,204	1,619	0	0	0	2,823
Supervisory Control and Data Acquisition Remote Terminal Units and Control Panel Upgrades	1,200	1,500	1,500	1,500	1,500	7,200
Boulevard St FM Replacement - Boulevard Pump Station to 16th St	1,139	0	0	0	0	1,139
Monterey - 7732 Merrill Rd - Class III/IV - Pump Upgrade	1,067	319	0	0	0	1,386
Development Driven Projects - Reclaim	959	200	200	200	200	1,759
Buckman Water Reclamation Facility Outfall Improvements - Phase 1	925	8,250	0	0	0	9,175
District II - 11308 Harts Rd - Class III/IV - Rehabilitation	909	0	0	0	0	909
Eastport Rd - Emuness Rd to Sara Dr - Distribution - New	881	0	0	0	0	881
Buckman Water Reclamation Facility - Primary Clarifier Rehabilitation	842	0	0	0	0	842
Mandarin Water Reclamation Facility - Filter Feed Pumps (2) Replacement	833	0	0	0	0	833
Force Main Extensions and Taps	820	725	725	725	725	3,720
District II - Pulaski Rd Booster Pump Station	805	410	0	0	0	1,215
Buckman Water Reclamation Facility - Biosolids Process Renewal and Replacement	800	740	740	740	740	3,760
Ductile Iron Force Main Replacement	524	1,518	681	3,000	3,000	8,723
Ponte Vedra Water Reclamation Facility - Ultraviolet Disinfection System Improvements	497	0	0	0	0	497
Buckman Water Reclamation Facility - Fine Screen Replacement	471	3,169	60	0	0	3,700
Southwest Service Area Infiltration and Inflow Analysis and Remediation	450	500	500	500	500	2,450
Development Driven Projects - Pump Stations	430	200	200	200	200	1,230

Water/Wastewater Project Title	FY21 Proposed ('000)	FY22 Proposed ('000)	FY23 Proposed ('000)	FY24 Proposed ('000)	FY25 Proposed ('000)	FY21-FY25 Total ('000)
SEWER						
District II Water Reclamation Facility - South Headwork Rehabilitation	420	744	0	0	0	1,164
Joint Participation Projects - Sewer	400	400	400	400	400	2,000
Harbor Island Drive - Force Main Replacement	400	0	0	0	0	400
Timawatha Ave - Force Main Replacement	357	0	0	0	0	357
Mandarin Water Reclamation Facility - Sludge Holding Tanks Rehabilitation	315	2,547	1,161	0	0	4,023
Development Driven Projects - Sewer	314	200	200	200	200	1,114
Julington Creek and Ponte Vedra Water Reclamation Facilities - Electrical Grounding/Lightning Improvements	311	0	0	0	0	311
CR210 - Longleaf Pine Pkwy to Ashford Mills Rd - Transmission	250	2,050	2,619	0	0	4,919
Wastewater Odor Control - All Plants and Pump Stations	250	250	250	250	250	1,250
Arlington East - 9247 Baymeadows Rd - Class III/IV - Pump Upgrade	210	529	824	0	0	1,563
Supervisory Control and Data Acquisition - Renewal and Replacement	150	150	150	150	150	750
District II Water Reclamation Facility - Primary Clarifiers #2 and #3 - Rehabilitation	141	0	0	0	0	141
Diesel-driven Backup Pump Repair and Replace	100	100	100	100	100	500
Waste Water Pumping Station Safety Improvements - Guard Rail Installation	100	100	100	100	100	500
Grid - Cost Participation - New - Reclaim	100	100	100	100	100	500
Grid - Cost Participation - New - Force Main	100	100	100	100	100	500
Large Diameter - Gravity Sewer Replacement	100	0	0	0	0	100
JTA - 5th St - Huron Ave to Melson Ave - Sewer	80	0	0	0	0	80
Air Relief Valves Repair and Replace	70	70	70	70	70	350
Manhole Supervisory Control and Data Acquisition - Repair and Replace	50	50	50	50	50	250
Reuse Facility - Capital Equipment Replacement	50	50	50	50	50	250
Reuse Delivery Repair and Replace	50	50	50	50	50	250
COJ - Old Middleburg Rd - Argyle Forest Blvd to Maynard Pl - Transmission - New - Force Main	44	2,056	0	0	0	2,100
FDOT - 103rd St. (SR134) - Firestone to Wesconnett - Sewer Main Improvements	44	0	0	0	0	44
Buckman - Biosolids Conversion - Operations/Maintenance/Warehouse Bldgs	20	20	1,539	2,809	0	4,388
District II - New Berlin Rd - Yellow Bluff Rd to Eastport Rd - New - Force Main	10	740	3,897	400	0	5,047
JTA - Alta Drive Roadway Improvements - Sewer	8	0	0	0	0	8
Large Diameter Sewer Pipeline Crossings Resiliency	1	1	1	1	1	5
Wastewater Large Capital Improvements	0	4,300	12,970	24,510	22,390	64,170

Water/Wastewater Project Title	FY21 Proposed ('000)	FY22 Proposed ('000)	FY23 Proposed ('000)	FY24 Proposed ('000)	FY25 Proposed ('000)	FY21-FY25 Total ('000)
SEWER						
Large Diameter Cured in Place Piping	0	1,499	1,500	1,785	1,500	6,284
FDOT - I95 and MLK Interchange Force main Replacement	0	606	0	0	0	606
Large Diameter South Shores Sub-Aqueous Force Main Rehabilitation	0	600	600	0	0	1,200
Arlington East - 8331 Princeton Sq - Class III/IV - Pump Upgrade	0	498	2,890	1,146	0	4,534
Arlington East - 8751 Bayleaf Dr - Class III/IV - Pump Upgrade	0	340	2,064	1,224	0	3,628
SR200 - William Burgess Blvd to Police Lodge Rd - Transmission - Reclaim	0	300	2,100	1,400	0	3,800
Nocatee South Reclaim Water Improvements	0	300	1,360	100	0	1,760
Southwest - 7703 Blanding Bv - Class III/IV - Rehabilitation	0	210	68	0	0	278
Southwest - Robitzsch Lane - Class III/IV - New Pump Station	0	195	1,602	245	0	2,042
Greenbriar Rd - Longleaf Pine Pkwy to Spring Haven Dr - Transmission - Reclaim	0	100	660	2,540	1,462	4,762
Ridenour Water Treatment Plant - Storage and Repump - Reclaim	0	50	1,821	4,640	4,640	11,151
RiverTown Water Treatment Plant - New Storage and Pumping System - Reclaim	0	50	400	1,000	2,500	3,950
Mandarin - 106 Twin Creeks - Class III/IV - Pump Upgrade	0	0	828	1,308	520	2,655
1638 Talleyrand Av - Class III/IV - Rehabilitation	0	0	469	855	3,156	4,480
Buckman Water Reclamation Facility - Aeration Basin Air Header and Diffuser Replacement	0	0	400	500	1,250	2,150
US1 - Twin Creeks Master Pump Station to Alphons St - Transmission - Force Main	0	0	300	2,500	3,500	6,300
Monterey - 8043 Carlotta Rd - Class III/IV - Pump Upgrade	0	0	250	750	0	1,000
Mandarin - 4181 Lavista Cr - Class III/IV - Pump Upgrade	0	0	250	750	0	1,000
Arlington East - 420 Tresca Rd - Class III/IV - Pump Upgrade	0	0	250	250	0	500
Large Diameter - Busch Dr - Balmoral Dr to Harts Rd - Transmission - Force Main	0	0	20	400	130	550
Buckman - Bionutrient Reduction - Phase 2	0	0	0	3,000	12,500	15,500
District II Water Reclamation Facility - Effluent Outfall Land Acquisition	0	0	0	1,185	0	1,185
T-Line - Park Ave to Pulaski Rd Master Pump Station - Easement Acquisitions	0	0	0	500	0	500
Nassau Regional - SR200 West of I-95 RW Storage Tank and Booster Pump Station - Reclaim	0	0	0	375	3,000	3,375
T-Line - Brandy Branch to Beaver St - Distribution - New - Force Main	0	0	0	360	1,300	1,660
Veterans Pkwy - Longleaf Pine Pkwy to CR210 - Transmission - Reclaim	0	0	0	300	3,000	3,300
Nocatee North Reclaim Water Storage Tank	0	0	0	300	2,000	2,300
Monument Rd - Arlington East to St Johns Bluff Rd - Transmission - New - Reclaim	0	0	0	300	1,200	1,500
CR210 - Twin Creeks to Russell Sampson Rd - Transmission - Reclaim	0	0	0	300	1,080	1,380

Water/Wastewater Project Title	FY21 Proposed ('000)	FY22 Proposed ('000)	FY23 Proposed ('000)	FY24 Proposed ('000)	FY25 Proposed ('000)	FY21-FY25 Total ('000)
SEWER						
Arlington East Water - Reclaim Filter - Increase Capacity from 8 to 12 MGD	0	0	0	250	1,500	1,750
Russell Sampson Rd - St. Johns Pkwy to CR210 - Transmission - Reclaim	0	0	0	200	920	1,120
T-Line - Amelia Concourse to Amelia National - Transmission - Reclaim	0	0	0	144	510	654
Lenox Ave - Fouraker Rd to Palisades Dr - Distribution - New - Force Main	0	0	0	115	461	576
CR210 - St Johns Pkwy to Leo Maguire Pkwy - Transmission - New - Reclaim	0	0	0	100	409	509
St Johns Bluff Rd - UNF to Bradley MPS - Transmission - Rehab Parallel Force Main	0	0	0	100	300	400
Station Creek Rd - Beach Bv to Hunt Club Rd N - Transmission - New - Reclaim	0	0	0	50	225	275
Bartram Trail High School - Longleaf Pine Pkwy - Transmission - New - Reclaim	0	0	0	50	193	243
Newcomb Rd - T-Line - Transmission - New - Force Main	0	0	0	20	150	170
Deercreek Club Rd - Southside Bv to Waterton Lane - Distribution - New - Force Main	0	0	0	12	144	156
Buckman - Disinfection System Replacement	0	0	0	0	4,270	4,270
118th St - Kinkaid Rd to Ricker Rd - Transmission - New - Force Main	0	0	0	0	961	961
District II - Hypochlorite Feed System Replacement	0	0	0	0	751	751
Glen Kernan Pkwy - Kernan Bv to Royal Troon Lane - Transmission - New - Reclaim	0	0	0	0	50	50
SEWER SUBTOTAL	255,982	260,373	156,161	86,684	98,958	858,157
WATER OTHER						
Technology Services Projects	12,000	6,730	7,950	7,950	8,850	43,480
Capital Administrative Overhead	5,700	5,700	5,700	5,700	5,700	28,500
Fleet - Replacement	5,054	5,534	5,352	5,310	5,300	26,550
General Security Improvements	690	650	650	650	650	3,290
Security - Buckman Security Enhancements	579	0	0	0	0	579
Facilities - Heating, Ventilation, and Air	520	520	520	520	520	2,600
Facilities - Roof Replacements	435	435	435	435	435	2,175
Facilities - Building Upgrades	400	400	400	400	400	2,000
Facilities - Electric and Lighting Systems	400	400	400	400	400	2,000
Facilities - Plumbing Upgrades	250	250	250	250	250	1,250
Facilities - Paving and Site Improvements	250	250	250	250	250	1,250
Security - Fencing	200	200	200	200	200	1,000
Fleet - Expansion	195	800	800	800	800	3,395

Water/Wastewater Project Title	FY21 Proposed ('000)	FY22 Proposed ('000)	FY23 Proposed ('000)	FY24 Proposed ('000)	FY25 Proposed ('000)	FY21-FY25 Total ('000)
WATER OTHER						
Laboratory Equipment Upgrades	188	100	100	100	100	588
Real Estate - Easement Location and Acquisitions	150	150	150	150	150	750
Facilities - Blacksford Water Reclamation Facility New Parking and Storage Building	133	7	1,486	0	0	1,626
Facilities - Mandarin Water Reclamation Facility - Facility Parking and Storage Building	100	1,587	0	0	0	1,687
Facilities - Elevators	100	100	250	250	1	701
Facilities - JEA Tower - Building Renovations	100	50	0	0	0	150
Utility Locate Group - Capital Equipment	50	50	50	50	50	250
Security - Fire Alarm and Sprinkler Systems	1	1	1	1	1	5
Facilities - Generators	0	3,725	2,253	10,977	4,535	21,490
Facilities - DII Water Reclamation Facility - New Warehouse and Site Upgrades	0	150	1,415	0	0	1,565
Facilities - Main St Lab Emergency Generator Project	0	0	1,093	0	0	1,093
Facilities - Buckman - Street Lighting and Paving Upgrades	0	0	0	1,000	0	1,000
WATER OTHER SUBTOTAL	27,495	27,789	29,705	35,393	28,592	148,973
WATER/WASTEWATER GRAND TOTAL	400,000	376,509	294,363	205,977	196,901	1,473,750

DES Project Title	FY21 Proposed ('000)	FY22 Proposed ('000)	FY23 Proposed ('000)	FY24 Proposed ('000)	FY25 Proposed ('000)	FY21-FY25 Total ('000)
DES - Downtown - Chilled Water Extension - New JEA Office & Ed Ball Building	1,674	0	0	0	0	1,674
DES - General Repair and Replace Improvements	530	200	475	790	980	2,975
DES - Security - General Improvements	150	150	50	50	50	450
DES - Springfield - Additional Back-up Generator	222	0	0	0	0	222
DES - Downtown Plant Expansion - New Chiller & Cooling Tower	0	3,000	0	0	0	3,000
DES - Springfield - Replace Chiller - 1	0	0	0	920	0	920
DES - Springfield - Replace Chiller - 4	0	0	0	920	0	920
DES - Springfield - Replace Chiller - 3	0	0	0	0	950	950
DES - Springfield - Replace Chiller - 5	0	0	0	0	950	950
DES GRAND TOTAL	2,576	3,350	525	2,680	2,930	12,061

ENERGY		
ENERGY	Description	Explanation
N00, N01, N02, etc	specific steam turbine units	
CT1, CT2, etc	specific gas turbine units	
B50, B51, etc	specific steam turbine units at Brandy Branch Generating	
SAIDI	System Average Interruption Duration Index	Indicates the total duration of interruptions for the average customer across the electric system during a predefined period of time such as a month or a year. It is commonly measured in minutes or hours of interruption.
CEMI-5	Customers Experiencing More than 5 Interruptions	CEMI-5 is a software report and metric that stands for Customers Experiencing More Than Five Outages of one minute or more in the past year. The new report has helped us improve on our already unbeatable performance of low extended outage frequency and duration rates. CEMI-5 directs JEA's engineers and field personnel to the specific addresses of customers who've experienced six or more extended outages (of one minute or more) over the last 12 months
RTU	Remote Terminal Unit	A remote terminal unit (RTU) is a microprocessor-controlled electronic device that interfaces objects in the physical world to a distributed control system or SCADA (supervisory control and data acquisition) system by transmitting telemetry data to a master system, and by using messages from the master supervisory system to control connected objects
DCPS	Duval County Public Schools	
UPS	Universal Power Supply	
WATER		
WATER	Description	Explanation
MCC	Motor control center	
SJC	St Johns County	
MGD	Million Gallons per Day	the max amount of volume a water or wastewater plant can process
Class III/IV	the size/processing capability of a sewage pump station	Class III - 1,000 Gallons per Minute (GPM) to 2,000 GPM / Class IV - Over 2,000 GPM

THANK
YOU

**JEA
CONSOLIDATED OPERATING BUDGET
FISCAL YEAR 2021**

	Energy System	Water & Wastewater System	District Energy System	Total
FUEL RELATED REVENUES & EXPENSES:				
FUEL REVENUES:	\$ 410,912,768	\$ -	\$ -	\$ 410,912,768
Total Net Revenues	<u>\$ 410,912,768</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 410,912,768</u>
FUEL EXPENSES:				
Fuel & Purchased Power	\$ 410,912,768	\$ -	\$ -	\$ 410,912,768
FUEL SURPLUS/(DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BASE RELATED REVENUES & EXPENSES				
BASE OPERATING REVENUES:				
Base Rate Revenues	\$ 793,579,491	\$ 437,545,588	\$ 9,328,327	\$ 1,240,453,406
Environmental Charge Revenue	7,814,100	27,777,750	-	35,591,850
Conservation Charge & Demand Side Revenue	768,600	-	-	768,600
Other Revenues	25,141,212	14,600,000	-	39,741,212
Natural Gas Pass Through Revenue	967,784	-	-	967,784
Total Base Related Revenues	<u>\$ 828,271,187</u>	<u>\$ 479,923,338</u>	<u>\$ 9,328,327</u>	<u>\$ 1,317,522,852</u>
BASE OPERATING EXPENSES:				
Operating and Maintenance	\$ 253,940,017	\$ 179,484,736	\$ 5,267,217	\$ 438,691,970
Environmental	1,891,598	3,267,638	-	5,159,236
Conservation & Demand-side Management	8,910,045	-	-	8,910,045
Natural Gas Pass Through Expense	1,057,344	-	-	1,057,344
Non-Fuel Purchased Power	72,642,571	-	-	72,642,571
Non-Fuel Uncollectibles & PSC Tax	1,242,354	558,388	-	1,800,742
Emergency Reserve	5,000,000	1,000,000	-	6,000,000
Total Base Related Expenses	<u>\$ 344,683,929</u>	<u>\$ 184,310,762</u>	<u>\$ 5,267,217</u>	<u>\$ 534,261,908</u>
BASE OPERATING INCOME:	\$ 483,587,258	\$ 295,612,576	\$ 4,061,110	\$ 783,260,944
NON-OPERATING REVENUE:				
Investment Income	7,962,574	2,975,171	-	10,937,745
Transfer To/From Fuel Recovery	-	-	-	-
Capacity Fees	-	29,388,151	-	29,388,151
Total Non Operating Revenues	<u>\$ 7,962,574</u>	<u>\$ 32,363,322</u>	<u>\$ -</u>	<u>\$ 40,325,896</u>
NON-OPERATING EXPENSES:				
Debt Service	131,173,417	65,436,531	3,023,891	199,633,839
Demand-side Management - Rate Stabilization	-1,736,445	-	-	-1,736,445
Environmental - Rate Stabilization	-9,782,967	-	-	-9,782,967
Total Non Operating Expenses	<u>\$ 119,654,005</u>	<u>\$ 65,436,531</u>	<u>\$ 3,023,891</u>	<u>\$ 188,114,427</u>
BASE INCOME BEFORE TRANSFERS	\$ 371,895,827	\$ 262,539,367	\$ 1,037,219	\$ 635,472,413
City Contribution Expense	94,809,678	25,202,572	-	120,012,250
Interlocal Payments	-	-	-	-
Renewal and Replacement Fund	64,012,472	26,551,286	437,313	91,001,071
Operating Capital Outlay	203,073,677	165,487,246	599,906	369,160,829
Environmental Capital Outlay	10,000,000	15,910,112	-	25,910,112
Capacity Fees	-	29,388,151	-	29,388,151
Operating Contingency	-	-	-	-
Total Non-Fuel Expenses	<u>\$ 371,895,827</u>	<u>\$ 262,539,367</u>	<u>\$ 1,037,219</u>	<u>\$ 635,472,413</u>
SURPLUS/(DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL REVENUES	\$ 1,247,146,529	\$ 512,286,660	\$ 9,328,327	\$ 1,768,761,516
TOTAL APPROPRIATIONS	\$ 1,247,146,529	\$ 512,286,660	\$ 9,328,327	\$ 1,768,761,516
BUDGETED EMPLOYEE POSITIONS	1,527	625	6	2,158
BUDGETED TEMPORARY HOURS	104,000	20,800	0	124,800

**JEA
CONSOLIDATED CAPITAL BUDGET
FISCAL YEAR 2021**

	Energy System	Water & Wastewater System	District Energy System	Total
CAPITAL FUNDS:				
Renewal & Replacement Deposits	\$ 64,012,472	\$ 26,551,286	\$ 437,313	\$ 91,001,071
Operating Capital Outlay	203,073,677	165,487,245	599,906	369,160,828
Environmental Capital Outlay	10,000,000	15,910,112	-	25,910,112
Capacity Fees	-	29,388,151	-	29,388,151
Debt Proceeds	-	150,000,000	-	150,000,000
Other Proceeds	-28,413,149	12,663,206	1,538,925	-14,211,018
Total Capital Funds	<u>\$ 248,673,000</u>	<u>\$ 400,000,000</u>	<u>\$ 2,576,144</u>	<u>\$ 651,249,144</u>
CAPITAL PROJECTS:				
Generation Projects	\$ 35,952,000	\$ -	\$ -	\$ 35,952,000
Transmission & Distribution Projects	150,954,000	-	-	150,954,000
District Energy Projects	-	-	2,576,144	2,576,144
Water Projects	-	116,523,000	-	116,523,000
Sewer Projects	-	255,982,000	-	255,982,000
Other Projects	61,767,000	27,495,000	-	89,262,000
Total Capital Projects	<u>\$ 248,673,000</u>	<u>\$ 400,000,000</u>	<u>\$ 2,576,144</u>	<u>\$ 651,249,144</u>

JEA
Five Year Capital Improvement Program
Fiscal Years 2021-2025
(\$000'S Omitted)

<u>Project Title</u>	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>Project Total</u>
Energy System Generation	35,952	47,320	36,797	32,101	36,312	188,482
Energy System Transmission and Distribution	150,954	81,127	83,291	93,878	96,988	506,238
Energy System Other	61,767	49,526	35,592	35,742	35,543	218,170
Total	<u>\$248,673</u>	<u>\$177,973</u>	<u>\$155,680</u>	<u>\$161,721</u>	<u>\$168,843</u>	<u>\$912,890</u>
Water Treatment and Distribution	116,523	88,347	108,498	83,901	69,351	466,620
Sewer, Wastewater, and Reclaimed	255,982	260,373	156,161	86,684	98,958	858,158
Water Other Capital	27,495	27,789	29,705	35,393	28,592	148,974
Total	<u>\$400,000</u>	<u>\$376,509</u>	<u>\$294,364</u>	<u>\$205,978</u>	<u>\$196,901</u>	<u>\$1,473,752</u>
District Energy System	<u>\$2,576</u>	<u>\$3,350</u>	<u>\$525</u>	<u>\$2,680</u>	<u>\$2,930</u>	<u>\$12,061</u>

JEA
ST. JOHNS RIVER POWER PARK (SJRPP)
AND PLANT SCHERER (SCHERER)
OPERATING AND CAPITAL BUDGET
FISCAL YEAR 2021

	SJRPP	SCHERER
OPERATING BUDGET:		
Revenue:		
Operating Revenue from JEA	\$ 26,753,547	\$ 61,156,420
Expenses:		
Fuel and O & M	\$ -	\$ 35,576,396
Transmission	-	6,100,000
Debt Service	23,780,931	10,029,775
Renewal & Replacement	2,972,616	9,450,249
Total Expenses	\$ 26,753,547	\$ 61,156,420
CAPITAL BUDGET :		
	\$ -	\$ 9,450,249

MWHs Purchased by JEA Electric System 991,361

Notes: all Plant Scherer employees are Georgia Power Co. employees.
SJRPP was decommissioned as of January 5, 2018.



INTER-OFFICE MEMORANDUM

May 7, 2020

SUBJECT: QUARTERLY AUDIT SERVICES UPDATE

FROM: Paul McElroy, Interim Managing Director/CEO

TO: JEA Finance and Audit Committee

Marty Lanahan, Chair
John Baker
Robert Stein

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) Forensic Audit & Investigations; (2) Enterprise Risk Management; and (3) Internal Audit. The Forensic Audit & Investigations Group conducts internal investigations of confidential reports into JEA's Ethics Hotline (EHL) and from other sources. JEA's Enterprise Risk Management (ERM) Program identifies, assesses, measures, monitors and actively manages risk. The Internal Audit Group reviews internal control processes and ensures that departments maintain compliance with operating procedures and regulations.

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.

Paul McElroy, Interim Managing Director/CEO

PEM/HTV/SVT

Audit Services Quarterly Update - May 2020



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Audit Services Groups

- ✓ **Forensic Audit & Investigations (FAI) – Pp. 3-7**
- ✓ **Enterprise Risk Management (ERM) – Pp. 8–14**
- ✓ **Internal Audit – Pp. 15-22**

Forensic Audit & Investigations (FAI)



FAI Highlights



- ✓ Since January 7, Julie Moore, Manager, Forensic Audit & Investigations, and Terry Lund, Senior Forensic Auditor, have assisted with Corporate Records Compliance with the backlog of public records requests.
- ✓ FAI has an active recruitment for a Senior Forensic Auditor. This position has been open since Julie was promoted to Manager last fall. The response to this recruitment has been very good.
- ✓ Our Ethics Hotline (EHL) system is independently hosted by Navex Global, a best-in-class ethics/compliance software solution. JEA's recent EHL reporting volume has trended below our historical averages.
- ✓ COJ's City Ordinance Code requires that Independent Agencies' fraud/waste/abuse cases must be initially reported to the Office of Inspector General (OIG), which has the discretion of conducting the related investigations. In such cases, the investigations are usually an OIG/JEA-FAI collaboration.

May 2020

FAI

Investigative Case Statistics – 1Q/2Q FY20

Open Cases 10/1/2019	Cases Opened Q1/Q2 FY20	Cases Closed Q1/Q2 FY20	Open Cases 3/31/2020
9	9	8	10
Categories For Cases Opened During Q1/Q2 FY20			
Discrimination / Harassment			4
General Inquiries			2
Conflict of Interest / Ethics Matters			2
Fraud / Theft / Abuse			1
Total			9

May 2020



Summary of Closed Cases – 1Q/2Q FY20

Reporting Source	Allegation	Investigation Results
Internal/ EHL	JEA-17-01-0002 – In conjunction with a review involving an accident of a JEA employee’s assigned vehicle, management requested an investigation into the employee’s time and attendance records and vehicle usage.	An employee wrecked a JEA truck and damaged a JEA light pole after work hours. In addition, he falsified his JEA Timecard on multiple occasions, used his JEA assigned vehicle for personal use, did not report his Secondary Business, and did not tell the truth during a Fact Finding. The employee was officially charged with a felony. He was terminated and subsequently paid \$13,769.30 in restitution for damage to the truck and light pole; and, for the falsified wages for which he was arrested.
EHL	JEA-19-04-0001 and JEA-19-04-0002 – Two employees may have not reported a side business which is in violation of JEA’s Secondary Employment Policy.	Based on the facts found during the investigation, it was concluded there was not sufficient evidence to show the two employees were actively working on a personal secondary business.
EHL	JEA-19-05-0001 – An allegation was made that a director and a manager were both showing favoritism and discrimination.	An inquiry was performed by a third-party investigator. The charges of discrimination and favoritism were found to be unsubstantiated.

May 2020



Summary of Closed Cases – 1Q/2Q FY20

Reporting Source	Allegation	Investigation Results
EHL	JEA-19-08-0001 – An allegation was made that managers will hire low-bidding contractors knowing that change order requests will be submitted that the managers will then approve.	An investigation could not be performed as the number of JEA contracts is substantial. The caller would not provide pertinent information. Without details identifying the specific area in question, it was determined that an investigation was not feasible.
EHL	JEA-19-08-0002 and JEA-19-08-0003 – An incident between two employees was reported which was believed to be based on racial prejudice.	Labor Relations’ conducted an investigation and concluded there was no evidence that the incident was motivated by, or the result of racial prejudice.
EHL	JEA-19-10-0001 – An allegation was made that three employees were tossing a football around in the warehouse receiving area.	The issue was discussed with Management who handled the incident with a verbal discussion with two of the employees and a group meeting with the entire storeroom group, including the third employee.

May 2020



Enterprise Risk Management (ERM)



ERM Corporate Risks - Heat Map Scoring

The risk score is a factor of the risk impact x likelihood, which helps us evaluate the criticality of the risks and the need for mitigation. The impact and likelihood criteria include the following additional variables, each of which enhances our ability in determining risk criticality:

1. Financial impact identifies the out-of-pocket/deductible financial impact after insurance coverage payments.
2. Reputational impact of a risk event occurring.
3. Velocity - Time frame of the risk event occurring.
4. Influence – Our ability to influence the impact and/or likelihood of the risk event occurring.
5. Preparedness - Assesses how prepared we are if the risk event occurs by assessing the effectiveness of current mitigations that reduce the impact and/or likelihood.

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

Score Criticality Ranges based on established risk tolerance levels.

Tier 1	10 - 14	15 - 25
Tier 2	7 - 9	
Tier 3	1 - 3	4 - 6

- The heat map is based on Risk Management Standards/Best Practices, is widely used among all industries, and is supported by various external control organizations such as the IIA, COSO, and Deloitte.
- The scoring methodology is based on recent best practices recommendations from the Gartner Group and is used by several LPPC utilities.

May 2020

ERM

Our Current Top Risks

Risk #	Risk Title
C08	Black Swan (High Impact/Low Probability Event)
E01	Carbon Emission Mitigation/Renewable Energy Standards
E05	Cooling Water Intake Structures 316(b)
T03	Cyber Security Business Disruption
C03	Disruptive Technologies/Long-term Planning
E10	Nuclear Power Portfolio
C17	Physical Security/Terrorism
H02	Staffing/Work Environment
C18	Supply Chain Management
C19	Surface Water Discharge Risk
W01	Water Supply Management/Long Term Planning
C16	Weather & Climate Change Impact Resiliency Efforts

* New Top Corporate Risk

These represent the current Top Corporate Risks, based on their financial and reputational impact; as well as their potential to negatively impact reliability and operational effectiveness.

(Listed in alphabetical order)

May 2020

ERM

Current Top Risks Criteria

Black Swan (High Impact/Low Probability Event) - JEA would be negatively impacted if certain major catastrophic events occur which would result in the inability to maintain Electric and/or Water/Sewer service for an extended period of time. This would result in significant cost to rebuild our infrastructure, as well as negatively impacting our reputation. The primary factor is the inability to provide essential services for a significant period of time. These events include physical destruction of portions of our infrastructure, severe weather events, such as Category 2+ storms, and pandemics.

Carbon Emission Mitigation/Renewable Energy Standards - The risk is based on the premise that in the short term (next 5 years) some form of carbon tax will be implemented. The most recent proposal would place a \$10 per ton tax on emissions. Based on JEA's current emissions, the estimated tax would be approximately \$75M/yr. This may accelerate the need to replace existing higher carbon emitting generation units with more renewables; resulting in stranded assets and significantly increase the financial impact of replacing our current generation units. This risk is a subset and impacts the "Disruptive Technologies/Long Term Planning Risk."

Cooling Water Intake Structures 316(b) - The EPA promulgated a revised rule for cooling water systems at power plants such as Northside Generation Station and Plant Scherer. The rule is intended to reduce the environmental impact of cooling systems on aquatic life. The rule may require a modified water intake structure and/or cooling tower upgrades. The upgrades necessary will be determined by a peer review panel and federal agencies. The biological studies are still in progress for the NGS plant, and a full peer review submittal to the regulatory agency is not expected to be completed until 2023. Cooling water system upgrades for Units 1 and 2 could be as low as improved fish screens (~\$10M) to as high as mechanical cooling tower retrofit (~75M). These costs will not be known until review by the regulatory agency in the 2024/2025 NPDES permit renewal cycle. The implementation phase for any needed improvements is expected to be in the 2025-2030 time period.

Cyber Security Business Disruption - Unauthorized intrusion into JEA's critical systems and network may occur, resulting in possible Denial of Service (DOS), grid intrusions, and ransomware threats. Although JEA has cyber insurance that would minimize the financial impact, the time frame to recover may still cause disruption of services, the inability to meet operational and customer needs, non-compliance with regulatory requirements, and significant negative reputational impact.

May 2020

ERM

Current Top Risks Criteria

Disruptive Technologies/Long-Term Planning - Emerging new technologies are providing some customers with an increasing number of options for reducing energy and water usage, and/or using alternative energy sources. Decreased revenues from these customers could increase costs to the customers who are not participating in these new technologies. In addition, JEA's investment in new technologies and maintaining the existing infrastructure while in a period of declining revenues may have a significant negative impact on JEA's financials. For example, new technologies may include alternate power generation (e.g. solar, wind, advanced battery power), increasingly efficient appliances, customer interaction applications (e.g. smart metering), and industrial/commercial generation.

Nuclear Power Portfolio - JEA's decision to expand into nuclear power generation ownership and/or PPAs poses significant financial, reputational and regulatory risks. Plant Vogtle 3 & 4 units are still under construction, the cost and schedule overruns pose a severe financial burden on JEA. Additional cost overruns may still occur. Total project cost now estimated to be in excess of \$30B with MEAG Project costs of approximately \$2.9B. The project is approximately 85% complete and expected to meet the November 2021, (U3) 2022 (U4) in service dates. As such, the likelihood for additional excessive cost overruns has significantly been diminished. In addition, Georgia Power has allocated an additional \$110 Million as contingency funding to cover any potential additional cost overruns. In the eventuality the full potential additional cost overruns occur, JEA's portion would be \$75 millions.

Physical Security/Terrorism - JEA may be a primary target for an act of terrorism, based upon its designation as critical infrastructure for the City of Jacksonville. The potential types of terrorism include, but are not limited to, suicide bombers, vehicle-borne explosive devices, improvised explosive devices, sabotage, or a mass killing event. This risk may result in loss/damage to JEA property, injury/death to employees/civilians, and lawsuits. While JEA has an inherent risk of an act of terrorism occurring that involves its personnel and property, the financial/reputational risk values are based upon a terrorist event that caused significant damage to JEA operations. This is an inherent risk is based on the unpredictability of a terrorist event, the inability to completely monitor/ protect all assets in a cost-effective manner, and the difficulty in preventing or predicting a major terrorist events.

May 2020

ERM

Current Top Risks Criteria

Staffing/Workforce Management - Adequate and qualified staff may not be in place to enable JEA to meet current and future basic utility objectives. The risk may be aggravated by the lack of a flexible staffing model that could maximize workforce skillsets, tight labor markets, job security, inadequate succession planning, and/or increased personnel turnover driven by an aging workforce. In addition, volatility of major internal/external issues causing drastic change and instability on the organization may have a direct impact on the effectiveness and behaviors of the employees, and in turn negatively impact operational effectiveness. This may result in the deterioration of assets and services, increased human resource costs, increased maintenance costs, dissatisfied customers, unsafe conditions for employees and customers, and regulatory non-compliance.

Supply Chain Management - A long-term disruption in goods and services from critical vendors, and/or reliance on sole-source vendors may result in the inability to provide certain critical services, and/or disrupt our ability to obtain parts for critical repairs/maintenance requirements. This could result in long-term reliability issues in both water/wastewater and electric services, disruption of online services (such as customer bill payments), as well as significant negative reputational damage.

Surface Water Discharge - JEA may be negatively impacted by proposed State law changes requiring significant discharge reduction to surface waters. The Florida Legislature is considering statutory changes to further restrict the discharge of treated effluent to surface waters by requiring the effluent be used for aquifer recharge, potable reuse, conventional reuse, or ecological restoration. The legislation considered in 2020 (which did not pass) would have compelled utilities to reduce most surface water discharges by 2027, as a state water supply resource initiative designed to reduce ground water withdrawals. The legislation is expected to be reintroduced next year, and has a high probability of passing. The current Florida Legislature has made environmental issues one of its priorities, with strong support from both major political parties. JEA produces approximately 80 mgd of highly treated effluent, of which 20 mgd is currently being reused. The proposed legislation would require the remaining 60 mgd to be subject to reuse as well, which could require JEA to invest from \$600M to \$1.1B, rather than the a \$0.4B JEA projects to spend by 2030.

May 2020

ERM

Current Top Risks Criteria

Water Supply Management/Long Term Planning - Accurate long-term planning is becoming increasingly complex due to the inherent difficulty in predicting the impact of changing variables (e.g., regulatory compliance, demand/growth, capital requirements, revenues), sustaining current water/reclaimed infrastructure, and meeting certain provisions of the Consumptive Use Permit (CUP). Revised or new minimal flows and levels (MFLs) may place more stringent limits on JEA's aquifer withdrawals; and proposed new legislation may require a substantial increase in reuse. This may result in the inability to meet future water needs, possibly causing: decreased services to customers; significantly increased costs for alternate water sources, such as reclaimed; and/or regulatory non-compliance.

Mitigation efforts focus on developing a Water Management plan to identify long term water needs to serve future growth. Including but limited to continued expansion of reclaimed water usage and development of alternate water sources. In addition, processes have been established to verify compliance with the Consumptive Use Permit, (e.g., commitments to expand reclaimed water usage). Revised MFLs and/or potential reductions in our aquifer withdrawal limits from the water management district, have the potential to force JEA to accelerate investment in alternative water techniques, reuse, and/or to require participation in regional MFL projects.

Weather & Climate Change Impact Resiliency Efforts - Weather patterns and/or short-term or seasonal extreme weather may negatively impact long-term planning, financial and reliability performance, reputation and decreased customer satisfaction. Impacts may include:

*Short Term: Unforeseen revenue and budget fluctuations; increased debt and subsequent changes to credit ratings; rate increases; the inability to meet peak demands; decreased reliability; difficulty meeting seasonal or annual environmental limits; and increased expenses from severe storms.

*Long Term: Longer-term outages and reliability issues; increased difficulty in load forecasting and planning; and the need to protect our infrastructure from the potential impact of severe climate change (e.g. encroachment from rising river water levels, rising shallow groundwater, severe storms; temperature variances). The timeframe for significant impact from climate change may be in excess of 20+ years.

May 2020

ERM

Internal Audit



Internal Audit Highlights



- ✓ In January, Internal Audit, in collaboration with P-Card Services, presented opportunities and challenges related to P-Cards to the ECRC (Enterprise Corporate Risk Committee).
- ✓ In March, presentation of the FY20 The Energy Authority (TEA) Member Review to TEA's Finance & Audit Committee. This is the second year of our three-year in-charge engagement.
- ✓ In mid-March, the Internal Audit Staff paused most of its audit work to assist Corporate Records Compliance with the backlog of public records requests. This assignment is expected to continue for the foreseeable future.
- ✓ Planning has begun for the FY2021 Audit Plan and the annual Green-e Agreed-Upon Procedures Engagement.

May 2020

Internal Audit

FY20 Audit Calendar

		1Q (Oct – Dec)	2Q (Jan – Mar)	3Q (Apr – Jun)	4Q (Jul – Sept)			
Internal Audits	Leadership and Development	✓	Procurement	●	POP Process Follow-Up	●	Meter Operations Follow-Up	●
	Business Development & Community Project Management	✓	Software Licensing	●	NGS Generation	●	Bulk Power and Customer Service Response	●
	P-Cards	✓	Black Belts	●	Cloud Computing	●	Fleet Services	●
					Risk Management	●	Air & Lab Permitting and Compliance	●
					W/WW Planning	●		
Special Projects	JEA Performance Pay Audit	✓			2021 Annual Risk Assessments	●		
	TEA Audit	✓			Green-e Agreed-Upon Procedures Engagement	●		
	Cyber Program Assessment	●						

Not Started ●
In Progress ●
Report in Draft ✓
Final Report Issued ✓

Summary of Completed Audits & Projects

	Audit Name	Report Rating	# of Issues	Description of Significant or Greater Issue(s)
Internal Audits	P-Cards	SATISFACTORY	8	Significant opportunities for improvement include the following: <ul style="list-style-type: none"> • Policy and Procedural Noncompliance of Transactions; • P-Card Audit Sampling and Review Optimization; • Outdated Management Directive; and • Segregation of Duties for P-Card Setup.
	Business Development & Community Project Management	SATISFACTORY	4	Significant opportunities for improvement include the following: <ul style="list-style-type: none"> • Aggregated Data for Key Customers; and • Lack of Procedures.
	Leadership and Development	Excellent	2	No significant issues identified.
Special Project	TEA Member Review	SATISFACTORY	6	Significant opportunities for improvement include the following: <ul style="list-style-type: none"> • Lack of Social Engineering Testing.

May 2020

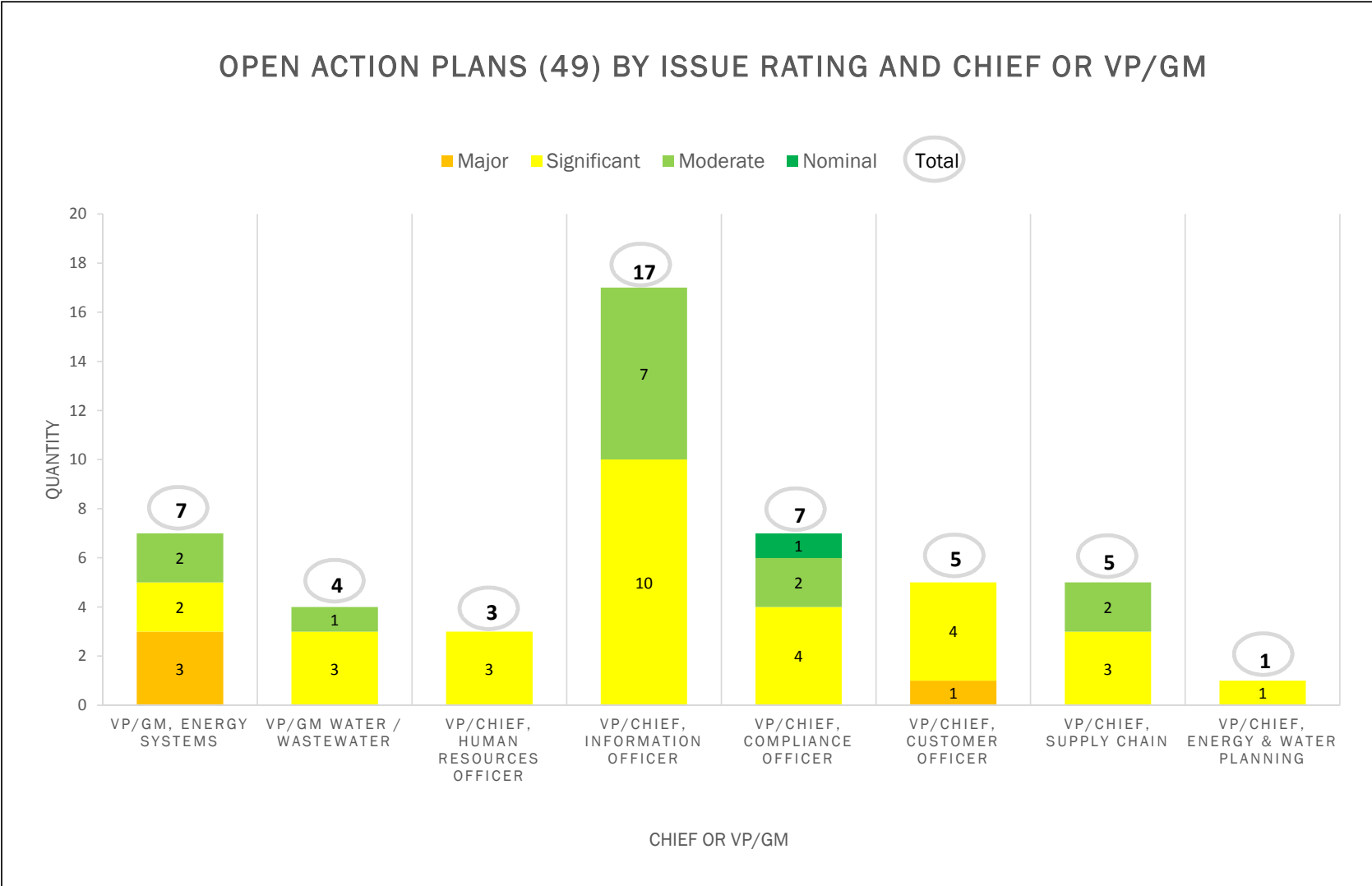
Proposed FY20 Audit Plan Postponements



- ✓ We recommend the postponement of the following audits, due to the noted operational changes/events:
 - ✓ Procurement - Management is in process of approving and implementing a new Purchasing (P)-code.
 - ✓ Black Belts - Originally selected as part of IA's focus on innovation for the FY20 Plan, this area is modifying its project processes by assigning its Black Belts to specific business areas.
 - ✓ Fleet Services - A delay in the implementation of the new vehicle GPS system, which was ranked as a high risk initiative during our annual risk assessment process.
 - ✓ Meter Operations Follow-Up - The second scheduled follow-up audit for this area, as the initial follow-up audit also resulted in a "Needs Improvement" rating. Along with other extenuating circumstances, there are still four (4) action plans open from the previous audit, which have resulted in management's multiple requests for action plan due date extensions.

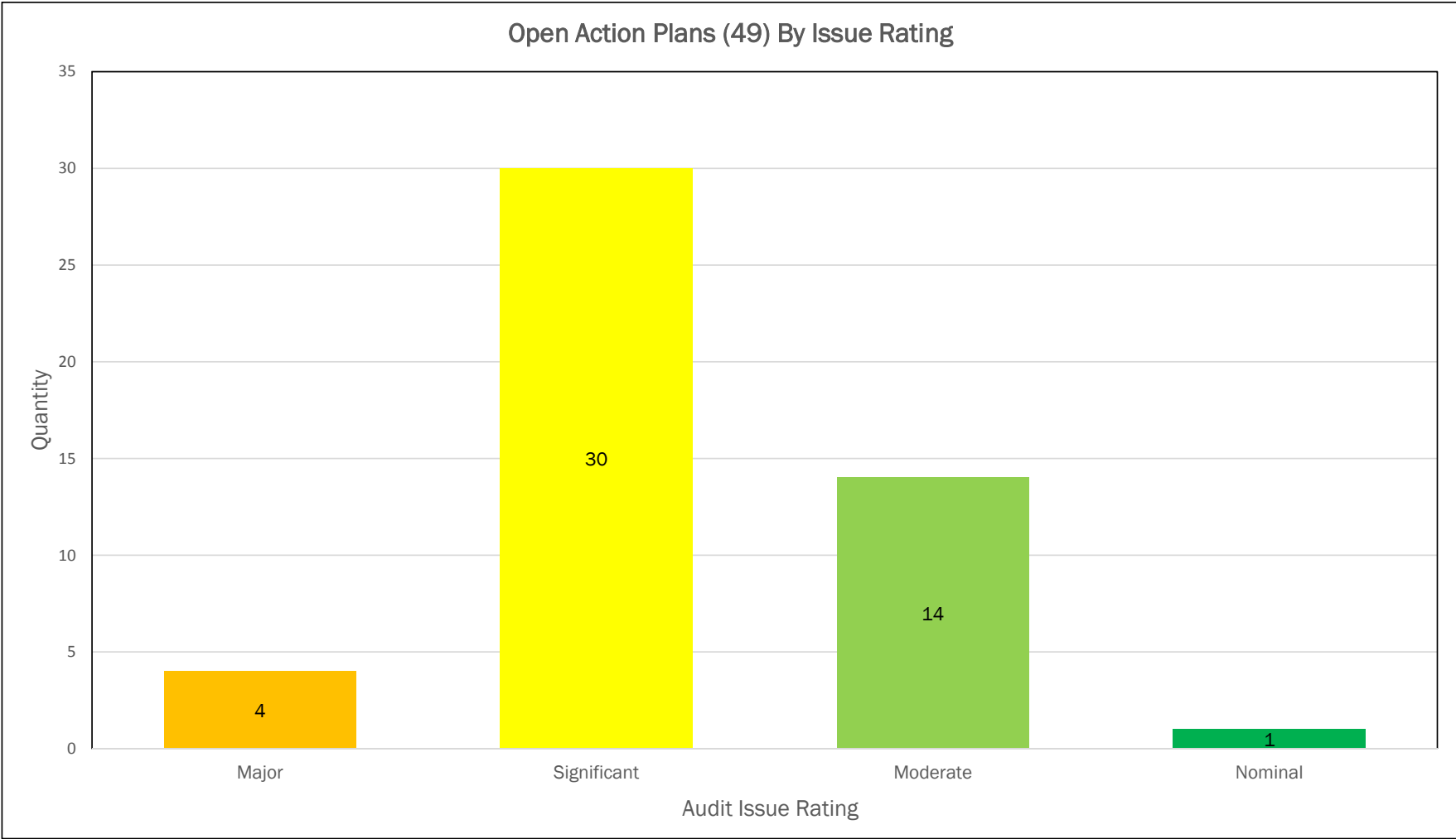
May 2020

Open Audit Report Issues



May 2020

Open Audit Report Issues



May 2020

Open Audit Report Issues with Major Rating

VP/Chief	Director / (Audit Name)	Issue Observation	Action Plan	Current Due Date	Action Plan Status Comments
VP/GM, Energy	Director, Electric Systems Asset Management	Audit noted a lack of asset data governance.	Asset Management will develop Governance program, utilize Asset 360 barcoding project as part of the solution, review asset data completeness, assist in developing automated As-Built and complete the Asset Creation project.	9/30/20	Asset 360 Proof of Concept (POC) is complete and first wave of assets listed are currently being published in the Tibco database. Asset data from all system of records are currently being tied together with a single source of data. Xtensible is developing a data governance for asset data based on these assets.
VP/GM, Energy	Director, Electric Systems Asset Management	Audit noted no process for identifying assets under warranty, including replacement while under warranty.	Asset Creation project currently under development within the scope of the TS EIM project will require the vendor/ manufacturer provide warranty data. This data will publish to the TS EIM foundational data base and will be identified on crew work orders.	12/31/20	The eAM mobile application POC is completed. Assets have been identified and published in the JEA JIM model. Developing asset standards plans to duplicate work done with GE Prolec.
VP/GM, Energy	Director, Electric Systems Asset Management	Audit noted that there is no process for evaluation of an asset to determine if it should be replaced or refurbished.	Asset Lifecycle data will be published using Tableau visualizations. TS EIM Asset 360 project will publish asset lifecycle data to asset records including asset health and risk scoring. This view of the asset will assist Asset Management and O&M personnel in determining repair or replace decisions.	6/30/20	Technology Services has developed an asset visualization model and is adding first wave of assets. Once exposed, Asset management will develop individual asset dashboards.
VP/GM, Customer	Director, Customer Field & Meter Services	Audit noted a lack of sewer flow meter standards, accurate count of current sewer flow meters and controls over customer installed meters.	Four phased approach to creating standards, counting meters and monitoring/documenting customer installed meters.	2/1/21	Due to safety concerns, the sewer-flow audit process has been placed on hold due to the ongoing pandemic. Expects deadlines for all phases to be impacted by the current Covid-19 situation by at least 1-2 months, perhaps more.

May 2020



INTER-OFFICE MEMORANDUM

May 4, 2020

SUBJECT: ETHICS OFFICER REPORT

FROM: Paul McElroy, Interim Managing Director/CEO

TO: JEA Finance and Audit Committee

Marty Lanahan, Chair
John Baker
Robert Stein

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 citywide Ethics Coordination Council. The Finance and Audit Committee will receive an 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 and ensure compliance with business and governmental regulations.

RECOMMENDATION:

This item is for information only.

Paul McElroy, Interim Managing Director/CEO

CBA/HTV/WMS



JEA ETHICS OFFICER REPORT

Walette Stanford



MAY 2020



Walette Stanford
JEA Ethics Officer

(904) 665-4282
Ethicsofficer@jea.com



ETHICS OFFICER

- Conduct periodic meetings with the JEA Board, Senior Management, and employees to assess risk areas and to provide advice on ethics issues and to work to instill an ethical culture at JEA.
- Assist in the receipt of ethics, fraud, waste and corruption complaints from employees and the general public.
- Ensure all company policies and procedures comply with regulatory rules at the city, state, and federal level.
- Develop JEA's Code of Conduct.
- Respond to all Ethics inquiries, both internal and external.
- Oversee Ethics representatives appointed by SLT.
- Participate in the Citywide Ethics Coordination Council.

Create a Culture of Open and Honest Communication

At JEA everyone should feel comfortable to speak his or her mind, particularly with respect to ethics concerns.

Managers have a responsibility to create an open and supportive environment where employees feel comfortable raising such questions. We all benefit tremendously when employees exercise their power to prevent mistakes or wrongdoing by asking the right questions at the right times.



ETHICS OFFICER CASES

Ethics Cases by Year



Where Can I Go to Ask a Question?

At times, we may face situations in which the right choice is unclear. If you are ever unsure about a business action or decision, you should ask yourself the following questions:

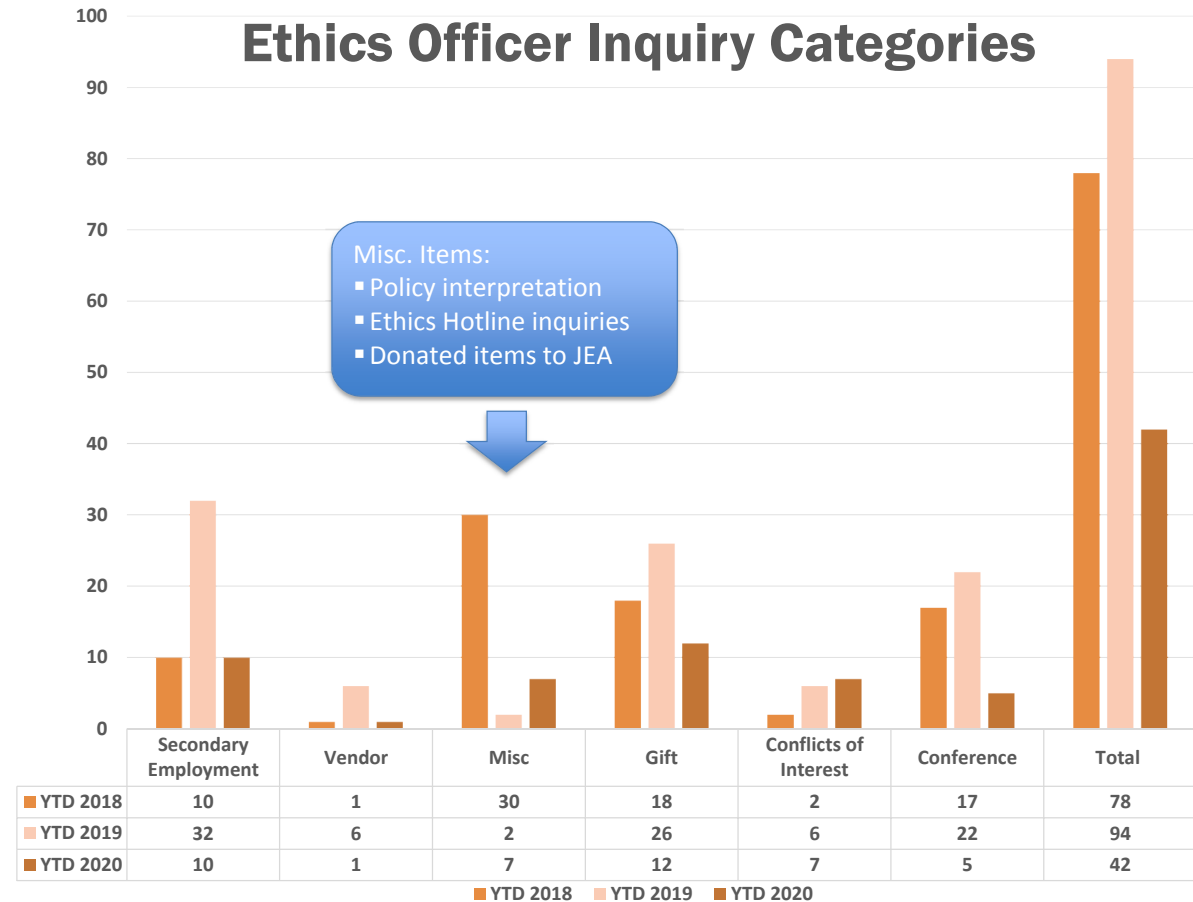
Does it comply with the Code and Company policy?

Is it the right thing to do?

Would it uphold the Company's reputation?

Would I feel comfortable if it was reported in the news or to someone I respect?

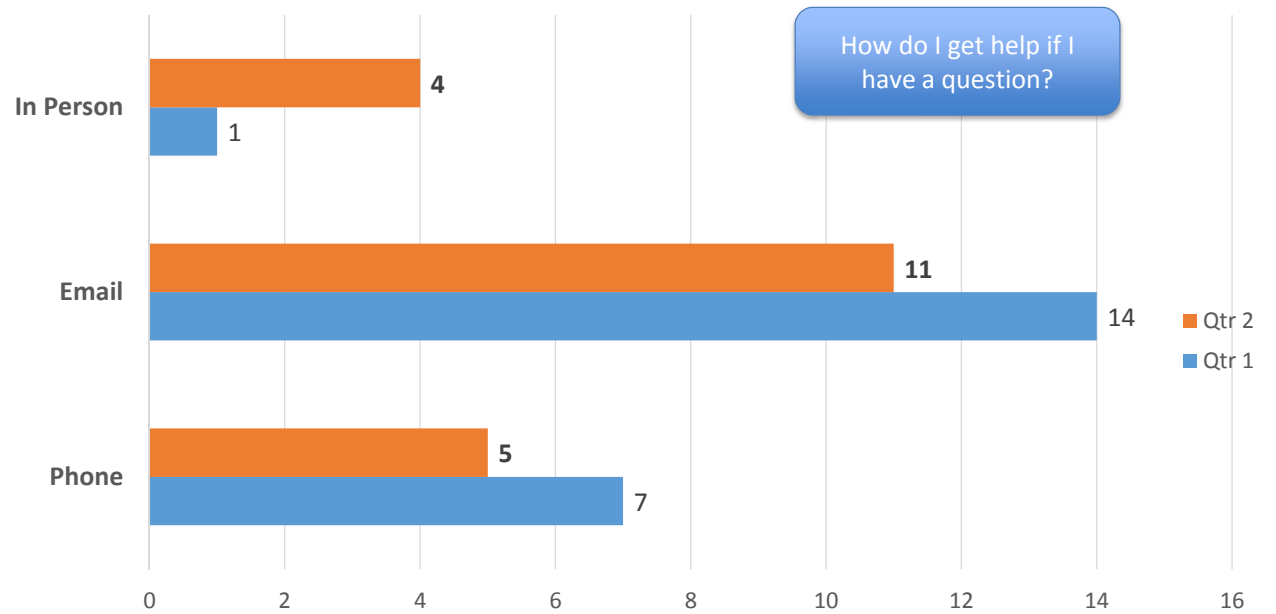
ETHICS OFFICER CASES





REPORT ON ETHICS ADVICE

FY 2020 Reporting Categories



	Phone	Email	In Person
Qtr 2	5	11	4
Qtr 1	7	14	1

OFFICE OF ETHICS
ANNUAL SNAPSHOT 2019
 WALETTE STANFORD, ETHICS OFFICER

ADVICE

180

INQUIRIES MANAGED
 Gifts, travel, secondary employment, Nepotism, conflicts, & others
 (*Up from 74 in previous year)

TRAINING

2271

PEOPLE TRAINED
 JEA employees, Contract employees (i.e., Randstad, Aeoretek, Robert Half)
 (*Created Separate training for both groups)

COMPLIANCE

100%

FINANCIAL DISCLOSURE COMPLIANCE FOR JEA EXECUTIVES & BOARD MEMBERS.

CITY PROGRAM

100%

CONTRIBUTED TO THE ETHICS OFFICERS PUBLISHED 3RD CITY-WIDE PLAN AND REPORT


UPDATED POLICIES

4

SIMPLIFIED ETHICS POLICIES AND PROCEDURES TO MAKE THEM EASIER TO UNDERSTAND

ETHICS EDUCATION


Established Quarterly Newsletter. Highlighted the following topics.



CONFLICTS OF INTEREST



MISUSE OF TIME, SUPPLIES OR EQUIPMENT



NOT REPORTING (CONDARY EMPLOYMENT)

JEA
 BUSINESS ETHICS
OCTOBER
ETHICS

JEA BUSINESS ETHICS

PREVENTING CONFLICTS, PROMOTING FAIRNESS
 More on the JEA BUSINESS Ethics Page on the Grid



GIFTS OVER \$100 OR ASKING FOR THINGS



NOT REPORTING SECONDARY EMPLOYMENT



TRAVEL PAID BY 3RD PARTY



MISUSE OF TIME, SUPPLIES OR EQUIPMENT



CONFLICTS OF INTEREST



MISUSE OF POSITION



SUNSHINE VIOLATIONS



HIRING OR PROMOTING RELATIVES



DESTROYING PUBLIC RECORDS

IF YOU SEE SOMETHING, SAY SOMETHING
ETHICS HOTLINE 1-800-805-3569

TRAINING & EDUCATION

3rd Quarter Topic

Oversight Responsibility

Build Trust and Credibility

The success of our business is dependent on the trust and confidence we earn from our employees, customers and shareholders.

- Companywide Annual Business Ethics Training completed on March 31st; we are at 99% compliance.
- Secondary employment review of employees conducted last month with no findings.
- Environmental contractor audit conducted on six companies.
- Continue to assist with public records request.



INTER-OFFICE MEMORANDUM

May 06, 2020

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

FROM: Paul E. McElroy, Interim Managing Director and CEO

TO: JEA Finance and Audit Committee

Marty Lanahan, Chair
John Baker
Robert Stein

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 August 2012.

DISCUSSION:

Attached are the reserve fund schedules referenced above for the period ending March 31, 2020.

RECOMMENDATION:

No action required; provided for information only.

Paul E. McElroy, Interim Managing Director and CEO

PEM/JEO/THM



Quarterly Reserve Report

**For the Second Quarter Ending
March 2020**



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>2017</u>	<u>Actual</u> <u>Fiscal Year</u> <u>2018</u>	<u>Actual</u> <u>Fiscal Year</u> <u>2019</u>	<u>Projected</u> <u>Fiscal Year</u> <u>2020</u>	<u>Detail</u> <u>Page #</u>
Unrestricted					
Operations/Revenue Fund	\$ 54,800	\$ 85,482	\$ 34,611	\$ 20,167	
Debt Management Strategy Reserve	-	-	-	-	
Self Insurance Reserve Fund					
• Property	10,000	10,000	10,000	10,000	3
• Employee health insurance	9,214	8,138	11,210	10,852	4
Rate Stabilization					
• Fuel	131,716	74,376	47,152	77,764	5
• DSM/conservation	3,695	3,470	4,363	4,286	6
• Environmental	36,417	42,163	25,632	18,765	7
• Debt Management	29,884	29,884	29,884	-	8
• Non-Fuel Purchased Power	25,189	53,493	56,870	36,712	9
Environmental	17,672	16,818	16,568	16,568	10
Customer Deposits	42,105	44,242	44,785	44,580	11
Total Unrestricted	360,692	368,066	281,075	239,694	
Days of Cash on Hand (2)	234	218	146	136	
Days of Liquidity (3)	337	316	308	310	
Restricted					
Debt Service Funds (Sinking Funds)	167,087	159,656	145,520	86,674	12
Debt Service Reserve Funds	60,582	60,582	60,582	53,949	13
Renewal and Replacement Funds/OCO	201,368	189,922	81,964	84,283	14
Environmental Fund [Capital Projects]	-	-	-	250	15
Construction Funds	-	203	-	-	16
Total Restricted	429,037	410,363	288,066	225,156	
Total Electric System	\$ 789,729	\$ 778,429	\$ 569,141	\$ 464,850	

Water and Wastewater System

Unrestricted					
Operations/Revenue Fund	\$ 69,232	\$ 43,461	\$ 44,479	\$ 23,880	
Rate Stabilization					
• Debt Management	14,209	14,209	14,209	-	17
• Environmental	5,214	12,914	15,687	19,900	18
Customer Deposit	15,086	15,616	16,289	16,989	19
Total Unrestricted	103,741	86,200	90,664	60,769	
Days of Cash on Hand (2)	496	434	186	117	
Days of Liquidity (3)	596	527	334	289	
Restricted					
Debt Service Funds (Sinking Funds)	82,208	81,241	80,775	44,149	20
Debt Service Reserve Funds	107,488	102,850	63,441	59,323	21
Renewal and Replacement Funds	150,319	141,415	48,796	3,905	22
Environmental Fund [Capital Projects]	1,839	1,159	1,891	1,927	23
Construction Funds	15	284	28,968	19,593	24
Total Restricted	341,869	326,949	223,871	128,897	
Total Water & Sewer System	\$ 445,610	\$ 413,149	\$ 314,535	\$ 189,666	

(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) Days of Liquidity 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. Revolving credit facility is allocated between Electric and Water & Sewer Systems based on their portion of the Operating Expenses, net of Depreciation.

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 Second Quarter Ending March 31, 2020

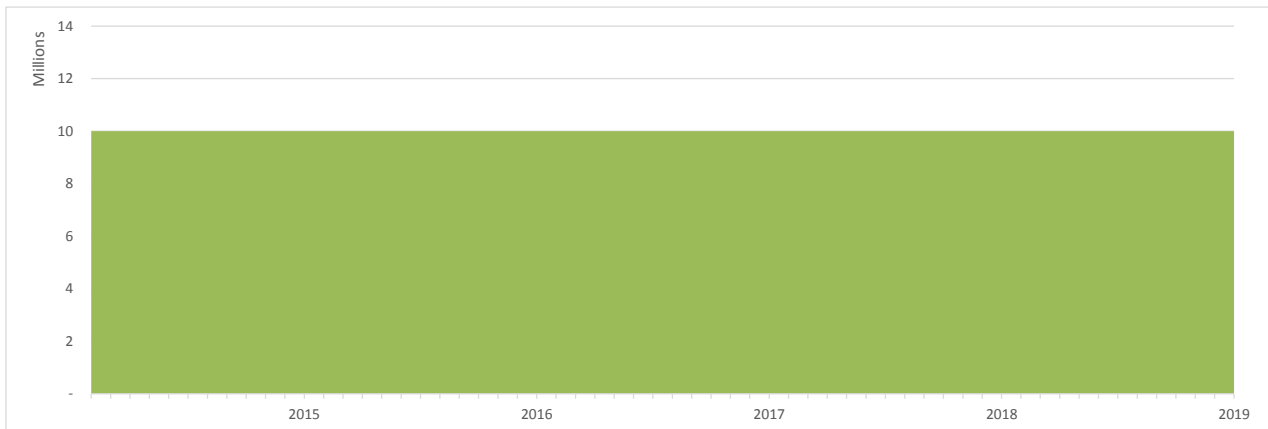
Definitions and Goals

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>2020</u>	<u>2021</u>	<u>2022</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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</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 Second Quarter Ending March 31, 2020

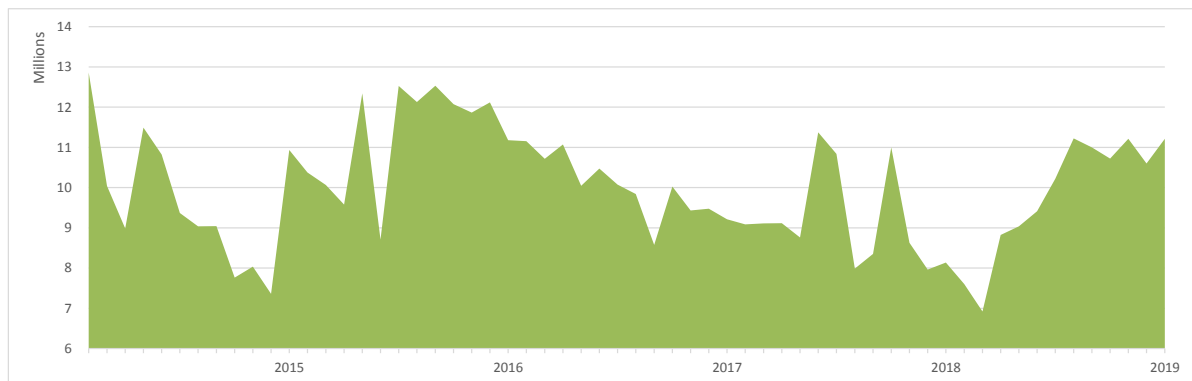
Definitions and Goals

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	2020	2021	2022
Opening Balance	\$ 10,617	\$ 11,210	\$ 11,210	\$ 10,852	\$ 8,778
Additions:					
Employee Contributions	1,635	3,275	6,878	7,015	7,155
Retiree & Other Contributions	2,247	3,517	7,386	7,533	7,684
Employer Contributions	4,770	9,492	22,054	17,483	21,861
Sub-total	\$ 8,652	\$ 16,284	\$ 36,317	\$ 32,031	\$ 36,700
Withdrawals:					
Payments for Claims	8,382	15,989	33,908	31,255	33,765
Actuary & Other Payments	663	1,281	2,767	2,850	2,935
Sub-total	\$ 9,045	\$ 17,270	\$ 36,675	\$ 34,105	\$ 36,700
Ending Balance	\$ 10,224	\$ 10,224	\$ 10,852	\$ 8,778	\$ 8,778

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 10,749	\$ 10,937	\$ 11,179	\$ 9,214	\$ 8,138
Additions:					
Employee Contributions	5,447	5,460	5,862	6,158	6,423
Retiree & Other Contributions	5,141	5,694	6,443	7,273	8,270
Employer Contributions	22,220	24,231	19,004	18,378	20,662
Sub-total	\$ 32,808	\$ 35,385	\$ 31,309	\$ 31,809	\$ 35,355
Withdrawals:					
Payments for Claims	30,408	32,946	30,994	30,933	29,860
Actuary & Other Payments	2,212	2,197	2,280	1,952	2,423
Sub-total	\$ 32,620	\$ 35,143	\$ 33,274	\$ 32,885	\$ 32,283
Ending balance	\$ 10,937	\$ 11,179	\$ 9,214	\$ 8,138	\$ 11,210



Maximum Balance: 12,860
Minimum Balance: 6,922

Average Balance: 10,035

Observations

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

Electric System Rate Stabilization - Fuel Management

For the Second Quarter Ending March 31, 2020

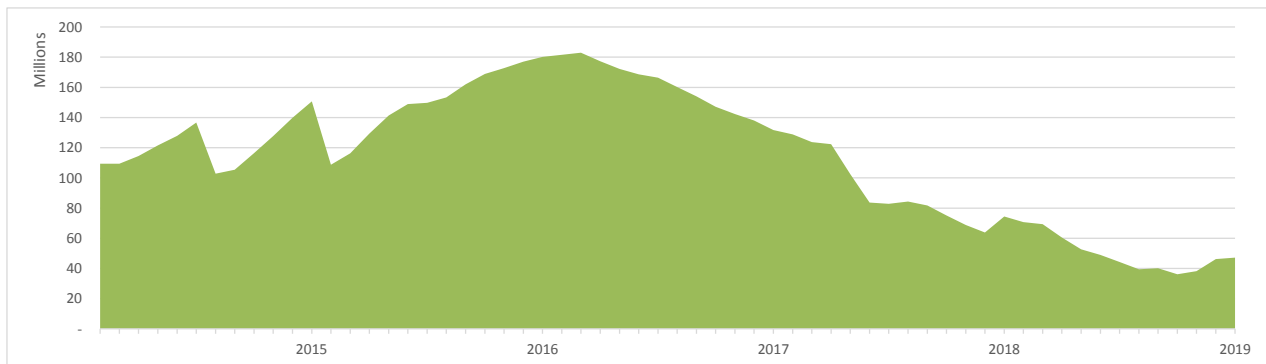
Definitions and Goals

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 (i) the maximum fiscal year fuel cost in the preceding five fiscal years or (ii) the projected fiscal year 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	2020	2021	2022
Opening Balance	\$ 55,953	\$ 47,152	\$ 47,152	\$ 77,764	\$ 113,969
Additions:					
Contributions	11,921	20,828	30,718	36,205	9,535
Sub-total	<u>\$ 11,921</u>	<u>\$ 20,828</u>	<u>\$ 30,718</u>	<u>\$ 36,205</u>	<u>\$ 9,535</u>
Withdrawals:					
Withdrawals	-	106	106	0	0
Sub-total	<u>\$ -</u>	<u>\$ 106</u>	<u>\$ 106</u>	<u>\$ -</u>	<u>\$ -</u>
Ending Balance	<u>\$ 67,874</u>	<u>\$ 67,874</u>	<u>\$ 77,764</u>	<u>\$ 113,969</u>	<u>\$ 123,504</u>

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 105,457	\$ 150,742	\$ 180,115	\$ 131,716	\$ 74,376
Additions:					
Contributions	95,224	85,979	2,845		11,597
Sub-total	<u>\$ 95,224</u>	<u>\$ 85,979</u>	<u>\$ 2,845</u>	<u>\$ -</u>	<u>\$ 11,597</u>
Withdrawals:					
Withdrawals			51,244	57,340	38,821
Fuel Rebate Credit	49,939	56,606			
Sub-total	<u>\$ 49,939</u>	<u>\$ 56,606</u>	<u>\$ 51,244</u>	<u>\$ 57,340</u>	<u>\$ 38,821</u>
Ending balance	<u>\$ 150,742</u>	<u>\$ 180,115</u>	<u>\$ 131,716</u>	<u>\$ 74,376</u>	<u>\$ 47,152</u>



Maximum Balance: 182,960 Average Balance: 111,704
 Minimum Balance: 36,191

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 Second Quarter Ending March 31, 2020

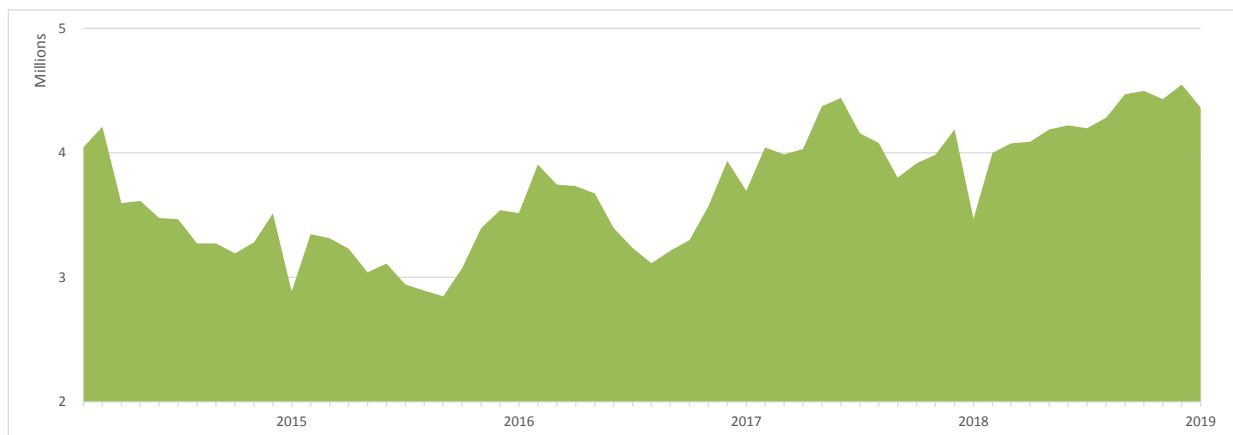
Definitions and Goals

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	2020	2021	2022
Opening Balance	\$ 4,624	\$ 4,363	\$ 4,363	\$ 4,286	\$ 2,549
Additions:					
Contributions	1,435	3,007	6,729	7,174	6,619
Sub-total	\$ 1,435	\$ 3,007	\$ 6,729	\$ 7,174	\$ 6,619
Withdrawals:					
Withdrawals	1,443	2,754	6,806	8,911	6,598
Sub-total	\$ 1,443	\$ 2,754	\$ 6,806	\$ 8,911	\$ 6,598
Ending Balance	\$ 4,616	\$ 4,616	\$ 4,286	\$ 2,549	\$ 2,570

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 3,570	\$ 2,886	\$ 3,515	\$ 3,695	\$ 3,470
Additions:					
Contributions	7,059	7,232	6,685	7,088	7,042
Sub-total	\$ 7,059	\$ 7,232	\$ 6,685	\$ 7,088	\$ 7,042
Withdrawals:					
Withdrawals	7,743	6,603	6,505	7,313	6,149
Sub-total	\$ 7,743	\$ 6,603	\$ 6,505	\$ 7,313	\$ 6,149
Ending balance	\$ 2,886	\$ 3,515	\$ 3,695	\$ 3,470	\$ 4,363



Maximum Balance:	4,793	Average Balance:	3,757
Minimum Balance:	2,848		

Observations

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

Electric System Rate Stabilization - Environmental

For the Second Quarter Ending March 31, 2020

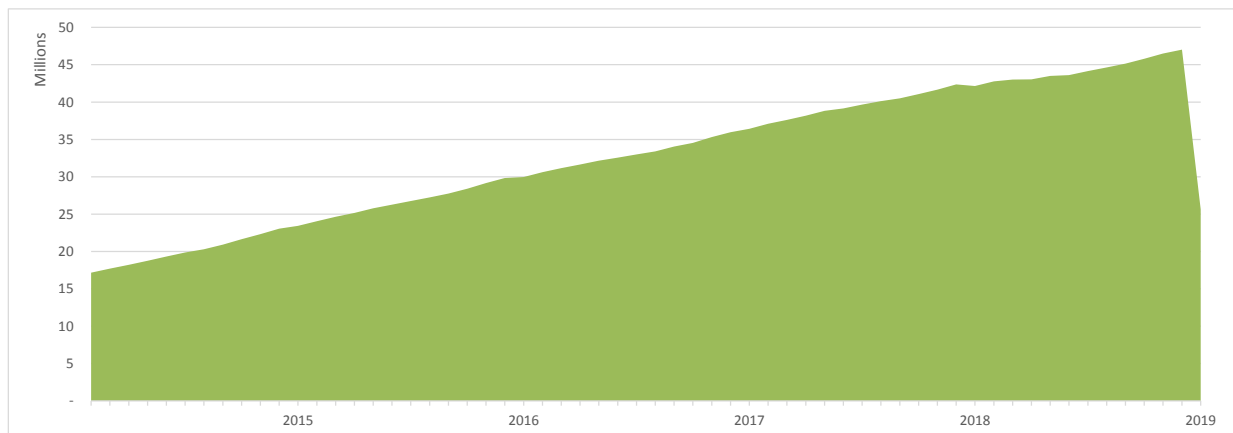
Definitions and Goals

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	2020	2021	2022
<i>(In Thousands)</i>					
Opening Balance	\$ 24,139	\$ 25,632	\$ 25,632	\$ 18,765	\$ 8,982
Additions:					
Contributions	1,674	3,396	7,450	7,814	7,320
Sub-total	\$ 1,674	\$ 3,396	\$ 7,450	\$ 7,814	\$ 7,320
Withdrawals:					
Withdrawals	3,096	6,311	14,317	17,597	11,074
Ending Balance	\$ 22,717	\$ 22,717	\$ 18,765	\$ 8,982	\$ 5,228

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 16,639	\$ 23,430	\$ 29,975	\$ 36,417	\$ 42,163
Additions:					
Contributions	7,586	7,700	7,384	7,572	7,578
Sub-total	\$ 7,586	\$ 7,700	\$ 7,384	\$ 7,572	\$ 7,578
Withdrawals:					
Withdrawals	795	1,155	942	1,827	24,109
Sub-total	\$ 795	\$ 1,155	\$ 942	\$ 1,827	\$ 24,109
Ending balance	\$ 23,430	\$ 29,975	\$ 36,417	\$ 42,163	\$ 25,632



Maximum Balance:	47,018	Average Balance:	32,694
Minimum Balance:	17,155		

Observations

- Rate Stabilization Fund for Environmental began in June 2010.

Electric System Rate Stabilization - Debt Management

For the Second Quarter Ending March 31, 2020

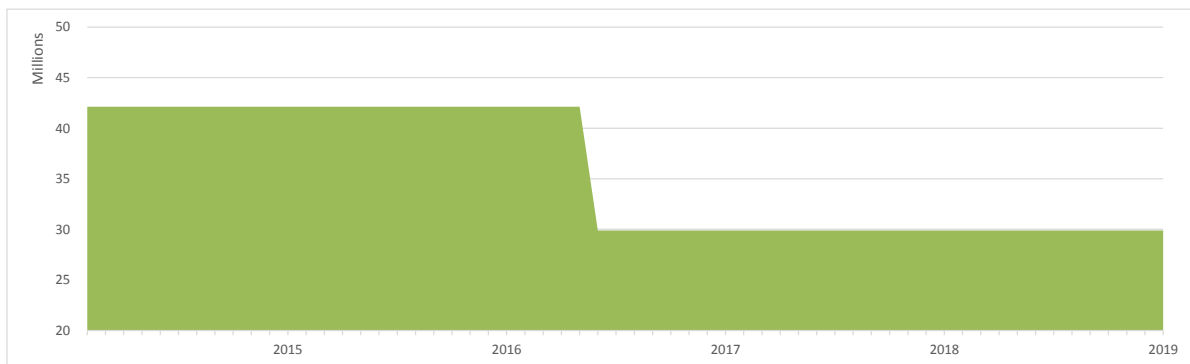
Definitions and Goals

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. Funds used in October 2019 for defeasance of debt.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year-to-Date	2020	2021	2022
Opening Balance	\$ -	\$ 29,884	\$ 29,884	\$ -	\$ -
Additions:					
Contributions	-	-	-	-	-
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals	-	29,884	29,884	-	-
Sub-total	\$ -	\$ 29,884	\$ 29,884	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 42,126	\$ 42,126	\$ 42,126	\$ 29,884	\$ 29,884
Additions:					
Contributions	-	-	-	-	-
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals	-	-	12,242	-	-
Sub-total	\$ -	\$ -	\$ 12,242	\$ -	\$ -
Ending balance	\$ 42,126	\$ 42,126	\$ 29,884	\$ 29,884	\$ 29,884



Maximum Balance:	42,126	Average Balance:	33,902
Minimum Balance:	-		

Observations

- Rate Stabilization Fund for Debt Management began in May 2009. Funds used for defeasances in October 2019.

Electric System Rate Stabilization - Non-Fuel Purchased Power

For the Second Quarter Ending March 31, 2020

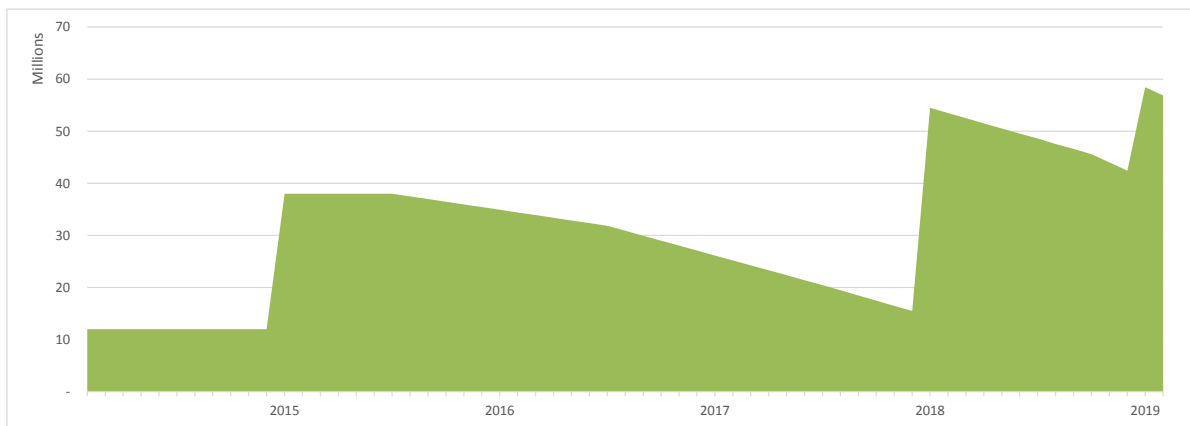
Definitions and Goals

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	2020	2021	2022
Opening Balance	\$ 52,199	\$ 56,870	\$ 56,870	\$ 36,712	\$ 211
Additions:					
Contributions	-	-			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals	4,684	9,355	20,158	36,501	211
Ending Balance	\$ 47,515	\$ 47,515	\$ 36,712	\$ 211	\$ -

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 12,000	\$ 38,000	\$ 34,400	\$ 25,189	\$ 53,493
Additions:					
Contributions	26,000			40,000	17,566
Sub-total	\$ 26,000	\$ -	\$ -	\$ 40,000	\$ 17,566
Withdrawals:					
Withdrawals		3,600	9,211	11,696	14,189
Sub-total	\$ -	\$ 3,600	\$ 9,211	\$ 11,696	\$ 14,189
Ending balance	\$ 38,000	\$ 34,400	\$ 25,189	\$ 53,493	\$ 56,870



Maximum Balance:	58,436	Average Balance:	32,709
Minimum Balance:	12,000		

Observations

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

Electric System Environmental Reserve

For the Second Quarter Ending March 31, 2020

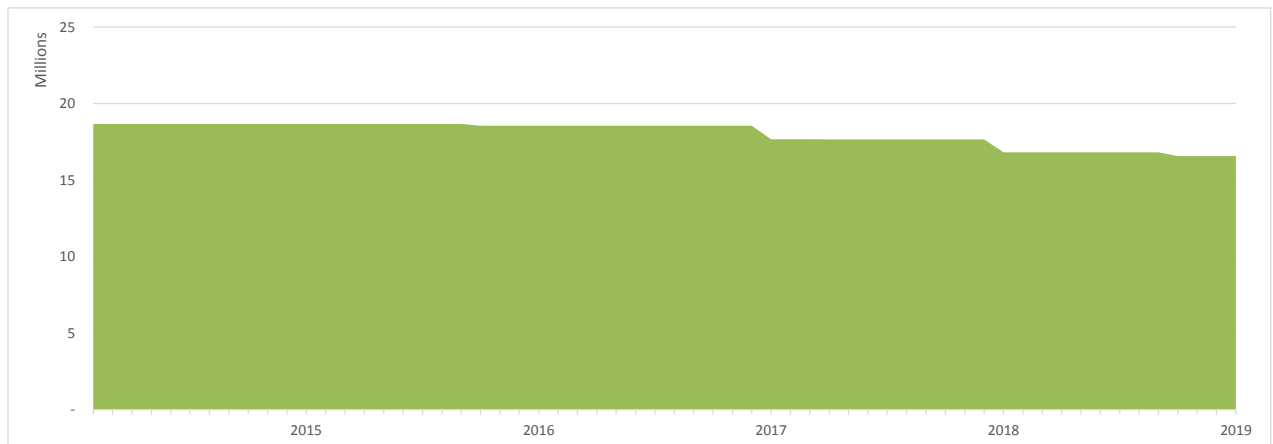
Definitions and Goals

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>2020</u>	<u>2021</u>	<u>2022</u>
Opening Balance	\$ 16,568	\$ 16,568	\$ 16,568	\$ 16,568	\$ 16,068
Additions:					
Contributions	-	-			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals	-	-		500	5,000
Ending Balance	<u>\$ 16,568</u>	<u>\$ 16,568</u>	<u>\$ 16,568</u>	<u>\$ 16,068</u>	<u>\$ 11,068</u>

Historical Activity

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Opening Balance	\$ 18,662	\$ 18,662	\$ 18,556	\$ 17,672	\$ 16,818
Additions:					
Contributions					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals		106	884	854	250
Sub-total	\$ -	\$ 106	\$ 884	\$ 854	\$ 250
Ending balance	<u>\$ 18,662</u>	<u>\$ 18,556</u>	<u>\$ 17,672</u>	<u>\$ 16,818</u>	<u>\$ 16,568</u>



Maximum Balance: 18,662
Minimum Balance: 16,568

Average Balance: 17,948

Observations

- The Environmental Reserve began in FY 2008.

Electric System Customer Deposits

For the Second Quarter Ending March 31, 2020

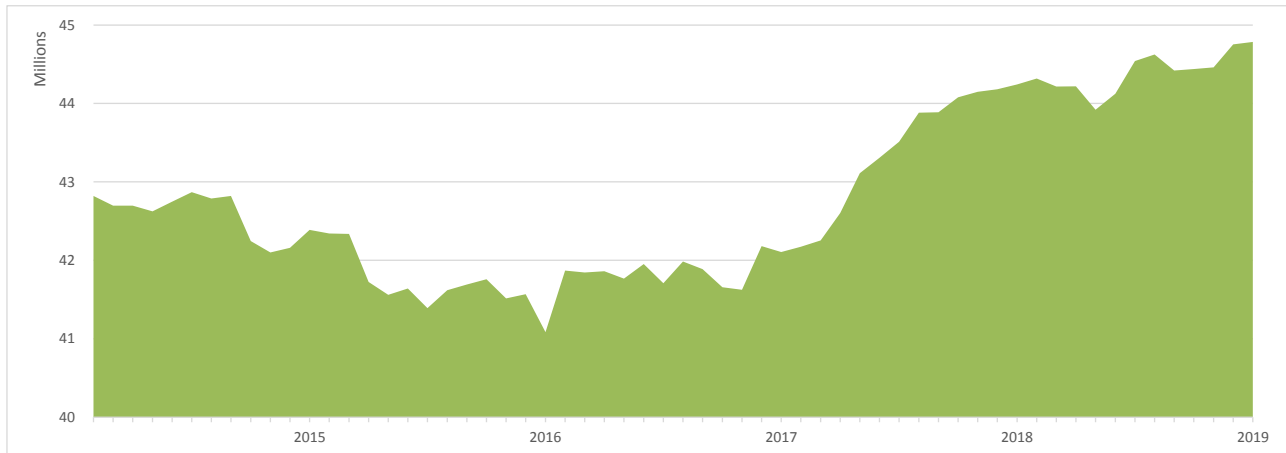
Definitions and Goals

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>2020</u>	<u>2021</u>	<u>2022</u>
Opening Balance	\$ 44,795	\$ 44,785	\$ 44,785	\$ 44,580	\$ 45,814
Additions:					
Net Customer Activity	32	108	350	1,234	1,305
Sub-total	\$ 32	\$ 108	\$ 350	\$ 1,234	\$ 1,305
Withdrawals:					
Net Customer Activity	489	555	555		
Ending Balance	\$ 44,338	\$ 44,338	\$ 44,580	\$ 45,814	\$ 47,118

Historical Activity

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Opening Balance	\$ 42,688	\$ 42,389	\$ 41,084	\$ 42,105	\$ 44,242
Additions:					
Net Customer Activity			1,021	2,137	543
Sub-total	\$ -	\$ -	\$ 1,021	\$ 2,137	\$ 543
Withdrawals:					
Net Customer Activity	299	1,305			
Sub-total	\$ 299	\$ 1,305	\$ -	\$ -	\$ -
Ending balance	\$ 42,389	\$ 41,084	\$ 42,105	\$ 44,242	\$ 44,785



Maximum Balance:	44,795	Average Balance:	42,890
Minimum Balance:	41,084		

Observations

Electric System Debt Service Sinking Fund

For the Second Quarter Ending March 31, 2020

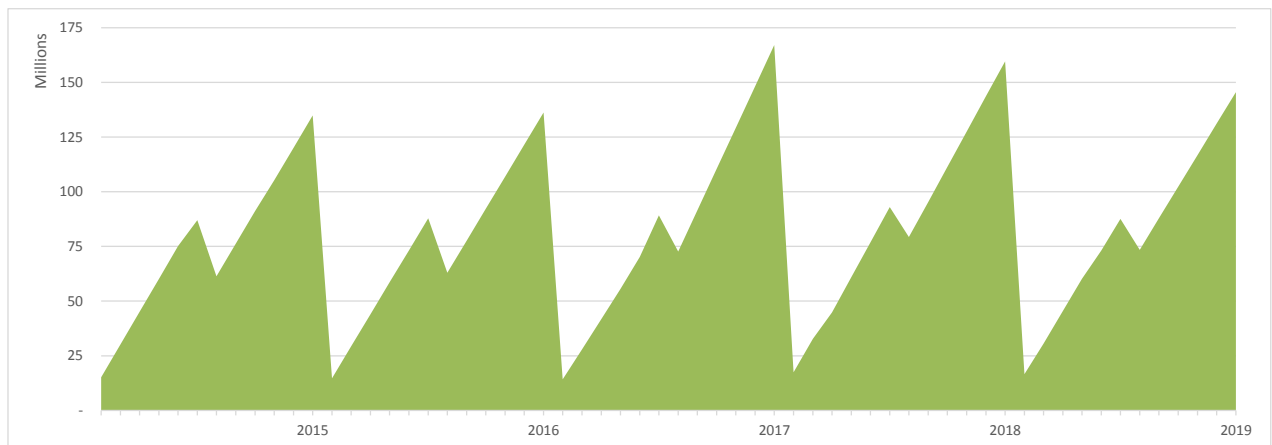
Definitions and Goals

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	2020	2021	2022
Opening Balance	\$ 28,318	\$ 145,520	\$ 145,520	\$ 86,674	\$ 83,902
Additions:					
Revenue Fund Deposits	30,294	60,137	121,479	120,699	109,311
Sub-total	<u>\$ 30,294</u>	<u>\$ 60,137</u>	<u>\$ 121,479</u>	<u>\$ 120,699</u>	<u>\$ 109,311</u>
Withdrawals:					
Principal and Int Payments	2,076	149,121	180,325	123,471	124,471
Ending Balance	<u>\$ 56,536</u>	<u>\$ 56,536</u>	<u>\$ 86,674</u>	<u>\$ 83,902</u>	<u>\$ 68,742</u>

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 120,458	\$ 134,927	\$ 136,232	\$ 167,087	\$ 159,656
Additions:					
Revenue Fund Deposits	181,006	177,847	209,450	201,359	186,135
Sub-total	<u>\$ 181,006</u>	<u>\$ 177,847</u>	<u>\$ 209,450</u>	<u>\$ 201,359</u>	<u>\$ 186,135</u>
Withdrawals:					
Principal and Int Payments	166,537	176,542	178,595	208,790	200,271
Sub-total	<u>\$ 166,537</u>	<u>\$ 176,542</u>	<u>\$ 178,595</u>	<u>\$ 208,790</u>	<u>\$ 200,271</u>
Ending balance	<u>\$ 134,927</u>	<u>\$ 136,232</u>	<u>\$ 167,087</u>	<u>\$ 159,656</u>	<u>\$ 145,520</u>



Maximum Balance: 167,087
Minimum Balance: 9,945

Average Balance: 77,699

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 March 31, 2020.

Electric System Debt Service Reserve Account

For the Second Quarter Ending March 31, 2020

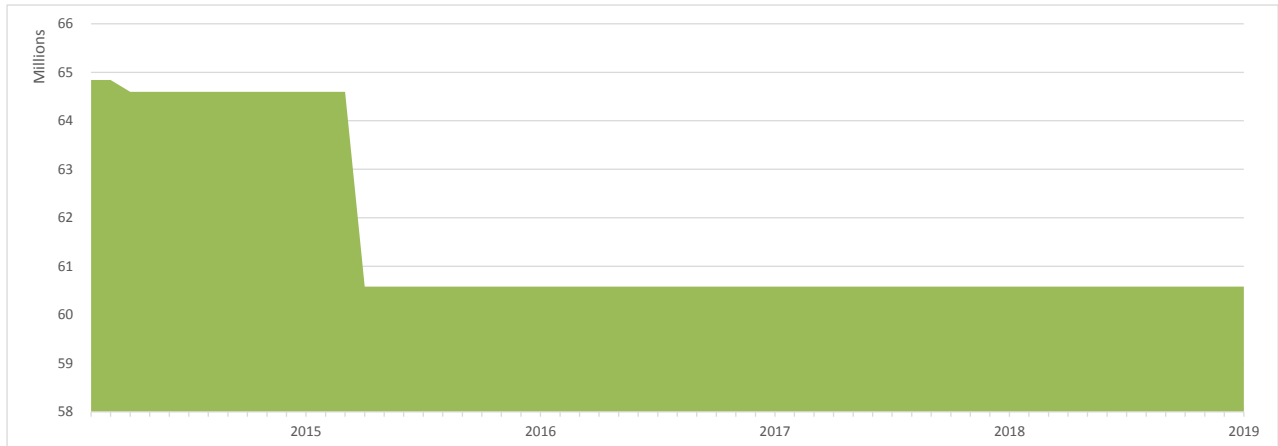
Definitions and Goals

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	2020	2021	2022
Opening Balance	\$ 53,949	\$ 60,582	\$ 60,582	\$ 53,949	\$ 53,949
Additions:					
Proceeds from Bonds					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Release to Revenue Fund					
Release for STAR Plan Defeasance		6,633	6,633		
Ending Balance	<u>\$ 53,949</u>	<u>\$ 53,949</u>	<u>\$ 53,949</u>	<u>\$ 53,949</u>	<u>\$ 53,949</u>

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 64,841	\$ 64,595	\$ 60,582	\$ 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>\$ 64,595</u>	<u>\$ 60,582</u>	<u>\$ 60,582</u>	<u>\$ 60,582</u>	<u>\$ 60,582</u>



Maximum Balance:	64,841	Average Balance:	61,166
Minimum Balance:	53,949		

Observations

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

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

For the Second Quarter Ending March 31, 2020

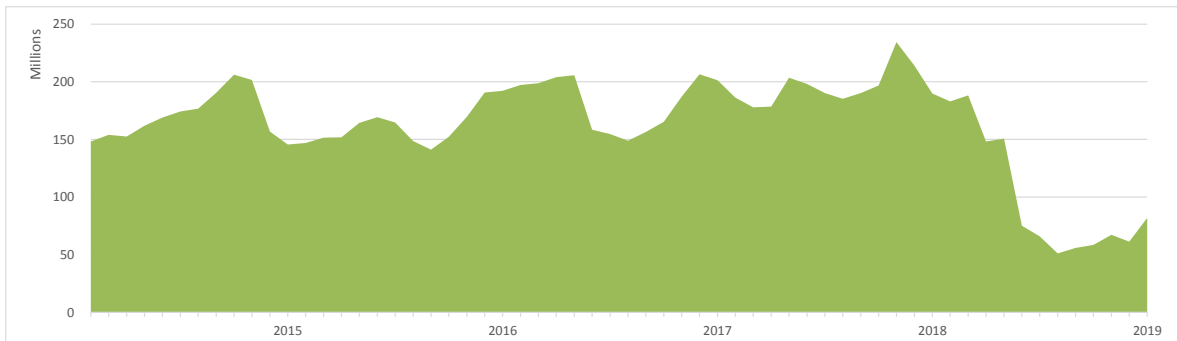
Definitions and Goals

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		
(In Thousands)	Quarter-End	Year -to-Date	2020	2021	2022
Opening Balance	\$ 43,840	\$ 81,964	\$ 81,964	\$ 84,283	\$ 102,518
Additions:					
R&R/OCO Contribution	45,404	100,810	240,442	235,134	177,023
Transfers betw Capital Fds					
Other	4,583	6,647	10,899	-	-
Sub-total	<u>\$ 49,987</u>	<u>\$ 107,457</u>	<u>\$ 251,341</u>	<u>\$ 235,134</u>	<u>\$ 177,023</u>
Withdrawals:					
Capital Expenditures	36,335	113,292	230,385	216,899	178,871
Transfers betw Capital Fds					
Debt Defeasance	-	18,637	18,637		
Other					
Sub-total	<u>\$ 36,335</u>	<u>\$ 131,929</u>	<u>\$ 249,022</u>	<u>\$ 216,899</u>	<u>\$ 178,871</u>
Ending Balance	<u>\$ 57,492</u>	<u>\$ 57,492</u>	<u>\$ 84,283</u>	<u>\$ 102,518</u>	<u>\$ 100,670</u>

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 146,910	\$ 145,711	\$ 192,179	\$ 201,368	\$ 189,922
Additions:					
R&R/OCO Contribution	110,351	200,692	196,589	148,105	197,623
Loans betw Capital Fds					
Other	970	3,744	5,074	35,675	39,521
Sub-total	<u>\$ 111,321</u>	<u>\$ 204,436</u>	<u>\$ 201,663</u>	<u>\$ 183,780</u>	<u>\$ 237,144</u>
Withdrawals:					
Capital Expenditures	112,483	157,201	113,987	181,263	275,042
Transfers/loans b/w Capital Fds	37	765	37,200		
Debt Defeasance					70,000
Other		2	41,287	13,963	60
Sub-total	<u>\$ 112,520</u>	<u>\$ 157,968</u>	<u>\$ 192,474</u>	<u>\$ 195,226</u>	<u>\$ 345,102</u>
Ending balance	<u>\$ 145,711</u>	<u>\$ 192,179</u>	<u>\$ 201,368</u>	<u>\$ 189,922</u>	<u>\$ 81,964</u>



Maximum Balance: 234,504
Minimum Balance: 43,840

Average Balance: 156,712

Observations

- Other includes Sale of Property and miscellaneous billings.

Electric System Environmental Fund - Capital Projects

For the Second Quarter Ending March 31, 2020

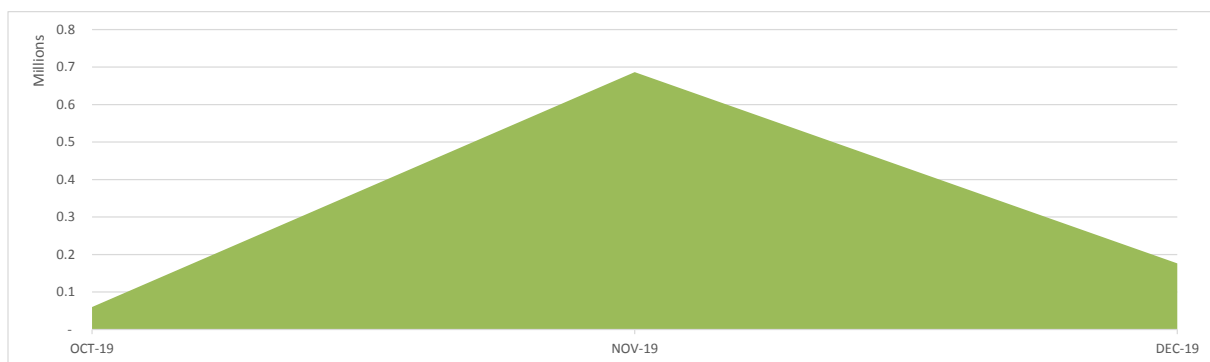
Definitions and Goals

The Environmental Charge will be applied to all kWh consumption and structured to provide funding for major specific environmental and regulatory program needs. The Environmental Charge is designed to recover from customers all costs of environmental remediation and compliance with new and existing environmental regulations, excluding the amount already collected in the Environmental Liability Reserve, as specified in the Pricing Policy for specific environmental and regulatory programs. This fund represents the amounts collected from the Electric System Environmental Charge and used on expenditures for capital projects.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	<u>2020</u>	<u>2021</u>	<u>2022</u>
	Opening Balance	\$ 176	\$ -	\$ -	\$ 250
Additions:					
Environmental Contributions	1,393	2,260	7,138	9,167	8,000
Transfers betw Capital Fds					
Other					
Sub-total	<u>\$ 1,393</u>	<u>\$ 2,260</u>	<u>\$ 7,138</u>	<u>\$ 9,167</u>	<u>\$ 8,000</u>
Withdrawals:					
Capital Expenditures	1,208	1,899	6,888	9,167	8,000
Transfers betw Capital Fds					
Other					
Sub-total	<u>\$ 1,208</u>	<u>\$ 1,899</u>	<u>\$ 6,888</u>	<u>\$ 9,167</u>	<u>\$ 8,000</u>
Ending Balance	<u>\$ 361</u>	<u>\$ 361</u>	<u>\$ 250</u>	<u>\$ 250</u>	<u>\$ 250</u>

Historical Activity

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Additions:					
Bond Proceeds					
Loans betw Capital Fds					
Other					
Sub-total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Withdrawals:					
Capital Expenditures					
Transfers/loans b/w Capital Fds					
Other					
Sub-total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Ending balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Maximum Balance: 686 Average Balance: 308
 Minimum Balance: 60

Observations

- The Environmental Construction Fund began in October 2019.

Electric System Construction / Bond Fund

For the Second Quarter Ending March 31, 2020

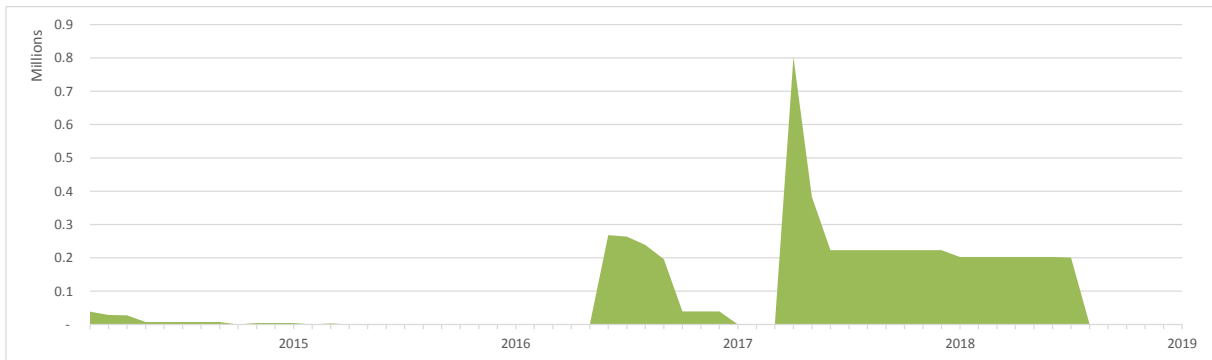
Definitions and Goals

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.

	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2020	2021	2022
(In Thousands)					
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Additions:					
Bond Proceeds					
Loans betw Capital Fds					
Other					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Transfers betw Capital Fds					
Other					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 42	\$ 4	\$ -	\$ -	\$ 203
Additions:					
Bond Proceeds			429	805	
Loans betw Capital Fds					
Other	37	2			
Sub-total	\$ 37	\$ 2	\$ 429	\$ 805	\$ -
Withdrawals:					
Capital Expenditures	75	6			
Transfers/loans b/w Capital Fds					201
Other			429	602	2
Sub-total	\$ 75	\$ 6	\$ 429	\$ 602	\$ 203
Ending balance	\$ 4	\$ -	\$ -	\$ 203	\$ -



Maximum Balance: 803
Minimum Balance: -

Average Balance: 86

Observations

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

Water and Sewer System Rate Stabilization - Debt Management

For the Second Quarter Ending March 31, 2020

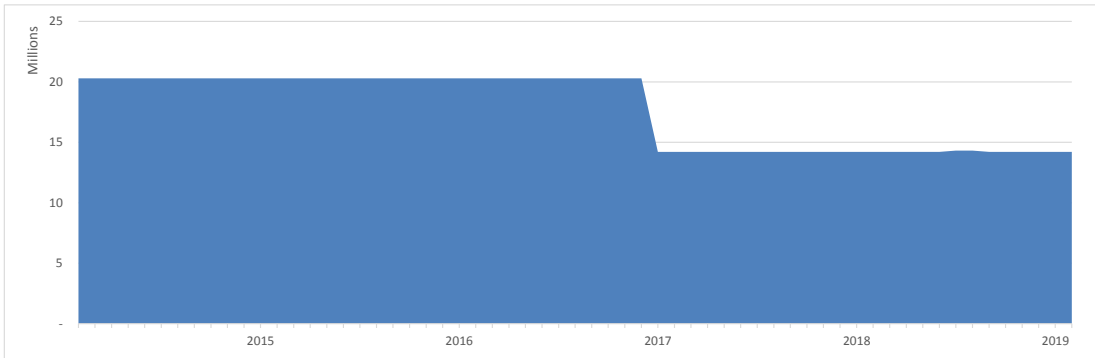
Definitions and Goals

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	2020	2021	2022
Opening Balance	\$ 14,209	\$ 14,209	\$ 14,209	\$ -	\$ -
Additions:					
Contributions					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals	14,209	14,209	14,209		
Sub-total	\$ 14,209	\$ 14,209	\$ 14,209	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 20,290	\$ 20,290	\$ 20,290	\$ 14,209	\$ 14,209
Additions:					
Contributions					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals			6,081		
Sub-total	\$ -	\$ -	\$ 6,081	\$ -	\$ -
Ending balance	\$ 20,290	\$ 20,290	\$ 14,209	\$ 14,209	\$ 14,209



Maximum Balance:	20,290	Average Balance:	16,818
Minimum Balance:	-		

Observations

- Contributions began in June 2009. Funds used for defeasances in October 2019.

Water & Sewer System Rate Stabilization - Environmental

For the Second Quarter Ending March 31, 2020

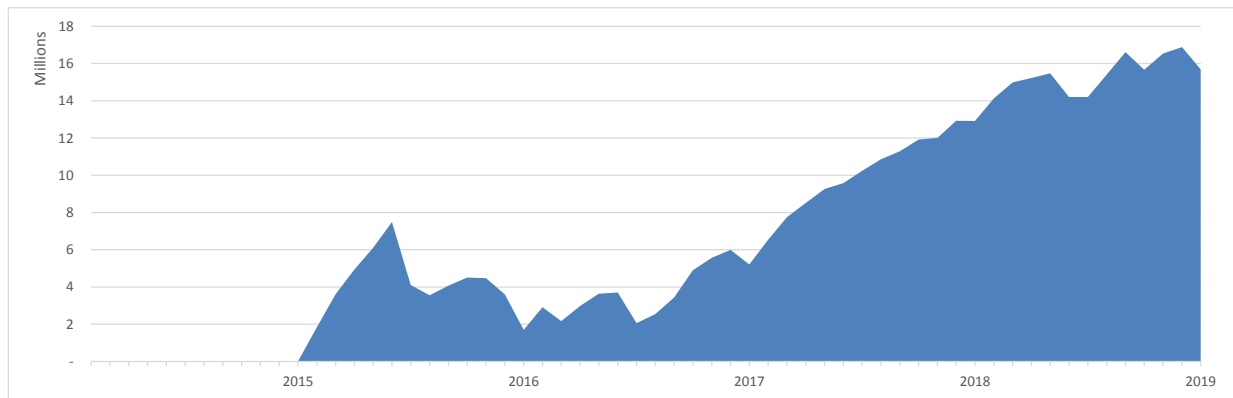
Definitions and Goals

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	2020	2021	2022
Opening Balance	\$ 18,101	\$ 15,687	\$ 15,687	\$ 19,900	\$ 7,318
Additions:					
Contributions	6,151	12,302	26,530	25,895	37,834
Sub-total	\$ 6,151	\$ 12,302	\$ 26,530	\$ 25,895	\$ 37,834
Withdrawals:					
Withdrawals	4,635	8,372	22,317	38,477	45,152
COJ Septic Tank Agreement			-		
Sub-total	\$ 4,635	\$ 8,372	\$ 22,317	\$ 38,477	\$ 45,152
Ending Balance	\$ 19,617	\$ 19,617	\$ 19,900	\$ 7,318	\$ -

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ -	\$ -	\$ 1,699	\$ 5,214	\$ 12,914
Additions:					
Contributions		23,635	24,362	23,829	25,099
Sub-total	\$ -	\$ 23,635	\$ 24,362	\$ 23,829	\$ 25,099
Withdrawals:					
Withdrawals		21,936	20,847	16,129	22,326
Sub-total	\$ -	\$ 21,936	\$ 20,847	\$ 16,129	\$ 22,326
Ending balance	\$ -	\$ 1,699	\$ 5,214	\$ 12,914	\$ 15,687



Maximum Balance: 18,101
Minimum Balance: 1,699

Average Balance: 8,957

Observations

- Rate Stabilization Fund for Environmental began in June 2010.

Water and Sewer System Customer Deposits

For the Second Quarter Ending March 31, 2020

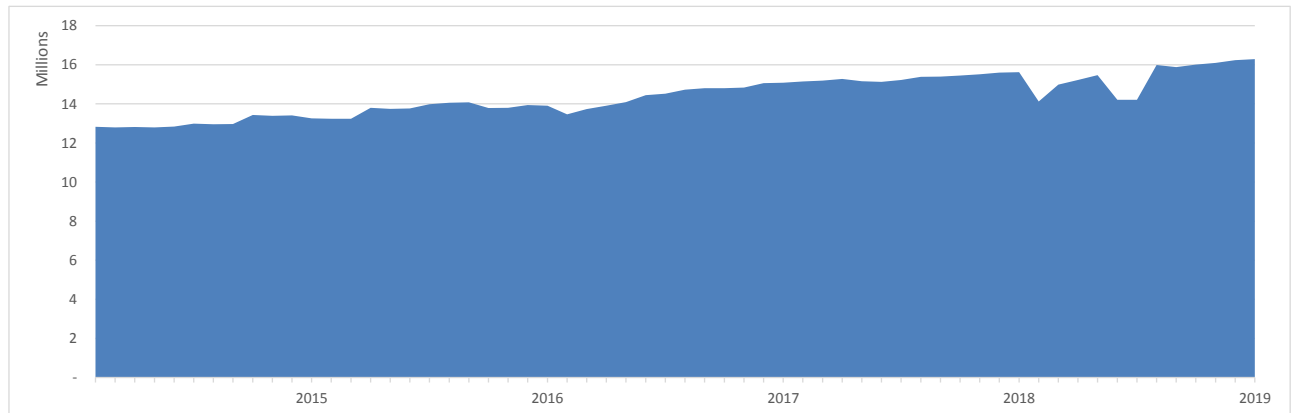
Definitions and Goals

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	2020	2021	2022
Opening Balance	\$ 16,555	\$ 16,289	\$ 16,289	\$ 16,989	\$ 17,225
Additions:					
Allocated from Electric	98	364	700	236	239
Sub-total	<u>\$ 98</u>	<u>\$ 364</u>	<u>\$ 700</u>	<u>\$ 236</u>	<u>\$ 239</u>
Withdrawals:					
Allocated from Electric			-		
Sub-total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Ending Balance	<u>\$ 16,653</u>	<u>\$ 16,653</u>	<u>\$ 16,989</u>	<u>\$ 17,225</u>	<u>\$ 17,464</u>

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 12,787	\$ 13,255	\$ 13,910	\$ 15,086	\$ 15,616
Additions:					
Allocated from Electric	468	655	1,176	530	673
Sub-total	<u>\$ 468</u>	<u>\$ 655</u>	<u>\$ 1,176</u>	<u>\$ 530</u>	<u>\$ 673</u>
Withdrawals:					
Allocated from Electric					
Sub-total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Ending balance	<u>\$ 13,255</u>	<u>\$ 13,910</u>	<u>\$ 15,086</u>	<u>\$ 15,616</u>	<u>\$ 16,289</u>



Maximum Balance: 16,554
Minimum Balance: 12,619

Average Balance: 14,253

Observations

Water and Sewer System Debt Service Sinking Fund

For the Second Quarter Ending March 31, 2020

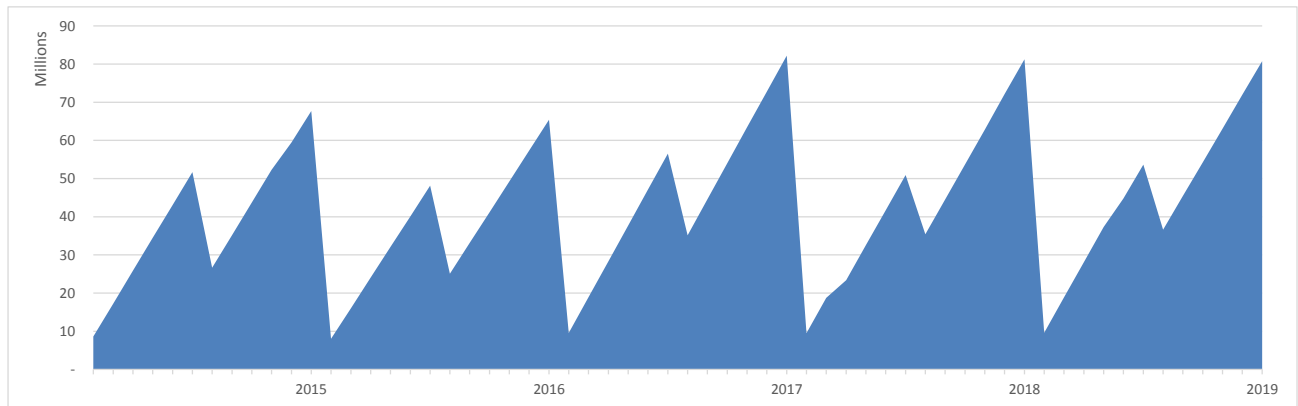
Definitions and Goals

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	2020	2021	2022
Opening Balance	\$ 17,098	\$ 80,775	\$ 80,775	\$ 44,149	\$ 33,437
Additions:					
Revenue fund deposits	17,871	35,560	71,966	62,647	64,960
Sub-total	<u>\$ 17,871</u>	<u>\$ 35,560</u>	<u>\$ 71,966</u>	<u>\$ 62,647</u>	<u>\$ 64,960</u>
Withdrawals:					
Principal and interest payments	699	82,065	108,592	73,359	64,441
Sub-total	<u>\$ 699</u>	<u>\$ 82,065</u>	<u>\$ 108,592</u>	<u>\$ 73,359</u>	<u>\$ 64,441</u>
Ending Balance	<u>\$ 34,270</u>	<u>\$ 34,270</u>	<u>\$ 44,149</u>	<u>\$ 33,437</u>	<u>\$ 33,956</u>

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 75,019	\$ 67,720	\$ 65,410	\$ 82,208	\$ 81,241
Additions:					
Revenue fund deposits	102,789	97,077	114,873	113,636	112,251
Sub-total	<u>\$ 102,789</u>	<u>\$ 97,077</u>	<u>\$ 114,873</u>	<u>\$ 113,636</u>	<u>\$ 112,251</u>
Withdrawals:					
Principal and interest payments	110,088	99,387	98,075	114,603	112,717
Sub-total	<u>\$ 110,088</u>	<u>\$ 99,387</u>	<u>\$ 98,075</u>	<u>\$ 114,603</u>	<u>\$ 112,717</u>
Ending balance	<u>\$ 67,720</u>	<u>\$ 65,410</u>	<u>\$ 82,208</u>	<u>\$ 81,241</u>	<u>\$ 80,775</u>



Maximum Balance:	82,208	Average Balance:	42,113
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 March 31, 2020.

Water and Sewer System Debt Service Reserve Account

For the Second Quarter Ending March 31, 2020

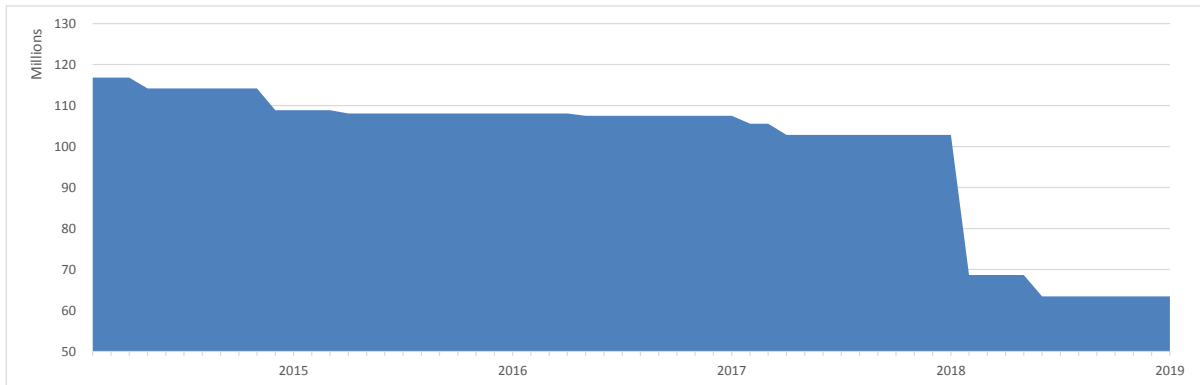
Definitions and Goals

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	2020	2021	2022
Opening Balance	\$ 59,323	\$ 63,441	\$ 63,441	\$ 59,323	\$ 59,323
Additions:					
Construction reserves/bond issues					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Revenue fund		1,327	1,327		
Release for STAR Plan Defeasance		2,791	2,791		
Construction fund					
Sub-total	\$ -	\$ 4,118	\$ 4,118	\$ -	\$ -
Ending Balance	\$ 59,323	\$ 59,323	\$ 59,323	\$ 59,323	\$ 59,323

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 116,829	\$ 108,849	\$ 108,086	\$ 107,488	\$ 102,850
Additions:					
Construction reserves/bond issues					
Revenue fund					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Revenue fund	7,980	763	598	4,638	5,525
Construction fund					33,884
Sub-total	\$ 7,980	\$ 763	\$ 598	\$ 4,638	\$ 39,409
Ending balance	\$ 108,849	\$ 108,086	\$ 107,488	\$ 102,850	\$ 63,441



Maximum Balance: 116,829 Average Balance: 97,737
 Minimum Balance: 59,324

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 Second Quarter Ending March 31, 2020

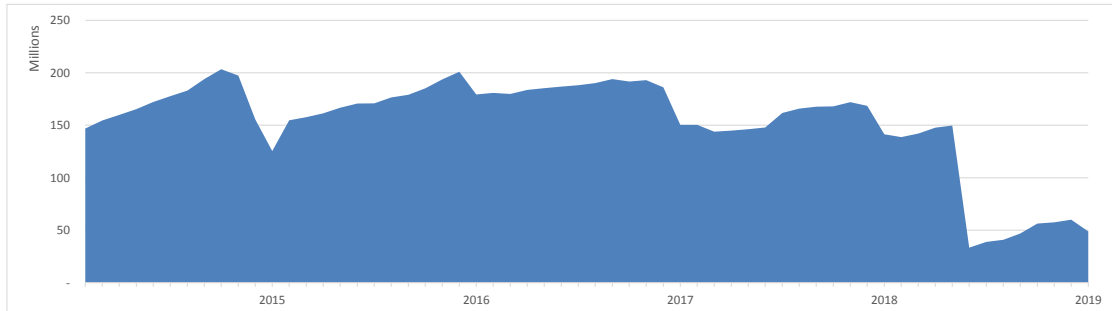
Definitions and Goals

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	2020	2021	2022
Opening Balance	\$ 21,201	\$ 48,796	\$ 48,796	\$ 3,905	\$ 20,000
Additions:					
R&R/OCO Contribution	44,285	91,170	163,938	164,905	187,105
Capacity Fees	7,835	16,163	32,012	33,640	32,967
Transfer from Capital Fds			-	-	-
Other	2,956	7,387	11,611	9,658	9,051
Sub-total	<u>\$ 55,076</u>	<u>\$ 114,720</u>	<u>\$ 207,561</u>	<u>\$ 208,203</u>	<u>\$ 229,123</u>
Withdrawals:					
Capital Expenditures	36,907	92,950	221,256	192,108	229,123
Debt Defeasance	-	31,196	31,196		
Other			-		-
Sub-total	<u>\$ 36,907</u>	<u>\$ 124,146</u>	<u>\$ 252,452</u>	<u>\$ 192,108</u>	<u>\$ 229,123</u>
Ending Balance	<u>\$ 39,370</u>	<u>\$ 39,370</u>	<u>\$ 3,905</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 136,182	\$ 128,249	\$ 179,431	\$ 150,319	\$ 141,415
Additions:					
R&R/OCO Contribution	62,793	124,574	108,119	153,372	150,171
Capacity Fees	19,579	21,995	24,777	28,002	29,389
Loans betw Capital Fds	22		137		268
Other (incl septic tank)	904	31,041	8,050	6,383	16,390
Sub-total	<u>\$ 83,298</u>	<u>\$ 177,610</u>	<u>\$ 141,083</u>	<u>\$ 187,757</u>	<u>\$ 196,218</u>
Withdrawals:					
Capital Expenditures	91,231	126,322	165,242	196,637	189,626
Loan Repayment					99,189
Transfer to Constr. Fund		106			
Other (incl septic tank)	-	-	4,953	24	22
Sub-total	<u>\$ 91,231</u>	<u>\$ 126,428</u>	<u>\$ 170,195</u>	<u>\$ 196,661</u>	<u>\$ 288,837</u>
Ending balance	<u>\$ 128,249</u>	<u>\$ 179,431</u>	<u>\$ 150,319</u>	<u>\$ 141,415</u>	<u>\$ 48,796</u>



Maximum Balance: 203,406
Minimum Balance: 12,847

Average Balance: 146,531

Observations

- Other includes the Septic Tank Phase-out project, Sale of Property, and the transfer of RSF - Environmental in FY 2016 - 2025.

Water and Sewer System - Environmental Fund [Capital Projects]

For the Second Quarter Ending March 31, 2020

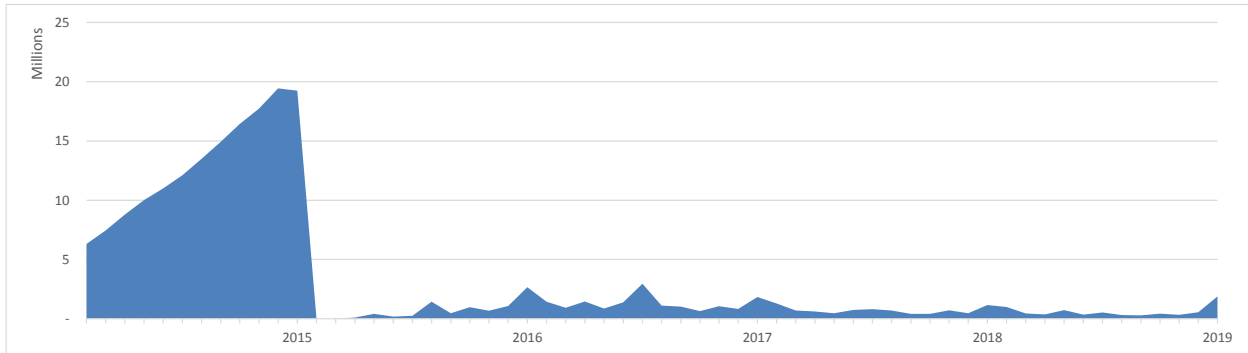
Definitions and Goals

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.

	Current Activity		Projected Activity		
	Quarter-End	Year-to-Date	2020	2021	2022
<i>(In Thousands)</i>					
Opening Balance	\$ 446	\$ 1,891	\$ 1,891	\$ 1,927	\$ 1,000
Additions:					
Environmental Contributions	1,882	2,985	9,439	32,019	24,372
Loans betw Capital Fds					
Other					
Sub-total	\$ 1,882	\$ 2,985	\$ 9,439	\$ 32,019	\$ 24,372
Withdrawals:					
Capital Expenditures	1,753	4,301	9,403	32,946	24,372
Other					
Sub-total	\$ 1,753	\$ 4,301	\$ 9,403	\$ 32,946	\$ 24,372
Ending Balance	\$ 575	\$ 575	\$ 1,927	\$ 1,000	\$ 1,000

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 5,299	\$ -	\$ 2,659	\$ 1,839	\$ 1,159
Additions:					
Environmental Contributions	22,056	15,539	12,394	6,691	10,656
Loans betw Capital Fds					
Other					
Sub-total	\$ 22,056	\$ 15,539	\$ 12,394	\$ 6,691	\$ 10,656
Withdrawals:					
Capital Expenditures	7,318	12,880	13,214	7,370	9,924
Septic Tank Phase Out	203				
Other	19,834			1	
Sub-total	\$ 27,355	\$ 12,880	\$ 13,214	\$ 7,371	\$ 9,924
Ending balance	\$ -	\$ 2,659	\$ 1,839	\$ 1,159	\$ 1,891



Maximum Balance: 19,439 Average Balance: 3,137
 Minimum Balance: -

Observations

Water and Sewer System - Construction / Bond Fund

For the Second Quarter Ending March 31, 2020

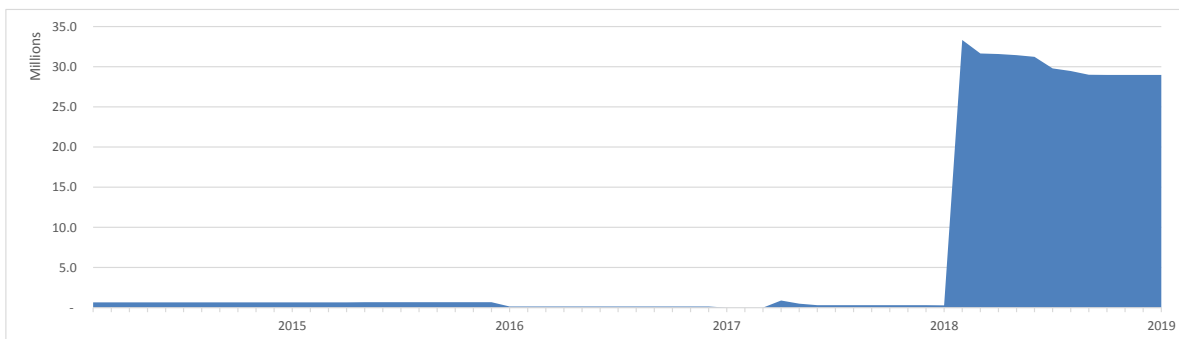
Definitions and Goals

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	2020	2021	2022
Opening Balance	\$ 28,716	\$ 28,968	\$ 28,968	\$ 19,593	\$ -
Additions:					
Bond Proceeds			-	132,080	123,014
Revolving credit facility					
Other	131	293	294		
Sub-total	\$ 131	\$ 293	\$ 294	\$ 132,080	\$ 123,014
Withdrawals:					
Capital Expenditures / Bond Issue Costs	516	930	9,669	151,673	123,014
Other					
Sub-total	\$ 516	\$ 930	\$ 9,669	\$ 151,673	\$ 123,014
Ending Balance	\$ 28,331	\$ 28,331	\$ 19,593	\$ -	\$ -

Historical Activity

	2015	2016	2017	2018	2019
Opening Balance	\$ 326	\$ 664	\$ 152	\$ 15	\$ 284
Additions:					
Bond Proceeds				894	33,884
Revolving credit facility					
Loans/transfers b/w Capital Fds					
Other	344	17			
Sub-total	\$ 344	\$ 17	\$ -	\$ 894	\$ 33,884
Withdrawals:					
Capital Expenditures	6			623	4,930
Bond Proceeds					
Loans/trnsf btw CapFds					
Other		529	137	2	270
Sub-total	\$ 6	\$ 529	\$ 137	\$ 625	\$ 5,200
Ending balance	\$ 664	\$ 152	\$ 15	\$ 284	\$ 28,968



Maximum Balance: 33,333 Average Balance: 7,474
 Minimum Balance: 15

Observations

- JEA's philosophy has been to borrow bond funds on a "just-in-time" basis. Staff has used revolving credit facility borrowings and loans between capital funds to decrease borrowing costs. Release of Debt Service Reserve Funds in Oct 2018.



INTER-OFFICE MEMORANDUM

May 11, 2020

SUBJECT: MUNICIPAL CAPITAL MARKETS UPDATE

FROM: Paul E. McElroy, Interim Managing Director and CEO

TO: JEA Finance and Audit Committee

Marty Lanahan, Chair
John Baker
Robert Stein

BACKGROUND AND DISCUSSION:

The municipal capital markets have recently experienced significant disruption caused by the COVID-19 pandemic. The attached Municipal Capital Markets presentation addresses the spike in variable interest rates and almost immediate recovery, JEA's current unhedged variable rate debt portfolio, the mix of senior versus subordinated debt in the portfolio, near-term plans to refinance Electric and Water and Sewer System currently callable bonds and key components contained in existing refunding bond delegation resolutions.

RECOMMENDATION:

No action required; provided for information only.

Paul E. McElroy, Interim Managing Director and CEO

PEM/JEO



MUNICIPAL CAPITAL MARKETS UPDATE

JEA Finance and Audit Committee
Meeting

May 18, 2020



MUNICIPAL VARIABLE RATE DEBT MARKET

- Coronavirus pandemic caused a significant market disruption in the municipal variable rate debt market
- JEA's daily rate and commercial paper flex mode variable rate debt obligations ("VRDOs") were repricing north of 9% in mid March
- SIFMA's weekly variable rate index peaked at 5.20% on March 18th, prior to that date, the SIFMA index had averaged 1.07%
- U.S. Bank provided JEA one and two-year taxable fixed rate loan proposals to refinance several series of daily rate and commercial paper VRDOs

MUNICIPAL VARIABLE RATE DEBT MARKET (CONTINUED)

- We elected to pass on the U.S. Bank proposal, as the Fed Stimulus facilities quickly stabilized the VRDO market
- Unlike the 2008/2009 recession, when the Auction Rate Securities market disintegrated and never returned, the improvement in liquidity-backed VRDOs was swift
- The SIFMA weekly index is currently .19% and JEA's daily rate VRDOs have recently repriced below .10%, with weekly rates in the range of .20% to .39% on April 30th

JEA'S VARIABLE RATE DEBT PORTFOLIO

April 30, 2020

Electric System
(*\$ in millions*)

Variable rate debt	\$587
Fixed rate debt	1,427
Total debt	<u>\$2,014</u>

Variable rate % of total debt	29.1%
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Unhedged variable rate debt	\$181
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Unhedged var. % of total debt	9.0%
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Water & Sewer System
(*\$ in millions*)

Variable rate debt	\$264
Fixed rate debt	1,024
Total debt	<u>\$1,288</u>

Variable rate % of total debt	20.5%
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Unhedged variable rate debt	\$155
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Unhedged var. % of total debt	12.0%
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- The unhedged variable rate debt balances of \$181 million and \$155 million for the Electric and Water and Sewer Systems, respectively, are considered to be quite manageable
- Fixing the various series of unhedged VRDOs would cost a total of approximately \$8 million annually in incremental interest expense

JEA'S VARIABLE RATE DEBT PORTFOLIO (CONTINUED)

- With Water and Sewer System estimated borrowings of approximately \$400 million during the next four fiscal years, the unhedged variable rate percentage is expected to decline to 9% by FYE2024, in line with the Electric System percentage
- We will continue to monitor our variable debt portfolio and consider fixing out unhedged debt balances should rates approach 3% on a sustained basis

JEA'S SENIOR VS. SUBORDINATED DEBT

April 30, 2020

Electric System
(\$ in millions)

Senior debt	\$1,325
Subordinated debt	689
Total debt	<u>\$2,014</u>

Senior debt % of total debt **65.8%**

Sub. debt % of total debt **34.2%**

Water & Sewer System
(\$ in millions)

Senior debt	\$1,091
Subordinated debt	197
Total debt	<u>\$1,288</u>

Senior debt % of total debt **84.7%**

Sub. debt % of total debt **15.3%**

- Senior debt represents approximately 66% and 85% of total debt for the Electric and Water and Sewer Systems, respectively
- We do not have any current plans to issue additional subordinated debt for either System

PROPOSED BOND REFUNDING OPPORTUNITIES

- Subject to prevailing market conditions, we expect to launch current refunding bond offerings for the Electric and Water and Sewer Systems
- Based upon analyses provided by PFM, the refunding transactions would generate in excess of \$3 million in annual debt service savings
- Bond refunding delegation resolutions are in place through calendar year end to allow a launch as early as the first week in June

	ENERGY	WATER	J
Refunding Par Amount	\$262	\$158	\$420
Net PV Savings	\$31	\$23	\$54

In millions of dollars

REFUNDING DELEGATION RESOLUTION KEY COMPONENTS

- Resolutions allowing the Managing Director and CEO to authorize the pricing and execution of bond offerings pertain only to tax-exempt refunding transactions
 - New money, taxable, or new synthetic fixed rate financings and variable-to-variable rate refundings, would continue to be brought to the Board on a deal-by-deal basis for approval
- Bond refunding parameters are as follows:
 - Net present value savings for fixed-to-fixed refundings are based on refunded bond maturities
 - Less than one year: Positive savings
 - One to less than three years: 3%
 - Three years to less than nine years: 4%
 - Nine years or more: 5%
 - In lieu of the above targets: 5%, measured on an aggregate basis

REFUNDING DELEGATION RESOLUTION KEY COMPONENTS (CONTINUED)

- Bond refunding parameters (continued):
 - Weighted average life no greater than the weighted average life of the refunded bonds plus one year
 - For variable rate bonds being refunded by fixed bonds, true interest cost for the fixed rate bonds shall not exceed 5%
 - If subject to optional redemption, optional redemption price shall not exceed 101% of the principal amount and the optional redemption date shall not be less than four years nor more than ten years from the date of issuance



INTER-OFFICE MEMORANDUM

May 7, 2020

SUBJECT: JEA ENERGY MARKET RISK MANAGEMENT POLICY REPORT

FROM: Paul McElroy, Interim Managing Director/CEO

TO: JEA Finance and Audit Committee

Marty Lanahan
John Baker
Robert Stein

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.

Paul McElroy, Interim Managing Director/CEO

PM/CBAWGB

Energy Market Risk Management: Physical and Financial Positions

Summary as of 5/1/2020		
Projected FY20 Fuel Expense (Budget = \$373M)	\$337M	😊
Projected FY20 Fuel Fund Ending Balance (Target = \$68M)	\$75M	😊
Projected FY21 Fuel Expense (Proposed Budget = \$357M)	\$364M	😬
Proposed FY21 Fuel Fund Ending Balance (Target = \$68M)	\$103M	😊
EMRM Compliance	Yes	😊
Counterparty Credit Limit Exceptions	No	😊
Any Issues of Concern	No	😊

Table 1: Physical Counterparties (Contracts One Year or Greater) as of 5/1/2020

Generating Unit	Fuel Type	Supplier/Counterparty	Contract Type	Remaining Contract Value	Remaining Contract Term
* Scherer 4	Coal	CY20 Blackjewel - Eagle Butte - 001	Fixed Price	\$2,324,142	18 months
Scherer 4	Coal	CY20 Peabody Caballo - 019	Fixed Price	\$567,310	18 months
Scherer 4	Coal	CY20 Buckskin - 006	Fixed Price	\$239,323	14 months
* Scherer 4	Coal	CY20 Cloud Peak Cordero Rojo - 013	Fixed Price	\$325,087	8 months
* Scherer 4	Coal	CY20 Peabody NARM North - 014	Fixed Price	\$301,464	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	\$616,200	12 months
Scherer 4	Coal	CY21 Peabody Caballo - 004	Fixed Price	\$367,785	12 months
Scherer 4	Coal	CY21 Blackjewel - Eagle Butte - 005	Fixed Price	\$276,500	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
Scherer 4	Coal	CY22 Peabody Caballo - 004	Fixed Price	\$471,630	12 months
Scherer 4	Coal	CY22 Blackjewel - Eagle Butte - 005	Fixed Price	\$568,800	12 months
* Scherer 4	Coal	CY22 Peabody Caballo - 007	Fixed Price	\$314,420	12 months
NS CFB	Limestone	CY17-CY21 Vulcan	Fixed Price	\$15,249,816	1.67 years
NG Fleet	Natural Gas	Shell Energy	Index w/Fixed Price Option	\$592,990,323	11.08 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$109,746,435	28.91 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$101,952,644	29.08 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$65,534,347	18.91 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$98,814,134	29.16 years

* New this report

Table 2: Financial Positions as of 5/1/2020

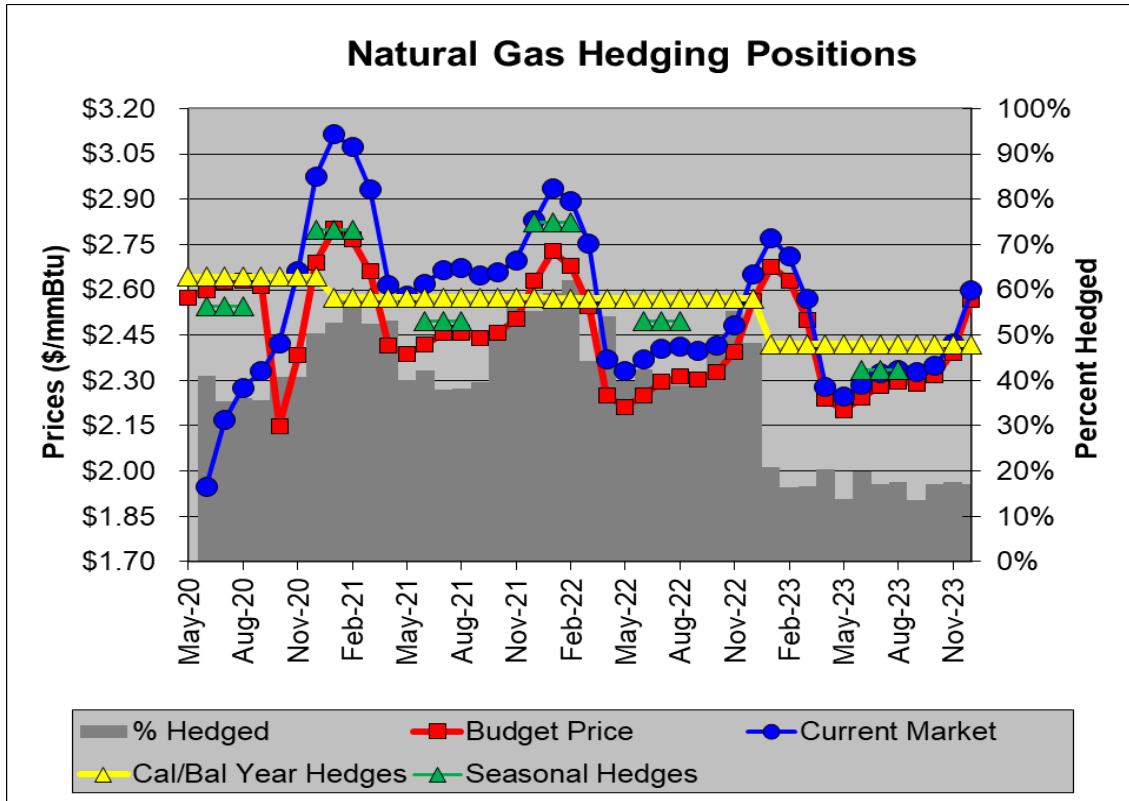
Year	Commodity	Physical Volume (mmBtu)	Hedged Volume (mmBtu)	Percent Hedged	Unhedged Cost	Hedge Type	Hedge Price	Mark-to-Market Value	Counter Party
FY20	Natural Gas	22,288,951	8,240,000	37.0%	\$ 2.18	Swap	\$ 2.63	\$ 3,760,210	Wells Fargo & RBC
FY21	Natural Gas	53,268,920	23,720,000	44.5%	\$ 2.75	Swap	\$ 2.60	\$ (3,774,850)	Wells Fargo & RBC
FY22	Natural Gas	50,171,074	23,720,000	47.3%	\$ 2.59	Swap	\$ 2.58	\$ (283,500)	Wells Fargo & RBC
FY23	Natural Gas	48,143,298	11,900,000	24.7%	\$ 2.45	Swap	\$ 2.48	\$ 279,540	Wells Fargo & RBC
FY24	Natural Gas	48,668,450	1,840,000	3.8%	\$ 2.46	Swap	\$ 2.42	\$ (68,740)	Wells Fargo & RBC

Table 3: Fuel & Purchase Power Procurement as of 5/1/2020

Fuel Type	Natural Gas	Coal	Petcoke	Limestone	Purchased Power	Oil/Diesel	Renewables	Vogle
FY20 Remaining / Energy Mix	58%	15%	17%	N/A	9%	0%	1%	-
Expected Spend (\$)	66.3M	21.9M	15.7M	3.9M	14.8M	1.1M	6.9M	-
% Procured	41%	54%	9%	100%	0%	100%	100%	-
% Hedged	40%	54%	0%	100%	0%	100%	100%	-
FY21 Budget / Energy Mix	54%	18%	19%	N/A	7%	0%	2%	-
Expected Spend (\$)	146.9M	61.1M	45.1M	9.3M	29.0M	1.6M	16.4M	-
% Procured	53%	42%	0%	100%	0%	100%	100%	-
% Hedged	42%	42%	0%	100%	0%	100%	100%	-
FY22 Projection / Energy Mix	52%	15%	17%	N/A	6%	0%	5%	6%
Expected Spend (\$)	132.9M	53.3M	43.4M	8.4M	20.4M	1.7M	27.2M	13.9M
% Procured	56%	35%	0%	24%	0%	100%	100%	100%
% Hedged	46%	35%	0%	24%	0%	100%	100%	100%

Supporting Notes:

- Renewable purchase power agreements are not included in Table 1
- Solid fuel procurement - annually at Scherer CY2019-2022 and quarterly at Northside
- Table 3: FY Energy Mix based on MWH; 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
- Table 1: Natural Gas discount; Municipal Gas Authority of Georgia (MGAG) issues municipal bonds to prepay for gas, allowing them to offer discounts to JEA for qualified use



as of 5/1/2020