

JEA BOARD MEETING AGENDA

July 30, 2018 • 12:00 p.m.

21 W. Church Street, 19th Floor



I. WELCOME	
A.	Call to Order
B.	Time of Reflection
C.	Pledge to Flag
D.	Adoption of the Agenda – Action
E.	Safety Briefing – Aaron Zahn, Interim Managing Director/CEO
F.	Sunshine Law/Public Records Statement – Jody Brooks, Vice President & Chief Legal Officer

II. COMMENTS / PRESENTATIONS		
Item(s)		Speaker/Title
A.	Comments from the Public	Public
B.	Council Liaison's Comments	Council Member Matt Schellenberg
C.	Office of the Mayor Liaison's Comments	Dr. Johnny Gaffney
D.	J.D. Power Residential Survey 2018 Final Results	Kerri Stewart, VP & CCO

III. OPERATIONS (DISCUSSION / ACTION)			
Definition: The "Operations" section of the Board Meeting is for business matters requiring Board discussion and action.			
Item(s)		Speaker/Title	Discussion Action/Information
A.	Consent Agenda – The Consent Agenda consists of agenda items that require Board approval but are routine in nature, or have been discussed in previous public meetings of the Board. The Consent Agenda items require no explanation, discussion or presentation, and are approved by one motion and vote.		
	Consent Agenda Reference Material (Provided in Appendices)		
	Appendix A:	Board Workshop Minutes June 19, 2018	Action
	Appendix B:	Board Meeting Minutes June 19, 2018	Action
	Appendix C:	St. Johns River Power Park Systems Employees' Retirement Plan – Amendment #2 to the Restated Plan Document	Action
	Appendix D:	Compliance Amendment to JEA 457 Deferred Compensation Plan Document	Action
	Appendix E:	Sole Source & Emergency Procurement/Procurement Appeals Board Report	Information
	Appendix F:	Monthly Financial Statements	Information
B.	Monthly Financial and Operations Dashboard		Ryan Wannemacher, Interim CFO Information
	Recommendation to Call a Public Hearing to Modify the Electric Tariff Documentation		Ryan Wannemacher, Interim CFO Action

	D.	Real Estate Condemnation Resolution: GEC to Bartram 230KV CT 909 Row	John McCarthy, VP/Chief Supply Chain Officer	Action
	E.	Real Estate: Greenland Wastewater Treatment Plant – Land Purchase	John McCarthy, VP/Chief Supply Chain Officer	Action

IV. STRATEGY (DISCUSSION ONLY)				
Definition: The “Strategy” section of the Board Meeting is <u>only</u> for discussion & feedback to management on strategic initiatives of and for JEA.				
Item(s)		Speaker/Title		
A.	Strategic Framework	Aaron Zahn, Interim Managing Director/CEO		
B.	Corporate Headquarters – Downtown Campus Update	Aaron Zahn, Interim Managing Director/CEO & Nancy Kilgo, Director, Government Affairs		
C.	Southside Capital Allocation	Aaron Zahn, Interim Managing Director/CEO		
D.	Transition Plan Update	Aaron Zahn, Interim Managing Director/CEO		

V. SUBJECT MATTER EXPLORATION (OPPORTUNITIES & RISKS – PRESENTATION)				
Definition: The “Subject Matter Exploration” section of the Board Meeting will be used to brief the Board Members on market, environment, business or other generally important matters. Staff and/or 3 rd party experts will provide presentations on a specific subject and the Board will be afforded an opportunity for Q&A at the end.				
Item(s)		Speaker/Title		
A.	Data Fiber Utility Services for the 22 nd Century Smart City	Jason Gredell, JP Morgan, Paul Cosgrave, VP & Chief Information Officer, & Ryan Wannemacher, Interim CFO		

VI. COMMITTEE REPORTS				
Item(s)		Speaker/Title		
A.	CEO Search Committee Report	Husein Cumber, Committee Chair		
B.	Managing Director & Chief Executive Officer Position Specification - Action	Husein Cumber, Committee Chair		

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

VIII. CLOSING CONSIDERATIONS				
Item(s)				
A.	Announcements – Next Board Meeting August 21, 2018			
B.	Adjournment			

Board Calendar

Board Meetings: 12:00 p.m. – Third Tuesday of Every Month (exception(s): December 11, 2018)

Committees: Finance & Audit Committee: August 13, 2018

CEO Search Committee: TBD

Compensation Committee: TBD

Government Affairs Committee: 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.

I. F.

Sunshine Law/Public Records Statement

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

This meeting is being held in compliance with Florida's Government in the Sunshine Law, §286.011, Florida Statutes, and shall be open to the public at all times. Official acts of the JEA Board may be conducted at this meeting that will be considered binding on the JEA. Reasonable notice has been provided and minutes of this meeting shall be taken and promptly recorded.

II. D.

J. D. Power Residential Survey 2018 Final Results

JD Power Residential Survey 2018 Final Results

Key Takeaways

- 2018 represents a period of volatility in customer sentiment
- Spike in positive sentiment after reaction to Matthew, followed by fatigue after Irma
- Media discussion of sale also played a role in shaping public opinion during this period
- Finished in 2nd quartile, below target
- Chief drivers of YoY changes are customers perceptions of Power Quality & Reliability, Communications, and Billing & Payment

FY18 Customer Satisfaction Goal

Achieve 1st Quartile Ranking for JD Power
Customer Satisfaction Index for both
Residential and Business Studies

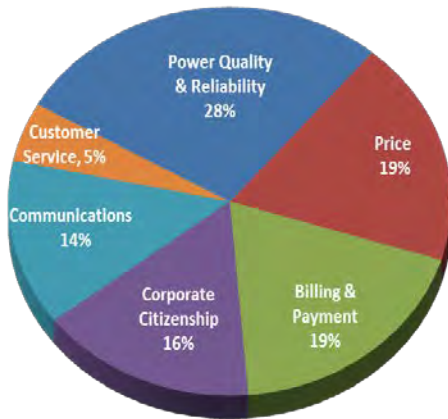
Residential (R)

FY16	FY17	Wave 1	Wave 2	Wave 3	Wave 4	FY18
2Q 703	1Q 747	1Q 753	2Q 736	2Q 730	3Q 730	2Q 737

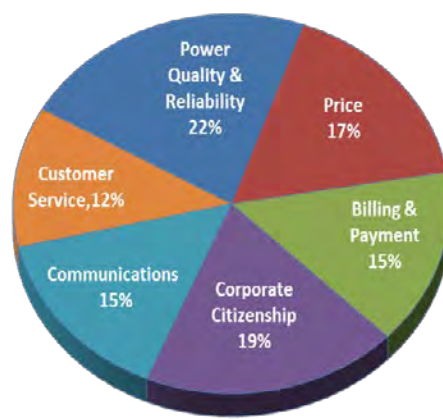
Business (B)

FY16	FY17	Wave 1	Wave 2	FY18
1Q 754	1Q 780	1Q 787	1Q 796	1Q 791

Residential



Business



FY18 Residential # of companies ranked: 138

FY18 Business # of companies ranked: 86

1Q= 1st quartile 2Q= 2nd quartile 3Q = 3rd quartile 4Q = 4th quartile

Achieve 1st Quartile Ranking on All Drivers

Be Easy to Do Business With

Customer Service

	FY17	Wave 1	Wave 2	Wave 3	Wave 4	FY18
R	1Q 800	1Q 824	3Q 761	2Q 790	3Q 784	2Q 788
B	1Q 829	3Q 790	1Q 839			2Q 813

Power Quality & Reliability

	FY17773	Wave 1	Wave 2	Wave 3	Wave 4	FY18
R	1Q 792	2Q 781	2Q 784	2Q 786	3Q 773	2Q 781
B	1Q 816	1Q 823	2Q 810			2Q 816

Empower Customers to Make Informed Decisions

Billing & Payment

	FY17	Wave 1	Wave 2	Wave 3	Wave 4	FY18
R	1Q 807	1Q 807	2Q 796	2Q 790	3Q 782	2Q 794
B	2Q 803	1Q 830	1Q 830			1Q 830

Communication

	FY17	Wave 1	Wave 2	Wave 3	Wave 4	FY18
R	1Q 712	1Q 716	1Q 702	2Q 683	2Q 683	1Q 696
B	1Q 757	1Q 766	1Q 797			1Q 781

Price

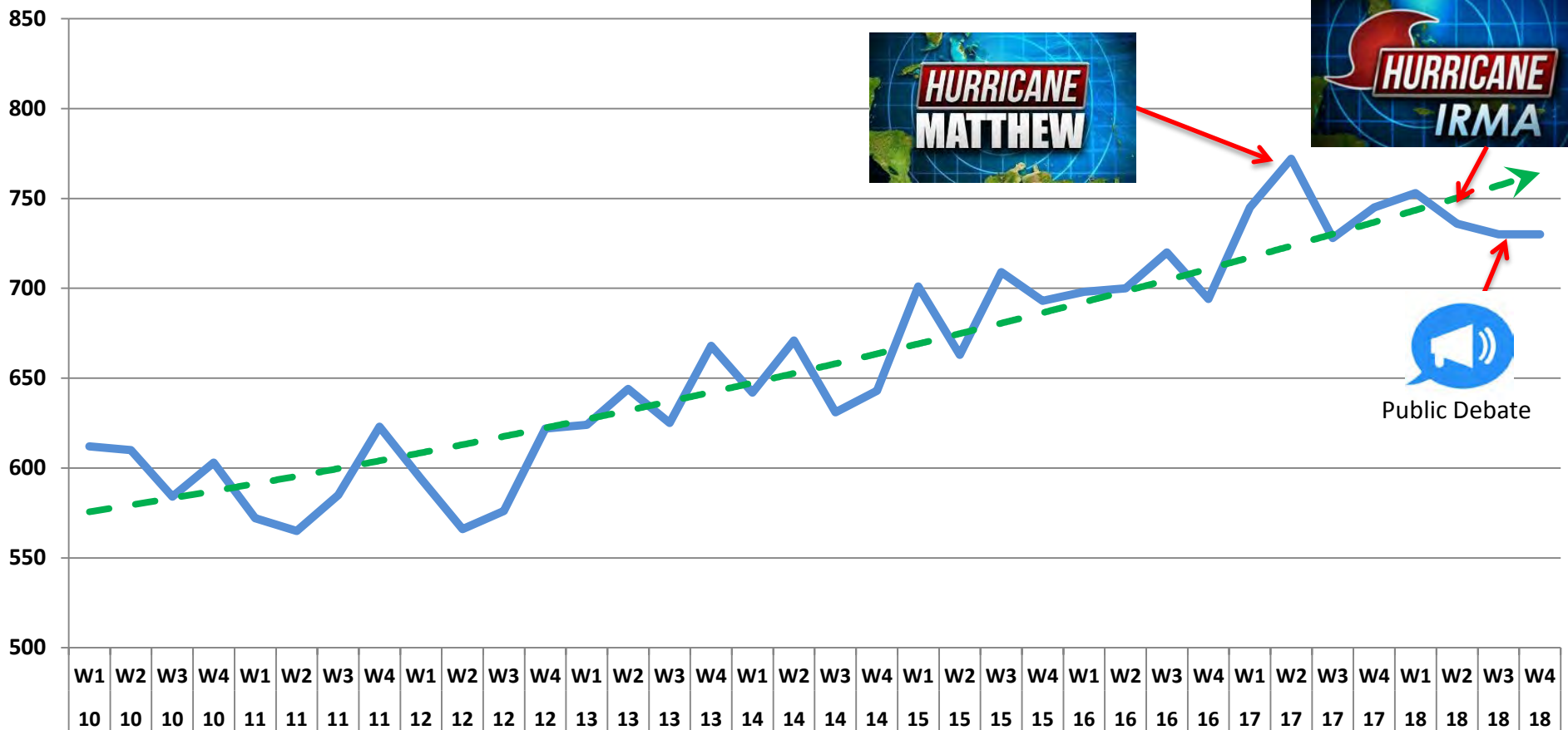
	FY17	Wave 1	Wave 2	Wave 3	Wave 4	FY18
R	2Q 679	1Q 708	3Q 660	3Q 648	2Q 682	2Q 675
B	1Q 735	2Q 730	1Q 751			2Q 741

Demonstrate Community Responsibility

Corporate Citizenship

	FY17	Wave 1	Wave 2	Wave 3	Wave 4	FY18
R	1Q 685	1Q 700	1Q 694	2Q 681	3Q 663	2Q 684
B	1Q 748	1Q 762	1Q 762			1Q 762

JEA Customer Satisfaction Index Trend



- Spike of positive sentiment after Matthew followed by “storm fatigue” after Irma
- Public discussion of potential sale and media coverage play a role later waves

JEA JD Power 2018 Final Results

Power Quality and Reliability
781 (-11)



Price
675 (-4)



Billing and Payment
794 (-13)



Corporate Citizenship
684 (-1)



Communications
696 (-16)



Customer Service
788 (-12)



Overall CSI
737 (-10)



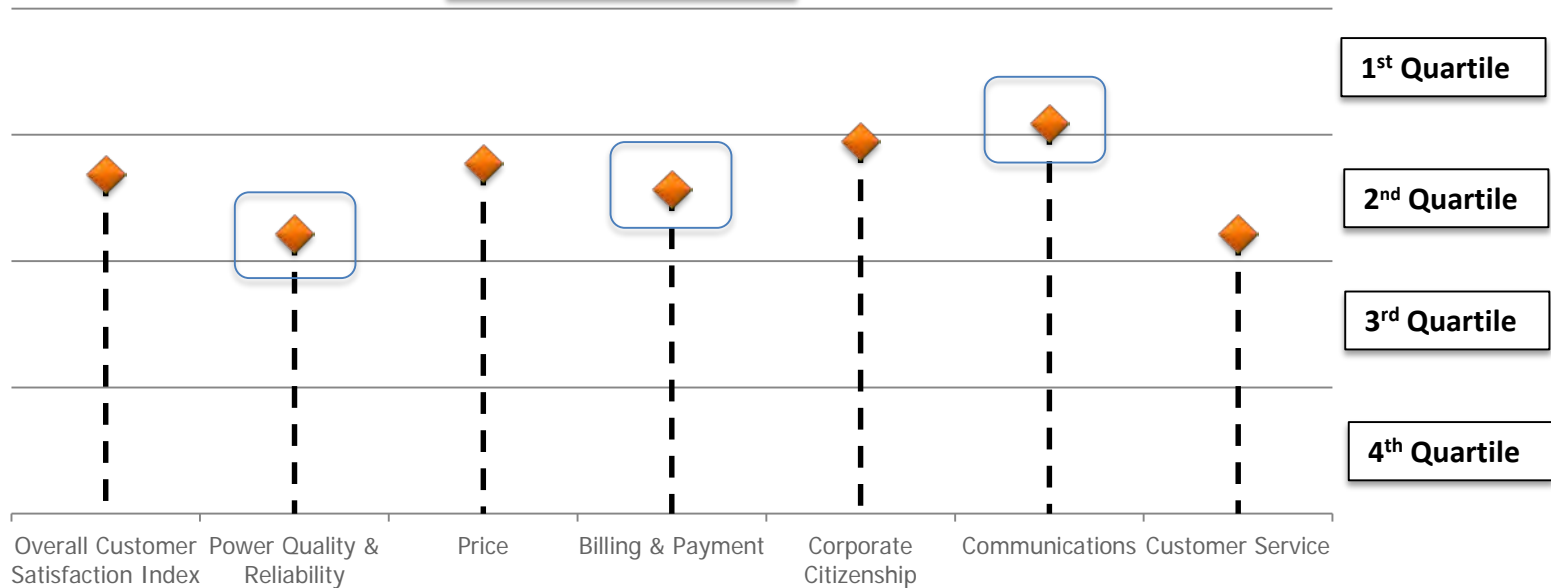
44
National
rank
out of
138
brands

Note: Based off 2018 W1-W4 versus 2017 W1-W4

Industry Quartile Chart

Industry OSAT
720

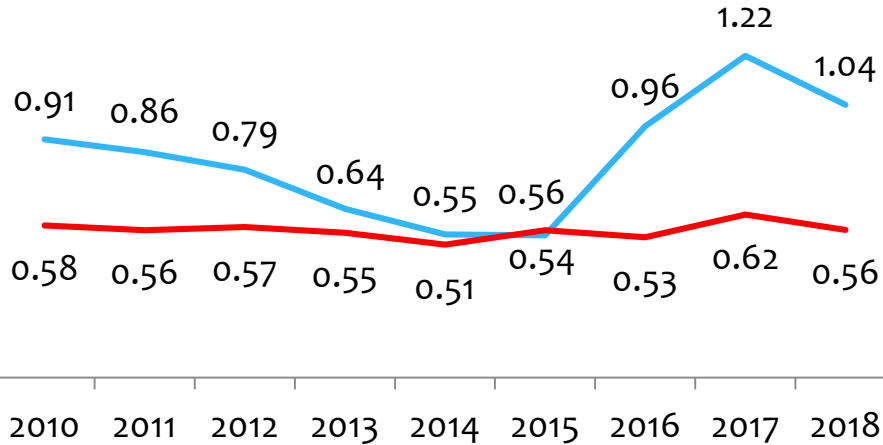
South Midsize
OSAT
724



PQ&R: Outages & Restoration

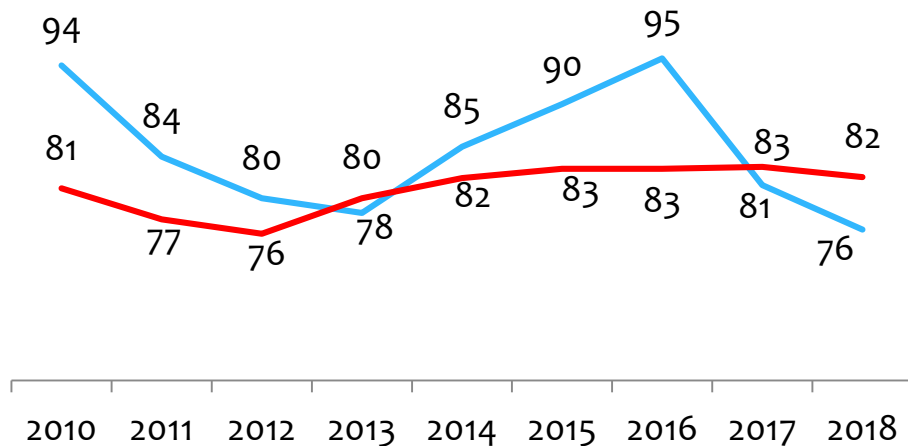
Lengthy Outages

— JEA — Industry



Before or On Time as Promised (%)

— JEA — Industry



JEA: 2017 2018

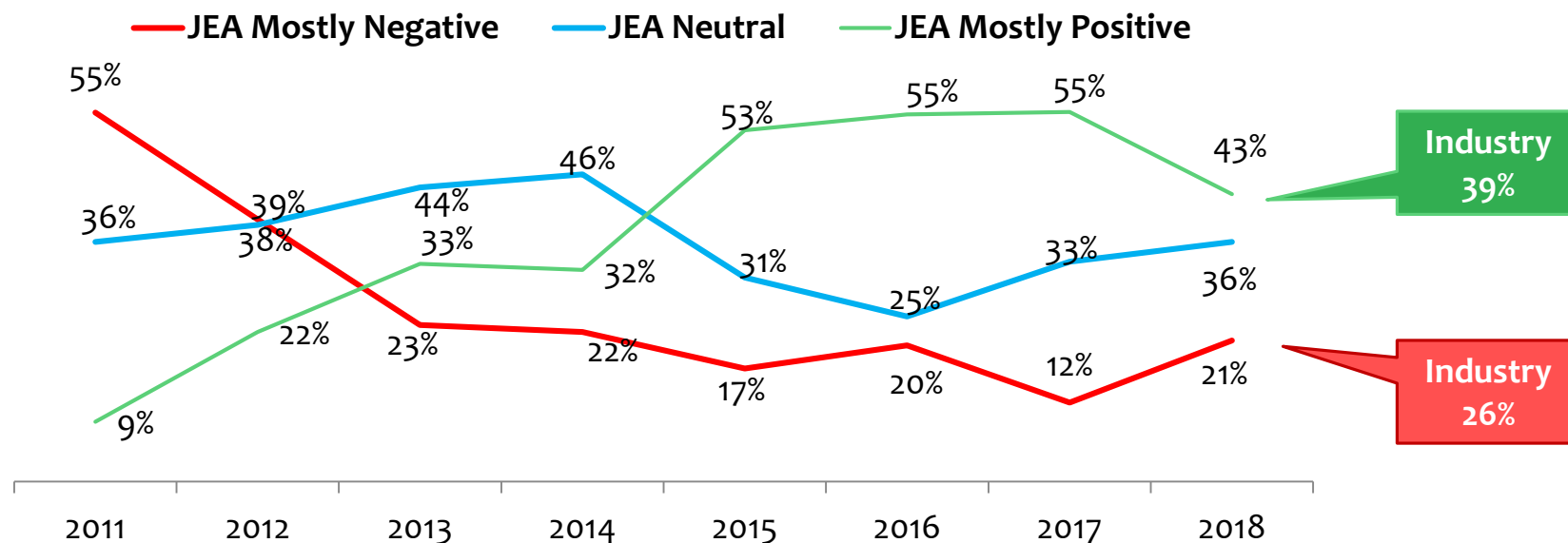
PQ&R Before/On Time: 824 819

PQ&R After: 702 666

Difference: 122 153

- Restoration 1-2-3 program designed to educate customers on restoration process
- Timely, accurate information provided to customers as quickly as possible
- Estimated Time to Restore must align with outcomes
- Full 2-way deployment will enable JEA to know exactly who is out and who is back in

Communications: Media Recall & Tone



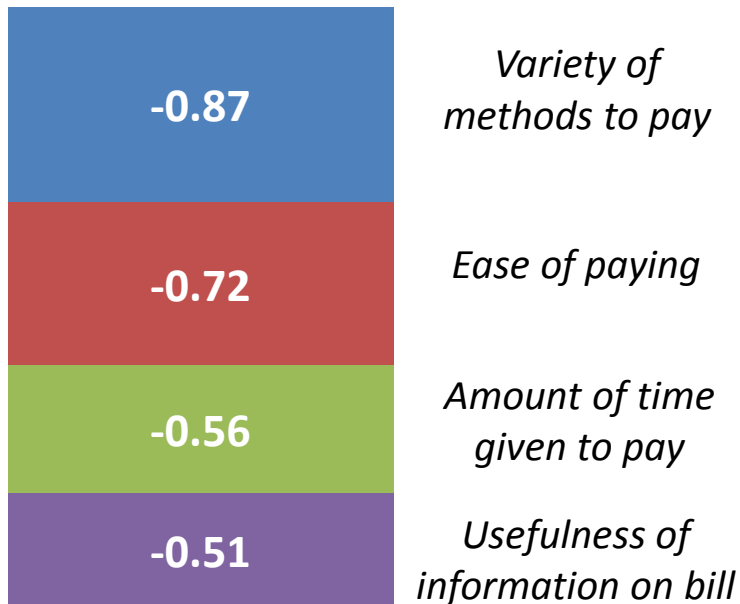
Impact of Recall on CSI

Media Recall	Utility Recall	
	Yes	No
Yes	768 (30%)	702 (19%)
No	734 (18%)	731 (33%)

- Negative media coverage rose, while positive coverage dropped
- Utility communication can overcome impact of media to some degree
- Exposure to media AND utility yields best result in terms of satisfaction

Perceptions of Billing & Payment

Billing Attributes



The 3 greatest opportunities to improve our ranking on B&P are:

- Increase bill alerts
- Educate customers about Smart Meters
- Reduce the number of web clicks to complete an on-line payment

- Switching vendors for on-line bill payment resulted in a few transitional issues in the first half of the year, impacting the “Variety of Methods” and “Ease of Paying”
- There are a number of educational actions we can undertake to raise customer awareness on topics important to their assessment of value.

Voice of the Customer: Outage Communication

Reliability and proactive communications during outages

Notify me when my power is out and when it's going to be restored

Better information when outages occur, like text messaging.

Better information regarding when an outage might be resolved.. I could find NO information on the outage other than that JEA was aware that there was a problem. Nothing about whether crews were even working on them problem or when it might be fixed.

Better communication during power outages, more reliable outage map

Customer expectations are very clear when it comes to outages:

1. When will my power be back on – ETR must be accurate
2. If it is a long time, keep me updated – use the channel I prefer
3. Confirm when you believe my power is restored

Voice of the Customer: Media Coverage

- Although there were no comments explicitly linking information to media (i.e., TV, newspaper), these comments imply that customers are getting information through media outlets.
- Although the number of comments is small transparency surfaces as a theme for some customers

Be honest about the sale of JEA and keep politics out of JEA

Honesty, and don't give bonuses to executives who make foolish decisions that cost us money

Be more transparent and communicate with the community

Transparency in their business dealings on a corporate level

Hurricanes

- There are a number of positive comments regarding JEA's efforts during the hurricanes

Mostly, (I like how) they handled business during Hurricane Irma. Awesome response.

We have had 2 hurricanes in 2 years and they showed vast improvement responding in the second hurricane

They're there when we need them and did exceptional work during Hurricane Irma

They worked very hard during the aftermath of the hurricane and months later I am still grateful. We haven't had many outages but they're always fixed in a timely manner and they us keep updated

During the last hurricane season they earned my respect!

III. B.

Monthly Financial and Operations Dashboard

Return to
Agenda

III. B.
7/30/2018



Corporate Metrics Dashboard

Earn Customer Loyalty	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual
JDP Customer Satisfaction Index - Residential	4th Quartile	3rd Quartile	3rd Quartile	1st Quartile	2nd Quartile	1st Quartile
JDP Customer Satisfaction Index - Business	4th Quartile	4th Quartile	1st Quartile	1st Quartile	1st Quartile	1st Quartile
Overall First Contact Resolution Index	N/A	N/A	78.50%	80.90%	79.40%	79.40%
Self Service Utilization	N/A	N/A	59.0%	71.0%	77.2%	78.50%
Net Write-Offs	0.19%	0.15%	0.15%	0.16%	0.14%	0.14%

Deliver Business Excellence: Operations	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual
Electric sales (MWh)	13,855	11,930	12,172	12,434	12,561	12,050
Grid Performance: Frequency (outages/year)	2.4	1.7	1.7	1.7	1.4	1.6
Grid Performance: Outage Duration (minutes/year)	100	100	100	100	71	100
Grid Performance: Transmission Line Faults (# per 100 miles)	3.1	3.8	2.4	1.7	0.7	1.9
Grid Performance: CEMIS (% cust. > 5 outages/year)	n/a	n/a	2.34	2.1	1.4	1.1
Generation Fleet Reliability (forced outages rate)	0.7	1.6	3.0	1.8	2.0	2.2
Environmental Compliance (permit exceedances)	5	4	3	2	4	6
Water Sales (000's kGals)	35,345	33,088	32,468	34,558	36,358	37,245
Reclaim Sales (000's kGals)	1,330	1,110	1,301	1,784	2,644	3,290
Water Unplanned Outages (# cust.)	5,545	3,671	4,645	5,659	12,735	4,893
CUP Compliance	Yes	Yes	Yes	Yes	Yes	Yes
Nitrogen to the River (tons)	650	767	579	556	524	556
Sanitary Sewer Overflows (SSO's)	29	28	35	23	32	57
Water Distribution System Pressure (avg min < 30 psi)	34.90	20.00	2.06	2.82	2.10	3.73
Customer Response Time (min.)	70	69	67	69	67	68
Sewer System Resiliency Framework	-	-	-	-	-	-

Deliver Business Excellence: Finance	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual
JEA Net Revenue (000's)	\$695,133	\$677,146	\$675,221	\$743,930	\$656,857	\$858,710
Electric Revenue (000's)	\$1,305,396	\$1,228,400	\$1,263,704	\$1,265,956	\$1,214,595	\$1,270,144
Base Revenue Growth	-4.25%	0.08%	2.76%	-2.00%	4.68%	0.00%
Debt Service Coverage	2.7	2.6	2.4	2.6	2.9	2.5x
Days Liquidity (cash)	197 (125)	240 (129)	228 (123)	303 (182)	334 (212)	337 (234)
Debt/Asset %	79%	77%	74%	68%	65%	62%
Non-fuel \$/MWh	\$54.74	\$53.92	\$49.81	\$49.44	\$48.35	\$52.50
Net Funded Debt Reduction (MM)	\$250	\$21	\$239	\$260	\$136	\$242
Capital Expenditures (MM)	\$116	\$125	\$86	\$117	\$151	\$135
Credit Ratings*	Aa2/AA-/AA-	Aa2/AA-/AA	Aa2/AA-/AA	Aa2/AA-/AA	Aa2/AA-/AA	Aa2/AA-/AA
Water Revenue (000's)	\$423,133	\$404,439	\$407,890	\$436,917	\$449,958	\$448,348
Base Revenue Growth	6.56%	-4.42%	0.85%	7.12%	2.98%	3.60%
Debt Service Coverage	2.2	2.4	2.5	2.8	3.3	3.0x
Days Liquidity (cash)	185 (113)	221 (110)	224 (118)	269 (149)	307 (186)	596 (496)
Debt/Asset %	62%	59%	56%	55%	53%	50%
Water \$/kgal	\$4.47	\$4.49	\$4.06	\$3.98	\$4.08	\$4.57
Sewer \$/kgal	\$7.96	\$7.53	\$7.34	\$7.25	\$7.12	\$9.20
Net Funded Debt Reduction (MM)	\$68	\$62	\$113	\$102	\$30	\$57
Capital Expenditures (MM)	\$118	\$101	\$77	\$101	\$147	\$188
Credit Ratings*	Aa2/AA/AA	Aa2/AA/AA	Aa2/AA/AA	Aa2/AA/AA	Aa2/AAA/AA	Aa2/AAA/AA
Capitol Program Execution (MM)	\$234	\$226	\$163	\$218	\$298	\$323
Identify projects that produce annual value (MM)	-	-	-	-	-	-

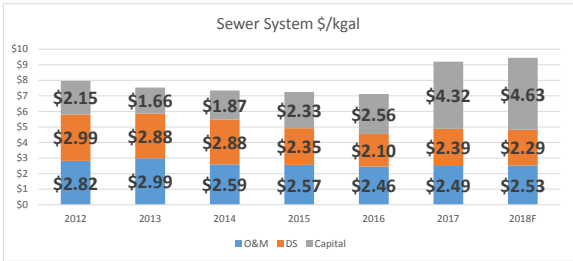
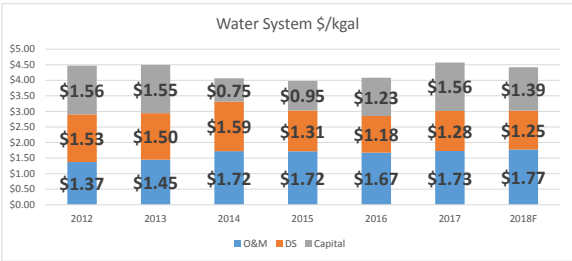
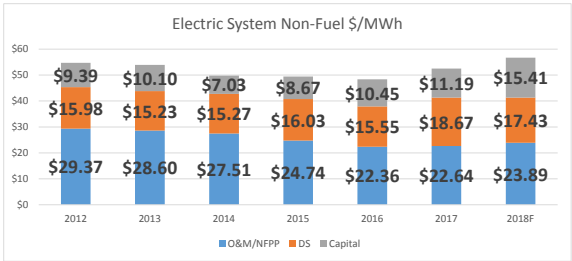
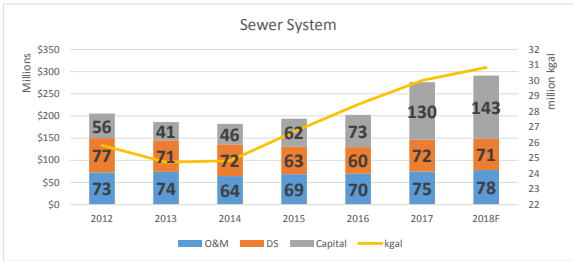
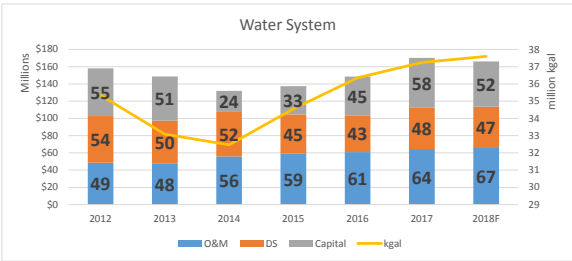
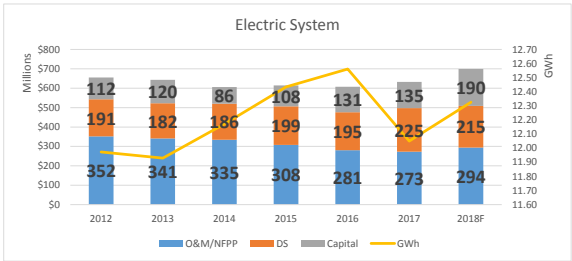
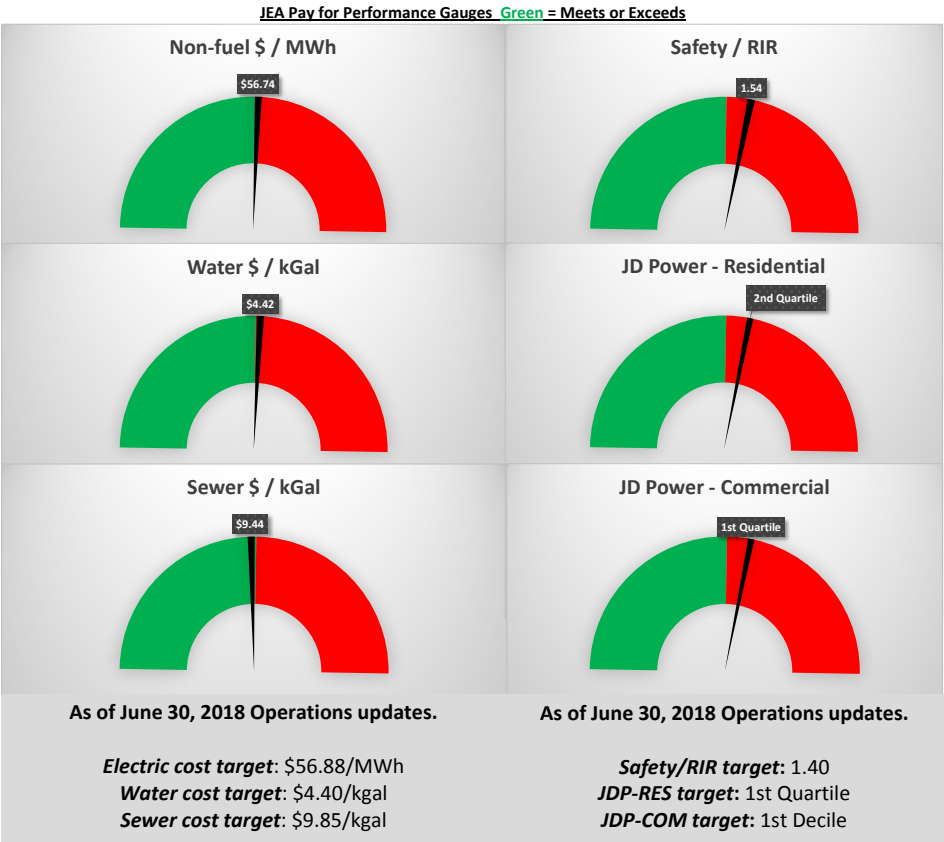
Develop an Unbeatable Team	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual
Safety (RIR)	1.51	1.84	2.24	1.56	1.83	2.0
Employee engagement (survey)	-	-	-	-	-	79%

*Moody's/S&P/ritch

JEA 2018 Goal	Benchmark	2018 YTD Goal	2018 YTD
1st Quartile		-	2nd Quartile
1st Decile		-	1st Quartile
80.00%		-	78.49%
80.00%		-	82.53%
0.20%		-	0.13%

JEA 2018 Goal	Benchmark	2018 YTD Goal	2018 YTD
12,400		9,300	8,748
1.8		-	1.6
80		-	84
2.5		-	2.4
1		-	0.92
2.3		-	2.0
5		4	1
37,615		28,211	26,723
3,323		2,492	2,269
9,000		6,750	11,288
Yes		-	Yes
550		413	452
30		22.5	18
2.47		-	4.67
67		-	76
Fully Implement		-	-

JEA 2018 Goal	Benchmark	2018 YTD Goal	2018 YTD
\$853,712		\$640,284	\$588,980
\$1,208,749		\$906,562	\$932,951
0.50%		-	2.80%
2.2x		-	2.4
280 (180)		-	310
71%	52%	-	74%
\$56.88		-	\$56.74
\$135		-	\$157
\$205		\$154	\$114
Aa2/AA-/AA		-	Aa2/AA-/AA
\$497,797		\$373,348	\$314,176
1.50%		-	0.90%
2.7x		-	2.8
502 (404)		-	586
49%	49%	-	51%
\$4.40		-	\$4.42
\$9.85		-	\$9.44
\$50		-	\$70
\$215		\$161	\$99
Aa2/AAA/AA		-	Aa2/AAA/AA
\$420		\$315	\$213
\$40		-	-



III. C.

Recommendation to Call a Public Hearing to
Modify the Electric Tariff Documentation

July 2, 2018

SUBJECT: RECOMMENDATION TO CALL A PUBLIC HEARING TO MODIFY THE ELECTRIC TARIFF DOCUMENTATION

Purpose:

☐ Information Only

☒ Action Required

☐ Advice/Direction

Issue: JEA has an ongoing plan to review, update, and where possible, expand its rate options to provide customers more rate choices for their utility services. Currently, JEA's deadline to accept applications under the Economic Development Program (EDP) expires September 30, 2018. Staff proposes to extend the application period to September 30, 2019 in the Electric Tariff documentation.

Significance: High. JEA proposes to extend application for service of the EDP rider an additional year, until September 30, 2019.

Effect: The Board and public will be informed of the proposed modifications.

Cost or Benefit: Transparency of JEA's current and proposed rate options.

Recommended Board action: Staff recommends that the Board take action and call a public hearing to occur during the regularly scheduled Board meeting on August 21, 2018.

For additional information, contact: Ryan Wannemacher

Submitted by: AFZ/ RFW/ JEC



Commitments to Action

- 1 Earn Customer Loyalty
- 2 Deliver Business Excellence
- 3 Develop an Unbeatable Team

INTER-OFFICE MEMORANDUM

July 2, 2018

SUBJECT: RECOMMENDATION TO CALL A PUBLIC HEARING TO MODIFY THE ELECTRIC TARIFF DOCUMENTATION

FROM: Aaron F. Zahn, Interim Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

In 2013, JEA initially established an Economic Development Program (EDP) to drive retention, expansion and recruitment of business and commercial customers to portions of Northeast Florida. The economic development incentives are directed to electric services and offer discounts based on job creation thresholds and demand for new or expanded electric load. The program is offered to new or existing customers whose new demand or incremental demand is a minimum of 300kW at a single site and the customer employs an additional work force of at least 15 full-time employees in the JEA service area. Customers receive a discount on energy, demand, and environmental charges in accordance with a six-year declining discount schedule, starting at 30%. The discounts do not result in an increase to any other JEA customer bills. EDP customers must sign a service agreement to participate in the program.

In 2015, JEA extended the date of applications considered under the EDP three years to September 30, 2018. Currently, there are five customers with thirteen service locations participating in the program.

DISCUSSION:

JEA is committed to further supporting high value utility services that boost the economic health of our region. JEA recognizes the value in offering competitive and innovative utility services for business growth within the community. The EDP program has been a successful incentive tool for the City of Jacksonville in attracting and expanding business to the area. Currently, there are up to seven businesses going through the program application process. JEA requests to extend the program application date by one year – to September 30, 2019, which will allow for additional customers to grow and expand in Northeast Florida. The extension date will also give JEA time during the next year to consider improvements or enhancements to the program that align with the overall future strategic vision concurrently being developed.

Subject to Board direction, staff will prepare for an August 21, 2018 Public Hearing to include an administrative change to extend the availability of the EDP rider by one year – to September 30, 2019.

Staff will submit all Electric Tariff Documentation changes to the Florida Public Service Commission.

RECOMMENDATION:

Staff recommends that the Board take action and call a public hearing to occur during the regularly scheduled Board meeting on August 21, 2018.

AFZ/RFW/JEC

Aaron F. Zahn, Interim Managing Director/CEO



CALL FOR RATE HEARING

**JEA Board of Directors Meeting
July 30, 2018**

*In 2013, JEA initially established an Economic Development Program (EDP) to drive **retention**, **expansion** and **recruitment** of business and commercial customers to portions of Northeast Florida.*

In 2015, JEA extended the date of applications considered under the EDP three years to September 30, 2018.

JULY 2018



**CALL FOR
RATE HEARING**

ECONOMIC DEVELOPMENT PROGRAM

- The economic development incentives are directed to electric services and offer discounts based on job creation thresholds and demand for new or expanded electric load.
- The program is offered to new or existing customers whose new demand or incremental demand is a minimum of 300kW at a single site and the customer employs an additional work force of at least 15 full-time employees in the JEA service area.
- Customers receive a discount on energy, demand, and environmental charges in accordance with a six-year declining discount schedule, starting at 30%, or 35% for those located in load density improvement areas.
- The discounts do not affect any other JEA customer bills.

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

JULY 2018



**CALL FOR
RATE HEARING**

CURRENT STATUS

The EDP program has been a successful incentive tool for the City of Jacksonville and JAXUSA Partnership in attracting and expanding business to the area. Currently, there are up to seven businesses going through the program application process.

REQUEST

JEA requests to extend the program application date by one year – to September 30, 2019, which will allow for additional customers to grow and expand in Northeast Florida.

There are five customers with thirteen service locations participating in the program



An additional seven customers will be taking advantage of the program once they are fully up and running

Over **\$350,000** in customer bill savings with the majority coming within last 18 months

Nearly **\$1 billion** planned capital investment

Over **7,000** jobs added to Jacksonville with a wage impact close to **\$300 million** per year

JULY 2018



**CALL FOR
RATE HEARING**

RECOMMENDATION

Staff recommends that the Board take action and call a public hearing to occur during the regularly scheduled Board meeting on August 21, 2018.

All changes proposed to be effective October 1st 2018

JULY 2018



**CALL FOR
RATE HEARING**

III. D.

Real Estate Condemnation Resolution: GEC
to Bartram 230KV CT 909 Row

July 10, 2018

SUBJECT:	REAL ESTATE CONDEMNATION RESOLUTION: GEC TO BARTRAM 230KV CT 909 ROW
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Purpose:	<input type="checkbox"/> Information Only	<input checked="" type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: Real Estate Services is requesting authorization to file a condemnation lawsuit in order to acquire the easement rights necessary to construct an electric transmission line from Bartram Substation to the future Nocatee Substation.

Significance: Real Estate Services has been acquiring easements for the construction of a 230kV electric transmission line. This electric line is critical to support electric system reliability for JEA's existing and future customers.

Effect: The easements acquired will allow the construction and maintenance of a 230kV electric transmission line.

Cost or Benefit: This project will improve system reliability for the electric system in the southern area of JEA's electric service territory. This electric line will also allow new customers to connect to JEA's electric system to accommodate future growth.

Recommended Board action: Staff recommends that the Board approve Resolution 2018-05 for Condemnation to be filed with the Court in order to obtain easements to the property, for the purposes referenced above, should negotiations prove unsuccessful.

Further, that the Board approve pre-suit mediation as allowed by Chapter 73.015(3), Florida Statutes, and delegate mediation settlement authority to the Managing Director/CEO or his designee.

Lastly, staff recommends that the Board approve continuing negotiations with the property owners until and after any Order of Taking in order to expedite the process, control costs and provide a fair settlement between parties.

For additional information, contact: Donald Burch, Manager Real Estate Services, 904-665-6535

Submitted by: AFZ/MHD/JPM/DLB



Commitments to Action

- 1 Earn Customer Loyalty**
- 2 Deliver Business Excellence**
- 3 Develop an Unbeatable Team**



INTER-OFFICE MEMORANDUM

July 10, 2018

SUBJECT: REAL ESTATE EASEMENT CONDEMNATION RESOLUTION: GEC
TO BARTRAM 230KV CT 909 ROW

FROM: Aaron Zahn, Interim Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

Real Estate Services has been acquiring easements for the construction of a 230kV electric transmission line. This electric line is critical to support electric system reliability for JEA's existing and future customers.

DISCUSSION:

Real Estate Services has been engaged in ongoing negotiations with the property owners since May 2018, but has not yet reached an agreement to purchase the easements for all the parcels.

Condemnation Authority is being sought at this time for twenty-seven (27) different properties to ensure that any delays in negotiations or acquisitions do not jeopardize the project schedule. Utility easement rights will be acquired to accommodate the planned electric transmission project. The Office of General Counsel has been involved throughout the process and recommends that the Board approve this action at this time.

RECOMMENDATION:

Staff recommends that the Board approve Resolution 2018-05 for Condemnation to be filed with the Court in order to obtain easements to the property, for the purposes referenced above, should negotiations prove unsuccessful.

Further, that the Board approve pre-suit mediation as allowed by Chapter 73.015(3), Florida Statutes, and delegate mediation settlement authority to the Managing Director/CEO or his designee.

Lastly, staff recommends that the Board approve continuing negotiations with the property owners until and after any Order of Taking in order to expedite the process, control costs and provide a fair settlement between parties.

Aaron F. Zahn, Interim Managing Director/CEO

AFZ/MHD/JPM/DLB

Attachments:

Location Map / Ownership Interests / JEA Resolution for Condemnation

Ownership Interests

Parcel	Fee Simple Owners:	Additional Interest Holders:
800	Bayard Timberland Company	AT&T Corp. and AT&T Communications – East, Inc. (easement) Sprint Communications Company, L.P. (easement)
801	Cypress Trace Master Owners Association Inc.	Bayard Raceways, Inc. and Bayard Timberland Company (easement) Easement: Comcast of Greater Florida/Georgia, Inc. (easement)
802	Bayard Raceways, Inc.	n/a
803	Bayard Timberland Company	n/a
804	Sylvia J. Smallwood	n/a
805/806	Samuel F. North and Barbara Ann North	n/a
808	Betty North, as Trustee of the Betty North Revocable Trust	Consolidated Communications, Inc. (lease) Verizon Wireless Personal Communications LP (lease) SprintCom, Inc. (lease) ATC Sequoia LLC (lease)
809	Byron R. North and Valarie North	n/a
810	Durbin Creek National, LLC	Wachovia Bank (mortgagee) Wells Fargo Bank (mortgagee) St. Johns River Water Management District and U.S. Army Corps of Engineers (easement)
812	Durbin Creek National, LLC	Wachovia Bank (mortgagee) Wells Fargo Bank (mortgagee) State of Florida Department of Transportation (easement) St. Johns River Water Management District and U.S. Army Corps of Engineers (easement)
813	Winslow Farms, Ltd.	n/a
814	Winslow Farms, Ltd.	Gran Central Corporation (license) Eller Media Company (license) Chancellor Media Corporation (license)

		<p>First Coast Outdoor Advertising, Inc. (lease)</p> <p>St. Johns River Water Management District (easement)</p> <p>Bartram Investments, LLC and Winslow Farms, Ltd. (easement)</p>
815	George L. Waldoch and Stephan L. Waldoch, as Trustees of George L. Waldoch Trust	n/a
816	New Era Development Co., Inc.	n/a
817	New Era Development Co., Inc.	n/a
818	Winslow Farms, Ltd.	n/a
819	Winslow Farms, Ltd.	<p>Gran Central Corporation (license)</p> <p>Eller Media Company (license)</p> <p>Chancellor Media Corporation (license)</p>
820	Bartram Market, LLC	<p>Gran Central Corporation (license)</p> <p>Eller Media Company (license)</p> <p>Chancellor Media Corporation (license)</p> <p>Board of Trustees of the Internal Improvement Trust Fund of the State of Florida and St. Johns River Water Management District (easement)</p>
821	Winslow Farms, Ltd.	<p>Gran Central Corporation (license)</p> <p>Eller Media Company (license)</p> <p>Chancellor Media Corporation (license)</p> <p>Board of Trustees of the Internal Improvement Trust Fund of the State of Florida and St. Johns River Water Management District (easement)</p>
823	Kathy Louise Barco, Barry Ray Barco and Charles Keith Barco, as Trustees of the Barco Family Charitable Trust	n/a
824	Creekside Christian Church, Inc.	<p>Christian Financial Resources, Inc. (mortgagee)</p> <p>St. Johns River Water Management District (easement)</p>
825	Bartram Creek Homeowners Association, Inc.	<p>Williams Sweetwater Partners, LLC (easement)</p> <p>St. Johns County, Florida (easement)</p>

		Comcast of Greater Florida/Georgia/Illinois/Michigan, LLC (easement) St. Johns River Water Management District (easement)
826	Bannon Development Inc.	St. Johns River Water Management District (easement)
827	Richmond American Homes of Florida, LP and Bartram Park West Homeowners Association	St. Johns River Water Management District (easement)
828	Richmond American Homes of Florida, LP and Bartram Park West Homeowners Association	St. Johns River Water Management District (easement)
829	Williams Sweetwater Partners, LLC	n/a

GEC to Bartram 230kV Ct 909 ROW
Board Item

III.D
7/30/2018



JEA RESOLUTION NO. 2018-05

A RESOLUTION OF JEA AUTHORIZING NEGOTIATED ACQUISITION AND EXECUTION OF ACQUISITION AGREEMENTS FOR UTILITY EASEMENT RIGHTS IN CERTAIN LAND DESCRIBED HEREIN FOR ELECTRIC TRANSMISSION LINES AND ASSOCIATED FACILITIES, COMMUNICATIONS UTILITIES, AND VEGETATIVE MANAGEMENT, UNDER CERTAIN TERMS AND CONDITIONS, AND FAILING SUCCESSFUL NEGOTIATIONS AS TO ANY AND ALL SUCH LAND, AUTHORIZING CONDEMNATION PROCEEDINGS; DECLARING THE NECESSITY FOR ACQUIRING UTILITY EASEMENT RIGHTS THROUGH CONDEMNATION BY RIGHT OF EMINENT DOMAIN IN CERTAIN LAND; AUTHORIZING THE OFFICE OF GENERAL COUNSEL TO INSTITUTE APPROPRIATE CONDEMNATION PROCEEDINGS; WAIVING ANY CONFLICTING PROVISIONS OF THE REAL ESTATE SERVICES PROCUREMENT DIRECTIVES; PROVIDING AN EFFECTIVE DATE.

WHEREAS, JEA is authorized to construct, operate and maintain facilities for public utilities for the general public and is vested by law with the power of eminent domain to acquire easement rights, for all public utilities including, but not limited to, electric, water, reclaimed water, sewer, and communications purposes in the event that negotiations for their

purchase is concluded unsuccessfully; now therefore:

BE IT RESOLVED BY JEA:

Section 1. Managing Director Authorized to Acquire. The Managing Director, or his designee, is hereby authorized to negotiate and acquire and to enter into acquisition agreements and to execute on behalf of JEA such documents as may be required for acquisition of utility easement rights in the lands described in Exhibit “A,” to construct, operate and maintain electric transmission lines and related facilities, communications utilities, and vegetative management. JEA declares that the land described in Exhibit “A” is necessary for this use. The Managing Director, or his designee, shall accomplish such acquisition of utility easement rights on such terms and conditions as specified by JEA.

Section 2. Declaration of Necessity. In the event any such negotiation is concluded unsuccessfully within a reasonable period of time, as determined by JEA, JEA declares the necessity for acquiring through condemnation by right of eminent domain utility easement rights in the lands described in Exhibit “A”. The purpose of the utility easement rights is to construct, operate and maintain electric transmission lines and related facilities, communications utilities, and vegetative management, and to accommodate future expansion of all such utilities.

Section 3. Acquisition of Utility Easements. JEA shall acquire by eminent domain utility easement rights in the land described in the attached Exhibit “A” for the public purposes stated herein.

Section 4. Institution of Legal Proceedings. The Office of General Counsel is authorized and empowered to institute at the direction of the Managing Director and on behalf of JEA the appropriate legal proceedings to acquire by condemnation utility easement

rights in the land described in the attached Exhibit “A”.

Section 5. Waiver. Any conflicting provisions of the Real Estate Procurement Directives are hereby waived.

JEA

By: _____
G. Alan Howard, Its Chair

Form Approved:

Jody Brooks, Chief Legal Officer

Return to
Agenda

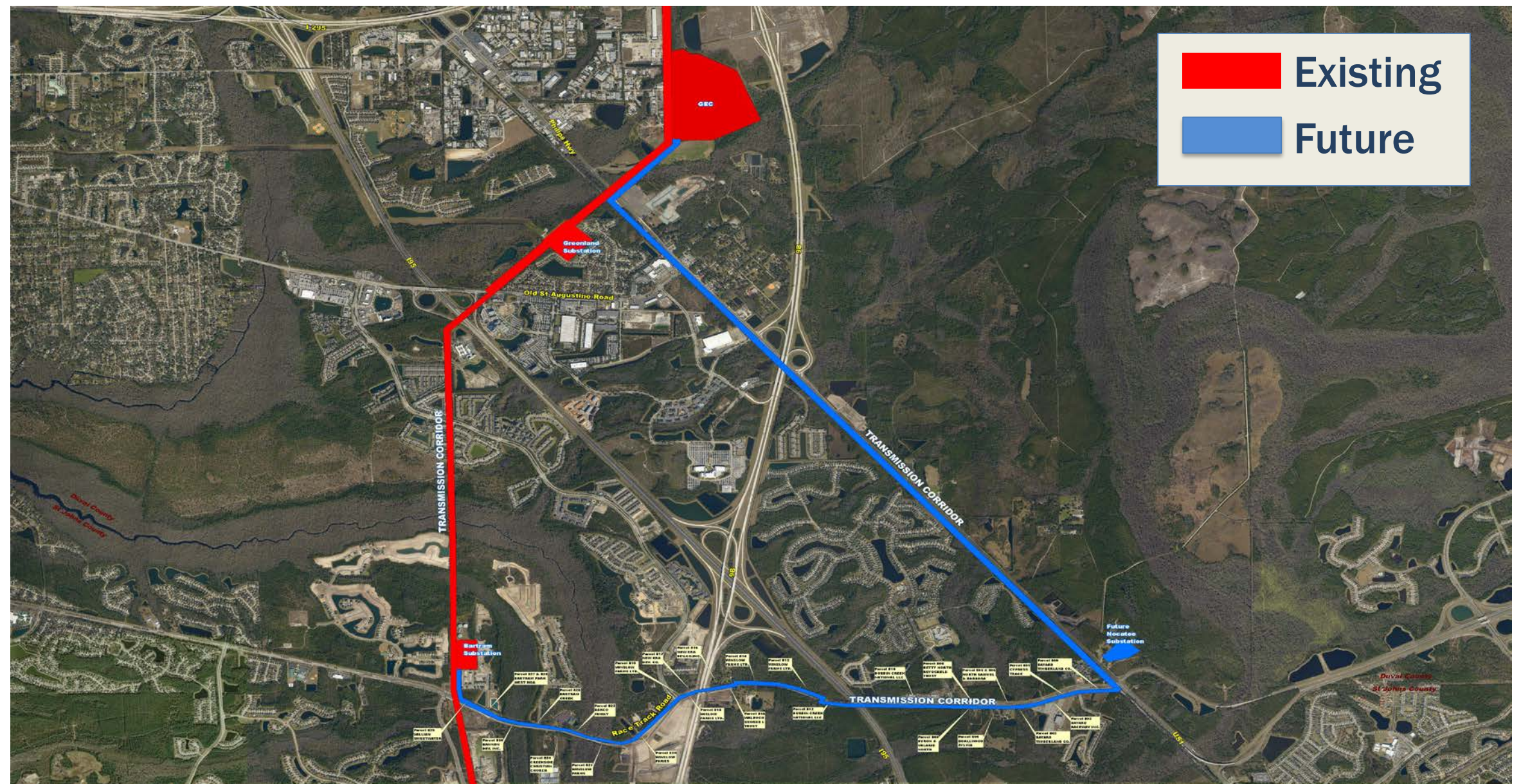
GEC to BARTRAM 230kV Ct. 909 ROW

III. D.
7/30/2018

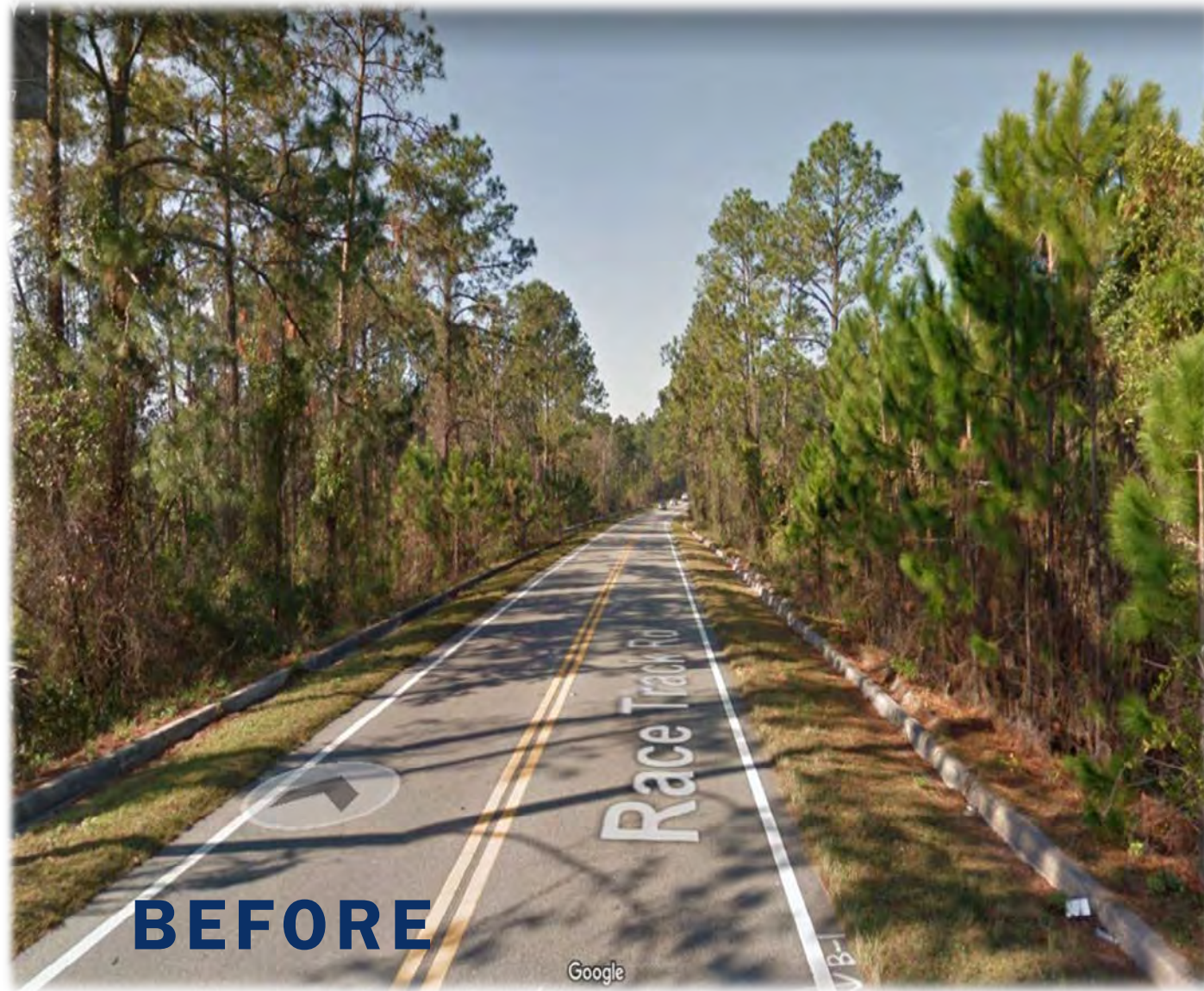
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REAL ESTATE SERVICES



GEC to BARTRAM 230kV Ct. 909 ROW



//////

**> GEC to BARTRAM
230kV Ct. 909 ROW**

St. Johns County Courthouse



Duval County Courthouse



<u>Real Estate Activity</u>	<u>Date</u>
Board Authorization	July 30, 2018
JEA Files Lawsuit	August 3, 2018
Order of Taking	November 1, 2018
Potential Mediation	Nov 2018 – May 2019
Potential Jury Trial	June 2019 – Dec 2019

III. E.

Real Estate: Greenland Wastewater
Treatment Plant – Land Purchase

July 10, 2018

SUBJECT:	REAL ESTATE: GREENLAND WASTEWATER TREATMENT PLANT – LAND PURCHASE
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Purpose:	<input type="checkbox"/> Information Only	<input checked="" type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: Real Estate Services is requesting authorization to acquire vacant land for the future Greenland Wastewater Treatment Plant.

Significance: In support of JEA's water and wastewater system in southern Duval and northern St. Johns County, Real Estate Services has negotiated the purchase of a 185± acre vacant site in the Greenland area of Duval County, FL to be subsequently improved with a regional wastewater facility. The project is critical for continued reliability and economic growth of JEA's water and wastewater system in the region.

Effect: The parcel acquired will allow the construction and maintenance of a regional wastewater plant.

Cost or Benefit: This project will improve system reliability for the water and wastewater system in the southern area of JEA's service territory. This wastewater plant will allow new customers to connect to JEA's utility system and facilitate growth in this area.

Recommended Board action: Staff recommends that the Board approve the purchase of the Greenland Wastewater Treatment Plant site together with reasonable closing costs.

For additional information, contact: Donald Burch, Manager Real Estate Services, 904-665-6535

Submitted by: AFZ/MHD/JPM/DLB



Commitments to Action

- 1 Earn Customer Loyalty
- 2 Deliver Business Excellence
- 3 Develop an Unbeatable Team



III. E.
7/30/2018

INTER-OFFICE MEMORANDUM

July 10, 2018

SUBJECT: GREENLAND WASTEWATER TREATMENT PLANT – LAND
PURCHASE

FROM: Aaron Zahn, Interim Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

In support of JEA's water and wastewater system in southern Duval and northern St. Johns County, Real Estate Services has negotiated the purchase of a 185± acre vacant site in the Greenland area of Duval County, FL to be subsequently improved with a regional wastewater facility. The project is critical for continued reliability and economic growth of JEA's water and wastewater system in the region.

DISCUSSION:

Real Estate Services has been engaged in ongoing negotiations with the property owner since May 2018 and has reached an agreement to purchase the 185± acres of property in fee simple title together with appurtenant easements for ingress, egress, utilities and communications for \$20,000,000 (twenty-million dollars).

The property is appraised for \$21,000,000 (twenty-one million dollars) and is owned by Estuary, LLC, 4310 Pablo Oaks Court, Jacksonville, FL 32224.

According to the State of Florida, Division of Corporations, Estuary, LLC's officers are: Dano A. Davis, Chairman, Jed V. Davis, President, Burr R. Smith, Manager, Ellis E. Zahra, Jr., Manager, H. D. Francis, Treasurer, Scott A. Oko, Vice President/Assistant Secretary, Judy B. Morgan, Secretary, Keith E. Kelley, Vice President, and Robert H. Prichard, Vice President.

The Office of General Counsel has been involved throughout the process and recommends that the Board approve this action at this time.

RECOMMENDATION:

Staff recommends that the Board approve the purchase of the Greenland Wastewater Treatment Plant site together with reasonable closing costs.

Aaron F. Zahn, Interim Managing Director/CEO

AFZ/MHD/JPM/DLB

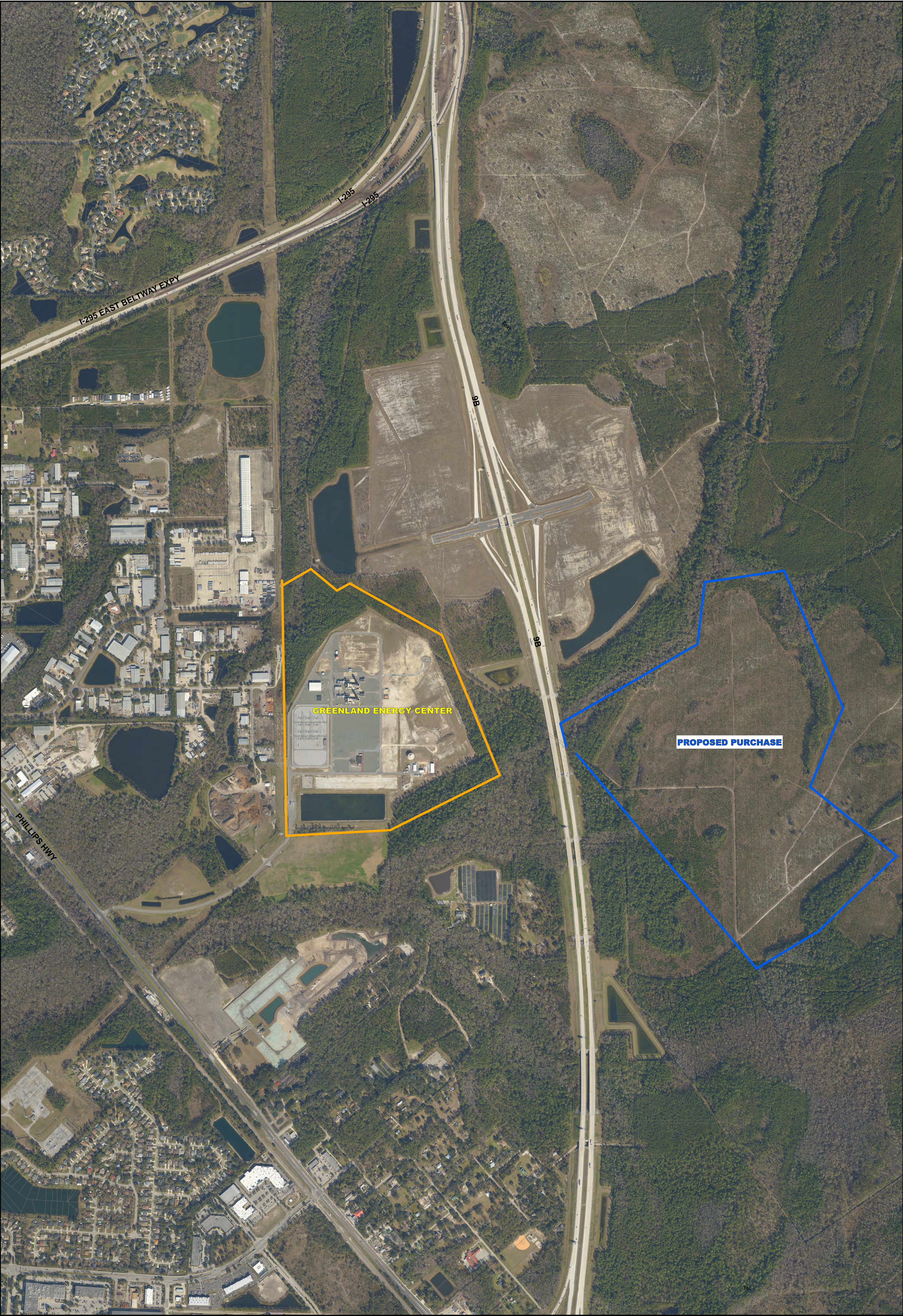
Attachments: Location Map

MEMORANDUM OF DEAL POINTS
Greenland Wastewater Treatment Plant
JEA Purchase from Estuary, LLC

General Summary: JEA is seeking to acquire vacant land to be used for the construction of a regional wastewater facility to support its water and wastewater system in southern Duval County and northern St. Johns County. The project is critical for continued reliability and economic growth of JEA's water and wastewater system in the region. JEA is negotiating with Estuary, LLC (an entity controlled by the Davis family) for the acquisition of approximately 185 acres located east of State Road 9B. It is envisioned that the Purchase Agreement will contain the following terms:

1. Property: 185 acres to be acquired in fee simple, with no less than 120 upland acres.
2. Easements: JEA will also receive various easements for access and utilities benefiting the plant site. An exclusive easement corridor will be established from the new bridge to be constructed crossing Big Davis Creek running south into the plant site.
3. Purchase Price: \$20 million.
4. Inspection Period: The purchase agreement will contain customary rights of inspection and the unqualified right to terminate during an initial inspection period. After the inspection period the deposit will be non-refundable to JEA, subject to certain exceptions (Seller default, Seller's failure to obtain wetlands permits, etc.). The amount of the initial deposit has not yet been negotiated with Seller.
5. Title and Survey. Seller will be responsible for the survey. JEA will be responsible for title. The purchase agreement will contain customary provisions regarding JEA's right to review and object to title and survey matters.
6. Seller Wetlands Approvals: Seller will be responsible for wetlands flagging and permitting, at its expense.
7. Road and Bridge Construction: Seller will be responsible for construction of a road and associated utilities connecting to RG Skinner Parkway, and a bridge crossing Big Davis Creek, at Seller's expense. JEA will have a right of self-help to construct these improvements in the event Seller does not complete them within a defined period of time to be negotiated. In addition, JEA will require sufficient security (escrowed funds, letter of credit, etc.) to be posted at closing to provide funds for such construction should JEA have to exercise the self-help construction right. These terms have not yet been negotiated with Seller. JEA will be responsible for construction of a private roadway and utilities from the end of the bridge into the plant property, within the exclusive easement corridor to be established.
8. Closing Costs: Seller will be responsible for documentary stamp taxes, survey, and Seller's attorneys' fees. JEA will be responsible for title search and policy, recording fees, and JEA's attorneys' fees.
9. Closing Timing: It is anticipated that closing will occur 180 days after execution of the purchase agreement, or 30 days after receipt of required permits if earlier.

Greenland Wastewater Treatment Plant Board Item



IV. A.

Strategic Framework

July 17, 2018

SUBJECT:	STRATEGIC FRAMEWORK
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Purpose:	<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: On April 17, 2018, the Board and Interim MD/CEO contemplated a transition period and plan for JEA and its management ("Transition"). The Transition period contemplated by the Board included a process and mechanism for ensuring alignment of JEA with the City Council and Mayor's Office relative to financial, operational and community expectations of JEA.

Significance: Alignment of Board, management, City Council and Mayor is critically important to JEA's success. The City being a "Shareholder" and the City Council / Mayor being "Shareholder Trustees" is still a relatively new concept. Furthermore, ensuring alignment of Shareholder Trustees with JEA's strategic plan implemented by its Board and management team is a new concept. A full appreciation for alignment is a prerequisite for optimum corporate and operational structuring. Creating an optimum alignment among the stakeholders can dramatically improve organizational success. Failure to create alignment often leads directly to failure to execute financial, operational and community improvement strategies.

Effect: A consensus by the Board around the Letter from the Board to the City inclusive of a Framework for upcoming JEA's Strategic Planning process will provide JEA with a simple measuring stick upon which to develop, implement and execute a corporate strategic plan.

Cost or Benefit: Long-term planning and value creation for JEA.

Recommended Board action: Provided for information only.

For additional information, contact: Aaron Zahn – 904-665-4396

Submitted by: AFZ



Commitments to Action

- 1 Earn Customer Loyalty
- 2 Deliver Business Excellence
- 3 Develop an Unbeatable Team

July 23, 2018

Mayor Lenny Curry
117 W Duval St
Jacksonville, FL 32202

Jacksonville City Council
117 W Duval St
Jacksonville, FL 32202

Re: The Future of JEA and a Framework for a Strategic Plan

Dear Mayor and City Council:

The extensive dialogue that has taken place concerning the future of JEA has brought increased awareness of JEA's value and its role in our community. The Special Committee on the Future of JEA concluded that JEA is one of Jacksonville's most important assets. We agree. The Special Committee also noted that JEA is facing challenges in a rapidly changing utility market. These changes, and the pace at which they are occurring, require JEA to be swift and agile in its approach to technological and utility market advancements. Embracing the changes in our markets will ultimately enable JEA to best serve our customers and the community.

JEA recognizes the unique and longstanding partnerships JEA has with the City of Jacksonville and community organizations. We understand the importance of JEA's status as a trusted partner of core essential services to our customers and region. We believe JEA should be a steward of the local environment and an engine of economic development in Northeast Florida.

Mindful of these facts, the Board of Directors is working with JEA's management and employees to develop an updated strategic plan to meet the needs of our customers and the community. We will base JEA's strategical plan on the following high level objectives and metrics:

The Goal & Objective ("Strategic Goal"): Increase the value of JEA both now and in the future.

The Measures of JEA's Goal ("Corporate Measures"): Our strategy will be guided by and evaluated against four basic Corporate Measures of JEA's value:

- 1) Value to our customer;
- 2) Financial value;
- 3) Community impact value;
- 4) Environmental value.

These Corporate Measures will be used in evaluating the plan's potential effectiveness and JEA's future execution of the plan. Within each of the areas of Corporate Measure we believe JEA

can define quantitative metrics that can be used to create internal and external alignment while being transparent about JEA's performance. We believe that all strategic decisions and initiatives of JEA should be evaluated relative to these Corporate Measures of value.

The Board of Directors of JEA has discussed, deliberated and reached consensus on the attached Framework for the Strategic Plan. We look forward to developing JEA's strategic plan in partnership with the City and entire community.

Thank you for the time committed by the Special Committee on the Future of JEA related to studying JEA. We will consider the analysis, feedback and conclusions from the Special Committee's report in formulating the updated strategic plan of JEA. We appreciate the encouragement from the Administration and City Council to think outside the box on how to grow and remain relevant in our markets. In the event our new strategic plan requires changes to JEA's Charter, we look forward to discussing those changes in a collaborative spirit so that JEA may increase in value both now and in the future.

Sincerely,

G. Alan Howard, Chairman

Cc:

Board of Directors of JEA

Aaron F. Zahn – Interim Managing Director and CEO

Exhibit A

History and Background

JEA is currently the eighth largest municipal electric utility and one of the top 20 largest water and wastewater utilities in the United States. JEA serves more than 465,000 electric customers, 348,000 water customers and 271,000 sewer customers. JEA, in accordance with Article 21 of the Ordinance Code of Jacksonville, was created by the Florida Legislature to serve the citizens of Jacksonville and its surrounding communities by acquiring, owning, constructing, operating, financing and otherwise having plenary authority utilities systems with respect to electric, water, sewer, natural gas and other utility systems.

Today, JEA makes an annual contribution to the City of Jacksonville in the amount of ~\$116 million dollars (the "Contribution"). Furthermore the Jacksonville City Council has declared as City policy that the "services provided by the Consolidated Government should be delivered in the most expeditious and efficient manner possible with delivery of said services being continually evaluated so that inefficiency is eliminated and quality of services improved." Consistent with this mandate, JEA seeks to produce "best in class" services to its customers.

As part of an in-depth discussion, from November 2017 to May 2018, around the: 1) value of JEA; 2) the role of JEA in community; and 3) the future of JEA, it has become evident the future success of JEA is dependent on the alignment of JEA's Board of Directors with the City of Jacksonville's City Council and Mayor. JEA is an independent authority with an independent Board of Directors and a professional management team tasked with the fiduciary responsibility of managing JEA. However, equally critical due to the construct of Article 21, the City Council of Jacksonville acts as both a fiduciary trustee for the City of Jacksonville related to JEA ("Shareholder Trustee") and as a policy making body and advocate for the citizens of Jacksonville ("Customer Advocate").

10-Year Strategic Plan

The JEA Board of Directors ("Board") believes JEA would benefit from a 10-year strategic plan that identifies the resources and initiatives needed to effectively anticipate and respond to the rapid changes in competition, technology and the utility industry. The Board will, in collaboration with JEA's management, update the JEA's strategic plan as a whole and for each of its service divisions as outlined in the Charter ("Strategic Plan"). The Board expects our Strategic Plan to be complete by no later than September 30, 2019. The 2018/2019 fiscal year will be a "Year of Innovation" for JEA and we are excited to be a thought leader in the City and our industry.

Strategic Plan Framework

Strategic Goal: Increase the value of JEA both now and in the future.

Corporate Measures of the Strategic Goal:

- 1) Value to our customer;
- 2) Financial value;
- 3) Community impact value; and
- 4) Environmental value.

The Board of JEA, recognizes the importance of the financial and operational success of JEA to its customers and our community. In order to provide an example of the types of financial and operational metrics we are providing the below list. The final list, to be developed during the strategic planning process, may include but not be limited to:

- 1) Value to our customer
 - a) provide JEA customers with safe and reliable electric, water and wastewater services at a rate structure equal to or less than industry average
 - b) maintain customer service standards and experience within the top quartile of the industry
 - c) expand our trusted partner relationship with our customers
- 2) Financial value
 - a) maintain financial performance metrics necessary to preserve Aa3 / AA- ratings, or similar comparable risk measures as adopted and deemed appropriate by JEA from time to time
 - b) preserve the level of financial Contribution of JEA to the City
 - c) establish growth initiatives to drive values and efficiencies with respect to electric, water, sewer, natural gas and other utility services, systems and/or products
- 3) Community impact value
 - a) establish and maintain open and transparent communication with employee, customer and all our stakeholders
 - b) continue investment and leadership of economic development within Jacksonville
 - c) continue to drive employment within the region
 - d) foster an environment of engaged employees that treat JEA as owners
- 4) Environmental Value
 - a) maintain compliance with all regulations and meet or exceed industry standards that impact the environment
 - b) establish and lead a sustainability program for the benefit of the region
 - c) set an example of environmental stewardship

Strategic Plan Considerations

The Board recognizes the unique and longstanding partnerships JEA has with the City of Jacksonville and the entire community of Northeast Florida. JEA plays a significant role as an environmental steward, thought leader and as a trusted partner. JEA's Strategic Plan will first and foremost consider the Strategic Plan Framework outlined above. However, as a leader in the community we will also give significant consideration in our Strategic Plan to important initiatives and requests made by the City Council, Administration and our community. Below is a list of major considerations the Board understands to be priorities for the City of Jacksonville where JEA may serve as a thought leader, partner or solution provider.

Electric Services Considerations: JEA's Strategic Plan will consider and seek to propose solutions for the City to address:

- 1) expansion of electric services within the current JEA service territory;
- 2) overhead to underground conversion / migration;
- 3) value-add electric services behind the meter to enhance customer experience;
- 4) renewable energy initiatives;
- 5) economic development support within the JEA service territory;
- 6) reduction in carbon emissions from electric generation; and
- 7) small and emerging business opportunities.

Water and Wastewater Services: JEA's Strategic Plan will consider and seek to propose solutions for the City to address:

- 1) expansion of water and wastewater services (inclusive of septic tank phase out) within the current JEA service territory;
- 2) environmental stewardship and improvement of water quality within JEA service territory;
- 3) value-add water and wastewater services behind the meter to enhance customer experience;
- 4) sustainable and efficient management of water supply within JEA service territory;
- 5) economic development support within the JEA service territory; and
- 6) small and emerging business opportunities.

Other Services: JEA's Strategic Plan will consider and try to propose solutions for the City to address:

- 1) services, partnerships and support of Smart City and sustainability enhancements with the City of Jacksonville;
- 2) services, partnerships and support for economic development with the City of Jacksonville;
- 3) services and/or partnerships that enhance the environment of the City of Jacksonville;
- 4) coordinate and maintain partnership with the City of Jacksonville around emergency response and storm preparedness programs;
- 5) education and university partnerships; and
- 6) volunteerism.

IV. B.

Corporate Headquarters – Downtown Campus Update

July 19, 2018

SUBJECT: CORPORATE HEADQUARTERS - DOWNTOWN CAMPUS UPDATE

Purpose:

☒ Information Only

☐ Action Required

☒ Advice/Direction

Issue: The most recent storms shined a light on JEA's own downtown facilities as a risk of operational continuity. In the short term, JEA has partially addressed this risk by leasing a small storm-hardened space in which to locate its Emergency Operations Center (EOC). This, however, does not address the larger and longer-term business continuity risk discussed at last month's Board meeting.

Significance: The current downtown campus is in need of significant restoration and rebuilding, with major building systems reaching the end of their useful lives. In addition, during the storms JEA sustained significant damage to these facilities, including water intrusion, elevators offline, significant roof damage, and window damage. JEA's business needs as a bulk power operator, including security and business continuity, are also important considerations. At present, JEA's Headquarter presents an unresolved business continuity risk.

Effect: In June 2017, the Board approved direction to pursue a new building option. JEA engaged an Owner's Representative to assist with the HQ process. Much of the early work has been further defining the building program and space planning. As part of its diligence and planning process, JEA staff has identified several different options to reduce the storm preparedness and business continuity risk presented by our downtown facilities.

Cost or Benefit: Staff is presenting a summary on work to date and a brief overview of various locations for consideration. Draft criteria for evaluation options is included for the Board's input and modification. All options presented are located within the downtown boundary. Costs and benefits for various options will be considered during screening and evaluation.

Recommended Board action: This item is being presented for discussion purposes. Guidance around priority and weighting of evaluation criteria will assist staff in presenting more detailed information for the Board to consider.

For additional information, contact: Melissa Dykes 665-7054 or Nancy Veasey 509-0521

Submitted by: AFZ/MHD/NKV



Commitments to Action

- 1 Earn Customer Loyalty**
- 2 Deliver Business Excellence**
- 3 Develop an Unbeatable Team**



INTER-OFFICE MEMORANDUM

July 19, 2018

SUBJECT: CORPORATE HEADQUARTERS – DOWNTOWN CAMPUS UPDATE

FROM: Aaron F. Zahn, Managing Director/Interim CEO

TO: JEA Board of Directors

BACKGROUND:

The most recent storms shined a light on JEA's own downtown facilities as a risk of operational continuity. In the short term, JEA has partially addressed this risk by leasing a small storm-hardened space in which to locate its Emergency Operations Center (EOC). This, however, does not address the larger and longer-term business continuity risk discussed at last month's Board meeting. For several years JEA has been evaluating its Downtown Corporate Headquarters (HQ) options. Today's discussion is a continuation of the storm preparedness and business continuity evaluation process by the Board.

The current downtown campus is in need of significant restoration and rebuilding, with major building systems reaching the end of their useful lives. In addition, during the storms, JEA sustained significant damage to these facilities, including water intrusion, elevators offline, significant roof damage, and window damage. JEA's business needs as a bulk power operator, including security and business continuity, are also important considerations. At present, JEA's HQ presents an unresolved business continuity risk.

In June 2017, the Board approved direction to pursue a new building option. JEA engaged an Owner's Representative to assist with the HQ process. Much of the early work has been further defining the building program and space planning.

As part of its diligence and planning process, JEA staff has identified several different options to reduce the storm preparedness and business continuity risk presented by our downtown facilities. These options include:

- Block 48 new construction. (New seven to eight story building and parking structure on a vacant property adjacent to the Courthouse)
- One Enterprise Center leased space
- Bank of America building leased space
- Anchor tenant for new development connecting the Downtown Core with the Cathedral District
- Anchor tenant for new development in Entertainment District on Lot J

The accompanying presentation includes a qualitative comparison of each of these options for Board discussion.

DISCUSSION:

At the June 2018 Board of Directors meeting the Board requested that additional information on a headquarters location be further considered. Staff is presenting a summary on work to date and a brief overview of various locations for consideration. Draft criteria for evaluation options is included for the Board's input and modification. All options presented are located within the downtown boundary.

RECOMMENDATION:

This item is being presented for discussion purposes. Guidance around priority and weighting of evaluation criteria will assist staff in presenting more detailed information for the Board to consider.

Aaron F. Zahn, Managing Director/Interim CEO

AFZ/MHD/NKV

JEA



CAMPUS CONSIDERATIONS

OVERVIEW

- Business continuity risk
- Ongoing hurricane/grey sky risk
- Aging building conditions
- Inefficient excess space
- General employee safety considerations

MULTIPLE STUDIES

- Internal analysis and study (2014)
- Fairlead/Haskell/ETM study (September 2016)



OWNER'S REPRESENTATIVE

- Engaged CBRE in October 2017 as Owner's Representative
- Conducted Workplace Strategy Analysis for initial program requirements



INITIAL REVIEW ASSESSMENTS

- Requirements for storm-hardened EOC and redundant capabilities
- Decreased footprint and increased efficiencies, maintain current functions with enhancements
- Conducted conceptual analysis on three site types for impacts of site size, location test fits and massing

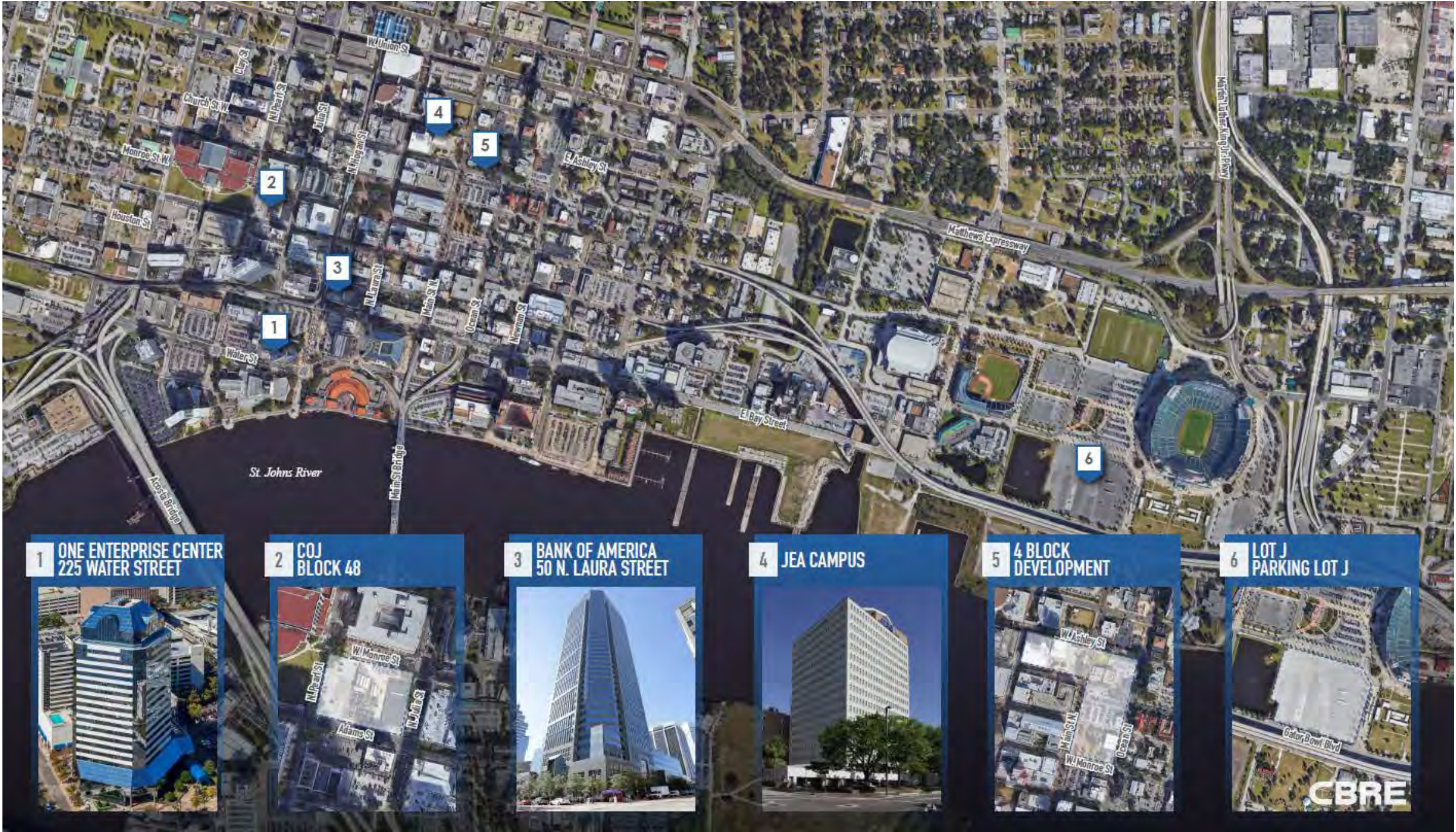
PROJECT ADVANCEMENTS TO DATE



	Current State	Future State
Rentable Square Feet	360,179	184-204,000
Headcount	836	836
Collaboration Seat: Work Seat	.35 : 1.0	.8 : 1.0
Open % : Closed % (Individual Seats)	77% : 23%	85% : 15%
Office Sizes	100-517 SF	120 SF

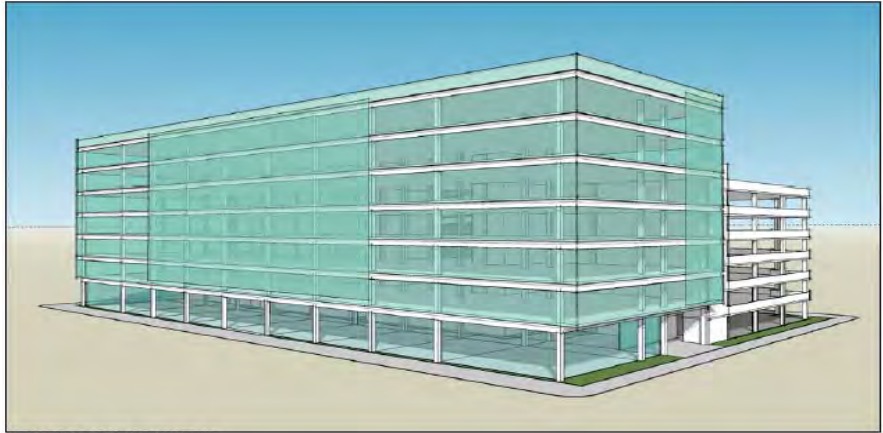
- Greater space efficiency reduces operating costs
- Functional space and physical alignment of work functions improves ability to collaborate, innovate and overall workplace wellness

Possible locations
qualitatively
summarized against
internal and external
community impact
measures of value

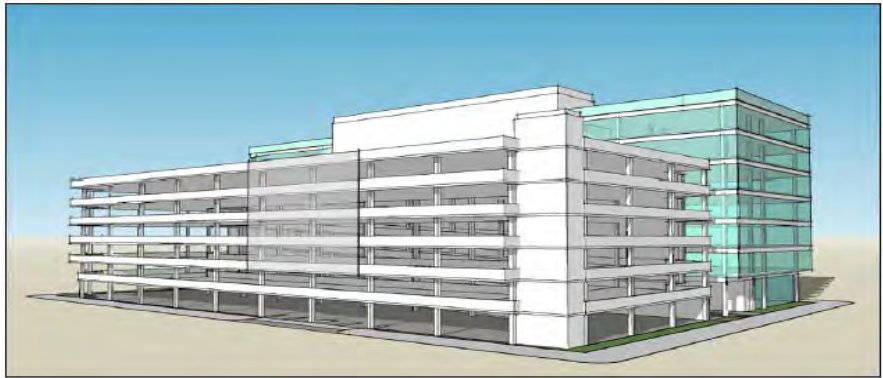


POSSIBLE LOCATIONS

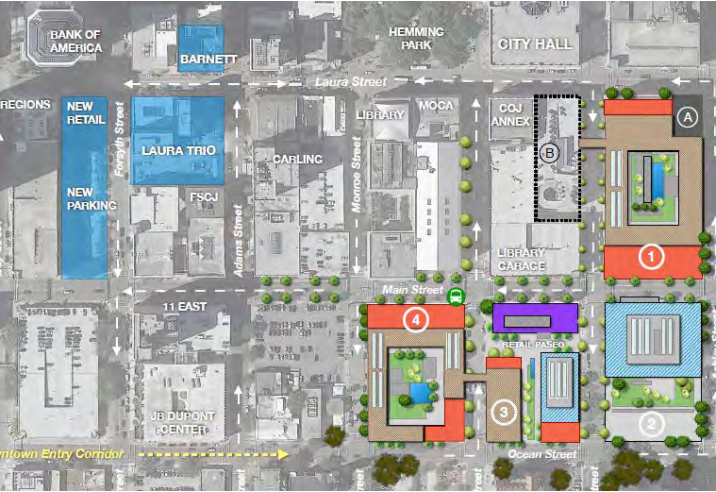
Block 48 Example



VIEW FROM PEARL AND MONROE



4 Block Development



Lot J Example



PERSPECTIVE PLAN VIEW



LONGITUDINAL ELEVATION



	Lease Existing				Lease or Build New					
	Bank of America Tower		One Enterprise Center		Block 48		4 Block Development		Lot J	
Criteria	Pros	Cons	Pros	Cons	Pros	Cons	Pros	Cons	Pros	Cons
Economic development	<ul style="list-style-type: none"> Support downtown development by reducing office space vacancy 	<ul style="list-style-type: none"> Does not directly stimulate a new development 	<ul style="list-style-type: none"> Support downtown development by reducing office space vacancy 	<ul style="list-style-type: none"> Does not directly stimulate a new development 	<ul style="list-style-type: none"> Support downtown development with the addition of a stand-alone building 	<ul style="list-style-type: none"> Does not directly stimulate a new (larger) development 	<ul style="list-style-type: none"> Support downtown development as an anchor tenant in a new development 		<ul style="list-style-type: none"> Support downtown development as an anchor tenant in a new development 	
Building program	<ul style="list-style-type: none"> Accommodate building program with build-out Culture change opportunity Provides intermediate term flexibility Shorter lead time v. new build Customize interiors 	<ul style="list-style-type: none"> Multi-tenant (not JEA only) creates security challenges Non-contiguous and shared floors Parking constrained Multiple garages 	<ul style="list-style-type: none"> Accommodate building program with build-out Culture change opportunity Provides intermediate term flexibility Shorter lead time v. new build Customize interiors 	<ul style="list-style-type: none"> Multi-tenant (not JEA only) creates security challenges Possible non-contiguous floors Parking constrained Multiple garages 	<ul style="list-style-type: none"> Optimize building program – security & design Culture change opportunity Fully customized Full parking solution 	<ul style="list-style-type: none"> Greater risk around total cost Possible less cost control Longer lead time than existing options 	<ul style="list-style-type: none"> Optimize building program – security & design Culture change opportunity Fully customized Full parking solution 	<ul style="list-style-type: none"> Greater risk around total cost Possible less cost control Longer lead time than existing options 	<ul style="list-style-type: none"> Optimize building program – security & design Culture change opportunity Fully customized Full parking solution 	<ul style="list-style-type: none"> Greater risk around total cost Possible less cost control Longer lead time than existing options
Timing	<ul style="list-style-type: none"> 18 to 24 months from lease execution to build out space 		<ul style="list-style-type: none"> 18 to 24 months from lease execution to build out space 		<ul style="list-style-type: none"> 24 to 36 months or longer from lease or contract execution 		<ul style="list-style-type: none"> 24 to 36 months or longer from lease or contract execution 		<ul style="list-style-type: none"> 24 to 36 months or longer from lease or contract execution 	

Board
Involvement

Direction

Inform

Inform

Inform

Action

Inform

Inform

Action

Inform

Phase 1

Finalize option evaluation
criteria with Board input

Phase 3

Staff evaluation of solicitation
and final clarifications

Phase 8

March 2019 to TBD

Planning, Design, Project
Management, Construction,
Relocation, Etc.

Phase 6

Negotiate commercial terms
and finalize contracting /
program development

Aug

Sept

Oct

Nov

Dec

Jan

Feb

Mar

Apr

Phase 2

Solicit additional solutions in
market through transparent
RFQ/RFP process

Phase 5

Define critical path items and
milestones

Phase 4

Board evaluation and approval
of staff recommendation

Phase 7

Final Board Approval

**NEXT STEPS
WITH BOARD DIRECTION**



EVALUATION CRITERIA SUMMARY PROPOSAL

JEA CAMPUS CRITERIA SUMMARY			
QUALITATIVE SUMMARY	% WEIGHT	Score (1-10)	Wtd Score
Beneficial to downtown development/economic development	30		
Development schedule (business continuity consideration)	20		
Building program accommodation (flexibility on campus program elements)	20		
Culture change opportunity	20		
Timing and risk to contract	10		
Percentage importance	100		A
Cost annualized			B
All proposals go through a preliminary screen to demonstrate proposer control, readiness and continuity			



QUESTIONS/DIRECTION?

////////////////////

> QUESTIONS?

IV. C.

Southside Capital Allocation

June 13, 2018

SUBJECT:	SOUTHSIDE CAPITAL ALLOCATION		
Purpose:	<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
Issue: On June 12, 2018, the Board received a letter from the Interim Managing Director/CEO "Re: How JEA may utilize Southside Generating Station resources to drive water and wastewater innovation." The letter outlined an idea for consideration and discussion by the Board of Directors.			
Significance: To ensure management is aligned with the Board of Directors relative to corporate resource utilization.			
Effect: See attached analysis.			
Cost or Benefit: The proposal will benefit the City in two ways: 1) a new approach to solving a long-standing City problem around water and wastewater for underserved citizens of the City of Jacksonville; and, 2) demonstrate JEA's new Bold leadership approach that tries to find solutions for complex public problems. See attached analysis for cost analysis.			
Recommended Board action: This agenda item is provided for information only.			
For additional information, contact: Aaron Zahn – 904-665-4396			

Submitted by: AFZ



Commitments to Action

- 1 Earn Customer Loyalty
- 2 Deliver Business Excellence
- 3 Develop an Unbeatable Team

June 12, 2018

Board of Directors of JEA
21 W Church St
Jacksonville, FL 32202



Re: How JEA may utilize Southside Generating Station resources to drive water and wastewater innovation

Dear Members of JEA's Board of Directors:

As you know, JEA is currently under contract with Elements, LLC ("Elements") to purchase a portion of the former Southside Generating Station property with a contractual closing date by July 16, 2018. Per the terms of the agreement, JEA will receive ~\$18.6 million in proceeds from the transaction. On June 12, 2018, Elements finalized the legislative process with the Jacksonville City Council to approve a development agreement in support of the proposed project. Closing of the transaction would represent another step in a multi-year effort by JEA to support economic and downtown development. Furthermore, it demonstrates JEA's ability to be forward thinking about partnerships that benefit the City, JEA's financial position and our customers.

Development of this site will be a benefit to the community. However, I believe this transaction presents another opportunity to help move Jacksonville forward.

For many years, our community has discussed the lack of water and wastewater infrastructure in existing neighborhoods. This subject has been studied and partially addressed over a number of years through traditional means and methods and with a seemingly insurmountable expense (>\$2.5 billion). Joint COJ/JEA septic tank phase out programs have successfully completed many projects as a positive step forward in addressing this issue. In spite of the joint efforts, a comprehensive and affordable plan remains elusive.

In the past months, we have spoken about JEA's new BOLD vision. On June 8, we initiated our "Management Listening Tour" as part of a stepwise approach to a JEA of the Future: 1) listen, 2) innovate, 3) grow, and 4) excel. This 12-to-18 month process is part of a comprehensive look at JEA's entire business. On the matter of underserved water and sewer, we have listen to the basic needs of our community for long enough. Therefore, I propose it is time that JEA now innovate. New innovative technologies and methods may allow solutions that differ from JEA's traditional centralized services model with a potentially lower financial impact (<\$2.5 billion) while also being environmentally responsible. The ultimate solution will continue to require a joint commitment by the City, JEA and the entire community. However, this proposed step is JEA's opportunity to provide thought leadership to advance toward higher common ground and help the City in identifying solutions.



I recommend JEA reserve a portion of the proceeds from the Elements transaction to engage the best and brightest engineering and commercial minds to study the issue and propose previously unconsidered solutions. Additionally, I recommend JEA consider offering the balance of the proceeds (~\$15-16 million) to the City as a one-time contribution to support important community goals like septic tank phase out.

I believe this proposal is illustrative of the type of leadership and innovation JEA needs to undertake as we seek to move JEA toward the concept of being a “utility of the future.” I hope you will agree and look forward to discussing this opportunity with the Board of Directors at the June 19, 2018 Board Meeting.

AARON F. ZAHN



By:

Title: Interim Managing Director & CEO

Cc:

Mayor of Jacksonville
City Council of Jacksonville

Memo: SGS Proceeds Proposal for Water and Wastewater Innovation

Date: June 12, 2018

Background

JEA decommissioned its former Southside Generating Station (SGS) site in 2000. JEA is currently under contract with the developer to close on a significant portion of SGS property this fiscal year for approximately \$18.6 million dollars. The total book value of the land is approximately \$28 million dollars.

Proposal

One Time Distribution – JEA is proposing to use the proceeds as an additional contribution to the City

Analysis of JEA Impact

Financial Accounting Considerations

The sales transaction will have specific Electric System financial reporting implications depending on JEA's basis of accounting:

Budget basis: The sales proceeds of approximately \$18 million will be recorded to budget revenue line item "Other Revenue". There will be a corresponding expense of \$15 million to the budget expense line item "City Contribution Expense".

GAAP Accounting:

Balance Sheet – The book value of the land will be removed and the sale proceeds of approximately \$18 million will be recorded as cash.

Income Statement – Change in Net Position will be reduced by \$1 million this fiscal year and another \$15 million in FY19. In FY18, the \$1 million loss on sale of assets will be recorded in non-operating revenue and expenses, specifically to the line item, "Other Non-Operating Income, Net". The loss on sale of assets will not affect cash flow. In FY19, \$15 million of the \$18 million proceeds will be remitted as a COJ General Fund contribution resulting in an additional expense.

Debt Service Coverage: The \$1 million loss on sale of assets will not affect revenues for FY18 coverage since it is considered non-operating income. Currently, fixed charge



coverage in FY19 is projected to be 1.89. The additional \$15 million payment to the City in FY19 will result in fixed charge coverage of 1.82.

Treasury Flow of Funds: The sale proceeds of \$18 million will be received and deposited into the R&R fund. In turn, to disburse the city contribution from the operating fund in FY19, JEA may reduce the OCO contribution by that equal amount.

Bond Resolution Considerations – None

DRAFT

WATER AND WASTEWATER INFRASTRUCTURE OVERVIEW

Providing central water and wastewater infrastructure has been a decades long issue. The issue was highlighted in the work leading up to city and county consolidation in the late 1960s and remains a concern within the community. Many infrastructure projects were accomplished over the years through City capital project initiatives and the work continues today with the current septic tank phase out program.

Approximately 65,000 septic tanks remain in the City. There are suburban and rural areas where septic tanks continue to be an adequate solution for on-site treatment due to lower density development, soil conditions and expense to connect to existing central mains and plant. Approximately 35,000 residential customers have private water wells.

Based on 2017 average per unit cost estimates, the cost to install central sewer for approximately 22,000 septic tanks was \$708 M and associated water service installation for the same neighborhoods was ~\$26 M. Many of these neighborhoods already have full or partial central water installed. These average costs are inclusive of connection fees such as tank abandonment, private plumbing connections and JEA meter and capacity fees.

Applying the average unit price yields ~\$2.1 B for sewer and ~\$280 M for water. These estimates are for Duval County and could be higher including counts from areas currently served by JEA in adjacent counties.

Not all wells or septic tanks will need to be phased out depending on development densities, soil conditions and proximity to backbone infrastructure.

Several prior reviews of central water and sewer infrastructure needs have focused the City's attention on neighborhoods that have a higher degree of failing septic tanks as a means to prioritize limited funding. These reviews relied largely on information developed by the Duval County Health Department over a couple of decades in order to address both health and environmental concerns. Additional interest includes provision of basic services to improve quality of life and to provide enhanced opportunities for economic development in areas without central services.

IV. D.

Transition Plan Update

July 19, 2018

SUBJECT:	TRANSITION PLAN UPDATE
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Purpose:	<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: On April 17, 2018, the Board contemplated a transition period and plan for JEA and its management ("Transition"). The Transition period contemplated by the Board was approximately 12 months starting April 17, 2018 and concluding April 30, 2019.

Significance: To provide additional clarity for the Board on the process, progress and future contemplated steps of management related to the Transition. To ensure management is aligned with the Board of Director's relative to Transition steps and actions.

Effect: The Transition and related plan is intended to accomplish the following key initiatives: 1) establish stability and focus on JEA's Core Business of providing electric, water, wastewater and other essential services to its customers; 2) create a 'framework' of understanding and measuring device for alignment of JEA's Board, JEA's management, City Council, the Mayor and other key stakeholders; and 3) establish a basis and foundation for a forward looking strategic planning process and permanent CEO placement.

Cost or Benefit: Long-term planning and value creation for JEA.

Recommended Board action: Provided for information only.

For additional information, contact: Aaron Zahn – 904-665-4396

Submitted by: AFZ



Commitments to Action

- 1 Earn Customer Loyalty
- 2 Deliver Business Excellence
- 3 Develop an Unbeatable Team



V. A.

Data Fiber Utility Services for the 22nd
Century Smart City

July 19, 2018

SUBJECT: DARK FIBER UTILITY SERVICES FOR THE 22ND CENTURY SMART CITY

Purpose: ☒ Information Only ☐ Action Required ☐ Advice/Direction

Issue: The JEA Board approved at the March Board Meeting Resolution #2018-01 authorizing JEA to invest in expansion and enhancement of the existing fiber optic network with the intention to lease Dark Fiber. After review and discussion, the Board rescinded the previously approved Resolution at the June Board meeting, wanting to consider other alternatives. The presentation today, which is for discussion only, will present some other alternatives. This will be step one in a three step process of discussing, deliberating and finally deciding the direction for JEA's telecommunication assets which include not only the 550 miles of dark fiber, but also 30+ cell towers and over 180,000 poles that are utilized for attaching third party telecom assets.

Significance: The City Council Special Committee on the Future of JEA, noted in its June 27, 2018 "Final Draft Report" that "because of the success of energy conservation measures in reducing electric and water consumption and sales, JEA needs to consider expanding its operations into other related business lines to diversify its revenue streams and ensure continued financial health". Today's presentation represents a significant shift in JEA's mindset to lead innovation and drive value of JEA and the City of Jacksonville.

Effect: Proposed strategies allows JEA to take a leadership role in working with the City of Jacksonville on making Jacksonville a true and operational "smart city". Potential to drive: 1) value for JEA, 2) economic development and 3) increase speed and coverage of telecommunications.

Cost or Benefit: JEA will produce new business cases with a more aggressive cash flow and/or return on investment that exceeds JEA's cost of capital. Various options will be at a future Board meeting.

Recommended Board action: This item is provided for information. No action is required by the Board.

For additional information, contact: Paul Cosgrave, VP & CIO or Ryan Wannemacher, Interim CFO

Submitted by: AFZ/MMD/PJC



Commitments to Action

- 1 Earn Customer Loyalty
- 2 Deliver Business Excellence
- 3 Develop an Unbeatable Team

V. A.
7/30/2018

July 2018

JEA

Telecom Strategic Alternative Development Discussion Materials



J.P.Morgan

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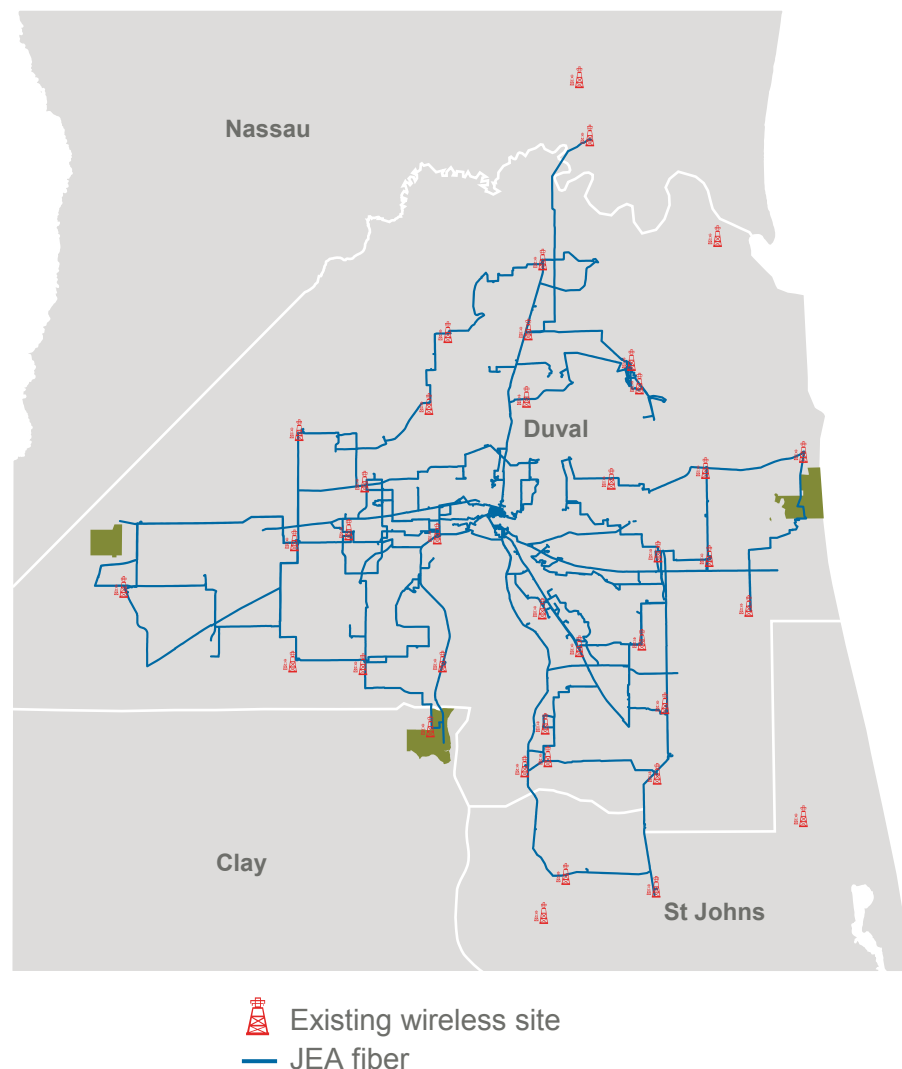
Broadband communications has emerged as the 4th utility in the U.S.

“Like electricity a century ago, broadband is a foundation for economic growth, job creation, global competitiveness and a better way of life. It is enabling entire new industries and unlocking vast new possibilities for existing ones. It is changing how we educate children, deliver health care, manage energy, ensure public safety, engage government and access, organize and disseminate knowledge”

Federal Communications Commission
The National Broadband Plan

Why is JEA investigating business development opportunities in telecom?

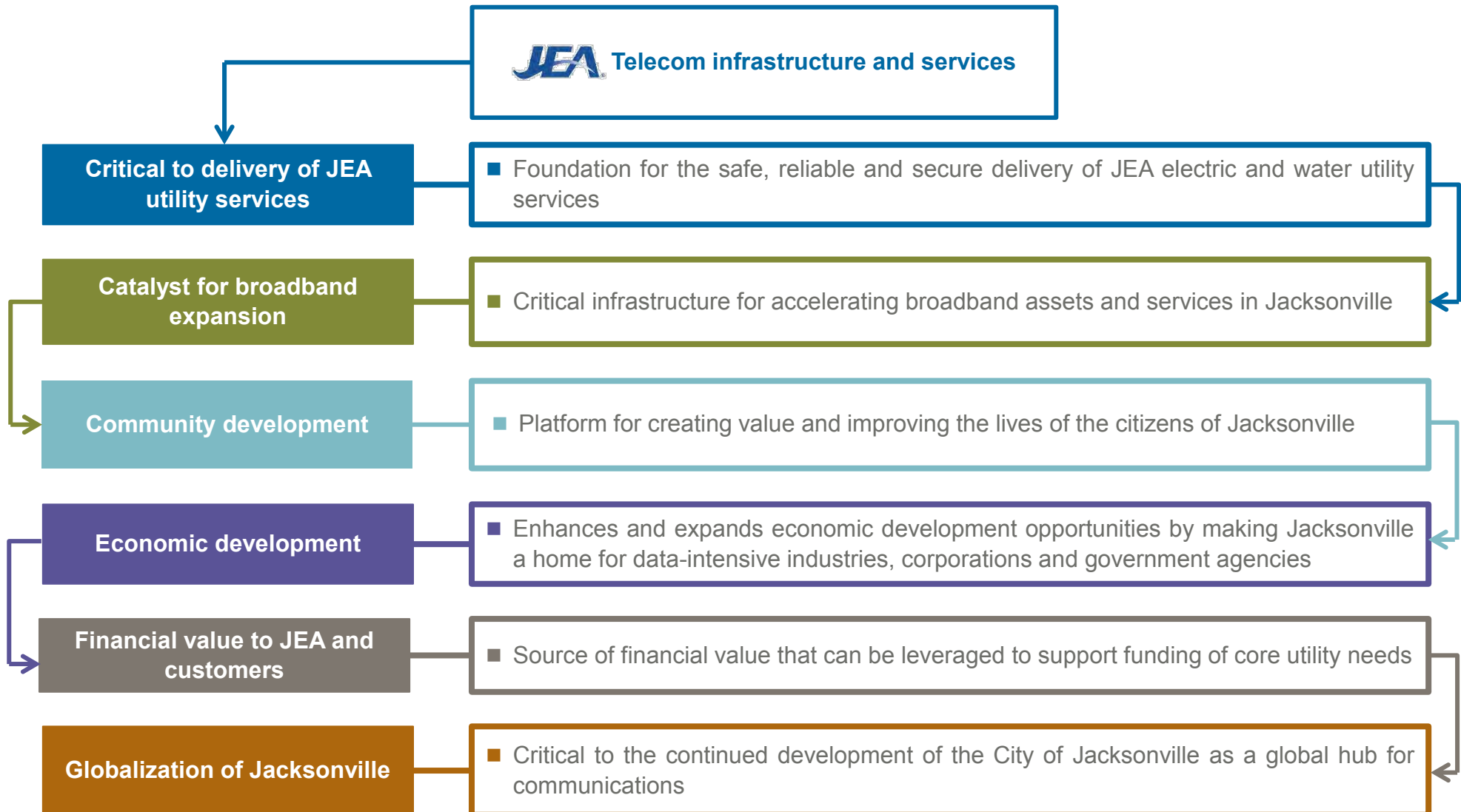
- JEA (the “Company”) possesses important telecom infrastructure assets throughout the Company’s service territory
- Provides critical functions for the delivery of electricity and water safely and reliably to JEA’s utility customers
- Primary assets consist of a strategically located fiber optic communications network and a portfolio of towers and elevated structures used to anchor the Company’s wireless network equipment
- As the commercial communications industry expanded, JEA began to provide the assets’ excess capacity to private communications providers as well as other local government organizations
 - Private communications providers lease fiber and space on JEA’s wireless infrastructure to provide commercial broadband services to the companies and residents of Jacksonville
 - Monthly fees are paid to “rent” the assets
- To date, the customers and revenue generated from telecommunications has been a byproduct of JEA’s core utility business
 - Investment focused on providing utility support rather than direct expansion of the commercial business opportunity or community development
 - Very little active marketing effort
- Given the significant changes going on in the utility and communications industry, there is an opportunity to leverage the existing assets to create value for the JEA and the community



March 2018 fiber proposal vs current proposal

Proposal Factor	March 2018	Current
Requires JEA charter change to grant authority and empower network expansion	✓	✓
Includes a planned, deliberate process for decision making and strategic planning		✓
Considers marketplace search for strategic partnership		✓
Covers entire JEA Telecom asset portfolio		✓
Increase JEA's positive impact on the community		✓
Generate significant cash to de-lever and grow		✓
Reduced execution risk		✓

Opportunity to leverage JEA telecom assets to create value for Jacksonville



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Environment has created a meaningful opportunity for JEA

JEA owns assets in a market with a significant supply / demand imbalance

Rapid increase in demand for broadband infrastructure

- In recent years, consumer demand for broadband services continued to grow at a record pace
- Users are consuming more and more bandwidth as new use cases drive internet traffic
- This growth in broadband services is driven by the increased usage of fixed and wireless data applications
 - Streaming video
 - Virtual and cloud-based applications and services
 - Consumer and enterprise Internet use
 - Social media
 - HD media
 - Internet-of-things (IoT) and machine-to-machine applications

Urgent need to expand existing infrastructure

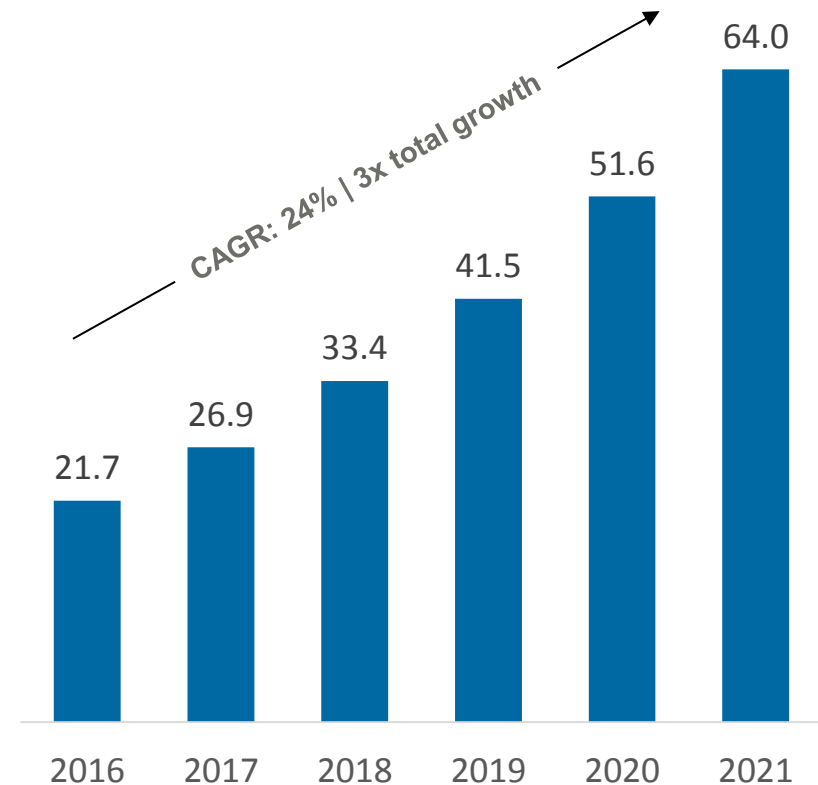
- Growing broadband consumption has resulted in carriers continuing to invest in networks to improve network quality and capacity
- Additional bandwidth, antennas and other equipment for the transmission of services requires new fiber and collocation capacity
- Additionally, continued deployment of 4G long-term evolution ("LTE") networks, new spectrum licensed by the Federal Communications Commission ("FCC") to wireless carriers, and the introduction of 5G technology will require an expansion of current tower capacity in the U.S.
- FirstNet deployment will create additional demand for network infrastructure especially in resource constrained and less developed locations
- Environment has placed increased pressure on infrastructure providers to support customer needs
- Challenge facing the industry is addressing this increased demand in a cost effective and timely manner
- Result has been an increase in demand for communications infrastructure and the value proposition of these assets
- Adding to these dynamics is the scarcity of strategic opportunities in the market

Bandwidth consumption is driven by multiple technology, media, and communication sub-sectors

Users are consuming more and more bandwidth creating a need for new network capacity and assets

U.S. communication infrastructure demand drivers			
	2016		2021
1 Fixed Broadband Speeds	36 Mbps	2x	76 Mbps
2 Video Traffic	16.3 EBs per month	3x	50.4 EBs per month
3 Connected Devices	2.5 billion (7.8 per capita)	2x	4.4 billion (13.2 per capita)
4 Mobile Data Traffic	1.3 EBs per month	4x	5.6 EBs per month
5 Smartphone Data Usage	11 GB per User (includes Wi-Fi)	3x	36 GB per User (includes Wi-Fi)
6 Tablet Usage	11 GB per User (includes Wi-Fi)	3x	35 GB per User (includes Wi-Fi)
7 4K TV Usage	4 GB per User (includes Wi-Fi)	10x	43 GB per User (includes Wi-Fi)

U.S. Internet Traffic (Exabytes per month)



Communications infrastructure industry

Key points

- JEA's telecom business facilitates the delivery of communications in Jacksonville
- Business fundamentals:
 - Critical infrastructure
 - Rapid growth in demand due to increasing bandwidth capacity need
- Long-term, take-or-pay contracts and success-based capital spending
- High growth and financial margins
- High operating leverage
- Lower customer churn



Telecom infrastructure and services

Customer focus	■ Enterprise & Carrier	■ Enterprise & Carrier	■ Wireless carriers only
Revenue model	■ Majority MRR	■ Majority MRR	■ Majority MRR
Contract terms	■ 5–7 years	■ 2–5 years	■ 5–7 years
Monthly revenue per customer/ tenant (\$000s)	■ \$20.0+	■ ~\$20.0 (Retail)	■ \$2.0–\$2.4 per tenant
Monthly churn	■ 0.5%–1.0%	■ 0.5%–1.5%	■ 0.0%–1.0%
EBITDA margins	■ 50.0%+	■ 40%– 55%	■ 60%– 70%
FCF margins	■ 15.0%+	■ 0%–10%	■ 20%–45%
Capex profile	■ Minimal maintenance ■ Primarily growth-based	■ Medium maintenance ■ Heavily growth-based	■ Minimal maintenance ■ Primarily growth-based

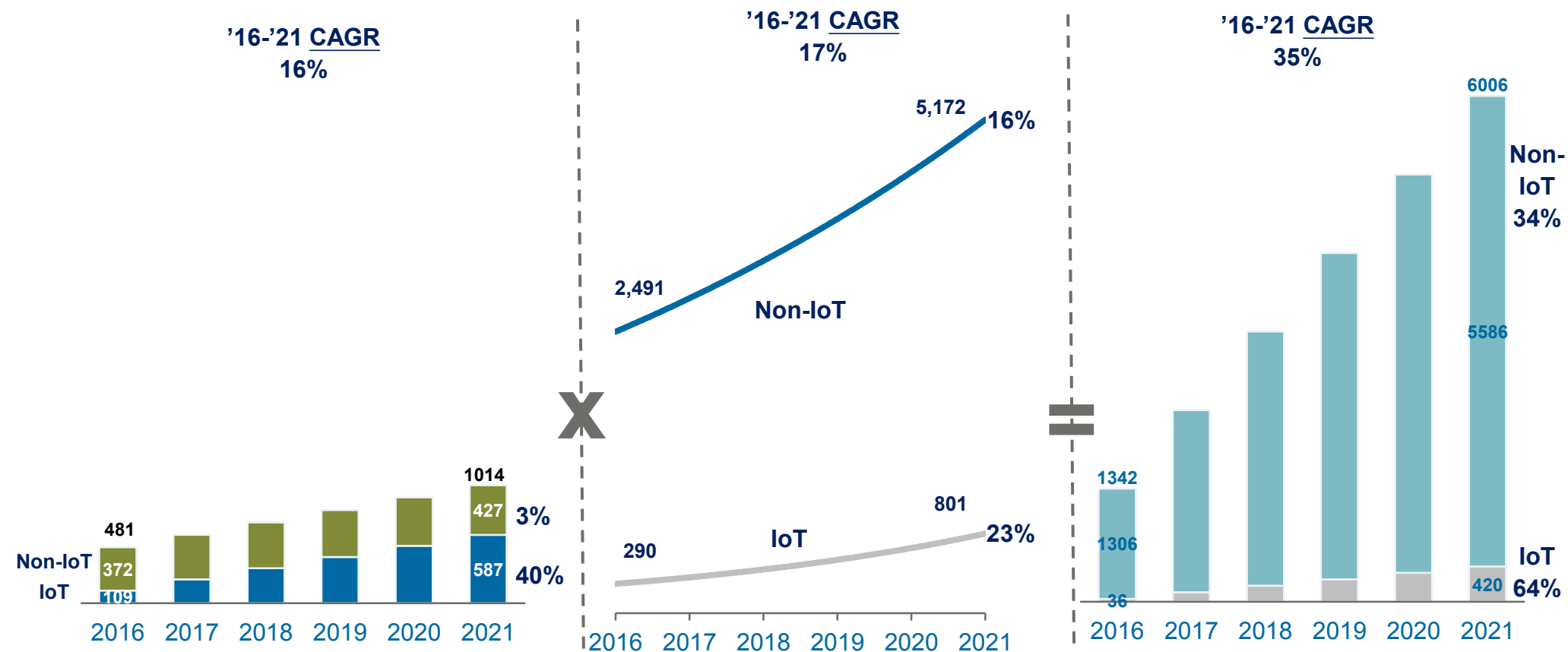
U.S. mobile data growth

Expected to grow at 35% CAGR through at least 2021

U.S. Total Mobile-Connected Devices (millions)

U.S. Traffic per Mobile Connection (MB per mo.)

U.S. Total Mobile Data Traffic (Petabytes)



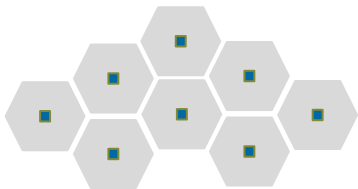
Exponential Growth in Devices and per Device Usage = Significant Growth in Overall Traffic

Source: Cisco Visual Networking Index

Wireless network evolution requires new infrastructure to support growth

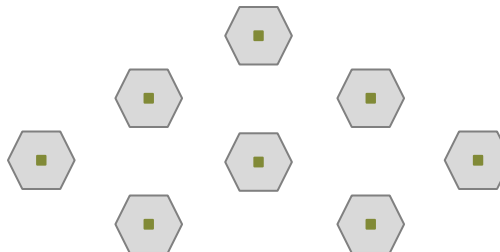
Network designed for initial voice and 3G services

- Quality of voice services on the rise
- Smartphones introduced to the market



As data usage rises, the existing network structure proves deficient for data signal propagation

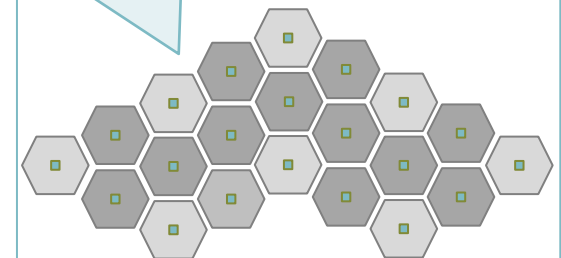
- Smartphone penetration on the rise
- New smartphone handsets introduced
- VoLTE (Voice over LTE)



Building new cell sites is therefore required to create adequate coverage for seamless data usage

- Carriers consistently invest in networks to meet growing demand

Significant portion of infrastructure needed is controlled by JEA



■ New cell site ■ Original cell site

Growing wireless usage results in the need for more cell sites and a meaningful opportunity for JEA

In order to satisfy demand, providers are turning to traditional infrastructure to fill the gap in next generation networks

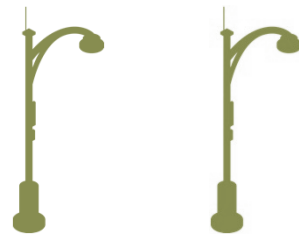
Indoor Distributed Antenna System

- Provides coverage in indoor venues, such as malls, casinos and conference centers where signals from towers are insufficient
- Neutral-host networks are readily accessible to collocation



Outdoor Distributed Antenna System / Small Cell

- Provides coverage in outdoor venues, such as racetracks and stadiums where wireless usage levels tend to be extremely concentrated
- Allows for multiple carriers to leverage single installation



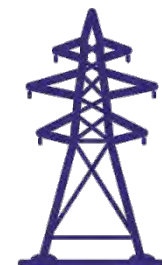
Rooftops

- Predominantly located in dense urban areas where towers cannot be installed
- Used in combination with Distributed Antenna System and Wi-Fi to provide coverage to concentrated user base



Transmission & distribution

- Provide long, contiguous strategic infrastructure corridors that are ubiquitous in both urban and rural landscapes
- Diverse locations and structural design able to provide multiple alternatives to address collocation

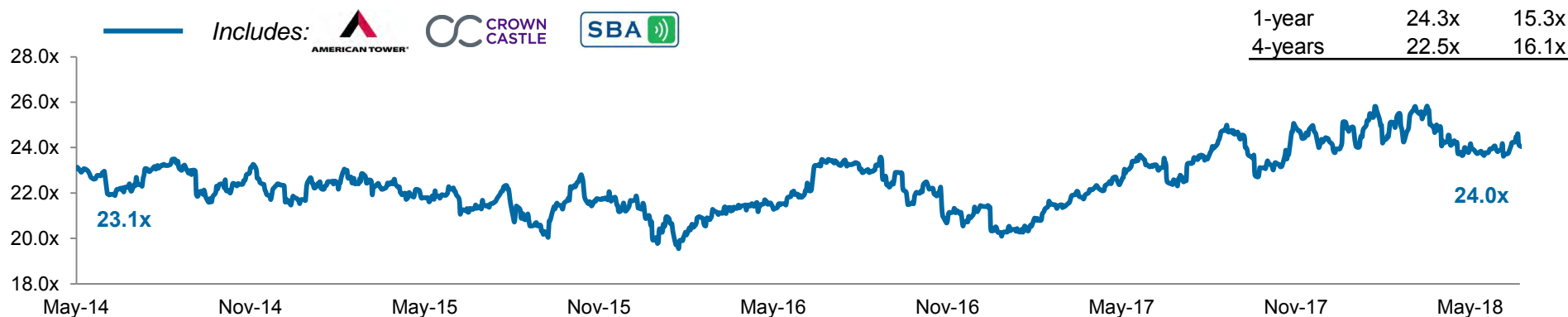


JEA currently owns all of these components of infrastructure

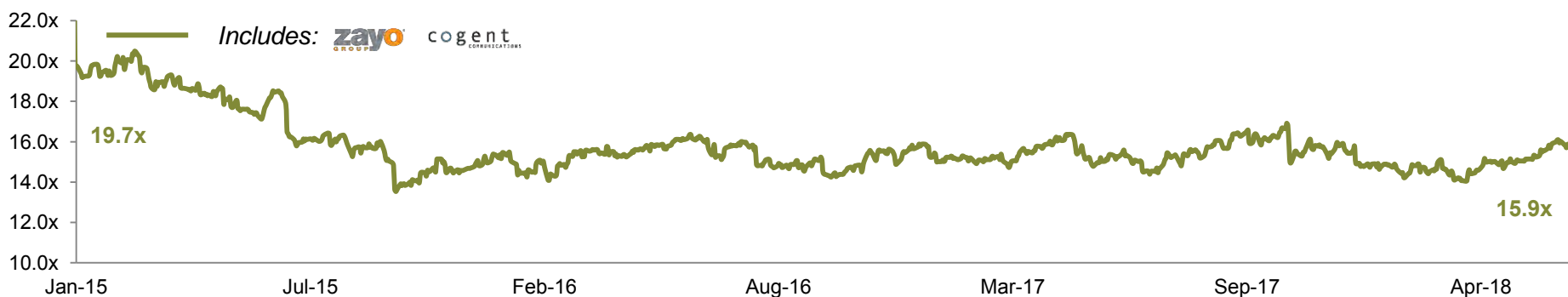
Owners of communications infrastructure have an opportunity to capitalize on these secular growth trends and current market conditions

The projected growth in demand for communications infrastructure has led to increased competition and attractive valuation metrics for fiber and tower assets

Tower comparables – 4-year LTM EV / EBITDA



Fiber comparables – 4-year LTM EV / EBITDA



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JEA telecom business overview



Fiber Services

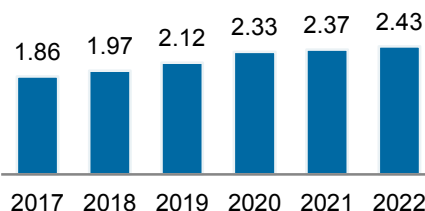
- Dark fiber strategically located throughout the Jacksonville metropolitan area
- Fully operational dark fiber leasing business with existing infrastructure and business functions that reduce capital required to transition the business to potential partners
- Direct connection between JEA dark fibers and international subsea fiber cables significantly increases the value of JEA's network infrastructure
- 200 route miles of leased fiber
- Approximately 130 total miles of revenue-generating routes
- 8 revenue-generating fiber leases

Wireless and fiber collocation

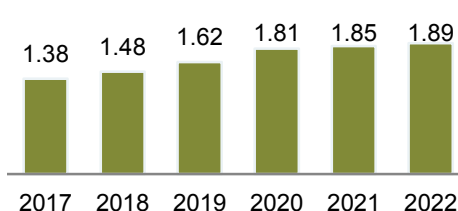
- JEA's extensive portfolio of power transmission and telecommunication assets create an excellent platform for providing wireless collocation services
- Over 200,000 electric and street light poles can be leveraged for small cell, distributed antenna system and other distributed telecommunication applications; larger power transmission towers and structures can serve as macro sites
- 40 standalone communication towers
 - 5 towers currently under construction
- 18 active transmission collocation sites
- Master Agreements with all four major wireless carriers as well as wireless infrastructure providers
- Small Cell collocation:
 - 3 small cell leases in production
 - Backlog of 60 new sites in process
 - Additional 150 potential sites are expected in the near future

Fiber financial metrics

Dark Fiber Leasing Revenue (\$mm)

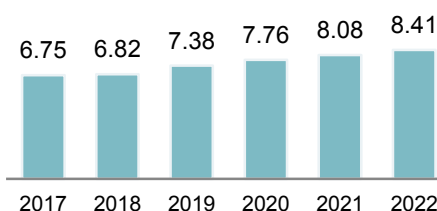


Dark Fiber Leasing Unlevered FCF* (\$mm)

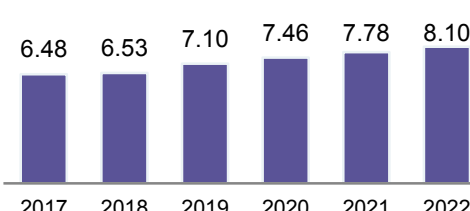


Collocation financial metrics

Combined Collocation Revenue (\$mm)



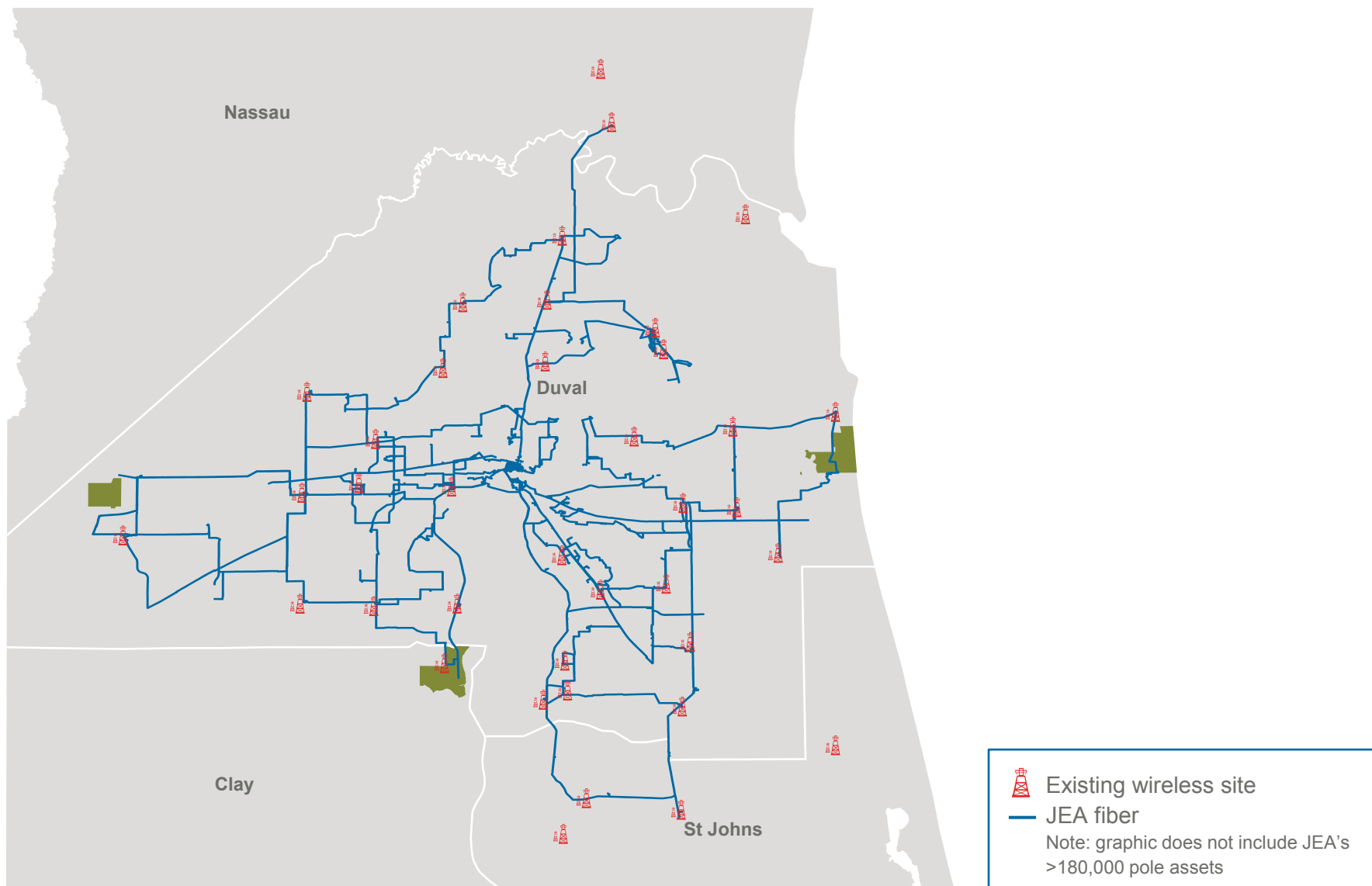
Combined Collocation Unlevered FCF* (\$mm)



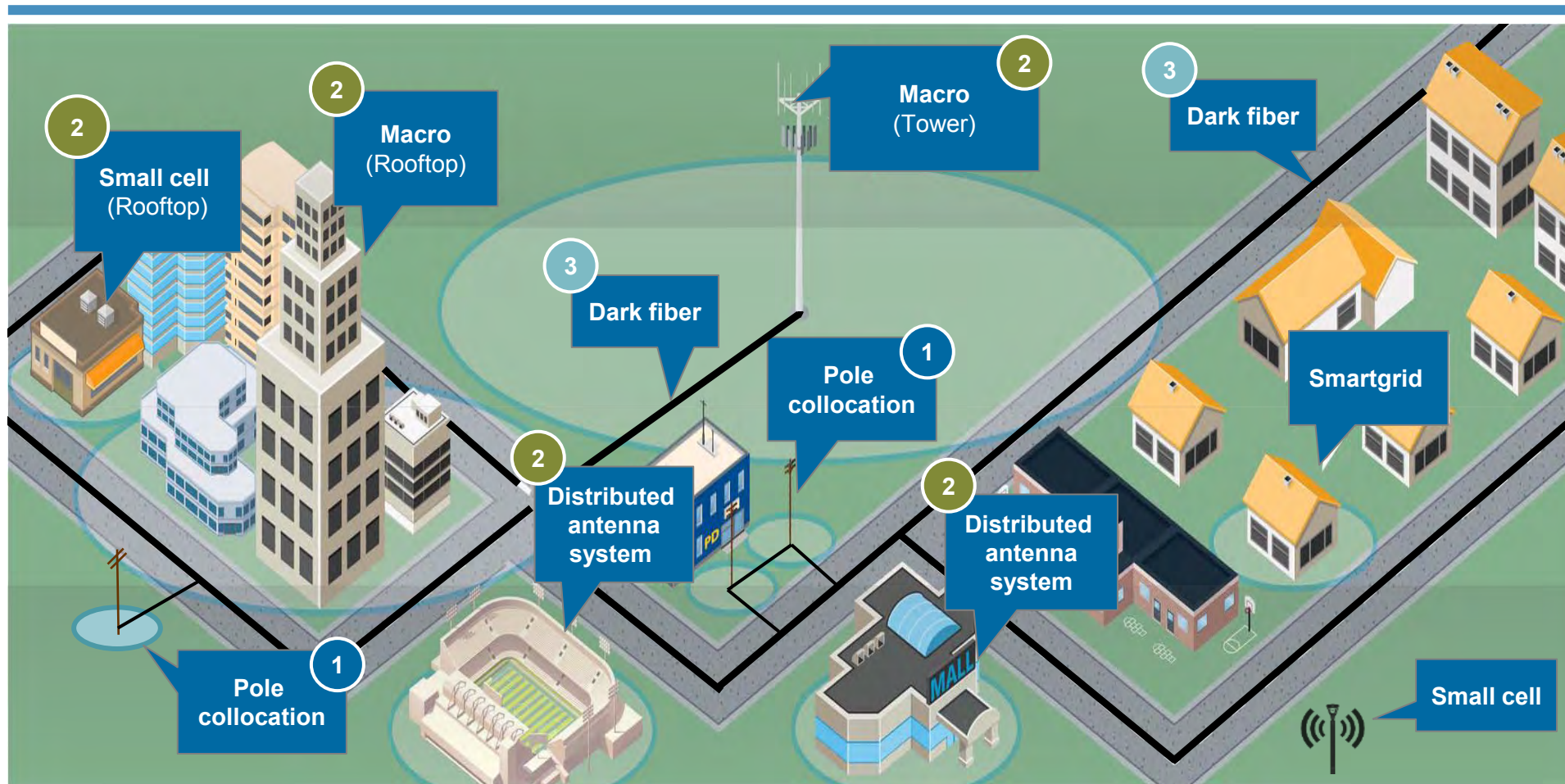
Source: JEA management projections

*FCF (Free Cash Flow) defined as revenues less O&M and any capital expenditures

JEA's fiber and wireless collocation footprint



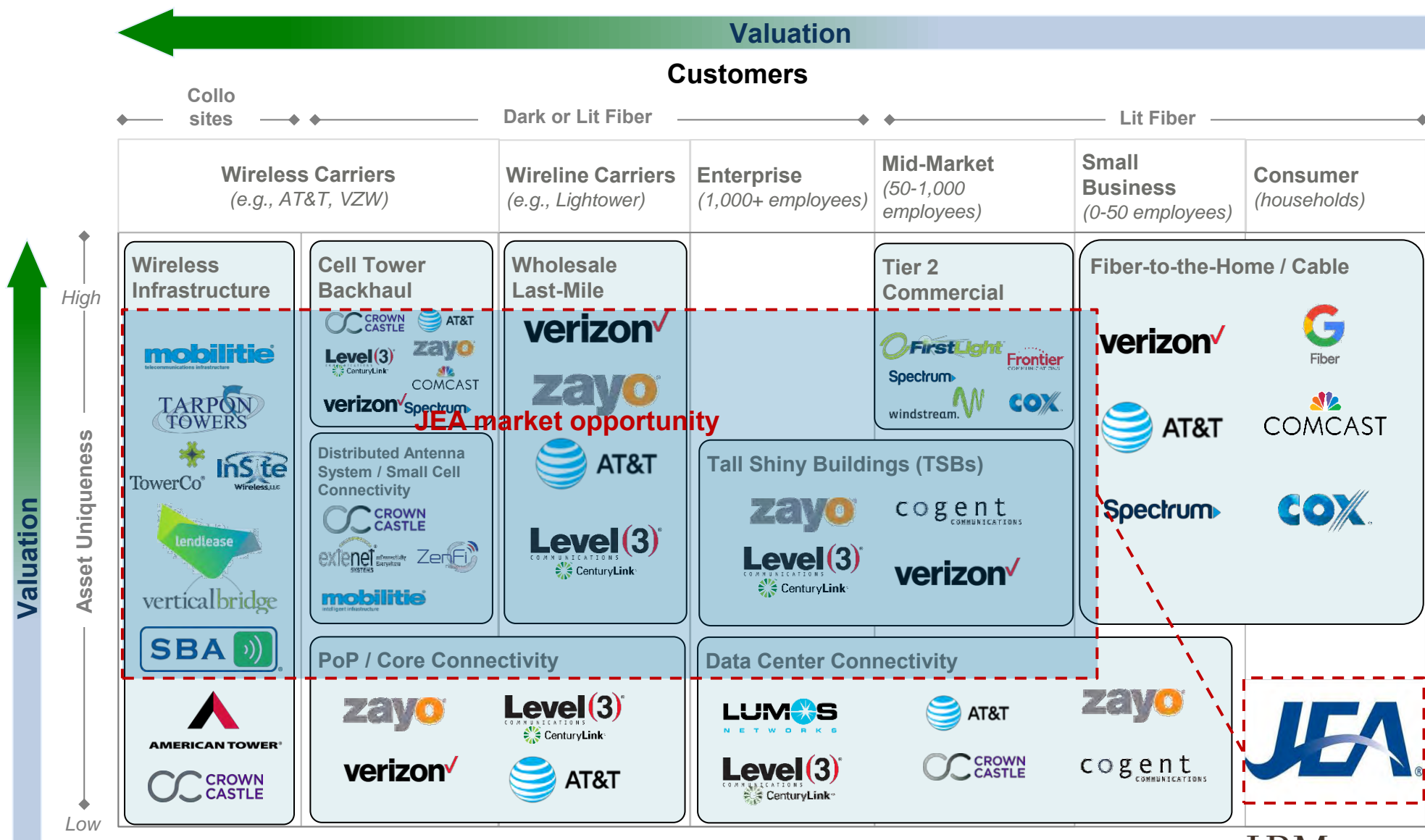
JEA telecom current sources of revenue



(\$mm)	2017	2018	2019	2020	2021	2022
1 Pole Collocation Revenues	4.8	4.8	5.1	5.3	5.5	5.7
2 Wireless Collocation Leasing Revenues	1.9	2.0	2.3	2.4	2.6	2.7
3 Dark Fiber Leasing Revenues	1.9	2.0	2.1	2.3	2.4	2.4
Total	8.6	8.8	9.5	10.1	10.4	10.8

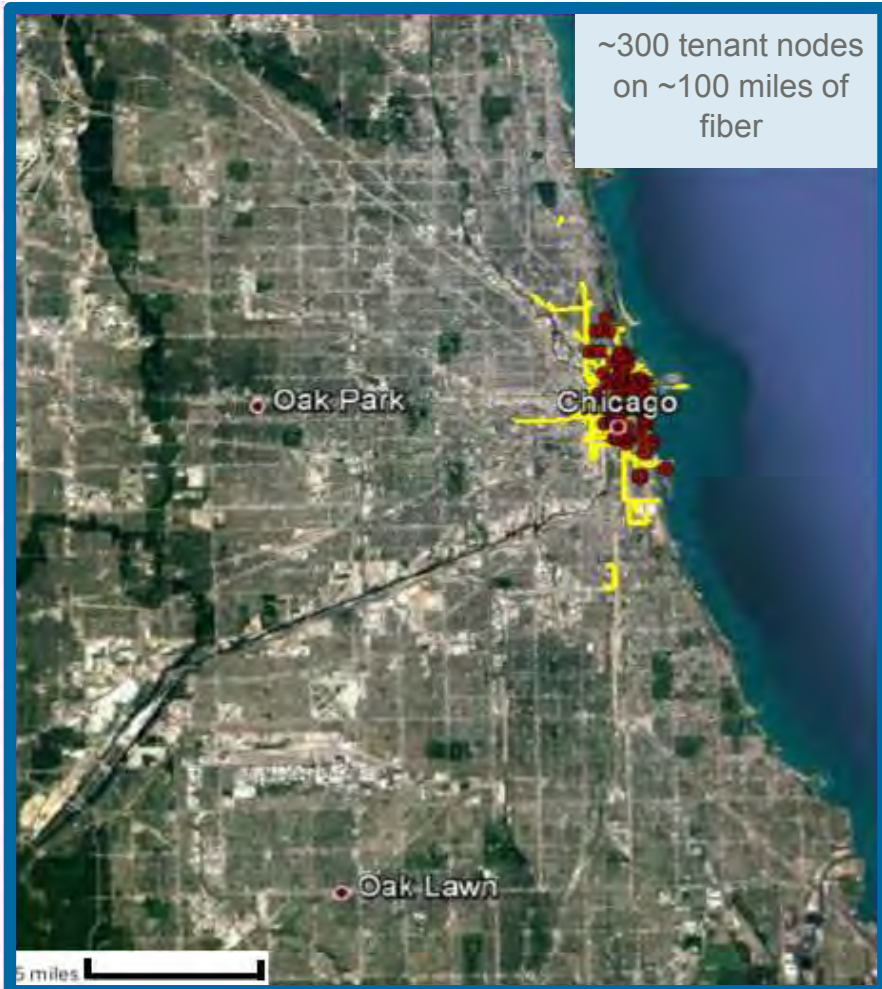
Source: JEA management projections

JEA telecom services and infrastructure address a critical need in the market

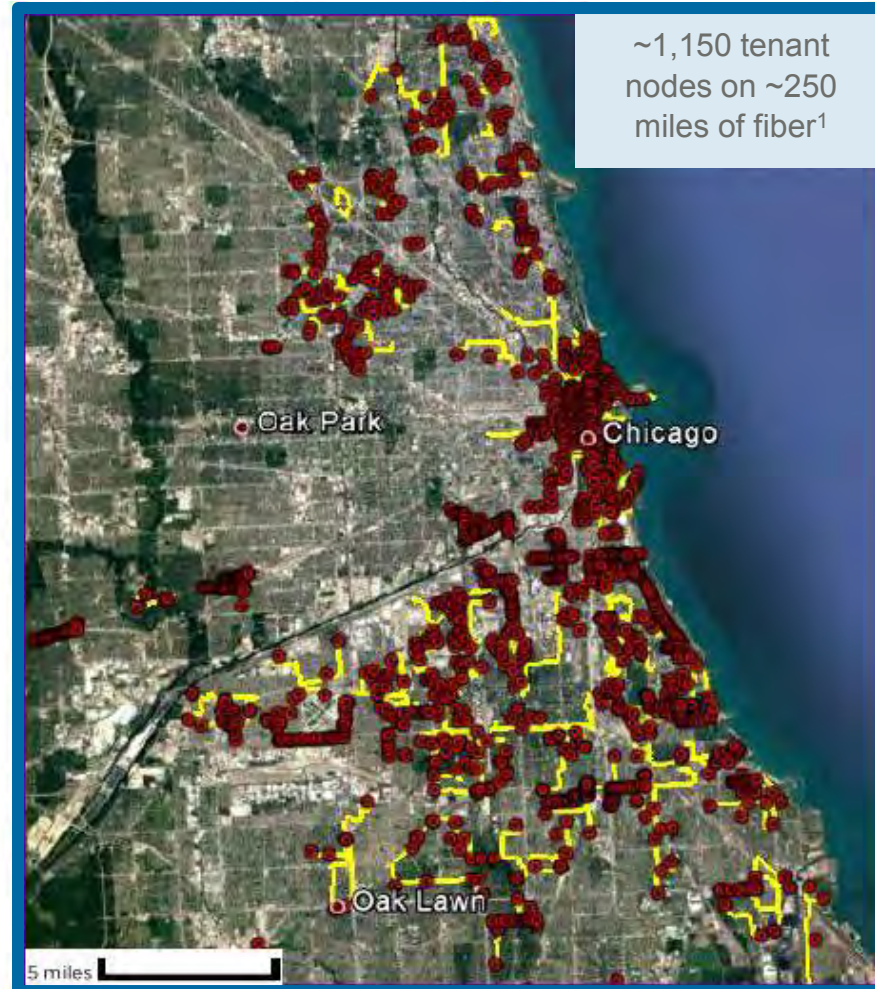


Small cell case study – Crown Castle Chicago

2013



2016



- Initial build-out of approximately 300 tenant nodes on approximately 100 miles of fiber focused on downtown
- Between 2013 and 2016, further densification with substantial expansion into the greater metro and suburban core
- Increasing density from ~3 tenant nodes per mile to ~5 tenant nodes per mile, driving higher returns

¹Includes tenant nodes and fiber miles under construction

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Leveraging JEA's telecom infrastructure

- Opportunity to create new broadband assets, revenue and promote economic development in Jacksonville
 - Not just a local development opportunity but one that advances the City on a global stage
- Opportunity to develop a program that actively leverages JEA's telecom assets as well as the broader utility infrastructure and rights
- Value creation for JEA and the community with minimal investment
 - Provide redundant advanced network with sufficient capacity for all existing and future needs
 - Address key economic and community development initiatives
 - Increased revenue and / or cash proceeds to support the core mission of JEA and the City
 - Expand funding alternatives for community broadband, JEA and the City
 - Reduce risk
- Path forward is to develop a comprehensive process to evaluate the best potential alternative for maximizing the value of JEA telecom while addressing broader needs of the Jacksonville community

Key JEA telecom infrastructure highlights

Strategically Located Fiber and Wireless Infrastructure

- Significant communications infrastructure assets in major communications market

Stable, High-Margin Revenue Base

- Existing revenue base and customer contracts generate significant cash flow

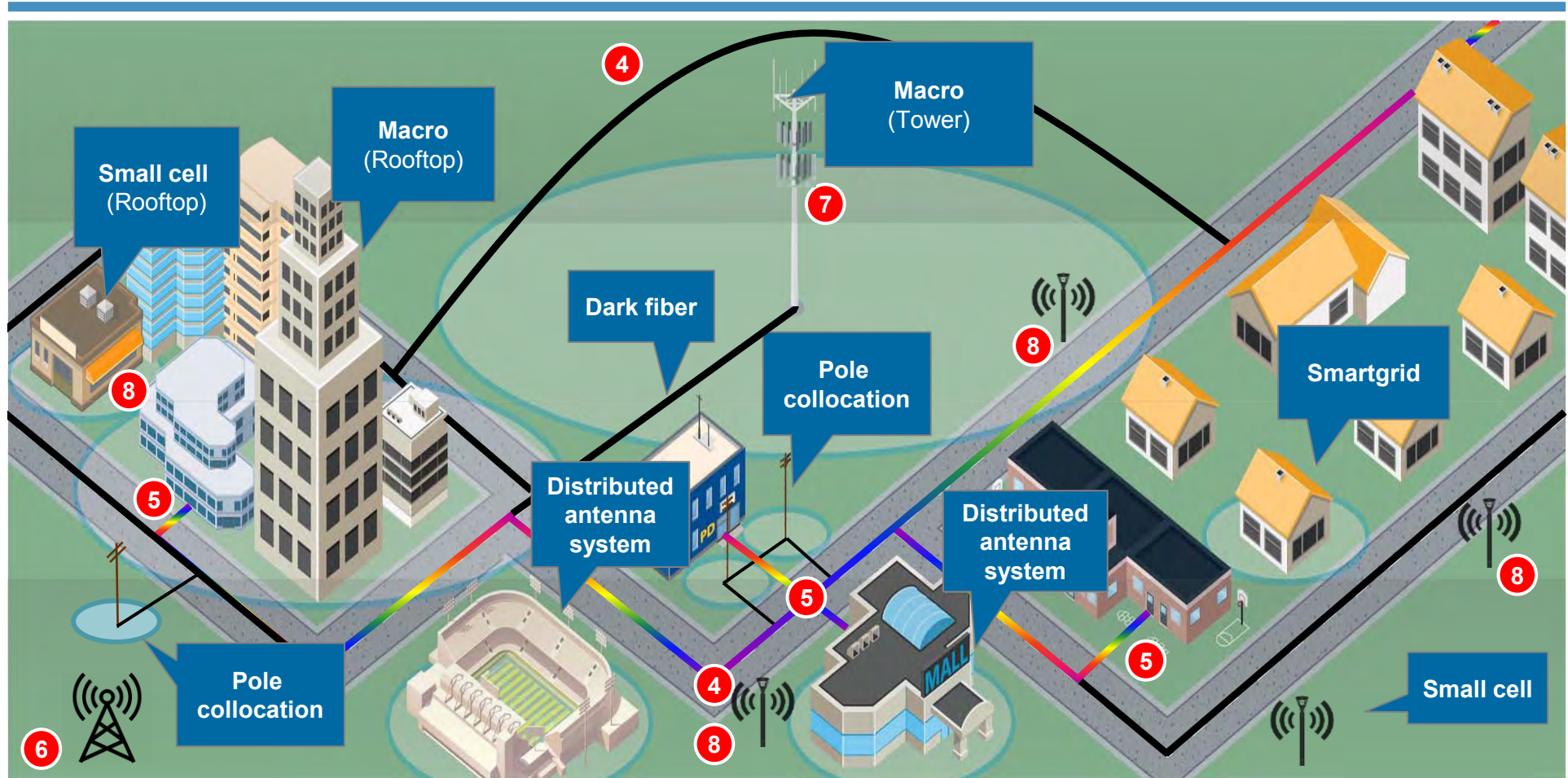
Significant Expansion Opportunity

- JEA's utility and telecom infrastructure presents a significant opportunity for the expansion of an already valuable community asset

Cash Flow Growth

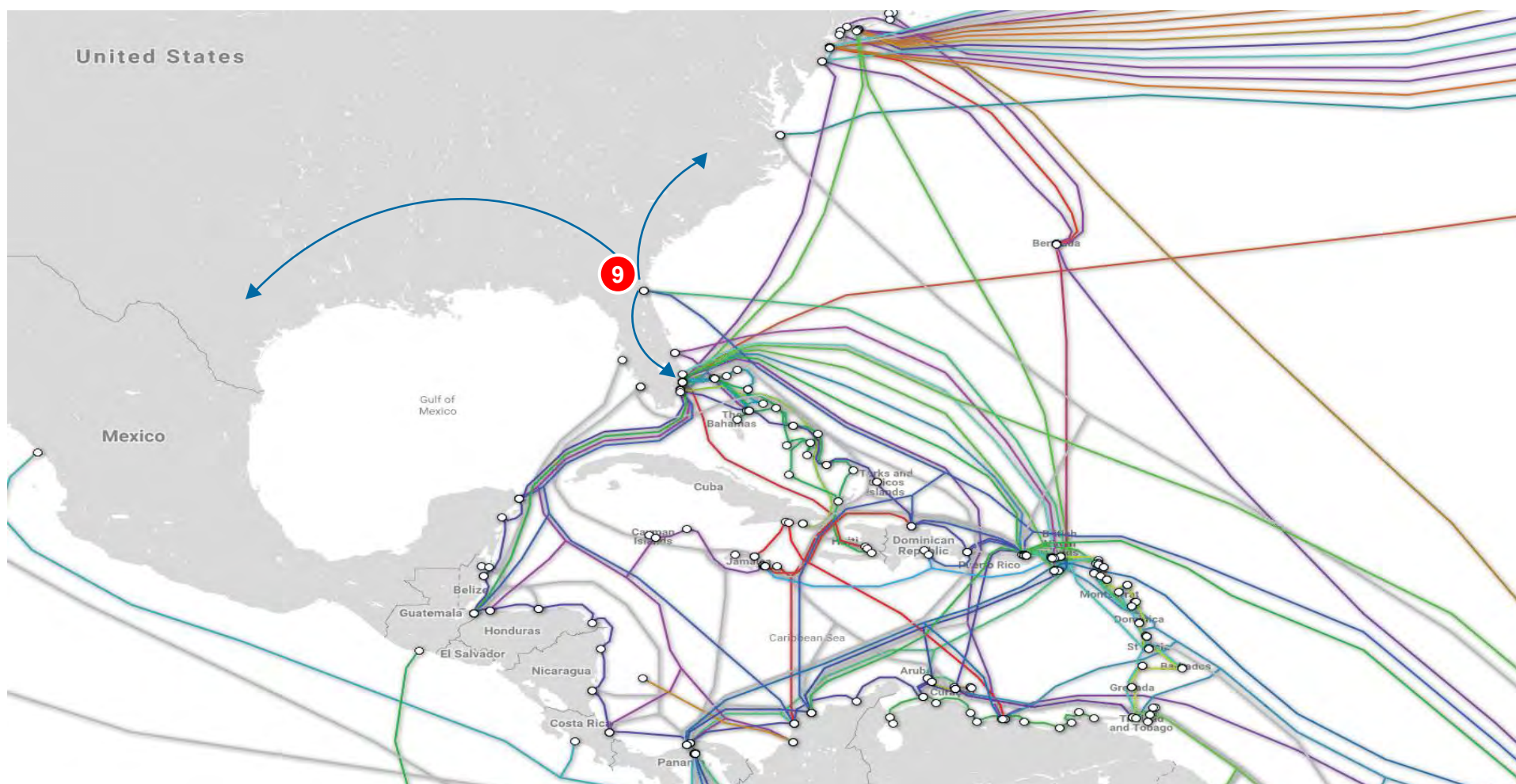
- Given the market potential and asset reach, meaningful cash flow opportunity

JEA telecom new sources of revenue and infrastructure



- | | |
|--|--|
| 4 Fiber network expansion and Increased dark fiber capacity and revenue | 7 Increased collocation on existing sites |
| 5 Lit services | 8 Expansion of distributed antenna system / small cell sites |
| 6 Tower / collocation expansion | 9 Extend fiber capacity to support international submarine cables |

Continued development of Jacksonville as a global hub for communications



JEA's telecom assets are strategically placed as the gateway to Florida

JEA Telecom potential strategic alternatives

	Status Quo	Partnership	Strategic Sale
Description	<ul style="list-style-type: none"> Continues to execute existing business plan 	<ul style="list-style-type: none"> P3 related to JEA's fiber and wireless infrastructure assets and operations Long term lease or concession Recapitalization of the asset & potential opportunity via private investment 	<ul style="list-style-type: none"> Sale of telecom assets in competitive auction process Cash proceeds in exchange for fiber or wireless infrastructure assets Likely separate paths for fiber and wireless opportunity Potential to blend Partnership options with sale dynamics
Benefits	<ul style="list-style-type: none"> Allows JEA to maintain full control Retain the upside from potential growth and expansion Realize the benefits of sales backlog Provides more flexibility in implementing social objectives Less disruption to current employees Continue to receive full benefits of cash flow 	<ul style="list-style-type: none"> Share in the asset upside Increase scale of business and benefit from synergy potential External investment to expand network reach and services Leverage partner assets and sales channels to expand revenue potential 	<ul style="list-style-type: none"> Immediate monetization event allowing for proceeds to be used for Electric and Water System Take advantage of current market window and the scarcity value for fiber and wireless infrastructure assets Leverage buyer assets and investment to expand service offerings and network reach Reduction of operating costs
Strategic Considerations and Issues to be Addressed	<ul style="list-style-type: none"> Future operating costs and capital expenditures Network refresh Investment in business Current market dynamics and scarcity value Competitive overbuilding risk 	<ul style="list-style-type: none"> Fiber, wireless infrastructure or combined Valuation and amount of any upfront payment / revenue share Loss or reduction of current cash flow contribution Security of existing employees Universe of potential partners Transaction complexity and asset hand back Rates for existing customers Ensuring continued community benefit 	<ul style="list-style-type: none"> Fiber, wireless infrastructure or combined Valuation loss or reduction of current cash flow Credit to JEA for synergies and sales backlog / high probability revenue Security of existing employees Ability to transfer assets, contracts and customers Maintenance of rates, service quality and policy initiatives post-close

Control retained by JEA

Monetization of JEA telecom opportunity

Landscape of potential partners

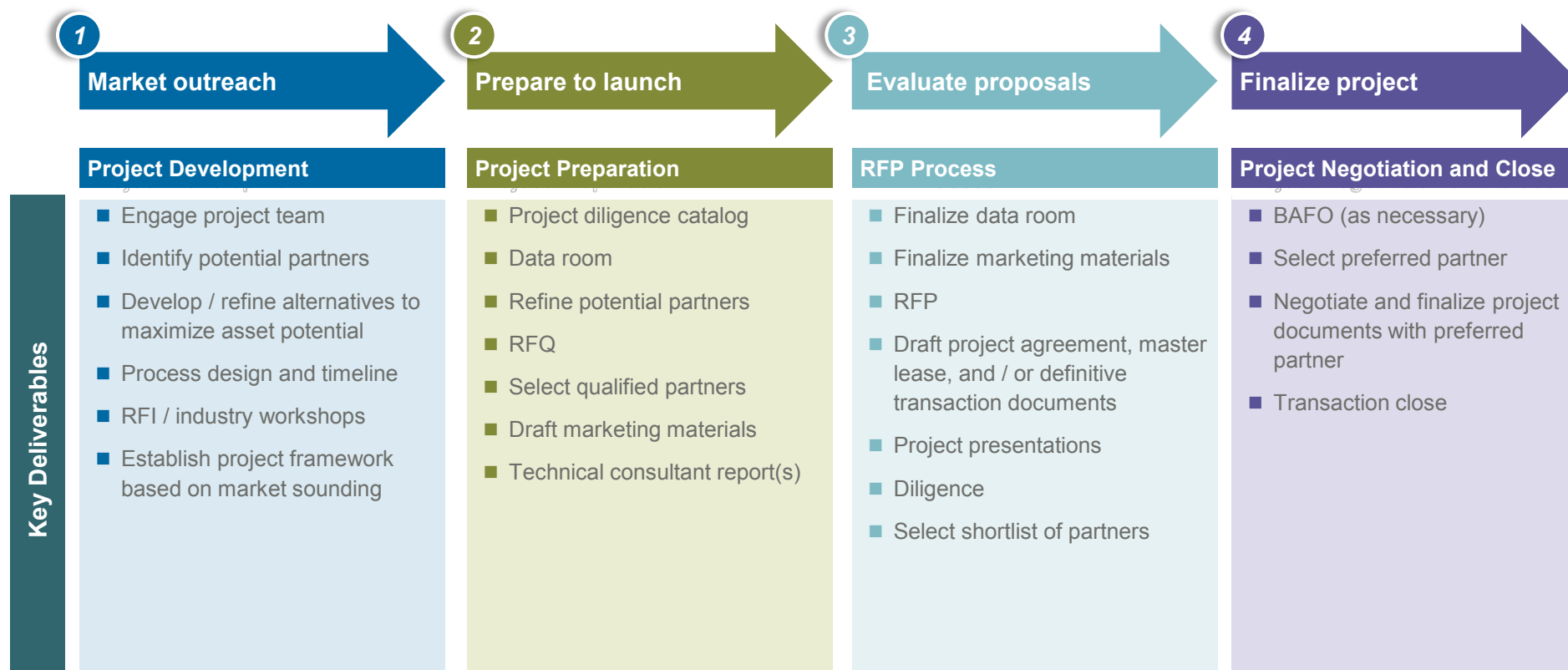


Approach to public communications infrastructure

	Public Option	Private Option	Partnership Option
Objective	<ul style="list-style-type: none">■ Public entity owns and manages all aspects of the broadband network or wireless infrastructure■ No outside resources for the financing, construction, management and maintenance of the asset	<ul style="list-style-type: none">■ Partner with a new or existing private entity that would acquire or finance, design, construct and own broadband or wireless infrastructure■ Often leverages existing assets and operations	<ul style="list-style-type: none">■ Combine the best aspects of the public and private alternatives■ Spread the risks and costs related to necessary capital investment, execution and adoption hurdles between a private partner and the public entity
Considerations	<ul style="list-style-type: none">■ Business model■ Management expertise■ Financing■ Risk exposure■ Competition■ Total cost of ownership	<ul style="list-style-type: none">■ Availability of partner(s)■ Objectives / targeted services■ Valuation■ Comprehensiveness of the solution■ Contract terms / payments■ Ability to promote community needs■ Total cost of ownership	<ul style="list-style-type: none">■ Form of partnership■ Availability of partner(s)■ Business model■ Valuation / revenue share■ Risk sharing mechanism■ Financing■ Total cost of ownership
Examples	<div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div>		

IPMorgan

Illustration of transaction process phases and critical path



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JEA telecom infrastructure opportunity

CRITICAL TO DELIVERY OF UTILITY SERVICES: Foundation for JEA service delivery

End-to-end control of utility infrastructure and service delivery through integrated communications platform

Connectivity and communication between T&D substations

Backbone to support distribution assets and distributed generation



GLOBALIZATION: Linking JAX to the global community

Establishes Jacksonville as an international communications hub and increases global competitiveness of the City and the its citizens

Bridge the gaps in physical infrastructure to unserved and underserved areas

CATALYST FOR BROADBAND DEPLOYMENT: Mitigate economic and capacity constraints

Affordable deployment of broadband infrastructure is facilitated by JEA

Increase capacity for data-intensive applications

Enabling platform for new products

Promote long term, sustainable broadband solutions

Lower costs to deploy broadband infrastructure

COMMUNITY DEVELOPMENT: Value creation for the community

Platform for improving the lives of the Jacksonville's citizens

Improve telecommuting and remote access

Government services, education, healthcare, energy efficiency

Platform for increased local, state and national security

Long term reduction of fuel use and GHG emissions

ECONOMIC DEVELOPMENT : More services, deeper assets and faster speeds leads to greater opportunities

Robust fiber and wireless services infrastructure is critical to economic development

Encourage corporate development in Jacksonville

Attract, train and retain workers

Reduce barriers of entry (transport, etc.)

FINANCIAL VALUE TO JEA AND CUSTOMERS: Provides source of revenue and growth

Existing and future revenue and operating cash flow to fund utility operations

Store of significant value for the JEA and the City of Jacksonville

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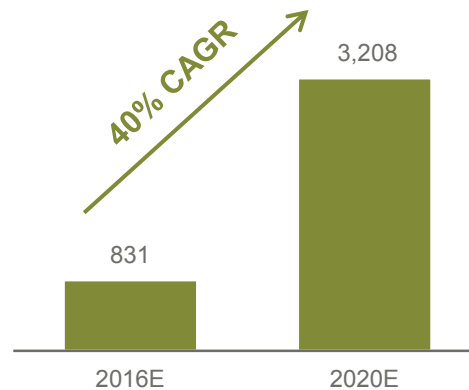
JEA fiber platform is critical to fixed and mobile broadband in Jacksonville

Rapid Expansion in Wireless Data...

Key Network Growth Drivers:

- Mobile Video
- Internet of Things (IoT)
- Machine-to-Machine (M2M)
- Autonomous Vehicles
- Big Data
- Smart Cities

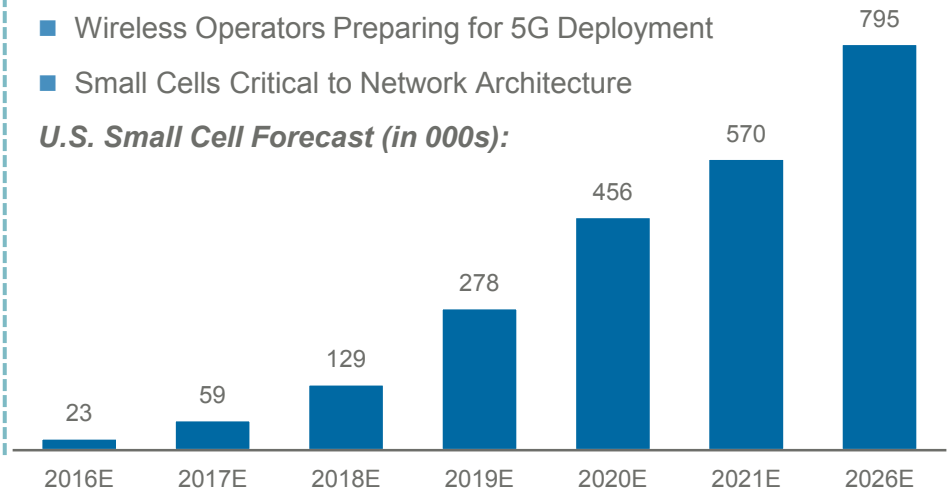
**NA Mobile Internet Traffic
(PBs of Traffic per Month):**



...Will Require Significant Investment...

- Carriers Continue to Densify Networks
- Wireless Operators Preparing for 5G Deployment
- Small Cells Critical to Network Architecture

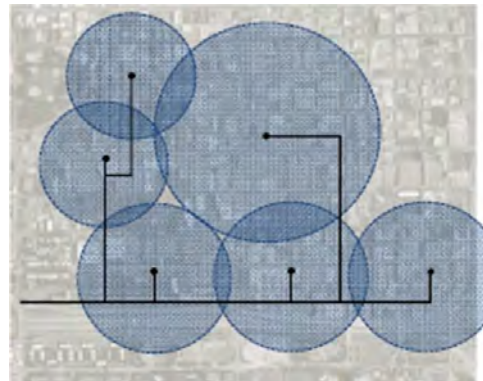
U.S. Small Cell Forecast (in 000s):



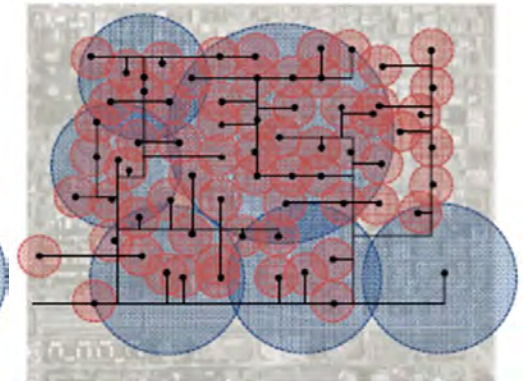
...Supported By Large-Scale and Dense Fiber Networks

- Future Devices will Demand Ultra Low-Latency and Uninterrupted Coverage
- Fiber Infrastructure is Critical to Future Wireless Networks
 - Existing Fiber Networks Generally not Sufficient to Satisfy Growing Demand
- Deep, Dense Fiber and Small Cells will be Critical to New Ecosystem
 - FCC is Supportive of Small Cell Deployment Expansion

**Wireless Networks
of Today**



**Wireless Networks
of Tomorrow**

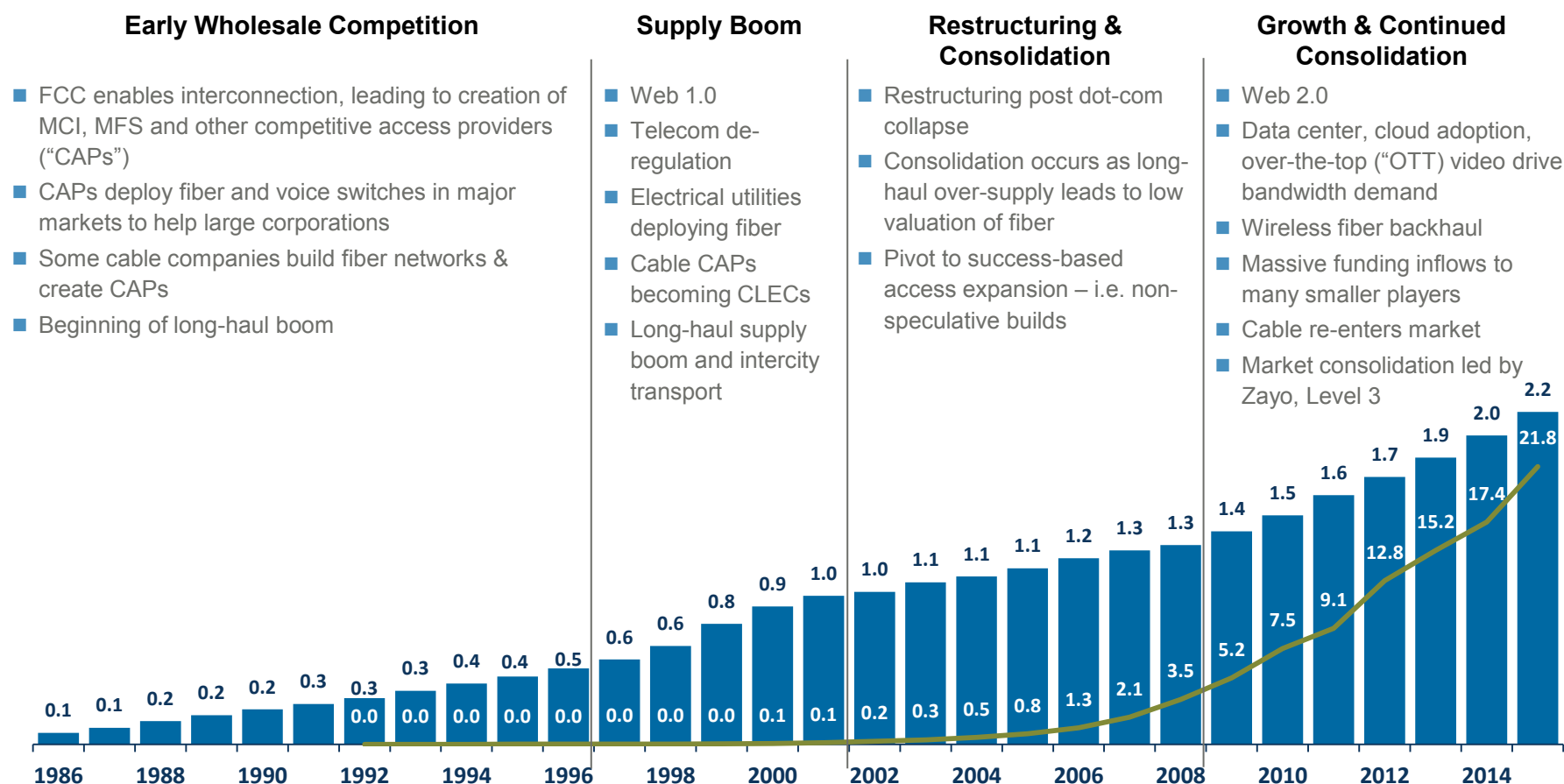


Fiber market overview – fiber miles & data demand

Demand growth has spurred investment by incumbents and competitive fiber providers, which began with long-haul in the mid 1980s and is now moving to access

U.S. Cumulative Fiber Route Miles and Monthly Data Usage

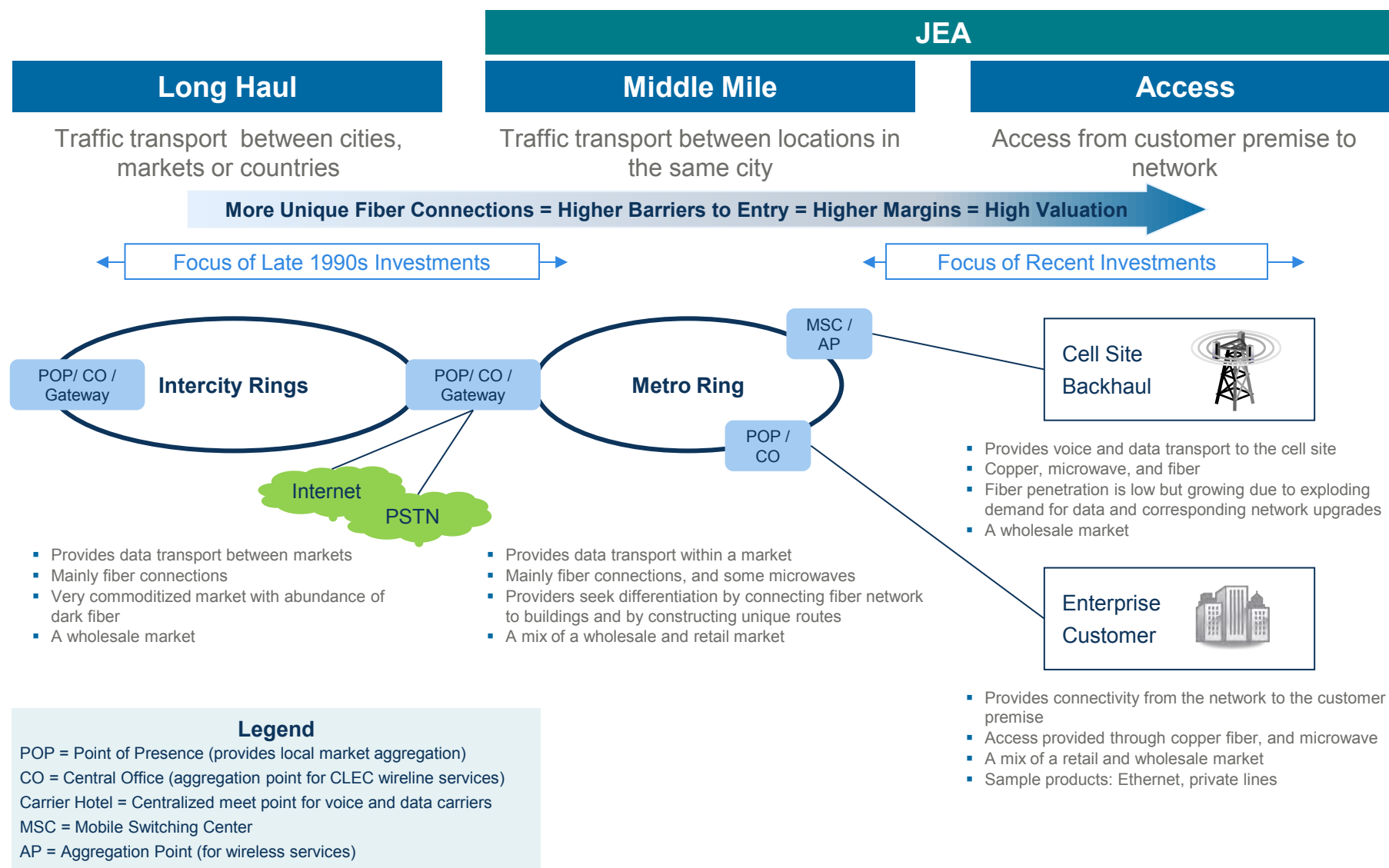
■ Total Route Miles (millions) — Monthly Data Usage (EBs per month)



Source: Altman Vilandrie & Company

Fiber market overview – network architecture

Investment in the U.S. has moved from connecting cities to connecting buildings and towers

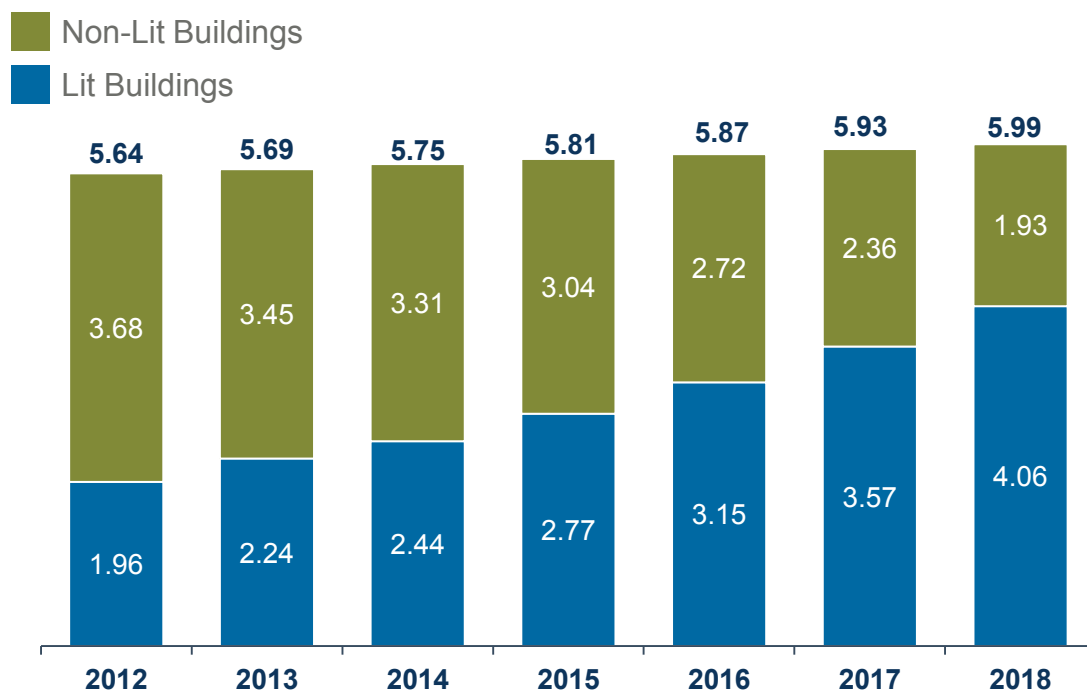


Enterprise broadband technology trend

In the enterprise space, fiber building penetration is expected to continue to increase, making competitive and incumbent communication carriers (“LECs”) continue to invest capital to build out their own fiber networks

U.S. Fiber Penetration of Commercial Buildings

(Millions of buildings, US 2010-2018)



Commercial Building Fiber Penetration

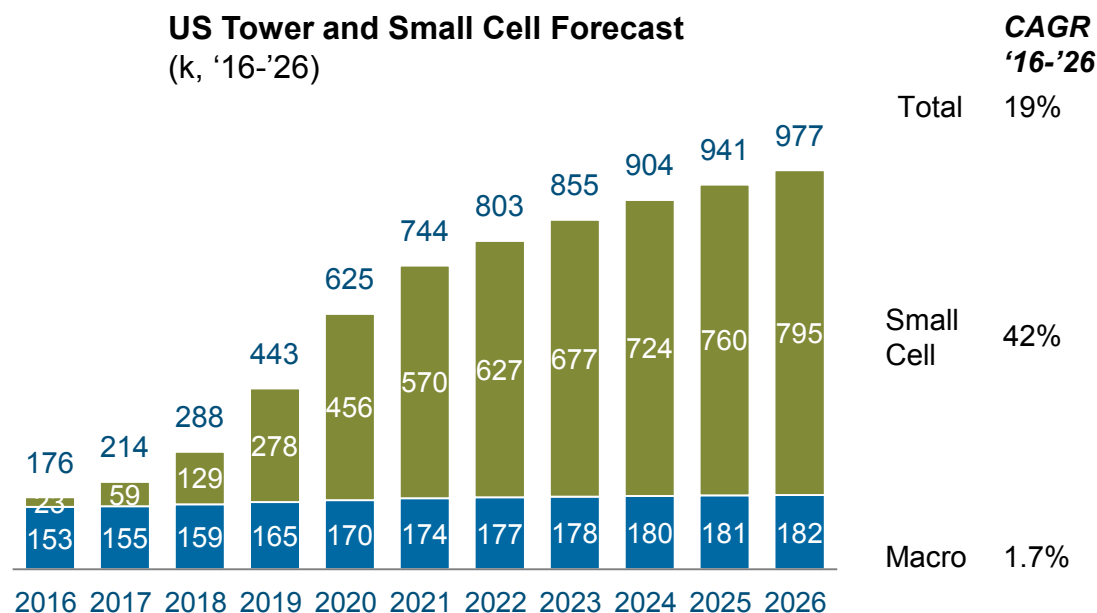
35%	39%	43%	48%	54%	60%	68%
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Key Findings & Insights

- Strong growth expected to continue through 2018
- LECs will need to continue to invest in enterprise fiber deployments
- Other technologies, including fixed wireless, are unlikely to replace fiber for enterprise

Fiber market – tower backhaul market

Rapid increase in small cells together with a transition to 5G (5th generation wireless) are expected to drive significant growth in the tower backhaul industry over the next 5-10 years



5G Implications

- **Dramatic uptick in fiber demand** due to network densification
 - Dense urban areas require additional cells to cope with user demand
 - Shift to mm waves increases throughput but reduces cell radius
- Corresponding **shift from lit to dark fiber** for towers
 - Dark fiber is often more economical for carriers over the lifetime of a site
- Carriers will still need **lit macro towers outside of urban cores** where coverage is a priority

Market Economics (2017)

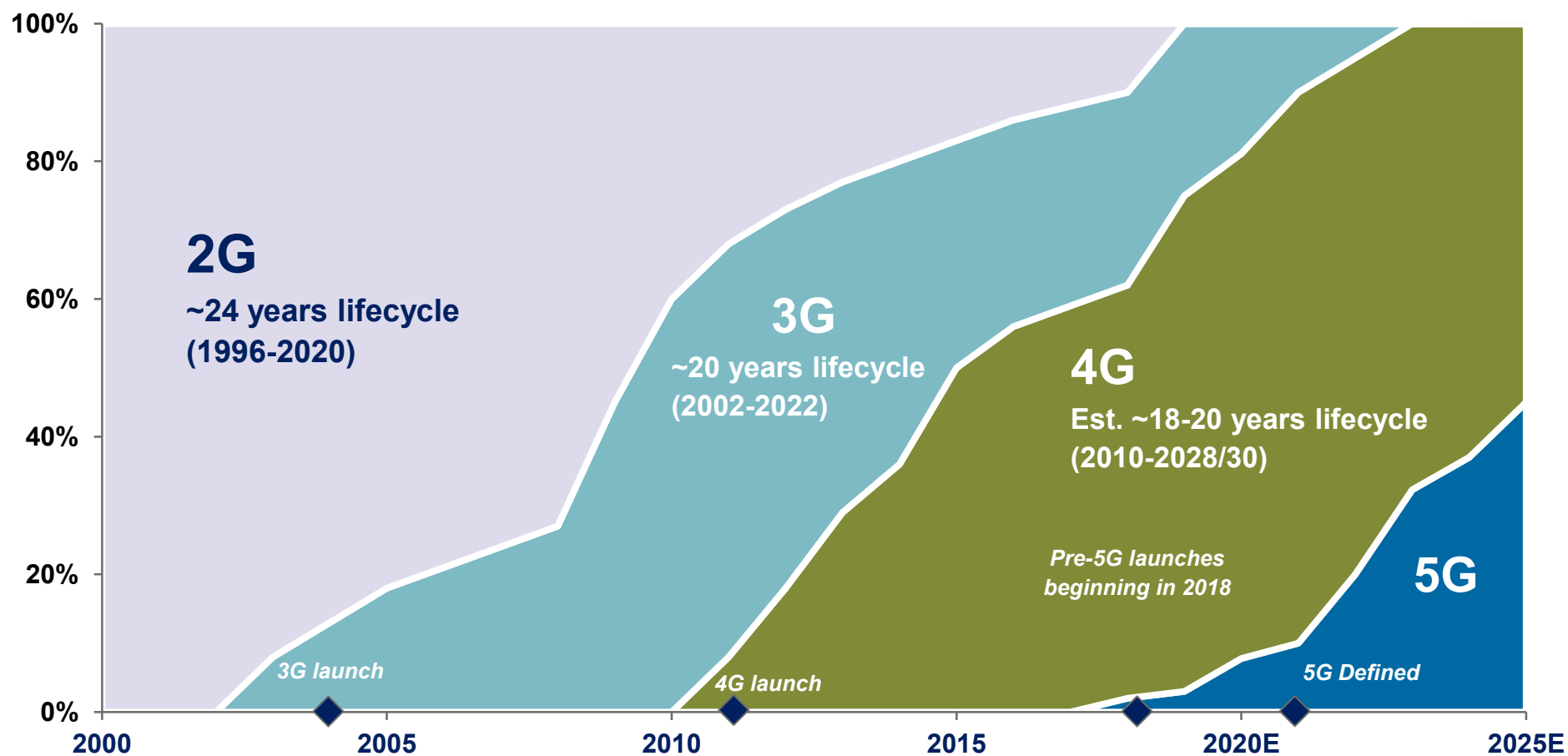
<i>Morphology</i>	<i>Macro ARPU</i>	<i>Macro Fiber %</i>	<i>Small Cell ARPU</i>	<i>Small Cell Fiber %</i>
Urban	\$795	100%	\$350 / mo.	100%
Suburban	\$1233	79%	n/a	n/a
Rural	\$1670	62%	n/a	n/a

Assumption Trends

- **Small cell market is still evolving** as demand increases
- **Unit costs are expected to decline**, but are outweighed by the increase in quantity
- Fiber penetration expected to increase ~10pp by 2021

Wireless network evolution

Projected U.S. market share of connectivity standards (2000-2025) based on % devices



Non-standalone mobile 5G launches are expected in 2018. At the same time, significant 4G investments are expected to continue, given the over 50% estimated 4G market share through 2025.

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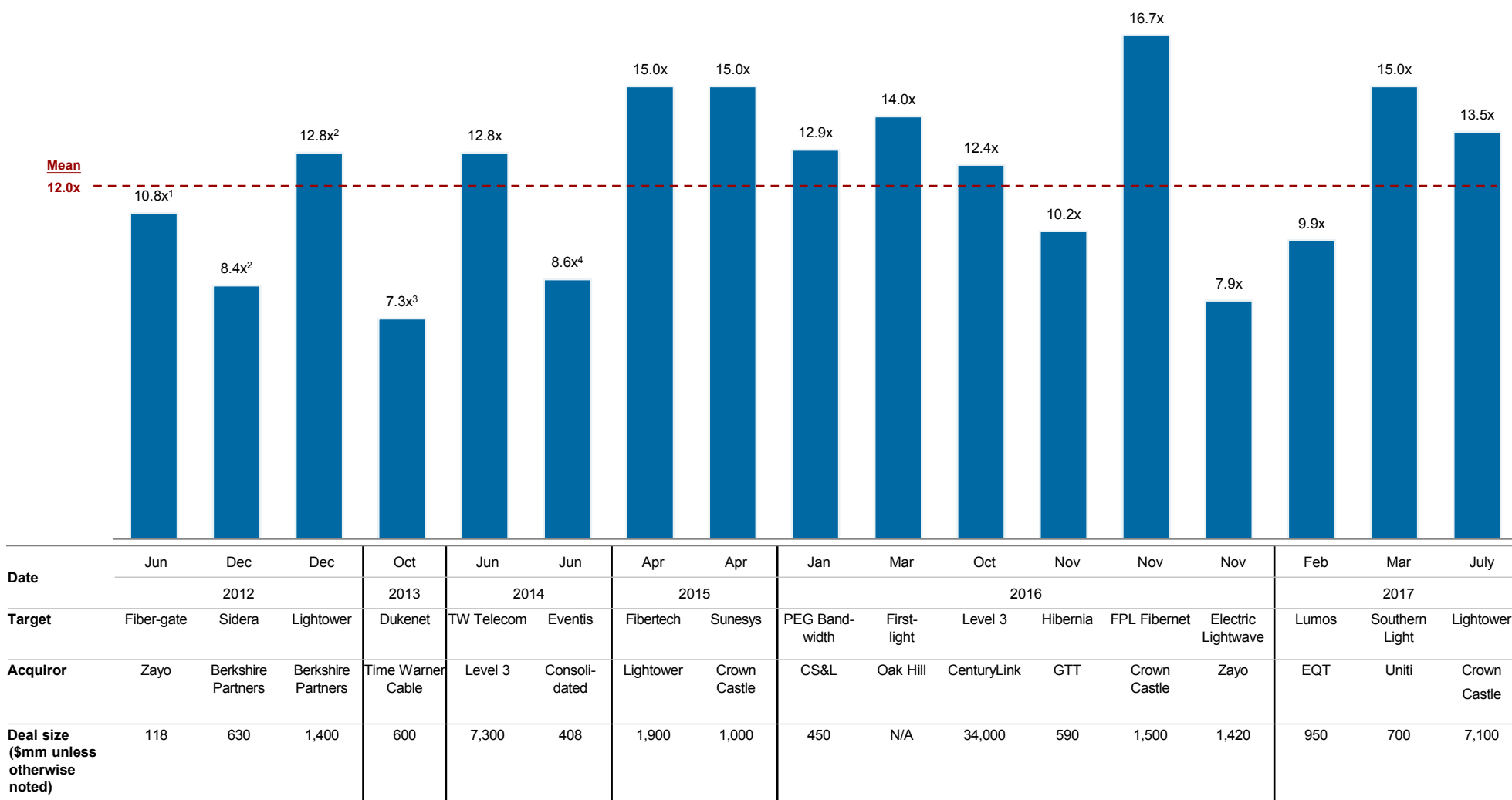
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JEA telecom infrastructure presents significant economic potential

Key Criteria	Dark Fiber	Wireless Infrastructure
Useful Life	✓ ~50+ Year	✓ ~50+ Year
Initial Term	✓ 10-20 Years	5 – 10 Years
Lease-up Potential	✓ 48-288 Fiber Strands per Cable	3 – 4 Tenants per Tower 1 – 2 Tenants for Poles / Street Furniture
Lease-up	✓ Significant Potential	Limited on Existing Towers / Significant on DAS/Small Cell & New Towers
Customer Churn	✓ Very Low	✓ Very Low
Success-Based Builds	✓ Investment from Anchor Customer	✓ Occasional Capex Investment with Additional Customers
Incremental Margins	✓ Incremental Margins of ~90%	✓ Incremental Margins of ~90%
Quality of Tenants	✓ High Credit Quality Tenants	✓ High Credit Quality Tenants

Precedent fiber transactions

FV/LTM EBITDA



Source: Company filings, websites, and press releases; Note: Multiples based on LTM EBITDA (post-SBC) unless otherwise noted; ¹ Zayo investor presentation May 2013, represents LQA adjusted EBITDA multiple per management; ² Financials per debt offering information memorandum; ³ DukeNet 2013E adjusted EBITDA based on Wall Street research estimates; ⁴ Represents entire Enventis business which comprises of RLEC and fiber segments;

Precedent wireless infrastructure transactions



Source: Company filings, websites, and press releases

State of New York Telecommunications Site Manager Case Study



CONFIDENTIAL



Background

Agreement Overview

- In November 1997, the Division of State Police ("DSP"), on behalf of New York State ("State"), entered into a 20 year Telecommunications Site Manager Agreement ("Contract") with Crown Communications ("Crown") to manage, maintain and market State owned communication infrastructure
- The agreement is optionally renewable for 4 more times at 5 year increments upon expiry

Scope of the Program

- The Contract is broad in scope and gives Crown the responsibility of maintaining and refreshing existing State structures, construct new ones if necessary, marketing the structures to private carriers and negotiate subsequent contracts with carriers
- The State and Crown shares in the gross revenues generated from structures covered under the Contract's scope
- Participation by State agencies is optional
- In 2012, the Superintendent of Administration for DSP agreed to a request from Crown to reduce DSP oversight over contract approval that gave Crown more autonomy in signing new contracts on State structures

Agreement Status

- As of 2012
 - Collocated 1,250 antennas
 - Developed 72 wireless infrastructure sites, 27 of which were newly constructed and are State owned

Potential Revenues (\$000s)

	2017	%
Transportation	1,583.6	28.8%
Parks & Recreation	888.9	16.2%
Mental Health	847.7	15.4%
General Services	805.7	14.7%
Corrections	597.5	10.9%
State Police	435.9	7.9%
SUNY	338.3	6.2%
Total	5,497.6	100.0%

Sources: JPM estimates based on OSC Audit Report from 2007

Revenue Sharing Mechanism

Useable State Structures that Pre-existed the Contract

- 50% of Gross Revenues
- Paid Monthly

Pre-existing State Structures that Require Renovations

- 30% of Gross Revenues for the first 10 years, 50% there after
- Paid Monthly

New Crown Structures

- 30% of Gross Revenues for the first 10 years, 50% there after
- Paid Monthly

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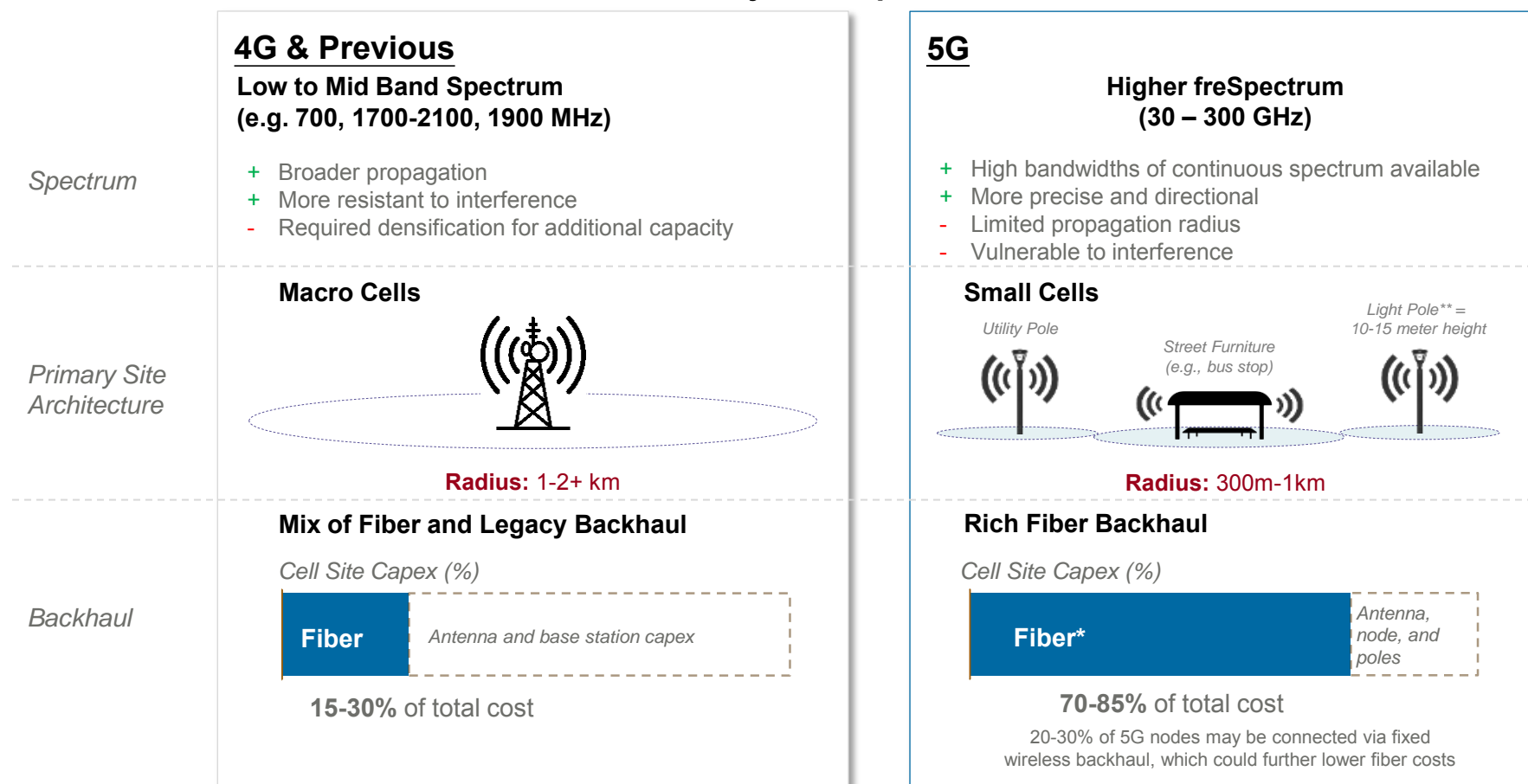
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Key network updates for 5G

Relative to 4G, 5G will use higher frequency spectrum, primarily use small cells, and rely on access to robust fiber; as a result, deployments will be highly targeted

- Fiber costs in both cases can be outsourced and moved from CAPEX to OPEX

Major 5G Updates



Types of wireless infrastructure



Rooftop

- Range in size
- Particularly useful in areas with strict zoning regulations
- Key component of next 5G development



Monopole

- 100–200 feet
- Typical use: Telephony



Lattice

- 200–400 feet
- Also called self-support
- Typical use: Telephony



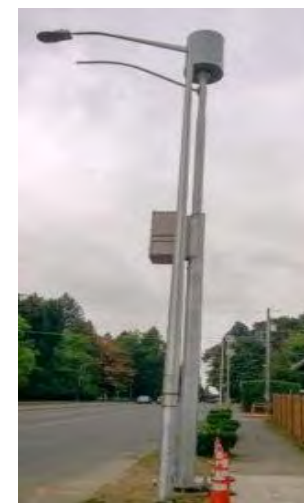
Guyed

- 200–2,000 feet
- Typical use: Television and radio broadcasting, paging and telephony



Transmission

- Varied in range
- Radio equipment can be placed on transmission towers and / or power lines
- Minimal additional capex required



DAS / Small Cell

- Varied in range
- DAS is a point to multipoint system (centralized coverage)
- Small cells seek to cover a target area with a portfolio of small radios

Wireless infrastructure business model fundamentals

Recurring long-term revenue stream

- Sources
 - Multiple tenants lease vertical space on the tower and portions of the ground for their wireless communications equipment
- Long-term customer leases
 - Contracts are typically non-cancellable
 - Typical contract terms include an initial term of 5 to 10 years with multiple 5-year renewal periods
 - Annual lease escalators in the U.S. of approximately 3.5%
 - Escalations in international operations are typically based on local inflation rates
 - Historically low annual churn of less than 2%

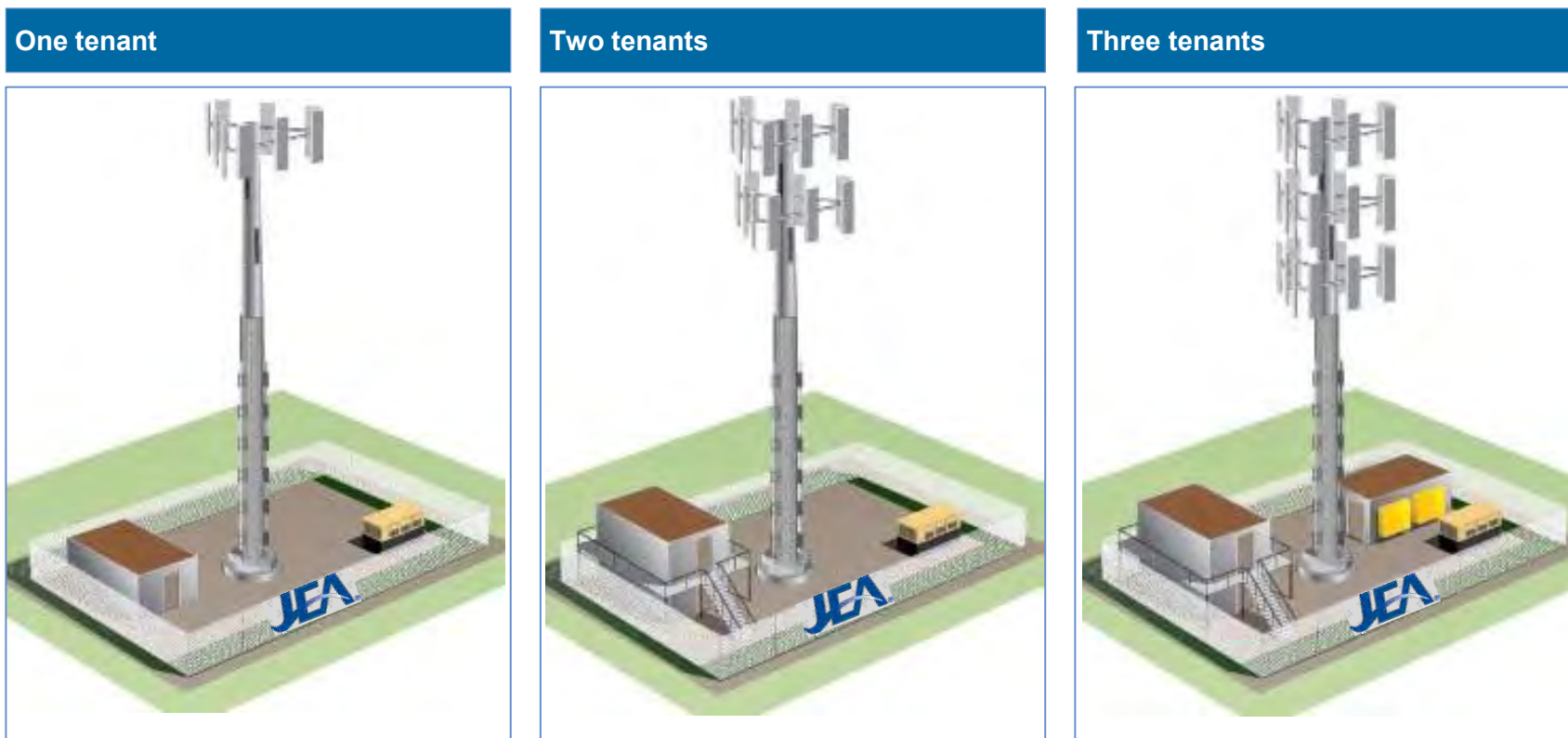
Fixed-cost, long-term ground interests

- Sources
 - Ground rent
 - Monitoring
 - Insurance
 - Real estate taxes
 - Utilities
 - Site maintenance
- Land lease attributes
 - Long term: average remaining ground lease term is approximately 22 years until final maturity in the U.S.
 - Annual lease escalators in the U.S. of approximately 3%; and international are typically based on local inflation rates
 - Selectively purchasing land interests where return hurdles are met
- Pass through
 - International markets typically pass through a portion of their operating expenses to the tenant
- Fixed cost structure of towers
 - Accommodating additional tenants requires minimal additional operating costs

Low ongoing capital requirements

- Minimal maintenance capex requirements
 - Examples include: lighting system and fence repair, ground upkeep
 - U.S. historical average: approximately \$1,500 per year, per site
 - International historical average: approximately \$500 per year, per site
- Augmentation capex
 - Capital spending to increase capacity of tower site, including height extension, foundation strengthening, extension of ground space, etc.
 - Investment payback period is typically one to two years
 - Cost typically shared with tenant
- Corporate Capex
 - Capital spending, primarily on IT infrastructure

Significant incremental cash flow from increased tower use



Adding tenants, equipment and upgrades results in significantly higher returns, as revenue is added with minimal incremental cost

Wireless infrastructure business model drives compelling cash flow metrics

	One tenant	Two tenants	Three tenants
Construction/Upgrade costs (US\$)	\$250,000	—	—
Tenant revenue	\$20,000	\$40,000	\$60,000
Operating expenses (including ground rent, utility, monitor)	\$12,000	\$13,000	\$14,000
Gross margin	\$8,000	\$27,000	\$46,000
Gross margin (%)	40%	68%	77%
Gross margin conversion rate (%)	—	95%	95%
Return on investment²	3%	11%	18%

¹ For illustrative purposes only

² Calculated as Gross Margin divided by Construction/Upgrade Costs

III. A.

Appendix A

Board Workshop Minutes June 19, 2018

Return to Agenda

JEA Board Workshop Minutes June 19, 2018

III. A.
Appendix A
07/30/2018

The JEA Board met for a workshop on Tuesday, June 19 2018, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida 32202. Members in attendance were Alan Howard, Husein Cumber, Kelly Flanagan and April Green. Frederick Newbill attended telephonically. Others in attendance were Angie Hiers, Jody Brooks, Kay Fuhrman and Sean O’Neal, Heidrick & Struggles.

Call to Order – Board Chair Howard called the workshop to order at 12:03 PM. Chair Howard stated the purpose of the workshop is to discuss the search process for the permanent CEO position. Chair Howard introduced Kay Fuhrman and Sean O’Neal with the executive search firm Heidrick & Struggles (H&S), along with Angie Hiers, Vice President and Chief Human Resources Officer.

Ms. Hiers reviewed the formal Request for Proposal process to select the executive search firm to assist JEA in the CEO search.

Due to a scheduling conflict, Chair Howard called upon Council Member Schellenberg to offer comments which would normally fall within the Comments/Presentation section of the JEA Regular Board Meeting agenda. Council Member Schellenberg provided comments regarding the letter sent by Aaron Zahn, Interim Managing Director/CEO to the Mayor’s Office, City Council Members and JEA Board Members related to the Southside Generation Station capital allocation. Council Member Schellenberg requested JEA to pause and determine the best use of the proceeds for JEA.

Kay Fuhrman, Partner, Heidrick & Struggles, provided an overview of the company stating that H&S is a global, public company with over 65 years of experience partnering globally in areas of executive search and leadership advisory, organizational development, succession planning, team performance and corporate culture. Ms. Fuhrman and Sean O’Neal, Engagement Manager, provided their background and experience with H&S.

Ms. Fuhrman stated the purpose of the workshop is to provide a brief overview of the process, as well as to calibrate the profile for the ideal candidate, and to establish a target process timeline for the search activities. Ms. Fuhrman provided a more in-depth review of the phases during a general Managing Director/CEO search including: Developing Key Criteria; Identifying and Reviewing; Interviewing and Presenting; Selection and Presentation of Offer; and Closure, Transition and Follow-up.

To calibrate the success profile of the CEO candidate, Ms. Fuhrman presented questions and requested Board Member’s individual feedback. The questions included:

Due to a technical issue, Secretary Newbill exited the call at 12:13 pm and returned to the call at 12:17 pm, in time to provide his response to question number one.

1. Describe the key priorities you expect the CEO will have when they step into the role.
2. Is operational utility experience required or preferred?

Chair Howard stated during the regularly scheduled Board Meeting, he will name a CEO Search Committee.

3. Board Members held discussions related to the Chief Operations Officer's (COO) role. Ms. Fuhrman highlighted the importance of understanding the COO role as it may be used to assist in clarifying the role of the Managing Director/CEO.
4. Would the Board expect the candidate to step in with prior CEO experience, holding full profit and loss accountability for a large team and a large scale of complexity?
5. Is there a targeted timeframe that the Board is expecting or prefers to move from the interim structure to the permanent CEO position?
6. What are the positive selling points of a candidate joining JEA as the Managing Director/CEO?

Ms. Fuhrman stated H&S welcomes the Board's input on the documents provided and thoughts on the pending CEO Search Committee to be named. Board Chair Howard requested Board Members to be responsive to Ms. Hiers and H&S related to calibrating a job description. Chair Howard added the next step will include H&S collaborating with the CEO Search Committee to formulate a job description to be proposed for the Board's consideration at the July Board Meeting.

With no further business claiming the attention of the Board, the workshop was adjourned at 1:03 PM.

APPROVED BY:

SECRETARY

DATE: _____

Prepared by:

Melissa Charleroy
Executive Assistant

III. A.

Appendix B

Board Meeting Minutes June 19, 2018

Return to Agenda

JEA BOARD MINUTES June 19, 2018

III. A.
Appendix B
07/30/2018

The JEA Board met in regular session on Tuesday, June 19, 2018, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Alan Howard, Husein Cumber, Kelly Flanagan and April Green. Frederick Newbill attended telephonically.

Agenda Item I – Welcome

- A. The meeting was **called to order** at 1:13 PM by Chair Howard.
- B. A **Moment of Reflection** was observed by all.
- C. The **Pledge of Allegiance** was led by Chair Howard.
- D. **Adoption of Agenda** – The agenda was approved on **motion** by Vice Chair Cumber and second by Ms. Green.
- E. The **Safety Briefing** was given by Aaron Zahn, Interim Managing Director/Chief Executive Officer.
- F. **Sunshine Law/Public Records Statement** – Jody Brooks, Office of General Counsel (OGC), stated this Board Meeting is being held in compliance with Florida's Government in the Sunshine Law, §286.011. The complete statement can be found in section I. F. of the Board package.

Agenda Item II – Presentations and Comments

- A. **Comments from the Public** –
 - 1. David Bruderly addressed the Board on the future planning for JEA.
- B. **Council Liaison's Comments** – Due to a scheduling conflict, the Honorable Matt Schellenberg provided comments during the Board Workshop held at noon.
- C. **Office of the Mayor Liaison's Comment** – Dr. Johnny Gaffney was not in attendance.
- D. **Arbor Day** – Ms. Kim Wheeler, Manager, T&D Preventative Maintenance, presented in an effort to raise customer awareness regarding trees, JEA began the designated Tree Line USA program which has been maintained since 2012. Out of the 34 Florida utilities that maintain the program, only four have maintained the designation. Ms. Wheeler introduced Joe Anderson, Forester. Mr. Anderson thanked staff who were present for their hard work. Mr. Anderson stated the Tree Line USA designation is received from the Arbor Day Foundation and the National Association of State Foresters. There are five core standards that JEA follows including: provide quality tree care, demonstrate that JEA provides quality training to staff, be involved in tree planting and public education and show that JEA has a tree-based energy conservation program, as well as JEA takes part in the Arbor Day celebration which was held on March 24, 2018. Mr. Anderson stated JEA has partnered with Greenscape of Jacksonville and formed a partnership called Green Releaf. Through Greenscape, JEA partnered with the City of Jacksonville, Duval County Cooperative Extension, Florida Urban Forestry Council and Florida Forest Service to plant over 600 trees in Jacksonville. This presentation was received for information.

Agenda Item III – Operations (Discussion / Action)

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

Appendix A: Board Meeting Minutes May 15, 2018 – approved

Appendix B: Monthly Financial Statements – received for information

Appendix C: Monthly FY18 Communications & Engagement Calendar and Plan Update – received for information.

- B. Monthly Operational & Financial Review** – Melissa Dykes, President/COO and Ryan Wannemacher, Interim Chief Financial Officer, presented the monthly review of JEA's operational and financial metrics for electric and water/wastewater services. This item was received for information.

- C. Proposed FY2019 Operating and Capital Budgets** – Ryan Wannemacher, Interim Chief Financial Officer, stated the FY2019 Operating and Capital Budgets were reviewed at the May 15, 2018 Board Meeting, as well as the March 12 and May 7, 2018 Finance & Audit Committee Meetings. Upon approval of the budget by the Board, staff will submit the budget to City Council by July 1, 2018. Mr. Wannemacher reviewed key highlights of the budget focusing on strategic issues, and how those issues are addressed within the budget. Mr. Wannemacher advised that under the proposed budget, JEA would accumulate no new debt and have no planned rate changes for FY2019. On **motion** by Secretary Newbill and second by Mr. Cumber, Board Members held discussions and the Board unanimously approved the proposed operating and capital budgets and authorized staff to transmit the recommended budget to the Jacksonville City Council for final action and transmit the Five-Year Capital Improvement Program as required by the Jacksonville City Planning Department. On **motion** by Ms. Flanagan and second by Ms. Green, Board Members held discussions and unanimously approved JEA's share of the SJRPP and Plant Scherer operating and capital budgets. On **motion** by Ms. Green and second by Secretary Newbill, the Board unanimously authorized the Interim Managing Director/CEO to adjust the budget approved by the Board of Directors and submitted to Council, if necessary, within the total approved budget amounts for each system. Chair Howard recognized Kristina Quarterman and Laure Whitmer for their efforts in the completion and submission of the budget, as well as Finance & Audit Committee Chair Flanagan and the Committee for their hard work.

- D. Appointment of Wayne McGovern to Civil Service Board** – Jody Brooks, Vice President & Chief Legal Officer, presented a candidate for the Civil Service Board - JEA makes two appointments to the nine-member Civil Service Board. Mr. Wayne McGovern is eligible for appointment and has agreed to serve. If approved, Mr. McGovern will replace the incumbent Helen Kehrt, whose term ends June 30, 2018. On **motion** by Ms. Flanagan and second by Ms. Green, Board Members held discussions and unanimously approved the appointment of Mr. McGovern to serve an initial three-year term on the Civil Service Board. Vice Chair Cumber suggested Human Resources be more aggressive in reaching out to former employees to serve on this important board.

- E. St. Johns River Power Park Systems Employees' Retirement Plan – Amendment #2 to the Restated Plan Document** – Angie Hiers, Vice President and Chief Human Resources Officer, presented in order to maintain any retirement plan's tax-qualified status, it is necessary or advisable to amend the retirement plan's written plan documents to reflect updates in the law, plan design changes, and/or compliance terms. Due to the shutdown of the St. Johns River Power Park (SJRPP), the retirement plan as it was has been closed. A compliance amendment (Compliance Amendment #2) has been drafted to reflect the administration of the Plan, as a result of the plant shutdown. Ms. Hiers provided a summary of the amendment terms including: accelerated vesting, no new participation in the Plan after the plant shutdown, terms related to future benefit accruals. This presentation is for information only. Chair Howard directed staff to place this item on the July Board Meeting agenda for action.
- F. Compliance Amendment to JEA 457 Deferred Compensation Plan Document** – Angie Hiers, Vice Present and Chief Human Resources Officer, presented all governing documents of the plan are periodically updated to reflect changes in the Internal Revenue Service Code and to ensure consistency with the operation of the plan. As a result of the St. Johns River Power Park (SJRPP) shutdown on January 5, 2018, the terms of the governing Plan were reviewed. A Compliance Amendment has been drafted to conform the governing Plan document to past collective bargaining terms and actual operations. Ms. Hiers stated this presentation is being provided for information only. Chair Howard directed staff to place this item on the July Board Meeting agenda.
- G. Electric System – Ten Year Site Plan** – Steve McNall, Director, Electric Production Resource Planning presented the Ten Year Site Plan, which is required to be submitted annually by April 1 to the Florida Public Service Commission (PSC). The PSC uses this information to ensure that the state has sufficient generation to meet the needs of the state. Mr. McNall provided a brief overview of the topics covered in the Ten Year Site Plan including: existing and committed facilities, forecasts and planning assumptions, and future resource needs. Mr. McNall stated this year's resource plan includes the SJRPP sales suspension and decommissioning, the upgrade to the Brandy Branch Combined Cycle Unit, and the nuclear power purchase agreement with the Municipal Electric Authority of Georgia for JEA's portion of the new Plant Vogtle Units 3 and 4 currently under construction. Mr. McNall added that included in this plan is 27 MW of solar photovoltaic (PV) for solar arrays fulfilling the Board's 2014 Solar Policy. Board Members were provided a hard copy of the Ten Year Site Plan. This presentation is provided for information.

Agenda Item IV – Strategy (Discussion Only)

- A. Shareholder Framework** – Aaron Zahn, Interim Managing Director/CEO presented the first draft of the Shareholder Framework. The Shareholder Framework is a concept shared with the Board in April, which included a process and mechanism for ensuring alignment of JEA with City Council and the Mayor's Office relative to financial, operational and community expectations of JEA. Mr. Zahn stated since April, he has walked through this process with each City Council Member individually. Mr. Zahn reviewed the draft resolution Section One, which illustrates City Council as both a Shareholder Trustee and Customer Advocate and Section Two, which covers the Shareholder Framework intended for City Council to be invested in the financial and operational success of JEA. Section Three – Customer Advocate Framework for Electric Services and Section Four Customer Advocate Framework for Water and Wastewater Services. Mr. Zahn expressed it is his hope the Shareholder Framework

will be a collaborative effort between JEA management, Board of Directors, City Council and the Mayor's office to create a measuring stick around a clear consensus upon which to develop, implement and execute a corporate strategic plan through 2028. Board Chair Howard called upon Council Liaison Matt Schellenberg to provide comments. Council Liaison Schellenberg suggested JEA work towards creating a better relationship with each Council Member in lieu of submitting the resolution. Board Chair Howard commended Mr. Zahn for meeting with individual Board Members last month. Vice Chair Cumber suggested the Board share their collective thoughts on the Shareholder Framework and meet individually with Council Members, and bring back their feedback to the Board Meeting. Mr. Zahn will redraft the resolution in the form of a letter and bring back to the Board at the July Board Meeting for additional feedback. This presentation is provided for information.

- B. **Governance – Delegation of Authority** – Aaron Zahn, Interim Managing Director/CEO stated the draft Delegation of Authority incorporates all the historical delegations, but also includes elements of succession planning. Mr. Zahn asked Board Members to review the proposed plan and provide recommendations prior to bringing back to the Board for approval at the July Board Meeting. This presentation was received for information.
- C. **Transition Update** – Aaron Zahn, Interim Managing Director/CEO provided the Board with an update of the transition period that was previously presented on April 17, 2018. Mr. Zahn stated over the last 8 weeks, JEA has transitioned into a phase of stability. JEA is now framing the Shareholder Framework, as well as setting the foundation for the permanent CEO, which includes strategic planning and execution. JEA has launched a Management Listening Tour beginning June 8 and concluding on October 1, 2018. JEA is engaging major stakeholder groups including employees/customers, JEA Board, City Council and the Office of the Mayor. Mr. Zahn stated the purpose of the meeting is to solicit ideas from employees and to hear their feedback. Mr. Zahn stated an update will be provided to the Board in September/October. This presentation was received for information.
- D. **Southside Capital Allocation** – At the request of Board Chair Howard, this item was deferred to the July Board Meeting.

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

- A. **JEA Hurricane Readiness & Communication** – Melissa Dykes, President/Chief Operating Officer introduced Ed Dendor, Director Emergency Preparedness & Business Continuity. Ms. Dykes and Mr. Dendor provided the Board with a summary of JEA's hurricane readiness and communication process in preparation for the 2018 storm season. Ms. Dykes stated during Hurricane Irma, JEA restored power faster than any other major city in Florida. The lessons learned from hurricanes Matthew, Irma, and continuous improvements JEA is implementing today will allow JEA to provide better response going forward. Topics covered include: Continuous preparations before the storm in electric system improvements, water and sewer upgrades, storm restoration training, and comprehensive communications plan; during the storm activities including monitoring the weather, assessing the impact on our facilities, and deploying linemen once conditions are safe; and after the storm including JEA's new Restoration 1-2-3 campaign, community outreach and aid, news media and public relations, and enhanced customer communications; and hurricane preparations. Due to

business continuity, Chair Howard stated the Board will conduct a deep dive or workshop on the subject of real estate options at a future meeting. This presentation was received for information.

Agenda Item VII – Other Business

A. Old Business – None

B. Other New Business – None

C. Open Discussion – Secretary Newbill thanked Mike Hightower, Chief Public & Shareholder Affairs Officer, for hosting the Pastor's luncheon where Mr. Zahn and Ms. Dykes were able to meet with pastors and hear their community feedback. Secretary Newbill also thanked John McCarthy, VP & Chief Supply Chain Officer, Rita Scott, Manager, Jax Small Emerging Business Programs, and team for hosting a workshop on Jacksonville Small and Emerging Business (JSEB) program at the First Timothy Baptist Church. Secretary Newbill stated he feels JEA should hold firm to the recommendation from Mr. Zahn for the use of the proceeds from the sale of the Southside property on septic tanks phase-out. Chair Howard stated the issue of the Southside allocation will be brought to the Board at the July Board Meeting.

D. Interim Managing Director/CEO's Report – Mr. Zahn, Interim Managing Director/CEO stated management met with the rating agencies who commended JEA on navigating through a difficult process and emerging with a structured transition. Mr. Zahn thanked the Board for their patience today and requested a few revisions to upcoming Board packages to include: the inclusion of an operations/finance dashboard every other month, as well as the full report every other month. This would allow the Board additional time on subject matter exploration. Mr. Zahn proposed moving Board Meetings back one additional week, which would allow staff additional needed time to prepare materials. Mr. Zahn also offered an option to move Board packages to an electronic format. Chair Howard clarified that the Board would receive financials every month; however, the Operations report will be provided every other month in the form of a dashboard. Board Members held discussions regarding the possibility of a Board Meeting date change. Board Chair Howard recognized potential incoming Board Members John Campion and Camille Jones. Board Members agreed to move the next Board Meeting to July 30, 2018. Mr. Zahn provided information regarding the upcoming subject matter exploration topic of Distributed Power Generation and Storage Market.

E. Chair's Report – Chair Howard appointed a CEO Search Committee to include April Green, Husein Cumber, an incoming Board Member, and himself. Chair Howard thanked Mike Hightower, Larry Pinkstaff and Gina Kyle and others on the retirement event for the St. Johns River Power Park. Chair Howard recognized Scott Bednarz, Wastewater Operator Maintainer for his interview on First Coast News.

Agenda Item VIII – Closing Considerations

A. Announcements – Next Board Meeting – July 30, 2018

B. Adjournment

With no further business claiming the attention of the Board, Chair Howard adjourned the meeting at 3:23 PM.

APPROVED BY:

SECRETARY

DATE: _____

Board Meeting recorded by:

Melissa M. Charleroy
Executive Assistant

III. A.

Appendix C

St. Johns River Power Park Systems
Employees' Retirement Plan – Amendment #2
to the Restated Plan Document

July 6, 2018

SUBJECT:	ST. JOHNS RIVER POWER PARK SYSTEM EMPLOYEES' RETIREMENT PLAN-AMENDMENT #2 TO THE RESTATED PLAN DOCUMENT
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Purpose:	<input type="checkbox"/> Information Only	<input checked="" type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: In order to maintain a retirement plan's tax qualified status, it is necessary and/or advisable to amend the plan's written documents to reflect updates in the law, plan design changes, and/or compliance terms.

Significance: The Plan's tax-favored status as an eligible retirement plan under Internal Revenue Code is maintained by ensuring that the Plan's operations and governing Plan document are consistent.

Effect: Conformity and consistency of the plan's operations and governing plan documents.

Cost or Benefit: N/A

Recommended Board action: Staff recommends the Board approve and adopt Resolution # 2018-04 for the St. Johns River Power Park System Employees' Retirement Plan Amendment #2 to the Restated plan document in order to maintain a retirement plan's tax qualified status and to amend and update plan design changes and/or compliance terms.

For additional information, contact: Angelia Hiers (904) 665-4747

Submitted by: AFZ/MHD/ARH



Commitments to Action

- 1 Earn Customer Loyalty
- 2 Deliver Business Excellence
- 3 Develop an Unbeatable Team

INTER-OFFICE MEMORANDUM

July 6, 2018

**SUBJECT: ST JOHNS RIVER POWER PARK SYSTEM EMPLOYEES'
RETIREMENT PLAN – AMENDMENT #2 TO THE RESTATED PLAN
DOCUMENT**

FROM: Aaron F. Zahn - Interim Managing Director CEO

TO: JEA Board of Directors

BACKGROUND:

The St. Johns River Power Park System Employees' Retirement Plan ("Plan") was originally established in 1984 for the purpose of providing retirement benefits – on a tax-qualified basis – to eligible St. Johns River Power Park System ("SJRPP") employees (and/or their surviving beneficiaries) after they retire. The Plan benefits had been bargained with the International Brotherhood of Electrical Workers Local Union 1618 bargaining unit ("IBEW 1618") and had also been provided to a small number of SJRPP non-bargaining unit employees. Additionally, Plan benefits are provided to a small number of JEA employees who transferred employment from SJRPP to JEA and exercised their statutory right to elect to continue to participate in the Plan.

The latest governing Plan document for the Plan is an amendment and restatement with an effective date of October 1, 2015 and a compliance Amendment #1 thereto with a retroactive effective date of October 1, 2015 (collectively, the "Restated Plan").

DISCUSSION:

The governing authorities of SJRPP recently determined to shut down the SJRPP plant, which shutdown was effective at the close of business on January 5, 2018. SJRPP terminated all active employment positions by that date.

Periodically, to maintain any retirement plan's tax-qualified status, it is necessary or advisable to amend the retirement plan's written plan documents to reflect updates in the law, plan design changes, and/or compliance terms. A compliance amendment ("Compliance Amendment #2") has been drafted to reflect the administration of the Plan as a result of the plant shutdown. A summary of the amendment terms is as follows:

- Consistent with the IRS's partial plan termination rules, employees who were actively participating in the Plan on the date the plant shutdown was announced (March 17, 2017) benefited from accelerated vesting, meaning that they attained a non-forfeitable right to their Plan benefits even if they had not yet completed the otherwise-required five years of vesting service.
- There is no new participation in the Plan after the plant shutdown.
- Due to the termination of all SJRPP employment, future benefits accruals are frozen, with two exceptions.
 - The first exception is that interest credits on Tier Two (cash balance) benefits will continue accruing until the participant begins receiving payment of his or her Plan benefits.

- The second exception is that JEA employees who had transferred from SJRPP and had exercised their statutory right to elect to continue actively participating in the Plan will continue to accrue benefits (and will continue to have participant contributions deducted from their paychecks) for so long as they remain employed at JEA.
- The current members of the fiduciary administrative Committee for the Plan are confirmed as: (1) an appointee of the JEA Managing Director/CEO (currently, the appointee is JEA's Vice President/General Manager Electric Systems, Michael Brost); (2) JEA Treasurer (currently, Joseph Orfano); (3) JEA Controller (currently, Janice Nelson); and (4) SJRPP-related Project Director (currently, Larry Pinkstaff). The Committee may, but is not required, to appoint a fifth member. SJRPP, by action of the JEA Board of Directors, continues to have the power to remove and replace Committee members and appoint additional Committee members.

The Plan provides that compliance amendments generally must be submitted to the IBEW 1618 for information. However, due to the prior termination of all SJRPP employment, there is currently no bargaining unit and therefore this informational submission requirement is not operative.

Compliance Amendment #2 has been reviewed by the Plan's actuaries, who have determined that Compliance Amendment #2 has no financial impact on the Plan.

Attached to this Memorandum are the following items:

- Exhibit "A" –Proposed Compliance Amendment #2
- Exhibit "B" – Actuarial Impact Statement opining on the actuarial effect (none) of Compliance Amendment #2 on the Plan
 - A copy of Compliance Amendment #2 and the Actuarial Impact Statement have been provided to the Florida Bureau of Local Retirement Systems in the Department of Management Services' Division of Retirement, as required by Florida law.

RECOMMENDATION:

Staff recommends the Board approve and adopt Resolution # 2018-04 for the St. Johns River Power Park System Employees' Retirement Plan Amendment #2 to the Restated plan document in order to maintain a retirement plan's tax qualified status and to amend and update plan design changes and/or compliance terms.

Aaron F. Zahn - Interim Managing Director CEO

AFZ/ARH

JEA Board Resolution No. 2018-03

**RESOLUTION APPROVING AMENDMENT #2 TO ST. JOHNS RIVER POWER PARK
SYSTEM EMPLOYEES' RETIREMENT PLAN AS AMENDED AND RESTATED
EFFECTIVE OCTOBER 1, 2015**

WHEREAS, the St. Johns River Power Park System ("SJRPP") previously adopted the St. Johns River Power Park System Employees' Retirement Plan ("Plan"), which Plan has subsequently been amended and restated effective October 1, 2015, was thereafter amended via Amendment #1 effective retroactive to October 1, 2015, and is currently in effect; and

WHEREAS, the governing authorities of SJRPP had formally determined to shut down the St. Johns River Power Park System plant (the "Plant") pursuant to an Asset Transfer and Contract Termination Agreement ("ATA"); and

WHEREAS, the Plant was formally shutdown effective as of the close of business on January 5, 2018; and

WHEREAS, Sections 1.11, 9.01, and 10.16 of the Plan allow for compliance amendments to the Plan, such as amendments which are administrative in nature, are beneficial to maintaining the tax-qualified status of the Plan, or facilitate collectively-bargained terms; and

WHEREAS, SJRPP's power to amend the Plan is exercisable by action of JEA; and

WHEREAS, as a result of the operational action taken by the governing authorities of SJRPP, JEA for and on behalf of SJRPP wishes to amend the Plan to reflect certain compliance-related provisions in connection with the Plant shutdown; and

WHEREAS, it has been proposed that the JEA Board of Directors, acting for and on behalf of SJRPP, approve and adopt the document attached hereto entitled "Amendment #2 to St. Johns River Power Park System Employees' Retirement Plan as Amended and Restated Effective October 1, 2015" ("Amendment"); and

WHEREAS, the JEA Board of Directors has reviewed the Amendment and has been advised that all necessary prerequisites to adoption of the Amendment have been completed.

NOW, THEREFORE, BE IT RESOLVED that the JEA Board of Directors hereby approves and adopts the document titled "Amendment #2 to St. Johns River Power Park System Employees' Retirement Plan as Amended and Restated Effective October 1, 2015" attached hereto, for and on behalf of the St. Johns River Power Park System; and

BE IT FURTHER RESOLVED that the JEA Board Chair is hereby authorized to execute the document titled "Amendment #2 to St. Johns River Power Park System Employees' Retirement Plan as Amended and Restated Effective October 1, 2015" attached hereto, for and on behalf of the St. Johns River Power Park System; and

BE IT FURTHER RESOLVED that the JEA Board Chair is hereby authorized to take all actions and steps and to execute any and all other instruments, documents, and certificates necessary to effectuate this resolution; and

BE IT FURTHER RESOLVED that the JEA Interim Managing Director/CEO and/or future JEA Managing Director/CEO are also hereby authorized to execute all implementing documents necessary to effectuate this resolution.

IN WITNESS WHEREOF, the JEA Board of Directors has caused this Resolution to be duly executed by its duly authorized officer this ____ day of _____, 2018.

JEA

By: _____
Alan Howard, JEA Board Chair

ATTEST:

Frederick Newbill, JEA Board Secretary

Form Approved

Legal Counsel

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AMENDMENT #2 TO ST. JOHNS RIVER POWER PARK SYSTEM EMPLOYEES' RETIREMENT PLAN AS AMENDED AND RESTATED EFFECTIVE OCTOBER 1, 2015

WHEREAS, St. Johns River Power Park System ("SJRPP"), as Sponsor, previously adopted the St. Johns River Power Park System Employees' Retirement Plan ("Plan"), which Plan has subsequently been amended and restated effective October 1, 2015, was thereafter amended via Amendment #1 effective retroactive to October 1, 2015, and is currently in effect; and

WHEREAS, the governing authorities of SJRPP had formally determined their intention to shut down the St. Johns River Power Park System plant (the "Plant"), and such determination was publicly announced on March 17, 2017; and

WHEREAS, the Asset Transfer and Contract Termination Agreement ("ATA") executed on May 17, 2017 between the governing authorities of SJRPP to effectuate the Plant shutdown provided for the Plant to shut down on the later of: (i) January 5, 2018, and (ii) three (3) business days after the governing authorities satisfy a series of closing conditions as outlined in Section 2.02 of the ATA; and

WHEREAS, the Plant was formally shutdown effective as of the close of business on January 5, 2018; and

WHEREAS, Sections 1.11, 9.01, and 10.16 of the Plan allow for compliance amendments to the Plan, such as amendments which are administrative in nature, are beneficial to maintaining the tax-qualified status of the Plan, or facilitate collectively-bargained terms; and

WHEREAS, as a result of the ATA, the cessation of SJRPP's operational and employment activities, the dismantling and remediation of the Plant, and finally, a transfer of deed, JEA will become the sole owner of SJRPP; and

WHEREAS, JEA is the sole active Employer under the Plan and is operationally fulfilling the duties of the Sponsor role; and

WHEREAS, JEA for and on behalf of SJRPP wishes to amend the Plan, as a result of the operational action taken by the governing authorities of SJRPP to reflect certain compliance-related provisions in connection with the Plant shutdown; and

WHEREAS, Sections 9.01 and 10.16 of the Plan grant the authority to amend the Plan to SJRPP, which authority is exercisable by action of JEA; and

WHEREAS, JEA has approved and authorized the Plan compliance-related amendment embodied herein.

NOW, THEREFORE, in consideration of the premises and acting pursuant to the reserved powers in the Plan, SJRPP hereby amends the Plan as follows, effective as of the close of business on January 5, 2018:

1. The following new Section 11 is hereby added to the Plan:

SECTION 11

PLANT SHUTDOWN

The governing authorities of the Sponsor formally determined to shut down the St. Johns River Power Park System plant (the "Plant"). To that end, the governing authorities of the Sponsor entered into an Asset Transfer and Contract Termination Agreement ("ATA") to effectuate the Plant shutdown. In accordance with section 2.02 of the ATA, the Plant was formally shut down effective at the close of business on January 5, 2018 ("Shutdown Time").

11.01 Closure of Plan to New Entrants and Re-Entrants

The Plan is closed to new entrants and re-entrants. Thus, no Employee or any other individual providing services in any capacity to any Employer may enter or re-enter the Plan after the Shutdown Time.

Effective as of the Shutdown Time, active participation in the Plan is expressly limited to individuals who meet both of the following criteria: (i) they were active Participants immediately prior to the Shutdown Time, and (ii) they continuously remain active Participants in the Plan as Transfer Participants on and after the Shutdown Time.

If a Transfer Participant's employment with JEA later terminates at any time after the Shutdown Time, the Transfer Participant's active participation in the Plan shall end on such employment termination date and such Transfer Participant shall not, under any circumstances, be permitted to re-enter the Plan or re-commence active participation in the Plan at a later date, even if re-employed by JEA on a later date.

By way of example and not as a limitation on the foregoing provisions, an individual who is not a continuing active Transfer Participant but who provides services related to wind-down and decommissioning of the SJRPP Plant after the Shutdown Time shall not be eligible to enter or re-enter the Plan regardless of such individual's status as an Employee, status as a temporary, contract, or leased employee, or status as any other type of employee or independent contractor, of any Employer.

11.02 Nonforfeitable Benefit Status

Due to the announcement of the SJRPP Plant shutdown, any active Participant whose employment with SJRPP terminated, whether voluntarily or involuntarily, during the period beginning on March 17, 2017 and ending at the Shutdown Time has a nonforfeitable right to the Plan benefits that such Participant had accrued as of the date of his or her employment termination, including those who accepted a transfer of employment to JEA (thus becoming a Transfer Participant or a Limited Participant) during the period beginning on March 17, 2017 and ending at the Shutdown Time.

For the avoidance of doubt, all Employees who were already Limited Participants on March 17, 2017 or who were already Transfer Participants on March 17, 2017 shall have their right to Plan benefits and the forfeitability of such benefits determined under all other generally-applicable Plan provisions and without application of the first paragraph of this Section 11.02.

By way of example and not as a limitation on the foregoing provisions, if:

- (i) an active Participant was offered transfer of employment from SJRPP to JEA during the period beginning on March 17, 2017 and ending at the Shutdown Time, such that the Participant had the opportunity to: (a) elect to continue active participation in this Plan as a Transfer Participant; or (b) terminate active participation in this Plan as a Limited Participant, and
- (ii) that Participant had attained less than five (5) years of Vesting Service by the time of the Participant's SJRPP employment termination,

then in accordance with the first paragraph of this Section 11.02, the Participant has a nonforfeitable right to all of the Plan benefits that such Participant had accrued from his or her past Entry Date in the Plan through the date of his or her subsequent termination of employment with JEA.

11.03 Frozen Benefits

Due to the SJRPP Plant shutdown, effective as of the Shutdown Time, all Accrued Benefits in the Plan are frozen and there shall be no further accrual of benefits by any Participant – with two exceptions.

The two exceptions are as follows:

- (1) *Continued Active Participation:* A continuing active Transfer Participant, as described in the second paragraph of Section 11.01 herein, shall continue to accrue Plan benefits in accordance with all

applicable Plan provisions until such time as the Transfer Participant's active employment with JEA later terminates after the Shutdown Time.

(2) *Interest Credits on Tier Two Benefits:* Interest credits shall continue to accrue on Tier Two benefits as described in Section 1.39(4) of the Plan from a Participant's Vested Termination Date until the Participant's benefit commencement date for any active Group C or Group D Participant who terminated employment at any time in the past, or for any active Group C or Group D Transfer Participant who terminates employment with JEA after the Shutdown Time, with at least five (5) years of Vesting Service. Interest credits shall also continue to accrue on Tier Two benefits as described in Section 1.39(4) from a Participant's Vested Termination Date until the Participant's benefit commencement date for any Group C or Group D Participant who is deemed to have completed five (5) years of Vesting Service. For this purpose, a Group C or D Participant who terminates employment before actually completing five (5) years of Vesting Service will nevertheless be deemed to have completed five (5) years of Vesting Service if:

- (a) The Group C or D Participant has attained nonforfeitable benefits under the Plan on or after March 17, 2017 due to the application of Section 11.02, or
- (b) The Group C or D Participant is an active Transfer Participant who terminates employment with JEA after the Shutdown Time and is at least age fifty-five (55) at the time of that employment termination.

If a Group C or D Participant is deemed to have completed five (5) years of Vesting Service as a result of the application of the foregoing provisions, then the date of the Participant's termination of employment with his or her Employer shall be treated as his or her Vested Termination Date for purposes of Section 1.39(4).

11.04 Continuing Contribution Obligations

Participant Contributions shall continue to be due from continuing active Transfer Participants after the Shutdown Time, in accordance with Section 6.01.

JEA, as sole remaining active Employer, shall continue to make Contributions to the Plan after the Shutdown Time, in accordance with Section 6.02.

11.05 Current Committee Make-Up

Section 7.04 of the Plan provides that the Plan shall be administered by the Committee, the members of which shall be appointed by and serve at the pleasure of the Sponsor.

Section 7.04(1) describes the process by which the Committee members will be selected, namely by appointment of the Sponsor.

The Sponsor hereby reaffirms the functions and duties of the Committee, as outlined in Section 7.04 of the Plan, and confirms that as of the adoption date of this Amendment #2, the Committee consists of the following members:

- (1) An appointee of the Managing Director and Chief Executive Officer of JEA (currently, the appointee is JEA's Vice President/General Manager Electric Systems, Michael Brost).
- (2) The Treasurer of JEA (currently, Joseph Orfano).
- (3) The Controller of JEA (currently, Janice Nelson).
- (4) SJRPP-related Project Director (currently, Larry Pinkstaff).

The Committee may, but is not required to, appoint a fifth member to the Committee in accordance with such selection and appointment procedures as the Committee shall determine are appropriate.

Notwithstanding the foregoing, in accordance with Section 7.04(1), any Committee member may resign or be removed by the Sponsor at any time, and the Sponsor may appoint additional or replacement Committee members at any time.

11.06 Other Plan Provisions Related to Plant Shutdown

This Section 11 does not override other Plan provisions related to shut down of the SJRPP Plant that were previously adopted and remain in effect. Thus, by way of example and not as a limitation, this Section 11 does not change the definition of Normal Retirement Date that became effective under Section 1.30 of the Plan for active Participants whose employment was terminated at the Shutdown Time.

If there are any questions concerning the application of this Section 11 or the interaction between this Section 11 and other Plan provisions or other applicable binding documents (including, but not limited to, collectively-bargained compromise interpretations and conditions), the Committee has binding authority as provided under Section 7.04(2) to interpret the entire Plan and to resolve those and any other questions.

2. Except as specifically amended herein, all other provisions of the Plan remain in full force and effect.

IN WITNESS WHEREOF, by action of JEA, SJRPP has caused this Amendment #2 to be duly executed by its duly authorized officer this ____ day of _____, 2018.

ST. JOHNS RIVER POWER PARK SYSTEM

By: _____
Alan Howard, JEA Board Chair

ATTEST:

Frederick Newbill, JEA Board Secretary

Form Approved

Legal Counsel

May 24, 2018

Pension Committee
JEA
St. John's River Power Park System
Employees' Retirement Plan

Dear Committee Members:

As requested, we have reviewed the proposed Amendment 2 for the St. John's River Power Park System Employees' Retirement Plan ("Plan"). It adds a section clarifying administration of the Plan in connection to the closure of the St. Johns River Power Park System ("Plant") at the end of business on January 5, 2018.

The benefits triggered by the Plant shutdown do not arise from this amendment, but arise from the natural operation of the Plan's current provisions. Please note that the Plant closure has an effect of terminating an employer-employee relationship affecting virtually all active members and results in cessation of accruals for such members. The proposed amendment is intended to codify compliance-related provisions triggered by the Plant shutdown and clarify application of the Plan provisions subsequent to the Plant closure.

The following ramifications of the Plant shutdown are clarified:

- The Plan is closed to new entrants and re-entrants,
- Benefit accruals are frozen with exception of
 - benefits of members electing to continue participation in the Plan upon transferring employment to JEA and
 - continuation of interest credits for all undistributed Tier Two benefits,
- Benefits accrued through employment termination after the announcement date of the Plant shutdown are non-forfeitable.

Furthermore, the Amendment reiterates continued obligation of the Plan sponsor to make contributions necessary to fund the Plan and it memorializes the composition of the Committee administering the Plan.

As such, this amendment does not have a measurable actuarial cost to the plan, as contemplate by the statutes relating to actuarial impact statements.

A draft of the Plan document incorporating these amendments is attached to this letter.

The Statement must be filed with the Division of Retirement before the final public hearing on the amendments. Please have a Chairman of the Committee sign the Statement. Then send the Statement along with copies of the proposed plan amendments to:

LOCAL RETIREMENT SECTION
DIVISION OF RETIREMENT
P.O. BOX 9000
TALLAHASSEE, FL 32315-9000.
Email: local_ret@dms.myflorida.com

Additional Disclosures

This communication was prepared at the request of the St. Johns River Power Park System Employees' Retirement Plan Pension Committee, and is intended for use by the St. Johns River Power Park System Employees' Retirement Plan Pension Committee, JEA and those designated or approved by the St. Johns River Power Park System Employees' Retirement Plan Pension Committee or JEA. This statement may be provided to other parties only in its entirety and only with the permission of the St. Johns River Power Park System Employees' Retirement Plan Pension Committee or JEA.

The purpose of this statement is to describe the effect of the proposed plan changes on plan funding in compliance with the state constitution, statutes and administrative regulations. This impact statement should not be relied on for any purpose other than the purpose described above.

Our opinion is based on the assumptions and plan provisions used in the October 1, 2017 actuarial valuation with results presented in the report dated April 13, 2018.

James Rizzo and Piotr Krekora are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

The undersigned actuaries are independent of the plan sponsor.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

We welcome your questions and comments.

Sincerely yours,



James J. Rizzo, ASA, MAAA, FCA
Senior Consultant & Actuary



Piotr Krekora, ASA, MAAA
Consultant & Actuary

JJR/tnr
Enclosures



ST. JOHN'S RIVER POWER PARK SYSTEM – EMPLOYEES' RETIREMENT PLAN

Actuarial Impact Statement – May 23, 2018

Attached draft of the proposed amendment incorporates language intended to clarify administration of the Plan in connection to the closure of the St. Johns River Power Park System ("Plant") at the end of business on January 5, 2018.

There is no measurable actuarial cost effect to the Plan by this Plan amendment.

ACTUARY, Gabriel, Roeder, Smith & Company

By: James J. Roeder

Date: May 24, 2018

The proposed changes are in compliance with section 14, Article X of the State Constitution and Section 112.64, Florida Statutes.

PLAN ADMINISTRATOR,
St. Johns River Power Park System Employees' Retirement Plan Pension Committee

By: Mike Brost
Mike Brost, Chairman

Date: 6-4-18



III. A.

Appendix D

Compliance Amendment to JEA 457 Deferred
Compensation Plan Document

July 6, 2018

SUBJECT:

COMPLIANCE AMENDMENT TO JEA 457 DEFERRED COMPENSATION PLAN DOCUMENT

Purpose:

☐ Information Only

☒ Action Required

☐ Advice/Direction

Issue: All governing documents of the plan should be updated periodically to reflect changing Internal Revenue Code and to ensure consistency with the operation of the plan.

Significance: The Plan's tax-favored status as an eligible deferred compensation plan under section 457(b) of the Internal Revenue Code of 1986 is maintained by ensuring that the Plan's operations and governing Plan document are consistent.

Effect: Conformity and consistency of the plan's operations and governing plan documents.

Cost or Benefit: N/A

Recommended Board action: Staff recommends the Board approve and adopt Resolution # 2018-03 for the Compliance Amendment to JEA 457 Deferred Compensation plan document to be updated periodically to reflect changing Internal Revenue Code to ensure consistency with the operation of the plan.

For additional information, contact: Angelia Hiers (904) 665-4747

Submitted by: AFZ/MHD/ARH



Commitments to Action

- 1 Earn Customer Loyalty**
- 2 Deliver Business Excellence**
- 3 Develop an Unbeatable Team**



INTER-OFFICE MEMORANDUM

July 6, 2018

SUBJECT: **COMPLIANCE AMENDMENT TO JEA 457 DEFERRED
COMPENSATION PLAN DOCUMENT**

FROM: Aaron F. Zahn - Interim Managing Director CEO

TO: JEA Board of Directors

BACKGROUND:

The JEA 457 Deferred Compensation Plan ("Plan") was originally established in 2002 for the purpose of providing employees of JEA and employees of St. Johns River Power Park System ("SJRP") with a voluntary method of deferring taxation on compensation until death, retirement, or certain other events. Both bargaining unit and non-bargaining unit employees participate in the Plan. With respect to SJRP employees, Plan benefits had been bargained with the International Brotherhood of Electrical Workers Local Union 1618 bargaining unit.

The latest governing Plan document for the Plan is an amendment and restatement with an effective date of May 19, 2014 and a Clarifying Amendment thereto with a retroactive effective date of June 26, 2013.

DISCUSSION:

To maintain the Plan's tax-favored status as an eligible deferred compensation plan under section 457(b) of the Internal Revenue Code of 1986, the Plan's operations and governing Plan document must conform to each other.

The governing authorities of SJRP recently determined to shut down the SJRP plant, which shutdown was effective at the close of business on January 5, 2018. SJRP terminated all active employment positions by that date. In connection with the SJRP plant shutdown, the terms of the governing Plan document were reviewed. A Compliance Amendment has been drafted to conform the governing Plan document to past collective bargaining terms and actual operations. A summary of the Compliance Amendment terms is as follows:

- SJRP was a participating employer from the Plan's inception on June 1, 2002 until January 5, 2018 when the SJRP plant was shut down and all employment by SJRP was terminated. JEA is the sole remaining employer and the Plan Administrator.
- Employees represented by bargaining units may participate in the Plan unless a collective bargaining agreement covering them specifically prohibits their participation.
- SJRP had provided an employer matching contribution to certain employees who were Group C or Group D (cash balance) participants in the St. Johns River Power Park Systems' Employees' Retirement Plan ("SJRP Pension Plan"). The limit on the employer matching contribution varied depending upon whether the qualifying participant was a bargaining or non-bargaining unit employee and whether the participant was under or over the age of 50. For SJRP employees who transferred to JEA and continue to actively

participate in the SJRPP Pension Plan as Group C or Group D participants, JEA continues to make the employer matching contributions.

The Compliance Amendment does not change the amount of Plan benefits or the operation of the Plan or increase benefit costs to JEA. As such, there are no collective bargaining requirements associated with the Compliance Amendment.

Attached to this Memorandum is the following item:

- Exhibit "A" –Proposed Compliance Amendment

RECOMMENDATION:

Staff recommends the Board approve and adopt Resolution # 2018-03 for the Compliance Amendment to JEA 457 Deferred Compensation plan document to be updated periodically to reflect changing Internal Revenue Code to ensure consistency with the operation of the plan.

Aaron F. Zahn - Interim Managing Director CEO

AFZ/ARH

JEA Board Resolution No. 2018-04

**RESOLUTION APPROVING
COMPLIANCE AMENDMENT TO JEA 457 DEFERRED COMPENSATION PLAN
AS AMENDED AND RESTATED EFFECTIVE MAY 19, 2014**

WHEREAS, JEA previously adopted the JEA 457 Deferred Compensation Plan ("Plan"), which Plan has subsequently been amended and restated effective May 19, 2014, was thereafter amended via a Clarifying Amendment effective retroactive to June 26, 2013, and is currently in effect; and

WHEREAS, section 10.1 of the Plan provides that the employer may amend the Plan; and

WHEREAS, in accordance with section 457(b)(6) of the Internal Revenue Code of 1986 and Treasury Regulation section 1.457-9(a), JEA for and on behalf of itself and the St. Johns River Power Park System ("SJRP") wishes to amend the Plan to conform the Plan to past collective bargaining terms and actual operations; and

WHEREAS, it has been proposed that the JEA Board of Directors, acting for and on behalf of itself and SJRP, approve and adopt the document attached hereto titled "Compliance Amendment to JEA 457 Deferred Compensation Plan" ("Amendment"); and

WHEREAS, the JEA Board of Directors has reviewed the Amendment and has been advised that all necessary prerequisites to adoption of the Amendment have been completed.

NOW, THEREFORE, BE IT RESOLVED that the JEA Board of Directors hereby approves and adopts the document titled "Compliance Amendment to JEA 457 Deferred Compensation Plan" attached hereto, for and on behalf of JEA and the St. Johns River Power Park System; and

BE IT FURTHER RESOLVED that the JEA Board Chair is hereby authorized to execute the document titled "Compliance Amendment to JEA 457 Deferred Compensation Plan" attached hereto, for and on behalf of JEA and the St. Johns River Power Park System; and

BE IT FURTHER RESOLVED that the JEA Board Chair is hereby authorized to take all actions and steps and to execute any and all other instruments, documents, and certificates necessary to effectuate this resolution; and

BE IT FURTHER RESOLVED that the JEA Interim Managing Director/CEO and/or the future JEA Managing Director/CEO are also hereby authorized to execute all implementing documents necessary to effectuate this resolution.

IN WITNESS WHEREOF, the JEA Board of Directors has caused this Resolution to be duly executed by its duly authorized officer this ____ day of _____, 2018.

JEA

By: _____
Alan Howard, JEA Board Chair

ATTEST:

Frederick Newbill, JEA Board Secretary

Form Approved

Legal Counsel

**COMPLIANCE AMENDMENT
TO
JEA 457 Deferred Compensation Plan**

This Compliance Amendment is adopted for purposes of conforming the JEA 457 Deferred Compensation Plan ("Plan") to past collective bargaining terms and actual operations. The provisions of this Compliance Amendment take precedence over any inconsistent provisions of the Plan.

1. The definition of the term "Administrator" in Section 1.1 of the Plan is amended in its entirety to read as follows:

The "**Administrator**" means JEA. The term Administrator includes any person or persons, committee, or organization appointed by JEA to administer the Plan.

2. The definition of the term "Employee" in Section 1.1 of the Plan is amended in its entirety to read as follows:

An "**Employee**" means each natural person who is employed by the Employer as a common law employee on a full-time basis or on a part-time basis and any employee in an elected or appointed position; provided, however, that the term Employee shall not include a leased employee. The term Employee includes any employee who is included in a unit of employees covered by a collective bargaining agreement (unless specifically prohibited by the collective bargaining agreement).

Any individual who is not treated by the Employer as a common law employee of the Employer shall be excluded from Plan participation even if a court or administrative agency determines that the individual is a common law employee of the Employer, unless the Employer has included the individual in Plan participation as an independent contractor.

3. The definition of the term "Employer" in Section 1.1 of the Plan is amended in its entirety to read as follows:

An "**Employer**" means the eligible employer (within the meaning of Code Section 457(e)(1)) that has adopted the Plan, i.e., JEA. In the case of an eligible employer that is an agency or instrumentality of a political subdivision of a State within the meaning of Code Section 457(e)(1)(A), the term Employer shall include any other agency or instrumentality of the same political subdivision that has adopted the Plan as a participating employer. With respect to the foregoing sentence, SJRPP was an adopting participating Employer for the period commencing on June 1, 2002 and ending at the close of business on January 5, 2018 (when the SJRPP plant was shut down and all employment by SJRPP was terminated).

4. The definition of a new term "Matching Contribution" is added to Section 1.1 of the Plan to read as follows:

A "**Matching Contribution**" means an amount of deferred compensation that the Employer contributes and credits to the Account Balance of certain Participants (who had at some point been employed by SJRPP) if those Participants choose to make elective deferrals to this Plan, as determined in accordance with Section 2.7.

5. The definition of a new term "Matching Limit" is added to Section 1.1 of the Plan to read as follows:

"**Matching Limit**" means, with respect to a Participant who is eligible to receive a Matching Contribution, the maximum total aggregate dollar amount of Matching Contributions that the Employer will contribute and credit to the Participant's Account Balance for a given Plan Year, as determined in accordance with Section 2.7.

6. The definition of a new term "SJRPP" is added to Section 1.1 of the Plan to read as follows:

"**SJRPP**" means the St. Johns River Power Park System.

7. The definition of a new term "SJRPP Pension Plan" is added to Section 1.1 of the Plan to read as follows:

The "**SJRPP Pension Plan**" means the St. Johns River Power Park System Employees' Retirement Plan. Although certain provisions of this Plan make reference to definitions in the SJRPP Pension Plan, those references are purely for purposes of explaining classifications within the Employer's Human Resources records and do not result in an amendment to the SJRPP Pension Plan, incorporation of this Plan or this Plan's terms into the SJRPP Pension Plan, or incorporation of the SJRPP Pension Plan or its terms into this Plan.

8. Section 2.7 of the Plan titled "Employer Contributions" is amended in its entirety to read as follows:

2.7 Employer Contributions

A. Matching Contributions (effective February 25, 2013)

Effective on and after February 25, 2013, the Employer has been making Annual Deferrals to the Account Balance of certain Participants, referred to as "Matching Contributions," as described in this subsection A and subject to the Participant's contribution limits in Section III.

(1) Participants Eligible for Matching Contributions

For the period commencing on *February 25, 2013 and ending at the close of business on January 5, 2018* (when the SJRPP plant was shut down and all employment by SJRPP was terminated), a Participant was eligible for a Matching Contribution *from SJRPP* only if all of the following conditions were satisfied:

- (i) The Participant was actively employed by SJRPP; and
- (ii) The Employer's Human Resources records reflected that the Participant was classified as either an active Group C Participant or active Group D Participant in the SJRPP Pension Plan (as the terms "Group C Participant" and "Group D Participant" are defined under the SJRPP Pension Plan); and
- (iii) The Participant made a voluntary election to defer a portion of his or her Compensation to this Plan in accordance with Section 2.2.

For the period commencing on *February 25, 2013*, a Participant has been, and continues to be, eligible for a Matching Contribution *from JEA* only if all of the following conditions are satisfied:

- (i) The Participant's active employment was directly transferred from SJRPP to JEA and on and after the date of that transfer, the Participant thereafter continues to be actively employed by JEA; and
- (ii) The Employer's Human Resources records reflect that the Participant elected to continue active participation in the SJRPP Pension Plan as a Transfer Participant (as the term "Transfer Participant" is defined under the SJRPP Pension Plan); and
- (iii) The Employer's Human Resources records reflect that the Participant is classified as either an active Group C Participant or active Group D Participant in the SJRPP Pension Plan (as the terms "Group C Participant" and "Group D Participant" are defined under the SJRPP Pension Plan); and
- (iv) The Participant has made a voluntary election to defer a portion of his or her Compensation to this Plan in accordance with Section 2.2.

(2) Computation of the Matching Contribution

The Matching Contribution is computed as a 100% dollar-for-dollar match of an eligible Participant's voluntary elective deferral made during each payroll period, up until the Employer has made total aggregate Matching Contributions in the Plan Year equal to the Matching Limit (defined below) that is applicable to the Participant.

(3) Matching Limit During Employment with JEA (effective on and after February 25, 2013)

The following provisions describe how the "Matching Limit" has been, and continues to be, computed for eligible Participants during active employment with JEA:

- (a) If, on the date immediately preceding the eligible Participant's employment transfer from SJRPP to JEA, the Participant had been classified in SJRPP's Human Resources records as a *bargaining unit employee represented by Local 1618, International Brotherhood of Electrical Workers*, then the "Matching Limit" applicable to the Participant is as follows:
 - (i) For so long as the eligible Participant is *under the age of fifty (50)*: an amount equal to 2% of the Participant's annual Matching Base Compensation (as defined below); or
 - (ii) For so long as the eligible Participant is *fifty (50) years old or older*: an amount equal to 4% of the Participant's annual Matching Base Compensation (as defined below).
- (b) If, on the date immediately preceding the eligible Participant's employment transfer from SJRPP to JEA, the Participant had been classified in SJRPP's Human Resources records as a *Managerial and Confidential employee or non-bargaining unit employee*, then the "Matching Limit" applicable to the Participant is as follows:
 - (i) For so long as the eligible Participant is *under the age of fifty (50)*: an amount equal to 3% of the Participant's annual Matching Base Compensation (as defined below); or
 - (ii) For so long as the eligible Participant is *fifty (50) years old or older*: an amount equal to 5% of the Participant's annual Matching Base Compensation (as defined below).

For purposes of computing the Matching Limit for a Participant, "Matching Base Compensation" means the product of multiplying (x) the Participant's base hourly rate as reflected in JEA's Human Resources records by (y) 2,080; provided, however, that a pro rata portion of the Participant's Matching Base Compensation is re-computed on a go-forward basis for the remainder of the Plan Year if there is a mid-Plan Year change in the Participant's base hourly rate as reflected in JEA's Human Resources records.

If an eligible Participant turns age fifty (50) during a Plan Year, the increase in the Matching Limit due to the attainment of age is administratively

implemented on a go-forward basis by no later than the second (2nd) payroll period following the Participant's fiftieth (50th) birthday.

If an increased Matching Limit becomes applicable due to a mid-Plan Year increase in annual Matching Base Compensation, the increase in the Matching Limit is implemented on a go-forward basis as soon as administratively feasible.

If a decreased Matching Limit becomes applicable due to a mid-Plan Year decrease in annual Matching Base Compensation, there is no forfeiture of prior Matching Contributions already credited to the Participant's Account Balance. However, future Matching Contributions due during the remainder of the Plan Year (if any) may be decreased on a go-forward basis to take into account the decreased Matching Limit.

(4) Matching Limit During Employment with SJRPP (effective February 25, 2013 through the close of business on January 5, 2018)

The following provisions are historical provisions that describe how the "Matching Limit" was computed for eligible Participants when they were actively employed by SJRPP:

The "Matching Limit" applicable to an eligible Participant was as follows:

- (a) For so long as an eligible Participant was classified in SJRPP's Human Resources records as a *bargaining unit employee* and was *under the age of fifty (50)*, the Matching Limit was an amount equal to 2% of the Participant's annual Matching Base Compensation (as defined below).
- (b) For so long as an eligible Participant was classified in SJRPP's Human Resources records as a *bargaining unit employee* and was *age fifty (50) years old or older*, the Matching Limit was an amount equal to 4% of the Participant's annual Matching Base Compensation (as defined below).
- (c) For so long as an eligible Participant was classified in SJRPP's Human Resources records as a *Managerial and Confidential employee or non-bargaining unit employee* and was *under the age of fifty (50)*, the Matching Limit was an amount equal to 3% of the Participant's annual Matching Base Compensation.
- (d) For so long as an eligible Participant was classified in SJRPP's Human Resources records as a *Managerial and Confidential employee or non-bargaining unit employee* and was *age fifty (50) years old or older*, the Matching Limit was an amount equal to 5% of the Participant's annual Matching Base Compensation.

For purposes of computing the Matching Limit for a Participant, "Matching Base Compensation" meant the product of multiplying (x) the Participant's base hourly rate as reflected in SJRPP's Human Resources records by (y) 2,080; provided, however, that a pro rata portion of the Participant's Matching Base Compensation was re-computed on a go-forward basis for the remainder of the Plan Year if there was a mid-Plan Year change in the Participant's base hourly rate as reflected in SJRPP's Human Resources records.

If an eligible Participant turned age fifty (50) during a Plan Year, the increase in the Matching Limit due to the attainment of age was administratively implemented on a go-forward basis by no later than the second (2nd) payroll period following the Participant's fiftieth (50th) birthday.

If an increased Matching Limit became applicable due to any other reason (such as a mid-Plan Year increase in annual Matching Base Compensation or a mid-Plan Year change from a bargaining unit employment position to a Managerial and Confidential or non-bargaining unit employment position), the increase in the Matching Limit was implemented on a go-forward basis as soon as administratively feasible.

If a decreased Matching Limit became applicable for any reason (such as a mid-Plan Year decrease in annual Matching Base Compensation or mid-Plan Year change in employment position), there was no forfeiture of prior Matching Contributions already credited to the Participant's Account Balance. However, future Matching Contributions due during the remainder of the Plan Year (if any) were decreased on a go-forward basis to take into account the decreased Matching Limit.

B. Other Employer Contributions

Nothing in this Plan prohibits the Employer from making other Annual Deferrals to the Account Balance of a Participant on a discretionary non-elective basis, subject to the Participant's contribution limits in Section III.

9. Except as specifically provided herein, the terms of this Compliance Amendment are effective retroactive to the Plan's original inception (June 1, 2002).

EXECUTION

Pursuant to Section 10.1 of the Plan and the governance authority vested in the JEA Board of Directors to adopt an amendment to the Plan for, and on behalf of, JEA and St. Johns River Power Park System, this Compliance Amendment is hereby adopted and executed this ____ day of _____, 2018.

PLAN SPONSOR/CURRENT EMPLOYER: JEA
PRIOR PARTICIPATING EMPLOYER:
St. Johns River Power Park System

By: _____
Alan Howard, JEA Board Chair

ATTEST:

Frederick Newbill, JEA Board Secretary

Form Approved

Legal Counsel

III. A.
Appendix D
Compliance Amendment to JEA 457 Deferred
Compensation Plan Document

Supporting documentation can be found in the
June 19, 2018 JEA Board Meeting package.
Please let staff know if you would like to obtain a copy.

III. A.

Appendix E

Sole Source & Emergency
Procurement/Procurement Appeals Board
Report

July 6, 2018

SUBJECT:	SOLE SOURCE & EMERGENCY PROCUREMENT/PROCUREMENT APPEALS BOARD REPORT
-----------------	---

Purpose:	<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: Sections 1-113 and 1-114 of the JEA Purchasing Code require the Chief Purchasing Officer to submit a report on all Sole Source and Emergency procurements and all Procurement Appeals Board decisions to the JEA Board on a quarterly basis.

Significance: Full transparency of these procurement actions is necessary to maintain public confidence in JEA's bidding process and to ensure competition is achieved when in JEA's best interest.

Effect: JEA's Procurement Department is responsible for maintaining these records and reporting to the JEA Board.

Cost or Benefit: To maintain public confidence in JEA's bidding process and to ensure competition is achieved when in JEA's best interest.

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

For additional information, contact: Jenny McCollum, Director Procurement Services

Submitted by: AFZ/MHD/JPM/JGM



Commitments to Action

- 1 Earn Customer Loyalty
- 2 Deliver Business Excellence
- 3 Develop an Unbeatable Team



INTER-OFFICE MEMORANDUM

July 6, 2018

**SUBJECT: SOLE SOURCE & EMERGENCY PROCUREMENT/PROCUREMENT
APPEALS BOARD REPORT**

FROM: Aaron Zahn, Managing Director/Interim CEO

TO: JEA Board of Directors

BACKGROUND:

Sections 1-113 and 1-114 of the JEA Purchasing Code require the Chief Procurement Officer to submit a report on all Sole Source and Emergency procurements and all Procurement Appeals Board decisions to the JEA Board on a quarterly basis.

DISCUSSION:

This report is submitted for the quarter ending June 30, 2018. Summary information for all awards is provided below. A detailed listing for the Formal Sole Source and Emergency Awards is attached. Detailed back-up information for all other awards is retained by the Chief Procurement Officer and is available upon request. There was one (1) Procurement Appeals Board (PAB) action this quarter.

Quarter Ending June 30, 2018

Formal Awards	Number	%	Dollar Amount	%
Total	61		\$ 79,186,729	
Sole Source Awards	0	0.00%	\$ 0	0.00%
Emergency Awards	0	0.00%	\$ 0	0.00%

Informal Awards	Number	%	Dollar Amount	%
Total	2,443		\$ 16,306,190	
Sole Source Awards	0	0.00%	\$ 0	0.00%
Emergency Awards	1	0.04%	\$ 110,000	0.67%

RECOMMENDATION:

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

Aaron Zahn, Managing Director/Interim CEO

AFZ/MHD/JPM/JGM

Total Sole Source & Emergency Procurement Actions

	FY17 Q4	FY18 Q1	FY18 Q2	FY18 Q3
Total Awards	\$131.53M	\$183.13M	\$183.79M	\$95.49M
Sole Source (\$)	\$0.24M	\$0.0M	\$0.0M	\$0.0M
Sole Source (%)	0.18%	0%	0%	0%
Emergency (\$)	\$0.03M	\$2.03M	\$0.01M	\$0.11M
Emergency (%)	0.02%	1.11%	0.01%	0.12%
Combined SS/E (%)	0.12%	1.11%	0.01%	0.12%

Formal Sole Source Awards by Department - Detailed Listing					
12 months ending June 30, 2018					
Sole Source Awards (0 Items totaling \$0.00)					
Award Date	Amount	Requesting Dept.	Vendor	Description	Sourcing Basis

Formal Emergency Awards by Department - Detailed Listing					
12 months ending June 30, 2018					
Emergency Awards (1 Items totaling \$1,746,642.00)					
Award Date	Amount	Requesting Dept.	Vendor	Description	Sourcing Basis
11/2/2017	\$1,746,642.00	M. Brost (Electric Systems)	Babcock & Wilcox Universal, Inc.	Emergency replacement GEC 1 & 2 Exhaust Stack Silencer & Duct Replacement	Emergency - JEA procured services through an emergency contract with Babcock & Wilcox Universal, Inc. for the replacement of exhaust stack silencers and silencer ducts for the December, 2017 outage. This work is required due to thermal degradation of materials which was discovered during routine maintenance and has downgraded GEC Unit 1's availability. Babcock & Wilcox was the only vendor who could meet JEA's needs and timeframe; and the contract amount is comparable to pricing on other stack replacement projects.
Total	\$1,746,642.00				

**Written Order from May 17, 2018 Hearing
Before the JEA Procurement Appeals Board (PAB)**

Protestor: ABM Electrical Power Solution ("**ABM**")

Solicitation: JEA Solicitation No. 046-18 Switchgear Breaker Testing Services for JEA

WHEREAS, on March 13, 2018, JEA announced its intention to issue a notice of intent to award the Contract for JEA Solicitation No. 049-18 ("**Contract**"), Switchgear Breaker Testing Services for JEA and City to ABM Electrical Power Solutions ("**ABM**");

WHEREAS, on March 14, 2018, CE Power Engineering Services, Inc. ("**CE Power**") filed a formal protest (the "Protest") with respect to JEA's Awards Committee agenda posted to the JEA website on March 13, 2018;

WHEREAS, on April 6, 2018, JEA's Chief Procurement Officer, after taking into consideration the Protest and information presented at the Chief Procurement Officer's informal protest meeting held on March 29, 2018, determined that the Protest had merit and CE Power should be awarded the Contract;

WHEREAS, by letter dated April 10, 2018, ABM's Assistant General Counsel filed an appeal with JEA's Procurement Appeals Board ("**PAB**") with respect to JEA's Chief Procurement Officer's decision to award the Contract to CE Power (the "Appeal");

WHEREAS, on May 17, 2018, the PAB (consisting of Paul Cosgrave, Chair, Ted Hobson and Mike Brost) conducted a protest hearing on the Appeal, beginning at approximately 10:30 AM and ending at approximately 11:25 AM;

WHEREAS, the PAB heard arguments and testimony from (i) ABM, the Protestor, through its attorney, Harrison Anthony, and its representatives Frank Ceci and Rob Parton, all via conference telephone call, (ii) CE Power, through its attorney, John Swansigner, and its representatives, Paul Cody and Jerry Daugherty, and (iii) John McCarthy, JEA's Chief Procurement Officer, Emerson Lotzia, the attorney representing JEA's Chief Procurement Officer, and Sean Conner, JEA's business unit representative; and


WHEREAS, written information was provided prior to the hearing to the PAB members by JEA which contained information from ABM and CE Power.

NOW THEREFORE, at the conclusion of the hearing, based on the information presented, the PAB decided as follows:

1. On a motion by Ted Hobson, seconded by Mike Brost, and unanimously approved by the PAB (Paul Cosgrave, Ted Hobson and Mike Brost), the PAB denied the Appeal of ABM and upheld the decision of JEA's Chief Procurement Officer to award the Contract to CE Power.

2. The PAB's denial of the Appeal was based on competent and substantial evidence presented to the PAB at the Appeal hearing on May 17, 2018, and such evidence may be found in the record of the proceeding.

Entered this 29th day of May, 2018, in Jacksonville, Florida.



Paul Cosgrave, Chair

III. A.

Appendix F

Monthly Financial Statements

**Return to
Agenda**

**III. A.
Appendix F.
07/30/2018**



Monthly Financial Statements

June 2018

Monthly Financial Statements

June 2018

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Statements of Net Position**(in thousands - unaudited) June 2018 and 2017**

	2018	2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 236,070	\$ 269,290
Investments	214,116	235,659
Customer accounts receivable, net of allowance (\$1,690 in 2018 and \$1,898 in 2017)	212,986	191,100
Miscellaneous accounts receivable	14,769	30,925
Interest receivable	3,229	2,426
Inventories:		
Fuel inventory - Electric System	47,526	68,334
Fuel inventory - Plant Scherer	8,021	4,469
Materials and supplies - Water and Sewer	53,608	49,216
Materials and supplies - Electric System	23,765	19,174
Materials and supplies - Plant Scherer	2,149	1,987
Total current assets	816,239	872,580
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	134,021	65,614
Investments	707,180	896,471
Accounts and interest receivable	79	664
Total restricted assets	841,280	962,749
Costs to be recovered from future revenues	798,799	456,880
Investment in The Energy Authority	6,529	6,072
Other assets	17,831	19,336
Total noncurrent assets	1,664,439	1,445,037
Capital assets:		
Land and easements	194,634	193,439
Plant in service	11,217,147	10,925,211
Less accumulated depreciation	(6,429,260)	(5,656,935)
Plant in service, net	4,982,521	5,461,715
Construction work in progress	334,749	349,356
Net capital assets	5,317,270	5,811,071
Total assets	7,797,948	8,128,688
Deferred outflows of resources		
Unrealized pension contributions and losses	177,704	137,010
Unamortized deferred losses on refundings	146,562	137,020
Accumulated decrease in fair value of hedging derivatives	98,346	126,723
Unrealized asset retirement obligation	43,884	-
Total deferred outflows of resources	466,496	400,753
Total assets and deferred outflows of resources	\$ 8,264,444	\$ 8,529,441

Statements of Net Position**(in thousands - unaudited) June 2018 and 2017**

	2018	2017
Liabilities		
Current liabilities:		
Accounts and accrued expenses payable	\$ 104,878	\$ 94,905
Customer deposits	59,566	56,585
City of Jacksonville payable	9,747	9,684
Utility taxes and fees payable	8,205	8,366
Compensated absences due within one year	1,423	3,528
Total current liabilities	183,819	173,068
Current liabilities payable from restricted assets:		
Debt due within one year	185,790	229,095
Renewal and replacement reserve	96,371	79,792
Interest payable	37,875	42,193
Construction contracts and accounts payable	16,511	24,524
Total current liabilities payable from restricted assets	336,547	375,604
Noncurrent liabilities:		
Net pension liability	557,665	493,346
Asset retirement obligation	35,701	-
Compensated absences due after one year	29,364	27,178
Environmental liabilities	17,647	18,556
Other liabilities	5,934	4,084
Total noncurrent liabilities	646,311	543,164
Long-term debt:		
Bonds payable and commercial paper payable, less current portion	3,813,680	4,178,295
Unamortized premium, net	160,163	119,682
Fair value of debt management strategy instruments	95,594	126,615
Total long-term debt	4,069,437	4,424,592
Total liabilities	5,236,114	5,516,428
Deferred inflows of resources		
Revenues to be used for future costs	239,519	471,069
Unrealized pension gains	12,955	12,683
Total deferred inflows of resources	252,474	483,752
Net position		
Net investment in capital assets	1,893,516	1,644,571
Restricted	530,682	549,903
Unrestricted	351,658	334,787
Total net position	2,775,856	2,529,261
Total liabilities, deferred inflows of resources, and net position	\$ 8,264,444	\$ 8,529,441

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Assets							
Current assets:							
Cash and cash equivalents	\$ 138,867	\$ 22,276	\$ -	\$ 161,143	70,891	\$ 4,036	\$ 236,070
Investments	194,113	247	-	194,360	19,756	-	214,116
Customer accounts receivable, net of allowance (\$1,690)	163,036	-	-	163,036	49,247	703	212,986
Miscellaneous accounts receivable	12,703	5,272	(5,235)	12,740	2,029	-	14,769
Interest receivable	1,669	4	-	1,673	1,556	-	3,229
Inventories:							
Fuel inventory - Electric System	30,362	17,164	-	47,526	-	-	47,526
Fuel inventory - Plant Scherer	8,021	-	-	8,021	-	-	8,021
Materials and supplies - Water and Sewer	-	-	-	-	53,608	-	53,608
Materials and supplies - Electric System	-	23,765	-	23,765	-	-	23,765
Materials and supplies - Plant Scherer	2,149	-	-	2,149	-	-	2,149
Total current assets	550,920	68,728	(5,235)	614,413	197,087	4,739	816,239
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	223	131,359	-	131,582	321	2,118	134,021
Investments	376,569	6,000	-	382,569	324,611	-	707,180
Accounts and interest receivable	20	47	-	67	12	-	79
Total restricted assets	376,812	137,406	-	514,218	324,944	2,118	841,280
Costs to be recovered from future revenues	268,754	308,243	-	576,997	221,775	27	798,799
Investment in The Energy Authority	6,529	-	-	6,529	-	-	6,529
Other assets	12,524	-	-	12,524	5,303	4	17,831
Total noncurrent assets	664,619	445,649	-	1,110,268	552,022	2,149	1,664,439
Capital assets:							
Land and easements	123,708	6,660	-	130,368	61,215	3,051	194,634
Plant in service	5,423,001	1,316,051	-	6,739,052	4,421,720	56,375	11,217,147
Less accumulated depreciation	(3,014,269)	(1,312,465)	-	(4,326,734)	(2,077,582)	(24,944)	(6,429,260)
Plant in service, net	2,532,440	10,246	-	2,542,686	2,405,353	34,482	4,982,521
Construction work in progress	124,228	-	-	124,228	209,939	582	334,749
Net capital assets	2,656,668	10,246	-	2,666,914	2,615,292	35,064	5,317,270
Total assets	3,872,207	524,623	(5,235)	4,391,595	3,364,401	41,952	7,797,948
Deferred outflows of resources							
Unrealized pension contributions and losses	95,814	20,631	-	116,445	61,259	-	177,704
Unamortized deferred losses on refundings	87,255	4,238	-	91,493	54,872	197	146,562
Accumulated decrease in fair value of hedging derivatives	80,015	-	-	80,015	18,331	-	98,346
Unrealized asset retirement obligation	-	43,884	-	43,884	-	-	43,884
Total deferred outflows of resources	263,084	68,753	-	331,837	134,462	197	466,496
Total assets and deferred outflows of resources	\$ 4,135,291	\$ 593,376	\$ (5,235)	\$ 4,723,432	\$ 3,498,863	\$ 42,149	\$ 8,264,444

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

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	\$ 87,793	\$ 6,929	\$ (4,409)	\$ 90,313	\$ 14,538	\$ 27	\$ 104,878
Customer deposits	44,120	-	-	44,120	15,446	-	59,566
City of Jacksonville payable	7,623	-	-	7,623	2,124	-	9,747
Utility taxes and fees payable	8,205	-	-	8,205	-	-	8,205
Compensated absences due within one year	1,115	-	-	1,115	304	4	1,423
Total current liabilities	148,856	6,929	(4,409)	151,376	32,412	31	183,819
Current liabilities payable from restricted assets:							
Debt due within one year	130,690	1,720	-	132,410	51,720	1,660	185,790
Renewal and replacement reserve	-	96,371	-	96,371	-	-	96,371
Interest payable	19,585	2,802	-	22,387	15,148	340	37,875
Construction contracts and accounts payable	3,706	2,661	(826)	5,541	10,914	56	16,511
Total current liabilities payable from restricted assets	153,981	103,554	(826)	256,709	77,782	2,056	336,547
Noncurrent liabilities:							
Net pension liability	330,025	16,640	-	346,665	211,000	-	557,665
Asset retirement obligation	-	35,701	-	35,701	-	-	35,701
Compensated absences due after one year	20,769	-	-	20,769	8,560	35	29,364
Environmental liabilities	17,647	-	-	17,647	-	-	17,647
Other liabilities	5,229	-	-	5,229	705	-	5,934
Total noncurrent liabilities	373,670	52,341	-	426,011	220,265	35	646,311
Long-term debt:							
Bonds payable and commercial paper payable, less current portion	2,019,350	278,885	-	2,298,235	1,480,620	34,825	3,813,680
Unamortized premium (discount), net	80,840	2,734	-	83,574	76,624	(35)	160,163
Fair value of debt management strategy instruments	77,263	-	-	77,263	18,331	-	95,594
Total long-term debt	2,177,453	281,619	-	2,459,072	1,575,575	34,790	4,069,437
Total liabilities	2,853,960	444,443	(5,235)	3,293,168	1,906,034	36,912	5,236,114
Deferred inflows of resources							
Revenues to be used for future costs	213,396	-	-	213,396	26,123	-	239,519
Unrealized pension gains	4,867	4,976	-	9,843	3,112	-	12,955
Total deferred inflows of resources	218,263	4,976	-	223,239	29,235	-	252,474
Net position							
Net investment in capital assets	565,916	47,035	-	612,951	1,281,810	(1,245)	1,893,516
Restricted	291,794	26,939	826	319,559	209,345	1,778	530,682
Unrestricted	205,358	69,983	(826)	274,515	72,439	4,704	351,658
Total net position	1,063,068	143,957	-	1,207,025	1,563,594	5,237	2,775,856
Total liabilities, deferred inflows of resources, and net position	\$ 4,135,291	\$ 593,376	\$ (5,235)	\$ 4,723,432	\$ 3,498,863	\$ 42,149	\$ 8,264,444

JEA
Combining Statement of Net Position
(in thousands - unaudited) June 2017

Page 6

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Assets							
Current assets:							
Cash and cash equivalents	\$ 150,425	\$ 35,243	\$ -	\$ 185,668	\$ 79,171	\$ 4,451	\$ 269,290
Investments	225,420	10,239	-	235,659	-	-	235,659
Customer accounts receivable, net of allowance (\$1,898)	156,168	-	-	156,168	34,596	336	191,100
Miscellaneous accounts receivable	23,720	22,999	(17,920)	28,799	2,126	-	30,925
Interest receivable	1,326	28	-	1,354	1,072	-	2,426
Inventories:							
Fuel inventory - Electric System	34,280	34,054	-	68,334	-	-	68,334
Fuel inventory - Plant Scherer	4,469	-	-	4,469	-	-	4,469
Materials and supplies - Water and Sewer	-	-	-	-	49,216	-	49,216
Materials and supplies - Electric System	-	19,174	-	19,174	-	-	19,174
Materials and supplies - Plant Scherer	1,987	-	-	1,987	-	-	1,987
Total current assets	597,795	121,737	(17,920)	701,612	166,181	4,787	872,580
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	39	33,624	-	33,663	29,682	2,269	65,614
Investments	346,876	223,219	-	570,095	326,376	-	896,471
Accounts and interest receivable	48	604	-	652	12	-	664
Total restricted assets	346,963	257,447	-	604,410	356,070	2,269	962,749
Costs to be recovered from future revenues	240,418	6,741	-	247,159	209,721	-	456,880
Investment in The Energy Authority	6,072	-	-	6,072	-	-	6,072
Other assets	12,030	-	-	12,030	7,303	3	19,336
Total noncurrent assets	605,483	264,188	-	869,671	573,094	2,272	1,445,037
Capital assets:							
Land and easements	123,569	6,660	-	130,229	60,159	3,051	193,439
Plant in service	5,242,362	1,317,509	-	6,559,871	4,310,100	55,240	10,925,211
Less accumulated depreciation	(2,821,218)	(841,913)	-	(3,663,131)	(1,970,308)	(23,496)	(5,656,935)
Plant in service, net	2,544,713	482,256	-	3,026,969	2,399,951	34,795	5,461,715
Construction work in progress	168,308	3,907	-	172,215	175,742	1,399	349,356
Capital assets, net	2,713,021	486,163	-	3,199,184	2,575,693	36,194	5,811,071
Total assets	3,916,299	872,088	(17,920)	4,770,467	3,314,968	43,253	8,128,688
Deferred outflows of resources							
Unrealized pension contributions and losses	77,673	11,731	-	89,404	47,606	-	137,010
Unamortized deferred losses on refundings	80,398	11,955	-	92,353	44,462	205	137,020
Accumulated decrease in fair value of hedging derivatives	102,538	-	-	102,538	24,185	-	126,723
Total deferred outflows of resources	260,609	23,686	-	284,295	116,253	205	400,753
Total assets and deferred outflows of resources	\$ 4,176,908	\$ 895,774	\$ (17,920)	\$ 5,054,762	\$ 3,431,221	\$ 43,458	\$ 8,529,441

JEA
Combining Statement of Net Position
(in thousands - unaudited) June 2017

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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
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	\$ 62,794	\$ 21,561	\$ (1,489)	\$ 82,866	\$ 12,017	\$ 22	\$ 94,905
Customer deposits	41,788	-	-	41,788	14,797	-	56,585
City of Jacksonville payable	7,689	-	-	7,689	1,995	-	9,684
Utility taxes and fees payable	8,366	-	-	8,366	-	-	8,366
Compensated absences due within one year	2,025	660	-	2,685	811	32	3,528
Total current liabilities	122,662	22,221	(1,489)	143,394	29,620	54	173,068
Current liabilities payable from restricted assets:							
Debt due within one year	135,105	41,330	-	176,435	51,020	1,640	229,095
Renewal and replacement reserve	-	79,792	-	79,792	-	-	79,792
Interest payable	21,048	4,786	-	25,834	16,013	346	42,193
Construction contracts and accounts payable	3,293	18,079	(16,431)	4,941	19,454	129	24,524
Total current liabilities payable from restricted assets	159,446	143,987	(16,431)	287,002	86,487	2,115	375,604
Noncurrent liabilities:							
Net pension liability	297,819	12,993	-	310,812	182,534	-	493,346
Compensated absences due after one year	18,193	1,758	-	19,951	7,226	1	27,178
Environmental liabilities	18,556	-	-	18,556	-	-	18,556
Other liabilities	2,802	-	-	2,802	1,282	-	4,084
Total noncurrent liabilities	337,370	14,751	-	352,121	191,042	1	543,164
Long-term debt:							
Bonds payable and commercial paper payable, less current portion	2,171,305	408,885	-	2,580,190	1,561,620	36,485	4,178,295
Unamortized premium (discount), net	59,412	12,593	-	72,005	47,717	(40)	119,682
Fair value of debt management strategy instruments	102,430	-	-	102,430	24,185	-	126,615
Total long-term debt	2,333,147	421,478	-	2,754,625	1,633,522	36,445	4,424,592
Total liabilities	2,952,625	602,437	(17,920)	3,537,142	1,940,671	38,615	5,516,428
Deferred inflows of resources							
Revenues to be used for future costs	295,257	150,625	-	445,882	25,187	-	471,069
Unrealized pension gains	6,545	2,126	-	8,671	4,012	-	12,683
Total deferred inflows of resources	301,802	152,751	-	454,553	29,199	-	483,752
Net position							
Net investment in capital assets	461,056	10,474	-	471,530	1,174,856	(1,815)	1,644,571
Restricted	260,483	32,355	16,431	309,269	238,710	1,924	549,903
Unrestricted	200,942	97,757	(16,431)	282,268	47,785	4,734	334,787
Total net position	922,481	140,586	-	1,063,067	1,461,351	4,843	2,529,261
Total liabilities, deferred inflows of resources, and net position	\$ 4,176,908	\$ 895,774	\$ (17,920)	\$ 5,054,762	\$ 3,431,221	\$ 43,458	\$ 8,529,441

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

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	Electric System and Bulk Power Supply System	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Unrestricted cash and investments						
Operations	\$ 83,847	\$ 4,118	\$ 87,965	\$ 49,078	\$ 1,299	\$ 138,342
Rate stabilization:						
Fuel	75,056	-	75,056	-	-	75,056
Debt management	29,884	-	29,884	14,209	2,737	46,830
Environmental	41,072	-	41,072	11,914	-	52,986
Purchased Power	16,480	-	16,480	-	-	16,480
DSM/Conservation	3,917	-	3,917	-	-	3,917
Total rate stabilization funds	166,409	-	166,409	26,123	2,737	195,269
Customer deposits	44,079	-	44,079	15,446	-	59,525
General reserve	-	18,405	18,405	-	-	18,405
Self insurance reserve funds:						
Self funded health plan	10,998	-	10,998	-	-	10,998
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	20,998	-	20,998	-	-	20,998
Environmental liability reserve	17,647	-	17,647	-	-	17,647
Total unrestricted cash and investments	\$ 332,980	\$ 22,523	\$ 355,503	\$ 90,647	\$ 4,036	\$ 450,186
Restricted assets						
Renewal and replacement funds	\$ 196,856	\$ 96,384	\$ 293,240	\$ 168,061	\$ 533	\$ 461,834
Debt service reserve account	65,433	11,247	76,680	102,850	-	179,530
Debt service funds	116,672	4,197	120,869	53,675	1,585	176,129
Environmental funds	-	-	-	407	-	407
Construction funds	223	-	223	320	-	543
Subtotal	379,184	111,828	491,012	325,313	2,118	818,443
Unrealized holding gain (loss) on investments	(2,392)	80	(2,312)	(381)	-	(2,693)
Other funds	-	25,451	25,451	-	-	25,451
Total restricted cash and investments	\$ 376,792	\$ 137,359	\$ 514,151	\$ 324,932	\$ 2,118	\$ 841,201

JEA
Schedule of Cash and Investments
(in thousands - unaudited) June 2017

	Electric System and Bulk Power Supply System	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Unrestricted cash and investments						
Operations	\$ 52,782	\$ 22,704	\$ 75,486	\$ 39,187	\$ 1,714	\$ 116,387
Rate stabilization:						
Fuel	147,066	-	147,066	-	-	147,066
Debt management	29,884	-	29,884	20,290	2,737	52,911
Environmental	34,540	-	34,540	4,897	-	39,437
Purchased Power	28,035	-	28,035	-	-	28,035
DSM/Conservation	3,298	-	3,298	-	-	3,298
Total rate stabilization funds	242,823	-	242,823	25,187	2,737	270,747
Customer deposits	41,657	-	41,657	14,797	-	56,454
General reserve	-	22,778	22,778	-	-	22,778
Self insurance reserve funds:						
Self funded health plan	10,027	-	10,027	-	-	10,027
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	20,027	-	20,027	-	-	20,027
Environmental liability reserve	18,556	-	18,556	-	-	18,556
Total unrestricted cash and investments	\$ 375,845	\$ 45,482	\$ 421,327	\$ 79,171	\$ 4,451	\$ 504,949
Restricted assets						
Renewal and replacement funds	\$ 165,327	\$ 79,609	\$ 244,936	\$ 191,614	\$ 693	\$ 437,243
Debt service reserve account	65,433	140,093	205,526	107,488	-	313,014
Debt service funds	115,465	31,562	147,027	54,010	1,576	202,613
Construction funds	39	-	39	152	-	191
Environmental funds	-	-	-	644	-	644
Subtotal	346,264	251,264	597,528	353,908	2,269	953,705
Unrealized holding gain (loss) on investments	651	(3,989)	(3,338)	2,150	-	(1,188)
Other funds	-	9,568	9,568	-	-	9,568
Total restricted cash and investments	\$ 346,915	\$ 256,843	\$ 603,758	\$ 356,058	\$ 2,269	\$ 962,085

DESCRIPTION	Electric System and Bulk Power Supply System	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Unfunded pension costs	239,078	985	240,063	152,853	-	392,916
SJRPP and Scherer	9,931	305,112	315,043	-	-	315,043
Water environmental projects	-	-	-	61,996	-	61,996
Storm costs to be recovered	16,407	-	16,407	4,595	27	21,029
Debt issue costs	3,338	2,146	5,484	2,331	-	7,815
Costs to be recovered from future revenues	268,754	308,243	576,997	221,775	27	798,799
Fuel stabilization	75,056	-	75,056	-	-	75,056
Environmental	41,073	-	41,073	11,914	-	52,987
Debt management stabilization	29,884	-	29,884	14,209	-	44,093
SJRPP and Scherer	38,529	-	38,529	-	-	38,529
Nonfuel purchased power	16,480	-	16,480	-	-	16,480
Self-insurance medical reserve	8,457	-	8,457	-	-	8,457
Customer benefit stabilization	3,917	-	3,917	-	-	3,917
Revenues to be used for future costs	213,396	-	213,396	26,123	-	239,519

DESCRIPTION	Electric System and Bulk Power Supply System	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Unfunded pension costs	226,691	3,388	230,079	138,940	-	369,019
SJRPP and Scherer	11,006	-	11,006	-	-	11,006
Water environmental projects	-	-	-	70,548	-	70,548
Debt issue costs	2,721	3,353	6,074	233	-	6,307
Costs to be recovered from future revenues	240,418	6,741	247,159	209,721	-	456,880
Fuel stabilization	147,066	-	147,066	-	-	147,066
Environmental	34,540	-	34,540	4,897	-	39,437
Debt management stabilization	29,884	-	29,884	20,290	-	50,174
SJRPP and Scherer	42,407	150,625	193,032	-	-	193,032
Nonfuel purchased power	28,035	-	28,035	-	-	28,035
Self-insurance medical reserve	10,027	-	10,027	-	-	10,027
Customer benefit stabilization	3,298	-	3,298	-	-	3,298
Revenues to be used for future costs	295,257	150,625	445,882	\$ 25,187	-	471,069

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

	Month June		Year-to-Date June	
	2018	2017	2018	2017
Operating revenues				
Electric - base	\$ 73,827	\$ 72,459	\$ 591,250	\$ 578,153
Electric - fuel and purchased power	42,900	52,151	359,614	397,784
Water and sewer	34,393	33,156	313,741	319,242
District energy system	691	708	5,852	5,807
Other	2,148	2,791	76,964	26,739
Total operating revenues	153,959	161,265	1,347,421	1,327,725
Operating expenses				
Operations and maintenance:				
Fuel	34,191	43,647	294,459	319,923
Purchased power	9,765	6,569	80,045	55,295
Maintenance and other operating expenses	32,705	31,842	329,952	281,659
Depreciation	29,072	33,279	274,981	288,451
Utility taxes and fees	6,280	6,245	51,206	49,480
Recognition of deferred costs and revenues, net	(4,403)	(1,335)	77	(3,648)
Total operating expenses	107,610	120,247	1,030,720	991,160
Operating income	46,349	41,018	316,701	336,565
Nonoperating revenues (expenses)				
Interest on debt	(12,366)	(14,305)	(117,155)	(125,562)
Debt management strategy	(1,087)	(1,297)	(10,270)	(12,389)
Investment income, net	828	2,076	6,931	5,051
Allowance for funds used during construction	1,093	1,065	7,987	8,845
Other nonoperating income, net	613	606	6,364	3,830
Earnings from The Energy Authority	792	173	3,304	4,716
Other interest, net	(179)	(53)	(1,521)	(362)
Total nonoperating expenses, net	(10,306)	(11,735)	(104,360)	(115,871)
Income before contributions and special items	36,043	29,283	212,341	220,694
Contributions (to) from				
General Fund, City of Jacksonville, Florida	(9,719)	(9,652)	(87,465)	(86,867)
Developers and other	7,628	6,478	56,551	51,994
Reduction of plant cost through contributions	(4,390)	(3,392)	(37,117)	(33,485)
Total contributions	(6,481)	(6,566)	(68,031)	(68,358)
Special items				
SJRPP deferred revenues, net	-	-	451,037	-
SJRPP impairment loss	-	-	(451,037)	-
Total special items	-	-	-	-
Change in net position	29,562	22,717	144,310	152,336
Net position, beginning of period	2,746,294	2,506,544	2,631,546	2,376,925
Net position, end of period	\$ 2,775,856	\$ 2,529,261	\$ 2,775,856	\$ 2,529,261

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

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 74,093	\$ -	\$ -	\$ 74,093	\$ -	\$ -	\$ (266)	\$ 73,827
Electric - fuel and purchased power	42,959	3,523	(2,582)	43,900	-	-	(1,000)	42,900
Water and sewer	-	-	-	-	34,437	-	(44)	34,393
District energy system	-	-	-	-	-	691	-	691
Other	1,763	(457)	-	1,306	1,092	-	(250)	2,148
Total operating revenues	118,815	3,066	(2,582)	119,299	35,529	691	(1,560)	153,959
Operating expenses								
Operations and maintenance:								
Fuel	34,078	113	-	34,191	-	-	-	34,191
Purchased power	12,347	-	(2,582)	9,765	-	-	-	9,765
Maintenance and other operating expenses	22,332	514	-	22,846	11,021	398	(1,560)	32,705
Depreciation	16,933	34	-	16,967	11,905	200	-	29,072
Utility taxes and fees	5,385	-	-	5,385	895	-	-	6,280
Recognition of deferred costs and revenues, net	(227)	(4,677)	-	(4,904)	501	-	-	(4,403)
Total operating expenses	90,848	(4,016)	(2,582)	84,250	24,322	598	(1,560)	107,610
Operating income	27,967	7,082	-	35,049	11,207	93	-	46,349
Nonoperating revenues (expenses)								
Interest on debt	(6,653)	(876)	-	(7,529)	(4,722)	(115)	-	(12,366)
Debt management strategy	(874)	-	-	(874)	(213)	-	-	(1,087)
Investment income, net	397	177	-	574	244	10	-	828
Allowance for funds used during construction	382	-	-	382	707	4	-	1,093
Other nonoperating income, net	360	31	-	391	222	-	-	613
Earnings from The Energy Authority	792	-	-	792	-	-	-	792
Other interest, net	(178)	-	-	(178)	(1)	-	-	(179)
Total nonoperating expenses, net	(5,774)	(668)	-	(6,442)	(3,763)	(101)	-	(10,306)
Income before contributions	22,193	6,414	-	28,607	7,444	(8)	-	36,043
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,623)	-	-	(7,623)	(2,096)	-	-	(9,719)
Developers and other	62	-	-	62	7,566	-	-	7,628
Reduction of plant cost through contributions	(62)	-	-	(62)	(4,328)	-	-	(4,390)
Total contributions	(7,623)	-	-	(7,623)	1,142	-	-	(6,481)
Change in net position	14,570	6,414	-	20,984	8,586	(8)	-	29,562
Net position, beginning of period	1,048,498	137,543	-	1,186,041	1,555,008	5,245	-	2,746,294
Net position, end of period	\$ 1,063,068	\$ 143,957	\$ -	\$ 1,207,025	\$ 1,563,594	\$ 5,237	\$ -	\$ 2,775,856

Combining Statement of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited) for the month ended June 2017

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 72,764	\$ -	\$ -	\$ 72,764	\$ -	\$ -	\$ (305)	\$ 72,459
Electric - fuel and purchased power	42,250	24,151	(13,101)	53,300	-	-	(1,149)	52,151
Water and sewer	-	-	-	-	33,174	-	(18)	33,156
District energy system	-	-	-	-	-	742	(34)	708
Other	2,081	-	-	2,081	899	-	(189)	2,791
Total operating revenues	117,095	24,151	(13,101)	128,145	34,073	742	(1,695)	161,265
Operating expenses								
Operations and maintenance:								
Fuel	27,223	16,424	-	43,647	-	-	-	43,647
Purchased power	19,670	-	(13,101)	6,569	-	-	-	6,569
Maintenance and other operating expenses	16,665	3,049	-	19,714	13,406	417	(1,695)	31,842
Depreciation	17,547	3,563	-	21,110	11,971	198	-	33,279
Utility taxes and fees	5,323	-	-	5,323	922	-	-	6,245
Recognition of deferred costs and revenues, net	(278)	(1,002)	-	(1,280)	(55)	-	-	(1,335)
Total operating expenses	86,150	22,034	(13,101)	95,083	26,244	615	(1,695)	120,247
Operating income	30,945	2,117	-	33,062	7,829	127	-	41,018
Nonoperating revenues (expenses)								
Interest on debt	(6,930)	(2,006)	-	(8,936)	(5,253)	(116)	-	(14,305)
Debt management strategy	(1,061)	-	-	(1,061)	(236)	-	-	(1,297)
Investment income, net	1,022	206	-	1,228	844	4	-	2,076
Allowance for funds used during construction	513	-	-	513	549	3	-	1,065
Other nonoperating income, net	366	32	-	398	208	-	-	606
Earnings from The Energy Authority	173	-	-	173	-	-	-	173
Other interest, net	(53)	-	-	(53)	-	-	-	(53)
Total nonoperating expenses, net	(5,970)	(1,768)	-	(7,738)	(3,888)	(109)	-	(11,735)
Income before contributions	24,975	349	-	25,324	3,941	18	-	29,283
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,689)	-	-	(7,689)	(1,963)	-	-	(9,652)
Developers and other	9	-	-	9	6,469	-	-	6,478
Reduction of plant cost through contributions	(9)	-	-	(9)	(3,383)	-	-	(3,392)
Total contributions	(7,689)	-	-	(7,689)	1,123	-	-	(6,566)
Change in net position	17,286	349	-	17,635	5,064	18	-	22,717
Net position, beginning of period	905,195	140,237	-	1,045,432	1,456,287	4,825	-	2,506,544
Net position, end of period	\$ 922,481	\$ 140,586	\$ -	\$ 1,063,067	\$ 1,461,351	\$ 4,843	\$ -	\$ 2,529,261

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

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 593,781	\$ -	\$ -	\$ 593,781	\$ -	\$ -	\$ (2,531)	\$ 591,250
Electric - fuel and purchased power	339,170	82,985	(53,020)	369,135	-	-	(9,521)	359,614
Water and sewer	-	-	-	-	314,176	-	(435)	313,741
District energy system	-	-	-	-	-	6,082	(230)	5,852
Other	16,131	54,587	-	70,718	8,300	-	(2,054)	76,964
Total operating revenues	949,082	137,572	(53,020)	1,033,634	322,476	6,082	(14,771)	1,347,421
Operating expenses								
Operations and maintenance:								
Fuel	244,186	50,273	-	294,459	-	-	-	294,459
Purchased power	133,065	-	(53,020)	80,045	-	-	-	80,045
Maintenance and other operating expenses	176,430	57,551	-	233,981	107,606	3,136	(14,771)	329,952
Depreciation	153,881	10,893	-	164,774	108,414	1,793	-	274,981
Utility taxes and fees	43,392	-	-	43,392	7,814	-	-	51,206
Recognition of deferred costs and revenues, net	(2,043)	(1,707)	-	(3,750)	3,827	-	-	77
Total operating expenses	748,911	117,010	(53,020)	812,901	227,661	4,929	(14,771)	1,030,720
Operating income	200,171	20,562	-	220,733	94,815	1,153	-	316,701
Nonoperating revenues (expenses)								
Interest on debt	(56,720)	(17,664)	-	(74,384)	(41,741)	(1,030)	-	(117,155)
Debt management strategy	(8,287)	-	-	(8,287)	(1,983)	-	-	(10,270)
Investment income, net	3,935	562	-	4,497	2,367	67	-	6,931
Allowance for funds used during construction	2,567	-	-	2,567	5,377	43	-	7,987
Other nonoperating income, net	3,248	976	-	4,224	2,140	-	-	6,364
Earnings from The Energy Authority	3,304	-	-	3,304	-	-	-	3,304
Other interest, net	(1,296)	-	-	(1,296)	(225)	-	-	(1,521)
Total nonoperating expenses, net	(53,249)	(16,126)	-	(69,375)	(34,065)	(920)	-	(104,360)
Income before contributions	146,922	4,436	-	151,358	60,750	233	-	212,341
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(68,604)	-	-	(68,604)	(18,861)	-	-	(87,465)
Developers and other	1,152	-	-	1,152	55,399	-	-	56,551
Reduction of plant cost through contributions	(1,152)	-	-	(1,152)	(35,965)	-	-	(37,117)
Total contributions	(68,604)	-	-	(68,604)	573	-	-	(68,031)
Special items								
SJRPP deferred revenues, net	-	451,037	-	451,037	-	-	-	451,037
SJRPP impairment loss	-	(451,037)	-	(451,037)	-	-	-	(451,037)
Total special items	-	-	-	-	-	-	-	-
Change in net position	78,318	4,436	-	82,754	61,323	233	-	144,310
Net position, beginning of year	984,750	139,521	-	1,124,271	1,502,271	5,004	-	2,631,546
Net position, end of period	\$ 1,063,068	\$ 143,957	\$ -	\$ 1,207,025	\$ 1,563,594	\$ 5,237	\$ -	\$ 2,775,856

Combining Statement of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited) for the nine months ended June 2017

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 580,687	\$ -	\$ -	\$ 580,687	\$ -	\$ -	\$ (2,534)	\$ 578,153
Electric - fuel and purchased power	314,883	193,376	(100,942)	407,317	-	-	(9,533)	397,784
Water and sewer	-	-	-	-	319,452	-	(210)	319,242
District energy system	-	-	-	-	-	6,190	(383)	5,807
Other	21,219	-	-	21,219	7,227	-	(1,707)	26,739
Total operating revenues	916,789	193,376	(100,942)	1,009,223	326,679	6,190	(14,367)	1,327,725
Operating expenses								
Operations and maintenance:								
Fuel	203,773	116,150	-	319,923	-	-	-	319,923
Purchased power	156,237	-	(100,942)	55,295	-	-	-	55,295
Maintenance and other operating expenses	154,584	35,096	-	189,680	103,209	3,137	(14,367)	281,659
Depreciation	147,795	32,066	-	179,861	106,821	1,769	-	288,451
Utility taxes and fees	41,597	-	-	41,597	7,883	-	-	49,480
Recognition of deferred costs and revenues, net	(2,508)	(9,024)	-	(11,532)	7,884	-	-	(3,648)
Total operating expenses	701,478	174,288	(100,942)	774,824	225,797	4,906	(14,367)	991,160
Operating income	215,311	19,088	-	234,399	100,882	1,284	-	336,565
Nonoperating revenues (expenses)								
Interest on debt	(61,597)	(18,059)	-	(79,656)	(44,860)	(1,046)	-	(125,562)
Debt management strategy	(9,930)	-	-	(9,930)	(2,459)	-	-	(12,389)
Investment income, net	2,788	463	-	3,251	1,775	25	-	5,051
Allowance for funds used during construction	4,988	-	-	4,988	3,845	12	-	8,845
Other nonoperating income, net	3,230	292	-	3,522	308	-	-	3,830
Earnings from The Energy Authority	4,716	-	-	4,716	-	-	-	4,716
Other interest, net	(330)	-	-	(330)	(32)	-	-	(362)
Total nonoperating expenses, net	(56,135)	(17,304)	-	(73,439)	(41,423)	(1,009)	-	(115,871)
Income before contributions	159,176	1,784	-	160,960	59,459	275	-	220,694
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(69,203)	-	-	(69,203)	(17,664)	-	-	(86,867)
Developers and other	851	-	-	851	51,143	-	-	51,994
Reduction of plant cost through contributions	(851)	-	-	(851)	(32,634)	-	-	(33,485)
Total contributions	(69,203)	-	-	(69,203)	845	-	-	(68,358)
Change in net position	89,973	1,784	-	91,757	60,304	275	-	152,336
Net position, beginning of year	832,508	138,802	-	971,310	1,401,047	4,568	-	2,376,925
Net position, end of period	\$ 922,481	\$ 140,586	\$ -	\$ 1,063,067	\$ 1,461,351	\$ 4,843	\$ -	\$ 2,529,261

Statement of Cash Flows
(in thousands - unaudited)

	Year-to-Date	
	June	
	2018	2017
Operating activities		
Receipts from customers	\$ 1,292,446	\$ 1,285,467
Payments to suppliers	(595,838)	(543,277)
Payments to employees	(206,875)	(194,001)
Other operating activities	80,851	24,729
Net cash provided by operating activities	570,584	572,918
Noncapital and related financing activities		
Contribution to General Fund, City of Jacksonville, Florida	(87,401)	(86,737)
Net cash used in noncapital financing activities	(87,401)	(86,737)
Capital and related financing activities		
Defeasance of debt	(993,690)	(153,210)
Proceeds from issuance of debt	821,000	90,405
Acquisition and construction of capital assets	(260,450)	(238,848)
Interest paid on debt	(175,385)	(186,544)
Repayment of debt principal	(229,095)	(181,525)
Capital contributions	19,434	18,509
Other capital financing activities	40,869	(1,623)
Net cash used in capital and related financing activities	(777,317)	(652,836)
Investing activities		
Purchase of investments	(814,390)	(1,368,116)
Proceeds from sale and maturity of investments	853,430	1,255,972
Investment income, net	8,114	11,996
Distributions from The Energy Authority	3,037	4,787
Net cash provided by (used in) investing activities	50,191	(95,361)
Net change in cash and cash equivalents	(243,943)	(262,016)
Cash and cash equivalents, beginning of year	614,034	596,920
Cash and cash equivalents, end of period	\$ 370,091	\$ 334,904
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 316,701	\$ 336,565
Adjustments:		
Depreciation and amortization	275,945	289,461
Recognition of deferred costs and revenues, net	77	(3,648)
Other nonoperating income, net	1,050	(1,095)
Changes in noncash assets and noncash liabilities:		
Accounts receivable	47,805	23,372
Accounts receivable, restricted	-	4
Inventories	7,426	(25,378)
Other assets	(1,538)	(1,409)
Accounts and accrued expenses payable	(22,397)	113
Current liabilities payable from restricted assets	(7,078)	(4,316)
Other noncurrent liabilities and deferred inflows	(47,407)	(40,751)
Net cash provided by operating activities	\$ 570,584	\$ 572,918
Noncash activity		
Contributions of capital assets	\$ 37,117	\$ 33,485
Unrealized losses on fair value of investments, net	\$ (1,492)	\$ (7,704)

JEA
Combining Statement of Cash Flows
(in thousands - unaudited) for the nine months ended June 2018

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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	Eliminations	Total JEA
Operating activities								
Receipts from customers	\$ 912,309	\$ 95,095	\$ (29,929)	\$ 977,475	\$ 321,759	\$ 5,929	\$ (12,717)	\$ 1,292,446
Payments to suppliers	(480,913)	(81,367)	29,929	(532,351)	(75,509)	(2,749)	14,771	(595,838)
Payments to employees	(124,380)	(34,765)	-	(159,145)	(47,306)	(424)	-	(206,875)
Other operating activities	19,459	54,587	-	74,046	8,859	-	(2,054)	80,851
Net cash provided by operating activities	326,475	33,550	-	360,025	207,803	2,756	-	570,584
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(68,670)	-	-	(68,670)	(18,731)	-	-	(87,401)
Net cash used in noncapital financing activities	(68,670)	-	-	(68,670)	(18,731)	-	-	(87,401)
Capital and related financing activities								
Defeasance of debt	(405,105)	(128,280)	-	(533,385)	(460,305)	-	-	(993,690)
Proceeds from issuance of debt	383,840	-	-	383,840	437,160	-	-	821,000
Acquisition and construction of capital assets	(132,409)	-	-	(132,409)	(127,348)	(693)	-	(260,450)
Interest paid on debt	(91,489)	(16,683)	-	(108,172)	(65,842)	(1,371)	-	(175,385)
Repayment of debt principal	(135,105)	(41,330)	-	(176,435)	(51,020)	(1,640)	-	(229,095)
Capital contributions	-	-	-	-	19,434	-	-	19,434
Other capital financing activities	23,096	(7,158)	-	15,938	24,931	-	-	40,869
Net cash used in capital and related financing activities	(357,172)	(193,451)	-	(550,623)	(222,990)	(3,704)	-	(777,317)
Investing activities								
Purchase of investments	(356,574)	(225,471)	-	(582,045)	(232,345)	-	-	(814,390)
Proceeds from sale and maturity of investments	245,458	420,674	-	666,132	187,298	-	-	853,430
Investment income (loss), net	6,473	(2,694)	-	3,779	4,268	67	-	8,114
Distributions from The Energy Authority	3,037	-	-	3,037	-	-	-	3,037
Net cash provided by (used in) investing activities	(101,606)	192,509	-	90,903	(40,779)	67	-	50,191
Net change in cash and cash equivalents	(200,973)	32,608	-	(168,365)	(74,697)	(881)	-	(243,943)
Cash and cash equivalents, beginning of year	340,063	121,027	-	461,090	145,909	7,035	-	614,034
Cash and cash equivalents, end of period	\$ 139,090	\$ 153,635	\$ -	\$ 292,725	\$ 71,212	\$ 6,154	\$ -	\$ 370,091
Reconciliation of operating income to net cash provided by operating activities								
Operating income	\$ 200,171	\$ 20,562	\$ -	\$ 220,733	\$ 94,815	\$ 1,153	\$ -	\$ 316,701
Adjustments:								
Depreciation and amortization	153,881	10,893	-	164,774	109,378	1,793	-	275,945
Recognition of deferred costs and revenues, net	(2,043)	(1,707)	-	(3,750)	3,827	-	-	77
Other nonoperating income, net	80	700	-	780	270	-	-	1,050
Changes in noncash assets and noncash liabilities:								
Accounts receivable	36,049	11,411	-	47,460	497	(152)	-	47,805
Inventories	(351)	13,049	-	12,698	(5,272)	-	-	7,426
Other assets	(2,074)	-	-	(2,074)	540	(4)	-	(1,538)
Accounts and accrued expenses payable	(6,244)	(12,727)	-	(18,971)	(3,368)	(58)	-	(22,397)
Current liabilities payable from restricted assets	-	(7,078)	-	(7,078)	-	-	-	(7,078)
Other noncurrent liabilities and deferred inflows	(52,994)	(1,553)	-	(54,547)	7,116	24	-	(47,407)
Net cash provided by operating activities	\$ 326,475	\$ 33,550	\$ -	\$ 360,025	\$ 207,803	\$ 2,756	\$ -	\$ 570,584
Noncash activity								
Contributions of capital assets	\$ 1,152	\$ -	\$ -	\$ 1,152	\$ 35,965	\$ -	\$ -	\$ 37,117
Unrealized gains (losses) on fair value of investments, net	\$ (3,142)	\$ 4,165	\$ -	\$ 1,023	\$ (2,515)	\$ -	\$ -	\$ (1,492)

Combining Statement of Cash Flows

(in thousands - unaudited) for the nine months ended June 2017

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating activities								
Receipts from customers	\$ 875,014	\$ 188,123	\$ (97,065)	\$ 966,072	\$ 326,060	\$ 5,995	\$ (12,660)	\$ 1,285,467
Payments to suppliers	(439,999)	(141,309)	97,065	(484,243)	(70,522)	(2,879)	14,367	(543,277)
Payments to employees	(123,674)	(24,298)	-	(147,972)	(45,626)	(403)	-	(194,001)
Other operating activities	21,411	-	-	21,411	5,025	-	(1,707)	24,729
Net cash provided by operating activities	332,752	22,516	-	355,268	214,937	2,713	-	572,918
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(69,157)	-	-	(69,157)	(17,580)	-	-	(86,737)
Net cash used in noncapital financing activities	(69,157)	-	-	(69,157)	(17,580)	-	-	(86,737)
Capital and related financing activities								
Defeasance of debt	(153,210)	-	-	(153,210)	-	-	-	(153,210)
Proceeds from issuance of debt	90,405	-	-	90,405	-	-	-	90,405
Acquisition and construction of capital assets	(116,250)	-	-	(116,250)	(121,055)	(1,543)	-	(238,848)
Interest paid on debt	(97,445)	(20,227)	-	(117,672)	(67,481)	(1,391)	-	(186,544)
Repayment of debt principal	(102,240)	(43,785)	-	(146,025)	(33,875)	(1,625)	-	(181,525)
Capital contributions	-	-	-	-	18,509	-	-	18,509
Other capital financing activities	(2,486)	195	-	(2,291)	668	-	-	(1,623)
Net cash used in capital and related financing activities	(381,226)	(63,817)	-	(445,043)	(203,234)	(4,559)	-	(652,836)
Investing activities								
Purchase of investments	(496,240)	(461,396)	-	(957,636)	(410,480)	-	-	(1,368,116)
Proceeds from sale and maturity of investments	459,719	438,512	-	898,231	357,741	-	-	1,255,972
Investment income, net	4,606	3,034	-	7,640	4,331	25	-	11,996
Distributions from The Energy Authority	4,787	-	-	4,787	-	-	-	4,787
Net cash provided by (used in) investing activities	(27,128)	(19,850)	-	(46,978)	(48,408)	25	-	(95,361)
Net change in cash and cash equivalents	(144,759)	(61,151)	-	(205,910)	(54,285)	(1,821)	-	(262,016)
Cash and cash equivalents, beginning of year	295,223	130,018	-	425,241	163,138	8,541	-	596,920
Cash and cash equivalents, end of period	\$ 150,464	\$ 68,867	\$ -	\$ 219,331	\$ 108,853	\$ 6,720	\$ -	\$ 334,904
Reconciliation of operating income to net cash provided by (used in) operating activities								
Operating income	\$ 215,311	\$ 19,088	\$ -	\$ 234,399	\$ 100,882	\$ 1,284	\$ -	\$ 336,565
Adjustments:								
Depreciation and amortization	147,795	32,066	-	179,861	107,831	1,769	-	289,461
Recognition of deferred costs and revenues, net	(2,508)	(9,024)	-	(11,532)	7,884	-	-	(3,648)
Other nonoperating income (loss), net	22	-	-	22	(1,117)	-	-	(1,095)
Changes in noncash assets and noncash liabilities:								
Accounts receivable	26,518	(5,253)	-	21,265	2,302	(195)	-	23,372
Accounts receivable, restricted	-	-	-	-	4	-	-	4
Inventories	(2,138)	(18,853)	-	(20,991)	(4,387)	-	-	(25,378)
Other assets	(1,294)	-	-	(1,294)	(112)	(3)	-	(1,409)
Accounts and accrued expenses payable	(5,930)	8,172	-	2,242	(2,025)	(104)	-	113
Current liabilities payable from restricted assets	-	(4,316)	-	(4,316)	-	-	-	(4,316)
Other noncurrent liabilities and deferred inflows	(45,024)	636	-	(44,388)	3,675	(38)	-	(40,751)
Net cash provided by operating activities	\$ 332,752	\$ 22,516	\$ -	\$ 355,268	\$ 214,937	\$ 2,713	\$ -	\$ 572,918
Noncash activity								
Contributions of capital assets	\$ 851	\$ -	\$ -	\$ 851	\$ 32,634	\$ -	\$ -	\$ 33,485
Unrealized losses on fair value of investments, net	\$ (2,292)	\$ (2,468)	\$ -	\$ (4,760)	\$ (2,944)	\$ -	\$ -	\$ (7,704)

Electric System and Plant Scherer

Changes in Debt Service, R & R and Construction Funds

(in thousands - unaudited) for the nine months ended June 2018 and June 2017

	June 2018			June 2017		
	Debt service funds	Renewal and replacement funds	Construction funds	Debt service funds	Renewal and replacement funds	Construction funds
Beginning balance	\$ 239,961	\$ 225,985	\$ -	\$ 210,066	\$ 193,947	\$ -
Additions:						
R & R and OCO	-	127,207	-	-	124,648	-
Revenue transfers for debt service	156,161	-	-	156,361	-	-
Debt issuance	-	-	805	-	-	430
Proceeds from property sales	-	380	-	-	1,626	-
Total additions	156,161	127,587	805	156,361	126,274	430
Deductions:						
Debt service payments	214,017	-	-	185,529	-	-
Increase in utility plant	-	121,110	-	-	109,606	-
Debt service reserve releases	-	-	-	-	37,200	-
Decrease in accounts payable	-	12,516	-	-	6,622	-
Debt issue costs and discounts	-	-	582	-	-	391
Total deductions	214,017	133,626	582	185,529	153,428	391
Ending balance	\$ 182,105	\$ 219,946	\$ 223	\$ 180,898	\$ 166,793	\$ 39
Recap:						
Renewal and replacement fund:						
Cash & investments		\$ 196,856			\$ 165,327	
Storm costs to be recovered		16,407			-	
Accounts / notes receivable:						
Accounts receivable		6,663			1,418	
Street light & other customer loans		20			48	
		<u>\$ 219,946</u>			<u>\$ 166,793</u>	
Construction fund:						
Generation projects			\$ 110			\$ 32
T&D and other capital projects			113			7
			<u>\$ 223</u>			<u>\$ 39</u>

Water and Sewer System

Changes in Debt Service, R & R and Construction Funds

(in thousands - unaudited) for the nine months ended June 2018 and June 2017

	June 2018				June 2017			
	Debt service funds	Renewal and replacement funds	Construction funds	Environmental funds	Debt service funds	Renewal and replacement funds	Construction funds	Environmental funds
Beginning balance	\$ 189,696	\$ 155,284	\$ 15	\$ 1,838	\$ 173,496	\$ 179,513	\$ 152	\$ 2,659
Additions:								
R & R and OCO	-	120,090	-	-	-	106,116	-	-
Revenue transfers for debt service	85,224	-	-	-	86,059	-	-	-
Contribution in aid of construction	-	19,434	-	-	-	18,509	-	-
Debt issuance	-	-	894	-	-	-	-	-
Proceeds from property sales	-	234	-	-	-	-	-	-
Septic tank phase out fees	-	-	-	-	-	86	-	-
Total additions	85,224	139,758	894	-	86,059	124,711	-	-
Deductions:								
Debt service payments	113,756	-	-	-	97,459	-	-	-
Increase in utility plant	-	96,211	-	-	-	104,984	(167)	-
Debt service reserve releases	4,639	-	-	-	598	-	-	-
Decrease in accounts payable	-	25,888	-	1,431	-	7,110	167	2,015
Debt issue costs and discounts	-	-	589	-	-	-	-	-
Total deductions	118,395	122,099	589	1,431	98,057	112,094	-	2,015
Ending balance	\$ 156,525	\$ 172,943	\$ 320	\$ 407	\$ 161,498	\$ 192,130	\$ 152	\$ 644
Renewal and replacement fund:								
Cash & investments	\$ 168,061				\$ 191,614			
Storm costs to be recovered	4,595				-			
Accounts / notes receivable:								
Accounts receivable	275				504			
Notes receivable	12				12			
	<u>\$ 172,943</u>				<u>\$ 192,130</u>			
Construction fund:								
Project funds			<u>\$ 320</u>				<u>\$ 152</u>	
			<u>\$ 320</u>				<u>\$ 152</u>	
Environmental fund:								
Cash & investments			<u>\$ 407</u>				<u>\$ 644</u>	
			<u>\$ 407</u>				<u>\$ 644</u>	

Electric System		Month				Prior Year Month	
Budget vs. Actual	ANNUAL BUDGET	BUDGET	ACTUAL	Variance		ACTUAL	Variance
June 2018 and 2017	2017-18	2017-18	2017-18	%		2016-17	%
Fuel Related Revenues & Expenses							
Fuel Rate Revenues	\$ 417,649,053	\$ 38,558,687	\$ 36,251,756	-5.98%		\$ 35,256,956	2.82%
Fuel Expense and Purchased Power:							
Fuel Expense - Electric System	315,411,659	28,362,855	30,933,107			24,322,204	
Fuel Expense - SJRPP	37,886,015	-	1,523,041			10,229,882	
Other Purchased Power	96,315,996	10,298,243	10,398,430			7,657,696	
Subtotal Energy Expense	449,613,670	38,661,098	42,854,578	-10.85%		42,209,782	-1.53%
Transfer to (from) Rate Stabilization, Net	(32,799,915)	-	(6,656,455)			(6,989,601)	
Fuel Related Uncollectibles	835,298	52,206	53,633			36,775	
Total	417,649,053	38,713,304	36,251,756	6.36%		35,256,956	-2.82%
Fuel Balance	-	(154,617)	-			-	
Nonfuel Related Revenues							
Base Rate Revenues	802,292,405	74,070,183	67,839,310			66,502,696	
Conservation Charge Revenue	1,000,000	92,313	84,117			73,986	
Environmental Charge Revenue	7,942,200	733,249	688,407			669,770	
Investment Income	6,714,534	559,544	769,583			474,776	
Natural Gas Revenue Pass Through	2,383,913	198,659	42,093			50,716	
Other Revenues	30,551,894	2,545,991	2,065,336			2,371,792	
Total	850,884,946	78,199,939	71,488,846	-8.58%		70,143,736	1.92%
Nonfuel Related Expenses							
Non-Fuel O&M	216,333,937	17,579,903	16,423,085			13,255,817	
DSM / Conservation O&M	7,892,054	651,385	513,964			544,358	
Environmental O&M	2,050,500	170,875	127,084			177,279	
Rate Stabilization - DSM	(382,054)	(31,838)	115,087			83,464	
Rate Stabilization - Environmental	5,891,700	490,975	561,322			492,491	
Natural Gas Expense Pass Through	2,290,414	190,086	53,113			59,660	
Debt Principal - Electric System	124,185,000	10,348,750	10,433,929			12,775,325	
Debt Interest - Electric System	94,262,937	7,855,245	7,800,177			8,207,901	
Bond Buy-Back Principal - Electric System	10,110,614	842,551	-			-	
R&R - Electric System	65,608,800	5,467,400	5,467,400			5,183,192	
Operating Capital Outlay	139,586,200	14,000,000	14,000,000			15,000,000	
City Contribution Expense	91,471,795	7,622,650	7,622,650			7,689,224	
Taxes & Uncollectibles	1,210,993	118,318	117,863			86,668	
Emergency Reserve	5,000,000	-	-			-	
Nonfuel Purchased Power:							
* SJRPP D/S Principal	7,812,969	651,081	143,333			2,208,073	
* SJRPP D/S Interest	12,150,065	1,012,505	903,151			1,317,009	
** Other Non-Fuel Purchased Power	65,409,021	5,689,752	6,398,127			2,539,078	
Total Nonfuel Expenses	850,884,946	72,659,638	70,680,285	2.72%		69,619,539	-1.52%
Non-Fuel Balance	-	5,540,301	808,561			524,197	
Total Balance	-	5,385,684	808,561			524,197	
Total Revenues	1,268,533,999	116,758,626	107,740,602	-7.72%		105,400,692	2.22%
Total Expenses	1,268,533,999	111,372,942	106,932,041	3.99%		104,876,495	-1.96%
KWH Sold - Territorial	13,020,000,000	1,202,047,754	1,124,819,591	-6.42%		1,094,475,000	2.77%
KWH Sold - Off System	-	-	2,774,000			1,095,000	
	13,020,000,000	1,202,047,754	1,127,593,591	-6.19%		1,095,570,000	2.92%

* Gross debt service

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

Electric System

Budget vs. Actual June 2018 and 2017	Year-to-Date				Prior Year-to-Date	
	ANNUAL BUDGET 2017-18	BUDGET 2017-18	ACTUAL 2017-18	Variance %	ACTUAL 2016-17	Variance %
Fuel Related Revenues & Expenses						
Fuel Rate Revenues	\$ 417,649,053	\$ 297,129,977	\$ 281,709,031	-5.19%	\$ 277,810,415	1.40%
Fuel Expense and Purchased Power:						
Fuel Expense - Electric System	315,411,659	225,126,900	226,030,332		176,392,059	
Fuel Expense - SJRPP	37,886,015	37,886,015	32,675,193		70,452,554	
Other Purchased Power	96,315,996	65,948,971	79,383,705		63,964,004	
Subtotal Energy Expense	449,613,670	328,961,886	338,089,230	-2.77%	310,808,617	-8.78%
Transfer to (from) Rate Stabilization, Net	(32,799,915)	-	(56,659,184)		(33,048,755)	
Fuel Related Uncollectibles	835,298	469,855	278,985		50,553	
Total	417,649,053	329,431,741	281,709,031	14.49%	277,810,415	-1.40%
Fuel Balance	-	(32,301,764)	-		-	
Nonfuel Related Revenues						
Base Rate Revenues	802,292,405	570,778,557	542,283,611		520,463,882	
Conservation Charge Revenue	1,000,000	711,407	567,106		297,076	
Environmental Charge Revenue	7,942,200	5,650,356	5,359,100		5,172,743	
Investment Income	6,714,534	5,035,900	7,066,645		5,056,475	
Natural Gas Revenue Pass Through	2,383,913	1,787,935	415,854		376,747	
Other Revenues	30,551,894	22,913,920	18,830,107		85,481,558	
Total	850,884,946	606,878,075	574,522,423	-5.33%	616,848,481	-6.86%
Nonfuel Related Expenses						
Non-Fuel O&M	216,333,937	151,053,713	141,373,040		134,143,454	
DSM / Conservation O&M	7,892,054	5,937,900	4,674,809		4,710,026	
Environmental O&M	2,050,500	1,537,875	704,597		607,931	
Rate Stabilization - DSM	(382,054)	(286,540)	221,542		(216,630)	
Rate Stabilization - Environmental	5,891,700	4,418,775	4,654,503		4,564,812	
Natural Gas Expense Pass Through	2,290,414	1,720,156	504,735		468,715	
Debt Principal - Electric System	124,185,000	93,138,750	93,678,214		91,574,025	
Debt Interest - Electric System	94,262,937	70,697,203	67,442,626		71,600,393	
Bond Buy-Back Principal - Electric System	10,110,614	7,582,960	-		69,099,658	
Rate Stabilization - Debt Management	-	-	-		(12,242,000)	
R&R - Electric System	65,608,800	49,206,600	49,206,600		46,648,725	
Operating Capital Outlay	139,586,200	78,000,000	78,000,000		78,000,000	
City Contribution Expense	91,471,795	68,603,846	68,603,846		69,203,019	
Taxes & Uncollectibles	1,210,993	1,064,863	695,158		260,757	
Emergency Reserve	5,000,000	-	-		-	
Nonfuel Purchased Power:						
* SJRPP D/S Principal	7,812,969	5,859,727	7,382,969		19,872,666	
* SJRPP D/S Interest	12,150,065	9,112,549	9,073,157		11,853,083	
** Other Non-Fuel Purchased Power	65,409,021	48,339,765	47,298,399		25,960,582	
Total Nonfuel Expenses	850,884,946	595,988,142	573,514,194	3.77%	616,109,216	6.91%
Non-Fuel Balance	-	10,889,933	1,008,229		739,265	
Total Balance	-	(21,411,831)	1,008,229		739,265	
Total Revenues	1,268,533,999	904,008,052	856,231,454	-5.28%	894,658,896	-4.30%
Total Expenses	1,268,533,999	925,419,883	855,223,225	7.59%	893,919,631	4.33%
KWH Sold - Territorial	13,020,000,000	9,262,878,245	8,747,693,023	-5.56%	8,438,942,342	3.66%
KWH Sold - Off System	-	-	33,052,000		120,609,000	
	13,020,000,000	9,262,878,245	8,780,745,023	-5.21%	8,559,551,342	2.58%

* Gross debt service

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

Water and Sewer System

Budget vs. Actual June 2018 and 2017	Month				Prior Year Month	
	ANNUAL BUDGET 2017-18	BUDGET 2017-18	ACTUAL 2017-18	Variance %	ACTUAL 2016-17	Variance %
REVENUES						
Water & Sewer Revenues	\$ 456,850,720	\$ 39,369,895	\$ 34,220,440		\$ 33,717,356	
Capacity & Extension Fees	21,000,000	1,805,608	3,237,150		3,085,660	
Investment Income	4,854,301	404,525	507,532		627,544	
Other Income	34,091,486	2,433,970	2,827,704		1,110,370	
Total	516,796,507	44,013,998	40,792,826	-7.32%	38,540,930	5.84%
EXPENSES						
O & M Expenses	154,316,393	12,663,624	10,838,847		12,867,545	
Debt Principal - Water & Sewer	51,720,000	4,310,000	4,310,000		4,251,667	
Debt Interest - Water & Sewer	69,402,632	5,783,552	5,668,931		5,943,398	
Rate Stabilization - Environmental	-	-	627,759		1,460,280	
R&R - Water & Sewer	24,473,800	2,039,483	2,039,483		1,897,242	
Operating Capital Outlay	151,801,519	11,747,685	11,747,685		7,712,602	
Operating Capital Outlay - Capacity/Extension	21,000,000	1,750,000	3,237,150		3,085,660	
Operating Capital Outlay - Environmental	17,248,866	1,514,267	501,134		(54,941)	
City Contribution Expense	25,148,020	2,095,668	2,095,668		1,962,688	
Uncollectibles & Fees	685,277	57,106	50,000		4,547	
Emergency Reserve	1,000,000	-	-		-	
Total Expenses	516,796,507	41,961,385	41,116,657	2.01%	39,130,688	-5.08%
Total Balance	\$ -	\$ 2,052,613	\$ (323,831)		\$ (589,758)	
Sales kgal						
Water	42,000,000	3,785,646	3,000,860	-20.73%	2,832,573	5.94%
Sewer	34,650,000	3,232,420	2,538,135	-21.48%	2,287,388	10.96%
Total	76,650,000	7,018,066	5,538,995	-21.08%	5,119,961	8.18%

Budget vs. Actual June 2018 and 2017	Year-To-Date				Prior Year to Date	
	ANNUAL BUDGET 2017-18	BUDGET 2017-18	ACTUAL 2017-18	Variance %	ACTUAL 2016-17	Variance %
REVENUES						
Water & Sewer Revenues	\$ 456,850,720	\$ 336,978,179	\$ 313,502,245		\$ 314,882,653	
Capacity & Extension Fees	21,000,000	15,316,518	19,389,056		18,489,354	
Capital Contributions	-	-	44,638		19,839	
Investment Income	4,854,301	3,640,726	4,860,039		4,683,837	
Other Income	34,091,486	25,879,003	26,761,885		8,682,483	
Total	516,796,507	381,814,426	364,557,863	-4.52%	346,758,166	5.13%
EXPENSES						
O & M Expenses	154,316,393	113,290,269	104,841,867		101,782,098	
Debt Principal - Water & Sewer	51,720,000	38,790,000	38,790,000		38,265,000	
Debt Interest - Water & Sewer	69,402,632	52,051,974	49,488,402		51,407,713	
Rate Stabilization - Environmental	-	-	6,700,870		3,111,949	
R&R - Water & Sewer	24,473,800	18,355,350	18,355,350		17,075,175	
Operating Capital Outlay	151,801,519	101,735,068	101,735,069		89,040,555	
Operating Capital Outlay - Capacity/Extension	21,000,000	15,750,000	19,389,056		18,489,354	
Operating Capital Outlay - Contributions	-	-	44,638		19,839	
Operating Capital Outlay - Environmental	17,248,866	12,706,066	3,827,069		7,969,715	
City Contribution Expense	25,148,020	18,861,015	18,861,015		17,664,194	
Uncollectibles & Fees	685,277	513,957	439,056		110,573	
Interlocal Agreements	-	-	346,727		287,373	
Emergency Reserve	1,000,000	-	-		-	
Total Expenses	516,796,507	372,053,699	362,819,119	2.48%	345,223,538	-5.10%
Total Balance	\$ -	\$ 9,760,727	\$ 1,738,744		\$ 1,534,628	
Sales kgal						
Water	42,000,000	30,755,607	26,722,846	-13.11%	27,724,701	-3.61%
Sewer	34,650,000	25,265,070	21,884,336	-13.38%	22,270,753	-1.74%
Total	76,650,000	56,020,677	48,607,182	-13.23%	49,995,454	-2.78%

Budget vs. Actual June 2018 and 2017	Month				Prior Year Month	
	ANNUAL BUDGET 2017-18	BUDGET 2017-18	ACTUAL 2017-18	Variance %	ACTUAL 2016-17	Variance %
REVENUES						
Revenues	\$ 9,125,828	\$ 824,868	\$ 690,337		\$ 741,206	
Investment Income	-	-	9,876		4,163	
Total	9,125,828	824,868	700,213	-15.11%	745,369	-6.06%
EXPENSES						
O & M Expenses	5,139,991	473,398	396,270		414,251	
Debt Principal - DES	1,660,000	138,333	138,333		136,667	
Debt Interest - DES	1,359,084	113,257	113,257		115,204	
R&R - DES	440,362	36,697	36,404		36,471	
Operating Capital Outlay	526,391	43,866	-		-	
Total Expenses	9,125,828	805,551	684,264	15.06%	702,593	2.61%
Total Balance	\$ -	\$ 19,317	\$ 15,949		\$ 42,776	

Budget vs. Actual June 2018 and 2017	Year-To-Date				Prior-Year-to-Date	
	ANNUAL BUDGET 2017-18	BUDGET 2017-18	ACTUAL 2017-18	Variance %	ACTUAL 2016-17	Variance %
REVENUES						
Revenues	\$ 9,125,828	\$ 6,369,064	\$ 6,081,582		\$ 6,189,529	
Investment Income	-	-	67,148		25,043	
Total	9,125,828	6,369,064	6,148,730	-3.46%	6,214,572	-1.06%
EXPENSES						
O & M Expenses	5,139,991	3,466,257	3,138,990		3,149,955	
Debt Principal - DES	1,660,000	1,245,000	1,245,000		1,230,000	
Debt Interest - DES	1,359,084	1,019,313	1,019,313		1,036,840	
R&R - DES	440,362	330,272	327,638		328,237	
Operating Capital Outlay	526,391	394,794	-		-	
Total Expenses	9,125,828	6,455,636	5,730,941	11.23%	5,745,032	0.25%
Total Balance	\$ -	\$ (86,572)	\$ 417,789		\$ 469,540	

Electric System

Schedule of Debt Service Coverage

(in thousands - unaudited)

	Month June		Year-to-Date June	
	2018	2017	2018	2017
Revenues				
Electric	\$ 110,075	\$ 107,649	\$ 872,459	\$ 848,261
Investment income ⁽¹⁾	639	355	5,940	4,017
Earnings from The Energy Authority	792	173	3,304	4,716
Other, net ⁽²⁾	1,770	2,092	16,204	21,236
Plus: amount paid from the rate stabilization fund into the revenue fund	8,166	8,485	71,631	59,212
Less: amount paid from the revenue fund into the rate stabilization fund	(1,189)	(1,120)	(11,139)	(11,903)
Total revenues	120,253	117,634	958,399	925,539
Operating expenses ⁽³⁾				
Fuel	30,933	24,321	226,031	176,391
Purchased power ⁽⁴⁾	21,252	25,121	188,872	205,564
Other operations and maintenance	17,447	14,962	146,705	140,249
Utility taxes and fees	5,281	5,225	42,421	40,722
Total operating expenses	74,913	69,629	604,029	562,926
Net revenues	\$ 45,340	\$ 48,005	\$ 354,370	\$ 362,613
Debt service	\$ 5,986	\$ 5,984	\$ 53,819	\$ 53,652
Less: investment income on sinking fund	(131)	(121)	(1,138)	(1,063)
Less: Build America Bonds subsidy	(127)	(126)	(1,141)	(1,137)
Debt service requirement	\$ 5,728	\$ 5,737	\$ 51,540	\$ 51,452
Senior debt service coverage ⁽⁵⁾	7.92 x	8.37 x	6.88 x	7.05 x
Net revenues (from above)	\$ 45,340	\$ 48,005	\$ 354,370	\$ 362,613
Debt service requirement (from above)	\$ 5,728	\$ 5,737	\$ 51,540	\$ 51,452
Plus: aggregate subordinated debt service on outstanding subordinated bonds	10,819	13,403	97,002	97,686
Less: Build American Bonds subsidy	(171)	(172)	(1,534)	(1,552)
Total debt service requirement and aggregate subordinated debt service	\$ 16,376	\$ 18,968	\$ 147,008	\$ 147,586
Senior and subordinated debt service coverage ⁽⁶⁾	2.77 x	2.53 x	2.41 x	2.46 x
Fixed charge coverage ⁽⁷⁾	2.17 x	1.92 x	1.81 x	1.78 x

⁽¹⁾ Excludes investment income on sinking funds.⁽²⁾ Excludes the Build America Bonds subsidy.⁽³⁾ Excludes depreciation and recognition of deferred costs and revenues, net.⁽⁴⁾ In accordance with the requirements of the Electric System Resolution, all the contract debt payments from the Electric System to the SJRPP and Bulk Power Supply System with respect to the use by the Electric System of the capacity and output of the SJRPP and Bulk Power Systems are reflected as a purchased power expense on these schedules. These schedules do not include revenues of the SJRPP and Bulk Power Supply System, except that the purchased power expense is net of interest income on funds maintained under the SJRPP and Bulk Power Supply System resolutions.⁽⁵⁾ Net revenues divided by debt service requirement. Minimum annual coverage is 1.20x.⁽⁶⁾ Net revenues divided by total debt service requirement and aggregate subordinated debt service. Minimum annual coverage is 1.15x.⁽⁷⁾ Net revenues plus JEA's share of SJRPP's and Bulk Power Supply System's debt service less city contribution divided by the sum of the adjusted debt service requirement and JEA's share of SJRPP's and Bulk Power Supply System's debt service.

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

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	Month June		Year-to-Date June	
	2018	2017	2018	2017
Revenues				
Operating	\$ 8,904	\$ 5,451	\$ 55,806	\$ 49,327
Investment income	11	10	92	95
Total revenues	8,915	5,461	55,898	49,422
Operating expenses ⁽¹⁾				
Fuel	3,145	2,902	18,155	27,382
Other operations and maintenance	1,458	1,202	13,774	11,015
Total operating expenses	4,603	4,104	31,929	38,397
Net revenues	\$ 4,312	\$ 1,357	\$ 23,969	\$ 11,025
Aggregate debt service	\$ 828	\$ 807	\$ 7,457	\$ 7,260
Less: Build America Bonds subsidy	(55)	(59)	(500)	(525)
Aggregate debt service	\$ 773	\$ 748	\$ 6,957	\$ 6,735
Debt service coverage ⁽²⁾	5.58 x	1.81 x	3.45 x	1.64 x

⁽¹⁾ Excludes all current expenses paid or accrued to the extent that such expenses are to be paid from revenues.

⁽²⁾ Net revenues divided by aggregate debt service. Minimum annual coverage is 1.15x.

JEA
St. Johns River Power Park System
Schedule of Debt Service Coverage - 1st Resolution
(in thousands - unaudited)

	Month June		Year-to-Date June	
	2018	2017	2018	2017
Revenues				
JEA	\$ -	\$ 13,659	\$ 98,013	\$ 96,336
FPL	-	11,051	28,360	92,434
Investment income	-	306	(4,289)	2,749
Total revenues	-	25,016	122,084	191,519
Operating expenses ⁽¹⁾				
Fuel	-	16,424	48,858	116,150
Other operations and maintenance	-	2,555	11,877	30,641
Total operating expenses	-	18,979	60,735	146,791
Net revenues	\$ -	\$ 6,037	\$ 61,349	\$ 44,728
Aggregate debt service	\$ -	\$ 3,960	\$ 11,260	\$ 35,640
Debt service coverage ⁽²⁾	N/A x	1.52 x	5.45 x	1.25 x

⁽¹⁾ Excludes depreciation and recognition of deferred costs and revenues, net.

⁽²⁾ Net revenues divided by aggregate debt service. Semiannual minimum coverage was 1.25x, however, there is currently no debt outstanding under the resolution and the resolution has been discharged and satisfied in accordance with its terms.

St. Johns River Power Park System
Schedule of Debt Service Coverage - 2nd Resolution
(in thousands - unaudited)

	Month June		Year-to-Date June	
	2018	2017	2018	2017
Revenues				
Operating	\$ 711	\$ 1,549	\$ 11,704	\$ 10,928
Investment income	453	23	686	182
Total revenues	1,164	1,572	12,390	11,110
Operating expenses	112	-	1,486	-
Net revenues	\$ 1,052	\$ 1,572	\$ 10,904	\$ 11,110
Aggregate debt service	\$ 2,801	\$ 1,079	\$ 8,834	\$ 9,713
Less: Build America Bonds subsidy	(92)	(32)	(276)	(292)
Aggregate debt service	\$ 2,709	\$ 1,047	\$ 8,558	\$ 9,421
Debt service coverage ⁽¹⁾	0.39 x	1.50 x	1.27 x	1.18 x

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

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

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	Month June		Year-to-Date June	
	2018	2017	2018	2017
Revenues				
Water	\$ 13,523	\$ 14,114	\$ 126,941	\$ 131,006
Water capacity fees	1,113	1,102	6,748	6,625
Sewer	21,542	20,521	193,936	191,644
Sewer capacity fees	2,124	1,983	12,641	11,864
Investment Income	509	631	4,882	4,719
Other ⁽¹⁾	1,107	899	8,570	7,227
Plus: amounts paid from the rate stabilization fund into the revenue fund	1,374	710	10,955	14,847
Less: amounts paid from the revenue fund into the rate stabilization fund	(2,002)	(2,171)	(17,656)	(18,045)
Total revenues	39,290	37,789	347,017	349,887
Operating expenses				
Operations and maintenance ⁽²⁾	11,916	14,328	115,420	111,092
Total operating expenses	11,916	14,328	115,420	111,092
Net revenues	\$ 27,374	\$ 23,461	\$ 231,597	\$ 238,795
Aggregate debt service	\$ 7,960	\$ 8,155	\$ 71,907	\$ 73,254
Less: Build America Bonds subsidy	(208)	(209)	(1,871)	(1,875)
Aggregate debt service	\$ 7,752	\$ 7,946	\$ 70,036	\$ 71,379
Senior debt service coverage ⁽³⁾	3.53 x	2.95 x	3.31 x	3.35 x
Net revenues (from above)	\$ 27,374	\$ 23,461	\$ 231,597	\$ 238,795
Aggregate debt service (from above)	\$ 7,752	\$ 7,946	\$ 70,036	\$ 71,379
Plus: aggregate subordinated debt service on outstanding subordinated debt	1,510	1,478	13,532	13,193
Total aggregate debt service and aggregate subordinated debt service	\$ 9,262	\$ 9,424	\$ 83,568	\$ 84,572
Senior and subordinated debt service coverage excluding capacity fees ⁽⁴⁾	2.61 x	2.16 x	2.54 x	2.60 x
Senior and subordinated debt service coverage including capacity fees ⁽⁴⁾	2.96 x	2.49 x	2.77 x	2.82 x
Fixed charge coverage	2.73 x	2.28 x	2.55 x	2.61 x

⁽¹⁾ Excludes the Build America Bonds subsidy.

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

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

⁽⁴⁾ Net revenues divided by total aggregate debt service and aggregate subordinated debt service. Minimum annual coverage is either 1.00x aggregate debt service and aggregate subordinated debt service (excluding capacity charges) or the sum of 1.00x aggregate debt service and 1.20x aggregate subordinated debt service (including capacity charges).

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

	Month June		Year-to-Date June	
	2018	2017	2018	2017
Revenues				
Service revenues	\$ 691	\$ 742	\$ 6,082	\$ 6,190
Investment income	10	4	67	25
Total revenues	701	746	6,149	6,215
Operating expenses ⁽¹⁾				
Operations and maintenance	398	417	3,136	3,137
Total operating expenses	398	417	3,136	3,137
Net revenues	\$ 303	\$ 329	\$ 3,013	\$ 3,078
Aggregate debt service ⁽²⁾	\$ 251	\$ 252	\$ 2,264	\$ 2,267
Debt service coverage ⁽³⁾	1.21 x	1.31 x	1.33 x	1.36 x

⁽¹⁾ Excludes depreciation.

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

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

Electric System, St. Johns River Power Park System and Scherer
Principal Amount of Debt Outstanding and Average Interest Rates
June 2018

Issue/Average Coupon Rate	Interest Rates	Principal Payment Dates	Par Amount Principal Outstanding	Current Portion of Long-Term Debt
Electric System - Fixed Rate Bonds				
Series Three 2004 A	5.000%	2039	\$ 5,000	\$ -
Series Three 2005 B	4.750%	2033	100,000	-
Series Three 2009 D - BABs	6.056%	2033-2044	45,955,000	-
Series Three 2010 A	4.000%	2018-2019	10,065,000	4,995,000
Series Three 2010 C	4.125 - 4.500%	2026-2031	1,950,000	-
Series Three 2010 D	4.250 - 5.000%	2018-2038	7,210,000	6,005,000
Series Three 2010 E - BABs	5.350 - 5.482%	2028-2040	34,255,000	-
Series Three 2012A	4.000 - 4.500%	2023-2033	16,995,000	-
Series Three 2012B	2.000 - 5.000%	2019-2039	85,615,000	-
Series Three 2013A	3.000 - 5.000%	2018-2026	74,865,000	9,100,000
Series Three 2013B	3.000 - 5.000%	2026-2038	7,500,000	-
Series Three 2013C	4.000 - 5.000%	2018-2030	19,335,000	4,295,000
Series Three 2014A	3.400 - 5.000%	2018-2034	12,870,000	2,060,000
Series Three 2015A	2.750 - 5.000%	2018-2041	69,975,000	145,000
Series Three 2015B	3.375 - 5.000%	2018-2031	23,900,000	6,675,000
Series Three 2017A	5.000%	2019	18,670,000	-
Series Three 2017B	3.375 - 5.000%	2026-2039	198,095,000	-
Total Fixed Rate Senior Bonds			627,360,000	33,275,000
2009 Series D	5.000%	2018	11,660,000	11,660,000
2009 Series E	4.000%	2018	295,000	295,000
2009 Series F - BABs	4.800 - 6.406%	2018-2034	63,670,000	1,515,000
2009 Series G	4.000 - 5.000%	2018-2019	16,090,000	1,425,000
2010 Series B	4.000 - 5.000%	2018-2024	4,605,000	925,000
2010 Series D - BABs	4.000 - 5.582%	2018-2027	44,125,000	2,075,000
2012 Series A	3.250 - 5.000%	2018-2033	62,440,000	5,950,000
2012 Series B	3.250 - 5.000%	2018-2037	52,995,000	2,580,000
2013 Series A	3.000 - 5.000%	2018-2030	44,585,000	1,530,000
2013 Series B	3.000 - 5.000%	2018-2026	21,275,000	2,740,000
2013 Series C	1.375 - 5.000%	2018-2038	78,330,000	1,175,000
2013 Series D	4.000 - 5.250%	2018-2035	88,660,000	14,125,000
2014 Series A	4.000 - 5.000%	2018-2039	121,320,000	10,990,000
2017 Series A	3.000 - 5.000%	2018-2019	31,790,000	30,500,000
2017 Series B	3.375 - 5.000%	2018-2034	185,745,000	795,000
Total Fixed Rate Subordinated Bonds			827,585,000	88,280,000
Total Fixed Rate Electric System Bonds/4.543%			1,454,945,000	121,555,000
Electric System - Variable Rate Bonds				
	Current Interest Rates (1)			
Series Three 2008 A	1.295%	2027-2036	51,680,000	-
Series Three 2008 B-1	1.668%	2018-2040	60,020,000	400,000
Series Three 2008 B-2	1.295%	2025-2040	41,900,000	-
Series Three 2008 B-3	1.295%	2024-2036	37,000,000	-
Series Three 2008 B-4	1.668%	2018-2036	49,410,000	400,000
Series Three 2008 C-1	1.309%	2024-2034	44,145,000	-
Series Three 2008 C-2	1.309%	2024-2034	43,900,000	-
Series Three 2008 C-3	1.602%	2030-2038	25,000,000	-
Series Three 2008 D-1	1.668%	2018-2036	108,900,000	2,625,000
Total Variable Rate Senior Bonds			461,955,000	3,425,000
Series 2000 A	1.480%	2021-2035	30,965,000	-
Series 2000 F-1	1.518%	2026-2030	37,200,000	-
Series 2000 F-2	1.520%	2026-2030	24,800,000	-
Series 2008 D	1.299%	2024-2038	39,455,000	-
Total Variable Rate Subordinated Bonds			132,420,000	-
Total Variable Rate Bonds			594,375,000	3,425,000
Total Electric System Bonds			2,049,320,000	124,980,000
St. Johns River Power Park - Fixed Rate Bonds				
Issue 3 Series 1	4.500%	2037	100,000	-
Issue 3 Series 2	5.000%	2034-2037	29,370,000	-
Issue 3 Series 4 - BABs	4.200 - 5.450%	2018-2028	22,410,000	1,720,000
Issue 3 Series 6	2.375 - 5.000%	2019-2037	91,330,000	-
Issue 3 Series 7	2.000 - 5.000%	2019-2033	79,500,000	-
Issue 3 Series 8	2.000 - 5.000%	2019-2039	57,895,000	-
Total Fixed Rate St. Johns River Power Park Bonds/4.012%			280,605,000	1,720,000
Bulk Power Supply System, Scherer 4 Project - Fixed Rate Bonds				
Series 2010A - BABs	4.250 - 5.920%	2018-2030	37,400,000	3,045,000
Series 2014A	2.000 - 5.000%	2018-2038	63,320,000	2,665,000
Total Fixed Rate Bulk Power Supply System Bonds/4.311%			100,720,000	5,710,000
Weighted Average Cost(2) / Total Outstanding Debt		3.389%	\$ 2,430,645,000	\$ 132,410,000

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

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

	Current YTD	Prior YTD	Year End Target
• Debt Ratio - Electric Enterprise Fund	74.0%	66.3%	71.1%
	Electric System	Power Park	Issue Three
• Remaining New Money Authorization	\$ 465,160,992	103,865,000	
• Remaining Senior Refunding Authorization	\$ 1,022,837,381	250,810,000	
• Remaining Subordinated Refunding Authorization	\$ 634,898,000	n/a	

Water and Sewer System

Principal Amount of Debt Outstanding and Average Interest Rates
June 2018

Issue/Average Coupon Rate	Interest Rates	Principal Payment Dates	Par Amount Principal Outstanding	Current Portion of Long-Term Debt
Fixed Rate Bonds				
2009 Series B	3.750 - 5.000%	2018-2019	\$ 18,295,000	\$ 9,380,000
2010 Series A - BABs	6.210 - 6.310%	2026-2044	83,115,000	-
2010 Series B - Taxable	4.700 - 5.700%	2018-2025	13,840,000	1,730,000
2010 Series C	5.000%	2020	3,000,000	-
2010 Series D	4.000 - 5.000%	2018-2039	42,525,000	3,900,000
2010 Series E	4.000 - 5.000%	2021-2039	11,865,000	-
2010 Series F - BABs	3.750 - 5.887%	2018-2040	44,275,000	2,180,000
2012 Series A	3.000 - 5.000%	2019-2041	162,430,000	-
2012 Series B	2.000 - 5.000%	2018-2037	76,380,000	1,780,000
2013 Series A	4.500 - 5.000%	2018-2027	63,660,000	11,940,000
2014 Series A	2.000 - 5.000%	2018-2040	217,790,000	4,830,000
2017 Series A	3.125 - 5.000%	2020-2041	378,220,000	-
Total Fixed Rate Senior Bonds			1,115,395,000	35,740,000
2010 Series A	5.000%	2018-2022	8,275,000	2,655,000
2010 Series B	3.000 - 5.000%	2020-2025	3,255,000	-
2012 Series A	3.000%	2021	1,440,000	-
2012 Series B	3.250 - 5.000%	2030-2043	29,685,000	-
2013 Series A	2.125 - 5.000%	2018-2029	37,435,000	5,705,000
2017 Series A	2.750 - 5.000%	2021-2034	58,940,000	-
Total Fixed Rate Subordinated Bonds			139,030,000	8,360,000
Total Fixed Rate Bonds/4.509%			1,254,425,000	44,100,000
Variable Rate Bonds				
	Current Interest Rates (1)			
2006 Series B - CPI Bonds	3.046% (2)	2018-2022	30,370,000	5,520,000
2008 Series A-2	1.290%	2028-2042	51,820,000	-
2008 Series B	1.325%	2023-2041	85,290,000	-
Total Variable Rate Senior Bonds			167,480,000	5,520,000
2008 Series A-1	1.299%	2018-2038	50,950,000	2,100,000
2008 Series A-2	1.243%	2030-2038	25,600,000	-
2008 Series B-1	1.283%	2030-2036	30,885,000	-
Total Variable Rate Subordinated Bonds			107,435,000	2,100,000
Total Variable Rate Bonds			274,915,000	7,620,000
Other Obligations				
Revolving Credit Agreement	3.133%	2018	3,000,000	-
Total Other Obligations			3,000,000	-
Weighted Average Cost(3) / Total Outstanding Debt		3.580%	\$ 1,532,340,000	\$ 51,720,000

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

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

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

	Current YTD	Prior YTD	Year End Target
• Debt Ratio - Water and Sewer	51.0%	55.1%	49.0%
• Remaining New Money Authorization	\$ 218,078,023		
• Remaining Refunding Authorization	\$ 794,813,942		

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District Energy System

Principal Amount of Debt Outstanding and Average Interest Rates
June 2018

Issue/Average Coupon	Interest Rates	Principal Payment Dates	Par Amount Principal Outstanding	Current Portion of Long-Term Debt
Fixed Rate Bonds				
2013 Series A/4.036%	1.725 - 4.538%	2018-2034	\$ 36,485,000	\$ 1,660,000
Weighted Average Cost(1) / Total Outstanding Debt		4.141%	\$ 36,485,000	\$ 1,660,000

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

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

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INVESTMENT PORTFOLIO REPORT
June 2018
All Funds

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INVESTMENT	BOOK VALUE	YIELD	% OF TOTAL	LAST MONTH	6 MONTH AVERAGE
* Treasuries	\$ 174,131,214	1.95%	13.47%	13.71%	11.24%
Agencies					
Federal Farm Credit Bank	90,016,924	1.63%	6.97%	7.68%	8.87%
Federal Home Loan Bank	251,189,477	1.70%	19.44%	19.78%	20.80%
Total	341,206,401	1.68%	26.40%	27.45%	29.67%
Municipal Bonds	222,878,665	2.53%	17.25%	17.35%	17.42%
Commercial Paper	203,172,598	2.19%	15.72%	13.85%	13.92%
U.S. Treasury Money Market Funds (1)	103,506,780	1.79%	8.01%	7.36%	7.06%
Agency Money Market Funds (2)	22,425,000	1.79%	1.74%	1.77%	1.00%
FEITF Money Market Fund	45,000,000	2.11%	3.48%	3.54%	3.28%
Florida Prime Fund	73,000,000	2.15%	5.65%	5.75%	5.75%
Wells Fargo Bank Accounts (3)					
Electric, Scherer	28,079,831	1.75%	2.17%	2.32%	2.49%
SJRPP	68,265,789	1.75%	5.28%	5.33%	6.77%
Water & Sewer, DES	10,682,434	1.75%	0.83%	1.57%	1.40%
Total Portfolio	\$ 1,292,348,713	2.01%	100.00%	100.00%	100.00%

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

Weighted Avg. Annual Yield for June 2018, Excluding Bank & Money Market Funds: 2.05%

Weighted Avg. Annual Yield for June 2018, Including Bank & Money Market Funds: 2.01%

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

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Interest Rate Swap Position Report
June 2018

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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	9/18/2033	\$ 84,800,000	\$ -	3.717	1.348	2.369	n/a	68% 1 mth Libor
3	Morgan Stanley	1/27/2005	10/1/2039	82,575,000	-	4.351	1.268	3.083	n/a	SIFMA
4	JPMorgan	1/27/2005	10/1/2035	85,600,000	-	3.661	1.348	2.313	n/a	68% 1 mth Libor
6	JPMorgan	1/27/2005	10/1/2037	39,175,000	-	3.716	1.348	2.368	n/a	68% 1 mth Libor
7	Morgan Stanley	10/31/2006	10/1/2022	-	30,370,000	4.025	3.046	0.979	n/a	CPI
8	Morgan Stanley	1/31/2007	10/1/2031	62,980,000	-	3.907	1.268	2.639	n/a	SIFMA
9	Merrill Lynch	3/8/2007	10/1/2041	-	85,290,000	3.895	1.268	2.627	n/a	SIFMA
10	Goldman Sachs	1/31/2008	10/1/2036	51,680,000	-	3.836	1.268	2.568	n/a	SIFMA
Total				<u>\$ 406,810,000</u>	<u>\$ 115,660,000</u>	Wtd Avg Spread		2.486		

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

	Month June			Year-to-Date June		
	2018	2017	Variance	2018	2017	Variance
Electric revenues sales (000's omitted):						
Residential	\$ 56,396	\$ 54,101	4.24%	\$ 429,952	\$ 397,868	8.06%
Commercial	35,595	33,748	5.47%	281,712	279,678	0.73%
Industrial	17,010	16,958	0.31%	146,673	145,805	0.60%
Public street lighting	1,081	1,090	-0.83%	9,644	9,859	-2.18%
Sales for resale - territorial	49	1,813	-97.30%	4,219	11,091	-61.96%
Electric revenues - territorial	110,131	107,710	2.25%	872,200	844,301	3.30%
Sales for resale - off system	98	35	180.00%	1,041	4,056	-74.33%
Electric revenues	110,229	107,745	2.31%	873,241	848,357	2.93%
Less: rate stabilization & recovery	6,977	7,365	5.27%	60,492	47,309	-27.87%
Less: allowance for doubtful accounts	(154)	(96)	60.42%	(782)	(96)	714.58%
Net electric revenues	117,052	115,014	1.77%	932,951	895,570	4.17%
MWh sales						
Residential	499,803	477,628	4.64%	3,752,695	3,459,724	8.47%
Commercial	375,077	354,431	5.83%	2,889,912	2,849,954	1.40%
Industrial	244,802	242,033	1.14%	2,021,595	1,989,190	1.63%
Public street lighting	5,138	5,606	-8.35%	44,852	50,897	-11.88%
Sales for resale - territorial	-	14,777	-100.00%	38,640	89,180	-56.67%
Total MWh sales - territorial	1,124,820	1,094,475	2.77%	8,747,694	8,438,945	3.66%
Sales for resale - off system	2,774	1,095	153.33%	33,052	120,609	-72.60%
Total MWh sales	1,127,594	1,095,570	2.92%	8,780,746	8,559,554	2.58%
Number of accounts (1)						
Residential	411,665	404,601	1.75%	409,063	402,344	1.67%
Commercial	52,504	51,931	1.10%	52,301	51,805	0.96%
Industrial	195	204	-4.41%	197	204	-3.43%
Public street lighting	3,792	3,744	1.28%	3,766	3,717	1.32%
Sales for resale	1	3	-66.67%	1	2	-50.00%
Total average accounts	468,157	460,483	1.67%	465,328	458,072	1.58%
Residential averages						
Revenue per account - \$	136.99	133.71	2.45%	1,051.07	988.88	6.29%
kWh per account	1,214	1,180	2.88%	9,174	8,599	6.69%
Revenue per kWh - ¢	11.28	11.33	-0.44%	11.46	11.50	-0.35%
Degree days						
Heating degree days	-	-	-	1,103	782	321
Cooling degree days	510	439	71	1,541	1,424	117
Total degree days	510	439	71	2,644	2,206	438
Degree days - 30 year average	449			2,561		

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

	Month June			Year-to-Date June		
	2018	2017	Variance	2018	2017	Variance
Water						
<i>Revenues (000's omitted):</i>						
Residential	\$ 7,264	\$ 7,527	-3.49%	\$ 68,354	\$ 69,251	-1.30%
Commercial and industrial	3,893	3,782	2.93%	35,059	34,350	2.06%
Irrigation	2,386	2,806	-14.97%	23,704	27,449	-13.64%
Total water revenues	13,543	14,115	-4.05%	127,117	131,050	-3.00%
Less: rate stabilization	(1,190)	(1,327)	-10.32%	(10,547)	(10,926)	-3.47%
Less: allowance for doubtful accounts	(20)	(1)	1900.00%	(176)	(44)	300.00%
Net water revenues	\$ 12,333	\$ 12,787	-3.55%	\$ 116,394	\$ 120,080	-3.07%
<i>Kgal sales (000s omitted)</i>						
Residential	1,403,550	1,305,335	7.52%	12,600,575	13,203,453	-4.57%
Commercial and industrial	1,216,484	1,065,275	14.19%	10,255,440	9,757,449	5.10%
Irrigation	380,826	461,963	-17.56%	3,866,831	4,763,799	-18.83%
Total kgals sales	3,000,860	2,832,573	5.94%	26,722,846	27,724,701	-3.61%
<i>Number of accounts (1):</i>						
Residential	286,938	280,448	2.31%	284,448	277,973	2.33%
Commercial and industrial	25,790	25,502	1.13%	25,664	25,389	1.08%
Irrigation	37,156	36,961	0.53%	37,019	36,674	0.94%
Total average accounts	349,884	342,911	2.03%	347,131	340,036	2.09%
<i>Residential averages:</i>						
Revenue per account - \$	25.32	26.84	-5.66%	240.30	249.13	-3.54%
Kgals per account	4.89	4.65	5.16%	44.30	47.50	-6.74%
Revenue per kgals - \$	5.18	5.77	-10.23%	5.42	5.24	3.44%
Sewer						
<i>Revenues (000's omitted):</i>						
Residential	\$ 11,238	\$ 11,006	2.11%	\$ 103,769	\$ 104,703	-0.89%
Commercial and industrial	9,135	8,499	7.48%	80,525	77,483	3.93%
Total sewer revenues	20,373	19,505	4.45%	184,294	182,186	1.16%
Less: rate stabilization	562	(134)	-519.40%	3,846	7,728	-50.23%
Less: allowance for doubtful accounts	(30)	(2)	1400.00%	(263)	(66)	298.48%
Net sewer revenues	20,905	19,369	7.93%	187,877	189,848	-1.04%
<i>Kgal sales (000s omitted)</i>						
Residential	1,230,057	1,147,163	7.23%	10,902,494	11,409,616	-4.44%
Commercial and industrial	1,019,768	912,476	11.76%	8,713,034	8,412,881	3.57%
Total kgals sales	2,249,825	2,059,639	9.23%	19,615,528	19,822,497	-1.04%
<i>Number of accounts (1):</i>						
Residential	253,988	247,722	2.53%	251,620	245,354	2.55%
Commercial and industrial	18,380	18,191	1.04%	18,321	18,126	1.08%
Total average accounts	272,368	265,913	2.43%	269,941	263,480	2.45%
<i>Residential averages:</i>						
Revenue per account - \$	44.25	44.43	-0.41%	412.40	426.74	-3.36%
kgals per account	4.84	4.63	4.54%	43.33	46.50	-6.82%
Revenue per kgals - \$	9.14	9.59	-4.69%	9.52	9.18	3.70%
Reuse						
<i>Revenues (000's omitted):</i>						
Reuse revenues	\$ 1,199	\$ 1,018	17.78%	\$ 9,905	\$ 9,524	4.00%
<i>Kgal sales (000s omitted)</i>						
Reuse sales (kgals)	288,310	227,749	26.59%	2,268,808	2,448,256	-7.33%
<i>Number of accounts (1):</i>						
Reuse accounts	11,986	9,817	22.09%	11,192	9,146	22.37%
Rainfall						
	Diff in inches			Diff in inches		
Normal	6.45	6.45		30.85	30.85	
Actual	9.77	11.88	(2.11)	37.46	39.56	(2.10)
Rain Days	12	20		73	61	

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

	Month June			Year-to-Date June		
	2018	2017	Variance	2018	2017	Variance
Generated power:						
Steam:						
<i>Fuel oil</i>						
Fuel expense	\$ (167,595)	\$ 238,722	-170.21%	\$ 4,163,527	\$ 339,833	1125.17%
Barrels #6 oil consumed	(1,548)	2,207	-170.14%	38,482	3,142	1124.76%
\$/ per barrel consumed	\$ 108.27	\$ 108.17	0.09%	\$ 108.19	\$ 108.16	0.03%
kWh oil generated (1)	-	-		23,686,188	376,100	6197.84%
Cost per MWh - oil	\$ -	\$ -		\$ 175.78	\$ 903.57	-80.55%
<i>Natural gas units #1-3</i>						
Gas expense - variable	\$ 6,508,862	\$ 5,841,869	11.42%	\$ 36,959,616	\$ 28,591,426	29.27%
MMBTU's consumed	1,953,321	1,738,950	12.33%	11,426,708	8,471,810	34.88%
\$/ per MMBTU consumed	\$ 3.33	\$ 3.36	-0.81%	\$ 3.23	\$ 3.37	-4.16%
kWh - gas generated (1)	179,916,104	161,189,784	11.62%	1,050,125,211	778,835,516	34.83%
Cost per MWh - gas	\$ 36.18	\$ 36.24	-0.18%	\$ 35.20	\$ 36.71	-4.13%
Cost per MWh - gas & oil - steam	\$ 35.25	\$ 37.72	-6.57%	\$ 38.30	\$ 37.13	3.14%
<i>Coal</i>						
Coal expense	\$ 3,534,602	\$ 2,336,065	51.31%	\$ 19,886,767	\$ 10,304,538	92.99%
kWh generated	114,711,302	74,805,469	53.35%	601,489,543	345,960,039	73.86%
Cost per MWh - coal	\$ 30.81	\$ 31.23	-1.33%	\$ 33.06	\$ 29.79	11.00%
<i>Pet coke and limestone</i>						
Expense	\$ 6,843,010	\$ 4,403,670	55.39%	\$ 39,060,902	\$ 20,990,098	86.09%
kWh generated	161,647,669	135,571,737	19.23%	1,006,896,387	628,280,633	60.26%
Cost per MWh - pet coke and limestone	\$ 42.33	\$ 32.48	30.33%	\$ 38.79	\$ 33.41	16.12%
Cost per MWh - coal & petcoke - steam	\$ 37.55	\$ 32.04	17.21%	\$ 36.65	\$ 32.12	14.10%
Combustion turbine:						
<i>Fuel oil</i>						
Fuel expense	\$ 135,454	\$ 79,894	69.54%	\$ 3,345,196	\$ 626,677	433.80%
Barrels #2 oil consumed	1,093	557	96.23%	35,286	5,034	600.95%
\$/ per barrel consumed	\$ 123.93	\$ 143.44	-13.60%	\$ 94.80	\$ 124.49	-23.85%
kWh - oil generated	163,907	44,511	268.24%	13,762,380	1,502,028	816.25%
Cost per MWh - oil	\$ 826.41	\$ 1,794.93	-53.96%	\$ 243.07	\$ 417.22	-41.74%
<i>Natural gas (includes landfill)</i>						
Gas expense Kennedy & landfill - variable	\$ 388,015	\$ 192,558	101.51%	\$ 2,162,576	\$ 938,879	130.34%
MMBTU's consumed	116,597	55,575	109.80%	650,350	281,093	131.36%
\$/ per MMBTU consumed	\$ 3.33	\$ 3.46	-3.95%	\$ 3.33	\$ 3.34	-0.44%
kWh - gas generated (1)	10,117,584	4,559,863	121.88%	53,604,881	21,426,007	150.19%
Cost per MWh - gas	\$ 38.35	\$ 42.23	-9.18%	\$ 40.34	\$ 43.82	-7.93%
Gas expense BB simple - variable	\$ 326,832	\$ 631,472	-48.24%	\$ 2,379,808	\$ 2,029,766	17.25%
MMBTU's consumed	\$ 113,714	212,222	-46.42%	785,923	655,194	19.95%
\$/ per MMBTU consumed	\$ 2.87	\$ 2.98	-3.41%	\$ 3.03	\$ 3.10	-2.26%
kWh - gas generated (1)	10,132,985	19,266,468	-47.41%	67,666,116	57,545,110	17.59%
Cost per MWh - gas simple	\$ 32.25	\$ 32.78	-1.59%	\$ 35.17	\$ 35.27	-0.29%
Gas expense BB combined - variable	\$ 6,926,477	\$ 5,202,939	33.13%	\$ 65,070,102	\$ 63,824,408	1.95%
MMBTU's consumed	2,456,612	1,764,319	39.24%	21,721,709	20,327,640	6.86%
\$/ per MMBTU consumed	\$ 2.82	\$ 2.95	-4.39%	\$ 3.00	\$ 3.14	-4.59%
kWh - gas generated (1)	348,278,991	249,661,178	39.50%	3,090,292,925	2,896,349,579	6.70%
Cost per MWh - gas combined	\$ 19.89	\$ 20.84	-4.57%	\$ 21.06	\$ 22.04	-4.45%
Gas expense GEC simple - variable	\$ 1,397,270	\$ 585,720	138.56%	\$ 8,202,016	\$ 3,971,285	106.53%
MMBTU's consumed	475,245	119,263	298.48%	2,009,321	1,329,159	51.17%
\$/ per MMBTU consumed	\$ 2.94	\$ 4.91	-40.13%	\$ 4.08	\$ 2.99	36.62%
kWh - gas generated	43,214,117	17,030,805	153.74%	178,034,431	121,847,868	46.11%
Cost per MWh - gas simple	\$ 32.33	\$ 34.39	-5.98%	\$ 46.07	\$ 32.59	41.35%
Cost per MWh - gas & oil ct	\$ 22.27	\$ 23.03	-3.30%	\$ 23.85	\$ 23.04	3.51%
Natural gas expense - fixed	\$ 3,397,961	\$ 3,096,170	9.75%	\$ 28,889,486	\$ 27,508,905	5.02%
Total generated power:						
Fuels expense	\$ 29,290,888	\$ 22,609,079	29.55%	\$ 210,119,996	\$ 159,125,815	32.05%
kWh generated	868,182,659	662,129,815	31.12%	6,085,558,062	4,852,122,880	25.42%
Cost per MWh	\$ 33.74	\$ 34.15	-1.19%	\$ 34.53	\$ 32.80	5.28%
Cost of fuels						
Fuel oil #6	\$ (167,595)	\$ 238,722		\$ 4,163,527	\$ 339,833	
Natural gas units #1-3 with landfill - variable	6,508,862	5,841,869		36,959,616	28,591,426	
Coal	3,534,602	2,336,065		19,886,767	10,304,538	
Petcoke	6,843,010	4,403,670		39,060,902	20,990,098	
Fuel oil #2	135,454	79,894		3,345,196	626,677	
Natural gas - simple cycle (BB & GEC) - variable	2,112,117	1,409,750		12,744,400	6,939,930	
Natural gas - combined (BB) - variable	6,926,477	5,202,939		65,070,102	63,824,408	
Natural gas - fixed	3,397,961	3,096,170		28,889,486	27,508,905	
Total	\$ 29,290,888	\$ 22,609,079		\$ 210,119,996	\$ 159,125,815	

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

	Month June			Year-to-Date June		
	2018	2017	Variance	2018	2017	Variance
Production Statistics (Continued)						
Purchased power:						
<i>Plant Scherer</i>						
Purchases	\$ 8,132,167	\$ 4,702,587	72.93%	\$ 48,849,682	\$ 42,592,024	14.69%
kWh purchased	117,864,000	104,297,000	13.01%	720,895,000	1,028,588,000	-29.91%
Cost per MWh	\$ 69.00	\$ 45.09	53.02%	\$ 67.76	\$ 41.41	63.65%
<i>TEA & other</i>						
Purchases	\$ 9,764,953	\$ 6,569,619	48.64%	\$ 80,045,387	\$ 55,294,585	44.76%
kWh purchased	188,665,376	142,122,296	32.75%	1,752,028,652	1,197,879,008	46.26%
Cost per MWh	\$ 51.76	\$ 46.23	11.97%	\$ 45.69	\$ 46.16	-1.03%
<i>SJRPP</i>						
Purchases	\$ 2,581,976	\$ 13,100,825	-80.29%	\$ 53,019,996	\$ 100,942,471	-47.48%
kWh purchased	-	244,991,000	-100.00%	539,759,000	1,770,513,000	-69.51%
Cost per MWh		\$ 53.47		\$ 98.23	\$ 57.01	72.29%
Total purchased power:						
Purchases	\$ 20,479,096	\$ 24,373,031	-15.98%	\$ 181,915,065	\$ 198,829,080	-8.51%
kWh purchased	306,529,376	491,410,296	-37.62%	3,012,682,652	3,996,980,008	-24.63%
Cost per MWh	\$ 66.81	\$ 49.60	34.70%	\$ 60.38	\$ 49.74	21.39%
Subtotal - generated and purchased power:	\$ 49,769,984	\$ 46,982,110	5.93%	\$ 392,035,061	\$ 357,954,895	9.52%
Fuel interchange sales	(97,645)	(35,115)	178.07%	(1,040,844)	(4,055,762)	-74.34%
Earnings of The Energy Authority	(791,624)	(184,818)	328.33%	(3,308,665)	(3,041,125)	8.80%
EPA Allowance Purchases	-	-		-	233,775	-100.00%
Realized and Unrealized (Gains) Losses	(418,600)	-		(2,775,500)	301,200	-1021.48%
Fuel procurement and handling	969,803	979,218	-0.96%	8,703,280	8,310,241	4.73%
By product reuse	1,091,016	733,905	48.66%	9,982,556	8,421,028	18.54%
Total generated and net purchased power:						
Cost, net	50,522,934	48,475,300	4.22%	403,595,888	368,124,252	9.64%
kWh generated and purchased	1,174,712,035	1,153,540,111	1.84%	9,098,240,714	8,849,102,888	2.82%
Cost per MWh	\$ 43.01	\$ 42.02	2.35%	\$ 44.36	\$ 41.60	6.63%
Reconciliation:						
Generated and purchased power per above	\$ 50,522,934	\$ 43.01		\$ 403,595,888	\$ 44.36	
SJRPP operating expenses:						
SJRPP O & M	(3,174)	(0.00)		(5,273,598)	(0.58)	
SJRPP debt service	(881,347)	(0.75)		(19,831,733)	(2.18)	
SJRPP R & R	(174,415)	(0.15)		4,760,528	0.52	
SCHERER operating expenses:						
Scherer power production	(1,064,450)	(0.91)		(8,324,986)	(0.92)	
Scherer R & R	(3,529,541)	(3.00)		(16,920,713)	(1.86)	
Scherer transmission	(290,345)	(0.25)		(4,478,164)	(0.49)	
Scherer taxes	(103,050)	(0.09)		(970,383)	(0.11)	
Florida and other capacity	(625,330)	(0.53)		(5,758,855)	(0.63)	
MEAG	(996,705)	(0.85)		(8,708,755)	(0.96)	
Rounding	1	0.00		1	0.00	
Energy expense per budget page	\$ 42,854,578	\$ 36.48		\$ 338,089,230	\$ 37.16	

	Month June		Year-to-Date June	
	2018	2017	2018	2017
MWh sales				
JEA	-	244,991	539,759	1,770,513
FPL saleback	-	147,958	332,467	1,145,966
FPL direct portion	-	98,237	218,056	729,120
Total MWh sales	-	491,186	1,090,282	3,645,599
Fuel costs	\$ 1,527,716	\$ 10,239,757	\$ 32,724,052	\$ 70,514,155
(Includes fuel handling expenses)				
Less interest credits: inventory bank	(2,900)	(12,671)	(53,571)	(71,383)
Plus (less): true-up interest	(1,776)	2,796	4,712	9,782
Total	1,523,040	10,229,882	32,675,193	70,452,554
Cost per MWh		\$ 41.76	\$ 60.54	\$ 39.79
Operating and maintenance expenses	7,442	1,595,843	5,238,459	19,104,398
Less: operations bank interest	(4,267)	(2,102)	(21,400)	(13,041)
Less: annual variable o & m true-up	-	-	3,444	(36,136)
Total	3,175	1,593,741	5,220,503	19,055,221
Cost per MWh		\$ 6.51	\$ 9.67	\$ 10.76
Debt service contribution				
Principal	143,333	2,208,073	7,382,969	19,872,666
Interest	933,773	1,349,442	9,348,748	12,144,981
Less credits:				
Reserve Issue 2	-	(194,954)	4,082,537	(1,837,183)
Reserve Issue 3	(9,171)	(13,089)	(193,031)	(119,710)
Debt service Issue 2	-	(412)	43,365	(30,540)
Debt service Issue 3	(3,291)	(2,208)	(14,217)	(8,906)
Bond proceeds COB	-	(6,055)	(35,522)	(63,624)
General reserve Issue 2	(17,914)	(14,320)	(147,393)	(119,055)
General reserve Issue 3	(10,244)	(8,036)	(56,446)	(53,689)
Build America Bonds subsidy	(30,621)	(32,433)	(275,591)	(291,898)
Inventory carrying costs	-	(63,690)	(323,456)	(606,031)
Total	1,005,865	3,222,318	19,811,963	28,887,011
Cost per MWh		\$ 13.15	\$ 36.71	\$ 16.32
R & R contribution	174,414	309,387	1,926,205	2,784,480
Less: interest credit	(124,518)	(73,503)	72,866	(605,999)
Less: cumulative capital recovery amount	-	(2,181,000)	(6,686,734)	(19,630,796)
Total	49,896	(1,945,116)	(4,687,663)	(17,452,315)
Cost per MWh		\$ (7.94)	\$ (8.68)	\$ (9.86)
Debt service coverage	-	2,107,000	2,022,000	6,322,000
Transfer to JEA	-	(2,107,000)	(2,022,000)	(6,322,000)
Total	-	-	-	-
Cost per MWh		\$ -	\$ -	\$ -
Total	\$ 2,581,976	\$ 13,100,825	\$ 53,019,996	\$ 100,942,471
kWh purchased	-	244,991,000	539,759,000	1,770,513,000
Cost per MWh		\$ 53.47	\$ 98.23	\$ 57.01

III. A.

Appendix G

Monthly FY18 Communications & Engagement Calendar and Plan Update

JEA Community Engagement Calendar - June - August 2018

(Events highlighted in blue are either JEA corporate or partner events)

**III. A.
Appendix G.
07/30/2018**

	A	B	C	D	E
1	Date	Event/Activity	Location	Time	Type
2	Jun-18				
3	6/1/2018	Catty Shack	1860 Starratt Way	10am	Volunteer Activity
4	6/1/2018	Lutheran Service Head Start	1095 A. Philip Randolph	9 - 11am	Volunteer Activity
5	6/4/2018	Oasis Kids Ministry	Main St Lab Tour	10:30am	Ambassador Facility Tour
6	6/5/2018	American Water	Buckman Tour	2:30pm	Ambassador Facility Tour
7	6/6/2018	TOTE Maritime Fair	10550 Deerwood Park Blvd.	1pm	Ambassador Event
8	6/6/2018	FL Urban Forestry Council	Southside Service Center	10am	Ambassador Speaker
9	6/7/2018	Environmental Awards Group	NGS Tour	9am	Ambassadors Facility Tour
10	6/8/2018	High School Tech	Main St Lab Tour	11am	Ambassador Facility Tour
11	6/8/2018	AME South District Church Convention	1129 Labelle St.	10am	Ambassador Speaker
12	6/8 - 6/9/2018	IT Pro Camp Event	Keiser University	Multiple shifts	Volunteer Activity
13	6/6-6/9/2018	Mega Pet Adoption Event	Jacksonville Fairgrounds	Multiple shifts	Volunteer Activity
14	6/9/2018	World Ocean Day	Jax Zoo	10am	Ambassador Event
15	6/11/2018	USO No Dough Dinner	2560 Mayport Rd., Atlantic Bch.	10am	Volunteer Activity
16	6/11/2018	Barnabas Food Pantry	Weaver Center	9:30am	Volunteer Activity
17	6/11/2018	SAMBA Meeting	1636 Main St	10am	Ambassador Speaker
18	6/13/2018	Men's Health Fair	Legends Center	10am	Ambassador Event
19	6/13/2018	The ARC	3601 Kernan	10am	Ambassador Speaker
20	6/14/2018	Rethreaded	Barnett St.	1 - 4pm	Volunteer Activity
21	6/14/2018	Summer CO-Op Day of Service	Ft. Caroline National Memorial Park	8:30am	Volunteer Activity
22	6/14/2018	Summer CO-Op Day of Service	Farm Share	9:30am - 4:40pm	Volunteer Activity
23	6/14/2018	Storm Water Grant Comm.	COJ Public Works Off.	9am	Ambassador Event
24	6/14/2018	Tree Commission Mtg.	City Hall	1pm	Ambassador Speaker
25	6/15/2018	ReStore	Beach Blvd.	9:30am - 4:30pm	Volunteer Activity
26	6/16/2018	Tree Planting	Seminole Park Atlantic Beach	8am	Ambassador Instructor
27	6/18/2018	New to You	930 S. 14th St.	12:30 - 4:30pm	Volunteer Activity
28	6/18/2018	UF/IFAS County Extension	Main St Lab Tour	11am	Ambassador Facility Tour
29	6/19/2018	JEA Board Meeting	JEA Tower	12pm	Ambassador Speaker
30	6/20/2018	Fidelity National Fair	Fidelity - Riverside	11am	Ambassador Event

JEA Community Engagement Calendar - June - August 2018

(Events highlighted in blue are either JEA corporate or partner events)

	A	B	C	D	E
31	6/20/2018	JEA Senior Day	JEA Lobby	10am	Ambassador Event
32	6/20/2018	Bold Bean Coffee -	868 Stockton St.	9am	Ambassador Speaker
33	6/21/2018	Farm Share	Jessie St.	9am	Volunteer Activity
34	6/21/2018	Cathedral Terrace Café	Newnan St.	11am	Volunteer Activity
35	6/21/2018	Vision for Excellence Camp	8535 118th St	10am	Ambassador Speaker
36	6/21/2018	Kids Summer Jam Camp	Main St Lab Tour	10am	Ambassador Facility Tour
37	6/21/2018	NEFAP Luncheon	FDEP Office - Baymeadows	12pm	Ambassador Speaker
38	6/22/2018	Clay County 4-H	Solar Farm Tour	10am	Ambassador Facility Tour
39	6/22/2018	STEM Conference	UNF	1pm	Ambassador Event
40	6/22/2018	Groundworks	Main St Lab Tour	12pm	Ambassador Facility Tour
41	6/22/2018	JaxPark Summer Program	Hugenot Park	9am	Volunteer Activity
42	6/22/2018	Feeding NE FL Food Bank	1116 Edgewood Ave.	8:30am	Volunteer Activity
43	6/22/2018	Claud Nolan Wellness Fair	4700 Southside Blvd.	11am	Ambassador Event
44	6/25/2018	USO No Dough Dinner	2560 Mayport Rd. Atlantic Bch.	10am	Volunteer Activity
45	6/25 - 6/26/2018	Sugar Hill Mosaic S-Line	2429 N. Davis St.	8:30 AM	Volunteer Activity
46	6/26/2018	City of Tallahassee	Commonwealth Tour	9am	Ambassador Facility Tour
47	6/26/2018	PLT Steering Committee	Jax Zoo	10am	Ambassador Event
48	6/27/2018	Damier Scientific	Mandarin Plant Tour	8am	Ambassador Facility Tour
49	6/28/2018	Kids Summer Jam Camp	NW Jax Solar Tour	10am	Ambassador Facility Tour
50	6/28/2018	Bolles Teachers	Mandarin Plant Tour	9am	Ambassador Facility Tour
51	6/29/2018	Catholic Charities Food Pantry	Church St.	9am	Volunteer Activity
52	6/29/2018	Shiva Robotics Academy	Beach Blvd.	4pm	Ambassador Speaker
53	6/29/2018	Hurricane Prep & Restoration	Memorial Hospital	10am	Ambassador Event
54					
55	Jul-18				
56	7/3/2018	LIFT Support Group	850 Lane Ave. S	12pm	Ambassador Speaker
57	7/5/2018	July 5th Beaches Cleanup	Multiple Beach locations	7am	Volunteer Activity
58	7/6/2018	JaxPark Summer Program	Palmetto Regional Park	9am	Volunteer Activity
59	7/9/2018	Barnabas Food Pantry	1303 Jasmine St	9:30am	Volunteer Activity
60	7/10/2018	Bright Horizons Summer Camp	9000 Southside Blvd.	9:30am	Ambassador Instructor
61	7/11/2018	Osher Lifelong Learning	Main St. Lab Tour	9:30am	Ambassador Facility Tour
62	7/11/ - 12/2018	PACE Center for Girls	2933 University Blvd.	9am	Volunteer Activity
63	7/12/2018	New To You	930 S 14th St	12:30pm	Volunteer Activity

JEA Community Engagement Calendar - June - August 2018

(Events highlighted in blue are either JEA corporate or partner events)

	A	B	C	D	E
64	7/13/2018	JaxPark Summer Program	Hanna Park	9am	Volunteer Activity
65	7/13/2018	Lutheran Services Head Start	1095 A Philip Randoiph	9am	Volunteer Activity
66	7/16/2018	USO	2560 Mayport Rd.	10am	Volunteer Activity
67	7/18/2018	YMCA Thingamajig	Prime Osborn	9am	Ambassador Event
68	7/18/2018	ARC Jax	1050 N Davis St	1pm	Ambassador Speaker
69	7/19/2018	Berry Good Farms	223 Mill Creek Rd.	9am	Volunteer Activity
70	7/19/2018	YMCA 1 - Hour Power Pals	Raines High School	9am	Ambassador Instructor
71	7/19/2018	Cathedral Terrace Café	Newnan St.	11am	Volunteer Activity
72	7/19/2018	Farm Share	Jessie St.	9am	Volunteer Activity
73	7/20/2018	Hope at Hand	3886 Atlantic Blvd.	1:00pm	Volunteer Activity
74	7/20/2018	ReStore	Beach Blvd.	9:30am - 4:30pm	Volunteer Activity
75	7/20/2018	YMCA First Coast Kids Challenge	UNF Hodges Stadium	3pm	Volunteer Activity
76	7/20/2018	Kids Summer Jam - 1 - Hour Power Pals	1726 E Church St.	1pm	Ambassador Instructor
77	7/23/2018	Callahan Food Distribution	Nassau Co. Extension Office	11:30am	Volunteer Activity
78	7/25/2018	Catholic Charities Food Pantry	Church St.	9am	Volunteer Activity
79	7/26/2018	BEAM	850 6th Ave.	1pm	Volunteer Activity
80	7/26/2018	COJ Summer Camp	Legends Center	9am	Ambassador Instructor
81	7/26/2018	Berry Good Farms	223 Mill Creek Rd.	9am	Volunteer Activity
82	7/27/2018	Feeding NE FL Food Bank	1116 Edgewood Ave.	8:30am	Volunteer Activity
83	7/27/2018	Tulsa Welding	Solar Farm Tour	9:30am	Ambassador Facility Tour
84	7/30/2018	Eden Gardens	9179 Garden St.	8am	Volunteer Activity
85					
86					
87	Aug-18				
88	8/1 - 8/4/2018	Back to School with BEAM	TBD	9am	Volunteer Activity
89	8/3/2018	Senior Prom	Prime Osborne	11am	Volunteer Activity
90	8/3/2018	JaxPark Summer Program	Castaway Island Preserve	9am	Volunteer Activity
91	8/4/2018	Back to School Rally	Edward Waters College	9am	Ambassador Event
92	8/4/2018	Touch a Truck Duval	Regency Square Mall Parking Lot	9am	Ambassador Event
93	8/6/2018	Barnabas Food Pantry	1303 Jasmine St.	9:30am	Volunteer Activity
94	8/7/2018	National Night Out	3151 Lenox Ave.	6pm	Ambassador Event
95	8/9/2018	On Campus Transition The ARC	UNF	10am	Ambassador Speaker

JEA Community Engagement Calendar - June - August 2018

(Events highlighted in blue are either JEA corporate or partner events)

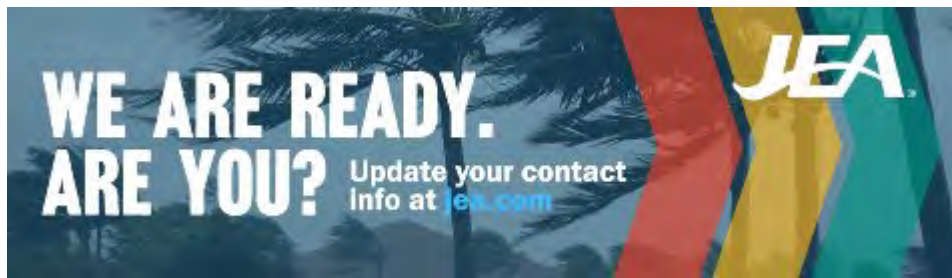
	A	B	C	D	E
96	8/13/2018	USO	2560 Mayport Rd.,	10am	Volunteer Activity
97	8/16/2018	Farm Share	Jessie St.	9am	Volunteer Activity
98	8/22/2018	Tech Coast Conference	Prime Osborne	8am	Volunteer Activity
99	8/23/2018	BEAM	850 6th Ave.	1pm	Volunteer Activity
100	8/24/2018	Feeding NE FL Food Bank	1116 Edgewood Ave.	8:30am	Volunteer Activity
101					



FY18 Customer & Community Engagement Overview and July Update

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

Customer Communications



Restoration 1-2-3

Hurricane season is here and to help our customers prepare, JEA has launched an ambitious community educational campaign to familiarize residents with the Restoration 1-2-3 process. Complete with both print and online materials as well as paid advertisements on TV, radio, online and digital billboards, this campaign is designed to help customers understand how JEA restores power after a major storm and what they can do to help. In addition to TV ads, radio spots, digital media and social media posts, JEA's new 16-page Storm Recovery Guide was inserted into the July 8 and July 14 editions of the Florida Times-Union.



Key calls to action included in this campaign include encouraging customers to update their JEA account information and sign up for alerts so that JEA may communicate with them directly should a major storm cause widespread power outages.

Community Engagement

JEA employees participated in numerous Ambassador events and Volunteer activities throughout the month of June, with Ambassadors participating in 31 activities and volunteers serving 481 hours in the community.

JEA Ambassadors

The Business Clients Relationship Key Accounts Team participated in a Hurricane Preparedness and Restoration Seminar created specifically for local nursing homes, assisted living facilities and other key health care partners. JEA Ambassadors also participated in the TOTE Maritime Employee Safety Fair, providing information about storm preparation activities.



Upon request, JEA Ambassadors delivered presentations to ARC Jacksonville, Shiva Robotics Club, and the FL Urban Forestry Council. Ambassadors also conducted JEA **facility tours** for groups and organizations such as the Tulsa Welding School and Kids Summer Jam Camp while also participating in several community events. In addition, Ambassadors taught the 1-hour Power Pals Program to the Vision of Excellence Summer Camp and the Seminole Park neighborhood committee.

Employee Volunteerism

In June, 96 JEA employees volunteered in the community, connecting with customers and assisting with numerous nonprofit projects and activities.



JEA summer co-op students participate in a day of volunteer community service

From volunteering at the Catholic Charities Food Pantry to serving meals with Feeding Northeast Florida, JEA employees gave generously of their time and talents for the benefit of our community.

Additional community groups and events that benefited from the assistance of JEA employee volunteers included Lutheran Services Florida Head Start Program, Catty Shack Ranch, First Coast No More Homeless Pets, Barnabas Food Pantry, Farm Share, Aging True, Groundworks JAX & Green Team Project, Rethreaded, ReStore, New to You and the USO's No Dough Dinner.

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

Communications Contacts* Generated Year to Date	132,698,047
• Number of Paid Communications Contacts (Radio, Television, Out of Home, Online, Print)	88,254,874
• Number of Other Communications Contacts (Bill Insert, Bill Envelop, Brochure, etc.)	9,744,075
• Number of E-communications Contacts (jea.com Visitors, Email, Social Media, Videos)	33,941,426
• Number of Community Engagement Communications Contacts (Events, Public Speaking, Presentations, Training, Workshops, etc.)	757,672

*Communications Contacts are the opportunities JEA has to communicate information to our customers.

VI. B.

Managing Director & Chief Executive Officer Position Specification

**Return to
Agenda**

**VI. B.
7/30/2018**



Managing Director & Chief Executive Officer

Heidrick & Struggles advises client companies on the basis of an exclusive consulting assignment. The following details are for personal review and should be kept confidential.

The Company

Company	JEA (name changed from Jacksonville Electric Authority in 1998)
Ownership	City of Jacksonville (Not-For-Profit)
Year Founded	1895
Headquarters	Jacksonville, Florida
Revenues	\$1.87 billion (FY 2017)
Employees	Approximately 2,100 (FY 2017)
Website	https://www.jea.com/
Company Mission	<p>At JEA, our mission is to energize our community through high-value energy and water solutions. With our services, you can touch a button and your home gets warmer or cooler. You can turn a faucet handle and clean water comes out for you to drink. And if you flick a handle, waste is gone from your home, never to be seen again. JEA powers community businesses, military, hospitals, churches and schools. We provide essential services to our community that literally make life possible for everyone who lives, works and even visits Jacksonville.</p>
Company Background	<p>JEA is the largest community-owned utility in Florida and the eighth largest in the United States. JEA is committed to our purpose – to improve the quality of life in the communities we serve, with a spirit that has united our business for more than 100 years. JEA is located in Jacksonville, Florida, where we proudly serve an estimated 458,000 electric, 341,000 water and 264,000 sewer customers.</p> <p>JEA is not owned by investors. It was created by the City of Jacksonville to serve those who live here and in the surrounding communities. The sole purpose of our business is to ensure the electric, water and sewer demands of our customers are met, both today and for generations to come. Our goal is to provide reliable services at the best value to our customers while ensuring our areas’ precious natural resources are protected.</p> <p>JEA's budget is divided into two distinct areas: the electric business and the water/wastewater business. The budget to operate these critical community services in 2017 is listed below.</p> <p style="padding-left: 40px;">Electric System Revenue Uses: \$1,383,122,000</p> <p style="padding-left: 40px;">Water/Wastewater Revenue Uses: \$462,674,000</p> <p>Residential customers generate approximately half of the company’s electric revenue; the other half is generated through service to 50,000 commercial and industrial customers across the service territory. The commercial and industrial market segments also account for about one-third of the water and wastewater revenue.</p>

JEA's five core values set the bar for how we conduct ourselves at work every day:

- **Safety:** Since many of our employees work out in the field in dangerous jobs using dangerous machinery, safety tops our list of core values. Our safety plan is a "Plan for Zero" incidents at JEA – no matter the department. Every employee is expected to adhere to all safety regulations and to be sure their co-workers do, too. No job is so important that it's worth anyone getting hurt. We want everyone to go home the way they came to work.
- **Service:** Providing excellent service to our customers is a constant expectation. But we also value service to our community. We all live and work in this area and most of us are JEA customers. We volunteer with a spirit of service to build community because it's our community, too.
- **Growth:** We expect our business to grow. Now more than ever we need to be flexible and adapt to the changing utility industry. We need new lines of business and we need our business to grow as our industry evolves. We also expect our employees to be life-long learners and we provide the training and individual growth and development here at JEA for them to accomplish this.
- **Accountability:** This is not to be confused with responsibility. We are all responsible for an activity or process, but accountability is more than that. With accountability, we are each responsible for the activity and the outcome.
- **Integrity:** Open, honest, fair, and ethical - integrity ties all the other four values together. It's how we act toward our colleagues, our stakeholders and above all our customers.

The Position

Position Title

Managing Director & Chief Executive Officer (CEO)

Location

Jacksonville, Florida

Reports To

This position is selected by and reports directly to the JEA Board of Directors, comprised of seven members appointed by the Jacksonville Mayor, confirmed by City Council, who serve staggered terms.

Reporting Structure

Current Reporting Structure under the Interim CEO:

- President & Chief Operating Officer (COO)
- Chief Financial Officer
- Chief Public & Shareholders Affairs Officer

The President & COO role is a newly created position in conjunction with the interim CEO structure. The Current Direct Reports to the President & COO:

- VP/GM Electric Systems
- VP/GM Water/Waste Water Systems
- Chief Legal Officer – *solid line reporting to the City of Jacksonville Office of General Counsel and a dotted line to the JEA President & COO*

- VP & Chief Information Officer
- VP & Chief Human Resources Officer
- VP & Chief Compliance Officer
- VP & Chief Customer Officer
- VP & Chief Environmental Services Officer – *newly created position in conjunction with the interim CEO structure*
- VP & Chief Supply Chain Officer – *newly created position in conjunction with the interim CEO structure*

Position Summary

JEA seeks to hire a forward-thinking, innovative leader capable of conducting a strategic review of JEA and the industry landscape to establish the long-term plans and objectives ensuring JEA will be relevant and agile to adapt and thrive for decades to come. The Managing Director & Chief Executive Officer ("CEO" henceforth) will be responsible for establishing the overall direction of JEA, leading the business and overall activities of the organization, and ensuring near and long-term financial success and sustainability. The CEO will be tasked with identifying new lines of business and revenue sources for JEA as well as establishing a culture of continuous improvement and commercial success, always seeking ways to improve efficiency and profitability.

The CEO will design the appropriate organizational structure to support this strategy and is responsible for ensuring that the organization attracts and retains a diverse mix of talent with the leadership, operational, and commercial skills to drive a culture of internal and external innovation, process excellence, and risk management.

In addition to working closely with the Board and his/her Executive Management Team, this position will also work with public officials, customers, industry leaders, suppliers, the financial community, and environmental groups to ensure JEA continues to meet or exceed its objectives in the safest, most reliable and cost effective manner.

Responsibilities

- Provide strategic leadership for the organization by developing and implementing the strategic vision that outlines the long-term role of JEA in the Jacksonville metro, the state of Florida, and the utility industry as a whole. Working across the stakeholder community, the CEO will conduct a detailed assessment of business including its current objectives, market opportunities for business line expansion and revenue growth, operational delivery capabilities, and customer service to develop the near and long-term goals of JEA.

Pivotal to the strategic plan developed will be the identification of potential additional revenue streams including competitive and retail offerings such as retail solar, energy efficiency services and equipment sales and / or leasing, **leveraging JEA's Dark Fiber** and other infrastructure assets, **electrification of Jacksonville's transportation fleet**, gas to electric energy conversions, etc.

- In support of the business strategy developed, design and implement the appropriate organizational structure to support a nimble, collaborative, and innovative culture and enhanced delivery capabilities. Utilize new-to-JEA collaboration and workflow initiatives (idea generation forums, customer feedback reviews, internal / external think tanks, etc.) to create a consistent internal engine idea generation for growth and improvement.

- Establish the appropriate policies to support the business strategy that enable creativity, diversity, and commercial growth while also protecting the assets, people, and information of JEA and those it serves.
- Facilitate stakeholder communication of strategy to gain buy-in; clearly and continuously articulate the business strategy/direction to the Board of Directors, regulators, senior management team and all employees.
- Effectively communicate risk and opportunity to facilitate decision-making, prioritization and measurement of operating performance against plan.
- Represents JEA with its major customers, the financial community, the public, and other stakeholders including local, state, and national forums.
- Manage company operations to ensure operational efficiency, safety, quality service and cost-effective use of resources. Identify and implement ongoing financial and operational improvements.
- Define and execute a workforce development plan to attract and engage a high performing team with the skills and competencies necessary to accomplish the goals of JEA today and in the future. Identify and mentor future leaders for the organization, creating a workplace of safe, reliable, cost-effective service with excellent customer experience.
- Enhance and maintain relationships with key constituents across the region and the industry including elected officials, industry leaders, suppliers, environmental groups and customers. Communicate effectively to stakeholder groups with messaging appropriate for the audience.
- **Define and oversee JEA's Disaster Preparedness Plan and ensure the appropriate training, logistics plan, and communication equipment are in place to respond to emergency / disaster situations.**
- Lead public policy and public affairs activity, serving as the primary spokesperson for the agency locally, regionally and nationally.
- Increase understanding of the role of JEA in economic development efforts across the region. Participate actively in legislative and regulatory initiatives regionally and nationally.
- Promote strong fiscal accountability and responsibility.
- Develop a culture of productivity, diversity, efficiency, flexibility, and accountability to customers. Help JEA continue to evolve its internal development capabilities and be a top employer of choice with a diverse employment base with varying backgrounds.

The Person

Pivotal Experience & Expertise

The Chief Executive Officer will have proven leadership experience working within the utility or municipal sector. He/she will be a strategic and commercially driven leader with demonstrated P&L experience as a senior level executive within a similarly-sized or larger electric, water, and/or gas utility, municipal operation or private business aligned with the utility industry. This experience should include successfully leading a utility/company/sizable business unit through a track record of sustained operational performance.

Specific skills and experiences sought:

- C-Suite or comparable senior leadership experience with P&L accountability in a complex organization with multiple lines of revenue; direct experience within the utility sector is strongly preferred. This executive should bring strong experience in at least one of the following areas: electric / power, water / wastewater, Dark Fiber Infrastructure, and Utility Class Chilled Water Plants.
- Experience setting and executing a transformative / disruptive long-term strategic vision including the commercialization of new services and products and technology transformations with complex groups of stakeholders. In addition, this person should bring experience establishing the supporting teams, organizational structure, and policies to support the strategy.
- Understanding of market economics and progressive regulatory framework of the utility industry, demonstrating an understanding of **"big picture" industry trends, national and regional competitive landscape**, and macroeconomic factors.
- Ability to evaluate and re-engineer operations, policies, and procedures to continuously improve the delivery capabilities of JEA, aiming for best-in-class status to enhance productivity, efficiency, and customer service.
- Extensive operational management experience and/or a deep understanding of the broader utility industry to demonstrate practical knowledge of the operational realities of implementing corporate strategies and the proven ability to drive operational discipline, precision and accountability throughout the organization.
- Strong financial acumen, including an understanding of investment and development, capital and debt requirements, and forecasting and measuring corporate performance against a structured operating budget. Understanding of risk management and risk mitigation strategies as it relates to executing the corporate strategy.
- Direct experience working with a board of directors from diverse backgrounds in a not-for-profit and/or municipal setting. Knowledge of contracting, bid management, and negotiations within the public sector.
- Experience working with regulatory agencies, public service commissions, and credit rating agencies. Experience and comfort managing internal and external relationships to create the right **"ecosystem" and credibility with customers, stakeholders, government, water suppliers, regulatory agencies and the media; acts as a "steward" of the organization's key relationships.**
- Proven ability to lead, implement and execute on key projects, as well as assemble teams to do same.

Leadership Capabilities

- History of identifying and developing operational and functional talent in the management ranks. Ability to attract talent in a competitive environment. Encourages continuous development of personnel.
- Shape Strategy: Anticipates and interprets market changes to continually evolve **JEA's** vision and strategy, drawing on **JEA's** core strengths and addressing key gaps. Makes timely, complex organizational decisions based on how the future will unfold, working cross-functionally to gain inputs, buy-in, and tactical inputs to achieve objectives
- Drives for Results: A driven executive to achieve organizational strategic priorities with clear milestones and accountability. Creates a culture of continuous improvement to core organizational practices, processes, and systems.
- Customers First: Builds deep customer relationships with JEA. Understands customer needs and creates distinctive value for customers. Unwavering fiduciary duty for the customers that JEA serves.
- Build Talent and Team: Builds and develops a strong performance-based culture and talent. Champions diversity and inclusion across JEA. Strengthens organizational capability.
- Inspire and Influence: Provokes high energy and enthusiasm in others through a strong sense of meaning and purpose. Engages and energizes the organization, leading through influence.

Culture Fit & Impact

- An authentic leader and spokesperson that builds and sustains strong relationships with their team and employees, regulators, customers and industry related partners.
- Passionate, energetic, confident, and able to motivate and inspire an organization to focus on what is important, commit to a course of action and achieve results.
- An approachable team player with superb interpersonal skills and a collaborative management style. Comfortable openly communicating ideas and direction to senior team and Board. Welcomes input and hands-on participation.
- A talented communicator with the ability to establish positive working relations at all levels: staff, employees, customers, regulators and Board members.
- Tough minded and thick-skinned, but able to relate to all relevant constituencies in an open, fair and trusting manner. Leads by example and not intimidation.
- Builds and nurtures a culture of collaboration, respect, honesty and quality within the organization.
- Honest and ethical with the highest level of personal and professional integrity. Works to develop and nurture a climate of respect in the organization.

Education

- Bachelor Degree from an accredited college or university in a related field or discipline; MBA preferred.

Engagement Team

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