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## FINANCE & AUDIT COMMITTEE

8<sup>th</sup> Floor, 21 West Church Street, Jacksonville, FL 32202  
May 14, 2021 | 9:00 am – 11:00 am

### WELCOME

Meeting Called to Order  
Adoption of Agenda (Action)  
Approval of Minutes – March 12, 2021 (Action)

Mary Lanahan, Chair

Safety Moment & Briefing

David Goldberg, Director, Customer & Community Engagement  
Anthony Long, Director, Safety & Health Services

### FOR COMMITTEE CONSIDERATION

FY2022 Budget Presentation  
FY2022 Proposed Rate and Fee Adjustments

Juli Crawford, Director Financial Planning & Analysis

Audit Services Update

Steve Tuten, Director, Audit Services

### ADDITIONAL INFORMATION

Ethics Officer’s Report

Electric System and Water & Sewer System Reserve Fund Report

JEA Energy Risk Management Policy Report

### CLOSING CONSIDERATIONS

Announcements – Next Meeting July 16, 2021

Marty Lanahan, Chair

Committee Discussion

- Ernst & Young
- Director, Audit Services

John DiSanto, Ernst & Young  
Steve Tuten, Audit Services

Adjournment

### UPCOMING COMMITTEE AGENDA ITEMS

FY2021 Annual Audit Plan

JEA FINANCE & AUDIT COMMITTEE MINUTES  
March 12, 2021

The Finance & Audit Committee of JEA met on Friday, March 12, 2021 on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. Pursuant to City of Jacksonville Emergency Proclamation, attendees were required to wear masks, CDC guidelines and social distancing were required at the physical location, and the meeting was also accessible via WebEx. In attendance physically were John Baker and Bobby Stein. Marty Lanahan participated in the meeting via WebEx. Also in attendance physically were Jody Brooks, Chief Administrative Officer and Jay Stowe, Managing Director/CEO.

**Agenda Item I – Opening Considerations**

- A. **Call to Order** – Chair Marty Lanahan called the meeting to order at 9:00 a.m. Committee members John Baker and Bobby Stein being present for the meeting constituted a quorum.
- B. **Safety Briefing and Moment** – Anthony Long, Director, Safety & Health Services, provided a safety briefing for those in attendance at the meeting. Steve Tuten, Director, Audit Services, referencing materials provided to the Committee in advance of the meeting, presented the safety moment, Hierarchy of Controls.
- C. **Adoption of Agenda** – On *motion* by John Baker and seconded by Bobby Stein the agenda was adopted.
- D. **Approval of Minutes** – On *motion* by Bobby Stein and seconded by John Baker, the Minutes of the December 11, 2020 Committee meeting were unanimously approved.

**Agenda Item II – New Business**

- A. **Rates and Fees Update** – Juli Crawford, Director, Financial Planning & Analysis, referencing materials provided to the Committee in advance of the meeting, provided an update on the 12 month plan for rates and fees. Ms. Crawford presented a detailed tentative rate action timeline, fuel charges, and electric base rates. Ms. Crawford provided an example of the impact of the proposed FY22 electric base rates on a residential customer bill. Lastly, Ms. Crawford presented details on the water/wastewater capacity fees.  
  
This presentation was received for information only.
- B. **FY2022 Budget Assumptions** – Juli Crawford, Director, Financial Planning & Analysis, began by stating this will be the first of several presentations on the proposed FY22 budget. Referencing materials provided to the Committee in advance of the meeting, Ms. Crawford provided details on strategic items, key assumptions, the electric budget assumptions, water/wastewater budget assumptions, government transfers, and the budget timeline.  
  
This presentation was received for information only.
- C. **Quarterly Audit Services Update** – Steve Tuten, Director, Audit Services, referencing materials provided to the Committee in advance of the meeting, presented updates on Enterprise Risk Management, Forensic Audit Investigations, and Internal Audits.  
  
This presentation was provided for information only.
- D. **Ethics Officer Quarterly Report** – Walette Stanford, Ethics Officer, referencing materials provided to the Committee in advance of the meeting, provided details on the Due Diligence Best Practice Checklist, ethical culture tools, elevating JEA’s ethical culture, implementation of the new

Ethics Pride Badge, ethics inquiries by year and categories, and what's next for the Ethics department.

This presentation was provided for information only.

#### **E. Treasury**

**1. Electric System and Water and Sewer System Reserve Fund Quarterly Report** – Joe Orfano, Interim VP, Financial Services, referencing materials provided to the Committee in advance of the meeting, provided a high level overview of the JEA's Electric System and Water and Sewer reserve fund balances. Mr. Orfano explained the fuel rate stabilization fund, projected days of liquidity, and unrestricted funds in the electric system. Mr. Orfano further outlined the projected days of liquidity and projected R&R fund balance in the water/wastewater system. Lastly, Mr. Orfano stated that he has indicated at prior committee meetings the upcoming need of the issuance of new debt, and the timing has been discussed, to partially fund capital projects.

This presentation was provided for information only.

**2. JEA Variable-Rate Debt Analysis** – Mr. Orfano introduced Michael Mace, PFM Financial Advisors LLC providing a short bio on Mr. Mace's professional and educational background. Mr. Mace, referencing materials provided to the Committee in advance of the meeting, presented the history of long and short term municipal rates, variable-rate debt in the municipal market, variable-rate debt risks and considerations, interest rate risk, interest rate risk as a percentage of revenue, structure risk, fixed-rate market opportunities, and municipal utility industry peer comparisons. Mr. Mace concluded the presentation by explaining JEA's history of savings with the use of variable-rate debt, JEA and customers limited exposure to changes in short-term interest rates, JEA structure risk, and low long-term rates.

This presentation was provided for information only.

#### **F. JEA Energy Market Risk Management Policy** –

**1. Quarterly Report** – Ricky Erixton, VP Electric Systems, referencing materials provided to the Committee in advance of the meeting, provided an update on the Energy Market Risk Management report. Mr. Erixton stated the fuel fund is in good shape and all other metrics are in the green.

This presentation was received for information only.

**2. Approval of Revision Policy** – Ricky Erixton, VP Electric Systems, referencing materials provided to the Committee in advance of the meeting, presented the administrative changes to the JEA Energy Market Risk Management Policy and requested the Committees approval of the changes.

On *motion* by John Baker and seconded by Bobby Stein the changes to the policy were unanimously approved.

#### **G. Announcements** – Next meeting, July 16, 2021 9:00am – 11:00am

**J. Committee Discussions Sessions**

At 10:46 A.M., Ms. Lanahan asked the Committee to enter into Executive Session. All meeting participants were excused excluding JEA Board Members, John DiSanto, Steve Tuten, Jody Brooks and Madricka Jones.

1. Ernst & Young: At 10:47 A.M., Mr. DiSanto engaged the Committee.
2. Director, Audit Services: At 10:54 A.M., Mr. Tuten engaged the Committee.
3. Council Auditor's Office: No Council Auditor representative was in attendance.

**Adjournment**

With no further business requiring the attention of the Committee, the meeting was declared adjourned at 10:59 A.M.

APPROVED BY:

\_\_\_\_\_  
Marty Lanahan, Committee Chair  
Date: \_\_\_\_\_

Submitted by:

\_\_\_\_\_  
Madricka Jones  
Executive Assistant to CEO



## Safety Moment and Briefing

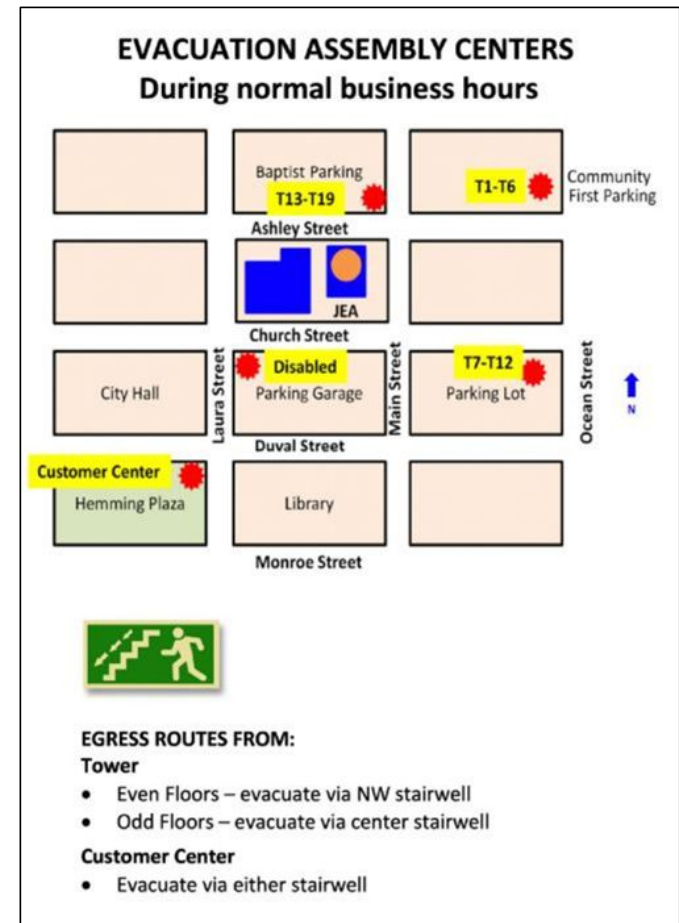
**David Goldberg**  
Director, Customer & Community  
Engagement

**Tony Long**  
Director, Safety and Health Services



# Safety Briefing

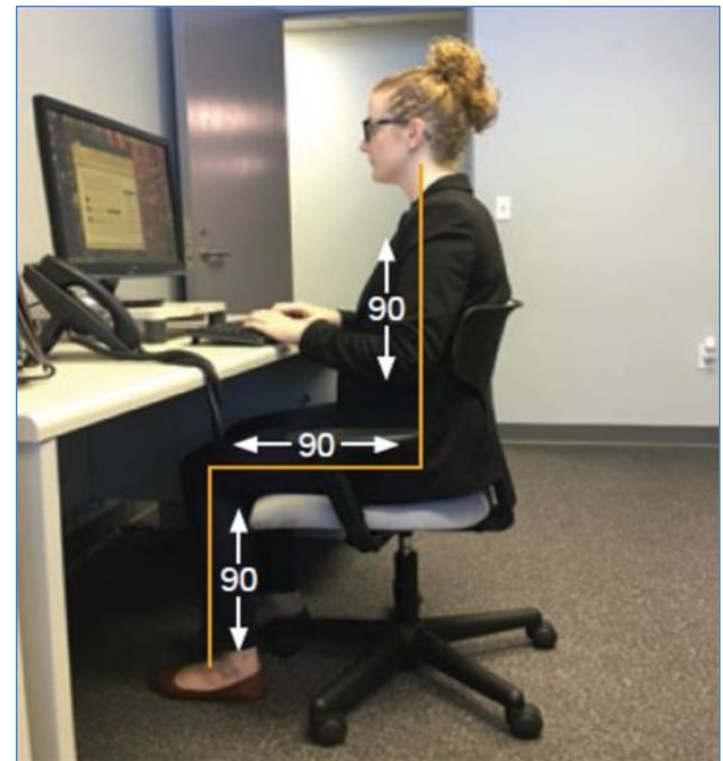
- In the event of an emergency, call 9-911 and alert others
- Emergency Evacuation Route (use stairwell)
- Assembly Location: Baptist Parking Lot (corner of Ashley & Main St.)
- Safety Partner (person to your right)
- Medical Conditions / CPR
- Hazard & Situational Awareness
- Cell Phone Etiquette



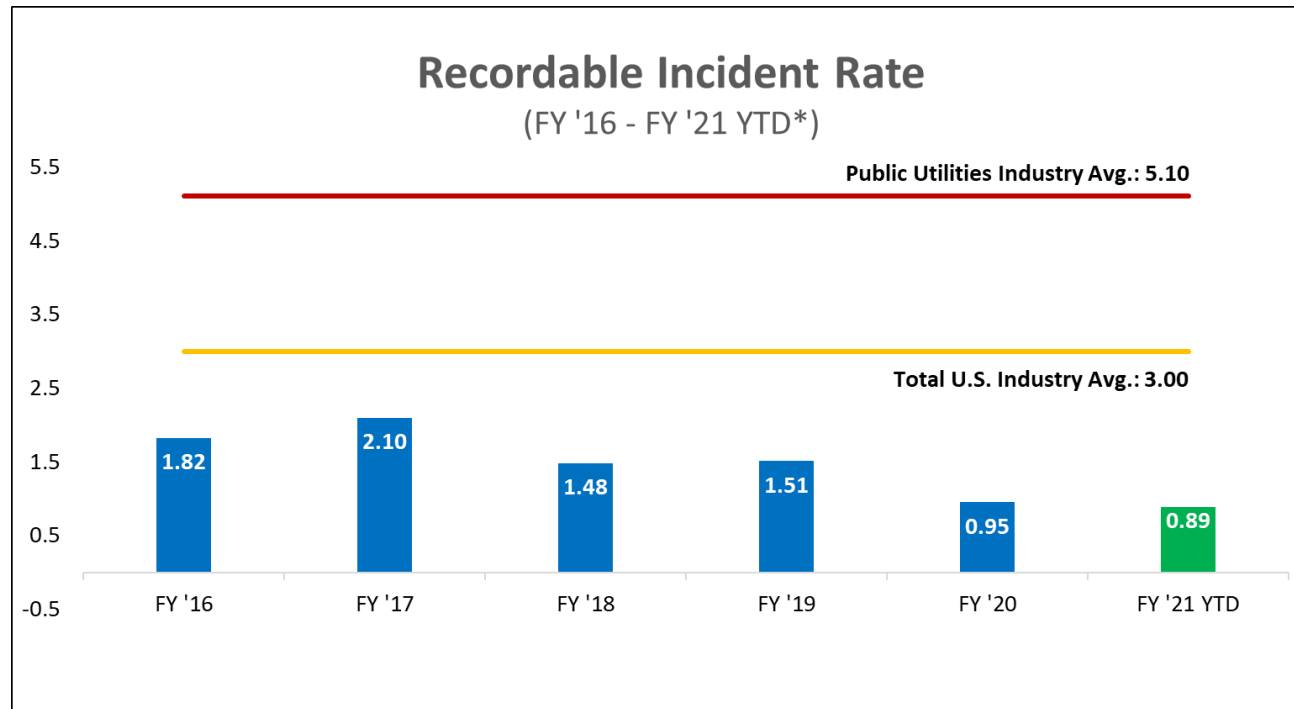
## Safety Moment – Office Ergonomics

### KEY Points before you KEY:

- Place monitor 18-24 inches in front of you;
- Target 16-20 inches for seat height & 25-30 inches for desk height;
- Monitor height at eye level (or slightly below);
- Place keyboard directly in front and promote floating wrist;
- Shoulders down & relaxed, elbows close to body;
- Mouse close to keyboard – avoid full forward reach;
- Hip, knee, and ankle at 90°/90°/90° position;
- Feet flat on the floor or use footrest; and
- Arm rest should be soft.



# Safety Performance Update



Recordable Incident Rate = [No. of OSHA Recordable Injuries ÷ Hours Worked] x 200,000



\* Incident rates estimated as of April 30, 2021





# **FY2022 Budget**

## Finance & Audit Committee

Juli Crawford  
Director, Financial Planning & Analysis



May 14, 2021

# FY2022 Budget Agenda



- 1 Budget Process Summary
- 2 Budget Summary & Consolidated Schedules
- 3 Electric System Budget Assumptions
- 4 Water/Wastewater Budget Assumptions
- 5 District Energy Budget Assumptions
- 6 Rate Stabilization Funds
- 7 Budget Timeline & Action Items
- 8 Supplemental Schedules



## **Budget Process Summary**



## BUDGET PROCESS SUMMARY



- ▶ 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 left, with many ongoing activities occurring intermittently throughout the process
- ▶ JEA's leadership meets individually with the Council Finance Committee members to review JEA's Financial Plan and proposed JEA Board approved budget
- ▶ Ongoing activities include monthly purchased power meetings, monthly forecast meetings, quarterly debt and investment meetings, enterprise risk management, annual risk assessments, integrated resource plan, cost of service studies





## **Budget Summaries & Consolidated Schedules**



# Electric System Operating Budget Components

**FY22 Budget**

**Fuel and Purchased Power**  
Reflects higher purchased power expenses

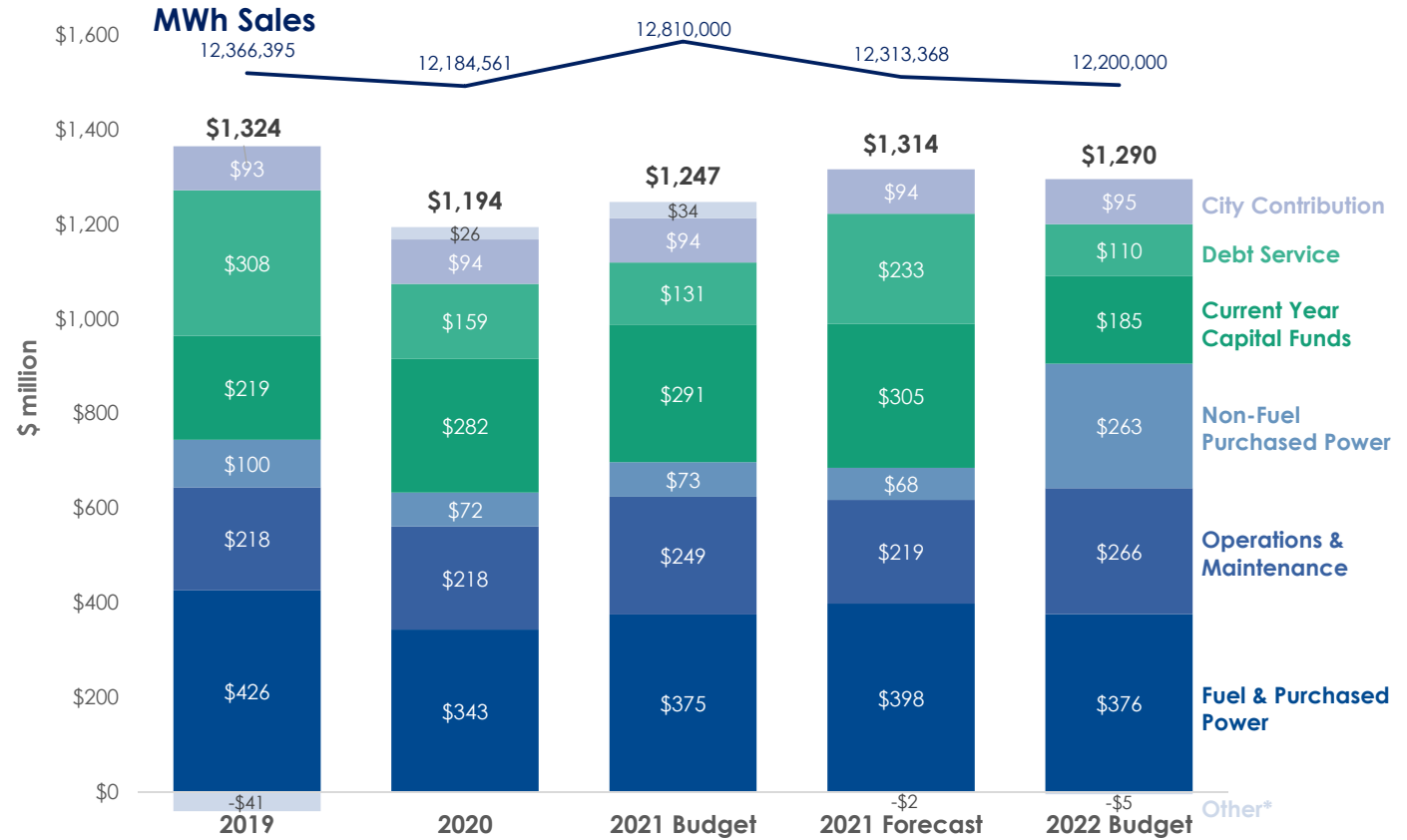
**O&M**  
Includes COVID expenses, new headquarters lease payments, generating unit outages

**Non-Fuel Purchased Power**  
Includes Scherer debt defeasance and MEAG PPA payments

**Internal Capital Funds**  
Fully funds the FY22 capital program utilizing current and prior year revenues

**Debt Service**  
Principal and interest projected to be lower than FY21

**City Contribution**  
Based on city contribution agreement extended to 2023



|                             |              |              |              |              |              |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|
| Current Year Capital Funds  | \$219        | \$282        | \$291        | \$305        | \$185        |
| (To)/from Fund Balance      | \$67         | (\$88)       | (\$73)       | (\$118)      | \$56         |
| <b>Capital Expenditures</b> | <b>\$286</b> | <b>\$194</b> | <b>\$218</b> | <b>\$187</b> | <b>\$241</b> |

\*Other includes Base Uncollectibles, Emergency Reserve funding, use of rate stabilization funds, and PSC fees. Change in budget primarily due to a planned \$7.3 million stabilization withdrawal in FY22B compared to a \$36 million deposit in FY21B

# Water and Sewer System Operating Budget Components

**FY22 Budget**

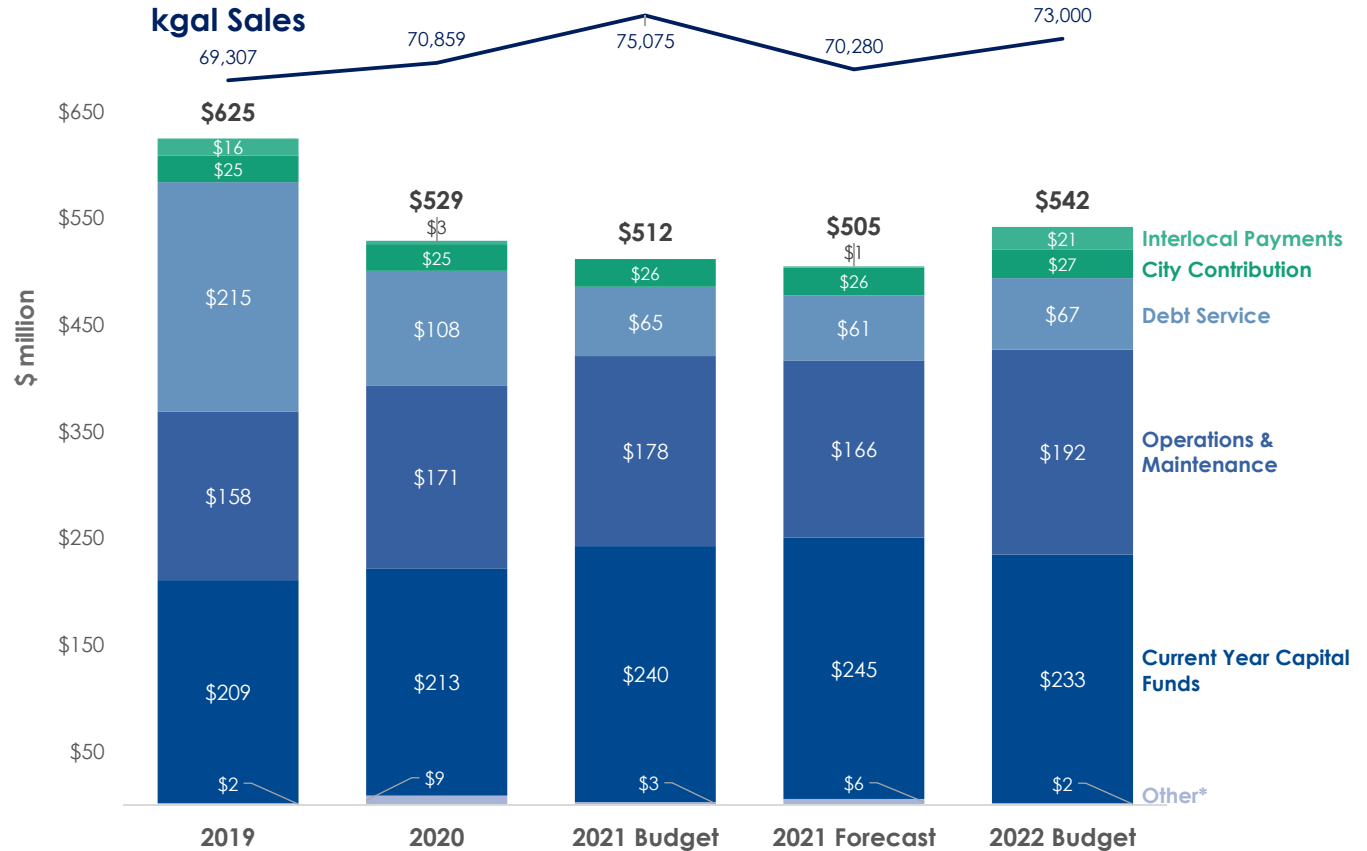
**Internal Capital Funds**  
Funds two-thirds of the FY22 capital program

**O&M**  
Includes salaries, benefits, materials, supplies, and funding other services and charges such as professional and industrial services

**Debt Service**  
Projected to be slightly higher than FY21

**City Contribution**  
Based on city contribution agreement extended to 2023

**Interlocal Payments**  
Includes a prepayment to Nassau County in addition to annual payments to Clay County and St. Johns County, and Septic Tank Phase Out funding



|                             | 2019         | 2020         | 2021 Budget  | 2021 Forecast | 2022 Budget  |
|-----------------------------|--------------|--------------|--------------|---------------|--------------|
| Current Year Capital Funds  | \$209        | \$213        | \$240        | \$245         | \$233        |
| (To)/from Fund Balance      | \$4          | (\$23)       | \$88         | (\$10)        | \$129        |
| <b>Capital Expenditures</b> | <b>\$213</b> | <b>\$190</b> | <b>\$328</b> | <b>\$235</b>  | <b>\$362</b> |

→ Debt Proceeds

\*Other includes Uncollectibles and Emergency Reserve funding

## FY2022 Total JEA Labor Costs

- Base payroll expense for FY2022 increases 6.0% vs FY2021 budget
- Benefits include \$6m in assumed incentive pay
- 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)             | FY2020  | Budget FY2021 | Budget FY2022 | Budget FY2022 vs FY2021 |
|------------------------------|---------|---------------|---------------|-------------------------|
| Payroll Expense <sup>1</sup> | \$201.2 | \$209.2       | \$221.8       | 6.0%                    |
| Benefits                     | 45.6    | 48.2          | 48.6          | 0.8%                    |
| Subtotal                     | \$246.8 | \$257.4       | \$270.4       | 5.1%                    |
| Pension                      | 41.6    | 40.4          | 43.8          | 8.4%                    |
| Subtotal                     | \$288.4 | \$297.8       | \$314.2       | 5.5%                    |

| Current JEA Salary Adjustment Summary <sup>2</sup> |                                 |                     |                     |                                     |                    |             |
|--|---------------------------------|---------------------|---------------------|-------------------------------------|--------------------|-------------|
| 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%               | <b>3.5%</b> |
| JSA  | 3.0%                            | 3.0%                | 3.0%                | 3.5%                                | 3.5%               | <b>3.5%</b> |
| LIUNA  | 4.5%                            | 5.0%                | 4.5%                | 3.5%                                | 3.5%               | <b>3.5%</b> |
| AFSCME   | 2.5%                            | 2.5%                | 3.0%                | 3.5%                                | 3.5%               | <b>3.5%</b> |
| M&C  | 3.0%                            | 3.0%                | 2.5%                | 2.9%                                | 3.0%               | <b>3.0%</b> |
| PEA  | 5.0%                            | 3.0%                | 3.0%                | 2.0%                                | 2.0%               | <b>2.0%</b> |
| 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%                | 0%-5.0%, avg 3.16% | <b>3.0%</b> |

**Notes**

1) Payroll expense includes salary, wages, temporary and contract for the Energy, Water and DES systems. Does not include Succession Planning of \$3.6m in FY2017 through FY2022

2) 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 FY2022





## Government Transfers via the JEA Bill

**Paid to COJ:**

- City Contribution
- Public Service Tax
- City Franchise Fee

**Paid to State of Florida:**

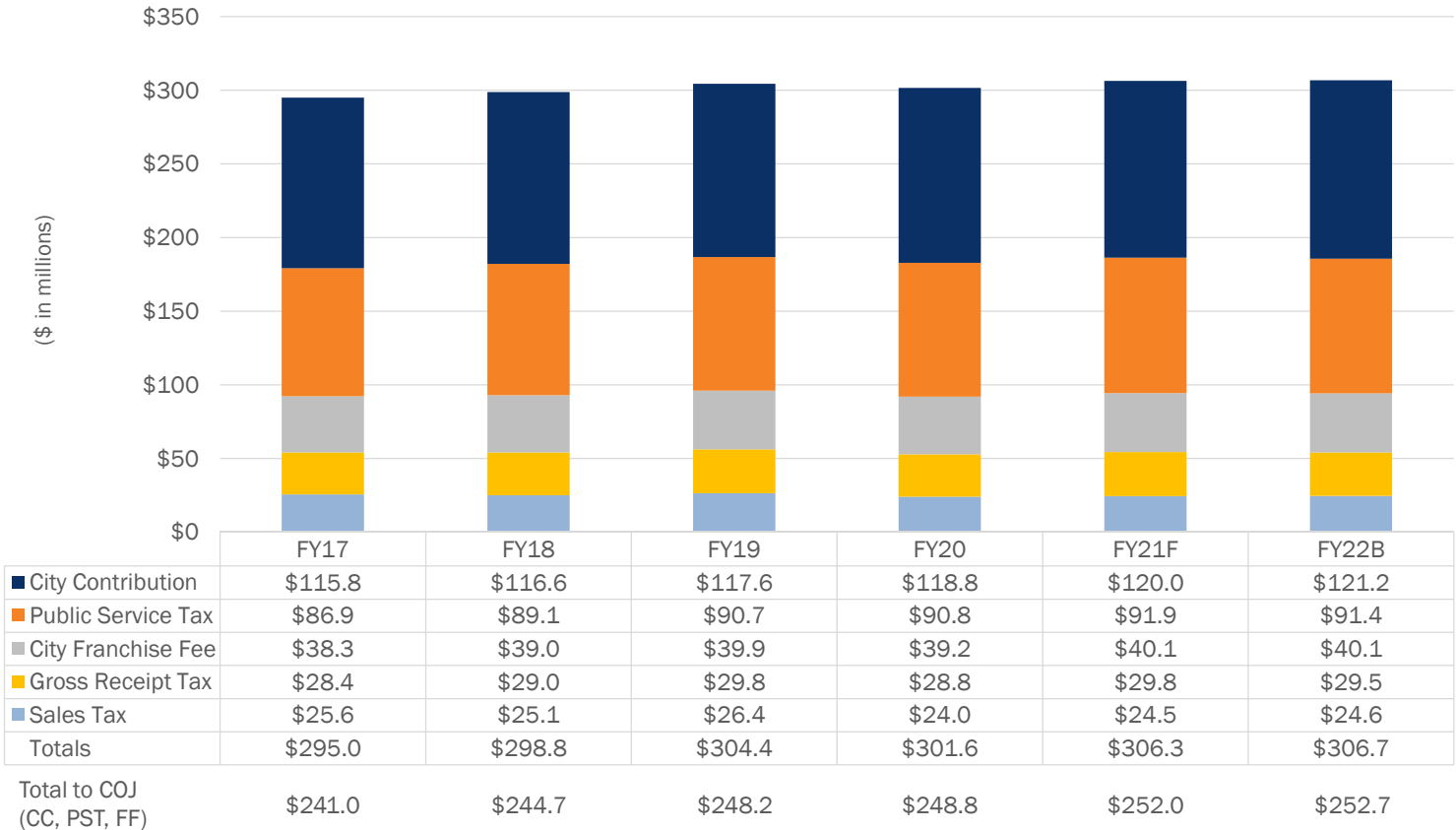
- Gross Receipt Tax

**Paid to COJ & State:**

- Sales Tax

Continues to increase based upon the agreement to contribute the greater of 1% increase on the baseline or the millage calculation

The City Contribution Agreement has been extended through FY2023





## **Electric System Budget Assumptions**



## Electric System Operating Budget

|  | FY2022 Budget         | FY2021 Budget         | Change                 | FY2021 Forecast       |
|--|-----------------------|-----------------------|------------------------|-----------------------|
| <b>FUEL RELATED REVENUES &amp; EXPENSES:</b> |                       |                       |                        |                       |
| <b>FUEL REVENUES:</b>                        |                       |                       |                        |                       |
| Fuel Revenues                                | \$ 368,899,940        | \$ 410,912,775        | \$ -42,012,835         | \$ 395,885,585        |
| <b>FUEL EXPENSES:</b>                        |                       |                       |                        |                       |
| Fuel & Purchased Power                       | \$ 368,899,940        | \$ 410,912,775        | \$ -42,012,835         | \$ 395,885,585        |
| <b>FUEL SURPLUS/(DEFICIT)</b>                | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>            | <b>\$ -</b>           |
| <b>BASE RELATED REVENUES &amp; EXPENSES</b>  |                       |                       |                        |                       |
| <b>BASE OPERATING REVENUES:</b>              |                       |                       |                        |                       |
| Base Rate Revenues                           | \$ 785,192,000        | \$ 793,579,500        | \$ -8,387,500          | \$ 770,712,009        |
| Environmental Charge Revenue                 | 7,442,000             | 7,814,100             | -372,100               | 7,532,299             |
| Conservation Charge & Demand Side Revenue    | 732,000               | 768,600               | -36,600                | 699,541               |
| Other Revenues                               | 123,615,440           | 25,141,212            | 98,474,228             | 132,440,661           |
| Natural Gas Pass Through Revenue             | 823,420               | 967,784               | -144,364               | 876,728               |
| <b>Total Base Related Revenues</b>           | <b>\$ 917,804,860</b> | <b>\$ 828,271,196</b> | <b>\$ 89,533,664</b>   | <b>\$ 912,261,238</b> |
| <b>BASE OPERATING EXPENSES:</b>              |                       |                       |                        |                       |
| Operating and Maintenance                    | \$ 255,776,299        | \$ 239,699,869        | \$ 16,076,430          | \$ 211,609,532        |
| Environmental                                | 2,263,500             | 1,891,598             | 371,902                | 1,134,250             |
| Conservation & Demand-side Management        | 7,227,800             | 6,422,909             | 804,891                | 5,364,921             |
| Natural Gas Pass Through Expense             | 918,473               | 915,183               | 3,290                  | 956,074               |
| Non-Fuel Purchased Power                     | 263,361,133           | 72,642,571            | 190,718,562            | 67,757,264            |
| Non-Fuel Uncollectibles & PSC Tax            | 1,391,596             | 2,606,030             | -1,214,434             | 2,218,988             |
| Emergency Contingency                        | 5,000,000             | 5,000,000             | -                      | 5,000,000             |
| <b>Total Base Related Expenses</b>           | <b>\$ 535,938,801</b> | <b>\$ 329,178,160</b> | <b>\$ 206,760,641</b>  | <b>\$ 294,041,029</b> |
| <b>BASE OPERATING INCOME:</b>                | <b>\$ 381,866,059</b> | <b>\$ 499,093,036</b> | <b>\$ -117,226,977</b> | <b>\$ 618,220,209</b> |

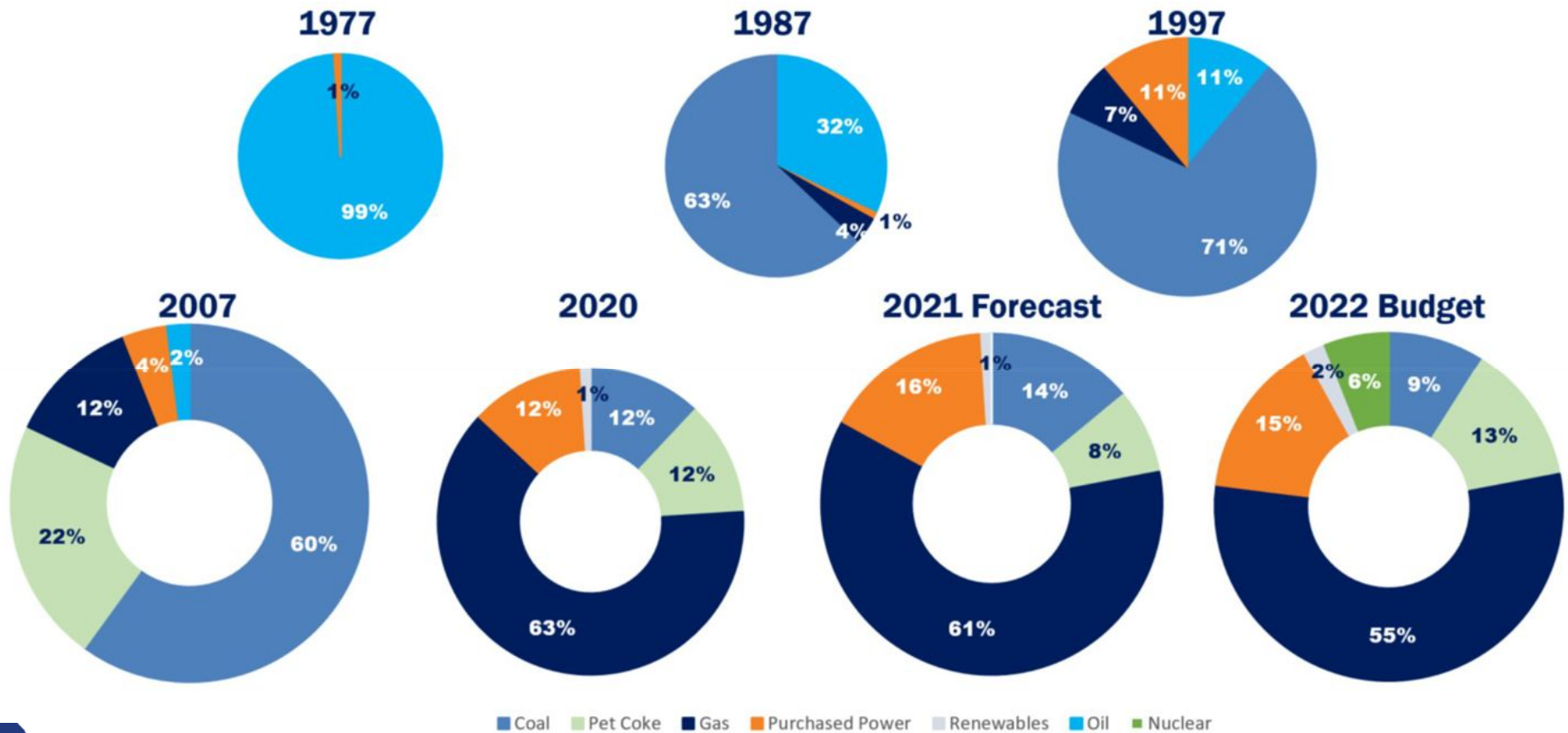
## Electric System Operating Budget

|   | FY2022 Budget    | FY2021 Budget    | Change          | FY2021 Forecast  |
|---|------------------|------------------|-----------------|------------------|
| <b>NON-OPERATING REVENUE:</b>               |                  |                  |                 |                  |
| Investment Income                           | \$ 3,194,911     | \$ 7,962,574     | \$ -4,767,663   | \$ 5,957,665     |
| Total Non Operating Revenues                | \$ 3,194,911     | \$ 7,962,574     | \$ -4,767,663   | \$ 5,957,665     |
| <b>NON-OPERATING EXPENSES:</b>              |                  |                  |                 |                  |
| Debt Service                                | \$ 109,816,948   | \$ 131,173,417   | \$ -21,356,469  | 232,722,926      |
| Demand-side Management - Rate Stabilization | -395,800         | 750,691          | -1,146,491      | 1,545,670        |
| Environmental - Rate Stabilization          | -3,821,756       | -9,423,646       | 5,601,890       | -8,579,870       |
| Total Non Operating Expenses                | \$ 105,599,392   | \$ 122,500,462   | \$ -16,901,070  | \$ 225,688,726   |
| <b>BASE INCOME BEFORE TRANSFERS</b>         | \$ 279,461,578   | \$ 384,555,148   | \$ -105,093,570 | \$ 398,489,148   |
| City Contribution Expense                   | 94,545,651       | 93,609,555       | 936,096         | 93,609,555       |
| Interlocal Payments                         | -                | -                | -               | -                |
| Renewal and Replacement Fund                | 65,000,000       | 64,012,472       | 987,528         | 62,540,250       |
| Operating Capital Outlay                    | 116,621,139      | 217,292,441      | -100,671,302    | 227,361,425      |
| Environmental Capital Outlay                | 3,294,788        | 9,640,680        | -6,345,892      | 14,977,918       |
| Contingencies & Working Capital             | -                | -                | -               | -                |
| Total Non-Fuel Expenses                     | \$ 279,461,578   | \$ 384,555,148   | \$ -105,093,570 | \$ 398,489,148   |
| <b>SURPLUS/(DEFICIT)</b>                    | \$ -             | \$ -             | \$ -            | \$ -             |
| <b>TOTAL REVENUES</b>                       | \$ 1,289,899,711 | \$ 1,247,146,545 | \$ 42,753,166   | \$ 1,314,104,488 |
| <b>TOTAL APPROPRIATIONS</b>                 | \$ 1,289,899,711 | \$ 1,247,146,545 | \$ 42,753,166   | \$ 1,314,104,488 |
| <b>BUDGETED EMPLOYEE POSITIONS</b>          | 1,527            | 1,527            | -               | 1,527            |
| <b>BUDGETED TEMPORARY HOURS</b>             | 104,000          | 104,000          | -               | 104,000          |

## Electric System Capital Budget

|  | FY2022 Budget         | FY2021 Budget         | Change                | FY2021 Forecast       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>CAPITAL FUNDS:</b>                  |                       |                       |                       |                       |
| Renewal & Replacement Deposits         | \$ 65,000,000         | \$ 64,012,472         | \$ 987,528            | \$ 62,540,250         |
| Operating Capital Outlay               | 116,621,139           | 217,292,441           | -100,671,302          | 227,361,425           |
| Environmental Capital Outlay           | 3,294,788             | 9,640,680             | -6,345,892            | 14,977,918            |
| Debt Proceeds                          | -                     | -                     | -                     | -                     |
| Other Proceeds                         | 55,886,073            | -                     | 55,886,073            | -                     |
| Total Capital Funds                    | <u>\$ 240,802,000</u> | <u>\$ 290,945,593</u> | <u>\$ -50,143,593</u> | <u>\$ 304,879,593</u> |
| <b>CAPITAL PROJECTS:</b>               |                       |                       |                       |                       |
| Generation Projects                    | \$ 40,010,000         | \$ 30,462,000         | \$ 9,548,000          | \$ 26,480,000         |
| Transmission and Distribution Projects | 119,503,000           | 129,577,000           | -10,074,000           | 108,626,000           |
| Other Projects                         | 81,289,000            | 57,503,000            | 23,786,000            | 51,473,000            |
| Total Capital Projects Subtotal        | <u>\$ 240,802,000</u> | <u>\$ 217,542,000</u> | <u>\$ 23,260,000</u>  | <u>\$ 186,579,000</u> |
| Capital Reserve                        | -                     | 73,403,593            | -73,403,593           | 118,300,593           |
| Total                                  | <u>\$ 240,802,000</u> | <u>\$ 290,945,593</u> | <u>\$ -50,143,593</u> | <u>\$ 304,879,593</u> |

# Electric Fuel Mix



## Fuel Rate per MWh



- ▶ FY22 projected fuel expenses include the new FPL Power Purchase Agreement that replaces the generation from Scherer 4's retirement, Vogtle Unit 3, and commencement of the 250 MW solar project.
- ▶ Pricing Policy annually sets Fuel Stabilization Fund balance target at 15% of the highest fuel expense over the past five fiscal years of \$455 million, currently \$68 million
- ▶ FY2022 year-end Fuel Stabilization Fund balance projected to be 16% of target expense utilizing the current \$32.50 fuel rate, exceeding the target range
- ▶ This leads to a recommendation of lowering the Fuel Charge to customers from \$32.50/MWh to \$30.50/MWh for FY 2022

|                                 | FY2019A | FY2020A | FY2021F | FY2022B |
|---------------------------------|---------|---------|---------|---------|
| Fuel Charge Budgeted per \$/MWh | \$32.50 | \$32.50 | \$32.50 | \$30.50 |
| Fund as a % of Target Expense   | 9%      | 16%     | 16%     | 14%     |
| Annual Fuel Cost (millions)     | \$426   | \$343   | \$398   | \$376   |

## FY2022 Electric System Non-Fuel Purchased Power

| <b>SJRPP</b> <small>(Shut down 1/5/18)</small> | <b>FY2021</b>       | <b>FY2022</b>        | <b>Variance</b>      | <b>Explanation</b>   |
|--|---------------------|----------------------|----------------------|--|
| Debt Service                                   | \$23,780,931        | \$20,062,324         | -\$3,718,607         | Lower D/S interest due to planned SJRPP early debt retirement            |
| R&R  | 2,972,616           | 2,507,791            | -464,825             |  |
| <i>Subtotal SJRPP</i>                          | <i>\$26,753,547</i> | <i>\$22,570,115</i>  | <i>-\$4,183,432</i>  |  |
| <b>Scherer</b>                                 | <b>FY2021</b>       | <b>FY2022</b>        | <b>Variance</b>      | <b>Explanation</b>   |
| O&M  | \$7,509,000         | \$7,336,381          | -\$172,619           |  |
| Debt Service                                   | 10,029,775          | 77,635,936           | 67,606,161           | Planned Scherer early debt retirement                                    |
| R&R  | 9,450,249           | 2,040,869            | -7,409,380           | 1 <sup>st</sup> quarter 2022 only  |
| Transmission                                   | 6,100,000           | 1,640,810            | -4,459,190           | 1 <sup>st</sup> quarter 2022 only  |
| <i>Subtotal Scherer</i>                        | <i>\$33,089,024</i> | <i>\$88,653,996</i>  | <i>\$55,564,972</i>  |  |
| <b>Other</b>                                   | <b>FY2021</b>       | <b>FY2022</b>        | <b>Variance</b>      | <b>Explanation</b>   |
| Other Capacity                                 | \$7,800,000         | \$8,200,000          | 400,000              |  |
| FPL Capacity                                   | 0                   | 17,010,000           | 17,010,000           | Per Scherer shutdown agreement with FPL, fixed cost per MW of capacity   |
| Vogtle Administration                          | 5,000,000           | 0                    | -5,000,000           | No additional Vogtle legal costs   |
| Vogtle Capacity                                | 0                   | 21,404,171           | 21,404,171           | Planned Vogtle capacity costs, including O&M                             |
| Vogtle Debt Service                            | 36,501,372          | 80,522,851           | 44,021,479           | Planned D/S payment for Vogtle   |
| Rate Stabilization                             | -36,501,372         | 25,000,000           | 61,501,372           | Planned contribution to non-fuel purchased power rate stabilization fund |
| <i>Subtotal Other</i>                          | <i>\$12,800,000</i> | <i>\$152,137,022</i> | <i>139,337,022</i>   |  |
| <b>Total</b>                                   | <b>\$72,642,571</b> | <b>\$263,361,133</b> | <b>\$190,718,562</b> |  |



## Electric System Operating Budget

### Strategic Issues Included in Budget:

| <b>FOR FY2022 (\$ in millions)</b> |               |
|------------------------------------|---------------|
| Generating Unit Outages            | 7.4           |
| New Headquarters                   | 6.6           |
| Succession Planning Staffing Risks | 2.6           |
| COVID related expenses             | 2.0           |
| <b>Total</b>                       | <b>\$18.6</b> |

| <b>FOR FY2021 (\$ in millions)</b> |               |
|------------------------------------|---------------|
| Generating Unit Outages            | 4.7           |
| Succession Planning Staffing Risks | 2.6           |
| COVID related expenses             | 2.8           |
| <b>Total</b>                       | <b>\$10.1</b> |

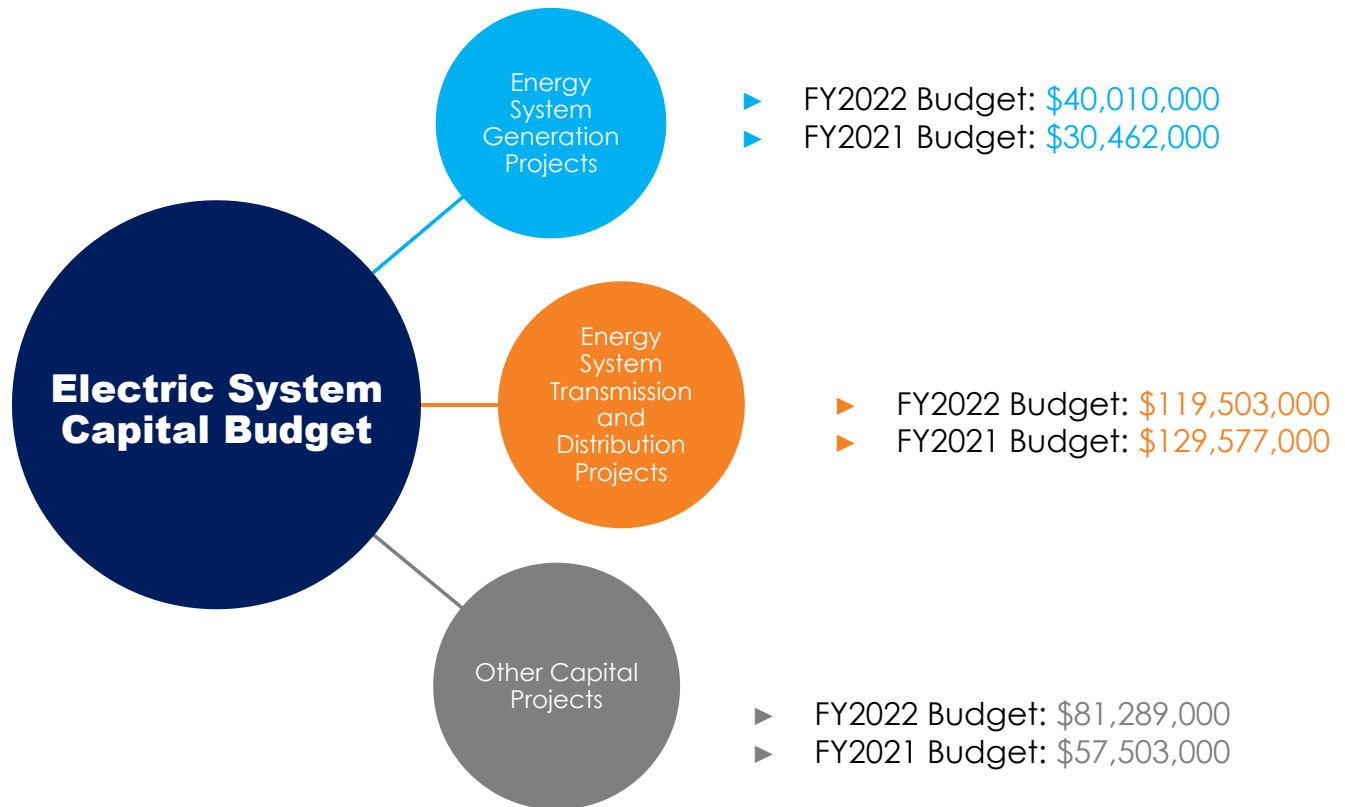
| <b>(\$ in millions)</b>   | <b>FY2021 Budget<sup>1</sup></b> | <b>FY2022 Budget<sup>1</sup></b> | <b>Variance</b> | <b>Explanation</b>   |
|---------------------------|----------------------------------|----------------------------------|-----------------|--|
| Salaries                  | \$141.5                          | \$146.9                          | \$5.4           | Includes bargaining unit step increases per contractual agreements and estimated general increases.  |
| Benefits                  | 63.3                             | 65.4                             | 2.1             | Increases in benefits due to salary increases  |
| Other Services            | 116.0                            | 128.2                            | 12.2            | Increases to rental and professional services for new headquarters lease and associated costs such as scanning, increase in outage costs, increase in industrial services, increase in building and structures maintenance |
| Materials & Supplies      | 19.2                             | 20.8                             | 1.6             | Increases to outage supplies and materials, inventory issues, and miscellaneous supplies and tools   |
| Other                     | 19.5                             | 18.2                             | -1.3            | Decrease to inventory carrying costs and decrease to interest on customer deposits   |
| Credits – Shared Services | -63.9                            | -66.4                            | -2.5            | Increase in shared cost allocation   |
| Credits – Capitalization  | -43.8                            | -44.1                            | -0.3            | Higher overall capitalized labor credits   |
| Credits – Other           | -12.1                            | -13.2                            | -1.1            | Increase in Fuel Procurement and Handling credit   |
| Conservation/DSM          | 6.4                              | 7.2                              | 0.8             | Stable   |
| Environmental             | 1.9                              | 2.3                              | 0.4             | Stable   |
| Ret. Natural Gas          | 0.9                              | 0.9                              | 0               | No change  |
| <b>Total</b>              | <b>\$248.9</b>                   | <b>\$266.2</b>                   | <b>\$17.3</b>   |  |



## Electric System FY2022 Capital Budget

# Total FY2022 Budget: \$241 Million

- ▶ FY2021 capital plan budget was \$217.5 million, current forecast is \$187 million
- ▶ FY2022 capital funding plan utilizes existing capital cash balances to fund qualifying projects, resulting in no new debt issuance for FY2022



## Electric System FY2022 Capital Budget

### Sources of Funds

\$241  
Million

- ▶ **\$ 117**  
MILLION OPERATING CAPITAL OUTLAY
- ▶ **\$ 65**  
MILLION RENEWAL & REPLACEMENT
- ▶ **\$ 3**  
MILLION ENVIRONMENTAL RATE STABILIZATION
- ▶ **\$ 56**  
MILLION OTHER PROCEEDS

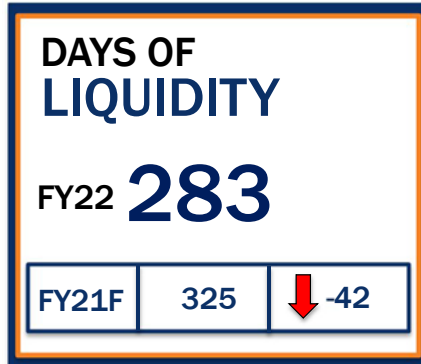
### Uses of Funds

- ▶ **\$ 220**  
MILLION SYSTEM MAINTENANCE
  - Renewal & Replacement
  - Distribution
  - Facilities, Fleet, & Technology
- ▶ **\$ 18**  
MILLION SYSTEM EXPANSION
  - New or Expanded Generation
  - New Transmission Lines
  - New or Expanded Substations
- ▶ **\$ 3**  
MILLION ENVIRONMENTAL
  - Solar Projects
  - Nox Emissions Reductions

FY2022 key projects include \$30 million for General Administration Building and EOC, \$9.9 million for 69kV rebuild, and \$9.4 million for Kennedy Generation Station CT7 Rotor Replacement

Note: Detailed FY2022 project list is included in the Supplemental Schedules section

## Electric System FY2022 Operating Metrics



**DEBT TO ASSET RATIO<sup>^</sup>**

FY22 **47.0%**

|       |       |        |
|-------|-------|--------|
| FY21F | 52.0% | ↓ 5.0% |
|-------|-------|--------|

**DEBT SERVICE TOTAL**

FY22 **\$109.8**

|       |         |           |
|-------|---------|-----------|
| FY21F | \$131.2 | ↓ -\$21.4 |
|-------|---------|-----------|

**DEBT SERVICE COVERAGE**

FY22 **4.2x**

|       |      |         |
|-------|------|---------|
| FY21F | 5.2x | ↓ -1.0x |
|-------|------|---------|

**Electric System Bond Rating: A2/A+/AA**



## **Water & Wastewater System Budget Assumptions**



## Water Wastewater System Operating Budget

|   | FY2022 Budget         | FY2021 Budget         | Change               | FY2021 Forecast       |
|---|-----------------------|-----------------------|----------------------|-----------------------|
| <b>BASE RELATED REVENUES &amp; EXPENSES</b> |                       |                       |                      |                       |
| <b>BASE OPERATING REVENUES:</b>             |                       |                       |                      |                       |
| Base Rate Revenues                          | \$ 439,929,234        | \$ 437,545,588        | \$ 2,383,646         | \$ 426,974,149        |
| Environmental Charge Revenue                | 27,010,000            | 27,777,750            | -767,750             | 25,684,865            |
| Other Revenues                              | 25,494,531            | 14,600,000            | 10,894,531           | 11,003,104            |
| Total Base Related Revenues                 | <u>\$ 492,433,765</u> | <u>\$ 479,923,338</u> | <u>\$ 12,510,427</u> | <u>\$ 463,662,118</u> |
| <b>BASE OPERATING EXPENSES:</b>             |                       |                       |                      |                       |
| Operating and Maintenance                   | \$ 184,882,130        | \$ 175,430,345        | \$ 9,451,785         | \$ 164,985,986        |
| Environmental CUP - DSM                     | \$ 7,608,200          | \$ 2,394,238          | 5,213,962            | 864,713               |
| Non-Fuel Uncollectibles & PSC Tax           | \$ 700,409            | \$ 1,395,970          | -695,561             | 1,315,963             |
| Emergency Contingency                       | \$ 1,000,000          | \$ 1,000,000          | -                    | 1,000,000             |
| Total Base Related Expenses                 | <u>\$ 194,190,739</u> | <u>\$ 180,220,553</u> | <u>\$ 13,970,186</u> | <u>\$ 168,166,662</u> |
| <b>BASE OPERATING INCOME:</b>               | <b>\$ 298,243,026</b> | <b>\$ 299,702,785</b> | <b>\$ -1,459,759</b> | <b>\$ 295,495,456</b> |
| <b>NON-OPERATING REVENUE:</b>               |                       |                       |                      |                       |
| Investment Income                           | 2,075,631             | 2,975,171             | -899,540             | 2,765,074             |
| Capacity Fees                               | 47,000,000            | 29,388,151            | 17,611,849           | 38,442,107            |
| Total Non Operating Revenues                | <u>\$ 49,075,631</u>  | <u>\$ 32,363,322</u>  | <u>\$ 16,712,309</u> | <u>\$ 41,207,181</u>  |

## Water Wastewater System Operating Budget

|   | FY2022 Budget         | FY2021 Budget         | Change               | FY2021 Forecast       |
|---|-----------------------|-----------------------|----------------------|-----------------------|
| <b>NON-OPERATING EXPENSES:</b>              |                       |                       |                      |                       |
| Debt Service                                | 67,135,355            | 65,436,531            | 1,698,824            | 61,123,521            |
| Demand-side Management - Rate Stabilization | -                     | -                     | -                    | -                     |
| Environmental - Rate Stabilization          | -                     | -                     | -                    | -                     |
| Total Non Operating Expenses                | <u>\$ 67,135,355</u>  | <u>\$ 65,436,531</u>  | <u>\$ 1,698,824</u>  | <u>\$ 61,123,521</u>  |
| <b>BASE INCOME BEFORE TRANSFERS</b>         | <b>\$ 280,183,302</b> | <b>\$ 266,629,576</b> | <b>\$ 13,553,726</b> | <b>\$ 275,579,116</b> |
| City Contribution Expense                   | 26,666,722            | 26,402,695            | 264,027              | 26,402,695            |
| Interlocal Payments                         | 21,000,000            | 0                     | 21,000,000           | 942,201               |
| Renewal and Replacement Fund                | 25,243,465            | 26,606,100            | -1,362,635           | 26,606,100            |
| Operating Capital Outlay                    | 149,471,315           | 167,449,118           | -17,977,803          | 166,917,081           |
| Operating Capital Outlay - Environmental    | 10,801,800            | 16,783,512            | -5,981,712           | 16,268,932            |
| Capacity Fees                               | 47,000,000            | 29,388,151            | 17,611,849           | 38,442,107            |
| Contingencies & Working Capital             | -                     | -                     | -                    | -                     |
| Total Non-Fuel Expenses                     | <u>\$ 280,183,302</u> | <u>\$ 266,629,576</u> | <u>\$ 13,553,726</u> | <u>\$ 275,579,116</u> |
| <b>SURPLUS/(DEFICIT)</b>                    | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>          | <b>\$ -</b>           |
| <b>TOTAL REVENUES</b>                       | <b>\$ 541,509,396</b> | <b>\$ 512,286,660</b> | <b>\$ 29,222,736</b> | <b>\$ 504,869,299</b> |
| <b>TOTAL APPROPRIATIONS</b>                 | <b>\$ 541,509,396</b> | <b>\$ 512,286,660</b> | <b>\$ 29,222,736</b> | <b>\$ 504,869,299</b> |
| BUDGETED EMPLOYEE POSITIONS                 | 625                   | 625                   | 0                    | 625                   |
| BUDGETED TEMPORARY HOURS                    | 20,800                | 20,800                | 0                    | 20,800                |

## Water Wastewater System Capital Budget

|                                | FY2022 Budget         | FY2021 Budget         | Change               | FY2021 Forecast       |
|--------------------------------|-----------------------|-----------------------|----------------------|-----------------------|
| <b>CAPITAL FUNDS:</b>          |                       |                       |                      |                       |
| Renewal & Replacement Deposits | \$ 25,243,465         | \$ 26,606,100         | \$ -1,362,635        | \$ 26,606,100         |
| Operating Capital Outlay       | 149,471,315           | 167,449,118           | -17,977,803          | 166,917,081           |
| Environmental Capital Outlay   | 10,801,800            | 16,783,512            | -5,981,712           | 13,067,684            |
| Capacity Fees                  | 47,000,000            | 29,388,151            | 17,611,849           | 38,442,107            |
| Debt Proceeds                  | 129,885,420           | 87,635,119            | 42,250,301           | -                     |
| Other Proceeds                 |                       |                       | -                    | -                     |
| <b>Total Capital Funds</b>     | <u>\$ 362,402,000</u> | <u>\$ 327,862,000</u> | <u>\$ 34,540,000</u> | <u>\$ 235,000,000</u> |
| <b>CAPITAL PROJECTS:</b>       |                       |                       |                      |                       |
| Water Projects                 | 96,792,000            | 99,342,000            | -2,550,000           | 82,000,000            |
| Sewer Projects                 | 231,120,000           | 200,440,000           | 30,680,000           | 127,000,000           |
| Other Projects                 | 34,490,000            | 28,080,000            | 6,410,000            | 26,000,000            |
| <b>Total Capital Projects</b>  | <u>362,402,000</u>    | <u>327,862,000</u>    | <u>34,540,000</u>    | <u>235,000,000</u>    |
| Capital Reserves               | -                     | -                     | -                    | 10,032,972            |
| <b>Total</b>                   | <u>\$ 362,402,000</u> | <u>\$ 327,862,000</u> | <u>\$ 34,540,000</u> | <u>\$ 245,032,972</u> |



## Water Wastewater System Operating Budget

Strategic Issues Included in Budget:

| <b>FOR FY2022 (\$ in millions)</b> |              |
|------------------------------------|--------------|
| Wastewater Treatment Program       | \$3.1        |
| New Headquarters                   | 2.5          |
| Preventative Maintenance           | 1.8          |
| Succession Planning Staffing Risks | 1.0          |
| Storm Generators and Pumps         | 0.7          |
| Well Rehab Program                 | 0.5          |
| <b>Total</b>                       | <b>\$9.6</b> |

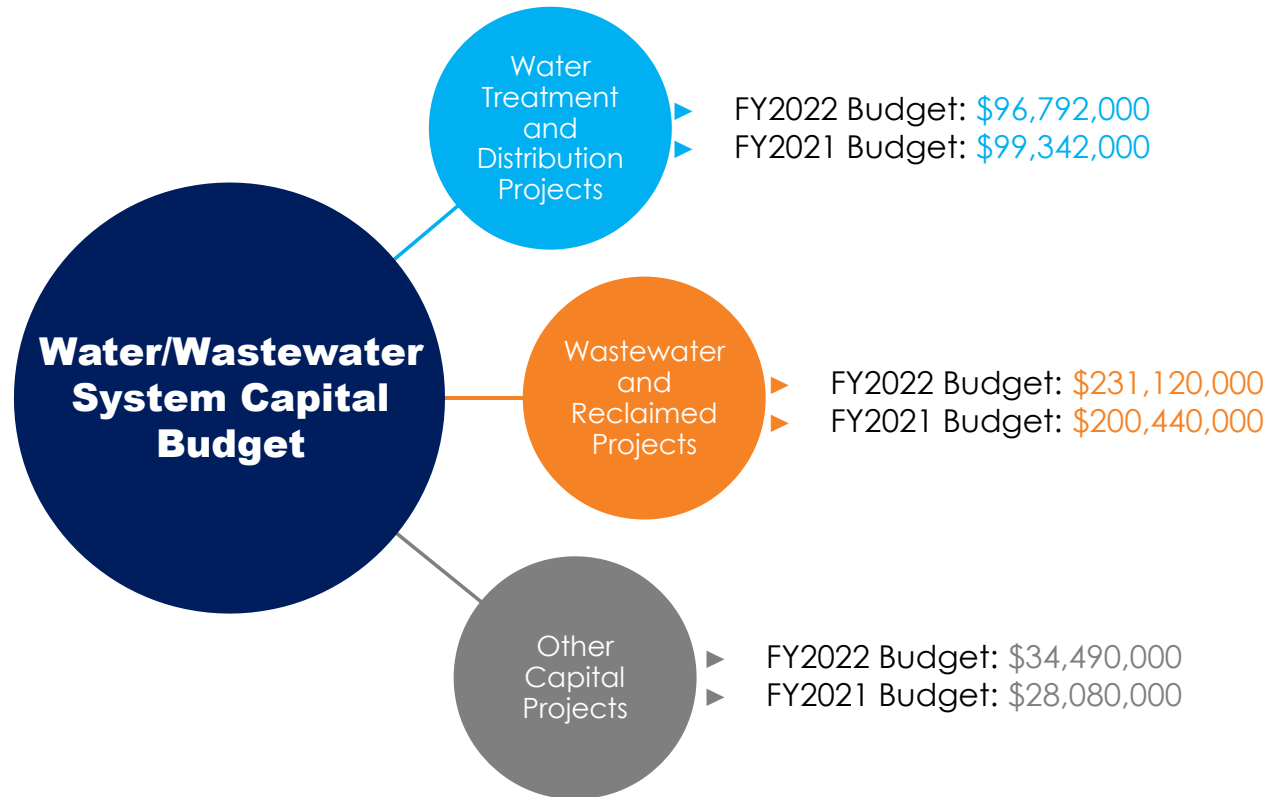
| <b>FOR FY2021 (\$ in millions)</b>      |              |
|---|--------------|
| Storm Generators and Pumps              | \$1.3        |
| Succession Planning Staffing Risks      | 1.0          |
| Innovative Wastewater Treatment Program | 0.6          |
| Sewer Preventive Maintenance Cleaning   | 0.3          |
| Septic Tank Phase Out Engineering       | 0.8          |
| <b>Total</b>                            | <b>\$4.0</b> |

| <b>(\$ in millions)</b>  | <b>FY2022 Budget<sup>1</sup></b> | <b>FY2021 Budget<sup>1</sup></b> | <b>Variance</b> | <b>Explanation</b>  |
|--------------------------|----------------------------------|----------------------------------|-----------------|---|
| Salaries                 | \$62.2                           | \$56.6                           | \$5.6           | Includes bargaining unit step increases per contractual agreements and estimated general increases. |
| Benefits                 | 26.3                             | 24.7                             | 1.6             | Primarily due to increases in salaries  |
| Other Services           | 30.4                             | 30.2                             | 0.2             | In line with FY2021 budget  |
| Materials & Supplies     | 15.1                             | 14.1                             | 1.0             | Increased cost of supplies and materials  |
| Shared Services          | 66.3                             | 63.8                             | 2.5             | Increase to Water Billing Credit Expense  |
| Other                    | 6.3                              | 4.6                              | 1.7             | Insurance premium increase  |
| Credits – Capitalization | -21.7                            | -18.6                            | -3.1            | Greater capitalization  |
| Env. CUP - DSM           | 7.6                              | 2.4                              | -5.2            | Water DSM Program   |
| <b>Total</b>             | <b>\$192.5</b>                   | <b>\$177.8</b>                   | <b>\$4.3</b>    |   |

## Water Wastewater System FY2022 Capital Budget

# Total FY2022 Budget: \$362 Million

- ▶ FY2021 capital plan budget was \$327.9 million, current forecast is \$235 million
- ▶ FY2022 capital funding plan utilizes existing capital cash balances to fund qualifying projects, but may also require up to \$130 million in new debt issuance for FY2022



## Water Wastewater System FY2022 Capital Budget

### Sources of Funds

**\$362  
Million**

- ▶ **\$ 130**  
MILLION      DEBT PROCEEDS
- ▶ **\$ 196**  
MILLION      OPERATING CAPITAL OUTLAY
- ▶ **\$ 25**  
MILLION      RENEWAL & REPLACEMENT
- ▶ **\$ 11**  
MILLION      ENVIRONMENTAL

### Uses of Funds

- ▶ **\$ 209**  
MILLION      SYSTEM MAINTENANCE
  - Renewal & Replacement
  - Distribution
  - Facilities, Fleet, & Technology
- ▶ **\$ 127**  
MILLION      SYSTEM EXPANSION
  - New or Expanded Generation
  - New Transmission Lines
  - New or Expanded Master Pumps
- ▶ **\$ 26**  
MILLION      ENVIRONMENTAL
  - BMAP\*/TMDL\*\*/Reclaim
  - Total Water Management Plan
  - Major Environmental Initiatives

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

FY2022 includes \$29 million in funding for the Southwest WRF Expansion to 16MGD and \$26 million for Greenland WRF 4MGD

Note: Detailed FY2022 project list is included in the Supplemental Schedules section

## Water Wastewater System FY2022 Operating Metrics



^Days of liquidity is being positively impacted by revolver



|       |       |         |
|-------|-------|---------|
| FY21F | 39.6% | ↓ -0.6% |
|-------|-------|---------|



|       |        |         |
|-------|--------|---------|
| FY21F | \$61.1 | ↑ \$6.0 |
|-------|--------|---------|



|       |      |         |
|-------|------|---------|
| FY21F | 5.9x | ↓ -0.3x |
|-------|------|---------|

**W/WW System Bond Rating: Aa3/AA+/AA**



## **District Energy System Budget Assumptions**



## District Energy System Operating Budget

|   | FY2022 Budget       | FY2021 Budget       | Change             | FY2021 Forecast     |
|---|---------------------|---------------------|--------------------|---------------------|
| <b>BASE OPERATING REVENUES:</b>             |                     |                     |                    |                     |
| Base Rate Revenues                          | \$ 8,839,543        | \$ 9,328,327        | \$ -488,784        | \$ 8,536,564        |
| Total Base Related Revenues                 | \$ 8,839,543        | \$ 9,328,327        | \$ -488,784        | \$ 8,536,564        |
| <b>BASE OPERATING EXPENSES:</b>             |                     |                     |                    |                     |
| Operating and Maintenance                   | \$ 5,127,990        | \$ 5,193,927        | \$ -65,937         | \$ 4,369,884        |
| Total Base Related Expenses                 | \$ 5,127,990        | \$ 5,193,927        | \$ -65,937         | \$ 4,369,884        |
| <b>BASE OPERATING INCOME:</b>               | <b>\$ 3,711,553</b> | <b>\$ 4,134,400</b> | <b>\$ -422,847</b> | <b>\$ 4,166,680</b> |
| <b>NON-OPERATING EXPENSES:</b>              |                     |                     |                    |                     |
| Debt Service                                | 3,171,208           | 3,023,891           | 147,317            | 3,023,891           |
| Demand-side Management - Rate Stabilization | -                   | -                   | -                  | -                   |
| Environmental - Rate Stabilization          | -                   | -                   | -                  | -                   |
| Total Non Operating Expenses                | \$ 3,171,208        | \$ 3,023,891        | \$ 147,317         | \$ 3,023,891        |
| <b>BASE INCOME BEFORE TRANSFERS</b>         | <b>\$ 540,345</b>   | <b>\$ 1,110,509</b> | <b>\$ -570,164</b> | <b>\$ 1,142,788</b> |
| City Contribution Expense                   | -                   | -                   | -                  | -                   |
| Renewal and Replacement Fund                | 426,828             | 437,313             | -10,485            | 435,131             |
| Operating Capital Outlay                    | 113,517             | 673,196             | -559,679           | 707,657             |
| Total Non-Fuel Expenses                     | \$ 540,345          | \$ 1,110,509        | \$ -570,164        | \$ 1,142,788        |
| <b>SURPLUS/(DEFICIT)</b>                    | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>        | <b>\$ -</b>         |
| <b>TOTAL REVENUES</b>                       | <b>\$ 8,839,543</b> | <b>\$ 9,328,327</b> | <b>\$ -488,784</b> | <b>\$ 8,536,564</b> |
| <b>TOTAL APPROPRIATIONS</b>                 | <b>\$ 8,839,543</b> | <b>\$ 9,328,327</b> | <b>\$ -488,784</b> | <b>\$ 8,536,564</b> |
| BUDGETED EMPLOYEE POSITIONS                 | 6                   | 6                   | 0                  | 6                   |
| BUDGETED TEMPORARY HOURS                    | 0                   | 0                   | 0                  | 0                   |

## District Energy System Capital Budget

|                                | FY2022 Budget       | FY2021 Budget       | Change              | FY2021 Forecast     |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>CAPITAL FUNDS:</b>          |                     |                     |                     |                     |
| Renewal & Replacement Deposits | \$ 426,828          | \$ 437,313          | \$ -10,485          | \$ 435,131          |
| Operating Capital Outlay       | 113,517             | 673,196             | -559,679            | 707,657             |
| Debt Proceeds                  | -                   | 566,491             | 566,491             | -                   |
| Other Proceeds                 | 5,009,944           | 1,359,000           | 3,650,944           | 134,568             |
| Total Capital Funds            | <u>\$ 5,550,289</u> | <u>\$ 3,036,000</u> | <u>\$ 2,514,289</u> | <u>\$ 1,277,356</u> |
| <b>CAPITAL PROJECTS:</b>       |                     |                     |                     |                     |
| District Energy Projects       | 5,550,289           | 3,036,000           | 2,514,289           | 1,277,356           |
| Total Capital Projects         | <u>\$ 5,550,289</u> | <u>\$ 3,036,000</u> | <u>\$ 2,514,289</u> | <u>\$ 1,277,356</u> |



## **Rate Stabilization Funds**





## Rate Stabilization Funds

|                                | FY2020         | Forecast FY2021 |             |                | Budget FY2022 |             |                |
|--------------------------------|----------------|-----------------|-------------|----------------|---------------|-------------|----------------|
| (\$ in thousands)              | Ending Balance | Deposits        | Withdrawals | Ending Balance | Deposits      | Withdrawals | Ending Balance |
| <b>Electric System</b>         |                |                 |             |                |               |             |                |
| DSM/Conservation               | \$5,423        | \$6,886         | -\$5,341    | \$6,968        | \$6,832       | -\$7,228    | \$6,572        |
| Debt Management                | -              | -               | -           | -              | -             | -           | -              |
| Environmental <sup>1</sup>     | 21,818         | 7,532           | -16,112     | 13,238         | 7,442         | -11,264     | 9,416          |
| Fuel                           | 73,347         | 10,524          | -12,561     | 71,310         | -             | -7,285      | 64,025         |
| Non-Fuel Purchased Power       | 36,326         | -               | -31,627     | 4,699          | 25,000        | -           | 29,699         |
|                                |                |                 |             |                |               |             |                |
| <b>Water Wastewater System</b> |                |                 |             |                |               |             |                |
| Environmental <sup>2</sup>     | 23,372         | 25,684          | -\$22,436   | \$26,620       | 27,010        | -27,010     | \$26,620       |
| Debt Management                | -              | -               | -           | -              | -             | -           | -              |

<sup>1</sup>Includes \$2.3m million in Environmental O&M costs, \$3.3m in Environmental capital project costs, and \$5.7m in Environmental payback

<sup>2</sup>Includes \$19.8 million in Environmental O&M and capital projects and \$7.2 million in funds repaid to the Water/Wastewater System R&R fund



## **FY2022 Budget Timeline & Action Items**



## FY2022 Board Review and Approval Timeline





## Supplemental Schedules



| Electric Project Title  | FY22<br>Proposed<br>('000) | FY23<br>Proposed<br>('000) | FY24<br>Proposed<br>('000) | FY25<br>Proposed<br>('000) | FY26<br>Proposed<br>('000) | FY22-FY26<br>Total<br>('000) |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|
| <b>GENERATION</b>   |                            |                            |                            |                            |                            |                              |
| Kennedy Generating - CT7 - Rotor Replacement                                  | 9,445                      | 3,429                      | 0                          | 0                          | 0                          | 12,874                       |
| Northside Generating - Generation Support Capital Improvements                | 4,000                      | 4,000                      | 4,000                      | 4,000                      | 4,000                      | 20,000                       |
| Northside Generating - N03 Turbine & Generator Inspection                     | 3,090                      | 0                          | 0                          | 0                          | 0                          | 3,090                        |
| Northside Generating - Energy Project Management Capital Improvement Projects | 3,000                      | 6,000                      | 6,000                      | 6,000                      | 6,000                      | 27,000                       |
| Northside Generating - CT3 Major Inspection                                   | 2,790                      | 0                          | 0                          | 0                          | 0                          | 2,790                        |
| Brandy Branch Generating - General Capital Improvements                       | 2,000                      | 2,000                      | 2,000                      | 2,000                      | 2,000                      | 10,000                       |
| Kennedy Generating - MarkVIe and EX2100e Upgrade                              | 1,693                      | 441                        | 0                          | 0                          | 0                          | 2,134                        |
| Northside Generating - N03 Turbine Valve Inspection                           | 1,246                      | 0                          | 0                          | 0                          | 0                          | 1,246                        |
| Northside Generating - N01 Impulse Cleaning System Installation               | 1,100                      | 0                          | 0                          | 0                          | 0                          | 1,100                        |
| Brandy Branch Generating and Kennedy Generating - Fire Protection Updates     | 966                        | 0                          | 0                          | 0                          | 0                          | 966                          |
| Northside Generating - N03 Turbine Inspection                                 | 850                        | 0                          | 0                          | 0                          | 0                          | 850                          |
| Northside Generating - N03 Condenser Tube Replacement                         | 842                        | 0                          | 0                          | 0                          | 0                          | 842                          |
| Brandy Branch Generating - B50 Turbine Parts Warehouse                        | 839                        | 0                          | 0                          | 0                          | 0                          | 839                          |
| Northside Generating - N03 Air Preheater Overhaul                             | 742                        | 0                          | 0                          | 0                          | 0                          | 742                          |
| Northside Substation Improvements - Phase 2                                   | 700                        | 0                          | 0                          | 0                          | 0                          | 700                          |
| Northside Generating - N01-N02 Fan Silencer replacement                       | 670                        | 0                          | 0                          | 0                          | 0                          | 670                          |
| Northside Generating - N03 Secondary Superheater Tube Replacement             | 618                        | 0                          | 0                          | 0                          | 0                          | 618                          |
| Northside Generating - N02 Boiler Elevator Overhaul                           | 528                        | 0                          | 0                          | 0                          | 0                          | 528                          |
| Northside Generating - N01, N02 Expansion Joint Fab & Install                 | 502                        | 0                          | 0                          | 0                          | 0                          | 502                          |
| Northside Generating - N33, N34, N35, N36 Control System Upgrade              | 398                        | 392                        | 455                        | 0                          | 0                          | 1,245                        |
| Northside Generating - N00 Fire Main Valve Replacement                        | 280                        | 0                          | 0                          | 0                          | 0                          | 280                          |
| Brandy Branch Generating - CT2 - Hot Gas Path Inspection #6                   | 250                        | 5,745                      | 0                          | 0                          | 0                          | 5,995                        |
| Brandy Branch Generating - CT3 - Hot Gas Path Inspection #6                   | 250                        | 5,745                      | 0                          | 0                          | 0                          | 5,995                        |
| Kennedy Generating - CT7 - Hot Gas Path Inspection #3                         | 250                        | 5,318                      | 0                          | 0                          | 0                          | 5,568                        |
| Northside Generating - N33 Electrical Equipment Upgrades                      | 234                        | 0                          | 0                          | 0                          | 0                          | 234                          |
| Northside Generating - N02 A Cyclone Crossover EJ Repair                      | 213                        | 0                          | 0                          | 0                          | 0                          | 213                          |
| Northside Generating - N03 Breaker Upgrade                                    | 194                        | 0                          | 0                          | 0                          | 0                          | 194                          |
| Brandy Branch Generating - B52, B53 Transition Duct Liner                     | 175                        | 1,234                      | 0                          | 0                          | 0                          | 1,409                        |
| Northside Generating - N01 N02 UPS Replacement                                | 158                        | 0                          | 0                          | 0                          | 0                          | 158                          |

| Electric Project Title  | FY22<br>Proposed<br>('000) | FY23<br>Proposed<br>('000) | FY24<br>Proposed<br>('000) | FY25<br>Proposed<br>('000) | FY26<br>Proposed<br>('000) | FY22-FY26<br>Total<br>('000) |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|
| <b>GENERATION</b>   |                            |                            |                            |                            |                            |                              |
| Northside Generating - N34 Electrical Equipment Upgrades                                | 80                         | 239                        | 0                          | 0                          | 0                          | 320                          |
| Brandy Branch Generating - CT1 - Rotor Replacement                                      | 0                          | 3,600                      | 14,202                     | 0                          | 0                          | 17,802                       |
| Northside Generating - CT4 Major Inspection   | 0                          | 2,800                      | 0                          | 0                          | 0                          | 2,800                        |
| Northside Generating - N01 Boiler Elevator Overhaul                                     | 0                          | 528                        | 0                          | 0                          | 0                          | 528                          |
| Brandy Branch Generating - B52, B53 Catalyst Replacement                                | 0                          | 500                        | 439                        | 0                          | 0                          | 939                          |
| Brandy Branch Generating - CT1 - Hot Gas Path Inspection #3                             | 0                          | 250                        | 6,550                      | 0                          | 0                          | 6,800                        |
| Greenland Energy – 1X1 Combined Cycle Addition  | 0                          | 0                          | 4,981                      | 10,000                     | 150,000                    | 164,981                      |
| Northside Generating - Byproduct Storage Area II  | 0                          | 0                          | 1,800                      | 11,855                     | 5,626                      | 19,281                       |
| Northside Generating - Intake and Discharge Flume Concrete Repair                       | 0                          | 0                          | 1,678                      | 0                          | 0                          | 1,678                        |
| Brandy Branch Generating - CT2 - Hot Gas Path Inspection #7                             | 0                          | 0                          | 300                        | 6,156                      | 0                          | 6,456                        |
| Brandy Branch Generating - CT3 - Hot Gas Path Inspection #7                             | 0                          | 0                          | 300                        | 6,156                      | 0                          | 6,456                        |
| Northside Generating - CT5 Major Inspection   | 0                          | 0                          | 0                          | 2,800                      | 0                          | 2,800                        |
| Compression Upgrade to Greenland Pipeline – New Generating Capacity at Greenland Energy | 0                          | 0                          | 0                          | 1,000                      | 6,000                      | 7,000                        |
| Northside Generating - N35 Electrical Equipment Upgrades                                | 0                          | 0                          | 0                          | 333                        | 0                          | 333                          |
| Northside Generating - N36 Electrical Equipment Upgrades                                | 0                          | 0                          | 0                          | 0                          | 271                        | 271                          |
| Kennedy Generating - CT8 - Hot Gas Path Inspection #2                                   | 0                          | 0                          | 0                          | 0                          | 250                        | 250                          |
| <b>Budget Reserve</b>   | <b>1,905</b>               | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>1,905</b>                 |
| <b>GENERATION SUBTOTAL</b>  | <b>40,010</b>              | <b>42,222</b>              | <b>42,704</b>              | <b>50,300</b>              | <b>174,147</b>             | <b>349,383</b>               |
| <b>TRANSMISSION AND DISTRIBUTION</b>  |                            |                            |                            |                            |                            |                              |
| Electric Distribution Maintenance Capital Upgrades                                      | 12,500                     | 12,500                     | 13,100                     | 13,100                     | 13,100                     | 64,300                       |
| Customer Order Management - New Electric Service Additions                              | 11,500                     | 12,000                     | 12,500                     | 13,000                     | 13,500                     | 62,500                       |
| 69kv - 663 line rebuild   | 9,931                      | 8                          | 0                          | 0                          | 0                          | 9,939                        |
| Customer Order Management - Development Driven Projects                                 | 9,250                      | 9,750                      | 10,250                     | 10,750                     | 11,250                     | 51,250                       |
| SAIDI Improvement Plan  | 5,842                      | 0                          | 0                          | 0                          | 0                          | 5,842                        |
| Real Estate - Greenland to Mayo Substation - Transmission Corridor Purchase             | 4,410                      | 0                          | 0                          | 0                          | 0                          | 4,410                        |
| Pole Replacement Program  | 4,200                      | 4,200                      | 4,400                      | 4,400                      | 4,400                      | 21,600                       |
| Eagle LNG 138-13.8 kV Substation  | 3,000                      | 6,867                      | 1,000                      | 0                          | 0                          | 10,867                       |
| General Underground Network and Commercial Repair & Replace                             | 3,000                      | 3,000                      | 3,100                      | 3,100                      | 3,100                      | 15,300                       |

| Electric Project Title  | FY22<br>Proposed<br>('000) | FY23<br>Proposed<br>('000) | FY24<br>Proposed<br>('000) | FY25<br>Proposed<br>('000) | FY26<br>Proposed<br>('000) | FY22-FY26<br>Total<br>('000) |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|
| <b>TRANSMISSION AND DISTRIBUTION</b>                                  |                            |                            |                            |                            |                            |                              |
| CEMI-5 Electric Distribution Betterment                               | 3,000                      | 3,000                      | 3,000                      | 3,000                      | 3,000                      | 15,000                       |
| Mayo 230-138-26kV Substation  | 2,816                      | 6,803                      | 2,612                      | 0                          | 0                          | 12,232                       |
| Substation Repair & Replace Projects - Transformer Replacements       | 2,610                      | 2,690                      | 1,550                      | 1,400                      | 1,400                      | 9,650                        |
| Joint Participation Electric Relocation Projects                      | 2,000                      | 2,000                      | 2,000                      | 2,000                      | 2,000                      | 10,000                       |
| Underground Network Improvement Plan                                  | 1,988                      | 1,988                      | 1,988                      | 1,988                      | 0                          | 7,952                        |
| Park and King 4kV Substation Rebuild                                  | 1,866                      | 250                        | 0                          | 0                          | 0                          | 2,116                        |
| Electric Meters - Growth  | 1,760                      | 1,760                      | 1,760                      | 1,760                      | 1,760                      | 8,800                        |
| 853 Pole Replacement  | 1,686                      | 0                          | 0                          | 0                          | 0                          | 1,686                        |
| Electric Distribution System Improvements                             | 1,664                      | 1,690                      | 1,720                      | 1,750                      | 1,780                      | 8,604                        |
| 230kV Circuit 915 Partial Rebuild                                     | 1,611                      | 0                          | 0                          | 0                          | 0                          | 1,611                        |
| Real Estate - North Jacksonville Transmission Corridor Acquisition    | 1,600                      | 3,625                      | 0                          | 0                          | 0                          | 5,225                        |
| 230kV Breaker Replacement   | 1,600                      | 938                        | 0                          | 0                          | 0                          | 2,538                        |
| 26kV Feeder Circuit Breaker Replacement                               | 1,536                      | 1,393                      | 1,607                      | 1,536                      | 1,536                      | 7,608                        |
| Circuit 649 UG 69kV Reconductor Project                               | 1,294                      | 0                          | 0                          | 0                          | 0                          | 1,294                        |
| 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                        |
| Brandy Branch Solar Feeders 356, 357                                  | 906                        | 0                          | 0                          | 0                          | 0                          | 906                          |
| Forest Sub 217 Feeder - Electric Distribution                         | 893                        | 0                          | 0                          | 0                          | 0                          | 893                          |
| Underground Cable Replacement Program - Existing Developments         | 750                        | 500                        | 500                        | 500                        | 500                        | 2,750                        |
| Transmission and Substation Class Circuit Breaker Replacement Program | 750                        | 948                        | 1,132                      | 750                        | 750                        | 4,330                        |
| General Distribution Improvements                                     | 750                        | 750                        | 750                        | 750                        | 750                        | 3,750                        |
| Electric Meters - Replacement   | 740                        | 740                        | 740                        | 740                        | 740                        | 3,700                        |
| Cecil Commerce Center North Solar T2 Addition - Substation Project    | 709                        | 0                          | 0                          | 0                          | 0                          | 709                          |
| General Substation Improvements                                       | 700                        | 700                        | 700                        | 700                        | 700                        | 3,500                        |
| Transmission Line Relay Replacement Project                           | 689                        | 899                        | 899                        | 865                        | 300                        | 3,651                        |
| Transmission Insulator Replacement                                    | 650                        | 500                        | 500                        | 500                        | 500                        | 2,650                        |
| Transmission Outdoor Potential Device Replacement                     | 610                        | 607                        | 665                        | 539                        | 637                        | 3,058                        |
| 230 KV_ 138KV_69 kV Pole Refurbishment                                | 600                        | 300                        | 300                        | 300                        | 300                        | 1,800                        |
| Normandy Substation Protection Improvement                            | 576                        | 0                          | 0                          | 0                          | 0                          | 576                          |

| Electric Project Title  | FY22<br>Proposed<br>('000) | FY23<br>Proposed<br>('000) | FY24<br>Proposed<br>('000) | FY25<br>Proposed<br>('000) | FY26<br>Proposed<br>('000) | FY22-FY26<br>Total<br>('000) |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|
| <b>TRANSMISSION AND DISTRIBUTION</b>  |                            |                            |                            |                            |                            |                              |
| 4kV Rehab – Distribution Projects   | 500                        | 500                        | 500                        | 500                        | 500                        | 2,500                        |
| Beeghly 393 Overhead Feeder Extension–Arnold Rd                               | 500                        | 0                          | 0                          | 0                          | 0                          | 500                          |
| Hamilton 312 Reconductor  | 421                        | 169                        | 0                          | 0                          | 0                          | 590                          |
| Real Estate - Imeson Substation - Property Acquisition                        | 415                        | 10                         | 0                          | 0                          | 0                          | 425                          |
| Georgia Street Pipe Type Cable Pump Plant Replacement                         | 400                        | 1,400                      | 0                          | 0                          | 0                          | 1,800                        |
| Cecil Commerce Center North Solar Feeders 371, 372                            | 400                        | 0                          | 0                          | 0                          | 0                          | 400                          |
| 230kV Breaker Replacement - Protection & Controls                             | 370                        | 225                        | 0                          | 0                          | 0                          | 594                          |
| Bartram 298: Feeder Extension in Transmission ROW from Sub to Bartram Park Bv | 312                        | 0                          | 0                          | 0                          | 0                          | 312                          |
| Greenland Energy to Mayo 230kV Circuit 950 Addition                           | 300                        | 6,500                      | 8,500                      | 900                        | 0                          | 16,200                       |
| Kennedy Substation Control Cable and Protection System Replacement            | 300                        | 2,193                      | 0                          | 0                          | 0                          | 2,493                        |
| General Transmission Improvements   | 300                        | 300                        | 300                        | 300                        | 300                        | 1,500                        |
| Real Estate - Study and Investigate - Durbin 230-26kV Substation Property     | 292                        | 0                          | 0                          | 0                          | 0                          | 292                          |
| Park and King 4kV Substation Rebuild - Protection & Controls                  | 247                        | 0                          | 0                          | 0                          | 0                          | 247                          |
| Energy Management System - Base Upgrade Project                               | 240                        | 200                        | 130                        | 200                        | 130                        | 900                          |
| Automatic Recloser Deployment   | 235                        | 235                        | 235                        | 235                        | 235                        | 1,175                        |
| URD-2026 Reliability Improvement  | 225                        | 645                        | 0                          | 0                          | 0                          | 870                          |
| Park and King 4kV Distribution Feeder Getaway Rebuild                         | 224                        | 0                          | 0                          | 0                          | 0                          | 224                          |
| Capital Tools and Equipment - Underground Network and Service Centers         | 220                        | 220                        | 231                        | 231                        | 231                        | 1,133                        |
| McDuff Substation 4kV Circuits 4, 6, and 9 Relocation                         | 200                        | 80                         | 0                          | 0                          | 0                          | 280                          |
| Ribault 138-26 kV T2 and Circuit Breaker 452 Addition                         | 188                        | 2,495                      | 27                         | 0                          | 0                          | 2,710                        |
| Steelbald Solar Center - Protection & Controls                                | 187                        | 0                          | 0                          | 0                          | 0                          | 187                          |
| Cecil Commerce Center North Solar - Protection & Controls                     | 185                        | 0                          | 0                          | 0                          | 0                          | 185                          |
| Circuit 650 UG 69kV Reconductor Project                                       | 180                        | 1,540                      | 0                          | 0                          | 0                          | 1,720                        |
| Eagle LNG 138-13.8 kV Substation - Protection & Controls                      | 157                        | 700                        | 200                        | 0                          | 0                          | 1,057                        |
| Imeson 26kV Circuit 493 New Feeder Addition                                   | 150                        | 1,100                      | 0                          | 0                          | 0                          | 1,250                        |
| Mayo 230-138-26kV Substation - Protection & Controls                          | 150                        | 1,000                      | 280                        | 0                          | 0                          | 1,430                        |
| Ribault 138-26 kV T2 and Circuit 452 Addition - Protection & Controls         | 150                        | 475                        | 105                        | 0                          | 0                          | 730                          |
| General Protection System Improvements Transmission                           | 150                        | 150                        | 150                        | 150                        | 150                        | 750                          |
| Greenland Energy to Bartram 230 kV Circuit 909 Addition                       | 150                        | 0                          | 0                          | 0                          | 0                          | 150                          |



| Electric Project Title   | FY22<br>Proposed<br>('000) | FY23<br>Proposed<br>('000) | FY24<br>Proposed<br>('000) | FY25<br>Proposed<br>('000) | FY26<br>Proposed<br>('000) | FY22-FY26<br>Total<br>('000) |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|
| <b>TRANSMISSION AND DISTRIBUTION</b>   |                            |                            |                            |                            |                            |                              |
| Southside GIS 69kV Controller Replacement  | 138                        | 0                          | 0                          | 0                          | 0                          | 138                          |
| Circuit 830 Static Wire Replacement  | 120                        | 493                        | 0                          | 0                          | 0                          | 613                          |
| Circuit 825 Static Wire Replacement  | 120                        | 395                        | 0                          | 0                          | 0                          | 515                          |
| Transmission Capacitor Bank Controls Replacement   | 120                        | 197                        | 0                          | 0                          | 0                          | 317                          |
| Westlake Solar Center - Protection & Controls  | 120                        | 0                          | 0                          | 0                          | 0                          | 120                          |
| Eagle LNG 138kV Circuit 847 Interconnect   | 118                        | 250                        | 100                        | 0                          | 0                          | 468                          |
| Distribution Breaker Telemetry Enhancements  | 110                        | 160                        | 160                        | 110                        | 0                          | 540                          |
| Imeson 26kv Circuit 493 Substation Breaker and Cap Bank Addition                         | 101                        | 655                        | 0                          | 0                          | 0                          | 756                          |
| Greenland Energy 230kV Bay & Breaker Addition for Circuit 950                            | 100                        | 300                        | 700                        | 100                        | 0                          | 1,200                        |
| St Johns 4kV Substation Rebuild - Protection & Controls                                  | 100                        | 200                        | 100                        | 0                          | 0                          | 400                          |
| OM - General Transmission Improvements   | 100                        | 100                        | 100                        | 100                        | 100                        | 500                          |
| Ritter Park Circuit 428 Extension  | 90                         | 1,120                      | 0                          | 0                          | 0                          | 1,210                        |
| Ribault 26 kV Circuit 452 Addition   | 90                         | 470                        | 190                        | 0                          | 0                          | 750                          |
| Capital Tools and Equipment - T&S Maintenance  | 80                         | 80                         | 80                         | 80                         | 80                         | 400                          |
| Mayo Substation - 138kV Transmission Interconnects                                       | 75                         | 586                        | 0                          | 0                          | 0                          | 661                          |
| Mayo Substation Distribution Feeders   | 72                         | 1,128                      | 100                        | 0                          | 0                          | 1,300                        |
| Transmission Circuit 692 Underground Cable Replacement- Part B - Protection & Controls   | 70                         | 0                          | 0                          | 0                          | 0                          | 70                           |
| Circuit 645 UG 69kV Cable Replacement Project- PART B                                    | 60                         | 182                        | 0                          | 0                          | 0                          | 242                          |
| Circuit 645 UG 69kV Cable Replacement Project- PART A                                    | 60                         | 165                        | 0                          | 0                          | 0                          | 225                          |
| Overhead-Underground Conversion in Neighborhoods   | 60                         | 60                         | 60                         | 60                         | 60                         | 300                          |
| Energy Management System - RTU Upgrade Project   | 60                         | 50                         | 50                         | 50                         | 50                         | 260                          |
| 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                          |
| Circuit 684S Pipe-Type Cable Replacement   | 40                         | 35                         | 825                        | 0                          | 0                          | 900                          |
| 69kv - 663 line rebuild - Protection & Controls  | 25                         | 0                          | 0                          | 0                          | 0                          | 25                           |
| College St Substation 13kV Protection and Arc Flash Upgrade                              | 20                         | 410                        | 0                          | 0                          | 0                          | 430                          |
| West Jax Substation Protection Improvement   | 20                         | 280                        | 0                          | 0                          | 0                          | 300                          |
| Greenland Energy 230kV Bay & Breaker Addition for Circuit 950 - Protection & Controls    | 10                         | 180                        | 300                        | 10                         | 0                          | 500                          |
| Imeson 26kv Circuit 493 Substation Breaker and Cap Bank Addition - Protection & Controls | 4                          | 81                         | 0                          | 0                          | 0                          | 85                           |

| Electric Project Title  | FY22<br>Proposed<br>('000) | FY23<br>Proposed<br>('000) | FY24<br>Proposed<br>('000) | FY25<br>Proposed<br>('000) | FY26<br>Proposed<br>('000) | FY22-FY26<br>Total<br>('000) |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|
| <b>TRANSMISSION AND DISTRIBUTION</b>  |                            |                            |                            |                            |                            |                              |
| Substation Repair & Replace Projects  | 0                          | 3,000                      | 3,000                      | 3,000                      | 3,000                      | 12,000                       |
| Transmission Repair & 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                        |
| SOCC - Console Upgrade  | 0                          | 240                        | 0                          | 0                          | 0                          | 240                          |
| SouthWest Substation-Transmission   | 0                          | 0                          | 5,000                      | 5,000                      | 5,000                      | 15,000                       |
| SouthWest Substation - Substation   | 0                          | 0                          | 2,000                      | 7,000                      | 5,000                      | 14,000                       |
| SJRPP 230 - 26kV Substation   | 0                          | 0                          | 1,500                      | 3,500                      | 0                          | 5,000                        |
| New Nocatee T-2 TX  | 0                          | 0                          | 1,500                      | 1,000                      | 0                          | 2,500                        |
| 69kv - 665 line rebuild   | 0                          | 0                          | 1,000                      | 2,000                      | 3,000                      | 6,000                        |
| SJRPP Substation Distribution Feeders   | 0                          | 0                          | 600                        | 1,400                      | 0                          | 2,000                        |
| SouthWest Substation - Distribution   | 0                          | 0                          | 300                        | 400                        | 300                        | 1,000                        |
| Pecan Park Area Transmission  | 0                          | 0                          | 0                          | 5,000                      | 5,000                      | 10,000                       |
| Pecan Park Area Substation  | 0                          | 0                          | 0                          | 1,000                      | 6,000                      | 7,000                        |
| Pecan Park Area Distribution  | 0                          | 0                          | 0                          | 500                        | 2,000                      | 2,500                        |
| West Jax T3 200 MVA Autotransformer Addition                                      | 0                          | 0                          | 0                          | 0                          | 2,000                      | 2,000                        |
| <b>Budget Reserve</b>   | <b>7,579</b>               | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>7,579</b>                 |
| <b>TRANSMISSION AND DISTRIBUTION SUBTOTAL</b>                                     | <b>119,503</b>             | <b>117,813</b>             | <b>99,401</b>              | <b>99,809</b>              | <b>98,694</b>              | <b>535,220</b>               |
| <b>ELECTRIC OTHER</b>   |                            |                            |                            |                            |                            |                              |
| Facilities - JEA Headquarters   | 20,131                     | 1,177                      | 0                          | 0                          | 0                          | 21,308                       |
| Technology Services Projects  | 13,956                     | 18,525                     | 16,800                     | 16,175                     | 13,825                     | 79,281                       |
| Capital Administrative Overhead   | 10,500                     | 10,500                     | 10,500                     | 10,500                     | 10,500                     | 52,500                       |
| Facilities - Emergency Ops Center Hardened Facility                               | 10,000                     | 8,000                      | 0                          | 0                          | 0                          | 18,000                       |
| Fleet - Replacement   | 8,250                      | 8,390                      | 8,063                      | 8,090                      | 8,485                      | 41,278                       |
| Facilities - Commonwealth - Admin Upgrades  | 4,500                      | 144                        | 0                          | 0                          | 0                          | 4,644                        |
| Facilities - Southside Renovations - Phase 2                                      | 2,961                      | 0                          | 0                          | 0                          | 0                          | 2,961                        |
| Facilities - Industrial Training Center   | 1,876                      | 0                          | 0                          | 0                          | 0                          | 1,876                        |
| Facilities - Brandy Branch Operations and DC Power Systems Generator Backup Units | 850                        | 0                          | 0                          | 0                          | 0                          | 850                          |
| Facilities - Westside Building 5 Glove Lab Upgrades                               | 753                        | 0                          | 0                          | 0                          | 0                          | 753                          |

| Electric Project Title                                 | FY22<br>Proposed<br>('000) | FY23<br>Proposed<br>('000) | FY24<br>Proposed<br>('000) | FY25<br>Proposed<br>('000) | FY26<br>Proposed<br>('000) | FY22-FY26<br>Total<br>('000) |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|
| <b>ELECTRIC OTHER</b>                                  |                            |                            |                            |                            |                            |                              |
| Security Improvements                                  | 650                        | 650                        | 650                        | 650                        | 650                        | 3,250                        |
| Fleet - Expansion                                      | 634                        | 600                        | 600                        | 600                        | 500                        | 2,934                        |
| Facilities - PV Array Upgrades                         | 631                        | 0                          | 0                          | 0                          | 0                          | 631                          |
| Facilities - Roof Replacements                         | 450                        | 450                        | 450                        | 450                        | 450                        | 2,250                        |
| Facilities - Heating, Ventilation, and Air             | 430                        | 430                        | 430                        | 430                        | 430                        | 2,150                        |
| Laboratory Equipment Upgrades                          | 349                        | 75                         | 75                         | 75                         | 75                         | 649                          |
| Security - Video Server Upgrade                        | 275                        | 0                          | 0                          | 0                          | 0                          | 275                          |
| Security - Fencing                                     | 260                        | 260                        | 260                        | 260                        | 260                        | 1,300                        |
| Security - Commonwealth Security Enhancements          | 256                        | 0                          | 0                          | 0                          | 0                          | 256                          |
| Facilities - Paving and Site Improvements              | 250                        | 250                        | 250                        | 250                        | 250                        | 1,250                        |
| Facilities - Kennedy Generating - Pump Shop Demolition | 250                        | 0                          | 0                          | 0                          | 0                          | 250                          |
| Security - Normandy Substation Fence Replacement       | 225                        | 0                          | 0                          | 0                          | 0                          | 225                          |
| Facilities - Building Upgrades                         | 200                        | 200                        | 200                        | 200                        | 200                        | 1,000                        |
| Facilities - Generators                                | 200                        | 150                        | 250                        | 1                          | 1                          | 602                          |
| Facilities - Southside Asphalt Pavement Upgrade        | 200                        | 0                          | 0                          | 0                          | 0                          | 200                          |
| Facilities - Plumbing Upgrades                         | 100                        | 100                        | 100                        | 100                        | 100                        | 500                          |
| Facilities - Electrical and Lighting                   | 100                        | 100                        | 100                        | 100                        | 100                        | 500                          |
| Utility Locate Group - Capital Equipment               | 50                         | 50                         | 50                         | 50                         | 50                         | 250                          |
| Security - Fire System Sprinklers                      | 20                         | 20                         | 20                         | 20                         | 20                         | 100                          |
| Facilities - Elevators                                 | 1                          | 1                          | 1                          | 1                          | 1                          | 5                            |
| <b>Budget Reserve</b>                                  | <b>1,982</b>               | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>1,982</b>                 |
| <b>ELECTRIC OTHER SUBTOTAL</b>                         | <b>81,289</b>              | <b>50,072</b>              | <b>38,799</b>              | <b>37,952</b>              | <b>35,897</b>              | <b>244,009</b>               |
| <b>ELECTRIC GRAND TOTAL</b>                            | <b>240,802</b>             | <b>210,107</b>             | <b>180,904</b>             | <b>188,061</b>             | <b>308,738</b>             | <b>1,128,612</b>             |

| Water/Wastewater Project Title   | FY22<br>Proposed<br>('000) | FY23<br>Proposed<br>('000) | FY24<br>Proposed<br>('000) | FY25<br>Proposed<br>('000) | FY26<br>Proposed<br>('000) | FY22-FY26<br>Total<br>('000) |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|
| <b>WATER</b>   |                            |                            |                            |                            |                            |                              |
| RiverTown Water Plant - New 4.7 MGD Water Plant                                    | 11,920                     | 3,707                      | 0                          | 0                          | 0                          | 15,627                       |
| Water Meters - Replacement   | 6,500                      | 6,500                      | 6,500                      | 6,500                      | 6,500                      | 32,500                       |
| US1 Booster Station - Old St Augustine Rd to US1 Booster Station - New             | 5,921                      | 6,697                      | 0                          | 0                          | 0                          | 12,617                       |
| Galvanized Pipe Replacement - Program  | 5,234                      | 8,054                      | 8,000                      | 8,000                      | 8,000                      | 37,287                       |
| Water Delivery System - Repair & Replace   | 5,000                      | 5,000                      | 5,000                      | 5,500                      | 5,500                      | 26,000                       |
| SIPS - Main St Water Plant - 1st St to Franklin St - Transmission - New            | 4,980                      | 991                        | 0                          | 0                          | 0                          | 5,971                        |
| Well Rehabilitation and Replacement Program  | 4,600                      | 4,600                      | 4,600                      | 4,600                      | 4,600                      | 23,000                       |
| Greenland - Southside Blvd - Deerwood 3 to Greenland                               | 4,458                      | 2,394                      | 20,000                     | 21,000                     | 525                        | 48,377                       |
| JP - Nassau - William Burgess Blvd - US 17 to Miner Rd - New                       | 3,568                      | 0                          | 0                          | 0                          | 0                          | 3,568                        |
| Lofton Oaks Water Plant - Improvements   | 3,007                      | 903                        | 0                          | 0                          | 0                          | 3,910                        |
| Development Driven Projects  | 2,780                      | 200                        | 200                        | 200                        | 200                        | 3,580                        |
| E 1st St Main St to E 4th St - Raw Water - New                                     | 2,476                      | 254                        | 0                          | 0                          | 0                          | 2,730                        |
| Beverly Hills Water Main Replacement   | 2,411                      | 1,775                      | 0                          | 0                          | 0                          | 4,186                        |
| Water Meters - Growth  | 2,350                      | 2,450                      | 2,030                      | 2,030                      | 2,030                      | 10,890                       |
| McDuff Water Plant - Refurbishment Project   | 2,229                      | 2,217                      | 0                          | 0                          | 0                          | 4,446                        |
| New World Av - Waterworks Ave to Chaffee Rd - Transmission - New                   | 2,221                      | 2,204                      | 0                          | 0                          | 0                          | 4,425                        |
| Norwood Water Plant - Rehabilitation   | 2,094                      | 1,352                      | 0                          | 0                          | 0                          | 3,445                        |
| Water Meters - Large Water Meter Replacement                                       | 2,030                      | 2,030                      | 500                        | 500                        | 500                        | 5,560                        |
| Bessie Circle - Water Main Installation  | 1,178                      | 135                        | 0                          | 0                          | 0                          | 1,313                        |
| Water Transmission Replacement   | 1,066                      | 3,800                      | 2,000                      | 2,000                      | 2,000                      | 10,866                       |
| Water Purification Demonstration Facility  | 1,000                      | 2,500                      | 2,500                      | 2,500                      | 19,561                     | 28,061                       |
| Real Estate - North Grid - Downtown Water Plant - Property Acquisition             | 1,000                      | 0                          | 0                          | 0                          | 0                          | 1,000                        |
| Main Extensions and Taps   | 950                        | 950                        | 950                        | 950                        | 950                        | 4,750                        |
| Deerwood - Southside Blvd Intertie to Deerwood III Water Plant - New               | 927                        | 21,097                     | 8,967                      | 3                          | 0                          | 30,994                       |
| St Johns Forest Water Plant - Well No 5 - New                                      | 874                        | 0                          | 0                          | 0                          | 0                          | 874                          |
| JP - FDOT/COJ - Chaffee Rd - Westmeadows Dr S to Samaritan Wy - Transmission - New | 830                        | 2,004                      | 0                          | 0                          | 0                          | 2,834                        |
| JP - FDOT - I95 and MLK Interchange - Water Main Replacement                       | 830                        | 50                         | 20                         | 20                         | 0                          | 920                          |
| Martin Luther King - Fairfax to Brentwood Water Main Replacement                   | 799                        | 3,067                      | 5,205                      | 22                         | 0                          | 9,093                        |

| Water/Wastewater Project Title  | FY22<br>Proposed<br>('000) | FY23<br>Proposed<br>('000) | FY24<br>Proposed<br>('000) | FY25<br>Proposed<br>('000) | FY26<br>Proposed<br>('000) | FY22-FY26<br>Total<br>('000) |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|
| <b>WATER</b>  |                            |                            |                            |                            |                            |                              |
| Water Plant Capital Renewal & Replacement   | 750                        | 750                        | 750                        | 750                        | 750                        | 3,750                        |
| Water Treatment Plant Large Capital Improvements  | 700                        | 3,610                      | 14,350                     | 5,050                      | 4,750                      | 28,460                       |
| JP - Joint Participation Projects   | 700                        | 700                        | 700                        | 700                        | 700                        | 3,500                        |
| Well Field Repair & Replace   | 700                        | 700                        | 700                        | 700                        | 700                        | 3,500                        |
| Palm Avenue Water Main Replacement  | 671                        | 0                          | 0                          | 0                          | 0                          | 671                          |
| Ponte Vedra Blvd 6" Cast Iron Replacement   | 573                        | 0                          | 0                          | 0                          | 0                          | 573                          |
| Hampton Falls Dr Electrical Ease. - San Pablo to Suni Pines Connection - 12 inch Water Main Replacement | 500                        | 0                          | 0                          | 0                          | 0                          | 500                          |
| Lakeshore Water Plant - Reservoir Rehabilitation - Phase 2  | 460                        | 2,027                      | 150                        | 0                          | 0                          | 2,637                        |
| JP - COJ - McCoy's Creek – Cherokee St. to St. Johns River  | 355                        | 0                          | 100                        | 0                          | 0                          | 455                          |
| Greenland Well No. 2 Well Rehabilitation Project  | 326                        | 0                          | 0                          | 0                          | 0                          | 326                          |
| Harbor Island Drive Water Main Replacement  | 320                        | 0                          | 0                          | 0                          | 0                          | 320                          |
| JP - Pages Dairy Rd - Felmor Rd to Chester Ave - Transmission   | 318                        | 8                          | 0                          | 0                          | 0                          | 325                          |
| Jammes Rd - Wilson Blvd to Harlow Blvd  | 310                        | 0                          | 0                          | 0                          | 0                          | 310                          |
| JP- FDOT - North Grid - Lem Turner - Capper Rd to Leonid  | 306                        | 0                          | 0                          | 0                          | 0                          | 306                          |
| Water Treatment Plants - Sodium Hypochlorite Storage Tank Upgrades                                      | 250                        | 200                        | 200                        | 200                        | 200                        | 1,050                        |
| Pritchard Rd - Old Plank Rd to Cisco Dr W - Transmission - New  | 216                        | 760                        | 1,690                      | 0                          | 0                          | 2,666                        |
| Oakridge Water Plant - High Service Pump Replacement  | 162                        | 811                        | 2,294                      | 3,395                      | 9                          | 6,671                        |
| 103rd St (Cecil Field) Water Main Replacement - Cecil Commerce Ctr Pkwy to Aviation Ave                 | 108                        | 0                          | 0                          | 0                          | 0                          | 108                          |
| Grid - Cost Participation - New   | 100                        | 100                        | 100                        | 100                        | 100                        | 500                          |
| Water Treatment Plant Reservoir Repair & Replace  | 100                        | 100                        | 100                        | 100                        | 100                        | 500                          |
| JP - FDOT - Lane Ave S - Water Main Replacement - Distribution  | 89                         | 29                         | 0                          | 0                          | 0                          | 118                          |
| Hendricks Well No. 5 Well Rehabilitation Project  | 87                         | 0                          | 0                          | 0                          | 0                          | 87                           |
| Main Street Well No. 12 Well Rehabilitation Project   | 86                         | 0                          | 0                          | 0                          | 0                          | 86                           |
| Hendricks Well No. 8 Well Rehabilitation Project  | 80                         | 0                          | 0                          | 0                          | 0                          | 80                           |
| Royal Lakes Water Plant High Service Pump Expansion   | 78                         | 1,926                      | 9,480                      | 3,407                      | 0                          | 14,892                       |
| Arlington Water Plant Well No 4 Rehabilitation  | 77                         | 0                          | 0                          | 0                          | 0                          | 77                           |
| Forest Blvd - Stone Rd to T-Line - Raw Water Main - New   | 74                         | 1,692                      | 702                        | 3                          | 0                          | 2,472                        |
| Hendricks Well No. 7 Well Rehabilitation Project  | 72                         | 0                          | 0                          | 0                          | 0                          | 72                           |

| Water/Wastewater Project Title  | FY22<br>Proposed<br>('000) | FY23<br>Proposed<br>('000) | FY24<br>Proposed<br>('000) | FY25<br>Proposed<br>('000) | FY26<br>Proposed<br>('000) | FY22-FY26<br>Total<br>('000) |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|
| <b>WATER</b>  |                            |                            |                            |                            |                            |                              |
| Mandarin Road Loop Connection - Transmission - New                                      | 57                         | 0                          | 0                          | 0                          | 0                          | 57                           |
| Greenland Water Plant - Expansion from 6.0 to 9.0 MGD                                   | 50                         | 0                          | 0                          | 0                          | 0                          | 50                           |
| JP - FDOT - Beaver St Water Main Replacement - Edgewood Ave N to McDuff Ave N           | 50                         | 0                          | 0                          | 0                          | 0                          | 50                           |
| Lovegrove Water Plant - Electric System Upgrade   | 40                         | 400                        | 1,300                      | 2,500                      | 101                        | 4,341                        |
| JP - FDOT - 103rd St. (SR134) - Firestone to Wesconnett - Water Main Improvements       | 36                         | 0                          | 0                          | 0                          | 0                          | 36                           |
| JP - FDOT - I10 Widening - I295 to I95 - Water Main Replacement                         | 30                         | 12                         | 12                         | 0                          | 0                          | 54                           |
| JP - JTA - San Pablo Rd - Beach Blvd to Atlantic Blvd                                   | 25                         | 0                          | 0                          | 0                          | 0                          | 25                           |
| Greenland Well No. 1 Well Rehabilitation Project  | 23                         | 0                          | 0                          | 0                          | 0                          | 23                           |
| JP - FDOT Edgewood Ave. South Resurfacing from US 17 to Cassat Ave.                     | 22                         | 12                         | 11                         | 0                          | 0                          | 45                           |
| JP - FDOT - SR212 (US90/Beach Blvd.) Southside Blvd. to Eve Dr - Water Main Replacement | 12                         | 36                         | 0                          | 0                          | 0                          | 48                           |
| Margaret St. Area Water Main Installation   | 11                         | 50                         | 0                          | 0                          | 0                          | 61                           |
| Southeast Water Plant - Ground Storage Tank   | 10                         | 321                        | 3,309                      | 0                          | 0                          | 3,640                        |
| JP - JTA - Collins Rd   | 10                         | 0                          | 0                          | 0                          | 0                          | 10                           |
| JP - FDOT- SR202 - JTB at San Pablo Rd  | 4                          | 0                          | 0                          | 0                          | 0                          | 4                            |
| Water Pipeline Crossings Resiliency   | 1                          | 1                          | 1                          | 1                          | 1                          | 5                            |
| JP - JTA - 5th St - Huron Ave to Melson Ave   | 0                          | 0                          | 0                          | 0                          | 0                          | 0                            |
| Cisco Dr - Westlake Water Plant to Garden St - Transmission - New                       | 0                          | 666                        | 1,598                      | 5,654                      | 0                          | 7,918                        |
| Beacon Hills Water Plant - Rehabilitation   | 0                          | 62                         | 995                        | 1,756                      | 4,169                      | 6,982                        |
| Main St Water Plant - Ozone Generator - Addition  | 0                          | 0                          | 600                        | 3,000                      | 2,000                      | 5,600                        |
| Westlake Water Plant - Well No 4 and Raw Water Main                                     | 0                          | 0                          | 276                        | 2,003                      | 641                        | 2,920                        |
| North Grid - Arnold Rd - Pecan Park Rd to Northwest Water Reclamation Facility          | 0                          | 0                          | 250                        | 250                        | 250                        | 750                          |
| Brierwood Water Plant - Rehabilitation  | 0                          | 0                          | 68                         | 740                        | 3,357                      | 4,165                        |
| Westlake Water Plant - Expansion from 3.0 to 7.0 MGD                                    | 0                          | 0                          | 19                         | 1,960                      | 1,361                      | 3,339                        |
| Blount Island Fire Protection System - Repair & Replace                                 | 0                          | 0                          | 0                          | 4,300                      | 0                          | 4,300                        |
| Ft. Caroline Rd - McCormick Rd to Fulton Rd - Distribution - New                        | 0                          | 0                          | 0                          | 210                        | 805                        | 1,015                        |
| <b>Budget Reserve</b>   | <b>4,609</b>               | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>4,609</b>                 |
| <b>WATER SUBTOTAL</b>   | <b>96,792</b>              | <b>99,902</b>              | <b>106,228</b>             | <b>90,603</b>              | <b>70,359</b>              | <b>463,884</b>               |

| Water/Wastewater Project Title  | FY22<br>Proposed<br>('000) | FY23<br>Proposed<br>('000) | FY24<br>Proposed<br>('000) | FY25<br>Proposed<br>('000) | FY26<br>Proposed<br>('000) | FY22-FY26<br>Total<br>('000) |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|
| <b>SEWER</b>  |                            |                            |                            |                            |                            |                              |
| Southwest Reclamation Facility - Expansion to 16 MGD  | 29,105                     | 32,395                     | 12,013                     | 877                        | 0                          | 74,390                       |
| Greenland Reclamation Facility - 4.0 MGD  | 25,984                     | 45,955                     | 23,040                     | 400                        | 0                          | 95,379                       |
| Buckman Reclamation Facility - Disinfection System Replacement  | 11,858                     | 5,355                      | 0                          | 0                          | 0                          | 17,213                       |
| US 1 - Greenland Reclamation Facility to CR 210 - Transmission - New - Reclaim                        | 9,267                      | 16,131                     | 0                          | 0                          | 0                          | 25,398                       |
| Buckman Reclamation Facility - Biosolids Conversion - Process Facility                                | 8,895                      | 49,897                     | 53,799                     | 46,886                     | 13,439                     | 172,915                      |
| 5th St W - Imeson Rd to Melson Ave - Transmission - New - Force Main                                  | 8,749                      | 324                        | 0                          | 0                          | 0                          | 9,073                        |
| Buckman Reclamation Facility - Blower System Improvements   | 6,634                      | 139                        | 0                          | 0                          | 0                          | 6,773                        |
| Nassau - Radio Av - Reclaim Water Storage Tank and Booster Pump Station - Reclaim                     | 6,559                      | 1,241                      | 0                          | 0                          | 0                          | 7,800                        |
| Buckman Reclamation Facility - Biosolids Dryer Rehabilitation - Andritz OEM                           | 6,333                      | 0                          | 0                          | 0                          | 0                          | 6,333                        |
| Nassau Regional Reclamation Facility - Expansion to 3 MGD   | 6,290                      | 19,366                     | 26,633                     | 1,070                      | 0                          | 53,359                       |
| Real Estate - Northwest Reclamation Facility - Property Acquisition                                   | 6,000                      | 0                          | 0                          | 0                          | 0                          | 6,000                        |
| Pumping Stations - Capital Equipment Replacement  | 4,500                      | 4,500                      | 4,500                      | 4,500                      | 4,500                      | 22,500                       |
| Sewer Collection System Repair & Replace  | 4,000                      | 4,000                      | 4,000                      | 4,500                      | 4,500                      | 21,000                       |
| Sewer Collection System Trenchless Repair & Replace   | 3,822                      | 3,822                      | 3,822                      | 3,822                      | 3,822                      | 19,112                       |
| Manhole Inspection, Prioritization, and Rehabilitation or Replacement                                 | 3,578                      | 3,578                      | 3,578                      | 3,578                      | 3,578                      | 17,888                       |
| Twin Creeks Reclaim Storage Tank and Booster PS - Reclaim- (Reimb-20)                                 | 3,328                      | 5                          | 0                          | 0                          | 0                          | 3,333                        |
| Mandarin-Greenland Interconnect - Reclaim   | 3,300                      | 2,400                      | 0                          | 0                          | 0                          | 5,700                        |
| JP - SJC - CR210 - South Hampton to Ashford Mills - Transmission - Reclaim                            | 3,113                      | 0                          | 0                          | 0                          | 0                          | 3,113                        |
| Cedar Bay Backup Power System   | 3,060                      | 0                          | 0                          | 0                          | 0                          | 3,060                        |
| Arlington East Reclamation Facility Upgrades - Odor Control   | 2,642                      | 0                          | 0                          | 0                          | 0                          | 2,642                        |
| Mandarin Reclamation Facility - Sludge Holding Tanks Rehabilitation                                   | 2,547                      | 1,161                      | 0                          | 0                          | 0                          | 3,708                        |
| Water Reclamation Facilities - Capital Equipment Replacement  | 2,500                      | 2,500                      | 2,500                      | 2,500                      | 2,500                      | 12,500                       |
| District II - Robena Rd Booster Pump Station  | 2,429                      | 0                          | 0                          | 0                          | 0                          | 2,429                        |
| Resiliency - Pump Stations, Plants, Electrical Reliability  | 2,370                      | 3,000                      | 3,900                      | 4,800                      | 5,700                      | 19,770                       |
| Real Estate - Nassau Regional Reclamation Facility - Storage Tank and Boosters - Property Acquisition | 1,950                      | 0                          | 0                          | 0                          | 0                          | 1,950                        |
| Arlington East Reclamation Facility - Secondary MCC Replacement                                       | 1,878                      | 551                        | 0                          | 0                          | 0                          | 2,429                        |
| Monterey - 3254 Townsend Rd - Class III/IV - Pump Upgrade   | 1,811                      | 1,165                      | 0                          | 0                          | 0                          | 2,976                        |
| 4511 Spring Park Rd Lift Station  | 1,780                      | 0                          | 0                          | 0                          | 0                          | 1,780                        |

| Water/Wastewater Project Title  | FY22<br>Proposed<br>('000) | FY23<br>Proposed<br>('000) | FY24<br>Proposed<br>('000) | FY25<br>Proposed<br>('000) | FY26<br>Proposed<br>('000) | FY22-FY26<br>Total<br>('000) |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|
| <b>SEWER</b>  |                            |                            |                            |                            |                            |                              |
| District II - 11308 Harts Rd - Class III/IV   | 1,757                      | 0                          | 0                          | 0                          | 0                          | 1,757                        |
| Buckman Reclamation Facility - Fine Screen Replacement                              | 1,639                      | 0                          | 0                          | 0                          | 0                          | 1,639                        |
| Arlington East Reclamation Facility - Parallel Sludge Line                          | 1,618                      | 2,781                      | 7,210                      | 7,524                      | 3,278                      | 22,411                       |
| SCADA RTU and Control Panel Upgrades  | 1,500                      | 1,500                      | 1,500                      | 1,500                      | 1,500                      | 7,500                        |
| Large Diameter Cured In Place Piping  | 1,500                      | 1,500                      | 1,490                      | 1,166                      | 1,499                      | 7,155                        |
| Monterey Reclamation Facility Improvements - Phase 1                                | 1,492                      | 0                          | 0                          | 0                          | 0                          | 1,492                        |
| Development Driven Projects - Reclaim   | 1,460                      | 200                        | 200                        | 200                        | 200                        | 2,260                        |
| SR200 - William Burgess Blvd to Police Lodge Rd - Transmission - Reclaim            | 1,335                      | 2,098                      | 0                          | 0                          | 0                          | 3,433                        |
| Greenland - Burnt Mill Pump Station to Greenland Energy - Transmission - Force Main | 1,305                      | 1,605                      | 0                          | 0                          | 0                          | 2,910                        |
| Southwest - 5104 118th St - Class III/IV  | 1,293                      | 4,891                      | 500                        | 0                          | 0                          | 6,683                        |
| Development Driven Projects - Pump Stations   | 1,275                      | 200                        | 200                        | 200                        | 200                        | 2,075                        |
| Veterans Pkwy - Stillwater Subdivision to CR210 - Transmission - Reclaim            | 1,231                      | 0                          | 0                          | 0                          | 0                          | 1,231                        |
| Mandarin - 106 Twin Creeks - Class III/IV - Booster Pump Station                    | 1,228                      | 999                        | 0                          | 0                          | 0                          | 2,227                        |
| Arlington East Reclamation Facility Upgrades - Aeration Basin and Blowers           | 1,213                      | 5,243                      | 24,254                     | 6,796                      | 24                         | 37,530                       |
| Southwest - 6217 Wilson Bv - Class III/IV   | 1,179                      | 2,784                      | 353                        | 0                          | 0                          | 4,316                        |
| Wastewater Large Capital Improvements   | 1,175                      | 9,520                      | 13,360                     | 29,840                     | 14,250                     | 68,145                       |
| Arlington East Reclamation Facility Upgrades - Influent Structure                   | 1,096                      | 7,583                      | 9,298                      | 12                         | 0                          | 17,989                       |
| Herschel St. 12in Force Main Replacement  | 1,045                      | 1,659                      | 0                          | 0                          | 0                          | 2,705                        |
| Nassau Regional Reclamation Facility - Effluent Management                          | 1,000                      | 5,000                      | 6,000                      | 0                          | 0                          | 12,000                       |
| Southwest - 4881 Timuquana Rd - Class III/IV  | 979                        | 16                         | 0                          | 0                          | 0                          | 995                          |
| Nassau - Radio Ave - Class III/IV - New Pump Station                                | 949                        | 1,866                      | 0                          | 0                          | 0                          | 2,815                        |
| Ductile Iron Force Main Replacement   | 943                        | 683                        | 3,000                      | 2,098                      | 3,000                      | 9,724                        |
| Holiday Road Master Pump Station Rehabilitation - Phases 1 and 2                    | 898                        | 0                          | 0                          | 0                          | 0                          | 898                          |
| Main Extensions and Taps - Sewer  | 850                        | 850                        | 850                        | 850                        | 850                        | 4,250                        |
| JP - COJ - McCoys Creek – Cherokee St. to St. Johns River – Sewer                   | 845                        | 255                        | 847                        | 534                        | 0                          | 2,481                        |
| Development Driven Projects - Sewer   | 840                        | 200                        | 200                        | 200                        | 200                        | 1,640                        |
| Monterey Reclamation Facility Improvements- Phase 2                                 | 810                        | 0                          | 2,824                      | 7,281                      | 3,384                      | 14,298                       |
| Buckman Reclamation Facility - Biosolids Process Renewal and Replacement            | 740                        | 740                        | 740                        | 740                        | 740                        | 3,700                        |



| Water/Wastewater Project Title  | FY22<br>Proposed<br>('000) | FY23<br>Proposed<br>('000) | FY24<br>Proposed<br>('000) | FY25<br>Proposed<br>('000) | FY26<br>Proposed<br>('000) | FY22-FY26<br>Total<br>('000) |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|
| <b>SEWER</b>  |                            |                            |                            |                            |                            |                              |
| 9247 Baymeadows Rd - Class III/IV - Pump Upgrade  | 704                        | 674                        | 150                        | 0                          | 0                          | 1,528                        |
| Real Estate - RiverTown - New Storage and Pumping System                                  | 703                        | 0                          | 0                          | 0                          | 0                          | 703                          |
| CR210 - Longleaf Pine Pkwy to Shearwater Rd - Trans – Reclaim                             | 645                        | 4,091                      | 25                         | 0                          | 0                          | 4,761                        |
| JP - FDOT - Copper Circle Lift Station Replacement - (Reimb-100)                          | 631                        | 0                          | 0                          | 0                          | 0                          | 631                          |
| ARV Inspection, Prioritization, and Rehabilitation or Replacement                         | 570                        | 570                        | 570                        | 570                        | 570                        | 2,850                        |
| Davis - Gate Pkwy to RG Skinner - Transmission - Reclaim                                  | 542                        | 250                        | 4,230                      | 4,220                      | 69                         | 9,311                        |
| Southwest Service Area Infiltration and Inflow Analysis and Remediation                   | 500                        | 500                        | 500                        | 500                        | 0                          | 2,000                        |
| Ponte Vedra Reclamation Facility - UV Disinfection System Improvements                    | 500                        | 0                          | 0                          | 0                          | 0                          | 500                          |
| District II - Arnold Road Master Pump Station   | 500                        | 0                          | 0                          | 0                          | 0                          | 500                          |
| RiverTown Booster Pump Station - Reclaim  | 450                        | 765                        | 2,257                      | 0                          | 0                          | 3,472                        |
| Pirates Cove Rd 8" Force Main Replacement   | 444                        | 379                        | 0                          | 0                          | 0                          | 823                          |
| District II - 10800 Key Haven Bv - Class III/IV   | 422                        | 1,902                      | 0                          | 0                          | 0                          | 2,324                        |
| District II Reclamation Facility - South Headwork Rehabilitation                          | 414                        | 0                          | 0                          | 0                          | 0                          | 414                          |
| JP - Joint Participation Projects - Sewer   | 400                        | 400                        | 400                        | 400                        | 400                        | 2,000                        |
| Lorain St 8" Force Main Replacement   | 373                        | 0                          | 0                          | 0                          | 0                          | 373                          |
| Buckman Reclamation Facility - Biosolids RAW Sludge Holding Tank Restoration              | 358                        | 4,701                      | 200                        | 0                          | 0                          | 5,259                        |
| Arlington East - 8751 Bayleaf Dr - Class III/IV - Pump Upgrade                            | 350                        | 64                         | 2,000                      | 1,224                      | 0                          | 3,638                        |
| Melson Ave. Trunk Main Manhole Replacements   | 327                        | 2,341                      | 0                          | 0                          | 0                          | 2,668                        |
| Veterans Pkwy - Stillwater Subdivision to CR210 - Transmission - Force Main               | 319                        | 0                          | 0                          | 0                          | 0                          | 319                          |
| SCADA Renewal & Replacement   | 268                        | 268                        | 268                        | 268                        | 268                        | 1,340                        |
| Wastewater Odor Control - All Plants and Pump Stations                                    | 250                        | 250                        | 250                        | 250                        | 250                        | 1,250                        |
| Eastport Rd - Emuness Rd to Sara Dr - Distribution - New - Force Main                     | 246                        | 0                          | 0                          | 0                          | 0                          | 246                          |
| Margaret St. Area Sewer Main Installation   | 239                        | 951                        | 0                          | 0                          | 0                          | 1,189                        |
| Yacht Club Rd 8" Subaqueous Force Main Replacement  | 213                        | 0                          | 0                          | 0                          | 0                          | 213                          |
| JP- District II - Lem Turner - Capper Rd to Leonid - Force Main                           | 187                        | 0                          | 0                          | 0                          | 0                          | 187                          |
| Buckman Reclamation Facility - Biosolids Conversion - Operations/Maintenance Bldgs        | 184                        | 0                          | 0                          | 0                          | 0                          | 184                          |
| Arlington East Reclamation Facility - Reclaim Filter - Increase Capacity from 8 to 10 MGD | 169                        | 800                        | 1,000                      | 0                          | 0                          | 1,969                        |
| Old Kings Rd. at Little Six Mile Creek 8" Force Main                                      | 156                        | 0                          | 0                          | 0                          | 0                          | 156                          |

| Water/Wastewater Project Title  | FY22<br>Proposed<br>('000) | FY23<br>Proposed<br>('000) | FY24<br>Proposed<br>('000) | FY25<br>Proposed<br>('000) | FY26<br>Proposed<br>('000) | FY22-FY26<br>Total<br>('000) |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|
| <b>SEWER</b>  |                            |                            |                            |                            |                            |                              |
| Nocatee South Storage Tank and Booster Pump Station - Reclaim   | 126                        | 0                          | 0                          | 0                          | 0                          | 126                          |
| Harbor Island Drive Pipe Force Main Replacement   | 120                        | 0                          | 0                          | 0                          | 0                          | 120                          |
| District II - Reclaimanch Rd - Tradeport Dr to DUV-14491 Master Pump Station - Force Main             | 110                        | 390                        | 0                          | 0                          | 0                          | 500                          |
| Grid - Cost Participation - New - Reclaim   | 100                        | 100                        | 100                        | 100                        | 100                        | 500                          |
| Grid - Cost Participation - New - Force Main  | 100                        | 100                        | 100                        | 100                        | 100                        | 500                          |
| Diesel-driven Backup Pump Repair & Replace  | 100                        | 100                        | 100                        | 100                        | 100                        | 500                          |
| Waste Water Pumping Station Safety Improvements - Guard Rail Installation                             | 100                        | 100                        | 100                        | 100                        | 100                        | 500                          |
| Buckman Reclamation Facility - Primary Clarifier Rehabilitation                                       | 99                         | 0                          | 0                          | 0                          | 0                          | 99                           |
| Walnut St Trunkline Replacement: 32nd St Pump Station to 16th St E                                    | 96                         | 0                          | 0                          | 0                          | 0                          | 96                           |
| Southwest - 5825 Robitzsch Lane - Class III/IV  | 71                         | 0                          | 2,150                      | 20                         | 0                          | 2,241                        |
| South Shores Sub-Aqueous Force Main Rehabilitation  | 66                         | 813                        | 0                          | 0                          | 0                          | 879                          |
| JP - COJ - Old Middleburg Rd - Argyle Forest Blvd to Maynard Place - Transmission - New - Force Main  | 63                         | 2,112                      | 0                          | 0                          | 0                          | 2,175                        |
| JP - JTA - 5th St - Huron Ave to Melson Ave - S   | 55                         | 0                          | 0                          | 0                          | 0                          | 55                           |
| Reuse Delivery Repair & Replace   | 55                         | 55                         | 55                         | 55                         | 55                         | 275                          |
| Manhole SCADA Repair & Replace  | 50                         | 50                         | 50                         | 50                         | 50                         | 250                          |
| Reuse Facility - Capital Equipment Replacement  | 50                         | 50                         | 50                         | 50                         | 50                         | 250                          |
| JP - FDOT - 103rd St. (SR134) - Firestone to Wesconnett - Sewer Main Improvements                     | 36                         | 0                          | 0                          | 0                          | 0                          | 36                           |
| JP - FDOT - I10 Widening - I295 to I95 - Force Main Replacement                                       | 30                         | 12                         | 12                         | 0                          | 0                          | 54                           |
| Southwest - 7703 Blanding Bv - Class III/IV   | 26                         | 0                          | 338                        | 0                          | 0                          | 364                          |
| Bradley Road Pump Station Improvements  | 25                         | 0                          | 0                          | 0                          | 0                          | 25                           |
| Nocatee South Reclaim Improvements  | 20                         | 350                        | 1,610                      | 0                          | 0                          | 1,980                        |
| Ridenour WTP - Storage and Repump - Reclaim   | 19                         | 1,468                      | 1,225                      | 6,330                      | 2,092                      | 11,134                       |
| Monterey - 5838 Pompano - Class III/IV - Pump Upgrade   | 15                         | 1,501                      | 490                        | 0                          | 0                          | 2,005                        |
| Monterey - 7732 Merrill Rd - Class III/IV - Pump Station Upgrade & 2530 Mayapple Pump Station Upgrade | 12                         | 68                         | 2,661                      | 1,118                      | 0                          | 3,860                        |
| JP - JTA - Collins Rd - Sewer   | 4                          | 0                          | 0                          | 0                          | 0                          | 4                            |
| Sewer Pipeline Crossings Resiliency   | 1                          | 1                          | 1                          | 1                          | 1                          | 5                            |
| SEQ to Gate Parkway - Transmission - New - Reclaim  | 0                          | 1,000                      | 2,000                      | 1,050                      | 0                          | 4,050                        |
| Buckman Reclamation Facility Outfall Improvements- Phase 1  | 0                          | 925                        | 8,250                      | 0                          | 0                          | 9,175                        |

| Water/Wastewater Project Title   | FY22<br>Proposed<br>('000) | FY23<br>Proposed<br>('000) | FY24<br>Proposed<br>('000) | FY25<br>Proposed<br>('000) | FY26<br>Proposed<br>('000) | FY22-FY26<br>Total<br>('000) |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|
| <b>SEWER</b>   |                            |                            |                            |                            |                            |                              |
| Arlington East - 8331 Princeton Sq - Class III/IV - Pump Upgrade   | 0                          | 498                        | 2,490                      | 1,146                      | 398                        | 4,533                        |
| Buckman Reclamation Facility -1636 Talleyrand Av - Class III/IV  | 0                          | 469                        | 855                        | 3,156                      | 4,185                      | 8,665                        |
| Norwood Ave. Sewer Main Installation   | 0                          | 211                        | 411                        | 0                          | 0                          | 621                          |
| Monterey - 8043 Carlotta Rd - Class III/IV - Pump Upgrade  | 0                          | 177                        | 560                        | 1,306                      | 0                          | 2,042                        |
| Buckman Reclamation Facility - Aeration Basin Air Header and Diffuser Replacement                            | 0                          | 107                        | 464                        | 1,371                      | 1,371                      | 3,312                        |
| Southwest - POW MIA Memorial Pkwy - Normandy Blvd to Parkland Master Pump Station - Force Main               | 0                          | 50                         | 240                        | 600                        | 710                        | 1,600                        |
| Southwest - 103rd Street at Piper Glen Blvd - Force Main   | 0                          | 50                         | 200                        | 400                        | 300                        | 950                          |
| Nassau Regional Reclamation Facility - SR200 West of I-95 RW Storage Tank and Booster Pump Station - Reclaim | 0                          | 9                          | 1,354                      | 1,570                      | 8,087                      | 11,020                       |
| T-Line - Park Ave to Pulaski Rd Master Pump Station - Easement Acquisitions                                  | 0                          | 0                          | 500                        | 0                          | 0                          | 500                          |
| Monument Rd - Arlington Reclamation Facility to St Johns Bluff Rd - Transmission - New - Reclaim             | 0                          | 0                          | 477                        | 739                        | 6,415                      | 7,632                        |
| Nocatee North Reclaim Storage Tank   | 0                          | 0                          | 300                        | 2,000                      | 700                        | 3,000                        |
| Northwest - Arnold Rd - Pecan Park Rd to Northwest Reclamation Facility - Force Main                         | 0                          | 0                          | 250                        | 250                        | 250                        | 750                          |
| Northwest - Arnold Rd - Pecan Park Rd to Northwest Reclamation Facility - Reclaim                            | 0                          | 0                          | 250                        | 250                        | 250                        | 750                          |
| Southwest - Morse Ave - Reclaimicker Rd to Firestone Rd - Force Main   | 0                          | 0                          | 150                        | 500                        | 350                        | 1,000                        |
| Lenox Ave - Fouraker Rd to Palisades Dr - Distribution - New - Force Main                                    | 0                          | 0                          | 115                        | 461                        | 0                          | 576                          |
| District II - Capper Rd - Meadowlea Dr to Lem Turner - Force Main  | 0                          | 0                          | 90                         | 230                        | 230                        | 550                          |
| Veterans Pkwy - Longleaf Pine Pkwy to CR210 - Transmission - Reclaim   | 0                          | 0                          | 70                         | 607                        | 1,936                      | 2,614                        |
| Southwest - Chaffee Rd S - Crystal Springs Rd - Force Main   | 0                          | 0                          | 50                         | 525                        | 1,500                      | 2,075                        |
| Blacks Ford Reclamation Facility - Expansion from 6 to 9 MGD   | 0                          | 0                          | 0                          | 1,000                      | 7,500                      | 8,500                        |
| 118th St - Kinkaid Rd to Ricker Rd - Transmission - New - Force Main   | 0                          | 0                          | 0                          | 961                        | 3,000                      | 3,961                        |
| District II Reclamation Facility - Hypochlorite Feed System Replacement                                      | 0                          | 0                          | 0                          | 751                        | 0                          | 751                          |
| Northwest Reclamation Facility - 1.5 MGD   | 0                          | 0                          | 0                          | 500                        | 3,750                      | 4,250                        |
| Southwest-PAR-13437-Class III/IV Pump Upgrade  | 0                          | 0                          | 0                          | 500                        | 0                          | 500                          |
| Busch Dr - Balmoral Dr to Harts Rd - Transmission - Force Main   | 0                          | 0                          | 0                          | 30                         | 600                        | 630                          |
| Arlington East Reclamation Facility - Reclaimed Water System Expansion                                       | 0                          | 0                          | 0                          | 0                          | 560                        | 560                          |
| St Johns Bluff Rd - UNF to Bradley Master Pump Station - Transmission - Rehab Parallel Force Main            | 0                          | 0                          | 0                          | 0                          | 400                        | 400                          |
| Arlington East - Deerwood Pk - Burnt Mill to JTB - Force Main  | 0                          | 0                          | 0                          | 0                          | 400                        | 400                          |
| CR210 - Twin Creeks to Russell Sampson Rd - Transmission - Reclaim   | 0                          | 0                          | 0                          | 0                          | 300                        | 300                          |

| Water/Wastewater Project Title  | FY22<br>Proposed<br>('000) | FY23<br>Proposed<br>('000) | FY24<br>Proposed<br>('000) | FY25<br>Proposed<br>('000) | FY26<br>Proposed<br>('000) | FY22-FY26<br>Total<br>('000) |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|
| <b>SEWER</b>  |                            |                            |                            |                            |                            |                              |
| Russell Sampson Rd - St. Johns Pkwy to CR210 - Transmission - Reclaim                             | 0                          | 0                          | 0                          | 0                          | 150                        | 150                          |
| District II - Pulaski Rd Booster Pump Station   | 0                          | 0                          | 0                          | 0                          | 87                         | 87                           |
| District II - Yellow Bluff Rd - New Berlin Rd to Victoria Lakes - Transmission - New - Force Main | 0                          | 0                          | 0                          | 0                          | 10                         | 10                           |
| District II - New Berlin Rd - Yellow Bluff Rd to Eastport Rd - New - Force Main                   | 0                          | 0                          | 0                          | 0                          | 10                         | 10                           |
| <b>Budget Reserve</b>   | <b>11,030</b>              | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>11,030</b>                |
| <b>SEWER SUBTOTAL</b>   | <b>231,120</b>             | <b>279,329</b>             | <b>250,575</b>             | <b>167,231</b>             | <b>114,817</b>             | <b>1,043,072</b>             |
| <b>WATER OTHER</b>  |                            |                            |                            |                            |                            |                              |
| Technology Services Projects  | 8,544                      | 8,275                      | 8,250                      | 8,900                      | 8,900                      | 42,869                       |
| Capital Administrative Overhead   | 7,800                      | 7,800                      | 7,800                      | 7,800                      | 7,800                      | 39,000                       |
| Facilities - Generators   | 3,725                      | 2,253                      | 10,977                     | 4,535                      | 5,000                      | 26,490                       |
| Fleet - Replacement   | 3,100                      | 4,410                      | 4,200                      | 4,436                      | 4,517                      | 20,663                       |
| Fleet - Expansion   | 2,072                      | 800                        | 800                        | 800                        | 800                        | 5,272                        |
| Facilities - District II Reclamation Facility New Plant Entrance                                  | 1,390                      | 0                          | 0                          | 0                          | 0                          | 1,390                        |
| Facilities - Fleet Service Operations Building Renovations  | 994                        | 0                          | 0                          | 0                          | 0                          | 994                          |
| Security Improvements   | 650                        | 650                        | 650                        | 650                        | 650                        | 3,250                        |
| Facilities - Mandarin Reclamation Facility - Facility Parking and Storm Water Upgrades - Phase 2  | 643                        | 0                          | 0                          | 0                          | 0                          | 643                          |
| Facilities - Arlington East Reclamation Facility Storage Building                                 | 600                        | 0                          | 0                          | 0                          | 0                          | 600                          |
| 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 - Paving and Site Improvements   | 338                        | 250                        | 250                        | 250                        | 250                        | 1,338                        |
| Security - Fencing  | 260                        | 260                        | 260                        | 260                        | 260                        | 1,300                        |
| Facilities - Plumbing Upgrades  | 250                        | 250                        | 250                        | 250                        | 250                        | 1,250                        |
| Laboratory Equipment Upgrades   | 249                        | 100                        | 100                        | 100                        | 100                        | 649                          |

| Water/Wastewater Project Title   | FY22<br>Proposed<br>('000) | FY23<br>Proposed<br>('000) | FY24<br>Proposed<br>('000) | FY25<br>Proposed<br>('000) | FY26<br>Proposed<br>('000) | FY22-FY26<br>Total<br>('000) |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|
| <b>WATER OTHER</b>   |                            |                            |                            |                            |                            |                              |
| Facilities - District II Reclamation Facility - New Storage Building and Site Upgrades | 150                        | 1,415                      | 0                          | 0                          | 0                          | 1,565                        |
| Real Estate - Easement Location and Acquisitions                                       | 150                        | 150                        | 150                        | 150                        | 150                        | 750                          |
| Facilities - Elevators   | 100                        | 250                        | 250                        | 1                          | 1                          | 602                          |
| Utility Locate Group - Capital Equipment   | 50                         | 50                         | 50                         | 50                         | 50                         | 250                          |
| Security - Fire Alarm and Sprinkler Systems  | 20                         | 20                         | 20                         | 20                         | 20                         | 100                          |
| Facilities - Blacks Ford Reclamation Facility New Parking and Storage Building         | 7                          | 1,486                      | 0                          | 0                          | 0                          | 1,493                        |
| Facilities - Main St Lab Emergency Generator Project                                   | 0                          | 1,093                      | 0                          | 0                          | 0                          | 1,093                        |
| Facilities - Buckman Reclamation Facility - Street Lighting and Paving Upgrades        | 0                          | 0                          | 1,000                      | 783                        | 0                          | 1,783                        |
| <b>Budget Reserve</b>  | <b>1,643</b>               | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>1,643</b>                 |
| <b>WATER OTHER SUBTOTAL</b>  | <b>34,490</b>              | <b>31,267</b>              | <b>36,762</b>              | <b>30,740</b>              | <b>30,503</b>              | <b>163,762</b>               |
| <b>WATER/WASTEWATER GRAND TOTAL</b>  | <b>362,402</b>             | <b>410,498</b>             | <b>393,565</b>             | <b>288,574</b>             | <b>215,679</b>             | <b>1,670,718</b>             |

| DES Project Title  | FY22<br>Proposed<br>('000) | FY23<br>Proposed<br>('000) | FY24<br>Proposed<br>('000) | FY25<br>Proposed<br>('000) | FY26<br>Proposed<br>('000) | FY22-FY26<br>Total<br>('000) |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|
| Downtown - Chilled Water Extension - New JEA Office & Ed Ball Building | 3,501                      | 16                         | 0                          | 0                          | 0                          | 3,517                        |
| Downtown Plant Expansion - New Chiller & Cooling Tower                 | 610                        | 2,209                      | 3,019                      | 0                          | 0                          | 5,838                        |
| District Energy System - Repair & Replace                              | 565                        | 450                        | 765                        | 980                        | 1,000                      | 3,760                        |
| Security Improvements  | 150                        | 50                         | 50                         | 50                         | 50                         | 350                          |
| Springfield - Replace Chiller - 1                                      | 0                          | 0                          | 920                        | 0                          | 0                          | 920                          |
| Springfield - Replace Chiller - 4                                      | 0                          | 0                          | 920                        | 0                          | 0                          | 920                          |
| Springfield - Replace Chiller - 3                                      | 0                          | 0                          | 0                          | 950                        | 0                          | 950                          |
| Springfield - Replace Chiller - 5                                      | 0                          | 0                          | 0                          | 950                        | 0                          | 950                          |
| Downtown Development   | 0                          | 0                          | 0                          | 1                          | 0                          | 1                            |
| Hogans Creek - Replace Chiller - 3                                     | 0                          | 0                          | 0                          | 0                          | 1,500                      | 1,500                        |
| <b>Budget Reserve</b>  | <b>724</b>                 | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>724</b>                   |
| <b>DES GRAND TOTAL</b>   | <b>5,550</b>               | <b>2,724</b>               | <b>5,674</b>               | <b>2,931</b>               | <b>2,550</b>               | <b>19,429</b>                |

| <b>ELECTRIC</b>    | <b>Description</b>                                       | <b>Explanation</b>   |
|--------------------|--|--|
| B50, B51, etc      | specific steam turbine units at Brandy Branch Generating |  |
| 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 |
| CT1, CT2, etc      | specific gas turbine units                               |  |
| DCPS               | Duval County Public Schools                              |  |
| N00, N01, N02, etc | specific steam turbine units                             |  |
| 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  |
| 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.   |
| SOCC               | system ops and control center                            | central command/control of the electric system   |
| UPS                | Universal Power Supply                                   |  |
| <b>WATER</b>       | <b>Description</b>                                       | <b>Explanation</b>   |
| 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  |
| JP                 | Joint Project  | Projects that involve agreements and collaboration with other local and State entities.  |
| MCC                | Motor control center                                     |  |
| MGD                | Million Gallons per Day                                  | the max amount of volume a water or wastewater plant can process   |
| RTU                | Remote Terminal Unit                                     | A RTU is a microprocessor based device that monitors and controls field devices, that then connects to plant control or SCADA (supervisory control and data acquisition) systems.  |
| SCADA              | supervisory control and data acquisition                 | supervisory control and data acquisition   |
| SIPS               | Southside Integrated Piping System                       | SIPS projects are part of the Total Water Mangement Plan and done to improve reliability and optimize Water Mains in the South Grid.   |
| SJC                | St Johns County  |  |

**JEA  
CONSOLIDATED OPERATING BUDGET  
FISCAL YEAR 2022**

|  | <b>Electric<br/>System</b> | <b>Water &amp; Wastewater<br/>System</b> | <b>District Energy<br/>System</b> | <b>Total</b>            |
|--|----------------------------|--|-----------------------------------|-------------------------|
| <b>FUEL RELATED REVENUES &amp; EXPENSES:</b> |                            |  |                                   |                         |
| <b>FUEL REVENUES:</b>                        | \$ 368,899,940             | \$ -                                     | \$ -                              | \$ 368,899,940          |
| Total Net Revenues                           | <u>\$ 368,899,940</u>      | <u>\$ -</u>                              | <u>\$ -</u>                       | <u>\$ 368,899,940</u>   |
| <b>FUEL EXPENSES:</b>                        |                            |  |                                   |                         |
| Fuel & Purchased Power                       | \$ 368,899,940             | \$ -                                     | \$ -                              | \$ 368,899,940          |
|  | <u>\$ -</u>                | <u>\$ -</u>                              | <u>\$ -</u>                       | <u>\$ -</u>             |
| <b>FUEL SURPLUS/(DEFICIT)</b>                |                            |  |                                   |                         |
|  | <u>\$ -</u>                | <u>\$ -</u>                              | <u>\$ -</u>                       | <u>\$ -</u>             |
| <b>BASE RELATED REVENUES &amp; EXPENSES</b>  |                            |  |                                   |                         |
| <b>BASE OPERATING REVENUES:</b>              |                            |  |                                   |                         |
| Base Rate Revenues                           | \$ 785,192,000             | \$ 439,929,234                           | \$ 8,839,543                      | \$ 1,233,960,777        |
| Environmental Charge Revenue                 | 7,442,000                  | 27,010,000                               | -                                 | 34,452,000              |
| Conservation Charge & Demand Side Revenue    | 732,000                    | -  | -                                 | 732,000                 |
| Other Revenues                               | 123,615,440                | 25,494,531                               | -                                 | 149,109,971             |
| Natural Gas Pass Through Revenue             | 823,420                    | -  | -                                 | 823,420                 |
| Total Base Related Revenues                  | <u>\$ 917,804,860</u>      | <u>\$ 492,433,765</u>                    | <u>\$ 8,839,543</u>               | <u>\$ 1,419,078,168</u> |
| <b>BASE OPERATING EXPENSES:</b>              |                            |  |                                   |                         |
| Operating and Maintenance                    | \$ 255,776,299             | \$ 184,882,130                           | \$ 5,127,990                      | \$ 445,786,419          |
| Environmental                                | 2,263,500                  | 7,608,200                                | -                                 | 9,871,700               |
| Conservation & Demand-side Management        | 7,227,800                  | -  | -                                 | 7,227,800               |
| Natural Gas Pass Through Expense             | 918,473                    | -  | -                                 | 918,473                 |
| Non-Fuel Purchased Power                     | 263,361,133                | -  | -                                 | 263,361,133             |
| Non-Fuel Uncollectibles & PSC Tax            | 1,391,596                  | 700,409                                  | -                                 | 2,092,005               |
| Emergency Reserve                            | 5,000,000                  | 1,000,000                                | -                                 | 6,000,000               |
| Total Base Related Expenses                  | <u>\$ 535,938,801</u>      | <u>\$ 194,190,739</u>                    | <u>\$ 5,127,990</u>               | <u>\$ 735,257,530</u>   |
| <b>BASE OPERATING INCOME:</b>                | <b>\$ 381,866,059</b>      | <b>\$ 298,243,026</b>                    | <b>\$ 3,711,553</b>               | <b>\$ 683,820,638</b>   |
| <b>NON-OPERATING REVENUE:</b>                |                            |  |                                   |                         |
| Investment Income                            | 3,194,911                  | 2,075,631                                | -                                 | 5,270,542               |
| Transfer To/From Fuel Recovery               | -                          | -  | -                                 | -                       |
| Capacity Fees                                | -                          | 47,000,000                               | -                                 | 47,000,000              |
| Total Non Operating Revenues                 | <u>\$ 3,194,911</u>        | <u>\$ 49,075,631</u>                     | <u>\$ -</u>                       | <u>\$ 52,270,542</u>    |
| <b>NON-OPERATING EXPENSES:</b>               |                            |  |                                   |                         |
| Debt Service                                 | 109,816,948                | 67,135,355                               | 3,171,208                         | 180,123,511             |
| Demand-side Management - Rate Stabilization  | -395,800                   | -  | -                                 | -395,800                |
| Environmental - Rate Stabilization           | -3,821,756                 | -  | -                                 | -3,821,756              |
| Total Non Operating Expenses                 | <u>\$ 105,599,392</u>      | <u>\$ 67,135,355</u>                     | <u>\$ 3,171,208</u>               | <u>\$ 175,905,955</u>   |
| <b>BASE INCOME BEFORE TRANSFERS</b>          | <b>\$ 279,461,578</b>      | <b>\$ 280,183,302</b>                    | <b>\$ 540,345</b>                 | <b>\$ 560,185,225</b>   |
| City Contribution Expense                    | 94,545,651                 | 26,666,722                               | -                                 | 121,212,373             |
| Interlocal Payments                          | -                          | 21,000,000                               | -                                 | 21,000,000              |
| Renewal and Replacement Fund                 | 65,000,000                 | 25,243,465                               | 426,828                           | 90,670,293              |
| Operating Capital Outlay                     | 116,621,139                | 149,471,315                              | 113,517                           | 266,205,971             |
| Environmental Capital Outlay                 | 3,294,788                  | 10,801,800                               | -                                 | 14,096,588              |
| Capacity Fees                                | -                          | 47,000,000                               | -                                 | 47,000,000              |
| Operating Contingency                        | -                          | -  | -                                 | -                       |
| Total Non-Fuel Expenses                      | <u>\$ 279,461,578</u>      | <u>\$ 280,183,302</u>                    | <u>\$ 540,345</u>                 | <u>\$ 560,185,225</u>   |
| <b>SURPLUS/(DEFICIT)</b>                     | <b>\$ -</b>                | <b>\$ -</b>                              | <b>\$ -</b>                       | <b>\$ -</b>             |
| <b>TOTAL REVENUES</b>                        | <b>\$ 1,289,899,711</b>    | <b>\$ 541,509,396</b>                    | <b>\$ 8,839,543</b>               | <b>\$ 1,840,248,650</b> |
| <b>TOTAL APPROPRIATIONS</b>                  | <b>\$ 1,289,899,711</b>    | <b>\$ 541,509,396</b>                    | <b>\$ 8,839,543</b>               | <b>\$ 1,840,248,650</b> |
| 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 2022**

|                                      | <b>Electric<br/>System</b> | <b>Water &amp; Wastewater<br/>System</b> | <b>District Energy<br/>System</b> | <b>Total</b>          |
|--------------------------------------|----------------------------|--|-----------------------------------|-----------------------|
| <b>CAPITAL FUNDS:</b>                |                            |  |                                   |                       |
| Renewal & Replacement Deposits       | \$ 65,000,000              | \$ 25,243,465                            | \$ 426,828                        | \$ 90,670,293         |
| Operating Capital Outlay             | 116,621,139                | 149,471,315                              | 113,517                           | 266,205,971           |
| Environmental Capital Outlay         | 3,294,788                  | 10,801,800                               | -                                 | 14,096,588            |
| Capacity Fees                        | -                          | 47,000,000                               | -                                 | 47,000,000            |
| Debt Proceeds                        | -                          | 129,885,420                              | -                                 | 129,885,420           |
| Other Proceeds                       | 55,886,073                 | -  | 5,009,944                         | 60,896,017            |
| Total Capital Funds                  | <u>\$ 240,802,000</u>      | <u>\$ 362,402,000</u>                    | <u>\$ 5,550,289</u>               | <u>\$ 608,754,289</u> |
| <b>CAPITAL PROJECTS:</b>             |                            |  |                                   |                       |
| Generation Projects                  | \$ 40,010,000              | \$ -                                     | \$ -                              | \$ 40,010,000         |
| Transmission & Distribution Projects | 119,503,000                | -  | -                                 | 119,503,000           |
| District Energy Projects             | -                          | -  | 5,550,289                         | 5,550,289             |
| Water Projects                       | -                          | 96,792,000                               | -                                 | 96,792,000            |
| Sewer Projects                       | -                          | 231,120,000                              | -                                 | 231,120,000           |
| Other Projects                       | 81,289,000                 | 34,490,000                               | -                                 | 115,779,000           |
| Total Capital Projects Subtotal      | <u>\$ 240,802,000</u>      | <u>\$ 362,402,000</u>                    | <u>\$ 5,550,289</u>               | <u>\$ 608,754,289</u> |
| Capital Reserve                      | -                          | -  | -                                 | -                     |
| Total Capital Projects               | <u>\$ 240,802,000</u>      | <u>\$ 362,402,000</u>                    | <u>\$ 5,550,289</u>               | <u>\$ 608,754,289</u> |

**JEA**  
**Five Year Capital Improvement Program**  
**Fiscal Years 2022-2026**  
 (\$000'S Omitted)

| Project Title                                 | FY2022                  | FY2023                  | FY2024                  | FY2025                  | FY2026                  | Project Total             |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------------|
| Electric System Generation                    | 40,010                  | 42,222                  | 42,704                  | 50,300                  | 174,147                 | 349,383                   |
| Electric System Transmission and Distribution | 119,503                 | 117,813                 | 99,401                  | 99,809                  | 98,694                  | 535,220                   |
| Electric System Other                         | 81,289                  | 50,072                  | 38,799                  | 37,952                  | 35,897                  | 244,009                   |
| <b>Total</b>                                  | <b><u>\$240,802</u></b> | <b><u>\$210,107</u></b> | <b><u>\$180,904</u></b> | <b><u>\$188,061</u></b> | <b><u>\$308,738</u></b> | <b><u>\$1,128,612</u></b> |
| Water Treatment and Distribution              | 96,792                  | 99,902                  | 106,228                 | 90,603                  | 70,359                  | 463,884                   |
| Sewer, Wastewater, and Reclaimed              | 231,120                 | 279,329                 | 250,575                 | 167,231                 | 114,817                 | 1,043,072                 |
| Water Other Capital                           | 34,490                  | 31,267                  | 36,762                  | 30,740                  | 30,503                  | 163,762                   |
| <b>Total</b>                                  | <b><u>\$362,402</u></b> | <b><u>\$410,498</u></b> | <b><u>\$393,565</u></b> | <b><u>\$288,574</u></b> | <b><u>\$215,679</u></b> | <b><u>\$1,670,718</u></b> |
| District Energy System                        | <b><u>\$5,550</u></b>   | <b><u>\$2,724</u></b>   | <b><u>\$5,674</u></b>   | <b><u>\$2,931</u></b>   | <b><u>\$2,550</u></b>   | <b><u>\$19,429</u></b>    |

**JEA  
ST. JOHNS RIVER POWER PARK (SJRPP)  
AND PLANT SCHERER (SCHERER)  
OPERATING AND CAPITAL BUDGET  
FISCAL YEAR 2022**

|                            | <b>SJRPP</b>         | <b>SCHERER</b>       |
|----------------------------|----------------------|----------------------|
| <b>OPERATING BUDGET:</b>   |                      |                      |
| <b>Revenue:</b>            |                      |                      |
| Operating Revenue from JEA | \$ 22,570,115        | \$ 97,365,343        |
| <b>Expenses:</b>           |                      |                      |
| Fuel and O & M             | \$ -                 | \$ 16,047,727        |
| Transmission               | -                    | 1,640,811            |
| Debt Service               | 20,062,324           | 77,635,936           |
| Renewal & Replacement      | 2,507,791            | 2,040,869            |
| Total Expenses             | <u>\$ 22,570,115</u> | <u>\$ 97,365,343</u> |
| <b>CAPITAL BUDGET :</b>    |                      |                      |
|                            | <u>\$ -</u>          | <u>\$ 2,040,869</u>  |

MWHs Purchased by JEA Electric System

308,616

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



# **FY2022 Proposed Rate & Fee Adjustments**

**Water, Sewer, & Electric**

**Juli Crawford**  
Director, Financial Planning &  
Analysis



May 2021

# FY2022 PROPOSED RATE & FEE ADJUSTMENTS

## AGENDA



### **Part One: Water & Sewer Rate Adjustments**

- Capacity Fees
- Tap & Meter Fees
- Large Commercial Water Rates



### **Part Two: Electric Rate Adjustments**

- Base Rate
- Bill Impacts



### **Part Three: Timeline**

- Recommendations
- Public Hearing
- Communications



### **Part Four: Next Steps**

Staff recommendations presented to the Finance & Audit Committee for feedback and direction

# RATES & FEES

## Overview

### Water & Sewer

#### Rate Adjustment Recommendations

- ? Plant Capacity Fees
- ? Tap & Meter Fees
- ? Large Commercial Water Rate

#### Other Tariff Administrative Items

- Backflow Prevention Devices
- Use of funds – Line Extension Growth Capacity Charges
- Tariff Reformat

### Electric

#### Rate Adjustment Recommendations

- ? Energy Rate

#### Other Tariff Administrative Items

- Economic Development Programs



# **WATER & SEWER RATE ADJUSTMENTS**

# CAPACITY FEES

## WATER & SEWER COST RECOVERY STRUCTURE

### Water & Sewer Capacity Project Costs

Capacity fees and charges are one-time fees paid by builders or customers connecting to the system to recover the cost of capacity expansion. A large portion of our Capital Improvement Plan (CIP) is driven by growth and providing additional water, sewer, and/or reclaimed capacity. These projects are a direct indication of the cost to connect new customers.

JEA's rate consultant, Stantec, has reviewed calculations and fees and will provide a supporting memo prior to the June Board meeting.



|              | Cost Allocated To Expansion (Five Year CIP) | Expansion Capacity | Total Cost Per Gallon <sup>^^</sup>   | Calculated <sup>3/4"</sup> Capacity Fee |
|--------------|---|--------------------|---------------------------------------|---|
| <b>Water</b> | \$59 million                                | 12.57 MGD          | \$4.68<br>(Current Fee Basis \$0.97)  | <b>\$1,989*</b><br>(Current Fee \$680)  |
| <b>Sewer</b> | \$268 million                               | 10.5 MGD           | \$25.57<br>(Current Fee Basis \$3.64) | <b>\$5,114</b><br>(Current Fee \$1,274) |

**Current project costs indicate a higher cost for connection than current fees collect**



\*Includes fees for Water & Irrigation

MGD = million gallons per day

Sewer projects have a Reclaim component built into total project cost

Costs per gallon do not calculate due to rounding – calculated by dividing total MGD by gallons per day for a <sup>3/4"</sup> connection, then dividing that into total project cost for cost per gallon



# CAPACITY FEES

## WATER & SEWER RATE ADJUSTMENTS

Current water and sewer capacity fees have been in place, unchanged, for the past 15+ years

Based on feedback from stakeholders and conversations with the Northeast Florida Builders Association, JEA is focused on providing a transition into recommended fees over time to assist in absorbing the costs gradually

|                   |  | Recommended $\frac{3}{4}$ " Capacity Fee |            |            |            |            | Estimated Additional Annual Revenue <sup>1</sup> |       |
|-------------------|--|--|------------|------------|------------|------------|--|-------|
|                   |  | Current                                  | Oct '21    | Apr '22    | Oct '22    | Apr '23    | FY22   | FY23  |
| <b>Water</b>      |  | \$339.50                                 | \$380.00   | \$566.00   | \$752.00   | \$936.00   | \$3M   | \$5M  |
| <b>Irrigation</b> |  | \$339.50                                 | \$427.50   | \$636.75   | \$846.00   | \$1,053.00 | \$1M   | \$2M  |
| <b>Sewer</b>      |  | \$1,274.00                               | \$1,824.00 | \$2,920.00 | \$4,016.00 | \$5,114.00 | \$17M  | \$29M |

Staff recommends phasing in proposed capacity fees over a 2 year period effective October 1, 2021

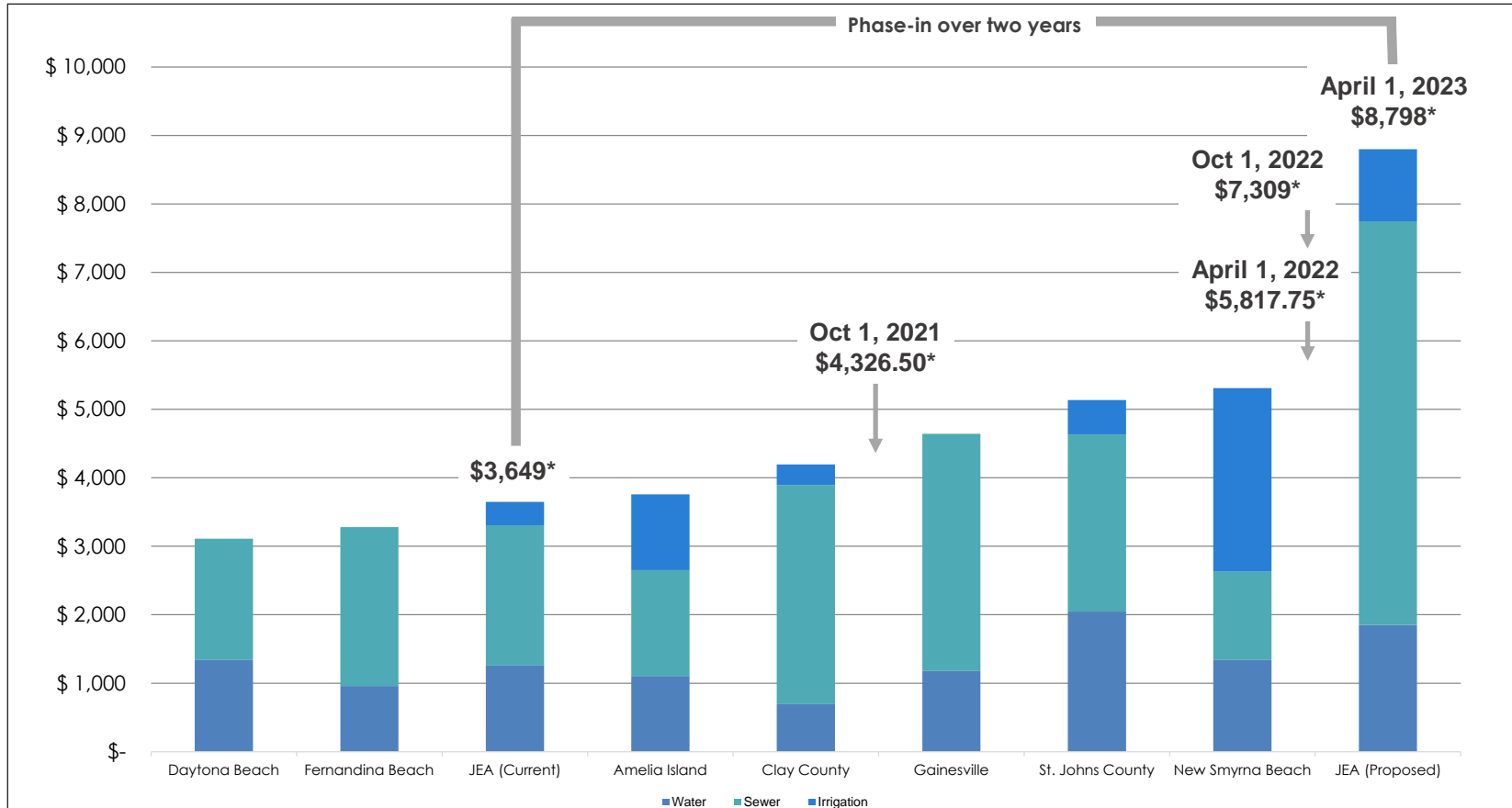


<sup>1</sup>Based on FY20 New Connections

See supplemental information for recommended capacity fees for all meter sizes

# SUPPLEMENTAL INFORMATION

## BENCHMARKS: LOCAL PEERS COMBINED CAPACITY FEES



\*Note: Includes Line Extension Growth Capacity Charges of \$1,695; No adjustments recommended at this time. Staff will evaluate pricing and make recommendations in the future.



# TAP AND METER FEES

## WATER & SEWER RATE ADJUSTMENTS

### Tap & Meter Costs and Customer Fees

Meter and Tap Fees are paid by customers connecting to the system to recover the cost of the meter and tap materials and labor to sufficiently serve the maximum quantities of water and sewer permitted by the customers. The associated costs include, but are not limited to, meters, modules, cable, piping and outdoor casing.

**JEA is under-collecting approximately \$1.6 million annually on ¾" meter sets and taps alone**



|              | Current Fee | Recommended Fee<br><i>(equal to cost)</i> |
|--------------|-------------|---|
| ¾" Meter Set | \$202.30    | \$300                                     |
| 1" Tap       | \$610       | \$1,360                                   |

**Staff recommends setting tap & meter fees equal to cost**



See supplemental information for recommended tap & meter fees for all sizes

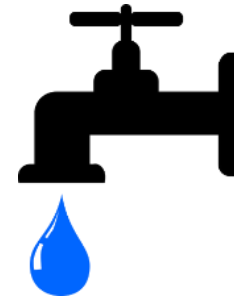
# LARGE COMMERCIAL WATER

## WATER & SEWER RATE ADJUSTMENTS

### Large Commercial: Water rates for 10” meters and larger

JEA currently allows commercial water users with a 10” meter or larger access to a discounted water usage rate. Based on the current rate structure, this large meter rate of \$1.24 represents a \$.25 discount below the standard Commercial rate of \$1.49 per thousand gallons used.

This pricing structure is not supported by the cost of service, as these larger meters demonstrate greater peaking activity than those smaller than 10”.



*There are currently 53 customers that have a 10” water meter and 3 Customers with a 12” meter. Over \$400,000 impact without the discount*

**Staff recommends setting all commercial volume charges equal, as is supported by the cost of service study**





# **ELECTRIC RATE ADJUSTMENTS**

# BASE RATE

## ELECTRIC RATE ADJUSTMENTS

### Per Pricing Policy

"The Base Rate will recover expenditures necessary to operate and maintain the system, depreciation expense, capital required to maintain the system, the necessary contribution to the City, any special charges for programs adopted by JEA and approved by the Board, and additional revenues required to maintain the financial integrity of the System."

| Annual Cost<br>(Revenue Requirements) | 5 Year Forecast   |
|---------------------------------------|---|
| Operation & Maintenance               |  |
| <b>Purchase Power Obligations</b>     |  |
| Depreciation                          |  |
| City Contribution                     |  |

**Increasing costs mainly due to Vogtle Power Purchase Agreement from MEAG are driving the need for additional revenues to recover the cost and maintain financial integrity**



# BASE RATE

Plant Vogtle / Municipal Electric Authority of Georgia (MEAG) Power Purchase Agreement (PPA)

Impact of initial operation date of 2016 delayed to 2021:

- Total JEA cost has increased over \$900 million
- Fuel expenses were roughly \$90 million more 2016-2021
- JEA generation expenditure plans were altered to accommodate the unfulfilled 200MW of nuclear power since 2016

| Total Non-Fuel Vogtle Payments<br>(\$ in millions) |       |       |       |
|--|-------|-------|-------|
| FY22   | FY23  | FY24  | FY25  |
| \$102  | \$159 | \$167 | \$168 |

JEA has mitigated a portion of the Vogtle MEAG Power Purchase Agreement (PPA) expense with the following actions:

- St. John's River Power Park (SJRPP) closure
- Agreement to replace Scherer Unit 4 with corresponding FPL PPA
- Utility scale solar PPA
- A significant amount of debt reduction

**Despite these efforts, base rate increases are necessary to recover expenses associated with the Vogtle / MEAG PPA**



# ENERGY RATE

## ELECTRIC RATE ADJUSTMENTS

### Recommended

Raise Energy Rate by  
**\$0.00183/kWh**

### Estimated Additional Revenue

**\$22M**

### RESIDENTIAL BILL IMPACT

Average residential bill based on 1,000 kWh per month

| Current                            |          | FY22 Proposed                      |          |
|------------------------------------|----------|------------------------------------|----------|
| Basic Monthly Charge               | \$5.50   | Basic Monthly Charge               | \$5.50   |
| Energy Charge                      | 69.88    | Energy Charge                      | 71.71    |
| Environmental Charge               | 0.62     | Environmental Charge               | 0.62     |
| Fuel Charge                        | 32.50    | Fuel Charge                        | 30.50    |
| <hr/>                              |          | <hr/>                              |          |
| Total <i>before taxes and fees</i> | \$108.50 | Total <i>before taxes and fees</i> | \$108.33 |
| Taxes and Fees                     | 14.84    | Taxes and Fees                     | 15.01    |
| <hr/>                              |          | <hr/>                              |          |
| Total <i>after taxes and fees</i>  | \$123.34 | Total <i>after taxes and fees</i>  | \$123.34 |

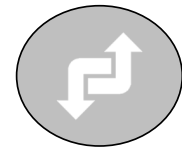


Note: ISXLD energy rate change \$0.00182/kWh



# RATE CLASS IMPACTS

## ELECTRIC RATE ADJUSTMENTS



|                              | Number of Customers | Total Current Typical Bill Amount<br>(includes taxes) | Total New Typical Bill Amount<br>(includes taxes) | % Change in Typical Bill Amount |
|------------------------------|---------------------|---|---|---------------------------------|
| Residential                  | 430,000             | \$123.34  | \$123.34  | \$0.00                          |
| General Service              | 50,000              | \$310.02  | \$309.99  | (\$0.03)                        |
| General Service Demand       | 4,000               | \$7,462.88  | \$7,462.20  | (\$0.68)                        |
| General Service Large Demand | 135                 | \$75,390.00   | \$75,382.00                                       | (\$8.00)                        |
| Interruptible                | 45                  | \$290,151.00  | \$290,111.00                                      | (\$40.00)                       |

With the fuel charge decrease, **all customer class energy rate increases will result in an essentially bill neutral impact**

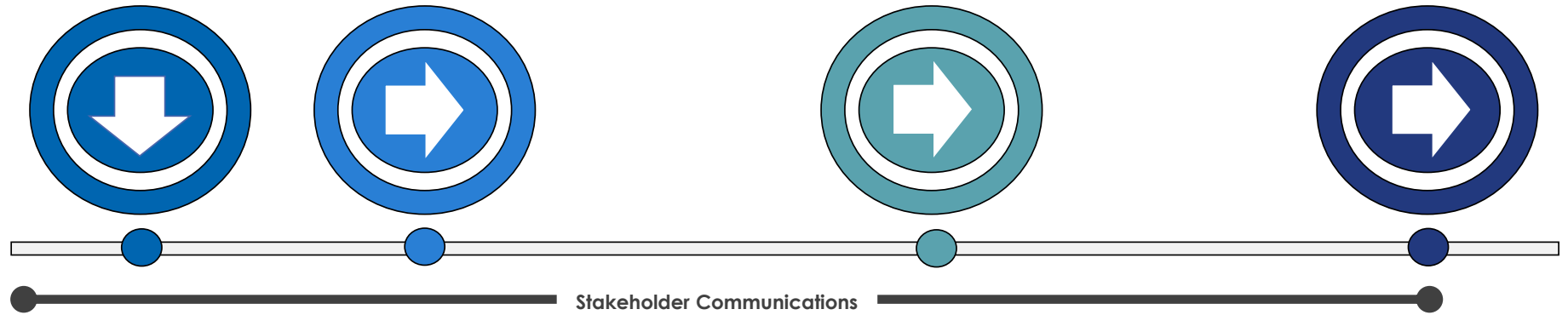


*Note:* Rate changes subject to Board approval and PSC submission

## **TIMELINE & NEXT STEPS**

# RATES & FEES

## TIMELINE



### May

F&A Committee

1. Staff provides rate recommendations
2. Committee provides feedback & direction

### June

Board of Directors

1. Based on feedback, Staff provides rate recommendations with redline tariffs
2. Board calls for a Public Rate Hearing
3. Staff Initiates public notice through billing and newspaper & submits PSC Filing

### August

Board of Directors

1. Board conducts Public Rate Hearing
2. Staff provides resolutions and final tariffs
3. Staff begins bill programming & testing

### October

General

Rate Changes Effective

# RATES & FEES

## Next Steps

Staff recommends the Finance & Audit Committee **consider presenting this information to the Board:**

| Water & Sewer   |                             |
|---|-----------------------------|
| Rate Adjustment Recommendations   |                             |
| ?   | Plant Capacity Fees         |
| ?   | Tap & Meter Fees            |
| ?   | Large Commercial Water Rate |
| Other Tariff Administrative Items   |                             |
| <ul style="list-style-type: none"><li>• Backflow Prevention Devices</li><li>• Use of funds – Line Extension Growth Capacity Charges</li><li>• Tariff Reformat</li></ul> |                             |

| Electric  |             |
|---|-------------|
| Rate Adjustment Recommendations   |             |
| ?   | Energy Rate |
| Other Tariff Administrative Items   |             |
| <ul style="list-style-type: none"><li>• Economic Development Programs</li></ul> |             |



# **SUPPLEMENTAL INFORMATION & SUPPORTING DATA**

# SUPPLEMENTAL INFORMATION

## WATER & SEWER- CAPITAL PROJECT COSTS DRIVE CAPACITY COSTS

### Select Water Plant Capacity Expansion Projects

| Project                  | Project Status      | Total Cost<br>DEC F&A | Total Cost<br>4/23/2021 | Delta              | Costs Allocated<br>to Expansion<br>4/23/2021 | Capacity<br>4/23/2021  | Unit Cost<br>4/23/2021 |
|--------------------------|---------------------|-----------------------|-------------------------|--------------------|--|------------------------|------------------------|
| Northwest Regional WTP   | Complete            | \$10,130,622          | \$10,134,069            | \$3,447            | \$10,134,069                                 | 2.40 MGD               | \$4,222,529            |
| Westlake WTP             | Planned             | \$9,549,729           | \$14,858,862            | \$5,309,133        | \$14,858,862                                 | 4.00 MGD               | \$3,714,716            |
| River Town WTP           | Post Bid/ Pre Award | \$16,826,093          | \$18,613,099            | \$1,787,006        | \$18,613,099                                 | 1.88 MGD               | \$9,900,585            |
| West Nassau Regional WTP | Complete            | \$8,553,245           | \$8,553,245             | \$0                | \$8,553,245                                  | 1.40 MGD               | \$6,109,461            |
| Greenland WTP            | Construction        | \$6,656,136           | \$6,656,187             | \$51               | \$6,656,187                                  | 2.89 MGD               | \$2,303,179            |
| <b>Total</b>             |                     | <b>\$51,715,825</b>   | <b>\$58,815,462</b>     | <b>\$7,099,637</b> | <b>\$58,815,462</b>                          | <b>12.57 MGD</b>       | <b>\$4,679,034</b>     |
|                          |                     |                       |                         |                    |  | <b>Cost Per Gallon</b> | <b>\$4.68</b>          |

### Select Wastewater Plant Capacity Expansion Projects

| Project             | Project Status   | Total Cost<br>DEC F&A | Total Cost<br>4/23/2021 | Delta               | Costs Allocated<br>to Expansion<br>4/23/2021 | Capacity<br>4/23/2021  | Unit Cost<br>4/23/2021 |
|---------------------|------------------|-----------------------|-------------------------|---------------------|--|------------------------|------------------------|
| Blacks Ford WRF     | Complete         | \$67,208,993          | \$67,208,993            | \$0                 | \$67,208,993                                 | 3.00 MGD               | \$22,402,998           |
| Southwest WRF       | Final Design     | \$42,210,119          | \$42,210,119            | \$0                 | \$42,210,119                                 | 2.00 MGD               | \$21,105,060           |
| Nassau Regional WRF | Schematic Design | \$28,548,000          | \$53,818,181            | \$25,270,181        | \$53,818,181                                 | 1.50 MGD               | \$35,878,787           |
| Greenland WRF       | Final Design     | \$105,187,135         | \$105,187,135           | \$0                 | \$105,187,135                                | 4.00 MGD               | \$26,296,784           |
| <b>Total</b>        |                  | <b>\$243,154,247</b>  | <b>\$268,424,428</b>    | <b>\$25,270,181</b> | <b>\$268,424,428</b>                         | <b>10.50 MGD</b>       | <b>\$25,564,231</b>    |
|                     |                  |                       |                         |                     |  | <b>Cost Per Gallon</b> | <b>\$25.57</b>         |



# SUPPLEMENTAL INFORMATION

## COST OF SERVICE INCREMENTAL METHODOLOGY

The cost to build new capacity and install new connections are significantly greater than previous investments which warrants the selection of the incremental methodology.

Stantec's updated cost of service analysis and calculated current estimated cost of capacity fees was based on revised 2021 Water and Sewer Expansion Capital Improvement Projects Infrastructure Plan

|                          |                       | CURRENT PLANT CAPACITY FEES |              |                | PLANT CAPACITY COST |                |                |                       |          |
|--------------------------|-----------------------|-----------------------------|--------------|----------------|---------------------|----------------|----------------|-----------------------|----------|
|                          | Water (w/o Reclaimed) | Water                       | Irrigation   | Sewer          | Water               | Irrigation     | Sewer          | Water (w/o Reclaimed) |          |
| Residential              |                       |                             |              |                |                     |                |                |                       |          |
| Gallons per day ¾" meter | 350                   | 350                         | 350          | 350            | 200                 | 225            | 200            | 250                   | GPD      |
|                          | x                     |                             |              |                |                     |                |                | x                     |          |
| Dollars per gallon       | \$0.97                | \$0.97                      | \$0.97       | \$3.64         | \$4.68              | \$4.68         | \$25.57        | \$4.68                | \$/gal   |
|                          | =                     |                             |              |                |                     |                |                | =                     |          |
| Subtotals                | <b>\$340</b>          | <b>\$340</b>                | <b>\$340</b> | <b>\$1,274</b> | <b>\$936</b>        | <b>\$1,053</b> | <b>\$5,114</b> | <b>\$1,170</b>        | \$ total |
| Water & Sewer Total      | <b>\$1,614</b>        | <b>\$1,954</b>              |              |                | <b>\$7,103</b>      |                |                | <b>\$6,284</b>        |          |

Proposed bi-annual phase-in of the \$5,149 variance over two years



# SUPPLEMENTAL INFORMATION

## CAPACITY FEES

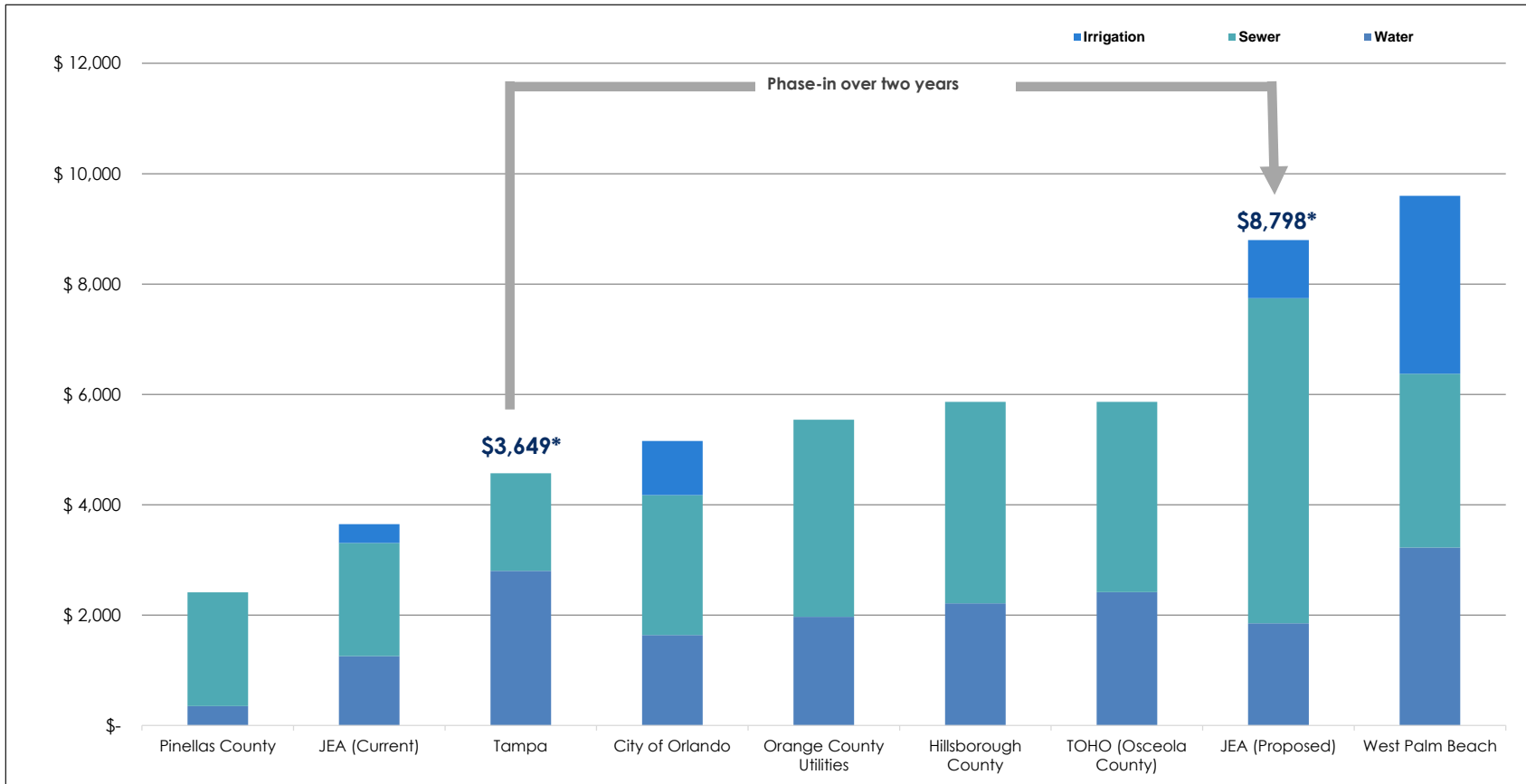
| Meter Size                    | Updated Level of Service | Basis   | Cost per Gallon | Cost of Service Plant Capacity Fee |
|-------------------------------|--------------------------|---|-----------------|------------------------------------|
| <b>Water (w/o Irrigation)</b> |                          |   |                 |                                    |
| ¾"                            | 250                      | Average Day                                   | \$4.68          | \$1,170                            |
| 1"                            | 300                      | Average Day                                   | \$4.68          | \$1,404                            |
| 1 ½"                          | 450                      | Average Day                                   | \$4.68          | \$2,106                            |
| 2" & greater                  | Based on estimated AADF  | Fee based on the estimated average daily flow | \$4.68          | TBD                                |
| <b>Water (w/ Irrigation)</b>  |                          |   |                 |                                    |
| ¾"                            | 200                      | Average Day                                   | \$4.68          | \$936                              |
| 1"                            | 250                      | Average Day                                   | \$4.68          | \$1,170                            |
| 1 ½"                          | 300                      | Average Day                                   | \$4.68          | \$1,404                            |
| 2" & greater                  | Based on estimated AADF  | Fee based on the estimated average daily flow | \$4.68          | TBD                                |
| <b>Irrigation</b>             |                          |   |                 |                                    |
| ¾"                            | 225                      | Average Day                                   | \$4.68          | \$1,053                            |
| 1"                            | 325                      | Average Day                                   | \$4.68          | \$1,521                            |
| 1 ½"                          | 700                      | Average Day                                   | \$4.68          | \$3,276                            |
| 2" & greater                  | Based on estimated AADF  | Fee based on the estimated average daily flow | \$4.68          | TBD                                |
| <b>Sewer</b>                  |                          |   |                 |                                    |
| ¾"                            | 200                      | Average Day                                   | \$25.57         | \$5,114                            |
| 1"                            | 250                      | Average Day                                   | \$25.57         | \$6,393                            |
| 1 ½"                          | 300                      | Average Day                                   | \$25.57         | \$7,671                            |
| 2" & greater                  | Based on estimated AADF  | Fee based on the estimated average daily flow | \$25.57         | TBD                                |





# SUPPLEMENTAL INFORMATION

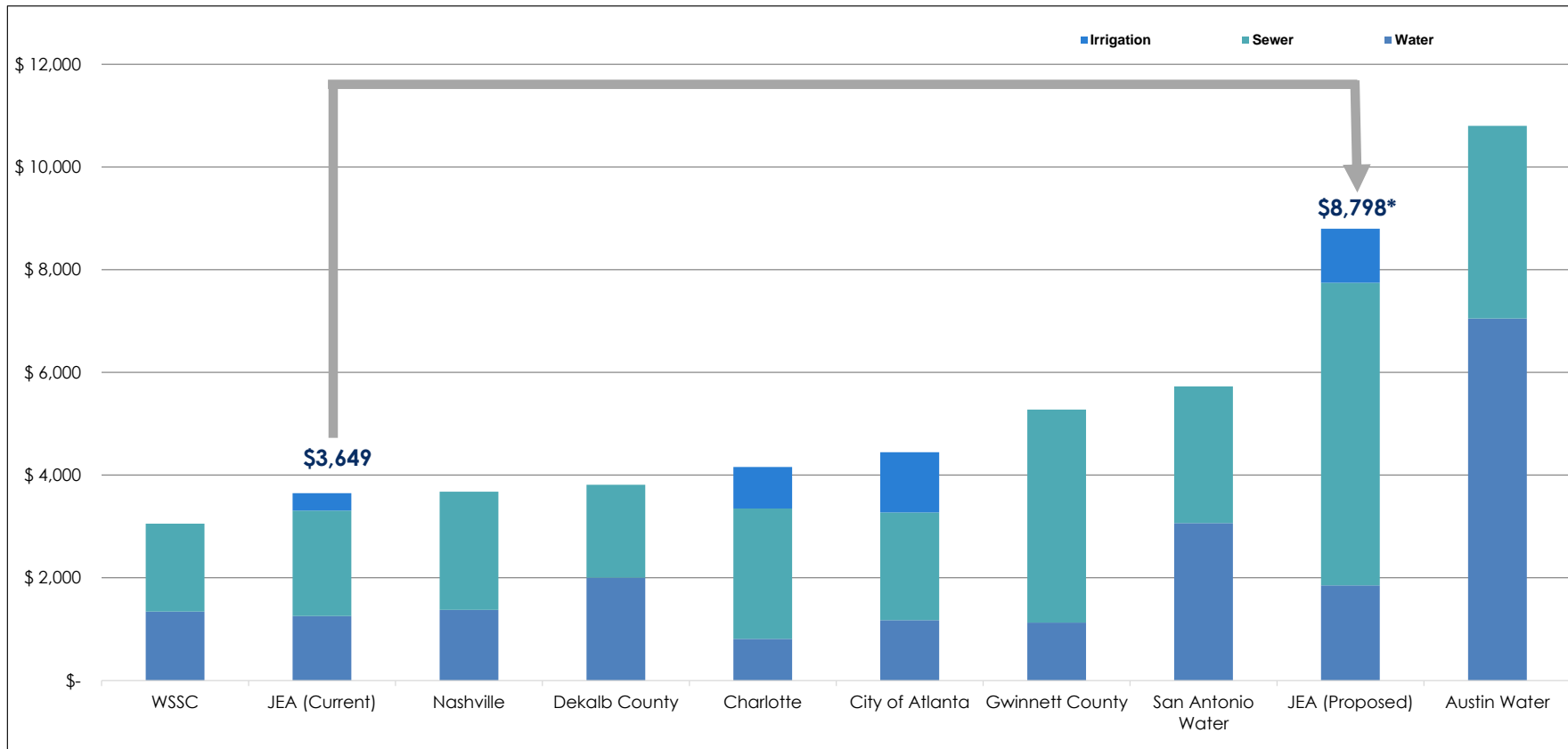
## BENCHMARKS: FLORIDA PEERS COMBINED CAPACITY FEES



\*Note: Includes Line Extension Growth Capacity Charges of \$1,695; No adjustments recommended at this time. Staff will evaluate pricing and make recommendations in the future.

# SUPPLEMENTAL INFORMATION

## BENCHMARKS: NATIONAL PEERS COMBINED CAPACITY FEES



\*Note: Includes Line Extension Growth Capacity Charges of \$1,695; No adjustments recommended at this time. Staff will evaluate pricing and make recommendations in the future.

# SUPPLEMENTAL INFORMATION

## TAP & METER FEES

### Today's Fees

| Meter Size    | ¾"       | 1"       | 1 ½"     | 2"       | 3"                                      | 4"         | 6"          | 8"          | 10"         |
|---------------|----------|----------|----------|----------|---|------------|-------------|-------------|-------------|
| Meter Fee     | \$202.33 | \$223.71 | \$527.26 | \$588.96 | \$8,767.80                              | \$9,934.35 | \$13,555.21 | \$20,850.65 | \$26,300.83 |
| Tap Size      | 1"       | 1"       | 2"       | 2"       | 3"                                      | 4"         | 6"          | 8"          | 10"         |
| Water Tap Fee | \$610    | \$610    | \$700    | \$700    | Average cost of the installation to JEA |            |             |             |             |
| Sewer Tap Fee | \$1,853  | \$1,853  | \$1,853  | \$1,853  |   |            |             |             |             |

### Proposed Fees

| Meter Size    | ¾"       | 1"       | 1 ½"       | 2"         | 3"                                      | 4"         | 6"          | 8"          | 10"         |
|---------------|----------|----------|------------|------------|---|------------|-------------|-------------|-------------|
| Meter Fee     | \$300.00 | \$320.00 | \$1,010.00 | \$1,150.00 | \$7,340.00                              | \$7,530.00 | \$11,490.00 | \$17,210.00 | \$24,160.00 |
| Tap Size      | 1"       | 1"       | 2"         | 2"         | 3"                                      | 4"         | 6"          | 8"          | 10"         |
| Water Tap Fee | \$1,360  | \$1,360  | \$1,770    | \$1,770    | Average cost of the installation to JEA |            |             |             |             |
| Sewer Tap Fee | \$8,330  | \$8,330  | \$8,330    | \$8,330    |   |            |             |             |             |





## Audit Services Update

Steve Tuten  
Director of Audit Services



May 14, 2021



## Enterprise Risk Management (ERM)

## ERM Initiatives

Re-assess risk management principles and roles and responsibilities in the policy and Charters.

Incorporate risk management principles into business processes.

Incorporate risk management principles in corporate strategies, decisions and planning.

Initiate the Risk Working Committee (RWC), utilizing the three (3) lines of Defense criteria - Management, ERM, Audit.

Assess and affirm the current Risk Tolerances categories and scoring criteria.

Reassess the current Top Enterprise Risks to verify impact and likelihood prioritization.

Develop Key Risk/Process Indicators (KRIs/KPIs).

Complete a Risk & Control Assurance map.

Establish Risk Management Annual Corporate Goals.

Modify job descriptions to include effective risk management.

Include effective risk management in the Risk owners' annual performance goals.

Restart the Business Function Risk Assessment process.

Enhance and expand Risk Awareness training for all JEA employees.

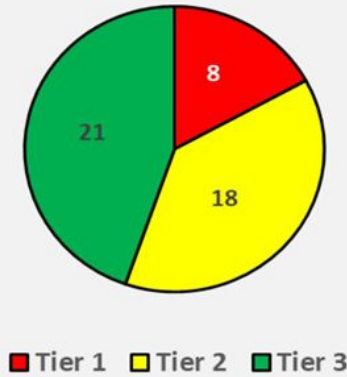
Use a Governance, Risk and Compliance application (GRC).

## Top Enterprise-Wide Risks (TER)

47 Risks

8 Categories

Number of Risks by Tier



Number of Risks by Risk Category



There are currently 47 TERs in our Risk Inventory.  
 Tier 1 risks are the most critical based on the relative impact and likelihood of occurring.  
 The risks are categorized based on business processes.



## Tier 1 and Tier 2 Risks

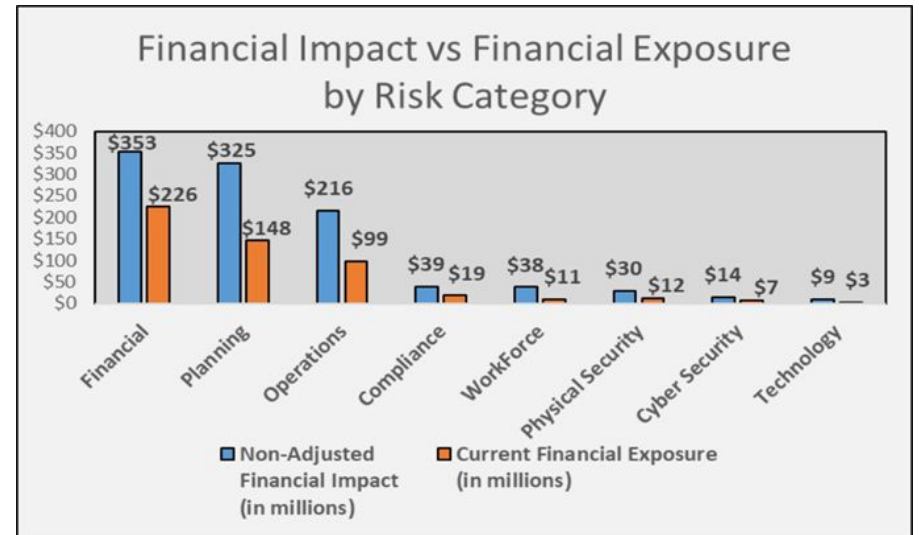
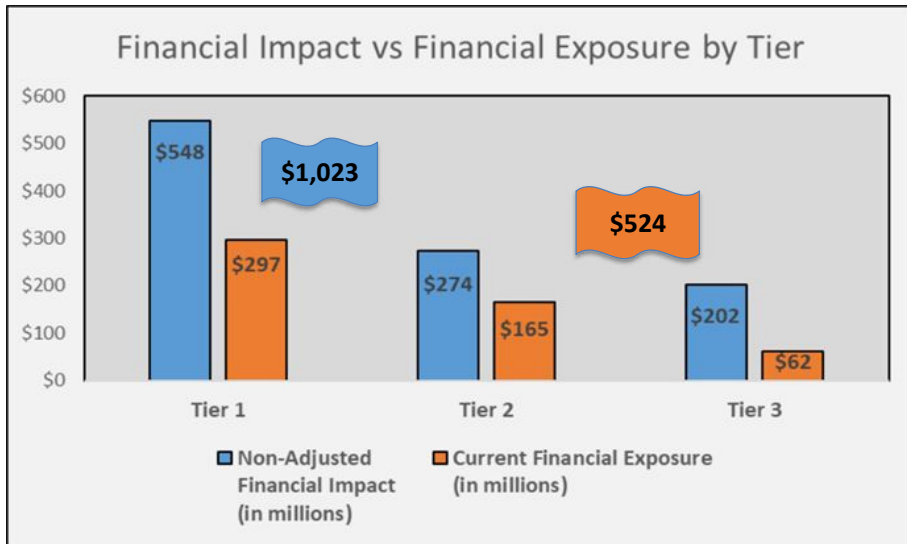
| Risk # | Risk Title   | Tier | Total Risk Score |
|--------|--|------|------------------|
| E01    | Carbon Emission Mitigation/ Renewable Energy Standards | 1    | 15.3             |
| C19    | Surface Water Discharge Risk                           | 1    | 12.8             |
| C08    | Black Swan (High Impact - Low probability event)       | 1    | 11.2             |
| C18    | Supply Chain Management                                | 1    | 10.5             |
| E10    | Nuclear Power Portfolio                                | 1    | 10.4             |
| C16    | Weather & Climate Change Impact Resiliency Efforts     | 1    | 10.4             |
| W01    | Water Supply Management / Long Term Planning           | 1    | 9.9              |
| C03    | Disruptive Technologies / Long-term Planning           | 1    | 9.9              |
| E09    | FERC / NERC (Section 693) O&P Reliability & Compliance | 2    | 9.1              |
| E05    | Cooling Water Intake Structures 316(b)                 | 2    | 9.0              |
| E07    | Critical Infrastructure Protection (CIP) Compliance    | 2    | 9.0              |
| E13    | Emergency Preparedness / Business Continuity           | 2    | 9.0              |
| C21    | Physical Security - Vandalism and Property Destruction | 2    | 7.8              |

| Risk # | Risk Title  | Tier | Total Risk Score |
|--------|---|------|------------------|
| E03    | Coal Combustion Residual Rule (CCR)                         | 2    | 7.5              |
| T02    | Cyber Security Information Protection                       | 2    | 7.4              |
| T03    | Cyber Security Business Disruption                          | 2    | 7.4              |
| E04    | Adverse Electric Commodity Supply and Pricing               | 2    | 7.2              |
| W04    | Infrastructure Maintenance - Water/Waste Water Systems      | 2    | 7.2              |
| W06    | Drinking Water Quality Management                           | 2    | 7.2              |
| C04    | External Influence on Policy                                | 2    | 7.2              |
| F03    | Credit Availability/Cost                                    | 2    | 7.0              |
| W02    | Operations Technology Management - Water/Wastewater Systems | 2    | 6.9              |
| E20    | Operations Technology Management - Electric                 | 2    | 6.9              |
| C17    | Physical Security / Terrorism                               | 2    | 6.6              |
| C02    | Physical Security - Criminal Activity                       | 2    | 6.6              |
| C01    | Customer Relationship Management                            | 2    | 6.6              |





## Financial Elements of Top Enterprise-Wide Risks



The current Non-Adjusted Financial Impact of \$1,023 Million represents the mid point of the Total Financial impact before probability adjustment.

The current Most Likely Financial Impact of \$524 Million represents the financial exposure based is the factor of the midpoint of the Total Non-Adjusted Financial Impact, and the midpoint of the total Probability Average.





## **Internal Audit**

## Audit Plan Status for Q2

| Completed Audits and Engagements w/Rating |              | In-Process Audits and Engagements w/Status    |           |
|---|--------------|---|-----------|
| TEA Member Review                         | No Rating    | W/WW Project Engineering & Construction       | Reporting |
| Customer & Community Engagement (new)     | Satisfactory | Cyber Program Assessment                      | Ongoing   |
| Investment Recovery Operations (new)      | Satisfactory | Fuels Management Services                     | Testing   |
| JEA Culture Consulting Engagement (new)   | No Rating    | IT Staffing                                   | Testing   |
|   |              | Safety & Health Services                      | Testing   |
|   |              | Procurement & Contracts                       | Planning  |
|   |              | Treasury Cash & Investments                   | Planning  |
|   |              | FY2022 Annual Risk Assessments                | Planning  |
| Upcoming Audits and Engagements           |              | Cancelled or Postponed Audits and Engagements |           |
| Identity & Access Management              |              | JEA Performance Pay Audit                     |           |
| W/WW Asset Management & Performance       |              | Green-e Agreed-Upon Procedures Engagement     |           |
| Vogtle Follow-Up                          |              | Receivables & Collections (new)               |           |
| Cloud Computing                           |              |   |           |
| Fleet Services                            |              |   |           |
| eAM Asset Management Follow-Up            |              |   |           |



The Internal Audit staff is **ON TRACK** to complete the FY2021 Audit Plan.



## Completed, Postponed or Canceled Audits and/or Engagements for Q2

| Audit or Engagement                   | Report Rating | Issues and Risk(s)   |
|---------------------------------------|---------------|--|
| Customer & Community Engagement Audit | Satisfactory  | Significant risks related to: <ul style="list-style-type: none"> <li>- Lack of procedures for customer communications and social media policy which could negatively impact customer perception and satisfaction; and,</li> <li>- Lack of a file plan for public records which could impact customer perception if records are not produced timely.</li> </ul> |
| Investment Recovery Operations Audit  | Satisfactory  | Significant risk related to the Obsolete Asset Liquidation Processes which could lead to mismanagement and potential loss of assets.   |
| JEA Culture Consulting Engagement     | No Rating     | Observations include: <ul style="list-style-type: none"> <li>- Establishment of "Culture" as a Top Enterprise Risk;</li> <li>- Establishment of a Culture committee;</li> <li>- Periodic cultural surveys and the follow-up of identified issues; and</li> <li>- Programs for managerial leadership training and retention.</li> </ul>                         |



| Audit or Engagement         | Reason for Cancelling or Postponing   |
|-----------------------------|---|
| Receivables and Collections | Management requested the postponement of this audit to FY2022 due to the: <ul style="list-style-type: none"> <li>• Ongoing upgrade of the CIS/Billing system from CC&amp;B to C2M.</li> <li>• Release of a large RFP for Bill Presentment and Online Payments.</li> </ul> |

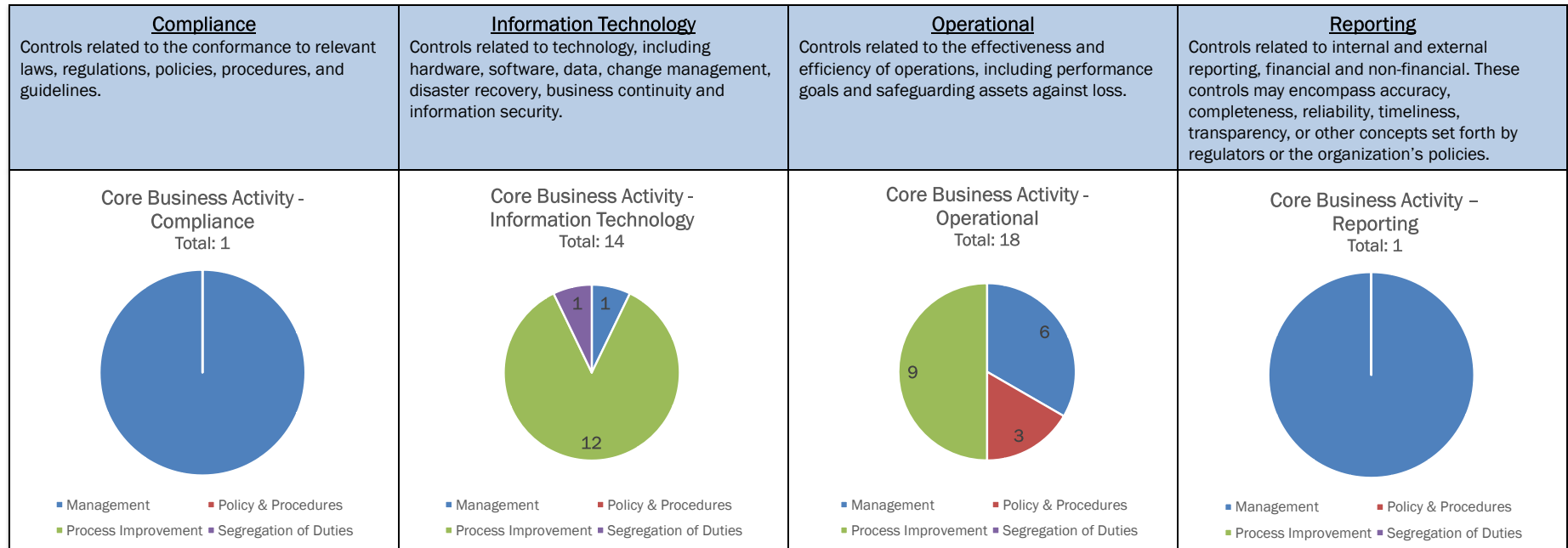


## Open Audit and Investigations Report Issues - Categories

The following charts show Open Audit and Investigation Issues broken down by:

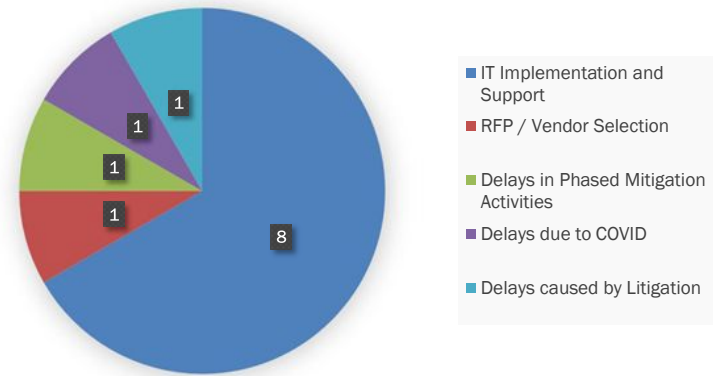
Control Type – Compliance, Information Technology, Operational and Reporting.

Core Business Activity – Management, Policy & Procedure, Process Improvement and Segregation of Duties



# Open Audit and Investigations Report Issues – Past Due & Issue Watch

Root Cause for Action Plan Delays



| Issue Risk  | Audit Name  | Action Plan  | Past Due Date | Action Plan Status Comments   |
|-------------|---|--|---------------|---|
| Significant | Municipal Electric Authority of Georgia (MEAG) – Purchase Power Agreement | The Principal Financial Analyst, with assistance from management, will complete the review already in progress, of prior expenditures, including "Owners Costs" and Nuclear Fuel charges, to ascertain that the expenditure is appropriate, approved and allocated in accordance with the PPA and the existing procedures for Vogtle Units 3 & 4 Pre-Commercial Operations. All new charges will be subjected to the same level of review. | 12/21/2017    | 2/24/2021: IA Audit Plan was approved and <u>follow-up audit is planned for FY21.</u> |



## Open Audit and Investigations Report Issues – Issue Watch



**Issue Watch Status:** Action Plans are being addressed by Management, but internal or external factors may delay its completion. This could be an early indicator of a “Past Due” issue.

| Issue Risk  | Audit Name       | Action Plan   | Current Due Date | Action Plan Status Comments   |
|-------------|------------------|---|------------------|---|
| Major       | Meter Services   | Phase 1 - Audit existing sewer-flow meters to determine process gaps and potential billing errors. Make corrections.<br>Phase 2 - Update JEA Sewer Meter Requirements / Standards<br>Phase 3 completion date - a) Simplify – This document is overly complicated and not customer friendly b) Limit customer meter options to JEA approved meters that are compatible with current AMI system. c) Determine test requirements / Develop testing program to ensure customer compliance<br>Phase 4 - Review/Update existing Sewer Flow Meter request process.   | 2/1/2022         | 4/13/21 - Per previous comments by the Meter Specialist Foreman on 10/26/20, Phase 1 of the sewer flow improvement plan is complete. The 2nd phase (Update Sewer-Flow Meter Requirements / Standards) is on hold (as well as phases 3 & 4) as phase 2 is highly dependent on which <u>2-way AMI system JEA choses to adopt going forward.</u> |
| Significant | Payroll Services | HR will address this recommendation with one of two solutions: <ul style="list-style-type: none"> <li>• HR management will continue to control and monitor the list of authorized HR Super-Users through the IDM electronic approval system including regular attestations. Additionally, HR will again request of TS that the HR Super-User profiles be rebuilt to restrict access to only the data elements for which they are responsible.</li> <li>• HR management will request TS to construct an Oracle based exception report that identifies any high risk payroll impacting employee data element (as agreed between HR &amp; Audit) that has been modified by an employee not included in one of the HR controlled Super-User access profiles.</li> </ul> | 4/30/2021        | 4/9/2021 - Per Payroll, a hold up in TS has prevented this issue from being closed out. Payroll stated, " <u>TS is not actively working on the access item.</u> It may take some time before this gets addressed."  |



## Open Audit and Investigations Report Issues – Issue Watch

| Issue Risk  | Audit Name   | Action Plan  | Current Due Date | Action Plan Status Comments   |
|-------------|--|--|------------------|---|
| Significant | Director, Fleet Operations Support Services (Tire Contract)    | Management will require the new vendor provide monthly tire inspections.   | 5/17/2021        | 4/12/21 - The last yard checks performed by the vendor was in February 2020. No alternatives have yet been identified as the crews are parking their vehicles in various substations and not in the crew yards due to COVID-19 concerns. <u>The department is still evaluating an alternate plan.</u>   |
| Significant | Director, Security & Emergency Preparedness (Security)         | The Firebug software application will be implemented under the upcoming new Fire Extinguisher Inspection and Maintenance contract. This contract is scheduled to be in place by end of this fiscal year with the deployment of the Firebug inspection barcodes deployed during the first year of extinguisher inspections.                       | 6/30/2021        | 4/13/21 - Per the Director Security & Emergency Preparedness, <u>the IDM upgrade is scheduled to go into production on 7/31/21.</u>   |
| Significant | Director, Security (Information Security Follow-Up)            | Management will complete a “health check” on the current IDM to determine if an upgrade or replacement is required. If a replacement is required, a FY20 capital project will be initiated to replace end of life hardware and upgrade the software platform.  | 7/31/2021        | On 4/8/21, the Director Security & Emergency Preparedness, noted there are minor project delays that may impact the current due date of 7/31/21. These are related to <u>access requirements for JEA contractors working on implementation.</u>   |
| Significant | Director, Procurement Services (Procurement Inventory Control) | Phase 1: Meet with planners to determine if Oracle lead times are showing in their forecasting systems (EAM/FMS/DDS)<br>Phase 2: If lead time information is not showing in forecasting system, meet with TS to determine possible solutions to have access to this information without having planners run reports from BI or reach out to PIC. | 9/30/2021        | 4/9/21 - According to the Manager ERP Systems, on 4/9/21, his staff reached out to Oracle on 11/13/2020 to enlist their assistance with getting the lead times to show in Oracle. They reached out to Oracle after in-house efforts to add the lead times to Oracle after their attempts were unsuccessful. Also, this item was placed on issue watch due to <u>difficulties with obtaining expertise from Oracle regarding the JDeveloper portion of Oracle.</u> |





## Open Audit and Investigations Report Issues – Issue Watch

| Issue Risk  | Audit Name   | Action Plan   | Current Due Date | Action Plan Status Comments  |
|-------------|--|---|------------------|--|
| Significant | Capital Purchases vs. Operations & Maintenance (O&M) Purchases | <ul style="list-style-type: none"> <li>Review material transactions from FY17, FY18, and FY19 to identify items purchased with capital funds versus Operating &amp; Maintenance. (12/31/20)</li> <li>Capital funded material would be considered project work. Compare items purchased to see if a list of project material can be developed.</li> <li>Requested a Black belt to assist with this project due to its size and complexity.</li> <li>Phase 1 - Approval by management to start the requested Black Belt project.</li> <li>Phase 2 - If approved, Black Belt project is completed.</li> <li>Meeting with TS to discuss if current system can separate project material from maintenance. Implement using end users funding to purchase materials with assigned item ids. (TS is looking at opportunities in FY20. TS Roadmap provided.)</li> </ul> | 9/30/2021        | 4/09/21 - Per the Manager Procurement Inventory Control, this issue is in Phase 2, where the Black Belt project has been approved by Management. Also, auditor was informed by the manager <u>that the current target completion date did not include the Black Belt timeline.</u> |
| Significant | Personnel Out Process Follow-Up                                | <p>Phase I: The three responsible area directors will chair a task force with the purpose of defining the best potential solution including:</p> <ol style="list-style-type: none"> <li>1) Technology solution (how)</li> <li>2) Human solution (who)</li> <li>3) Control solution (sustain)</li> <li>4) Develop estimated cost, resources and timing to implement</li> </ol> <p>Phase II: Task force present recommended solution to SLT seeking funding and resources to complete the project</p>   | 9/30/2021        | 4/12/21 - This item was moved to issue watch due to <u>the upgrade to IDM</u> needs to occur before discussions can occur in regards to moving contractors from the Oracle system.   |



## Open Audit and Investigations Report Issues – Issue Watch

| Issue Risk  | Director / (Audit Name)                 | Action Plan  | Current Due Date | Action Plan Status Comments  |
|-------------|---|--|------------------|--|
| Significant | C2M Project                             | Management to touch base with CRM group on the implementation of C2M. C2M will offer the possibility to gather the testing information, warranty info, and life expectance metrics of meter assets. Expected go live date is July 2020.  | 12/31/2021       | 4/9/21 - This item is on issue watch due to a <u>lack of a definitive timeline line for the C2M integration.</u>   |
| Significant | Water / Wastewater Reuse & Treatment    | <ol style="list-style-type: none"> <li>1. Develop Exception Reports tracking if employees are inspecting JEA assets under their responsibility.</li> <li>2. Develop process for documenting preventative maintenance work.</li> <li>3. Develop a process for identifying and reviewing assets that do not have preventative maintenance schedules.</li> <li>4. Develop goals for completing preventative maintenance inspection of assets.</li> </ol>  | 9/30/2022        | 4/8/21 - Per the Technology Project Leader and Project Manager for the Asset360 Mobile app, <u>the goal of MVP is targeted to go live before 9/2022.</u> They are also in initial discussion on a long term plan and he should have more information after some meetings next week that will include transitioning of roles for the project. This item will be placed on issue watch until a long term plan is put in place. |
| Moderate    | Warehouse Management System - Barcoding | <p>Item 1: We are currently working with multiple vendors in our search for a viable warehouse management system as well as a barcoding solution that will improve the overall effectiveness and efficiency of the storeroom. A contract will be executed with the chosen vendor that allows the storeroom the ability to scan inventory into the system upon receipt or upon pickup.</p> <p>Item 2: With the implementation of the barcoding solution, all orders will be scanned out of the warehouse by a storeroom employee and signed for by the requestor thus eliminating the grabbing of others' inventory. Once the barcoding solution is in place, a procedure will be created for this process and documented in Policy Tech.</p> | 3/31/2022        | 3/25/21 - Per the Special Project -SCM: He doesn't believe the entire project team has been identified, the RFP has a mid-May date for submissions. An estimate for completion would be end of March, 2022. <u>This is only an estimate until a vendor/provider has been selected a more detailed timeline can be established.</u>   |



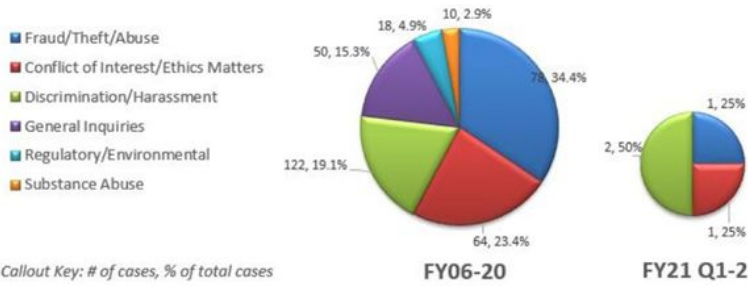


## **Forensic Audit & Investigations (FAI)**

# Investigation Case Statistics – Q2 FY21

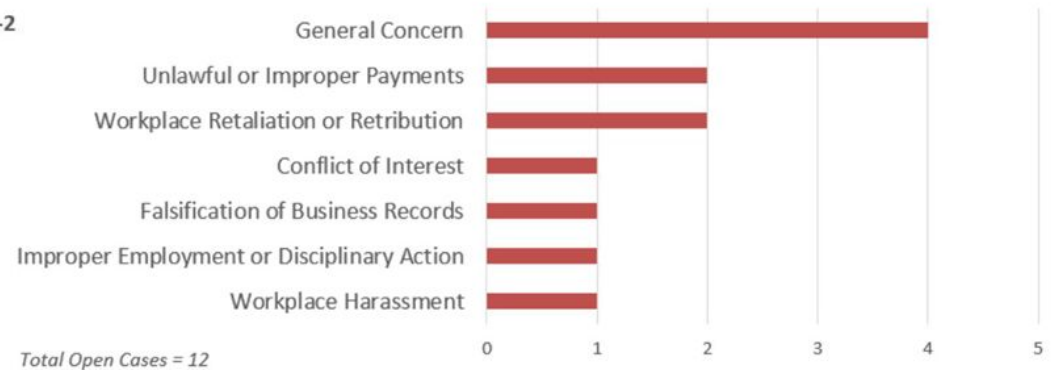
## Ethics Hotline Case Allegations

- Top Three FY06-20: Fraud/Theft/Abuse, Conflict of Interest/Ethics Matters, Discrimination/Harassment
- Current trend (FY21) is consistent with past case history (FY06-20)



Graph Callout Key: # of cases, % of total cases

## Open Cases by Allegation Type



## Investigation Open Action Plans – Q2 FY21

### Deficiencies Reported by OIG Contract Oversight Review re: JEA Invitation to Negotiate (ITN) #127-19 Supply Chain Services Action Plans

#### Update Operational Procedures and/or Creation of Forms:

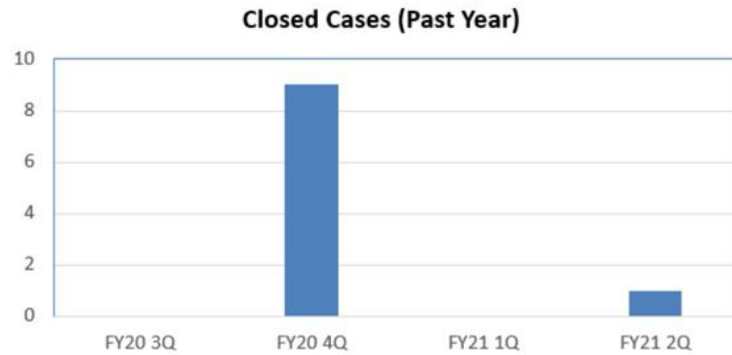
- Evaluation and Negotiation Committee member(s) checklist
  - ◊ Conflict of Interest review
  - ◊ Ex parte communication acknowledgement
  - ◊ Confidentiality of submittals and evaluation training
    - Where to review submittals
    - SME discussions, if needed
    - Discussions on the record
  - ◊ Communication logs for DPRs and Respondents/SME communication with Evaluation and Negotiation Committee Members
- Create a checklist for Procurement Team review for each solicitation process; including review of Convicted Vendors List

#### Create a Process:

- Formally approve policy and procedure documentation
  - ◊ P-Code – Board Approval
  - ◊ Operational Procedure – CPO Approval
- Requirement for dedicated format for bid submittal and correspondence
  - ◊ Zycus Sourcing Software



## Summary of Closed Cases – Q2 FY21



**FY21 2Q Closed Case  
Allegation and Results**

Employee falsified timecards, viewed illicit material via mobile phone

- Allegation was unsubstantiated
- Employee provided false statements during a fact finding meeting
- Resulted in a Written Reprimand, 5% pay reduction



## Ethics Officer Report

Walette Stanford  
Director, Ethics



May 14, 2021

## JEA Speak Up Channels – The 4 P's



**Promote**  
thoughtful and civil discussion

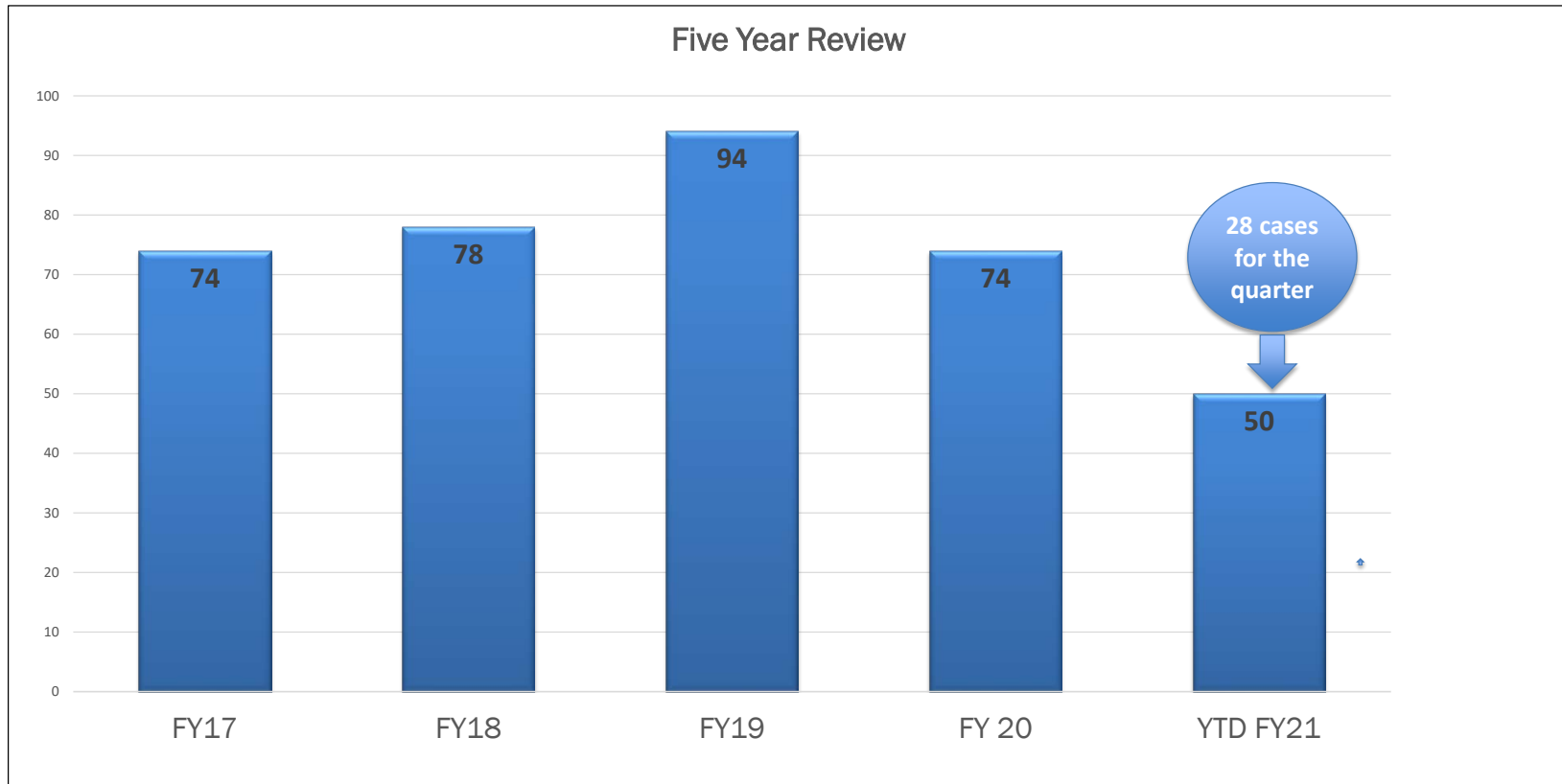
**Put Forward**  
multiple ways to raise more severe concerns

**Promise**  
that reports are treated seriously

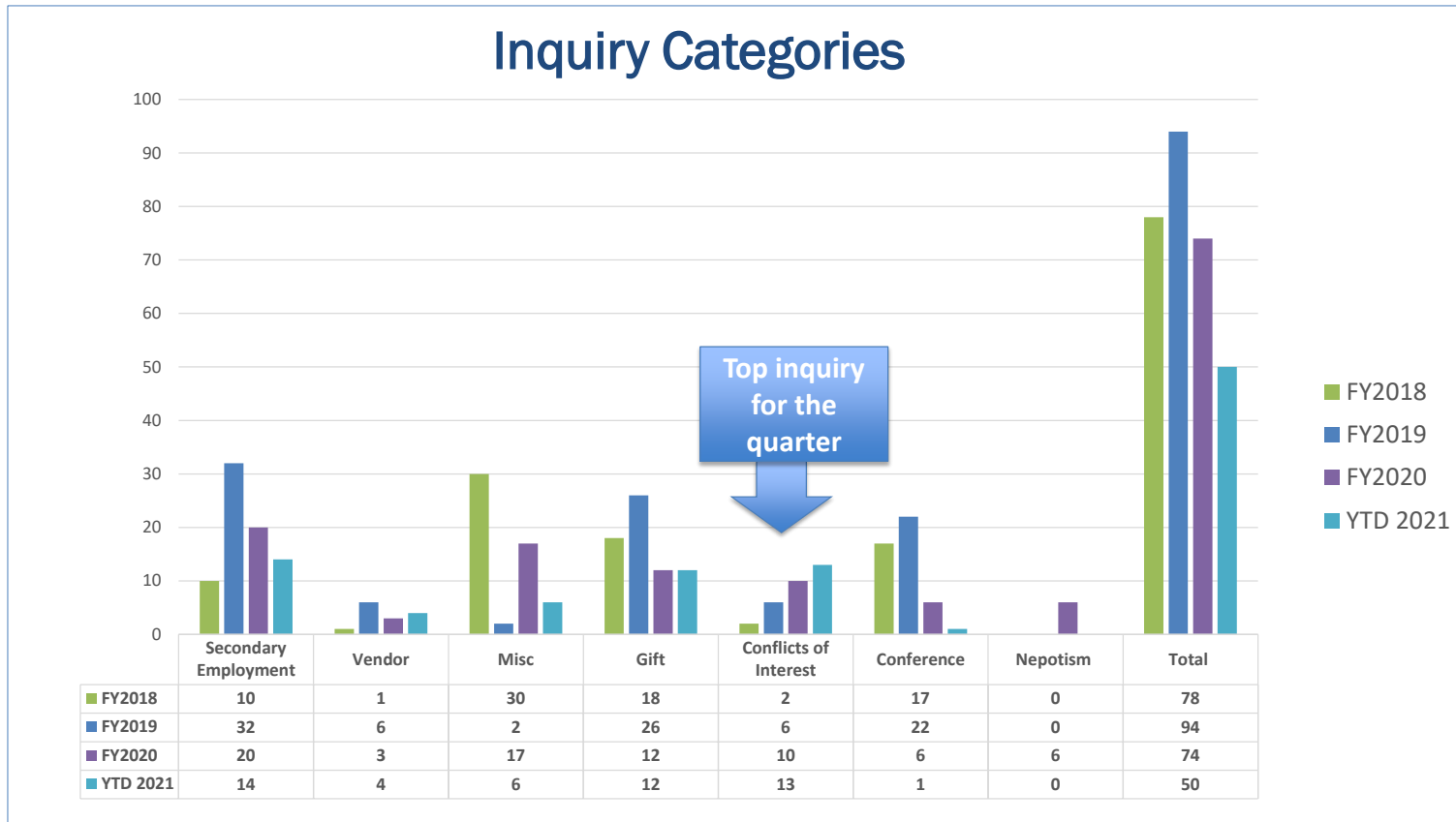
**Provide**  
employees with reporting channels



## Ethics Inquiries by Year



# Ethics Inquiries by Year



## Conflicts of Interest – Key Takeaways

- **An employee that has a personal, financial, social or political interest that impairs (or appears to impair) his or her fairness and impartiality.**
- **Conflicts of Interest must be disclosed.**
- **The Ethics Officer will review disclosure and may require elimination of conflict or recusal.**
- **Employees must review our policy and comply. All are encouraged to ask the Ethics Officer for assistance.**



## What's Next

- **Communicate to the organization the upgraded Ethics Hotline platform called EthicsPoint.**
- **Audit the FY21 Business Ethics Refresher attendees list and review training comments. The goal is 100% compliance by April 30<sup>th</sup>.**
- **Finalize 3<sup>rd</sup> Quarter Action Plan topic from Ethics Workshop for Managers.**
- **Update Code of Conduct and create a video of the document for October 2021 roll out.**
- **Conduct a secondary employment renewal audit for 2021.**
- **Update Gift Policy based on payroll recommendations regarding de minimis fringe benefits.**



- [Business Ethics Refresher](#)
- [General Security Awareness Training](#)

### Business Ethics Refresher Due April 30

This required annual **Business Ethics** training is available in ORACLE and must be completed by April 30. The training is a requirement for all JEA employees, but not contractors and can be completed by the average learner in about 30 minutes. If you work in the Residential, Commercial, SOCC contact center, or the CBO, please wait until the Workforce Management team notifies you it is time to complete the training.

*Don't Miss the*  
**DEADLINE!**

If you have any questions or concerns about the Business Ethics Training requirements, please contact Ethics Officer/Director Walette Stanford via [email](#) or at 665-4282.



# Reserve Report

**For the Second Quarter Ending  
March 2021**



**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><br><u>Fiscal Year</u><br><u>2018</u> | <u>Actual</u><br><u>Fiscal Year</u><br><u>2019</u> | <u>Actual</u><br><u>Fiscal Year</u><br><u>2020</u> | <u>Projected</u><br><u>Fiscal Year</u><br><u>2021</u> | <u>Detail</u><br><u>Page #</u> |
|---------------------------------------|--|--|--|---|--------------------------------|
| <b>Unrestricted</b>                   |  |  |  |   |                                |
| Operations/Revenue Fund               | \$ 85,459  | \$ 34,587  | \$ 47,449  | 42,231  |                                |
| Self Insurance Reserve Fund           |  |  |  |   |                                |
| • Property                            | 10,000   | 10,000   | 10,000   | 10,000  | 3                              |
| • Employee health insurance           | 8,139  | 11,210   | 10,890   | 10,766  | 4                              |
| Rate Stabilization                    |  |  |  |   |                                |
| • Fuel                                | 74,376   | 47,152   | 73,347   | 71,310  | 5                              |
| • DSM/conservation                    | 3,470  | 4,363  | 5,423  | 6,968   | 6                              |
| • Environmental                       | 42,163   | 25,632   | 21,818   | 13,238  | 7                              |
| • Debt Management                     | 29,884   | 29,884   | -  | -   | 8                              |
| • Non-Fuel Purchased Power            | 53,493   | 56,870   | 36,326   | 4,699   | 9                              |
| Environmental                         | 16,818   | 16,568   | 16,568   | 16,568  | 10                             |
| Customer Deposits                     | 44,242   | 44,242   | 43,641   | 44,136  | 11                             |
| <b>Total Unrestricted</b>             | <b>368,044</b>                                     | <b>280,508</b>                                     | <b>265,462</b>                                     | <b>219,916</b>  |                                |
| <b>Days of Cash on Hand (2)</b>       | <b>218</b>   | <b>146</b>   | <b>183</b>   | <b>158</b>  |                                |
| <b>Days of Liquidity (3)</b>          | <b>316</b>   | <b>308</b>   | <b>359</b>   | <b>325</b>  |                                |
| <b>Restricted</b>                     |  |  |  |   |                                |
| Debt Service Funds (Sinking Funds)    | 159,656  | 145,520  | 82,525   | 78,861  | 12                             |
| Debt Service Reserve Funds            | 60,582   | 60,582   | 50,993   | 50,993  | 13                             |
| Renewal and Replacement Funds/OCO     | 189,922  | 81,964   | 137,643  | 159,611   | 14                             |
| Environmental Fund [Capital Projects] | -  | -  | 301  | 920   | 15                             |
| Construction Funds                    | 203  | -  | 311  | -   | 16                             |
| <b>Total Restricted</b>               | <b>410,363</b>                                     | <b>288,066</b>                                     | <b>271,773</b>                                     | <b>290,385</b>  |                                |
| <b>Total Electric System</b>          | <b>\$ 778,407</b>                                  | <b>\$ 568,574</b>                                  | <b>\$ 537,235</b>                                  | <b>\$ 510,301</b>                                     |                                |

**Water and Wastewater System**

|                                       |                   |                   |                   |                   |    |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|----|
| <b>Unrestricted</b>                   |                   |                   |                   |                   |    |
| Operations/Revenue Fund               | \$ 43,461         | \$ 17,934         | \$ 26,719         | \$ 33,594         |    |
| Rate Stabilization                    |                   |                   |                   |                   |    |
| • Debt Management                     | 14,209            | 14,209            | -                 | -                 | 17 |
| • Environmental                       | 12,914            | 15,687            | 23,372            | 26,620            | 18 |
| Customer Deposit                      | 15,616            | 16,289            | 16,926            | 17,180            | 19 |
| <b>Total Unrestricted</b>             | <b>86,200</b>     | <b>64,119</b>     | <b>67,018</b>     | <b>77,394</b>     |    |
| <b>Days of Cash on Hand (2)</b>       | <b>434</b>        | <b>186</b>        | <b>176</b>        | <b>241</b>        |    |
| <b>Days of Liquidity (3)</b>          | <b>527</b>        | <b>334</b>        | <b>353</b>        | <b>405</b>        |    |
| <b>Restricted</b>                     |                   |                   |                   |                   |    |
| Debt Service Funds (Sinking Funds)    | 81,242            | 80,775            | 41,660            | 32,592            | 20 |
| Debt Service Reserve Funds            | 102,850           | 63,441            | 58,228            | 58,664            | 21 |
| Renewal and Replacement Funds         | 141,415           | 48,796            | 38,131            | 56,861            | 22 |
| Environmental Fund [Capital Projects] | 1,159             | 1,891             | 649               | 3,781             | 23 |
| Construction Funds                    | 284               | 28,968            | 25,541            | 20,439            | 24 |
| <b>Total Restricted</b>               | <b>326,950</b>    | <b>223,871</b>    | <b>164,209</b>    | <b>172,337</b>    |    |
| <b>Total Water &amp; Sewer System</b> | <b>\$ 413,150</b> | <b>\$ 287,990</b> | <b>\$ 231,227</b> | <b>\$ 249,731</b> |    |

(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, 2021**

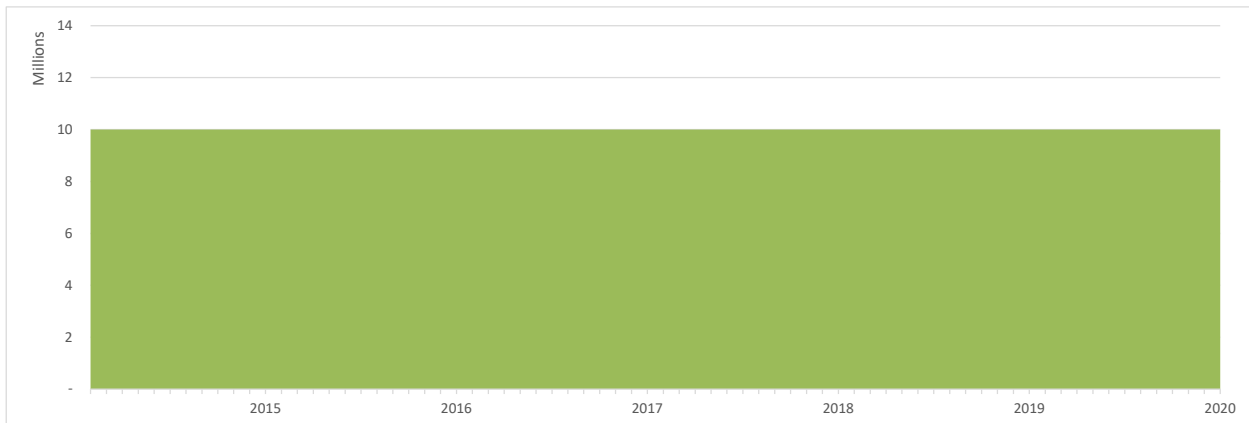
**Definitions and Goals**

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.

| <i>(In Thousands)</i> | <b>Current Activity</b> |               | <b>Projected Activity</b> |             |             |
|-----------------------|-------------------------|---------------|---------------------------|-------------|-------------|
|                       | Quarter-End             | Year -to-Date | <u>2021</u>               | <u>2022</u> | <u>2023</u> |
| Opening Balance       | \$ 10,000               | \$ 10,000     | \$ 10,000                 | \$ 10,000   | \$ 10,000   |
| Additions:            |                         |               |                           |             |             |
| Contributions         |                         |               |                           |             |             |
| Sub-total             | \$ -                    | \$ -          | \$ -                      | \$ -        | \$ -        |
| Withdrawals           |                         |               |                           |             |             |
| Ending Balance        | \$ 10,000               | \$ 10,000     | \$ 10,000                 | \$ 10,000   | \$ 10,000   |

**Historical Activity**

|                 | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|-----------------|-------------|-------------|-------------|-------------|-------------|
| Opening Balance | \$ 10,000   | \$ 10,000   | \$ 10,000   | \$ 10,000   | \$ 10,000   |
| Additions:      |             |             |             |             |             |
| Contributions   | -           | -           | -           | -           | -           |
| Sub-total       | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |
| Withdrawals     |             |             |             |             |             |
| Sub-total       | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |
| Ending balance  | \$ 10,000   | \$ 10,000   | \$ 10,000   | \$ 10,000   | \$ 10,000   |



**Observations**

- Reserve/Fund Authorization: Budget Appropriation.



**Electric System Self Insurance - Employee Health Insurance**

**For the Second Quarter Ending March 31, 2021**

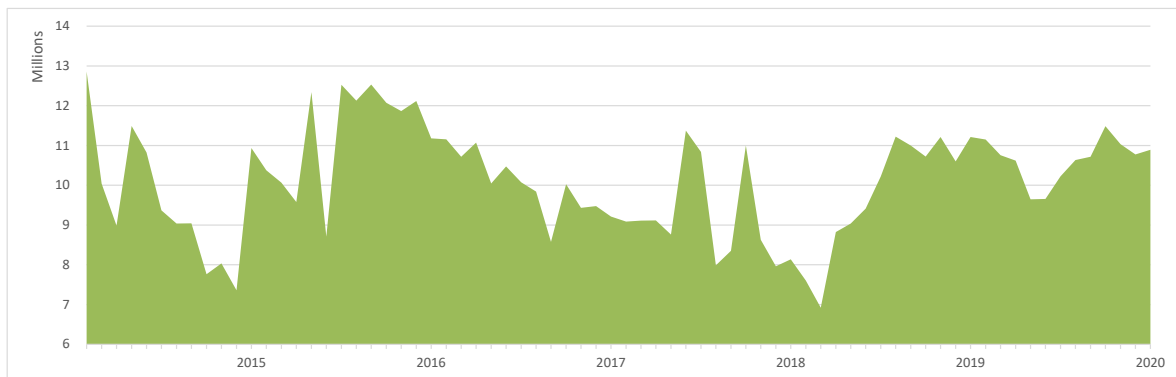
**Definitions and Goals**

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 | 2021               | 2022      | 2023      |
| Opening Balance               | \$ 11,662        | \$ 10,890     | \$ 10,890          | \$ 10,766 | \$ 8,812  |
| Additions:                    |                  |               |                    |           |           |
| Employee Contributions        | 1,676            | 3,306         | 6,544              | 6,578     | 6,578     |
| Retiree & Other Contributions | 1,533            | 4,771         | 6,895              | 6,931     | 6,931     |
| Employer Contributions        | 4,991            | 9,677         | 19,822             | 20,071    | 20,071    |
| Sub-total                     | \$ 8,200         | \$ 17,754     | \$ 33,261          | \$ 33,580 | \$ 33,580 |
| Withdrawals:                  |                  |               |                    |           |           |
| Payments for Claims           | 6,914            | 14,673        | 30,704             | 32,853    | 35,153    |
| Actuary & Other Payments      | 423              | 1,446         | 2,681              | 2,681     | 2,681     |
| Sub-total                     | \$ 7,337         | \$ 16,119     | \$ 33,385          | \$ 35,534 | \$ 37,834 |
| Ending Balance                | \$ 12,525        | \$ 12,525     | \$ 10,766          | \$ 8,812  | \$ 4,558  |

**Historical Activity**

|                               | 2016      | 2017      | 2018      | 2019      | 2020      |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|
| Opening Balance               | \$ 10,937 | \$ 11,179 | \$ 9,214  | \$ 8,138  | \$ 11,210 |
| Additions:                    |           |           |           |           |           |
| Employee Contributions        | 5,460     | 5,862     | 6,158     | 6,423     | 6,534     |
| Retiree & Other Contributions | 5,694     | 6,443     | 7,273     | 8,270     | 6,914     |
| Employer Contributions        | 24,231    | 19,004    | 18,378    | 20,662    | 18,900    |
| Sub-total                     | \$ 35,385 | \$ 31,309 | \$ 31,809 | \$ 35,355 | \$ 32,348 |
| Withdrawals:                  |           |           |           |           |           |
| Payments for Claims           | 32,946    | 30,994    | 30,933    | 29,860    | 30,387    |
| Actuary & Other Payments      | 2,197     | 2,280     | 1,952     | 2,423     | 2,281     |
| Sub-total                     | \$ 35,143 | \$ 33,274 | \$ 32,885 | \$ 32,283 | \$ 32,668 |
| Ending balance                | \$ 11,179 | \$ 9,214  | \$ 8,138  | \$ 11,210 | \$ 10,890 |



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

Average Balance: 10,101

**Observations**

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

**Electric System Rate Stabilization - Fuel Management**

**For the Second Quarter Ending March 31, 2021**

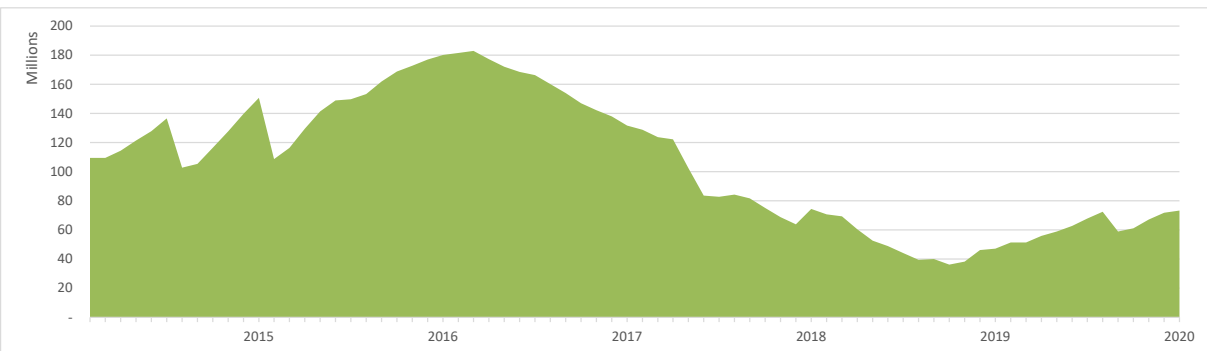
**Definitions and Goals**

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 | 2021               | 2022      | 2023      |
| Opening Balance | \$ 75,821        | \$ 73,347     | \$ 73,347          | \$ 71,310 | \$ 62,634 |
| Additions:      |                  |               |                    |           |           |
| Contributions   | 6,573            | 9,945         | 10,524             | -         | -         |
| Sub-total       | \$ 6,573         | \$ 9,945      | \$ 10,524          | \$ -      | \$ -      |
| Withdrawals:    |                  |               |                    |           |           |
| Withdrawals     | 6,034            | 6,932         | 12,561             | 8,676     | 1,981     |
| Sub-total       | \$ 6,034         | \$ 6,932      | \$ 12,561          | \$ 8,676  | \$ 1,981  |
| Ending Balance  | \$ 76,360        | \$ 76,360     | \$ 71,310          | \$ 62,634 | \$ 60,653 |

**Historical Activity**

|                    | 2016       | 2017       | 2018       | 2019      | 2020      |
|--------------------|------------|------------|------------|-----------|-----------|
| Opening Balance    | \$ 150,742 | \$ 180,115 | \$ 131,716 | \$ 74,376 | \$ 47,152 |
| Additions:         |            |            |            |           |           |
| Contributions      | 85,979     | 2,845      | -          | 11,597    | 44,553    |
| Sub-total          | \$ 85,979  | \$ 2,845   | \$ -       | \$ 11,597 | \$ 44,553 |
| Withdrawals:       |            |            |            |           |           |
| Withdrawals        |            | 51,244     | 57,340     | 38,821    | 18,358    |
| Fuel Rebate Credit | 56,606     |            |            |           |           |
| Sub-total          | \$ 56,606  | \$ 51,244  | \$ 57,340  | \$ 38,821 | \$ 18,358 |
| Ending balance     | \$ 180,115 | \$ 131,716 | \$ 74,376  | \$ 47,152 | \$ 73,347 |



Maximum Balance: 182,960      Average Balance: 106,001  
 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, 2021**

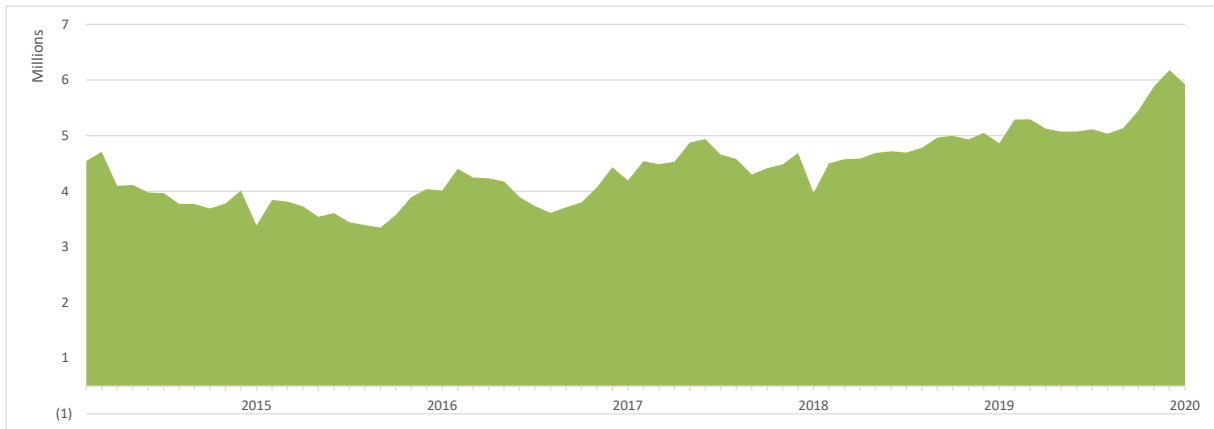
**Definitions and Goals**

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 | 2021               | 2022     | 2023     |
| Opening Balance | \$ 6,139         | \$ 5,423      | \$ 5,423           | \$ 6,968 | \$ 6,914 |
| Additions:      |                  |               |                    |          |          |
| Contributions   | 1,560            | 3,169         | 6,900              | 7,174    | 699      |
| Sub-total       | \$ 1,560         | \$ 3,169      | \$ 6,900           | \$ 7,174 | \$ 699   |
| Withdrawals:    |                  |               |                    |          |          |
| Withdrawals     | 1,261            | 2,154         | 5,355              | 7,228    | 5,692    |
| Sub-total       | \$ 1,261         | \$ 2,154      | \$ 5,355           | \$ 7,228 | \$ 5,692 |
| Ending Balance  | \$ 6,438         | \$ 6,438      | \$ 6,968           | \$ 6,914 | \$ 1,921 |

**Historical Activity**

|                 | 2016     | 2017     | 2018     | 2019     | 2020     |
|-----------------|----------|----------|----------|----------|----------|
| Opening Balance | \$ 2,886 | \$ 3,515 | \$ 3,695 | \$ 3,470 | \$ 4,363 |
| Additions:      |          |          |          |          |          |
| Contributions   | 7,232    | 6,685    | 7,088    | 7,042    | 6,969    |
| Sub-total       | \$ 7,232 | \$ 6,685 | \$ 7,088 | \$ 7,042 | \$ 6,969 |
| Withdrawals:    |          |          |          |          |          |
| Withdrawals     | 6,603    | 6,505    | 7,313    | 6,149    | 5,909    |
| Sub-total       | \$ 6,603 | \$ 6,505 | \$ 7,313 | \$ 6,149 | \$ 5,909 |
| Ending balance  | \$ 3,515 | \$ 3,695 | \$ 3,470 | \$ 4,363 | \$ 5,423 |



|                  |       |                  |       |
|------------------|-------|------------------|-------|
| Maximum Balance: | 5,678 | Average Balance: | 3,903 |
| 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, 2021

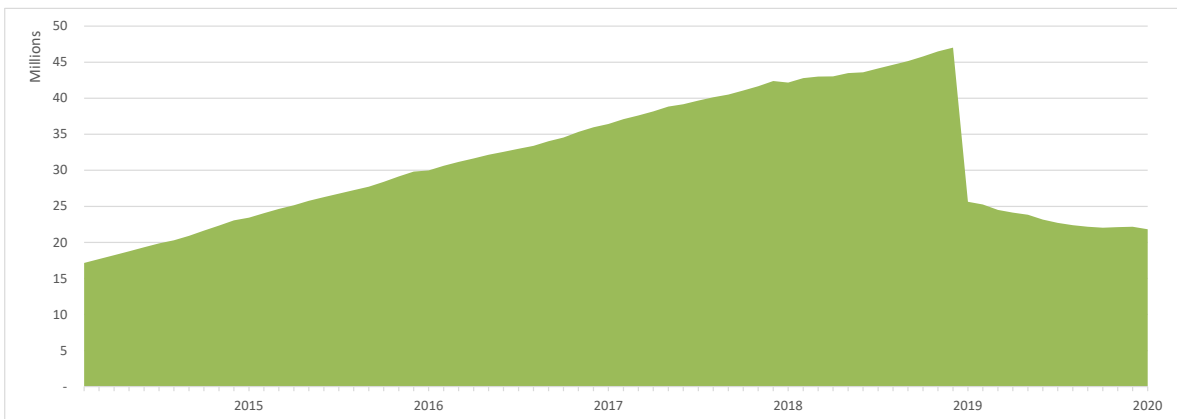
**Definitions and Goals**

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 are limited to potential environmental expenditures approved by the Board, and may include initiatives such as the cost of acquisition of renewable energy capacity. Costs directly required to operate and maintain the environmentally driven or regulatory required assets can also be funded from this revenue source.

| (In Thousands)  | Current Activity |               | Projected Activity |           |           |
|-----------------|------------------|---------------|--------------------|-----------|-----------|
|                 | Quarter-End      | Year -to-Date | 2021               | 2022      | 2023      |
| Opening Balance | \$ 21,548        | \$ 21,818     | \$ 21,818          | \$ 13,238 | \$ 9,631  |
| Additions:      |                  |               |                    |           |           |
| Contributions   | 1,659            | 3,468         | 7,532              | 7,814     | 7,320     |
| Sub-total       | \$ 1,659         | \$ 3,468      | \$ 7,532           | \$ 7,814  | \$ 7,320  |
| Withdrawals:    |                  |               |                    |           |           |
| Withdrawals     | 1,877            | 3,958         | 16,112             | 11,421    | 6,909     |
| Ending Balance  | \$ 21,329        | \$ 21,328     | \$ 13,238          | \$ 9,631  | \$ 10,042 |

**Historical Activity**

|                 | 2016      | 2017      | 2018      | 2019      | 2020      |
|-----------------|-----------|-----------|-----------|-----------|-----------|
| Opening Balance | \$ 23,430 | \$ 29,975 | \$ 36,417 | \$ 42,163 | \$ 25,632 |
| Additions:      |           |           |           |           |           |
| Contributions   | 7,700     | 7,384     | 7,572     | 7,578     | 7,469     |
| Sub-total       | \$ 7,700  | \$ 7,384  | \$ 7,572  | \$ 7,578  | \$ 7,469  |
| Withdrawals:    |           |           |           |           |           |
| Withdrawals     | 1,155     | 942       | 1,827     | 24,109    | 11,283    |
| Sub-total       | \$ 1,155  | \$ 942    | \$ 1,827  | \$ 24,109 | \$ 11,283 |
| Ending balance  | \$ 29,975 | \$ 36,417 | \$ 42,163 | \$ 25,632 | \$ 21,818 |



|                  |        |                  |        |
|------------------|--------|------------------|--------|
| Maximum Balance: | 47,018 | Average Balance: | 31,083 |
| 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, 2021**

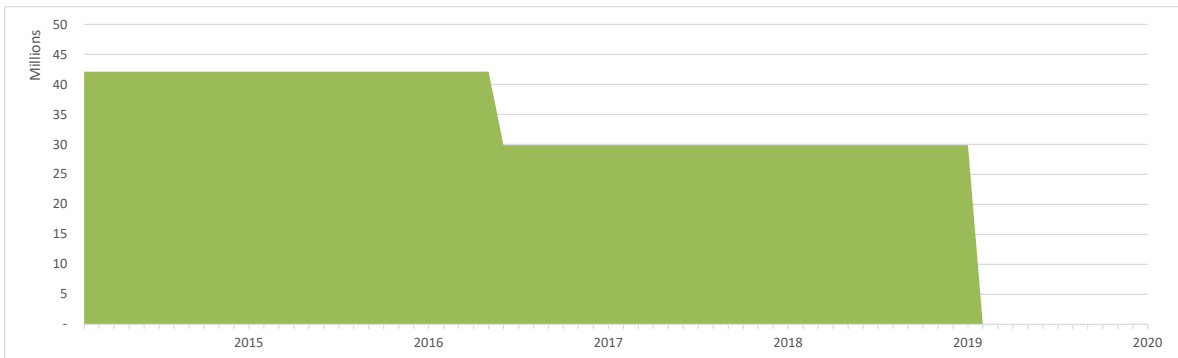
**Definitions and Goals**

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 | 2021               | 2022 | 2023 |
| Opening Balance | \$ -             | \$ -         | \$ -               | \$ - | \$ - |
| Additions:      |                  |              |                    |      |      |
| Contributions   | -                | -            | -                  | -    | -    |
| Sub-total       | \$ -             | \$ -         | \$ -               | \$ - | \$ - |
| Withdrawals:    |                  |              |                    |      |      |
| Withdrawals     | -                | -            | -                  | -    | -    |
| Sub-total       | \$ -             | \$ -         | \$ -               | \$ - | \$ - |
| Ending Balance  | \$ -             | \$ -         | \$ -               | \$ - | \$ - |

**Historical Activity**

|                 | 2016      | 2017      | 2018      | 2019      | 2020      |
|-----------------|-----------|-----------|-----------|-----------|-----------|
| Opening Balance | \$ 42,126 | \$ 42,126 | \$ 29,884 | \$ 29,884 | \$ 29,884 |
| Additions:      |           |           |           |           |           |
| Contributions   | -         | -         | -         | -         | -         |
| Sub-total       | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      |
| Withdrawals:    |           |           |           |           |           |
| Withdrawals     | -         | 12,242    | -         | -         | 29,884    |
| Sub-total       | \$ -      | \$ 12,242 | \$ -      | \$ -      | \$ 29,884 |
| Ending balance  | \$ 42,126 | \$ 29,884 | \$ 29,884 | \$ 29,884 | \$ -      |



Maximum Balance: 42,126      Average Balance: 29,664  
 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, 2021**

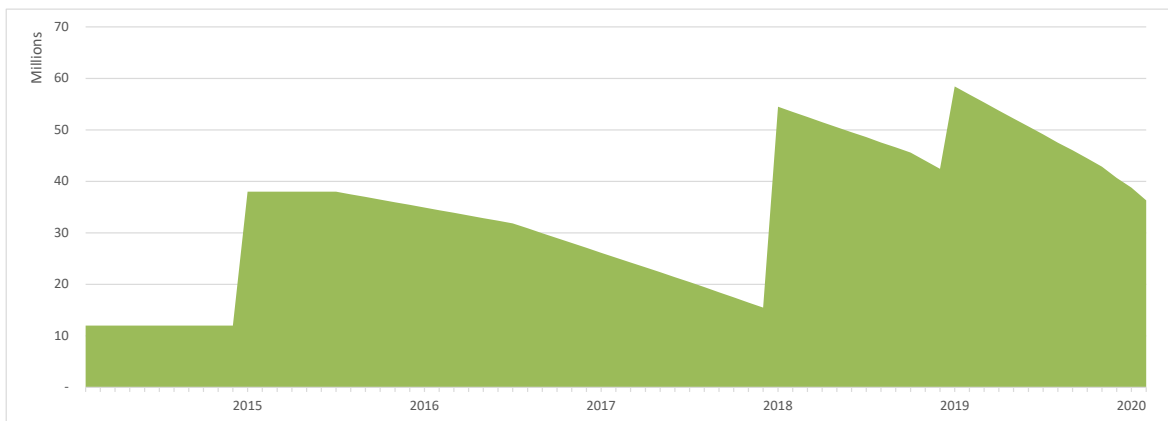
**Definitions and Goals**

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    | 2021               | 2022             | 2023             |
| Opening Balance | \$ 29,125        | \$ 36,326        | \$ 36,326          | \$ 4,699         | \$ 29,699        |
| Additions:      |                  |                  |                    |                  |                  |
| Contributions   | -                | -                |                    | 25,000           | 10,000           |
| Sub-total       | \$ -             | \$ -             | \$ -               | \$ 25,000        | \$ 10,000        |
| Withdrawals:    |                  |                  |                    |                  |                  |
| Withdrawals     | 6,175            | 13,376           | 31,627             | -                |                  |
| Ending Balance  | <u>\$ 22,950</u> | <u>\$ 22,950</u> | <u>\$ 4,699</u>    | <u>\$ 29,699</u> | <u>\$ 39,699</u> |

**Historical Activity**

|                 | 2016             | 2017             | 2018             | 2019             | 2020             |
|-----------------|------------------|------------------|------------------|------------------|------------------|
| Opening Balance | \$ 38,000        | \$ 34,400        | \$ 25,189        | \$ 53,493        | \$ 56,870        |
| Additions:      |                  |                  |                  |                  |                  |
| Contributions   |                  |                  | 40,000           | 17,566           | -                |
| Sub-total       | \$ -             | \$ -             | \$ 40,000        | \$ 17,566        | \$ -             |
| Withdrawals:    |                  |                  |                  |                  |                  |
| Withdrawals     | 3,600            | 9,211            | 11,696           | 14,189           | 20,544           |
| Sub-total       | <u>\$ 3,600</u>  | <u>\$ 9,211</u>  | <u>\$ 11,696</u> | <u>\$ 14,189</u> | <u>\$ 20,544</u> |
| Ending balance  | <u>\$ 34,400</u> | <u>\$ 25,189</u> | <u>\$ 53,493</u> | <u>\$ 56,870</u> | <u>\$ 36,326</u> |



|                  |        |                  |        |
|------------------|--------|------------------|--------|
| Maximum Balance: | 58,436 | Average Balance: | 34,126 |
| 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, 2021**

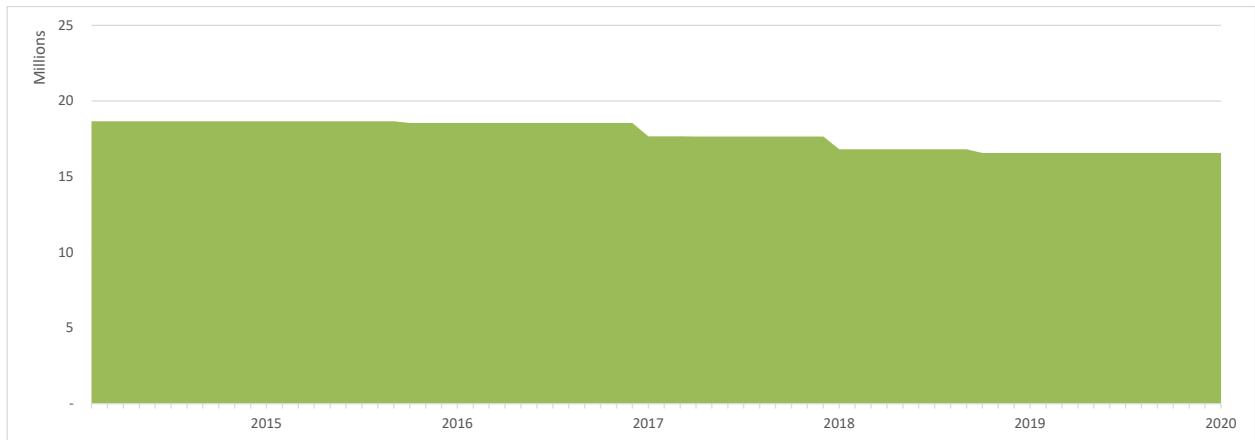
**Definitions and Goals**

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 | 2021               | 2022      | 2023      |
| Opening Balance | \$ 16,568        | \$ 16,568     | \$ 16,568          | \$ 16,568 | \$ 16,068 |
| Additions:      |                  |               |                    |           |           |
| Contributions   |                  | -             |                    |           |           |
| Sub-total       | \$ -             | \$ -          | \$ -               | \$ -      | \$ -      |
| Withdrawals:    |                  |               |                    |           |           |
| Withdrawals     |                  | -             | -                  | 500       | 5,000     |
| Ending Balance  | \$ 16,568        | \$ 16,568     | \$ 16,568          | \$ 16,068 | \$ 11,068 |

**Historical Activity**

|                 | 2016      | 2017      | 2018      | 2019      | 2020      |
|-----------------|-----------|-----------|-----------|-----------|-----------|
| Opening Balance | \$ 18,662 | \$ 18,556 | \$ 17,672 | \$ 16,818 | \$ 16,568 |
| Additions:      |           |           |           |           |           |
| Contributions   |           |           |           |           |           |
| Sub-total       | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      |
| Withdrawals:    |           |           |           |           |           |
| Withdrawals     | 106       | 884       | 854       | 250       |           |
| Sub-total       | \$ 106    | \$ 884    | \$ 854    | \$ 250    | \$ -      |
| Ending balance  | \$ 18,556 | \$ 17,672 | \$ 16,818 | \$ 16,568 | \$ 16,568 |



Maximum Balance: 18,662      Average Balance: 17,775  
 Minimum Balance: 16,568

**Observations**

- The Environmental Reserve began in FY 2008.

**Electric System Customer Deposits**

**For the Second Quarter Ending March 31, 2021**

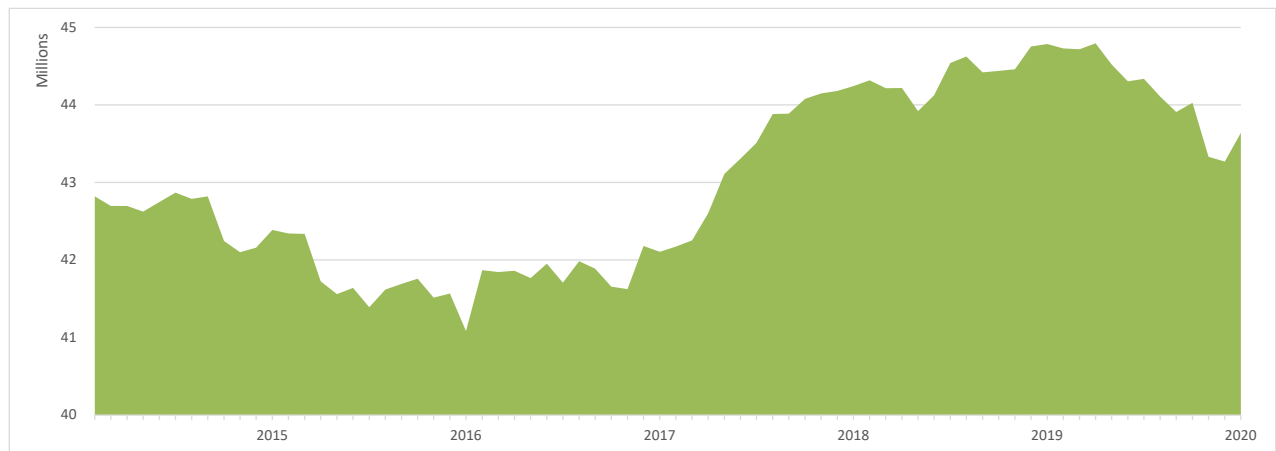
**Definitions and Goals**

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 | 2021               | 2022      | 2023      |
| Opening Balance       | \$ 43,422        | \$ 43,641     | \$ 43,641          | \$ 44,136 | \$ 44,364 |
| Additions:            |                  |               |                    |           |           |
| Net Customer Activity | 299              | 308           | 1,074              | 932       | 1,003     |
| Sub-total             | \$ 299           | \$ 308        | \$ 1,074           | \$ 932    | \$ 1,003  |
| Withdrawals:          |                  |               |                    |           |           |
| Net Customer Activity | -                | 228           | 579                | 704       | 704       |
| Ending Balance        | \$ 43,721        | \$ 43,721     | \$ 44,136          | \$ 44,364 | \$ 44,663 |

**Historical Activity**

|                       | 2016      | 2017      | 2018      | 2019      | 2020      |
|-----------------------|-----------|-----------|-----------|-----------|-----------|
| Opening Balance       | \$ 42,389 | \$ 41,084 | \$ 42,105 | \$ 44,242 | \$ 44,785 |
| Additions:            |           |           |           |           |           |
| Net Customer Activity |           | 1,021     | 2,137     | 543       | 596       |
| Sub-total             | \$ -      | \$ 1,021  | \$ 2,137  | \$ 543    | \$ 596    |
| Withdrawals:          |           |           |           |           |           |
| Net Customer Activity | 1,305     |           |           |           | 1,740     |
| Sub-total             | \$ 1,305  | \$ -      | \$ -      | \$ -      | \$ 1,740  |
| Ending balance        | \$ 41,084 | \$ 42,105 | \$ 44,242 | \$ 44,785 | \$ 43,641 |



Maximum Balance: 44,795      Average Balance: 43,022  
 Minimum Balance: 41,084

**Observations**



**Electric System Debt Service Sinking Fund**

**For the Second Quarter Ending March 31, 2021**

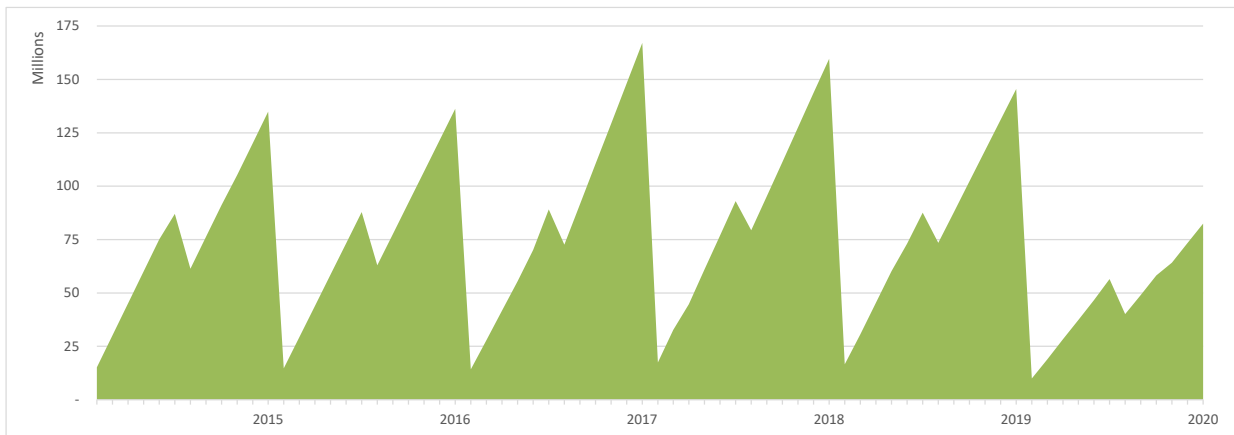
**Definitions and Goals**

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 | 2021               | 2022       | 2023       |
| Opening Balance            | \$ 26,558        | \$ 82,525    | \$ 82,525          | \$ 78,861  | \$ 64,189  |
| Additions:                 |                  |              |                    |            |            |
| Revenue Fund Deposits      | 26,644           | 53,516       | 106,414            | 104,554    | 74,632     |
| Sub-total                  | \$ 26,644        | \$ 53,516    | \$ 106,414         | \$ 104,554 | \$ 74,632  |
| Withdrawals:               |                  |              |                    |            |            |
| Principal and Int Payments | 961              | 83,800       | 110,078            | 119,226    | 103,412    |
| Sub-total                  | \$ 961           | \$ 83,800    | \$ 110,078         | \$ 119,226 | \$ 103,412 |
| Ending Balance             | \$ 52,241        | \$ 52,241    | \$ 78,861          | \$ 64,189  | \$ 35,409  |

**Historical Activity**

|                            | 2016       | 2017       | 2018       | 2019       | 2020       |
|----------------------------|------------|------------|------------|------------|------------|
| Opening Balance            | \$ 134,927 | \$ 136,232 | \$ 167,087 | \$ 159,656 | \$ 145,520 |
| Additions:                 |            |            |            |            |            |
| Revenue Fund Deposits      | 177,847    | 209,450    | 201,359    | 186,135    | 116,826    |
| Sub-total                  | \$ 177,847 | \$ 209,450 | \$ 201,359 | \$ 186,135 | \$ 116,826 |
| Withdrawals:               |            |            |            |            |            |
| Principal and Int Payments | 176,542    | 178,595    | 208,790    | 200,271    | 179,821    |
| Sub-total                  | \$ 176,542 | \$ 178,595 | \$ 208,790 | \$ 200,271 | \$ 179,821 |
| Ending balance             | \$ 136,232 | \$ 167,087 | \$ 159,656 | \$ 145,520 | \$ 82,525  |



Maximum Balance: 167,087      Average Balance: 75,042  
 Minimum Balance: 9,945

**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 September 30, 2020.

**Electric System Debt Service Reserve Account**

**For the Second Quarter Ending March 31, 2021**

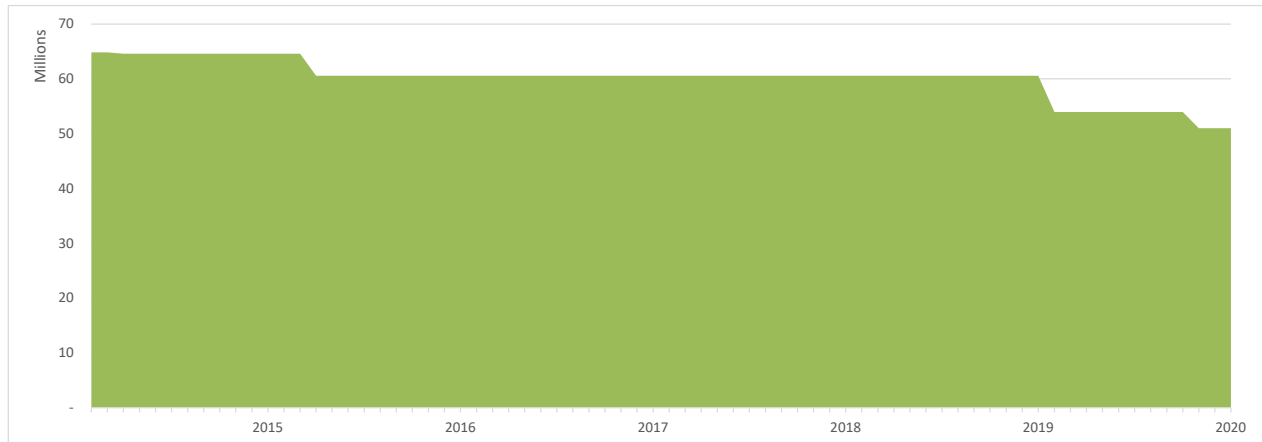
**Definitions and Goals**

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 | 2021               | 2022      | 2023      |
| Opening Balance     | \$ 50,993        | \$ 50,993     | \$ 50,993          | \$ 50,993 | \$ 50,993 |
| Additions:          |                  |               |                    |           |           |
| Proceeds from Bonds |                  |               |                    |           |           |
| Sub-total           | \$ -             | \$ -          | \$ -               | \$ -      | \$ -      |
| Withdrawals:        |                  |               |                    |           |           |
| Ending Balance      | \$ 50,993        | \$ 50,993     | \$ 50,993          | \$ 50,993 | \$ 50,993 |

**Historical Activity**

|                                  | 2016      | 2017      | 2018      | 2019      | 2020      |
|----------------------------------|-----------|-----------|-----------|-----------|-----------|
| Opening Balance                  | \$ 64,595 | \$ 60,582 | \$ 60,582 | \$ 60,582 | \$ 60,582 |
| Additions:                       |           |           |           |           |           |
| Proceeds from Bonds              |           |           |           |           |           |
| Sub-total                        | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      |
| Withdrawals:                     |           |           |           |           |           |
| Release to Revenue Fund          | 4,013     |           |           |           | 2,956     |
| Release for STAR Plan Defeasance |           |           |           |           | 6,633     |
| Sub-total                        | \$ 4,013  | \$ -      | \$ -      | \$ -      | \$ 9,589  |
| Ending balance                   | \$ 60,582 | \$ 60,582 | \$ 60,582 | \$ 60,582 | \$ 50,993 |



Maximum Balance: 64,841      Average Balance: 60,140  
 Minimum Balance: 50,993

**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, 2021**

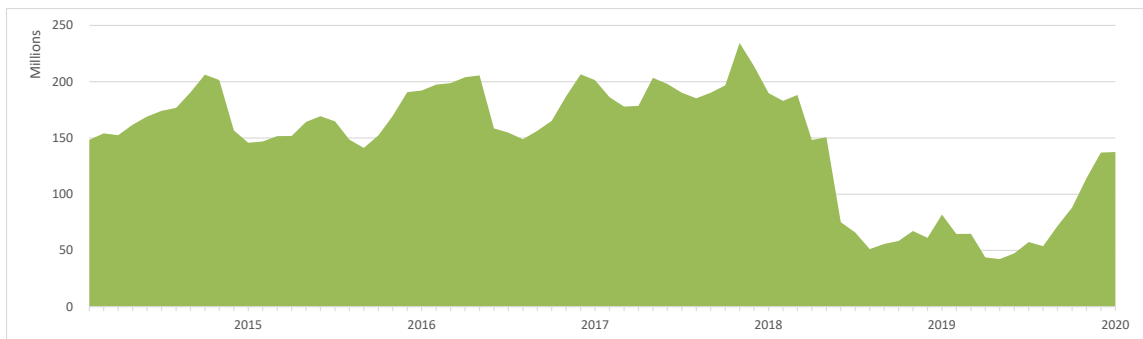
**Definitions and Goals**

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.

| (In Thousands)             | Current Activity |               | Projected Activity |            |            |
|----------------------------|------------------|---------------|--------------------|------------|------------|
|                            | Quarter-End      | Year -to-Date | 2021               | 2022       | 2023       |
| Opening Balance            | \$ 165,706       | \$ 137,643    | \$ 137,643         | \$ 159,611 | \$ 169,252 |
| Additions:                 |                  |               |                    |            |            |
| R&R/OCO Contribution       | 55,633           | 129,269       | 295,607            | 225,694    | 148,536    |
| Transfers betw Capital Fds |                  |               |                    |            |            |
| Other                      | 3,761            | 6,975         | 7,407              | 1,000      | 2,000      |
| Sub-total                  | \$ 59,394        | \$ 136,244    | \$ 303,014         | \$ 226,694 | \$ 150,536 |
| Withdrawals:               |                  |               |                    |            |            |
| Capital Expenditures       | 40,336           | 89,123        | 174,197            | 217,053    | 210,106    |
| Transfers betw Capital Fds |                  |               |                    |            |            |
| Debt Reduction             | 106,849          | 106,849       | 106,849            |            | 41,455     |
| Other                      |                  |               |                    |            |            |
| Sub-total                  | \$ 147,185       | \$ 195,972    | \$ 281,046         | \$ 217,053 | \$ 251,561 |
| Ending Balance             | \$ 77,915        | \$ 77,915     | \$ 159,611         | \$ 169,252 | \$ 68,227  |

**Historical Activity**

|                                 | 2016       | 2017       | 2018       | 2019       | 2020       |
|---------------------------------|------------|------------|------------|------------|------------|
| Opening Balance                 | \$ 145,711 | \$ 192,179 | \$ 201,368 | \$ 189,922 | \$ 81,964  |
| Additions:                      |            |            |            |            |            |
| R&R/OCO Contribution            | 200,692    | 196,589    | 148,105    | 197,623    | 272,342    |
| Loans betw Capital Fds          |            |            |            |            |            |
| Other                           | 3,744      | 5,074      | 35,675     | 39,521     | 8,389      |
| Sub-total                       | \$ 204,436 | \$ 201,663 | \$ 183,780 | \$ 237,144 | \$ 280,731 |
| Withdrawals:                    |            |            |            |            |            |
| Capital Expenditures            | 157,201    | 113,987    | 181,263    | 275,042    | 206,415    |
| Transfers/loans b/w Capital Fds | 765        | 37,200     |            |            |            |
| Debt Defeasance                 |            |            |            | 70,000     | 18,637     |
| Other                           | 2          | 41,287     | 13,963     | 60         | -          |
| Sub-total                       | \$ 157,968 | \$ 192,474 | \$ 195,226 | \$ 345,102 | \$ 225,052 |
| Ending balance                  | \$ 192,179 | \$ 201,368 | \$ 189,922 | \$ 81,964  | \$ 137,643 |



Maximum Balance: 234,504      Average Balance: 147,542  
 Minimum Balance: 42,396

**Observations**

- Other includes Sale of Property and miscellaneous billings.

**Electric System Environmental Fund - Capital Projects**

**For the Second Quarter Ending March 31, 2021**

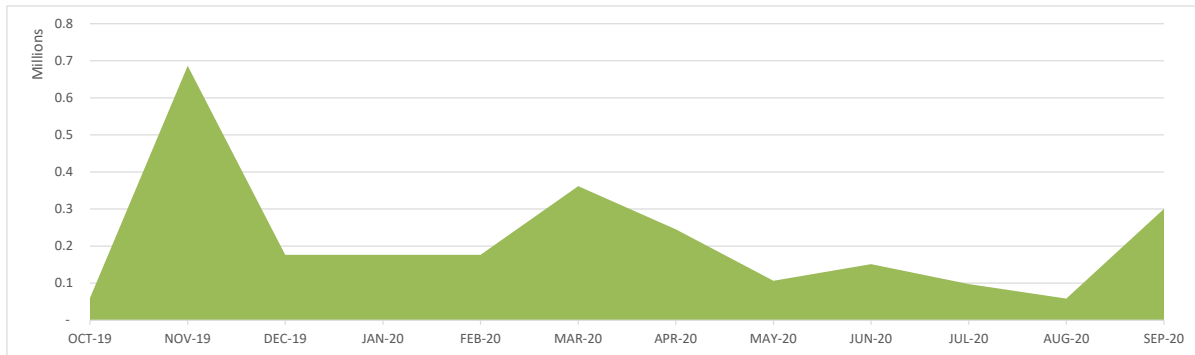
**Definitions and Goals**

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 | 2021               | 2022     | 2023 |
| Opening Balance             | \$ 19            | \$ 301        | \$ 301             | \$ 920   | \$ - |
| Additions:                  |                  |               |                    |          |      |
| Environmental Contributions | 345              | 753           | 9,272              | 3,138    |      |
| Transfers betw Capital Fds  |                  |               |                    |          |      |
| Other                       |                  |               |                    |          |      |
| Sub-total                   | \$ 345           | \$ 753        | \$ 9,272           | \$ 3,138 | \$ - |
| Withdrawals:                |                  |               |                    |          |      |
| Capital Expenditures        | 333              | 1,023         | 8,653              | 4,058    |      |
| Transfers betw Capital Fds  |                  |               |                    |          |      |
| Other                       |                  |               |                    |          |      |
| Sub-total                   | \$ 333           | \$ 1,023      | \$ 8,653           | \$ 4,058 | \$ - |
| Ending Balance              | \$ 31            | \$ 31         | \$ 920             | \$ -     | \$ - |

**Historical Activity**

|                                 | 2016 | 2017 | 2018 | 2019 | 2020     |
|---------------------------------|------|------|------|------|----------|
| Opening Balance                 | \$ - | \$ - | \$ - | \$ - | \$ -     |
| Additions:                      |      |      |      |      |          |
| Environmental Contributions     |      |      |      |      | 4,389    |
| Loans betw Capital Fds          |      |      |      |      |          |
| Other                           |      |      |      |      |          |
| Sub-total                       | \$ - | \$ - | \$ - | \$ - | \$ 4,389 |
| Withdrawals:                    |      |      |      |      |          |
| Capital Expenditures            |      |      |      |      | 4,088    |
| Transfers/loans b/w Capital Fds |      |      |      |      |          |
| Other                           |      |      |      |      |          |
| Sub-total                       | \$ - | \$ - | \$ - | \$ - | \$ 4,088 |
| Ending balance                  | \$ - | \$ - | \$ - | \$ - | \$ 301   |



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, 2021**

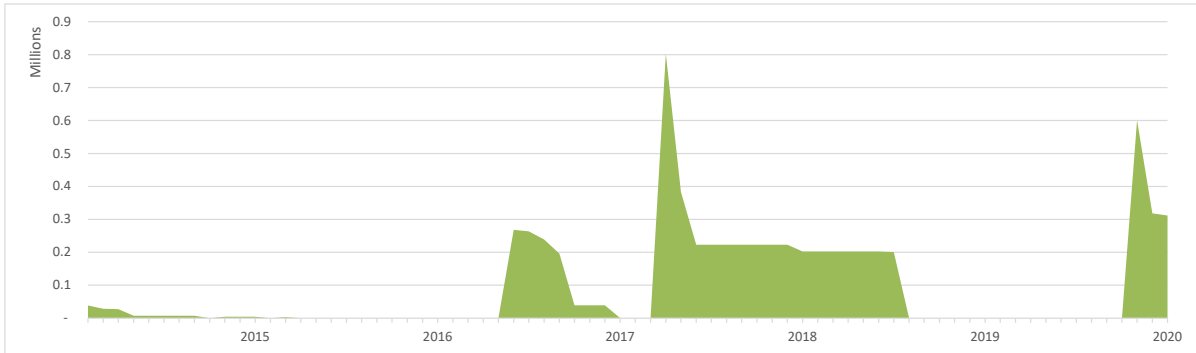
**Definitions and Goals**

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.

| <i>(In Thousands)</i>      | Current Activity |               | Projected Activity |             |             |
|----------------------------|------------------|---------------|--------------------|-------------|-------------|
|                            | Quarter-End      | Year -to-Date | <u>2021</u>        | <u>2022</u> | <u>2023</u> |
|                            |                  |               |                    |             |             |
| Opening Balance            | \$ 67            | \$ 312        | \$ 312             | \$ -        | \$ -        |
| Additions:                 |                  |               |                    |             |             |
| Bond Proceeds              | -                | -             | -                  |             |             |
| Loans betw Capital Fds     |                  |               |                    |             |             |
| Other                      |                  |               |                    |             |             |
| Sub-total                  | \$ -             | \$ -          | \$ -               | \$ -        | \$ -        |
| Withdrawals:               |                  |               |                    |             |             |
| Capital Expenditures       | -                | 245           | 312                |             |             |
| Transfers betw Capital Fds |                  |               |                    |             |             |
| Other                      |                  |               |                    |             |             |
| Sub-total                  | \$ -             | \$ 245        | \$ 312             | \$ -        | \$ -        |
| Ending Balance             | \$ 67            | \$ 67         | \$ -               | \$ -        | \$ -        |

**Historical Activity**

|                                 | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|
| Opening Balance                 | \$ 4        | \$ -        | \$ -        | \$ 203      | \$ -        |
| Additions:                      |             |             |             |             |             |
| Bond Proceeds                   |             | 429         | 805         |             | 601         |
| Loans betw Capital Fds          |             |             |             |             |             |
| Other                           | 2           |             |             |             |             |
| Sub-total                       | \$ 2        | \$ 429      | \$ 805      | \$ -        | \$ 601      |
| Withdrawals:                    |             |             |             |             |             |
| Capital Expenditures            | 6           |             |             |             | 289         |
| Transfers/loans b/w Capital Fds |             |             |             | 201         |             |
| Other                           |             | 429         | 602         | 2           |             |
| Sub-total                       | \$ 6        | \$ 429      | \$ 602      | \$ 203      | \$ 289      |
| Ending balance                  | \$ -        | \$ -        | \$ 203      | \$ -        | \$ 312      |



Maximum Balance: 803      Average Balance: 92  
 Minimum Balance: -

**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, 2021**

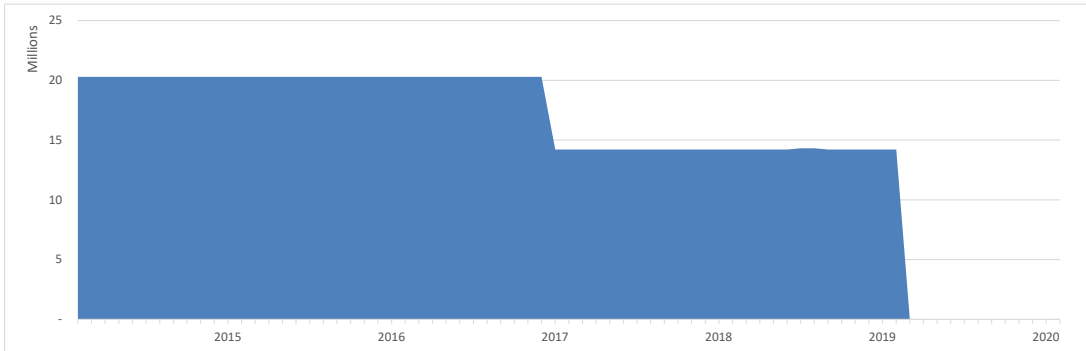
**Definitions and Goals**

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.

|                 | Current Activity |              | Projected Activity |             |             |
|-----------------|------------------|--------------|--------------------|-------------|-------------|
| (In Thousands)  | Quarter-End      | Year-to-Date | 2021               | 2022        | 2023        |
| Opening Balance | \$ -             | \$ -         | \$ -               | \$ -        | \$ -        |
| Additions:      |                  |              |                    |             |             |
| Contributions   |                  |              |                    |             |             |
| Sub-total       | \$ -             | \$ -         | \$ -               | \$ -        | \$ -        |
| Withdrawals:    |                  |              |                    |             |             |
| Withdrawals     | -                | -            | -                  | -           | -           |
| Sub-total       | \$ -             | \$ -         | \$ -               | \$ -        | \$ -        |
| Ending Balance  | <u>\$ -</u>      | <u>\$ -</u>  | <u>\$ -</u>        | <u>\$ -</u> | <u>\$ -</u> |

**Historical Activity**

|                 | 2016             | 2017             | 2018             | 2019             | 2020        |
|-----------------|------------------|------------------|------------------|------------------|-------------|
| Opening Balance | \$ 20,290        | \$ 20,290        | \$ 14,209        | \$ 14,209        | \$ 14,209   |
| Additions:      |                  |                  |                  |                  |             |
| Contributions   |                  |                  |                  |                  |             |
| Sub-total       | \$ -             | \$ -             | \$ -             | \$ -             | \$ -        |
| Withdrawals:    |                  |                  |                  |                  |             |
| Withdrawals     |                  | 6,081            |                  |                  | 14,209      |
| Sub-total       | \$ -             | \$ 6,081         | \$ -             | \$ -             | \$ 14,209   |
| Ending balance  | <u>\$ 20,290</u> | <u>\$ 14,209</u> | <u>\$ 14,209</u> | <u>\$ 14,209</u> | <u>\$ -</u> |



|                  |        |                  |        |
|------------------|--------|------------------|--------|
| Maximum Balance: | 20,290 | Average Balance: | 14,716 |
| 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, 2021**

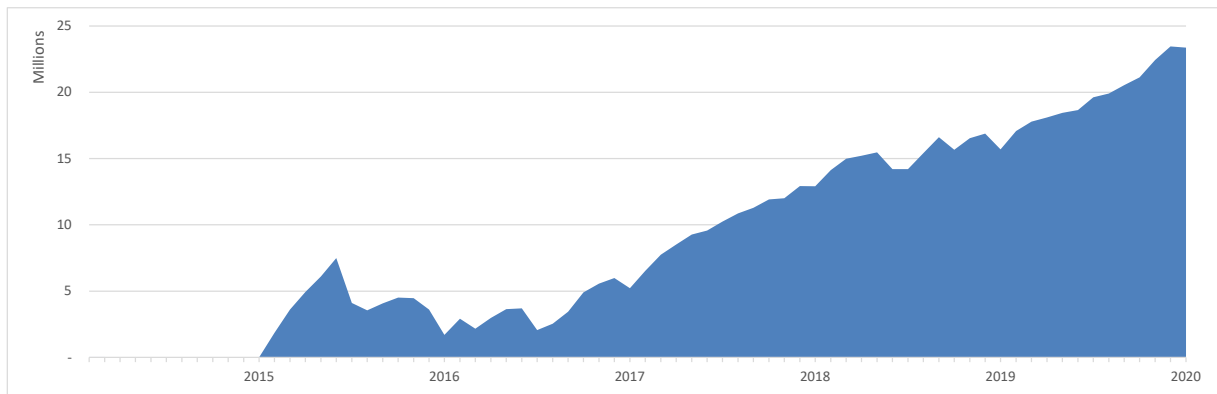
**Definitions and Goals**

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 | 2021               | 2022      | 2023      |
| Opening Balance           | \$ 27,038        | \$ 23,372     | \$ 23,372          | \$ 26,620 | \$ 26,620 |
| Additions:                |                  |               |                    |           |           |
| Contributions             | 5,816            | 11,739        | 25,685             | 28,997    | 20,262    |
| Sub-total                 | \$ 5,816         | \$ 11,739     | \$ 25,685          | \$ 28,997 | \$ 20,262 |
| Withdrawals:              |                  |               |                    |           |           |
| Withdrawals               | 4,080            | 6,337         | 22,437             | 28,997    | 20,262    |
| COJ Septic Tank Agreement |                  |               | -                  |           |           |
| Sub-total                 | \$ 4,080         | \$ 6,337      | \$ 22,437          | \$ 28,997 | \$ 20,262 |
| Ending Balance            | \$ 28,774        | \$ 28,774     | \$ 26,620          | \$ 26,620 | \$ 26,620 |

**Historical Activity**

|                 | 2016      | 2017      | 2018      | 2019      | 2020      |
|-----------------|-----------|-----------|-----------|-----------|-----------|
| Opening Balance | \$ -      | \$ 1,699  | \$ 5,214  | \$ 12,914 | \$ 15,687 |
| Additions:      |           |           |           |           |           |
| Contributions   | 23,635    | 24,362    | 23,829    | 25,099    | 25,677    |
| Sub-total       | \$ 23,635 | \$ 24,362 | \$ 23,829 | \$ 25,099 | \$ 25,677 |
| Withdrawals:    |           |           |           |           |           |
| Withdrawals     | 21,936    | 20,847    | 16,129    | 22,326    | 17,992    |
| Sub-total       | \$ 21,936 | \$ 20,847 | \$ 16,129 | \$ 22,326 | \$ 17,992 |
| Ending balance  | \$ 1,699  | \$ 5,214  | \$ 12,914 | \$ 15,687 | \$ 23,372 |



|                  |        |                  |        |
|------------------|--------|------------------|--------|
| Maximum Balance: | 23,461 | Average Balance: | 10,740 |
| Minimum Balance: | 1,699  |                  |        |

**Observations**

- Rate Stabilization Fund for Environmental began in June 2010.

**Water and Sewer System Customer Deposits**

**For the Second Quarter Ending March 31, 2021**

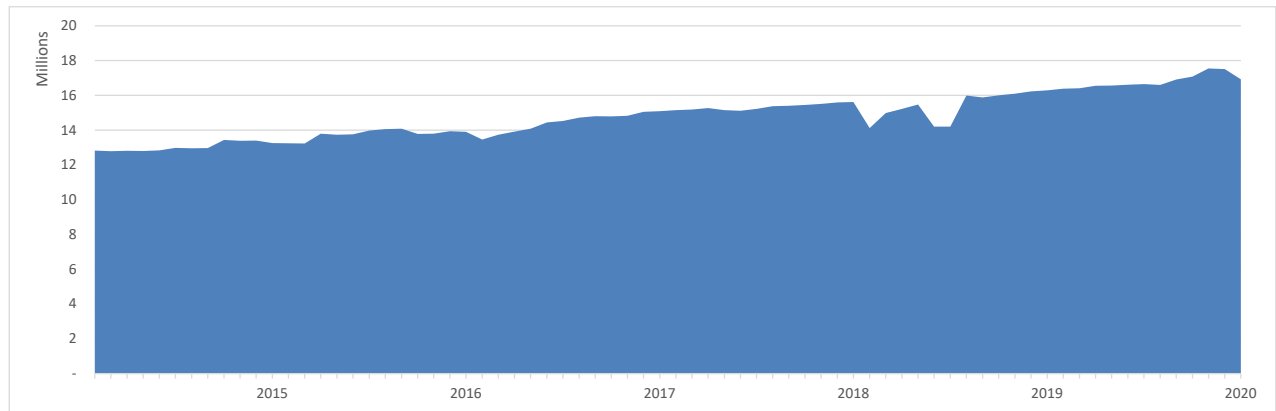
**Definitions and Goals**

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 | 2021               | 2022      | 2023      |
| Opening Balance         | \$ 16,708        | \$ 16,926     | \$ 16,926          | \$ 17,180 | \$ 17,837 |
| Additions:              |                  |               |                    |           |           |
| Allocated from Electric | 20               | 20            | 1,807              | 1,045     | 1,275     |
| Sub-total               | \$ 20            | \$ 20         | \$ 1,807           | \$ 1,045  | \$ 1,275  |
| Withdrawals:            |                  |               |                    |           |           |
| Allocated from Electric | 130              | 348           | 1,553              | 388       | 621       |
| Sub-total               | \$ 130           | \$ 348        | \$ 1,553           | \$ 388    | \$ 621    |
| Ending Balance          | \$ 16,598        | \$ 16,598     | \$ 17,180          | \$ 17,837 | \$ 18,491 |

**Historical Activity**

|                         | 2016      | 2017      | 2018      | 2019      | 2020      |
|-------------------------|-----------|-----------|-----------|-----------|-----------|
| Opening Balance         | \$ 13,255 | \$ 13,910 | \$ 15,086 | \$ 15,616 | \$ 16,289 |
| Additions:              |           |           |           |           |           |
| Allocated from Electric | 655       | 1,633     | 730       | 888       | 1,318     |
| Sub-total               | \$ 655    | \$ 1,633  | \$ 730    | \$ 888    | \$ 1,318  |
| Withdrawals:            |           | 457       | 200       | 215       | 681       |
| Allocated from Electric |           |           |           |           |           |
| Sub-total               | \$ -      | \$ 457    | \$ 200    | \$ 215    | \$ 681    |
| Ending balance          | \$ 13,910 | \$ 15,086 | \$ 15,616 | \$ 16,289 | \$ 16,926 |



Maximum Balance: 17,549  
 Minimum Balance: 12,619

Average Balance: 14,540

**Observations**



**Water and Sewer System Debt Service Sinking Fund**

**For the Second Quarter Ending March 31, 2021**

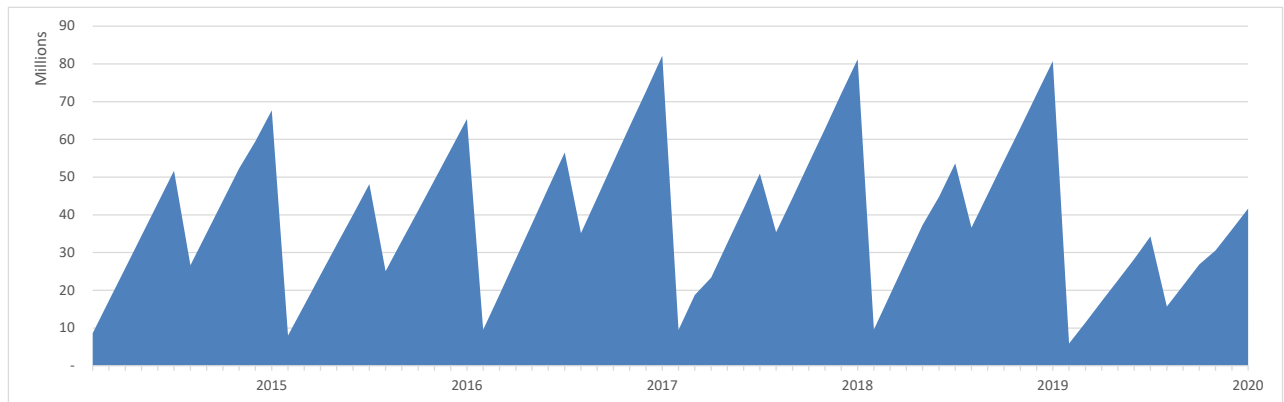
**Definitions and Goals**

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 | 2021               | 2022      | 2023       |
| Opening Balance                 | \$ 13,917        | \$ 41,660     | \$ 41,660          | \$ 32,592 | \$ 33,111  |
| Additions:                      |                  |               |                    |           |            |
| Revenue fund deposits           | 13,942           | 27,924        | 56,017             | 64,960    | 109,345    |
| Sub-total                       | \$ 13,942        | \$ 27,924     | \$ 56,017          | \$ 64,960 | \$ 109,345 |
| Withdrawals:                    |                  |               |                    |           |            |
| Principal and interest payments | 55               | 41,780        | 65,085             | 64,441    | 64,684     |
| Sub-total                       | \$ 55            | \$ 41,780     | \$ 65,085          | \$ 64,441 | \$ 64,684  |
| Ending Balance                  | \$ 27,804        | \$ 27,804     | \$ 32,592          | \$ 33,111 | \$ 77,772  |

**Historical Activity**

|                                 | 2016      | 2017       | 2018       | 2019       | 2020       |
|---------------------------------|-----------|------------|------------|------------|------------|
| Opening Balance                 | \$ 67,720 | \$ 65,410  | \$ 82,208  | \$ 81,241  | \$ 80,775  |
| Additions:                      |           |            |            |            |            |
| Revenue fund deposits           | 97,077    | 114,873    | 113,636    | 112,251    | 69,515     |
| Sub-total                       | \$ 97,077 | \$ 114,873 | \$ 113,636 | \$ 112,251 | \$ 69,515  |
| Withdrawals:                    |           |            |            |            |            |
| Principal and interest payments | 99,387    | 98,075     | 114,603    | 112,717    | 108,630    |
| Sub-total                       | \$ 99,387 | \$ 98,075  | \$ 114,603 | \$ 112,717 | \$ 108,630 |
| Ending balance                  | \$ 65,410 | \$ 82,208  | \$ 81,241  | \$ 80,775  | \$ 41,660  |



Maximum Balance: 82,208      Average Balance: 39,146  
 Minimum Balance: 5,890

**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 September 30, 2020.

**Water and Sewer System Debt Service Reserve Account**

**For the Second Quarter Ending March 31, 2021**

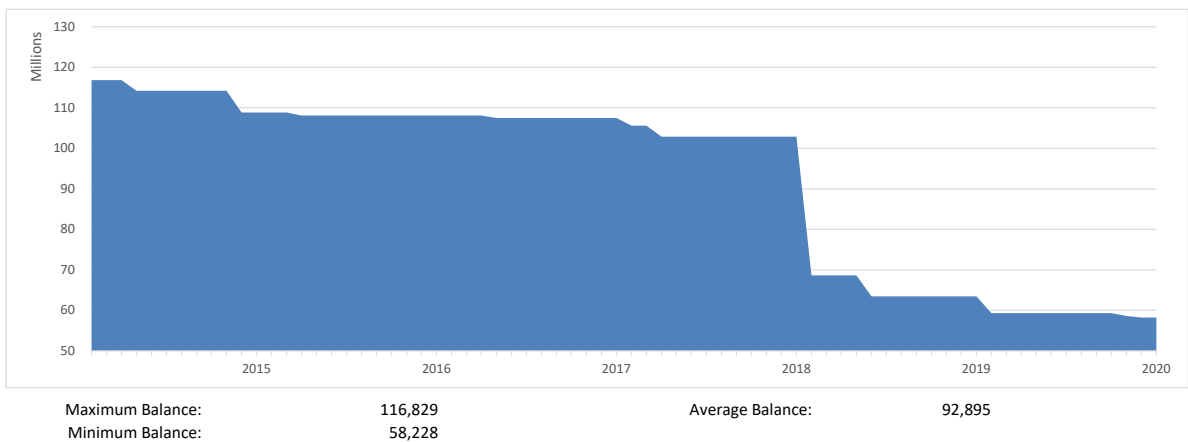
**Definitions and Goals**

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 | 2021               | 2022      | 2023      |
| Opening Balance                  | \$ 58,228        | \$ 58,228     | \$ 58,228          | \$ 58,664 | \$ 59,600 |
| Additions:                       |                  |               |                    |           |           |
| Bond Issue - Deposit             | 363              | 363           | 363                |           |           |
| Revenue Fund                     | 73               | 73            | 73                 | 936       | 1,021     |
| Sub-total                        | \$ 436           | \$ 436        | \$ 436             | \$ 936    | \$ 1,021  |
| Withdrawals:                     |                  |               |                    |           |           |
| Revenue Fund                     |                  |               |                    |           |           |
| Release for STAR Plan Defeasance |                  |               |                    |           |           |
| Release to Refunding Defeasance  |                  |               |                    |           |           |
| Sub-total                        | \$ -             | \$ -          | \$ -               | \$ -      | \$ -      |
| Ending Balance                   | \$ 58,664        | \$ 58,664     | \$ 58,664          | \$ 59,600 | \$ 60,621 |

**Historical Activity**

|                                   | 2016       | 2017       | 2018       | 2019       | 2020      |
|-----------------------------------|------------|------------|------------|------------|-----------|
| Opening Balance                   | \$ 108,849 | \$ 108,086 | \$ 107,488 | \$ 102,850 | \$ 63,441 |
| Additions:                        |            |            |            |            |           |
| Construction reserves/bond issues |            |            |            |            | 737       |
| Revenue fund                      |            |            |            |            |           |
| Sub-total                         | \$ -       | \$ -       | \$ -       | \$ -       | \$ 737    |
| Withdrawals:                      |            |            |            |            |           |
| Revenue fund                      | 763        | 598        | 4,638      | 5,525      | 1,689     |
| Release for STAR Plan Defeasance  |            |            |            | 33,884     | 2,791     |
| Release to Refunding Defeasance   |            |            |            |            | 1,470     |
| Sub-total                         | \$ 763     | \$ 598     | \$ 4,638   | \$ 39,409  | \$ 5,950  |
| Ending balance                    | \$ 108,086 | \$ 107,488 | \$ 102,850 | \$ 63,441  | \$ 58,228 |



**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, 2021**

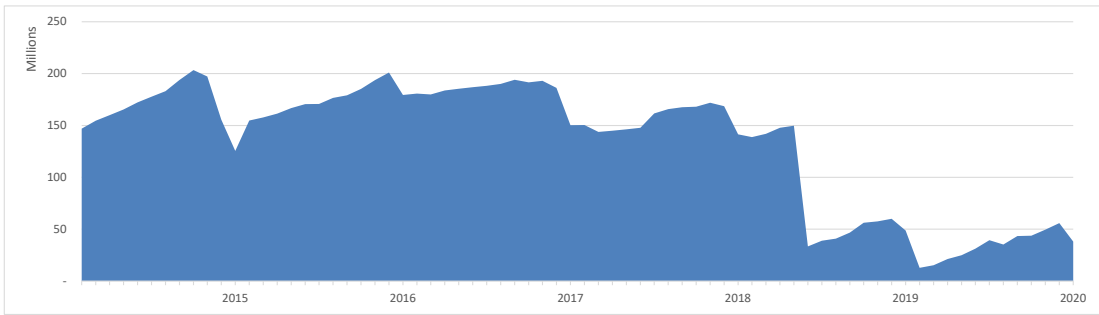
**Definitions and Goals**

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 | 2021               | 2022       | 2023       |
| Opening Balance           | \$ 48,453        | \$ 38,131     | \$ 38,131          | \$ 56,861  | \$ 52,875  |
| Additions:                |                  |               |                    |            |            |
| R&R/OCO Contribution      | 46,351           | 92,701        | 193,523 #          | 199,754    | 148,851    |
| Capacity Fees             | 10,458           | 19,190        | 35,929             | 47,000     | 47,000     |
| Transfer from Capital Fds |                  |               | -                  | -          | -          |
| Other                     | 1,890            | 5,598         | 1,936              | 772        | 650        |
| Sub-total                 | \$ 58,699        | \$ 117,489    | \$ 231,388         | 247,526    | 196,501    |
| Withdrawals:              |                  |               |                    |            |            |
| Capital Expenditures      | 36,156           | 84,624        | 212,658            | 251,512    | 228,671    |
| Debt Defeasance           |                  |               | -                  |            |            |
| Other                     |                  |               |                    |            |            |
| Sub-total                 | \$ 36,156        | \$ 84,624     | \$ 212,658         | \$ 251,512 | \$ 228,671 |
| Ending Balance            | \$ 70,996        | \$ 70,996     | \$ 56,861          | \$ 52,875  | \$ 20,705  |

**Historical Activity**

|                          | 2016       | 2017       | 2018       | 2019       | 2020       |
|--------------------------|------------|------------|------------|------------|------------|
| Opening Balance          | \$ 128,249 | \$ 179,431 | \$ 150,319 | \$ 141,415 | \$ 48,796  |
| Additions:               |            |            |            |            |            |
| R&R/OCO Contribution     | 124,574    | 108,119    | 153,372    | 150,171    | 166,107    |
| Capacity Fees            | 21,995     | 24,777     | 28,002     | 29,389     | 32,857     |
| Loans betw Capital Fds   |            | 137        |            | 268        |            |
| Other (incl septic tank) | 31,041     | 8,050      | 6,383      | 16,390     | 12,654     |
| Sub-total                | \$ 177,610 | \$ 141,083 | \$ 187,757 | \$ 196,218 | \$ 211,618 |
| Withdrawals:             |            |            |            |            |            |
| Capital Expenditures     | 126,322    | 165,242    | 196,637    | 189,626    | 191,087    |
| Loan Repayment           |            |            |            | 99,189     | 31,196     |
| Transfer to Constr. Fund | 106        |            |            |            |            |
| Other (incl septic tank) | -          | 4,953      | 24         | 22         |            |
| Sub-total                | \$ 126,428 | \$ 170,195 | \$ 196,661 | \$ 288,837 | \$ 222,283 |
| Ending balance           | \$ 179,431 | \$ 150,319 | \$ 141,415 | \$ 48,796  | \$ 38,131  |



Maximum Balance: 203,406      Average Balance: 133,232  
 Minimum Balance: 12,847

**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, 2021**

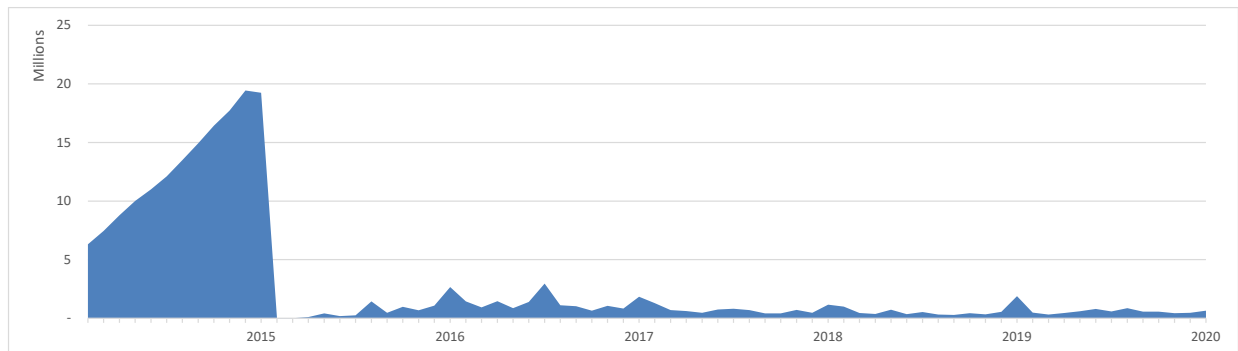
**Definitions and Goals**

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

| (In Thousands)              | Current Activity |               | Projected Activity |           |           |
|-----------------------------|------------------|---------------|--------------------|-----------|-----------|
|                             | Quarter-End      | Year -to-Date | 2021               | 2022      | 2023      |
| Opening Balance             | \$ 244           | \$ 649        | \$ 649             | \$ 3,781  | \$ 8,486  |
| Additions:                  |                  |               |                    |           |           |
| Environmental Contributions | 1,871            | 2,394         | 13,022             | 28,528    | 21,713    |
| Loans betw Capital Fds      |                  |               |                    |           |           |
| Other                       |                  |               |                    |           |           |
| Sub-total                   | \$ 1,871         | \$ 2,394      | \$ 13,022          | \$ 28,528 | \$ 21,713 |
| Withdrawals:                |                  |               |                    |           |           |
| Capital Expenditures        | 1,425            | 2,353         | 9,890              | 23,823    | 13,878    |
| Other                       |                  |               |                    |           |           |
| Sub-total                   | \$ 1,425         | \$ 2,353      | \$ 9,890           | \$ 23,823 | \$ 13,878 |
| Ending Balance              | \$ 690           | \$ 690        | \$ 3,781           | \$ 8,486  | \$ 16,321 |

**Historical Activity**

|                             | 2016      | 2017      | 2018     | 2019      | 2020     |
|-----------------------------|-----------|-----------|----------|-----------|----------|
| Opening Balance             | \$ -      | \$ 2,659  | \$ 1,839 | \$ 1,159  | \$ 1,891 |
| Additions:                  |           |           |          |           |          |
| Environmental Contributions | 15,539    | 12,394    | 6,691    | 10,656    | 6,649    |
| Loans betw Capital Fds      |           |           |          |           |          |
| Other                       |           |           |          |           |          |
| Sub-total                   | \$ 15,539 | \$ 12,394 | \$ 6,691 | \$ 10,656 | \$ 6,649 |
| Withdrawals:                |           |           |          |           |          |
| Capital Expenditures        | 12,880    | 13,214    | 7,370    | 9,924     | 7,892    |
| Septic Tank Phase Out       |           |           |          |           |          |
| Other                       |           |           | 1        |           |          |
| Sub-total                   | \$ 12,880 | \$ 13,214 | \$ 7,371 | \$ 9,924  | \$ 7,892 |
| Ending balance              | \$ 2,659  | \$ 1,839  | \$ 1,159 | \$ 1,891  | \$ 648   |



Maximum Balance: 19,439      Average Balance: 2,821  
 Minimum Balance: -

**Observations**

**Water and Sewer System - Construction / Bond Fund**

**For the Second Quarter Ending March 31, 2021**

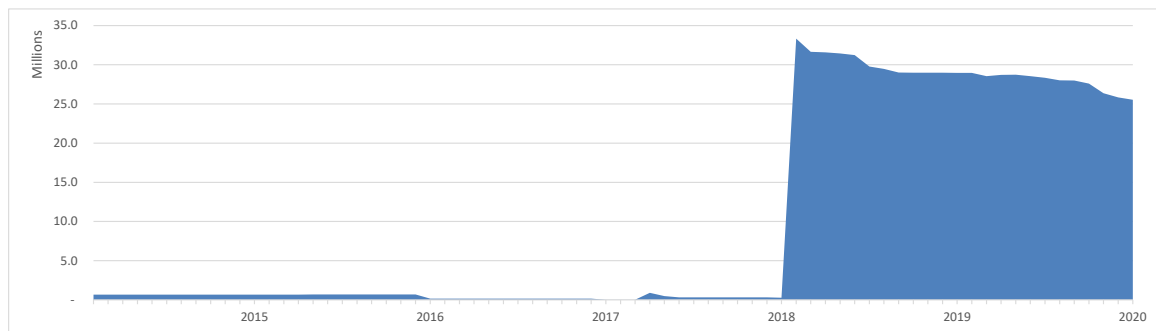
**Definitions and Goals**

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 | 2021               | 2022       | 2023       |
| Opening Balance                         | \$ 24,192        | \$ 25,541     | \$ 25,541          | \$ 20,439  | \$ 83,767  |
| Additions:                              |                  |               |                    |            |            |
| Bond Proceeds                           | -                | -             | -                  | 133,000    | 90,000     |
| Revolving credit facility               |                  |               |                    |            |            |
| Other                                   | 11               | 23            | 41                 |            |            |
| Sub-total                               | \$ 11            | \$ 23         | \$ 41              | \$ 133,000 | \$ 90,000  |
| Withdrawals:                            |                  |               |                    |            |            |
| Capital Expenditures / Bond Issue Costs | 1,070            | 2,431         | 5,143              | 69,672     | 167,500    |
| Other                                   |                  |               |                    |            |            |
| Sub-total                               | \$ 1,070         | \$ 2,431      | \$ 5,143           | \$ 69,672  | \$ 167,500 |
| Ending Balance                          | \$ 23,133        | \$ 23,133     | \$ 20,439          | \$ 83,767  | \$ 6,267   |

**Historical Activity**

|                                 | 2016   | 2017   | 2018   | 2019      | 2020      |
|---------------------------------|--------|--------|--------|-----------|-----------|
| Opening Balance                 | \$ 664 | \$ 152 | \$ 15  | \$ 284    | \$ 28,968 |
| Additions:                      |        |        |        |           |           |
| Bond Proceeds                   |        |        | 894    | 33,884    | 506       |
| Revolving credit facility       |        |        |        |           |           |
| Loans/transfers b/w Capital Fds |        |        |        |           |           |
| Other                           | 17     |        |        |           | 837       |
| Sub-total                       | \$ 17  | \$ -   | \$ 894 | \$ 33,884 | \$ 1,343  |
| Withdrawals:                    |        |        |        |           |           |
| Capital Expenditures            |        |        | 623    | 4,930     | 4,770     |
| Bond Proceeds                   |        |        |        |           |           |
| Loans/trnsf btw CapFds          |        |        |        |           |           |
| Other                           | 529    | 137    | 2      | 270       | -         |
| Sub-total                       | \$ 529 | \$ 137 | \$ 625 | \$ 5,200  | \$ 4,770  |
| Ending balance                  | \$ 152 | \$ 15  | \$ 284 | \$ 28,968 | \$ 25,541 |



Maximum Balance: 33,333  
Minimum Balance: 15

Average Balance: 9,969

**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.

### Energy Market Risk Management: Physical and Financial Positions

| Summary as of 4/1/2021                                   |        |    |
|--|--------|----|
| Projected FY21 Fuel Expense (Budget = \$357M)            | \$398M | ☹️ |
| Projected FY21 Fuel Fund Ending Balance (Target = \$68M) | \$71M  | ☺️ |
| EMRM Compliance  | Yes    | ☺️ |
| Counterparty Credit Limit Exceptions                     | No     | ☺️ |
| Any Issues of Concern                                    | No     | ☺️ |

**Table 1: Physical Counterparties (Contracts One Year or Greater) as of 4/1/2021**

| Generating Unit | Fuel Type   | Supplier/Counterparty               | Contract Type              | Remaining Contract Value | Remaining Contract Term |
|-----------------|-------------|-------------------------------------|----------------------------|--------------------------|-------------------------|
| Scherer 4       | Coal        | CY20 Blackjewel - Eagle Butte - 001 | Fixed Price                | \$347,286                | 2 months                |
| Scherer 4       | Coal        | CY20 Buckskin - 006                 | Fixed Price                | \$70,607                 | 1 month                 |
| Scherer 4       | Coal        | CY21 Blackjewel - Eagle Butte - 016 | Fixed Price                | \$1,963,317              | 8 months                |
| Scherer 4       | Coal        | CY21 Peabody Caballo - 017          | Fixed Price                | \$2,075,790              | 8 months                |
| NS CFB          | Limestone   | CY17-CY21 Vulcan                    | Fixed Price                | \$3,065,861              | 9 months                |
| NG Fleet        | Natural Gas | Shell Energy                        | Index w/Fixed Price Option | \$575,376,378            | 10.17 years             |
| NG Fleet        | Natural Gas | Main Street/MGAG                    | Index w/Discount           | \$116,340,658            | 28.00 years             |
| NG Fleet        | Natural Gas | Main Street/MGAG                    | Index w/Discount           | \$108,380,196            | 28.16 years             |
| NG Fleet        | Natural Gas | Main Street/MGAG                    | Index w/Discount           | \$67,547,403             | 18.00 years             |
| NG Fleet        | Natural Gas | Main Street/MGAG                    | Index w/Discount           | \$106,043,810            | 28.25 years             |

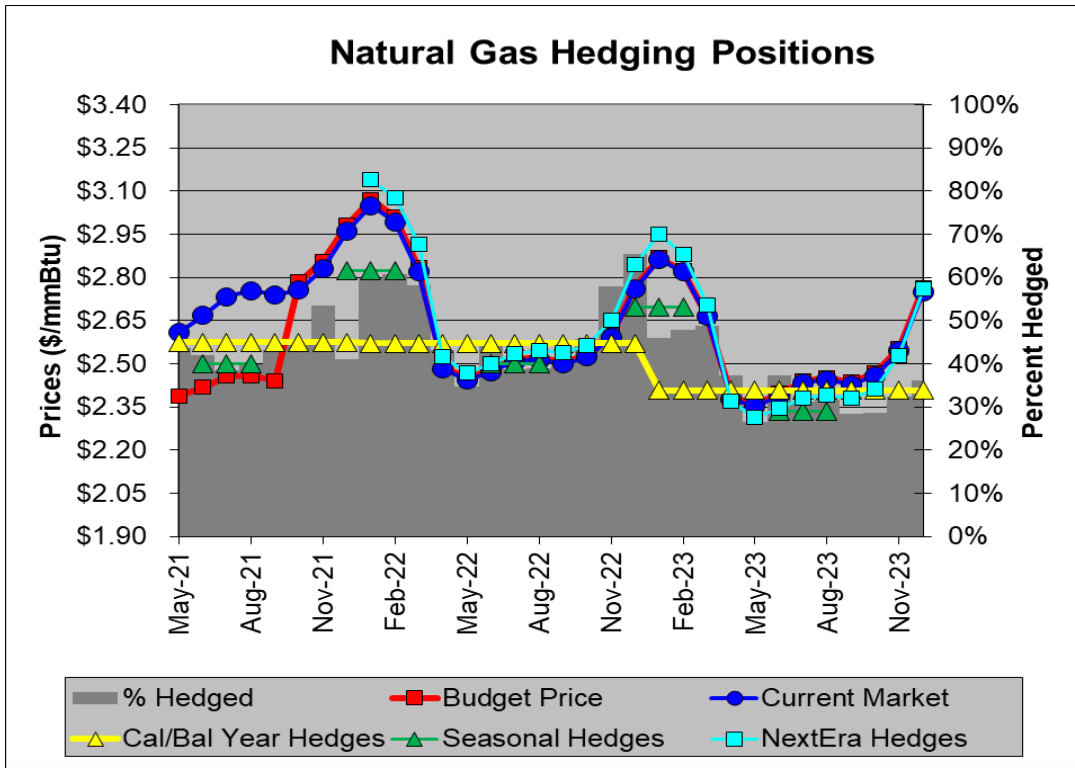
**Table 2: Financial Positions as of 4/1/2021**

| Year    | Commodity   | Physical Volume (mmBtu) | Hedged Volume (mmBtu) | Percent Hedged | Unhedged Cost | Hedge Type | Hedge Price | Mark-to-Market Value | Counter Party     |
|---------|-------------|-------------------------|-----------------------|----------------|---------------|------------|-------------|----------------------|-------------------|
| FY21    | Natural Gas | 24,519,675              | 10,100,000            | 41.2%          | \$ 2.70       | Swap       | \$ 2.50     | \$ (1,355,950)       | Wells Fargo & RBC |
| FY22    | Natural Gas | 52,815,845              | 23,720,000            | 44.9%          | \$ 2.69       | Swap       | \$ 2.58     | \$ (2,802,600)       | Wells Fargo & RBC |
| FY23    | Natural Gas | 45,397,671              | 18,260,000            | 40.2%          | \$ 2.55       | Swap       | \$ 2.47     | \$ (1,797,380)       | Wells Fargo & RBC |
| FY24    | Natural Gas | 47,415,822              | 3,680,000             | 7.8%           | \$ 2.56       | Swap       | \$ 2.41     | \$ (649,380)         | Wells Fargo & RBC |
| CY22-31 | Nat.Gas-PPA | 122,602,857             | 85,822,000            | 70.0%          | \$ 2.70       | Swap       | \$ 2.59     | \$ (9,601,701)       | Nextera           |

**Table 3: Fuel & Purchase Power Procurement as of 4/1/2021**

| Fuel Type                    | Natural Gas | Coal  | Petcoke | Limestone | Purchased Power | Oil/Diesel | Renewables | Vogtle     |        |
|------------------------------|-------------|-------|---------|-----------|-----------------|------------|------------|------------|--------|
| FY21 Remaining / Energy Mix  | 57%         | 14%   | 7%      | N/A       | 20%             | 0%         | 1%         | -          |        |
| Expected Spend (\$)          | 87.7M       | 28.0M | 15.6M   | 2.2M      | 46.7M           | 1.9M       | 7.9M       | -          |        |
| % Procured                   | 42%         | 59%   | 28%     | 100%      | 46%             | 100%       | 100%       | -          |        |
| % Hedged                     | 35%         | 59%   | 0%      | 100%      | 46%             | 100%       | 100%       | -          |        |
| Fuel Type                    | Natural Gas | Coal  | Petcoke | Limestone | FPL PPA         | PurchPwr   | Oil/Diesel | Renewables | Vogtle |
| FY22 Budget / Energy Mix     | 55%         | 9%    | 20%     | N/A       | 8%              | 6%         | 0%         | 2%         | 6%     |
| Expected Spend (\$)          | 146.0M      | 36.1M | 40.3M   | 6.8M      | 25.5M           | 31.7M      | 2.7M       | 17.4M      | 13.9M  |
| % Procured                   | 52%         | 21%   | 0%      | 13%       | 100%            | 0%         | 100%       | 100%       | 100%   |
| % Hedged                     | 42%         | 21%   | 0%      | 13%       | 70%             | 0%         | 100%       | 100%       | 100%   |
| FY23 Projection / Energy Mix | 48%         | 7%    | 14%     | N/A       | 7%              | 4%         | 0%         | 5%         | 13%    |
| Expected Spend (\$)          | 118.5M      | 28.1M | 42.0M   | 7.1M      | 28.7M           | 15.7M      | 1.6M       | 27.4M      | 25.2M  |
| % Procured                   | 62%         | 0%    | 0%      | 0%        | 100%            | 0%         | 100%       | 100%       | 100%   |
| % Hedged                     | 38%         | 0%    | 0%      | 0%        | 70%             | 0%         | 100%       | 100%       | 100%   |

- Supporting Notes:**
- Renewable purchase power agreements are not included in Table 1
  - Solid fuel procurement - annually at Scherer CY2020 -2021 and quarterly at Northside; JEA is transferring CY22 Scherer coal tons to co-owners in exchange for them transferring CY21 coal volumes to JEA
  - Scherer 4 Blackjewel Eagle Butte Contracts 21002, 21005, 22001, 22005 have been combined to 21016 and Peabody Caballo Contracts 21003, 21004, 22002, 22004, 22007 have been combined to 21017
  - Scherer 4 retires on 1/1/22
  - 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 3: FY22 Projections include assumed Scherer 4 retirement as of 1/1/2022 with an FPL PPA agreement as replacement
  - 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
  - Table 2 shows negative Mark-to-Market values, this indicates a projected payment to JEA for realized hedges



as of 4/1/2021



## Safety Moment and Briefing

**David Goldberg**  
Director, Customer & Community  
Engagement

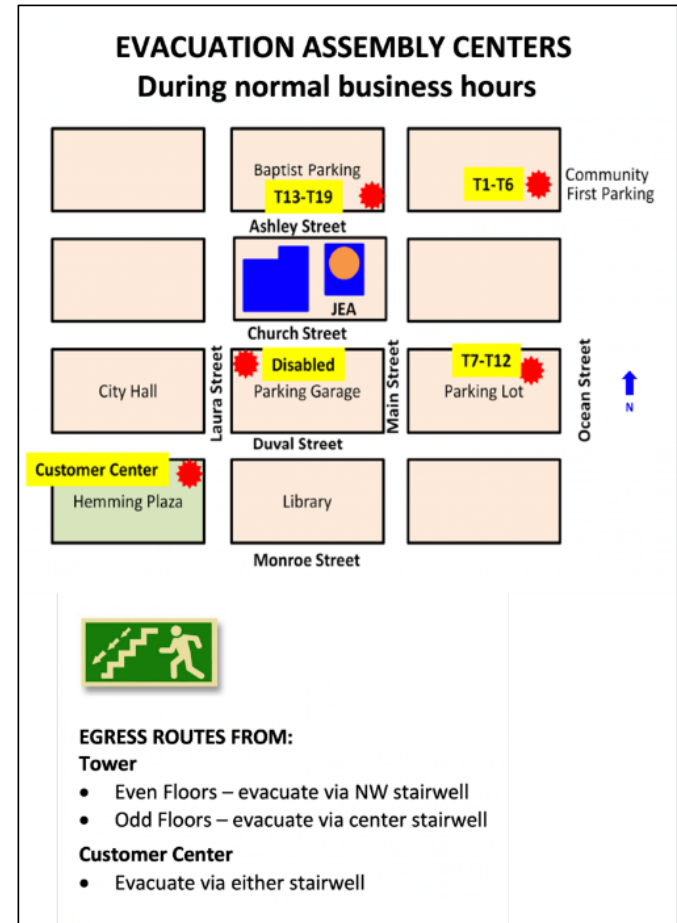
**Tony Long**  
Director, Safety and Health Services





# Safety Briefing

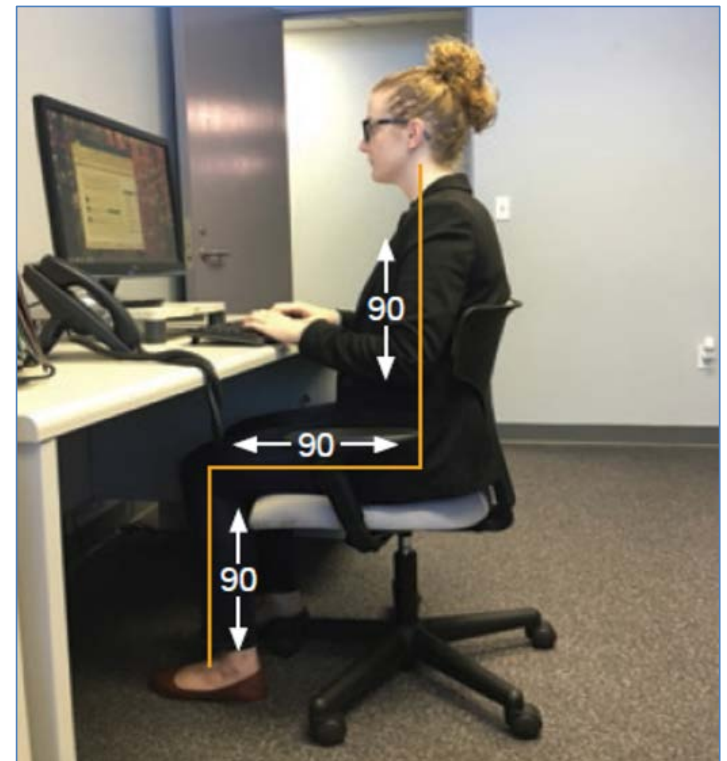
- In the event of an emergency, call 9-911 and alert others
- Emergency Evacuation Route (use stairwell)
- Assembly Location: Baptist Parking Lot (corner of Ashley & Main St.)
- Safety Partner (person to your right)
- Medical Conditions / CPR
- Hazard & Situational Awareness
- Cell Phone Etiquette



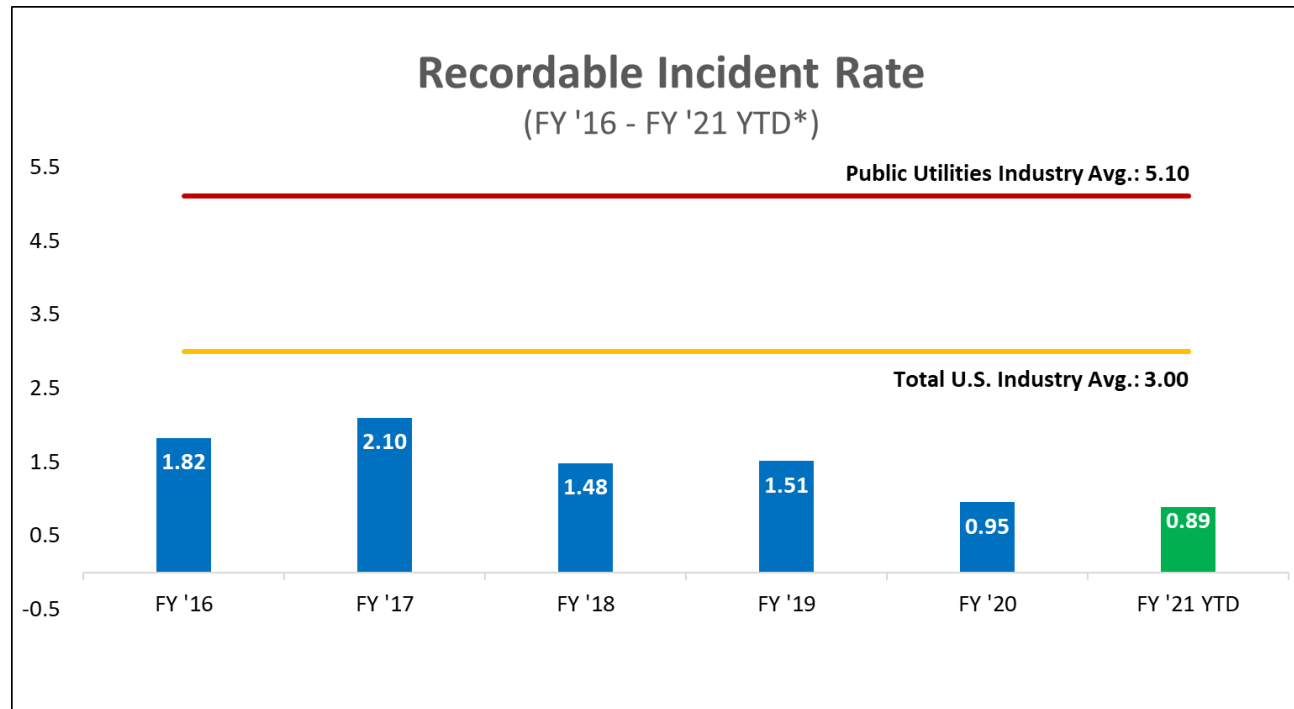
## Safety Moment – Office Ergonomics

### KEY Points before you KEY:

- Place monitor 18-24 inches in front of you;
- Target 16-20 inches for seat height & 25-30 inches for desk height;
- Monitor height at eye level (or slightly below);
- Place keyboard directly in front and promote floating wrist;
- Shoulders down & relaxed, elbows close to body;
- Mouse close to keyboard – avoid full forward reach;
- Hip, knee, and ankle at 90°/90°/90° position;
- Feet flat on the floor or use footrest; and
- Arm rest should be soft.



# Safety Performance Update



Recordable Incident Rate = [No. of OSHA Recordable Injuries ÷ Hours Worked] x 200,000



\* Incident rates estimated as of April 30, 2021



# **FY2022 Budget**

## **Finance & Audit Committee**

**Juli Crawford**  
Director, Financial Planning & Analysis



**May 14, 2021**

# FY2022 Budget Agenda



- 1 Budget Process Summary
- 2 Budget Summary & Consolidated Schedules
- 3 Electric System Budget Assumptions
- 4 Water/Wastewater Budget Assumptions
- 5 District Energy Budget Assumptions
- 6 Rate Stabilization Funds
- 7 Budget Timeline & Action Items
- 8 Supplemental Schedules



## Budget Process Summary



## BUDGET PROCESS SUMMARY



- ▶ 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 left, with many ongoing activities occurring intermittently throughout the process
- ▶ JEA's leadership meets individually with the Council Finance Committee members to review JEA's Financial Plan and proposed JEA Board approved budget
- ▶ Ongoing activities include monthly purchased power meetings, monthly forecast meetings, quarterly debt and investment meetings, enterprise risk management, annual risk assessments, integrated resource plan, cost of service studies





## **Budget Summaries & Consolidated Schedules**





# Electric System Operating Budget Components

**FY22 Budget**

**Fuel and Purchased Power**  
Reflects higher purchased power expenses

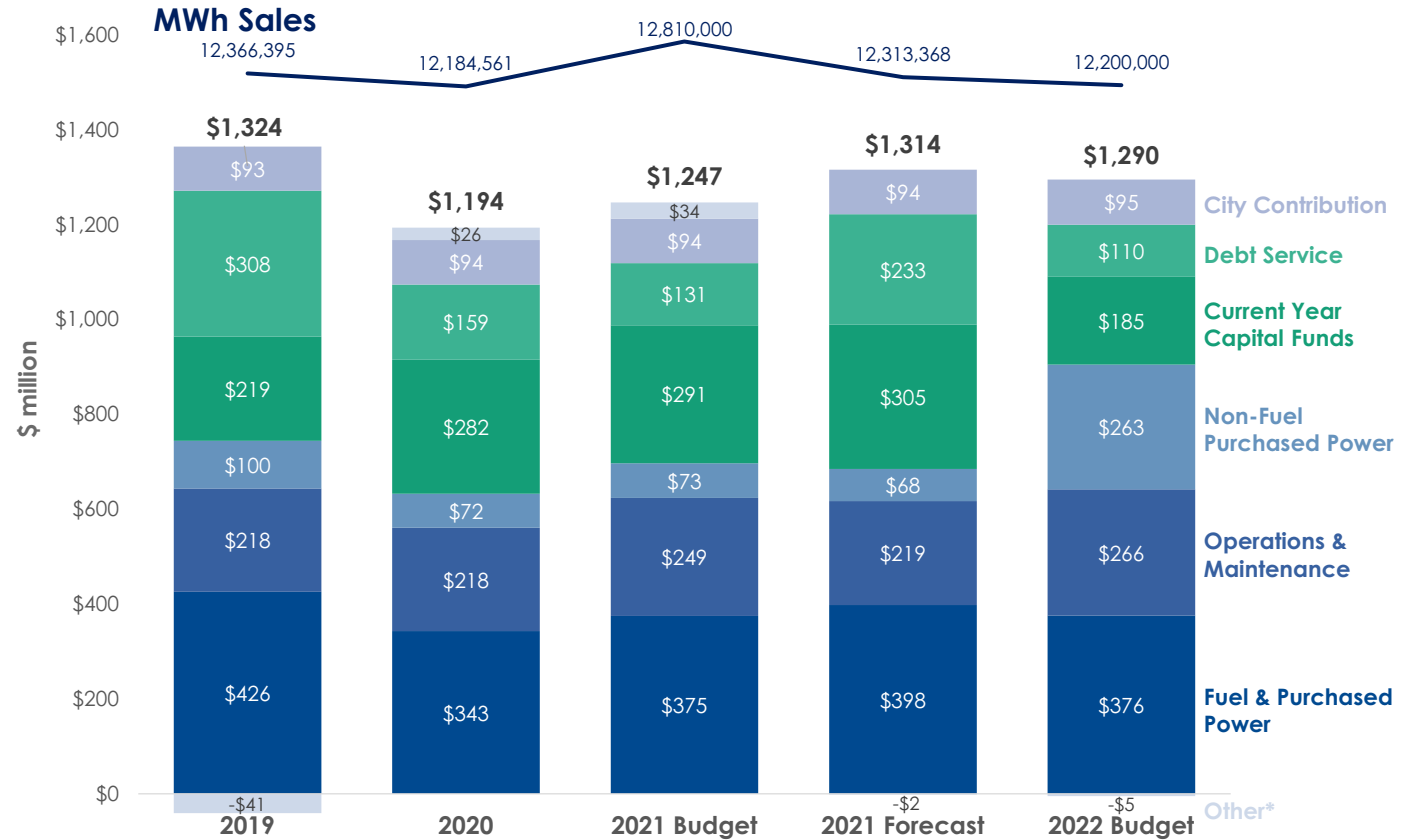
**O&M**  
Includes COVID expenses, new headquarters lease payments, generating unit outages

**Non-Fuel Purchased Power**  
Includes Scherer debt defeasance and MEAG PPA payments

**Internal Capital Funds**  
Fully funds the FY22 capital program utilizing current and prior year revenues

**Debt Service**  
Principal and interest projected to be lower than FY21

**City Contribution**  
Based on city contribution agreement extended to 2023



|                             |              |              |              |              |              |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|
| Current Year Capital Funds  | \$219        | \$282        | \$291        | \$305        | \$185        |
| (To)/from Fund Balance      | \$67         | (\$88)       | (\$73)       | (\$118)      | \$56         |
| <b>Capital Expenditures</b> | <b>\$286</b> | <b>\$194</b> | <b>\$218</b> | <b>\$187</b> | <b>\$241</b> |

\*Other includes Base Uncollectibles, Emergency Reserve funding, use of rate stabilization funds, and PSC fees. Change in budget primarily due to a planned \$7.3 million stabilization withdrawal in FY22B compared to a \$36 million deposit in FY21B

# Water and Sewer System Operating Budget Components

**FY22 Budget**

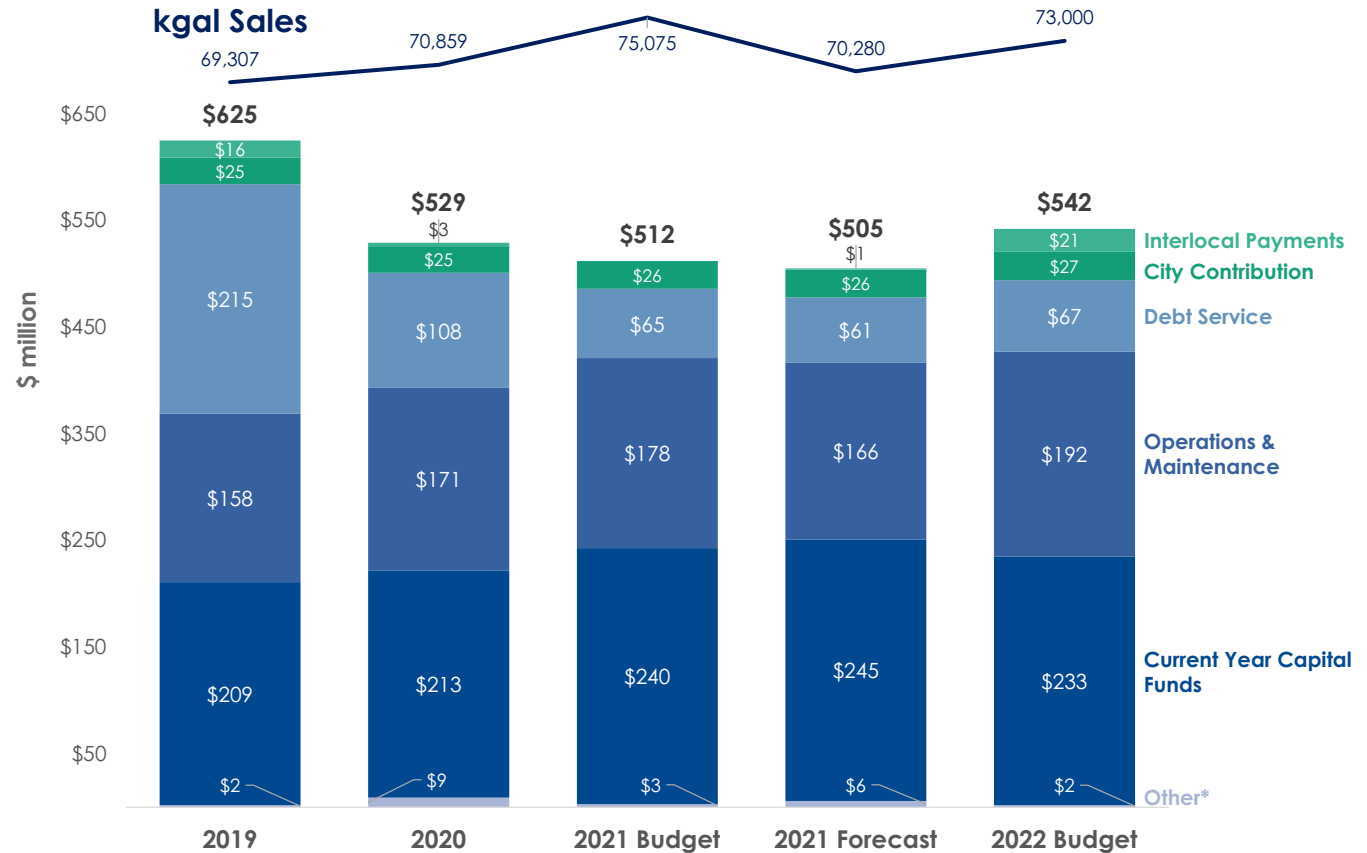
**Internal Capital Funds**  
Funds two-thirds of the FY22 capital program

**O&M**  
Includes salaries, benefits, materials, supplies, and funding other services and charges such as professional and industrial services

**Debt Service**  
Projected to be slightly higher than FY21

**City Contribution**  
Based on city contribution agreement extended to 2023

**Interlocal Payments**  
Includes a prepayment to Nassau County in addition to annual payments to Clay County and St. Johns County, and Septic Tank Phase Out funding



|                             | 2019         | 2020         | 2021 Budget  | 2021 Forecast | 2022 Budget  |
|-----------------------------|--------------|--------------|--------------|---------------|--------------|
| Current Year Capital Funds  | \$209        | \$213        | \$240        | \$245         | \$233        |
| (To)/from Fund Balance      | \$4          | (\$23)       | \$88         | (\$10)        | \$129        |
| <b>Capital Expenditures</b> | <b>\$213</b> | <b>\$190</b> | <b>\$328</b> | <b>\$235</b>  | <b>\$362</b> |

→ Debt Proceeds

\*Other includes Uncollectibles and Emergency Reserve funding

## FY2022 Total JEA Labor Costs

- Base payroll expense for FY2022 increases 6.0% vs FY2021 budget
- Benefits include \$6m in assumed incentive pay
- 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)             | FY2020  | Budget FY2021 | Budget FY2022 | Budget FY2022 vs FY2021 |
|------------------------------|---------|---------------|---------------|-------------------------|
| Payroll Expense <sup>1</sup> | \$201.2 | \$209.2       | \$221.8       | 6.0%                    |
| Benefits                     | 45.6    | 48.2          | 48.6          | 0.8%                    |
| Subtotal                     | \$246.8 | \$257.4       | \$270.4       | 5.1%                    |
| Pension                      | 41.6    | 40.4          | 43.8          | 8.4%                    |
| Subtotal                     | \$288.4 | \$297.8       | \$314.2       | 5.5%                    |

| Current JEA Salary Adjustment Summary <sup>2</sup> |                                 |                     |                     |                                     |                    |             |
|--|---------------------------------|---------------------|---------------------|-------------------------------------|--------------------|-------------|
| 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%               | <b>3.5%</b> |
| JSA  | 3.0%                            | 3.0%                | 3.0%                | 3.5%                                | 3.5%               | <b>3.5%</b> |
| LIUNA  | 4.5%                            | 5.0%                | 4.5%                | 3.5%                                | 3.5%               | <b>3.5%</b> |
| AFSCME   | 2.5%                            | 2.5%                | 3.0%                | 3.5%                                | 3.5%               | <b>3.5%</b> |
| M&C  | 3.0%                            | 3.0%                | 2.5%                | 2.9%                                | 3.0%               | <b>3.0%</b> |
| PEA  | 5.0%                            | 3.0%                | 3.0%                | 2.0%                                | 2.0%               | <b>2.0%</b> |
| 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%                | 0%-5.0%, avg 3.16% | <b>3.0%</b> |

**Notes**

1) Payroll expense includes salary, wages, temporary and contract for the Energy, Water and DES systems. Does not include Succession Planning of \$3.6m in FY2017 through FY2022

2) 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 FY2022



## Government Transfers via the JEA Bill

**Paid to COJ:**

- City Contribution
- Public Service Tax
- City Franchise Fee

**Paid to State of Florida:**

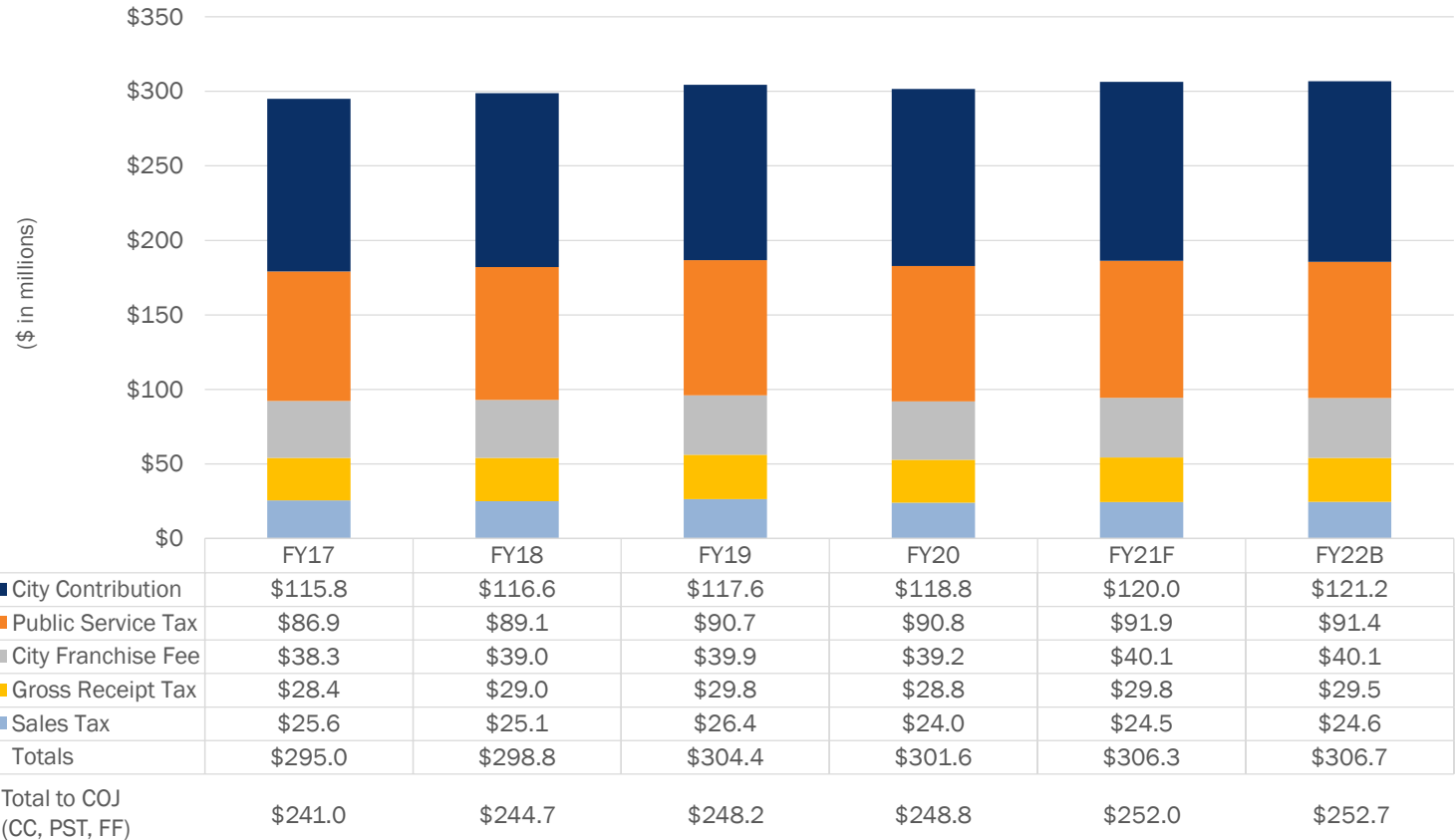
- Gross Receipt Tax

**Paid to COJ & State:**

- Sales Tax

Continues to increase based upon the agreement to contribute the greater of 1% increase on the baseline or the millage calculation

The City Contribution Agreement has been extended through FY2023





## Electric System Budget Assumptions



## Electric System Operating Budget

|  | FY2022 Budget         | FY2021 Budget         | Change                 | FY2021 Forecast       |
|--|-----------------------|-----------------------|------------------------|-----------------------|
| <b>FUEL RELATED REVENUES &amp; EXPENSES:</b> |                       |                       |                        |                       |
| <b>FUEL REVENUES:</b>                        |                       |                       |                        |                       |
| Fuel Revenues                                | \$ 368,899,940        | \$ 410,912,775        | \$ -42,012,835         | \$ 395,885,585        |
| <b>FUEL EXPENSES:</b>                        |                       |                       |                        |                       |
| Fuel & Purchased Power                       | \$ 368,899,940        | \$ 410,912,775        | \$ -42,012,835         | \$ 395,885,585        |
| <b>FUEL SURPLUS/(DEFICIT)</b>                | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>            | <b>\$ -</b>           |
| <b>BASE RELATED REVENUES &amp; EXPENSES</b>  |                       |                       |                        |                       |
| <b>BASE OPERATING REVENUES:</b>              |                       |                       |                        |                       |
| Base Rate Revenues                           | \$ 785,192,000        | \$ 793,579,500        | \$ -8,387,500          | \$ 770,712,009        |
| Environmental Charge Revenue                 | 7,442,000             | 7,814,100             | -372,100               | 7,532,299             |
| Conservation Charge & Demand Side Revenue    | 732,000               | 768,600               | -36,600                | 699,541               |
| Other Revenues                               | 123,615,440           | 25,141,212            | 98,474,228             | 132,440,661           |
| Natural Gas Pass Through Revenue             | 823,420               | 967,784               | -144,364               | 876,728               |
| <b>Total Base Related Revenues</b>           | <b>\$ 917,804,860</b> | <b>\$ 828,271,196</b> | <b>\$ 89,533,664</b>   | <b>\$ 912,261,238</b> |
| <b>BASE OPERATING EXPENSES:</b>              |                       |                       |                        |                       |
| Operating and Maintenance                    | \$ 255,776,299        | \$ 239,699,869        | \$ 16,076,430          | \$ 211,609,532        |
| Environmental                                | 2,263,500             | 1,891,598             | 371,902                | 1,134,250             |
| Conservation & Demand-side Management        | 7,227,800             | 6,422,909             | 804,891                | 5,364,921             |
| Natural Gas Pass Through Expense             | 918,473               | 915,183               | 3,290                  | 956,074               |
| Non-Fuel Purchased Power                     | 263,361,133           | 72,642,571            | 190,718,562            | 67,757,264            |
| Non-Fuel Uncollectibles & PSC Tax            | 1,391,596             | 2,606,030             | -1,214,434             | 2,218,988             |
| Emergency Contingency                        | 5,000,000             | 5,000,000             | -                      | 5,000,000             |
| <b>Total Base Related Expenses</b>           | <b>\$ 535,938,801</b> | <b>\$ 329,178,160</b> | <b>\$ 206,760,641</b>  | <b>\$ 294,041,029</b> |
| <b>BASE OPERATING INCOME:</b>                | <b>\$ 381,866,059</b> | <b>\$ 499,093,036</b> | <b>\$ -117,226,977</b> | <b>\$ 618,220,209</b> |

## Electric System Operating Budget

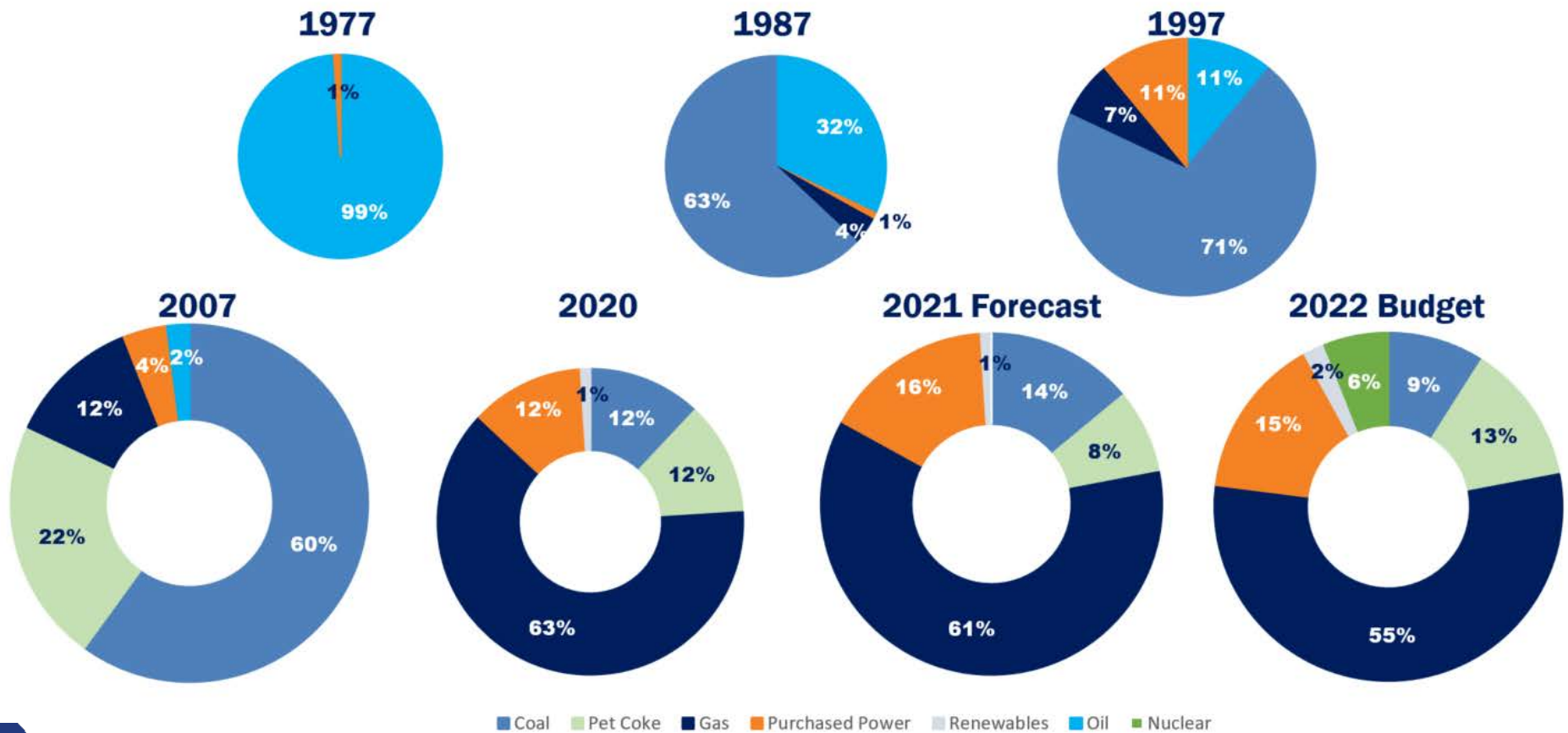
|   | FY2022 Budget           | FY2021 Budget           | Change                 | FY2021 Forecast         |
|---|-------------------------|-------------------------|------------------------|-------------------------|
| <b>NON-OPERATING REVENUE:</b>               |                         |                         |                        |                         |
| Investment Income                           | \$ 3,194,911            | \$ 7,962,574            | \$ -4,767,663          | \$ 5,957,665            |
| Total Non Operating Revenues                | \$ 3,194,911            | \$ 7,962,574            | \$ -4,767,663          | \$ 5,957,665            |
| <b>NON-OPERATING EXPENSES:</b>              |                         |                         |                        |                         |
| Debt Service                                | \$ 109,816,948          | \$ 131,173,417          | \$ -21,356,469         | 232,722,926             |
| Demand-side Management - Rate Stabilization | -395,800                | 750,691                 | -1,146,491             | 1,545,670               |
| Environmental - Rate Stabilization          | -3,821,756              | -9,423,646              | 5,601,890              | -8,579,870              |
| Total Non Operating Expenses                | \$ 105,599,392          | \$ 122,500,462          | \$ -16,901,070         | \$ 225,688,726          |
| <b>BASE INCOME BEFORE TRANSFERS</b>         | <b>\$ 279,461,578</b>   | <b>\$ 384,555,148</b>   | <b>\$ -105,093,570</b> | <b>\$ 398,489,148</b>   |
| City Contribution Expense                   | 94,545,651              | 93,609,555              | 936,096                | 93,609,555              |
| Interlocal Payments                         | -                       | -                       | -                      | -                       |
| Renewal and Replacement Fund                | 65,000,000              | 64,012,472              | 987,528                | 62,540,250              |
| Operating Capital Outlay                    | 116,621,139             | 217,292,441             | -100,671,302           | 227,361,425             |
| Environmental Capital Outlay                | 3,294,788               | 9,640,680               | -6,345,892             | 14,977,918              |
| Contingencies & Working Capital             | -                       | -                       | -                      | -                       |
| Total Non-Fuel Expenses                     | \$ 279,461,578          | \$ 384,555,148          | \$ -105,093,570        | \$ 398,489,148          |
| <b>SURPLUS/(DEFICIT)</b>                    | <b>\$ -</b>             | <b>\$ -</b>             | <b>\$ -</b>            | <b>\$ -</b>             |
| <b>TOTAL REVENUES</b>                       | <b>\$ 1,289,899,711</b> | <b>\$ 1,247,146,545</b> | <b>\$ 42,753,166</b>   | <b>\$ 1,314,104,488</b> |
| <b>TOTAL APPROPRIATIONS</b>                 | <b>\$ 1,289,899,711</b> | <b>\$ 1,247,146,545</b> | <b>\$ 42,753,166</b>   | <b>\$ 1,314,104,488</b> |
| <b>BUDGETED EMPLOYEE POSITIONS</b>          | <b>1,527</b>            | <b>1,527</b>            | <b>-</b>               | <b>1,527</b>            |
| <b>BUDGETED TEMPORARY HOURS</b>             | <b>104,000</b>          | <b>104,000</b>          | <b>-</b>               | <b>104,000</b>          |

## Electric System Capital Budget

|  | FY2022 Budget         | FY2021 Budget         | Change                | FY2021 Forecast       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>CAPITAL FUNDS:</b>                  |                       |                       |                       |                       |
| Renewal & Replacement Deposits         | \$ 65,000,000         | \$ 64,012,472         | \$ 987,528            | \$ 62,540,250         |
| Operating Capital Outlay               | 116,621,139           | 217,292,441           | -100,671,302          | 227,361,425           |
| Environmental Capital Outlay           | 3,294,788             | 9,640,680             | -6,345,892            | 14,977,918            |
| Debt Proceeds                          | -                     | -                     | -                     | -                     |
| Other Proceeds                         | 55,886,073            | -                     | 55,886,073            | -                     |
| Total Capital Funds                    | <u>\$ 240,802,000</u> | <u>\$ 290,945,593</u> | <u>\$ -50,143,593</u> | <u>\$ 304,879,593</u> |
| <b>CAPITAL PROJECTS:</b>               |                       |                       |                       |                       |
| Generation Projects                    | \$ 40,010,000         | \$ 30,462,000         | \$ 9,548,000          | \$ 26,480,000         |
| Transmission and Distribution Projects | 119,503,000           | 129,577,000           | -10,074,000           | 108,626,000           |
| Other Projects                         | 81,289,000            | 57,503,000            | 23,786,000            | 51,473,000            |
| Total Capital Projects Subtotal        | <u>\$ 240,802,000</u> | <u>\$ 217,542,000</u> | <u>\$ 23,260,000</u>  | <u>\$ 186,579,000</u> |
| Capital Reserve                        | -                     | 73,403,593            | -73,403,593           | 118,300,593           |
| Total                                  | <u>\$ 240,802,000</u> | <u>\$ 290,945,593</u> | <u>\$ -50,143,593</u> | <u>\$ 304,879,593</u> |



# Electric Fuel Mix



## Fuel Rate per MWh



- ▶ FY22 projected fuel expenses include the new FPL Power Purchase Agreement that replaces the generation from Scherer 4’s retirement, Vogtle Unit 3, and commencement of the 250 MW solar project.
- ▶ Pricing Policy annually sets Fuel Stabilization Fund balance target at 15% of the highest fuel expense over the past five fiscal years of \$455 million, currently \$68 million
- ▶ FY2022 year-end Fuel Stabilization Fund balance projected to be 16% of target expense utilizing the current \$32.50 fuel rate, exceeding the target range
- ▶ This leads to a recommendation of lowering the Fuel Charge to customers from \$32.50/MWh to \$30.50/MWh for FY 2022

|                                 | FY2019A | FY2020A | FY2021F | FY2022B |
|---------------------------------|---------|---------|---------|---------|
| Fuel Charge Budgeted per \$/MWh | \$32.50 | \$32.50 | \$32.50 | \$30.50 |
| Fund as a % of Target Expense   | 9%      | 16%     | 16%     | 14%     |
| Annual Fuel Cost (millions)     | \$426   | \$343   | \$398   | \$376   |

## FY2022 Electric System Non-Fuel Purchased Power

| <b>SJRPP</b> <small>(Shut down 1/5/18)</small> | <b>FY2021</b>       | <b>FY2022</b>        | <b>Variance</b>      | <b>Explanation</b>   |
|--|---------------------|----------------------|----------------------|--|
| Debt Service                                   | \$23,780,931        | \$20,062,324         | -\$3,718,607         | Lower D/S interest due to planned SJRPP early debt retirement            |
| R&R  | 2,972,616           | 2,507,791            | -464,825             |  |
| <i>Subtotal SJRPP</i>                          | <i>\$26,753,547</i> | <i>\$22,570,115</i>  | <i>-\$4,183,432</i>  |  |
| <b>Scherer</b>                                 | <b>FY2021</b>       | <b>FY2022</b>        | <b>Variance</b>      | <b>Explanation</b>   |
| O&M  | \$7,509,000         | \$7,336,381          | -\$172,619           |  |
| Debt Service                                   | 10,029,775          | 77,635,936           | 67,606,161           | Planned Scherer early debt retirement                                    |
| R&R  | 9,450,249           | 2,040,869            | -7,409,380           | 1 <sup>st</sup> quarter 2022 only  |
| Transmission                                   | 6,100,000           | 1,640,810            | -4,459,190           | 1 <sup>st</sup> quarter 2022 only  |
| <i>Subtotal Scherer</i>                        | <i>\$33,089,024</i> | <i>\$88,653,996</i>  | <i>\$55,564,972</i>  |  |
| <b>Other</b>                                   | <b>FY2021</b>       | <b>FY2022</b>        | <b>Variance</b>      | <b>Explanation</b>   |
| Other Capacity                                 | \$7,800,000         | \$8,200,000          | 400,000              |  |
| FPL Capacity                                   | 0                   | 17,010,000           | 17,010,000           | Per Scherer shutdown agreement with FPL, fixed cost per MW of capacity   |
| Vogtle Administration                          | 5,000,000           | 0                    | -5,000,000           | No additional Vogtle legal costs   |
| Vogtle Capacity                                | 0                   | 21,404,171           | 21,404,171           | Planned Vogtle capacity costs, including O&M                             |
| Vogtle Debt Service                            | 36,501,372          | 80,522,851           | 44,021,479           | Planned D/S payment for Vogtle   |
| Rate Stabilization                             | -36,501,372         | 25,000,000           | 61,501,372           | Planned contribution to non-fuel purchased power rate stabilization fund |
| <i>Subtotal Other</i>                          | <i>\$12,800,000</i> | <i>\$152,137,022</i> | <i>139,337,022</i>   |  |
| <b>Total</b>                                   | <b>\$72,642,571</b> | <b>\$263,361,133</b> | <b>\$190,718,562</b> |  |

## Electric System Operating Budget

### Strategic Issues Included in Budget:

| <b>FOR FY2022 (\$ in millions)</b> |               |
|------------------------------------|---------------|
| Generating Unit Outages            | 7.4           |
| New Headquarters                   | 6.6           |
| Succession Planning Staffing Risks | 2.6           |
| COVID related expenses             | 2.0           |
| <b>Total</b>                       | <b>\$18.6</b> |

| <b>FOR FY2021 (\$ in millions)</b> |               |
|------------------------------------|---------------|
| Generating Unit Outages            | 4.7           |
| Succession Planning Staffing Risks | 2.6           |
| COVID related expenses             | 2.8           |
| <b>Total</b>                       | <b>\$10.1</b> |

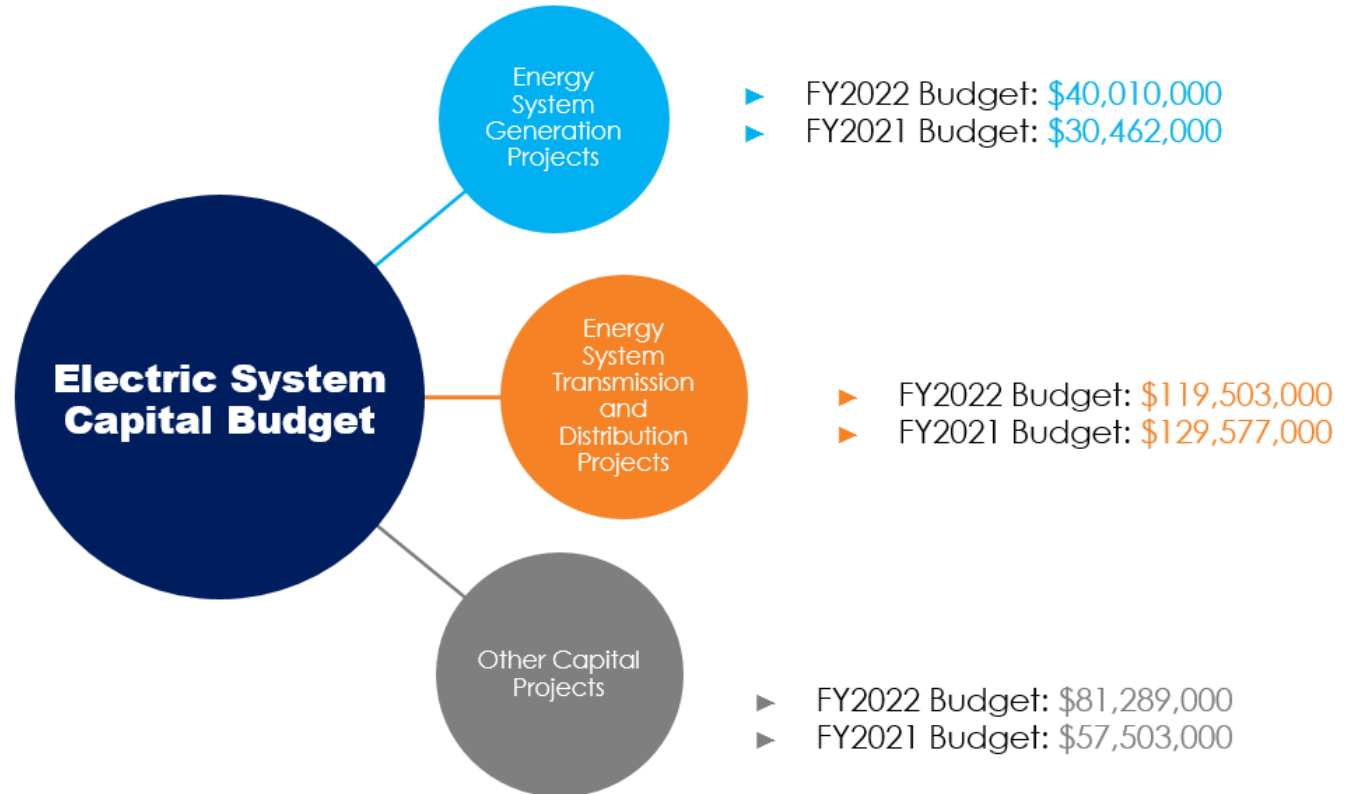
| <b>(\$ in millions)</b>   | <b>FY2021 Budget<sup>1</sup></b> | <b>FY2022 Budget<sup>1</sup></b> | <b>Variance</b> | <b>Explanation</b>   |
|---------------------------|----------------------------------|----------------------------------|-----------------|--|
| Salaries                  | \$141.5                          | \$146.9                          | \$5.4           | Includes bargaining unit step increases per contractual agreements and estimated general increases.  |
| Benefits                  | 63.3                             | 65.4                             | 2.1             | Increases in benefits due to salary increases  |
| Other Services            | 116.0                            | 128.2                            | 12.2            | Increases to rental and professional services for new headquarters lease and associated costs such as scanning, increase in outage costs, increase in industrial services, increase in building and structures maintenance |
| Materials & Supplies      | 19.2                             | 20.8                             | 1.6             | Increases to outage supplies and materials, inventory issues, and miscellaneous supplies and tools   |
| Other                     | 19.5                             | 18.2                             | -1.3            | Decrease to inventory carrying costs and decrease to interest on customer deposits   |
| Credits – Shared Services | -63.9                            | -66.4                            | -2.5            | Increase in shared cost allocation   |
| Credits – Capitalization  | -43.8                            | -44.1                            | -0.3            | Higher overall capitalized labor credits   |
| Credits – Other           | -12.1                            | -13.2                            | -1.1            | Increase in Fuel Procurement and Handling credit   |
| Conservation/DSM          | 6.4                              | 7.2                              | 0.8             | Stable   |
| Environmental             | 1.9                              | 2.3                              | 0.4             | Stable   |
| Ret. Natural Gas          | 0.9                              | 0.9                              | 0               | No change  |
| <b>Total</b>              | <b>\$248.9</b>                   | <b>\$266.2</b>                   | <b>\$17.3</b>   |  |



## Electric System FY2022 Capital Budget

# Total FY2022 Budget: \$241 Million

- ▶ FY2021 capital plan budget was \$217.5 million, current forecast is \$187 million
- ▶ FY2022 capital funding plan utilizes existing capital cash balances to fund qualifying projects, resulting in no new debt issuance for FY2022



## Electric System FY2022 Capital Budget

### Sources of Funds

\$241  
Million

- ▶ **\$ 117**  
MILLION OPERATING CAPITAL OUTLAY
- ▶ **\$ 65**  
MILLION RENEWAL & REPLACEMENT
- ▶ **\$ 3**  
MILLION ENVIRONMENTAL RATE STABILIZATION
- ▶ **\$ 56**  
MILLION OTHER PROCEEDS

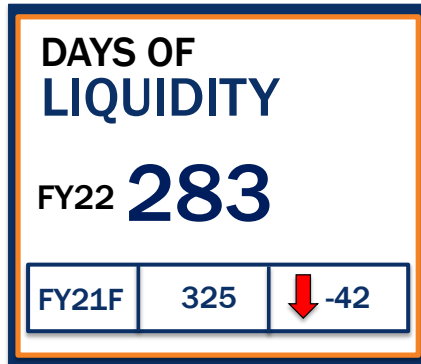
### Uses of Funds

- ▶ **\$ 220**  
MILLION SYSTEM MAINTENANCE
  - Renewal & Replacement
  - Distribution
  - Facilities, Fleet, & Technology
- ▶ **\$ 18**  
MILLION SYSTEM EXPANSION
  - New or Expanded Generation
  - New Transmission Lines
  - New or Expanded Substations
- ▶ **\$ 3**  
MILLION ENVIRONMENTAL
  - Solar Projects
  - Nox Emissions Reductions

FY2022 key projects include \$30 million for General Administration Building and EOC, \$9.9 million for 69kV rebuild, and \$9.4 million for Kennedy Generation Station CT7 Rotor Replacement

Note: Detailed FY2022 project list is included in the Supplemental Schedules section

## Electric System FY2022 Operating Metrics



**DEBT TO ASSET RATIO<sup>^</sup>**

FY22 **47.0%**

|       |       |        |
|-------|-------|--------|
| FY21F | 52.0% | ↓ 5.0% |
|-------|-------|--------|

**DEBT SERVICE TOTAL**

FY22 **\$109.8**

|       |         |           |
|-------|---------|-----------|
| FY21F | \$131.2 | ↓ -\$21.4 |
|-------|---------|-----------|

**DEBT SERVICE COVERAGE**

FY22 **4.2x**

|       |      |         |
|-------|------|---------|
| FY21F | 5.2x | ↓ -1.0x |
|-------|------|---------|

**Electric System Bond Rating: A2/A+/AA**



## Water & Wastewater System Budget Assumptions





## Water Wastewater System Operating Budget

|   | FY2022 Budget         | FY2021 Budget         | Change               | FY2021 Forecast       |
|---|-----------------------|-----------------------|----------------------|-----------------------|
| <b>BASE RELATED REVENUES &amp; EXPENSES</b> |                       |                       |                      |                       |
| <b>BASE OPERATING REVENUES:</b>             |                       |                       |                      |                       |
| Base Rate Revenues                          | \$ 439,929,234        | \$ 437,545,588        | \$ 2,383,646         | \$ 426,974,149        |
| Environmental Charge Revenue                | 27,010,000            | 27,777,750            | -767,750             | 25,684,865            |
| Other Revenues                              | 25,494,531            | 14,600,000            | 10,894,531           | 11,003,104            |
| Total Base Related Revenues                 | <u>\$ 492,433,765</u> | <u>\$ 479,923,338</u> | <u>\$ 12,510,427</u> | <u>\$ 463,662,118</u> |
| <b>BASE OPERATING EXPENSES:</b>             |                       |                       |                      |                       |
| Operating and Maintenance                   | \$ 184,882,130        | \$ 175,430,345        | \$ 9,451,785         | \$ 164,985,986        |
| Environmental CUP - DSM                     | \$ 7,608,200          | \$ 2,394,238          | 5,213,962            | 864,713               |
| Non-Fuel Uncollectibles & PSC Tax           | \$ 700,409            | \$ 1,395,970          | -695,561             | 1,315,963             |
| Emergency Contingency                       | \$ 1,000,000          | \$ 1,000,000          | -                    | 1,000,000             |
| Total Base Related Expenses                 | <u>\$ 194,190,739</u> | <u>\$ 180,220,553</u> | <u>\$ 13,970,186</u> | <u>\$ 168,166,662</u> |
| <b>BASE OPERATING INCOME:</b>               | <b>\$ 298,243,026</b> | <b>\$ 299,702,785</b> | <b>\$ -1,459,759</b> | <b>\$ 295,495,456</b> |
| <b>NON-OPERATING REVENUE:</b>               |                       |                       |                      |                       |
| Investment Income                           | 2,075,631             | 2,975,171             | -899,540             | 2,765,074             |
| Capacity Fees                               | 47,000,000            | 29,388,151            | 17,611,849           | 38,442,107            |
| Total Non Operating Revenues                | <u>\$ 49,075,631</u>  | <u>\$ 32,363,322</u>  | <u>\$ 16,712,309</u> | <u>\$ 41,207,181</u>  |

## Water Wastewater System Operating Budget

|   | FY2022 Budget         | FY2021 Budget         | Change               | FY2021 Forecast       |
|---|-----------------------|-----------------------|----------------------|-----------------------|
| <b>NON-OPERATING EXPENSES:</b>              |                       |                       |                      |                       |
| Debt Service                                | 67,135,355            | 65,436,531            | 1,698,824            | 61,123,521            |
| Demand-side Management - Rate Stabilization | -                     | -                     | -                    | -                     |
| Environmental - Rate Stabilization          | -                     | -                     | -                    | -                     |
| Total Non Operating Expenses                | <u>\$ 67,135,355</u>  | <u>\$ 65,436,531</u>  | <u>\$ 1,698,824</u>  | <u>\$ 61,123,521</u>  |
| <b>BASE INCOME BEFORE TRANSFERS</b>         | <b>\$ 280,183,302</b> | <b>\$ 266,629,576</b> | <b>\$ 13,553,726</b> | <b>\$ 275,579,116</b> |
| City Contribution Expense                   | 26,666,722            | 26,402,695            | 264,027              | 26,402,695            |
| Interlocal Payments                         | 21,000,000            | 0                     | 21,000,000           | 942,201               |
| Renewal and Replacement Fund                | 25,243,465            | 26,606,100            | -1,362,635           | 26,606,100            |
| Operating Capital Outlay                    | 149,471,315           | 167,449,118           | -17,977,803          | 166,917,081           |
| Operating Capital Outlay - Environmental    | 10,801,800            | 16,783,512            | -5,981,712           | 16,268,932            |
| Capacity Fees                               | 47,000,000            | 29,388,151            | 17,611,849           | 38,442,107            |
| Contingencies & Working Capital             | -                     | -                     | -                    | -                     |
| Total Non-Fuel Expenses                     | <u>\$ 280,183,302</u> | <u>\$ 266,629,576</u> | <u>\$ 13,553,726</u> | <u>\$ 275,579,116</u> |
| <b>SURPLUS/(DEFICIT)</b>                    | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ -</b>          | <b>\$ -</b>           |
| <b>TOTAL REVENUES</b>                       | <b>\$ 541,509,396</b> | <b>\$ 512,286,660</b> | <b>\$ 29,222,736</b> | <b>\$ 504,869,299</b> |
| <b>TOTAL APPROPRIATIONS</b>                 | <b>\$ 541,509,396</b> | <b>\$ 512,286,660</b> | <b>\$ 29,222,736</b> | <b>\$ 504,869,299</b> |
| BUDGETED EMPLOYEE POSITIONS                 | 625                   | 625                   | 0                    | 625                   |
| BUDGETED TEMPORARY HOURS                    | 20,800                | 20,800                | 0                    | 20,800                |

## Water Wastewater System Capital Budget

|                                | FY2022 Budget         | FY2021 Budget         | Change               | FY2021 Forecast       |
|--------------------------------|-----------------------|-----------------------|----------------------|-----------------------|
| <b>CAPITAL FUNDS:</b>          |                       |                       |                      |                       |
| Renewal & Replacement Deposits | \$ 25,243,465         | \$ 26,606,100         | \$ -1,362,635        | \$ 26,606,100         |
| Operating Capital Outlay       | 149,471,315           | 167,449,118           | -17,977,803          | 166,917,081           |
| Environmental Capital Outlay   | 10,801,800            | 16,783,512            | -5,981,712           | 13,067,684            |
| Capacity Fees                  | 47,000,000            | 29,388,151            | 17,611,849           | 38,442,107            |
| Debt Proceeds                  | 129,885,420           | 87,635,119            | 42,250,301           | -                     |
| Other Proceeds                 |                       |                       | -                    | -                     |
| <b>Total Capital Funds</b>     | <u>\$ 362,402,000</u> | <u>\$ 327,862,000</u> | <u>\$ 34,540,000</u> | <u>\$ 235,000,000</u> |
| <b>CAPITAL PROJECTS:</b>       |                       |                       |                      |                       |
| Water Projects                 | 96,792,000            | 99,342,000            | -2,550,000           | 82,000,000            |
| Sewer Projects                 | 231,120,000           | 200,440,000           | 30,680,000           | 127,000,000           |
| Other Projects                 | 34,490,000            | 28,080,000            | 6,410,000            | 26,000,000            |
| <b>Total Capital Projects</b>  | <u>362,402,000</u>    | <u>327,862,000</u>    | <u>34,540,000</u>    | <u>235,000,000</u>    |
| Capital Reserves               | -                     | -                     | -                    | 10,032,972            |
| <b>Total</b>                   | <u>\$ 362,402,000</u> | <u>\$ 327,862,000</u> | <u>\$ 34,540,000</u> | <u>\$ 245,032,972</u> |

## Water Wastewater System Operating Budget

### Strategic Issues Included in Budget:

| <b>FOR FY2022 (\$ in millions)</b> |              |
|------------------------------------|--------------|
| Wastewater Treatment Program       | \$3.1        |
| New Headquarters                   | 2.5          |
| Preventative Maintenance           | 1.8          |
| Succession Planning Staffing Risks | 1.0          |
| Storm Generators and Pumps         | 0.7          |
| Well Rehab Program                 | 0.5          |
| <b>Total</b>                       | <b>\$9.6</b> |

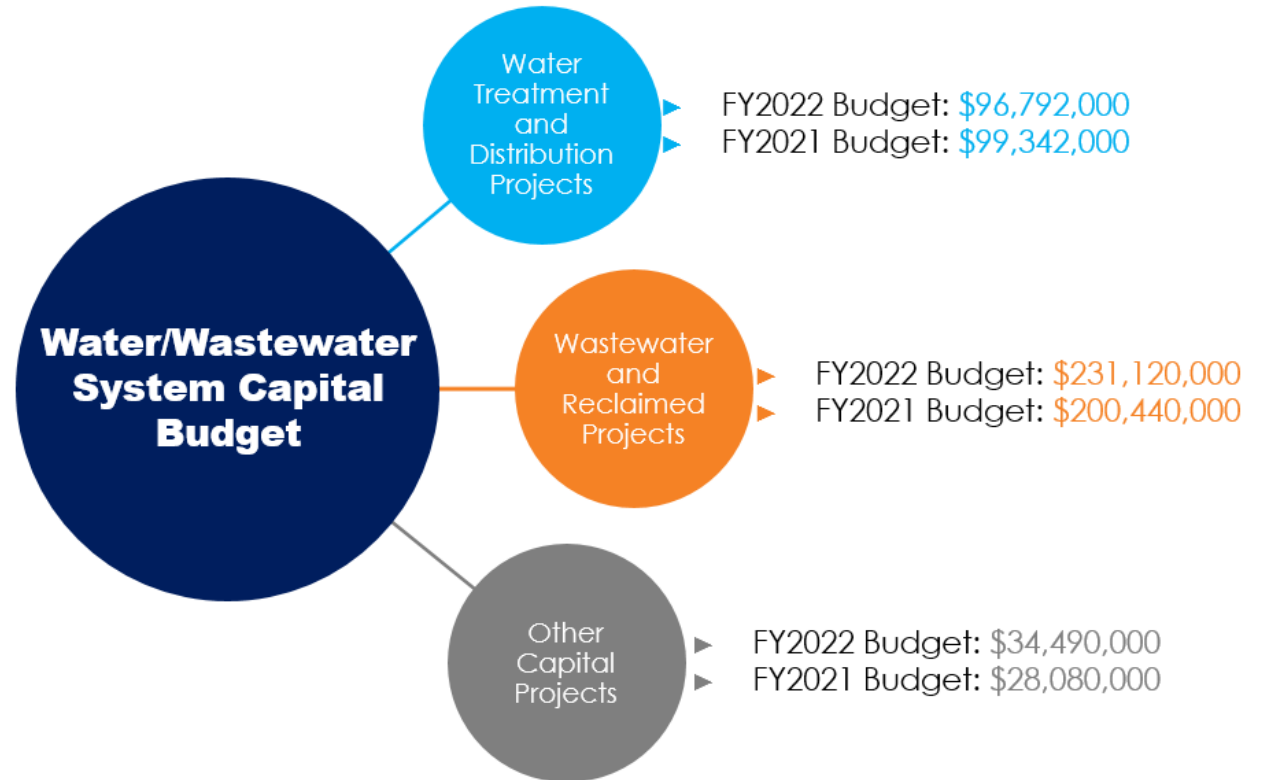
| <b>FOR FY2021 (\$ in millions)</b>      |              |
|---|--------------|
| Storm Generators and Pumps              | \$1.3        |
| Succession Planning Staffing Risks      | 1.0          |
| Innovative Wastewater Treatment Program | 0.6          |
| Sewer Preventive Maintenance Cleaning   | 0.3          |
| Septic Tank Phase Out Engineering       | 0.8          |
| <b>Total</b>                            | <b>\$4.0</b> |

| <b>(\$ in millions)</b>  | <b>FY2022 Budget<sup>1</sup></b> | <b>FY2021 Budget<sup>1</sup></b> | <b>Variance</b> | <b>Explanation</b>  |
|--------------------------|----------------------------------|----------------------------------|-----------------|---|
| Salaries                 | \$62.2                           | \$56.6                           | \$5.6           | Includes bargaining unit step increases per contractual agreements and estimated general increases. |
| Benefits                 | 26.3                             | 24.7                             | 1.6             | Primarily due to increases in salaries  |
| Other Services           | 30.4                             | 30.2                             | 0.2             | In line with FY2021 budget  |
| Materials & Supplies     | 15.1                             | 14.1                             | 1.0             | Increased cost of supplies and materials  |
| Shared Services          | 66.3                             | 63.8                             | 2.5             | Increase to Water Billing Credit Expense  |
| Other                    | 6.3                              | 4.6                              | 1.7             | Insurance premium increase  |
| Credits – Capitalization | -21.7                            | -18.6                            | -3.1            | Greater capitalization  |
| Env. CUP - DSM           | 7.6                              | 2.4                              | -5.2            | Water DSM Program   |
| <b>Total</b>             | <b>\$192.5</b>                   | <b>\$177.8</b>                   | <b>\$4.3</b>    |   |

## Water Wastewater System FY2022 Capital Budget

# Total FY2022 Budget: \$362 Million

- ▶ FY2021 capital plan budget was \$327.9 million, current forecast is \$235 million
- ▶ FY2022 capital funding plan utilizes existing capital cash balances to fund qualifying projects, but may also require up to \$130 million in new debt issuance for FY2022



## Water Wastewater System FY2022 Capital Budget

### Sources of Funds

\$362  
Million

|                    |                          |
|--------------------|--------------------------|
| ▶ \$130<br>MILLION | DEBT PROCEEDS            |
| ▶ \$196<br>MILLION | OPERATING CAPITAL OUTLAY |
| ▶ \$25<br>MILLION  | RENEWAL & REPLACEMENT    |
| ▶ \$11<br>MILLION  | ENVIRONMENTAL            |

### Uses of Funds

|                    |  |
|--------------------|--|
| ▶ \$209<br>MILLION | SYSTEM MAINTENANCE <ul style="list-style-type: none"> <li>• Renewal &amp; Replacement</li> <li>• Distribution</li> <li>• Facilities, Fleet, &amp; Technology</li> </ul>  |
| ▶ \$127<br>MILLION | SYSTEM EXPANSION <ul style="list-style-type: none"> <li>• New or Expanded Generation</li> <li>• New Transmission Lines</li> <li>• New or Expanded Master Pumps</li> </ul>  |
| ▶ \$26<br>MILLION  | ENVIRONMENTAL <ul style="list-style-type: none"> <li>• BMAP*/TMDL**/Reclaim</li> <li>• Total Water Management Plan</li> <li>• Major Environmental Initiatives</li> </ul> <p><small>*Basin Management Action Plan<br/>**Total Maximum Daily Limit of Nitrogen</small></p> |

FY2022 includes \$29 million in funding for the Southwest WRF Expansion to 16MGD and \$26 million for Greenland WRF 4MGD

Note: Detailed FY2022 project list is included in the Supplemental Schedules section

## Water Wastewater System FY2022 Operating Metrics



<sup>^</sup>Days of liquidity is being positively impacted by revolver



|       |       |         |
|-------|-------|---------|
| FY21F | 39.6% | ↓ -0.6% |
|-------|-------|---------|



|       |        |         |
|-------|--------|---------|
| FY21F | \$61.1 | ↑ \$6.0 |
|-------|--------|---------|



|       |      |         |
|-------|------|---------|
| FY21F | 5.9x | ↓ -0.3x |
|-------|------|---------|

**W/WW System Bond Rating: Aa3/AA+/AA**



## **District Energy System Budget Assumptions**





## District Energy System Operating Budget

|   | FY2022 Budget       | FY2021 Budget       | Change             | FY2021 Forecast     |
|---|---------------------|---------------------|--------------------|---------------------|
| <b>BASE OPERATING REVENUES:</b>             |                     |                     |                    |                     |
| Base Rate Revenues                          | \$ 8,839,543        | \$ 9,328,327        | \$ -488,784        | \$ 8,536,564        |
| Total Base Related Revenues                 | \$ 8,839,543        | \$ 9,328,327        | \$ -488,784        | \$ 8,536,564        |
| <b>BASE OPERATING EXPENSES:</b>             |                     |                     |                    |                     |
| Operating and Maintenance                   | \$ 5,127,990        | \$ 5,193,927        | \$ -65,937         | \$ 4,369,884        |
| Total Base Related Expenses                 | \$ 5,127,990        | \$ 5,193,927        | \$ -65,937         | \$ 4,369,884        |
| <b>BASE OPERATING INCOME:</b>               | <b>\$ 3,711,553</b> | <b>\$ 4,134,400</b> | <b>\$ -422,847</b> | <b>\$ 4,166,680</b> |
| <b>NON-OPERATING EXPENSES:</b>              |                     |                     |                    |                     |
| Debt Service                                | 3,171,208           | 3,023,891           | 147,317            | 3,023,891           |
| Demand-side Management - Rate Stabilization | -                   | -                   | -                  | -                   |
| Environmental - Rate Stabilization          | -                   | -                   | -                  | -                   |
| Total Non Operating Expenses                | \$ 3,171,208        | \$ 3,023,891        | \$ 147,317         | \$ 3,023,891        |
| <b>BASE INCOME BEFORE TRANSFERS</b>         | <b>\$ 540,345</b>   | <b>\$ 1,110,509</b> | <b>\$ -570,164</b> | <b>\$ 1,142,788</b> |
| City Contribution Expense                   | -                   | -                   | -                  | -                   |
| Renewal and Replacement Fund                | 426,828             | 437,313             | -10,485            | 435,131             |
| Operating Capital Outlay                    | 113,517             | 673,196             | -559,679           | 707,657             |
| Total Non-Fuel Expenses                     | \$ 540,345          | \$ 1,110,509        | \$ -570,164        | \$ 1,142,788        |
| <b>SURPLUS/(DEFICIT)</b>                    | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>        | <b>\$ -</b>         |
| <b>TOTAL REVENUES</b>                       | <b>\$ 8,839,543</b> | <b>\$ 9,328,327</b> | <b>\$ -488,784</b> | <b>\$ 8,536,564</b> |
| <b>TOTAL APPROPRIATIONS</b>                 | <b>\$ 8,839,543</b> | <b>\$ 9,328,327</b> | <b>\$ -488,784</b> | <b>\$ 8,536,564</b> |
| BUDGETED EMPLOYEE POSITIONS                 | 6                   | 6                   | 0                  | 6                   |
| BUDGETED TEMPORARY HOURS                    | 0                   | 0                   | 0                  | 0                   |

## District Energy System Capital Budget

|                                | FY2022 Budget | FY2021 Budget | Change       | FY2021 Forecast |
|--------------------------------|---------------|---------------|--------------|-----------------|
| <b>CAPITAL FUNDS:</b>          |               |               |              |                 |
| Renewal & Replacement Deposits | \$ 426,828    | \$ 437,313    | \$ -10,485   | \$ 435,131      |
| Operating Capital Outlay       | 113,517       | 673,196       | -559,679     | 707,657         |
| Debt Proceeds                  | -             | 566,491       | 566,491      | -               |
| Other Proceeds                 | 5,009,944     | 1,359,000     | 3,650,944    | 134,568         |
| Total Capital Funds            | \$ 5,550,289  | \$ 3,036,000  | \$ 2,514,289 | \$ 1,277,356    |
| <b>CAPITAL PROJECTS:</b>       |               |               |              |                 |
| District Energy Projects       | 5,550,289     | 3,036,000     | 2,514,289    | 1,277,356       |
| Total Capital Projects         | \$ 5,550,289  | \$ 3,036,000  | \$ 2,514,289 | \$ 1,277,356    |



## Rate Stabilization Funds



## Rate Stabilization Funds

|                                | FY2020         | Forecast FY2021 |             |                | Budget FY2022 |             |                |
|--------------------------------|----------------|-----------------|-------------|----------------|---------------|-------------|----------------|
| (\$ in thousands)              | Ending Balance | Deposits        | Withdrawals | Ending Balance | Deposits      | Withdrawals | Ending Balance |
| <b>Electric System</b>         |                |                 |             |                |               |             |                |
| DSM/Conservation               | \$5,423        | \$6,886         | -\$5,341    | \$6,968        | \$6,832       | -\$7,228    | \$6,572        |
| Debt Management                | -              | -               | -           | -              | -             | -           | -              |
| Environmental <sup>1</sup>     | 21,818         | 7,532           | -16,112     | 13,238         | 7,442         | -11,264     | 9,416          |
| Fuel                           | 73,347         | 10,524          | -12,561     | 71,310         | -             | -7,285      | 64,025         |
| Non-Fuel Purchased Power       | 36,326         | -               | -31,627     | 4,699          | 25,000        | -           | 29,699         |
|                                |                |                 |             |                |               |             |                |
| <b>Water Wastewater System</b> |                |                 |             |                |               |             |                |
| Environmental <sup>2</sup>     | 23,372         | 25,684          | -\$22,436   | \$26,620       | 27,010        | -27,010     | \$26,620       |
| Debt Management                | -              | -               | -           | -              | -             | -           | -              |

<sup>1</sup>Includes \$2.3m million in Environmental O&M costs, \$3.3m in Environmental capital project costs, and \$5.7m in Environmental payback

<sup>2</sup>Includes \$19.8 million in Environmental O&M and capital projects and \$7.2 million in funds repaid to the Water/Wastewater System R&R fund



## **FY2022 Budget Timeline & Action Items**



## FY2022 Board Review and Approval Timeline





# **FY2022 Proposed Rate & Fee Adjustments**

**Water, Sewer, & Electric**

**Juli Crawford**  
Director, Financial Planning &  
Analysis



May 2021

# FY2022 PROPOSED RATE & FEE ADJUSTMENTS

## AGENDA



### **Part One: Water & Sewer Rate Adjustments**

- Capacity Fees
- Tap & Meter Fees
- Large Commercial  
Water Rates



### **Part Two: Electric Rate Adjustments**

- Base Rate
- Bill Impacts



### **Part Three: Timeline**

- Recommendations
- Public Hearing
- Communications



### **Part Four: Next Steps**

- Staff recommendations  
presented to the Finance &  
Audit Committee for  
feedback and direction



# RATES & FEES

## Overview

### Water & Sewer

#### Rate Adjustment Recommendations

- ? Plant Capacity Fees
- ? Tap & Meter Fees
- ? Large Commercial Water Rate

#### Other Tariff Administrative Items

- Backflow Prevention Devices
- Use of funds – Line Extension Growth Capacity Charges
- Tariff Reformat

### Electric

#### Rate Adjustment Recommendations

- ? Energy Rate

#### Other Tariff Administrative Items

- Economic Development Programs



# **WATER & SEWER RATE ADJUSTMENTS**

# CAPACITY FEES

## WATER & SEWER COST RECOVERY STRUCTURE

### Water & Sewer Capacity Project Costs

Capacity fees and charges are one-time fees paid by builders or customers connecting to the system to recover the cost of capacity expansion. A large portion of our Capital Improvement Plan (CIP) is driven by growth and providing additional water, sewer, and/or reclaimed capacity. These projects are a direct indication of the cost to connect new customers.

JEA's rate consultant, Stantec, has reviewed calculations and fees and will provide a supporting memo prior to the June Board meeting.



|       | Cost Allocated To Expansion (Five Year CIP) | Expansion Capacity | Total Cost Per Gallon <sup>^^</sup>   | Calculated <sup>3/4</sup> " Capacity Fee |
|-------|---|--------------------|---------------------------------------|--|
| Water | \$59 million                                | 12.57 MGD          | \$4.68<br>(Current Fee Basis \$0.97)  | <b>\$1,989*</b><br>(Current Fee \$680)   |
| Sewer | \$268 million                               | 10.5 MGD           | \$25.57<br>(Current Fee Basis \$3.64) | <b>\$5,114</b><br>(Current Fee \$1,274)  |

**Current project costs indicate a higher cost for connection than current fees collect**



\*Includes fees for Water & Irrigation

MGD = million gallons per day

Sewer projects have a Reclaim component built into total project cost

Costs per gallon do not calculate due to rounding – calculated by dividing total MGD by gallons per day for a <sup>3/4</sup>" connection, then dividing that into total project cost for cost per gallon

# CAPACITY FEES

## WATER & SEWER RATE ADJUSTMENTS

Current water and sewer capacity fees have been in place, unchanged, for the past 15+ years

Based on feedback from stakeholders and conversations with the Northeast Florida Builders Association, JEA is focused on providing a transition into recommended fees over time to assist in absorbing the costs gradually

|                   |  | Recommended $\frac{3}{4}$ " Capacity Fee |            |            |            |            | Estimated Additional Annual Revenue <sup>1</sup> |       |
|-------------------|--|--|------------|------------|------------|------------|--|-------|
|                   |  | Current                                  | Oct '21    | Apr '22    | Oct '22    | Apr '23    | FY22   | FY23  |
| <b>Water</b>      |  | \$339.50                                 | \$380.00   | \$566.00   | \$752.00   | \$936.00   | \$3M   | \$5M  |
| <b>Irrigation</b> |  | \$339.50                                 | \$427.50   | \$636.75   | \$846.00   | \$1,053.00 | \$1M   | \$2M  |
| <b>Sewer</b>      |  | \$1,274.00                               | \$1,824.00 | \$2,920.00 | \$4,016.00 | \$5,114.00 | \$17M  | \$29M |

Staff recommends phasing in proposed capacity fees over a 2 year period effective October 1, 2021

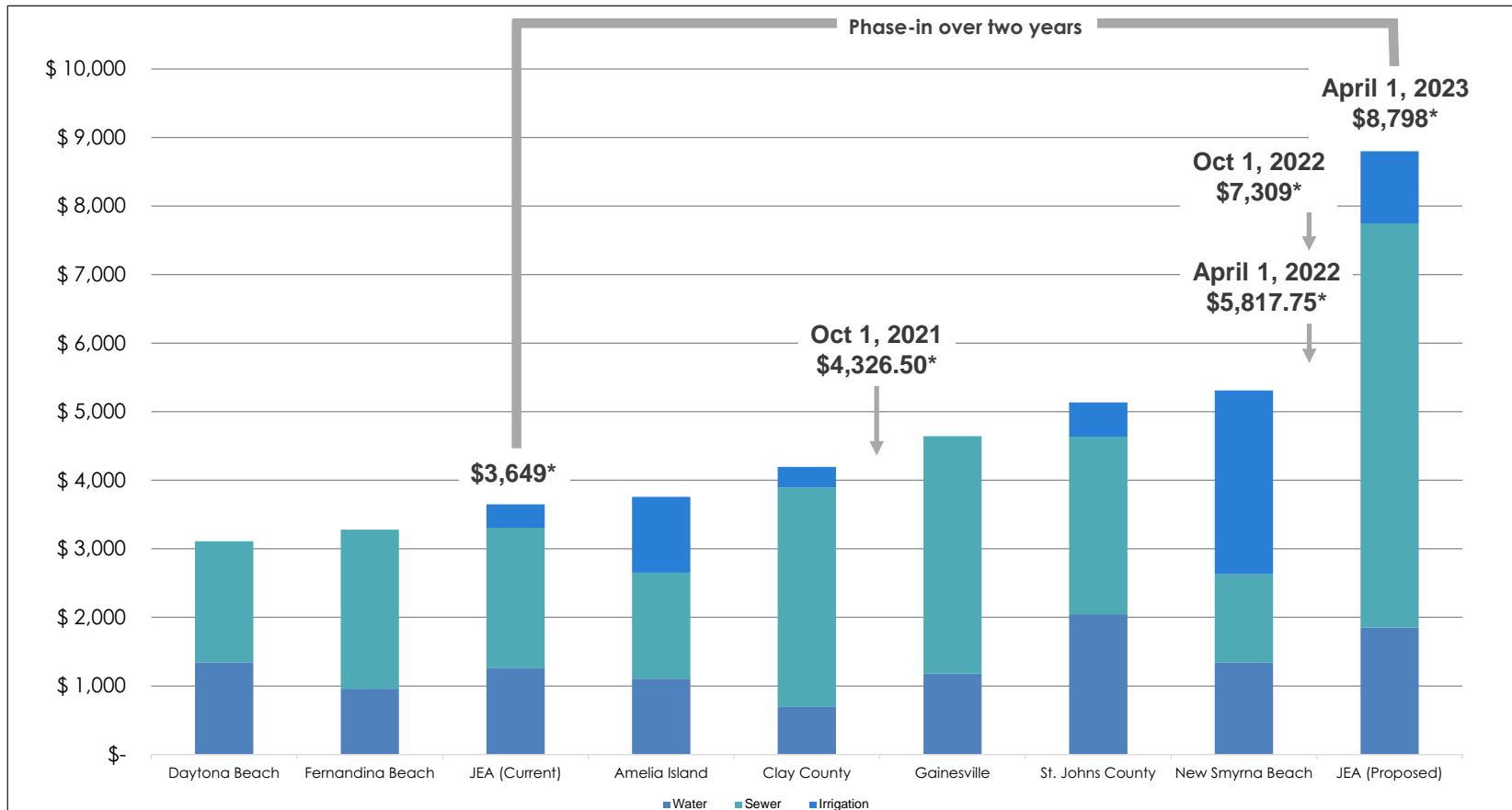


<sup>1</sup>Based on FY20 New Connections

See supplemental information for recommended capacity fees for all meter sizes

# SUPPLEMENTAL INFORMATION

## BENCHMARKS: LOCAL PEERS COMBINED CAPACITY FEES



\*Note: Includes Line Extension Growth Capacity Charges of \$1,695; No adjustments recommended at this time. Staff will evaluate pricing and make recommendations in the future.



# TAP AND METER FEES

## WATER & SEWER RATE ADJUSTMENTS

### Tap & Meter Costs and Customer Fees

Meter and Tap Fees are paid by customers connecting to the system to recover the cost of the meter and tap materials and labor to sufficiently serve the maximum quantities of water and sewer permitted by the customers. The associated costs include, but are not limited to, meters, modules, cable, piping and outdoor casing.

**JEA is under-collecting approximately \$1.6 million annually on 3/4" meter sets and taps alone**



|                | Current Fee | Recommended Fee<br><i>(equal to cost)</i> |
|----------------|-------------|---|
| 3/4" Meter Set | \$202.30    | \$300                                     |
| 1" Tap         | \$610       | \$1,360                                   |

**Staff recommends setting tap & meter fees equal to cost**



See supplemental information for recommended tap & meter fees for all sizes

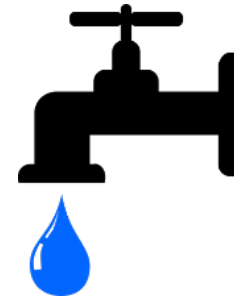
# LARGE COMMERCIAL WATER

## WATER & SEWER RATE ADJUSTMENTS

### Large Commercial: Water rates for 10" meters and larger

JEA currently allows commercial water users with a 10" meter or larger access to a discounted water usage rate. Based on the current rate structure, this large meter rate of \$1.24 represents a \$.25 discount below the standard Commercial rate of \$1.49 per thousand gallons used.

This pricing structure is not supported by the cost of service, as these larger meters demonstrate greater peaking activity than those smaller than 10".



*There are currently 53 customers that have a 10" water meter and 3 Customers with a 12" meter. Over \$400,000 impact without the discount*

**Staff recommends setting all commercial volume charges equal, as is supported by the cost of service study**

# **ELECTRIC RATE ADJUSTMENTS**







# BASE RATE

## ELECTRIC RATE ADJUSTMENTS

### Per Pricing Policy

"The Base Rate will recover expenditures necessary to operate and maintain the system, depreciation expense, capital required to maintain the system, the necessary contribution to the City, any special charges for programs adopted by JEA and approved by the Board, and additional revenues required to maintain the financial integrity of the System."

| Annual Cost<br>(Revenue Requirements) | 5 Year Forecast   |
|---------------------------------------|---|
| Operation & Maintenance               |  |
| <b>Purchase Power Obligations</b>     |  |
| Depreciation                          |  |
| City Contribution                     |  |

**Increasing costs mainly due to Vogtle Power Purchase Agreement from MEAG are driving the need for additional revenues to recover the cost and maintain financial integrity**



# BASE RATE

Plant Vogtle / Municipal Electric Authority of Georgia (MEAG) Power Purchase Agreement (PPA)

Impact of initial operation date of 2016 delayed to 2021:

- Total JEA cost has increased over \$900 million
- Fuel expenses were roughly \$90 million more 2016-2021
- JEA generation expenditure plans were altered to accommodate the unfulfilled 200MW of nuclear power since 2016

| Total Non-Fuel Vogtle Payments<br>(\$ in millions) |       |       |       |
|--|-------|-------|-------|
| FY22   | FY23  | FY24  | FY25  |
| \$102  | \$159 | \$167 | \$168 |

JEA has mitigated a portion of the Vogtle MEAG Power Purchase Agreement (PPA) expense with the following actions:

- St. John's River Power Park (SJRPP) closure
- Agreement to replace Scherer Unit 4 with corresponding FPL PPA
- Utility scale solar PPA
- A significant amount of debt reduction

**Despite these efforts, base rate increases are necessary to recover expenses associated with the Vogtle / MEAG PPA**



# ENERGY RATE

## ELECTRIC RATE ADJUSTMENTS

### Recommended

Raise Energy Rate by  
**\$0.00183/kWh**

### Estimated Additional Revenue

**\$22M**

### RESIDENTIAL BILL IMPACT

Average residential bill based on 1,000 kWh per month

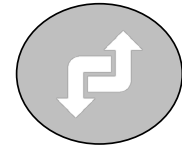
| Current                                   |                 | FY22 Proposed                             |                 |
|---|-----------------|---|-----------------|
| Basic Monthly Charge                      | \$5.50          | Basic Monthly Charge                      | \$5.50          |
| Energy Charge                             | 69.88           | Energy Charge                             | 71.71           |
| Environmental Charge                      | 0.62            | Environmental Charge                      | 0.62            |
| Fuel Charge                               | 32.50           | Fuel Charge                               | 30.50           |
| <b>Total <i>before taxes and fees</i></b> | <b>\$108.50</b> | <b>Total <i>before taxes and fees</i></b> | <b>\$108.33</b> |
| Taxes and Fees                            | 14.84           | Taxes and Fees                            | 15.01           |
| <b>Total <i>after taxes and fees</i></b>  | <b>\$123.34</b> | <b>Total <i>after taxes and fees</i></b>  | <b>\$123.34</b> |



Note: ISXLD energy rate change \$0.00182/kWh

# RATE CLASS IMPACTS

## ELECTRIC RATE ADJUSTMENTS



|                              | Number of Customers | Total Current Typical Bill Amount<br>(includes taxes) | Total New Typical Bill Amount<br>(includes taxes) | % Change in Typical Bill Amount |
|------------------------------|---------------------|---|---|---------------------------------|
| Residential                  | 430,000             | \$123.34  | \$123.34  | \$0.00                          |
| General Service              | 50,000              | \$310.02  | \$309.99  | (\$0.03)                        |
| General Service Demand       | 4,000               | \$7,462.88  | \$7,462.20  | (\$0.68)                        |
| General Service Large Demand | 135                 | \$75,390.00   | \$75,382.00                                       | (\$8.00)                        |
| Interruptible                | 45                  | \$290,151.00  | \$290,111.00                                      | (\$40.00)                       |

With the fuel charge decrease, **all customer class energy rate increases will result in an essentially bill neutral impact**

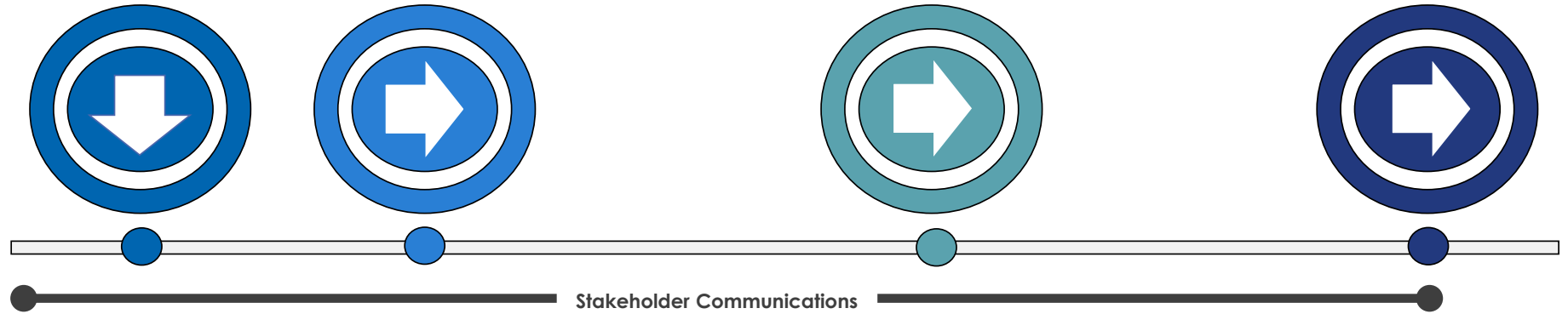


*Note:* Rate changes subject to Board approval and PSC submission

# TIMELINE & NEXT STEPS

# RATES & FEES

## TIMELINE



### May

F&A Committee

1. Staff provides rate recommendations
2. Committee provides feedback & direction

### June

Board of Directors

1. Based on feedback, Staff provides rate recommendations with redline tariffs
2. Board calls for a Public Rate Hearing
3. Staff Initiates public notice through billing and newspaper & submits PSC Filing

### August

Board of Directors

1. Board conducts Public Rate Hearing
2. Staff provides resolutions and final tariffs
3. Staff begins bill programming & testing

### October

General

Rate Changes Effective

# RATES & FEES

## Next Steps

Staff recommends the Finance & Audit Committee **consider presenting this information to the Board:**

| Water & Sewer   |                             |
|---|-----------------------------|
| Rate Adjustment Recommendations   |                             |
| ?   | Plant Capacity Fees         |
| ?   | Tap & Meter Fees            |
| ?   | Large Commercial Water Rate |
| Other Tariff Administrative Items   |                             |
| <ul style="list-style-type: none"><li>• Backflow Prevention Devices</li><li>• Use of funds – Line Extension Growth Capacity Charges</li><li>• Tariff Reformat</li></ul> |                             |

| Electric  |             |
|---|-------------|
| Rate Adjustment Recommendations   |             |
| ?   | Energy Rate |
| Other Tariff Administrative Items   |             |
| <ul style="list-style-type: none"><li>• Economic Development Programs</li></ul> |             |





## Audit Services Update

Steve Tuten  
Director of Audit Services



May 14, 2021





## Enterprise Risk Management (ERM)

## ERM Initiatives

Re-assess risk management principles and roles and responsibilities in the policy and Charters.

Incorporate risk management principles into business processes.

Incorporate risk management principles in corporate strategies, decisions and planning.

Initiate the Risk Working Committee (RWC), utilizing the three (3) lines of Defense criteria - Management, ERM, Audit.

Assess and affirm the current Risk Tolerances categories and scoring criteria.

Reassess the current Top Enterprise Risks to verify impact and likelihood prioritization.

Develop Key Risk/Process Indicators (KRIs/KPIs).

Complete a Risk & Control Assurance map.

Establish Risk Management Annual Corporate Goals.

Modify job descriptions to include effective risk management.

Include effective risk management in the Risk owners' annual performance goals.

Restart the Business Function Risk Assessment process.

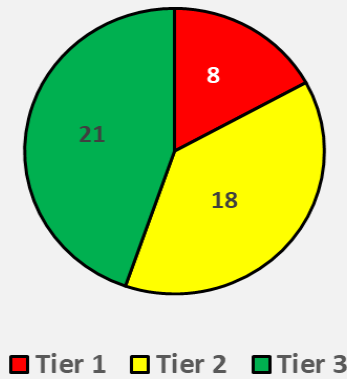
Enhance and expand Risk Awareness training for all JEA employees.

Use a Governance, Risk and Compliance application (GRC).

## Top Enterprise-Wide Risks (TER)

47 Risks

Number of Risks by Tier



8 Categories

Number of Risks by Risk Category



There are currently 47 TERs in our Risk Inventory.  
 Tier 1 risks are the most critical based on the relative impact and likelihood of occurring.  
 The risks are categorized based on business processes.

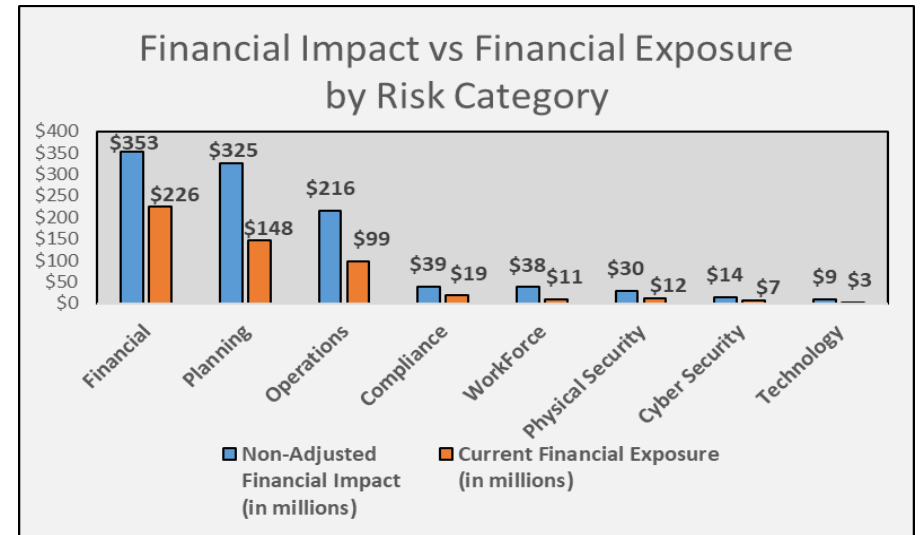
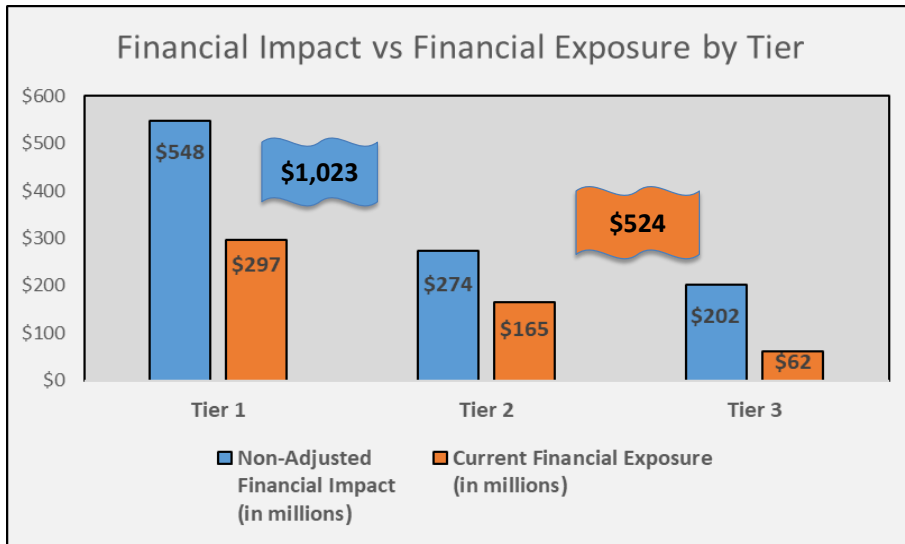
## Tier 1 and Tier 2 Risks

| Risk # | Risk Title   | Tier | Total Risk Score |
|--------|--|------|------------------|
| E01    | Carbon Emission Mitigation/ Renewable Energy Standards | 1    | 15.3             |
| C19    | Surface Water Discharge Risk                           | 1    | 12.8             |
| C08    | Black Swan (High Impact - Low probability event)       | 1    | 11.2             |
| C18    | Supply Chain Management                                | 1    | 10.5             |
| E10    | Nuclear Power Portfolio                                | 1    | 10.4             |
| C16    | Weather & Climate Change Impact Resiliency Efforts     | 1    | 10.4             |
| W01    | Water Supply Management / Long Term Planning           | 1    | 9.9              |
| C03    | Disruptive Technologies / Long-term Planning           | 1    | 9.9              |
| E09    | FERC / NERC (Section 693) O&P Reliability & Compliance | 2    | 9.1              |
| E05    | Cooling Water Intake Structures 316(b)                 | 2    | 9.0              |
| E07    | Critical Infrastructure Protection (CIP) Compliance    | 2    | 9.0              |
| E13    | Emergency Preparedness / Business Continuity           | 2    | 9.0              |
| C21    | Physical Security - Vandalism and Property Destruction | 2    | 7.8              |

| Risk # | Risk Title  | Tier | Total Risk Score |
|--------|---|------|------------------|
| E03    | Coal Combustion Residual Rule (CCR)                         | 2    | 7.5              |
| T02    | Cyber Security Information Protection                       | 2    | 7.4              |
| T03    | Cyber Security Business Disruption                          | 2    | 7.4              |
| E04    | Adverse Electric Commodity Supply and Pricing               | 2    | 7.2              |
| W04    | Infrastructure Maintenance - Water/Waste Water Systems      | 2    | 7.2              |
| W06    | Drinking Water Quality Management                           | 2    | 7.2              |
| C04    | External Influence on Policy                                | 2    | 7.2              |
| F03    | Credit Availability/Cost                                    | 2    | 7.0              |
| W02    | Operations Technology Management - Water/Wastewater Systems | 2    | 6.9              |
| E20    | Operations Technology Management - Electric                 | 2    | 6.9              |
| C17    | Physical Security / Terrorism                               | 2    | 6.6              |
| C02    | Physical Security - Criminal Activity                       | 2    | 6.6              |
| C01    | Customer Relationship Management                            | 2    | 6.6              |



## Financial Elements of Top Enterprise-Wide Risks



The current Non-Adjusted Financial Impact of \$1,023 Million represents the mid point of the Total Financial impact before probability adjustment.

The current Most Likely Financial Impact of \$524 Million represents the financial exposure based is the factor of the midpoint of the Total Non-Adjusted Financial Impact, and the midpoint of the total Probability Average.





## Internal Audit

## Audit Plan Status for Q2




| Completed Audits and Engagements w/Rating |              | In-Process Audits and Engagements w/Status    |           |
|---|--------------|---|-----------|
| TEA Member Review                         | No Rating    | W/WW Project Engineering & Construction       | Reporting |
| Customer & Community Engagement (new)     | Satisfactory | Cyber Program Assessment                      | Ongoing   |
| Investment Recovery Operations (new)      | Satisfactory | Fuels Management Services                     | Testing   |
| JEA Culture Consulting Engagement (new)   | No Rating    | IT Staffing                                   | Testing   |
|   |              | Safety & Health Services                      | Testing   |
|   |              | Procurement & Contracts                       | Planning  |
|   |              | Treasury Cash & Investments                   | Planning  |
|   |              | FY2022 Annual Risk Assessments                | Planning  |
| Upcoming Audits and Engagements           |              | Cancelled or Postponed Audits and Engagements |           |
| Identity & Access Management              |              | JEA Performance Pay Audit                     |           |
| W/WW Asset Management & Performance       |              | Green-e Agreed-Upon Procedures Engagement     |           |
| Vogtle Follow-Up                          |              | <b>Receivables &amp; Collections (new)</b>    |           |
| Cloud Computing                           |              |   |           |
| Fleet Services                            |              |   |           |
| eAM Asset Management Follow-Up            |              |   |           |



The Internal Audit staff is **ON TRACK** to complete the FY2021 Audit Plan.



## Completed, Postponed or Canceled Audits and/or Engagements for Q2

| Audit or Engagement                   | Report Rating  | Issues and Risk(s)   |
|---------------------------------------|--|--|
| Customer & Community Engagement Audit |  Satisfactory | Significant risks related to: <ul style="list-style-type: none"> <li>- Lack of procedures for customer communications and social media policy which could negatively impact customer perception and satisfaction; and,</li> <li>- Lack of a file plan for public records which could impact customer perception if records are not produced timely.</li> </ul> |
| Investment Recovery Operations Audit  |  Satisfactory | Significant risk related to the Obsolete Asset Liquidation Processes which could lead to mismanagement and potential loss of assets.   |
| JEA Culture Consulting Engagement     |  No Rating    | Observations include: <ul style="list-style-type: none"> <li>- Establishment of "Culture" as a Top Enterprise Risk;</li> <li>- Establishment of a Culture committee;</li> <li>- Periodic cultural surveys and the follow-up of identified issues; and</li> <li>- Programs for managerial leadership training and retention.</li> </ul>                         |



| Audit or Engagement         | Reason for Cancelling or Postponing   |
|-----------------------------|---|
| Receivables and Collections | Management requested the postponement of this audit to FY2022 due to the: <ul style="list-style-type: none"> <li>• Ongoing upgrade of the CIS/Billing system from CC&amp;B to C2M.</li> <li>• Release of a large RFP for Bill Presentment and Online Payments.</li> </ul> |



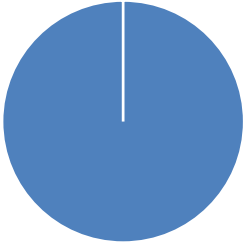
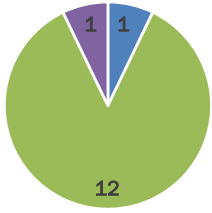

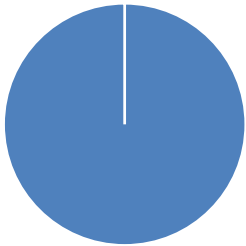


# Open Audit and Investigations Report Issues - Categories

The following charts show Open Audit and Investigation Issues broken down by:

**Control Type** – Compliance, Information Technology, Operational and Reporting.

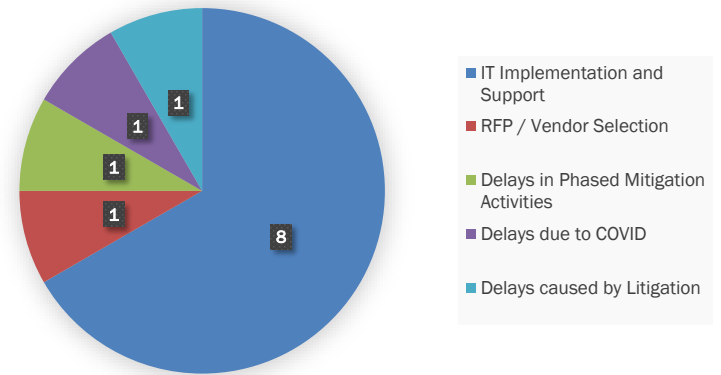
**Core Business Activity** – Management, Policy & Procedure, Process Improvement and Segregation of Duties

| <p><b>Compliance</b></p> <p>Controls related to the conformance to relevant laws, regulations, policies, procedures, and guidelines.</p>  | <p><b>Information Technology</b></p> <p>Controls related to technology, including hardware, software, data, change management, disaster recovery, business continuity and information security.</p>  | <p><b>Operational</b></p> <p>Controls related to the effectiveness and efficiency of operations, including performance goals and safeguarding assets against loss.</p>  | <p><b>Reporting</b></p> <p>Controls related to internal and external reporting, financial and non-financial. These controls may encompass accuracy, completeness, reliability, timeliness, transparency, or other concepts set forth by regulators or the organization's policies.</p> |
|---|--|---|--|
| <p><b>Core Business Activity - Compliance</b><br/>Total: 1</p>  <p>■ Management ■ Policy &amp; Procedures<br/>■ Process Improvement ■ Segregation of Duties</p> | <p><b>Core Business Activity - Information Technology</b><br/>Total: 14</p>  <p>■ Management ■ Policy &amp; Procedures<br/>■ Process Improvement ■ Segregation of Duties</p> | <p><b>Core Business Activity - Operational</b><br/>Total: 18</p>  <p>■ Management ■ Policy &amp; Procedures<br/>■ Process Improvement ■ Segregation of Duties</p> | <p><b>Core Business Activity - Reporting</b><br/>Total: 1</p>  <p>■ Management ■ Policy &amp; Procedures<br/>■ Process Improvement ■ Segregation of Duties</p>                                     |



# Open Audit and Investigations Report Issues – Past Due & Issue Watch

Root Cause for Action Plan Delays



| Issue Risk  | Audit Name  | Action Plan  | Past Due Date | Action Plan Status Comments   |
|-------------|---|--|---------------|---|
| Significant | Municipal Electric Authority of Georgia (MEAG) – Purchase Power Agreement | The Principal Financial Analyst, with assistance from management, will complete the review already in progress, of prior expenditures, including "Owners Costs" and Nuclear Fuel charges, to ascertain that the expenditure is appropriate, approved and allocated in accordance with the PPA and the existing procedures for Vogtle Units 3 & 4 Pre-Commercial Operations. All new charges will be subjected to the same level of review. | 12/21/2017    | 2/24/2021: IA Audit Plan was approved and <u>follow-up audit is planned for FY21.</u> |



## Open Audit and Investigations Report Issues – Issue Watch



**Issue Watch Status:** Action Plans are being addressed by Management, but internal or external factors may delay its completion. This could be an early indicator of a “Past Due” issue.

| Issue Risk  | Audit Name       | Action Plan   | Current Due Date | Action Plan Status Comments   |
|-------------|------------------|---|------------------|---|
| Major       | Meter Services   | Phase 1 - Audit existing sewer-flow meters to determine process gaps and potential billing errors. Make corrections.<br>Phase 2 - Update JEA Sewer Meter Requirements / Standards<br>Phase 3 completion date - a) Simplify – This document is overly complicated and not customer friendly b) Limit customer meter options to JEA approved meters that are compatible with current AMI system. c) Determine test requirements / Develop testing program to ensure customer compliance<br>Phase 4 - Review/Update existing Sewer Flow Meter request process.   | 2/1/2022         | 4/13/21 - Per previous comments by the Meter Specialist Foreman on 10/26/20, Phase 1 of the sewer flow improvement plan is complete. The 2nd phase (Update Sewer-Flow Meter Requirements / Standards) is on hold (as well as phases 3 & 4) as phase 2 is highly dependent on which <u>2-way AMI system JEA choses to adopt going forward.</u> |
| Significant | Payroll Services | HR will address this recommendation with one of two solutions: <ul style="list-style-type: none"> <li>• HR management will continue to control and monitor the list of authorized HR Super-Users through the IDM electronic approval system including regular attestations. Additionally, HR will again request of TS that the HR Super-User profiles be rebuilt to restrict access to only the data elements for which they are responsible.</li> <li>• HR management will request TS to construct an Oracle based exception report that identifies any high risk payroll impacting employee data element (as agreed between HR &amp; Audit) that has been modified by an employee not included in one of the HR controlled Super-User access profiles.</li> </ul> | 4/30/2021        | 4/9/2021 - Per Payroll, a hold up in TS has prevented this issue from being closed out. Payroll stated, "TS is <u>not actively working on the access item.</u> It may take some time before this gets addressed."   |



## Open Audit and Investigations Report Issues – Issue Watch

| Issue Risk  | Audit Name   | Action Plan  | Current Due Date | Action Plan Status Comments   |
|-------------|--|--|------------------|---|
| Significant | Director, Fleet Operations Support Services (Tire Contract)    | Management will require the new vendor provide monthly tire inspections.   | 5/17/2021        | 4/12/21 - The last yard checks performed by the vendor was in February 2020. No alternatives have yet been identified as the crews are parking their vehicles in various substations and not in the crew yards due to COVID-19 concerns. <u>The department is still evaluating an alternate plan.</u>   |
| Significant | Director, Security & Emergency Preparedness (Security)         | The Firebug software application will be implemented under the upcoming new Fire Extinguisher Inspection and Maintenance contract. This contract is scheduled to be in place by end of this fiscal year with the deployment of the Firebug inspection barcodes deployed during the first year of extinguisher inspections.                       | 6/30/2021        | 4/13/21 - Per the Director Security & Emergency Preparedness, <u>the IDM upgrade is scheduled to go into production on 7/31/21.</u>   |
| Significant | Director, Security (Information Security Follow-Up)            | Management will complete a “health check” on the current IDM to determine if an upgrade or replacement is required. If a replacement is required, a FY20 capital project will be initiated to replace end of life hardware and upgrade the software platform.  | 7/31/2021        | On 4/8/21, the Director Security & Emergency Preparedness, noted there are minor project delays that may impact the current due date of 7/31/21. These are related to <u>access requirements for JEA contractors working on implementation.</u>   |
| Significant | Director, Procurement Services (Procurement Inventory Control) | Phase 1: Meet with planners to determine if Oracle lead times are showing in their forecasting systems (EAM/FMS/DDS)<br>Phase 2: If lead time information is not showing in forecasting system, meet with TS to determine possible solutions to have access to this information without having planners run reports from BI or reach out to PIC. | 9/30/2021        | 4/9/21 - According to the Manager ERP Systems, on 4/9/21, his staff reached out to Oracle on 11/13/2020 to enlist their assistance with getting the lead times to show in Oracle. They reached out to Oracle after in-house efforts to add the lead times to Oracle after their attempts were unsuccessful. Also, this item was placed on issue watch due to <u>difficulties with obtaining expertise from Oracle regarding the JDeveloper portion of Oracle.</u> |



## Open Audit and Investigations Report Issues – Issue Watch

| Issue Risk  | Audit Name   | Action Plan   | Current Due Date | Action Plan Status Comments  |
|-------------|--|---|------------------|--|
| Significant | Capital Purchases vs. Operations & Maintenance (O&M) Purchases | <ul style="list-style-type: none"> <li>Review material transactions from FY17, FY18, and FY19 to identify items purchased with capital funds versus Operating &amp; Maintenance. (12/31/20)</li> <li>Capital funded material would be considered project work. Compare items purchased to see if a list of project material can be developed.</li> <li>Requested a Black belt to assist with this project due to its size and complexity.</li> <li>Phase 1 - Approval by management to start the requested Black Belt project.</li> <li>Phase 2 - If approved, Black Belt project is completed.</li> <li>Meeting with TS to discuss if current system can separate project material from maintenance. Implement using end users funding to purchase materials with assigned item ids. (TS is looking at opportunities in FY20. TS Roadmap provided.)</li> </ul> | 9/30/2021        | 4/09/21 - Per the Manager Procurement Inventory Control, this issue is in Phase 2, where the Black Belt project has been approved by Management. Also, auditor was informed by the manager <u>that the current target completion date did not include the Black Belt timeline.</u> |
| Significant | Personnel Out Process Follow-Up                                | <p>Phase I: The three responsible area directors will chair a task force with the purpose of defining the best potential solution including:</p> <ol style="list-style-type: none"> <li>1) Technology solution (how)</li> <li>2) Human solution (who)</li> <li>3) Control solution (sustain)</li> <li>4) Develop estimated cost, resources and timing to implement</li> </ol> <p>Phase II: Task force present recommended solution to SLT seeking funding and resources to complete the project</p>   | 9/30/2021        | 4/12/21 - This item was moved to issue watch due to <u>the upgrade to IDM</u> needs to occur before discussions can occur in regards to moving contractors from the Oracle system.   |



## Open Audit and Investigations Report Issues – Issue Watch

| Issue Risk  | Director / (Audit Name)                 | Action Plan  | Current Due Date | Action Plan Status Comments  |
|-------------|---|--|------------------|--|
| Significant | C2M Project                             | Management to touch base with CRM group on the implementation of C2M. C2M will offer the possibility to gather the testing information, warranty info, and life expectance metrics of meter assets. Expected go live date is July 2020.  | 12/31/2021       | 4/9/21 - This item is on issue watch due to a <u>lack of a definitive timeline line for the C2M integration.</u>   |
| Significant | Water / Wastewater Reuse & Treatment    | <ol style="list-style-type: none"> <li>1. Develop Exception Reports tracking if employees are inspecting JEA assets under their responsibility.</li> <li>2. Develop process for documenting preventative maintenance work.</li> <li>3. Develop a process for identifying and reviewing assets that do not have preventative maintenance schedules.</li> <li>4. Develop goals for completing preventative maintenance inspection of assets.</li> </ol>  | 9/30/2022        | 4/8/21 - Per the Technology Project Leader and Project Manager for the Asset360 Mobile app, <u>the goal of MVP is targeted to go live before 9/2022.</u> They are also in initial discussion on a long term plan and he should have more information after some meetings next week that will include transitioning of roles for the project. This item will be placed on issue watch until a long term plan is put in place. |
| Moderate    | Warehouse Management System - Barcoding | <p>Item 1: We are currently working with multiple vendors in our search for a viable warehouse management system as well as a barcoding solution that will improve the overall effectiveness and efficiency of the storeroom. A contract will be executed with the chosen vendor that allows the storeroom the ability to scan inventory into the system upon receipt or upon pickup.</p> <p>Item 2: With the implementation of the barcoding solution, all orders will be scanned out of the warehouse by a storeroom employee and signed for by the requestor thus eliminating the grabbing of others' inventory. Once the barcoding solution is in place, a procedure will be created for this process and documented in Policy Tech.</p> | 3/31/2022        | 3/25/21 - Per the Special Project -SCM: He doesn't believe the entire project team has been identified, the RFP has a mid-May date for submissions. An estimate for completion would be end of March, 2022. <u>This is only an estimate until a vendor/provider has been selected a more detailed timeline can be established.</u>   |



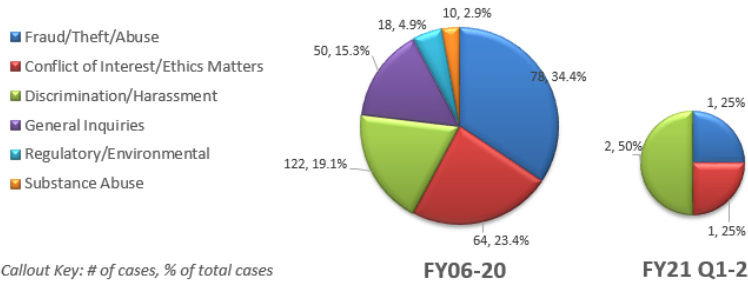


## **Forensic Audit & Investigations (FAI)**

# Investigation Case Statistics – Q2 FY21

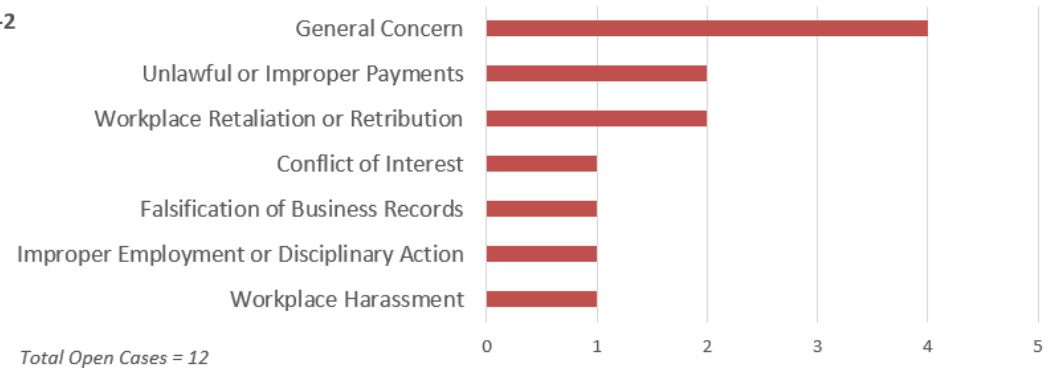
## Ethics Hotline Case Allegations

- Top Three FY06-20: Fraud/Theft/Abuse, Conflict of Interest/Ethics Matters, Discrimination/Harassment
- Current trend (FY21) is consistent with past case history (FY06-20)



Graph Callout Key: # of cases, % of total cases

## Open Cases by Allegation Type





## Investigation Open Action Plans – Q2 FY21

### Deficiencies Reported by OIG Contract Oversight Review re: JEA Invitation to Negotiate (ITN) #127-19 Supply Chain Services Action Plans

#### Update Operational Procedures and/or Creation of Forms:

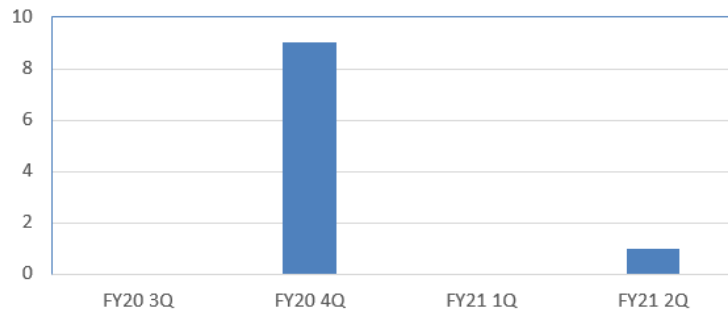
- Evaluation and Negotiation Committee member(s) checklist
  - ◊ Conflict of Interest review
  - ◊ Ex parte communication acknowledgement
  - ◊ Confidentiality of submittals and evaluation training
    - Where to review submittals
    - SME discussions, if needed
    - Discussions on the record
  - ◊ Communication logs for DPRs and Respondents/SME communication with Evaluation and Negotiation Committee Members
- Create a checklist for Procurement Team review for each solicitation process; including review of Convicted Vendors List

#### Create a Process:

- Formally approve policy and procedure documentation
  - ◊ P-Code – Board Approval
  - ◊ Operational Procedure – CPO Approval
- Requirement for dedicated format for bid submittal and correspondence
  - ◊ Zycus Sourcing Software

## Summary of Closed Cases – Q2 FY21

Closed Cases (Past Year)



**FY21 2Q Closed Case  
Allegation and Results**

Employee falsified timecards, viewed illicit material via mobile phone

- Allegation was unsubstantiated
- Employee provided false statements during a fact finding meeting
- Resulted in a Written Reprimand, 5% pay reduction