



IMPROVING LIVES. BUILDING COMMUNITY. to be the best utility in the country

BOARD MEETING & STRATEGY RETREAT

Westside Facility | 6727 Broadway Avenue, Jacksonville, FL 32254
July 27, 2021 | 9:00 am – 4:00 pm

WELCOME

Meeting Called to Order

Time of Reflection

Introductions

John Baker, Chair

Adoption of Agenda (Action)

Consent Agenda (Action)

- Board Meeting Minutes – June 22, 2021

Safety Moment & Briefing

Sharon Van Den Heuvel, Director ERP Systems

COMMENTS / PRESENTATIONS

Council Liaison's Comments

Council Member Mike Boylan

Comments from the Public

Public

Managing Director / CEO Report

Jay Stowe, Managing Director / CEO

Monthly Performance Update

Baley Brunell, Director Facilities & Fleet Services

Current Refunding Bond Offering Results

Joe Orfano, VP Financial Services & Treasurer

FOR BOARD CONSIDERATION

Settlement Of Administrative Challenge & Approval Of Cost Participation Agreement (Action)

Wayne Young, VP Environmental Services

Proposed FY22 Board Calendar

Laura Dutton, Chief Strategy Officer

OTHER BUSINESS & CLOSING CONSIDERATION

Old & Other New Business / Open Discussion

John Baker, Chair

Chair's Report

Announcements – Next Board Meeting & Rate Hearing August 24, 2021

INFORMATIONAL MATERIAL

Appendix A: Corporate Headquarters Update

Appendix B: FY21 Corporate Communications and Community Outreach

Appendix C: Financial Statements

Appendix D: Jacksonville Small & Emerging Business (JSEB) Quarterly Report

BREAK



IMPROVING LIVES. BUILDING COMMUNITY. to be the best utility in the country

JEA STRATEGIC DIRECTION

Overview & Opening Comments

Jay Stowe, Managing Director / CEO

Economic Outlook

Sean Snaith, Ph.D. , Director, Institute for Economic Forecasting

UNBEATABLE TEAM

David Emanuel, Chief Human Resources Officer

Exceptional Work Culture

Employee Development

Employee Engagement

Labor Relations

Long-Term Workforce Planning

Diversity, Equity, & Inclusion

'Work from Wherever' Approach

BUSINESS EXCELLENCE

Jody Brooks, Chief Administrative Officer

Affordable Rates

Sound Financial Decisions - Spend

Sound Financial Decisions - Debt

Integrated Resource Plan

Resilient & Reliable Infrastructure

Technology, Tools, & Data

New Business Opportunities

Real Estate Portfolio Plan

CUSTOMER LOYALTY

Sheila Pressley, Chief Customer Officer

Ease of Doing Business

Environmental Stewardship

Economic Development

Stakeholder Relationships

JEA Brand

Community Engagement

Closing Comments

Jay Stowe, Managing Director / CEO

Adjournment

John Baker, Chair



Board of Directors Meeting July 27, 2021

To submit a public comment to be read during the meeting, please email Madricka Jones at joneml@jea.com. Public comments must be received no later than 9:10am.

To provide public comment via WebEx, please refer to the Public Notice on jea.com for detailed instructions.

If you experience any technical difficulties during the meeting, contact Ontario Blackmon at (904) 665-4203 or JEA's WebEx Support Team at webexsupport@jea.com.



Safety Moment and Briefing

Sharon Van Den Heuvel
Director, ERP Systems



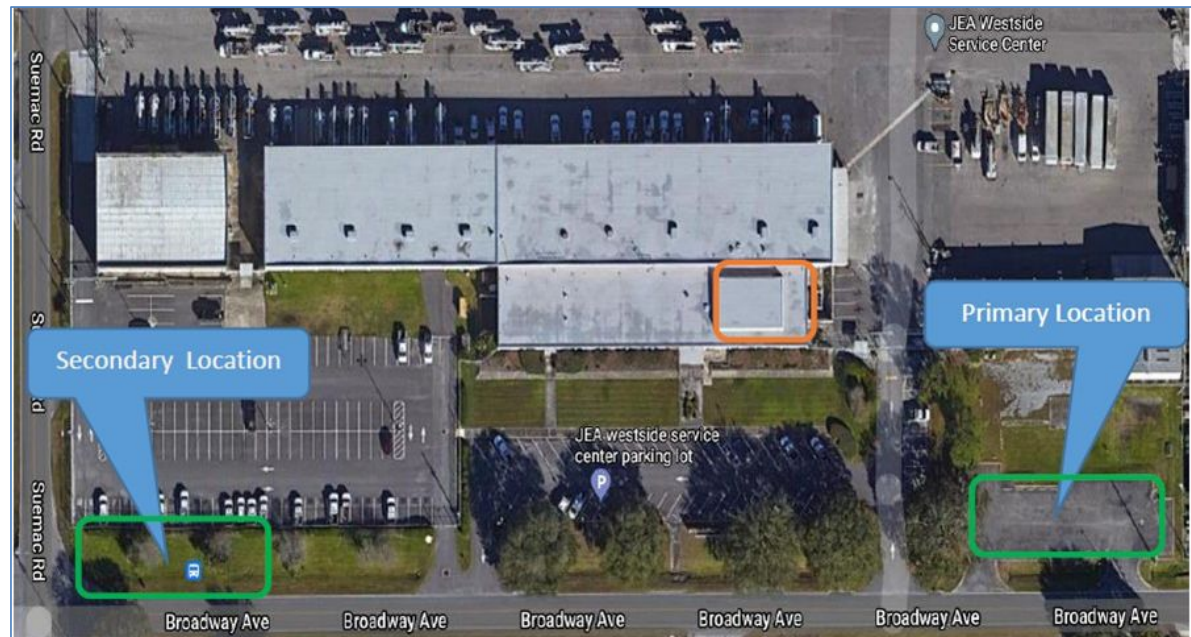
Develop an Unbeatable Team

Safety Briefing

Westside Service Center



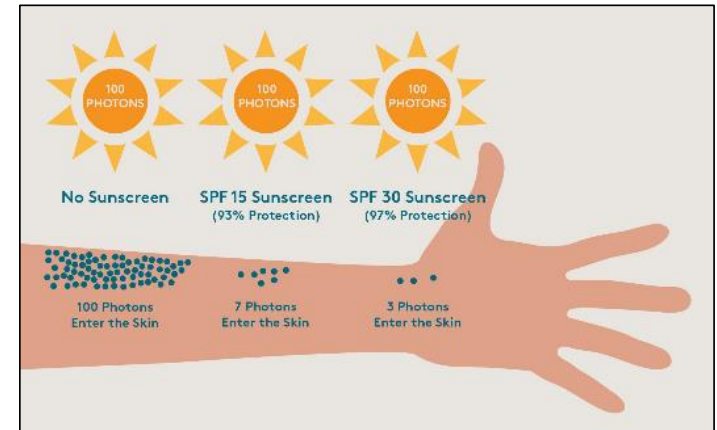
- In the event of an emergency, call 9-911 and alert others
- Emergency Evacuation Route
- Assembly Location: Eastside Parking Lot
- Safety Partner (person to your right)
- Medical Conditions / CPR
- Hazard & Situational Awareness
- Cell Phone Etiquette



Safety Moment

Summer Sun Awareness

- While some exposure to sunlight can be enjoyable, too much can be dangerous. Too much sun light can lead to sunburn, eye damage, and skin cancer.
- **More than 3.5 million new cases of skin cancer are diagnosed annually.**
- Seek shade between 10:00 am - 4:00 pm and use a broad spectrum sunscreen with a sun protection factor (SPF) of at least 30.
- No sunscreen is waterproof; they all eventually wash off. Sunscreens labeled water resistant are tested to be effective for up to 40 minutes of swimming, while very water resistant sunscreens stay effective for up to 80 minutes in the water.
- Clothing, sunglasses and hats are among the simplest and most effective ways to guard your skin and eyes from the sun's harmful rays.





Monthly Performance Update

Baley Brunell
*Director, Facilities & Fleet
Services*



Deliver Business Excellence

JEA Performance Scorecard | Data through June 30, 2021

- Pay-for-Performance Measure
- ▲ Higher is good
- ▼ Lower is good
- On Plan or Better
- At Risk
- Unfavorable

	FY19	FY20	FY21 Goal	FY21 YTD	FY21 Forecast	
UNBEATABLE TEAM	● ▼ Safety - Recordable Incident Rate (RIR)	1.51	0.95	≤ 1.4	0.94	≤ 1.0
	▲ Diversity - Female Representation %	21%	22%	N/A	22%	N/A
	▲ Diversity - People of Color Representation %	24%	25%	N/A	26%	N/A
	▲ Diversity - Veteran Representation %	19%	19%	N/A	20%	N/A
CUSTOMER LOYALTY	● ▲ Customer Satisfaction - Residential (JD Powers)	1st Quartile	3rd Quartile	1st Quartile	3rd Quartile	3rd Quartile
	● ▲ Customer Satisfaction - Commercial (JD Powers)	2nd Quartile	2nd Quartile	Top 10	4th Quartile	4th Quartile
	▼ Nitrogen to the River (tons)	397	299	450	275	388
	▼ Sanitary Sewer Overflows (per 100 miles of pipe)	36	48	30	26	30
	▼ Environmental Compliance - Permit Exceedances	0	1	< 4	1	1
BUSINESS EXCELLENCE	▲ Sales - Electric System (MWh)	12,366	12,185	12,200	8,672	12,269
	▲ Sales - Water System (Million Gallons)	37,696	38,272	38,500	27,460	37,540
	▲ Sales - Wastewater System (Million Gallons)	27,726	28,160	28,500	20,765	28,216
	▲ Sales - Reclaim (Million Gallons)	3,884	4,427	4,500	3,266	4,536
	▲ Revenue - Total System (\$M)	\$1,625	\$1,600	\$1,769	\$1,173	\$1,638
	▼ Outstanding Debt (\$M)	\$3,621	\$3,257	\$2,948	\$3,050	\$2,948
	▼ Operations & Maintenance (O&M) Spend (\$M)	\$381	\$393	\$432	\$264	\$378
	▼ Capital Spend (\$M)	\$499	\$387	\$499	\$231	\$397
	▼ Fuel & Purchased Power Expense (\$/MWh)	\$34.43	\$28.17	\$29.21	\$32.57	\$33.33
	● ▼ Electric Cost (\$/MWh)	\$63.68	\$50.95	\$53.51	N/A	\$47.63
	● ▼ Water Cost (\$/Kgal)	\$4.95	\$4.50	\$5.31	N/A	\$4.86
	● ▼ Wastewater Cost (\$/Kgal)	\$9.50	\$8.08	\$10.24	N/A	\$8.58
	▼ Reliability - System Average Interruption Duration Index (SAIDI) (12-month Rolling outages per year per customer)	65	89	75	67	67
	▼ Reliability - System Average Interruption Frequency Index (SAIFI) (12-month Rolling minutes per year per customer)	1.3	1.4	1.4	1.4	1.4
	▼ Reliability - Effective Forced Outage Rate (EFOR)	4.9%	2.3%	2.5%	4.5%	3.2%
	▼ Reliability - Water Unplanned Outages (Number of Customers)	9,268	15,342	6,750	4,700	6,750
▼ Water Pressure (average min < 30 psi)	8.8	4.0	3	2.2	3	

Pay for performance is currently projected at 3.3% of base salaries



Current Refunding Bond Offering Results

Joe Orfano
VP, Financial Services and Treasurer





Current Refunding Bond Offering Results



Launched and priced current refunding bond offerings the week of July 12th

Approximately \$3.7 million in average annual debt service savings over the next 20 years

(\$ in millions)	 ELECTRIC	 WATER	J
Refunding Par Amount	\$44	\$122	\$166
Net PV Savings	\$15 25.6%	\$46 30.4%	\$61

The historically low interest rate environment led to superior Net Present Value savings



Settlement Of Administrative Challenge & Approval Of Cost Participation Agreement

Wayne Young
*Vice President, Environmental
Services*



Settlement Of Administrative Challenge & Approval Of Cost Participation Agreement



Negotiated a Participation Agreement with the St John’s Water Management District to meet requirements that address impacts to Lakes Brooklyn and Geneva

JEA’s Consumptive Use Permit allocation for drinking water and the offset factor representing lake impact of participation in the Black Creek Water Resource Development Project shown below:

	CUP (mgd)	Offset (ft)	Total Cost
JEA	142	0.68	\$7,373,307

Recommendation: delegate authority to the CEO/Managing Director to execute the Participation Agreement & take necessary actions to dismiss the administrative petition



FY22 Proposed Board Calendar

Laura Dutton
Chief Strategy Officer



Board of Directors Annual Calendar

Fiscal Year 2021



Action Item | * Requires Approval | Board Committee Action

Q1 | October - December

October

- CEO Search Committee: CEO Interviews

November 17, 2020

- JD Power Customer Satisfaction Report
- Five-Year Financial Assumptions & Plan
- Integrated Water Resource Plan (IWRP)
- [Surface Water Discharge](#)
- [JEA | St. Johns County Agreement](#)
- [HQ2 Hardened Facility Real Estate Acquisition](#)
- Jacksonville Small & Emerging Business (JSEB) Quarterly Report
- Workforce Strategy
- Policy Reviews
 - Governance: Board Policy Manual *

December 15, 2020

- [Customer Engagement & Educational Campaign](#)
- Board Committee Reports
 - Finance & Audit
- Policy Reviews
 - [Electric Compliance Policy](#) *
 - [JEA Charter](#)
 - Finance & Audit: Enterprise Risk Management & Compliance, JEA Code of Conduct / Code of Ethics, and Identity Theft Protection Program (FACTA) Annual Risk Assessment

Q2 | January - March

January 28, 2021

- [Reappointment of Geraldine Lockett to Civil Service Board](#)
- [St. Johns Power Park System Employee's Retirement Plan – Amendment 3](#)
- [Real Estate: Property Purchases](#)
- Corporate Headquarters Review & Update
- Jacksonville Small & Emerging Business (JSEB) Quarterly Report

February 25, 2021

- Customer Experience Team Initiatives
- Rating Agency Presentation
- WaterReuse Bill (Surface Water Discharge)

March 23, 2021

- Integrated Water Resource Plan (IWRP)
- [Environmental Awareness: Water Conservation Month](#)
- FY20 Annual Disclosure Reports
- Extreme Weather Response
- Board Committee Reports
 - Nominating: [Approve Board Officers](#)
- Policy Reviews
 - Energy Market Risk Management Policy *

Q3 | April - June

April 27, 2021

- [FY20 Annual Disclosure Reports](#)
- Residential Customer Satisfaction Survey Results
- Procurement Code Policy

May 25, 2021

- FY22 Draft Budget Summary

June 22, 2021

- [FY22 Budget](#) *
- [Call for Rate Hearing](#)
- Policy Reviews
 - [Delegation of Authority](#) *

Q4 | July - September

July 27, 2021

- FY22 Board Calendar
- Strategic Board Retreat

August 24, 2021

- Unbeatable Team
 - [Pay for Performance Plan](#) *
- Customer Loyalty
 - Final FY21 JDP Customer Satisfaction Results
- Business Excellence
 - Rate Hearing
- Policy Reviews
 - Finance & Audit: Internal Audit Charter
 - [Board Education & Development Policy](#) *
 - [Board Policy Manual](#) *
 - Investment Policy
 - Debt Management Policy
 - Travel Policy & Procedures

Proposing implementing new approach after August board meeting

Board of Directors Annual Calendar

Fiscal Year 2022



Action Item | * Requires Approval | Board Committee Action

Q1 | October - December

October 26, 2021

- Unbeatable Team
 - [Pay for Performance: FY21 Results](#) *
- Customer Loyalty
 - Brand Management
 - Small Business Collaborative
 - Surface Water Discharge Elimination Plan
- Business Excellence
 - Resilient / Reliable Infrastructure Update

November 16, 2021

- Unbeatable Team
 - Strong Labor Relations Update
- Customer Loyalty
 - Environmental Stewardship Update
 - JEA Brand Management Update
- Business Excellence
 - Technology & Cybersecurity Update
- Policy Reviews
 - Governance: Board Policy Manual *
 - [Electric Compliance Policy](#) *
 - JEA Charter

Q2 | January - March

January 11, 2022

- Unbeatable Team
 - Employee Engagement Update
- Customer Loyalty
 - JD Powers Wave 1 Residential update
- Business Excellence
 - Real Estate Portfolio Update
- Policy Reviews
 - Finance & Audit: Enterprise Risk Management & Compliance, JEA Code of Conduct / Code of Ethics, and Identity Theft Protection Program (FACTA) Annual Risk Assessment

February 22, 2022

- Unbeatable Team
 - Diversity, Equity & Inclusion Update
- Customer Loyalty
 - Economic Development Update
 - [Water Conservation Resolution](#) *
- Business Excellence
 - Integrated Resource Plan Update
 - New Business Opportunities Update
- Board Committee Reports
 - Nominating: [Approve Board Officers](#) *
- Policy Reviews
 - Energy Market Risk Management Policy *

Q3 | April - June

April 5, 2022

- Unbeatable Team
 - Long-term Workforce Planning Update
 - Employee Development Update
- Customer Loyalty
 - JD Powers Wave 2 Residential update
 - Community Engagement
- Business Excellence
 - FY23 Draft Budget Summary
- Policy Reviews
 - Finance & Audit: Internal Audit Charter
 - [Board Education & Development Policy](#) *
 - Travel Policy & Procedures

May 24, 2022

- Unbeatable Team
 - JEA Headquarters Update
- Customer Loyalty
 - Stakeholder Relations Update
 - Customer Experience – Tech Solutions
- Business Excellence
 - FY23 Budget *
 - [Call for Rate Hearing](#)
- Policy Reviews
 - [Delegation of Authority](#) *
 - [Investment Policy](#) *
 - [Debt Management Policy](#) *

Q4 | July - September

August 9-10, 2022

- Strategic Board Retreat

September 20, 2022

- Unbeatable Team
 - [FY23 Pay for Performance Plan](#) *
- Customer Loyalty
 - Final FY22 JDP Customer Satisfaction Results
- Business Excellence
 - Resilient / Reliable Infrastructure Update
 - Rate Hearing

Planning one year out for strategic topics and board actions





Powering Forward

JEA's Strategic Direction



July 2021

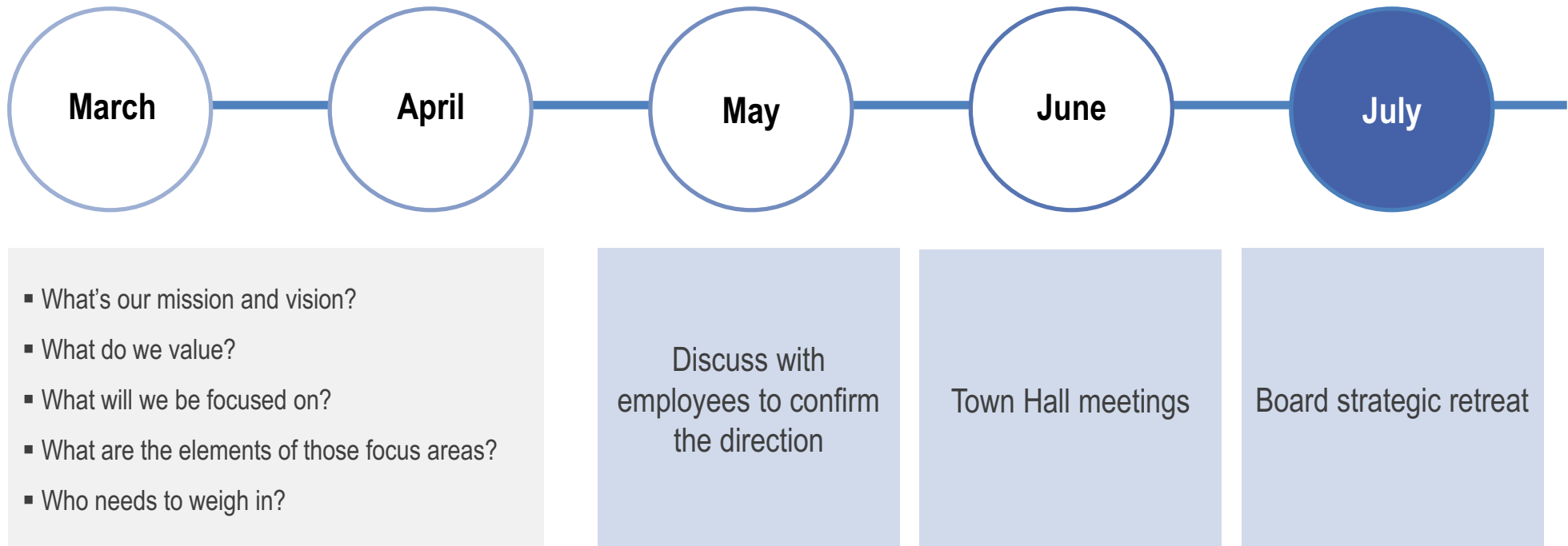


Overview & Opening Comments

Jay Stowe
Managing Director & CEO



Developing JEA's Strategic Direction



Today's objective: to walk through JEA's strategic direction & confirm we're on the right path

IMPROVING LIVES. BUILDING COMMUNITY.

TO BE THE BEST UTILITY IN THE NATION

CORE VALUES

SAFETY

We put the physical and emotional wellbeing of people first, both at and away from the workplace.

RESPECT

We treat others with courtesy and respect, seeking diverse perspectives and helping to bring out the best in everyone.

INTEGRITY

We place the highest standard on ethics and personal responsibility, worthy of the trust our customers and colleagues place in us.

STRATEGIC FOCUS AREAS

Develop an
UNBEATABLE TEAM

Deliver
BUSINESS EXCELLENCE

Earn
CUSTOMER LOYALTY

Develop an Unbeatable Team



- Exceptional work culture
- Employee development
- Employee engagement
- Labor relations
- Long-term workforce planning
- Diversity, equity & inclusion
- 'Work from Wherever' approach



STRATEGIC FOCUS AREAS

Deliver Business Excellence



- Affordable rates
- Sound financial decisions
- Integrated Resource Plan
- Resilient/reliable infrastructure
- Technology, tools & data
- New business opportunities
- Real estate portfolio



STRATEGIC FOCUS AREAS

Earn Customer Loyalty



- Ease of doing business
- Environmental stewardship
- Economic development
- Community engagement
- Stakeholder relationships
- JEA brand management



STRATEGIC FOCUS AREAS



Economic Outlook

Sean Snaith, Ph.D

*University of Central Florida's Institute for
Economic Forecasting*







Develop an Unbeatable Team

David Emanuel
Chief Human Resources Officer



Develop an Unbeatable Team

Develop an Unbeatable Team



- Exceptional work culture
- Employee development
- Employee engagement
- Labor relations
- Long-term workforce planning
- Diversity, equity & inclusion
- ‘Work from Wherever’ approach



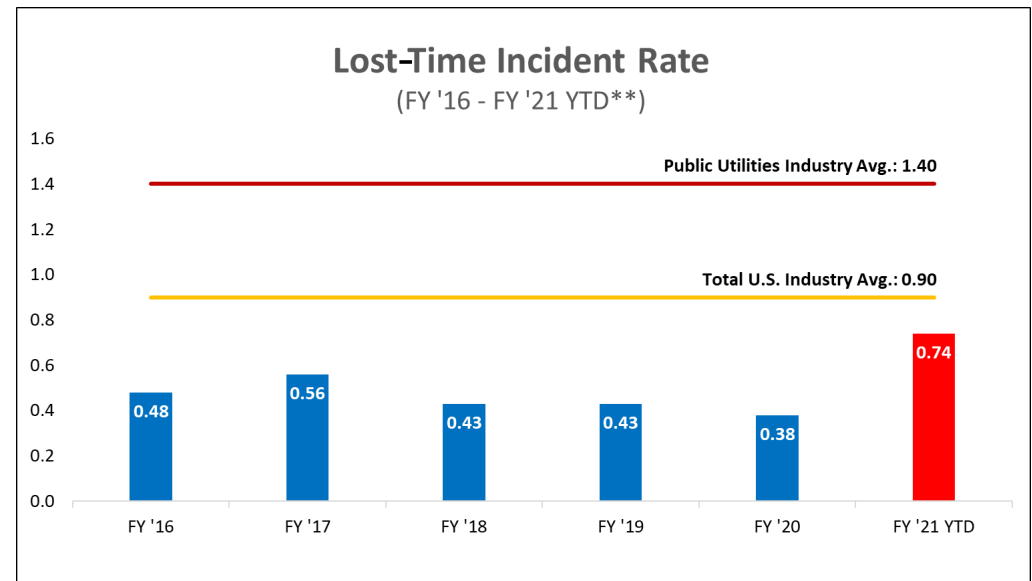
STRATEGIC FOCUS AREAS



Transforming the Culture

Safety Performance Metric Update

- JEA’s primary lagging safety performance indicator (**recordable incident rate (RIR)**) is considered obsolete and essentially tracks medical only (relatively minor) injuries;
- Going forward, propose to target **lost-time incident rate (LTIR)** as the primary lagging safety performance indicator, which will have a more meaningful impact on overall safety performance, employee well-being, and the company’s bottom line;
- Average Net Incurred WC Costs By Claim Type*:
 - ✓ Medical Only Injuries: \$2,971
 - ✓ **Lost Time Injuries: \$56,907**
- Will continue to monitor RIR as well as all other lagging and leading safety performance indicators, but primary emphasis will be on reducing LTIR.



* Average WC costs from FY '13 – FY '20

** FY '21 YTD values as of June 14, 2021

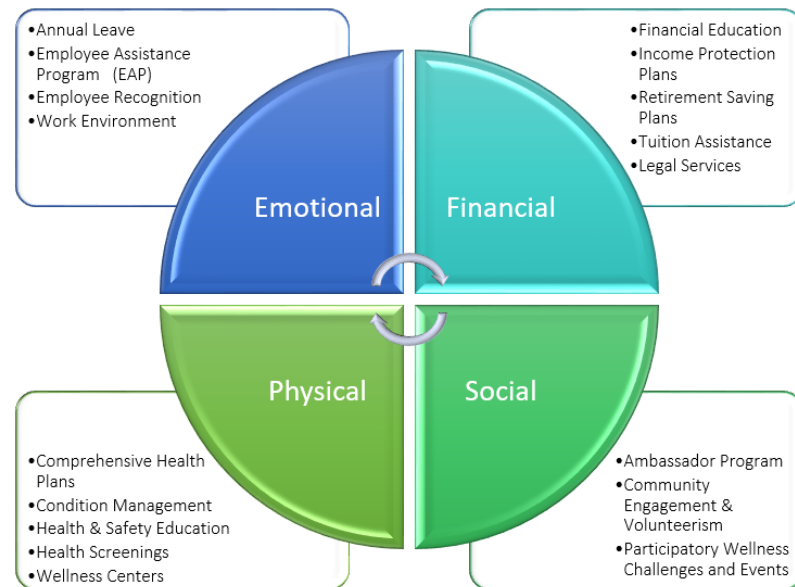
Replace RIR with LTIR for FY '22 & Beyond

Transforming the Culture

Improve & Sustain Employee Health & Wellbeing

- The Hybrid Work Model will present new challenges related to the delivery of wellbeing programs and employee participation.
- Focus on delivery of programs to reduce health risks, disease prevention and improve the quality of life for all employees.
- A healthier workforce can lower direct costs such as insurance premiums and worker's compensation claims. It will also positively impact many indirect costs such as absenteeism and worker productivity.
- Engage employees to gain feedback, perceptions and ideas to promote a healthier work environment

JEA Wellbeing Model



Work from Wherever You Work Best

Transforming Our Culture Hybrid Work Model

- Implementation of a new work model evolved from the pandemic and taught us lessons on how we can work differently in the future
- Strategy will focus on modifying practices and mitigating risks associated with new work life model
- Work Model Considerations: onboarding remotely, hoteling, unconscious bias, dilution of culture, seamless connectivity, communication transparency, employee physical and mental wellbeing
- Measure Employee Engagement/Productivity
- Collective Bargaining implications

62% of JEA's workforce has a role that may require them to work on-site

U.S. Executives Plan New Investments to Support Hybrid Working



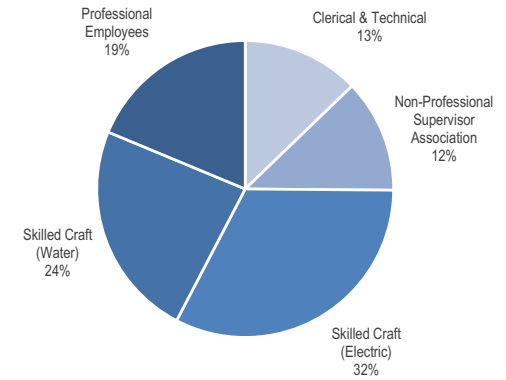
Source: PwC U.S. remote work survey

Work from Wherever You Work Best

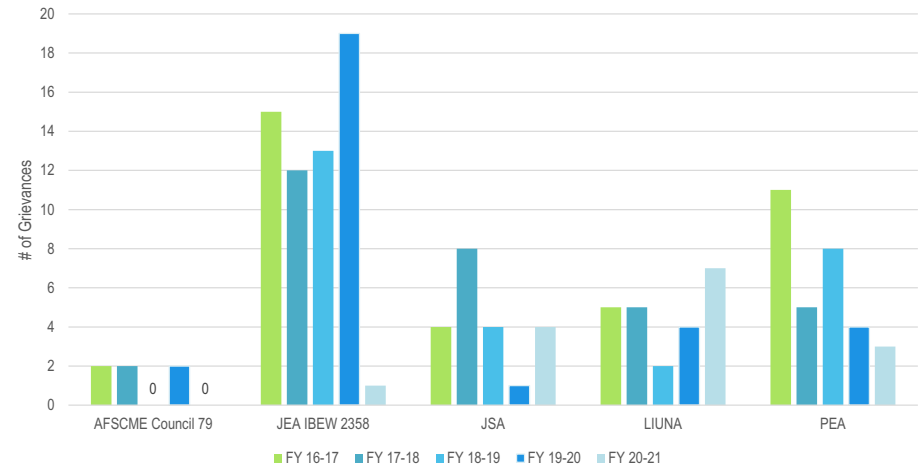
Strong Labor Relations

- Enhanced small group management training
- Grievance Root Cause Analysis
- Utilize Federal Mediation and Conciliation Services (FMCS) Training Institution Service for Building Labor Management Partnerships
- Embedding Labor Relation Specialists in the field with Union representatives) (Already piloted in current FY)
- Preparations for collective bargaining with all unions for contracts expiring Sept 30, 2022

78%
of JEA's workforce
is in a collective bargaining unit



5 Year Bargaining Unit Grievances



Supporting our employees now and in the future



Employee Development

Employee Development is a critical component of talent retention...

94% of employees say they would stay with a company longer if there was an investment in learning
Source: LinkedIn

Percent of professionals that cited limited career paths as a primary reason for leaving?
Source: Randstad

43%

...it's also a key driver of employee engagement and company culture

Best in Class Employee Development



Training Options

Continue building the “hard” skills for JEA technical and professional roles and growing the “soft skills” for employees at all levels, aligning curricula and policies to strategic framework in FY21 and expand self-paced learning with a Learning Management System (LMS) in FY22



Tuition Assistance

Encourage lifelong learning for JEA employees working to furthering their education, continuing JEA partnerships with external organizations to support Jacksonville and tuition assistance offerings



Internship Program

Explore adding a hire/rotation element to JEA’s already strong internship program with intent of increasing the number of intern conversions into JEA employees in FY23



Peer-to-Peer Training

Expand peer-to-peer training through both formal and informal opportunities, using a talent planning approach that supports strategic workforce planning in FY22-23



Opportunities to Engage with Leaders

Develop structured program to provide opportunities to interact and learn from leaders across JEA in FY21-22

[Employee Development Strategies](#)

To grow talent and bring out the best in everyone at JEA

Transforming the Culture

Diversity, Equity, & Inclusion – Going Beyond the Numbers

- Engage employees to gain feedback, perceptions and ideas to promote a work environment that is inclusive and respectful
- Affinity Groups vs. Employee Resource Groups
- Re-Brand JEA Talent Acquisition
- Cultivate long-term community relationships focused on attracting and developing a diverse pipeline of talent
- Develop action plans that drive the conversation and transform the organizational culture

Success comes from making inclusive diversity part of the normal conversation

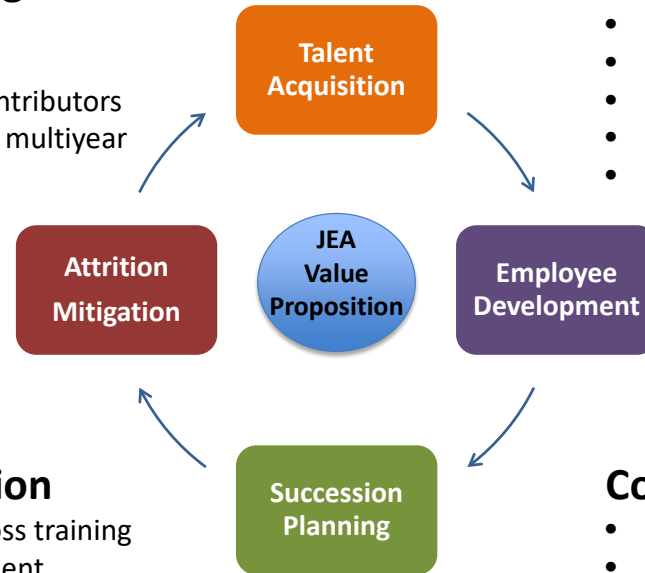
Long-term Workforce Planning

Proactive Planning & Early Hiring

- Continual attrition risk assessments
- Active leadership succession planning
- Mitigation for vital specialized individual contributors
- Long range hiring of strategic jobs requiring multiyear apprenticeships and training

Knowledge Transfer & Preparation

- Well documented work instructions and cross training
- Job shadowing and early succession placement
- Focus on readiness
- Gain functional knowledge and skills



Effective Hiring & Retention

- Attract diverse well qualified candidates
- Long Term community partnerships as feeders
- Effective pre-employment testing/screening
- Competitive compensation and benefits
- Exceptional work culture

Continuous Employee Development

- Culture of continuous learning
- Provide programs to support core competencies
- Effective performance management and talent reviews
- Capture and utilize self identified career aspirations
- Individualized development plan and mentoring

Sustaining JEA's Highly Technical Workforce



Deliver Business Excellence

Jody Brooks
Chief Administrative Officer



Deliver Business Excellence

Deliver Business Excellence



- Affordable rates
- Sound financial decisions
- Integrated Resource Plan
- Resilient / reliable infrastructure
- Technology, tools & data
- New business opportunities
- Real estate portfolio



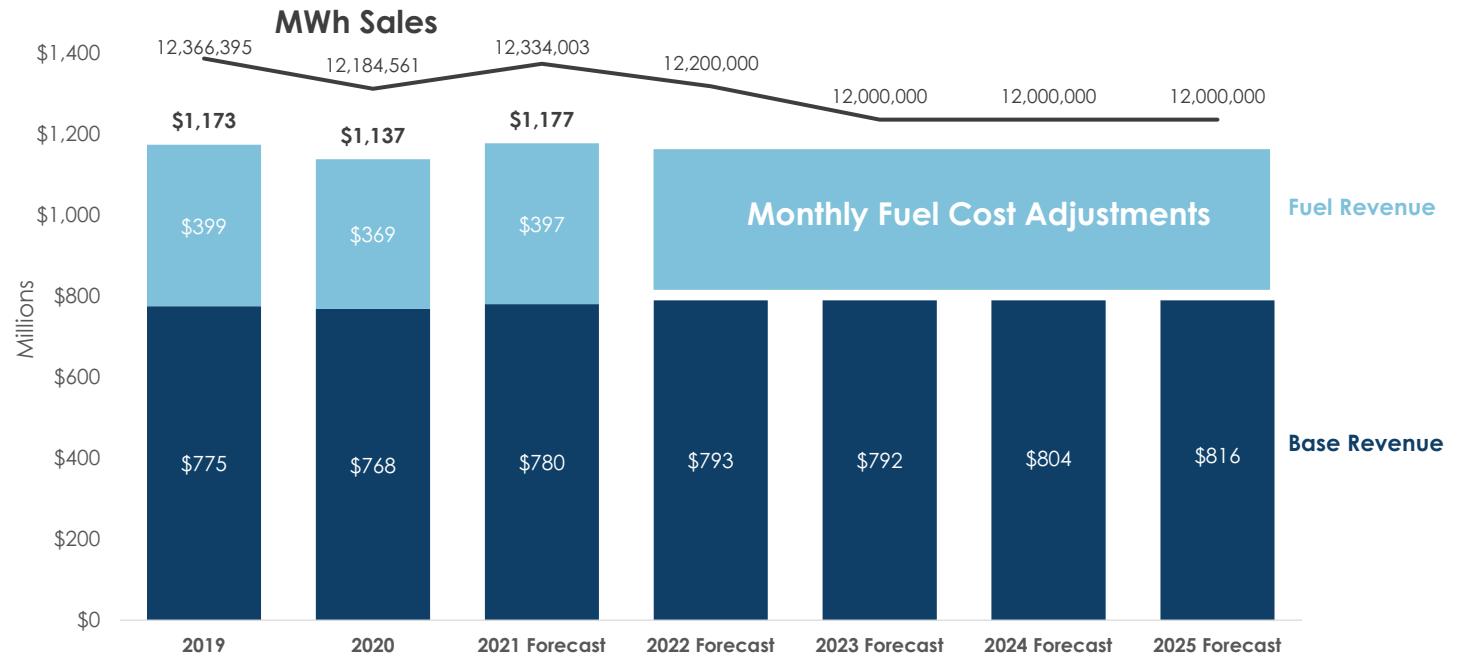
STRATEGIC FOCUS AREAS

Electric System Rate Forecast



Assumptions

- Debt Service Coverage - Above a 4.0x through 2025
- Fixed Charge Coverage - Above a 1.6x through 2025
- Liquidity - Days of Cash on Hand maintains above 100, Days of Liquidity maintains above 225
- Non-Fuel Purchased Power - Assumes Vogtle comes online November 2021
- Capital Expenses - Cash fund \$1 billion in CAPEX 2021-2025



Base Yield (Rev/MWh)	\$62.34	\$62.34	\$62.34	\$64.36	\$65.32	\$66.30	\$67.30
Base Yield Change	0%	0%	0%	3.24%	1.5%	1.5%	1.5%
Fuel Charge	\$32.50	\$32.50	\$32.50	Monthly Fuel Cost Adjustments beginning in FY22			
Fuel Charge Change	0%	0%	0%				

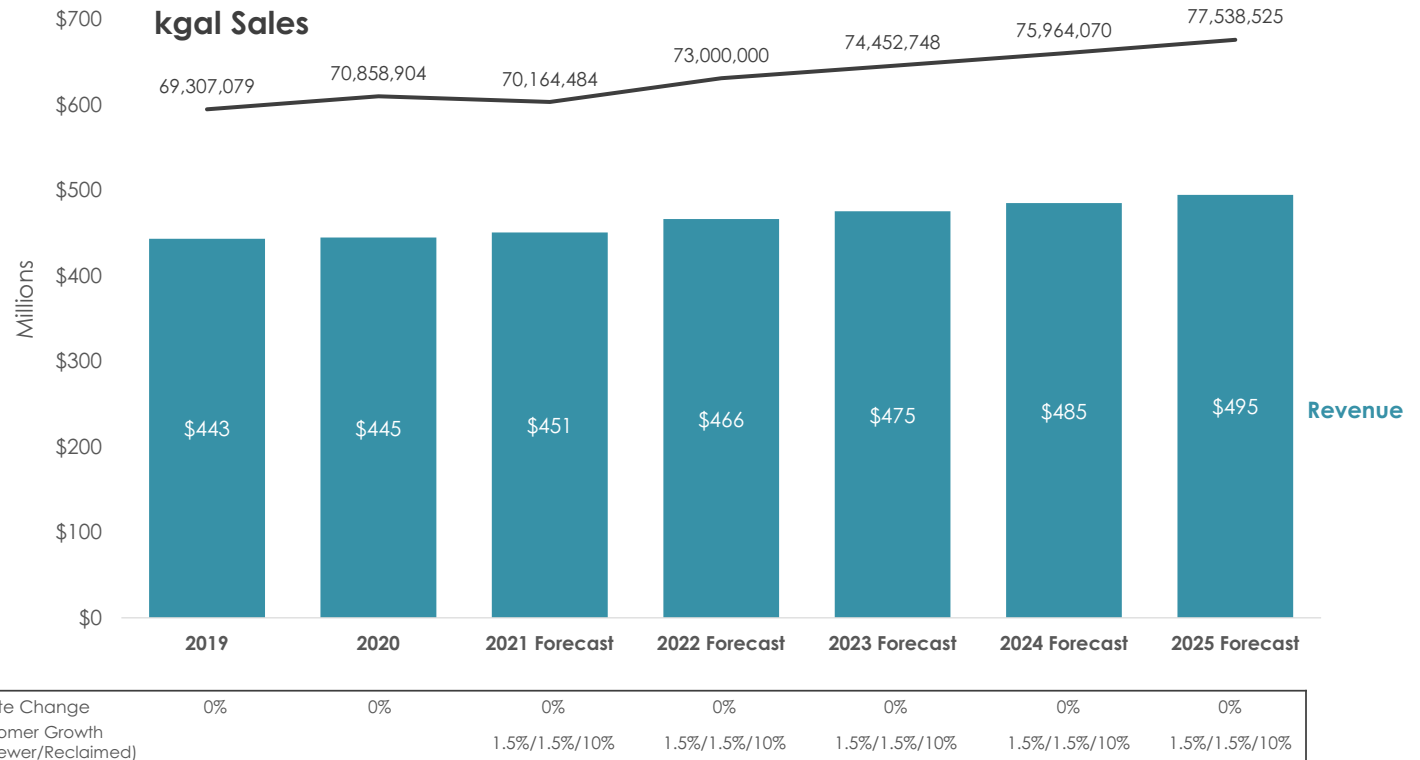
To ensure rates are equitable and predictable, staff recommends JEA elect the rate setting philosophy of small adjustments more frequently while pursuing innovative opportunities with rates

Water and Wastewater System Rate Forecast



Assumptions

- Debt Service Coverage - Above a 3.2x through 2025
- Liquidity - Days of Cash on Hand maintains above 85, Days of Liquidity maintains above 215
- Capital Expenses - \$1.6 billion in CAPEX 2021-2025



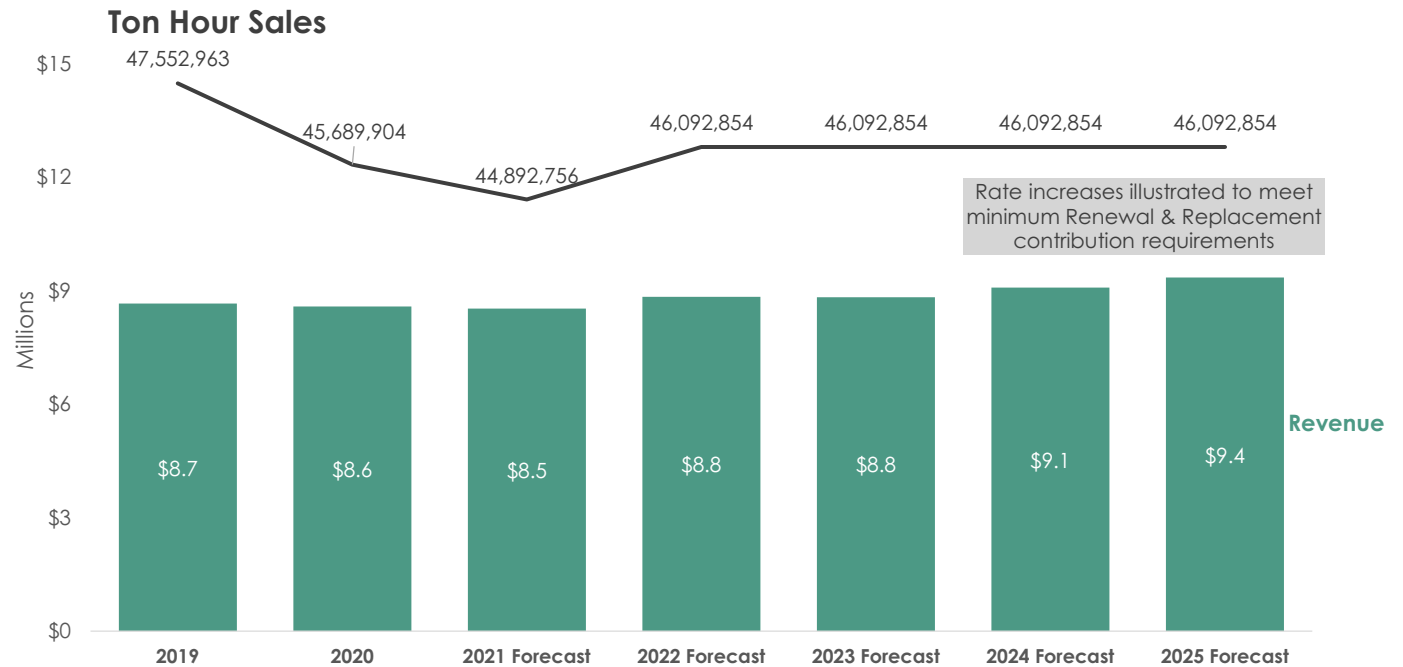
To ensure rates are equitable and predictable, staff recommends JEA elect the rate setting philosophy of small adjustments more frequently while pursuing innovative opportunities with rates

District Energy System Rate Forecast



Assumptions

- Debt Service Coverage - Above a 1.15x through 2025
- Liquidity – Modified Days of Cash on Hand averages 110
- Capital Expenses - \$18 million in CAPEX 2021-2025



In order to support the CAPEX & other operating expenses, additional funding from the Revolving Credit Facility will accumulate to \$13 million by FY25. Future rate increases above what is illustrated will be necessary to maintain financial integrity.

The potential expansion of the District Energy System model will have a direct impact on a recommended rate strategy

JEA Cost Strategy

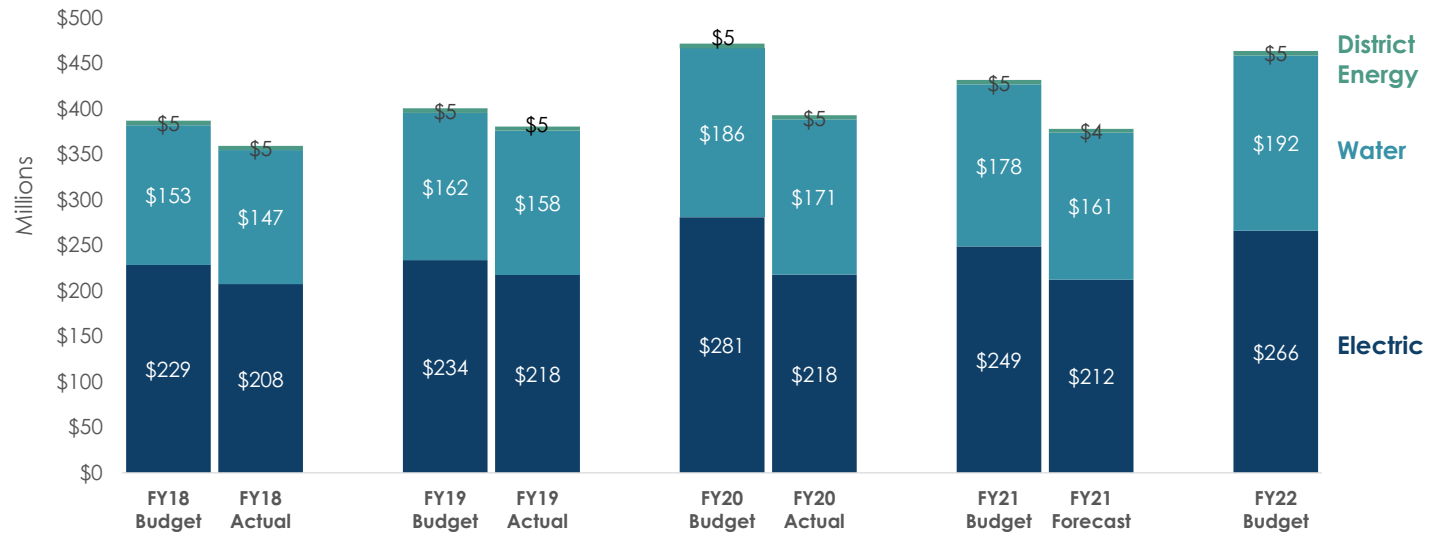


Assumptions

Operating Budgets include:

- Fuel and Purchased Power
- Operations & Maintenance
- Debt Service
- City Contribution
- Interlocal Payments
- Internal Capital Funds

**Operations & Maintenance Spend
FY18 – FY22**

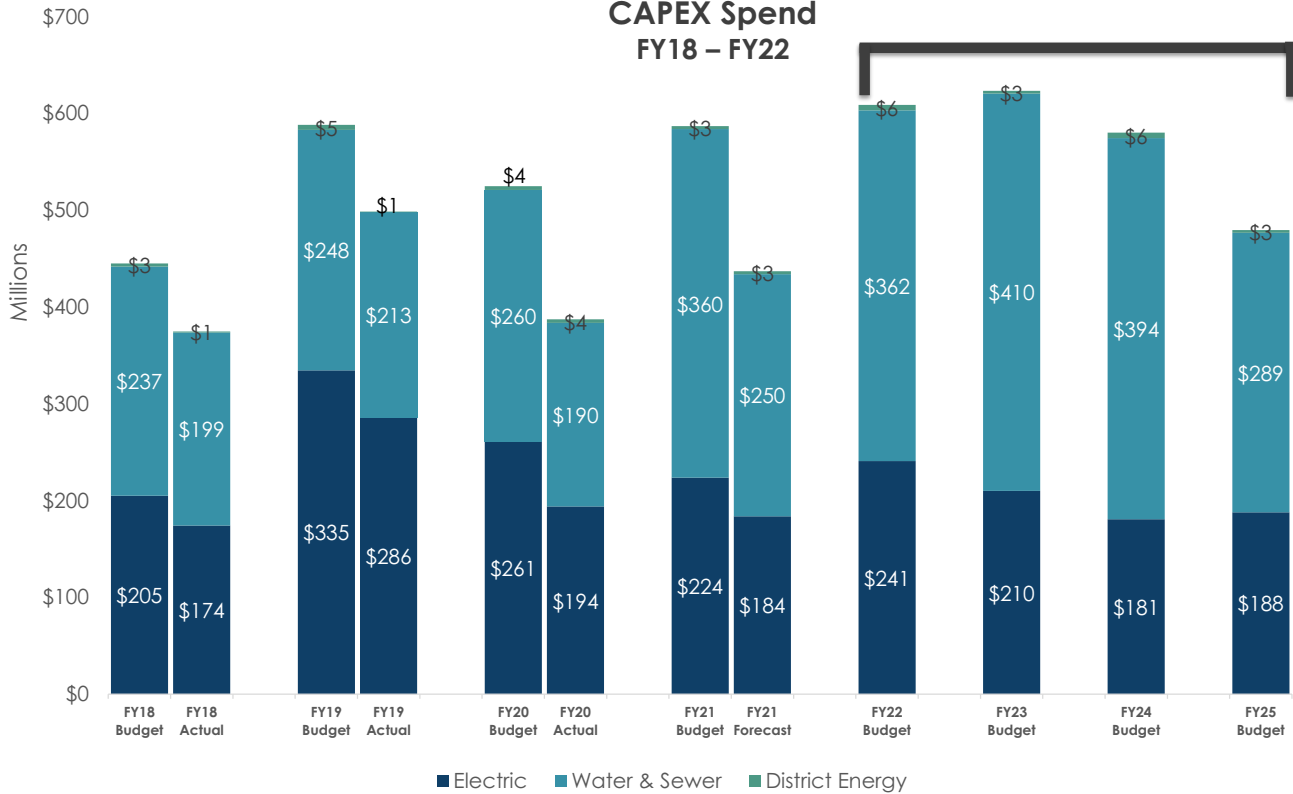


Staff recommends JEA prioritize and allocate funding according to its strategic goals, and improve its discipline in budgeting

JEA Cost Strategy



**CAPEX Spend
FY18 – FY22**



Large Projects Included in Capital Improvement Plan FY22 - 25		(\$ million)
Buckman Reclamation Facility - Biosolids Conversion		\$159
Greenland Reclamation Facility - 4.0 MGD		\$95
Southwest Reclamation Facility - Expansion to 16 MGD		\$74
Wastewater Large Capital Improvements		\$54
Nassau Regional Reclamation Facility - Expansion to 3 MGD		\$53
Greenland - Southside Blvd - Deerwood 3 to Greenland		\$48
Arlington East Reclamation Facility Upgrades		\$38
Deerwood Water Plant - New		\$31
Water Treatment Plant Large Capital Improvements		\$24
Facilities - JEA Headquarters		\$21
Facilities - Emergency Ops Center Hardened Facility		\$18
Brandy Branch Generating - CT1 - Rotor Replacement		\$18
Greenland Energy to Mayo 230kV Circuit 950 Addition		\$16
Greenland Energy - 1X1 Combined Cycle Addition		\$15
Northside Generating - Byproduct Storage Area II		\$14
Kennedy Generating - CT7 - Rotor Replacement		\$13
Mayo 230-138-26kV Substation		\$12
SouthWest Substation - Transmission		\$10
SouthWest Substation - Substation		\$9
Water Purification Demonstration Facility		\$9
Downtown Plant Expansion - New Chiller & Cooling Tower		\$6
Downtown - Chilled Water Extension		\$4

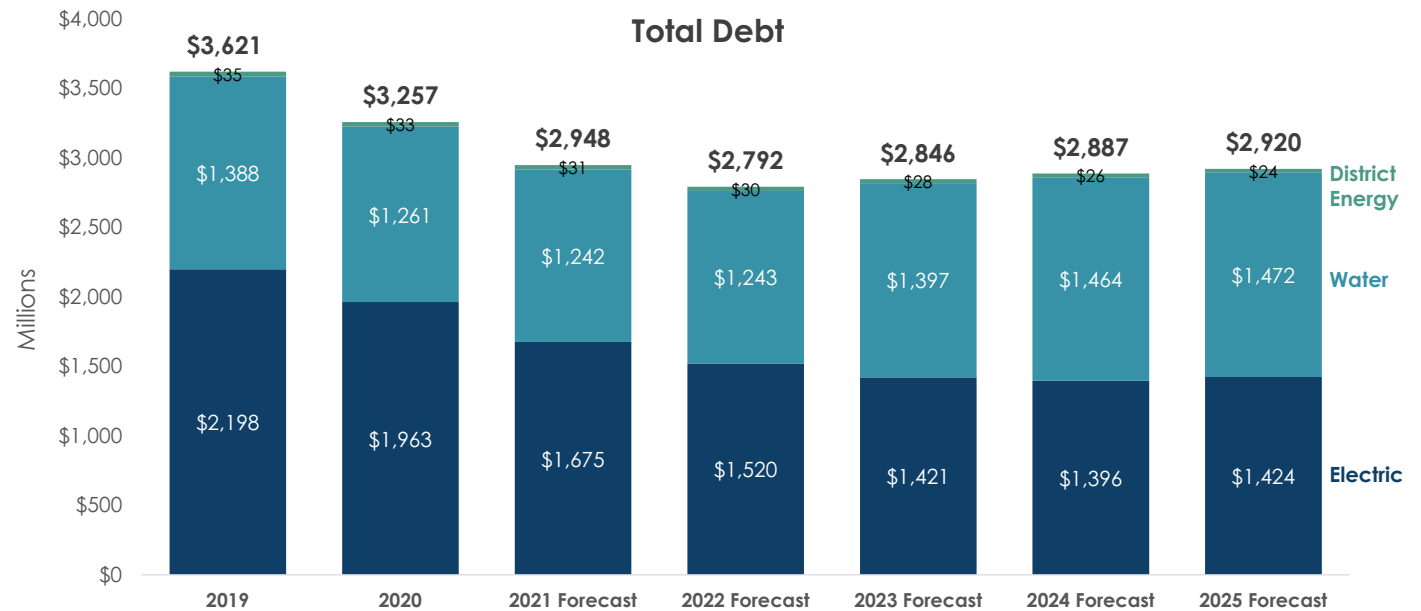
Staff recommends JEA prioritize and allocate funding according to its strategic goals, and improve its discipline in budgeting

JEA Debt Plan



Assumptions

- Peer utility debt to asset ratio for electric utilities is 46%
- Pricing policy currently set at max of 60% for Electric System and 50% for W/WW System
- Debt to asset ratios continue to improve and approach / drop below long-term targets



Electric Debt to Asset Ratio	65%	60%	53%	48%	45%	43%	44%
Water & Wastewater Debt to Asset Ratio	45%	41%	40%	38%	39%	39%	38%
DES Debt to Asset Ratio	95%	87%	86%	75%	70%	60%	55%

Current Debt to Asset ratio gives JEA the opportunity to incur additional debt

Integrated Resource Plan



What is an Integrated Resource Plan (IRP)?

An Integrated Resource Plan (IRP) is an assessment of future needs and the development of a strategic plan to meet those future needs. It is “integrated” in that it looks at a comprehensive list of both demand side (energy efficiency, demand response, water conservation, etc.) resources as well as traditional supply side (generation/power plants, transmission lines, water supply, etc.) resources in making its recommendations on how best to meet future electric and water needs.

Who is involved in the process?

JEA’s stakeholders are integral to the process – providing input into the goals, strategic considerations, and the evaluation of scenarios

What is the IRP going to tell us?

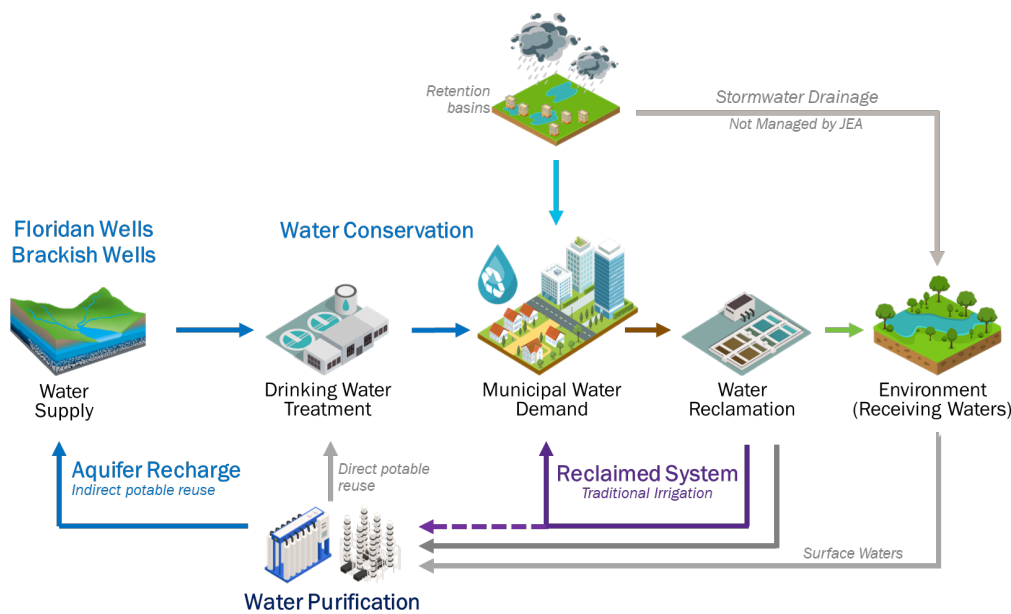
The IRP provides strategic recommendations based on the assessment of various scenarios. Recommendations with various options for supply-side and demand-side resources, potential environmental benefits from those options, cost-effectiveness, and improvements to system reliability and operations.

When will the process be complete?

The Water / Wastewater IRP was completed in FY21, and the Electric IRP is expected to be complete in August 2022.

Integrated Resource Plans inform our resource decisions

Integrated Resource Plans



Goals / Mandates

- JEA Energy Mix Goals
- Resource Adequacy
- System Reliability & Resiliency
- Cost Effective
- Regulations

Existing Resources

- Upgrades / Maintenances
- Retirements

Forecasts

- Energy & Demand
- Economics
- Electrification
- Demand Side Management
- Fuels
- Other

IDENTIFY RESOURCE NEED

STRATEGIC CONSIDERATIONS

Supply-Side

- **Natural Gas**
 - Combined Cycle
 - Combustion Turbine
 - Internal Combustion
- **Nuclear**
 - Generation III/IV Reactor
 - Small Modular Reactor
 - Fusion Reactor
- **Battery Storage**
 - Lithium-Ion
 - Lead-Acid
 - Flow Batteries
- **Firm Power Purchases**
- **Renewables**
 - Solar
 - Wind
 - Oceanic
 - Biomass
 - Landfill Gas
 - Hydrogen
 - Other Renewables

Demand-Side

- **Energy Efficiency**
 - Appliances/Electronics
 - LED/Low-Energy Lightings
 - "Smart" Thermostats
 - Windows and Doors
 - Insulations
 - Others
- **DER**
 - Solar Net Metering
 - Customer-Owned CHP
 - Battery Storage
- **Rate Strategies Support**
- **Demand Response**
 - Interruptible/Curtailable
 - Direct Load Control
- **Beneficial Electrification**
 - Residential / Commercial EVs
 - Industrial Electrification

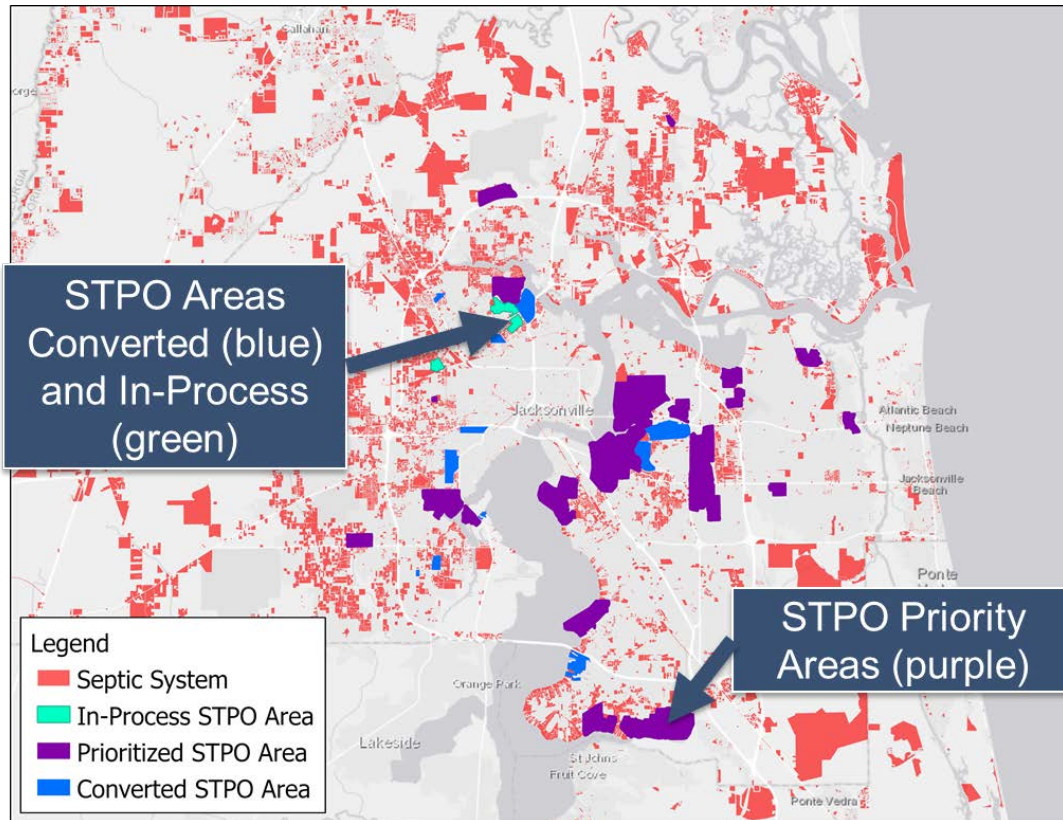
EVALUATION OF SCENARIOS AND SENSITIVITIES

FINAL INTEGRATED RESOURCE PLAN

The IRP Will Be the Guide for JEA's Energy Supply Future

Resilient / Reliable Infrastructure

Septic Tank Phase Out



Project Areas

- Riverview
- St Nicholas
- Emerson
- Champion Forest
- Eggleston Heights
- Julington Creek
- Oak Lawn
- Atlantic Highlands
- Kinard
- Westfield

Design now to be ready for execution when funding is in place

Resilient & Reliable Infrastructure

Thinking Beyond Traditional Resiliency

Task Force in place to ask the following:

- What are the areas of vulnerability/risk?
- What are JEA's & Jacksonville's priorities?
- How will JEA mitigate or recover from the identified impacts?

Potential sources of risks:

- Economic: fiscal crises, deflation/inflation
- Environmental: extreme weather events, natural disasters
- Geopolitical: conflicts, terrorist attacks
- Societal: social instability, large scale migration
- Workforce: knowledge transfer of increasing retirement eligible workforce
- Technological: cyber attacks, critical infrastructure breakdown

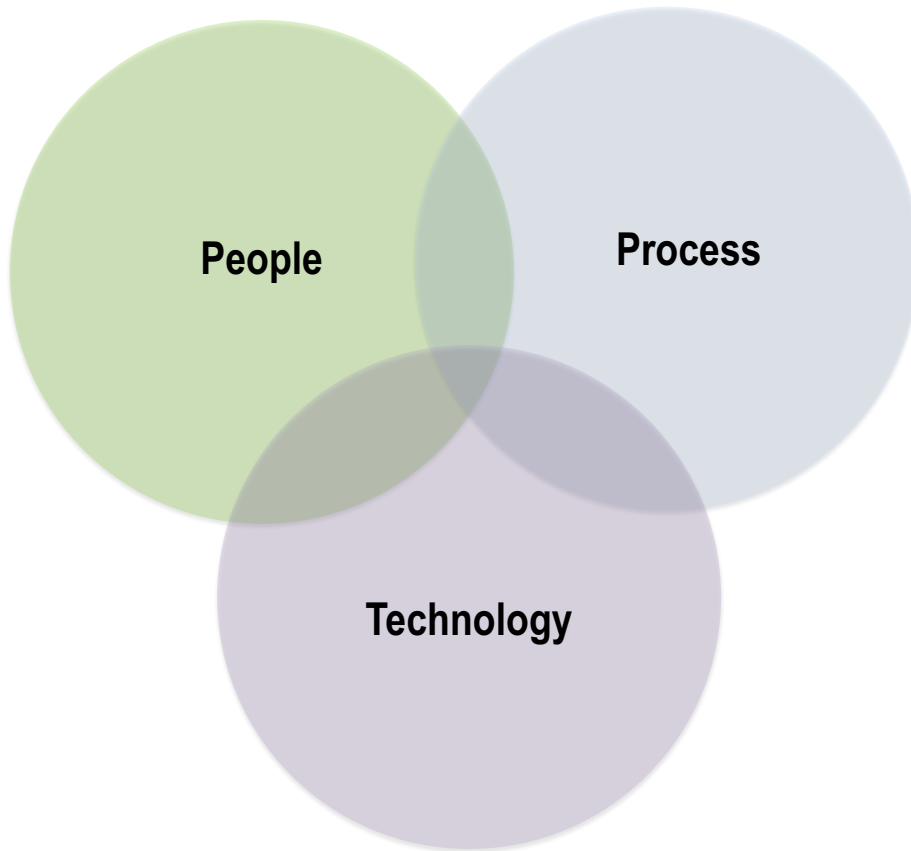


JEA

From 'How resilient is the infrastructure?' to 'How resilient is JEA?'

Technology, Tools, & Data

Cybersecurity



How to defend against such attacks

People

- Awareness Training
- Social Engineering Campaigns
- Workforce Training
- Backups

Process

- Incident Response Plan
- Open Source Intelligence (Threat Landscape)
- Exercise Run Books
- Backups

Technology

- Perimeter Protection
- Endpoint Protection
- Backups

Cybersecurity continues to be a high priority and focus area

New Business Opportunities

Potential Opportunities to Explore

Fiber

- Dark Fiber Lease
- Municipal Broadband

District Energy Systems

- Chilled Water
- Solar – residential, commercial, community, schools & campuses
- Distributed Generation – backup, emergency, demand response, battery

Electrification

- Commercial Lighting
- Electric Vehicles

On Bill Financing

- Solar
- HVAC
- Insulation
- Energy Efficiency Upgrades

Environmental Credits

- Wetlands
- Nitrogen

We're considering several potential opportunities – and plan to focus on a few near-term



New Business Opportunities

Fiber to Home

Background & Context

JEA's Existing Fiber Network

- 745 miles supporting communication technology for Electric, Water, and Sewer utility operations
- ~175 sites in JEA service territory
- 36,000 strand miles of fiber

Considerations

- Business model options
- Charter limitations to utility need / use
- Market landscape

Why Consider Fiber to the Home?

SmartGrid Effects

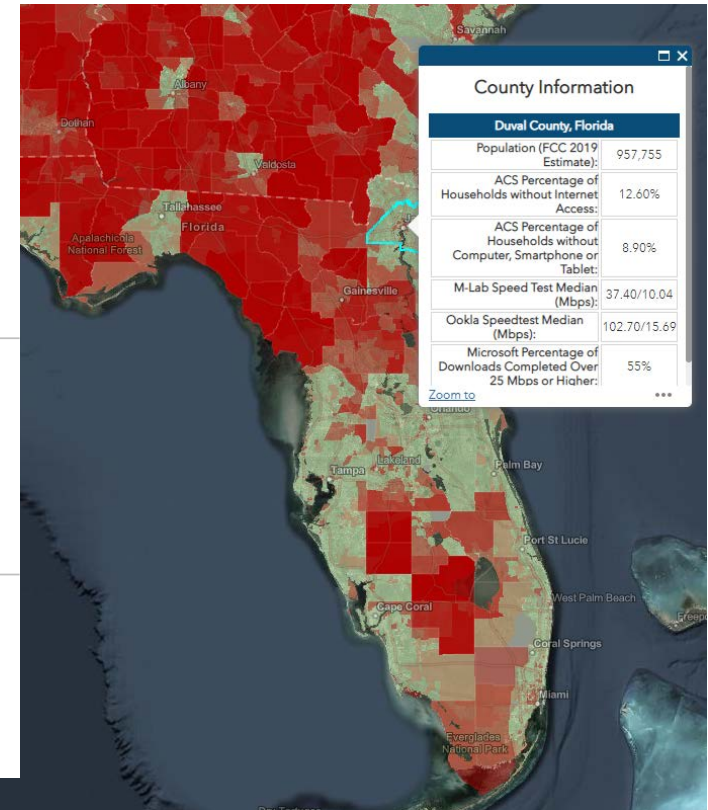
- Reduced Operating & Maintenance Costs
- Reduced Outages
- Demand Side Management
- Reduced CO₂

Community Impact

- Economic Development
- Employment Effects
- Business, Household, & Community Benefits

Financial Impacts

- Additional Revenue
- Increased City Contribution



Indicators of Broadband Need

Recommending conducting study and developing fiber strategy in FY22

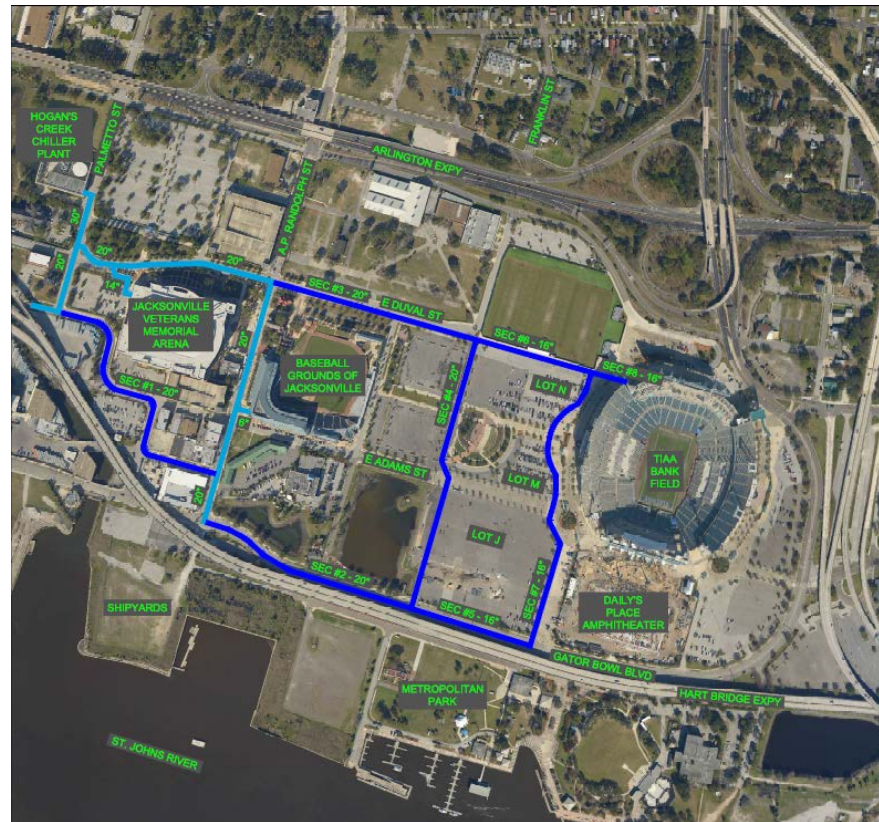
New Business Opportunities



District Energy Systems

Hogan's Creek Chilled Water Plant – Downtown

- Increase firm capacity downtown
- Identify likely additional system capacity scenarios
- Consider options for expanding existing underground chilled water piping



Solar

- Residential
- Commercial
- Community
- Schools & Campuses

Distributed Generation

- Backup
- Emergency
- Demand Response
- Battery

Explore expanding District Energy Services to include solar and distributed generation

Real Estate Portfolio

Strategic Approach to Real Property Assets

Inventory JEA-owned properties to determine current and future utility needs

Identify surplus properties with consideration given to parcels that may provide economic development opportunities

Develop real estate portfolio strategy to:

- Create certainty for assets supporting economic development
- Dispose of property that doesn't support economic development or current and future utility needs

What may be involved in creating certainty for assets supporting economic development?

- Assess site conditions
- Define and permit wetlands
- Determine future wetland impacts
- Identify title encumbrances
- Determine utility availability
- Assess land use and zoning opportunities
- Validate integrity of infrastructure (like railroad) and develop repair / maintenance budget
- Identify site access options

Driving economic development



Earning Customer Loyalty *Strategic Discussion*

Sheila Pressley
Chief Customer Officer



July 27 Board Retreat

Earn Customer Loyalty



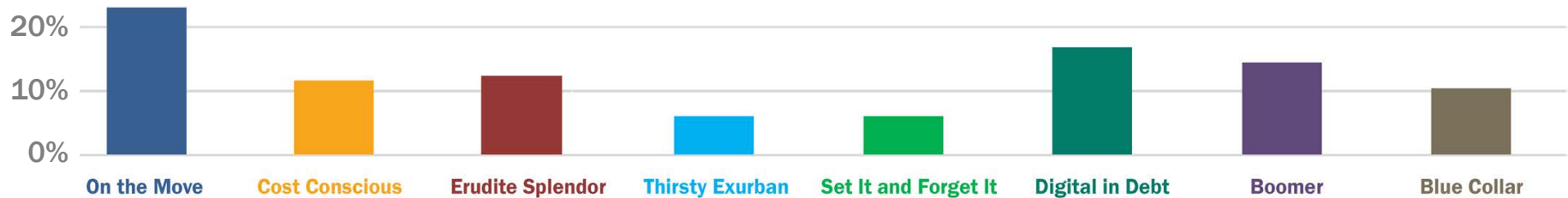
- Ease of doing business
- Environmental stewardship
- Economic development
- Community engagement
- Stakeholder relationships
- JEA brand management



STRATEGIC FOCUS AREAS



Utilizing Data for Customer Segmentation



- | | | | | | | | |
|--|---|---|--|---|--|---|---|
| <ul style="list-style-type: none"> • Young, single renters • Low incomes • Multi-family homes • Electric only • < 3 years • Low consumption • Pay online • Hi % low-income assistance | <ul style="list-style-type: none"> • Young, single • High # pre-pay • Small older homes • Low income • Water & Electric • < 3 years • Medium consumption • High contact and field activity • Often in collections • Pay online • Hi % low-income assistance | <ul style="list-style-type: none"> • Single family, large homes • Mostly owners • Mostly married • High % of college degrees and professionals • Higher incomes • Longer-term residents • High consumption • Mostly pay by check • Median age approaching 50 | <ul style="list-style-type: none"> • Mostly homeowners • Large % of water-only customers • Medium property size • High % of college degrees and professionals • Higher income • Good credit • Low maintenance • High usage • Middle-aged • Mostly pay by check | <ul style="list-style-type: none"> • Single family • Mostly owners • 2nd highest proportion of pools • Medium property size • Good credit • Middle-aged • Highest % of eBill • High % of Auto Pay • Low maintenance • Medium usage | <ul style="list-style-type: none"> • Youngest customers • Newer, single-family homes • Digitally inclined • Higher % on eBill • Majority pay online • High collection activity but low maintenance otherwise | <ul style="list-style-type: none"> • Highest proportion of retirees • Old homes • Long length of residence • Good credit • Oldest segment • High outage-related effort • Medium maintenance • Mostly pay by check | <ul style="list-style-type: none"> • High percentage of blue collar • More renters • Longer term of residence • Low to mid income • >50% electric only • High % of low-income assistance • Medium maintenance |
|--|---|---|--|---|--|---|---|

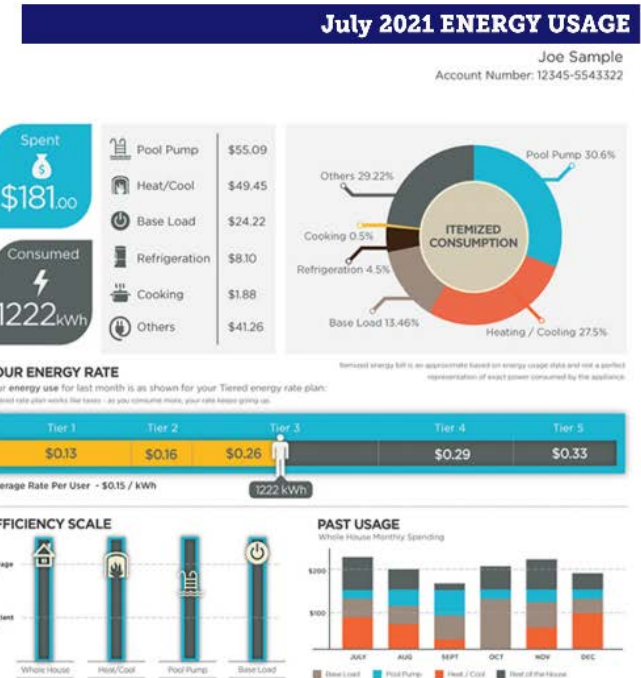
The “average” customer does not exist, yet the customer service model was built on that assumption

Enrich the customer relationship with personalization



- Leverage AMI (“behind the meter”) data
- Customize information to help customers manage their usage and bill
- Personalize the customer experience based on segmentation needs
- Partner with technology companies to harness “smart” data

ELECTRIC SERVICE						
Billing Rate: Residential Electric Service						
Service Address: 4543 ECTON LN E						
Service Period: 02/24/21 - 03/25/21 Reading Date: 03/25/2021						
Service Point: Residential - Electric						
Meter Number	Days Billed	Current Reading	Reading Type	Meter Constant	Consumption	
20128639	29	60770	Regular	1	1055 KWH	
20128639	29	9.16	Regular	1	9.16 KW	
20128639	29	7.56	Regular	1	7.56 KW	
Basic Monthly Charge					\$	5.50
Energy Charge (\$0.06988 per kWh)						73.72
Fuel Cost						34.29
Environmental Charge						0.65
City of Jacksonville Franchise Fee						3.42
Gross Receipts Tax						3.01
Public Service Tax						9.17
TOTAL CURRENT ELECTRIC CHARGES					\$	129.76
\$28.90 of Fuel Cost is Tax Exempt						



Provide our customers with the information to make better decisions and save time and money

Ease of Doing Business



Customers want convenience, digital communications (i.e., text messages and internet access to data and information), services and alerts customized to their preferences

- **Proactive customer communications**
“You may have a water leak.”
- **Detect power outages**
“We know your power is out.”
- **Behind-the-meter solutions**



Modernize the exchange of data between JEA and its tech-enabled customers

Shift from Utility Authority to Trusted Advisor



We want customers to turn to us as their trusted advisor for guidance, education and to help make smarter financial and consumer decisions

- Rooftop solar
- Behind-the-meter batteries
- Smart appliances
- Home energy management tools
- Vehicle charging accessories



Rent: \$800
Utilities: \$400

TOTAL: \$1,200



Rent: \$1000
Utilities: \$75

TOTAL: \$1,075

Establish a stronger relationship between JEA and our customers

Environmental Stewardship



- Institute measures to help protect the St. Johns River
- Ensure sustainable water supply through conservation and innovative water-reuse approaches
- Accelerate septic tank phase-out and infrastructure improvements
- Reduce carbon footprint through reduction in gas emissions and alternative energy supply



Engagement in environmental issues and focus on conservation and preservation

Economic Development

Attracting Jobs & Capital Investment

Strengthen Partnerships

Partner with economic development agencies in northeast Florida and across the industry

Incentives for New and Existing Customers

Design bill credit program for jobs and capital investment that supports expansion of existing commercial and industrial customers and bring new commercial and industrial customers to northeast Florida

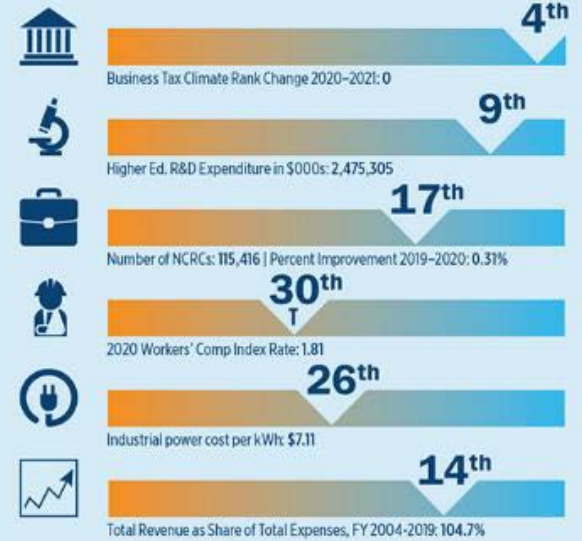
Downtown Revitalization

Invest in infrastructure that makes downtown Jacksonville thrive



A Closer Look at Florida

National Rankings



Source: Site Selection State of the States Report, January 2021

Northeast Florida – the place to live, work, and play

JEA Brand

- Continue building customer trust
- Expand and deepen community engagement
- Position our employees as the center of our brand; showcase JEA's "front lines" with our customers in campaigns, as this is collectively *their* JEA
- Foster close-knit news media relationships
- Internal/external focus on diversity, equity and inclusion
- Update residential and business customer segmentation to provide more audience-specific targeted messaging
- Include recruitment strategies in branding efforts



Focus the JEA brand on how we improve lives and build community

Community Engagement

- Create program for general community members to join us and provide volunteer hours for students
- Identify range of leadership speaking opportunities at chambers, Rotaries, clubs, etc.
- Expand children education programs with focus on Power Pals and JEA's new Aqua Pals
- Strengthen relationships with, non-profits, churches and houses of worship through community events
- Promote environmental and conservation awareness throughout the community
- Create programs to help small businesses
- Increase employee community engagement with new and exciting volunteer/ambassador opportunities



Strengthen JEA's community engagement through new and innovative programs



Closing Comments

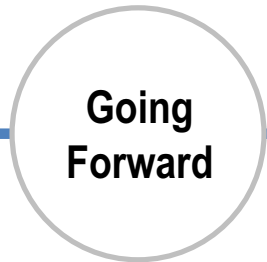
Jay Stowe
Managing Director & CEO





Developing JEA's Strategic Direction

Where do we go from here?



- Align goals across the company
- Develop action plans
- Provide regular updates to the board

Board of Directors Annual Calendar Fiscal Year 2022			
Q1 October - December	Q2 January - March	Q3 April - June	Q4 July - September
<p>October 26, 2021</p> <ul style="list-style-type: none"> ■ Unbeatable Team <ul style="list-style-type: none"> — Pay for Performance: FY21 Results * ■ Customer Loyalty <ul style="list-style-type: none"> — Brand Management — Small Business Collaborative — Surface Water Discharge Elimination Plan ■ Business Excellence <ul style="list-style-type: none"> — Resilient / Reliable Infrastructure Update <p>November 16, 2021</p> <ul style="list-style-type: none"> ■ Unbeatable Team <ul style="list-style-type: none"> — Strong Labor Relations Update ■ Customer Loyalty <ul style="list-style-type: none"> — Environmental Stewardship Update — JEA Brand Management Update ■ Business Excellence <ul style="list-style-type: none"> — Technology & Cybersecurity Update ■ Policy Reviews <ul style="list-style-type: none"> — Governance: Board Policy Manual * — Electric Compliance Policy * — JEA Charter 	<p>January 11, 2022</p> <ul style="list-style-type: none"> ■ Unbeatable Team <ul style="list-style-type: none"> — Employee Engagement Update ■ Customer Loyalty <ul style="list-style-type: none"> — JD Powers Wave 1 Residential update ■ Business Excellence <ul style="list-style-type: none"> — Real Estate Portfolio Update ■ Policy Reviews <ul style="list-style-type: none"> — Finance & Audit: Enterprise Risk Management & Compliance, JEA Code of Conduct / Code of Ethics, and Identity Theft Protection Program (FACTA) Annual Risk Assessment <p>February 22, 2022</p> <ul style="list-style-type: none"> ■ Unbeatable Team <ul style="list-style-type: none"> — Diversity, Equity & Inclusion Update ■ Customer Loyalty <ul style="list-style-type: none"> — Economic Development Update — Water Conservation Resolution * ■ Business Excellence <ul style="list-style-type: none"> — Integrated Resource Plan Update — New Business Opportunities Update ■ Board Committee Reports <ul style="list-style-type: none"> — Nominating: Approve Board Officers * ■ Policy Reviews <ul style="list-style-type: none"> — Energy Market Risk Management Policy * 	<p>April 5, 2022</p> <ul style="list-style-type: none"> ■ Unbeatable Team <ul style="list-style-type: none"> — Long-term Workforce Planning Update — Employee Development Update ■ Customer Loyalty <ul style="list-style-type: none"> — JD Powers Wave 2 Residential update — Community Engagement ■ Business Excellence <ul style="list-style-type: none"> — FY23 Draft Budget Summary ■ Policy Reviews <ul style="list-style-type: none"> — Finance & Audit: Internal Audit Charter — Board Education & Development Policy * — Travel Policy & Procedures <p>May 24, 2022</p> <ul style="list-style-type: none"> ■ Unbeatable Team <ul style="list-style-type: none"> — JEA Headquarters Update ■ Customer Loyalty <ul style="list-style-type: none"> — Stakeholder Relations Update — Customer Experience – Tech Solutions ■ Business Excellence <ul style="list-style-type: none"> — FY23 Budget * — Call for Rate Hearing ■ Policy Reviews <ul style="list-style-type: none"> — Delegation of Authority * — Investment Policy * — Debt Management Policy * 	<p>August 9-10, 2022</p> <ul style="list-style-type: none"> ■ Strategic Board Retreat <p>September 20, 2022</p> <ul style="list-style-type: none"> ■ Unbeatable Team <ul style="list-style-type: none"> — FY23 Pay for Performance Plan * ■ Customer Loyalty <ul style="list-style-type: none"> — Final FY22 JDP Customer Satisfaction Results ■ Business Excellence <ul style="list-style-type: none"> — Resilient / Reliable Infrastructure Update — Rate Hearing

Action Item | * Requires Approval | Board Committee Action



From strategic direction to execution

IMPROVING LIVES. BUILDING COMMUNITY.

TO BE THE BEST UTILITY IN THE NATION

CORE VALUES

SAFETY

We put the physical and emotional wellbeing of people first, both at and away from the workplace.

RESPECT

We treat others with courtesy and respect, seeking diverse perspectives and helping to bring out the best in everyone.

INTEGRITY

We place the highest standard on ethics and personal responsibility, worthy of the trust our customers and colleagues place in us.

STRATEGIC FOCUS AREAS

Develop an
UNBEATABLE TEAM

Deliver
BUSINESS EXCELLENCE

Earn
CUSTOMER LOYALTY