

# JEA BOARD MEETING AGENDA

April 28, 2020 • 9:00 a.m.

WebEx \*\*No physical location will be provided for this meeting.\*\*



I. WELCOME	
A.	Opening of Meeting – Jody Brooks, Office of General Counsel
B.	Introductions
C.	Election of Board Chair
D.	Call to Order – Board Chair
E.	Time of Reflection
F.	Adoption of the Agenda – Action
G.	Safety Briefing – Melissa Dykes, Interim Managing Director/CEO
H.	<a href="#">Sunshine Law/Public Records Statement – Jody Brooks, Office of General Counsel</a>
I.	Adoption of Robert’s Rules and Waiver of Bylaws for Election of Officers – Board Chair
J.	Election of Officers (Vice Chair and Secretary)
K.	<a href="#">Open Letter to JEA Employees</a>

II. COMMENTS / PRESENTATIONS		
Item(s)		Speaker/Title
A.	Comments from the Public	Public
B.	Council Liaison’s Comments	Council Member Danny Becton

III. CONSENT AGENDA			
Definition: The Consent Agenda consists of agenda items that require Board approval but are routine in nature, or have been discussed in previous public meetings of the Board. The Consent Agenda items require no explanation, discussion or presentation, and are approved by one motion and vote.			
Item(s)			Discussion Action/Information
Appendix A:	<a href="#">Board Meeting Minutes January 28, 2020</a>		Action
Appendix B:	<a href="#">Special Board Meeting Minutes April 3, 2020</a>		Action
Appendix C:	<a href="#">Monthly Financial Statements</a>		Information
Appendix D:	<a href="#">Monthly FY20 Communications &amp; Engagement Calendar and Plan Update</a>		Information

IV. FOR BOARD CONSIDERATION			
Item(s)		Speaker/Title	Discussion Action/Information
A.	Ethics Training	Carla Miller, City of Jacksonville	Information
B.	<a href="#">Governance Training Resources: Webinar and Reference Materials</a>	Walette Stanford, Ethics Officer	Information
C.	<a href="#">Introduction to the JEA: the 2020 Rating Agency Presentation and Current Bond Market Opportunity</a>	Senior Leadership Team	Information

D.	Introduction to JEA Financial Statements	Joe Orfano, Interim Chief Financial Officer John DiSanto, Ernst & Young	Information
E.	JEA Disclosure Policies and Procedures – Training	Mike Watkins, Greenberg Traurig	Information
F.	Monthly Financials and Operations Dashboard: Introduction and Year-to-Date Performance	Caren Anders, VP/GM Energy Systems Deryle Calhoun, VP/GM Water/Wastewater Systems	Information
G.	Downtown Campus Update and Next Steps on Value Engineering	Nancy Kilgo, Director, Special Projects Ryan Companies CBRE	Information
H.	Call for Shade Meeting to discuss Plant Vogtle Litigation Matter	Jody Brooks, Office of General Counsel	Action

V.	BOARD AND COMMITTEE REPORTS		
	Item(s)		Speaker/Title
			Discussion/Action/Information
	A.	Establishment of Committees and Committee Assignments	Board Chair
	B.	Schedule of Future Board Meetings	Board Chair
	C.	Procurement of Executive Recruiting Firm – Managing Director/CEO Recruitment	John McCarthy, VP/Chief Supply Chain Officer

VI.	OTHER BUSINESS	
	Item(s)	
	Speaker/Title	
	A.	Old Business
	B.	Other New Business
	C.	Open Discussion
	D.	Managing Director/CEO's Report
	E.	Chair's Report
		Melissa Dykes, Interim Managing Director/CEO
		Board Chair

VII.	CLOSING CONSIDERATIONS	
	Item(s)	
	A.	Announcements – Next Board Meeting May 26, 2020
	B.	Adjournment

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

## Board Calendar

**Board Meetings:** 9:00 a.m. – Fourth Tuesday of Every Month (exception(s): November 17, 2020 and December 15, 2020)  
(Subject to Change Based on Board Action)

**Committees:** Finance & Audit Committee: May 18, 2020 (Subject to Change)

Other Committee Meetings TBD

A. If you have a disability that requires reasonable accommodations to participate in the above meeting, please call **665-7550** by **8:30 AM** the day before the meeting and we will provide reasonable assistance for you.

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

Florida's Government in the Sunshine Law  
Office of General Counsel

This meeting is subject to Florida's Government in the Sunshine Law, §286.011, Florida Statutes, and shall be open to the public at all times.



21 West Church Street  
Jacksonville, Florida 32202-3139



April 20, 2020

### **To the employees of JEA,**

We are honored to be welcomed into the JEA family as your newly appointed Board of Directors. Our collective intent is to work closely with JEA Leadership to ensure a financially successful future as a ***municipally owned independent authority of the City of Jacksonville***. JEA's long history of success is one we will build upon to become not only financially sound, but to become an economic development driver for our region. We will do so with a continued and heightened focus on employee safety, operational excellence and customer service.

The first step in making this happen will be the selection of a CEO to lead the organization into the next era of JEA excellence. This process begins today, with a commitment to transparency, collaboration and efficiency. We will be searching for a CEO that has the values, experience and vision that align with the resounding expectations of our Board Members, Senior Leadership, employees, City leaders and the community at large.

While safety, operational and customer service excellence will be the focus of the board and management team, we know that all three start and end with you, the employees of JEA. We are committed to doing everything within our power to make sure that you have the tools you need to perform the duties of your individual and collective jobs, and the most important tool we can give you today is peace of mind: ***JEA is not for sale.***

We look forward to serving the customers of JEA and the community as a whole and, most importantly, we look forward to working with you and supporting your needs to ensure JEA's success.

### **JEA Board of Directors**

E L E C T R I C

W A T E R

S E W E R

**JEA BOARD MINUTES  
January 28, 2020**

**The JEA Board met in regular session on Tuesday January 28, 2020, on the 19<sup>th</sup> Floor, 21 W. Church Street, Jacksonville, Florida. Board members present were April Green, Reverend Fredrick Newbill, Kelly Flanagan, Dane Grey, and Henry Brown. Also present was Lawsikia Hodges and Sean Granat, Office of General Counsel.**

**Agenda Item I – Welcome**

- A.** The meeting was **called to order** at 9:02am by Chair April Green.
- B.** A **Moment of Reflection** was observed by all.
- C.** The **Pledge of Allegiance** was led by Chair Green.
- D.** **Introductions** were made by board members present and Melissa Dykes, Lawsikia Hodges, and Sean Granat.
- E.** **Adoption of Agenda** – The amended agenda was approved on **motion** by Board Member Dane Grey and second by Board Member Henry Brown.

*The agenda was modified to shorten or remove recess based on flow of meeting; motion approved unanimously.*

- F.** The **Safety Briefing** was given by DeLisa Johnigarn, Executive Assistant and Sammy Howard, Water/Wastewater Foreman.
- G.** **Sunshine Law/Public Records Statement** – Lawsikia Hodges, Office of General Counsel (OGC), stated this Board Meeting is being held in compliance with Florida's Government in the Sunshine Law, §286.011. The complete statement can be found in section I. F. of the Board package.

**Agenda Item II – Comments / Presentations**

- A.** **Comments from the Public –**
  - **James Taylor (information on file)** – Expressed his opinion on the need to stop the ITN.
  - **Tim Wing (information on file)** – Expressed his opinions on Mr. Zahn's contract stating that he should be terminating for cause and not receive any money.
- B.** **Comments from Council Liaison** – Council Member Becton stated his mission has always been to be objective and unbiased as the liaison. CM Becton stated he filed a Resolution 2020-042, which calls for the council to communicate to Management that in order for the Town Halls to mean something there needs to be a reset back to July 22, 2019. CM Becton stated he always told Aaron Zahn he would support him if he was being honest. CM Becton offered his opinion that Mr. Zahn needs to be terminated with cause.
- C.** **Comments from the Public -**
  - **CM Salem (information on file)** – CM Salem comment included six points: 1) Aaron Zahn should be terminated with cause, 2) confirm JEA will move forward as a municipality 3) deal with the employment contracts 4) board move quickly on the process of recruiting a new CEO 5) encouraged Staff to leave as many of the leadership team positions open for the new CEO to craft

a new team and 6) the city council is more than happy to participate in Town Halls in whatever format to help educate the community.

- **David Brutterly (information on file)** - Mr. Brutterly stated he supported the privatization based on a need to transition into a 21<sup>st</sup> century utility to make it much more sustainable system. Mr. Brutterly stated that Aaron Zahn should be terminated with cause.

### **Agenda Item III. A. CEO & Managing Director**

- A. Chair April Green started the agenda item by giving a recap of the directives from the last board meeting for OGC and thanked them for their work. Sean Granat, Office of General Counsel, stated Mr. Zahn countered with three different offers but OGC could not accept them because they were not offers from the Board; Mr. Zahn then decided that he wanted to accept the offer but the deadline of December 30, 2019 had passed. Mr. Granat read a letter from Mr. Zahn and then read the 24 paragraphs of support for termination with cause based on the investigation conducted by OGC. Henry Brown asked for a clarification of gross negligence and simple negligence. Mr. Granat stated that it is an intentional disregard of the harm that could be caused, in this case to JEA. Mr. Brown also asked how to distinguish between the CEO's responsibility to inform the board versus the board's responsibility to ask questions. Mr. Granat stated the Board has an important job to do and should ensure they understand, in this case Mr. Zahn knew the board didn't understand. Mr. Brown asked for a description of the inconsistency in the Compensation material. Mr. Granat answered that Towers Watson stated that it was not their product and they would have never approved it. Mr. Brown asked for clarification on Item 15. Mr. Granat answered there was an email prior to July's board meeting between a former board member and third party law firm, Pillsbury, concerning working as a consultant and discounting his fee in exchange for a success fee in the event of recapitalization; the same board member was present and voted at July's board meeting. Mr. Brown asked for clarification on Item 16 & 17. Mr. Granat answered that Mr. Zahn wanted to revamp the Compensation plan and wanted to include a Long Term Incentive Plan. Towers Watson was against LTI Plans in public utilities. Mr. Zahn changed "uncommon but selectively used" in the presentation to "selectively used". Mr. Granat stated that he did make other changes and noted them in his email to Towers Watson; when asked in hearing on December 16, 2019, Mr. Zahn stated that Towers Watson made the changes and he was not aware of any JEA employees that could make changes. Mr. Brown asked for clarification on Item 19 and Item 2; asked if the agreements were different than what was in the July 23 board package. Mr. Granat clarified they were not different and continued on to state the earliest that the board received materials was the Saturday before the board meeting (timeline is unclear). Mr. Granat also stated that it is uncommon for employees, other than the CEO, to have employee contracts so they should have been called out and explained to the board members.

Mr. Granat stated that it is OGC's opinion that Mr. Zahn should be terminated for cause. Mr. Granat explained the next steps is for the Board to terminate with or without cause. If Mr. Zahn is terminated without cause his contract offer would remain if Mr. Zahn and his attorney are still willing to accept. If terminated with cause all pay and benefits would stop except for Cobra coverage (which Mr. Zahn is responsible for the cost) and he has the right to appeal the decision. If arbitrator was in favor of JEA, that would be the end. If the arbitrator was in favor of Mr. Zahn he will receive full contract benefits. Kelly Flanagan asked who would be responsible for legal cost. Mr. Granat stated that Mr. Zahn's contracts has both provisions and could be awarded attorney fees. Chair Green asked if OGC could represent JEA in arbitration. Mr. Granat stated that JEA should seek

outside counsel as some members of OGC could be called as witnesses. Reverend Newbill asked if there is a possibility of cost for arbitration exceeding what would be paid in the offer to Mr. Zahn. Mr. Granat replied that this a risk. Mr. Granat stated there is a provision for Mr. Zahn to terminate his own contract, and he has done so. Mr. Granat recommended that JEA responds to notice of good reason and deny that good reason has occurred.

On ***motion*** by Kelly Flanagan and second by Henry Brown, the Board of Directors voted to terminate Aaron Zahn with cause and for OGC to respond to Mr. Zahn's counsel. Motion passed unanimously.

*5 minute recess (Adjourned at 10:03am – Meeting reconvened at 10:08am)*

#### **Agenda Item IV – Operations (Discussion/Action)**

- A. **Consent Agenda** – used for items that require no explanation, discussion or presentation and are approved by one motion and vote. On ***motion*** by Board Member Kelly Flanagan and second by Board Member Brown the consent agenda was unanimously approved.

**Appendix A: Board Meeting Minutes December 17, 2019** – approved

**Appendix B: Special Board Meeting Minutes December 24, 2019** – approved

**Appendix C: Monthly Financials Statements** – information only

**Appendix D: Monthly FY19 Communications & Engagement Calendar and Plan Update** – information only

**Appendix E: Corporate Campus Update** – information only

**Appendix F: Sole Source & Emergency Procurement/Procurement Appeals Board Report** – information only

**Appendix G: Ernst & Young FY2019 External Audit Report** – information only

- B. **Monthly Financial and Operations Dashboard** – Kerri Stewart, Chief Customer Officer, began by stating the presentation was based on questions from Board Members on JEA's current initiatives. Ms. Stewart stated that the JD Power metric decreased but the employee volunteer metric has increased. Ms. Stewart closed her portion of the presentation by stating that staff is working to increase JD Power scores, make the Customer Service Center Self-Service, and expanding development opportunities. Caren Anders, VP/GM Energy Systems provided highlights of the electric system's metrics and providing examples of the various initiatives, such as the limestone project, to reduce cost. Deryle Calhoun, VP/GM Water/Wastewater Systems, highlighted the water/wastewater metrics and water/wastewater Staff initiatives. Shawn Eads, Chief Information Officer, highlighted the metrics added to the Dashboard for technology services and technology services Staff's initiatives, including working with Black Belts on process improvements.

In discussion, Chair Green asked about the details of the customer satisfaction decline. Ms. Stewart stated that it was largely due to the controversy at JEA. There was further discussion amongst Board Members and Staff including sales drivers, behind the meter opportunities, and how the Board can help push things forward.

This presentation was received for information only.

**C. JEA's Procurement and Jacksonville Small and Emerging Business (JSEB)**

**Programs Report** – John McCarthy, Chief Supply Chain Officer and Rita Scott, Manager, JSEB, provided the background of the JSEB program, highlighted the JSEB Summit and monthly outreach. Vice Chair Newbill asked what is the average time it takes for a business to get qualified and then start actually doing business. Mr. McCarthy answered that there is no metric for that but there are 15 new businesses during FY19. Vice Chair Newbill personally commended Mr. McCarthy and his team on their work with the JSEB program.

This presentation was removed for information only.

**D. Recruitment for Permanent CEO and Interim CEO Contract** – Jon Kendrick, Chief Human Resource Officer, provided next steps for recruitments. Mr. Kendrick recommends using a search firm and advised that the process could take several months. Chair Green stated that the process should start sooner rather than later and the Compensation Committee should also handle CEO Search. Mr. Kendrick stated that JEA has a current contract with ZRG and have had successful hires with them. Chair Green stated that the Compensation Committee should handle CEO Search (and come back to the board with initial findings), the Interim CEO contract, and have OGC a part of those meetings.

This presentation was removed for information only.

**E. Committee Assignments** – Chair Green stated that there are positions to be filled for the following committees: Nominating Committee, Compensation Committee, Finance & Audit Committee, and Governance & Transparency Committee. Lawsikia Hodges, Office of General Counsel, stated that an example of the reason there is a need for the Governance Committee is review the By Laws; they have not been reviewed in 10 years and there are some inconsistencies. Chair Green stated that the Finance and Audit Committee structure will remain the same.

- **Finance and Audit Committee** – Chair Kelly Flanagan, April Green, and Henry Brown

Chair Green filled the committee positions as follows:

- **Compensation/CEO Search Committee** – Chair Camille Lee-Johnson, April Green, Dane Grey
- **Nominating Committee** was moved under the **Governance & Transparency Committee** with the following structure:

Chair Henry Brown, April Green, Dane Grey

Ms. Hodges recommends that the Governance & Transparency Committee work with OGC to determine some best practices. Chair Green advised CM Becton that he has an open invitation to all committee meetings.

**F. Changes Implemented Since December** - Melissa Dykes, outlined the changes being made to restore trust and improve transparency. She highlighted the Public Records process and the organizational structure focused on operations. Board member Flanagan had a question about a media story concerning fees for Public Records. Ms. Hodges informed her that the public records statute allows for the agency to charge fees. Ms. Dykes stated fees are waived for ITN and PUPs request.

**G. Rating Agency Update** – Joe Orfano, Interim Chief Financial Officer, shared that he addressed Ryan Wannemacher's departure and his appointment as the Interim CFO with the rating agencies (S&P, Moody, and Fitch) in a meeting on January 6, 2020. There has been no rating agency action taken due to Senior Leadership changes. Mr. Orfano

addressed Board Member Dane's question concerning ratings on the Dashboard, stating that it was due to JEA challenging the validity of lawsuit around October 2018.

- H. Senior Leadership Contracts** – Chair Green recommends that the renegotiations be handled by the Compensation Committee with OGC involvement. Board Member Grey asked if the contracts were the same as Mr. Zahn's and if the Board was aware. Ms. Hodges stated that they were the same and approved at the July 23 board meeting. Board Member Grey expressed his concern of the perception of the Board setting a precedent of trying to get out of contracts. Chair Green does not believe so and stated that employees do not have to negotiate. Ms. Hodges reviewed all of the options the board can take concerning the employee contracts. CM Becton, commented that his Resolution addresses the issue with the employee contracts. CM Becton stated that he believes getting rid of the contracts will regain the trust of the community.

On *motion* by Board Member Flanagan and second by Vice Chair Newbill the Office of General Counsel is directed to draft a new employment agreement, based on the OGC recommended terms presented to the Board today to the contract. Commence discussions with and request all non-CEO Senior Leadership Team members to execute a new employment agreement, based on the OGC recommended terms, subject to the mutual consent of the parties and authorizing the Interim CEO to execute the new employment agreements and any amendments thereto.

With one opposed vote, motion passed.

#### **Agenda Item V – Strategy**

- A. Municipal Ownership** – Chair Green opened the discussion by stating that it's time to look to the future and agrees that the utility should remain a municipality. Chair Green stated that she was not sure if there should be a Resolution, but wanted to open it to discussion. Board Member Kelly Flanagan stated that this a great opportunity to get feedback from what our community would like. Vice Chair Newbill stated that there was some information that should have gotten out to the community that didn't and that there are some good and bad aspects of Scenario 3. Reverend Newbill also addressed the Septic Tank Phase Out issues. Reverend Newbill stated that based on feedback he received from the community, they did not truly understand the facts surrounding privatization. Reverend Newbill also stated that the current Board should not tie the hands of future Board members by making a permanent decision. Board Member Henry Brown stated that JEA is owned by its stakeholders, the City of Jacksonville, and it's up the Board to represent the City. Mr. Brown stated ultimately the decision if JEA remains a municipality should not be up to the Board, employees, or Senior Leadership but should come from the City itself. Mr. Brown stated that the City has made it clear that JEA should be remain a municipality and provide the best service under its current structure. Board Member Dane Grey agreed with Mr. Brown's opinion on that JEA should remain under its current structure because it is what the City wants. Chair Green concluded that the Board has their direction from the City and JEA will remain under its current structure for the foreseeable future.
- B. Rescind Resolution 2019-07** – Lawsikia Hodges, Office of General Counsel, began by recapping the circumstance surrounding the approval the Resolution 2019-07 at the July 23<sup>rd</sup> Board meeting.

On *motion* by Reverend Newbill and second by Board Member Brown Resolution 2020-01 to rescind Resolution 2019-07 was approved unanimously.

**Public Comment –**

- **David Brutterly** – supports empowering the Staff to make changes by looking outside of the box to generate revenue. Mr. Brutterly would like to see a Resolution that removes privatization but keeps innovation.

**Agenda Item V – Committee Reports**

- A. Finance and Audit Committee** – Committee Chair Kelly Flanagan, reviewed the content of the December 9, 2019 committee meeting. Joe Orfano, Interim CFO, explained the Investment Policy Revisions being requested. Mr. Orfano and staff is requesting the elimination of restrictions of having money in the Wells Fargo account on April 1<sup>st</sup> and October 1<sup>st</sup>.

On ***motion*** by Dane Grey and second by Reverend Newbill the motion to eliminate restrictions of having money in the Wells Fargo account on April 1<sup>st</sup> and October 1<sup>st</sup> is unanimously approved.

**Agenda Item VI– Other Business**

- A. Old Business** – N/A
- B. Other New Business** – N/A
- C. Open Discussion** – N/A
- D. Interim Managing Director/CEO’s Report** – Melissa Dykes, Interim Managing Director/CEO highlighted Staff’s focus on safety and stated JEA currently has its best safety performance in 15 years. Ms. Dykes thanked the Senior Leadership Team for their hard work during this difficult time and the tremendous work being done to save customer’s money and improve performance. Based on feedback she received from employee Town Hall meetings, Ms. Dykes outlined her plans to include employees on the planning for the future of JEA. Ms. Dykes stated that JEA will focus on three keys areas: safety, customers, and operational excellence.
- E. Chair’s Report** – Chair Green extended her apologies to Senior Leadership for all the scrutiny and hope that they truly understand their value to JEA. Ms. Green stated that it has been her pleasure to serve her community and believes that JEA has some of the best employees. Chair Green accepts her responsibility and stated she remains available to future investigation and will be helpful in any way, but she will be resigning as the Chair of the JEA Board of Directors. Ms. Green stated that there will continue to be challenges until we understand who we are in the community. She will submit her resignation to Mayor Curry and will discuss staying on the Board, until her position is filled, with him.

**Agenda Item VIII – Closing Considerations**

- A. Announcements** – Next Board Meeting – February 25, 2020
- B. Adjournment**

*With no further business claiming the attention of the Board, Chair Green adjourned the meeting at 12:13 p.m.*

APPROVED BY:

\_\_\_\_\_  
SECRETARY

DATE: \_\_\_\_\_

Board Meeting recorded by:

\_\_\_\_\_  
Madricka L. Jones, Executive Staff Assistant



**JEA BOARD MINUTES  
April 3, 2020**

**The JEA Board held a special meeting on Friday, April 3, 2020, via WebEx. Pursuant to State of Florida Executive Order 20-69 (Emergency Management-COVID-19-Local Government Public Meetings), this meeting is permitted to be conducted by communications media technology. No physical location was provided for this meeting. Board Members present were April Green, Dane Grey, Henry Brown, and Camille Lee-Johnson. Also present was Lawsikia Hodges, Office of General Counsel.**

**Agenda Item I – Welcome**

- A.** The meeting was **called to order** at 3:03pm by Chair April Green.
- B.** A **Moment of Reflection** was observed by all.
- C.** The **Virtual Instructions** were provided by Chair Green and Shawn Eads, Chief Information Officer.
- D.** **Adoption of Agenda** – An amended agenda was approved on **motion** by Board Member Henry Brown and second by Board Member Camille Lee-Johnson.

*The agenda was modified to move the Moment of Reflection before the Virtual Instructions.*

- E.** **Sunshine Law/Public Records Statement** – Lawsikia Hodges, Office of General Counsel (OGC), stated this Board Meeting is being held in compliance with Florida's Government in the Sunshine Law, §286.011. The complete statement can be found in section I. F. of the Board package.

**Agenda Item II – Comments / Presentations**

- A.** **Comments from the Public** – There were no public comments via email or during the meeting.

**Agenda Item III – Operations (Discussion/Action)**

- A.** **Fuel Credit for Electric Systems Customers** - Joe Orfano, Interim Chief Financial Officer, opened the presentation explaining that Staff is recommending a fast-track bill credit to all electric customers to ease the impacts during the COVID-19 pandemic. Mr. Orfano stated that lower fuel prices and greater efficiency of operations creates an opportunity to share the savings with customers during the greatest time of need. Mr. Orfano further explained how the fuel credit would be calculated and provided an example of how it would impact customers' bills.

Kerri Stewart, Chief Customer Officer, reviewed the pros and cons of implementing the rebate through bill credit, debit card, and checks. Ms. Stewart stated the bill credit is the most efficient method. Ms. Stewart also stated if the fuel credit is approved, the Customer Experience team is committed to launching a communications campaign to explain to customers how they could share their credit with others in need.

Staff recommends the Board of Directors approve a Fuel Charge credit of approximately \$27 million to customers in May 2020.

Chair Green commended the team for looking at all ways to help the customers and reach out to the community.

On *motion* by Dane Grey and second by Henry Brown, the fuel credit of approximately \$27 million to customers in the month of May 2020 was approved unanimously.

- B. Update on JEA's Response to COVID-19 Pandemic** – Melissa Dykes, Interim Managing Director/CEO stated JEA's goal during the COVID-19 pandemic is to provide reliable service to customers while keeping the employees safe. Ms. Dykes' review focused on employee protection, business continuity, and social distancing. Ms. Dykes explained all JEA employees who can work from home are currently doing so with support from technology services, field crews are on staggered shifts and assigned diverse deployment sites to reduce the size of employee gatherings, and signage was distributed to field workers to encourage customers to stay 6 feet away while working. Ms. Dykes stated there has been increased thorough sterilization of common areas and equipment and PPE has been provided to all employees in the field and onsite. Ms. Dykes further stated that because JEA is an essential service provider, employees showing symptoms of the virus receive priority screening at Duval County Department of Health, Mayo Clinic, and UF Health which allows for JEA to make the right operational decisions. To ensure business continuity for electric and water/wastewater, fully redundant control centers that can run the system in an emergency have been established. Also stay at work facilities have been established, but will only be implemented in the event the virus affects the power plant operators. Ms. Dykes advised that by the end of the day, all residential and commercial call center employees will be working from home and health and temperature screenings have been implemented at Northside Generating Station. These screening stations will be expanded to other critical facilities and protections for employees will continue to evolve.

Ms. Dykes highlighted that reliable service for JEA's customers is more important now than any other time and to provide assistance there will be no disconnections, late fees will be waived, and on Monday the fee for customers to pay their bills with a credit card will be waived. Ms. Dykes encouraged customers to call 665-6000 if further assistance is needed and JEA will connect them to resources that can help and also with payment plans. Ms. Dykes reminded customers that hurricane season starts on June 1 and to also be mindful of Hurricane Preparedness during this time. Ms. Dykes stated thanks to today's board action, customers will receive a rebate and convenient ways to contribute to those in need. Ms. Dykes closed by saying JEA will continue to keep employees and customers safe and provide the excellent service that JEA is known for.

Chair Green thanked Melissa Dykes and the team for their efforts to assist customers and assist customers.

#### **Agenda Item IV – Closing Considerations**

##### **A. Adjournment**

*With no further business claiming the attention of the Board, Chair Green adjourned the meeting at 3:33p.m.*

APPROVED BY:

\_\_\_\_\_  
SECRETARY

DATE: \_\_\_\_\_

Board Meeting recorded by:

\_\_\_\_\_  
Madricka L. Jones, Executive Staff Assistant



## Monthly Financial Statements

March 2020

## Monthly Financial Statements

March 2020

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**JEA**  
**Statements of Net Position**  
**(in thousands)**

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	March 2020 (unaudited)	September 2019
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 276,775	\$ 414,438
Investments	104,211	2,399
Customer accounts receivable, net of allowance (\$594 and \$1,341, respectively)	193,580	227,331
Inventories:		
Materials and supplies	58,384	58,962
Fuel	37,392	30,898
Other current assets	13,879	19,109
Total current assets	684,221	753,137
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	135,119	265,784
Investments	316,212	380,250
Accounts and interest receivable	1,071	1,071
Total restricted assets	452,402	647,105
Costs to be recovered from future revenues	831,122	851,046
Other assets	22,757	19,016
Total noncurrent assets	1,306,281	1,517,167
Capital assets:		
Land and easements	195,461	195,461
Plant in service	11,744,363	11,563,873
Less accumulated depreciation	(7,004,361)	(6,836,311)
Plant in service, net	4,935,463	4,923,023
Construction work in progress	529,452	542,421
Net capital assets	5,464,915	5,465,444
Total assets	7,455,417	7,735,748
<b>Deferred outflows of resources</b>		
Unrealized pension contributions and losses	131,554	131,554
Unamortized deferred losses on refundings	101,955	108,875
Accumulated decrease in fair value of hedging derivatives	202,156	161,485
Unrealized asset retirement obligations	49,694	50,329
Unrealized OPEB contributions and losses	9,100	9,100
Total deferred outflows of resources	494,459	461,343
Total assets and deferred outflows of resources	\$ 7,949,876	\$ 8,197,091

**JEA**  
**Statements of Net Position**  
**(in thousands)**

Page 3

	March 2020 (unaudited)	September 2019
<b>Liabilities</b>		
Current liabilities:		
Accounts and accrued expenses payable	\$ 34,372	\$ 53,813
Customer deposits and prepayments	71,419	73,974
Billings on behalf of state and local governments	21,119	26,292
Current portion of asset retirement obligations	18,019	18,884
Compensation and benefits payable	14,440	17,242
City of Jacksonville payable	10,418	10,269
Total current liabilities	169,787	200,474
Current liabilities payable from restricted assets:		
Debt due within one year	102,700	192,555
Interest payable	59,049	64,775
Renewal and replacement reserve	43,574	46,955
Construction contracts and accounts payable	26,325	66,775
Total current liabilities payable from restricted assets	231,648	371,060
Noncurrent liabilities:		
Net pension liability	566,372	566,372
Asset retirement obligations	31,674	31,445
Net OPEB liability	18,256	18,256
Other liabilities	63,913	59,840
Total noncurrent liabilities	680,215	675,913
Long-term debt:		
Debt payable, less current portion	3,231,885	3,428,080
Unamortized premium, net	103,217	118,125
Fair value of debt management strategy instruments	184,083	149,887
Total long-term debt	3,519,185	3,696,092
Total liabilities	4,600,835	4,943,539
<b>Deferred inflows of resources</b>		
Revenues to be used for future costs	204,306	238,690
Unrealized pension gains	50,880	50,880
Unrealized OPEB gains	11,249	11,249
Accumulated increase in fair value of hedging derivatives	357	-
Total deferred inflows of resources	266,792	300,819
<b>Net position</b>		
Net investment in capital assets	2,564,171	2,248,863
Restricted for:		
Capital projects	130,653	165,186
Debt service	50,958	193,063
Other purposes	43,490	42,005
Unrestricted	292,977	303,616
Total net position	3,082,249	2,952,733
Total liabilities, deferred inflows of resources, and net position	\$ 7,949,876	\$ 8,197,091

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

	Month March		Year-to-Date March	
	2020	2019	2020	2019
<b>Operating revenues</b>				
Electric - base	\$ 66,873	\$ 61,678	\$ 418,018	\$ 377,161
Electric - fuel and purchased power	24,658	33,254	151,884	205,008
Water and sewer	41,221	36,478	237,312	211,750
District energy system	579	561	3,798	3,777
Other	2,541	2,608	18,439	16,161
Total operating revenues	135,872	134,579	829,451	813,857
<b>Operating expenses</b>				
Operations and maintenance:				
Fuel	21,991	23,507	133,164	166,319
Purchased power	6,174	13,336	41,053	62,463
Maintenance and other operating expenses	33,709	32,987	202,089	196,522
Depreciation	30,965	30,301	182,251	183,140
State utility and franchise taxes	5,309	4,909	33,424	33,679
Recognition of deferred costs and revenues, net	2,481	1,040	14,566	9,846
Total operating expenses	100,629	106,080	606,547	651,969
Operating income	35,243	28,499	222,904	161,888
<b>Nonoperating revenues (expenses)</b>				
Interest on debt	(12,645)	(13,056)	(74,425)	(77,230)
Investment income	2,377	6,287	9,137	22,524
Allowance for funds used during construction	1,685	1,231	10,675	7,036
Other nonoperating income, net	586	641	3,752	3,854
Earnings from The Energy Authority	241	(13)	723	743
Other interest, net	(64)	(114)	(52)	(944)
Total nonoperating expenses, net	(7,820)	(5,024)	(50,190)	(44,017)
Income before contributions	27,423	23,475	172,714	117,871
<b>Contributions (to) from</b>				
General Fund, City of Jacksonville, Florida	(9,902)	(9,804)	(59,412)	(73,979)
Developers and other	8,209	8,631	47,161	40,029
Reduction of plant cost through contributions	(6,086)	(6,288)	(30,947)	(26,587)
Total contributions, net	(7,779)	(7,461)	(43,198)	(60,537)
Change in net position	19,644	16,014	129,516	57,334
Net position, beginning of period	3,062,605	2,796,629	2,952,733	2,755,309
Net position, end of period	\$ 3,082,249	\$ 2,812,643	\$ 3,082,249	\$ 2,812,643

**Statement of Cash Flows**  
**(in thousands - unaudited)**

	<b>Year-to-Date March</b>	
	<b>2020</b>	<b>2019</b>
<b>Operating activities</b>		
Receipts from customers	\$ 812,051	\$ 823,239
Payments to suppliers	(321,256)	(377,089)
Payments for salaries and benefits	(131,599)	(121,113)
Other operating activities	23,198	15,965
Net cash provided by operating activities	<u>382,394</u>	<u>341,002</u>
<b>Noncapital and related financing activities</b>		
Contribution to General Fund, City of Jacksonville, Florida	(59,315)	(73,890)
Net cash used in noncapital and related financing activities	<u>(59,315)</u>	<u>(73,890)</u>
<b>Capital and related financing activities</b>		
Defeasance of debt	(93,495)	(195,045)
Proceeds received from debt	-	2,000
Acquisition and construction of capital assets	(209,756)	(209,256)
Repayment of debt principal	(192,555)	(185,790)
Interest paid on debt	(77,935)	(91,245)
Capital contributions	16,214	13,442
Other capital financing activities	(5,424)	(8,851)
Net cash used in capital and related financing activities	<u>(562,951)</u>	<u>(674,745)</u>
<b>Investing activities</b>		
Purchase of investments	(164,816)	(371,356)
Proceeds from sale and maturity of investments	129,093	552,831
Investment income	7,352	13,502
Distributions from The Energy Authority	(85)	698
Net cash provided by investing activities	<u>(28,456)</u>	<u>195,675</u>
Net change in cash and cash equivalents	(268,328)	(211,958)
Cash and cash equivalents at beginning of year	680,222	555,782
Cash and cash equivalents at end of period	<u>\$ 411,894</u>	<u>\$ 343,824</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>		
Operating income	\$ 222,904	\$ 161,888
Adjustments:		
Depreciation and amortization	182,840	183,758
Recognition of deferred costs and revenues, net	14,566	9,846
Other nonoperating income, net	331	384
Changes in noncash assets and noncash liabilities:		
Accounts receivable	37,219	57,222
Inventories	(5,917)	3,629
Other assets	(3,354)	(5,350)
Accounts and accrued expenses payable	(27,804)	(38,715)
Current liabilities payable from restricted assets	(2,610)	(2,453)
Other noncurrent liabilities and deferred inflows	(35,781)	(29,207)
Net cash provided by operating activities	<u>\$ 382,394</u>	<u>\$ 341,002</u>
<b>Noncash activity</b>		
Contribution of capital assets from developers	\$ 30,947	\$ 26,587
Unrealized investment fair market value changes, net	\$ 2,050	\$ 9,268



**Combining Statement of Net Position**  
**(in thousands - unaudited) March 2020**

	<b>Electric System and Bulk Power Supply System</b>	<b>SJRPP System</b>	<b>Elimination of Intercompany transactions</b>	<b>Total Electric Enterprise Fund</b>	<b>Water and Sewer Enterprise Fund</b>	<b>District Energy System Fund</b>	<b>Total JEA</b>
<b>Assets</b>							
Current assets:							
Cash and cash equivalents	\$ 163,997	\$ 60,986	\$ -	\$ 224,983	50,569	\$ 1,223	\$ 276,775
Investments	101,233	2,978	-	104,211	-	-	104,211
Customer accounts receivable, net of allowance (\$594)	137,680	-	-	137,680	55,410	490	193,580
Inventories:							
Materials and supplies	2,300	-	-	2,300	56,084	-	58,384
Fuel	37,392	-	-	37,392	-	-	37,392
Other current assets	14,352	9,734	(13,514)	10,572	3,307	-	13,879
Total current assets	456,954	73,698	(13,514)	517,138	165,370	1,713	684,221
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	-	84,478	-	84,478	45,095	5,546	135,119
Investments	184,501	10,223	-	194,724	121,488	-	316,212
Accounts and interest receivable	1,053	11	-	1,064	7	-	1,071
Total restricted assets	185,554	94,712	-	280,266	166,590	5,546	452,402
Costs to be recovered from future revenues	335,672	247,488	-	583,160	247,928	34	831,122
Other assets	20,275	-	-	20,275	2,466	16	22,757
Total noncurrent assets	541,501	342,200	-	883,701	416,984	5,596	1,306,281
Capital assets:							
Land and easements	124,457	6,660	-	131,117	61,293	3,051	195,461
Plant in service	5,700,803	1,316,043	-	7,016,846	4,670,367	57,150	11,744,363
Less accumulated depreciation	(3,347,504)	(1,313,174)	-	(4,660,678)	(2,314,722)	(28,961)	(7,004,361)
Plant in service, net	2,477,756	9,529	-	2,487,285	2,416,938	31,240	4,935,463
Construction work in progress	196,465	-	-	196,465	331,662	1,325	529,452
Net capital assets	2,674,221	9,529	-	2,683,750	2,748,600	32,565	5,464,915
Total assets	3,672,676	425,427	(13,514)	4,084,589	3,330,954	39,874	7,455,417
<b>Deferred outflows of resources</b>							
Unrealized pension contributions and losses	78,089	3,539	-	81,628	49,926	-	131,554
Unamortized deferred losses on refundings	57,831	3,401	-	61,232	40,548	175	101,955
Accumulated decrease in fair value of hedging derivatives	162,071	-	-	162,071	40,085	-	202,156
Unrealized asset retirement obligations	32,080	17,614	-	49,694	-	-	49,694
Unrealized OPEB contributions and losses	5,551	-	-	5,551	3,549	-	9,100
Total deferred outflows of resources	335,622	24,554	-	360,176	134,108	175	494,459
Total assets and deferred outflows of resources	\$ 4,008,298	\$ 449,981	\$ (13,514)	\$ 4,444,765	\$ 3,465,062	\$ 40,049	\$ 7,949,876

**Combining Statement of Net Position**  
**(in thousands - unaudited) March 2020**

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
<b>Liabilities</b>							
Current liabilities:							
Accounts and accrued expenses payable	\$ 28,143	\$ 5,637	\$ (5,249)	\$ 28,531	\$ 5,810	\$ 31	\$ 34,372
Customer deposits and prepayments	53,938	-	-	53,938	17,481	-	71,419
Billings on behalf of state and local governments	17,286	(1)	-	17,285	3,834	-	21,119
Current portion of asset retirement obligations	405	17,614	-	18,019	-	-	18,019
Compensation and benefits payable	10,404	-	-	10,404	4,004	32	14,440
City of Jacksonville payable	8,314	-	-	8,314	2,104	-	10,418
Total current liabilities	118,490	23,250	(5,249)	136,491	33,233	63	169,787
Current liabilities payable from restricted assets:							
Debt due within one year	67,765	13,340	-	81,105	19,870	1,725	102,700
Interest payable	28,650	5,222	-	33,872	24,529	648	59,049
Renewal and replacement reserve	-	43,574	-	43,574	-	-	43,574
Construction contracts and accounts payable	9,007	4,629	(3,765)	9,871	16,450	4	26,325
Total current liabilities payable from restricted assets	105,422	66,765	(3,765)	168,422	60,849	2,377	231,648
Noncurrent liabilities:							
Net pension liability	343,046	4,001	-	347,047	219,325	-	566,372
Asset retirement obligations	31,674	-	-	31,674	-	-	31,674
Net OPEB liability	11,136	-	-	11,136	7,120	-	18,256
Other liabilities	55,852	4,500	(4,500)	55,852	8,005	56	63,913
Total noncurrent liabilities	441,708	8,501	(4,500)	445,709	234,450	56	680,215
Long-term debt:							
Debt payable, less current portion	1,681,045	251,765	-	1,932,810	1,267,665	31,410	3,231,885
Unamortized premium (discount), net	48,053	1,109	-	49,162	54,082	(27)	103,217
Fair value of debt management strategy instruments	143,998	-	-	143,998	40,085	-	184,083
Total long-term debt	1,873,096	252,874	-	2,125,970	1,361,832	31,383	3,519,185
Total liabilities	2,538,716	351,390	(13,514)	2,876,592	1,690,364	33,879	4,600,835
<b>Deferred inflows of resources</b>							
Revenues to be used for future costs	184,690	-	-	184,690	19,616	-	204,306
Unrealized pension gains	27,276	6,166	-	33,442	17,438	-	50,880
Unrealized OPEB gains	6,862	-	-	6,862	4,387	-	11,249
Accumulated increase in fair value of hedging derivatives	357	-	-	357	-	-	357
Total deferred inflows of resources	219,185	6,166	-	225,351	41,441	-	266,792
<b>Net position</b>							
Net investment in (divestment of) capital assets	957,451	(6,637)	-	950,814	1,613,729	(372)	2,564,171
Restricted for:							
Capital projects	58,908	-	-	58,908	67,709	4,036	130,653
Debt service	33,232	7,027	-	40,259	9,837	862	50,958
Other purposes	5,965	28,473	3,765	38,203	5,287	-	43,490
Unrestricted	194,841	63,562	(3,765)	254,638	36,695	1,644	292,977
Total net position	1,250,397	92,425	-	1,342,822	1,733,257	6,170	3,082,249
Total liabilities, deferred inflows of resources, and net position	\$ 4,008,298	\$ 449,981	\$ (13,514)	\$ 4,444,765	\$ 3,465,062	\$ 40,049	\$ 7,949,876

**JEA**  
**Combining Statement of Net Position**  
**(in thousands) September 2019**

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	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
<b>Assets</b>							
Current assets:							
Cash and cash equivalents	\$ 282,069	\$ 66,734	\$ -	\$ 348,803	\$ 64,146	\$ 1,489	\$ 414,438
Investments	-	2,399	-	2,399	-	-	2,399
Customer accounts receivable, net of allowance (\$1,341)	172,163	-	-	172,163	54,930	238	227,331
Inventories:							
Materials and supplies	2,219	106	-	2,325	56,637	-	58,962
Fuel	30,898	-	-	30,898	-	-	30,898
Other current assets	18,049	9,790	(13,138)	14,701	4,408	-	19,109
Total current assets	505,398	79,029	(13,138)	571,289	180,121	1,727	753,137
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	74,586	94,858	-	169,444	89,586	6,754	265,784
Investments	230,849	10,891	-	241,740	138,510	-	380,250
Accounts and interest receivable	1,053	11	-	1,064	7	-	1,071
Total restricted assets	306,488	105,760	-	412,248	228,103	6,754	647,105
Costs to be recovered from future revenues	343,247	253,706	-	596,953	254,059	34	851,046
Other assets	16,285	-	-	16,285	2,731	-	19,016
Total noncurrent assets	666,020	359,466	-	1,025,486	484,893	6,788	1,517,167
Capital assets:							
Land and easements	124,457	6,660	-	131,117	61,293	3,051	195,461
Plant in service	5,598,589	1,316,043	-	6,914,632	4,592,091	57,150	11,563,873
Less accumulated depreciation	(3,252,637)	(1,312,969)	-	(4,565,606)	(2,242,977)	(27,728)	(6,836,311)
Plant in service, net	2,470,409	9,734	-	2,480,143	2,410,407	32,473	4,923,023
Construction work in progress	203,901	-	-	203,901	337,716	804	542,421
Net capital assets	2,674,310	9,734	-	2,684,044	2,748,123	33,277	5,465,444
Total assets	3,845,728	448,229	(13,138)	4,280,819	3,413,137	41,792	7,735,748
<b>Deferred outflows of resources</b>							
Unrealized pension contributions and losses	78,089	3,539	-	81,628	49,926	-	131,554
Unamortized deferred losses on refundings	61,773	3,502	-	65,275	43,418	182	108,875
Accumulated decrease in fair value of hedging derivatives	130,219	-	-	130,219	31,266	-	161,485
Unrealized asset retirement obligations	32,282	18,047	-	50,329	-	-	50,329
Unrealized OPEB contributions and losses	5,551	-	-	5,551	3,549	-	9,100
Total deferred outflows of resources	307,914	25,088	-	333,002	128,159	182	461,343
Total assets and deferred outflows of resources	\$ 4,153,642	\$ 473,317	\$ (13,138)	\$ 4,613,821	\$ 3,541,296	\$ 41,974	\$ 8,197,091

**Combining Statement of Net Position**  
**(in thousands) September 2019**

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
<b>Liabilities</b>							
Current liabilities:							
Accounts and accrued expenses payable	\$ 42,875	\$ 4,255	\$ (3,600)	\$ 43,530	\$ 10,156	\$ 127	\$ 53,813
Customer deposits and prepayments	56,714	-	-	56,714	17,260	-	73,974
Billings on behalf of state and local governments	22,406	(1)	-	22,405	3,887	-	26,292
Current portion of asset retirement obligations	837	18,047	-	18,884	-	-	18,884
Compensation and benefits payable	12,236	-	-	12,236	4,944	62	17,242
City of Jacksonville payable	8,186	-	-	8,186	2,083	-	10,269
Total current liabilities	143,254	22,301	(3,600)	161,955	38,330	189	200,474
Current liabilities payable from restricted assets:							
Debt due within one year	122,380	13,780	-	136,160	54,705	1,690	192,555
Interest payable	32,109	5,564	-	37,673	26,436	666	64,775
Renewal and replacement reserve	-	46,955	-	46,955	-	-	46,955
Construction contracts and accounts payable	24,589	3,859	(3,315)	25,133	41,481	161	66,775
Total current liabilities payable from restricted assets	179,078	70,158	(3,315)	245,921	122,622	2,517	371,060
Noncurrent liabilities:							
Net pension liability	343,046	4,001	-	347,047	219,325	-	566,372
Asset retirement obligations	31,445	-	-	31,445	-	-	31,445
Net OPEB liability	11,136	-	-	11,136	7,120	-	18,256
Other liabilities	51,373	6,223	(6,223)	51,373	8,438	29	59,840
Total noncurrent liabilities	437,000	10,224	(6,223)	441,001	234,883	29	675,913
Long-term debt:							
Debt payable, less current portion	1,796,880	265,105	-	2,061,985	1,332,960	33,135	3,428,080
Unamortized premium (discount), net	56,775	1,433	-	58,208	59,946	(29)	118,125
Fair value of debt management strategy instruments	118,621	-	-	118,621	31,266	-	149,887
Total long-term debt	1,972,276	266,538	-	2,238,814	1,424,172	33,106	3,696,092
Total liabilities	2,731,608	369,221	(13,138)	3,087,691	1,820,007	35,841	4,943,539
<b>Deferred inflows of resources</b>							
Revenues to be used for future costs	208,794	-	-	208,794	29,896	-	238,690
Unrealized pension gains	27,276	6,166	-	33,442	17,438	-	50,880
Unrealized OPEB gains	6,862	-	-	6,862	4,387	-	11,249
Total deferred inflows of resources	242,932	6,166	-	249,098	51,721	-	300,819
<b>Net position</b>							
Net investment in (divestment of) capital assets	773,119	(12,879)	-	760,240	1,490,121	(1,498)	2,248,863
Restricted for:							
Capital projects	83,017	-	-	83,017	77,771	4,398	165,186
Debt service	121,541	14,071	-	135,612	55,761	1,690	193,063
Other purposes	4,388	28,186	3,315	35,889	6,116	-	42,005
Unrestricted	197,037	68,552	(3,315)	262,274	39,799	1,543	303,616
Total net position	1,179,102	97,930	-	1,277,032	1,669,568	6,133	2,952,733
Total liabilities, deferred inflows of resources, and net position	\$ 4,153,642	\$ 473,317	\$ (13,138)	\$ 4,613,821	\$ 3,541,296	\$ 41,974	\$ 8,197,091

**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**(in thousands - unaudited) for the month ended March 2020**

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
<b>Operating revenues</b>								
Electric - base	\$ 67,136	\$ -	\$ -	\$ 67,136	\$ -	\$ -	\$ (263)	\$ 66,873
Electric - fuel and purchased power	25,648	2,093	(2,093)	25,648	-	-	(990)	24,658
Water and sewer	-	-	-	-	41,236	-	(15)	41,221
District energy system	-	-	-	-	-	603	(24)	579
Other	1,766	106	-	1,872	918	-	(249)	2,541
Total operating revenues	94,550	2,199	(2,093)	94,656	42,154	603	(1,541)	135,872
<b>Operating expenses</b>								
Operations and maintenance:								
Fuel	21,991	-	-	21,991	-	-	-	21,991
Purchased power	8,267	-	(2,093)	6,174	-	-	-	6,174
Maintenance and other operating expenses	20,859	704	-	21,563	13,387	300	(1,541)	33,709
Depreciation	17,375	34	-	17,409	13,350	206	-	30,965
State utility and franchise taxes	4,408	-	-	4,408	901	-	-	5,309
Recognition of deferred costs and revenues, net	888	1,104	-	1,992	489	-	-	2,481
Total operating expenses	73,788	1,842	(2,093)	73,537	28,127	506	(1,541)	100,629
Operating income	20,762	357	-	21,119	14,027	97	-	35,243
<b>Nonoperating revenues (expenses)</b>								
Interest on debt	(7,163)	(845)	-	(8,008)	(4,526)	(111)	-	(12,645)
Investment income	2,252	(837)	-	1,415	958	4	-	2,377
Allowance for funds used during construction	616	-	-	616	1,065	4	-	1,685
Other nonoperating income, net	354	27	-	381	205	-	-	586
Earnings from The Energy Authority	241	-	-	241	-	-	-	241
Other interest, net	(63)	-	-	(63)	(1)	-	-	(64)
Total nonoperating expenses, net	(3,763)	(1,655)	-	(5,418)	(2,299)	(103)	-	(7,820)
Income before contributions	16,999	(1,298)	-	15,701	11,728	(6)	-	27,423
<b>Contributions (to) from</b>								
General Fund, City of Jacksonville, Florida	(7,822)	-	-	(7,822)	(2,080)	-	-	(9,902)
Developers and other	246	-	-	246	7,963	-	-	8,209
Reduction of plant cost through contributions	(246)	-	-	(246)	(5,840)	-	-	(6,086)
Total contributions, net	(7,822)	-	-	(7,822)	43	-	-	(7,779)
Change in net position	9,177	(1,298)	-	7,879	11,771	(6)	-	19,644
Net position, beginning of period	1,241,220	93,723	-	1,334,943	1,721,486	6,176	-	3,062,605
Net position, end of period	\$ 1,250,397	\$ 92,425	\$ -	\$ 1,342,822	\$ 1,733,257	\$ 6,170	\$ -	\$ 3,082,249

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

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
<b>Operating revenues</b>								
Electric - base	\$ 61,943	\$ -	\$ -	\$ 61,943	\$ -	\$ -	\$ (265)	\$ 61,678
Electric - fuel and purchased power	34,094	2,582	(2,423)	34,253	-	-	(999)	33,254
Water and sewer	-	-	-	-	36,516	-	(38)	36,478
District energy system	-	-	-	-	-	588	(27)	561
Other	1,846	73	-	1,919	964	2	(277)	2,608
Total operating revenues	97,883	2,655	(2,423)	98,115	37,480	590	(1,606)	134,579
<b>Operating expenses</b>								
Operations and maintenance:								
Fuel	23,081	426	-	23,507	-	-	-	23,507
Purchased power	15,759	-	(2,423)	13,336	-	-	-	13,336
Maintenance and other operating expenses	21,123	212	-	21,335	12,956	302	(1,606)	32,987
Depreciation	17,642	34	-	17,676	12,418	207	-	30,301
State utility and franchise taxes	4,069	-	-	4,069	840	-	-	4,909
Recognition of deferred costs and revenues, net	(133)	1,171	-	1,038	2	-	-	1,040
Total operating expenses	81,541	1,843	(2,423)	80,961	26,216	509	(1,606)	106,080
Operating income	16,342	812	-	17,154	11,264	81	-	28,499
<b>Nonoperating revenues (expenses)</b>								
Interest on debt	(7,412)	(870)	-	(8,282)	(4,661)	(113)	-	(13,056)
Investment income	3,553	182	-	3,735	2,539	13	-	6,287
Allowance for funds used during construction	413	-	-	413	817	1	-	1,231
Other nonoperating income, net	363	29	-	392	249	-	-	641
Earnings from The Energy Authority	(13)	-	-	(13)	-	-	-	(13)
Other interest, net	(111)	-	-	(111)	(3)	-	-	(114)
Total nonoperating expenses, net	(3,207)	(659)	-	(3,866)	(1,059)	(99)	-	(5,024)
Income before contributions	13,135	153	-	13,288	10,205	(18)	-	23,475
<b>Contributions (to) from</b>								
General Fund, City of Jacksonville, Florida	(7,746)	-	-	(7,746)	(2,058)	-	-	(9,804)
Developers and other	143	-	-	143	8,488	-	-	8,631
Reduction of plant cost through contributions	(143)	-	-	(143)	(6,145)	-	-	(6,288)
Total contributions, net	(7,746)	-	-	(7,746)	285	-	-	(7,461)
Change in net position	5,389	153	-	5,542	10,490	(18)	-	16,014
Net position, beginning of period, as restated	1,090,224	96,641	-	1,186,865	1,604,126	5,638	-	2,796,629
Net position, end of period	\$ 1,095,613	\$ 96,794	\$ -	\$ 1,192,407	\$ 1,614,616	\$ 5,620	\$ -	\$ 2,812,643

**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**(in thousands - unaudited) for the six months ended March 2020**

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
<b>Operating revenues</b>								
Electric - base	\$ 419,676	\$ -	\$ -	\$ 419,676	\$ -	\$ -	\$ (1,658)	\$ 418,018
Electric - fuel and purchased power	158,123	12,363	(12,363)	158,123	-	-	(6,239)	151,884
Water and sewer	-	-	-	-	237,426	-	(114)	237,312
District energy system	-	-	-	-	-	3,958	(160)	3,798
Other	13,125	164	-	13,289	6,695	-	(1,545)	18,439
Total operating revenues	590,924	12,527	(12,363)	591,088	244,121	3,958	(9,716)	829,451
<b>Operating expenses</b>								
Operations and maintenance:								
Fuel	133,164	-	-	133,164	-	-	-	133,164
Purchased power	53,416	-	(12,363)	41,053	-	-	-	41,053
Maintenance and other operating expenses	122,798	8,040	-	130,838	78,865	2,102	(9,716)	202,089
Depreciation	100,927	205	-	101,132	79,885	1,234	-	182,251
State utility and franchise taxes	28,081	-	-	28,081	5,343	-	-	33,424
Recognition of deferred costs and revenues, net	5,432	6,149	-	11,581	2,985	-	-	14,566
Total operating expenses	443,818	14,394	(12,363)	445,849	167,078	3,336	(9,716)	606,547
Operating income	147,106	(1,867)	-	145,239	77,043	622	-	222,904
<b>Nonoperating revenues (expenses)</b>								
Interest on debt	(41,225)	(5,067)	-	(46,292)	(27,476)	(657)	-	(74,425)
Investment income	5,550	1,270	-	6,820	2,266	51	-	9,137
Allowance for funds used during construction	4,160	-	-	4,160	6,494	21	-	10,675
Other nonoperating income, net	2,103	159	-	2,262	1,490	-	-	3,752
Earnings from The Energy Authority	723	-	-	723	-	-	-	723
Other interest, net	(187)	-	-	(187)	135	-	-	(52)
Total nonoperating expenses, net	(28,876)	(3,638)	-	(32,514)	(17,091)	(585)	-	(50,190)
Income before contributions	118,230	(5,505)	-	112,725	59,952	37	-	172,714
<b>Contributions (to) from</b>								
General Fund, City of Jacksonville, Florida	(46,935)	-	-	(46,935)	(12,477)	-	-	(59,412)
Developers and other	814	-	-	814	46,347	-	-	47,161
Reduction of plant cost through contributions	(814)	-	-	(814)	(30,133)	-	-	(30,947)
Total contributions, net	(46,935)	-	-	(46,935)	3,737	-	-	(43,198)
Change in net position	71,295	(5,505)	-	65,790	63,689	37	-	129,516
Net position, beginning of year	1,179,102	97,930	-	1,277,032	1,669,568	6,133	-	2,952,733
Net position, end of period	\$ 1,250,397	\$ 92,425	\$ -	\$ 1,342,822	\$ 1,733,257	\$ 6,170	\$ -	\$ 3,082,249

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

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
<b>Operating revenues</b>								
Electric - base	\$ 378,802	\$ -	\$ -	\$ 378,802	\$ -	\$ -	\$ (1,641)	\$ 377,161
Electric - fuel and purchased power	209,742	15,767	(14,328)	211,181	-	-	(6,173)	205,008
Water and sewer	-	-	-	-	212,035	-	(285)	211,750
District energy system	-	-	-	-	-	3,952	(175)	3,777
Other	11,253	457	-	11,710	6,118	3	(1,670)	16,161
Total operating revenues	599,797	16,224	(14,328)	601,693	218,153	3,955	(9,944)	813,857
<b>Operating expenses</b>								
Operations and maintenance:								
Fuel	161,869	4,450	-	166,319	-	-	-	166,319
Purchased power	76,791	-	(14,328)	62,463	-	-	-	62,463
Maintenance and other operating expenses	124,408	2,219	-	126,627	77,777	2,062	(9,944)	196,522
Depreciation	107,504	205	-	107,709	74,208	1,223	-	183,140
State utility and franchise taxes	28,518	-	-	28,518	5,161	-	-	33,679
Recognition of deferred costs and revenues, net	(901)	7,030	-	6,129	3,717	-	-	9,846
Total operating expenses	498,189	13,904	(14,328)	497,765	160,863	3,285	(9,944)	651,969
Operating income	101,608	2,320	-	103,928	57,290	670	-	161,888
<b>Nonoperating revenues (expenses)</b>								
Interest on debt	(43,253)	(5,219)	-	(48,472)	(28,084)	(674)	-	(77,230)
Investment income	12,518	1,888	-	14,406	8,045	73	-	22,524
Allowance for funds used during construction	2,394	-	-	2,394	4,624	18	-	7,036
Other nonoperating income, net	2,136	172	-	2,308	1,546	-	-	3,854
Earnings from The Energy Authority	743	-	-	743	-	-	-	743
Other interest, net	(874)	-	-	(874)	(70)	-	-	(944)
Total nonoperating expenses, net	(26,336)	(3,159)	-	(29,495)	(13,939)	(583)	-	(44,017)
Income before contributions	75,272	(839)	-	74,433	43,351	87	-	117,871
<b>Contributions (to) from</b>								
General Fund, City of Jacksonville, Florida	(46,476)	-	-	(46,476)	(27,503)	-	-	(73,979)
Developers and other	2,124	-	-	2,124	37,905	-	-	40,029
Reduction of plant cost through contributions	(2,124)	-	-	(2,124)	(24,463)	-	-	(26,587)
Total contributions, net	(46,476)	-	-	(46,476)	(14,061)	-	-	(60,537)
Change in net position	28,796	(839)	-	27,957	29,290	87	-	57,334
Net position, beginning of year, as restated	1,066,817	97,633	-	1,164,450	1,585,326	5,533	-	2,755,309
Net position, end of period	\$ 1,095,613	\$ 96,794	\$ -	\$ 1,192,407	\$ 1,614,616	\$ 5,620	\$ -	\$ 2,812,643



## Combining Statement of Cash Flows

(in thousands - unaudited) for the six months ended March 2020

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
<b>Operating activities</b>								
Receipts from customers	\$ 590,165	\$ 12,401	\$ (12,814)	\$ 589,752	\$ 226,764	\$ 3,706	\$ (8,171)	\$ 812,051
Payments to suppliers	(282,864)	(5,821)	12,814	(275,871)	(53,226)	(1,875)	9,716	(321,256)
Payments for salaries and benefits	(90,627)	(5,046)	-	(95,673)	(35,582)	(344)	-	(131,599)
Other operating activities	16,691	164	-	16,855	7,888	-	(1,545)	23,198
Net cash provided by operating activities	233,365	1,698	-	235,063	145,844	1,487	-	382,394
<b>Noncapital and related financing activities</b>								
Contribution to General Fund, City of Jacksonville, Florida	(46,859)	-	-	(46,859)	(12,456)	-	-	(59,315)
Net cash used in noncapital and related financing activities	(46,859)	-	-	(46,859)	(12,456)	-	-	(59,315)
<b>Capital and related financing activities</b>								
Defeasance of debt	(48,070)	-	-	(48,070)	(45,425)	-	-	(93,495)
Acquisition and construction of capital assets	(112,928)	-	-	(112,928)	(96,171)	(657)	-	(209,756)
Repayment of debt principal	(122,380)	(13,780)	-	(136,160)	(54,705)	(1,690)	-	(192,555)
Interest paid on debt	(42,240)	(5,564)	-	(47,804)	(29,466)	(665)	-	(77,935)
Capital contributions	-	-	-	-	16,214	-	-	16,214
Other capital financing activities	(4,317)	159	-	(4,158)	(1,266)	-	-	(5,424)
Net cash used in capital and related financing activities	(329,935)	(19,185)	-	(349,120)	(210,819)	(3,012)	-	(562,951)
<b>Investing activities</b>								
Purchase of investments	(135,890)	(11,846)	-	(147,736)	(17,080)	-	-	(164,816)
Proceeds from sale and maturity of investments	82,582	11,922	-	94,504	34,589	-	-	129,093
Investment income	4,164	1,283	-	5,447	1,854	51	-	7,352
Distributions from The Energy Authority	(85)	-	-	(85)	-	-	-	(85)
Net cash provided by investing activities	(49,229)	1,359	-	(47,870)	19,363	51	-	(28,456)
Net change in cash and cash equivalents	(192,658)	(16,128)	-	(208,786)	(58,068)	(1,474)	-	(268,328)
Cash and cash equivalents at beginning of year	356,655	161,592	-	518,247	153,732	8,243	-	680,222
Cash and cash equivalents at end of period	\$ 163,997	\$ 145,464	\$ -	\$ 309,461	\$ 95,664	\$ 6,769	\$ -	\$ 411,894
<b>Reconciliation of operating income to net cash provided by operating activities</b>								
Operating income	\$ 147,106	\$ (1,867)	\$ -	\$ 145,239	\$ 77,043	\$ 622	\$ -	\$ 222,904
Adjustments:								
Depreciation and amortization	100,927	205	-	101,132	80,474	1,234	-	182,840
Recognition of deferred costs and revenues, net	5,432	6,149	-	11,581	2,985	-	-	14,566
Other nonoperating income, net	69	-	-	69	262	-	-	331
Changes in noncash assets and noncash liabilities:								
Accounts receivable	36,967	56	-	37,023	448	(252)	-	37,219
Inventories	(6,576)	106	-	(6,470)	553	-	-	(5,917)
Other assets	(3,111)	-	-	(3,111)	(226)	(17)	-	(3,354)
Accounts and accrued expenses payable	(24,076)	1,382	-	(22,694)	(4,983)	(127)	-	(27,804)
Current liabilities payable from restricted assets	-	(2,610)	-	(2,610)	-	-	-	(2,610)
Other noncurrent liabilities and deferred inflows	(23,373)	(1,723)	-	(25,096)	(10,712)	27	-	(35,781)
Net cash provided by operating activities	\$ 233,365	\$ 1,698	\$ -	\$ 235,063	\$ 145,844	\$ 1,487	\$ -	\$ 382,394
<b>Noncash activity</b>								
Contribution of capital assets from developers	\$ 814	\$ -	\$ -	\$ 814	\$ 30,133	\$ -	\$ -	\$ 30,947
Unrealized investment fair market value changes, net	\$ 1,576	\$ (13)	\$ -	\$ 1,563	\$ 487	\$ -	\$ -	\$ 2,050

**Combining Statement of Cash Flows**  
(in thousands - unaudited) for the six months ended March 2019

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
<b>Operating activities</b>								
Receipts from customers	\$ 609,954	\$ 16,084	\$ (15,516)	\$ 610,522	\$ 216,516	\$ 4,475	\$ (8,274)	\$ 823,239
Payments to suppliers	(341,159)	(8,139)	15,516	(333,782)	(51,412)	(1,839)	9,944	(377,089)
Payments for salaries and benefits	(87,246)	(10)	-	(87,256)	(33,561)	(296)	-	(121,113)
Other operating activities	12,520	457	-	12,977	4,655	3	(1,670)	15,965
Net cash provided by operating activities	194,069	8,392	-	202,461	136,198	2,343	-	341,002
<b>Noncapital and related financing activities</b>								
Contribution to General Fund, City of Jacksonville, Florida	(46,353)	-	-	(46,353)	(27,537)	-	-	(73,890)
Net cash used in noncapital and related financing activities	(46,353)	-	-	(46,353)	(27,537)	-	-	(73,890)
<b>Capital and related financing activities</b>								
Defeasance of debt	(100,090)	-	-	(100,090)	(94,955)	-	-	(195,045)
Proceeds received from debt	-	-	-	-	2,000	-	-	2,000
Acquisition and construction of capital assets	(122,688)	-	-	(122,688)	(86,142)	(426)	-	(209,256)
Repayment of debt principal	(130,690)	(1,720)	-	(132,410)	(51,720)	(1,660)	-	(185,790)
Interest paid on debt	(50,028)	(5,603)	-	(55,631)	(34,934)	(680)	-	(91,245)
Capital contributions	-	-	-	-	13,442	-	-	13,442
Other capital financing activities	(6,038)	172	-	(5,866)	(2,985)	-	-	(8,851)
Net cash used in capital and related financing activities	(409,534)	(7,151)	-	(416,685)	(255,294)	(2,766)	-	(674,745)
<b>Investing activities</b>								
Purchase of investments	(217,499)	(85,713)	-	(303,212)	(68,144)	-	-	(371,356)
Proceeds from sale and maturity of investments	302,060	93,336	-	395,396	157,435	-	-	552,831
Investment income	7,233	1,856	-	9,089	4,340	73	-	13,502
Distributions from The Energy Authority	698	-	-	698	-	-	-	698
Net cash provided by (used in) investing activities	92,492	9,479	-	101,971	93,631	73	-	195,675
Net change in cash and cash equivalents	(169,326)	10,720	-	(158,606)	(53,002)	(350)	-	(211,958)
Cash and cash equivalents at beginning of year	285,814	139,953	-	425,767	123,061	6,954	-	555,782
Cash and cash equivalents at end of period	\$ 116,488	\$ 150,673	\$ -	\$ 267,161	\$ 70,059	\$ 6,604	\$ -	\$ 343,824
<b>Reconciliation of operating income to net cash provided by operating activities</b>								
Operating income	\$ 101,608	\$ 2,320	\$ -	\$ 103,928	\$ 57,290	\$ 670	\$ -	\$ 161,888
Adjustments:								
Depreciation and amortization	107,504	205	-	107,709	74,826	1,223	-	183,758
Recognition of deferred costs and revenues, net	(901)	7,030	-	6,129	3,717	-	-	9,846
Other nonoperating income (loss), net	77	-	-	77	307	-	-	384
Changes in noncash assets and noncash liabilities:								
Accounts receivable	56,080	317	-	56,397	302	523	-	57,222
Inventories	627	1,295	-	1,922	1,707	-	-	3,629
Other assets	(5,051)	-	-	(5,051)	(290)	(9)	-	(5,350)
Accounts and accrued expenses payable	(34,889)	(322)	-	(35,211)	(3,456)	(48)	-	(38,715)
Current liabilities payable from restricted assets	-	(2,453)	-	(2,453)	-	-	-	(2,453)
Other noncurrent liabilities and deferred inflows	(30,986)	-	-	(30,986)	1,795	(16)	-	(29,207)
Net cash provided by operating activities	\$ 194,069	\$ 8,392	\$ -	\$ 202,461	\$ 136,198	\$ 2,343	\$ -	\$ 341,002
<b>Noncash activity</b>								
Contribution of capital assets from developers	\$ 2,124	\$ -	\$ -	\$ 2,124	\$ 24,463	\$ -	\$ -	\$ 26,587
Unrealized investment fair market value changes, net	\$ 5,388	\$ 43	\$ -	\$ 5,431	\$ 3,837	\$ -	\$ -	\$ 9,268

## Debt Service Coverage

March 2020

(unaudited)

	Month March		Year-to-Date March	
	2020	2019	2020	2019
<b>Electric System</b>				
Senior debt service coverage, (annual minimum 1.20x)	7.91 x	5.29 x	9.59 x	5.35 x
Senior and subordinated debt service coverage, (annual minimum 1.15x)	3.79 x	2.30 x	4.39 x	2.30 x
<b>Bulk Power Supply System</b>				
Debt service coverage, (annual minimum 1.15x)	2.93 x	1.76 x	2.18 x	2.26 x
<b>St. Johns River Power Park, Second Resolution</b>				
Debt service coverage, (semi-annual minimum 1.15x)	0.70 x	1.16 x	1.18 x	1.17 x
<b>Water and Sewer System</b>				
Senior debt service coverage, (annual minimum 1.25x)	5.80 x	3.54 x	5.87 x	3.26 x
Senior and subordinated debt service coverage excluding capacity fees <sup>(1)</sup>	4.68 x	2.71 x	4.71 x	2.50 x
Senior and subordinated debt service coverage including capacity fees <sup>(1)</sup>	5.02 x	2.97 x	5.18 x	2.74 x
<b>District Energy System</b>				
Debt service coverage, (annual minimum 1.15x)	1.22 x	1.19 x	1.26 x	1.30 x

<sup>(1)</sup> Annual minimum coverage is either 1.00x aggregate debt service and aggregate subordinated debt service (excluding capacity charges) or the sum of 1.00x aggregate debt service and 1.20x aggregate subordinated debt service (including capacity charges).

	Month March			Year-to-Date March		
	2020	2019	Variance	2020	2019	Variance
<b>Electric revenues sales (000s omitted):</b>						
Residential	\$ 47,991	\$ 42,554	12.78%	\$ 274,760	\$ 274,127	0.23%
Commercial	30,886	30,764	0.40%	181,023	179,326	0.95%
Industrial	15,977	16,411	-2.64%	94,005	93,448	0.60%
Public street lighting	1,132	1,089	3.95%	6,716	6,531	2.83%
Electric revenues - territorial	95,986	90,818	5.69%	556,504	553,432	0.56%
Sales for resale - off system	10	99	-89.90%	467	2,371	-80.30%
Electric revenues	95,996	90,917	5.59%	556,971	555,803	0.21%
Rate stabilization & recovery	(3,096)	5,235	-159.14%	21,178	33,395	-36.58%
Allowance for doubtful accounts	(116)	(115)	0.87%	(350)	(654)	-46.48%
<b>Net electric revenues</b>	<b>92,784</b>	<b>96,037</b>	<b>-3.39%</b>	<b>577,799</b>	<b>588,544</b>	<b>-1.83%</b>
<b>MWh sales</b>						
Residential	416,598	366,048	13.81%	2,383,746	2,381,049	0.11%
Commercial	313,038	313,422	-0.12%	1,839,376	1,823,396	0.88%
Industrial	220,101	226,832	-2.97%	1,292,355	1,284,850	0.58%
Public street lighting	4,703	4,592	2.42%	27,822	28,948	-3.89%
Total MWh sales - territorial	954,440	910,894	4.78%	5,543,299	5,518,243	0.45%
Sales for resale - off system	278	1,514	-81.64%	14,666	60,646	-75.82%
Total MWh sales	954,718	912,408	4.64%	5,557,965	5,578,889	-0.38%
<b>Number of accounts (1)</b>						
Residential	426,693	418,637	1.92%	424,828	416,499	2.00%
Commercial	53,564	52,987	1.09%	53,394	52,818	1.09%
Industrial	195	195	0.00%	196	196	0.00%
Public street lighting	3,939	3,847	2.39%	3,925	3,828	2.53%
<b>Total average accounts</b>	<b>484,391</b>	<b>475,666</b>	<b>1.83%</b>	<b>482,343</b>	<b>473,341</b>	<b>1.90%</b>
<b>Residential averages</b>						
Revenue per account - \$	112.47	101.65	10.65%	646.76	658.17	-1.73%
kWh per account	976	874	11.66%	5,611	5,717	-1.85%
Revenue per kWh - ¢	11.52	11.63	-0.91%	11.53	11.51	0.12%
<b>Degree days</b>						
Heating degree days	45	130	(85)	808	933	(125)
Cooling degree days	230	58	172	758	584	174
<b>Total degree days</b>	<b>275</b>	<b>188</b>	<b>87</b>	<b>1,566</b>	<b>1,517</b>	<b>49</b>
Degree days - 30 year average	210			1,651		

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

	Month			Year-to-Date		
	March			March		
	2020	2019	Variance	2020	2019	Variance
<b>Water</b>						
<i>Revenues (000s omitted):</i>						
Residential	\$ 9,100	\$ 8,086	12.54%	\$ 48,399	\$ 45,765	5.76%
Commercial and industrial	4,250	4,169	1.94%	23,853	23,488	1.55%
Irrigation	2,821	2,443	15.47%	15,994	14,327	11.64%
Total water revenues	16,171	14,698	10.02%	88,246	83,580	5.58%
Rate stabilization	(383)	(389)	-1.54%	3,989	(936)	-526.18%
Allowance for doubtful accounts	(18)	(23)	-21.74%	(109)	(94)	15.96%
Net water revenues	\$ 15,770	\$ 14,286	10.39%	\$ 92,126	\$ 82,550	11.60%
<i>Kgal sales (000s omitted)</i>						
Residential	1,731,790	1,440,908	20.19%	8,748,881	8,101,801	7.99%
Commercial and industrial	1,237,266	1,203,356	2.82%	6,865,496	6,759,953	1.56%
Irrigation	460,062	369,702	24.44%	2,577,261	2,179,747	18.24%
Total kgal sales	3,429,118	3,013,966	13.77%	18,191,638	17,041,501	6.75%
<i>Number of accounts (1):</i>						
Residential	299,287	292,110	2.46%	297,757	290,651	2.44%
Commercial and industrial	26,178	25,992	0.72%	26,132	25,887	0.95%
Irrigation	37,442	37,118	0.87%	37,377	37,102	0.74%
Total average accounts	362,907	355,220	2.16%	361,266	353,640	2.16%
<i>Residential averages:</i>						
Revenue per account - \$	30.41	27.68	9.86%	162.55	157.46	3.23%
Kgals per account	5.79	4.93	17.44%	29.38	27.87	5.42%
Revenue per kgals - \$	5.25	5.61	-6.42%	5.53	5.65	-2.12%
<b>Sewer</b>						
<i>Revenues (000s omitted):</i>						
Residential	\$ 14,211	\$ 12,244	16.07%	\$ 73,282	\$ 69,382	5.62%
Commercial and industrial	10,026	9,397	6.69%	56,494	54,641	3.39%
Total sewer revenues	24,237	21,641	12.00%	129,776	124,023	4.64%
Rate stabilization	(570)	(609)	-6.40%	6,291	(1,469)	-528.25%
Allowance for doubtful accounts	(27)	(32)	-15.63%	(163)	(140)	16.43%
Net sewer revenues	23,640	21,000	12.57%	135,904	122,414	11.02%
<i>Kgal sales (000s omitted)</i>						
Residential	1,531,393	1,239,456	23.55%	7,632,575	7,101,509	7.48%
Commercial and industrial	1,088,837	1,006,041	8.23%	6,101,889	5,890,956	3.58%
Total kgal sales	2,620,230	2,245,497	16.69%	13,734,464	12,992,465	5.71%
<i>Number of accounts (1):</i>						
Residential	265,904	258,986	2.67%	264,415	257,562	2.66%
Commercial and industrial	18,636	18,533	0.56%	18,608	18,455	0.83%
Total average accounts	284,540	277,519	2.53%	283,023	276,017	2.54%
<i>Residential averages:</i>						
Revenue per account - \$	53.44	47.28	13.03%	277.15	269.38	2.88%
kgals per account	5.76	4.79	20.25%	28.87	27.57	4.72%
Revenue per kgals - \$	9.28	9.88	-6.07%	9.60	9.77	-1.74%
<b>Reuse</b>						
<i>Revenues (000s omitted):</i>						
Reuse revenues	\$ 1,826	\$ 1,230	48.46%	\$ 9,396	\$ 7,071	32.88%
<i>Kgal sales (000s omitted)</i>						
Reuse sales (kgals)	398,843	252,014	58.26%	1,937,962	1,451,809	33.49%
<i>Number of accounts (1):</i>						
Reuse accounts	16,935	14,174	19.48%	16,344	13,558	20.55%
<b>Rainfall</b>						
	Diff in inches			Diff in inches		
Normal	3.95	3.95		19.28	19.28	
Actual	1.73	2.04	(0.31)	18.01	19.71	(1.70)
Rain Days	4	10	(6)	43	57	(14)

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

# Appendix

JEA  
Schedule of Cash and Investments  
(in thousands - unaudited) March 2020

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	Electric System and Bulk Power Supply	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
<b>Unrestricted cash and investments</b>						
Operations	\$ 41,378	\$ 43,436	\$ 84,814	\$ 14,300	\$ 1,223	\$ 100,337
Rate stabilization:						
Fuel	67,875	-	67,875	-	-	67,875
Environmental	22,716	-	22,716	19,616	-	42,332
Purchased Power	47,516	-	47,516	-	-	47,516
DSM/Conservation	4,616	-	4,616	-	-	4,616
Total rate stabilization funds	142,723	-	142,723	19,616	-	162,339
Customer deposits	44,337	-	44,337	16,653	-	60,990
General reserve	-	20,528	20,528	-	-	20,528
Self insurance reserve funds:						
Self funded health plan	10,224	-	10,224	-	-	10,224
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	20,224	-	20,224	-	-	20,224
Environmental liability reserve	16,568	-	16,568	-	-	16,568
Total unrestricted cash and investments	\$ 265,230	\$ 63,964	\$ 329,194	\$ 50,569	\$ 1,223	\$ 380,986
<b>Restricted assets</b>						
Renewal and replacement funds	\$ 57,493	\$ 43,574	\$ 101,067	\$ 39,370	\$ 4,036	\$ 144,473
Debt service reserve account	58,799	10,405	69,204	59,324	-	128,528
Debt service funds	61,882	12,249	74,131	34,270	1,510	109,911
Construction funds	-	-	-	28,332	-	28,332
Environmental funds	362	-	362	575	-	937
Subtotal	178,536	66,228	244,764	161,871	5,546	412,181
Unrealized holding gain (loss) on investments	5,965	96	6,061	4,712	-	10,773
Other funds	-	28,377	28,377	-	-	28,377
Total restricted cash and investments	\$ 184,501	\$ 94,701	\$ 279,202	\$ 166,583	\$ 5,546	\$ 451,331

JEA  
Schedule of Cash and Investments  
(in thousands) September 2019

	Electric System and Bulk Power Supply	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
<b>Unrestricted cash and investments</b>						
Operations	\$ 35,605	\$ 49,322	\$ 84,927	\$ 17,961	\$ 1,489	\$ 104,377
Rate stabilization:						
Fuel	47,152	-	47,152	-	-	47,152
Debt management	29,884	-	29,884	14,209	-	44,093
Environmental	25,632	-	25,632	15,687	-	41,319
Purchased Power	56,870	-	56,870	-	-	56,870
DSM/Conservation	4,363	-	4,363	-	-	4,363
Total rate stabilization funds	163,901	-	163,901	29,896	-	193,797
Customer deposits	44,785	-	44,785	16,289	-	61,074
General reserve	-	19,811	19,811	-	-	19,811
Self insurance reserve funds:						
Self funded health plan	11,210	-	11,210	-	-	11,210
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	21,210	-	21,210	-	-	21,210
Environmental liability reserve	16,568	-	16,568	-	-	16,568
Total unrestricted cash and investments	\$ 282,069	\$ 69,133	\$ 351,202	\$ 64,146	\$ 1,489	\$ 416,837
<b>Restricted assets</b>						
Renewal and replacement funds	\$ 81,964	\$ 46,955	\$ 128,919	\$ 48,796	\$ 4,398	\$ 182,113
Debt service reserve account	65,433	10,973	76,406	63,441	-	139,847
Debt service funds	153,650	19,635	173,285	80,775	2,356	256,416
Construction funds	-	-	-	28,968	-	28,968
Environmental funds	-	-	-	1,891	-	1,891
Subtotal	301,047	77,563	378,610	223,871	6,754	609,235
Unrealized holding gain (loss) on investments	4,388	107	4,495	4,225	-	8,720
Other funds	-	28,079	28,079	-	-	28,079
Total restricted cash and investments	\$ 305,435	\$ 105,749	\$ 411,184	\$ 228,096	\$ 6,754	\$ 646,034

**JEA**  
**INVESTMENT PORTFOLIO REPORT**  
**March 2020**  
**(unaudited)**  
**All Funds**

**Page 20**

<b>INVESTMENT</b>	<b>BOOK VALUE</b>	<b>YIELD</b>	<b>% OF TOTAL</b>
Treasuries	\$ 9,988,281	1.6%	1.2%
Agencies			
Federal Farm Credit Bank	5,993,500	1.44%	0.73%
Federal Home Loan Bank	118,382,567	2.32%	14.36%
Total	124,376,067	2.28%	15.09%
Municipal Bonds	144,557,419	3.05%	17.54%
Commercial Paper	130,711,108	1.79%	15.86%
U.S. Treasury Money Market Funds (1)	110,999,072	0.78%	13.47%
Agency Money Market Funds (2)	81,975,000	0.81%	9.95%
PALM Money Market Fund	25,500,000	1.38%	3.09%
Florida Prime Fund	62,206,000	1.36%	7.55%
Wells Fargo Bank Accounts (3)			
Electric, Scherer	78,601,609	0.31%	9.54%
SJRPP	12,093,021	0.31%	1.47%
Water & Sewer, DES	43,267,475	0.31%	5.25%
Total Portfolio	\$ 824,275,052	1.65%	100.00%

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

Weighted Avg. Annual Yield for March 2020, Excluding Bank & Money Market Funds: 2.37%

Weighted Avg. Annual Yield for March 2020, Including Bank & Money Market Funds: 1.65%

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

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



**JEA**  
**Schedule of Outstanding Indebtedness**  
**March 2020**

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	<b>Interest Rates</b>	<b>Principal Payment Dates</b>	<b>Par Amount Principal Outstanding</b>	<b>Current Portion of Long-Term Debt</b>
<b>Electric Enterprise</b>				
<i>Electric System</i>				
Fixed Rate Senior	3.000-6.056%	2020-2044	515,615,000	18,555,000
Fixed Rate Subordinated	3.000-6.406%	2020-2039	556,980,000	35,730,000
Variable Rate Senior	1.126-3.305%	2020-2040	454,935,000	6,505,000
Variable Rate Subordinated	1.125-3.578%	2021-2038	132,420,000	-
Total Electric System	<u>3.626% (wtd avg)</u>	<u>2020-2044</u>	<u>1,659,950,000</u>	<u>60,790,000</u>
<i>Bulk Power Supply System</i>				
Fixed Rate Senior	2.000-5.920%	2020-2038	88,860,000	6,975,000
<i>St. Johns River Power Park</i>				
Fixed Rate Senior	2.000-5.450%	2020-2039	265,105,000	13,340,000
<b>Total Electric Enterprise</b>	<u>3.673% (wtd avg)</u>	<u>2020-2044</u>	<u>2,013,915,000</u>	<u>81,105,000</u>
<b>Water and Sewer System</b>				
Fixed Rate Senior	2.000-6.310%	2020-2044	929,290,000	8,375,000
Fixed Rate Subordinated	2.750-5.000%	2023-2043	93,890,000	-
Variable Rate Senior	2.711-2.826%	2020-2042	156,220,000	9,195,000
Variable Rate Subordinated	2.816-3.255%	2020-2038	103,135,000	2,300,000
Other Obligations	2.734%	2021	5,000,000	-
Total Water and Sewer System	<u>3.795% (wtd avg)</u>	<u>2020-2044</u>	<u>1,287,535,000</u>	<u>19,870,000</u>
<b>District Energy System</b>				
Fixed Rate Senior	2.415 - 4.538%	2020-2034	33,135,000	1,725,000
<b>Total JEA</b>	<u>3.726% (wtd avg)</u>	<u>2020-2044</u>	<u>3,334,585,000</u>	<u>102,700,000</u>

**JEA**  
**Debt Ratio**  
**March 2020**

	<b>Current YTD</b>	<b>Year End Target</b>
Electric Enterprise	63.0%	62.1%
Water and Sewer System	43.1%	42.0%

**JEA**  
**Interest Rate Swap Position Report**  
**March 2020**  
**(unaudited)**

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**JEA Debt Management Swaps Variable to Fixed**

ID	Dealer	Effective Date	Termination Date	Electric System Allocation	Water/Sewer Allocation	Fixed Rate	Floating Rate (1)	Spread	Rate Cap	Index
1	Goldman Sachs	9/18/2003	9/16/2033	\$ 84,800,000	\$ -	3.717	1.075	2.642	n/a	68% 1 mth Libor
3	Morgan Stanley	1/27/2005	10/1/2039	82,575,000	-	4.351	2.805	1.545	n/a	SIFMA
4	JPMorgan	1/27/2005	10/1/2035	84,775,000	-	3.661	1.075	2.586	n/a	68% 1 mth Libor
6	JPMorgan	1/27/2005	10/1/2037	39,175,000	-	3.716	1.075	2.641	n/a	68% 1 mth Libor
7	Morgan Stanley	10/31/2006	10/1/2022	-	19,110,000	4.054	2.799	1.255	n/a	CPI
8	Morgan Stanley	1/31/2007	10/1/2031	62,980,000	-	3.907	2.805	1.102	n/a	SIFMA
9	Merrill Lynch	3/8/2007	10/1/2041	-	85,290,000	3.895	2.805	1.090	n/a	SIFMA
10	Goldman Sachs	1/31/2008	10/1/2036	51,680,000	-	3.836	2.805	1.031	n/a	SIFMA
Total				<u>\$ 405,985,000</u>	<u>\$ 104,400,000</u>	Wtd Avg Spread		1.790		

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

	Month March			Year-to-Date March			
	2020	2019	Variance	2020	2019	Variance	
<b>Generated power:</b>							
<b>Steam:</b>							
<i>Fuel oil</i>							
Fuel expense	\$ 32,389	\$ 187,721	-82.75%	\$ 65,177	\$ 324,124	-79.89%	
Barrels #6 oil consumed	298	1,733	-82.80%	601	3,039	-80.22%	
\$/ per barrel consumed	\$ 108.69	\$ 108.32	0.34%	\$ 108.45	\$ 106.65	1.68%	
kWh oil generated (1)	-	-		141,446	1,092,734	-87.06%	
Cost per MWh - oil	\$ -	\$ -		\$ 460.79	\$ 296.62	55.35%	
<i>Natural gas units #1-3</i>							
Gas expense - variable	\$ 4,593,719	\$ 7,001,591	-34.39%	\$ 21,332,676	\$ 28,871,754	-26.11%	
MMBTU's consumed	2,389,023	2,373,117	0.67%	9,665,729	8,138,524	18.77%	
\$/ per MMBTU consumed	\$ 1.92	\$ 2.95	-34.83%	\$ 2.21	\$ 3.55	-37.79%	
kWh - gas generated (1)	221,272,327	223,820,448	-1.14%	890,834,979	751,333,149	18.57%	
Cost per MWh - gas	\$ 20.76	\$ 31.28	-33.63%	\$ 23.95	\$ 38.43	-37.68%	
Cost per MWh - gas & oil - steam	\$ 20.91	\$ 32.12	-34.91%	\$ 24.02	\$ 38.80	-38.11%	
<i>Coal</i>							
Coal expense	\$ 1,207,825	\$ 2,043,792	-40.90%	\$ 7,843,437	\$ 13,255,042	-40.83%	
kWh generated	39,949,524	57,236,968	-30.20%	310,130,860	324,491,395	-4.43%	
Cost per MWh - coal	\$ 30.23	\$ 35.71	-15.33%	\$ 25.29	\$ 40.85	-38.09%	
<i>Pet coke and limestone</i>							
Expense	\$ 2,701,692	\$ 3,061,501	-11.75%	\$ 17,177,820	\$ 21,310,218	-19.39%	
kWh generated	91,476,339	85,531,834	6.95%	703,675,327	581,555,854	21.00%	
Cost per MWh - pet coke and limestone	\$ 29.53	\$ 35.79	-17.49%	\$ 24.41	\$ 36.64	-33.38%	
Cost per MWh - coal & petcoke - steam	\$ 29.75	\$ 35.76	-16.81%	\$ 24.68	\$ 38.15	-35.31%	
<b>Combustion turbine:</b>							
<i>Fuel oil</i>							
Fuel expense	\$ 204,433	\$ 83,932	143.57%	\$ 978,955	\$ 921,367	6.25%	
Barrels #2 oil consumed	1,795	465	286.02%	8,003	6,876	16.39%	
\$/ per barrel consumed	\$ 113.89	\$ 180.50	-36.90%	\$ 122.32	\$ 134.00	-8.71%	
kWh - oil generated	814,163	97,915	731.50%	3,127,628	2,400,300	30.30%	
Cost per MWh - oil	\$ 251.10	\$ 857.19	-70.71%	\$ 313.00	\$ 383.85	-18.46%	
<i>Natural gas (includes landfill)</i>							
Gas expense Kennedy & landfill - variable	\$ 110,122	\$ 354,318	-68.92%	\$ 1,374,547	\$ 1,994,683	-31.09%	
MMBTU's consumed	54,545	122,328	-55.41%	577,935	531,342	8.77%	
\$/ per MMBTU consumed	\$ 2.02	\$ 2.90	-30.30%	\$ 2.38	\$ 3.75	-36.65%	
kWh - gas generated (1)	4,561,659	11,081,764	-58.84%	48,679,133	44,748,387	8.78%	
Cost per MWh - gas	\$ 24.14	\$ 31.97	-24.50%	\$ 28.24	\$ 44.58	-36.65%	
Gas expense BB simple - variable	\$ 386,495	\$ 16,287	2273.03%	\$ 996,071	\$ 2,125,263	-53.13%	
MMBTU's consumed	\$ 234,934	\$ 11,276	1983.49%	\$ 489,183	\$ 573,063	-14.64%	
\$/ per MMBTU consumed	\$ 1.65	\$ 1.44	13.90%	\$ 2.04	\$ 3.71	-45.10%	
kWh - gas generated (1)	21,856,000	697,664	3032.74%	53,031,686	50,053,067	5.95%	
Cost per MWh - gas simple	\$ 17.68	\$ 23.35	-24.25%	\$ 18.78	\$ 42.46	-55.76%	
Gas expense BB combined - variable	\$ 5,064,350	\$ (586,111)	-964.06%	\$ 36,030,204	\$ 43,653,141	-17.46%	
MMBTU's consumed	2,963,581	108,252	2637.67%	16,058,485	11,950,110	34.38%	
\$/ per MMBTU consumed	\$ 1.71	\$ (5.41)	-131.56%	\$ 2.24	\$ 3.65	-38.58%	
kWh - gas generated (1)	451,467,902	16,928,485	2566.91%	2,416,372,976	1,746,619,536	38.35%	
Cost per MWh - gas combined	\$ 11.22	\$ (34.62)	-132.40%	\$ 14.91	\$ 24.99	-40.34%	
Gas expense GEC simple - variable	\$ 840,985	\$ 293,344	186.69%	\$ 3,380,694	\$ 3,439,907	-1.72%	
MMBTU's consumed	398,133	93,801	324.44%	1,399,848	1,117,553	25.26%	
\$/ per MMBTU consumed	\$ 2.11	\$ 3.13	-32.46%	\$ 2.42	\$ 3.08	-21.54%	
kWh - gas generated	36,443,650	8,363,881	335.73%	126,373,279	98,022,893	28.92%	
Cost per MWh - gas simple	\$ 23.08	\$ 35.07	-34.20%	\$ 26.75	\$ 35.09	-23.77%	
Cost per MWh - gas & oil ct	\$ 12.82	\$ 4.35	194.66%	\$ 16.15	\$ 26.85	-39.84%	
Natural gas expense - fixed	\$ 3,070,320	\$ 4,337,248	-29.21%	\$ 19,399,880	\$ 20,532,140	-5.51%	
<b>Total generated power:</b>							
Fuels expense	\$ 18,212,330	\$ 16,793,623	8.45%	\$ 108,579,461	\$ 136,427,639	-20.41%	
kWh generated	867,841,564	403,758,959	114.94%	4,552,367,314	3,600,317,315	26.44%	
Cost per MWh	\$ 20.99	\$ 41.59	-49.55%	\$ 23.85	\$ 37.89	-37.06%	

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

**Cost of fuels**

Fuel oil #6	\$ 32,389	\$ 187,721	\$ 65,177	\$ 324,124
Natural gas units #1-3 with landfill - variable	4,593,719	7,001,591	21,332,676	28,871,754
Coal	1,207,825	2,043,792	7,843,437	13,255,042
Petcoke	2,701,692	3,061,501	17,177,820	21,310,218
Fuel oil #2	204,433	83,932	978,955	921,367
Natural gas - simple cycle (BB & GEC) - variable	1,337,602	663,949	5,751,312	7,559,853
Natural gas - combined (BB) - variable	5,064,350	(586,111)	36,030,204	43,653,141
Natural gas - fixed	3,070,320	4,337,248	19,399,880	20,532,140
Total	\$ 18,212,330	\$ 16,793,623	\$ 108,579,461	\$ 136,427,639

	Month March			Year-to-Date March		
	2020	2019	Variance	2020	2019	Variance
<b>Production Statistics (Continued)</b>						
<b>Purchased power:</b>						
<i>Plant Scherer</i>						
Purchases	\$ 3,277,873	\$ 5,684,106	-42.33%	\$ 23,972,943	\$ 32,340,551	-25.87%
kWh purchased	1,807,000	144,103,000	-98.75%	331,853,000	724,731,000	-54.21%
Cost per MWh	\$ 1,813.99	\$ 39.44	4498.80%	\$ 72.24	\$ 44.62	61.88%
<i>TEA &amp; other</i>						
Purchases	\$ 6,173,888	\$ 13,336,206	-53.71%	\$ 41,052,843	\$ 62,462,879	-34.28%
kWh purchased	107,110,209	360,127,779	-70.26%	858,229,607	1,472,974,878	-41.73%
Cost per MWh	\$ 57.64	\$ 37.03	55.65%	\$ 47.83	\$ 42.41	12.80%
<i>SJRPP</i>						
Purchases	\$ 2,093,055	\$ 2,422,532	-13.60%	\$ 12,363,480	\$ 14,328,008	-13.71%
kWh purchased	-	-		-	-	
Cost per MWh						
<b>Total purchased power:</b>						
Purchases	\$ 11,544,816	\$ 21,442,844	-46.16%	\$ 77,389,266	\$ 109,131,438	-29.09%
kWh purchased	108,917,209	504,230,779	-78.40%	1,190,082,607	2,197,705,878	-45.85%
Cost per MWh	\$ 106.00	\$ 42.53	149.25%	\$ 65.03	\$ 49.66	30.96%
Subtotal - generated and purchased power:	\$ 29,757,146	\$ 38,236,467	-22.18%	\$ 185,968,727	\$ 245,559,077	-24.27%
Fuel interchange sales	(10,220)	(46,359)	-77.95%	(361,227)	(2,068,418)	-82.54%
Earnings of The Energy Authority	(241,693)	12,979	-1962.19%	(723,491)	(745,435)	-2.94%
EPA Allowance Purchases	(17,500)	-		(17,500)	-	
Realized and Unrealized (Gains) Losses	1,818,000	761,820	138.64%	6,763,780	(3,876,380)	-274.49%
Fuel procurement and handling	1,172,493	927,053	26.48%	6,592,668	6,373,586	3.44%
By product reuse	526,896	596,658	-11.69%	1,846,865	3,463,319	-46.67%
Total generated and net purchased power:						
Cost, net	33,005,122	40,488,618	-18.48%	200,069,822	248,705,749	-19.56%
kWh generated and purchased	976,758,773	907,989,738	7.57%	5,742,449,921	5,798,023,193	-0.96%
Cost per MWh	\$ 33.79	\$ 44.59	-24.22%	\$ 34.84	\$ 42.89	-18.78%
<b>Reconciliation:</b>						
Generated and purchased power per above	\$ 33,005,122	\$ 33.79		\$ 200,069,822	\$ 34.84	
<i>SJRPP operating expenses:</i>						
SJRPP O & M	-	-		520	0.00	
SJRPP debt service	(1,848,607)	(1.89)		(10,897,315)	(1.90)	
SJRPP R & R	(244,448)	(0.25)		(1,466,685)	(0.26)	
<i>Scherer operating expenses:</i>						
Scherer power production	(727,043)	(0.74)		(4,899,432)	(0.85)	
Scherer R & R	(1,620,524)	(1.66)		(5,839,427)	(1.02)	
Scherer transmission	(541,256)	(0.55)		(3,134,119)	(0.55)	
Scherer taxes	(110,140)	(0.11)		(701,484)	(0.12)	
Florida and other capacity	(684,883)	(0.70)		(6,022,771)	(1.05)	
MEAG	(1,592,399)	(1.63)		(9,354,515)	(1.63)	
Rounding	-	-		1	0.00	
Energy expense per budget page	\$ 25,635,822	\$ 26.25		\$ 157,754,595	\$ 27.47	

Electric System	Month				Prior Year Month	
	BUDGET		ACTUAL		ACTUAL	
	2019-20	2019-20	2019-20	Variance %	2018-19	Variance %
<b>Budget vs. Actual</b>						
<b>March 2020 and 2019 (unaudited)</b>						
<b>Fuel Related Revenues &amp; Expenses</b>						
Fuel Rate Revenues	\$ 410,912,768	\$ 29,540,838	\$ 30,768,602	4.16%	\$ 29,346,920	4.84%
Fuel Expense and Purchased Power:						
Fuel Expense - Electric System	297,844,914	22,360,704	21,712,219		19,079,155	
Other Purchased Power	94,282,216	6,712,899	3,923,603		14,957,268	
Subtotal Energy Expense	392,127,130	29,073,603	25,635,822	11.82%	34,036,423	24.68%
Transfer to (from) Rate Stabilization, Net	18,169,269	415,871	5,092,795		(4,737,751)	
Fuel Related Uncollectibles	616,369	51,364	39,985		48,248	
Total	410,912,768	29,540,838	30,768,602	-4.16%	29,346,920	-4.84%
Fuel Balance	-	-	-		-	
<b>Nonfuel Related Revenues</b>						
Base Rate Revenues	791,145,587	56,876,070	60,222,122		56,896,059	
Conservation Charge Revenue	768,600	55,255	20,441		16,676	
Environmental Charge Revenue	7,814,100	561,762	584,205		558,720	
Investment Income	11,378,365	948,197	463,209		1,371,145	
Natural Gas Revenue Pass Through	1,000,000	83,333	61,788		60,048	
Other Revenues	51,779,028	2,209,093	2,053,924		2,139,149	
Total	863,885,680	60,733,710	63,405,689	4.40%	61,041,797	3.87%
<b>Nonfuel Related Expenses</b>						
Non-Fuel O&M	267,651,025	19,706,108	17,003,254		18,441,332	
DSM / Conservation O&M	8,072,869	663,954	431,056		465,027	
Environmental O&M	2,027,284	168,243	68,577		14,963	
Rate Stabilization - DSM	(899,269)	(74,375)	40,103		(23,972)	
Rate Stabilization - Environmental	5,786,816	482,364	(445,155)		543,758	
Natural Gas Expense Pass Through	960,991	78,841	65,434		60,308	
Debt Principal - Electric System	60,790,000	5,065,833	5,065,833		9,685,833	
Debt Interest - Electric System	77,259,892	6,438,324	7,130,341		7,336,851	
Bond Buy-Back Principal - Electric System	25,269,913	-	-		-	
R&R - Electric System	65,623,650	5,468,637	5,468,637		5,370,642	
Operating Capital Outlay	175,125,724	13,000,000	13,000,000		-	
Operating Capital Outlay - Environmental	-	-	960,783		-	
City Contribution Expense	93,870,968	7,822,581	7,822,581		7,746,012	
Taxes & Uncollectibles	1,399,517	116,626	95,660		110,940	
Emergency Reserve	5,000,000	-	-		-	
Nonfuel Purchased Power:						
* SJRPP D/S Principal	13,340,000	1,111,667	1,111,667		1,148,333	
* SJRPP D/S Interest	10,444,195	870,350	843,913		898,688	
** Other Non-Fuel Purchased Power	52,162,105	4,162,849	4,662,910		4,179,491	
Total Nonfuel Expenses	863,885,680	65,082,002	63,325,594	2.70%	55,978,206	-13.13%
Non-Fuel Balance	-	(4,348,292)	80,095		5,063,591	
<b>Total Balance</b>	-	(4,348,292)	80,095		5,063,591	
<b>Total Revenues</b>	<b>1,274,798,448</b>	<b>90,274,548</b>	<b>94,174,291</b>	4.32%	<b>90,388,717</b>	4.19%
<b>Total Expenses</b>	<b>1,274,798,448</b>	<b>94,622,840</b>	<b>94,094,196</b>	0.56%	<b>85,325,126</b>	-10.28%
<b>KWH Sold - Territorial</b>	<b>12,810,000,000</b>	<b>920,921,000</b>	<b>954,439,970</b>	3.64%	<b>910,893,960</b>	4.78%
<b>KWH Sold - Off System</b>	-	-	278,000		1,514,000	
	<b>12,810,000,000</b>	<b>920,921,000</b>	<b>954,717,970</b>	3.67%	<b>912,407,960</b>	4.64%

\* Gross debt service

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

Electric System	Year-to-Date				Prior Year-to-Date	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
Budget vs. Actual	2019-20	2019-20	2019-20	%	2018-19	%
March 2020 and 2019 (unaudited)						
<b>Fuel Related Revenues &amp; Expenses</b>						
Fuel Rate Revenues	\$ 410,912,768	\$ 187,056,405	\$ 178,599,875	-4.52%	\$ 177,720,371	0.49%
Fuel Expense and Purchased Power:						
Fuel Expense - Electric System	297,844,914	136,549,412	123,765,274		142,388,164	
Other Purchased Power	94,282,216	44,924,657	33,989,321		65,266,006	
Subtotal Energy Expense	392,127,130	181,474,069	157,754,595	13.07%	207,654,170	24.03%
Transfer to (from) Rate Stabilization, Net	18,169,269	5,274,151	20,723,028		(30,168,662)	
Fuel Related Uncollectibles	616,369	308,185	122,252		234,863	
Total	410,912,768	187,056,405	178,599,875	4.52%	177,720,371	-0.49%
Fuel Balance	-	-	-		-	
<b>Nonfuel Related Revenues</b>						
Base Rate Revenues	791,145,587	360,146,632	346,452,065		343,978,103	
Conservation Charge Revenue	768,600	349,883	187,872		243,199	
Environmental Charge Revenue	7,814,100	3,557,148	3,395,747		3,379,284	
Investment Income	11,378,365	5,689,182	3,974,512		7,127,781	
Natural Gas Revenue Pass Through	1,000,000	500,000	362,178		364,769	
Other Revenues	51,779,028	38,524,471	37,736,227		121,703,026	
Total	863,885,680	408,767,316	392,108,601	-4.08%	476,796,162	-17.76%
<b>Nonfuel Related Expenses</b>						
Non-Fuel O&M	267,651,025	135,033,516	103,536,852		108,486,952	
DSM / Conservation O&M	8,072,869	3,971,344	2,753,912		2,377,352	
Environmental O&M	2,027,284	1,009,425	442,589		1,403,367	
Rate Stabilization - DSM	(899,269)	(446,251)	252,891		727,340	
Rate Stabilization - Environmental	5,786,816	2,893,922	(2,915,602)		1,975,917	
Natural Gas Expense Pass Through	960,991	478,013	403,070		413,954	
Debt Principal - Electric System	60,790,000	30,395,000	30,395,000		58,115,000	
Debt Interest - Electric System	77,259,892	38,629,946	36,922,191		42,640,833	
Bond Buy-Back Principal - Electric System	25,269,913	25,269,913	55,154,065		108,694,829	
Rate Stabilization - Debt Management	-	-	(29,884,152)		-	
R&R - Electric System	65,623,650	32,811,825	32,811,825		32,223,850	
Operating Capital Outlay	175,125,724	68,000,000	68,000,000		35,000,000	
Operating Capital Outlay - Environmental	-	-	5,868,760		-	
City Contribution Expense	93,870,968	46,935,484	46,935,484		46,476,074	
Taxes & Uncollectibles	1,399,517	699,758	344,908		560,114	
Emergency Reserve	5,000,000	-	-		-	
* SJRPP D/S Principal	13,340,000	6,670,000	6,670,000		6,890,000	
* SJRPP D/S Interest	10,444,195	5,222,097	5,063,477		5,392,126	
** Other Non-Fuel Purchased Power	52,162,105	27,185,008	28,486,758		27,582,818	
Total Nonfuel Expenses	863,885,680	424,759,000	391,242,028	7.89%	478,960,526	18.31%
Non-Fuel Balance	-	(15,991,684)	866,573		(2,164,364)	
<b>Total Balance</b>	-	(15,991,684)	866,573		(2,164,364)	
<b>Total Revenues</b>	<b>1,274,798,448</b>	<b>595,823,721</b>	<b>570,708,476</b>	<b>-4.22%</b>	<b>654,516,533</b>	<b>-12.80%</b>
<b>Total Expenses</b>	<b>1,274,798,448</b>	<b>611,815,405</b>	<b>569,841,903</b>	<b>6.86%</b>	<b>656,680,897</b>	<b>13.22%</b>
<b>KWH Sold - Territorial</b>	<b>12,810,000,000</b>	<b>5,831,390,000</b>	<b>5,543,298,814</b>	<b>-4.94%</b>	<b>5,518,242,725</b>	<b>0.45%</b>
<b>KWH Sold - Off System</b>	<b>-</b>	<b>-</b>	<b>14,666,000</b>	<b>-4.69%</b>	<b>60,646,000</b>	<b>-0.38%</b>
	<b>12,810,000,000</b>	<b>5,831,390,000</b>	<b>5,557,964,814</b>		<b>5,578,888,725</b>	

\* Gross debt service

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

**Water and Sewer System**

Budget vs. Actual March 2020 and 2019 (unaudited)	Month				Prior Year Month	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
	2019-20	2019-20	2019-20	%	2018-19	%
<b>REVENUES</b>						
Water & Sewer Revenues	\$ 450,736,934	\$ 37,431,996	\$ 41,332,566		\$ 36,726,813	
Capacity & Extension Fees	27,600,000	2,209,839	2,072,474		2,343,615	
Capital Contributions	-	-	50,000		-	
Investment Income	4,308,356	359,030	279,864		741,423	
Other Income	45,792,672	997,801	1,109,534		3,111,342	
Total	528,437,962	40,998,666	44,844,438	9.38%	42,923,193	4.48%
<b>EXPENSES</b>						
O & M Expenses	185,838,461	14,194,582	13,105,857		12,650,590	
Debt Principal - Water & Sewer	19,870,000	1,655,833	1,655,833		4,558,750	
Debt Interest - Water & Sewer	58,666,036	4,888,836	4,972,743		5,166,914	
Bond Buy-Back - Water & Sewer	33,986,631	-	-		-	
Rate Stabilization - Environmental	-	-	952,764		998,356	
R&R - Water & Sewer	25,138,950	2,094,913	2,094,913		1,962,696	
Operating Capital Outlay	136,914,124	16,712,602	16,712,602		12,823,398	
Operating Capital Outlay - Capacity/Extension	27,600,000	2,300,000	2,072,474		2,343,615	
Operating Capital Outlay - Contributions	-	-	50,000		-	
Operating Capital Outlay - Environmental	13,393,063	1,134,197	489,544		1,887	
City Contribution Expense	24,953,042	2,079,420	2,079,420		2,057,949	
Uncollectibles & Fees	540,884	45,074	44,000		53,441	
Interlocal Agreements	536,771	536,771	-		-	
Emergency Reserve	1,000,000	-	-		-	
Total Expenses	528,437,962	45,642,228	44,230,150	3.09%	42,617,596	-3.78%
<b>Total Balance</b>	<b>\$ -</b>	<b>\$ (4,643,562)</b>	<b>\$ 614,288</b>		<b>\$ 305,597</b>	
<b>Sales kgals</b>						
Water	39,900,000	3,337,927	3,429,118	2.73%	3,013,966	13.77%
Sewer	33,180,000	2,773,227	3,019,073	8.86%	2,497,511	20.88%
Total	73,080,000	6,111,154	6,448,191	5.52%	5,511,477	17.00%

Budget vs. Actual March 2020 and 2019 (unaudited)	Year-To-Date				Prior Year to Date	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
	2019-20	2019-20	2019-20	%	2018-19	%
<b>REVENUES</b>						
Water & Sewer Revenues	\$ 450,736,934	\$ 216,749,511	\$ 222,074,561		\$ 209,512,353	
Capacity & Extension Fees	27,600,000	11,752,969	16,163,650		13,412,029	
Capital Contributions	-	-	50,000		29,759	
Investment Income	4,308,356	2,154,178	1,776,392		4,205,561	
Other Income	45,792,672	40,343,360	41,732,882		118,483,751	
Total	528,437,962	271,000,018	281,797,485	3.98%	345,643,453	-18.47%
<b>EXPENSES</b>						
O & M Expenses	185,838,461	91,478,771	76,763,453		75,737,244	
Debt Principal - Water & Sewer	19,870,000	9,935,000	9,935,001		27,352,500	
Debt Interest - Water & Sewer	58,666,036	29,333,018	27,558,546		31,575,968	
Bond Buy-Back - Water & Sewer	33,986,631	33,986,631	48,195,881		99,188,560	
Rate Stabilization - Debt Management	-	-	(14,209,250)		-	
Rate Stabilization - Environmental	-	-	3,929,184		2,404,883	
R&R - Water & Sewer	25,138,950	12,569,475	12,569,475		11,776,175	
Operating Capital Outlay	136,914,124	82,875,610	82,875,610		50,332,584	
Operating Capital Outlay - Capacity/Extension	27,600,000	13,800,000	16,163,650		13,412,029	
Operating Capital Outlay - Contributions	-	-	50,000		29,759	
Operating Capital Outlay - Environmental	13,393,063	6,587,877	2,985,445		3,716,825	
City Contribution Expense	24,953,042	12,476,521	12,476,521		12,347,694	
Uncollectibles & Fees	540,884	270,442	271,132		233,712	
Interlocal Agreements	536,771	536,771	536,771		15,521,392	
Emergency Reserve	1,000,000	-	-		-	
Total Expenses	528,437,962	293,850,116	280,101,419	4.68%	343,629,325	18.49%
<b>Total Balance</b>	<b>\$ -</b>	<b>\$ (22,850,098)</b>	<b>\$ 1,696,066</b>		<b>\$ 2,014,128</b>	
<b>Sales kgals</b>						
Water	39,900,000	18,707,760	18,191,638	-2.76%	17,041,501	6.75%
Sewer	33,180,000	15,837,677	15,672,426	-1.04%	14,444,274	8.50%
Total	73,080,000	34,545,437	33,864,064	-1.97%	31,485,775	7.55%

## District Energy System

Budget vs. Actual March 2020 and 2019 (unaudited)	Month				Prior Year Month	
	ANNUAL BUDGET 2019-20	BUDGET 2019-20	ACTUAL 2019-20	Variance %	ACTUAL 2018-19	Variance %
<b>REVENUES</b>						
Revenues	\$ 9,044,699	\$ 599,487	\$ 602,556		\$ 588,986	
Investment Income	-	-	3,327		12,993	
Total	9,044,699	599,487	605,883	1.07%	601,979	0.65%
<b>EXPENSES</b>						
O & M Expenses	5,164,460	428,776	297,866		300,917	
Debt Principal - Water & Sewer	1,725,000	143,750	143,750		140,833	
Debt Interest - Water & Sewer	1,295,550	107,963	107,963		110,871	
R&R - Water & Sewer	589,200	49,100	49,100		36,913	
Operating Capital Outlay	270,489	-	-		-	
Total Expenses	9,044,699	729,589	598,679	17.94%	589,534	-1.55%
<b>Total Balance</b>	\$ -	\$ (130,102)	\$ 7,204		\$ 12,445	

Budget vs. Actual March 2020 and 2019 (unaudited)	Year-To-Date				Prior-Year-to-Date	
	ANNUAL BUDGET 2019-20	BUDGET 2019-20	ACTUAL 2019-20	Variance %	ACTUAL 2018-19	Variance %
<b>REVENUES</b>						
Revenues	\$ 9,044,699	\$ 4,186,838	\$ 3,957,818		\$ 3,954,437	
Investment Income	-	-	50,640		72,994	
Total	9,044,699	4,186,838	4,008,458	-4.26%	4,027,431	-0.47%
<b>EXPENSES</b>						
O & M Expenses	5,164,460	2,575,898	2,095,817		2,058,470	
Debt Principal - Water & Sewer	1,725,000	862,500	862,500		845,000	
Debt Interest - Water & Sewer	1,295,550	647,775	647,775		665,224	
R&R - Water & Sewer	589,200	294,600	294,600		221,475	
Operating Capital Outlay	270,489	-	-		-	
Total Expenses	9,044,699	4,380,773	3,900,692	10.96%	3,790,169	-2.92%
<b>Total Balance</b>	\$ -	\$ (193,935)	\$ 107,766		\$ 237,262	



## JEA Community Engagement Calendar March - April 2020

Date	Event/Activity	Location	Time	Type
<b>Mar-20</b>				
3/4/2020	Westside High Career Fair	5530 Firestone Rd	8am	Ambassador Event
3/5 - 3/8/2020	2020 Spring Home & Patio Show	Prime Osborn	10am - 9pm	Ambassador Event
3/5/2020	Robert E Lee High Career Fair	1200 McDuff Ave.	9am	Ambassador Event
3/5/2020	St Johns Tech	Mandarin Plant Tour	10:30am	Ambassador Facility Tour
3/6/2020	UNF Students	Buckman Tour	12pm	Ambassador Facility Tour
3/6/2020	Jacksonville Zoo & Gardens	Zoo Parkway	9am	Volunteer Activity
3/6 - 3/7/2020	GATE Expo	Jacksonville Fairgrounds	10am	Volunteer Activity
3/7/2020	JEA Water Station at the GATE River Run	Riverplace Blvd.	6am	Volunteer Activity
3/9/2020	Callahan Food Distribution	Nassau	12pm	Volunteer Activity
3/9/2020	USO No Dough Dinner	Mayport Blvd.	10am	Volunteer Activity
3/9/2020	The ARC	2300 Kingsley Ave	4pm	Ambassador Speaker
3/11/2020	The ARC	Buckman Plant Tour	12:30pm	Ambassador Facility Tour
3/12/2020	BEAM Food Bank	Jacksonville Beach	1:30pm	Volunteer Activity
3/12/2020	Jax Housing Authority Career Fair	761 Village Center Dr. N.	10am	Ambassador Event
3/13/2020	Catty Shack	Starratt Rd.	10am	Volunteer Activity
3/13/2020	HabiJax Builds	Hubbard St.	7:30am	Volunteer Activity
3/14/2020	San Mateo Neighborhood Fest	11452 Renne Dr.	11am	Ambassador Event - Cancelled
3/18/2020	Mayport Middle Career Fair	2600 Mayport Rd.	11am	Ambassador Event - Cancelled
3/19/2020	Farm Share	Northside	9am	Volunteer Activity - Cancelled
3/19/2020	American Patriot School	Spring Park Rd.	8am	Volunteer Activity - Cancelled
3/19/2020	Jefferson St VA Health Fair	1531 Jefferson St N	9:30am	Ambassador Event - Cancelled
3/19/2020	Darnell-Cookman Career Fair	1701 N Davis St	9am	Ambassador Event - Cancelled
3/20 - 3/21/2020	St. Johns River Cleanup	Multiple Sites	7:30am	Volunteer Activity - Cancelled

## JEA Community Engagement Calendar March - April 2020

Date	Event/Activity	Location	Time	Type
3/20/2020	MathCounts State Competition	Hyatt Regency	7am	Volunteer Activity - Cancelled
3/23/2020	Callahan Food Distribution	Nassau	12pm	Volunteer Activity - Cancelled
3/23/2020	USO No Dough Dinner	Mayport Blvd.	10am	Volunteer Activity - Cancelled
3/24/2020	Dept Of Juvenile Justice Career Fair	1541 Hubbard St.	8:30am	Ambassador Event - Cancelled
3/24/2020	Morris Manor Apts.	9050 Norfolk St.	2pm	Ambassador Speaker - Cancelled
3/25/2020	Salvation Army Celebrity Chef Event Set-up	Prime Osborn	10am	Volunteer Activity - Cancelled
3/26/2020	Cathedral Terrace Café	Downtown	11am	Volunteer Activity - Cancelled
3/26/2020	Eden Gardens	Garden St.	8:30am	Volunteer Activity - Cancelled
3/26/2020	Barkin' Biscuits	Mill Creek Rd.	9am	Volunteer Activity - Cancelled
3/26/2020	PACE Center Career Fair	2933 University Blvd. N	9am	Ambassador Event - Cancelled
3/26/2020	Animal Control & Protective Services	Forrest St.	8:30am	Volunteer Activity - Cancelled
3/27/2020	Salvation Army Food Pantry	Adam St.	8:30am	Volunteer Activity - Cancelled
3/27/2020	Fish-A-Thon	Hanna Park	9am	Volunteer Activity - Cancelled
3/27/2020	Feeding NE FL Food Bank	Edgewood Ave.	8:30am	Volunteer Activity - Cancelled
3/27 - 3/28/2020	Abor Day Fest & Greenscape Tree Giveaway	Jacksonville Fairgrounds	9:30am	Volunteer Activity - Cancelled
<b>Apr-20</b>				
<b>DUE TO THE COVID - 19 VIRUS ALL JEA EMPLOYEE COMMUNITY PARTICIPATION HAD TO BE SUSPENDED UNTIL FURTHER NOTICE</b>				
4/1/2020	JAX Poetry Fest with Hope at Hand	Hemming Plaza	2pm	Volunteer Activity
4/2/2020	Jacksonville Arboretum & Gardens	Millcoe Rd.	8am	Volunteer Activity
4/3/2020	HabiJax Builds	Hubbard St.	7:30am	Volunteer Activity
4/3/2020	American Patriot School	Spring Park Rd.	8am	Volunteer Activity
4/8/2020	DLC Nurse & Learn Easter	Edgewood Ave.	10am	Volunteer Activity

## JEA Community Engagement Calendar March - April 2020

Date	Event/Activity	Location	Time	Type
4/9/2020	City Rescue Mission Annual Easter Luncheon	New Life Inn	10:30am	Volunteer Activity
4/10/2020	Jacksonville Zoo & Gardens	Zoo Parkway	8:30am	Volunteer Activity
4/13/2020	USO No Dough Dinner	Mayport Blvd.	10am	Volunteer Activity
4/15/2020	Waverly Academy Career Fair	5710 Wesconnett Ave.	8:15am	Ambassador Event - Cancelled
4/16/2020	Animal Control & Protective Services	Forrest St.	8:30am	Volunteer Activity
4/17/2020	Catty Shack	Starratt Rd.	10am	Volunteer Activity
4/17/2020	Venetia Elem. Career Fair	4300 Timuquana Blvd.	9am	Ambassador Event
4/17/2020	The ARC Jax	UNF	10am	Ambassador Speaker - Cancelled
4/23/2020	Eden Gardens	Garden St.	8:30am	Volunteer Activity
4/23/2020	Barkin' Biscuits	Berry Good Farms	9am	Volunteer Activity
4/24/2020	Salvation Army Food Pantry	Adam St.	8:30	Volunteer Activity
4/24/2020	Feeding NE FL Food Bank	Edgewood Ave.	8:30am	Volunteer Activity
4/25/2020	Jacksonville Zoo Art & Garden Fest	Zoo Parkway	9am	Volunteer Activity
4/25/2020	Sweetwater Church of Christ Community Day	7009 Wilson Blvd.	10am	Ambassador Event - Cancelled
4/25/2020	Disaster Response & Emergency Prep Fair	Church of Jesus Christ of Latter-Day Saints - 461 Blanding Blvd.	12pm	Ambassador Event - Cancelled
4/27/2020	USO No Dough Dinner	Mayport Blvd.	10am	Volunteer Activity



Improving Lives. Building Community.

APRIL  
2020

## CUSTOMER & COMMUNITY ENGAGEMENT DEPARTMENT OVERVIEW AND UPDATE

The Customer & Community Engagement Team is responsible for developing employee communications, paid advertising campaigns, customer communications, digital/web communications, social media, videography, and community outreach/sponsorship opportunities.

*To follow are this month's highlights of JEA messaging, communications campaigns and community outreach efforts.*

## CUSTOMER MESSAGING

### COVID-19 Updates and Messaging

- Communicating operational changes heavily through social media, email, bill inserts, video messaging and paid advertising; Media Relations is working with media to do the same.
- Messaging includes:
  - Closing of the Customer Center
  - Fuel credit rebates
  - Suspension of disconnects, late payments, credit card fees
  - Social distancing reminders to protect JEA field crews
  - Continuity of safe and reliable utility services
  - "What not to flush" to prevent sewer blockages/fatbergs
  - Honoring our employees as "heroes of the community"
  - Electric and water money-saving tips while at home
  - Targeted messaging to customers with disconnect status to remind to pay bills and not get too far behind
  - Water conservation tips as we approach peak consumption periods
- In May we will transition messaging from COVID-19 to storm preparedness/Restoration 1-2-3 while assuring the community we are prepared and ready for any "storm" that comes our way, through multichannel campaign.



## COVID-19 Web/Digital Campaigns

- Dedicated COVID-19 landing page ([jea.com/coronavirus](http://jea.com/coronavirus)) for customers and public to learn all JEA is doing to help them during this time.
- Broad social media campaign promoting COVID-19 relief messaging and related posts.
- Fundraising campaign has been launched to drive Northeast Florida residents to visit [jea.com/give](http://jea.com/give) and provide financial assistance to those in need during COVID-19; [jea.com/give](http://jea.com/give) will have three options for people to give - 1) First Coast Relief Fund (United Way), 2) JEA Neighbor to Neighbor Fund and 3) JEA Guest Pay; JEA will promote this giving campaign with a full paid and organic effort through social media, digital, email and print communications to all its customers.
- On March 27, we launched the **JEA Power Pals @home** initiative on [jea.com](http://jea.com), an adaptation of the JEA Power Pals program we have offered for years at Duval County public elementary schools, teaching kindergarten through second graders and their parents/caregivers how to be safe around electricity in the home; implemented a social media campaign to promote the program and in just two weeks have more than 11,000 views and more than one million impressions.

## Community Engagement – Volunteerism and Ambassadorship

- Last month, 65 JEA employees volunteered 267 hours in the community, connecting with customers and assisting with numerous nonprofit projects and activities; volunteers served at events for the Catty Shack Ranch, Gate River Run, BEAM Food Bank, USO No Dough Dinner and many others. Through these efforts, JEA employees gave generously of their time and talents to benefit our community.
- Ambassadors volunteered at several community events prior to the start of social distancing, including the Spring Home & Patio Show and Westside High Career Fair.
- Since having to shelter in place, the team investigated ways our employees could virtually volunteer and continue to serve our community; as a result, JEA has partnered with **Communities in Schools in Jacksonville** as well as **Junior Achievement** to create this virtual opportunity. JEA team members are now participating in creating videos reading to school children, mentoring for career-pathing and teaching subjects online for children in these programs.

## Employee Messaging

- Daily email updates sharing COVID-19 impacts and cases.
- Signage for work areas and vehicles to let the public know to remain at least 6 feet away.
- Created SharePoint page (SharePoint team and HR team) to house COVID-19 updates.





**INTER-OFFICE MEMORANDUM**

March 13, 2020

**SUBJECT:** **GOVERNANCE TRAINING RESOURCES: WEBINAR AND  
REFERENCE MATERIALS**

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**FROM:** Melissa H. Dykes, Interim Managing Director/CEO

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**TO:** JEA Board of Directors

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**BACKGROUND:**

JEA would like to support and provide new Board Members with various materials and information to assist in providing a good background for Board members concerning our municipal form of ownership.

**DISCUSSION:**

As part of the on-boarding information, JEA is providing reference materials and access to a webinar series. Each Board Member is being provided a copy of two information booklets and a link to access a prerecorded webinar series. The following materials are published by American Public Power Association (APPA).

**Publications:**

Governing for Excellence  
Electric Utility Basics

**Webinar:**

2019 Public Power Governance

The webinar series has 5 sessions including: Overview of Public Power Governance, A Board's Legal and Fiduciary Responsibilities, The Board's Responsibility for an Effective Chief Executive, The Board's Responsibility for Effective Governance and A Board's Role in Setting and Achieving Long-Term Success.

The sessions may be viewed individually as Board Members' time allows.

**FINANCIAL IMPACT:**

JEA purchased these materials from APPA for new Board Members.

**RECOMMENDATION:**

It is recommended that Board Members review the materials as supplemental information to various orientation and on-boarding sessions as references.

---

Melissa H. Dykes, Interim Managing Director/CEO

MHD/NKV





**INTER-OFFICE MEMORANDUM**

April 20, 2020

**SUBJECT: THE 2020 RATING AGENCY PRESENTATION**

**FROM:** Melissa H. Dykes, Interim Managing Director/CEO

**TO:** JEA Board of Directors

**BACKGROUND:**

JEA's annual meetings with Standard & Poor's, Fitch and Moody's provide an opportunity for the rating agency analysts to meet with JEA's Senior Leadership Team, the City Council President, and JEA's Board Chair. The focus of the meetings is to update the rating agency analysts in the areas of financial health, operations, current events, and governance.

Because the presentation contains both an overview of JEA and a review of prior year financial and operating performance, staff is presenting it to the new Board as part of its first meeting. This same presentation will be shared with the rating agencies next month.

**DISCUSSION:**

The goal of the annual rating agency meetings is to present JEA's operating and financial performance, risk management, business trajectory, and governance. This gives rating analysts comfort in the strength of the JEA credit, particularly illustrating:

- High functioning governance model, supported by experienced industry professionals employing financial and operating best practices which include a solid cost recovery framework and the willingness to recover costs on a timely basis
- Diverse service territory, economy and customer base
- All critical risks are identified and being well managed
- Outstanding operating performance focused on sustaining excellence, expanding asset management techniques and technology, with an increased focus on customer satisfaction, cost and service execution
- Diverse electric generation technologies, fuels and supply chain
- Strong resource base for the Water and Wastewater System
- Strong, consistent and predictable financial performance including conservative and achievable financial projections, resulting in a sustainable balance of revenue and expenses

This year's presentation will also include a discussion of the impacts of COVID-19 on the JEA utilities.

**FINANCIAL IMPACT:**

Positive credit ratings secure low cost debt by signaling financial strength to investors.

**RECOMMENDATION:**

It is recommended that Board Members review the presentation as supplemental information to various orientation and on-boarding sessions.

---

Melissa H. Dykes, Interim Managing Director/CEO

MHD/JEO/JEC

[Return to Agenda](#)

*Moving Forward*

# RATING AGENCY PRESENTATION



**APRIL 2020**



## ENERGY BUSINESS

*Progress since our  
last annual update*

FitchRatings

MOODY'S

S&P Global  
Ratings

## Strong Financial Performance and Well-Positioned to Take on Future Challenges

### Maintained excellent financial and operational metrics

- Best ever distribution reliability as measured by CEMI-5

Capital program includes \$980 million of projects over the next five years without the need to issue new debt

Repaid \$233 million of debt in FY2019 for a total reduction of \$2.1 billion since 2009 with a continued commitment to accelerate deleveraging

- Accelerated \$100 million of debt reduction with February 2019 defeasance and an additional \$48 million of debt reduction in October 2019 with debt at a 35-year low
- Accelerating nearly all principal due before 2026, resulting in debt service coverage of 5x and fixed charge coverage of 2x when Vogtle comes online
- Plan to use remaining SJRPP funds in FY2021 to defease approximately \$100 million of the remaining \$252 million of Issue Three bonds

Rates are currently at the median in the state, but affordability metrics remain healthy as rates are increased to accommodate Vogtle

# WATER & WASTEWATER BUSINESS

*Progress since our  
last annual update*

FitchRatings

MOODY'S

S&P Global  
Ratings

## Strong Financial Performance and Well-Positioned to Take on Future Challenges

### Consistently superior system operating performance

- Commitment to investing in infrastructure ensures reliable operation now and into the future
- Lowest amount of nitrogen discharged in history at 397 tons versus a permit limit of 683 tons

**Robust \$1.5 billion capital program over the next five years, primarily cash funded with no rate changes and a moderate amount of new debt**

### Strong financial metrics collectively help provide a fortress going forward:

- Strong balance sheet
- Ample liquidity
- Superior debt service coverage expected to be 2.6x to 5.0x over the next five years

**Paid down \$145 million of debt in FY2019 for a total reduction of \$676 million since 2011 projected to total \$875 million over the next five years**

- Accelerated \$95 million of debt reduction with February 2019 defeasance and an additional \$45 million with October 2019 defeasance

**Forward-thinking plan to address long-term water supply to region**

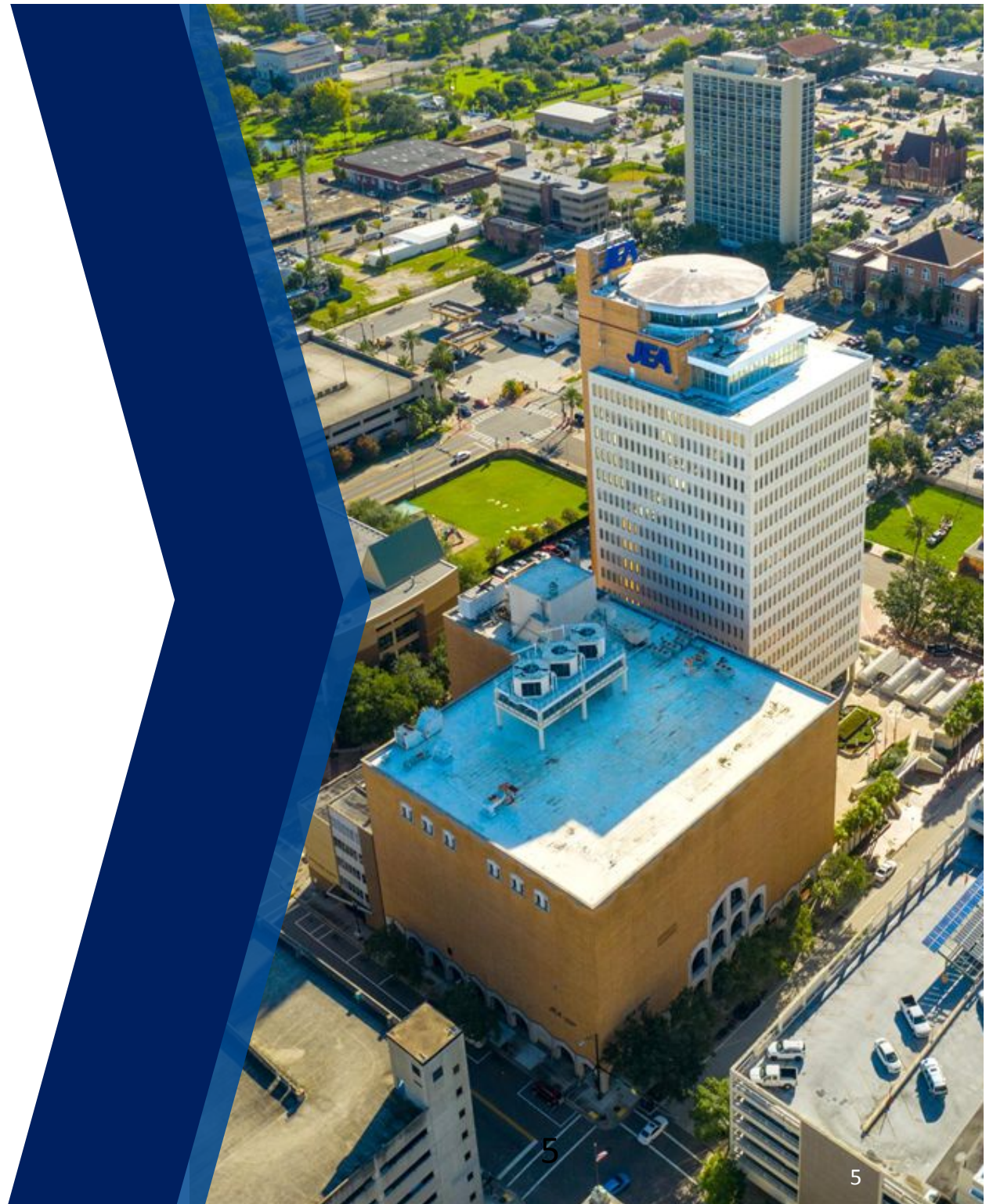
<b>01</b>	<b>Introduction</b> Overview of JEA and Jacksonville
<b>02</b>	<b>Energy System</b> Operational overview
<b>03</b>	<b>Plant Vogtle</b> Progress update
<b>04</b>	<b>Water System</b> Operational overview
<b>05</b>	<b>FY19 Results</b> Financial metrics for FY2019
<b>06</b>	<b>Enterprise Risk Management</b> Overview of risk management efforts
<b>07</b>	<b>Enterprise Asset Management</b> Overview of progress made to asset management
<b>08</b>	<b>COVID-19 Impacts</b> Business Impacts and JEA's Response
<b>09</b>	<b>Conclusion</b> Summary
<b>10</b>	<b>Bond Refunding Opportunities</b> Market Opportunities
<b>11</b>	<b>JEA Board Member Profiles</b> Board Biographies
<b>12</b>	<b>Supplemental Financial Information</b> Financial Projections

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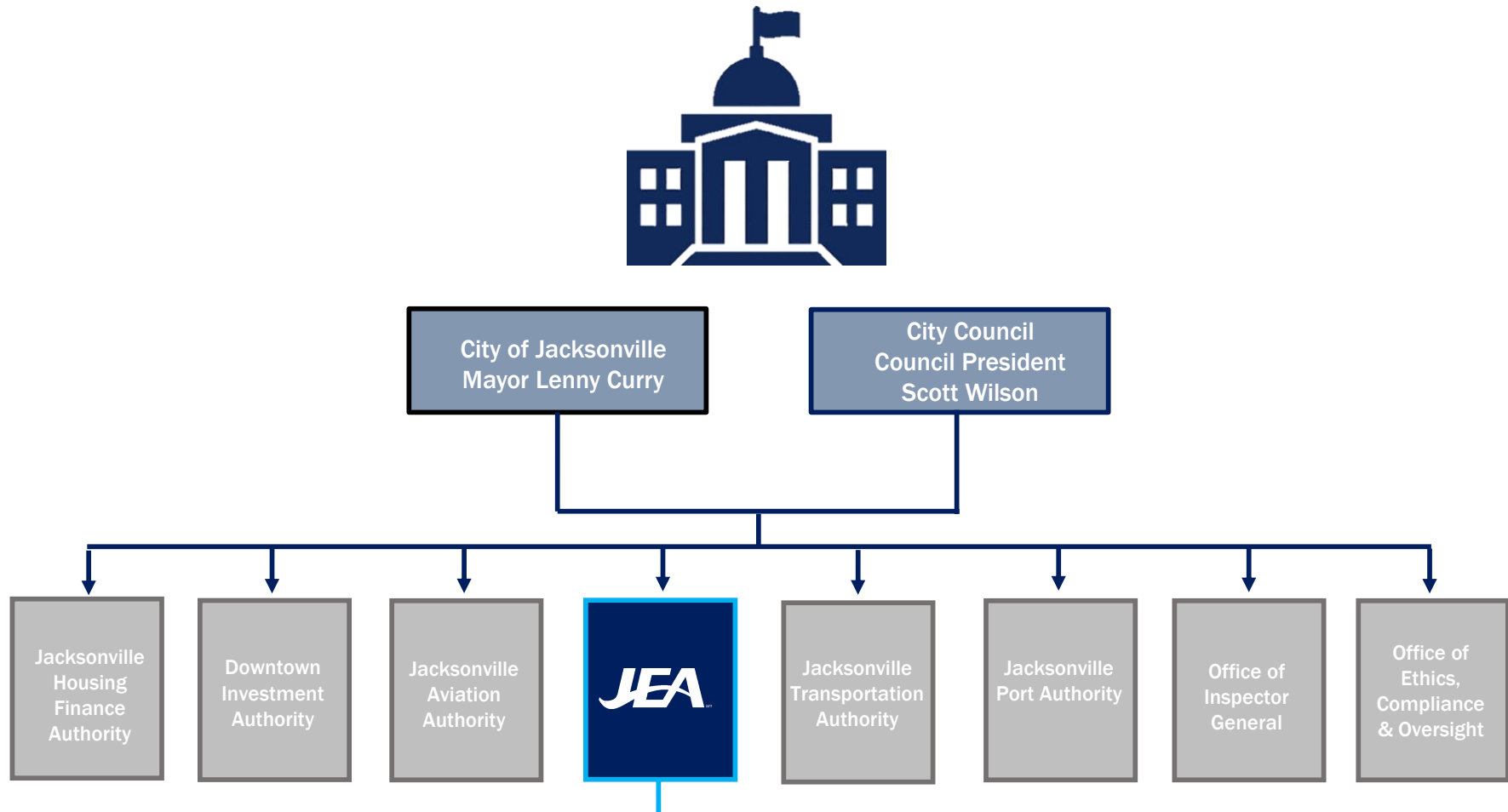


# 01

## INTRODUCTION



# CITY OF JACKSONVILLE INDEPENDENT AUTHORITIES AND AGENCIES



- Seven Member Board
- Appointed by Mayor
- Confirmed by City Council



# JEA BOARD OF DIRECTORS

We have been a municipal electric system since 1895 and independent agency of the City of Jacksonville, Florida since 1968

Our governing body is a Board of Directors appointed by the Mayor and confirmed by City Council

- The Board's primary responsibilities are policy, strategy, and rate making
- The Board is comprised of community leaders, professionals, and business people

Our Finance and Audit Committee oversees financial policy, financial reporting, auditing, budgeting, and enterprise risk management



**John D. Baker**  
Executive Chairman & CEO,  
FRP Holdings, Inc.

TERM  
through  
2/28/24



**Joseph DiSalvo**  
Lieutenant General,  
US Army, Retired

TERM  
through  
2/28/22



**Dr. Zachary Faison, Jr.**  
President & CEO,  
Edwards Waters College

TERM  
through  
2/28/22



**Leon L. Haley Jr., MD**  
Chief Executive Officer,  
UF Health Jacksonville

TERM  
Through  
2/28/24



**Marty Lanahan**  
Executive Vice President & Regional  
President, Iberia Bank

TERM  
through  
2/28/23



**Robert Stein**  
President,  
The Regency Group

TERM  
through  
2/28/21



**Tom VanOsdol**  
President & CEO,  
Ascension Florida

TERM  
through  
2/28/23

# JEA SENIOR LEADERSHIP TEAM



**Melissa Dykes**

Interim CEO and Managing Director



**Caren Anders**

VP & GM Energy  
System



**Jody Brooks**

Chief Legal Counsel



**Deryle Calhoun**

VP & GM Water &  
Wastewater System



**Shawn Eads**

Chief Information  
Officer



**Jon Kendrick**

VP & Chief Human  
Resources Officer



**John McCarthy**

VP & Chief Supply  
Chain Officer



**Steve McNall**

VP Energy & Water  
Planning



**Joe Orfano**

Interim Chief Financial  
Officer & Treasurer



**Paul Steinbrecher**

VP & Chief Environmental  
Services Officer



**Kerri Stewart**

VP & Chief Customer  
Officer



**Herschel Vinyard**

Chief Administrative  
Officer

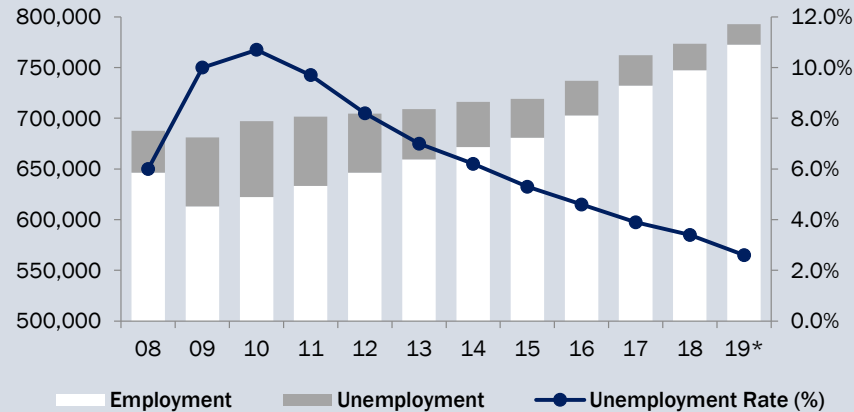


**Kurtis Wilson**

Interim VP & Chief  
Government Affairs  
Officer

# ECONOMIC SNAPSHOT

## Employment & Unemployment



Source: Bureau of Labor and Statistics Unemployment Rates for Metropolitan Areas, Not Seasonally Adjusted - \*Preliminary

## Median Household Income

Florida's median household income has increased 5.5% year over year.

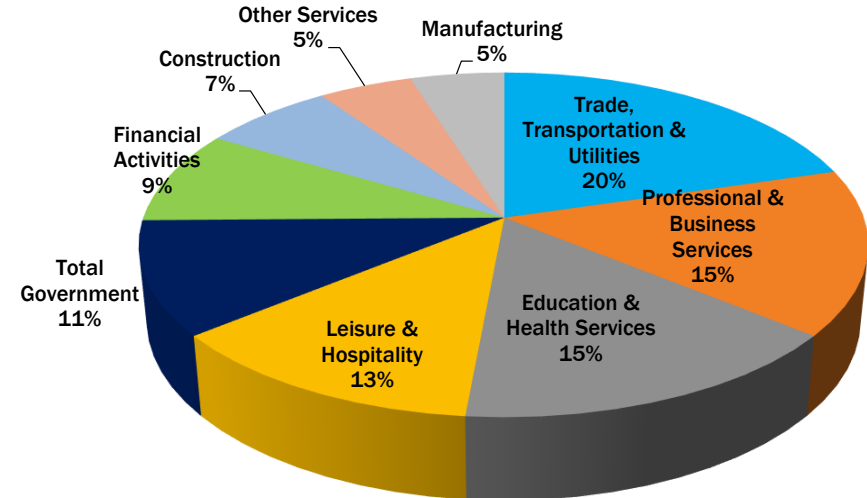


Duval County median household income has increased 7.2% year over year.



Source: U.S. Census Bureau, "2014-2018 American Community Survey 5-Year Estimates"  
Median household income in the past 12 months (in 2018 inflation-adjusted dollars)

The local economy is made up of a diverse mix of industries:



Source: Bureau of Labor Statistics "Florida Nonagricultural Employment - Most Recent 12-Months"  
January 2019 through December 2019  
December data is preliminary

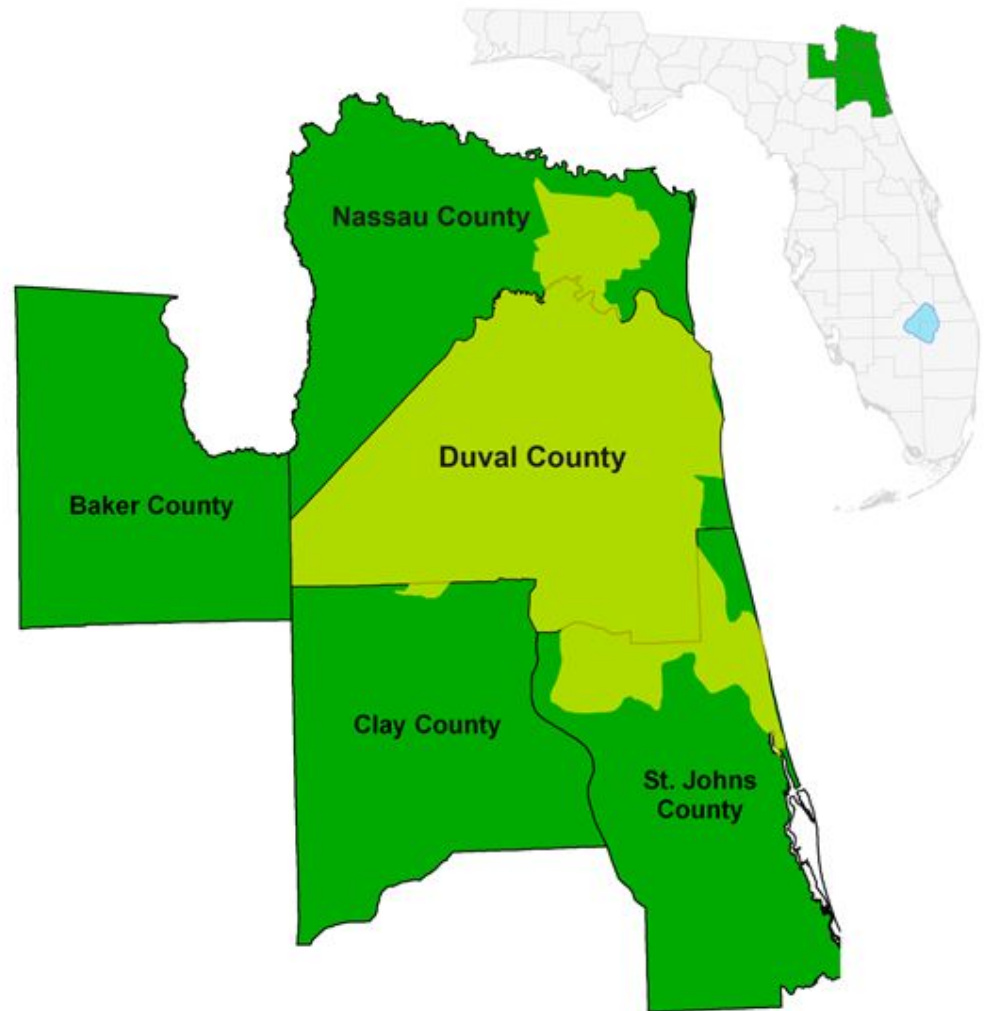


# JEA SERVICE TERRITORY

Located in Jacksonville, Florida, our service territory includes the entire Jacksonville Metropolitan Statistical Area (MSA) which has an estimated population of 1.6 million <sup>1</sup>

The Jacksonville MSA saw a 13.7% increase in population from April 1, 2010 to July 1, 2018 <sup>1</sup>

Our service territory also includes 140,651 meters in neighboring St. Johns, Nassau and Clay Counties



<sup>1</sup> U.S. Census Bureau, Population Division  
Annual Estimates of the Resident Population as of July 1, 2018

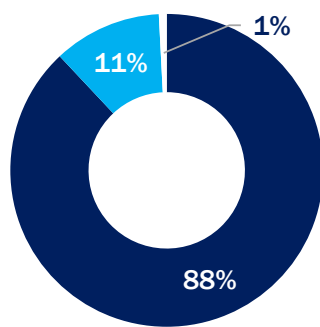
# ENERGY SYSTEM CUSTOMER BREAKDOWN

## Average Number of Customer Accounts

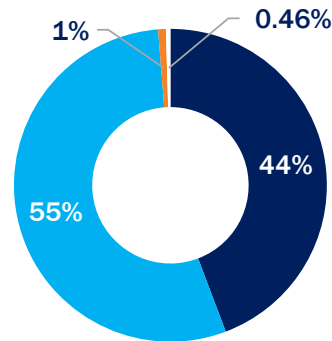


## Top Ten Customer Accounts

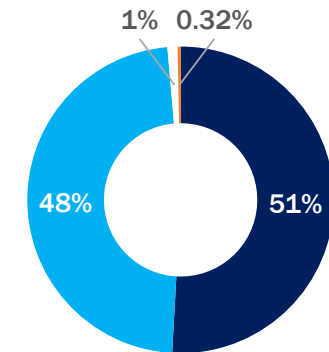
Account	Annual Billed	% of Revenue
U S NAVY PUBLIC WORKS CTR	\$ 24,139,244	1.9%
CITY OF JACKSONVILLE	22,627,898	1.8%
CMC STEEL US LLC	18,644,348	1.5%
DUVAL CO SCHOOL DISTRICT	14,725,557	1.2%
WESTROCK CP LLC	13,367,030	1.1%
SOUTHERN BAPTIST HOSPITAL OF FLORIDA INC	8,518,750	0.7%
PUBLIX SUPER MARKETS INC	7,967,480	0.6%
JOHNSON AND JOHNSON VISION CARE INC	7,762,522	0.6%
MAYO CLINIC JACKSONVILLE	7,561,055	0.6%
ANHEUSER BUSCH CO INC	7,253,348	0.6%
TOTAL	\$ 132,567,233	10.6%



**Average Number of Accounts**  
475,786



**System Sales (MWh)**  
12,465,958



**Revenues (\$ in millions)**  
\$1,233

■ Residential
 ■ Commercial & Industrial
 ■ Public Street Lighting
 ■ Sales for resale - Off system

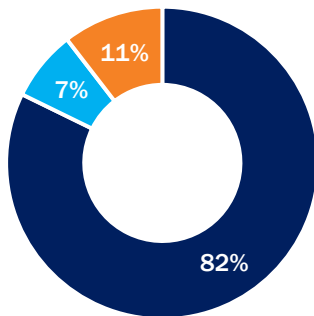
# WATER SYSTEM CUSTOMER BREAKDOWN

## Average Number of Customer Accounts

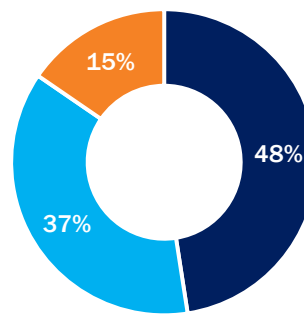


## Top Ten Customer Accounts

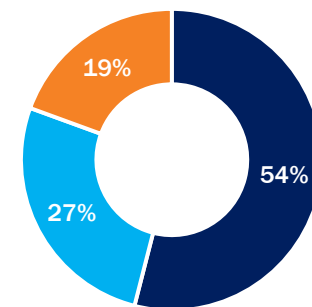
Account	Annual Billed	% of Revenue
CITY OF JACKSONVILLE	\$ 2,259,070	1.1%
DUVAL CO SCHOOL DISTRICT	1,183,717	0.6%
ST JOHNS COUNTY UTILITY	868,258	0.4%
AMERICAN HOMES 4 RENT LP	659,306	0.3%
SOUTHERN BAPTIST HOSPITAL OF FLORIDA INC	636,579	0.3%
DR HORTON INC JACKSONVILLE	506,283	0.3%
JOHNSON AND JOHNSON VISION CARE INC	473,175	0.2%
ST VINCENTS HEALTH SYSTEM INC	395,469	0.2%
THE AMERICAN BOTTLING COMPANY	388,436	0.2%
MAYO CLINIC JACKSONVILLE	337,468	0.2%
Total	\$ 7,707,761	3.9%



**Average Number of Accounts**  
355,635



**System Sales (kgal)**  
37,696,072



**Revenues (\$ in millions)**  
\$179

Residential
  Commercial & Industrial
  Irrigation

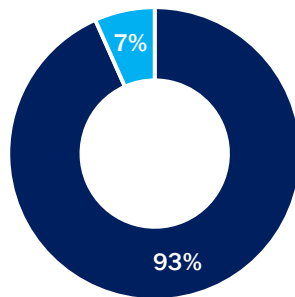
# WASTEWATER SYSTEM CUSTOMER BREAKDOWN

## Average Number of Customer Accounts

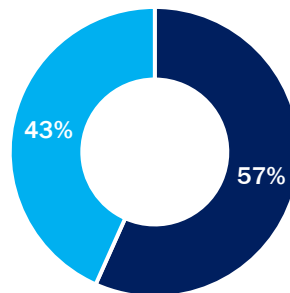


## Top Ten Customer Accounts

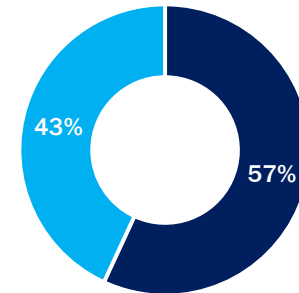
Account	Annual Billed	% of Revenue
CITY OF JACKSONVILLE	\$ 2,606,769	1.0%
DUVAL CO SCHOOL DISTRICT	2,249,240	0.9%
ST JOHNS COUNTY UTILITY	1,509,191	0.6%
SOUTHERN BAPTIST HOSPITAL OF FLORIDA INC	1,048,756	0.4%
SYMRISE INC	1,045,916	0.4%
THE AMERICAN BOTTLING COMPANY	1,042,775	0.4%
JOHNSON AND JOHNSON VISION CARE INC	984,972	0.4%
ST VINCENTS HEALTH SYSTEM INC	934,011	0.4%
WWF OPERATING COMPANY	928,978	0.4%
MAYO CLINIC JACKSONVILLE	857,977	0.3%
Total	\$ 13,208,585	5.2%



**Average Number of Accounts**  
277,815



**System Sales (kgal)**  
27,726,796



**Revenues (\$ in millions)**  
\$257

■ Residential ■ Commercial & Industrial


# 02

## ENERGY SYSTEM





# ENERGY SYSTEM HIGHLIGHTS

- 
- Significant investment in reliability projects positively impacting customer outage experience
  - Generation cost management controls tightened
  - Brandy Branch upgrade added 105 MW to our generation portfolio
  - Agreements signed with EDF Renewables to provide 250 MW of Solar PV
  - New ten-year extension to Shell Natural Gas Supply agreement solidifies our baseload natural gas supply and transport

# ENERGY SYSTEM INFRASTRUCTURE



## Power Production Assets

- 5 Plants, 16 Units
- Net Capacity: 2,869 MW (3,160 MW winter)
- Fuel Sources: Natural Gas, Oil, Coal, Petroleum Coke
- Small amount of Landfill Gas

## Transmission System

- Voltage Levels (kV): 500, 230, 138 & 69
- 744 Miles of Transmission
- 91 Substations (T&D)

## Distribution System

- Voltage Levels (kV): 26.4, 13.2 & 4.16
- 339 feeders (228 – 26.4kV; 82 – 13kV; 29 – 4kV)
- 7,112 circuit miles (43% Overhead, 57% Underground)
- 106,937 transformers, 206,961 poles

# ENERGY SYSTEM OVERVIEW

## Existing Generation Capacity = 2,868 <sup>1</sup> MW

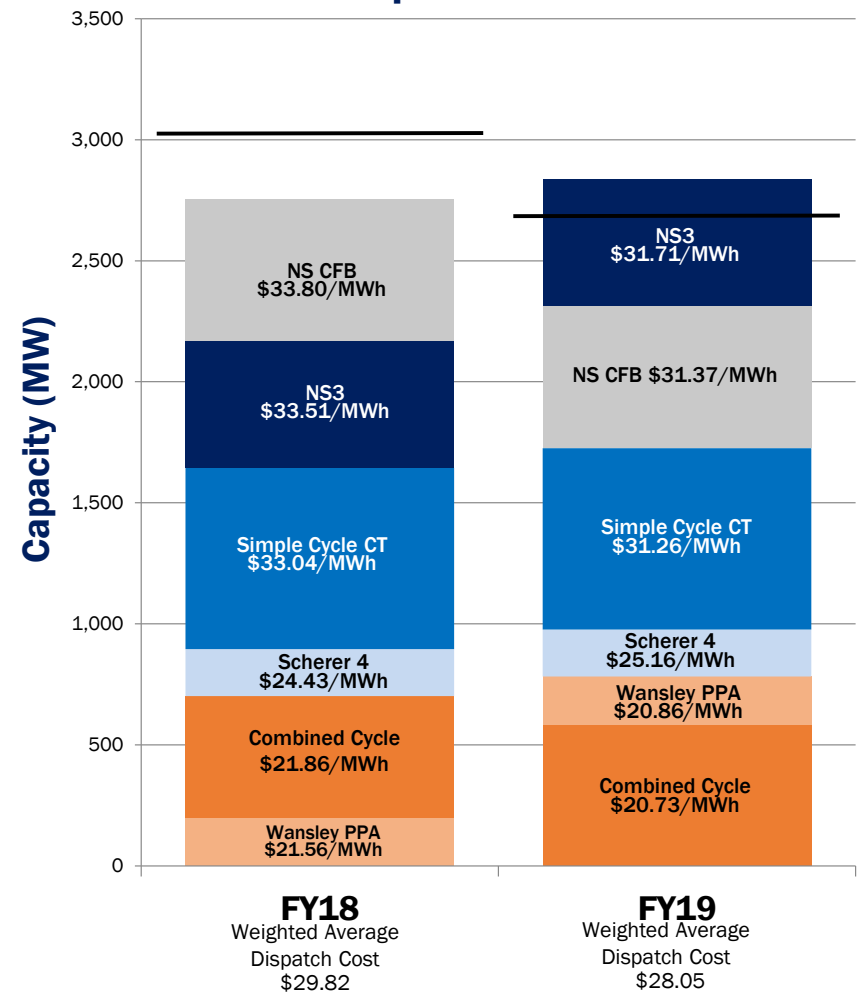
Facility	Primary Fuel Type	Generating Capacity (in MW)	Year in Service
Gas Fuel: 1,884 MW (70%)			
Brandy Branch	Natural Gas	745	2001 - 2019 <sup>2</sup>
Northside Gen Unit 3	Natural Gas/Oil	524	1977
Kennedy	Natural Gas	300	2000 - 2009 <sup>2</sup>
Greenland Energy Center	Natural Gas	300	2011
Landfill Energy Systems	Landfill Gas	15	1997 - 2015 <sup>2</sup>
Solid Fuel: 784 MW (30%)			
Northside Gen Units 1 & 2	Pet Coke	586	2003
Scherer 4	Coal	198	1989
Total: 2,668 MW			
Peaking Reserve: 200 MW			
Northside CTs	Diesel Fuel Oil	200	1975
Grand Total: 2,868 MW <sup>3</sup>			

<sup>1</sup> Based on summer net ratings and entitled capacity. Winter net ratings and entitled capacity is 3,160 MW as of 3/1/2020

<sup>2</sup> Multiple units, multiple in service dates

— Actual Peak

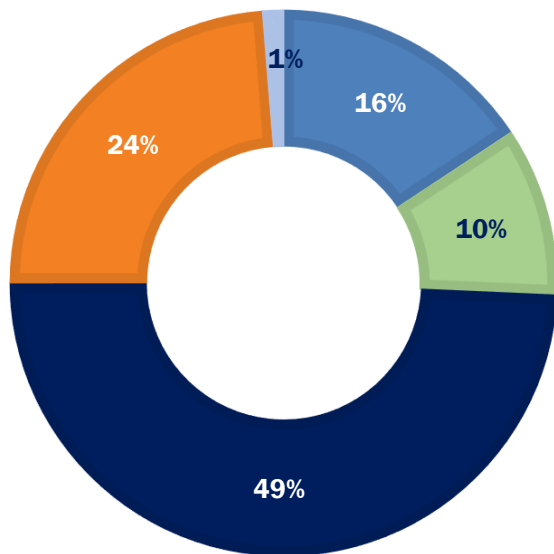
## Dispatch Stack<sup>1</sup>



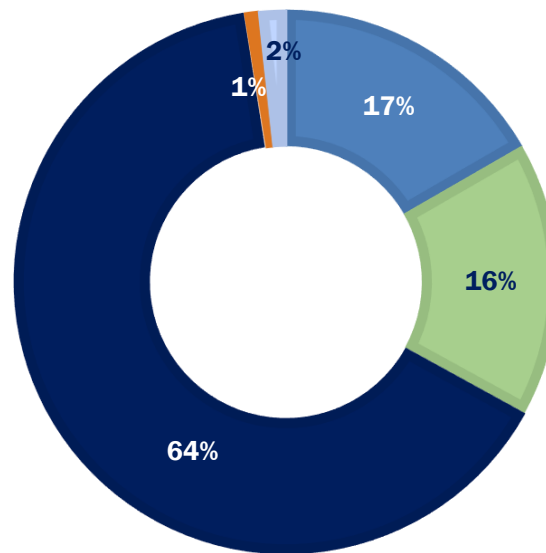


# ENERGY FUEL MIX

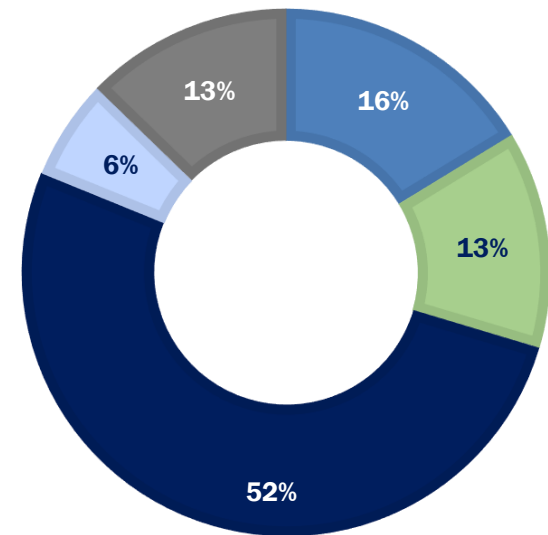
**2019 Actuals**



**2020 Forecast**



**2023 Forecast**



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

# ENERGY PERFORMANCE MONITORING: T&D

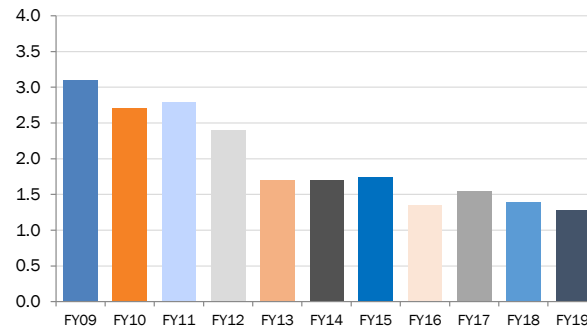
## Electric Service Reliability

- Outage frequency and duration have been reduced over the last 10 years. FY19 continued this favorable trend.
- The typical JEA customer sees 1.28 outages per year and a total outage duration of about 60 minutes.
- Significant improvement trend over past five years for CEMI5. FY19 had only .08% of our customers experiencing more than 5 outages.
- For FY20 we will track CEMI4 (customers experiencing greater than 4 outages) as the corporate measure and have project work planned to continue to reduce repeat outages.

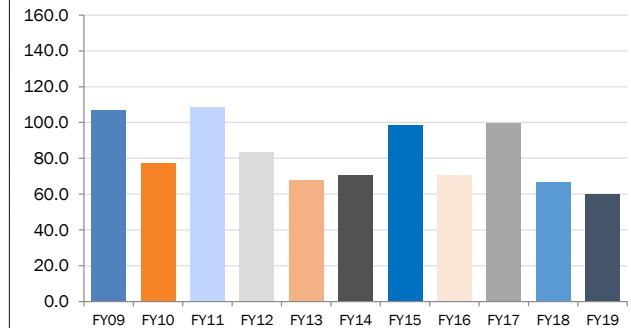
## Transmission Line Reliability

- Overall improving trend over the last ten years

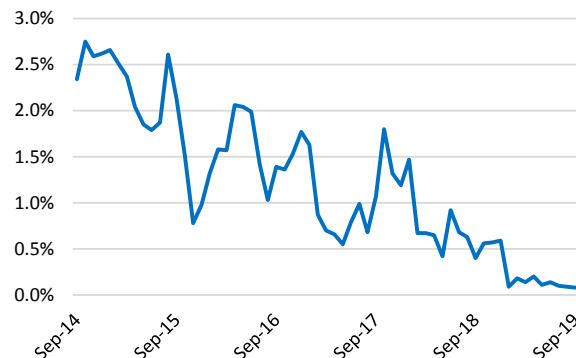
### Customer Outage Frequency



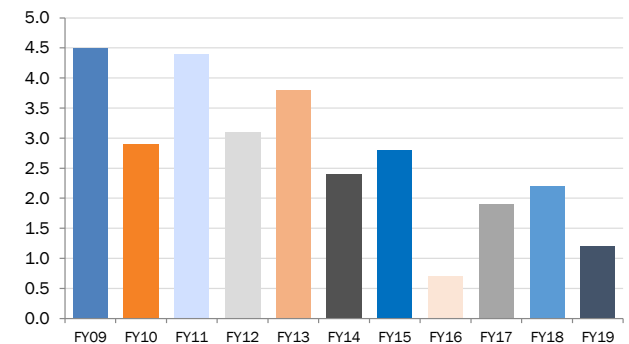
### Electric Outage Duration



### Customers Experiencing > 5 Outages



### Transmission Line Fault Frequency

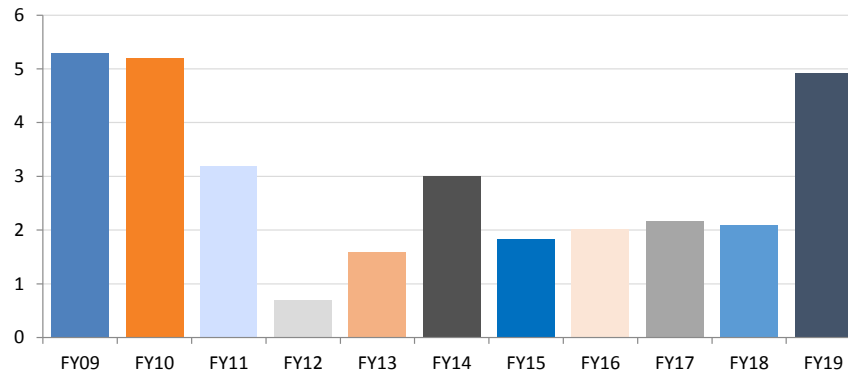


T&D Grid Performance	Metric	FY2019	FY2018	FY2017
Customer Outage Frequency	# of Outages per Year	1.28	1.39	1.55
Electric Outage Duration	# of Minutes out per Year	60	67	100
Transmission Line Faults	# of Faults per 100 miles	1.2	2.2	1.9
CEMI <sub>5</sub>	% Customers > 5 outages per yr	0.08%	0.4%	1.1%

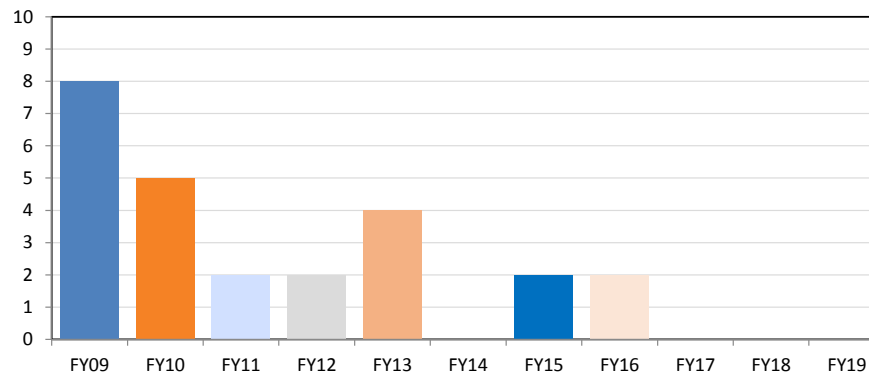
Downward trends in these metrics indicate improvements in system reliability

# ENERGY PERFORMANCE MONITORING: GENERATION

## Forced Outage Rate



## Permit Exceedances



Generating Plant Performance	Metric	FY2019	FY2018	FY2017
Generation Fleet Reliability	Forced Outages Rate	5.0	2.1	2.2
Environmental Compliance	Permit Exceedances	0	0	0

Downward trends in these metrics indicate improvements in system reliability

## Generating Fleet Reliability

- The JEA Fleet Forced Outage exceeded target in FY19 due to extended unit recovery on Northside Unit 2, as a result of excess ash build up.
- Numerous improvements and projects were implemented in generation to make the units more reliable, have greater capacity and lower costs.

## Environmental Compliance

- No permit exceedances during the last three fiscal years.
- JEA remains actively engaged in preparing for all new and emerging environmental regulations

# CAPITAL NEEDS AND FUNDING SOURCES

*JEA has streamlined its capital plan, maintaining a healthy utility system in a low-growth environment*

Electric System (\$000s)	Actual	2020	2021	2022	2023	2024	2020-2024 Average
	2019						
Internally Generated Funds Available for Capital <sup>1</sup>	\$178,959	\$238,788	\$244,301	\$185,023	\$181,478	\$172,512	
Capital Fund Balance Deposits (Withdrawals)	(106,912)	1,515	18,236	(1,848)	18,014	2,705	
Debt Financing	0	0	0	0	0	0	
<b>Capital Plan Spend</b>	<b>\$285,871</b>	<b>\$237,273</b>	<b>\$226,066</b>	<b>\$186,871</b>	<b>\$163,464</b>	<b>\$169,807</b>	<b>\$196,696</b>
Capital Fund Balance <sup>2</sup>	\$83,017	\$84,533	\$102,768	\$100,920	\$118,934	\$121,639	

Scherer (\$000s)	Actual	2020	2021	2022	2023	2024	2020-2024 Average
	2019						
Internally Generated Funds Available for Capital	\$11,053	\$7,333	\$9,450	\$13,033	\$6,502	\$7,850	
Capital Fund Balance Withdrawals (Deposits)	0	0	0	0	0	0	
Debt Financing	0	0	0	0	0	0	
<b>Capital Plan Spend</b>	<b>\$11,053</b>	<b>\$7,333</b>	<b>\$9,450</b>	<b>\$13,033</b>	<b>\$6,502</b>	<b>\$7,850</b>	<b>\$8,834</b>

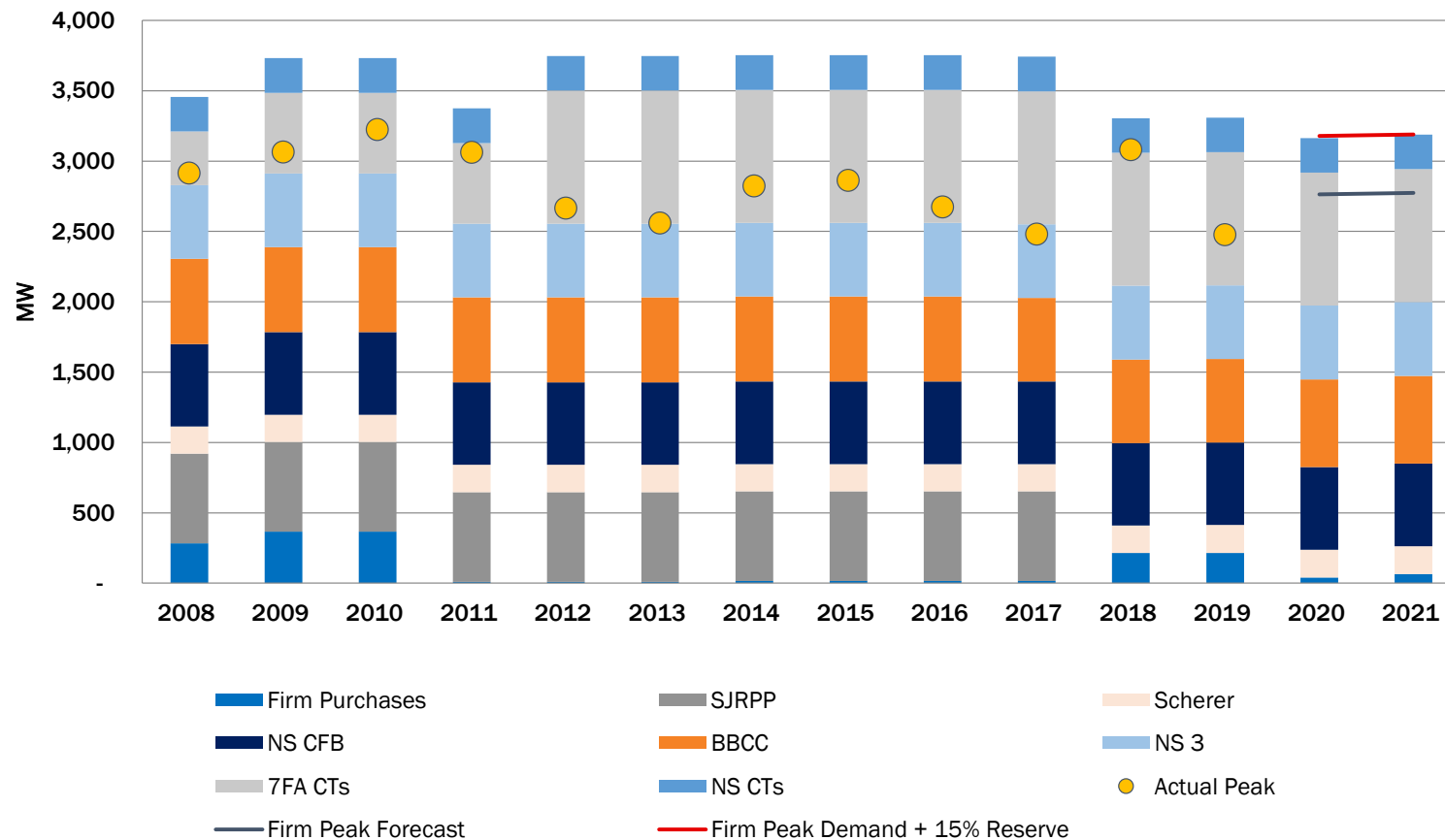
<sup>1</sup> Net of amounts used for planned accelerated debt repayments

<sup>2</sup> Excludes FEMA reimbursement

**Note :** Items may not foot due to rounding

# FLEET OPTIMIZATION AND ASSET UTILIZATION

*Generation fleet provides sufficient capacity to meet current and future demand*



*Reserves are to cover forecast error. Once peak occurs 15% reserve line does not apply.*

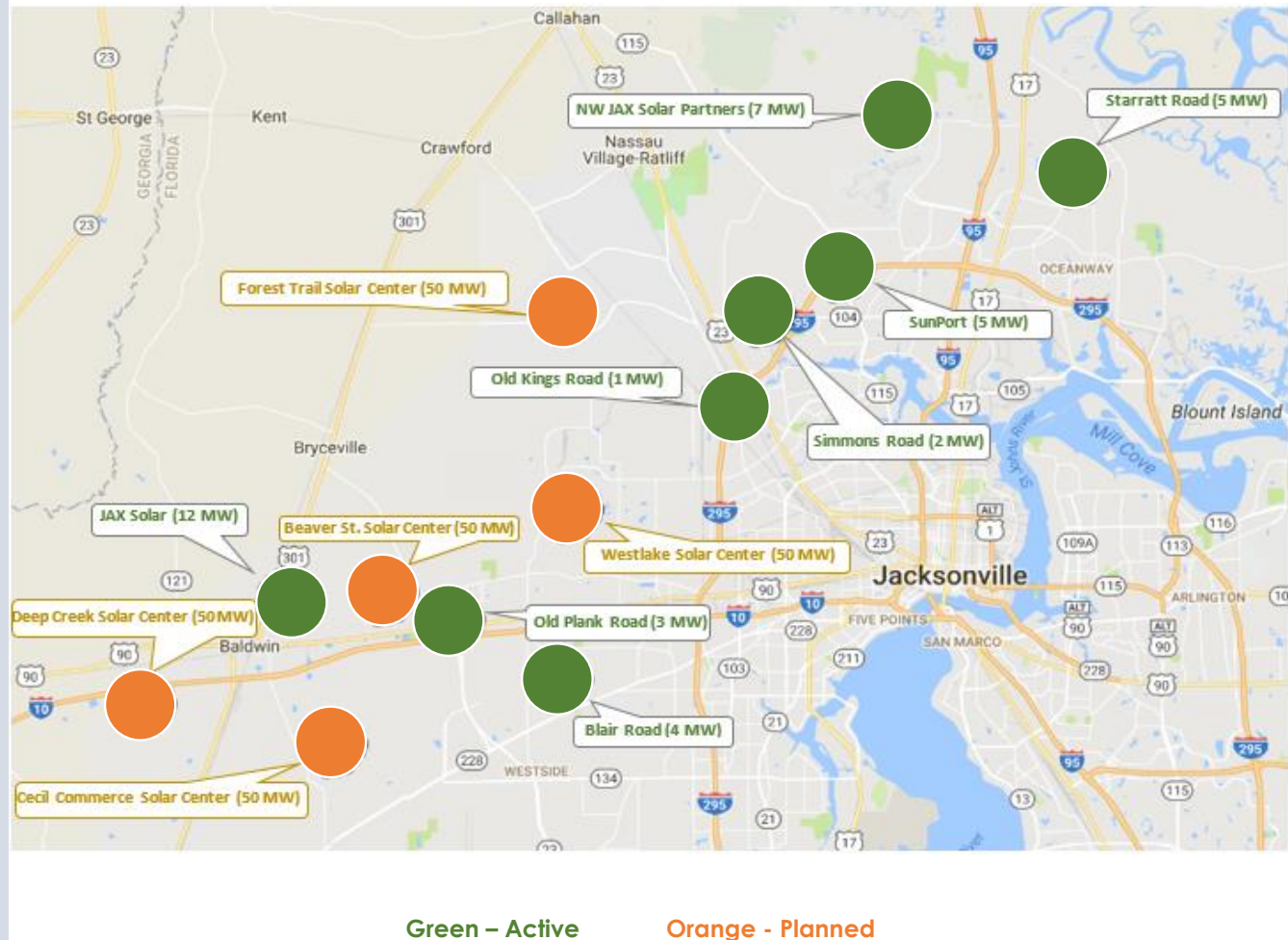
# CURRENT AND FUTURE PV SOLAR SITES

## JEA Is Pursuing a Substantial Increase in Solar Generation

*We have contracted to add up to 250 MW of universal solar by 2022, in addition to 39 MW installed, making Jacksonville one of the largest solar cities in the U.S.*

### What this Looks Like:

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



# ENERGY SYSTEM SUMMARY



- Strong operational and reliability metrics
- Capital plan funded without debt
- Lowest system debt in 34 years



# 03

## PLANT VOGTLE





# VOGTLE 3 & 4 OVERVIEW



**No changes to in-service dates**

**Total project is 84% complete**

- Unit 3 direct construction is 85% complete
- Unit 4 direct construction is 63% complete

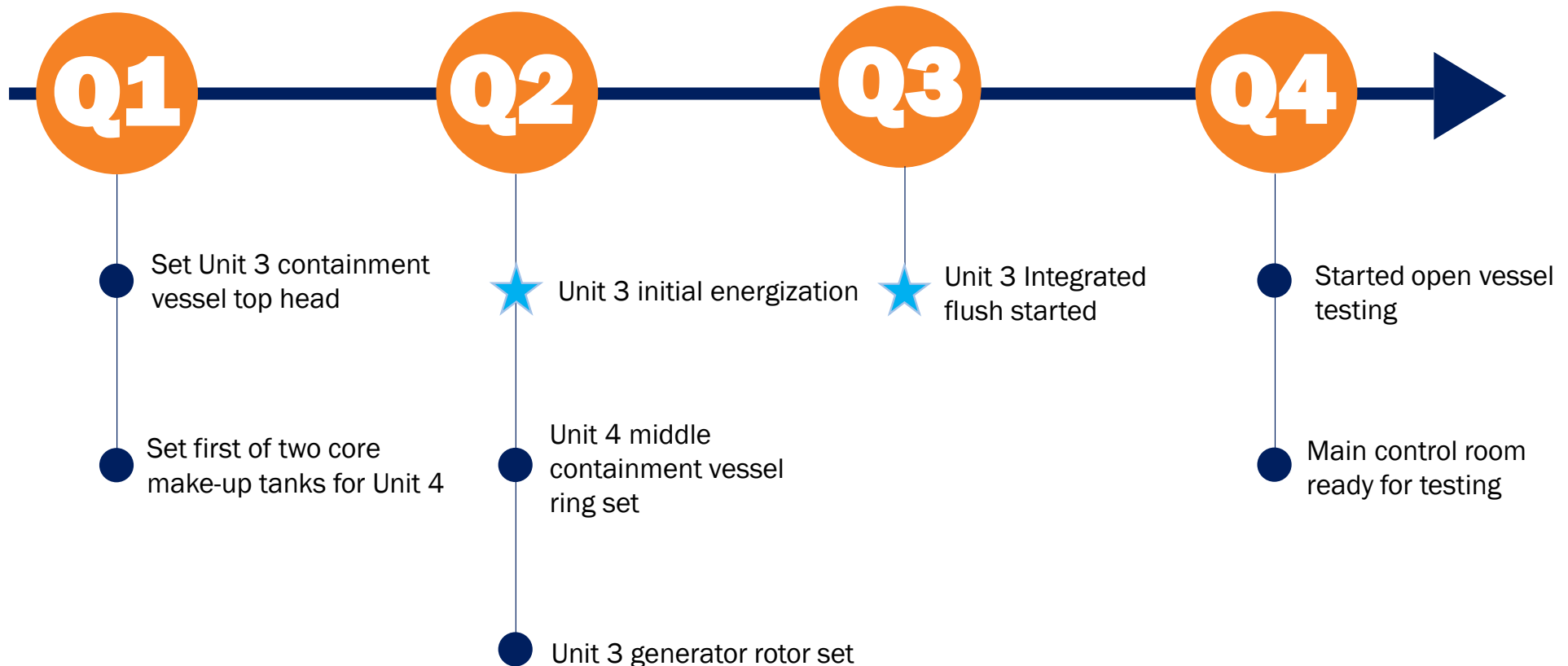
**No change in projected overall capital cost forecast**

**All 4 Chinese AP1000 units (Sanmen 1 and 2 and Haiyang 1 and 2) completed and connected to grid**

**Expected completion: November 2021 (Unit 3) and November 2022 (Unit 4)**

*Sources: Southern Company 1<sup>st</sup> Quarter, 2<sup>nd</sup> Quarter, 3<sup>rd</sup> Quarter and 4<sup>th</sup> Quarter 2019 Earnings Presentations*

# VOGTLE 3 & 4 MILESTONES: WORK COMPLETED DURING 2019



★ Indicates major milestone

Sources: Southern Company 1<sup>st</sup> Quarter, 2<sup>nd</sup> Quarter, 3<sup>rd</sup> Quarter and 4<sup>th</sup> Quarter 2019 Earnings Presentations

# 04

## WATER AND WASTEWATER SYSTEM





# WATER AND WASTEWATER SYSTEM HIGHLIGHTS



- **\$212M capital delivered, the most in 15 years**
- **Lowest amount of nitrogen discharged in history at 397 tons versus a permit limit of 683 tons**
- **Best permit compliance performance in 15 years**
- **Leveraging technology to improve reliability and decrease costs through virtual pump station inspections**
- **Doubled potable water grid pressure monitoring locations to facilitate optimization of water use and delivery**
- **Comprehensive Integrated Water Resource Planning continues, planning for Northeast Florida water supply and environmental needs long into the future**

# WATER AND WASTEWATER SYSTEM INFRASTRUCTURE



## Water System

- 20 major and 18 small water treatment plants and two re-pump facilities
- 137 permitted water supply wells, 4,806 miles of water distribution mains and total finished water storage capacity of over 83 million gallons
- Two major and four small distribution grids

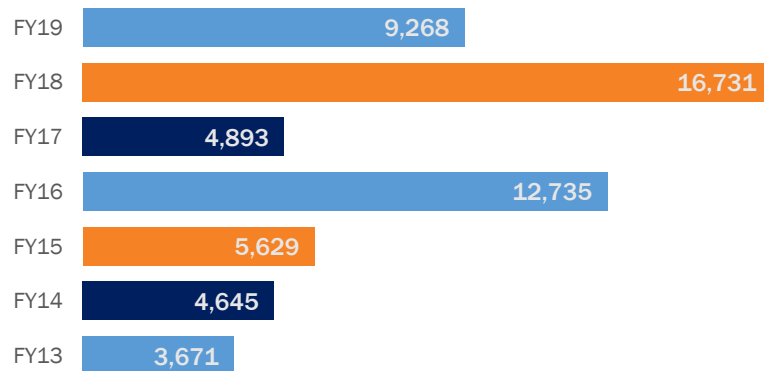


## Wastewater System

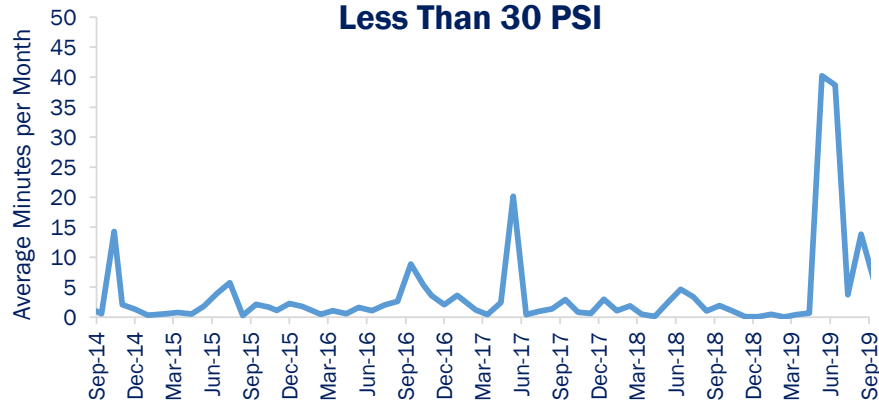
- Approximately 4,113 miles of gravity sewers and force mains
- 1,482 pumping stations, 754 low pressure sewer units, and 11 treatment plants currently ranging in rated average daily treatment capacity from approximately 0.2 to 52.5 MGD

# WATER AND WASTEWATER SYSTEM METRICS

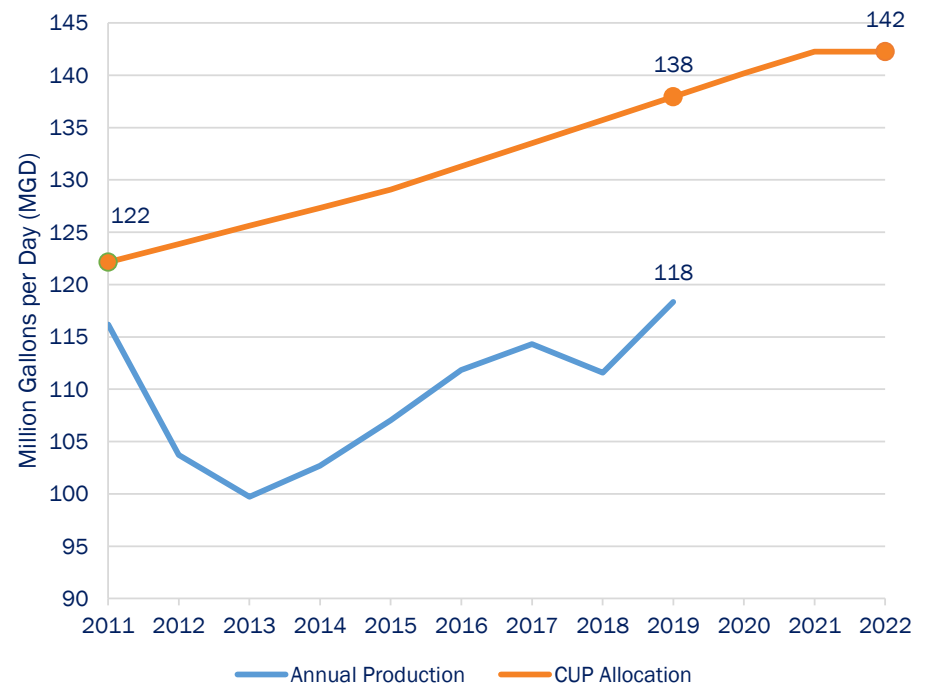
**Number of Customers Affected by  
Unplanned Water Main Outages**



**Average Minutes Water Pressure  
Less Than 30 PSI**



**Consumptive Use Permit (CUP)**



CUP ends in May 2031

# FRAMEWORK TO RESILIENCY

Resiliency program developed to improve system reliability and operational continuity of JEA's Water and Wastewater systems from lessons learned from hurricanes Matthew and Irma



## **CH2M/Jacobs provided Resiliency Assessment, Program Management and Engineering Services**

- Identified system vulnerabilities and provided recommendations to address issues
- New Standards are currently under development based on findings from assessments as well as projected future climate conditions

## **Evaluating the power quality of the electric circuits serving JEA's critical Class III and IV pump stations**

- Dual electric feed opportunities at specific pump stations
- Improvements on JEA's electric grid

## **Initiated system hardening projects such as converting electric lines serving critical pump stations from overhead to underground**

- 61 secondary electric lines and 21 primary electric lines were converted from overhead to underground

## **Having backup generation is essential to maintaining operational continuity especially during extreme weather conditions**

- JEA has purchased multiple types of assets for backup power
- JEA has a lease agreement to rent backup power during the Hurricane Season
- 93% of Wastewater peak hourly flow is covered by backup power

# CAPITAL NEEDS AND FUNDING SOURCES

*The Water and Wastewater capital plan increases are driven by: growth in both systems, and programs to rehabilitate and harden infrastructure critical to system operation and reliability*

- Current rates (1.5% customer growth) plus new debt will fund recurring and reinvestment type projects over the planning horizon
- Over 1/3<sup>rd</sup> of projected capital spend is directly growth – capacity expansion related
- Accelerated debt repayment in 2019 allows for additional internally generated funds to be available for capital over the next 5 years

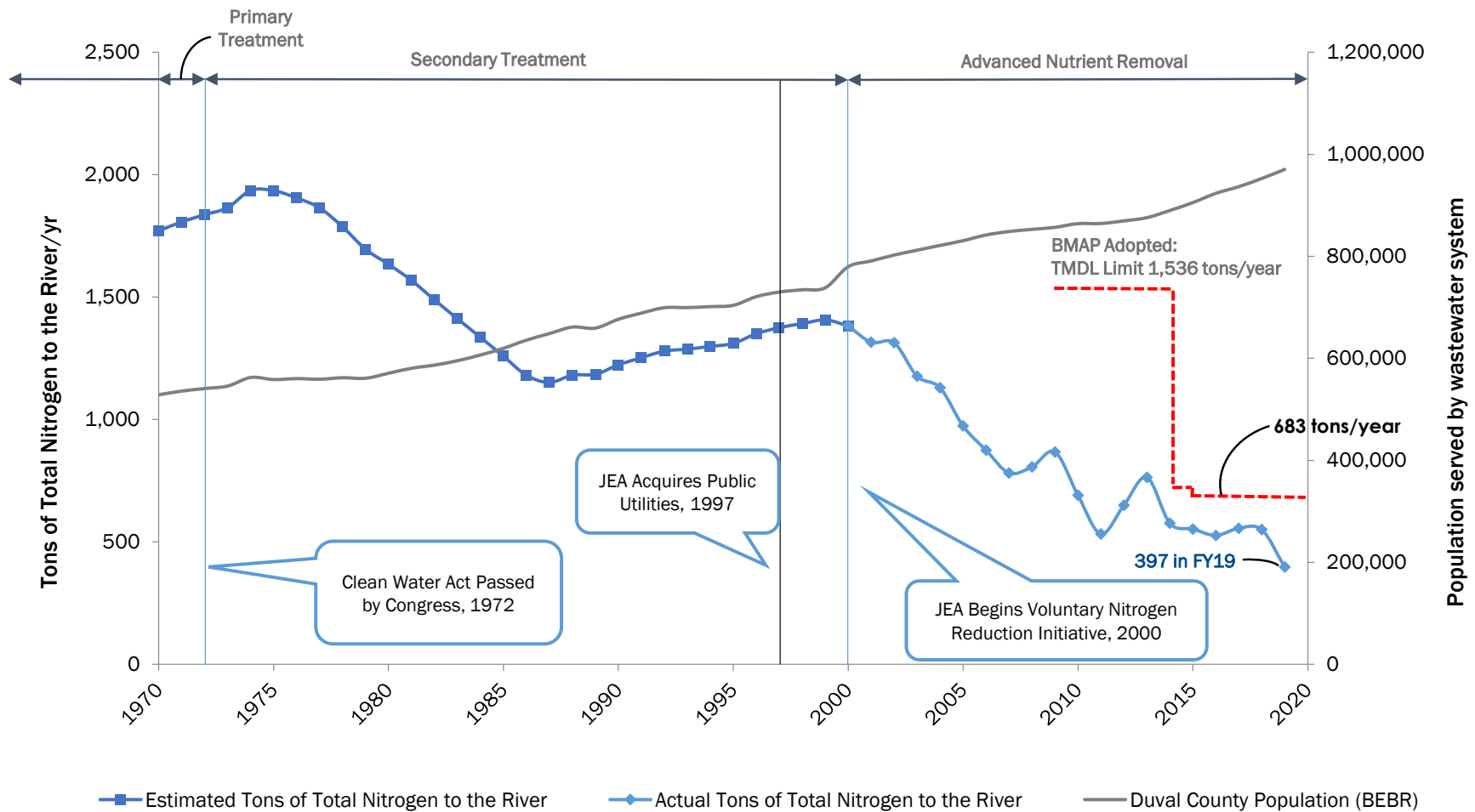
Water and Wastewater System (\$000s)	Actual	2020	2021	2022	2023	2024	2020-2024 Average
	2019						
Internally Generated Funds Available for Capital <sup>1</sup>	\$214,894	\$207,561	\$249,611	\$253,495	\$182,218	\$174,033	\$213,383
Capital Fund Balance Deposits (Withdrawals) <sup>2</sup>	2,343	(28,803)	0	0	0	0	\$ 5,759
Debt Financing	\$0	\$0	\$132,080	\$123,014	\$112,145	\$31,944	\$79,837
<b>Capital Plan Spend</b>	<b>\$212,551</b>	<b>\$236,364</b>	<b>\$381,691</b>	<b>\$376,509</b>	<b>\$294,363</b>	<b>\$205,977</b>	<b>\$298,981</b>
<b>Capital Fund Balance</b>	<b>\$48,803</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$20,000</b>	

<sup>1</sup> Internally generated funds available for capital are sourced from R&R and operating capital outlay along with surplus funds from prior budget appropriation restrictions

<sup>2</sup> Net of amounts taken from capital fund balance for accelerated debt repayments

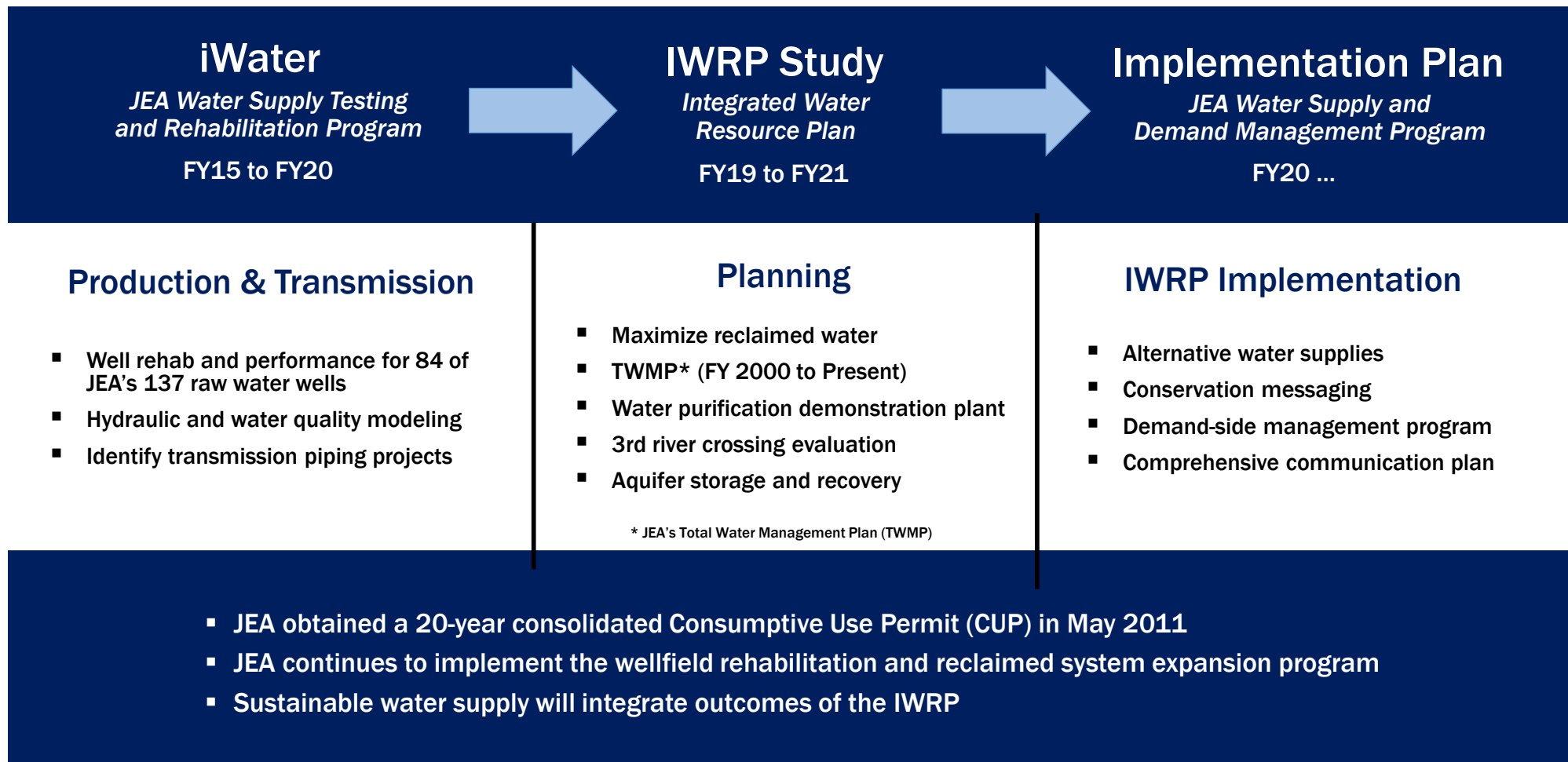


# CONTINUED REDUCTION OF NITROGEN TO THE ST. JOHNS RIVER



# WATER SUPPLY SUSTAINABILITY PLAN

Traditional groundwater sources are becoming limited in Florida. JEA focused on multiple solutions for sustainable supply

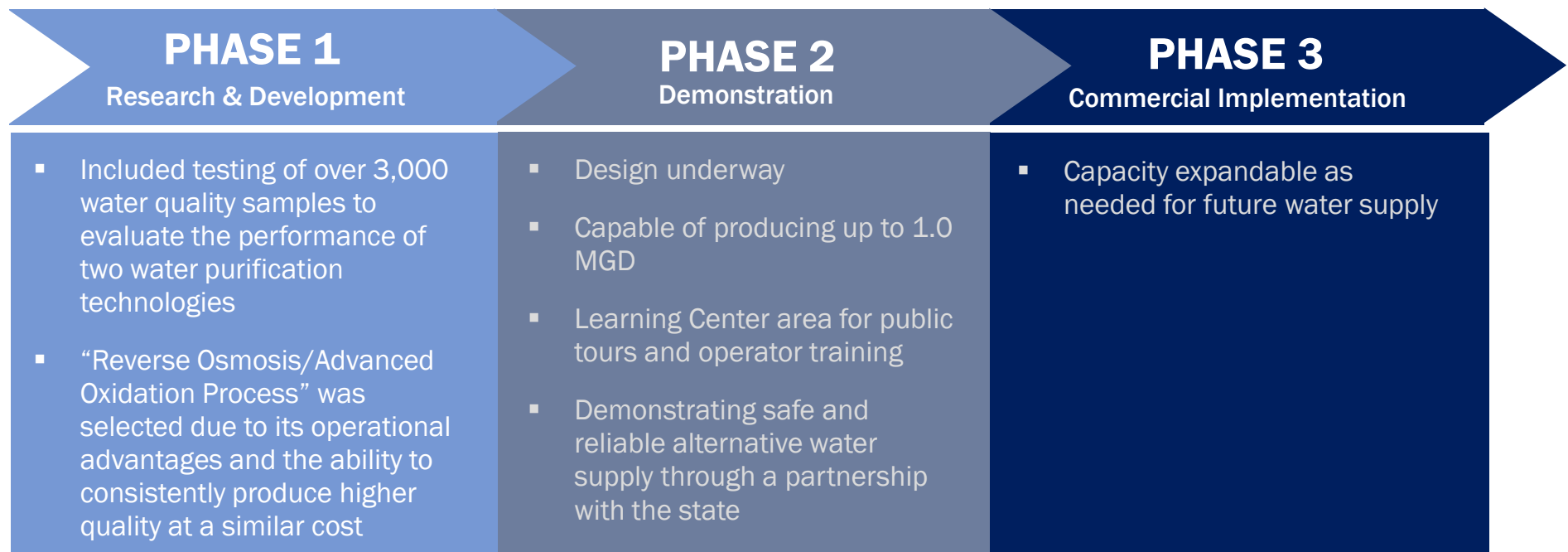


# PURIFIED WATER PROJECT: LEADING THE WAY IN FLORIDA

JEA is Expanding efforts to explore possible solutions:



Purified Water is the most promising alternative water supply option in terms of cost and complexity



# WATER AND WASTEWATER SYSTEM SUMMARY



- Superior operational performance
- Capital plan financed predominately with internal funds
- Rates stable for the five year planning horizon
- Focused on sustainable supply

# 05

## FY19 RESULTS



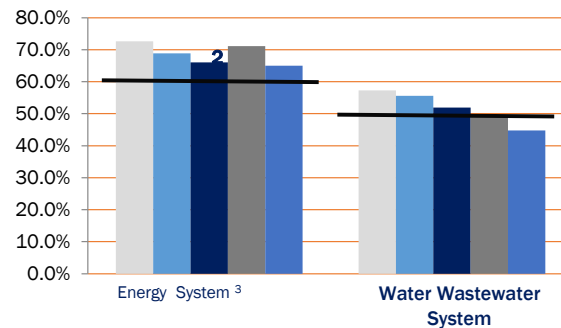


# HISTORICAL FINANCIAL METRICS

## FY2019 RESULTS DEMONSTRATE STRONG PERFORMANCE ACROSS ALL KEY FINANCIAL METRICS

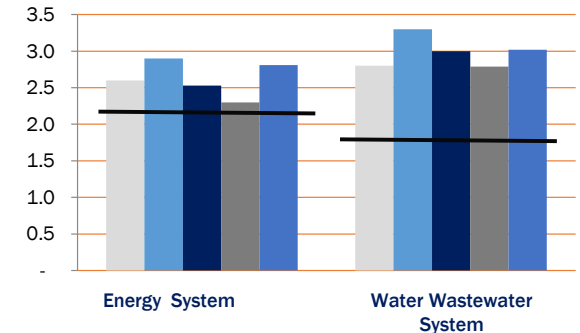
- FY2019 Debt Service Coverage remains strong and provides financial flexibility to respond to industry challenges
- Debt to Asset % continues to improve and approach/drop below long-term internal targets
- Days Liquidity and Days Cash metrics continue to be strong and provide the ability to invest in infrastructure in both systems without new debt
- FY2019 saw further commitment to early debt repayment in both systems

### Debt to Asset % <sup>1</sup>

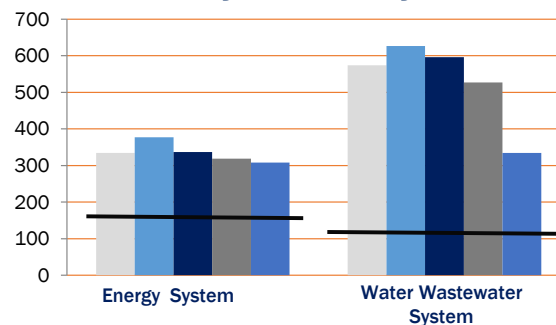


1 Net Funded Debt; metrics re-cast to reflect change in methodology as of 2018  
 2 Impact of SJRPP shutdown  
 3 Includes Electric System, Scherer and SJRPP

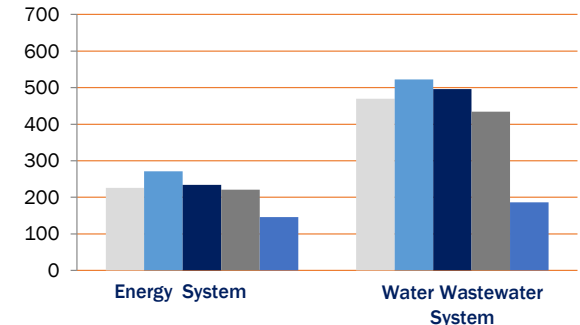
### Debt Service Coverage



### Days Liquidity



### Days Cash



2015 2016 2017 2018 2019 — Long Term targets per JEA pricing policy

# ENERGY SYSTEM KEY FINANCIAL METRICS

## What We Committed to in February 2019

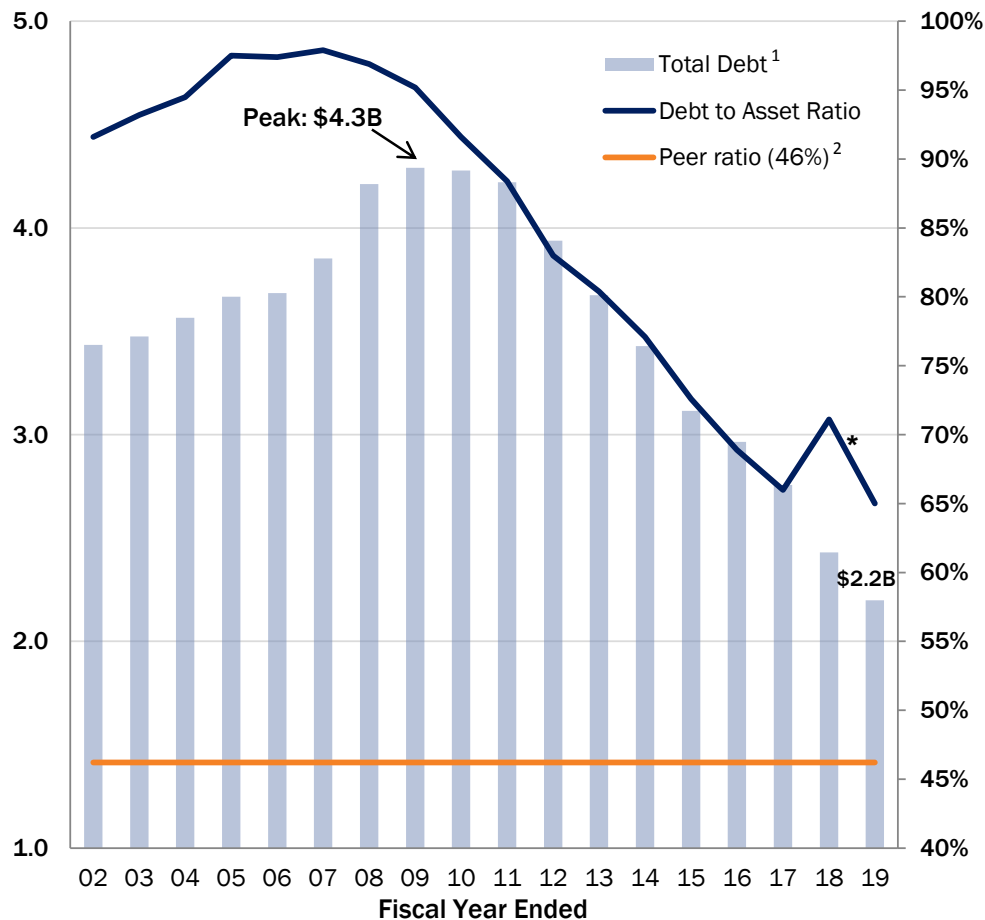
- 2.8x combined debt service coverage
- Days of cash on hand: 131 days
- Days of liquidity: 303 days
- Total debt reduction<sup>(1)</sup>: \$281 million
- Debt to asset ratio<sup>(1)</sup>: 63.9%
- Debt to capitalization<sup>(1)</sup>: 60.0%
- Electric System capital expenditures: \$275 million
- System MWh sales decrease: (1.3%)
- Base revenue reduction: (1.3%)

## What We Achieved During FY2019

- 2.8x combined debt service coverage
- Days of cash on hand: 146 days
- Days of liquidity: 308 days
- Total debt reduction<sup>(1)(2)</sup>: \$281 million
- Debt to asset ratio<sup>(1)</sup>: 65.0%
- Debt to capitalization<sup>(1)</sup>: 60.9%
- Electric System capital expenditures: \$285 million
- System MWh sales increase: 0.3%
- Base revenue increase: 0.3%

<sup>1</sup> Includes Electric System, Scherer, and SJRPP  
<sup>2</sup> STAR Plan Phase 2 completed in October 2019

# ENERGY SYSTEM DEBT MANAGEMENT

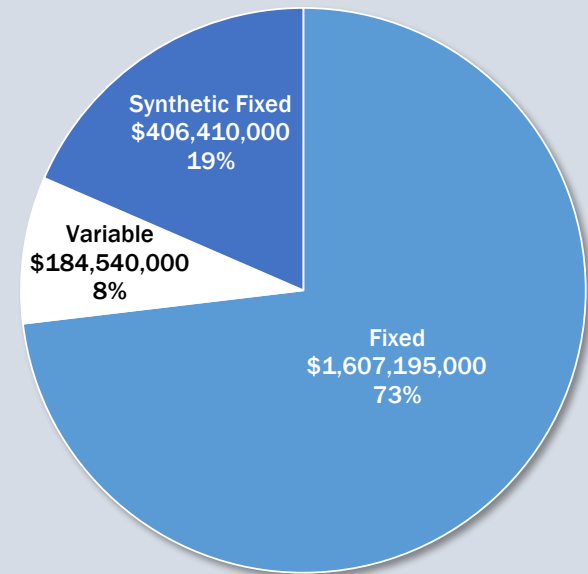


<sup>1</sup> Includes Electric System, Scherer, and SJRPP

<sup>2</sup> Per Moody's Sector In-Depth Report "Public Power Utilities – US Medians: Stability amid low new debt issuance and carbon transition," Sep 2019

\*Increase in Debt to Asset Ratio in FY18 due to SJRPP retirement

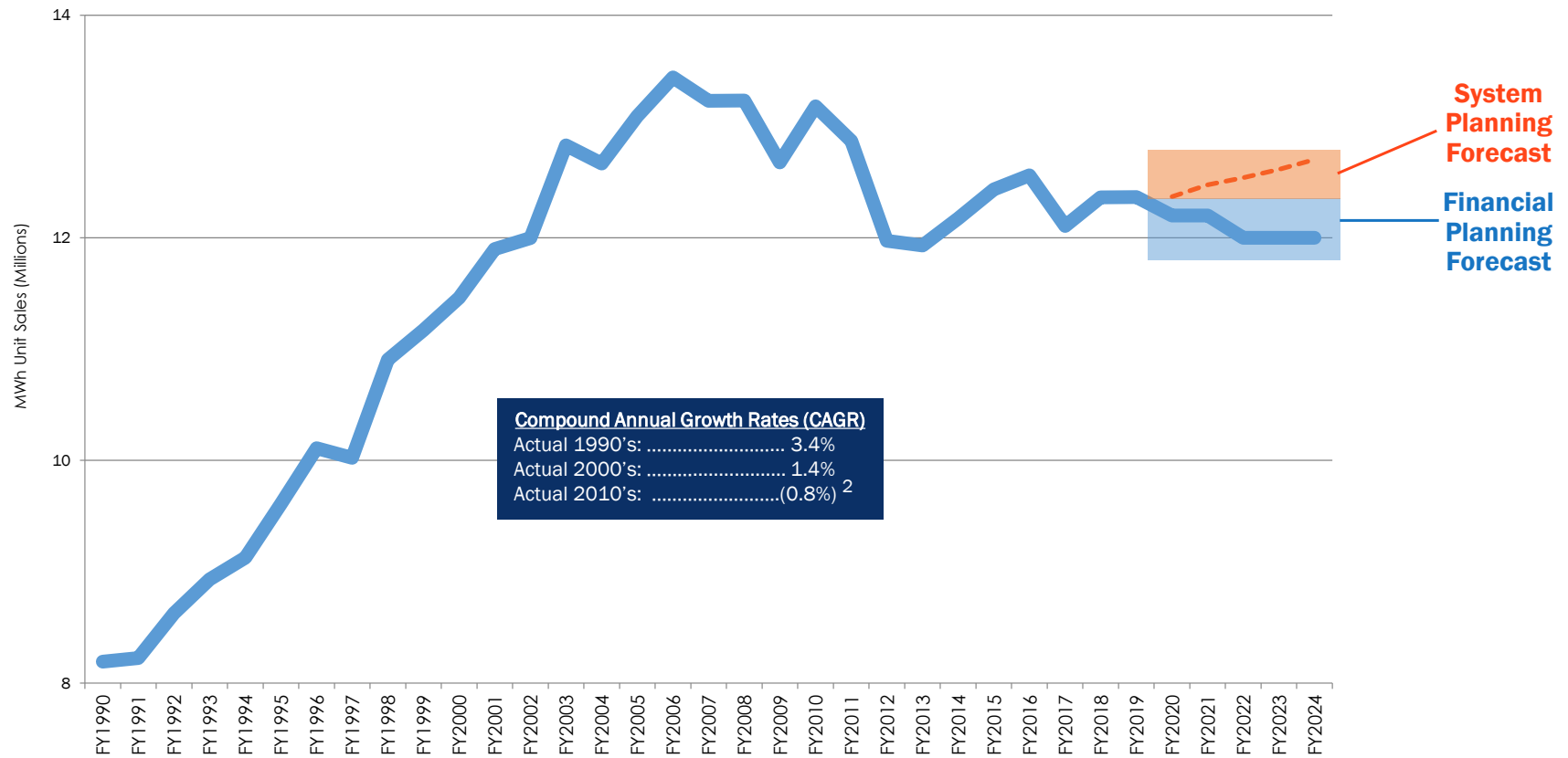
## Debt Composition as of September 30, 2019



- **\$2.1 billion reduction in debt since peak**
- **Variable rate exposure reduced from 20% in 2008 to 8% in 2019**



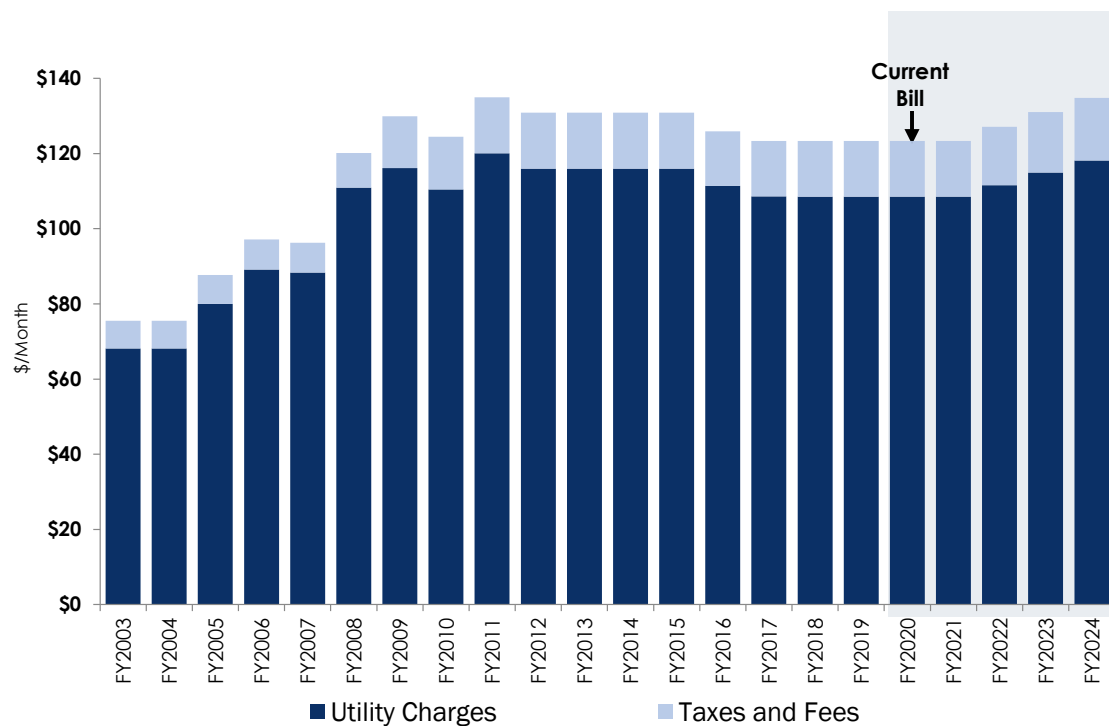
# ENERGY SYSTEM UNIT SALES<sup>1</sup>



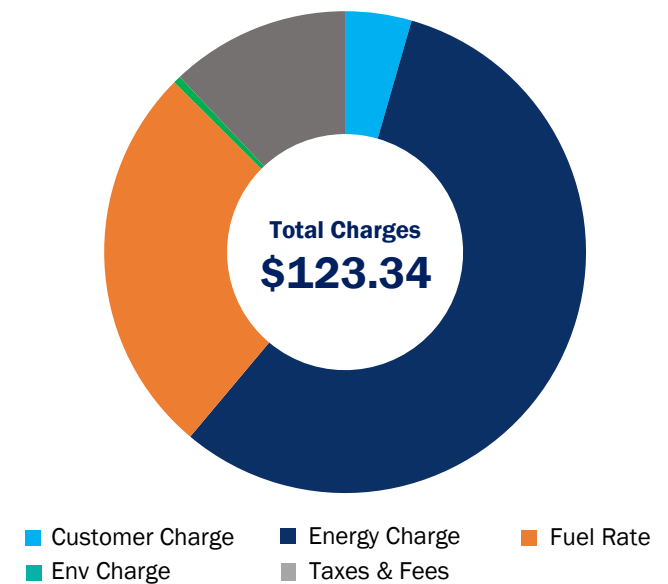
<sup>1</sup> JEA territorial sales; history includes sales for resale – territorial through CY 2017

<sup>2</sup> Includes impact of expiration of sales for resale – territorial contract with FPU; CAGR with sale for resale - territorial removed: (0.4%)

# ENERGY SYSTEM AVERAGE RESIDENTIAL BILL



## Current Residential Bill (consumption @ 1,000 kWh)



## Historical Look at Rate Increases

There have been no increases to the customer charge only to the energy charge portion of the bill.

**FY2008 – FY2009:** A separate environmental charge was added. Taxes and fees increased with the 3% franchise fee by COJ for Duval customers.

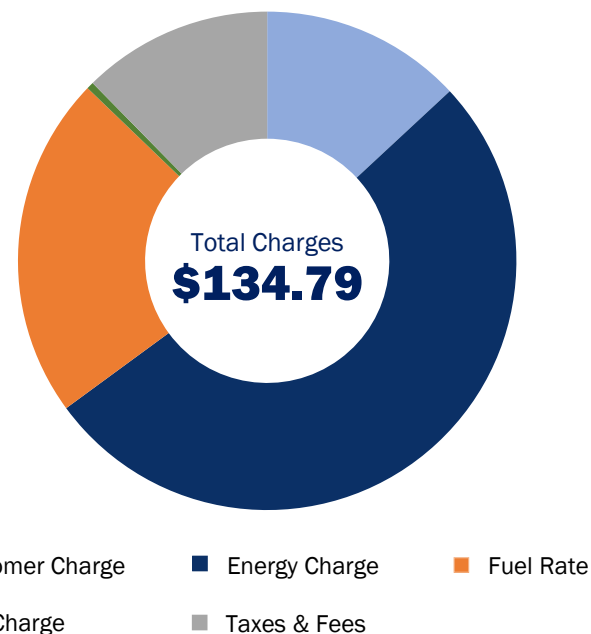
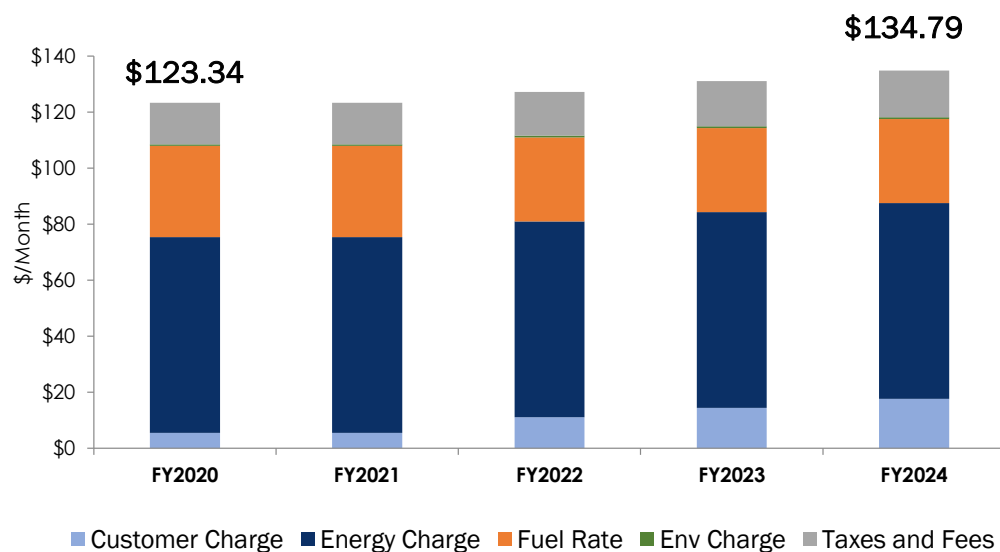
**FY2008 – FY2012:** Fuel markets came down considerably since their highs at the end of the 2000's and the corresponding decrease in fuel rates over that time offset increases made to the energy charges. Further, one-time fuel credits were refunded in certain billing periods throughout FY 2013-2016.

**Since FY2012:** JEA residential customers have experienced stable, or decreasing bills while the CPI for urban consumers rose over 10% during same timeframe<sup>1</sup>. In FY2017, the increase to energy charge was offset by lower fuel rate.

*\*Projected increases are mainly driven by the costs of the MEAG PPA and operating expenses.*

# ENERGY SYSTEM RESIDENTIAL BILL PROJECTION

## 2024 Projected Residential Bill (consumption @ 1,000 kWh)



## Projected Rate Trajectory – Next 5 Years

Over the next five years, rates will need to be increased primarily due to the incorporating of costs associated with the Plant Vogtle MEAG PPA contract.

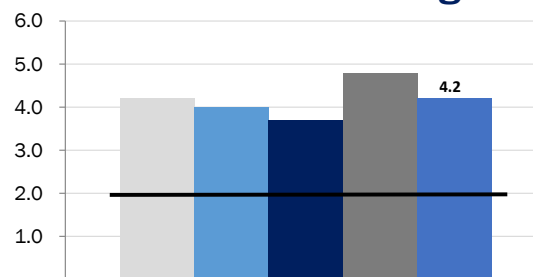
JEA estimates the average residential bill impact from incorporating the Vogtle PPA charges to be limited to inflationary levels of up to 3% per year from FY2022-FY2024 (assuming the fuel rate is decreased from current level of \$32.50/MWh to \$30.00/MWh).

JEA's free cash flow from existing and future rates will position the business to meet MEAG obligations, continue to focus on managing all key financial metrics, and balance customer affordability for its service.

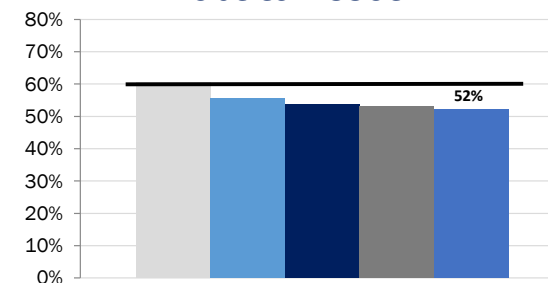
# ENERGY SYSTEM FINANCIAL PROJECTIONS

- Strong Debt Service Coverage metrics result of prior accelerated debt repayments. Near-term opportunity to refinance debt for additional savings
- Debt to Asset % under internal policy targets
- Will use remaining funds at SJRPP, after decommissioning, to repay all outstanding Issue three debt beyond 2030 – projected NPV interest savings ~ \$44 million
- Significant liquidity to continue world class operations

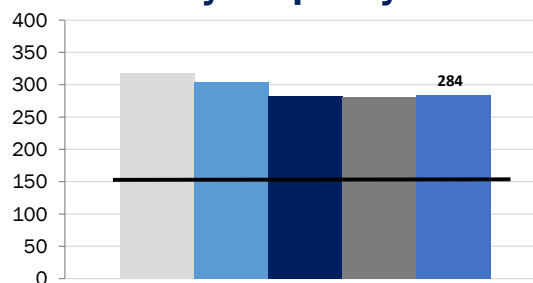
## Debt Service Coverage



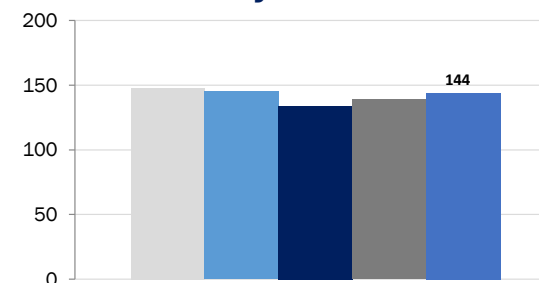
## Debt to Asset % <sup>1</sup>



## Days Liquidity



## Days Cash



2020
  2021
  2022
  2023
  2024
  Long Term targets per JEA pricing policy

# WATER AND WASTEWATER SYSTEM **KEY FINANCIAL METRICS**

## What We Committed to in February 2019

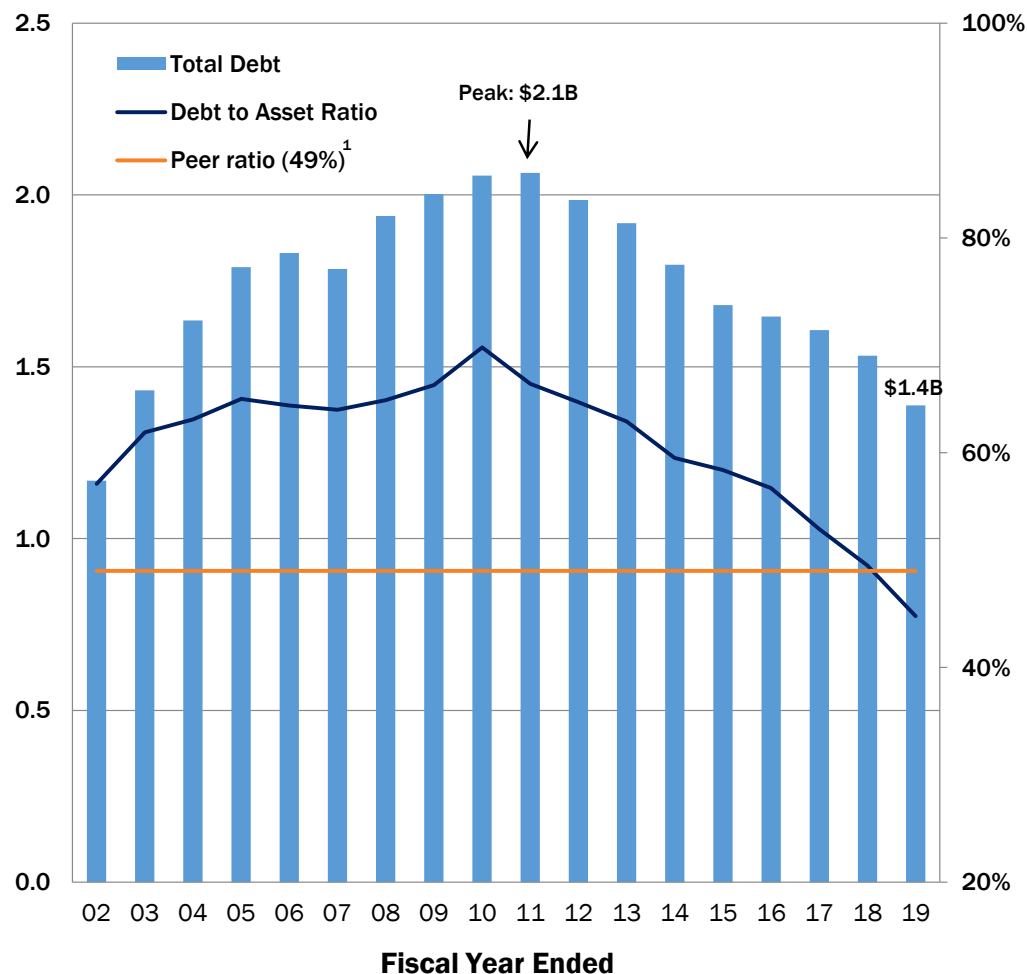
- 2.9x combined debt service coverage
- Days of cash on hand: 100 days
- Days of liquidity: 241 days
- Total debt reduction: \$190 million
- Debt to asset ratio: 44.1%
- Debt to capitalization: 40.7%
- Capital expenditures: \$200 million
- 1.5% increase in Water kgal sales
- Total system revenue increase: 7.4%

## What We Achieved During FY2019

- 3.0x combined debt service coverage
- Days of cash on hand: 186 days
- Days of liquidity: 334 days
- Total debt reduction <sup>(1)</sup>: \$190 million
- Debt to asset ratio: 44.8%
- Debt to capitalization: 41.5%
- Capital expenditures: \$213 million
- 4.2% increase in Water kgal sales
- Total system revenue increase: 6.7%

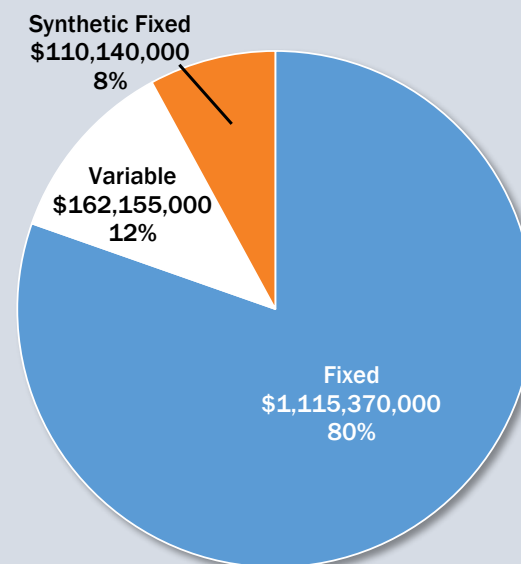
<sup>1</sup> STAR Plan Phase 2 completed in October 2019

# WATER AND WASTEWATER SYSTEM DEBT MANAGEMENT



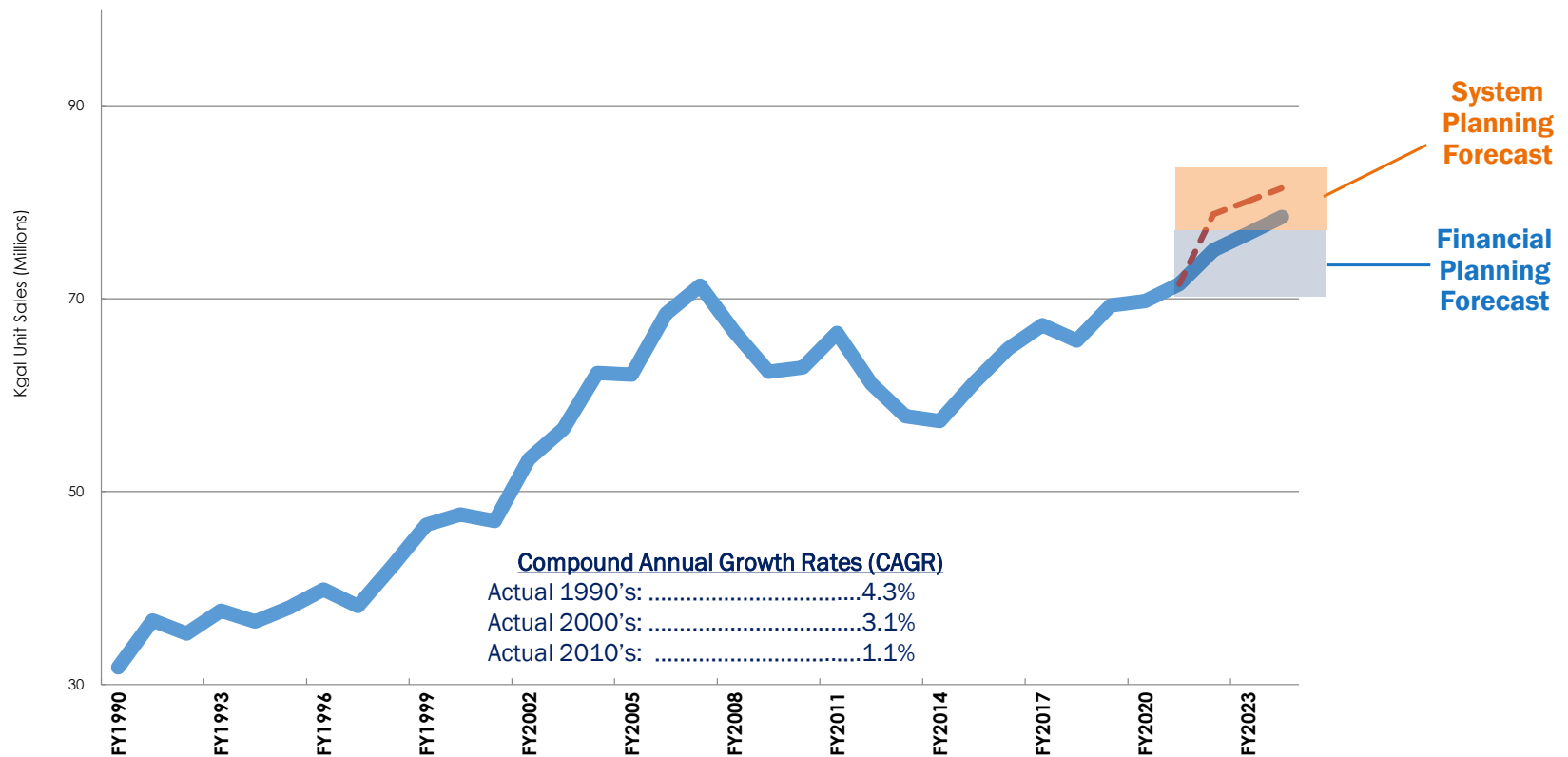
<sup>1</sup> Calculated from Moody's Municipal Financial Ratio Analysis database of 209 Aa rated public water-sewer utilities, Jan. 10, 2017

## Debt Composition as of September 30, 2019



- Over \$676 million reduction in debt since peak
- Variable rate exposure reduced from 18% in 2009 to 12% in 2019

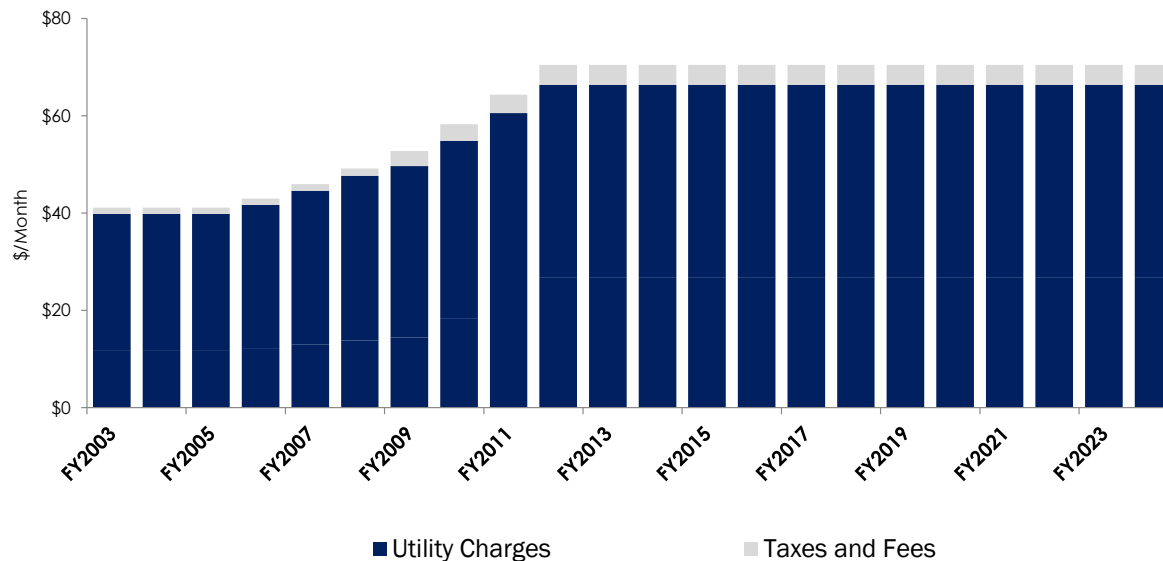
# WATER AND WASTEWATER SYSTEM UNIT SALES<sup>1</sup>



<sup>1</sup> Chart represents the sum of water, wastewater, and reclaim actual/forecast sales.

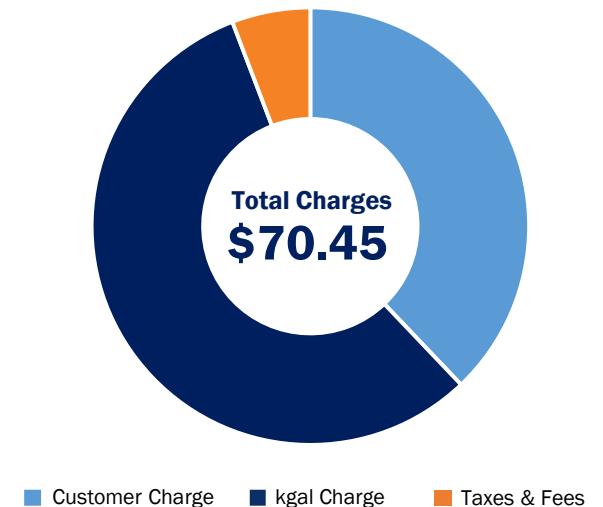
# WATER AND WASTEWATER SYSTEM AVERAGE RESIDENTIAL BILL

## Residential Bill Over Time



## Current Residential Bill

(consumption @ 6 kgal – 5/8" meter)



## Historical Look at Rate Increases

JEA's water and wastewater rates increased beginning in FY05 through FY11 to support capital improvements in water, wastewater, and reclaim systems. JEA invested heavily to rehabilitate the aging water/wastewater infrastructure that was assumed with the merger with the City of Jacksonville's water/wastewater system in 1997, United Water in 2001 and other regional water system acquisitions. JEA also continued investment in the reclaim water system, including expanding the system.

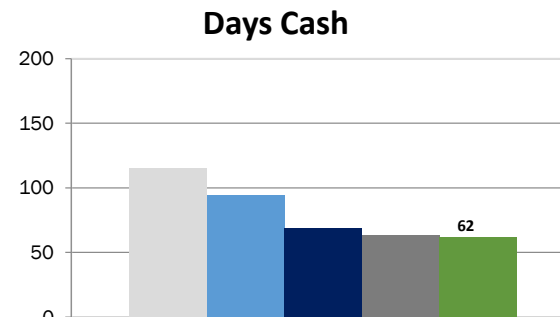
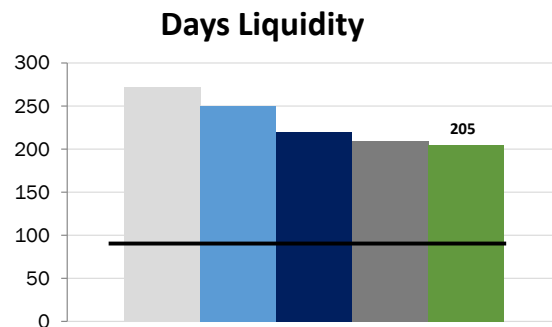
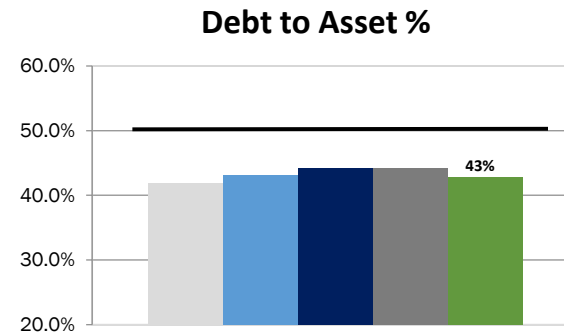
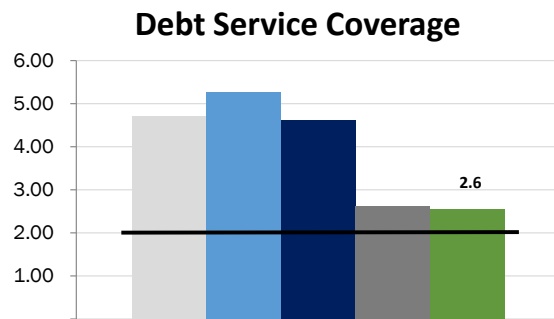
**FY04 – FY09:** Both the water customer charge and consumption charge increased in FY06 and each year thereafter. In FY09 the third tier minimum for water was changed from 22kgal to 20kgal. The wastewater customer charge and consumption charge increase in FY05 and each year thereafter. The second tier for wastewater was adjusted for wastewater in FY09. The 2nd tier was adjusted from >22kgal to (7kgal to 20kgal), with no charge > 20kgal. An environmental charge was also added in FY09 for water and wastewater.

**FY10 – Present:** Both water and wastewater customer charge and consumption charge increased in FY10 and FY11. The water and wastewater consumption charge also increased in FY12. There have been no rate adjustments in the water/wastewater system since FY12.



# WATER AND WASTEWATER SYSTEM FINANCIAL PROJECTIONS

Debt to Asset ratio at 43% by 2024 • \$1.5 billion capital plan FY20 – FY24 • AAA financial health



2020
  2021
  2022
  2023
  2024
  Long Term targets per JEA pricing policy

# 06

## ENTERPRISE RISK MANAGEMENT



# ENTERPRISE RISK MANAGEMENT



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

Our methodology includes prioritizing risks, relative to each other, assesses reputation impact of a risk events and assures effectiveness of mitigation strategies.

# ERM CORPORATE RISKS HEAT MAP SCORING

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

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

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

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

# CURRENT TOP RISKS FOR JEA

## Black Swan (High Impact/Low Probability Event)

Major negative impact if certain major catastrophic events occur which would result in the inability to maintain Electric and/or Water/Sewer service for an extended period of time.

## Carbon Emission Mitigation/Renewable Energy Stds.

A Carbon Tax implemented within next 5 years may accelerate the need to replace existing higher carbon emitting generation units with renewables; resulting in increased financial impact.

## Cooling Water Intake Structures 316(b)

An EPA rule may require a costly modified water intake structure and/or cooling tower upgrades. The upgrades necessary will be determined by a peer review panel and federal agencies.

## Cyber Security Business Disruption

Unauthorized intrusion into JEA's critical systems and network may occur, resulting in possible Denial of Service (DOS), grid intrusions, and ransomware threats.

## Disruptive Technologies/Long-term Planning

Customers have increased options for reducing energy and water usage; Investment in new technologies and existing infrastructure may have significant negative financial impact.

## Nuclear Power Portfolio

Decision to expand into nuclear power generation ownership and/or PPAs poses significant financial, reputational and regulatory risks.

## Physical Security/Terrorism

JEA may be a primary target for an act of terrorism, based upon its designation as critical infrastructure for the City of Jacksonville.

## Staffing/Work Environment

Adequate staff may not be in place to enable JEA to meet future basic utility objectives.

## Supply Chain Management

Long-term disruption in goods and services from critical vendors, and/or reliance on sole-source vendors may result in the inability to provide critical services or obtain equipment/parts.

## Surface Water Discharge Risk

May be negatively impacted by proposed State law changes requiring significant discharge reduction to surface waters, requiring higher reuse, resulting in increased costs.

## Water Supply Management/Long Term Planning

Long-term water supply planning is becoming more complex due to the difficulty in predicting the impact of changing variables and meeting certain provisions of the Consumptive Use Permit (CUP).

## Weather & Climate Change Impact Resiliency Efforts

Weather patterns and/or short-term or seasonal extreme weather may negatively impact long-term planning, financial and reliability performance, reputation and decreased customer satisfaction.

**These represent the current Top Corporate Risks (listed in alphabetical order) based on their Financial and reputational impact; as well as their potential to negatively impact reliability and operational effectiveness.**

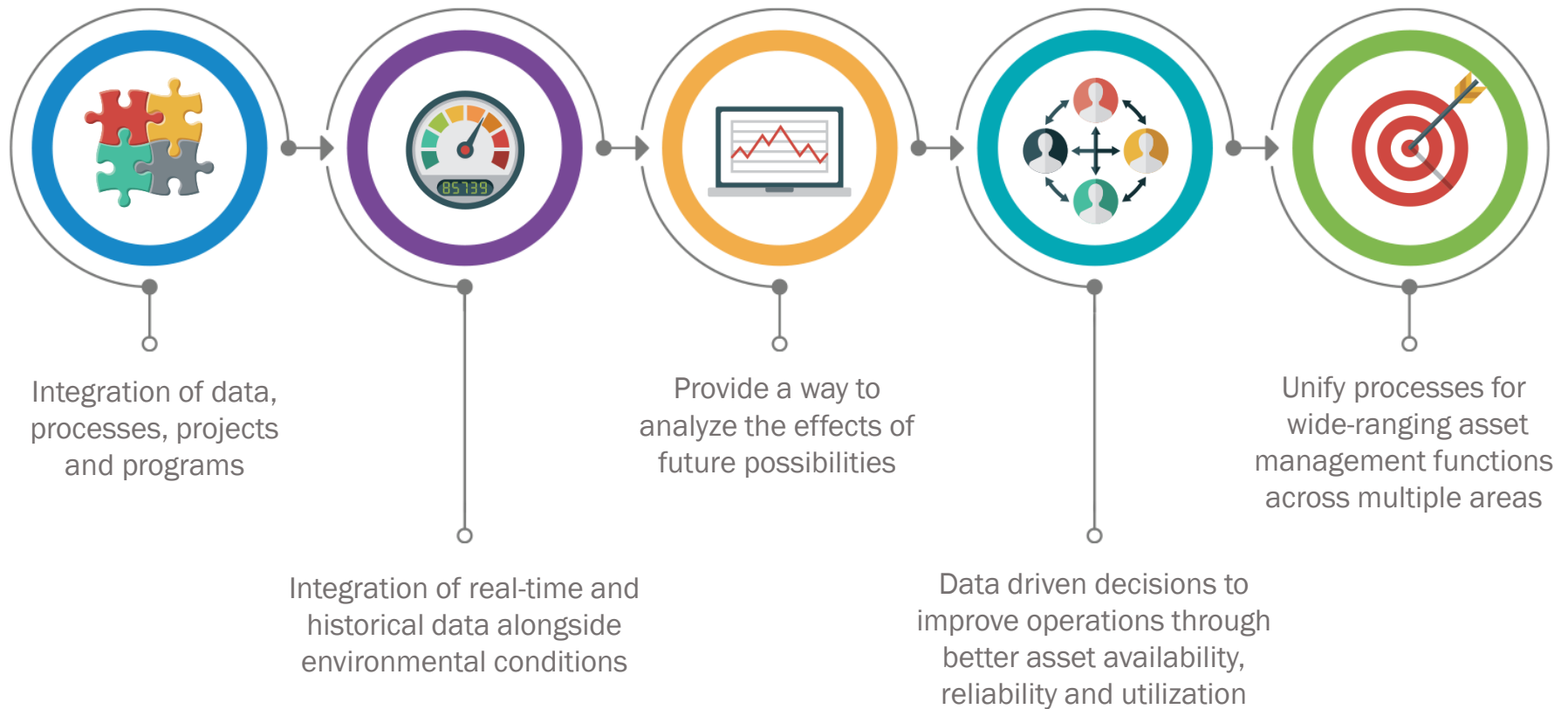


# 07

## ENTERPRISE ASSET MANAGEMENT



# STRATEGIC AND HOLISTIC MANAGEMENT OF JEA ASSETS



# 08

## COVID-19 IMPACTS





# COVID-19 EMPLOYEE PROTECTIONS

JEA's goal throughout this pandemic emergency is to provide reliable service to our customers while keeping our employees and community safe.

## Top Priority is the Safety of our Employees

- Implemented health and temperature screening at all electric generating stations and the water lab; expanding to other critical facilities
- Staggered shifts and alternating scheduling for field crews, ensuring critical work is performed, and assigned diverse deployment sites to limit the size of employee gatherings
- Increased thorough sterilization of common areas and equipment
- Distributed signage for field workers to use to help keep community members and customers at least six feet away and promoted social distancing through various communications channels
- Established fully redundant electric and water control centers; both are used on a day-to-day basis but either can control system in an emergency
- Established shelter-in-place plans for our most critical non-redundant facilities, such as our generating stations
- All non-field employees, including call center staff, are working remotely under Jacksonville Mayor Curry's "Safer-at-Home" order
- One confirmed COVID-19 positive test to date



# COVID-19 CUSTOMER ASSISTANCE PROGRAMS

JEA's goal throughout this pandemic emergency is to provide reliable service to our customers while keeping our employees and community safe.

## Providing our Customers with Relief

- Fuel charge rebate to electric customers of approximately \$27 million will be implemented during the month of May
- Developed a campaign for when customers receive electric fuel rebates offering options for people to donate to JEA/local relief programs
- Continued suspension of disconnects, waived late fees, waived credit card charges
- Approximately 23,000 (5%) electric and 14,000 (4%) water services accounts were eligible for disconnection as of April 17th
- The percentage of disconnection eligible services appears to be flattening

### AVERAGE RESIDENTIAL CUSTOMER BILL

Basic Monthly Charge	\$5.50
Energy Charge	\$69.88
Environmental Charge	\$0.62
Fuel Charge	\$32.50
Total <i>before credit</i>	108.50
Fuel Credit	– \$24.96
Total Bill <i>before taxes and fees</i>	\$83.54

# COVID-19 FINANCIAL UPDATE

JEA's goal throughout this pandemic emergency is to provide reliable service to our customers while keeping our employees and community safe.

## COVID-19 Impacts on Financials

- Analysis of a 10% reduction in sales for the Energy and Water and Wastewater Systems during the March through September time frame due to the COVID-19 pandemic do not result in material degradation of either System's credit metrics
  - This sales reduction is a conservative estimate of the impact of the pandemic
  - More sophisticated analysis of impact on sales is forthcoming
- Liquidity remains strong, with approximately \$100 million of operating cash and \$145 million in renewal and replacement funds in addition to a \$500 million revolving credit facility
- Current remarketings of various series of variable rate demand obligations have rates significantly through pre-COVID-19 levels
- No issues foreseen in upcoming credit agreement renewals



# 09

## CONCLUSION





# JEA CONTINUES TO DEMONSTRATE CONSISTENTLY SUPERIOR FINANCIAL AND OPERATIONAL PERFORMANCE

## Energy

### JEA merits a AA credit rating

- ✓ Maintained excellent financial and operation metrics
- ✓ Repaid \$233 million in debt for a total of \$2.1 billion since 2009 with continued commitment to actively and aggressively deleverage and de-risk the business
- ✓ Continued to strategically plan to absorb the cost of Plant Vogtle
- ✓ Capital program will continue to be funded with no new debt and modest base rate increases
- ✓ Strengthened our fuel diversity and purchased power agreements
- ✓ Re-evaluated our risks and continued actively seeking ways to mitigate them

## Water & Wastewater

### JEA merits a AAA credit rating

- ✓ Superior operational and financial metrics
- ✓ Robust growth in sales and customers
- ✓ Capital program funded with a proportionate amounts of new debt and internal capital with no rate increases
- ✓ Repaid \$145 million in debt for a total of \$676 million since 2011 projected to be a total of \$875 million over the next 5 years
- ✓ Continued commitment to investing in infrastructure to ensure reliability in operations now and into the future
- ✓ Continuing system hardening projects
- ✓ Researched and developed potential alternative water supply optional

# 10

## **Current Refunding Opportunities**






# CURRENT BOND REFUNDING OPPORTUNITIES

Subject to prevailing market conditions, we expect to launch current refunding bond offerings for the Electric and Water and Sewer Systems

Based upon analyses provided by PFM, the refunding transactions would generate in excess of \$3 million in annual debt service savings

Bond refunding delegation resolutions are in place to allow a launch as soon as market conditions improve

	 ENERGY	 WATER	
Refunding Par Amount	\$262	\$158	<b>\$420</b>
Net PV Savings	\$31	\$23	<b>\$54</b>

*In millions of dollars*

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**JEA BOARD  
MEMBER PROFILES**





# John Baker

Executive Chairman & CEO of  
FRP Holdings, Inc.



**TERM**

**04/16/2020 – 02/28/2024**

Mr. Baker is currently Executive Chairman and Chief Executive Officer of FRP Holdings, Inc. (successor to Patriot Transportation Holding, Inc.), a real estate company located in Jacksonville, Florida. From February 2008 until October 2010, he served as the President and Chief Executive Officer of Patriot. Before joining Patriot, Mr. Baker was President and Chief Executive Officer of Florida Rock Industries, Inc.

Mr. Baker received a B.A. from Princeton University, and graduated with honors from the University of Florida School of Law. Mr. Baker is a director of Blue Water Industries Holdings, LLC and a senior advisor for Brinkmere Capital Partners, LLC, a private equity firm.

Mr. Baker is a former member of the of the Board of Directors of Wells Fargo & Company, Jacksonville Port Authority, Progress Energy, Vulcan Materials, and Hughes Supply. Mr. Baker maintains leadership roles in several community educational organizations including Tiger Academy, KIPP School Jacksonville, Edward Waters College and the YMCA of Florida's First Coast

# Joe DiSalvo

Lieutenant General U.S. Army, Retired



**TERM**

**04/16/2020 – 02/28/2022**

Joe DiSalvo recently transitioned from the U.S. Army as a Lieutenant General (3 Star General Officer). He has over 30 years as a strategic leader who built trust, initiative, innovation, integrity, core values, and accountability in organizations ranging from 850 to 65,000 personnel. Exceptionally experienced interacting with U.S. federal government agencies, Congress, and international governments (14 years working abroad). Successfully managed \$1B budgets and led 4 strategic planning projects at the national level. His passion is leading and inspiring individuals and organizations to excel and impact positively on society. Joe currently provides consulting services focused on leader development, strategic planning, team building, business development and crisis management.

Joe graduated from the United States Military Academy in 1981 with a Bachelor of Science degree and was commissioned in the Armor Corps. He has a Masters in Operations Research from the Air Force Institute of Technology and a Masters of Strategic Studies from the U.S. Army War College.

Joe's military career culminated as the U.S. Southern Command's Deputy Commanding General, as a Lieutenant General, from 2015-2018, where he was responsible for security cooperation and capacity building with militaries from Central America, the Caribbean, and South America. From 2013 to 2015 as a Major General, he commanded the U.S. 6th Army where he was responsible for partnering, advising, and mentoring senior army leaders from Central America, the Caribbean, and South America. From 2012 to 2013, Joe was Chief of Staff, U.S. Southern Command, where he led 9 directorates and oversaw a \$1,062M budget.

Joe was Deputy Commanding General of III U.S. Army Corps from 2010 to 2012 where he oversaw the tactical training, operations, and quality of life for 35,000 Soldiers and their families in Fort Hood, Texas. Additionally, as a Brigadier General, he was also the Corps Chief of Staff from 2009 to 2010, where he supervised 8 directorates and managed a \$500M budget.

While assigned to the Pentagon, from 2008-2009, he was the senior advisor to the Chairman of the Joint Chiefs of Staff for Western Hemisphere security and Homeland Defense. As a Colonel, in 2006-2007, Joe was the lead Iraq campaign policy analyst for the Joint Staff. From 2003-2006, he commanded 2nd Brigade Combat Team, 3rd Infantry Division, which included two combat tours.

Joe is married with three grown children. He is a military history enthusiast and enjoys all sports, especially road racing (running).

# Dr. A. Zachary Faison, Jr.

30th President & CEO of  
Edward Waters College



**TERM**

**04/16/2020 – 02/28/2022**

Dr. A. Zachary Faison, Jr. assumed responsibility as the 30th President and CEO of Edward Waters College (EWC) in July 2018 post a unanimous vote by the College's Board of Trustees. Faison's selection made him the youngest serving President & CEO of a Historically Black College or University (HBCU) in America.

A native of Atlanta, Georgia, Faison's career includes distinguished professional experiences as a higher education executive administrator, educator, and attorney. Before his Presidential appointment at EWC, Faison served as General Counsel & Vice President of External Affairs at Tuskegee University (TU) in Tuskegee, AL. Prior to his appointment at TU, he served as Vice President for Enrollment Management & Student Affairs at Virginia Union University (VUU) in Richmond, VA, where he founded the VUU College for African-American Men (VCAAM). Dr. Faison also previously served as Special Assistant to the President for Legal & Legislative Affairs, Community Affairs, and Economic Development at Mississippi Valley State University in Itta Bena, MS, where he later became University Chief of Staff before being named Vice President of Institutional Advancement & Executive Director of the MVSU Foundation. As a scholar-educator, Faison has held professorial appointments at both the undergraduate and graduate levels in Political Science, Criminal Justice, and Business Administration. Faison is also a former state prosecutor having prosecuted criminal felony drug cases in Georgia.

Faison graduated Magna Cum Laude from Albany State University (ASU) with a Bachelor of Arts (B.A.) in English where he was an ASU Presidential & Foundation Scholar, Dwight D. Eisenhower National Fellow (US-DOT), and an ASU Velma Fudge Grant University Honors Program & ASU Merit Scholar Graduate. He earned his Juris Doctorate (J.D.) from the University of Georgia School of Law (UGA) where he was a member of the Executive Moot Court Board & Moot Court team. Faison completed post-doctoral study at the Harvard University Graduate School of Education's Institute for Educational Management (IEM) and was a Millennium Leadership Initiative Institute (MLI) Fellow of the American Association of State Colleges & Universities (AASCU). He also holds the Certification in Fundraising Management (CFRM) from The Philanthropy School at Indiana University (IU).

He is the son of Alderman Faison, Sr. and Dr. Jewel J. Faison, and brother to Dr. Morgan Zacheya-Jewel Faison. Faison has been blissfully married for twelve years to Mrs. Tyciee L. Faison, who is also a seasoned higher education administrator, educator, and ordained minister.

# Leon L. Haley Jr., MD

CEO of UF Health Jacksonville



**TERM**

**04/16/2020 – 02/28/2024**

Leon L. Haley Jr., MD, MHSA, CPE, FACEP, FACHE currently serves as the CEO of UF Health Jacksonville, Vice-President for Health Affairs, and Dean of the University of Florida College of Medicine – Jacksonville; and Professor of Emergency Medicine. He previously served in Atlanta, GA as the Emory Executive Associate Dean for Clinical Services at Grady and Chief Medical Officer of the Emory Medical Care Foundation. A former Professor in the Department of Emergency Medicine at Emory, Dr. Haley additionally served as Deputy Senior Vice-President of Medical Affairs, Chief of Emergency Medicine for the Grady Health System and Vice-Chairman of the Department of Emergency Medicine at Emory University.

A native of Pittsburgh, PA, Dr. Haley received his undergraduate degree from Brown University, his medical degree from the University of Pittsburgh, and his master's degree in health services administration from the University of Michigan. Dr. Haley completed his residency, including a year as Chief Resident, in Emergency Medicine at the Henry Ford Health System in Detroit, MI. Prior to his position at Grady and Emory, Dr. Haley was a Senior Staff Physician at the Henry Ford Health System and a member of the Henry Ford Medical Group. Dr. Haley is Board-Certified in Emergency Medicine, a Certified Physician Executive, Fellow of the American College of Emergency Physicians, and a Fellow of the American College of Healthcare Executives.

Dr. Haley is an active board member of the Jacksonville Chamber of Commerce, the Jacksonville Civic Council, the American Hospital Association Metro Governance Council, the Florida Hospital Association Policy Committee, the Florida Safety Net Alliance, the American Board of Emergency Medicine and the Griffith Leadership Center at the University of Michigan.

Dr. Haley has interests and publications in health administration, operations and strategic management, and diversity as it relates to healthcare and emergency medicine. Dr. Haley has previously served on or chaired various hospital, university, and national committees including the Board of Directors for the Essential Hospitals Institute, the Society for Academic Emergency Medicine and the Institute of Medicine's Committee on Health Insurance Status.

# Marty Lanahan

**Tampa Bay Market President for  
IBERIABANK**



**TERM**

**04/16/2020 – 02/28/2023**

Marty Lanahan currently serves as the Tampa Bay Market President for IBERIABANK. She has been recently promoted to lead North Central & West Florida Region (Jacksonville to Naples). Her extensive career in the banking industry spans 34 years. She spent 19 years at Regions Bank, most recently serving as the Area President over the West Coast of Florida. Prior to that, she was the Area President over North Florida and the City President for Jacksonville.

Before joining Regions, Lanahan's banking career began with The Atlantic Bank/First Union Bank after graduating from The University of South Carolina with a Finance Degree. She has a diverse background within the financial services sector spanning Commercial/Corporate Banking, Small Business, Retail, Treasury, and Wealth Management.

As an active member of the Tampa community, Ms. Lanahan is currently on the board of The Moffitt Cancer Center's Medical Practice Group and The Tampa Museum of Art. Ms. Lanahan is also a trustee of the Jessie Ball duPont Fund since 2013. While residing in Jacksonville, Lanahan served on many boards including JEA (Chair), United Way of North Florida, The Cultural Council of Jacksonville (Chair), and The Super Bowl Host Committee where she was responsible for 10,000 volunteers. She also served the citizens of the State of Florida as a Commissioner on The Florida Transportation Commission (Chair).

She has been recognized with numerous awards including One Jax Humanitarian of the Year, City of Jacksonville Spirit of Rosie Award and an Eve Award Winner for employment. She has also been inducted into the First Coast Business Hall of Fame.



# Robert L. Stein

President of the Regency Group



**TERM**

**04/16/2020 – 02/28/2021**

Bobby Stein is President of The Regency Group, a family holding company. He has founded the successful investment and growth of many businesses in a wide variety of industry sectors including water, sewer and waste management, real estate, oil and gas, mortgage services, highway safety, technology, food services and healthcare. Bobby is a board member of Kerrco Inc. (Houston based oil and gas company), SDS (Pizza Hut franchisee), Acme (highway safety business), TL Canon (Applebee's franchisee), ReactiveCore (large scale business automation and advanced analytics), GSMD Holdings, LLC (one of the largest medical coding and billing companies) and Welltality (healthcare solutions provider). He currently serves as Board Chairman of The Better Angels Society (Ken Burns foundation).

Bobby has served the community in a variety of capacities, including as Board Member for the following organizations: Jacksonville Port Authority, King Distribution, St. Johns Utilities, former Chairman of Jacksonville Electric Authority (predecessor of JEA), and Jacksonville Civic Council JEA Task Force Co-Chair.

Past gubernatorial appointments include member of the President's Intelligence Advisory Board; former Chairman of the Defense Business Board, and ex official member of the Defense Policy Board and the Defense Science Board. Bobby served as a member of the United States Naval Academy Board of Visitors.

# Tom VanOsdol

President & CEO of Ascension Florida and Gulf Coast



**TERM**

**04/16/2020 – 02/28/2023**

Tom VanOsdol serves as president and CEO of Ascension Florida and Gulf Coast. In his role, he has the daily clinical, operational, strategic and financial responsibility for Ascension's Florida and Gulf Coast Ministry Market, which includes the Sacred Heart Health System and the Studer Family Children's Hospital based in Pensacola and the Florida panhandle, the St. Vincent's Health System based in Jacksonville, and Providence Hospital in Mobile, Alabama.

Tom began his healthcare career in direct patient care as a speech-language pathologist in 1988. He earned his M.A. in speech-language pathology from Ball State University and his M.S. in business management from Indiana Wesleyan University. Tom also earned his LEAN Six-Sigma certification from Purdue University, a two-year graduate certificate in theology and formation for Catholic healthcare ministry leadership from the Aquinas Institute in St. Louis, and he is a Fellow in the American College of Healthcare Executives.

A lifelong learner, Tom's studies continue and he will graduate in late 2020 from the Mendoza College of Business at the University of Notre Dame.

Throughout his career, Tom has held multiple administrative and executive leadership roles. Prior to relocating to Florida with Ascension in 2015, Tom served as a regional president with responsibility for multiple hospitals and state-wide service lines for St. Vincent Health in Indiana.

Tom and his wife, Kathy, have been married for 30 years and have a 26-year-old daughter, who is an attorney in Indiana, and a 22-year-old son, who is a junior at Columbia College in Chicago.

# 12

## **SUPPLEMENTAL FINANCIAL INFORMATION**





# APPENDIX: ENERGY BASE CASE

DEBT SERVICE COVERAGE PROJECTIONS	Actual	Projection	Projection	Projection	Projection	Projection
OPERATING REVENUES:	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Base Rate System Revenues	774,319,291	765,160,509	763,834,407	803,359,544	835,176,372	866,197,778
Fuel Rate System Revenues	400,722,400	364,715,183	392,138,500	356,040,000	356,040,000	356,040,000
Fuel Rate System Revenues: Recovery Fund	-	-	-	-	-	-
Fuel Rate System Revenues: Stabilization Fund	-	-	-	-	-	-
Off System Sales Revenues	1,109,990	1,493,397	3,024,625	3,119,122	3,122,167	2,942,472
Uncollectibles	(1,559,715)	(1,761,052)	(1,818,908)	(1,890,948)	(1,947,483)	(2,001,922)
Franchise and Gross Receipts Taxes	60,766,832	58,080,130	59,690,613	59,867,553	61,510,468	63,112,311
Investment Income	11,818,328	8,721,385	7,373,450	6,294,187	6,040,315	6,394,379
Other Revenues	25,811,666	24,123,552	25,670,053	24,583,020	23,581,729	24,091,284
Net Amt (Paid Into)/Rec'd From Rate Stabilization Fund	12,260,117	57,210,771	41,951,866	3,836,855	83,675	(5,573,100)
Net Amt (Paid Into) Rec'd From Fuel Reserve	27,224,672	(30,470,037)	(35,321,751)	(9,534,697)	(15,527,524)	(17,066,810)
Net Amt (Paid Into) Fuel Recovery Fund						
Net Amt Rec'd From Fuel Recovery Fund						
<b>Total Operating Revenues</b>	<b>\$ 1,312,473,581</b>	<b>\$ 1,247,273,838</b>	<b>\$ 1,256,542,854</b>	<b>\$ 1,245,674,636</b>	<b>\$ 1,268,079,719</b>	<b>\$ 1,294,136,393</b>
<b>OPERATING EXPENSES:</b>						
O&M incl PSC Fee	222,514,422	252,448,002	269,017,917	275,481,194	283,396,475	291,548,384
Fuel and Purchased Energy	287,956,271	270,013,425	291,222,302	266,567,968	249,839,449	252,114,352
Non-Fuel Purchased Power	234,793,139	160,992,085	170,552,460	257,267,878	311,137,334	320,174,577
Franchise and Gross Receipts Taxes	60,766,832	58,274,707	59,892,000	60,075,989	61,726,200	63,335,593
<b>Total Operating Expenses</b>	<b>\$ 806,030,664</b>	<b>\$ 741,728,220</b>	<b>\$ 790,684,680</b>	<b>\$ 859,393,029</b>	<b>\$ 906,099,458</b>	<b>\$ 927,172,906</b>
<b>Net Revenues</b>	<b>\$ 506,442,917</b>	<b>\$ 505,545,618</b>	<b>\$ 465,858,174</b>	<b>\$ 386,281,606</b>	<b>\$ 361,980,260</b>	<b>\$ 366,963,486</b>
<b>OTHER DEDUCTIONS</b>						
JEA's Total Debt Service	\$180,488,080	\$120,970,672	\$116,463,789	\$105,254,147	\$75,366,562	\$87,906,101
Contribution To City	92,952,147	93,870,968	94,809,678	95,757,774	96,715,352	97,682,506
<b>SENIOR AND SUBORDINATED DEBT SERVICE COVERAGE</b>	2.81 x	4.18 x	4.00 x	3.67 x	4.80 x	4.17 x
<b>ADJUSTED DEBT SERVICE COVERAGE</b>	2.29 x	3.40 x	3.19 x	2.76 x	3.52 x	3.06 x
<b>FIXED COVERAGE with PPA Contract Payments</b>	2.02 x	2.65 x	2.42 x	1.84 x	1.80 x	1.71 x
SJRPP & Scherer Debt Service Payments	34,049,554	34,475,562	30,373,337	30,865,057	30,771,525	27,725,500
Vogtle Debt Service Payments	14,189,076	20,366,526	32,787,541	84,369,098	130,895,794	141,296,906
System Sales excl FPU	12,330,966	12,186,830	12,200,000	12,000,000	12,000,000	12,000,000
FPU Sales	35,429	0	0	0	0	0
<b>TERRITORIAL SYSTEM MWH SALES</b>	12,366,395	12,186,830	12,200,000	12,000,000	12,000,000	12,000,000
<b>Growth Rate: System MWH Sales (%)</b>	0.00%	-1.45%	0.11%	-1.64%	0.00%	0.00%
<b>OFF SYSTEM MWH SALES</b>	99,563	150,200	158,700	188,900	245,500	267,600
<b>TOTAL MWH SALES</b>	12,465,958	12,337,030	12,358,700	12,188,900	12,245,500	12,267,600

\*Includes customer refunds of overcollections or possible fuel rate adjustments

# APPENDIX: ENERGY SYSTEM PLANNING SALES

DEBT SERVICE COVERAGE PROJECTIONS	Actual	Projection	Projection	Projection	Projection	Projection
OPERATING REVENUES:	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Base Rate System Revenues	774,319,291	776,556,819	781,038,036	839,415,980	877,947,444	916,906,277
Fuel Rate System Revenues	400,722,400	370,570,583	400,977,688	372,032,130	374,287,050	376,898,010
Fuel Rate System Revenues: Recovery Fund	-	-	-	-	-	-
Fuel Rate System Revenues: Stabilization Fund	-	-	-	-	-	-
Off System Sales Revenues	1,109,990	1,493,397	3,024,625	3,119,122	3,122,167	2,942,472
Uncollectibles	(1,559,715)	(1,783,622)	(1,852,980)	(1,962,403)	(2,032,274)	(2,102,481)
Franchise and Gross Receipts Taxes	60,766,832	58,970,951	61,035,377	62,555,168	64,661,242	66,807,769
Investment Income	11,818,328	8,721,385	7,741,567	7,044,598	7,282,412	8,248,675
Other Revenues	25,811,666	24,123,552	25,670,053	24,583,020	23,581,729	24,091,284
Net Amt (Paid Into)/Rec'd From Rate Stabilization Fund	12,260,117	57,099,647	41,646,616	3,238,565	(598,975)	(6,353,430)
Net Amt (Paid Into) Rec'd From Fuel Reserve	27,224,672	(30,404,911)	(35,223,439)	(9,356,827)	(15,324,574)	(16,834,820)
Net Amt (Paid Into) Fuel Recovery Fund						
Net Amt Rec'd From Fuel Recovery Fund						
<b>Total Operating Revenues</b>	<b>\$ 1,312,473,581</b>	<b>\$ 1,265,347,799</b>	<b>\$ 1,284,057,544</b>	<b>\$ 1,300,669,353</b>	<b>\$ 1,332,926,221</b>	<b>\$ 1,370,603,756</b>
OPERATING EXPENSES:						
O&M incl PSC Fee	222,514,422	252,448,002	269,017,917	275,481,194	283,396,475	291,548,384
Fuel and Purchased Energy	287,956,271	275,933,950	300,159,802	282,737,968	268,289,449	273,204,352
Non-Fuel Purchased Power	234,793,139	160,992,085	170,552,460	257,267,878	311,137,334	320,174,577
Franchise and Gross Receipts Taxes	60,766,832	59,165,528	61,236,765	62,763,605	64,876,974	67,031,051
<b>Total Operating Expenses</b>	<b>\$ 806,030,664</b>	<b>\$ 748,539,566</b>	<b>\$ 800,966,944</b>	<b>\$ 878,250,645</b>	<b>\$ 927,700,232</b>	<b>\$ 951,958,364</b>
<b>Net Revenues</b>	<b>\$ 506,442,917</b>	<b>\$ 516,808,234</b>	<b>\$ 483,090,599</b>	<b>\$ 422,418,708</b>	<b>\$ 405,225,989</b>	<b>\$ 418,645,392</b>
OTHER DEDUCTIONS						
JEA's Total Debt Service	\$180,488,080	\$120,970,672	\$116,423,895	\$105,172,823	\$75,231,953	\$87,705,146
Contribution To City	92,952,147	93,870,968	94,809,678	95,757,774	96,715,352	97,682,506
<b>SENIOR AND SUBORDINATED DEBT SERVICE COVERAGE</b>	<b>2.81 x</b>	<b>4.27 x</b>	<b>4.15 x</b>	<b>4.02 x</b>	<b>5.39 x</b>	<b>4.77 x</b>
<b>ADJUSTED DEBT SERVICE COVERAGE</b>	<b>2.29 x</b>	<b>3.50 x</b>	<b>3.34 x</b>	<b>3.11 x</b>	<b>4.10 x</b>	<b>3.66 x</b>
<b>FIXED COVERAGE with PPA Contract Payments</b>	<b>2.02 x</b>	<b>2.72 x</b>	<b>2.51 x</b>	<b>2.00 x</b>	<b>1.98 x</b>	<b>1.91 x</b>
SJRPP & Scherer Debt Service Payments	34,049,554	34,475,562	30,373,337	30,865,057	30,771,525	27,725,500
Vogtle Debt Service Payments	14,189,076	20,366,526	32,787,541	84,369,098	130,895,794	141,296,906
System Sales excl FPU	12,330,966	12,369,000	12,475,000	12,539,000	12,615,000	12,703,000
FPU Sales	35,429	0	0	0	0	0
<b>TERRITORIAL SYSTEM MWH SALES</b>	<b>12,366,395</b>	<b>12,369,000</b>	<b>12,475,000</b>	<b>12,539,000</b>	<b>12,615,000</b>	<b>12,703,000</b>
<b>Growth Rate: System MWH Sales (%)</b>	<b>0.00%</b>	<b>0.02%</b>	<b>0.86%</b>	<b>0.51%</b>	<b>0.61%</b>	<b>0.70%</b>
<b>OFF SYSTEM MWH SALES</b>	<b>99,563</b>	<b>150,200</b>	<b>158,700</b>	<b>188,900</b>	<b>245,500</b>	<b>267,600</b>
<b>TOTAL MWH SALES</b>	<b>12,465,958</b>	<b>12,519,200</b>	<b>12,633,700</b>	<b>12,727,900</b>	<b>12,860,500</b>	<b>12,970,600</b>

\*Includes customer refunds of overcollections or possible fuel rate adjustments

# APPENDIX: WATER AND WASTEWATER

DEBT SERVICE COVERAGE PROJECTIONS	Actual	Projection	Projection	Projection	Projection	Projection
OPERATING REVENUES:	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Water Sales	160,778,724	161,935,692	165,036,558	170,495,712	172,583,854	174,697,777
Sewer Sales	240,528,236	241,731,690	247,444,657	249,417,881	251,671,045	255,079,224
Reclaimed Sales	16,728,313	17,793,109	20,096,887	21,202,087	22,409,576	24,779,459
Environmental Sales	25,099,213	26,077,988	25,893,634	26,788,126	27,021,082	27,435,951
Franchise Fee Revenues	10,802,430	10,909,787	11,176,311	11,406,239	11,547,183	11,749,682
Uncollectibles	(523,823)	(895,077)	(916,943)	(935,808)	(947,371)	(963,985)
Capacity Fees	19,396,181	22,655,283	22,202,177	21,758,134	21,322,971	21,109,741
Extension Fees: Growth	9,991,972	11,670,903	11,437,485	11,208,735	10,984,561	10,874,715
Investment Income	7,710,288	4,143,254	2,578,606	2,454,369	3,233,070	3,374,654
Amounts Paid From Rate Stabilization Fund into Revenue Fund	22,326,299	40,185,187	38,477,104	41,049,518	30,040,888	27,121,369
Amounts Paid From Revenue Fund into Rate Stabilization Fund	(25,099,213)	(26,077,988)	(25,893,634)	(26,788,126)	(27,021,082)	(27,435,951)
Other Revenues net of Uncollectibles	15,040,437	10,016,855	10,946,768	11,085,130	11,227,252	11,367,542
<b>Total Operating Revenues</b>	<b>\$ 502,779,057</b>	<b>\$ 520,146,683</b>	<b>\$ 528,479,608</b>	<b>\$ 539,141,998</b>	<b>\$ 534,073,027</b>	<b>\$ 539,190,178</b>
OPERATING EXPENSES:						
Operations and Maintenance Expenses	160,670,678	169,939,032	184,388,685	190,483,229	196,005,968	201,694,077
Franchise Fee Taxes	10,801,996	10,909,787	11,176,311	11,406,239	11,547,183	11,749,682
<b>Total Operating Expenses</b>	<b>\$ 171,472,673</b>	<b>\$ 180,848,820</b>	<b>\$ 195,564,996</b>	<b>\$ 201,889,468</b>	<b>\$ 207,553,151</b>	<b>\$ 213,443,758</b>
<b>Net Revenues</b>	<b>\$ 331,306,384</b>	<b>\$ 339,297,864</b>	<b>\$ 332,914,612</b>	<b>\$ 337,252,530</b>	<b>\$ 326,519,876</b>	<b>\$ 325,746,420</b>
OTHER DEDUCTIONS:						
JEA's Net Senior Debt Service	92,214,526	60,359,137	53,111,451	61,483,111	105,028,029	107,490,241
JEA's Subordinated Debt Service	17,585,000	11,665,042	10,315,130	11,868,957	19,954,198	20,410,751
JEA's Total Debt Service	109,799,526	72,024,180	63,426,581	73,352,068	124,982,228	127,900,992
Debt Service: Principal	54,705,000	19,870,000	9,370,000	13,076,448	60,794,843	66,759,710
Debt Service: Interest	59,686,502	52,154,180	54,056,581	60,275,620	64,187,385	61,141,282
JEA's Total Debt Service	<b>\$ 114,391,502</b>	<b>\$ 72,024,180</b>	<b>\$ 63,426,581</b>	<b>\$ 73,352,068</b>	<b>\$ 124,982,228</b>	<b>\$ 127,900,992</b>
Contribution to City	39,850,388	26,242,386	27,050,235	28,054,946	28,494,541	29,005,621
<b>SENIOR DEBT SERVICE COVERAGE</b>	<b>3.59 x</b>	<b>5.62 x</b>	<b>6.27 x</b>	<b>5.49 x</b>	<b>3.11 x</b>	<b>3.03 x</b>
<b>SENIOR AND SUBORDINATED DEBT SERVICE COVERAGE</b>	<b>3.02 x</b>	<b>4.71 x</b>	<b>5.25 x</b>	<b>4.6 x</b>	<b>2.61 x</b>	<b>2.55 x</b>
<b>FIXED COVERAGE</b>	<b>2.65 x</b>	<b>4.35 x</b>	<b>4.82 x</b>	<b>4.22 x</b>	<b>2.38 x</b>	<b>2.32 x</b>
<b>WATER SALES (KGALS)</b>	<b>37,696,072</b>	<b>37,564,028</b>	<b>38,500,375</b>	<b>40,733,875</b>	<b>41,084,411</b>	<b>41,437,128</b>
Growth Rate		-0.4%	2.5%	5.8%	0.9%	0.9%
<b>SEWER SALES (KGALS)</b>	<b>27,726,796</b>	<b>27,702,613</b>	<b>28,500,154</b>	<b>28,609,452</b>	<b>28,766,212</b>	<b>29,130,550</b>
Growth Rate		-0.1%	2.9%	0.4%	0.5%	1.3%
<b>RECLAIMED WATER SALES (KGALS)</b>	<b>3,884,318</b>	<b>4,045,411</b>	<b>4,500,201</b>	<b>4,627,384</b>	<b>4,763,357</b>	<b>5,191,889</b>
Growth Rate		4.1%	11.2%	2.8%	2.9%	9.0%

# APPENDIX: DISTRICT ENERGY SYSTEM

Net Revenues and Debt Service Coverage Ratios						
	Actual					
District Energy System (\$000s)	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Sales Revenue	\$8,891	\$8,796	\$8,796	\$8,796	\$9,096	\$9,096
Other Income	\$4	\$0	\$0	\$0	\$0	\$0
Rate Stabilization Transfer	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$8,895	\$8,796	\$8,796	\$8,796	\$9,096	\$9,096
Operating Expenses	\$5,027	\$4,970	\$5,267	\$5,303	\$5,477	\$5,515
Net Revenue	\$3,868	\$3,826	\$3,529	\$3,493	\$3,619	\$3,582
Total Debt Service	\$3,020	\$3,021	\$3,024	\$3,102	\$3,099	\$3,160
Debt Service Coverage	1.44x	1.30x	1.19x	1.15x	1.19x	1.15x

Projected Funding Plan						
District Energy System (\$000s)	2019	2020	2021	2022	2023	2024
Internal Funds <sup>1</sup>	\$638	\$3,830	\$2,240	\$663	\$626	\$637
Debt Financing <sup>2</sup>	\$0	\$0	\$0	\$2,687	-\$101	\$2,043
Capital Plan	\$638	\$3,830	\$2,240	\$3,350	\$525	\$2,680
Principal Payments	\$1,690	\$1,725	\$1,770	\$1,815	\$1,870	\$1,930

<sup>1</sup>Internal funds are generated from R&R and operating capital outlay

<sup>2</sup>Drawing from revolving credit line

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The information presented herein has been gathered from sources JEA believed to be reliable, certain of which have not been independently verified. No representation or warranty, express or implied, is provided in relation to the fairness, accuracy, correctness, completeness or reliability of the information, opinions or conclusions expressed in this Presentation.

This Presentation contains statements which, to the extent they are not recitations of historical fact, constitute "forward looking statements." Such statements generally are identifiable by the use of words, such as "plan," "expect," "intend," "believe," "anticipate", "project," "forecast," "estimate," "budget" or other similar words. The forward looking statements in this Presentation are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of JEA. All forward looking statements included or incorporated by reference in this Presentation are based on information available on the date hereof and any assumptions could be inaccurate and, therefore, the actual results could differ materially from those in such forward looking statements.

The information in this Presentation is current as of the date hereof and there may events that occur subsequent to such date that may have a material adverse effect on the operational and financial information included in this Presentation. JEA has not undertaken any obligation to update any of the information in this Presentation.



**INTER-OFFICE MEMORANDUM**

April 9, 2020

**SUBJECT: INTRODUCTION TO JEA FINANCIAL STATEMENTS**

**FROM:** Melissa H. Dykes, Interim Managing Director/CEO

**TO:** JEA Board of Directors

**BACKGROUND:**

JEA Staff is responsible for the preparation and fair presentation of its annual financial statements. As part of the governance process, the JEA Board engages an independent accounting firm to express an opinion on the financial statements based on their audit.

**DISCUSSION:**

For the benefit of new Board members, the attached presentation is provided to highlight the differences and unique characteristics of JEA's financial statements relative to those prepared in accordance with FASB.

The presentation is being made by John Di Santo of Ernst & Young, LLP (E&Y). JEA has engaged E&Y to conduct the audit of JEA's annual financial statements for a past 16 years.

**FINANCIAL IMPACT:**

None

**RECOMMENDATION:**

No action by the Board is required. This item is submitted for information only.

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Melissa H. Dykes, Interim Managing Director/CEO

MHD/JEO/RJC

# JEA

## Financial Statement Presentation Analysis

April 28, 2020



Written by

# JEA is a Component Unit of the City of Jacksonville

- ▶ JEA is included in the City's Comprehensive Annual Financial Report (CAFR)
- ▶ JEA's independent governing body appointed by Mayor and confirmed by City Council.
- ▶ City has the ability exercise influence over JEA through formal budgetary approval.
- ▶ As a governmental entity, JEA follows accounting standards of the Governmental Accounting Standards Board (GASB)
- ▶ Differs in many areas from FASB and investor owned utilities.



# Financial Statement Requirements Under GASB

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- ▶ Management's Discussion and Analysis section.
- ▶ Basic financial statements, including footnotes.
- ▶ Required supplementary information
  - ▶ Pension and OPEB Plan information
- ▶ Other required reporting
  - ▶ Uniform guidance audit
    - ▶ Federal financial assistance
      - ▶ FEMA costs for Hurricanes Matthew and Irma

# Regulatory Accounting

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- ▶ As a utility, JEA follows regulatory accounting pursuant to GASB 62 paragraphs 476-501.
- ▶ Regulatory accounting allows for deferral of certain costs and revenues on the balance sheet that will not be immediately recovered through the rate making process.
- ▶ Criteria to qualify for regulatory accounting
  - ▶ Rates are established and approved by the Board
  - ▶ Rates are set to recover costs of providing regulatory services
  - ▶ Rates can be charged to and collected from customers

# Regulatory Accounting

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- ▶ Regulatory accounts reflected as “Costs to Be Recovered From Future Revenues” and “Revenues to be used for Future Costs” on the balance sheet.
- ▶ Deferred costs to be recovered from future revenues
  - ▶ Debt- related costs
  - ▶ Unfunded pension and OPEB costs
  - ▶ Environmental project costs
  - ▶ Storm costs

# Regulatory Accounting

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- ▶ Deferred regulatory credits
  - ▶ Fuel stabilization
  - ▶ Environmental charges
  - ▶ Non-fuel purchased power
  - ▶ Excess pension and OPEB contributions
  - ▶ Self-insurance medical reserves
  - ▶ Customer benefit stabilization

# Deferred Inflows and Outflows of Resources

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- ▶ GASB requires reporting of “deferred outflows of resources” and “deferred inflows of resources” pursuant to GASB 65.
- ▶ Represents current and future inflows and outflows of resources that do not meet the GASB definition of assets and liabilities.
- ▶ Only GASB can dictate what is recorded as deferred inflows and outflows of resources.

# Deferred Inflows and Outflows of Resources

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- ▶ JEA reports the following deferred outflows of resources on its balance sheet after total assets.
  - ▶ Unrealized pension and OPEB contributions and losses
  - ▶ Deferred losses on bond refundings
  - ▶ Change in fair value of hedging derivatives
  - ▶ Asset retirement obligations

# Deferred Inflows and Outflows of Resources

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- ▶ JEA reports the following deferred inflows of resources on its balance sheet after total liabilities.
  - ▶ Revenues to be used for future costs (regulatory liabilities)
  - ▶ Unrealized pension and OPEB gains and losses
  - ▶ Change in fair value of hedging derivatives



# Balance Sheet Accounts – Assets

## GASB differences from FASB

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- ▶ All investments reported at fair value.
- ▶ Unbilled receivables reported for utility services provided and unbilled due to timing of billings.
- ▶ Costs to be recovered from future revenues.
- ▶ Deferred outflows of resources.

# Balance Sheet Accounts - Liabilities

## GASB differences from FASB

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- ▶ Net pension and OPEB liabilities calculated differently under GASB model.
- ▶ Asset retirement obligations calculated differently under GASB model.
- ▶ Deferred inflows of resources.

# Balance Sheet Accounts - Net Position

## GASB differences from FASB

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- ▶ “Equity” classifications are very different and reflect availability of resources; titled “Net Position”.
- ▶ Since JEA is a governmental utility, there are no “ownership interests”.
- ▶ 3 classifications
  - ▶ Net investment in capital assets
    - ▶ Net book value of capital assets.
    - ▶ Less outstanding debt and related items used to acquire or construct those capital assets.
  - ▶ Restricted net position
    - ▶ Restricted by enabling legislation or contract.
  - ▶ Unrestricted net position
    - ▶ Generally available for use.
    - ▶ Can be designated by governing body.

# Income Statement Accounts

## GASB differences from FASB

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- ▶ Operating and non-operating items are generally similar.
- ▶ Investment earnings include realized and unrealized gains and losses.
- ▶ Contributions section to classify City contributions and developer contributions.
- ▶ GASB recognizes “special items” which are classified after contributions.
  - ▶ Items that are unusual or infrequent but not both
  - ▶ As opposed to extraordinary items which are classified and reported similar to FASB model
    - ▶ Items that are BOTH unusual and infrequent

# Statement of Cash Flows

## GASB vs. FASB Differences

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- ▶ Two (2) primary differences
  - ▶ GASB requires the use of the direct method.
    - ▶ GASB does NOT permit the use of the “indirect method” of reporting cash flows whereas FASB permits either the direct or indirect method.
  - ▶ GASB segregates financing activities into “capital” and “non-capital” financing activities.
- ▶ Direct method requires reconciliation of operating income to net cash provided by or used in operating activities.
- ▶ Noncash items are generally similar to FASB and use of indirect method.

# Footnote Disclosures

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- ▶ Pension, OPEB and asset retirement obligation disclosures are different from FASB (generally more streamlined).
- ▶ Use of regulatory accounting and rate making process is required to be disclosed.
- ▶ Details of regulatory assets (costs to be recovered from future revenues) and regulatory credits (revenues to be used for future costs) are required to be disclosed.
- ▶ All other disclosures are generally similar to FASB requirements.

# Upcoming Accounting Changes

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- ▶ Two (2) new accounting standards that will significant impact JEA's financial reporting.
  - ▶ GASB 84 on fiduciary activities
  - ▶ GASB 87 on leases.
- ▶ GASB has recently issued an Exposure Draft which is expected to be adopted to defer the implementation of these standards by one year as a result of COVID-19
- ▶ GASB is also researching a new reporting model and revenue recognition



# GASB 84 - Fiduciary Activities

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- ▶ Will require pension, OPEB and other fiduciary activities to report financial statements as part of JEA's reporting entity.
  - ▶ SJRPP Pension Plan
  - ▶ OPEB Plan
- ▶ Will require additional audit effort and additional disclosures.
- ▶ Will impact the timing of information needed from JEA's actuaries.
- ▶ Effective for JEA this fiscal year (2020)
  - ▶ GASB will extend one additional year to FY2021 for COVID-19

# GASB 87 - Leases

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- ▶ Will require leased assets and lease obligations to be recorded for ALL leases (if material).
- ▶ Will require the use of various estimates and assumptions to be made by management.
- ▶ Good news is that it excludes utility power purchase agreements.
- ▶ Effective for JEA in fiscal year 2021.
  - ▶ GASB will extend an additional year to FY 2022 for COVID-19.

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## INTER-OFFICE MEMORANDUM

April 17, 2020

**SUBJECT:** JEA DISCLOSURE POLICIES AND PROCEDURES – TRAINING

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**FROM:** Melissa H. Dykes, Interim Managing Director/CEO

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**TO:** JEA Board of Directors

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### **BACKGROUND:**

In recent years, the U.S. Securities Exchange Commission (SEC) has placed increased scrutiny on disclosures made by state and local governments and agencies both when those entities initially issue securities and in what they subsequently disclose while securities remain outstanding. The SEC has stated that public entity disclosure will be an ongoing area of interest. Federal securities laws essentially require that disclosure documents of issuers such as JEA not contain an “untrue statement of a material fact” or omit to state a “material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.” “Materiality” under the federal securities laws means whether there is a substantial likelihood that a reasonable investor would consider the facts at issue to be important to an investment decision.

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

### **DISCUSSION:**

Having well-formed disclosure policies and procedures in place and communicating those to the appropriate personnel are necessary to ensure that JEA will continue to provide meaningful, complete and accurate market disclosures and avoid running afoul of federal securities regulators. In 2015, Staff worked with JEA’s bond counsel firm, Nixon Peabody LLP, to document JEA’s ongoing processes and procedures for monitoring and assessing operational, financial, regulatory, governmental and other developments within and outside JEA that need to be considered when preparing information that could reasonably be expected to find its way to investors, potential investors or other stakeholders in JEA securities. Nixon Peabody provided input from experience they have gained through working with other public entities, some of which have come under such federal securities fraud examination. Lessons learned from those experiences and industry best practices were combined with JEA’s procedures and specific requirements to draft JEA’s Disclosure Policies and Procedures.

In March 2015, Nixon Peabody conducted disclosure training sessions with the Board, senior leadership team and staff involved with the preparation and review of JEA’s disclosure documents. Upon Staff’s recommendation the Board adopted the current JEA Disclosure Policies and Procedures dated May 19, 2015 as amended March 18, 2019. JEA’s current bond counsel firm, Greenberg Traurig, P.A., is presenting its training at the April 28, 2020 Board meeting to provide members an overview of the regulatory environment for securities disclosure and to inform the Board of its roles and responsibilities in JEA’s continued compliance under applicable securities laws and regulations.

**FINANCIAL IMPACT:**

While there is no direct financial impact, Board engagement with JEA disclosure processes is a necessary component to reduce the possibility of and avoid costs associated with potential failures to adhere to legal and regulatory disclosure requirements.

**RECOMMENDATION:** Provided for information and review by current Board.

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Melissa H. Dykes, Interim Managing Director/CEO

MHD/JEO/RLH

# Primary and Secondary Market Disclosure

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## JEA Board of Directors Training

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Melissa López Rogers | [rogersmel@gtlaw.com](mailto:rogersmel@gtlaw.com) | 407.254.2658

# Who are These People and What are They Doing Here?

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- Greenberg Traurig has been recently engaged to serve as Disclosure Counsel to JEA.
- The responsibilities of Disclosure Counsel include, among other things:
  - reviewing and commenting on JEA's Disclosure Documents;
  - participating in the due diligence process conducted by the underwriters and their counsel;
  - reviewing presentations, if requested and, if requested, attend and/or listen to rating agency or investor presentations related to JEA's bonds, notes and other securities;
  - providing a securities law or "10b-5" opinion to JEA and typically also gives a letter to the underwriter(s) permitting the underwriter(s) to rely on the opinion rendered to JEA;

# Who are These People and What are They Doing Here?

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- The responsibilities of Disclosure Counsel include, among other things:
  - advising JEA regarding:
    - specific disclosure issues relating to JEA's financial operations, operating performance and capital program development, including funding, progress and problems;
    - standards of disclosure under applicable securities laws;
    - adequacy of JEA's disclosure in any Disclosure Document;
    - completeness and clarity of the information provided by the City of Jacksonville in any Disclosure Document; and
    - other matters as directed by JEA;
  - interfacing with the Treasurer and Finance Staff with respect to any Disclosure Document;
  - participating in the preparation, review and approval of the Annual Disclosure Reports; and
  - conducting periodic training of Board members, senior management and Finance staff regarding the disclosure processes and procedures and other matters as directed by JEA.



The background of the slide features a low-angle, upward-looking perspective of several tall skyscrapers. The image is rendered in a monochromatic brown or sepia tone, with a semi-transparent overlay that allows the text to be clearly visible. The perspective creates a sense of height and architectural scale.

# **Brief Primer in Federal Antifraud Laws and Related Matters**

# Brief Primer in Federal Antifraud Laws

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- Prohibit making material misstatements or omissions of material facts if necessary to avoid a misleading statement
- Two provisions:
  - Rule 10b-5
    - Applies to purchases and sales
    - Requires a finding of scienter which includes recklessness
    - Private right of action
  - Section 17(a)(2)
    - Requires a finding of negligence
    - SEC must prove that the person made the statement to obtain money or property
    - Only the SEC can enforce

# Brief Primer in Federal Antifraud Laws

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- How does securities fraud differ from other kinds of fraud?
  - Does not need to be intentional
  - Not just misstatements but also omissions
    - Evaluates the totality of the statements and considers not just whether it is accurate but also if it is misleading
- What is material?
  - Any fact a reasonable investor would consider to be important in making an investment decision
  - Objective standard
  - Can look very different in retrospect than at the time!

# Brief Primer in Federal Antifraud Laws

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- What is counterintuitive about SEC enforcement actions?
  - Unlike private parties involved in litigation, the SEC does not need to prove damages or harm – only that a statute was violated. SEC v. Familant, 910 F. Supp. 2d 83, 92 (D.D.C. 2012).
    - Why does that matter? No default or investor losses have to be proven.
  - Unlike private litigants, the SEC does not need to prove reliance on a misstatement. See SEC v. Manus, 1981 U.S. Dist. LEXIS 15317, at 20 (SDNY 1981).
    - Why does that matter? The SEC doesn't have to show that investors reviewed the offering statement and relied on the particular alleged misstatement.

# Brief Primer in Federal Antifraud Laws

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- What is counterintuitive about SEC enforcement actions?
  - Because you are a public entity, much of what you do is in the public domain. That means that you lose some of the defenses or protections that private defendants can sometimes rely upon.
    - For instance, a document that in the corporate context may be protected by the attorney client privilege, may not have been so protected given the public nature of what you do. (i.e. when it was prepared, it was made public and not maintained confidentially with counsel).
    - Similarly, for political reasons, a public entity may not be able to take certain defensive positions that a private defendant may pursue.

# Brief Primer in Federal Antifraud Laws

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- Who is liable?
  - Liability for fraud may attach to an issuer and its ***directors, governing board members, officers, and staff***. In addition, ***individuals*** may be subject to penalties, fines, injunctions or, in extreme cases, incarceration. Issuers and their directors, governing board members, officers, and staff ***may rely on professionals, but*** their reliance ***must be reasonable***. There is no official immunity.

# Brief Primer in Federal Antifraud Laws

---

- What are strategies an issuer can use to manage its liability under the antifraud provisions?
  - Know the Federal antifraud laws and how they apply to you:
    - Know when you speak to the market;
    - Use reasonable care with respect to disclosures; and
    - Be accurate and complete.
  - Don't be a problem that the SEC is trying to solve:
    - Follow policies and procedures;
    - Be careful about political influence; and
    - Be sensitive to the fact that investors depend on you to provide accurate and complete disclosure.

# Brief Primer in Federal Antifraud Laws

---

- What are strategies an issuer can use to manage its liability under the antifraud provisions?
  - Look at things from the investor's perspective
    - The Federal antifraud laws test disclosure from an investor's perspective not the issuer's perspective.
    - Materiality is defined as information that is important to a reasonable investor.
    - This requires an issuer to think about its financial and operating condition from the perspective of a reasonable and rational investor purchasing its bonds.
    - State and local government can be a confusing place to be: many stakeholders use information for many different purposes and therefore value different information and perspectives differently.
    - Several well-meaning municipal officials have violated the Federal antifraud laws just because they failed to look at the credit of the bonds from the investor's perspective rather than other perspectives.



# Brief Primer in Federal Antifraud Laws

---

- What are strategies an issuer can use to manage its liability under the antifraud provisions?
  - Adopt and Follow Disclosure Policies and Procedures
    - The SEC has historically encouraged municipal issuers and their officials to “establish practices and procedures to identify and timely disclose, in a manner designed to inform the trading market, material information reflecting on the creditworthiness of the issuer and obligor and the terms of the security.”
    - The Board has adopted a policy to ensure that:
      - its disclosures made in connection with its municipal bond offerings and required periodic filings related thereto are fair, accurate, and comply with applicable federal and state securities laws including common law antifraud provisions under state law and any other applicable laws; and
      - satisfy, in a timely manner, its contractual obligations undertaken pursuant to Continuing Disclosure Undertakings entered into in connection with municipal bond offerings.

# Brief Primer in Federal Antifraud Laws

---

- What are strategies an issuer can use to manage its liability under the antifraud provisions?
  - Adopt and Follow Disclosure Policies and Procedures
    - JEA staff has developed a set of disclosure procedures designed to implement the Board's disclosure policies which are truly industry leading and which have yielded some very positive results for JEA, including avoiding any self reports by JEA or any of its underwriters under the SEC's MCDC Initiative.
    - JEA staff periodically reviews its disclosure procedures to ensure they remain effective and efficient in implementing the Board's policies and are consistent with changes in law and current market practices.

# Brief Primer in Federal Antifraud Laws

---

- What are strategies an issuer can use to manage its liability under the antifraud provisions?
  - Be mindful of Selective Disclosure
    - Selective disclosure occurs when certain classes of investors are given access to nonpublic material information but other investors are not, and is more likely to occur when the presentation of information is not consistent from one communication to the next.
    - The MSRB has stated that issuers of municipal securities and their financial professionals share a responsibility to protect the integrity of the municipal market by making full and fair disclosures to all investors.
    - Municipal issuers are not subject to Regulation FD, but the MSRB's has warned municipal issuers about the potential for federal fraud liability if, for example, known material information is omitted from required public disclosures.
      - Further, if an investor were to make a trade based on improperly disclosed material nonpublic information, that could constitute insider trading.

# Brief Primer in Federal Antifraud Laws

---

- What are strategies an issuer can use to manage its liability under the antifraud provisions?
  - Be mindful of Public Statements
    - The SEC has stated that ***the antifraud provisions apply to all statements*** made by municipal issuers that provide information that is ***reasonably expected to reach investors and the trading markets.***

# Brief Primer in Federal Antifraud Laws

---

- What are strategies an issuer can use to manage its liability under the antifraud provisions?
  - Be mindful of Public Statements
    - The SEC recently stated as a practical matter . . . municipal issuers do not have the option of remaining silent. Given the wide range of information routinely released to the public, formally and informally, by these issuers in their day-to-day operations, ***the stream of information on which the market relies does not cease with the close of a municipal offering.***
    - To mitigate potential liability under the antifraud laws, issuers should consider the following factors ***before*** making public statements:
      1. Does the issuer have a legal obligation to provide information to investors under the applicable federal, state and local laws?
      2. Does the issuer have a contractual obligation to provide information to investors under its continuing disclosure undertakings?
      3. Notwithstanding the issuer's legal and contractual obligations, does the SEC expect the issuer to provide information to investors?
      4. Does the issuer have accurate and complete information to provide to investors?
    - To mitigate potential liability under the antifraud laws, issuers should consider the following factors ***after*** making public statements:
      1. Did the public statement include an of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading?

# Brief Primer in Federal Antifraud Laws

---

- What are strategies an issuer can use to manage its liability under the antifraud provisions?
  - Be mindful of Political Influence
    - Overt political pressure and indirect political influence can impact all aspects of governmental entities and even well-meaning officials and staff can become confused by those influences.
    - Disclosures should be complete and accurate and free of political influence.
    - Disclosures should be provided from the investor's perspective and not from the issuer's perspective.

# Brief Primer in Federal Antifraud Laws

---

- What are strategies board members can use to manage liability under the antifraud provisions?
  - Understand the applicable federal securities laws and actions which may potentially violate such laws.
    - Consider whether your individual statements could be construed as public statements and/or selective disclosure made on behalf of JEA.
  - Make a reasonable delegation.
    - It is important for the Board to be aware of the steps that staff is taking to ensure accurate and complete disclosure is incorporated into all of JEA's disclosure documents (e.g., offering documents, annual disclosure reports, notices).
      - Remember: Issuers and their directors, governing board members, officers, and staff ***may rely on third party consultants, but*** their reliance ***must be reasonable***.
        - Third party consultants include financial advisors, attorneys, consulting engineers, etc.

# Brief Primer in Federal Antifraud Laws

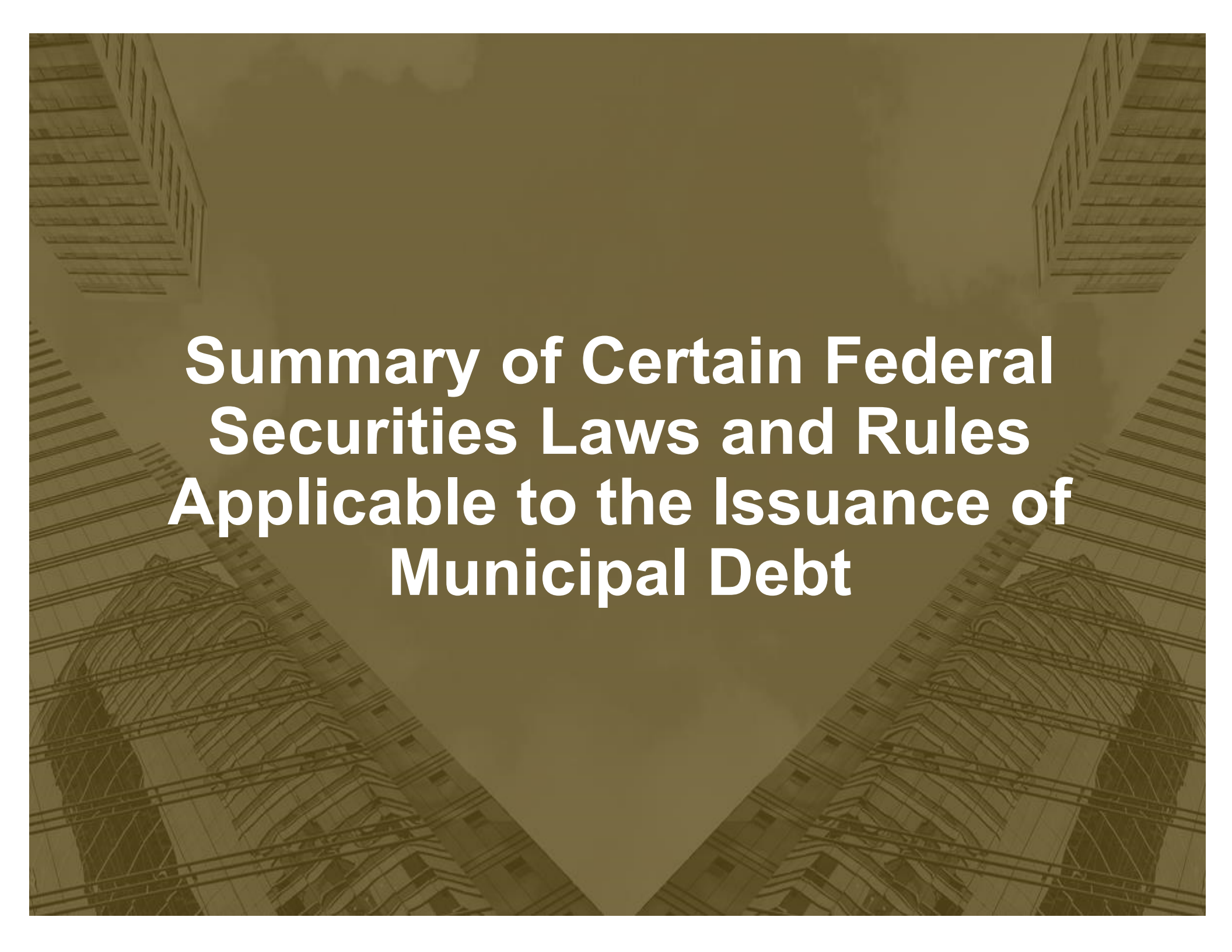
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- What are strategies board members can use to manage liability under the antifraud provisions?
  - The Board is part of JEA's disclosure policies and procedures.
    - Make sure that your unique knowledge and perspective of significant facts and developments of JEA are incorporated into all of JEA's disclosure documents (e.g., offering documents, annual disclosure reports, notices).
    - Do an “elephant in the room” analysis to ensure that you are not aware of major trends or developments that may not be appropriately disclosed in any of JEA's disclosure documents.
  - Make sure you have some big picture sense of the credit story that JEA is communicating to investors and confirm that it comports with everything you know.
  - Consult with JEA's Senior Leadership Team, General Counsel, Disclosure Counsel, and other consultants regarding any questions or concerns.



A low-angle, upward-looking photograph of several tall skyscrapers reaching towards a cloudy sky. The image is overlaid with a semi-transparent brown filter. The perspective creates a sense of height and scale, with the buildings' lines converging towards the top of the frame.

# **Supplemental Information**

The background of the slide features a low-angle, upward-looking perspective of several tall skyscrapers. The image is rendered in a monochromatic brown or sepia tone, giving it a historical or formal appearance. The buildings are partially obscured by a semi-transparent brown overlay that covers the entire slide, creating a layered effect. The text is centered in the upper-middle portion of the image.

# **Summary of Certain Federal Securities Laws and Rules Applicable to the Issuance of Municipal Debt**

# The Securities Act of 1933

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- The Securities Act of 1933 (the "Securities Act") is often referred to as the "truth in securities" law.
- The Securities Act has two basic objectives:
  - to require that investors receive financial and other significant information concerning securities being offered for public sale; and
  - to prohibit deceit, misrepresentations, and other fraud in the sale of securities.

# Section 17(a) of the Securities Act

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- Section 17(a) of the Securities Act states:
- It shall be unlawful for any person ***in the offer or sale of any securities*** . . . by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly—
  - to employ any device, scheme, or artifice to defraud, or
  - to obtain money or property by means of ***any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading***; or
  - to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

# The Securities Exchange Act of 1934

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- The Securities Exchange Act of 1934 (the "Exchange Act") governs the secondary trading of securities.
- The Exchange Act also created the SEC and empowered it with broad authority over all aspects of the securities industry.
- The Exchange Act also identifies and prohibits certain types of conduct in the financial markets and provides the SEC with disciplinary powers over regulated entities and persons associated with them.
- Municipal securities are exempt from the:
  - registration requirements;
  - reporting requirements; and
  - accounting standards, books and records and internal control requirements.
- ***However, municipal securities are still subject to antifraud provisions of the Exchange Act.***

# Section 10(b) of the Exchange Act

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- Section 10(b) of the Exchange Act states:
  - It shall be unlawful for any person, directly or indirectly, by the use of any means or instrumentality of interstate commerce or of the mails, or of any facility of any national securities exchange--
  - To use or employ, ***in connection with the purchase or sale of any security*** registered on a national securities exchange or any security not so registered . . . any manipulative or deceptive device or contrivance in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

# SEC Rule 10b-5

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- Rule 10b-5 is one of the most important rules targeting securities fraud promulgated by the SEC, pursuant to its authority granted under Section 10(b) of the Exchange Act. Rule 10b-5 states:
  - It shall be unlawful for any person, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails or of any facility of any national securities exchange,
    - To employ any device, scheme, or artifice to defraud,
    - To make any ***untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading***, or
    - To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person, in connection with the purchase or sale of any security.



# Tower Amendment

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- The Securities Act and the Exchange Act were both enacted with broad exemptions for municipal securities from all their provisions, except for the antifraud provisions of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act, and Rule 10b-5 promulgated thereunder.
  - Thus, the municipal securities market has not been subject to the same level of regulation as the corporate markets.
- Pursuant to the provisions of the Securities Act Amendments of 1975 (the "1975 Amendments"), commonly known as the "Tower Amendment," Congress expressly limited the SEC's and the MSRB's authority to require municipal securities issuers, either directly or indirectly, to file any application, report, or document with the SEC or the MSRB prior to any sale of municipal securities by a municipal issuer.



# Tower Amendment

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- Under this limited regulatory scheme, investment banking firms engaged in the offering and sale of municipal securities were required to register with the SEC as broker-dealers or municipal securities dealers, and the SEC was given broad rulemaking and enforcement authority over such dealers.
- As a result of the lack of regulatory authority over municipal issuers pursuant to the Tower Amendment the SEC's efforts in the municipal securities market have been accomplished primarily through regulation of broker-dealers pursuant to Rule 15c2-12, SEC interpretations, enforcement of the antifraud provisions of the federal securities laws and its oversight of the MSRB.

# Rule 15c2-12

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- Rule 15c2-12 was promulgated by the SEC, pursuant to the Exchange Act, in 1989. The SEC designed Rule 15c2-12 to address fraud and manipulation in the municipal securities market by prohibiting the underwriting of municipal securities and subsequent recommendation of those municipal securities by brokers, dealers, and municipal securities dealers for which adequate information is not available.
- Rule 15c2-12 applies to underwriters directly, and, as a result of the Tower Amendment, only applies to governmental issuers indirectly.

# Rule 15c2-12; Official Statements

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- Generally, Rule 15c2-12 requires underwriters participating in primary offerings of municipal securities to obtain, review and distribute to investors copies of a preliminary official statement that the issuer has "deemed final" as of its date.
- Rule 15c2-12, also requires that any final official statement prepared in connection with a primary offering of municipal securities contain:
  - information concerning the terms of the proposed issue of securities;
  - information, including financial information or operating data, concerning such issuers of municipal securities and those other entities, enterprises, funds, accounts, and other persons material to an evaluation of the Offering;
  - a description of the continuing disclosure undertakings; and
  - a description of any instances in the previous five years in which the obligated person failed to comply, ***in all material respects***, with any previous undertakings.

# Rule 15c2-12; Continuing Disclosure

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- Rule 15c2-12 requires the underwriter to obtain a commitment from the issuer or obligated persons to provide:
  - annual financial information for each obligated person for whom financial information or operating data is presented in the final official statement, including audited financial statements for each obligated person; and
  - notice of certain listed events (each a "Listed Event") with respect to the securities being offered.

A low-angle, upward-looking photograph of several tall skyscrapers in a city, creating a sense of height and scale. The image is monochromatic, with a brownish-gold tint. The text is overlaid in the center.

# **The U.S. Securities and Exchange Commission**

# SEC Enforcement Powers

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- Investigations
  - The SEC is authorized to conduct investigations and issue reports under Section 21(a) of the Exchange Act. The SEC has significantly increased its enforcement presence in the municipal market, mainly through its power to conduct investigations.
- Administrative Proceedings
  - The SEC may also initiate administrative proceedings, which usually involve negligence-based charges, and do not require investor loss.
- Criminal Proceedings
  - The securities laws allow for criminal prosecutions for "willful" violations. See, e.g., Exchange Act Section 32(a).
- Temporary Restraining Order
  - The SEC has the ability to seek a temporary restraining order if it believes investors are in imminent danger of harm.

# SEC Enforcement Action; Elements

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- The following are the elements of an SEC enforcement action:
  - A material misrepresentation;
  - in connection with the purchase or sale of a security; and
  - scienter (if it is a Section 17(a)(1), Section 10(b) or Rule 10b-5 claim) or merely negligence (if it is a Section 17(a)(2) or (3) claim).

# SEC Enforcement Action; Materiality and Scier

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- Materiality
  - There is relatively little SEC guidance on materiality determinations. SEC staff guidance universally accepts and adopts the materiality standard under various Supreme Court cases. Information is material if there is a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the "total mix" of information made available.
- Scier (Mental State)
  - Scier (a mental state embracing intent to deceive, manipulate or defraud) is required to establish violations of Section 17(a)(1) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5, although recklessness has been held by some courts to be sufficient to establish scier. Scier is not required to prove violations of Sections 17(a)(2) or (3) of the Securities Act. For these sections, violations can be established merely by showing negligence.



# Liability for Fraud

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- Liability for fraud may attach to an issuer and its **directors, governing board members, officers, and staff**. In addition, **individuals** may be subject to penalties, fines, injunctions or, in extreme cases, incarceration. Issuers and their directors, governing board members, officers, and staff **may rely on professionals, but** their reliance **must be reasonable**. There is no official immunity.
- Controlling person liability under Section 20(a) of the Exchange Act can be used to hold public officials responsible based on their control of the municipal entity that engaged in the fraud. In 2014, the SEC used controlling person liability as a theory of liability against the sitting mayor of the City of Harvey, Illinois and the former mayor of the City of Allen Park, Michigan.
- In June 2018, the SEC obtained lifetime bars prohibiting three officials of the Town of Ramapo, New York, who allegedly hid a deteriorating financial situation from investors, from participating in municipal bond offerings. In addition to the lifetime municipal security bars, the final judgments, also ordered certain individuals to pay up to \$25,000 in civil penalties and resign from their employment with an issuer of municipal securities.

# Issuer Defenses

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- Municipal issuers are not subject to strict liability, but can be liable in an SEC enforcement action for negligently misstating facts and can be liable in a civil action for recklessly doing so.
- Under pertinent cases, due diligence procedures routinely followed in the preparation of disclosure materials should serve as a defense to a charge of negligence or recklessness.
- Disclosure policies and procedures may constitute a core element of any risk management or mitigation effort.

# The SEC's Perspective and Approach

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- The SEC has continually expressed concern about the risk of abuses in the municipal securities market. Over time, there have been some important enforcement matters dealing with public finance.
- In 2010, the SEC created a specialized enforcement unit to address misconduct in the municipal securities market.
- In 2012, the SEC produced a report on the municipal securities market which included a number of recommendations including legislative changes and SEC rulemaking designed to, among other things, provide avenues to improve the municipal securities market, including transparency for municipal securities investors.

# The SEC's Perspective and Approach

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- In 2014, the SEC announced the Municipalities Continuing Disclosure Cooperation Initiative (the "MCDC Initiative"), which the SEC stated was intended to address potentially widespread violations of the federal securities laws by municipal issuers and underwriters of municipal securities in connection with certain representations about continuing disclosures in official statements.
- Under the MCDC Initiative, the Division of Enforcement (the "Division") of the SEC recommended favorable settlement terms to issuers and obligated persons involved in the offer or sale of municipal securities as well as underwriters of such offerings if they self-reported to the Division possible violations involving materially inaccurate statements relating to prior compliance with the continuing disclosure obligations specified in Rule 15c2-12 under the Exchange.

# Penalties Against Municipal Issuers

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- Although the SEC historically has not sought penalties against municipal issuers, that has changed in recent years.
- In November 2013, the SEC found that a public facilities district in the state of Washington had misled investors in an offering to finance the construction of a regional events center by, among other things, falsely stating that there had been no independent reviews of the financial projections for the events center. In a "first" for the SEC, a civil penalty was imposed against the issuer.
- In March 2016, the SEC charged California's largest agricultural water district for misleading investors about its financial condition in connection with a \$77 million bond offering in 2012. A civil penalty of \$125,000 was imposed against the issuer.

# Penalties Against Municipal Issuers

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- In September 2016, the SEC sought a substantial civil penalty against the City of Miami after prevailing in a federal jury trial against it and its former budget director. The jury in that case found that the defendants engaged in fraud in connection with three bond offerings totaling more than \$150 million.
- In January 2017, the SEC announced that the Port Authority of New York and New Jersey had agreed to admit wrongdoing and pay a \$400,000 penalty to settle charges that it was aware of risks to a series of New Jersey roadway projects but failed to inform investors purchasing the bonds that would fund them.
  - The Port Authority of New York and New Jersey was the first municipal issuer to admit wrongdoing in an SEC enforcement action.

A low-angle, upward-looking photograph of several tall skyscrapers, likely in a financial district. The buildings are made of glass and steel, with many windows visible. The sky is a pale, hazy blue. The perspective creates a sense of height and scale.

# **Selective Disclosure Concerns, Public Statements, and Political Influence**

# Selective Disclosure

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- Although municipal issuers are not subject to the SEC's regulations addressing selective disclosure, commonly known as Regulation FD, selective disclosure can create liability for them under the antifraud provisions of the Securities Act and the Exchange Act.
- Selective disclosure occurs when certain classes of investors are given access to nonpublic material information but other investors are not.
- Such selective disclosure may occur when an issuer presents nonpublic material information relating to an offering of securities and/or underlying credit to current or prospective investors, for example, during road shows, investor conferences and one-on-one investor calls or meetings.



# Selective Disclosure

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- However, selective disclosure is more likely to occur when the presentation of information is not consistent from one communication to the next.
- For example, investor conferences and investor calls often include question-and-answer sessions, which place the issuer at risk of discussing nonpublic material information, which is not included in the preliminary official statement.
- Selective disclosure can also occur in the secondary market when the original disclosure documents were accurate and complete, but the issuer provides new nonpublic material information.

# Public Statements

---

- The SEC has stated that the antifraud provisions apply to all statements made by municipal issuers that provide information that is ***reasonably expected to reach investors and the trading markets.***
- The SEC has stated as a practical matter . . . municipal issuers do not have the option of remaining silent. Given the wide range of information routinely released to the public, formally and informally, by these issuers in their day-to-day operations, ***the stream of information on which the market relies does not cease with the close of a municipal offering.***

# Public Statements

---

- Public Statements can be written or oral.
- Municipal issuers disclose current information about themselves in a variety of ways, including:
  - information on municipal issuer websites;
  - public reports delivered to other governmental or institutional bodies;
  - filings on EMMA;
  - public announcements;
  - press releases;
  - interviews with media representatives; and
  - discussions with groups whose members have a particular interest in their affairs.
- The fact that such statements are not published for purposes of informing the securities markets does not alter the mandate that they not violate the antifraud provisions.

# Political Influence

---

- Overt political pressure and indirect political influence can impact all aspects of governmental entities and even well-meaning officials and staff can become confused by those influences.
- Disclosures should be complete and accurate and free of political influence.
- Disclosures should be provided from the investor's perspective and not from the issuer's perspective.

A low-angle, upward-looking photograph of several tall skyscrapers reaching towards a cloudy sky. The image is monochromatic, with a brownish-olive tint. The perspective creates a sense of height and scale, with the buildings' lines converging towards the top of the frame.

# **Disclosure Policies and Procedures**

# Disclosure Policies and Procedures

---

- The SEC has historically encouraged municipal issuers and their officials to “establish practices and procedures to identify and timely disclose, in a manner designed to inform the trading market, material information reflecting on the creditworthiness of the issuer and obligor and the terms of the security.”
- Policies and procedures should:
  - be reasonably designed to result in accurate, timely, and complete public disclosures;
  - identify those persons involved in the disclosure process;
  - evaluate other public disclosures that the issuer has made, including financial information and other statements, prior to public dissemination;
  - assure that responsible individuals receive adequate training about their obligations under the federal securities laws.

# Disclosure Policies and Procedures

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- When consistently implemented, such policies and procedures may:
  - help an issuer regularly provide more accurate, timely, and comprehensive information to investors;
  - better manage communications with their investors; and
  - and comply with the antifraud provisions.
- The Board has adopted a policy to ensure that:
  - its disclosures made in connection with its municipal bond offerings and required periodic filings related thereto are fair, accurate, and comply with applicable federal and state securities laws including common law antifraud provisions under state law and any other applicable laws; and
  - satisfy, in a timely manner, its contractual obligations undertaken pursuant to Continuing Disclosure Undertakings entered into in connection with municipal bond offerings.

# Disclosure Policies and Procedures

---

- JEA staff has developed a set of disclosure procedures designed to implement the Board's disclosure policies which are truly industry leading and which have yielded some very positive results for JEA, including avoiding any self reports by JEA or any of its underwriters under the SEC's MCDC Initiative.
- JEA staff periodically reviews its disclosure procedures to ensure they remain effective and efficient in implementing the Board's policies and are consistent with changes in law and current market practices.



# Questions



Corporate Metrics Dashboard

As of March 31, 2020									
Metrics for FY20 Goals									
Customer Value	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	
JDP Customer Satisfaction Index - Residential	4th Quartile	3rd Quartile	3rd Quartile	1st Quartile	2nd Quartile	1st Quartile	2nd Quartile	1st Quartile	
JDP Customer Satisfaction Index - Business	4th Quartile	4th Quartile	1st Quartile	1st Quartile	1st Quartile	1st Quartile	1st Decile	2nd Quartile	
Overall First Contact Resolution	N/A	N/A	N/A	80.9%	79.4%	79.4%	79.0%	79.3%	
Grid Performance: Average Outage Length (CAIDI)	35	40	52	51	54	64	45	47	
Grid Performance: CEM4	N/A	N/A	N/A	4.8%	5.1%	3.6%	3.2%	1.0%	0.4%
Water Unplanned Outages (% cust.)	2%	3%	1%	2%	4%	1%	5%	3%	
Water Distribution System Pressure (avg min < 30 psi)	34.9	20.0	2.1	2.8	2.1	3.7	1.8	8.8	
Information Technology Mean Time to Recover	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Community Impact Value									
Capital Invested (\$000)	\$273,774	\$234,718	\$158,392	\$204,708	\$298,045	\$307,918	\$374,456	\$497,341	
Safety: % of safety checks closed on time	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Safety: % of work orders closed in a timely manner	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
JEA Volunteers	237 Activities	465 Activities	670 Activities	753 Activities	985 Activities	913 Activities	1,050 Activities	7,183	
JSB Spend (\$000)	\$9,168	\$10,121	\$7,302	\$9,318	\$9,983	\$13,365	\$15,760	\$18,772	
Employee Training Hours	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Environmental Value									
Electric System Environmental Compliance (permit exceedances)	5	4	3	2	4	6	2	0	
Consumptive Use Permit Compliance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Nitrogen to the River (tons)	650	767	579	553	527	558	550	396	
Sanitary Sewer Overflows (SSO's) (per 100 miles of pipe)	0.6	0.6	0.7	0.6	0.7	1.2	0.7	0.7	
Financial Value									
Generation Fleet Reliability (forced outages rate)	1%	2%	3%	2%	2%	2%	2%	5%	
Percent of Net O&M Budget	92%	90%	88%	93%	93%	93%	93%	94%	
Cost Reduction Metric (\$000)	N/A	N/A	N/A	N/A	\$25,156	\$10,087	\$10,495	\$15,131	

Metrics We Watch									2020 Forecast
Customer Value									
Innovation (# of Ideas Submitted)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	541
Innovation (\$\$ of dollars: improvements)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$781,129
Grid Performance: SAIDI	*actual	83.86	68.05	70.83	98.81	70.94	99.48	67.39	74.6*
Grid Performance: SAIFI-2	*actual	5.31	4.25	3.24	4.39	3.61	3.76	3.61	2.9*
Grid Performance: SARFI <sub>100</sub>	*actual	47	46	38	44	43	40	37	36*
Pipeline Failures	*actual	N/A	N/A	N/A	N/A	N/A	N/A	1,639	1,473
Financial Value									
Net Write-Offs	0.19%	0.15%	0.15%	0.16%	0.14%	0.14%	0.13%	0.12%	TBD
Change in Net Position (\$000)	\$182,642	\$79,975	\$156,269	\$323,008	\$210,016	\$254,620	\$126,488	\$197,424	\$219,362
Debt to Capitalization	73%	71%	72%	67%	64%	59%	57%	52%	49%
City Contribution (\$000)	\$104,188	\$106,687	\$109,188	\$111,688	\$129,187	\$115,823	\$116,620	\$132,648	\$118,824
Electric sales (000's MWh)	13,855	11,930	12,172	12,434	12,561	12,050	12,364	12,366	12,190
Water Sales (000's gal)	35,345	33,088	32,468	34,558	36,358	37,245	36,187	37,696	38,375
Sewer Sales (000's gal)	24,490	23,624	23,527	24,922	25,818	26,713	26,340	27,727	27,963
Reclaim Sales (000's gal)	1,330	1,110	1,301	1,784	2,644	3,290	3,120	3,884	4,225
Community Impact Value									
Renewable Energy Production (000's MWh)	121	122	121	131	128	131	173	171	173
Diverse Slate of Candidates (% of recruitments)	N/A	N/A	N/A	98%	99%	100%	100%	100%	100%
Economic Development Program Participants	N/A	0	0	1	0	0	4	5	3
Organizational Sentiment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	TBD
Safety: Recordable Incident Rate	1.5	1.8	2.4	1.7	1.8	2.1	1.5	1.5	0.59

Strategic Metrics - Long Term Influence									2020 Forecast
Customer Value									
Residential Electric Bill in FL (% of State Median)	101%	101%	99%	99.5%	101%	100%	98%	98.6%	98.6%
Residential Water/Sewer Bill in FL (% of State Median)	110%	104%	102%	100%	96%	94%	92%	90.3%	89.1%
Financial Value									
Consolidated Return on Equity	13%	8%	10%	12%	13%	13%	9%	11.0%	9.7%
Return on Net Assets	4%	2%	3%	4%	5%	5%	4%	5.0%	5.0%
Unlevered Free Cash Flow: EBITDA less CAPEX (\$000)	\$606,131	\$532,872	\$632,212	\$591,925	\$547,897	\$573,259	\$367,007	\$275,589	\$328,593
Net Position (Book Value of Equity) (\$000)	\$1,991,311	\$2,071,286	\$2,196,006	\$2,166,909	\$2,376,928	\$2,631,545	\$2,755,310	\$2,952,733	\$3,172,095
City Contribution NPV	-	-	-	-	-	-	\$1,998,311	\$1,998,311	\$1,998,311
Electric Credit Ratings	Aaa2/AA-/AA	Aaa2/AA-/AA	Aaa2/AA-/AA	Aaa2/AA-/AA	Aaa2/AA-/AA	Aaa2/AA-/AA	Aaa2/AA-/AA	A2/A+/AA	A2/A+/AA
W/WW Credit Ratings	Aaa2/AA/AA	Aaa2/AA/AA	Aaa2/AA/AA	Aaa2/AA/AA	Aaa2/AA/AA	Aaa2/AA/AA	Aaa2/AA/AA	A2/AA/AA	A2/AA/AA
Environmental Value									
CO <sub>2</sub> Emissions (lbs/MWh), net basis, w/ Scherer	1,631	1,828	1,851	1,731	1,799	1,593	1,516	1,526	1,300
CO <sub>2</sub> Emissions Mass(10*3 Short Tons), w/ Scherer	8,881	10,414	11,194	10,425	10,609	8,916	7,731	7,329	7,526
Aquifer Withdrawal Limit	104	100	103	107	112	114	112	117	120
Residential Water Use Efficiency (gal. per capita per day)	88	80	75	79	81	82	75	78	80

\*Note: certain residential customers temporarily supplied with portable water

MANAGEMENT DISCUSSION

**Financial**

- Electric Enterprise:
  - FY20 MarYTD sales up 0.5% compared to FY19 MarYTD
  - FY20 MarYTD sales per customer down 1.4% compared to FY19 MarYTD
  - FY20 MarYTD degree days up 3.2% compared to FY19 MarYTD
  - FY20 MarYTD total customers up 1.9% compared to FY19 MarYTD
  - Operating revenue decreased \$12m vs. FY19 due to contributions to the fuel stabilization fund, partially offset by withdrawals from the debt management stabilization fund to decrease debt.
  - Operating expenses decreased \$51m vs. FY19 driven by lower fuel and purchased power costs.

**Water and Sewer:**

- FY20 MarYTD Water sales up 6.8% compared to FY19 MarYTD
- FY20 MarYTD Sewer sales up 5.7% compared to FY19 MarYTD
- FY20 MarYTD Reclaimed sales up 33.4% compared to FY19 MarYTD
- FY20 MarYTD Sales per customer up 4.7% compared to FY19 MarYTD
- FY20 MarYTD Rain Days down 24.6% (14 days) compared to FY19 MarYTD, FY20 MarYTD irrigation up 18.2% versus FY19 MarYTD
- FY20 MarYTD Total customers up 2.7% compared to FY19 MarYTD
- Operating revenues increased by \$25m vs. FY19 due to withdrawals from the debt management stabilization fund to decrease debt, higher sales, and new accounts.
- Operating expenses increased \$6m vs. FY19 due to higher depreciation.
- S&P downgraded Water and Sewer ratings to AA+ from AAA

**DES:**

- Stable, minimal change from FY19

**Operations**

**Electric Enterprise:**

- CAIDI: All of our reliability metrics including CAIDI were effected by a severe but localized storm on February 6th and 7th, resulting in a degradation in our reliability.
- CEM4: 2,183 of our 485,433 customers served experienced more than 4 outages in the last 12 months.
- Environmental Permit Exceedances: Energy has experienced 0 permit exceedances.
- EFOR: The Generation EFOR achievements were due to minimal operational issues with the running units, as well as, reduced service hours associated with planned outages and the offline economy status of Northside Unit Current Fiscal Year projection for EFOR, at current rate, is 0.12%.

**Water and Sewer:**

- Unplanned Water Main Outages: 360 customers experienced an unplanned outage in the month of March.
- Water Distribution System Pressure (avg min per monitor station < 30 psi): 1.1 YTD is the average minutes pressure dropped lower than <30 psi.
- CUP: Average daily flow of 113 MGD is 19% below CY20 limit of 140 MGD; reclaimed usage at 18 MGD
- Nitrogen to River: FY20 Forecast is 377 tons. JEA has a limit of 683 tons per year and provides the CDI with 37 tons.
- SSO's Impacting Waters of the US: 12 YTD, root cause analysis is performed on each SSO.

2020 Goal--Meets	2020 Goal--Exceeds
Top 1/2 of 2nd Quartile	1st Quartile
Top 1/2 of 2nd Quartile	1st Quartile
80%	>80%
50-54	<46
1.5%-2.0%	<1.5%
1.9-2.1%	<1.9%
2-3	<2
<90 min	<60 min
\$400,000 - \$450,000	\$450,000 - \$500,000
93%	>93%
80% w/in 1-2 weeks	90% w/in 1-2 weeks
4500-4800 hours	>4800 hours
\$15M-\$17M	>\$17M
50,000	60000
4-6	<4
Yes	Yes
466-500	<466
0.59-0.68	<0.59
2.25%-2.5%	<2.25%
95-97.5%	<95%
\$3.85M-\$5.3M	>\$5.35M

**INTER-OFFICE MEMORANDUM**

April 15, 2020

**SUBJECT:** **DOWNTOWN CAMPUS UPDATE AND NEXT STEPS ON VALUE ENGINEERING**

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**FROM:** Melissa H. Dykes, Interim Managing Director/CEO

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**TO:** JEA Board of Directors

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**BACKGROUND:**

JEA has been planning for a new corporate headquarters for several years to address business continuity risks while meeting our headquarter needs in a cost-effective manner. The Board approved a lease with Ryan Companies US, Inc. (Ryan) at its June 25, 2019, meeting. The lease was executed by JEA on July 9, 2019, after approval by the Jacksonville City Council of the site Purchase and Sale Agreement (PSA) between Ryan and the City of Jacksonville.

**DISCUSSION:**

JEA and Ryan continue to plan for the project. Ryan received final design approval from the City's Downtown Development Review Board (DDRB) on December 12, 2019, conditioned on streetscape and tree shading requirements, redesign of the perimeter security elements (bollard and landscape planter elements), and designing the southeast garage corner at Adams and Julia streets to enhance pedestrian experience for the building corner and hardscaping. Ryan has continued with site due diligence including environmental review, preliminary site development submittals to the City, geotechnical investigations, preliminary structural design, and garage design. Ryan has kept JEA and its consultants (CBRE - Owner's Representative and ASD|SKY - program consultant) abreast of progress on all aspects during the planning process.

JEA is nearing completion of programming work to compile and confirm building size, functions, and planned departmental adjacencies. The building size programming work was completed and provided to Ryan in January 2020. The current building program consists of approximately 196,900 square feet of rentable area in the main building. There is an additional 9,000 to 10,000 square feet in the garage storefront space that will be available to JEA or for lease to third parties by JEA that will not be included in the rentable square footage in the lease.

JEA asked Ryan and CBRE to examine value engineering and programming options to consider whether the elements of the project including size, design, functions and program assumptions should be adjusted to reduce overall project cost. With schematic design nearing completion, this is an important review step in the overall project prior to breaking ground on construction. JEA Staff is seeking guidance from the Board on targets for each of these elements. Staff will then incorporate this guidance into a final program for the building prior to the land closing in early June. At JEA's request, Ryan Companies received an extension in the land acquisition date to early June to allow JEA to engage the new Board in this important discussion.

JEA is negotiating a second lease amendment with Ryan to address design and program changes, funding process for draws on tenant improvement allowance under Ryan's loan agreement, tenant improvement construction and garage storefront tenant improvement build out, and associated budget and project schedule updates. Ryan continues to express a strong interest in performing TI construction work to control schedule, coordination and project efficiency and JEA is negotiating with Ryan for that effort. The outcome from the TI construction negotiations will be incorporated into the lease amendment

to be considered by the Board. This lease amendment needs to be executed prior to land closing. JEA will issue a Request for Proposals for Tenant Improvement (TI - interiors) design services as a separate work effort to be coordinated with Ryan's building core and shell design.

**GENERAL SCHEDULE (dates subject to change):**

Confirmation of HQ Changes	May 5, 2020
Revised Project & Program Approval	May 29, 2020
Sitework Commencement	July 2020
Foundation Commencement	August 2020
Estimated Completion	April 2022

**FINANCIAL IMPACT:**

The lease executed in July includes a maximum indebtedness of \$160,500,000 over the 15 year lease for all rents and building operating expenses. Additionally, JEA will pay separately for interior Tenant Improvement buildout that exceeds the TI allowance in the lease, including materials, tenant equipment, workstations and construction separate from the lease, and for the tenant improvements in the garage storefront space occupied by JEA uses. JEA has a continuing right of first offer (ROFO) to consider a purchase of the property if Landlord desires to sell the property, and did not exercise this ROFO in connection with a recent notice by Ryan Companies for a potential sale after initial occupancy. JEA is seeking guidance on project and program scope to consider cost reductions and efficiency gains.

**RECOMMENDATION:**

Provide guidance on value engineering and programming elements that can be further developed and included as part of the anticipated 2nd Amendment to the Lease in May. Consider designating a Board member to work with staff on the final programming and design decisions to be presented to the full Board in May. Lease amendment(s) will be presented to the Board for approval.

---

Melissa H. Dykes, Interim Managing Director/CEO

MHD/NKV



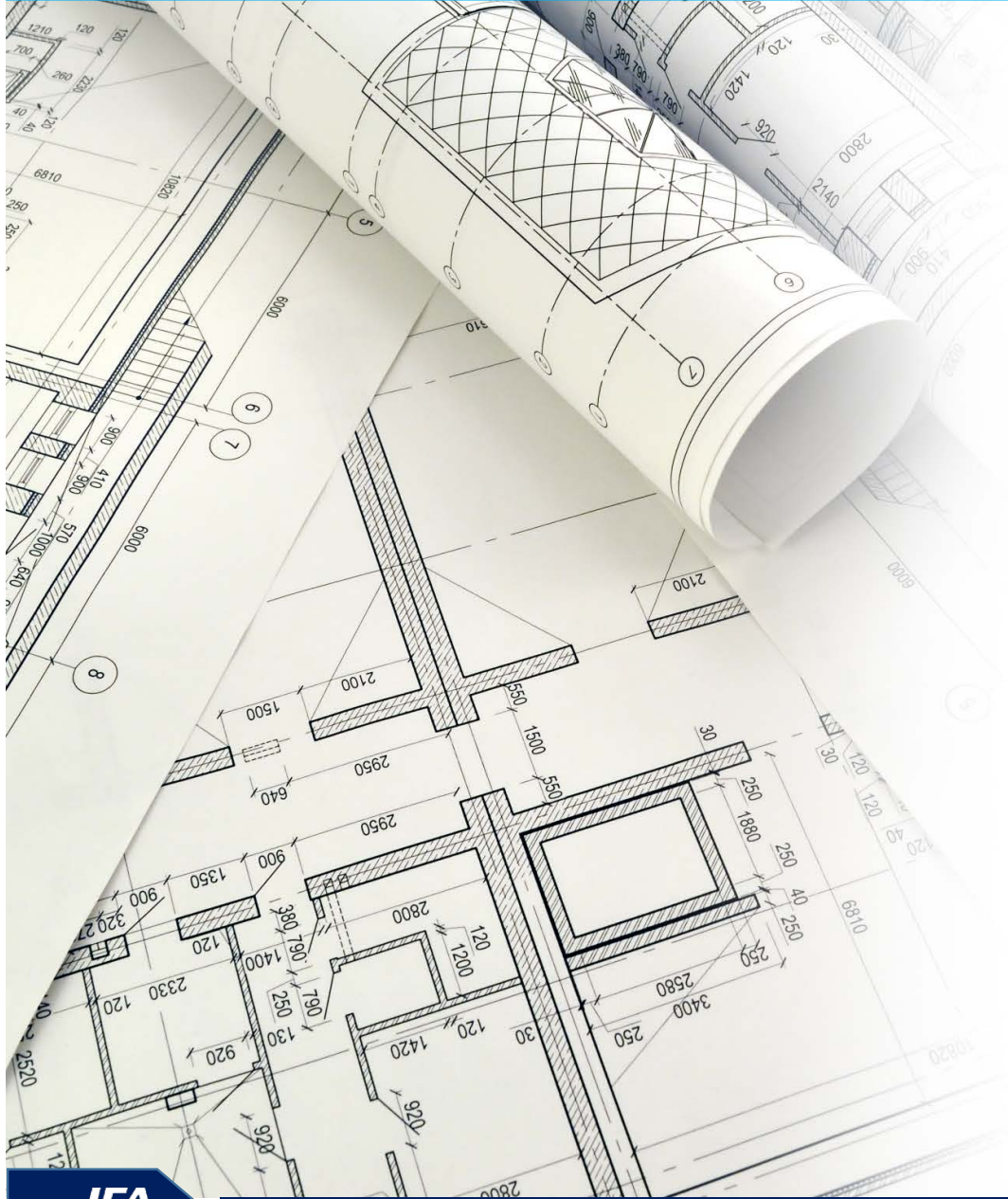


# CORPORATE CAMPUS REVIEW



**APRIL 2020**

# PRESENTATION OVERVIEW



## **Introduction**

Project Rationale and History

## **Current Project Overview**

Ryan Companies

## **Program/Size Modification Review**

CBRE

## **Schedule Importance**

Schedule review

## **Discussion/Direction**

Board discussion



# BUILDING PROJECT RATIONALE

The current JEA building was built in 1962 and analysis completed has shown that any improvements needed on the current building would rival the price of a new building.



Considerations identified as part of this process:

- **Business Continuity**

- **Facilities Planning**

- Major facilities upgrades in multi-year ERM plan

- **Headquarters Considerations**

- Performance issues in normal operations
  - Plumbing
  - Elevators
  - Fire systems
  - Electrical systems/generators
  - Low voltage
- Performance issues during storm & emergency operations response
  - Wind and water intrusion (windows, roof)
  - Elevators
  - Basement garage water intrusion
- Right sizing space needs and specific purpose design
- Conscious decision by Board on build vs. lease existing
  - Eliminate possible multiple moves & associated expense
  - Single tenant building – security/operations controls
  - Branding – customer & employee centric

# BUILDING PROJECT HISTORICAL TIMELINE





## BUILDING PROJECT PARTNERS



# CURRENT PROJECT OVERVIEW

FOUNDED

**1938**

PROJECTS DELIVERED IN  
**NEARLY EVERY  
STATE**

REVENUE

**\$2.0 BILLION**

**1,200+**  
EMPLOYEES

**60+**

EMPLOYEES HAVE  
CONTRIBUTED TO YOUR  
NEW HEADQUARTERS

HEALTHCARE  
INDUSTRIAL  
RETAIL  
SENIOR LIVING  
NATIONAL BUILD-TO-SUIT



ATLANTA

AUSTIN

CEDAR RAPIDS

CHICAGO

DALLAS/FORT WORTH

DES MOINES

KANSAS CITY

MILWAUKEE

MINNEAPOLIS

PHOENIX

ROCHESTER

SAN DIEGO

SEATTLE

TAMPA

TUCSON

# RYAN PROJECT TEAM



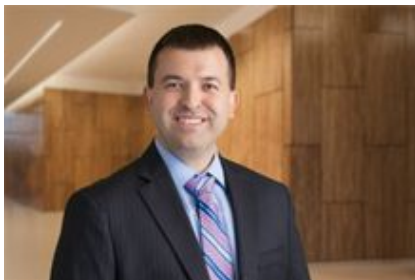
**Doug Dieck**  
Regional President



**Mike Harryman**  
Senior Project Executive



**Jon Jay**  
Project Architect



**Brad Hill**  
Director of Construction



**Robert Miller**  
Estimator II



**Max Bosso**  
Director of Real Estate  
Development

# CURRENT PROJECT OVERVIEW



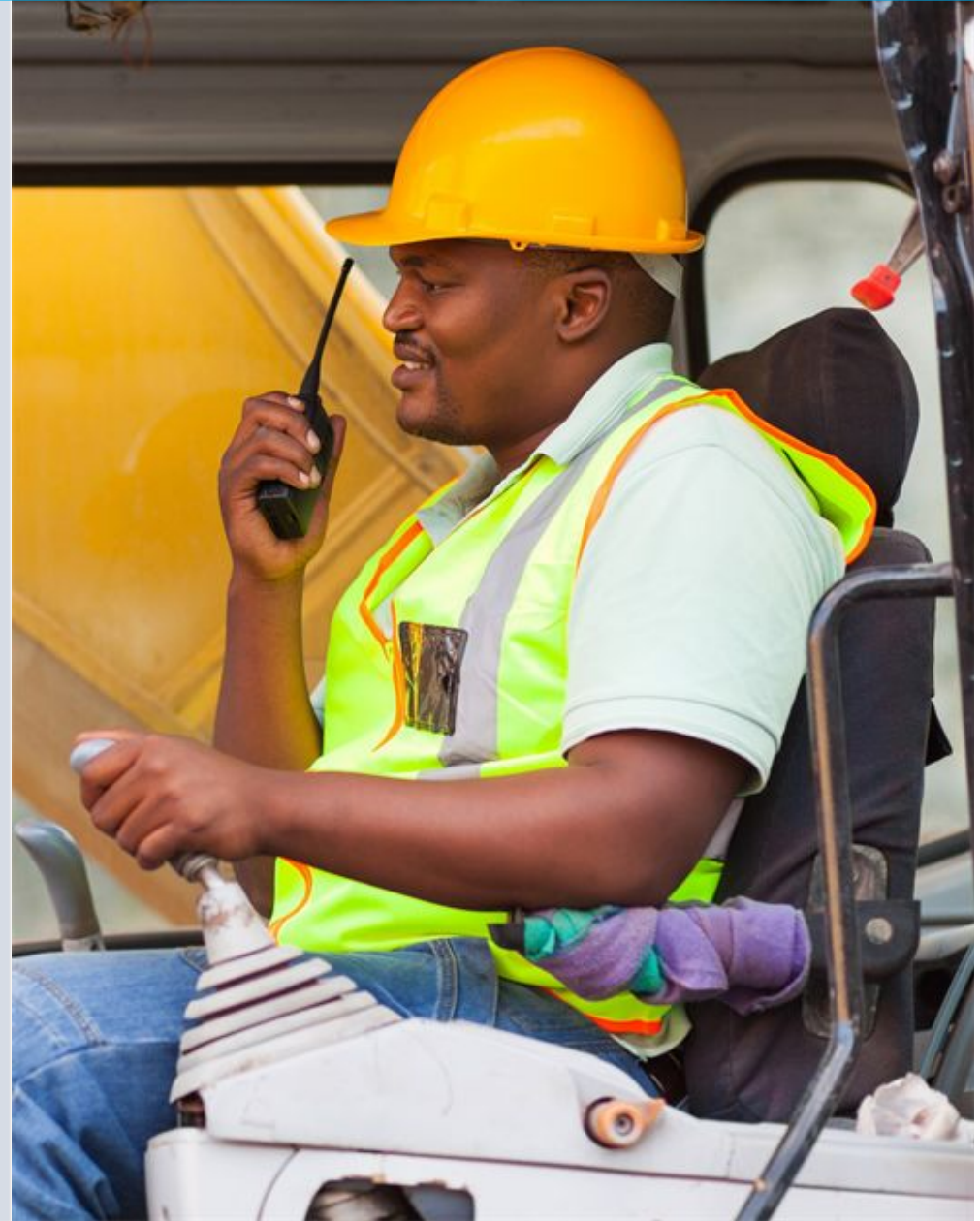
## Public and Government Approvals

- Jacksonville Downtown Investment Authority approved the building allocation on August 21, 2019.
- Jacksonville Downtown Development Review Board (DDRB) approved conceptual submittal on September 19, 2019 with final approval on December 12, 2019.
- St. Johns Water Management District issued a permit exemption on October 21, 2020
- FDEP approval of Remedial Action Plan (RAP) was received on November 12, 2019, with the first phase of the plan beginning December 10.
- Jacksonville Environmental Protection Board approves the noise variance request on February 18, 2020.
- The 10-set submittal was approved by the City of Jacksonville on March 5, 2020.

# CURRENT PROJECT OVERVIEW

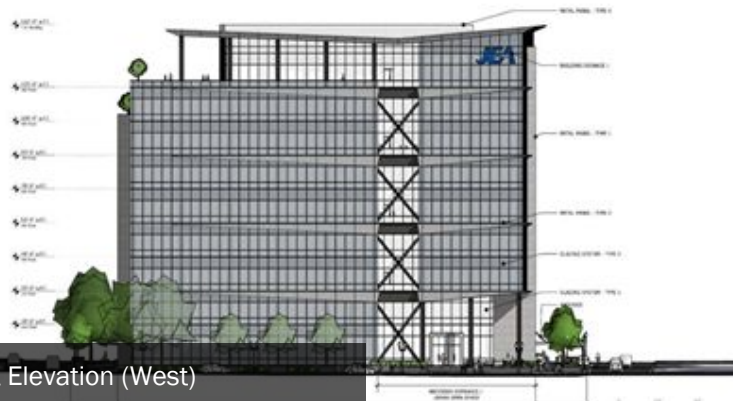
## Preconstruction and Design

- JEA, CBRE and Ryan conduct an initial project meeting on April 9, 2019
- JEA approves building elevations August 15, 2019
- Programming began with JEA, CBRE, Ryan A+E and ASD|SKY on August 27, 2019
- JEA approved the building program on January 23, 2020.
- The schematic design (SD) package was completed on February 7, 2020.
- SD pricing was provided to JEA for review and consideration on March 6, 2019.





# CURRENT PROJECT OVERVIEW



# PROGRAM/SIZE MODIFICATION REVIEW

JEA developed a cohesive program through departmental input focusing on efficiency in operations. The building team was requested to evaluate further efficiency opportunities.

## Schedule Importance



- Revised Program Approval 5/5/2020
- Updated Design & Pricing 5/18/2020
- Revised Pro Forma and 2<sup>nd</sup> Lease Amendment Approval 5/26/2020
- Execute 2<sup>nd</sup> Lease Amendment 5/30/2020
- Loan & Land Closing 6/8/2020

*If milestones are not met lease would undergo significant restructuring. Loss of value and time may be significant.*

## Recent Work

### Design Review

- Evaluate Structure & Exterior
- Evaluate Floor layout

### Program Review

- Position Need/Adjacency
- Vacancy
- Workplace Standards

### Influences

- Amenities
- Parking
- Value Engineering

# TARGET EVALUATION

## REVISED DESIGN PROGRAM WORKSHEET

### CURRENT PROGRAM

TOTAL RSF: 196,900

TOTAL SEATS: 913

GARAGE SPACE: 841

Required Decisions:	Early Finish	Late Finish
Program Size - Total HQ Square Footage	4/28/20	5/5/20
Supporting Garage Size - Total Spaces	4/28/20	5/5/20
Resiliency Direction - Final Direction	4/28/20	5/5/20
Direction on Exterior	4/28/20	5/5/20



Targets:	Current Program	Recommended Target	High Target	Low Target
Program Size - Total HQ Square Footage	196,900	173,975	143,576	196,900
Program Shift - SF Reductions		22,925	53,324	-
RSF/PPL:	179	170	160	179
Supporting Garage Size - Total Spaces	841	742	651	760
Resiliency Direction - Final Direction	130 MPH		157 MPH	143 MPH

Subsequent Saving Targets:	Current Program	Target Savings	High Target	Low Target
Program Shift	\$75,965,809	(\$3,998,847.19)	(\$6,149,782.46)	\$0.00
Program Influences - Amenities		(\$708,615.57)	(\$1,417,231.15)	\$0.00
Program Influences - Parking		(\$1,643,961.93)	(\$3,160,905.38)	(\$1,347,543.87)
VE Reductions		(\$1,146,655.67)	(\$1,146,655.67)	(\$630,327.84)
Resiliency	\$2,092,000			\$2,092,000.00
Total Shell Savings		(\$7,498,080.37)	(\$11,874,574.66)	\$114,128.29
Total Shell Cost	\$78,057,809	\$70,559,729	\$66,183,234	\$78,171,937
TI Budget Reductions		(\$3,788,553)	(\$6,540,715)	\$0
Total Gross Savings		(\$11,286,634)	(\$18,415,290)	\$114,128
Total Gross Cost	\$78,057,809	\$66,771,175	\$59,642,519	\$78,171,937



# RECOMMENDATION IMPACTS TO CURRENT SCENARIO

## Pro Forma Impact

- Gross reduction in costs:  \$11.3 M +/-
- Gross reduction in lease:  \$18.3 M +/- NPV savings

## Program Review

- Reduction in space  12%
- Reduction in parking  12%
- Reduction in interior standards  7.5% (5% space; 2.5% quality)

## Considerations

- Hoteling and Change Management will now be Critical Factors
- Attraction and Retention of Talent impacted if additional moves are pursued

# BOARD DISCUSSION

	Existing HQ	Current Program New HQ	Recommended Program New HQ	Target Direction by Board
Employees	881	913	881	
Square feet of building	360,000	196,900	174,000 +/-	
Parking (garages)	513 spaces	841	742 +/-	
Seating	1 to 1	1 to 1	1 to .85	
SF per person	320 SF/P	179 SF/P	170 SF/P	
Workplace amenities and standards		16,250 SF	12,188 SF (-25% from Current Planning)	
Resiliency		130 MPH winds w/other resiliencies	130 MPH winds w/other resiliencies	
Value engineering options			\$1.2 M reduction	

# Committee Structure

## **Standing Committees**

### Finance & Audit Committee

Chair: \_\_\_\_\_  
Member 1: \_\_\_\_\_  
Member 2: \_\_\_\_\_

### Nominating Committee

Chair: \_\_\_\_\_  
Member 1: \_\_\_\_\_  
Member 2: \_\_\_\_\_

## **Special Committees**

### Compensation and CEO Search Committee

Chair: \_\_\_\_\_  
Member 1: \_\_\_\_\_  
Member 2: \_\_\_\_\_

### Governance and Transparency Committee

Chair: \_\_\_\_\_  
Member 1: \_\_\_\_\_  
Member 2: \_\_\_\_\_

### Government, Legal, and Real Estate Affairs Committee

Chair: \_\_\_\_\_  
Member 1: \_\_\_\_\_  
Member 2: \_\_\_\_\_



**INTER-OFFICE MEMORANDUM**

April 15, 2020

**SUBJECT:** **PROCUREMENT OF EXECUTIVE RECRUITING FIRM –  
MANAGING DIRECTOR/CEO RECRUITMENT**

---

**FROM:** Melissa Dykes, Interim Managing Director / CEO

---

**TO:** JEA Board of Directors

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**BACKGROUND:**

As the eighth largest municipal utility in the country, JEA's CEO is responsible for leading a large, complex organization. JEA currently does not have a permanent Managing Director/Chief Executive Officer. The first step in the process for the recruitment of a CEO is the selection of an executive recruiting firm.

**DISCUSSION:**

JEA staff prepared a Request for Proposal (RFP) to solicit responses from the leading executive recruiters in the industry to find and select the most qualified candidate for JEA's permanent Managing Director/Chief Executive Officer. It is important for this solicitation, and particularly for the scoring criteria, to reflect the values and input from the JEA Board of Directors in selecting the executive recruiting firm.

Historically, the Board has designated a Board member to serve as an evaluator for proposals received, and provide his/her scoring and recommendation for selection of an executive recruiting firm to the full Board for approval.

**FINANCIAL IMPACT:**

Fees from top executive recruiting firms are typically a percentage of the annual salary for the candidates that are placed, and expenses related to the search.

**RECOMMENDATION:**

The Board provide input and feedback on the RFP, particularly the scoring criteria. The Board approve publishing the RFP, incorporating any Board recommendations, to solicit responses from the top executive recruiting firms in the Utility Industry. The Board designate a Board member to serve as the scorer for proposals received, or specify another scoring arrangement satisfactory to the Board in its selection of an executive recruiting firm.

---

Melissa Dykes, Interim Managing Director/CEO

MHD/JPM/JGM

**REQUEST FOR PROPOSALS  
FOR  
CHIEF EXECUTIVE OFFICER (CEO) SEARCH FIRM SERVICES**



**JACKSONVILLE, FL  
SOLICITATION NUMBER 98864**

**PROPOSALS ARE DUE ON TBD, 2020 BY 12:00 PM EST**

**PROPOSAL EMAILED TO:  
ELAINE SELDERS AT  
SELDEL@JEA.COM  
JEA PROCUREMENT SERVICES**

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## **Solicitation**

### **1. REQUEST FOR PROPOSALS**

#### **1.1. SCOPE, BACKGROUND AND INVITATION**

##### **1.1.1. SCOPE OF WORK (RFP)**

The purpose of this Request for Proposal (RFP) is to evaluate and select a firm ("Firm" or "Company" or "Proposer") that can provide executive search firm services for a Chief Executive Officer (CEO), for the best value to JEA (the "Work" or "Services"). "Best Value" means the highest overall value to JEA with regards to pricing, quality, design, and performance.

JEA intends to select one Firm to provide the Services. The Services will include the following:

- Develop job description for the Chief Executive Officer
- Develop a candidate profile
- Develop and implement a recruitment strategy and process, including recommending appropriate advertisements through local, regional and national channels, professional journals and publications
- Design, conduct and finalize the interview process, prepare interview questions for the JEA Board's consideration
- Coordinate the candidates' schedules and participation in the interviews
- Receive and review resumes of applicants, and determine that the candidates meet minimum qualifications, and follow up with telephone interviews to clarify each applicant's qualifications and experience
- Conduct in-depth reference checks with individuals to evaluate candidates' past job performance, criminal history, financial background, and any other pertinent factors
- Verify selected candidate's educational background, employment record, and any other information identified in the strategy process
- Assist the JEA Board and/or JEA Search Committee in evaluating these candidates and further identifying the top candidates for serious consideration and interviews
- Ascertain the strengths and personal dimensions of each candidate and report to the JEA Board and/or JEA Search Committee
- Debrief the JEA Board and/or JEA Search Committee following each candidate interview and identify additional candidates if necessary
- Prepare and present to the JEA Board and/or JEA Search Committee a written summary of candidates with the most promising qualifications and experience
- Create a recommended candidate list
- Negotiate an offer for hire with candidates and assist the JEA Board and/or JEA Search Committee with compensation negotiations, if requested
- Notify applicants and candidates not selected
- Advise the JEA Board and/or JEA Search Committee any other areas, services, or important steps to take that are not listed above

JEA intends to establish such a contract so that the selected firm is the best positioned to perform the Services and recruit a CEO that best fits JEA, demonstrating proven ability to recruit CEOs with extensive experience in the utility industry and/or municipalities. The ideal candidate for CEO shall create and implement a long-term strategic vision for JEA.

##### **1.1.2. BACKGROUND**

JEA owns, operates and manages the electric system established by the City of Jacksonville, Florida in 1895. In June 1997, JEA also assumed operation of the water and sewer system previously managed by the City. JEA is located in Jacksonville, Florida, where we proudly serve an estimated 470,000 electric, 351,000 water and 274,000 sewer customers. JEA is Florida's largest community owned utility and the eighth largest municipal owned utility in the United States.



### **1.1.3. INVITATION - REQUEST FOR PROPOSAL**

You are invited to submit a Proposal in response to the Request for Proposals (RFP) noted below:

**JEA RFP Title: Chief Executive Officer (CEO) Search Firm Services**

**JEA RFP Number: 98864**

**A complete copy of this RFP and any applicable documents can be downloaded from [jea.com](http://jea.com).**

**Proposal Due Time: 12:00 P.M. EST**

**Proposal Due Date: TBD, 2020**

**ALL LATE PROPOSALS FOR WHATEVER REASON WILL BE RETURNED UNOPENED.**

All Proposals must reference the JEA RFP Title and Number noted above. All Proposals must be made on the appropriate forms as specified within this RFP, and **emailed to Elaine Selders at [SELDEL@JEA.COM](mailto:SELDEL@JEA.COM).**

The Proposer shall be solely responsible for the email delivery of its Proposal. Please note Proposals are due by the time and on the date listed above.

### **1.1.4. QUESTIONS (RFP)**

All Questions must be submitted in writing to the **JEA Buyer** listed below at least five (5) **business** days prior to the opening date. Questions not received within at least five (5) **business** days prior to the opening date may not be answered.

For Procurement and Technical Questions:

Buyer: ELAINE SELDERS

E-mail: [SELDEL@JEA.COM](mailto:SELDEL@JEA.COM)

### **1.1.5. MINIMUM QUALIFICATIONS**

Proposers shall meet the following Minimum Qualifications to be considered eligible to submit a Proposal to this RFP. A Proposer not meeting all of the following criteria may have their Proposal rejected:

The Proposer shall provide one (1) similar account references where Chief Executive Officer (CEO) search services were provided for a similar sized entity, within the last five (5) years ending March 31, 2020.

- A similar account is defined as Chief Executive Officer (CEO) search services as described in the Scope of Work and stated herein, performed by the submitting Company.
- The account references must include the reference company name, contact person, phone number, email address and a summary of the scope of work provided. JEA will contact and verify the account references.

**A Minimum Qualification Form, which is required to be submitted with the Proposal Form, is provided in Appendix A of this RFP.**

**Please note, any Proposer whose contract with JEA was terminated for default within the last two (2) years shall have their Proposal rejected.**

### **1.1.6. NUMBER OF CONTRACTS TO BE AWARDED**

JEA intends to Award one (1) Contract for the Work. JEA reserves the right to Award more than one Contract based on certain groupings of the Work items, or JEA may exclude certain Work items, if JEA determines that it is in its best interest to do so.

#### **1.1.7. REQUIRED FORMS TO BE SUBMITTED WITH PROPOSAL**

The following forms must be completed and submitted to JEA at the timeframes stated below. The Proposer can obtain the required forms, other than the Minimum Qualification Form and Proposal Form, by downloading them from JEA.com.

A. The following forms are required to be submitted with the Proposal:

- o Minimum Qualifications Form - This form can be found in Appendix A of this RFP
- o Proposal Form - This can be found in Appendix A of this RFP

**If the above listed forms are not submitted with the Proposal by the Proposal Due Time and Date, JEA may reject the Proposal.**

B. JEA also requests the following documents to be submitted prior to Contract execution. A Proposal will not be rejected if these forms are not submitted at the Proposal Due Date and Time. However, failure to submit these documents prior to Contract execution could result in Proposal rejection.

- o List of JSEB Certified Firms (if any)
- o Conflict of Interest Certificate Form - This form can be found at JEA.com
- o Insurance certificate
- o W-9
- o Evidence of active registration with the State of Florida Division of Corporations ([www.sunbiz.org](http://www.sunbiz.org))

#### **1.2. SPECIAL INSTRUCTIONS**

##### **1.2.1. WORK AUTHORIZATIONS**

JEA shall issue a purchase order for the search to be performed.

Payments will be made in accordance with defined deliverables and maximum fees may also be established.

##### **1.2.2. SELECTION CRITERIA**

JEA will not Award this Contract on a price only basis, but will Award based on an evaluation of how well each Proposer meets the evaluation criteria listed herein. JEA will use the evaluation criteria listed below to evaluate the information contained in the Proposal Documents submitted by each Proposer. In the event that JEA requests oral presentations or interviews from one or more proposers, the information obtained by JEA during the oral presentations or interviews will be used in determining final selection.

##### **A. QUALIFICATIONS OF FIRM (25 POINTS)**

Describe the experience of the firm in serving comparable utility and municipal utility sector clients including understanding of utility industry challenges, municipal sector challenges, and demonstrated sensitivity of the firm to the local political environment.

The off-limits policy applicable to this industry sector and the proposed policy for JEA. Describe the extent to which your prior engagements will limit access to qualified candidates.

Metrics for comparable searches. Address such metrics as average time to fill for comparable positions, percent of comparable search engagement that were successfully completed, retention rate of placements in comparable positions.

##### **B. SEARCH METHODOLOGY (25 POINTS)**

JEA will evaluate the approach used by Proposers considering the following factors:

- A. Approach to defining the position being filled to effectively communicate the nature of the position and screening candidates for the position.
- B. Approach to identifying and accessing potential candidates including use of advertising and direct

recruitment of active and passive candidates.

- C. The approach to screen and present qualified candidates to JEA including screening for industry experience, leadership capabilities, emotional intelligence, cultural fit and other such factors for successful placement and retention.
- D. The post-hire approach including frequency of follow-up with placed executives, means of identifying and handling identified issues impacting performance and retention of placed individuals. Describe the warranty proposed for this work.
- E. The approach to status reporting for active search assignments.

### **C. QUALIFICATIONS OF PROPOSED TEAM (25 POINTS)**

For this criteria, JEA will place its highest scoring weight on evaluating the qualifications of the lead consultant proposed for this work including the following:

- A. Years of experience serving the utility industry and municipal utility sector
- B. Number of successful searches led in the utility industry and municipal utility sectors by the lead consultant in the past three (3) years; this section should be broken down into the following position types: (1) President/CEO/Managing Director, (2) Senior Executive Management Position and (3) Other Staff
- C. The proximity of the lead consultant's office location to JEA

JEA will also evaluate the qualifications of the personnel to be assigned under the lead consultant to perform this work.

Proposers shall provide three (3) references for comparable search assignments performed by the lead consultant during the past three (3) years.

### **D. FEE STRUCTURE (25 POINTS)**

Fees to be paid shall be proposed in the following format:

Fee: \_\_\_\_ percent of base / total first-year compensation (propose one (1) basis only), plus direct expenses not to exceed \_\_\_\_ percent of fees. Provide proposed definitions of fees and direct expenses, and any minimum or maximum fee amounts.

#### **1.2.3. REQUIRED PROPOSAL FORMAT**

In writing your proposal, address each of the selection criteria elements listed above. Be thorough and concise. If an element is not addressed in your proposal, it may receive no points for that element.

The format of the proposal shall be as follows:

**Cover letter** – At a minimum, the cover letter shall bind the Proposer to the offer and highlight the distinguishing points of the proposal.

**Section 1 – Qualifications of the Firm:** At a minimum, address each of the elements in Selection Criteria A.

**Section 2 – Search Methodology:** At a minimum, address each of the elements in Selection Criteria B.

**Section 3 – Qualifications of Proposed Team:** At a minimum, address each of the elements in Selection Criteria C. For the lead and each key team member, include a resume showing experience, expertise and specific search engagements either led or on which the consultant worked. For the lead, include at least three (3) comparable client references. For each reference, include contact information including company name, phone and email address, the position filled, and the outcome of the engagement.

**Section 4 – Fee Structure:** In the format shown Selection Criteria D, show your proposed fee structure.

**Proposals not complying with the required proposal format may be considered non-responsive and eliminated from further consideration.**

#### **1.2.4. TIE**

In the event of a tie score, the tie shall be resolved in accordance with JEA's Procurement Code and Operational Procedures.

### **1.3. GENERAL INSTRUCTIONS**

#### **1.3.1. SUBMITTING THE PROPOSAL**

The Proposer shall submit their Proposal via email to Elaine Selders at [SELDEL@JEA.COM](mailto:SELDEL@JEA.COM). **IF PROPOSER IS INTERESTED IN RECEIVING A PROPOSAL FORM IN A WORD FORMAT, PLEASE EMAIL SELDEL@JEA.COM WITH THE REQUEST. REQUESTS MUST BE MADE NO LATER THAN FIVE (5) BUSINESS DAYS BEFORE PROPOSAL OPENING.**

#### **1.3.2. ALTERNATE PROVISIONS AND CONDITIONS**

Proposals that contain provisions that are contrary to requirements found on this RFP, including, but not limited to, the Contract terms and conditions contained in Section 2 of this RFP, and any requirements found in the Technical Specifications attached as Appendix A to this RFP, will be reviewed but may not be accepted by JEA.

#### **1.3.3. ADDENDA**

JEA may issue Addenda prior to the opening date to change or clarify the intent of the Solicitation. The Company shall be responsible for ensuring it has received all Addenda prior to submitting its Bid or Proposal and shall acknowledge receipt of all Addenda by completing the Confirmation of Receipt of Addenda. All Addenda will become part of the Solicitation and any resulting Contract Documents. It is the responsibility of each Company to ensure it has received and incorporated all Addenda into its Bid or Proposal. Failure to acknowledge receipt of Addenda may be grounds for rejection of a Bid or Proposal at JEA's sole discretion.

#### **1.3.4. START OF WORK**

Within thirty (30) days from the date of Award, JEA will present the successful Proposer with a contract for execution. If the Proposer fails to execute the contract or act on a subsequently JEA-issued Purchase Order (PO), JEA may cancel the Award with no further liability to the Proposer, and Award to the next-ranked company.

#### **1.3.5. EX PARTE COMMUNICATION**

Ex Parte Communication is defined as any inappropriate communication concerning an RFP between a company submitting a Proposal and a JEA representative during the time in which the RFP is being advertised through the time of Award. The Proposer shall be subject to the Ex Parte Communication Policy set forth in JEA's Procurement Code. Examples of inappropriate communications include: private communications concerning the details of the RFP in which a company becomes privy to information not available to the other Proposers. Social contact between companies and JEA Representatives should be kept to an absolute minimum during the RFP process.

**Ex Parte Communication is strictly prohibited.** Failure to adhere to this policy will disqualify the noncompliant company's Proposal. Any questions or clarifications concerning this RFP must be sent in writing via email to the JEA Buyer at least five (5) business days prior to the opening date. If determined by JEA, that a question should be answered or an issue clarified, JEA will issue an addendum to all Proposers.

#### **1.3.6. AVAILABILITY OF PROPOSALS AFTER BID OPENING**

In accordance with the Florida Public Records Law, Florida Statutes, Chapter 119, copies of all Proposals are available for public inspection thirty (30) days after the opening of Proposals or on the date of Award announcement, whichever is earlier. Proposers may review opened Proposals once they are available for public inspection by contacting the designated Buyer or JEA's Public Records custodian whose contact information can be found at [jea.com](http://jea.com).

### **1.3.7. CERTIFICATION AND REPRESENTATIONS OF THE COMPANY-RFP**

By signing and submitting the Proposal Form, the Proposer certifies and represents as follows:

- A. That the individual signing the Proposal Form is a duly authorized agent or officer of the Proposer. Proposals submitted by a corporation must be executed in the corporate name by the President or Vice President. If an individual other than the President or Vice President signs the Proposal Form, satisfactory evidence of authority to sign must be submitted upon request by JEA. If the Proposal is submitted by a partnership, the Proposal Form must be signed by a partner whose title must be listed under the signature. If an individual other than a partner signs the Proposal Form, satisfactory evidence of authority to sign must be submitted upon request by JEA.
- B. That every aspect of the Proposal and the detailed schedule for the execution of the Work, are based on its own knowledge and judgment of the conditions and hazards involved, and not upon any representation of JEA. JEA assumes no responsibility for any understanding or representation made by any of its representatives during or prior to execution of the Contract unless such understandings or representations are expressly stated in the Contract and the Contract expressly provides that JEA assumes the responsibility.
- C. The corporation or partnership or other entity must be in active status at the Florida Division of Corporations ([www.sunbiz.org](http://www.sunbiz.org)) prior to any subsequent Award of Contract.
- D. That the Proposer maintains in active status any and all licenses, permits, certifications, insurance, bonds and other credentials including, but not limited to, contractor's license and occupational licenses necessary to perform the Work. The Proposer also certifies that, upon the prospect of any change in the status of applicable licenses, permits, certifications, insurances, bonds or other credentials, the Proposer shall immediately notify JEA of status change.
- E. That the Proposer has read, understands and will comply with the Section titled Ethics.

### **1.3.8. ETHICS**

By submitting a Proposal, the Proposer certifies this Proposal is made without any previous understanding, agreement or connection with any other person, firm, or corporation submitting a Proposal for the same Work other than as a subcontractor or supplier, and that this Proposal is made without outside control, collusion, fraud, or other illegal or unethical actions. The Proposer shall comply with all JEA and City of Jacksonville ordinances, policies and procedures regarding business ethics.

The Proposer shall submit only one Proposal in response to this Solicitation. If JEA has reasonable cause to believe the Proposer has submitted more than one Proposal for the same Work, other than as a Subcontractor or subsupplier, JEA may disqualify the Proposal and may pursue debarment actions.

The Proposer shall disclose the name(s) of any public officials who have any financial position, directly or indirectly, in the companies that will provide the services associated with this solicitation by completing and submitting the Conflict of Interest Certificate Form found at [jea.com](http://jea.com). Failure to fully complete and submit the Conflict of Interest Certificate may disqualify the Proposal. If JEA has reason to believe that collusion exists among the Proposers, JEA shall reject any and all Proposals from the suspected Proposer s and will proceed to debar Proposer from future JEA Awards in accordance with the JEA Procurement Code.

JEA is prohibited by its Charter from awarding contracts to JEA officers or employees in which a JEA officer or employee has a financial interest in company or subcontractor submitting a Proposal to this solicitation. JEA shall reject any and all Proposals from JEA officers or employees, as well as, any and all Proposals in which a JEA officer or employee has a financial interest.

In accordance with Florida Statutes Sec. 287.133, JEA shall reject Proposals from any persons or affiliates convicted of a public entity crime as listed on the Convicted Vendor list maintained by the Florida Department of Management Services. JEA shall not make an Award to any officer, director, executive, partner, shareholder, employee, member, or agent active in management of the Proposer listed on the Convicted Vendor list for any transaction exceeding \$35,000 for a period of thirty-six (36) months from the date of being placed on the Convicted Vendor list.

If the Proposer violates any requirement of this clause, the Proposal may be rejected and JEA may debar offending companies and persons.

#### **1.3.9. MATHEMATICAL ERRORS**

In the event of a mathematical error in calculation of the prices entered on the Proposal, the Unit Prices will prevail. The corrected Proposal Price utilizing the Unit Prices will be used to determine if the Company is awarded the Work or the Services. Subsequently, the Unit Prices will be used throughout the term of the Contract.

#### **1.3.10. MODIFICATION OR WITHDRAWAL OF PROPOSALS**

The Proposer may modify or withdraw its Proposal at any time prior to the Proposal Due Date and Time by giving written notice to JEA's Chief Procurement Officer. JEA will not accept modifications submitted by telephone, telegraph, email, or facsimile, or those submitted after Proposal Due Date and Time. The Proposer shall not modify or withdraw its Proposal from time submitted and for a period of 90 days following the opening of Proposals.

#### **1.3.11. PROHIBITION AGAINST CONTINGENT FEES**

The Proposer warrants that it has not employed or retained any company or person, other than a bona fide employee working for the Proposer, or an independent sales representative under contract to the Proposer, to solicit or secure a contract with JEA, and that it has not paid or agreed to pay any person, company, corporation, individual or Proposer, other than a bona fide employee working solely for the Proposer, or an independent sales representative under contract to the Proposer, any fee, commission, percentage, gift, or any other consideration, contingent upon or resulting from the Award or making of the Contract. For a breach or violation of these provisions occurs, JEA shall have the right to terminate the Contract without liability, and at its discretion, to deduct from the Contract Price, or otherwise recover, the full amount of such fee, commission, percentage, gift or consideration.

#### **1.3.12. PROTEST OF RFP AND AWARD PROCESS**

Proposers shall file any protests regarding this RFP in writing, in accordance with the JEA Procurement Code, as amended. Copies of the JEA Procurement Code are available online at [www.jea.com](http://www.jea.com).

#### **1.3.13. RESERVATION OF RIGHTS TO JEA**

This RFP provides companies with information to enable the submission of written offers. This RFP is not a contractual offer or commitment by JEA to purchase products or services.

Proposals shall be good for a period of ninety (90) days following the opening of the Proposals.

JEA reserves the right to reject any or all Proposals, or any part thereof, and/or to waive informalities if such action is in its best interest. JEA may reject any Proposals that it deems incomplete, obscure or irregular including, but not limited to, Proposals that omit a price on any one or more items for which prices are required, Proposals that omit Unit Prices if Unit Prices are required, Proposals for which JEA determines that the Proposal is unbalanced, Proposals that offer equal items when the option to do so has not been stated, Proposals that fail to include a Bid Bond, where one is required, and Proposals from Companies who have previously failed to satisfactorily complete JEA contracts of any nature or who have been scored by JEA as "Unacceptable" and as a result, are temporarily barred from bidding additional work.

JEA reserves the right to cancel, postpone, modify, reissue and amend this RFP at its discretion.

JEA reserves the right to cancel or change the date and time announced for opening of Proposals at any time prior to the time announced for the opening of Proposals. JEA may Award the Contract in whole or in part. In such cases whenever JEA exercises any of these reservations, JEA will make a commercially reasonable effort to notify, in writing, all parties to whom RFPs were issued. JEA may award multiple or split Contracts if it is deemed to be in JEA's best interest.

#### **1.3.14. SUNSHINE LAW**

##### **General**

Article I, Section 24, Florida Constitution, guarantees every person access to all public records and Chapter 119, Florida Statutes, provides a broad definition of public records. JEA is a body politic and corporate and subject to these laws and

related statutes ("Florida's Public Records Laws"). All Proposals to this RFP are public record and available for public inspection unless specifically exempt by law.

#### **Redacted Submissions**

If a Proposer believe that any portion of the documents, data or records submitted in response to this RFP are exempt from Florida's Public Records Law, Proposer must (1) clearly segregate and mark the specific sections of the document, data or records as "Confidential," (2) cite the specific Florida Statute or other legal authority for the asserted exemption, and (3) provide JEA with a separate redacted copy of its Proposal (the "Redacted Copy"). The cover of the Redacted Copy shall contain JEA's title and number for this RFP and Proposer's name, and shall be clearly labeled "Redacted Copy." Proposer should only redact those portions of records that Proposer claims are specifically exempt from the Florida Public Records Laws. If Proposer fails to submit a redacted copy of information it claims is confidential, JEA is authorized to produce all documents, data and other records submitted to JEA in answer to a public records request for such information.

In the event of a request for public records to which documents that are marked as confidential are responsive, JEA will provide the Redacted Copy to the requestor. If a requestor asserts a right to any redacted information, JEA will notify Proposer that such an assertion has been made. It is Proposer's responsibility to respond to the requestor to assert that the information in question is exempt from disclosure under applicable law. If JEA becomes subject to a demand for discovery or disclosure of Proposer's redacted information under legal process, JEA shall give Proposer prompt notice of the demand prior to releasing the information (unless otherwise prohibited by applicable law.) Proposer shall be responsible for defending its determination that the redacted portions of its Proposal are not subject to disclosure.

By submitting a Proposal to this RFP, Proposer agrees to protect, defend, and indemnify JEA from and against all claims, demands, actions, suits, damages, losses, settlements, costs and expenses (including but not limited to reasonable attorney fees and costs) arising from it relating to Proposer's determination that the redacted portions of its response to this Solicitation are not subject to disclosure.

#### **1.3.15. TERMS OF CONTRACT**

The Contract shall be in force through completion of all Work, Acceptance and final payment, including resolution of all disputes, claims, or suits, if any. Certain provisions of this Contract may extend past termination including, but not limited to, Warranty and Indemnification provisions.

If the successful Firm fails to perform the Services as agreed, JEA reserves the right to (i) issue a new solicitation for the Services; (ii) reopen the RFP for the purpose of awarding a second contract to another Firm in accordance with the criteria and processes set forth herein; and/or (iii) take such other actions permitted by law.

## SECTION 2 - GENERAL TERMS AND CONDITIONS OF CONTRACT

### 1. MEETINGS AND PUBLIC HEARINGS

The Company will, upon request by JEA, attend all meetings and public hearings as required, in any capacity, as directed by JEA.

### 2. DELAYS

Neither party shall be considered in default in the performance of its obligations hereunder to the extent that the performance of such obligation is prevented or delayed by any cause beyond the reasonable control of the affected party, and the time for performance of either party hereunder shall in such event be extended for a period equal to any time lost due to such prevention or delay.

### 3. SUSPENSION OF SERVICES

JEA may suspend the performance of the Services rendered by providing Company with five (5) days written notice of such suspension. Schedules for performance of the Services shall be amended by mutual agreement to reflect such suspension. In the event of suspension of Services, the Company shall resume the full performance of the Services when directed in writing to do so by JEA. Suspension of Services for reasons other than the Company's negligence or failure to perform, shall not affect the Company's compensation as outlined in this Agreement.

### 4. PAYMENTS

- 4.1. The maximum indebtedness of JEA for all fees, incentive payments, reimbursable items or other costs, including, but not limited to travel related costs, pursuant to this Agreement shall not exceed the sum of **(insert amount) ("Maximum Indebtedness")** for Services rendered during the initial term of this Agreement OR the fees as stated in Company's Proposal.
- 4.2. The Company shall submit an Invoice to JEA upon the completion of and JEA's subsequent verification of the completion, for each Milestone.
- 4.3. JEA shall render payment to the Company within thirty (30) days of the date of receipt by JEA of properly itemized and documented billings. JEA may reject any Invoice within 20 calendar days after receipt. JEA will return the Invoice to the Company stating the reasons for rejection. Upon receipt of an acceptable revised Invoice or Application for Payment, JEA will pay the Company the revised amount within 10 days.
- 4.4. Invoices shall be submitted to the following email address: **ACCTPAYCUSTSRV@JEA.COM**, or if the Company does not have email capability, it can mail hard copies to: JEA Accounts Payable, P.O. Box 4910, Jacksonville, FL 32201-4910.
- 4.5. Company acknowledges that there is no expressed or implied obligation on the part of JEA to engage Company to perform Services under the Agreement. To the extent that JEA elects to incur additional costs pursuant to this Agreement, payment of the related additional fees and costs shall be authorized by a written amendment to this Agreement signed by the parties.
- 4.6. JEA shall not pay any retainer or any other amounts to Company except in the manner described in Exhibit B.

### 5. CHANGES IN SCOPE OF SERVICES

From time to time JEA may direct changes and modifications in the scope of the services, as contained in the Agreement, to be performed under this Agreement, as may be necessary to carry out the purpose of this Agreement. The Company is willing and agreeable to accommodate such changes, provided it is compensated for additional services in accordance with its professional fees and expenses under the terms of this Agreement. Such changes shall be in the form of a written amendment to this Agreement reflecting, as appropriate, an amendment to the Services rendered and adjustment to Company's professional fees, including an extension to the duration of this Agreement,



as well as the maximum indebtedness of JEA. Maximum indebtedness is the maximum total cost that may be paid to the Company hereunder, including travel related costs, during the initial term of the Agreement for the Services rendered under the terms of this Agreement.

## **6. PERSONNEL & CHANGES IN COMPANY'S PROFESSIONAL PERSONNEL**

**6.1.** Unless otherwise agreed in writing by the parties, all Services shall be rendered by employees: (a.) who are full time employees of Company or approved subcontractors; (b.) qualified to perform the Services, and (c.) fluent in the English language.

**6.2.** Subsequent to the execution of this Agreement, Company shall notify the JEA Project Representative in writing prior to making changes in professional personnel assigned, or to be assigned, as provided in Company's proposal to manage or perform Services under this Agreement. The JEA Project Representative shall have the right to reject any personnel assigned by Company to perform Services under this Agreement. If the right of rejection is exercised by the JEA Project Representative, Company shall submit for approval of the JEA Project Representative, the name or names of substitute personnel to fill the positions resulting from said rejection. The JEA Project Representative shall have the right to require the removal of Company's previously assigned personnel and Company shall promptly replace the same, subject to the JEA Project Manager's approval at no cost to JEA.

## **7. INDEMNIFICATION**

Company shall hold harmless, indemnify, and defend JEA against any claim, action, loss, damage, injury, liability, cost and expense of whatsoever kind or nature (including, but not by way of limitation, reasonable attorney's fees and court costs) arising out of injury (whether mental or corporeal) to persons, including death, or damage to property, arising out of or incidental to the negligence, recklessness or intentional wrongful misconduct of the Company and any person or entity used by Company in the performance of this Agreement or Services performed thereunder. For purposes of this Indemnification, the term "JEA" shall mean JEA as a body politic and corporate and shall include its governing board, officers, employees, agents, successors and assigns. This indemnification shall survive the term of the Agreement entered into pursuant to this solicitation, for events that occurred during the Agreement term. This indemnification shall be separate and apart from, and in addition to, any other indemnification provisions set forth elsewhere in this Agreement.

## **8. INSURANCE REQUIREMENTS**

Before starting and until completion of the Services by JEA, and without further limiting its liability under the Agreement, Company shall procure and maintain at its sole expense, insurance of the types and in the minimum amounts stated below:

### Workers' Compensation

Florida Statutory coverage and Employer's Liability (including appropriate Federal Acts); Insurance Limits: Statutory Limits (Workers' Compensation) \$500,000 each accident (Employer's Liability).

### Commercial General Liability

Premises-Operations, Products-Completed Operations, Contractual Liability, Independent Contractors, Broad Form Property Damage, Explosion, Collapse and Underground, Hazards (XCU Coverage) as appropriate; Insurance Limits: \$1,000,000 each occurrence, \$2,000,000 annual aggregate for bodily injury and property damage, combined single limit.

### Automobile Liability

All autos-owned, hired, or non-owned; Insurance Limits: \$1,000,000 each occurrence, combined single limit.

#### Excess or Umbrella Liability

(This is additional coverage and limits above the following primary insurance: Employer's Liability, Commercial General Liability, and Automobile Liability); Insurance Limits: \$4,000,000 each occurrence and annual aggregate.

#### Professional Liability

Errors & Omissions; Insurance Limits: \$3,000,000 each claim and \$6,000,000 annual aggregate

Company's Commercial General Liability and Excess or Umbrella Liability policies shall remain in force throughout the duration of the project and until the Work is completed to JEA's satisfaction. The Indemnification provision provided herein is separate and is not limited by the type of insurance or insurance amounts stated above.

Company shall specify JEA as an additional insured for all coverage except Workers' Compensation and Employer's Liability. Such insurance shall be primary to any and all other insurance or self-insurance maintained by JEA. Company shall include a Waiver of Subrogation on all required insurance in favor of JEA, its board members, officers, employees, agents, successors and assigns.

Such insurance shall be written by a company or companies licensed to do business in the State of Florida and satisfactory to JEA. Prior to commencing any Services under this Contract, certificates evidencing the maintenance of the insurance shall be furnished to JEA for approval. Company's and its subcontractors' Certificates of Insurance shall be mailed to JEA (Attn. Procurement Services), Customer Care Center, 6th Floor, 21 West Church Street, Jacksonville, FL 32202-3139.

### **9. PATENTS & COPYRIGHTS**

- 9.1. Company shall hold harmless, indemnify, and defend JEA from and against liability or loss, including but not limited to any claims, judgments, court costs and attorneys' fees incurred in any claims, or any pretrial, trial or appellate proceedings on account of infringements of patents, copyrighted or uncopyrighted works, secret processes, trade secrets, patented or unpatented inventions, articles or appliances, or allegations thereof, pertaining to the Services, or any part thereof, combinations thereof, processes therein or the use of any tools or implements used by Company.
- 9.2. Company will, at its own expense, procure for JEA the right to continue use of the Services, parts or combinations thereof, or processes used therein resulting from a suit or judgment on account of patent or copyright infringement.
- 9.3. If, in any such suit or proceeding, a temporary restraining order or preliminary injunction is granted, Company will make every reasonable effort, by giving a satisfactory bond or otherwise, to secure the suspension of such restraining order or temporary injunction.
- 9.4. If, in any such suit or proceeding, any part of the Services is held to constitute an infringement and its use is permanently enjoined, Company will, at once, make every reasonable effort to secure for JEA a license, authorizing the continued use of the Services. If Company fails to secure such license for JEA, Company will replace the Services with non-infringing Services, or modify the Services in a way satisfactory to JEA, so that the Services are non-infringing.

### **10. WARRANTY**

The Company represents and warrants that it has the full corporate right, power and authority to enter into the Agreement and to perform the Services, and that the performance of its obligations and duties hereunder does not and will not violate any Agreement to which the Company is a party or by which it is otherwise bound.

The Company represents and warrants that it will conduct the Services in a manner and with sufficient labor, materials and equipment necessary to affect a diligent pursuance of the Services.

The Company represents and warrants that it has the responsibility and capacity to train and supervise its employees, Subcontractors and suppliers to ensure the Services comply with all safety requirements of the Contract Documents.

The Company represents and warrants that its employees and Subcontractors shall exercise the degree of skill and care required by customarily accepted good practices and procedures.

The Company warrants that all items provided under the Agreement shall be in accordance with the requirements of this Agreement and services shall be performed in a professional manner and with professional diligence and skill, consistent with the prevailing standards of the industry. The Company warrants that the Services will meet the functional and performance requirements defined in the Agreement.

If any failure to meet the foregoing warranty appears within one year after Services are accepted, the Company shall again perform the Services directly affected by such failure at the Company's sole expense.

Company represents and warrants that all of the statements in its Proposal to JEA's solicitation for the Services are true and correct, and to the extent that any statements or provisions of such Proposal are more favorable to JEA than any conflicting terms of this Agreement, then in JEA's discretion and determination, the more favorable provisions shall apply.

#### **11. NONWAIVER**

Failure by either party to insist upon strict performance of any of the provisions of the Agreement will not release either party from any of its obligations under the Agreement.

#### **12. OWNERSHIP OF DOCUMENTS AND EQUIPMENT**

The Company agrees that upon completion of the Services, all drawings, designs, specifications, renderings, notebooks, tracings, photographs, reference books, equipment, expendable equipment and materials, negatives, reports, findings, recommendations, data and memoranda of every description (hereinafter referred to as "Works"), arising out of or relating to the Services rendered by the Company under this Agreement, are to become the property of JEA. Company and JEA agree that said Works shall be considered as works made for hire under the United States Copyright laws. JEA shall have the absolute and exclusive right to own and use all said Works together with any and all copyrights, patents, trademark and service marks associated with said Works. The use of these Works in any manner by JEA shall not support any claim by the Company for additional compensation.

#### **13. PUBLIC RECORDS AND SUNSHINE LAW**

##### **Access to Public Records**

All documents, data and other records received by JEA in connection with the Contract are public records and available for public inspection unless specifically exempt by law. The Company shall allow public access to all documents, data and other records made or received by the Company in connection with the Contract unless the records are exempt from Section 249(a) of Article I of the Florida Constitution or subsection 119.07(1), Florida Statutes. JEA may unilaterally terminate the Contract if the Company refuses to allow public access as required under the Contract.

##### **Redacted copies of Confidential Information**

If the Company believes that any portion of any documents, data or other records submitted to JEA are exempt from disclosure under Chapter 119, Florida Statutes, the Florida Constitution and related laws ("Florida's Public Records Laws"), Company must (1) clearly segregate and mark the specific sections of the document, data and records as "Confidential", (2) cite the specific Florida Statute or other legal authority for the asserted exemption, and (3) provide JEA with a separate redacted copy of the documents, data, or records (the "Redacted Copy"). The Redacted Copy shall contain JEA's contract name and number, and shall be clearly titled "Redacted Copy". Company should only redact those portions of records that Company claims are specifically exempt from disclosure under Florida's Public Records Laws. If the Company fails to submit a redacted copy of documents, data, or other records it claims is confidential, JEA is authorized to produce all documents, data, and other records submitted to JEA in answer to a public records request for these records.

##### **Request for Redacted Information**

In the event of a public records or other disclosure request under Florida's Public Records Laws or other authority to which the Company's documents, data or records are responsive, JEA will provide the Redacted Copy to the requestor. If a Requestor asserts a right to any redacted information, JEA will notify the Company that such an assertion has been made. It is the Company's responsibility to respond to the requestor to assert that the information in questions is exempt from disclosure under applicable law. If JEA becomes subject to a demand for discovery or

disclosure of the redacted information under legal process, JEA shall give the Company prompt notice of the demand prior to releasing the redacted information (unless otherwise prohibited by applicable law). The Company shall be responsible for defending its determination that the redacted portions of the information are not subject to disclosure.

#### **Indemnification for Redacted Information**

The Company shall protect, defend, and indemnify JEA from and against all claims, demands, actions, suits, damages, liabilities, losses, settlements, judgments, costs, and expenses (including but not limited to reasonable attorney's fees and costs) arising from or relating to the Company's assertion that all or any portion of its information is not subject to disclosure.

#### **Public Records Clause for Service Contracts**

If, under the Contract, the Company is providing services and is acting on behalf of JEA as contemplated by subsection 119.011(2), Florida Statutes, the Company shall:

- Keep and maintain public records that ordinarily and necessarily would be required by JEA in order to perform service;
- Provide the public with access to public records on the same terms and conditions that JEA would provide the records and at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or otherwise prohibited by law;
- Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law; and
- Meet all requirements for retaining public records and transfer, at no cost, to JEA all public records in possession of the Company upon termination of the contract and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically shall be provided to JEA in a format that is compatible with the information technology systems of JEA.

**IF THE COMPANY HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE COMPANY'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT:**

**JEA**

**Attn: Public Records**

**21 West Church Street**

**Jacksonville, Florida 32202**

**Ph: 904-665-8606**

**publicrecords@jea.com**

#### **14. NON-DISCRIMINATION PROVISIONS**

Company shall comply with:

The provisions of Presidential Executive Order 11246, as amended and with all rules and regulations implementing that Executive Order. Said Executive Order and all rules and regulations implementing same are by this reference incorporated herein as if set out in their entirety.

Company will comply with Section 503 of the Rehabilitation Act of 1973, as amended and the Americans with Disabilities Act (ADA) and with all rules and regulations implementing such Acts. Said Acts and all rules and regulations implementing same are by this reference incorporated herein as if set out in their entirety.

Company will comply with The Employment and Training of Veterans Act, 38 U.S.C. 4212 (formerly 2012), as amended, and with all rules and regulations implementing such Act. Said Act and all rules and regulations implementing same are by this reference incorporated herein as if set out in their entirety.

#### **15. PROHIBITION AGAINST CONTINGENT FEES**

Company warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Company, to solicit or secure the Agreement, and that it has not paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working solely for the Company, any fee, commission, percentage, gift, or any other consideration, contingent upon or resulting from the award or making of the Agreement. For the breach or violation of these provisions, JEA shall have the right to terminate the Agreement without liability and, at its discretion, to deduct from the Agreement price, or otherwise recover, the full amount of such fee, commission, percentage, gift or consideration.

#### **16. COST SAVINGS PLAN**

During the term of the Agreement, JEA and Company are encouraged to identify ways to reduce the total cost to JEA related to services provided by the Company. JEA and Company may negotiate Amendments to the Agreement that support and allow such reductions in total costs including, but not limited to, the sharing of savings resulting from implementation of cost-reducing initiatives between JEA and Company. The decision to accept any cost savings plan shall be in the sole discretion of JEA, and JEA shall not be liable to Company for any cost that may be alleged to be related to a refusal to accept a Cost Savings Plan.

#### **17. AUDIT**

The Company's correspondence, records, vouchers and books of account related to the Company's direct interaction with JEA, insofar as work done or money expended under this Agreement are concerned, shall be open to JEA's inspection and audit during the Company's regular business hours during the course of the work and for a period of two years after completion of the Services. JEA shall give Company ten days written notice prior to audit or inspection. Costs of any audits conducted under the authority of this right to audit and not addressed elsewhere will be borne by JEA. If the audit identifies overpricing or overcharges (of any nature) by the Company to JEA in excess of one-half of one percent (.5%) of the total contract billings, the Company shall reimburse JEA for the total costs of the audit. If the audit discovers substantive findings related to fraud, misrepresentation, or nonperformance, JEA may recoup the costs of the audit work from the Company.

#### **18. APPLICABLE STATE LAW; VENUE; SEVERABILITY**

The rights, obligations and remedies of the Parties as specified under the Agreement will be interpreted and governed in all respects by the laws of the State of Florida without giving effect to the principles of conflicts of laws thereof. Should any provision of the Agreement be determined by the courts to be illegal or in conflict with any law of the State of Florida, the validity of the remaining provisions will not be impaired. Litigation involving this Agreement or any provision thereof shall take place in the State or Federal Courts located in Jacksonville, Duval County, Florida.

#### **19. HEADINGS**

Headings appearing herein are inserted for convenience or reference only and shall in no way be construed to be interpretations of text.

#### **20. ORDER OF PRECEDENCE**

In the event of any conflict between the provisions of this Agreement and those of the documents incorporated herein by reference, said provisions shall be given effect in the following order: (1) Amendments to this Agreement, (2) this Agreement and Exhibits attached hereto; (3) JEA purchase order(s); and (4) Company's Proposal in response to the solicitation.

## **21. NEGOTIATED AGREEMENT**

Except as otherwise expressly provided, all provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties, their legal representatives, successors and assigns. The parties agree that they have had meaningful discussion and negotiation of the provisions, terms and conditions contained in this Agreement. Therefore, doubtful or ambiguous provisions, if any, contained in the Agreement shall not be construed against the party who physically prepared this Agreement. The rule commonly referred to as *Fortius Contra Proferentum* shall not be applied to this Agreement or any interpretation thereof.

## **22. SURVIVAL**

Any provision of this Agreement that, by its nature, is applicable to circumstances arising after the termination or expiration of this Agreement shall survive such termination or expiration and remain in full force and effect.

## **23. ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement between the parties hereto for the Services to be performed and furnished by the Company hereunder. No statement, representation, writing, understanding, or agreement made by either party, or any representative of either party, which are not expressed herein shall be binding. All changes to, additions to, modifications of, or amendment to this Agreement, or any of the terms, provisions and conditions hereof, shall be binding only when in writing and signed by the authorized officer, agent or representative of each of the parties hereto.

## **24. INDEPENDENT CONTRACTOR**

Company is performing the Services as an independent contractor and nothing in this Agreement will be deemed to constitute a partnership, joint venture, agency, or fiduciary relationship between JEA and Company. Neither Company nor JEA will be or become liable or bound by any representation, act, or omission of the other.

## **25. BEST PRICING**

Compensation for the Services shall be as set forth in the Contract. During the Contract term, if Contractor offers better pricing to other government entities for substantially the same or a smaller quantity of Services upon the same or similar terms of the Contract ("Better Pricing"), then the price under the Contract shall be immediately reduced to the better price. Company may require Contractor to certify on an annual basis that Better Pricing (as defined above) does not exist.

## **26. JEA'S RIGHT TO TERMINATE FOR CONVENIENCE**

JEA reserves the right to terminate the Contract or any of its components at any time and for any reason by giving written notice to Contractor. If the Contract is terminated for convenience as provided herein, Contractor will be relieved of all further obligations other than payment for that amount of Services actually performed to the date of termination. Access to any and all work papers will be provided to JEA after the termination of the Contract. The parties understand and agree that Contractor shall not have a reciprocal right to terminate the Contract for convenience; it being understood that JEA's payment for Services forms the consideration for Contractor not having this right.

## **27. JEA'S REMEDIES UPON CONTRACTOR DEFAULT**

Any one or more of the following events, if not cured within ten (10) calendar days after Contractor's receipt of written notice thereof, shall constitute an "Event of Default" on the part of Contractor: (1) Contractor fails to perform the Services in accordance with the Contract terms, (2) Contractor fails to maintain adequate progress, thus endangering performance of the Contract, (3) Contractor fails to honor any other material term of the Contract, or (4) Contractor fails to abide by any statutory, regulatory, or licensing requirement. Company may extend the 10-day cure period in its discretion.

In addition, the following shall constitute an immediate Event of Default with no right cure: (i) Contractor is found to have made a false representation or certification in its Proposal, or (ii) Contractor has been placed on the list

maintained under Section 287.135, Florida Statutes, of companies with activities in Sudan or in Iran Petroleum Energy Sector.

Upon an "Event of Default" on the part of Contractor, JEA will be entitled to terminate the Contract and pursue such other remedies available at law or equity, including the recovery of any re-procurement costs and delay damages. The rights and remedies available to JEA under the Contract are distinct, separate and cumulative remedies, and no one of them, whether or not exercised by a party, shall be deemed to be in exclusion of any other.

If, after termination, it is determined that Contractor was not in default, or that the default was excusable, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience.

## **28. CONTRACTOR REMEDIES UPON JEA DEFAULT**

JEA shall be in default if JEA fails to honor any material term of the Contract, and such failure is not cured within forty-five (45) calendar days after receipt of written notice thereof from Contractor. In the event of JEA's default, Contractor will be entitled to terminate the Contract and pursue such other remedies available at law or equity as it deems appropriate. Except as expressly provided elsewhere in the Contract, Contractor will not be entitled to recover any lost profits or consequential damages. The rights and remedies available to Contractor under the Contract are distinct, separate and cumulative remedies, and no one of them shall be deemed to be in exclusion of any other.

## **29. FORCE MAJEURE, NOTICE OF DELAY AND NO DAMAGES FOR DELAY**

Neither party shall be responsible for delays in performance if the delay was beyond that party's control (or the control of its employees, subcontractors or agents). Contractor shall notify JEA in writing of any such delay or potential delay and describe the cause of the delay either (1) within ten (10) calendar days after the cause that creates or will create the delay first arose, if Contractor could reasonably foresee that a delay could occur as a result, or (2) if delay is not reasonably foreseeable, within five (5) calendar days after the date Contractor first had reason to believe that a delay could result. Based upon such notice, Company will give Contractor a reasonable extension of time to perform; provided, however, that JEA may elect to terminate the Contract in whole or in part if JEA determines, in its sole judgment, that such a delay will significantly impair the value of the Contract to JEA. Providing notice in strict accordance with this paragraph is a condition precedent to such remedy. **THE FOREGOING SHALL CONSTITUTE CONTRACTOR'S SOLE REMEDY OR EXCUSE WITH RESPECT TO DELAY.** No claim for damages, other than for an extension of time, shall be asserted against JEA. Contractor shall not be entitled to an increase in the Contract price or payment of any kind from JEA for direct, indirect, consequential, impact or other costs, expenses or damages, including but not limited to costs of acceleration or inefficiency arising because of delay, disruption, interference, or hindrance from any cause whatsoever.

## **30. SECURITY PROCEDURES**

Contractor and its employees, subcontractors and agents shall comply fully with all generally applicable security procedures of the United States, the State of Florida, including without limitation Section 501.171, Florida Statutes, and JEA regarding the security of personal information and personally identifiable information (PII) in performance of the Contract. JEA agrees that any security procedures imposed by JEA specifically for the Contract will be reasonable and will not impose any unreasonable costs or hardships.

## **31. RESTRICTIONS ON THE USE OR DISCLOSURE OF JEA'S INFORMATION**

Contractor shall not use, copy or disclose to third parties, except in connection with performing the Services, any information obtained by Contractor or its agents, subcontractors or employees in the course of performing the Services, including, but not limited to, security procedures, business operations information, or commercial proprietary information in the possession of JEA. At JEA's request, all information furnished by JEA not otherwise required by the Contract to be returned will be returned to JEA upon completion of the Services. Contractor shall not be required to keep confidential any information that has already been made publicly available through no fault of Contractor or that Contractor developed independently without relying on JEA's information. To ensure confidentiality, Contractor shall take appropriate steps as to its employees, agents, and subcontractors,

including the insertion of these restrictions in any subcontract agreement. The warranties of this paragraph shall survive the Contract.

### **32. PROTECTION OF CONTRACTOR'S TRADE SECRETS**

All documents received by JEA in connection with this Agreement are subject to Chapter 119, Florida Statutes (the "Florida Public Records Law"). Any specific information that Contractor claims to be a trade secret or otherwise exempt from the Florida Public Records Law must be clearly identified as such by Contractor on all copies furnished to JEA. JEA agrees to notify Contractor of any third-party request to view such information, but it is Contractor's obligation to obtain a court order enjoining disclosure. If Contractor fails to obtain a court order enjoining disclosure within five (5) business days of Contractor's receiving notice of the request, JEA may release the requested information. Such release shall be deemed for purposes of the Contract to be made with Contractor's consent and will not be deemed to be a violation of law, including but not limited to laws concerning trade secrets, copy right or other intellectual property.

### **33. ASSIGNMENT**

Each party binds itself and its respective successors and assigns in all respects to all of the terms, conditions, covenants and provisions of the Contract. Contractor shall not sell, assign or transfer any of its rights (including rights to payment), duties or obligations under the Contract without the prior written consent of JEA. In the event of any assignment, Contractor shall remain liable for performance of the Contract unless JEA expressly waives such liability. JEA may assign the Contract with prior written notice to Contractor of its intent to do so. Nothing herein shall be construed as creating any personal liability on the part of any officer, employee or agent of JEA.

### **34. NOTICE AND APPROVAL OF CHANGES IN OWNERSHIP**

Because the award of the Contract may have been predicated upon Contractor's ownership structure, Contractor agrees that any transfer of a substantial interest in Contractor by any of its owners shall require JEA's prior written approval, which approval shall not be unreasonably withheld or unreasonably delayed. By execution of the Contract, Contractor represents that it has no knowledge of any intent to transfer a substantial interest in Contractor. A substantial interest shall mean at least 25% of the voting shares in Contractor. This section shall not apply to (i) transfers occurring upon the incapacitation or death of an owner; (ii) transfers associated with an initial public offering on the NYSE or NASDAQ markets; or (iii) transfers to a company whose stock is publicly traded on the NYSE or NASDAQ markets.

### **35. WARRANTY OF ABILITY TO PERFORM**

Contractor warrants that (i) it is ready, willing and able to perform its obligations under the Contract, and (ii) to the best of Contractor's knowledge, there are no pending or threatened actions, proceedings, investigations or any other legal or financial conditions that would in any way prohibit, restrain, or diminish Contractor's ability to satisfy its Contract obligations. Contractor shall immediately notify JEA in writing if its ability to perform is compromised in any manner during the term of the Contract.

### **36. COMPLIANCE WITH APPLICABLE LAWS**

Contractor (and any subcontractors) must comply with all applicable federal, state and local laws, rules and regulations as the same exist and as may be amended from time to time, and which are incorporated herein by reference, including, but not limited to:

- Chapter 119, Florida Statutes (the Florida Public Records Law);
- Section 286.011, Florida Statutes (the Florida Open Meetings Law);
- Chapter 602, Jacksonville Ordinance Code (the Jacksonville Ethics Code);

### **37. WARRANTY OF AUTHORITY TO SIGN CONTRACT**

Each person signing the Contract warrants that he or she is duly authorized to do so and to bind the respective party to the Contract.



**38. ASSIGNMENT OF ANTITRUST CLAIMS**

Contractor and JEA recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by JEA. Therefore, Contractor hereby assigns to JEA any and all claims under the antitrust laws of Florida or the United States for overcharges of goods, materials or services purchased in connection with the Contract.

**39. AVAILABILITY OF FUNDS**

The obligations of JEA under the Contract are subject to the availability of funds lawfully appropriated annually for JEA's purposes and in the event funds are not available, the Contract may be canceled or terminated without penalty by JEA by giving thirty (30) days written notice of such cancellation or termination, such notice to be signed by JEA, and be delivered as provided herein.

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**SECTION 3 - FORMS (APPENDIX A)**

**SECTION 4 – ATTACHMENT A - FORM CONTRACT**

**SECTION 5 – ATTACHMENT B – JEA TRAVEL POLICY**

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## SECTION 4 – ATTACHMENT A – FORM CONTRACT

### CONTRACT

JEA CONTRACT # [REDACTED]

THIS CONTRACT is made and entered into as of the \_\_\_\_ day of [REDACTED], 2020 (the “Effective Date”) by and between JEA, a body politic and corporate in the City of Jacksonville, Florida (“JEA”) and [NAME OF COMPANY (exactly as listed on sunbiz.org)], a [state of organization][type of entity] authorized to conduct business in the state of Florida with its principal address at [JEA’s principal address listed on sunbiz.org] (“JEA”).

WHEREAS, JEA issued a Solicitation [solicitation number] for [project title exactly as it appears on Solicitation], [as amended by Addendum Number One dated \_\_\_\_\_, Addendum Number Two dated \_\_\_\_\_ and Addendum Number Three dated \_\_\_\_\_ (listing all Addenda)] (the “Solicitation”); and

WHEREAS, based on JEA’s response to the Solicitation (the “Response”), on [REDACTED] [insert date of award], JEA’s Awards Committee awarded a contract to JEA to provide certain [goods and (delete if no goods are purchased)] services to JEA as described in the Solicitation (the “Work”);

NOW THEREFORE, in consideration of the mutual covenants contained below, JEA and JEA agree as follows:

1. **Engagement and Performance of Work.** JEA engages JEA to perform the Work, and JEA shall perform the Work in accordance with the terms and conditions of this Contract.

2. **Compensation.** JEA shall pay the JEA for the Work in accordance with the terms of the Solicitation and the pricing attached to this Contract as **Exhibit A**.

3. **Maximum Indebtedness.** JEA’s maximum indebtedness for all fees, costs, expenses and all other amounts payable under this Contract shall be a fixed monetary amount not-to-exceed [WRITE OUT DOLLAR AMOUNT] (\$[REDACTED]). All amounts payable under this Contract are contingent upon the existence of lawfully appropriated funds therefor.

4. **Term.** The term of this Contract shall commence on the Effective Date and shall continue through [date], unless sooner terminated in accordance with the terms of the Solicitation. JEA shall have the right, in its sole discretion, to renew this Contract for up to [number] additional terms of [number] year(s) each.

5. **Contract Documents.** This Contract consists of the following documents which are incorporated by reference as if fully set forth herein and which, in case of conflict, shall have priority in the order listed below:

- This document (including all attachments and exhibits hereto), as modified by any subsequently signed amendments
- Any Addenda to the Solicitation issued by JEA
- The Solicitation as originally issued by JEA, including all amendments, technical specifications, appendices and exhibits thereto

- The Response, provided, however, that any terms in the Response that are inconsistent with the Solicitation shall not be included in this Contract, unless expressly agreed to in writing by JEA

*Insert the following for any provisions which have been negotiated or otherwise changed from or added to the Solicitation other than in an Addendum issued by JEA  
Omit sections 6 and 7 if no changes*

*For changes:*

**6. Additional Provisions.** Section [redacted] of the Solicitation is deleted in its entirety and replaced with the following provision:

*[insert new provision]*

*[repeat for each amended provision]*

*For additions:*

**7. Additional Provisions.** The following provisions are added to the terms and conditions contained in the Solicitation:

*[insert new provision(s)]*

**8. Notices.** All notices under this Contract shall be in writing and shall be delivered by certified mail, return receipt requested, or by other delivery with receipt to the following:

As to JEA:

JEA  
21 W. Church Street  
Jacksonville, Florida 32202  
Attn: [Name, Project Manager]

and to:

JEA  
21 W. Church Street, CC-6  
Jacksonville, Florida 32202  
Attn: Heather Beard, Procurement Contract Administration  
As to the JEA:

[JEA name]

[JEA address]

[Attn: Name and Title]

**7. Authority.** JEA represents and warrants to JEA that JEA has full right and authority to execute and perform its obligations under this Contract, and JEA and the person(s) signing this Contract on JEA's behalf represent and warrant to JEA that such person(s) are duly authorized to execute this Contract on JEA's behalf without further consent or approval by anyone. JEA shall deliver to JEA promptly upon request all documents reasonably requested by JEA to evidence such authority.

8. **Entire Agreement.** This Contract constitutes the entire agreement between the parties hereto for the Work to be performed and furnished by the JEA. No statement, representation, writing, understanding, agreement, course of action or course of conduct, made by either party or any representative of either party, which is not expressed herein shall be binding. JEA may not unilaterally modify the terms of this Contract by affixing additional terms to materials delivered to JEA (e.g., “shrink wrap” terms accompanying or affixed to a deliverable) or by including such terms on a purchase order or payment document. JEA acknowledges that it is entering into this Contract for its own purposes and not for the benefit of any third party.

9. **Amendments.** All changes to, additions to, modifications of, or amendment to this Contract, or any of the terms, provisions and conditions hereof, shall be binding only when in writing and signed by the authorized officer, agent or representative of each of the parties to this Contract.

10. **Counterparts.** This Contract, and all amendments hereto, may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument. This Contract may be delivered by facsimile or by email transmittal of a PDF image, and such facsimile or PDF counterparts shall be valid and binding on JEA and JEA with the same effect as if original signatures had been exchanged.

IN WITNESS WHEREOF, JEA and JEA have duly executed this Contract as of the Effective Date.

JEA

By: \_\_\_\_\_

\_\_\_\_\_  
Witness

Jenny McCollum  
Director, Procurement Services

[COMPANY NAME/SIGNATURE (exactly as listed on  
sunbiz.org)]

Form Approved:

\_\_\_\_\_  
Office of General Counsel

**APPENDIX A – PROPOSAL FORM  
RFP 98864 EXECUTIVE SEARCH FIRM SERVICES**

**COMPANY INFORMATION:**

COMPANY NAME: \_\_\_\_\_

BUSINESS ADDRESS: \_\_\_\_\_

CITY, STATE, ZIP CODE: \_\_\_\_\_

TELEPHONE: \_\_\_\_\_

FAX: \_\_\_\_\_

EMAIL OF CONTACT: \_\_\_\_\_

**SELECTION CRITERIA**

JEA will not Award this Contract on a price only basis, but will Award based on an evaluation of how well each Proposer meets the evaluation criteria listed herein. JEA will use the evaluation criteria listed below to evaluate the information contained in the Proposal Documents submitted by each Proposer. In the event that JEA requests oral presentations or interviews from one or more proposers, the information obtained by JEA during the oral presentations or interviews will be used in determining final selection.

**QUALIFICATIONS OF FIRM (25 POINTS)**

Describe the experience of the firm in serving comparable utility and municipal utility sector clients including understanding of utility industry challenges, municipal sector challenges, and demonstrated sensitivity of the firm to the local political environment.

The off-limits policy applicable to this industry sector and the proposed policy for JEA. Describe the extent to which your prior engagements will limit access to qualified candidates.

Metrics for comparable searches. Address such metrics as average time to fill for comparable positions, percent of comparable search engagement that were successfully completed, retention rate of placements in comparable positions.

**SEARCH METHODOLOGY (25 POINTS)**

JEA will evaluate the approach used by Proposers considering the following factors:

- A. Approach to defining the position being filled to effectively communicate the nature of the position and screening candidates for the position.
- B. Approach to identifying and accessing potential candidates including use of advertising and direct recruitment of active and passive candidates.
- C. The approach to screen and present qualified candidates to JEA including screening for industry experience, leadership capabilities, emotional intelligence, cultural fit and other such factors for successful placement and retention.
- D. The post-hire approach including frequency of follow-up with placed executives, means of identifying and handling identified issues impacting performance and retention of placed individuals. Describe the warranty proposed for this work.
- E. The approach to status reporting for active search assignments.

**QUALIFICATIONS OF PROPOSED TEAM (25 POINTS)**

For this criteria, JEA will place its highest scoring weight on evaluating the qualifications of the lead consultant proposed for this work including the following:

**APPENDIX A – PROPOSAL FORM  
RFP 98864 EXECUTIVE SEARCH FIRM SERVICES**

- A. Years of experience serving the utility industry and municipal utility sector
- B. Number of successful searches led in the utility industry and municipal utility sectors by the lead consultant in the past three (3) years; this section should be broken down into the following position types: (1) President/CEO/Managing Director, (2) Senior Executive Management Position and (3) Other Staff
- C. The proximity of the lead consultant's office location to JEA

JEA will also evaluate the qualifications of the personnel to be assigned under the lead consultant to perform this work.

Proposers shall provide three (3) references for comparable search assignments performed by the lead consultant during the past three (3) years.

**FEE STRUCTURE (25 POINTS)**

Fees to be paid shall be proposed in the following format:

Fee: \_\_\_\_ percent of base / total first-year compensation (propose one (1) basis only), plus direct expenses not to exceed \_\_\_\_ percent of fees. Provide proposed definitions of fees and direct expenses, and any minimum or maximum fee amounts.

\_\_\_\_ (Initials) I have read and understood the Sunshine Law/Public Records clauses contained within this solicitation. I understand that in the absence of a redacted copy my proposal will be disclosed to the public "as-is".

**The Company shall submit one (1) original Proposal, three (3) duplicates (hardcopies), and one (1) CD or USB drive. If there is a discrepancy between the electronic copy and hard copy, the hard copy will prevail. JEA will not accept Proposals transmitted via email.**

**Company's Certification**

By submitting this Proposal, the Proposer certifies that it has read and reviewed all of the documents pertaining to this RFP and agrees to abide by the terms and conditions set forth therein, that the person signing below is an authorized representative of the company, that the company is legally authorized to do business in the State of Florida, and that the company maintains in active status an appropriate license for the work. The company certifies that its recent, current, and projected workload will not interfere with the company's ability to Work in a professional, diligent and timely manner.

The Proposer certifies, under penalty of perjury, that it holds all licenses, permits, certifications, insurances, bonds, and other credentials required by law, contract or practice to perform the Work. The Proposer also certifies that, upon the prospect of any change in the status of applicable licenses, permits, certifications, insurances, bonds or other credentials, the Company shall immediately notify JEA of status change.

We have received addenda \_\_\_\_\_ through \_\_\_\_\_

\_\_\_\_\_  
Signature of Authorize Officer of Company or Agent

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name & Title

\_\_\_\_\_  
Phone Number